

# **BOARD MEETING OF JULY 30, 2007**

**Beth Anderson, Chair**

**C. Kent Conine, Vice-Chair**



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  
July 30, 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  
BOARD MEETING**

**July 30, 2007  
8:30 am  
Capitol Extension Auditorium  
1500 N. Congress**

**A G E N D A**

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

**Elizabeth Anderson  
Chair of Board**

**PUBLIC COMMENT**

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

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

**CONSENT AGENDA**

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

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

*General Administration:*

- a) Minutes of the Board Meeting of June 28, 2007

*Disaster Recovery Division:*

- b) Presentation, Discussion and Possible Approval of Requests for Amendments to CDBG contracts administered by Office of Rural Community Affairs (ORCA) [ORCA]

*Multifamily Finance Division:*

- c) Presentation, Discussion and Possible Action for Housing Tax Credit Extensions: (if recommended)

05004	Samuels Place	Ft. Worth
05020	Hereford Central Place	Hereford
05092	Vida Que Canta	Mission

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

07405	Alamito Terrace, El Paso, El Paso County, Texas Alamito Public Facilities Corporation is the Issuer Recommend Credit Amount of \$346,251
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*HOME Division:*

- e) Presentation, Discussion and Possible Approval of a Notice of Funding Availability (NOFA) for approximately \$10,000,000 utilizing unawarded and deobligated HOME funds for the HOME Rental Housing Development (RHD) Program
- f) Presentation, Discussion and Possible Approval of a Notice of Funding Availability (NOFA) for approximately \$6,000,000 utilizing unawarded and deobligated HOME CHDO funds for the HOME Community Housing Development Organization (CHDO) Rental Housing Development Program

- g) Presentation, Discussion and Possible Approval of a Notice of Funding Availability (NOFA) for \$1,000,000 of local revenues from the Housing Trust Fund for the Texas Veteran’s Housing Support Program

**ACTION ITEMS**

**Item 2: Presentation, Discussion and Possible Approval of Real Estate Analysis Items:**

- a) Presentation Discussion and Possible Action for the 2007 Competitive Housing Tax Credits Appeals of Credit Underwriting Reports

07263	Constitution Court	Copperas Cove
07268	Mid-Towne I Apartments	Tomball
07228	Las Palmas Homes	Los Fresnos

Appeals Timely Filed [Underwriting Reports available on Department Website]

**Item 3: Presentation, Discussion and Possible Approval of Multifamily Division Items:**

- a) Presentation, Discussion, and Possible Action for Housing Tax Credits Appeals

Appeals Timely Filed

- 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. 07-023

07626	Costa Clemente	Angleton
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- c) Presentation, Discussion and Possible Issuance of Determination Notices for Housing Tax Credits Associated with Mortgage Revenue Bond Transactions with Other Issuers:

07422-	Rainbow Housing Assistance Corporation, Texas Bond Portfolio
07434	Texas State Affordable Housing Corporation is the Issuer
	Requested Credit Amount of \$2,306,979

- d) Presentation, Discussion, and Possible Approval of the Final Commitments from the 2007 Credit Ceiling for the Allocation of Competitive Housing Tax Credits and the Waiting List for the 2007 Application Round from the list of all applications below:

Dev. No.	Development Name	City	Region
07101	Carpenter's Point	Dallas	3
07103	Oak Tree Village	Dickinson	6
07104	Country Lane Seniors-Greenville Community	Greenville	3
07108	Paseo Palms	El Paso	13
07109	Elrod Place	Katy	6
07110	Poteet Housing Authority Farm Labor	Poteet	9
07114	Washington Village Apartments	Wichita Falls	2
07115	Heights Apartments	Big Spring	12
07117	Deer Creek Apartments	Levelland	1
07118	Lakeside Apartments	Mount Pleasant	4
07123	Tower Village	Nacogdoches	5
07124	King's Crossing Phase II	Kingsville	10
07126	Oak Timbers-Caplin Drive	Arlington	3
07131	StoneLeaf at Dalhart	Dalhart	1
07133	StoneLeaf at Tye	Tye	2
07137	Hampton Villages	Pampa	1
07141	Pinnacle of Pleasant Humble	Humble	6

Dev. No.	Development Name	City	Region
07149	Residences at Eastland	Fort Worth	3
07151	Key West Village Phase II	Odessa	12
07153	Los Ebanos Apartments	Alton	11
07162	Pointe North	Beaumont	5
07164	Covington Townhomes	Texarkana	4
07165	Gates of Dominion North	Houston	6
07166	Jeremiah Seniors	Hurst	3
07167	Meadowlake Village Apartments	Mabank	3
07169	Costa Madera	Laredo	11
07170	Gibraltar	Clute	6
07171	San Juan Square II	San Antonio	9
07173	West End Baptist Manor Apartments	San Antonio	9
07174	LULAC Hacienda Apartments	Corpus Christi	10
07175	Austin Place	Mount Pleasant	4
07177	Hamilton Senior Village	Hamilton	8
07178	Tammye's Pointe	Eagle Pass	11
07179	Villas at Goose Creek	Baytown	6
07180	Holland House Apartments	Holland	8
07182	Retama Village - Phase II	McAllen	11
07183	Sunset Terrace	Pharr	11
07185	Bluebonnet Senior Village	Alamo	11
07189	Sunlight Manor Apartments	Beaumont	5
07190	Stephen Austin School Apartments	Greenville	3
07191	Washington Hotel Lofts	Greenville	3
07192	Historic Lofts of Waco High	Waco	8
07193	Stone Brook Senior Apartments	Palestine	4
07194	377 Villas	Brownwood	2
07198	West Durango Plaza Apartments	San Antonio	9
07199	Kingsville LULAC Manor Apartments	Kingsville	10
07203	Melbourne Apartments	Alvin	6
07204	Notting Hill Gate Apartments	Missouri City	6
07205	North Manor Estates Apartments	Weslaco	11
07206	Villa Estella Trevino	Edinburg	11
07210	New Hope Housing at Bray's Crossing	Houston	6
07217	Victory Place Seniors	Houston	6
07219	Canyons Retirement Community	Amarillo	1
07220	San Gabriel Crossing	Liberty Hill	7
07222	Riverbend Trails	San Angelo	12
07223	Shady Oaks Apartments	Georgetown	7
07224	Sierra Ridge Apartments	Georgetown	7
07226	Candlewick Apartments	Brownsville	11
07227	Champion Home at La Joya	La Joya	11
07228	Las Palmas Homes	Los Fresnos	11
07233	Ingram Square Apartments	San Antonio	9
07234	Tuscany Park at Buda	Buda	7
07235	Woodchase Senior Community	El Paso	13
07236	Green Briar Village Phase II	Wichita Falls	2
07242	Paseo de Paz Apartments	Kerrville	9
07244	Alamito Place	El Paso	13
07245	Sphinx at Fiji Seniors	Dallas	3
07246	Lexington Square	Angleton	6
07247	Terry Street Apartments	Malakoff	4

Dev. No.	Development Name	City	Region
07249	Bluffs Landing Senior Village	Round Rock	7
07252	Brooks Manor Apartments	West Columbia	6
07254	Evergreen at Farmers Branch	Farmers Branch	3
07256	Evergreen at The Colony	The Colony	3
07257	Orange Palm Garden Apt Homes	Orange	5
07258	Trinity Garden Apt Homes	Liberty	6
07259	Montgomery Meadows Phase II	Huntsville	6
07260	Victoria Place Addition	Athens	4
07261	Lexington Court Phase II	Kilgore	4
07262	Santour Court	College Station	8
07263	Constitution Court	Copperas Cove	8
07267	Buena Vida Apartments	La Feria	11
07268	Mid-Towne I Apartments	Tomball	6
07271	Hyatt Manor Apartments	Gonzales	10
07272	Plantation Valley Estates	Krum	3
07275	Mansions at Briar Creek	Bryan	8
07280	Andalusia	Houston	6
07282	Palermo	Midland	12
07285	Anson Park Seniors	Abilene	2
07289	Peachtree Seniors	Balch Springs	3
07291	Cypress Creek at Reed Road	Houston	6
07292	North Eastman Residential	Longview	4
07293	Morningstar Villas	Texas City	6
07294	Grove at Brushy Creek	Bowie	2
07295	Bluestone	Mabank	4
07300	Wentworth Apartments	Atascocita	6
07302	Casa Alton	Alton	11
07303	Villas on Raiford	Carrollton	3
07306	Zion Village Apartments	Houston	6
07309	Glenwood Trails	Deer Park	6
07310	Gardens at Friendswood Lakes	Friendswood	6
07313	Villas at Rabbit Hill	Round Rock	7
07318	Buena Vida Senior Village	Corpus Christi	10

**Item 4: Presentation, Discussion and Possible Approval of Financial Division Items:**

- a) Presentation, Discussion and Possible Approval of FY 2008 Final Draft Operating Budget
- b) Presentation, Discussion and Possible Approval of FY 2008 Final Draft Housing Finance Budget

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

- a) Presentation, Discussion and Possible Approval of the 2007 HOME Investment Partnerships Program Preservation and Rental Housing Development Program award recommendations in the amount of \$2,812,125 from the list of applications below:

07124	King's Crossing Phase II	Kingsville
07175	Austin Place	Mount Pleasant
07177	Hamilton Senior Village	Hamilton
07223	Shady Oaks Apartments	Georgetown
07234	Tuscany Park at Buda	Buda
07247	Terry Street Apartments	Malakoff
07255	Evergreen at Jollyville	Jollyville
07282	Palermo	Midland
07131	Villas at Rabbit Hill	Round Rock

07343	Parkwood Apartments	Nixon
07417	Park Ridge Apartments	Llano
07418	Creek View Apartments	Johnson City

- b) Presentation, Discussion and Possible Approval of the 2007 HOME Investment Partnerships Program Community Housing Development Organization (CHDO) Rental Development Program award recommendations in the amount of \$1,210,000 from the list of applications below:

07199	Kingsville LULAC Manor	Kingsville
07249	Bluffs Landing Senior Village	Round Rock
07256	Evergreen at The Colony	The Colony
07260	Victoria Place Addition	Athens
07261	Lexington Court Phase II	Kilgore
07263	Constitution Court Phase II	Copperas Cove
07340	Copper Creek Homes	Hudson
07624	Ennis Senior Estates	Ennis

#### Item 6: Presentation, Discussion and Possible Approval of Disaster Recovery Division Items:

- a) Presentation and Discussion of the Community Development Block Grant (CDBG) Disaster Recovery Status Report

#### Item 7: Presentation, Discussion and Possible Approval of Bond Finance Items:

- a) Presentation, Discussion and Possible Approval of a loan reservation procedure for the Single Family Mortgage Revenue Bond (MRB) Program 70 Targeted Area set-aside

#### EXECUTIVE SESSION

Elizabeth Anderson

- a) The Board may go into Executive Session (close its meeting to the public) on any agenda item if appropriate and authorized by the Open Meetings Act, Texas Government Code, Chapter 551
- b) The Board may go into Executive Session Pursuant to Texas Government Code §551.074 for the purposes of discussing personnel matters including to deliberate the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee
- c) Consultation with Attorney Pursuant to §551.071(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 *Brandal v. TDHCA* Filed in State Court in Potter County
  3. With Respect to pending litigation styled *Ballard v. TDHCA* Filed in Federal Court
  4. 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. Monthly Report on HOME Amendments Granted
2. Construction Cost Research by Real Estate Analysis Division
3. 2007 Competitive Housing Tax Credit Challenges

#### ADJOURN

Elizabeth Anderson

To access this agenda & details on each agenda item in the board book, please visit our website at [www.tdhca.state.tx.us](http://www.tdhca.state.tx.us) or contact Nidia Hiroms, 512-475-3934; TDHCA, 221 East 11<sup>th</sup> Street, Austin, Texas 78701, and request the information. Individuals who require auxiliary aids, services or sign language interpreters for this meeting should contact Gina Esteves, ADA Responsible Employee, at 512-475-3943 or Relay Texas at 1-800-735-2989 at least two days before the meeting so that appropriate arrangements can be made. Non-English speaking individuals who require interpreters for this meeting should contact Nidia Hiroms, 512-475-3934 at least three days before the meeting so that appropriate arrangements can be made.

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



**EXECUTIVE OFFICE – BOARD**

**BOARD ACTION REQUEST**

**July 30, 2007**

**Action Item**

Minutes of the Board Meeting of June 28, 2007.

**Required Action**

Review minutes of the June 28, 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**

**June 28, 2007; 9:30 am  
1500 N. Congress, Capitol Extension Auditorium  
Austin, Texas**

**SUMMARY OF MINUTES**

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

The Board Meeting of the Texas Department of Housing and Community Affairs of June 28, 2007 was called to order by Chair, Elizabeth Anderson at 9:40 a.m. It was held at the Capitol Extension Auditorium, Austin, Texas. Roll call certified a quorum was present.

**Members Present:**

Elizabeth Anderson – Chair  
C. Kent Conine – Vice-Chair  
Shadrick Bogany – Member  
Sonny Flores – Member  
Gloria Ray – Member

**Member Absent:**

The Honorable Norberto Salinas – Member

**PUBLIC COMMENT**

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

The Honorable Representative Jose Menendez, provided testimony in favor of San Juan Homes.  
The Honorable Representative Richard Raymond, provided testimony concerning Costa Madera #07169.

David Foote, Superintendent, Dalhart Public Schools, provided testimony in support of Stoneleaf at Dalhart #07131.

David Ahlem, Manager, Hilmar Cheese Co., provided testimony in support of Stoneleaf at Dalhart #07131.

Jerry Killingsworth, Director of Housing, City of Dallas, provided testimony in support of Carpenter's Point #07101 and Sphinx at Fiji.

Jay Low, resident of Liberty Hill, Texas, provided testimony in opposition to San Gabriel Crossing #07220.

Dennis Wells, resident of Liberty Hill, Texas, provided testimony in opposition to San Gabriel Crossing #07220.

Laura Waller, resident of Liberty Hill, Texas, provided testimony in opposition to San Gabriel Crossing #07220.

Carl Cooke, resident of Liberty Hill, Texas, provided testimony in opposition to San Gabriel Crossing #07220.

Monty Price, resident of Liberty Hill, Texas, provided testimony in opposition to San Gabriel Crossing #07220.

Michael Lyttle, read for the record a letter from the Honorable Representative Dan Gattis, asking the Department to delay a decision on San Gabriel Crossing, #07220, until the Department can reexamine the application, due to recent allegations.

The Honorable Larry L. Melton, Mayor, City of Odessa, provided testimony in support of the Key West Senior Village #07151.

The Honorable Michael Sanchez, City Councilman, City of Odessa, provided testimony in support of the Key West Senior Village #07151.

Judy Hayes, representing District 1, Ector County Hospital District, provided testimony in support of the Key West Senior Village #07151.

The Honorable Armando S. Rodriguez, County Commission Precinct 4, provided testimony in support of the Key West Senior Village #07151.

Reverend J. W. Hanson, provided testimony in support of the Key West Senior Village #07151.

Bernadine Spears, provided testimony in support of the Key West Senior Village #07151.

Darlene de la Rosa, representing the San Juan Homes Resident Council, provided testimony in support of San Juan Square II, #07171.

Sandra Perez, Secretary, San Juan Homes Resident Council, provided testimony in support of San Juan Square II, #07171.

Gloria Rivera, representing the San Juan Homes Resident Council, provided testimony in support of San Juan Square II, #07171.

Ricardo Rangel, representing the San Juan Homes Resident Council, provided testimony in support of San Juan Square II, #07171.

The Honorable Juan Ramirez, Councilmember District 8, provided testimony in support of Costa Madera, #07169.

Abraham Rodriguez, Executive Director, Laredo Housing Authority, provided testimony in support of Costa Madera, #07169.

Larry Dovalina, former City Manager, City of Laredo, provided testimony in support of Costa Madera, #07169.

Roger Creery, Executive Director, Laredo Development Foundation, provided testimony in support of Costa Madera, #07169.

Margie Ramirez Ibarra, Webb County Clerk, provided testimony in support of Costa Madera, #07169.

Hector Lee Patino, Assistant Pastor, Christian Family Center, provided testimony in support of Costa Madera, #07169.

Juan Jose Gamboa, provided testimony in Spanish, in support of Costa Madera, #07169.

Celia Fuentes, provided testimony in Spanish, in support of Costa Madera, #07169.

Eva Delgado, provided testimony in support of Costa Madera, #07169.

Enriqueta A. Cruz, provided testimony in support of Costa Madera, #07169.

C.G. Brown, Vice President, Dolphin Heights Neighborhood, Assn., provided testimony in support of Carpenter's Point, #07101.

Adrian Brown, provided testimony in support of Carpenter's Point, #07101.

Anna B. Hill, President, Dolphin Heights Neighborhood, Assn., provided testimony in support of Carpenter's Point, #07101.

Jacqueline S. Washington, provided testimony in support of Carpenter's Point, #07101.

George D. King, President & CEO, Brazier Berean Group, provided testimony in support of Carpenter's Point, #07101.

Ralph S. Parker, III, provided testimony in support of Carpenter's Point, #07101.

Chair Anderson read for the record, two witness affirmations in support of Carpenter's Point, #07101, from a Professor with UT Southwestern Medical School and Gary Caldwell, construction manager in Dallas.

Fred E. Diaz, Retired LULAC Board Member, provided testimony in support of Kingsville LULAC Manor, #07199.

Herman L. Sanders, Jr., Booker T. Washington Ex-Students & Community Resources Corp., provided testimony in opposition to Washington Village Apts., #07114.

Brenda A. Jarrett, Booker T. Washington Ex-Students & Community Resources Corp., provided testimony in opposition to Washington Village Apts., #07114.

Chan Pak, Owner, Korean Daily, provided testimony in support of Villas on Raiford, #07303.

Huelon Harrison, Project Development Team, provided testimony in support of Villas on Raiford, #07303.

Chair Anderson recognized the attendance of Amanda Arriaga of the Governor's Office and Craig Watson, Chief Clerk for the House Urban Affairs Committee, and thanked them for attending.

Board adjourned for a brief period.

Board recognized long time staff member Sue Cavazos who was leaving the Department and thanked her for her years of service to the State of Texas.

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

## **ACTION ITEMS**

### **AGENDA ITEM 1:**

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

**07412 Mansions at Hastings Green, Houston, Harris County, Texas; Harris County HFC is the Issuer; Recommended Credit Amount of \$937,247**

Motion made by Mr. Bogany to approve staff recommendation; seconded by Ms. Ray; passed unanimously.

**07416 Regent I, Beaumont, Jefferson County, Texas; BHC Redevelopment Corporation is the Issuer; Recommended Credit Amount of \$810,175**

Motion made by Mr. Bogany to approve staff recommendation; seconded by Ms. Ray; passed unanimously.

### **AGENDA ITEM 2:**

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

**Presentation Discussion and Possible Action for the 2007 Competitive Housing Tax Credits Appeals of Credit Underwriting Reports**

No appeals filed.

### **Agenda Item 3:**

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

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

**03011 Elder Street Lofts Houston**

Withdrawn from consideration.

**07302 Casa Alton Alton**

Monica Poss, National Farm Workers Service Center, provided testimony in support appeal for Casa Alton, #07302.

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

**b) Issue a list of Approved Applications (as of June 28<sup>th</sup>) from the following list of all applications for Housing Tax Credits in accordance with §2306.6724(e) of the Texas Government Code.**

07101	Carpenter's Point	Dallas
07102	Chelsea Place	Houston
07103	Oak Tree Village	Dickinson
07104	Country Lane Seniors-Greenville Community	Greenville
07108	Paseo Palms	El Paso
07109	Elrod Place	Katy
07110	Poteet Housing Authority Farm Labor	Poteet
07111	Alaniz Circle	Beeville
07114	Washington Village Apartments	Wichita Falls
07115	Heights Apartments	Big Spring
07117	Deer Creek Apartments	Levelland
07118	Lakeside Apartments	Mount Pleasant
07123	Tower Village	Nacogdoches
07124	King's Crossing Phase II	Kingsville
07126	Oak Timbers-Caplin Drive	Arlington
07131	StoneLeaf at Dalhart	Dalhart
07133	StoneLeaf at Tye	Tye
07137	Hampton Villages	Pampa
07141	Pinnacle of Pleasant Humble	Humble
07149	Residences at Eastland	Fort Worth
07151	Key West Village Phase II	Odessa
07153	Los Ebanos Apartments	Alton
07162	Pointe North	Beaumont
07164	Covington Townhomes	Texarkana
07165	Gates of Dominion North	Houston
07166	Jeremiah Seniors	Hurst
07167	Meadowlake Village Apartments	Mabank
07169	Costa Madera	Laredo
07170	Gibraltar	Clute
07171	San Juan Square II	San Antonio
07173	West End Baptist Manor Apartments	San Antonio
07174	LULAC Hacienda Apartments	Corpus Christi
07175	Austin Place	Mount Pleasant
07177	Hamilton Senior Village	Hamilton
07178	Tammye's Pointe	Eagle Pass
07179	Villas at Goose Creek	Baytown
07180	Holland House Apartments	Holland
07182	Retama Village - Phase II	McAllen
07183	Sunset Terrace	Pharr
07185	Bluebonnet Senior Village	Alamo
07189	Sunlight Manor Apartments	Beaumont
07190	Stephen Austin School Apartments	Greenville
07191	Washington Hotel Lofts	Greenville
07192	Historic Lofts of Waco High	Waco
07193	Stone Brook Senior Apartments	Palestine
07194	377 Villas	Brownwood
07198	West Durango Plaza Apartments	San Antonio
07199	Kingsville LULAC Manor Apartments	Kingsville

07202	Pimlico Apartments	Shenandoah
07203	Melbourne Apartments	Alvin
07204	Notting Hill Gate Apartments	Missouri City
07205	North Manor Estates Apartments	Weslaco
07206	Villa Estella Trevino	Edinburg
07210	New Hope Housing at Bray's Crossing	Houston
07217	Victory Place Seniors	Houston
07219	Canyons Retirement Community	Amarillo
07220	San Gabriel Crossing	Liberty Hill
07221	Wild Horse Commons	Kingsville
07222	Riverbend Trails	San Angelo
07223	Shady Oaks Apartments	Georgetown
07224	Sierra Ridge Apartments	Georgetown
07226	Candlewick Apartments	Brownsville
07227	Champion Home at La Joya	La Joya
07228	Las Palmas Homes	Los Fresnos
07233	Ingram Square Apartments	San Antonio
07234	Tuscany Park at Buda	Buda
07235	Woodchase Senior Community	El Paso
07236	Green Briar Village Phase II	Wichita Falls
07241	Villas of Spring Creek	Saginaw
07242	Paseo de Paz Apartments	Kerrville
07244	Alamito Place	El Paso
07245	Sphinx at Fiji Seniors	Dallas
07246	Lexington Square	Angleton
07247	Terry Street Apartments	Malakoff
07249	Bluffs Landing Senior Village	Round Rock
07252	Brooks Manor Apartments	West Columbia
07254	Evergreen at Farmers Branch	Farmers Branch
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07256	Evergreen at The Colony	The Colony
07257	Orange Palm Garden Apt Homes	Orange
07258	Trinity Garden Apt Homes	Liberty
07259	Montgomery Meadows Phase II	Huntsville
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07261	Lexington Court Phase II	Kilgore
07262	Santour Court	College Station
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07267	Buena Vida Apartments	La Feria
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07275	Mansions at Briar Creek	Bryan
07278	Woodlen Glen Apartments	Houston
07280	Andalusia	Houston
07281	Oaks at Beeville	Beeville
07282	Palermo	Midland
07285	Anson Park Seniors	Abilene
07289	Peachtree Seniors	Balch Springs
07291	Cypress Creek at Reed Road	Houston
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07293	Morningstar Villas	Texas City
07294	Grove at Brushy Creek	Bowie
07295	Bluestone	Mabank
07300	Wentworth Apartments	Atascocita
07302	Casa Alton	Alton
07303	Villas on Raiford	Carrollton
07305	Covenant Estates of Zion	Lancaster
07306	Zion Village Apartments	Houston
07309	Glenwood Trails	Deer Park
07310	Gardens at Friendswood Lakes	Friendswood
07313	Villas at Rabbit Hill	Round Rock
07318	Buena Vida Senior Village	Corpus Christi

Jay Stewart, Hance, Scarborough & Wright, provided testimony in support of a forward commitment for Buena Vida Senior Village #07318.

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

**AGENDA ITEM 4:**

**Presentation, Discussion and Possible Approval of Multifamily Division Items – Specifically Waiver Request for §49.9(h)(4)(B)(iii) of the 2007 Qualified Allocation Plan:**

**a) Presentation, Discussion and Possible Denial of a waiver of the requirement in §49.9(h)(4)(B)(iii) of the 2007 Qualified Allocation Plan (“QAP”)**

Motion made by Mr. Conine to approve staff recommendation but to accept portable dishwashers in the units that could not be configured for under cabinet dishwashers; seconded by Mr. Bogany; passed unanimously.

**AGENDA ITEM 5:**

**Presentation, Discussion and Possible Approval of Disaster Recovery Division Items:**

**a) Presentation and Discussion of the Community Development Block Grant (CDBG) Disaster Recovery Status Report**

Kelly Crawford, DED of Disaster Relief, provided status report.

The Honorable Judge Charles Stone, Executive Director, ORCA, provided report.

No action taken.

**b) Presentation, Discussion and Possible Approval of Requests for Amendments to CDBG contracts administered by Office of Rural Community Affairs (ORCA)**

The Honorable Judge Charles Stone, Executive Director, ORCA, provided report.

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

**AGENDA ITEM 6:**

**Presentation, Discussion and Possible Approval of Community Affairs Division Items:**

**a) Presentation, Discussion and Possible Preliminary Approval of the Future Method for Program Delivery of the Department’s Section 8 Program**

Withdrawn from consideration.

**b) Presentation, Discussion and Approval of 2007 Emergency Shelter Grants Program (ESGP) Funding Recommendations**

Motion by Mr. Bogany to approve; seconded by Mr. Conine; 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

1. **2007 Competitive Housing Tax Credit Challenges**  
No Action Taken.
2. **Report on the First Time Homebuyer Program**  
No Action Taken.

## ADJOURN

Since there was no other business to come before the Board, the meeting was adjourned at 1:45 p.m.

---

Mr. Kevin Hamby  
Board Secretary

### NOTE:

For a full transcript of this meeting, please see the TDHCA website at: [www.TDHCA.state.tx.us](http://www.TDHCA.state.tx.us)



**OFFICE OF RURAL COMMUNITY AFFAIRS**

**BOARD ACTION REQUEST**

**July 30, 2007**

**Action Item**

Presentation, Discussion and Possible Approval of Requests for Amendments to CDBG contracts administered by Office of Rural Community Affairs (ORCA)

**Requested Action**

Approve the request for amendments related to the use of non-housing funds under the State of Texas Action Plan (Action Plan) for *Community Development Block Grant (CDBG) Disaster Recovery Funds to Areas Most Impacted and Distressed by Hurricane Rita*.

**Background**

The U. S. Department of Housing and Urban Development (HUD) approved the State of Texas Action Plan (Action Plan) related to the CDBG Disaster Recovery Funds to Areas Most Impacted & Distressed by Hurricane Rita on June 16, 2006. On August 30, 2006 the TDHCA Governing Board approved the non-housing project recommendations of the Office of Rural Community Affairs (ORCA) and the four COGs in the affected area.

The Action Plan approved by HUD specifically states “contract amendments that vary more than 5% must be approved by the TDHCA Board.”

**City of Gallatin Contract Number DRS060023**

**Summary of Request**

The City of Gallatin is requesting approval of a transfer in funding categories to move five thousand eight hundred eighty dollars (\$5,880) from the neighborhood facilities line item to the planning and project delivery line item.

On August 30, 2006 the TDHCA Governing Board approved a fifty thousand dollar (\$50,000) award to the City of Gallatin to repair and renovate a community shelter. On June 28, 2007 the TDHCA Governing Board approved the addition of eight thousand eight hundred dollars (\$8,800) to the Gallatin contract for additions to the same project. As a first time grantee under the CDBG program, the city has determined that its part time staff and volunteer mayor are not able to complete the project without some administrative assistance. Provision of this amendment will allow the city to hire a professional grant consultant to ensure compliance with the federal regulations and the timely completion of the project. There will be no change in the number of beneficiaries.

Activity	Current Budget	Change (+/-)		Revised Budget
6 Neighborhood Facilities / Community Centers	\$ 55,800.00	-	\$ 5,880.00	\$ 49,920.00
30 Engineering	\$ 3,000.00			\$ 3,000.00
33 Planning / Project Delivery	\$ 0	+	\$ 5,880.00	\$ 5,880.00
<b>Total:</b>	\$ 58,800.00			\$ 58,800.00

**Hardin County Contract Number DRS060031**

**Summary of Request**

Hardin County is requesting approval of a transfer in funding categories to move fifty five thousand dollars (\$55,000) from the street improvements line item to twenty five thousand dollars (\$25,000) into the engineering and architectural services line item and thirty thousand dollars (\$30,000) into the flood and drainage debris removal line item.

On August 30, 2006 the TDHCA Governing Board approved a one million fifty thousand dollar (\$1,050,000) award for debris removal, a community shelter, and street improvements. As the County has begun the process of removing the vast amounts of debris created by Hurricane Rita it has become necessary to hire engineering services to determine the county's right of ways and complete inspections during drainage improvements. There will be no change in the number of beneficiaries.

Activity	Current Budget	Change (+/-)		Revised Budget
4 Street Improvements	\$ 55,000.00	-	\$55,000.00	\$ -
5a Flood and Drainage Debris Removal	\$ 695,000.00	+	\$30,000.00	\$ 725,000.00
6 Neighborhood Facilities / Community Centers	\$ 250,000.00			\$ 250,000.00
31 Planning & Urban Environmental Design	\$ 50,000.00			\$ 50,000.00
30 Engineering / Architectural Services		+	\$25,000.00	\$ 25,000.00
<b>Total:</b>	\$ 1,050,000.00			\$ 1,050,000.00

**ORCA Recommendation**

ORCA recommends Board approval of a transfer in funding categories for the City of Gallatin to move five thousand eight hundred eighty dollars (\$5,880) from the neighborhood facilities line item to the planning and project delivery line item.

ORCA recommends Board approval of a transfer in funding categories for Hardin County to move fifty five thousand dollars (\$55,000) from the street improvements line item to twenty five thousand dollars (\$25,000) into the engineering and architectural services line item and thirty thousand dollars (\$30,000) into the flood and drainage debris removal line item.

**MULTIFAMILY FINANCE PRODUCTION DIVISION  
BOARD ACTION REQUEST  
July 30, 2007**

**Action Items**

Requests for extension of the deadline to submit documentation of commencement of substantial construction are summarized below.

**Required Action**

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

**Background**

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

**HTC No. 05004, Samuels Place**

Summary of Request: Owner requests a second extension of the deadline to submit the commencement of substantial construction package. The owner's request included all documentation necessary to comply with the requirement and an explanation that the late submission resulted from an administrative error. The owner stated that the small size of the development would enable completion well within the deadline to place in service.

This request is brought to the Board because the owner requested the extension after, rather than before, the expiration of the previous deadline, a violation of §49.20(1) of the 2007 QAP and because §49.20(1) stipulates that the board must approve any request that exceeds the original deadline by more than six months. The original deadline was December 1, 2006.

Owner:	Samuels Avenue, LP
General Partner:	Pioneers of Samuels, LLC
Developer:	Carleton Development, Ltd.
Principals/Interested Parties:	Printice Gary, R. David Kelly, Neal R. Hildebrandt
Syndicator:	Red Capital Group
Construction Lender:	Red Capital Group
Permanent Lender:	Red Capital Group
Other Funding:	NA
City/County:	Fort Worth/Tarrant
Set-Aside:	General
Type of Area:	Exurban
Type of Development:	New Construction
Population Served:	General Population
Units:	36 HTC units
2005 Allocation:	\$254,842
Allocation per HTC Unit:	\$7,079
Extension Request Fee Paid:	\$2,500
Note on Time of Request:	Request was submitted late.
Type of Extension Request:	Commencement of Substantial Construction
Current Deadline:	May 1, 2007
New Deadline Requested:	June 26, 2007 (date required documentation was submitted)
<b>New Deadline Recommended:</b>	<b>June 26, 2007</b>

Previous Extensions: One

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

## **HTC No. 05020, Hereford Central Place**

Summary of Request: Owner requests an extension of the deadline to submit the commencement of substantial construction package. The owner submitted the required documentation at the same time that the extension was requested and stated that the physical requirements for compliance with the rule were met in early February. The owner stated that the required documentation was believed to have been submitted on-time. Department staff discussed the requirement with the owner in late 2006 but review of the file found no record of a request for extension or of the submission.

This request is brought to the Board because the owner requested the extension after, rather than before, the expiration of the previous deadline, a violation of §49.20(1) of the 2007 QAP and because §49.20(1) stipulates that the board must approve any request that exceeds the original deadline by more than six months. The original deadline was December 1, 2006.

Owner:	Hereford Central Place, Ltd.
General Partner:	I-Integrity Management
Developer:	I-Integrity Management
Principals/Interested Parties:	Star Rhodes
Syndicator:	Red Capital Group
Construction Lender:	Red Capital Group
Permanent Lender:	Red Capital Group
Other Funding:	Panhandle Regional Housing Finance Corporation
City/County:	Hereford/Deaf Smith
Set-Aside:	General
Type of Area:	Rural
Type of Development:	New Construction
Population Served:	General Population
Units:	32 HTC units
2005 Allocation:	\$277,501
Allocation per HTC Unit:	\$8,672
Extension Request Fee Paid:	\$2,500
Note on Time of Request:	Request was submitted late.
Type of Extension Request:	Commencement of Substantial Construction
Current Deadline:	December 1, 2006
New Deadline Requested:	June 15, 2007 (date required documentation was submitted)
<b>New Deadline Recommended:</b>	<b>June 15, 2007</b>
Previous Extensions:	None
<b>Staff Recommendation:</b>	<b>Approve the extension as requested.</b>

**HTC No. 05092, Vida Que Canta**

Summary of Request: Owner requests an extension of the deadline to submit the commencement of substantial construction package. The owner reported that the development was 100% complete in February of 2007. As an oversight, the commencement of construction documentation was not submitted by the original deadline of December 1, 2006. 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 and because the rule stipulates that the board must approve any request that exceeds the original deadline by more than six months.

Owner:	Vida Que Canta Apartments, L.P.
General Partner:	Vida Que Canta Apartments, LLC
Developer:	Texas Regional Properties, LLC
Principals/Interested Parties:	Bozrah International Ministries, Inc. (Nonprofit Owner of GP); P. Rowan Smith (Developer)
Syndicator:	The Richman Group
Construction Lender:	JPMorganChase Bank
Permanent Lender:	GMAC Commercial Mortgage
Other Funding:	NA
City/County:	Mission/Hidalgo
Set-Aside:	General
Type of Area:	Exurban
Type of Development:	New Construction
Population Served:	General Population
Units:	160 HTC units
2005 Allocation:	\$950,919
Allocation per HTC Unit:	\$5,943
Extension Request Fee Paid:	\$2,500
Note on Time of Request:	Request was submitted late.
Type of Extension Request:	Commencement of Substantial Construction
Current Deadline:	December 1, 2006
New Deadline Requested:	June 28, 2007 (date required documentation was submitted)
<b>New Deadline Recommended:</b>	<b>June 28, 2007</b>
Previous Extensions:	None
<b>Staff Recommendation:</b>	<b>Approve the extension as requested.</b>

# Carleton Residential Properties

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5485 Belt Line Road  
Suite 300  
Dallas, Texas 75254

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

June 22, 2007

Mr. Ben Sheppard  
Texas Department of Housing and Community Affairs  
221 11<sup>th</sup> Street  
Austin, TX 78711

**Received**

**JUN 26 2007**

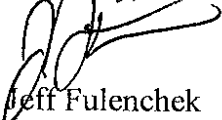
Dear Mr. Sheppard:

.....

We would like to request an extension for our commencement of substantial construction on our Samuels Place development (TDHCA #05004). We had previously extended this date to May 1. Due to an administrative error in our office, we did not file this form until this week. We have, however, started construction and are making great process toward completion by the end of this year. We have foundations complete and much of the framing is complete. As this development is only 36 units, we should complete well within the required 12/31/07 deadline. I've enclosed some pictures of our progress to date, a copy of the substantial construction documentation, as well as a \$2,500 check for an extension of the substantial construction documentation. We would like to request that the deadline for substantial completion be moved back to June 30<sup>th</sup>. We apologize for our error in documenting this earlier and are taking the necessary steps to ensure that we do not miss this type of deadline again. We are aware of the 9/1/07 deadline for the LURA to be filed with your office, and we will have that to you on time.

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

Sincerely,



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

**Hereford Central Place, Ltd.**  
**660 N. Central Expressway**  
**Suite 290**  
**Plano, TX 75074**

June 15, 2007

Texas Department of Housing and Community Affairs  
221 E. 11<sup>th</sup> Street  
Austin, TX 78711-3941

**RE: Central Place, Hereford, Texas 05-020**

Dear Ms Quackenbush:

I apologize for the confusion surrounding our submission of the Progress Report – Commencement of Substantial Construction. We initially requested an extension for filing this report due to some hardships encountered with beginning construction. We began construction in early December, but due to weather conditions were not able to meet the criteria for Substantial Construction until early February.

In speaking to Mr. Ben Sheppard, he informs me that the Report was not received by TDHCA. As I cannot provide proof of submitting the original Report I now humbly submit that Report along with the most recent AIA documents G702 and G703, as well as the most recent inspection reports from the architect and the syndicator in my possession. These reports both have pictures included and as you can see construction is progressing nicely. We expect to have units ready for occupancy by the end of August.

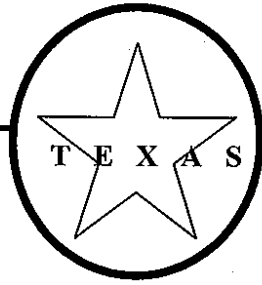
Please find enclosed a check in the amount of \$2,500.00 payable to the Texas Department of Housing and Community Affairs. We regret having to ask for this extension but due to many circumstances beyond our control we find it necessary.

Sincerely,



Christopher P. Rhodes  
General Partner, Hereford Central Place, Ltd.





**TEXAS REGIONAL COMPANIES, INC.**

17336 West Little York Road  
Houston, TX 77084  
281-550-1080 281-550-1930 fax

June 25, 2007

Texas Department of Housing Community Affairs  
Ben Sheppard  
221 East 11<sup>th</sup> St.  
Austin, Texas 78701

**Received**

JUN 28 2007

Re: Vida que Canta Apartments – TDHCA File # 05092

Mr. Sheppard,

I have recently become aware of the fact that Vida que Canta Apartments did not file the **10% completion package** when it was supposed to last year. We started Vida que Canta in the beginning of January of 2006. Texas Regional Construction [TRC] was well into construction by mid January. Generally TRC has tremendous momentum once we close on a given project and full construction almost always starts within a few days of closing.

Obviously TRC has made an error here; therefore Texas Regional Construction and Vida que Canta Apartments respectfully requests that the board grant the project an amendment for this oversight.

The project was completed 100% by February of 2007. I have included pictures of various areas for your review. They clearly show the completion stage and are dated.

I have also included certificates of substantial completion from the Architect and certificates of occupancy from the city of Mission to document when the first occupancies occurred.

I have also included the \$2500.00 penalty check for the fine.

Vida que Canta would have met the 10% completion requirement by February of 2006. Again we apologize for this error and hope that the board will grant the amendment.

Thank You,

Ken Erwin  
Texas Regional Companies  
281.550.1080  
281.550.1930 fax  
832.473.3502 cell  
[kerwin@texasreg.com](mailto:kerwin@texasreg.com)  
[kenerwin@nextel.blackberry.net](mailto:kenerwin@nextel.blackberry.net)

cc; Jacki Dills  
Rowan Smith

**Housing Tax Credit Program  
Board Action Request  
July 30, 2007**

**Action Item**

Request review and board determination of one (1) four percent (4%) tax credit application with another issuer for tax exempt bond transaction.

**Recommendation**

Staff is recommending that the board review and approve the issuance of one (1) four percent (4%) Tax Credit Determination Notice with **another issuer** for the tax exempt bond transaction known as:

<b>TDHCA No.</b>	<b>Name</b>	<b>Location</b>	<b>Issuer</b>	<b>Total Units</b>	<b>LI Units</b>	<b>Total Development</b>	<b>Applicant Proposed Tax Exempt Bond Amount</b>	<b>Requested Credit Allocation</b>	<b>Recommended Credit Allocation</b>
07405	Alamito Terrace	El Paso	Alamito Public Facilities Corp.	76	76	\$7,862,331	\$7,000,000	\$407,916	\$346,251

**MULTIFAMILY FINANCE PRODUCTION DIVISION  
BOARD ACTION REQUEST  
July 30, 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 Alamito Terrace, #07405.

**Summary of the Transaction**

*Background and General Information:* The application was received on December 28, 2006. The Issuer for this transaction is Alamito Public Facilities Corporation with a reservation of allocation that expires on November 15, 2007. The development proposes the new construction of 76 total units targeting the elderly population. The development is proposed for the City of El Paso and 100% of the units are proposed to be restricted. The site is currently zoned for such a development.

*Organizational Structure and Compliance:* The Borrower is Alamito Terrace, LP and the General Partner is Alamito Terrace GP, LLC, of which the Paisano Housing Redevelopment Corporation has 100% ownership interest. The Compliance Status Summary completed on May 25, 2007 reveals that the principals of the general partner have a total of sixteen (16) properties that have been monitored with no material non-compliance. The bond priority for this transaction is:

- Priority 1(a):** Set aside **50%** of units rent **capped at 30% of 50% AMFI** and the remaining **50%** of units rents **capped at 30% of 60% AMFI**.

*Census Demographics:* The development will be located at approximately 508 S. Virginia Street in El Paso. Demographics for the census tract (0020.00) include AMFI of \$15,460; the total population is 3,141; the percent of population that is minority is 98.25%; the percent of population that is below the poverty line is 55.27%; the number of owner occupied units is 179; the number of renter units is 826 and the number of vacant units is 67. The percentage of population that is minority for the entire City of El Paso is 26.7% (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 \$346,251 in Housing Tax Credits for Alamito Terrace.



MULTIFAMILY FINANCE PRODUCTION DIVISION

July 30, 2007

Development Information, Public Input and Board Summary

Alamito Terrace, L.P., TDHCA Number 07405

BASIC DEVELOPMENT INFORMATION

Site Address: North side of E Father Rahm Ave. between S Virginia and S Development #: 07405
City: El Paso Region: 13 Population Served: Elderly
County: El Paso Zip Code: 79901- Allocation: Urban/Exurban
HOME Set Asides: CHDO Preservation General Purpose/Activity: NC
Bond Issuer: Alamito Public Facilities Corp.

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: Alamito Terrace, L.P.
Owner Contact and Phone: Rosie Montes (915) 849-3806
Developer: Paisano Redevelopment Corporation
Housing General Contractor: To Be Determined
Architect: Moore, Nordell, Kroeger Architects, Inc.
Market Analyst: Wilkinson, Pendergrass & Beard, L.P.
Syndicator: MMA Financial, Inc.
Supportive Services: Centro de Salud Familiar La Fe ("La Fe Clinic")
Consultant: Not Utilized

UNIT/BUILDING INFORMATION

30% 40% 50% 60% Eff 1 BR 2 BR 3 BR 4 BR 5 BR Total Restricted Units: 76
0 0 76 0 0 76 0 0 0 0 Market Rate Units: 0
Type of Building: 4 units or more per building Owner/Employee Units: 0
Duplex Detached Residence Total Development Units: 76
Triplex Single Room Occupancy Total Development Cost: \$7,862,331
Fourplex Transitional Number of Residential Buildings: 6
Townhome HOME High Total Units: 0
HOME Low Total Units: 0

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

FUNDING INFORMATION

Table with columns: Applicant Request, Department Analysis, Amort, Term, Rate. Rows include 4% Housing Tax Credits with Bonds, TDHCA Bond Allocation Amount, HOME Activity Fund Amount, HOME CHDO Operating Grant Amount.



MULTIFAMILY FINANCE PRODUCTION DIVISION

July 30, 2007

Development Information, Public Input and Board Summary

Alamito Terrace, L.P., TDHCA Number 07405

**PUBLIC COMMENT SUMMARY**

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

**State/Federal Officials with Jurisdiction:**

TX Senator: Shapleigh, District 29	NC	US Representative: Reyes, District 16, NC
TX Representative: Moreno, District 77	NC	US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: John Cook, Mayor, City of El Paso - NC      Resolution of Support from Local Government

City of El Paso Community Development Consolidated Plan 2005-2010: The DCHD's primary goal is to conserve and upgrade the existing supply of affordable housing through rehabilitation.

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

**Neighborhood Input:**

**General Summary of Comment:**

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

**CONDITIONS OF COMMITMENT**

Per §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 demolition, of evidence that all Phase I Environmental Site Assessment recommendations, including asbestos and lead based pain surveys and testing for lead in drinking water, and subsequent environmental report recommendations have been carried out.

Receipt, review, and acceptance, by closing, of approval by the City of the zoning change or a variance.

Receipt, review, and acceptance, by closing, of a final survey of the proposed site identifying the correct acreage to be restricted for this development.

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

July 30, 2007

Development Information, Public Input and Board Summary

**Alamito Terrace, L.P., TDHCA Number 07405**

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

4% Housing Tax Credits:	Credit Amount:	\$346,251
Recommendation: Recommend approval of a Housing Tax Credit Allocation not to exceed \$346,251 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: 07/20/07 PROGRAM: 4% HTC FILE NUMBER: 07405

**DEVELOPMENT**

Alamito Terrace

Location: North side of E Father Rahm Ave between S Virginia St and S St Vrain St Region: 13  
 City: El Paso County: El Paso Zip: 79901  QCT  DDA  
 Key Attributes: Multifamily, Elderly, New Construction, Nonprofit

**ALLOCATION**

TDHCA Program	REQUEST			RECOMMENDATION		
	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term
Housing Tax Credit (Annual)	\$407,916			\$346,251		

\* The Applicant originally requested \$482,248 but has revised this request on multiple subsequent occasions.

**CONDITIONS**

- 1 Receipt, review, and acceptance, prior to demolition, of evidence that all Phase I Environmental Site Assessment recommendations, including asbestos and lead based paint surveys and testing for lead in drinking water, and subsequent environmental report recommendations have been carried out.
- 2 Receipt, review, and acceptance, by closing, of approval by the City of the zoning change or a variance.
- 3 Receipt, review, and acceptance, by closing, of a final survey of the proposed site identifying the correct acreage to be restricted for this development.
- 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.

**SALIENT ISSUES**

TDHCA SET-ASIDES for LURA		
Income Limit	Rent Limit	Number of Units
50% of AMI	50% of AMI	76

\*The property will be 100% public housing.

**PROS**

The plan proposes the redevelopment of a 66 year old public housing property and will utilize HOPE VI funds in order to provide 100% public housing.

Due to the extensive deep rent targeting a conventional tax credit development would not be financially feasible without ongoing subsidy such as that proposed.

**CONS**

The construction costs are substantially higher than can be reasonably justified and a different construction style would free up funds for additional units.

The need for tax credit appears to be the result of extremely high development costs rather than based on a reasonable gap in funding.

PROS continued

The development will receive a public housing operating subsidy for 100% of the units which will increase to cover expenses.

CONS continued

Significant inconsistencies in the application could adversely affect the development of the subject.

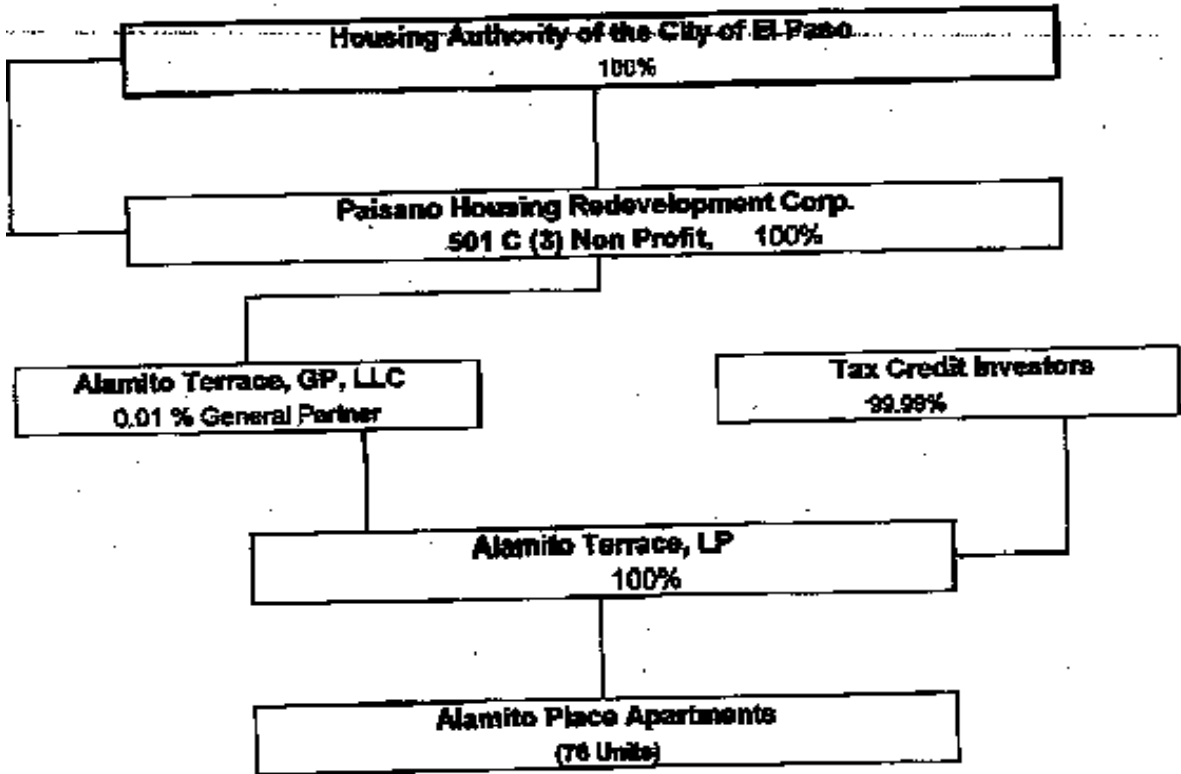
The Applicant's expense to income ratio is 100% but is mitigated by 100% operating subsidy as needed.

PREVIOUS UNDERWRITING REPORTS

No previous reports.

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



CONTACT

Contact: Rosie Montes Phone: (915) 849-3749 Fax: (915) 849-3722  
 Email: montes@hacep.org

KEY PARTICIPANTS

Name	Net Assets	Liquidity <sup>1</sup>	# of Complete Developments
Paisano Housing Redevelopment Corp	Instrumentality of HACEP		--
Housing Authority of the City of El Paso	\$128,933,000	\$17,703,000	12 LIHTC Developments
Vince Dodds	Interim Executive Director		N/A

<sup>1</sup> Liquidity = Current Assets - Current Liabilities



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.

The property is currently owned by the Housing Authority of the City of El Paso (HACEP), a related party. HACEP plans to contribute approximately \$7.7M in HOPE VI funds in permanent financing. These funds are from a HUD Fiscal Year 2004 HOPE VI Revitalization Grant for \$20M.

The Mortgage Revenue Bond issuer is an instrumentality of HACEP.

PROPOSED SITE

SITE PLAN



BUILDING CONFIGURATION

Building Type	I	II																		Total Buildings	
Floors/Stories	4	1																			
Number	1	5																			6

BR/BA	SF	Units										Total Units	Total SF	
1/1	633	56											56	35,448
1/1	664		4										20	13,280
Units per Building		56	4										76	48,728

Development Summary:

The subject property was developed between 1939 and 1941 and is a portion of a larger 349 unit/61 residential building public housing development. The application proposed the demolition of the existing structures on the proposed site and construction of a 56 unit elderly mid-rise (4 story) residential building with community area and five single story fourplex residential buildings. The Applicant has also indicated that an adjacent community building will be rehabilitated and a portion of the building will be utilized as leasing facilities dedicated to the subject development. The remaining portion will be utilized for the benefit of the greater community.

The subject reconstruction development is a part of a much larger revitalization plan encompassing a six block area that will utilize \$20M in HOPE VI funds that have been allocated by HUD. HACEP has also made application for Alamito Place (07244) a 58 unit conventional Housing Tax Credit development targeting families. Alamito Place will occupy a one block area to the northeast of the subject development. As of the date of this report, Alamito Place is not scored high enough to receive a 2007 allocation of 9% HTC's.



Third Avenue will be extended and once completed will border the subject site to the north. Bordering the east boundary of the site, St Vrain Street will also be redeveloped. The schedule for redevelopment of these two dedicated roadways is unclear. However, the primary entrances to the subject site will be from Father Rahm Street to the south and Virginia Street to the west. Therefore, the operation of the subject property should not be dependent upon completion of the roadway redevelopment. The application indicates that the entire development plan will be completed by January of 2010; however, based upon the redevelopment schedule provided, HACEP may be behind schedule.

SITE ISSUES

Total Size:	<u>2.91</u> acres	Scattered site?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
Flood Zone:	<u>Zone C</u>	Within 100-yr floodplain?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
Zoning:	<u>Special District</u>	Needs to be re-zoned?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A

Comments:

The Applicant has submitted an application to the City of El Paso in order to rezone the subject site from District SRR (Special Residential Revitalization) to District SD (Special District). According to the Applicant, the zoning change will reduce the required setbacks and provide additional space development of the proposed structures. Based on the information provided, the subject development may be contingent upon the zoning change; therefore, receipt, review, and acceptance of approval by the City of the zoning change or a variance is a condition of this report.

The subject property is currently part of a larger tract owned by the Housing Authority and developed with multifamily housing. The documentation provided in the application indicates that the site is composed of 3.156 acres. However, this site acreage appears to include a small portion of property that will not be restricted and is planned for future use of multifamily housing targeted to families. Therefore, the Underwriter has estimated a revised site of 2.91 acres, but receipt, review, and acceptance, by closing, of a final survey the proposed site identifying the correct acreage to be restricted for this development is a condition of this report.

**TDHCA SITE INSPECTION**

Inspector: Manufactured Housing Staff Date: 1/30/2007  
 Overall Assessment:  
 Excellent     Acceptable     Questionable     Poor     Unacceptable  
 Surrounding Uses:  
 North: commercial/residential/Delta Street East: St Vrain St/ multifamily/social services  
 South: multifamily/Father Yermo Center West: Virginia St/single family/commercial

**HIGHLIGHTS of ENVIRONMENTAL REPORTS**

Provider: ENCON International, Inc Date: 1/9/2007  
 Recognized Environmental Concerns (RECs) and Other Concerns:  
 Asbestos-Containing Materials (ACM): "Asbestos and Lead Paint Surveys are recommended for the safety of future inhabitants, and the protection of potential workers that may perform repairs, remodeling or demolition activities" (p. 9-Add).  
 Lead Based Paint Survey: "Asbestos and Lead Paint Surveys are recommended for the safety of future inhabitants, and the protection of potential workers that may perform repairs, remodeling or demolition activities" (p. 9-Add).  
 Lead in Drinking Water: "Due to the age of the subject Apartment Complex, at least two water samples should be collected and analyzed for lead concentrations in drinking water" (p. 10-Add).  
 Comments:  
 Receipt, review, and acceptance of evidence that all Phase I Environmental Site Assessment recommendations, including asbestos and lead based paint surveys and testing for lead in drinking water, and subsequent environmental report recommendations have been carried out is a condition of this report.

**MARKET HIGHLIGHTS**

Provider: Zacour and Associates, Inc Date: 10/31/2006  
 Contact: Paul G Zacour Phone: (915) 581-1141 Fax: (915) 581-1168  
 Number of Revisions: N/A Date of Last Applicant Revision: N/A

Primary Market Area (PMA):  
 The Primary Market Area is composed of sixteen census tracts. "The geographic boundaries of the Primary Market Area may be described generally as Schuster Avenue and the Franklin Mountains to the north, the U.S./Mexico Border to the west, the U.S./Mexico Border to the south and Fonseca Drive to the east."  
 Secondary Market Area (SMA):  
 The Market Analyst did not include a Secondary Market Area.

PROPOSED, UNDER CONSTRUCTION & UNSTABILIZED COMPARABLE DEVELOPMENTS							
PMA				SMA			
Name	File #	Total Units	Comp Units	Name	File #	Total Units	Comp Units
None				N/A			

INCOME LIMITS						
El Paso						
% AMI	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons
50	\$15,100	\$17,250	\$19,400	\$21,550	\$23,250	\$25,000

MARKET ANALYST'S PMA DEMAND by UNIT TYPE							
Unit Type	Turnover Demand	Growth Demand	Other Demand	Total Demand	Subject Units	Unstabilized Comparable (PMA)	Capture Rate
1 BR/50% Rent Limit	0	2	518	520	38	0	7%
1 BR/60% Rent Limit	0	2	423	425	38	0	9%
Underwriter's Extrapolation:							
1 BR/50% Rent Limit	0	2	518	520	76	0	15%

Comments:

The Applicant's original unit mix included 38 units at the 60% of AMI level and the Market Analyst's demand calculations have been performed based on this original unit mix. Therefore, the Underwriter has included an extrapolation based on the Market Analyst's figures that provides the capture rate if the Market Analyst had included all 76 units at the 50% of AMI level.

Additionally, the Market Analyst did not include a turnover calculation. Instead, the Analyst used a calculation for renters in substandard housing, overburdened renters, and an estimate of existing tenants that will return. These sources of demand have been included in "other demand." Of note, however, a portion of the renters from the Analyst's calculation of overburdened renter's and substandard housing are effectively included in the Department's standard turnover demand calculation. These figures do not consider turnover from quality housing and assume 100% of rent overburdened and renters in substandard housing will turnover.

OVERALL DEMAND										
	Target Households		Household Size		Income Eligible		Tenure		Demand	
PMA DEMAND from TURNOVER										
Market Analyst p. N/A										
Underwriter	16%	6,265	100%	6,265	57%	3,573	46%	1,634	24%	397
PMA DEMAND from HOUSEHOLD GROWTH*										
Market Analyst p. 96			90%	21	38%	8	46%	4	100%	4
Underwriter			100%	0	57%	0	46%	0	100%	0
DEMAND from OTHER SOURCES										
Market Analyst p. 97/98									941	
Underwriter									0	

\*The Underwriter could not determine Household Growth Demand because the Market Analyst did not provide demographic projection data.

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. 99	76	0	0	76	945	8.04%
Underwriter	76	0	0	76	397	19.13%

Comments:

As indicated above, the Market Analyst did not use the Department's standard demand from turnover. However, based on the Market Analyst's demographics, it appears that a turnover rate of approximately 56% would be required in order to derive the same amount of demand from turnover as the Market Analyst has derived from rent overburdened households and substandard housing. This high rate of turnover may be typical for market rate family rental housing; however, affordable housing properties targeting the elderly typically have much lower renter turnover. The Underwriter has derived a turnover rate of 24% based upon the Owner's Annual Compliance Certification for six LIHTC family properties in El Paso consisting of 399 total units. Of note, if comparable elderly properties were available for comparison, these properties may have indicated an even lower rate of turnover.

**Primary Market Occupancy Rates:**

"Of the comparables surveyed that served the elderly population, occupancy rates were consistently at 100% with only one facility reporting an occupancy rate of 90%. All developments, including both market rate and low income tax credit projects, reported long waiting lists and very little turnover."

**Absorption Projections:**

"It would appear reasonable that the proposed apartment complex could be absorbed at a minimal rate of 10 units per month. Therefore, the estimated absorption period for the proposed apartments is six months."

RENT ANALYSIS (Tenant-Paid Net Rents)							
Unit Type (% AMI)			Proposed Rent	Program Maximum	Market Rent	Underwriting Rent	Savings Over Market
1 BR	633 SF	50%/PHU	\$242	\$404	\$400	\$100	
1 BR	664 SF	50%/PHU	\$156	\$318	\$400	100	

**Market Impact:**

"Based on this analysis, the Alamito Terrace Senior Development appears to be well planned and well-positioned to serve the needs and demands for affordable housing within the market area" (p. 100).

**Comments:**

The market study provides sufficient information on which to base a funding recommendation.

**OPERATING PROFORMA ANALYSIS**

Income:      Number of Revisions:            3            Date of Last Applicant Revision:            6/15/2007      

The Applicant's revised rent schedule reflects that 100% of the units will be considered public housing units (PHUs). The Applicant's rent schedule reflects rents equal to the program rent limit less utility allowances for the townhome units and the program rent limit for the all-bills-paid mid-rise units. Based on the Underwriter's knowledge of public housing, the Housing Authority typically agrees to an annual operating subsidy equal to the difference between operating expenses for the units and the amount of rent for tenants earning not more than 50% of Area Median Family Income but in no event shall it exceed the operating subsidy paid to HA by HUD. Based on past experience with public housing units (PHUs), the Underwriter has assumed the subsidy will be equal to the PHUs' prorated share of expenses less the tenant contribution and that no debt can be serviced by the public housing units. The Applicant has provided an Operating and Regulatory Agreement confirming this structure. Therefore, the Underwriter has used arbitrary rents equal to \$100 per unit and has included an operating subsidy equal to the prorata amount of operating expenses attributed the PHUs. Because the development is 100% public housing, the property will operate at breakeven NOI.

The Applicant's secondary income and vacancy and collection loss (3.41%) is below the current TDHCA underwriting standard (7.5%). However, the Underwriter anticipates that the PHUs will operate at an occupancy level of 100%. Therefore, the Underwriter has changed the underwriting vacancy and collection loss to 0%. Despite these differences, the Applicant's effective gross income is within 5% of the Underwriter's estimate.

Expense:      Number of Revisions:            2            Date of Last Applicant Revision:            6/15/2007      

The Applicant's total operating expense estimate of \$3,903 per unit is within 5% of the Underwriter's estimate of \$3,964, derived from the TDHCA database, IREM data, and other sources. However, a number of the Applicant's line item estimates differ significantly from the Underwriter's, most notably: general and administrative (\$11K lower); payroll and payroll tax (\$8K higher); repairs and maintenance (\$22K higher); water, sewer, and trash (\$17K lower); and compliance fees (\$1K lower).

The Applicant anticipates a 100% property tax exemption due to the ground lease structure and Housing Authority ownership, which is typical of transactions involving housing authorities. The Underwriter has also assumed a 100% property tax exemption will be achieved.

Conclusion:

The Applicant's estimates of total operating expense and net operating income are each within 5% of the Underwriter's; therefore, the Applicant's Year One proforma can be used to determine debt service. The property will be 100% public housing and will operate at breakeven NOI and the standard debt coverage ratio guideline is not applicable. However, the Underwriter has evaluated the transaction as if it were a conventional tax credit development at the maximum program rents in order to determine whether or not the recommended tax credits would be affected by the gap in financing. This is discussed in detail below in the "Recommended Financing Structure Section."

Feasibility:

The proformas indicate that the projected Year One expense to income ratio is 100%. In principal, the 100% public housing development will operate at breakeven; therefore, expenses are projected to equal income. While this is substantially higher than the Department's 65% maximum, the rule allows for mitigation of this concern in the form of an ongoing operating subsidy. Therefore, the development can be characterized as feasible under this criterion.

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. However, as expenses grow faster than the tenant paid rental income, the operating subsidy will escalate to compensate for the expense growth. As reflected in the long term proforma, the proforma reflects breakeven operations (\$0 NOI) throughout the 30 year proforma period. Due to the plan to extinguish the bonds with HOPE VI funds, the development will have no debt service and the debt coverage ratio is not a relevant evaluation tool.

**ACQUISITION INFORMATION**

ASSESSED VALUE

Land Only: 3.67 acres	<u>\$230,400</u>	Tax Year:	<u>2006</u>
Existing Buildings:	<u>\$0</u>	Valuation by:	<u>El Paso CAD</u>
Total Assessed Value:	<u>\$230,400</u>	Tax Rate:	<u>3.122408</u>

Comments:

The tax assessment does not provide a value for the existing multifamily residential improvements. However, the property is currently tax exempt and is anticipated to remain tax exempt under the proposed ground lease and ownership structure.

EVIDENCE of PROPERTY CONTROL

Type: <u>Ground Lease</u>	Acreage: <u>3.156</u>
Contract Expiration: <u>N/A</u>	Valid Through Board Date? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Lease Cost: <u>\$100 annually</u>	Other: <u>99 year term</u>
Lessor: <u>Housing Authority of City of El Paso</u>	Related to Development Team? <input type="checkbox"/> Yes <input type="checkbox"/> No

TITLE

Comments:

The title commitment identifies no items of concern.

*This section intentionally left blank.*

## CONSTRUCTION COST ESTIMATE EVALUATION

*COST SCHEDULE* Number of Revisions: 3 Date of Last Applicant Revision: 7/12/2007

### Acquisition Value:

The Applicant has provided a ground lease for the property between the Housing Authority and the partnership. The Housing Authority's current ownership and ongoing role in the ownership constitutes an identity of interest relationship. Typically, an appraisal would be required to substantiate the acquisition cost; however, the Ground Lease indicates a nominal annual payment of \$100 and a term of 99 years. Therefore, no appraisal is required. The Underwriter has used an acquisition cost of \$0 and included the \$100 annual lease payment in the "other" expense line item of the proforma. It should also be noted that the demolition of the existing structures is occurring outside of the subject transaction costs which is assumed to be possible due to the housing authorities access to Hope VI and local funding.

### Sitework Cost:

The Applicant has claimed sitework costs of \$5,145 per unit, which is below the Department's threshold of \$9,000 per unit; therefore, the Applicant's sitework costs are generally acceptable.

### Direct Construction Cost:

The Applicant has estimated direct construction costs of \$97K per unit or \$151 per net rentable square foot (NRSF). The Underwriter has derived a direct cost estimate for the mid-rise residential building by using Marshall and Swift's High-Rise Commercial Cost basis and an estimate for the townhome units using Marshall and Swift Residential Townhome basis. The Underwriter incorporated the Commercial Cost handbook estimate for the mid-rise building due to the steel construction methods being used in the design. In addition, the Applicant plans to rehabilitate an adjacent community center and has included costs for the rehab of a portion of the community center that will be used as leasing offices and an assembly room for the tenants of the proposed development. The Underwriter has used the cost estimate provided by the architect for the planned rehab, which is a relatively minor part of the total cost (\$100K).

The Underwriter's direct construction cost estimate (using the methodology described above) of \$51K per unit or \$79 per NRSF is substantially below from the Applicant's estimate. Additionally, the Applicant's total hard cost of \$121K per unit or \$189 per NRSF is substantially higher than the Underwriter's total hard cost of \$67K per unit or \$104 per NRSF. Moreover, the Applicant's costs are substantially higher than for the other recent product approved for the El Paso area.

The Underwriter and Director of Real Estate Analysis have met and corresponded with the Applicant on multiple occasions to discuss the significant cost difference and other components of the transaction. The Applicant has provided actual bids for the development. The minimum bids result in a total hard cost of \$116K per unit or \$181K per NRSF (less than the Applicant's estimate), while the maximum bids result in a total hard cost of \$139K per unit or \$216 per NRSF. There appears to be a \$1.7M swing between the minimum and maximum total hard costs derived from the bids.

While the Applicant's costs are slightly higher than the minimum bid-derived cost, the bids generally support the Applicant's higher cost estimate. Still, these cost estimates are considerably higher than reasonable costs based on the staff's experience with the El Paso market and even when accounting for the construction type, the Underwriter's Marshall and Swift estimate remains well below the Applicant's estimate and the minimum bids.

While the Applicant has not reduced their estimate or provided compelling documentation to explain the extremely high costs, the Applicant has provided a new cost schedule that reflects a reduction in the costs that have been claimed as eligible. The Underwriter's spreadsheet provides an additional column in the cost schedule in order to reflect the hard costs that the Applicant has excluded from eligible basis. The Applicant effectively removed \$2.7M in hard costs from eligible basis in order to reduce eligible cost to a level that is more comparable to the Underwriter's cost. Despite this removal of costs, a significant difference remains as the Underwriter's costs are \$1.3M lower than the Applicant's lower eligible hard costs.

Hard Costs Excluded from Basis:

As indicated above, the Applicant has removed a portion of hard costs (\$2.7M) from eligible basis in order to reflect an eligible basis that is more comparable to the Underwriter's basis. These costs are reflected in an additional column of the development costs schedule labeled "EXCLUDED."

Conclusion:

Due to the remaining substantial cost difference, the Applicant's total development cost is not within 5% of the Underwriter's estimate; therefore, the Underwriter's cost schedule is used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$7,317,221 supports annual tax credits of \$346,251. This figure will be compared to the Applicant's request to determine the recommended allocation. As discussed below in detail, the gap in need method will not be utilized due to the structure of the transaction.

**FINANCING STRUCTURE**

*SOURCES & USES* Number of Revisions: 4 Date of Last Applicant Revision: 7/12/2007

Issuer: Alamito Public Facilities Corp  
Source: Wells Fargo Bank Type: Interim Bond Financing

Tax-Exempt: \$6,250,000 Interest Rate: 4.55%  Fixed Term: 36 months

Comments:

The Applicant has a reservation of \$7,000,000 in tax-exempt private activity bonds from Alamito Public Facilities Corporation, an instrumentality of HACEP. The Wells Fargo commitment indicates that a construction loan up to \$7,000,000 can be provided, although the Applicant's sources and uses indicates that only \$6,250,000 will be used.

The loan will be fully funded at commitment. The loan will be 100% collateralized by HOPE VI funds to be held in a guaranteed investment contract (GIC).

Source: Paisano Housing Redevelopment/HACEP Type: HOPE VI Permanent Funds

Permanent: \$7,736,537 Interest Rate: 0.50%  Fixed Term: 660 months

Comments:

Paisano Housing Redevelopment Corporation (an instrumentality of HACEP) has provided a commitment indicating that the HOPE VI funds will be structured as a loan with an interest rate of AFR and a term of 55 years. The terms indicate interest only payments out of residual receipts during the construction period and payments from available cashflow (i.e. "residual receipts") during permanent with the entire principal and accrued interest due at the end of the 45 year term. No forgiveness provision has been included and the commitment indicates the loan amount may be up to \$8,000,000.

The Applicant provided a letter from Duvernay + Brooks, LLC to support the conclusion that the loan will be repayable. Additionally, an analysis utilizing the TDHCA 30-year proforma with an extension to year 50 was also provided as support. The proforma assumes that the property will be converted to a market rate development in year 31 (with rents of \$1,550 per unit) and sufficient cashflow will exist to repay the accrued interest and principal.

Generally, if the loan principal and accrued interest at any time exceeds the value of the property, the economic basis for the funds to be considered a loan could be undermined and the funds would considered a federal grant that require removal from eligible basis. Per the letter and analysis provided this is unlikely to occur. However, the opinion relies upon the projected ability for the property to generate sufficient cashflow after 30 years to repay the approximately \$8.6M in projected debt. The Underwriter can replicate the math used in the analysis but questions the reasonableness of the assumption that the property could be converted to market at the end of 30 years. Moreover, the assumption that achievable rents would be \$1,550 per unit if converted in 30 years, without major rehabilitation is highly speculative. There is a high potential that all of the credit would be recaptured if in an IRS audit the auditor found that the entire Hope VI loan was in fact a grant.



Source: MMA Financial Type: Syndication

Proceeds: \$4,690,000 Syndication Rate: 97% Anticipated HTC: \$ 483,492

Comments:

Subsequent to submission of the MMA Financial letter of intent, the Applicant revised the requested tax credit amount significantly lower. As a result, the syndicator's letter is based on a tax credit amount of \$483,492, which is significantly higher than the Applicant's revised request of \$407,916.

Amount: \$568,800 Type: Interest Earnings on Bonds/HOPE VI

Comments:

The Applicant has included a substantial amount for permanent funds from interest earned on the Bonds and HOPE VI funds. This source of funds has not been included in the Underwriter's recommended financing structure due to the risk associated with the anticipation of future interest earnings.

Amount: \$0 Type: Deferred Developer Fees

### CONCLUSIONS

Recommended Financing Structure:

The Underwriter has evaluated the transaction as a conventional tax credit development without the substantial operating subsidy. Based on this analysis, if the property achieved the maximum tax credit rents and did not receive an operating subsidy, the property's NOI would be able to support only a very limited amount of conventional market rate debt and generally, the tax credits required to fill the gap in financing would be significantly greater than the tax credits the development would be eligible for. Therefore, the Underwriter has not relied upon a precise gap method calculation to evaluate the recommended tax credits. Moreover, it is the HOPE VI funds that will be resized in this analysis based on the recommended tax credit allocation and the Underwriter's development costs.

It should, however, be noted that based on the Underwriter's costs (\$7,862,331), if the committed HOPE VI funds (up to \$8M) were fully employed as grant funds, the entire development cost could be financed with HOPE VI funds and no tax credits would be needed. Thus, it appears that the need for tax credits is the result of the extremely high projected development costs.

Of the two possible tax credit allocations, Applicant's revised request (\$407,916) and eligible basis-derived estimate (\$346,251), the eligible basis-derived estimate of \$346,251 is recommended resulting in proceeds of \$3,358,725 based on a syndication rate of 97%.

The Underwriter's total development cost (\$7,862,331) less tax credit proceeds derived from the syndicator's LOI and recommended tax credit amount (\$3,358,725), indicates the need for \$4,503,606 in additional permanent funds. This amount is less than the amount of HOPE VI committed to this development. As such, it appears that this entire gap can be filled with HOPE VI grant funds.

As the development is 100% public housing, the property will operate at breakeven NOI and no amount of deferred developer fees or repayable debt can be supported.

Underwriter: \_\_\_\_\_ Date: July 20, 2007

*Cameron Dorsey*

Director of Real Estate Analysis: \_\_\_\_\_ Date: July 20, 2007

*Tom Gouris*

**MULTIFAMILY COMPARATIVE ANALYSIS**

**Alamito Terrace, El Paso, 4% HTC #07405**

Type of Unit	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	Rent Collected		Rent per Month	Rent per SF	Elect/Gas	WS&T
TC 50%/PHU	56	1	1	633	\$404	\$100		\$5,600	\$0.16	\$84.00	\$44.00
TC 50%/PHU	20	1	1	664	404	100		2,000	0.15	86.00	44.00
<b>TOTAL:</b>	<b>76</b>		<b>AVERAGE:</b>	<b>641</b>		<b>\$100</b>		<b>\$7,600</b>	<b>\$0.16</b>	<b>\$84.53</b>	<b>\$44.00</b>

<b>INCOME</b>				Total Net Rentable Sq Ft:	48,728	<b>TDHCA</b>	<b>APPLICANT</b>	COUNTY	IREM REGION	COMPT. REGION
<b>POTENTIAL GROSS RENT</b>						\$91,200	\$200,064	El Paso	El Paso	13
Secondary Income		Per Unit Per Month:	\$15.00			13,680	9,120	\$10.00	Per Unit Per Month	
Other Support Income: PHU Subsidy						196,355	97,887	\$107.33	Per Unit Per Month	
<b>POTENTIAL GROSS INCOME</b>						\$301,235	\$307,071			
Vacancy & Collection Loss		% of Potential Gross Income:	0.00%			0	(10,458)	-3.41%	of Potential Gross Income	
Employee or Other Non-Rental Units or Concessions						0	0			
<b>EFFECTIVE GROSS INCOME</b>						\$301,235	\$296,613			
<b>EXPENSES</b>				% OF EGI	PER UNIT	PER SQ FT		PER SQ FT	PER UNIT	% OF EGI
General & Administrative		9.39%	\$372	0.58	\$28,274	\$17,000	\$0.35	\$224	5.73%	
Management		5.00%	198	0.31	15,062	11,413	0.23	150	3.85%	
Payroll & Payroll Tax		22.14%	878	1.37	66,708	75,000	1.54	987	25.29%	
Repairs & Maintenance		12.86%	510	0.80	38,752	61,000	1.25	803	20.57%	
Utilities		25.14%	996	1.55	75,720	73,300	1.50	964	24.71%	
Water, Sewer, & Trash		13.32%	528	0.82	40,128	22,800	0.47	300	7.69%	
Property Insurance		4.80%	190	0.30	14,451	15,200	0.31	200	5.12%	
Property Tax	3.122408	0.00%	0	0.00	0	0	0.00	0	0.00%	
Reserve for Replacements		6.31%	250	0.39	19,000	19,000	0.39	250	6.41%	
TDHCA Compliance Fees		1.01%	40	0.06	3,040	1,900	0.04	25	0.64%	
Other: Ground Lease Payment		0.03%	1	0.00	100	0	0.00	0	0.00%	
<b>TOTAL EXPENSES</b>						\$301,235	\$296,613	\$6.09	\$3,903	100.00%
<b>NET OPERATING INC</b>						\$0	\$0	\$0.00	\$0	0.00%
<b>DEBT SERVICE</b>										
HOPE VI First Lien Mortgage		0.00%	\$0	\$0.00	\$0	\$0	\$0.00	\$0	0.00%	
Earned Interest		0.00%	\$0	\$0.00	0	0	\$0.00	\$0	0.00%	
Additional Financing		0.00%	\$0	\$0.00	0	0	\$0.00	\$0	0.00%	
<b>NET CASH FLOW</b>						\$0	\$0	\$0.00	\$0	0.00%
<b>AGGREGATE DEBT COVERAGE RATIO</b>						N/A	N/A			
<b>RECOMMENDED DEBT COVERAGE RATIO</b>						N/A				

<b>CONSTRUCTION COST</b>					<b>APPLICANT</b>					
Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	EXCLUDED	ELIGIBLE	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)		0.00%	\$0	\$0.00	\$0		\$0	\$0.00	\$0	0.00%
Off-Sites		0.00%	0	0.00	0		0	0.00	0	0.00%
Sitework		4.95%	5,123	7.99	389,312	1,716	389,312	8.02	5,145	3.19%
Direct Construction		49.07%	50,762	79.17	3,857,888	2,244,995	5,121,874	151.18	96,932	60.08%
Contingency	5.00%	2.70%	2,794	4.36	212,360	112,336	275,559	7.96	5,104	3.16%
Contractor's Fees	14.00%	7.56%	7,824	12.20	594,608	340,856	745,250	22.29	14,291	8.86%
Indirect Construction		8.12%	8,403	13.11	638,625		638,625	13.11	8,403	5.21%
Ineligible Costs		3.12%	3,225	5.03	245,110		245,110	5.03	3,225	2.00%
Developer's Fees	15.00%	12.14%	12,558	19.59	954,420		1,176,094	24.14	15,475	9.59%
Interim Financing		8.52%	8,816	13.75	670,007		670,007	13.75	8,816	5.46%
Reserves		3.82%	3,947	6.16	300,000		300,000	6.16	3,947	2.45%
<b>TOTAL COST</b>					\$7,862,331	\$2,699,903	\$9,561,831	\$251.64	\$161,339	100.00%
<b>Construction Cost Recap</b>					\$5,054,169	\$2,699,903	\$6,531,995	\$189.46	\$121,472	75.29%

<b>SOURCES OF FUNDS</b>				<b>TDHCA</b>	<b>APPLICANT</b>	<b>RECOMMENDED</b>	
HOPE VI First Lien Mortgage	98.40%	\$101,797	\$158.77	\$7,736,537	\$7,736,537	\$4,503,606	Developer Fee Available
Earned Interest	7.23%	\$7,484	\$11.67	568,800	568,800	0	\$1,176,094
HTC Syndication Proceeds	50.32%	\$52,058	\$81.19	3,956,394	3,956,394	3,358,725	% of Dev. Fee Deferred
Deferred Developer Fees	0.00%	\$0	\$0.00	0	0	0	0%
Additional (Excess) Funds Req'd	-55.96%	(\$57,887)	(\$90.28)	(4,399,400)	3	0	15-Yr Cumulative Cash Flow
<b>TOTAL SOURCES</b>				\$7,862,331	\$12,261,734	\$7,862,331	#DIV/0!

**MULTIFAMILY COMPARATIVE ANALYSIS (continued)**

*Alamito Terrace, El Paso, 4% HTC #07405*

**DIRECT CONSTRUCTION COST ESTIMATE**

*Marshall & Swift Residential Cost Handbook  
Average Quality Townhome Basis*

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$59.88	\$795,187
<b>Adjustments</b>				
Exterior Wall Finish	0.40%		\$0.24	\$3,181
Elderly	3.00%		1.80	23,856
9-Ft. Ceilings	0.00%		0.00	0
Roofing			0.00	0
Subfloor			(1.65)	(21,912)
Floor Cover			2.81	37,317
Breezeways/Balconies	\$18.15	3,600	4.92	65,340
Plumbing Fixtures	\$815	(40)	(2.45)	(32,600)
Rough-ins	\$360	0	0.00	0
Built-In Appliances	\$2,200	20	3.31	44,000
Exterior Stairs	\$1,650	0	0.00	0
Enclosed Corridors	\$49.96	0	0.00	0
Heating/Cooling			2.55	33,864
Elevators	\$62,000	0	0.00	0
Comm &/or Aux Bldgs	\$65.67	0	0.00	0
Other: fire sprinkler	\$1.95	13,280	1.95	25,896
<b>SUBTOTAL</b>			<b>73.35</b>	<b>974,128</b>
Current Cost Multiplier	1.08		5.87	77,930
Local Multiplier	0.89		(8.07)	(107,154)
<b>TOTAL DIRECT CONSTRUCTION COSTS</b>			<b>\$71.15</b>	<b>\$944,904</b>
Plans, specs, survy, bld prm	3.90%		(2.77)	(36,851)
Interim Construction Interes	3.38%		(2.40)	(31,891)
Contractor's OH & Profit	11.50%		(8.18)	(108,664)
<b>NET DIRECT CONSTRUCTION COSTS</b>			<b>\$57.79</b>	<b>\$767,499</b>

**DIRECT CONSTRUCTION COST ESTIMATE**

*Marshall & Swift Commercial Cost Handbook  
Average Quality Apartment High-Rise Basis (11)*

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$72.21	\$2,559,700
<b>Adjustments</b>				
Exterior Wall Finish	0.00%		\$0.00	\$0
Elderly	3.00%		2.17	76,791
9-Ft. Ceilings	0.50%		0.36	12,799
Roofing			1.02	36,215
Subfloor			0.00	0
Floor Cover			2.22	78,695
Breezeways/Balcon	\$20.33	3,752	2.15	76,278
Plumbing Fixtures	\$680	0	0.00	0
Rough-ins	\$340	0	0.00	0
Built-In Appliances	\$2,125	56	3.36	119,000
Exterior Stairs	\$1,650	0	0.00	0
Enclosed Corridors	\$72.21	9855	20.08	711,630
Heating/Cooling			2.35	83,303
Elevators	\$62,000	0	0.00	0
Comm &/or Aux Bldg	\$72.21	3,906	7.96	282,052
Other: fire sprinkler	\$2.03	49,209	2.82	99,894
<b>SUBTOTAL</b>			<b>116.69</b>	<b>4,136,357</b>
Current Cost Multiplier	0.97		(3.50)	(124,091)
Local Multiplier	0.89		(12.84)	(454,999)
<b>TOTAL DIRECT CONSTRUCTION COSTS</b>			<b>\$100.35</b>	<b>\$3,557,267</b>
Plans, specs, survy, bl	3.90%		(3.91)	(138,733)
Interim Construction In	3.38%		(3.39)	(120,058)
Contractor's OH & Prof	11.50%		(11.54)	(409,086)
<b>NET DIRECT CONSTRUCTION COSTS</b>			<b>\$81.51</b>	<b>\$2,889,390</b>

INCOME at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
POTENTIAL GROSS RENT	\$91,200	\$93,936	\$96,754	\$99,657	\$102,646
Secondary Income	13,680	14,090	14,513	14,949	15,397
Other Support Income: PHU Su	196,355	201,930	211,087	220,643	230,615
<b>POTENTIAL GROSS INCOME</b>	<b>301,235</b>	<b>309,956</b>	<b>322,354</b>	<b>335,248</b>	<b>348,658</b>
Vacancy & Collection Loss	0	0	0	0	0
Employee or Other Non-Rental	0	0	0	0	0
<b>EFFECTIVE GROSS INCOME</b>	<b>\$301,235</b>	<b>\$309,956</b>	<b>\$322,354</b>	<b>\$335,248</b>	<b>\$348,658</b>
EXPENSES at 4.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
General & Administrative	\$28,274	\$29,405	\$30,581	\$31,805	\$33,077
Management	15,062	15,498	16,118	16,762	17,433
Payroll & Payroll Tax	66,708	69,376	72,151	75,037	78,039
Repairs & Maintenance	38,752	40,302	41,914	43,590	45,334
Utilities	75,720	78,749	81,899	85,175	88,582
Water, Sewer & Trash	40,128	41,733	43,402	45,139	46,944
Insurance	14,451	15,029	15,630	16,256	16,906
Property Tax	0	0	0	0	0
Reserve for Replacements	19,000	19,760	20,550	21,372	22,227
Other	100	104	108	112	117
<b>TOTAL EXPENSES</b>	<b>\$301,235</b>	<b>\$309,956</b>	<b>\$322,354</b>	<b>\$335,248</b>	<b>\$348,658</b>
<b>NET OPERATING INCOME</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
DEBT SERVICE	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
First Lien Financing	\$0	\$0	\$0	\$0	\$0
Second Lien	0	0	0	0	0
Other Financing	0	0	0	0	0
<b>NET CASH FLOW</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>DEBT COVERAGE RATIO</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>

YEAR 10	YEAR 15	YEAR 20	YEAR 30
\$118,995	\$137,948	\$159,920	\$214,919
17,849	20,692	23,988	32,238
287,351	357,459	444,006	682,309
<b>424,196</b>	<b>516,099</b>	<b>627,914</b>	<b>929,466</b>
0	0	0	0
0	0	0	0
<b>\$424,196</b>	<b>\$516,099</b>	<b>\$627,914</b>	<b>\$929,466</b>
\$40,243	\$48,962	\$59,569	\$88,177
21,210	25,805	31,396	46,473
94,946	115,517	140,544	208,039
55,156	67,105	81,644	120,852
107,773	131,123	159,531	236,144
57,115	69,489	84,544	125,145
20,569	25,025	30,446	45,068
0	0	0	0
27,043	32,902	40,030	59,254
142	173	211	312
<b>\$424,196</b>	<b>\$516,099</b>	<b>\$627,914</b>	<b>\$929,466</b>
<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
\$0	\$0	\$0	\$0
0	0	0	0
0	0	0	0
<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
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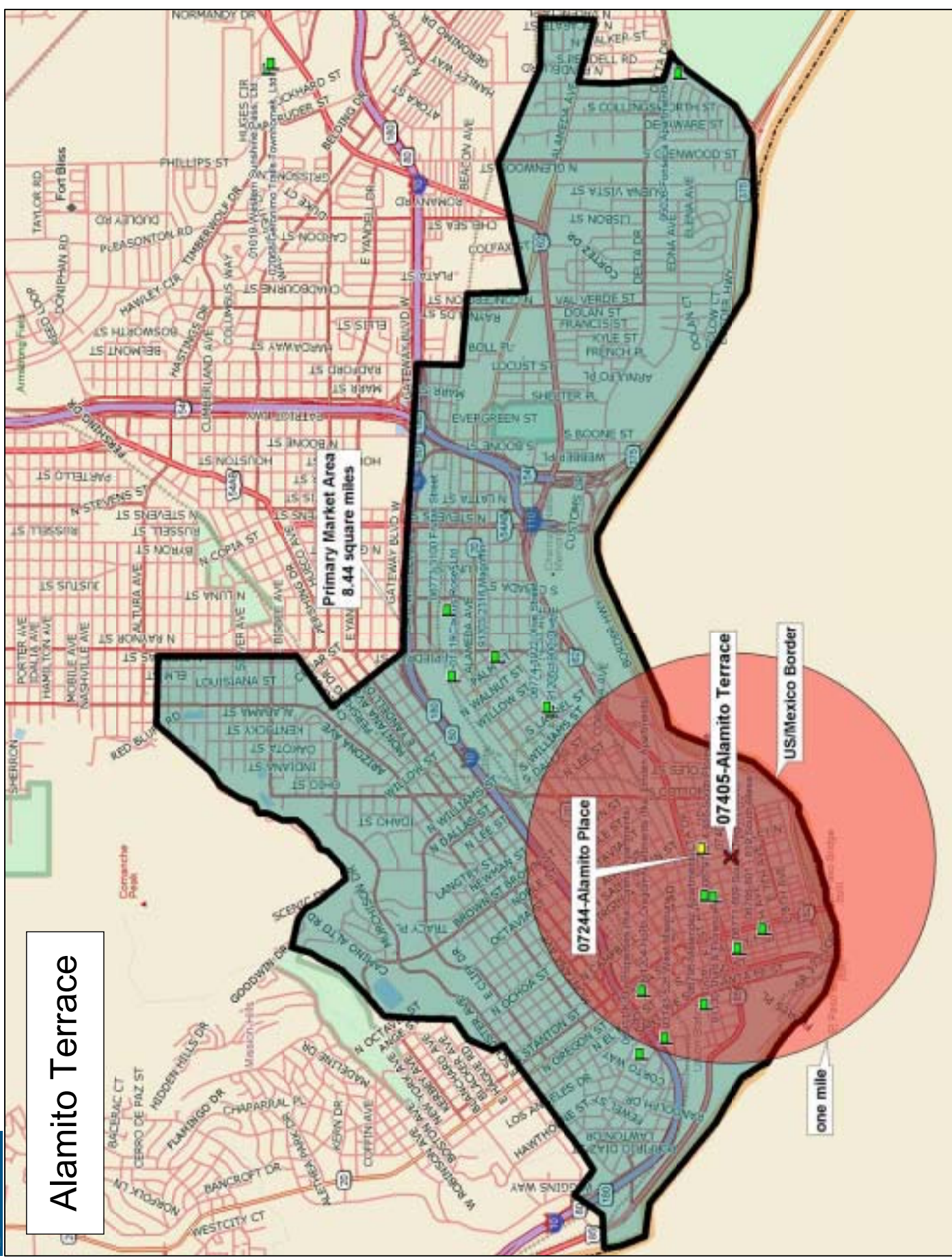
**HTC ALLOCATION ANALYSIS -Alamito Terrace, El Paso, 4% HTC #07405**

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
<b>Acquisition Cost</b>				
Purchase of land				
Purchase of buildings				
<b>Off-Site Improvements</b>				
<b>Sitework</b>	\$389,312	\$389,312	\$389,312	\$389,312
<b>Construction Hard Costs</b>	\$5,121,874	\$3,857,888	\$5,121,874	\$3,857,888
<b>Contractor Fees</b>	\$745,250	\$594,608	\$745,250	\$594,608
<b>Contingencies</b>	\$275,559	\$212,360	\$275,559	\$212,360
<b>Eligible Indirect Fees</b>	\$638,625	\$638,625	\$638,625	\$638,625
<b>Eligible Financing Fees</b>	\$670,007	\$670,007	\$670,007	\$670,007
<b>All Ineligible Costs</b>	\$2,699,903	\$245,110		
<b>Developer Fees</b>				
Developer Fees	\$1,176,094	\$954,420	\$1,176,094	\$954,420
<b>Development Reserves</b>	\$300,000	\$300,000		
<b>TOTAL DEVELOPMENT COSTS</b>	\$12,016,624	\$7,862,331	\$9,016,721	\$7,317,221

<b>Deduct from Basis:</b>				
All grant proceeds used to finance costs in eligible basis				
B.M.R. loans used to finance cost in eligible basis				
Non-qualified non-recourse financing				
Non-qualified portion of higher quality units [42(d)(3)]				
Historic Credits (on residential portion only)				
<b>TOTAL ELIGIBLE BASIS</b>			\$9,016,721	\$7,317,221
High Cost Area Adjustment			130%	130%
<b>TOTAL ADJUSTED BASIS</b>			\$11,721,737	\$9,512,387
Applicable Fraction			100%	100%
<b>TOTAL QUALIFIED BASIS</b>			\$11,721,737	\$9,512,387
Applicable Percentage			3.64%	3.64%
<b>TOTAL AMOUNT OF TAX CREDITS</b>			\$426,671	\$346,251

<b>Syndication Proceeds</b>	<b>0.9700</b>	<b>\$4,138,824</b>	<b>\$3,358,725</b>
<b>Total Tax Credits (Eligible Basis Method)</b>		<b>\$426,671</b>	<b>\$346,251</b>
<b>Syndication Proceeds</b>		<b>\$4,138,824</b>	<b>\$3,358,725</b>
<b>Requested Tax Credits</b>		<b>\$407,916</b>	
<b>Syndication Proceeds</b>		<b>\$3,956,893</b>	
<b>Gap of Syndication Proceeds Needed</b>			<b>\$3,358,725</b>
<b>Total Tax Credits (Gap Method)</b>			<b>\$346,251</b>

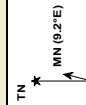
# Alamito Terrace



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Scale 1 : 40,625



1" = 3,385.4 ft Data Zoom 12-3

**HOME DIVISION**

**BOARD ACTION REQUEST**

**July 30, 2007**

**Action Item**

Presentation, Discussion and Possible Approval of a Notice of Funding Availability (NOFA) for approximately \$10,000,000 utilizing unawarded and deobligated HOME funds for the HOME Rental Housing Development (RHD) Program.

**Required Action**

Approve, Deny or Approve the use of HOME deobligated funds in accordance with 10 TAC Chapter 1, Subchapter 1.19 (e)(2)(C), and approval of the finalized NOFA for publication in the *Texas Register*.

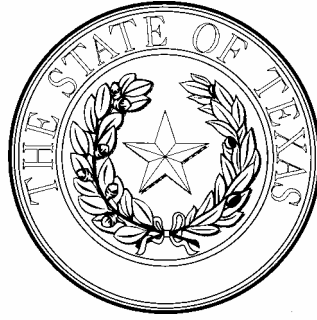
**Background**

Staff proposes the release of approximately \$10,000,000 in federal funding from the Department's remaining 2007 Rental Housing Development and Rental Housing Preservation set-asides totaling approximately \$2.1M and deobligated HOME Investment Partnerships Program (HOME) funds totaling \$14.5M. Approximately \$4.3M is remaining from the HOME SF awards which staff will present as an option in August for programming for disaster relief. Additionally, approximately \$4M in non-CHDO deobligated funds will still be available to program and reserve for disaster relief. Funds will be made available for the acquisition, new construction, rehabilitation, or acquisition and rehabilitation of affordable rental housing for low-income Texans. These funds are made available through unawarded and deobligated 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). Approximately \$2.1 million of the 2007 Program Year Rental Housing Development and Rental Housing Preservation set-asides was not awarded in the recent competitive application cycle. 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).

The Board will soon be taking action on the State HOME Rules with final rules to be approved in November 2007. To the degree the approved rules would require changes to the NOFA, the NOFA will be revised and reposted in December 2007, but allow the ongoing submission of applications.

**Recommendation**

Staff recommends approval of the Notice of Funding Availability for the HOME Rental Housing Development Program. 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 Program Notice of Funding Availability (NOFA)**

#### **1) Summary**

- a) The Texas Department of Housing and Community Affairs (“the Department”) announces the availability of approximately \$10,000,000 in funding from the HOME Investment Partnerships Program for the development of affordable rental housing for low-income Texans. 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 application is submitted, 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 unawarded and deobligated HOME funds that are set-aside for rental housing development proposals which involve new construction, rehabilitation, acquisition and rehabilitation of affordable rental housing development activities. 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) Rental development funds will not be eligible for use in a Participating Jurisdiction (PJ).
- c) 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. **June 2, 2008** unless all funds are committed prior to this date.

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Applicants are encouraged to review the application process cited above and described herein. Applications that do not meet minimum threshold and financial feasibility will not be considered for funding.

- d) 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, pursuant to 10 TAC §53.54(2). Award amounts are limited to no more than \$3 million per development. 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 cost 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 the 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'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.
- e) 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).

**3) Eligible and Ineligible Activities**

- a) Eligible activities will include those permissible under the federal HOME Rule at 24 CFR §92.205, the State HOME Rules at 10 TAC §53.53(g), which involve only the acquisition, rehabilitation and construction of affordable rental developments.
- b) Prohibited activities include those under federal HOME rules at 24 CFR 92.214 and 10 TAC §53.56.
- c) Rental development funds will not be eligible for use in a Participating Jurisdiction (PJ).
- d) Refinancing of federally financed properties or use of HOME funds for properties constructed within five years of the submission of an Application for assistance will not be permissible.

**4) Eligible and Ineligible Applicants**

- a) The Department provides HOME funding to qualified nonprofit organizations, for-profit entities, sole proprietors, public housing authorities and units of general local government.



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- 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). Applicants are encouraged to familiarize themselves with the Department's certification and debarment policies prior to application submission.

**5) Matching Funds**

- 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) 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

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necessary at the sole discretion of the Department in order to preserve the property as affordable housing on a case-by-case basis.

**7) 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, one of three model codes: Uniform Building Code (ICBO), National Building Code (BOCA), Standard (Southern) Building Code (SBCCI); or the Council of American Building Officials (CABO) one or two family code; or the Minimum Property Standards (MPS) in 24 CFR 200.925 or 200.926d. To avoid duplicative inspections when Federal Housing Administration (FHA) financing is involved in a HOME-assisted property, a participating jurisdiction may rely on a Minimum Property Standards (MPS) inspection performed by a qualified person. 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 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) apply.
- e) Developments involving new construction will be limited to 252 Units. These maximum Unit limitations also apply to those Developments which involve a combination of rehabilitation and new construction. Developments that consist solely of

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acquisition/rehabilitation or rehabilitation only may exceed the maximum Unit restrictions. The minimum number of units shall be 4 units, pursuant to 10 TAC §53.53(f).

**8) Threshold Criteria**

- a) 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.
- b) 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 of this title, pursuant to 10 TAC 53.53(i).
- c) All applications will be required to meet Section 8 Housing Quality Standards detailed under 24 CFR §982.401, Texas Minimum Construction Standards, 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 International Building Code.
- d) 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 14 days prior to the submission of an application package at a minimum 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.

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- 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.
- e) The following Threshold Criteria listed in this subsection are mandatory requirements at the time of Application submission unless specifically indicated otherwise:
  - i) 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).
  - ii) All contractors, consulting firms, and Administrators must sign and submit an affidavit with each draw 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).
  - iii) To encourage the inclusion of families and individuals with the highest need for affordable housing, applicants must target a minimum of 5% of the total units for individuals or families earning 30% or less of area medium income for the development site.
  - iv) To encourage the involvement of other public agencies and private entities in affordable housing, applicants must provide a minimum of 10% of the total development cost from other public agencies and/or private entities.
  - v) To encourage reasonable and cost effective building strategies, applicants must limit development cost per square foot to \$70.00 for new construction and \$38.00 for rehabilitation. Please note, use normal rounding when performing this calculation. (\$69.50 and higher would be rounded up to \$70.00, \$69.49 and lower would be rounded down to \$69.00).
  - vi) All of the 2007 Qualified Allocation Plan and Rules at 10 TAC §49.9(h), excluding subsections (4)(I), (11), (12) and (15).
  - vii) An applicant is not eligible to apply for funds or any other assistance from the Department unless audits are current at the time of application or the Audit Certification Form has been submitted to the Department in a satisfactory format on or before the application deadline for funds or other assistance per 10 TAC §1.3(b).

**9) Review Process**

- a) Pursuant to 10 TAC §53.58, each application will be handled on a first-come, first-served basis as further described in this section. Each application will be assigned a "received date" based on the date and time it is physically received by the Department. Then each application will be reviewed on its own merits in three review phases, as applicable.

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Applications will continue to be prioritized for funding based on their "received date" unless they do not proceed into the next phase(s) of review. Applications proceeding in a timely fashion through a phase will take priority over applications that may have an earlier "received date" but that did not timely complete a phase of review. Applications will be reviewed for Applicant and Activity Eligibility, Threshold Criteria, and Financial Feasibility as described in this NOFA.

- b) 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.

Phase One will begin as of the received date. Applications not being considered under the CHDO Set-Aside will be passed through to Phase Two upon receipt. Phase One will only entail the review of the CHDO Certification package. The Department will ensure review of these materials and issue notice of any deficiencies on the CHDO Certification package within 30 days of the received date. Applicants who are able to resolve their deficiencies within seven business days will be forwarded into Phase Two and will continue to be prioritized by their received date. Applications with deficiencies not cured within seven business days, will be retained in Phase One until all deficiencies have been addressed/resolved by the Applicant to the Department's satisfaction. Only upon satisfaction of all deficiencies will the Application be forwarded to Phase Two. Applications that have not proceeded out of Phase One within 50 days of the received date will be terminated and must reapply for consideration of funds.

Phase Two will include a review of all application requirements. The Department will ensure review of materials required under the NOFA, and application guidelines and will issue notice of any deficiencies as to threshold and eligibility within 45 days of the date it enters Phase Two. Applicants who are able to resolve their deficiencies within seven business days will be forwarded into Phase Three and will continue to be prioritized by their received date. Applications with deficiencies not cured within seven business days, will be retained in Phase Two until all deficiencies have been addressed/resolved by the Applicant to the Department's satisfaction. Only upon satisfaction of all deficiencies, and of threshold and eligibility requirements will the Application be forwarded to Phase Three. An Application that has not proceeded out of Phase Two within 65 days of the date it entered Phase Two will be terminated and must reapply for consideration of funds. Application submitted for non-development Activities will not go through a Phase Three evaluation.

Phase Three will include a comprehensive review for material noncompliance and financial feasibility by the Department. Financial feasibility reviews will be conducted by the Real Estate Analysis (REA) Division consistent with §1.32 of this title. REA will create an underwriting report identifying staff's recommended loan terms, the loan or grant amount and any conditions to be placed on the development. The Department will

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ensure financial feasibility review and issue notice of any required deficiencies for that feasibility review within 45 days of the date it enters Phase Three. Applicants who are able to resolve their deficiencies within seven business days will be forwarded into "Recommended Status" and will continue to be prioritized by their received date. Applications with deficiencies not satisfied within seven business days, will be retained in Phase Three until all deficiencies have been addressed/resolved by the Applicant to the Department's satisfaction. Only upon resolution of all deficiencies will the Application be forwarded to the Department's Executive Awards Review and Advisory Committee for recommendation to the Board. Any application that has not finished Phase Three within 65 days of the date it entered Phase Three will be terminated and must reapply for consideration of funds.

Upon completion of the applicable final review Phase, applications will be presented to the Executive Awards Review and Advisory Committee (the Committee). If satisfactory, the Committee will then recommend the award of funds to the Board, as long as HOME funds are still available for this Activity under the applicable NOFA. If the Application is recommended at least 14 days prior to the next Board meeting, it will be placed on the next Board meeting's agenda. If the Application is recommended with less than 14 days before the next Board meeting, the recommendation will be placed on the subsequent month's Board meeting agenda. Applications which are not recommended by the committee will be either returned to Department Staff or terminated.

Because applications are processed in the order they are received by the Department, it is possible that the Department will expend all available HOME funds before an application has completed all phases of its review. In the case that all HOME funds are committed before an application has completed all phases of the review process, the Department will notify the applicant that their application will remain active for 90 days in its current phase. If new HOME funds become available, applications will continue onward with their review without losing their received date priority. If HOME funds do not become available within 90 days of the notification, the Applicant will be notified that their application is no longer under consideration. The applicant must reapply to be considered for future funding. If on the date an application is received by the Department, no funds are available under this NOFA, the applicant will be notified that no funds exist under the NOFA and the application will not be processed.

- c) Pursuant to 10 TAC §53.59(3), a site visit will be conducted as part of the HOME Program development feasibility review. Applicants must receive recommendation for approval from the Department to be considered for HOME funding by the Board.
- d) 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.

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- e) 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.
- f) An Applicant may appeal decisions made by staff in accordance with 10 TAC §1.7.

**10) Application Submission**

- a) All applications submitted under this NOFA must be received on or before 5:00 p.m. on June 2, 2008. 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. For questions regarding this NOFA please contact Barbara Skinner at 512-475-1643 or via e-mail at [barbara.skinner@tdhca.state.tx.us](mailto:barbara.skinner@tdhca.state.tx.us) or Skip Beard at 512-475-0908 or via e-mail at [skip.beard@tdhca.state.tx.us](mailto:skip.beard@tdhca.state.tx.us).
- b) All applications must be submitted, and provide all documentation, as described in this NOFA and associated application materials
- c) Applicants must submit one complete printed copy of all Application materials and one complete scanned copy 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.
- d) 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.

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- e) Third party reports – If third party reports are not received at the time of application submission, the Application will be terminated.
  
- f) All Application materials including manuals, NOFA, program guidelines, and all applicable HOME rules, will be available on the Department’s website at [www.tdhca.state.tx.us](http://www.tdhca.state.tx.us). Applications will be required to adhere to the HOME Rule and threshold 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.
  
- g) 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.
  
- h) Applications must be sent via overnight delivery to:

**HOME Division  
Texas Department of Housing and Community Affairs  
Attn: Barbara Skinner  
221 East 11th Street  
Austin, TX 78701-2410**

or via the U.S. Postal Service to:

**HOME Division  
Texas Department of Housing and Community Affairs  
Attn: Barbara Skinner  
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 CHDO Rental Housing Development Program. For proper completion of the application, the Department strongly encourages potential applicants to review all applicable State and Federal regulations.*



**HOME DIVISION**

**BOARD ACTION REQUEST**

**July 30, 2007**

**Action Item**

Presentation, Discussion and Possible Approval of a Notice of Funding Availability (NOFA) for approximately \$6,000,000 utilizing unawarded and deobligated HOME CHDO funds for the HOME Community Housing Development Organization (CHDO) Rental Housing Development Program.

**Required Action**

Approve, Deny or Approve the use of HOME CHDO deobligated funds in accordance with 10 TAC Chapter 1, Subchapter 1.19 (e)(2)(C), and approval of the finalized NOFA for publication in the *Texas Register*.

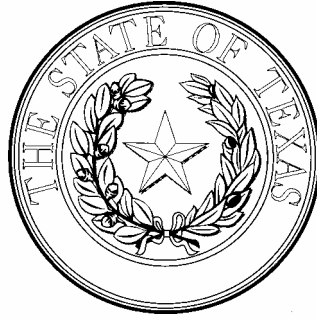
**Background**

In order to meet the Department's federal CHDO set-aside requirement, staff proposes the release of approximately \$6,000,000 in federal funding from the Department's remaining 2007 CHDO set-aside and deobligated HOME Investment Partnerships Program (HOME) funds. Funds will be made available to CHDO's for the acquisition, new construction, rehabilitation, or acquisition and rehabilitation of affordable rental housing for low-income Texans. These funds are made available through unawarded and deobligated HOME CHDO 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). Approximately \$4.6 million of the 2007 Program Year CHDO set-aside was not awarded in the recent competitive CHDO application cycle. Additionally, nearly \$1.4 million is currently available in deobligated CHDO funds and must be reserved to be awarded to CHDO's to meet the federal set-aside requirement. 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).

The Board will soon be taking action on the State HOME Rules with final rules to be approved in November 2007. To the degree the approved rules would require changes to the NOFA, the NOFA will be revised and reposted in December 2007, but allow the ongoing submission of applications.

**Recommendation**

Staff recommends approval of the Draft Notice of Funding Availability for the HOME Community Housing Development Organization (CHDO) Rental Housing Development Program with permission to revise the total amount of deobligated CHDO funds available before publication in the *Texas Register* and to the Department's website. Staff also recommends approval to utilize HOME CHDO deobligated funds for this activity.



**Texas Department of Housing and Community Affairs  
HOME Investment Partnerships Program**

**Community Housing Development Organization (CHDO)  
Rental Housing Development Program  
Notice of Funding Availability (NOFA)**

**1) Summary**

- a) The Texas Department of Housing and Community Affairs (“the Department”) announces the availability of approximately \$6,000,000 in funding from the HOME Investment Partnerships Program for Community Housing Development Organizations (CHDO) to develop affordable rental housing for low-income Texans. 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 application is submitted, 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 unawarded and deobligated HOME funds that are set-aside for eligible CHDO rental housing development proposals which involve new construction, rehabilitation, acquisition and rehabilitation of affordable rental housing development activities. 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) Rental development funds will not be eligible for use in a Participating Jurisdiction (PJ).

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- c) 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. **June 2, 2008** unless all funds are committed prior to this date. Applicants are encouraged to review the application process cited above and described herein. Applications that do not meet minimum threshold and financial feasibility will not be considered for funding.
- d) 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, pursuant to 10 TAC §53.54(2). Award amounts are limited to no more than \$3 million per development. 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 cost 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 the 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'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.
- e) Each CHDO that is awarded Rental Development funds may also be eligible to receive a grant for CHDO Operating Expenses. Applicants will be required to submit organizational operating budgets, audits and other financial and non-financial materials detailed in the HOME application. The award amount for CHDO Operating Expenses shall not exceed \$50,000. Awards for operating expenses will be drawn over a two-year period of time. The Department reserves the right to limit an Applicant to receive not more than one award of CHDO Operating Expenses during the same fiscal year and to further limit the award of CHDO Operating Expenses.
- 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).

**3) Eligible and Ineligible Activities**

- a) Eligible activities will include those permissible under the federal HOME Rule at 24 CFR §92.205, the State HOME Rules at 10 TAC §§53.53(g), which involve only the acquisition, rehabilitation and construction of affordable rental developments.
- b) Prohibited activities include those under federal HOME rules at 24 CFR 92.214 and 10 TAC §53.56.

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- c) Rental development funds will not be eligible for use in a Participating Jurisdiction (PJ).
- d) Refinancing of federally financed properties or use of HOME funds for properties constructed within five years of the submission of an Application for assistance will not be permissible.

**4) Eligible and Ineligible Applicants**

- a) The Department provides HOME CHDO funding to qualified nonprofit organizations eligible for CHDO certification. CHDO Certification will be awarded in accordance with the rules and procedures as set forth in the HOME rules at 10 TAC §53.63, Community Housing Development Organization (CHDO) Certification. A separate application process is required for CHDO Certification. Review and approval of the CHDO Certification occurs during the threshold review process, however Applicants will not receive a formal certification until the award of the HOME funds has been approved by the Department's Board. The CHDO Application package will be available with all other application materials on the Department's website. A new Application for CHDO certification must be submitted to the Department with each new Application for HOME Development funds under the CHDO set aside.
- b) CHDO Applicants must be the Sponsor, Owner or Developer of the proposed Development. Applicants who apply through a Limited Partnership will be required to provide evidence, at the time of CHDO certification and commitment, that the CHDO Applicant is the Managing General Partner of the partnership and has effective control (decision making authority) over the development and management of the property, pursuant to 24 CFR §92.300.
- c) 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). Applicants are encouraged to familiarize themselves with the Department's certification and debarment policies prior to application submission.

**5) Matching Funds**

- 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) 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

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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.

**7) 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, one of three model codes: Uniform Building Code (ICBO), National Building Code (BOCA), Standard (Southern) Building Code (SBCCI); or the Council of American Building Officials (CABO) one or two family code; or the Minimum Property Standards (MPS) in 24 CFR 200.925 or 200.926d. To avoid duplicative inspections when Federal Housing Administration (FHA) financing is involved in a HOME-assisted property, a participating jurisdiction may rely on a Minimum Property Standards (MPS) inspection performed by a qualified person. 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 in 24 CFR

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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) apply.
- e) Developments involving new construction will be limited to 252 Units. These maximum Unit limitations also apply to those Developments which involve a combination of rehabilitation and new construction. Developments that consist solely of acquisition/rehabilitation or rehabilitation only may exceed the maximum Unit restrictions. The minimum number of units shall be 4 units, pursuant to 10 TAC §53.53(f).

**8) Threshold Criteria**

- a) 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.
- b) 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 of this title, pursuant to 10 TAC 53.53(i).
- c) All applications will be required to meet Section 8 Housing Quality Standards detailed under 24 CFR §982.401, Texas Minimum Construction Standards, 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 International Building Code.

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- d) 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 14 days prior to the submission of an application package at a minimum 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.
- e) The following Threshold Criteria listed in this subsection are mandatory requirements at the time of Application submission unless specifically indicated otherwise:
- i) 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).
  - ii) All contractors, consulting firms, and Administrators must sign and submit an affidavit with each draw 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).
  - iii) To encourage the inclusion of families and individuals with the highest need for affordable housing, applicants must target a minimum of 5% of the total units for individuals or families earning 30% or less of area medium income for the development site.

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- iv) To encourage the involvement of other public agencies and private entities in affordable housing, applicants must provide a minimum of 10% of the total development cost from other public agencies and/or private entities.
- v) To encourage reasonable and cost effective building strategies, applicants must limit development cost per square foot to \$70.00 for new construction and \$38.00 for rehabilitation. Please note, use normal rounding when performing this calculation. (\$69.50 and higher would be rounded up to \$70.00, \$69.49 and lower would be rounded down to \$69.00).
- vi) All of the 2007 Qualified Allocation Plan and Rules at 10 TAC §49.9(h), excluding subsections (4)(I), (11), (12) and (15).
- vii) An applicant is not eligible to apply for funds or any other assistance from the Department unless audits are current at the time of application or the Audit Certification Form has been submitted to the Department in a satisfactory format on or before the application deadline for funds or other assistance per 10 TAC §1.3(b).

**9) Review Process**

- a) Pursuant to 10 TAC §53.58, each application will be handled on a first-come, first-served basis as further described in this section. Each application will be assigned a "received date" based on the date and time it is physically received by the Department. Then each application will be reviewed on its own merits in three review phases, as applicable. Applications will continue to be prioritized for funding based on their "received date" unless they do not proceed into the next phase(s) of review. Applications proceeding in a timely fashion through a phase will take priority over applications that may have an earlier "received date" but that did not timely complete a phase of review. Applications will be reviewed for Applicant and Activity Eligibility, Threshold Criteria, and Financial Feasibility as described in this NOFA.
- b) 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.

Phase One will begin as of the received date. Applications not being considered under the CHDO Set-Aside will be passed through to Phase Two upon receipt. Phase One will only entail the review of the CHDO Certification package. The Department will ensure review of these materials and issue notice of any deficiencies on the CHDO Certification package within 30 days of the received date. Applicants who are able to resolve their deficiencies within seven business days will be forwarded into Phase Two and will continue to be prioritized by their received date. Applications with deficiencies not cured within seven business days, will be retained in Phase One until all deficiencies have been



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addressed/resolved by the Applicant to the Department's satisfaction. Only upon satisfaction of all deficiencies will the Application be forwarded to Phase Two. Applications that have not proceeded out of Phase One within 50 days of the received date will be terminated and must reapply for consideration of funds.

Phase Two will include a review of all application requirements. The Department will ensure review of materials required under the NOFA, and application guidelines and will issue notice of any deficiencies as to threshold and eligibility within 45 days of the date it enters Phase Two. Applicants who are able to resolve their deficiencies within seven business days will be forwarded into Phase Three and will continue to be prioritized by their received date. Applications with deficiencies not cured within seven business days, will be retained in Phase Two until all deficiencies have been addressed/resolved by the Applicant to the Department's satisfaction. Only upon satisfaction of all deficiencies, and of threshold and eligibility requirements will the Application be forwarded to Phase Three. An Application that has not proceeded out of Phase Two within 65 days of the date it entered Phase Two will be terminated and must reapply for consideration of funds. Application submitted for non-development Activities will not go through a Phase Three evaluation.

Phase Three will include a comprehensive review for material noncompliance and financial feasibility by the Department. Financial feasibility reviews will be conducted by the Real Estate Analysis (REA) Division consistent with §1.32 of this title. REA will create an underwriting report identifying staff's recommended loan terms, the loan or grant amount and any conditions to be placed on the development. The Department will ensure financial feasibility review and issue notice of any required deficiencies for that feasibility review within 45 days of the date it enters Phase Three. Applicants who are able to resolve their deficiencies within seven business days will be forwarded into "Recommended Status" and will continue to be prioritized by their received date. Applications with deficiencies not satisfied within seven business days, will be retained in Phase Three until all deficiencies have been addressed/resolved by the Applicant to the Department's satisfaction. Only upon resolution of all deficiencies will the Application be forwarded to the Department's Executive Awards Review and Advisory Committee for recommendation to the Board. Any application that has not finished Phase Three within 65 days of the date it entered Phase Three will be terminated and must reapply for consideration of funds.

Upon completion of the applicable final review Phase, applications will be presented to the Executive Awards Review and Advisory Committee (the Committee). If satisfactory, the Committee will then recommend the award of funds to the Board, as long as HOME funds are still available for this Activity under the applicable NOFA. If the Application is recommended at least 14 days prior to the next Board meeting, it will be placed on the next Board meeting's agenda. If the Application is recommended with less than 14 days before the next Board meeting, the recommendation will be placed on the subsequent month's Board meeting agenda. Applications which are not recommended by the committee will be either returned to Department Staff or terminated.

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Because applications are processed in the order they are received by the Department, it is possible that the Department will expend all available HOME funds before an application has completed all phases of its review. In the case that all HOME funds are committed before an application has completed all phases of the review process, the Department will notify the applicant that their application will remain active for 90 days in its current phase. If new HOME funds become available, applications will continue onward with their review without losing their received date priority. If HOME funds do not become available within 90 days of the notification, the Applicant will be notified that their application is no longer under consideration. The applicant must reapply to be considered for future funding. If on the date an application is received by the Department, no funds are available under this NOFA, the applicant will be notified that no funds exist under the NOFA and the application will not be processed.

- c) Pursuant to 10 TAC §53.59(3), a site visit will be conducted as part of the HOME Program development feasibility review. Applicants must receive recommendation for approval from the Department to be considered for HOME funding by the Board.
- d) 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.
- e) 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.
- f) An Applicant may appeal decisions made by staff in accordance with 10 TAC §1.7.

**10) Application Submission**

- a) All applications submitted under this NOFA must be received on or before 5:00 p.m. on June 2, 2008. 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

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on the Department's web site until the deadline. For questions regarding this NOFA please contact Barbara Skinner at 512-475-1643 or via e-mail at [barbara.skinner@tdhca.state.tx.us](mailto:barbara.skinner@tdhca.state.tx.us) or Skip Beard at 512-475-0908 or via e-mail at [skip.beard@tdhca.state.tx.us](mailto:skip.beard@tdhca.state.tx.us).

- b) All applications must be submitted, and provide all documentation, as described in this NOFA and associated application materials
- c) Applicants must submit one complete printed copy of all Application materials and one complete scanned copy 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.
- d) 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.
- e) Third party reports – If third party reports are not received at the time of application submission, the Application will be terminated.
- f) All Application materials including manuals, NOFA, program guidelines, and all applicable HOME rules, will be available on the Department's website at [www.tdhca.state.tx.us](http://www.tdhca.state.tx.us). Applications will be required to adhere to the HOME Rule and threshold 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.
- g) 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.
- h) Applications must be sent via overnight delivery to:

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**HOME Division  
Texas Department of Housing and Community Affairs  
Attn: Barbara Skinner  
221 East 11<sup>th</sup> Street  
Austin, TX 78701-2410**

or via the U.S. Postal Service to:

**HOME Division  
Texas Department of Housing and Community Affairs  
Attn: Barbara Skinner  
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 CHDO Rental Housing Development Program. For proper completion of the application, the Department strongly encourages potential applicants to review all applicable State and Federal regulations.*

**HOME DIVISION**

**BOARD ACTION REQUEST**

**July 30, 2007**

**Action Item**

Presentation, Discussion and Possible Approval of a Notice of Funding Availability (NOFA) for \$1,000,000 of local revenues from the Housing Trust Fund for the Texas Veteran's Housing Support Program.

**Required Action**

Approval of the NOFA for publication in the *Texas Register*.

**Background**

On May 10, 2007 the Board approved the Texas Veteran's Housing Support Program as included in and a part of the 2007 Housing Trust Fund Funding Plan. Funds will be utilized for rental subsidies and homeownership assistance for low-income (80% AMFI) veterans. Up to three years of rental assistance will be available for veterans transitioning from Veteran's Affairs (VA) hospitals, other care facilities; or low income veteran's leaving the service and transitioning to civilian life. Homeownership assistance will also 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.

These funds are made available through local revenue Housing Trust Fund 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 Housing Trust Fund Rules (10 TAC Chapter 51).

**Recommendation**

Staff recommends approval of the Notice of Funding Availability for the Texas Veteran's Housing Support Program for publication in the *Texas Register* and to the Department's website.

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**Texas Department of Housing and Community Affairs  
Housing Trust Fund (HTF)**

**2007 Texas Veterans Housing Support Program  
Notice of Funding Availability (NOFA)**

**Summary**

The Texas Department of Housing and Community Affairs (Department) announces the availability of approximately \$1,000,000 of the 2007 Housing Trust Fund (HTF) to fund housing programs for veterans. Funds will be made available for tenant based rental assistance and homebuyer assistance. The availability and use of these funds are subject to the State Housing Trust Fund Rules at 10 Texas Administrative Code, Title 10, Part 1, Chapter 51 ("HTF Rules") in effect at the time the application is submitted.

**Allocation of HTF Funds**

These funds are made available through the Housing Trust Fund and are not subject to the Regional Allocation Formula. All funds released under this NOFA shall be used for the creation of affordable housing for Texas veterans earning 80 percent (80%) or less of the Area Median Family Income (AMFI) as defined by the U. S Department of Housing and Urban Development (HUD), with priority given to veterans with disabilities and/or veterans who have served in the war in Afghanistan, also known as Operation Enduring Freedom, the Iraq War, also know as Operation Iraqi Freedom, and other recent overseas conflicts.

The Department requires that applicants target at least 50% of those units served by housing trust funds to individuals and families earning less than 60% of the area median family income, as defined by HUD.

In accordance with 10 TAC §51.6 (d), 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 by the Department on regular business days until 5:00 p.m., **Friday, December 28, 2007, regardless of method of delivery.** Applicants are encouraged to review the application process cited above and described herein. Applications that do not meet minimum threshold criteria will not be considered for funding.

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The maximum award amount per activity is \$250,000 inclusive of project and administrative funds. Up to four percent (4%) of the requested project funds may be requested for administrative costs.

Entities applying for both activities, must submit one application for each activity.

**Eligible and Ineligible Activities**

Eligible activities will include those permissible under HTF Rules at 10 TAC §51.4.

Prohibited activities include those under HTF Rules 10 TAC §51.5.

**Veteran's Rental Assistance (VRA):**

Rental subsidy, security, and utility deposit assistance is provided in the form of a grant to tenants in accordance with written tenant selection policies for a period not to exceed 36 (thirty-six) months. VRA allows the assisted tenant to move to and live in any dwelling unit with a right to continued assistance during a 36-month period with the condition that the assisted household participate in a self-sufficiency program, which shall include among its objectives the acquisition of a permanent source of affordable housing on or before the expiration of the rental subsidy. The VRA program will be available for veterans transitioning from Veteran's Administration (VA) Hospitals or other care facilities; or veterans honorably discharged from the service and transitioning to civilian life. All rental properties must meet HUD's Housing Quality Standards (HQS).

The contract term for a VRA contract will be 40 months.

**Veteran's Homebuyer Assistance (VHA):**

Down payment and closing cost assistance is provided to homebuyers for the acquisition, or acquisition and rehabilitation, of affordable and accessible single family housing. Rehabilitation must be to ensure accessibility. Eligible homebuyers may receive loans up to \$35,000 for down payment, closing costs and rehabilitation. A maximum of \$15,000 of the \$35,000 loan can be used for down payment and closing costs. The balance of the assistance can be used for needed accessibility modifications. All homes purchased with HTF assistance must meet all applicable codes and standards including the Texas Minimum Construction Standards (TMCS).

If the assisted household has an income that is less than 60% of the area median family income or if the head or co-head of the household is an income-qualified (up to 80% AMFI) disabled veteran, the assistance will be in the form of a zero percent (0%) interest 5-year deferred, forgivable loan creating a 2<sup>nd</sup> or 3<sup>rd</sup> lien.

If the household income is below 80% of the AMFI, but more than 60% of the AMFI, then the homebuyer assistance will be in the form of a zero percent (0%) interest 10-year deferred, forgivable loan creating a 2<sup>nd</sup> or 3<sup>rd</sup> lien.

The VHA loan is to be repaid at the time of resale of the property, refinance of the first lien, repayment of the first lien, or if the unit ceases to be the assisted homebuyer's principal

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residence. If any of these occur before the end of the 5 or 10-year loan term, the borrower must repay the unforgiven portion of the funds to the Department. This amount will be based on a pro-rata share of the remaining loan term. The amount of assistance for the accessibility modifications will be in the form of a grant. At the completion of the assistance, all properties must meet the Texas Minimum Construction Standards (TMCS), all applicable building and safety codes, rehabilitation standards, ordinances and local zoning ordinances. If a home is newly constructed it must also meet federal energy requirements as defined by HUD.

The contract term for a VHA contract will be 24 months.

### **Eligible and Ineligible Applicants**

Eligible applicants are Units of General Local Government, Nonprofit Organizations and Public Housing Authorities (PHA's).

Applicants may be ineligible for funding if they meet any of the criteria listed in §51.5 of the Department's HTF Rules.

### **Threshold Criteria**

#### **Veteran's Rental Assistance (VRA):**

**Cash Reserve:** Each awarded applicant will be required to expend funds according to program guidelines and request funds from the Department for eligible expenses. Every applicant must be able to evidence as a threshold standard that they demonstrate the ability to administer the program and commit adequate cash reserves of at least one month's total rents for the number of households proposed to be served in order to cover any delays in the disbursement process. Cash reserves are not permanently invested in the project but are used for short term deficits that are paid by program funds. This commitment must be included in the applicant's resolution.

**Self-Sufficiency Plan:** It will also be a threshold requirement that the applicant for rental assistance submit a detailed self-sufficiency plan which must be implemented for each tenant served, if awarded. The Plan must describe the process for the transition of households to permanent housing by the end of the 36-month rental assistance contract term.

The documentation must describe the necessary components for the overall plan proposed for transition of potential tenants. This plan, like a case management plan, should detail the need of the tenant, how these needs will be addressed including any agreements with service providers who shall assist the tenant at meeting these needs, and a proposed timeframe for completing those activities. The plan must include:

1. A sample household budget which will utilize existing sources of income such as employment, disability payments and other types of support that details how the assisted household will afford to be self-sufficient by the end of the 36 month rental assistance.
2. If additional income is required to attain self-sufficiency, a plan for attaining the required education or training, or a job search plan must be included.



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3. Specific housing goals that will be completed on or before the end of the 36 month assistance period. This includes finding subsidized housing, affordable market housing or other permanent housing solutions. The plan should include the required steps such as completing an application, approximate waiting time to get into the type of housing desired and the cost of the housing to the tenant.

**Resolution Requirement:** All applications submitted for VRA must include an original resolution from the applicant's direct governing body, authorizing the submission of the application, committing a specific amount for cash reserves for use during the contract period and naming a person authorized to represent the organization and signature authority to execute a contract.

**Veteran's Homebuyer Assistance (VHA):**

**Cash Reserve:** Each awarded applicant will be required to expend funds according to program guidelines and request funds from the Department for eligible expenses. Every applicant must be able to evidence as a threshold standard, that they can demonstrate the ability to administer the program and commit adequate cash reserves of at least \$35,000 to cover any delays in the disbursement process. Cash reserves are not permanently invested in the project but are used for short term deficits that are paid by program funds. This commitment must be included in the applicant's resolution.

**Homebuyer Counseling and Lender Products:** It will also be a threshold requirement that every VHA Applicant provide evidence of Homebuyer Counseling and evidence of available lender products. Evidence must include documentation describing the level of homebuyer counseling proposed for potential homebuyers including a copy of the curriculum, type of materials that will be provided to the homebuyer, a copy of a written agreement with service provider, if the applicant is not the service provider; and a description of post purchase counseling to be provided. The Homebuyer Counseling must be provided to each household served, if awarded.

Applicant is required to submit three letters from lenders interested in participating in the applicant's proposed homebuyer assistance activity. Lender Letters must be on the lender's letterhead and include the lender name, address, city, state, and zip code. Lender letter must affirm the willingness, ability and type of affordable loan products available for the applicant's targeted homebuyers.

**Resolution Requirement:** All applications submitted for VHA must include an original resolution from the applicant's direct governing body, authorizing the submission of the application, committing a specific amount for cash reserves for use during the contract period and naming a person authorized to represent the organization and signature authority to execute a contract.

**Review Process**

Pursuant to 10 TAC §51.6, each application will be handled on a first-come, first-served basis. Each application will be assigned a "received date" based on the date and time it is

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physically received by the Department. Applications will be reviewed for Applicant and Activity Eligibility and Threshold Criteria as described in this NOFA.

Funding recommendations of eligible applicants will be presented to the Department's Governing Board of Directors based on eligibility and on a first-come, first-served basis limited by the total amount of funds available under this NOFA and the maximum award amount per activity.

Because applications are processed in the order they are received by the Department, it is possible that the Department will expend all available HTF funds before an application has been completely reviewed. If on the date an application is received by the Department, no funds are available under this NOFA, the applicant will be notified that no funds exist under the NOFA and the application will not be processed.

An Applicant may appeal decisions made by staff in accordance with 10 TAC §1.7.

**Application Submission**

The Application Guide for this NOFA will be available on the Department's website at [www.tdhca.state.tx.us](http://www.tdhca.state.tx.us) on **August 15, 2007**, or you may call (512) 463-8921 to request a copy. Applications must be submitted on forms provided by the Department, and cannot be altered or modified and must be in final form before submitting them to the Department. All applications must be submitted, and provide all documentation, as described in this NOFA and associated application materials. Final application deadline date is **5:00 P.M., Friday, December 28, 2007**.

Applications mailed via the U.S. Postal Service must be mailed to:

**Texas Department of Housing & Community Affairs  
Attn: Housing Trust Fund, Texas Veterans Housing Support Program  
HOME Division  
P.O. Box 13941  
Austin, Texas 78711-3941**

Applications mailed by private carrier or hand-delivered will be received at the physical address:

**Texas Department of Housing & Community Affairs  
Attn: Housing Trust Fund, Texas Veterans Housing Support Program  
HOME Division  
221 E. 11th Street  
Austin, Texas 78701**

Applicants are required to remit a non-refundable application fee payable to the Texas Department of Housing and Community Affairs in the amount of \$30 per application. Please send a check, cashier's check or money order; **do not send cash**. Section 2306.147(b) of the Texas Government Code requires the Department to waive grant

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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 in lieu of the application fee.

Applications that do not meet the filing deadline and application fee requirements will be returned to the applicant and will not be considered for funding. Application deficiencies will be processed in accordance to 10 TAC §51.6. An applicant may appeal decisions made by the Department in accordance with 10 TAC §1.7.

This NOFA does not include text of the various applicable regulatory provisions that may be important to the Housing Trust Fund Program. For proper completion of the application, the Department strongly encourages potential applicants to review the HTF Rules and regulations and to attend an application training workshop.

**Application Workshop**

The Department will present a Housing Trust Fund Program Application Workshop that will provide an overview of the Housing Trust Fund, application preparation and submission requirements, evaluation criteria, and information about the major State requirements that may affect a Housing Trust Fund project. The Housing Trust Fund Application Workshop schedule and registration will be posted on the Department's website at [www.tdhca.state.tx.us](http://www.tdhca.state.tx.us).

**Audit Requirements**

An applicant is not eligible to apply for funds or any other assistance from the Department unless a past audit or Audit Certification Form has been submitted to the Department in a satisfactory format on or before the application deadline for funds or other assistance per 10 TAC §1.3(b). This is a threshold requirement outlined in the application, therefore applications that have outstanding past audits will be disqualified. Staff will not recommend applications for funding to the Department's Governing Board unless all unresolved audit findings, questions or disallowed costs are resolved per 10 TAC §1.3(c).

**Contact Information**

Questions regarding this NOFA should be addressed to:

HOME Division

221 E. 11<sup>th</sup> Street

Austin, Texas 78701

Telephone: (512) 463-8921

E-mail: [sandy.garcia@tdhca.state.tx.us](mailto:sandy.garcia@tdhca.state.tx.us)

**Real Estate Analysis Division**

**BOARD ACTION ITEM**

**July 30, 2007**

**Item**

Presentation, discussion and possible action on a timely filed appeal regarding the underwriting recommendation of a development under the 2007 Competitive Housing Tax Credit program, #07263 Constitution Court, Ltd. Apartments Copperas Cove, Texas.

**Required Action**

Approve, deny or approve with amendments a determination on the appeal.

**Background**

Mr. Emmanuel Glockzin, the contact for the General Partner of Constitution Court, Ltd., the Applicant, submitted an application for funding under the 2007 Competitive Housing Tax Credit program to develop 108 multifamily rental units in Copperas Cove, Texas. The Applicant requested \$991,075 in annual tax credits to support a total development budget of \$12,562,900. The Applicant submitted a budget which included \$2,900,000 in HOME funds, but the application for HOME funds was terminated. The termination was upheld on appeal to the Board. The Applicant has provided no alternative source of funds for the loss of these funds and without the HOME funds the amount of deferred developer fee exceeds the amount that can be expected to be repaid in 15 years by a wide margin of at least \$1.3M. The applicant also exceeded the 65% expense to income ratio limit provided for in the 2007 Real Estate Analysis Rules and Guidelines 10 TAC§1.32(i)(4) using operating expenses that are \$331 to \$417 per unit less than properties they consider comparable. In addition, the Underwriter's expense to income ratio is 67%, but utilizing the full value of the comparable expenses would put the expense to income ratio even further over the limit.

The Applicant has not provided any alternative to the loss of HOME funds, resulting in an unfunded gap in financing. Therefore, the application can not be recommended based on not meeting the minimum readiness to proceed requirements under the QAP in 10 TAC§49.9(h)(7)(C) nor the financial feasibility requirements under 10 TAC §1.32(i)(2) which require that any deferred developer fee be projected to be repaid in 15 years or less. The Applicant's appeal provides no apparent contention of the underwriting recommendation on this basis.

The Applicant contends that additional information should be considered with regard to three properties operated by related parties in order to approve a lower expense and therefore a lower expense to income ratio. The Applicant requests consideration of only a portion of the operating expenses for these properties by looking only at the payroll and property taxes. Only two of the

properties (Treehouse and Victoria Place) appear to have been operating as stabilized for the majority of the year. Moreover when looking at the total operations for these two properties the operating expense per unit was \$3,635 and \$3,549 without considering the required \$250 per unit for replacement reserves. Thus these two properties would compare at \$3,885 and \$3,799 to the Applicant's proposed \$3,468 per unit. In other words, the financial statements, provided as part of the appeal, for the developments that the Applicant believes are comparable recognize operating expenses that are \$331 to \$417 per unit higher than the Applicant's proposed expenses. This does not support the Applicant's claim that Constitution Court can be operated at a lower overall expense per unit. Moreover, utilizing the full operating expenses for the comparable properties with the rent structure for the subject would make the development be further over the 65% expense to income ratio limit.

The Application does not meet the current requirements for financial feasibility under 10 TAC§1.32(i)(2) and (4) and the Applicant has not provided information that identifies an error in the underwriting process or conclusions.

**Recommendation**

Staff recommends the Board deny the appeal.

07263 Constitution Court, Copperas Cove

Applicant's Appeal

P.O. Box 3189  
Bryan, Texas 77805-3189  
979.846.8878 phone 979.846.0783 fax

**Emanuel H. Glockzin, Jr.**

# Fax

**To:** Ms. Pam Cloyde  
TDHCA

**From:** Emanuel H. Glockzin, Jr.

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**Fax:** 512-475-3746

**Pages:** 21

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**Phone:** 512-475-4573

**Date:** July 11, 2007

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**Re:** TDHCA #07263

**CC:**

**Urgent**     **For Review**     **Please Comment**     **Please Reply**

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APPEAL ELECTION FORM FOR CONSTITUTION COURT TDHCA #07263.  
ALSO, PER YOUR INSTRUCTION, ATTACHED PLEASE FIND THE LETTER  
TO MR. MICHAEL GERBER AND DOCUMENTATION APPEALING THE  
UNDERWRITING CRITERIA TO THE EXECUTIVE DIRECTOR.  
ORIGINALS OF ALL DOCUMENTS WILL BE FEDERAL EXPRESSED TODAY,  
FOR OVERNIGHT DELIVERY, TO MR. GERBER.

# CONSTITUTION COURT, LTD.

4500 Carter Creek Parkway, Suite 101, Bryan, TX 77805

• Phone (979) 846-8878 • Fax (979) 846-0783

July 9, 2007

Texas Department of Housing  
And Community Affairs  
221 East 11<sup>th</sup> Street  
Austin, TX 78701

RECEIVED

JUL 12 2007

DEPUTY ED.

Attn: Mr. Michael Gerber – Executive Director  
Re: Constitution Court, Ltd. TDHCA # 07263 – Real Estate Analysis Tax Credit  
Underwriting Report Appeal

Dear Mr. Gerber:

I am writing this letter to formally appeal to you, the second item listed under the heading “NOT RECOMMENDED DUE TO THE FOLLOWING:”

- The Underwriter’s expense to income ratio exceeds the Department’s maximum of 65% (and the Applicant’s ratio is right at the maximum) and therefore cannot be characterized as financially feasible even if the additional funds were sourced as a grant pursuant to 10TAC§1.32(i)(4).

The Applicant’s revised total annual operating expense projection of \$3,417 per unit is within 5% of the Underwriter’s estimate of \$3,630. The Applicant’s total operating expenses, as revised using actual averages for Payroll, Payroll, and Employee Benefits, and Property Taxes, do not exceed the Department’s maximum of 65% (\$369,071.00 divided by \$576,778 = 64%). **Applicant is within the 5% of the 65% rule (Department’s maximum).**

The Applicant was asked to justify the expenses such as Payroll and Payroll Taxes and Property Tax, which differed from the Underwriter’s estimates. We have attached copies of the General and Administrative Expense schedules from actual “**Audited Financial Statements**” for 2006 for three properties located in Palestine, Kilgore and Athens. In averaging the actual payroll and related payroll expenses for these three properties we can justify our payroll figures of \$78,000 per year (\$713 per unit) by actual hard numbers. The total annual payroll expense for Lexington Court in Kilgore is \$62,943 divided by 80 units equals an average of \$786.79 per unit. The total annual payroll expense for Treehouse Apartments in Palestine is \$54,978 divided by 76 units equals an average of \$723.39 per unit, and the total annual payroll expense for Victoria Place in Athens is \$47,822. divided by 76 units equals an average of \$629.24 per unit. When added together and divided by three, then multiplied by 108 units, the result is \$77,019; therefore we have submitted a new figure on our Volume 1, Tab 2. Activity Overview, Part D. Annual Operating Expenses and attached Part E. 30 Year Rental Housing Operating Proforma of \$78,000.

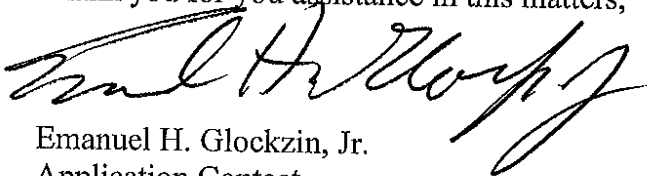


Also attached, please find a "Notice of Appraised Value" for Lexington Court, Ltd. in Kilgore, Texas. Lexington Court is an 80 unit HTC development which was completed in March of 2006. There is a small amount of difference in the acreage of these two properties, and the office/community building is the same floor plan. By taking the "appraised value" for Lexington Court for 2007 of \$1,069,000 and multiplying it by the current tax rate of Copperas Cove of .0294907, you arrive at an estimated amount of taxes due of \$31,525.56; then taking that amount of \$31,525.56 and dividing by 80 units (Lexington Court) you arrive at an amount of \$394.07 per unit. Copperas Cove is 108 units, so multiplying the number of units (108) by the rate per unit of \$394.07, you arrive at a projected rate of taxes due for Constitution Court of \$42,559.56. We believe that this is a more realistic amount of estimated property taxes; however we have allowed for \$45,000, as reflected on our revised Annual Operating Expense schedule.

Based on all of the above, please review our revised Volume 1, Tab 2. Activity Overview, Part D. Annual Operating Expenses and attached Part E. 30 Year Rental Housing Operating Proforma., which reflects a Debt Coverage Ratio of 1.21%, Expenses Per Unit of \$3,417, and a ratio of expenses to income of 64%.

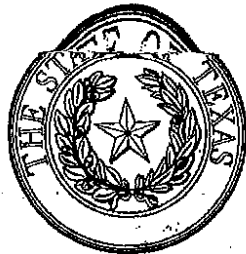
For these reasons, I would like to appeal the determination of Underwriting, and submit to you that the application for Constitution Court is financially feasible, and that the development be recommended for an award of Housing Tax Credits.

Thank you for your assistance in this matter,



Emanuel H. Glockzin, Jr.  
Application Contact

enclosures



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

REAL ESTATE ANALYSIS
Housing Tax Credit Program - 2007 Application Cycle
Underwriting Report Notice

Appeal Election Form: 07263 Constitution Court

Date Notice Sent: 7/9/07

I am in receipt of my 2007 Underwriting report notice and have reviewed the Appeal Policy at 10TAC Section 49.17(b). I recognize that should I choose to file an appeal, I must file a formal appeal to the Executive Director within seven days from the date this Notice was issued and the Underwriting report was posted to the Department's web site. I understand that my appeal must identify my specific grounds for appeal. If my appeal is denied by the Executive Director, I

- Do wish to have my appeal to the Board of Directors and request that my appeal be added to the next available Board of Directors' meeting agenda. I understand that my Board appeal documentation must still be submitted by 5:00 p.m, July 20, 2007 to be included in the July 30, 2007 Board book. I understand that if no documentation is submitted, the appeal documentation submitted to the Executive Director will be utilized.
Wish to wait to hear the Executive Director's response before deciding on my appeal to the Board of Directors.
Do not wish to appeal to the Board of Directors or Executive Director.

Signed Emanuel H. Glockzin, Jr.
Title Applicant Representative/Developer
Date July 11, 2007

Please fax or e-mail to the attention of:
Pam Cloyde: (fax) 512.475.3746
(e-mail) pamela.cloyde@tdhca.state.tx.us

**Volume 1, Tab 2, ACTIVITY OVERVIEW**

Development Name: **Constitution Court**

City: **Copperas Cove**

<b>Part D. Annual Operating Expenses</b>			
<b>General &amp; Administrative Expenses</b>			
Accounting	\$	7,000.00	
Advertising	\$	5,000.00	
Legal fees	\$	4,000.00	
Leased equipment	\$	5,000.00	
Postage & office supplies	\$	3,000.00	
Telephone	\$	3,000.00	
Other <i>Describe</i>	\$	1,986.00	
<b>Total General &amp; Administrative Expenses:</b>			\$ 28,986.00
Management Fee:	Percent of Effective Gross Income:	5.00%	\$ 28,839.00
<b>Payroll, Payroll Tax &amp; Employee Benefits</b>			
Management	\$	37,000.00	
Maintenance	\$	31,000.00	
Other <i>Describe: Payroll Tax, Health Insurance</i>	\$	10,000.00	
<b>Total Payroll, Payroll Tax &amp; Employee Benefits:</b>			\$ 78,000.00
<b>Repairs &amp; Maintenance</b>			
Elevator	\$		
Exterminating	\$	3,500.00	
Grounds	\$	25,000.00	
Make-ready	\$	7,000.00	
Repairs	\$	8,479.00	
Pool	\$		
Other <i>Describe</i>	\$		
<b>Total Repairs &amp; Maintenance:</b>			\$ 43,979.00
<b>Utilities (Enter development owner expense)</b>			
Electric	\$	30,564.00	
Natural gas	\$		
Trash	\$	3,500.00	
Water & sewer	\$	44,225.00	
Other <i>Describe</i>	\$		
<b>Total Utilities:</b>			\$ 78,289.00
Annual Property Insurance:	Rate per net rentable square foot:	\$ 0.23	\$ 28,658.00
<b>Property Taxes:</b>			
Published Capitalization Rate:	10.00%	Source:	
Annual Property Taxes:	\$	45,000.00	
Payments in Lieu of Taxes:	\$		
Other Taxes <i>Describe</i>	\$		
<b>Total Property Taxes:</b>			\$ 45,000.00
Reserve for Replacements:	Annual reserves per unit:	\$ 250	\$ 27,000.00
<b>Other Expenses</b>			
Cable TV	\$	1,500.00	
Supportive service contract fees	\$	1,500.00	
Compliance fees	\$	4,320.00	
Security	\$	3,000.00	
Other <i>Describe</i>	\$		
<b>Total Other Expenses:</b>			\$ 10,320.00
<b>TOTAL ANNUAL EXPENSES</b>	Expense per unit:	\$ 3417.324074	\$ 369,071.00
<b>NET OPERATING INCOME (before debt service)</b>			\$ 207,207.70
<b>Annual Debt Service</b>			
<i>Describe Source</i>	\$	88830	
<i>Describe Source</i>	\$	82857	
<i>Describe Source</i>	\$		
<b>TOTAL ANNUAL DEBT SERVICE</b>	Debt Coverage Ratio:	1.21	\$ 171,687.00
<b>NET CASH FLOW</b>			\$ 35,520.70

**Volume 1, Tab 2 ACTIVITY OVERVIEW**

**Part E. 30 Year Rental Housing Operating Proforma**

The pro forma should be based on the operating income and expense information for the base year (first year of stabilized occupancy using today's best estimates of rental income and expenses), and principal and interest debt service. The Department currently considers an annual growth rate of 3% for income and 4% for expenses to be reasonably conservative estimates. Written explanation for any deviations from these growth rates or for assumptions other than straight-line growth made during the proforma period should be attached to this exhibit. While the 30-year proforma projects 30 years of data, the Department's standard for financial feasibility is 15 years.

Development Name: **Constitution Court**

City: **Copperas Cove**

<b>INCOME</b>	<b>LEASE-UP</b>	<b>YEAR 1</b>	<b>YEAR 2</b>	<b>YEAR 3</b>	<b>YEAR 4</b>	<b>YEAR 5</b>	<b>YEAR 10</b>	<b>YEAR 15</b>	<b>YEAR 20</b>	<b>YEAR 25</b>	<b>YEAR 30</b>
POTENTIAL GROSS ANNUAL RENTAL INCOME		\$610,044	\$628,345	\$647,196	\$666,612	\$686,610	\$795,969	\$922,746	\$1,069,716	\$1,240,094	\$1,437,609
Secondary Income		12,960	13,349	13,749	14,162	14,587	\$16,910	19,603	22,725	26,345	30,541
POTENTIAL GROSS ANNUAL INCOME		\$623,004	\$641,694	\$660,945	\$680,773	\$701,196	\$812,879	\$942,349	\$1,092,441	\$1,266,439	\$1,468,150
Provision for Vacancy & Collection Loss		46,725	48,127	49,571	51,058	52,590	60,966	70,676	81,933	94,983	110,111
Rental Concessions											
EFFECTIVE GROSS ANNUAL INCOME		\$576,279	\$593,567	\$611,374	\$629,715	\$648,607	\$751,913	\$871,673	\$1,010,508	\$1,171,456	\$1,358,039
<b>EXPENSES</b>											
General & Administrative Expenses		\$ 28,986.00	\$30,145	\$31,351	\$32,605	\$33,910	\$41,256	\$50,194	\$61,069	\$74,300	\$90,397
Management Fee		28,839	29,993	31,192	32,440	33,738	41,047	49,940	60,759	73,923	89,939
Payroll, Payroll Tax & Employee Benefits		78,000	81,120	84,365	87,739	91,249	111,018	135,071	164,334	199,938	243,255
Repairs & Maintenance		43,979	45,738	47,568	49,470	51,449	62,596	76,157	92,657	112,732	137,155
Electric & Gas Utilities		30,564	31,787	33,058	34,380	35,756	43,502	52,927	64,394	78,345	95,318
Water, Sewer & Trash Utilities		47,725	49,634	51,619	53,684	55,831	67,928	82,644	100,549	122,334	148,838
Annual Property Insurance Premiums		28,658	29,804	30,996	32,236	33,526	40,789	49,626	60,378	73,459	89,374
Property Tax		45,000	46,800	48,672	50,619	52,644	64,049	77,925	94,808	115,349	140,339
Reserve for Replacements		27,000	28,080	29,203	30,371	31,586	38,429	46,755	56,885	69,209	84,204
Other Expenses:		10,320	10,733	11,162	11,609	12,073	14,689	17,871	21,743	26,453	32,184
TOTAL ANNUAL EXPENSES		\$369,071	\$383,834	\$399,187	\$415,155	\$431,761	\$525,303	\$639,112	\$777,577	\$946,041	\$1,151,004
NET OPERATING INCOME		\$207,208	\$209,733	\$212,187	\$214,561	\$216,846	\$226,610	\$232,562	\$232,931	\$225,415	\$207,035
<b>DEBT SERVICE</b>											
First Deed of Trust Annual Loan Payment		\$88,830	\$88,830	\$88,830	\$88,830	\$88,830	\$88,830	\$88,830	\$88,830	\$88,830	\$88,830
Second Deed of Trust Annual Loan Payment		82,857	82,857	82,857	82,857	82,857	82,857	82,857	82,857	82,857	82,857
Third Deed of Trust Annual Loan Payment											
Other Annual Required Payment:											
NET CASH FLOW		\$35,521	\$38,046	\$40,500	\$42,874	\$45,159	\$54,923	\$60,875	\$61,244	\$53,728	\$35,348
Debt Coverage Ratio	#DIV/0!	1.21	1.22	1.24	1.25	1.26	1.32	1.35	1.36	1.31	1.21

SUMMARY OF PAYROLL EXPENSES FOR  
LEXINGTON COURT, TREEHOUSE  
APARTMENTS AND VICTORIA PLACE  
(see attached copies for detail)

Lexington Court	\$786.79
Treehouse Apartments	\$723.39
Victoria Place	<u>\$629.24</u>
TOTAL	\$2,139.42

\$2,139.42 Divided by 3 = \$713.14 per unit

\$713.14 Multiplied by 108 units - \$77,019.12

AUDITED FINANCIAL STATEMENT  
AND OTHER SUPPLEMENTARY INFORMATION

LEXINGTON COURT, LTD.  
(A Texas Limited Partnership)  
BRYAN, TEXAS

DECEMBER 31, 2006 AND 2005

**LOU ANN MONTEY AND ASSOCIATES, P.C.**

**CERTIFIED PUBLIC ACCOUNTANTS**

8400 N. Mopac Expressway•Suite 304•Austin, Texas 78759  
(512) 338-0044 Facsimile (512) 338-5395

To The Partners  
Lexington Court, Ltd. - (A Texas Limited Partnership)  
Bryan, Texas

We have audited the accompanying financial statements of Lexington Court, Ltd. - (A Texas Limited Partnership) as of and for the years ended December 31, 2006 and 2005. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lexington Court, Ltd. - (A Texas Limited Partnership) as of December 31, 2006 and 2005, and changes in financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Lou Ann Montey and Associates, P.C.*

Austin, Texas  
April 22, 2007

SCHEDULE IV- GENERAL AND ADMINISTRATIVE EXPENSES

LEXINGTON COURT, LTD. - (A Texas Limited Partnership)

	FOR THE YEAR ENDED DECEMBER 31,	
	<u>2006</u>	<u>2005</u>
Advertising	\$ 1,628	\$ 447
Audit Fees	2,807	
Bank Fees		45
Credit Checks	2,504	120
Dues And Training	800	
Electricity	5,704	
Furniture And Fixture Replacement	593	
Garbage Removal	6,972	
Grounds Maintenance	18,894	
Health Insurance	6,711 ✓	
Heating Fuel And Other	565	173
Leasing Consultant	14,784 ✓	638
Legal And Professional	5,215	
Maintenance And Repair Supplies	3,509	69
Management Fees	20,350	1,475
Management Travel Expenses	2,637	
Manager Salary	27,014 ✓	738
Miscellaneous	17,175	150
Miscellaneous Services	1,588	
Office And Furniture Expense	3,015	332
Office Supplies	2,991	587
Payroll Taxes	4,509 ✓	122
Maintenance And Repair - Contract	2,713	
Maintenance And Repair - Payroll	9,925 ✓	
Painting And Decorating	1,897	
Property Insurance	33,230	
Property Taxes	5,385	
Sewer	199	
Telephone	2,766	216
Vehicle Expense	1,997	
Water	11,302	139
	<u>\$219,379</u>	<u>\$ 5,251</u>

See Independent Auditors' Report On Supplementary Information.



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0.00 \*

Lexington Court

6,711.00 \* +

14,784.00 +

27,014.00 +

4,509.00 +

9,925.00 +

005

62,943.00 \*

62,943.00 ÷

80.00 =

\* 786.79 \*

Actual expense  
Per Unit

AUDITED FINANCIAL STATEMENT  
AND OTHER SUPPLEMENTARY INFORMATION

TREEHOUSE APARTMENTS, LTD.  
(A Texas Limited Partnership)  
BRYAN, TEXAS

DECEMBER 31, 2006 AND 2005

**LOU ANN MONTEY AND ASSOCIATES, P.C.**

**CERTIFIED PUBLIC ACCOUNTANTS**

8400 N. Mopac Expressway•Suite 304•Austin, Texas 78759  
(512) 338-0044 Facsimile (512) 338-5395

To The Partners

Treehouse Apartments, Ltd. - (A Texas Limited Partnership)  
Bryan, Texas

We have audited the accompanying financial statements of Treehouse Apartments, Ltd. - (A Texas Limited Partnership) as of and for the years ended December 31, 2006 and 2005. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Treehouse Apartments, Ltd. - (A Texas Limited Partnership) as of December 31, 2006 and 2005, and changes in financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Lou Ann Montey and Associates, P.C.*  
Austin, Texas  
April 27, 2007

SCHEDULE IV - GENERAL AND ADMINISTRATIVE EXPENSES

TREEHOUSE APARTMENTS, LTD. - (A Texas Limited Partnership)

	FOR THE YEAR ENDED	
	DECEMBER 31,	
	<u>2006</u>	<u>2005</u>
Advertising	\$ 1,402	\$ 350
Audit Expense	2,800	3,391
Banking Fees	555	370
Credit Checks	1,009	1,390
Dues And Training	324	170
Electricity	23,910	16,744
Furniture And Fixture Replacement	8,442	4,118
Garbage Removal	8,951	8,644
Grounds Maintenance	22,124	20,713
Heating And Fuel	891	956
Health Insurance	4,396 ✓	2,863
Leasing Consultant	20,058 ✓	11,439
Legal And Professional	7,356	7,441
Management Fee	20,725	21,175
Manager Salary	4,364 ✓	10,769
Maintenance And Repairs - Contract	15,643	18,918
Maintenance And Repairs - Payroll	22,323 ✓	17,671
Maintenance And Repairs - Supplies	8,366	8,984
Miscellaneous Expense	(51)	634
Miscellaneous Service Expense	904	6,542
Office Expense	2,048	2,458
Office And Furniture Expense	680	1,814
Painting And Decorating	12,431	11,120
Payroll Taxes	3,837 ✓	3,460
Property Insurance	21,692	23,807
Real Estate Taxes	25,298	26,708
Sewer	15,054	17,610
Telephone	5,696	5,529
Travel	4,008	4,371
Water	<u>11,087</u>	<u>11,078</u>
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	<u>\$ 276,323</u>	<u>\$271,237</u>

See Independent Auditors' Report On Supplementary Information.

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0.00 \*

Treehouse Apts.

4,396.00\*\*

20,058.00 +

4,364.00 +

22,323.00 +

3,837.00 +

0.05

54,978.00 \*

54,978.00 ÷

76.00 =

723.39\*

Actual expense

Per unit

AUDITED FINANCIAL STATEMENTS  
AND OTHER SUPPLEMENTARY INFORMATION

VICTORIA PLACE, LTD.  
(A Texas Limited Partnership)  
BRYAN, TEXAS

DECEMBER 31, 2006 AND 2005

To The Partners  
Victoria Place, Ltd. - (A Texas Limited Partnership)  
Bryan, Texas

We have audited the accompanying financial statements of Victoria Place, Ltd. - (A Texas Limited Partnership) as of and for the years ended December 31, 2006 and 2005. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Victoria Place, Ltd. - (A Texas Limited Partnership) as of December 31, 2006 and 2005, and the changes in financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Lou Ann Montey and Associates, P.C.*

Austin, Texas  
April 27, 2007

SCHEDULE IV - GENERAL AND ADMINISTRATIVE EXPENSES

VICTORIA PLACE, LTD. - (A Texas Limited Partnership)

	FOR THE YEAR ENDED	
	DECEMBER 31,	
	<u>2006</u>	<u>2005</u>
Advertising	\$ 1,725	\$ 196
Audit Expense	2,800	3,391
Banking Fees	525	426
Credit Checks	2,175	1,685
Dues And Subscriptions	347	245
Electricity	19,504	13,717
Furniture And Fixture Replacement	5,727	1,798
Garbage Removal	9,198	5,941
Grounds Maintenance	22,627	20,251
Health Insurance	6,071 ✓	5,079
Insurance	22,885	22,634
Leasing Consultant	2,114 ✓	6,348
Legal And Professional	1,048	2,263
Maintenance And Repairs - Contract	15,617	11,820
Maintenance And Repairs - Payroll	14,151 ✓	21,209
Maintenance And Repairs - Supplies	9,333	10,785
Management Fee	20,875	21,225
Management Travel Expense	4,310	2,326
Manager Salary	22,214 ✓	15,859
Miscellaneous Expense	1,014	350
Miscellaneous Service Expense	2,321	2,291
Office Furniture Expense	2,029	3,216
Office Supplies	2,452	2,320
Other Expenses		175
Painting And Decorating	14,043	11,858
Payroll Taxes	3,272 ✓	3,814
Real Estate Taxes	18,927	20,958
Reporting Fee	2,000	4,000
Sewer	13,703	16,270
Telephone And Answering Service	5,248	5,853
Water	<u>21,470</u>	<u>20,346</u>
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	<u>\$269,725</u>	<u>\$258,649</u>

See Independent Auditors' Report On Supplementary Information.



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0.00 \*

Victoria Place

6,071.00 \* +

2,114.00 +

14,151.00 +

22,214.00 +

3,272.00 +

005

47,822.00 \*

47,822.00 ÷

76.00 =

629.24 \*

Actual expense  
Per unit

**Gregg Appraisal District**  
 1333 E. Harrison Rd.  
 Longview, TX 75604  
 (903) 238-8823 Fax (903) 238-8829  
 www.gcad.org

**NOTICE OF APPRAISED VALUE**

**COPY**

**This is NOT a Tax Bill**

LEXINGTON COURT LTD  
 4500 CARTER CREEK PKWY  
 SUITE 101

BRYAN, TX 77802

**Date:** May 4, 2007  
**Account:** R18667  
 (Refer to this # when inquiring about your property)  
**Situs Address:** 3407 N US 259  
**Property Description:** AB 100 W HESTER SUR TR 8  
**Agent:**  
**Overlapping County Information:**

Dear Property Owner,

We have appraised the property listed above for the 2007 tax year. Based on January 1 of this year, the appraisal is as follows:

Appraisal Information	Tax Year 2002	2002 / 2007 Percent Difference	Last Year	Proposed This Year
Land Market Value	54,830		68,380	68,350
Agriculture or Timber Market Value	0		0	0
Agriculture or Timber Productivity Value	0		0	0
Improvements (Buildings) Appraised Value	17,200		377,790	1,000,650
Personal Property Appraised Value			0	0
Mineral Interest Appraised Value			0	0
Total Market Value of this Property	72,030		446,170	1,069,000
Total Appraised Value (with Homestead Limit)	72,030	N/A	446,170	1,069,000
Exemptions			CHDO	CHDO

Last Year's Taxable	Taxing Units	Proposed Appraised	Proposed Exemptions	Proposed Taxable	Estimated Tax Rate	Proposed Tax Estimate
223,080	City Of Kilgore	1,069,000	534,500	534,500	0.507430	2,712.21
223,080	Gregg County	1,069,000	534,500	534,500	0.274700	1,468.27
223,080	Kilgore Junior College	1,069,000	534,500	534,500	0.164000	876.58
223,080	County Road and Bridge	1,069,000	534,500	534,500	0.005300	28.33
223,080	Kilgore ISD	1,069,000	534,500	534,500	1.136700	6,075.66

\* Age 65 or older or disabled freeze amounts

**TOTAL ESTIMATED TAXES:** 11,161.05

The above tax estimates use last year's tax rates for the taxing units. The governing body of each unit – school board, county commissioners, and so on – decides whether property taxes increase. The appraisal district only determines your property's value. The taxing units will set tax rates later this year. *The Texas Legislature does not set the amount of your local taxes. Your property tax burden is decided by your locally elected officials, and all inquiries concerning your taxes should be directed to those officials.*

If you are 65 or older or disabled and received the \$10,000 school tax exemption on your home last year from the school listed above, your school taxes for this year will not be higher than when you first received the exemption on this home. If you have improved your property (by adding rooms or buildings), your school tax ceiling may increase for improvements. If you are a surviving spouse age 55 or older, you may retain the school tax ceiling.

Contact the appraisal office if you disagree with this year's proposed value for your property or if you have any problems with the property description or address information. If the problem cannot be resolved, you have a right to schedule a hearing with the appraisal review board (ARB) by filing a WRITTEN protest with the Board. You may either use the provided form or prepare a letter (including your name, your property's description, and any appraisal office actions with which you disagree). Your protest must be delivered by mail to the above address or in person at the appraisal district office before the protest deadline.

If you have any other questions or need more information, please contact the appraisal office at the phone number or addresses listed above.

Sincerely,  
 Thomas R. Hays, RPA  
 Chief Appraiser

Enclosure

**Protest Deadline:** June 4, 2007  
**ARB Hearings Begin:** July 5, 2007  
**Location of ARB Hearings:** 1333 E. Harrison Rd.  
 Longview, TX 75604

HB 1 enacted by the 79<sup>th</sup> legislature mandates a reduction of the school tax rate for 2007 and is estimated above based on legislative action in 2005.

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0.00 \*

Property Tax  
Calculation

1,069,000.00 x  
0.0294907 =  
31,525.56 \*

31,525.56 ÷  
80.00 =  
394.07 \*

394.07 x  
108.00 =  
42,559.56 \*

07263 Constitution Court, Copperas Cove

Executive Director's Letter

July 23, 2007

Mr. Emmanuel Glockzin  
Constitution Court, Ltd.  
P.O. Box 3189  
Bryan, TX 77802  
Telephone: (979) 846-8878  
Telecopier: (979) 846-0783

**Re: Executive Director Appeal for Constitution Court, TDHCA # 07263**

Dear Mr. Glockzin:

**Appeal Review**

I have reviewed the subject application, as well as your appeal that was received on July 11, 2007 regarding the underwriting recommendation. Pursuant to the Department's rules, Constitution Court was not recommended for a Housing Tax Credit award for the following reasons:

- ∅ The termination of the HOME application and loss of \$2.9M in permanent funding and the lack of a viable proposed alternative has rendered the transaction financially infeasible due to the development's inability to repay the resulting deferred developer fee within 15 years of stabilized operation per 10 TAC §1.32(i)(2).
- ∅ The Underwriter's expense to income ratio exceeds the Department's maximum of 65% (and the Applicant's ratio is right at the maximum) and therefore cannot be characterized as financially feasible even if the additional funds were sourced as a grant pursuant to 10TAC§1.32(i)(4).

You have not contested that the application did not satisfy the 65% expense to income ratio test at application nor have you contested that the development did not satisfy the Department's feasibility requirements based on the ability to repay the resulting deferred developer fee within 15 years of stabilized operation. Rather, you are asking:

- ∅ That staff look to new information with regard to Annual Operating Expenses, and accept that the development could now be deemed financially feasible based on using actual averages for specific line item expenses.

Mr. Emmanuel Glockzin

July 23, 2007

Page 2

You have requested that I consider operating expenses for three properties you currently operate by looking only at the payroll and property taxes. I recognize that looking with blinders at only these two line items would suggest the potential for the proposed development to operate at a lower level of expenses, all else held equal. The reality is, however, that only two (Treehouse and Victoria Place) of the three properties for which you provided 2006 operating data were running as a stabilized property for the majority of the year. When looking at the big picture of operations for these two properties the total audited operating expense per unit was \$3,635 and \$3,549 without considering the required \$250 per unit for replacement reserves. This compares to \$3,468 per unit with replacement reserve estimate attributed to you in the underwriting report and does not support your claim that Constitution Court can be operated at a lower overall expense per unit.

As importantly, you have not indicated how reducing expenses to just below the 65% expense to income ratio threshold alone will resolve the development's financial feasibility issue, as the development would still not be recommended for funding based on the inability to repay deferred developer fee within 15 years of stabilized operation. You have provided no alternative to fill such a large gap of financing and therefore do not meet the minimum readiness to proceed requirements under the QAP in 10 TAC§49.9(h)(7)(C) nor the financial feasibility requirements under 10 TAC §1.32(i)(2).

I have determined that the Department's rules and guidelines were applied evenly, fairly, and as originally intended during the course of the underwriting analysis and in making the recommendation.

**Appeal Determination**

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 July 30, 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: DUT

07263 Constitution Court, Copperas Cove

Underwriting Report



**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**  
 Real Estate Analysis Division  
 Underwriting Report

REPORT DATE: 06/29/07 PROGRAM: 9% HTC/HOME FILE NUMBER: 07263

DEVELOPMENT	
Constitution Court	
Location: <u>Constitution Drive</u>	Region: <u>8</u>
City: <u>Copperas Cove</u> County: <u>Coryell</u> Zip: <u>76522</u>	<input type="checkbox"/> QCT <input type="checkbox"/> DDA
Key Attributes: <u>Multifamily, Family, New Construction, Urban/Exurban, CHDO</u>	

ALLOCATION
------------

	REQUEST			RECOMMENDATION		
	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term
TDHCA Program						
HOME Activity Funds	\$2,900,000	0.00%	420/420	<b>\$0</b>		
HOME CHDO Operating Expenses	\$50,000			<b>\$0</b>		
Housing Tax Credit (Annual)	\$991,075			<b>\$0</b>		

**NOT RECOMMENDED DUE TO THE FOLLOWING:**

The termination of the HOME application and loss of \$2.9M in permanent funding and the lack of a viable proposed alternative has rendered the transaction financially infeasible due to the development's inability to repay the resulting deferred developer fee within 15 years of stabilized operation per 10 TAC §1.32(i)(2).

The Underwriter's expense to income ratio exceeds the Department's maximum of 65% (and the Applicant's ratio is right at the maximum) and therefore cannot be characterized as financially feasible even if the additional funds were sourced as a grant pursuant to 10TAC§1.32(i)(4).

**SHOULD THE BOARD APPROVE THIS AWARD, THE BOARD MUST WAIVE ITS RULES FOR THE ISSUES LISTED ABOVE AND SUCH AN AWARD SHOULD BE CONDITIONED UPON THE FOLLOWING:**

- 1 A housing tax credit allocation not to exceed \$903,394 annually for ten years.
- 2 Receipt, review, and acceptance prior to Board approval of an allocation to this development, of written commitment acceptable to TDHCA for funds totaling a minimum of \$1,315,300 of currently unsourced funds which are in addition to deferred developer fee of \$859,605 and additional permanent debt of \$553,000 or some combination acceptable to TDHCA.
- 3 Receipt, review, and acceptance by carryover of documentation confirming that the seller will not have an ongoing interest in the development following the close of the sale of the property.
- 4 Receipt, review, and acceptance by carryover of documentation verifying the appropriate re-zoning of the site for the use as planned.
- 5 Receipt, review and acceptance by carryover of evidence that construction of the proposed road (Constitution Drive extension/US 190 Reliever bypass) will be completed in conjunction with the proposed development, and evidence that the associated costs are not a part of the eligible basis costs claimed by the Applicant.



- 6 Receipt, review, and acceptance by cost certification of documentation verifying that the subject property will have access to the dedicated roadway as indicated in the Schedule B title item. Also, documentation that all requirements indicated in Schedule C item 5 have been met, including the submission of a survey plat, with correct description of the property, showing all easements, and access to the dedicated roadway, all requirements to obtain and place of record, payment of all taxes including 2006, and issuance of a waiver of inspection.
- 7 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
30% of AMI	30% of AMI	6
50% of AMI	50% of AMI	81
60% of AMI	60% of AMI	21

**PROS**

The subject represents the first tax credit development in Copperas Cove.

The developer has a considerable amount of experience in the affordable housing development and the capacity to support a transaction if necessary.

**CONS**

The Development is not financially feasible based upon this analysis and several Department standards including: repayment of deferred developer fee in less than 15 years, expense to income ratio exceeding 65%.

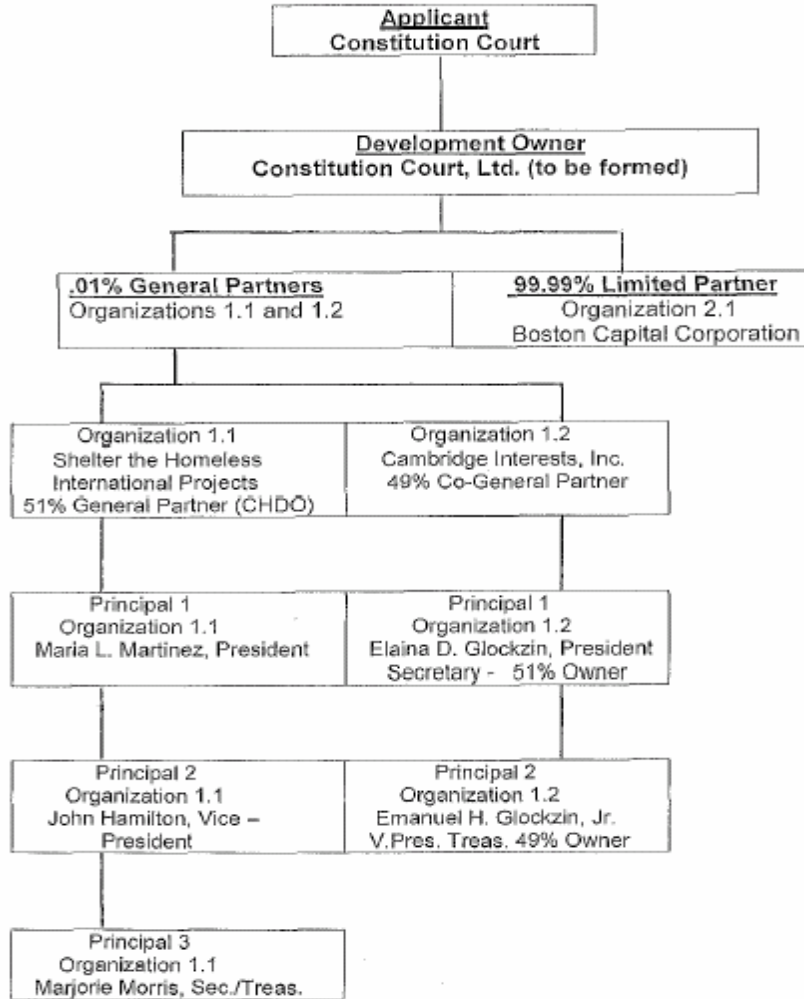
The Development has a need for a large soft debt or grant funding source that cannot be funded out of deferred developer fee and no viable alternative (other than the terminated HOME application) has been suggested.

**PREVIOUS UNDERWRITING REPORTS**

None.

**DEVELOPMENT TEAM**

**OWNERSHIP STRUCTURE**



**CONTACT**

Contact: Emmanuel Glockzin, Jr Phone: (979) 846-8878 Fax: (979) 846-0783  
 Email: housing@edgproperties.net

**KEY PARTICIPANTS**

Name	Net Assets	Liquidity <sup>1</sup>	# of Complete Developments
Shelter the Homeless	\$177,311	\$65,889	1 awarded tax credit development
Cambridge Interests, Inc.	\$365,151	\$175,037	3 awarded tax credit developments
Homestead Dvlp Group Ltd.	\$449,327	\$438,095	Not provided
Brazos Valley Construction, Inc	\$1,416,469	\$219,399	3 awarded, 23 completed tax credit and 1 HOME only developments
Emmanuel & Elaina Glockzin	CONFIDENTIAL		3 awarded, 23 completed tax credit and 1 HOME only developments

<sup>1</sup> Liquidity = Current Assets - Current Liabilities

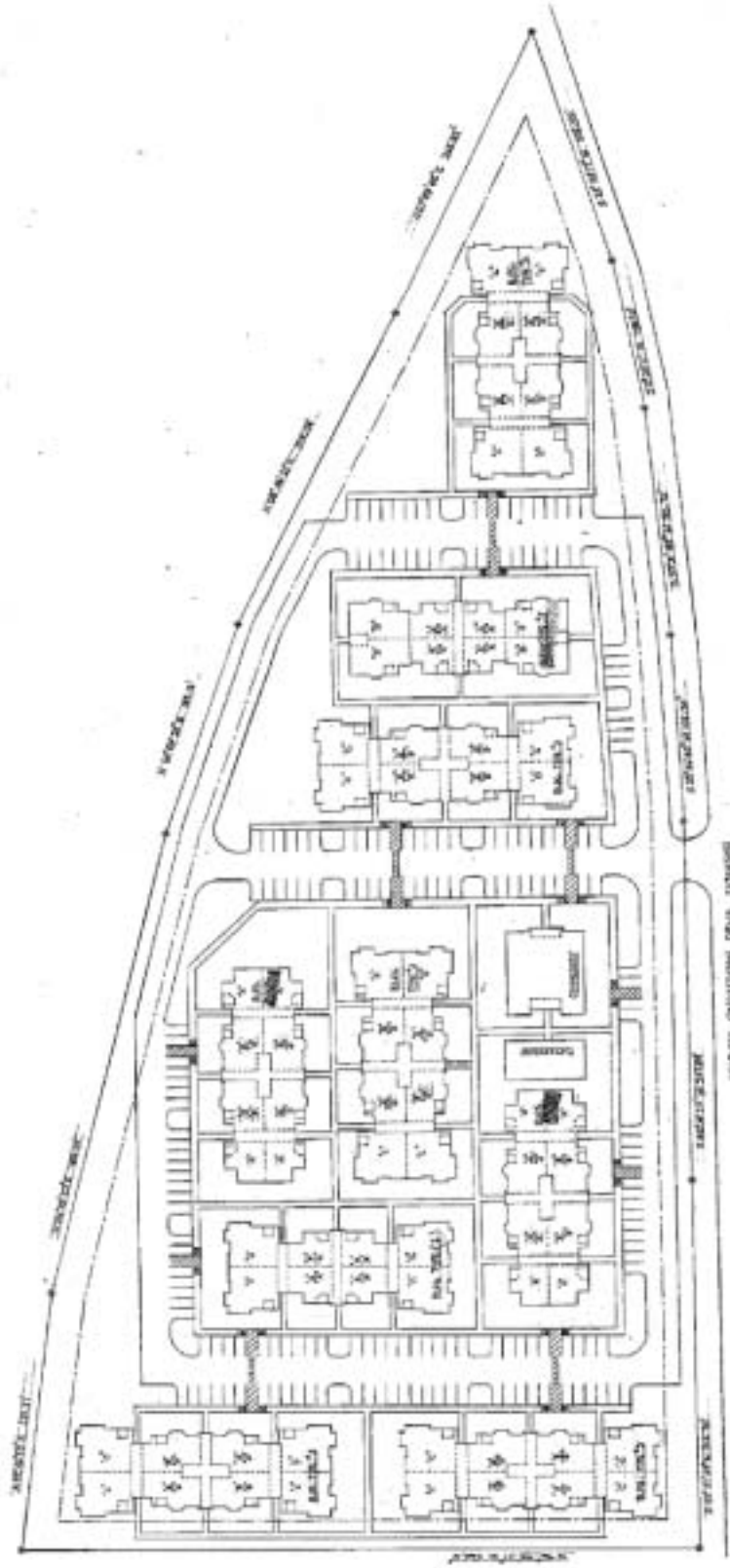
#### IDENTITIES of INTEREST

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

The seller Copperas Cove Economic Development Corporation, could be regarded as a related party as they also plan to provide In-Kind Contributions used for QAP 9% competitive points purposes; however, the Underwriter does not believe this a true identity of interest given that they do not maintain a financial stake in the applicant, the development team or in the operations of the property once it is completed. In order to confirm this is the case, receipt review and acceptance of a certification from the seller confirming that they will not have an ongoing interest in the development following the close of the sale of the property is a condition of this report.

PROPOSED SITE

SITE PLAN



**BUILDING CONFIGURATION**

Building Type	II	III	IV	V								Total Buildings
Floors/Stories	2	2	2	2								
Number	1	5	2	1								<b>9</b>

BR/BA	SF	Units										Total Units	Total SF
1/1	834	8		4	8							24	20,016
2/2	1,192		8	8	4							60	71,520
3/2	1,359	4	4									24	32,616
Units per Building		12	12	12	12							<b>108</b>	<b>124,152</b>

**SITE ISSUES**

Total Size: 10.3 acres Scattered site?  Yes  No  
 Flood Zone: Zone C Within 100-yr floodplain?  Yes  No  
 Zoning: B-4 Business Dist. Needs to be re-zoned?  Yes  No  N/A  
 Comments:

The property is presently zoned Business. The applicant is requesting a change in zoning to Multifamily. Receipt, review, and acceptance by carryover of documentation verifying the appropriate re-zoning of the site for the use as planned is a condition of this report.

Also, it appears that a road will be constructed adjacent to the site to provide access from Constitution Drive to US Highway 190. It is not clear if the cost to construct the road will be paid by the Applicant or the City. Receipt, review and acceptance of evidence that the construction of the proposed road (Constitution Drive extension/US 190 Reliever bypass) will be completed in conjunction with the proposed development, and evidence that the associated costs are not a part of the eligible basis costs claimed by the Applicant are a condition of this report.

**TDHCA SITE INSPECTION**

Inspector: Manufactured Housing Staff Date: 5/3/2007  
 Overall Assessment:  
 Excellent  Acceptable  Questionable  Poor  Unacceptable  
 Surrounding Uses:  
 North: Vacant/unimproved land  
 South: Fort Hood  
 East: Fort Hood  
 West: Vacant/unimproved land

**HIGHLIGHTS of ENVIRONMENTAL REPORTS**

Provider: Hodges Engineering, Inc Date: 4/2/2007  
 Recognized Environmental Concerns (RECs) and Other Concerns:  
 None.

**MARKET HIGHLIGHTS**

Provider: Allen & Associates Consulting Date: 3/31/2007  
 Contact: Jeffrey Carroll Phone: (704) 905-2276 Fax: (704) 708-4261  
 Number of Revisions: 0 Date of Last Applicant Revision: N/A

Primary Market Area (PMA): 210.10 square miles ~8.21 mile radius

The market area is generally defined by all or a portion of the following census tracts: 231.02, 231.04, 105, 106.01, 106.02, 107.01, 107.02, 108.01, 108.02, and 9503 located in Bell, Coryell and Lampasas Counties. (p. 46)

Secondary Market Area (SMA):

The Market Analyst indicated that a more precise secondary market area for this project could not be defined and therefore, it was disregarded. (p. 46)

PROPOSED, UNDER CONSTRUCTION & UNSTABILIZED COMPARABLE DEVELOPMENTS							
PMA				SMA			
Name	File #	Total Units	Comp Units	Name	File #	Total Units	25% Comp Units
None Comparable				No Secondary Market			

INCOME LIMITS						
Coryell						
% AMI	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons
30	\$10,450	\$11,900	\$13,400	\$14,900	\$16,100	\$17,300
50	\$17,350	\$19,850	\$22,300	\$24,800	\$26,800	\$28,750
60	\$20,820	\$23,820	\$26,760	\$29,760	\$32,160	\$34,500

MARKET ANALYST'S PMA DEMAND by UNIT TYPE							
Unit Type	Turnover Demand	Growth Demand	Other Demand	Total Demand	Subject Units	Unstabilized Comparable (PMA)	Capture Rate
1 BR/30% Rent Limit		29		29	2	0	7%
1 BR/50% Rent Limit		54		54	17	0	31%
1 BR/60% Rent Limit		80		80	5	0	6%
2 BR/30% Rent Limit		58		58	2	0	3%
2 BR/50% Rent Limit		118		118	47	0	40%
2 BR/60% Rent Limit		153		153	11	0	7%
3 BR/30% Rent Limit		47		47	2	0	4%
3 BR/50% Rent Limit		101		101	17	0	17%
3 BR/60% Rent Limit		126		126	5	0	4%

OVERALL DEMAND										
	Target Households	Household Size	Income Eligible	Tenure	Demand					
PMA DEMAND from TURNOVER										
Market Analyst p. 115	The Market Analyst only identified project-specific demand for each unit/income type									
Underwriter	100%	23,744	96%	22,766	34%	7,678	43%	3,302	50%	1,641
PMA DEMAND from HOUSEHOLD GROWTH										
Market Analyst p. 115	The Market Analyst only identified project-specific demand for each unit/income type									
Underwriter			96%	535	34%	173	43%	74	100%	74

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. 115	108	0	0	108	766	14.10%
Underwriter	108	0	0	108	1,715	6.30%

The Market Analyst used a more innovative method for determining demand than what is typical of market studies for Texas tax credit developments. The Market Analyst calculated the demand for each unit type and income level and then summed these individual demand amounts. Unfortunately, the Market Analyst did not provide the raw data detail for all of the calculations with this approach. It would seem obvious that some units would have overlapping demand from the same household size. The underwriter used less specific data that was available in the market study to conclude ample demand to support an acceptable inclusive capture rate.

**Primary Market Occupancy Rates:**

"Occupancies by rent type for stabilized family properties follow: Market rate, 88.5% (1223 units in sample); restricted rents, 90.0% (30 units in sample); and subsidized rents, 100.0% (50 units in sample). Overall market occupancies for all properties stand at 88.2% (1382 units in sample). Overall market occupancies for stabilized properties currently stand at 89.1% (1352 units in sample)." (p. 77)

**Absorption Projections:**

"We estimate a 14-month absorption period and an average absorption rate of 6.94 units per month to stabilization for the subject property. The absorption period breaks down by unit type and income level as follows: 2 month(s) for 1BR units at 30% of AMI; 14 month(s) for 1BR units at 50% of AMI; 3 month(s) for 1BR units at 60% of AMI; 1 month(s) for 2BR units at 30% of AMI; 14 month(s) for 2BR units at 50% of AMI; 3 month(s) for 2BR units at 60% of AMI; 1 month(s) for 3BR units at 30% of AMI; 5 month(s) for 3BR units at 50% of AMI; and 1 month(s) for 3BR units at 60% of AMI." (p.127)

RENT ANALYSIS (Tenant-Paid Net Rents)							
Unit Type (% AMI)	Proposed Rent	Program Maximum	Market Rent	Underwriting Rent	Savings Over Market		
1 BR 834 SF 30%	\$208	\$208	\$600	\$208	\$392		
1 BR 834 SF 50%	\$394	\$394	\$600	\$394	\$206		
1 BR 834 SF 60%	\$478	\$487	\$600	\$487	\$113		
2 BR 1,192 SF 30%	\$244	\$244	\$700	\$244	\$456		
2 BR 1,192 SF 50%	\$466	\$466	\$700	\$466	\$234		
2 BR 1,192 SF 60%	\$578	\$578	\$700	\$578	\$122		
3 BR 1,359 SF 30%	\$261	\$261	\$760	\$261	\$499		
3 BR 1,359 SF 50%	\$519	\$519	\$760	\$519	\$241		
3 BR 1,359 SF 60%	\$648	\$648	\$760	\$648	\$112		

**Market Impact:**

"While we believe that this property is feasible from a market standpoint as proposed, in our opinion it will draw residents from other properties in the immediate area. Most of these properties are market rate and will experience a modest adverse impact (1 to 2 percent occupancy decline) from this development." (p. 13)

**Comments:**

While the Market Analyst did not provide the raw data that would allow the market study to be considered a fully self contained study from the Department's perspective, it provided sufficient information on which to potentially base a funding recommendation.

**OPERATING PROFORMA ANALYSIS**

Income:      Number of Revisions:          1          Date of Last Applicant Revision:          4/25/2007    

The Applicant's projected rents collected per unit were calculated by subtracting "All Electric" tenant-paid utility allowances as of April 1, 2006, maintained by The City of Copperas Cove, from the 2007 program gross rent limits. The HOME rents do not at this time impact the HTC rents because the HTC rents are equal to or less than the HOME rents for the proposed HOME units. Tenants will be required to pay electric utility costs only.

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

Expense:    Number of Revisions:    1    Date of Last Applicant Revision:    4/25/2007

The Applicant's total annual operating expense projection at \$3,468 per unit is within 5% of the Underwriter's estimate of \$3,630, derived from the TDHCA database, and third-party data sources. The Applicant's revised budget shows several line item estimates, however, that deviate significantly when compared to the database averages, specifically: General & Administrative (\$9K higher), Payroll and Payroll Tax (\$21K lower), and Property Tax (\$12K lower). Also, it appears the Applicant has understated TDHCA compliance fees.

**Conclusion:**

The Applicant's total operating expense 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.

Assuming debt service from both the conventional source of permanent financing and the requested HOME funds, the development would have a debt coverage ratio below the TDHCA minimum requirement of 1.15. However, the Development is not recommended for TDHCA HOME funding as the application did not score the minimum 70 points required by the Department's HOME rules. Therefore, there will be no debt service associated with a HOME loan at the present time.

The debt service for only the conventional source of financing coupled with the Underwriter's Year One proforma results in a DCR above the TDHCA maximum guideline of 1.35. Therefore, the recommended financing structure reflects an increase in the permanent mortgage based on the interest rate and amortization period indicated in the permanent financing documentation submitted at application. This is discussed in more detail in the conclusion to the "Financing Structure Analysis" section (below).

**Feasibility:**

The Underwriter's proforma results in an expense to income ratio of 67.97%, which is above the Department's 65% maximum. Pursuant to 2007 Real Estate Analysis Guidelines §1.32(i)(4), a development cannot be recommended for funding if the Year One proforma results in an expense to income ratio above 65%. In this case, the Underwriter's Year One proforma would be used to determine the financial feasibility of the development. Therefore, the subject application is not recommended for an allocation of 9% Housing Tax Credits.

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, expenses, net operating income and revised annual debt service were utilized resulting in a debt coverage ratio that remains above 1.15 with continued positive cashflow.

**ACQUISITION INFORMATION**

**ASSESSED VALUE**

Land Only: 11.407 acres	<u>\$910,650</u>	Tax Year:	<u>2006</u>
1 acre:	<u>\$79,833</u>	Valuation by:	<u>Coryell CAD</u>
Total Prorata: 10.3 acres	<u>\$822,275</u>	Tax Rate:	<u>2.94907</u>

**EVIDENCE of PROPERTY CONTROL**

Type: <u>Unimproved Commercial Property</u>	Acreage: <u>10.3</u>
Contract Expiration: <u>10/30/2007</u>	Valid Through Board Date? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Acquisition Cost: <u>\$550,000</u>	Other: _____
Copperas Cove	
Seller: <u>Economic Development Corp.</u>	Related to Development Team? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No



TITLE

Comments:

Schedule B, item 10a of the title commitment indicates that the subject property does not have access to a dedicated roadway. Also, Schedule C, item 5 lists several items of concern that may not currently be resolved. The Underwriter has asked the Applicant for clarification on these items. The Applicant is working to address them. Receipt, review, and acceptance of documentation verifying the title items have been resolved is a condition of this report.

CONSTRUCTION COST ESTIMATE EVALUATION

COST SCHEDULE Number of Revisions: 0 Date of Last Applicant Revision: N/A

Acquisition Value:

The site cost of \$53,398 per acre or \$5,093 per unit is assumed to be reasonable since the acquisition is an arm's-length transaction.

Sitework Cost:

The Applicant's claimed sitework costs of \$7,500 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 \$828K or 13% higher than the Underwriter's Marshall & Swift Residential Cost Handbook-derived estimate.

Ineligible Costs:

The Applicant included \$15K in bridge loan interest as an eligible cost. These costs are regarded to be ineligible because no evidence of a bridge loan other than the lumber company loan and the First Victoria loans were provided. The syndication commitment does not include a bridge loan but rather, indicates that the equity proceeds will be front end loaded eliminating the need for such a bridge loan; therefore, the Underwriter reduced the Applicant's eligible basis by an equivalent amount.

Contingency & Fees:

The Applicant's contractor's and developer's fees for general requirements, general and administrative expenses, and profit are all within the maximums allowed by TDHCA guidelines.

Conclusion:

The Applicant's total development cost is not within 5% of the Underwriter's estimate; therefore, the Underwriter's cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$10,566,015 supports annual tax credits of \$903,394. 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: 4/18/2007

Source: Calloway Lumber Company Type: Pre-Development Financing

Principal: \$300,000 Interest Rate: 10.0% [x] Fixed Term: 1 month

Comments:

In the form of a pre-development loan for the purchase of lumber; 1 month term, with one 30 day extension. It should be noted that this loan is ultimately more costly than the existing construction loan or alternative financing that may be available. Encouraging local private loans in this case as part of the local public support is inconsistent with the general concept of an efficient allocation of funds.

Source: First Victoria National Bank Type: Interim to Permanent Financing  
 Interim: \$1,000,000 Interest Rate: 8.00%  Fixed Term: 12 months  
 Permanent: \$1,000,000 Interest Rate: 8.00%  Fixed Amort: 360 months  
 Comments:

Maturity: 16 years from the date of the Loan; Payment Terms: Construction Phase - interest payable quarterly; Term Phase - monthly principal and interest payments based on a 30-year amortization.

Source: Copperas Cove EDC Type: In-Kind Contribution  
 Principal: \$570,560 Conditions: Potential housing for workers constructing 90-acre retail development  
 Comments:

Source is also current owner of subject site; For the cost of infrastructure improvements to include extending the roadway to the development, along with water and sewer. City does not have funds, yet; will apply for a federal Economic Administration Grant.

Source: Boston Capital Corporation Type: Syndication  
 Proceeds: \$8,523,242 Syndication Rate: 86% Anticipated HTC: \$ 991,075  
 Comments:

The syndication price is at the low end of current market prices and any increase in rate could reduce the final allocation of credits since there is little to no deferred developer fee to absorb excess syndication proceeds.

Amount: \$139,658 Type: Deferred Developer Fees

### CONCLUSIONS

**Recommended Financing Structure:**

The Applicant's request for \$2.9M in TDHCA HOME funds cannot be considered viable in this underwriting analysis because that application was terminated. The Applicant appealed this decision, but during the June 14, 2007 Board meeting, the Board denied the appeal.

The HOME funds initially accounted for 23% of the total development cost, thus the loss of the anticipated HOME funds with no readily available substitute requires a significant restructuring of the permanent financing. The Underwriter's analysis reflects that the absence of the HOME funds or a significant substitute causes the transaction to be infeasible. In response to the Underwriter's request for additional information regarding the Applicant's intentions to obtain the additional funds through another source, the Applicant only indicated the possibility of utilizing unused TDHCA HOME funds at some point in the future. There is currently an open HOME funding cycle for housing funds tied to economic development, however the Applicant may not qualify for those funds. The next HOME funding opportunity for funds for which the applicant may qualify will likely not open until well after the funding decision must be made for the subject.

While it is evident that the development demonstrates a need for additional permanent funds, the proposed terms of 0% interest amortized fully over a 35-year repayment term results in a debt coverage ratio below the Department's minimum guideline of 1.15. Therefore, should the Applicant obtain the additional permanent funds through an alternate source, the underwriting analysis assumes a modification in the proposed terms to 0% interest non-amortizing, deferred forgivable loan or a grant for a significant portion of those funds. The effects of this structure is discussed in more detail in the "Alternative Financing Structure" section below.

Without the HOME funds or any alternative soft financing, the proforma and proposed debt service for only the conventional loan would result in a debt coverage ratio (DCR) above the current underwriting maximum guideline of 1.35. Therefore, the recommended financing structure would reflect an increase in the permanent loan amount to \$1,553,000 based on the terms reflected in the application materials. As a result, the development's gap in financing will decrease.

The Underwriter's total development cost estimate less the adjusted permanent loan of \$1,553,000 indicates the need for \$9,943,316 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$1,156,316 annually would be required to fill this gap in financing. Of the three possible tax credit allocations, Applicant's request (\$991,075), the gap-driven amount (\$1,156,316), and eligible basis-derived estimate (\$903,394), the eligible basis-derived estimate of \$903,394 would be recommended.

The Underwriter's financing structure indicates the need for \$2,174,905 in additional permanent funds. Deferred developer fees in this amount do not appear to be repayable from development cashflow within 15 years of stabilized operation. Therefore, the development must be characterized as infeasible according to §1.32(i)(2) of Department Rules and cannot be recommended for funding.

Alternative Financing Structure:

The Applicant has indicated only an uncertain possibility of obtaining the additional permanent funds needed to make the transaction viable, and no written commitment for these funds has been provided. The need for this source of funds from a financial feasibility stand point is evident, as described above. Therefore, it is a condition of this report that prior to Board approval of a tax credit allocation to this development, a written commitment acceptable to TDHCA be provided by an acceptable alternative source, for the purpose of permanent funding at rates and terms acceptable to TDHCA, specifically; the terms would likely not be able to exceed a 0% interest loan amortizing over 40 years in an amount not more than \$2,727,905.

The additional funds, if from a HOME source could be structured as a forgivable loan or grant without impacting the eligible credit amount since the Applicant has elected to set-aside at least 40% of the units with rents and income restricted to 50% of AMI. In addition, as the development does not qualify for a 30% boost, loss of the boost due to federally-sourced below-market funding would be a non-issue. This structure allows the development to avoid a decrease in their eligible basis for tax credit purposes should the funds be federally-sourced. Any other federal sourced grant or below market rate loan would negatively impact the eligible credit allocation that may be available to the development.

Another alternative structure considering the increased conventional debt amount of \$1,553,000 discussed above, would require a minimum HOME forgivable cash flow loan, or grant of \$1,315,300 to allow the marginal repayment of deferred developer fees within 15 years of stabilized operation (this would be the maximum amount of deferred developer fee that could be deferred under this scenario).

Under either of these alternatives the eligible basis-derived estimate (\$903,394) still would be the lesser of the three approaches to determine the credit amount and therefore the most amount that could be recommended under the Department's rules. Again, if another alternative is presented which includes below market rate loans or grants from sources other than from a HOME source, it is very likely that the credit amount would be reduced either because the development would only be eligible for the 4% credit or because the amount of the below market rate funds would need to be removed from eligible basis in order to continue to qualify for the 9% credits.

However, under any alternative financing structure the development would still not be recommended for a tax credit allocation as the Underwriter's expense to income ratio is above the Department's maximum of 65% and no ongoing operating subsidy is being proposed to maintain the development's long term viability.

Underwriter:	_____	Date:	June 29, 2007
	<i>Diamond Unique Thompson</i>		
Reviewing Underwriter:	_____	Date:	June 29, 2007
	<i>Lisa Vecchiatti</i>		
Director of Real Estate Analysis:	_____	Date:	June 29, 2007
	<i>Tom Gouris</i>		

**MULTIFAMILY COMPARATIVE ANALYSIS**

**Constitution Court, Copperas Cove, 9% HTC/HOME #07263**

Type of Unit	Other	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 30%	LH	2	1	1	834	\$279	\$208	\$416	\$0.25	\$71.00	\$47.50
TC 50%	LH	17	1	1	834	\$465	394	6,698	0.47	71.00	47.50
TC 60%		5	1	1	834	\$558	487	2,435	0.58	71.00	47.50
TC 30%	LH	2	2	2	1,192	\$335	244	488	0.20	91.00	52.80
TC 50%	LH	47	2	2	1,192	\$557	466	21,902	0.39	91.00	52.80
TC 60%		11	2	2	1,192	\$669	578	6,358	0.48	91.00	52.80
TC 30%	LH	2	3	2	1,359	\$387	261	522	0.19	126.00	57.50
TC 50%	LH	17	3	2	1,359	\$645	519	8,823	0.38	126.00	57.50
TC 60%		5	3	2	1,359	\$774	648	3,240	0.48	126.00	57.50
<b>TOTAL:</b>		<b>108</b>		<b>AVERAGE:</b>	<b>1,150</b>		<b>\$471</b>	<b>\$50,882</b>	<b>\$0.41</b>	<b>\$94.33</b>	<b>\$52.67</b>

**INCOME**

Total Net Rentable Sq Ft: **124,152**

**POTENTIAL GROSS RENT**

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

**POTENTIAL GROSS INCOME**

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

**EFFECTIVE GROSS INCOME**

**EXPENSES**

	% OF EGI	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% OF EGI
General & Administrative	5.03%	\$268	0.23	\$28,986	\$38,231	\$0.31	\$354	6.63%
Management	5.00%	267	0.23	28,839	32,400	0.26	300	5.62%
Payroll & Payroll Tax	15.92%	850	0.74	91,836	70,500	0.57	653	12.23%
Repairs & Maintenance	7.62%	407	0.35	43,979	50,266	0.40	465	8.72%
Utilities	5.30%	283	0.25	30,564	33,900	0.27	314	5.88%
Water, Sewer, & Trash	8.27%	442	0.38	47,725	39,372	0.32	365	6.83%
Property Insurance	4.97%	265	0.23	28,658	32,212	0.26	298	5.59%
Property Tax	2.94907 9.39%	501	0.44	54,145	42,000	0.34	389	7.29%
Reserve for Replacements	4.68%	250	0.22	27,000	27,000	0.22	250	4.69%
TDHCA Compliance Fees	0.75%	40	0.03	4,320	2,700	0.02	25	0.47%
Other: Supp Serv, Cable, Security	1.04%	56	0.05	6,000	6,000	0.05	56	1.04%
<b>TOTAL EXPENSES</b>	<b>67.97%</b>	<b>\$3,630</b>	<b>\$3.16</b>	<b>\$392,052</b>	<b>\$374,581</b>	<b>\$3.02</b>	<b>\$3,468</b>	<b>65.0003%</b>
<b>NET OPERATING INC</b>	<b>32.03%</b>	<b>\$1,710</b>	<b>\$1.49</b>	<b>\$184,726</b>	<b>\$201,695</b>	<b>\$1.62</b>	<b>\$1,868</b>	<b>35.00%</b>

**DEBT SERVICE**

First Victoria Natl. Bank	15.27%	\$815	\$0.71	\$88,052	\$88,830	\$0.72	\$823	15.41%
TDHCA- Home Funds	14.37%	\$767	\$0.67	82,857	82,857	\$0.67	\$767	14.38%
Additional Financing	0.00%	\$0	\$0.00	0	0	\$0.00	\$0	0.00%
<b>NET CASH FLOW</b>	<b>2.40%</b>	<b>\$128</b>	<b>\$0.11</b>	<b>\$13,818</b>	<b>\$30,008</b>	<b>\$0.24</b>	<b>\$278</b>	<b>5.21%</b>
<b>AGGREGATE DEBT COVERAGE RATIO</b>				<b>1.08</b>	<b>1.17</b>			
<b>RECOMMENDED DEBT COVERAGE RATIO</b>				<b>1.35</b>				

**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)		4.78%	\$5,093	\$4.43	\$550,000	\$550,000	\$4.43	\$5,093	4.38%
Off-Sites		0.00%	0	0.00	0	0	0.00	0	0.00%
Sitework		7.05%	7,500	6.52	810,000	810,000	6.52	7,500	6.45%
Direct Construction		55.40%	58,974	51.30	6,369,210	7,197,460	57.97	66,643	57.29%
Contingency	2.56%	1.60%	1,699	1.48	183,540	183,540	1.48	1,699	1.46%
Contractor's Fees	14.00%	8.74%	9,306	8.10	1,005,089	1,120,000	9.02	10,370	8.92%
Indirect Construction		6.65%	7,083	6.16	765,000	765,000	6.16	7,083	6.09%
Ineligible Costs		1.15%	1,221	1.06	131,900	131,900	1.06	1,221	1.05%
Developer's Fees	15.00%	11.99%	12,761	11.10	1,378,176	1,500,000	12.08	13,889	11.94%
Interim Financing		0.48%	509	0.44	55,000	55,000	0.44	509	0.44%
Reserves		2.16%	2,300	2.00	248,401	250,000	2.01	2,315	1.99%
<b>TOTAL COST</b>		<b>100.00%</b>	<b>\$106,447</b>	<b>\$92.60</b>	<b>\$11,496,316</b>	<b>\$12,562,900</b>	<b>\$101.19</b>	<b>\$116,323</b>	<b>100.00%</b>
<b>Construction Cost Recap</b>		<b>72.79%</b>	<b>\$77,480</b>	<b>\$67.40</b>	<b>\$8,367,839</b>	<b>\$9,311,000</b>	<b>\$75.00</b>	<b>\$86,213</b>	<b>74.12%</b>

**SOURCES OF FUNDS**

				TDHCA	APPLICANT	RECOMMENDED	
First Victoria Natl. Bank	8.70%	\$9,259	\$8.05	\$1,000,000	\$1,000,000	\$1,553,000	Developer Fee Available
TDHCA- Home Funds	0.00%	\$0	\$0.00	0	2,900,000	0	\$1,500,000
HTC Syndication Proceeds	74.14%	\$78,919	\$68.65	8,523,242	8,523,242	7,768,411	% of Dev. Fee Deferred
Deferred Developer Fees	1.21%	\$1,293	\$1.12	139,658	139,658	859,605	57%
Additional (Excess) Funds Req'd	15.95%	\$16,976	\$14.77	1,833,416	0	1,315,300	15-Yr Cumulative Cash Flow
<b>TOTAL SOURCES</b>				<b>\$11,496,316</b>	<b>\$12,562,900</b>	<b>\$11,496,316</b>	<b>\$859,605</b>

**MULTIFAMILY COMPARATIVE ANALYSIS (continued)**

*Constitution Court, Copperas Cove, 9% HTC/HOME #07263*

**DIRECT CONSTRUCTION COST ESTIMATE**

*Marshall & Swift Residential Cost Handbook  
Average Quality Multiple Residence Basis*

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$53.31	\$6,619,139
<b>Adjustments</b>				
Exterior Wall Finish	6.00%		\$3.20	\$397,148
Elderly			0.00	0
9-Ft. Ceilings	3.75%		2.00	248,218
Roofing			0.00	0
Subfloor			(1.24)	(153,328)
Floor Cover			2.43	301,689
Breezeways/Balconies	\$31.31	27,099	6.83	848,322
Plumbing Fixtures	\$805	252	1.63	202,860
Rough-ins	\$400	108	0.35	43,200
Built-In Appliances	\$1,850	108	1.61	199,800
Exterior Stairs	\$1,800	18	0.26	32,400
Enclosed Corridors			0.00	0
Heating/Cooling			1.90	235,889
Garages/Carports			0.00	0
Comm &/or Aux Bldgs	\$65.99	3,787	2.01	249,885
Other: fire sprinkler			0.00	0
<b>SUBTOTAL</b>			<b>74.31</b>	<b>9,225,224</b>
Current Cost Multiplier	0.98		(1.49)	(184,504)
Local Multiplier	0.87		(9.66)	(1,199,279)
<b>TOTAL DIRECT CONSTRUCTION COSTS</b>			<b>\$63.16</b>	<b>\$7,841,440</b>
Plans, specs, survy, bld prmts	3.90%		(\$2.46)	(\$305,816)
Interim Construction Interest	3.38%		(2.13)	(264,649)
Contractor's OH & Profit	11.50%		(7.26)	(901,766)
<b>NET DIRECT CONSTRUCTION COSTS</b>			<b>\$51.30</b>	<b>\$6,369,210</b>

**PAYMENT COMPUTATION**

<b>Primary</b>	\$1,000,000	Amort	360
Int Rate	8.00%	DCR	2.10

<b>Secondary</b>	\$2,900,000	Amort	420
Int Rate		Subtotal DCR	1.08

<b>Additional</b>	\$8,523,242	Amort	
Int Rate		Aggregate DCR	1.08

**RECOMMENDED FINANCING STRUCTURE:**

Primary Debt Service	\$136,744
Secondary Debt Service	0
Additional Debt Service	0
<b>NET CASH FLOW</b>	<b>\$47,982</b>

<b>Primary</b>	\$1,553,000	Amort	360
Int Rate	8.00%	DCR	1.35

<b>Secondary</b>	\$0	Amort	
Int Rate		Subtotal DCR	1.35

<b>Additional</b>	\$8,523,242	Amort	0
Int Rate	0.00%	Aggregate DCR	1.35

**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	\$610,584	\$628,902	\$647,769	\$667,202	\$687,218	\$796,674	\$923,563	\$1,070,663	\$1,438,881
Secondary Income	12,960	13,349	13,749	14,162	14,587	16,910	19,603	22,725	30,541
Other Support Income:	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	623,544	642,250	661,518	681,363	701,804	813,583	943,166	1,093,388	1,469,422
Vacancy & Collection Loss	(46,766)	(48,169)	(49,614)	(51,102)	(52,635)	(61,019)	(70,737)	(82,004)	(110,207)
Employee or Other Non-Rental Units or Cc	0	0	0	0	0	0	0	0	0
<b>EFFECTIVE GROSS INCOME</b>	<b>\$576,778</b>	<b>\$594,082</b>	<b>\$611,904</b>	<b>\$630,261</b>	<b>\$649,169</b>	<b>\$752,565</b>	<b>\$872,429</b>	<b>\$1,011,384</b>	<b>\$1,359,216</b>
EXPENSES at 4.00%									
General & Administrative	\$28,986	\$30,145	\$31,351	\$32,605	\$33,909	\$41,256	\$50,194	\$61,068	\$90,396
Management	28,839	29,704	30,595	31,513	32,458	37,628	43,621	50,569	67,961
Payroll & Payroll Tax	91,836	95,509	99,330	103,303	107,435	130,711	159,030	193,484	286,404
Repairs & Maintenance	43,979	45,739	47,568	49,471	51,450	62,596	76,158	92,658	137,156
Utilities	30,564	31,787	33,058	34,380	35,756	43,502	52,927	64,394	95,318
Water, Sewer & Trash	47,725	49,634	51,619	53,684	55,831	67,927	82,644	100,549	148,838
Insurance	28,658	29,805	30,997	32,237	33,526	40,790	49,627	60,379	89,375
Property Tax	54,145	56,311	58,563	60,906	63,342	77,065	93,761	114,075	168,859
Reserve for Replacements	27,000	28,080	29,203	30,371	31,586	38,429	46,755	56,885	84,204
Other	10,320	10,733	11,162	11,609	12,073	14,689	17,871	21,743	32,184
<b>TOTAL EXPENSES</b>	<b>\$392,052</b>	<b>\$407,445</b>	<b>\$423,446</b>	<b>\$440,078</b>	<b>\$457,366</b>	<b>\$554,593</b>	<b>\$672,589</b>	<b>\$815,804</b>	<b>\$1,200,695</b>
<b>NET OPERATING INCOME</b>	<b>\$184,726</b>	<b>\$186,636</b>	<b>\$188,458</b>	<b>\$190,183</b>	<b>\$191,803</b>	<b>\$197,971</b>	<b>\$199,840</b>	<b>\$195,580</b>	<b>\$158,521</b>
DEBT SERVICE									
First Lien Financing	\$136,744	\$136,744	\$136,744	\$136,744	\$136,744	\$136,744	\$136,744	\$136,744	\$136,744
Second Lien	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
<b>NET CASH FLOW</b>	<b>\$47,982</b>	<b>\$49,892</b>	<b>\$51,713</b>	<b>\$53,439</b>	<b>\$55,058</b>	<b>\$61,227</b>	<b>\$63,096</b>	<b>\$58,836</b>	<b>\$21,776</b>
<b>DEBT COVERAGE RATIO</b>	<b>1.35</b>	<b>1.36</b>	<b>1.38</b>	<b>1.39</b>	<b>1.40</b>	<b>1.45</b>	<b>1.46</b>	<b>1.43</b>	<b>1.16</b>

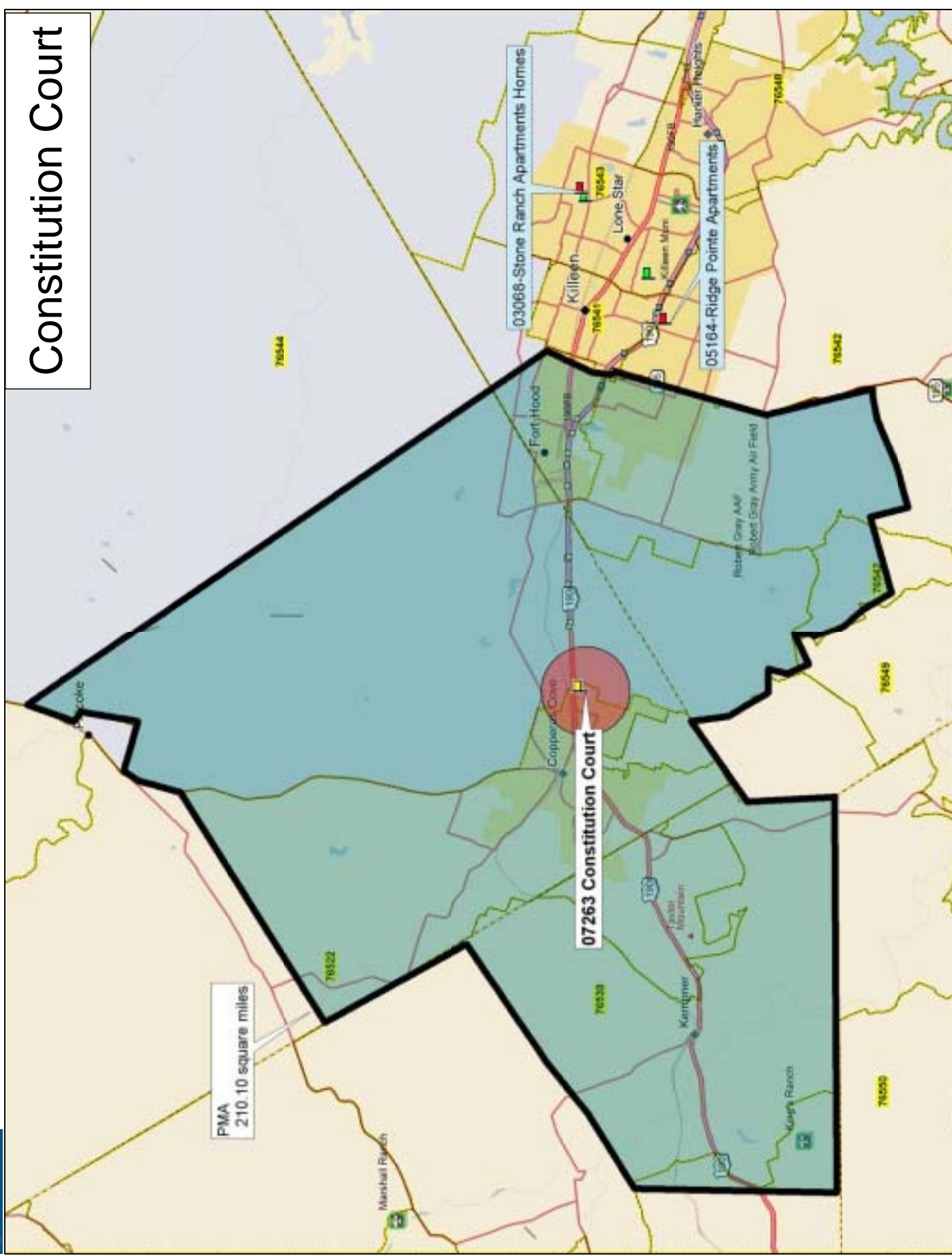
**HTC ALLOCATION ANALYSIS -Constitution Court, Copperas Cove, 9% HTC/HOME #07263**

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
<b>Acquisition Cost</b>				
Purchase of land	\$550,000	\$550,000		
Purchase of buildings				
<b>Off-Site Improvements</b>				
Sitework	\$810,000	\$810,000	\$810,000	\$810,000
Construction Hard Costs	\$7,197,460	\$6,369,210	\$7,197,460	\$6,369,210
Contractor Fees	\$1,120,000	\$1,005,089	\$1,120,000	\$1,005,089
Contingencies	\$183,540	\$183,540	\$183,540	\$183,540
Eligible Indirect Fees	\$765,000	\$765,000	\$765,000	\$765,000
Eligible Financing Fees	\$55,000	\$55,000	\$55,000	\$55,000
All Ineligible Costs	\$131,900	\$131,900		
<b>Developer Fees</b>				
Developer Fees	\$1,500,000	\$1,378,176	\$1,500,000	\$1,378,176
Development Reserves	\$250,000	\$248,401		
<b>TOTAL DEVELOPMENT COSTS</b>	<b>\$12,562,900</b>	<b>\$11,496,316</b>	<b>\$11,631,000</b>	<b>\$10,566,015</b>

<b>Deduct from Basis:</b>				
All grant proceeds used to finance costs in eligible basis				
B.M.R. loans used to finance cost in eligible basis				
Non-qualified non-recourse financing				
Non-qualified portion of higher quality units [42(d)(3)]				
Historic Credits (on residential portion only)				
<b>TOTAL ELIGIBLE BASIS</b>			<b>\$11,631,000</b>	<b>\$10,566,015</b>
High Cost Area Adjustment			100%	100%
<b>TOTAL ADJUSTED BASIS</b>			<b>\$11,631,000</b>	<b>\$10,566,015</b>
Applicable Fraction			100%	100%
<b>TOTAL QUALIFIED BASIS</b>			<b>\$11,631,000</b>	<b>\$10,566,015</b>
Applicable Percentage			8.55%	8.55%
<b>TOTAL AMOUNT OF TAX CREDITS</b>			<b>\$994,451</b>	<b>\$903,394</b>

<b>Syndication Proceeds</b>	<b>0.8599</b>	<b>\$8,551,416</b>	<b>\$7,768,411</b>
<b>Total Tax Credits (Eligible Basis Method)</b>		<b>\$994,451</b>	<b>\$903,394</b>
<b>Syndication Proceeds</b>		<b>\$8,551,416</b>	<b>\$7,768,411</b>
<b>Requested Tax Credits</b>		<b>\$991,075</b>	
<b>Syndication Proceeds</b>		<b>\$8,522,390</b>	
<b>Gap of Syndication Proceeds Needed</b>			<b>\$9,943,316</b>
<b>Total Tax Credits (Gap Method)</b>			<b>\$1,156,316</b>

# Constitution Court



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Scale 1 : 187,500



1" = 2.96 mi Data Zoom 10-1

Board Item 2a

Presentation, Discussion and Possible Action for the 2007 Competitive Housing Tax  
Credits Appeals of Credit Underwriting Reports

07268 Mid-Towne I Apartments, Tomball



**Real Estate Analysis Division**

**BOARD ACTION ITEM**

**July 30, 2007**

**Item**

Presentation, discussion and possible action on a timely filed appeal regarding the underwriting recommendation of a development under the 2007 Competitive Housing Tax Credit program, #07268 Mid-Towne I Apartments, Tomball, Texas.

**Required Action**

Approve, deny or approve with amendments a determination on the appeal.

**Background**

Mr. Dennis Hoover, the principal member of the General Partner of Mid-Towne I Apartments, the Applicant, submitted an application for funding under the 2007 Competitive Housing Tax Credit program to acquire and rehabilitate 54 multifamily rental units in Tomball, Texas. The Applicant requested \$285,151 in annual tax credits to support a total development budget of \$3,931,018. The Applicant submitted a proforma which included an expense to income ratio of 79.6% which is well above the 65% expense to income ratio limit provided for in the 2007 Real Estate Analysis Rules and Guidelines 10 TAC§1.32(i)(4). In addition, based upon the Applicant's initial year proforma and the 3% income and 4% expense growth rate used by the Department to test future feasibility, the Applicant's 15 year debt coverage ratio drops below a 1.15 which under 10 TAC§1.32(i)(5) requires staff to characterize the development as infeasible and not recommend funding. While the development will maintain its USDA-RD 515 loan and has restricted rents monitored by the USDA-RD based upon market conditions and the annual operating needs of the property, the property has no ongoing operating assistance such as Rental Assistance or Housing Assistance Program/ project based Section 8 to mitigate the infeasible finding. Finally, it should be noted that the last revised rent schedule provided during the underwriting review process included 8 units targeting 30% households but the Applicant's anticipated rent for these units were based upon the USDA basic rents and are significantly higher. Without project based assistance the Applicant could not charge more than the 30% rent accounting for an \$8,208 reduction in gross income and net operating income.

The Applicant contends that the 65% rule does not work with USDA-RD 515 properties because the size of the mortgage payment associated with a 1% 50-year loan skews the math such that the initial debt coverage ratio would have to be 2.20 to meet the expense to income ratio or at least a 1.49 to meet the minimum debt coverage ratio in year 15. The Applicant has indicated the property has performed well over the last 20 years likely in part due to its proximity to a major metropolitan area. The Applicant indicates that the Department's concerns can be mitigated by the large margin (\$77 to \$91 per unit per month) between the proposed basic rent and the much higher economic or market rents in the area. The Applicant contends that USDA-RD is likely to

approved rent increases as needed for the foreseeable future and that with such a large margin for possible increases the increase in rent would be readily acceptable in the market place.

The Applicant also contends that the rent schedule with the 8 units restricted at 30% was provided in error as that was not what was indicated in the original full application. The pre-application did contain some units restricted at 30% but the full application did not. It is likely the Applicant would have received a reduced score for such a change but in this sub region there was an under-subscription for at risk transactions and as such the Applicant's ultimate score did not matter.

The current rules in 10 TAC§1.32(i)(4) and (5) do not provide the ability for the staff or the Executive Director mitigate or waive the rule without an ongoing project based operating subsidy such as rental assistance. Moreover, waiving these rules simply because they have a below market rate loan from USDA misses the point of the rules which is to ensure that a property with a high expense to income or low DCR in year 15 has a much higher risk of not being able to cover its operating expenses in addition to not being able to cover its debt. In order to waive these rules and stay consistent with the statutory requirement for ensuring long term feasibility, the Board would have to find that developments with budget based rent restrictions where a significant margin between the current rent and the market rent have similar risk mitigation characteristics as those with actual ongoing project based rental assistance.

#### **Recommendation**

Staff recommends the Board deny the appeal.

07268 Mid-Towne I Apartments, Tomball

Applicant's Appeal



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

**REAL ESTATE ANALYSIS**  
Housing Tax Credit Program – 2007 Application Cycle  
Underwriting Report Notice

Appeal Election Form: 07268 Mid-Towne I Apts

Date Notice Sent: 7/10/07

I am in receipt of my 2007 Underwriting report notice and have reviewed the Appeal Policy at 10TAC Section 49.17(b). I recognize that should I choose to file an appeal, I must file a formal appeal to the Executive Director within seven days from the date this Notice was issued and the Underwriting report was posted to the Department's web site. I understand that my appeal must identify my specific grounds for appeal.

If my appeal is denied by the Executive Director, I

Do wish to have my appeal to the Board of Directors and request that my appeal be added to the next available Board of Directors' meeting agenda. I understand that my Board appeal documentation must still be submitted by 5:00 p.m, July 20, 2007 to be included in the July 30, 2007 Board book. I understand that if no documentation is submitted, the appeal documentation submitted to the Executive Director will be utilized.

Wish to wait to hear the Executive Director's response before deciding on my appeal to the Board of Directors.

Do not wish to appeal to the Board of Directors or Executive Director.

Signed

*Quinn Hoover*

Title

Member, HUM Ventures, LLC, Gen. Partner

Date

JUL 11 2007

Please fax or e-mail to the attention of:  
Pam Cloyde: (fax) 512.475.3746  
(e-mail) [pamela.cloyde@tdhca.state.tx.us](mailto:pamela.cloyde@tdhca.state.tx.us)

HVM TOMBALL, LTD.  
Mid-Towne Apartments  
P.O. Box 190, Burnet Tx 78611  
dennishoover@hamiltonvalley.com

RECEIVED

JUL 18 2007

DEPUTY ED.  
FAX 512-756-9885

(512)756-6809 ext 212

July 14, 2007

Michael Gerber, Executive Director, TDHCA  
P.O. Box 13941  
Austin, Tx 78711-3941

Re: TDHCA # 07268, Mid Towne I Apartments

Dear Mr. Gerber,

Please accept this letter as a formal appeal of the Underwriting Report. In regard to the Expense to Income Ratio, the Ratio of 65% does not work for a USDA-RD 515 property. Mr. Gouris has stated that the rule doesn't work for 515's and needs to be adjusted for next year. Since the size of the mortgage payment, which is a 50-year amortization at 1% interest, is much smaller on a 515 deal, the math of the ratio becomes skewed. For example, on our property, if we increased income or lowered expenses to meet the 65% Ratio, then our Debt Service would go up to 2.20 and would be disallowed by REA as being too rich.

The other issue raised by the Underwriting Report is the Debt Service Ratio on the 15 year Pro-Forma. Again, RD deals will not pencil out on a 15-year Pro-Forma for the same reason as above. The actual amount of the margin created by an acceptable Debt Service Ratio is a much smaller number on a 515 since the mortgage payment is so much smaller. Our yearly debt service is \$38,364. A 30-year 8% yearly mortgage payment is \$123,625. In order for the Debt Coverage Ratio to be at or above 1.15 in year 15, then the Year One ratio would have to be at 1.49, which would not be allowed by REA.

The long-term feasibility issue raised by REA is addressed by this fact: The feasibility of a rent increase almost always exists since RD rents are well below market rents in most suburban markets. RD must approve any rent increase. This property has performed well financially for over 20 years. RD 515's rarely ever work out on a 15 year Pro-Forma, so REA has always required a letter from RD regarding long-term financial feasibility. That letter is enclosed.

Please consider the unique situation true to RD 515's and grant our appeal.

Sincerely,



Dennis Hoover

Vice President and Member of the General Partner

Enclosure

**RECEIVED**

JUL 18 2007

**DEPUTY ED.**

**HVM TOMBALL, LTD.**  
**Mid-Towne Apartments**  
P.O. Box 190, Burnet Tx 78611  
dennishoover@hamiltonvalley.com

(512)756-6809 ext 212

FAX 512-756-9885

July 16, 2007

Michael Gerber, Executive Director, TDHCA  
P.O. Box 13941  
Austin, Tx 78711-3941

Re: TDHCA # 07268, Mid Towne I Apartments

Dear Mr. Gerber,

In regard to my letter of July 13, 2007 in regard to the appeal of REA's Underwriting Report: My letter stated that our RD rents were significantly lower than the local market rents, but I didn't include any verification. In page 27 of Rafael Luebbert's appraisal, he estimates the rents our apartments would bring in the local market if unrestricted, shown here as "Economic Rents". He also includes an average of the area RD Basic Rents, shown here as "Regional Rate". The Basic rent is the approved RD rent rate. As you can see below, we have quite a large margin for possible rent increases in the future. This addresses the concerns of REA that the property is not feasible on a long-term basis.

	Economic Rents	Regional Rate	Our proposed Basic Rent
1 bedroom	\$413	\$380	\$335
2 bedroom	\$496	\$461	\$405
3 bedroom	\$557	\$589	\$480

Sincerely,



Dennis Hoover  
Vice President and Member of the General Partner

Enclosure

## Pamela Cloyde

---

**From:** Dennis Hoover [DennisHoover@hamiltonvalley.com]  
**Sent:** Saturday, July 14, 2007 12:36 PM  
**To:** tgouris@tdhca.state.tx.us; pamela.cloyde@tdhca.state.tx.us  
**Cc:** Kim Treiber; Emily Farmer; Ben Farmer  
**Subject:** 07268 Mid-Towne I Apts.

Tom and Pam,  
Attached is my appeal, a letter from RD and the TDHCA form for notice of appeal.

Tom, in regard to the question about the 30% units, we apparently put 30% on our Pre-App, but put 50% units on our full Application.  
On the per unit O&M question, our actual O&M last year on this property was \$3,364. If we're forecasting the Expenses for 2008 or 2009, then probably maintenance will go down some, some other things will go up, and the transfer to Reserve will probably go up per the CNA.

Please contact me with any questions. As always, thanks for your time.

Dennis Hoover  
President, Hamilton Valley Management Inc.  
P.O. Box 190  
Burnet, Tx 78611  
512-756-6809 ext 212  
fax 512-756-9885  
cell 830-798-4273  
[dennishoover@hamiltonvalley.com](mailto:dennishoover@hamiltonvalley.com)

7/16/2007



United States Department of Agriculture  
Rural Development  
Texas State Office

MAR 28 2007

Mr. Benjamin Farmer, President  
HVM Mid-Town I, Ltd.  
P.O. Box 190  
Burnet, TX 78611

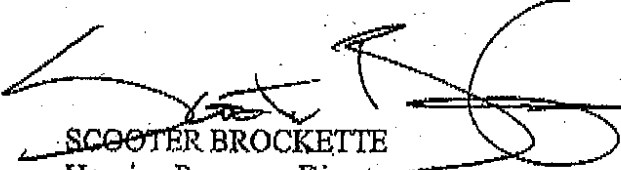
Dear Mr. Farmer:

Thank you for your inquiry regarding your plan for the HVM Mid-Town I, Ltd. project.

To clarify the position of USDA Rural Development on the processing and underwriting of your request, we will apply the standards required of us by 7 CFR 3560 and our Handbook, HB-3-3560. As a part of this underwriting process, we will consider if the project is feasible over the term you request, which you indicate is 15 years. Although you have not yet filed a complete application, preliminary information you have provided, which includes your pro-forma information, to us suggest that this transfer is feasible with a 15 year term. This is subject to our complete underwriting of your proposal.

Please feel free to contact me should you require any further information.

Sincerely,

  
SCOOTER BROCKETTE  
Housing Programs Director

101 South Main • Federal Building, Suite 102 • Temple, TX 76501  
Phone: (254) 742-9770 • Fax: (254) 742-9735 • TDD: (254) 742-9712 • Web: <http://www.rurdev.usda.gov>

Committed to the future of rural communities

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To file a complaint of discrimination write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14<sup>th</sup> and Independence Avenue, SW, Washington, DC 20250 9410 or call (202) 720-5964 (voice or TDD)



07268 Mid-Towne I Apartments, Tomball

Executive Director's Letter

July 23, 2007

Mr. Dennis Hoover  
Mid-Towne I Apartments  
P.O. Box 190  
Burnet, Texas 78611  
Telephone: (512) 756-6809  
Telecopier: (512) 7756-9885

**Re: Executive Director Appeal for Mid-Towne Apartments, HTC #07268**

Dear Mr. Hoover:

**Appeal Review**

I have reviewed your appeal that was received on July 14, 2007 and the supplemental information dated July 16, 2006 regarding the underwriting recommendation which was sent to you on July 10, 2007 and published on the web on the same day. The basis for your appeal is that staff should not apply the 65% expense to income ratio or the 15 year feasibility tests on the subject application because they do not work for developments funded with USDA-RD 515 program funds. You also contend that the development has operated successfully for the past 20 years and will continue to do so as long as the economic rents in the area are higher than the USDA-RD prescribed basic rents.

While I understand that the USDA-RD basic rents are monitored and adjusted on an annual basis by USDA they do not represent rental assistance from USDA or HUD. Therefore, the subject does not meet the 10 TAC§1.32(i)(6) exception for mitigation of the 65% expense to income ratio or the 15 year feasibility test described in 10 TAC§1.32(i)(4) and (5). Despite the credible information in the application and your appeal with regard to the margin between the economic rents and the proposed rents being favorable towards USDA's approval and the market's acceptance of future rent increases to support increased expenses, the exception in the rule does not provide relief for such mitigating circumstances.

I have determined that the Department's rules and guidelines were applied evenly, fairly, and as originally intended during the course of the underwriting analysis and in making the recommendation.

Mr. Dennis Hoover  
July 23, 2007  
Page 2

**Appeal Determination**

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 July 30, 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 : TJG

07268 Mid-Towne I Apartments, Tomball

Underwriting Report



**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**  
 Real Estate Analysis Division  
 Underwriting Report

REPORT DATE: 07/08/07 PROGRAM: 9% HTC FILE NUMBER: 07268

**DEVELOPMENT**

Mid-Towne I Apartments

Location: 820 East Carrell Street Region: 6  
 City: Tomball County: Harris Zip: 77375  OCT  DDA  
 Key Attributes: Multifamily, Acquisition/Rehabilitation, Rural, At-Risk, USDA, Family

**ALLOCATION**

	REQUEST			RECOMMENDATION		
	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term
TDHCA Program						
Housing Tax Credit (Annual)	\$285,151			\$0		

**CONDITIONS**

NOT RECOMMENDED DUE TO THE FOLLOWING:

The Applicant's and Underwriter's expense to income ratios exceed the Department's maximum of 65% per the 2007 Real Estate Analysis Rules and Guidelines §1.32(i)(4) and the subject has no source of ongoing operating support to mitigate this issue.

The Applicant's and Underwriter's long term proformas reflect debt coverage ratios that fall below 1.15 by Year 15. According to the 2007 Real Estate Analysis Rules and Guidelines §1.32(i)(5), if the debt coverage ratio falls below 1.15 during any of the first 15 years of the Long Term Proforma, the development is characterized as infeasible and cannot be recommended for funding.

SHOULD THE BOARD APPROVE THIS AWARD, THE BOARD MUST MAKE THE DETERMINATION THAT THE REQUESTED FUNDS ARE NOT MORE THAN ARE NECESSARY AND SUCH AN AWARD SHOULD BE CONDITIONED UPON THE FOLLOWING:

- 1 A 9% HTC allocation not to exceed \$256,900.
- 2 Receipt, review, and acceptance, by the Board meeting at which this award is considered, of a revised Capital Needs Assessment with the entire scope of planned rehab work and which fully accounts for the applicant's budget.
- 3 Receipt, review, and acceptance, by the 10% test, of USDA-RD approval of the same rates and terms transfer of the existing USDA-RD loans.
- 4 Receipt, review, and acceptance, by cost certification, of documentation that the requested increase in the existing basic rents has been approved by USDA-RD.
- 5 Receipt, review, and acceptance, by the 10% test, of approval from USDA-RD of the proposed rehab budget.
- 6 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
30% of AMI	30% of AMI	8
60% of AMI	60% of AMI	44

**PROS**

The application proposes the revitalization and preservation of a 21 year old USDA-RD property.

The development team is experienced with USDA-RD/HTC rehabilitations.

**CONS**

The Underwriter's long term proforma indicates the development falls below a 1.15 DCR by year 15 and projects negative cashflow by year 20 and the Applicant's proforma projects negative cash flow by year 10.

Both the Applicant's and Underwriter's expense to income ratio of 78% + exceeds the maximum guideline (65%), reflecting extensive deep rent targeting.

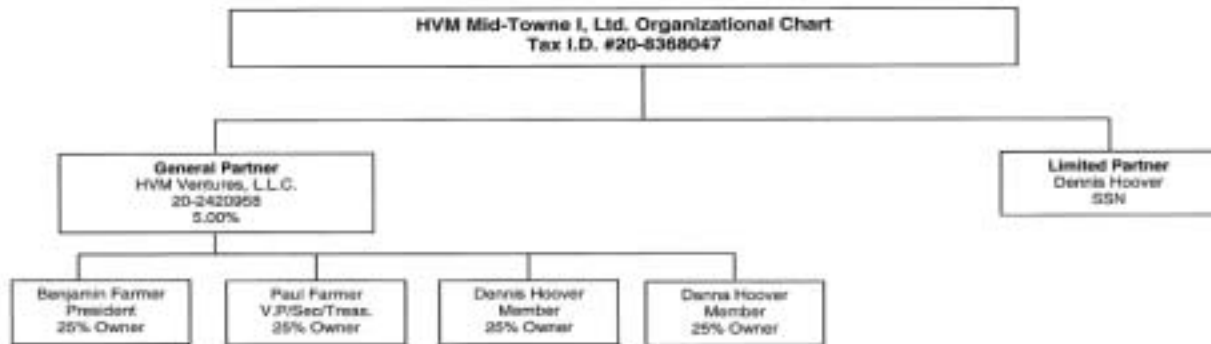
The development does not receive rental assistance which limits the development's ability to sustain periods of increasing expenses and flat rents.

**PREVIOUS UNDERWRITING REPORTS**

No previous reports.

**DEVELOPMENT TEAM**

**OWNERSHIP STRUCTURE**



**CONTACT**

Contact: Dennis Hoover Phone: (512) 756-6809 Fax: (512) 756-9885  
 Email: dennishoover@hamiltonvalley.com

**KEY PARTICIPANTS**

Name	Net Assets	Liquidity <sup>1</sup>	# of Complete Developments
HVM Ventures, LLC	Newly Formed		--
Dennis Hoover	Confidential		14 LIHTC Developments
Danna Hoover	Confidential		6 LIHTC Developments
Benjamin Farmer	Confidential		N/A
Paul Farmer	Confidential		N/A

<sup>1</sup> Liquidity = Current Assets - Current Liabilities

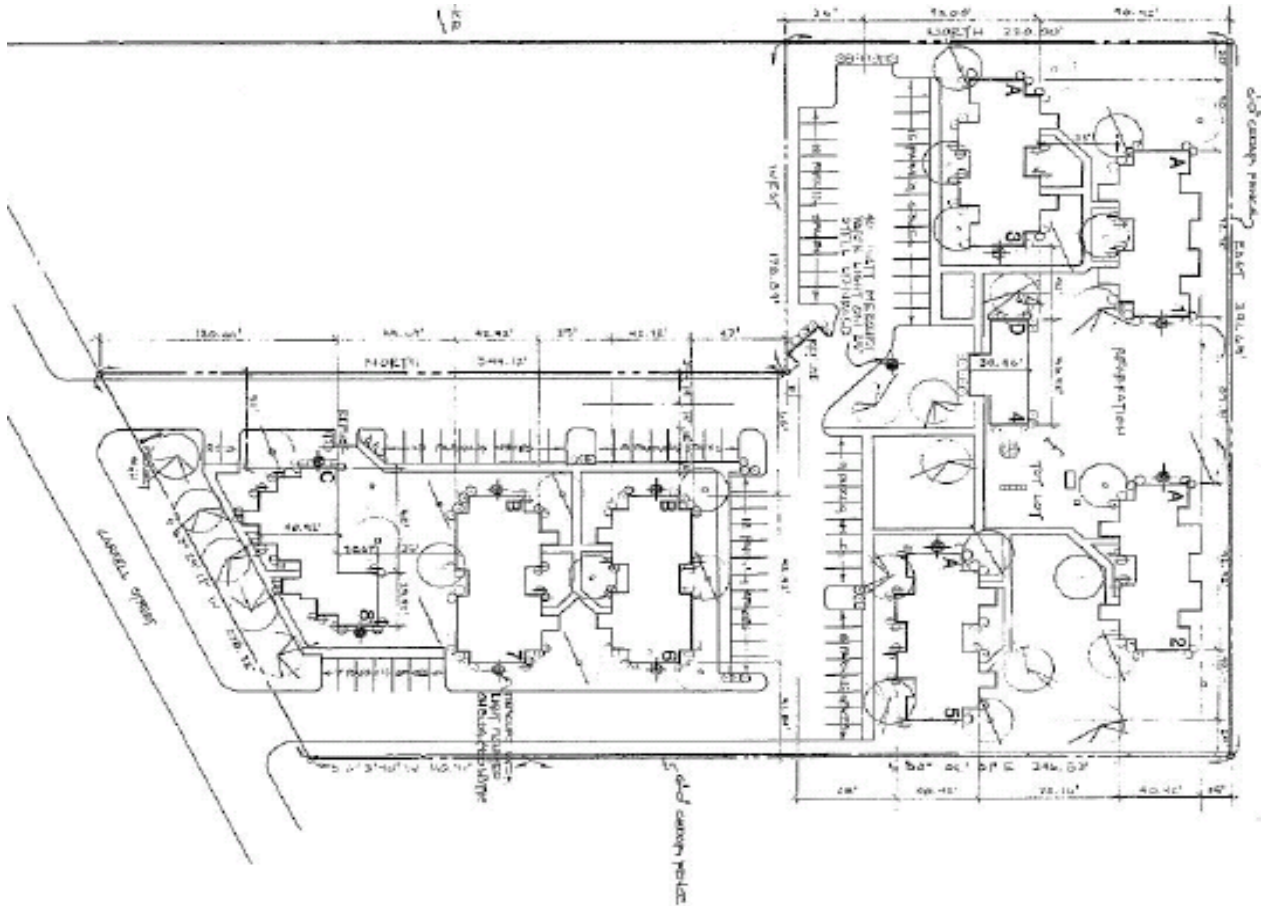
IDENTITIES of INTEREST

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

The current owner of the property is related to the Applicant and development team. This has been addressed in the acquisition cost section of this report by ensuring: that the sales price is not more than their investment in the property, that the transfer price is a price that USDA might approve, and that no developer fee for acquisition is being garnered.

PROPOSED SITE

SITE PLAN



BUILDING CONFIGURATION

Building Type	A	B	C														Total Buildings
Floors/Stories	2	2	2														
Number	4	2	1														<b>7</b>

BR/BA	SF	Units										Total Units	Total SF	
1/1	659	4											16	10,544
2/1	841	4	8										32	26,912
3/1	1,019			6									6	6,114
Units per Building		8	8	6									<b>54</b>	<b>43,570</b>

Rehabilitation summary:

Mid-Towne I Apartments is a 54-unit family rental development comprised of seven residential buildings. Mid-Towne I was originally financed in 1985 under the USDA Section 515 program. The Applicant provided a Capital Needs Assessment performed by On-Site Insight, "aimed at determining the development's current and prospective capital needs in the context of a pending recapitalization. Overall, the development is in fair to good condition. The residential spaces, common areas, and various building systems are adequately appointed and maintained. That said, the property has substantive capital needs anticipated in the coming years; a number of systems and components are at, or approaching, the end of their useful lives. No immediate (critical health and safety) capital needs were observed. Anticipated near-term needs include parking area, sidewalk, and exterior siding repairs, roof shingle replacement, and the continued upgrade of in-unit finishes and components."

However, the CNA does not contemplate the entire scope of work that the Applicant is planning. As such, the CNA cost estimate cannot be used to reasonably verify the Applicant's cost estimate or to project the property's long-term capital needs. Staff has discussed these issues with the Applicant and the Applicant has agreed to provide a revision to the CNA that accounts for the entire planned scope of work. There has been some confusion over the requirements between the report provider and the Applicant. Due to scheduling issues with the report provider, the said revision has not been completed as of the date of this report. The Underwriter has used the Applicant's estimates subject to verification. Therefore, receipt, review, and acceptance, by the Board meeting at which this award is considered, of a revised Capital Needs Assessment with the entire scope of planned rehab work and which fully accounts for the Applicant's budget is a condition of this report.

SITE ISSUES

Total Size: 3.4 acres Scattered site? [ ] Yes [X] No
Flood Zone: X Within 100-yr floodplain? [ ] Yes [X] No
Zoning: N/A Needs to be re-zoned? [ ] Yes [ ] No [X] N/A
Comments:

The site is a 3.4 acre L-shaped portion of a roughly rectangular 5 acre parcel. The remaining 1.6 acres is the site of Mid-Towne II, a second phase development with 24 units built with a 1996 HTC allocation.

TDHCA SITE INSPECTION

Inspector: ORCA Date: 4/18/2007
Overall Assessment: [ ] Excellent [X] Acceptable [ ] Questionable [ ] Poor [ ] Unacceptable
Surrounding Uses:
North: Pasture Land East: Multifamily Residential
South: Episcopal Church West: Single Family Residential

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Comments:
A Phase I Environmental Site Assessment was not submitted with the application. Developments receiving a USDA rental subsidy are not required to submit a Phase I ESA.

MARKET HIGHLIGHTS (from Appraisal)

Provider: Rafael C. Luebbert Date: 3/29/2007
Contact: Rafael C. Luebbert Phone: (210) 408-6041 Fax: (210) 408-2539
Number of Revisions: 0 Date of Last Applicant Revision: N/A



Primary Market Area (PMA):

"The market area is that geographical region enveloped by the city of Tomball. There were sufficient numbers of conventional project samples within the immediate area to enable the appraiser to deduce economic rentals. This is the area which would influence the economics of the property within the described market area. The selected complexes are considered to reflect trends in rental rates for conventional projects in that region. This particular market area should remain a viable part of the local economy. Most properties display relatively good quality of maintenance and pride of ownership. There were no nuisances, noise pollution, excess traffic patterns, abnormal levels of crime, or specific environmental issues noted which may affect the perceived quality of the described market area." (p. 21)

PROPOSED, UNDER CONSTRUCTION & UNSTABILIZED COMPARABLE DEVELOPMENTS							
PMA				SMA			
Name	File #	Total Units	Comp Units	Name	File #	Total Units	Comp Units <sup>25%</sup>
HomeTowne at Tomball	060414	210	210	N/A			

There is one HTC development under construction in the vicinity of the subject. HomeTowne at Tomball (# 060414), a 210-unit senior development which received a 4% HTC allocation in 2006, is located approximately 2.5 miles south of the subject. The subject is not age restricted and therefore HomeTowne at Tomball will not compete with the subject.

Also a supply and demand analysis was not provided in the appraisal but since the subject is substantially occupied with residents that will likely remain during and after the rehabilitation; an inclusive capture rate calculation for the subject would not have much importance.

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
60	\$25,620	\$29,280	\$32,940	\$36,600	\$39,540	\$42,480

RENT ANALYSIS (Tenant-Paid Net Rents)							
Unit Type (% AMI)			Current Contract Rent	Proposed Contract Rent	Market Rent	Underwriting Rent	Increase Over Contract
1 BR	659 SF	30%	\$325	\$335	\$482	\$267	(\$58)
1 BR	659 SF	60%	\$325	\$335	\$482	\$335	\$10
2 BR	841 SF	30%	\$375	\$405	\$574	\$302	(\$73)
2 BR	841 SF	60%	\$375	\$405	\$574	\$405	\$30
3 BR	1,019 SF	60%	\$445	\$480	\$635	\$480	\$35
3 BR	1,019 SF	EO					

The subject has no rental assistance agreement with USDA-RD in place for the subject and one is not anticipated to be forthcoming. Without rental assistance the total rent collected will come solely from the tenant. For the 30% units this means that the maximum collection will be the 30% rent rather than the USDA basic rent and thus a decrease in the potential rental collections for the 30 % units would be expected.

Comments:

A Market Study report was not included, as USDA-RD-financed projects are not required to submit this report. A required appraisal is sufficient to satisfy the requirement for a market analysis. An "As Is" appraisal dated March 29, 2007 was prepared by Rafael C Luebbert ("Appraiser").

## OPERATING PROFORMA ANALYSIS

Income:      Number of Revisions:          1          Date of Last Applicant Revision:        4/2/2007  

The Development operates under an existing USDA-RD loan with an interest rate subsidy, with rents restricted to limits approved by USDA. The property does not receive rental assistance on any of the units. The Applicant's projected net rents per unit are based on increases of 3% to 8% over the current basic rents. However, the projected rents are substantially higher than the 30% of AMI program rent limits. Therefore, the Underwriter has used the program rent limits for all 30% units and the projected basic rents for the 60% units. The projected basic rents for the 60% units are significantly below the program rent limits and are achievable according to the Appraiser.

The Applicant's estimate of secondary income is in line with Department guidelines. The Applicant's estimate of vacancy and collection loss is 5% of potential income, which is acceptable for properties expecting to maintain their tenant base following rehabilitation. However, the rent roll submitted with the application indicates 3 vacant units out of a total of 54, or 5.5%. Based on the current occupancy rate and uncertainty about maintaining all tenants given the anticipated rent increases and lack of rental assistance, the underwriting analysis applies the standard vacancy and collection loss of 7.5% of potential income. Overall, the Applicant's effective gross income projection is not within 5% of the Underwriter's estimate.

Expense:      Number of Revisions:          0          Date of Last Applicant Revision:        N/A  

The Applicant's projected total annual operating expense of \$3,548 per unit is not within 5% of the underwriter's estimate of \$3,257 derived from the actual operating history of the property, the TDHCA database, IREM data, and other sources. The Applicant's projection of general and administrative expense is \$1.5K higher than the Underwriter's estimate and property tax is \$2K higher. The current owner and property manager are related to the Applicant and the operating structure is unlikely to change significantly; therefore the Underwriter relied heavily on the historical expense levels.

Of note, the CNA indicates reserve for replacements of \$382 per unit will be required if only the CNA scope of work is completed. However, the CNA does not fully account for the scope of work planned by the Applicant. Therefore, using the CNA's reserve for replacements projection may overstate the future repair needs of the development. The Applicant and Underwriter used the TDHCA underwriting reserve for replacements standard of \$300 per unit for rehabilitation projects. As noted below in the cost section, a revised CNA will be required to support the information provided by the Applicant. Should the CNA indicate that a higher reserve amount is needed, the financial feasibility of the property may be even further stressed by impending future repair needs of the property.

### Conclusion:

The Applicant's effective gross income, total operating expense, and net operating income (NOI) estimates are each not within 5% of the Underwriter's estimates; therefore, underwriting guidelines require that the Underwriter's estimates be used to determine debt capacity. The Underwriter's NOI and debt service on the existing USDA loan indicate a first year debt coverage ratio (DCR) of 1.37. However, the Underwriter's expense to income ratio of 77.8% is significantly higher than the Department's maximum pursuant to the 2007 Real Estate Analysis Rules and Guidelines §1.32(i)(4). While the development has an existing USDA-RD loan, the property does not anticipate receiving rental assistance on any of the units; therefore, the subject development is not exempt from the said feasibility requirement.

The exemption applies only to those USDA-RD developments that receive rental assistance because the Department has some level of confidence that USDA-RD can approve rental subsidy increases to match increases in expenses. This is particularly important during periods of flat rents and rising expenses. As the subject property's income is restricted by program guidelines and by the market, the development has no other source of income that can sufficiently mitigate the development's long-term risk. Therefore, the development cannot be recommended for a tax credit allocation due to an expense to income ratio that exceeds the Department's maximum of 65%.

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 falls below 1.15 by year 15. According to the 2007 Real Estate Analysis Rules and Guidelines §1.32(i)(5), if the debt coverage ratio falls below 1.15 during any of the first 15 years of the Long Term Proforma, the development is characterized as infeasible and cannot be recommended for funding.

As discussed above the property does not receive rental assistance and is therefore not exempt from the feasibility requirements. Therefore, pursuant to the 2007 Real Estate Analysis Rules and Guidelines §1.32(i)(5), the application cannot be recommended for a tax credit allocation. It should be noted that the Underwriter's long-term proforma indicates that the development's DCR falls below 1.15 prior to Year 15 and the development's cashflow falls below zero by Year 20.

In addition, if the Applicant's proforma were used, the development would not meet the 15 year DCR requirement due to a DCR that falls below 1.15 by Year 5 and negative cashflow by Year 10.

ACQUISITION INFORMATION

APPRAISED VALUE

Table with 4 columns: Item, Value, As of, Date. Rows include Provider (Rafael C. Luebbert), Date (3/29/2007), Number of Revisions (0), Date of Last Applicant Revision (N/A), Land Only (3.4 acres, \$134,143), Existing Buildings (as-is, \$1,469,857), Favorable Financing (\$963,000), and Total Development (as-is, \$2,567,000).

ASSESSED VALUE

Table with 4 columns: Item, Value, Tax Year, Valuation by. Rows include Land Only (3.4 acres, \$296,470), Existing Buildings (\$187,279), Total Assessed Value (\$483,749), Tax Year (2006), and Valuation by (Harris County).

EVIDENCE of PROPERTY CONTROL

Table with 4 columns: Item, Value, Other, Related to Development Team?. Rows include Type (Option to Purchase Real Property), Acreage (3.403), Contract Expiration (1/25/2008), Valid Through Board Date (Yes/No), Acquisition Cost (\$1,600,488), Seller (Mid-Towne Ltd.), and Related to Development Team? (Yes/No).

TITLE

Comments: The title commitment indicates two "unlocated" pipeline right-of-ways and one other pipeline right-of-way. The survey does not appear to identify these easements. Moreover, the apartment structures are already existing on the site and therefore it is likely that these easements do not materially impact the property.

## CONSTRUCTION COST ESTIMATE EVALUATION

*COST SCHEDULE* Number of Revisions: 0 Date of Last Applicant Revision: N/A

### Acquisition Value:

The property is currently owned by a related party. The Applicant has submitted an Option to purchase the subject property for a price of \$1,600,488, which is less than the appraised value and less than the original investment in the land and buildings plus holding costs. Additionally, the Applicant has determined a building value of \$1,560,861, which is \$1,849,947 less \$150,000 for the basis in land and less estimated exit taxes \$139,086. The Underwriter has used a building value of \$1,311,402 based on contract price less exit taxes, and the Applicant's land value. The difference appears to be due to the Applicant's overstatement of the acquisition cost in the development cost schedule.

### Sitework Cost:

Since this is a proposed rehabilitation the associated sitework costs are minimal. The Applicant has estimated sitework costs of \$4,352 per unit. This estimate cannot be verified based on the lack of information specific to proposed sitework in the submitted CNA. As discussed above, receipt, review, and acceptance, by the Board meeting at which this award is considered, of a revised Capital Needs Assessment with the entire scope of planned rehab work and budget fully accounted for is a condition of this report. In addition, USDA-RD will also review and need to approve the scope of work and budget before construction begins and receipt review and acceptance of same prior to the 10% test is a condition of this report.

### Direct Construction Cost:

Again the Applicant submitted a USDA-RD Capital Needs Assessment (CNA), which the Department typically accepts in lieu of a Property Condition Assessment for existing USDA-RD properties. The submitted CNA did not provide a cost estimates for the rehab work beyond the immediate repair needs. Therefore, for purposes of this analysis, the Underwriter has used the Applicant's direct construction cost estimate. As discussed above, because of scheduling issues the CNA could not be updated before this report was completed but will be required prior to the Board meeting at which this award is considered and USDA-RD will review the proposed rehab budget prior tot commencement of construction.

### Conclusion:

The Underwriter's cost schedule was derived from information presented in the Application materials submitted by the Applicant. Any deviations from the Applicant's estimates are due to program and underwriting guidelines. Therefore, the Underwriter's development cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. The development costs support an eligible basis of \$2,065,371 and the Applicant has claimed a 30% boost due to Harris County's Difficult Development Area designation. The resulting adjusted basis supports annual tax credits of \$229,566. The acquisition basis of \$1,311,402 supports annual tax credits of \$47,735. The total eligible basis derived tax credit amount of \$277,301 will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine any recommended allocation.

**FINANCING STRUCTURE**

*SOURCES & USES* Number of Revisions: 2 Date of Last Applicant Revision: 4/2/2007

Source: BHHH, Inc. dba The Hoover Companies Type: Interim Financing

Principal: \$1,669,231 Interest Rate: 8.0%  Fixed Term: 12 months

Comments:

The subject construction loan will be provided by a related entity. Therefore, the Underwriter has requested documentation verifying the capacity of The Hoover Companies, Inc to provide said financing. The Applicant provided a letter from First State Bank of Burnet and a letter from Lou Ann Montey and Associates, PC supporting the Applicant's capacity to provide the anticipated construction funding. The Applicant has also submitted applications for three other developments that are currently being underwritten and each application includes commitments for construction funds from The Hoover Companies. The CPA and First State Bank of Burnet letters indicate that the Applicant has the capacity to provide the entire combined amount of construction funding committed in the applications for each development.

Source: Southeast Texas Housing F.C. Type: Interim Financing

Principal: \$200,000 Interest Rate: AFR  Fixed Term: 12 months

Comments:

The Applicant has applied for a construction loan from the Southeast Housing Finance Corporation (SETH) to carry and interest rate equal to AFR (4.9% as of March 1, 2007) and a term of at least 12 months.

Source: USDA-RD Type: Interim to Permanent Financing

Principal: \$1,437,413 Interest Rate: 1.01%  Fixed Amort: 600\* months

Comments:

The Applicant's loan amount is slightly lower than the current remaining principal on the loan. However, the Underwriter has assumed the Applicant's estimated remaining balance, which is likely closer to the balance that will remain when the property is transferred to the partnership. The Applicant provided an amortization schedule from USDA-RD to support the transfer balance used. \*Also of note, the remaining term will end in 2036; however, the original loan had an original term of 50 years.

All of the units are restricted to USDA-RD contract rents and the USDA-RD loan (original note: \$1,507,263) has an interest subsidy that lower the effective rates to approximately 1%. The Applicant has indicated that the partnership will assume the existing USDA-RD loans with the same rates and terms. Receipt, review, and acceptance of USDA-RD approval of the same rates and terms transfer of the existing USDA-RD loans is a condition of this report.

Source: Raymond James Tax Credit Funds Type: Syndication

Proceeds: \$2,366,519 Syndication Rate: 83% Anticipated HTC: \$ 285,151

Amount: \$112,086 Type: Existing Reserves

Comments:

The Applicant has indicated the existing reserve balance will be transferred to the partnership. Moreover, a portion of the reserve balance will be used to fund rehab costs and the remaining balance will be maintained as reserves. The Applicant did not provide documentation of the existing reserve balance. However, should the Board approve an award, the long term proforma indicates there is marginally sufficient deferred developer fee to repay the anticipated reserve amount within 15 years though cash flow after that point is negligible.

Amount: \$15,000 Type: Deferred Developer Fees

## CONCLUSIONS

### Recommended Financing Structure:

As stated above, both the Applicant's and Underwriter's expense to income ratio of 77.8% is significantly higher than the Department's 65% maximum according to the 2007 Real Estate Analysis Rules and Guidelines §1.32(i)(4). Additionally, the long term proforma indicates a debt coverage ratio that falls below 1.15 by year 15. According to §1.32(i)(5) of the guidelines, if the debt coverage ratio falls below 1.15 during any of the first 15 years of the Long Term Proforma. Therefore, per §1.32(i)(4) and §1.32(i)(5) of the 2007 Real Estate Analysis Rules and Guidelines the development is characterized as infeasible and cannot be recommended for funding.

However, should the Board choose to make an award, the underwriting analysis results in the following three possible tax credit amounts:

Applicant's Requested Credit Amount:	\$285,151
Credit Amount Determined by Eligible Basis:	\$277,301
<b>Credit Amount Determined by Gap in Financing:</b>	<b>\$256,900</b>

Of the three possible tax credit allocations, the gap-derived amount of \$256,900 would be recommended. No deferred developer fees would be required.

This is a USDA-RD transaction, in which the Applicant is restricted by the loan agreement to a return of no more than 8% per annum on the borrower's original investment, with any excess cash flow going to fund replacement reserves. USDA-RD will manage this return on equity restriction.

Underwriter:	<i>Thomas Cavanagh</i>	Date:	July 8, 2007
Reviewing Underwriter:	<i>Cameron Dorsey</i>	Date:	July 8, 2007
Director of Real Estate Analysis:	<i>Tom Gouris</i>	Date:	July 8, 2007

**MULTIFAMILY COMPARATIVE ANALYSIS**

**Mid-Towne I Apartments, Tomball, 9% HTC #07268**

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 30%	4	1	1	659	\$343	\$267	\$1,068	\$0.41	\$76.00	\$38.31
TC 60%	12	1	1	659	\$686	335	4,020	0.51	76.00	38.31
TC 30%	4	2	1	841	\$411	302	1,208	0.36	109.00	43.31
TC 60%	28	2	1	841	\$823	405	11,340	0.48	109.00	43.31
TC 60%	4	3	1	1,019	\$951	480	1,920	0.47	143.00	56.31
EO	2	3	1	1,019	\$951		0	0.00	143.00	56.31
<b>TOTAL:</b>	<b>54</b>		<b>AVERAGE:</b>	<b>807</b>		<b>\$362</b>	<b>\$19,556</b>	<b>\$0.45</b>	<b>\$103.00</b>	<b>\$43.27</b>

**INCOME**

Total Net Rentable Sq Ft: **43,570**

**POTENTIAL GROSS RENT**

Laundry, interest, tenant charges Per Unit Per Month: \$15.00  
 Other Support Income:

**POTENTIAL GROSS INCOME**

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

**EFFECTIVE GROSS INCOME**

**EXPENSES**

	% OF EGI	PER UNIT	PER SQ FT
General & Administrative	2.76%	\$116	0.14
Management	10.00%	419	0.52
Payroll & Payroll Tax	18.11%	758	0.94
Repairs & Maintenance	15.18%	636	0.79
Utilities	1.84%	77	0.10
Water, Sewer, & Trash	9.30%	389	0.48
Property Insurance	6.23%	261	0.32
Property Tax 2.624425	6.27%	262	0.33
Reserve for Replacements	7.17%	300	0.37
TDHCA Compliance Fees	0.96%	40	0.05
Other:	0.00%	0	0.00

**TOTAL EXPENSES**

**NET OPERATING INC**

**DEBT SERVICE**

	% OF EGI	PER UNIT	PER SQ FT
Existing USDA-RD Loans	16.97%	\$711	\$0.88
Existing Reserve Account	0.00%	\$0	\$0.00
Additional Financing	0.00%	\$0	\$0.00

**NET CASH FLOW**

**AGGREGATE DEBT COVERAGE RATIO**

**RECOMMENDED DEBT COVERAGE RATIO**

**CONSTRUCTION COST**

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT
Acquisition Cost (site or bldg)		43.47%	\$29,639	\$36.73
Off-Sites		0.00%	0	0.00
Sitework		6.38%	4,352	5.39
Direct Construction		30.52%	20,810	25.79
Contingency	8.26%	3.05%	2,080	2.58
Contractor's Fees	14.00%	5.17%	3,523	4.37
Indirect Construction		1.57%	1,068	1.32
Ineligible Costs		0.43%	291	0.36
Developer's Fees	8.67%	7.32%	4,989	6.18
Interim Financing		2.09%	1,427	1.77
Reserves		0.00%	0	0.00
<b>TOTAL COST</b>		<b>100.00%</b>	<b>\$68,177</b>	<b>\$84.50</b>
<b>Construction Cost Recap</b>		<b>45.12%</b>	<b>\$30,764</b>	<b>\$38.13</b>

**SOURCES OF FUNDS**

	% of TOTAL	PER UNIT	PER SQ FT
Existing USDA-RD Loans	39.04%	\$26,619	\$32.99
Existing Reserve Account	3.04%	\$2,076	\$2.57
Raymond James HTC Synd	64.28%	\$43,824	\$54.32
Deferred Developer Fees	0.41%	\$278	\$0.34
Additional (Excess) Funds Req'd	-6.78%	(\$4,620)	(\$5.73)
<b>TOTAL SOURCES</b>			

	TDHCA	APPLICANT	COUNTY	IREM REGION	COMPT. REGION
	\$234,672	\$242,880	Harris	Houston	6
	9,720	10,524	\$16.24	Per Unit Per Month	
	0	0	\$0.00	Per Unit Per Month	
	\$244,392	\$253,404			
	(18,329)	(12,672)	-5.00%	of Potential Gross Income	
	0	0			
	\$226,063	\$240,732			
	PER SQ FT	PER UNIT	% OF EGI		
	\$6,242	\$7,765	\$0.18	\$144	3.23%
	22,606	24,124	0.55	447	10.02%
	40,949	43,503	1.00	806	18.07%
	34,318	37,966	0.87	703	15.77%
	4,154	5,217	0.12	97	2.17%
	21,025	26,069	0.60	483	10.83%
	14,078	12,371	0.28	229	5.14%
	14,172	16,239	0.37	301	6.75%
	16,200	16,200	0.37	300	6.73%
	2,160	2,160	0.05	40	0.90%
	0	0	0.00	0	0.00%
<b>TOTAL EXPENSES</b>	<b>\$175,904</b>	<b>\$191,614</b>	<b>\$4.40</b>	<b>\$3,548</b>	<b>79.60%</b>
<b>NET OPERATING INC</b>	<b>\$50,159</b>	<b>\$49,118</b>	<b>\$1.13</b>	<b>\$910</b>	<b>20.40%</b>
	\$38,369	\$38,364	\$0.88	\$710	15.94%
	0	0	\$0.00	\$0	0.00%
	0	0	\$0.00	\$0	0.00%
<b>NET CASH FLOW</b>	<b>\$11,790</b>	<b>\$10,754</b>	<b>\$0.25</b>	<b>\$199</b>	<b>4.47%</b>
	1.31	1.28			
	1.31				

	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
	\$1,600,488	\$1,849,947	\$42.46	\$34,258	47.06%
	0	0	0.00	0	0.00%
	235,000	235,000	5.39	4,352	5.98%
	1,123,750	1,123,750	25.79	20,810	28.59%
	112,300	112,300	2.58	2,080	2.86%
	190,225	190,225	4.37	3,523	4.84%
	57,650	57,650	1.32	1,068	1.47%
	15,700	15,700	0.36	291	0.40%
	269,396	269,396	6.18	4,989	6.85%
	77,050	77,050	1.77	1,427	1.96%
	0	0	0.00	0	0.00%
<b>TOTAL COST</b>	<b>\$3,681,559</b>	<b>\$3,931,018</b>	<b>\$90.22</b>	<b>\$72,797</b>	<b>100.00%</b>
<b>Construction Cost Recap</b>	<b>\$1,661,275</b>	<b>\$1,661,275</b>	<b>\$38.13</b>	<b>\$30,764</b>	<b>42.26%</b>

	RECOMMENDED	
Existing USDA-RD Loans	\$1,437,413	Developer Fee Available
Existing Reserve Account	112,086	\$269,396
Raymond James HTC Synd	2,366,519	% of Dev. Fee Deferred
Deferred Developer Fees	15,000	0%
Additional (Excess) Funds Req'd	(249,459)	15-Yr Cumulative Cash Flow
<b>TOTAL SOURCES</b>	<b>\$3,681,559</b>	<b>\$140,563</b>

**MULTIFAMILY COMPARATIVE ANALYSIS (continued)**

**Mid-Towne I Apartments, Tomball, 9% HTC #07268**

**PAYMENT COMPUTATION**

<b>Primary</b>	\$1,437,413	Amort	600
Int Rate	1.01%	DCR	1.31

<b>Secondary</b>	\$112,086	Amort	
Int Rate		Subtotal DCR	1.31

<b>Additional</b>		Amort	
Int Rate		Aggregate DCR	1.31

**RECOMMENDED FINANCING STRUCTURE:**

Primary Debt Service	\$38,369
Secondary Debt Service	0
Additional Debt Service	0
<b>NET CASH FLOW</b>	<b>\$11,790</b>

<b>Primary</b>	\$1,437,413	Amort	600
Int Rate	1.01%	DCR	1.31

<b>Secondary</b>	\$112,086	Amort	0
Int Rate	0.00%	Subtotal DCR	1.31

<b>Additional</b>	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.31

**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	\$234,672	\$241,712	\$248,964	\$256,432	\$264,125	\$306,194	\$354,962	\$411,499	\$553,020
Secondary Income	9,720	10,012	10,312	10,621	10,940	12,682	14,702	17,044	22,906
Other Support Income:	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	244,392	251,724	259,275	267,054	275,065	318,876	369,665	428,543	575,926
Vacancy & Collection Loss	(18,329)	(18,879)	(19,446)	(20,029)	(20,630)	(23,916)	(27,725)	(32,141)	(43,194)
Employee or Other Non-Rental	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$226,063	\$232,844	\$239,830	\$247,025	\$254,435	\$294,960	\$341,940	\$396,402	\$532,731
EXPENSES at 4.00%									
General & Administrative	\$6,242	\$6,492	\$6,751	\$7,021	\$7,302	\$8,884	\$10,809	\$13,151	\$19,467
Management	22,606	23,284	23,983	24,702	25,444	29,496	34,194	39,640	53,273
Payroll & Payroll Tax	40,949	42,587	44,290	46,062	47,905	58,283	70,910	86,273	127,706
Repairs & Maintenance	34,318	35,691	37,118	38,603	40,147	48,845	59,427	72,303	107,025
Utilities	4,154	4,320	4,493	4,673	4,860	5,912	7,193	8,752	12,955
Water, Sewer & Trash	21,025	21,866	22,741	23,650	24,596	29,925	36,408	44,297	65,570
Insurance	14,078	14,641	15,226	15,835	16,469	20,037	24,378	29,659	43,903
Property Tax	14,172	14,739	15,328	15,941	16,579	20,171	24,541	29,858	44,197
Reserve for Replacements	16,200	16,848	17,522	18,223	18,952	23,058	28,053	34,131	50,522
Other	2,160	2,246	2,336	2,430	2,527	3,074	3,740	4,551	6,736
TOTAL EXPENSES	\$175,904	\$182,714	\$189,789	\$197,141	\$204,780	\$247,686	\$299,655	\$362,615	\$531,354
NET OPERATING INCOME	\$50,159	\$50,131	\$50,040	\$49,884	\$49,656	\$47,274	\$42,284	\$33,787	\$1,377
DEBT SERVICE									
First Lien Financing	\$38,369	\$38,369	\$38,369	\$38,369	\$38,369	\$38,369	\$38,369	\$38,369	\$38,369
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	\$11,790	\$11,762	\$11,672	\$11,515	\$11,287	\$8,906	\$3,916	(\$4,581)	(\$36,992)
DEBT COVERAGE RATIO	1.31	1.31	1.30	1.30	1.29	1.23	1.10	0.88	0.04



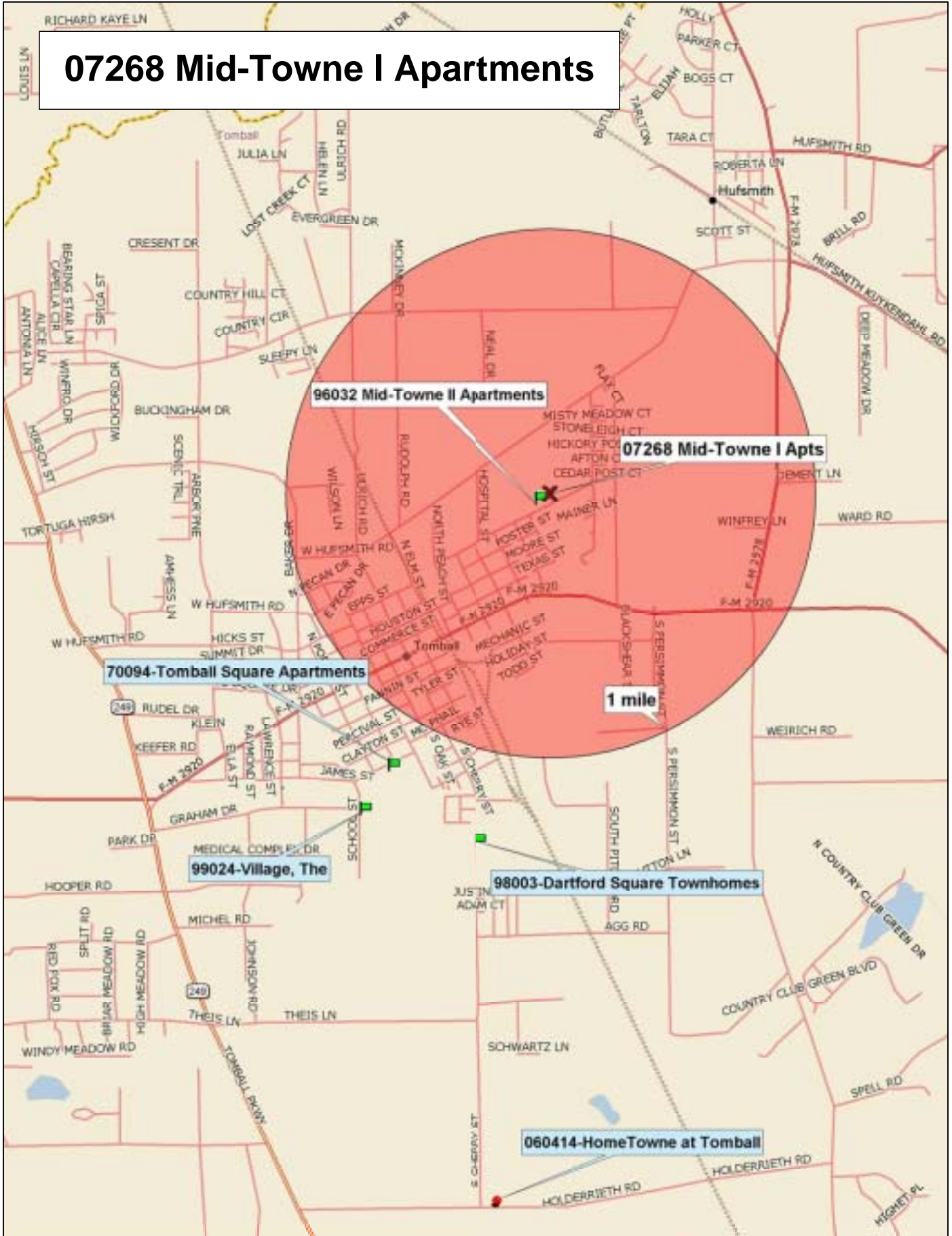
**HTC ALLOCATION ANALYSIS -Mid-Towne I Apartments, Tomball, 9% HTC #07268**

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
<b>Acquisition Cost</b>						
Purchase of land	\$289,086	\$289,086				
Purchase of buildings	\$1,560,861	\$1,311,402	\$1,560,861	\$1,311,402		
<b>Off-Site Improvements</b>						
Sitework	\$235,000	\$235,000			\$235,000	\$235,000
Construction Hard Costs	\$1,123,750	\$1,123,750			\$1,123,750	\$1,123,750
Contractor Fees	\$190,225	\$190,225			\$190,225	\$190,225
Contingencies	\$112,300	\$112,300			\$112,300	\$112,300
Eligible Indirect Fees	\$57,650	\$57,650			\$57,650	\$57,650
Eligible Financing Fees	\$77,050	\$77,050			\$77,050	\$77,050
All Ineligible Costs	\$15,700	\$15,700				
<b>Developer Fees</b>						
Developer Fees	\$269,396	\$269,396			\$269,396	\$269,396
<b>Development Reserves</b>						
<b>TOTAL DEVELOPMENT COSTS</b>	<b>\$3,931,018</b>	<b>\$3,681,559</b>	<b>\$1,560,861</b>	<b>\$1,311,402</b>	<b>\$2,065,371</b>	<b>\$2,065,371</b>

<b>Deduct from Basis:</b>						
All grant proceeds used to finance costs in eligible basis						
B.M.R. loans used to finance cost in eligible basis						
Non-qualified non-recourse financing						
Non-qualified portion of higher quality units [42(d)(3)]						
Historic Credits (on residential portion only)						
<b>TOTAL ELIGIBLE BASIS</b>			\$1,560,861	\$1,311,402	\$2,065,371	\$2,065,371
High Cost Area Adjustment					130%	130%
<b>TOTAL ADJUSTED BASIS</b>			\$1,560,861	\$1,311,402	\$2,684,982	\$2,684,982
Applicable Fraction			100%	100%	100%	100%
<b>TOTAL QUALIFIED BASIS</b>			\$1,560,861	\$1,311,402	\$2,684,982	\$2,684,982
Applicable Percentage			3.64%	3.64%	8.55%	8.55%
<b>TOTAL AMOUNT OF TAX CREDITS</b>			\$56,815	\$47,735	\$229,566	\$229,566

Syndication Proceeds	0.8299	\$471,521	\$396,162	\$1,905,209	\$1,905,209
Total Tax Credits (Eligible Basis Method)				\$286,381	\$277,301
Syndication Proceeds				\$2,376,730	\$2,301,371
Requested Tax Credits				\$285,151	
Syndication Proceeds				\$2,366,519	
Gap of Syndication Proceeds Needed					\$2,132,060
Total Tax Credits (Gap Method)					\$256,900

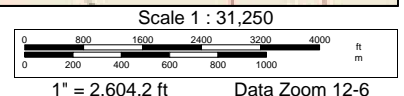
# 07268 Mid-Towne I Apartments



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Board Item 2a

Presentation, Discussion and Possible Action for the 2007 Competitive Housing Tax  
Credits Appeals of Credit Underwriting Reports

07228 Las Palmas Homes, Los Fresnos

**Real Estate Analysis Division**

**BOARD ACTION ITEM**

**July 30, 2007**

**Item**

Presentation, discussion and possible action on a timely filed appeal regarding the underwriting recommendation of a development under the 2007 Competitive Housing Tax Credit program, #07228 Las Palmas Homes, Los Fresnos, Texas.

**Required Action**

Approve, deny or approve with amendments a determination on the appeal.

**Background**

Mr. Saleem Jafar, the principal member of the Developer and contact for Chicory Court VII, LP, the Applicant, submitted an application for funding under the 2007 Competitive Housing Tax Credit program to acquire and reconstruct 75 multifamily rental units in Los Fresnos, Texas. The Applicant requested \$600,000 in annual tax credits to support a total reconstruction based development budget of \$9,255,347. No Property Condition Assessment (PCA) showed any need for immediate critical repairs that warrant demolition and reconstruction. The application was not recommended because contrary to the Internal Revenue Code §42(m)(2) the reconstruction costs provided far exceeded the costs necessary to provide safe, decent and affordable housing based on a total rehabilitation based development budget of \$4,630,060. The Applicant submitted a PCA which included budget for rehabilitation repairs totaling \$2,149,200. The original PCA and all subsequent submissions of the PCA reflect no critical immediate repair needs. The Applicant's budget called for the demolition of all 75 existing single family homes which were built in 1982 and the reconstruction of 33 single family homes and 9 multifamily buildings.

The Department's Real Estate Analysis Rules (REA Rules) require the Underwriter to consider the PCA when provided in 10 TAC§1.32(e)(4)(B) which states under the heading Rehabilitation Costs: "In the case where the Applicant has provided a PCA which is inconsistent with the Applicant's figures as proposed in the development cost schedule, the Underwriter may request a supplement executed by the PCA provider supporting the Applicant's estimate and detailing the difference in costs. If said supplement is not provided or the Underwriter determines that the reasons for the initial difference in costs are not well-documented, the Underwriter utilizes the initial PCA estimations in lieu of the Applicant's estimates." It should be recognized that until this year, reconstruction was part of the rehabilitation definition and that no specific new direction was added to the REA rules in the case of a reconstruction. Moreover, the rule here is not exclusive to rehabilitation and the fact that the Applicant sent the PCA originally reflects their understanding that a PCA may be required.

In the appeal the Applicant provided a revised PCA report with a dramatically different cost conclusion. The PCA provider collected no new data from the original site visit or additional site visits or interviews in revising their report. The new report provided no substantial rationale for the sudden and dramatic increase in cost which rose from \$2,149,200 to \$5,292,300 plus fees and contingency. All versions of the PCA indicate that the property has no need for critical immediate repairs and that the property is in fair condition. The photographs provided in the PCA show signs of wear and tear but no identification of structural defects. The costs in the PCA provided with the appeal appear to be inflated. Site work costs included in this PCA alone total \$1,142,500 or \$15,233 per unit which is considerably higher than the \$9,000 per unit safe harbor typical in a new construction and ironically over twice what was claimed as eligible site work in the Applicant's reconstruction budget. This is indicative of the costs in the new PCA and does not appear to be reasonable, and therefore, the original PCA costs should be used to evaluate the total development costs.

The principle of efficient allocation and providing not more funds than are necessary are found in the duties and responsibilities of the allocating agency in the Internal Revenue Code (IRC) §42 (m)(2)(A) which states: "IN GENERAL.--The housing credit dollar amount allocated to a project shall not exceed the amount the housing credit agency determines is necessary for the financial feasibility of the project and its viability as a qualified low-income housing project throughout the credit period." The IRC goes on to identify how the allocating agency should make this determination by stating: "In making the determination under subparagraph (A), the housing credit agency shall consider (i) the sources and uses of funds and the total financing planned for the project..."

In addition, the QAP and the Real Estate Analysis rules speak to Department's duties with regard to the allocation. 10 TAC§49.9 (d)(6) states: "The Department shall underwrite an Application to determine the financial feasibility of the Development and the appropriate level of housing tax credits." 10 TAC §1.32(a) repeats this theme: "The rules provide a mechanism to produce consistent information in the form of an Underwriting Report to provide interested parties information the Board relies upon in balancing the desire to assist as many Texans as possible by providing no more financing than necessary and have independent verification that Developments are economically feasible." The Underwriter noted that the total net rentable square footage for the new units would have approximately 9,000 less square feet than the current units or a loss of 10.4%. Thus, not only would the Department's funding of the reconstruction of these units cause the Department to not serve other households with the savings that could be had under a rehabilitation scenario, but the residents that are currently being served will be served with smaller units.

The Underwriter also found numerous significant discrepancies in the application and subsequent filings by the Applicant and issues such as:

- ∅ Meeting the minimum square footage for secondary bedrooms in the new buildings;
- ∅ The lack of preliminary HUD approval of demolition of the existing 25 year old public housing units;

- ⊘ The lack of preliminary approval to dedicate a sufficient number of Section 8 choice voucher and not exceed the Housing Authority's 20% limit for such dedication;
- ⊘ The lack of verification that the proposed federally derived loan through the Housing Authority could be repaid though it is likely that it will not be repaid;
- ⊘ The lack verification from a third-party engineer of the claimed site work costs including demolition which exceed the Department's \$9,000 per unit safe harbor threshold; and,
- ⊘ The lack of verification of the location of the pipeline easement described in schedule B of the title commitment.

None of these issues alone may be enough to terminate an application or not recommend funding but when taken together and combined with the lack of a reasonable and efficient approach to the revitalization of the property, they cast substantial doubt on the application.

The Applicant contends that the original PCA should not have been included in the application in the first place as it was not required and therefore should not have been considered by the Underwriter. The Applicant further contends that if it was to be considered it should have been rejected by the Department as being incomplete because the cover letter from the report provider describes the report as a draft review report and staff should have issued a deficiency to correct this incompleteness.

In fact, staff issued numerous deficiencies for this application including one dated April 16, 2007 which requested, among other things, that the PCA and other third party reports be revised to reconcile the site acreage. The Applicant complied with this request on April 21 and submitted a reconciled PCA and a new electronic copy on CD labeled "Las Palmas Final PCA" The revised PCA was, like the original, signed by the Architect who prepared it and the Architect who reviewed it and specifically states that the report "...may be relied upon by Odyssey Residential Holdings, L.P. and the Texas Department of Housing and Community Affairs (TDHCA)." Page 3 of the original and revised report states "This Report has been prepared in accordance with the American Society for Testing and Materials (ASTM) Standard Requirements for the preparation of Property Condition Assessments, as per ASTM Designation E2018-01." This is the standard required to meet the Department's Real Estate Analysis rules (10 TAC§1.36(a)). The cover of the original and revised report indicates in bold that, "This Report meets all requirements of Appendix 5M of the HUD Multifamily Accelerated Processing Map Grid 223F for refinancing or acquisition transactions."

Staff has no reason to doubt these representations made in the original report and repeated in the revised report. Moreover, the same representations are found without alteration or explanation in the new report that was provided with the appeal. After the underwriting report was completed, the Applicant provided a copy of a letter dated June 29, 2007 from the Architect that prepared the PCA contradicting the statement in the PCA report regarding compliance with the HUD Appendix 5 M requirements. The letter states, "Our estimated costs for recommended repairs in the draft of our Report would not result in a completed project that would satisfy HUD's requirement for a 35 year remaining useful life for all components." And yet the executive summary of the original and subsequent versions of the PCA clearly states that, "If the recommended remedial actions are performed,...we would expect the remaining useful life of the improvements to be at least 35 years."

Staff has reviewed the original and subsequent PCA reports and finds the original reports to be consistent with the general requirement that no more credits than needed be awarded. Staff finds that the basis for appeal is inconsistent with the Board's policy of limiting credits where advisable and possible to construct additional units.

The application as a proposed reconstruction development requires a budget that, when compared to the rehabilitation estimate provided by the Property Condition Report (PCA), requires more than is necessary for the financial feasibility and viability of the project. The development, as a qualified low-income housing project, should be awarded the minimum necessary, limited by eligibility, for feasibility throughout the credit period as required in Internal Revenue Code §42 (m)(2)(A), 10 Texas Administrative Code §49.9 (d)(6) and 10 Texas Administrative Code §1.32 (a) and (e)(4)(B).

**Recommendation**

Staff recommends the Board deny the appeal.

07228 Las Palmas Homes, Los Fresnos

Applicant's Appeal



**ODYSSEY RESIDENTIAL HOLDINGS, L.P.**  
**5420 LBJ FREEWAY, SUITE 1235**  
**TWO LINCOLN CENTRE**  
**DALLAS, TX 75240**  
**972-701-5551**  
**972-701-5562 FAX**

Ms. Robbye Meyer and Mr. Mike Gerber  
Multifamily Housing Production  
TDHCA  
221 East 11<sup>th</sup> Street  
Insurance Building Annex  
Austin, TX 78701

July 3, 2007

RE: Las Palmas Homes, TDHCA #07-228; appeal of the underwriting report and recommendation of tax credits to be awarded

Dear Ms. Meyer and Mr. Gerber:

Pursuant to the provisions in the QAP, Chicory Court VII, L.P. is making this appeal to the Executive Director regarding issues contained in the underwriting report dated June 27, 2007, including but limited to the recommendation of the credit allocation and the processing and review the draft property condition assessment submitted with the original application:

Specifically, the staff is not recommending an award of any tax credits due to information contained in a partially completed PCA "draft" submitted inadvertently with the original application. The application is for a demolition/reconstruction of a 25 year old public housing development in a rural area of Region 11, in Cameron County near Los Fresnos, TX. The community is currently owned and operated by the Cameron County Housing Authority, CCHA. CCHA is also the proposed 100% owner the General Partner and will exercise control over the development partnership.

The PCA referenced in the underwriting report, a copy of which is attached hereto, is on its face, incomplete, states it is a draft and was included with the original application by mistake. The department can and should only rely on the report if it meets TDHCA real estate analysis rules and guidelines for PCA's to be used in its underwriting reviews. The draft and incomplete PCA submitted with the original application fails to meet those requirements and in fact, as submitted, does not comply with the ASTM standards called for in the real estate analysis guidelines. Underwriting was provided this information and the applicant confirmed a final report was being completed by PCA for a HUD submission, if tax credits were awarded, see correspondence attached. By letter, the preparer of the draft report confirmed that the report was only a draft, was incomplete and not to be used for any purposes. A copy of the letter from the provider of the draft report is also attached.

The applicant offered to provide staff a copy of the completed report and indicated it would fully support the housing authority's decision to reconstruct in lieu of rehabilitation. A copy of the complete report for Las Palmas is attached for your consideration. Applicant contents the following issues in our appeal:

1. The draft PCA should not have been considered in the original underwriting because a PCA is not required for this development approach of demolition and reconstruction on the identical site.

2. If the department chooses to use the PCA report submitted, an administrative deficiency notice should have been issued to allow the defects in the draft report to be corrected. Corrections to include but limited to compliance with the ASTM standards, REA rules and the right to complete the report from draft to final.
3. In the event the department wishes to use a PCA for the underwriting of Las Palmas, the departments has the right to ask for additional information during the application review process if they feel it is needed to make a proper evaluation and determination, then an administrative deficiency notice should have been given to the applicant to allow for a submission of a report that was not only complete but met TDHCA real estate analysis rules.
4. To use a defective report to recommend no credits is no different than the Applicant asking the department to use a defective report to make a recommendation of an allocation of tax credits. Under the QAP, this would not be permissible.

We respectfully request the Executive Director grant our appeal and instruct staff to use the completed PCA to complete the underwriting report and make a recommendation of an allocation of tax credits for the development. If the appeal is denied, we respectfully request the appeal be placed on the next applicable Board agenda for consideration by the TDHCA board.

Your attention to this matter is appreciated.

Sincerely,

Saleem Jafar, President of the G.P.

CC: Daisy Flores, CCHA  
Tom Gouris, Director of REA



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

REAL ESTATE ANALYSIS
Housing Tax Credit Program - 2007 Application Cycle
Underwriting Report Notice

Appeal Election Form: 07228 Las Palmas Homes

Date Notice Sent: 6/27/07

I am in receipt of my 2007 Underwriting report notice and have reviewed the Appeal Policy at 10TAC Section 49.17(b). I recognize that should I choose to file an appeal, I must file a formal appeal to the Executive Director within seven days from the date this Notice was issued and the Underwriting report was posted to the Department's web site. I understand that my appeal must identify my specific grounds for appeal.

If my appeal is denied by the Executive Director, I

[X] Do wish to have my appeal to the Board of Directors and request that my appeal be added to the next available Board of Directors' meeting agenda. I understand that my Board appeal documentation must still be submitted by 5:00 p.m, July 3, 2007 to be included in the July 12, 2007 Board book. I understand that if no documentation is submitted, the appeal documentation submitted to the Executive Director will be utilized.

[ ] Wish to wait to hear the Executive Director's response before deciding on my appeal to the Board of Directors.

[ ] Do not wish to appeal to the Board of Directors or Executive Director.

Signed [Signature]

Title President of G.P.

Date 7/3/07

Please fax or e-mail to the attention of:
Pam Cloyde: (fax) 512.475.3746
(e-mail) pamela.cloyde@tdhca.state.tx.us

**ODYSSEY RESIDENTIAL HOLDINGS, L.P.**  
**5420 LBJ FREEWAY, SUITE 1235**  
**TWO LINCOLN CENTRE**  
**DALLAS, TX 75240**  
**972-701-5551**  
**972-701-5562 FAX**  
**214-280-6308 or 214-608-7201 Cells**

Mr. Cameron Dorsey  
TDHCA  
221 E. 11<sup>th</sup> Street  
Insurance Building Annex  
Austin, TX 78711

July 5, 2007 (Reported electronic copy)

RE: Las Palmas Homes #07-228, Underwriting Notice dated June 12, 2007

Dear Cameron:

This response and supporting material is sent by e-mail today:

1. I provided the payment standards and utility allowances as requested on Tuesday
2. I have amended the development cost schedule to show the correct option value of \$1.4 million total versus the \$1.5 million in the earlier submission. The supplement is attached to the e-mail.
3. On Page 294 of the original submission is the accountant's letter on building and improvements per the audited statements. Although it is irrelevant to a demolition\reconstruction project, I have asked the CPA for a letter confirming the portion of improvements applicable to the last 10 years. He is out of town and will be available Monday to complete the assignment. I have attached the capital funds logs from 2001 forward provided by the CCHA that notes the most recent work on Las Palmas.
4. The demolition costs in La Joya was a negotiated allowance to the LJHA for delivering their site free and clear of all existing building improvements. It is their undertaking with the requirement that they meet David Bacon and other HUD mandates. In Las Palmas, the contractor to the partnership will do the demolition after conveyance of the property along with the site work package. I have increased the allowance for demolition at Las Palmas \$100K to narrow this difference. The reasons given above account for the difference in the approaches and costing.
5. A PCA is not required for a reconstruction project. The report submitted with the application (by mistake) was never completed, shows as a draft and did not even begin to address the concerns for modernization, life safety and energy efficiency sought by CCHA in the redevelopment approach to Las Palmas. In further work with the cost estimator in preparation for a subsequent HUD submission, a comparable cost of

Page Two  
La Palmas #07-228  
Underwriting Notice from June 12, 2007

modernization to reconstruction standards will exceed \$6.0 million in hard cost excluding fees and course of construction insurance, more than the cost to demolish and rebuild the housing and amenities brand new.

However, it is not applicable to this development or the underwriting under the QAP or the ASPM. Las Palmas could never be brought to standards required by HUD or the QAP for this initial review cost referenced in the un-finished draft on Las Palmas.

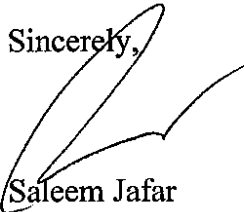
Regarding the configuration of the new development versus the older development, the QAP limits our ability by cost standards and by unit count to what is financially feasible and competitive to replace the previous development that is being demolished. We used a local professional Architect to design something that will be aesthetically pleasing, energy efficient, and cost effective to build and maintain along with a great number of new amenities in the units and the common area. The issue of SF is a development design choice we relied on the Architect to recommend. We asked Daisy to co-sign this response letter as you asked in the notice letter.

6. Phase One ESA: The recommendation letter on the lead based paint and noise study will come directly from the provider under separate cover. Look for it Monday morning.

Because Mr. Fisher and I are both traveling, you are hereby requested to advise us of any follow up requirements by fax to our office and a notification phone call to our cell numbers. Mr. Fisher's cell number is 214-608-7201 and my cell number is 214-280-6308. Your help in this matter is appreciated.

If you need additional information please do not hesitate to contact us.

Sincerely,



Saleem Jafar  
President of the GP

Daisy Flores  
Executive Director  
Attachments

Property Condition Assessment Consultants, Inc.  
Architectural/Engineering and Environmental Consultants

June 29, 2007

Mr. Jerry Nunnally  
Project Development Coordinator  
Odyssey Residential Holdings, L.P.  
5420 LBJ Freeway, Suite 1235  
Dallas, TX 75240

Re: Property Condition Assessment  
Las Palmas Apartment Homes  
213 Orive Drive  
Los Fresnos, Cameron County, Texas 78566  
Comm. No. 2007-0468-01

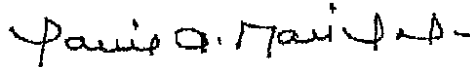
Dear Mr. Nunnally:

We prepared a Property Condition Assessment for the above-referenced property and issued a draft of the Report dated March 12, 2007 for your review and comment. Under the HUD Multifamily Accelerated Processing Map Grid 223F guidelines for refinancing or acquisition transactions, the remaining useful life of the renovated improvements must be at least 35 years. Our estimated costs for the recommended repairs in the draft of our Report would not result in a completed project that would satisfy HUD's requirement for a 35 year remaining useful life for all components. We will update when we are ready to issue the final Report.

We appreciate the opportunity to provide consulting services to you. If you have any questions, please contact us at our Houston office.

Very truly yours,

PROPERTY CONDITION ASSESSMENT CONSULTANTS, INC.



Louis A. Marichal  
Registered Architect

LAM:jp

340 North Sam Houston Parkway, Suite 200, Houston, Texas 77060  
281 591-6600 Fax 281 591-6686

**Bill Fisher**

---

**From:** Bill Fisher  
**Sent:** Tuesday, June 12, 2007 2:43 PM  
**To:** 'Cameron Dorsey'  
**Subject:** RE: Las Palmas Homes

I got your letter and we will work on it ASAP. I have volleyed the third party questions to the appropriate party.

Thanks,

Bill

James R. (Bill) Fisher  
Odyssey Residential Holdings, LP  
Two Lincoln Centre, Suite 1235  
5420 LBJ Freeway  
Dallas, TX 75240  
972-701-5551  
972-701-5562 FAX  
**214-608-7201 New Cell**  
[bfisher8@airmail.net](mailto:bfisher8@airmail.net)  
[bfisher@orhlp.com](mailto:bfisher@orhlp.com)

---

**From:** Cameron Dorsey [mailto:cameron.dorsey@tdhca.state.tx.us]  
**Sent:** Tuesday, June 12, 2007 8:50 AM  
**To:** Bill Fisher  
**Subject:** RE: Las Palmas Homes

Bill,

I have attached a PDF copy of the deficiency I faxed to Mr. Jafar this morning. The attachment I refer to is with the fax but not attached to this email, so you will have to get that from him.

If you have any concerns let me know.

Thanks,  
Cameron

.....  
Cameron F. Dorsey  
Associate Underwriter  
TDHCA Real Estate Analysis Division  
Email: [cdorsey@tdhca.state.tx.us](mailto:cdorsey@tdhca.state.tx.us)  
Voice: 512.475.2691  
Fax: 512.475.4420

-----Original Message-----

**From:** Bill Fisher [mailto:bfisher@orhlp.com]

7/5/2007

**Sent:** Monday, June 11, 2007 6:11 PM  
**To:** Cameron Dorsey  
**Cc:** jnunnally@orhlp.com; Brent Yeldell  
**Subject:** RE: La Joya

We will get this to you ASAP. I think we will have it by the end of the day tomorrow at the latest.

Bill

James R. (Bill) Fisher  
Odyssey Residential Holdings, LP  
Two Lincoln Centre, Suite 1235  
5420 LBJ Freeway  
Dallas, TX 75240  
972-701-5551  
972-701-5562 FAX  
**214-608-7201 New Cell**  
[bfisher8@airmail.net](mailto:bfisher8@airmail.net)  
[bfisher@orhlp.com](mailto:bfisher@orhlp.com)

---

**From:** Cameron Dorsey [mailto:[cameron.dorsey@tdhca.state.tx.us](mailto:cameron.dorsey@tdhca.state.tx.us)]  
**Sent:** Monday, June 11, 2007 4:25 PM  
**To:** Bill Fisher  
**Subject:** RE: La Joya

Bill,

The PCA for the townhome units includes a Reserve for Replacements schedule with a 10 year projection. The 2007 REA rules require 15 years at a minimum. Can you have the PCA provider account for a full fifteen years?

Thanks,  
Cameron

.....  
Cameron F. Dorsey  
Associate Underwriter  
TDHCA Real Estate Analysis Division  
Email: [cdorsey@tdhca.state.tx.us](mailto:cdorsey@tdhca.state.tx.us)  
Voice: 512.475.2691  
Fax: 512.475.4420



## Bill Fisher

---

**From:** Bill Fisher  
**Sent:** Monday, June 18, 2007 11:27 AM  
**To:** 'Cameron Dorsey'  
**Cc:** Daisy Flores ; 'Apolonio Flores'  
**Subject:** FW: CPA letter on Las Palmas

**Attachments:** 20070618101838288.pdf



2007061810183828  
8.pdf (91 KB)

Here is the letter response from the CPA. He tells me he has been doing the books for the last 3 years. He inherited the balances in the books from the previous audit firm. To do what you ask, a break out from the balances for Las Palmas for the last 10 years only, would have to be done from scratch for the years prior to his involvement. See letter attached.

I always try to get the department what they ask for in these underwritings, as we did here.

However, what the capital improvements made to this development in the last ten years is irrelevant to a demolition new construction feasibility analysis. We are not claiming any acquisition credits and the property, if you were to actually go and see this facility, is very old and run down and needs a full modernization. Once the cost of modernization is near or in excess of the cost to rebuild it new, the best decision is a new community versus hoping a rehab will deliver the same performance.

In this case, the estimator thinks it will cost over \$6.0 million plus fees and insurance to bring it to standards equal to a new build. Since a new build costs less, CCHA's board has made the decision to do a reconstruction as allowed by the QAP.

Call me if you have questions.

Thanks,

Bill

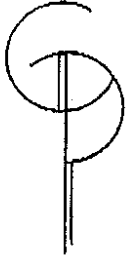
James R. (Bill) Fisher  
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Dallas, TX 75240  
972-701-5551  
972-701-5562 FAX  
214-608-7201 New Cell  
bfisher8@airmail.net  
bfisher@orhlp.com

-----Original Message-----

From: Bill [mailto:bfisher8@airmail.net]  
Sent: Monday, June 18, 2007 11:19 AM  
To: Bill Fisher  
Subject: CPA letter on Las Palmas

This E-mail was sent from "RNP8FE6A3" (Aficio 2238C).

Scan Date: 18.06.2007 10:18:38 (-0600)  
Queries to: af2238@orhlp.com

**GARCIA & PEÑA**

Certified Public Accountants

P. O. Box 8032

301 West 4th

Westaco, Texas 78599

956-969-1433 • Fax 956-968-1467 • 956-421-4601

Manuel B. Garcia, CPA  
Jaime X. Peña, CPA

June 18, 2007

Ms. Daisy Flores, Executive Director  
Cameron County Housing Authority  
63 Castellano Circle  
Brownsville, Tx 78520

REF: Capital improvements booked to Las Palmas since 1997

Dear Ms. Flores,

In response to your request regarding additional information being needed by TDHCA for the aforementioned, I must regretfully inform you that the PHA has not maintained its capital improvements by the various developments, but only by the grant year, as seen through a previous supplementary schedule which was prepared for the PHA.

It will be a very costly and time-consuming engagement to review the various final cost reports for each capital fund grant for the last ten years and to report the capitalized costs by each development. The condition and availability of the records is not presently known; however, it is expected that the cost reports which need to be located for the last ten years reconciled to the detailed general ledgers which should have been maintained. At this point in time, the PHA has not provided any information to ascertain this fact.

If time is of the essence, I would recommend to TDHCA that they accept an appraisal of the property which might be less costly and easier to prepare on a short time-frame.

Should you need any additional information, please call Jaime X. Pena, CPA at (956) 969-1433.

Respectfully submitted

*Jaime X. Pena CPA*

Jaime X. Pena, CPA

Garcia &amp; Pena

Certified Public Accountants

## Bill Fisher

---

**From:** Bill Fisher  
**Sent:** Sunday, July 01, 2007 3:12 PM  
**To:** 'Tom Gouris'; 'Cameron Dorsey'  
**Cc:** Saleem Jafar; Dewey Stevens  
**Subject:** FW: PCA letter for Las Palmas

**Attachments:** 20070701140354043.pdf



2007070114035404  
3.pdf (80 KB)

Tom,

In your voice mail you indicated that the PCA report your got was really final. It is as it appeared on its face, an incomplete draft that had a lot more to be done and considered. If there is any doubt, please find attached a confirmation from the provider.

As I mentioned, a completed PCA was ordered for use with the submissions to HUD, do you want a copy or shall I just submit it with the appeal?

Saleem will not have a cap issue because they pro-rate the rural allocations by % developer fee.

Thanks,

Bill

James R. (Bill) Fisher  
Odyssey Residential Holdings, LP  
Two Lincoln Centre, Suite 1235  
5420 LBJ Freeway  
Dallas, TX 75240  
972-701-5551  
972-701-5562 FAX  
214-608-7201 New Cell  
bfisher8@airmail.net  
bfisher@orhlp.com

-----Original Message-----

**From:** Jerry [mailto:jnunnally@orhlp.com]  
**Sent:** Sunday, July 01, 2007 3:04 PM  
**To:** Bill Fisher  
**Subject:** PCA letter for Las Palmas

This E-mail was sent from "RNP8FE6A3" (Aficio 2238C).

Scan Date: 01.07.2007 14:03:53 (-0600)  
Queries to: af2238@orhlp.com

## Bill Fisher

---

**From:** Bill Fisher  
**Sent:** Sunday, July 01, 2007 3:37 PM  
**To:** 'Tom Gouris'; Cameron Dorsey  
**Cc:** Saleem Jafar; Dewey Stevens  
**Subject:** RE: PCA letter for Las Palmas

We will handle it through the appeals process. Can we agree on two things?

1. A PCA is not required for a demolition reconstruction application under the program rules
2. The report or reports in your possession do not meet the PCA standards called for in the real estate analysis rules, as submitted.

Can we agree on these two positions?

Thanks,

Bill

James R. (Bill) Fisher  
Odyssey Residential Holdings, LP  
Two Lincoln Centre, Suite 1235  
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972-701-5551  
972-701-5562 FAX  
214-608-7201 New Cell  
bfisher8@airmail.net  
bfisher@orhlp.com

-----Original Message-----

**From:** Tom Gouris [mailto:tom.gouris@tdhca.state.tx.us]  
**Sent:** Sunday, July 01, 2007 3:25 PM  
**To:** Bill Fisher; Tom Gouris; Cameron Dorsey  
**Cc:** Saleem Jafar; Dewey Stevens  
**Subject:** RE: PCA letter for Las Palmas

Hi Bill,

Sorry I missed you by phone the other day. We have two reports that are virtually the same. The original does mention draft in the cover letter, however the second report, which is virtually the same as the first, has no reference to being a draft. I understand what you are saying and thank you for the PCA provider's letter. I would like to see a copy of the HUD version of the PCA but I think we need to process this through as part of your appeal.

Thanks!

Tom Gouris  
Director of Real Estate Analysis  
Texas Department of Housing and Community Affairs  
(512) 475-1470

-----Original Message-----

**From:** Bill Fisher [mailto:bfisher@orhlp.com]  
**Sent:** Sunday, July 01, 2007 3:12 PM  
**To:** Tom Gouris; Cameron Dorsey  
**Cc:** Saleem Jafar; Dewey Stevens  
**Subject:** FW: PCA letter for Las Palmas

Tom,

In your voice mail you indicated that the PCA report your got was really final. It is as it appeared on its face, an incomplete draft that had a lot more to be done and considered. If there is any doubt, please find attached a confirmation from the provider.

As I mentioned, a completed PCA was ordered for use with the submissions to HUD, do you want a copy or shall I just submit it with the appeal?

Saleem will not have a cap issue because they pro-rate the rural allocations by % developer fee.

Thanks,

Bill

James R. (Bill) Fisher  
Odyssey Residential Holdings, LP  
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972-701-5551  
972-701-5562 FAX  
214-608-7201 New Cell  
bfisher8@airmail.net  
bfisher@orhlp.com

-----Original Message-----

From: Jerry [mailto:jnunnally@orhlp.com]  
Sent: Sunday, July 01, 2007 3:04 PM  
To: Bill Fisher  
Subject: PCA letter for Las Palmas

This E-mail was sent from "RNP8FE6A3" (Aficio 2238C).

Scan Date: 01.07.2007 14:03:53 (-0600)  
Queries to: af2238@orhlp.com

## Bill Fisher

---

**From:** Bill Fisher  
**Sent:** Sunday, July 01, 2007 4:17 PM  
**To:** 'Tom Gouris'; Cameron Dorsey  
**Subject:** RE: PCA letter for Las Palmas

Tom,

We certainly made the mistake of submitting a draft report that undermines our application request. But it does not change the fact the report is not complete, is not required under the department rules, does not meet ASTM or TDHCA standards as it currently is configured and being used by the staff. To use an incomplete, non compliant report, to support a recommendation of no credits is no less problematic than using a similarly configured report for an award recommendation.

I think, given the fact the report does not meet the rules of the department, you should be giving me a deficiency notice on the report and the opportunity to have them, PCA, submit a compliant version if you intend to use that one report to support your recommendation of a zero credit award. Under the QAP administrative deficiency rules, we should be noticed and allowed to address the deficiencies before reaching this points. I will raise this specific issue in my appeal to the ED.

I will make sure you get a copy of the complete report when the appeal is submitted to the ED.

Thanks,

Bill

James R. (Bill) Fisher  
Odyssey Residential Holdings, LP  
Two Lincoln Centre, Suite 1235  
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972-701-5551  
972-701-5562 FAX  
214-608-7201 New Cell  
bfisher8@airmail.net  
bfisher@orhlp.com

-----Original Message-----

From: Tom Gouris [mailto:tom.gouris@tdhca.state.tx.us]  
Sent: Sunday, July 01, 2007 3:57 PM  
To: Bill Fisher; Tom Gouris; Cameron Dorsey  
Cc: Saleem Jafar; Dewey Stevens  
Subject: RE: PCA letter for Las Palmas

I am sorry Bill, I don't think we can agree.

I do think that with regard to the first issue, it would help to be more explicit in our rules. But the Board certainly has the ability to require additional information as needed and we often ask for more information to help clarify concerns either during the underwriting process or as a condition for the Board to consider and require. We have done such a few number of reconstruction deals in the past and my recollection is that they have all been really obvious that they needed to be torn down. That is not so obvious in this case or frankly in the La Joya case.

On your second question it seems ironic for you to try to make the argument that what you turned in to support your application, now does not meet the department's requirements. Regardless we believe what we have in that PCA is enough information to support our

conclusion.

Tom Gouris  
Director of Real Estate Analysis  
Texas Department of Housing and Community Affairs  
(512) 475-1470

-----Original Message-----

From: Bill Fisher [mailto:bfisher@orhlp.com]  
Sent: Sunday, July 01, 2007 3:37 PM  
To: Tom Gouris; Cameron Dorsey  
Cc: Saleem Jafar; Dewey Stevens  
Subject: RE: PCA letter for Las Palmas

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Can we agree on these two positions?

Thanks,

Bill

James R. (Bill) Fisher  
Odyssey Residential Holdings, LP  
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bfisher@orhlp.com

-----Original Message-----

From: Tom Gouris [mailto:tom.gouris@tdhca.state.tx.us]  
Sent: Sunday, July 01, 2007 3:25 PM  
To: Bill Fisher; Tom Gouris; Cameron Dorsey  
Cc: Saleem Jafar; Dewey Stevens  
Subject: RE: PCA letter for Las Palmas

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Thanks!

Tom Gouris  
Director of Real Estate Analysis  
Texas Department of Housing and Community Affairs  
(512) 475-1470

-----Original Message-----

From: Bill Fisher [mailto:bfisher@orhlp.com]



Sent: Sunday, July 01, 2007 3:12 PM  
To: Tom Gouris; Cameron Dorsey  
Cc: Saleem Jafar; Dewey Stevens  
Subject: FW: PCA letter for Las Palmas

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Saleem will not have a cap issue because they pro-rate the rural allocations by % developer fee.

Thanks,

Bill

James R. (Bill) Fisher  
Odyssey Residential Holdings, LP  
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-----Original Message-----

From: Jerry [mailto:jnunnally@orhlp.com]  
Sent: Sunday, July 01, 2007 3:04 PM  
To: Bill Fisher  
Subject: PCA letter for Las Palmas

This E-mail was sent from "RNP8FE6A3" (Aficio 2238C).

Scan Date: 01.07.2007 14:03:53 (-0600)  
Queries to: af2238@orhlp.com

Property Condition Assessment Consultants, Inc.  
Architectural/Engineering and Environmental Consultants

March 12, 2007

Mr. Jerry Nunnally  
Project Development Coordinator  
Odyssey Residential Holdings, L.P.  
5420 LBJ Freeway, Suite 1235  
Dallas, TX 75240

Re: Property Condition Assessment  
Las Palmas Apartment Homes  
213 Orive Drive  
Los Fresnos, Cameron County, Texas 78566  
Comm. No. 2007-0468-01

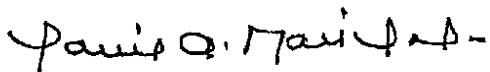
Dear Mr. Nunnally:

In accordance with our accepted Engagement Letter, Property Condition Assessment Consultants performed a walk-through survey of the above-referenced property on February 15, 2007, and has prepared a Property Condition Assessment dated March 12, 2007. A draft/review Report without attachments is enclosed.

We appreciate the opportunity to provide consulting services to you. If you have any questions, please contact us at our Houston office.

Very truly yours,

PROPERTY CONDITION ASSESSMENT CONSULTANTS, INC.



Louis A. Marichal  
Registered Architect

LAM:jp

Enclosures

340 North Sam Houston Parkway, Suite 200, Houston, Texas 77060  
281 591-6600 Fax 281 591-6686

Property Condition Assessment Report

for

Odyssey Residential Holdings, L.P.

and

The Texas Department of Housing and Community Affairs (TDHCA)

Las Palmas Apartment Homes

213 Orive Drive

Los Fresnos, Cameron County, Texas 78566

Comm. No. 2007-0468-01

March 12, 2007

**This Report meets all requirements of Appendix 5M of the HUD Multifamily Accelerated Processing Map Grid 223F for refinancing or acquisition transactions.**

***Property Condition Assessment Consultants, Inc.***

340 North Sam Houston Parkway East

Suite 200

Houston, Texas 77060

(281) 591-6600 – Voice (281) 591-6686 – Fax

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### ATTACHMENTS

- Terminology
- Capital Reserve Analysis Table
- Site Location Map
- Schematic Site Plan
- Property Information Questionnaire (Blank)
- Flood Plain Map
- Professional Resumes
- Photographs

## **EXECUTIVE SUMMARY**

### General Property Description

The subject property consists of 75 single-family freestanding dwelling units (houses), located along Orive Drive, along a circular drive configuration with some cul-de-sacs. The property is situated west of the City of Los Fresnos in an unincorporated area of Cameron County, Texas. The subject site is accessed off of Highway 100 from the south side. The total building area of the apartment homes (houses) is approximately 86,538 square feet (sf). The total area of the site is 21.91 acres. The single-family houses are wood-framed and the exterior walls are finished with brick veneer, plywood siding and wood trim. The buildings have pitched roofs covered with composition shingles. The improvements were completed in 1982. The private drives are paved with asphaltic-concrete, except for concrete pavement at the end of the cul-de-sac drives.

Along some adjoining sites, there is a Cameron County Housing Authority Building, some buildings associated with the Head Start Program, a playground area and a sports field.

### Estimated Required Expenditures

Based on our observations interviews and documents reviewed, Property Condition Assessment Consultants, Inc. (PCA) has prepared the following table with the total probable costs to correct the deficiencies noted.

<b>ITEM</b>	<b>COST</b>
Total Critical Immediate Repair Costs	\$0
Total Non-Critical Repair Costs (to be performed over the next 12 months)	\$2,149,200
<b>Total Critical and Non-Critical Repair Costs</b>	<b>\$2,149,200</b>
ADA Compliance (Not Included Above) – Not Applicable	\$0
Average Annual Uninflated Capital Reserve	\$0
Average Annual Uninflated Capital Reserve per house	\$0

### Physical Condition

The improvements are considered to be in fair condition, except for the physical deficiencies and issues listed in Section VII of this Report.

### Remaining Useful Life of Improvements

If the recommended remedial actions are performed, proper preventive maintenance is routinely performed and defective items are promptly repaired or replaced, we would expect the remaining useful life of the improvements to be at least 35 years.

**Property Condition Assessment Consultants, Inc.**  
Architectural/Engineering and Environmental Consultants

## **I. IDENTIFICATION**

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**Subject Site:** Las Palmas Apartment Homes

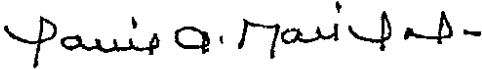
**Locations:** 213 Orive Drive  
Los Fresnos, Cameron County, Texas 78566

**Observation Dates:** February 15, 2007

**Weather:** Temperature of 38° to 45°F, and clear skies. No significant rainfall occurred within the prior 48 hours of our site visit.

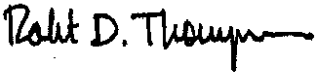
**Observed by:** Louis A. Marichal                      Kristin A. Tate  
Registered Architect                      Project Consultant

**Prepared By:** Louis A. Marichal  
Registered Architect



---

**Report Reviewed By:** Robert D. Thompson  
Registered Architect



---

**Site Contact:** Ms. Daisy Flores, Executive Director, Cameron County Housing Authority (956) 541-4983

**Client:** Odyssey Residential Holdings, L.P.

**Reliance:** This Report is for the exclusive use of and may be relied upon by Odyssey Residential Holdings, L.P. and The Texas Department of Housing and Community Affairs (TDHCA).

No other parties or persons other than those identified as authorized users may use or rely on the information or opinions in this Report without the written consent of Property Condition Assessment Consultants, Inc.

Interviews

- Ms. Patricia Rodriguez, Cameron County Housing Authority (956) 541-4983
- Mr. Ernesto Garcia, Maintenance Supervisor, Cameron County Housing Authority (956) 541-4983
- Mr. Pedro Villareal, Cameron County Housing Authority (956) 541-4983

## **II. PURPOSE AND SCOPE**

---

### Purpose

The purpose of this Assessment is to provide a description of the property improvements and an opinion of their general physical condition as of the date of our site visit. The Assessment is based on observations made during our walk-through survey of the property, readily available documents and public records pertaining to the property, information provided by interested parties and interviews.

The Property Condition Assessment Report notes physical deficiencies observed. A recommended action and corresponding estimate of probable cost are provided for each item. Items that in our opinion are of a deferred maintenance nature that can be easily remedied by routine property maintenance are also noted without a probable cost to correct. Items that the cost to repair is under \$1,000 are also mentioned in the body of the Report without a probable cost to correct. **Items that in our opinion are code or life safety violations are included regardless of the cost.**

Our professional opinion of the property's compliance with certain codes and federal accessibility regulations is also provided.

This Report has been prepared in accordance with the American Society for Testing Materials (ASTM) Standard Requirements for the preparation of Property Condition Assessments, as per ASTM Designation E 2018-01.



### **III. DOCUMENTS AND RECORDS**

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#### Property Information Questionnaire

PCA's Standard Property Information Questionnaire pertaining to the disclosure of any current problems and the property's maintenance history was submitted to Ms. Daisy Flores. A completed and signed copy of the Questionnaire has not been provided by Ms. Flores and a blank copy is attached to this Report.

#### Readily Available Documents

- The construction drawings were not provided for our reference.

#### Public Records

Inquiries were made regarding the existence and availability of the following public records:

- Recorded outstanding violations of Cameron County building and fire codes.
- Current Certificates of Occupancy.
- FEMA Flood Insurance Rate Map.
- Property Zoning.

#### **IV. PROPERTY DESCRIPTION**

---

The subject property consists of 75 single-family freestanding dwelling units (houses), located along Orive Drive, along a circular drive configuration with some cul-de-sacs. The property is situated west of the City of Los Fresnos in an unincorporated area of Cameron County, Texas. The subject site is accessed off of Highway 100 from the south side. The total building area of the apartment homes (houses) is approximately 86,538 square feet (sf). The total area of the site is 21.91 acres. The single-family houses are wood-framed and the exterior walls are finished with brick veneer, plywood siding and wood trim. The buildings have pitched roofs covered with composition shingles. The improvements were completed in 1982. The private drives are paved with asphaltic-concrete, except for concrete pavement at the end of the cul-de-sac drives.

Along some adjoining sites, there is a Cameron County Housing Authority Building, some buildings associated with the Head Start Program, a playground area and a sports field.

The improvements are constructed of systems, components and materials that are common to similar facilities of comparable age. The major systems, components and materials are briefly described in this section.

Additional discussion and probable costs of the deficiencies noted in this section is provided in Section VII of this Report.

##### Site Improvements

The house sites are mostly rectangular-shaped. The average lot area is unknown. The total area of the housing development site according to the site survey is approximately 21.91 acres.

The sites are generally of flat terrain and there are no retaining walls.

The drives are paved with asphalt, except for a round area at the end of the cul-de-sac drives, which is paved with concrete. There are concrete curbs with gutters and also some of the sidewalks bind the edges of the pavement.

Each house has a concrete sidewalk along the street and a concrete walk to access the front entrance door. The sidewalks are plain concrete. There is a small concrete walk at the rear of each house.

The houses are single-story and do not have carports. Pull-in parking off the streets is provided at various parking pockets convenient to the houses. The parking spaces are not striped or the striping has faded.

There are no landscaped beds, except for some sod/grass and native weeds. There are no automatic irrigation systems for the house yards.

The yard areas around the houses are sloped to drain onto the pavement and some drain directly onto a drainage ditch along the north and west site boundaries. The pavement slopes to surface flow into curb inlets along the adjoining drives/streets.

The catch basins are connected to a network of underground drainage pipes, which discharge into the underground municipal drainage system at the adjoining drainage ditches.

There are utility pole-mounted high-intensity discharge (HID) lighting fixtures along the streets. Incandescent lighting fixtures mounted on the exterior walls of the houses illuminate the entrances.

The east, west and north property boundaries of the site have a chain-link fence.

There are numerals on the house exterior entrance canopy with the street address of the house.

There are no outdoor recreational facilities, except at the adjoining sites.

Olmito Utility District provides wastewater treatment/sanitary sewer service. Rio Hondo Water District provides water service, Central Power and Light (CPL) provides electrical services. Southern Union Gas Company provides natural gas services. Domestic water service is provided through a meter at each house. Electrical service is individually metered at each house.

#### *Site Improvements – Observations and Comments*

- The asphalt pavement at the streets/drives and at the off-street parking areas is gray due to age and wear and the binding aggregate is loose. There are some failed pavement areas. The parking spaces need striping. See photo nos. 9 through 15.
- There is soil erosion affecting the building foundations and the concrete walks. Some of the soil erosion is caused by the lack of gutters and downspouts. See photo nos. 18 through 24.
- The typical landscaping and other existing vegetation at the front, rear and side yards consists primarily of native weeds. Many of the weeds are overgrown due to lack of maintenance by the tenants. There are also many barren areas. See photo nos. 5 through 8, 18 through 22 and 54.
- Fractured concrete walks were observed. See photo no. 16.

Except as noted above, the Site Improvements observed by PCA appeared to be in fair condition.

#### Structure and Building Envelope

According to Ms. Rodriguez, the improvements were completed during 1982.

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According to the information provided by Mr. Pedro Villareal, the building area of the 75 houses is approximately 86,538 square feet (sf). PCA considers the house areas to be reasonably accurate. Following is a table with a breakdown of the house types and the area of each house:

<u>House Type</u>	<u>Unit</u> <u>Quantity</u>	<u>Apt.</u> <u>Area</u>	<u>(sf)</u>	<u>Total</u> <u>Area</u>	<u>(sf)</u>
A-1 1Br/1Ba	5	674		3,370	sf
A-2 2Br/1Ba	29	982		28,478	
A-3 3Br/1Ba	21	1,200		25,200	
A-4 4Br/2Ba	10	1,373		13,730	
A-5 5Br/3.5Ba	<u>10</u>	1,576		15,760	
Total Area	75			<u>86,538</u>	sf

The houses have a front entrance and a rear exit door. There is also a storage room within each house, accessed from the rear of each house.

Drawings describing the foundations were not available for our reference. Based on our observations of the perimeters of the buildings, the foundation of each house is a conventionally-reinforced concrete slab-on-grade.

We did not observe any evidence of foundation movement and none was reported. Some spalling and small cracks have developed at the rear corner of the grade beams at some of the houses.

The structural frame of each house consists of conventional wood framing. The roofs are framed with wood trusses and rafters and have plywood decking.

The ground floor of each house is a concrete slab-on-grade.

The exterior walls typically consist of brick veneer, plywood siding and wood trim anchored to the wall framing. The interior side of the walls is covered with gypsum board. The exterior plywood siding and wood surfaces are painted.

The houses have pitched roofs that are covered with asphalt/fiberglass composition shingles nailed to the plywood decking. The roofs are reportedly to be mostly original, installed in 1982. We estimate that the roofs will need to be replaced within the next year.

The roofs are ventilated with continuous soffit screened vents, louvers on the end walls and continuous ridge vents.

The houses have attic access panels. A ladder was not provided to access the attics.

The windows are aluminum-framed, single-hung types with clear, uninsulated (single-pane) glass.

### *Structure and Building Envelope – Observations and Comments*

- There are no gutters at the roof eaves of the houses. Gutters with downspouts are needed to control the flow of the roof drainage. See photo no. 25.
- The composition shingle roof coverings are mostly original construction, installed in 1982 and are beyond their serviceable useful life (25 years old). Most of the roofs are considered to be in poor condition due to natural decay and poor original quality. Missing shingle tabs and curled shingles were observed. See photo nos. 29 and 30.
- The existing plywood siding is rotted and generally in poor condition, in particular under the windows. The wood fascia and trim are also rotted and in poor condition. See photo nos. 26, 27 and 31 through 34.
- We observed several conditions of cracked concrete grade beams at the slab foundations. Most of these conditions appear to be caused by foundation movement.

Except as noted above, the Structure and Building Envelope components observed by PCA appeared to be in fair condition.

### *Interior Walls, Doors and Finishes*

The wall surfaces are gypsum board that is textured and painted. The walls at the bathtubs are finished with fiberglass panels, integral with the fiberglass bathtubs.

The ceilings are gypsum board that is textured and painted. The ceiling height is approximately 8 feet.

The entrance doors are metal-clad, flush-types with a foam core or solid-core wood types and are hung in wood frames. There are also screened (storm) doors. Hardware includes individually keyed deadbolts and keyless deadbolts (required by state law) are provided on the entrance doors. Most of the rear exterior doors are metal-clad hung in wood frames. Interior doors have hollow-cores with painted wood veneer faces, hung in wood frames.

The floor covering in the houses is vinyl tile in all rooms.

The cabinets are manufactured of particle board with a stained finish wood veneer. The countertops in the kitchen and bathrooms have a plastic-laminate finish.

### *Interior Walls, Doors and Finishes – Observations and Comments*

- Many of the exterior entrance metal-clad and solid-core wood doors and other exterior doors are in poor condition due to oxidation/corrosion. Many of the screened (storm) doors are also in poor condition.
- The vinyl tile floor covering of the houses is worn, cracked and generally in poor condition. See photo nos. 35 and 36.
- The kitchen and bathroom cabinets are delaminated and in poor condition. The plastic laminate countertops are in poor condition. See photo nos. 37 through 41.
- There are approximately 80 hollow-core interior doors that need replacement.
- Some drywall repairs of wall and ceiling cracks are needed. We also observed spalling/peeling of the finishes at the ceilings. Interior painting of the houses is needed. See photo nos. 43 and 44.

Except as noted above, the Interior Walls, Doors and Finishes observed by PCA appeared to be in fair condition.

### *Equipment and Appliances*

There are no elevators. There are no fireplaces.

The typical appliances in the houses are a frost-free refrigerator/freezer, and a gas range/oven and a range hood with a fan ventilated to the exterior. Most of the appliances appear to be the originals, installed in 1982, with some replacements observed. Washer and dryer connections are provided.

### *Equipment and Appliances – Observations and Comments*

- We recommend the replacement of the kitchen appliances. The kitchen appliances of each house consist of a gas-fired range/oven with a vent hood and a frost-free refrigerator. The appliances vary in age, but many appear to be original.

Except as noted above, the Equipment and Appliances that were observed by PCA appeared to be in fair condition.

### Mechanical, Electrical and Plumbing Systems

Each house has an air-handling unit with a gas-fired furnace for space heating. A thermostat mounted on a wall inside each house controls the system's operation and temperature setting. Most of the air handlers appear to be original.

No air conditioning for cooling is provided. Some of the tenants have installed their own window-type air conditioners for cooling.

An exhaust fan is provided in the bathrooms. The exhaust fan is vented to the outside.

Pole-mounted transformers provide 120/240-volt, single-phase electrical service to each house. Each house receives electricity through a 105-amp main circuit breaker. A panelboard of circuit breakers for lighting and power outlets is provided in each house. The subfeeder from the meters to the panelboards is stranded aluminum wire and the branch circuit wiring is solid copper. Each house is provided with a solar panel system that provides electricity.

The houses are protected by ground-fault circuit-interrupter (GFCI) breakers for the receptacles near the bathroom lavatories and kitchen sinks.

Ceiling- and wall-mounted fixtures are incandescent types.

The sanitary sewer and vent systems within the houses are fabricated of polyvinyl chloride (PVC) pipe and fittings. The domestic water system is fabricated of copper pipe and fittings. The underground piping materials could not be ascertained.

The plumbing fixtures include vitreous china water closets, enameled steel lavatories and fiberglass bathtubs. The kitchen sinks typically are double compartment stainless steel.

Domestic hot water is provided by a 30-gallon gas-fired water heater.

### *Mechanical, Electrical and Plumbing Systems – Observations and Comments*

- The houses are provided with gas heating only without cooling systems (no air conditioning). Most tenants have installed window units.
- Many of the gas-fired water heaters need to be replaced.
- The domestic water piping is copper and has developed pinholes due to the high acidity of the local domestic water. These conditions have created some interior water leaks. The corroded piping is also prevalent at the exterior hose bibs.

- According to Mr. Garcia, sanitary sewer backups occur frequently. It is possible that the under slab and the underground piping beyond the houses has cracked or has partially collapsed sections.

Except as noted above, the Mechanical, Electrical and Plumbing Systems observed by PCA appeared to be in fair condition.

#### Fire Protection / Life Safety Systems

Smoke detectors are provided in the hallway outside the bedrooms. The smoke detectors are for local alarm only. Fire extinguishers are not provided.

Fire hydrants are located along the adjoining streets.

#### *Fire Protection / Life Safety Systems – Observations and Comments*

The Fire Protection/Life Safety Systems observed by PCA appeared to be in satisfactory condition.



## **V. LOCAL REGULATORY COMPLIANCE**

---

The property is within the jurisdiction of Cameron County, Texas. Through our inquiries with administrative departments, we have received the following information regarding compliance with applicable local government regulations.

### **Code Violations**

Government records do not indicate any outstanding violations of the building or fire codes.

Currently, the 2003 International Building Code is in effect.

### **Certificate of Occupancy**

The Certificates of Occupancy were not available at the property and were not readily available from Cameron County or the Cameron County Housing Authority.

### **Zoning**

Cameron County has not enacted a zoning ordinance

### **Flood Plain**

According to FEMA Flood Insurance Rate Map, Community Panel No. 480101 C0275 C, dated March 18, 1991; the property is in Zone B, defined as areas inundated by 500-year flooding.

### **Seismic Zone**

According to the Uniform Building Code, the site is in seismic zone 0, an area of minimal seismic activity.

## **VI. ADA COMPLIANCE**

---

### ***Americans with Disabilities Act***

Title III of the Americans with Disabilities Act (ADA) covers privately owned facilities defined as being either a "place of public accommodation" or a "commercial facility." Title III requires the removal of architectural and communication barriers from places of public accommodation constructed and occupied prior to January 26, 1993.

The subject properties are single-family detached dwelling units and are not considered to be within the ADA scope.

### **Fair Housing Amendments Act**

In our opinion, compliance with the Fair Housing Amendments Act (FHAA) is not required. The improvements were constructed for first occupancy before March 13, 1991.

## VII. PROBABLE REPAIR COSTS

---

We observed the site improvements, the exteriors of the buildings and major building equipment. We observed the interior condition of ten dwelling units.

Based upon our observations during our site visit and information received from our interviews with personnel identified in Section I, PCA has prepared probable cost estimates with an appropriate remedy for each of the deficiencies identified. Deficiencies that are classified as cosmetic, routine or normal preventive maintenance or considered to cost less than \$1,000 are excluded. Items that are in our opinion are code or life safety violations are included regardless of the cost. Our estimated costs are rounded to the nearest \$100.

### CRITICAL REPAIRS (IMMEDIATE)

None.

**Total Critical Immediate Repair Costs** **\$0**

### NON-CRITICAL REPAIRS (TO BE PERFORMED WITHIN 12 MONTHS)

- 1) The asphalt pavement at the streets/drives and at the off-street parking areas is gray due to age and wear and the binding aggregate is loose. There are some failed pavement areas. The parking spaces need striping. See photo nos. 9 through 15.

We recommend an asphaltic overlay of the drives and parking areas. Sealcoating and restriping should take place once the asphaltic course has cured.

Our estimate of probable cost is based on 300,000 square feet (sf) at \$.70 per sf.

Estimated Probable Cost \$210,000

- 2) There are many settled and cracked concrete walks. See photo no. 16.

We recommend repairs/replacements as required. An allowance is provided.

Estimated Probable Cost (allowance) \$20,000

- 3) There is soil erosion affecting the building foundations and the concrete walks. Some of the soil erosion is caused by the lack of gutters and downspouts. See photo nos. 18 through 24.

We recommend the installation of soil material, re-grading with swales to allow drainage and the installation of groundcover. We provide an allowance of \$800 per house.

Estimated Probable Cost (allowance) \$60,000

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Architectural/Engineering and Environmental Consultants

- 4) There are no gutters at the roof eaves of the houses. Gutters with downspouts are needed to control the flow of the roof drainage. See photo no. 25.

A lump sum probable estimated cost of \$1,200 per house is provided.

Estimated Probable Cost \$90,000

- 5) The typical landscaping and other existing vegetation at the front, rear and side yards consists primarily of native weeds. Many of the weeds are overgrown due to lack of maintenance by the tenants. There are also many barren areas. See photo nos. 5 through 8, 18 through 22 and 54.

We recommend that planting soil be added and groundcover/grass and shrubs suitable for the area be installed. Our estimated cost is based on an allowance of \$800 per house.

Estimated Probable Cost (allowance) \$60,000

- 6) We observed several conditions of cracked and spalled concrete at the grade beams of the slab foundations. Most of these conditions appear to be caused by foundation movement and undermining of the supporting soil due to soil erosion.

We recommend repairs with an epoxy grout and monitoring of any further development. An allowance is provided.

Estimated Probable Cost (allowance) \$10,000

- 7) The composition shingle roof coverings are mostly original construction, installed in 1982 and are beyond their serviceable useful life (25 years old). Most of the roofs are considered to be in poor condition due to natural decay and poor original quality. Missing shingle tabs and curled shingles were observed. See photo nos. 29 and 30.

We recommend that new roof coverings are installed. Our estimated cost is based on 110,300 sf at \$2 per sf.

Estimated Probable Cost \$220,600

- 8) The existing plywood siding is rotted and generally in poor condition, in particular under the windows. The wood fascia and trim are also rotted and in poor condition. See photo nos. 26, 27 and 31 through 34.

We recommend the replacement of all the wood siding and trim with cement-fiber siding and trim.

An allowance of \$1,500 per house is provided that also includes painting.

Estimated Probable Cost \$112,500

- 9) Many of the exterior entrance metal-clad or solid-core wood doors and other exterior doors are in poor condition due to oxidation/corrosion. Many of the screened (storm) doors are also in poor condition.

We recommend that the replacement of 75 entrance doors and 75 rear side exterior doors at an estimated cost of \$200 each, and the replacement of 75 screened doors at \$100 each.

Estimated Probable Cost \$37,500

- 10) The vinyl tile floor covering of the houses is worn, cracked and generally in poor condition. See photo nos. 35 and 36.

We recommend the replacement of the vinyl floor tile. We estimate 86,538 sf at \$2 per sf.

Estimated Probable Cost \$173,100

- 11) The kitchen and bathroom cabinets are delaminated and in poor condition. The plastic laminate countertops are in poor condition. See photo nos. 37 through 41.

We recommend the replacement of the kitchen and bathroom cabinet fronts and the replacement of the plastic laminate at the countertops. Our estimated cost is based on an allowance of \$2,500 per house.

Estimated Probable Cost (allowance) \$187,500

- 12) There are approximately 80 interior hollow-core doors and closet bi-fold doors that need replacement.

An allowance of \$100 per door is provided.

Estimated Probable Cost \$8,000

- 13) Some drywall repairs of wall and ceiling cracks are needed. Interior painting of the houses is needed. See photo nos. 43 and 44.

We recommend drywall repairs as needed and interior painting of the houses. An allowance of \$600 per house is provided.

Estimated Probable Cost \$45,000

- 14) The kitchen appliances of each house consist of a gas-fired range/oven with a vent hood and a frost-free refrigerator. The appliances vary in age, but many appear to be original.

We recommend the replacement of the kitchen appliances. Our estimated cost is based on 75 houses at \$900 per house.

Estimated Probable Cost \$67,500

- 15) The houses are provided with gas heating only, without cooling systems (no air conditioning). We recommend the replacement of the HVAC split systems with 3-ton systems. Our estimated cost is based on \$3,500 per house, including increasing the electrical service in order to provide the amperage needed for a central air conditioning system.

Estimated Probable Cost \$262,500

- 16) Many of the gas-fired water heaters are old and should be replaced.

Our estimated replacement cost is based on \$800 per house.

Estimated Probable Cost \$60,000

- 17) The domestic water piping is copper and has developed pinholes due to the high acidity of the local domestic water. These conditions have created some interior water leaks. The corroded piping is also prevalent at the exterior hose bibs.

We recommend the replacement of the domestic water piping. Our estimate is based on an allowance of \$3,000 per house.

Estimated Probable Cost \$225,000

- 18) According to Mr. Garcia, sanitary sewer backups occur frequently. It is possible that the underslab and the underground piping beyond the houses has cracked or has partially collapsed sections.

Further investigation is required. An allowance is provided for investigation with leak detection equipment and repairs/replacements.

Estimated Probable Cost (allowance) \$300,000

**Total Non-Critical Repair Costs \$2,149,200**

**Total Critical and Non-Critical Repair Costs \$2,149,200**

## **VIII. CAPITAL RESERVE ANALYSIS**

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The Capital Reserve Analysis (CRA) table included in this Section is an analysis of the probable costs for normally anticipated replacement for the major components of the improvements during the term shown in the table. The expenditures in the CRA are considered to be capital expenses and do not include damage-related, maintenance or minor operating repair costs. Items that have an indeterminable remaining useful life but have reasonable potential for failure during the term of the CRA may be included. The analysis excludes the costs for replacement of components or systems estimated to expire after the term and costs that may be incurred due to accidents, fire and natural events such as floods, wind storms or seismic activity.

The expected useful life and remaining life values are based on published, historical performance data for comparable items with consideration for the present condition and reported service history. The actual performance of individual components may vary from a reasonably expected standard and will be affected by circumstances that occur after the date of the evaluation. The costs indicated for individual items are present value. Total costs are also provided with consideration of an inflation factor determined by the Client for future expenditures.

The amounts shown in the CRA are based on the assumption that all of the work recommended in Section VII of this Report will have been completed within a year of PCA's observation date. The first-year period of the term of the CRA is, therefore, considered to be the 12 months following the observation date. Other than the normally recurring capital expenses that have been scheduled or are expected, no costs are included in the first year of the term.

## **IX. SCOPE AND LIMITATIONS**

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### Procedures

PCA performed a walk-through survey of the subject property to make representative observations of the general condition of the various components of the improvements. The walk-through survey consisted of nonintrusive visual observations (unless otherwise noted) of readily accessible and easily visible components and systems. During our site visit, we did not gain access to or observe all areas, operate any specific equipment, inspect specific structural connections, perform any tests or measure the improvements. Representative observations (typical sampling) were made of repetitive systems, components and areas.

The representations regarding compliance with government laws, codes or regulations are based on normal inquiries with government agencies or departments having reasonably ascertainable information that is readily available.

### Limitations

The information and opinions contained in this Report are not based on a comprehensive engineering study or an exhaustive technical review. PCA did not remove any materials to inspect concealed materials or conditions. PCA's observations were limited to items and conditions that could be clearly seen from the ground or safely accessible surfaces and were made without the use of visual aids.

PCA's professional services and this Report represent our professional experience and judgement regarding the condition of the subject property and are not intended, and should not be construed, to warrant or guarantee the present or future performance of any building components or systems, or guarantee that the property will remain in its present condition.

The Report is not intended to be based on an exhaustive review of conditions and thus it is not guaranteed that all deficiencies are identified. Based on observations and professional opinion, along with data and comments received and the information of reports made available to us, we will represent property conditions and probable costs to correct the identified deficiencies.

The scope of services provided by PCA for the development of this Report does not include designing or preparing specifications for the systems, components, materials or procedures necessary for performing the repairs or modifications that may be recommended in this Report. PCA's probable repair costs are based on approximate quantities and costs, or furnished information that is presumed to be accurate. A detailed survey of quantities for developing the probable costs was not included in the scope of PCA's services. The probable costs stated to repair physical deficiencies or correct issues identified in this Report are average amounts that we consider to be probable for the marketplace. The stated probable costs do not constitute a



warranty or a representation that all items that may need repair or other attention are included. The actual cost of repairs may vary from the probable costs provided by PCA.

### Environmental Issues

This Report is not an Environmental Site Assessment Report and does not identify or confirm the presence or absence of asbestos-containing materials, polychlorinated biphenyls, lead-based paints, toxic soils, recognized environmental conditions or other environmental concerns that may exist on or affect the subject property.

### Intended Use

This Report is intended to be used in its entirety. No portion of it may be deleted or used out of context without the written consent of PCA. The opinions and information contained in this Report are time sensitive and may be relied upon for a period not to exceed six months. This Report was prepared for the limited use of consideration of a single financial transaction by the authorized users. The use of this Report for any other purpose is prohibited without the written consent of PCA.

### Proprietary Information

Field data, field notes and other data and documents assembled by PCA to produce this Report represent the work product of PCA's training, experience and professional skill. This information belongs to and remains the property of PCA.

### Documents

Documents and data provided by the Client, designated representatives of the Client, the Client's consultants or contractors, or other interested parties have been reviewed and may be referenced herein, with the understanding that PCA assumes no responsibility or liability for their accuracy or for the omission by any of the involved parties of any reports or other information that could affect the transaction.

## TERMINOLOGY

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### Condition

The following terms are used to describe the physical condition of materials, components and systems. A term applied to a component or system does not preclude the possibility that repair to a section, portion or part of that component or system may be needed.

- **Good** - Considered to be in better than average condition and performing properly. Signs of deferred maintenance and normal weathering or wear may be apparent.
- **Satisfactory** - Considered to be in suitable, average condition and performing adequately. Signs of deferred maintenance and weathering or wear may be apparent.
- **Fair** - Considered to be in average or worse-than-average condition and performing marginally. Signs of deferred maintenance, excessive weathering or wear may be apparent. Characteristics may indicate that the item is nearing the end of its useful life. The item may exhibit signs of repairs that are considered not to meet commonly accepted applicable standards. Repair or partial replacement is considered to be necessary to prevent further deterioration or to restore proper function.
- **Poor** - Considered to be in inferior or worse-than-average condition and to either have failed or be unreliable. May exhibit damage, breakage or excessive wear and deterioration. Replacement or major repair is needed.

### Expected Useful Life and Remaining Useful Life

The following terms are used to indicate PCA's opinion of the amount of time that a material, component or system will perform its intended function. The time values are based on published historical information, records pertaining to maintenance of the property and PCA's judgement.

- **Expected Useful Life (EUL)** - The expected number of years that a new material, component or system will perform with normal maintenance, including the preventive type. This value is considered to be an average of the periods of normal service provided by most installations of the same or a similar material, component or system. Factors such as severe service demands and environmental conditions are considered by PCA.
- **Remaining Useful Life (RUL)** - The expected number of years that an existing material, component or system will satisfactorily perform with normal maintenance, including the preventive type. This value is usually the difference between the age of a material, component or system and its EUL. Unusually good initial quality or exceptional maintenance can result in a longer-than-normal RUL. Environmental conditions, the initial quality of the item and workmanship, the amount and quality of preventive maintenance, the extent of use and the present physical condition will factor into PCA's judgment of RUL.

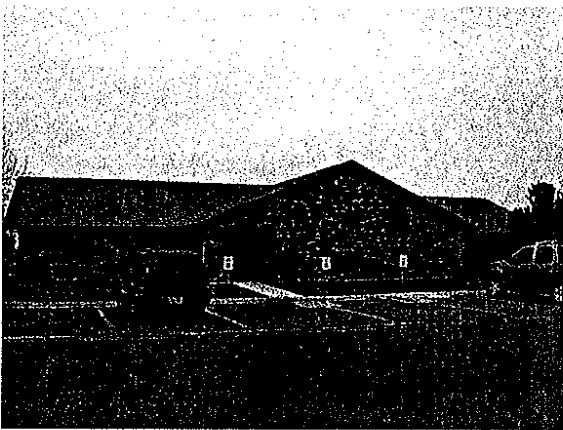
### Deferred Maintenance

- **Deferred Maintenance** - This refers to repairs or replacements that should have been performed before the property was observed by PCA. Generally, this term is applied to physical deficiencies that cannot be remedied by routine or normal operating maintenance procedures, but rather require specialized equipment, specially trained personnel or large quantities of materials or workers to perform the remedy. *De minimis* conditions, those that do not represent a physical deficiency or material threat to the property, are excluded.

### Probable Repairs Terminology

- **Critical Repairs** – These are items, which, due to life safety hazards, loss of critical function, or non-compliance with an applicable code, should be corrected immediately.
- **Non-Critical Repairs** – These are items that are in serviceable condition, but deteriorated or are damaged. Repair or replacement within one year is recommended.

# Property Condition Assessment



Prepared for

Odyssey Residential Holdings, L.P. and The  
Texas Department of Housing and Community  
Affairs (GDHCA)

Las Palmas Apartment Homes  
213 Orive Drive  
Los Fresnos, Texas 78566

Property Condition Assessment Consultants, Inc.  
Architectural/Engineering and Environmental Consultants

Property Condition Assessment Consultants, Inc.  
Architectural/Engineering and Environmental Consultants

July 3, 2007

Mr. Jerry Nunnally  
Project Development Coordinator  
Odyssey Residential Holdings, L.P.  
5420 LBJ Freeway, Suite 1235  
Dallas, TX 75240

Re: Property Condition Assessment  
Las Palmas Apartment Homes  
213 Orive Drive  
Los Fresnos, Cameron County, Texas 78566  
Comm. No. 2007-0468-01

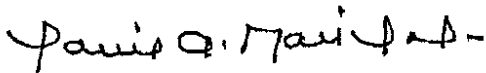
Dear Mr. Nunnally:

In accordance with our accepted Engagement Letter, Property Condition Assessment Consultants performed a walk-through survey of the above-referenced property on February 15, 2007, and has prepared a Property Condition Assessment dated July 3, 2007. A final draft/review Report without attachments is enclosed.

We appreciate the opportunity to provide consulting services to you. If you have any questions, please contact us at our Houston office.

Very truly yours,

PROPERTY CONDITION ASSESSMENT CONSULTANTS, INC.



Louis A. Marichal  
Registered Architect

LAM:jp

Enclosures

Property Condition Assessment Report

for

Odyssey Residential Holdings, L.P.  
and  
The Texas Department of Housing and Community Affairs (TDHCA)

Las Palmas Apartment Homes  
213 Orive Drive  
Los Fresnos, Cameron County, Texas 78566  
Comm. No. 2007-0468-01

July 3, 2007

**This Report meets all requirements of Appendix 5M of the HUD Multifamily Accelerated Processing Map Grid 223F for refinancing or acquisition transactions.**

*Property Condition Assessment Consultants, Inc.*  
340 North Sam Houston Parkway East  
Suite 200  
Houston, Texas 77060  
(281) 591-6600 – Voice (281) 591-6686 – Fax

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### ATTACHMENTS

- Terminology
- Capital Reserve Analysis Tables
- Site Location Map
- Schematic Site Plan
- Property Information Questionnaire (Blank)
- Flood Plain Map
- Professional Resumes
- Photographs

## **EXECUTIVE SUMMARY**

### **General Property Description**

The subject property consists of 75 single-family freestanding dwelling units (houses), located along Orive Drive, along a circular drive configuration with some cul-de-sacs. The property is situated west of the City of Los Fresnos in an unincorporated area of Cameron County, Texas. The subject site is accessed off of Highway 100 from the south side. The total building area of the apartment homes (houses) is approximately 86,538 square feet (sf). The total area of the site is 21.91 acres. The single-family houses are wood-framed and the exterior walls are finished with brick veneer, plywood siding and wood trim. The buildings have pitched roofs covered with composition shingles. The improvements were completed in 1982. The private drives are paved with asphaltic-concrete, except for concrete pavement at the end of the cul-de-sac drives.

Along some adjoining sites, there is a Cameron County Housing Authority Building, some buildings associated with the Head Start Program, a playground area and a sports field.

### **Estimated Required Expenditures**

Based on our observations interviews and documents reviewed, Property Condition Assessment Consultants, Inc. (PCA) has prepared the following table with the total probable costs to correct the deficiencies noted.

<b>ITEM</b>	<b>COST</b>
Total Critical Immediate Repair Costs	\$0
Total Non-Critical Repair Costs (to be performed over the next 12 months)	\$5,292,300
<b>Total Critical and Non-Critical Repair Costs</b>	<b>\$5,292,300</b>
ADA Compliance (Not Included Above) -- Not Applicable	\$0
Average Annual Uninflated Capital Reserve	\$21,650.00
Average Annual Uninflated Capital Reserve per house	\$288.67

### **Physical Condition**

The improvements are considered to be in fair condition, except for the physical deficiencies and issues listed in Section VII of this Report.

### **Remaining Useful Life of Improvements**

If the recommended remedial actions are performed, proper preventive maintenance is routinely performed and defective items are promptly repaired or replaced, we would expect the remaining useful life of the improvements to be at least 35 years.

**Property Condition Assessment Consultants, Inc.**  
Architectural/Engineering and Environmental Consultants



## I. IDENTIFICATION

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**Subject Site:** Las Palmas Apartment Homes

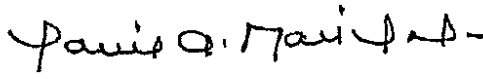
**Locations:** 213 Orive Drive  
Los Fresnos, Cameron County, Texas 78566

**Observation Dates:** February 15, 2007

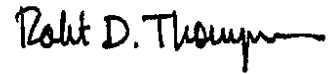
**Weather:** Temperature of 38 °F to 45 °F, and clear skies. No significant rainfall occurred within the prior 48 hours of our site visit.

**Observed by:** Louis A. Marichal                      Kristin A. Tate  
Registered Architect                      Project Consultant

**Prepared By:** Louis A. Marichal  
Registered Architect

  
\_\_\_\_\_

**Report Reviewed By:** Robert D. Thompson  
Registered Architect

  
\_\_\_\_\_

**Site Contact:** Ms. Daisy Flores, Executive Director, Cameron County Housing Authority (956) 541-4983

**Client:** Odyssey Residential Holdings, L.P.

**Reliance:** This Report is for the exclusive use of and may be relied upon by Odyssey Residential Holdings, L.P. and The Texas Department of Housing and Community Affairs (TDHCA).

No other parties or persons other than those identified as authorized users may use or rely on the information or opinions in this Report without the written consent of Property Condition Assessment Consultants, Inc.

Interviews

- Ms. Patricia Rodriguez, Cameron County Housing Authority (956) 541-4983
- Mr. Ernesto Garcia, Maintenance Supervisor, Cameron County Housing Authority (956) 541-4983
- Mr. Pedro Villareal, Cameron County Housing Authority (956) 541-4983

## II. PURPOSE AND SCOPE

---

### Purpose

The purpose of this Assessment is to provide a description of the property improvements and an opinion of their general physical condition as of the date of our site visit. The Assessment is based on observations made during our walk-through survey of the property, readily available documents and public records pertaining to the property, information provided by interested parties and interviews.

The Property Condition Assessment Report notes physical deficiencies observed. A recommended action and corresponding estimate of probable cost are provided for each item. Items that in our opinion are of a deferred maintenance nature that can be easily remedied by routine property maintenance are also noted without a probable cost to correct. Items that the cost to repair is under \$1,000 are also mentioned in the body of the Report without a probable cost to correct. **Items that in our opinion are code or life safety violations are included regardless of the cost.**

Our professional opinion of the property's compliance with certain codes and federal accessibility regulations is also provided.

This Report has been prepared in accordance with the American Society for Testing Materials (ASTM) Standard Requirements for the preparation of Property Condition Assessments, as per ASTM Designation E 2018-01.

### **III. DOCUMENTS AND RECORDS**

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#### Property Information Questionnaire

PCA's Standard Property Information Questionnaire pertaining to the disclosure of any current problems and the property's maintenance history was submitted to Ms. Daisy Flores. A completed and signed copy of the Questionnaire has not been provided by Ms. Flores and a blank copy is attached to this Report.

#### Readily Available Documents

- The construction drawings were not provided for our reference.

#### Public Records

Inquiries were made regarding the existence and availability of the following public records:

- Recorded outstanding violations of Cameron County building and fire codes.
- Current Certificates of Occupancy.
- FEMA Flood Insurance Rate Map.
- Property Zoning.

#### **IV. PROPERTY DESCRIPTION**

---

The subject property consists of 75 single-family freestanding dwelling units (houses), located along Orive Drive, along a circular drive configuration with some cul-de-sacs. The property is situated west of the City of Los Fresnos in an unincorporated area of Cameron County, Texas. The subject site is accessed off of Highway 100 from the south side. The total building area of the apartment homes (houses) is approximately 86,538 square feet (sf). The total area of the site is 21.91 acres. The single-family houses are wood-framed and the exterior walls are finished with brick veneer, plywood siding and wood trim. The buildings have pitched roofs covered with composition shingles. The improvements were completed in 1982. The private drives are paved with asphaltic-concrete, except for concrete pavement at the end of the cul-de-sac drives.

Along some adjoining sites, there is a Cameron County Housing Authority Building, some buildings associated with the Head Start Program, a playground area and a sports field.

The improvements are constructed of systems, components and materials that are common to similar facilities of comparable age. The major systems, components and materials are briefly described in this section.

Additional discussion and probable costs of the deficiencies noted in this section is provided in Section VII of this Report.

##### **Site Improvements**

The house sites are mostly rectangular-shaped. The average lot area is unknown. The total area of the housing development site according to the site survey is approximately 21.91 acres.

The sites are generally of flat terrain and there are no retaining walls.

The drives are paved with asphalt, except for a round area at the end of the cul-de-sac drives, which is paved with concrete. There are concrete curbs with gutters and also some of the sidewalks bind the edges of the pavement.

Each house has a concrete sidewalk along the street and a concrete walk to access the front entrance door. The sidewalks are plain concrete. There is a small concrete walk at the rear of each house.

The houses are single-story and do not have carports. Pull-in parking off the streets is provided at various parking pockets convenient to the houses. The parking spaces are not striped or the striping has faded.

There are no landscaped beds, except for some sod/grass and native weeds. There are no automatic irrigation systems for the house yards.

The yard areas around the houses are sloped to drain onto the pavement and some drain directly onto a drainage ditch along the north and west site boundaries. The pavement slopes to surface flow into curb inlets along the adjoining drives/streets.

The catch basins are connected to a network of underground drainage pipes, which discharge into the underground municipal drainage system at the adjoining drainage ditches.

There are utility pole-mounted high-intensity discharge (HID) lighting fixtures along the streets. Incandescent lighting fixtures mounted on the exterior walls of the houses illuminate the entrances.

The east, west and north property boundaries of the site have a chain-link fence.

There are numerals on the house exterior entrance canopy with the street address of the house.

There are no outdoor recreational facilities, except at the adjoining sites.

Olmito Utility District provides wastewater treatment/sanitary sewer service. Rio Hondo Water District provides water service, Central Power and Light (CPL) provides electrical services. Southern Union Gas Company provides natural gas services. Domestic water service is provided through a meter at each house. Electrical service is individually metered at each house.

#### *Site Improvements – Observations and Comments*

- The asphalt pavement at the streets/drives and at the off-street parking areas is gray due to age and wear and the binding aggregate is loose. There are some failed pavement areas. The parking spaces need striping. See photo nos. 9 through 15.
- There is soil erosion affecting the building foundations and the concrete walks. Some of the soil erosion is caused by the lack of gutters and downspouts. See photo nos. 18 through 24.
- The typical landscaping and other existing vegetation at the front, rear and side yards consists primarily of native weeds. Many of the weeds are overgrown due to lack of maintenance by the tenants. There are also many barren areas. See photo nos. 5 through 8, 18 through 22 and 54.
- Fractured concrete walks were observed. See photo no. 16.

Except as noted above, the Site Improvements observed by PCA appeared to be in fair condition.

#### Structure and Building Envelope

According to Ms. Rodriguez, the improvements were completed during 1982.

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According to the information provided by Mr. Pedro Villareal, the building area of the 75 houses is approximately 86,538 square feet (sf). PCA considers the house areas to be reasonably accurate. Following is a table with a breakdown of the house types and the area of each house:

	<u>House Type</u>	<u>Unit</u> <u>Quantity</u>	<u>Apt.</u> <u>Area</u>	<u>(sf)</u>	<u>Total</u> <u>Area</u>	<u>(sf)</u>
A-1	1Br/1Ba	5	674		3,370	sf
A-2	2Br/1Ba	29	982		28,478	
A-3	3Br/1Ba	21	1,200		25,200	
A-4	4Br/2Ba	10	1,373		13,730	
A-5	5Br/3.5Ba	<u>10</u>	1,576		15,760	
Total Area		75			<u>86,538</u>	sf

The houses have a front entrance and a rear exit door. There is also a storage room within each house, accessed from the rear of each house.

Drawings describing the foundations were not available for our reference. Based on our observations of the perimeters of the buildings, the foundation of each house is a conventionally-reinforced concrete slab-on-grade.

We did not observe any evidence of foundation movement and none was reported. Some spalling and small cracks have developed at the rear corner of the grade beams at some of the houses.

The structural frame of each house consists of conventional wood framing. The roofs are framed with wood trusses and rafters and have plywood decking.

The ground floor of each house is a concrete slab-on-grade.

The exterior walls typically consist of brick veneer, plywood siding and wood trim anchored to the wall framing. The interior side of the walls is covered with gypsum board. The exterior plywood siding and wood surfaces are painted.

The houses have pitched roofs that are covered with asphalt/fiberglass composition shingles nailed to the plywood decking. The roofs are reportedly to be mostly original, installed in 1982. We estimate that the roofs will need to be replaced within the next year.

The roofs are ventilated with continuous soffit screened vents, louvers on the end walls and continuous ridge vents.

The houses have attic access panels. A ladder was not provided to access the attics.

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Architectural/Engineering and Environmental Consultants

The windows are aluminum-framed, single-hung types with clear, uninsulated (single-pane) glass.

### *Structure and Building Envelope – Observations and Comments*

- There are no gutters at the roof eaves of the houses. Gutters with downspouts are needed to control the flow of the roof drainage. See photo no. 25.
- The composition shingle roof coverings are mostly original construction, installed in 1982 and are beyond their serviceable useful life (25 years old). Most of the roofs are considered to be in poor condition due to natural decay and poor original quality. Missing shingle tabs and curled shingles were observed. See photo nos. 29 and 30.
- The existing plywood siding is rotted and generally in poor condition, in particular under the windows. The wood fascia and trim are also rotted and in poor condition. See photo nos. 26, 27 and 31 through 34.
- We observed several conditions of cracked concrete grade beams at the slab foundations. Most of these conditions appear to be caused by foundation movement.

Except as noted above, the Structure and Building Envelope components observed by PCA appeared to be in fair condition.

### *Interior Walls, Doors and Finishes*

The wall surfaces are gypsum board that is textured and painted. The walls at the bathtubs are finished with fiberglass panels, integral with the fiberglass bathtubs.

The ceilings are gypsum board that is textured and painted. The ceiling height is approximately 8 feet.

The entrance doors are metal-clad, flush-types with a foam core or solid-core wood types and are hung in wood frames. There are also screened (storm) doors. Hardware includes individually keyed deadbolts and keyless deadbolts (required by state law) are provided on the entrance doors. Most of the rear exterior doors are metal-clad hung in wood frames. Interior doors have hollow-cores with painted wood veneer faces, hung in wood frames.

The floor covering in the houses is vinyl tile in all rooms.

The cabinets are manufactured of particle board with a stained finish wood veneer. The countertops in the kitchen and bathrooms have a plastic-laminate finish.



### *Interior Walls, Doors and Finishes – Observations and Comments*

- Many of the exterior entrance metal-clad and solid-core wood doors and other exterior doors are in poor condition due to oxidation/corrosion. Many of the screened (storm) doors are also in poor condition.
- The vinyl tile floor covering of the houses is worn, cracked and generally in poor condition. See photo nos. 35 and 36.
- The kitchen and bathroom cabinets are delaminated and in poor condition. The plastic laminate countertops are in poor condition. See photo nos. 37 through 41.
- There are approximately 80 hollow-core interior doors that need replacement.
- Some drywall repairs of wall and ceiling cracks are needed. We also observed spalling/peeling of the finishes at the ceilings. Interior painting of the houses is needed. See photo nos. 43 and 44.

Except as noted above, the Interior Walls, Doors and Finishes observed by PCA appeared to be in fair condition.

### *Equipment and Appliances*

There are no elevators. There are no fireplaces.

The typical appliances in the houses are a frost-free refrigerator/freezer, and a gas range/oven and a range hood with a fan ventilated to the exterior. Most of the appliances appear to be the originals, installed in 1982, with some replacements observed. Washer and dryer connections are provided.

### *Equipment and Appliances – Observations and Comments*

- We recommend the replacement of the kitchen appliances. The kitchen appliances of each house consist of a gas-fired range/oven with a vent hood and a frost-free refrigerator. The appliances vary in age, but many appear to be original.

Except as noted above, the Equipment and Appliances that were observed by PCA appeared to be in fair condition.

### *Mechanical, Electrical and Plumbing Systems*

Each house has an air-handling unit with a gas-fired furnace for space heating. A thermostat mounted on a wall inside each house controls the system's operation and temperature setting. Most of the air handlers appear to be original.

No air conditioning for cooling is provided. Some of the tenants have installed their own window-type air conditioners for cooling.

An exhaust fan is provided in the bathrooms. The exhaust fan is vented to the outside.

Pole-mounted transformers provide 120/240-volt, single-phase electrical service to each house. Each house receives electricity through a 105-amp main circuit breaker. A panelboard of circuit breakers for lighting and power outlets is provided in each house. The subfeeder from the meters to the panelboards is stranded aluminum wire and the branch circuit wiring is solid copper. Each house is provided with a solar panel system that provides electricity.

The houses are protected by ground-fault circuit-interrupter (GFCI) breakers for the receptacles near the bathroom lavatories and kitchen sinks.

Ceiling- and wall-mounted fixtures are incandescent types.

The sanitary sewer and vent systems within the houses are fabricated of polyvinyl chloride (PVC) pipe and fittings. The domestic water system is fabricated of copper pipe and fittings. The underground piping materials could not be ascertained.

The plumbing fixtures include vitreous china water closets, enameled steel lavatories and fiberglass bathtubs. The kitchen sinks typically are double compartment stainless steel.

Domestic hot water is provided by a 30-gallon gas-fired water heater.

### *Mechanical, Electrical and Plumbing Systems – Observations and Comments*

- The houses are provided with gas heating only without cooling systems (no air conditioning). Most tenants have installed window units.
- Many of the gas-fired water heaters need to be replaced.
- The domestic water piping is copper and has developed pinholes due to the high acidity of the local domestic water. These conditions have created some interior water leaks. The corroded piping is also prevalent at the exterior hose bibs.

- According to Mr. Garcia, sanitary sewer backups occur frequently. It is possible that the under slab and the underground piping beyond the houses has cracked or has partially collapsed sections.

Except as noted above, the Mechanical, Electrical and Plumbing Systems observed by PCA appeared to be in fair condition.

#### Fire Protection / Life Safety Systems

Smoke detectors are provided in the hallway outside the bedrooms. The smoke detectors are for local alarm only. Fire extinguishers are not provided.

Fire hydrants are located along the adjoining streets.

#### *Fire Protection / Life Safety Systems – Observations and Comments*

The Fire Protection/Life Safety Systems observed by PCA appeared to be in satisfactory condition.

## **V. LOCAL REGULATORY COMPLIANCE**

---

The property is within the jurisdiction of Cameron County, Texas. Through our inquiries with administrative departments, we have received the following information regarding compliance with applicable local government regulations.

### **Code Violations**

Government records do not indicate any outstanding violations of the building or fire codes.

Currently, the 2003 International Building Code is in effect.

### **Certificate of Occupancy**

The Certificates of Occupancy were not available at the property and were not readily available from Cameron County or the Cameron County Housing Authority.

### **Zoning**

Cameron County has not enacted a zoning ordinance

### **Flood Plain**

According to FEMA Flood Insurance Rate Map, Community Panel No. 480101 C0275 C, dated March 18, 1991; the property is in Zone B, defined as areas inundated by 500-year flooding.

### **Seismic Zone**

According to the Uniform Building Code, the site is in seismic zone 0, an area of minimal seismic activity.

## **VI. ADA COMPLIANCE**

---

### **Americans with Disabilities Act**

Title III of the Americans with Disabilities Act (ADA) covers privately owned facilities defined as being either a "place of public accommodation" or a "commercial facility." Title III requires the removal of architectural and communication barriers from places of public accommodation constructed and occupied prior to January 26, 1993.

The subject properties are single-family detached dwelling units and are not considered to be within the ADA scope.

### **Fair Housing Amendments Act**

In our opinion, compliance with the Fair Housing Amendments Act (FHAA) is not required. The improvements were constructed for first occupancy before March 13, 1991.

## VII. PROBABLE REPAIR COSTS

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We observed the site improvements, the exteriors of the buildings and major building equipment. We observed the interior condition of ten dwelling units.

Based upon our observations during our site visit and information received from our interviews with personnel identified in Section I, PCA has prepared probable cost estimates with an appropriate remedy for each of the deficiencies identified. Deficiencies that are classified as cosmetic, routine or normal preventive maintenance or considered to cost less than \$1,000 are excluded. Items that are in our opinion are code or life safety violations are included regardless of the cost. Our estimated costs are rounded to the nearest \$100.

### CRITICAL REPAIRS (IMMEDIATE)

None.

**Total Critical Immediate Repair Costs** **\$0**

### NON-CRITICAL REPAIRS (TO BE PERFORMED WITHIN 12 MONTHS)

- 1) The asphalt pavement at the streets/drives and at the off-street parking areas is gray due to age and wear and the binding aggregate is loose. There are some failed pavement areas. The parking spaces need striping. See photo nos. 9 through 15.

We recommend complete recycling of the pavement, including a new asphaltic course at the drives and parking areas. Sealcoating and restriping should take place once the asphaltic course has cured.

Our estimate of probable cost is based on 300,000 square feet (sf) at \$1.50 per sf.

Estimated Probable Cost \$450,000

- 2) There are many settled and cracked concrete walks. See photo no. 16.

We recommend the removal and replacement of the concrete walks. An allowance is provided.

Estimated Probable Cost (allowance) \$120,000

- 3) There is soil erosion affecting the building foundations and the concrete walks. Some of the soil erosion is caused by the lack of gutters and downspouts. See photo nos. 18 through 24.

We recommend the installation of soil material, re-grading with swales to allow drainage and

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the installation of groundcover. We provide an allowance of \$3,300 per house.

Estimated Probable Cost (allowance) \$247,500

- 4) There are no gutters at the roof eaves of the houses. Gutters with downspouts are needed to control the flow of the roof drainage. See photo no. 25.

A lump sum probable estimated cost of \$1,500 per house is provided.

Estimated Probable Cost \$112,500

- 5) The typical landscaping and other existing vegetation at the front, rear and side yards consists primarily of native weeds. Many of the weeds are overgrown due to lack of maintenance by the tenants. There are also many barren areas. See photo nos. 5 through 8, 18 through 22 and 54.

We recommend that planting soil be added and groundcover/grass and shrubs suitable for the area be installed. Our estimated cost is based on an allowance of \$2,200 per house.

Estimated Probable Cost (allowance) \$165,000

- 6) We observed several conditions of cracked and spalled concrete at the grade beams of the slab foundations. Most of these conditions appear to be caused by foundation movement and undermining of the supporting soil due to soil erosion.

We recommend repairs with an epoxy grout and foundation repairs, including underpinning with under-reamed concrete piers. An allowance of \$5,000 is provided.

Estimated Probable Cost (allowance) \$375,000

- 7) The composition shingle roof coverings are mostly original construction, installed in 1982 and are beyond their serviceable useful life (25 years old). Most of the roofs are considered to be in poor condition due to natural decay and poor original quality. Missing shingle tabs and curled shingles were observed. See photo nos. 29 and 30.

We recommend that new roof coverings are installed. The new roof covering needs to have a 40-year warranty and designed and installed to withstand high winds and hurricanes. The roof decking will need to be replaced. Our estimated cost is based on 110,300 sf at \$3.20 per sf.

Estimated Probable Cost \$353,000

- 8) The existing plywood siding is rotted and generally in poor condition, in particular under the windows. The wood fascia and trim are also rotted and in poor condition. See photo nos. 26, 27 and 31 through 34.

We recommend the replacement of all the wood siding and trim with cement-fiber siding and trim. New wall underlayment and vapor barrier as well as new energy efficient windows that comply with the new state energy code will need to be installed.

An allowance of \$6,400 per house is provided that also includes all of the above items and exterior painting.

Estimated Probable Cost \$480,000

- 9) Many of the exterior entrance metal-clad or solid-core wood doors and other exterior doors are in poor condition due to oxidation/corrosion. Many of the screened (storm) doors are also in poor condition.

We recommend that the replacement of 75 entrance doors and 75 rear side exterior doors at an estimated cost of \$200 each, and the replacement of 75 screened doors at \$100 each.

Estimated Probable Cost \$37,500

- 10) The vinyl tile floor covering of the houses is worn, cracked and generally in poor condition. See photo nos. 35 and 36.

We recommend the replacement of the vinyl floor tile with ceramic tile. We estimate 86,600 sf at \$3 per sf.

Estimated Probable Cost \$259,800

- 11) The kitchen and bathroom cabinets are delaminated and in poor condition. The plastic laminate countertops are in poor condition. See photo nos. 37 through 41.

We recommend the replacement of the kitchen and bathroom cabinets and the replacement of the plastic laminate at the countertops. Our estimated cost is based on an allowance of \$4,600 per house.

Estimated Probable Cost (allowance) \$345,000

- 12) There are approximately 120 interior hollow-core doors and closet bi-fold doors that need replacement.

An allowance of \$100 per door is provided.

Estimated Probable Cost \$12,000



- 13) Some drywall repairs of wall and ceiling cracks are needed. Interior painting of the houses is needed. See photo nos. 43 and 44.

We recommend drywall repairs as needed and interior painting of the houses. An allowance of \$1,600 per house is provided.

Estimated Probable Cost \$120,000

- 14) The kitchen appliances of each house consist of a gas-fired range/oven with a vent hood and a frost-free refrigerator. The appliances vary in age, but many appear to be original.

We recommend the replacement of the kitchen appliances. Our estimated cost is based on 75 houses at \$1,100 per house.

Estimated Probable Cost \$82,500

- 15) The houses are provided with gas heating only, without cooling systems (no air conditioning). We recommend the replacement of the HVAC split systems with 3-ton systems. Our estimated cost is based on \$5,500 per house, including increasing the electrical service in order to provide the amperage needed for a central air conditioning system. SEER should be at least 14.

Estimated Probable Cost \$412,500

- 16) Many of the gas-fired water heaters are old and should be replaced.

Our estimated replacement cost is based on \$1,200 per house.

Estimated Probable Cost \$90,000

- 17) The domestic water piping is copper and has developed pinholes due to the high acidity of the local domestic water. These conditions have created some interior water leaks. The corroded piping is also prevalent at the exterior hose bibs.

We recommend the replacement of the domestic water piping. Our estimate is based on an allowance of \$4,600 per house.

Estimated Probable Cost \$345,000

- 18) According to Mr. Garcia, sanitary sewer backups occur frequently. It is possible that the underslab and the underground piping beyond the houses has cracked or has partially collapsed sections.

Further investigation is required. An allowance is provided for investigation with leak detection equipment and repairs/replacements.

Estimated Probable Cost (allowance) \$450,000

19) New bathroom plumbing fixtures and accessories will need to be installed. An allowance is provided.

Estimated Probable Cost (allowance) \$250,000

20) New electrical wiring and circuit breaker panels will need to be installed. An allowance is provided.

Estimated Probable Cost (allowance) \$200,000

21) The leasing office and related ancillary building areas will need an expansion and total renovation/remodeling. An allowance is provided.

Estimated Probable Cost (allowance) \$150,000

22) Amenities such as a swimming pool with cabana and toilet rooms, sports courts, walking and bicycle trails, are needed. An allowance is provided.

Estimated Probable Cost (allowance) \$160,000

23) Due to the extreme heat and sun intensity of the area, carports are strongly recommended. An allowance is provided.

Estimated Probable Cost (allowance) \$75,000

**Total Non-Critical Repair Costs** \$5,292,300

**Total Critical and Non-Critical Repair Costs** \$5,292,300

**The above costs do not include other expected and customary costs such as construction insurance, permits, overhead, general conditions, general requirements, 10% contingency (customary and required in rehab projects) and general contractor's fees. These costs would be in the range of \$1,200,000 to \$1,400,000.**

**The total cost assuming \$1,300,000 of other costs as per the above paragraph is estimated to be \$6,592,000.**

**TOTAL ESTIMATED PROBABLE COST** **\$6,592,000**

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## **VIII. CAPITAL RESERVE ANALYSIS**

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The Capital Reserve Analysis (CRA) table included in this Section is an analysis of the probable costs for normally anticipated replacement for the major components of the improvements during the term shown in the table. The expenditures in the CRA are considered to be capital expenses and do not include damage-related, maintenance or minor operating repair costs. Items that have an indeterminable remaining useful life but have reasonable potential for failure during the term of the CRA may be included. The analysis excludes the costs for replacement of components or systems estimated to expire after the term and costs that may be incurred due to accidents, fire and natural events such as floods, wind storms or seismic activity.

The expected useful life and remaining life values are based on published, historical performance data for comparable items with consideration for the present condition and reported service history. The actual performance of individual components may vary from a reasonably expected standard and will be affected by circumstances that occur after the date of the evaluation. The costs indicated for individual items are present value. Total costs are also provided with consideration of an inflation factor determined by the Client for future expenditures.

The amounts shown in the CRA are based on the assumption that all of the work recommended in Section VII of this Report will have been completed within a year of PCA's observation date. The first-year period of the term of the CRA is, therefore, considered to be the 12 months following the observation date. Other than the normally recurring capital expenses that have been scheduled or are expected, no costs are included in the first year of the term.

## **IX. SCOPE AND LIMITATIONS**

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### Procedures

PCA performed a walk-through survey of the subject property to make representative observations of the general condition of the various components of the improvements. The walk-through survey consisted of nonintrusive visual observations (unless otherwise noted) of readily accessible and easily visible components and systems. During our site visit, we did not gain access to or observe all areas, operate any specific equipment, inspect specific structural connections, perform any tests or measure the improvements. Representative observations (typical sampling) were made of repetitive systems, components and areas.

The representations regarding compliance with government laws, codes or regulations are based on normal inquiries with government agencies or departments having reasonably ascertainable information that is readily available.

### Limitations

The information and opinions contained in this Report are not based on a comprehensive engineering study or an exhaustive technical review. PCA did not remove any materials to inspect concealed materials or conditions. PCA's observations were limited to items and conditions that could be clearly seen from the ground or safely accessible surfaces and were made without the use of visual aids.

PCA's professional services and this Report represent our professional experience and judgement regarding the condition of the subject property and are not intended, and should not be construed, to warrant or guarantee the present or future performance of any building components or systems, or guarantee that the property will remain in its present condition.

The Report is not intended to be based on an exhaustive review of conditions and thus it is not guaranteed that all deficiencies are identified. Based on observations and professional opinion, along with data and comments received and the information of reports made available to us, we will represent property conditions and probable costs to correct the identified deficiencies.

The scope of services provided by PCA for the development of this Report does not include designing or preparing specifications for the systems, components, materials or procedures necessary for performing the repairs or modifications that may be recommended in this Report. PCA's probable repair costs are based on approximate quantities and costs, or furnished information that is presumed to be accurate. A detailed survey of quantities for developing the probable costs was not included in the scope of PCA's services. The probable costs stated to repair physical deficiencies or correct issues identified in this Report are average amounts that we consider to be probable for the marketplace. The stated probable costs do not constitute a

warranty or a representation that all items that may need repair or other attention are included. The actual cost of repairs may vary from the probable costs provided by PCA.

### Environmental Issues

This Report is not an Environmental Site Assessment Report and does not identify or confirm the presence or absence of asbestos-containing materials, polychlorinated biphenyls, lead-based paints, toxic soils, recognized environmental conditions or other environmental concerns that may exist on or affect the subject property.

### Intended Use

This Report is intended to be used in its entirety. No portion of it may be deleted or used out of context without the written consent of PCA. The opinions and information contained in this Report are time sensitive and may be relied upon for a period not to exceed six months. This Report was prepared for the limited use of consideration of a single financial transaction by the authorized users. The use of this Report for any other purpose is prohibited without the written consent of PCA.

### Proprietary Information

Field data, field notes and other data and documents assembled by PCA to produce this Report represent the work product of PCA's training, experience and professional skill. This information belongs to and remains the property of PCA.

### Documents

Documents and data provided by the Client, designated representatives of the Client, the Client's consultants or contractors, or other interested parties have been reviewed and may be referenced herein, with the understanding that PCA assumes no responsibility or liability for their accuracy or for the omission by any of the involved parties of any reports or other information that could affect the transaction.

## TERMINOLOGY

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### Condition

The following terms are used to describe the physical condition of materials, components and systems. A term applied to a component or system does not preclude the possibility that repair to a section, portion or part of that component or system may be needed.

- X **Good** - Considered to be in better than average condition and performing properly. Signs of deferred maintenance and normal weathering or wear may be apparent.
- X **Satisfactory** - Considered to be in suitable, average condition and performing adequately. Signs of deferred maintenance and weathering or wear may be apparent.
- X **Fair** - Considered to be in average or worse-than-average condition and performing marginally. Signs of deferred maintenance, excessive weathering or wear may be apparent. Characteristics may indicate that the item is nearing the end of its useful life. The item may exhibit signs of repairs that are considered not to meet commonly accepted applicable standards. Repair or partial replacement is considered to be necessary to prevent further deterioration or to restore proper function.
- X **Poor** - Considered to be in inferior or worse-than-average condition and to either have failed or be unreliable. May exhibit damage, breakage or excessive wear and deterioration. Replacement or major repair is needed.

### Expected Useful Life and Remaining Useful Life

The following terms are used to indicate PCA's opinion of the amount of time that a material, component or system will perform its intended function. The time values are based on published historical information, records pertaining to maintenance of the property and PCA's judgement.

- X **Expected Useful Life (EUL)** - The expected number of years that a new material, component or system will perform with normal maintenance, including the preventive type. This value is considered to be an average of the periods of normal service provided by most installations of the same or a similar material, component or system. Factors such as severe service demands and environmental conditions are considered by PCA.
- X **Remaining Useful Life (RUL)** - The expected number of years that an existing material, component or system will satisfactorily perform with normal maintenance, including the preventive type. This value is usually the difference between the age of a material, component or system and its EUL. Unusually good initial quality or exceptional maintenance can result in a longer-than-normal RUL. Environmental conditions, the initial quality of the item and workmanship, the amount and quality of preventive maintenance, the extent of use and the present physical condition will factor into PCA's judgment of RUL.

### Deferred Maintenance

- **Deferred Maintenance** - This refers to repairs or replacements that should have been performed before the property was observed by PCA. Generally, this term is applied to physical deficiencies that cannot be remedied by routine or normal operating maintenance procedures, but rather require specialized equipment, specially trained personnel or large quantities of materials or workers to perform the remedy. *De minimis* conditions, those that do not represent a physical deficiency or material threat to the property, are excluded.

### Probable Repairs Terminology

- **Critical Repairs** – These are items, which, due to life safety hazards, loss of critical function, or non-compliance with an applicable code, should be corrected immediately.
- **Non-Critical Repairs** – These are items that are in serviceable condition, but deteriorated or are damaged. Repair or replacement within one year is recommended.

Component	Expected Useful Life (Yrs)	Actual Age	Remaining Useful Life (Yrs)	Quantity	Unit	Unit Cost	Total Replacement Cost	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
<b>SITE</b>															
Pavement - resurface	20	0	20	300,000	sf	\$0.60	\$180,000								
Pavement - sealcoat & restripe	5	0	5	300,000	sf	\$0.15	\$45,000					\$45,000			
							\$0								
<b>BUILDING EXTERIOR</b>															
Siding & Trim - paint	8	0	8	75	apt	\$400.00	\$30,000								\$30,000
Shingle Roof	35	0	35	110,300	sf	\$3.20	\$352,960								
							\$0								
							\$0								
<b>BUILDING INTERIOR</b>															
Carpet (NONE)							\$0								
Ceramic Floor Covering	20	0	20	86,538	sf	\$3.00	\$259,614								
Refrigerators	20	0	20	75	ea	\$800.00	\$60,000								
Ranges	30	0	30	75	ea	\$500.00	\$37,500								
Dishwashers (NONE)							\$0								
Laundry Washer (NONE)							\$0								
Laundry Dryer (NONE)							\$0								
<b>MECHANICAL, ELECTRICAL, PLUMBING</b>															
Air Conditioning - condensers	20	0	20	75	ea	\$3,500.00	\$262,500								
Air Conditioning - furnace/coil	30	0	30	75	ea	\$2,000.00	\$150,000								
Water Heaters	15	0	15	75	ea	\$1,200.00	\$90,000						\$6,300	\$6,300	\$6,300
							\$0								
Totals - Uninflated								\$0	\$0	\$0	\$0	\$45,000	\$6,300	\$6,300	\$36,300
Inflation Rate = 3.0 %								100.00%	103.00%	106.09%	109.27%	112.55%	115.93%	119.41%	122.99%
Totals- Inflated								\$0	\$0	\$0	\$0	\$50,648	\$7,303	\$7,523	\$44,644

Year Constructed:	1982
Age (Years):	25
No. of Apartments:	75

- NOTES:**
- 1) The annual inflation rate is likely to differ from the assumed inflation factor indicated above.
  - 2) Repair costs indicated in Section VII of our Report are not included in the CRA Total.
  - 3) Remaining Useful Life is based on age, considering maintenance, weather exposure, use and wear.
  - 4) When the Actual Age column is 0, it means the component is to be replaced now as per Section VII of the Report.

**CAPITAL RESERVE ANALYSIS**



Component	Expeded Useful Life (Yrs)	Actual Age	Remaining Useful Life (Yrs)	Quantity	Unit	Unit Cost	Total Replacement Cost	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Total
<b>SITE</b>															
Pavement - resurface	20	0	20	300,000	sf	\$0.60	\$180,000								\$0
Pavement - sealcoat & restripe	5	0	5	300,000	sf	\$0.15	\$45,000		\$45,000					\$45,000	\$135,000
							\$0								
<b>BUILDING EXTERIOR</b>															
Siding & Trim - paint	8	0	8	75	apt	\$400.00	\$30,000								\$30,000
Shingle Roof	35	0	35	110,300	sf	\$3.20	\$352,960								\$0
							\$0								\$0
<b>BUILDING INTERIOR</b>															
Carpet (NONE)							\$0								\$0
Ceramic Floor Covering	20	0	20	86,538	sf	\$3.00	\$259,614								\$0
Refrigerators	20	0	20	75	ea	\$800.00	\$60,000								\$0
Ranges	30	0	30	75	ea	\$500.00	\$37,500								\$0
Dishwashers (NONE)							\$0								\$0
Laundry Washer (NONE)							\$0								\$0
Laundry Dryer (NONE)							\$0								\$0
<b>MECHANICAL, ELECTRICAL, PLUMBING</b>															
Air Conditioning - condensers	20	0	20	75	ea	\$3,500.00	\$262,500		\$13,125	\$13,125	\$13,125	\$13,125	\$13,125	\$13,125	\$78,750
Air Conditioning - furnace/coil	30	0	30	75	ea	\$2,000.00	\$150,000				\$4,500	\$4,500	\$4,500	\$4,500	\$18,000
Water Heaters	15	0	15	75	ea	\$1,200.00	\$90,000	\$6,300	\$6,300	\$6,300	\$6,300	\$6,300	\$6,300	\$6,300	\$63,000
							\$0								\$0
Totals - Uninflated								\$6,300	\$64,425	\$19,425	\$23,925	\$23,925	\$23,925	\$68,925	\$324,750
Inflation Rate = 3.0 %								122.99%	130.48%	134.39%	138.42%	142.58%	146.85%	151.26%	
Totals- Inflated								\$7,748	\$84,060	\$26,106	\$33,118	\$34,111	\$35,135	\$104,255	\$434,651

Year Constructed:	1982
Age (Years):	25
No. of Apartments:	75

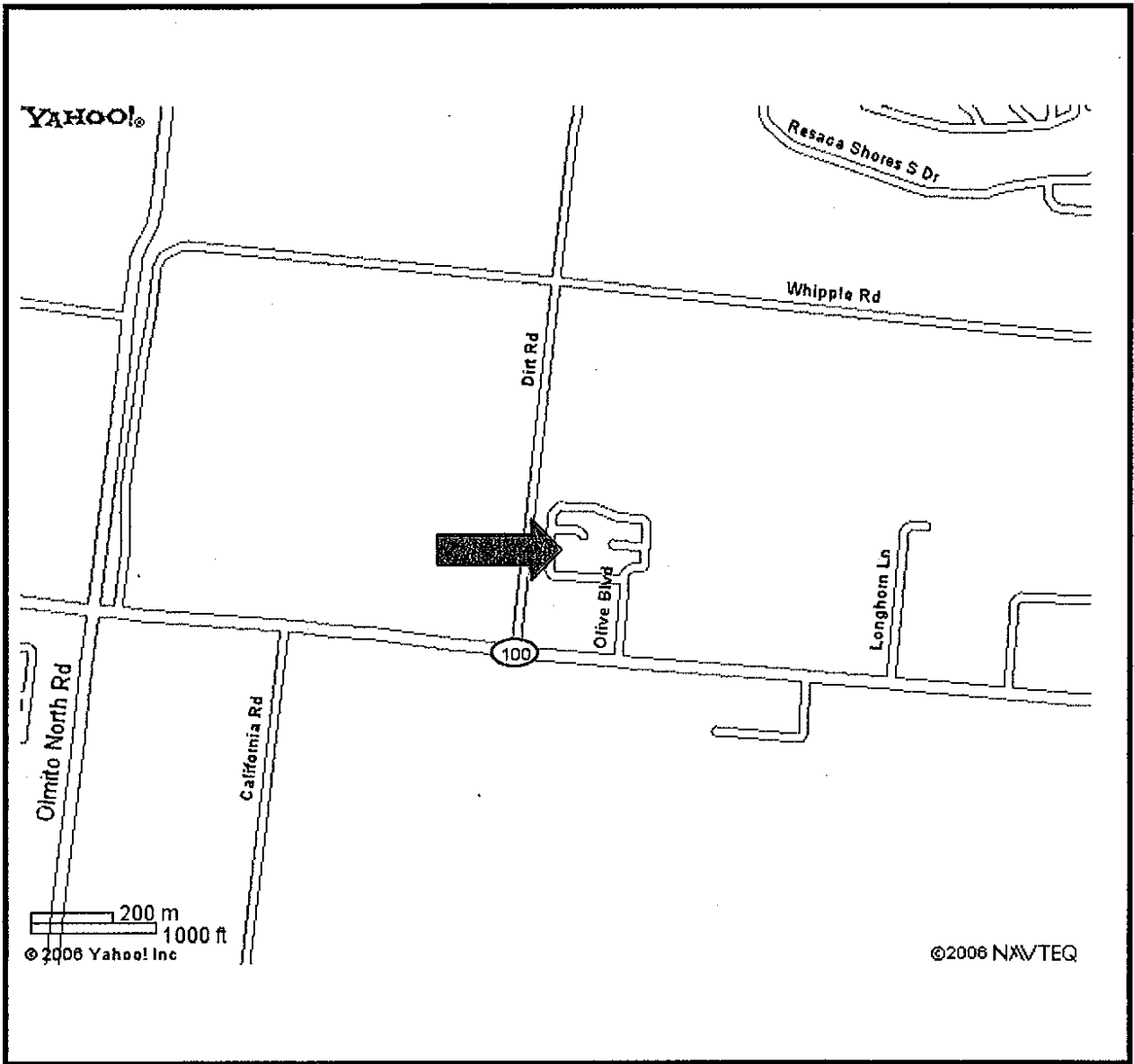
Average Annually (Uninflated)	\$21,650.00
Average Per Apt./Yr (Uninflated)	\$286.67

Average Annually (Inflated)	\$28,976.74
Average Per Apt./Yr (Inflated)	\$386.36

**NOTES:**

- 1) The annual inflation rate is likely to differ from the assumed inflation factor indicated above.
- 2) Repair costs indicated in Section VII of our Report are not included in the CRA Total.
- 3) Remaining Useful Life is based on age, considering maintenance, weather exposure, use and wear.
- 4) When the Actual Age column is 0, it means the component is to be replaced now as per Section VII of the f

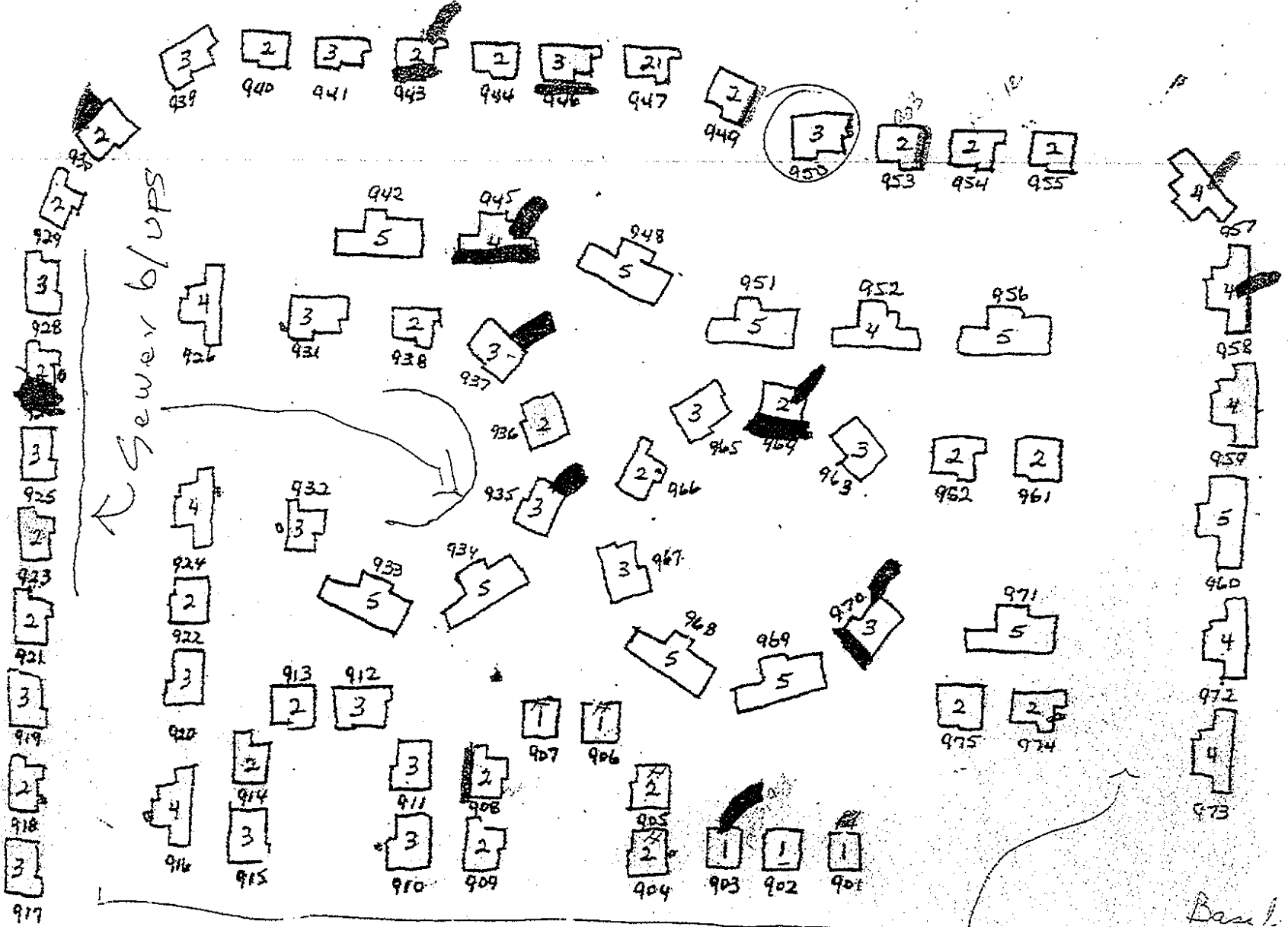
**CAPITAL RESERVE ANALYSIS**



## SITE LOCATION MAP

Las Palmas Apartment Homes  
Comm. No. 2007-0468-01

1005116  
105



sewer blups

Playground

Headstart

Basin

Wing

Blind

**COMMERCIAL PROPERTY INFORMATION QUESTIONNAIRE**

PROPERTY NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

CITY: \_\_\_\_\_ STATE: \_\_\_\_\_ ZIP CODE: \_\_\_\_\_

TELEPHONE: (\_\_\_\_) \_\_\_\_\_ FAX: (\_\_\_\_) \_\_\_\_\_

TOTAL: Tenants \_\_\_\_\_ Parking Spaces \_\_\_\_\_ Site \_\_\_\_\_ (acres)

Year Built \_\_\_\_\_ Net Rentable Area \_\_\_\_\_ (sf) Gross Area \_\_\_\_\_ (sf)

**A. GENERAL INFORMATION**

**1. Management**

Management Company: \_\_\_\_\_

Manager's Name: \_\_\_\_\_ Years at Site: \_\_\_\_\_

**2. Maintenance**

**Maintenance**

Staff: Chief Building Engineer \_\_\_\_\_ Years at Site: \_\_\_\_\_

Other \_\_\_\_\_

**3. Net Rentable Area: Occupied \_\_\_\_\_ Vacant \_\_\_\_\_**

**4. Parking** No. of Surface Parking Spaces \_\_\_\_\_ No. of Garage Spaces \_\_\_\_\_

No. of Handicapped Spaces \_\_\_\_\_ Area of Garage \_\_\_\_\_ Levels \_\_\_\_\_

**5. Utilities** *Please note the providers of the following services:*

Electricity: \_\_\_\_\_

Telephone: \_\_\_\_\_

Natural Gas: \_\_\_\_\_

Water: \_\_\_\_\_

Sanitary Sewer: \_\_\_\_\_

Waste Collection: \_\_\_\_\_

**COMMERCIAL PROPERTY INFORMATION QUESTIONNAIRE**

**PROPERTY NAME:** \_\_\_\_\_

**B. COMPLIANCE WITH GOVERNMENT REGULATIONS**

The property is within the corporate limits of the City of \_\_\_\_\_  
If the property is within the city's limits, do you have a Certificate of Occupancy on file? \_\_\_\_\_  
If not, have you applied for one? \_\_\_\_\_ Has the City inspected the property? \_\_\_\_\_  
When Last? \_\_\_\_\_ Does your property have a plan for complying with the American with  
Disabilities Act? \_\_\_\_\_  
When was the most recent Fire Department inspection? \_\_\_\_\_  
Are the electrical transformers owned by the property? \_\_\_\_\_

**C. PROPERTY MAINTENANCE/CONDITION**

1. PAVEMENT – Have any repairs been made during the past three years? \_\_\_\_\_  
If yes, how many square feet? \_\_\_\_\_ Cost? \_\_\_\_\_  
If asphalt; when sealcoated last? \_\_\_\_\_ When restriped last? \_\_\_\_\_
2. IRRIGATION SYSTEM – If existing, do all circuits work properly? \_\_\_\_\_
3. STRUCTURAL SYSTEMS – Are you aware of any problems with the foundation, floor slabs  
or the structural framing system(s)? \_\_\_\_\_ If yes, what is the concern and  
where \_\_\_\_\_
4. DRAINAGE – Are you aware of any site drainage problems? \_\_\_\_\_ If yes, where  
\_\_\_\_\_
5. EXTERIOR WALLS – Are you aware of any cracks? \_\_\_\_\_ Any defective wall sealant? \_\_\_\_\_  
Does exterior wall leak? \_\_\_\_\_ If yes, where? \_\_\_\_\_  
Have exterior wall joints been recaulked? \_\_\_\_\_ If yes, where and when?  
\_\_\_\_\_
6. EXTERIOR PAINTING – Year last painted \_\_\_\_\_ Cost? \_\_\_\_\_
7. CURTAIN AND WINDOW WALLS – Do any areas leak? \_\_\_\_\_ If yes, where? \_\_\_\_\_  
\_\_\_\_\_  
Any recent repairs? \_\_\_\_\_ Their nature and when? \_\_\_\_\_  
Have the curtain or window walls been resealed? \_\_\_\_\_ When? \_\_\_\_\_ Wet Sealed? \_\_\_\_\_
8. ROOFS – When were the roofs replaced? \_\_\_\_\_ Do any of the roofs leak? \_\_\_\_\_  
If yes, where? \_\_\_\_\_ Have any areas of the roof systems been replaced? \_\_\_\_\_ If yes, when and  
what areas \_\_\_\_\_  
Cost? \_\_\_\_\_ Do you have any pending bids for roof replacement or repairs? \_\_\_\_\_  
Cost? \_\_\_\_\_ (Please provide a copy of the bid(s).)
9. DOMESTIC WATER BOILERS/WATER HEATERS – How many boilers or water heaters  
have been replaced? \_\_\_\_\_ When? \_\_\_\_\_ Do any of the boilers need replacement? \_\_\_\_\_

**COMMERCIAL PROPERTY INFORMATION QUESTIONNAIRE**

**PROPERTY NAME:** \_\_\_\_\_

10. HVAC SYSTEMS – Have any of the major components (EX: Rooftop Package Units, Condensing Units, Chillers, Cooling Tower, Air-Handling Units, Hydronic Boiler) been replaced?\_\_\_ If yes, please note the replacement performed in the following table:

ITEM	DATE	QTY	SIZE (TONS)	COST

Any major overhauls/repairs performed?\_\_\_\_\_ When?\_\_\_\_\_ Please explain \_\_\_\_\_

Have any of the original compressors been replaced?\_\_\_\_\_ If liquid chillers exist, have Eddy-Current tests been performed \_\_\_\_\_ when?\_\_\_\_\_ Any problems noted? \_\_\_\_\_

Does the building have an Energy Management System?\_\_\_\_\_ Date installed? \_\_\_\_\_

11. ELECTRICAL – Are you aware of any electrical problems on the property? \_\_\_\_\_

Have you had an Infrared Thermal Scan performed on the electrical system? \_\_\_\_\_ If yes, when? \_\_\_\_\_ Any problems found? \_\_\_\_\_

12. CARPET – Date carpet in the corridors and common-use areas was last replaced? \_\_\_\_\_

13. Please note any other major repairs/replacements/renovations, including equipment replacements or major repairs that have been performed during the past five (5) years. Please state quantities and costs if known.

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

14. Please note any problems concerning the physical condition of the property or operation of the mechanical and electrical equipment not noted in items 1 through 14 above and what plans management has to correct them.

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Please provide us with copies of the following:

- Certificates of Occupancy/Compliance from the City.
- Boiler Permits.
- Elevator/Escalator Permits
- Fire Safety Equipment, including inspection and testing dates for sprinkler system (if any), fire alarm, firehose protection and fire extinguishers.

**COMMERCIAL PROPERTY INFORMATION QUESTIONNAIRE**

**PROPERTY NAME:** \_\_\_\_\_

- Rent Roll. We only need the tenant name, Suite No., and area occupied (including vacant spaces).
- Capital improvements budget for the current year, and future years if available. A listing of any other planned improvements.

Please indicate maintenance service providers or major contractors such as:

- Elevators \_\_\_\_\_
- HVAC Systems \_\_\_\_\_
- Cooling-Tower Water Treatment \_\_\_\_\_ Frequency \_\_\_\_\_
- Electrical \_\_\_\_\_
- Plumbing \_\_\_\_\_
- Sprinkler System \_\_\_\_\_
- Fire Alarm \_\_\_\_\_

Completed By: \_\_\_\_\_ Date: \_\_\_\_\_

(Print Name): \_\_\_\_\_ Title \_\_\_\_\_

Company \_\_\_\_\_

When completed, please fax or deliver this questionnaire to:

Property Condition Assessment Consultants, Inc.  
340 North Sam Houston Parkway, Suite 200  
Houston, TX 77060

PHONE: (281) 591-6600  
FAX: (281) 591-6686

**Flood Insights test results for :**  
*Appraisal File Number : 07-0468-01*  
**213 ORIVE DR, LOS FRESNOS, TX 78566**  
*Geocoding Accuracy: S5 - Matched to Street Address (Best)*

**Flood Zone Determinations**

*Test Description*

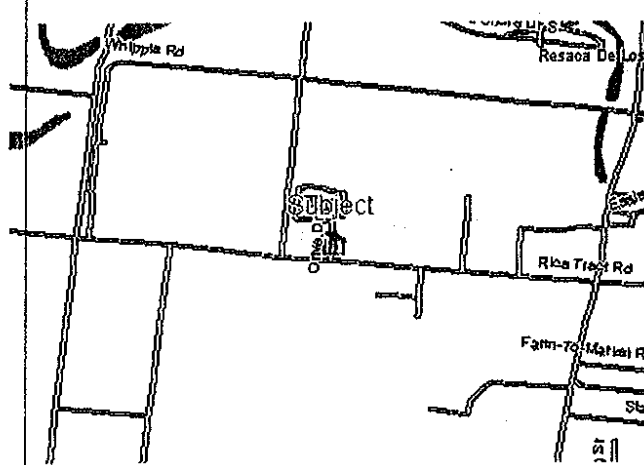
**SFHA (Flood Zone) Within 250 feet of multiple flood zones?**

Out No

Community	Community Name	Zone	Panel	Panel Date	Cobra
480101	UNINCORPORATED AREA	B	0275C	March 18, 1991	OUT

FIPS Code	Census Tract
48061	0124.01

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**FloodMap Legend**

**Flood Zones**

- Areas inundated by 500-year flooding
- Areas outside of the 100- and 600-year floodplains
- Areas inundated by 100-year flooding
- Areas inundated by 100-year flooding with velocity hazard
- Floodway areas
- Floodway areas with velocity hazard
- Areas of undetermined but possible flood hazards
- Areas not mapped on any published FIRM

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**RiskMeter.com**  
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## **Louis A. Marichal, AIA, NCARB**

Registered Architect/President

### **Education**

- Bachelor of Architecture
- The University of Miami, Coral Gables, Florida, 1968

### **Registration, Certification and Memberships**

- Registered Architect, State of Texas Registration No. 4614
- American Institute of Architects (AIA)
- Texas Society of Architects (TSA)
- National Certification by the National Council of Architectural Registration Boards (NCARB)
- Certified by HUD for MAP Loan Programs
- Chairman of the Architectural Control Committee for Huntwick Forest Subdivision

### **Continuing Education**

- Numerous continuing education seminars covering architectural/engineering and construction-related issues, and various Building Code Seminars (ICBO and SBCCI)
- The Role of Environmental Audits and Site Assessments in Property Transfers
- Asbestos and Lead Hazard Control
- Inspecting Buildings for Asbestos-Containing Materials

### **Experience**

Co-founder and President of *PCA Consultants*, an Architectural/Engineering and Environmental Consulting firm serving the Real Estate Industry. Mr. Marichal is responsible for technical and business oversight of the company as well as the performance of consulting services. Prior to *PCA*, Mr. Marichal established the Houston regional office for a national architectural/engineering consulting firm (Eckland Consultants). He managed the regional office and provided consulting services for almost 11 years, where he was also Executive Vice President of the corporation. Previously, Mr. Marichal was a principal of his own firm, providing design/build services, development and construction management.

Besides management, during the last 25 years, Mr. Marichal has been involved in the observation and preparation of Property Condition and Environmental Assessments of commercial properties, as well as document reviews, cost evaluations and construction monitoring for lenders, investors and real estate developers.

## **Robert D. Thompson, AIA**

Registered Architect/Executive Vice President

### **Education**

- Bachelor of Architecture
- The University of Kentucky, 1982

### **Registration, Certification and Memberships**

- Registered Architect, State of Texas Registration No. 13013
- American Institute of Architects (AIA)
- Texas Society of Architects (TSA)
- Certified by HUD for MAP Loan Programs

### **Continuing Education**

- Numerous continuing education seminars covering architectural/engineering and construction-related issues, and various Building Code Seminars (ICBO and SBCCI)
- The Role of Environmental Audits and Site Assessments in Property Transfers
- Asbestos and Lead Hazard Control
- Inspecting Buildings for Asbestos-Containing Materials

### **Experience**

Co-founder and Executive Vice President of *PCA Consultants*, an Architectural/Engineering and Environmental Consulting firm serving the Real Estate Industry. Mr. Thompson is responsible for technical and business oversight of the company as well as the performance of consulting services.

Prior to *PCA*, Mr. Thompson was Assistant Regional Manager of the Houston Regional Office for a national architectural/engineering consulting firm (Eckland Consultants). He co-managed the regional office services for over nine years. During the last ten years, Mr. Thompson has been involved in the preparation of Property Condition and Environmental Assessments of commercial properties, as well as document reviews, cost evaluations and construction monitoring. He is also experienced in performing ADA Compliance Surveys, feasibility studies for corporate clients, and roof and pavement condition surveys.

Previously, Mr. Thompson was involved as a Project Architect with a prominent Houston architectural firm, involved in project management, design, contract documents and construction administration for commercial, industrial, and multifamily projects.

## **Kristin A. Tate**

Project Consultant

### **Education**

- Bachelor of Architecture
- The University of Houston, 2004

### **Registration, Certification and Memberships**

- American Institute of Architects (AIA)
- Texas Society of Architects (TSA)

### **Continuing Education**

- Numerous continuing education seminars covering architectural/engineering and construction-related issues, and various Building Code Seminars (ICBO and SBCCI)
- The Role of Environmental Audits and Site Assessments in Property Transfers
- Asbestos and Lead Hazard Control
- Inspecting Buildings for Asbestos-Containing Materials
- Inter-Office and on-the field training for PCA and ESA Observations and Report writing.

### **Experience**

Project Consultant for *PCA Consultants*, an Architectural/Engineering and Environmental Consulting firm serving the Real Estate Industry. Ms. Tate is responsible for Property Condition and Environmental Assessments of commercial properties, as well as document reviews, cost evaluations and construction monitoring. She is also experienced in performing ADA Compliance Surveys, feasibility studies for corporate clients, and roof and pavement condition surveys.

Prior to *PCA*, Ms. Tate was an intern to Architect Ken Anderson as well as the Field Inspector for new home building in The Woodlands, Texas. She was responsible for overseeing lot ribboning and clearing, cleanliness of developing neighborhoods, and the final inspection of new homes for violations of The Woodlands deed restrictions.

Previously, Ms. Tate was attending the University of Houston, College of Architecture while working part time. Some of her part time employment consists of a model builder for Brave Architects and a data entry clerk and draftsman for Oceaneering.



1. View of the entrance drive from Highway 100.



2. View of the leasing office.



3. View of the front of one of the houses.



4. Another view.



5. Another view.



6. Another view.



7. Another view.



8. Another view.



9. View of the uneven asphalt pavement. Note: The asphalt surface is gray due to degradation by ultraviolet light.

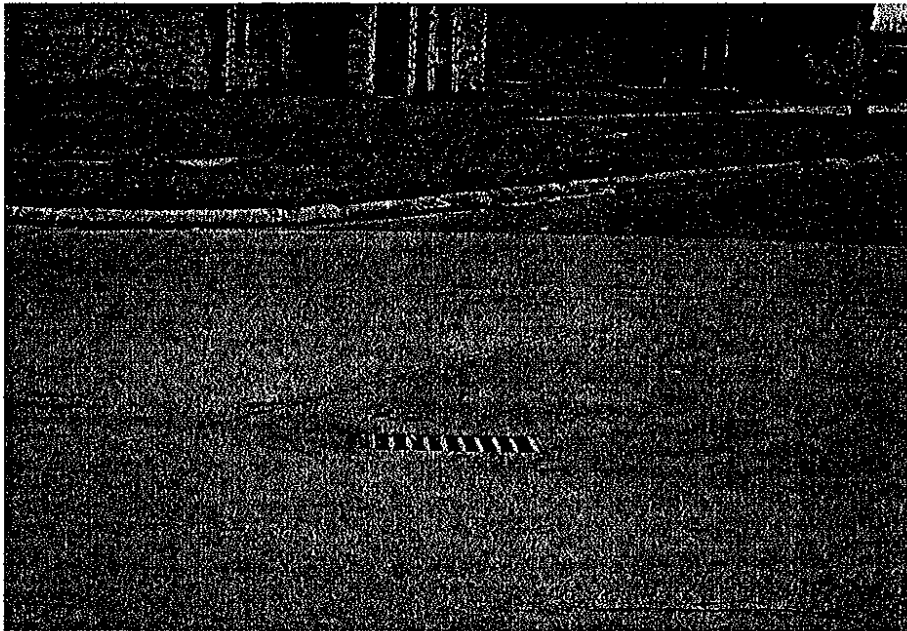


10. View of a typical curb inlet. Note: The concrete has cracked and the rebar is now visible.





11. Another view.



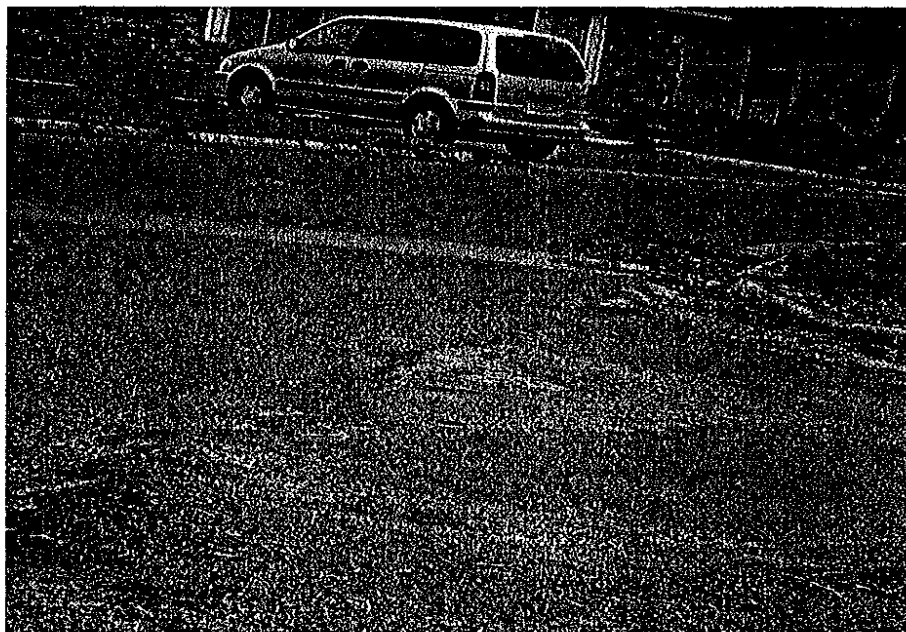
12. View of one of the typical drain inlets.



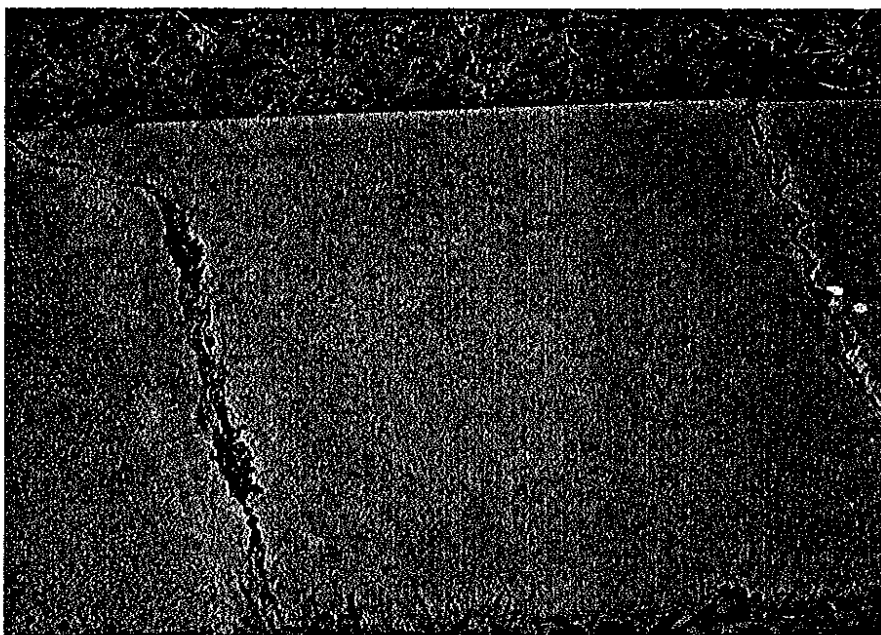
13. View of the raveled and extensively cracked asphalt pavement.



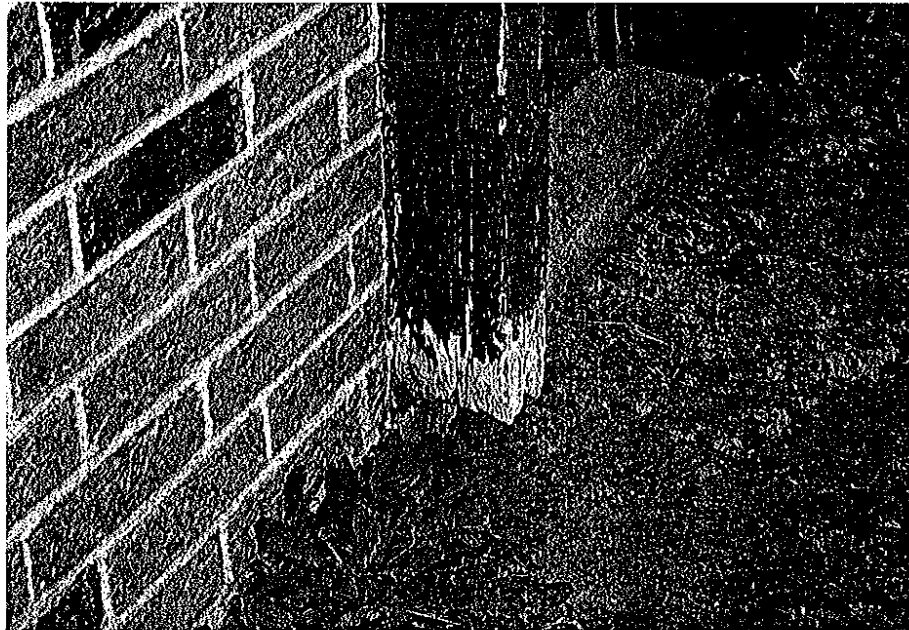
14. Another view.



15. Another view.



16. View of the cracks in the sidewalks.



17. View of the rotted wood on most of the houses.



18. View of the soil erosion at most of the houses.



19. View of the concrete patios that have separated and settled.



20. View of the soil erosion and rotted wood siding and trim boards.



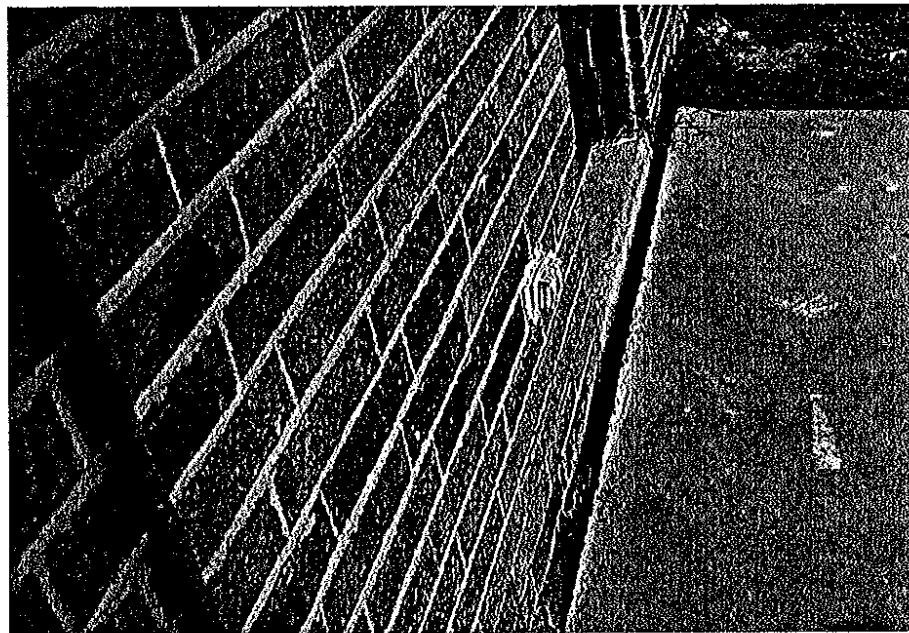
21. Another view.



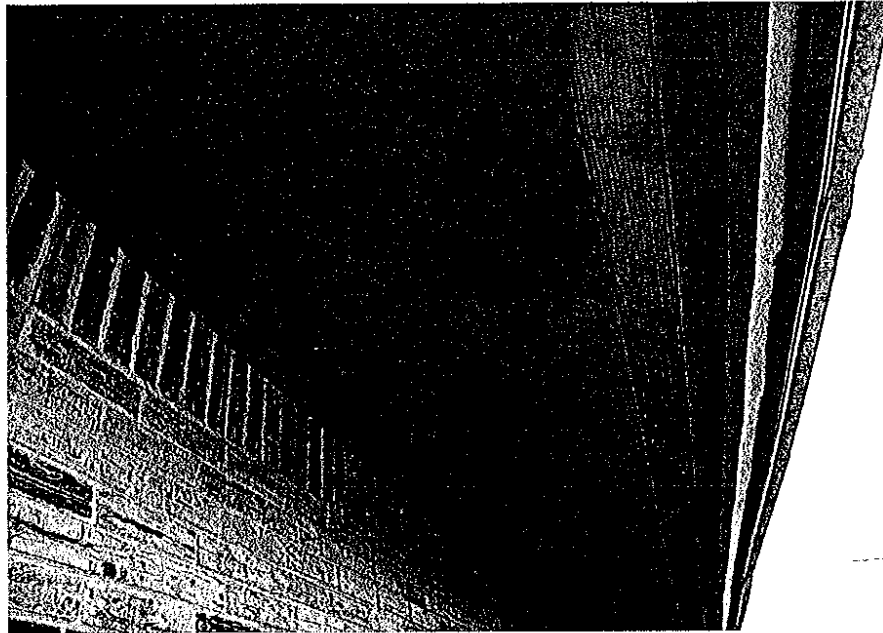
22. View of the soil erosion on the side of most of the houses.



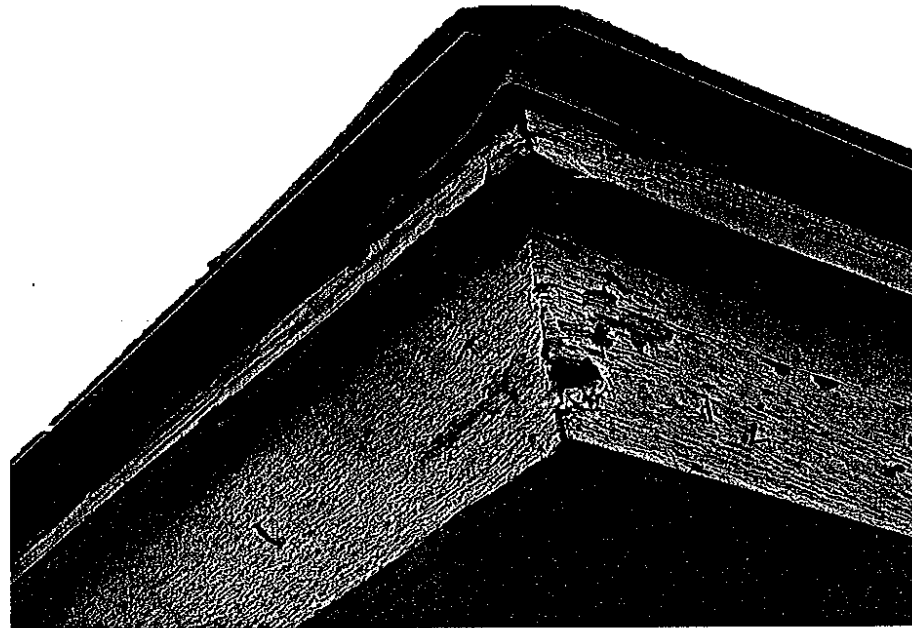
23. View of the rear of one of the houses.



24. View of the concrete patio that has separated and settled at one of the houses.



25. View of the soffit displaying the continuous vent.



26. View of the rotted wood on a fascia board at one of the houses.





27. Another view.



28. View of the front of one of the houses.



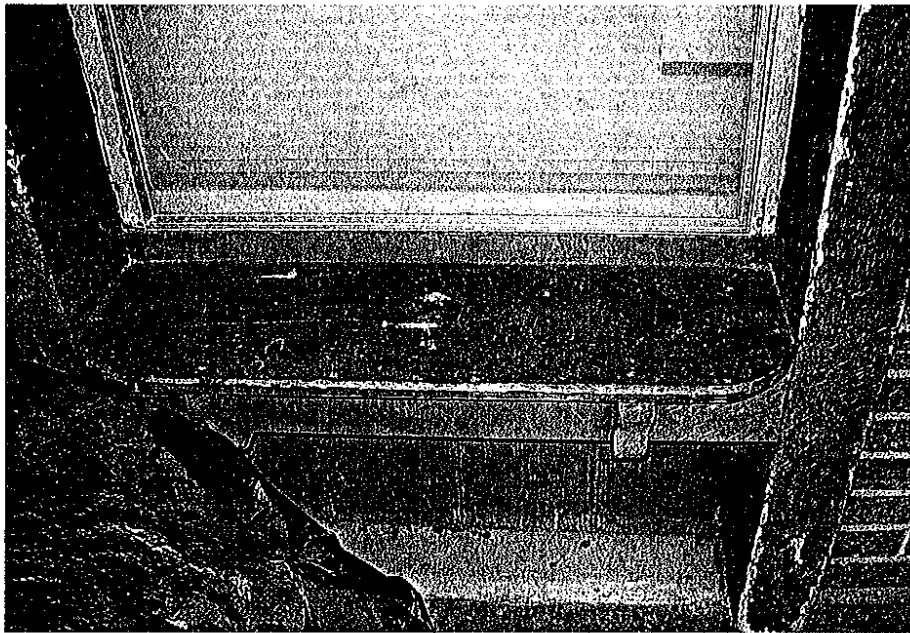
29. View of the roof. Note: The shingles are old and worn.



30. Another view.



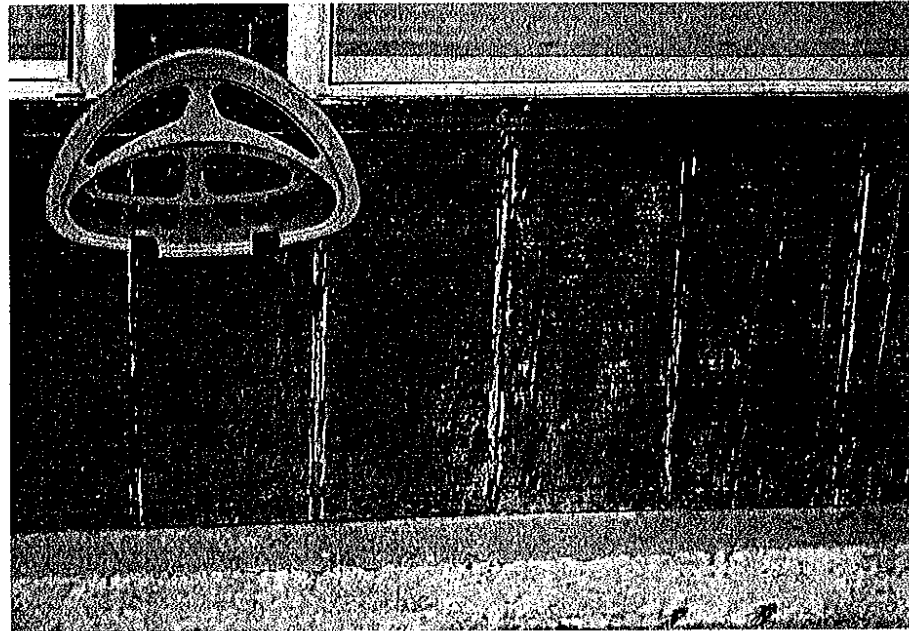
31. View of the chipped paint on a window shutter at one of the houses.



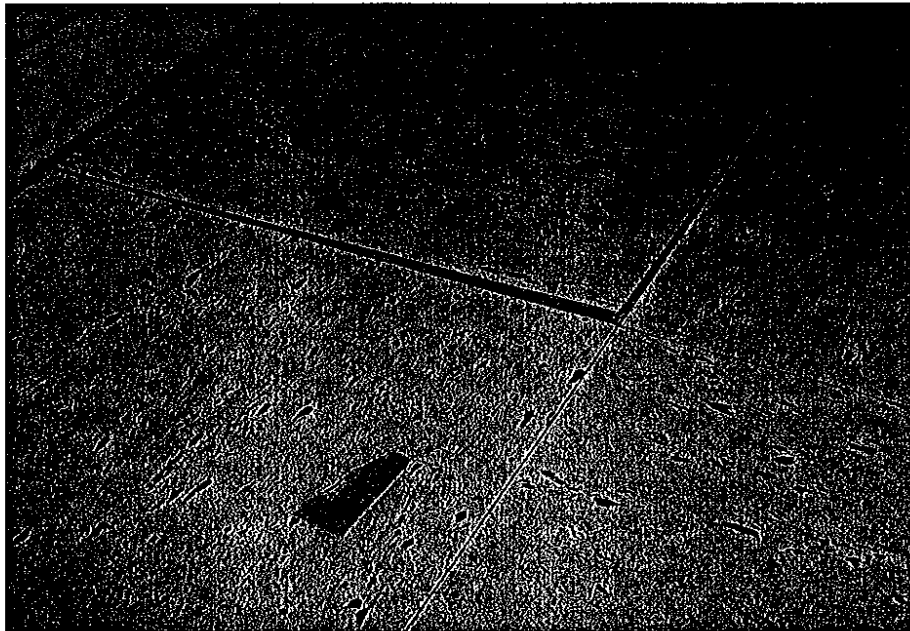
32. View of the chipped paint and damaged wood at the front of one of the houses.



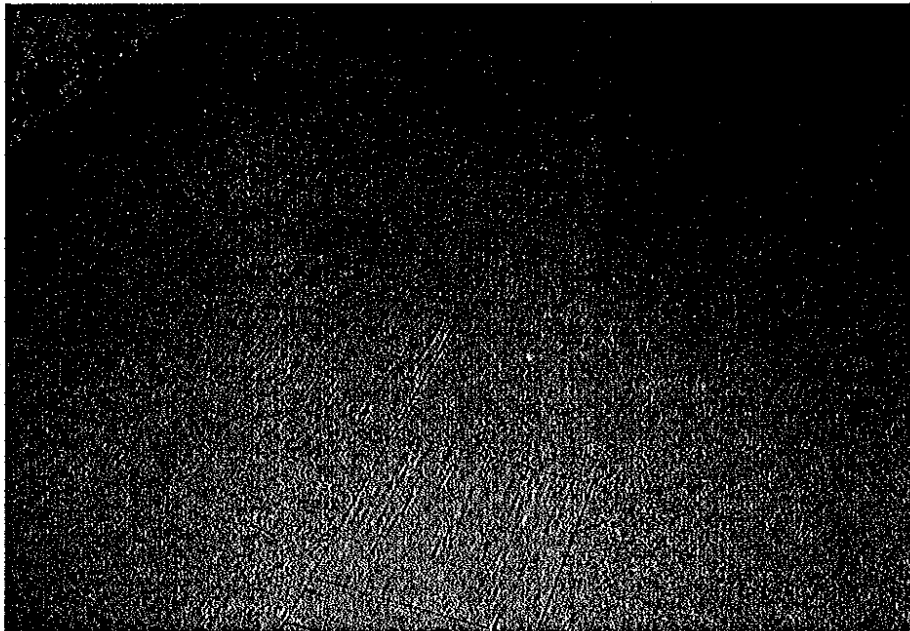
33. View of the rear side of one of the houses.



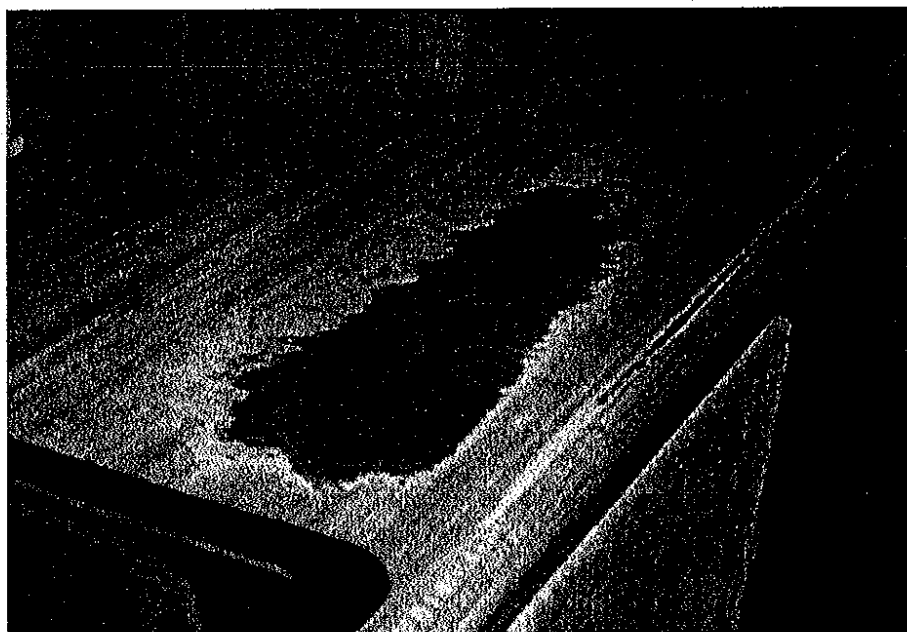
34. View of the faded and chipped paint on the siding at one of the houses.



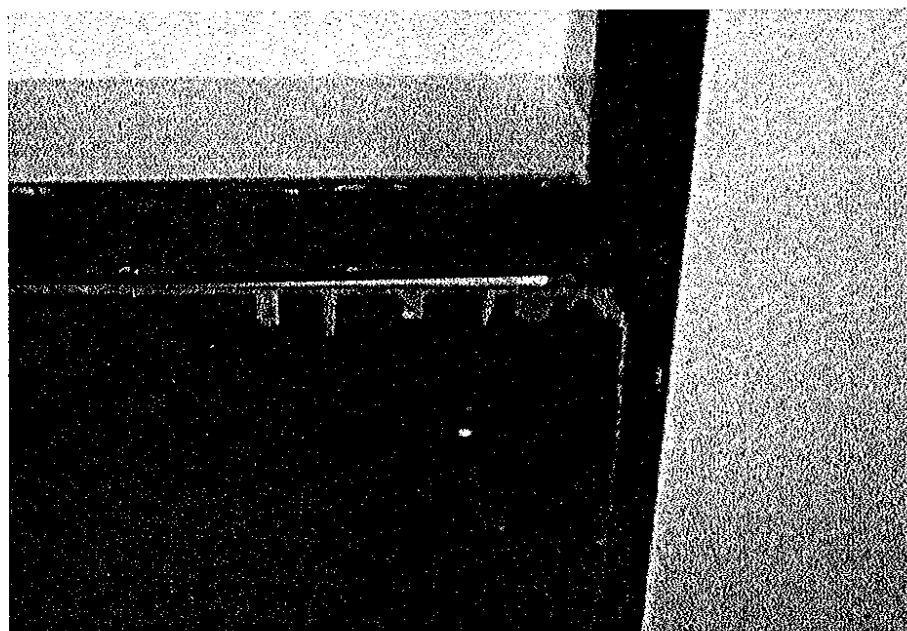
35. View of the vinyl tile that is displaced.



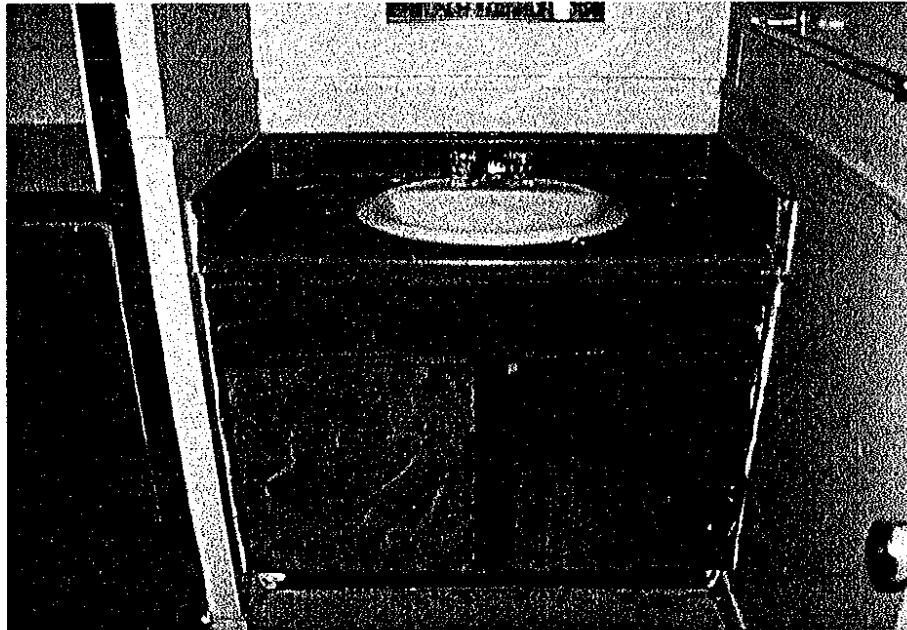
36. View of the different types and colors of vinyl tile in the houses.



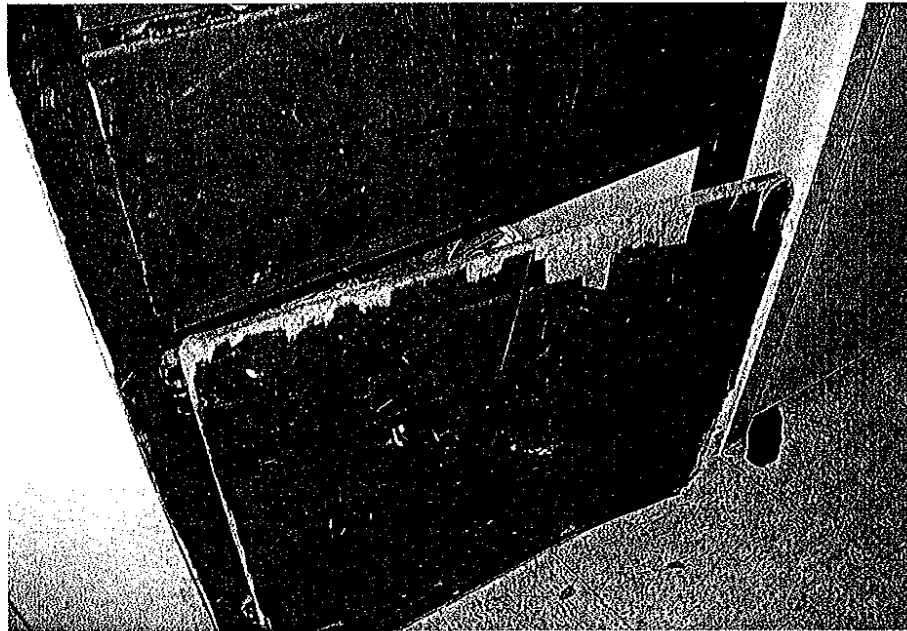
37. View of a damaged plastic laminate countertop.



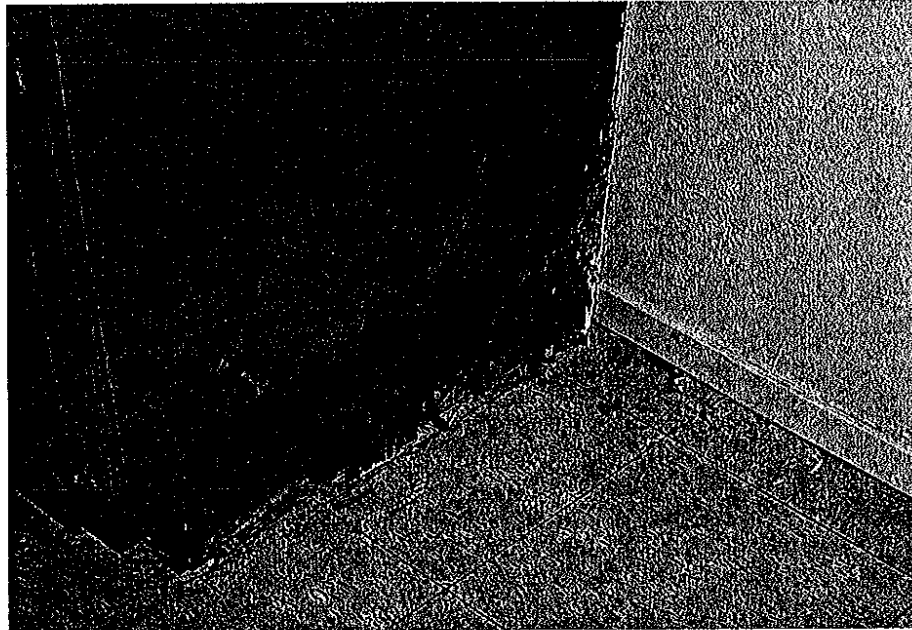
38. View of one of the damaged cabinets doors in the houses.



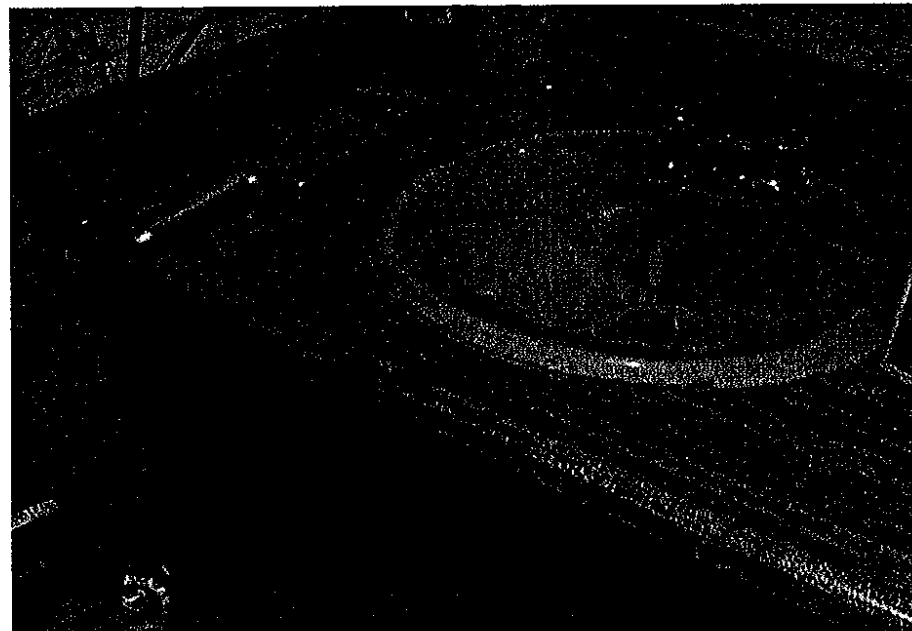
39. Another view.



40. Another view.

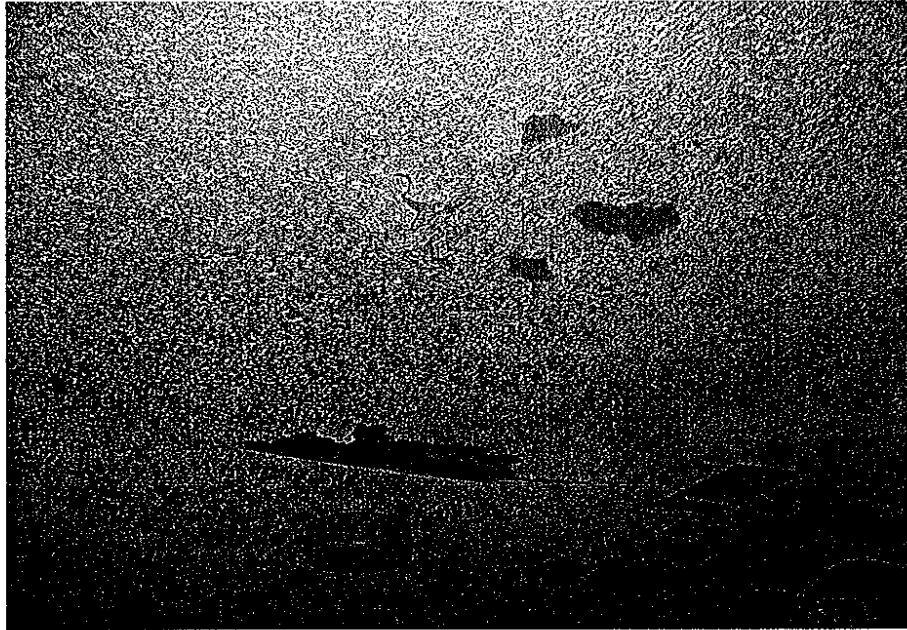


41. View of one of the molded and damaged cabinet bottoms.



42. View of a typical bathroom sink.





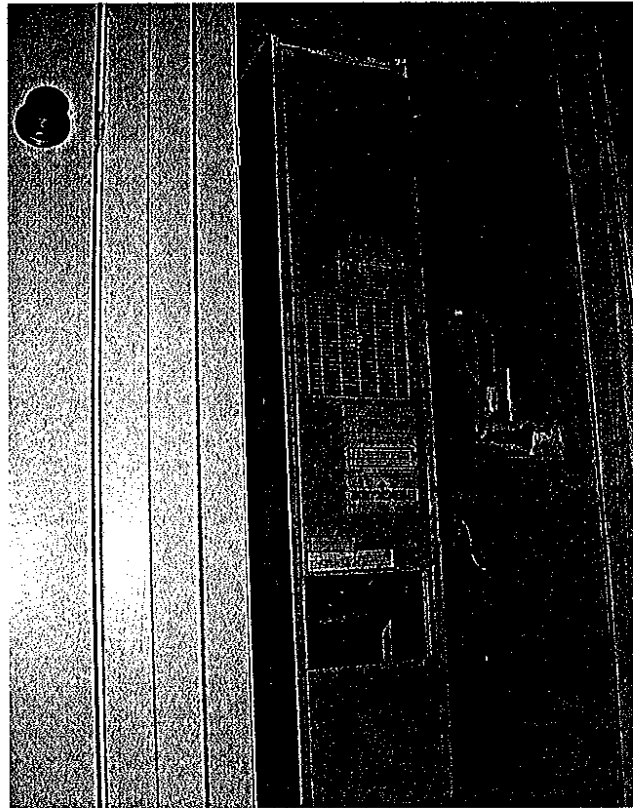
43. View of the paint that is falling off the ceiling from the humidity in the houses.



44. Another view.



45. View of a typical kitchen.



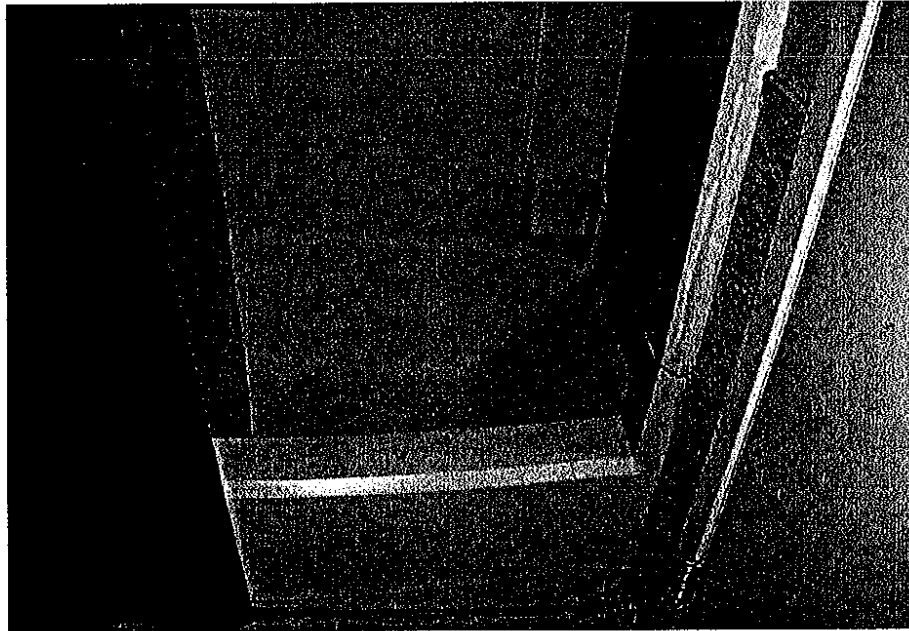
46. View of a typical air-handling unit.



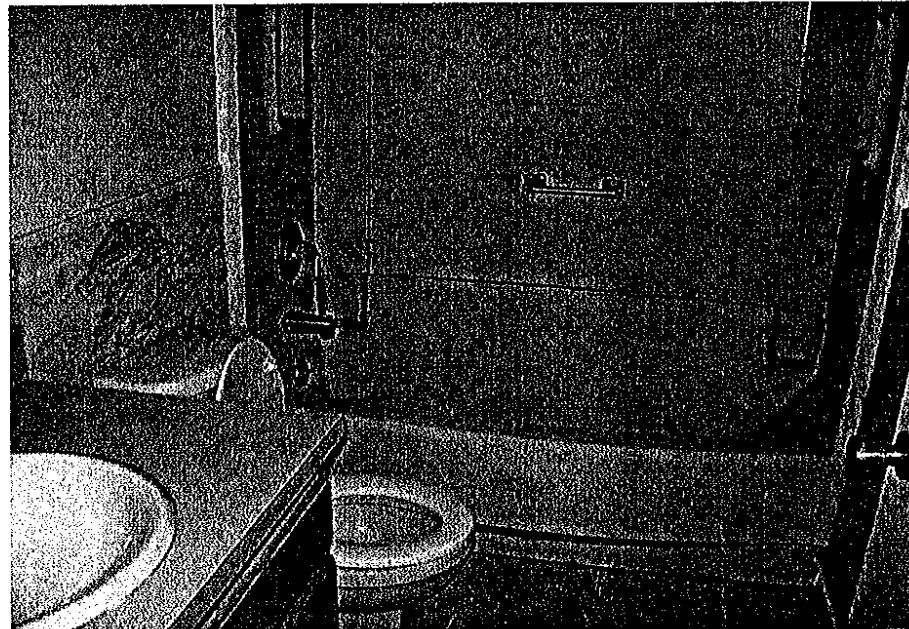
47. View of a typical bathroom.



48. Another view.



49. View of a typical bath tub.



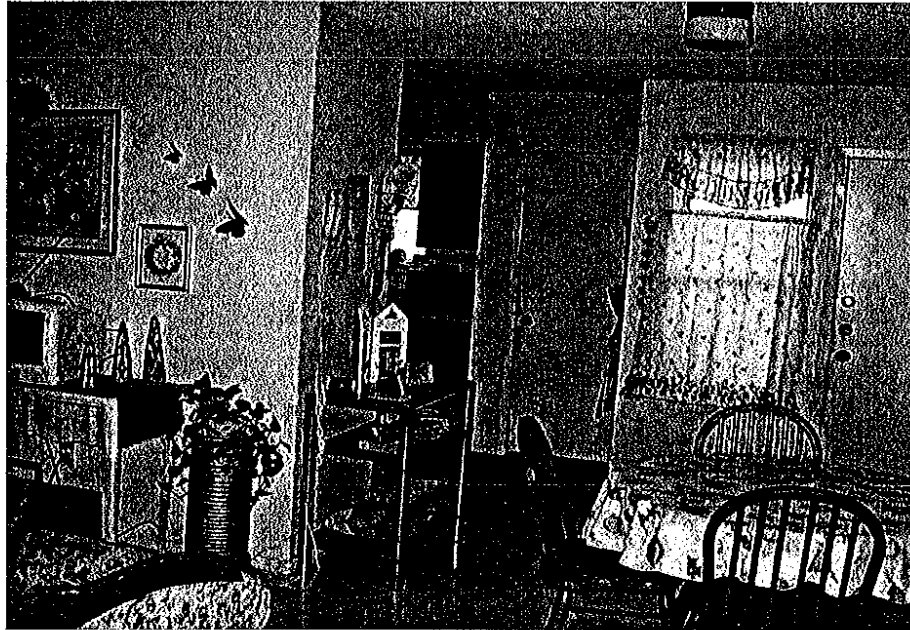
50. Another view.



51. View of a typical living room.



52. View of a typical gas-fired water heater.



53. View of a typical living area.



54. View of the side of one of the houses.

07228 Las Palmas Homes, Los Fresnos

Executive Director's Letter

July 18, 2007

Mr. Saleem Jafar  
Chicory Court VII, LLC.  
5420 LBJ Freeway, Ste. 1235  
Dallas, Texas 75240  
Telephone: (972) 701-5551  
Telecopier: (972) 701-5562

**Re: Executive Director Appeal for Las Palmas Homes, HTC #07228**

Dear Mr. Jafar:

**Appeal Review**

I have reviewed your appeal that was received on July 5, 2007 regarding the underwriting recommendation which was sent to you on June 27, 2007 and published on the web on the same day. The basis for your appeal is that staff should not have relied upon the property condition assessment (PCA) presented by you in the application, because it was not required and it was incomplete. Moreover, you have indicated that staff should have recognized that it was incomplete and issued a deficiency to allow the defects to be corrected.

In fact, staff issued numerous deficiencies for this application including one dated April 16, 2007 which requested, among other things, that the PCA and other third party reports be revised to reconcile the site acreage. You complied with this request on April 21 and submitted a reconciled PCA and a new electronic copy on CD labeled "Las Palmas Final PCA" The revised PCA was, like the original, signed by the Architect who prepared it and the Architect who reviewed it and specifically states that the report "...may be relied upon by Odyssey Residential Holdings, L.P. and the Texas Department of Housing and Community Affairs (TDHCA)." Page 3 of the original and revised report states "This Report has been prepared in accordance with the American Society for Testing and Materials (ASTM) Standard Requirements for the preparation of Property Condition Assessments, as per ASTM Designation E2018-01." This is the standard required to meet the Department's Real Estate Analysis rules (10 TAC§1.36(a)). The cover of the original and revised report indicates in bold that, "This Report meets all requirements of Appendix 5M of the



Mr. Saleem Jafar

July 18, 2007

Page 2

HUD Multifamily Accelerated Processing Map Grid 223F for refinancing or acquisition transactions.”

Staff has no reason to doubt these representations made in the original report and repeated in the revised report. Moreover the same representations are found without alteration or explanation in the report you provided with your appeal. After the underwriting report was completed you provided a copy of a letter dated June 29, 2007 from the Architect that prepared the PCA contradicting the statement in the PCA report regarding compliance with the HUD Appendix 5 M requirements. The letter states “Our estimated costs for recommended repairs in the draft of our Report would not result in a completed project that would satisfy HUD’s requirement for a 35 year remaining useful life for all components.” And yet the executive summary of the original and subsequent versions of the PCA clearly states that, “If the recommended remedial actions are performed,...we would expect the remaining useful life of the improvements to be at least 35 years.”

Staff is directed to consider all credible information presented in the Application. In 10 TAC §1.32 (e) it says “The Department’s estimate of the total development cost will be based on the Applicant’s project cost schedule to the extent that it can be verified to a reasonable degree of certainty with documentation from the Applicant and tools available to the Underwriter... If the Applicant’s total development cost is...inconsistent with documentation provided in the application or program rules, the Underwriter may make adjustments to the Applicant’s total cost estimate.” It is not reasonable for the Underwriter to assume that the signed and certified PCA provided in the original application was irrelevant or erroneous. Therefore, I see no basis for your claim that the use and reliance on the PCA report provided in the application and revised on April 21, 2007 by staff was in error.

I have also reviewed the final draft/review report you have included with your appeal and find that the PCA provider collected no new data from the original site visit or additional site visits or interviews. The appeal report provided no reasonable rationale for the sudden and dramatic increase in cost which rose from \$2,149,200 to \$5,292,300 plus fees and contingency. All versions of the PCA indicate that the property has no need for critical immediate repairs and that the property is in fair condition. The photographs provided in the PCA show signs of wear and tear but no identification of structural defects. The costs in the PCA provided with the appeal appear to be inflated. Site work costs included in this PCA alone total \$1,142,500 or \$15,233 per unit which is considerably higher than the \$9,000 per unit safe harbor typical in a new construction and ironically over twice what you have claimed for site work in your reconstruction budget. This is indicative of the costs in the appeal PCA and does not meet a common sense test of reasonableness.

I have determined that the Department’s rules and guidelines were applied evenly, fairly, and as originally intended during the course of the underwriting analysis and in making the recommendation.

Mr. Saleem Jafar  
July 18, 2007  
Page 3

**Appeal Determination**

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 July 30, 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 : TJG

07228 Las Palmas Homes, Los Fresnos

Underwriting Report



**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**  
 Real Estate Analysis Division  
 Underwriting Report

REPORT DATE: 06/22/07 PROGRAM: 9% HTC FILE NUMBER: 07228

DEVELOPMENT						
Las Palmas Homes						
Location: <u>213 Orive</u>					Region: <u>11</u>	
City: <u>Los Fresnos</u>	County: <u>Cameron</u>	Zip: <u>78566</u>	<input type="checkbox"/> QCT	<input type="checkbox"/> DDA		
Key Attributes: <u>Multifamily, Family, Rural, Reconstruction</u>						
ALLOCATION						
	REQUEST			RECOMMENDATION		
TDHCA Program	Amount*	Interest	Amort/Term	Amount	Interest	Amort/Term
Housing Tax Credit (Annual)	\$600,000			\$0		
* Applicant chose to cap request at \$600,000 to adhere to developer limit requirements of QAP.						
CONDITIONS						
<p>NOT RECOMMENDED DUE TO THE FOLLOWING:</p> <p>The application as a proposed reconstruction development requires a budget that, when compared to the rehabilitation estimate provided by the Property Condition Report (PCA), requires more than is necessary for the financial feasibility and viability of the project. The development, as a qualified low-income housing project, should be awarded the minimum necessary, limited by eligibility, for feasibility throughout the credit period as required in Internal Revenue Code §42 (m)(2)(A), 10 Texas Administrative Code §49.9 (d)(6) and 10 Texas Administrative Code §1.32 (a) and (e)(4)(B).</p> <p>SHOULD THE BOARD APPROVE THIS AWARD, THE BOARD MUST MAKE THE DETERMINATION THAT THE REQUESTED FUNDS ARE NOT MORE THAN ARE NECESSARY AND SUCH AN AWARD SHOULD BE CONDITIONED UPON THE FOLLOWING:</p> <ol style="list-style-type: none"> <li>1 A 9% HTC allocation not to exceed \$547,881 if a reconstruction or not to exceed \$103,370 conditioned upon re-evaluation of a revised budget if a rehabilitation.</li> <li>2 Receipt, review, and acceptance, by carryover, of a revised set of unit plans and architect's certification that the development meets the QAP requirements particularly: all the bedrooms are at a minimum of 100 square feet.</li> <li>3 Receipt, review, and acceptance, prior to demolition and commencement of construction, of evidence that all Phase I ESA recommendations, including an asbestos survey, and any subsequent environmental report recommendations have been carried out.</li> <li>4 Receipt, review, and acceptance, by the 10% test, of a HUD-approved application for demolition or disposition.</li> <li>5 Receipt, review, and acceptance, by the 10% test, of HUD's approval of the proposed higher contract rent levels for the HAP Contract units evidenced by submission of a fully-executed and current Housing Assistance Payments (HAP) Contract.</li> <li>6 Receipt, review, and acceptance, by the 10% test, of evidence that the allocation of project-based vouchers to the proposed development upon completion of construction will not adversely affect the PHAs requirement to have no more than 20% of its voucher assistance tied to specific housing units.</li> </ol>						

- 7 Receipt, review, and acceptance, by the 10% test, of an evaluation from a CPA documenting how the Housing Authority loan can be reasonably projected to be repaid based on the HUD approved Section 8 rents and whether the loan would be considered below market rate federal funds, or a reduction in the credits based on this federal below market rate funding source .
- 8 Receipt, review, and acceptance, by 10% test, of verification from a third-party engineer of the claimed sitework costs equaling \$9,828 per unit including the demolition costs.
- 9 Receipt, review, and acceptance, by 10% test, of a letter from the surveyor indicating that the unlocated pipeline easement described in Schedule B of the title commitment will not have an adverse impact on the subject site.
- 10 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
30% of AMI	30% of AMI	10 <sup>1</sup>
60% of AMI	60% of AMI	65 <sup>2</sup>

<sup>1</sup> These 10 units will also be characterized as public housing units with support from an operating subsidy committed by the Cameron County Housing Authority (subject to approval by HUD)

<sup>2</sup> These 65 units will also receive project based Section 8 from the Cameron County Housing Authority (subject to approval by HUD)

**PROS**

**CONS**

The development plan calls for the continuation of the HAP rental subsidy to potentially help serve the lowest income levels in the community.

The Applicant's proposal to reconstruct the units will cost more than the alternative of rehabilitation.

The development proposes to utilize housing tax credits to revitalize an existing public housing authority owned development. This may strengthen the Housing Authority's ability to deliver housing opportunities in this market by simultaneously increasing HUD subsidies to the Housing Authority as a direct result of reconstructing these units.

The effectiveness of the tax credits is in question because of the excess cost of reconstruction over rehabilitation and since the collected rents are and will remain higher than the maximum tax credit rents, there would not appear to be any additional affordability that the State will acquire as a result of this application.

This application represents an opportunity to revitalize a 25 year-old Housing Authority-owned property.

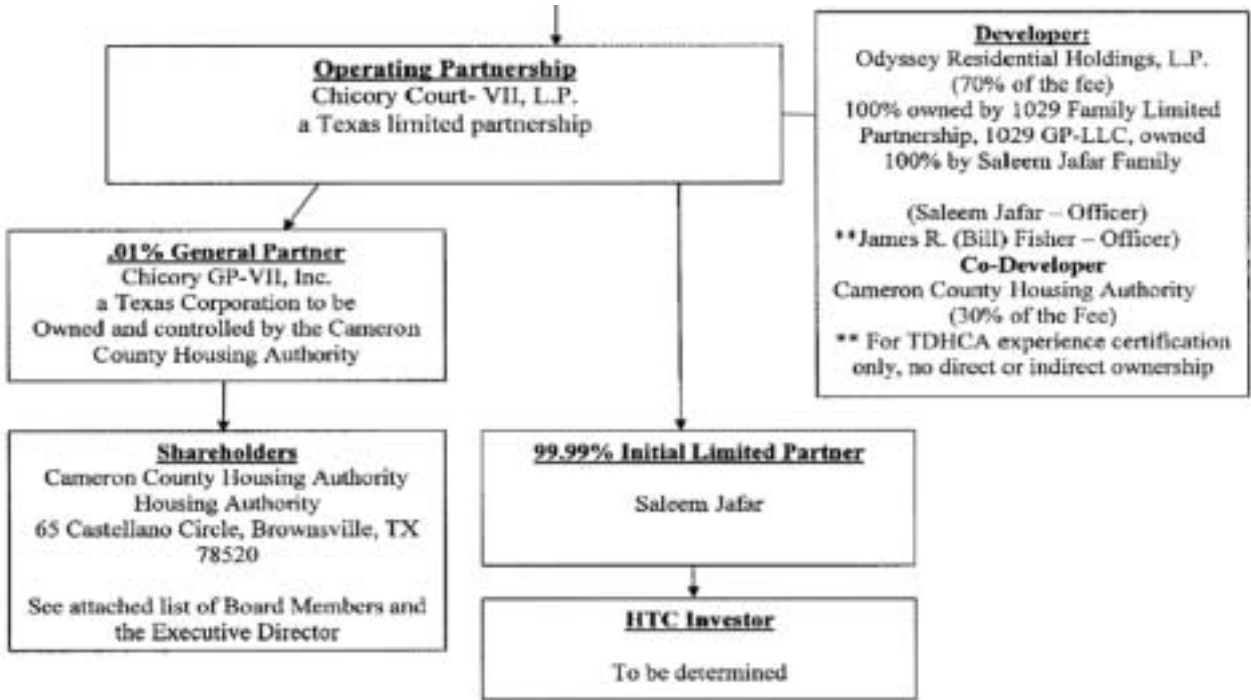
The repayment of the substantial federally-sourced local funds is questionable and therefore jeopardizes the development's qualification for 9% credits.

**PREVIOUS UNDERWRITING REPORTS**

No previous reports.

**DEVELOPMENT TEAM**

**OWNERSHIP STRUCTURE**



**CONTACT**

Contact: Saleem Jafar Phone: 972.701.5550 Fax: 972.701.5562  
 Email: sjafar@orhlp.com

**KEY PARTICIPANTS**

Name	Net Assets	Liquidity <sup>1</sup>	# of Complete Developments
Cameron County Housing Authority	\$9,316,776	\$758,528	--
Odyssey Residential Holdings	\$8,475,690	\$4,332,777	--
Saleem Jafar	Confidential		11 LIHTC Properties
Bill Fisher	N/A		Not Provided

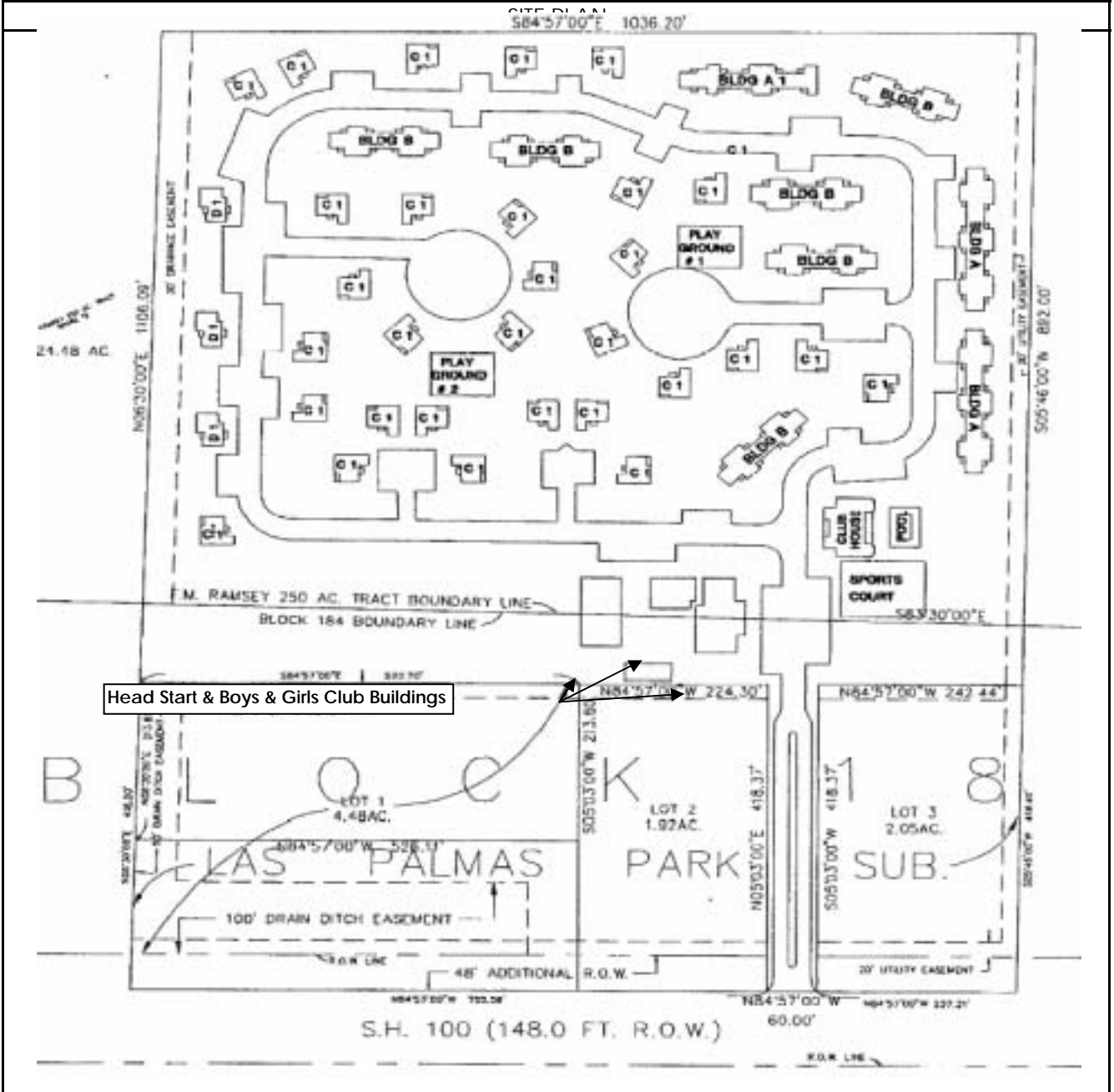
<sup>1</sup> Liquidity = Current Assets - Current Liabilities

**IDENTITIES of INTEREST**

The Applicant, Developer, and General Contractor are related entities. These are common relationships for HTC-funded developments. Additionally, the owner of the GP, Cameron County Housing Authority, will likely play key roles in property management and providing supportive services; although, the application indicates that they are To-Be-Determined.

The seller of the property is also the proposed future owner of the GP which is Cameron County Housing Authority. Chicory Court VII, LP is currently controlled by Saleem Jafar and the application indicates that control of this entity will be transferred to the Cameron County Housing Authority. Staff has determined that this does not constitute an ownership transfer that will require a future amendment as this transfer is being disclosed in the application. However, the transfer as stated will be treated as an identity of interest transaction.

PROPOSED SITE



BUILDING CONFIGURATION

Building Type	A	B	C	D						Total Buildings
Floors/Stories	1	1	1	1						
Number	3	6	30	3						42

BR/BA	SF	Units								Total Units	Total SF
1/1	762	2								6	4,572
2/2	960	4	4							36	34,560
3/2	1,160			1						30	34,800
4/2	1,243				1					3	3,729
Units per Building		6	4	1	1					75	77,661

Development Plan:

The architectural plans submitted indicates that the existing 75 single family homes, which were completed in 1982, will be demolished and replaced with 33 single family homes and 9 multiplex buildings (with 4 or 6 units). The Applicant provided a current, third-party prepared Property Condition Assessment (PCA) which indicates that the existing buildings are in fair condition and have no need for critical immediate repairs. Moreover, the PCA reflects a non-critical repair cost of \$2,149,200 (or \$29K per unit) which is less than half of the cost of the Applicant's proposed new construction. The PCA states that "If the recommended remedial actions are performed, proper preventive maintenance is routinely performed and defective items are promptly repaired or replaced, we would expect the remaining useful life of the improvements to be at least 35 years."

The Applicant provides no credible justification for ignoring the recommendations of the PCA provider and choosing to submit an application which reflects demolition and reconstruction at more than twice the cost of rehabilitation (see the development cost section below for the contents of the Applicant's June 15, 2007 response to this question). The State's goals and objectives in developing the requirements in the QAP and the Underwriting rules repeat the mandate that is in the Internal Revenue Code section 42 (m)(2)(A) which says: "The housing credit dollar amount allocated to a project shall not exceed the amount the housing credit agency determines is necessary for the financial feasibility of the project and its viability as a qualified low-income housing project throughout the credit period." Since it appears to be clear that the proposed costs of the reconstruction are more than are necessary based upon the information in the PCA and the potential rehabilitation alternative, the application as proposed is not recommended for funding.

The PCA was quite extensive and based on observations made on February 15, 2007. It contained 18 sub areas of repairs including: re-paving the drives and parking (\$210,000); repairing sidewalks (\$20,000); regrading soil for drainage (\$60,000); installing gutters and downspouts (\$90,000); landscaping (\$60,000); repair of cracked foundations (\$10,000); replace roof shingles (\$220,600); replace siding and trim (\$112,500); exterior doors (\$37,500); replace tile (\$173,100); replace cabinets fronts and laminate tops (\$187,500); interior doors (\$8,000); drywall repairs (\$45,000); replace all kitchen appliances (\$67,500); replace all HVAC (\$262,500); replace water heaters (\$60,000); replace domestic water piping (\$225,000); and, investigate, replace and repair sewer leaks (\$300,000). While the Applicant now claims this PCA information is erroneous and was a mistake to be included in the application, it nonetheless has been provided to the Department with the expressed right by the author for TDHCA to rely upon it.

The architectural plans submitted for the reconstruction also indicate the units to be reconstructed may not, when completed, meet the requirements of the QAP. The secondary bedrooms are identified on the floor plan to be 9 feet by 10 feet or less than the 100 square feet minimum required in 10TAC §49.3 (4). Therefore this report is conditioned upon receipt, review, and acceptance of a revised set of unit plans and architect's certification that the development meets the QAP requirements particularly: all the bedrooms are at a minimum 100 square feet.

SITE ISSUES

Total Size:	<u>21.91</u> acres	Scattered site?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
Flood Zone:	<u>Zone B</u>	Within 100-yr floodplain?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
Zoning:	<u>No Zoning</u>	Needs to be re-zoned?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> N/A



**TDHCA SITE INSPECTION**

Inspector: ORCA Staff Date: 4/20/2007

Overall Assessment:

Excellent     Acceptable     Questionable     Poor     Unacceptable

Surrounding Uses:

North: Undeveloped land  
 South: Boys and Girls Club / Head Start Building / State Highway 100 / Undeveloped  
 East: Undeveloped land  
 West: Undeveloped land

Comments:

The south central portion of the site is currently home to buildings occupied by Head Start and the Boys and Girls Club of Los Fresnos. Based on the siteplan and survey, the buildings appear to be located on the development site that will be restricted. However, rehabilitation/reconstruction of these structures is not encompassed in the development plan provided and tax credit proceeds cannot be dedicated to any activities associated with rehabilitation or reconstruction of these buildings.

**HIGHLIGHTS of ENVIRONMENTAL REPORTS**

Provider: Ginn Environmental Date: 2/16/2007

Recognized Environmental Concerns (RECs) and Other Concerns:

"No asbestos sampling activities were conducted at the site. However, if any renovation or demolition activities are planned, an asbestos survey will be required by the Texas Department of Health. The asbestos survey must be performed by a State of Texas licensed asbestos abatement consultant. In addition, third party air monitoring must be performed during the abatement. If any identified ACM is not abated, the materials should be incorporated into a site specific Operations and Maintenance (O & M) program. The site specific O&M program should be designed in accordance with current state and federal regulations. Current Occupational Safety and Health Administration (OSHA) regulations (1926.1101) define specific requirements concerning communication of asbestos hazards, labeling, housekeeping and notification procedures. As part of the O&M program an individual should be trained as a competent person in accordance with OSHA 1926.1101" (p. 11).

Comments:

Receipt, review, and acceptance of evidence that all Phase I ESA recommendations, including an asbestos survey, and any subsequent environmental report recommendations have been carried out is a condition of this report.

**MARKET HIGHLIGHTS**

Provider: The Gerald A Teel Company, Inc Date: 3/23/2007

Contact: Tim Treadway Phone: 713.467.5858 Fax: 713.467.0704

Number of Revisions: 0 Date of Last Applicant Revision: N/A

Primary Market Area (PMA): 85.15 Square Miles (Á 5.21 Mile Radius)

The Market Analyst has used a custom, irregular-shaped PMA composed of census tracts. "The market area is based on census tracts, that were selected to more/less replicate the ISD boundaries, as this appeared to be the most defining market in the vicinity" (email dated 6/20/2007).

Secondary Market Area (SMA):

The Market Analyst has not used a secondary market area.

PROPOSED, UNDER CONSTRUCTION & UNSTABILIZED COMPARABLE DEVELOPMENTS							
PMA				SMA			
Name	File #	Total Units	Comp Units	Name	File #	Total Units	Comp Units
None				N/A			

INCOME LIMITS						
Cameron						
% AMI	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons
30	\$9,050	\$10,350	\$11,650	\$12,950	\$14,000	\$15,000
60	\$18,120	\$20,700	\$23,280	\$25,860	\$27,900	\$30,000

MARKET ANALYST'S PMA DEMAND by UNIT TYPE							
Unit Type	Turnover Demand	Growth Demand	Other Demand	Total Demand	Subject Units	Unstabilized Comparable (PMA)	Capture Rate
1 BR/30% Rent Limit	16	2	0	18	1	0	6%
1 BR/60% Rent Limit	12	0	2	14	5	0	36%
2 BR/30% Rent Limit	18	1	0	19	4	0	22%
2 BR/60% Rent Limit	21	0	16	37	32	0	87%
3 BR/30% Rent Limit	19	-2	0	17	4	0	21%
3 BR/60% Rent Limit	22	3	13	38	26	0	74%
4 BR/30% Rent Limit	7	0	0	7	1	0	14%
4 BR/60% Rent Limit	70	21	1	92	2	0	3%

OVERALL DEMAND										
	Target Households	Household Size	Income Eligible	Tenure	Demand					
PMA DEMAND from TURNOVER										
Market Analyst p. 83/90	100%	3,900	100%	3,900	51%	2,001	20%	396	55%	218
Underwriter	100%	4,134	100%	4,134	68%	2,829	20%	561	55%	308
PMA DEMAND from HOUSEHOLD GROWTH										
Market Analyst p. 83/90			100%	117	51%	60	20%	12	100%	12
Underwriter			100%	112	68%	77	20%	15	100%	15
DEMAND from OTHER SOURCES										
Market Analyst p. 83/90										44
Underwriter										0

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. 83/90	75	0	0	75	274	27.37%
Underwriter	75	0	0	75	324	23.18%

Primary Market Occupancy Rates:

"With occupancy levels of 92% to 97% in the market sector, it appears that new market product is operating at stabilized occupancy levels approaching 95% and older product is more likely in the 88% to 92% range. The HTC product surveyed had occupancies varying from 88% to 100% with a mean of 94.7% all operating at above typical levels" (p. 31).

Absorption Projections:

"Based on the data, it appears that an absorption rate of 10 to 24 units per annum is the indicated range from the data sample. For the subject, we would anticipate an absorption rate of about 12 to 16 units per month, if not helped by the local housing authority" (p. 32).

RENT ANALYSIS (Tenant-Paid Net Rents)							
Unit Type (% AMI)			Proposed Rent	Program Maximum	Market Rent	Current Voucher Pay Standard	Underwriting Rent
1 BR	762 SF	30%/PHU	\$250	\$164	\$620		\$100
1 BR	762 SF	60%/Sec8	\$390	\$407	\$620	\$415	\$415
2 BR	960 SF	30%/PHU	\$300	\$196	\$720		\$100
2 BR	960 SF	60%/Sec8	\$467	\$487	\$720	\$469	\$469
3 BR	1,160 SF	30%/PHU	\$300	\$224	\$830		\$100
3 BR	1,160 SF	60%/Sec8	\$536	\$560	\$830	\$585	\$585
4 BR	1,243 SF	30%/PHU	\$322	\$237	\$875		\$100
4 BR	1,243 SF	60%/Sec8	\$583	\$612	\$875	\$651	\$651

**Market Impact:**

"The subject property will have a minimal affect on the market, and will open up the market to a greater pool of possible renters" (p. 94).

**Comments:**

The subject property has already been fully absorbed in the subject market and it is likely that, with 100% of the units being public housing or having dedicated Section 8 vouchers, existing tenants will choose to return once the reconstruction is completed. The rent roll indicates 100% current occupancy, which is typical for 100% public housing properties. Therefore, the inclusive capture rate is not a meaningful tool for determining demand. The market study provides sufficient information on which to base a funding recommendation.

**OPERATING PROFORMA ANALYSIS**

Income:      Number of Revisions:          1          Date of Last Applicant Revision:          4/21/2007    

The Applicant's current rent schedule reflects that 65 of the units are 60% tax credit units at the maximum rents allowed under HTC guidelines (current program rent limit less current utility allowances). These maximum rents are achievable according to the Market Analyst. However, all of the 60% units (65 units) will receive dedicated Section 8 Vouchers from the Housing Authority's choice voucher pool. At the request of the Underwriter, the Applicant has provided a HAP contract that will apply to these units. The HAP contract indicates that the gross contract rents will equal the tax credit program rents.

However, HUD has not yet approved the proposed plan, and the Housing Authority's existing voucher pay standards are higher than the tax credit rents and supported by the market study. Typically Housing authorities do not lower the payment standard for a particular development even if it is one that they control. Moreover, lenders and investors in this development may not allow a separate lower payment standard for a development in which they have made an investment. As a result, the Underwriter has used the Housing Authority's existing pay standards for all of the units that will receive dedicated Section 8 Vouchers.

The Applicant has provided a conditional Regulatory and Operating Agreement to substantiate the operating subsidy anticipated. Under such an agreement the Housing Authority agrees to an annual operating subsidy equal to the difference between operating expenses for the units and the amount of rent paid by tenants but in no event shall it exceed the operating subsidy paid to the Housing Authority by HUD. Based on past experience with public housing units (PHUs), the Underwriter has assumed the subsidy will be equal to the PHUs' prorated share of expenses less the tenant contribution and that no debt can be serviced by the PHUs.

All of the 30% units (16 units) will be public housing units and will receive an operating subsidy. The Applicant has provided a DRAFT Regulatory and Operating Agreement to substantiate the operating subsidy anticipated. Moreover, the form used appears to be an outdated form that is no longer used by HUD. The underwriting rent collected for the public housing units are set at \$100 with the difference needed to support these units' prorata share of operating expenses reflected as a lump sum PHU Operating Subsidy. Tenants in the PHUs will be required to pay only 30% of their monthly income towards rent. It is not possible to accurately project the actual rent to be paid by the tenant as this figure will fluctuate from household to household. Based on past experience with public housing units (PHUs), the Underwriter has assumed that no debt can be serviced by the PHUs.

The Applicant's secondary income and vacancy and collection loss reflect current TDHCA underwriting guidelines. However, the Underwriter anticipates that the PHUs will operate at an occupancy level of 100%. Therefore, the Underwriter's estimate of Vacancy and Collection Loss has been changed to reflect a standard rate of 7.5% of potential gross income only for the units that will not operate as PHUs and 0% for the PHUs. This change results in an overall vacancy and collection loss rate of 6.51% of the development's potential gross income. In addition, the underwriting analysis includes additional subsidy used to offset the proportionate share of projected operating expenses for the PHUs as a source of secondary income. Due to the differences discussed above, the Applicant's effective gross income is not within 5% of the Underwriter's estimate.

The tenants in Section 8 units will be responsible for electric utility costs while the development will pay all bills for the tenants in public housing units. It should also be noted that both the Regulatory and Operating Agreement and the HAP contract appear to indicate that 100% of the units will receive both forms of subsidy. However, this is assumed to be a mistake due to other information in the application and conversations with the Applicant. Moreover, it is highly unlikely that HUD would approve a plan to overlap these subsidies as they each independently allow for affordability.

Receipt, review, and acceptance, by the 10% test, of a HUD-approved application for demolition or disposition and HUD's approval of the proposed higher contract rent levels for the HAP Contract units evidenced by submission of a fully-executed and current Housing Assistance Payments (HAP) Contract are conditions of this report.

Expense:      Number of Revisions:          0          Date of Last Applicant Revision:          N/A    

The Applicant's projected total operating expense of \$2,979 per unit is not within 5% of the Underwriter's estimate of \$3,373 per unit derived from the TDHCA database, IREM data, and other sources. Specifically, the Applicant's estimates of payroll and payroll tax and repairs and maintenance are significantly different (\$11K lower and \$11K higher respectively) from the Underwriter's estimates. The Applicant has indicated that site-based accounting records are not available for the property.

The Underwriter is assuming the 100% property tax exemption proposed by the Applicant, which will be achieved through a long-term lease of the property by the Applicant from the Cameron County Housing Authority. The Applicant has estimated nominal annual property taxes of \$10 as a result of the proposed ownership structure and ground lease of the property and likely should have been reflected in other expenses.

**Conclusion:**

The Applicant's estimates of effective gross income and total operating expense are each not within 5% of the Underwriter's estimates. Therefore, the Underwriter's Year One proforma is used to determine the development's debt capacity and debt coverage ratio (DCR). The proforma results in a DCR below the Department's current guideline of 1.15 to 1.35, however it would still be considered acceptable at a 1.10 because of the project-based subsidy associated with the transaction.

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 grows to above a 1.15 by year four and remains above 1.15 and continued positive cashflow for the Department's 15 year minimum. Therefore, the development can be characterized as feasible from this perspective.

**ACQUISITION INFORMATION**

**APPRAISED VALUE**

Provider: The Gerald A Teel Company, Inc Date: 3/26/2007

Number of Revisions: 0 Date of Last Applicant Revision: N/A

Land Only: 21.91 acres \$1,430,000 As of: 2/26/2007

Comments:

The appraisal was identified as an addendum letter to the market study rather than a full appraisal. It includes no as is value for the existing buildings nor any evaluation of said building. The appraisal contemplates the underlying value of the site without any of the existing buildings. As such, this value should, at a minimum be reduced by the costs associated with the demolition of the existing buildings. Therefore, if the Appraised value is accepted, the value of the site net of the estimated \$175,000 demolition of the buildings is \$1,265,000.

It should also be noted that the Appraiser used commercial and multifamily sale comparables for property sales 7 to 10 miles south of the subject in the northern part of Brownsville. It is very questionable if those 1.8 to 4.9 acre sites that sold for \$0.67 to \$2.18 per foot are comparable sales. The area around the subject is primarily undeveloped and more similar in attributes to the one for-sale comparable included in the Appraiser's addendum. This comparable property is 18 acres within approximately a mile of the subject, is being marketed for single family and being offered at \$0.46 per foot. The appraiser indicated that the subject and this comparable were similar enough to require no adjustment for six of the seven factors evaluated on the adjustment grid. The seventh factor labeled "other" and described as including frontage or shape, clearing and infrastructure was adjusted for the for-sale comparable by 200%.

The Appraiser's adjustment is as follows "The subject has all clearing, platting, ingrounds, roads, etc. in place. The cost for development for such are estimated at approximately \$50,000 per acre. We estimate total depreciation at about 50%, leaving a contribution of about \$0.50 per square foot. The percentage equivalent of such has been added to each sale/ asking. Additionally, Sale 4 and the asking required upward adjustment for use type due to the lower density requirements of this type of development." Given that the property is currently developed with single family homes and the proposed redevelopment will have the same density and the county has no zoning requirements it is difficult to see how a 100% adjustment can be made to the for-sale comparable for density and another 100% adjustment for clearing and roads.

The for-sale comparable should have been discussed and documented further or clearly more weight should have been given to it as it is the closest in distance and purpose and time of sale to the subject. Even if the \$0.50 per foot is added to the for-sale comparable the total value of the subject as vacant should be \$0.96 or less which equates to not more than \$916,223. Again adjusting the demolition cost would provide a maximum transfer value of \$741,223.

ASSESSED VALUE

Land Only: 17.992 acres	<u>\$53,976</u>	Tax Year:	<u>2006</u>
Existing Buildings:	<u>\$0</u>	Valuation by:	<u>Cameron CAD</u>
Total Assessed Value:	<u>\$53,976</u>	Tax Rate:	<u>2.194892</u>

The acreage listed on the assessed value for the tax office appears to be understated but a correction to this for this report is superfluous since the housing authority is and will be the owner with a property tax exemption.

EVIDENCE of PROPERTY CONTROL

Type:	<u>Exclusive Option Agreement (Ground Lease)</u>	Acreage:	<u>21.91</u>
Contract Expiration:	<u>12/31/2007</u>	Valid Through Board Date?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Acquisition Cost:	<u>\$1,400,000</u>	Other:	<u></u>
Seller:	<u>Cameron County Housing Authority</u>	Related to Development Team?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

TITLE

Comments:

Item 'h' in Schedule B of the title commitment indicates an exception for an unlocated pipeline easement. The easement does not appear to be indicated on the survey provided. Therefore, receipt, review, and acceptance of a letter from the surveyor indicating that the unlocated pipeline easement described in Schedule B of the title commitment will not have an adverse impact on the subject site is a condition of this report.

CONSTRUCTION COST ESTIMATE EVALUATION

*COST SCHEDULE* Number of Revisions: 1 Date of Last Applicant Revision: 6/15/2007

Acquisition Value:

The Applicant has provided an Option Agreement for the Ground Lease of the site from Cameron County Housing Authority. The contract indicates a price of \$1,400,000, which is equal to the acquisition cost indicated in the revised development cost schedule. Because this is an identity of interest transfer, the Applicant provided documentation indicating that the current basis of land and improvements exceeds the contract price. In addition, the Applicant has provided an appraisal indicating a value of the land (without the existing buildings) is valued at \$1,430,000.

As discussed above, the appraisal grossly overvalued the as vacant value of the land at \$1.50 per square foot even though they identified a For Sale comparable close to a mile away being offered at \$0.46 per foot. The assessed value is of limited usefulness in this instance since it appears to have the wrong site acreage with an implied value of \$0.08 per foot. With no reliable value the Underwriter interpreted the Appraiser's information to lead to a maximum as vacant value of \$916,244. The partnership will have responsibility for demolition of the existing structures and have indicated a demolition cost of \$175,000 which should be removed from the as vacant value to results in an acquisition transfer price of \$741,224.

Should the Applicant's costs be used to determine the recommended allocation, the recommended financing structure will reflect a reduction in the total sources of funds by the difference in acquisition costs in order to ensure that tax credit proceeds are not used to fund excess value from the identity of interest transfer of the property.

Sitework Cost:

The Applicant has indicated eligible sitework costs of \$7,495 and revised demolition costs of \$2,333 per unit which results in total sitework costs that exceed the Department's \$9,000 threshold. Therefore, third-party substantiation from a professional engineer is required. The Applicant's original demolition costs did not cause costs to exceed the threshold, but the Applicant increased demolition costs by \$100,000 during underwriting. Therefore, receipt, review, and acceptance of verification from a third-party engineer of the claimed sitework costs equaling \$9,828 per unit is a condition of this report.

Direct Construction Cost:

The Applicant's direct construction cost estimate is \$94K or 2% lower than the Underwriter's Marshall and Swift derived estimate.

While a Property Condition Assessment is not required for reconstruction developments, the Applicant provided a signed PCA at application. Moreover, the PCA provider revised the PCA during the Threshold review process to reflect a site acreage that is consistent with the application. The Underwriter reviewed all documentation provided to the Department including the original and revised PCAs. It is not unusual for an Applicant to provide additional documentation that is not specifically required in the QAP on occasions when additional documentation may help the Real Estate Analysis staff better understand the development plan, any unique development characteristics, or to support the Applicant's estimates of construction costs, reserves, environmental risks, expenses, etc.

The PCA provided indicates that the existing property is in "fair" condition with no "critical" repairs needed. The PCA states that if the recommended "non-critical" repairs and ongoing maintenance is performed, "we would expect the remaining useful life of the improvements to be at least 35 years." Moreover, the PCA determines a rehabilitation cost estimate of \$2.1M which is approximately 46% of the estimated reconstruction cost (including direct and sitework costs). Based on the information provided, not only would reconstruction cost more than twice the cost of rehabilitation, the choice to reconstruct will ultimately reduce the property's total residential living area by approximately 9,000 square feet. This reduction is due to a reduction in the size of each unit type and an elimination of all 5 bedroom units in the reconstruction plan.

Due to the significant difference in cost between the PCA rehabilitation and Applicant's reconstruction budget, the Underwriter requested that the Applicant provide an explanation of the decision to choose reconstruction as opposed to rehabilitation. The Applicant's response, dated June 15, 2007, is below:

**A PCA is not required for a reconstruction project. The report submitted with the application (by mistake) was never completed, shows as a draft and did not even begin to address the concerns for modernization, life safety and energy efficiency sought by CCHA in the redevelopment approach to Las Palmas. In further work with the cost estimator in preparation for a subsequent HUD submission, a comparable cost of** *(page ends)*

modernization to reconstruction standards will exceed \$6.0 million in hard cost excluding fees and course of construction insurance, more than the cost to demolish and rebuild the housing and amenities brand new.

However, it is not applicable to this development or the underwriting under the QAP or the ASPM. Las Palmas could never be brought to standards required by HUD or the QAP for this initial review cost referenced in the un-finished draft on Las Palmas.

Regarding the configuration of the new development versus the older development, the QAP limits our ability by cost standards and by unit count to what is financially feasible and competitive to replace the previous development that is being demolished. We used a local professional Architect to design something that will be aesthetically pleasing, energy efficient, and cost effective to build and maintain along with a great number of new amenities in the units and the common area. The issue of SF is a development design choice we relied on the Architect to recommend. We asked Daisy to co-sign this response letter as you asked in the notice letter.

The Applicant's assertion that the PCA is not complete is not apparent from either the original or the revised PCA provided. Both PCAs are signed by all architects that prepared the assessment, states that the report can be relied upon by the TDHCA, meets the applicable HUD and ASTM requirements, provides all of the components required by the Department's guidelines, provides a cost estimate for each item identified in the scope of work, includes a completed executive summary, and was revised upon the Department's request. Moreover, as the property, constructed in 1982, is identified as being in fair condition and the entire scope of work is recommended, not critically needed, it is unclear how a revision of this PCA could triple the cost estimate.

The scope of work includes extensive repair and/or replacement of the items that typically wear out. The Underwriter is concerned that the PCA budget actually overstates the need for repairs by including over \$200K for parking and drive repairs and \$140K for soil and landscaping. Nonetheless the Underwriter believes these costs to be more reasonable than the plan for reconstruction. Additionally, the PCA provider states, "The Fire Protection/Life Safety Systems observed by [Property Condition Assessment Consultants, Inc] appeared to be in satisfactory condition" (p. 11), which is contradictory to the Applicant's statements.

Particularly of concern for staff is that this reconstruction appears to be pursued even when it is not the more cost effective option due to the Housing Authority's access to additional sources of funding and operating subsidies that decrease the development team's need to pursue cost effective options. Moreover, the reconstruction of an existing property results in the loss of all value of existing improvements and over-allocation of tax credits that is contrary to the requirement that the Department allocate "not more than necessary." Staff believes that the proposed reconstruction development is not a prudent use of the Department's resources.

While this development plan is similar to another 2007 9% HTC application for Champion Homes at La Joya (07227) involving Mr. Jafar and Mr. Fisher, the other application included a PCA for the reconstruction portion of the development plan that indicated a much higher cost for rehabilitation by including an undocumented \$50K per unit for interior repairs on top of the specifically documented repair items. Nonetheless, if the La Joya PCA is accurate in its assessment of the rehabilitation costs, then the plan to reconstruct is more cost effective than to rehabilitate on the La Joya transaction. However, the subject application included a PCA that indicates exactly the opposite, and the Applicant has chosen to pursue the more expensive option that requires more funds than are necessary to provide quality housing.

#### Ineligible Costs:

The Applicant included \$3,000 for compliance fees as an eligible financing cost. The underwriting analysis does not consider compliance fees eligible for purposes of calculating the tax credit allocation; therefore, the Applicant's eligible basis estimate has been adjusted down by \$3,000.

#### Contingency & Fees:

Due to the exclusion of \$3K for compliance fees from the Applicant's eligible basis estimate, the Applicant's projected eligible developer fees now exceed the Department limit by \$322. The Applicant's total eligible basis figure was adjusted down by this amount.

#### Conclusion:

As indicated above, the development is not being recommended based upon the Applicant's plan for reconstruction rather than the more cost effective and fiscally responsible rehabilitation based on the information provided in the PCA.

Should the Board approve the reconstruction of the proposed development, the Applicant's total development cost is not within 5% of the Underwriter's estimate; therefore, the Underwriter's cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$7,402,921 supports annual tax credits of \$632,950. 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 a recommended allocation.



Alternatively should the Board approve the application with a rehabilitation of the development as proposed by the PCA provider, the Underwriter's cost schedule would suggest an eligible basis of \$3,600,285 supports annual tax credits of \$307,824. This figure will also be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine a recommended allocation.

### FINANCING STRUCTURE

*SOURCES & USES* Number of Revisions: 0 Date of Last Applicant Revision: N/A

Source: AIG SunAmerica Type: Interim to Permanent Financing

Interim:	<u>\$1,800,000</u>	Interest Rate:	<u>6.75%</u>	<input checked="" type="checkbox"/>	Fixed	Term:	<u>24</u>	months
Permanent:	<u>\$2,030,000</u>	Interest Rate:	<u>6.75%</u>	<input checked="" type="checkbox"/>	Fixed	Amort:	<u>360</u>	months

Comments:

In order to achieve a final interest rate of 6.75%, the commitment indicates that the Applicant may be required to assume responsibility for buy-down costs that are not clearly outlined.

Source: Cameron County Housing Authority Type: Interim to Permanent Financing

Principal:	<u>\$1,650,000</u>	Interest Rate:	<u>4.90%</u>	<input checked="" type="checkbox"/>	Fixed	Term:	<u>30</u>	months
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Comments:

The loan commitment from the Housing Authority indicates that the loan will accrue interest at the long-term applicable federal rate (4.9% at application) for 30 years, at which the accrued interest and principal will be fully repaid. The Underwriter has estimated that the principal and accrued interest will amount to approximately \$3.15M at the end of the 30-year term.

However, the long-term proforma indicates that the property will generate only \$2.5M in cashflow by maturity. The Underwriter requested that the Applicant provide documentation that the loan is a true repayable loan and will not be characterized as a Below Market Rate Federal source of funds. The Applicant provided a legal opinion indicating that the loan commitment indicates a rate of AFR and that this qualifies the loan as above market rate. However, the legal opinion does not describe the proposed structure to allow accrual of principal and interest for 30 years nor the Housing Authority's proposal to forgive the loan if the remaining balance is not repayable at the end of the term. The IRC has previously held that a loan must have a reasonable expectation to be repaid in order to be considered a loan.

The Attorney later said that he could not provide documentation to substantiate that the property will have sufficient value at maturity to repay the loan. The Applicant provided an unclear calculation to substantiate that this value will exist after 30-years. Given the Applicant's current claim of limited ongoing value in the existing property which is less than 30 years old and which was originally developed by the Housing Authority it does not appear reasonable to rely upon the future residual value to prove up potential payment of this loan. In other words it is doubtful that the proposed loan can be reasonably expected to be repaid at AFR. The legal opinion does not address the reasonable expectation of repayment requirement of a loan and therefore does not adequately advise the Department on this development.

Receipt, review, and acceptance, by the 10% test, of an evaluation from a CPA documenting how the Housing Authority loan can be reasonably projected to be repaid based on the HUD approved Section 8 rents and whether the loan would be considered below market rate federal funds or a reduction in the credits based on this federal below market rate funding source is a condition of this report.

Source: AIG SunAmerica Type: Syndication

Proceeds: \$5,514,500 Syndication Rate: 92% Anticipated HTC: \$ 600,000

Comments:

The commitment indicates a bridge loan for \$4,411,500 will be provided interest free. NOTE: The syndication rate indicated above was calculated based on the proposed equity contribution and the syndicators estimate of tax credits. The syndication rate is at the low end of current market prices and any increase in rate could reduce the final allocation of credits since there would be little to no deferred developer fee to absorb excess syndication proceeds.

Amount: \$60,868 Type: Deferred Developer Fees

**CONCLUSIONS**

Recommended Financing Structure:

As indicated above, the development is not being recommended based upon the Applicant's plan for reconstruction rather than the more cost effective and fiscally responsible rehabilitation based on the information provided in the PCA.

Should the Board approve the reconstruction of the proposed development, the Underwriter's total development cost estimate less the permanent loan of \$2,030,000 and Housing Authority loan of \$1,650,000 indicates the need for \$5,035,485 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$547,881 annually would be required to fill this gap in financing. Should the Board approve this award, of the three possible tax credit allocations, Applicant's request (\$600,000), the gap-driven amount (\$547,881), and eligible basis-derived estimate (\$632,950), the gap-driven amount of \$590,844 would be recommended resulting in proceeds of \$5,035,485 based on a syndication rate of 92%. The Underwriter's financing structure indicates no need for additional permanent funds.

Should the Board approve the rehabilitation of the proposed development, the Underwriter's total development cost estimate less the permanent loan of \$2,030,000 and Housing Authority loan of \$1,650,000 indicates the need for \$950,060 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$103,370 annually would be required to fill this gap in financing. Should the Board approve this award, of the three possible tax credit allocations, Applicant's request (\$600,000), the gap-driven amount (\$103,370), and eligible basis-derived estimate (\$307,824), the gap-driven amount of \$103,370 would be recommended resulting in proceeds of \$950,060 based on a syndication rate of 92%. The Underwriter's financing structure indicates no need for additional permanent funds.

Underwriter: \_\_\_\_\_ Date: June 22, 2007

*Cameron Dorsey*

Reviewing Underwriter: \_\_\_\_\_ Date: June 22, 2007

*Lisa Vecchietti*

Director of Real Estate Analysis: \_\_\_\_\_ Date: June 22, 2007

*Tom Gouris*

**MULTIFAMILY COMPARATIVE ANALYSIS**

**Las Palmas Homes, Los Fresnos, 9% HTC #07228**

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	WST
TC 30%/PHU	1	1	1	762	\$242	\$100		\$100	\$0.13	\$78.00	\$67.00
TC 60%/S8	5	1	1	762	\$485	415		2,075	0.54	78.00	67.00
TC 30%/PHU	4	2	2	960	\$291	100		400	0.10	95.00	73.00
TC 60%/S8	32	2	2	960	\$582	469		15,008	0.49	95.00	73.00
TC 30%/PHU	4	3	2	1,160	\$336	100		400	0.09	112.00	79.00
TC 60%/S8	26	3	2	1,160	\$672	585		15,210	0.50	112.00	79.00
TC 30%/PHU	1	4	2	1,243	\$375	100		100	0.08	138.00	88.00
TC 60%/S8	2	4	2	1,243	\$750	651		1,302	0.52	138.00	88.00
<b>TOTAL:</b>	<b>75</b>		<b>AVERAGE:</b>	<b>1,035</b>		<b>\$461</b>		<b>\$34,595</b>	<b>\$0.45</b>	<b>\$102.16</b>	<b>\$75.52</b>

<b>INCOME</b>		Total Net Rentable Sq Ft:	77,661		<b>TDHCA</b>	<b>APPLICANT</b>	<b>COUNTY</b>	<b>IREM REGION</b>	<b>COMPT. REGION</b>
<b>POTENTIAL GROSS RENT</b>					\$415,140	\$419,616	Cameron		11
Secondary Income		Per Unit Per Month:	\$15.00		13,500	18,000	\$20.00	Per Unit Per Month	
Other Support Income: PHU Subsidy					28,935	0	\$0.00	Per Unit Per Month	
<b>POTENTIAL GROSS INCOME</b>					\$457,575	\$437,616			
Vacancy & Collection Loss		% of Potential Gross Income:	-6.61%		(30,236)	(32,820)	-7.50%	of Potential Gross Income	
Employee or Other Non-Rental Units or Concessions					0	0			
<b>EFFECTIVE GROSS INCOME</b>					\$427,340	\$404,796			

<b>EXPENSES</b>	% OF EGI	PER UNIT	PER SQ FT			PER SQ FT	PER UNIT	% OF EGI
General & Administrative	5.41%	\$308	0.30	\$23,115	\$21,710	\$0.28	\$289	5.36%
Management	5.00%	285	0.28	21,367	16,210	0.21	216	4.00%
Payroll & Payroll Tax	14.21%	810	0.78	60,737	49,450	0.64	659	12.22%
Repairs & Maintenance	9.49%	541	0.52	40,569	30,038	0.39	401	7.42%
Utilities	5.04%	287	0.28	21,556	15,375	0.20	205	3.80%
Water, Sewer, & Trash	6.53%	372	0.36	27,916	35,625	0.46	475	8.80%
Property Insurance	5.19%	296	0.29	22,166	19,395	0.25	259	4.79%
Property Tax	2.194892	0	0.00	0	10	0.00	0	0.00%
Reserve for Replacements	4.39%	250	0.24	18,750	18,750	0.24	250	4.63%
TDHCA Compliance Fees	0.70%	40	0.04	3,000	3,000	0.04	40	0.74%
Other: Supp Serv, Security	3.24%	184	0.18	13,834	13,834	0.18	184	3.42%
<b>TOTAL EXPENSES</b>	<b>59.21%</b>	<b>\$3,373</b>	<b>\$3.26</b>	<b>\$253,010</b>	<b>\$223,396</b>	<b>\$2.88</b>	<b>\$2,979</b>	<b>55.19%</b>
<b>NET OPERATING INC</b>	<b>40.79%</b>	<b>\$2,324</b>	<b>\$2.24</b>	<b>\$174,329</b>	<b>\$181,400</b>	<b>\$2.34</b>	<b>\$2,419</b>	<b>44.81%</b>

<b>DEBT SERVICE</b>								
AIG SunAmerica First Lien	36.97%	\$2,107	\$2.03	\$157,998	\$158,000	\$2.03	\$2,107	39.03%
Cameron County HA	0.00%	\$0	\$0.00	0	0	\$0.00	\$0	0.00%
Additional Financing	0.00%	\$0	\$0.00	0	0	\$0.00	\$0	0.00%
<b>NET CASH FLOW</b>	<b>3.82%</b>	<b>\$218</b>	<b>\$0.21</b>	<b>\$16,331</b>	<b>\$23,400</b>	<b>\$0.30</b>	<b>\$312</b>	<b>5.78%</b>
<b>AGGREGATE DEBT COVERAGE RATIO</b>				<b>1.10</b>	<b>1.15</b>			
<b>RECOMMENDED DEBT COVERAGE RATIO</b>				<b>1.10</b>				

<b>CONSTRUCTION COST</b>	Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA RECON	TDHCA REHAB	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)			8.50%	\$9,883	\$9.54	\$741,224	\$741,224	\$1,400,000	\$18.03	\$18,667	15.13%
Off-Sites			0.00%	0	0.00	0	0	0	0.00	0	0.00%
Sitework			6.45%	7,495	7.24	562,137	350,000	562,137	7.24	7,495	6.07%
Direct Construction			48.59%	56,464	54.53	4,234,804	1,799,200	4,139,900	53.31	55,199	44.73%
Contingency	4.78%		2.63%	3,059	2.95	229,450	214,920	229,450	2.95	3,059	2.48%
Contractor's Fees	13.39%		7.37%	8,566	8.27	642,460	300,888	642,460	8.27	8,566	6.94%
Indirect Construction			6.55%	7,607	7.35	570,500	255,604	570,500	7.35	7,607	6.16%
Ineligible Costs			5.88%	6,831	6.60	512,330	229,542	512,330	6.60	6,831	5.54%
Developer's Fees	14.78%		10.94%	12,713	12.28	953,500	469,602	953,500	12.28	12,713	10.30%
Interim Financing			2.41%	2,801	2.70	210,070	210,070	210,070	2.70	2,801	2.27%
Reserves			0.68%	787	0.76	59,010	59,010	35,000	0.45	467	0.38%
<b>TOTAL COST</b>			<b>100.00%</b>	<b>\$116,206</b>	<b>\$112.22</b>	<b>\$8,715,485</b>	<b>\$4,630,060</b>	<b>\$9,255,347</b>	<b>\$119.18</b>	<b>\$123,405</b>	<b>100.00%</b>
<b>Construction Cost Recap</b>			<b>65.04%</b>	<b>\$75,585</b>	<b>\$72.99</b>	<b>\$5,668,851</b>	<b>\$2,665,008</b>	<b>\$5,573,947</b>	<b>\$71.77</b>	<b>\$74,319</b>	<b>60.22%</b>

<b>SOURCES OF FUNDS</b>				ALT REC	RECOMMENDED	
AIG SunAmerica First Lien	23.29%	\$27,067	\$26.14	\$2,030,000	\$2,030,000	Developer Fee Available
Cameron County HA	18.93%	\$22,000	\$21.25	1,650,000	1,650,000	\$953,178
AIG SunAmerica Equity Proceeds	63.27%	\$73,527	\$71.01	5,514,500	950,060	% of Dev. Fee Deferred
Deferred Developer Fees	0.70%	\$812	\$0.78	60,868	0	0%
Additional (Excess) Funds Req'd	-6.19%	(\$7,198)	(\$6.95)	(539,883)	0	15-Yr Cumulative Cash Flow
<b>TOTAL SOURCES</b>				<b>\$8,715,485</b>	<b>\$4,630,060</b>	<b>\$9,255,347</b>
						<b>\$8,715,485</b>
						<b>\$565,378</b>

**MULTIFAMILY COMPARATIVE ANALYSIS (continued)**

*Las Palmas Homes, Los Fresnos, 9% HTC #07228*

**DIRECT CONSTRUCTION COST ESTIMATE**

*Marshall & Swift Residential Cost Handbook*

Average Quality Multiple & Single Family Residence Prorata Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$68.41	\$5,312,751
<b>Adjustments</b>				
Exterior Wall Finish	1.21%		\$0.83	\$64,248
Elderly			0.00	0
9-Ft. Ceilings	3.30%		2.26	175,321
Roofing			0.00	0
Subfloor			(1.13)	(87,656)
Floor Cover			2.81	218,384
Breezeways/Balconies	\$21.65	7,303	2.04	158,110
Plumbing Fixtures	\$965	108	1.34	104,220
Rough-ins	\$432	117	0.65	50,550
Built-In Appliances	\$2,169	75	2.09	162,675
Exterior Stairs	\$1,650	0	0.00	0
Enclosed Corridors	\$58.49	0	0.00	0
Heating/Cooling			2.26	175,502
Garages/Carports			0.00	0
Comm &/or Aux Bldgs	\$65.36	4,000	3.37	261,450
Other: fire sprinkler	\$1.95		0.00	0
<b>SUBTOTAL</b>			<b>84.93</b>	<b>6,595,555</b>
Current Cost Multiplier	0.98		(1.70)	(131,911)
Local Multiplier	0.81		(16.14)	(1,253,155)
<b>TOTAL DIRECT CONSTRUCTION COSTS</b>			<b>\$67.09</b>	<b>\$5,210,488</b>
Plans, specs, survy, bld prm	3.30%		(\$2.22)	(\$172,189)
Interim Construction Interes	3.38%		(2.26)	(175,854)
Contractor's OH & Profit	12.05%		(8.08)	(627,641)
<b>NET DIRECT CONSTRUCTION COSTS</b>			<b>\$54.53</b>	<b>\$4,234,804</b>

**PAYMENT COMPUTATION**

<b>Primary</b>	\$2,030,000	Amort	360
Int Rate	6.75%	DCR	1.10

<b>Secondary</b>	\$1,650,000	Amort	
Int Rate		Subtotal DCR	1.10

<b>Additional</b>		Amort	
Int Rate		Aggregate DCR	1.10

**RECOMMENDED FINANCING STRUCTURE:**

Primary Debt Service	\$157,998
Secondary Debt Service	0
Additional Debt Service	0
<b>NET CASH FLOW</b>	<b>\$16,331</b>

<b>Primary</b>	\$2,030,000	Amort	360
Int Rate	6.75%	DCR	1.10

<b>Secondary</b>	\$1,650,000	Amort	0
Int Rate	0.00%	Subtotal DCR	1.10

<b>Additional</b>	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.10

**OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE**

INCOME at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
POTENTIAL GROSS RENT	\$415,140	\$427,594	\$440,422	\$453,635	\$467,244
Secondary Income	13,500	13,905	14,322	14,752	15,194
Other Support Income: PHU Su	28,935	30,114	31,340	32,617	33,945
<b>POTENTIAL GROSS INCOME</b>	<b>457,575</b>	<b>471,613</b>	<b>486,084</b>	<b>501,004</b>	<b>516,383</b>
Vacancy & Collection Loss	(30,236)	(31,163)	(32,119)	(33,105)	(34,121)
Employee or Other Non-Rental	0	0	0	0	0
<b>EFFECTIVE GROSS INCOME</b>	<b>\$427,340</b>	<b>\$440,450</b>	<b>\$453,965</b>	<b>\$467,898</b>	<b>\$482,262</b>
EXPENSES at 4.00%					
General & Administrative	\$23,115	\$24,040	\$25,001	\$26,001	\$27,041
Management	21,367	22,023	22,698	23,395	24,113
Payroll & Payroll Tax	60,737	63,166	65,693	68,321	71,054
Repairs & Maintenance	40,569	42,192	43,879	45,635	47,460
Utilities	21,556	22,418	23,315	24,248	25,218
Water, Sewer & Trash	27,916	29,033	30,194	31,402	32,658
Insurance	22,166	23,053	23,975	24,934	25,931
Property Tax	0	0	0	0	0
Reserve for Replacements	18,750	19,500	20,280	21,091	21,935
Other	16,834	17,507	18,208	18,936	19,693
<b>TOTAL EXPENSES</b>	<b>\$253,010</b>	<b>\$262,932</b>	<b>\$273,244</b>	<b>\$283,962</b>	<b>\$295,103</b>
<b>NET OPERATING INCOME</b>	<b>\$174,329</b>	<b>\$177,519</b>	<b>\$180,721</b>	<b>\$183,936</b>	<b>\$187,159</b>
DEBT SERVICE					
First Lien Financing	\$157,998	\$157,998	\$157,998	\$157,998	\$157,998
Second Lien	0	0	0	0	0
Other Financing	0	0	0	0	0
<b>NET CASH FLOW</b>	<b>\$16,331</b>	<b>\$19,520</b>	<b>\$22,723</b>	<b>\$25,938</b>	<b>\$29,160</b>
<b>DEBT COVERAGE RATIO</b>	<b>1.10</b>	<b>1.12</b>	<b>1.14</b>	<b>1.16</b>	<b>1.18</b>

YEAR 10	YEAR 15	YEAR 20	YEAR 30
\$541,664	\$627,936	\$727,951	\$978,305
17,614	20,420	23,672	31,814
41,437	50,575	61,719	91,872
<b>600,715</b>	<b>698,931</b>	<b>813,342</b>	<b>1,101,990</b>
(39,694)	(46,184)	(53,744)	(72,817)
0	0	0	0
<b>\$561,021</b>	<b>\$652,748</b>	<b>\$759,598</b>	<b>\$1,029,173</b>
\$32,900	\$40,028	\$48,700	\$72,088
28,051	32,637	37,980	51,459
86,448	105,177	127,964	189,417
57,742	70,252	85,473	126,521
30,681	37,328	45,416	67,226
39,733	48,342	58,815	87,061
31,549	38,384	46,701	69,128
0	0	0	0
26,687	32,469	39,503	58,475
23,960	29,151	35,467	52,499
<b>\$357,752</b>	<b>\$433,769</b>	<b>\$526,017</b>	<b>\$773,873</b>
<b>\$203,269</b>	<b>\$218,979</b>	<b>\$233,581</b>	<b>\$255,300</b>
\$157,998	\$157,998	\$157,998	\$157,998
0	0	0	0
0	0	0	0
<b>\$45,271</b>	<b>\$60,981</b>	<b>\$75,582</b>	<b>\$97,301</b>
1.29	1.39	1.48	1.62

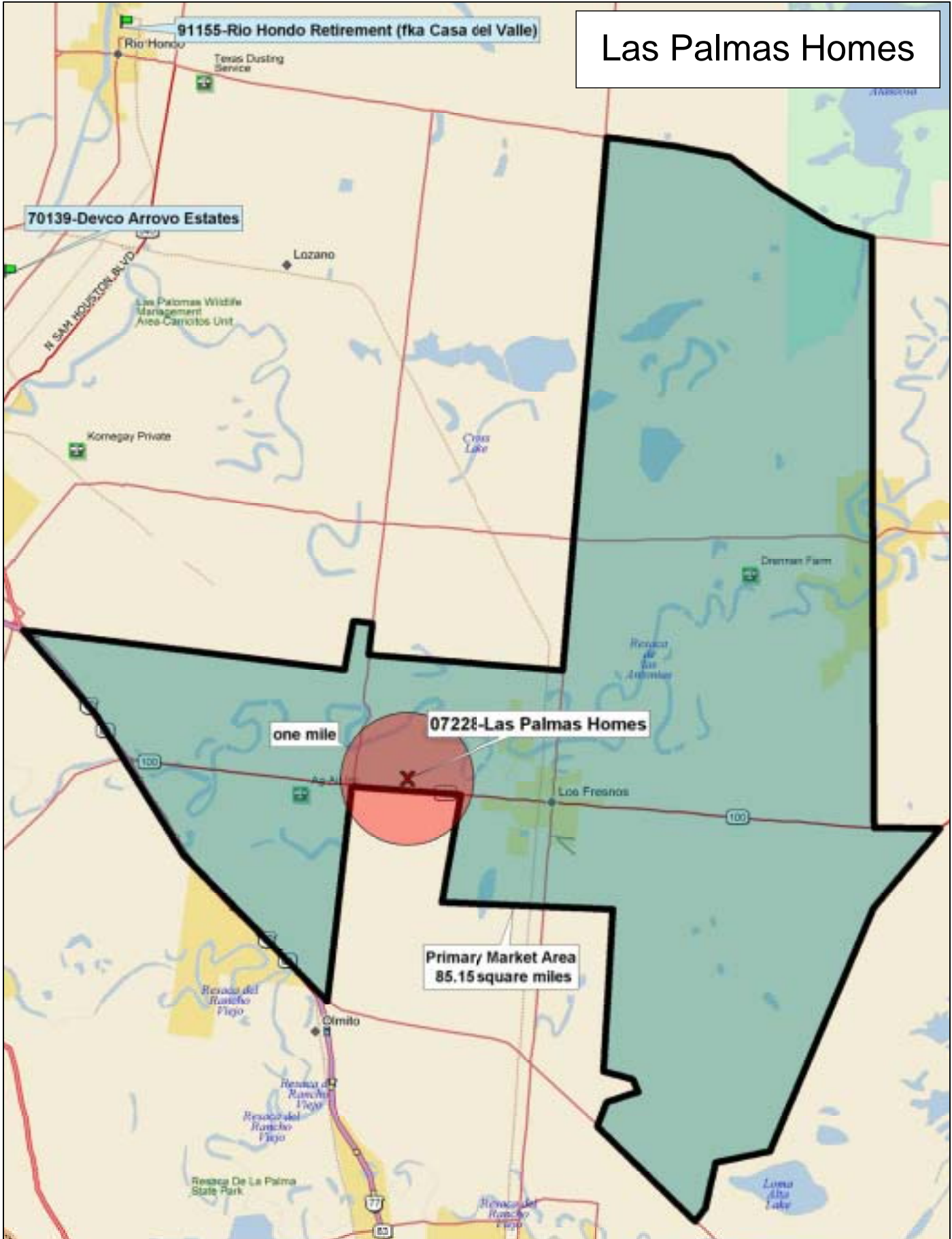
**HTC ALLOCATION ANALYSIS -Las Palmas Homes, Los Fresnos, 9% HTC #07228**

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA RECON/NEW ELIGIBLE BASIS	TDHCA REHAB ALT ELIGIBLE BASIS
<b>Acquisition Cost</b>					
Purchase of land	\$1,400,000	\$741,224			
Purchase of buildings					
<b>Off-Site Improvements</b>					
Sitework	\$562,137	\$562,137	\$562,137	\$562,137	\$350,000
<b>Construction Hard Costs</b>	\$4,139,900	\$4,234,804	\$4,139,900	\$4,234,804	\$1,799,200
Contractor Fees	\$642,460	\$642,460	\$642,460	\$642,460	\$300,888
Contingencies	\$229,450	\$229,450	\$229,450	\$229,450	\$214,920
Eligible Indirect Fees	\$570,500	\$570,500	\$570,500	\$570,500	\$255,604
Eligible Financing Fees	\$210,070	\$210,070	\$210,070	\$210,070	\$210,070
All Ineligible Costs	\$512,330	\$512,330			
<b>Developer Fees</b>			\$953,178		\$469,602
Developer Fees	\$953,500	\$953,500		\$953,500	
<b>Development Reserves</b>	\$35,000	\$59,010			
<b>TOTAL DEVELOPMENT COSTS</b>	\$9,255,347	\$8,715,485	\$7,307,695	\$7,402,921	\$3,600,285

<b>Deduct from Basis:</b>					
All grant proceeds used to finance costs in eligible basis					
B.M.R. loans used to finance cost in eligible basis					
Non-qualified non-recourse financing					
Non-qualified portion of higher quality units [42(d)(3)]					
Historic Credits (on residential portion only)					
<b>TOTAL ELIGIBLE BASIS</b>			\$7,307,695	\$7,402,921	\$3,600,285
High Cost Area Adjustment			100%	100%	100%
<b>TOTAL ADJUSTED BASIS</b>			\$7,307,695	\$7,402,921	\$3,600,285
Applicable Fraction			100%	100%	100%
<b>TOTAL QUALIFIED BASIS</b>			\$7,307,695	\$7,402,921	\$3,600,285
Applicable Percentage			8.55%	8.55%	8.55%
<b>TOTAL AMOUNT OF TAX CREDITS</b>			\$624,808	\$632,950	\$307,824

<b>Syndication Proceeds</b>	<b>0.9191</b>	<b>\$5,742,505</b>	<b>\$5,817,336</b>	<b>\$2,829,162</b>
<b>Total Tax Credits (Eligible Basis Method)</b>		<b>\$624,808</b>	<b>\$632,950</b>	<b>\$307,824</b>
<b>Syndication Proceeds</b>		<b>\$5,742,505</b>	<b>\$5,817,336</b>	<b>\$2,829,162</b>
<b>Requested Tax Credits</b>		<b>\$600,000</b>		
<b>Syndication Proceeds</b>		<b>\$5,514,500</b>		
<b>Gap of Syndication Proceeds Needed</b>		<b>\$4,916,571</b>	<b>\$5,035,485</b>	<b>\$950,060</b>
<b>Total Tax Credits (Gap Method)</b>		<b>\$534,943</b>	<b>\$547,881</b>	<b>\$103,370</b>

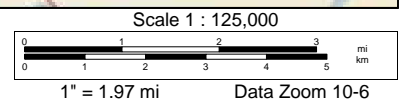
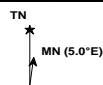
# Las Palmas Homes



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Board Item 2a

Presentation, Discussion and Possible Action for the 2007 Competitive Housing Tax  
Credits Appeals of Credit Underwriting Reports

07141 Pinnacle of Pleasant, Humble

**Real Estate Analysis Division**

**BOARD ACTION ITEM**

**July 30, 2007**

**Item**

Presentation, discussion and possible action on a timely filed appeal regarding the underwriting recommendation of a development under the 2007 Competitive Housing Tax Credit program, #07141 Pinnacle of Pleasant Humble, Humble, Harris County, Texas.

**Required Action**

Approve, deny, or approve with amendments a determination on the appeal.

**Background**

Pinnacle of Pleasant Humble, LP submitted an application for funding under the 2007 Competitive Housing Tax Credit program to develop 153 multifamily rental units targeting the elderly with 147 units restricted to low- and very low-income households. The Applicant requested \$1,200,000 in annual tax credits to support a total development budget of \$14,750,000.

The underwriting report, dated July 17, 2007, recommends an allocation of \$1,200,000 in housing tax credits (HTCs), as requested. The Applicant appealed the underwriting conclusion based not on any error in the underwriting report but rather on the credit amount being more than available in the subregion. When the Applicant determined that less than \$1,200,000 was left in region 6 urban/exurban they asked if they could reduce their request. At that point there was no threshold selection or underwriting reason to request additional information in an administrative deficiency regarding the amount of the requested credits. The QAP §49.17 (b) (5) says the Board review of an appeal must be based on the original application and the Board may not review any information not contained in or filed with the original application. In addition, the recommended allocation exceeds the amount of tax credits available in the subregion and the shortfall in the subregion resulting from not awarding tax credits to the subject development is not a significant portion of the total targeted subregional allocation when tax credits are collapsed within the region or State-wide. An award in this case would eliminate an award to a proportionately more under funded region of Texas.

The Applicant has indicated the request for a downward revision to the housing tax credit allocation requested and recommended is based on:

1. *The Department's history in allowing a downward adjustment by an unrelated Applicant to their 2007 request for 9% tax credits.*



The Applicant's statement that "The Real Estate Analysis Division has already allowed a developer participating in the 2007 9% Cycle to modify the initial request based on new information obtained." does not fully address the circumstances under which this change was allowed. The downward adjustment in that case occurred not due to the developer's request, but rather as a result of a Department requirement. The developer in that instance had requested more than the \$2,000,000 per developer limit in 2007 9% housing tax credits [2007 QAP §49.6 (d)] as a direct result of the additional allocation from the 2007 9% pool of tax credits to compensate for cost over-runs on a development allocated housing tax credits in 2004. This issue was brought to light during the threshold review and the developer was allowed to make a correction in accordance with the 2007 QAP §49.9(e)(2). In a similar situation last year the Board rejected the petitions of Bluffs Landing to allow for a forward commitment or a reduction of their credit request to fit within the subregion. In that case staff had not finished and published the underwriting report which prevented an official appeal.

2. *The TDHCA underwriting report conclusion that the syndication rate presented at application is at the low end of the range.*

The statement in the TDHCA underwriting report with regards to the syndication rate (a.k.a., "tax credit purchase price") being on the low-end of current market prices is not unique to the subject development. The statement is intended to inform the TDHCA Board of the possibility of an adjustment in the credit allocation at cost certification should the syndication rate increase. In no instance has the Real Estate Analysis Division requested a revised letter of interest (LOI) during underwriting of the 2007 9% housing tax credit application cycle based on the appearance of an understated syndication rate.

The appeal documents include a revised letter of interest (LOI) signed by a representative of Red Capital Group for purchase of the proposed tax credits through investment in the Applicant as a Limited Partner. The LOI submitted at application indicated an investment equal to \$0.90 per tax credit \$1.00, while the revised LOI indicates a purchase price of \$0.945 per \$1.00. However, based on the anticipated tax credit allocation of \$1,100,000 and the equity contribution of \$10,988,900, the purchase price is actually set at \$0.9999 per \$1.00. This inconsistency is notable, but the fact that the letter of intent with revised terms was not received by the Department's underwriting division until after publication of the underwriting report is more important. It is unreasonable for the Applicant to expect the Department to consider information not available at application or during the underwriting process.

However, an analysis has been performed to aid the TDHCA Board in its decision making. The revised underwriting analysis includes a change in the anticipated tax credit purchase price to \$0.9999 and a downward adjustment in the Applicant's request from \$1,200,000 to \$1,100,000 annually in housing tax credits. It should also be noted, however, that the Applicant also proposed a decrease in the permanent loan amount as indicated in the revised sources and uses form. The Applicant did not include a revised permanent loan commitment

in the appeal. The analysis of the appeal request results in continued recommendation of housing tax credits and reflects that the Applicant's reduced request for \$1,100,000, annually would not negatively impact the financial feasibility of the transaction.

Staff does not recommend approval of the appeal as 1) the revised syndication letter of interest was not requested by the Department; 2) the revised syndication letter of interest was provided after completion of the underwriting analysis; and, 3) the request would result in a more under funded region of the State losing its allocation for 2007.

**Recommendation**

Staff recommends the Board deny the appeal.

07141 Pinnacle of Pleasant, Humble

Applicant's Appeal

PINNACLE OF PLEASANT HUMBLE, LP  
3110 W Southlake Blvd, Suite 120  
Southlake, TX 76092  
Phone: (817) 742-1851  
Fax: (817) 742-1852

July 20, 2007

Mr. Michael Gerber  
Executive Director  
Texas Department of Housing and Community Affairs  
221 East 11<sup>th</sup> Street  
Austin, Texas 78701

RE: Appeal of Underwriting Report for Pinnacle of Pleasant Humble (TDHCA  
#07141)

Dear Mr. Gerber:

In accordance with the Appeal Policy at Section 10TAC Section 49.17(b), I am filing this appeal first to you as Executive Director and requesting that it be added to the agenda for the July 30, 2007 Board of Directors' meeting.

The substance of my appeal is to reduce the amount of credits recommended from \$1,200,000 to \$1,100,000 annually. The following information is the basis for my appeal:

New information become available during the underwriting process and should be used in the analysis. As stated on page 11 of the Underwriting Report, "the syndication price initially submitted is at the low end of the current market price and an increase in rate of just over \$0.04 could reduce the final allocation of credits since there is limited deferred developer fee to absorb excess syndication proceeds." Given this information, I requested that the syndicator revise pricing based on the current market and received a price of \$0.945 increasing the total equity by \$199,980. Furthermore, this change will result in a reduction in the Permanent Loan amount, thus bettering the overall debt service for the deal.

The Real Estate Analysis Division has already allowed a developer participating in the 2007 9% Cycle to modify the initial request based on new information obtained. The application (#07309) originally indicated a requested allocation of \$980,000 and was allowed to be reduced to \$942,176. According to the Underwriting Report, the Applicant has two applications in the 2007 9% cycle totaling \$1,980,000 in credit; and the Applicant previously received 2007 supplemental credits awarded by the Department to offset increased development costs for two projects allocated in 2004. The supplemental

credits totaling \$57,824 are applied to the Applicant's limit for 2007, thus placing the applicant over the \$2,000,000 set by the 2007 QAP. The Report goes on to state that, "for this reason the Applicant chose to reduce the requested allocation for the subject property to \$942,176."

My request of allowing the Real Estate Analysis Division to re-underwrite Pinnacle of Pleasant Humble based on the revised information received from the syndicator, thereby reducing the requested allocation to \$1,100,000, seems to be reasonable and in line with current practices already allowed by the Department.

Thank you in advance for your consideration of this request. Please let me know if any additional information is necessary.

Sincerely,

A handwritten signature in blue ink, appearing to read "K. Fambro, II", written over a horizontal line.

Kenneth W. Fambro, II  
General Partner

Enclosures



Proud To Be A National City Company | We provide it.

Red Capital Markets, Inc. (member NASD/SIPC)

Two Miranova Place, Columbus, Ohio, 43215, tel 614.857.1400

Overnight deliveries: Two Miranova Place, 12th Floor, www.redcapitalgroup.com

July 17, 2007

Mr. Kenneth W. Fambro  
Pinnacle of Pleasant Humble, LP  
3110 West Southlake Blvd.  
Southlake, Texas 76092

Re: Red Capital Tax Credit Fund's (the "Fund") Proposed Investment in  
Pinnacle of Pleasant Humble, LP (the "Partnership")  
Humble, Texas  
153 units

Dear Mr. Fambro:

This letter is in reference to the proposed equity investment by the Fund in the Partnership. Based upon information provided to us to date and subject to the satisfaction of certain terms and conditions precedent set forth below, Red Capital Markets, Inc. ("Red"), as agent for the Fund, is highly confident that the equity investment will be effected pursuant to a Partnership Agreement to be executed by the Fund and the Partnership.

Based upon the project receiving approximately \$1,100,000 in annual low income housing tax credits, and further based on terms and conditions as set forth below, we anticipate that the investment of the Fund in the Project, net of all financing and placement fees, would be approximately \$10,998,900 or \$0.945 per low income housing tax credit allocated to the Fund. The Fund's net investment is anticipated to be funded based upon the following schedule (or such other investment schedule as may be agreed upon by the Partnership and the Fund):

- Approximately 66.5% (\$7,314,269) payable upon execution of the Partnership Agreement;
- Approximately 8.5% (\$934,906) payable upon final certificate of occupancy;
- Approximately 20% (\$2,199,780) payable upon project stabilization;
- Approximately 5% (\$549,945) payable upon 8609 issuance.

Page 2

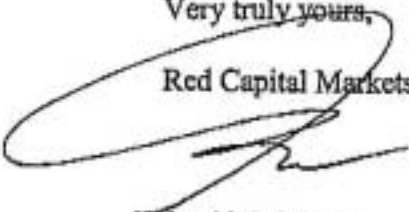
Our ability to complete and execute the Partnership Agreement between the Fund and the Partnership will be subject to evidence that the tax credits have been allocated to the Partnership and the following conditions:

- Negotiation of a mutually satisfactory Partnership Agreement;
- Approval of this transaction by Red's senior management;
- Providing to Red any evidence, information, conditions, documentation, data, analyses and/or opinions that Red, in its sole and absolute discretion deems necessary to complete this transaction.

After you have had an opportunity to review this letter, I will be happy to answer any questions related to the foregoing.

Very truly yours,

Red Capital Markets, Inc.



David C. Martin  
Senior Managing Director

**Volume 1, Tab 4. Funding Request**

**PART A. Summary Sources and Uses of Funds**

Describe all sources of funds and total uses of funds. Information must be consistent with the information provided throughout the Application (i.e. Financing Participants and Development Cost Schedule forms). Where funds such as tax credits, loan guarantees, bonds are used, only the proceeds going into the development should be identified so that "sources" match "uses."

Applicants must attach a written narrative to this form that describes the financing plan for the Development. The narrative shall include: (a) any non-traditional financing arrangements; (b) the use of funds with respect to the Development; (c) the funding sources for the Development including construction, permanent and bridge loans, rents, operating subsidies, and replacement reserves; and (d) the commitment status of the funding sources

Development Name: **Pinnacle of Pleasant Humble**

Source #	Funding Description	Priority of Lien	Construction or Rehab. Loan Stage Amt.	Permanent Loan Stage Amount	Financing Participants
1	Conventional Loan	1	\$ 6,000,000	\$ 3,300,020	Red Capital Markets
2	Conventional Loan/FHA				
3	Conventional Loan/Letter of Credit				
4	HOME				TDHCA
5	Housing Trust Fund				TDHCA
6	CDBG				
7	Mortgage Revenue Bonds				
8	HTC Syndication Proceeds		\$ 7,181,282	\$ 10,998,900	Red Capital Markets
9	Historic Tax Credit Syndication Proceeds				
10	USDA/ TXRD Loan(s)				
11	Other Federal Loan or Grant				
12	Other State Loan or Grant				
13	Local Government Loan or Grant		\$ 737,500		Harris County HFC
14	Private Loan or Grant		\$ 300,000		Comunidad Corporation
15	Cash Equity				
16	In-Kind Equity/Deferred Developer Fee		\$ 531,218	\$ 451,080	Developer
<b>TOTAL SOURCES OF FUNDS</b>			<b>\$ 14,750,000</b>	<b>\$ 14,750,000</b>	
<b>TOTAL USES OF FUNDS</b>			<b>\$ 14,750,000</b>	<b>\$ 14,750,000</b>	

<sup>(1)</sup> Indicate Exclusive Use Financing Participant only where funds from that source are dedicated only for a specific purpose, i.e. CDBG infrastructure funds used only for off-site construction



07141 Pinnacle of Pleasant, Humble

Underwriting Report



**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**  
 Real Estate Analysis Division  
 Underwriting Report

REPORT DATE: 07/17/07

PROGRAM: 9% HTC

FILE NUMBER: 07141

DEVELOPMENT																					
Pinnacle of Pleasant Humble																					
Location: <u>1200 block of 1st Ave East</u>				Region: <u>6</u>																	
City: <u>Humble</u>		County: <u>Harris</u>		Zip: <u>77338</u>		<input type="checkbox"/> QCT <input checked="" type="checkbox"/> DDA															
Key Attributes: <u>Multifamily, Elderly, New Construction, Urban/Exurban</u>																					
ALLOCATION																					
	REQUEST			RECOMMENDATION																	
TDHCA Program	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term															
Housing Tax Credit (Annual)	\$1,200,000			<b>\$1,200,000</b>																	
CONDITIONS																					
<p>1 Receipt, review, and acceptance, before cost certification of evidence that all Phase I ESA recommendations have been carried out, including recommendations with regard to disposal of containers of potentially hazardous material, and further testing of any potential contaminants related to past oil &amp; gas exploration which are uncovered during development.</p> <p>2 Receipt, review, and acceptance, before carryover, of documentation identifying any possible impact on the development from the pipeline easement, ingress/egress easement, and sulfur lease listed in Schedule B of the Title Commitment.</p> <p>3 Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit allocation amount may be warranted.</p>																					
SALIENT ISSUES																					
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="3" style="text-align: center;">TDHCA SET-ASIDES for LURA</th> </tr> <tr> <th style="text-align: center;">Income Limit</th> <th style="text-align: center;">Rent Limit</th> <th style="text-align: center;">Number of Units</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">30% of AMI</td> <td style="text-align: center;">30% of AMI</td> <td style="text-align: center;">16</td> </tr> <tr> <td style="text-align: center;">50% of AMI</td> <td style="text-align: center;">50% of AMI</td> <td style="text-align: center;">36</td> </tr> <tr> <td style="text-align: center;">60% of AMI</td> <td style="text-align: center;">60% of AMI</td> <td style="text-align: center;">95</td> </tr> </tbody> </table>							TDHCA SET-ASIDES for LURA			Income Limit	Rent Limit	Number of Units	30% of AMI	30% of AMI	16	50% of AMI	50% of AMI	36	60% of AMI	60% of AMI	95
TDHCA SET-ASIDES for LURA																					
Income Limit	Rent Limit	Number of Units																			
30% of AMI	30% of AMI	16																			
50% of AMI	50% of AMI	36																			
60% of AMI	60% of AMI	95																			
<p>PROS</p> <hr/>			<p>CONS</p> <hr/> <p>The market study for a higher scoring development in the same market as the subject suggests that there is sufficient demand for only one of the two developments.</p> <p>The market for 2 bedroom units at 50% and 60% AMI appears to be saturated with unit capture rates of over 125%.</p>																		

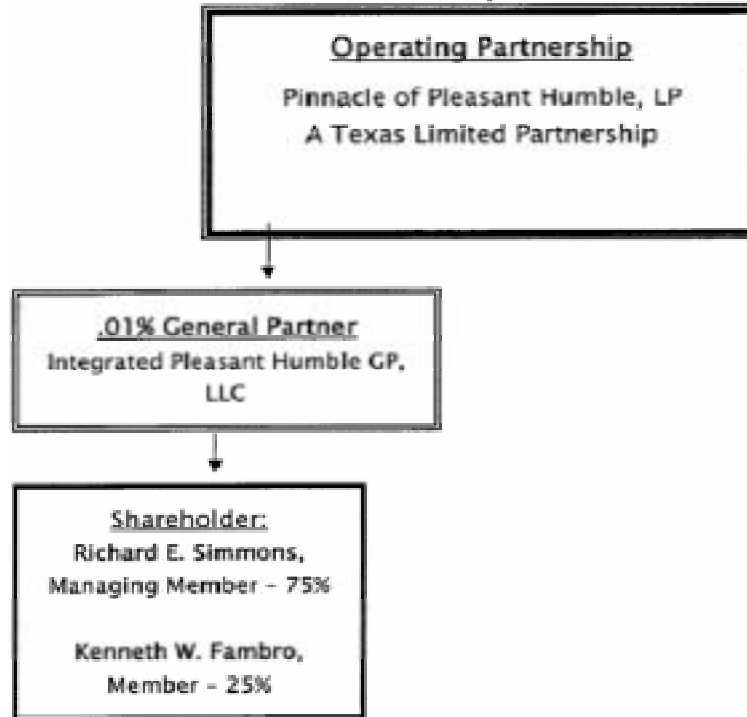
The Applicant's high expense to income ratio while only slightly less than the maximum guideline, reflects extensive deep rent targeting, but is still considered to be acceptable.

**PREVIOUS UNDERWRITING REPORTS**

This development was the subject of application # 060136 in the 2006 9% tax credit cycle, but did not score high enough to receive consideration.

**DEVELOPMENT TEAM**

**OWNERSHIP STRUCTURE**



**CONTACT**

Contact: Kenneth Fambro Phone: (817) 742-1851 Fax: (817) 742-1852  
 Email: kfambro@integratedreg.com

**KEY PARTICIPANTS**

Name	Net Assets	Liquidity <sup>1</sup>	# of Complete Developments
Richard E. Simmons	confidential		8 complete development
Kenneth W. Fambro II	confidential		1 complete development

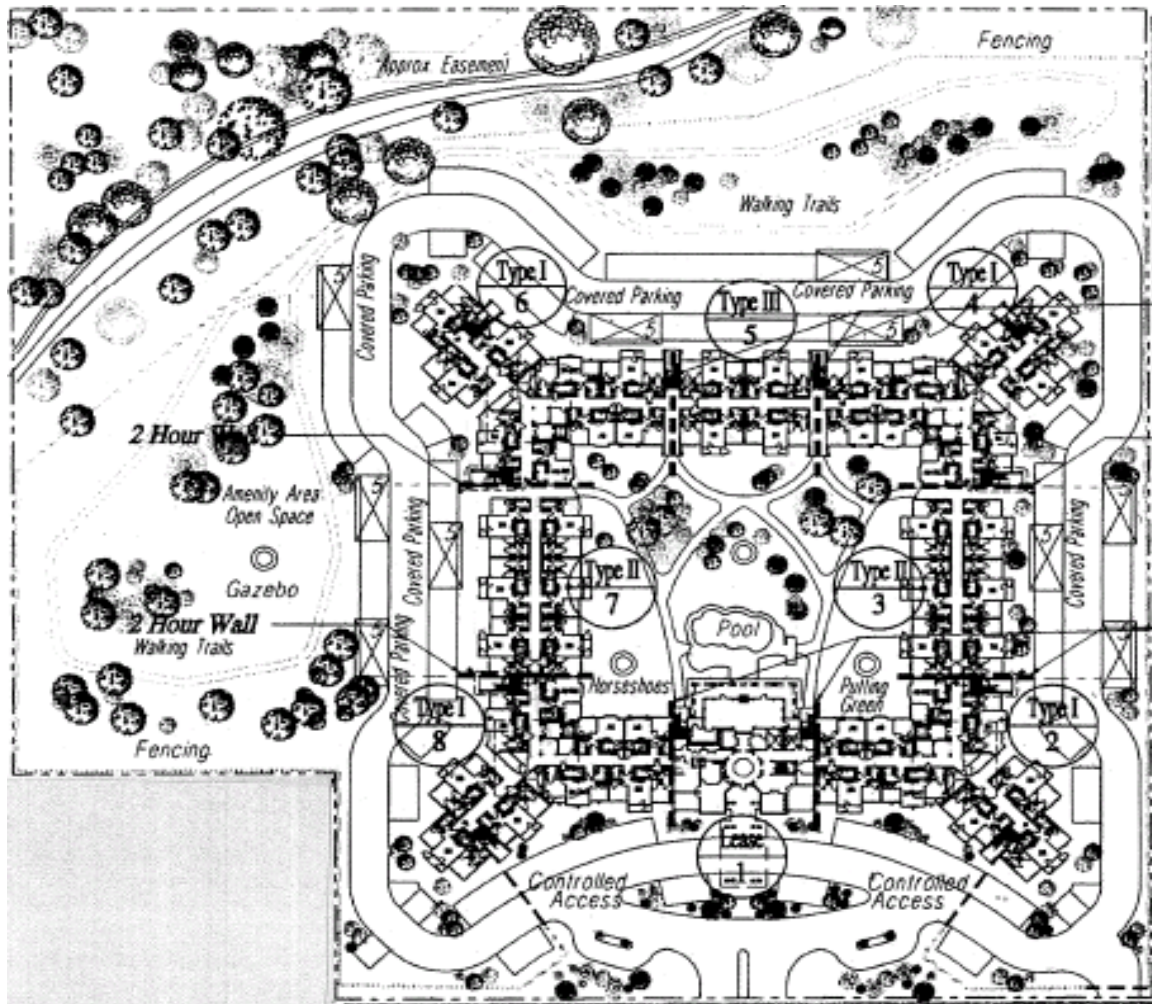
<sup>1</sup> Liquidity = Current Assets - Current Liabilities

**IDENTITIES of INTEREST**

The Applicant, Developer, General Contractor, and Property Manager are related entities. These are common relationships for HTC-funded developments.

PROPOSED SITE

SITE PLAN



BUILDING CONFIGURATION

Building Type	I	II	III	CH							Total Buildings
Floors/Stories	3	3	3								
Number	4	2	1	1							8

BR/BA	SF	Units									Total Units	Total SF
1/1	700	15			1						61	42,700
2/2	940	11	18	12							92	86,480
Units per Building		26	18	12	1						153	129,180

Comments:

The project includes one one-bedroom unit in the community building. This unit could be designated as a tax credit unit or a market rent unit.

SITE ISSUES				
Total Size:	<u>10.22 acres</u>	Scattered site?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Flood Zone:	<u>X</u>	Within 100-yr floodplain?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Zoning:	<u>N/A</u>	Needs to be re-zoned?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<div style="text-align: right; margin-right: 20px;"><input checked="" type="checkbox"/> N/A</div>				
<p>Comments:</p> <p>The application initially indicated the development site acreage would be 6.7 acres out of a total acquisition of 10.22 acres. The Applicant subsequently submitted a site plan which encompasses the entire 10.22 acre tract. All proposed improvements are contained within a roughly square area of approximately 6.7 acres. The remainder of the tract consists of green space, including a creek, along the north and west sides of the tract. It should be noted that as part of this application, the entire 10.22 acre tract must remain part of the development, subject to restrictions for the duration of the associated Land Use Restriction Agreement.</p>				

TDHCA SITE INSPECTION	
Inspector: <u>Manufactured Housing Staff</u>	Date: <u>5/1/2007</u>
Overall Assessment:	
<input type="checkbox"/> Excellent <input checked="" type="checkbox"/> Acceptable <input type="checkbox"/> Questionable <input type="checkbox"/> Poor <input type="checkbox"/> Unacceptable	
Surrounding Uses:	
North: <u>vacant property, industrial buildings</u>	East: <u>restaurant, single family residential</u>
South: <u>post office, school</u>	West: <u>pawn shop, commercial</u>

HIGHLIGHTS of ENVIRONMENTAL REPORTS	
Provider: <u>Professional Service Industries, Inc.</u>	Date: <u>3/29/2007</u>
Recognized Environmental Concerns (RECs) and Other Concerns:	
<p>"The historical information developed and reviewed for the subject property revealed evidence of recognized environmental conditions ... Aerial photographs were reviewed ... the 1957 and 1962 photographs indicate the presence of a water or drilling fluids pit. The 1986 photograph depicts the presence of a structure on the subject property. The historical review indicated there may have been oil or gas wells on the subject property ... Because of the likelihood of historic oil and gas exploration ... there is the possibility of environmental issues that could be observed during development ... If observations of oil and gas exploration contaminants are observed during development, PSI recommends that sampling of such potential contaminants be conducted to determine if hazardous materials are present." (pp. 4,13, 19)</p> <p>"The Phase I ESA revealed on-site conditions of containers of lamp oil and other hazardous materials ... recommendations included disposal of such containers in accordance with local and TCEQ regulations." (p. 13)</p>	
Comments:	
<p>Receipt, review, and acceptance, before carryover, that all Phase I ESA recommendations regarding the monitoring for and disposition of potential oil and gas exploration contaminants and lamp oil. etc. have been carried out, will be a condition of this report.</p>	

**MARKET HIGHLIGHTS**

Provider: O'Connor & Associates Date: 3/8/2007  
 Contact: Daniel C. Hollander Phone: (713) 686-9955 Fax: (713) 686-8336  
 Number of Revisions: 2 Date of Last Applicant Revision: 7/16/2007

Primary Market Area (PMA): 283 square miles <sup>1</sup> 9.5 mile radius

"For the purposes of this report, the subject's primary market area includes the city of Humble and parts of Huffman, Kingwood, Crosby, and Houston. This geographic area essentially is contained within the following zip codes 77044, 77336, 77338, 77339, 77345, 77346, 77396, and 77532 ... The PMA contains a population of 202,304 persons as of 2006 ... because the subject is a Seniors project, it is allowable to exceed the 100,000 population TDHCA guideline. Because of the limited number of existing Seniors HTC complexes in the Houston area, and the extensive transportation network, which allows for a larger drawing area for a Seniors project, it is considered appropriate to exceed the 100,000 population guideline" (p.10) ... Based on our research, there is one (additional) senior affordable housing project (the Wentworth Apartments with 90 units, 100% rent restricted) that has been submitted for tax credit financing ... There is one affordable senior housing project under construction (Knightsbridge with 120 units, 100% rent restricted), and no affordable senior housing projects currently approved for construction in the PMA.

One HTC senior complex, Kingwood Senior Village, is located approximately 4.6 radial miles north of the subject site, with 193 total units, 192 being rent restricted. The Underwriter believes that Kingwood Senior Village is located within the boundaries of the original PMA, and should have been included in the (Analyst's) capture rate calculations. Humble Memorial Gardens is a Senior HTC project, located approximately 1.25 radial miles west of the subject. It was reported that Humble Memorial Gardens opened in early 2005 and has a current overall occupancy of 99%. (p. 87)

However, in addition to crossing Lake Houston and including half of the PMA on the east side of the lake, the PMA originally defined by the Analyst was quite large (with a population over 200,000). Moreover, another proposed senior development, the Wentworth Apartments (#07300), is located a few miles east of the subject. A different market analyst who did the study for that development derived a much smaller market area that did not cross the lake to the east or the river to the north. It should be noted that the Wentworth Apartments application has a higher priority. The conclusions of the market analysis for Wentworth Apartments indicated there was insufficient demand to support two new senior developments in the area. On request from the Underwriter, the Market Analyst for the subject provided a revised PMA, and based upon the Underwriter's suggestion excluded the areas east and north of the lake. The analysis of both the original and revised market areas are reflected below.

PROPOSED, UNDER CONSTRUCTION & UNSTABILIZED COMPARABLE DEVELOPMENTS							
PMA				SMA			
Name	File #	Total Units	Comp Units	Name	File #	Total Units	Comp Units
Wentworth Apartments	07300	90	90	0	0	0	0
Knightsbridge	060225	120	120	0	0	0	0
Kingwood Senior Village	05222	192	192	0	0	0	0

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

MARKET ANALYST'S PMA DEMAND by UNIT TYPE							
Unit Type	Turnover Demand	Growth Demand	Other Demand	Total Demand	Subject Units	Unstabilized Comparable (PMA)	Capture Rate
1 BR / 30%	102	18	0	120	10	0	8%
1BR / 50%	148	32	0	180	10	105	64%
1BR / 60%	169	42	0	211	39	0	19%
2 BR / 30%	14	2	0	16	6	0	38%
2BR / 50%	54	12	0	66	26	105	199%
2BR / 60%	58	12	0	70	56	0	128%

**OVERALL DEMAND**

	Target Households	Household Size	Income Eligible	Tenure	Demand
<b>ORIGINAL PMA DEMAND from TURNOVER</b>					
Market Analyst p. 74	25% 13,852	67% 9,303	100% 9,303	9% 859	65% 558
Underwriter	18% 18,268	100% 18,268	14% 2,613	62% 1,630	46% 755
<b>ORIGINAL PMA DEMAND from HOUSEHOLD GROWTH</b>					
Market Analyst p. 74		67% 2,107	25% 531	9% 49	100% 49
Underwriter		100% 481	14% 69	62% 43	100% 43
<b>DEMAND from OTHER SOURCES</b>					
Market Analyst p. 74					188
Underwriter					0

<b>ORIGINAL PMA INCLUSIVE CAPTURE RATE</b>						
	Subject Units	Unstabilized Comparable (PMA)	Unstabilized Comparable (25% SMA)	Total Supply	Total Demand (w/25% of SMA)	Inclusive Capture Rate
Market Analyst p. 75	147	210	0	357	795	45%
Underwriter	147	402	0	549	798	69%

	Target Households	Household Size	Income Eligible	Tenure	Demand
<b>REVISED PMA DEMAND from TURNOVER</b>					
Market Analyst p. 74r	23% 8,647	100% 8,647	100% 8,647	11% 915	46% 421
Underwriter	15% 9,196	100% 9,196	16% 1,510	62% 942	46% 433
<b>REVISED PMA DEMAND from HOUSEHOLD GROWTH</b>					
Market Analyst p. 74r		23% 555	100% 555	11% 59	100% 59
Underwriter		100% 631	16% 104	62% 65	100% 65
<b>DEMAND from OTHER SOURCES</b>					
Market Analyst p. 74r					103
Underwriter					13

<b>REVISED PMA INCLUSIVE CAPTURE RATE</b>						
	Subject Units	Unstabilized Comparable (PMA)	Unstabilized Comparable (25% SMA)	Total Supply	Total Demand (w/25% of SMA)	Inclusive Capture Rate
Market Analyst p. 75r	147	210	0	357	583	61%
Underwriter	147	210	0	357	511	70%

#### Inclusive Capture Rate Rates:

Based on the original PMA, the Analyst understates population by unnecessarily restricting the number of total households. The Analyst overstates turnover based on the IREM turnover rate of 65% for multifamily housing in Houston, and calculates an inclusive capture rate of 45%. The unstabilized comparable supply used by the Analyst included Wentworth and Knightsbridge, a senior development under construction located in the PMA. If the Analyst had included the third project, Kingwood Senior Village, their inclusive capture rate would have increased to 69% but they excluded Kingwood stating that it is outside the PMA.

The IREM turnover rate unquestionably overstates turnover for elderly households because it includes nonelderly households such as students and higher income households. The Underwriter has looked to the TDHCA database for more localized turnover information. The available data indicates the average turnover rate for all stabilized HTC developments in the vicinity to be 46%. Historical data has generally suggested that senior households in rental developments turnover at a much lower rate than non-senior households. Since there are no stabilized senior developments operating in the vicinity of the PMA, it is difficult to obtain specific information to reflect the senior market in the area. The Underwriter therefore applied the overall average turnover rate of 46%.

The Underwriter also included Kingwood Senior Village in the supply because TDHCA data indicates that it is located inside the original PMA. The Analyst also included demand from Section 8 housing choice vouchers. The Underwriter did not consider Section 8 demand as it was not necessary to meet the capture rate guidelines. Based on the original PMA, the underwriting analysis calculates an inclusive capture rate of 67%.

The capture rates determined by both the Analyst and the Underwriter are within Department guidelines. However, due to the concerns about the PMA as discussed above, the Analyst submitted a revised PMA excluding the areas east and north of Lake Houston. The revised market area has an overall population of approximately 116,000. Wentworth and Knightsbridge are located within this area. Since Kingwood Senior Village is located north of the lake it is not a factor in the revised calculations. Based on the revised market area, the Analyst determined an inclusive capture rate of 61%; underwriting analysis concludes an inclusive capture rate of 70%, both of which are acceptable.

#### Primary Market Occupancy Rates:

"According to the 4th quarter 2006 O'Connor & Associates program, there were 64 projects in the primary market area, which contained a total of 11,541 units. The overall occupancy rate for the projects in this primary market area was reported to be 88.65%. Occupancy rates for Class B projects was the lowest of the four Classes at 86.42% ... occupancy rates and rental rates have remained strong over the past 14 quarters, with gradual increases in both categories. Rents in the area have been strengthened by the moderate level of new construction over the past several years. However, overall occupancy has trended down from reporting period. Overall, supply and demand are generally in balance." (pp. 39, 41)

"The majority of the apartment facilities in the subject's primary market are older, less appealing projects. It is our opinion that rental rates will show moderate increases over the next few years. With continued demand and negligible new construction, the supply of available apartment product is declining. This trend is expected to continue, which is likely to result in occupancies remaining high in the area. Although rents are slowly increasing, there are limited indications of external obsolescence in the market ..."

"Due to the overall lack of recently-constructed affordable housing projects in the subject's primary market area, and based on the performance of the current low income housing projects, it appears as though there is a pent-up demand in the subject's primary market area. The newer projects in the primary market area report notably higher occupancy levels, along with higher rents. With average rental rates in the subject's submarket at \$0.843 psf, and occupancy rates averaging 88.65% overall, it is reasonable to project that a newly constructed affordable housing project with competitive amenities and an average rent of \$0.74 psf per month, such as the subject property, would perform favorably in this market." (p. 48)



**Absorption Projections:**

"Absorption in the subject's PMA over the past fourteen quarters ending December 2006 totals a negative 106 units. Absorption has ranged from negative 120 units to positive 437 units. Absorption over the past three years has averaged +/- 124 units per quarter, with the greatest amount of absorption taking place in the Class B Properties." (p. 41) "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 10-20 units per month until achieving stabilized occupancy ... within 6-12 months following completion." (p. 89)

RENT ANALYSIS (Tenant-Paid Net Rents)							
Unit Type (% AMI)	Proposed Rent	Program Maximum	Market Rent	Underwriting Rent	Savings Over Market		
1 BR 700 SF 30%	\$251	\$251	\$730	\$251	\$479		
1 BR 700 SF 50%	\$479	\$479	\$730	\$479	\$251		
1 BR 700 SF 60%	\$594	\$594	\$730	\$594	\$136		
1 BR 700 SF MR	\$720		\$730	\$720	\$10		
2 BR 940 SF 30%	\$303	\$303	\$920	\$303	\$617		
2 BR 940 SF 50%	\$578	\$578	\$920	\$578	\$342		
2 BR 940 SF 60%	\$714	\$715	\$920	\$715	\$205		
2 BR 940 SF MR	\$863		\$920	\$863	\$57		

**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 on the existing apartment market. Any negative impact ... should be of reasonable scope and limited duration." (p. 89)

**Houston Market Study:**

The Department commissioned a market study for the Houston-Baytown-Sugar Land Metropolitan Statistical Area (MSA). The study, completed in February 2006 by Vogt, Williams & Bowen, LLC, only considers demand from household growth, and from replacement or renovation of existing housing. It does not incorporate demand from turnover as normally considered 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 IAH/Lake Houston submarket within the Houston MSA. This submarket contains more than double the population of the subject PMA, and is three times the size in area. The subject PMA is similar in size to the Lake Houston submarket, but oriented more to the southeast (where there are less developments). In this submarket, the Vogt, Williams study determines total one year growth-based demand for 11 units from senior households below 30% AMI, and negative demand (-210 units) from senior households between 51-60% AMI. The Market Analyst for the subject application did not address the Vogt, Williams, Bowen study.

**Comments:**

By defining a large PMA, the Market Analyst was able to identify sufficient demand to support the subject property (Pinnacle) as well as another proposed development, Wentworth Apartments (07300) located less than 4 miles away. Conversely, the Analyst for Wentworth defined a much smaller PMA and did not consider Pinnacle in calculating the capture rate because Wentworth had a higher application score. Including Pinnacle in the supply for the capture rate for Wentworth leads to the conclusion that the demand is insufficient to support both developments. Wentworth has been recommended based on its higher priority and a market analysis indicating sufficient demand for one new development.

The subject application highlights the potential conflict and inconsistency in the Department's market analysis guidelines. Two applications located several miles apart have submitted market analyses from different providers with different conclusions. The analysis for the higher priority application is based on a very reasonable and defensible market area, and concludes that demand is sufficient for only one new development. The Underwriter determined that the original PMA defined for the lower priority application was not as defensible in comparison to the market area of the first application. By revising the market area to be more geographically reasonable, however, the Market Analyst was able to demonstrate sufficient demand to support both proposed developments and the Underwriter concurs with this finding based upon the numerical analysis.

#### OPERATING PROFORMA ANALYSIS

Income:      Number of Revisions:          0          Date of Last Applicant Revision:          N/A    

The Applicant's projected income is based on the maximum tax credit program rents for Harris County, adjusted for utility allowances dated April 2007 provided by the Harris County Housing Authority. For the six market rate units, the Applicant has projected rents higher than the 60% tax credit rent but slightly lower than the market rent reported by the Market Analyst.

The Applicant has included secondary income of \$10.26 per unit per month from vending, late fees, and deposits. The Applicant has also included income from the rental of 50 garages at \$50 per month each, but did not provide any documentation to support the likelihood that this income can be achieved. The Underwriter has therefore included a total of \$15 per unit per month, the maximum of the underwriting guideline range for secondary income. The Applicant's vacancy and collection loss assumption at 7.5% is acceptable under current underwriting guidelines. Despite the difference in secondary income assumptions, the Applicant's projected effective gross income is within 5% of the Underwriter's estimate.

Expense:      Number of Revisions:          1          Date of Last Applicant Revision:          5/9/2007    

The Applicant's projection for total annual operating expenses, at \$4,496 per unit, is not within 5% of the Underwriter's estimate of \$4,163. Specific line items with significant variances include: payroll & payroll tax (the Applicant's projection is \$25K higher than the Underwriter's estimate); utilities (the Applicant's projection is \$14K lower); and property tax (the Applicant's projection is \$32K higher).

#### Conclusion:

The Applicant's projections for total annual operating expenses and net operating income (NOI) each differ from the Underwriter's estimates by more than 5%; the Underwriter's figures will therefore be used to determine debt capacity. The Underwriter's projected NOI and debt service provide a first year debt coverage ratio of 1.34, within the acceptable range of 1.15 to 1.35.

#### Feasibility:

The Applicant's expense to income ratio is marginally below the Department's 65% maximum while the Underwriter's estimate is slightly lower. A minor increase in Applicant's expenses would suggest that this development would not meet the expense to income standard and would not be predicted to sustain future periods of expense growth with flat rents. Nonetheless, the Underwriter's estimates are used in this case and are within the Department's tolerance standards; the development can therefore be characterized as feasible.

The Underwriter's projected NOI and debt service are used to create a 30-year operating proforma, applying a 3% growth factor to income and 4% to expenses. This analysis indicates continued positive cash flow providing a debt coverage ratio that remains above 1.15; the development can therefore be considered financially feasible.

ACQUISITION INFORMATION			
ASSESSED VALUE			
Land Only: 10.228 acres	<u>\$488,386</u>	Tax Year:	<u>2007</u>
Existing Buildings:	<u>\$0</u>	Valuation by:	<u>Harris County CAD</u>
Total Assessed Value:	<u>\$488,386</u>	Tax Rate:	<u>2.60182</u>
EVIDENCE of PROPERTY CONTROL			
Type: <u>Commercial Contract -- Unimproved Property</u>	Acreage: <u>10.23</u>		
Contract Expiration: <u>8/15/2007</u>	Valid Through Board Date?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Acquisition Cost: <u>\$1,336,000</u>	Other: _____		
Seller: <u>MBS Joint Venture</u>	Related to Development Team?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
TITLE			
Comments: Schedule B of the Title Commitment lists: 10.b) a pipeline right-of-way and easement over and across the subject tract, 10.c) An ingress and egress easement, and 10.h) Subject to Sulfur Lease in favor of Walter Thomas. Receipt, review, and acceptance, before carryover, of documentation identifying any possible impact these items may have on the development, and that any necessary corrective action has been completed, will be a condition of this report.			
CONSTRUCTION COST ESTIMATE EVALUATION			
<i>COST SCHEDULE</i> Number of Revisions: <u>0</u>	Date of Last Applicant Revision: <u>N/A</u>		
Acquisition Value: The acquisition cost of \$1,336,000, or \$131K per acre, is assumed to be reasonable as the purchase is an arm's length transaction.			
Direct Construction Cost: The Applicant indicated \$262,500 in construction cost for 50 garages, but correctly excluded this amount from eligible direct costs. The Underwriter's estimate of \$198K for garage construction was also excluded from eligible cost. The Applicant's projected direct construction costs of \$7 million is 8% lower than the Underwriter's estimate of \$7.7 million.			
Conclusion: The Applicant's projection for total development cost is within 5% of the Underwriter's estimate; the Applicant's projection will therefore be used to calculate eligible basis and determine the need for permanent financing. The eligible basis indicated in the application is incorrect due to an arithmetic error. The correct calculated eligible basis of \$12,322,932 is increased by 30% because Harris County has been designated a Difficult Development Area. This is then reduced by 4% because 6 units of the total 153 units will not be subject to rent restrictions. (The Applicant used an Applicable Fraction of 100% rather than 96%, neglecting to exclude the market rent units from eligible basis.) The adjusted basis of \$15,379,911 supports a tax credit allocation of \$1,314,982 annually; however, the allocation to any development is limited to \$1,200,000. This amount will be compared to the Applicant's requested allocation, as well as the credit amount determined by the gap in financing, to determine any recommended allocation.			

**FINANCING STRUCTURE**

*SOURCES & USES* Number of Revisions: 0 Date of Last Applicant Revision: N/A

Source: Red Capital Markets Type: Interim to Permanent Financing

Interim: \$6,000,000 Interest Rate: 7.82%  Fixed Term: 24 months

Permanent: \$3,500,000 Interest Rate: 8.00%  Fixed Amort: 360 months

Source: Harris County HFC Type: Interim Financing

Principal: \$737,500 Interest Rate: 4.9%  Fixed Term: 12 months

Comments:

Applied for; Applicant has anticipated terms of floating rate at AFR, balloon payment at 12 months; requested amount adjusted up from \$650,000.

Source: Comunidad Corporation Type: Interim Financing

Principal: \$300,000 Interest Rate:           Fixed Term: 9 months

Comments:

Floating interest rate at Prime rate + 1%.

Source: Red Capital Markets Type: Syndication

Proceeds: \$10,798,920 Syndication Rate: 90% Anticipated HTC: \$ 1,200,000

Comments:

The syndication price is at the low end of current market prices and an increase in rate of just over \$0.04 could reduce the final allocation of credits since there is limited deferred developer fee to absorb excess syndication proceeds.

Amount: \$451,080 Type: Deferred Developer Fees

**CONCLUSIONS**

Recommended Financing Structure:

The Applicant's total development cost estimate less the permanent loan of \$3,500,000 indicates the need for \$11,250,000 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$1,250,125 annually would be required to fill this gap in financing. The Applicant requested an annual allocation of \$1,200,000, which is the maximum permitted. This amount is recommended as the other two possibilities, the amount determined by eligible basis and the amount determined by the gap in financing, both exceed the maximum. An allocation of \$1,200,000 annually for ten years results in proceeds of \$10,798,920 at a syndication rate of 90%. The anticipated deferred developer's fees of \$451,080 appears to be repayable within five years of stabilized operations.

Underwriter: \_\_\_\_\_ Date: July 17, 2007  
*Thomas Cavanagh*

Reviewing Underwriter: \_\_\_\_\_ Date: July 17, 2007  
*Lisa Vecchietti*

Director of Real Estate Analysis: \_\_\_\_\_ Date: July 17, 2007  
*Tom Gouris*

**MULTIFAMILY COMPARATIVE ANALYSIS**

**Pinnacle of Pleasant Humble, Humble, 9% HTC #07141**

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 30%	10	1	1	700	\$343	\$251	\$2,510	\$0.36	\$92.00	\$41.31
TC 50%	10	1	1	700	\$571	479	4,790	0.68	92.00	41.31
TC 60%	39	1	1	700	\$686	594	23,166	0.85	92.00	41.31
MR	2	1	1	700		720	1,440	1.03	92.00	41.31
TC 30%	6	2	2	940	\$411	303	1,818	0.32	108.00	41.31
TC 50%	26	2	2	940	\$686	578	15,028	0.61	108.00	41.31
TC 60%	56	2	2	940	\$823	715	40,040	0.76	108.00	41.31
MR	4	2	2	940		863	3,452	0.92	108.00	41.31
<b>TOTAL:</b>	<b>153</b>		<b>AVERAGE:</b>	<b>844</b>		<b>\$603</b>	<b>\$92,244</b>	<b>\$0.71</b>	<b>\$101.62</b>	<b>\$41.31</b>

**INCOME** Total Net Rentable Sq Ft: **129,180**

**POTENTIAL GROSS RENT**

2nd Income: vending, late fees, dep's, etc Per Unit Per Month: \$15.00

Other Income: 50 garages @ \$50

**POTENTIAL GROSS INCOME**

Vacancy & Collection Loss % of Potential Gross Income: -7.50%

Employee or Other Non-Rental Units or Concessions

**EFFECTIVE GROSS INCOME**

	<b>TDHCA</b>	<b>APPLICANT</b>
	\$1,106,928	\$1,106,256
	27,540	18,840
	0	30,000
	\$1,134,468	\$1,155,096
	(85,085)	(86,628)
	0	0
	\$1,049,383	\$1,068,468

COUNTY	IREM REGION	COMPT. REGION
Harris	Houston	6
\$10.26	Per Unit Per Month	
\$16.34	Per Unit Per Month	
-7.50%	of Potential Gross Income	

**EXPENSES**

	% OF EGI	PER UNIT	PER SQ FT
General & Administrative	5.59%	\$383	0.45
Management	4.32%	296	0.35
Payroll & Payroll Tax	13.58%	931	1.10
Repairs & Maintenance	7.35%	504	0.60
Utilities	4.16%	285	0.34
Water, Sewer, & Trash	4.67%	321	0.38
Property Insurance	3.85%	264	0.31
Property Tax 2.60182	11.38%	781	0.92
Reserve for Replacements	3.64%	250	0.30
TDHCA Compliance Fees	0.56%	38	0.05
Other: sup srvc & security	1.60%	110	0.13
<b>TOTAL EXPENSES</b>	<b>60.70%</b>	<b>\$4,163</b>	<b>\$4.93</b>
<b>NET OPERATING INC</b>	<b>39.30%</b>	<b>\$2,696</b>	<b>\$3.19</b>

	<b>TDHCA</b>	<b>APPLICANT</b>
	\$58,618	\$59,000
	45,327	54,487
	142,492	167,703
	77,105	68,120
	43,627	29,236
	49,046	50,760
	40,393	46,315
	119,424	151,290
	38,250	38,250
	5,880	5,880
	16,780	16,780
	\$636,943	\$687,821
	\$412,440	\$380,647

	PER SQ FT	PER UNIT	% OF EGI
	\$0.46	\$386	5.52%
	0.42	356	5.10%
	1.30	1,096	15.70%
	0.53	445	6.38%
	0.23	191	2.74%
	0.39	332	4.75%
	0.36	303	4.33%
	1.17	989	14.16%
	0.30	250	3.58%
	0.05	38	0.55%
	0.13	110	1.57%
	\$5.32	\$4,496	64.37%
	\$2.95	\$2,488	35.63%

**DEBT SERVICE**

Red Capital Markets	29.37%	\$2,014	\$2.39
Additional Financing	0.00%	\$0	\$0.00
Additional Financing	0.00%	\$0	\$0.00
<b>NET CASH FLOW</b>	<b>9.94%</b>	<b>\$681</b>	<b>\$0.81</b>

	<b>TDHCA</b>	<b>APPLICANT</b>
	\$308,181	\$308,181
	0	0
	0	0
	\$104,259	\$72,466
	1.34	1.24
	1.34	

	PER SQ FT	PER UNIT	% OF EGI
	\$2.39	\$2,014	28.84%
	\$0.00	\$0	0.00%
	\$0.00	\$0	0.00%
	\$0.56	\$474	6.78%

AGGREGATE DEBT COVERAGE RATIO

RECOMMENDED DEBT COVERAGE RATIO

**CONSTRUCTION COST**

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT
Acquisition Cost (site or bldg)		8.76%	\$8,732	\$10.34
Off-Sites		0.00%	0	0.00
Sitework		7.52%	7,500	8.88
Direct Construction		50.34%	50,203	59.46
Contingency	4.64%	2.69%	2,679	3.17
Contractor's Fees	13.00%	7.52%	7,502	8.88
Indirect Construction		3.84%	3,834	4.54
Ineligible Costs		4.06%	4,048	4.79
Developer's Fees	14.11%	10.50%	10,471	12.40
Interim Financing		2.48%	2,474	2.93
Reserves		2.29%	2,288	2.71
<b>TOTAL COST</b>		<b>100.00%</b>	<b>\$99,731</b>	<b>\$118.12</b>

	<b>TDHCA</b>	<b>APPLICANT</b>
	\$1,336,000	\$1,336,000
	0	0
	1,147,500	1,147,500
	7,681,091	7,050,590
	409,905	409,905
	1,147,732	1,147,732
	586,596	586,596
	619,393	741,068
	1,602,024	1,602,024
	378,585	378,585
	350,000	350,000
	\$15,258,826	\$14,750,000

	PER SQ FT	PER UNIT	% of TOTAL
	\$10.34	\$8,732	9.06%
	0.00	0	0.00%
	8.88	7,500	7.78%
	54.58	46,082	47.80%
	3.17	2,679	2.78%
	8.88	7,502	7.78%
	4.54	3,834	3.98%
	5.74	4,844	5.02%
	12.40	10,471	10.86%
	2.93	2,474	2.57%
	2.71	2,288	2.37%
	\$114.18	\$96,405	100.00%
	\$75.52	\$63,763	66.14%

**Construction Cost Recap**

**SOURCES OF FUNDS**

Red Capital Markets	22.94%	\$22,876	\$27.09
Additional Financing	0.00%	\$0	\$0.00
HTC: Red Capital Markets	70.77%	\$70,581	\$83.60
Deferred Developer Fees	2.96%	\$2,948	\$3.49
Additional (Excess) Funds Req'd	3.33%	\$3,326	\$3.94
<b>TOTAL SOURCES</b>			

	<b>TDHCA</b>	<b>APPLICANT</b>
	\$3,500,000	\$3,500,000
	0	0
	10,798,920	10,798,920
	451,080	451,080
	508,826	0
	\$15,258,826	\$14,750,000

	RECOMMENDED
	\$3,500,000
	0
	10,798,920
	451,080
	0
	\$14,750,000

Developer Fee Available \$1,602,024

% of Dev. Fee Deferred 28%

15-Yr Cumulative Cash Flow \$2,174,141

**MULTIFAMILY COMPARATIVE ANALYSIS (continued)**

*Pinnacle of Pleasant Humble, Humble, 9% HTC #07141*

**DIRECT CONSTRUCTION COST ESTIMATE**

*Marshall & Swift Residential Cost Handbook  
Average Quality Multiple Residence Basis*

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$55.17	\$7,590,271
<b>Adjustments</b>				
Exterior Wall Finish	4.80%		\$2.65	\$342,069
Elderly	3.00%		1.65	213,793
9-Ft. Ceilings	3.60%		1.99	256,551
Elevators	\$43,500	5	1.68	217,500
Subfloor			(0.82)	(106,358)
Floor Cover			2.43	313,907
Breezeways/Balconies	\$22.15	34,152	5.86	756,467
Plumbing Fixtures	\$805	276	1.72	222,180
Rough-ins	\$400	306	0.95	122,400
Built-In Appliances	\$1,850	153	2.19	283,050
Exterior Stairs	\$1,800	24	0.33	43,200
Hurricane Wind Adj	\$0.94	129,180	0.94	121,429
Heating/Cooling			1.90	245,442
Garages	\$19.88	10,000	1.54	198,780
Comm &/or Aux Bldgs	\$59.76	7,700	3.56	460,152
Other: fire sprinkler	\$1.95	129,180	1.95	251,901
<b>SUBTOTAL</b>			<b>85.69</b>	<b>11,068,893</b>
Current Cost Multiplier	0.98		(1.71)	(221,378)
Local Multiplier	0.89		(9.43)	(1,217,578)
<b>TOTAL DIRECT CONSTRUCTION COSTS</b>			<b>\$74.55</b>	<b>\$9,629,937</b>
Plans, specs, survy, bld prm	3.90%		(\$2.91)	(\$375,568)
Interim Construction Interes	3.38%		(2.52)	(325,010)
Contractor's OH & Profit	11.50%		(8.57)	(1,107,443)
<b>NET DIRECT CONSTRUCTION COSTS</b>			<b>\$60.55</b>	<b>\$7,821,916</b>

**PAYMENT COMPUTATION**

<b>Primary</b>	\$3,500,000	Amort	360
Int Rate	8.00%	DCR	1.34

<b>Secondary</b>	\$0	Amort	
Int Rate		Subtotal DCR	1.34

<b>Additional</b>	\$10,798,920	Amort	
Int Rate		Aggregate DCR	1.34

**RECOMMENDED FINANCING STRUCTURE:**

Primary Debt Service	\$308,181
Secondary Debt Service	0
Additional Debt Service	0
<b>NET CASH FLOW</b>	<b>\$104,259</b>

<b>Primary</b>	\$3,500,000	Amort	360
Int Rate	8.00%	DCR	1.34

<b>Secondary</b>	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.34

<b>Additional</b>	\$10,798,920	Amort	0
Int Rate	0.00%	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	\$1,106,928	\$1,140,136	\$1,174,340	\$1,209,570	\$1,245,857	\$1,444,290	\$1,674,328	\$1,941,005	\$2,608,548
Secondary Income	27,540	28,366	29,217	30,094	30,997	35,933	41,657	48,292	64,900
Other Income: 50 garages @ \$t	0	0	0	0	0	0	0	0	0
<b>POTENTIAL GROSS INCOME</b>	<b>1,134,468</b>	<b>1,168,502</b>	<b>1,203,557</b>	<b>1,239,664</b>	<b>1,276,854</b>	<b>1,480,223</b>	<b>1,715,985</b>	<b>1,989,297</b>	<b>2,673,448</b>
Vacancy & Collection Loss	(85,085)	(87,638)	(90,267)	(92,975)	(95,764)	(111,017)	(128,699)	(149,197)	(200,509)
Employee or Other Non-Rental	0	0	0	0	0	0	0	0	0
<b>EFFECTIVE GROSS INCOME</b>	<b>\$1,049,383</b>	<b>\$1,080,864</b>	<b>\$1,113,290</b>	<b>\$1,146,689</b>	<b>\$1,181,090</b>	<b>\$1,369,207</b>	<b>\$1,587,286</b>	<b>\$1,840,099</b>	<b>\$2,472,940</b>
EXPENSES at 4.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
General & Administrative	\$58,618	\$60,963	\$63,402	\$65,938	\$68,575	\$83,432	\$101,508	\$123,500	\$182,810
Management	45,327	46,687	48,088	49,530	51,016	59,142	68,561	79,481	106,816
Payroll & Payroll Tax	142,492	148,192	154,120	160,284	166,696	202,811	246,750	300,210	444,383
Repairs & Maintenance	77,105	80,189	83,397	86,733	90,202	109,745	133,521	162,449	240,465
Utilities	43,627	45,372	47,187	49,074	51,037	62,095	75,548	91,915	136,057
Water, Sewer & Trash	49,046	51,008	53,049	55,170	57,377	69,808	84,932	103,333	152,959
Insurance	40,393	42,009	43,689	45,437	47,254	57,492	69,947	85,102	125,971
Property Tax	119,424	124,200	129,168	134,335	139,709	169,977	206,803	251,607	372,440
Reserve for Replacements	38,250	39,780	41,371	43,026	44,747	54,442	66,237	80,587	119,288
Other	22,660	23,566	24,509	25,489	26,509	32,252	39,240	47,741	70,669
<b>TOTAL EXPENSES</b>	<b>\$636,943</b>	<b>\$661,967</b>	<b>\$687,979</b>	<b>\$715,017</b>	<b>\$743,123</b>	<b>\$901,195</b>	<b>\$1,093,048</b>	<b>\$1,325,926</b>	<b>\$1,951,859</b>
<b>NET OPERATING INCOME</b>	<b>\$412,440</b>	<b>\$418,897</b>	<b>\$425,311</b>	<b>\$431,672</b>	<b>\$437,967</b>	<b>\$468,012</b>	<b>\$494,238</b>	<b>\$514,173</b>	<b>\$521,080</b>
<b>DEBT SERVICE</b>									
First Lien Financing	\$308,181	\$308,181	\$308,181	\$308,181	\$308,181	\$308,181	\$308,181	\$308,181	\$308,181
Second Lien	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
<b>NET CASH FLOW</b>	<b>\$104,259</b>	<b>\$110,716</b>	<b>\$117,130</b>	<b>\$123,491</b>	<b>\$129,786</b>	<b>\$159,830</b>	<b>\$186,057</b>	<b>\$205,992</b>	<b>\$212,899</b>
<b>DEBT COVERAGE RATIO</b>	<b>1.34</b>	<b>1.36</b>	<b>1.38</b>	<b>1.40</b>	<b>1.42</b>	<b>1.52</b>	<b>1.60</b>	<b>1.67</b>	<b>1.69</b>

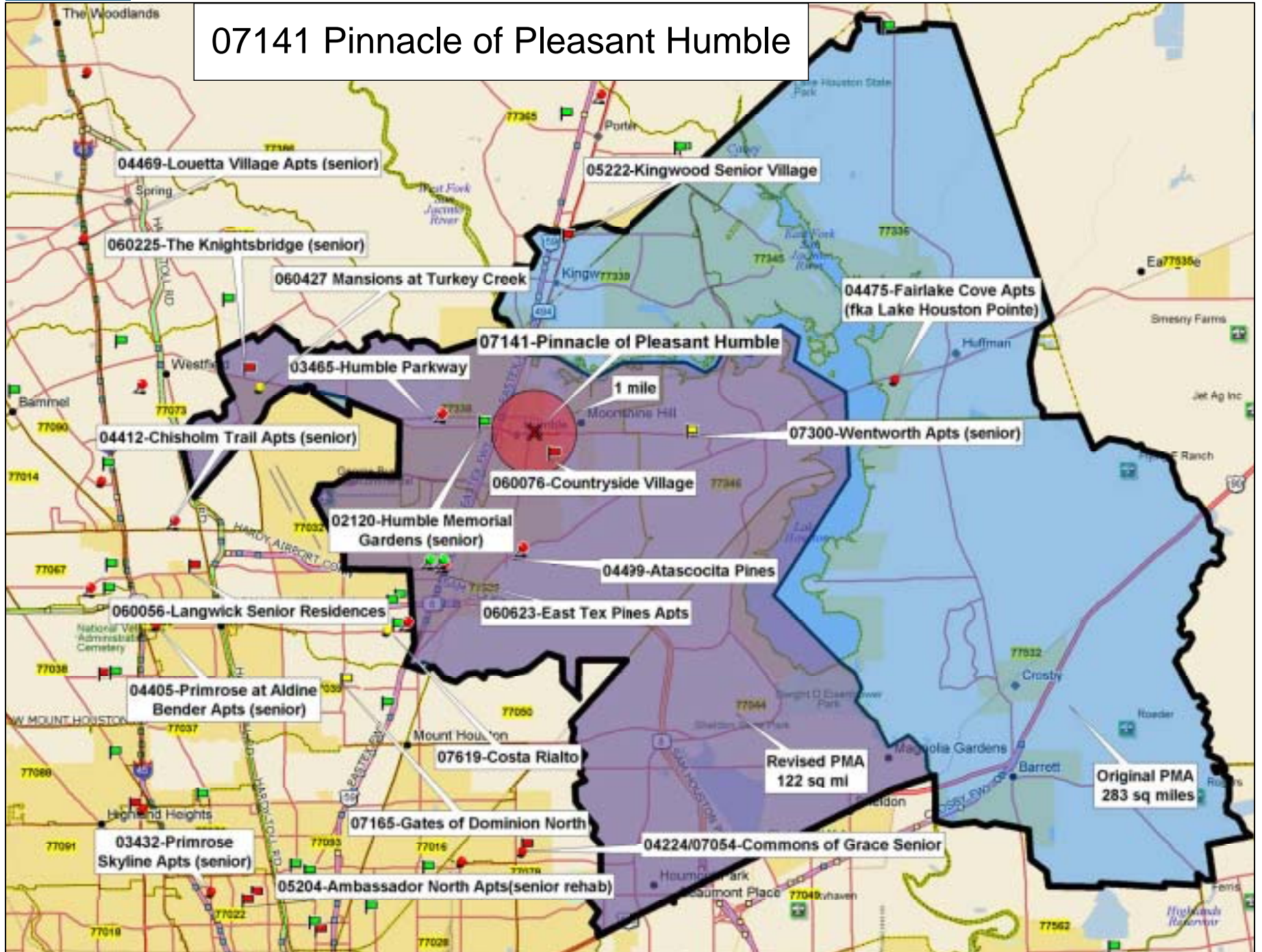
**HTC ALLOCATION ANALYSIS -Pinnacle of Pleasant Humble, Humble, 9% HTC #07141**

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
<b>Acquisition Cost</b>				
Purchase of land	\$1,336,000	\$1,336,000		
Purchase of buildings				
<b>Off-Site Improvements</b>				
Sitework	\$1,147,500	\$1,147,500	\$1,147,500	\$1,147,500
Construction Hard Costs	\$7,050,590	\$7,681,091	\$7,050,590	\$7,681,091
Contractor Fees	\$1,147,732	\$1,147,732	\$1,147,732	\$1,147,732
Contingencies	\$409,905	\$409,905	\$409,905	\$409,905
Eligible Indirect Fees	\$586,596	\$586,596	\$586,596	\$586,596
Eligible Financing Fees	\$378,585	\$378,585	\$378,585	\$378,585
All Ineligible Costs	\$741,068	\$619,393		
<b>Developer Fees</b>				
Developer Fees	\$1,602,024	\$1,602,024	\$1,602,024	\$1,602,024
Development Reserves	\$350,000	\$350,000		
<b>TOTAL DEVELOPMENT COSTS</b>	<b>\$14,750,000</b>	<b>\$15,258,826</b>	<b>\$12,322,932</b>	<b>\$12,953,433</b>

<b>Deduct from Basis:</b>			
All grant proceeds used to finance costs in eligible basis			
B.M.R. loans used to finance cost in eligible basis			
Non-qualified non-recourse financing			
Non-qualified portion of higher quality units [42(d)(3)]			
Historic Credits (on residential portion only)			
<b>TOTAL ELIGIBLE BASIS</b>		<b>\$12,322,932</b>	<b>\$12,953,433</b>
High Cost Area Adjustment		130%	130%
<b>TOTAL ADJUSTED BASIS</b>		<b>\$16,019,811</b>	<b>\$16,839,464</b>
Applicable Fraction		96%	96%
<b>TOTAL QUALIFIED BASIS</b>		<b>\$15,379,911</b>	<b>\$16,166,824</b>
Applicable Percentage		8.55%	8.55%
<b>TOTAL AMOUNT OF TAX CREDITS</b>		<b>\$1,314,982</b>	<b>\$1,382,263</b>

Syndication Proceeds	0.8999	\$11,833,658	\$12,439,127
<b>Total Tax Credits (Eligible Basis Method)</b>		<b>\$1,314,982</b>	<b>\$1,382,263</b>
Syndication Proceeds		\$11,833,658	\$12,439,127
<b>Requested Tax Credits</b>		<b>\$1,200,000</b>	
Syndication Proceeds		\$10,798,920	
<b>Gap of Syndication Proceeds Needed</b>		<b>\$11,250,000</b>	
<b>Total Tax Credits (Gap Method)</b>		<b>\$1,250,125</b>	

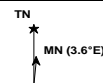
07141 Pinnacle of Pleasant Humble



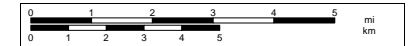
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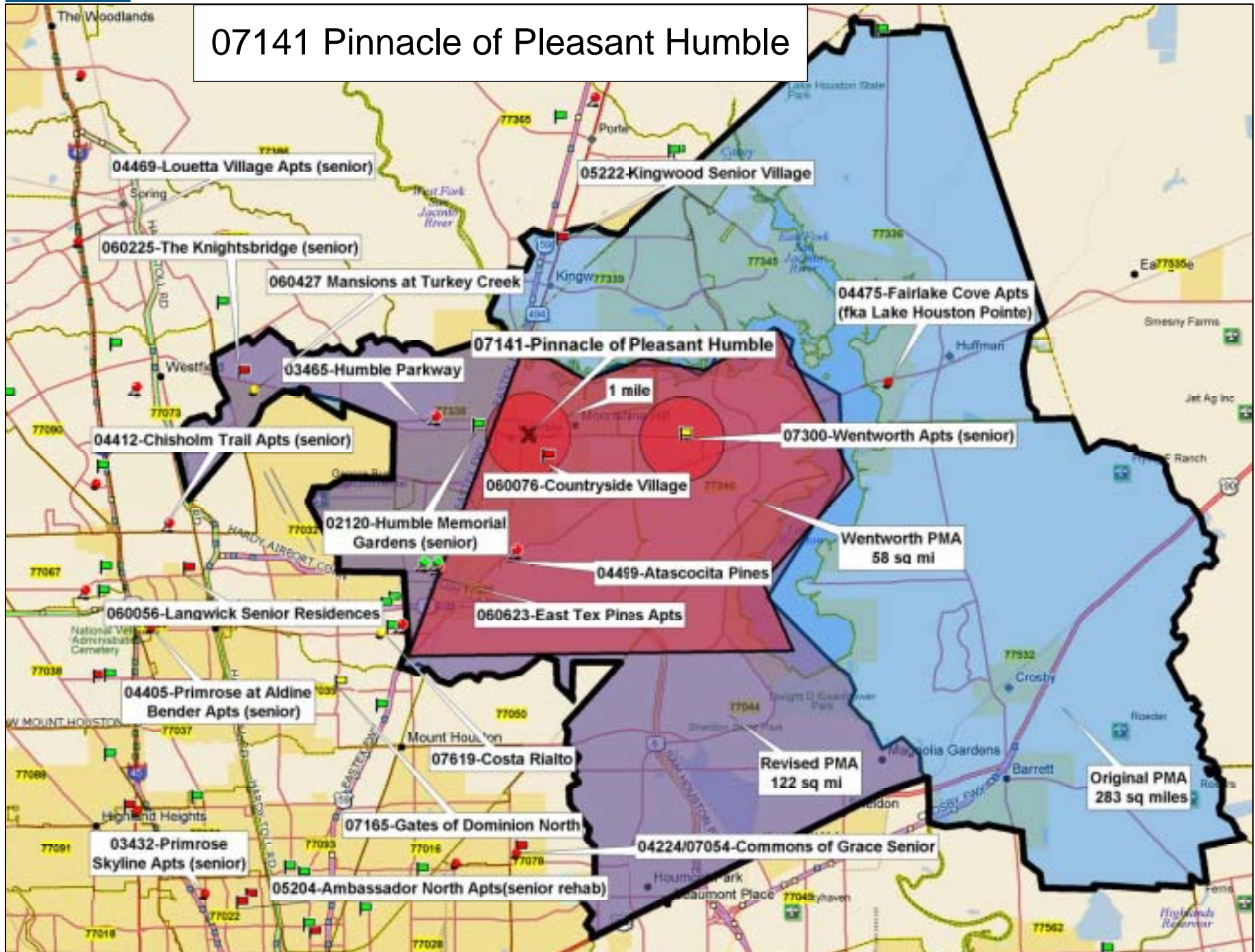


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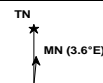
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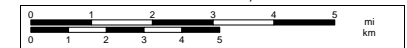
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Scale 1 : 200,000



1" = 3.16 mi

Data Zoom 10-0

TO BE SUPPLIED IF APPEALS  
TIMELY FILED



## **REQUEST FOR BOARD ACTION Multifamily Finance Production**

**Private Activity Bond Program – Waiting List**

**1 Priority 2 Application for 2007 Waiting List**

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### **TABLE OF EXHIBITS**

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<b>TAB 1</b>	<b>TDHCA Board Presentation – July 30, 2007</b>
<b>TAB 2</b>	<b>Summary of Applications</b>
<b>TAB 3</b>	<b>Inducement Resolution</b>
<b>TAB 4</b>	<b>Prequalification Analysis Worksheet</b>
<b>TAB 5</b>	<b>Map of Development Site</b>
<b>TAB 6</b>	<b>Exhibit A (Opposition)</b>
<b>TAB 7</b>	<b>Exhibit B (Support)</b>

**MULTIFAMILY FINANCE PRODUCTION DIVISION**

**BOARD ACTION REQUEST**

**July 30, 2007**

**Action Item**

Presentation, Discussion and Possible Approval of an Inducement Resolution for Multifamily Housing Revenue Bonds and Authorization for Filing Applications for Private Activity Bond Authority – 2007 Waiting List.

**Requested Action**

Approve the Inducement Resolution to proceed with application submission to the Texas Bond Review Board for possible receipt of State Volume Cap issuance authority from the 2007 Private Activity Bond Program for one (1) application.

**Background**

Each year, the State of Texas is notified of the allocation amount of private activity tax-exempt revenue bonds that may be issued within the state. Approximately \$402 million is set aside for multifamily until August 15<sup>th</sup> for the 2007 bond program year. TDHCA has a set aside of approximately \$88 million available for new 2007 applications. There is currently no allocation available. If the Board approves this application, it will be submitted to the Bond Review Board after the sub-ceiling collapse on August 15.

Inducement Resolution 07-023 includes one (1) application that was received on or before June 14, 2007. This application will reserve approximately \$11.5 million in 2007 state volume cap. Upon Board approval to proceed, the application will be submitted to the Texas Bond Review Board for placement on the 2007 Waiting List. The Board has previously approved twenty four (24) applications for the 2007 program year. Eight applications have been submitted to the Bond Review Board.

Costa Clemente, App. #07626 – The proposed new construction development will consist of 176 units and will target the general population. It will be located at approximately the 1100 block of W. Hwy 35 and Hwy 288, Angleton, Brazoria County. Demographics for the census tract (6625) include AMFI of \$60,132; the total population is 2,152; the percent of the population that is minority is 42.10%; the number of owner occupied units is 580; number of renter occupied units is 80; and the number of vacant units is 47. (Census Information from FFIEC Geocoding for 2006).

The Department has received 167 letters of opposition from individuals within the community and surrounding community and a petition with 140 signatures. It is possible that those who submitted letters also signed the petition. The Department has also received letters of opposition from Senator Mike Jackson, Representative Dennis Bonnen, Brazoria County Judge E.J. “Joe” King, County Commissioner L.M. “Matt” Sebesta, Jr., County Commissioner Donald “Dude” Payne (does not represent the district for the proposed district) and Justice of the Peace Wayne Dubose. A neutral letter from School Board President Steve Hazlewood and School Superintendent Dr. Heath Burns was received which stated they are not aware of any unmet needs regarding affordable housing in their district and that they have concerns within nearby neighborhoods regarding traffic and pedestrian safety.

The Department received a letter of support from Mayor Patrick Henry, Senior District Judge Neil Caldwell and the Greater Angleton Chamber of Commerce voted in support of the development. Letters of support from Mayor Pro Tem Roger Collins and City Councilmember Bonnie Church were sent to County Commissioner Rhodenbaugh of which the Department was forwarded a copy; however, the Department did not receive any letters from these elected officials directly. Additionally, 32 letters of support from individuals in the community and surrounding community were received.

A summary of the public comment (Exhibit A is included in the Board Books) in opposition is as follows: increased traffic around the elementary and middle schools that are close to the proposed site, the crime this development will bring will negatively affect the school children and the elderly of the nursing home nearby, there is no public transportation, the developer was misleading in indicating they had full approval from the city when at the time they did not (on the previous application), current drainage problems in the area and the increased concern for flooding this development would bring to area homes, insufficient tax revenue that will be generated from the development, land acquisition value and site cost per acre, proposed site would be better utilized for retail development due to its proximity to two major thoroughfares, additional strain that will be placed on local resources including the school district and emergency services and surrounding homeowners will see a decrease in their property value.

A summary of the public comment in support (Exhibit B is included in the Board Books) is as follows: the after-school program for the children of working parents is needed in Angleton and is something the city has never had, the development will strengthen the infrastructure of the community and provide needed relief to those who need clean, comfortable housing at an affordable price, the location would provide safe and convenient access to the nearby elementary and middle schools.

Staff notes that an application for housing tax credits was previously approved by the Board at the June 14, 2007 Board meeting with Southeast Texas HFC as the issuer of the bonds; however they were not able to close before the expiration of the reservation of allocation deadline of July 14, 2007. They have submitted their pre-application to the Department to serve as the Issuer for the following reasons:

- § The decision was made to proceed to TDHCA issuance because the local entity refuses to act on the issue.
- § In the interest in providing quality affordable housing in an area that the market study clearly states is in need of additional units.

### **Recommendation**

Approve the Inducement Resolution as presented by staff. Staff will present all appropriate information to the Board for a final determination for the issuance of the bonds and housing tax credits during the full application process for the bond issuance.

## Texas Department of Housing and Community Affairs

2007 Multifamily Private Activity Bond Program - Waiting List

Application #	Development Information	Units	Bond Amount	Developer Information	Comments
07626	Costa Clemente Approx. 1100 Block of W. Hwy 35 and Hwy 288	176	\$ 11,500,000	Costa Clemente III, Ltd. Debra Guerrero	Recommend
Priority 2	City: Angleton County: Brazoria <i>New Construction</i>	General	Score = 77	111 Soledad, Suite 1220 San Antonio, TX 78205 (210) 487-7878	
<b>Totals for Recommended Applications</b>		<b>176</b>	<b>\$ 11,500,000</b>		

## RESOLUTION NO. 07-023

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

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

WHEREAS, the Act authorizes the Department: (a) to make mortgage loans to housing sponsors to provide financing for multifamily residential rental housing in the State of Texas (the “State”) intended to be occupied by persons and families of low, very low and extremely low income and families of moderate income, as determined by the Department; (b) to issue its revenue bonds, for the purpose, among others, of obtaining funds to make such loans and provide financing, to establish necessary reserve funds and to pay administrative and other costs incurred in connection with the issuance of such bonds; and (c) to pledge all or any part of the revenues, receipts or resources of the Department, including the revenues and receipts to be received by the Department from such multifamily residential rental development loans, and to mortgage, pledge or grant security interests in such loans or other property of the Department in order to secure the payment of the principal or redemption price of and interest on such bonds; and

WHEREAS, it is proposed that the Department issue its revenue bonds for the purpose of providing financing for multifamily residential rental developments (each a “Development” and collectively, the “Developments”) as more fully described in Exhibit A attached hereto. The ownership of each Development as more fully described in Exhibit A will consist of the ownership entity and its principals or a related person (each an “Owner” and collectively, the “Owners”) within the meaning of the Internal Revenue Code of 1986, as amended (the “Code”); and

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

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

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

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

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

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

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

BE IT RESOLVED BY THE BOARD THAT:

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

- (a) each Development is necessary to provide decent, safe and sanitary housing at rentals that individuals or families of low and very low income and families of moderate income can afford;
- (b) each Owner will supply, in its Development, well-planned and well-designed housing for individuals or families of low and very low income and families of moderate income;
- (c) the financing of each Development is a public purpose and will provide a public benefit;
- (d) each Owner is financially responsible; and
- (e) each Development will be undertaken within the authority granted by the Act to the Department and each Owner.

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



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

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

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

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

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

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

Section 9--Costs of Development. The Costs of each respective Development may include any cost of acquiring, constructing, reconstructing, improving, installing and expanding the Development. Without limiting the generality of the foregoing, the Costs of each respective Development shall specifically include the cost of the acquisition of all land, rights-of-way, property rights, easements and interests, the cost of all machinery and equipment, financing charges, inventory, raw materials and other supplies, research and development costs, interest prior to and during construction and for one year after completion of construction whether or not capitalized, necessary reserve funds, the cost of estimates and of engineering and legal services, plans, specifications, surveys, estimates of cost and of revenue, other

expenses necessary or incident to determining the feasibility and practicability of acquiring, constructing, reconstructing, improving and expanding the Development, administrative expenses and such other expenses as may be necessary or incident to the acquisition, construction, reconstruction, improvement and expansion of the Development, the placing of the Development in operation and that satisfy the Code and the Act. Each Owner shall be responsible for and pay any costs of its Development incurred by it prior to issuance of the Bonds and will pay all costs of its Development which are not or cannot be paid or reimbursed from the proceeds of the Bonds.

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

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

Section 12--Conditions Precedent. The issuance of the Bonds following final approval by the Board shall be further subject to, among other things: (a) the execution by each Owner and the Department of contractual arrangements providing assurance satisfactory to the Department that 100 percent of the units for each Development will be occupied at all times by Eligible Tenants, that all other requirements of the Act will be satisfied and that each Development will satisfy the requirements of Section 142(d) of the Code (except for portions to be financed with taxable bonds); (b) the receipt of an opinion from Vinson & Elkins L.L.P. or other nationally recognized bond counsel acceptable to the Department, substantially to the effect that the interest on the tax-exempt Bonds is excludable from gross income for federal income tax purposes under existing law; and (c) receipt of the approval of the Bond Review Board, if required, and the Attorney General.

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

Section 14--Authorization to Proceed. The Board hereby authorizes staff, Bond Counsel and other consultants to proceed with preparation of each Development's necessary review and legal documentation for the filing of an Application for the 2007 program year and the issuance of the Bonds, subject to satisfaction of the conditions specified in Section 2(i) and (ii) hereof. The Board further authorizes staff, Bond Counsel and other consultants to re-submit an Application that was withdrawn by an Owner so long as the Application is re-submitted within the current or following program year.

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

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

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

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

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

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

PASSED AND APPROVED this 30th day of July, 2007.

[SEAL]

By: /s/ Elizabeth Anderson  
Elizabeth Anderson, Chair

Attest: /s/ Kevin Hamby  
Kevin Hamby, Secretary

EXHIBIT "A"

Description of each Owner and its Development

Project Name	Owner	Principals	Amount Not to Exceed
Costa Clemente	Costa Clemente III, Ltd., to be formed, or other entity	The General Partner will be Costa Clemente III GP, LLC, to be formed, or other entity, the principals of which will be Northside Redevelopment Center	\$12,500,000
<p>Costs: (i) acquisition of real property located at approximately the 1100 block of West Highway 35 and Highway 288, Angleton, Brazoria County, Texas; and (ii) the construction thereon of an approximately 176-unit multifamily residential rental housing development, in the amount not to exceed \$12,500,000.</p>			

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

**Costa Clemente Apartments, Angleton, TDHCA #07626, Priority 2**

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	1BD/1BA	2	\$ 585	722	0.81
60% AMI	1BD/1BA	6	\$ 610	722	0.84
60% AMI	2BD/2BA	32	\$ 739	930	0.79
60% AMI	2BD/2BA	51	\$ 739	936	0.79
60% AMI	2BD/2BA	13	\$ 699	936	0.75
60% AMI	3BD/2BA	11	\$ 793	1,240	0.64
60% AMI	3BD/2BA	53	\$ 852	1,240	0.69
60% AMI	4BD/2BA	1	\$ 851	1,561	0.55
60% AMI	4BD/2BA	7	\$ 942	1,561	0.60
Totals		176	\$ 1,638,936	187,288	\$ 0.73
Averages			\$ 776	1,064	

Applicant - Sources of Funds				
Source I	Proceeds	Price	Percentage	
Tax Credits	\$ 7,119,320	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 10,716,000	6.75%	40	\$ 775,869
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,606,944	73.0%	\$594,056	
Source IV	Proceeds	Description	Annual D/S	
<b>Total Sources</b>	\$ 19,442,264			\$ 775,869

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$1,530,668	\$8.17		
Other Income & Loss	31,680	0.17	180	
Vacancy & Collection	7.94% 124,104	0.66	705	
Effective Gross Income	\$1,686,452	9.00	9,582	
Total Operating Expenses	\$776,512	\$4.15	\$4,412	
Net Operating Income	\$909,940	\$4.86	\$5,170	
Debt Service	775,869	4.14	4,408	
Net Cash Flow	\$134,071	\$0.72	\$762	
Debt Coverage Ratio	1.17			
TDHCA/TSAHC Fees	\$0	\$0.00	\$0	
Net Cash Flow	\$134,071	\$0.72	\$762	
DCR after TDHCA Fees	1.17			
Break-even Rents/S.F.	0.69			
Break-even Occupancy	94.72%			

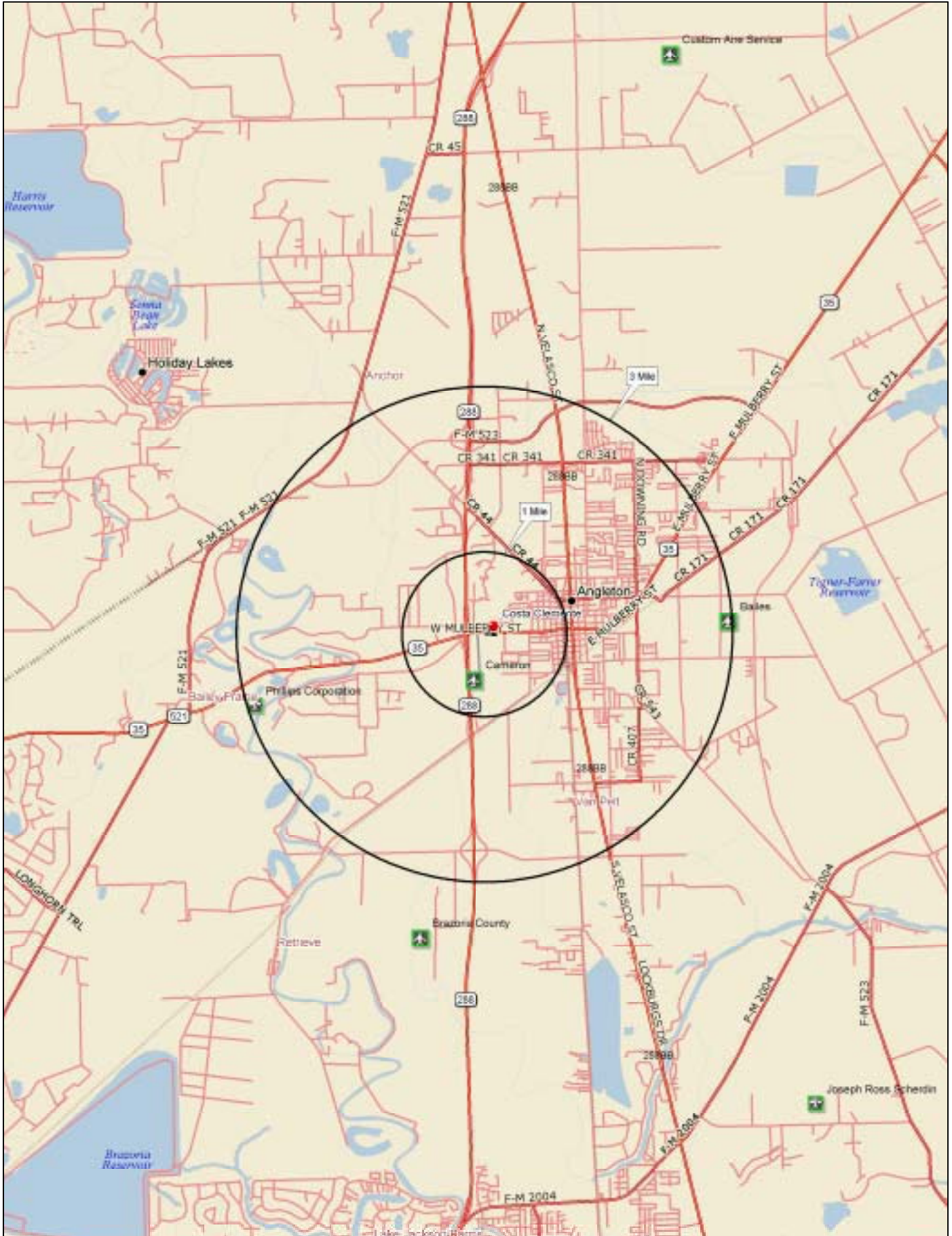
Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$65,600	0.35	373
Management Fees	73,920	0.39	420
Payroll, Payroll Tax & Employee Exp.	178,400	0.95	1014
Maintenance/Repairs	54,560	0.29	310
Utilities	90,400	0.48	514
Property Insurance	115,632	0.62	657
Property Taxes	129,360	0.69	735
Replacement Reserves	44,000	0.23	250
Other Expenses	24,640	0.13	140

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,365,000	\$ 7,756	\$ 7.29	0.07
Off-sites	25,000	142	0.13	0.00
<b>Subtotal Site Costs</b>	<b>\$ 1,390,000</b>	<b>\$ 7,898</b>	<b>\$ 7.42</b>	<b>0.07</b>
Sitework	1,584,000	9,000	8.46	0.08
Direct Construction Costs	9,223,018	52,404	49.25	0.47
General Requirements (6%)	648,421	3,684	3.46	0.03
Contractor's Overhead (2%)	216,140	1,228	1.15	0.01
Contractor's Profit (6%)	648,421	3,684	3.46	0.03
Construction Contingency	369,600	2,100	1.97	0.02
<b>Subtotal Construction</b>	<b>\$ 12,689,601</b>	<b>\$ 72,100</b>	<b>\$ 67.75</b>	<b>0.65</b>
Indirect Construction	1,047,960	5,954	5.60	0.05
Developer's Fee	2,201,000	12,506	11.75	0.11
Financing	1,937,704	11,010	10.35	0.10
Reserves	176,000	1,000	0.94	0.01
<b>Subtotal Other Costs</b>	<b>\$ 5,362,664</b>	<b>\$ 30,470</b>	<b>\$ 29</b>	<b>0</b>
<b>Total Uses</b>	<b>\$ 19,442,265</b>	<b>\$ 110,467</b>	<b>\$ 103.81</b>	<b>1.00</b>

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 7,119,320	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 9,292,996	6.00%	30	\$ 668,594
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,606,945	73.0%	\$ 594,055	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	\$ 19,442,265			\$ 668,594

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income		\$1,638,936	\$8.75	
Other Income & Loss		31,680	0.17	180
Vacancy & Collection	7.50%	(125,296)	-0.67	-712
Effective Gross Income		1,545,320	8.25	8,780
Total Operating Expenses	50.2%	\$776,512	\$4.15	\$4,412
Net Operating Income		\$768,808	\$4.10	\$4,368
Debt Service		668,594	3.57	3,799
Net Cash Flow		\$100,213	\$0.54	\$569
Debt Coverage Ratio		1.15		
TDHCA/TSAHC Fees		\$0.00	\$0	
Net Cash Flow		\$100,213	\$0.54	\$569
DCR after TDHCA Fees		1.15		
Break-even Rents/S.F.		0.64		
Break-even Occupancy		88.17%		

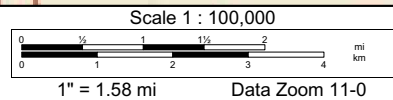
Staff Notes/Comments
Other expenses include support service contract fees, compliance fees.



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www.delorme.com



# **Exhibit A**

## **(Opposition)**

2011

2012

2013

2014



# THE SENATE OF THE STATE OF TEXAS

## CAPITOL OFFICE

P.O. BOX 12068  
AUSTIN, TEXAS 78711  
512/463-0111  
FAX: 512/475-3727  
MIKE.JACKSON@SENATE.STATE.TX.US  
DIAL 711 FOR RELAY CALLS



## COMMITTEES

SUBCOMMITTEE ON AGRICULTURE, CHAIR  
NATURAL RESOURCES, VICE-CHAIR  
BUSINESS AND COMMERCE  
GOVERNMENT ORGANIZATION  
NOMINATIONS  
SUNSET ADVISORY COMMISSION

## MIKE JACKSON

July 2, 2007

Mr. Michael Gerber, Executive Director  
Texas Department of Housing and Community Affairs  
P. O. Box 13941  
Austin, TX 78711-3491

**RECEIVED**

JUL 09 2007

**DEPUTY ED.**

Dear Mr. Gerber:

RE: Costa Clemente III, Ltd., Angleton, TX  
Application #07626

I am writing on behalf of my constituents to express opposition to the Costa Clemente Affordable Rental Housing project proposed for Highway 35 and 288 in Angleton, Brazoria County.

I have received several calls opposing this proposed development in addition to a petition signed by the residents of Shady Acres Subdivision and Heritage Oaks Subdivision. Additionally, I understand Brazoria County Commissioner's Court has gone on record opposing the proposed project. Issues involving increased traffic around Westside Elementary and Angleton Middle School and flooding have been raised and I believe from the negative interest this project has generated and from the community groups who are strongly opposed to this project, it would be a disservice to pursue issuance of tax-exempt multifamily residential rental development revenue bonds for this project at the present time.

I hope if you have any questions or need any additional information you will feel free to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Mike Jackson".

Mike Jackson  
Senate District 11

MJ/dc

cc: Ms. Teresa Morales, TDHCA



SENATE DISTRICT 11

LEAGUE CITY DISTRICT OFFICE  
201 ENTERPRISE, SUITE #600-A  
LEAGUE CITY, TEXAS 77573  
281/334-0011  
FAX: 281/334-3043

PASADENA DISTRICT OFFICE  
1109 FAIRMONT PARKWAY  
PASADENA, TEXAS 77504  
713/948-0111  
FAX: 713/948-0004

# DENNIS BONNEN



CAPITOL OFFICE:  
P.O. Box 2910  
AUSTIN, TX 78768-2910  
(512) 463-0564  
FAX (512) 463-8414

DISTRICT OFFICE:  
122 E. MYRTLE  
ANGLETON, TX 77515  
(979) 848-1770  
FAX (979) 848-3169

HOUSE OF REPRESENTATIVES  
Committees: Chair, Environmental Regulation · Ways and Means

July 18, 2007

Texas Department of Housing & Community Affairs  
Attn: Teresa Morales  
221 East 11th Street  
Austin, TX 78701

To Whom It May Concern:

I wish to express my strong opposition to the Affordable Rental Housing Application (#07626) submitted by Costa Clemente. This is a proposed development at the intersection of State Highways 35 and 288 in Angleton.

I am joined by a large group of local citizens in my strong disagreement with the proposed location of the Costa Clemente development. First and foremost, as an elected official, I am greatly concerned by misrepresentations and lack of notification by the corporation proposing this development. Further, their representation to concerned citizens regarding the population that will be served by the development has been inconsistent and often times tailored to advance their agenda rather than clearly stating the facts.

While your board may not be bound by rule or statute to consider the land acquisition value for this project, I find it to be a tremendous concern that the developer has agreed to a site cost of \$91,000 per acre. Given that they are asking this project to be subsidized with taxpayer money, it would be more responsible to locate on nearby property at a lesser cost. Additionally, it has been suggested that the developer is purchasing a much larger tract of land than what will simply take in the Costa Clemente development. They have suggested additional retail development on the adjacent land. I feel it is irresponsible to subsidize this project when, in turn, the developer stands to financially benefit through private business transactions on the remaining acreage.

The developer has stated that \$452,912 in additional property tax revenue would be generated every year from the development. There is concern that this number is greatly inflated in comparison to other similar complexes. Additionally, claims were made by



DISTRICT 25 BRAZORIA (PART)

the corporation that the city supported this project even though an official endorsement has never existed. On June 26, the Angleton City Council approved the plat but chose not to pass a resolution supporting the project. Similarly, when the Brazoria County Commissioner's Court had the opportunity to approve \$15 billion in bonds for this complex on July 10, they chose not to make a motion to bring up the issue.

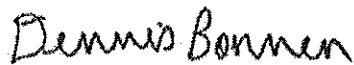
Many of my constituents have also expressed valid concerns of the additional strain this would place on local resources, such as our school district, and emergency services. Given the higher incidence of criminal activity surrounding low-income housing developments, this development poses a safety risk to the nearby school and nursing home.

There is also a tremendous safety concern for the residents of this complex given its proximity to two major thoroughfares. Angleton has no public transportation and this is a dangerous area for pedestrians given the lack of sidewalks and heavy traffic flow. This location is not a suitable place for multi-residential units that place living spaces directly adjacent to high speed traffic.

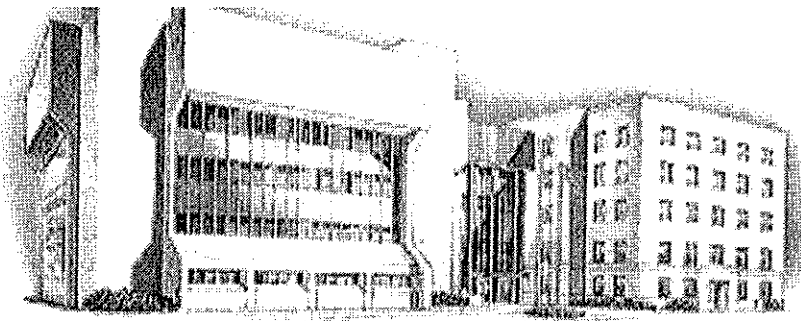
Traffic is another major issue concerning this project. This is already a busy intersection with an overpass and multiple access roads. The area has continued to have major problems with traffic congestion at the middle school campus next to the property, as almost all children arrive by car or bus. Further, the proposed plan has only one access road into and out of the development. In the event that this access point becomes blocked, the lives of residents could be put at risk during emergency situations.

The proposed site of this project is prime commercial property that is better utilized for retail development because of its proximity to two major thoroughfares. I do not have a problem with an affordable housing project in Angleton if it is at a more suitable location, one nearer other residential areas with easier access to other services. I also do not have a problem with such a project if it proves to be a prudent use of taxpayer dollars to meet a proven demand. I do have a problem with the government subsidizing a project that is surrounded by so many questions and very little clarity. As such, I strongly oppose this development.

Sincerely,



Dennis Bonnen  
State Representative, District 25



# BRAZORIA COUNTY

July 18, 2007

Texas Department of Housing and Community Affairs  
Attn: Teresa Morales  
221 East 11th Street  
Austin, TX 78701

To Whom It May Concern:

As Brazoria County Judge, I am writing to express my opposition to the Affordable Housing Application (#07626) submitted by Costa Clemente. This is a proposed development in Angleton.

I feel it is important for the Board to know that the Brazoria County Commissioners' Court had the opportunity to approve bonds for this development at our last meeting and chose not to make a motion to raise the issue. This is because there was a lack of support on the Court and such a motion would have failed. There has also been a great deal of opposition expressed by the citizens of Angleton.

I have great concerns regarding the minimal and often inconsistent information provided by the developer regarding this project. I feel they have done a disservice to Angleton citizens by creating a great amount of confusion and suspicion about their intentions. Further, I do not believe that the demand for this expansive project, especially in such a high-profile location, has been truly demonstrated.

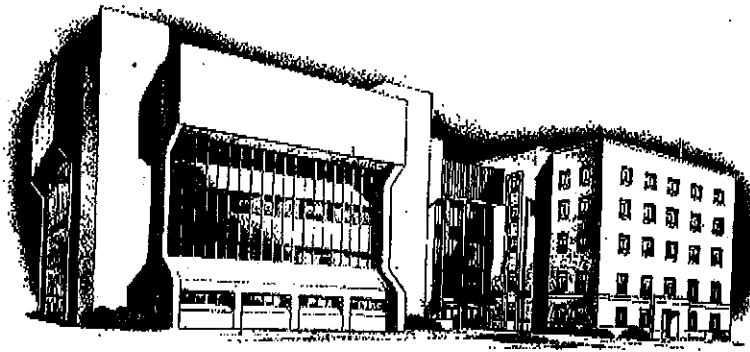
Given the development's proximity to two major thoroughfares, there are also traffic, safety, and emergency response concerns that make this location unsuitable for the proposed project. For all these reasons, I am opposed to the proposed Costa Clemente project.

Sincerely,

E. J. "Joe" King  
County Judge



L. M. "MATT" SEBESTA, JR.  
BRAZORIA COUNTY COMMISSIONER  
PRECINCT 2  
21017 OR 171, DEPT. 3  
ANGLETON, TEXAS 77516



TELEPHONE:  
Courthouse (979) 894-1548  
Brazeport (979) 388-1548  
Houston (281) 758-1548

**BRAZORIA COUNTY**  
ANGLETON, TEXAS 77516

June 28, 2007

Via Fax #512-475-0764

Teresa Morales  
Multifamily Bond Administrator  
Texas Department of Housing and Community Affairs

Re: Costa Clemente – Angleton, TX Development #07626

Ms. Morales:

Thank you for the opportunity to comment on the Costa Clemente project that is being proposed in Angleton. As County Commissioner and former Mayor of Angleton, I stand firmly *opposed* to this project at this location. My reasons for opposition are as follows:

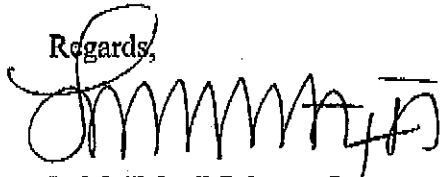
- This is the first official opportunity that I have had to comment on this project. The developer cloaked their previous public meetings in as much secrecy as possible. I never received notice nor did the City of Angleton of their official public hearings.
- The location of this project is a prime retail/commercial location at the gateway into Angleton. Multi-family is not a good fit due to traffic concerns. The adjoining school generates traffic which makes this stretch of highway extremely congested at times. The traffic with this project will be even more congested and dangerous.
- With this being a prime retail/commercial property, it is my understanding that these units will only be on the tax rolls at 50% of their value. This property would be much more useful at full value on the tax rolls with retail generating sales tax.
- With it being affordable housing, I will assume that many of the residents will have either one or no vehicles. There is no public transportation in Angleton nor

is there taxi service. The nearest grocery store is several miles away. If residents will be walking, they will have to walk along either SH 35 or SH 288, neither of which have sidewalks. This will be an inherently dangerous situation for these folks. If this type of housing is truly needed, there are far better locations located within the city of Angleton.

- The developer of this project has not been forthcoming with the city or with Brazoria County. At their first run to obtain approval from the County, the developer lied in open court. When I asked them if they had received all of the approvals from the city of Angleton, the developer replied that all approvals short of a building permit had been obtained. Greg Smith, Angleton City Manager, then testified that NPR had yet to receive any approvals from the city of Angleton.
- I have numerous constituents who live in this area. I have yet to have any one of them contact me in support of this project. I am attaching petitions from these constituents who are all *opposed* to this project.

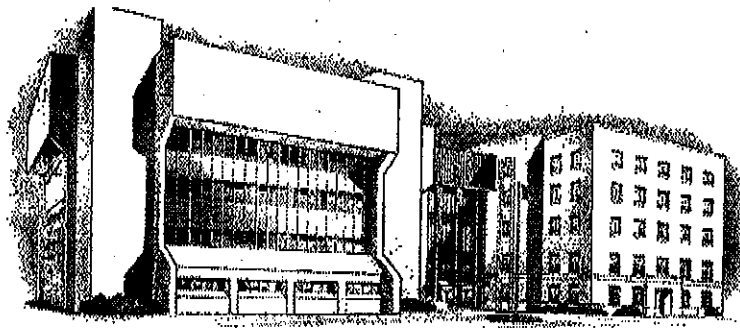
Please feel free to contact me if you have any questions regarding my comments. If there are to be any hearings in Austin, please contact me as soon as they are scheduled as I would be more than happy to testify in opposition to this proposed project.

Regards,



L. M. "Matt" Sebesta, Jr.  
Commissioner, Precinct 2  
Brazoria County

DONALD "DUDE" PAYNE  
Commissioner Precinct 1  
P.O. Box 998  
Clute, Texas 77531



(979) 265-3953  
(979) 864-1523  
(281) 756-1523  
Ext. 1523

## BRAZORIA COUNTY

July 19, 2007

Via Fax #512-475-0764

Teresa Morales  
Multifamily Bond Administrator  
Texas Department of Housing and Community Affairs

Re: Costa Clemente – Angleton, TX Development #07626

Ms. Morales:

Thank you for the opportunity to comment on the Costa Clemente project that is being proposed in Angleton. As County Commissioner I stand firmly *opposed* to this project at this location. My reasons for opposition are as follows:

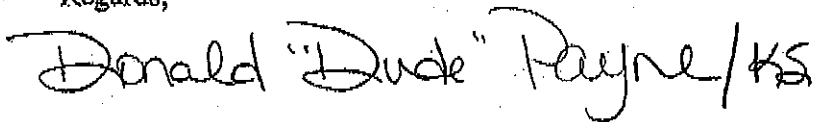
- This is the first official opportunity that I have had to comment on this project. The developer cloaked their previous public meetings in as much secrecy as possible. I never received notice nor did the City of Angleton of their official public hearings.
- The location of this project is a prime retail/commercial location at the gateway into Angleton. Multi-family is not a good fit due to traffic concerns. The adjoining school generates traffic which makes this stretch of highway extremely congested at times. The traffic with this project will be even more congested and dangerous.
- With this being a prime retail/commercial property, it is my understanding that these units will only be on the tax rolls at 50% of their value. This property would be much more useful at full value on the tax rolls with retail generating sales tax.
- With it being affordable housing, I will assume that many of the residents will have either one or no vehicles. There is no public transportation in Angleton nor

is there taxi service. The nearest grocery store is several miles away. If residents will be walking, they will have to walk along either SH 35 or SH 288, neither of which have sidewalks. This will be an inherently dangerous situation for these folks. If this type of housing is truly needed, there are far better locations located within the city of Angleton.

- The developer of this project has not been forthcoming with the city or with Brazoria County. At their first run to obtain approval from the County, the developer lied in open court. When asked if they had received all of the approvals from the city of Angleton, the developer replied that all approvals short of a building permit had been obtained. Greg Smith, Angleton City Manager, then testified that NPR had yet to receive any approvals from the city of Angleton.
- I have received numerous e-mails and letters from current residents who live in this area and all are opposed to this project.

Please feel free to contact me if you have any questions regarding my comments. If there are to be any hearings in Austin, please contact me as soon as they are scheduled as I would be more than happy to testify in opposition to this proposed project.

Regards,

A handwritten signature in black ink that reads "Donald 'Dude' Payne/ks". The signature is written in a cursive, somewhat informal style.

Donald "Dude" Payne  
Commissioner, Precinct 1  
Brazoria County



## Teresa Morales

---

**From:** Janet Dubose [jawayne308@sbcglobal.net]  
**Sent:** Monday, July 02, 2007 10:23 PM  
**To:** Teresa Morales  
**Cc:** Dennis Bonnen; Mike Jackson; Joe King; Dude Payne; Matt Sebesta  
**Subject:** Re: Costa Clemente Angleton, TX Development #07626

Ms. Morales,

Reference: Affordable Rental Housing Application # 07626 submitted by Costa Clemente

The purpose of this letter is to express **opposition** to an application for subsidized state funding that has been submitted to your department by the developers of a proposed multi-family housing project called Costa Clemente in the city of Angleton, Texas. I offer as my basis for this opposition, the following:

1. As serving as Justice of the Peace, Pct. 2 for Angleton for 21 yrs., it has been my experience that crime is more prevalent in low income housing developments. This is a huge concern for the permanent residential housing located near by. Please consider the nearby school, nursing home and public parks in the area. The development will surely have a negative effect for the school children and the elderly of the nursing home.

2. The developer for this project has reportedly made false statements and misrepresentations to city and county officials of intent and support for this project. Early in the process of soliciting support from county and city officials, Costa Clemente management made misleading statements claiming that they had full approval from the city of Angleton for this project, when in fact, they did not have any such approvals at the time.

The Angleton city council has subsequently given approval for the proposed project's plans because they met the current zoning requirements, but **did not** approve a resolution(re. Resolution 2007-R-6B) giving the city's endorsement of the project. I believe this is a clear indication that the city leaders also have serious reservations about the project and the developer.

3. The city of Angleton already has some low and very low income multi-family housing projects and there has been no valid rationale presented that supports a need for more. Instead, Angleton needs development that will enhance its value and attraction to prospective new residents and businesses by being very selective of the type of development and by discouraging unscrupulous developers. A retail project would be one type of desirable option for development in the proposed area as long as there were strict guidelines established for the type of retail allowed there and adequate drainage and traffic management requirements are met. Other desirable options that would fit the area include a nice senior citizen community and/or a well designed and maintained business park.

4. The intersection of Hwy 288 and Hwy 35 is very congested now during the summer. It increases tremendously while school is in session at Angleton Middle School West. This is very dangerous for any multi-family housing development due to all ages of children attending this school with no public transportation provided.

To summarize, I have spoken to several Angleton citizens and have yet to find a single one that really supports this project.

7/3/2007

Please contact me if you need clarification or more information.

Thank you very much for the opportunity to express my concerns on this matter.

Wayne DuBose, Justice of the Peace, Pct. 2, Pl. 2

Janet DuBose

308 Heritage Oaks Dr.

Angleton, TX 77515

cell # 979-236-6997

Home # 979-849-6544

7/3/2007

**ANGLETON INDEPENDENT SCHOOL DISTRICT**

HEATH BURNS, ED.D., SUPERINTENDENT  
1900 N Downing Road  
Angleton, Texas 77515

Phone: 979- 849-8594 Ext 225  
Fax: 979-849-3041  
E-mail: drburns@angletonisd.net



July 2, 2007

Teresa Morales  
Multi Family Bond Administrator  
Texas Department of Housing & Community Affairs  
Multifamily Finance Production Division  
PO Box 13941  
Austin, TX 78711-3491

Dear Ms. Morales:

I am in receipt of your letter of June 21 soliciting input concerning the proposed development by Costa Clemente near the intersection of W. HWY. 35 and HWY. 288 in Angleton, Texas, and have reviewed same with our school district's Board President, Mr. Steve Hazlewood.

Your department has asked for our views concerning the need for affordable housing in our area and how the proposed development might address that need. Neither Mr. Hazlewood nor I are aware of any unmet needs in such regards. Both of us have become aware of some growing concerns within nearby neighborhoods regarding vehicular traffic and pedestrian safety.

Thank you,

Steve Hazlewood, Board President

Heath Burns, Ed. D.  
Superintendent of Schools

Received

JUL 12 2007

July 11, 2007

Texas Dept. of Housing and Community Affairs  
P.O. Box 13941  
Austin, TX 78711-3941

Ref: Costa Clemente Apartment Project  
184 units of apartments  
Hwy 35(West Mulberry) next to Hwy 288  
Angleton, TX 77515

**I PROTEST THIS PROJECT!**

This will be a traffic hazard onto Hwy 35 Angleton, TX.

There is a Middle School next to this project, Danger to children arriving and leaving school.....traffic and pedestrian phases.

Increase's for drainage problems for the surrounding residential area.

The apartments will be for low income people.

They are to pass a criminal background check. **So What!** They may pass, but what about there friends.

This is not needed next to a middle school.

Sincerely,

Nicki Noska  
Angleton, TX 77515

**Lon Bennett Glenn  
1104 West Mulberry  
Angleton, Texas - 77515**

**Received**  
JUL 12 2007

To: Texas Dept of Housing and Community Affairs

Don't Forget Quality of Life -- It shouldn't be just about the Tax Revenue

I drove by the statue of The Father of Texas on my way to an Angleton City Council meeting. At more than 60-feet tall, I thought he looked rather regal standing there watching over Munson Park Lake, surrounded by green pastures and the diminutive ant-like cars passing by on Highway 288.

City Hall was packed full of senior citizens fearful that their world was about to change for the worse. The invading force came in the form of the proposed Costa Clemente "low-income" apartment project be built on the forty acre tract at the corner of Hy-288 and Hy-35. The site is located next door to a middle school and across the street from some mildly annoyed homeowners who have no desire to see their neighborhood crime rates, copious traffic congestion and nightmarish drainage problems escalate.


State Representative, Dennis Bonnen, attending as a private citizen, spoke eloquently against the project, saying he thought the city was ". . . selling itself short." Former Mayor Matt Sebesta is on record as opposing the project because of its close proximity to the school. Several concerned citizens spoke of the safety and security issues. Some had done their homework and presented petitions with additional names of those who concur that the proposal was an exceptionally bad idea.

Regrettably, it was all just an exercise in futility. All but one of the city council members had already made up their minds. It was a done deal, a lost cause and it didn't matter what anybody had to say, including Mr. Bonnen.

Mayor Patrick Henry began his remarks by saying, "Well, they've {the developer} met all our requirements. I don't know that we have a legal basis to deny the project." He continued with a rather inane testimonial, "Sometimes development can be the answer to drainage problems -- not an obstacle." Of course, in order to believe that you have buy in to the concept that bringing in several hundred people, crowding them onto a forty-acre tract filled with brick, mortar, concrete and asphalt is going to improve drainage. And don't forget this is all going to be within a hundred yards of a middle school.

The politicians are happy because they get another \$430,000 in tax revenue. The developers are happy because they get a prime piece of real estate right next to a 60-foot statue of the Father of Texas. The homeowners get to live with the consequences and a new wave of increased property taxes. Middle school children will have to be escorted to class to avoid the panhandlers, pimps and hustlers. What happed to "quality of life?" It shouldn't be all about the tax revenue. Call me a cynic, but I can't help thinking that's the driving force behind this monumentally bad idea.

Question: The first thing new visitors arriving in Angleton on Hy-35 will see is a low-income housing project. Do you think Stephen F. Austin would be proud?

Lon Bennett Glenn   
979-849-2232  
1104 West Mulberry  
Angleton, Texas - 77515

## **Teresa Morales**

---

**From:** Cherry, Mike (MR) [MRCherry@dow.com]  
**Sent:** Wednesday, July 11, 2007 9:00 AM  
**To:** teresa.morales@tdhca.state.tx.us  
**Subject:** Costa Clemente opposition.doc

To Whom it may concern:

I wish to express my strong opposition to the Affordable Rental Housing Application (#07626) submitted by Costa Clemente. This is a proposed development at the intersection of State Highways 35 and 288 in Angleton.

I am joining a large group of local citizens in strong disagreement with the proposed location of the Costa Clemente development. Following are my reasons for opposition:

- The location of this project is a prime retail/commercial location at the gateway into Angleton. Multi-family is not a good fit due to traffic concerns. The adjoining school generates traffic which makes this stretch of highway extremely congested at times. The traffic with this project will be even more congested and dangerous.
- With this being a prime retail/commercial property, it is my understanding that these units will only be on the tax rolls at 50% of their value. This property would be much more useful at full value on the tax rolls with retail generating sales tax.
- With it being affordable housing, I will assume that many of the residents will have either one or no vehicles. There is no public transportation in Angleton, nor is there taxi service. The nearest grocery store is several miles away. If residents will be walking, they will have to walk along either SH 35 or SH 288, neither of which have sidewalks. This will be an inherently dangerous situation for these families. If this type of housing is truly needed, there are far better locations located within the city of Angleton, closer to the necessary retail and medical facilities.
- The City of Angleton already has some low income multi-family housing projects and there has been no valid rationale presented that supports a need for more. Instead, Angleton needs development that will enhance its value and attraction to prospective new residents and businesses by being very selective of the type of development.
- I have been told that the developer of this project has not been forthcoming with the city or with Brazoria County. At their first run to obtain approval from the County, the developer lied in open court. When they were asked if they had received all of the approvals from the city of Angleton, the developer replied that all approvals short of a building permit had been obtained. Greg Smith, Angleton city Manager, then testified that NPR had yet to receive any approvals from the City of Angleton.

Thank you very much for the opportunity to express my concerns with this matter.

Sincerely,

Michael R. Cherry  
901 Western Ave.  
Angleton, TX 77515  
979-864-4843

7/11/2007

**Teresa Morales**

**From:** Tina Gilstrap [tmgilstrap@sbcglobal.net]  
**Sent:** Tuesday, July 10, 2007 11:58 AM  
**To:** teresa.morales@tdhca.state.tx.us  
**Subject:** Costa Clemente Project

Dear Ms. Morales,

Please accept my comments in response to the Costa Clemente Project in Angleton, Texas.

As a resident directly across the street I am concerned for many reasons.

- Possilbe flooding of my home due to the building and drainage direction for the complex itself.
- The four lane highway is already busy and the addition of the complex will increase the continous daily flow of traffic. I believe it will also bring serious conjection and dangerous entering and exiting being right at the intersection of Hwy. 35 and Hwy. 288.
- The location for this is not appropriate.
- I am concerned that as many times happens, in a couple of years current management will slack or even sell the property and standards will be lowered and agreements not kept in order to secure a safe and well kept neighborhood.
- I would be concerned that as in many apartment complexes, it allows groups of unsupervised children while working parents are unavailable to get into many negative things. This opportunity is also taken advantage of by less diserable individuals already in trouble with the law who may not live there but will prey on these opportunities.
- I purchased my home because of the absence of this type of surrounding and did so in trying to choose the safest area to raise my children.
- Having a school at the edge of a project like this is also very concerning. The opportunity for criminal behavior to be consolidated to the complex and the access for children going to and from school each day is too great a risk. I will not be comfortable with my own children playing in my very own yard anymore.

Angleton has always had great support in keeping a family oriented town with our children and families safety put at the top of the list. Opening the door for a project like this I believe will be the beginning of many more, robbing our city of it's close family neighborhoods and the ability to keep control over criminal and drug activity.

I do not support the building of this complex in this location and hope it will be seriously reconsidered.

Sincerely,

Tina Gilstrap

7/11/2007

**Alan and Karen Rouse**

Received  
JUL - 26 2007

**From:** "Alan and Karen Rouse" <akrouse@cmaaccess.com>  
**To:** <teresa.morales@tdhca.state.tx.us.>  
**Sent:** Monday, July 02, 2007 11:01 AM  
**Subject:** complaint against low income Cameron housing project under consideration in Angleton, Texas

Our names are Alan and Karen Rouse. We live at 800 Western Ave., Angleton, Texas 77515.

We are writing to register our complaints about the low income Cameron housing project under consideration for being built on Hwy 35 near Hwy 288.

We live in the neighborhood on Hwy 35 directly across from the proposed building site.

Below <sup>are</sup> ~~our~~ our reasons for being against the Cameron housing project, which would include 184 apartments and 40 single units, plus several businesses:

- 1) The area under consideration sits adjacent to a large school, and Hwy 35 is a dangerous place for children to walk to school. It is already very congested at any given hour, as it's a main corridor out of Angleton on the west side.
- 2) Another danger to children would be the many people who'd live in the low income project. Unfortunately, such projects invariably bring crime with them.
- 3) Another potential problem we see is more flooding. Already this end of town has its flooding tendencies, and to add another big neighborhood in that particular locale may be inviting more water into our neighborhood.
- 4) And, of course, we in our lovely Western Ave. neighborhood are concerned that our own property values will go down once a low income housing development goes up directly across from us. It could very well mean the demise of our well kept older neighborhood if people begin to move out due to the problems brought on by the new development.

It seems to us that this project has not been given thorough consideration and debate and that it is being railroaded thru by the few who want the tax money from such a project. We feel this ~~are~~ would be better served by having a church move in there, or some other such benign entity.

Thank you for listening and, hopefully, you will think this thru and tell our Angleton leaders to look elsewhere to place such a project.

Thank you, Alan and Karen Rouse

Alan Rouse  
Karen A. Rouse

(979) 849-8379



July 6, 2007  
102 Oyster Creek Dr.  
Angleton, TX 77515

**Received**

JUL - 9 2007

Texas Department of Housing and Community Affairs  
Attn: Teresa Morales  
221 East 11th Street  
Austin, TX 78701

Ms. Morales

RE: Affordable Rental Housing Application (#07626)

What a great opportunity for Angleton. Please accept my support for the Affordable Rental Housing Application (#07626) submitted by Costa Clemente. This is a proposed development at the intersection of State Highways 35 and 288 in Angleton.

The placement of this development is good for the proximity to schools, parks, and highways. It just can't be any better for future residents.

In addition, senior citizens could be able to live here. What a good deal for them.

Thank you for supporting this kind of housing for Texans. If you have any questions for me, don't hesitate to contact me.

  
Kermit Licklider

7/9/07

I live on Western Ave., Angleton, TX, and I am writing this letter to protest the proposed "low income" housing on Hwy 35 (called Clemente development) directly across from our sub division. There are many reasons for this protest all of which have been given in our petitions and also at City Council meetings etc.

Thank you,

Andrea Senze  
1017 Western Ave  
Angleton TX 77515

**Teresa Morales**

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**From:** Donna Hargraves [dhargraves@sbcglobal.net]  
**Sent:** Saturday, July 07, 2007 1:19 PM  
**To:** teresa.morales@tdhca.state.tx.us  
**Subject:** Affordable Rental Housing Application # 07626 submitted by Costa Clemente

To Whom It May Concern:

I wish to express my strong opposition to the Affordable Rental Housing Application (#07626) submitted by Costa Clemente. This is a proposed development at the intersection of State Highways 35 and 288 in Angleton.

The developer of this project has not been forthcoming with the city or with Brazoria County. At their first run to obtain approval from the County, the developer lied in open court. When they were asked if they had received all of the approvals from the city of Angleton, the developer replied that all approvals short of a building permit had been obtained. Greg Smith, Angleton City Manager, then testified that NPR had yet to receive any approvals from the city of Angleton.

The developer for this project has reportedly made false statements and misrepresentations to city and county officials of intent and support for this project. Early in the process of soliciting support from county and city officials, Costa Clemente management made misleading statements claiming that they had full approval from the city of Angleton for this project, when in fact, they did not have any such approvals at the time.

The Angleton city council has subsequently given approval for the proposed project's plans because they met the current zoning requirements, but **did not** approve a resolution(re. Resolution 2007-R-6B) giving the city's endorsement of the project. I believe this is a clear indication that the city leaders also have serious reservations about the project and the developer.

The city of Angleton already has some low and very low income multi-family housing projects and there has been no valid rationale presented that supports a need for more. Instead, Angleton needs development that will enhance its value and attraction to prospective new residents and businesses by being very selective of the type of development and by discouraging unscrupulous developers. A retail project would be one type of desirable option for development in the proposed area as long as there were strict guidelines established for the type of retail allowed there and adequate drainage and traffic management requirements are met. Other desirable options that would fit the area include a nice senior citizen community and/or a well designed and maintained business park.

Thank you very much for the opportunity to express my concerns on this matter.

Regards,  
Donna Hargraves  
509 S. Downing Rd.  
Angleton, TX 77515

7/9/2007

July 16, 2007

Received

JUL 19 2007

To Whom it May Concern,

I am a very concerned citizen, and I would like express my opinion on the application for the affordable housing project by Costa Clemente (application # 07626) that is currently under consideration. I truly feel that this project would be a detriment to our city at it's planned location. The intersection of Hwy 288 and Hwy 35 is a major thoroughfare for our city. It is the main location at which people from surrounding areas enter our town. We chose this as the location for our statue of Stephen F. Austin, which was meant to highlight our rich history and bring potential tourists to our town. My understanding was that we, as citizens, had all hoped for restaurants and shopping areas to be built in this area. I thought that our community leaders were in agreement as to the importance of this particular area to our town and to it's potential to bring tourism, income, and respect to our dear city. I do not believe that a giant affordable housing project, which people will see immediately as they turn to enter our city or as they pass over the highway is the image we want to project. We want people to feel drawn to enter Angleton, not only because of it's wonderful history and beautiful new statue, but because of the neat things they see to visit and do while they are here. We do not need to grant a large piece of this crucial land to affordable housing, which will draw no one in to visit, stay, and spend valuable dollars.

Above and beyond all of that, we need to take into consideration, the safety of the hundreds of families that we would be housing directly on a busy highway. We are not Houston. We have other land available. We have the option of locating this project elsewhere. We owe it to these families to offer them a safer living environment than this particular intersection, which is filled with fast-moving traffic and is often very congested with frustrated drivers.

Please think about this project carefully and about what is truly good for Angleton's future. I was born and raised in this town, and I have a tremendous amount invested here. It is for my love of Angleton that I feel compelled to ask you to deny this application.

Thank you for your time,

  
Sydney Hildenburg

3130 CR 36

Angleton, Texas 77515

July 16, 2007

Received  
JUL 19 2007

To Whom It May Concern:

I, along with many others, am strongly opposed to and deeply concerned about the "Affordable Housing Project" application #07626, submitted by Costa Clemente. This project is planned for the southeast corner of the intersection of Hwy 288 and Hwy 35. The traffic in this area is already a problem. It is almost impossible to exit from Western Avenue and head east. The Angleton Middle School traffic presents a dangerous situation -- mornings and afternoons during the school year. My nephew was killed at age 16 on this area of Hwy 35, in front of his home. To bring 200 more families to this already quick-moving, and sometimes very congested area of highway puts that many more children in harm's way.

I am confused as to why our city leaders would approve this project for this particular location. I was under the impression, when our statue of Stephen F. Austin was built near this site, that it was to promote tourism. I remember hearing local chamber of commerce members speak of high expectations of the income tourism would bring to our area. I assumed that motels, restaurants and interesting shops and attractions might be built at the 35/288 intersection. If affordable housing is truly needed in our area, there are plenty of other locations that are safer for families, and that would still allow our hope of a future of tourism to flourish.

Please deny the application for this project.

Sincerely,



Phyllis Gerdes  
614 N. Tinsley Street  
Angleton, Texas 77515

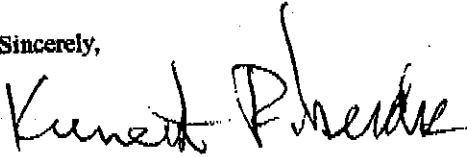
To Whom It May Concern:

I wish to express my strong opposition to the Affordable Rental Housing Application (07626) submitted by Costa Clemente. This is a proposed development at the intersection of State Highway 35 and 288 in Angleton, Texas.

The proposed site of this project is prime commercial property that is better utilized for retail purposes because of its proximity to two major thoroughfares. I do not have problem with an affordable housing project in Angleton if it is a more suitable location, one nearer other residential areas. The fast traffic in this area presents a danger for children or anyone without transportation.

Thank you for your consideration.

Sincerely,



Kenneth R. Gerdes

10/10/10

10/10/10

**Teresa Morales**

**From:** Laura Johnston [ljohnston@havefunintheson.com]  
**Sent:** Monday, July 02, 2007 7:52 AM  
**To:** teresa.morales@tdhca.state.tx.us  
**Subject:** Low Income Apartment

Ms. Morales,

Reference: Affordable Rental Housing Application # 07626 submitted by Costa Clemente

The purpose of this letter is to express **opposition** to an application for subsidized state funding that has been submitted to your department by the developers of a proposed multi-family housing project called Costa Clemente in the city of Angleton, Texas. I offer as my basis for this opposition, the following:

1. The developer for this project has reportedly made false statements and misrepresentations to city and county officials of intent and support for this project. Early in the process of soliciting support from county and city officials, Costa Clemente management made misleading statements claiming that they had full approval from the city of Angleton for this project, when in fact, they did not have any such approvals at the time. The Angleton city council has subsequently given approval for the proposed project's plans because they met the current zoning requirements, but **did not** approve a resolution(re. Resolution 2007-R-6B) giving the city's endorsement of the project. I believe this is a clear indication that the city leaders also have serious reservations about the project and the developer.

2. The city of Angleton already has some low and very low income multi-family housing projects and there has been no valid rationale presented that supports a need for more. Instead, Angleton needs development that will enhance its value and attraction to prospective new residents and businesses by being very selective of the type of development and by discouraging unscrupulous developers. A retail project would be one type of desirable option for development in the proposed area as long as there were strict guidelines established for the type of retail allowed there and adequate drainage and traffic management requirements are met. Other desirable options that would fit the area include a nice senior citizen community and/or a well designed and maintained business park.

To summarize, I have spoken to several Angleton citizens and have yet to find a single one that really supports this project.

Please contact me if you need clarification or more information.

Thank you very much for the opportunity to express my concerns on this matter.

Sincerely,  
Wayne Oswald  
809 Enchanted Oaks Drive  
Angleton, TX 77515  
ph. 979-849-6079  
cell 979-799-8406

7/2/2007

## **Teresa Morales**

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**From:** CAROLYN MASTERS [carolynmasters@sbcglobal.net]  
**Sent:** Tuesday, July 03, 2007 3:15 PM  
**To:** teresa.morales@tdhca.state.tx.us  
**Cc:** joek@brazoria-county.com; dudep@brazoria-county.com; matts@brazoria-county.com; mike.jackson@house.state.tx.us; dennis.bonnen@house.state.tx.us  
**Subject:** Costa Clemente

July 3, 2007

Teresa Morales  
Multifamily Bond Administrator  
Texas Department of Housing and Community Affairs

Re: Costa Clemente - Angleton, TX Development #07626

Ms. Morales,

I wish to express my strong opposition to the Affordable Rental Housing Application (#07626) submitted by Costa Clemente in Angleton.

My reasons for opposition are as follows:

The developer didn't want the Angleton residents to know that this project was in the works till the last minute. Why the secrecy?

The location of this project is a prime retail/commercial location at the gateway into Angleton. Multi-family is not a good fit due to traffic concerns. The adjoining school generates traffic which makes this stretch of highway extremely congested at times. The traffic with this project will be even more congested and dangerous.

With this being a prime retail/commercial property, it is my understanding that these units will only be on the tax rolls at 50% of their value. This property would be much more useful at full value on the tax rolls with retail generating sales tax.

With it being affordable housing, I will assume that many of the residents will have either one or no vehicles. There is no public transportation in Angleton nor is there taxi service. The nearest grocery store is several miles away. If residents will be walking, they will have to walk along either SH 35 or SH 288, neither of which have sidewalks. This will be an inherently dangerous situation for these folks. If this type of housing is truly needed, there are far better locations located within the city of Angleton.

The developer of this project has not been forthcoming with the city or with Brazoria County. At their first run to obtain approval from the County, the developer lied in open court. When asked if they had received



all of the approvals from the city of Angleton, the developer replied that all approvals short of a building permit had been obtained. Greg Smith, Angleton City Manager, then testified that NPR had yet to receive any approvals from the city of Angleton.

Lack of credibility of the developer, poor location for residents, and increased traffic hazards for the school are reasons I am asking this application be denied.

Thank you,

Carolyn Masters  
628 Northridge  
Angleton, Texas 77515  
(979)864-3135

July 5, 2007

To All This May Concern:

I want to express my concern regarding the development of Costa Clemente Housing Project at the area bounded by Highway 288 and 35 in Angleton. This application is # 07626

Costa Housing application.

RECEIVED

JUL 09 2007

DEPUTY ED.

At present we already have much traffic congestion at this point of Highway 35 during the start and end of each school day at the middle school campus. There is a major problem with many cars as well as children walking along the road without sidewalks. This development would add much to the already existing problem.

Also this area at the west end of Western Avenue has a bad drainage problem and many houses have suffered with flooding. I am concerned that this development would add to the flooding already experienced.

This may be a good project for Angleton  
but my input is that an area not bounded  
by major highways and not next to a busy  
school campus would be a much better location.

Thank you for your consideration and thank  
you for your listening to input on this  
project.

Sincerely,

James K. Schneider

912 Western Avenue

Angleton, Texas 77515

(979) 849-7407

To whom it may concern:

July 5, 2007

I would like to go on record for my strong opposition to the development of Costa Clemente on highways 288 and 35 in Angleton. This application is # 07626 Rental Housing application.

There is strong concern for this location because of safety factors as traffic would greatly increase and there are students walking along Highway 35 from the nearby schools. This is already a very busy intersection as Western Avenue exits onto the Highway 35 at this intersection. We, residents of Western Ave., practically need a traffic light at peak traffic hours now to even enter at one end and it's dangerous to exit at the other end as it is almost a blind corner

due to the structure of the road curve.

Also, we have had a water flooding problem on our street and I feel that covering more ground with cement would compound the problem, even if a detention pond were to be built.

A low income housing development would not be as attractive an asset to Angleton as other developments. I feel we, as Angleton City, could do far better in presenting ourselves in a positive situation or "light."

Thank you for your consideration on this matter.

Sincerely,  
Angela B. Schneider  
912 Western Ave.  
Angleton, Tx 77515  
979(849-9407)

**Teresa Morales**

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**From:** Finley, Candy [ckfinley@sbec.com]  
**Sent:** Tuesday, July 03, 2007 4:54 PM  
**To:** MattS@brazoria-county.com; henry@angleton.tx.us; church@angleton.tx.us;  
perez@angleton.tx.us; dykes@angleton.tx.us; collins@angleton.tx.us;  
teresa.morales@tdhca.state.tx.us; joek@brazoria-county.com; dudep@brazoria-county.com;  
mike.jackson@house.state.tx.us; dennis.bonnen@house.state.tx.us  
**Subject:** Opposition to Affordable Rental Housing Application #07626 for Angleton, TX

Attached you will find my families letter of opposition to the proposed Rental housing application. We are very distressed to find that our city has already approved such a foolish idea and desperately hope that cooler, brighter heads will prevail...we do not know a single person who lives in the city of Angleton who is in favor of this housing development. Had the fact that our City council had approved this been know to us at election time we would surely have voted different and we imagine many others would have also!!!

**THANKS,**  
*Candy Kayne Finley, and Family*

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 Sent: Tuesday, July 03, 2007 4:54 PM  
 To: MattS@brazoria-county.com; henry@angleton.tx.us; church@angleton.tx.us; perez@angleton.tx.us; dykes@angleton.tx.us; collins@angleton.tx.us; teresa.morales@tdhca.state.tx.us; joek@brazoria-county.com; dudep@brazoria-county.com; mike.jackson@house.state.tx.us; dennis.bonnen@house.state.tx.us  
 Subject: Opposition to Affordable Rental Housing Application #07626 for Angleton, TX

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 To: MattS@brazoria-county.com; henry@angleton.tx.us; church@angleton.tx.us; perez@angleton.tx.us; dykes@angleton.tx.us; collins@angleton.tx.us; teresa.morales@tdhca.state.tx.us; joek@brazoria-county.com; dudep@brazoria-county.com; mike.jackson@house.state.tx.us; dennis.bonnen@house.state.tx.us  
 Subject: Opposition to Affordable Rental Housing Application #07626 for Angleton, TX

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 To: MattS@brazoria-county.com; henry@angleton.tx.us; church@angleton.tx.us; perez@angleton.tx.us; dykes@angleton.tx.us; collins@angleton.tx.us; teresa.morales@tdhca.state.tx.us; joek@brazoria-county.com; dudep@brazoria-county.com; mike.jackson@house.state.tx.us; dennis.bonnen@house.state.tx.us  
 Subject: Opposition to Affordable Rental Housing Application #07626 for Angleton, TX

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 Sent: Tuesday, July 03, 2007 4:54 PM  
 To: MattS@brazoria-county.com; henry@angleton.tx.us; church@angleton.tx.us; perez@angleton.tx.us; dykes@angleton.tx.us; collins@angleton.tx.us; teresa.morales@tdhca.state.tx.us; joek@brazoria-county.com; dudep@brazoria-county.com; mike.jackson@house.state.tx.us; dennis.bonnen@house.state.tx.us  
 Subject: Opposition to Affordable Rental Housing Application #07626 for Angleton, TX

To Whom it may concern:

We wish to express our very strong opposition to the Affordable Rental Housing Application (#07626) submitted by Costa Clemente. This is a proposed development at the intersection of State Highways 35 and 288 in Angleton.

We are joining a large group of local citizens in strong disagreement with the proposed location of the Costa Clemente development. Following are my reasons for opposition:

- The location of this project is a prime retail/commercial location at the gateway into Angleton. Multi-family is not a good fit due to traffic concerns. The adjoining school generates traffic which makes this stretch of highway extremely congested at times. The traffic with this project will be even more congested and dangerous. And we do not think it is a good idea to have children playing that close to the freeway.
- With this being a prime retail/commercial property, it is our understanding that these units will only be on the tax rolls at 50% of their value. This property would be much more useful at full value on the tax rolls with retail generating sales tax.
- With it being affordable housing, we assume that many of the residents will have either one or no vehicles. There is no public transportation in Angleton, nor is there taxi service. The nearest grocery store is several miles away. If residents will be walking, they will have to walk along either SH 35 or SH 288, neither of which have sidewalks. This will be an inherently dangerous situation for these families. If this type of housing is truly needed, which we doubt, there are far better locations.
- The City of Angleton already has some low income multi-family housing projects and there has been no valid rationale presented that supports a need for more. Instead, Angleton needs development that will enhance its value and attraction to prospective new residents and businesses by being very selective of the type of development.
- We have been told that the developer of this project has not been forthcoming with the city or with Brazoria County. At their first run to obtain approval from the County, the developer lied in open court. When they were asked if they had received all of the approvals from the city of Angleton, the developer replied that all approvals short of a building permit had been obtained. Greg Smith, Angleton city Manager, then testified that NPR had yet to receive any approvals from the City of Angleton. I do not think we should be working with dishonest people.

**PLEASE LISTEN TO THE TAX PAYING CITIZENS OF THIS TOWN... WE ARE AGAINST THIS PLAN!!!**

Thank you very much for the opportunity to express my concerns with this matter.

Sincerely, The Finley Household,

*Candy Kayne Finley, J. W. Finley, Kathryn L. Finley, N. Ben Finley*  
(Including 4 registered voters who are all in agreement against this housing development.)

716 Munson Place, Angleton Texas 77515.

**Teresa Morales**

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**From:** Helen Dodge [h\_dodge@sbcglobal.net]  
**Sent:** Thursday, July 19, 2007 3:59 PM  
**To:** teresa.morales@tdhca.state.tx.us  
**Subject:** Costa Clemente Development

Dear Ms. Morales,

I wish to express my strong opposition to the Affordable Rental Housing Application (#07626) submitted by Costa Clemente which will come up with the state's housing department on July 30, 2007.

I am joined by a large group of local citizens in my strong disagreement with the proposed location (Hwy. 288 and Hwy. 35) of the Costa Clemente development for several reasons:

- 1.) lack of public input before the start of this project
- 2.) misrepresentations and lack of notification by the corporation proposing this development
- 3.) increased traffic
- 4.) potential drainage issues

I do not have a problem with an affordable housing project in Angleton if it is at a more suitable location, one nearer other residential areas with easier access to other services.

Thank you for your time.

Helen Dodge  
1008 West Mulberry (West Hwy 35)  
Angleton, TX 77515-4246



**Teresa Morales**

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**From:** Sherry Fisher [sfisher@cmaaccess.com]  
**Sent:** Tuesday, July 03, 2007 5:01 PM  
**To:** teresa.morales@tdhca.state.tx.us  
**Subject:** Opposition to Costa Clemente Project in Angleton, Texas

July 3, 2007

Ms. Morales,

This letter is written in opposition to the Costa Clemente housing project proposal. Opposition is based on the following reasons:

The proposed location of this project is at the intersection of SH 35 and SH 288, an area prone to heavy traffic, which is busy during the school year because of the close proximity to two school campuses; Westside Elementary and Angleton Middle School. There are no medical and shopping facilities in this area, the closest ones being several miles away. Angleton has no public transportation for its residents, who may be without transportation of their own.

There have been severe flooding problems on the west side of town for many years. A number of residents on SH 35 and Westside have had water in their homes due to heavy rains and inadequate drainage. Residents of these two areas have a very real and legitimate concern about a project of this sort with much of the ground covered by concrete will make the flooding problems worse.

The proposed site for this low-income housing project is on a main corridor into town. I do not want it to be the first thing that you see when you enter the county seat of Brazoria County—see. There are better locations that are more appropriate for residential housing.

The integrity of the developers of this project is questionable. They were not honest about obtaining the necessary permits associated with the project, leading county officials to believe that the city of Angleton had given approval and support of the project. We are not going to do business with a company that has shown itself to be less than trustworthy.

Thank you for allowing me the opportunity to express my concerns.

Sherry Fisher  
1000 Western Avenue  
Angleton, Texas

7/5/2007

James and Latricia Pickett  
WILLIAMS  
920 Western Avenue  
Angleton, TX 77515

979-849-1774

July 3, 2007

RE: Affordable Rental Housing Application #07626

Dear Sir or Madame:

Please accept this, my STRONG OPPOSITION to the Affordable Rental Housing Application (#07626) submitted by Costa Clemente. This is a proposed development at the intersection of State Hwy 35 and State Hwy 288 in Angleton.

**TRANSPORTATION:**

Placing "affordable rental housing" in that location will increase foot traffic in an area where it is just not safe. I am a parent living in close proximity to where this development is proposed to go up. There are no sidewalks. And, if there were, where would the residents be walking to? Grocery stores are not within walking distance. Then, there are the children to consider at the Angleton Middle School and the Westside Elementary School. There are already VERY significant traffic issues surrounding parent drop-off and pick-up at both locations. As a parent who recently provided transports to and from the Angleton Middle School, it is my view that further populating that area will increase the number of walking students in an already hazardous motor vehicle environment.

And, as for the strain on the public school system; I LIVE nearly across the street from Westside Elementary and was told that the only room for my child (mid-school year) to be enrolled as a second grader was in a partially special education class...

**TAX DESIGNATION:**

As for whether the property is designated and utilized as "residential" or "commercial" for tax purposes, my opinion is this:

It is truly at the very entrance to Angleton from the State Hwy 288. This is an area that is growing RESIDENTIALLY – at least since I have lived here. Now, as a resident on Western Avenue, the sewer and flooding issues are already a serious issue. Every heavy

rain here result in the flooding of homes here. Not to mention the sewers that back up periodically following heavy rains. Wouldn't further strain be placed on the waste water system by adding even more families in a concentrated area? Zoning or using that property for certain retail or commercial purposes would increase the surrounding property values and therefore revenues to the city. Would it not?

**FALSE STATEMENTS AND MISREPRESENTATIONS** by Developer: Apparently this developer has

- "not (been) forthcoming with the city or with Brazoria County"
- "cloaked previous public meetings in as much secrecy as possible"
- "false statements and misrepresentations"
- "misrepresentations and lack of notification by the corporation"

Needless to say, the dishonesty and acts of secrecy on the part of the developer concerning approval and permits raise my suspicions regarding what other caveats may exist related to his type of development in that type of location. My first real knowledge of this impending development was on June 29. It was in the paper. I am opposing the development as an Angleton resident and homeowner, and as a parent. My husband James; (who is serving in Iraq), and I, **STRONGLY DISAGREE** with the development of that intersection with multi-family housing of any kind. And, we reserve support for commercial development without fully informed and careful consideration of the type or types of businesses that may locate there.

Regards,

Latricia Pickett Williams

Cc: Texas Department of Housing and Community Affairs -Teresa Morales,  
Brazoria County Judge Joe King,  
Brazoria County Commissioner Dude Payne,  
Brazoria County Commissioner Matt Sebesta,  
Senator Mike Jackson,  
State Representative Dennis Bonnen,

**Teresa Morales**

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**From:** Breckel, Millard (MC) [MCBreckel@dow.com]  
**Sent:** Tuesday, July 03, 2007 11:49 AM  
**To:** teresa.morales@tdhca.state.tx.us  
**Cc:** Breckel, Millard (MC)  
**Subject:** Opposition to proposed housing development

While not opposed to the creation of more affordable housing in the Angleton city limits, I am **STRONGLY OPPOSED** to the plan (Affordable Rental Housing Application #07626) proposed by Costa Clemente.

This **STRONG OPPOSITION** is based on several factors which only recently been brought to my attention.

1) The proposed location is at a very busy corner of two major roads in Angleton, SH 35 and SH288 on the west side of Angleton. With no sidewalks, no buses, no taxi service and a nearby middle school this does not seem to me to be a good place to locate another multi family housing project. There must be better locations inside the city limits of Angleton to place this development.

2) There seems to have been an effort by the developer to keep this project flying under the public radar scope since several city, county, and state officials did not know of any public input meetings. They may have been held but no one I have talked to seems to know when or where they were held.

3) The developer has stretched the truth in saying that the City of Angleton has given its full support to the project. In fact the Angleton City Council approved a plat because it did meet the city's zoning requirements but **DID NOT** approve a resolution giving the support of the City of Angleton.

4) There also seems to be some doubts about the claims of the developer as to the tax revenue which will be generated from this project.

With these reservations about both the proposed location and some worries about the words and actions of the developer, I repeat my **STRONG OPPOSITION** to this proposal and hope that is not to late for theses concerns to be heard.

Thanks for your attention,  
Millard Breckel  
1109 Enchanted Oaks Drive  
Angleton, Texas 77515  
979-849-9496

7/3/2007

To Whom it may concern:

I wish to express my strong opposition to the Affordable Rental Housing Application (#07626) submitted by Costa Clemente. This is a proposed development at the intersection of State Highways 35 and 288 in Angleton.

I am joining a large group of local citizens in strong disagreement with the proposed location of the Costa Clemente development. Following are my reasons for opposition:

- The location of this project is a prime retail/commercial location at the gateway into Angleton. Multi-family is not a good fit due to traffic concerns. The adjoining school generates traffic which makes this stretch of highway extremely congested at times. The traffic with this project will be even more congested and dangerous.
- With this being a prime retail/commercial property, it is my understanding that these units will only be on the tax rolls at 50% of their value. This property would be much more useful at full value on the tax rolls with retail generating sales tax.
- With it being affordable housing, I will assume that many of the residents will have either one or no vehicles. There is no public transportation in Angleton, nor is there taxi service. The nearest grocery store is several miles away. If residents will be walking, they will have to walk along either SH 35 or SH 288, neither of which have sidewalks. This will be an inherently dangerous situation for these families. If this type of housing is truly needed, there are far better locations located within the city of Angleton, closer to the necessary retail and medical facilities.
- The City of Angleton already has some low income multi-family housing projects and there has been no valid rationale presented that supports a need for more. Instead, Angleton needs development that will enhance its value and attraction to prospective new residents and businesses by being very selective of the type of development.
- I have been told that the developer of this project has not been forthcoming with the city or with Brazoria County. At their first run to obtain approval from the County, the developer lied in open court. When they were asked if they had received all of the approvals from the city of Angleton, the developer replied that all approvals short of a building permit had been obtained. Greg Smith, Angleton city Manager, then testified that NPR had yet to receive any approvals from the City of Angleton.

Thank you very much for the opportunity to express my concerns with this matter.

Sincerely,

Rodney A. McGehee  
1104 Western Ave.  
Angleton, TX 77515

**Teresa Morales**

**From:** claudia oswald [csoswald@sbcglobal.net]  
**Sent:** Monday, July 02, 2007 6:56 PM  
**To:** teresa.morales@tdhca.state.tx.us  
**Cc:** JoeK@brazoria-county.com; matts@brazoria-county.com; dudep@brazoria-county.com; jackh@brazoria-county.com  
**Subject:** Costa Clemente

June 27, 2007

Teresa Morales  
 Multifamily Bond Administrator

Dear Ms. Morales:

I am contacting you because of my opposition to the Affordable Rental Housing Application submitted by Costa Clemente. There are a number of reasons why this project at the proposed location is not good for the city of Angleton. As a life-long concerned resident of this community, I hope you will give my concerns its due attention.

First and foremost, the location of the development is dangerous. State Hwy. 35, scheduled for widening soon, is a busy, crowded thoroughfare. There are no sidewalks, and very little shoulder, for people to use. Typically, residents of low income housing have access to limited transportation forcing them to walk or depend on public transportation. Angleton has no public transportation forcing residents to walk along a busy highway.

Second, if you notice the proposed plan has only one access road into and out of the development. Any number of situations can cause the single access to be blocked thus hindering movement to and from the units.

Third, a community the size of Angleton, 20 to 25 thousand, already has several affordable housing complexes. You can understand my concern with how this will burden the existing resources such as police, fire, ambulance, hurricane evacuation ability, etc.

Fourth, Angleton has a wonderful school system. The professionals in this district have done a remarkable job education the children of this town. Right now over 50 % of the students in this district are considered at-risk or disadvantaged. Placing another high density family dwelling within this district will only add to the difficult challenge of both student and teacher. My concern is how fair is this to either one?

Last, I am very concerned about the misrepresentation this corporation made to the community. In the published literature, it states that \$452,912 additional property tax revenue will be generated every year from the development. It seems strange to me that a government funded project could add almost a half a million dollars to the tax roles. If they make that kind of profit, why do they need government funding?

I could state numerous other reasons for taking a close look at Costa Clemente; however these are my main concerns. I do hope you will consider them. I only want the best for the people who live here

7/3/2007

now, and those who might move here in the future.

Sincerely,  
Claudia Oswald

*[Faint, illegible text, likely bleed-through from the reverse side of the page]*

**Teresa Morales**

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**From:** Mike Palmer [krenides@cmaaccess.com]  
**Sent:** Monday, July 02, 2007 9:03 PM  
**To:** teresa.morales@tdhca.state.tx.us  
**Cc:** dennis.bonnen@house.state.tx.us  
**Subject:** FW: Low income Apartments

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**NEW LETTER**

Ms. Morales,

Reference: Affordable Rental Housing Application # 07626 submitted by Costa Clemente

The purpose of this letter is to express **opposition** to an application for subsidized state funding that has been submitted to your department by the developers of a proposed multi-family housing project called Costa Clemente in the city of Angleton, Texas. I offer as my basis for this opposition, the following:

1. The developer for this project has reportedly made false statements and misrepresentations to city and county officials of intent and support for this project. Early in the process of soliciting support from county and city officials, Costa Clemente management made misleading statements claiming that they had full approval from the city of Angleton for this project, when in fact, they did not have any such approvals at the time.

The Angleton city council has subsequently given approval for the proposed project's plans because they met the current zoning requirements, but **did not** approve a resolution (re. Resolution 2007-R-6B) giving the city's endorsement of the project. I believe this is a clear indication that the city leaders also have serious reservations about the project and the developer.

2. The city of Angleton already has some low and very low income multi-family housing projects and there has been no valid rationale presented that supports a need for more. Instead, Angleton needs development that will enhance its value and attraction to prospective new residents and businesses by being very selective of the type of development and by discouraging unscrupulous developers. A retail project would be one type of desirable option for development in the proposed area as long as there were strict guidelines established for the type of retail allowed there and adequate drainage and traffic management requirements are met. Other desirable options that would fit the area include a nice senior citizen community and/or a well designed and maintained business park.

To summarize, I have spoken to several Angleton citizens and have yet to find a single one that really supports this project.

Please contact me if you need clarification or more information.

Thank you very much for the opportunity to express my concerns on this matter.

Sincerely,  
 MIKE E PALMER

7/3/2007



323 CR 893  
ANGLETON, TEXAS

[Faint, illegible text, likely bleed-through from the reverse side of the page. The text is mostly centered and appears to be a list or series of entries.]

**Teresa Morales**

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**From:** Sherry Green [green-sherry.frank@sbcglobal.net]  
**Sent:** Monday, July 02, 2007 10:54 PM  
**To:** teresa.morales@tdhca.state.tx.us  
**Cc:** joek@brazoria-county.com; dudep@brazoria-county.com; matts@brazoria-county.com; mike.jackson@house.state.tx.us; dennis.bonnen@house.state.tx.us  
**Subject:** opposition to location of the Costa Clemente development

To Whom It May Concern:

I wish to express my opposition to the Affordable Rental Housing Application (#07626) submitted by Costa Clemente. This is a proposed development at the intersection of State Highways 35 and 288 in Angleton.

I have valid concerns with increased traffic and extremely dangerous drainage issues. This area has already had several homes flooded (several times) and with all the new buildings and large parking areas there will be a definite increase of flooding. The traffic is very congested already with a school zone and the entrance to Angleton from the west side of town where the development is proposed. The entrance to the apartments will also be the exit and will cause almost impossible traffic congestion.

Sincerely,

Sherry Green  
905 Western Ave  
Angleton, TX 77515  
979-849-7312

7/3/2007

7-3-07

To Whom it may concern:

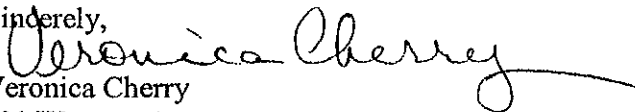
I wish to express my strong opposition to the Affordable Rental Housing Application (#07626) submitted by Costa Clemente. This is a proposed development at the intersection of State Highways 35 and 288 in Angleton.

I am joining a large group of local citizens in strong disagreement with the proposed location of the Costa Clemente development. Following are my reasons for opposition:

- The location of this project is a prime retail/commercial location at the gateway into Angleton. Multi-family is not a good fit due to traffic concerns. The adjoining school generates traffic which makes this stretch of highway extremely congested at times. The traffic with this project will be even more congested and dangerous.
- With this being a prime retail/commercial property, it is my understanding that these units will only be on the tax rolls at 50% of their value. This property would be much more useful at full value on the tax rolls with retail generating sales tax.
- With it being affordable housing, I will assume that many of the residents will have either one or no vehicles. There is no public transportation in Angleton, nor is there taxi service. The nearest grocery store is several miles away. If residents will be walking, they will have to walk along either SH 35 or SH 288, neither of which have sidewalks. This will be an inherently dangerous situation for these families. If this type of housing is truly needed, there are far better locations located within the city of Angleton, closer to the necessary retail and medical facilities.
- The City of Angleton already has some low income multi-family housing projects and there has been no valid rationale presented that supports a need for more. Instead, Angleton needs development that will enhance its value and attraction to prospective new residents and businesses by being very selective of the type of development.
- I have been told that the developer of this project has not been forthcoming with the city or with Brazoria County. At their first run to obtain approval from the County, the developer lied in open court. When they were asked if they had received all of the approvals from the city of Angleton, the developer replied that all approvals short of a building permit had been obtained. Greg Smith, Angleton city Manager, then testified that NPR had yet to receive any approvals from the City of Angleton.

Thank you very much for the opportunity to express my concerns with this matter.

Sincerely,



Veronica Cherry  
901 Western Ave.  
Angleton, TX 77515  
979-864-4843

**Teresa Morales**

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**From:** Thomas Sbrusch Jr [tsbrusch@sbcglobal.net]  
**Sent:** Tuesday, July 03, 2007 7:43 AM  
**To:** teresa.morales@tdhca.state.tx.us  
**Subject:** Costa Clemente – Angleton, TX Development #07626

Ms. Morales,

Reference: Costa Clemente – Angleton, TX Development #07626

The purpose of this letter is to express my opposition to an application for subsidized state funding that has been submitted to your department by the developers of a project called Costa Clemente in the city of Angleton, Texas.

I have lived in Angleton for forty years and have seen it grow through the years. While I have never lived in subsidized housing I have certainly experienced living without for part of my life and understand what it is like to be of limited means. Growing up, our main transportation was walking and a bicycle. I was fortunate that we lived in the middle of town and could get to most places.

My point is that the proposed location for this project does not have access to the main areas of town. One would have to walk along a major highway and it is long distance from the grocery stores, post office etc. I am sure there are better locations in Angleton for this type of complex. I stand opposed to this project.

Thank you  
Tom Sbrusch  
505 Heritage Oaks  
Angleton, Texas 77515  
281-802-8942

7/3/2007



July 2, 2007

Department of Housing

Attention: Mrs. Morales

**REF: LOW INCOME HOUSING PROJECT, ANGLETON, TX @ HWY 35 AND  
288 FREEWAY (APPLICATION #07626)**

Dear Mrs. Morales:

I am in opposition to the proposed location for the low income apartments proposed by Costa Clemente. I am a life long resident of Brazoria County and definitely have a vested interest in how our community develops. There are many good practical reasons why this location is not in the best interest of our community or the developer. As in all real estate development projects, consideration to public infrastructure to support the proposed development must be considered and the impact the new development will have on existing development in the immediate area, both public and private. The very simple answer to both of these questions is that the infrastructure does not exist to assure the safety and welfare of residents with whom limited transportation is available to access their basic needs (food, medical, and etc.). In addition to the infrastructure issue, locating low income housing in proximity of the existing public Middle school is a very bad idea. I should not have to go into detail as to why.

In closing, Mrs. Morales, I strongly urge you to deny the request for this location and encourage Costa Clemente to select a more approximate suite for the development that would serve the clients of the rental units and our community in a much better way.

You may contact me at 979-236-4403, cell or 979-265-0706, work.

Respectfully,

Billy J. Walcik  
913 Oak Ridge Dr.  
Angleton, TX 77515  
979-864-4110

Corporate Office:  
415 S. Hwy 288B, Clute, TX 77531  
P. O. Box 937, Clute, TX 77531  
(979)265-6101/Fax (979)266-6448



LA Office:  
1940 Motes Island St., Shreveport, LA 71107  
P. O. Box 78522, Shreveport, LA 71132  
(318)681-9983/Fax (318)681-9987

**Teresa Morales**

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**From:** Glenn Wootton [Gwootton@bayhouston.com]  
**Sent:** Thursday, June 28, 2007 2:09 PM  
**To:** teresa.morales@tdhca.state.tx.us  
**Subject:** FW: Housing project in Angleton

-----Original Message-----

**From:** Glenn Wootton  
**Sent:** Thursday, June 28, 2007 2:03 PM  
**To:** 'JoeK@brazoria-county.com'  
**Cc:** 'matts@brazoria-county.com'; 'dudep@brazoria-county.com'; 'MaryR@brazoria-county.com'; 'jackh@brazoria-county.com'; 'teresa.morales@tdha.state.tx.us'  
**Subject:** Housing project in Angleton

Dear County Representatives:

Please consider my concerns regarding the proposed subsidized housing project planned for the intersection of Highways 35 and 288 in Angleton. I hope you will consider the impact this project will have on Angleton's crime, drug, drainage, and traffic problems.

As a resident of Heritage Oaks subdivision, I experienced street flooding during the rains in May. Some of my neighbors on Western Avenue again experienced flooding in their homes. This project can only aggravate a drainage system already challenged and unable to handle even heavy rains, much less a tropical storm or hurricane.

Crime and drugs are historically prevalent in subsidized housing, and it's shocking to me that you would consider putting this type of project adjacent to an Angleton school. I know city officials have visited some projects by the company seeking to build this housing, but I challenge you to visit subsidized housing in Houston and see if it's what you want next door to our schools.

The traffic problem is another challenge. Highway 35 at this location is already congested at peak periods of work and school traffic. This will only increase with the planned theater and hotel projects on Highway 35 west of Highway 288.

Angleton already has several subsidized housing projects. I cannot see the need for additional units in a city with a population of only 18,000.

Sincerely yours,

Glenn Wootton  
904 Enchanted Oaks Drive  
Angleton, Texas 77515

7/2/2007

**To Whom It May Concern:**

**We wish to express our concern and opposition to the proposed development of the Costa Clemente LTD , Application #07626, at the intersection of State Highways 35 and 288 in Angleton, Texas.**

**We live directly across the street, in the Shady Acres Subdivision., from this proposed location which is bordered on the west side by an access road and the 288 Freeway and on the east side by the Angleton Middle School. Along with my neighbors on both Highway 35 ( West Mulberry St.) and Western Avenue and the subdivision of Heritage Oaks, we have submitted petitions stating our objections and the reasons for same to the Angleton City Council and will do so to the County Commissioners at their next meeting.**

**There are a number of local people who also have objections to this development. First and foremost is the traffic congestion that already exists in this area and can only get worse if this application is approved. This highway is heavily traveled by cars, buses and large trucks and has 4 lanes plus a turn lane, 5 lanes in all. It is nearly impossible to enter the eastbound lanes of Highway 35 in the morning hours between 6 AM and 8 AM and the afternoon and evening hours from 2:30 to 6 PM, not only due to the fact that it is the only major route to all points west of us, but also an incoming route from the west, north and south of us. During the school year for two solid blocks the turn lanes going into Middle School are full of people from the east and the ones from the west are backed up along the highway outside lane waiting to get into the only access road into the school. This lane will be directly in front of the proposed housing project.**

**The only exit from the school, other than the one at the light on the east corner of the school property is almost directly across from our driveway and consists of two lanes for eastbound traffic and one for westbound traffic. Almost anyone living in this area from the 900 block of West Mulberry thru the 1100 block have difficulty getting out into the highway. There have been several accidents and an alarming number of near misses.**

**There are no sidewalks anywhere along this Highway 35 for the children going to either Middle School or Westside Elementary and children have always walked along the side of the highway. The safety factor is also alarming and has been for a number of years due to the speed limits that are sadly ignored by the majority of the drivers.**

**Another factor to be considered is the lack of public transportation to other areas of the city, such as hospital, city and county facilities and other places of business. This proposed location is just simply not a feasible or suitable area for such a development.**

**We sincerely hope that you will give this your utmost attention and consideration and decide that our concerns are valid and important to the city as a whole.**

**Sincerely,**

**Frances and Vernon Coleman, 1000 West Mulberry, Angleton, Texas 77515**

**Teresa Morales**

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**From:** Meadows, Kenneth (KW) [KWMeadows@dow.com]  
**Sent:** Monday, July 02, 2007 1:13 PM  
**To:** teresa.morales@tdhca.state.tx.us  
**Cc:** joek@brazoria-county.com; dudep@brazoria-county.com  
**Subject:** ARHA #07626

To Whom It May Concern:

I wish to express my strong opposition to the Affordable Rental Housing Application (#07626) submitted by Costa Clemente. This is a proposed development at the intersection of State Highway 35 and 288 in Angleton (Brazoria County) Texas.

The proposed site of this project is prime commercial property that is better utilized for retail purposes because of its proximity to two major thoroughfares. The fast traffic in this area presents a danger for children or anyone with transportation.

Thank you for your consideration

Sincerely,

Kenny Meadows

7/2/2007



**Teresa Morales**

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**From:** Dianne Dannhaus [DDannhaus@tdecu.org]  
**Sent:** Monday, July 02, 2007 11:12 AM  
**To:** Teresa.morales@tdhca.state.tx.us  
**Subject:** Costa Clemente - Angleton Dev. #07626

To Whom It May Concern:

I want to express my concern and strong opposition to the Affordable Rental Housing Application (#07626) submitted by Costa Clemente. This proposed development at the intersection of State Highway 35 and 288 in Angleton.

First of all I feel this land could be better utilized given it's proximity to two major thoroughfares. The traffic with the school down the road from this property is already cause for concern and having such a development would only exacerbate the problem.

I am irritated with the lack of input the public has had before the start of this project. As a tax paying citizen of Angleton for the past 25 years I feel as though I should have a voice as to what is being planned for the entrance of our community.

I appreciate the opportunity to voice my concerns on this matter.

Respectfully,

***Dianne Dannhaus***

June 29<sup>th</sup>, 2007

To: Multifamily Finance Production Division  
ATT: Ms. Theresa Morales

Received

JUL - 3 2007

To Whom It May Concern,

I am writing to designate my  
opposition to the Costa Cemente Planned  
Community, proposed for property on Hwy.  
35, adjacent to Hwy. 288A, in Engleton,  
Tulsa, Brazoria County.

I oppose this development for several  
reasons.

First and foremost, is the safety of  
all school children who attend or  
will attend Engleton Middle School,  
the grade bracket is fifth and  
sixth grade. The school drive (drop-off  
and pick-up) is approximately 87 yards  
from the proposed Costa Cemente entrance  
via Cameron Drive, the now-deceased  
owners of the property having been Mr. &  
Mrs. Carl Cameron. The school has had  
to re-configure the original drive to  
provide more parking space for par-  
ents, which thrusts vehicles onto Hwy.  
35 shoulder area. To introduce a  
drive into a project of 184 units, and 44  
single family units will create severe  
congestion, especially during construction.

To increase a curve further to the west will also create a safety hazard due to the proximity of the gravel road from Hwy. 288A onto Hwy. 35. A signal light may simply create more problems. The highway shoulder offers only a 37 inch walk space, after the placement of a "turning" lane into school drives. Small children use this area, along with grassy frontage, to make their way home.

There are seventeen apartment complexes listed in Angleton. Opinions offered are that some complexes which are in disrepair could, and should, be reintroduced as assets to their existing neighbors. After "clean-up" and remodeling, an eyesore would be removed and shelter provided.

Property values of surrounding residences will be adversely affected, therefore diminishing the life-time investments of owners near Costa Clemente.

Were any other Brazoria County sites considered for this income-earning project? Is Angleton, by mileage definition to Houston, going to become a corridor placement for those Houston cannot provide for?

Confusion exists concerning the

issue of bonds for a profit-pro-  
ducing organization. There are  
four designated sites reflected in  
the over-view of Costa Clemente  
which are labeled "commercial  
development." The sites are at the  
entrance of the project and indi-  
cate retail development. Does  
the owner, or partners in this  
venture receive monetary gains  
from the sale/rental of said  
sites... or is the note/bonds/  
lending agent the recipient  
of any profit?

Thank you for the opportunity  
to express my opposition, and  
thoughts regarding my community.

Nancy J. Sayle

# WARREN

501 Heritage Oaks, Angleton, Texas 77515  
(979) 864-3435 cell (979)864-9972  
warrenfamily77515@sbcglobal.net

Received

JUL - 2 2007

  
.....

June 29, 2007

Texas Department of Housing and Community Affairs  
Attn: Teresa Morales  
221 East 11th Street  
Austin, TX 78701

Re: Costa Clemente – Angleton, TX Development #07626

To Whom It May Concern:

We wish to express our strong opposition to the Affordable Rental Housing Application (#07626) submitted by Costa Clemente. This is a proposed development at the intersection of State Highways 35 and 288 in Angleton.

We are joined by a large group of local citizens in our strong disagreement with its proposed location. First and foremost, there would be a tremendous safety concern for the residents of this complex given its proximity to two major thoroughfares. Angleton has no public transportation and this is a dangerous area for pedestrians given the lack of sidewalks and heavy traffic flow. This location is not a suitable place for multi-residential units that place living spaces directly adjacent to high speed traffic.

Traffic is another major issue concerning this project. This is already a busy intersection with an overpass and multiple access roads. The area has continued to have major problems with traffic congestion at the middle school campus next to the property, as almost all children arrive by car or bus. Further, the proposed plan has only one access road into and out of the development. In the event that this access point becomes blocked, the lives of residents could be put at risk during emergency situations.

Flooding and drainage is also a concern of ours. In the past six months our neighborhood has flooded twice. Although the water recedes in about six to eight hours, it is the scare of flood waters and the inconvenience that we are concerned about. Adding more concrete surfacing immediately adjacent to our neighborhood without other aides to ease the drainage would increase flooding of our neighborhood.

We are also greatly concerned by reported misrepresentations and lack of notification by the corporation proposing this development. They stated that approximately \$430,000 in additional property tax revenue would be generated every year from the development. There is concern that

this number is greatly inflated in comparison to other similar complexes. Additionally, claims were made by the corporation that the city supported this project even though an official endorsement has never existed. On June 26, the Angleton City Council approved the plat but chose not to pass a resolution supporting the project.

There has been a lack of public input before the start of this project. As Angleton residents, we all have valid concerns with increased traffic, potential drainage issues and overcrowding and should have had the opportunity to express these concerns much earlier.

The city of Angleton already has some low and very low income multi-family housing projects and there has been no valid rationale presented that supports a need for more. Instead, Angleton needs development that will enhance its value and attraction to prospective new residents and businesses by being very selective of the type of development and by discouraging unscrupulous developers. A retail project would be one type of desirable option for development in the proposed area as long as there were strict guidelines established for the type of retail allowed there and adequate drainage and traffic management requirements are met. Other desirable options that would fit the area include a nice senior citizen community and/or a well designed and maintained business park.

The proposed site of this project is prime commercial property that is better utilized for retail purposes because of its proximity to two major thoroughfares. We do not have a problem with an affordable housing project in Angleton if it is at a more suitable location, one nearer other residential areas with easier access to other services. We do have a problem with it being placed on a major thoroughfare at the entrance to Angleton and, as such, we strongly oppose this development.

Sincerely,

*Jeremy and Stephanie Warren*

Jeremy & Stephanie Warren  
501 Heritage Oaks  
Angleton, TX 77515  
(979)864-3435

**Teresa Morales**

---

**From:** Barbara Oxsheer [oxsheer@sbcglobal.net]  
**Sent:** Sunday, July 01, 2007 5:59 PM  
**To:** teresa.morales@tdhca.state.tx.us  
**Subject:** Affordable Rental Housing Application (#07626)

Attn: Teresa Morales  
221 East 11th Street  
Austin, TX 78701

To Whom It May Concern:

I wish to express my strong opposition to the Affordable Rental Housing Application (#07626) submitted by Costa Clemente. This is a proposed development at the intersection of State Highways 35 and 288 in Angleton.

I am in strong disagreement with the proposed location of the Costa Clemente development. Angleton is working very hard to improve their image as an attractive place to live and I do not feel this complex will be an inviting entrance to our city.

The traffic in this area is already a very bad problem and will only be compounded by this development. This location is not a suitable place for multi-residential units that place living spaces directly adjacent to high speed traffic.

Another area of concern is the development being next to an existing school. This is a concern from the traffic standpoint and also the safety of the children with the type of folks that normally live in this type of development.

I live in a subdivision near by which creates concern about how this will affect the value of my property.

Please take the above points in consideration for granting approval of the project in the proposed location.

Sincerely,

Barbara Oxsheer

7/2/2007

**Teresa Morales**

---

**From:** Sue Svoboda [svoboda2@sbcglobal.net]  
**Sent:** Sunday, July 01, 2007 3:31 PM  
**To:** teresa.morales@tdhca.state.tx.us; joek@brazoria-county.com; dudep@brazoria-county.com; matts@brazoria-county.com; mike.jackson@house.state.tx.us; dennis.bonnen@house.state.tx.us  
**Subject:** Costa Clemente Low Income Apartments

My husband and I will not waste your time or ours by listing the many reasons we are **opposed** to the Costa Clemente Low Income Apartments located at the intersection of State Highways 35 & 288 in Angleton. We're sure you have already heard the list of reasons many times over. We do however want to add our names to the long list of those expressing their opposition. **WE ARE JOINING THE LARGE GROUP OF LOCAL CITIZENS IN OUR STRONG DISAGREEMENT WITH THE PROPOSED LOCATION OF THE COSTA CLEMENTE DEVELOPEMENT.**

Sincerely,  
John and Sue Svoboda



**Teresa Morales**

---

**From:** Stephanie Bejune [sbejune@hotmail.com]  
**Sent:** Friday, June 29, 2007 10:01 PM  
**To:** teresa.morales@tdhca.state.tx.us  
**Cc:** joek@brazoria-county.com; dudep@brazoria-county.com; matts@brazoria-county.com; mike.jackson@house.state.tx.us; dennis.bonnen@house.state.tx.us  
**Subject:** FW: Low income Apartments

Dear Ms. Morales,

I am writing to express my opposition to the Affordable Rental Housing Application # 07626 submitted by Costa Clemente in the city of Angleton, Texas. First and foremost, there would be a tremendous safety concern for the residents of this complex given its proximity to two major thoroughfares. Angleton has no public transportation and this is a dangerous area for pedestrians given the lack of sidewalks and heavy traffic flow. This location is not a suitable place for multi-residential units that place living spaces directly adjacent to high speed traffic.

Traffic is another major issue concerning this project. This is already a busy intersection with an overpass and multiple access roads. The area has continued to have major problems with traffic congestion at the middle school campus next to the property, as almost all children arrive by car or bus. Further, the proposed plan has only one access road into and out of the development. In the event that this access point becomes blocked, the lives of residents could be put at risk during emergency situations.

I am also concerned about the lack of public input before the start of this project. There are valid concerns with increased traffic, potential drainage issues and overcrowding and the community should have had the opportunity to express these concerns much earlier.

The proposed site of the this project is prime commercial property that is better utilized for retail purposes because of its proximity to two major thoroughfares. I do not have a problem with an affordable housing project in Angleton if it is at a more suitable location, one nearer other residential areas with easier access to other services. I do have a problem with it being placed on a major thoroughfare at the entrance to Angleton and, as such, I strongly oppose this development.

Thank you very much for the opportunity to express my concerns on this matter.

Sincerely,  
Stephanie Bejune  
1101 Enchanted Oaks Drive  
Angleton, TX 77515  
ph. 979-849-5818

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7/2/2007

**Teresa Morales**

**From:** Brian and Jennifer [jpfeiffer1@cmaaccess.com]  
**Sent:** Friday, June 29, 2007 9:46 PM  
**To:** teresa.morales@tdhca.state.tx.us  
**Cc:** joek@brazoria-county.com; dudep@brazoria-county.com; matts@brazoria-county.com; mike.jackson@house.state.tx.us; dennis.bonnen@house.state.tx.us  
**Subject:** Opposition to Low Income Apartments in Angleton, TX at Hwy 288 & Hwy 35

June 29, 2007

Via Fax #512-475-0764

Teresa Morales  
 Multifamily Bond Administrator  
 Texas Department of Housing and Community Affairs

Re: Costa Clemente – Angleton, TX Development #07626

Ms. Morales:

I wish to express my strong opposition to the Affordable Rental Housing Application (#07626) submitted by Costa Clemente. This is a proposed development at the intersection of State Highways 35 and 288 in Angleton.

I am joined by a large group of local citizens in my strong disagreement with the proposed location of the Costa Clemente development. First and foremost, there would be a tremendous safety concern for the residents of this complex given its proximity to two major thoroughfares. Angleton has no public transportation and this is a dangerous area for pedestrians given the lack of sidewalks and heavy traffic flow. This location is not a suitable place for multi-residential units that place living spaces directly adjacent to high speed traffic.

Traffic is another major issue concerning this project. This is already a busy intersection with an overpass and multiple access roads. The area has continued to have major problems with traffic congestion at the middle school campus next to the property, as almost all children arrive by car or bus. Further, the proposed plan has only one access road into and out of the development. In the event that this access point becomes blocked, the lives of residents could be put at risk during emergency situations.

Many of my constituents have also expressed valid concerns of the additional strain this would place on local resources, such as our school district and emergency services.

I am also greatly concerned by misrepresentations and lack of notification by the corporation proposing this development. They stated that \$452,912 in additional property tax revenue would be generated every year from the development. There is concern that this number is greatly inflated in comparison to other similar complexes. Additionally, claims were made by the corporation that the city supported this project even though an official endorsement has never existed. On June 26, the Angleton City Council approved the plat but chose not to pass a resolution supporting the project.

The proposed site of the this project is prime commercial property that is better utilized for retail

7/2/2007

purposes because of its proximity to two major thoroughfares. I do not have a problem with an affordable housing project in Angleton if it is at a more suitable location, one nearer other residential areas with easier access to other services. I do have a problem with it being placed on a major thoroughfare at the entrance to Angleton and, as such, I strongly oppose this development.

Please feel free to contact me if you have any questions regarding my comments.

Sincerely,

Brian Pfeiffer  
1012 Enchanted Oaks Drive  
Angleton, TX 77515  
ph. 979-864-3901

Texas Department of Housing + Community Affairs  
 Teresa Morales  
 221 E. 11<sup>th</sup> St.  
 Austin, Texas  
 78701

Fax 512-475-0764

Re: Costa Clemente, Angleton, Tx. Development #07626

Ms. Morales:

I am standing in fervent opposition to the proposed project by Costa Clemente, #07626, in Angleton at the intersection of Hwy. 35 and Hwy. 288. I voiced my concerns to the City Council on May 22, 2007, noting several issues.

1. Close proximity to two public schools, one being adjacent to the construction site.
2. Close proximity to a nursing facility.
3. Increased traffic congestion on Hwy. 35
4. No sidewalks for safety of student walkers.
5. High flood zone areas for many years, continuing + possibility of increasing nearby.
6. Site is prime retail/commercial property. Acosta Clemente's request for a 15-year 50% tax roll reduction is not an Angleton-friendly one. Better to be used as full value on tax rolls with retail-generating sales tax.
7. "No" to location; find a better place

I further reaffirm my opposition due to lack of earlier, sufficient public notification to alert our community for input from citizenry. Everyone with whom I spoke concerning the project, save one, was firmly opposed, against the project location.

Sincerely, Charlotte Pies  
 1005 Western Avenue  
 Angleton, Texas, 77515  
 979-849-5508

**Teresa Morales**

**From:** Dan Reed [djreed@cmaaccess.com]  
**Sent:** Friday, June 29, 2007 4:04 PM  
**To:** teresa.morales@tdhca.state.tx.us; joek@brazoria-county.com; dudep@brazoria-county.com; matts@brazoria-county.com; mike.jackson@house.state.tx.us; dennis.bonnen@house.state.tx.us  
**Cc:** vjreed@cmaaccess.com  
**Subject:** FW: Low income Apartments

June 29, 2007

Re: Costa Clemente – Angleton, TX Development #07626

Reference: Affordable Rental Housing Application # 07626 submitted by Costa Clemente

Dear Elected Officials:

The purpose of this letter is to express strong **opposition** to an application for subsidized state funding that has been submitted to your department by the developers of a proposed multi-family housing project called Costa Clemente in the city of Angleton, Texas. I offer as my basis for this opposition, the following:

1. The developer for this project has reportedly made false statements and misrepresentations to city and county officials of intent and support for this project. Early in the process of soliciting support from county and city officials, Costa Clemente management made misleading statements claiming that they had full approval from the city of Angleton for this project, when in fact, they did not have any such approvals at the time.

The Angleton city council has subsequently given approval for the proposed project's plans because they met the current zoning requirements, but **did not** approve a resolution (re. Resolution 2007-R-6B) giving the city's endorsement of the project. I believe this is a clear indication that the city leaders also have serious reservations about the project and the developer.

2. The city of Angleton already has some low and very low income multi-family housing projects and there has been no valid rationale presented that supports a need for more. Instead, Angleton needs development that will enhance its value and attraction to prospective new residents and businesses by being very selective of the type of development and by discouraging unscrupulous developers. A retail project would be one type of desirable option for development in the proposed area as long as there were strict guidelines established for the type of retail allowed there and adequate drainage and traffic management requirements are met. Other desirable options that would fit the area include a nice senior citizen community and/or a well designed and maintained business park.

To summarize, I have spoken to several Angleton citizens and have yet to find a single one that really supports this project.

Please contact me if you need clarification or more information.

Thank you very much for the opportunity to express my concerns on this matter and I hope that you will take the appropriate action to disallow this construction.

Sincerely,  
 Dan Reed

6/29/2007

900 Enchanted Oaks Drive  
Angleton, TX 77515  
ph. 979-849-4072

Letter sent to the following elected officials:

Texas Department of Housing and Community Affairs  
Attn: Teresa Morales  
221 East 11th Street  
Austin, TX 78701  
[teresa.morales@tdhca.state.tx.us](mailto:teresa.morales@tdhca.state.tx.us)  
fax: 512-475-0764

Brazoria County Judge Joe King  
111 E. Locust Suite 102A  
Angleton, TX 77515  
Fax: 979-849-4655  
Email: [joek@brazoria-county.com](mailto:joek@brazoria-county.com)

Brazoria County Commissioner Dude Payne  
P.O. Box 998  
Clute, TX 77531  
Fax: 979-265-5409  
Email: [dudep@brazoria-county.com](mailto:dudep@brazoria-county.com)

Brazoria County Commissioner Matt Sebesta  
21017 CR 171  
Angleton, TX 77515  
Fax: 979-864-1080  
Email: [matts@brazoria-county.com](mailto:matts@brazoria-county.com)

Senator Mike Jackson  
P.O. Box 12068  
Austin, TX 78711-2068  
Email: [mike.jackson@house.state.tx.us](mailto:mike.jackson@house.state.tx.us)  
Fax: 512-475-3727

State Representative Dennis Bonnen  
P.O. Box 2910  
Austin, TX 78768-2910  
Email: [dennis.bonnen@house.state.tx.us](mailto:dennis.bonnen@house.state.tx.us)  
Fax: 512-463-8414

6/29/2007

June 29, 2007

To Whom It May Concern:

Reference: Affordable Rental Housing Application # 07626 submitted by Costa Clemente

The purpose of this letter is to express **opposition** to an application for subsidized state funding that has been submitted to your department by the developers of a proposed multi-family housing project called Costa Clemente in the city of Angleton, Texas. I offer as my basis for this opposition, the following:

1. The developer for this project has reportedly made false statements and misrepresentations to city and county officials of intent and support for this project. Early in the process of soliciting support from county and city officials, Costa Clemente management made misleading statements claiming that they had full approval from the city of Angleton for this project, when in fact, they did not have any such approvals at the time.

The Angleton city council has subsequently given approval for the proposed project's plans because they met the current zoning requirements, but **did not** approve a resolution(re. Resolution 2007-R-6B) giving the city's endorsement of the project. I believe this is a clear indication that the city leaders also have serious reservations about the project and the developer.

2. The city of Angleton already has some low and very low income multi-family housing projects and there has been no valid rationale presented that supports a need for more. Instead, Angleton needs development that will enhance its value and attraction to prospective new residents and businesses by being very selective of the type of development and by discouraging unscrupulous developers. A retail project would be one type of desirable option for development in the proposed area as long as there were strict guidelines established for the type of retail allowed there and adequate drainage and traffic management requirements are met. Other desirable options that would fit the area include a nice senior citizen community and/or a well designed and maintained business park.

To summarize, I have spoken to several Angleton citizens and have yet to find a single one that really supports this project.

Thank you very much for the opportunity to express my concerns on this matter.

Sincerely,

Gail Ransom  
1641 Wilbert  
Angleton, Texas 77515

Phone: 979-849-9145  
Fax: 979-849-0576

**Teresa Morales**

---

**From:** Beckye Wilson [beckyewilson@yahoo.com]  
**Sent:** Friday, June 29, 2007 1:24 PM  
**To:** teresa.morales@tdhca.state.tx.us  
**Cc:** joek@brazoria-county.com; dudep@brazoria-county.com; matts@brazoria-county.com; mike.jackson@house.state.tx.us; dennis.bonnen@house.state.tx.us  
**Subject:** Housing Concern

Ms. Morales,

Reference: Affordable Rental Housing Application # 07626 submitted by Costa Clemente

The purpose of this letter is to express **opposition** to an application for subsidized state funding that has been submitted to your department by the developers of a proposed multi-family housing project called Costa Clemente in the city of Angleton, Texas. I offer as my basis for this opposition, the following:

1. The developer for this project has reportedly made false statements and misrepresentations to city and county officials of intent and support for this project. Early in the process of soliciting support from county and city officials, Costa Clemente management made misleading statements claiming that they had full approval from the city of Angleton for this project, when in fact, they did not have any such approvals at the time.

The Angleton city council has subsequently given approval for the proposed project's plans because they met the current zoning requirements, but **did not** approve a resolution (re. Resolution 2007-R-6B) giving the city's endorsement of the project. I believe this is a clear indication that the city leaders also have serious reservations about the project and the developer.

2. The city of Angleton already has some low and very low income multi-family housing projects and there has been no valid rationale presented that supports a need for more. Instead, Angleton needs development that will enhance its value and attraction to prospective new residents and businesses by being very selective of the type of development and by discouraging unscrupulous developers. A retail project would be one type of desirable option for development in the proposed area as long as there were strict guidelines established for the type of retail allowed there and adequate drainage and traffic management requirements are met. Other desirable options that would fit the area include a nice senior citizen community and/or a well designed and maintained business park.

To summarize, I have spoken to several Angleton citizens and have yet to find a single one that really supports this project.

Please contact me if you need clarification or more information.

Thank you very much for the opportunity to express my concerns on this matter.

Thanks for your attention,

Rebecca Wilson  
1107 Spreading Oaks Dr.  
Angleton, Texas 77515

979-849-3897

6/29/2007



Teresa Morales  
Multifamily Finance Production Division  
P.O. Box 13941  
Austin, Texas 78711

Cc: State Rep. Dennis Bonnen  
Senator Mike Jackson

This letter is in regards to the decision to accept the bond proposal to build low income housing in Angleton, Texas on highway 35. I am against it. My grandmother lives on Western Avenue. Every time it rains, I worry that her house will flood. Now they are planning to build right across the highway from her, and I believe that this will increase the chances of her house going underwater.

In addition, I worry about her safety. I am a college student and I know the effects of low income housing on residential areas, because I see it every day near the University of Houston. Crime is a problem.

There are no sidewalks on any of the streets near this proposed apartment complex, and no sidewalks on my grandmother's street. I am concerned about the kids who would live in this area and have to walk beside the highway to get to school.

This is not a good place to build for all of these reasons. Therefore, I hope you vote no to this proposal. Thank you.

Sincerely,



Leslie McDaniel  
3350-A Hwy 6 South #262  
Sugar Land, Texas 77479  
(281) 980-1264

Ms. Teresa Morales  
Multifamily Finance Production Division  
P.O. Box 13941  
Austin, Texas 78711

Cc: State Rep. Dennis Bonnen  
Senator Mike Jackson

Dear Multifamily Bond Administrator,

I am writing to you to voice my opposition to the proposed TDHCA tax-exempt bond that has been proposed for the NRP company's single and multi-family housing (and commercial property) project on Highway 35 and 288 in Angleton, Texas.

This area of town has traditionally and recently experienced flooding of homes when it rains. Regardless of the NRP plans for building a single reduction pond and larger culverts on the opposite side of the highway approximately a half mile from our residential community, the residents of Western Avenue believe their flooding will not abate. Instead, we believe that it will worsen because of the addition of buildings and concrete used for parking lots and streets.

In addition to this problem, the project is located directly on the highways and adjacent to a middle school. We believe this location to be a hazard for children as there are no sidewalks and only one stoplight.

And of course, we are also interested in our home resale values and our personal safety, as apartment dwellers are traditionally a transient population.

Please rethink your consideration of this proposal.

Sincerely,



Linda Carroll  
1016 Western Avenue  
Angleton, Texas 77515  
(979) 849-6385  
(281) 980-1264

**Teresa Morales**

---

**From:** Zelvin Webb [zman@cmaaccess.com]  
**Sent:** Friday, June 29, 2007 11:18 AM  
**To:** teresa.morales@tdhca.state.tx.us; joek@brazoria-county.com; matts@brazoria-county.com; mike.jackson@house.state.tx.us; dennis.bonnen@house.state.tx.us; dudep@brazoria-county.com  
**Subject:** Costa Clemente - Angleton, TX Development #07626

To Whom It May Concern:

RE: Costa Clemente -- Angleton, TX Development #07626

I wish to express my strong opposition to the Affordable Rental Housing Application (#07626) submitted by Costa Clemente. This is a proposed development at the intersection of State Highways 35 and 288 in Angleton.

I am joined by a large group of local citizens in my strong disagreement with the proposed location of the Costa Clemente development. First and foremost, there would be a tremendous safety concern for the residents of this complex given its proximity to two major thoroughfares. Angleton has no public transportation and this is a dangerous area for pedestrians given the lack of sidewalks and heavy traffic flow. This location is not a suitable place for multi-residential units that place living spaces directly adjacent to high speed traffic.

Traffic is another major issue concerning this project. This is already a busy intersection with an overpass and multiple access roads. The area has continued to have major problems with traffic congestion at the middle school campus next to the property, as almost all children arrive by car or bus. Further, the proposed plan has only one access road into and out of the development. In the event that this access point becomes blocked, the lives of residents could be put at risk during emergency situations.

Many of my friends have also expressed valid concerns of the additional strain this would place on local resources, such as our school district and emergency services.

I am also greatly concerned by misrepresentations and lack of notification by the corporation proposing this development. They stated that \$452,912 in additional property tax revenue would be generated every year from the development. There is concern that this number is greatly inflated in comparison to other similar complexes. Additionally, claims were made by the corporation that the city supported this project even though an official endorsement has never existed. On June 26, the Angleton City Council approved the plat but chose not to pass a resolution supporting the project.

Numerous residents have also complained to me about the lack of public input before the start of this project. They have valid concerns with increased traffic, potential drainage issues and overcrowding and should have had the opportunity to express these concerns much earlier.

The proposed site of the this project is prime commercial property that is better utilized for retail purposes because of its proximity to two major thoroughfares. I do not have a problem with an affordable housing project in Angleton if it is at a more suitable location, one nearer other residential areas with easier access to other services. I do have a problem with it being placed on a major thoroughfare at the entrance to Angleton and, as such, I strongly oppose this development.

6/29/2007

Sincerely,

Zelvin Webb

6/29/2007

**Teresa Morales**

**From:** Jimmy Collard [collard@cmaaccess.com]  
**Sent:** Friday, June 29, 2007 1:12 PM  
**To:** teresa.morales@tdhca.state.tx.us  
**Cc:** joek@brazoria-county.com; dudep@brazoria-county.com; matts@brazoria-county.com; mike.jackson@house.state.tx.us; dennis.bonnen@house.state.tx.us; collard@cmaaccess.com  
**Subject:** Affordable Rental Housing Application # 07626 submitted by Costa Clemente

To Whom It May Concern:

I wish to express my strong opposition to the Affordable Rental Housing Application (#07626) submitted by Costa Clemente. This is a proposed development at the intersection of State Highways 35 and 288 in Angleton.

The developer of this project has not been forthcoming with the city or with Brazoria County. At their first run to obtain approval from the County, the developer lied in open court. When they were asked if they had received all of the approvals from the city of Angleton, the developer replied that all approvals short of a building permit had been obtained. Greg Smith, Angleton City Manager, then testified that NPR had yet to receive any approvals from the city of Angleton.

The developer for this project has reportedly made false statements and misrepresentations to city and county officials of intent and support for this project. Early in the process of soliciting support from county and city officials, Costa Clemente management made misleading statements claiming that they had full approval from the city of Angleton for this project, when in fact, they did not have any such approvals at the time.

The Angleton city council has subsequently given approval for the proposed project's plans because they met the current zoning requirements, but **did not** approve a resolution(re. Resolution 2007-R-6B) giving the city's endorsement of the project. I believe this is a clear indication that the city leaders also have serious reservations about the project and the developer.

The city of Angleton already has some low and very low income multi-family housing projects and there has been no valid rationale presented that supports a need for more. Instead, Angleton needs development that will enhance its value and attraction to prospective new residents and businesses by being very selective of the type of development and by discouraging unscrupulous developers. A retail project would be one type of desirable option for development in the proposed area as long as there were strict guidelines established for the type of retail allowed there and adequate drainage and traffic management requirements are met. Other desirable options that would fit the area include a nice senior citizen community and/or a well designed and maintained business park.

Thank you very much for the opportunity to express my concerns on this matter.

Regards,  
 Jimmy Collard  
 2 Spreading Oaks Ct  
 Angleton, TX 7751  
 979-849-8058  
 collard@cmaaccess.com

6/29/2007

**Teresa Morales**

---

**From:** David Manthei [jmanthei@sbcglobal.net]  
**Sent:** Friday, June 29, 2007 9:56 AM  
**To:** teresa.morales@tdhca.state.tx.us  
**Subject:** Costa Clemente Development

I was just made aware of the proposed location of the Costa Clemente Affordable Rental Housing in Angleton, and I would like to say that I strongly disagree with this proposal on many levels.

First, I would think that our area would be far better served by utilizing this prime property to begin retail development on 288. I believe that this would broaden the scope of expanding revenue by attracting more businesses to this area.

Traffic in this area is a major issue. This high speed freeway doesn't lend itself to a multi-family residential property.

Drainage issues are of a major concern to all residents of the area, especially since we just went through flooding issues on Memorial Day, May 28th, in areas of Angleton that never had flood problems before. Those issues have yet to be fully addressed. Have any engineering studies been done in this area in regard to the impact this project could potentially have now and in the future? If so, was an outside engineering firm used to do the study other than Baker and Lawson who seems to put a rubber stamp on anything proposed for our city?

I am concerned about the fact that the public has had little or no chance for input prior to the approval of this project. We should all be able to have more opportunity to look at both sides of the project and help in making this decision since it directly impacts our city.

Please accept this as my strong opposition to the building of this new project in the area proposed. Do we not have other residential areas where this project could be built which would be more suitable to both the residence of the development and to the community as a whole?

Respectfully,

Janet Manthei  
921 Cannan Dr.  
Angleton, TX 77515

(979)-236-7106

Dear Angleton Citizens,

I am a longtime resident of Western Avenue, and I am concerned about the proposed single, multi-family, and commercial plans for the property adjacent to Angleton Middle School on Highway 35. This property is also across the highway from my residence. My concerns are two-fold.

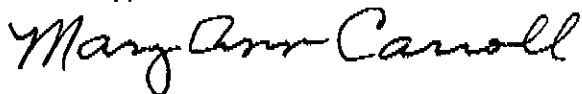
First, I am worried about the environmental impact on this part of town. The drainage in our area is one of the worst in the city. In a recent meeting I attended, Mr. Smith of NRP Group assured us that an engineering study says their plans for building on this property will help with Western Avenue drainage. I sincerely have my doubts. By putting that much concrete in terms of streets and parking lots, plus the single and multi-family dwellings themselves, it seems to me that the land will experience more subsidence. They have plans for a reduction pond and larger culverts, but with the amount of construction planned, it does not seem it would be enough to help out my neighbors and myself, many of whom have already experienced water in homes this year. In addition, their plans call for a commercial center comprised of four businesses. When concerned citizens asked them, they could not guarantee what kind of businesses would rent space from them.

This brings me to my next concern. Building almost on top of Angleton Middle School should be of concern to all Angleton residents. Apartment dwellers are transient by nature. This complex is being termed "affordable housing." It is low-income housing. They say they will do background checks, but even if this is performed, there will not be background checks done on visitors. Both the nearest elementary and middle school will have more students, and could possibly experience overcrowding. I am assuming these students will have to walk beside the highway to get to school. Adding the commercial strip center planned on the highway will increase traffic congestion.

The NRP Group is based out of Ohio and has been in business some 12 years. Most of my immediate neighbors have paid taxes on Western Avenue for over 35 years. The NRP Group has agreed to manage the complex for a specified number of years only. What happens to our home values when they build their low-income project and then sell after their agreement runs its course?

Therefore, it is for these reasons that I personally oppose this proposed construction. I am asking interested citizens to attend the next City Council meeting and voice their opinions. I am also asking the City Council members to think long and hard about this project. I believe that it is not in the best interest of area neighborhoods and schools, and the tax return will be offset with problems incurred by this plan.

Sincerely,



Mary Ann Carroll

**Teresa Morales**

**From:** Helen Dodge [h\_dodge@sbcglobal.net]  
**Sent:** Thursday, June 28, 2007 10:37 PM  
**To:** teresa.morales@tdhca.state.tx.us  
**Subject:** Costa Clemente Apartment Complex Construction

Re: Notification of Affordable Rental Housing Application(s) proposal in your Jurisdiction

Development Number: 07626

Development Name: Costa Clemente

Development Address: 1100 Block of W. Hwy 35 and Hwy 288

Development City: Angleton    Development Zip: 77515    Region: 6

Dear Ms. Morales:

My name is Helen Dodge. I live at 1008 W. Mulberry (Hwy 35), Angleton, TX 77515 which is in the Shady Acres Subdivision. I strongly oppose the construction of the Costa Clemente Apartment Complex by the NRP Group. I signed a petition along with other homeowners from the subdivision that clearly stated reasons for opposition to this construction and the petition was presented to the Angleton City Council on Tuesday, June 26, 2007.

Thank you for your consideraton in this matter.

Hwy 35  
Zip: 77515

Development Number  
Street Address  
City, State, Zip

Hwy 35  
Zip: 77515

6/29/2007



Texas Department of Housing and Community Affairs  
P.O. Box 13941  
Austin, Texas 78711-3941  
Attention: Governing Board

7-11-07

**Received**

JUL 13 2007

My name is Barbara Ross. I am a long time member of the Planning and Zoning Commission in Angleton. When the Costa Clemente project was brought before our board last month, I and one other member of the board, voted against this project. Five others voted in favor of the project. The City Council then also voted for the project.

The project then was presented to the Brazoria County Commissioners Court , so they might approve the \$15 million in bonds. The court took no action, the issue died for lack of a motion.

Now this project will be coming to your board. It is my sincere hope that it will not be funded by your department. First of all, our city has empty apartments at this time. Second the location of these apartments will bring too much traffic to an intersection that is already over burdened with traffic now. This is the worst intersection in our small city. To put a 184 unit apartment unit in this area, much less the other things planned for the Clemente project, will insure that sooner rather than later, there will be terrible accidents.

Please look at your maps and the intersection of Hwy288 and Hwy 35. You can see for yourselves why you must not fund this project.

Sincerely,

Barbara G Ross  
1117 Meadowlane  
Angleton, Texas 77515-3511

**Teresa Morales**

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**From:** Sandi [scsmith@cmaaccess.com]  
**Sent:** Friday, July 13, 2007 1:41 PM  
**To:** teresa.morales@tdhca.state.tx.us  
**Cc:** sandra.smith@halliburton.com  
**Subject:** Costa Clemente Development - opposition

Texas Department of Housing and Community Affairs  
P.O. Box 13941  
Austin, TX 78711-3941

July 13, 2007

To Whom It May Concern:

I am writing to express my family's opposition to the proposed Costa Clemente development near state highways 288 and 35 in Angleton, Brazoria County.

I live in the Heritage Oaks subdivision which is directly north of the proposed development. Due to the proximity of my own home to the proposed development, I have several concerns.

First, our neighborhood is accessible both from the north at CR44 and from the south on at SH35. I am concerned that our neighborhood will become a throughway for much of the traffic going to and from the main shopping areas of Angleton from Costa Clemente. As the parent of 4 young children, I am concerned for the safety of my children and the other children of our currently quiet neighborhood with the likely increase in traffic going through our subdivision.

Second, the Heritage Oaks subdivision is one of the most prestigious neighborhoods in Angleton. We bought our home, as did our neighbors, because it is an ideal place to raise our children and also because as our community grows, we expect the value of our home investments to appreciate over time. There are currently more than 40 vacant units for low income housing in Angleton, so there would appear to be no need for additional housing. The Costa Clemente development is simply a project that is not needed at this time in our community. Putting this development at this location will undoubtedly jeopardize the investment of many families in Heritage Oaks. The property taxes that we pay are currently among the highest in Brazoria County and would also be jeopardized by lower home values.

Finally, I believe that central Brazoria County is primed for real economic growth similar to that seen by residents in northern Brazoria County (Pearland and Alvin). As more people who work in Houston continue to look for alternative communities to raise their families, I believe that Angleton will become a destination for many of these professionals. The location at SH35 and SH288 is a prime location for retail and commercial development to support this future growth. I believe that in 5 years, should the Costa Clemente development move forward at the currently proposed location, the residents and governments of Angleton, Brazoria County and the state will look back and realize that it was a mistake to utilize this prime location for low income housing rather than reaping the real and enduring benefits of commercial and retail development.

I would like to reiterate my opposition to the Costa Clemente development at SH35 and 288. It is a project that is simply not needed at this time and it is likely to increase traffic through our wonderful subdivision, result in lower home values for the families that have invested in our community, and will likely prove to be a short-sighted decision that will result in the loss of future revenues from alternative retail and commercial developments as our community grows. When these things are considered, I am confident that our local, county and state governments will make the right decision to deny the progress of the Costa Clemente development.

7/13/2007

Sincerely,

Carl Garrison and family

**Teresa Morales**

**From:** Donna Betts [donnabetts@sbcglobal.net]  
**Sent:** Tuesday, July 17, 2007 12:05 PM  
**To:** teresa.morales@tdhca.state.tx.us  
**Subject:** Multifamily Construction Proposal for Angleton, TX

July 17, 2007

Ms. Teresa Morales  
 Multifamily Finance Production Division  
 P. O. Box 13941  
 Austin , Texas 78711-3491

Fax No. 1-512-475-0664  
 e-mail address – teresa.morales@TDHCA.STATE.TX.US

Re: Application for Costa Clemente Affordable Rental Housing in Angleton , Texas

Dear Ms. Morales:

I say NO to the proposed Costa Clemente Affordable Rental Housing in Angleton. No justification exists for new affordable housing units in Angleton. At this time there are many affordable housing units in Angleton that are vacant. There also are housing units available that are less expensive than the ones proposed by Costa Clemente. Angleton is already meeting the need for affordable housing.

Traffic is also a major issue. The unit would be located along a busy intersection with an overpass and multiple access roads. It would be placed on Highway 288 which goes directly to Houston , where the average speed is 70 miles an hour. The other side of the location is Highway 35, which is a four lane thoroughfare that runs through the City of Angleton and is a major traffic route for entering or exiting Angleton. Problems with traffic already exist there because of a middle school next to the proposed units. Children arrive at the school by car or bus. It is necessary to have the street guarded by traffic police so that no one will be injured or have an accident.

The proposed location of the complex would make it almost impossible for any of the citizens without transportation to avail themselves of the shopping, medical, recreational facilities or employment in the community. To go to a grocery store, pharmacy, or doctor, would require a car. There is no public transportation in Angleton or Brazoria County . To walk anywhere would be very dangerous.

Flooding is another issue. Angleton has serious problems with flooding and drainage and another large unit would only create more havoc.

Any multi housing unit at this location would be inconvenient and dangerous for the residents of the unit and irresponsible of any group allowing the units to be placed there.

Sincerely,

7/17/2007

Donna Betts  
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**Donna Betts**

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**Received**

JUL 16 2007

7-9-07

Texas Dept. of Housing and Community Affairs  
P.O. Box 13941  
Austin, TX 78711-3941

Re: Costa Clemente Apartment Project  
184 units of apartments  
Hwy 35 (West Mulberry) next to Hwy 288  
Angleton, Texas 77515

**I PROTEST THIS PROJECT!**

This will be a traffic hazard onto Hwy 35 Angleton, TX.

There is a Middle School next to this project, Danger to children arriving and leaving school..... traffic and pedestrian phases.

The apartments will be for low income people.  
They are to pass a profile examine. SO WHAT! With low income comes Drugs!!!!  
They may pass but what about their friends?

We all know drugs will come with this. This is not needed next to a Middle School.

Sincerely,

Marcy Moskov - Brazoria County Tax Payer  
name

130 N. Bow Dr.  
address

Jones Creek, Tx 77541  
city/state/zip

July 11, 2007

Texas Department of Housing and Community Affairs  
Attn: Teresa Morales  
221 East 11<sup>th</sup> Street  
Austin, TX 78701

**RECEIVED**

JUL 16 2007

**DEPUTY ED.**

RE: Costa Clements III, Ltd., Angleton, TX  
Application #07626

Dear Ms. Morales:

I am writing this letter to express my opposition to the Costa Clemente Affordable Rental Housing project proposed for Highway 35 and 288 in Angleton, Texas.

Having been a resident at 908 West Mulberry Street (Highway35) for 43 years, I have seen many floods due to poor drainage and been a victim of same at least three times. I cannot see how this project will do the things stated by Costa Clemente, in that there are no retail establishments (food or clothing), sidewalks for students to get to the schools, or public transportation for those who may need it.

My home is directly across from Angleton Middle School on Mulberry and I can tell you first hand about the traffic congestion, and frankly the danger for the students who live in the Shady Acres and Heritage Oaks subdivisions getting across the street even with a crossing guard. There are no sidewalks on our side of the street.

I feel there are locations in the city that would better serve low-income families and seniors than the corner of Highway 35 and 288.

Thank you,

*Harold Davis*

Harold A. Davis  
908 West Mulberry Street  
Angleton, TX 77515

cc: Michael Gerber, Executive Director  
Texas Department of Community Affairs  
P. O. Box 13941  
Austin, TX 78711

Dennis Bonnen, State Representative  
District 25  
P. O. Box 2910  
Austin, TX 78768-2910

July 16, 2007

Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Re: Application for Costa Clemente Affordable Rental Housing in Angleton, Texas

Fax No. 1-512-475-0664  
e-mail address - teresa.morales @TDHICA.STATE.TX.US

To Whom it may Concern:

There is NO need for the proposed Costa Clemente development at the corner of Hwy 35 and Hwy 288 in Angleton. There are many vacant affordable units in Angleton. The need does not exist for these units.

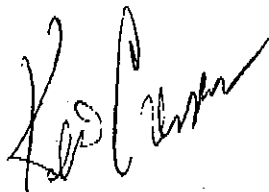
The proposed location of the complex would make it almost impossible for any citizens without transportation to avail themselves of employment, shopping, recreational, or medical facilities in the community. To go to a grocery store or pharmacy would require a car. Anyone living at the complex would have to have a car to avail themselves of employment, shopping, medical, or recreational facilities in the community. To do anything other than be in the complex would require a car. There is no public transportation in Angleton or Brazoria County.

Traffic is also a major issue. The unit would be located along a busy intersection with an overpass and multiple access roads. It would be placed on Highway 288 which goes directly to Houston, where the average speed is 70 miles an hour. The other side of the location is a four lane thoroughfare that runs through the City of Angleton. It is a major traffic route for entering or exiting Angleton. To go on foot anywhere would require crossing a four lane highway.

Flooding is a serious problem in our community. Another complex would create more havoc and problems with drainage and flooding.

A multiple housing complex at this location would be inconvenient and dangerous for the residents of the unit and irresponsible of any group allowing the units to be placed there.

Sincerely,





July 16, 2007

Teresa Morales  
Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Fax No. 1-512-475-0764  
e-mail address [teresa.morales@TDHCA.STATE.TX.US](mailto:teresa.morales@TDHCA.STATE.TX.US)

Re: Application for Costa Clemente Affordable Rental Housing in Angleton, Texas

Dear Ms. Morales:

I am against the Costa Clemente proposed Affordable Rental Housing in Angleton. No justification exists for new affordable housing units in Angleton. At this time there are 47 low income housing units in Angleton that are vacant. The Costa Clemente unit requires a mid level income to qualify for the units and does not meet the needs of low income individuals. There are existing units in Angleton that are less expensive for the same size unit that Costa Clemente is proposing. Why should government money be used for units for which no need exists.

The proposed location of the unit is also a major issue. The unit would be located along a busy intersection with an overpass and multiple access roads. It would be placed on Highway 288 which goes directly to Houston, where traffic is heavy and the average speed is at least 70 miles an hour. The other side of the location is Highway 35, which is a four lane thoroughfare that runs through the City of Angleton and is a major traffic route for entering or exiting Angleton.

It would also be next to a middle school adjacent to Highway 35. Problems with traffic already exist because almost all children arrive at the school by car or bus. It is necessary to have the street guarded by traffic police so that no one will be injured or have an accident.

No resident of the unit would be able to avail themselves of any employment, educational need, medical need or shopping in an entire forty five mile area without a car. Angleton and Brazoria County have no public transportation. How would the residents of this unit get medical attention, go to school or work?

This location is not suitable for any kind of multi family unit.

Sincerely,



July 16, 2007

Ms. Teresa Morales  
Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Fax No. 1-512-475-0764  
e-mail address - teresa.morales @TDHCA.STATE.TX.US

Re: Application for Costa Clemente Affordable Rental Housing in Angleton, Texas

Dear Ms. Morales:

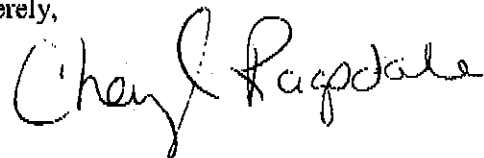
I say NO to the Costa Clemente proposed Affordable Rental Housing in Angleton. No justification exists for new affordable housing units in Angleton. At this time there are many affordable housing units in Angleton that are vacant. There also are housing units available that are less expensive than the ones proposed by Costa Clemente. Angleton is already meeting the need for affordable housing.

Traffic is also a major issue. The unit would be located along a busy intersection with an overpass and multiple access roads. It would be placed on Highway 288 which goes directly to Houston, where the average speed is 70 miles an hour. The other side of the location is Highway 35, which is a four lane thoroughfare that runs through the City of Angleton and is a major traffic route for entering or exiting Angleton. Problems with traffic already exist there because of a middle school next to the proposed units. Children arrive at the school by car or bus. It is necessary to have the street guarded by traffic police so that no one will be injured or have an accident.

The proposed location of the complex would make it almost impossible for any of the citizens without transportation to avail themselves of the shopping, medical, recreational facilities or employment in the community. To go to a grocery store, pharmacy, or doctor, would require a car. There is no public transportation in Angleton or Brazoria County. To walk anywhere would be very dangerous.

Any multi housing unit at this location would be inconvenient and dangerous for the residents of the unit and irresponsible of any group allowing the units to be placed there.

Sincerely,



July 14, 2007

Ms. Teresa Morales  
Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Fax No. 1-512-475-0664  
e-mail address: [teresa.morales@TDHCA.STATE.TX.US](mailto:teresa.morales@TDHCA.STATE.TX.US)

Re: Application for Costa Clemente Affordable Rental Housing in Angleton

Dear Ms. Morales:

I strongly oppose the proposed Costa Clemente development at the corner of Hwy 35 and Hwy 288 in Angleton because of the negative impact on this community.

Our community does not have the resources to support another low income housing development. Last year our Community did not have the means to aid the citizens who could not take care of their own medical needs. Many people had to do without the medical care that required.

The taxes on the property would not be enough to compensate for the expense of the additional students that would come in to the school system. Our school district at this time already has a large percentage of low income children. An additional tax would be a burden on the citizens of this community who already feel overburdened with taxes.

The proposed location of the complex is dangerous and inconvenient. The unit would be located along a busy intersection with an overpass and multiple access roads. It would be placed on Highway 288 which goes directly to Houston, where traffic is heavy and the average speed is 70 miles an hour. The other side of the location is a four lane thoroughfare that runs through the City of Angleton. It is a major traffic route for entering or exiting Angleton.

No one without transportation could avail themselves of the shopping, recreational, or medical facilities in the community. To go to a grocery store or pharmacy would require a car. They could not get to work without a car. There is no public transportation in Angleton or Southern Brazoria County.

Low income housing at this location would be inconvenient and dangerous for the residents of the unit and irresponsible of the Costa Clemente group to place them there.

Sincerely,



July 13, 2007

Teresa Morales  
Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Fax No. 1-512-475-0664  
e-mail address teresa.morales @TDHCA.STATE.TX.US

Re: Application for Costa Clemente Affordable Rental Housing in Angleton, Texas

Dear Ms. Morales:

I am against the Costa Clemente proposed Affordable Rental Housing in Angleton. No justification exists for new affordable housing units in Angleton. At this time there are 47 low income housing units in Angleton that are vacant. The Costa Clemente unit requires a mid level income to qualify for the units and does not meet the needs of low income individuals. There are existing units in Angleton that are less expensive for the same size unit that Costa Clemente is proposing. Why should government money be used for units for which no need exists.

The proposed location of the unit is also a major issue. The unit would be located along a busy intersection with an overpass and multiple access roads. It would be placed on Highway 288 which goes directly to Houston, where traffic is heavy and the average speed is at least 70 miles an hour. The other side of the location is Highway 35, which is a four lane thoroughfare that runs through the City of Angleton and is a major traffic route for entering or exiting Angleton.

It would also be next to middle school adjacent to Highway 35. Problems with traffic already exist because almost all children arrive at the school by car or bus. It is necessary to have the street guarded by traffic police so that no one will be injured or have an accident.

No resident of the unit would be able to avail themselves of any employment, educational need, medical need or shopping in an entire forty five mile area without a car. Angleton and Brazoria County have no public transportation. How would the residents of this unit get medical attention, go to school or work?

This location is not suitable for any kind of multi family unit.

Sincerely,



July 16, 2007

Ms. Teresa Morales  
Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Fax No. 1-512-475-0664  
e-mail address – teresa.morales @TDHCA.STATE.TX.US

Re: Application for Costa Clemente Affordable Rental Housing in Angleton, Texas

Dear Ms. Morales:

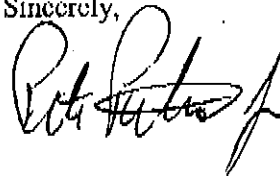
I oppose the proposed Costa Clemente project housing units in Angleton. At this time there are many affordable housing units in Angleton that are vacant. Therefore, I cannot understand the need for another housing unit when the needs are already being met. There are units available in Angleton that are less expensive than the newly proposed units.

Traffic is a major issue. The unit would be located along a busy intersection with an overpass and multiple access roads. It would be placed on Highway 288 which goes directly to Houston, where traffic is heavy and the average speed is 70 miles an hour. The other side of the location is Highway 35, which is a four lane thoroughfare that runs through the City of Angleton and is a major traffic route for entering or exiting Angleton. Traffic is already a problem because of the Middle School that would be next to the complex.

The proposed location of the complex would make it almost impossible for any citizens without transportation to avail themselves of employment opportunities, shopping, medical, or recreational facilities in the community. To go to a grocery store, pharmacy, or doctor, would require a car. There is no public transportation in Angleton or Brazoria County.

Any multi housing unit at this location would be inconvenient and dangerous for the residents of the unit and irresponsible of any group allowing the units to be placed there.

Sincerely,



July 16, 2007

Teresa Morales  
Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Fax No. 1-512-475-0664  
e-mail address – teresa.morales@TDHCA.STATE.TX.US

Re: Application for Costa Clemente Affordable Rental Housing in Angleton, Texas

Dear Ms. Morales:

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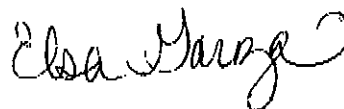
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It would also be next to a middle school adjacent to Highway 35. Problems with traffic already exist because almost all children arrive at the school by car or bus. It is necessary to have the street guarded by traffic police so that no one will be injured or have an accident.

No resident of the unit would be able to avail themselves of any employment, educational need, medical need or shopping in an entire forty five mile area without a car. Angleton and Brazoria County have no public transportation. How would the residents of this unit get medical attention, go to school or work?

This location is not suitable for any kind of multi family unit.

Sincerely,



July 16, 2007

Teresa Morales  
Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Fax No. 1-512-475-0664  
e-mail address - teresa.morales@TDHCA.STATE.TX.US

Re: Application for Costa Clemente Affordable Rental Housing in Angleton, Texas

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This location is not suitable for any kind of multi family unit.

Sincerely,



July 16, 2007

Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Re: Application for Costa Clemente Affordable Rental Housing in Angleton, Texas

Fax No. 1-512-475-0664

e-mail address – teresa.morales @TDHICA.STATE.TX.US

To Whom it may Concern:

There is NO need for the proposed Costa Clemente development at the corner of Hwy 35 and Hwy 288 in Angleton. There are many vacant affordable units in Angleton. The need does not exist for these units.

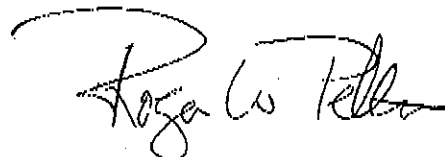
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Traffic is also a major issue. The unit would be located along a busy intersection with an overpass and multiple access roads. It would be placed on Highway 288 which goes directly to Houston, where the average speed is 70 miles an hour. The other side of the location is a four lane thoroughfare that runs through the City of Angleton. It is a major traffic route for entering or exiting Angleton. To go on foot anywhere would require crossing a four lane highway.

Flooding is a serious problem in our community. Another complex would create more havoc and problems with drainage and flooding.

A multiple housing complex at this location would be inconvenient and dangerous for the residents of the unit and irresponsible of any group allowing the units to be placed there.

Sincerely,





July 16, 2007

Ms. Teresa Morales  
Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Fax No. 1-512-475-0664  
e-mail address [teresa.morales@TDHCA.STATE.TX.US](mailto:teresa.morales@TDHCA.STATE.TX.US)

Re: Application for Costa Clemente Affordable Rental Housing in Angleton, Texas

Dear Ms. Morales:

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Traffic is a major issue. The unit would be located along a busy intersection with an overpass and multiple access roads. It would be placed on Highway 288 which goes directly to Houston, where traffic is heavy and the average speed is 70 miles an hour. The other side of the location is Highway 35, which is a four lane thoroughfare that runs through the City of Angleton and is a major traffic route for entering or exiting Angleton. Traffic is already a problem because of the Middle School that would be next to the complex.

The proposed location of the complex would make it almost impossible for any citizens without transportation to avail themselves of employment opportunities, shopping, medical, or recreational facilities in the community. To go to a grocery store, pharmacy, or doctor, would require a car. There is no public transportation in Angleton or Brazoria County.

Any multi housing unit at this location would be inconvenient and dangerous for the residents of the unit and irresponsible of any group allowing the units to be placed there.

Sincerely,

*Ottalia Richardson*

July 16, 2007

Teresa Morales  
Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Fax No. 1-512-475-0664  
e-mail address – teresa.morales@TDHCA.STATE.TX.US

Re: Application for Costa Clemente Affordable Rental Housing in Angleton, Texas

Dear Ms. Morales:

I am against the Costa Clemente proposed Affordable Rental Housing in Angleton. No justification exists for new affordable housing units in Angleton. At this time there are 47 low income housing units in Angleton that are vacant. The Costa Clemente unit requires a mid level income to qualify for the units and does not meet the needs of low income individuals. There are existing units in Angleton that are less expensive for the same size unit that Costa Clemente is proposing. Why should government money be used for units for which no need exists.


The proposed location of the unit is also a major issue. The unit would be located along a busy intersection with an overpass and multiple access roads. It would be placed on Highway 288 which goes directly to Houston, where traffic is heavy and the average speed is at least 70 miles an hour. The other side of the location is Highway 35, which is a four lane thoroughfare that runs through the City of Angleton and is a major traffic route for entering or exiting Angleton.

It would also be next to middle school adjacent to Highway 35. Problems with traffic already exist because almost all children arrive at the school by car or bus. It is necessary to have the street guarded by traffic police so that no one will be injured or have an accident.

No resident of the unit would be able to avail themselves of any employment, educational need, medical need or shopping in an entire forty five mile area without a car. Angleton and Brazoria County have no public transportation. How would the residents of this unit get medical attention, go to school or work?

This location is not suitable for any kind of multi family unit.

Sincerely,



July 16, 2007

Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Re: Application for Costa Clemente Affordable Rental Housing in Angleton, Texas

Fax No: 1-512-475-0664

e-mail address [teresa.morales@TDHCA.STATE.TX.US](mailto:teresa.morales@TDHCA.STATE.TX.US)

To Whom it may Concern:

There is NO need for the proposed Costa Clemente development at the corner of Hwy 35 and Hwy 288 in Angleton. There are many vacant affordable units in Angleton. The need does not exist for these units.

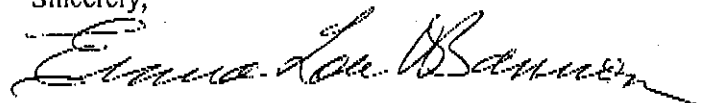
The proposed location of the complex would make it almost impossible for any citizens without transportation to avail themselves of employment, shopping, recreational, or medical facilities in the community. To go to a grocery store or pharmacy would require a car. Anyone living at the complex would have to have a car to avail themselves of employment, shopping, medical, or recreational facilities in the community. To do anything other than be in the complex would require a car. There is no public transportation in Angleton or Brazoria County.

Traffic is also a major issue. The unit would be located along a busy intersection with an overpass and multiple access roads. It would be placed on Highway 288 which goes directly to Houston, where the average speed is 70 miles an hour. The other side of the location is a four lane thoroughfare that runs through the City of Angleton. It is a major traffic route for entering or exiting Angleton. To go on foot anywhere would require crossing a four lane highway.

Flooding is a serious problem in our community. Another complex would create more havoc and problems with drainage and flooding.

A multiple housing complex at this location would be inconvenient and dangerous for the residents of the unit and irresponsible of any group allowing the units to be placed there.

Sincerely,



July 16, 2007

Ms. Teresa Morales  
Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Fax No. 1-512-475-0764  
e-mail address - teresa.morales @TDIICA.STATE.TX.US

Re: Application for Costa Clemente Affordable Rental Housing in Angleton, Texas

Dear Ms. Morales:

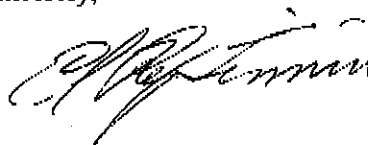
I say NO to the Costa Clemente proposed Affordable Rental Housing in Angleton. No justification exists for new affordable housing units in Angleton. At this time there are many affordable housing units in Angleton that are vacant. There also are housing units available that are less expensive than the ones proposed by Costa Clemente. Angleton is already meeting the need for affordable housing.

Traffic is also a major issue. The unit would be located along a busy intersection with an overpass and multiple access roads. It would be placed on Highway 288 which goes directly to Houston, where the average speed is 70 miles an hour. The other side of the location is Highway 35, which is a four lane thoroughfare that runs through the City of Angleton and is a major traffic route for entering or exiting Angleton. Problems with traffic already exist there because of a middle school next to the proposed units. Children arrive at the school by car or bus. It is necessary to have the street guarded by traffic police so that no one will be injured or have an accident.

The proposed location of the complex would make it almost impossible for any of the citizens without transportation to avail themselves of the shopping, medical, recreational facilities or employment in the community. To go to a grocery store, pharmacy, or doctor, would require a car. There is no public transportation in Angleton or Brazoria County. To walk anywhere would be very dangerous.

Any multi housing unit at this location would be inconvenient and dangerous for the residents of the unit and irresponsible of any group allowing the units to be placed there.

Sincerely,



July 16, 2007

Ms. Teresa Morales  
Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Re: Application for Costa Clemente Affordable Rental Housing in Angleton, Texas

Dear Ms. Morales:

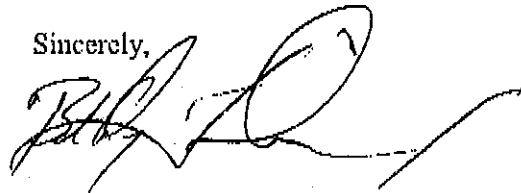
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Any multi housing unit at this location would be inconvenient and dangerous for the residents of the unit and irresponsible of any group allowing the units to be placed there.

Sincerely,

A handwritten signature in black ink, appearing to be "Bill [unclear]", written over a horizontal dashed line.

Mrs. Mark David Bonnen  
900 N. Belle  
Angleton, Texas 77515

July 9, 2007

Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Re: Application for Costa Clemente Affordable Rental Housing in Angleton

To Whom It May Concern:

There is no need for additional low income housing units as presently there are many low income housing units in Angleton that are vacant. Another unit would not be fully occupied and as a result the building would deteriorate and become an eyesore in the community.

Low income housing would place an additional tax burden on the citizens of this community who already feel overburdened with taxes. Children occupying the unit will enter our school system and the taxes on the property would not be enough to compensate for the expense of the additional students. The average cost to educate a child per year in the State of Texas is more than \$9,000.00. Our school district at this time already has a large percentage of low income children.

We have many homeowners who are having difficulty paying the taxes that are being currently assessed. Additional school taxes added to the cost of a home, would force many of our citizens to sell their homes. Recently citizens in our area protested the local taxes and one of the main issues was the school tax imposed on them.

Traffic is also a major issue. The location of this unit would place it between a busy intersection with an overpass and multiple access roads. Highway 288 is a major artery that leads to and from Houston. Highway 35 is one of the two main traffic routes for entering or exiting Angleton. This is prime property that used for retail purposes would add more revenue to our community than a low-income multi-residential unit.

Sincerely,



CC: County Judge Joe King  
Commissioner Dude Payne

**Teresa Morales**

**From:** Baldwin, Kelly [kgbaldwin@sbec.com]  
**Sent:** Thursday, July 19, 2007 7:51 AM  
**To:** teresa.morales@tdhca.state.tx.us; dennis.bonnen@house.state.tx.us;  
mike.jackson@house.state.tx.us  
**Subject:** Affordable Rental Housing Application

To Whom it may concern:

I wish to express my strong opposition to the Affordable Rental Housing Application (#07626) submitted by Costa Clemente. This is a proposed development at the intersection of State Highways 35 and 288 in Angleton.

I am joining a large group of local citizens in strong disagreement with the proposed location of the Costa Clemente development. Following are my reasons for opposition:

- The location of this project is a prime retail/commercial location at the gateway into Angleton. Multi-family is not a good fit due to traffic concerns. The adjoining school generates traffic which makes this stretch of highway extremely congested at times. The traffic with this project will be even more congested and dangerous.
- With this being a prime retail/commercial property, it is my understanding that these units will only be on the tax rolls at 50% of their value. This property would be much more useful at full value on the tax rolls with retail generating sales tax.
- With it being affordable housing, I will assume that many of the residents will have either one or no vehicles. There is no public transportation in Angleton, nor is there taxi service. The nearest grocery store is several miles away. If residents will be walking, they will have to walk along either SH 35 or SH 288, neither of which have sidewalks. This will be an inherently dangerous situation for these families. If this type of housing is truly needed, there are far better locations located within the city of Angleton, closer to the necessary retail and medical facilities.
- The City of Angleton already has some low income multi-family housing projects and there has been no valid rationale presented that supports a need for more. Instead, Angleton needs development that will enhance its value and attraction to prospective new residents and businesses by being very selective of the type of development.
- I have been told that the developer of this project has not been forthcoming with the city or with Brazoria County. At their first run to obtain approval from the County, the developer lied in open court. When they were asked if they had received all of the approvals from the city of Angleton, the developer replied that all approvals short of a building permit had been obtained. Greg Smith, Angleton city Manager, then testified that NPR had yet to receive any approvals from the City of Angleton.

Thank you very much for the opportunity to express my concerns with this matter.

Sincerely,

Kelly Baldwin  
1008 Western Ave.  
Angleton, TX 77515  
979-482-7750

7/19/2007

July 9, 2007

Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Re: Application for Costa Clemente Affordable Rental Housing in Angleton

To Whom It May Concern:

There is no need for an additional low income housing unit here in Angleton as presently there are many low income housing units in Angleton that are vacant. What would be the purpose of another unit that would not be completely occupied?

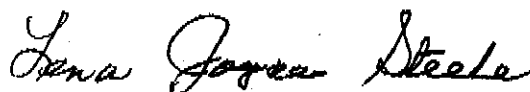
If the unit does become fully occupied, additional children will enter our school system and the taxes on the property will not be enough to compensate for the expense of the additional students. The average cost to educate a child per year in the State of Texas is more than \$9,000.00. Our school district at this time has a large percentage of low income children.

We have a large percentage of homeowners who can not afford to pay the taxes that are being currently assessed. Additional school taxes added to the cost of a home, would force many of our citizens to abandon their homes. Just this week citizens in our area protested the local taxes and one of the main issues was the school tax imposed on them.

Traffic is also a major issue. The location of this unit would place it between a busy intersection with an overpass and multiple access roads and a middle school. The middle school campus is adjacent to Highway 35. This is a four lane thoroughfare that runs through the City of Angleton. It is a major traffic route for entering or exiting Angleton. Problems with traffic already exist because almost all children arrive at the school by car or bus. It is necessary to have the street guarded by traffic police so that no one will be injured or have an accident.

This is prime property that used for retail purposes would add more revenue to our community than a low-income multi-residential unit. Low income housing would place an additional tax burden on the citizens of this community who already feel over burdened with taxes.

Sincerely,



3 Cay Court  
Angleton, TX.

CC: County Judge Joe King  
Commissioner Dude Payne



July 12, 2007

Ms. Teresa Morales  
Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Re: Application for Costa Clemente Affordable Rental Housing in Angleton

To Whom it may Concern:

I oppose any new affordable housing units in Angleton. At this time there are many affordable housing units in Angleton that are vacant. Therefore, I cannot understand the need for another low income housing unit when the needs are already being met. There are units available in Angleton that are less expensive than the newly proposed units.

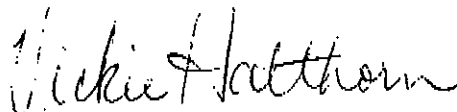
The multifamily development at the corner of Hwy 35 and Hwy 288 in Angleton would bring a negative impact on this community. Our community does not have the resources to support another affordable housing development. Last year the County Commissioners placed an income limit of \$6,000.00 per family for the family to qualify for medical assistance through the County. Our Community did not have the means to aid the citizens who could not take care of their own medical needs. Many people had to do without the medical care they needed to survive.

Traffic is also a major issue. The unit would be located along a busy intersection with an overpass and multiple access roads. It would be placed on Highway 288 which goes directly to Houston, where the average speed is 70 miles an hour. The other side of the location is Highway 35, which is a four lane thoroughfare that runs through the City of Angleton and is a major traffic route for entering or exiting Angleton.

The proposed location of the complex would make it almost impossible for any citizens without transportation to avail themselves of employment opportunities, shopping, medical, or recreational facilities in the community. To go to a grocery store, pharmacy, or doctor, would require a car. There is no public transportation in Angleton or Brazoria County.

Any multi housing unit at this location would be inconvenient and dangerous for the residents of the unit and irresponsible of any group allowing the units to be placed there.

Sincerely,



1117 Western Ave.  
Angleton, TX. 77515

July 17, 2007

Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Re: Application for Costa Clemente Affordable Rental Housing in Angleton, Texas

Fax No. 1-512-475-0764

e-mail address – [teresa.morales@TDHCA.STATE.TX.US](mailto:teresa.morales@TDHCA.STATE.TX.US)

To Whom it may Concern:

There is NO need for the proposed Costa Clemente development at the corner of Hwy 35 and Hwy 288 in Angleton. There are many vacant affordable units in Angleton. The need does not exist for these units.

The proposed location of the complex would make it almost impossible for any citizens without transportation to avail themselves of employment, shopping, recreational, or medical facilities in the community. To go to a grocery store or pharmacy would require a car. Anyone living at the complex would have to have a car to avail themselves of employment, shopping, medical, or recreational facilities in the community. To do anything other than be in the complex would require a car. There is no public transportation in Angleton or Brazoria County.

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Flooding is a serious problem in our community. Another complex would create more havoc and problems with drainage and flooding.

A multiple housing complex at this location would be inconvenient and dangerous for the residents of the unit and irresponsible of any group allowing the units to be placed there.

Sincerely,



7112 Fox Run Dr.  
Angleton, TX.

July 16, 2007

Teresa Morales  
Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Fax No. 1-512-475-0664  
e-mail address – teresa.morales@TDIICA.STATE.TX.US

Re: Application for Costa Clemente Affordable Rental Housing in Angleton, Texas

Dear Ms. Morales:

I am against the Costa Clemente proposed Affordable Rental Housing in Angleton. No justification exists for new affordable housing units in Angleton. At this time there are 47 low income housing units in Angleton that are vacant. The Costa Clemente unit requires a mid level income to qualify for the units and does not meet the needs of low income individuals. There are existing units in Angleton that are less expensive for the same size unit that Costa Clemente is proposing. Why should government money be used for units for which no need exists.

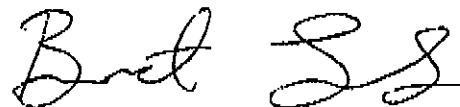
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It would also be next to a middle school adjacent to Highway 35. Problems with traffic already exist because almost all children arrive at the school by car or bus. It is necessary to have the street guarded by traffic police so that no one will be injured or have an accident.

No resident of the unit would be able to avail themselves of any employment, educational need, medical need or shopping in an entire forty five mile area without a car. Angleton and Brazoria County have no public transportation. How would the residents of this unit get medical attention, go to school or work?

This location is not suitable for any kind of multi family unit.

Sincerely,



BRAD SPARKS

135 E. Hospital Dr.  
Angleton, TX.

July 12, 2007

Teresa Morales  
Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Fax No. 1-512-475-0664  
e-mail address – teresa.morales@TDHCA.STATE.TX.US

Re: Application for Costa Clemente Affordable Rental Housing in Angleton

To Whom It May Concern:

I am against the Costa Clemente proposed Affordable Rental Housing in Angleton. No justification exists for new affordable housing units in Angleton. At this time there are 47 low income housing units in Angleton that are vacant. The Costa Clemente unit requires a mid level income to qualify for the units and does not meet the needs of low income individuals. There are existing units in Angleton that are less expensive for the same size unit that Costa Clemente is proposing. Why should government money be used for units for which no need exists.

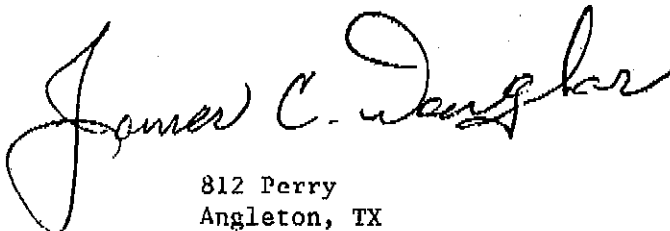
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This is prime property that used for retail purposes would add more revenue to our community than a multi-residential unit. This location is not suitable for any kind of multi family units.

Sincerely,



812 Perry  
Angleton, TX

July 16, 2007

Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Re: Application for Costa Clemente Affordable Rental Housing in Angleton, Texas

Fax No. 1-512-475-0664

e-mail address – [teresa.morales@TDIICA.STATE.TX.US](mailto:teresa.morales@TDIICA.STATE.TX.US)

To Whom it may Concern:

There is NO need for the proposed Costa Clemente development at the corner of Hwy 35 and Hwy 288 in Angleton. There are many vacant affordable units in Angleton. The need does not exist for these units.

The proposed location of the complex would make it almost impossible for any citizens without transportation to avail themselves of employment, shopping, recreational, or medical facilities in the community. To go to a grocery store or pharmacy would require a car. Anyone living at the complex would have to have a car to avail themselves of employment, shopping, medical, or recreational facilities in the community. To do anything other than be in the complex would require a car. There is no public transportation in Angleton or Brazoria County.

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Flooding is a serious problem in our community. Another complex would create more havoc and problems with drainage and flooding.

A multiple housing complex at this location would be inconvenient and dangerous for the residents of the unit and irresponsible of any group allowing the units to be placed there.

Sincerely,

*Teressa*  
305 Swift

Angleton, TX 77515

July 12, 2007

Ms. Teresa Morales  
Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Re: Application for Costa Clemente Affordable Rental Housing in Angleton

To Whom it may Concern:

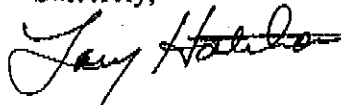
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Any multi housing unit at this location would be inconvenient and dangerous for the residents of the unit and irresponsible of any group allowing the units to be placed there.

Sincerely,



1117 Western Avenue  
Angleton, TX

July 12, 2007

Teresa Morales  
Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Fax No. 1-512-475-0664  
e-mail address [teresa.morales@TDHCA.STATE.TX.US](mailto:teresa.morales@TDHCA.STATE.TX.US)

Re: Application for Costa Clemente Affordable Rental Housing in Angleton

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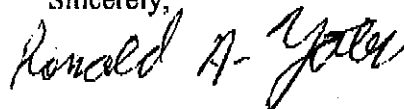
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No resident of the unit would be able to avail themselves of any employment, educational need, medical need or shopping in an entire forty five mile area without a car. Angleton and Brazoria County have no public transportation. How would the residents of this unit get medical attention, go to school or work?

This is prime property that used for retail purposes would add more revenue to our community than a multi-residential unit. This location is not suitable for any kind of multi family units.

Sincerely,



313 Angle  
Angleton, TX.

July 16, 2007

Ms. Teresa Morales  
Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Fax No. 1-512-475-0664  
c-mail address – [teresa.morales@TDHCA.STATE.TX.US](mailto:teresa.morales@TDHCA.STATE.TX.US)

Re: Application for Costa Clemente Affordable Rental Housing in Angleton, Texas

Dear Ms. Morales:

I say NO to the Costa Clemente proposed Affordable Rental Housing in Angleton. No justification exists for new affordable housing units in Angleton. At this time there are many affordable housing units in Angleton that are vacant. There also are housing units available that are less expensive than the ones proposed by Costa Clemente. Angleton is already meeting the need for affordable housing.

Traffic is also a major issue. The unit would be located along a busy intersection with an overpass and multiple access roads. It would be placed on Highway 288 which goes directly to Houston, where the average speed is 70 miles an hour. The other side of the location is Highway 35, which is a four lane thoroughfare that runs through the City of Angleton and is a major traffic route for entering or exiting Angleton. Problems with traffic already exist there because of a middle school next to the proposed units. Children arrive at the school by car or bus. It is necessary to have the street guarded by traffic police so that no one will be injured or have an accident.

The proposed location of the complex would make it almost impossible for any of the citizens without transportation to avail themselves of the shopping, medical, recreational facilities or employment in the community. To go to a grocery store, pharmacy, or doctor, would require a car. There is no public transportation in Angleton or Brazoria County. To walk anywhere would be very dangerous.

Any multi housing unit at this location would be inconvenient and dangerous for the residents of the unit and irresponsible of any group allowing the units to be placed there.

Sincerely,

*Kay & Frank Negoretich*

*120 W. Lariat*

*Angleton, TX 77515*



July 13, 2007

Ms. Tercsa Morales  
Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Re: Application for Costa Clemente Affordable Rental Housing in Angleton, Texas

Dear Ms. Morales:

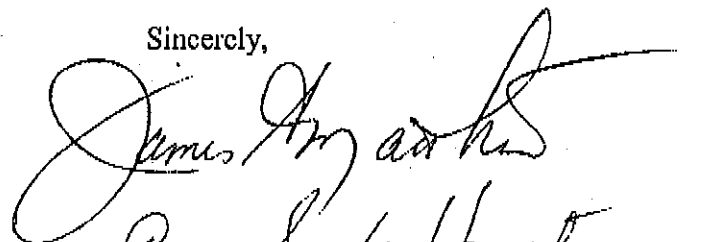
I oppose the proposed Costa Clemente project housing units in Angleton. At this time there are many affordable housing units in Angleton that are vacant. Therefore, I cannot understand the need for another housing unit when the needs are already being met. There are units available in Angleton that are less expensive than the newly proposed units.

Traffic is a major issue. The unit would be located along a busy intersection with an overpass and multiple access roads. It would be placed on Highway 288 which goes directly to Houston, where traffic is heavy and the average speed is 70 miles an hour. The other side of the location is Highway 35, which is a four lane thoroughfare that runs through the City of Angleton and is a major traffic route for entering or exiting Angleton. Traffic is already a problem because of the Middle School that would be next to the complex.

The proposed location of the complex would make it almost impossible for any citizens without transportation to avail themselves of employment opportunities, shopping, medical, or recreational facilities in the community. To go to a grocery store, pharmacy, or doctor, would require a car. There is no public transportation in Angleton or Brazoria County.

Any multi housing unit at this location would be inconvenient and dangerous for the residents of the unit and irresponsible of any group allowing the units to be placed there.

Sincerely,

  
900 South Hampton  
Angleton, TX 77515

July 13, 2007

Ms. Teresa Morales  
Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Re: Application for Costa Clemente Affordable Rental Housing in Angleton, Texas

Dear Ms. Morales:

I oppose the proposed Costa Clemente project housing units in Angleton. At this time there are many affordable housing units in Angleton that are vacant. Therefore, I cannot understand the need for another housing unit when the needs are already being met. There are units available in Angleton that are less expensive than the newly proposed units.

Traffic is a major issue. The unit would be located along a busy intersection with an overpass and multiple access roads. It would be placed on Highway 288 which goes directly to Houston, where traffic is heavy and the average speed is 70 miles an hour. The other side of the location is Highway 35, which is a four lane thoroughfare that runs through the City of Angleton and is a major traffic route for entering or exiting Angleton. Traffic is already a problem because of the Middle School that would be next to the complex.

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Any multi housing unit at this location would be inconvenient and dangerous for the residents of the unit and irresponsible of any group allowing the units to be placed there.

Sincerely,

Mildred Matthews  
900 S. Hampton  
Angleton, Tx 77515

July 16, 2007

Ms. Teresa Morales  
Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Fax No. 1-512-475-0664  
e-mail address – [teresa.morales@TDHCA.STATE.TX.US](mailto:teresa.morales@TDHCA.STATE.TX.US)

Re: Application for Costa Clemente Affordable Rental Housing in Angleton, Texas

Dear Ms. Morales:

I oppose the proposed Costa Clemente project housing units in Angleton. At this time there are many affordable housing units in Angleton that are vacant. Therefore, I cannot understand the need for another housing unit when the needs are already being met. There are units available in Angleton that are less expensive than the newly proposed units.

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Any multi housing unit at this location would be inconvenient and dangerous for the residents of the unit and irresponsible of any group allowing the units to be placed there.

Sincerely,

*Joe B. Reill*  
*1 No. Cay Court*  
*Angleton, TX*  
*77515*

July 9, 2007

Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Re: Application for Costa Clemente Affordable Rental Housing in Angleton

To Whom It May Concern:

Presently there are low income housing units in Angleton that are vacant. What would be the purpose of building another low income housing unit that would not be occupied. An empty building would deteriorate and become an eyesore in the community.

If the unit does become fully occupied, additional children will enter our school system and the taxes on the property will not be enough to compensate for the expense of the additional students. The average cost to educate a child per year in the State of Texas is more than \$9,000.00. Our school district at this time has a large percentage of low income children.

We have a large percentage of homeowners who can not afford to pay the taxes that are being currently assessed. Additional school taxes added to the cost of a home, would force many of our citizens to abandon their homes. Just recently citizens in our area protested the local taxes and one of the main issues was the school tax imposed on them.

Traffic is also a major issue. The location of this unit would place it between a busy intersection with an overpass and multiple access roads and a middle school. The middle school campus is adjacent to Highway 35. This is a four lane thoroughfare that runs through the City of Angleton. It is a major traffic route for entering or exiting Angleton. Problems with traffic already exist because almost all children arrive at the school by car or bus.

This is prime property that used for retail purposes would add more revenue to our community than a low-income multi-residential unit. Low income housing would place an additional tax burden on the citizens of this community who already feel over burdened with taxes.

I strongly disagree with the proposed Costa Clemente development at the corner of Hwy 35 and Hwy 288 in Angleton because of the negative impact on this community.

Sincerely,

*Gail Steele*  
3 Cay Court  
Angleton, TX 77515

CC: County Judge Joe King  
Commissioner Dude Payne

July 12, 2007

Ms. Teresa Morales  
Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Re: Application for Costa Clemente Affordable Rental Housing in Angleton

To Whom it may Concern:

I oppose any new affordable housing units in Angleton. At this time there are many affordable housing units in Angleton that are vacant. Therefore, I cannot understand the need for another low income housing unit when the needs are already being met. There are units available in Angleton that are less expensive than the newly proposed units.

The multifamily development at the corner of Hwy 35 and Hwy 288 in Angleton would bring a negative impact on this community. Our community does not have the resources to support another affordable housing development. Last year the County Commissioners placed an income limit of \$6,000.00 per family for the family to qualify for medical assistance through the County. Our Community did not have the means to aid the citizens who could not take care of their own medical needs. Many people had to do without the medical care they needed to survive.

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The proposed location of the complex would make it almost impossible for any citizens without transportation to avail themselves of employment opportunities, shopping, medical, or recreational facilities in the community. To go to a grocery store, pharmacy, or doctor, would require a car. There is no public transportation in Angleton or Brazoria County.

Any multi housing unit at this location would be inconvenient and dangerous for the residents of the unit and irresponsible of any group allowing the units to be placed there.

Sincerely,

*May Buchta*

1397 Buchta Rd.  
Angleton, TX.

July 17, 2007

Teresa Morales  
Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Fax No. 1-512-475-0764  
e-mail address – teresa.morales@TDHCA.STATE.TX.US

Re: Application for Costa Clemente Affordable Rental Housing in Angleton, Texas

Dear Ms. Morales:

I am against the Costa Clemente proposed Affordable Rental Housing in Angleton. No justification exists for new affordable housing units in Angleton. At this time there are 47 low income housing units in Angleton that are vacant. The Costa Clemente unit requires a mid level income to qualify for the units and does not meet the needs of low income individuals. There are existing units in Angleton that are less expensive for the same size unit that Costa Clemente is proposing. Why should government money be used for units for which no need exists.

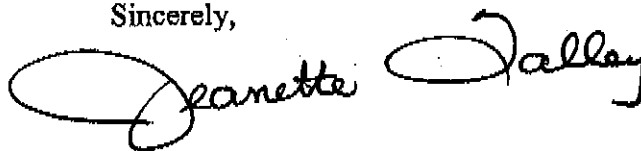
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It would also be next to a middle school adjacent to Highway 35. Problems with traffic already exist because almost all children arrive at the school by car or bus. It is necessary to have the street guarded by traffic police so that no one will be injured or have an accident.

No resident of the unit would be able to avail themselves of any employment, educational need, medical need or shopping in an entire forty five mile area without a car. Angleton and Brazoria County have no public transportation. How would the residents of this unit get medical attention, go to school or work?

This location is not suitable for any kind of multi family unit.

Sincerely,



108 N. Velasco St.  
Angleton, TX.

July 17, 2007

Ms. Teresa Morales  
Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Fax No. 1-512-475-0764  
e-mail address -- teresa.morales@TDHCA.STATE.TX.US

Re: Application for Costa Clemente Affordable Rental Housing in Angleton, Texas

Dear Ms. Morales:

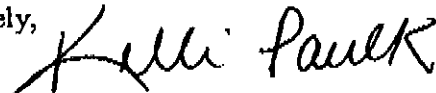
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The proposed location of the complex would make it almost impossible for any of the citizens without transportation to avail themselves of the shopping, medical, recreational facilities or employment in the community. To go to a grocery store, pharmacy, or doctor, would require a car. There is no public transportation in Angleton or Brazoria County. To walk anywhere would be very dangerous.

Any multi housing unit at this location would be inconvenient and dangerous for the residents of the unit and irresponsible of any group allowing the units to be placed there.

Sincerely,



950 County Road 687  
Angleton, TX. 77515

July 13, 2007

Ms. Teresa Morales  
Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Re: Application for Costa Clemente Affordable Rental Housing in Angleton, Texas

Dear Ms. Morales:

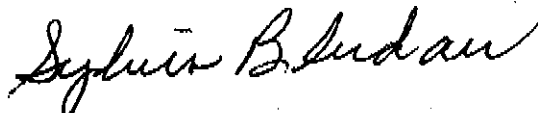
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Any multi housing unit at this location would be inconvenient and dangerous for the residents of the unit and irresponsible of any group allowing the units to be placed there.

Sincerely,



900 Wimberly  
Angleton, TX.



July 9, 2007

Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Re: Application for Costa Clemente Affordable Rental Housing in Angleton

To Whom It May Concern:

There is no need for an additional low income housing unit here in Angleton as presently there are many low income housing units in Angleton that are vacant. What would be the purpose of another unit that would not be completely occupied?


If the unit does become fully occupied, additional children will enter our school system and the taxes on the property will not be enough to compensate for the expense of the additional students. The average cost to educate a child per year in the State of Texas is more than \$9,000.00. Our school district at this time has a large percentage of low income children.

We have a large percentage of homeowners who can not afford to pay the taxes that are being currently assessed. Additional school taxes added to the cost of a home, would force many of our citizens to abandon their homes. Just this week citizens in our area protested the local taxes and one of the main issues was the school tax imposed on them.

Traffic is also a major issue. The location of this unit would place it between a busy intersection with an overpass and multiple access roads and a middle school. The middle school campus is adjacent to Highway 35. This is a four lane thoroughfare that runs through the City of Angleton. It is a major traffic route for entering or exiting Angleton. Problems with traffic already exist because almost all children arrive at the school by car or bus. It is necessary to have the street guarded by traffic police so that no one will be injured or have an accident.

This is prime property that used for retail purposes would add more revenue to our community than a low-income multi-residential unit. Low income housing would place an additional tax burden on the citizens of this community who already feel over burdened with taxes.

Sincerely,

  
3 Elm Place  
Angleton, TX 77515

CC: County Judge Joe King  
Commissioner Dude Payne

July 9, 2007

Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Re: Application for Costa Clemente Affordable Rental Housing in Angleton

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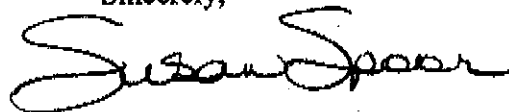
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Sincerely,



11 Cay Court  
Angleton, TX 77515

CC: County Judge Joe King  
Commissioner Dude Payne

July 12, 2007

Teresa Morales  
Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Fax No. 1-512-475-0664  
e-mail address -- teresa.morales@TDHCA.STATE.TX.US

Re: Application for Costa Clemente Affordable Rental Housing in Angleton

To Whom It May Concern:

I am against the Costa Clemente proposed Affordable Rental Housing in Angleton. No justification exists for new affordable housing units in Angleton. At this time there are 47 low income housing units in Angleton that are vacant. The Costa Clemente unit requires a mid level income to qualify for the units and does not meet the needs of low income individuals. There are existing units in Angleton that are less expensive for the same size unit that Costa Clemente is proposing. Why should government money be used for units for which no need exists.

The proposed location of the unit is also a major issue. The unit would be located along a busy intersection with an overpass and multiple access roads. It would be placed on Highway 288 which goes directly to Houston, where the average speed is at least 70 miles an hour. The other side of the location is Highway 35, which is a four lane thoroughfare that runs through the City of Angleton and is a major traffic route for entering or exiting Angleton.

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No resident of the unit would be able to avail themselves of any employment, educational need, medical need or shopping in an entire forty five mile area without a car. Angleton and Brazoria County have no public transportation. How would the residents of this unit get medical attention, go to school or work?

This is prime property that used for retail purposes would add more revenue to our community than a multi-residential unit. This location is not suitable for any kind of multi family units.

Sincerely,

*Teresa Morales*

4 Pine Place  
Angleton, TX 77515

849-4784

July 9, 2007

Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Re: Application for Costa Clemente Affordable Rental Housing in Angleton

To Whom It May Concern:

Presently there are low income housing units in Angleton that are vacant. What would be the purpose of building another low income housing unit that would not be occupied. An empty building would deteriorate and become an eyesore in the community.

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I strongly disagree with the proposed Costa Clemente development at the corner of Hwy 35 and Hwy 288 in Angleton because of the negative impact on this community.

Sincerely,

*Jessica L Munson*  
6 Colony Drive  
Angleton, TX 77515

CC: County Judge Joe King  
Commissioner Dude Payne

July 16, 2007

Ms. Teresa Morales  
Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Fax No. 1-512-475-0664  
e-mail address – [teresa.morales@TDHCA.STATE.TX.US](mailto:teresa.morales@TDHCA.STATE.TX.US)

Re: Application for Costa Clemente Affordable Rental Housing in Angleton, Texas

Dear Ms. Morales:

I say NO to the Costa Clemente proposed Affordable Rental Housing in Angleton. No justification exists for new affordable housing units in Angleton. At this time there are many affordable housing units in Angleton that are vacant. There also are housing units available that are less expensive than the ones proposed by Costa Clemente. Angleton is already meeting the need for affordable housing.

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The proposed location of the complex would make it almost impossible for any of the citizens without transportation to avail themselves of the shopping, medical, recreational facilities or employment in the community. To go to a grocery store, pharmacy, or doctor, would require a car. There is no public transportation in Angleton or Brazoria County. To walk anywhere would be very dangerous.

Any multi housing unit at this location would be inconvenient and dangerous for the residents of the unit and irresponsible of any group allowing the units to be placed there.

Sincerely,

*Greg Bieri*  
5 Palm Place  
Angleton, TX

July 12, 2007

Teresa Morales  
Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Fax No. 1-512-475-0664  
e-mail address -- teresa.morales@TDHCA.STATE.TX.US

Re: Application for Costa Clemente Affordable Rental Housing in Angleton

To Whom It May Concern:

I am against the Costa Clemente proposed Affordable Rental Housing in Angleton. No justification exists for new affordable housing units in Angleton. At this time there are 47 low income housing units in Angleton that are vacant. The Costa Clemente unit requires a mid level income to qualify for the units and does not meet the needs of low income individuals. There are existing units in Angleton that are less expensive for the same size unit that Costa Clemente is proposing. Why should government money be used for units for which no need exists.

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No resident of the unit would be able to avail themselves of any employment, educational need, medical need or shopping in an entire forty five mile area without a car. Angleton and Brazoria County have no public transportation. How would the residents of this unit get medical attention, go to school or work?

This is prime property that used for retail purposes would add more revenue to our community than a multi-residential unit. This location is not suitable for any kind of multi family units.

Sincerely,

*Sarah Bergen*  
905 N. Belle  
Angleton, TX 77515

July 9, 2007

Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Re: Application for Costa Clemente Affordable Rental Housing in Angleton

To Whom it may Concern:

I strongly disagree with the proposed Costa Clemente development at the corner of Hwy 35 and Hwy 288 in Angleton because of the negative impact on this community.

Our community does not have the resources to support another low income housing development. Last year the County Commissioners placed an income limit of \$6,000.00 per family for the family to qualify for medical assistance through the County. Our Community did not have the means to aid the citizens who could not take care of their own medical needs. Many people had to do without the medical care they needed to survive.

The taxes on the property would not be enough to compensate for the expense of the additional students that would come in to the school system. Our school district at this time already has a large percentage of low income children. An additional tax would be a burden on the citizens of this community who already feel over burdened with taxes.

The proposed location of the complex would make it almost impossible for any citizens without transportation to avail themselves of the shopping, recreational, or medical facilities in the community. To go to a grocery store or pharmacy would require a car. There is no public transportation in Angleton.

Traffic is also a major issue. The unit would be located along a busy intersection with an overpass and multiple access roads. It would be placed on Highway 288 which goes directly to Houston, where the average speed is 70 miles an hour. The other side of the location is a four lane thoroughfare that runs through the City of Angleton. It is a major traffic route for entering or exiting Angleton.

Low income housing at this location would be inconvenient and dangerous for the residents of the unit and irresponsible of the Costa Clemente group to place them there.

Sincerely,

*Chris Pate*

*4 Pima Place  
Angleton, TX 77515*

CC: County Judge Joe King  
Commissioner Dude Payne

July 9, 2007

Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Re: Application for Costa Clemente Affordable Rental Housing in Angleton

To Whom It May Concern:

I strongly disagree with the proposed Costa Clemente development at the corner of Hwy 35 and Hwy 288 in Angleton because of the negative impact on this community.

There is no need for additional low income housing units as presently there are many low income housing units in Angleton that are vacant. Another unit would not be fully occupied and as a result the building would deteriorate and become an eyesore in the community.

Traffic is a major issue. The location of this unit would place it between a busy intersection with an overpass and multiple access roads. Highway 288 is a major artery that leads to and from Houston. Highway 35 one of the main traffic routes for entering or exiting Angleton. This is prime property that used for retail purposes would add more revenue to our community than a low-income multi-residential unit.

Low income housing would place an additional tax burden on the citizens of this community who already feel over burdened with taxes. If the unit does become fully occupied, additional children will enter our school system and the taxes on the property would not be enough to compensate for the expense of the additional students. The average cost to educate a child per year in the State of Texas is more than \$9,000.00. Our school district at this time has a large percentage of low income children.

We have a large percentage of homeowners who can not afford to pay the taxes that are being currently assessed. Additional school taxes added to the cost of a home, would force many of our citizens to sell their homes. Just this week citizens in our area protested the local taxes and one of the main issues was the school tax imposed on them.

Sincerely,



2 Colony Drive  
Angleton, TX 77515

CC: County Judge Joe King  
Commissioner Dude Payne



Mrs. Mark David Bonnen  
900 N. Belle  
Angleton, Texas 77515

July 9, 2007

Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Re: Application for Costa Clemente Affordable Rental Housing in Angleton

To Whom It May Concern:

I strongly disagree with the proposed Costa Clemente development at the corner of Hwy 35 and Hwy 288 in Angleton because of the negative impact on this community.

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Sincerely,

  
Wendy Bonnen

900 N. Belle  
Angleton, TX 77515

CC: County Judge Joe King  
Commissioner Dude Payne

July 16, 2007

Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Re: Application for Costa Clemente Affordable Rental Housing in Angleton, Texas

Fax No. 1-512-475-0664  
e-mail address – [teresa.morales@TDHCA.STATE.TX.US](mailto:teresa.morales@TDHCA.STATE.TX.US)

To Whom it may Concern:

There is NO need for the proposed Costa Clemente development at the corner of Hwy 35 and Hwy 288 in Angleton. There are many vacant affordable units in Angleton. The need does not exist for these units.

The proposed location of the complex would make it almost impossible for any citizens without transportation to avail themselves of employment, shopping, recreational, or medical facilities in the community. To go to a grocery store or pharmacy would require a car. Anyone living at the complex would have to have a car to avail themselves of employment, shopping, medical, or recreational facilities in the community. To do anything other than be in the complex would require a car. There is no public transportation in Angleton or Brazoria County.

Traffic is also a major issue. The unit would be located along a busy intersection with an overpass and multiple access roads. It would be placed on Highway 288 which goes directly to Houston, where the average speed is 70 miles an hour. The other side of the location is a four lane thoroughfare that runs through the City of Angleton. It is a major traffic route for entering or exiting Angleton. To go on foot anyplace would require crossing a four lane highway.

Flooding is a serious problem in our community. Another complex would create more havoc and problems with drainage and flooding.

A multiple housing complex at this location would be inconvenient and dangerous for the residents of the unit and irresponsible of any group allowing the units to be placed there.

Sincerely,

Betty Bieri  
5 Palm Place  
Angleton, TX

July 16, 2007

Teresa Morales  
Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Fax No. 1-512-475-0664  
e-mail address – teresa.morales@TDHCA.STATE.TX.US

Re: Application for Costa Clemente Affordable Rental Housing in Angleton, Texas

Dear Ms. Morales:

I am against the Costa Clemente proposed Affordable Rental Housing in Angleton. No justification exists for new affordable housing units in Angleton. At this time there are 47 low income housing units in Angleton that are vacant. The Costa Clemente unit requires a mid level income to qualify for the units and does not meet the needs of low income individuals. There are existing units in Angleton that are less expensive for the same size unit that Costa Clemente is proposing. Why should government money be used for units for which no need exists?

The proposed location of the unit is also a major issue. The unit would be located along a busy intersection with an overpass and multiple access roads. It would be placed on Highway 288 which goes directly to Houston, where traffic is heavy and the average speed is at least 70 miles an hour. The other side of the location is Highway 35, which is a four lane thoroughfare that runs through the City of Angleton and is a major traffic route for entering or exiting Angleton.

It would also be next to a middle school adjacent to Highway 35. Problems with traffic already exist because almost all children arrive at the school by car or bus. It is necessary to have the street guarded by traffic police so that no one will be injured or have an accident.

No resident of the unit would be able to avail themselves of any employment, educational need, medical need or shopping in an entire forty five mile area without a car. Angleton and Brazoria County have no public transportation. How would the residents of this unit get medical attention, go to school or work?

This location is not suitable for any kind of multi family unit.

Sincerely,

Anita Bergas  
321 Lasso  
Angleton, TX 77515

July 16, 2007

Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Re: Application for Costa Clemente Affordable Rental Housing in Angleton, Texas

Fax No. 1-512-475-0664  
e-mail address – [teresa.morales@TDHCA.STATE.TX.US](mailto:teresa.morales@TDHCA.STATE.TX.US)

To Whom it may Concern:

There is NO need for the proposed Costa Clemente development at the corner of Hwy 35 and Hwy 288 in Angleton. There are many vacant affordable units in Angleton. The need does not exist for these units.

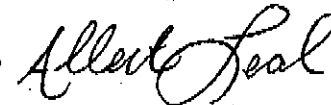
The proposed location of the complex would make it almost impossible for any citizens without transportation to avail themselves of employment, shopping, recreational, or medical facilities in the community. To go to a grocery store or pharmacy would require a car. Anyone living at the complex would have to have a car to avail themselves of employment, shopping, medical, or recreational facilities in the community. To do anything other than be in the complex would require a car. There is no public transportation in Angleton or Brazoria County.

Traffic is also a major issue. The unit would be located along a busy intersection with an overpass and multiple access roads. It would be placed on Highway 288 which goes directly to Houston, where the average speed is 70 miles an hour. The other side of the location is a four lane thoroughfare that runs through the City of Angleton. It is a major traffic route for entering or exiting Angleton. To go on foot anyplace would require crossing a four lane highway.

Flooding is a serious problem in our community. Another complex would create more havoc and problems with drainage and flooding.

A multiple housing complex at this location would be inconvenient and dangerous for the residents of the unit and irresponsible of any group allowing the units to be placed there.

Sincerely,



612 Cahill Road  
Angleton, TX

July 16, 2007

Ms. Teresa Morales  
Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Fax No. 1-512-475-0664  
e-mail address -- [teresa.morales@TDHCA.STATE.TX.US](mailto:teresa.morales@TDHCA.STATE.TX.US)

Re: Application for Costa Clemente Affordable Rental Housing in Angleton, Texas

Dear Ms. Morales:

Do not allow another affordable housing unit in Angleton. At this time there are vacant low income and affordable housing units in Angleton. There are many units that are less expensive than what is being proposed. Therefore, there is no need for another low income housing complex. The housing needs of the community are already being met.

The taxes on the property would not be enough to compensate for the expense of the additional students that would come in to the school system. Our school district at this time already has a large percentage of low income children. An additional tax would be a burden on the citizens of this community who already feel over burdened with taxes.

Traffic is also a major issue. The unit would be located along a busy intersection with an overpass and multiple access roads. It would be placed on Highway 288 which is a major thoroughfare to Houston, traffic is heavy and at excessive speeds. The other side of the location is a four lane thoroughfare that runs through the City of Angleton. It is a major traffic route for entering or exiting Angleton.

Anyone living at the complex would have to cross two major highways to avail themselves of employment, shopping, medical, or recreational facilities in the community. To do anything other than be in the complex would require a car. There is no public transportation in Angleton or Brazoria County. Low income housing at this location would be inconvenient and dangerous for the residents of the unit.

Sincerely,



2825 Rimfire  
Angleton

July 13, 2007

Teresa Morales  
Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Fax No. 1-512-475-0664  
e-mail address – [teresa.morales@TDHCA.STATE.TX.US](mailto:teresa.morales@TDHCA.STATE.TX.US)

Re: Application for Costa Clemente Affordable Rental Housing in Angleton, Texas

Dear Ms. Morales:

I am against the Costa Clemente proposed Affordable Rental Housing in Angleton. No justification exists for new affordable housing units in Angleton. At this time there are 47 low income housing units in Angleton that are vacant. The Costa Clemente unit requires a mid level income to qualify for the units and does not meet the needs of low income individuals. There are existing units in Angleton that are less expensive for the same size unit that Costa Clemente is proposing. Why should government money be used for units for which no need exists.

The proposed location of the unit is also a major issue. The unit would be located along a busy intersection with an overpass and multiple access roads. It would be placed on Highway 288 which goes directly to Houston, where traffic is heavy and the average speed is at least 70 miles an hour. The other side of the location is Highway 35, which is a four lane thoroughfare that runs through the City of Angleton and is a major traffic route for entering or exiting Angleton.

It would also be next to a middle school adjacent to Highway 35. Problems with traffic already exist because almost all children arrive at the school by car or bus. It is necessary to have the street guarded by traffic police so that no one will be injured or have an accident.

No resident of the unit would be able to avail themselves of any employment, educational need, medical need or shopping in an entire forty five mile area without a car. Angleton and Brazoria County have no public transportation. How would the residents of this unit get medical attention, go to school or work?

This location is not suitable for any kind of multi family unit.

Sincerely,



2825 Rimfire  
Angleton, TX.

July 16, 2007

Ms. Teresa Morales  
Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Fax No. 1-512-475-0664  
e-mail address – [teresa.morales@TDHCA.STATE.TX.US](mailto:teresa.morales@TDHCA.STATE.TX.US)

Re: Application for Costa Clemente Affordable Rental Housing in Angleton, Texas

Dear Ms. Morales:

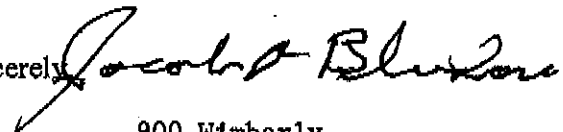
Do not allow another affordable housing unit in Angleton. At this time there are vacant low income and affordable housing units in Angleton. There are many units that are less expensive than what is being proposed. Therefore, there is no need for another low income housing complex. The housing needs of the community are already being met.

The taxes on the property would not be enough to compensate for the expense of the additional students that would come in to the school system. Our school district at this time already has a large percentage of low income children. An additional tax would be a burden on the citizens of this community who already feel over burdened with taxes.

Traffic is also a major issue. The unit would be located along a busy intersection with an overpass and multiple access roads. It would be placed on Highway 288 which is a major thoroughfare to Houston, traffic is heavy and at excessive speeds. The other side of the location is a four lane thoroughfare that runs through the City of Angleton. It is a major traffic route for entering or exiting Angleton.

Anyone living at the complex would have to cross two major highways to avail themselves of employment, shopping, medical, or recreational facilities in the community. To do anything other than be in the complex would require a car. There is no public transportation in Angleton or Brazoria County. Low income housing at this location would be inconvenient and dangerous for the residents of the unit.

Sincerely,



900 Wimberly  
Angleton, TX.

Bill and Patricia Walker  
1104 Oak Park Drive  
Angleton, Texas 77515

July 18, 2007

Teresa Morales  
Multifamily Bond Administrator  
Texas Department of Housing and Community Affairs  
PO Box 13941  
Austin, Texas 78711-3491

Dear Ms. Morales:

It is our understanding that the NPR Group is proposing to build an affordable housing project near the intersection of Highway 288 and Highway 35 in Angleton, Texas. As residents of the area for the past 40 years, we are concerned about providing appropriate housing for all the citizens of this community. However, we have both practical and philosophical concerns about the location of this particular project.

The proposed site is located on the outskirts of town immediately next to a middle school. Costa Clemente will be able to be accessed only from Highway 35—just like the middle school. Existing traffic congestion will only be exacerbated by traffic from Costa Clemente residents. Those who insist that the traffic congestion occurs only twice a day (beginning/ending of school) have never tried to turn left from either side of Highway 35. We have often sat through three traffic light cycles waiting for a break in the traffic to cross several lanes of traffic. Many people try to avoid the traffic back-up by going through residential streets. While these residential streets are certainly public thoroughways, they were not designed to serve as main thoroughfares. Frustrated drivers speeding through winding residential streets filled with children is a recipe for disaster. The safety of the residents in the neighborhoods is a major concern.

A second concern is the effect that the opening of this project will have on other housing projects in the community. It is our understanding that there are vacancies in current affordable housing complexes in town. In a discussion with a city official, we were informed that most residents at Costa Clemente were expected to come from within the community (as opposed to move-ins) which would mean that a corresponding number of vacancies would happen in existing projects. The city official admitted that this would have a negative impact on those projects causing them to lose revenue and ultimately become dilapidated. Obviously, that could have a devastating effect on the remaining residents in those complexes and a depressing effect upon the surrounding neighborhood.



Representatives of the NPR Group have insisted that the residents of the complex will have to undergo criminal background checks and will have to make a certain income in order to live there. That sounds very nice—who can be opposed to hard-working, law-abiding citizens as neighbors? But we have concerns about the practicality of that. For example, what happens when a resident's 18-year old daughter is convicted of selling drugs? Is the resident evicted? If so, what is the due process afforded the resident? What is the timeframe? Can the resident avoid being evicted by stating that the daughter no longer lives at home? Can an individual with a criminal background avoid the process entirely by having the apartment leased in another individual's name? What happens when a resident is laid off? Is he evicted? Once, again, what is the due process? Does a resident have to show a *history* of a certain income or just a *current* pay stub?

Several proponents of the project—primarily people who will profit from the sale of the land—have accused nearby residents of being NIMBYers. That may be an accurate representation. We have worked many years and saved our money to buy a home in a quiet neighborhood in a tranquil setting. This is certainly the biggest investment in our lives. Therefore, we are concerned about anything that threatens that quality of life that we have worked hard to achieve; we are concerned about anything that may make it more difficult for us to ultimately sell our house.

We understand and appreciate that people have the right to sell their land to whomever they want; we understand and appreciate that NPR Group has the right to build wherever they desire. But as taxpayers and stakeholders in this community, we are opposed to our tax money being used to subsidize a project that we believe is being built in the wrong place and at the wrong time.

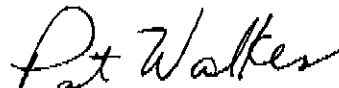
If you would like additional information from us, please contact us at (979) 849-4761.

Thank you for considering our concerns.

Sincerely,



Bill Walker



Patricia Walker

June 28, 2007

Texas Department of Housing and Community Affairs

**Teresa Morales**

Multifamily Bond Administrator

221 East 11<sup>th</sup> Street

Austin, Texas 78701

Fax #512-475-0764

Re: Opposition to the proposed multi-family development ( # 07626) in Angleton, Brazoria County, Texas, by the Costa Clemente, Ltd, company owned by Vincent A. Marquez, 2223 N.. Main, Suite 206, Houston, Texas, 77009.

Attached are copies of the circulated petitions signed by the residents of the Shady Acres Subdivision ( Western Avenue and West Mulberry St.), and Heritage Oaks Subdivision located directly across Highway #35 from the proposed Costa Clemente development.

We respectfully request that you give serious consideration to our petitions when considering the scoring of this pre-application. There were other prominent Angleton citizens who spoke in our behalf at the City Council meeting of June 26, 2007.

# PETITION

We the undersigned residents of Heritage Oaks Subdivision, across the street from the proposed construction of the Costa Clemente apartment complex at the Highway 35 and Highway 288 intersection wish to register our opposition for the following reasons:

- A multi-family facility in this already small congested area is a very poor choice in location.
- Proximity to Angleton Westside Elementary School and Angleton Middle School. With no walkways on either side of Highway 35, Students are forced to walk on the grass, in the ditches or on the narrow shoulder of an already 5-lane state highway.
- Increased traffic congestion with greater difficulty to enter eastbound lane from residences on Highway 35, Western Avenue and Heritage Oaks Subdivision. Traffic congestion is already at a maximum between the hours of 6:00 a.m. and 8:15 a.m. and 2:30 p.m. to 6:00 p.m.
- Large risk of predator exposure for increased number of student walkers
- The ever and long existing drainage and flooding situation to residences in the area. With the project's some 40-acreage coverage with concrete foundations, parking spaces and commercial properties would seem only to increase the possibility of further flooding even with the proposed detention drainage areas

140 Signatures

Name	Street Address	Signature
Barbara Oakden	809 Embroid Lake	Barbara Oakden
Stephane Warren	508 Heritage Oaks	Stephane Warren
Terrell Warren	501 Heritage Oaks	Terrell Warren
Tom Dwork	505 Heritage Oaks	Tom Dwork
Ray Smith	509 HERITAGE OAKS DR	Ray Smith
Paul White	316 Heritage Oaks Dr.	Paul White
Greg Dykese	308 Heritage Oaks	Greg Dykese
John Keene	323 Heritage Oaks	John Keene
John Keene	400 Heritage Oaks	John Keene
Dean Keene	504 Heritage Oaks	Dean Keene
Albert Keene	504 Heritage Oaks Dr	Albert Keene
Janice Mueller	115 Spreading Oaks Dr	Janice Mueller
Delphine Migura	115 Spreading Oaks Dr	Delphine Migura
Carolyn Smith	700 Heritage Oaks	Carolyn Smith
Darrel Hubbard	704 Heritage Oaks	Darrel Hubbard
Tom M. Boykin	809 Heritage Oaks	Tom M. Boykin
Debra L. Blane	904 Heritage Oaks Dr	Debra L. Blane
John E. Blane	904 Heritage Oaks Dr	John E. Blane

Page 2

Name	Street Address	Signature
DEWIS BONNEN	1 SPREADING OAKS CT	Dennis Bonnen
KIM BONNEN	1 SPREADING OAKS CT	Kim Bonnen
John Senger	608 Enchanted Oaks	John Senger
Dianne Dammhaus	1003 Spreading Oaks Dr.	Dianne Dammhaus
Billy R. KANTAP	915 " " "	Billy R. Kantap
EXPRESS DELIVERY	701 Enchanted Oaks	James J. Galt
Buddy K. H.		Buddy K. H.
Carol Garrison	701 Enchanted Oaks	Carol Garrison
Jacqui GARRISON	704 Enchanted Oak	Jacqui Garrison
DAVID KAMUS	417 OAK RIDGE DR	David Kamus
Betty Bromonsky	1008 Enchanted Oaks	Betty Bromonsky
Tommy Bromonsky	1008 Enchanted Oaks Dr	Tommy Bromonsky
Albert K. Smith	907 OAK RIDGE DR	Albert K. Smith

# PETITION

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Name	Street Address	Signature
Wanda	809 Enchanted Oaks	Wanda
Gracia	905 Enchanted Oaks	Gracia
Yicki Reed	900 Enchanted Oaks	Yicki Reed
Kathy Wooten	904 Enchanted Oaks	Kathy Wooten
Glenn Wooten	904 Enchanted Oaks	Glenn Wooten
Larry Mullins	707 Enchanted Oaks	Larry Mullins
Margaret Williams	713 Enchanted Oaks	Margaret Williams
Diane Demetres	801 Enchanted Oaks	Diane Demetres
Ming Lu Chen	709 Enchanted Oaks	Ming Lu Chen
Robert Cole	701 ENCHANTED OAKS	Robert Cole
Emily Cole	701 ENCHANTED OAKS	Emily Cole
Janet Stanaland	908 Heritage Oaks Dr	Janet Stanaland
Line Stanaland	908 Heritage Oaks Dr	Line Stanaland
Wendy Matthews	1011 Spreading Oak	Wendy Matthews
Art Matthews	1011 Spreading Oak	Art Matthews
Andy Greganti	1007 Spreading Oaks	Andy Greganti
David Greganti	1007 Spreading Oaks	David Greganti
Gary B. Rose	1123 Spreading Oaks	Gary B. Rose
Ray Wright	609 Enchanted Oaks	Ray Wright
Jesse Damian	4 OAK PARK CT	Jesse Damian

20

## PETITION

We the undersigned residents of West Mulberry (Highway 35), across the street from the proposed construction of the Costa Clemente apartment complex at the Highway 35 and Highway 288 intersection wish to register our opposition for the following reasons:

- A multi-family facility in this already small congested area is a very poor choice in location.
- Proximity to Angleton Westside Elementary School and Angleton Middle School. With no walkways on either side of Highway 35, Students are forced to walk on the grass, in the ditches or on the narrow shoulder of an already 5-lane state highway.
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- The ever and long existing drainage and flooding situation to residences in the area. With the project's some 40-acreage coverage with concrete foundations, parking spaces and commercial properties would seem only to increase the possibility of further flooding even with the proposed detention drainage areas

Name	Street Address	Signature
Nancy Ware	1112 W. Mulberry	<i>[Signature]</i>
Aaron Ware	1112 W. Mulberry	<i>[Signature]</i>
Tina Gilstrap	1108 W. Mulberry	<i>[Signature]</i>
Kelley Gilstrap	1108 W. Mulberry	<i>[Signature]</i>
Sylvia Glenn	1104 W. Mulberry	<i>[Signature]</i>
Don Glenn	1104 W. Mulberry	<i>[Signature]</i>
John D. Anderson	1100 W. Mulberry	<i>[Signature]</i>
Deborah A. Anderson	1100 W. Mulberry	<i>[Signature]</i>
Jaycee Wallace	1100 W. Mulberry	<i>[Signature]</i>
Chris Trejo	1016 W. Mulberry	<i>[Signature]</i>
Sarina Trejo	1016 W. Mulberry	<i>[Signature]</i>
Elaine Georges	1020 W. Mulberry	<i>[Signature]</i>
Terry Brooks	1012 W. Mulberry	<i>[Signature]</i>
Heben Dodge	1008 W. Mulberry	<i>[Signature]</i>
Granda Brooks	1012 W. Mulberry	<i>[Signature]</i>
Francis Coleman	1000 W. Mulberry	<i>[Signature]</i>
Vernon Coleman	1000 W. Mulberry	<i>[Signature]</i>



## PETITION

We the undersigned residents of West Mulberry (Highway 35), across the street from the proposed construction of the Costa Clemente apartment complex at the Highway 35 and Highway 288 intersection wish to register our opposition for the following reasons:

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Name	Street Address	Signature
Angel Reyes	912 W. Mulberry	Angel Reyes
Jaine Compan-Reyes	912 W. Mulberry	Jaine Compan-Reyes
Harold Davis	908 W. Mulberry	Harold Davis
Marcail Davis	908 W. Mulberry	Marcail Davis
Juan Garcia	904 W. Mulberry	Juan Garcia
Melissa Garcia	904 W. Mulberry	Melissa Garcia
Cheryl Davenport	900 W. Mulberry	Cheryl Davenport
Connie Cagle	900 W. Mulberry	Connie Cagle
Sammy Hunt II	820 W. Mulberry	Sammy Hunt II
Linda Jurek	816 W. Mulberry	Linda Jurek
Ray Starr	816 W. Mulberry	Ray Starr
Joe H. Matthews	912 W. Mulberry	Joe H. Matthews
Barbara Meadows	920 W. Mulberry	Barbara Meadows



# Petition

## Western Avenue residents against NRP Construction.

The undersigned residents of Western Avenue, adjacent to the proposed construction on Highway 35, oppose this construction for reasons of environmental issues and adult and child safety.

Name	Street Address	Signature
REBECCA JETT	804 WESTERN AVENUE	Rebecca Jett
MARY ALICE JETT	804 WESTERN AVENUE	Mary Alice Jett
MARY A. CARROLL	1016 WESTERN AVE.	Mary A. Carroll
W. J. KELLEY	1012 WESTERN AVE.	W. J. Kelley
Nedra G. Kelley	1012 Western Ave.	Nedra G. Kelley
<del>Sherry Fisher</del>	1000 Western Ave.	<del>Sherry Fisher</del>
Kenneth C. Fisher	1000 WESTERN AVE.	Kenneth C. Fisher
Aaron Hadley	916 Western Ave	Aaron Hadley
BRYAN HADLEY	820 WESTERN AVE	Bryan Hadley
Kara HARVELL	916 Western Ave.	Kara Harvell
Claudia Hogan	913 WESTERN AVE	Claudia Hogan
LINDA J. HOGAN	913 WESTERN AVE.	Linda J. Hogan
CAROL HAMMOND	1001 WESTERN AVE	Carol Hammond
Jade Shannon	"	Jade Shannon
Drug Smith	1013 Western Ave.	Dr. Smith
Betty Smith	1013 Western Ave.	Betty Smith
Maicid Adams	1020 Western Ave.	Maicid Adams
Allen Adams	1020 Western Ave	Allen Adams
KEVIN DOUGHERTY	1100 WESTERN AVE	Kevin Dougherty
Linda Giller	1100 Western Ave	Linda Giller

# Petition

## Western Avenue residents against NRP Construction.

The undersigned residents of Western Avenue, adjacent to the proposed construction on Highway 35, oppose this construction for reasons of environmental issues and adult and child safety.

Name	Street Address	Signature
Reyna A Jauregui	917 Western av.	Reyna A. Jauregui
Sharon Hummel	908 Western Ave.	Sh. Hummel
Frank & Sherry Green	905 Western Ave	Sherry Green
Veronica & Mike Cherry	901 Western Ave	Veronica Cherry
Bird Crain	813 Western Ave	Bird Crain
Michaela Bevers	811 Western Ave	Michaela Bevers
Donna Egid	712 Western Ave	Donna Egid
Earl Macan	711 Western Ave	Earl Macan
Jay Macan	711 Western Ave	Jay Macan
Alan Row	800 Western Ave.	Alan Row
Elly Ray Tinning	820 Western Ave.	Elly Tinning
Kathryn Hadley	817 Western Ave.	Kathy Hadley
Wanda Whitworth	821 Western Ave	Wanda Whitworth
Perry Whitworth	821 Western Ave	Perry Whitworth
Bernice Ford	816 ✓ ✓	
Cheryl Johnson	1021 Western Ave	Cheryl Johnson
Brian Johnson	1021 Western Ave	Brian Johnson
Dody McGehee	1104 Western Ave	Dody McGehee
Linda Carroll	1016 Western Ave.	Linda Carroll

# Petition

Western Avenue residents against NRP Construction.

The undersigned residents of Western Avenue, adjacent to the proposed construction on Highway 35, oppose this construction for reasons of environmental issues and adult and child safety.

Name	Street Address	Signature
Roberta M. Cahoe	1104 Western Ave	Roberta M. Cahoe
Cynthia Ramirez	1108 Western Ave.	Cynthia Ramirez
Daniel Ramirez	1108 Western Ave	Daniel Ramirez
Latrellia Williams	920 Western Ave.	Latrellia Williams
Angela Schneider	912 Western Ave.	Angela Schneider
Kary Lewis	813 Western Ave	Kary Lewis
Perry Plant	1101 Western Ave.	P. Plant
Tom Collins	1105 Western Ave	Tom Collins
CHERYL COLLINS	1105 WESTERN AVE	Cheryl Collins
Hellie McDonald	1109 Western Ave.	Hellie McDonald
Fannie McDonald	1109 Western Ave.	Fannie McDonald
Andree Denger	1007 Western Ave	Andree Denger
Lena Sparks	1017 Western Ave	Lena Sparks
KELLY BALDWIN	1008 WESTERN AVE	Kelly Baldwin
MONIQUE DANILA	1008 WESTERN AVE	Monique Danila
Nancy R. Dwyer	801 Western Ave	Nancy Dwyer

Texas Department of Housing and Community Affairs  
Attn: Teresa Morales  
221 East 11<sup>th</sup> Street  
Austin, TX 78701

Reference: Affordable Rental Housing Application # 07626  
submitted by Costa Clemente

The purpose of this letter is to express **opposition** to an application for subsidized state funding that has been submitted to your department by the developers of a proposed multi-family housing project called Costa Clemente in the city of Angleton, Texas. I offer as my basis for this opposition, the following:

1. The developer for this project has reportedly made false statements and misrepresentations to city and county officials of intent and support for this project. Early in the process of soliciting support from county and city officials, Costa Clemente management made misleading statements claiming that they had full approval from the city of Angleton for this project, when in fact, they did not have any such approvals at the time.

The Angleton city council has subsequently given approval for the proposed project's plans because they met the current zoning requirements, but **did not** approve a resolution (re. Resolution 2007-R-6B) giving the city's endorsement of the project. I believe this is a clear indication that the city leaders also have serious reservations about the project and the developer.

2. The city of Angleton already has some low and very low-income multi-family housing projects and there has been no valid rationale presented that supports a need for more. Instead, Angleton needs development that will enhance its value and attraction to prospective new residents and businesses by being very selective of the type of development and by discouraging unscrupulous developers. A retail project would be one type of desirable option for development in the proposed area as long as there were strict guidelines established for the type of retail allowed there and adequate drainage and traffic management requirements are met.

Thank you very much for the opportunity to express my concerns on this matter.

Sincerely,

*William A. Green*  
905 Western Ave.  
Angleton, Tx 77515

Texas Department of Housing and Community Affairs  
Attn: Teresa Morales  
221 East 11<sup>th</sup> Street  
Austin, TX 78701

Reference: Affordable Rental Housing Application # 07626  
submitted by Costa Clemente

The purpose of this letter is to express **opposition** to an application for subsidized state funding that has been submitted to your department by the developers of a proposed multi-family housing project called Costa Clemente in the city of Angleton, Texas. I offer as my basis for this opposition, the following:

1. The developer for this project has reportedly made false statements and misrepresentations to city and county officials of intent and support for this project. Early in the process of soliciting support from county and city officials, Costa Clemente management made misleading statements claiming that they had full approval from the city of Angleton for this project, when in fact, they did not have any such approvals at the time.

The Angleton city council has subsequently given approval for the proposed project's plans because they met the current zoning requirements, but **did not** approve a resolution (re. Resolution 2007-R-6B) giving the city's endorsement of the project. I believe this is a clear indication that the city leaders also have serious reservations about the project and the developer.

2. The city of Angleton already has some low and very low-income multi-family housing projects and there has been no valid rationale presented that supports a need for more. Instead, Angleton needs development that will enhance its value and attraction to prospective new residents and businesses by being very selective of the type of development and by discouraging unscrupulous developers. A retail project would be one type of desirable option for development in the proposed area as long as there were strict guidelines established for the type of retail allowed there and adequate drainage and traffic management requirements are met.

Thank you very much for the opportunity to express my concerns on this matter.

Sincerely,

*Earl Macon & Jay Macon*  
714 Western Ave.  
Angleton, TX. 77515

July 17, 2007

Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Re: Application for Costa Clemente Affordable Rental Housing in Angleton, Texas

# 07626

Fax No. 1-512-475-0764

e-mail address - teresa.morales@TDHCA.STATE.TX.US

To Whom it may Concern:

There is NO need for the proposed Costa Clemente development at the corner of Hwy 35 and Hwy 288 in Angleton. There are many vacant affordable units in Angleton. The need does not exist for these units.

The proposed location of the complex would make it almost impossible for any citizens without transportation to avail themselves of employment, shopping, recreational, or medical facilities in the community. To go to a grocery store or pharmacy would require a car. Anyone living at the complex would have to have a car to avail themselves of employment, shopping, medical, or recreational facilities in the community. To do anything other than be in the complex would require a car. There is no public transportation in Angleton or Brazoria County.

Traffic is also a major issue. The unit would be located along a busy intersection with an overpass and multiple access roads. It would be placed on Highway 288 which goes directly to Houston, where the average speed is 70 miles an hour. The other side of the location is a four lane thoroughfare that runs through the City of Angleton. It is a major traffic route for entering or exiting Angleton. To go on foot anyplace would require crossing a four lane highway.

Flooding is a serious problem in our community. Another complex would create more havoc and problems with drainage and flooding.

A multiple housing complex at this location would be inconvenient and dangerous for the residents of the unit and irresponsible of any group allowing the units to be placed there.

Sincerely,

Andrea Moore

124 Talisman

Ang Lake Jackson, TX 77566

979-665-8827

July 17, 2007

Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Re: Application for Costa Clemente Affordable Rental Housing in Angleton, Texas

# 07626

Fax No. 1-512-475-0764

e-mail address – teresa.morales@TDHCA.STATE.TX.US

To Whom it may Concern:

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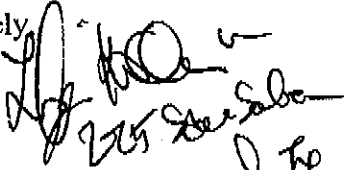
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A multiple housing complex at this location would be inconvenient and dangerous for the residents of the unit and irresponsible of any group allowing the units to be placed there.

Sincerely

  
Teresa Morales  
Richwood, TX 77631  
(979) 265-9674

July 17, 2007

Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Re: Application for Costa Clemente Affordable Rental Housing in Angleton, Texas

# 07626

Fax No. 1-512-475-0764

e-mail address – [teresa.morales@TDHCA.STATE.TX.US](mailto:teresa.morales@TDHCA.STATE.TX.US)

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The proposed location of the complex would make it almost impossible for any citizens without transportation to avail themselves of employment, shopping, recreational, or medical facilities in the community. To go to a grocery store or pharmacy would require a car. Anyone living at the complex would have to have a car to avail themselves of employment, shopping, medical, or recreational facilities in the community. To do anything other than be in the complex would require a car. There is no public transportation in Angleton or Brazoria County.

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Sincerely,

Debra Stone  
921 E. Myrtle  
Angleton Texas 77515  
979-864-4377



July 12, 2007

Ms. Teresa Morales  
Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Re: Application for Costa Clemente Affordable Rental Housing in Angleton  
#07626  
To Whom it may Concern:

I oppose any new affordable housing units in Angleton. At this time there are many affordable housing units in Angleton that are vacant. Therefore, I cannot understand the need for another low income housing unit when the needs are already being met. There are units available in Angleton that are less expensive than the newly proposed units.

The multifamily development at the corner of Hwy 35 and Hwy 288 in Angleton would bring a negative impact on this community. Our community does not have the resources to support another affordable housing development. Last year the County Commissioners placed an income limit of \$6,000.00 per family for the family to qualify for medical assistance through the County. Our Community did not have the means to aid the citizens who could not take care of their own medical needs. Many people had to do without the medical care they needed to survive.

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Any multi housing unit at this location would be inconvenient and dangerous for the residents of the unit and irresponsible of any group allowing the units to be placed there.

Sincerely,

Virginia Ludwig  
233 Austin St.  
Angleton, TX 77515  
979-849-2596

July 12, 2007

Ms. Teresa Morales  
Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Re: Application for Costa Clemente Affordable Rental Housing in Angleton  
#07626  
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Sincerely,

Locha Darlow  
1108 Pecan St.  
Cento, TX 77631  
979-265-4046

July 12, 2007

Ms. Teresa Morales  
Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Re: Application for Costa Clemente Affordable Rental Housing in Angleton  
#07626  
To Whom it may Concern:

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Sincerely,

*Jessanne Muecke*  
621 Cannon Dr.  
Angleton, Texas  
849-5040 77515

July 12, 2007

Ms. Teresa Morales  
Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Re: Application for Costa Clemente Affordable Rental Housing in Angleton  
#07626  
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Sincerely,

Denise Williams  
322 Munson Court  
Angleton, TX 77515  
979-417-7015

July 12, 2007

Ms. Teresa Morales  
Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

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#07626  
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Sincerely,

*Anthony Rogan*  
112 Pin Oak Drive  
Angleton Tx 77515  
979 849-3504

July 12, 2007

Ms. Teresa Morales  
Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

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#07626  
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Sincerely,

*Mrs. C. B. Robertson*  
*1100 Buehler Road*  
*Angleton, Texas*  
*849-7505*

Texas Department of Housing and Community Affairs  
Attn: Teresa Morales  
221 East 11<sup>th</sup> Street  
Austin, TX 78701

Reference: Affordable Rental Housing Application # 07626  
submitted by Costa Clemente

The purpose of this letter is to express **opposition** to an application for subsidized state funding that has been submitted to your department by the developers of a proposed multi-family housing project called Costa Clemente in the city of Angleton, Texas. I offer as my basis for this opposition, the following:

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The Angleton city council has subsequently given approval for the proposed project's plans because they met the current zoning requirements, but **did not** approve a resolution (re. Resolution 2007-R-6B) giving the city's endorsement of the project. I believe this is a clear indication that the city leaders also have serious reservations about the project and the developer.

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Thank you very much for the opportunity to express my concerns on this matter.

Sincerely,

*James Wells*  
748-2951  
504 S. Oregon  
Brazoria Tx 77422

July 12, 2007

Ms. Teresa Morales  
Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Re: Application for Costa Clemente Affordable Rental Housing in Angleton  
#07626

To Whom it may Concern:

I oppose any new affordable housing units in Angleton. At this time there are many affordable housing units in Angleton that are vacant. Therefore, I cannot understand the need for another low income housing unit when the needs are already being met. There are units available in Angleton that are less expensive than the newly proposed units.

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Sincerely,

Sianna Dockett  
#17 N. Kaysie  
Angleton, TX. 77515  
979-849-5286



July 12, 2007

Ms. Teresa Morales  
Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Re: Application for Costa Clemente Affordable Rental Housing in Angleton #07626

To Whom it may Concern:

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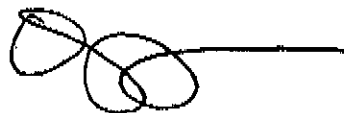
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Sincerely,



ERIC

1720 South Park  
Alvin TX 77511

Texas Department of Housing and Community Affairs  
Attn: Teresa Morales  
221 East 11<sup>th</sup> Street  
Austin, TX 78701

Reference: Affordable Rental Housing Application # 07626  
submitted by Costa Clemente

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Thank you very much for the opportunity to express my concerns on this matter.

Sincerely,

*Billy Eford*  
712 Western Ave  
Angleton, TX 77515  
979-849-4581

Texas Department of Housing and Community Affairs  
Attn: Teresa Morales  
221 East 11<sup>th</sup> Street  
Austin, TX 78701

Reference: Affordable Rental Housing Application # 07626  
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Thank you very much for the opportunity to express my concerns on this matter.

Sincerely,

*Storia Child*  
712 Western Ave  
Angleton, TX 77515  
979 849 4501

July 17, 2007

Ms. Teresa Morales  
Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Fax No. 1-512-475-0764  
e-mail address ~ teresa.morales@TDHCA.STATE.TX.US  
phone - 1-512 - 475 - 3344

Re: Application for Costa Clemente Affordable Rental Housing in Angleton, Texas

Dear Ms. Morales:

I oppose the proposed Costa Clemente project housing units in Angleton. At this time there are many affordable housing units in Angleton that are vacant. Therefore, I cannot understand the need for another housing unit when the needs are already being met. There are units available in Angleton that are less expensive than the newly proposed units.

Traffic is a major issue. The unit would be located along a busy intersection with an overpass and multiple access roads. It would be placed on Highway 288 which goes directly to Houston, where traffic is heavy and the average speed is 70 miles an hour. The other side of the location is Highway 35, which is a four lane thoroughfare that runs through the City of Angleton and is a major traffic route for entering or exiting Angleton. Traffic is already a problem because of the Middle School that would be next to the complex.

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Sincerely,

*Marcene D Skaggs - 3 Palm Pl, Angleton TX*

July 17, 2007

Ms. Teresa Morales  
Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Fax No. 1-512-475-0764  
e-mail address – teresa.morales@TDHCA.STATE.TX.US  
phone – 1-512 – 475 - 3344

Re: Application for Costa Clemente Affordable Rental Housing in Angleton, Texas

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I oppose the proposed Costa Clemente project housing units in Angleton. At this time there are many affordable housing units in Angleton that are vacant. Therefore, I cannot understand the need for another housing unit when the needs are already being met. There are units available in Angleton that are less expensive than the newly proposed units.

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The proposed location of the complex would make it almost impossible for any citizens without transportation to avail themselves of employment opportunities, shopping, medical, or recreational facilities in the community. To go to a grocery store, pharmacy, or doctor, would require a car. There is no public transportation in Angleton or Brazoria County.

Any multi housing unit at this location would be inconvenient and dangerous for the residents of the unit and irresponsible of any group allowing the units to be placed there.

Sincerely,

*Jane Burton*  
608 Evans  
Angleton, TX 77515

July 17, 2007

Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Re: Application for Costa Clemente Affordable Rental Housing in Angleton, Texas

Fax No. 1-512-475-0764  
e-mail address – teresa.morales@TDHCA.STATE.TX.US  
phone – 1-512 – 475 - 3344

To Whom it may Concern:

There is NO need for the proposed Costa Clemente development at the corner of Hwy 35 and Hwy 288 in Angleton. There are many vacant affordable units in Angleton. The need does not exist for these units.

The proposed location of the complex would make it almost impossible for any citizens without transportation to avail themselves of employment, shopping, recreational, or medical facilities in the community. To go to a grocery store or pharmacy would require a car. Anyone living at the complex would have to have a car to avail themselves of employment, shopping, medical, or recreational facilities in the community. To do anything other than be in the complex would require a car. There is no public transportation in Angleton or Brazoria County.

Traffic is also a major issue. The unit would be located along a busy intersection with an overpass and multiple access roads. It would be placed on Highway 288 which goes directly to Houston, where the average speed is 70 miles an hour. The other side of the location is a four lane thoroughfare that runs through the City of Angleton. It is a major traffic route for entering or exiting Angleton. To go on foot anyplace would require crossing a four lane highway.

Flooding is a serious problem in our community. Another complex would create more havoc and problems with drainage and flooding.

A multiple housing complex at this location would be inconvenient and dangerous for the residents of the unit and irresponsible of any group allowing the units to be placed there.

Sincerely,

*Narath J. Neal*  
*8 Palm Place*  
*Angleton, TX 77515*

Texas Department of Housing and Community Affairs  
Attn: Teresa Morales  
221 East 11<sup>th</sup> Street  
Austin, TX 78701

Reference: Affordable Rental Housing Application # 07626  
submitted by Costa Clemente

The purpose of this letter is to express **opposition** to an application for subsidized state funding that has been submitted to your department by the developers of a proposed multi-family housing project called Costa Clemente in the city of Angleton, Texas. I offer as my basis for this opposition, the following:

1. The developer for this project has reportedly made false statements and misrepresentations to city and county officials of intent and support for this project. Early in the process of soliciting support from county and city officials, Costa Clemente management made misleading statements claiming that they had full approval from the city of Angleton for this project, when in fact, they did not have any such approvals at the time.

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2. The city of Angleton already has some low and very low-income multi-family housing projects and there has been no valid rationale presented that supports a need for more. Instead, Angleton needs development that will enhance its value and attraction to prospective new residents and businesses by being very selective of the type of development and by discouraging unscrupulous developers. A retail project would be one type of desirable option for development in the proposed area as long as there were strict guidelines established for the type of retail allowed there and adequate drainage and traffic management requirements are met.

Thank you very much for the opportunity to express my concerns on this matter.

Sincerely,

*Leticia K. Rogers*  
*5 Fox Lane*  
*Angleton, Tx. 77515*

Texas Department of Housing and Community Affairs  
Attn: Teresa Morales  
221 East 11<sup>th</sup> Street  
Austin, TX 78701

Reference: Affordable Rental Housing Application # 07626  
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I thank you very much for the opportunity to express my concerns on this matter.

Sincerely,

  
Rebecca Davis  
801 Nored A  
Angleton TX 77515  
849.9139



July 17, 2007

Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Re: Application for Costa Clemente Affordable Rental Housing in Angleton, Texas

Fax No. 1-512-475-0764  
e-mail address – teresa.morales@TDHCA.STATE.TX.US  
phone – 1-512 – 475 - 3344

To Whom it may Concern:

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Flooding is a serious problem in our community. Another complex would create more havoc and problems with drainage and flooding.

A multiple housing complex at this location would be inconvenient and dangerous for the residents of the unit and irresponsible of any group allowing the units to be placed there.

Sincerely,

*Ann Holcombe*  
3 Colony Dr  
Angleton, Tex 77515

Texas Department of Housing and Community Affairs  
Attn: Teresa Morales  
221 East 11<sup>th</sup> Street  
Austin, TX 78701

Reference: Affordable Rental Housing Application # 07626  
submitted by Costa Clemente

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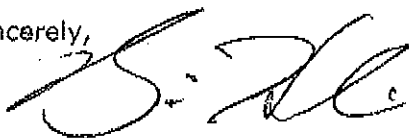
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2. The city of Angleton already has some low and very low-income multi-family housing projects and there has been no valid rationale presented that supports a need for more. Instead, Angleton needs development that will enhance its value and attraction to prospective new residents and businesses by being very selective of the type of development and by discouraging unscrupulous developers. A retail project would be one type of desirable option for development in the proposed area as long as there were strict guidelines established for the type of retail allowed there and adequate drainage and traffic management requirements are met.

Thank you very much for the opportunity to express my concerns on this matter:

Sincerely,



916 W. Mulberry  
Angleton, Tx 77515

Texas Department of Housing and Community Affairs  
Attn: Teresa Morales  
221 East 11<sup>th</sup> Street  
Austin, TX 78701

Reference: Affordable Rental Housing Application # 07626  
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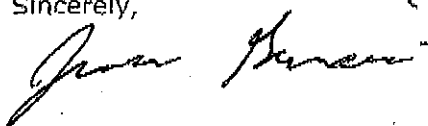
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Thank you very much for the opportunity to express my concerns on this matter.

Sincerely,



904 W. Mulberry  
Angleton, TX  
77515  
979-848-0377

Texas Department of Housing and Community Affairs  
Attn: Teresa Morales  
221 East 11<sup>th</sup> Street  
Austin, TX 78701

Reference: Affordable Rental Housing Application # 07626  
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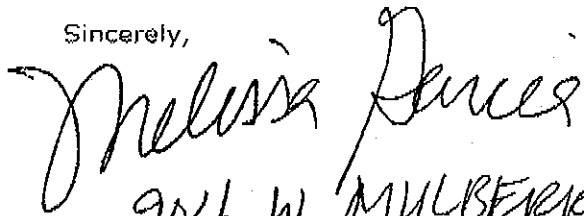
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Thank you very much for the opportunity to express my concerns on this matter.

Sincerely,

  
904 W. MULBERRY ST.  
ANGELETON TX 77515  
(979) 709-2281

Texas Department of Housing and Community Affairs  
Attn: Teresa Morales  
221 East 11<sup>th</sup> Street  
Austin, TX 78701

Reference: Affordable Rental Housing Application # 07626  
submitted by Costa Clemente

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Thank you very much for the opportunity to express my concerns on this matter.

Sincerely,

*Kay Stan*  
816 W. Mulberry  
979-848-1476

Texas Department of Housing and Community Affairs  
Attn: Teresa Morales  
221 East 11<sup>th</sup> Street  
Austin, TX 78701

Reference: Affordable Rental Housing Application # 07626  
submitted by Costa Clemente

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Thank you very much for the opportunity to express my concerns on this matter.

Sincerely,

*Motteshard*  
Jean Motteshard  
812 W. Mulberry  
Angleton, Texas 77515  
749-5479

Texas Department of Housing and Community Affairs  
Attn: Teresa Morales  
221 East 11<sup>th</sup> Street  
Austin, TX 78701

Reference: Affordable Rental Housing Application # 07626  
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Thank you very much for the opportunity to express my concerns on this matter.

Sincerely,

*R. E. Milligan*  
808 Malberry  
Angleton, TX 77515  
979-849-8348

Texas Department of Housing and Community Affairs  
Attn: Teresa Morales  
221 East 11<sup>th</sup> Street  
Austin, TX 78701

Reference: Affordable Rental Housing Application # 07626  
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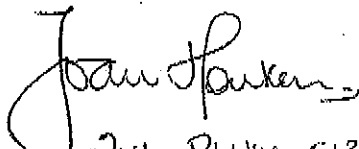
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Thank you very much for the opportunity to express my concerns on this matter.

Sincerely,

  
241 PLUM CIRCLE  
LAKE JACKSON  
TX. 77566



July 12, 2007

Ms. Teresa Morales  
Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Re: Application for Costa Clemente Affordable Rental Housing in Angleton

To Whom it may Concern:

I oppose any new affordable housing units in Angleton. At this time there are many affordable housing units in Angleton that are vacant. Therefore, I cannot understand the need for another low income housing unit when the needs are already being met. There are units available in Angleton that are less expensive than the newly proposed units.

The multifamily development at the corner of Hwy 35 and Hwy 288 in Angleton would bring a negative impact on this community. Our community does not have the resources to support another affordable housing development. Last year the County Commissioners placed an income limit of \$6,000.00 per family for the family to qualify for medical assistance through the County. Our Community did not have the means to aid the citizens who could not take care of their own medical needs. Many people had to do without the medical care they needed to survive.

Traffic is also a major issue. The unit would be located along a busy intersection with an overpass and multiple access roads. It would be placed on Highway 288 which goes directly to Houston, where the average speed is 70 miles an hour. The other side of the location is Highway 35, which is a four lane thoroughfare that runs through the City of Angleton and is a major traffic route for entering or exiting Angleton.

The proposed location of the complex would make it almost impossible for any citizens without transportation to avail themselves of employment opportunities, shopping, medical, or recreational facilities in the community. To go to a grocery store, pharmacy, or doctor, would require a car. There is no public transportation in Angleton or Brazoria County.

Any multi housing unit at this location would be inconvenient and dangerous for the residents of the unit and irresponsible of any group allowing the units to be placed there.

Sincerely,  
*Virginia Mulligan*  
808 W Mulberry  
Angleton TX 77515  
849-8348

July 12, 2007

Ms. Teresa Morales  
Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

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Sincerely,



John Anderson  
1100 W. Mulberry  
Angleton TX 77515  
848-2066

July 12, 2007

Ms. Teresa Morales  
Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

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Sincerely,

*Jewel Wallace*

*Jewel Wallace  
1100 W Orinberry  
Angleton TX 77515*

July 12, 2007

Ms. Teresa Morales  
Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Re: Application for Costa Clemente Affordable Rental Housing in Angleton

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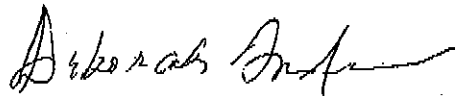
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Sincerely,

  
Deborah ANDERSON  
1100 W. Mulberry  
Angleton, TX 77515  
848-2066

July 12, 2007

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Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

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Sincerely,

*Sylvia Glenn*  
1104 W. Mulberry  
Angleton TX  
979-849-2232

July 12, 2007

Ms. Teresa Morales  
Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Re: Application for Costa Clemente Affordable Rental Housing in Angleton

To Whom it may Concern:

I oppose any new affordable housing units in Angleton. At this time there are many affordable housing units in Angleton that are vacant. Therefore, I cannot understand the need for another low income housing unit when the needs are already being met. There are units available in Angleton that are less expensive than the newly proposed units.


The multifamily development at the corner of Hwy 35 and Hwy 288 in Angleton would bring a negative impact on this community. Our community does not have the resources to support another affordable housing development. Last year the County Commissioners placed an income limit of \$6,000.00 per family for the family to qualify for medical assistance through the County. Our Community did not have the means to aid the citizens who could not take care of their own medical needs. Many people had to do without the medical care they needed to survive.

Traffic is also a major issue. The unit would be located along a busy intersection with an overpass and multiple access roads. It would be placed on Highway 288 which goes directly to Houston, where the average speed is 70 miles an hour. The other side of the location is Highway 35, which is a four lane thoroughfare that runs through the City of Angleton and is a major traffic route for entering or exiting Angleton.

The proposed location of the complex would make it almost impossible for any citizens without transportation to avail themselves of employment opportunities, shopping, medical, or recreational facilities in the community. To go to a grocery store, pharmacy, or doctor, would require a car. There is no public transportation in Angleton or Brazoria County.

Any multi housing unit at this location would be inconvenient and dangerous for the residents of the unit and irresponsible of any group allowing the units to be placed there.

Sincerely,

  
1104 West Mulberry  
Angleton, TX 77515  
979-849-2232

July 12, 2007

Ms. Teresa Morales  
Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Re: Application for Costa Clemente Affordable Rental Housing in Angleton

To Whom it may Concern:

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Any multi housing unit at this location would be inconvenient and dangerous for the residents of the unit and irresponsible of any group allowing the units to be placed there.

Sincerely,

*Clair George*  
1020 W. Mulberry  
Angleton TX 77515  
979-849-2839

July 12, 2007

Ms. Teresa Morales  
Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Re: Application for Costa Clemente Affordable Rental Housing in Angleton

To Whom it may Concern:

I oppose any new affordable housing units in Angleton. At this time there are many affordable housing units in Angleton that are vacant. Therefore, I cannot understand the need for another low income housing unit when the needs are already being met. There are units available in Angleton that are less expensive than the newly proposed units.

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The proposed location of the complex would make it almost impossible for any citizens without transportation to avail themselves of employment opportunities, shopping, medical, or recreational facilities in the community. To go to a grocery store, pharmacy, or doctor, would require a car. There is no public transportation in Angleton or Brazoria County.

Any multi housing unit at this location would be inconvenient and dangerous for the residents of the unit and irresponsible of any group allowing the units to be placed there.

Sincerely,

*Terry Brooks*  
1012 West Mulberry  
Angleton, Texas  
77515  
979-849-2327



July 12, 2007

Ms. Teresa Morales  
Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Re: Application for Costa Clemente Affordable Rental Housing in Angleton

To Whom it may Concern:

I oppose any new affordable housing units in Angleton. At this time there are many affordable housing units in Angleton that are vacant. Therefore, I cannot understand the need for another low income housing unit when the needs are already being met. There are units available in Angleton that are less expensive than the newly proposed units.

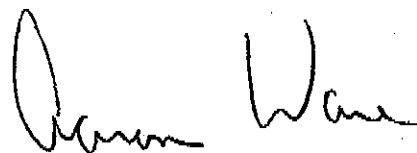
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Any multi housing unit at this location would be inconvenient and dangerous for the residents of the unit and irresponsible of any group allowing the units to be placed there.

Sincerely,



1112 W. Mulberry  
Angleton Tx 77515  
(979) 849-0552

July 12, 2007

Ms. Teresa Morales  
Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Re: Application for Costa Clemente Affordable Rental Housing in Angleton

To Whom it may Concern:

I oppose any new affordable housing units in Angleton. At this time there are many affordable housing units in Angleton that are vacant. Therefore, I cannot understand the need for another low income housing unit when the needs are already being met. There are units available in Angleton that are less expensive than the newly proposed units.

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The proposed location of the complex would make it almost impossible for any citizens without transportation to avail themselves of employment opportunities, shopping, medical, or recreational facilities in the community. To go to a grocery store, pharmacy, or doctor, would require a car. There is no public transportation in Angleton or Brazoria County.

Any multi housing unit at this location would be inconvenient and dangerous for the residents of the unit and irresponsible of any group allowing the units to be placed there.

Sincerely,

Chris Trejo + Serina Trejo

1016 W. Mulberry

Angleton TX 77515

(979) 549-0285

July 12, 2007

Ms. Teresa Morales  
Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Re: Application for Costa Clemente Affordable Rental Housing in Angleton

To Whom it may Concern:

I oppose any new affordable housing units in Angleton. At this time there are many affordable housing units in Angleton that are vacant. Therefore, I cannot understand the need for another low income housing unit when the needs are already being met. There are units available in Angleton that are less expensive than the newly proposed units.

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The proposed location of the complex would make it almost impossible for any citizens without transportation to avail themselves of employment opportunities, shopping, medical, or recreational facilities in the community. To go to a grocery store, pharmacy, or doctor, would require a car. There is no public transportation in Angleton or Brazoria County.

Any multi housing unit at this location would be inconvenient and dangerous for the residents of the unit and irresponsible of any group allowing the units to be placed there.

Sincerely,

Brenda Brooke  
1012 West Mulberry  
Angleton, TX  
979-849-2327

To Whom it may concern:

I wish to express my strong opposition to the Affordable Rental Housing Application (#07626) submitted by Costa Clemente. This is a proposed development at the intersection of State Highways 35 and 288 in Angleton.

I am joining a large group of local citizens in strong disagreement with the proposed location of the Costa Clemente development. Following are my reasons for opposition:

- The location of this project is a prime retail/commercial location at the gateway into Angleton. Multi-family is not a good fit due to traffic concerns. The adjoining school generates traffic which makes this stretch of highway extremely congested at times. The traffic with this project will be even more congested and dangerous.
- With this being a prime retail/commercial property, it is my understanding that these units will only be on the tax rolls at 50% of their value. This property will be much more useful at full value on the tax rolls with retail generating sales.
- With it being affordable housing, I will assume that many of the residents will have either one or no vehicles. There is no public transportation in Angleton, nor is there taxi service. The nearest grocery store is several miles away. If residents will be walking, they will have to walk along either SH 35 or SH 288, neither of which have sidewalks. This will be an inherently dangerous situation for these families. If this type of housing is truly needed, there are far better locations located within the city of Angleton, closer to the necessary retail and medical facilities.
- The City of Angleton already has some low income multi-family housing projects and there has been no valid rationale presented that supports a need for more. Instead, Angleton needs development that will enhance its value and attract prospective new residents and businesses by being very selective of the type of development.
- I have been told that the developer of this project has not been forthcoming with the city or with Brazoria County. At their first run to obtain approval from the County, the developer lied in open court. When they were asked if they had received all of the approvals from the city of Angleton, the developer replied that all approvals short of a building permit had been obtained. Greg Smith, Angleton city Manager, then testified that NPR had yet to receive any approvals from the City of Angleton.

Thank you very much for the opportunity to express my concerns with this matter.

Sincerely,



Monique Davila

1008 Western Ave.

Angleton, TX 77515

713-228-1212

July 17, 2007

Ms. Teresa Morales  
Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Fax No. 1-512-475-0764  
e-mail address – [teresa.morales@TDHCA.STATE.TX.US](mailto:teresa.morales@TDHCA.STATE.TX.US)

Re: Application for Costa Clemente Affordable Rental Housing in Angleton, Texas

Dear Ms. Morales:

I am against the Costa Clemente proposed Affordable Rental Housing in Angleton. No justification exists for new affordable housing units in Angleton. At this time there are 47 low income housing units in Angleton that are vacant. The Costa Clemente unit requires a mid level income to qualify for the units and does not meet the needs of low income individuals. There are existing units in Angleton that are less expensive for the same size unit that Costa Clemente is proposing. Why should government money be used for units for which no need exists.


The proposed location of the unit is also a major issue. The unit would be located along a busy intersection with an overpass and multiple access roads. It would be placed on Highway 288 which goes directly to Houston, where traffic is heavy and the average speed is at least 70 miles an hour. The other side of the location is Highway 35, which is a four lane thoroughfare that runs through the City of Angleton and is a major traffic route for entering or exiting Angleton.

It would also be next to a middle school adjacent to Highway 35. Problems with traffic already exist because almost all children arrive at the school by car or bus. It is necessary to have the street guarded by traffic police so that no one will be injured or have an accident.

No resident of the unit would be able to avail themselves of any employment, educational need, medical need or shopping in an entire forty five mile area without a car. Angleton and Brazoria County have no public transportation. How would the residents of this unit get medical attention, go to school or work?

This location is not suitable for any kind of multi family unit.

Sincerely,

  
712 Bioering  
Angleton, TX

77515

July 9, 2007

Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Re: Application for Costa Clemente Affordable Rental Housing in Angleton

To Whom It May Concern:

There is no need for an additional low income housing unit here in Angleton as presently there are many low income housing units in Angleton that are vacant. What would be the purpose of another unit that would not be completely occupied?

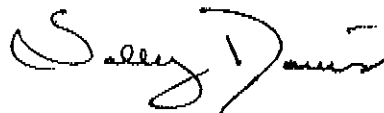
If the unit does become fully occupied, additional children will enter our school system and the taxes on the property will not be enough to compensate for the expense of the additional students. The average cost to educate a child per year in the State of Texas is more than \$9,000.00. Our school district at this time has a large percentage of low income children.

We have a large percentage of homeowners who can not afford to pay the taxes that are being currently assessed. Additional school taxes added to the cost of a home, would force many of our citizens to abandon their homes. Just this week citizens in our area protested the local taxes and one of the main issues was the school tax imposed on them.

Traffic is also a major issue. The location of this unit would place it between a busy intersection with an overpass and multiple access roads and a middle school. The middle school campus is adjacent to Highway 35. This is a four lane thoroughfare that runs through the City of Angleton. It is a major traffic route for entering or exiting Angleton. Problems with traffic already exist because almost all children arrive at the school by car or bus. It is necessary to have the street guarded by traffic police so that no one will be injured or have an accident.

This is prime property that used for retail purposes would add more revenue to our community than a low-income multi-residential unit. Low income housing would place an additional tax burden on the citizens of this community who already feel over burdened with taxes.

Sincerely,



205 N. Chenango  
Angleton, TX.

CC: County Judge Joe King  
Commissioner Dude Payne

July 17, 2007

Ms. Teresa Morales  
Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Re: Application for Costa Clemente Affordable Rental Housing in Angleton, Texas

Fax No. 1-512-475-0764  
e-mail address – [teresa.morales@TDHCA.STATE.TX.US](mailto:teresa.morales@TDHCA.STATE.TX.US)  
phone – 1-512 – 475 - 3344

Dear Ms. Morales:

There is NO need for the proposed Costa Clemente development at the corner of Hwy 35 and Hwy 288 in Angleton. There are many vacant affordable units in Angleton. The need does not exist for these units.

The proposed location of the complex would make it almost impossible for any citizens without transportation to avail themselves of employment, shopping, recreational, or medical facilities in the community. To go to a grocery store or pharmacy would require a car. Anyone living at the complex would have to have a car to avail themselves of employment, shopping, medical, or recreational facilities in the community. To do anything other than be in the complex would require a car. There is no public transportation in Angleton or Brazoria County.

Traffic is also a major issue. The unit would be located along a busy intersection with an overpass and multiple access roads. It would be placed on Highway 288 which goes directly to Houston, where the average speed is 70 miles an hour. The other side of the location is a four lane thoroughfare that runs through the City of Angleton. It is a major traffic route for entering or exiting Angleton. To go on foot anyplace would require crossing a four lane highway.

Flooding is a serious problem in our community. Another complex would create more havoc and problems with drainage and flooding.

A multiple housing complex at this location would be inconvenient and dangerous for the residents of the unit and irresponsible of any group allowing the units to be placed there.

Sincerely,

*Erna Ann Langston*  
*3 N. Kaycie*  
*Angleton, TX*  
*77515*

July 17, 2007

Ms. Teresa Morales  
Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Fax No. 1-512-475-0764  
e-mail address -- teresa.morales@TDHCA.STATE.TX.US  
phone -- 1-512 - 475 - 3344

Re: Application for Costa Clemente Affordable Rental Housing in Angleton, Texas

Dear Ms. Morales:

I say NO to the Costa Clemente proposed Affordable Rental Housing in Angleton. No justification exists for new affordable housing units in Angleton. At this time there are many affordable housing units in Angleton that are vacant. There also are housing units available that are less expensive than the ones proposed by Costa Clemente. Angleton is already meeting the need for affordable housing.

Traffic is also a major issue. The unit would be located along a busy intersection with an overpass and multiple access roads. It would be placed on Highway 288 which goes directly to Houston, where the average speed is 70 miles an hour. The other side of the location is Highway 35, which is a four lane thoroughfare that runs through the City of Angleton and is a major traffic route for entering or exiting Angleton. Problems with traffic already exist there because of a middle school next to the proposed units. Children arrive at the school by car or bus. It is necessary to have the street guarded by traffic police so that no one will be injured or have an accident.

The proposed location of the complex would make it almost impossible for any of the citizens without transportation to avail themselves of the shopping, medical, recreational facilities or employment in the community. To go to a grocery store, pharmacy, or doctor, would require a car. There is no public transportation in Angleton or Brazoria County. To walk anywhere would be very dangerous.

Any multi housing unit at this location would be inconvenient and dangerous for the residents of the unit and irresponsible of any group allowing the units to be placed there.

Sincerely,

*Patricia A. Carleton*  
*712 Browning St.*  
*Angleton, Texas*

7/15/07



July 9, 2007

Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Re: Application for Costa Clemente Affordable Rental Housing in Angleton

To Whom it may Concern:

The proposed low income development at the corner of Hwy 35 and Hwy 288 in Angleton would bring a negative impact on this community.

Our community does not have the resources to support another low income housing development. Last year the County Commissioners placed an income limit of \$6,000.00 per family for the family to qualify for medical assistance through the County. Our Community did not have the means to aid the citizens who could not take care of their own medical needs. Many people had to do without the medical care they needed to survive.

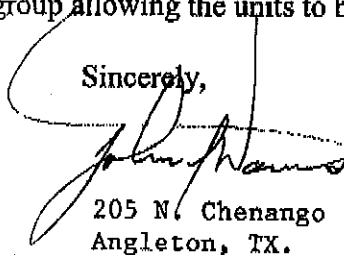
The taxes on the property would not be enough to compensate for the expense of the additional students that would come in to the school system. Our school district at this time already has a large percentage of low income children. An additional tax would be a burden on the citizens of this community who already feel over burdened with taxes.

The proposed location of the complex would make it almost impossible for any citizens without transportation to avail themselves of the shopping, recreational, or medical facilities in the community. To go to a grocery store or pharmacy would require a car. There is no public transportation in Angleton.

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Low income housing at this location would be inconvenient and dangerous for the residents of the unit and irresponsible of any group allowing the units to be placed there.

Sincerely,



205 N. Chenango  
Angleton, TX.

CC: County Judge Joe King  
Commissioner Dude Payne

Texas Department of Housing and Community Affairs  
Attn: Teresa Morales  
221 East 11<sup>th</sup> Street  
Austin, TX 78701

Reference: Affordable Rental Housing Application # 07626  
submitted by Costa Clemente

The purpose of this letter is to express **opposition** to an application for subsidized state funding that has been submitted to your department by the developers of a proposed multi-family housing project called Costa Clemente in the city of Angleton, Texas. I offer as my basis for this opposition, the following:

1. The developer for this project has reportedly made false statements and misrepresentations to city and county officials of intent and support for this project. Early in the process of soliciting support from county and city officials, Costa Clemente management made misleading statements claiming that they had full approval from the city of Angleton for this project, when in fact, they did not have any such approvals at the time.

The Angleton city council has subsequently given approval for the proposed project's plans because they met the current zoning requirements, but **did not** approve a resolution (re. Resolution 2007-R-6B) giving the city's endorsement of the project. I believe this is a clear indication that the city leaders also have serious reservations about the project and the developer.

2. The city of Angleton already has some low and very low-income multi-family housing projects and there has been no valid rationale presented that supports a need for more. Instead, Angleton needs development that will enhance its value and attraction to prospective new residents and businesses by being very selective of the type of development and by discouraging unscrupulous developers. A retail project would be one type of desirable option for development in the proposed area as long as there were strict guidelines established for the type of retail allowed there and adequate drainage and traffic management requirements are met.

Thank you very much for the opportunity to express my concerns on this matter.

Sincerely,

*Bolivia Giles*  
PO Box 71  
Duncanville TX 77431

July 17, 2007

Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Re: Application for Costa Clemente Affordable Rental Housing in Angleton, Texas  
#07626

Fax No. 1-512-475-0764  
e-mail address - teresa.morales@TDHCA.STATE.TX.US

To Whom it may Concern:

There is NO need for the proposed Costa Clemente development at the corner of Hwy 35 and Hwy 288 in Angleton. There are many vacant affordable units in Angleton. The need does not exist for these units.

The proposed location of the complex would make it almost impossible for any citizens without transportation to avail themselves of employment, shopping, recreational, or medical facilities in the community. To go to a grocery store or pharmacy would require a car. Anyone living at the complex would have to have a car to avail themselves of employment, shopping, medical, or recreational facilities in the community. To do anything other than be in the complex would require a car. There is no public transportation in Angleton or Brazoria County.

Traffic is also a major issue. The unit would be located along a busy intersection with an overpass and multiple access roads. It would be placed on Highway 288 which goes directly to Houston, where the average speed is 70 miles an hour. The other side of the location is a four lane thoroughfare that runs through the City of Angleton. It is a major traffic route for entering or exiting Angleton. To go on foot anyplace would require crossing a four lane highway.

Flooding is a serious problem in our community. Another complex would create more havoc and problems with drainage and flooding.

A multiple housing complex at this location would be inconvenient and dangerous for the residents of the unit and irresponsible of any group allowing the units to be placed there.

Sincerely,

*Nelisi Mercer*

P.O. Box 2695  
Angleton, TX 77516-2695

Ph: 979-549-9443

July 17, 2007

Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Re: Application for Costa Clemente Affordable Rental Housing in Angleton, Texas  
#07626

Fax No. 1-512-475-0764  
e-mail address - teresa.morales@TDHCA.STATE.TX.US

To Whom it may Concern:

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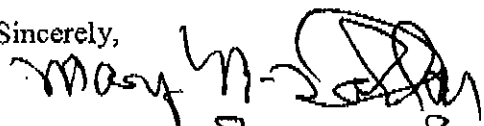
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Flooding is a serious problem in our community. Another complex would create more havoc and problems with drainage and flooding.

A multiple housing complex at this location would be inconvenient and dangerous for the residents of the unit and irresponsible of any group allowing the units to be placed there.

Sincerely,

 Dollar  
5300 FRANKIE ROSE  
LANEWAY TX  
77534  
979-922-1529  
(979-922-1529)

Texas Department of Housing and Community Affairs  
Attn: Teresa Morales  
221 East 11<sup>th</sup> Street  
Austin, TX 78701

Reference: Affordable Rental Housing Application # 07626  
submitted by Costa Clemente

The purpose of this letter is to express **opposition** to an application for subsidized state funding that has been submitted to your department by the developers of a proposed multi-family housing project called Costa Clemente in the city of Angleton, Texas. I offer as my basis for this opposition, the following:

1. The developer for this project has reportedly made false statements and misrepresentations to city and county officials of intent and support for this project. Early in the process of soliciting support from county and city officials, Costa Clemente management made misleading statements claiming that they had full approval from the city of Angleton for this project, when in fact, they did not have any such approvals at the time.

The Angleton city council has subsequently given approval for the proposed project's plans because they met the current zoning requirements, but **did not** approve a resolution (re. Resolution 2007-R-6B) giving the city's endorsement of the project. I believe this is a clear indication that the city leaders also have serious reservations about the project and the developer.

2. The city of Angleton already has some low and very low-income multi-family housing projects and there has been no valid rationale presented that supports a need for more. Instead, Angleton needs development that will enhance its value and attraction to prospective new residents and businesses by being very selective of the type of development and by discouraging unscrupulous developers. A retail project would be one type of desirable option for development in the proposed area as long as there were strict guidelines established for the type of retail allowed there and adequate drainage and traffic management requirements are met.

Thank you very much for the opportunity to express my concerns on this matter.

Sincerely,

Michael A. Washburn (Washburn)  
3084 Community Dr.  
Austin, TX 78711  
281-756-0188

Texas Department of Housing and Community Affairs  
Attn: Teresa Morales  
221 East 11<sup>th</sup> Street  
Austin, TX 78701

Reference: Affordable Rental Housing Application # 07626  
submitted by Costa Clemente

The purpose of this letter is to express **opposition** to an application for subsidized state funding that has been submitted to your department by the developers of a proposed multi-family housing project called Costa Clemente in the city of Angleton, Texas. I offer as my basis for this opposition, the following:

1. The developer for this project has reportedly made false statements and misrepresentations to city and county officials of intent and support for this project. Early in the process of soliciting support from county and city officials, Costa Clemente management made misleading statements claiming that they had full approval from the city of Angleton for this project, when in fact, they did not have any such approvals at the time.

The Angleton city council has subsequently given approval for the proposed project's plans because they met the current zoning requirements, but **did not** approve a resolution (re. Resolution 2007-R-6B) giving the city's endorsement of the project. I believe this is a clear indication that the city leaders also have serious reservations about the project and the developer.

2. The city of Angleton already has some low and very low-income multi-family housing projects and there has been no valid rationale presented that supports a need for more. Instead, Angleton needs development that will enhance its value and attraction to prospective new residents and businesses by being very selective of the type of development and by discouraging unscrupulous developers. A retail project would be one type of desirable option for development in the proposed area as long as there were strict guidelines established for the type of retail allowed there and adequate drainage and traffic management requirements are met.

Thank you very much for the opportunity to express my concerns on this matter.

Sincerely,

Phil B. Sikes (Sikes)

102 ROSE FARM  
LAKE JACKSON, TX 77566  
979-297-7311

Texas Department of Housing and Community Affairs  
Attn: Teresa Morales  
221 East 11<sup>th</sup> Street  
Austin, TX 78701

Reference: Affordable Rental Housing Application # 07626  
submitted by Costa Clemente

The purpose of this letter is to express **opposition** to an application for subsidized state funding that has been submitted to your department by the developers of a proposed multi-family housing project called Costa Clemente in the city of Angleton, Texas. I offer as my basis for this opposition, the following:

1. The developer for this project has reportedly made false statements and misrepresentations to city and county officials of intent and support for this project. Early in the process of soliciting support from county and city officials, Costa Clemente management made misleading statements claiming that they had full approval from the city of Angleton for this project, when in fact, they did not have any such approvals at the time.

The Angleton city council has subsequently given approval for the proposed project's plans because they met the current zoning requirements, but **did not** approve a resolution (re. Resolution 2007-R-6B) giving the city's endorsement of the project. I believe this is a clear indication that the city leaders also have serious reservations about the project and the developer.

2. The city of Angleton already has some low and very low-income multi-family housing projects and there has been no valid rationale presented that supports a need for more. Instead, Angleton needs development that will enhance its value and attraction to prospective new residents and businesses by being very selective of the type of development and by discouraging unscrupulous developers. A retail project would be one type of desirable option for development in the proposed area as long as there were strict guidelines established for the type of retail allowed there and adequate drainage and traffic management requirements are met.

Thank you very much for the opportunity to express my concerns on this matter.

Sincerely,

*Edith G. Rose*

*613 Cannan Dr.*

*Phone (979) 849-5526*

July 17, 2007

Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Re: Application for Costa Clemente Affordable Rental Housing in Angleton, Texas

#07626  
Fax No. 1-512-475-0764  
e-mail address - teresa.morales@TDHCA.STATE.TX.US

To Whom it may Concern:

There is NO need for the proposed Costa Clemente development at the corner of Hwy 35 and Hwy 288 in Angleton. There are many vacant affordable units in Angleton. The need does not exist for these units.

The proposed location of the complex would make it almost impossible for any citizens without transportation to avail themselves of employment, shopping, recreational, or medical facilities in the community. To go to a grocery store or pharmacy would require a car. Anyone living at the complex would have to have a car to avail themselves of employment, shopping, medical, or recreational facilities in the community. To do anything other than be in the complex would require a car. There is no public transportation in Angleton or Brazoria County.

Traffic is also a major issue. The unit would be located along a busy intersection with an overpass and multiple access roads. It would be placed on Highway 288 which goes directly to Houston, where the average speed is 70 miles an hour. The other side of the location is a four lane thoroughfare that runs through the City of Angleton. It is a major traffic route for entering or exiting Angleton. To go on foot anyplace would require crossing a four lane highway.

Flooding is a serious problem in our community. Another complex would create more havoc and problems with drainage and flooding.

A multiple housing complex at this location would be inconvenient and dangerous for the residents of the unit and irresponsible of any group allowing the units to be placed there.

Sincerely,

Deja Cuevas  
8310 E Mulberry #52  
Angleton TX 77515  
979-549-3573



July 17, 2007

Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Re: Application for Costa Clemente Affordable Rental Housing in Angleton, Texas

#07626

Fax No. 1-512-475-0764

e-mail address -- teresa.morales@TDHCA.STATE.TX.US

To Whom it may Concern:

There is NO need for the proposed Costa Clemente development at the corner of Hwy 35 and Hwy 288 in Angleton. There are many vacant affordable units in Angleton. The need does not exist for these units.

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A multiple housing complex at this location would be inconvenient and dangerous for the residents of the unit and irresponsible of any group allowing the units to be placed there.

Sincerely,

Patricia Pendergraft  
300 E. Magnolia  
Angleton, TX 77515  
848-1847

July 17, 2007

Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Re: Application for Costa Clemente Affordable Rental Housing in Angleton, Texas

#07626

Fax No. 1-512-475-0764

e-mail address -- teresa.morales@TDHCA.STATE.TX.US

To Whom it may Concern:

There is NO need for the proposed Costa Clemente development at the corner of Hwy 35 and Hwy 288 in Angleton. There are many vacant affordable units in Angleton. The need does not exist for these units.

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A multiple housing complex at this location would be inconvenient and dangerous for the residents of the unit and irresponsible of any group allowing the units to be placed there.

Sincerely,

Lennie Brown  
1020 Wimberly  
979-849-1127

July 17, 2007

Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Re: Application for Costa Clemente Affordable Rental Housing in Angleton, Texas

#07626

Fax No. 1-512-475-0764

e-mail address - teresa.morales@TDHCA.STATE.TX.US

To Whom it may Concern:

There is NO need for the proposed Costa Clemente development at the corner of Hwy 35 and Hwy 288 in Angleton. There are many vacant affordable units in Angleton. The need does not exist for these units.

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Flooding is a serious problem in our community. Another complex would create more havoc and problems with drainage and flooding.

A multiple housing complex at this location would be inconvenient and dangerous for the residents of the unit and irresponsible of any group allowing the units to be placed there.

Sincerely,

Anna Fernandez  
302 Beechwood  
Lake Jackson TX.

979-849-4721 x 2589

July 17, 2007

Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Re: Application for Costa Clemente Affordable Rental Housing in Angleton, Texas

#07626

Fax No. 1-512-475-0764

e-mail address - teresa.morales@TDHCA.STATE.TX.US

To Whom it may Concern:

There is NO need for the proposed Costa Clemente development at the corner of Hwy 35 and Hwy 288 in Angleton. There are many vacant affordable units in Angleton. The need does not exist for these units.

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Flooding is a serious problem in our community. Another complex would create more havoc and problems with drainage and flooding.

A multiple housing complex at this location would be inconvenient and dangerous for the residents of the unit and irresponsible of any group allowing the units to be placed there.

Sincerely,

*William Runch*  
100 Robin Trail  
Richwood, Tx 77531  
979-265-4574

July 17, 2007

Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Re: Application for Costa Clemente Affordable Rental Housing in Angleton, Texas

#07626

Fax No. 1-512-475-0764

e-mail address – teresa.morales@TDHCA.STATE.TX.US

To Whom it may Concern:

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Flooding is a serious problem in our community. Another complex would create more havoc and problems with drainage and flooding.

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Sincerely,

Krystal Bohat  
Box 902  
Danbury TX 77534  
979-922-1434

July 17, 2007

Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Re: Application for Costa Clemente Affordable Rental Housing in Angleton, Texas  
#07626

Fax No. 1-512-475-0764

e-mail address - teresa.morales@TDHCA.STATE.TX.US

To Whom it may Concern:

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Sincerely,

Melissa Burrell  
900 E. Wilkins  
Angleton, TX. 77515  
979-864-0862

July 17, 2007

Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Re: Application for Costa Clemente Affordable Rental Housing in Angleton, Texas  
#07626

Fax No. 1-512-475-0764

e-mail address - teresa.morales@TDHCA.STATE.TX.US

To Whom it may Concern:

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Flooding is a serious problem in our community. Another complex would create more havoc and problems with drainage and flooding.

A multiple housing complex at this location would be inconvenient and dangerous for the residents of the unit and irresponsible of any group allowing the units to be placed there.

Sincerely,

*Nelda Lewis*  
1225 Sagebrush  
Angleton, Tex. 77515  
979-849-6384

*Too close to schools and  
Nursing Home.*

July 17, 2007

Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

Re: Application for Costa Clemente Affordable Rental Housing in Angleton, Texas

#07626

Fax No. 1-512-475-0764

e-mail address - teresa.morales@TDHCA.STATE.TX.US

To Whom it may Concern:

There is NO need for the proposed Costa Clemente development at the corner of Hwy 35 and Hwy 288 in Angleton. There are many vacant affordable units in Angleton. The need does not exist for these units.

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Flooding is a serious problem in our community. Another complex would create more havoc and problems with drainage and flooding.

A multiple housing complex at this location would be inconvenient and dangerous for the residents of the unit and irresponsible of any group allowing the units to be placed there.

Sincerely,

*Paul W. Jamier*

*141 Badrop St. Angleton  
Texas  
849-5540  
97515*



**Teresa Morales**

**From:** patp@jrgpc.com  
**Sent:** Friday, July 20, 2007 3:16 PM  
**To:** teresa.morales@tdhca.state.tx.us  
**Subject:** Costa Clemente - Angleton, Texas

Ms. Morales,

I want to let you know that I am against the proposed Casa Clemente Affordable Rental Housing project. Angleton is not in need of this housing. There are many housing opportunities available at this time, and most are less expensive than the proposed housing project.

This project would invite people from outside the Brazoria County area to move in, taking advantage of a government program, then trash the area and move out. It happens too often. If there is a direct housing need in Brazoria County, it would benefit the individuals, as well as private property owners with vacant housing, for there to be assistance available for existing housing based on each individual case.

Our tax dollars could be much better spent by assisting directly those persons needing *temporary* help with housing, or transportation to and from work. We have a private sector which can provide adequate housing opportunities for our areas needs. Please do not infest Angleton with a housing project that will be shortly abandoned.

Patricia Paulette  
297 Eagons Road  
Angleton, Texas 77515

July 16, 2007

Ms. Teresa Morales  
Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

**Received**

JUL 20 2007

Fax No. 1-512-475-0664  
e-mail address - [teresa.morales@TDHCA.STATE.TX.US](mailto:teresa.morales@TDHCA.STATE.TX.US)

Re: Application for Costa Clemente Affordable Rental Housing in  
Angleton, Texas

Dear Ms. Morales:

I say NO to the proposed Costa Clemente Affordable Rental Housing in Angleton. No justification exists for new affordable housing units in Angleton. At this time there are many affordable housing units in Angleton that are vacant. There also are housing units available that are less expensive than the ones proposed by Costa Clemente. Angleton is already meeting the need for affordable housing.

Traffic is also a major issue. The unit would be located along a busy intersection with an overpass and multiple access roads. It would be placed on Highway 288 which goes directly to Houston, where the average speed is 70 miles an hour. The other side of the location is Highway 35, which is a four lane thoroughfare that runs through the City of Angleton and is a major traffic route for entering or exiting Angleton. Problems with traffic already exist there because of a middle school next to the proposed units. Children arrive at the school by car or bus. It is necessary to have the street guarded by traffic police so that no one will be injured or have an accident.

The proposed location of the complex would make it almost impossible for any of the citizens without transportation to avail themselves of the shopping, medical, recreational facilities or employment in the community. To go to a grocery store, pharmacy, or doctor, would require a car. There is no public transportation in Angleton or Brazoria County. To walk anywhere would be very dangerous.

Flooding is another issue. Angleton has serious problems with flooding and drainage and another large unit would only create more havoc.

Any multi housing unit at this location would be inconvenient and dangerous for the residents of the unit and irresponsible of any group allowing the units to be placed there.

Sincerely,

*Beverly Vinblast*

July 16, 2007

Ms. Teresa Morales  
Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

**Received**

JUL 20 2007

Fax No. 1-512-475-0664  
e-mail address - [teresa.morales@TDHCA.STATE.TX.US](mailto:teresa.morales@TDHCA.STATE.TX.US)

Re: Application for Costa Clemente Affordable Rental Housing in  
Angleton, Texas

Dear Ms. Morales:

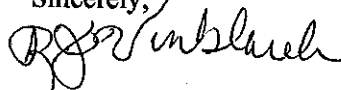
I oppose the proposed Costa Clemente project housing units in Angleton. At this time there are many affordable housing units in Angleton that are vacant. Therefore, I cannot understand the need for another housing unit when the needs of the community are already being met. There are units available in Angleton that are less expensive than the newly proposed units.

Traffic is a major issue. The unit would be located along a busy intersection with an overpass and multiple access roads. It would be placed on Highway 288 which goes directly to Houston, where traffic is heavy and the average speed is 70 miles an hour. The other side of the location is Highway 35, which is a four lane thoroughfare that runs through the City of Angleton and is a major traffic route for entering or exiting Angleton. Traffic is already a problem because of the Middle School that would be next to the complex.

The proposed location of the complex would make it almost impossible for any citizens without transportation to avail themselves of employment opportunities, shopping, medical, or recreational facilities in the community. To go to a grocery store, pharmacy, or doctor, would require a car. There is no public transportation in Angleton or Brazoria County.

Any multi housing unit at this location would be inconvenient and dangerous for the residents of the unit and irresponsible of any group allowing the units to be placed there.

Sincerely,



Ms. Teresa Morales  
Multifamily Finance Production Division  
P. O. Box 13941  
Austin, Texas 78711-3491

**Received**

JUL 20 2007

Fax No. 1-512-475-0664  
e-mail address – [teresa.morales@TDHCA.STATE.TX.US](mailto:teresa.morales@TDHCA.STATE.TX.US)

Re: Application for Costa Clemente Affordable Rental Housing in  
Angleton, Texas

Dear Ms. Morales:

I say NO to the proposed Costa Clemente Affordable Rental Housing in Angleton. No justification exists for new affordable housing units in Angleton. At this time there are many affordable housing units in Angleton that are vacant. There also are housing units available that are less expensive than the ones proposed by Costa Clemente. Angleton is already meeting the need for affordable housing.

Traffic is also a major issue. The unit would be located along a busy intersection with an overpass and multiple access roads. It would be placed on Highway 288 which goes directly to Houston, where the average speed is 70 miles an hour. The other side of the location is Highway 35, which is a four lane thoroughfare that runs through the City of Angleton and is a major traffic route for entering or exiting Angleton. Problems with traffic already exist there because of a middle school next to the proposed units. Children arrive at the school by car or bus. It is necessary to have the street guarded by traffic police so that no one will be injured or have an accident.

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Any multi housing unit at this location would be inconvenient and dangerous for the residents of the unit and irresponsible of any group allowing the units to be placed there.

Sincerely,

Randy & Mary Lynn Hara

# **Exhibit B (Support)**

ANGLETON



Heart of Brazoria County

City of Angleton, Texas

Received

March 22, 2007

MAR 29 2007

T.D.H.C.A.  
Multifamily Finance Division  
P. O. Box 13941  
Austin, TX 78711-3941



Re: Development Number 07414

Attention Robbye Meyer:


The City of Angleton received your notification regarding the Affordable Rental Housing Application submitted for Costa Clemente on Highway 35 West.

Representatives of the developer have met with city staff to outline and discuss the project. It does appear to meet the City's comprehensive plan as well as zoning requirements. Although utilities will need to be extended to the site, it is not anticipated to be a major problem.

The City of Angleton needs additional housing, both affordable and otherwise, and hereby offers support to the application for tax credits.

Thanks for keeping us informed of efforts in our community, and feel free to contact me if you have questions or need more information.

Sincerely,

  
J. Patrick Henry  
Mayor

notification  
for Costa Clemente  
representatives  
have met with  
the City's staff  
and will accept



445 E. Mulberry  
Angleton, Texas 77515  
979-849-6443 ~ 979-849-4520 (fax)  
www.angletonchamber.org

July 9, 2007

To: Brazoria County Commissioners Court

In a called meeting today, July 9, 2007 the Board of Directors of the Greater Angleton Chamber of Commerce voted in support of the Costa Clemente project planned on Hwy 35 in Angleton.

Respectfully,

A handwritten signature in cursive script that reads "Brandei Burridge".

Brandei Burridge, Chairman of the Board

A handwritten signature in cursive script that reads "Beth Journey".

Beth Journey, President & CEO



**From:** "Mary Ruth Rhodenbaugh" <maryruth@maryruth.biz>  
**Date:** July 7, 2007 1:31:51 AM CDT  
**To:** "Mary Ruth Rhodenbaugh" <maryruth@maryruth.biz>  
**Subject:** Costa Clemente

For your information  
MR

***Judge King and Commissioners,***

***Due to the e-mails we are receiving I felt that I should let you know that we as a council did our homework on this project and felt that the plat was one that we should approve on its merits. We did not do a resolution of approval or opposition to the county as this is not something we have done in the past and felt it would set a precedent.***

***After all the inspections done by the Mayor, City Manager, Police Chief and Economic Development Director I feel this is a good project and wanted you to know that I am in favor of the Costa Clemente project.***

**Bonnie Church  
Councilmember**

**From:** "Mary Ruth Rhodenbaugh" <maryruth@maryruth.biz>  
**Date:** July 7, 2007 1:33:08 AM CDT  
**To:** "Mary Ruth Rhodenbaugh" <maryruth@maryruth.biz>  
**Subject:** Costa Clemente

More.....

6 July 2007

Dear Commissioner Rhodenbaugh:

The Costa Clemente project plat was approved by the Angleton City Council at it's regular meeting of 26 June 2007. This project meets all of the City's zoning requirements and land use plans.

We also had on our agenda for discussion and possible action a resolution stating either our support of or opposition to the project. A motion was made to adopt the resolution opposing the project. This motion died for lack of a second. There was no motion made to adopt the resolution supporting the project. While I cannot speak for the City Council, I can tell you that I support the project and I think that the action of the City Council was correct. I feel adopting resolutions of support-of or opposition-to development would be a poor precedent to set. We control development through zoning.

Sincerely,

Roger D. Collins    Mayor Pro Tem    City of Angleton    121 South  
Velasco    Angleton, Texas 77515

1060 Jimmy Hiller's Blk  
(Hwy 35) Angleton, Texas  
77515  
July 11, 2007

Dear Ms. Morales,

I am writing this letter in whole-hearted support of the Costa Clemente low cost housing development planned for Angleton, Texas. As a long time resident of Brazoria County and Angleton I have advocated for many years for those in need of scarce public assistance of any kind. I feel this development will address the pressing issue of affordable housing in a positive way if the developers proceed as promised. It is disheartening to me in this time of growing disparity between the so called "rich & poor" that those who are better off, and so lucky to have their piece of the pie, to deny a piece of that pie to those less fortunate. Why deny a better place to live to their fellow Americans who may not have as much money but never the less desire a better living condition and the sense of pride that comes with it? I truly am ashamed of the mind-set of those opposing this development. I'm sure they consider themselves good people but to me their actions are selfish and mean-spirited. This development is much needed and will be good for the community. It's the right thing to do for so many reasons.

Sincerely  
Mary Ann and Neil Caldwell



NEIL CALDWELL  
 SENIOR DISTRICT JUDGE  
 RT. 4 BOX 174B  
 ANGLETON, TEXAS 77515

H HOUSTON TX 773

12 JUL 2007 PM 5

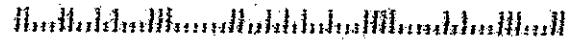


RECEIVED  
 JUL 16 2007  
 Texas Department of Housing  
 and Community Affairs

*attn  
 Teresa  
 Morales*

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

78701+2410



**MARK H. NEAL**  
600 SOUTH WALKER  
ANGLETON, TEXAS 77515  
[markncal@keemal.com](mailto:markncal@keemal.com)

July 20, 2007

Texas Department of Housing  
and Community Affairs  
Attn: Teresa Morales  
221 E. 11<sup>th</sup> Street  
Austin, TX 78701

Fax to: (512) 475-0764

RE: *Proposed "Costa Clemente" Development in Angleton, Brazoria County, Texas*

Ladies and Gentlemen:

Please consider this a comment in support of the proposed development of the "Costa Clemente" housing and light commercial project in Angleton.

My family and I reside on the edge of a transitional neighborhood quite near the proposed development, and have lived here since 1990. We are on the same street as Westside Elementary School and on the same side of SH35 as the Angleton Middle School, just east of the proposed development. We do not feel that the Costa Clemente project would significantly worsen the busy street or highway traffic in the area nor be a detriment to either of the nearby schools. To the contrary, from what we understand about the proposal, the project would offer much better alternatives to people of limited means as compared to the very short supply of affordable housing in and around Angleton.

I am a lifelong resident of Angleton and a practicing attorney, generally familiar with the real estate market, and it is my impression and personal observation that there is virtually no new housing being built below the starting price of around \$125,000 to 150,000, and very few homes available for resale in decent condition for less than \$80,000. Several years ago I served a brief stint on the local board pertaining to Section 8 housing, and from what I can tell, those opportunities are extremely limited and generally undesirable in many respects.

In short, a development of the caliber being represented by the Costa Clemente proponents appears to my wife and me to be a good proposal for the community overall, and not particularly detrimental to our nearby neighborhood.

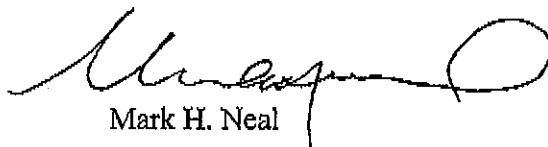
Texas Department of Housing  
and Community Affairs

July 20, 2007

Page 2

I do not have any business or personal "stake" in the property nor the development and do not represent any client with such interests. Please take these comments as purely personal observations from a neighboring household.

Very truly yours,

A handwritten signature in black ink, appearing to read "Mark H. Neal", with a large, stylized loop at the end.

Mark H. Neal

c.c. Texas Department of Housing and Community Affairs  
P.O. Box 13941, Austin, TX 78711-3941  
Fax to: 1-800-733-5120

Hon. Mary Ruth Rhodenbaugh  
County Commissioner  
Fax to: (979) 798-4032

July 20, 2007

Mr. Michael Gerber  
Texas Department of Housing  
and Community Affairs (TDHCA)  
PO Box 13941 (MC332-10)  
Austin, Texas 78711-3941

**RE: Costa Clemente Apartments, Angleton, Brazoria County, Texas  
TDHCA #07626**

Dear Mr. Gerber:

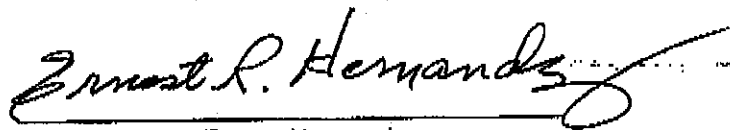
My name is Ernest Hernandez. I am a resident of the city of Lake Jackson, Brazoria County, Texas. I am writing to provide support for the above-referenced development, which is located at 1101 W. Hwy 35 and Hwy 288 in Angleton, Texas. As I have learned, the Costa Clemente development is located within the Harris County – Brazoria County regional area. The purpose of this letter is to express my support for the Costa Clemente application to the Texas Department of Housing and Community Affairs (TDHCA) for the 2007 Multifamily Bond Program and 4% Tax Credit Program, and that such application be awarded an allocation.

My expressed support is based upon the following reasons:

1. The proposed development will assist in the development of more affordable housing in the area, and success in Angleton translates into success for the entire region, including my own.
2. The proposed development will provide much needed resident services for the families and children in the area, and in particular the minority community of the area where housing is a pressing need.
3. The development team has met and actively worked with the City of Angleton, and though there is some public opposition, there is much more support including the Chamber of Commerce and community organizations. They welcome the proposed Costa Clemente development.

Costa Clemente will result in greater investment and increased economic development in our region. If you have any questions, please do not hesitate to contact me at (979) 201-0148.

Sincerely,



Printed Name: Ernest Hernandez

Cc: Senator Mike Jackson

P.O. Box 12068

Capitol Station

Austin, Texas 78711

Via Facsimile (512) 475-3727



**Received**

JUL 20 2007

July, 2007

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

Dear Ms. Morales,

I'm writing you today to express my support for the Costa Clemente Project which will be coming before your board on July 30th. Angleton is in desperate need of affordable housing and passing up this opportunity would be a great dis-service to the community.

There is a great need for attractive AND affordable housing because mainly what exists there now is about 35 years old and in terrible condition. You definitely would not want your children or your parents to live there!

The proposed location for Costa Clemente is just perfect because it's close to two major highways and within walking distance of two schools.

Seniors on fixed incomes and working parents need all the help they can get. Please support Costa Clemente!

Thank you,

A handwritten signature in cursive script that reads "Cheryl Portman". The signature is written in black ink and is positioned to the right of the typed name "Cheryl Portman".

**Received**

JUL 20 2007

July, 2007

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

Dear Ms. Morales,

With a waiting list for reputable, safe, and affordable housing in Angleton, there is no doubt that Costa Clemente is a worthy project needed by working parents and senior citizens. Please support this project at your next meeting on July 30th.

I am also pleased that Costa Clemente would be in a great location providing a convenient walk to West Side Elementary and Angleton Middle School. This location is also easily accessible by both Hwy. 288 and Hwy. 35.

Your support of this project would be so helpful to working parents, single parents, senior citizens, and of course - all of their children!

Sincerely,

Laura M. Powell

**Received**

July, 2007

JUL 20 2007

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

Dear Ms. Morales,

Please support the Costa Clemente project. With a waiting list for reputable, safe, and affordable housing in Angleton, there is no doubt that this is a worthy project much-needed by working parents and senior citizens.

There is a waiting list for attractive and affordable housing in Angleton because what little is available is quite old and run-down; you would not want your children or your parents to live there.

The proposed location for Costa Clemente is just right because it is within convenient walking distance for children to the Angleton Middle School and West Side Elementary.

Please lend your support to this very worthwhile project!

Thank you so much,

*Mrs. Jennifer Reinhardt*

**Received**

July, 2007

JUL 20 2007

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

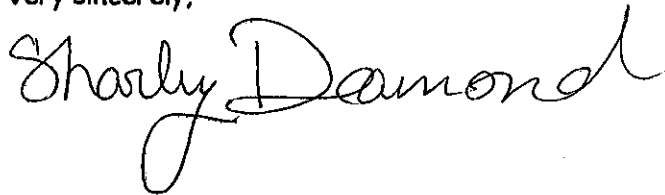
Dear Ms. Morales,

As a local educator, I am definitely in support of the Costa Clemente complex proposed for Angleton, TX. Similar to the attractive gated communities on Brazoswood Drive in Clute within walking distance of two schools, Costa Clemente will be an excellent location in Angleton providing students with a safe, convenient walk to West Side Elementary and Angleton Middle School.

I am also pleased that Costa Clemente includes an after-school program for homework and educational activities, as well as on-site security, giving additional support working parents need for their children to be successful.

With a waiting list for reputable, safe, and affordable housing in Angleton, there is no doubt that this is a worthy project much-needed by working parents and senior citizens.

Very sincerely,

A handwritten signature in black ink that reads "Sharly Diamond". The signature is written in a cursive style with a large, looped initial "S".

**Received**

July, 2007

JUL 20 2007

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



Dear Ms. Morales,

With a waiting list for reputable, safe, and affordable housing in Angleton, there is no doubt that Costa Clemente is a worthy project needed by working parents and senior citizens. Please support this project at your next meeting on July 30th.

I am also pleased that Costa Clemente would be in a great location providing a convenient walk to West Side Elementary and Angleton Middle School. This location is also easily accessible by both Hwy. 288 and Hwy. 35.

Your support of this project would be so helpful to working parents, single parents, senior citizens, and of course - all of their children!

Sincerely,

*Nancy Mikulencak*

July, 2007

**Received**

JUL 20 2007

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

Dear Ms. Morales,

Please support the Costa Clemente project. With a waiting list for reputable, safe, and affordable housing in Angleton, there is no doubt that this is a worthy project much-needed by working parents and senior citizens.

There is a waiting list for attractive and affordable housing in Angleton because what little is available is quite old and run-down; you would not want your children or your parents to live there.

The proposed location for Costa Clemente is just right because it is within convenient walking distance for children to the Angleton Middle School and West Side Elementary.

Please lend your support to this very worthwhile project!

Thank you so much,

*Saob Atawey*

July, 2007

**Received**

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

JUL 20 2007

Dear Ms. Morales,

.....

Please support the Costa Clemente project. With a waiting list for reputable, safe, and affordable housing in Angleton, there is no doubt that this is a worthy project much-needed by working parents and senior citizens.

There is a waiting list for attractive and affordable housing in Angleton because what little is available is quite old and run-down; you would not want your children or your parents to live there.

The proposed location for Costa Clemente is just right because it is within convenient walking distance for children to the Angleton Middle School and West Side Elementary.

Please lend your support to this very worthwhile project!

Thank you so much,

*Norma L. Chapa*

**Received**

July, 2007

JUL 20 2007

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

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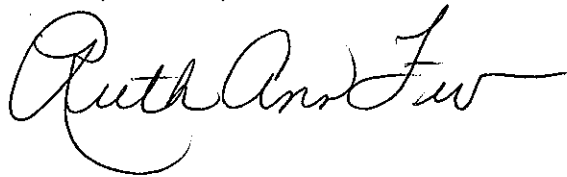
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I am also pleased that Costa Clemente includes an after-school program for homework and educational activities, as well as on-site security, giving additional support working parents need for their children to be successful.

With a waiting list for reputable, safe, and affordable housing in Angleton, there is no doubt that this is a worthy project much-needed by working parents and senior citizens.

Very sincerely,

A handwritten signature in cursive script, appearing to read "Ruth Anderson". The signature is fluid and extends to the right with a long horizontal stroke.



Received

JUL 20 2007

July, 2007

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

Dear Ms. Morales,

I'm writing you today to express my support for the Costa Clemente Project which will be coming before your board on July 30th. Angleton is in desperate need of affordable housing and passing up this opportunity would be a great dis-service to the community.

There is a great need for attractive AND affordable housing because mainly what exists there now is about 35 years old and in terrible condition. You definitely would not want your children or your parents to live there!

The proposed location for Costa Clemente is just perfect because it's close to two major highways and within walking distance of two schools.

Seniors on fixed incomes and working parents need all the help they can get. Please support Costa Clemente!

Thank you,

*Amanda Allen*

**Teresa Morales**

---

**From:** Amy King Chen [amykingchen@gmail.com]  
**Sent:** Friday, July 20, 2007 11:15 AM  
**To:** teresa.morales@tdhca.state.tx.us  
**Subject:** COSTA CLEMENTE APARTMENTS TDHCA#07626

**RE: COSTA CLEMENTE APARTMENTS  
TDHCA#07626**

Dear Mr. Gerber,

I would like to express my support of the Costa Clemente Apartments proposed at 1101 W. Hwy 35 and Hwy 288 in Angleton, Texas. Costa Clemente will provide much-needed quality affordable housing for the working families of Angleton, and I strongly support the applicant's efforts in obtaining their financing through the Texas Department of Housing and Community Affairs.

Sincerely,

Wu and Amy King Chen

7/20/2007

**Teresa Morales**

---

**From:** jody cameron [emmons10@yahoo.com]  
**Sent:** Wednesday, July 11, 2007 8:14 PM  
**To:** teresa.morales@tdhca.state.tx.us  
**Subject:** Costa Clemente - For It!

I am for this project. I think it would be a great boon to the community, and I think Angleton needs affordable housing. The after-school program for children of working parents is something that this city does not have, never has had, and needs desperately. I think the project would help strengthen the infrastructure of the community, and provide some needed relief to those who need clean, comfortable housing at an affordable price.

I also believe that those who oppose this project have no real reason for doing so, other than they do not want to see change come to the community. They want to remain in the stagnant past rather than look toward a brighter future. I feel that they have an unfounded belief that an affordable housing project would somehow "stain" the community and attract "undesirables". I think that notion is ridiculous.

Furthermore, I don't think anyone should be able to dictate to someone else what can or can't be done with land that they own. The last time I checked, this was a free country, and we should be free to sell property to whoever we choose; especially if it is for a worthwhile project that would help our community.

Thank You,  
Jody Cameron  
1101 West Mulberry  
Angleton, TX 77515

---

Bored stiff? Loosen up...  
Download and play hundreds of games for free on Yahoo! Games.

**Teresa Morales**

---

**From:** coziec@aol.com  
**Sent:** Wednesday, July 11, 2007 2:02 PM  
**To:** teresa.morales@tdhca.state.tx.us  
**Subject:** apartments in angleton

Mrs. Morales the apartments are needed in angleton. A set is also needed in Lake Jackson. The people who are against the apartments just think they will become drug infested. Every one that is poor or has few pennies are not drug dealers or just live off of the government. The complex need to have some four bedrooms to it to. I am a mother of five and its hard to find somewhere to stay and its affordable. The only place i know of thats low income is Lexington square {1,2&3 but not very many of any } and Northside manor {1&2bd}. I am in full agreement for the complex, and a lot more people would be if they know about it. I do belive in getting the word out.

---

AOL now offers free email to everyone. Find out more about what's free from AOL at [AOL.com](http://AOL.com).

**Teresa Morales**

**From:** Martin, Patricia [Patricia.Martin@memorialhermann.org]  
**Sent:** Monday, July 16, 2007 10:18 AM  
**To:** teresa.morales@tdhca.state.tx.us  
**Subject:** Support Costa Clemente

Dear Ms. Morales,

I'm writing you today to respectfully ask for your support of Costa Clemente in Angleton, Texas. Costa Clemente is desperately needed by those working parents and senior citizens of Angleton who now live in apartments that are twenty-five years old and in much need of repair. Even then, a waiting list of many weeks is in place. At Costa Clemente they will be in a safe, clean environment and their children protected and even provided an after school program. The added tax base to the city and county is an additional benefit.

I respectfully request that you vote 'yes' for this project at your next meeting on July 30th.

The citizens of Angleton deserve better and by law, they have a right to fair housing. Please don't let them down.

Thank you for your support of Costa Clemente.

**Patricia Martin**

Patricia Martin  
10000 Memorial Hermann  
Houston, TX 77030  
713.865.1111  
www.memorialhermann.org

Patricia Martin

Patricia Martin  
10000 Memorial Hermann  
Houston, TX 77030  
713.865.1111  
www.memorialhermann.org

**Teresa Morales**

---

**From:** Erica French [elfrench@decomore.com]

**Sent:** Monday, July 16, 2007 10:24 AM

**To:** teresa.morales@tdhca.state.tx.us

**Subject:** Development for Angleton!

7/16/2007

Dear Ms. Morales,

I'm writing you today in support of Costa Clemente in Angleton, Texas. Costa Clemente is desperately needed by those working parents and senior citizens of Angleton who now live in apartments that are twenty-five years old and in much need of repair. Even then, a waiting list of many weeks is in place. At Costa Clemente they will be in a safe, clean environment and their children protected. The added tax base to the city and county is an additional benefit.

Please vote 'yes' for this project at your next meeting on July 30th.

The citizens of Angleton deserve better and by law, they have a right to fair housing. Please don't let them down.

Thank you for your support of Costa Clemente.

**Teresa Morales**

---

**From:** Roadrunner [tbrown9@austin.rr.com]  
**Sent:** Sunday, July 15, 2007 2:38 PM  
**To:** teresa.morales@tdhca.state.tx.us  
**Subject:** I strongly support Costa Clemente

Dear Ms. Morales (Teresa),

It is truly a rare occasion when the working poor, single mother families and the fixed-income retirees of our society get an opportunity to appreciate well-built, well-maintained and affordable housing which has the essential characteristics of safety and security built-in. I'm writing to you today to ask for your unwavering support for the development in Angleton, Texas, named Costa Clemente.

As you know there are those few who claim "There's already vacancies for low-income housing in Angleton.". However, no one making that claim would ever live in those vacant, unmaintained properties themselves. They are vacant for a reason. Obviously, some of the opponents of this project may include landlords of old and deteriorating housing. Please send a strong message to those Landlords who do not maintain their properties to be competitive in the marketplace that they are, in fact "Slum Lords" and they deserve what they get. The additional benefit is that once Costa Clemente is completed, they (the Slum Lords) will have to raise the levels of maintenance and habitability of their properties in order to stay competitive, and that will further revitalize and improve property values and tax rolls in Angleton.

It is truly ironic that these "NIMBY" (Not In My Back Yard) elements opposing this housing already live in safe, well-maintained and secure residences but are unwilling for others to have that right. They simply do not understand that the residents of Costa Clemente are people, too, and they have a right to safe and affordable housing. They will discover that the approach from this developer with strict background checks, gated security, and screened applicants will result in a better and safer Angleton, with Police Officers as residents as well. Instead, they are using paranoia, fear, and class warfare.

Costa Clemente is desperately needed by those single mother families, working parents and senior citizens of Angleton who now live in apartments that are twenty-five years old and in much need of repair, if not complete renovation. I have been told that a waiting list of many weeks is in place. Meanwhile, at Costa Clemente, they will be in a safe, clean environment and their children protected from the dangerous elements of society that could very well be located on their same block of their current residences. The willingness of the developer to create a secure environment while adding to the tax base of the city and county is an enormous additional benefit.

Please vote "Yes" for this worthwhile project at your next meeting on July 30th. Rather than considering the incomes of those opposing this project, consider the genuine needs of those who support it. By doing "the right thing" you will re-instill our faith in Democracy rather than Aristocracy.

7/16/2007



The innocent citizens of Angleton who are the most defenseless (women, children, and seniors) will have a sanctuary of safety and pride in Costa Clemente that will break the cycle of poverty and keep out the very elements the opponents of Costa Clemente fear. Please do the math and you will see this is truly a Win-Win for the most deserving of citizens, children and retirees of Angleton, as well as all of the taxpayers.

Thank you for your support of the development of Costa Clemente.

Sincerely,  
Tully W. Brown  
LtCol, USAF (Retired)  
2900 Cedar Crest Circle  
Round Rock, TX 78665  
(512) 424-7175

**Teresa Morales**

---

**From:** Pete Luan [pdluan@yahoo.com]  
**Sent:** Monday, July 16, 2007 8:29 AM  
**To:** teresa.morales@tdhca.state.tx.us  
**Subject:** Support for Costa Clemente - Angleton, TX

Mr. Michael Gerber  
Executive Director  
Texas Department of Housing and Community Affairs  
221 East 11<sup>th</sup> Street  
Austin, Texas 78701

**RE: COSTA CLEMENTE APARTMENTS  
TDHCA#07626**

Dear Mr. Gerber,

I would like to express my support of the Costa Clemente Apartments proposed at 1101 W. Hwy 35 and Hwy 288 in Angleton, Texas. Costa Clemente will provide much-needed quality affordable housing for the working families of Angleton, and I strongly support the applicant's efforts in obtaining their financing through the Texas Department of Housing and Community Affairs.

Sincerely,

Pete Luan  
11135 Sherwood Forest Glen  
Houston, TX 77043

Costa Clemente

Angleton, TX

Costa Clemente  
221 East 11th Street  
Austin, Texas 78701

Angleton, TX

7/16/2007

Costa Clemente  
221 East 11th Street  
Austin, Texas 78701

**Teresa Morales**

---

**From:** Dana and Bob Barnes [dbbarnes@quik.com]

**Sent:** Saturday, July 14, 2007 2:35 PM

**To:** teresa.morales@tdhca.state.tx.us

**Subject:** Support of Costa Clemente

Hello Teresa - I am definitely in favor of Costa Clemente. I live very near the proposed location, and I can say w/ definite certainty that this is a much-needed project for our community - 49% of AISD students are on free and reduced lunch - these children AND their parents deserve a nice, safe place to live. The only other affordable apartments are 35 years old and very run-down. You would not want your children or your parents to live there.

The location is excellent - just where Hwy. 288 and Hwy. 35 cross and within walking distance to two schools.

The vocal opposition is against ANY form of progress in this town. Their mind-set is to never change the status quo and their mentality is definitely "not in my backyard". You can bet their children were never on free or reduced lunch. They are a very prejudiced group of people, influential with their money and their social status, and unfortunately backed by local and state politicians.

Thank you for hearing my opinion!  
Dana Barnes

7/16/2007

**Teresa Morales**

---

**From:** Dana and Bob Barnes [dbbarnes@quik.com]  
**Sent:** Thursday, July 19, 2007 2:30 PM  
**To:** teresa.morales@tdhca.state.tx.us  
**Subject:** Costa Clemete

I attended two Angleton City Council meetings and one Brazoria County Commissioners' Court meeting on this subject.

At the first city council meeting the opposition to the project cited child safety, poor drainage, and heavy traffic concerns. At the second city council meeting the opposition was the location of the project, ie. "not in my back yard".

At the commissioners' court meeting the opposition said that Angleton did not have a need for this project, ie. already had plenty of good, dependable, low income housing. It seems as if the opposition is still searching for reasons to oppose this project.

I am highly in favor of this project. It will be good for the city and the citizens of Angleton.

Thank you,  
Robert Barnes  
Angleton, Tx

7/19/2007

**Teresa Morales**

---

**From:** Carla Luan [carluan@hotmail.com]  
**Sent:** Sunday, July 15, 2007 10:56 AM  
**To:** teresa.morales@tdhca.state.tx.us  
**Subject:** In support of Costa Clemente

Dear Teresa,

I'm writing you today to urge your support for the proposed Costa Clemente project in Angleton, Texas. Angleton desperately needs housing like this and a 'no' vote would virtually destroy the possibility of future growth for Angleton. Although that IS the apparent goal of those against the project, as there is no logical explanation otherwise, except for prejudice, the town deserves a chance to change for the better.

Please ignore the NIMBY arguments and the political pressure being applied for personal gain. Those citizens of Angleton's who can not afford to live in the neighborhoods opposed to this still deserve a clean, safe place to live and their rights to do so are protected by the law. Please vote 'yes' on this project.

Thank you,  
Carla Luan

**Teresa Morales**

---

**From:** Tracey Best [Tracey.Best@kbr.com]  
**Sent:** Tuesday, July 17, 2007 9:35 AM  
**To:** teresa.morales@tdhca.state.tx.us  
**Subject:** In support of Costa Clemente in Angleton, Texas

Dear Ms. Morales,

I'm writing you today in support of Costa Clemente in Angleton, Texas. Costa Clemente is desperately needed by those working parents and senior citizens of Angleton who now live in apartments that are twenty-five years old and in much need of repair. Even then, a waiting list of many weeks is in place. At Costa Clemente they will be in a safe, clean environment and their children protected. The added tax base to the city and county is an additional benefit.

**Please vote 'yes' for this project at your next meeting on July 30th.**

The citizens of Angleton deserve better and by law, they have a right to fair housing. Please don't let them down.

Thank you for your support of Costa Clemente.

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This e-mail, including any attached files, may contain confidential and privileged information for the sole use of the intended recipient. Any review, use, distribution, or disclosure by others is strictly prohibited. If you are not the intended recipient (or authorized to receive information for the intended recipient), please contact the sender by reply e-mail and delete all copies of this message.

Tracey Best  
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Angleton, TX

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Angleton, TX

**Teresa Morales**

---

**From:** Janmfreed@aol.com  
**Sent:** Wednesday, July 18, 2007 10:12 AM  
**To:** teresa.morales@tdhca.state.tx.us  
**Subject:** Costa Clemente

Dear Ms. Morales,

I'm writing you today in support of Costa Clemente in Angleton, Texas. Costa Clemente is desperately needed by those working parents and senior citizens of Angleton who now live in apartments that are twenty-five years old and in much need of repair. .Even then, a waiting list of many weeks is in place. At Costa Clemente they will be in a safe, clean environment and their children protected. The added tax base to the city and county is an additional benefit.

Please vote 'yes' for this project at your next meeting on July 30th.

The citizens of Angleton deserve better and by law, they have a right to fair housing. Please don't let them down.

Thank you for your support of Costa Clemente.

Sincerely,  
Jan Freed

---

Get a sneak peek of the all-new [AOL.com](http://AOL.com).

July, 2007

Received

JUL 19 2007

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

Dear Ms. Morales,

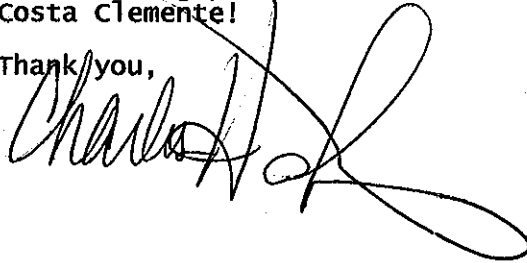
I'm writing you today to express my support for the Costa Clemente Project which will be coming before your board on July 30th. Angleton is in desperate need of affordable housing and passing up this opportunity would be a great dis-service to the community.

There is a great need for attractive AND affordable housing because mainly what exists there now is about 35 years old and in terrible condition. You definitely would not want your children or your parents to live there!

The proposed location for Costa Clemente is just perfect because it's close to two major highways and within walking distance of two schools.

Seniors on fixed incomes and working parents need all the help they can get. Please support Costa Clemente!

Thank you,





Received

JUL 19 2007

July, 2007

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

Dear Ms. Morales,

As a local educator, I am definitely in support of the Costa Clemente complex proposed for Angleton, TX. Similar to the attractive gated communities on Brazoswood Drive in Clute within walking distance of two schools, Costa Clemente will be an excellent location in Angleton providing students with a safe, convenient walk to West Side Elementary and Angleton Middle School.

I am also pleased that Costa Clemente includes an after-school program for homework and educational activities, as well as on-site security, giving additional support working parents need for their children to be successful.

With a waiting list for reputable, safe, and affordable housing in Angleton, there is no doubt that this is a worthy project much-needed by working parents and senior citizens.

Very sincerely,

Betty Marshall

July, 2007

JUL 19 2007

d!

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

Dear Ms. Morales,

Please support the Costa Clemente project. With a waiting list for reputable, safe, and affordable housing in Angleton, there is no doubt that this is a worthy project much-needed by working parents and senior citizens.

There is a waiting list for attractive and affordable housing in Angleton because what little is available is quite old and run-down; you would not want your children or your parents to live there.

The proposed location for Costa Clemente is just right because it is within convenient walking distance for children to the Angleton Middle School and West Side Elementary.

Please lend your support to this very worthwhile project!

Thank you so much,

A handwritten signature in cursive script that reads "Terese H. Galan". The signature is written in black ink and is positioned below the typed name "Terese H. Galan".

July, 2007

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

R. I  
JUL 13 2007

Dear Ms. Morales,

As a local educator, I am definitely in support of the Costa Clemente complex proposed for Angleton, TX. Similar to the attractive gated communities on Brazoswood Drive in Clute within walking distance of two schools, Costa Clemente will be an excellent location in Angleton providing students with a safe, convenient walk to West Side Elementary and Angleton Middle School.

I am also pleased that Costa Clemente includes an after-school program for homework and educational activities, as well as on-site security, giving additional support working parents need for their children to be successful.

With a waiting list for reputable, safe, and affordable housing in Angleton, there is no doubt that this is a worthy project much-needed by working parents and senior citizens.

Very sincerely,

Larry Weeks  
229 Red Oak Lt.  
Lake Jackson, TX  
77566

979-297-1952

July, 2007

**Received**

JUL 19 2007

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

Dear Ms. Morales,

As a local educator, I am definitely in support of the Costa Clemente complex proposed for Angleton, TX. Similar to the attractive gated communities on Brazoswood Drive in Clute within walking distance of two schools, Costa Clemente will be an excellent location in Angleton providing students with a safe, convenient walk to West Side Elementary and Angleton Middle School.

I am also pleased that Costa Clemente includes an after-school program for homework and educational activities, as well as on-site security, giving additional support working parents need for their children to be successful.

With a waiting list for reputable, safe, and affordable housing in Angleton, there is no doubt that this is a worthy project much-needed by working parents and senior citizens.

Very sincerely,

**Received**

JUL 19 2007

July, 2007

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

Dear Ms. Morales,

I'm writing you today to express my support for the Costa Clemente Project which will be coming before your board on July 30th. Angleton is in desperate need of affordable housing and passing up this opportunity would be a great dis-service to the community.

There is a great need for attractive AND affordable housing because mainly what exists there now is about 35 years old and in terrible condition. You definitely would not want your children or your parents to live there!

The proposed location for Costa Clemente is just perfect because it's close to two major highways and within walking distance of two schools.

Seniors on fixed incomes and working parents need all the help they can get. Please support Costa Clemente!

Thank you,

*Dorothy Stanley*

ANGLETON



*Heart of Brazoria County*

July 10, 2007

Centerline Holding Company and its successors and assigns  
Centerline Equity Issuer Trust and its successors and assigns  
625 Madison Avenue, 5<sup>th</sup> Floor  
New York, New York 10022

Well Fargo Bank, National Association, as trustee, and its successors and assigns  
MAC: T5017-241  
1021 Main Street, Suite 2403  
Houston, Texas 77002  
Attention: Corporate Trust Services

Centerline Investor LP LLC, and its successors and assigns  
Centerline SLP LLC, and its successors and assigns  
625 Madison Avenue, 5<sup>th</sup> Floor  
New York, New York 10022

Re: Construction of a 176-Unit Multifamily Affordable Housing Project in the City of  
Angleton, Texas

Dear Sirs:

I am the City Manager of the City of Angleton, Texas and hereby certify to the following:

The entire parcel upon which the Project is located is zoned C-2 Commercial, which allows for residential development of a multi-family housing facility. This zoning designation allows the Project to be constructed and operated under the ordinances of the City.

Sincerely

Greg Smith  
City Manger



*Heart of Brazoria County*

July 9, 2007

Ms. Whitney Bailey

The NRP Group  
5309 Transportation Boulevard  
Cleveland, Ohio 44125

RE: Costa Clemente, Ltd.

Dear Ms. Bailey:

After thorough review of the subdivision plat as well as the building and infrastructure construction plans for the Costa Clemente development, the City of Angleton can confirm that it has the capacity to provide the water and sewer needs for the entire development. The City, through a third party contractor will also be able to provide trash collection services for the project.

The site for the Costa Clemente Apartments is located entirely within the corporate limits of the City of Angleton and is adjacent to a well established area of the city. Texas New Mexico Power is the electrical lines company franchisee for the city and has the ability to service the site. However, under Texas deregulation legislation, residents of Costa Clemente will have a choice as to who they actually purchase kilowatt hours from.

The natural gas franchisee for the City of Angleton is Centerpoint Energy and the telephone franchisee is AT&T. Under the existing franchise agreements between these two utilities and the City of Angleton, both utilities are respectively required to maintain excess capacity. Both utilities have confirmed that they have the capacity to serve the entire utility demands for the Costa Clemente development.

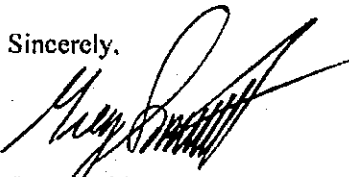
The installation of these facilities is subject to conformance with all legal regulations and requirements relating to platting, subdividing, governmental approvals and permits incidental to installing and maintaining the facilities as planned.

City of Angleton • 121 S. Velasco • Angleton, Texas 77515  
979-849-4364 • Fax: 979-849-5561  
<http://www.angleton.tx.us>

---

We welcome the opportunity to work with you in the development of this project. If I may provide additional assistance or answer any questions please contact me at (979) 849-4364.

Sincerely,

A handwritten signature in black ink, appearing to read "Greg Smith", written over a faint, illegible background.

Greg Smith  
City Manager





3 July 2007

Mr. Leonard Polk, P.E.  
Maintenance Support Engineer  
Texas Department of Transportation  
P.O. Box 1386  
Houston, TX 77251

Re: City of Angleton, Brazoria County,  
Costa Clemente – Proposed Cameron Drive tie in to S.H. 35

Dear Mr. Polk:

The City of Angleton supports to request for permit for Cameron Drive's connection to SH 35 in Angleton, Texas. This roadway serves as access to an important mix use development proposed for our City. We encourage the State to approve this Access Street Tie-In. The City of Angleton sponsors this permit request and will maintain Cameron Drive once constructed.

Please contact me if you have any questions or need any additional information concerning this permit request.

Sincerely,

Herbert S. Smith, P.E.  
City Engineer

Cc: Greg Smith, City Manager  
Robert Heinemeyer, DPW

ANGLETON



*Heart of Brazoria County*

July 10, 2007

Centerline Holding Company and its successors and assigns  
Centerline Equity Issuer Trust and its successors and assigns  
625 Madison Avenue, 5<sup>th</sup> Floor  
New York, New York 10022

Well Fargo Bank, National Association, as trustee, and its successors and assigns  
MAC: T5-17-241  
1021 Main Street, Suite 2403  
Houston, Texas 77002  
Attention: Corporate Trust Services

Centerline Investor LP LLC, and its successors and assigns  
Centerline SLP LLC, and its successors and assigns  
625 Madison Avenue, 5<sup>th</sup> Floor  
New York, New York 10022

Re: Construction of a 176-unit Multifamily Affordable Housing Project in  
the City of Angleton, Texas

Dear Sirs:

I am the City Manager of the City of Angleton, Texas and hereby certify to the following:

The approved plans for the Project are on file with the City Building Official. The only condition to obtaining such permits and approvals is the payment of the necessary fees required by our office, and the final approval of the City Engineer.

Sincerely,

Greg Smith  
City Manager



11 July 2007

Mr. Greg Smith, City Manager  
City of Angleton, Texas  
121 S. Velasco  
Angleton, Texas 77515

RE: Civil Infrastructure Plans, Costa Clemente Development

Dear Greg:

I have reviewed the drawings submitted to me by Lentz Engineering, L.C. in response to my memorandum of review dated 25 June 2007.

The plans, as submitted, satisfactorily address the issues we raised in our memorandum and therefore I offer no objection to the Building Official issuing a permit for this project.

Thank you for the opportunity to working with you in reviewing the planning for this project. Please contact me if you have questions concerning this Letter of No Objection.

Sincerely,

Herbert S. Smith, P.E.  
City Engineer (Consulting)

THIS ITEM HAS BEEN PULLED  
FROM THE AGENDA

**MULTIFAMILY FINANCE PRODUCTION DIVISION**

**BOARD ACTION REQUEST**

**July 30, 2007**

**Action Item**

Presentation, Discussion, and Possible Approval of the Final Commitments from the 2007 State Housing Credit Ceiling for the Allocation of Competitive Housing Tax Credits and the Waiting List for the 2007 Housing Tax Credit Application Round.

**Requested Action**

Approve, deny, or approve with amendments:

- 3 A list of recommended Applications for Final Commitments of Housing Tax Credits from the 2007 State Housing Credit Ceiling; and
- 3 A 2007 Housing Tax Credit Waiting List.

**Background and Recommendations**

The Board is required by §2306.6724(f) of the Texas Government Code to “issue final commitments for allocations of housing tax credits each year in accordance with the qualified allocation plan not later than July 31.” Further, the Board is required by §2306.6711(c) of the Texas Government Code to “establish a waiting list of additional Applications ranked by score in descending order of priority based on set-aside categories and regional allocation goals” concurrently with the initial issuance of commitments for Competitive Housing Tax Credits (“tax credits”). This agenda item satisfies these two requirements for the 2007 Competitive Housing Tax Credit (“HTC”) Application Round.

The Competitive Housing Tax Credit recommendations for July 30, 2007 are presented in a separate one-volume Board Book. The volume contains the following information that reflects the recommendations of the Executive Award and Review Advisory Committee (“EARAC”):

- Ø Report 1: 2007 Competitive Housing Tax Credit Award Recommendations (only shows those Applications recommended for an award of 2007 tax credits)
- Ø Report 2: 2007 Competitive Housing Tax Credit Award Recommendations, Nonprofit Set-Aside (only shows those Applications recommended for an award from the Nonprofit Set-Aside)
- Ø Report 3: 2007 Competitive Housing Tax Credit Award Recommendations and Waiting List (shows those Applications recommended for an award and the waiting list of all active Applications not recommended for an award)

***Located in the Board Material Addendum***

- Ø Report 4: Development Information, Public Input and Board Summary (provided in Development number order for all active Applications)
- Ø Real Estate Analysis Report
- Ø Portfolio Management and Compliance Applicant Evaluations

**I. REGIONAL ALLOCATION FORMULA AND SET-ASIDES**

The State Housing Credit Ceiling (“credit ceiling”) for 2007 totals **\$47,695,110**. This figure is an increase from the figure presented to the Board at the June 28, 2007 meeting, which was stated as \$47,560,357. The increase is attributed to \$19,733 in tax credits returned during the cost certification process, and \$7,821 in tax credits carried forward from the 2006 credit ceiling. These tax credits were returned to the 2007 credit ceiling using the regional allocation formula. Additionally, \$107,199 in tax credits from the 2005 Application Round were returned from a Development in Region 13, Urban/Exurban Regional Allocation. This amount has been added to the tax credits available in the Region 13 Urban/Exurban Regional Allocation, and to the total State Housing Credit Ceiling. These figures total \$134,753 and, when added to the figure presented to the Board on June 28, 2007, generate the new figure bolded above.

As required by §2306.111 of the Texas Government Code, and further codified in §49.7(a) of the 2007 Qualified Allocation Plan and Rules (“QAP”), the Department utilizes a regional allocation formula to distribute housing tax credits from the credit ceiling. There are 13 Uniform State Service Regions which receive varying portions of the credit ceiling based on need in those regions. A map of those regions follows this Board Action Request. Each region is further divided into two allocations: a Rural Regional Allocation and an Urban/Exurban Regional Allocation. Based on the regional allocation formula, each of these 26 geographic areas, or sub-regions, is targeted to receive a specific amount of tax credits.

***Nonprofit Set-Aside***

As required by §49.7(b) of the 2007 QAP, several Set-Asides/allocations are also required to be met with 2007 Housing Tax Credits. The only federally legislated Set-Aside is the Nonprofit Set-Aside, which requires that at least 10% of the credit ceiling be allocated to Qualified Nonprofit Developments. As described in §49.9(d), Applications in the Nonprofit Set-Aside compete with Applications in the general pool, rather than competing with one another in a separate pool. Only if the 10% Set-Aside is not met when evaluating Applications based on score, will the Department then add the highest scoring Qualified Nonprofit Developments statewide until the 10% Nonprofit Set-Aside is met. It should be noted that for the 2007 credit ceiling, the Nonprofit Set-Aside is satisfied purely through the general scoring competitiveness; it is unnecessary to add additional Nonprofit Applications for non-scoring reasons.

***At-Risk Set-Aside and USDA Allocation***

Pursuant to §49.7(b)(2) of the 2007 QAP, an At-Risk Set-Aside, which is legislated by Texas Government Code, also requires that at least 15% of every region’s allocation be awarded to existing Developments that are at risk of losing their affordability. Pursuant to §49.7(a) of the 2007 QAP, there is also a United States Department of Agriculture (“USDA”) Allocation that

requires that at least 5% of every region’s allocation be awarded to Developments that are funded by USDA. Both the At-Risk Set-Aside and the USDA Allocation are awarded on a regional basis, not a statewide basis. Applicants are permitted to apply in all Set-Asides for which they are eligible.

The table below reflects the portion of the State Housing Credit Ceiling available to each region, the amount of tax credits dedicated to the Rural Allocation and the Urban/Exurban Allocation, as well as the proportional amount of each regional allocation that must be allocated to the At-Risk Set-Aside and the USDA Allocation.

<b>Region</b>	<b>Regional Allocation</b>	<b>Rural Allocation</b>	<b>Urban Allocation</b>	<b>USDA Target for Region</b>	<b>At-Risk Target for Region</b>
1	\$2,235,890	\$1,130,893	\$1,104,997	111,795	335,384
2	\$1,549,740	\$798,099	\$751,641	77,487	232,461
3	\$9,171,731	\$704,007	\$8,467,724	458,587	1,375,760
4	\$2,439,014	\$1,445,350	\$993,663	121,951	365,852
5	\$1,456,237	\$759,961	\$696,276	72,812	218,436
6	\$11,349,523	\$545,781	\$10,803,741	567,476	1,702,428
7	\$2,551,062	\$269,467	\$2,281,595	127,553	382,659
8	\$2,629,068	\$571,479	\$2,057,589	131,453	394,360
9	\$3,013,098	\$807,723	\$2,205,375	150,655	451,965
10	\$1,680,545	\$872,315	\$808,230	84,027	252,082
11	\$5,974,191	\$2,175,228	\$3,798,963	298,710	896,129
12	\$1,386,899	\$406,927	\$979,972	69,345	208,035
13	\$2,258,112	\$284,967	\$1,973,146	112,906	338,717

## **II. APPLICATION SUBMISSIONS**

There were 212 Pre-Applications submitted reflecting a total request for housing tax credits of \$156,807,174. Subsequently there were 111 full Applications submitted with a total request for tax credits of \$86,638,613. At the time of this posting, 9 of the 111 Applications have been withdrawn by the Applicant. Additionally, 8 Developments already received a forward commitment by the Board in 2006 out of the 2007 State Housing Tax Credit Ceiling, and 52 Applications from 2004 already received additional credit increases out of the 2007 State Housing Credit Ceiling pursuant to the Final Policy for Addressing Cost Increases for 2004 and 2005 Competitive Housing Tax Credit Developments (“Final Cost Increase Policy”). Therefore, there are 102 approved Applications currently competing for housing tax credits.

## **III. APPLICATION EVALUATION**

### ***Evaluation and Review***

Central to the each Application Round is the Department’s commitment to ensuring fairness and consistency in evaluating all Applications and ensuring adherence to all required guidelines. In accordance with §49.9(d) of the 2007 QAP, each Application was assessed based on either the

Applicant's self-score or the Department's preliminary score, region, and any Set-Asides that the Application indicated it was eligible for, and was reviewed for eligibility consistent with §49.5 of the 2007 QAP.

Staff reviewed Threshold and Selection Criteria using a system of peer reviews to confirm the accuracy of the scores awarded and to maintain consistency in the interpretation of the criteria requirements. Those Applications that appeared to be most competitive were reviewed in detail for Threshold Criteria and financial feasibility

The Portfolio Management and Compliance Division reviewed all recommended Applications for instances of Material Noncompliance, with the exception of Application 07162, located in Region 5; Application 07162 will be evaluated prior to the July 30, 2007 Board meeting.

### ***Public Comment***

The Department held 13 public hearings in April 2007 in each of the 13 Uniform State Service Regions to receive comments from citizens, neighborhood groups, and elected officials concerning the 2007 Applications. In addition, the Department accepted written comments on all Applications, pursuant to §49.11(a)(9) of the 2007 QAP. The hearings and written comments provided valuable information regarding the need for and the impact of awarding tax credits to many Developments. A summary of the public comment received for each Application is provided in each Application's Development Information, Public Input and Board Summary ("Board Summary") report.

### ***Ineligibility Items***

Consistent with §49.5(a)(7) of the 2007 QAP, the Department may not award tax credits to any Development that is located in a municipality that has "more than twice the state average of units per capita supported by Housing Tax Credits or private activity bonds." All potential violations of this rule have been resolved by the Applicant, if necessary, by obtaining a resolution from the local government, which is the permitted exemption under the rule.

Consistent with §49.5(a)(8) of the 2007 QAP, there are no existing violations of the "one-mile, three-year test." This rule prohibits the award of any Application within one mile of any existing tax credit or tax-exempt bond development approved within the past three years within Dallas, Harris, Tarrant, and Bexar counties. Those Applications originally identified as having a potential violation of this rule have resolved this issue by the Applicant satisfying one of the exemptions which include having HOPE VI funds, serving a different population (family rather than elderly), or most commonly, having obtained a resolution from the local government which is a permitted exemption under the statute.

Consistent with §49.6(f) of the 2007 QAP, staff is not making any recommendations that would cause a violation of the "one-mile, same-year test." This rule prohibits the Department from allocating Competitive Housing Tax Credits to an Application with a proposed site that is within one mile of any other Application's proposed site awarded in the same calendar year. Any Applications that might potentially violate this rule have been identified and duly noted in the



reports provided as exhibits to this Board Action Request. No recommendations are being made that would violate this rule.

Consistent with §49.5(b)(4) and (5) of the 2007 QAP, an Applicant is ineligible if they have “failed to pay in full any fees within 30 days of when they were billed by the Department,” or if they have failed to make all loan payments to the Department in accordance with the loan, or was otherwise in default. All Applications with the exception of Application 07162 in Region 5 have been evaluated under this section, and are eligible under this section. Application 07162 will be evaluated prior to the July 30, 2007 Board meeting.

Consistent with §49.6(d) of the 2007 QAP, the Department “shall not allocate more than \$2 million of tax credits in any given Application Round to any Applicant, Developer, Related Party or Guarantor.” Staff has reviewed all documentation provided in the Applications to monitor this credit limitation and has ensured that no recommendations are being made that would violate this rule.

Consistent with §49.6(g) of the 2007 QAP, the Department will not “allocate housing tax credits for a Competitive Housing Tax Credit or Tax Exempt Bond Development located in a census tract that has more than 30% Housing Tax Credit Units per total households in the census tract as established by the U.S. Census Bureau for the most recent Decennial Census.” No Applications violate this rule; therefore, no recommendations are being made that would violate this rule.

Consistent with §49.6(j) of the 2007 QAP, “Developments will be ineligible if the Development is located on a site that is determined to be unacceptable by the Department.” All sites have been inspected utilizing the Department’s Application Site Inspection Report and none of the active Applications were classified as “Unacceptable.”

#### **IV. STAFF RECOMMENDATION PROCESS**

In making recommendations, staff relied on regional allocations, set-aside requirements and scores.

Please note that at this time, a feasibility analysis and compliance review have been completed for all Applications recommended for award and specific Board requests, with the exception of Application 07162 in Region 5, but have not been completed for all Applications recommended for the waiting list. The recommended credit amounts are noted with an asterisk if the credit amount is not yet evaluated; in these cases the credit amount reflected is the credit amount requested. If an Underwriting Report has not been completed for an Application, the Application may still be found to be infeasible, have the credit amount reduced and/or may have additional conditions placed on the allocation and the credit award will not exceed the requested amount. All recommendations made by staff are subject to underwriting conditions.

**If any scoring adjustments occur after the posting of this book on July 23, 2007, staff will verbally notify the Board of any proposed changes to the recommendation list based on those scoring adjustments at the July 30, 2007 Board meeting. Furthermore, on July 30,**

**2007, prior to approving a list of recommended Housing Tax Credit allocations, the Board will hear appeals that were timely filed by Applicants. After the Board has acted on those appeals, staff will reevaluate the list of recommendations to determine if the recommendations should change based on the impact of any successful appeals. If appeals affect the list, staff will verbally notify the Board of any proposed changes to the recommendation list based on those scoring adjustments at the Board meeting on July 30, 2007.**

### ***Recommendation Methodology***

The first recommendation(s) in each region is made by first selecting the Application(s) with the highest score(s) in the At-Risk Set-Aside and USDA Allocation within each Uniform State Service Region, and making award recommendations until the minimum requirement for each of those Set-Asides is met. Those awards are appropriately attributed to either the Rural or Urban/Exurban Regional Allocation.

After recommendations are made to ensure satisfaction of the At-Risk Set-Aside and USDA Allocation, recommendations for awards of remaining funds within each Uniform State Service Region are made based on the highest scoring Developments in each of the 26 sub-regions, regardless of Set-Aside, without exceeding the credit amounts available for the Rural Regional Allocation and Urban/Exurban Regional Allocation in each region. By not exceeding the amounts available, in many instances, there will be a significant balance of tax credits.

Tax credits from the Rural Regional Allocation and Urban/Exurban Regional Allocation are then combined together in each region. If the next eligible Application in the Rural Regional Allocation or Urban/Exurban Regional Allocation is less than the remaining tax credits in the region, then that Application is selected; however, if both Rural and Urban/Exurban areas in the region have Applications that are requesting less than the remaining tax credits in that Uniform State Service Region, then the Application in the sub-region whose shortfall of tax credits being recommended would have been the most significant portion of their targeted sub-regional allocation will be selected.

Any tax credits that have not been utilized after the “regional collapse” described above are combined together with the other regional amounts. These tax credits will be allocated to the Application(s) in the sub-region whose shortfall of tax credits being recommended would have been the most significant portion of their targeted sub-regional allocation. However, once a region’s awarded tax credits exceed the total allocation for that region no other Applications will be selected. This process will be used to make additional recommendations until the addition of the next highest scoring Application in the next sub-region on the descending list would force an over-allocation of the total State Housing Credit Ceiling, which can not occur.

The number of competing Applications recommended for an allocation of 2007 Housing Tax Credits is 54, which does not include 8 Developments that received a forward commitment by the Board in 2006 out of the 2007 State Housing Tax Credit Ceiling, or the 52 Applications from 2004 that received additional credit increases out of the 2007 State Housing Credit Ceiling pursuant to the Final Cost Increase Policy. The total amount recommended, including the forward commitments and awards pursuant to the Final Cost Increase Policy, is \$47,695,110. In order to fully award the next Application, #07234, Tuscan Park at Buda, which is eligible for an

award in the state collapse, in the amount of \$1,200,000, \$339,505 in tax credits is needed from the 2008 State Housing Credit Ceiling. **Staff recommends the Board approve the balance of \$339,505 needed to award all recommended Developments as a Forward Commitment from the 2008 State Housing Credit Ceiling with the understanding that any returned tax credits between the Board's decision and the end of the year will be placed towards this deficit before awarding to an Application on the Waiting List.**

#### **V. DISCUSSION OF OUTSTANDING EVIDENCE FOR ADDITIONAL FUNDING AND ZONING**

Two selection criteria items under the 2007 QAP require Applicants to substantiate evidence of funding at the time their Commitment Notice is due, which is ten days from the date the Commitment Notice is issued: Commitment of Development Funding by Local Political Subdivisions and Leveraging of Private, State, and Federal Resources. These requirements are reflected in the Board Summary report for each Application as a condition to the award. The deadline for submission of the conditions of the Commitment Notice will not be extended beyond the ten-day deadline as it relates to the submission of this documentation to ensure that there is sufficient time to reissue the tax credits to other fully compliant Applications. The 2007 QAP clearly dictates how the handling of these funds will occur: if the funding commitment is not received with the Commitment Notice, the Application will be evaluated to determine if the loss of these points would have resulted in the Department's not committing the tax credits. If the loss of points would have made the Application noncompetitive, the Commitment Notice will be rescinded and the tax credits reallocated.

If the Application would still be competitive even with the loss of points and the loss would not have impacted the recommendation for an award, the Application will be reevaluated for financial feasibility. If the Application is infeasible without the funds, the Commitment Notice will be rescinded and the tax credits reallocated.

Additionally, evidence of final zoning is required to be submitted to the Department at the time the Commitment Notice is due. If awarded Applicants are unable to provide the appropriate evidence by the deadline of the Commitment Notice, tax credits awarded will be rescinded.

In the event that tax credits must be rescinded, the Department will issue a notice of rescission to the Applicant. The rescission will be eligible for an appeal at the Executive Director and Board levels at the option of the Applicant. Tax credits will not be reissued to another Applicant until the Applicant appealing the rescission has pursued the appeals process or indicates in writing that an appeal will not be submitted. The Commitment Fee must be submitted with the Commitment Notice; however, in the event that all appeals are denied and the tax credits remain rescinded the Commitment Fee will be refunded.

When a rescission is final and appeals have been exhausted, the Department will recommend to the Board that the next appropriate Application on the waiting list be awarded tax credits. To the extent that the Application needs to substantiate funding from the local political subdivision, the same timing and processes noted above will apply.

## VI. STAFF RECOMMENDATION – WAITING LIST

Consistent with §49.10(b) of the 2007 QAP, “...the Board shall generate, concurrently with the issuance of commitments, a waiting list of additional Applications ranked by score in descending order of priority based on Set-Aside categories and regional allocation goals....”

Staff recommends that the Board consider the waiting list to be composed of all Applications that have not been approved by the Board for a commitment of 2007 Housing Tax Credits, and have not been terminated by the Department or withdrawn by the Applicant. Staff further recommends that the report entitled “Report 3: 2007 Competitive Housing Tax Credit Award Recommendations and Waiting List” as approved or amended and approved by the Board today be accepted as the waiting list “ranked by score in descending order of priority” for regional allocation purposes.

Developments will be awarded from the waiting list as follows:

- € If tax credits are returned from the Nonprofit Set-Aside, and the return of tax credits causes the Department to achieve less than the required 10% Set-Aside, the next highest scoring Qualified Nonprofit Development will be recommended for a commitment to the Board, regardless of the region in which it is located. If tax credits are returned from the Nonprofit Set-Aside, and the return of tax credits does not cause the Department to go below the required 10% Set-Aside, then the next highest scoring Development in the region of the returned tax credits will be recommended for a commitment to the Board, regardless of Set-Aside.
- € If tax credits are returned from the USDA Allocation (which is applied regionally), and the return of tax credits causes the Department to achieve less than the required 5% Allocation within that region, the next highest scoring USDA Development from that region’s waiting list will be recommended to the Board for a commitment. If tax credits are returned from the USDA Allocation, and the return of tax credits does not cause the Department to go below the required 5% Allocation within that region, then the next highest scoring Development in the region of the returned tax credits will be recommended for a commitment to the Board, regardless of Set-Aside.
- € If tax credits are returned from the At-Risk Set-Aside (which is applied regionally), and the return of tax credits causes the Department to achieve less than the required 15% Set-Aside within that region, the next highest scoring At-Risk Development from that region’s waiting list will be recommended for a commitment to the Board. If tax credits are returned from the At-Risk Set-Aside, and the return of tax credits does not cause the Department to go below the required 15% Set-Aside within that region, then the next highest scoring Development in the region of the returned tax credits will be recommended for a commitment to the Board, regardless of Set-Aside.
- € For all other Developments, if tax credits are returned from a Development not associated with any Set-Aside, the next highest scoring Development from that region’s waiting list, regardless of inclusion in a Set-Aside, will be recommended for a commitment to the Board.

Developments on the waiting list not yet underwritten must still be found to be Acceptable, or Acceptable with Conditions, by the Real Estate Analysis Division. Credit amounts and conditions

are subject to change based on underwriting and underwriting appeals. Allocations from the waiting list remain subject to review by the Portfolio Management and Compliance Division to ensure no issues of Material Noncompliance exist. In the event that the credit amount returned is insufficient to fund the full credit recommendation, the Applicant will be offered an opportunity to adjust the size of their Development, and if they decline staff will contact the Applicant for the Application that is next on the waiting list. Staff will also review to ensure that no awards from the waiting list would cause a violation of any sections of the 2007 QAP (for example, the \$2 million credit limitation, the one-mile rules, etc.).

## **VII. REQUESTED BOARD ACTION**

In summary, staff is seeking action on the following:

- 1. Approval of the Staff Recommendations to Issue Commitments for Allocations of Competitive Housing Tax Credits to Applications in the 2007 Application Round (as amended and approved by the Board); and**
- 2. Approval of a waiting list as outlined in “Report 3: 2007 Competitive Housing Tax Credit Award Recommendations and Waiting List” (as amended and approved by the Board). The waiting list is composed of all Applications that have not been recommended for an allocation and have not been terminated or withdrawn. The recommended prioritization of the waiting list for approval is as discussed above.**
- 3. In situations where any condition of the Commitment Notice is not substantiated by the required deadline, approval to grant Commitment Notices without first bringing the decision to the Board for approval, but conditioned on ratification of that action by the Board at the next subsequent meeting. This will ensure that the subsequent awardee being allocated has time to proceed.**

**Please note that, with the exception of the \$339,505 to make Application #07234, Tuscany Park at Buda complete, Board action relating to the award of 2008 Forward Commitments is not on this agenda. That will be presented for Board action on August 23, 2007.**



**Report 1: 2007 Competitive HTC Award Recommendations - July 30, 2007\*\***

**Sorted by Region, Allocation, Recommendation Status and Final Score**

**(Report Includes Applications Recommended for Award Only)**

**State Ceiling to be Allocated: \$47,695,110\***

Region	File #	Status <sup>1</sup>	Development Name	Address	City	Alloc. <sup>2</sup>	Set-Asides <sup>3</sup> USDA NP AR	Housing <sup>4</sup> Activity	LI Units	Total Units	Target <sup>5</sup>	ACQ <sup>6</sup>	Recommended Credit	Owner Contact	TDHCA HOME	Final Score	1 Mile 1 Year	Comment <sup>7</sup>
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**Region: 1**

<b>Allocation Information for Region 1:</b>	<b>Total Credits Available for Region: \$2,235,890</b>	<b>Rural Allocation: \$1,130,893</b>	<b>Urban/Exurban Allocation: \$1,104,997</b>
		<b>5% Required for USDA: \$111,795</b>	<b>15% Required for At-Risk: \$335,384</b>

**Applications Submitted in Region 1: Urban/Exurban**

07016	1	BA	Stone Hollow Village	1510 Cornell	Lubbock	U/EX	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	NC	112	140	G	<input type="checkbox"/>	\$18,676	Ron Hance	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
<b>Total:</b>											<b>112</b>	<b>140</b>			<b>\$18,676</b>					
07219	1	A	Canyons Retirement Community	2200 W. 7th Ave.	Amarillo	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	RH	106	111	E	<input checked="" type="checkbox"/>	\$876,745	Jamie Hayden	<input type="checkbox"/>	203	<input type="checkbox"/>	Competitive in Region
<b>Total:</b>											<b>106</b>	<b>111</b>			<b>\$876,745</b>					
<b>Total:</b>											<b>218</b>	<b>251</b>			<b>\$895,421</b>					

**Applications Submitted in Region 1: Rural**

07074	1	BA	La Mirage Villas	309 S.E. 15th	Perryton	R	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	RH	47	47	G	<input checked="" type="checkbox"/>	\$7,000	Patrick A. Barbolla	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
<b>Total:</b>											<b>47</b>	<b>47</b>			<b>\$7,000</b>					
07137	1	A	Hampton Villages	1600 Blk of Alcock St.	Pampa	R	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	76	76	G	<input type="checkbox"/>	\$1,038,857	Tim Lang	<input type="checkbox"/>	190	<input type="checkbox"/>	Significant Sub-Regional Shortfall in State Collapse
07117	1	A	Deer Creek Apartments	SE Corner of W. Ellis St. & MLK St.	Levelland	R	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	63	64	G	<input type="checkbox"/>	\$507,059	Justin Zimmerman	<input type="checkbox"/>	149	<input type="checkbox"/>	Competitive in USDA Allocation
<b>Total:</b>											<b>139</b>	<b>140</b>			<b>\$1,545,916</b>					
<b>Total:</b>											<b>186</b>	<b>187</b>			<b>\$1,552,916</b>					

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5 = Target Population Abbreviation: Intergenerational=Intg, Elderly/Transitional=ET, Elderly=E, General=G

6 = Acquisition=ACQ, Developments for which acquisition Housing Tax Credits are being requested

7 = Comment: Reason for Award Recommendation

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Region	File #	Status <sup>1</sup>	Development Name	Address	City	Alloc. <sup>2</sup>	Set-Asides <sup>3</sup>	Housing <sup>4</sup>	LI	Total	Target <sup>5</sup>	ACQ <sup>6</sup>	Recommended	Owner	TDHCA	Final	1 Mile,	Comment <sup>7</sup>	
							USDA	NP	AR	Units	Units		Credit	Contact	HOME	Score	1 Year		
5 Applications in Region							Region Total:		404	438			\$2,448,337						

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**Region: 2**

Allocation Information for Region 2: Total Credits Available for Region: \$1,549,740 Rural Allocation: \$798,099 Urban/Exurban Allocation: \$751,641  
 \*\*One previously awarded development, TDHCA number 060218, returned credits in the amount of \$214,749; this amount has been added to the original allocation for Region 2 Rural and to the state credit ceiling and is correctly reflected in the credits available. 5% Required for USDA: \$77,487 15% Required for At-Risk: \$232,461

**Applications Submitted in Region 2: Urban/Exurban**

07133	2	A	StoneLeaf at Tye	649 Scott St.	Tye	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	118	118	Intg	<input type="checkbox"/>	\$787,592	Mike Sugrue	<input type="checkbox"/>	198	<input type="checkbox"/>	Significant Sub-Regional Shortfall in Regional Collapse
<b>Total:</b>											<b>118</b>	<b>118</b>			<b>\$787,592</b>					
<b>Total:</b>											<b>118</b>	<b>118</b>			<b>\$787,592</b>					

**Applications Submitted in Region 2: Rural**

07058	2	BA	Wildwood Trails Apartments	1500 Davis Ln.	Brownwood	R	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	75	75	G	<input type="checkbox"/>	\$10,338	Vaughn Zimmerman	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement		
<b>Total:</b>											<b>75</b>	<b>75</b>			<b>\$10,338</b>							
07294	2	A	Grove at Brushy Creek	NE Corner of El Dorado & Patterson	Bowie	R	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	42	48	G	<input type="checkbox"/>	\$506,036	Eric Hartzell	<input type="checkbox"/>	186	<input type="checkbox"/>	Competitive in Region and USDA Allocation		
07194	2	A	377 Villas	4236 Hwy 377 S.	Brownwood	R	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	73	76	G	<input type="checkbox"/>	\$687,210	Justin MacDonald	<input type="checkbox"/>	184	<input type="checkbox"/>	Significant Sub-Regional Shortfall in State Collapse		
<b>Total:</b>											<b>115</b>	<b>124</b>			<b>\$1,193,246</b>							
<b>Total:</b>											<b>190</b>	<b>199</b>			<b>\$1,203,584</b>							
<b>4 Applications in Region</b>											<b>Region Total:</b>		<b>308</b>	<b>317</b>			<b>\$1,991,176</b>					

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**Region: 3**

<b>Allocation Information for Region 3:</b>	<b>Total Credits Available for Region: \$9,171,731</b>	<b>Rural Allocation: \$704,007</b>	<b>Urban/Exurban Allocation: \$8,467,724</b>
		<b>5% Required for USDA: \$458,587</b>	<b>15% Required for At-Risk: \$1,375,760</b>

**Applications Submitted in Region 3: Urban/Exurban**

07001	3	FWD	Fairway Crossing	7229 Ferguson Rd.	Dallas	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	RH	297	310	G	<input checked="" type="checkbox"/>	\$1,200,000	Len Vilicic	<input type="checkbox"/>	301	<input type="checkbox"/>	Forward Commitment
07091	3	FWD	City Walk at Akard	511 N. Akard	Dallas	U/EX	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	RH	204	209	G	<input checked="" type="checkbox"/>	\$1,242,595	John P. Greenan	<input type="checkbox"/>	301	<input type="checkbox"/>	Forward Commitment
07053	3	BA	Primrose at Highland	2100 Highland Ave.	Dallas	U/EX	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	NC	120	150	E	<input type="checkbox"/>	\$72,046	Deepak Sulakhe	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07040	3	BA	Samaritan House	929 Hemphill Ave.	Fort Worth	U/EX	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	RH	126	126	G	<input checked="" type="checkbox"/>	\$59,531	Steve Dutton	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07025	3	BA	Villas of Seagoville	600 E. Malloy Bridge Rd.	Seagoville	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	78	100	E	<input type="checkbox"/>	\$36,900	Deborah A. Griffin	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07031	3	BA	Frazier Fellowship	4700-4900 Hatcher St.	Dallas	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	NC	60	76	G	<input type="checkbox"/>	\$27,242	Tim Lott	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07028	3	BA	Preston Trace Apartments	8660 Preston Trace Blvd.	Frisco	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	RH	38	40	G	<input checked="" type="checkbox"/>	\$9,490	Dan Allgeier	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07017	3	BA	Spring Oaks Apartments	4317 Shepherd Ln.	Balch Springs	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	128	160	G	<input type="checkbox"/>	\$76,305	Ron Pegram	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07037	3	BA	Renaissance Courts	308 S. Ruddell St.	Denton	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	120	150	G	<input type="checkbox"/>	\$65,771	Shirley Nell Hensley	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07024	3	BA	Villas of Forest Hill	7400 Forest Hill Dr.	Forest Hill	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	78	100	E	<input type="checkbox"/>	\$36,629	Deborah A. Griffin	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
<b>Total:</b>											<b>1,249</b>	<b>1,421</b>		<b>\$2,826,509</b>						
07254	3	A	Evergreen at Farmers Branch	11701 Mira Lago Blvd.	Farmers Branch	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	90	90	E	<input type="checkbox"/>	\$1,194,940	Bradley E. Forslund	<input type="checkbox"/>	200	<input type="checkbox"/>	Competitive in Region
07289	3	A	Peachtree Seniors	5009 S. Peachtree Rd.	Balch Springs	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	144	144	E	<input type="checkbox"/>	\$1,161,000	Ron Pegram	<input type="checkbox"/>	200	<input type="checkbox"/>	Competitive in Region

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File #	Region	Status <sup>1</sup>	Development Name	Address	City	Alloc. <sup>2</sup>	Set-Asides <sup>3</sup>			Housing <sup>4</sup> Activity	LI Units	Total Units	Target <sup>5</sup>	ACQ <sup>6</sup>	Recommended Credit	Owner Contact	TDHCA HOME	Final Score	1 Mile, 1 Year	Comment <sup>7</sup>		
							USDA	NP	AR													
07149	3	A	Residences at Eastland	5500 Eastland St.	Fort Worth	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	140	146	G	<input type="checkbox"/>	\$1,200,000	Dan Allgeier	<input type="checkbox"/>	195	<input type="checkbox"/>	Competitive in Region		
07126	3	A	Oak Timbers-Caplin Drive	1301 Caplin Dr. & 4801 S. Collins St.	Arlington	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	112	112	E	<input type="checkbox"/>	\$897,393	A.V. Mitchell	<input type="checkbox"/>	195	<input type="checkbox"/>	Competitive in Region		
07166	3	A	Jeremiah Seniors	909 W. Hurst Blvd.	Hurst	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	135	135	E	<input type="checkbox"/>	\$989,447	Tim Valentine	<input type="checkbox"/>	193	<input type="checkbox"/>	Competitive in Region		
<b>Total:</b>											<b>621</b>	<b>627</b>			<b>\$5,442,780</b>							
<b>Total:</b>											<b>1,870</b>	<b>2,048</b>			<b>\$8,269,289</b>							
<b>Applications Submitted in Region 3:</b>			<b>Rural</b>																			
07032	3	BA	Churchill at Commerce	731 Culver	Commerce	R	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	NC	90	100	G	<input type="checkbox"/>	\$52,598	Bradley E. Forslund	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement		
07069	3	BA	Briarwood Apartments	513 E. 6th St.	Kaufman	R	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	RH	48	48	G	<input checked="" type="checkbox"/>	\$7,000	Patrick A. Barbolla	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement		
<b>Total:</b>											<b>138</b>	<b>148</b>			<b>\$59,598</b>							
07167	3	A	Meadowlake Village Apartments	209 Grand Ave.	Mabank	R	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	RH	40	40	G	<input checked="" type="checkbox"/>	\$174,797	Warren Maupin	<input type="checkbox"/>	113	<input type="checkbox"/>	Competitive in At-Risk Set-Aside		
<b>Total:</b>											<b>40</b>	<b>40</b>			<b>\$174,797</b>							
<b>Total:</b>											<b>178</b>	<b>188</b>			<b>\$234,395</b>							
<b>18 Applications in Region</b>											<b>Region Total:</b>		<b>2,048</b>	<b>2,236</b>			<b>\$8,503,684</b>					

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**Region: 4**

<b>Allocation Information for Region 4:</b>	<b>Total Credits Available for Region:</b> \$2,439,014	<b>Rural Allocation:</b> \$1,445,350	<b>Urban/Exurban Allocation:</b> \$993,663
		<b>5% Required for USDA:</b> \$121,951	<b>15% Required for At-Risk:</b> \$365,852

**Applications Submitted in Region 4: Urban/Exurban**

07096	4	FWD	Moore Grocery Lofts	408 & 410 N. Broadway	Tyler	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC/RH	88	88	G	<input checked="" type="checkbox"/>	\$748,845	Jim Sari	<input type="checkbox"/>	301	<input type="checkbox"/>	Forward Commitment
<b>Total:</b>											<b>88</b>	<b>88</b>			<b>\$748,845</b>					
<b>Total:</b>											<b>88</b>	<b>88</b>			<b>\$748,845</b>					

**Applications Submitted in Region 4: Rural**

07043	4	BA	Gardens of Gladewater	108 N. Lee Dr.	Gladewater	R	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	34	36	E	<input type="checkbox"/>	\$24,972	George D. Hopper	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement		
<b>Total:</b>											<b>34</b>	<b>36</b>			<b>\$24,972</b>							
07118	4	A	Lakeside Apartments	1 Blk E. of S. Jefferson St. & Tenneson Rd.	Mount Pleasant	R	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	63	64	G	<input type="checkbox"/>	\$520,342	Justin Zimmerman	<input type="checkbox"/>	190	<input type="checkbox"/>	Competitive in Region and USDA Allocation		
07295	4	A	Bluestone	Hwy 198 at Manning St. and Paschall St.	Mabank	R	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	73	76	G	<input type="checkbox"/>	\$758,354	Eric Hartzell	<input type="checkbox"/>	189	<input type="checkbox"/>	Competitive in Region		
<b>Total:</b>											<b>136</b>	<b>140</b>			<b>\$1,278,696</b>							
<b>Total:</b>											<b>170</b>	<b>176</b>			<b>\$1,303,668</b>							
<b>4 Applications in Region</b>											<b>Region Total:</b>		<b>258</b>	<b>264</b>			<b>\$2,052,513</b>					

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**Region: 5**

Allocation Information for Region 5: Total Credits Available for Region: \$1,456,237 Rural Allocation: \$759,961 Urban/Exurban Allocation: \$696,276  
 \*\*The estimated allocation based on the regional allocation formula for 2007 for Region 5 is \$1,456,237. In 2006 to address pressing disaster relief needs, the TDHCA Board forward allocated the 2007 credits in an amount of \$1,452,903. Therefore, all 2007 credits for Region 5 Rural have already been committed, and a balance of \$3,334 remains in Region 5, Urban/Exurban. 5% Required for USDA: \$72,812 15% Required for At-Risk: \$218,436

**Applications Submitted in Region 5: Urban/Exurban**

07026	5	BA	O.W. Collins Apartments	4440 Gulfway Dr.	Port Arthur	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	RH	200	200	E	<input checked="" type="checkbox"/>	\$40,084	K.T. (Ike) Akbari	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
<b>Total:</b>											<b>200</b>	<b>200</b>		<b>\$40,084</b>						
07162	5	A	Pointe North	3710 Magnolia	Beaumont	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	RC	158	158	G	<input type="checkbox"/>	\$1,200,000	Robert Reyna	<input type="checkbox"/>	193	<input type="checkbox"/>	Significant Sub-Regional Shortfall in State Collapse
<b>Total:</b>											<b>158</b>	<b>158</b>		<b>\$1,200,000</b>						
<b>Total:</b>											<b>358</b>	<b>358</b>		<b>\$1,240,084</b>						

**Applications Submitted in Region 5: Rural**

07092	5	FWD	Prospect Point	201 Premier Dr.	Jasper	R	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	69	72	G	<input type="checkbox"/>	\$722,842	Eric Hartzell	<input checked="" type="checkbox"/>	301	<input type="checkbox"/>	Forward Commitment
07093	5	FWD	Cypresswood Crossing	Hwy 87 at Hwy 105	Orange	R	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	76	76	G	<input type="checkbox"/>	\$636,962	K.T. (Ike) Akbari	<input type="checkbox"/>	301	<input type="checkbox"/>	Forward Commitment
07011	5	BA	Park Estates	1200 Blk	Nacogdoches	R	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	34	36	G	<input type="checkbox"/>	\$26,141	Mark Musemeche	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07018	5	BA	Pineywoods Community Orange	36 Scattered Sites in East Town of Orange, TX	Orange	R	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	NC	36	36	G	<input type="checkbox"/>	\$26,874	Doug Dowler	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
<b>Total:</b>											<b>215</b>	<b>220</b>		<b>\$1,412,819</b>						
<b>Total:</b>											<b>215</b>	<b>220</b>		<b>\$1,412,819</b>						

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Region	File #	Status <sup>1</sup>	Development Name	Address	City	Alloc. <sup>2</sup>	Set-Asides <sup>3</sup>	Housing <sup>4</sup>	LI	Total	Target <sup>5</sup>	ACQ <sup>6</sup>	Recommended	Owner	TDHCA	Final	1 Mile,	Comment <sup>7</sup>	
							USDA	NP	AR	Units	Units		Credit	Contact	HOME	Score	1 Year		
6 Applications in Region							Region Total:		573	578			\$2,652,903						

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**Region: 6**

**Allocation Information for Region 6: Total Credits Available for Region: \$11,349,523 Rural Allocation: \$545,781 Urban/Exurban Allocation: \$10,803,741**

**\*\*Three previously awarded developments, TDHCA numbers 04200, 04203, and 060004 returned credits in the amount of \$487,554; \$401,044 has been added to the original allocation for Region 6 Urban/Exurban, \$86,510 has been added to the original allocation for Region 6 Rural, and \$487,554 has been added to the state credit ceiling and is correctly reflected in the credits available.**

**5% Required for USDA: \$567,476 15% Required for At-Risk: \$1,702,428**

**Applications Submitted in Region 6:**

**Urban/Exurban**

07054	6	BA	Commons of Grace Senior	8900 Tidwell	Houston	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	86	108	ET	<input type="checkbox"/>	\$48,106	Deepak Sulakhe	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement	
07010	6	BA	South Union Place	7210 Scott St.	Houston	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	100	125	ET	<input type="checkbox"/>	\$19,572	John N. Barineau	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement	
07020	6	BA	Baybrook Park Retirement Center	500 Texas Ave. West	Webster	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	80	100	E	<input type="checkbox"/>	\$39,863	Barry Kahn	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement	
07022	6	BA	Redwood Heights Apartments	7300 Jensen Dr.	Houston	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	76	96	G	<input type="checkbox"/>	\$41,991	Rick J. Deyoe	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement	
07041	6	BA	Village on Hobbs Road	6000 Hobbs Rd.	League City	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	80	100	E	<input type="checkbox"/>	\$50,356	Thomas H. Scott	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement	
07042	6	BA	Oxford Place	605 Berry Rd.	Houston	U/EX	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	NC	200	250	G	<input type="checkbox"/>	\$114,593	Horace Allison	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement	
07051	6	BA	Lake Jackson Manor	100 Garland	Lake Jackson	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	80	100	E	<input type="checkbox"/>	\$37,014	H. Elizabeth Young	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement	
07060	6	BA	Freeport Oaks Apartments	NE Corner of Ave. J & Skinner St.	Freeport	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	80	100	G	<input type="checkbox"/>	\$39,216	Les Kilday	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement	
07062	6	BA	Lansborough Apartments	10050 Cullen Blvd.	Houston	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	141	176	G	<input type="checkbox"/>	\$77,147	Margie Lee Bingham	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement	
<b>Total:</b>											<b>923</b>	<b>1,155</b>			<b>\$467,858</b>						
07210	6	A	New Hope Housing at Bray's Crossing	6311 Gulf Freeway	Houston	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	RH	149	149	G	<input checked="" type="checkbox"/>	\$680,321	Joy Horak-Brown	<input type="checkbox"/>	209	<input type="checkbox"/>	Competitive in Region	

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File #	Region Status <sup>1</sup>	Development Name	Address	City	Alloc. <sup>2</sup>	Set-Asides <sup>3</sup>			Housing <sup>4</sup> Activity	LI Units	Total Units	Target <sup>5</sup>	ACQ <sup>6</sup>	Recommended Credit	Owner Contact	TDHCA HOME	Final Score	1 Mile, 1 Year	Comment <sup>7</sup>
						USDA	NP	AR											
07179	6 A	Villas at Goose Creek	SE Corner of N. Main St. & E. Defee St.	Baytown	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	22	22	G	<input type="checkbox"/>	\$242,318	Chris Presley	<input type="checkbox"/>	203	<input type="checkbox"/>	Competitive in Region
07203	6 A	Melbourne Apartments	3337 Mustang Rd.	Alvin	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	110	110	E	<input type="checkbox"/>	\$1,200,000	Alyssa Carpenter	<input type="checkbox"/>	203	<input type="checkbox"/>	Competitive in Region
07204	6 A	Notting Hill Gate Apartments	200 S.E. of Intersection of S. Gessner & Beltway 8	Missouri City	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	108	108	E	<input type="checkbox"/>	\$1,093,000	Alyssa Carpenter	<input type="checkbox"/>	203	<input type="checkbox"/>	Competitive in Region
07103	6 A	Oak Tree Village	2700 Blk of FM 1266	Dickinson	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	36	36	E	<input type="checkbox"/>	\$371,883	Charles Holcomb	<input type="checkbox"/>	202	<input type="checkbox"/>	Competitive in Region
07309	6 A	Glenwood Trails	Glenwood Dr. N. of Holton Ave.	Deer Park	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	114	114	G	<input type="checkbox"/>	\$942,176	Les Kilday	<input type="checkbox"/>	197	<input type="checkbox"/>	Competitive in Region
07300	6 A	Wentworth Apartments	SE of Corner of Timber Forest Dr. & FM 1960	Atascocita	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	90	90	E	<input type="checkbox"/>	\$907,000	Alyssa Carpenter	<input type="checkbox"/>	196	<input type="checkbox"/>	Competitive in Region
07310	6 A	Gardens at Friendswood Lakes	1400 Blk of FM 528	Friendswood	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	114	114	E	<input type="checkbox"/>	\$1,000,000	Les Kilday	<input type="checkbox"/>	196	<input type="checkbox"/>	Competitive in Region
07293	6 A	Morningstar Villas	3500 Blk of Magnolia Ave.	Texas City	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	35	36	E	<input type="checkbox"/>	\$385,100	Diana McIver	<input type="checkbox"/>	195	<input type="checkbox"/>	Competitive in Region
07306	6 A	Zion Village Apartments	3154 Gray St.	Houston	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	50	50	E	<input type="checkbox"/>	\$541,928	Thomas Jones	<input type="checkbox"/>	195	<input type="checkbox"/>	Competitive in Region
07291	6 A	Cypress Creek at Reed Road	Approx. 2900 Blk of Reed Rd.	Houston	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	126	132	G	<input type="checkbox"/>	\$1,199,797	Stuart Shaw	<input type="checkbox"/>	194	<input type="checkbox"/>	Competitive in Region
07170	6 A	Gibraltar	152 Blk of Brazoswood Dr.	Clute	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	48	48	E	<input type="checkbox"/>	\$575,334	Debra Guerrero	<input type="checkbox"/>	193	<input type="checkbox"/>	Competitive in Region
										<b>Total:</b>	<b>1,002</b>	<b>1,009</b>			<b>\$9,138,857</b>				
										<b>Total:</b>	<b>1,925</b>	<b>2,164</b>			<b>\$9,606,715</b>				

**Applications Submitted in Region 6: Rural**

07004	6 BA	Cricket Hollow Apartments	9700 FM 1097	Willis	R	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	150	176	G	<input type="checkbox"/>	\$82,466	Brian Cogburn	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
										<b>Total:</b>	<b>150</b>	<b>176</b>			<b>\$82,466</b>				
07258	6 A	Trinity Garden Apt Homes	2000 Blk of Panther Dr.	Liberty	R	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	76	76	E	<input type="checkbox"/>	\$665,529	Marc Caldwell	<input type="checkbox"/>	190	<input type="checkbox"/>	Competitive in USDA Allocation

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	Status <sup>1</sup>						USDA	NP	AR													
07246	6	A	Lexington Square	1324 E. Hospital Dr.	Angleton	R	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	RH	80	80	G	<input checked="" type="checkbox"/>	\$347,876	Lisa Castillo	<input type="checkbox"/>	147	<input type="checkbox"/>	Competitive in At-Risk Set-Aside		
											<b>Total:</b>	<b>156</b>	<b>156</b>				<b>\$1,013,405</b>					
											<b>Total:</b>	<b>306</b>	<b>332</b>				<b>\$1,095,871</b>					
<b>24 Applications in Region</b>											<b>Region Total:</b>	<b>2,231</b>	<b>2,496</b>				<b>\$10,702,586</b>					

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**Region: 7**

**Allocation Information for Region 7: Total Credits Available for Region: \$2,551,062 Rural Allocation: \$269,467 Urban/Exurban Allocation: \$2,281,595**

**\*\*Two previously awarded developments, TDHCA numbers 05142 and 05228, returned credits in the amount of \$503,593; \$368,190 has been added to the original allocation for Region 7 Urban/Exurban, \$135,403 has been added to the original allocation for Region 7 Rural, and \$503,593 has been added to the state credit ceiling and is correctly reflected in the credits available.**

**5% Required for USDA: \$127,553 15% Required for At-Risk: \$382,659**

**Applications Submitted in Region 7: Urban/Exurban**

07249	7	A	Bluffs Landing Senior Village	2200 Old Settlers Blvd.	Round Rock	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	144	144	E	<input type="checkbox"/>	\$1,189,481	Colby Denison	<input checked="" type="checkbox"/>	199	<input type="checkbox"/>	Competitive in Region
07234	7	A	Tuscany Park at Buda	FM 2001 E. of IH 35	Buda	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	170	176	G	<input type="checkbox"/>	\$860,495	Mark Musemeche	<input checked="" type="checkbox"/>	197	<input type="checkbox"/>	Significant Sub-Regional Shortfall in State Collapse, Partial Award of \$339,505 in 2008 Tax Credits Required
07223	7	A	Shady Oaks Apartments	501 Janis Dr.	Georgetown	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	RH	60	60	G	<input type="checkbox"/>	\$369,110	Naomi Walker	<input checked="" type="checkbox"/>	178	<input type="checkbox"/>	Competitive in At-Risk Set-Aside
<b>Total:</b>											<b>374</b>	<b>380</b>			<b>\$2,419,086</b>					
<b>Total:</b>											<b>374</b>	<b>380</b>			<b>\$2,419,086</b>					

**Applications Submitted in Region 7: Rural**

07220	7	A	San Gabriel Crossing	1625 Loop 332	Liberty Hill	R	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	73	76	G	<input type="checkbox"/>	\$582,217	Mark Mayfield	<input type="checkbox"/>	181	<input type="checkbox"/>	Competitive in USDA Allocation
<b>Total:</b>											<b>73</b>	<b>76</b>			<b>\$582,217</b>					
<b>Total:</b>											<b>73</b>	<b>76</b>			<b>\$582,217</b>					

**4 Applications in Region**

**Region Total: 447 456 \$3,001,303**

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**Region: 8**

**Allocation Information for Region 8: Total Credits Available for Region: \$2,629,068**    **Rural Allocation: \$571,479**    **Urban/Exurban Allocation: \$2,057,589**  
**\*\*One previously awarded development, TDHCA number 05225, returned credits in the amount of \$113,408; this amount has been added to the original allocation for Region 8 Rural and to the state credit ceiling and is correctly reflected in the credits available.**    **5% Required for USDA: \$131,453**    **15% Required for At-Risk: \$394,360**

**Applications Submitted in Region 8: Urban/Exurban**

07015	8	BA	Chisholm Trail Senior Village	1003 W. 9th Ave.	Belton	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	54	60	E	<input type="checkbox"/>	\$23,990	Leslie Donaldson Holleman	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07034	8	BA	Village at Meadowbend Apartments II	1638 Case Rd.	Temple	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	79	99	G	<input type="checkbox"/>	\$44,275	Monica Poss	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
<b>Total:</b>											<b>133</b>	<b>159</b>			<b>\$68,265</b>					
07262	8	A	Santour Court	Lots 14-26 & 40-42, Blk 14 Santour Court St., Edelweiss Gartens Subdivision	College Station	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	16	16	G	<input type="checkbox"/>	\$294,106	Emanuel H. Glockzin, Jr.	<input type="checkbox"/>	187	<input type="checkbox"/>	Competitive in Region
07275	8	A	Mansions at Briar Creek	Near 200 Blk of E. Wm. J. Bryan Pkwy	Bryan	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	171	171	E	<input type="checkbox"/>	\$1,200,000	Robert R. Burchfield	<input type="checkbox"/>	183	<input type="checkbox"/>	Competitive in Region
<b>Total:</b>											<b>187</b>	<b>187</b>			<b>\$1,494,106</b>					
<b>Total:</b>											<b>320</b>	<b>346</b>			<b>\$1,562,371</b>					

**Applications Submitted in Region 8: Rural**

07038	8	BA	Bluffview Villas	2800 Hwy 36 S.	Brenham	R	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	76	76	E	<input type="checkbox"/>	\$40,048	G. Granger MacDonald	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
<b>Total:</b>											<b>76</b>	<b>76</b>			<b>\$40,048</b>					
07177	8	A	Hamilton Senior Village	Williams St., 11 Acres at Hamilton City Limits	Hamilton	R	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	36	36	E	<input type="checkbox"/>	\$339,782	Bonita Williams	<input checked="" type="checkbox"/>	179	<input type="checkbox"/>	Competitive in Region and USDA Allocation

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	Status <sup>1</sup>						USDA	NP	AR													
07180	8	A	Holland House Apartments	616 Josephine St.	Holland	R	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	RH	68	68	G	<input checked="" type="checkbox"/>	\$267,348	Warren Maupin	<input type="checkbox"/>	126	<input type="checkbox"/>	Competitive in At-Risk Set-Aside		
											<b>Total:</b>	<b>104</b>	<b>104</b>				<b>\$607,130</b>					
											<b>Total:</b>	<b>180</b>	<b>180</b>				<b>\$647,178</b>					
<b>7 Applications in Region</b>											<b>Region Total:</b>	<b>500</b>	<b>526</b>				<b>\$2,209,550</b>					

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**Region: 9**

**Allocation Information for Region 9: Total Credits Available for Region: \$3,013,098**    **Rural Allocation: \$807,723**    **Urban/Exurban Allocation: \$2,205,375**  
**\*\*Two previously awarded developments, TDHCA numbers 05226 and 05231, returned credits in the amount of \$400,876; this amount has been added to the original allocation for Region 9 Rural and to the state credit ceiling and is correctly reflected in the credits available.**    **5% Required for USDA: \$150,655**    **15% Required for At-Risk: \$451,965**

**Applications Submitted in Region 9: Urban/Exurban**

07095	9	FWD	Las Palmas Gardens Apartments	1014 S. San Eduardo	San Antonio	U/EX	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	RH	100	100	G	<input checked="" type="checkbox"/>	\$696,936	David Marquez	<input type="checkbox"/>	301	<input type="checkbox"/>	Forward Commitment
07014	9	BA	Stratton Oaks Apartments	716 Stratton Ave.	Seguin	U/EX	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	NC	100	100	G	<input type="checkbox"/>	\$55,603	Colby Denison	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07036	9	BA	Seton Home Center for Teen Moms	1115 Mission Rd.	San Antonio	U/EX	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	NC	24	24	G	<input type="checkbox"/>	\$22,493	Margaret Starkey	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07006	9	BA	Palacio Del Sol	400 N. Frio	San Antonio	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	160	200	E	<input type="checkbox"/>	\$81,457	Fernando Godinez	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
<b>Total:</b>											<b>384</b>	<b>424</b>			<b>\$856,489</b>					
07173	9	A	West End Baptist Manor Apartments	934 SW 35th St.	San Antonio	U/EX	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	RH	50	50	G	<input checked="" type="checkbox"/>	\$316,781	David Marquez	<input type="checkbox"/>	210	<input type="checkbox"/>	Competitive in Region
07198	9	A	West Durango Plaza Apartments	5635 W. Durango	San Antonio	U/EX	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	RH	82	82	G	<input checked="" type="checkbox"/>	\$657,418	Ronald C. Anderson	<input type="checkbox"/>	208	<input type="checkbox"/>	Competitive in Region
<b>Total:</b>											<b>132</b>	<b>132</b>			<b>\$974,199</b>					
<b>Total:</b>											<b>516</b>	<b>556</b>			<b>\$1,830,688</b>					

**Applications Submitted in Region 9: Rural**

07061	9	BA	Towne Park in Fredericksburg II	1100 S. Adams	Fredericksburg	R	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	NC	39	44	E	<input type="checkbox"/>	\$18,608	Mark Mayfield	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07008	9	BA	Friendship Place	600-700 E. Friendship Ln.	Fredericksburg	R	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	76	76	G	<input type="checkbox"/>	\$40,760	Lucille Jones	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement

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Region	File #	Status <sup>1</sup>	Development Name	Address	City	Alloc. <sup>2</sup>	Set-Asides <sup>3</sup>			Housing <sup>4</sup>	LI	Total	Target <sup>5</sup>	ACQ <sup>6</sup>	Recommended	Owner	TDHCA	Final	1 Mile,	Comment <sup>7</sup>
							USDA	NP	AR	Activity	Units	Units			Credit	Contact	HOME	Score	1 Year	
	07007	9 BA	Oaks Of Bandera	400 Old San Antonio Hwy	Bandera	R	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	76	76	G	<input type="checkbox"/>	\$42,318	Lucille Jones	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
<b>Total:</b>											<b>191</b>	<b>196</b>			<b>\$101,686</b>					
	07242	9 A	Paseo de Paz Apartments	400 Blk of Clearwater Paseo	Kerrville	R	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	73	76	G	<input type="checkbox"/>	\$712,276	Justin MacDonald	<input type="checkbox"/>	190	<input type="checkbox"/>	Significant Sub-Regional Shortfall in Regional Collapse
	07110	9 A	Poteet Housing Authority Farm Labor	Ave. N at 4th St.	Poteet	R	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	RH	30	30	G	<input checked="" type="checkbox"/>	\$87,371	Gary M. Driggers	<input type="checkbox"/>	186	<input type="checkbox"/>	Competitive in USDA Allocation
<b>Total:</b>											<b>103</b>	<b>106</b>			<b>\$799,647</b>					
<b>Total:</b>											<b>294</b>	<b>302</b>			<b>\$901,333</b>					
<b>11 Applications in Region</b>						<b>Region Total:</b>					<b>810</b>	<b>858</b>			<b>\$2,732,021</b>					

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**Region: 10**

<b>Allocation Information for Region 10:</b>	<b>Total Credits Available for Region:</b>	<b>\$1,680,545</b>	<b>Rural Allocation:</b>	<b>\$872,315</b>	<b>Urban/Exurban Allocation:</b>	<b>\$808,230</b>
			<b>5% Required for USDA:</b>	<b>\$84,027</b>	<b>15% Required for At-Risk:</b>	<b>\$252,082</b>

**Applications Submitted in Region 10: Urban/Exurban**

07090	10	FWD	Thomas Ninke Senior Village	1901 Lova Rd.	Victoria	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	80	80	E	<input type="checkbox"/>	\$472,636	Debbie Gillespie	<input type="checkbox"/>	301	<input type="checkbox"/>	Forward Commitment
<b>Total:</b>											<b>80</b>	<b>80</b>			<b>\$472,636</b>					
07174	10	A	LULAC Hacienda Apartments	2625 Greenwood Dr.	Corpus Christi	U/EX	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	RC	60	60	E	<input checked="" type="checkbox"/>	\$566,203	David Marquez	<input type="checkbox"/>	205	<input type="checkbox"/>	Competitive in Region and At-Risk Set-Aside
<b>Total:</b>											<b>60</b>	<b>60</b>			<b>\$566,203</b>					
<b>Total:</b>											<b>140</b>	<b>140</b>			<b>\$1,038,839</b>					

**Applications Submitted in Region 10: Rural**

07021	10	BA	Fenner Square	Corner of Burke & Campbell St.	Goliad	R	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	NC	32	32	G	<input type="checkbox"/>	\$21,258	Gary M. Driggers	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07071	10	BA	Saltgrass Landing Apartments	1602 S. Church St.	Rockport	R	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	RH	55	55	G	<input checked="" type="checkbox"/>	\$2,419	Gary L. Kersch	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07072	10	BA	Lantana Ridge Apartments South	2200 N. Adams St.	Beeville	R	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	RH	35	35	G	<input checked="" type="checkbox"/>	\$1,400	Gary L. Kersch	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07073	10	BA	Lantana Ridge Apartments	2200 N. Adams St.	Beeville	R	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	RH	55	55	G	<input checked="" type="checkbox"/>	\$2,380	Gary L. Kersch	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
<b>Total:</b>											<b>177</b>	<b>177</b>			<b>\$27,456</b>					
07199	10	A	Kingsville LULAC Manor Apartments	1220 N. 17th	Kingsville	R	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	RH	88	88	G	<input checked="" type="checkbox"/>	\$491,514	Walter Martinez	<input checked="" type="checkbox"/>	192	<input type="checkbox"/>	Competitive in Region
07271	10	A	Hyatt Manor Apartments	1701 Waco St.	Gonzales	R	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	RH	65	65	G	<input checked="" type="checkbox"/>	\$322,018	Dennis Hoover	<input type="checkbox"/>	129	<input type="checkbox"/>	Competitive in USDA Allocation
<b>Total:</b>											<b>153</b>	<b>153</b>			<b>\$813,532</b>					

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**Region: 11**

<b>Allocation Information for Region 11:</b>	<b>Total Credits Available for Region: \$5,974,191</b>	<b>Rural Allocation: \$2,175,228</b>	<b>Urban/Exurban Allocation: \$3,798,963</b>
		<b>5% Required for USDA: \$298,710</b>	<b>15% Required for At-Risk: \$896,129</b>

**Applications Submitted in Region 11: Urban/Exurban**

07094	11	FWD	Mesquite Terrace	400 Blk of E. Thomas Rd.	Pharr	U/EX	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	NC	106	106	E	<input type="checkbox"/>	\$594,048	Roy Navarro	<input type="checkbox"/>	301	<input type="checkbox"/>	Forward Commitment
07012	11	BA	Villa del Sol	700 E. St. Charles St.	Brownsville	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	RH	189	199	E	<input checked="" type="checkbox"/>	\$28,453	William (Bill) J. Lee	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07013	11	BA	Las Canteras Apartments	415 E. Thomas Rd.	Pharr	U/EX	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	NC	100	100	G	<input type="checkbox"/>	\$53,407	William (Bill) J. Lee	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07044	11	BA	Providence at Boca Chica	Intersection of Ash St. & Elm St.	Brownsville	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	RH	151	158	G	<input checked="" type="checkbox"/>	\$72,261	Bill Fisher	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07045	11	BA	Providence at Edinburg	201 N. 13th Ave.	Edinburg	U/EX	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	NC	100	100	E	<input type="checkbox"/>	\$29,947	Bill Fisher	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
<b>Total:</b>											<b>646</b>	<b>663</b>			<b>\$778,116</b>					
07183	11	A	Sunset Terrace	920 W. Villegas	Pharr	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	RC	100	100	G	<input type="checkbox"/>	\$975,319	Roy Navarro	<input type="checkbox"/>	215	<input type="checkbox"/>	Competitive in Region
07182	11	A	Retama Village - Phase II	2301 Jasmine Ave.	McAllen	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	RC	74	74	G	<input type="checkbox"/>	\$734,361	Joe Saenz	<input type="checkbox"/>	203	<input type="checkbox"/>	Competitive in Region
07226	11	A	Candlewick Apartments	1155 Paredes Line Rd.	Brownsville	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	RH	132	132	G	<input checked="" type="checkbox"/>	\$981,612	Saleem Jafar	<input type="checkbox"/>	196	<input type="checkbox"/>	Competitive in At-Risk Set-Aside
<b>Total:</b>											<b>306</b>	<b>306</b>			<b>\$2,691,292</b>					
<b>Total:</b>											<b>952</b>	<b>969</b>			<b>\$3,469,408</b>					

**Applications Submitted in Region 11: Rural**

07068	11	BA	Vista Hermosa Apartments	820 N. Bibb	Eagle Pass	R	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	RH	20	20	G	<input checked="" type="checkbox"/>	\$726	Patrick A. Barbolla	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07055	11	BA	Arbor Cove	2805 Fordyce Ave.	Donna	R	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	108	120	G	<input type="checkbox"/>	\$73,818	Anita Kegley	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement

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File #	Region		Development Name	Address	City	Alloc. <sup>2</sup>	Set-Asides <sup>3</sup>			Housing <sup>4</sup> Activity	LI Units	Total Units	Target <sup>5</sup>	ACQ <sup>6</sup>	Recommended Credit	Owner Contact	TDHCA HOME	Final Score	1 Mile, 1 Year	Comment <sup>7</sup>		
	Status <sup>1</sup>	BA					USDA	NP	AR													
07035	11	BA	Casa Saldana	SW Corner of Mile 8 Rd. & Baseline Rd.	Mercedes	R	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	156	196	G	<input type="checkbox"/>	\$82,912	Monica Poss	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement		
07063	11	BA	Bahia Palms Apartments	1303 Pino Dr.	Laguna Vista	R	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	RH	64	64	G	<input checked="" type="checkbox"/>	\$4,485	Patrick A. Barbolla	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement		
<b>Total:</b>											<b>348</b>	<b>400</b>			<b>\$161,941</b>							
07227	11	A	Champion Home at La Joya	945 S Leo & Various Addresses for Scattered SF Homes	La Joya	R	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	RC	50	50	G	<input type="checkbox"/>	\$481,928	Saleem Jafar	<input type="checkbox"/>	204	<input type="checkbox"/>	Competitive in Region		
07178	11	A	Tammye's Pointe	Old Pioneer Rd. at FM 1021	Eagle Pass	R	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	76	76	G	<input type="checkbox"/>	\$983,288	Donald Pace	<input type="checkbox"/>	187	<input type="checkbox"/>	Competitive in Region		
07153	11	A	Los Ebanos Apartments	300 Yards S. of 5 Mile Line Rd. on E. Side of Los Ebanos Rd.	Alton	R	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	76	76	G	<input type="checkbox"/>	\$738,251	Alyssa Carpenter	<input type="checkbox"/>	179	<input type="checkbox"/>	Competitive in USDA Allocation		
<b>Total:</b>											<b>202</b>	<b>202</b>			<b>\$2,203,467</b>							
<b>Total:</b>											<b>550</b>	<b>602</b>			<b>\$2,365,408</b>							
<b>15 Applications in Region</b>											<b>Region Total:</b>		<b>1,502</b>	<b>1,571</b>			<b>\$5,834,816</b>					

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**Region: 12**

<b>Allocation Information for Region 12:</b>	<b>Total Credits Available for Region: \$1,386,899</b>	<b>Rural Allocation: \$406,927</b>	<b>Urban/Exurban Allocation: \$979,972</b>
		<b>5% Required for USDA: \$69,345</b>	<b>15% Required for At-Risk: \$208,035</b>

Applications Submitted in Region 12:		Urban/Exurban																	
07033	12 BA	Sedona Springs Village	920 W. University	Odessa	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	85	100	G	<input type="checkbox"/>	\$15,819	Ron Hance	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
<b>Total:</b>										<b>85</b>	<b>100</b>			<b>\$15,819</b>					
07282	12 A	Palermo	SE Corner of Gist Ave. & Wayside Dr.	Midland	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	130	136	G	<input type="checkbox"/>	\$904,473	Manish Verma	<input checked="" type="checkbox"/>	203	<input type="checkbox"/>	Competitive in Region
<b>Total:</b>										<b>130</b>	<b>136</b>			<b>\$904,473</b>					
<b>Total:</b>										<b>215</b>	<b>236</b>			<b>\$920,292</b>					

Applications Submitted in Region 12:		Rural																		
07115	12 A	Heights Apartments	MLK St., 1 Blk E. of FM 700	Big Spring	R	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	48	48	G	<input type="checkbox"/>	\$377,886	Justin Zimmerman	<input type="checkbox"/>	129	<input type="checkbox"/>	Competitive in Region and USDA Allocation	
<b>Total:</b>										<b>48</b>	<b>48</b>			<b>\$377,886</b>						
<b>Total:</b>										<b>48</b>	<b>48</b>			<b>\$377,886</b>						
<b>3 Applications in Region</b>										<b>Region Total:</b>	<b>263</b>	<b>284</b>			<b>\$1,298,178</b>					

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**Region: 13**

**Allocation Information for Region 13: Total Credits Available for Region: \$2,258,112**

<b>Rural Allocation: \$284,967</b>	<b>Urban/Exurban Allocation: \$1,973,146</b>
<b>5% Required for USDA: \$112,906</b>	<b>15% Required for At-Risk: \$338,717</b>

**\*\*One previously awarded development, TDHCA number 05247, returned credits in the amount of \$107,199; this amount has been added to the original allocation for Region 13 Urban/Exurban and to the state credit ceiling and is correctly reflected in the credits available.**

**Applications Submitted in Region 13: Urban/Exurban**

07047	13	BA	Americas Palms	12310 Lorenzo Ruiz Dr.	El Paso	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	112	112	G	<input type="checkbox"/>	\$59,831	R.L. (Bobby) Bowling IV	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07003	13	BA	Diana Palms	4700 Diana St.	El Paso	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	34	36	G	<input type="checkbox"/>	\$17,494	R.L. (Bobby) Bowling IV	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
<b>Total:</b>											<b>146</b>	<b>148</b>			<b>\$77,324</b>					
07108	13	A	Paseo Palms	3000' E. of Joe Battle Near Pellicano Dr.	El Paso	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	180	180	G	<input type="checkbox"/>	\$1,200,000	R.L. (Bobby) Bowling IV	<input type="checkbox"/>	173	<input type="checkbox"/>	Competitive in Region
07235	13	A	Woodchase Senior Community	8410 & 8411 Tigris Dr.	El Paso	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	128	128	E	<input type="checkbox"/>	\$1,069,620	Ike J. Monty	<input type="checkbox"/>	158	<input type="checkbox"/>	Significant Sub-Regional Shortfall in State Collapse
<b>Total:</b>											<b>308</b>	<b>308</b>			<b>\$2,269,620</b>					
<b>Total:</b>											<b>454</b>	<b>456</b>			<b>\$2,346,944</b>					

**Applications Submitted in Region 13: Rural**

07048	13	BA	Horizon Palms	12199 Darrington Rd.	El Paso	R	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	76	76	G	<input type="checkbox"/>	\$41,271	R.L. (Bobby) Bowling IV	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
<b>Total:</b>											<b>76</b>	<b>76</b>			<b>\$41,271</b>					
<b>Total:</b>											<b>76</b>	<b>76</b>			<b>\$41,271</b>					
<b>5 Applications in Region</b>											<b>Region Total:</b>	<b>530</b>	<b>532</b>			<b>\$2,388,216</b>				

<b>114 Total Applications</b>	<b>10,344</b>	<b>11,026</b>	<b>\$47,695,110</b>
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 5 = Target Population Abbreviation: Intergenerational=Intg, Elderly/Transitional=ET, Elderly=E, General=G  
 6 = Acquisition=ACQ, Developments for which acquisition Housing Tax Credits are being requested  
 7 = Comment: Reason for Award Recommendation  
 \* = The State Housing Credit Ceiling is based on 2007 population figures, plus any returned credits as of the date of this publication from previous awards.  
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**Report 2: 2007 Competitive HTC Award Recommendations, Nonprofit Set-Aside - July 30, 2007\*\***

**Sorted by Region, Allocation, Recommendation Status and Final Score**

**(Report Includes Applications Recommended for Award Only)**

**State Set-Aside to be Allocated: \$4,769,511\***

Region	File #	Status <sup>1</sup>	Development Name	Address	City	Alloc. <sup>2</sup>	Set-Asides <sup>3</sup>	Housing <sup>4</sup>	LI	Total	Target <sup>5</sup>	ACQ <sup>6</sup>	Recommended	Owner	TDHCA	Final	1 Mile,	Comment <sup>7</sup>
							USDA NP AR	Activity	Units	Units			Credit	Contact	HOME	Score	1 Year	
	07016	1 BA	Stone Hollow Village	1510 Cornell	Lubbock	U/EX	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	NC	112	140	G	<input type="checkbox"/>	\$18,676	Ron Hance	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
	07091	3 FWD	City Walk at Akard	511 N. Akard	Dallas	U/EX	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	RH	204	209	G	<input checked="" type="checkbox"/>	\$1,242,595	John P. Greenan	<input type="checkbox"/>	301	<input type="checkbox"/>	Forward Commitment
	07053	3 BA	Primrose at Highland	2100 Highland Ave.	Dallas	U/EX	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	NC	120	150	E	<input type="checkbox"/>	\$72,046	Deepak Sulakhe	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
	07040	3 BA	Samaritan House	929 Hemphill Ave.	Fort Worth	U/EX	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	RH	126	126	G	<input checked="" type="checkbox"/>	\$59,531	Steve Dutton	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
	07032	3 BA	Churchill at Commerce	731 Culver	Commerce	R	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	NC	90	100	G	<input type="checkbox"/>	\$52,598	Bradley E. Forslund	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
	07018	5 BA	Pineywoods Community Orange	36 Scattered Sites in East Town of Orange, TX	Orange	R	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	NC	36	36	G	<input type="checkbox"/>	\$26,874	Doug Dowler	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
	07042	6 BA	Oxford Place	605 Berry Rd.	Houston	U/EX	<input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	NC	200	250	G	<input type="checkbox"/>	\$114,593	Horace Allison	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
	07095	9 FWD	Las Palmas Gardens Apartments	1014 S. San Eduardo	San Antonio	U/EX	<input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	RH	100	100	G	<input checked="" type="checkbox"/>	\$696,936	David Marquez	<input type="checkbox"/>	301	<input type="checkbox"/>	Forward Commitment
	07036	9 BA	Seton Home Center for Teen Moms	1115 Mission Rd.	San Antonio	U/EX	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	NC	24	24	G	<input type="checkbox"/>	\$22,493	Margaret Starkey	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
	07014	9 BA	Stratton Oaks Apartments	716 Stratton Ave.	Seguin	U/EX	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	NC	100	100	G	<input type="checkbox"/>	\$55,603	Colby Denison	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
	07173	9 A	West End Baptist Manor Apartments	934 SW 35th St.	San Antonio	U/EX	<input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	RH	50	50	G	<input checked="" type="checkbox"/>	\$316,781	David Marquez	<input type="checkbox"/>	210	<input type="checkbox"/>	Competitive in Region
	07198	9 A	West Durango Plaza Apartments	5635 W. Durango	San Antonio	U/EX	<input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	RH	82	82	G	<input checked="" type="checkbox"/>	\$657,418	Ronald C. Anderson	<input type="checkbox"/>	208	<input type="checkbox"/>	Competitive in Region
	07061	9 BA	Towne Park in Fredericksburg II	1100 S. Adams	Fredericksburg	R	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	NC	39	44	E	<input type="checkbox"/>	\$18,608	Mark Mayfield	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
	07174	10 A	LULAC Hacienda Apartments	2625 Greenwood Dr.	Corpus Christi	U/EX	<input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	RC	60	60	E	<input checked="" type="checkbox"/>	\$566,203	David Marquez	<input type="checkbox"/>	205	<input type="checkbox"/>	Competitive in Region and At-Risk Set-Aside

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7 = Comment: Reason for Award Recommendation

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Region	File #	Status <sup>1</sup>	Development Name	Address	City	Alloc. <sup>2</sup>	Set-Asides <sup>3</sup>			Housing <sup>4</sup>	LI	Total	Target <sup>5</sup>	ACQ <sup>6</sup>	Recommended	Owner	TDHCA	Final	1 Mile,	Comment <sup>7</sup>	
							USDA	NP	AR	Activity	Units	Units			Credit	Contact	HOME	Score	1 Year		
	07021	10	BA	Fenner Square	Corner of Burke & Campbell St.	Goliad	R	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	NC	32	32	G	<input type="checkbox"/>	\$21,258	Gary M. Driggers	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
	07199	10	A	Kingsville LULAC Manor Apartments	1220 N. 17th	Kingsville	R	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	RH	88	88	G	<input checked="" type="checkbox"/>	\$491,514	Walter Martinez	<input checked="" type="checkbox"/>	192	<input type="checkbox"/>	Competitive in Region
	07094	11	FWD	Mesquite Terrace	400 Blk of E. Thomas Rd.	Pharr	U/EX	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	NC	106	106	E	<input type="checkbox"/>	\$594,048	Roy Navarro	<input type="checkbox"/>	301	<input type="checkbox"/>	Forward Commitment
	07013	11	BA	Las Canteras Apartments	415 E. Thomas Rd.	Pharr	U/EX	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	NC	100	100	G	<input type="checkbox"/>	\$53,407	William (Bill) J. Lee	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
	07045	11	BA	Providence at Edinburg	201 N. 13th Ave.	Edinburg	U/EX	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	NC	100	100	E	<input type="checkbox"/>	\$29,947	Bill Fisher	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
	<b>19</b>	<b>Total Applications</b>										<b>1,769</b>	<b>1,897</b>		<b>\$5,111,128</b>						

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**Report 3: 2007 Competitive HTC Award Recommendations and Waiting List - July 30, 2007\*\*\***

**Sorted by Region, Allocation, Recommendation Status and Final Score**

**(Report Includes All Active Applications)**

**State Ceiling to be Allocated: \$47,695,110\*\***

Region	File #	Status <sup>1</sup>	Development Name	Address	City	Alloc. <sup>2</sup>	Set-Asides <sup>3</sup> USDA NP AR	Housing <sup>4</sup> Activity	LI Units	Total Units	Target <sup>5</sup>	ACQ <sup>6</sup>	Recommended Credit*	Owner Contact	TDHCA HOME	Final Score	1 Mile 1 Year	Comment <sup>7</sup>
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**Region: 1**

<b>Allocation Information for Region 1:</b>	<b>Total Credits Available for Region: \$2,235,890</b>	<b>Rural Allocation: \$1,130,893</b>	<b>Urban/Exurban Allocation: \$1,104,997</b>
		<b>5% Required for USDA: \$111,795</b>	<b>15% Required for At-Risk: \$335,384</b>

**Applications Submitted in Region 1: Urban/Exurban**

07016	1	BA	Stone Hollow Village	1510 Cornell	Lubbock	U/EX	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	NC	112	140	G	<input type="checkbox"/>	\$18,676	Ron Hance	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
<b>Total:</b>											<b>112</b>	<b>140</b>			<b>\$18,676</b>					
07219	1	A	Canyons Retirement Community	2200 W. 7th Ave.	Amarillo	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	RH	106	111	E	<input checked="" type="checkbox"/>	\$876,745	Jamie Hayden	<input type="checkbox"/>	203	<input type="checkbox"/>	Competitive in Region
<b>Total:</b>											<b>106</b>	<b>111</b>			<b>\$876,745</b>					
<b>Total:</b>											<b>218</b>	<b>251</b>			<b>\$895,421</b>					

**Applications Submitted in Region 1: Rural**

07074	1	BA	La Mirage Villas	309 S.E. 15th	Perryton	R	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	RH	47	47	G	<input checked="" type="checkbox"/>	\$7,000	Patrick A. Barbolla	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
<b>Total:</b>											<b>47</b>	<b>47</b>			<b>\$7,000</b>					
07137	1	A	Hampton Villages	1600 Blk of Alcock St.	Pampa	R	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	76	76	G	<input type="checkbox"/>	\$1,038,857	Tim Lang	<input type="checkbox"/>	190	<input type="checkbox"/>	Significant Sub-Regional Shortfall in State Collapse
07117	1	A	Deer Creek Apartments	SE Corner of W. Ellis St. & MLK St.	Levelland	R	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	63	64	G	<input type="checkbox"/>	\$507,059	Justin Zimmerman	<input type="checkbox"/>	149	<input type="checkbox"/>	Competitive in USDA Allocation
<b>Total:</b>											<b>139</b>	<b>140</b>			<b>\$1,545,916</b>					

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7 = Comment: Reason for Award Recommendation

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File #	Region Status <sup>1</sup>	Development Name	Address	City	Alloc. <sup>2</sup>	Set-Asides <sup>3</sup>			Housing <sup>4</sup> Activity	LI Units	Total Units	Target <sup>5</sup>	ACQ <sup>6</sup>	Recommended Credit*	Owner Contact	TDHCA HOME	Final Score	1 Mile, 1 Year	Comment <sup>7</sup>
						USDA	NP	AR											
07131	1 N	StoneLeaf at Dalhart	1719 E. 1st St.	Dalhart	R	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	76	76	G	<input type="checkbox"/>	\$707,970 *	Mike Sugrue	<input type="checkbox"/>	185	<input type="checkbox"/>	Not Competitive in Region
										<b>Total:</b>	<b>76</b>	<b>76</b>			<b>\$707,970</b>				
										<b>Total:</b>	<b>262</b>	<b>263</b>			<b>\$2,260,886</b>				
<b>6 Applications in Region</b>										<b>Region Total:</b>	<b>480</b>	<b>514</b>			<b>\$3,156,307</b>				

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**Region: 2**

<b>Allocation Information for Region 2:</b>	<b>Total Credits Available for Region: \$1,549,740</b>	<b>Rural Allocation: \$798,099</b>	<b>Urban/Exurban Allocation: \$751,641</b>
<b>**One previously awarded development, TDHCA number 060218, returned credits in the amount of \$214,749; this amount has been added to the original allocation for Region 2 Rural and to the state credit ceiling and is correctly reflected in the credits available.</b>		<b>5% Required for USDA: \$77,487</b>	<b>15% Required for At-Risk: \$232,461</b>

**Applications Submitted in Region 2: Urban/Exurban**

07133	2	A	StoneLeaf at Tye	649 Scott St.	Tye	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	118	118	Intg	<input type="checkbox"/>	\$787,592	Mike Sugrue	<input type="checkbox"/>	198	<input type="checkbox"/>	Significant Sub-Regional Shortfall in Regional Collapse
<b>Total:</b>											<b>118</b>	<b>118</b>			<b>\$787,592</b>					
07114	2	N	Washington Village Apartments	600 Flood St.	Wichita Falls	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	96	96	G	<input type="checkbox"/>	\$877,338 *	Rick J. Deyoe	<input type="checkbox"/>	195	<input type="checkbox"/>	Not Competitive in Region
07285	2	N	Anson Park Seniors	Ambrocio Flores Jr. Rd. & Vogel Ave.	Abilene	U/EX	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	NC	80	80	E	<input type="checkbox"/>	\$729,049 *	Theresa Martin-Holder	<input type="checkbox"/>	195	<input type="checkbox"/>	Not Competitive in Region
07236	2	N	Green Briar Village Phase II	Approx. SH 240 at Airport Dr.	Wichita Falls	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	36	36	G	<input type="checkbox"/>	\$375,091 *	Randy Stevenson	<input type="checkbox"/>	191	<input type="checkbox"/>	Not Competitive in Region
<b>Total:</b>											<b>212</b>	<b>212</b>			<b>\$1,981,478</b>					
<b>Total:</b>											<b>330</b>	<b>330</b>			<b>\$2,769,070</b>					

**Applications Submitted in Region 2: Rural**

07058	2	BA	Wildwood Trails Apartments	1500 Davis Ln.	Brownwood	R	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	75	75	G	<input type="checkbox"/>	\$10,338	Vaughn Zimmerman	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
<b>Total:</b>											<b>75</b>	<b>75</b>			<b>\$10,338</b>					
07294	2	A	Grove at Brushy Creek	NE Corner of El Dorado & Patterson	Bowie	R	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	42	48	G	<input type="checkbox"/>	\$506,036	Eric Hartzell	<input type="checkbox"/>	186	<input type="checkbox"/>	Competitive in Region and USDA Allocation
07194	2	A	377 Villas	4236 Hwy 377 S.	Brownwood	R	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	73	76	G	<input type="checkbox"/>	\$687,210	Justin MacDonald	<input type="checkbox"/>	184	<input type="checkbox"/>	Significant Sub-Regional Shortfall in State Collapse

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Region	File #	Status <sup>1</sup>	Development Name	Address	City	Alloc. <sup>2</sup>	Set-Asides <sup>3</sup>	Housing <sup>4</sup>	LI	Total	Target <sup>5</sup>	ACQ <sup>6</sup>	Recommended	Owner	TDHCA	Final	1 Mile,	Comment <sup>7</sup>	
							USDA	NP	AR	Units	Units		Credit*	Contact	HOME	Score	1 Year		
										Total:	115	124	\$1,193,246						
										Total:	190	199	\$1,203,584						
7 Applications in Region										Region Total:	520	529	\$3,972,654						

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**Region: 3**

<b>Allocation Information for Region 3:</b>	<b>Total Credits Available for Region: \$9,171,731</b>	<b>Rural Allocation: \$704,007</b>	<b>Urban/Exurban Allocation: \$8,467,724</b>
		<b>5% Required for USDA: \$458,587</b>	<b>15% Required for At-Risk: \$1,375,760</b>

**Applications Submitted in Region 3: Urban/Exurban**

07091	3	FWD	City Walk at Akard	511 N. Akard	Dallas	U/EX	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	RH	204	209	G	<input checked="" type="checkbox"/>	\$1,242,595	John P. Greenan	<input type="checkbox"/>	301	<input type="checkbox"/>	Forward Commitment
07001	3	FWD	Fairway Crossing	7229 Ferguson Rd.	Dallas	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	RH	297	310	G	<input checked="" type="checkbox"/>	\$1,200,000	Len Vilicic	<input type="checkbox"/>	301	<input type="checkbox"/>	Forward Commitment
07053	3	BA	Primrose at Highland	2100 Highland Ave.	Dallas	U/EX	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	NC	120	150	E	<input type="checkbox"/>	\$72,046	Deepak Sulakhe	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07017	3	BA	Spring Oaks Apartments	4317 Shepherd Ln.	Balch Springs	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	128	160	G	<input type="checkbox"/>	\$76,305	Ron Pegram	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07037	3	BA	Renaissance Courts	308 S. Ruddell St.	Denton	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	120	150	G	<input type="checkbox"/>	\$65,771	Shirley Nell Hensley	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07024	3	BA	Villas of Forest Hill	7400 Forest Hill Dr.	Forest Hill	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	78	100	E	<input type="checkbox"/>	\$36,629	Deborah A. Griffin	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07025	3	BA	Villas of Seagoville	600 E. Malloy Bridge Rd.	Seagoville	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	78	100	E	<input type="checkbox"/>	\$36,900	Deborah A. Griffin	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07031	3	BA	Frazier Fellowship	4700-4900 Hatcher St.	Dallas	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	NC	60	76	G	<input type="checkbox"/>	\$27,242	Tim Lott	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07040	3	BA	Samaritan House	929 Hemphill Ave.	Fort Worth	U/EX	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	RH	126	126	G	<input checked="" type="checkbox"/>	\$59,531	Steve Dutton	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07028	3	BA	Preston Trace Apartments	8660 Preston Trace Blvd.	Frisco	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	RH	38	40	G	<input checked="" type="checkbox"/>	\$9,490	Dan Allgeier	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
<b>Total:</b>											<b>1,249</b>	<b>1,421</b>			<b>\$2,826,509</b>					
07289	3	A	Peachtree Seniors	5009 S. Peachtree Rd.	Balch Springs	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	144	144	E	<input type="checkbox"/>	\$1,161,000	Ron Pegram	<input type="checkbox"/>	200	<input type="checkbox"/>	Competitive in Region
07254	3	A	Evergreen at Farmers Branch	11701 Mira Lago Blvd.	Farmers Branch	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	90	90	E	<input type="checkbox"/>	\$1,194,940	Bradley E. Forslund	<input type="checkbox"/>	200	<input type="checkbox"/>	Competitive in Region

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Region	File #	Status	Development Name	Address	City	Alloc. <sup>2</sup>	Set-Asides <sup>3</sup>	Housing <sup>4</sup>	LI	Total Units	Target <sup>5</sup>	ACQ <sup>6</sup>	Recommended Credit*	Owner Contact	TDHCA HOME	Final Score	1 Mile, 1 Year	Comment <sup>7</sup>	
	07149	3 A	Residences at Eastland	5500 Eastland St.	Fort Worth	U/EX	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC		140	146	G	<input type="checkbox"/>	\$1,200,000	Dan Allgeier	<input type="checkbox"/>	195	<input type="checkbox"/>	Competitive in Region
	07126	3 A	Oak Timbers-Caplin Drive	1301 Caplin Dr. & 4801 S. Collins St.	Arlington	U/EX	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC		112	112	E	<input type="checkbox"/>	\$897,393	A.V. Mitchell	<input type="checkbox"/>	195	<input type="checkbox"/>	Competitive in Region
	07166	3 A	Jeremiah Seniors	909 W. Hurst Blvd.	Hurst	U/EX	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC		135	135	E	<input type="checkbox"/>	\$989,447	Tim Valentine	<input type="checkbox"/>	193	<input type="checkbox"/>	Competitive in Region
<b>Total:</b>										<b>621</b>	<b>627</b>			<b>\$5,442,780</b>					
	07303	3 N	Villas on Raiford	Raiford Rd.	Carrollton	U/EX	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC		172	180	E	<input type="checkbox"/>	\$1,200,000 *	Chan Il Pak	<input type="checkbox"/>	190	<input type="checkbox"/>	Not Competitive in Region
	07104	3 N	Country Lane Seniors-Greenville Community	W side of O'Neal St., N. of U.S. Hwy 69 (Joe Ramsey Blvd.)	Greenville	U/EX	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC		98	102	E	<input type="checkbox"/>	\$1,118,156	Kenneth H. Mitchell	<input type="checkbox"/>	190	<input type="checkbox"/>	Not Competitive in Region
	07256	3 N	Evergreen at The Colony	NW Quadrant of SH 121 & Morning Star	The Colony	U/EX	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC		145	145	E	<input type="checkbox"/>	\$1,200,000 *	Bradley E. Forslund	<input checked="" type="checkbox"/>	189	<input type="checkbox"/>	Not Competitive in Region, Award Would Cause Violation of \$2M Limit
	07101	3 N	Carpenter's Point	3326 Mingo St.	Dallas	U/EX	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC		145	150	E	<input type="checkbox"/>	\$1,200,000 *	George King, Jr.	<input type="checkbox"/>	187	<input type="checkbox"/>	Not Competitive in Region
	07190	3 N	Stephen Austin School Apartments	1702 Wesley St.	Greenville	U/EX	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC		36	36	G	<input type="checkbox"/>	\$439,226 *	Hollis Fitch	<input type="checkbox"/>	182	<input type="checkbox"/>	Not Competitive in Region
	07191	3 N	Washington Hotel Lofts	2612 Washington St.	Greenville	U/EX	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC		36	36	G	<input type="checkbox"/>	\$349,937 *	Hollis Fitch	<input type="checkbox"/>	175	<input type="checkbox"/>	Not Competitive in Region
	07245	3 N	Sphinx at Fiji Seniors	201 Fran Way	Dallas	U/EX	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC		124	130	E	<input type="checkbox"/>	\$1,200,000 *	Jay Oji	<input type="checkbox"/>	161	<input type="checkbox"/>	Not Competitive in Region
<b>Total:</b>										<b>756</b>	<b>779</b>			<b>\$6,707,319</b>					
<b>Total:</b>										<b>2,626</b>	<b>2,827</b>			<b>\$14,976,608</b>					

**Applications Submitted in Region 3: Rural**

	07032	3 BA	Churchill at Commerce	731 Culver	Commerce	R	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	NC		90	100	G	<input type="checkbox"/>	\$52,598	Bradley E. Forslund	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
	07069	3 BA	Briarwood Apartments	513 E. 6th St.	Kaufman	R	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	RH		48	48	G	<input checked="" type="checkbox"/>	\$7,000	Patrick A. Barbolla	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
<b>Total:</b>										<b>138</b>	<b>148</b>			<b>\$59,598</b>					

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File #	Region		Development Name	Address	City	Alloc. <sup>2</sup>	Set-Asides <sup>3</sup>			Housing <sup>4</sup> Activity	LI Units	Total Units	Target <sup>5</sup>	ACQ <sup>6</sup>	Recommended Credit*	Owner Contact	TDHCA HOME	Final Score	1 Mile, 1 Year	Comment <sup>7</sup>		
	Status <sup>1</sup>						USDA	NP	AR													
07167	3	A	Meadowlake Village Apartments	209 Grand Ave.	Mabank	R	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	RH	40	40	G	<input checked="" type="checkbox"/>	\$174,797	Warren Maupin	<input type="checkbox"/>	113	<input type="checkbox"/>	Competitive in At-Risk Set-Aside		
<b>Total:</b>											<b>40</b>	<b>40</b>			<b>\$174,797</b>							
07272	3	N	Plantation Valley Estates	Hopkins Rd. & E. McCart St. (FM1173)	Krum	R	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	76	76	E	<input type="checkbox"/>	\$0	Alyssa Carpenter	<input type="checkbox"/>	189	<input type="checkbox"/>	Financially Infeasible		
<b>Total:</b>											<b>76</b>	<b>76</b>			<b>\$0</b>							
<b>Total:</b>											<b>254</b>	<b>264</b>			<b>\$234,395</b>							
<b>26 Applications in Region</b>											<b>Region Total:</b>		<b>2,880</b>	<b>3,091</b>			<b>\$15,211,003</b>					

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**Region: 4**

<b>Allocation Information for Region 4:</b>	<b>Total Credits Available for Region: \$2,439,014</b>	<b>Rural Allocation: \$1,445,350</b>	<b>Urban/Exurban Allocation: \$993,663</b>
		<b>5% Required for USDA: \$121,951</b>	<b>15% Required for At-Risk: \$365,852</b>

**Applications Submitted in Region 4: Urban/Exurban**

07096	4	FWD	Moore Grocery Lofts	408 & 410 N. Broadway	Tyler	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC/RH	88	88	G	<input checked="" type="checkbox"/>	\$748,845	Jim Sari	<input type="checkbox"/>	301	<input type="checkbox"/>	Forward Commitment
						<b>Total:</b>	<b>88</b>	<b>88</b>						<b>\$748,845</b>						
07164	4	N	Covington Townhomes	E Side of Milam St. Between 13th & 11th St.	Texarkana	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	RC	126	126	G	<input type="checkbox"/>	\$1,200,000	Richard Herrington	<input type="checkbox"/>	197	<input type="checkbox"/>	Insufficient Funds in Sub-Region
07292	4	N	North Eastman Residential	1400 N. Eastman Rd.	Longview	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	73	76	G	<input type="checkbox"/>	\$799,995 *	Stuart Shaw	<input type="checkbox"/>	196	<input type="checkbox"/>	Not Competitive in Region
						<b>Total:</b>	<b>199</b>	<b>202</b>						<b>\$1,999,995</b>						
						<b>Total:</b>	<b>287</b>	<b>290</b>						<b>\$2,748,840</b>						

**Applications Submitted in Region 4: Rural**

07043	4	BA	Gardens of Gladewater	108 N. Lee Dr.	Gladewater	R	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	34	36	E	<input type="checkbox"/>	\$24,972	George D. Hopper	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
						<b>Total:</b>	<b>34</b>	<b>36</b>						<b>\$24,972</b>						
07118	4	A	Lakeside Apartments	1 Blk E. of S. Jefferson St. & Tenneson Rd.	Mount Pleasant	R	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	63	64	G	<input type="checkbox"/>	\$520,342	Justin Zimmerman	<input type="checkbox"/>	190	<input type="checkbox"/>	Competitive in Region and USDA Allocation
07295	4	A	Bluestone	Hwy 198 at Manning St. and Paschall St.	Mabank	R	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	73	76	G	<input type="checkbox"/>	\$758,354	Eric Hartzell	<input type="checkbox"/>	189	<input type="checkbox"/>	Competitive in Region
						<b>Total:</b>	<b>136</b>	<b>140</b>						<b>\$1,278,696</b>						
07193	4	N	Stone Brook Senior Apartments	NW Corner Loop 256 & Threll St.	Palestine	R	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	76	76	E	<input type="checkbox"/>	\$0	Matt Harris	<input type="checkbox"/>	188	<input type="checkbox"/>	Not Competitive in Region and Financially Infeasible

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		Development Name	Address			USDA	NP	AR											
07247	4 N	Terry Street Apartments	215 N. Terry St.	Malakoff	R	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	48	48	G	<input type="checkbox"/>	\$580,813	* Jeffrey S. Spicer	<input checked="" type="checkbox"/>	187	<input type="checkbox"/>	Not Competitive in Region
07175	4 N	Austin Place	Plat 2, 2200 Blk of N. Edwards Ave. (FM 1734)	Mount Pleasant	R	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	76	76	G	<input type="checkbox"/>	\$916,970	* Bonita Williams	<input checked="" type="checkbox"/>	182	<input type="checkbox"/>	Not Competitive in Region/Set-Aside
07261	4 N	Lexington Court Phase II	3509 U.S. Hwy 259 N.	Kilgore	R	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	NC	76	76	G	<input type="checkbox"/>	\$693,735	* Emanuel H. Glockzin, Jr.	<input checked="" type="checkbox"/>	178	<input type="checkbox"/>	Not Competitive in Region
07260	4 N	Victoria Place Addition	5.10 Acres Barbara St. Extension	Athens	R	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	16	16	G	<input type="checkbox"/>	\$409,663	* Emanuel H. Glockzin, Jr.	<input checked="" type="checkbox"/>	178	<input type="checkbox"/>	Not Competitive in Region
<b>Total:</b>										<b>292</b>	<b>292</b>			<b>\$2,601,181</b>					
<b>Total:</b>										<b>462</b>	<b>468</b>			<b>\$3,904,849</b>					
<b>11 Applications in Region</b>										<b>749</b>	<b>758</b>			<b>\$6,653,689</b>					

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**Region: 5**

**Allocation Information for Region 5: Total Credits Available for Region: \$1,456,237 Rural Allocation: \$759,961 Urban/Exurban Allocation: \$696,276**

**\*\*The estimated allocation based on the regional allocation formula for 2007 for Region 5 is \$1,456,237. In 2006 to address pressing disaster relief needs, the TDHCA Board forward allocated the 2007 credits in an amount of \$1,452,903. Therefore, all 2007 credits for Region 5 Rural have already been committed, and a balance of \$3,334 remains in Region 5, Urban/Exurban.**

**5% Required for USDA: \$72,812 15% Required for At-Risk: \$218,436**

**Applications Submitted in Region 5: Urban/Exurban**

07026	5	BA	O.W. Collins Apartments	4440 Gulfway Dr.	Port Arthur	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	RH	200	200	E	<input checked="" type="checkbox"/>	\$40,084	K.T. (Ike) Akbari	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
<b>Total:</b>											<b>200</b>	<b>200</b>			<b>\$40,084</b>					
07162	5	A	Pointe North	3710 Magnolia	Beaumont	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	RC	158	158	G	<input type="checkbox"/>	\$1,200,000 *	Robert Reyna	<input type="checkbox"/>	193	<input type="checkbox"/>	Significant Sub-Regional Shortfall in State Collapse
<b>Total:</b>											<b>158</b>	<b>158</b>			<b>\$1,200,000</b>					
07189	5	N	Sunlight Manor Apartments	2950 S. 8th St.	Beaumont	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	RH	120	120	G	<input checked="" type="checkbox"/>	\$678,699 *	K.T. (Ike) Akbari	<input type="checkbox"/>	189	<input type="checkbox"/>	Insufficient Funds in Sub-Region
<b>Total:</b>											<b>120</b>	<b>120</b>			<b>\$678,699</b>					
<b>Total:</b>											<b>478</b>	<b>478</b>			<b>\$1,918,783</b>					

**Applications Submitted in Region 5: Rural**

07092	5	FWD	Prospect Point	201 Premier Dr.	Jasper	R	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	69	72	G	<input type="checkbox"/>	\$722,842	Eric Hartzell	<input checked="" type="checkbox"/>	301	<input type="checkbox"/>	Forward Commitment
07093	5	FWD	Cypresswood Crossing	Hwy 87 at Hwy 105	Orange	R	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	76	76	G	<input type="checkbox"/>	\$636,962	K.T. (Ike) Akbari	<input type="checkbox"/>	301	<input type="checkbox"/>	Forward Commitment
07018	5	BA	Pineywoods Community Orange	36 Scattered Sites in East Town of Orange, TX	Orange	R	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	NC	36	36	G	<input type="checkbox"/>	\$26,874	Doug Dowler	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement

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	Status <sup>1</sup>						USDA	NP	AR													
07011	5	BA	Park Estates	1200 Blk	Nacogdoches	R	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	34	36	G	<input type="checkbox"/>	\$26,141	Mark Musemeche	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement		
											<b>Total:</b>	<b>215</b>	<b>220</b>									<b>\$1,412,819</b>
07257	5	N	Orange Palm Garden Apt Homes	1727 37th St.	Orange	R	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	76	76	E	<input type="checkbox"/>	\$809,338 *	Marc Caldwell	<input type="checkbox"/>	188	<input type="checkbox"/>	Insufficient Funds in Sub-Region		
07123	5	N	Tower Village	Park St. & Tower Rd.	Nacogdoches	R	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	36	36	G	<input type="checkbox"/>	\$545,417 *	Robert Crow	<input type="checkbox"/>	187	<input type="checkbox"/>	Insufficient Funds in Sub-Region		
											<b>Total:</b>	<b>112</b>	<b>112</b>									<b>\$1,354,755</b>
											<b>Total:</b>	<b>327</b>	<b>332</b>									<b>\$2,767,574</b>
<b>9 Applications in Region</b>											<b>Region Total:</b>	<b>805</b>	<b>810</b>									<b>\$4,686,357</b>

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**Region: 6**

**Allocation Information for Region 6:**      **Total Credits Available for Region: \$11,349,523**      **Rural Allocation: \$545,781**      **Urban/Exurban Allocation: \$10,803,741**

**\*\*Three previously awarded developments, TDHCA numbers 04200, 04203, and 060004 returned credits in the amount of \$487,554; \$401,044 has been added to the original allocation for Region 6 Urban/Exurban, \$86,510 has been added to the original allocation for Region 6 Rural, and \$487,554 has been added to the state credit ceiling and is correctly reflected in the credits available.**

**5% Required for USDA: \$567,476**      **15% Required for At-Risk: \$1,702,428**

**Applications Submitted in Region 6:**

07041	6 BA	Village on Hobbs Road	6000 Hobbs Rd.	League City	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	80	100	E	<input type="checkbox"/>	\$50,356	Thomas H. Scott	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07042	6 BA	Oxford Place	605 Berry Rd.	Houston	U/EX	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	NC	200	250	G	<input type="checkbox"/>	\$114,593	Horace Allison	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07051	6 BA	Lake Jackson Manor	100 Garland	Lake Jackson	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	80	100	E	<input type="checkbox"/>	\$37,014	H. Elizabeth Young	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07054	6 BA	Commons of Grace Senior	8900 Tidwell	Houston	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	86	108	ET	<input type="checkbox"/>	\$48,106	Deepak Sulakhe	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07020	6 BA	Baybrook Park Retirement Center	500 Texas Ave. West	Webster	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	80	100	E	<input type="checkbox"/>	\$39,863	Barry Kahn	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07010	6 BA	South Union Place	7210 Scott St.	Houston	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	100	125	ET	<input type="checkbox"/>	\$19,572	John N. Barineau	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07060	6 BA	Freeport Oaks Apartments	NE Corner of Ave. J & Skinner St.	Freeport	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	80	100	G	<input type="checkbox"/>	\$39,216	Les Kilday	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07062	6 BA	Lansborough Apartments	10050 Cullen Blvd.	Houston	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	141	176	G	<input type="checkbox"/>	\$77,147	Margie Lee Bingham	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07022	6 BA	Redwood Heights Apartments	7300 Jensen Dr.	Houston	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	76	96	G	<input type="checkbox"/>	\$41,991	Rick J. Deyoe	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
<b>Total:</b>										<b>923</b>	<b>1,155</b>			<b>\$467,858</b>					
07210	6 A	New Hope Housing at Bray's Crossing	6311 Gulf Freeway	Houston	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	RH	149	149	G	<input checked="" type="checkbox"/>	\$680,321	Joy Horak-Brown	<input type="checkbox"/>	209	<input type="checkbox"/>	Competitive in Region

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Region	File #	Status	Development Name	Address	City	Alloc. <sup>2</sup>	Set-Asides <sup>3</sup>	Housing <sup>4</sup>	LI	Total	Target <sup>5</sup>	ACQ <sup>6</sup>	Recommended	Owner	TDHCA	Final	1 Mile,	Comment <sup>7</sup>							
							USDA NP AR	Activity	Units	Units			Credit*	Contact	HOME	Score	1 Year								
	07204	6 A	Notting Hill Gate Apartments	200 S.E. of Intersection of S. Gessner & Beltway 8	Missouri City	U/EX	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC	108	108	E	<input type="checkbox"/>	\$1,093,000	Alyssa Carpenter	<input type="checkbox"/>	203	<input type="checkbox"/>	Competitive in Region							
	07179	6 A	Villas at Goose Creek	SE Corner of N. Main St. & E. Defee St.	Baytown	U/EX	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC	22	22	G	<input type="checkbox"/>	\$242,318	Chris Presley	<input type="checkbox"/>	203	<input type="checkbox"/>	Competitive in Region							
	07203	6 A	Melbourne Apartments	3337 Mustang Rd.	Alvin	U/EX	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC	110	110	E	<input type="checkbox"/>	\$1,200,000	Alyssa Carpenter	<input type="checkbox"/>	203	<input type="checkbox"/>	Competitive in Region							
	07103	6 A	Oak Tree Village	2700 Blk of FM 1266	Dickinson	U/EX	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC	36	36	E	<input type="checkbox"/>	\$371,883	Charles Holcomb	<input type="checkbox"/>	202	<input type="checkbox"/>	Competitive in Region							
	07309	6 A	Glenwood Trails	Glenwood Dr. N. of Holton Ave.	Deer Park	U/EX	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC	114	114	G	<input type="checkbox"/>	\$942,176	Les Kilday	<input type="checkbox"/>	197	<input type="checkbox"/>	Competitive in Region							
	07300	6 A	Wentworth Apartments	SE of Corner of Timber Forest Dr. & FM 1960	Atascocita	U/EX	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC	90	90	E	<input type="checkbox"/>	\$907,000	Alyssa Carpenter	<input type="checkbox"/>	196	<input type="checkbox"/>	Competitive in Region							
	07310	6 A	Gardens at Friendswood Lakes	1400 Blk of FM 528	Friendswood	U/EX	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC	114	114	E	<input type="checkbox"/>	\$1,000,000	Les Kilday	<input type="checkbox"/>	196	<input type="checkbox"/>	Competitive in Region							
	07293	6 A	Morningstar Villas	3500 Blk of Magnolia Ave.	Texas City	U/EX	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC	35	36	E	<input type="checkbox"/>	\$385,100	Diana McIver	<input type="checkbox"/>	195	<input type="checkbox"/>	Competitive in Region							
	07306	6 A	Zion Village Apartments	3154 Gray St.	Houston	U/EX	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC	50	50	E	<input type="checkbox"/>	\$541,928	Thomas Jones	<input type="checkbox"/>	195	<input type="checkbox"/>	Competitive in Region							
	07291	6 A	Cypress Creek at Reed Road	Approx. 2900 Blk of Reed Rd.	Houston	U/EX	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC	126	132	G	<input type="checkbox"/>	\$1,199,797	Stuart Shaw	<input type="checkbox"/>	194	<input type="checkbox"/>	Competitive in Region							
	07170	6 A	Gibraltar	152 Blk of Brazoswood Dr.	Clute	U/EX	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC	48	48	E	<input type="checkbox"/>	\$575,334	Debra Guerrero	<input type="checkbox"/>	193	<input type="checkbox"/>	Competitive in Region							
<b>Total:</b>																									
													<b>1,002</b>	<b>1,009</b>			<b>\$9,138,857</b>								
	07141	6 N	Pinnacle of Pleasant Humble	1200 Blk of 1st Ave. E	Humble	U/EX	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC	147	153	E	<input type="checkbox"/>	\$1,200,000	Kenneth W. Fambro	<input type="checkbox"/>	187	<input type="checkbox"/>	Not Competitive in Region							
	07280	6 N	Andalusia	4343 Old Spanish Tr.	Houston	U/EX	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC	102	102	E	<input type="checkbox"/>	\$1,095,525 *	Manish Verma	<input type="checkbox"/>	176	<input type="checkbox"/>	Not Competitive in Region							
	07109	6 N	Elrod Place	W side of Approx. 3700 Blk Elrod	Katy	U/EX	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC	123	127	Intg	<input type="checkbox"/>	\$1,200,000 *	Barry Kahn	<input type="checkbox"/>	169	<input type="checkbox"/>	Not Competitive in Region							
	07217	6 N	Victory Place Seniors	2001 S. Victory	Houston	U/EX	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC	75	75	E	<input type="checkbox"/>	\$737,449 *	Margie Lee Bingham	<input type="checkbox"/>	164	<input type="checkbox"/>	Not Competitive in Region							

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File #	Status	Region	Development Name	Address	City	Alloc. <sup>2</sup>	Set-Asides <sup>3</sup>			Housing <sup>4</sup> Activity	LI Units	Total Units	Target <sup>5</sup>	ACQ <sup>6</sup>	Recommended Credit*	Owner Contact	TDHCA HOME	Final Score	1 Mile, 1 Year	Comment <sup>7</sup>		
							USDA	NP	AR													
07165	6 N		Gates of Dominion North	NW Corner of JFK Blvd. & Lauder Rd.	Houston	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	150	150	G	<input type="checkbox"/>	\$1,200,000 *	Daniel Williams	<input type="checkbox"/>	141	<input type="checkbox"/>	Not Competitive in Region		
											<b>Total:</b>	<b>597</b>	<b>607</b>				<b>\$5,432,974</b>					
											<b>Total:</b>	<b>2,522</b>	<b>2,771</b>				<b>\$15,039,689</b>					
<b>Applications Submitted in Region 6: Rural</b>																						
07004	6 BA		Cricket Hollow Apartments	9700 FM 1097	Willis	R	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	150	176	G	<input type="checkbox"/>	\$82,466	Brian Cogburn	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement		
											<b>Total:</b>	<b>150</b>	<b>176</b>				<b>\$82,466</b>					
07258	6 A		Trinity Garden Apt Homes	2000 Blk of Panther Dr.	Liberty	R	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	76	76	E	<input type="checkbox"/>	\$665,529	Marc Caldwell	<input type="checkbox"/>	190	<input type="checkbox"/>	Competitive in USDA Allocation		
07246	6 A		Lexington Square	1324 E. Hospital Dr.	Angleton	R	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	RH	80	80	G	<input checked="" type="checkbox"/>	\$347,876	Lisa Castillo	<input type="checkbox"/>	147	<input type="checkbox"/>	Competitive in At-Risk Set-Aside		
											<b>Total:</b>	<b>156</b>	<b>156</b>				<b>\$1,013,405</b>					
07259	6 N		Montgomery Meadows Phase II	Corner of Old Montgomery Rd. & Cline	Huntsville	R	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	48	48	E	<input type="checkbox"/>	\$492,857 *	Emanuel H. Glockzin, Jr.	<input type="checkbox"/>	173	<input type="checkbox"/>	Not Competitive in Region		
07252	6 N		Brooks Manor Apartments	444 Jefferson Ave.	West Columbia	R	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	RH	50	50	G	<input checked="" type="checkbox"/>	\$226,377 *	Lisa Castillo	<input type="checkbox"/>	144	<input type="checkbox"/>	Not Competitive in Region		
07268	6 N		Mid-Towne I Apartments	820 E. Carrell St.	Tomball	R	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	RH	52	54	G	<input checked="" type="checkbox"/>	\$0	Dennis Hoover	<input type="checkbox"/>	121	<input type="checkbox"/>	Financially Infeasible		
											<b>Total:</b>	<b>150</b>	<b>152</b>				<b>\$719,234</b>					
											<b>Total:</b>	<b>456</b>	<b>484</b>				<b>\$1,815,105</b>					
<b>32 Applications in Region</b>											<b>Region Total:</b>	<b>2,978</b>	<b>3,255</b>				<b>\$16,854,794</b>					

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**Region: 7**

**Allocation Information for Region 7: Total Credits Available for Region: \$2,551,062 Rural Allocation: \$269,467 Urban/Exurban Allocation: \$2,281,595**

**\*\*Two previously awarded developments, TDHCA numbers 05142 and 05228, returned credits in the amount of \$503,593; \$368,190 has been added to the original allocation for Region 7 Urban/Exurban, \$135,403 has been added to the original allocation for Region 7 Rural, and \$503,593 has been added to the state credit ceiling and is correctly reflected in the credits available.**

**Applications Submitted in Region 7:**

**Urban/Exurban**

07249	7	A	Bluffs Landing Senior Village	2200 Old Settlers Blvd.	Round Rock	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	144	144	E	<input type="checkbox"/>	\$1,189,481	Colby Denison	<input checked="" type="checkbox"/>	199	<input type="checkbox"/>	Competitive in Region
07234	7	A	Tuscany Park at Buda	FM 2001 E. of IH 35	Buda	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	170	176	G	<input type="checkbox"/>	\$860,495	Mark Musemeche	<input checked="" type="checkbox"/>	197	<input type="checkbox"/>	Significant Sub-Regional Shortfall in State Collapse, Partial Award of \$339,505 in 2008 Tax Credits Required
07223	7	A	Shady Oaks Apartments	501 Janis Dr.	Georgetown	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	RH	60	60	G	<input type="checkbox"/>	\$369,110	Naomi Walker	<input checked="" type="checkbox"/>	178	<input type="checkbox"/>	Competitive in At-Risk Set-Aside
<b>Total:</b>											<b>374</b>	<b>380</b>			<b>\$2,419,086</b>					
07313	7	N	Villas at Rabbit Hill	FM 1460 Across from Timberline Dr.	Round Rock	U/EX	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	NC	136	136	E	<input type="checkbox"/>	\$1,000,000 *	Ebby Green	<input checked="" type="checkbox"/>	194	<input type="checkbox"/>	Not Competitive in Region
07224	7	N	Sierra Ridge Apartments	Intersection of N.W. Blvd. & Washam Dr.	Georgetown	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	77	80	G	<input type="checkbox"/>	\$731,071 *	Naomi Walker	<input type="checkbox"/>	181	<input type="checkbox"/>	Not Competitive in Region
<b>Total:</b>											<b>213</b>	<b>216</b>			<b>\$1,731,071</b>					
<b>Total:</b>											<b>587</b>	<b>596</b>			<b>\$4,150,157</b>					

**Applications Submitted in Region 7:**

**Rural**

07220	7	A	San Gabriel Crossing	1625 Loop 332	Liberty Hill	R	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	73	76	G	<input type="checkbox"/>	\$582,217	Mark Mayfield	<input type="checkbox"/>	181	<input type="checkbox"/>	Competitive in USDA Allocation
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								Total:	73	76			\$582,217							
								Total:	73	76			\$582,217							
6 Applications in Region								Region Total:	660	672			\$4,732,374							

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**Region: 8**

**Allocation Information for Region 8: Total Credits Available for Region: \$2,629,068**    **Rural Allocation: \$571,479**    **Urban/Exurban Allocation: \$2,057,589**  
**\*\*One previously awarded development, TDHCA number 05225, returned credits in the amount of \$113,408; this amount has been added to the original allocation for Region 8 Rural and to the state credit ceiling and is correctly reflected in the credits available.**    **5% Required for USDA: \$131,453**    **15% Required for At-Risk: \$394,360**

**Applications Submitted in Region 8: Urban/Exurban**

07015	8	BA	Chisholm Trail Senior Village	1003 W. 9th Ave.	Belton	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	54	60	E	<input type="checkbox"/>	\$23,990	Leslie Donaldson Holleman	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07034	8	BA	Village at Meadowbend Apartments II	1638 Case Rd.	Temple	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	79	99	G	<input type="checkbox"/>	\$44,275	Monica Poss	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
<b>Total:</b>											<b>133</b>	<b>159</b>		<b>\$68,265</b>						
07262	8	A	Santour Court	Lots 14-26 & 40-42, Blk 14 Santour Court St., Edelweiss Gartens Subdivision	College Station	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	16	16	G	<input type="checkbox"/>	\$294,106	Emanuel H. Glockzin, Jr.	<input type="checkbox"/>	187	<input type="checkbox"/>	Competitive in Region
07275	8	A	Mansions at Briar Creek	Near 200 Blk of E. Wm. J. Bryan Pkwy	Bryan	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	171	171	E	<input type="checkbox"/>	\$1,200,000	Robert R. Burchfield	<input type="checkbox"/>	183	<input type="checkbox"/>	Competitive in Region
<b>Total:</b>											<b>187</b>	<b>187</b>		<b>\$1,494,106</b>						
07263	8	N	Constitution Court	Constitution Dr., Off U.S. Hwy 190	Copperas Cove	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	108	108	G	<input type="checkbox"/>	\$0	Emanuel H. Glockzin, Jr.	<input checked="" type="checkbox"/>	192	<input type="checkbox"/>	Financially Infeasible
07192	8	N	Historic Lofts of Waco High	815 Columbus Ave.	Waco	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	104	104	G	<input checked="" type="checkbox"/>	\$1,031,581	Hollis Fitch	<input type="checkbox"/>	169	<input type="checkbox"/>	Not Competitive in Region
<b>Total:</b>											<b>212</b>	<b>212</b>		<b>\$1,031,581</b>						
<b>Total:</b>											<b>532</b>	<b>558</b>		<b>\$2,593,952</b>						

**Applications Submitted in Region 8: Rural**

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File #	Region		Development Name	Address	City	Alloc. <sup>2</sup>	Set-Asides <sup>3</sup>			Housing <sup>4</sup> Activity	LI Units	Total Units	Target <sup>5</sup>	ACQ <sup>6</sup>	Recommended Credit*	Owner Contact	TDHCA HOME	Final Score	1 Mile, 1 Year	Comment <sup>7</sup>		
	Status <sup>1</sup>						USDA	NP	AR													
07038	8	BA	Bluffview Villas	2800 Hwy 36 S.	Brenham	R	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	76	76	E	<input type="checkbox"/>	\$40,048	G. Granger MacDonald	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement		
<b>Total:</b>											<b>76</b>	<b>76</b>			<b>\$40,048</b>							
07177	8	A	Hamilton Senior Village	Williams St. , 11 Acres at Hamilton City Limits	Hamilton	R	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	36	36	E	<input type="checkbox"/>	\$339,782	Bonita Williams	<input checked="" type="checkbox"/>	179	<input type="checkbox"/>	Competitive in Region and USDA Allocation		
07180	8	A	Holland House Apartments	616 Josephine St.	Holland	R	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	RH	68	68	G	<input checked="" type="checkbox"/>	\$267,348	Warren Maupin	<input type="checkbox"/>	126	<input type="checkbox"/>	Competitive in At-Risk Set-Aside		
<b>Total:</b>											<b>104</b>	<b>104</b>			<b>\$607,130</b>							
<b>Total:</b>											<b>180</b>	<b>180</b>			<b>\$647,178</b>							
<b>9 Applications in Region</b>											<b>Region Total:</b>		<b>712</b>	<b>738</b>			<b>\$3,241,131</b>					

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**Region: 9**

**Allocation Information for Region 9: Total Credits Available for Region: \$3,013,098 Rural Allocation: \$807,723 Urban/Exurban Allocation: \$2,205,375**  
**\*\*Two previously awarded developments, TDHCA numbers 05226 and 05231, returned credits in the amount of \$400,876; this amount has been added to the original allocation for Region 9 Rural and to the state credit ceiling and is correctly reflected in the credits available. 5% Required for USDA: \$150,655 15% Required for At-Risk: \$451,965**

**Applications Submitted in Region 9: Urban/Exurban**

07095	9 FWD	Las Palmas Gardens Apartments	1014 S. San Eduardo	San Antonio	U/EX	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	RH	100	100	G	<input checked="" type="checkbox"/>	\$696,936	David Marquez	<input type="checkbox"/>	301	<input type="checkbox"/>	Forward Commitment
07036	9 BA	Seton Home Center for Teen Moms	1115 Mission Rd.	San Antonio	U/EX	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	NC	24	24	G	<input type="checkbox"/>	\$22,493	Margaret Starkey	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07014	9 BA	Stratton Oaks Apartments	716 Stratton Ave.	Seguin	U/EX	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	NC	100	100	G	<input type="checkbox"/>	\$55,603	Colby Denison	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07006	9 BA	Palacio Del Sol	400 N. Frio	San Antonio	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	160	200	E	<input type="checkbox"/>	\$81,457	Fernando Godinez	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
<b>Total:</b>										<b>384</b>	<b>424</b>			<b>\$856,489</b>					
07173	9 A	West End Baptist Manor Apartments	934 SW 35th St.	San Antonio	U/EX	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	RH	50	50	G	<input checked="" type="checkbox"/>	\$316,781	David Marquez	<input type="checkbox"/>	210	<input type="checkbox"/>	Competitive in Region
07198	9 A	West Durango Plaza Apartments	5635 W. Durango	San Antonio	U/EX	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	RH	82	82	G	<input checked="" type="checkbox"/>	\$657,418	Ronald C. Anderson	<input type="checkbox"/>	208	<input type="checkbox"/>	Competitive in Region
<b>Total:</b>										<b>132</b>	<b>132</b>			<b>\$974,199</b>					
07171	9 N	San Juan Square II	S Calaveras St. & Brady Blvd.	San Antonio	U/EX	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	RC	138	144	G	<input type="checkbox"/>	\$1,200,000	Henry A. Alvarez III	<input type="checkbox"/>	203	<input type="checkbox"/>	Not Competitive in Region
07233	9 N	Ingram Square Apartments	5901 Flynn Dr.	San Antonio	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	RH	120	120	G	<input checked="" type="checkbox"/>	\$652,194 *	Paul Patierno	<input type="checkbox"/>	199	<input type="checkbox"/>	Not Competitive in Region
<b>Total:</b>										<b>258</b>	<b>264</b>			<b>\$1,852,194</b>					
<b>Total:</b>										<b>774</b>	<b>820</b>			<b>\$3,682,882</b>					

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Region	File #	Status <sup>1</sup>	Development Name	Address	City	Alloc. <sup>2</sup>	Set-Asides <sup>3</sup> USDA NP AR	Housing <sup>4</sup> Activity	LI Units	Total Units	Target <sup>5</sup>	ACQ <sup>6</sup>	Recommended Credit*	Owner Contact	TDHCA HOME	Final Score	1 Mile, 1 Year	Comment <sup>7</sup>	
<b>Applications Submitted in Region 9:</b>			<b>Rural</b>																
	07007	9 BA	Oaks Of Bandera	400 Old San Antonio Hwy	Bandera	R	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC	76	76	G	<input type="checkbox"/>	\$42,318	Lucille Jones	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement	
	07008	9 BA	Friendship Place	600-700 E. Friendship Ln.	Fredericksburg	R	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC	76	76	G	<input type="checkbox"/>	\$40,760	Lucille Jones	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement	
	07061	9 BA	Towne Park in Fredericksburg II	1100 S. Adams	Fredericksburg	R	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	NC	39	44	E	<input type="checkbox"/>	\$18,608	Mark Mayfield	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement	
									<b>Total:</b>	<b>191</b>	<b>196</b>		<b>\$101,686</b>						
	07242	9 A	Paseo de Paz Apartments	400 Blk of Clearwater Paseo	Kerrville	R	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC	73	76	G	<input type="checkbox"/>	\$712,276	Justin MacDonald	<input type="checkbox"/>	190	<input type="checkbox"/>	Significant Sub-Regional Shortfall in Regional Collapse	
	07110	9 A	Poteet Housing Authority Farm Labor	Ave. N at 4th St.	Poteet	R	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	RH	30	30	G	<input checked="" type="checkbox"/>	\$87,371	Gary M. Driggers	<input type="checkbox"/>	186	<input type="checkbox"/>	Competitive in USDA Allocation	
									<b>Total:</b>	<b>103</b>	<b>106</b>		<b>\$799,647</b>						
									<b>Total:</b>	<b>294</b>	<b>302</b>		<b>\$901,333</b>						
<b>13 Applications in Region</b>									<b>Region Total:</b>	<b>1,068</b>	<b>1,122</b>		<b>\$4,584,215</b>						

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**Region: 10**

<b>Allocation Information for Region 10:</b>	<b>Total Credits Available for Region:</b>	<b>\$1,680,545</b>	<b>Rural Allocation:</b>	<b>\$872,315</b>	<b>Urban/Exurban Allocation:</b>	<b>\$808,230</b>
			<b>5% Required for USDA:</b>	<b>\$84,027</b>	<b>15% Required for At-Risk:</b>	<b>\$252,082</b>

**Applications Submitted in Region 10: Urban/Exurban**

07090	10	FWD	Thomas Ninke Senior Village	1901 Lova Rd.	Victoria	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	80	80	E	<input type="checkbox"/>	\$472,636	Debbie Gillespie	<input type="checkbox"/>	301	<input type="checkbox"/>	Forward Commitment
<b>Total:</b>											<b>80</b>	<b>80</b>			<b>\$472,636</b>					
07174	10	A	LULAC Hacienda Apartments	2625 Greenwood Dr.	Corpus Christi	U/EX	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	RC	60	60	E	<input checked="" type="checkbox"/>	\$566,203	David Marquez	<input type="checkbox"/>	205	<input type="checkbox"/>	Competitive in Region and At-Risk Set-Aside
<b>Total:</b>											<b>60</b>	<b>60</b>			<b>\$566,203</b>					
07318	10	N	Buena Vida Senior Village	4650 Old Brownsville Rd.	Corpus Christi	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	120	120	E	<input type="checkbox"/>	\$1,103,844 *	Randy Stevenson	<input type="checkbox"/>	159	<input type="checkbox"/>	Not Competitive in Region
<b>Total:</b>											<b>120</b>	<b>120</b>			<b>\$1,103,844</b>					
<b>Total:</b>											<b>260</b>	<b>260</b>			<b>\$2,142,683</b>					

**Applications Submitted in Region 10: Rural**

07073	10	BA	Lantana Ridge Apartments	2200 N. Adams St.	Beeville	R	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	RH	55	55	G	<input checked="" type="checkbox"/>	\$2,380	Gary L. Kersch	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07071	10	BA	Saltgrass Landing Apartments	1602 S. Church St.	Rockport	R	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	RH	55	55	G	<input checked="" type="checkbox"/>	\$2,419	Gary L. Kersch	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07072	10	BA	Lantana Ridge Apartments South	2200 N. Adams St.	Beeville	R	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	RH	35	35	G	<input checked="" type="checkbox"/>	\$1,400	Gary L. Kersch	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07021	10	BA	Fenner Square	Corner of Burke & Campbell St.	Goliad	R	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	NC	32	32	G	<input type="checkbox"/>	\$21,258	Gary M. Driggers	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
<b>Total:</b>											<b>177</b>	<b>177</b>			<b>\$27,456</b>					
07199	10	A	Kingsville LULAC Manor Apartments	1220 N. 17th	Kingsville	R	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	RH	88	88	G	<input checked="" type="checkbox"/>	\$491,514	Walter Martinez	<input checked="" type="checkbox"/>	192	<input type="checkbox"/>	Competitive in Region

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Region	File #	Status	Development Name	Address	City	Alloc. <sup>2</sup>	Set-Asides <sup>3</sup>			Housing <sup>4</sup>	LI	Total	Target <sup>5</sup>	ACQ <sup>6</sup>	Recommended	Owner	TDHCA	Final	1 Mile,	Comment <sup>7</sup>	
							USDA	NP	AR	Activity	Units	Units			Credit*	Contact	HOME	Score	1 Year		
	07271	10 A	Hyatt Manor Apartments	1701 Waco St.	Gonzales	R	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	RH	65	65	G	<input checked="" type="checkbox"/>	\$322,018	Dennis Hoover	<input type="checkbox"/>	129	<input type="checkbox"/>	Competitive in USDA Allocation	
											<b>Total:</b>	<b>153</b>	<b>153</b>			<b>\$813,532</b>					
	07124	10 N	King's Crossing Phase II	1505 E. Corral	Kingsville	R	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	72	72	G	<input type="checkbox"/>	\$661,500 *	Mark Musemeche	<input checked="" type="checkbox"/>	185	<input type="checkbox"/>	Not Competitive in Region	
											<b>Total:</b>	<b>72</b>	<b>72</b>			<b>\$661,500</b>					
											<b>Total:</b>	<b>402</b>	<b>402</b>			<b>\$1,502,488</b>					
<b>10 Applications in Region</b>											<b>Region Total:</b>	<b>662</b>	<b>662</b>			<b>\$3,645,171</b>					

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**Region: 11**

<b>Allocation Information for Region 11:</b>	<b>Total Credits Available for Region: \$5,974,191</b>	<b>Rural Allocation: \$2,175,228</b>	<b>Urban/Exurban Allocation: \$3,798,963</b>
		<b>5% Required for USDA: \$298,710</b>	<b>15% Required for At-Risk: \$896,129</b>

**Applications Submitted in Region 11: Urban/Exurban**

07094	11	FWD	Mesquite Terrace	400 Blk of E. Thomas Rd.	Pharr	U/EX	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	NC	106	106	E	<input type="checkbox"/>	\$594,048	Roy Navarro	<input type="checkbox"/>	301	<input type="checkbox"/>	Forward Commitment
07012	11	BA	Villa del Sol	700 E. St. Charles St.	Brownsville	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	RH	189	199	E	<input checked="" type="checkbox"/>	\$28,453	William (Bill) J. Lee	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07045	11	BA	Providence at Edinburg	201 N. 13th Ave.	Edinburg	U/EX	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	NC	100	100	E	<input type="checkbox"/>	\$29,947	Bill Fisher	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07044	11	BA	Providence at Boca Chica	Intersection of Ash St. & Elm St.	Brownsville	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	RH	151	158	G	<input checked="" type="checkbox"/>	\$72,261	Bill Fisher	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07013	11	BA	Las Canteras Apartments	415 E. Thomas Rd.	Pharr	U/EX	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	NC	100	100	G	<input type="checkbox"/>	\$53,407	William (Bill) J. Lee	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
<b>Total:</b>											<b>646</b>	<b>663</b>			<b>\$778,116</b>					
07183	11	A	Sunset Terrace	920 W. Villegas	Pharr	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	RC	100	100	G	<input type="checkbox"/>	\$975,319	Roy Navarro	<input type="checkbox"/>	215	<input type="checkbox"/>	Competitive in Region
07182	11	A	Retama Village - Phase II	2301 Jasmine Ave.	McAllen	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	RC	74	74	G	<input type="checkbox"/>	\$734,361	Joe Saenz	<input type="checkbox"/>	203	<input type="checkbox"/>	Competitive in Region
07226	11	A	Candlewick Apartments	1155 Paredes Line Rd.	Brownsville	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	RH	132	132	G	<input checked="" type="checkbox"/>	\$981,612	Saleem Jafar	<input type="checkbox"/>	196	<input type="checkbox"/>	Competitive in At-Risk Set-Aside
<b>Total:</b>											<b>306</b>	<b>306</b>			<b>\$2,691,292</b>					
07206	11	N	Villa Estella Trevino	1/4 Mile E. of Sugar Rd., N. Side of Mile 17 1/2 Rd. (a.k.a. Russell Rd.	Edinburg	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	161	168	E	<input type="checkbox"/>	\$1,151,989	Gilberto de los Santos	<input type="checkbox"/>	203	<input type="checkbox"/>	Not Competitive in Region
07185	11	N	Bluebonnet Senior Village	1201 W. Austin Lane	Alamo	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	36	36	E	<input type="checkbox"/>	\$360,000 *	Mary Vela	<input type="checkbox"/>	196	<input type="checkbox"/>	Not Competitive in Region

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Region	File #	Status	Development Name	Address	City	Alloc. <sup>2</sup>	Set-Asides <sup>3</sup>	Housing <sup>4</sup>	LI	Total	Target <sup>5</sup>	ACQ <sup>6</sup>	Recommended	Owner	TDHCA	Final	1 Mile,	Comment <sup>7</sup>	
							USDA NP AR	Activity	Units	Units			Credit*	Contact	HOME	Score	1 Year		
	07205	11 N	North Manor Estates Apartments	Southwest corner of Mile 10 Rd. and mile 4.5, entrance fronts on mile 10 road.	Weslaco	U/EX	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC	126	130	G	<input type="checkbox"/>	\$1,115,662 *	Mike Lopez	<input type="checkbox"/>	196	<input type="checkbox"/>	Not Competitive in Region	
	07169	11 N	Costa Madera	Poggenpohl St. & San Ignacio Ave.	Laredo	U/EX	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC	140	140	G	<input type="checkbox"/>	\$1,200,000 *	Abraham Rodriguez	<input type="checkbox"/>	190	<input type="checkbox"/>	Not Competitive in Region	
									<b>Total:</b>	<b>463</b>	<b>474</b>		<b>\$3,827,651</b>						
									<b>Total:</b>	<b>1,415</b>	<b>1,443</b>		<b>\$7,297,059</b>						
<b>Applications Submitted in Region 11:</b>			<b>Rural</b>																
	07068	11 BA	Vista Hermosa Apartments	820 N. Bibb	Eagle Pass	R	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	RH	20	20	G	<input checked="" type="checkbox"/>	\$726	Patrick A. Barbolla	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement	
	07063	11 BA	Bahia Palms Apartments	1303 Pino Dr.	Laguna Vista	R	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	RH	64	64	G	<input checked="" type="checkbox"/>	\$4,485	Patrick A. Barbolla	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement	
	07055	11 BA	Arbor Cove	2805 Fordyce Ave.	Donna	R	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC	108	120	G	<input type="checkbox"/>	\$73,818	Anita Kegley	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement	
	07035	11 BA	Casa Saldana	SW Corner of Mile 8 Rd. & Baseline Rd.	Mercedes	R	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC	156	196	G	<input type="checkbox"/>	\$82,912	Monica Poss	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement	
									<b>Total:</b>	<b>348</b>	<b>400</b>		<b>\$161,941</b>						
	07227	11 A	Champion Home at La Joya	945 S Leo & Various Addresses for Scattered SF Homes	La Joya	R	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	RC	50	50	G	<input type="checkbox"/>	\$481,928	Saleem Jafar	<input type="checkbox"/>	204	<input type="checkbox"/>	Competitive in Region	
	07178	11 A	Tammye's Pointe	Old Pioneer Rd. at FM 1021	Eagle Pass	R	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC	76	76	G	<input type="checkbox"/>	\$983,288	Donald Pace	<input type="checkbox"/>	187	<input type="checkbox"/>	Competitive in Region	
	07153	11 A	Los Ebanos Apartments	300 Yards S. of 5 Mile Line Rd. on E. Side of Los Ebanos Rd.	Alton	R	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC	76	76	G	<input type="checkbox"/>	\$738,251	Alyssa Carpenter	<input type="checkbox"/>	179	<input type="checkbox"/>	Competitive in USDA Allocation	
									<b>Total:</b>	<b>202</b>	<b>202</b>		<b>\$2,203,467</b>						
	07228	11 N	Las Palmas Homes	213 Orive	Los Fresnos	R	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	RC	75	75	G	<input type="checkbox"/>	\$0	Saleem Jafar	<input type="checkbox"/>	201	<input type="checkbox"/>	Financially Infeasible, and Award Would Cause Violation of \$2M Limit	

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Region	File #	Status <sup>1</sup>	Development Name	Address	City	Alloc. <sup>2</sup>	Set-Asides <sup>3</sup>			Housing <sup>4</sup>	LI	Total	Target <sup>5</sup>	ACQ <sup>6</sup>	Recommended	Owner	TDHCA	Final	1 Mile,	Comment <sup>7</sup>			
							USDA	NP	AR	Activity	Units	Units			Credit*	Contact	HOME	Score	1 Year				
	07302	11 N	Casa Alton	NW Corner Trospen Rd. & Proposed Oxford St.	Alton	R	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	73	76	G	<input type="checkbox"/>	\$705,994 *	Jean Coburn	<input type="checkbox"/>	178	<input type="checkbox"/>	Not Competitive in Region/Set-Aside			
	07267	11 N	Buena Vida Apartments	100 S. Kansas City Rd.	La Feria	R	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	RH	58	58	E	<input checked="" type="checkbox"/>	\$134,701	Dennis Hoover	<input type="checkbox"/>	145	<input type="checkbox"/>	Not Competitive in Region/Set-Aside			
<b>Total:</b>											<b>206</b>	<b>209</b>				<b>\$840,695</b>							
<b>Total:</b>											<b>756</b>	<b>811</b>				<b>\$3,206,103</b>							
<b>22 Applications in Region</b>											<b>Region Total:</b>		<b>2,171</b>	<b>2,254</b>				<b>\$10,503,162</b>					

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**Region: 12**

<b>Allocation Information for Region 12:</b>	<b>Total Credits Available for Region:</b>	<b>\$1,386,899</b>	<b>Rural Allocation:</b>	<b>\$406,927</b>	<b>Urban/Exurban Allocation:</b>	<b>\$979,972</b>
			<b>5% Required for USDA:</b>	<b>\$69,345</b>	<b>15% Required for At-Risk:</b>	<b>\$208,035</b>

**Applications Submitted in Region 12: Urban/Exurban**

07033	12	BA	Sedona Springs Village	920 W. University	Odessa	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	85	100	G	<input type="checkbox"/>	\$15,819	Ron Hance	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
<b>Total:</b>											<b>85</b>	<b>100</b>			<b>\$15,819</b>					
07282	12	A	Palermo	SE Corner of Gist Ave. & Wayside Dr.	Midland	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	130	136	G	<input type="checkbox"/>	\$904,473	Manish Verma	<input checked="" type="checkbox"/>	203	<input type="checkbox"/>	Competitive in Region
<b>Total:</b>											<b>130</b>	<b>136</b>			<b>\$904,473</b>					
07222	12	N	Riverbend Trails	Intersection of Surber Dr. & Rio Concho Dr.	San Angelo	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	96	100	E	<input type="checkbox"/>	\$893,976	Diana McIver	<input type="checkbox"/>	198	<input type="checkbox"/>	Not Competitive in Region, Award Would Cause Violation of \$2M Limit
07151	12	N	Key West Village Phase II	1600 W. Clements	Odessa	U/EX	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	NC	36	36	E	<input type="checkbox"/>	\$237,938 *	Bernadine Spears	<input type="checkbox"/>	196	<input type="checkbox"/>	Not Competitive in Region
<b>Total:</b>											<b>132</b>	<b>136</b>			<b>\$1,131,914</b>					
<b>Total:</b>											<b>347</b>	<b>372</b>			<b>\$2,052,206</b>					

**Applications Submitted in Region 12: Rural**

07115	12	A	Heights Apartments	MLK St., 1 Blk E. of FM 700	Big Spring	R	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	48	48	G	<input type="checkbox"/>	\$377,886	Justin Zimmerman	<input type="checkbox"/>	129	<input type="checkbox"/>	Competitive in Region and USDA Allocation
<b>Total:</b>											<b>48</b>	<b>48</b>			<b>\$377,886</b>					
<b>Total:</b>											<b>48</b>	<b>48</b>			<b>\$377,886</b>					

**5 Applications in Region**

**Region Total: 395 420 \$2,430,092**

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**Region: 13**

**Allocation Information for Region 13: Total Credits Available for Region: \$2,258,112 Rural Allocation: \$284,967 Urban/Exurban Allocation: \$1,973,146**  
**\*\*One previously awarded development, TDHCA number 05247, returned credits in the amount of \$107,199; this amount has been added to the original allocation for Region 13 Urban/Exurban and to the state credit ceiling and is correctly reflected in the credits available.**  
**5% Required for USDA: \$112,906 15% Required for At-Risk: \$338,717**

**Applications Submitted in Region 13: Urban/Exurban**

07003	13	BA	Diana Palms	4700 Diana St.	El Paso	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	34	36	G	<input type="checkbox"/>	\$17,494	R.L. (Bobby) Bowling IV	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07047	13	BA	Americas Palms	12310 Lorenzo Ruiz Dr.	El Paso	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	112	112	G	<input type="checkbox"/>	\$59,831	R.L. (Bobby) Bowling IV	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
						<b>Total:</b>	<b>146</b>	<b>148</b>						<b>\$77,324</b>						
07108	13	A	Paseo Palms	3000' E. of Joe Battle Near Pellicano Dr.	El Paso	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	180	180	G	<input type="checkbox"/>	\$1,200,000	R.L. (Bobby) Bowling IV	<input type="checkbox"/>	173	<input type="checkbox"/>	Competitive in Region
07235	13	A	Woodchase Senior Community	8410 & 8411 Tigris Dr.	El Paso	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	128	128	E	<input type="checkbox"/>	\$1,069,620	Ike J. Monty	<input type="checkbox"/>	158	<input type="checkbox"/>	Significant Sub-Regional Shortfall in State Collapse
						<b>Total:</b>	<b>308</b>	<b>308</b>						<b>\$2,269,620</b>						
07244	13	N	Alamito Place	Bordered by Delta Drive, St Vrain St. E. Third St, & Hill Street	El Paso	U/EX	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	NC	58	58	G	<input type="checkbox"/>	\$669,659 *	Gary Sanchez	<input type="checkbox"/>	155	<input type="checkbox"/>	Not Competitive in Region
						<b>Total:</b>	<b>58</b>	<b>58</b>						<b>\$669,659</b>						
						<b>Total:</b>	<b>512</b>	<b>514</b>							<b>\$3,016,603</b>					

**Applications Submitted in Region 13: Rural**

07048	13	BA	Horizon Palms	12199 Darrington Rd.	El Paso	R	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	76	76	G	<input type="checkbox"/>	\$41,271	R.L. (Bobby) Bowling IV	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
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Region	File #	Status <sup>1</sup>	Development Name	Address	City	Alloc. <sup>2</sup>	Set-Asides <sup>3</sup> USDA NP AR	Housing <sup>4</sup> Activity	LI Units	Total Units	Target <sup>5</sup>	ACQ <sup>6</sup>	Recommended Credit*	Owner Contact	TDHCA HOME	Final Score	1 Mile, 1 Year	Comment <sup>7</sup>			
								Total:	76	76			\$41,271								
								Total:	76	76			\$41,271								
-----																					
	6	Applications in Region						Region Total:	588	590			\$3,057,875								
	162	Total Applications							14,668	15,415			\$82,728,824								

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**Financial Administration Division**  
**Board Action Request**  
**July 30, 2007**

**Action Item**

The Department staff will present the FY 2008 Operating Budget for the Board's consideration and approval.

**Required Action**

The Board approve the FY 2008 Operating Budget for the fiscal year beginning September 1, 2007 through August 31, 2008.

**Background**

In June 2006, the Governor's Office and the Legislative Budget Board requested State Agencies and Institutions of Higher Education to submit a baseline budget (with a 10% reduction in General Revenue) identifying key goals, objectives and strategies for fiscal years 2008-09 and a prioritized list of exceptional items. These exceptional items would receive consideration once a statewide budget inclusive of essential services could be secured.

During the 80<sup>th</sup> Legislative Session the Texas Department of Community Affairs (TDHCA) provided information and testimony to support its request. In June 2007, the Governor adopted House Bill 1 (HB 1) or the "Bill Pattern" as it is commonly known. The Bill provides appropriation authority for funds as designated by the Legislature.

The results of these efforts yielded an approved version of its baseline budget with restoration of most of the 10% reduction. It also secured several items over and above the baseline. Those items include: \$2.5 million per year of the biennium for Single and Multi Family Housing Trust Fund initiatives; \$109,000 per year for Continuum of Care; and \$120,000 per year for housing market studies. TDHCA's approved budget also includes critical operational revenues and expenses distributed among goals, objectives and strategies. This operational component provides for the agency's administrative overhead.

It is this administrative component that is complimented by the 2008 Internal Operating Budget presented today. The internal operating budget is an extension of the Legislative Appropriations Request (LAR) that aligns with the Department's organizational structure. This alignment ensures that TDHCA's organizational structure complies with the bill pattern. The Internal Operating Budget does not include any pass-through grant funds.

In accordance with Texas Government Code, Chapter 2306, TDHCA is charged with submitting an Internal Operating Budget to several state entities before September 1 of each fiscal year. The budget includes operational expenses distributed among the Department's divisions.

**The highlights for the 2008 budget are as follows:**

1. The budget includes the creation of the Disaster Recovery Division (DRD). This Division will include new CDBG administration funds of \$1,350,272 and approximately 12 full-time equivalents (FTEs). This Division will be responsible for the administration/distribution of CDBG Disaster Recovery funds and FEMA funds associated with temporary housing.
2. The agency will continue its work in the reconstitution of the HOME Division. These efforts will include the transfer of several functional components from the Portfolio Management Division to the HOME Division. This realignment will provide further clarity regarding the separation of divisional duties/responsibilities and will affect an estimated 12-14 FTEs. This FTE estimation evolved through coordination between our Agency Administration and Housing Programs Division. The reconstitution will further our efforts in making TDHCA's HOME Program one of the best in the nation.
3. The budget will include a 2% cost of living increase to salaries across the board for all employees except the Executive Director's exempt position. (This increase was approved by the Legislature.) The Executive Director's salary has moved to Salary Group 5 from Salary Group 4 with a possible range of \$96,468 - \$149,052.
4. The Legislature adopted a 25% increase to the out-of-state travel budget. This budget will be adjusted from \$100,315 to 125,392.
5. The Real Estate Analysis Division and the Division of Policy and Public Affairs will share \$120,000 of state funding to conduct housing market studies.
6. The proposed budget provides \$1.7 million for professional services. These services will target Audits, Legal Services, Inspection Outsourcing, Statewide Homebuyer Education, HVAC/Mobile Home Insulation Training and training that will support efforts associated with Organizational Excellence. (See Professional Fees Chart on Page 2 of the Comparison Report.)

7. The budget also includes the relocation of Research and Planning resources from the Division of Policy and Public Affairs to the Housing Programs Division. This move will synchronize the strategic planning of programs.
8. The Department will continue its commitment to the retention of a skilled workforce by investing in competitive salaries/wages and professional development for staff.

For information specific to particular line items of the budget and their associated funding streams, please refer to the accompanying Comparison Report. In closing, it is important to note that this process will mark the beginning of the implementation of TDHCA's goals and initiatives for 2008-09. It will also be a key step in the kickoff of the newly constituted Strategic Planning Committee. The committee will begin monitoring the results of the budget and associated performance measures. These outcomes will provide valuable information for future LAR recommendations in FY 2010 and 2011.

### **Recommendation**

The Board approve the Budget.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
FY 2008 Draft Operating Budget  
Comparison Report  
July 30, 2007

The 2008 Draft Operating Budget, which the Board is considering for approval, is the first year of the appropriations bill passed by the 80<sup>th</sup> Session of the Legislature. This budget is within the appropriation limits and methods of finance as approved in the bill.

In total, this 2008 draft operating budget is \$22,635,452 or a \$1,385,876 (6.5%) increase over the prior year budget.

Below are the highlights of the 2008 draft budget. Please refer to the "Comparison by Expense Object" schedule located on Page 3 of 36.

1. **Salaries/Wages and Payroll Related Costs.** These two line items represent 78% of the total operating budget. These line items have increased 8% as a result of the newly created Disaster Recovery Division (DRD). The new division is made up of 12 FTE's and \$922,250 in salaries and payroll related costs. Other factors related to the increase include the 2% cost of living increase (passed by the 80<sup>th</sup> Legislature) and annualized salary actions (i.e., merits, reclasses, promotions) in FY 2007.
2. **Travel In-State and Out-of-State.** The Department's In-State travel budget increased 9.6% due to travel associated with the DRD (\$48,000). The Out-of-State travel legislative cap increased by 25% resulting in a budget amount of \$125,392 due to recent legislation.
3. **Professional Fees.** Professional Services have been reduced by \$258,655. The reduction is attributed to the completion of Capital Projects such as the PeopleSoft system upgrade, Community Services/Energy Assistance Contract System, and a reduction in Inspection Outsourcing & HVAC mobile home insulation training. This, together with an increase of \$100,000 for CDBG Disaster Recovery Audit costs and the recently legislatively approved market studies of \$120,000 is outlined in the professional fees table on the next page.

### Professional Fees Chart

<u>Division</u>	<u>Type of Service</u>	<u>2008 Budgeted</u>	<u>2007 Budgeted</u>
FA,PMC,SF	Statewide Cost Allocation	35,000	35,000
Various	Audit Costs - Financial and Single Audit	446,000	346,000
Legal	Legal Costs	150,000	150,000
PMC	Inspection Outsourcing (MDSI/On-Sight Inspections)	605,745	617,150
HOME	HOME Remediation	75,000	75,000
PMC/HOME	Training/Tech Writing/Tech Assistance	62,550	92,000
PPA	Statewide Homebuyer Education Program	72,000	72,000
EA	HVAC/Mobile Home Insulation Training	45,000	60,000
REA/DPPA	Market Studies	120,000	79,000
Texas Homeownership	MITAS Internet Reservation Application		20,000
FA	PeopleSoft Consulting Services		200,000
CA	Community Serv./Energy Assist. Contract System		100,000
Various	Training	90,300	124,000
Special Projects	Miscellaneous	15,900	6,000
PPA	Foreclosure Studies		-
Community Affairs: Section 8	HAPPY Software	-	-
<b>Total</b>		<b><u>\$1,717,495</u></b>	<b><u>\$1,976,150</u></b>

4. **Materials and Supplies.** This category, which decreased by 1%, consists of; postal services, office supplies, non-capitalized furniture, equipment and computer software.
5. **Repairs and Maintenance.** The budget continues to include funding for maintenance of agency software systems such as MITAS, PeopleSoft and APPX, etc. The 31% net variance is due to increases of \$100K for future PeopleSoft releases/bundles; \$75K for DRD modifications to the Contract Management System; and decreases of approximately \$55K for CRN (EZ Audit) applications and \$9K for agency-wide network hardware and software.
6. **Printing and Reproduction.** There is an increase of \$8,984 or 10.9% in this category (\$7K for DRD and approximately \$2K for the reorganized HOME Division).
7. **Rentals and Leases.** The 2008 rentals are for copiers, conference space rentals, and outside office space for the Office of Colonia Initiatives (OCI). This category has declined due to recently negotiated copier rental agreements and a full year without a building lease.
8. **Membership Fees.** Key associations are the National Council of State Housing Agencies (NCSHA), the National Associations of Home Builders (NAHB), the National Association for State Community Services Programs (NASCP).

9. **Insurance/Employee Bonds.** The Department carries Public Official Liabilities Insurance coverage in the amount of \$10,000,000; automobile liability insurance in the amount of \$500,000; errors and omissions insurance of \$300,000 related to loan servicing and a \$350,000 Public Employee Fidelity Bond.
10. **Advertising.** This category includes \$50,000 for Texas Homeownership marketing initiatives. It also includes funding for publications and employment announcements and adds \$25,000 to HR for future critical position recruitment.
11. **Freight/Delivery.** Increase of 10% as a result of the Disaster Relief Division.
12. **Furniture and Equipment.** The 2008 budget includes: \$140K for normal growth (PC purchases); \$29K for traditional acquisition(s) of furniture/equipment; and \$15K for DRD's equipment and furnishings.
13. **Capital Outlay.** Due to the completion of our Capital Outlay projects, this category was reduced 90.5% to \$19,066. This amount reflects a Normal Growth amount as approved by the 80<sup>th</sup> Legislature.
14. **Communication and Utilities.** Increase of 9.9% primarily as a result of the Disaster Relief Division. The agency also expanded its communications with Blackberry technology. This technology increased timely communications for the OCI, Disaster Recovery and PMC staffs during travel.
15. **State Office of Risk Management (SORM).** Decrease in costs due to strong safety record and low claims. A proactive Safety and Health Program has led to an unblemished record with no claims.



## Methods of Finance

The 2008 Budget will be financed from the following sources:  
(Please refer to the "Method of Finance" chart on Page 2)

**General Revenue** – State appropriated funds including additional funds for affordable housing market studies

**Earned Federal Funds** – Federal funds appropriated for indirect costs associated with administering federal funds

**Federal Funds** – Federally appropriated funds

**CDBG Disaster Recovery** – Federally appropriated funds specifically designated for disaster recovery

**Appropriated Receipts – Housing Finance (HF):**

*Bond Admin Fees* – Appropriated receipts associated with our bond programs such as application fees, issuance fees, administration fees, and compliance fees

*Low Income Housing Tax Credit Fees* – Appropriated receipts associated with our housing tax credit program such as application fees, commitment fees, and compliance fees.

*Affordable Housing Disposition Fees* – Appropriated receipts (compliance fees) associated with the Affordable Housing Disposition Program

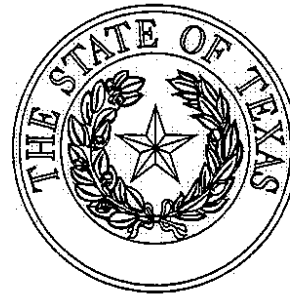
**Interagency Contracts** – Contract with ORCA (Office of Rural Community Affairs) for self help center's operation and administration

**Appropriated Receipts-MH** – Manufactured housing titling fees

<u>Method of Finance:</u>	<u>FY 07</u>	<u>FY 08</u>	<u>Variance</u>	<u>% Change</u>
General Revenue	\$ 1,000,398	\$ 1,257,821	\$ 257,423	25.7%
Bond Review Board Fees	-	120,000	120,000	0.0%
Earned Federal Funds	909,146	881,370	(27,776)	-3.1%
Federal Funds	7,983,260	6,703,972	(1,279,288)	-16.0%
CDBG Disaster Recovery	-	1,350,272	1,350,272	
Appropriated Receipts - Housing Finance	10,782,313	11,755,004	972,691	9.0%
Interagency Contracts (ORCA)	83,953	78,236	(5,717)	-6.8%
Appropriated Receipts - MH	490,506	488,777	(1,729)	-0.4%
<b>Total, Method of Finance</b>	<u>\$ 21,249,576</u>	<u>\$ 22,635,452</u>	<u>\$ 1,385,876</u>	<u>6.5%</u>

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**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY  
AFFAIRS**



**FY-2008 DRAFT OPERATING BUDGET**

*(September 1, 2007 through August 31, 2008)*

**July 30, 2007**

*Prepared by the Financial Administration Division*

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**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
FY-2008 OPERATING BUDGET**

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**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
FY-2008 OPERATING BUDGET**

**T A B L E O F C O N T E N T S (Continued)**

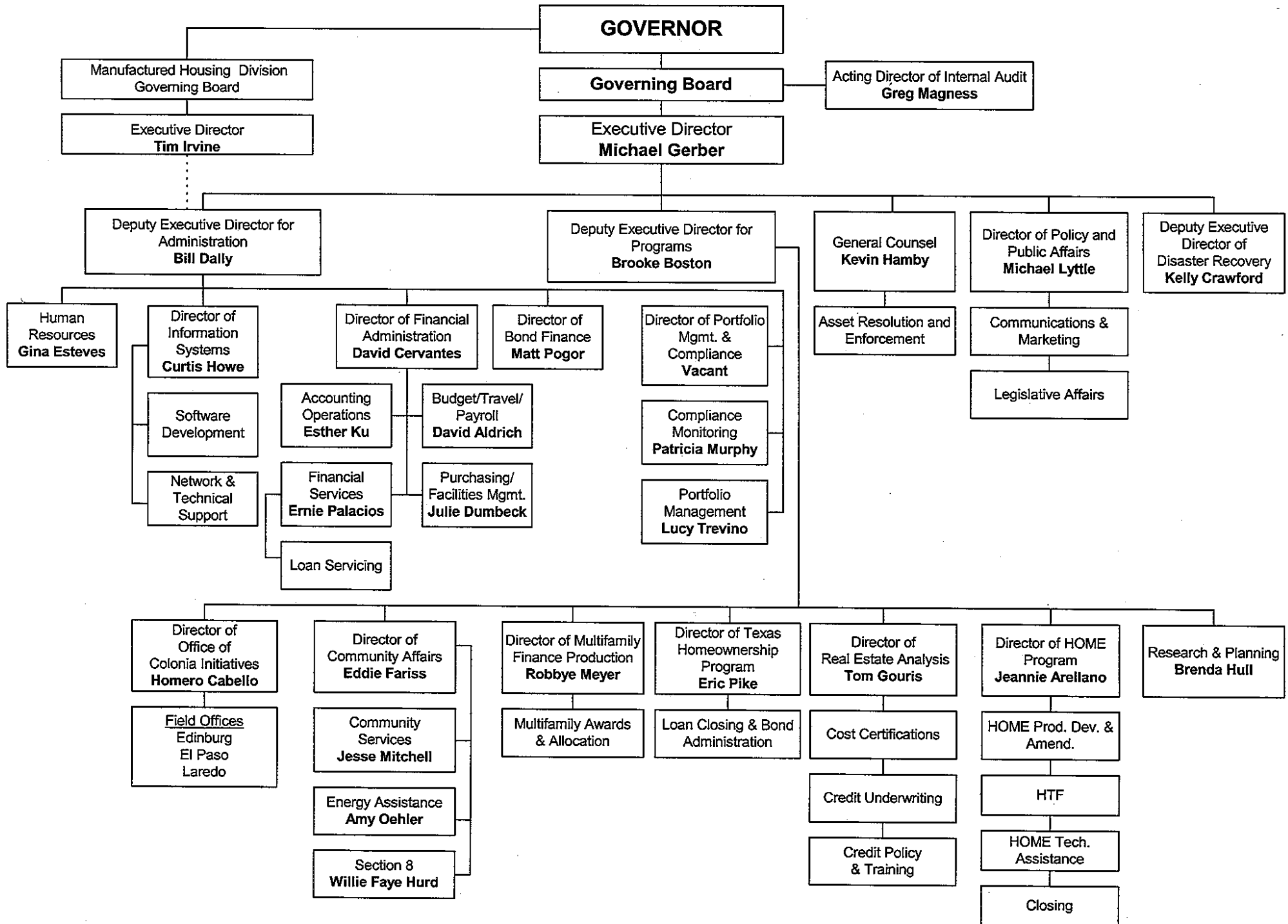
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Manufactured Housing (Under Separate Budget)

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# TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS

(298)

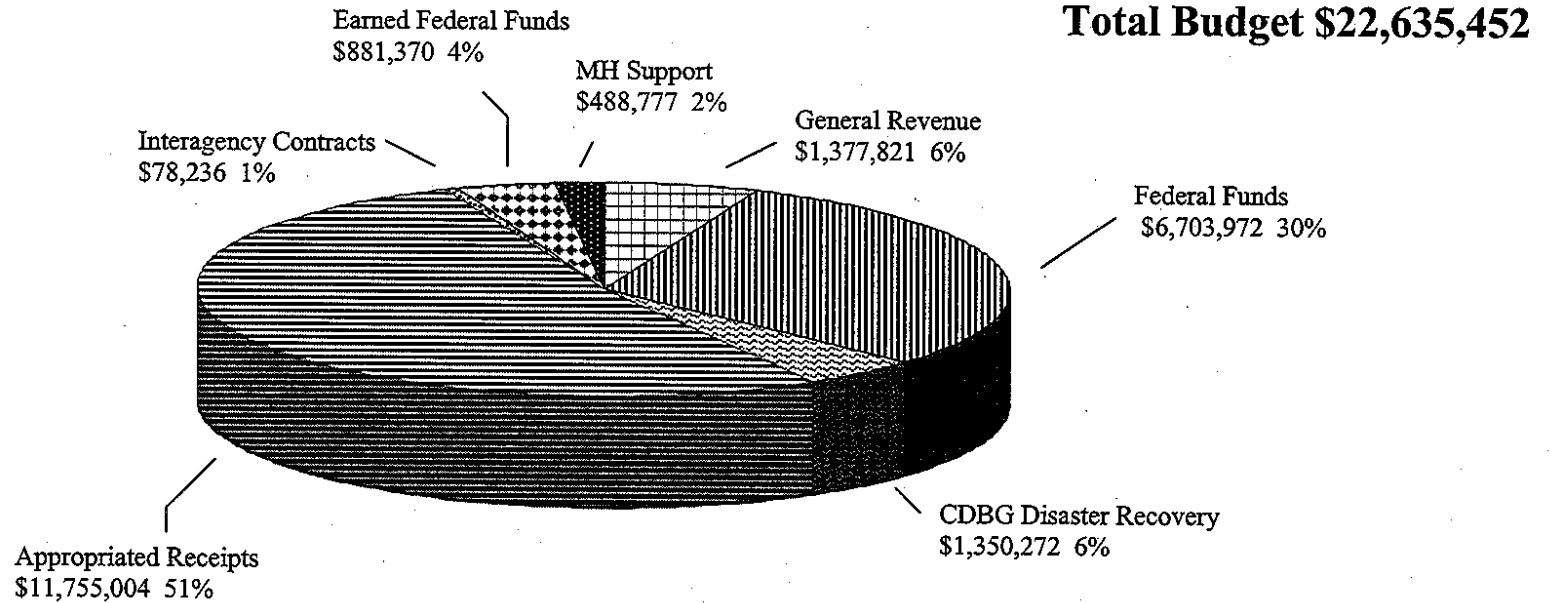


Texas Department of Housing and Community Affairs  
 Comparison by Division  
 Appropriation Years 2007 and 2008

	FY07 Original Budget	FY08 Budget (b)	Variance (b-a)	Percentage Change	FY07 Original FTEs	FY08 FTEs	FTE Variance
<b>Housing Programs Division:</b>							
Office of Colonia Initiatives	\$ 590,608	\$ 571,954	\$ (18,655)	-3.2%	8.0	7.0	(1.0)
Community Affairs Administration	234,440	241,729	7,290	3.1%	3.0	3.0	0.0
Community Services Programs	1,024,886	1,061,081	36,195	3.5%	15.0	15.0	0.0
Energy Assistance	1,241,090	1,150,003	(91,087)	-7.3%	16.0	16.0	0.0
Section 8	396,541	418,620	22,079	5.6%	7.0	7.0	0.0
Multifamily Finance Production	984,895	860,033	(124,862)	-12.7%	14.0	12.0	(2.0)
Texas Homeownership Program	1,217,025	539,314	(677,711)	-55.7%	13.0	5.0	(8.0)
HOME Program	-	2,042,506	2,042,506			27.0	27.0
Real Estate Analysis	832,070	746,679	(85,391)	-10.3%	11.0	10.0	(1.0)
Research and Planning	-	274,666	274,666			4.0	4.0
<b>Subtotal, Housing Programs Division</b>	<b>6,521,556</b>	<b>7,906,587</b>	<b>1,385,030</b>	<b>21.2%</b>	<b>87.0</b>	<b>106.0</b>	<b>19.0</b>
Disaster Recovery Division		1,125,295	1,125,295			12.0	12.0
<b>Executive Administration:</b>							
Executive Office	547,717	566,207	18,491	3.4%	5.0	5.0	0.0
Board	75,157	76,308	1,151	1.5%	0.0	0.0	0.0
Legal Services	649,839	866,075	216,236	33.3%	6.0	8.0	2.0
Internal Audit	263,964	286,834	22,870	8.7%	4.0	4.0	0.0
Policy and Public Affairs	999,237	559,379	(439,858)	-44.0%	13.0	6.0	(7.0)
<b>Subtotal, Executive Administration</b>	<b>2,535,914</b>	<b>2,354,804</b>	<b>(181,111)</b>	<b>-7.1%</b>	<b>28.0</b>	<b>23.0</b>	<b>(5.0)</b>
<b>Agency Administration:</b>							
Director's Office of Financial Administration	483,240	497,199	13,959	2.9%	6.0	6.0	0.0
Accounting Operations	768,296	845,206	76,910	10.0%	12.0	12.0	0.0
Financial Services	1,110,146	1,126,026	15,880	1.4%	15.0	15.0	0.0
Purchasing and Facilities Management	531,493	476,313	(55,180)	-10.4%	9.0	8.0	(1.0)
Human Resources	349,305	323,622	(25,683)	-7.4%	5.0	4.0	(1.0)
Facilities and Space Management	-	-	-	0.0%	0.0	0.0	0.0
Information Systems	1,362,836	1,318,122	(44,714)	-3.3%	19.0	18.0	(1.0)
Bond Finance	378,480	387,095	8,615	2.3%	4.0	4.0	0.0
Portfolio Management and Compliance	3,658,899	2,822,084	(836,816)	-22.9%	44.0	33.0	(11.0)
<b>Subtotal, Agency Administration</b>	<b>8,642,695</b>	<b>7,795,666</b>	<b>(847,029)</b>	<b>-9.8%</b>	<b>114.0</b>	<b>100.0</b>	<b>(14.0)</b>
Capital Budget (Note: \$40,625 in MH 2008 budget)	500,000	159,375	(340,625)	-68.1%			
Payroll Related Costs	3,049,410	3,293,726	244,316	8.0%			
<b>Total, Department</b>	<b>\$ 21,249,576</b>	<b>\$ 22,635,452</b>	<b>\$ 1,385,876</b>	<b>6.5%</b>	<b>229.0</b>	<b>241.0</b>	<b>12.0</b>
<b>Method of Finance:</b>							
General Revenue	\$ 1,000,398	\$ 1,377,821	\$ 377,423	37.7%			
Earned Federal Funds	909,146	881,370	(27,776)	-3.1%			
Federal Funds	7,983,260	6,703,972	(1,279,288)	-16.0%			
CDBG Disaster Recovery	-	1,350,272	1,350,272	0.0%			
Appropriated Receipts - Housing Finance	10,782,313	11,755,004	972,691	9.0%			
Interagency Contracts	83,953	78,236	(5,717)	-6.8%			
Appropriated Receipts - Manufact. Housing	490,506	488,777	(1,730)	-0.4%			
<b>Total, Method of Finance</b>	<b>\$ 21,249,576</b>	<b>\$ 22,635,452</b>	<b>\$ 1,385,876</b>	<b>6.5%</b>			

Note: Appropriated Receipts - Housing Finance include Bond Administration Fees, Housing Tax Credit Fees, and Affordable Housing Disposition Program Fees.

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
FY 2008 Method of Finance**



<u>Type</u>	<u>2007</u>	<u>2008</u>
General Revenue	1,000,398	1,377,821
Federal Funds	7,983,260	6,703,972
CDBG Disaster Recovery	-	1,350,272
Appropriated Receipts -HF	10,782,313	11,755,004
Interagency Contracts	83,953	78,236
Earned Federal Funds	909,146	881,370
MH Support (MOU)	490,506	488,777
<b>Total MOF</b>	<b>\$21,249,576</b>	<b>\$22,635,452</b>

Texas Department of Housing and Community Affairs  
 Comparison by Expense Object  
 Appropriation Years 2007 and 2008

	FY07 Budget (a)	FY08 Budget (b)	Variance (b-a)	Percentage Change
Salaries and Wages	\$ 13,258,303	\$ 14,320,550	\$ 1,062,247	8.0%
Payroll Related Costs	3,049,410	3,293,726	244,316	8.0%
Travel In-State	500,587	568,837	68,250	13.6%
Travel Out-of-State	100,315	125,392	25,077	25.0%
Professional Fees	1,976,150	1,717,495	(258,655)	-13.1%
Material and Supplies	410,747	407,736	(3,011)	-0.7%
Repairs/Maintenance	368,527	483,353	114,826	31.2%
Printing and Reproduction	82,692	91,676	8,984	10.9%
Rentals and Leases	193,993	158,000	(35,993)	-18.6%
Membership Fees	78,925	82,431	3,506	4.4%
Staff Development	270,370	344,044	73,674	27.2%
Insurance/Employee Bonds	82,000	92,000	10,000	12.2%
Employee Tuition	13,200	17,300	4,100	31.1%
Advertising	70,500	102,500	32,000	45.4%
Freight/Delivery	30,050	33,050	3,000	10.0%
Temporary Help	200,156	285,355	85,199	42.6%
Furniture and Equipment	66,051	184,359	118,308	179.1%
Communication and Utilities	244,478	268,740	24,262	9.9%
Capital Outlay	200,000	19,066	(180,934)	-90.5%
State Office of Risk Management	53,122	39,841	(13,281)	-25.0%
<b>Total Department</b>	<b>\$ 21,249,576</b>	<b>\$ 22,635,452</b>	<b>\$ 1,385,876</b>	<b>6.5%</b>
FTE's	229.00	241.00	12.00	
Method of Finance:				
General Revenue	\$ 1,000,398	\$ 1,377,821	\$ 377,423	37.7%
Earned Federal Funds	909,146	881,370	(27,776)	-3.1%
Federal Funds	7,983,260	6,703,972	(1,279,288)	-16.0%
CDBG Disaster Recovery	-	1,350,272	1,350,272	0.0%
Appropriated Receipts - Housing Finance	10,782,313	11,755,004	972,691	9.0%
Interagency Contracts	83,953	78,236	(5,717)	-6.8%
Appropriated Receipts - Manufact. Housing	490,506	488,777	(1,730)	-0.4%
<b>Total, Method of Finance</b>	<b>\$ 21,249,576</b>	<b>\$ 22,635,452</b>	<b>\$ 1,385,876</b>	<b>6.5%</b>

Note: Appropriated Receipts - Housing Finance include Bond Administration Fees, Housing Tax Credit Fees, and Affordable Housing Disposition Program Fees.



Texas Department of Housing and Community Affairs  
 FTEs by Division  
 Internal Operating Budget  
 Appropriation Year 2008

	Budget
<b>Executive Administration:</b>	
Executive Office	5.00
Legal Services	8.00
Internal Audit	4.00
Policy and Public Affairs	6.00
<b>Total, Executive Administration</b>	<b>23.00</b>
<b>Agency Administration:</b>	
Human Resources	4.00
Information Services	18.00
Director's Office of Financial Administration	6.00
Accounting Operations	12.00
Financial Services	15.00
Purchasing and Facilities Management	8.00
Portfolio Management and Compliance	33.00
Bond Finance	4.00
<b>Total, Agency Administration</b>	<b>100.00</b>
Disaster Recovery Division	12.00
<b>Housing Programs Division:</b>	
HOME Program	27.00
Office of Colonia Initiatives	7.00
Division Administration-Community Affairs	3.00
Community Services	15.00
Energy Assistance	16.00
Section 8	7.00
Multi Family Finance Production	12.00
Texas Homeownership Program	5.00
Real Estate Analysis	10.00
Reasearch and Planing	4.00
<b>Total, Housing Programs Division</b>	<b>106.00</b>
Subtotal, Housing and Community Affairs	241.00
Manufactured Housing	64.00
MDSI Contracted FTEs	5.00
<b>Total, Department FTEs</b>	<b>310.00</b>

Note: HB 1, 80th Legislature, Article IX, Section 6.10 (f) and (g) Allows the Department exceed the 298 FTE cap for disaster related emergencies as directed by the Governor.

Texas Department of Housing and Community Affairs  
 Out of State Travel  
 Fiscal Year 2008

	Budget
	<u>Draft 2008</u>
Executive Administration:	
Executive Office	15,078
Board	9,751
Legal Services	4,410
Internal Audit	1,500
Policy and Public Affairs	3,145
Total, Executive Administration	<u>33,884</u>
Disaster Recovery Division	8,000
Agency Administration:	
Human Resources	2,000
Information Services	2,520
Director's Office - Financial Administration	2,625
Accounting Operations	1,365
Financial Services	2,452
Purchasing	0
Facilities and Space Management	0
Portfolio Management and Compliance	11,001
Bond Finance	7,660
Total, Agency Administration	<u>29,622</u>
Housing Programs Division:	
HOME Program	11,341
Office of Colonia Initiatives	3,675
Community Affairs - Administration	6,300
Community Services	3,255
Energy Assistance	3,990
Section 8	2,310
Multi Family Housing Production	9,000
Texas Homeownership Program	6,017
Real Estate Analysis	6,000
Research and Planning	2,000
Total, Housing Programs Division	<u>53,887</u>
Department Total	<u><u>125,393</u></u>

New amount for 2008 in Executive Office is a pool available for distribution.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
 CAPITAL BUDGET  
 ANNUAL OPERATING BUDGET  
 SEPTEMBER 01, 2007 thru AUGUST 31, 2008

BUDGET CATEGORIES	BUDGETED	FEDERAL FUNDS	HF APPROP. RECEIPTS
Salaries			
Payroll Related Costs			
Travel In-State			
Travel Out-of-State			
Professional Fees			
Materials/Supplies			
Repairs/Maintenance			
Printing and Reproduction			
Rental/Lease			
Membership Dues			
Staff Development			
Insurance/Employee Bonds			
Employee Tuition			
Advertising			
Freight/Delivery			
Temporary Help			
Furniture/Equipment	140,309	48,796	91,513
Communications/Utilities			
Capital Outlay	19,066	7,202	11,864
State Office of Risk Management			
Total	<u>159,375</u>	<u>55,998</u>	<u>103,377</u>

Notes:

1. Capital Outlay and Furniture/Equip are Normal Growth/Integrate Systems.
2. Does not tie to the Capital Budget Rider due to \$40,625 budgeted in Manufactured Housing for Normal Growth  
 Manufactured Housing also has a \$175,000 software system upgrade budgeted in capital outlay for 2008.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
 CAPITAL BUDGET by PROJECT  
 FISCAL YEAR 2008

Project Name	FEDERAL FUNDS	HF APPROP. RECEIPTS	Total
Normal Growth/Integrate Sysyems			
Furniture/Equipment (PCs, Printrs, etc)	48,796	91,513	140,309
Capital Outlay (Servers, Network enhancements)	7,202	11,864	19,066
Total, Fiscal Year 2008	55,998	103,377	159,375

TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
EXECUTIVE ADMINISTRATION  
ANNUAL OPERATING BUDGET  
SEPTEMBER 01, 2007 thru AUGUST 31, 2008

BUDGET CATEGORIES	BUDGETED	EARNED FEDERAL FUNDS	BOND ADMIN FEES	MH APPROP. RECEIPTS	HF APPROP. RECEIPTS	HOME	CHRP GENERAL REVENUE
Salaries	1,718,936	36,554	112,399	52,417	1,467,676	49,889	
Travel In-State	65,575	1,000	4,250		57,775	2,550	
Travel Out-of-State	33,884				33,884		
Professional Fees	210,500				150,500		60,000
Materials/Supplies	49,687		2,932		44,997	1,759	
Repairs/Maintenance	23,942		1,314		21,840	788	
Printing and Reproduction	11,627		4,173		4,950	2,504	
Rental/Lease	6,771		311		6,273	187	
Membership Dues	8,750		125		8,550	75	
Staff Development	85,405		1,500		83,005	900	
Insurance/Employee Bonds	7,636		498		6,839	299	
Employee Tuition	2,700				2,700		
Advertising	1,200				1,200		
Freight/Delivery	7,050		125		6,850	75	
Temporary Help	79,984		2,271		76,351	1,362	
Furniture/Equipment	5,200				5,200		
Communications/Utilities	34,486		1,328		32,361	797	
Capital Outlay							
State Office of Risk Management	1,471				1,471		
<b>Total</b>	<b>2,354,804</b>	<b>37,554</b>	<b>131,225</b>	<b>52,417</b>	<b>2,012,424</b>	<b>61,184</b>	<b>60,000</b>

Note:

Executive Administration Includes:

- Executive Office
- Board
- Legal Services
- Internal Audit
- Policy and Public Affairs

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
EXECUTIVE OFFICE  
ANNUAL OPERATING BUDGET  
SEPTEMBER 01, 2007 thru AUGUST 31, 2008

BUDGET CATEGORIES	BUDGETED	MH APPROP. RECEIPTS	HF APPROP. RECEIPTS
Salaries	451,247	10,506	440,741
Travel In-State	20,000		20,000
Travel Out-of-State	15,078		15,078
Professional Fees			
Materials/Supplies	7,804		7,804
Repairs/Maintenance	4,979		4,979
Printing and Reproduction	1,055		1,055
Rental/Lease	1,037		1,037
Membership Dues	2,500		2,500
Staff Development	40,305		40,305
Insurance/Employee Bonds	1,660		1,660
Employee Tuition			
Advertising			
Freight/Delivery	3,000		3,000
Temporary Help	3,236		3,236
Furniture/Equipment	1,500		1,500
Communications/Utilities	12,806		12,806
Capital Outlay			
State Office of Risk Management			
Total	566,207	10,506	555,701

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
 BOARD  
 ANNUAL OPERATING BUDGET  
 SEPTEMBER 01, 2007 thru AUGUST 31, 2008

BUDGET CATEGORIES	BUDGETED	HF APPROP. RECEIPTS
Salaries		
Payroll Related Costs		
Travel In-State	19,000	19,000
Travel Out-of-State	9,751	9,751
Professional Fees	500	500
Materials/Supplies	2,021	2,021
Repairs/Maintenance	1,000	1,000
Printing and Reproduction	536	536
Rental/Lease	2,000	2,000
Membership Dues	1,000	1,000
Staff Development	21,000	21,000
Insurance/Employee Bonds		
Employee Tuition		
Advertising	500	500
Freight/Delivery	3,000	3,000
Temporary Help	15,000	15,000
Furniture/Equipment	1,000	1,000
Communications/Utilities		
Capital Outlay		
State Office of Risk Management		
Total	76,308	76,308

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
 LEGAL SERVICES  
 ANNUAL OPERATING BUDGET  
 SEPTEMBER 01, 2007 thru AUGUST 31, 2008

BUDGET CATEGORIES	BUDGETED	HF APPROP. RECEIPTS
Salaries	594,458	594,458
Travel In-State	4,075	4,075
Travel Out-of-State	4,410	4,410
Professional Fees	150,000	150,000
Materials/Supplies	25,321	25,321
Repairs/Maintenance	7,206	7,206
Printing and Reproduction	830	830
Rental/Lease	1,660	1,660
Membership Dues	2,000	2,000
Staff Development	8,100	8,100
Insurance/Employee Bonds	2,656	2,656
Employee Tuition		
Advertising	400	400
Freight/Delivery	600	600
Temporary Help	55,477	55,477
Furniture/Equipment	1,800	1,800
Communications/Utilities	7,082	7,082
Capital Outlay		
State Office of Risk Management		
Total	<u>866,075</u>	<u>866,075</u>



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
INTERNAL AUDIT  
ANNUAL OPERATING BUDGET  
SEPTEMBER 01, 2007 thru AUGUST 31, 2008

BUDGET CATEGORIES	BUDGETED	EARNED FEDERAL FUNDS	MH APPROP. RECEIPTS	HF APPROP. RECEIPTS
Salaries	256,047	36,554	24,370	195,123
Travel In-State	2,000	1,000		1,000
Travel Out-of-State	1,500			1,500
Professional Fees	0			
Materials/Supplies	5,347			5,347
Repairs/Maintenance	3,503			3,503
Printing and Reproduction	549			549
Rental/Lease	830			830
Membership Dues	2,000			2,000
Staff Development	6,000			6,000
Insurance/Employee Bonds	1,328			1,328
Employee Tuition	2,700			2,700
Advertising	300			300
Freight/Delivery	200			200
Temporary Help	989			989
Furniture/Equipment				
Communications/Utilities	3,541			3,541
Capital Outlay				
State Office of Risk Management				
Total	286,834	37,554	24,370	224,910

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
 POLICY AND PUBLIC AFFAIRS  
 ANNUAL OPERATING BUDGET  
 SEPTEMBER 01, 2007 thru AUGUST 31, 2008

BUDGET CATEGORIES	BUDGETED	MH APPROP. RECEIPTS	HF APPROP. RECEIPTS	HOME	GENERAL REVENUE
Salaries	417,183	17,541	349,754	49,889	
Travel In-State	20,500		17,950	2,550	
Travel Out-of-State	3,145		3,145		
Professional Fees	60,000				60,000
Materials/Supplies	9,194		7,435	1,759	
Repairs/Maintenance	7,254		6,466	788	
Printing and Reproduction	8,657		6,153	2,504	
Rental/Lease	1,244		1,057	187	
Membership Dues	1,250		1,175	75	
Staff Development	10,000		9,100	900	
Insurance/Employee Bonds	1,992		1,693	299	
Employee Tuition					
Advertising					
Freight/Delivery	250		175	75	
Temporary Help	5,282		3,920	1,362	
Furniture/Equipment	900		900		
Communications/Utilities	11,057		10,260	797	
Capital Outlay					
State Office of Risk Management	1,471		1,471		
Total	559,379	17,541	420,654	61,184	60,000

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
HOUSING PROGRAMS DIVISION  
ANNUAL OPERATING BUDGET  
SEPTEMBER 01, 2007 thru AUGUST 31, 2008

BUDGET CATEGORIES	BUDGETED	GENERAL REVENUE	ORCA IAC	FEDERAL FUNDS	HF APPROP. RECEIPTS
Salaries	5,974,426	518,233	63,607	3,584,079	1,808,507
Travel In-State	285,312	69,650		167,462	48,200
Travel Out-of-State	53,887	11,146		21,526	21,216
Professional Fees	583,200	135,780		392,800	54,620
Materials/Supplies	217,852	26,003		145,402	46,447
Repairs/Maintenance	164,328	24,320		110,865	29,143
Printing and Reproduction	48,506	9,214		19,641	19,651
Rental/Lease	102,417	22,455		48,430	31,533
Membership Dues	22,249	2,022		17,277	2,950
Staff Development	91,171	16,527		35,187	39,458
Insurance/Employee Bonds	35,188	6,324		18,092	10,773
Employee Tuition	6,570	1,220		2,550	2,800
Advertising	59,700	2,088		4,413	53,200
Freight/Delivery	15,250	3,049		6,374	5,828
Temporary Help	105,494	20,483		35,967	49,044
Furniture/Equipment	9,790	2,088		4,558	3,145
Communications/Utilities	113,616	21,726		53,569	38,321
Capital Outlay					
State Office of Risk Management	17,630	1,530		10,307	5,792
<b>Total</b>	<b>7,906,587</b>	<b>893,857</b>	<b>63,607</b>	<b>4,678,496</b>	<b>2,270,627</b>

Note:

Housing Programs Division Includes:

- Office of Colonia Initiatives
- Community Affairs
- Multi Family Finance Production
- Texas Homeownership Program
- Real Estate Analysis
- HOME Program
- Research and Planning

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
OFFICE OF COLONIA INITIATIVES  
ANNUAL OPERATING BUDGET  
SEPTEMBER 01, 2007 thru AUGUST 31, 2008

BUDGET CATEGORIES	BUDGETED	IAC ORCA	GENERAL REVENUE	HF APPROP. RECEIPTS
Salaries	444,205	63,607	146,950	233,649
Travel In-State	40,000		40,000	
Travel Out-of-State	3,675		3,675	
Professional Fees	6,000		2,700	3,300
Materials/Supplies	9,208		4,144	5,064
Repairs/Maintenance	6,130		2,759	3,372
Printing and Reproduction	1,262		568	694
Rental/Lease	21,452		9,653	11,799
Membership Dues	1,000		450	550
Staff Development	6,000		2,700	3,300
Insurance/Employee Bonds	2,324		1,046	1,278
Employee Tuition	600		270	330
Advertising	2,000		900	1,100
Freight/Delivery	1,000		450	550
Temporary Help	11,230		5,054	6,177
Furniture/Equipment	3,000		1,350	1,650
Communications/Utilities	11,797		5,309	6,488
Capital Outlay				
State Office of Risk Management	1,070		217	853
<b>Total</b>	<b>571,954</b>	<b>63,607</b>	<b>228,193</b>	<b>280,154</b>

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
COMMUNITY AFFAIRS  
ANNUAL OPERATING BUDGET  
SEPTEMBER 01, 2007 thru AUGUST 31, 2008

BUDGET CATEGORIES	BUDGETED	FEDERAL FUNDS
Salaries	2,155,831	2,155,831
Travel In-State	141,562	141,562
Travel Out-of-State	15,855	15,855
Professional Fees	148,000	148,000
Materials/Supplies	127,737	127,737
Repairs/Maintenance	91,405	91,405
Printing and Reproduction	11,485	11,485
Rental/Lease	37,506	37,506
Membership Dues	16,005	16,005
Staff Development	24,300	24,300
Insurance/Employee Bonds	13,610	13,610
Employee Tuition	2,000	2,000
Advertising	3,600	3,600
Freight/Delivery	4,300	4,300
Temporary Help	25,631	25,631
Furniture/Equipment	3,850	3,850
Communications/Utilities	40,196	40,196
Capital Outlay		
State Office of Risk Management	8,561	8,561
Total	<u>2,871,434</u>	<u>2,871,434</u>

Note:

Community Affairs Includes:  
Administration - Community Affairs  
Community Services Program  
Energy Assistance Program  
Section 8

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
 ADMINISTRATION-COMMUNITY AFFAIRS  
 ANNUAL OPERATING BUDGET  
 SEPTEMBER 01, 2007 thru AUGUST 31, 2008

BUDGET CATEGORIES	BUDGETED	CSBG	LIHEAP
Salaries	205,219	83,632	121,588
Travel In-State	5,000	2,500	2,500
Travel Out-of-State	6,300	3,150	3,150
Professional Fees	4,000	2,000	2,000
Materials/Supplies	3,621	1,811	1,811
Repairs/Maintenance	3,127	1,564	1,564
Printing and Reproduction	847	424	424
Rental/Lease	1,622	811	811
Membership Dues	1,500	750	750
Staff Development	3,000	1,500	1,500
Insurance/Employee Bonds	996	498	498
Employee Tuition			
Advertising			
Freight/Delivery	500	250	250
Temporary Help	2,241	1,121	1,121
Furniture/Equipment	1,100	550	550
Communications/Utilities	2,656	1,328	1,328
Capital Outlay			
State Office of Risk Management			
Total	241,729	101,887	139,843

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
COMMUNITY SERVICES PROGRAM  
ANNUAL OPERATING BUDGET  
SEPTEMBER 01, 2007 thru AUGUST 31, 2008

BUDGET CATEGORIES	BUDGETED	CSBG	ESGP
Salaries	804,399	601,657	202,742
Travel In-State	50,000	32,500	17,500
Travel Out-of-State	3,255	2,116	1,139
Professional Fees	74,000	74,000	
Materials/Supplies	19,873	19,873	
Repairs/Maintenance	26,136	26,136	
Printing and Reproduction	4,770	4,770	
Rental/Lease	24,112	24,112	
Membership Dues	7,050	7,050	
Staff Development	11,000	11,000	
Insurance/Employee Bonds	4,979	4,979	
Employee Tuition	2,000	2,000	
Advertising			
Freight/Delivery	1,000	1,000	
Temporary Help	8,706	8,706	
Furniture/Equipment	2,150	2,150	
Communications/Utilities	14,779	14,779	
Capital Outlay			
State Office of Risk Management	2,872	2,872	
Total	1,061,081	839,700	221,382

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
ENERGY ASSISTANCE PROGRAM  
ANNUAL OPERATING BUDGET  
SEPTEMBER 01, 2007 thru AUGUST 31, 2008

BUDGET CATEGORIES	BUDGETED	DOE T&TA	DOE GRANTEE	LIHEAP
Salaries	812,988	90,874	118,055	604,058
Travel In-State	73,562	14,712	22,069	36,781
Travel Out-of-State	3,990	798	1,197	1,995
Professional Fees	56,000	16,800	16,800	22,400
Materials/Supplies	93,520			93,520
Repairs/Maintenance	47,012			47,012
Printing and Reproduction	3,267			3,267
Rental/Lease	10,320			10,320
Membership Dues	6,455			6,455
Staff Development	4,500			4,500
Insurance/Employee Bonds	5,311			5,311
Employee Tuition				
Advertising	3,000			3,000
Freight/Delivery	2,500			2,500
Temporary Help	6,954			6,954
Furniture/Equipment	600			600
Communications/Utilities	16,564			16,564
Capital Outlay				
State Office of Risk Management	3,460			3,460
Total	1,150,003	123,185	158,121	868,698



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
SECTION 8 - RENTAL ASSISTANCE PROGRAM  
ANNUAL OPERATING BUDGET  
SEPTEMBER 01, 2007 thru AUGUST 31, 2008

BUDGET CATEGORIES	BUDGETED	SECTION 8
Salaries	333,224	333,224
Travel In-State	13,000	13,000
Travel Out-of-State	2,310	2,310
Professional Fees	14,000	14,000
Materials/Supplies	10,723	10,723
Repairs/Maintenance	15,130	15,130
Printing and Reproduction	2,601	2,601
Rental/Lease	1,452	1,452
Membership Dues	1,000	1,000
Staff Development	5,800	5,800
Insurance/Employee Bonds	2,324	2,324
Employee Tuition		
Advertising	600	600
Freight/Delivery	300	300
Temporary Help	7,730	7,730
Furniture/Equipment		
Communications/Utilities	6,197	6,197
Capital Outlay		
State Office of Risk Management	2,229	2,229
Total	<u>418,620</u>	<u>418,620</u>

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
 MULTIFAMILY FINANCE PRODUCTION  
 ANNUAL OPERATING BUDGET  
 SEPTEMBER 01, 2007 thru AUGUST 31, 2008

BUDGET CATEGORIES	BUDGETED	HF APPROP. RECEIPTS	GENERAL REVENUE
Salaries	713,070	649,764	63,306
Travel In-State	18,750	15,000	3,750
Travel Out-of-State	9,000	7,200	1,800
Professional Fees	5,400	4,320	1,080
Materials/Supplies	20,973	16,778	4,195
Repairs/Maintenance	10,509	8,407	2,102
Printing and Reproduction	2,450	1,960	490
Rental/Lease	9,390	7,512	1,878
Membership Dues	1,500	1,200	300
Staff Development	14,697	11,758	2,939
Insurance/Employee Bonds	3,983	3,186	797
Employee Tuition	2,000	1,600	400
Advertising	1,875	1,500	375
Freight/Delivery	2,625	2,100	525
Temporary Help	25,466	20,373	5,093
Furniture/Equipment	150	120	30
Communications/Utilities	15,223	12,178	3,045
Capital Outlay			
State Office of Risk Management	2,972	2,553	419
Total	860,033	767,510	92,523

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
 TEXAS HOMEOWNERSHIP PROGRAM  
 ANNUAL OPERATING BUDGET  
 SEPTEMBER 01, 2007 thru AUGUST 31, 2008

BUDGET CATEGORIES	BUDGETED	HF APPROP. RECEIPTS	GENERAL REVENUE
Salaries	332,170	237,729	94,442
Travel In-State	20,700	20,700	
Travel Out-of-State	6,017	6,017	
Professional Fees	79,000	7,000	72,000
Materials/Supplies	7,046	7,046	
Repairs/Maintenance	4,604	4,604	
Printing and Reproduction	7,510	7,510	
Rental/Lease	9,317	9,317	
Membership Dues	450	450	
Staff Development	6,300	6,300	
Insurance/Employee Bonds	1,660	1,660	
Employee Tuition	270	270	
Advertising	50,000	50,000	
Freight/Delivery	2,678	2,678	
Temporary Help	2,136	2,136	
Furniture/Equipment	675	675	
Communications/Utilities	6,396	6,396	
Capital Outlay			
State Office of Risk Management	2,386	2,386	
<b>Total</b>	<b>539,314</b>	<b>372,872</b>	<b>166,442</b>

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
 REAL ESTATE ANALYSIS  
 ANNUAL OPERATING BUDGET  
 SEPTEMBER 01, 2007 thru AUGUST 31, 2008

BUDGET CATEGORIES	BUDGETED	HF APPROP. RECEIPTS	HOME	GENERAL REVENUE
Salaries	567,213	455,958	56,721	54,533
Travel In-State	4,000	4,000		
Travel Out-of-State	6,000	6,000		
Professional Fees	100,000	40,000		60,000
Materials/Supplies	10,741	10,741		
Repairs/Maintenance	9,257	9,257		
Printing and Reproduction	1,037	1,037		
Rental/Lease	2,075	2,075		
Membership Dues	500	500		
Staff Development	15,100	15,100		
Insurance/Employee Bonds	3,320	3,320		
Employee Tuition	600	600		
Advertising	600	600		
Freight/Delivery	250	250		
Temporary Help	15,570	15,570		
Furniture/Equipment	700	700		
Communications/Utilities	9,717	9,717		
Capital Outlay				
State Office of Risk Management				
Total	746,679	575,425	56,721	114,533

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
HOME PROGRAM  
ANNUAL OPERATING BUDGET  
SEPTEMBER 01, 2007 thru AUGUST 31, 2008

BUDGET CATEGORIES	BUDGETED	HOME	GENERAL REVENUE
Salaries	1,530,529	1,371,527	159,002
Travel In-State	51,800	25,900	25,900
Travel Out-of-State	11,341	5,671	5,671
Professional Fees	244,800	244,800	
Materials/Supplies	35,330	17,665	17,665
Repairs/Maintenance	38,920	19,460	19,460
Printing and Reproduction	16,312	8,156	8,156
Rental/Lease	21,847	10,924	10,924
Membership Dues	2,544	1,272	1,272
Staff Development	21,774	10,887	10,887
Insurance/Employee Bonds	8,963	4,482	4,482
Employee Tuition	1,100	550	550
Advertising	1,625	813	813
Freight/Delivery	4,148	2,074	2,074
Temporary Help	20,672	10,336	10,336
Furniture/Equipment	1,415	708	708
Communications/Utilities	26,746	13,373	13,373
Capital Outlay			
State Office of Risk Management	2,640	1,746	894
<b>Total</b>	<b>2,042,506</b>	<b>1,750,341</b>	<b>292,165</b>

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
RESEARCH and PLANNING  
ANNUAL OPERATING BUDGET  
SEPTEMBER 01, 2007 thru AUGUST 31, 2008

BUDGET CATEGORIES	BUDGETED	HF APPROP. RECEIPTS
Salaries	231,407	231,407
Travel In-State	8,500	8,500
Travel Out-of-State	2,000	2,000
Professional Fees		
Materials/Supplies	6,818	6,818
Repairs/Maintenance	3,503	3,503
Printing and Reproduction	8,450	8,450
Rental/Lease	830	830
Membership Dues	250	250
Staff Development	3,000	3,000
Insurance/Employee Bonds	1,328	1,328
Employee Tuition		
Advertising		
Freight/Delivery	250	250
Temporary Help	4,789	4,789
Furniture/Equipment		
Communications/Utilities	3,541	3,541
Capital Outlay		
State Office of Risk Management		
Total	<u>274,666</u>	<u>274,666</u>

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
DISASTER RECOVERY DIVISION  
ANNUAL OPERATING BUDGET  
SEPTEMBER 01, 2007 thru AUGUST 31, 2008

BUDGET CATEGORIES	BUDGETED	CDBG DISASTER RECOVERY
Salaries	749,797	749,797
Travel In-State	47,000	47,000
Travel Out-of-State	8,000	8,000
Professional Fees	110,000	110,000
Materials/Supplies	17,452	17,452
Repairs/Maintenance	86,009	86,009
Printing and Reproduction	8,245	8,245
Rental/Lease	9,990	9,990
Membership Dues	1,500	1,500
Staff Development	20,000	20,000
Insurance/Employee Bonds	3,983	3,983
Employee Tuition	600	600
Advertising	5,000	5,000
Freight/Delivery	3,000	3,000
Temporary Help	22,966	22,966
Furniture/Equipment	15,000	15,000
Communications/Utilities	16,753	16,753
Capital Outlay		
State Office of Risk Management		
Total	<u>1,125,295</u>	<u>1,125,295</u>

TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
 AGENCY ADMINISTRATION  
 ANNUAL OPERATING BUDGET  
 SEPTEMBER 01, 2007 thru AUGUST 31, 2008

BUDGET CATEGORIES	BUDGETED	GENERAL REVENUE	EARNED FEDERAL FUNDS	MH APPROP. RECEIPTS	HF APPROP. RECEIPTS	FEDERAL FUNDS	CDBG DISASTER RECOVERY
Salaries	5,877,389	168,759	592,845	344,963	3,976,077	752,042	42,703
Travel In-State	170,950	6,200	4,500		115,250	45,000	
Travel Out-of-State	29,621	1,260	1,024		21,838	5,500	
Professional Fees	813,795		2,250		786,795	24,750	
Materials/Supplies	122,745	16,338	9,347		82,551	14,509	
Repairs/Maintenance	209,074	13,813	46,507		138,067	10,687	
Printing and Reproduction	23,298	1,710	2,139		15,084	4,365	
Rental/Lease	38,822	4,015	1,868		25,804	7,135	
Membership Dues	49,932	740	525		46,841	1,826	
Staff Development	147,468	18,436	15,750		106,682	6,600	
Insurance/Employee Bonds	45,195	3,784	2,987		34,487	3,937	
Employee Tuition	7,430	1,200	675		5,225	330	
Advertising	36,600	930	900		34,270	500	
Freight/Delivery	7,750	560	375		5,815	1,000	
Temporary Help	76,911	13,117	6,725		47,539	9,531	
Furniture/Equipment	14,060	720	600		12,080	660	
Communications/Utilities	103,885	13,502	7,967		71,276	11,140	
Capital Outlay							
State Office of Risk Management	20,741	872	2,071		17,798		
<b>Total</b>	<b>7,795,666</b>	<b>265,956</b>	<b>699,054</b>	<b>344,963</b>	<b>5,543,479</b>	<b>899,511</b>	<b>42,703</b>

Note:

Agency Administration Includes:

- Human Resources
- Information Systems
- Financial Administration
- Portfolio Management and Compliance
- Bond Finance



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
HUMAN RESOURCES  
ANNUAL OPERATING BUDGET  
SEPTEMBER 01, 2007 thru AUGUST 31, 2008

BUDGET CATEGORIES	BUDGETED	MH APPROP. RECEIPTS	HF APPROP. RECEIPTS
Salaries	241,518	40,337	201,181
Travel In-State	500		500
Travel Out-of-State	2,000		2,000
Professional Fees	7,500		7,500
Materials/Supplies	5,839		5,839
Repairs/Maintenance	3,803		3,803
Printing and Reproduction	576		576
Rental/Lease	830		830
Membership Dues	880		880
Staff Development	25,368		25,368
Insurance/Employee Bonds	1,328		1,328
Employee Tuition			
Advertising	25,000		25,000
Freight/Delivery	350		350
Temporary Help	3,989		3,989
Furniture/Equipment	600		600
Communications/Utilities	3,541		3,541
Capital Outlay			
State Office of Risk Management			
Total	323,622	40,337	283,285

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
INFORMATION SYSTEMS  
ANNUAL OPERATING BUDGET  
SEPTEMBER 01, 2007 thru AUGUST 31, 2008

BUDGET CATEGORIES	BUDGETED	GENERAL REVENUE	MH APPROP. RECEIPTS	HF APPROP. RECEIPTS
Salaries	1,152,607	66,205	128,086	958,316
Travel In-State	10,000	5,000		5,000
Travel Out-of-State	2,520	1,260		1,260
Professional Fees				
Materials/Supplies	27,790	13,895		13,895
Repairs/Maintenance	23,063	11,532		11,532
Printing and Reproduction	2,671	1,336		1,336
Rental/Lease	7,034	3,517		3,517
Membership Dues	1,000	500		500
Staff Development	35,000	17,500		17,500
Insurance/Employee Bonds	5,975	2,988		2,988
Employee Tuition				
Advertising	1,500	750		750
Freight/Delivery	1,000	500		500
Temporary Help	21,447	10,724		10,724
Furniture/Equipment	600	300		300
Communications/Utilities	22,754	11,377		11,377
Capital Outlay				
State Office of Risk Management	3,161	483		2,678
<b>Total</b>	<b>1,318,122</b>	<b>147,866</b>	<b>128,086</b>	<b>1,042,171</b>

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
 FINANCIAL ADMINISTRATION  
 ANNUAL OPERATING BUDGET  
 SEPTEMBER 01, 2007 thru AUGUST 31, 2008

BUDGET CATEGORIES	BUDGETED	EARNED FEDERAL FUNDS	FEDERAL FUNDS	MH APPROP. RECEIPTS	HF APPROP. RECEIPTS	GENERAL REVENUE
Salaries	2,371,499	592,845	99,564	176,540	1,399,997	102,554
Travel In-State	23,950	4,500			18,250	1,200
Travel Out-of-State	6,442	1,024			5,418	
Professional Fees	147,800	2,250			145,550	
Materials/Supplies	42,466	9,347			30,676	2,443
Repairs/Maintenance	149,205	46,507			100,416	2,282
Printing and Reproduction	7,676	2,139			5,163	374
Rental/Lease	10,107	1,868			7,742	498
Membership Dues	5,510	525			4,745	240
Staff Development	50,500	15,750			33,814	936
Insurance/Employee Bonds	25,610	2,987			21,826	797
Employee Tuition	4,100	675			2,225	1,200
Advertising	2,100	900			1,020	180
Freight/Delivery	2,400	375			1,965	60
Temporary Help	32,731	6,725			23,613	2,393
Furniture/Equipment	10,000	600			8,980	420
Communications/Utilities	40,745	7,967			30,653	2,125
Capital Outlay						
State Office of Risk Management	11,903	2,071			9,443	389
<b>Total</b>	<b>2,944,744</b>	<b>699,054</b>	<b>99,564</b>	<b>176,540</b>	<b>1,851,496</b>	<b>118,090</b>

Note:

Financial Administration Includes:

- Director's Office
- Accounting Operations
- Financial Services
- Purchasing and Facilities Management

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
 DIRECTOR'S OFFICE of FINANCIAL ADMINISTRATION  
 ANNUAL OPERATING BUDGET  
 SEPTEMBER 01, 2007 thru AUGUST 31, 2008

BUDGET CATEGORIES	BUDGETED	EARNED FEDERAL FUNDS	MH APPROP. RECEIPTS	HF APPROP. RECEIPTS	GENERAL REVENUE
Salaries	425,041	44,137	47,104	273,614	60,187
Travel In-State	7,000			7,000	
Travel Out-of-State	2,625			2,625	
Professional Fees	17,000			17,000	
Materials/Supplies	6,738			6,738	
Repairs/Maintenance	5,254			5,254	
Printing and Reproduction	1,158			1,158	
Rental/Lease	2,245			2,245	
Membership Dues	1,000			1,000	
Staff Development	8,000			8,000	
Insurance/Employee Bonds	1,992			1,992	
Employee Tuition	600			600	
Advertising	600			600	
Freight/Delivery	700			700	
Temporary Help	2,281			2,281	
Furniture/Equipment	500			500	
Communications/Utilities	5,811			5,811	
Capital Outlay					
State Office of Risk Management	8,654			8,473	181
<b>Total</b>	<b>497,199</b>	<b>44,137</b>	<b>47,104</b>	<b>345,591</b>	<b>60,368</b>

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
ACCOUNTING OPERATIONS  
ANNUAL OPERATING BUDGET  
SEPTEMBER 01, 2007 thru AUGUST 31, 2008

BUDGET CATEGORIES	BUDGETED	EARNED FEDERAL FUNDS	MH APPROP. RECEIPTS	HF APPROP. RECEIPTS
Salaries	704,284	548,708	76,927	78,648
Travel In-State	6,000	4,500		1,500
Travel Out-of-State	1,365	1,024		341
Professional Fees	3,000	2,250		750
Materials/Supplies	12,463	9,347		3,116
Repairs/Maintenance	62,009	46,507		15,502
Printing and Reproduction	2,852	2,139		713
Rental/Lease	2,490	1,868		623
Membership Dues	700	525		175
Staff Development	21,000	15,750		5,250
Insurance/Employee Bonds	3,983	2,987		996
Employee Tuition	900	675		225
Advertising	1,200	900		300
Freight/Delivery	500	375		125
Temporary Help	8,966	6,725		2,242
Furniture/Equipment	800	600		200
Communications/Utilities	10,623	7,967		2,656
Capital Outlay				
State Office of Risk Management	2,071	2,071		
Total	845,206	654,917	76,927	113,361

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
 FINANCIAL SERVICES  
 ANNUAL OPERATING BUDGET  
 SEPTEMBER 01, 2007 thru AUGUST 31, 2008

BUDGET CATEGORIES	BUDGETED	HF APPROP. RECEIPTS	HOME
Salaries	837,405	737,841	99,564
Travel In-State	7,950	7,950	
Travel Out-of-State	2,452	2,452	
Professional Fees	127,800	127,800	
Materials/Supplies	14,871	14,871	
Repairs/Maintenance	73,136	73,136	
Printing and Reproduction	1,556	1,556	
Rental/Lease	3,112	3,112	
Membership Dues	3,070	3,070	
Staff Development	15,940	15,940	
Insurance/Employee Bonds	16,979	16,979	
Employee Tuition	600	600	
Advertising			
Freight/Delivery	1,000	1,000	
Temporary Help	3,706	3,706	
Furniture/Equipment	800	800	
Communications/Utilities	15,649	15,649	
Capital Outlay			
State Office of Risk Management			
Total	1,126,026	1,026,462	99,564

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
PURCHASING and FACILITIES MANAGEMENT  
ANNUAL OPERATING BUDGET  
SEPTEMBER 01, 2007 thru AUGUST 31, 2008

BUDGET CATEGORIES	BUDGETED	GENERAL REVENUE	MH APPROP. RECEIPTS	HF APPROP. RECEIPTS
Salaries	404,769	42,367	52,508	309,894
Travel In-State	3,000	1,200		1,800
Travel Out-of-State				
Professional Fees				
Materials/Supplies	8,394	2,443		5,951
Repairs/Maintenance	8,806	2,282		6,524
Printing and Reproduction	2,110	374		1,736
Rental/Lease	2,260	498		1,762
Membership Dues	740	240		500
Staff Development	5,560	936		4,624
Insurance/Employee Bonds	2,656	797		1,859
Employee Tuition	2,000	1,200		800
Advertising	300	180		120
Freight/Delivery	200	60		140
Temporary Help	17,778	2,393		15,385
Furniture/Equipment	7,900	420		7,480
Communications/Utilities	8,662	2,125		6,537
Capital Outlay				
State Office of Risk Management	1,178	208		970
<b>Total</b>	<b>476,313</b>	<b>57,722</b>	<b>52,508</b>	<b>366,082</b>

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
 PORTFOLIO MANAGEMENT and COMPLIANCE  
 ANNUAL OPERATING BUDGET  
 SEPTEMBER 01, 2007 thru AUGUST 31, 2008

BUDGET CATEGORIES	BUDGETED	CDBG DISASTER RECOVERY	HOME	HF APPROP. RECEIPTS
Salaries	1,815,491	42,703	652,478	1,120,310
Travel In-State	130,000		45,000	85,000
Travel Out-of-State	11,000		5,500	5,500
Professional Fees	654,495		24,750	629,745
Materials/Supplies	40,884		14,509	26,375
Repairs/Maintenance	29,500		10,687	18,813
Printing and Reproduction	11,558		4,365	7,193
Rental/Lease	20,021		7,135	12,886
Membership Dues	6,506		1,826	4,680
Staff Development	29,600		6,600	23,000
Insurance/Employee Bonds	10,954		3,937	7,017
Employee Tuition	2,730		330	2,400
Advertising	1,000		500	500
Freight/Delivery	2,000		1,000	1,000
Temporary Help	17,755		9,531	8,224
Furniture/Equipment	1,860		660	1,200
Communications/Utilities	31,054		11,140	19,914
Capital Outlay				
State Office of Risk Management	5,677			5,677
<b>Total</b>	<b>2,822,084</b>	<b>42,703</b>	<b>799,947</b>	<b>1,979,433</b>



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
 BOND FINANCE  
 ANNUAL OPERATING BUDGET  
 SEPTEMBER 01, 2007 thru AUGUST 31, 2008

BUDGET CATEGORIES	BUDGETED	HF APPROP. RECEIPTS
Salaries	296,275	296,275
Travel In-State	6,500	6,500
Travel Out-of-State	7,660	7,660
Professional Fees	4,000	4,000
Materials/Supplies	5,766	5,766
Repairs/Maintenance	3,503	3,503
Printing and Reproduction	817	817
Rental/Lease	830	830
Membership Dues	36,036	36,036
Staff Development	7,000	7,000
Insurance/Employee Bonds	1,328	1,328
Employee Tuition	600	600
Advertising	7,000	7,000
Freight/Delivery	2,000	2,000
Temporary Help	989	989
Furniture/Equipment	1,000	1,000
Communications/Utilities	5,791	5,791
Capital Outlay		
State Office of Risk Management		
Total	<u>387,095</u>	<u>387,095</u>

**Financial Administration Division**  
**Board Action Request**  
**July 30, 2007**

**Action Item**

The Department staff will present the FY 2008 Housing Finance Operating Budget for the Board's consideration and approval.

**Required Action**

The Board approve the FY 2008 Housing Finance Operating Budget for fiscal year beginning September 1, 2007 through August 31, 2008. The Board Chair must sign a certificate to certify the attached is a true and correct copy of the annual budget.

**Background**

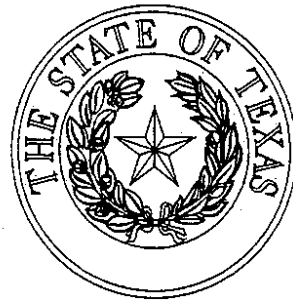
In accordance with Section 2306.113 of the Texas Government Code, the Department shall create a separate annual budget for the Housing Finance Division to certify the housing program fee revenue that supports the Department. The Housing Finance Operating Budget for FY 2008 is within the appropriations approved by the 80<sup>th</sup> Legislature. This budget is a subset of the whole operating budget and shows the Housing Finance revenues that support the budget.

**Recommendation**

The Board approve the Housing Finance Budget.

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**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY  
AFFAIRS**



**DRAFT  
ANNUAL HOUSING FINANCE OPERATING BUDGET**

**FISCAL YEAR 2008**

*Prepared by the Financial Administration Division*

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Texas Department of Housing and Community Affairs  
Housing Finance Budget  
Appropriated Receipts  
Fiscal Year 2008

Budget Category	Executive Administration	Agency Administration	Housing Programs Division	Capital Budget	Payroll Related Costs	Total Appropriated Receipts
Salaries	1,580,076	3,976,077	1,808,507			7,364,661
Payroll Related Costs					1,693,872	1,693,872
Travel In-State	62,025	115,250	48,200			225,475
Travel Out-of-State	33,884	21,838	21,216			76,938
Professional Fees	150,500	786,795	54,620			991,915
Materials/Supplies	47,928	82,551	46,447			176,927
Repairs/Maintenance	23,154	138,067	29,143			190,364
Printing and Reproduction	9,123	15,084	19,651			43,858
Rental/Lease	6,584	25,804	31,533			63,921
Membership Dues	8,675	46,841	2,950			58,466
Staff Development	84,505	106,682	39,458			230,645
Insurance/Employee Bonds	7,337	34,487	10,773			52,596
Employee Tuition	2,700	5,225	2,800			10,725
Advertising	1,200	34,270	53,200			88,670
Freight/Delivery	6,975	5,815	5,828			18,618
Temporary Help	78,622	47,539	49,044			175,205
Furniture/Equipment	5,200	12,080	3,145	91,513		111,938
Communications/Utilities	33,689	71,276	38,321			143,286
Capital Outlay	0	0	0	11,864		11,864
State Office of Risk Management	1,471	17,798	5,792	0		25,061
<b>Total, Appropriated Receipts</b>	<b>2,143,649</b>	<b>5,543,479</b>	<b>2,270,627</b>	<b>103,377</b>	<b>1,693,872</b>	<b>11,755,004</b>

Method of Finance:

Bond Administration Fees	4,167,736
Housing Tax Credit Fees	1,356,703
Affordable Housing Disposition Program Fees	506,697
Appropriated Receipts - Central Support	5,723,869
<b>Total, Method of Finance</b>	<b>11,755,004</b>

Note: Appropriated Receipts include Bond Administration Fees, Housing Tax Credit Fees, and Affordable Housing Disposition Program Fees.

**HOME DIVISION**  
**BOARD ACTION REQUEST**  
**July 30, 2007**

**Action Item**

Presentation, Discussion and Possible Approval of the 2007 HOME Investment Partnerships Program Preservation and Rental Housing Development Program award recommendations in the amount of \$2,812,125.

**Requested Action**

Approve, Deny or Approve with Amendments the 2007 HOME Preservation and Rental Housing Development Program award recommendations.

**Background**

On December 29, 2006, the Department released a Competitive Cycle Notice of Funding Availability (NOFA) for the HOME Preservation and Rental Housing Development Program. The NOFA made available \$5,000,000 in HOME funds for qualified applicants to develop affordable rental housing. The NOFA included a \$2,000,000 set-aside for at-risk preservation developments. The application submission deadline was March 1, 2007 to coincide with the Tax Credit cycle and the Department received 12 applications for funding requests totaling \$8,332,125 and of those, four were withdrawn or terminated. The applications were reviewed and processed according to the competitive threshold and scoring criteria established in the NOFA. Below is a summary of the applications and recommendations:

<b>Set –Aside</b>	<b>Total Funds Requested</b>	<b>Total Funds Recomm.</b>	<b>Number of Apps. Recomm.</b>	<b>Number of Eligible Apps. Not Recomm.</b>	<b>Number of Terminated or Withdrawn</b>	<b>Total</b>
Rental	\$ 7,000,000	\$ 1,480,000	3	4	4	10
Preservation	\$ 1,332,125	\$ 1,332,125	2	0	0	2
<b>Total</b>	<b>\$ 8,332,125</b>	<b>\$ 2,812,125</b>	<b>5</b>	<b>4</b>	<b>4</b>	<b>12</b>

Recommendations are based on the highest scoring applicants and the total amount of funds recommended is \$2,812,125. Compliance with the Regional Allocation Formula was maintained as a priority throughout the preparation of the funding recommendations. Applicants were allowed to apply for funding either in an Urban/Exurban or Rural area type per Uniform State Service Region. Recommendations were prepared by first, ranking applicants by score per Service Region and then, by Urban/Exurban or Rural area type. Additionally, applications that are layered with an application for Housing Tax Credits (HTC) but are not being recommended for an allocation of HTC, are not being recommended for a HOME award. Since an insufficient

number of applicants were received per Service Region, recommendations are being made to fund all eligible applicants that are also being recommended for an allocation of HTC.

Applications recommended for funding were submitted to the Portfolio Management and Compliance Division for review and approval and entry into the Application Evaluation System. No awardees were identified to have non-compliance problems. Applications that are layered with an application for HTC are conditioned upon the award of an allocation of HTC at the July 30, 2007 Board meeting. All applicants approved by the Board for an award will receive funding commitments that reflect all conditions based on the final underwriting report and any additional conditions deemed appropriate by the Department or Board. These awards are also contingent upon any unresolved audit findings and questioned or disallowed costs.

Attached are the:

- 2007 HOME Rental Recommendations, and
- 2007 HOME Rental Applications; and
- The Application Evaluation, Board Summary and Underwriting Report for 07343 Parkwood Apartments (not layered with HTC).

The Applicant Evaluations, Board Summaries and Underwriting Reports for each recommended application layered with HTC will be provided with the Housing Tax Credit recommendations.

#### **Recommendation**

Staff recommends approval of the 2007 HOME Investment Partnerships Program Preservation and Rental Housing Development Program award recommendations conditioned upon the recommendations made by the Real Estate Analysis Division.

**2007 HOME Rental Recommendations July 30, 2007  
Sorted by Region and Awarded Score**

**Allocation Available for HOME Rental Funds: \$3,000,000**

File #	Development Name	City	Allocation <sup>1</sup>	LI Units	Total Units	Housing <sup>2</sup> Activity	9% HTC 4% HTC	Requested Funds: Activity Funds	Recommended Funds: Activity Funds	HOME Score	Comment
<b>Region: 7</b>											
<b>Allocation Information for Region 7: Total Funds Available for Region: \$127,837 Rural Allocation: \$68,590 Urban/Exurban Allocation: \$59,247</b> <b>Rural Funding Percentage for Region: 55 % Urban Funding Percentage for Region: 45 %</b>											
07234	Tuscany Park at Buda	Buda	U/EX	170	176	NC	<input checked="" type="checkbox"/>	\$525,000	\$525,000	109	HOME award contingent upon an allocation of HTC
				<b>Total:</b>	<b>170</b>	<b>176</b>	<b>Fund Totals:</b>		<b>\$525,000</b>	<b>\$525,000</b>	
<b>1 Applications in Region</b>			<b>Region Total:</b>	<b>170</b>	<b>176</b>	<b>Fund Totals:</b>		<b>\$525,000</b>	<b>\$525,000</b>		
<b>Region: 8</b>											
<b>Allocation Information for Region 8: Total Funds Available for Region: \$105,352 Rural Allocation: \$64,612 Urban/Exurban Allocation: \$40,740</b> <b>Rural Funding Percentage for Region: 62 % Urban Funding Percentage for Region: 38 %</b>											
07177	Hamilton Senior Village	Hamilton	R	36	36	NC	<input checked="" type="checkbox"/>	\$225,000	\$225,000	78	HOME award contingent upon an allocation of HTC
				<b>Total:</b>	<b>36</b>	<b>36</b>	<b>Fund Totals:</b>		<b>\$225,000</b>	<b>\$225,000</b>	
<b>1 Applications in Region</b>			<b>Region Total:</b>	<b>36</b>	<b>36</b>	<b>Fund Totals:</b>		<b>\$225,000</b>	<b>\$225,000</b>		
<b>Region: 12</b>											
<b>Allocation Information for Region 12: Total Funds Available for Region: \$169,890 Rural Allocation: \$65,818 Urban/Exurban Allocation: \$104,072</b> <b>Rural Funding Percentage for Region: 38 % Urban Funding Percentage for Region: 62 %</b>											
07282	Palermo	Midland	U/EX	130	136	NC	<input checked="" type="checkbox"/>	\$730,000	\$730,000	100	HOME award contingent upon an allocation of HTC
				<b>Total:</b>	<b>130</b>	<b>136</b>	<b>Fund Totals:</b>		<b>\$730,000</b>	<b>\$730,000</b>	
<b>1 Applications in Region</b>			<b>Region Total:</b>	<b>130</b>	<b>136</b>	<b>Fund Totals:</b>		<b>\$730,000</b>	<b>\$730,000</b>		
<b>3 Total Applications</b>				<b>336 348</b>		<b>Fund Totals:</b>		<b>\$1,480,000</b>	<b>\$1,480,000</b>		

1 = Allocation Abbreviation: Rural Regional Allocation=R, Urban/Exurban Regional Allocation=U/EX  
2 = Housing Activity: New Construction=NC, Rehabilitation=RH, Reconstruction=RC

**2007 HOME Preservation Recommendations July 30, 2007  
Sorted by Region and Awarded Score**

**Allocation Available for Preservation HOME Funds: \$2,000,000**

File #	Development Name	City	Allocation <sup>1</sup>	LI Units	Total Units	Housing <sup>2</sup> Activity	9% HTC 4% HTC	Requested Funds: Activity Funds	Recommended Funds: Activity Funds	HOME Score	Comment
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**Region: 7**

<b>Allocation Information for Region 7:</b>	<b>Total Funds Available for Region:</b>	<b>\$85,225</b>	<b>Rural Allocation:</b>	<b>\$45,726</b>	<b>Urban/Exurban Allocation:</b>	<b>\$39,498</b>
			<b>Rural Funding Percentage for Region:</b>	<b>55 %</b>	<b>Urban Funding Percentage for Region:</b>	<b>45 %</b>

07223	Shady Oaks Apartments	Georgetown	U/EX	60	60	RH	<input checked="" type="checkbox"/>	\$600,000	\$600,000	86	HOME award contingent upon an allocation of HTC
<b>Total:</b>				<b>60</b>	<b>60</b>	<b>Fund Totals:</b>		<b>\$600,000</b>	<b>\$600,000</b>		
<b>1 Applications in Region</b>			<b>Region Total:</b>	<b>60</b>	<b>60</b>	<b>Fund Totals:</b>		<b>\$600,000</b>	<b>\$600,000</b>		

**Region: 10**

<b>Allocation Information for Region 10:</b>	<b>Total Funds Available for Region:</b>	<b>\$153,716</b>	<b>Rural Allocation:</b>	<b>\$103,408</b>	<b>Urban/Exurban Allocation:</b>	<b>\$50,307</b>
			<b>Rural Funding Percentage for Region:</b>	<b>82 %</b>	<b>Urban Funding Percentage for Region:</b>	<b>18 %</b>

07343	Parkwood Apartments	Nixon	R	24	24	RH	<input type="checkbox"/>	\$732,125	\$732,125	74	Recommended
<b>Total:</b>				<b>24</b>	<b>24</b>	<b>Fund Totals:</b>		<b>\$732,125</b>	<b>\$732,125</b>		
<b>1 Applications in Region</b>			<b>Region Total:</b>	<b>24</b>	<b>24</b>	<b>Fund Totals:</b>		<b>\$732,125</b>	<b>\$732,125</b>		
<b>2 Total Applications</b>				<b>84</b>	<b>84</b>			<b>\$1,332,125</b>	<b>\$1,332,125</b>		

1 = Allocation Abbreviation: Rural Regional Allocation=R, Urban/Exurban Regional Allocation=U/EX  
2 = Housing Activity: New Construction=NC, Rehabilitation=RH, Reconstruction=RC



**2007 HOME Rental Applications July 30, 2007  
Sorted by Region, Status and Awarded Score**

**Allocation Available for HOME Rental Funds: \$3,000,000**

File #	Status <sup>1</sup>	Development Name	City	Allocation <sup>2</sup>	LI Units	Total Units	Housing <sup>3</sup> Activity	9% HTC 4% HTC	Requested Funds: Activity Funds	Recommended Funds: Activity Funds	HOME Score	Comment
<b>Region: 4</b>												
<b>Allocation Information for Region 4:</b>				<b>Total Funds Available for Region:</b>	<b>\$376,878</b>		<b>Rural Allocation:</b>	<b>\$332,087</b>		<b>Urban/Exurban Allocation:</b>	<b>\$44,791</b>	
							<b>Rural Funding Percentage for Region</b>	<b>88 %</b>	<b>Urban Funding Percentage for Region</b>	<b>12 %</b>		
07175	N	Austin Place	Mount Pleasant	R	76	76	NC	<input checked="" type="checkbox"/>	\$475,000	\$0	73	Not being recommended for HTC allocation
07247	N	Terry Street Apartments	Malakoff	R	48	48	NC	<input checked="" type="checkbox"/>	\$320,000	\$0	0	Terminated
<b>Total:</b>					<b>124</b>	<b>124</b>	<b>Fund Totals:</b>		<b>\$795,000</b>	<b>\$0</b>		
<b>2 Applications in Region</b>				<b>Region Total:</b>	<b>124</b>	<b>124</b>	<b>Fund Totals:</b>		<b>\$795,000</b>	<b>\$0</b>		
<b>Region: 7</b>												
<b>Allocation Information for Region 7:</b>				<b>Total Funds Available for Region:</b>	<b>\$127,837</b>		<b>Rural Allocation:</b>	<b>\$68,590</b>		<b>Urban/Exurban Allocation:</b>	<b>\$59,247</b>	
							<b>Rural Funding Percentage for Region</b>	<b>55 %</b>	<b>Urban Funding Percentage for Region</b>	<b>45 %</b>		
07234	A	Tuscany Park at Buda	Buda	U/EX	170	176	NC	<input checked="" type="checkbox"/>	\$525,000	\$525,000	109	HOME award contingent upon an allocation of HTC
<b>Total:</b>					<b>170</b>	<b>176</b>	<b>Fund Totals:</b>		<b>\$525,000</b>	<b>\$525,000</b>		
07313	N	Villas at Rabbit Hill	Round Rock	U/EX	136	136	NC	<input checked="" type="checkbox"/>	\$750,000	\$0	90	Not being recommended for HTC allocation
07418	N	Creek View Apartments	Johnson City	R	64	64	NC	<input checked="" type="checkbox"/>	\$1,000,000	\$0	0	Terminated
07417	N	Park Ridge Apartments	Llano	R	64	64	NC	<input checked="" type="checkbox"/>	\$1,350,000	\$0	0	Terminated
07255	N	Evergreen at Jollyville	Jollyville	U/EX	145	145	NC	<input checked="" type="checkbox"/>	\$1,500,000	\$0	0	Withdrawn
<b>Total:</b>					<b>409</b>	<b>409</b>	<b>Fund Totals:</b>		<b>\$4,600,000</b>	<b>\$0</b>		
<b>5 Applications in Region</b>				<b>Region Total:</b>	<b>579</b>	<b>585</b>	<b>Fund Totals:</b>		<b>\$5,125,000</b>	<b>\$525,000</b>		

1 = Status: Recommended for HOME Award = A, Not Recommended for HOME Award = N  
2 = Allocation Abbreviation: Rural Regional Allocation=R, Urban/Exurban Regional Allocation=U/EX  
3 = Housing Activity: New Construction=NC, Rehabilitation=RH, Reconstruction=RC

File #	Status <sup>1</sup>	Development Name	City	Allocation <sup>2</sup>	LI Units	Total Units	Housing Activity <sup>3</sup>	9% HTC 4% HTC	Requested Funds: Activity Funds	Recommended Funds: Activity Funds	HOME Score	Comment
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**Region: 8**

<b>Allocation Information for Region 8:</b>	<b>Total Funds Available for Region:</b>	<b>\$105,352</b>	<b>Rural Allocation:</b>	<b>\$64,612</b>	<b>Urban/Exurban Allocation:</b>	<b>\$40,740</b>
			<b>Rural Funding Percentage for Region</b>	<b>62 %</b>	<b>Urban Funding Percentage for Region</b>	<b>38 %</b>

07177	A	Hamilton Senior Village	Hamilton	R	36	36	NC	<input checked="" type="checkbox"/>	\$225,000	\$225,000	78	HOME award contingent upon an allocation of HTC		
<b>Total:</b>					<b>36</b>	<b>36</b>			<b>Fund Totals:</b>	<b>\$225,000</b>	<b>\$225,000</b>			
<b>1 Applications in Region</b>					<b>Region Total:</b>		<b>36</b>	<b>36</b>	<b>Fund Totals:</b>		<b>\$225,000</b>	<b>\$225,000</b>		

**Region: 10**

<b>Allocation Information for Region 10:</b>	<b>Total Funds Available for Region:</b>	<b>\$230,574</b>	<b>Rural Allocation:</b>	<b>\$155,112</b>	<b>Urban/Exurban Allocation:</b>	<b>\$75,461</b>
			<b>Rural Funding Percentage for Region</b>	<b>82 %</b>	<b>Urban Funding Percentage for Region</b>	<b>18 %</b>

07124	N	King's Crossing Phase II	Kingsville	R	72	72	NC	<input checked="" type="checkbox"/>	\$125,000	\$0	85	Not being recommended for HTC allocation		
<b>Total:</b>					<b>72</b>	<b>72</b>			<b>Fund Totals:</b>	<b>\$125,000</b>	<b>\$0</b>			
<b>1 Applications in Region</b>					<b>Region Total:</b>		<b>72</b>	<b>72</b>	<b>Fund Totals:</b>		<b>\$125,000</b>	<b>\$0</b>		

**Region: 12**

<b>Allocation Information for Region 12:</b>	<b>Total Funds Available for Region:</b>	<b>\$169,890</b>	<b>Rural Allocation:</b>	<b>\$65,818</b>	<b>Urban/Exurban Allocation:</b>	<b>\$104,072</b>
			<b>Rural Funding Percentage for Region</b>	<b>38 %</b>	<b>Urban Funding Percentage for Region</b>	<b>62 %</b>

07282	A	Palermo	Midland	U/EX	130	136	NC	<input checked="" type="checkbox"/>	\$730,000	\$730,000	100	HOME award contingent upon an allocation of HTC		
<b>Total:</b>					<b>130</b>	<b>136</b>			<b>Fund Totals:</b>	<b>\$730,000</b>	<b>\$730,000</b>			
<b>1 Applications in Region</b>					<b>Region Total:</b>		<b>130</b>	<b>136</b>	<b>Fund Totals:</b>		<b>\$730,000</b>	<b>\$730,000</b>		
<b>10 Total Applications</b>							<b>941</b>	<b>953</b>	<b>\$7,000,000</b>		<b>\$1,480,000</b>			

1 = Status: Recommended for HOME Award = A, Not Recommended for HOME Award = N  
2 = Allocation Abbreviation: Rural Regional Allocation=R, Urban/Exurban Regional Allocation=U/EX  
3 = Housing Activity: New Construction=NC, Rehabilitation=RH, Reconstruction=RC

**2007 HOME Preservation Applications July 30, 2007  
Sorted by Region, Status and Awarded Score**

**Allocation Available for Preservation HOME Funds: \$2,000,000**

File #	Status <sup>1</sup>	Development Name	City	Allocation <sup>2</sup>	LI Units	Total Units	Housing <sup>3</sup> Activity	9% HTC 4% HTC	Requested Funds: Activity Funds	Recommended Funds: Activity Funds	HOME Score	Comment
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**Region: 7**

<b>Allocation Information for Region 7:</b>	<b>Total Funds Available for Region:</b>	<b>\$85,225</b>	<b>Rural Allocation:</b>	<b>\$45,726</b>	<b>Urban/Exurban Allocation:</b>	<b>\$39,498</b>
			<b>Rural Funding Percentage for Region:</b>	<b>55 %</b>	<b>Urban Funding Percentage for Region:</b>	<b>45 %</b>

07223	A	Shady Oaks Apartments	Georgetown	U/EX	60	60	RH	<input checked="" type="checkbox"/>	\$600,000	\$600,000	86	HOME award contingent upon an allocation of HTC
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<b>Total:</b>	<b>60</b>	<b>60</b>	<b>Fund Totals:</b>	<b>\$600,000</b>	<b>\$600,000</b>
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<b>1 Applications in Region</b>	<b>Region Total:</b>	<b>60</b>	<b>60</b>	<b>Fund Totals:</b>	<b>\$600,000</b>	<b>\$600,000</b>
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**Region: 10**

<b>Allocation Information for Region 10:</b>	<b>Total Funds Available for Region:</b>	<b>\$153,716</b>	<b>Rural Allocation:</b>	<b>\$103,408</b>	<b>Urban/Exurban Allocation:</b>	<b>\$50,307</b>
			<b>Rural Funding Percentage for Region:</b>	<b>82 %</b>	<b>Urban Funding Percentage for Region:</b>	<b>18 %</b>

07343	A	Parkwood Apartments	Nixon	R	24	24	RH	<input type="checkbox"/>	\$732,125	\$732,125	74	Recommended
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<b>Total:</b>	<b>24</b>	<b>24</b>	<b>Fund Totals:</b>	<b>\$732,125</b>	<b>\$732,125</b>
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<b>1 Applications in Region</b>	<b>Region Total:</b>	<b>24</b>	<b>24</b>	<b>Fund Totals:</b>	<b>\$732,125</b>	<b>\$732,125</b>
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<b>2 Total Applications</b>		<b>84</b>	<b>84</b>	<b>\$1,332,125</b>	<b>\$1,332,125</b>
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1 = Status: Recommended for HOME Award = A, Not Recommended for HOME Award = N  
 2 = Allocation Abbreviation: Rural Regional Allocation=R, Urban/Exurban Regional Allocation=U/EX  
 3 = Housing Activity: New Construction=NC, Rehabilitation=RH, Reconstruction=RC

# Applicant Evaluation

Project ID # **07343**

Name: **Parkwood Apartments**

City: **Nixon**

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: 77

Projects in Material Noncompliance

Yes  No

# in noncompliance: 0

Projects grouped by score  
 zero to nine: 72  
 ten to nineteen: 3  
 twenty to twenty-nine: 2

# monitored with a score less than thirty: 77

Projects not reported in application Yes  No

# not yet monitored or pending review: 7

# 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 6/27/2007

### Multifamily Finance Production

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

Reviewer S. Gamble

Date 6/27/2007

### HOME

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

Reviewer Sandy M. Garcia

Date 6/29/2007

### 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 6/28/2007

### Community Affairs

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

Reviewer EEF

Date 7/3/2007

### 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 6/29/2007

### Financial Administration

No delinquencies found   
 Delinquencies found

Reviewer Melissa M. Whitehead

Date 7/9/2007



HOME DIVISION

July 30, 2007

Development Information, Public Input and Board Summary
Parkwood Apartments, TDHCA Number 07343

BASIC DEVELOPMENT INFORMATION

Site Address: 114 W. 10th St. Development #: 07343
City: Nixon Region: 10 Population Served: General
County: Gonzales Zip Code: 78140 Allocation: Rural
HOME Set Asides: CHDO Preservation General Purpose/Activity: RH
HTC Set Asides: At-Risk Nonprofit USDA

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: Lake Victor Housing, Ltd.
Owner Contact and Phone: Dennis Hoover (512) 756-6809
Developer: Dennis Hoover
Housing General Contractor: Hoover Construction, Inc
Architect: W. S. Allen and Associates
Market Analyst: Ed Ipser & Associates, Inc.
Syndicator: Raymond James Tax Credit Funds, Inc
Supportive Services: n/a
Consultant:

UNIT/BUILDING INFORMATION

30% 40% 50% 60% Eff 1 BR 2 BR 3 BR 4 BR 5 BR Total Restricted Units: 24
0 0 5 0 0 8 10 6 0 0 Market Rate Units: 0
Type of Building: 4 units or more per building Owner/Employee Units: 0
Duplex Detached Residence Total Development Units: 24
Triplex Single Room Occupancy Total Development Cost\*: \$1,144,784
Fourplex Transitional Number of Residential Buildings: 9
Townhome HOME High Total Units: 19
HOME Low Total Units: 5

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

FUNDING INFORMATION

Applicant Department
Request Analysis\*\* Amort Term Rate
HOME Activity Fund Amount: \$732,125 \$732,125 480 480 0.00%
HOME CHDO Operating Grant Amount: \$0 \$0
Competitive Housing Tax Credit Amount: \$0 \$0

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



HOME DIVISION

July 30, 2007

Development Information, Public Input and Board Summary  
Parkwood Apartments, TDHCA Number 07343

**PUBLIC COMMENT SUMMARY**

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

**State/Federal Officials with Jurisdiction:**

TX Senator: Hegar, District 18, NC Points: 0

US Representative: Doggett, District 25, NC

TX Representative: Kuempel, District 44, NC Points: 0

US Senator: N

**Local Officials and Other Public Officials:**

Mayor/Judge: NC

Resolution of Support from Local Government

**Individuals and Businesses** In Support: 0 In Opposition: 0

**General Summary of Comment:**

**CONDITIONS OF COMMITMENT**

Approval, by closing, from USDA-RD of a parity lien position for the approved TDHCA HOME award.

Receipt, review, and acceptance of documentation that a 15% increase on average in the existing contract rents has been approved by USDA-RD prior to closing.

Receipt, review, and acceptance, by commitment, of approval from USDA-RD of the proposed rehab budget.

Receipt, review, and acceptance, by commitment, of documentation of the existing reserves.

Receipt, review, and acceptance, by the Board meeting at which this award is considered, of a revised Capital Needs Assessment with the entire scope of planned rehab work and which fully accounts for the applicant's budget.

Receipt, review, and acceptance, by commitment, of documentation that the permanent loan from the First State Bank of Burnet will not be used as proposed.



**HOME DIVISION**

**July 30, 2007**

**Development Information, Public Input and Board Summary**

**Parkwood Apartments, TDHCA Number 07343**

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

HOME Activity Funds: Loan Amount: \$732,125

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

Recommendation: **Recommended**

9% HTC Competitive Cycle:  Score: **0**       Meeting a Required Set-Aside      Credit Amount\*: \$0

Recommendation:

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



**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**  
 Real Estate Analysis Division  
 Underwriting Report

REPORT DATE: 07/08/07 PROGRAM: HOME FILE NUMBER: 07343

DEVELOPMENT						
Parkwood Apartments						
Location: <u>114 West 10th Street</u>				Region: <u>10</u>		
City: <u>Nixon</u>		County: <u>Gonzales</u>		Zip: <u>78140</u>		<input type="checkbox"/> QCT <input type="checkbox"/> DDA
Key Attributes: <u>Multifamily, Family, USDA, Rural, Rehabilitation, At Risk</u>						
ALLOCATION						
	REQUEST			RECOMMENDATION		
TDHCA Program	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term
HOME Activity Funds	\$732,125	0.00%	360	\$732,125	0.00%	480
CONDITIONS						
<ol style="list-style-type: none"> <li>1 Approval, by closing, from USDA-RD of a parity lien position for the approved TDHCA HOME award.</li> <li>2 Receipt, review, and acceptance of documentation that a 15% increase on average in the existing contract rents has been approved by USDA-RD prior to closing.</li> <li>3 Receipt, review, and acceptance, by commitment, of approval from USDA-RD of the proposed rehab budget.</li> <li>4 Receipt, review, and acceptance, by commitment, of documentation of the existing reserves.</li> <li>5 Receipt, review, and acceptance, by the Board meeting at which this award is considered, of a revised Capital Needs Assessment with the entire scope of planned rehab work and which fully accounts for the applicant's budget.</li> <li>6 Receipt, review, and acceptance, by commitment, of documentation that the permanent loan from the First State Bank of Burnet will not be used as proposed.</li> <li>7 Should the terms and rates of the proposed debt structure change, the transaction should be re-evaluated and an adjustment to the HOME award may be warranted.</li> </ol>						
SALIENT ISSUES						
TDHCA SET-ASIDES for LURA						
Income Limit	Rent Limit	Number of Units				
		Proposed	Recommended			
50% of AMI	Low HOME	5	15			
80% of AMI	High HOME	19	9			

*This section intentionally left blank.*



**PROS**

- The development receives rental assistance on 15 of the 24 units from USDA-RD which allows the property to maintain feasibility service debt on the Department's awarded funds during periods of increasing expenses and flat rents.
- The development team is experienced and has substantial financial capacity.
- The application proposes the rehabilitation and revitalization of a 24 year old USDA-RD property.

**CONS**

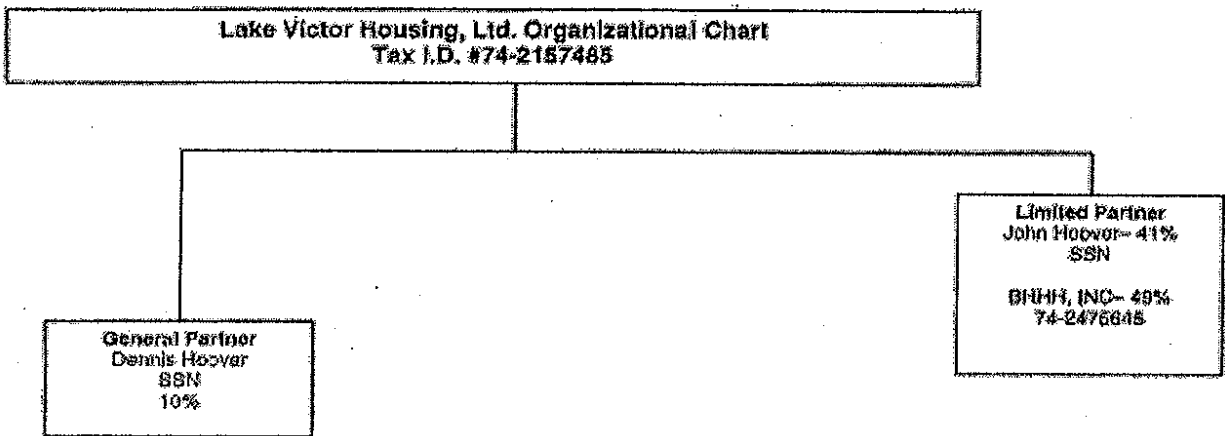
- The development has an income to expense ratio of over 65% and project-based rental assistance is necessary to maintain the developments viability and feasibility.
- The recommended structure requires an unusual rent structure to fit within both the HOME and USDA requirements.

**PREVIOUS UNDERWRITING REPORTS**

No previous reports.

**DEVELOPMENT TEAM**

**OWNERSHIP STRUCTURE**



**CONTACT**

Contact: Dennis Hoover Phone: (512) 756-6809 Fax: (512) 756-9885  
 Email: dennishoover@hamiltonvalley.com

**KEY PARTICIPANTS**

Name	Net Assets	Liquidity <sup>1</sup>	# Completed Developments
BHHH, Inc.	\$9.7M	\$391K	15
Dennis Hoover	Confidential		15
John Hoover	Confidential		15

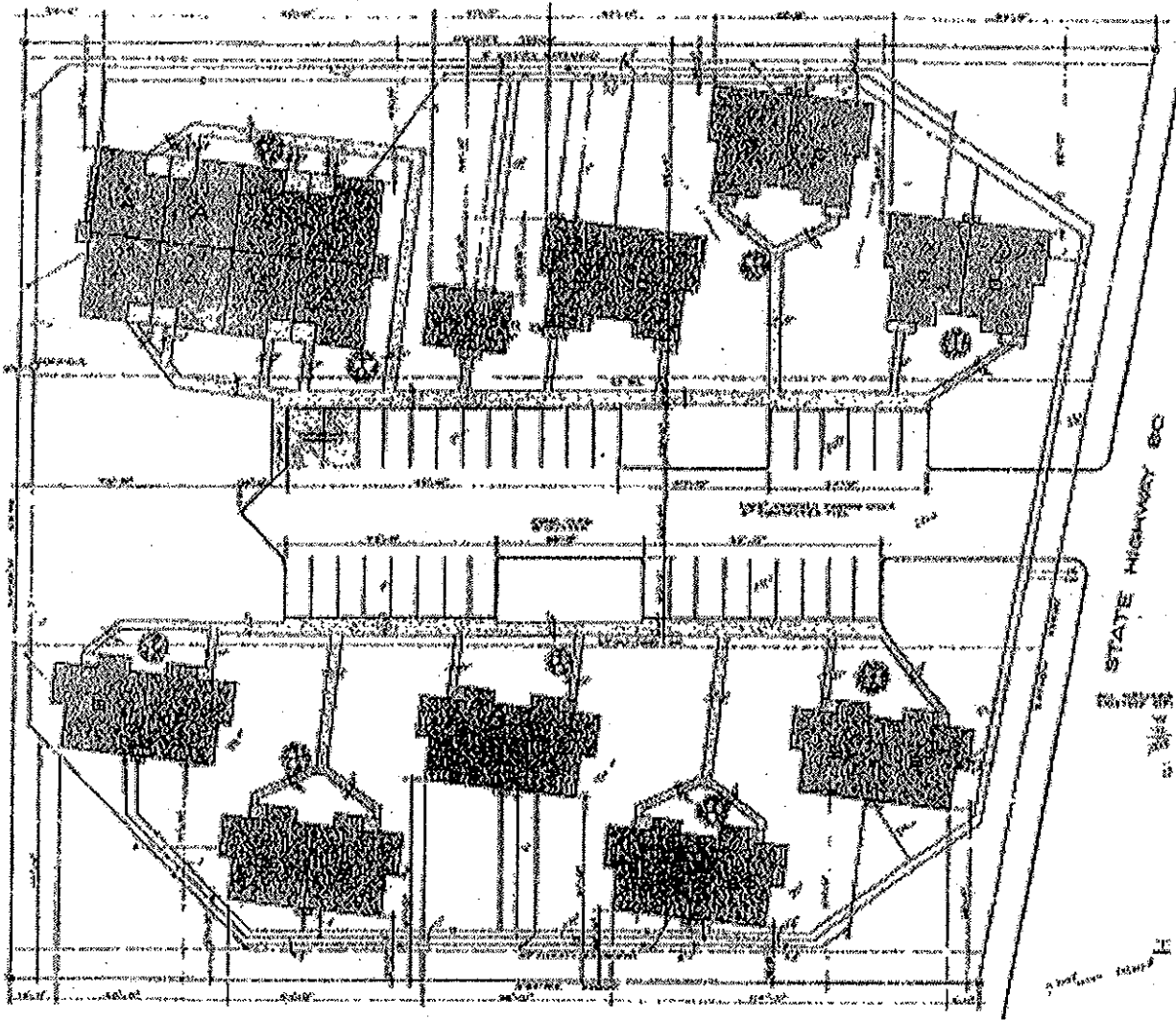
<sup>1</sup> Liquidity = Current Assets - Current Liabilities

**IDENTITIES of INTEREST**

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

- A change in ownership is not proposed in the application. The HOME funds will be used by the current owner for rehabilitation and the existing USDA-RD debt is proposed to remain in place with the same rate and terms.

**PROPOSED SITE  
SITE PLAN**



**BUILDING CONFIGURATION**

Building Type	A	B	C							Total Buildings
Floors/Stories	1	1	1							
Number	1	5	3							9

BR/BA	SF	Units						Total Units	Total SF
1/1	570	8						8	4,560
2/1	802		2					10	8,020
3/1	870			2				6	5,220
Units per Building		8	2	2				24	17,800

Rehabilitation Plan:

The property was originally constructed in 1986 and is a USDA-RD property receiving rental assistance on 15 of the 24 units.

The Applicant provided a Capital Needs Assessment (CNA) performed by On-Site Insight, Inc. A CNA is generally an acceptable substitute for the Property Condition Assessment (PCA) required by the department for all rehabilitation developments to evaluate the cost of the rehabilitation and the prospective future reserve requirements. However, the CNA provided in this case does not contemplate the entire scope of work that the Applicant is planning. As such, the CNA cost estimate cannot be used to reasonably verify the Applicant's cost estimate or to project the property's long-term capital needs.

Staff has discussed these issues with the Applicant and the Applicant has agreed to provide a revision to the CNA that accounts for the entire planned scope of work. There has been some confusion over the requirements between the report provider and the Applicant. Due to scheduling issues with the report provider, the said revision has not been completed as of the date of this report. The Underwriter has used the Applicant's estimates subject to verification. Therefore, receipt, review, and acceptance, by the Board meeting at which this award is considered, of a revised Capital Needs Assessment with the entire scope of planned rehab work and which fully accounts for the Applicant's budget is a condition of this report.

SITE ISSUES

Total Size:	<u>2.232</u> acres	Scattered site?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
Flood Zone:	<u>C</u>	Within 100-yr floodplain?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
Zoning:	<u>None</u>	Needs to be re-zoned?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> N/A

Comments:

The Applicant provided a letter from the City of Nixon which states that the apartments are not located within the boundaries of the city, and therefore it is not affected by any zoning ordinances within the City of Nixon.

TDHCA SITE INSPECTION

Inspector: Manufactured Housing Staff Date: 5/8/2007

Overall Assessment:

Excellent  Acceptable  Questionable  Poor  Unacceptable

Surrounding Uses:

North: Farmland immediately adjacent and beyond  
 East: School immediately adjacent and single-family residential beyond  
 South: Single-family residential adjacent and beyond  
 West: Farmland immediately adjacent and beyond

HIGHLIGHTS of ENVIRONMENTAL REPORTS

A Phase I Environmental Site Assessment was not provided because USDA-RD financed projects are not required to submit this report; however, an appraisal was provided and the appraiser, Rafael Luebbert, MAI, SRA stated that no detrimental issues were noted in his observations of the ground cover, building components nor finishing materials.

*This section intentionally left blank.*

**MARKET HIGHLIGHTS**

Provider: Rafael C Luebbert Date: 3/9/2007  
 Contact: Rafael C Luebbert Phone: 210.408.6041 Fax: 210.408.2539  
 Number of Revisions: 0 Date of Last Applicant Revision: N/A

**Primary Market Area (PMA):**

The Appraiser defined the market area as "that geographical region enveloped by the easterly sector of Hidalgo County and the westerly quadrant of the county of Gonzalez, the southeasterly quadrant of the county of Guadalupe and the northeasterly quadrant of the county of Wilson."

PROPOSED, UNDER CONSTRUCTION & UNSTABILIZED COMPARABLE DEVELOPMENTS							
PMA				SMA			
Name	File #	Total Units	Comp Units	Name	File #	Total Units	Comp Units
None				N/A			

INCOME LIMITS						
Gonzales						
% AMI	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons
50	\$15,100	\$17,250	\$19,400	\$21,550	\$23,250	\$25,000
80	\$24,150	\$27,600	\$31,050	\$34,500	\$37,250	\$40,000

RENT ANALYSIS (Tenant-Paid Net Rents)						
Unit Type (% AMI)	Current Contract Rent	Proposed Contract Rent	Market Rent	Underwriting Rent	Increase Over Contract	
1BR 570SF (50%)	\$340	\$398	\$381	\$398	\$58	
1BR 570SF (80%)	\$340	\$398	\$381	\$398	\$58	
2BR 802SF (50%)	\$395	\$453	\$476	\$453	\$58	
2BR 802SF (80%)	\$395	\$453	\$476	\$453	\$58	
3BR 870SF (50%)	\$395	\$453	\$476	\$384	(\$11)	
3BR 870SF (80%)	\$435	\$493	\$499	\$493	\$58	

**Comments:**

A Market Study report was not included, as USDA-RD-financed projects are not required to submit this report. A required appraisal is sufficient to satisfy the requirement for a market analysis. An "As Is" appraisal dated March 9, 2007 was prepared by Rafael C Luebbert ("Appraiser"). Additionally, the property is currently 92% occupied and it is likely that many of the existing tenants will choose to remain at the property after rehabilitation.

**OPERATING PROFORMA ANALYSIS**

Income: \_\_\_\_\_ Number of Revisions: 1 Date of Last Applicant Revision: 5/17/2007

The Applicant's projected net rents per unit are the contract rents that the Applicant has requested as part of the proposal to USDA-RD. The requested contract rents are 13% to 17% higher than the current contract rents. However, the proposed increased rent for the one-bedroom units (\$398) is higher than the market rent derived by the Appraiser (\$381). It is unlikely that USDA-RD will approve a contract rent that is higher than the comparable market rent. Moreover, while 15 of the units receive rental assistance from USDA-RD, the remaining 9 units received no subsidy. Therefore, it is unlikely that rents in excess of the market rents could ever be achieved on these 9 units.

However, the proposed contract rents for the two and three bedroom units remains below the Appraiser's market rent. It is foreseeable that if USDA-RD chooses to limit the contract rent for the one-bedroom to the market rent level, the two and three bedroom rents could be increased to a slightly higher level to compensate for the potentially lower rent on the one-bedroom units.

On average, a 15% increase in the existing contract rents is required for income to remain unchanged and to maintain a healthy Year One debt coverage ratio. The Underwriter has assumed the Applicant's proposed rents; however, receipt, review, and acceptance of documentation that a 15% increase on average in the existing contract rents has been approved by USDA-RD is a condition of this report.

It should also be noted that the High HOME rents and Low HOME rents for the one and two bedroom units and the Low HOME rents for the three bedroom units are all below the projected USDA basic/contract rent. The HOME final rule states that owners can collect more than the Low HOME rent as long as the tenant pays not more than the Low HOME rent and the remainder is paid for with a project based subsidy such as Rental Assistance. Owners cannot collect more rent than the High HOME rent even with rental assistance.

Therefore, all of the one and two bedroom units should be designated Low HOME units and all of the rental assistance available for the development should be focused on those units. Since there is not enough rental assistance to support all of the one and two bedroom units, three of the two bedroom units should remain High HOME and their rents will have to be restricted to less than the USDA basic rent for those units. In other words, they will be HIGH HOME units collecting rent 100% from the tenant but that rent will be less than the total of the rent and rental assistance for the Low HOME two bedroom units.

The Applicant's secondary income is slightly higher than the underwriting standard of \$15 per unit per year. In addition, the Applicant included \$3,672 in annual rental assistance. However, the rental assistance from USDA-RD is embedded in the contract rents. Therefore, the Underwriter has not included this redundant source of rental assistance. While the Applicant used a vacancy and collection loss of 7.5%, due to the rental assistance on the property, the Underwriter has used a vacancy and collection loss of 5%, which is typical of transactions with significant subsidies. Despite these differences, the Applicant's estimate of effective gross income is within 5% of the Underwriter's estimate.

Expense:    Number of Revisions:        1        Date of Last Applicant Revision:      5/17/2007  

The Applicant's total annual operating expense projection of \$4,059 per unit is not within 5% of the Underwriter's estimate of \$3,530, derived from the actual operating history of the property, the TDHCA database, IREM, and other sources. The Applicant also has several line item expenses that differ significantly when compared to the Underwriter's estimate, including: payroll and payroll taxes (\$3K higher); repairs and maintenance (\$7K higher); property tax (\$2K lower), and reserve for replacements (\$2K higher).

The Applicant has estimated a reserve account expense of \$400 per unit. The Applicant provided a Capital Needs Assessment (CNA) in order to meet USDA-RD requirements. However, the CNA does not fully take into account the proposed rehabilitation plan. As a result, the reserve for replacements analysis is likely overstated due to the inclusion of future repairs that are to be included in the proposed rehab scope of work. The Underwriter has used the standard minimum annual reserve requirement for rehab developments of \$300 per unit. Of note, the Applicant included TDHCA compliance fees of \$40 per unit, but compliance fees are not required on HOME only properties.

Additionally, the Applicant's and Underwriter's expense to income ratios are above the 65% maximum; however, USDA-RD properties receiving rental assistance are exempt from meeting the 65% expense to income ratio requirement.

*This section intentionally left blank.*

**Conclusion:**

The Applicant's effective gross income is within 5% of the Underwriter's estimate; however, total expense and net operating income estimates are not within 5% of the Underwriter's. Therefore, the Underwriter's Year One proforma will be used to determine the development's debt capacity and debt coverage ratio. The proforma results in a DCR above the Department's current maximum of 1.35. However, as discussed below, the recommended financing structure results in a DCR within the current 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, net operating income and revised debt service were utilized resulting in a debt coverage ratio that remains above 1.15 and continued positive cashflow for the 15 year minimum feasibility period.

**ACQUISITION INFORMATION**

**APPRAISED VALUE**

Provider:	<u>Rafael Luebbert, MAI, SRA</u>	Date:	<u>3/9/2007</u>
Number of Revisions:	<u>0</u>	Date of Last Applicant Revision:	<u>N/A</u>
Land Only:	<u>2.23 acres</u>	<u>\$85,586</u>	As of: <u>3/9/2007</u>
Existing Buildings: (as-is)		<u>\$577,414</u>	As of: <u>3/9/2007</u>
Total Development: (as-is)		<u>\$663,000</u>	As of: <u>3/9/2007</u>

**ASSESSED VALUE**

Land Only:	<u>2.23 acres</u>	<u>\$13,240</u>	Tax Year:	<u>2006</u>
Existing Buildings:		<u>\$210,440</u>	Valuation by:	<u>Gonzales CAD</u>
Total Assessed Value:		<u>\$223,680</u>	Tax Rate:	<u>2.0696</u>

**EVIDENCE OF PROPERTY CONTROL**

Type:	<u>Warranty Deed</u>	Acreage:	<u>2.23</u>
Deed Date:	<u>7/30/1981</u>	Valid Through Board Date?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Acquisition Cost:	<u>N/A</u>	Other:	<u>Property developed 1981-1983.</u>

**CONSTRUCTION COST ESTIMATE EVALUATION**

<b>COST SCHEDULE</b>	Number of Revisions:	<u>0</u>	Date of Last Applicant Revision:	<u>N/A</u>
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**Acquisition Value:**

The site was acquired by the Applicant in 1981 and the property was developed in 1982-1983. The Applicant did not reflect the original USDA-loan that will remain on the property in the cost schedule. However, the Applicant included the original USDA-RD loan amount as a use of funds. As this loan amount has been included as a source of funds, the value must also be reflected as a use of funds. The Underwriter has reflected the existing USDA-RD loan balance of \$331,309 in the acquisition cost line item of the development cost schedule and as an offsetting source of funds even though an acquisition is not truly taking place.

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Sitework Cost:

Since this is a proposed rehabilitation the associated sitework costs are minimal. The Applicant has estimated sitework costs of \$3,625 per unit. This estimate cannot be verified based on the lack of information specific to proposed sitework in the submitted CNA. As discussed above, receipt, review, and acceptance, by the Board meeting at which this award is considered, of a revised Capital Needs Assessment with the entire scope of planned rehab work and budget fully accounted for is a condition of this report. In addition, USDA-RD will also review and need to approve the scope of work and budget before construction begins and receipt review and acceptance of same prior to the 10% test is a condition of this report.

Direct Construction Cost:

Again the Applicant submitted a USDA-RD Capital Needs Assessment (CNA), which the Department typically accepts in lieu of a Property Condition Assessment for existing USDA-RD properties. The submitted CNA did not provide a cost estimates for the rehab work beyond the immediate repair needs. Therefore, for purposes of this analysis, the Underwriter has used the Applicant's direct construction cost estimate. As discussed above, because of scheduling issues the CNA could not be updated before this report was completed but will be required prior to the Board meeting at which this award is considered and USDA-RD will review the proposed rehab budget prior tot commencement of construction.

Reserves:

The Applicant has indicated that the existing reserve balance will be maintained; however, no documentation was provided to indicate that the reserves are fully funded. The Underwriter has not included any reserves in the development costs with the understanding that USDA-RD will continuously monitor the Applicant's reserve balance. However, receipt, review, and acceptance, by commitment, of documentation of the existing reserves is a condition of this report.

Conclusion:

The Underwriter's cost schedule was derived from information presented in the Application materials based on the Applicant's estimates. Any deviations from the Applicant's estimates are due to program and underwriting guidelines. Therefore, the Underwriter's development cost schedule will be used to determine the development's need for permanent funds.

**FINANCING STRUCTURE**

SOURCES & USES Number of Revisions: 1 Date of Last Applicant Revision: 5/22/2007

Source: BHHH, Inc. dba The Hoover Companies Type: Interim Financing

Principal: \$300,500 Interest Rate: 8.0%  Fixed Term: 12 months

Comment:

This construction loan provider is related to the Applicant; therefore, the Department has requested and received documentation verifying the capacity of BHHH, Inc. to provide said financing. The Applicant has provided a letter from First State Bank of Burnet and a letter from Lou Ann Montey and Associates, PC which supports the company's capacity to provide the anticipated construction funding. The Applicant has also submitted 9% HTC applications for three developments that are currently being underwritten and each application includes commitments for construction funds from The Hoover Companies. The CPA and First State Bank of Burnet letters indicate that the Applicant has the capacity to provide the entire combined amount of construction funding committed in the applications for each development.

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Source: City of Nixon Type: Interim Financing

Principal: \$407,000 Interest Rate: 4.9%  Fixed Term 12 months

Comment:

The City of Nixon's commitment states that the rate is to be the Applicable Federal Rate (AFR) as of the start of the rehabilitation, estimated to be June 1, 2008. The Underwriter has estimated the rate to be 4.9% for the purpose of underwriting of the application.

Source: USDA-RD (Existing 1st Lien Mortgage) Type: Existing Permanent Financing

Principal: \$331,309 Interest Rate: 1.09%  Fixed Term 600 months

Comment:

The property has an existing USDA-RD first lien mortgage that will remain on the property during and after rehabilitation. The original \$588,000 loan funded in 1982 for a term of 600 months at a rate of 13.25%; however, the Applicant also has an Interest Credit Agreement that subsidizes the interest rate on the note to an effective rate of approximately 1%. The amortization of the loan commenced in July 1983. The outstanding principal balance of this loan as of 12/31/2006 was \$331,309, which has been used as a source of funds by the Underwriter.

Source: First State Bank of Burnet Type: Permanent Financing

Principal: \$81,350 Interest Rate: 6.4%  Fixed Amort: 360 months

Comments:

The Applicant has included a permanent loan from First State Bank of Burnet. As reflected in the "Recommended Financing Structure" below, the Underwriter has conditioned this report upon this source of funds not being used. The inclusion of this source limits the development's ability to repay the requested HOME funds and unnecessarily burdens the property.

Amount: \$0 Type: Deferred Developer Fees

### CONCLUSIONS

#### Recommended Financing Structure:

The Applicant's formal request indicates a \$732,125 award of HOME funds structured as repayable loan at a 1% interest rate and 30 year amortization. However, at another point in the application, the Applicant clarifies that the request is for \$732,125 in HOME funds in the form of a grant or a forgivable cashflow loan. According to the Applicant, a grant or cashflow loan is necessary due to the low level of rents that must be charged to their low income residents.

In the recommended financing structure, the Underwriter has removed the First State Bank of Burnet loan. Removing this unnecessary and burdensome loan frees up additional cashflow that will allow the requested HOME funds to be repayable. Receipt, review, and acceptance, by commitment, of documentation that the loan from the First State Bank of Burnet will not be used as proposed is a condition of this report.

The Underwriter recommends a HOME award of \$732,125 to be structured as a fully repayable loan carrying a 0% interest rate and a term/amortization period of 40 years. Based on this award, the Underwriter's total development cost of \$1,144,784 less the existing USDA-RD loan of \$331,309 and recommended HOME award of \$732,125 indicates the need for \$81,350 in additional permanent funds. Deferred developer fees in this amount appear to be repayable within 10 years of operation.

The Underwriter's recommendation is conditioned upon approval from USDA-RD of a parity lien position for the approved TDHCA HOME award.

Underwriter:  Date: July 8, 2007

Cameron Dorsey

Director of Real Estate Analysis:  Date: July 8, 2007

Tom Gouris



**MULTIFAMILY COMPARATIVE ANALYSIS**

**Parkwood Apartments, Nixon, HOME #07343**

Type of Unit	Number	Bedrooms	No. of Baths	Size In SF	Gross Rent Lmt.	Rent Collected	Rent per Month	Rent per SF	Tnl-Pd Util	WS&T
LH	2	1	1	570	\$394	\$398	\$796	\$0.70	\$90.00	\$18.00
(Was HH) LH	6	1	1	570	394	398	2,388	0.70	90.00	18.00
LH	2	2	1	802	485	453	906	0.56	120.00	19.75
(Was HH) LH	5	2	1	802	504	453	2,265	0.56	120.00	19.75
HH	3	2	1	802	504	384	1,152	0.48	120.00	19.75
(Was LH) HH	1	3	1	870	560	493	493	0.57	128.00	21.75
HH	5	3	1	870	694	493	2,465	0.57	128.00	21.75
<b>TOTAL:</b>	<b>24</b>		<b>AVERAGE:</b>	<b>742</b>		<b>\$436</b>	<b>\$10,465</b>	<b>\$0.59</b>	<b>\$112.00</b>	<b>\$19.67</b>

<b>INCOME</b>		Total Net Rentable Sq Ft:	17,800		<b>TDHCA</b>	<b>APPLICANT</b>	<b>COUNTY</b>	<b>IREM REGION</b>	<b>COMPT REGION</b>
<b>POTENTIAL GROSS RENT</b>					<b>\$125,580</b>	<b>\$128,064</b>	Gonzales		10
Secondary Income		Par Unit Per Month:	\$15.00		4,320	4,440	\$15.42	Per Unit Per Month	
Other Support Income: Rental Assistance					0	3,672	\$12.75	Per Unit Per Month	
<b>POTENTIAL GROSS INCOME</b>					<b>\$129,900</b>	<b>\$136,176</b>			
Vacancy & Collection Loss		% of Potential Gross Income:	-5.00%		(6,495)	(10,212)	-7.50%	of Potential Gross Income	
Employee or Other Non-Rental Units or Concessions					0	0			
<b>EFFECTIVE GROSS INCOME</b>					<b>\$123,405</b>	<b>\$125,964</b>			

<b>EXPENSES</b>	<b>% OF EGI</b>	<b>PER UNIT</b>	<b>PER SQ FT</b>		<b>TDHCA</b>	<b>APPLICANT</b>	<b>PER SQ FT</b>	<b>PER UNIT</b>	<b>% OF EGI</b>
General & Administrative	3.78%	\$194	0.26		\$4,662	\$5,530	\$0.31	\$230	4.39%
Management	8.75%	450	0.61		10,796	10,332	0.58	431	8.20%
Payroll & Payroll Tax	16.30%	838	1.13		20,112	23,356	1.31	973	18.54%
Repairs & Maintenance	10.95%	563	0.76		13,508	20,065	1.13	836	15.93%
Utilities	3.34%	172	0.23		4,116	4,700	0.26	196	3.73%
Water, Sewer, & Trash	8.62%	443	0.60		10,640	12,650	0.71	527	10.04%
Property Insurance	5.05%	260	0.35		6,230	5,210	0.29	217	4.14%
Property Tax	2.06%	310	0.42		7,451	5,004	0.28	209	3.97%
Reserve for Replacements	5.83%	300	0.40		7,200	9,600	0.54	400	7.62%
TDHCA Compliance Fees	0.00%	0	0.00		0	960	0.05	40	0.76%
Other:	0.00%	0	0.00		0	0	0.00	0	0.00%
<b>TOTAL EXPENSES</b>	<b>68.65%</b>	<b>\$3,530</b>	<b>\$4.76</b>		<b>\$84,715</b>	<b>\$97,407</b>	<b>\$5.47</b>	<b>\$4,059</b>	<b>77.33%</b>
<b>NET OPERATING INC</b>	<b>31.35%</b>	<b>\$1,612</b>	<b>\$2.17</b>		<b>\$38,690</b>	<b>\$28,557</b>	<b>\$1.60</b>	<b>\$1,190</b>	<b>22.67%</b>

<b>DEBT SERVICE</b>					<b>TDHCA</b>	<b>APPLICANT</b>			
USDA-RD Existing Loan (First Lien)	12.36%	\$636	\$0.86		\$15,252	\$15,252	\$0.86	\$636	12.11%
First State Bank	4.95%	\$255	\$0.34		6,109	6,109	\$0.34	\$255	4.85%
TDHCA HOME Loan	0.00%	\$0	\$0.00		0	0	\$0.00	\$0	0.00%
<b>NET CASH FLOW</b>	<b>14.04%</b>	<b>\$722</b>	<b>\$0.97</b>		<b>\$17,329</b>	<b>\$7,196</b>	<b>\$0.40</b>	<b>\$300</b>	<b>5.71%</b>
<b>AGGREGATE DEBT COVERAGE RATIO</b>					<b>1.81</b>	<b>1.34</b>			
<b>RECOMMENDED DEBT COVERAGE RATIO</b>									

<b>CONSTRUCTION COST</b>						<b>TDHCA</b>	<b>APPLICANT</b>			
Description	Factor	% of TOTAL	PER UNIT	PER SQ FT				PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)		28.94%	\$13,805	\$18.61		\$331,309	\$0	\$0.00	\$0	0.00%
Off-Sites		0.00%	0	0.00		0	0	0.00	0	0.00%
Sitework		7.60%	3,625	4.89		87,000	87,000	4.89	3,625	10.69%
Direct Construction		40.44%	19,292	26.01		463,000	463,000	26.01	19,292	56.92%
Contingency	0.00%	0.00%	0	0.00		0	0	0.00	0	0.00%
Contractor's Fees	14.00%	6.73%	3,208	4.33		77,000	77,000	4.33	3,208	9.47%
Indirect Construction		2.49%	1,190	1.60		28,550	28,550	1.60	1,190	3.51%
Ineligible Costs		0.09%	42	0.06		1,000	1,000	0.06	42	0.12%
Developer's Fees	15.00%	9.26%	4,416	5.95		105,975	105,975	5.95	4,416	13.03%
Interim Financing		4.45%	2,123	2.86		50,950	50,950	2.86	2,123	6.26%
Reserves		0.00%	0	0.00		0	0	0.00	0	0.00%
<b>TOTAL COST</b>		<b>100.00%</b>	<b>\$47,699</b>	<b>\$64.31</b>		<b>\$1,144,784</b>	<b>\$813,475</b>	<b>\$45.70</b>	<b>\$33,895</b>	<b>100.00%</b>
<b>Construction Cost Recap</b>		<b>54.77%</b>	<b>\$26,125</b>	<b>\$35.22</b>		<b>\$627,000</b>	<b>\$627,000</b>	<b>\$35.22</b>	<b>\$26,125</b>	<b>77.08%</b>

<b>SOURCES OF FUNDS</b>					<b>TDHCA</b>	<b>APPLICANT</b>	<b>RECOMMENDED</b>	
USDA-RD Existing Loan (First Lien)	28.94%	\$13,805	\$18.61		\$331,309	\$588,000	\$331,309	Developer Fee Available
First State Bank	7.11%	\$3,390	\$4.57		81,350	81,350	81,350	\$211,950
TDHCA HOME Loan	63.95%	\$30,505	\$41.13		732,125	732,125	732,125	% of Dev. Fee Deferred
Deferred Developer Fee	0.00%	\$0	\$0.00		0	0	81,350	38%
Excess	0.00%	\$0	\$0.00		0	(588,000)	0	15-Yr Cumulative Cash Flow
<b>TOTAL SOURCES</b>					<b>\$1,144,784</b>	<b>\$813,475</b>	<b>\$1,144,784</b>	<b>\$109,241</b>

**PAYMENT COMPUTATION**

<b>Primary</b>	<b>\$588,000</b>	<b>Amort</b>	<b>600</b>
<b>Int Rate</b>	<b>1.00%</b>	<b>DCR</b>	<b>2.54</b>

<b>Secondary</b>	<b>\$81,350</b>	<b>Amort</b>	<b>360</b>
<b>Int Rate</b>	<b>6.40%</b>	<b>Subtotal DCR</b>	<b>1.81</b>

<b>Additional</b>	<b>\$0</b>	<b>Amort</b>	<b>360</b>
<b>Int Rate</b>	<b>0.00%</b>	<b>Aggregate DCR</b>	<b>1.81</b>

**RECOMMENDED FINANCING STRUCTURE:**

USDA-RD Existing Loan (First Lien)	<b>\$15,252</b>
First State Bank	<b>0</b>
TDHCA HOME Loan	<b>18,303</b>
<b>NET CASH FLOW</b>	<b>\$5,135</b>

<b>Primary</b>	<b>\$331,309</b>	<b>Amort</b>	<b>480</b>
<b>Int Rate</b>	<b>1.09%</b>	<b>DCR</b>	<b>2.54</b>

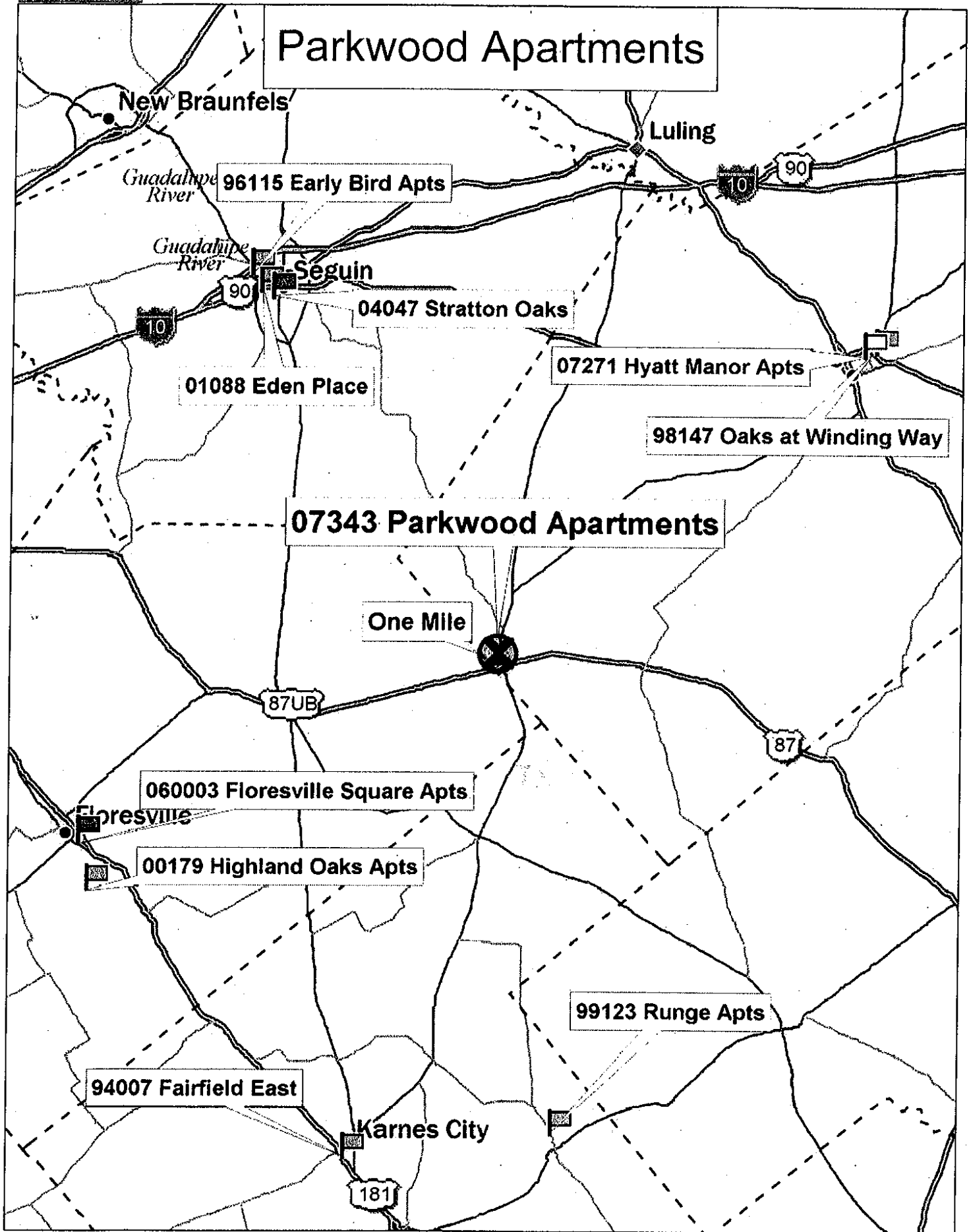
<b>Secondary</b>	<b>\$0</b>	<b>Amort</b>	<b>360</b>
<b>Int Rate</b>	<b>6.40%</b>	<b>Subtotal DCR</b>	<b>2.54</b>

<b>Additional</b>	<b>\$732,125</b>	<b>Amort</b>	<b>480</b>
<b>Int Rate</b>	<b>0.00%</b>	<b>Aggregate DCR</b>	<b>1.15</b>

**OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE**

<b>INCOME at 3.00%</b>	<b>YEAR 1</b>	<b>YEAR 2</b>	<b>YEAR 3</b>	<b>YEAR 4</b>	<b>YEAR 5</b>	<b>YEAR 10</b>	<b>YEAR 15</b>	<b>YEAR 20</b>	<b>YEAR 30</b>
POTENTIAL GROSS RENT	\$125,580	\$129,347	\$133,228	\$137,225	\$141,341	\$183,853	\$189,951	\$220,205	\$295,937
Secondary Income	4,320	4,450	4,583	4,721	4,862	5,637	6,534	7,575	10,180
Other Support Income: Rental	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	129,900	133,797	137,811	141,945	146,204	169,490	196,485	227,780	306,118
Vacancy & Collection Loss	(6,495)	(6,690)	(6,891)	(7,097)	(7,310)	(8,475)	(9,824)	(11,589)	(15,306)
Employee or Other Non-Rental	0	0	0	0	0	0	0	0	0
<b>EFFECTIVE GROSS INCOME</b>	<b>\$123,405</b>	<b>\$127,107</b>	<b>\$130,920</b>	<b>\$134,848</b>	<b>\$138,893</b>	<b>\$161,016</b>	<b>\$186,661</b>	<b>\$216,391</b>	<b>\$290,812</b>
<b>EXPENSES at 4.00%</b>									
General & Administrative	\$4,662	\$4,848	\$5,042	\$5,244	\$5,454	\$6,635	\$8,073	\$9,822	\$14,539
Management	10,796	11,120	11,454	11,798	12,151	14,087	16,331	18,932	25,443
Payroll & Payroll Tax	20,112	20,916	21,753	22,623	23,528	28,626	34,827	42,373	62,722
Repairs & Maintenance	13,508	14,049	14,611	15,195	15,803	19,226	23,392	28,460	42,128
Utilities	4,116	4,281	4,452	4,630	4,815	5,858	7,128	8,672	12,836
Water, Sewer & Trash	10,640	11,066	11,508	11,969	12,447	15,144	18,425	22,417	33,182
Insurance	6,230	6,479	6,738	7,008	7,288	8,867	10,788	13,126	19,429
Property Tax	7,451	7,749	8,059	8,381	8,716	10,604	12,902	15,697	23,236
Reserve for Replacements	7,200	7,488	7,788	8,099	8,423	10,248	12,468	15,169	22,454
Other	0	0	0	0	0	0	0	0	0
<b>TOTAL EXPENSES</b>	<b>\$84,715</b>	<b>\$87,986</b>	<b>\$91,405</b>	<b>\$94,946</b>	<b>\$98,626</b>	<b>\$119,296</b>	<b>\$144,334</b>	<b>\$174,667</b>	<b>\$255,970</b>
<b>NET OPERATING INCOME</b>	<b>\$38,690</b>	<b>\$39,111</b>	<b>\$39,516</b>	<b>\$39,902</b>	<b>\$40,267</b>	<b>\$41,719</b>	<b>\$42,327</b>	<b>\$41,724</b>	<b>\$34,842</b>
<b>DEBT SERVICE</b>									
First Lien Financing	\$15,252	\$15,252	\$15,252	\$15,252	\$15,252	\$15,252	\$15,252	\$15,252	\$15,252
Second Lien	0	0	0	0	0	0	0	0	0
Other Financing	18,303	18,303	18,303	18,303	18,303	18,303	18,303	18,303	18,303
<b>NET CASH FLOW</b>	<b>\$5,135</b>	<b>\$5,556</b>	<b>\$5,961</b>	<b>\$6,347</b>	<b>\$6,712</b>	<b>\$8,164</b>	<b>\$8,772</b>	<b>\$8,169</b>	<b>\$1,287</b>
<b>DEBT COVERAGE RATIO</b>	<b>1.15</b>	<b>1.17</b>	<b>1.18</b>	<b>1.19</b>	<b>1.20</b>	<b>1.24</b>	<b>1.26</b>	<b>1.24</b>	<b>1.04</b>

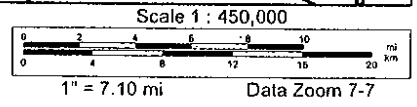
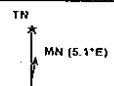
# Parkwood Apartments



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The Application Evaluation, Board Summary and Underwriting Reports for each recommended application layered with HTC will be provided with the Housing Tax Credit recommendations

**HOME DIVISION**  
**BOARD ACTION REQUEST**  
**July 30, 2007**

**Action Item**

Presentation, Discussion and Possible Approval of the 2007 HOME Investment Partnerships Program Community Housing Development Organization (CHDO) Rental Development Program award recommendations in the amount of \$1,210,000.

**Requested Action**

Approve, Deny or Approve with Amendments the 2007 HOME CHDO Development Program award recommendations.

**Background**

On December 29, 2006, the Department released a Competitive Cycle Notice of Funding Availability (NOFA) for the HOME CHDO Rental Development Program. The NOFA made available \$6,000,000 in HOME funds for qualified applicants to develop affordable rental housing. The application submission deadline was March 1, 2007 to coincide with the Tax Credit cycle and the Department received 7 applications for funding requests totaling \$10,361,754 and of those, three were withdrawn or terminated. The applications were reviewed and processed according to the competitive threshold and scoring criteria established in the NOFA. Below is a summary of the applications and recommendations:

<b>Total Funds Requested</b>	<b>Total Funds Recommended</b>	<b>Number of Apps. Recomm.</b>	<b>Number of Eligible Apps. Not Recomm.</b>	<b>Number of Terminated or Withdrawn</b>	<b>Total</b>
<b>\$ 10,361,754</b>	<b>\$ 1,210,000</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>8</b>

Recommendations are based on the highest scoring applicants and the total amount of funds recommended is \$1,210,000. Compliance with the Regional Allocation Formula was maintained as a priority throughout the preparation of the funding recommendations. Applicants were allowed to apply for funding either in an Urban/Exurban or Rural area type per Uniform State Service Region. Recommendations were prepared by first, ranking applicants by score per Service Region and then, by Urban/Exurban or Rural area type. Additionally, applications that are layered with an application for Housing Tax Credits (HTC) but are not being recommended for an allocation of HTC, are not being recommended for a HOME award. Since an insufficient number of applicants were received per Service Region, recommendations are being made to fund all eligible applicants that are also being recommended for an allocation of HTC.

Applications recommended for funding were submitted to the Portfolio Management and Compliance Division for review and approval and entry into the Application Evaluation System. No awardees were identified to have non-compliance problems. Both of the recommendations are layered with an application for HTC and are conditioned upon the award of an allocation of HTC at the July 30, 2007 Board meeting. All applicants approved by the Board for an award will receive funding commitments that reflect all conditions based on the final underwriting report and any additional conditions deemed appropriate by the Department or Board. These awards are also contingent upon any unresolved audit findings and questioned or disallowed costs.

Attached are the:

- € 2007 HOME CHDO Recommendations, and
- € 2007 HOME CHDO Applications.

The Applicant Evaluations, Board Summaries and Underwriting Reports for each recommended application will be provided with the Housing Tax Credit recommendations.

### **Recommendation**

Staff recommends approval of the 2007 HOME Investment Partnerships Program CHDO Rental Development Program award recommendations conditioned upon the recommendations made by the Real Estate Analysis Division.

**2007 HOME CHDO Recommendations July 30, 2007  
Sorted by Region and Awarded Score**

**Allocation Available for Community Housing Development Organizations HOME Funds: \$6,000,000**

File #	Development Name	City	Allocation <sup>1</sup>	LI Units	Total Units	Housing <sup>2</sup> Activity	9% HTC 4% HTC	Requested Funds:	Recommended Funds:	HOME Score	Comments														
								Activity Funds CHDO Operating	Activity Funds CHDO Operating																
<b>Region: 7</b>																									
<table border="0" style="width:100%"> <tr> <td><b>Allocation Information for Region 7:</b></td> <td><b>Total Funds Available for Region:</b></td> <td><b>\$255,674</b></td> <td><b>Rural Allocation:</b></td> <td><b>\$137,179</b></td> <td><b>Urban/Exurban Allocation:</b></td> <td><b>\$118,495</b></td> </tr> <tr> <td></td> <td></td> <td></td> <td><b>Rural Funding Percentage for Region:</b></td> <td><b>55 %</b></td> <td><b>Urban Funding Percentage for Region:</b></td> <td><b>45 %</b></td> </tr> </table>												<b>Allocation Information for Region 7:</b>	<b>Total Funds Available for Region:</b>	<b>\$255,674</b>	<b>Rural Allocation:</b>	<b>\$137,179</b>	<b>Urban/Exurban Allocation:</b>	<b>\$118,495</b>				<b>Rural Funding Percentage for Region:</b>	<b>55 %</b>	<b>Urban Funding Percentage for Region:</b>	<b>45 %</b>
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<b>Total:</b>				<b>144</b>	<b>144</b>	<b>Funds Totals:</b>		<b>\$900,000</b> <b>\$0</b>	<b>\$900,000</b> <b>\$0</b>																
<b>1 Applications in Region</b>			<b>Region Total:</b>		<b>144</b>	<b>144</b>	<b>Funds Totals:</b>		<b>\$900,000</b> <b>\$0</b>	<b>\$900,000</b> <b>\$0</b>															

<b>Region: 10</b>																									
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07199	Kingsville LULAC Manor Apartments	Kingsville	R	88	88	RH	<input checked="" type="checkbox"/>	\$310,000 \$0	\$310,000 \$0	91	HOME award contingent upon an allocation of HTC.														
<b>Total:</b>				<b>88</b>	<b>88</b>	<b>Funds Totals:</b>		<b>\$310,000</b> <b>\$0</b>	<b>\$310,000</b> <b>\$0</b>																
<b>1 Applications in Region</b>			<b>Region Total:</b>		<b>88</b>	<b>88</b>	<b>Funds Totals:</b>		<b>\$310,000</b> <b>\$0</b>	<b>\$310,000</b> <b>\$0</b>															
<b>2 Total Applications</b>				<b>232</b>	<b>232</b>	<b>Funds Totals:</b>		<b>\$1,210,000</b> <b>\$0</b>	<b>\$1,210,000</b> <b>\$0</b>																

1 = Allocation Abbreviation: Rural Regional Allocation=R, Urban/Exurban Regional Allocation=U/EX  
2 = Housing Activity: New Construction=NC, Rehabilitation=RH, Reconstruction=RC

**2007 HOME CHDO Applications July 30, 2007  
Sorted by Region, Status and Awarded Score**

**Allocation Available for Community Housing Development Organizations HOME Funds: \$6,000,000**

File #	Status <sup>1</sup>	Development Name	City	Allocation <sup>2</sup>	LI Units	Total Units	Housing <sup>3</sup> Activity	9% HTC 4% HTC	Requested Funds:	Recommended Funds:	HOME Score	Comments
									Activity Funds CHDO Operating	Activity Funds CHDO Operating		
<b>Region: 3</b>												
<b>Allocation Information for Region 3:</b>				<b>Total Funds Available for Region:</b>	<b>\$958,725</b>	<b>Rural Allocation:</b>	<b>\$323,955</b>	<b>Urban/Exurban Allocation:</b>	<b>\$634,770</b>			
				<b>Rural Funding Percentage for Region:</b>	<b>28 %</b>	<b>Urban Funding Percentage for Region:</b>	<b>72 %</b>					
07256	N	Evergreen at The Colony	The Colony	U/EX	145	145	NC	<input checked="" type="checkbox"/>	\$1,500,000	\$0	94	Not being recommended for HOME funds because not being recommended for an HTC allocation.
								<input type="checkbox"/>	\$0	\$0		
07624	N	Ennis Senior Estates	Ennis	R	164	164	NC	<input type="checkbox"/>	\$1,900,000	\$0	0	Terminated.
								<input checked="" type="checkbox"/>	\$0	\$0		
<b>Total:</b>					<b>309</b>	<b>309</b>	<b>Funds Totals:</b>	<b>\$3,400,000</b>	<b>\$0</b>	<b>\$0</b>		
<b>2 Applications in Region</b>					<b>Region Total:</b>	<b>309</b>	<b>309</b>	<b>Funds Totals:</b>	<b>\$3,400,000</b>	<b>\$0</b>	<b>\$0</b>	

<b>Region: 4</b>												
<b>Allocation Information for Region 4:</b>				<b>Total Funds Available for Region:</b>	<b>\$753,756</b>	<b>Rural Allocation:</b>	<b>\$664,174</b>	<b>Urban/Exurban Allocation:</b>	<b>\$89,582</b>			
				<b>Rural Funding Percentage for Region:</b>	<b>88 %</b>	<b>Urban Funding Percentage for Region:</b>	<b>12 %</b>					
07260	N	Victoria Place Addition	Athens	R	16	16	NC	<input checked="" type="checkbox"/>	\$210,000	\$0	89	Not being recommended for HOME funds because not being recommended for an HTC allocation.
								<input type="checkbox"/>	\$75,000	\$0		
07261	N	Lexington Court Phase II	Kilgore	R	76	76	NC	<input checked="" type="checkbox"/>	\$1,995,000	\$0	79	Not being recommended for HOME funds because not being recommended for an HTC allocation.
								<input type="checkbox"/>	\$75,000	\$0		
<b>Total:</b>					<b>92</b>	<b>92</b>	<b>Funds Totals:</b>	<b>\$2,205,000</b>	<b>\$0</b>	<b>\$0</b>		
<b>2 Applications in Region</b>					<b>Region Total:</b>	<b>92</b>	<b>92</b>	<b>Funds Totals:</b>	<b>\$2,205,000</b>	<b>\$0</b>	<b>\$0</b>	

1 = Status: Recommended for HOME Award = A, Not Recommended for HOME Award = N  
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3 = Housing Activity: New Construction=NC, Rehabilitation=RH, Reconstruction=RC



File #	Status <sup>1</sup>	Development Name	City	Allocation <sup>2</sup>	LI Units	Total Units	Housing <sup>3</sup> Activity	9% HTC 4% HTC	Requested Funds: Activity Funds CHDO Operating	Recommended Funds: Activity Funds CHDO Operating	HOME Score	Comments
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**Region: 5**

<b>Allocation Information for Region 5:</b>	<b>Total Funds Available for Region:</b>	<b>\$356,634</b>	<b>Rural Allocation:</b>	<b>\$313,512</b>	<b>Urban/Exurban Allocation:</b>	<b>\$43,122</b>
			<b>Rural Funding Percentage for Region:</b>	<b>85 %</b>	<b>Urban Funding Percentage for Region:</b>	<b>15 %</b>

07340	N	Copper Creek Homes	Hudson	R	8	8	NC	<input type="checkbox"/>	\$646,754	\$0	0	Terminated.
								<input type="checkbox"/>	\$50,000	\$0		
<b>Total:</b>					<b>8</b>	<b>8</b>	<b>Funds Totals:</b>		<b>\$646,754</b>	<b>\$0</b>		
									<b>\$50,000</b>	<b>\$0</b>		
<b>1 Applications in Region</b>					<b>Region Total:</b>	<b>8</b>	<b>8</b>	<b>Funds Totals:</b>		<b>\$646,754</b>	<b>\$0</b>	
									<b>\$50,000</b>	<b>\$0</b>		

**Region: 7**

<b>Allocation Information for Region 7:</b>	<b>Total Funds Available for Region:</b>	<b>\$255,674</b>	<b>Rural Allocation:</b>	<b>\$137,179</b>	<b>Urban/Exurban Allocation:</b>	<b>\$118,495</b>
			<b>Rural Funding Percentage for Region:</b>	<b>55 %</b>	<b>Urban Funding Percentage for Region:</b>	<b>45 %</b>

07249	A	Bluffs Landing Senior Village	Round Rock	U/EX	144	144	NC	<input checked="" type="checkbox"/>	\$900,000	\$900,000	80	HOME award contingent upon an allocation of HTC.
								<input type="checkbox"/>	\$0	\$0		
<b>Total:</b>					<b>144</b>	<b>144</b>	<b>Funds Totals:</b>		<b>\$900,000</b>	<b>\$900,000</b>		
									<b>\$0</b>	<b>\$0</b>		
<b>1 Applications in Region</b>					<b>Region Total:</b>	<b>144</b>	<b>144</b>	<b>Funds Totals:</b>		<b>\$900,000</b>	<b>\$900,000</b>	
									<b>\$0</b>	<b>\$0</b>		

**Region: 8**

<b>Allocation Information for Region 8:</b>	<b>Total Funds Available for Region:</b>	<b>\$210,703</b>	<b>Rural Allocation:</b>	<b>\$129,224</b>	<b>Urban/Exurban Allocation:</b>	<b>\$81,479</b>
			<b>Rural Funding Percentage for Region:</b>	<b>62 %</b>	<b>Urban Funding Percentage for Region:</b>	<b>38 %</b>

07263	N	Constitution Court	Copperas Cove	U/EX	108	108	NC	<input checked="" type="checkbox"/>	\$2,900,000	\$0	0	Terminated.
								<input type="checkbox"/>	\$50,000	\$0		
<b>Total:</b>					<b>108</b>	<b>108</b>	<b>Funds Totals:</b>		<b>\$2,900,000</b>	<b>\$0</b>		
									<b>\$50,000</b>	<b>\$0</b>		
<b>1 Applications in Region</b>					<b>Region Total:</b>	<b>108</b>	<b>108</b>	<b>Funds Totals:</b>		<b>\$2,900,000</b>	<b>\$0</b>	
									<b>\$50,000</b>	<b>\$0</b>		

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File #	Status <sup>1</sup>	Development Name	City	Allocation <sup>2</sup>	LI Units	Total Units	Housing Activity <sup>3</sup>	9% HTC 4% HTC	Requested Funds: Activity Funds CHDO Operating	Recommended Funds: Activity Funds CHDO Operating	HOME Score	Comments
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**Region: 10**

<b>Allocation Information for Region 10:</b>	<b>Total Funds Available for Region:</b>	<b>\$461,147</b>	<b>Rural Allocation:</b>	<b>\$310,225</b>	<b>Urban/Exurban Allocation:</b>	<b>\$150,922</b>
			<b>Rural Funding Percentage for Region:</b>	<b>82 %</b>	<b>Urban Funding Percentage for Region:</b>	<b>18 %</b>

07199	A	Kingsville LULAC Manor Apartments	Kingsville	R	88	88	RH	<input checked="" type="checkbox"/>	\$310,000	\$310,000	91	HOME award contingent upon an allocation of HTC.
								<input type="checkbox"/>	\$0	\$0		
					<b>Total:</b>	<b>88</b>	<b>88</b>		<b>Funds Totals:</b>	<b>\$310,000</b>		
									<b>\$0</b>	<b>\$0</b>		
<b>1 Applications in Region</b>					<b>Region Total:</b>	<b>88</b>	<b>88</b>		<b>Funds Totals:</b>	<b>\$310,000</b>		
									<b>\$0</b>	<b>\$0</b>		
<b>8 Total Applications</b>						<b>749</b>	<b>749</b>		<b>\$10,361,754</b>	<b>\$1,210,000</b>		
									<b>\$250,000</b>	<b>\$0</b>		

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 3 = Housing Activity: New Construction=NC, Rehabilitation=RH, Reconstruction=RC

The Application Evaluation, Board Summary and Underwriting Reports for each recommended application layered with HTC will be provided with the Housing Tax Credit recommendations

**DISASTER RECOVERY DIVISION**

**BOARD ACTION**

**July 30, 2007**

**Action Item**

Presentation and Discussion of the Community Development Block Grant (CDBG) Disaster Recovery Status Report

**Requested Action**

Presentation and discussion of the CDBG Disaster Recovery Status Report

**Background**

On May 22, 2006, the U.S. Department of Housing and Urban Development (HUD) awarded the State of Texas \$74,523,000 of an \$11.5 billion supplemental appropriation for the CDBG Disaster Recovery Program (Program). 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).

The Texas Department of Housing and Community Affairs (TDHCA/Department), in conjunction with the Office of Rural Community Affairs (ORCA), is working with four Councils of Government (COGs) to distribute the funds. The Department is charged with administering \$40,259,276 (56.9%) of housing funds requested by three COGs: the Deep East Texas Council of Governments (DETCOG), Houston-Galveston Area Council (H-GAC), and the South East Texas Regional Planning Commission (SETRPC). ORCA is administering \$30,537,374 (43.1%) of non-housing funds requested by these COGs and additionally the East Texas Council of Governments (ETCOG) on behalf of cities, counties, and Indian tribes.

The TDHCA Governing Board has requested a monthly report item on the status of the CDBG Disaster Recovery Program. This report item includes the activities of both housing and non-housing contractors.

**Housing Activities as of July 15, 2007**

The goal of the Department and the COGs is to significantly improve the commitment and expenditure rate of the CDBG Disaster Recovery Program. TDHCA Executive Director Michael Gerber and Deputy Executive Director for Disaster Recovery Kelly Crawford, along with HUD officials Cindy Leon, Region VI Director and Grace Saenz, CDP Specialist in the Disaster Division, visited DETCOG and SETRPC the week of July 16, 2007. The purpose of the meeting was to underscore the importance of expediting assistance to the region and to address impediments that the COGs perceive in the program. Disaster Recovery staff are also working with COG staff on a new strategy towards this objective. As part of the strategy, each COG has a goal of qualifying 10 applicant files for the program per week.

### Financial Activity

	Current Budget	Admin \$ Drawn To Date	Project \$ Drawn To Date	Balance CDBG Funds	% of Funds Disbursed
<b>DETCOG</b>	<b>\$6,745,034.00</b>	<b>\$144,355.39</b>	<b>\$0</b>	<b>\$6,600,678.61</b>	<b>2.14%</b>
<b>H-GAC</b>	<b>\$7,015,706.00</b>	<b>\$258,328.95</b>	<b>\$0</b>	<b>\$6,757,377.05</b>	<b>3.68%</b>
<b>SETRPC</b>	<b>\$26,498,536.00</b>	<b>\$350,365.42</b>	<b>\$86,374.06</b>	<b>\$26,061,796.52</b>	<b>1.65%</b>
SETRPC	\$15,788,536.00	\$350,365.42	\$86,374.06	\$0.00	
Beaumont	\$5,145,000.00	\$0.00	\$0.00	\$0.00	0.00%
Port Arthur	\$5,565,000.00	\$0.00	\$0.00	\$0.00	0.00%
<b>Totals</b>	<b>\$40,259,276.00</b>	<b>\$753,049.76</b>	<b>\$86,374.06</b>	<b>\$39,419,852.18</b>	<b>7.47%</b>

### Project Activity

	# of Applications	# Eligible	# of Contracts Awarded	# of Units Under Contract	# of Assisted Households
<b>DETCOG</b>	<b>553</b>	<b>32</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>H-GAC</b>	<b>256</b>	<b>90</b>	<b>7</b>	<b>0</b>	<b>0</b>
<b>SETRPC</b>	<b>3,012</b>	<b>176</b>	<b>4</b>	<b>2</b>	<b>2</b>
SETRPC	1,569	44	4	2	2
Beaumont	764	0	0	0	0
Port Arthur	679	132	0	0	0
<b>Total</b>	<b>3,821</b>	<b>298</b>	<b>11</b>	<b>2</b>	<b>2</b>

### COG Activity Highlights

#### DETCOG

DETCOG has identified 32 eligible applicants. DETCOG expects to issue at least 4 purchase orders for manufactured housing units by the end of July, and 5 purchase orders by mid August. DETCOG is meeting weekly to determine what is needed in each eligible applicant file. DETCOG is developing an RFP for Modular Housing. Of the approximately 1,500 initial applicants that still need assistance, 1,364 households will not receive assistance, based on DETCOG's projection of serving 136 households.

#### H-GAC

H-GAC has established weekly field days where staff meet with prioritized applicants to review and execute forms necessary to move project setup packets to TDHCA. This meeting includes collecting data to support the recent disaster recovery expense information associated with previous FEMA, SBA and insurance awards. As of July 16, 2007, H-GAC has conducted face to face meetings with three applicants and has an additional 7 planned for Thursday July 19, 2007. These meetings will result in at least 7 contracts being awarded for modular housing and the same 7 files being transmitted to TDHCA for project set up approval. Based on timing required for TDHCA approval of project setups, H-GAC plans to place the modular housing units on the ground within 15-days of receiving approval from TDHCA.

H-GAC plans to meet with 20 eligible applicants during the month of July and maintain an average of 10 applicant meetings per week until eligible applicant files have been completed and transmitted to TDHCA for approval.

## **SETRPC**

SETRPC is meeting weekly with prioritized applicants to review, verify and execute forms necessary to move project setup packets to TDHCA. This meeting includes collecting data and photos to support the recent disaster recovery expense information associated with previous FEMA, SBA and personal insurance awards.

SETRPC's main goal is to work on and make compliant an average of 10 files per week. The files will then be forwarded to TDHCA for project set-up to achieve construction of stick built homes, mobile home units or modular home units. As of July 15, 2007, two manufactured housing units have been installed and two more have been ordered. There have been 11 applicant names sent to SETRPC's management firm to manage the construction of stick-built homes.

SETRPC plans to continue to meet with eligible applicants each month while maintaining an average of 10 applicants per week until applicants' files have been completed and forwarded to TDHCA for approval.

## **Non-Housing Activities as of July 30, 2007**

All available funding for non-housing activities is under contract. Each of the awarded communities has received at least one technical assistance / site visit by ORCA staff. To date, approximately \$4,320,935 has been paid to non-housing contractors and another approximately \$250,000 is under review for payment. Most of the non-housing contracts are in the process of completing procurement and environmental reviews, which can be a 60 day process. At least 9 contracts totaling \$4.7 million are experiencing delays because these projects are Hazard Mitigation Grant Program (HMGP) projects that are not being prioritized by the Federal Emergency Management Agency, and as a result, FEMA funding for the projects is slow in being received by these communities.

ORCA has begun a comprehensive "Project Status and Plan/Next Step" initiative to visit all non-housing recipients with outstanding funds. ORCA Disaster Recovery staff will visit each city, county and tribe and during the site visit meeting discuss the status of the current project, establish the "plan or next step" necessary for communities to submit reimbursements requests to ORCA, and provide any needed technical assistance. This is part of ORCA's enhanced effort to encourage all parties to focus on any impediments the community may be encountering in submitting reimbursement requests to ORCA in a timely manner, combined with additional technical assistance that would benefit the communities.

**BOND FINANCE DIVISION  
TEXAS HOMEOWNERSHIP DIVISION**

**BOARD ACTION REQUEST  
July 30, 2007**

**Action Items**

Presentation, Discussion and Possible approval of a loan reservation procedure for the Single Family Mortgage Revenue Bond (MRB) Program 70 Targeted Area Set-Aside.

**Required Action**

Discuss proposed options and adopt a loan reservation procedure for the Single Family Mortgage Revenue Bond (MRB) Program 70 Targeted Area Set-Aside.

**Background and Recommendations**

**Summary**

Under the Single Family Mortgage Revenue Bond (MRB) Program, twenty percent (20%) of lendable proceeds must be set-aside for residences located in federally designated Targeted Areas. The targeted areas include Qualified Census Tracts and/or Areas of Chronic Economic Distress including the 22-county area designated as the Hurricane Rita Gulf Opportunity "GO" Zone. According to IRS guidelines, the Department must proceed with reasonable diligence to place such proceeds in qualified mortgages. In considering the following options, staff intends to continue advertising and other significant efforts to ensure that all targeted area set-aside amounts are, in fact, originated in the Targeted Areas, consistent with any recommendation intended to provide a reasonable opportunity for wider participation in such originations. For borrowers purchasing homes in these targeted areas, the first time homebuyer requirement is waived and the borrower's income and purchase price limits may be higher. On Programs 66, 68 and 69, the Department had an additional set-aside for the Hurricane Rita GO Zone as well as funds reserved for targeted areas outside of the Rita GO Zone.

Under all three programs there was a huge demand for the funds set-aside within the Hurricane Rita GO Zone and as a result they originated quickly. On both Programs 66 and 68, there was a fairly broad distribution of loans originated among new construction homebuilders with their own mortgage origination department and non-builder aligned lenders. New construction aligned builder lenders originated approximately 20 percent and 23 percent respectively of all loans originated. On Program 69, which was released on June 5, 2007, approximately \$15 million was set-aside for the Rita GO Zone and was registered through the Master Servicer's online registration system within several hours. Under this particular program, homebuilders or mortgage lenders aligned with homebuilders registered approximately 77% of the loans. Subsequently, many other mortgage lenders were frustrated due to the funds being originated so quickly. As a result, a separate Hurricane Rita GO Zone set-aside was not proposed within the recently approved Program 70 structure. However, funds from the 20% targeted area set-aside requirement may be used within the 22 county area designation. Twenty percent of the lendable proceeds under Program 70 are expected to be approximately \$21 million or \$32 million depending if the Department receives the additional volume cap it has requested.

At the TDHCA Board's request, staff has worked with the program's Master Servicer and Bond Counsel to develop several options to the current loan reservation procedure of first come, first serve in an effort to distribute the funds more equitably among the programs participating lenders within the targeted area set-aside.

**Option 1.** This option would place no additional restrictions on the participating mortgage lenders and would continue to allow them to register loans under the program on a first come, first serve basis. This is the current method utilized by the program.

**Option 2.** The second option would require a set-aside of funds for lenders primarily aligned with new construction homebuilders within the targeted area set-aside. This would be achieved by setting up a separate commitment number or subprogram for new construction builder-affiliated lenders for a specified period of time; i.e. three months. The subprogram would be open for registrations in all statewide targeted areas including the Rita GO Zone and all qualified census tracts. A portion of funds under the targeted area set-aside would be earmarked, i.e. 30 percent. The remaining funds would be available to other lenders primarily involved with making loans on existing homes. This option may enable a broader dispersion of funds among the participating lenders but may not slow the speed of loan originations. Another consideration with this option is the proper categorization of lenders aligned with new construction homebuilders and those lenders primarily involved with making loans on existing homes. While some organizations are easier to categorize than others, there are mortgage lenders aligned with new construction builders that staff is unaware of; thus making it more difficult to properly categorize them. There are also lenders that actually do both – make loans in conjunction with new construction homebuilders but also work with individuals purchasing an existing property. Should this option be adopted, a list will need to be created, approved by the TDHCA Board and provided to the Master Servicer.

**Option 3.** The third option would be to establish a three month subprogram within the targeted area set-aside and establish an allocation cap for the counties in which we want to limit loan originations. For instance, all lenders would have access to the entire amount available within the targeted area set-aside but only a specified amount; i.e. \$5 million, would be available to counties that have historically received a disproportionate share of the Rita GO Zone funds. Over the last three programs, Harris, Ft. Bend and Brazoria counties had the most loan originations. This option should prevent a large number of originations from occurring in specific counties and will act to slow the overall level of loan originations within the entire 22 county area. Because this option does not require a lender set-aside, it would prevent staff or the Board from having to determine how to properly categorize a lender.

**Option 4.** The fourth option would also create a three month subprogram within the targeted area set-aside and establish an allocation cap by lender. Currently 54 lending institutions participate in Program 69; however, not all lenders have a presence in the Rita GO Zone but any of them can originate a loan in a targeted area. Therefore, if an allocation cap by lender is established, staff recommends the allocation be evenly distributed. This would result in approximately \$380,000 or \$590,000 per lender depending if the Department receives the additional volume cap it has requested. Under this option it is unlikely each lender would fully utilize their allocation; thus resulting in funds remaining once the three month set-aside lifts.

**Option 5.** The fifth option would not require a set-aside by lender but would establish a daily limit on the amount of loans that could be originated. This option would ensure that the targeted area funds would not be originated within several hours and should prevent one lender or community from monopolizing an overwhelming majority of funds. Should this option be adopted, a daily cap of \$2 million is suggested.

Under Programs 66 and 68, borrowers purchasing homes within the Hurricane Rita GO Zone were limited to funds set aside specifically for the 22 county area. All loans made available under the set-aside provided for downpayment and closing costs assistance up to 5% of the mortgage amount. Lenders were restricted from registering loans under other statewide set-asides. These restrictions were enforced in an



effort to preserve funds for other areas of the state and to help prevent an overwhelming majority of the overall program funds from being originated in the Rita GO Zone. Program 69 loans were originated within the Rita GO Zone so quickly that lenders, upon request, were allowed to register loans in other statewide set-asides. Since they were technically targeted area loans, the first time homebuyer requirement was waived but the borrower's income and purchase price limits were not allowed to be at the higher limits. Since the Program 70 structure does not provide for a specific Rita GO Zone set-aside, only for a 20% targeted area set-aside which includes the Rita GO Zone, staff is requesting the Board to decide if lenders be allowed to register loans within the remaining 80% of available funds even though the property is located within a targeted area. Staff is also seeking guidance on whether to waive the first time homebuyer requirement and allow the higher income and purchase price limits.

### **Recommendation**

Staff encourages the Board to discuss the five options provided above and adopt a loan reservation procedure for the Single Family Mortgage Revenue Bond (MRB) Program 70 targeted area set-aside. Since the Program 70 structure does not provide for a specific Rita GO Zone set-aside, only for a 20% targeted area set-aside which includes the Rita GO Zone, staff is also requesting the Board to decide if lenders be allowed to register loans within the remaining 80% of available funds even though the property is located within a targeted area. Staff is also seeking guidance on whether to waive the first time homebuyer requirement and allow the higher income and purchase price limits.

## Targeted Area Loan Reservation Options

<b>Option *</b>	<b>Identity</b>	<b>Restriction</b>	<b>Pros</b>	<b>Cons</b>
<b>One</b>	Current Method: First Come First Serve	No Restrictions	<ol style="list-style-type: none"> <li>1. Place no additional restrictions on the participating mortgage lenders.</li> <li>2. Continue to allow lenders to register loans on a first come, first serve basis.</li> </ol>	<ol style="list-style-type: none"> <li>1. Majority of funds may be registered by a specific lender.</li> <li>2. Funds may continue to be originated within a matter of hours.</li> </ol>
<b>Two</b>	New Construction / Existing Sales	Established for 3 months	<ol style="list-style-type: none"> <li>1. A portion (i.e. 30%) of funds under the targeted area set-aside would be assigned to lenders primarily aligned with new construction homebuilders and lenders primarily involved with loans on existing homes.</li> <li>2. Broader dispersion of funds among participating lenders.</li> </ol>	<ol style="list-style-type: none"> <li>1. Difficulty categorizing lenders. There are mortgage lenders aligned with builders that staff is unaware of. There are also lenders that actually do both – make loans for new construction but also work with individuals purchasing an existing property.</li> <li>2. May slow the speed of loan originations.</li> <li>3. If adopted, a list of lenders will need to be created, approved by the Board and provided to Master Servicer.</li> </ol>
<b>Three</b>	County Limit	Established for 3 months	<ol style="list-style-type: none"> <li>1. Establish an allocation cap (\$5M total) for the counties in which we want to limit loan originations.</li> <li>2. This should prevent a large number of originations from occurring in specific counties.</li> <li>3. Broader dispersion of funds among counties.</li> </ol>	<ol style="list-style-type: none"> <li>1. May slow the speed of loan originations.</li> </ol>
<b>Four</b>	Lender Cap	Established for 3 months	<ol style="list-style-type: none"> <li>1. Establish an allocation cap by lender which will ensure that each of the 54 current lenders receive a specific amount - \$380,000 or \$590,000 per lender depending on volume cap.</li> <li>2. Enables all lenders to have access to funds.</li> </ol>	<ol style="list-style-type: none"> <li>1. Unlikely each lender would fully utilize their allocation; thus resulting in the availability of excess funds once the set aside lifts.</li> <li>2. Not all lenders do business in the 22 county area.</li> <li>3. Cumbersome to monitor and track.</li> </ol>
<b>Five</b>	Daily Limit	Daily Cap of \$2 Million	<ol style="list-style-type: none"> <li>1. Establish a daily limit (\$2M) on the amount of loans that could be originated.</li> <li>2. This option would ensure that the targeted area funds would not be originated within several hours.</li> <li>3. This should prevent one lender or community from monopolizing an overwhelming majority of funds.</li> </ol>	<ol style="list-style-type: none"> <li>1. Restricts speed of originations; however, funds could be exhausted within 11 or 16 days depending on volume cap.</li> </ol>

\* All options can operate within an automated process system and do not require manual monitoring.

# REPORT ITEMS

**PORTFOLIO MANAGEMENT AND COMPLIANCE DIVISION**

**EXECUTIVE DIRECTOR'S REPORT ITEM**

**July 30, 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**

A Contract Status Report has been received from all Administrators reporting acceptable progress.

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	March Elimination	7/10/07	Y	35	19	29	10/1/04	9/30/07	\$233,311	\$219,479	\$199,035	93%	94%	85%	A six (6) month extension was granted. All remaining houses are between 66%-83% complete.
5/4/2006	Affordable Caring Housing	1000342	TBRA	March Elimination	7/10/07	Y	20	9	25	10/1/04	9/30/07	\$174,048	\$139,799	\$134,693	93%	80%	77%	A six (6) month extension was granted. All remaining houses in the construction process and budget revisions being worked on.
6/9/2006	City of Nash	1000486	OCC	AMFI Modification March Reduction	7/9/07	Y	8	3	5	10/3/05	9/28/07	\$477,232	\$465,000	\$393,190	89%	97%	82%	Administrator indicates that all remaining activities will be closed by July 31, 2007.
6/26/2006	Laredo-Webb NHS	542040	HBA	Extension	7/10/07	Y	20	3	17	10/1/03	6/30/07	\$500,000	\$300,000	\$255,000	100%	100%	85%	Construction of seventeen (17) units 100% complete. Three (3) units are at 100% and draw requests being processed.
7/12/2006	Midland Habitat for Humanity	1000541	HBA	AMFI Modification	7/16/2007	Y	4	4	0	10/3/05	9/28/07	\$40,000	\$30,000	\$0	89%	75%	0%	Construction on one (1) unit was reported at 99% complete, two (2) units were reported as 90% complete, and one (1) unit at 79% complete.
10/12/2006	City of Conalia	1000020	OCC	Extension	6/15/07	Y	10	10	0	12/1/03	3/31/07	\$500,000	\$500,000	\$368,319	100%	100%	74%	Administrator will be requesting an extension to complete one (1) house located in a flood zone. 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	7/11/2007	Y	3	3	3	10/1/04	9/30/07	\$198,000	\$148,972	\$148,972	93%	75%	75%	All activities are 100% complete. Uncommitted funds will be deobligated at the contract end date.
10/12/2006	Val Verde County	1000156	OCC	Extension	7/11/07	Y	6	3	3	9/1/03	12/31/07	\$300,000	\$300,000	\$158,245	89%	100%	53%	The three (3) households are in the construction process. One (1) has foundation prepared for framing, one (1) is scheduled for final demolition, and one (1) has foundation scheduled for pouring.
11/9/2006	Alpha Concepts	1000301	HBA	Extension	6/20/2007	Y	29	0	0	10/1/04	4/30/08	\$350,000	\$0	\$0	78%	0%	0%	In the process of interviewing applicants.
11/9/2006	City of Lewisville	1000253	OCC	Reduction in units (8 to 6) & Extension	7/12/2007	Y	6	6	0	10/1/04	9/30/07	\$321,884	\$321,884	\$186,084	93%	100%	58%	Board approved an additional three (3) month extension on June 14, 2007.
11/9/2006	City of Midland	1000284	HBA	Reduction in units (10 to 6) & Extension	7/6/2007	Y	6	1	5	10/1/04	6/30/07	\$41,500	\$41,500	\$34,000	100%	100%	82%	Administrator has reported that all units are 100% complete.
11/9/2006	City of Pearsall	1000299	OCC	Extension	7/11/2007	Y	10	10	0	10/1/04	4/30/08	\$500,000	\$0	\$0	78%	0%	0%	15 Units pending Inspections; and cost estimates being completed.
11/9/2006	City of Presidio	1000302	OCC	Extension	7/10/2007	Y	9	0	0	10/1/04	4/30/08	\$448,848	\$0	\$0	78%	0%	0%	Households selected and are pending environmental clearance. Request was submitted 5/28/07.

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	Frio County	1000308	OCC	Extension	7/11/2007	Y	10	6	0	10/1/04	4/30/08	\$500,000	\$175,835	\$0	78%	33%	0%	Construction on six (6) units was reported as four (4) at 10% complete and two (2) at 5% complete. Administrator is waiting for loan closing and inspections.
11/9/2006	Town of Anthony	1000298	OCC	Extension	7/9/2007	Y	4	0	0	10/1/04	4/30/08	\$180,333	\$0	\$0	78%	0%	0%	Administrator has reported that they are pending environmental clearance to commence with title company.
11/9/2006	Zapata County	1000297	OCC	Extension	7/11/2007	Y	10	0	0	10/1/04	4/30/08	\$500,000	\$0	\$0	78%	0%	0%	Application intake was reopened. 17 prospective applicants in total. The review of applications and interview to begin soon.
12/14/2006	Accessible Community, Inc.	1000360	TBRA	Extension	7/11/2007	Y	65	71	36	2/1/05	10/31/08	\$709,642	\$568,611	439,262	65%	80%	62%	Assistance will continue to be provided to households until all funds are expended and contract end date met.
12/14/2006	Angelina County	1000607	OCC-Rim	Extension	7/5/2007	Y	5	0	0	4/17/06	10/31/07	\$300,000	\$0	\$0	80%	0%	0%	Four (4) households are pending environmental clearance. Two (2) of those four have inspections completed and work write-ups. The other two(2) beginning the construction bud process. A five(5th) qualified household is being searched for.
12/14/2006	San Augustine County	1000604	OCC-Rim	Extension	7/6/2007	Y	3	0	0	4/17/06	10/31/07	\$166,667	\$0	\$0	80%	0%	0%	Seeking qualified applicants
12/14/2006	Trinity County	1000605	OCC-Rim	Extension	7/9/2007	Y	3	0	0	4/17/06	10/31/07	\$166,667	\$0	\$0	80%	0%	0%	No change in status still searching for qualified applicants.
11/9/2006	City of Balmorhea	1000300	OCC	Extension	7/10/2007	Y	10	0	0	10/1/04	4/30/08	\$500,000	\$0	\$0	78%	0%	0%	Households selected and are pending environmental clearance. Request was submitted 5/27/07.
11/9/2006	Town of Combes	1000303	OCC	Extension	7/16/2007	Y	5	0	0	10/1/04	4/30/08	\$220,156	\$0	\$0	78%	0%	0%	Five (5) activities are reported as 50% complete
3/20/2007	Jefferson County	1000596	OCC	Extension	7/10/2007	Y	36	32	0	4/17/2006	1/31/2008	\$2,160,000	\$1,920,000	\$0	69%	89%	0%	Administrator reported that only two (2) households not yet selected.
4/12/2007	City of Bay City	1000529	HB-A/ADDI	Extension / 16 Additional HH with additional funds	7/10/2007	Y	41	7	19	10/3/2005	6/30/2008	\$410,000	\$260,000	\$190,000	65%	63%	46%	Seven (7) activities in Process.
3/20/2007	ARCIL, Inc.	1000223	TBRA	Extension	7/10/2007	Y	20	16	6	8/1/2004	10/31/2008	\$213,194	\$176,745	\$140,337	69%	83%	66%	Administrator reports activities are between 38-83% complete.

THIS ITEM HAS BEEN PULLED  
FROM THE AGENDA

**MULTIFAMILY FINANCE PRODUCTION DIVISION**

**EXECUTIVE DIRECTOR'S REPORT ITEM**

**July 30, 2007**

**Background**

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

**Summary**

The attached table titled, **Status Log of 2007 Competitive Housing Tax Credit Challenges Received as of July 23, 2007** ("Status Log"), summarizes status of the challenges received on or before July 23, 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. New challenges and determinations regarding challenges have been highlighted in yellow to indicate an update from the July 12, 2007 Board materials.

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 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 July 23, 2007.

## Status Log of 2007 Competitive Housing Tax Credit Challenges Received as of July 23, 2007

Challenge Received Date	TDHCA #	Development Name	Challenger	Nature and Basis of Challenge	Status
4/10/07	07109	Elrod Place	Kathi Zollinger and Katrina Thornhill	<p>Two challenges 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 challenges as reflected in the challenge documentation is: information presented to the community by a representative of the Applicant in three separate meetings was different than, or incomplete when compared to, the Application; the role of the Harris County Housing Authority was not disclosed to the public; the right of first refusal provision was not disclosed to the public; the Development site may have negative site features such as chlorine gas and close proximity to power lines; the area in which the Development will be located already has a high concentration of low income individuals; and the Applicant represented in the Application that the Development is located in a MUD that it is not actually located in.</p>	<p><b>Analysis:</b> The meetings with the public referred to in the challenges were not required by the Department, nor were they attended by any representative of the Department; therefore, assertions made with regard to discrepancies between the information presented in the meetings and in the Application cannot be evaluated by the Department. In holding three meetings not required by the Department, however, it appears that the Applicant made a good faith effort to meet with and inform the public about the proposed Development. Regarding negative site features, an Environmental Site Assessment is required and has been performed for the Development site; in the event that this Application is chosen to receive a feasibility analysis, the report will be evaluated by the Department. The Department has a policy regarding concentration of low income individuals; the census tract in which the site is located is not an ineligible tract under the concentration policy. Finally, the land seller is in the process of annexing the site into a new MUD; this process is currently not under the control of the Applicant.</p> <p><b>Resolution:</b> The Department has evaluated the challenges pursuant to the methodology outlined in §49.17(c) of the 2007 QAP and has determined that no further action will be taken with regard to these challenges.</p>

## Status Log of 2007 Competitive Housing Tax Credit Challenges Received as of July 23, 2007

Challenge Received Date	TDHCA #	Development Name	Challenger	Nature and Basis of Challenge	Status
5/2/07	07118	Lakeside Apartments	Eric Hartzell, BETCO Development	Challenge regarding eligibility for points under §49.9(i)(26) of the 2007 QAP, Third-Party Funding Commitment Outside of Qualified Census Tracts. The challenge asserts that the funding source is not a Third Party, and that the Application is, therefore, not eligible for points. The basis of the challenge as reflected in the challenge documentation is: the provider of funds and the Applicant are Related Parties and/or Affiliates because the Applicant holds the broker license under which the provider of funds operates.	<p><b>Analysis:</b> The provider of funds controls his own schedule, chooses his own sales terms, selects his own clients, and provides a percentage of his commissions to offset his operational costs, thus in essence buying his own supplies and space. This would seem to meet several of the tests for determining whether the Person in question is an employee or an independent contractor. The provider of funds, despite the broker/agent relationship, is not the Applicant, or an Affiliate thereof, a consultant, the Developer, or, because there does not appear to be any family relationship or ownership interest, a Related Party.</p> <p><b>Resolution:</b> The Department has evaluated the challenge pursuant to the methodology outlined in §49.17(c) of the 2007 QAP and has determined that no further action will be taken with regard to this challenge.</p>

## Status Log of 2007 Competitive Housing Tax Credit Challenges Received as of July 23, 2007

Challenge Received Date	TDHCA #	Development Name	Challenger	Nature and Basis of Challenge	Status
7/12/07	07133	StoneLeaf at Tye	Eric Opeila, Opeila   Booth, PLLC	<p>Challenge regarding concerns that the proposed Development violates HUD’s Environmental Criteria and Standards, and poses a threat to the safety of proposed tenants. The basis of the challenge as reflected in the challenge documentation is: the Development site is located within the Accident Potential Zone 1 (“APZ 1”) of Dyess Air Force Base (“DAFB”); HUD Environmental Criteria and Standards discourage residential developments in APZ 1 to protect public health and safety; the Development’s location violates HUD’s Noise Abatement and Control standards; residents should not endure internal and external noise levels above acceptable standards; the Development would be a potential hazard to navigable airspace and would likely require reconfiguration to a single story only configuration; and the Development puts at risk the continued operations of DAFB, because the Base Realignment and Closure Commission (“BRAC”) has required bases eligible for realignment to have no residential development in APZ 1 areas.</p>	<p><b>Analysis:</b> Posted to the Department’s website. Challenge being processed pursuant to §49.17(c) of the 2007 QAP.</p> <p><b>Resolution:</b> Pending.</p>

## Status Log of 2007 Competitive Housing Tax Credit Challenges Received as of July 23, 2007

Challenge Received Date	TDHCA #	Development Name	Challenger	Nature and Basis of Challenge	Status
4/26/07	07175	Austin Place	Eric Hartzell, BETCO Development	Challenge regarding eligibility for points under §49.9(i)(17) of the 2007 QAP, Developments in Census Tracts with No Other Existing Developments Supported by Tax Credits. The challenge asserts that the Development is located in a census tract in which there are existing Developments supported by Tax Credits and that the Application is, therefore, not eligible for points. The basis of the challenge as reflected in the challenge documentation is: the Applicant represented that the Development is located in a different census tract than the census tract in which it is actually located.	<p><b>Analysis:</b> The Applicant has confirmed the challenge assertions. The Application is not eligible for points under §49.9(i)(17).</p> <p><b>Resolution:</b> The Department has evaluated the challenge pursuant to the methodology outlined in §49.17(c) of the 2007 QAP. The Application will not be awarded points under §49.9(i)(17) of the 2007 QAP.</p>

## Status Log of 2007 Competitive Housing Tax Credit Challenges Received as of July 23, 2007

Challenge Received Date	TDHCA #	Development Name	Challenger	Nature and Basis of Challenge	Status
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	Three challenges regarding fulfillment of signage requirements under §49.9(h)(8)(B) of the 2007 QAP. The challenges assert that the signage requirements have not been met. The basis of the challenges 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.	<p><b>Analysis:</b> The Development site is located at the intersection of two public streets; the majority of the site fronts Elm Street, with only a small portion, used for ingress and egress, fronting Williams Street. The current property owner requested that the sign not be located on the portion of the site that fronts Williams Street, in order to allow the current owner continued access to the property. The Applicant does not have permission, or authority under the contract, to clear trees from the property. The Applicant placed the sign in an opening between trees on Elm Street in order to meet the requirements of the 2007 QAP, while acting within its authority under the land contract.</p> <p><b>Resolution:</b> The Department has evaluated the challenges pursuant to the methodology outlined in §49.17(c) of the 2007 QAP and has determined that no further action will be taken with regard to these challenges.</p>

## Status Log of 2007 Competitive Housing Tax Credit Challenges Received as of July 23, 2007

Challenge Received Date	TDHCA #	Development Name	Challenger	Nature and Basis of Challenge	Status
6/26/07	07199	Kingsville LULAC Manor Apartments	Ino Alvarez, Kingsville Affordable Housing, Inc.	Challenge regarding eligibility for points under §49.9(i)(5) of the 2007 QAP, Commitment of Development Funding by Local Political Subdivisions. The challenge asserts that proper documentation was not submitted to the Department and that the Application is ineligible for these points. The basis of the challenge as reflected in the challenge documentation is: the Application received points for a contribution of HOME funds; a resolution from the City must be submitted to the Department if HOME funds are used for points; and the Applicant did not submit the required resolution from the City of Kingsville.	<p><b>Analysis:</b> Pursuant to §49.9(i)(5) of the 2007 QAP, an Applicant must provide a resolution from the Local Political Subdivision authorizing the Applicant to act on behalf of the Local Political Subdivision in applying for HOME funds from the Department. A Local Political Subdivision is defined as a county or municipality in Texas. The Applicant submitted the required resolution from Kleberg County, which is a Local Political Subdivision pursuant to the QAP. The Applicant provided sufficient evidence to qualify for points under §49.9(i)(5) of the 2007 QAP.</p> <p><b>Resolution:</b> The Department has evaluated the challenges pursuant to the methodology outlined in §49.17(c) of the 2007 QAP and has determined that no further action will be taken with regard to this challenge.</p>

## Status Log of 2007 Competitive Housing Tax Credit Challenges Received as of July 23, 2007

Challenge Received Date	TDHCA #	Development Name	Challenger	Nature and Basis of Challenge	Status
6/28/07	07220	San Gabriel Crossing	Laura Waller, LH Residents for Responsible Growth	<p>Challenge regarding eligibility for points under §49.9(i)(16) of the 2007 QAP, Demonstration of Community Support Other Than Quantifiable Community Participation, eligibility for points under §49.9(i)(20)(A) of the 2007 QAP, Site Characteristics, the validity of the market study, errors and inconsistencies within the Application, and the suitability of the Development site. The basis of the challenges as reflected in the challenge documentation is: letters submitted under §49.9(i)(16) of the 2007 QAP were submitted by parties related to the real estate agent, local officials, and the land seller; the community does not contain many of the amenities listed in the market study and Application; the market study incorrectly focuses on surrounding, larger communities, rather than the community in which the Development will be located; the land is being sold for four times the appraised value; relationships between parties involved in the Development are not properly disclosed; some costs listed in the Application are inconsistent between exhibits; the Development is not located within a Qualified Census Tract (“QCT”); and the Development is not consistent with the local consolidated plan.</p>	<p><b>Analysis:</b> All letters of support for which points were awarded under §49.9(i)(16) of the 2007 QAP met all requirements of that section. The QAP requires that letters must be from civic or community organizations that serve the community in which the Development is located. Each letter that was awarded points was from an organization that meets this definition. The QAP does not restrict the eligibility of organizations based on the relationships of their members with elected officials, local businesspeople, etc.</p> <p>Each amenity selected by the Applicant for points under §49.9(i)(20)(A) was already reviewed by Department in the scope of the review process and was found to be acceptable under the categories of amenities identified by the QAP.</p> <p>A site inspection was performed pursuant to §49.9(d)(8) of the 2007 QAP, and the site was found to be Acceptable.</p> <p>A Market Study was performed in accordance with §49.9(h)(14)(B) of the 2007 QAP, and §1.33 of the Real Estate Analysis Rules and Guidelines. Using a market that is larger than one suburban city is typical and acceptable for such a community. Therefore, the inclusion of the surrounding municipalities of Leander and Cedar Park is an appropriate methodology under Department rule.</p> <p>Regarding the comparables used in the market study, the five comparables used were chosen by the Market Analyst since these five properties will be of comparable type, style, quality and targeted similar income level and are within the proximity of the subject property that is considered reasonable for a property. There are no comparables within the city of Liberty Hill. This is an acceptable methodology under Department rule.</p> <p>Regarding proximity to transportation and employment, Liberty Hill is 8.6 miles from a new Capital Metro Park and Ride located at FM 2243 and 183 which provides transportation to the Greater Austin Area and 9 miles to the city of Leander where there are sufficient retail and medical establishments. The subject property is located approximately 35 miles from Austin where there are</p>



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	07220 (continued)	San Gabriel Crossing			<p>employment opportunities. Liberty Hill is a recognized, growing suburb of Austin so it is reasonable to consider employment in Austin as well as existing and forthcoming opportunities in Liberty Hill.</p> <p>Site acquisition cost is not included in eligible basis, and therefore does not aid in establishing the amount of housing tax credits that an Application is eligible for. The Purchase Contract entered into is a valid contract and meets all requirements of the QAP. Further, it is not uncommon for an appraisal district to appraise land at a much lower value than what its true market value. Moreover the Applicant and Seller appear to be unrelated entities and therefore no further investigation as to the purchase price was warranted.</p> <p>The Developer Fee has been limited to \$955,200 by the Department, consistent with developer fee limitations under the QAP. The way in which this fee is divided between the Co-Developers is at the discretion of the participants in the Application, and is not regulated by the Department. The inconsistency in the listed Co-Developer has already been resolved through the Administrative Deficiency process.</p> <p>Developments are not required to be located in QCTs in order to be eligible for the program; rather, an incentive is offered in the form of a 30% increase in eligible basis for developing in QCTs. This Application was not given this 30% increase in eligible basis because it is not located in a QCT.</p> <p>The QAP requires that appropriate evidence of zoning is provided in the application, and that final zoning is then proven up at the time the Commitment Notice is due to the Department. For Developments in areas with no zoning, the Applicant must provide a letter that states that the Development fulfills a need for additional affordable rental housing as evidenced in a local consolidated plan. The City of Liberty Hill does have zoning ordinances, however, and the Applicant met the zoning requirements of the QAP by having an application for zoning change. The Applicant will have to provide evidence of final zoning, if awarded, at the time the Commitment Notice is due.</p>

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	07220 (continued)	San Gabriel Crossing			<p>Therefore, because Liberty Hill has zoning, a letter of consistency with the local consolidated plan is not required. In addition, the requirement that all Developments provide a letter of consistency with the local consolidated plan is a requirement of the Tax-Exempt Bond Program, not of the Competitive Housing Tax Credit Program; because this Application is not requesting funds under the Tax-Exempt Bond Program, it is not subject to the requirement for consistency with the local consolidated plan.</p> <p>The Volume 1, Tab 7, Applicant Credit Limit Documentation was completed correctly by the Applicant as it relates to the Rural Joint Venture columns. The Application is not a Rural Joint Venture, nor are those Developments for which information regarding Rural Joint Venture was not provided. In addition, the failure to list a past Development on this form has been corrected by the Applicant, as allowed under the QAP.</p> <p>The Volume 1, Tab 8, Public Notifications Information and Certification Form was inadvertently left blank by the Applicant, but has since been corrected using the Administrative Deficiency process, to correctly indicate that there have been no changes to elected officials from Pre-Application. In addition, the Pre-Application, as submitted on January 8, 2007 included a completed exhibit that correctly identified all required elected officials.</p> <p>The Volume 3, Tab 7, Evidence of Nonprofit Organization Participation was already identified as needed by the Department in the scope of the review process and was already resolved through the Administrative Deficiency process. The exhibit was completed as required under the QAP. The Nonprofit organization required to complete the exhibit, is not the same entity that will receive a portion of the developer or management fee, as alleged in the challenge.</p> <p>Although the letter from the Law Offices of Dominic Audino, P.C. incorrectly lists Liberty Hill THF Housing, L.P. as a Co-Developer, the purpose of the letter was not to delineate the Developers involved in the Application, but rather to opine on the</p>

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	07220 (continued)	San Gabriel Crossing			<p>creation of the Texas Housing Foundation. Therefore, this inconsistency does not represent any violation of the QAP.</p> <p>Both Liberty Hill THF Housing, L.P. and THF San Gabriel Crossing, L.L.C. are correctly listed as to be formed and in good standing with the Secretary of State (“SOS”). Each entity’s name has been reserved, which involves payment of fees to the SOS; payment of these required fees to the SOS results in the entities receiving a filing number and being in good standing.</p> <p>Architectural fees and impact fees presented in the Application have been reviewed in the underwriting process and have been found to be reasonable by the Department.</p> <p>The Applicant provided an Environmental Site Assessment to the Department in accordance with the QAP. This report is separate from the Market Study, which is not required to address environmental concerns.</p> <p><b>Resolution:</b> The Department has evaluated the challenges pursuant to the methodology outlined in §49.17(c) of the 2007 QAP and has determined that no further action will be taken with regard to this challenge.</p>

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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.	<p><b>Analysis:</b> The items identified in the challenge were already identified by the Department in the scope of the review process and have already been resolved through the Administrative Deficiency process.</p> <p><b>Resolution:</b> The Department has evaluated the challenge pursuant to the methodology outlined in §49.17(c) of the 2007 QAP and has determined that no further action will be taken with regard to this challenge.</p>
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.	<p><b>Analysis:</b> The items identified in the challenge were already identified by the Department in the scope of the review process and have already been resolved through the Administrative Deficiency process.</p> <p><b>Resolution:</b> The Department has evaluated the challenge pursuant to the methodology outlined in §49.17(c) of the 2007 QAP and has determined that no further action will be taken with regard to this challenge.</p>

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Challenge Received Date	TDHCA #	Development Name	Challenger	Nature and Basis of Challenge	Status
5/25/07	07249	Bluffs Landing Senior Village	Ebby Green, Round Rock Housing Authority	<p>Challenge regarding eligibility for points under §49.9(i)(2) of the 2007 QAP, Quantifiable Community Participation (“QCP”). The challenge asserts that the QCP letter of support from RR Vista Neighborhood Association (the “Association”) is ineligible. The basis of the challenge as reflected in the challenge documentation is: the Association was formed for the sole purpose of supporting the Development; the Association was formed one day prior to the deadline to be on record with the state or county; none of the Association’s officers live within the boundaries of the Association; the Association’s bylaws grant the power of taxation; membership is open to those with an economic interest in the area; the Association’s boundaries are inconsistent with industry standards for development; and the Association is not recognized by the City as a neighborhood organization.</p>	<p><b>Analysis:</b> The letter of support from the Association was originally found by the Department to meet all requirements for points under §49.9(i)(2) of the 2007 QAP. The Association was formed before the deadline required by §49.9(i)(2)(A)(5) of the 2007 QAP; the QAP does not require an explanation of the reason for formation. A certification from the Association, as well as the Association’s Bylaws provide evidence that the organization is one of persons living near one another; the QAP does not require that an organization’s membership be exclusively comprised of persons that live within the boundaries of the organization. The QAP does not specify what the purpose of an organization must be, except that it includes “working to maintain or improve the general welfare of the neighborhood”; the Association met this requirement, both by certification and in its Bylaws. Finally, the QAP does not require an organization to be recognized by the city; rather, an organization must be on record with the state or county, which the Association is.</p> <p><b>Resolution:</b> The Department has evaluated the challenge pursuant to the methodology outlined in §49.17(c) of the 2007 QAP and has determined that no further action will be taken with regard to this challenge.</p>

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Challenge Received Date	TDHCA #	Development Name	Challenger	Nature and Basis of Challenge	Status
6/1/07	07257	Orange Palm Garden Apartment Homes	Robert Crow, Nacogdoches Housing Authority	<p>Challenge regarding the eligibility for penalty points under §49.9(i)(27)(A) of the 2007 QAP, Scoring Criteria Imposing Penalties. The challenge asserts that a member of the Development team for the Applicant is affiliated with a 2006 Housing Tax Credit (“HTC”) Development for which an extension was requested, and that the Application should therefore be awarded penalty points. The basis of the challenge as reflected in the challenge documentation is: the Applicant for TDHCA # 060132 failed to meet a Department deadline; the Development team for 07257 for construction, management, and social services is the same as for 060132; and the Applicant contact for 07257 is an Affiliate of the Applicant for 060132.</p>	<p><b>Analysis:</b> Penalty points under §49.9(i)(27)(A) of the 2007 QAP apply to the Applicant for an Application, and do not apply to other members of the Development team. The Applicant for TDHCA #060132 is completely different from the Applicant for TDHCA #07257; the two do not share any common entities or individuals. Although the individuals listed in the Applicant structure for each Development have partnered on Applications in the past, this partnership does not exist for either TDHCA #060132 or 07257. Despite past partnership relationships between members of each Applicant, the Applicants for TDHCA #060132 and 07257 are not the same, nor do they appear to be Affiliates.</p> <p><b>Resolution:</b> The Department has evaluated the challenge pursuant to the methodology outlined in §49.17(c) of the 2007 QAP and has determined that no further action will be taken with regard to this challenge.</p>

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Challenge Received Date	TDHCA #	Development Name	Challenger	Nature and Basis of Challenge	Status
4/20/07	07282	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.	<p><b>Analysis:</b> The items identified in the challenge were already identified by the Department in the scope of the review process and have already been resolved through the Administrative Deficiency process.</p> <p><b>Resolution:</b> The Department has evaluated the challenge pursuant to the methodology outlined in §49.17(c) of the 2007 QAP and has determined that no further action will be taken with regard to this challenge.</p>

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Challenge Received Date	TDHCA #	Development Name	Challenger	Nature and Basis of Challenge	Status
7/5/07	07291	Cypress Creek at Reed Road	John Barineau, Reed Parque Limited Partnership	<p>Challenge regarding the presence of a market for the proposed Development and the validity of data presented by the market analyst. The challenge asserts that the market cannot support the additional units proposed. The basis of the challenge as reflected in the challenge documentation is: economic occupancy of one of the other Developments discussed in the market study has never exceeded 90%; there is a shortage of tenants at 60% of AMFI in the market area; there is no sewer line serving the proposed site; and an apartment turnover survey conducted by the challenger found different results from those found by the market analyst.</p>	<p><b>Analysis:</b> According to the Applicant's Market Analyst, tax credit or other rent-restricted properties in this market report high occupancies. The sub-92.5% economic occupancy of Reed Parque and the inability to fill units in certain income ranges do not appear indicative of the market as a whole.</p> <p>Data compiled from the Department's central database shows that while five properties are exhibiting difficulty in achieving the maximum 60% rents, four others are achieving the maximum 60% rents for the majority of their 60% units. Moreover, three of the five not achieving the maximum 60% rents are owned and operated by Mr. Barineau. The Market Analyst confirms positive demand for 60% units.</p> <p>The wastewater line for the proposed Development is expected to be developed within the next 12 months. The award is conditioned upon the receipt, review and acceptance of documentation from the City of Houston regarding the funding approval for the related Mariposa at Reed Road in order to facilitate the wastewater connection. Additionally, documentation from the City of Houston regarding approval/acceptance, time frame, and hook up/impact fees for the wastewater service line extension for the subject or an amendment to the purchase contract to reflect that the seller will provide wastewater service if the waste water service line extension is not completed is also a condition of the award.</p> <p>The Market Analyst surveyed turnover at all properties in the primary market area to accurately estimate turnover in the market. The Department is satisfied with the validity of the results of this survey.</p> <p><b>Resolution:</b> The Department has evaluated the challenge pursuant to the methodology outlined in §49.17(c) of the 2007 QAP and has determined that no further action will be taken with regard to this challenge.</p>



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Challenge Received Date	TDHCA #	Development Name	Challenger	Nature and Basis of Challenge	Status
5/4/07	07295	The Bluestone	Paul Holden, Wilhoit Properties, Inc.	<p>Challenge regarding eligibility for points under §49.9(i)(16) of the 2007 QAP, Demonstration of Community Support other than Quantifiable Community Participation. The challenge asserts that the letters of support from The American Legion Cedar Creek Post 310 (“American Legion”), Friends of the Tri-County Library, and Mabank Fire Department are ineligible, and that the Application is not eligible for these points. The basis of the challenge as reflected in the challenge documentation is: the American Legion is not located within the city limits of Mabank, the letter from the Friends of the Tri-County Library was on the library’s letterhead, and the library conducts educational activities, and; the Mabank Fire Department is a part of the City of Mabank.</p>	<p><b>Analysis:</b> Pursuant to §49.9(i)(16) of the 2007 QAP, the Development must receive letters of support from civic or community organizations that are active in and serve the community in which the Development is located. Letters from governmental entities, taxing entities or educational activities are not eligible for points. The American Legion Cedar Creek Post 310 provided sufficient evidence at the time of Application to show that the organization serves the community in which the Development is located. The QAP does not require that an organization be physically located within the city limits of the same municipality as the Development. The Friends of the Tri-County Library operates under separate bylaws and leadership from the Tri-County Library. The Friends of the Tri-County Library secures funding through fundraisers and membership dues, not through the Tri-County Library, and does not conduct educational activities. The letter from the Mabank Fire Department was not originally counted for points by the Department because adequate documentation was not pursuant to §49.9(i)(16) of the 2007 QAP.</p> <p><b>Resolution:</b> The Department has evaluated the challenge pursuant to the methodology outlined in §49.17(c) of the 2007 QAP and has determined that no further action will be taken with regard to this challenge.</p>

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Challenge Received Date	TDHCA #	Development Name	Challenger	Nature and Basis of Challenge	Status
5/23/07	07302	Casa Alton	Alyssa Carpenter	Challenge regarding eligibility for points under §49.9(i)(11) of the 2007 QAP, Housing Needs Characteristics. The challenge asserts that the Application is eligible for fewer points than requested based on Development location. The basis of the challenge as reflected in the challenge documentation is: the Development is located in the City of Alton; the Application requested points based on the Development's location in Alton North; and the Affordable Housing Need Score for the City of Alton is lower than that of Alton North.	<p><b>Analysis:</b> The proposed Development Site is currently located within the City of Alton. At the time of the 2000 Decennial Census the proposed Development Site was located within the Alton North CDP; however, the Development Site has since been annexed into the City of Alton, as confirmed by the City's Planning Director and the Applicant. The current location of a Development, not its location as of the most recent Decennial Census, is used to evaluate eligibility for points based on demographic information from the most recent Decennial Census.</p> <p><b>Resolution:</b> The Department has evaluated the challenge pursuant to the methodology outlined in §49.17(c) of the 2007 QAP. The Application score will be reduced from six points to four points for §49.9(i)(11) of the 2007 QAP based on the proposed Development's location within the City of Alton.</p>

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Challenge Received Date	TDHCA #	Development Name	Challenger	Nature and Basis of Challenge	Status
6/19/07	07306	Zion Village Apartments	George Vaults	Challenge regarding the validity of site control under §49.9(h)(7)(A) of the 2007 QAP. The challenge asserts that the land seller entered into an illegal contract for the sale of the land. The basis of the challenge as reflected in the challenge documentation is: the land seller did not have the approval of the church's membership to enter into the sale.	<p><b>Analysis:</b> According to the Articles of Incorporation, as amended, the management of the church is vested in the Pastor, Officers, Deacons, and Trustees, as provided for in the Bylaws. The Bylaws state that the Pastor is the chief administrator of the church's fiscal affairs. A resolution of the church's Officers grants authority to the Pastor and Chairman of Deacons the authority to transact the financial business of the church and to execute all necessary documents required in order to transact that business. The Department has reviewed the documents submitted and believes that this is an internal matter between members of the church. The certification from the Pastor, who appears to have the authority to speak for the church, is clear and gives a reasonable basis of authority to sell the property. An internal challenge to the Bylaws is just that, an internal challenge.</p> <p><b>Resolution:</b> The Department has evaluated the challenge pursuant to the methodology outlined in §49.17(c) of the 2007 QAP and has determined that no further action will be taken with regard to this challenge.</p>