

BOARD MEETING OF July 31, 2008
C. Kent Conine, Chair



Gloria Ray, Vice-Chair
Leslie Bingham Escareño, Member
Tomas Cardenas, Member
Sonny Flores, Member
Juan Muñoz, 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**

**Thursday, July 31, 2008
9:30 a.m.
Capitol Auditorium
1500 Congress, Austin, TX**

A G E N D A

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

Kent Conine, Chairman

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:

Legal Division:

- a) Presentation, Discussion and Possible Approval of awards in response to a Request for Proposals for Outside Disclosure Counsel for single family and multi family bond transactions

Kevin Hamby
General Counsel

Community Affairs:

- a) Presentation, Discussion and Possible Approval of a Plan to Allocate Community Services Block Grant Administrative Funds and Discretionary Funds

- b) Presentation, Discussion and Possible Approval of a Contractor to Administer the Balance of State Continuum of Care Funds

Amy Oehler
Dir. Community Affairs

ACTION ITEMS

Item 2: Department Appeals:

- a) Presentation, Discussion and Possible Action for 2008 Competitive Housing Tax Credit Appeals of Underwriting

Tom Gouris
Dir. Real Estate Analysis

Appeals Timely Filed

- b) Presentation, Discussion and Possible Action on Housing Tax Credit Appeals:

Robbye Meyer
Dir. Of Multifamily Finance

08147 Northside Apartments

Weslaco

Item 3: Disaster Recovery Division Items:

Kelly Crawford
DED, Disaster Recovery

- a) Presentation and Discussion of the Disaster Recovery Division's Status Report on CDBG and FEMA AHPP Contracts Administered by TDHCA

Item 4: Multifamily Division - Housing Tax Credit Program Items:

Robbye Meyer
Dir. Of Multifamily Finance

- a) Presentation and Discussion of Credit Pricing for Housing Tax Credits

- b) Presentation, Discussion and Possible Approval of Housing Tax Credit Amendments:

05199	Southwood Crossing	Port Arthur
07203	Melbourne Senior Community	Alvin
07203	The Canyons Retirement Community	Amarillo

- c) Presentation, Discussion and Possible Approval of Housing Tax Credit Extensions:

060211	Hanratty Place Apartments	Fort Worth
060132	Vista Pines Apartment Homes	Nacogdoches
060199	Legacy Senior Housing of Port Arthur	Port Arthur
060224	Waco River Park Apartment Homes	Waco
060193	Villa Main Apartments	Port Arthur
05024	Mariposa Apartment Homes at River Bend	Georgetown

- d) Presentation, Discussion and Possible Approval of the Final Commitments from the 2008 State Housing Credit Ceiling for the Allocation of Competitive Housing Tax Credits and the Waiting List for the 2008 Housing Tax Credit Application Round

08100	Grand Reserve Seniors - Waxahachie Community	Waxahachie
08101	Jackson Village Retirement Center	Lake Jackson
08106	Brookhollow Manor	Brookshire
08107	Oak Timbers - River Oaks	River Oaks
08110	Paris Big Sandy Apartments	Paris
08112	Cedar Street Apartments	Brownfield
08120	Applewood Apartments	West
08121	Cherrywood Apartments	West
08124	Mill Stone Apartments	Fort Worth
08126	South Acres Ranch	Houston
08128	Mid-Towne Apartments	Tomball
08129	Alta Vista Apartments	Marble Falls
08130	Jourdanton Square Apartments	Jourdanton
08133	Timber Creek Senior Living	Beaumont
08134	Huntington	Buda
08135	Gardens at Clearwater	Kerrville
08138	River Place Apartments	San Angelo
08139	Arizona Avenue Apartments	Sweetwater
08140	Premier on Woodfair	Houston
08142	Anson Park Seniors	Abilene
08145	Oasis at the Park	Corpus Christi
08147	Northside Apartments	Weslaco
08149	American GI Forum Village I & II	Robstown

08150	Oak Manor/Oak Village Apartments	San Antonio
08151	Parkview Terrace	Pharr
08152	Heights at Corral	Kingsville
08154	Mineral Wells Pioneer Crossing	Mineral Wells
08157	SilverLeaf at Chandler	Chandler
08158	Villas at Beaumont	McAllen
08160	Tres Palmas	El Paso
08161	Canutillo Palms	El Paso
08163	San Elizario Palms	San Elizario
08174	Oakleaf Estates	Silsbee
08176	Maeghan Pointe	Elsa
08179	Homes at Cypress Ridge	Nacogdoches
08181	Park Ridge Apartments	Llano
08182	Suncrest Apartments	El Paso
08183	Desert Villas	El Paso
08184	Washington Hotel Lofts	Greenville
08185	Historic Lofts of Palestine	Palestine
08190	Sutton Homes	San Antonio
08193	Sphinx at Fiji Senior	Dallas
08194	D.N Leathers Townhomes	Corpus Christi
08195	Chateau Village Apartments	Houston
08198	Highland Manor	La Marque
08200	Ingram Square Apartments	San Antonio
08201	First Huntington Arms	Huntington
08203	Evergreen at Forney	Forney
08205	Wind River	Fort Worth
08207	Carpenter's Point	Dallas
08208	Mansions at Briar Creek	Bryan
08215	Quail Run Apartments	Decatur
08216	Chisum Trail Apartments	Sanger
08217	Merritt Homes	McKinney
08220	Northview Apartments	Kilgore
08222	Evergreen at Vista Ridge	Lewisville
08223	Evergreen at The Colony	The Colony
08226	Whispering Oaks Apartments	Goldthwaite
08228	Chelsea Senior Community	Houston
08229	Fairwood Commons Senior Apartments	Bastrop
08232	Sakowitz Apartments	Houston
08233	Heritage Park Vista	Fort Worth
08234	Central Park Senior Village	Arlington
08235	Buena Vida Senior Village	Corpus Christi
08236	Green Briar Village Phase II	Wichita Falls
08240	Timber Village Apartments II	Marshall
08244	TownePlace Reserve	Pearland
08251	HomeTowne on Wayside	Houston
08252	LifeNet-Supportive Housing SRO Comm.	Dallas
08253	Creekside Villas Senior Village	Buda
08254	Montgomery Meadows Phase II	Huntsville

08255	West Park Senior Housing	Corsicana
08256	Westway Place	Corsicana
08257	Constitution Court	Copperas Cove
08258	Lexington Court Phase II	Kilgore
08260	Harris Manor Apartments	Pasadena
08261	Towne Center Apartments Homes	Bryan
08262	Lake View Apartment Homes	Tyler
08263	Villas at Lost Pines	Bastrop
08264	Cambridge Crossing	Corsicana
08269	Darson Marie Terrace	San Antonio
08271	Manor Road SRO	Austin
08273	Four Seasons at Clear Creek	Fort Worth
08274	Casa Bella	Sunnyvale
08278	Vista Bella Ranch	Sherman
08280	Costa Esmeralda	Waco
08284	North Eastman Residential	Longview
08294	Stardust Village	Uvalde
08295	Vista Bonita Apartments	Houston
08296	Prairie Village Apartments	Rogers
08297	St. Charles Place	Crowley
08298	Residences on Stalcup	Fort Worth
08299	Southern View Apartments	Fort Stockton
08300	Blackshear Homes	San Angelo
08301	Ysleta del Sur Pueblo Homes I	Socorro
08302	Leona Apartments	Uvalde
08303	Heritage Square	Texas City
08304	Park Place Apartments	Cleveland

Item 5: Multifamily Division - Private Activity Bond Program Items:

- a) 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 2008, Resolution No. 08-029

08614	Felicity Place Apartments	Houston
08615	Woodmont Apartments	Fort Worth

Item 6: HOME Division Items:

- a) Presentation, Discussion and Possible Approval of HOME Investment Partnerships Program Award Recommendations

Disaster Relief Program

2008-0033	City of Dayton	Dayton
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Homebuyer Assistance Program

2008-0033	Organizacion Progresiva de San Elizario	Socorro
2008-0057	El Paso Credit Union HOAP, Inc.	El Paso
2008-0054	Hill Country Home Opportunity	Kerrville

Jeannie Arellano
Dir. HOME Division

Tenant-Based Rental Assistance Program

2008-0046 Buckner Children & Family Services, Inc. dba Buckner Lufkin
Family Place

*Rental Housing Development Program, Community Housing Development Organization
Rental Housing Development Program, and Rental Housing Development for Persons with
Disabilities Award Recommendations from the following list of applications:*

Rental Housing Development Program

08257	Constitution Court	Copperas Cove
08325	Brackettville Seniors Apartments	Brackettville
08324	Fredericksburg Seniors Apartments	Fredericksburg
08256	Westway Place	Corsicana
08255	West Park Senior Housing	Corsicana
08264	Cambridge Crossing	Corsicana
08229	Fairwood Commons Senior Apartments	Bastrop
08266	Hillcrest at Galloway	Beeville
08201	First Huntington Arms	Huntington
08263	Villas at Lost Pines	Bastrop
08130	Jourdanton Square Apartments	Jourdanton
08106	Brookhollow Manor	Brookshire
08220	Northview Apartments	Kilgore
08215	Quail Run Apartments	Decatur
08216	Chisum Trail Apartments	Sanger
08120	Applewood Apartments	West
08121	Cherrywood Apartments	West
08181	Park Ridge Apartments	Llano
08154	Mineral Wells Pioneer Crossing	Mineral Wells
08225	Oakwood Apartments	Brownwood
08226	Whispering Oaks Apartments	Goldthwaite
08296	Prairie Village Apartments	Rogers
08157	SilverLeaf at Chandler	Chandler
08328	Estates at Northside	Pilot Point
08329	Meadowlake Village Apartments	Mabank
08330	Holland House Apartment	Holland

Community Housing Development Organization Rental Housing Development Program

08253	Creekside Villas Senior Village	Buda
08258	Lexington Court Phase II	Kilgore
08203	Evergreen at Forney	Forney
08222	Evergreen at Vista Ridge	Lewisville
08223	Evergreen at The colony	The Colony
08249	Terrell Senior Terraces III	Terrell
08327	Ennis Family and Senior Estates	Ennis
08149	American GI Forum Village I & II	Robstown

Rental Housing Development for Persons with Disabilities

08297	St. Charles Place	Crowley
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- b) Presentation, Discussion and Possible Approval of the HOME Investment Partnerships Program 2008 Single Family Notice of Funding Availability (NOFA)
- c) Presentation, Discussion and Possible Approval of the retroactive application of §53.31 (m) of the HOME Program Rule, 10 TAC 53

- d) Presentation, Discussion and Possible Approval of Requests for Amendments to HOME Program Contracts/Commitments:

1200689	City of Edinburg
1000490	Edinburg Housing Authority

- e) Presentation, Discussion and Possible Approval of Housing Trust Fund Program Award Recommendations:

2008-0040	Austin Affordable Housing Corp.	Austin
2008-0043	Community Dev. Corp. of Brownsville	Brownsville
2008-0048	Ft. Worth Area Habitat for Humanity	Ft. Worth
2008-0058	El Paso Credit Union HOAP, Inc.	El Paso

- f) Presentation, Discussion and Possible Approval of the 2009 Housing Trust Fund Annual Plan

EXECUTIVE SESSION

Kent Conine, Chairman

- 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 Brandal v.TDHCA Filed in State Court in Potter County
 2. With Respect to pending litigation styled Rick Sims v. Texas Department of Housing and Community Affairs filed in federal district court (new filing of previously dismissed suit)
 3. With Respect to pending litigation styled The Inclusive Communities Project, Inc. v. Texas Department of Housing and Community Affairs, et al filed in federal district court
 4. With Respect to Any Other Pending Litigation Filed Since the Last Board Meeting

OPEN SESSION

Kent Conine, Chairman

Action in Open Session on Items Discussed in Executive Session

REPORT ITEMS

1. 2009 Low Income Home Energy Assistance Program State Plan

ADJOURN

To access this agenda & details on each agenda item in the board book, please visit our website at www.tdhca.state.tx.us or contact Nidia Hiroms, 512-475-3934; TDHCA, 221 East 11th 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.

LEGAL SERVICES DIVISION
BOARD ACTION REQUEST
July 31, 2008

Action Item

Presentation, Discussion and Possible awards in response to a Request for Proposals for Outside Disclosure Counsel for single family and multi family bond transactions.

Requested Action

Approve awarding of disclosure counsel for bond transactions based on staff recommendation after review of Bond Disclosure Securities Counsel proposals.

Background and Recommendations

State law requires that professional contracts be bid to provide the state with the best value of representation. The law allows for a one year agreement, plus a one year extension. Current Bond Disclosure Securities Counsel is split with McCall Parkhurst and Horton, L.L.P. for single family transactions and Andrews and Kurth L.L.P. for multi family transactions. They will each reach the end of their current contracts in August of 2008. The Board requested one year contracts so that the split disclosure counsel could be evaluated. Both firms were eligible to submit proposals again.

Disclosure counsel is separate from bond counsel and provides a third party review of the process and outstanding bonds as present in the Preliminary Official Statement and the Official Statement related to the Bond transactions. These very important documents provide information for the market place regarding the issuer (TDHCA) and its transactions.

After the Board approved the RFP for Disclosure Counsel at the May meeting, it was published in the June 18, 2008 Texas Register. Staff received three proposals for the selection committee to review. They were Andrews and Kurth L.L.P., Greenberg Traurig, and McCall Parkhurst and Horton, L.L.P. After a review by the General Counsel to affirm that all requirements were met by the proposals, a selection committee of the General Counsel, Deputy Director for Programs, the Director of Multi-Family Finance, and Director of Bond Finance reviewed each proposal. In a testament to the excellent proposals, after the committee reviewed the proposals, there was a split vote. After all the information was considered, the committee recommended to continue the split disclosure counsel format between single family and multi-family transactions.

The committee recommends that the Board award the single family bond transactions disclosure counsel contract to McCall Parkhurst and Horton, L.L.P. and the multi-family bond transactions disclosure counsel contract to Andrews and Kurth L.L.P. Both contracts would be for one year with the option for a second year extension.

The Office of the Attorney General will need to approve the final selection and contracts of outside bond counsel.

Staff Recommendation:

Staff recommends that the Board award the single family bond transactions disclosure counsel contract to McCall Parkhurst and Horton, L.L.P. and the multi-family bond transactions disclosure counsel contract to Andrews and Kurth L.L.P.

**COMMUNITY AFFAIRS DIVISION
BOARD ACTION REQUEST
JULY 31, 2008**

Action Item

Presentation, Discussion and Possible Approval of a Plan to Allocate the Community Services Block Grant Administrative Funds and the Community Services Block Grant Discretionary Funds.

Required Action

Presentation, Discussion and Possible Approval of a Plan to Allocate the Community Services Block Grant Administrative Funds and the Community Services Block Grant Discretionary Funds.

Background

The State of Texas receives the Community Services Block Grant from the U.S. Department of Health and Human Services (USHHS), Office of Community Services (OCS). Section 675C of the CSBG Act requires that not less than 90% of the CSBG funds made available to states be used to make grants to CSBG eligible entities to facilitate the provision of CSBG supported services to the low-income population. Section 675C also authorizes states to utilize CSBG funds to support statewide activities. The CSBG funds are to provide assistance to states and local communities to reduce and ameliorate poverty, revitalize low-income communities, and empower low-income families and individuals to become self-sufficient.

At the June 26, 2008 meeting, the Board approved a proposed revision to the CSBG Program rules which clarifies the use of CSBG administrative funds. The proposed rule revision is out for public comment at this time and is expected to be presented for final board approval at the September 2008 Board meeting. The proposed revision will allow the Department the flexibility to utilize CSBG administrative funds for purposes consistent with state and federal law, which would include utilizing the unexpended CSBG administrative funds to provide funding to CSBG eligible entities as proposed in this Board Action Request.

As of June 2008, the Department has \$1.8 million in unexpended CSBG funds which had been reserved for administrative purposes and a balance of \$325,000 in unexpended CSBG discretionary funds from fiscal years 2007 and 2008. At this time, the Department is utilizing 2006 CSBG administrative funds and will not need to utilize the referenced \$1.8 million in administrative funds for administrative purposes. The Department's Internal Audit of the CSBG Program, presented to the Board June 11, 2008, Chapter 1-B, recommended that the Department seek guidance from USHHS on the use of the unexpended administrative funds and to consider reallocating any unliquidated funds to subrecipients for use in serving clients. The Department has requested approval from the

U.S. Department of Health and Human Services to redirect a portion \$1.8 million of unexpended Community Services Block Grant administrative funds to provide additional services to clients. If this item is approved by the Board today, those funds will not be allocated as such until approval from HHS has been granted.

Staff is recommending utilizing \$1.5 million of the unexpended administrative funds to provide additional funding to the 47 CSBG eligible entities. The funds are proposed to be distributed by the existing allocation formula utilizing the 2000 Census poverty figures for persons at or below 125% of the federal poverty income guidelines, weighted at 98%, and the inverse ratio of population density, weighted at 2%. The remaining \$300,000 in unexpended administrative funds will be utilized to release a Notice Of Fund Availability (NOFA) to fund a Volunteer Income Tax Assistance (VITA) Center pilot program. USHHS OCS has encouraged the Department to fund such initiatives; however, limited funding has historically been available to operate such projects. By funding VITA centers, the Department helps bring additional tax dollars into the State. The VITA program offers free tax preparation assistance to low to moderate income people and is primarily staffed with volunteers trained to help prepare basic tax returns. The NOFA will provide funds to establish new centers or augment existing center for up to 6 recipients.

The Department also has a balance of \$325,000 in CSBG discretionary funds from FY 2007 and FY 2008 program years. Department staff has developed this proposed budget to identify what types of projects and assistance is recommended to be funded with the CSBG discretionary and unexpended administrative funds. The amounts identified in the budget are estimates. The Department's Executive Director has the authority to determine the final amounts to be utilized for the projects and activities.

- \$100,000 will be targeted to contract for an organization or individual to provide training and technical assistance to the organizations funded to operate VITA projects (as noted) and to train other CSBG eligible entities which may be interested in operating VITA projects.
- \$190,246 will be reserved for disaster relief assistance for areas of the State which have been declared either federal or state disaster areas. Any funds not utilized for such efforts may be utilized for innovative or demonstration proposals, as approved by the Executive Director.
- \$17,707 to West Texas Opportunities and \$2,047 to Community Council of Southwest Texas to restore CSBG funding lost with the implementation of the 2008 CSBG allocation formula.
- \$10,000 to assist CSBG eligible entities interested in taking part in the Standards for Excellence Initiative which is an initiative operated nationally by the Community Action Partnership that helps community action agencies perform self-assessments and improve operations to reach certain levels of excellence in the administration of programs.
- \$5,000 for costs related to the Department's annual Community Affairs Training Conference to the Community Affairs Division.

The table below reflects staffs recommended budget for the CSBG unexpended administrative funds and discretionary funds.

Community Services Block Grant Funds	Unexpended Administrative Funds	Discretionary Funds
Subrecipient Contract Amendments (see attachment)	\$1,500,000	
NOFA for Volunteer Income Tax Assistance (VITA) Center	\$300,000	
Funds for Training of Volunteer Income Tax Assistance (VITA) Center Recipients		\$100,000
West Texas Opportunities (\$17,707) and the Community Council of Southwest Texas (\$2,047)		\$19,754
Standards of Excellence Initiative		\$10,000
Disaster Relief Assistance or for Innovative or Demonstration Proposals		\$190,246
Community Affairs Training Conference		\$5,000
<i>Available funds</i>	<i>\$1,800,000</i>	<i>\$325,000</i>

Recommendation

Staff recommends that the Board approve the proposed budget and plan to allocate the Community Services Block Grant Administrative Funds and the Community Services Block Grant Discretionary Funds. The proposed plan sets forth a budget to utilize \$1.8 million in unexpended CSBG administrative funds and \$325,000 in unexpended CSBG discretionary funds.

CSBG PY 2008 Funding Distribution

	Additional \$1.5 Million
CSBG Eligible Entity Subrecipients	
Aspermont Small Business Development Center, Inc.	\$4,092.95
Austin, City of, Health and Human Services Department	\$45,830.81
Bee Community Action Agency	\$12,124.59
Big Bend Community Action Committee, Inc.	\$5,783.72
Brazos Valley Community Action Agency	\$49,382.78
Cameron and Willacy Counties Community Projects, Inc.	\$51,466.46
Caprock Community Action Association, Inc.	\$7,155.80
Central Texas Opportunities, Inc.	\$9,389.47
Combined Community Action, Inc.	\$8,319.47
Community Action Corporation of South Texas	\$11,050.82
Community Action Council of Victoria	\$13,440.74
Community Action Inc. of Hays, Caldwell and Blanco Counties	\$8,315.95
Community Action Program, Inc.	\$10,465.29
Community Action Social Services & Education	\$7,907.25
Community Council of Reeves County	\$9,026.72
Community Council of South Central Texas, Inc.	\$25,725.24
Community Council of Southwest Texas, Inc.	\$12,060.54
Community Services Agency of South Texas	\$2,488.86
Community Services of Northeast Texas	\$12,490.77
Community Services, Inc.	\$54,301.50
Concho Valley Community Action Agency	\$12,438.89
Dallas Urban League	\$140,594.48
Economic Action Committee of The Gulf Coast	\$3,180.33
Economic Opportunities Advancement Corporation of Planning Region XI	\$25,014.03
El Paso Community Action Program, Project BRAVO, Inc.	\$74,366.20
Fort Worth, City of, Parks & Community Services Department	\$71,864.91
Galveston County Community Action Council, Inc.	\$42,111.89
Greater East Texas Community Action Program (GETCAP)	\$48,417.34
Gulf Coast Community Services Association	\$237,636.47
Hidalgo County Community Services Agency	\$89,875.77
Hill Country Community Action Association, Inc.	\$22,991.98
Lubbock, City of, Community Services Department	\$19,135.14
Northeast Texas Opportunities, Inc.	\$11,463.16
Nueces County Community Action Agency	\$26,010.23
Panhandle Community Services	\$30,617.59
Pecos County Community Action Agency	\$3,413.29
Rolling Plains Management Corporation	\$14,932.66
San Antonio, City of, Community Action Division	\$102,044.37
South Plains Community Action Association, Inc.	\$8,096.85
South Texas Development Council	\$13,798.86
Southeast Texas Regional Planning Commission	\$26,702.44
Texas Neighborhood Services	\$17,907.41
Texoma Council of Governments	\$10,101.32
Tri-County Community Action, Inc.	\$18,598.97
Webb County Community Action Agency	\$27,214.15
West Texas Opportunities, Inc.	\$30,427.49
Williamson-Burnet County Opportunities, Inc.	\$7,695.73
Duval (pending designation)	\$1,706.31
McMullen (pending designation)	\$822.00
Total	\$1,500,000.00

**COMMUNITY AFFAIRS DIVISION
BOARD ACTION REQUEST
JULY 31, 2008**

Action Item

Presentation, Discussion and Possible Approval of a Contractor to Administer the Balance of State Continuum of Care Funds.

Required Action

Presentation, Discussion and Possible Approval of a Contractor to Administer the Balance of State Continuum of Care Funds.

Background

At the December 20, 2007 Board meeting, the Board approved the Balance of State Continuum of Care (BoS CoC) Homeless Request for Proposal packet to be funded with State of Texas, General Revenue funds. The proposal was released and published by the Department in the May 9, 2008 Texas Register and publicized through the Texas Market Place on May 9, 2008, the Department's e-mail distribution list, and other appropriate means. Eligible applicant organizations included any for profit or non profit organization or units of general local government.

The funding for this proposal will be provided from \$218,000 that the 80th Regular Texas Legislative Session provided to the Department. The funding was provided to assist the State to submit a more competitive application to the U.S. Department of Housing and Urban Development (HUD) for Continuum of Care (CoC) funds for the "balance of state" counties in Texas. The "balance of state" counties are those counties which have historically been under funded in regards to federal CoC funding and are primarily in rural areas of the State.

The funds will be used to provide technical assistance to rural homeless coalitions representing approximately 182 Texas counties and will support the State's effort to assist rural communities in their efforts to access federal CoC funds. Types of technical assistance to be rendered will include, but not be limited to, homeless counts/surveys, compilation of a housing and services inventory, identification of housing gaps, and development of homeless discharge plan strategies for their area. Organizations receiving the technical assistance must be located in a Balance of State area and applying for Continuum of Care funds through the U.S. Department of Housing and Urban Development.

Two organizations submitted proposals in response to the Balance of State Continuum of Care (BoS CoC) Homeless Request for Proposals. The applications were reviewed and scored by staff. The Homeless Network of Texas scored an 85.66 out of a possible 100 points and Deep East Texas Council of Governments scored 45.66.

Recommendation

Staff recommends that the Board approve the Homeless Network of Texas as the bidder to receive the contract; \$109,000 for the first year with the option for a second year of funding in the amount of \$109,000, if conditions outlined in the proposal are met, as solicited under the Balance of State Continuum of Care (BoS CoC) Homeless Request for Proposals.

NONE AT THE TIME OF THIS
POSTING

MULTIFAMILY FINANCE PRODUCTION DIVISION
BOARD ACTION REQUEST
July 31, 2008

Action Item

Presentation, Discussion and Possible Action for 2008 Competitive Housing Tax Credit (HTC) Appeals.

Requested Action

Approve, Deny or Approve with Amendments a determination on the appeal for the Northside Apartments, #08147.

Background and Recommendations

The Department staff does not have the necessary and critical information needed to complete the review and financial analysis to make an affirmative recommendation

At the July 26, 2008 Board meeting, the Board allowed the Applicant an additional two weeks to submit all the necessary information to enable staff to fully review the Application. The applicant did not submit all the required documentation. This includes but is not limited to USDA financing commitment, financing structure and sources and uses of funds. As of July 24, 2008, the Department still has not received the information necessary to meet the threshold and underwriting requirements pursuant to the Qualified Allocation Plan and Rules and the Real Estate Analysis Rules.

This application has not met the requirements of the program and allowing this application to remain active circumvents the "readiness to proceed" requirements and the competitive process of the program, and will negatively affect the other applications that have provided the appropriate information for an award and are ready to move forward.

Relevant documentation related to this appeal is provided behind the Board Action Request.

Applicant:	TX Northside Housing, LP, a Texas limited partnership
Site Location:	1800 N. Texas
City/County:	Weslaco/Hidalgo
Regional Allocation Category:	Urban
Population Served:	General
Region:	11
Set Asides:	Non-Profit; USDA, At-Risk
Type of Development:	Acquisition/Rehabilitation
Units:	289
Credits Requested:	\$1,200,000

Staff Recommendation: The Executive Director denied the original appeal. Staff is recommending that the Board also deny the appeal and uphold the termination of the Application.

DISASTER RECOVERY DIVISION

BOARD ACTION REQUEST

July 31, 2008

Action Item

Presentation and Discussion of the Disaster Recovery Division's Status Report on CDBG and FEMA AHPP Contracts Administered by TDHCA

Requested Action

Presentation and Discussion of the Disaster Recovery Division's Status Report on CDBG and FEMA AHPP Contracts Administered by TDHCA

Background

This Board Action Request summarizes the activities of the Disaster Recovery Division which has oversight responsibility for Community Development Block Grant (CDBG) Disaster Recovery Programs for Round I and Round II funding administered by TDHCA, as well as the FEMA Alternative Housing Pilot Program (AHPP).

Public Law 109-148 – 1st Supplemental (\$74.5 Million)

Under the **1st Supplemental CDBG Disaster Recovery Program (referred to as Round I)**, three Councils of Governments (COGs) are responsible for administering housing contracts to help restore and rebuild in areas of the State most directly impacted by Hurricane Rita. Of the \$74.5 million, the total funding allocation administered by the COGs is \$40,259,276 broken down as follows:

- Deep East Texas Council Of Governments (DETCOG) - \$6,745,034
- Houston-Galveston Area Council (H-GAC) - \$7,015,70
- South East Texas Regional Planning Commission (SETRPC) - \$26,498,536
 - *SETRPC* - \$15,788,536
 - *Beaumont* - \$5,145,000
 - *Port Arthur* - \$5,565,000

The Disaster Recovery Division has been focused on assisting the COGs with completing activities under Round I. Last month, the Governing Board approved extension requests for all three COGs to extend their contract end date from July 27, 2008 to December 31, 2008. As of this Board meeting, the COGs cumulatively have over 100% of their contracted number of households to be served either under bid award, under construction, or completed. The COGs are continuing to access HTF dollars to finance gap amounts as well. As of July 24, 2008, \$413,039.28 of HTF dollars has been committed and \$117,102.59 had been drawn. The COGs have identified an estimated need of approximately \$941,085 of the \$1,000,000 reserved under the HTF program.

Staff continues to receive weekly updates from each COG to gauge their progress in completing contract activities by the end of the contract term, December 31, 2008. The COGs have completed assistance to two hundred twenty-nine (229) households to date and another seventy-one (71) are currently under construction.

Financial Summary

	Current Budget	Admin \$ Drawn To Date	Project \$ Drawn To Date	Total Drawn	% of Funds Disbursed
DETCOG	\$6,745,034.00	\$514,111.00	\$2,000,598.85	\$2,514,709.85	37.28%
H-GAC	\$7,015,706.00	\$711,329.97	\$1,609,928.17	\$2,321,258.14	33.09%
SETRPC	\$26,498,536.00	\$1,315,499.80	\$5,299,354.91	\$6,614,854.71	24.96%
SETRPC	\$15,788,536.00	\$1,209,415.81	\$4,991,806.17	\$6,201,221.98	39.28%
Beaumont	\$5,145,000.00	\$91,703.99	\$208,944.74	\$300,648.73	5.84%
Port Arthur	\$5,565,000.00	\$14,380.00	\$98,604.00	\$112,984.00	2.03%
Totals	\$40,259,276.00	\$2,540,940.77	\$8,909,881.93	\$ 11,450,822.70	28.44%

Project Summary

	No. to be Served per Contract*	No. out for Bid	**Units Under Contract	No. Site-built Under Construction	No. Site-built Constructed	No. of MHUs Delivered	Total No. Constructed/ Delivered
DETCOG	96	3	10	6	2	71	73
H-GAC	110	14	38	9	0	56	56
SETRPC	229	30	34	56	60	38	98
SETRPC	127	15	13	9	46	38	84
Beaumont	56	9	11	30	7	0	7
Port Arthur	46	6	11	17	9	0	9
Total	435	47	83	71	64	165	229

* Based on the contractual number of households that the COGs will be able to serve with the funding allocation

** Total of MHUs ordered but not yet delivered and construction contracts signed for site-built units

COG Activity Highlights as of July 24, 2008

Deep East Texas Council of Governments

DETCOG has delivered homes to seventy-one (71) homeowners, has ten (10) additional homes pending delivery or start of construction, has six (6) rehabilitation projects under construction, and has completed construction activities for two (2) rehabilitation projects as of July 24, 2008. DETCOG’s Housing Trust Fund (HTF) contract amount is \$178,321. DETCOG has identified a gap financing need for eighty-one (81) households totaling approximately \$224,000.

Houston-Galveston Area Council

H-GAC has delivered fifty-six (56) homes to homeowners, has nine (9) units under construction, and has thirty-eight (38) households that will be under construction by August. H-GAC’s HTF contract amount is \$184,414. H-GAC has reported a gap financing need for fifty-six (56) households totaling \$158,190.

South East Texas Regional Planning Commission

SETRPC has delivered eighty-four (84) homes to homeowners, has nine (9) homes under construction, and has thirteen (13) more homes ready to begin construction activities as of July 24, 2008. The total HTF contract amount for SETRPC is \$637,265 with \$374,360 of that total available for all households within their service area excluding households in the cities of Beaumont and Port Arthur. SETRPC identified a gap financing need for seventy-eight (78) households totaling approximately \$298,832 in those areas.

SETRPC continues to work closely with each of its subcontractors, the cities of Beaumont and Port Arthur to move the program forward to a successful completion.

City of Beaumont

The City of Beaumont has nine (9) houses out to bid and eleven (11) homes under contract as of July 24, 2008. The city also has thirty (30) homes under construction, and has completed assistance to seven (7) households. The amount of the HTF contract amount available to the City of Beaumont is \$143,937. The city identified a gap financing need for forty-six (46) households totaling approximately \$143,795.

City of Port Arthur

As of July 24, 2008, six (6) houses are out to bid, eleven (11) construction contracts have been signed and are pending the on-set of construction activities, seventeen (17) units are under construction and nine (9) homes have been completed. The amount of the HTF contract amount available to the City of Port Arthur is \$118,968. The city identified a gap financing need for thirty-four (34) households totaling approximately \$115,150.

Public Law 109-234 – Round II (\$428 Million)

The **2nd Supplemental CDBG Disaster Recovery Funding (referred to Round II)** is the second of two awards in CDBG funding to help restore and rebuild in areas of the State most directly impacted by Hurricanes Rita, but it also addresses needs arising from Katrina evacuees. The total funding allocation is \$428,671,849, broken down as follows:

2nd Supplemental CDBG Disaster Recovery Activity	Available Funding	Amount Contracted per Activity	Cumulative Expenditures	% of Expenditures Disbursed	Balance Remaining
Rental Housing Stock Restoration Program ("Rental")	\$82,866,984	\$81,147,333	\$5,692,954.73	7.02%	\$75,454,378.27
ORCA's Restoration of Critical Infrastructure Program (Infrastructure)	\$42,000,000	\$42,000,000	\$2,614,316.61	6.22%	\$39,385,683.39
City of Houston and Harris County Public Service and CDP ("Houston/Harris")	\$60,000,000	\$60,000,000	\$121,537.31	0.20%	\$59,878,462.69
Homeowner Assistance Program ("HAP")	\$210,371,273	\$210,371,273	\$2,256,351.71	1.07%	\$208,114,921.29
Sabine Pass Restoration Program ("SPRP")	\$12,000,000	\$12,000,000	\$87,227.85	0.73%	\$11,912,772.15
State Administration Funds (Used to Administer Funding)	\$21,433,592	\$21,433,592	\$2,508,355.05	11.70%	\$18,925,236.95
Total CDBG Round 2 Funding	\$428,671,849	\$426,952,198	13,280,743.26	3.11%	\$413,671,454.74

CDBG Round 2 City of Houston and Harris County Public Service and Community Development Program

City of Houston

Funding of \$20 million was allocated to the Houston Police Department for establishment of a Multi-Family Apartment Community Program. The funds will be utilized to procure equipment and supplies to support the program and to staff the program with officers on overtime.

Funding of \$20 million was also allocated to carry out rehabilitation of existing multi-family housing stock through the existing Apartment to Standards Program. These funds will provide rehabilitation of multi-family housing to the evacuee population. The City of Houston is in the final procurement stages of selecting and awarding a contractor to administer the multi-family housing component.

On April 3, 2008, the City of Houston submitted a reimbursement request for \$7,901,659.19 that covers the period from October 2007 through March 2008. A monitoring visit was conducted on June 4, 2008 to review support documents associated with the reimbursement request. Most notably, the Department identified variances between

the reimbursement request and the accounting system. The Department continues to work closely with the City of Houston to address the issue noted. The request will remain in a “pending” status until the issue is resolved.

Harris County

Funding of \$20 million was allocated to provide services to the residents of Harris County among five different program components: Expanded Services to Hurricane Evacuees (Harris County Sheriff’s Dept.), Evacuee Medical Services (Harris County Hospital District), Katrina Crisis Counseling Program (Mental Health and Mental Retardation Authority), Youth Offenders Services (Harris County Sheriff’s Dept.) and the Disaster Housing Assistance Program Component (Harris County).

A monitoring visit was conducted on July 16, 2008. The visit focused on the review of support documents for expenditures of \$121,537 that have been paid to date as well as obtaining an understanding on the delivery of services for the five program components identified above. There were no issues noted during the monitoring review. The Department obtained an understanding of all program components and tested Harris County’s oversight function, which includes program and fiscal monitoring along with multiple layers of controls.

CDBG Round 2 Multifamily Rental Housing Stock Restoration Program

On September 13, 2007, the TDHCA Board awarded \$81.1 million to repair or rebuild seven Golden Triangle-area affordable multifamily rental properties damaged or destroyed by Hurricane Rita. The construction work, once completed, will restore rental unit housing to 813 low-income individuals and families. Award-specific status is outlined in the table below:

Loan Number	Development Name	City	Total Units	Type of Activity	CDBG Loan Amount	Environ Clearance Date	Loan Closing Date*	Notice to Proceed Date**	Notes on Status of Award
7060006	Pointe North	Beaumont	158	Recon.	\$13,778,332	Pending	8/31/08*	Pending Closing	Pending Applicant Response to 5/29/08 Envir. Clearance Deficiency Notice.
7060011	Gulfbreeze Plaza I	Port Arthur	86	Recon.	\$9,067,577	03/18/08	6/11/08	6/12/08	Started Construction
7060012	Gulfbreeze Plaza II	Port Arthur	148	Recon.	\$13,280,250	03/18/08	6/11/08	6/12/08	Started Construction
7060007	Orange Navy Homes	Orange	115	Recon.	\$14,189,439	Pending	9/13/08*	Pending Closing	Pending Applicant Response to 5/28/08 Envir. Clearance Deficiency Notice.
7060010	Brittany Place II Single Family	Port Arthur	100	Recon.	\$13,077,366	03/11/08	9/13/08*	Pending Closing	Applicant has not yet met conditions of Award.
7060009	Brittany Place I Multifamily	Port Arthur	96	Recon.	\$11,046,835	03/11/08	4/09/08	4/09/08	Started Construction
7060008	Virginia Estates	Beaumont	110	Rehab	\$6,707,534	05/26/08	6/10/08	6/10/08	Started Construction
Totals:			813		\$81,147,333				

* Awarded applications have not closed, and dates reflected are anticipated closing dates.

** Only applicable once closed on the loan.

CDBG Round 2 Homeowner Assistance Program and Sabine Pass Restoration Program Update from ACS State & Local Solutions, Inc.

Substantial progress has been made on the Rita Recovery Round 2 project. The Homeowner Assistance Program (HAP) application intake process has been considerably modified while the Sabine Pass Restoration Project (SPRP) has progressed to the point of home inspections. Bids from contractors have been received in response to the 4 RFPs and contractors are currently refining their bids after a round of bid review.

HAP - A major step in Round 2 was taken during the last few weeks. In order to make the application process easier, the application packet was shortened and simplified, primarily by removing what is not applicable to all applicants. This approach will result in qualifying more homeowners, but may require more intensive individual case management.

Thirteen scheduled events in the form of Community Days and Orientation Days have been held in the months of June and July. Orientation meetings in Beaumont and Jasper were attended by over 400 people each. Our Community Days have assisted over 125 individuals while our three Service Centers in Beaumont, Jasper and Port Arthur have conducted over 75 appointments. Nine additional Community Days and one more Orientation meeting have so far been scheduled through September.

SPRP – The SPRP program has progressed to the home inspection stage. Noteworthy activities taking place since our last report to the Board on June 26, 2008 include:

- A Community Day was held in Sabine Pass on July 9
- 14 applicants have been determined eligible for home rehabilitation/reconstruction and 3 applicants eligible for accessibility/elevation assistance
- These 17 properties will undergo inspections during the week of July 21, 2008
- Two SPRP Floodplain Notices required to elicit public comment were published. No substantive comments were received as a result of the first notice. The comment period for the second notice expires July 28, 2008.
- Applications for assistance under SPRP total 102 and, as of 7/21, break down as follows:
 - 17 have been assigned initial inspection
 - 42 are pending eligibility reviews
 - 4 are pending withdrawal
 - 3 have withdrawn
 - 1 is on hold
 - 18 are not eligible
 - 15 have not returned the supplemental application
 - 2 are new applicants

Contractor Selection – Bids submitted from 19 contractors were opened June 27th and 30th. Seventeen of the 19 contractors responding met eligibility requirements. Taken together, the contractors have sufficient capacity to support the programs. Meetings with responding contractors were held in Beaumont during the week of July 7th to clarify submittals and pricing. Contractors are in the process of refining their bids.

To sum up, these past several weeks have seen considerable activity focused on getting applicants to respond. Restructuring the application process, a commitment to an unanticipated level of individual case management, increased proactive outbound calling, and soliciting assistance from local faith-based groups are all methods being applied to engage the applicant base. Additional means of publicizing the programs and reaching out to homeowners are being considered and will be reported during subsequent board meetings.

FEMA Affordable Housing Pilot Program

The Disaster Recovery Division is also responsible for administration of the Federal Emergency Management Agency (FEMA) award of \$16,471,725 for the Affordable Housing Pilot Program (AHPP). The purpose of the AHPP is to demonstrate an alternative housing solution to the FEMA trailer in the areas affected by the 2005 Hurricanes.

On January 7, 2008, the Federal Emergency Management Agency (FEMA) announced that TDHCA was awarded \$16,471,725 for the Affordable Housing Pilot Program (AHPP). The purpose of the AHPP is to demonstrate an alternative housing solution to the FEMA trailer in the areas affected by the 2005 Hurricanes for a time period of twenty-four months. A one-time exemption to the Stafford Act, AHPP permits the use of FEMA funding to study alternatives to the FEMA trailer by examining cost-effective solutions that meet a variety of housing needs. Pursuant to FEMA requirements, the pre-fabricated units must be awarded within the 22 counties affected by the 2005 Hurricanes.

The Heston Group was selected to pilot a pre-fabricated, panelized solution which can be deployed quickly and built to accommodate a diverse population. According to The Heston Group, an *estimated* average price of each pre-fabricated unit is \$77,500.

On Tuesday, July 8, 2008, Disaster Recovery Staff met with Heston and the civil engineering company, CBI, that Heston has contracted with to conduct site assessments. The purpose of the meeting was to establish a new construction time line for work to begin on the first four out of 29 sites.

TDHCA staff met with the Executive Director of the Harris County Housing Authority (HCHA) as well as HCHA staff and a commissioner of HCHA's board on Wednesday, July 9, 2008 to discuss the potential of the Harris County portion of the AHPP program. The meeting was productive and Disaster Recovery staff will continue to work with HCHA to develop a formal plan for the Harris County AHPP.

The purchase order for the first 50 Heston homes has been signed and the shipment of the units is expected to arrive within the next 90 days.

ORAL PRESENTATION

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

July 31, 2008

Action Item

Housing Tax Credit Amendments.

Requested Action

Approve, amend or deny the requests for amendments.

Background and Recommendations

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

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

Limitations on the Approval of Amendment Requests

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

Penalties for Amendment Requests

§50.9(c), 2008 Qualified Allocation Plan and Rules, entitled, “Adherence to Obligations,” states in part:

If a Development Owner does not produce the Development as represented in the Application; does not receive approval for an amendment to the Application by the Department prior to implementation of such amendment; or does not provide the necessary evidence for any points received by the required deadline:

(1) The Development Owner must provide a plan to the Department, for approval and subsequent implementation, that incorporates additional amenities to compensate for the non-conforming components; and

(2) The Board will opt either to terminate the Application and rescind the Commitment Notice, Determination Notice or Carryover Allocation Agreement as applicable or the Department must:

(A) Reduce the score for Applications for Competitive Housing Tax Credits that are submitted by an Applicant or Affiliate related to the Development Owner of the non-conforming Development by up to ten points for the two Application Rounds concurrent to, or following, the date that the non-conforming aspect, or lack of financing, was recognized by the Department of the need for the amendment; the placed in service date; or the date the amendment is accepted by the Board.

(B) Prohibit eligibility to apply for Housing Tax Credits for a Tax-Exempt Bond Development that are [sic] submitted by an Applicant or Affiliate related to the Development Owner of the non-conforming Development for up to 24 months from the date that the non-conforming aspect, or lack of financing, was recognized by the Department of the need for the amendment; the placed in service date; or the date the amendment is accepted by the Board, less any time delay caused by the Department.

(C) In addition to, or in lieu of, the penalty in subparagraph A or B of this paragraph, the Board may assess a penalty fee of up to \$1,000 per day for each violation.

HTC No. 05199, Southwood Crossing

Summary of Request: The owner is requesting approval to reduce and reposition the number of buildings and substitute other amenities for some of the amenities originally proposed. The number of buildings was reduced from thirteen to twelve because of the expansion of utility and drainage easements and construction of a detention pond and then the buildings were repositioned on the development site.

At the owner's request, the city permitted a 25 foot wide utility easement to be moved to cross the site along the rear boundary instead of across the middle. The utility provider required the relocated easement to be expanded from 25 feet to 50 feet wide. An unanticipated 20 foot wide drainage easement was also added to the site. Like the utility easement, the drainage easement and detention pond were relocated along the site's rear boundary. The expansion of the utility easement and creation of the new drainage features reduced the site's usable area. The reduction in area created the need to reposition the buildings and to convert two buildings into one. The number of units and net rentable area were not changed.

The application originally proposed self-cleaning ovens, refrigerators with ice-makers and storage rooms, collectively worth three points. The foregoing three items were not delivered but the owner stated that R-15 walls and R-30 ceilings were added, though not proposed, and would have also scored three points.

It should be noted, that while the owner did not deliver self-cleaning ovens, ranges/ovens that were not self-cleaning were installed. Similarly refrigerators with ice-makers were installed but the owner chose not to hook-up the ice-makers because of concerns about water damage. As substitutes for the amenities not delivered, in addition to the R-15/R-30 insulation, the owner provided ceramic tile flooring in place of vinyl tile as proposed, granite countertops in place of laminate as proposed, and a basketball court.

The changes made would not have affected the scoring or Threshold qualifications of the application. Therefore, the recommendation for an award would not have been affected.

Governing Law:	§2306.6712, Texas Government Code. The code states that the Board must approve material alterations of a development, including any modification considered significant by the board.
Owner:	Southwood Crossing LP
General Partner:	Southwood Crossing GP, LLC
Developers:	Itex Developers LLC, Housing Authority of the City of Port Arthur
Principals/Interested Parties:	Ike Akbari, Housing Authority of the City of Port Arthur
Syndicator:	MMA Financial
Construction Lender:	MMA Financial
Permanent Lender:	JP Morgan Chase
Other Funding:	NA
City/County:	Port Arthur/Jefferson
Set-Aside:	General Population
Type of Area:	Urban
Region:	5
Type of Development:	New Construction
Population Served:	General Population
Units:	120 HTC units

2005 Allocation: \$631,266
Allocation per HTC Unit: \$5,261
Prior Board Actions: 7/05 – Approved award of tax credits
Underwriting Reevaluation: Based on the revised information provided, the transaction would meet the Department's 2008 Real Estate Analysis Rules and Guidelines. The amount of the award recommended remains unchanged. Please see attached report dated 7/15/08.

Staff Recommendation: **Staff recommends approval of the request. The changes do materially alter the development; however, they would not have adversely affected the selection of the application.**

Penalty Assessment: **Staff recommends the assessment of appropriate penalties, pursuant to §50.9(c) of the QAP, because the request is made after the implementation of the changes.**

HTC No. 07203, Melbourne Senior Community

Summary of Request: The owner is requesting approval to change the site plan, building plans, unit plans and some amenities. The request to change the site plan is due to a large detention pond that will be constructed at the rear of the site. The changes will reduce the number of residential buildings from fourteen without interior corridors to four with an estimated interior corridor space of 19,768 square feet. The number of elevators will be decreased from twelve to four. The net rentable area will be decreased from 110,872 square feet to 106,120 square feet. The effect on the units is shown in the table below.

Units	Application			Amendment		
	Number	Size	NRA	Number	Size	NRA
1BR/1Bath	8	751	6,008	8	719	5,752
2BR/2Bath	40	994	39,760	102	984	100,368
2BR/2Bath	40	1,049	41,960			
2BR/2Bath	22	1,052	23,144			
Totals	110		110,872	110		106,120

The open parking spaces in the development will be decreased from 188 spaces to 165 spaces, but would remain compliant with the city development code. The new parking ratio is 1.5 spaces per unit.

The development will lose approximately 4.3% of its net rentable area, including approximately 32 square feet from the one-bedroom units and about 68 square feet from the largest two bedroom units. Compensating for the losses, the development will gain 19,768 square feet of enclosed corridors and the amended development proposal will add a large porte cochere to the front of the office clubhouse.

The changes would not have affected the score of the application or the recommendation for an award.

Governing Law: §2306.6712, Texas Government Code. The code states that the Board must approve material alterations of a development, including a reduction of three percent or more of the square footage of the units or common areas and any modification considered significant by the board.

Owner: Melbourne Development Partners, LP
 General Partner: NZ-H Properties, Inc.
 Developers: NZ-H Properties, Inc.; MRG Allycat, Inc.; LDG Development
 Principals/Interested Parties: Frank Doyle (NZ-H and MRG); Chris Dischinger and Mark Lechner (LDG)
 Syndicator: Red Capital
 Construction Lender: JP Morgan Chase
 Permanent Lender: CitiGroup
 Other Funding: NA
 City/County: Alvin/Brazoria
 Set-Aside: Elderly Population
 Type of Area: Urban/Exurban
 Region: 6
 Type of Development: New Construction

Population Served: Elderly Population
Units: 110 HTC units
2007 Allocation: \$1,200,000
Allocation per HTC Unit: \$1,091
Prior Board Actions: 7/07 – Approved award of tax credits
Underwriting Reevaluation: Based on the revised information provided, the transaction would meet the Department's 2008 Real Estate Analysis Rules and Guidelines. The amount of the award recommended remains unchanged. Please see attached report dated 7/15/08.

Staff Recommendation: **Staff recommends denying the request. While the parking would continue to meet code and substantial new beneficial features were proposed to compensate for the reduction in NRA, the magnitude of the changes makes the new development proposal significantly different from the proposal submitted to compete for an award. This fact has implications regarding the true viability of the original development proposal.**

Penalty Assessment: **No penalty is recommended because the Board's approval has been requested prior to implementing the changes.**

HTC No. 07219, The Canyons Retirement Community

Summary of Request: The owner is requesting approval to forego the installation of dishwashers in 35 units and disposals in 27 units. The development contains 111 units. If this request were approved, dishwashers would be installed in 76 units and disposals in 84 units. To compensate for the loss of the dishwashers and disposals, the owner states that the development will contain features that were not proposed in the application, including a \$19,000 expansion of the original area for a coffee bar and a furnished fitness center.

The owner states that the request to withhold the dishwashers and disposals from some units is made to conserve cabinet space in kitchens with an average size of only 25 square feet and only five linear feet of countertop/cabinet space. The owner states that the estimated cost of installing the dishwashers and disposals proposed in this amendment request is \$42,000. As the owner states and staff confirms, the property condition assessment in the application did not include a cost for the replacement of dishwashers and disposals. The application contained the standard signed Development Owner's Certification Form promising the delivery of the Threshold requirements, including the installation of dishwashers and disposals in all units.

It should be noted, that the owner's request included some extraneous items. The application proposed inclusion of unit amenities and common amenities over and above the maximum that could be used for points in the application. Because the amenities were represented in the application, they cannot be used as substitutes for amenities that are omitted. Similarly, eliminating the mezzanine elevator stop did not warrant consideration. According to the owner's narrative, only management offices are on the mezzanine and the stop was only for the use of employees, not tenants.

Special Request: The owner is requesting that any anticipated reduction in credits, as a result of these amendments, be set aside until the actual development costs are submitted at cost certification..

Governing Law:	§2306.6712, Texas Government Code. The code states that the Board must approve material alterations of a development, including any modification considered significant by the board.
Owner:	Canyons Senior Living, L.P.
General Partner:	Sears Methodist Senior Housing, LLC
Developers:	Sears Methodist Retirement System, Inc. (Nonprofit)
Principals/Interested Parties:	Sears Methodist Retirement System, Inc. (developer and sole member of GP), D. Keith Perry, President/CEO
Syndicator:	CharterMac Capital, LLC
Construction Lender:	JPMorgan Chase
Permanent Lender:	JPMorgan Chase
Other Funding:	City of Amarillo-CDBG Funds, Panhandle HFC
City/County:	Amarillo/Potter
Set-Aside:	General Population
Type of Area:	Urban
Region:	1
Type of Development:	Acquisition and Rehabilitation
Population Served:	Elderly Population
Units:	105 HTC units and 5 market rate units (1 employee unit)

2007 Allocation: \$876,745
Allocation per HTC Unit: \$8,350
Prior Board Actions: 7/07 – Approved award of tax credits
Underwriting Reevaluation: Based on the revised information provided, the transaction would meet the Department's 2008 Real Estate Analysis Rules and Guidelines. The amount of the award recommended remains unchanged. Please see the attached report dated 6/30/08.

Staff Recommendation: **Staff recommends denying the request because the installation of dishwashers and disposals is a Threshold requirement of the application and the application would have been terminated without the owner's certification that these appliances would be provided in all units.**

Penalty Assessment: **No penalty is recommended because the Board's approval has been requested prior to implementing the changes.**



Southwood Crossing Apartments

July 14, 2008

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

RE: Southwood Crossing (TDHCA #05199) – Request for Amendment

Dear Mr. Sheppard:

This letter is written on behalf of Southwood Crossing Apartments, LP (“Owner”). The Project Owner received a commitment for an annual allocation of 2005 Housing Tax Credits in the amount of \$631,266 (the “Commitment”) from the TDHCA for Southwood Crossing Apartments (the “Project”). The Project is a 120-unit development located in Port Arthur, Texas.

We are writing to request an amendment to the application regarding three items: (1) a reduction of the number of buildings; and (2) a change of amenities.

1. Reduction in Buildings/Site Plan

The site plan in the application proposed the construction of 120-units consisting of a thirteen (13) building layout. Due to the relocation of a utility easement and the unforeseen creation of a second easement, the usable acreage was significantly reduced and the site plan was redesigned with a twelve (12) building layout. At the time of the application, the Owner was aware that there was a 25 foot Entergy utility easement that went across the middle of the property. The Owner’s application proposed the relocation of the easement to run across the back of the property. Prior to closing, the Owner received preliminary drawings of the easement from Entergy, along with a revised survey and legal description to reflect the relocated easement. After Entergy did its final review, it determined that it needed to increase the easement to 50 feet due to the increase of development in the area. This increase significantly reduced the usable acreage for the property.

After the final drawings were submitted for review to the local drainage district, Jefferson County Drainage District #7, it required another 20 foot easement for the upkeep of the drainage canal in addition to the proposed 100 foot detention pond. This additional easement further reduced the usable acreage for the development.

We have attached for your review the following documents: (1) a copy of the original survey showing the original location of the Entergy easement; (2) a copy of the drawing showing the proposed location of the easement; (3) a copy of the original site plan with thirteen buildings; and (4) a copy of the final site plan with twelve buildings.

As a result, the Owner had to revise the site plan to remove an entire building to accommodate the reduced usable acreage. Although the site plan has been reduced to twelve (12) buildings, the owner has maintained the 120 units without affecting the unit size and the net rentable area of the units.

2. Change of Amenities/Quality of Units

During the construction of the Project, the Owner upgraded the energy-efficiency by changing the insulation to R-15 in the walls and R-30 in the ceilings to increase the overall efficiency of the Project. In the application the applicant inadvertently selected self-cleaning oven, and storage rooms. Additionally, due to problems that the Owner has experienced with flooding damage to other units caused by tenant carelessness with icemaker connections, the Owner did not connect the icemakers. The project as been constructed to allow for



Southwood Crossing Apartments

icemaker connections, but management feels it was a better option to disable the icemaker functionality in the freezer. Furthermore, the Owner had requested storage room(s) at the time of application, but the storage room wasn't shown on the floor plans at application. The units were in fact never designed with the storage room. Therefore, the Owner would like to substitute the R-15 walls and R-30 ceilings (3 points) for the self-cleaning oven (1 point), refrigerator with icemaker (1 point) and storage room (1 point). This request does not change the points of the application and would not have affected its selection.

Again, we request an amendment of the application to: (1) reduce the number of buildings; and (2) change of the amenities provided. These amendments do not materially alter the Project in a negative manner nor adversely affect the scoring of the application. Therefore, we request that each of these amendments is granted.

Thank you very much for your consideration of this request. If you have any questions, please do not hesitate to contact me.

Very truly yours,

A handwritten signature in blue ink, appearing to read "K. Akbari", is written over a light blue circular stamp.

K.T. (Ike) Akbari
Special Limited Partner

Attachments:

1. copy of the original survey showing the original location of the Entergy easement
2. copy of the drawing showing the proposed location of the easement
3. copy of the original site plan with thirteen buildings
4. copy of the final site plan with twelve buildings.

SITE AS BUILT

RELOCATED
50' EASEMENT

DRAINAGE DISTRICT NO. 7
75' WIDE R.O.W.
VOL. 1205, P.G. 545, D.R.A.C.
(DISPOSAL RIGHTS)

GULF STATES UTILITIES INTERURBAN 150' WIDE R.O.W.
VOL. 136, PG. 340, D.R.A.C.

RETENTION POND

SOUTHWOOD CROSSING
PHASE II
400 ACRES
K.T. AMBANI
F. # 2005042315, O.P.R.A.C.

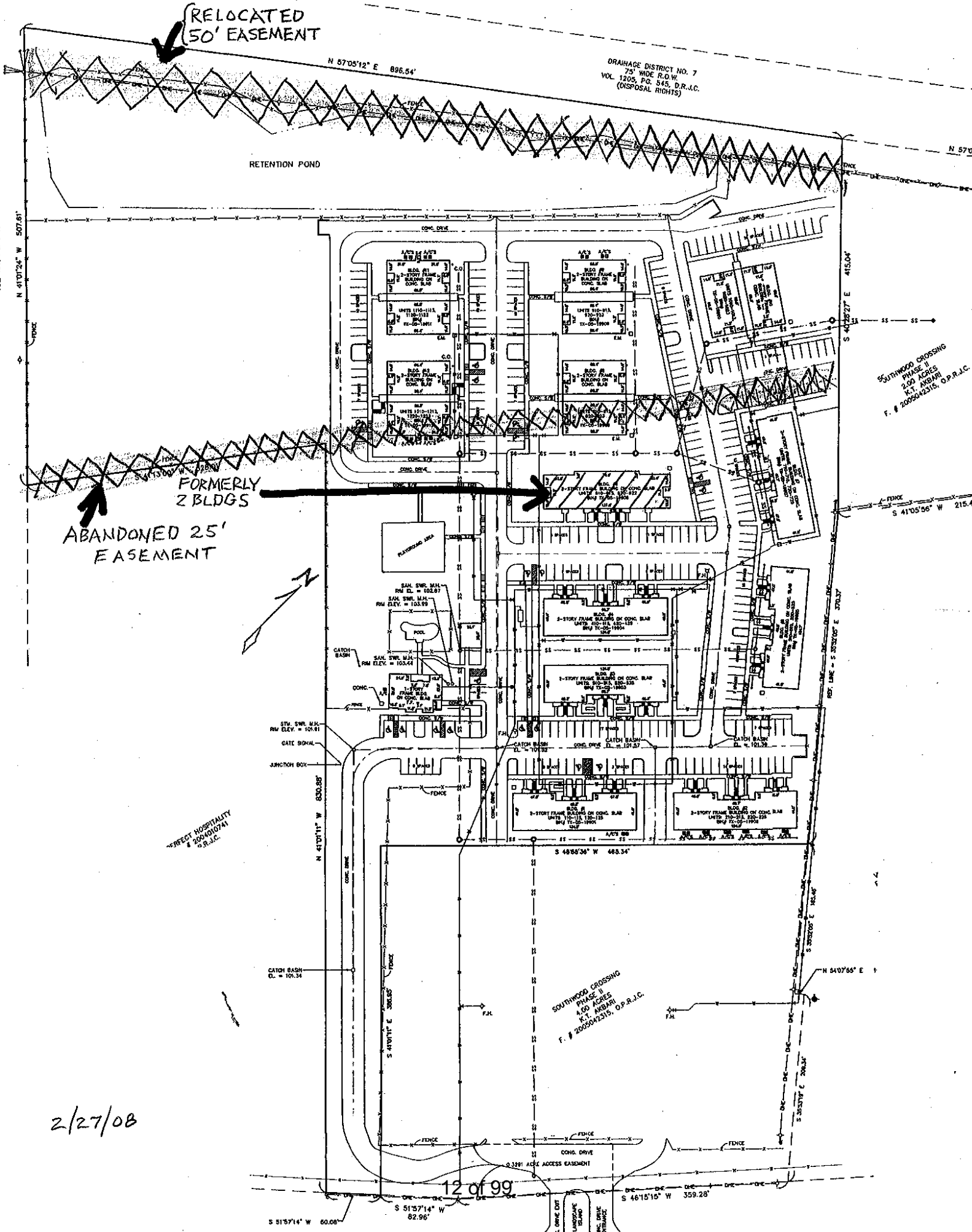
ABANDONED 25'
EASEMENT

FORMERLY
2 BLDGS

PERFECT HOSPITALITY
2004010741
O.P.R.A.C.

SOUTHWOOD CROSSING
PHASE II
400 ACRES
K.T. AMBANI
F. # 2005042315, O.P.R.A.C.

2/27/08





6/6/08

Attn: Ben Sheppard
Housing Specialist, Multifamily Finance Production Division
P.O. Box 13941
Austin, TX 78711-3941

RE: Melbourne Senior Apartments
Request to amend LIHTC Application

Dear Mr. Sheppard,

LDG Multifamily, LLC a Co-Developer of Melbourne Senior Apartments is seeking approval for requests to change Melbourne's Senior LIHTC Application.

LDG is requesting approval of modification of site plan, architectural design of the development, changes in building types, and addition of a 4'X 6' tract of land to original proposed tract of land. Attached to cover letter is a letter identifying all changes proposed and explanation of the reasons for requesting an amendment to our original LIHTC application. Pursuant to 2306.6712 of the QAP, attached are all required material requested by TDHCA to obtain approval.

Sincerely,

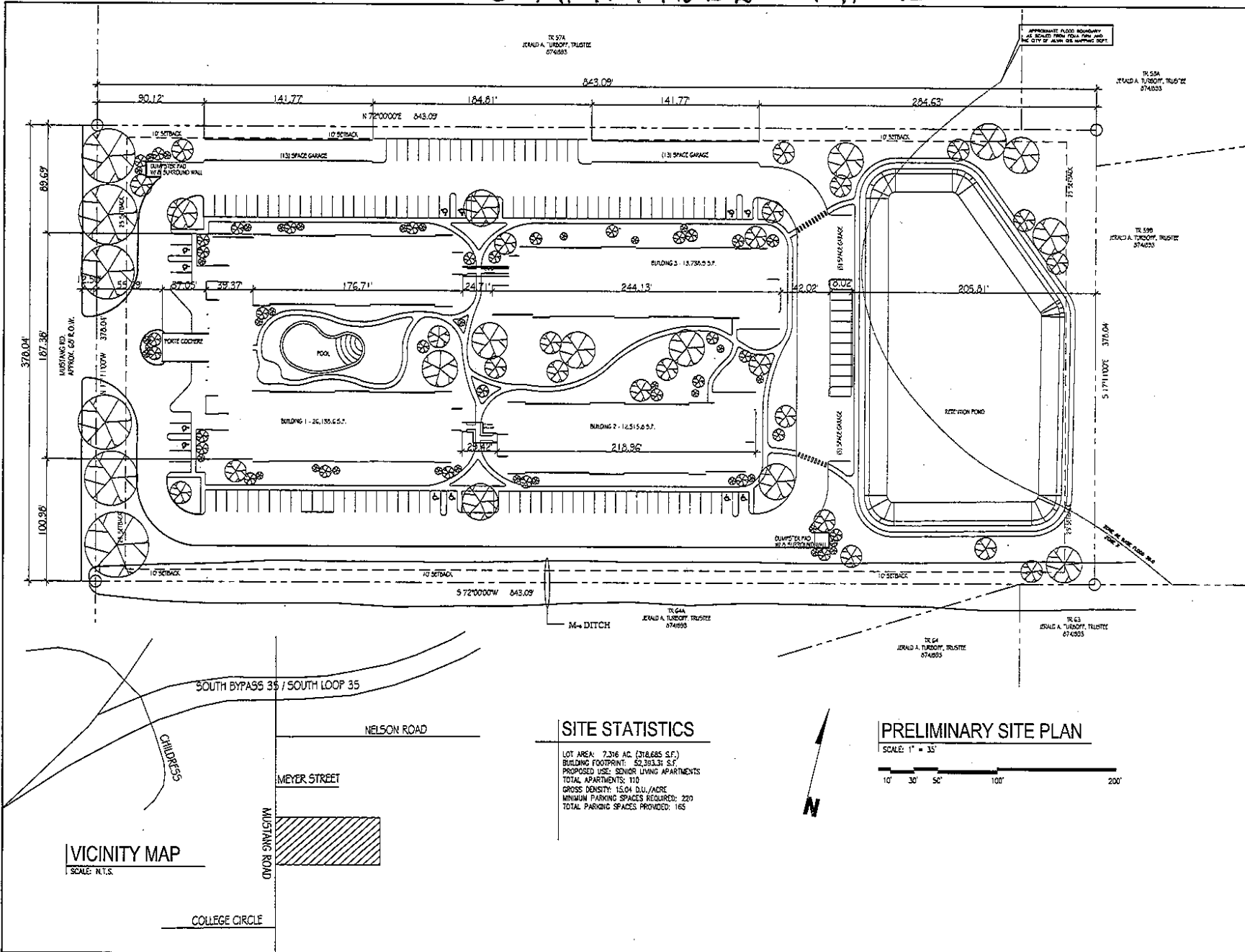
Justin Hartz
Development Coordinator

Explanation by Applicant

Melbourne Senior Apartments was approved by TDHCA prior to LDG Multifamily, LLC becoming a co-developer. Melbourne Development Partners, LP request to amend the original application submitted to reflect modifications of the architectural design, site plan, and building types to provide a community more conducive to independent senior living. In addition, the tract of land has been slightly modified to reflect an addition of less than 1/10 acre to the site. These modifications will be further described in section below.

1. *A significant modification of architectural design of the development:* Melbourne Senior Apartments was redesigned to put connectivity and communal living in place for seniors 55 and older. To achieve this design, the buildings will be 80% brick or stone on frontage facing building walls. Interior buildings walls are constructed with stone and hardy blank. Clubhouse has all elected amenities plus vaulted ceiling community room on second floor, residential community kitchen, and first and second floor porch. Front entry into Clubhouse will have an architecturally designed Porte Cochere providing a covered area into clubhouse. A reduction of elevators to four hydraulic 4 passengers elevators located in each residential building.
2. *A significant changed of site plan:* The site plan was changed because a large retention pond had to be constructed at the rear of the site. By redesigning site to make retention pond feasible on site, all residential buildings were moved out of floodplain, making a more balanced site overall. The revised site plan has four total residential buildings with a clubhouse adjoining 2 of the residential buildings. A courtyard is located within the inner greenspace creating semi-private courtyard area. A pool will be located within this courtyard. There will be 165 parking spaces, with gated entry gate located passed the guest parking
3. *Changes in Building Types:* Melbourne Senior has four buildings and a clubhouse. Building one contains 26 units, building two contains 26 units, building three contains 30 units, building four contains four 28 units, totaling 110 units. Type 1A has 1 bedroom, one bathroom, totaling 719 sq.ft.. Type 1HC has 1 bedroom , one bathroom, totaling 719 sq.ft.. Type 2HC has two bedrooms, two bathrooms, totaling 984 sq.ft.. There are no changes to the total number of units or unit mix of this project. With the change in number of buildings, the associated BIN numbers may also need change.

AS AMENDED - FINAL



NOTES:

NOTE: PRELIMINARY SET NOT FOR CONSTRUCTION

REV.	NO.	DATE	ISSUE NOTES

15 of 99

WEBER GROUP, INC

- DESIGN
- CONSTRUCTION
- SPECIALTY FABRICATIONS

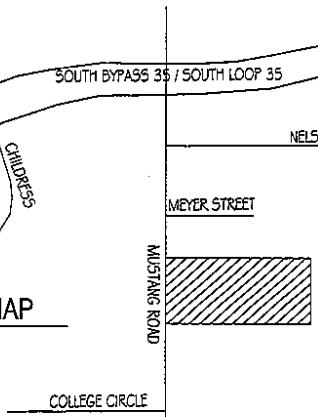
5233 PROGRESS WAY
 SELLENSBURG, INDIANA 47172
 TEL 812.246.2108
 FAX 812.246.2189

WWW.WEBERGROUPINC.COM

The drawing and the resultant constructed works are the property of Weber Group Inc. and is issued subject to the condition that they are not to be copied or reproduced either in whole or in part, or used in any manner detrimental to its interest without the express written permission of the copyright holder, in accordance with Title 17 U.S.C. and the Architectural Works Copyright Act of 1990, 17 U.S.C. Title 18 sec. 101 et seq.

Drawings are not to be scaled. It is the responsibility of the contractor to verify all dimensions contained in these drawings, and to notify the architect of any discrepancies or inaccuracies prior to the start of construction. Contractor to notify architect of any intended change in construction materials, methods, etc., as indicated on drawings for review and approval prior to commencement of such work.

VICINITY MAP
SCALE: N.T.S.



SITE STATISTICS

LOT AREA: 7,316 AC. (318,685 SF.)
 BUILDING FOOTPRINT: 52,393.31 SF.
 PROPOSED USE: SENIOR LIVING APARTMENTS
 TOTAL APARTMENTS: 110
 GROSS DENSITY: 15.04 D.U./ACRE
 MINIMUM PARKING SPACES REQUIRED: 220
 TOTAL PARKING SPACES PROVIDED: 165



PRELIMINARY SITE PLAN
SCALE: 1" = 35'

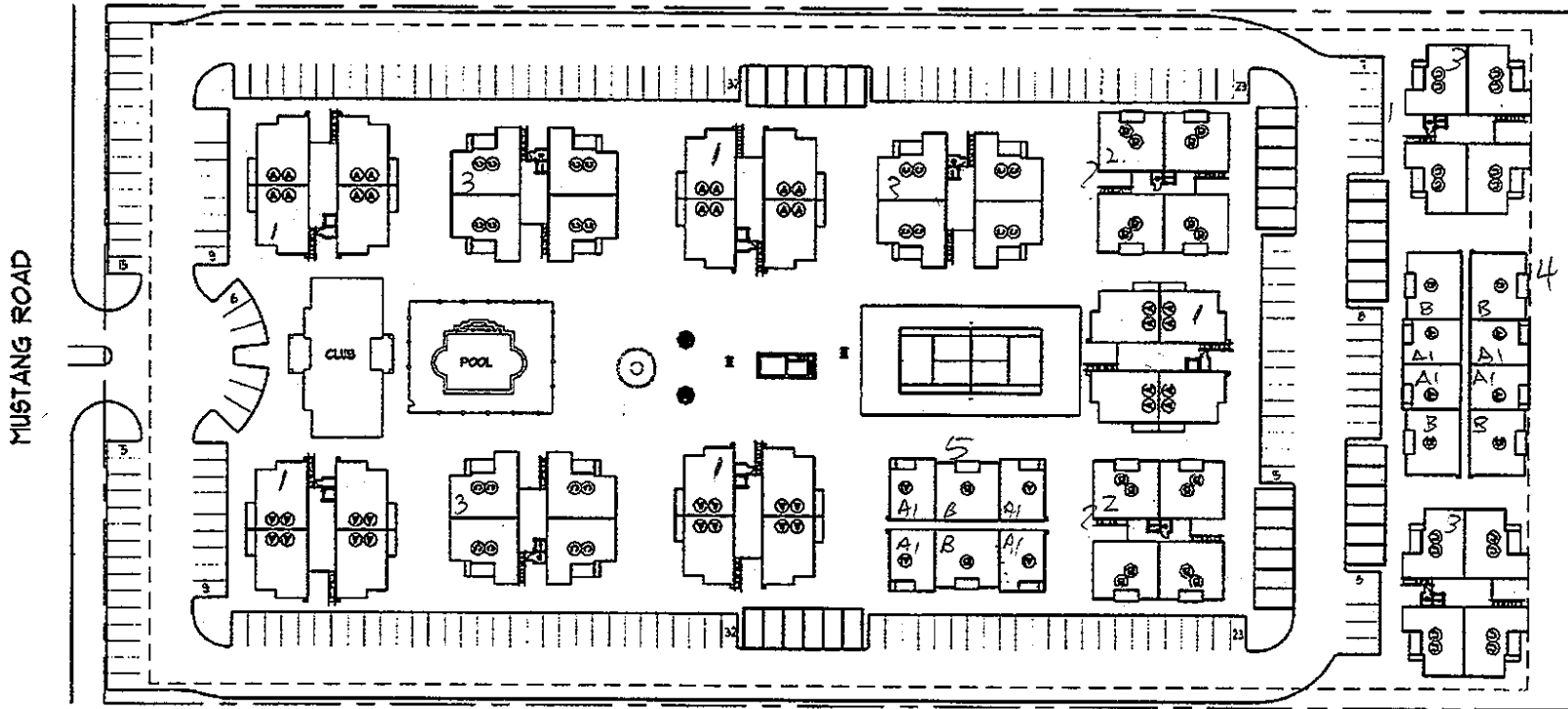
Melbourne Senior Apartments
Mustang Road
Abilene, Texas

DATE: 06-20-08
 DRAWN BY: MC
 CHECKED BY: -
 PROJECT NO. MSA-01-08

SITE PLAN
AC.00

SHEET

APPLICATION

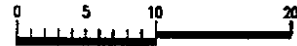


16 of 99

01 | ARCHITECTURAL SITE PLAN
1/25

PROJECT NAME:
THE MELBOURNE APARTMENTS

PROJECT LOCATION:
ALVIN, TX



TED TROUT
ARCHITECT
AND ASSOCIATES, LTD.
Architects • Planning • Interior Design
6363 Woodway Suite 900
Houston, Texas 77057



A Not For Profit Corporation

Sears Methodist Retirement System, Inc.

May 21, 2008

**AUSTIN
REGIONAL OFFICE**

**ABILENE
CORPORATE OFFICE**

SERVICE LOCATIONS:

ABILENE

Sears Methodist Center

Sears Methodist
Community Services

Sears Methodist Home Health
Southwest Therapy Associates
Sears Methodist Specialty Services
Sears Methodist Hospice

Wesley Court
Methodist Retirement Community

Windcrest Alzheimer's
Care Center

AMARILLO

The Canyons
Retirement Community

The J. Paul & Polly Craig
Methodist Retirement
Community

LUBBOCK

Mildred & Shirley L. Garrison
Geriatric Education and
Care Center

ODESSA

Parks Methodist
Retirement Village

Desert Haven

TYLER

Meadow Lake,
A Senior Living Community
(under development)

WACO

Wesley Woods
Alzheimer's Care Center

Mr. Ben Sheppard
Multifamily Finance Production Division
Texas Department of Housing & Community Affairs
211 East 11th Street
Austin, TX 78701

RE: *Amendment to The Canyons Retirement Community
Amarillo, TX
#07219*

05-22-08 10:09 RCVD

Dear Mr. Sheppard,

On behalf of Canyons Senior Living, L.P., please accept this amendment request for the above referenced rehabilitation project. We request an amendment to the 2007 QAP threshold requirement requiring dishwashers and disposals in all units. In addition we are requesting a minor adjustment to the layout of two units and change of scope to one elevator. We respectfully amendment request this request be placed on the agenda for the June 26, 2008 board meeting.

Dishwashers & Disposals

We specifically request an amendment to not install dishwashers in 35 units and disposals in 27 of the 111 units due to space constraints. This waiver is being requested because the small one bedroom units do not have enough kitchen space to install dishwashers and disposals and still have adequate space for the stove, range, refrigerator, sink, microwave, countertop space and cabinetry for storage.

Dishwashers will not be installed in units 200, 202, 210 through 236, 310, 320, 324, 414, 416, and 500. Disposals will not be installed in units 210 through 236 due to a lack of under counter space. The average sized unit is 425 square feet, with the kitchens averaging just 25 square feet in size. The countertop space is 5 linear feet and a dishwasher takes up 2 linear feet of under counter space. Because the units are so small and difficult to expand without taking space from the living area, the project will continue to utilize a 60" "Unit Kitchen" to be installed as a package unit. These kitchen units come with sink, under counter refrigerator and under counter range designed into the package. Attached is a typical unit layout for the affected units.

The unit kitchen has been contemplated since prior to submitting the tax credit application because of the space challenges in smaller units. Using a regular under counter refrigerator takes 24 inches, a range 24 inches, 24 inches for a sink, plus 24 inches for the dishwasher requires at least 8 linear feet of space. The existing wall that is plumbed and has power does not have 8 linear feet of space available. Therefore the owner would have to move to a side wall which is not as efficient in layout for the room space (i.e. less living space available in an already small unit),

Austin Regional Office

1114 Lost Creek Blvd, Suite 400 • Austin, Texas 78746
512.329.6716 • 512.329.0933 Fax • www.sears-methodist.com



Abilene Corporate Office

One Village Drive, Suite 400 • Abilene, Texas 79606-2231
325.691.5519 • 325.437.1191 Fax • www.sears-methodist.com

plus a large cost for relocating power and plumbing to another location. A rolling/portable dishwasher was considered but again, with such a small unit there is a space limitation for storing the unit while not in use. Additionally, the owner's are concerned with the safety and maintenance issues of the elderly resident hooking up the unit to water and electrical sources.

Unfortunately a disposal is not available as an added optional feature to the 'package' kitchen units being installed in units 210-236. If we field modify the units it will cause warranty issues with the unit. Plus what little under counter space is available under the sink would be lost to the disposal and its piping.

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Through oversight, the cost for the dishwashers and disposals was not included in the initial Property Condition Assessment or General Contractor's cost estimate and therefore did not generate any eligible basis or tax credits. The owner will pay for the installation of 75 dishwashers and 84 disposals in the units where they can be accommodated. The cost is estimated to be \$280 each for dishwashers and \$250 each for disposals which includes plumbing rough-in and installation, for a total cost of \$42,000. The owner will pay for the cost out of construction loan proceeds and/or deferred developer fee.

As a substitute for not installing dishwashers and/or disposal in every unit, the owner proposes to expand the coffee shop area which is used frequently by the senior residents and was requested by the residents. The estimated cost to enlarge the coffee shop is \$19,000. Please note, this project features a community dining room and warming kitchen used by many residents who do not wish to cook. A commercial dishwasher is provided in the warming kitchen.

Additionally, this project offers numerous common amenities for the residents' benefit. The basic amenity minimum threshold of points for this community is 12 points with rehabilitation projects receiving 1.5 points for each point item, per the 2007 QAP. While not all of the amenities provided have points associated with them, when those that do are added to the initial selection it totals 30 points (20 points x 1.5 for rehabilitation). The following amenities are provided in addition to the ones selected at time of application: coffee, shop, furnished fitness center, beauty and barber shop, a country store, craft room, and a nondenominational devotional room. The amenities selected in the application are: senior activity room, library, community laundry room, accessible walking path, full perimeter fencing, controlled gate access, gazebo with sitting area, covered community porch, and emergency 911 telephones.

The unit amenity minimum threshold of points for this community is 14 points with rehabilitation projects receiving 1.5 points for each point item, per the 2007 QAP. In addition to the unit amenities selected at time of application which totaled 16.5 points, this project also offers Energy Star rated refrigerators and dishwashers and Fire Sprinklers in all units. The points for these two additional items amount to 6 points (4 points x 1.5 for rehabilitation) and when added to the 16.5 points total 22.5 points for unit amenities which is well above the 14 point minimum required by the QAP.

As is apparent, the development owner has the residents' best interest in mind and provides social, recreational, life safety, physical and educational amenities above and beyond what most senior housing communities provide and certainly above that required by the QAP.

Unit Layout

It was determined after a thorough study of efficiency Unit 221, in order to install a window to make this a more desirable unit the unit must be reconfigured by taking a bedroom with window from Unit 200 (a one bedroom unit). Unit 221 would change from an efficiency unit to a one-bedroom unit and Unit 200 would change from a one-bedroom to an efficiency unit. Unit 221 will increase in size from 399 square feet to 510 square feet, and Unit 200 will decrease in size from 441 square feet to 330 square feet. This change does not alter the total residential square footage, change the number of efficiencies and one bedroom units, nor does it alter the rental income since we will still have the same number of efficiency units and one-bedroom units after the reconfiguration.

Elevator

Due to a physical lack of overhead room it is not possible to add an elevator stop at the mezzanine level as initially desired. The mezzanine level currently is used as staff office space and is not a community area for use by residents. The Property Condition Assessment indicated that "If it was feasible to add a stop to this hydraulic, two-door elevator, then the mezzanine party/conference room could be accessed by elevator." Unfortunately, this is not feasible and the owner will have to forego this enhancement. \$13,250 was included in the construction budget to add the elevator stop. This cost will be more than offset by the \$42,000 additional expense to add dishwashers and elevators, the estimated \$19,000 to enlarge the coffee shop.

The nature and history of the building make renovations a complex undertaking. The property was originally constructed as a hospital in the early 1920's. In 1966 - 1967 the hospital added additional stories containing support facilities, offices, etc. Additional changes were made in 1982 when the Good Samaritan Society acquired the property and converted it to a nursing home/retirement center. Sears Methodist Retirement System made additional renovations after it acquired the property in 1993 and began operating it as an independent living community for seniors. Very few of the 111 units apartments have same square footage or even the same layout. Renovations on a building such as The Canyons which has been converted and renovated several times over an 85+ year time span pose particular challenges and having some flexibility with the scope of renovations is key. As the project's design team proceeded with design documents and worked with the city building code regulations, some of the challenges came to light and thus we are now seeking TDHCA approval to address these issues in a manor that is both cost effective and most beneficial to the residents.

In summation we are requesting the following: (1) approval to install dishwashers and disposals in only 75 units and 84 units respectively; (2) change Unit 221 from an

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efficiency unit to a one-bedroom unit and Unit 200 from a one-bedroom to an efficiency unit; and (3) not install an elevator stop on the mezzanine level.

Revised unit layouts for units 221 and 200 are provided along with a typical kitchen layout for the units where there is insufficient room to add a dishwasher and/or disposal.

Please let us know if any additional information is required to consider and approve this request. Please call our consultant, JoEllen Smith, with Diana McIver & Associates at 512.328.3232, x171 or myself at 512.329.6716.

Sincerely,



D. Keith Perry
President/CEO
Canyons Senior Living, L.P.

Enclosure: Check #1477217 for \$2,500.

DIANA MCIVER & ASSOCIATES, INC.

June 26, 2008

Mr. Ben Sheppard
Multifamily Finance Production Division
Texas Department of Housing & Community Affairs
211 East 11th Street
Austin, TX 78701

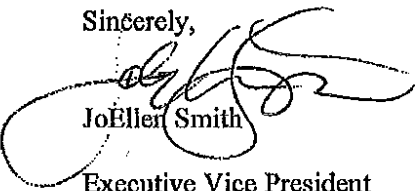
RE: *Amendment to The Canyons Retirement Community
Amarillo, TX
#07219*

Dear Mr. Sheppard,

On behalf of Canyons Senior Living, L.P., and in follow up to the above-mentioned amendment request letter submitted to TDHCA on May 16, 2008 and revised on June 5, 2008, we respectfully request that any adjustment to the amount of tax credits awarded to the project be processed at time of cost certification. This request is made because the project has not started construction and all development costs are not yet known for this large and complex renovation project.

Please let us know if any additional information is required to consider and approve this request. I can be reached at 512.328.3232 x 171.

Sincerely,



JoEllen Smith

Executive Vice President
Diana McIver & Associates, Inc.

cc: Jan Thompson, Sears Methodist

4101 PARKSTONE HEIGHTS DRIVE, SUITE 310 AUSTIN, TEXAS 78746

TEL: 512.328.3232

WWW.MCIVER.COM

FAX: 512.328.4584



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

REPORT DATE: 07/15/08 PROGRAM: 9% HTC

FILE NUMBER: 05199 / 08061

DEVELOPMENT

Southwood Crossing Apartments

Location: 3901 Highway 73 Region: 0
 City: Port Arthur County: Jefferson Zip: 77642 QCT DDA
 Key Attributes: Multifamily, General Population, Urban, New Construction

ALLOCATION

TDHCA Program	REQUEST			RECOMMENDATION		
	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term
Housing Tax Credit (Annual)	\$690,592			\$690,592		

* The original tax credit award amount was \$690,592.

RECOMMENDATION

Staff has evaluated the financial viability of the requested amendment. Based on the revised information provided, the transaction would meet the Department's 2008 Real Estate Analysis Rules and Guidelines if approved. If the Board chooses to approve the amendment, the Underwriter recommends a total allocation of \$690,592. The development has satisfied all previous conditions and is currently completing the Cost Certification process.

SALIENT ISSUES

TDHCA SET-ASIDES for LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	12
40% of AMI	40% of AMI	0
50% of AMI	50% of AMI	0
60% of AMI	60% of AMI	108

PROS

- The development is complete and is currently providing safe, decent, affordable housing to low-income Texans.

CONS

- The potential imposition of a PILOT Agreement creates uncertainty related to the amount of debt the development can support.

ADDENDUM

The development was originally underwritten and approved for an award of 9% Housing Tax Credits in 2005. Subsequently, on June 16, the Applicant submitted a request to amend the application as follows:

- A reduction in the number of buildings from 13 to 12.
- The substitution of self-cleaning ovens, storage rooms, and refrigerators with icemakers with R-15 walls and R-30 ceilings.
- A reduction in the number of bathrooms for 3 2-bedroom accessible units from 2 to 1, and substitution of granite countertops, ceramic tile flooring, a sprinkler system, and fitness center.

The Applicant's letter states that the reason for the decrease in the number of buildings was required due to the relocation of a utility easement, the creation of an additional easement, and the requirement to build a detention pond.

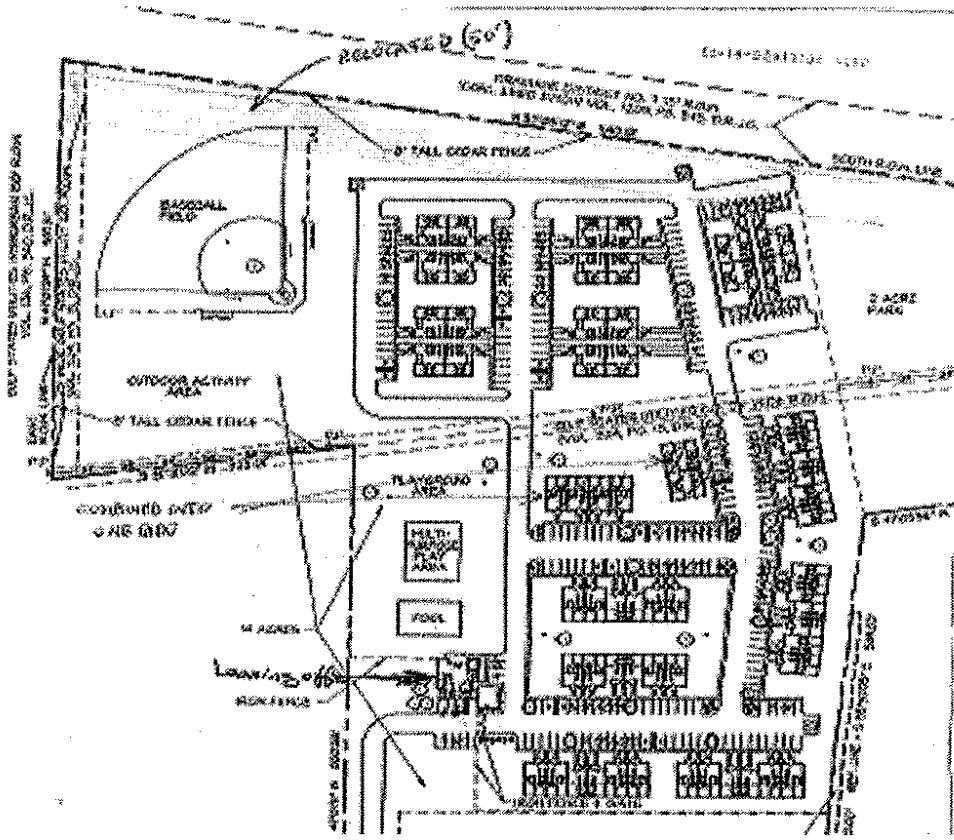
Regarding the substitution of amenities, the Applicant stated that self-cleaning ovens and storage rooms were erroneously selected in the application, and that icemakers are not being utilized because of the Applicant's past experience with unit flooding related to icemakers. The Applicant has upgraded the insulation provided in the units and requests that R-15 walls and R-30 ceilings be allowed to substitute for the other amenities.

The Applicant's letter also states that the decrease in the number of bathrooms provided in the 2-bedroom accessible units was necessary in order to comply with Section 504 and Fair Housing Accessibility requirements. According to the Applicant, when the bathrooms were modified for compliance, the size of the accessible bathroom increased to a sufficient extent that a second bathroom could not be provided without significantly reducing the remaining living area. The Applicant provided additional unit amenities in the affected units: ceramic tile flooring and granite countertops. In addition, the Applicant provided an additional common amenity, furnished fitness center, compared to those committed to at application.

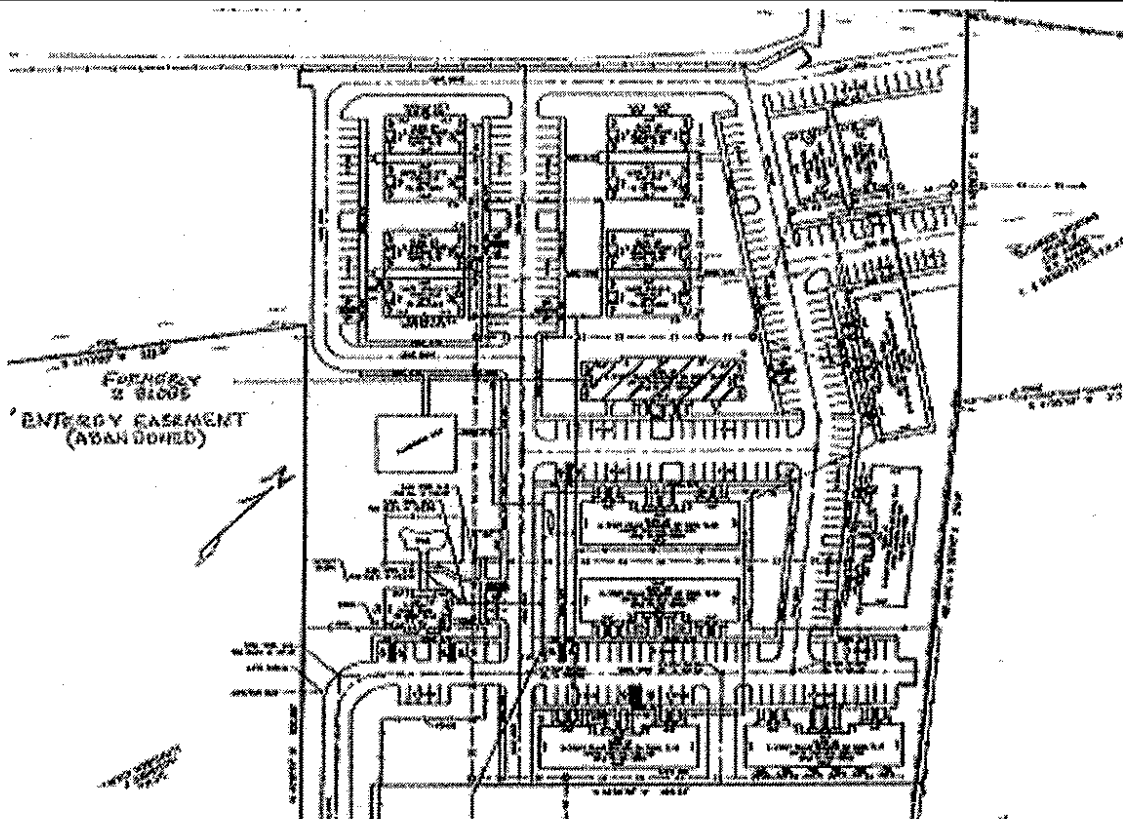
The Department has received the Cost Certification for the development, and as such has received an updated rent schedule, operating proforma, development cost schedule, schedule of sources and uses of funds, limited partnership agreement, and updated loan commitment. The Applicant has also submitted a final as-built survey to support the requested changes.

The Underwriter has evaluated the effect of the requested changes on the feasibility of the development. Only those portions of the report that are materially affected by the proposed changes are discussed below. This report should be read in conjunction with the original underwriting report with a full evaluation of the originally proposed development plan and structure.

SITE PLAN
ORIGINAL SITE PLAN



REVISED SITE PLAN



Income:

The Applicant's potential rents were calculated by subtracting tenant paid utility allowances from 2008 program gross rent limits. The increase in income since application is attributable to gross rent limits since 2005. Estimated secondary income of \$14,400 is in line with the Department's standard at \$10 per unit per month limit, and as such is considered reasonable. Vacancy losses are also within Department guidelines. The Applicant's effective gross income estimate is within 5% of the Underwriter's estimate.

Expense:

The Applicant's total operating expense estimate of \$3,630 per unit is 4% higher than the Underwriter's estimate of \$3,779 per unit derived from the TDHCA database and IREM data.

The Applicant's estimate of payroll expense has decreased by 65% since application, and is 39% lower than the Underwriter's estimate of \$86k. The Applicant has stated that the reason for the decrease is that property management staff has shared responsibility for the development and its phase two, One Southwood Crossing Apartments. The Applicant's estimate of repairs and maintenance expense has increased by 66% since application, and is 39% higher than the Underwriter's estimate of \$55K. The Applicant's estimate of utilities expense has decreased by 52% since application, and is 55% lower than the Underwriter's estimate of \$34K. The Applicant has stated that current expense estimates for repairs and maintenance, and utilities are based on the Applicant's experience operating other properties in the area. The Applicant's estimate of water, sewer, trash expense has increased by 80% since application, and is 49% higher than the Underwriter's estimate of \$48K, which was derived from utility allowance estimates provided by the Housing Authority of Port Arthur. The Applicant has stated that the reason for the increase in the expense estimate is that current estimates are more reflective of actual utility costs from the City of Port Arthur than the estimates provided at application. The Applicant's estimate of property insurance expense has increased by 76% since application, but is still 6% lower than the Underwriter's figure of \$70K, which is based on actual premiums. The Applicant's estimate of replacement reserve expense has increased by 46% since application, but is higher than the replacement reserve amount required by the permanent lender, which changed between application and Cost Certification.

The property tax expense item has decrease to zero as a result of the Applicant's expectation of a 100% ad valorem tax exemption. The original underwriting assumed a 50% exemption but acknowledged the potential for a 100% exemption based on the proposed land lease structure. The Applicant stated that there is a possibility that the City of Port Arthur will require the Applicant to enter into a Payment in Lieu of Taxes ("PILOT") Agreement which the City has done for phase two of the development, One Southwood Crossing Apartments. The Applicant has stated that the discussions with the City regarding a possible agreement are in very preliminary stages and that the City has not presented the Applicant with any formal documentation or requests related to the Agreement. Further, the Applicant intends to contest the implication of a PILOT Agreement. In the event that a PILOT Agreement is entered into, the Applicant asserts that based on the terms of the existing PILOT Agreement on phase two, the Applicant expects that the maximum required annual payment would be \$20K. The Underwriter's analysis has assumed \$0 of property tax because the development currently has an exemption, as verified by a legal opinion from the Jefferson County Appraisal District, and does not have a PILOT Agreement in effect. However, the Underwriter has evaluated the feasibility of the development if a PILOT Agreement (comparable to the phase two agreement) is imposed; the results of this analysis are included below.

Despite differences between the Applicant and Underwriter's revised expense estimates, the Applicant's total expenses are within 5% of the Underwriter's estimates, and both the Applicant's and Underwriter's expense to income ratios are below 56%, which is well below the Department's 65% limit.

Conclusion:

The Applicant's estimates of effective gross income, total operating expenses, and net operating income are each within 5% of the Underwriter's; therefore, the Applicant's year one proforma is used to determine the development's debt capacity and debt coverage ratio (DCR). The Applicant's year one proforma results in a DCR of 1.13, which is below the Department's minimum of 1.15; therefore, the recommended sources and uses of funds reflects a decrease in the permanent loan amount by \$65K to bring the DCR in line with Department requirements.

Assuming a \$20K annual expense associated with a potential PILOT Agreement, the Applicant's total expenses would be more than 8% lower than the Underwriter's estimate; therefore, the Underwriter's year one proforma would be used to determine the development's debt capacity and DCR. Under this scenario, the Underwriter's year one DCR is 1.02; therefore, the recommended sources and uses of funds would reflect a decrease in the permanent loan amount by \$460K to bring the DCR in line with Department requirements. This decrease in the permanent loan amount will increase the gap in financing to \$7,269,615, and will require \$485,916 in additional permanent funds. Deferred developer fees in this amount appear to be repayable from development cashflow within 8 years of stabilized operations.

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 Department guidelines. As noted above, the Applicant's base year effective gross income, expense and net operating income were utilized resulting in a debt coverage ratio that remains above 1.15 and continued positive cashflow for the Department's 15 year minimum when the Underwriter's adjusted permanent loan is used. Therefore, the development can be characterized as feasible for the long term.

Additionally, when the possible increase in expenses due to a potential PILOT Agreement is considered, the development's debt coverage ratio remains above 1.15 and cash flow remains positive for 15 years when the Underwriter's adjusted permanent loan amount is used.

CONSTRUCTION COST ESTIMATE EVALUATION

COST SCHEDULE

The Department has received the Cost Certification for this development, and as part of the Cost Certification documentation has received evidence of the final development costs, as certified by the development CPA. The Applicant's direct construction costs have increased by 38% from the Applicant's estimate at the time of application. However, the Applicant's direct construction costs are within 5% of the Underwriter's direct construction cost estimate, as updated using current Marshall and Swift cost estimates and the revised development plans.

The 38% increase in direct construction costs also affected contractor and developer fees, which increased by 41% and 21% respectively. The final, certified costs indicate a 31% decrease in indirect construction costs, a 37% increase in ineligible expenses, and a 75% reduction in required reserves from the Applicant's estimates at application. The reduction in reserves is due to a change in the permanent lender and a change from a FHA 221(d)(4) mortgage to a conventional mortgage, which resulted in a significant reduction in required reserves.

The Applicant's acquisition cost decreased by 17% since application from \$644K at application to \$534K at Cost Certification. The reason for the decrease is that at application, the site was secured under an earnest money contract for a parcel of land larger than what was proposed to be used for the development. At application, the Applicant did not use a prorated acquisition price; however, the Underwriter utilized a prorated acquisition price of \$519K to account for the fact that all of the land under contract was not being used for the development. The land has since been secured via a ground lease with the Housing Authority of Port Arthur for a lump sum payment of \$534,139 and annual rent of \$100. The Underwriter utilized an acquisition cost of \$518,633, consistent with the value used when the application was originally underwritten.

The substitution of amenities, reduction of the number of buildings, and reduction in the number of bathrooms for the 2-bedroom accessible units have not affected the reasonableness of the Applicant's final, certified development costs, as evaluated by the Underwriter using Marshall and Swift Residential Cost Handbook. Although the Applicant's total construction costs have increased by 18% from the Applicant's estimate at the time of application, the Applicant's final total construction costs are within 3% of the Underwriter's current total construction cost estimate. Therefore, the Applicant's final costs and eligible basis support annual tax credits of \$787,644. This figure will be compared to the Board approved tax credits, the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

In addition to the allocation of 2005 tax credits, the development was also issued a binding agreement to forward commit additional tax credits from the 2008 State Housing Credit Ceiling as a result of the 14% cost increase policy approved by the Board in October of 2006. The amount of the 2008 forward commitment was \$59,326, which the owner accepted by signing a Binding Allocation Agreement. The Applicant's final cost certification confirms that the development experienced a 32% increase in site work and direct construction costs, which qualifies the development to receive the entire \$59,326 allocation of 2008 tax credits. However, as stated above, the total recommended allocation of tax credits will be calculated by comparing the allocation supported by the development's eligible basis, the Board approved tax credits, the Applicant's request and the tax credits calculated based on the gap in need for permanent funds.

FINANCING STRUCTURE

SOURCES & USES

Source: JPMorgan Chase Type: Permanent Financing

Principal: \$4,000,000 Interest Rate: 7.45% Fixed Amort: 360 months

Comments:

The permanent lender has changed from GMAC at application to JPMorgan Chase. The loan amount has increased by \$249,000 from original underwriting and the interest rate has increased from an underwritten rate of 6.5% to an underwritten fixed rate of 7.45%.

The change in lenders was due to the fact that the loan from GMAC was a FHA 221(d)(4) mortgage and required an equity pay-in schedule that would have reduced the amount of total equity contributions from MMA Financial.

The loan has not yet converted to the permanent phase; however, the Applicant is currently in the process of converting and does not expect a resize of the loan.

Source: MMA Financial Type: Syndication

Proceeds: \$6,783,685 Syndication Rate: \$0.98 Anticipated HTC: \$ 690,592

Comments:

The original syndication commitment from Alliant Capital provided syndication proceeds of \$5,354,060 at a rate of 84 cents per credit dollar. The new commitment from MMA Financial provides an effective increase in the syndication rate to 98 cents per credit dollar and an increase in proceeds of \$1,429,625 due to the higher syndication rate and an additional allocation of tax credits associated with additional tax credits awarded pursuant to the Final Policy for 2004 and 2005 Competitive Housing Tax Credit Developments.

Had a syndication rate of 98 cents per credit dollar been presented to the Department at original underwriting, the recommended tax credit allocation would have been significantly reduced based on the development's gap in need for permanent funds. The recommended allocation would have been \$541,085, compared to the \$631,226 that was originally awarded from the 2005 State Housing Credit Ceiling using an 84% syndication rate.

Amount: \$41,630 Type: Deferred Developer Fees

CONCLUSIONS

Recommended Financing Structure:

As stated above, the proforma analysis results in a debt coverage ratio of 1.13, which is below the Department's minimum guideline of 1.15. Therefore, the current underwriting analysis assumes a decrease in the permanent loan amount to \$3,934,515 based on the terms reflected in the Cost Certification materials. As a result the development's gap in financing will increase.

The Applicant's total development cost estimate, as adjusted to utilize the prorated acquisition cost as reflected by the earnest money contract, less the permanent loan of \$3,934,515 indicates the total need for \$6,875,294 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$699,917 annually would be required to fill this gap in financing. Of the four possible tax credit allocations, the previously Board approved amount (\$690,592), Applicant's request (\$690,592), the gap-driven amount (\$699,917), and eligible basis-derived estimate (\$787,644), the Applicant's request / previously Board approved amount of \$690,592 is recommended resulting in proceeds of \$6,783,695 based on a syndication rate of 98%.

The Underwriter's recommended financing structure indicates the need for \$91,595 in additional permanent funds. Deferred developer fees in this amount appear to be repayable from development cashflow within 2 years of stabilized operation.

If a PILOT Agreement is imposed by the City of Port Arthur, development DCR would be 1.02. As a result, a larger decrease in the permanent loan amount to \$3,540,194 would be required, which would increase the gap in financing to \$7,269,615. A tax credit allocation of \$740,059 would be required to fill this gap; however, the tax credit allocation would still be limited to the Applicant's request / previously Board approved amount of \$690,592. The recommended financing structure under this scenario requires \$485,916 in additional permanent funds. Deferred developer fees in this amount appear to be repayable from development cashflow within 8 years of stabilized operations.

Although the proforma analysis results in a debt coverage ratio of 1.13 (or 1.02 when the PILOT is included), which is below the Department's minimum guideline of 1.15, the Applicant has stated that a decrease in the permanent loan amount is not expected. Therefore, when the entire \$4M loan amount is utilized, \$6,809,809 in gap funds are needed, requiring a tax credit allocation of \$693,250. While this is lower than the gap-derived tax credit allocation required when a reduced permanent loan amount is used, this is still higher than the Applicant's request / previously Board approved amount of \$690,592. Therefore, the recommended tax credit allocation would not change and additional permanent funds in the amount of \$26,110 would be required. Deferred developer fees in this amount appear to be available and could be paid back within 1 year of stabilized operations.

Underwriter:


Audrey Martin

Date: July 15, 2008

Reviewing Underwriter:


Raquel Morales

Date: July 15, 2008

Director of Real Estate Analysis:


Tom Gouris

Date: July 15, 2008

MULTIFAMILY COMPARATIVE ANALYSIS

Southwood Crossing Apartments, Port Arthur, HTC #05199 / 08061

Type of Unit	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	Rent Collected	UW Net Rent	CC Net Rent	Rent per Month	Rent per SF	Tnt-Pd UBI	WS&T
TC 60%	22	1	1	690	\$569	\$520	\$812	\$520	\$11,440	\$0.75	\$49.00	\$36.64
TC 60%	47	2	2	980	\$682	623	\$816	\$623	29,281	0.65	59.00	45.21
TC 60%	2	2	1	980	\$682	623	\$816	\$623	1,246	0.65	59.00	45.21
TC 60%	37	3	2	1,170	\$789	719	\$709	\$720	26,603	0.61	69.50	48.36
TC 30%	2	1	1	690	\$285	236	\$288	\$236	472	0.34	49.00	36.64
TC 30%	4	2	2	980	\$342	283	\$288	\$283	1,132	0.29	59.00	45.21
TC 30%	1	2	1	980	\$342	283	\$288	\$283	283	0.29	59.00	45.21
TC 30%	5	3	2	1,170	\$395	325	\$326	\$326	1,625	0.28	69.50	48.36
TOTAL:	120			AVERAGE: 980		\$601			\$72,082	\$0.61	\$60.68	\$44.60

INCOME Total Net Rentable Sq Ft: **117,540**

POTENTIAL GROSS RENT

Secondary Income Per Unit Per Month: \$10.00

Other Support Income:

POTENTIAL GROSS INCOME

Vacancy & Collection Loss % of Potential Gross Income: -7.60%

Employee or Other Non-Rental Units or Concessions

EFFECTIVE GROSS INCOME

TDHCA - Cost Cert	TDHCA-UW	APPLICATION	APPLICANT - Cost Cert
\$864,984	\$854,724	\$835,684	\$864,984
14,400	14,400	14,400	14,400
0	0	0	0
\$879,384	\$869,124	\$850,284	\$879,384
(65,954)	(65,184)	(63,768)	(65,954)
0	0	0	0
\$813,430	\$803,940	\$786,516	\$813,430

COUNTY	IREM REGION	COMPT REGION
Jefferson		5
\$10.00	Per Unit Per Month	
\$0.00	Per Unit Per Month	
-7.60%	of Potential Gross Income	

EXPENSES

	% OF EGI	PER UNIT	PER SQ FT
General & Administrative	6.74%	\$457	0.47
Management	5.00%	339	0.35
Payroll & Payroll Tax	10.54%	714	0.73
Repairs & Maintenance	6.76%	458	0.47
Utilities	4.21%	285	0.29
Water, Sewer, & Trash	6.94%	403	0.41
Property Insurance	8.61%	583	0.60
Property Tax	0.00%	0	0.00
Reserve for Replacements	3.69%	250	0.26
TDHCA Compliance Fees	0.59%	40	0.04
Other: Social Services	3.69%	250	0.26
TOTAL EXPENSES	65.76%	\$3,779	\$3.86

TDHCA - Cost Cert	TDHCA-UW	APPLICATION	APPLICANT - Cost Cert
\$54,808	\$49,460	\$56,300	\$50,600
40,672	40,197	39,326	40,000
85,709	118,395	149,000	52,100
54,956	48,756	46,274	76,600
34,226	38,065	32,000	15,300
48,334	50,830	40,100	72,000
70,001	29,385	37,560	66,000
0	47,478	47,400	0
30,000	24,000	20,520	30,000
4,800	4,800	4,800	3,000
30,000	10,080	8,280	30,000
TOTAL EXPENSES	\$453,506	\$461,446	\$435,600

PER SQ FT	PER UNIT	% OF EGI
\$0.43	\$422	6.22%
0.34	333	4.92%
0.44	434	6.40%
0.85	638	9.42%
0.13	128	1.86%
0.61	600	8.65%
0.58	550	8.11%
0.00	0	0.00%
0.26	250	3.69%
0.03	26	0.37%
0.26	250	3.69%
\$3.71	\$3,830	63.65%
\$3.21	\$3,149	46.45%

DEBT SERVICE

	% OF EGI	PER UNIT	PER SQ FT
First Lien Mortgage	41.06%	\$2,783	\$2.84
Additional Financing	0.00%	\$0	\$0.00
Additional Financing	0.00%	\$0	\$0.00
NET CASH FLOW	3.19%	\$216	\$0.22

TDHCA - Cost Cert	TDHCA-UW	APPLICATION	APPLICANT - Cost Cert
\$333,981	\$263,526	\$265,176	\$333,981
0	0	0	0
0	0	0	0
\$25,943	\$78,968	\$39,780	\$43,649

PER SQ FT	PER UNIT	% OF EGI
\$2.84	\$2,783	41.06%
\$0.00	\$0	0.00%
\$0.00	\$0	0.00%
\$0.37	\$365	5.39%

AGGREGATE DEBT COVERAGE RATIO: 1.08

RECOMMENDED DEBT COVERAGE RATIO: 1.15

TDHCA - Cost Cert	TDHCA-UW	APPLICATION	APPLICANT - Cost Cert
1.08	1.30	1.15	1.13
			1.15

CONSTRUCTION COST

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT
Acquisition Cost (site or bldg)		4.91%	\$4,322	\$4.41
Off-Sites		0.19%	167	0.17
Sitework		7.72%	8,801	6.64
Direct Construction		65.67%	49,011	60.04
Contingency				
Contractor's Fees	13.74%	8.71%	7,688	7.83
Indirect Construction		3.04%	2,652	2.71
Ineligible Costs		4.88%	4,275	4.36
Developer's Fees	15.00%	11.85%	10,269	10.47
Interim Financing		2.57%	2,285	2.31
Reserves		0.71%	625	0.64
TOTAL COST	100.00%	\$88,044	\$89.89	
Construction Cost Recap	72.10%	\$63,479	\$64.81	

TDHCA - Cost Cert	TDHCA-UW	APPLICATION	APPLICANT - Cost Cert
\$518,633	\$518,633	\$644,000	\$534,139
20,000	0	0	20,000
816,074	806,400	806,400	816,074
5,881,288	4,725,220	4,425,140	6,113,706
	240,800	240,800	
920,172	653,300	653,300	920,172
318,208	458,000	458,000	318,208
512,978	374,146	374,146	512,978
1,231,129	1,025,300	1,025,300	1,243,250
271,788	251,918	251,918	271,788
75,000	300,000	300,000	75,000
\$10,565,270	\$9,353,717	\$9,179,004	\$10,825,315
\$7,817,634	\$6,426,720	\$6,126,840	\$7,849,952

PER SQ FT	PER UNIT	% of TOTAL
\$4.54	4451.166333	4.93%
0.17	167	0.18%
6.64	8,801	7.54%
62.01	50,948	56.48%
0.00	0	0.00%
7.83	7,688	8.50%
2.71	2,652	2.94%
4.36	4,275	4.74%
10.58	10,380	11.46%
2.31	2,285	2.51%
0.64	625	0.69%
\$92.10	\$90,211	100.00%
\$69.78	\$65,416	72.51%

SOURCES OF FUNDS

	% OF EGI	PER UNIT	PER SQ FT
First Lien Mortgage	37.86%	\$33,333	\$34.03
Additional Financing	0.00%	\$0	\$0.00
HTC Syndication Proceeds	64.21%	\$56,531	\$57.71
Deferred Developer Fees	0.00%	\$0	\$0.00
Additional (Excess) Funds Req'd	-2.07%	(\$1,820)	(\$1.86)
TOTAL SOURCES			

TDHCA - Cost Cert	TDHCA-UW	APPLICATION	APPLICANT - Cost Cert
\$4,000,000	\$3,751,000	\$3,751,000	\$4,000,000
0	0	0	0
6,783,699	5,354,060	5,354,060	6,783,685
0	73,944	73,944	41,630
(218,429)	174,713	0	0
\$10,565,270	\$9,353,717	\$9,179,004	\$10,825,315

RECOMMENDED

\$3,934,515	Developer Fee Available
0	\$1,243,250
6,783,689	% of Dev. Fee Deferred
91,596	7%
0	15-Yr Cumulative Cash Flow
\$10,809,609	\$1,497,637

DIRECT CONSTRUCTION COST ESTIMATE

Marshall & Swift Residential Cost Handbook
Average Quality Multiple Residence Basis

CATEGORY	FACTOR	UNITS/SQ.FT	PER SF	AMOUNT
Base Cost			\$54.51	\$8,406,952
Adjustments				
Exterior Wall Finish	2.00%		\$1.09	\$128,139
Elderly	0.00%		0.00	0
9-Ft. Ceilings	3.26%		1.77	208,226
Roofing			0.00	0
Subfloor			(1.24)	(145,162)
Floor Cover		10880	2.43	265,622
Breezeways/Balconies	\$21.68	3,162	0.58	68,257
Plumbing Fixtures	\$805	279	1.91	224,585
Rough-Ins	\$400	240	0.82	98,000
Built-In Appliances	\$1,850	120	1.89	222,000
Exterior Stairs	\$1,800	30	0.48	54,000
Enclosed Corridors	\$44.50		0.00	0
Heating/Cooling			1.90	223,326
Garages/Carports	\$0.00		0.00	0
Comm &/or Aux Bldgs	\$87.25	2,000	1.14	134,500
Other: fire sprinkler	\$1.05	117,640	1.95	229,203
SUBTOTAL			69.22	8,135,658
Current Cost Multiplier	1.00		0.00	0
Local Multiplier	0.89		(7.61)	(894,922)
TOTAL DIRECT CONSTRUCTION COSTS			\$61.60	\$7,240,736
Plans, specs, survy, bld perm	3.90%		(\$2.40)	(\$282,369)
Interim Construction Interest	3.38%		(2.08)	(244,375)
Contractor's OH & Profit	11.50%		(7.00)	(632,685)
NET DIRECT CONSTRUCTION COSTS			\$50.04	\$5,881,288

PAYMENT COMPUTATION

Primary	\$4,000,000	Amort	360
Int Rate	7.45%	DCR	1.08
Secondary	\$0	Amort	
Int Rate		Subtotal DCR	1.08
Additional	\$8,783,885	Amort	
Int Rate		Aggregate DCR	1.08

RECOMMENDED FINANCING STRUCTURE APPLICANT'S NOI

Primary Debt Service	\$328,513		
Secondary Debt Service	0		
Additional Debt Service	0		
NET CASH FLOW	\$49,317		
Primary	\$3,934,616	Amort	360
Int Rate	7.46%	DCR	1.15
Secondary	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.15
Additional		Amort	0
Int Rate	0.00%	Aggregate DCR	1.15

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE (APPLICANT'S NOI)

INCOME at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
POTENTIAL GROSS RENT	\$884,984	\$890,934	\$917,692	\$945,101	\$973,647
Secondary Income	14,400	14,832	15,277	15,735	16,207
Other Support Income:	0	0	0	0	0
POTENTIAL GROSS INCOME	879,384	905,766	932,938	960,827	989,754
Vacancy & Collection Loss	(85,694)	(87,432)	(89,970)	(92,699)	(94,232)
Employee or Other Non-Rental	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$813,430	\$837,833	\$862,968	\$888,867	\$915,523
EXPENSES at 4.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
General & Administrative	\$50,800	\$52,824	\$54,729	\$56,618	\$58,195
Management	40,000	41,200	42,438	43,709	45,020
Payroll & Payroll Tax	52,100	54,184	56,351	58,605	60,950
Repairs & Maintenance	78,600	79,884	82,851	86,185	89,811
Utilities	15,300	15,912	16,548	17,210	17,899
Water, Sewer & Trash	72,000	74,880	77,875	80,990	84,230
Insurance	68,000	68,640	71,388	74,241	77,211
Property Tax	0	0	0	0	0
Reserve for Replacements	30,000	31,200	32,448	33,746	35,098
Other	33,000	34,320	35,693	37,121	38,605
TOTAL EXPENSES	\$435,000	\$452,824	\$470,317	\$488,705	\$507,816
NET OPERATING INCOME	\$377,830	\$385,209	\$392,651	\$400,162	\$407,708
DEBT SERVICE	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
First Lien Financing	\$328,513	\$328,513	\$328,513	\$328,513	\$328,513
Second Lien	0	0	0	0	0
Other Financing	0	0	0	0	0
NET CASH FLOW	\$49,317	\$56,696	\$64,138	\$71,838	\$79,193
DEBT COVERAGE RATIO	1.15	1.17	1.20	1.22	1.24

YEAR 10	YEAR 15	YEAR 20	YEAR 30
\$1,128,808	\$1,308,388	\$1,518,765	\$2,038,391
18,769	21,761	25,260	33,935
0	0	0	0
1,147,397	1,330,147	1,542,005	2,072,326
(98,155)	(89,761)	(118,659)	(155,424)
0	0	0	0
\$1,049,242	\$1,230,386	\$1,428,355	\$1,916,902
\$72,020	\$87,623	\$106,607	\$167,804
62,191	60,504	70,140	94,263
74,165	90,220	109,767	162,482
109,026	132,846	161,385	238,889
21,777	28,495	32,235	47,715
102,478	124,681	151,893	224,543
93,839	114,291	139,052	205,831
0	0	0	0
42,699	51,950	63,205	93,560
48,989	57,145	69,528	102,915
\$815,253	\$745,655	\$903,610	\$1,326,001
\$448,089	\$484,831	\$522,745	\$588,900
\$328,513	\$328,513	\$328,513	\$328,513
0	0	0	0
0	0	0	0
\$117,675	\$168,318	\$184,232	\$260,387
1.36	1.48	1.69	1.79

HTC ALLOCATION ANALYSIS - Southwood Crossing Apartments, Port Arthur, 9% HTC #05199 / 0806

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
(1) Acquisition Cost				
Purchase of land	\$534,139	\$518,633		
Purchase of buildings	\$0	\$0		
(2) Rehabilitation/New Construction Cost				
On-site work	\$816,074	\$816,074	\$816,074	\$816,074
Off-site improvements	\$20,000	\$20,000		
(3) Construction Hard Costs				
New structures/rehabilitation hard costs	\$6,113,706	\$5,881,288	\$6,113,706	\$5,881,288
(4) Contractor Fees & General Requirements	\$920,172	\$920,172	\$920,172	\$920,172
(5) Contingencies	\$0	\$0	\$0	\$0
(6) Eligible Indirect Fees	\$318,208	\$318,208	\$318,208	\$318,208
(7) Eligible Financing Fees	\$271,788	\$271,788	\$271,788	\$271,788
(8) All Ineligible Costs	\$512,978	\$512,978		
(9) Developer Fees			\$0	\$0
Developer fees	\$1,243,250	\$1,231,129	\$1,243,250	\$1,231,129
			\$0	\$0
(10) Development Reserves	\$75,000	\$75,000		
TOTAL DEVELOPMENT COSTS	\$10,825,315	\$10,565,270	\$9,683,198	\$9,438,659

Deduct from Basis:			
All grant proceeds used to finance costs in eligible basis		\$0	\$0
B.M.R. loans used to finance cost in eligible basis			
Non-qualified non-recourse financing		\$0	\$0
Non-qualified portion of higher quality units (42(d)(3))		\$0	\$0
Historic Credits (on residential portion only)		\$0	\$0
TOTAL ELIGIBLE BASIS		\$9,683,198	\$9,438,659
High Cost Area Adjustment		100%	100%
TOTAL ADJUSTED BASIS		\$9,683,198	\$9,438,659
Applicable Fraction		100%	100%
TOTAL QUALIFIED BASIS		\$9,683,198	\$9,438,659
Applicable Percentage		8.13%	8.13%
TOTAL AMOUNT OF TAX CREDITS		\$787,644	\$767,753

Syndication Proceeds	\$0.98	\$7,737,046	\$7,541,655
Total Tax Credits (Eligible Basis Method)		\$787,644	\$767,753
Syndication Proceeds		\$7,737,046	\$7,541,655
2004/2005 Approved Tax Credits		\$631,266	
Syndication Proceeds		\$6,200,938	
2007/2008 Approved Additional Tax Credits		\$59,326	
Additional Allocation Amount Accepted		\$59,326	
Total Approved Allocation		\$690,592	
Cost Certification Request		\$690,592	
Syndication Proceeds		\$6,783,699	
Gap of Syndication Proceeds Needed		\$6,875,294	
Total Tax Credits (Gap Method)		\$699,917	
Eligible Credits per CC Analysis		\$690,592	
Reconciled Tax Credits		\$690,592	
Syndication Proceeds		\$6,783,695	
Unused/Recaptured 2008 Credit Amount		\$0	

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

DATE: June 26, 2005

PROGRAM: 9% HTC

FILE NUMBER: 05199

DEVELOPMENT NAME

Southwood Crossing Apartments

APPLICANT

Name:	Southwood Crossing LP	Type:	For-profit w/non-profit general partner			
Address:	2901 Turtle Creek, Suite 106	City:	Port Arthur	State:	Tx	
Zip:	77642	Contact:	Ike Akbari	Phone:	(409) 724-0020	Fax: (409) 721-6603

PRINCIPALS of the APPLICANT/ KEY PARTICIPANTS

Name:	Southwood Crossing GP, LLC	(%):	.01%	Title:	General Partner
Name:	Port Arthur Affordable Housing Corp	(%):	N/A	Title:	100% Owner of GP
Name:	Housing Authority of the City of Port Arthur	(%):	N/A	Title:	100% Owner of PAAHC
Name:	Ike Akbari	(%):	.01%	Title:	Special Limited Partner and 100% Owner of Itex Developers LLC
Name:	Itex Developers LLC	(%)	N/A	Title:	Co-Developer (80%)
Name:	Housing Authority of the City of Port Arthur	(%)	N/A	Title:	Co Developer (20%)

PROPERTY LOCATION

Location: N. Side of I-73 Between 9th Ave and Hwy 347 QCT DDA
City: Port Arthur **County:** Jefferson **Zip:** 77642

REQUEST

<u>Amount</u>	<u>Interest Rate</u>	<u>Amortization</u>	<u>Term</u>
1) \$637,516	N/A	N/A	N/A
Other Requested Terms:	1) Annual ten-year allocation of housing tax credits		
Proposed Use of Funds:	New construction	Property Type:	Multifamily
Special Purpose (s):	General Population, Urban/Exurban		

RECOMMENDATION

RECOMMEND APPROVAL OF A HOUSING TAX CREDIT ALLOCATION NOT TO EXCEED \$631,266 ANNUALLY FOR TEN YEARS, SUBJECT TO CONDITIONS.

CONDITIONS

Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit amount may be warranted.

REVIEW of PREVIOUS UNDERWRITING REPORTS

No previous reports.

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

DEVELOPMENT SPECIFICATIONS

IMPROVEMENTS

Total Units: 120 **# Rental Buildings:** 13 **# Non-Res. Buildings:** 1 **# of Floors:** 2 **Age:** N/A yrs **Vacant:** N/A at / /

Net Rentable SF: 117,540 **Av Un SF:** 980 **Common Area SF:** 2,000 **Gross Bldg SF:** 119,540

STRUCTURAL MATERIALS

The structure will be wood frame on a concrete slab on grade. According to the plans provided in the application the exterior will be comprised as follows: 25% brick veneer 78% HardiBoard cement fiber siding. The interior wall surfaces will be drywall and the pitched roof will be finished with composite shingles.

APPLIANCES AND INTERIOR FEATURES

The interior flooring will be a combination of carpeting & vinyl. Each unit will include: range & oven, hood & fan, dishwasher, refrigerator, fiberglass tub/shower, washer & dryer connections, ceiling fans, laminated counter tops, individual water heaters, individual heating and air conditioning, & 9-foot ceilings.

ONSITE AMENITIES

A 2,000-square foot community building will include an activity room, management offices, & laundry facilities, a kitchen, restrooms, a computer/business center, & a central mailroom. The community building, swimming pool, and Multi-Purpose play area are located at the middle of the property. In addition, perimeter fencing with limited access gate is planned for the site

Uncovered Parking: 250 spaces **Carports:** 0 spaces **Garages:** 0 spaces

PROPOSAL and DEVELOPMENT PLAN DESCRIPTION

Description: Southwood Crossing is a 120-unit per acre new construction development of 120 units of affordable housing located in southeast Port Arthur. The development is comprised of 13 evenly medium garden style, walk-up residential buildings as follows:

- Six Building Type I with four one-bedroom/one-bath units, eight two-bedroom/two-bath units,;
- Five Building Type II with eight three-bedroom/two-bath units;
- One Building Type III with two three-bedroom/two-bath units, and;
- One Building Type IV with, six two-bedroom/two-bath units

Development Plan: The property is approximately 14 acres and is part of a larger 20 +/- acre tract. A four acre tract that fronts State Hwy 73 in the front of the property is being held out as a commercial reserve for future development. In the far northeast corner of the property is located an approximate 2 acre parcel that will remain undeveloped and kept as a green area. At the far northwest corner the developer has decided to provide a baseball field and outdoor activity area for the residents. Gulf States Utilities Company has a 25 foot wide Utility Right of Way which dissects the property from east to west at about the mid point of the property. According to the survey this Right of Way is for Overhead Electrical Power. The site plan does not show any buildings or other structures encroaching on the Right of Way

Architectural Review: The building and unit plans are of good design, sufficient size and are comparable to other modern apartment developments. They appear to provide acceptable access and storage. The elevations reflect attractive buildings with nice fenestration.

SITE ISSUES

SITE DESCRIPTION

Size: 16 acres Approximately 696,960 square feet **Flood Zone Designation:** Zone B (See Description Below)

Zoning: Light Commercial - Which permits Multi-Family Residential

SITE and NEIGHBORHOOD CHARACTERISTICS

Location: Port Arthur is located in region 5, approximately 22 miles southeast of Beaumont, and 98 miles east of Houston, in Jefferson County. The site is an irregular-shaped parcel located in the Southeast area of Port Arthur, approximately 2 miles from the central business district. The site is situated on the northwest side of State Hwy 73.

Adjacent Land Uses:

- **North:** Concrete Drainage Ditch immediately adjacent and Marsh land beyond;
- **South:** Prior to Hwy 73 is a Drainage Ditch, and Utility Easement, then Hwy 73 immediately adjacent and Across Hwy 73 is residential development beyond;
- **East:** Mc Coys Hardware Store immediately adjacent and the United Methodist Temple beyond; and
- **West:** Vacant Land, a Ramada Inn, Electric Transmission line and immediately adjacent and the Christus St. Mary's Outpatient facility beyond.

Site Access: Access to the property is from the northeast or southwest along Hwy 73. The development is to have one main entry, along Hwy 73. Access to Interstate Highway 10 is 17 miles northwest, which provides connections to all other major roads serving southeast Texas.

Public Transportation: There is public transportation in the vicinity, typically along the major roadways. Accessibility to the major roadways is good. The subject property is not on the local bus route, but is within a short walking distance to a bus stop.

Shopping & Services: The site is within two miles of major grocery/pharmacies, shopping centers, a multi-screen theater, library, and a variety of other retail establishments and restaurants. Schools, churches, and hospitals and health care facilities are located within a short driving distance from the site.

Flood Zone: Flood Zone "B" is defined on the Flood Insurance Rate Map as follows: "Areas between limits of the 100-year flood and 500-year flood, or certain areas subject to 100-year flooding with average depths less than one (1) foot or where the contributing drainage area is less than one square mile, or areas protected by levees from the base flood."

Site Inspection Findings: TDHCA staff performed a site inspection on May 11, 2005 and found the location to be acceptable for the proposed development.

HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)

A Phase I Environmental Site Assessment report dated February 16, 2005, was prepared by Medina Consulting Co. and contained the following findings and recommendations:

- **Findings:** "Based on the results of this assessment, MCC has determined that "No recognized Environmental Conditions", as defined by ASTM, were identified in connection with activities at the subject property. Additionally, the surrounding properties do not appear to pose a potential environmental concern to the subject site. (p. 13)

Recommendations: No further assessment is recommended at this time. (p. 13)

POPULATIONS TARGETED

Income Set-Aside: The Applicant has elected the 40% at 60% or less of area median gross income (AMGI) set-aside. 120 of the units (100% of the total) will be reserved for low-income tenants. 12 of the units (10%) will be reserved for households earning 30% or less of AMGI, 108 units (90%) will be reserved for households earning 60% or less of AMGI.

MAXIMUM ELIGIBLE INCOMES						
	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons
60% of AMI	\$20,520	\$23,460	\$26,400	\$29,340	\$31,680	\$34,020

MARKET HIGHLIGHTS

A market feasibility study dated March 25, 2005, was prepared by Tim Treadway MAI, with The Gerald Teel Company ("Market Analyst") and highlighted the following findings:

Definition of Primary Market Area (PMA): "As noted, the primary market is considered the City limits due to the appeal of the subject location being able to draw from all parts of the City." (p. 8). In this instance the City as referred to is the Corporate City limits of Port Arthur. "The secondary market (SMA) consists of those potential renters in the smaller adjoining communities of Nederland, Groves, and Port Neches that would find the subject units attractive. The latter mentioned communities are adjacent to and abutting Port Arthur. They are much smaller and associated with the larger Port Arthur vicinity." (p. 8) This area encompasses approximately 37 square miles and is equivalent to a circle with a radius of 3.43 miles.

Population: The estimated 2004 population of the PMA was 56,146 and is expected to decrease by 3.02% to approximately 54,453 by 2009. Within the primary market area there were estimated to be 22,518 households in 2004.

Total Primary Market Demand for Rental Units: The Market Analyst calculated a total demand of 898 qualified households in the PMA, based on the current estimate of 22,518 households, the projected annual growth rate of .7096%, renter households estimated at 38% of the population, income-qualified households estimated at 18.6%, and an annual renter turnover rate of 55 %. (p. 67). The Market Analyst used an income band of \$15,390 to \$28,400.

ANNUAL INCOME-ELIGIBLE SUBMARKET DEMAND SUMMARY				
Type of Demand	Market Analyst		Underwriter	
	Units of Demand	% of Total Demand	Units of Demand	% of Total Demand
Household Growth	11	1.225%	1	.08%
Resident Turnover	876	97.55%	1037	99.92%
Other Sources:	11	1.225%	N/A	N/A
TOTAL ANNUAL DEMAND	898	100%	1038	100%

Ref: p. 67

Inclusive Capture Rate: The Market Analyst calculated an inclusive capture rate of 12.0% based upon 898 units of demand and 108 unstabilized affordable housing units offered at the 60% rent level in the PMA (including the subject) (p. 67). The Market Analyst calculated an inclusive capture rate of 2.9% based upon 411 units of demand and 12 unstabilized affordable housing units offered at the 30% rent level in the PMA (including the subject) (p. 72) The Underwriter calculated an inclusive capture rate of 11.6% based upon a supply of unstabilized comparable affordable units of 120 divided by a revised demand of 1,038.

Market Rent Comparables: The Market Analyst surveyed 5 comparable apartment projects totaling 708 units in the market area.

RENT ANALYSIS (net tenant-paid rents)					
Unit Type (% AMI)	Proposed	Program Max	Differential	Est. Market	Differential
1-Bedroom (30%)	\$238	\$238	\$0.00	\$660	-\$422
1-Bedroom (60%)	\$512	\$512	\$0.00	\$660	-\$148
2-Bedroom (30%)	\$286	\$286	\$0.00	\$860	-\$574
2-Bedroom (60%)	\$616	\$616	\$0.00	\$860	-\$224
3-Bedroom (30%)	\$328	\$328	\$0.00	\$1,000	-\$672
3-Bedroom (60%)	\$709	\$709	\$0.00	\$1,000	-\$291

(NOTE: Differentials are amount of difference between proposed rents and program limits and average market rents, e.g., proposed rent = \$500, program max = \$600, differential = -\$100)

Primary Market Occupancy Rates: "...the competitive supply in the subject vicinity is considered to be some 1,354 operating units, plus the two HTC properties, with 84 units and 104 units respectively. All of the foregoing appears to be operating at stabilized occupancy levels. Excluding the two new properties recently opened, the competitive supply presently has an average occupancy in the mid 90% range" (p. 28-29).

Absorption Projections: "...absorption for new market rent produce, with all other factors being equal

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MULTIFAMILY UNDERWRITING ANALYSIS**

would be reasonable at about 15 to 20 units per month. Absorption for tax credit product would likely be at a lesser pace of about 5 to 10 units per month given the data" (p. 31).

Known Planned Development: "Per Mr. Brown with the City of Port Arthur's Department of Planning and Zoning, no new apartments have been rumored or permitted recently" (p. 31). The Department has provided tax credit funds to six rehabilitation developments in Port Arthur in the past three years (five by the same developer as the subject). All of these rehabilitation developments planned to maintain their existing tenants to the extent possible.

Market Study Analysis/Conclusions: The Underwriter found the Market Study generally complies with TDHCA market study guidelines and found it to be acceptable.

OPERATING PROFORMA ANALYSIS

Income: At the time the Applicant prepared the application, the 2005 rent limits had not been released and thus the Applicant used the 2004 rent limits in setting rents. Based on the Applicant's intention to charge maximum program rents, the Underwriter used the 2005 maximum rents in this analysis, which are achievable according to the Market Analyst. This results in an increase of \$18,840 in potential gross rent. Estimates of secondary income and vacancy and collection losses are in line with TDHCA underwriting guidelines. As a result of these differences the Applicant's effective gross income estimate is \$17,424 less than the Underwriter's estimate.

Expenses: The Applicant's total expense estimate of \$4,013 per unit compares favorably with and is within 5% of the Underwriter's database-derived estimate of \$3,845 per unit for comparably-sized developments. The Applicant's budget shows one line item estimate (payroll) that deviates significantly when compared to the database averages, and it is \$6,840 or 14% higher. The Applicant anticipated a 50% property tax exemption based upon its Housing Authority General Partner and history in the area. Some of the previous applications that included the Housing Authority as the General Partner were structured with a land lease to allow a 100% property tax exemption. In this case such an exemption would have a significant effect on NOI and allow additional debt to such an extent that the need for tax credits would be reduced.

Conclusion: The Applicant's estimated effective gross income and operating expenses are consistent with the Underwriter's expectations however; the Applicant's net operating income (NOI) estimate is not within 5% of the Underwriter's estimate. Therefore, the Underwriter's NOI will be used to evaluate debt service capacity. In both the Applicant's and the Underwriter's income and expense estimates there is sufficient net operating income to service the proposed first lien permanent mortgage at a debt coverage ratio that is within the TDHCA underwriting guidelines of 1.10 to 1.30.

ACQUISITION VALUATION INFORMATION

ASSESSED VALUE

Land: 9.913 acres	\$308,540	Assessment for the Year of:	2004
Building:	\$	Valuation by:	Jefferson County Appraisal District
Total Assessed Value:	\$308,540	Tax Rate:	\$3.16518

EVIDENCE of SITE or PROPERTY CONTROL

Type of Site Control:	Earnest money contract (19 acres referenced in contract)					
Contract Expiration Date:	09/	05/	2005	Anticipated Closing Date:	09/	05/ 2005
Acquisition Cost:	\$640,000			Other Terms/Conditions:	Survey reflects 20.42 acres	
Seller:	Richard E. Doornbos et al			Related to Development Team Member:	No	

CONSTRUCTION COST ESTIMATE EVALUATION

Acquisition Value: The overall acquisition price is assumed to be reasonable since the acquisition is an arm's-length transaction. Because the Applicant is acquiring more land than needed and plans to restrict only 16 acres for the subject, the Underwriter has prorated the acquisition value to \$514,633 and will adjust

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MULTIFAMILY UNDERWRITING ANALYSIS**

sources of funds for this difference as needed.

Sitework Cost: The Applicant's claimed sitework costs of \$6,720 per unit are within the Department's allowable guidelines for multifamily developments without requiring additional justifying documentation.

Direct Construction Cost: The Applicant's direct construction cost estimate is \$300K or 6% lower than the Underwriter's Marshall & Swift *Residential Cost Handbook*-derived estimate. An adjustment was made to the Underwriter's Direct Construction cost number after the Applicant submitted a letter outlining the non-payment of sales taxes for materials used on the project. The non-payment of sales tax is due to the general partner, The Housing Authority of the City of Port Arthur, being a non profit and therefore, tax exempt.

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 estimate is within 5% of the Underwriter's verifiable estimate and is therefore generally acceptable. Since the Underwriter has been able to verify the Applicant's projected costs to a reasonable margin, the Applicant's total cost breakdown as adjusted by the Underwriter, is used to calculate eligible basis and determine the HTC allocation. As a result, an eligible basis of \$7,860,858 is used to determine a credit allocation of \$636,729 from this method. The resulting syndication proceeds will be used to compare to the Applicant's request and to the gap of need using the Applicant's costs to determine the recommended credit amount.

FINANCING STRUCTURE

INTERIM CONSTRUCTION FINANCING

Source: GMAC Contact: Carolyn A. McMullen
 Principal Amount: \$3,751,000 Interest Rate: 6.5% Actual Rate will be determined at Rate Lock
 Additional Information: Const and Perm Loan Interest only for 2 years
 Amortization: 40 yrs Term: 40 yrs Commitment: LOI Firm Conditional

TAX CREDIT SYNDICATION

Source: Alliant Capital Ltd Contact: Scott Kotick
 Net Proceeds: \$5,355,134 Net Syndication Rate (per \$1.00 of 10-yr HTC) .84¢
 Commitment: LOI Firm Conditional Date: 2/ 23/ 2005
 Additional Information: Annual Tax Credit and Syndication proceeds have been reduced by \$787 and \$6,607 due to use of a different Applicable Percentage by the Applicant.

APPLICANT EQUITY

Amount: \$73,944 Source: Deferred Developer Fee

FINANCING STRUCTURE ANALYSIS

Permanent Financing: The commitment for permanent financing is consistent with the assumption made in the application.

HTC Syndication: The tax credit syndication commitment is consistent with the terms reflected in the sources and uses of funds listed in the application. The syndication rate proposed in the commitment is in the low end of the range of current credit prices. If the final syndication rate were to increase at all, an excess of funds would exist, all else held constant, and a reduction in recommended tax credits would be required based on the gap method of determining credits.

Deferred Developer's Fees: The Applicant's proposed deferred developer's fees of \$79,476 amount to 7.8% of the total fees.

Financing Conclusions: Based on the Underwriter's adjusted estimate of eligible basis, the HTC allocation should not exceed \$636,729 annually for ten years, resulting in syndication proceeds of approximately \$5,348,528. With the prorata adjustment in the land cost the need for syndication proceeds is reduced to \$5,302,637, resulting in a lower credit recommendation of \$631,266. Based on the underwriting analysis,

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the Applicant's deferred developer fee will be eliminated (except to pay for the excess land). Should the Applicant's final direct construction cost exceed the cost estimate used to determine credits in this analysis, deferred developer's fee may be available to fund those development cost overruns.

DEVELOPMENT TEAM

IDENTITIES of INTEREST

The Applicant, General Contractor, Property Manager and Supportive Services firm are all related entities. These are common relationships for HTC-funded developments. The Applicant is reducing the size of the land being purchased for use as the subject site and because of the potential value being lost as additional profit to the Applicant/Developer, the acquisition price is being adjusted as further described above.

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

Financial Highlights:

- The Applicant and General Partner are single-purpose entities created for the purpose of receiving assistance from TDHCA and therefore have no material financial statements.
- The Housing Authority of the City of Port Arthur submitted an unaudited financial statement as of 12-30-2004 reporting total assets of \$15.0M and consisting of \$2.1M in cash, \$527.9K in receivables, \$946.8K in Current Investments, \$11.3M in real property. Liabilities totaled \$798.6K, resulting in a net worth of \$14.2M.

Background & Experience:

- Itex Properties and Housing Authority of the City of Port Arthur are co-developers of the subject property. Mr. Akbari has received acknowledgement of Previous Participation and Background Experience by the TDHCA, therefore, the developer of the property is considered qualified to construct or develop LIHTC properties.

SUMMARY OF SALIENT RISKS AND ISSUES

- The Applicant's operating expenses and operating proforma is more than 5% outside of the Underwriter's verifiable range.
- The Applicant's direct construction costs differ from the Underwriter's *Marshall and Swift*-based estimate by more than 5%.
- The anticipated ad valorem property tax exemption may not be received or may be reduced, which could affect the financial feasibility of the development.

Underwriter:

Bert Murray

Date: June 26, 2005

Director of Real Estate Analysis:

Tom Gouris

Date: June 26, 2005

MULTIFAMILY COMPARATIVE ANALYSIS

Southwood Crossing Apartments, Port Arthur, 9%, 05199

Type of Unit	Number	Bedrooms	No. of Baths	Size In SF	Gross Rent Lmt.	Net Rent per Unit	Rent per Month	Rent per SF	Tnt-Pd Util	Wtr, Swr, Tresh
TC 30%	2	1	1	690	\$275	\$238	\$476	\$0.34	\$37.00	\$32.00
TC 60%	22	1	1	690	549	\$512	11,264	0.74	37.00	32.00
TC 30%	5	2	2	960	330	\$286	1,430	0.30	44.00	36.00
TC 60%	49	2	2	960	660	\$616	30,184	0.64	44.00	36.00
TC 30%	5	3	2	1,170	381	\$328	1,640	0.28	53.00	43.00
TC 60%	37	3	2	1,170	762	\$709	26,233	0.61	53.00	43.00
TOTAL:	120			AVERAGE: 980	\$639	\$594	\$71,227	\$0.61	\$45.75	\$37.65

INCOME

Total Net Rentable Sq Ft: **117,540**

POTENTIAL GROSS RENT

Secondary Income Per Unit Per Month: **\$10.00**
 Other Support Income: (describe)

POTENTIAL GROSS INCOME

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

EFFECTIVE GROSS INCOME

EXPENSES

	% OF EGI	PER UNIT	PER SQ FT
General & Administrative	6.15%	\$412	0.42
Management	5.00%	335	0.34
Payroll & Payroll Tax	14.73%	987	1.01
Repairs & Maintenance	6.06%	406	0.41
Utilities	4.73%	317	0.32
Water, Sewer, & Trash	6.32%	424	0.43
Property Insurance	3.68%	245	0.25
Property Tax 3.16518	5.91%	396	0.40
Reserve for Replacements	2.99%	200	0.20
Other: compl fees	1.85%	124	0.13
TOTAL EXPENSES	57.40%	\$3,845	\$3.93
NET OPERATING INC	42.60%	\$2,854	\$2.91

DEBT SERVICE

	%	PER UNIT	PER SQ FT
First Lien Mortgage	32.78%	\$2,196	\$2.24
Additional Financing	0.00%	\$0	\$0.00
Additional Financing	0.00%	\$0	\$0.00
NET CASH FLOW	9.82%	\$658	\$0.67

AGGREGATE DEBT COVERAGE RATIO

RECOMMENDED DEBT COVERAGE RATIO

CONSTRUCTION COST

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT
Acquisition Cost (site or bldg)		5.54%	\$4,322	\$4.41
Off-Sites		0.00%	0	0.00
Sitework		6.62%	6,720	6.86
Direct Construction		50.52%	39,377	40.20
Contingency 4.35%		2.57%	2,007	2.05
General Req'ts 5.06%		2.99%	2,333	2.38
Contractor's G & A 1.69%		1.00%	778	0.79
Contractor's Profit 5.06%		2.99%	2,333	2.38
Indirect Construction		4.90%	3,817	3.90
Ineligible Costs		4.00%	3,118	3.18
Developer's G & A 2.87%		2.19%	1,709	1.74
Developer's Profit 11.49%		8.77%	6,835	6.98
Interim Financing		2.69%	2,099	2.14
Reserves 3.21%		2,500	2.55	
TOTAL COST		100.00%	\$77,948	\$79.58
Recap-Hard Construction Costs		68.70%	\$53,548	\$54.67

SOURCES OF FUNDS

	%	PER UNIT	PER SQ FT
First Lien Mortgage	40.10%	\$31,258	\$31.91
Additional Financing	0.00%	\$0	\$0.00
HTC Syndication Proceeds	57.24%	\$44,617	\$45.55
Deferred Developer Fees	0.79%	\$616	\$0.63
Additional (Excess) Funds Req'd 1.87%		\$1,456	\$1.49
TOTAL SOURCES			

	TDHCA	APPLICANT
	\$854,724	\$835,884
	14,400	14,400
	0	
	\$869,124	\$850,284
	(65,184)	(63,768)
	0	
	\$803,940	\$786,516
	\$49,460	\$56,300
	40,197	39,326
	118,395	149,000
	48,756	46,274
	38,065	32,000
	50,830	40,100
	29,385	37,560
	47,478	47,400
	24,000	20,520
	14,880	13,080
	\$461,445	\$481,560
	\$342,495	\$304,956
	\$263,526	\$265,176
	0	
	0	
	\$78,969	\$39,780
	1.30	1.15
	1.30	

	PER SQ FT	PER UNIT	% OF EGI
	\$0.48	\$469	7.16%
	0.33	328	5.00%
	1.27	1,242	18.94%
	0.39	386	5.88%
	0.27	267	4.07%
	0.34	334	5.10%
	0.32	313	4.78%
	0.40	395	6.03%
	0.17	171	2.61%
	0.11	108	1.66%
	\$4.10	\$4,013	61.23%
	\$2.59	\$2,541	38.77%
	\$2.26	\$2,210	33.72%
	\$0.00	\$0	0.00%
	\$0.00	\$0	0.00%
	\$0.34	\$332	5.06%

RECOMMENDED

\$3,751,000	Developer Fee Available
0	\$1,025,300
5,302,837	% of Dev. Fee Deferred
0	0.0%
0	15-Yr Cumulative Cash Flow
\$9,053,837	\$1,786,437

MULTIFAMILY COMPARATIVE ANALYSIS (continued)
Southwood Crossing Apartments, Port Arthur, 9%, 05199

DIRECT CONSTRUCTION COST ESTIMATE

Residential Cost Handbook

Average Quality Multiple Residence Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$44.00	\$5,172,303
Adjustments				
Exterior Wall Finish	2.00%		\$0.88	\$103,446
9-Ft. Ceilings	3.00%		1.32	155,169
Roofing			0.00	0
Subfloor			(2.03)	(238,606)
Floor Cover			2.00	235,080
Porches/Balconies	\$19.41	3152	0.52	61,180
Plumbing	\$605	288	1.48	174,240
Built-In Appliances	\$1,650	120	1.68	198,000
Exterior Stairs	\$1,450	25	0.31	36,250
Corridors	\$34.08		0.00	0
Heating/Cooling			1.53	179,836
Garages/Carports		0	0.00	0
Comm &/or Aux Bldgs	\$68.92	2,000	1.14	133,836
Other:	8.75%		0.00	0
SUBTOTAL			62.84	6,210,734
Current Cost Multiplier	1.11		5.81	683,181
Local Multiplier	0.88		(6.34)	(745,288)
TOTAL DIRECT CONSTRUCTION COSTS			\$52.31	\$6,148,627
Plans, specs, survy, bld prm	3.90%		(\$2.04)	(\$239,796)
Interim Construction Interest	3.38%		(1.77)	(207,516)
Contractor's OH & Profit	11.50%		(8.02)	(\$707,092)
Sales Tax Reduction	8.75%		(2.29)	(269,002)
NET DIRECT CONSTRUCTION COSTS			\$42.49	\$4,725,220

PAYMENT COMPUTATION

Primary	\$3,751,000	Amort	480
Int Rate	6.60%	DCR	1.30
Secondary			
	\$0	Amort	
Int Rate	0.00%	Subtotal DCR	1.30
Additional			
		Amort	
Int Rate		Aggregate DCR	1.30

RECOMMENDED FINANCING STRUCTURE:

Primary Debt Service	\$263,526
Secondary Debt Service	0
Additional Debt Service	0
NET CASH FLOW	\$78,969
Primary	
	\$3,751,000
Int Rate	6.60%
Secondary	
	\$0
Int Rate	0.00%
Additional	
	\$0
Int Rate	0.00%

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE

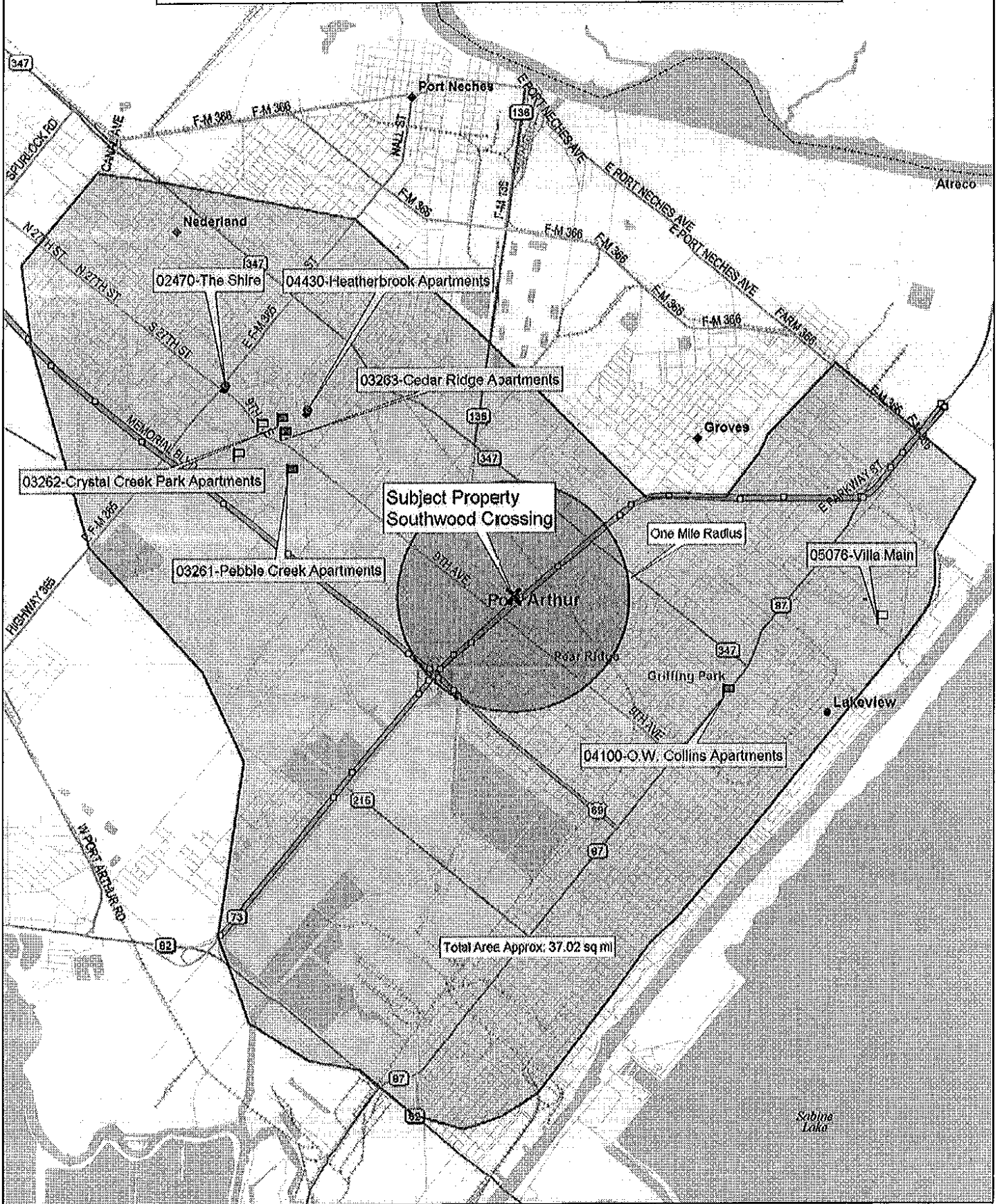
INCOME at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$854,724	\$880,368	\$906,777	\$933,980	\$961,999	\$1,115,221	\$1,292,847	\$1,498,764	\$2,014,213
Secondary Income	14,400	14,832	15,277	15,735	16,207	18,789	21,781	25,250	33,935
Other Support Income: (describe)	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	869,124	895,198	922,054	949,715	978,207	1,134,010	1,314,628	1,524,014	2,048,148
Vacancy & Collection Loss	(65,184)	(67,140)	(69,154)	(71,229)	(73,366)	(85,051)	(98,597)	(114,301)	(153,611)
Employee or Other Non-Rental	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$803,940	\$828,058	\$852,900	\$878,487	\$904,841	\$1,048,959	\$1,216,031	\$1,409,713	\$1,894,537
EXPENSES at 4.00%									
General & Administrative	\$49,480	\$51,438	\$53,496	\$55,636	\$57,861	\$70,397	\$85,649	\$104,205	\$154,248
Management	40,197	41,403	42,645	43,924	45,242	52,448	60,802	70,488	94,727
Payroll & Payroll Tax	118,395	123,130	128,066	133,178	138,505	168,513	205,021	249,440	369,232
Repairs & Maintenance	48,756	50,708	52,735	54,844	57,038	69,395	84,430	102,722	152,053
Utilities	38,065	39,587	41,171	42,818	44,531	54,178	65,918	80,197	118,711
Water, Sewer & Trash	50,830	52,863	54,977	57,176	59,463	72,348	88,020	107,090	158,520
Insurance	29,385	30,560	31,783	33,054	34,376	41,824	50,885	61,910	81,642
Property Tax	47,478	49,377	51,352	53,406	55,542	67,576	82,216	100,028	148,068
Reserve for Replacements	24,000	24,960	25,958	26,987	28,077	34,159	41,560	50,584	74,948
Other	14,880	15,475	16,094	16,738	17,407	21,179	25,767	31,350	46,406
TOTAL EXPENSES	\$481,445	\$479,501	\$480,267	\$517,771	\$538,043	\$652,015	\$790,267	\$957,992	\$1,408,453
NET OPERATING INCOME	\$322,495	\$348,557	\$354,633	\$360,716	\$366,799	\$396,944	\$425,764	\$451,721	\$486,084
DEBT SERVICE									
First Lien Financing	\$263,526	\$263,526	\$263,526	\$263,526	\$263,526	\$263,526	\$263,526	\$263,526	\$263,526
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	\$78,969	\$85,031	\$91,107	\$97,190	\$103,273	\$133,418	\$182,238	\$188,186	\$222,558
DEBT COVERAGE RATIO	1.30	1.32	1.35	1.37	1.39	1.51	1.62	1.71	1.84

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
(1) Acquisition Cost				
Purchase of land	\$644,000	\$518,633		
Purchase of buildings				
(2) Rehabilitation/New Construction Cost				
On-site work	\$806,400	\$806,400	\$806,400	\$806,400
Off-site improvements				
(3) Construction Hard Costs				
New structures/rehabilitation hard costs	\$4,425,140	\$4,725,220	\$4,425,140	\$4,725,220
(4) Contractor Fees & General Requirements				
Contractor overhead	\$93,300	\$93,300	\$93,300	\$93,300
Contractor profit	\$280,000	\$280,000	\$280,000	\$280,000
General requirements	\$280,000	\$280,000	\$280,000	\$280,000
(5) Contingencies	\$240,800	\$240,800	\$240,800	\$240,800
(6) Eligible Indirect Fees	\$458,000	\$458,000	\$458,000	\$458,000
(7) Eligible Financing Fees	\$251,918	\$251,918	\$251,918	\$251,918
(8) All Ineligible Costs	\$374,146	\$374,146		
(9) Developer Fees				
Developer overhead	\$205,060	\$205,060	\$205,060	\$205,060
Developer fee	\$820,240	\$820,240	\$820,240	\$820,240
(10) Development Reserves	\$300,000	\$300,000		
TOTAL DEVELOPMENT COSTS	\$9,179,004	\$9,353,717	\$7,860,858	\$8,160,938

Deduct from Basis:			
All grant proceeds used to finance costs in eligible basis			
B.M.R. loans used to finance cost in eligible basis			
Non-qualified non-recourse financing			
Non-qualified portion of higher quality units [42(d)(3)]			
Historic Credits (on residential portion only)			
TOTAL ELIGIBLE BASIS		\$7,860,858	\$8,160,938
High Cost Area Adjustment		100%	100%
TOTAL ADJUSTED BASIS		\$7,860,858	\$8,160,938
Applicable Fraction		100%	100%
TOTAL QUALIFIED BASIS		\$7,860,858	\$8,160,938
Applicable Percentage		8.10%	8.10%
TOTAL AMOUNT OF TAX CREDITS		\$636,729	\$661,036

Syndication Proceeds	0.8400	\$5,348,528	\$5,552,702
Total Credits (Eligible Basis Method)		\$636,729	\$661,036
Syndication Proceeds		\$5,348,528	\$5,552,702
Requested Credits		\$637,516	
Syndication Proceeds		\$5,355,134	
Gap of Syndication Proceeds Needed		\$5,302,637	
Credit Amount		\$631,266	

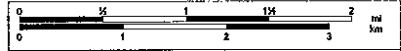
Southwood Crossing Apartments



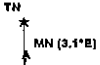
Total Area Approx: 37.02 sq mi

One Mile Radius

Scale 1 : 75,000



1" = 1.18 mi Data Zoom 11-4





TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Real Estate Analysis Division
Underwriting Report Addendum

REPORT DATE: 07/15/08 PROGRAM: 9% HTC

FILE NUMBER: 07203

DEVELOPMENT

The Melbourne Apartments

Location: 3337 Mustang Rd Region: 6
 City: Alvin County: Brazoria Zip: 77511 QCT DDA
 Key Attributes: Elderly, New Construction, Urban

ALLOCATION

TDHCA Program	REQUEST			RECOMMENDATION		
	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term
Housing Tax Credit (Annual)	\$1,200,000			\$1,200,000		

*The original tax credit request and recommendation was \$1,200,000.

RECOMMENDATION

The Underwriter has evaluated the financial viability of the requested amendment. Based on the revised information provided, the transaction would meet the Department's 2008 Real Estate Analysis Rules and Guidelines if approved. However, despite the fact that the development is financially feasible as proposed, the Underwriter makes no recommendation regarding the requested reduction in the size of units, as the reduction is considered material under the 2008 QAP because the reduction exceeds 3%. In addition, the Underwriter makes no recommendation regarding the modification to the site plan because it can also be considered material under the 2008 QAP. If the Board chooses to approve the amendment, the Underwriter recommends an allocation of tax credits equal to the amount originally approved by the Department's Board, \$1,200,000, subject to the following conditions.

CONDITIONS

- 1 Receipt, review, and acceptance, by cost certification, of certification by a qualified third party architect or engineer that the design plans are in accordance with QAP rules with regard to the 100-year floodplain, specifically: "Any Development proposing New Construction located within the 100 year floodplain ... must develop the site so that all finished ground floor elevations are at least one foot above the flood plain and parking and drive areas are no lower than six inches below the floodplain".
- 2 Receipt, review, and acceptance, by cost certification, of evidence that all Phase I ESA recommendations have been carried out.
- 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.

SALIENT ISSUES

TDHCA SET-ASIDES for LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	11
60% of AMI	60% of AMI	99

- The market analysis reflects mixed inclusive capture rate conclusions though HISTA Data demographics support an acceptable capture rate.
- The market for 1 and 2 bedroom units at 60% AMI may be somewhat saturated with unit capture rates of over 130%.

ADDENDUM

The Underwriter has reviewed the Applicant's request, dated June 6, 2008, for significant changes in the site plan, architectural design of the development, building types, and an additional 4' by 6' tract of land. The Applicant proposes a 4% decrease in the average unit size, resulting in an overall decrease in the net rentable area by the same amount. Specifically, 1 bedroom units are proposed to decrease from 751 to 719 square feet, a decrease of 4%; and 2 bedroom units are proposed to decrease from 994-1,052 square feet to 984 square feet, a decrease of 1-6%. The new site plan also decreases the number of buildings from 14 to 4 larger buildings connected by interior corridors. In addition, the revised site plan results in a decrease in the number of elevators from 12 to 4, with one passenger elevator located in each residential building. Finally, the Applicant proposes the construction of two parking garage structures and the inclusion of a sizable detention pond on the eastern end of the property.

The Applicant provided an updated rent schedule, expenses, cost schedule, sources and uses, and commitments for the permanent funds and syndication proceeds. The Applicant indicates the requested modifications will provide a more community-like environment "more conducive to independent senior living," as opposed to the original plan that kept residents spread out and somewhat isolated.

Of note, it appears that several site constraints coupled with ineffective planning, particularly with regard to improvements inside the floodplain, made the previous site plan infeasible and may have prompted the extensive modifications to the site plan. The Applicant indicates the current Co-Developer, LDG Multifamily, LLC, was brought in subsequent to TDHCA approving the subject development, and may have identified these issues which have resulted in the requested modifications to the site.

The Underwriter has expressed several concerns particularly with regard to viability of the proposed plan, especially since there have been no changes to the site or direct construction costs, and the overall development budget has increased only marginally. Typically, these types of modifications would warrant higher construction costs; however, correspondence with the Applicant indicates that with the exception of a few adjustments (which are described in detail in the construction section below), the overall budget for the original development plan seemed reasonable enough that the Developer was comfortable with the previous site and direct construction costs.

The Underwriter has evaluated the impact of these changes on the financial viability of the transaction and the tax credit award based on the documentation provided and the requested changes. Only those portions of the report that are materially affected by the proposed changes are discussed below. This report should be read in conjunction with the original underwriting report with a full evaluation of the originally proposed development plan and structure.

OPERATING PROFORMA ANALYSIS

Income:

The Underwriter utilized the lesser of the Market Analyst's market rent conclusion or the projected rents collected per unit calculated by subtracting tenant-paid utility allowances as of October 1, 2007, maintained by the Brazoria County Housing Authority, from the 2008 program gross rent limits. Tenants will be required to pay electric utility costs only.

The Applicant's secondary income assumptions are in line with current TDHCA underwriting guidelines; however, the Applicant provided for losses due to vacancy and collection equal to 6.72% of potential income. Underwriting guidelines assume an allowance of 7.5% of potential income. Due to the Applicant's use of slightly lower rents for the 60% units and lower vacancy and collection loss assumption, effective gross income is slightly more than 5% lower than the Underwriter's estimate.

Expense:

The Applicant's total revised annual operating expense projection of \$4,218 per unit is within 5% of the Underwriter's estimate of \$4,213. As indicated in the original underwriting report, the Applicant included \$44,200 as "other expenses"; the Underwriter effectively moved \$20K for association dues to general & administrative expense, and \$24,200 for additional elevator expenses to repairs & maintenance. The Applicant's revised budget still shows several line item estimates that deviate significantly when compared to the Underwriter's, specifically: Payroll and Payroll Tax (\$29K or 32% lower), Repairs & Maintenance (\$17K or 30% higher), Utilities (\$18K or 53% lower), and Property Tax (\$19K or 22% lower).

Conclusion:

The Applicant's effective gross income and net operating income are not within 5% of the Underwriter's estimates; therefore, the Underwriter's year one proforma will continue to be used to determine the development's debt capacity. The proposed permanent financing structure results in an initial year's debt coverage ratio (DCR) of 1.29, which is within the Department's DCR guideline of 1.15 to 1.35.

Feasibility:

The underwriting 30-year proforma utilizes a 3% annual growth factor for income and a 4% annual growth factor for expenses in accordance with current TDHCA guidelines. As noted above, the **Underwriter's** base year effective gross income, expense and net operating income were utilized resulting in a debt coverage ratio that remains above 1.15 and continued positive cashflow. Therefore, the development can be characterized as feasible for the long-term.

CONSTRUCTION COST ESTIMATE EVALUATION

COST SCHEDULE

Acquisition Value:

It should be noted, during Carryover, the Applicant made a substantial adjustment to the acquisition cost. The total acquisition price at application was reported to be \$2,762,000, which amounts to more than \$25K per unit. Despite the reported arms length nature of the transaction, the Underwriter expressed serious concerns about contract price which is one of the highest acquisition prices per unit that has been evaluated by underwriting.

Subsequently, the Applicant claimed due to the potentially negative impact the significant changes/corrections to the financing structure and development costs that were made at Carryover could have on the financial feasibility of the development, the purchase price was renegotiated to \$1.4M (~\$1.4M less than originally reported). An amendment to the Purchase and Sale Agreement, initiated by both parties was submitted by the Applicant.

Construction Cost:

The Applicant's revised development cost schedule reflects a \$371K increase in total development costs, largely attributed to the addition of parking garages. The Applicant indicates no changes in sitework or direct construction costs; however, the indirect construction cost estimate has been reduced by \$29K, and as a result, certain other eligible and ineligible costs have also shifted slightly according to the new cost schedule. It should be noted, the Applicant submitted a revised commitment from the syndicator indicating that \$400K in operating reserves will be required. In addition, the Applicant has indicated an additional \$100K for lease-up reserves and furniture, fixtures, and equipment. The Underwriter has assumed the Lender's total reserve requirement of \$400K which is more than the typical underwriting requirement.

Also of note, the Underwriter re-evaluated the Applicant's direct construction cost estimate based on the current Marshall & Swift -derived estimate, resulting in an increase of 7% or approximately \$459K from underwriting at Carryover. This estimate is 1% lower than the Applicant's current estimate and is therefore considered comparable.

Conclusion:

As a result, the Applicant's total development cost is within 5% of the Underwriter's estimate; therefore, the Applicant's revised cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$12,118,754 supports annual tax credits of \$1,347,000. This figure will be compared to the Applicant's previously approved credits and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

FINANCING STRUCTURE

SOURCES & USES

Source: Southeast Texas Housing Finance Corp Type: Interim Financing
Principal: \$800,000 Interest Rate: TBD [] Fixed Term: 12 months
Comments:

During initial underwriting, the Applicant submitted a certification of intent to apply for a loan at a rate at or below AFR; As of the date of this addendum, the Applicant has still not provided any documentation from Southeast TX HFC to verify any future intentions specifically regarding the proposed terms of this source of funding.

Source: Lone Wolf Capital Type: Interim Financing
Principal: \$315,000 Interest Rate: TBD [] Fixed Amort: 12 months
Comments:

During initial underwriting, the Applicant submitted a lender's commitment for the proposed amount, terms to be determined. As of the date of this addendum, no further information has been provided.

Source: MMA Financial Type: Interim to Permanent Financing
Interim: \$6,294,998 Interest Rate: 5.48% [] Fixed Amort: 30 months
Permanent: \$4,652,000 Interest Rate: 7.00% [x] Fixed Amort: 420 months
Comments:

The submitted commitment from MMA Financial indicates a construction and bridge loan estimate totaling approximately \$7,002,000, for 30 months with a free optional 6 month extension at a floating rate based on 30-day LIBOR plus 3%.

Source: Red Capital Type: Syndication

Proceeds: \$9,959,004 Syndication Rate: 83% Anticipated HTC: \$ 1,200,000

Comments:

Due to the recent volatility in credit pricing, it should be noted, a decrease in rate below \$0.728 per credit dollar may increase the amount of deferred developer fee such that 100% of the fee would be utilized, and the need to defer contractor fee may be warranted. Similarly, a decrease below \$0.646 per dollar of credit may jeopardize the financial viability of the transaction. Alternatively, should the final credit price increase to more than \$0.859, all deferred developer fees would be eliminated and an adjustment to the credit amount may be warranted.

Amount: \$349,397 Type: Deferred Developer Fees

CONCLUSIONS

Recommended Financing Structure:

The Applicant's total revised development cost estimate less the permanent loan of \$4,652,000 indicates the need for \$10,308,401 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$1,242,100 annually would be required to fill this gap in financing. Of the three possible tax credit allocations, the Board approved award (\$1.2M), the gap-driven amount (\$1,242,100), and eligible basis-derived estimate (\$1,347,000), the Board approved credit amount of \$1.2M is recommended resulting in proceeds of \$9,959,004 based on a syndication rate of 83%.


The Underwriter's recommended financing structure indicates the need for \$349,397 in additional permanent funds. Deferred developer fees in this amount appear to be repayable from development cashflow within four years of stabilized operation.

Underwriter:


Diamond Unique Thompson


Date: July 15, 2008

Reviewing Underwriter:


Audrey Martin

Date: July 15, 2008

Director of Real Estate Analysis:


Tom Gouris

Date: July 15, 2008

MULTIFAMILY COMPARATIVE ANALYSIS

The Melbourne Apartments, Alvin, 9% HTC #07203

Type of Unit	Other	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	Rent Collected	Rent per Month	Rent per SF	Tot-PJ Unit	W88T	
TC 30%		1	1	1	719	\$384	\$299	\$299	\$0.42	\$85.00	\$58.00	
TC 60%		7	1	1	719	\$768	\$647	\$4,530	0.90	85.00	58.00	
TC 30%		10	2	2	984	\$481	\$345	\$3,450	0.35	116.00	62.00	
TC 60%		92	2	2	984	\$922	\$797	\$73,328	\$0.81	116.00	62.00	
TOTAL:		110		AVERAGE:	885		\$742		\$81,608	\$0.77	\$113.75	\$61.58

INCOME		Total Net Rentable Sq Ft:	108,120	106120	TDHCA	TDHCA at CO	TDHCA at UW	APP at UW	APP at CO	APPLICANT	COUNTY	IREM REGION	COMPT. REGION
POTENTIAL GROSS RENT				125888	\$979,277	\$855,240	\$855,240	\$840,600	\$840,600	\$895,524	Brazoria	Houston	6
Secondary Income				\$15.00	19,800	13,200	13,200	13,200	13,200	41,400	\$31.38	Per Unit Per Month	
Other Support Income:					0	0	0	0	0	0	\$0.00	Per Unit Per Month	
POTENTIAL GROSS INCOME					\$999,077	\$868,440	\$868,440	\$853,800	\$853,800	\$936,924			
Vacancy & Collection Loss		% of Potential Gross Income:	-7.50%		(74,931)	(65,133)	(65,133)	(59,772)	(59,772)	(62,976)	-6.72%	of Potential Gross Income	
Employee or Other Non-Rental Units or Concessions					0	0	0	0	0	0			
EFFECTIVE GROSS INCOME					\$924,146	\$803,307	\$803,307	\$794,028	\$794,028	\$873,948			

EXPENSES	% OF EGI	PER UNIT	PER SQ FT	TDHCA	TDHCA at CO	TDHCA at UW	APP at UW	APP at CO	APPLICANT	PER SQ FT	PER UNIT	% OF EGI	
General & Administrative	4.68%	\$393	0.41	\$43,232	\$43,232	\$43,232	\$36,500	\$16,500	\$36,500	\$0.34	\$332	4.18%	
Management	3.60%	303	0.31	33,281	28,929	28,929	39,740	39,740	34,965	0.33	318	4.00%	
Payroll & Payroll Tax	9.95%	836	0.87	91,960	\$91,960	\$91,960	62,810	62,810	62,810	0.59	571	7.19%	
Repairs & Maintenance	6.27%	527	0.55	57,986	\$60,589	\$60,589	85,250	105,250	75,390	0.71	685	8.63%	
Utilities	3.68%	310	0.32	34,049	34,396	34,396	16,000	16,000	16,000	0.15	145	1.83%	
Water, Sewer, & Trash	4.43%	372	0.39	40,941	38,553	38,553	50,000	50,000	50,000	0.47	455	5.72%	
Property Insurance	4.02%	338	0.35	37,142	31,755	31,755	44,000	44,000	44,000	0.41	400	5.03%	
Property Tax	3.68/722	9.80%	823	0.85	90,530	102,364	102,364	110,000	110,000	110,000	1.04	1,000	12.59%
Reserve for Replacements	2.98%	250	0.26	27,500	27,500	27,500	27,500	27,500	27,500	0.26	250	3.15%	
TDHCA Compliance Fees	0.48%	40	0.04	4,400	4,400	4,400	4,400	4,400	4,400	0.04	40	0.50%	
Other cable	0.26%	22	0.02	2,400	2,400	2,400	2,400	2,400	2,400	0.02	22	0.27%	
TOTAL EXPENSES	50.16%	\$4,213	\$4.37	\$463,421	\$466,078	\$466,078	\$478,600	\$478,600	\$463,965	\$4.37	\$4,218	53.09%	
NET OPERATING INC	49.85%	\$4,188	\$4.34	\$460,725	\$337,229	\$337,229	\$315,428	\$315,428	\$409,983	\$3.88	\$3,727	46.91%	

DEBT SERVICE	% OF EGI	PER UNIT	PER SQ FT	TDHCA	TDHCA at CO	TDHCA at UW	APP at UW	APP at CO	APPLICANT	PER SQ FT	PER UNIT	% OF EGI
MMA Financial	38.69%	\$3,242	\$3.36	\$356,635	\$272,132	\$263,381	\$263,381	\$272,132	\$356,635	\$3.36	\$3,242	40.81%
Additional Financing	0.00%	\$0	\$0.00	0	0	0	0	0	0	\$0.00	\$0	0.00%
Additional Financing	0.00%	\$0	\$0.00	0	0	0	0	0	0	\$0.00	\$0	0.00%
NET CASH FLOW	11.26%	\$948	\$0.98	\$104,089	\$65,097	\$73,848	\$52,047	\$43,296	\$53,348	\$0.50	\$485	6.10%
AGGREGATE DEBT COVERAGE RATIO				1.29	1.24	1.28	1.20	1.16	1.15			
RECOMMENDED DEBT COVERAGE RATIO				1.28	1.24	1.28						

CONSTRUCTION COST		Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	TDHCA at CO	TDHCA at UW	APP at UW	APP at CO	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)			9.43%	\$12,727	\$13.19	\$1,400,000	\$1,400,000	\$2,762,000	\$2,762,000	\$1,400,000	\$1,400,000	\$13.19	\$12,727	9.36%
Off-Sites			0.00%	0	0.00	0	0	0	0	0	0	0.00	0	0.00%
Sitework			5.48%	7,400	7.67	814,000	814,000	814,000	814,000	814,000	814,000	7.67	7,400	5.44%
Direct Construction			47.50%	64,105	66.45	7,051,572	6,592,840	6,592,840	7,045,000	7,070,500	7,070,500	66.63	64,277	47.26%
Contingency		5.00%	2.65%	3,675	3.71	393,279	370,342	330,557	330,557	437,850	394,000	3.71	3,582	2.63%
Contractor's Fees		13.03%	6.91%	9,318	9.66	1,025,000	1,036,958	984,410	984,410	1,065,980	1,025,000	9.66	9,318	6.85%
Indirect Construction			4.42%	5,987	6.19	656,375	685,380	465,380	465,380	685,380	656,375	6.19	5,987	4.39%
Ineligible Costs			6.37%	8,592	8.81	945,097	487,391	656,300	656,300	487,391	945,097	8.81	8,592	6.32%
Developer's Fees		14.97%	10.81%	14,318	14.84	1,575,000	1,520,678	1,480,000	1,480,000	1,535,000	1,575,000	14.84	14,318	10.53%
Interim Financing			3.93%	5,308	5.50	583,879	638,336	642,589	642,589	638,336	583,879	5.50	5,308	3.90%
Reserves			2.69%	3,836	3.77	400,000	375,370	297,327	297,327	435,370	496,550	4.68	4,514	3.32%
TOTAL COST			100.00%	\$134,947	\$139.88	\$14,844,201	\$13,921,295	\$15,005,403	\$15,457,563	\$14,589,807	\$14,960,401	\$140.98	\$138,004	100.00%
Construction Cost Recap			62.64%	\$84,399	\$87.48	\$9,283,850	\$8,814,140	\$8,721,807	\$9,173,967	\$9,408,330	\$9,303,500	\$97.67	\$84,577	62.19%

SOURCES OF FUNDS		Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	TDHCA at CO	TDHCA at UW	APP at UW	APP at CO	APPLICANT	RECOMMENDED	Notes
MMA Financial			31.34%	\$42,291	\$43.84	\$4,852,000	\$3,500,000	\$3,170,000	\$3,170,000	\$3,500,000	\$4,852,000	\$4,852,000	Developer Fee Available
Additional Financing			0.00%	\$0	\$0.00	0	0	800,000	800,000	0	0	0	\$1,575,000
Red Capital			87.09%	\$90,536	\$93.85	9,959,004	10,918,908	10,918,908	10,918,908	10,918,908	9,959,004	9,959,004	% of Dev. Fee Deferred
Deferred Developer Fees			2.35%	\$3,178	\$3.29	349,397	170,899	568,855	568,855	170,899	349,397	349,397	22%
Additional (Excess) Funds Req'd			-0.78%	(\$1,055)	(\$1.09)	(116,200)	(668,512)	(452,160)	0	0	0	0	15-Yr Cumulative Cash Flow
TOTAL SOURCES						\$14,844,201	\$13,921,295	\$15,005,403	\$15,457,563	\$14,589,807	\$14,960,401	\$14,960,401	\$2,556,488

DIRECT CONSTRUCTION COST ESTIMATE

Marshall & Swift Residential Cost Handbook
Average Quality Multiple Residence Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$52.54	\$5,575,594
Adjustments				
Exterior Wall Finish	13.60%		\$7.15	\$758,281
Elderly	3.00%		1.59	167,268
9-Ft. Ceilings	4.00%		2.10	223,024
Roofing			0.00	0
Subfloor			(0.62)	(67,372)
Floor Cover			2.43	257,872
Porches/Balconies	\$22.27	12,622	2.69	285,546
Plumbing Fixtures	\$805	306	2.32	246,330
Roughins	\$400	110	0.41	44,000
Built-In Appliances	\$1,850	110	1.92	203,500
Exterior Stairs	\$1,800	18	0.27	28,800
Enclosed Corridors	\$42.62	19768	7.94	842,521
Heating/Cooling			1.90	201,628
Elevator	\$53,600	4	2.02	214,400
Comm &/or Aux Bldgs	\$68.24	6,691	4.30	456,594
Other: fire sprinkler	\$2.15	106,120	2.15	228,158
SUBTOTAL			90.90	9,646,143
Current Cost Multiplier	1.00		0.00	0
Local Multiplier	0.90		(9.09)	(954,514)
TOTAL DIRECT CONSTRUCTION COSTS			\$81.81	\$8,691,629
Plans, specs, survey, bld pmts	3.90%		(\$3.19)	(\$338,580)
Interim Construction Interest	3.38%		(2.76)	(293,602)
Contractor's OH & Profit	11.50%		(9.41)	(998,373)
NET DIRECT CONSTRUCTION COSTS			\$66.45	\$7,061,572

PAYMENT COMPUTATION

Primary	\$4,652,000	Amort	420
Int Rate	7.00%	DCR	1.29
Secondary	\$0	Amort	0
Int Rate		Subtotal DCR	1.29
Additional	\$3,859,004	Amort	0
Int Rate		Aggregate DCR	1.29

RECOMMENDED FINANCING STRUCTURE:

Primary Debt Service	\$356,635
Secondary Debt Service	0
Additional Debt Service	0
NET CASH FLOW	\$104,089

Primary	\$4,652,000	Amort	420
Int Rate	7.00%	DCR	1.29
Secondary	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.29
Additional	\$3,859,004	Amort	0
Int Rate		Aggregate DCR	1.29

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE

INCOME at	3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
POTENTIAL GROSS RENT		\$979,277	\$1,008,655	\$1,036,916	\$1,070,082	\$1,102,184
Secondary Income		19,600	20,394	21,006	21,838	22,265
Other Support Income:		0	0	0	0	0
POTENTIAL GROSS INCOME		999,077	1,029,049	1,058,922	1,091,718	1,124,469
Vacancy & Collection Loss		(74,931)	(77,173)	(79,454)	(81,873)	(84,235)
Employee or Other Non-Rental Units or Concess		0	0	0	0	0
EFFECTIVE GROSS INCOME		\$924,146	\$951,876	\$980,426	\$1,009,839	\$1,040,134
EXPENSES at	4.00%					
General & Administrative		\$43,232	\$44,961	\$46,769	\$48,630	\$50,575
Management		33,281	34,279	35,308	36,367	37,450
Payroll & Payroll Tax		91,960	95,658	99,464	103,442	107,580
Repairs & Maintenance		67,966	69,305	70,717	72,206	73,775
Utilities		34,049	35,411	36,828	38,301	39,833
Water, Sewer & Trash		40,841	42,579	44,282	46,053	47,895
Insurance		37,142	38,628	40,173	41,780	43,451
Property Tax		90,530	94,151	97,917	101,834	105,907
Reserve for Replacements		27,500	28,600	29,744	30,934	32,171
Other		6,600	7,072	7,355	7,649	7,955
TOTAL EXPENSES		\$463,421	\$481,625	\$500,547	\$520,210	\$540,661
NET OPERATING INCOME		\$460,725	\$470,245	\$479,879	\$489,623	\$499,473
DEBT SERVICE						
First Lien Financing		\$356,635	\$356,635	\$356,635	\$356,635	\$356,635
Second Lien		0	0	0	0	0
Other Financing		0	0	0	0	0
NET CASH FLOW		\$104,089	\$113,610	\$123,244	\$132,988	\$142,838
DEBT COVERAGE RATIO		1.29	1.32	1.35	1.37	1.40

YEAR 10	YEAR 15	YEAR 20	YEAR 30
\$1,277,734	\$1,481,244	\$1,717,167	\$2,307,729
25,835	29,949	34,719	46,660
0	0	0	0
1,303,569	1,611,193	1,751,887	2,354,389
(97,768)	(113,339)	(131,892)	(176,579)
0	0	0	0
\$1,205,801	\$1,397,853	\$1,620,495	\$2,177,810
\$61,532	\$74,863	\$91,083	\$134,825
43,424	50,341	58,359	78,429
130,888	159,245	193,746	286,791
82,532	100,412	122,167	180,837
48,483	58,963	71,737	106,189
58,272	70,897	86,257	127,681
52,865	64,318	78,253	115,833
128,852	156,769	190,733	282,332
33,141	47,821	57,938	85,763
9,679	11,775	14,327	21,207
\$655,648	\$793,204	\$984,539	\$1,419,886
\$550,153	\$602,649	\$655,896	\$757,924
\$356,635	\$356,635	\$356,635	\$356,635
0	0	0	0
0	0	0	0
\$193,518	\$246,014	\$299,261	\$401,289
1.54	1.69	1.84	2.13

HTC ALLOCATION ANALYSIS - The Melbourne Apartments, Alvin, 9% HTC #07203

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
Acquisition Cost				
Purchase of land	\$1,400,000	\$1,400,000		
Purchase of buildings				
Off-Site Improvements				
Sitework	\$814,000	\$814,000	\$814,000	\$814,000
Construction Hard Costs	\$7,070,500	\$7,051,572	\$7,070,500	\$7,051,572
Contractor Fees	\$1,025,000	\$1,025,000	\$1,025,000	\$1,025,000
Contingencies	\$394,000	\$393,279	\$394,000	\$393,279
Eligible Indirect Fees	\$656,375	\$656,375	\$656,375	\$656,375
Eligible Financing Fees	\$583,879	\$583,879	\$583,879	\$583,879
All Ineligible Costs	\$945,097	\$945,097		
Developer Fees				
Developer Fees	\$1,575,000	\$1,575,000	\$1,575,000	\$1,575,000
Development Reserves	\$496,550	\$400,000		
TOTAL DEVELOPMENT COSTS	\$14,960,401	\$14,844,201	\$12,118,754	\$12,099,104

Deduct from Basis:				
All grant proceeds used to finance costs in eligible basis				
B.M.R. loans used to finance cost in eligible basis				
Non-qualified non-recourse financing				
Non-qualified portion of higher quality units [42(d)(3)]				
Historic Credits (on residential portion only)				
TOTAL ELIGIBLE BASIS			\$12,118,754	\$12,099,104
High Cost Area Adjustment			130%	130%
TOTAL ADJUSTED BASIS			\$15,754,380	\$15,728,836
Applicable Fraction			100%	100%
TOTAL QUALIFIED BASIS			\$15,754,380	\$15,728,836
Applicable Percentage			8.55%	8.55%
TOTAL AMOUNT OF TAX CREDITS			\$1,347,000	\$1,344,815

Syndication Proceeds	0.8299	\$11,178,978	\$11,160,852
Total Tax Credits (Eligible Basis Method)		\$1,347,000	\$1,344,815
Syndication Proceeds		\$11,178,978	\$11,160,852
Previously Approved Tax Credits		\$1,200,000	
Syndication Proceeds		\$9,959,004	
Gap of Syndication Proceeds Needed		\$10,308,401	
Total Tax Credits (Gap Method)		\$1,242,100	



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Real Estate Analysis Division

Underwriting Report

REPORT DATE: 12/12/07 PROGRAM: 9% HTC

FILE NUMBER: 07203

DEVELOPMENT

The Melbourne Apartments

Location: 3337 Mustang Rd Region: 6
 City: Alvin County: Brazoria Zip: 77511 QCT DDA
 Key Attributes: Multifamily, New Construction, Urban/Exurban, Elderly

ALLOCATION

TDHCA Program	REQUEST			RECOMMENDATION		
	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term
Housing Tax Credit (Annual)	\$1,200,000			\$1,200,000		

CONDITIONS

- 1 Receipt, review, and acceptance, by cost certification, of certification by a qualified third party architect or engineer that the design plans are in accordance with QAP rules with regard to the 100-year floodplain, specifically: "Any Development proposing New Construction located within the 100 year floodplain ... must develop the site so that all finished ground floor elevations are at least one foot above the flood plain and parking and drive areas are no lower than six inches below the floodplain".
- 2 Receipt, review, and acceptance, by cost certification, of evidence that all Phase I ESA recommendations have been carried out.
- 3 Should the terms and rates of the proposed debt or syndication change, or if any Local HOME funds are approved, 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	11
60% of AMI	60% of AMI	99

PROS

CONS

- The market analysis reflects mixed inclusive capture rate conclusions though HISTA Data demographics support an acceptable capture rate.
- The market for 1 and 2 bedroom units at 60% AMI may be somewhat saturated with unit capture rates of over 130%.

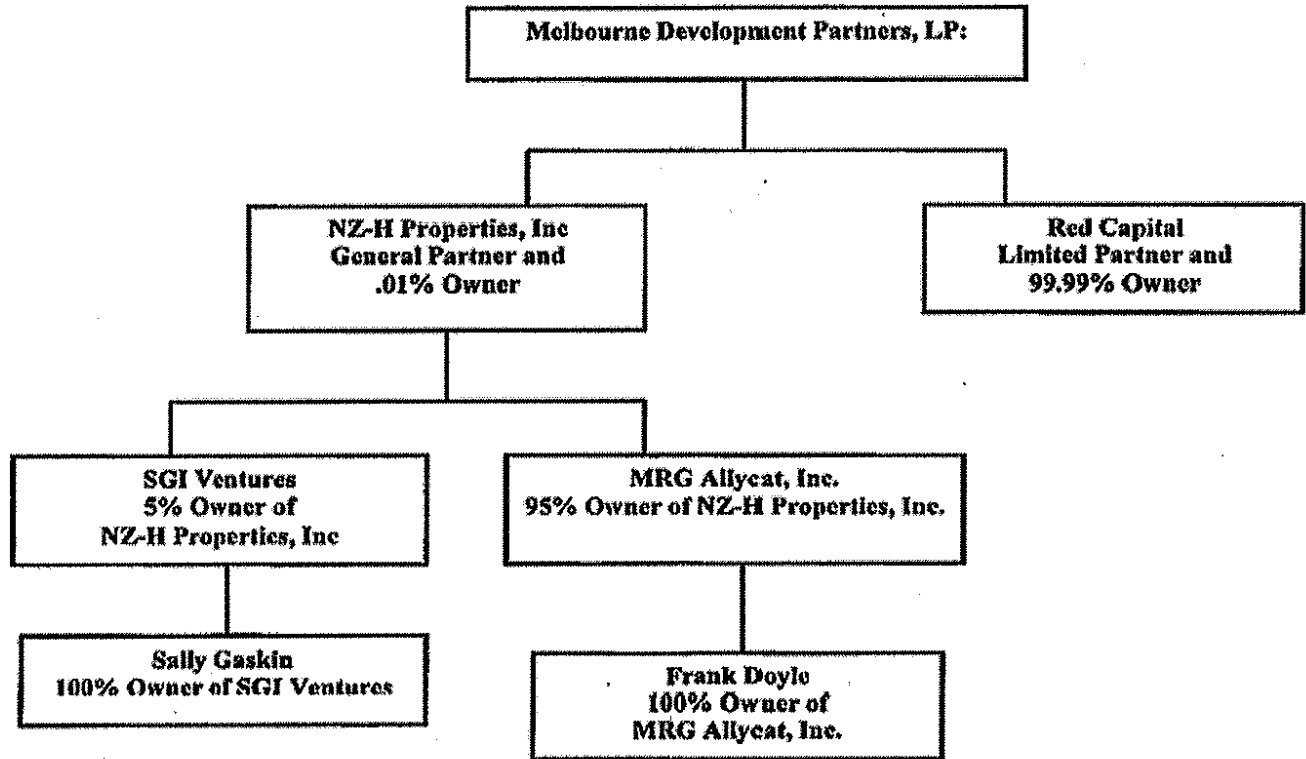
The acquisition price is significantly higher than is typical and was adjusted from the pre-application submission due to a \$2,000,000 error in the original contract.

PREVIOUS UNDERWRITING REPORTS

None

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



CONTACT

Contact: Alyssa Carpenter Phone: (512) 789-1295 Fax: (512) 233-2269
 Email: ajcarpen@gmail.com

KEY PARTICIPANTS

Name	Net Assets	Liquidity ¹	# of Complete Developments
Sally Gaskin	confidential		7 previous developments reported
SGI Ventures	\$1,697,525	\$372,000	7 previous developments reported
Frank Doyle	confidential		None Reported
NZ-H Properties, Inc.	newly formed		N/A
MRG Allycat, Inc.	newly formed		N/A

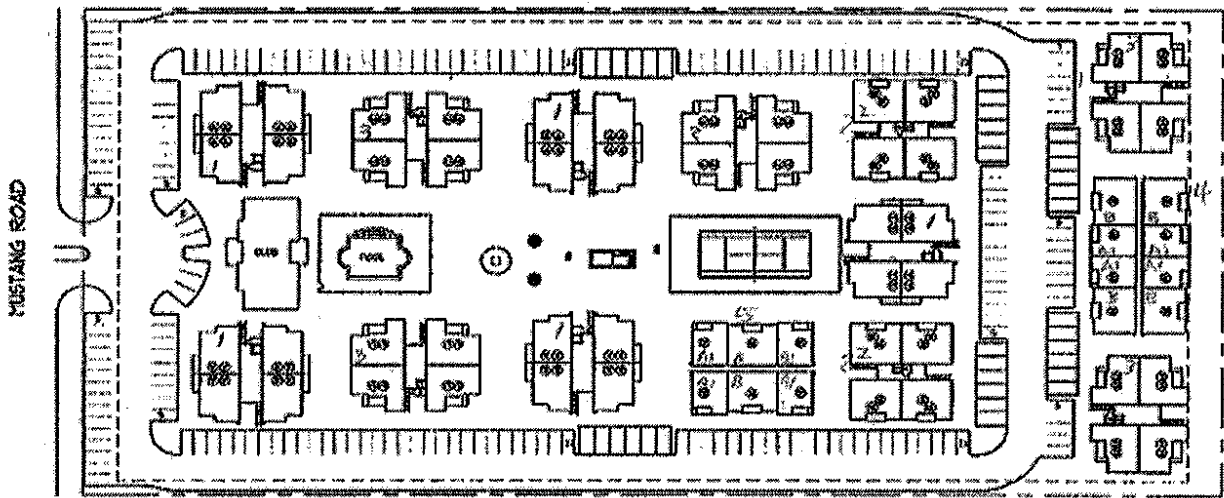
¹ Liquidity = Current Assets - Current Liabilities

IDENTITIES of INTEREST

- The Applicant, Developer, and co-Developers are related entities. These are common relationships for HTC-funded developments.

PROPOSED SITE

SITE PLAN



BUILDING CONFIGURATION

Building Type	1	2	3	4	5																Total Buildings	
Floors/Stories	2	2	2	1	1																	
Number	5	2	5	1	1																	14

BR/BA	SF	Units										Total Units	Total SF											
1/1	751				4	4																8	6,008	
2/2	994	8																					40	39,760
2/2	1,049			8																			40	41,960
2/2	1,052		8		4	2																	22	23,144
Units per Building		8	8	8	8	6																	110	110,872

SITE ISSUES

Total Size: 7.316 acres Scattered site? Yes No

Flood Zone: X and AE Within 100-yr floodplain? Yes No

Zoning: N/A Needs to be re-zoned? Yes No N/A

Comments:

The survey indicates that part of the site lies within the 100-year floodplain. The QAP requires that "Any Development proposing New Construction located within the 100 year floodplain ... must develop the site so that all finished ground floor elevations are at least one foot above the flood plain and parking and drive areas are no lower than six inches below the floodplain." The application acknowledges the floodplain location and the Applicant has indicated that the development "is designed as required by program rules". Receipt, review, and acceptance, by cost certification, of certification by a qualified third party architect or engineer that the design plans are in accordance with QAP rules with regard to the 100-year floodplain, will be a condition of this report.

ADDENDUM

The Applicant's carryover reflects revisions to the financing structure and development cost schedule. This addendum has been issued in order to evaluate the effect, if any, these changes have on the recommended tax credit allocation.

The most noticeable change to the financing structure is the elimination of \$800K in permanent local funds. The Applicant originally anticipated for these funds to be in the form of long-term debt; however, it now appears the funds will be available during the construction period only. The Applicant also provided a revised commitment and sources and uses, reflecting an increase in the permanent loan from \$3.17M to \$3.5M, and a decrease in the amount of deferred developer fee to \$170,899.

Furthermore, the Applicant has provided a new development cost schedule reflecting a substantial decrease in the acquisition cost. The total acquisition price at application was reported to be \$2,762,000, which amounts to more than \$25K per unit. Despite the reported arms length nature of the transaction, the Underwriter expressed serious concern about contract price which is one of the highest acquisition prices per unit that has been evaluated by underwriting.

The Applicant's carryover indicates that due to the possibility that the afore-mentioned changes to the financing structure and further corrections to the development costs could have a potentially negative impact on the financial feasibility of the development, the purchase price was renegotiated to \$1.4M (~\$1.4MK less than originally reported). An amendment to the Purchase and Sale Agreement, initialed by both parties was submitted by the Applicant.

Finally, the Applicant indicates revisions to the development costs have been made in order to correct understatements to architectural and engineering costs and reserve estimates. It should be noted, upon the Underwriter's request for clarification on the reserve estimate, the Applicant submitted a revised commitment from the syndicator indicating that \$375,370 in operating reserves will be required. In addition, the Applicant has indicated \$60,000 in additional lease-up reserves. The Underwriter has assumed the Lender's total reserve requirement of \$375,370 which is more than the typical underwriting requirement. Certain other eligible and ineligible costs have also shifted according to the new cost schedule.

The Applicant's total revised development cost is within 5% of the Underwriter's estimate; therefore, the Applicant's cost schedule will continue be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$12,223,421 supports annual tax credits of \$1,358,633. This figure will be compared to the Applicant's previously approved credits 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: JPMorgan Chase Type: Interim Financing

Principal: \$4,747,437 Interest Rate: 8.25% Fixed Term: 30 months

Comments:

Floating interest rate at JPMC Prime, underwritten at 8.25%

Source: Southeast Texas Housing Finance Corp Type: Interim Financing

Principal: \$800,000 Interest Rate: TBD Fixed Term: 12 months

Comments:

The Applicant submitted a certification of intent to apply for a loan at a rate at or below AFR. It is unclear as to whether this is a permanent source or not. For the purposes of the recommendations in this analysis it has been removed and replaced with deferred developer fee.

Source: Lone Wolf Capital Type: Interim Financing

Principal: \$315,000 Interest Rate: TBD Fixed Term: 12 months

Comments:

The Applicant submitted a lender's commitment for the amount, terms to be determined.

Source: Citigroup Type: **Permanent Financing**
Principal: \$3,500,000 Interest Rate: 7.4% Fixed Amort: 360 months
Comments:
acknowledges JPMorgan Chase as construction lender; \$200 per unit per year replacement reserve
Source: Red Capital Group Type: **Syndication**
Proceeds: \$10,918,908 Syndication Rate: 91% Anticipated HTC: \$ 1,200,000
Amount: \$170,899 Type: **Deferred Developer Fees**

CONCLUSIONS

Recommended Financing Structure:

The Applicant's total development cost estimate less the revised permanent loan of \$3,500,000 indicates the need for \$11,089,807 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$1,218,782 annually would be required to fill this gap in financing. Of the three possible tax credit allocations, Applicant's previously approved credits of (\$1.2M), the gap-driven amount (\$1,218,782), and eligible basis-derived estimate (\$1,358,633), the Applicant's previously approved credits of \$1.2M is recommended.

The Underwriter's recommended financing structure indicates the need for \$170,899 in additional permanent funds. Deferred developer and contractor fees in this amount appear to be repayable from development cashflow within three years of stabilized operation.

Underwriter:	<u>Diamond Unique Thompson</u>	Date:	<u>December 12, 2007</u>
Reviewing Underwriter:	<u>Raquel Morales</u>	Date:	<u>December 12, 2007</u>
Director of Real Estate Analysis:	<u>Tom Gouris</u>	Date:	<u>December 12, 2007</u>

MULTIFAMILY COMPARATIVE ANALYSIS

The Melbourne Apartments, Alvin, 9% HTC #07203

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%	1	1	1	751	\$366	\$225	\$225	\$0.30	\$141.00	\$42.00
TC 60%	7	1	1	751	\$732	591	4,137	0.79	141.00	42.00
TC 30%	4	2	2	994	\$440	260	1,040	0.26	180.00	51.00
TC 60%	36	2	2	994	\$879	699	25,164	0.70	180.00	51.00
TC 30%	3	2	2	1,049	\$440	260	780	0.25	180.00	51.00
TC 60%	37	2	2	1,049	\$879	699	25,863	0.67	180.00	51.00
TC 30%	3	2	2	1,052	\$440	260	780	0.25	180.00	51.00
TC 60%	19	2	2	1,052	\$879	699	13,281	0.66	180.00	51.00
TOTAL:	110		AVERAGE:	1,008		\$648	\$71,270	\$0.64	\$177.16	\$50.35

INCOME				Total Net Rentable Sq Ft:	110,872	TDHCA at CO	TDHCA	APPLICANT	APP at CO	COUNTY	IREM REGION	COMPT. REGION
POTENTIAL GROSS RENT						\$855,240	\$855,240	\$840,600	\$840,600	Brazoria	Houston	6
Secondary Income		Per Unit Per Month:	\$10.00		13,200	13,200	13,200	13,200	\$10.00	Per Unit Per Month		
Other Support Income:					0	0	0	0	\$0.00	Per Unit Per Month		
POTENTIAL GROSS INCOME						\$868,440	\$868,440	\$853,800	\$853,800			
Vacancy & Collection Loss		% of Potential Gross Income:	-7.50%		(65,133)	(65,133)	(59,772)	(59,772)	-7.00%	of Potential Gross Income		
Employee or Other Non-Rental Units or Concessions					0	0	0	0				
EFFECTIVE GROSS INCOME						\$803,307	\$803,307	\$794,028	\$794,028			
EXPENSES										PER SQ FT	PER UNIT	% OF EGI
General & Administrative		5.38%	\$393	0.39	\$43,232	\$43,232	\$36,500	\$16,500	\$0.15	\$150	2.08%	
Management		3.60%	263	0.26	28,929	28,929	39,740	39,740	0.36	361	5.00%	
Payroll & Payroll Tax		11.45%	836	0.83	\$91,980	\$91,980	62,810	62,810	0.57	571	7.91%	
Repairs & Maintenance		7.54%	551	0.55	\$60,589	\$60,589	85,250	105,250	0.95	957	13.26%	
Utilities		4.28%	313	0.31	34,396	34,396	16,000	16,000	0.14	145	2.02%	
Water, Sewer, & Trash		4.80%	350	0.35	38,553	38,553	50,000	50,000	0.45	455	6.30%	
Property Insurance		3.95%	289	0.29	31,755	31,755	44,000	44,000	0.40	400	5.54%	
Property Tax	3.080722	12.74%	931	0.92	102,364	102,364	110,000	110,000	0.99	1,000	13.85%	
Reserve for Replacements		3.42%	250	0.25	27,500	27,500	27,500	27,500	0.25	250	3.46%	
TDHCA Compliance Fees		0.55%	40	0.04	4,400	4,400	4,400	4,400	0.04	40	0.55%	
Other: cable		0.30%	22	0.02	2,400	2,400	2,400	2,400	0.02	22	0.30%	
TOTAL EXPENSES						\$466,078	\$466,078	\$478,600	\$478,600	\$4.32	\$4,351	60.27%
NET OPERATING INC						\$337,229	\$337,229	\$315,428	\$315,428	\$2.84	\$2,868	39.73%
DEBT SERVICE												
Citigroup		33.86%	\$2,474	\$2.45	\$272,132	\$263,381	\$263,381	\$272,132	\$2.45	\$2,474	34.27%	
SE Texas HFC		0.00%	\$0	\$0.00	0	0	0	0	\$0.00	\$0	0.00%	
Additional Financing		0.00%	\$0	\$0.00	0	0	0	0	\$0.00	\$0	0.00%	
NET CASH FLOW						\$65,097	\$73,848	\$52,047	\$43,296	\$0.39	\$394	5.45%
AGGREGATE DEBT COVERAGE RATIO						1.24	1.28	1.20	1.16			
RECOMMENDED DEBT COVERAGE RATIO						1.24	1.28					

CONSTRUCTION COST					TDHCA	TDHCA	APPLICANT	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL	
Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	\$1,400,000	\$2,762,000	\$2,762,000	\$1,400,000	\$12.63	\$12,727	9.60%	
Acquisition Cost (site or bldg)		10.06%	\$12,727	\$12.63	0	0	0	0	0.00	0	0.00%	
Off-Sites		0.00%	0	0.00	814,000	814,000	814,000	814,000	7.34	7,400	5.58%	
Sitework		5.85%	7,400	7.34	6,592,840	6,592,840	7,045,000	7,070,500	63.77	64,277	48.46%	
Direct Construction		47.36%	59,935	59.46	370,342	330,557	330,557	437,850	3.95	3,980	3.00%	
Contingency	5.00%	2.66%	3,367	3.34	1,036,958	984,410	984,410	1,085,980	9.79	9,873	7.44%	
Contractor's Fees	14.00%	7.45%	9,427	9.35	685,380	465,380	465,380	685,380	6.18	6,231	4.70%	
Indirect Construction		4.92%	6,231	6.18	487,391	658,300	658,300	487,391	4.40	4,431	3.34%	
Ineligible Costs		3.50%	4,431	4.40	1,520,678	1,460,000	1,460,000	1,535,000	13.84	13,955	10.52%	
Developer's Fees	15.00%	10.92%	13,824	13.72	638,336	642,589	642,589	638,336	5.76	5,803	4.38%	
Interim Financing		4.59%	5,803	5.76	375,370	297,327	297,327	435,370	3.93	3,958	2.98%	
Reserves		2.70%	3,412	3.39								
TOTAL COST						\$13,921,295	\$15,005,403	\$15,457,563	\$14,589,807	\$131.59	\$132,635	100.00%
Construction Cost Recap						\$8,814,140	\$8,721,807	\$9,173,987	\$9,408,330	\$84.88	\$85,530	64.49%

SOURCES OF FUNDS				RECOMMENDED						
Citigroup	25.14%	\$31,818	\$31.57	\$3,500,000	\$3,170,000	\$3,170,000	\$3,500,000	Developer Fee Available		
SE Texas HFC	0.00%	\$0	\$0.00	0	800,000	800,000	0	\$1,535,000		
HTC Red Capital Group	78.43%	\$99,263	\$98.48	10,918,908	10,918,908	10,918,908	10,918,908	% of Dev. Fee Deferred		
Deferred Developer Fees	1.23%	\$1,554	\$1.54	170,899	568,655	568,655	170,899	11%		
Additional (Excess) Funds Req'd	-4.80%	(\$0,077)	(\$6.03)	(668,512)	(452,160)	0	0	15-Yr Cumulative Cash Flow		
TOTAL SOURCES						\$13,921,295	\$15,005,403	\$15,457,563	\$14,589,807	\$1,538,710

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

The Melbourne Apartments, Alvin, 9% HTC #07203

DIRECT CONSTRUCTION COST ESTIMATE

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

PAYMENT COMPUTATION

CATEGORY	FACTOR	UNITS/SQFT	PER SF	AMOUNT
Base Cost			\$54.60	\$6,053,258
Adjustments				
Exterior Wall Finish	4.00%		\$2.18	\$242,130
Elderly	3.00%		1.64	181,598
9-Ft. Ceilings	3.50%		1.91	211,864
Hurricane wind adj	\$0.94	110,872	0.94	104,220
Subfloor			(1.30)	(144,134)
Floor Cover			2.43	269,419
Breezeways/Balconies	\$21.40	22,767	4.40	487,565
Plumbing Fxtures	\$805	358	2.60	288,190
Rough-Ins	\$400	110	0.40	44,000
Built-In Appliances	\$1,850	110	1.84	203,500
Exterior Stairs	\$1,800	24	0.39	43,200
Elevators	\$43,500	12	4.71	522,000
Heating/Cooling			1.90	210,657
Garages	\$19.52	7,200	1.27	140,508
Comm &/or Aux Bldgs	\$65.36	3,908	2.30	255,437
Other: fire sprinkler	\$1.95	110,872	1.95	216,200
SUBTOTAL			84.15	9,329,812
Current Cost Multiplier	0.98		(1.68)	(186,592)
Local Multiplier	0.89		(9.26)	(1,026,257)
TOTAL DIRECT CONSTRUCTION COSTS			\$73.21	\$8,116,763
Plans, specs, survy, bld pm	3.00%		(\$2.86)	(\$316,554)
Interim Construction Interes	3.38%		(2.47)	(273,941)
Contractor's OH & Profit	11.50%		(8.42)	(833,428)
NET DIRECT CONSTRUCTION COSTS			\$59.46	\$6,592,840

Primary	\$3,500,000	Amort	380
Int Rate	6.74%	DCR	1.24

Secondary	\$0	Amort	0
Int Rate	4.90%	Subtotal DCR	1.24

Additional		Amort	
Int Rate		Aggregate DCR	1.24

RECOMMENDED FINANCING STRUCTURE:

Primary Debt Service	\$272,132
Secondary Debt Service	0
Additional Debt Service	0
NET CASH FLOW	\$65,097

Primary	\$3,500,000	Amort	360
Int Rate	6.74%	DCR	1.24

Secondary		Amort	0
Int Rate		Subtotal DCR	1.24

Additional	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.24

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE

INCOME at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
POTENTIAL GROSS RENT	\$855,240	\$880,897	\$907,324	\$934,544	\$962,580
Secondary Income	13,200	13,586	14,004	14,424	14,857
Other Support Income:	0	0	0	0	0
POTENTIAL GROSS INCOME	868,440	894,493	921,328	948,968	977,437
Vacancy & Collection Loss	(65,133)	(67,887)	(69,100)	(71,173)	(73,368)
Employee or Other Non-Rental	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$803,307	\$827,406	\$852,228	\$877,795	\$904,129
EXPENSES at 4.00%					
General & Administrative	\$43,232	\$44,981	\$46,759	\$48,630	\$50,575
Management	28,929	29,797	30,691	31,612	32,560
Payroll & Payroll Tax	91,980	95,638	99,464	103,442	107,580
Repairs & Maintenance	60,589	63,012	65,533	68,154	70,880
Utilities	34,396	35,772	37,202	38,690	40,238
Water, Sewer & Trash	38,553	40,095	41,699	43,367	45,101
Insurance	31,755	33,025	34,346	35,720	37,149
Property Tax	102,364	108,459	110,717	115,146	119,751
Reserve for Replacements	27,500	28,800	29,744	30,934	32,171
Other	6,800	7,072	7,355	7,649	7,955
TOTAL EXPENSES	\$466,078	\$484,432	\$503,511	\$523,344	\$543,962
NET OPERATING INCOME	\$337,229	\$342,975	\$348,718	\$354,451	\$360,167
DEBT SERVICE					
First Lien Financing	\$272,132	\$272,132	\$272,132	\$272,132	\$272,132
Second Lien	0	0	0	0	0
Other Financing	0	0	0	0	0
NET CASH FLOW	\$65,097	\$70,843	\$76,585	\$82,319	\$88,035
DEBT COVERAGE RATIO	1.24	1.26	1.28	1.30	1.32

YEAR 10	YEAR 15	YEAR 20	YEAR 30
\$1,115,894	\$1,293,627	\$1,499,669	\$2,015,429
17,223	19,986	23,146	31,107
0	0	0	0
1,133,117	1,313,593	1,522,815	2,046,536
(84,984)	(98,520)	(114,211)	(133,490)
0	0	0	0
\$1,048,133	\$1,215,074	\$1,408,604	\$1,893,046
\$61,532	\$74,863	\$91,083	\$134,825
37,746	43,758	50,728	68,174
130,888	159,245	193,746	286,791
86,237	104,920	127,651	188,955
48,956	59,562	72,467	107,268
54,873	66,761	81,225	120,233
45,198	54,990	66,903	99,033
145,696	177,261	215,666	319,238
39,141	47,621	57,938	85,763
9,679	11,775	14,327	21,207
\$659,945	\$800,758	\$971,734	\$1,431,487
\$388,189	\$414,316	\$436,870	\$461,558
\$272,132	\$272,132	\$272,132	\$272,132
0	0	0	0
0	0	0	0
\$116,057	\$142,184	\$164,738	\$189,426
1.43	1.52	1.61	1.70

HTC ALLOCATION ANALYSIS -The Melbourne Apartments, Alvin, 9% HTC #07203

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
Acquisition Cost				
Purchase of land	\$1,400,000	\$1,400,000		
Purchase of buildings				
Off-Site Improvements				
Sitework	\$814,000	\$814,000	\$814,000	\$814,000
Construction Hard Costs	\$7,070,500	\$6,592,840	\$7,070,500	\$6,592,840
Contractor Fees	\$1,085,980	\$1,036,958	\$1,085,980	\$1,036,958
Contingencies	\$437,850	\$370,342	\$394,225	\$370,342
Eligible Indirect Fees	\$685,380	\$685,380	\$685,380	\$685,380
Eligible Financing Fees	\$638,336	\$638,336	\$638,336	\$638,336
All Ineligible Costs	\$487,391	\$487,391		
Developer Fees				
Developer Fees	\$1,535,000	\$1,520,678	\$1,535,000	\$1,520,678
Development Reserves	\$435,370	\$375,370		
TOTAL DEVELOPMENT COSTS	\$14,589,807	\$13,921,295	\$12,223,421	\$11,658,534

Deduct from Basis:			
All grant proceeds used to finance costs in eligible basis			
B.M.R. loans used to finance cost in eligible basis			
Non-qualified non-recourse financing			
Non-qualified portion of higher quality units [42(d)(3)]			
Historic Credits (on residential portion only)			
TOTAL ELIGIBLE BASIS		\$12,223,421	\$11,658,534
High Cost Area Adjustment		130%	130%
TOTAL ADJUSTED BASIS		\$15,890,447	\$15,156,095
Applicable Fraction		100%	100%
TOTAL QUALIFIED BASIS		\$15,890,447	\$15,156,095
Applicable Percentage		8.55%	8.55%
TOTAL AMOUNT OF TAX CREDITS		\$1,358,633	\$1,295,846

Syndication Proceeds	0.9099	\$12,362,326	\$11,791,020
Total Tax Credits (Eligible Basis Method)		\$1,358,633	\$1,295,846
Syndication Proceeds		\$12,362,326	\$11,791,020
Previously Approved Credits		\$1,200,000	
Syndication Proceeds		\$10,918,908	
Gap of Syndication Proceeds Needed		\$11,089,807	
Total Tax Credits (Gap Method)		\$1,218,782	



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

REPORT DATE: 07/17/07 PROGRAM: 9% HTC FILE NUMBER: 07203

DEVELOPMENT

The Melbourne Apartments

Location: 3337 Mustang Rd Region: 6
 City: Alvin County: Brazoria Zip: 77511 QCT DDA
 Key Attributes: Multifamily, New Construction, Urban/Exurban, Elderly

ALLOCATION

TDHCA Program	REQUEST			RECOMMENDATION		
	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term
Housing Tax Credit (Annual)	\$1,200,000			\$1,200,000		

CONDITIONS

- 1 Receipt review and acceptance of another copy of the final contract with each page initialed by both the buyer and seller and a notarized certification signed by both the Seller and the Applicant that reflects the revised sales price, explains how the error in price occurred and confirms that there are no other agreements written or otherwise between the buyer and seller or any principals or beneficiaries of each for the acquisition of additional property, discount, refund or recovery of the purchase price or provision of other benefit which is not identified in the purchase contract.
- 2 Receipt, review, and acceptance, by cost certification, of certification by a qualified third party architect or engineer that the design plans are in accordance with QAP rules with regard to the 100-year floodplain, specifically: "Any Development proposing New Construction located within the 100 year floodplain ... must develop the site so that all finished ground floor elevations are at least one foot above the flood plain and parking and drive areas are no lower than six inches below the floodplain".
- 3 Receipt, review, and acceptance, prior to carryover, of evidence that all Phase I ESA recommendations have been carried out.
- 4 Should the terms and rates of the proposed debt or syndication change, or if any Local HOME funds are approved, 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	11
60% of AMI	60% of AMI	99

PROS

CONS

- The market analysis reflects mixed inclusive capture rate conclusions though HISTA Data demographics support an acceptable capture rate.
- The market for 1 and 2 bedroom units at 60% AMI may be somewhat saturated with unit capture rates of over 130%.

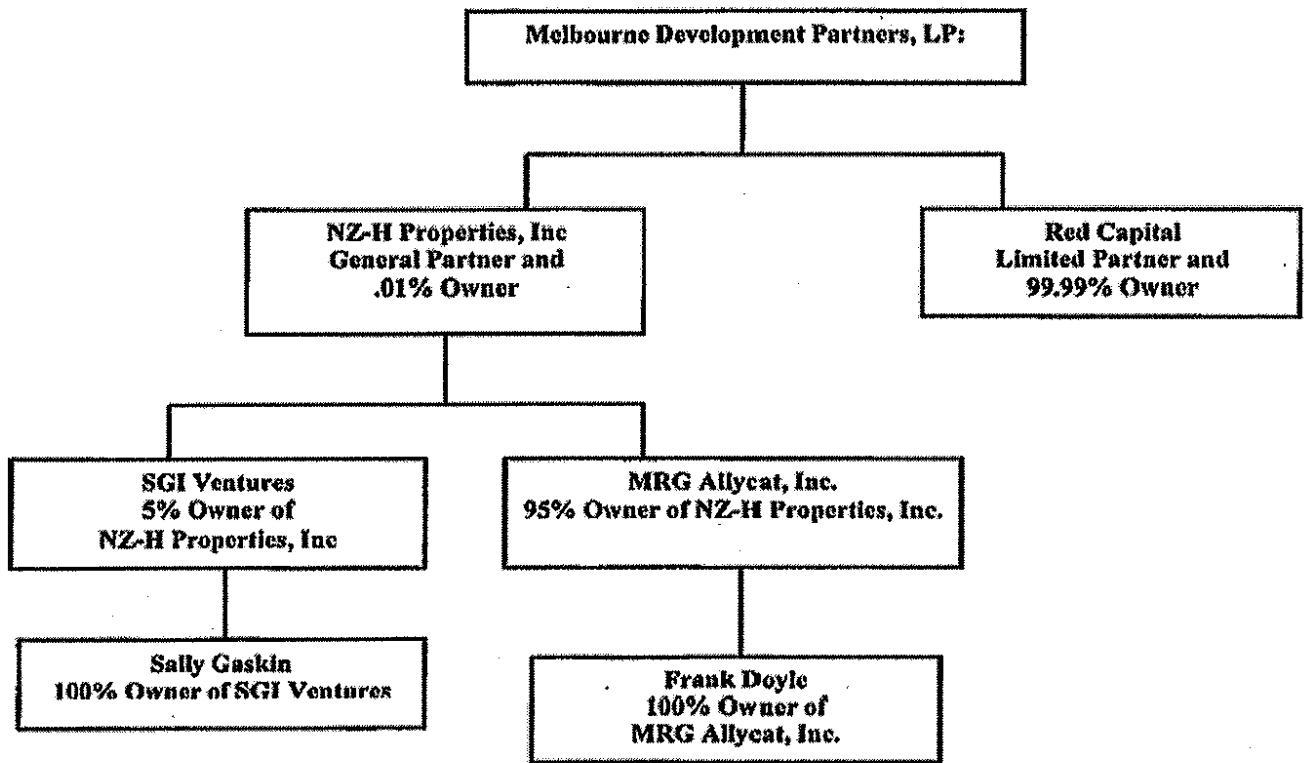
The acquisition price is significantly higher than is typical and was adjusted from the preapplication submission due to a \$2,000,000 error in the original contract.

PREVIOUS UNDERWRITING REPORTS

None

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



CONTACT

Contact: Alyssa Carpenter Phone: (512) 789-1295 Fax: (512) 233-2269
 Email: ajcarpen@gmail.com

KEY PARTICIPANTS

Name	Net Assets	Liquidity ¹	# of Complete Developments
Sally Gaskin	confidential		7 previous developments reported
SGI Ventures	\$1,697,525	\$372,000	7 previous developments reported
Frank Doyle	confidential		None Reported
NZ-H Properties, Inc.	newly formed		N/A
MRG Allycat, Inc.	newly formed		N/A

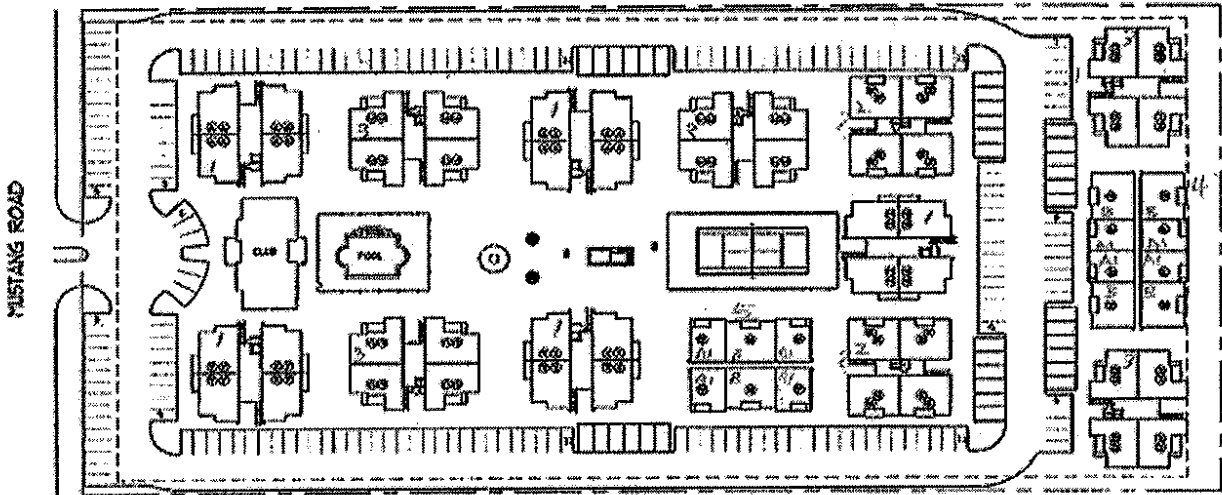
¹ Liquidity = Current Assets - Current Liabilities

IDENTITIES of INTEREST

- The Applicant, Developer, and co-Developers are related entities. These are common relationships for HTC-funded developments.

PROPOSED SITE

SITE PLAN



BUILDING CONFIGURATION

Building Type	1	2	3	4	5							Total Buildings
Floors/Stories	2	2	2	1	1							
Number	5	2	5	1	1							14

BR/BA	SF	Units										Total Units	Total SF	
1/1	751				4	4							8	6,008
2/2	994	8											40	39,760
2/2	1,049			8									40	41,960
2/2	1,052		8		4	2							22	23,144
Units per Building		8	8	8	8	6							110	110,872

SITE ISSUES

Total Size:	<u>7.316</u> acres	Scattered site?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Flood Zone:	<u>X and AE</u>	Within 100-yr floodplain?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Zoning:	<u>N/A</u>	Needs to be re-zoned?	<input type="checkbox"/> Yes	<input type="checkbox"/> No <input checked="" type="checkbox"/> N/A

Comments:

The survey indicates that part of the site lies within the 100-year floodplain. The QAP requires that "Any Development proposing New Construction located within the 100 year floodplain ... must develop the site so that all finished ground floor elevations are at least one foot above the flood plain and parking and drive areas are no lower than six inches below the floodplain." The application acknowledges the floodplain location and the Applicant has indicated that the development "is designed as required by program rules". Receipt, review, and acceptance, by cost certification, of certification by a qualified third party architect or engineer that the design plans are in accordance with QAP rules with regard to the 100-year floodplain, will be a condition of this report.

TDHCA SITE INSPECTION

Inspector: Manufactured Housing Staff Date: 4/20/2007

Overall Assessment:

Excellent Acceptable Questionable Poor Unacceptable

Surrounding Uses:

North: vacant land, residential East: drainage ditch, residential, schools
South: community college, multifamily West: multifamily, commercial

Comments:

A drainage ditch is shown on the survey, and described in the title policy, to be along the south boundary of the site but does not appear to impact the development of the site.

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Phase Engineering, Inc. Date: 3/28/2007

Recognized Environmental Concerns (RECs) and Other Concerns:

- "Miscellaneous debris including abandoned tires and an empty 55 gallon drum was observed on the subject property. No staining was noted on or around the 55 gallon drum. The debris is in possible violation of Texas Health and Safety Code Section 365, 341, and 343. No recognized environmental conditions appear to exist provided the debris is disposed of off site in accordance with all applicable federal, state, and local regulations." (p. 2)

Comments:

Receipt, review, and acceptance, before carryover, of evidence that all Phase I ESA recommendations have been carried out, will be a condition of this report.

MARKET HIGHLIGHTS

Provider: Apartment MarketData, LLC Date: 3/16/2007

Contact: Darrell G. Jack Phone: (210) 530-0040 Fax: (210) 340-5830

Number of Revisions: 2 Date of Last Applicant Revision: 7/16/2007

Primary Market Area (PMA): 203 square miles ≈ 8 mile radius

"For this analysis we utilized a primary market area comprising 203 square miles (roughly equivalent to a radius of eight miles). The boundaries of the PMA are County Road 101 to the north, State Highway 35 and the Brazoria County Line to the east, the Brazoria County line and FM 2004 (extended west) to the south, and State Highway 288 to the west." (p. 3)

This section intentionally left blank.

This market area does not take into account another proposed development, The Gardens at Friendswood Lakes (07310). The Gardens at Friendswood Lakes, also targeting seniors, is located seven miles north of the subject and less than three miles outside the rather small defined PMA. The Underwriter considered it important to determine the combined effect of these two proposed properties on the market. For this reason the Market Analyst (who in fact provided both market studies) was requested to evaluate a PMA to include both proposed developments, as well as two unstabilized senior projects, Maplewood Crossing (#04160 fka The Village on Hobbs Road), and Baybrook Park Retirement Center (#04079). The analysis of both market areas is discussed below.

PROPOSED, UNDER CONSTRUCTION & UNSTABILIZED COMPARABLE DEVELOPMENTS							
PMA				SMA			
Name	File #	Total Units	Comp Units	Name	File #	Total Units	Comp Units
Village on Hobbs Rd.	04160	100	Not in PMA	N/A			
Baybrook Retirement Ctr	04079	100	Not in PMA				
Gardens at Friendswood Lakes	07310	114	Not in PMA				

INCOME LIMITS						
Brazoria						
% AMI	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons
30	\$13,700	\$15,650	\$17,600	\$19,550	\$21,100	\$22,700
60	\$27,360	\$31,260	\$35,160	\$39,060	\$42,180	\$45,300

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% AMI	58	1	0	59	11	0	19%
1 BR / 60% AMI	68	4	0	72	99	0	138%
2 BR / 30% AMI	59	1	0	60	11	0	18%
2 BR / 60% AMI	47	4	0	51	99	0	194%

OVERALL DEMAND											
		Target Households	Household Size	Income Eligible	Tenure	Demand					
PMA DEMAND from TURNOVER											
Market Analyst	p. 51	19%	5,489	100%	5,489	24%	1,304	17%	224	64%	144
Mkt. A. (HISTA)	p. 58								268	64%	172
Underwriter		19%	5,836	100%	5,836	24%	1,389	17%	239	44%	105
Underwriter (HISTA)									309	44%	136
PMA DEMAND from HOUSEHOLD GROWTH											
Market Analyst	p. 51				318	24%	75	17%	13	100%	13
Mkt. A. (HISTA)	p. 58									100%	7
Underwriter				100%	245	24%	58	17%	10	100%	10
Underwriter (HISTA)										100%	13
DEMAND from OTHER SOURCES											
Market Analyst	p.										18
Underwriter											18

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. 54	110	0	0	110	175	63%	
Mkt. A. (HISTA) p. 54	110	0	0	110	197	56%	
Underwriter	110	0	0	110	133	83%	
Underwriter (HISTA)	110	0	0	110	167	66%	

Overall Demand:

The Market Analyst provided two sets of demand calculations. The first series of data presented above is based on MapInfo demographic data, a traditional data source which has been applied in TDHCA reports for a number of years. The Market Analyst's second series of data is based on HISTA Data which is said to provide a more accurate demographic picture of the percentage of renters by income and by age. In both cases the Analyst calculates demand from turnover based on the general IREM turnover rate for all multifamily households in the Houston Area. From both sets of data the Analyst reported inclusive capture rates below the underwriting maximum of 75%.

The Underwriter's calculations use the same basic data from the two data series but apply a different, more realistic turnover rate to get to demand. The Market Analyst explains: "Turnover information for existing projects is difficult to obtain ... In most cases, the on-site personnel do not track such information on an ongoing basis. As a result, one of the only sources for turnover information is the IREM Income and Expense publication, and even this has limited participation. IREM reports the turnover rate for the typical garden style project in Houston to be 64.4% per year." This rate unquestionably overstates turnover for elderly households. Since the only senior developments in the vicinity are the proposed and newly constructed projects discussed above, it is difficult to obtain specific information to reflect the senior market in the area. Historical data has generally suggested that senior households in rental developments turnover at a much lower rate than non-senior households.

The available data on eleven developments with over 900 households in the vicinity of the subject indicate a turnover rate of 44% for 2006. The underwriting analysis applies this lower turnover rate which produced mixed results. The capture rate for the MapInfo demographic data exceeded the limit, but the capture rate with HISTA Data was acceptable. Based on these mixed results, the Analyst was asked to provide any additional information that would support demand for the subject in the original PMA. (As already stated, the Analyst was also challenged to demonstrate that the greater Friendswood / Alvin area can support both the subject and another proposed senior project in addition to two existing unstabilized projects. That issue is discussed further in the following section.)

To further support the original PMA, the Analyst determined that there are a total of 560 Section 8 Housing Choice vouchers in Brazoria County. From this, the Analyst estimates potential additional demand from 18 senior households that are not already accounted for in the income-eligible population. With this additional demand included, the Analyst calculates capture rates of 63% with MapInfo and 56% with HISTA Data, both rates satisfying the limit. The underwriting analysis continues to show mixed results, with inclusive capture rates of 83% with MapInfo and 66% with HISTA Data.

Inclusive Capture Rate for Larger Friendswood / Alvin area:

At the Underwriter's request, the Analyst looked at the greater Friendswood / Alvin area and evaluated a primary market that would include the subject property as well as the Gardens of Friendswood Lakes and Maplewood Crossing/Village on Hobbs Road. Baybrook Park Retirement Center is actually just outside the boundary, but was included in the revised supply by the Market Analyst and thus accounted for in the capture rate. The revised PMA encompasses 373 square miles with a population of approximately 245,000 (the maximum population for senior developments is 250,000).

Employing HISTA Data demographics the Analyst calculated demand for 814 senior units in this market area. With a supply of 384 unit, made up of the two proposed developments and the two unstabilized properties, the Analyst calculated a capture rate of 47%. However, with MapInfo demographics, the Analyst identified demand for only 485 senior units, and a capture rate of 79%, exceeding the maximum. Both of these calculations are based on the IREM turnover rate of 65%. The Analyst reported that using HISTA Data, 39% is the minimum turnover rate required to achieve an inclusive capture rate of 75%. Underwriting analysis of the HISTA data with a 44% turnover rate (from properties in the vicinity as discussed above) indicates an inclusive capture rate of 69% for the larger PMA with all four competing properties. This suggests that there is sufficient demand to support both of the proposed developments in a larger PMA.

Primary Market Occupancy Rates:

The Analyst "conducted an analysis of some 500+ conventional (market rate) units within the primary trade area. These projects were all built between 1973 and 2003. Morgan Oaks has some of its units still in lease up, and phase 5 is under construction. The occupancy rate for market rate one bedrooms is 90.2%, for market rate two bedrooms it is 88.2% ... and the overall average occupancy for market rate units is 89.6%. The overall occupancy is slightly low due to Morgan Oaks which includes vacant units from its fifth phase of the project." (p. 15)

Absorption Projections:

"Based on the occupancy rates currently reported by existing projects, we opine that the market will readily accept the subject's units. Absorption over the previous sixteen years for all unit types is estimated to be 40 units per year. We expect this to continue as the number of new households continues to grow, and as additional rental units become available. Absorption has been limited in recent years due to a lack of new construction and only slight increases in overall demand." (p. 100)

RENT ANALYSIS (Tenant-Paid Net Rents)							
Unit Type (% AMI)			Proposed Rent	Program Maximum	Market Rent	Underwriting Rent	Savings Over Market
1 BR	751 SF	30%	\$214	\$225	\$675	\$225	\$450
1 BR	751 SF	60%	\$580	\$591	\$675	\$591	\$84
2 BR	994 SF	30%	\$248	\$260	\$805	\$260	\$545
2 BR	994 SF	60%	\$688	\$699	\$805	\$699	\$106
2 BR	1,049 SF	30%	\$248	\$260	\$825	\$260	\$565
2 BR	1,049 SF	60%	\$688	\$699	\$825	\$699	\$126
2 BR	1,052 SF	30%	\$248	\$260	\$825	\$260	\$565
2 BR	1,052 SF	60%	\$688	\$699	\$825	\$699	\$126

It should be noted that the market rents concluded by the Market Analyst are higher in Friendswood but the underwriting rent will be higher in Alvin due to differences in the area median income between Brazoria and Galveston Counties and due to difference in utility allowances. Thus in theory the Friendswood development will provide better value economically to the tenants.

Market Impact:

"The proposed is not likely to have a dramatically detrimental effect on the balance of supply and demand in this market." (p. 14)

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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 Friendswood/Clear Lake submarket within the Houston MSA. In this submarket, with a total population of 309,000, the Vogt, Williams study determines total one year growth-based demand for 47 units from senior households below 30% AMI, and negative demand (-41 units) from senior households between 51-60% AMI.

Conclusions:

The Analyst identified sufficient demand to support the subject property in the original primary market area using either demographic methodology. But it should be noted that application 07310, the Gardens at Friendswood Lakes, is located less than three miles outside that original PMA. If the Friendswood development is included in the supply for that PMA, the capture rate exceeds 100%. The same Market Analyst originally provided market studies with separate PMA's for each of the two proposed properties. The Analyst was challenged to define a market area to include both proposed developments as well as the two nearby unstabilized senior projects. Furthermore, the Underwriter challenged the turnover rate as being unrealistically high.

The Analyst responded with a market area that meets the Department guidelines for senior developments, and indicated that with a minimum turnover rate of 39% this PMA could support all four projects. The Underwriter independently determined from TDHCA data that the average turnover for all tax credit properties in the vicinity is 44%. And as discussed above, when the Analyst defined a substantially larger market area to encompass all the unstabilized senior demand in the vicinity, the demand will marginally support two new developments. The Underwriter's analysis of the HISTA data with a 44% turnover rate indicates an inclusive capture rate of 66% for the original PMA with no other competing property and 69% for the larger PMA with all four competing properties.

The conclusion that sufficient demand exists to support the subject application requires reliance on the HISTA Data demographic information. The Analyst explains "HISTA Data comes from a custom four-way cross tabulation of household data designed specifically for affordable housing analysis that has been built by Claritas. It contains actual Census cross tabulations - not extrapolations of SF3 data. The key to this data is that it gives us the number of households by household size by income by age grouping (i.e. <55, 55-61, and 62+ years of age). This breakout is very useful in arriving at a capture rate for the subject." (p. 51) It should be added that another key parameter provided by HISTA Data is renter tenure. This application clearly demonstrates the value provided by the information available from HISTA Data, particularly for developments targeting seniors.

The Department's traditional underwriting methodology determines senior demand through extrapolation from overall household income distribution patterns and general renter percentages. The HISTA Data report provides a specific tabulation of income-qualified, age-specific renter households. Since this data is taken directly from the Census rather than calculated based on various assumptions, it is reasonable to believe that it more accurately depicts the age and income distribution patterns in the population. Based on this, it is the Underwriter's conclusion that there is sufficient demand to recommend a funding allocation to the subject.

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OPERATING PROFORMA ANALYSIS

Income: Number of Revisions: 1 Date of Last Applicant Revision: 4/18/2007

The Applicant's income is based on rents which are between 3-5% lower than the maximum HTC program rents. The maximum HTC program rents are achievable based on the market rent conclusions of the Market Study and, therefore, are used as the underwriting rents. When contacted to make corrections to their rent schedule, the Applicant indicated that the development would still be feasible with less than the maximum rents. Utility allowances provided by the Brazoria County Housing Authority are factored into the net rents.

The Applicant included secondary income of \$10 per-unit per month from laundry, vending, and cable TV; this amount is consistent with underwriting guidelines. The Applicant provided for losses due to vacancy and collection equal to 7.0% of potential income; underwriting guidelines assume an allowance of 7.5% of potential income. The application indicates there will be 36 detached garage spaces on the site; the Applicant has indicated that there will be no charge to the tenants for the use of the garages. Overall, the Applicant's projection for effective gross income is within 1% of the Underwriter's estimate.

Expense: Number of Revisions: 1 Date of Last Applicant Revision: 4/18/2007

The Applicant's projected total annual operating expenses, at \$4,351 per unit, are within 3% of the Underwriter's estimate of \$4,237. The Applicant included \$44,200 as "other expenses"; the Underwriter moved \$20,000 for association dues to general & administrative expense, and \$24,200 for additional elevator expenses to repairs & maintenance. Other specific line items with significant variances include: payroll & payroll tax (the Applicant's projection is \$29K less than the Underwriter's estimate); repairs & maintenance (the Applicant's projection, including the additional elevator expense, is higher by \$25K); and utilities (the Applicant's projection is lower by \$18K).

Conclusion:

The Applicant's projected effective gross income and total annual operating expenses are each within 5% of the Underwriter's estimates; however, the projected net operating income (NOI) differs by more than 5%. Therefore, the Underwriter's figures will be used to determine debt capacity. The Applicant's NOI and projected debt service expense provide a first year debt coverage ratio (DCR) within the acceptable range of 1.15 to 1.35.

Feasibility:

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. Using the debt service for only the conventional loan as suggested by the application materials, the proforma analysis indicates continued positive cash flow and a DCR that remains above 1.15; as such, the development would be considered financially feasible.

However, the sources and uses of funds indicates an \$800,000 amount as both interim and permanent financing, while the Applicant's proforma does not indicate any debt service other than for the primary loan of \$3.17M. The Applicant indicated by email on 6/14/07 that "it is our expectation that the \$800,000 amount will be 'long-term' in nature, that it will be either a grant or a loan (perhaps forgivable) without any required debt service. The form describes it as a one-year loan simply in order to conform to the minimum requirements of the QAP that it have a term of at least one year and an interest rate at or below the AFR."

If the \$800,000 was treated as an amortized loan at AFR the result would be a debt coverage ratio of 1.00, well below the minimum. A determination of financial feasibility is dependent on the Applicant producing a source for this funding in the form of a grant or a forgivable loan. Furthermore, it should be noted that if these funds were received from a federally subsidized source, such below market financing would have to be removed from eligible basis or the Applicant would forfeit the anticipated 30% Difficult Development Area boost. The allocation may be conditioned on the Applicant proving the existence of a suitable source for all necessary funding due to selection criteria points. Alternatively, these funds could be sourced by additional deferral of available developer fee and the transaction would not have a DCR issue.

ACQUISITION INFORMATION**ASSESSED VALUE**

Land Only: 42.9 acres	<u>\$343,040</u>	Tax Year:	<u>2006</u>
Assessed Value per acre:	<u>\$8,000</u>	Valuation by:	<u>Brazoria County CAD</u>
prorata 7.316 acres	<u>\$58,528</u>	Tax Rate:	<u>3.080722</u>

EVIDENCE of PROPERTY CONTROL

Type: Purchase and Sale Agreement Acreage: ≈ 7

Contract Expiration: 10/31/2007 Valid Through Board Date? Yes No

Acquisition Cost: \$2,762,000 Other: survey indicates 7.316 acres

Seller: Jerald A. Turboff, Trustee Related to Development Team? Yes No

Comments:

The site is part of a 42.9 acre tract owned by the Seller since 1974; no survey had been made since the entire tract was surveyed at that time. When the Applicant approached the Seller about purchasing the site, a contract was drawn up without the benefit of a detailed survey. The contract referred to "approximately 7 acres, more or less (to be determined by the Survey as hereinafter defined and described), as generally depicted on Exhibit A-1". Upon completion of the Survey it became evident that the Seller's general description and sketch (Exhibit A-1) were inaccurate. In order to clear up any misunderstanding as to the exact definition of the Property, the Seller executed an affidavit clearly stating that the general description was merely a best-effort attempt to define the Property pending a detailed Survey, and that once completed, the Survey was intended to be the controlling definition of the Property for the purpose of the Contract.

TITLE**Comments:**

LandAmerica Commonwealth Title issued a letter dated 4/17/07 explaining that it is common practice, when a valid survey does not exist, for a real estate contract to include a best-effort general description pending the completion of a current survey with metes and bounds description, at which point the title company will "issue a revised title commitment for the property which accurately, and currently, reflect the property and title matters attributable thereto". The Applicant has provided a copy of the revised title commitment for 7.316 acres as defined by the Survey completed on 3/26/07.

The revised title commitment includes under Schedule B, Exceptions from Coverage, item 10(j): "A portion of the subject property lies in a F.I.A. (federal insurance agency) designated flood zone, as shown on that certain survey dated March 26, 2007." As indicated above under Site Issues, The QAP requires that "Any Development proposing New Construction located within the 100 year floodplain ... must develop the site so that all finished ground floor elevations are at least one foot above the flood plain and parking and drive areas are no lower than six inches below the floodplain." The application acknowledges the floodplain location and the Applicant has indicated that the development "is designed as required by program rules". Receipt, review, and acceptance, by cost certification, of certification by a qualified third party architect or engineer that the design plans are in accordance with QAP rules with regard to the 100-year floodplain, will be a condition of this report.

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CONSTRUCTION COST ESTIMATE EVALUATION

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

Acquisition Value:

The acquisition cost of \$2,762,000, or \$378K per acre, would typically be assumed to be reasonable as the purchase is said to be an arm's length transaction. However, at over \$25K per unit, the acquisition price is one of the highest per unit acquisition cost the Department has ever seen. The typical rule of thumb has been that you have to acquire your land for \$5K to \$8K per unit at the most to make a development work.

It should also be noted and is of significant concern that the Applicant originally included a purchase contract in the pre-application for \$762,000. The Applicant's contacted the Department after submission of the pre-application but before the full application was submitted and indicated that there existed an error in the contract price in the original contract. The Applicant did not disclose the magnitude of the error but asked if they should correct the Pre application or just submit the corrected contract with the full application. Staff agreed to allow the change to come in at full application. The revised contract however appears to use the same signature page as the originally submitted contract. In fact the only noticeable difference is the \$2,000,000 difference listed on the front page of the contract.

It should also be noted that none of the contract pages are initialed and the significant change in the contract amount was not initialed or otherwise verifiable in the revised contract. Therefore this report is conditioned upon receipt, review, and acceptance of another copy of the final contract with each page initialed by both the Buyer and Seller, and a notarized certification signed by both the Seller and the Applicant that reflects the revised sales price, explains how the error in price occurred, and confirms that there are no other agreements, written or otherwise, between the Buyer and Seller or any principals or beneficiaries of each, for the acquisition of additional property, discount, refund or recovery of the purchase price, or provision of other benefit which is not identified in the purchase contract.

Direct Construction Cost:

The application indicates there will be 36 detached garage spaces, but the development cost schedule did not include any specific costs for garages. The Applicant indicated that the costs for garages were included within the overall construction costs. The Applicant indicated under specifications and amenities that all residential areas would be equipped with fire sprinklers; however, application points were not requested for this amenity. The Applicant explained that this feature was not confirmed with the architect until late in the application process. The Underwriter has included \$216K in direct construction costs for fire sprinklers. The Applicant's projected direct construction cost is \$452K, or 7%, higher than the Underwriter's estimate, based on the Marshall & Swift Residential Cost Handbook.

Contingency & Fees:

The Applicant included \$50K for soft cost contingency under Financing Costs. The Underwriter included this amount with the hard cost contingency listed with direct construction costs.

Conclusion:

The Applicant's projection for total development cost is within 5% of the Underwriter's estimate; therefore, the Applicant's figures will be used to calculate eligible basis and determine the need for permanent financing. The calculated eligible basis of \$11,741,936 is increased by 30% because Brazoria County has been designated a Difficult Development Area. The resulting adjusted basis of \$15,264,517 supports an annual tax credit allocation of \$1,305,116; however, allocations are limited to \$1,200,000 per development. This amount will be compared to the Applicant's requested allocation, and the credit amount determined by the gap in financing, to determine any recommended allocation.

FINANCING STRUCTURESOURCES & USES Number of Revisions: 1 Date of Last Applicant Revision: 4/18/2007Source: JPMorgan Chase Type: Interim FinancingPrincipal: \$4,747,437 Interest Rate: 8.25% Fixed Term: 30 months

Comments:

Floating interest rate at JPMC Prime, underwritten at 8.25%

Source: Southeast Texas Housing Finance Corp Type: Interim Financing/PermanentPrincipal: \$800,000 Interest Rate: TBD Fixed Term: 12 months

Comments:

The Applicant submitted a certification of intent to apply for a loan at a rate at or below AFR. It is unclear as to whether this is a permanent source or not. For the purposes of the recommendations in this analysis it has been removed and replaced with deferred developer fee.

Source: Lone Wolf Capital Type: Interim FinancingPrincipal: \$315,000 Interest Rate: TBD Fixed Term: 12 months

Comments:

The Applicant submitted a lender's commitment for the amount, terms to be determined.

Source: Citigroup Type: Permanent FinancingPrincipal: \$3,170,000 Interest Rate: 7.4% Fixed Amort: 360 months

Comments:

acknowledges JPMorgan Chase as construction lender; \$200 per unit per year replacement reserve

Source: Red Capital Group Type: SyndicationProceeds: \$10,918,908 Syndication Rate: 91% Anticipated HTC: \$ 1,200,000Amount: \$568,655 Type: Deferred Developer Fees*This section intentionally left blank.*

CONCLUSIONS

Recommended Financing Structure:

The Applicant's total development cost estimate less the permanent loan of \$3,170,000 indicates the need for \$12,287,563 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$1,350,417 annually would be required to fill this gap in financing. However, allocations are limited to \$1,200,000 per application. The credit amount determined by eligible basis was also limited to \$1,200,000, and the Applicant's request was for \$1,200,000. Therefore, an annual allocation of \$1,200,000 would be recommended.

The Underwriter's recommended financing structure indicates the need for an additional \$1,368,655 permanent funds. Deferred developer fees in this amount represents 94% of the developer fee and appear to be repayable from development cashflow within 15 years of stabilized operation. Should the Applicant receive the proposed \$800,000 in additional permanent funds, the gap would decrease to \$568,655. Deferred fees in this amount are repayable within 10 years of stabilized operation. Therefore, with or without the \$800,000 in additional permanent funds, the development would be considered feasible from this perspective.

Underwriter:

Thomas Cavanagh

Date: July 17, 2007

Reviewing Underwriter:

Lisa Vecchietti

Date: July 17, 2007

Director of Real Estate Analysis:

Tom Gouris

Date: July 17, 2007

MULTIFAMILY COMPARATIVE ANALYSIS

The Melbourne Apartments, Alvin, 9% HTC #07203

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%	1	1	1	751	\$366	\$225	\$225	\$0.30	\$141.00	\$42.00
TC 60%	7	1	1	751	\$732	591	4,137	0.79	141.00	42.00
TC 30%	4	2	2	994	\$440	260	1,040	0.26	180.00	51.00
TC 60%	36	2	2	994	\$879	699	25,164	0.70	180.00	51.00
TC 30%	3	2	2	1,049	\$440	260	780	0.25	180.00	51.00
TC 60%	37	2	2	1,049	\$879	699	25,863	0.67	180.00	51.00
TC 30%	3	2	2	1,052	\$440	260	780	0.25	180.00	51.00
TC 60%	19	2	2	1,052	\$879	699	13,281	0.66	180.00	51.00
TOTAL:	110		AVERAGE:	1,008		\$648	\$71,270	\$0.64	\$177.16	\$50.35

INCOME

Total Net Rentable Sq Ft: 110,872

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
General & Administrative	5.38%	\$393	0.39
Management	3.60%	263	0.26
Payroll & Payroll Tax	11.46%	836	0.83
Repairs & Maintenance	7.54%	551	0.55
Utilities	4.28%	313	0.31
Water, Sewer, & Trash	4.80%	350	0.35
Property Insurance	3.95%	289	0.29
Property Tax 3.060722	12.74%	931	0.92
Reserve for Replacements	3.42%	250	0.25
TDHCA Compliance Fees	0.55%	40	0.04
Other: cable	0.30%	22	0.02
TOTAL EXPENSES	68.02%	\$4,237	\$4.20
NET OPERATING INC	41.98%	\$3,066	\$3.04

DEBT SERVICE

Clitgroup	32.79%	\$2,394	\$2.38
SE Texas HFC	0.00%	\$0	\$0.00
Additional Financing	0.00%	\$0	\$0.00
NET CASH FLOW	9.19%	\$671	\$0.67

AGGREGATE DEBT COVERAGE RATIO

RECOMMENDED DEBT COVERAGE RATIO

CONSTRUCTION COST

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT
Acquisition Cost (site or bldg)		18.41%	\$26,109	\$24.91
Off-Sites		0.00%	0	0.00
Sitework		5.42%	7,400	7.34
Direct Construction		43.94%	59,935	59.46
Contingency	4.48%	2.20%	3,005	2.98
Contractor's Fees	13.29%	6.56%	8,949	8.88
Indirect Construction		3.10%	4,231	4.20
Ineligible Costs		4.37%	5,966	5.92
Developer's Fees	14.85%	9.73%	13,273	13.17
Interim Financing		4.28%	5,842	5.80
Reserves		1.98%	2,703	2.68
TOTAL COST		100.00%	\$136,413	\$135.34
Construction Cost Recap		59.12%	\$79,289	\$78.67

SOURCES OF FUNDS

Clitgroup	21.13%	\$28,816	\$28.59
SE Texas HFC	5.33%	\$7,273	\$7.22
HTC Red Capital Group	72.77%	\$99,283	\$98.48
Deferred Developer Fees	3.79%	\$5,170	\$5.13
Additional (Excess) Funds Req'd	-3.01%	(\$4,111)	(\$4.08)
TOTAL SOURCES			

	TDHCA	APPLICANT	COUNTY	IREM REGION	COMPT. REGION
	\$855,240	\$840,600	Brazoria	Houston	6
	13,200	13,200	\$10.00	Per Unit Per Month	
	0	0	\$0.00	Per Unit Per Month	
	\$868,440	\$853,800			
	(65,133)	(59,772)	-7.00%	of Potential Gross Income	
	0	0			
	\$803,307	\$794,028			
	PER SQ FT	PER UNIT	% OF EGI		
	\$43,232	\$36,500	0.33	\$332	4.60%
	28,929	39,740	0.36	361	5.00%
	\$91,960	62,810	0.57	571	7.91%
	\$60,589	85,250	0.77	775	10.74%
	34,396	16,000	0.14	145	2.02%
	38,553	50,000	0.45	455	6.30%
	31,755	44,000	0.40	400	5.54%
	102,364	110,000	0.99	1,000	13.85%
	27,500	27,500	0.25	250	3.46%
	4,400	4,400	0.04	40	0.55%
	2,400	2,400	0.02	22	0.30%
	\$466,078	\$478,600	\$4.32	\$4,351	60.27%
	\$337,229	\$315,428	\$2.64	\$2,888	39.73%
	\$263,381	\$263,381	\$2.38	\$2,394	33.17%
	0	0	\$0.00	\$0	0.00%
	0	0	\$0.00	\$0	0.00%
	\$73,848	\$52,047	\$0.47	\$473	6.55%
	1.28	1.20			
	1.28				

	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
	\$2,762,000	\$2,762,000	\$24.91	\$25,109	17.87%
	0	0	0.00	0	0.00%
	814,000	814,000	7.34	7,400	5.27%
	6,592,840	7,045,000	63.54	64,045	45.58%
	330,557	330,557	2.98	3,005	2.14%
	984,410	984,410	8.88	8,949	6.37%
	465,380	465,380	4.20	4,231	3.01%
	656,300	656,300	5.92	5,966	4.25%
	1,460,000	1,460,000	13.17	13,273	9.45%
	642,589	642,589	5.80	5,842	4.16%
	297,327	297,327	2.68	2,703	1.92%
	\$15,005,403	\$15,457,563	\$139.42	\$140,523	100.00%
	\$8,721,807	\$9,173,967	\$82.74	\$83,400	59.35%

	TDHCA	APPLICANT	RECOMMENDED	
	\$3,170,000	\$3,170,000	\$3,170,000	Developer Fee Available
	800,000	800,000		\$1,460,000
	10,918,908	10,918,908	10,918,908	% of Dev. Fee Deferred
	568,655	568,655	1,368,655	94%
	(452,160)	0	0	15-Yr Cumulative Cash Flow
	\$15,005,403	\$15,457,563	\$15,457,563	\$1,669,972

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

The Melbourne Apartments, Alvin, 9% HTC #07203

DIRECT CONSTRUCTION COST ESTIMATE

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

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$54.60	\$6,053,268
Adjustments				
Exterior Wall Finish	4.00%		\$2.18	\$242,130
Elderly	3.00%		1.64	181,598
9-Ft. Ceilings	3.50%		1.91	211,864
Hurricane wind adj	\$0.94	110,872	0.94	104,220
Subfloor			(1.30)	(144,134)
Floor Cover			2.43	269,419
Breezeways/Balconies	\$21.40	22,787	4.40	487,565
Plumbing Fixtures	\$805	358	2.60	288,190
Rough-ins	\$400	110	0.40	44,000
Built-In Appliances	\$1,850	110	1.84	203,500
Exterior Stairs	\$1,800	24	0.39	43,200
Elevators	\$43,500	12	4.71	522,000
Heating/Cooling			1.90	210,657
Garages	\$19.52	7,200	1.27	140,508
Comm &/or Aux Bldgs	\$65.36	3,908	2.30	255,437
Other: fire sprinkler	\$1.95	110,872	1.95	216,200
SUBTOTAL			84.15	9,329,612
Current Cost Multiplier	0.98		(1.68)	(186,592)
Local Multiplier	0.89		(9.26)	(1,026,257)
TOTAL DIRECT CONSTRUCTION COSTS			\$73.21	\$8,116,763
Plans, specs, survy, bld prm	3.80%		(\$2.86)	(\$316,554)
Interim Construction Interes	3.38%		(2.47)	(273,941)
Contractor's OH & Profit	11.50%		(8.42)	(933,428)
NET DIRECT CONSTRUCTION COSTS			\$59.46	\$6,592,840

PAYMENT COMPUTATION

Primary	\$3,170,000	Amort	360
Int Rate	7.40%	DCR	1.28

Secondary	\$800,000	Amort	0
Int Rate	4.80%	Subtotal DCR	1.28

Additional		Amort	
Int Rate		Aggregate DCR	1.28

RECOMMENDED FINANCING STRUCTURE:

Primary Debt Service	\$263,381
Secondary Debt Service	0
Additional Debt Service	0
NET CASH FLOW	\$73,848

Primary	\$3,170,000	Amort	360
Int Rate	7.40%	DCR	1.28

Secondary		Amort	0
Int Rate		Subtotal DCR	1.28

Additional	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.28

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE

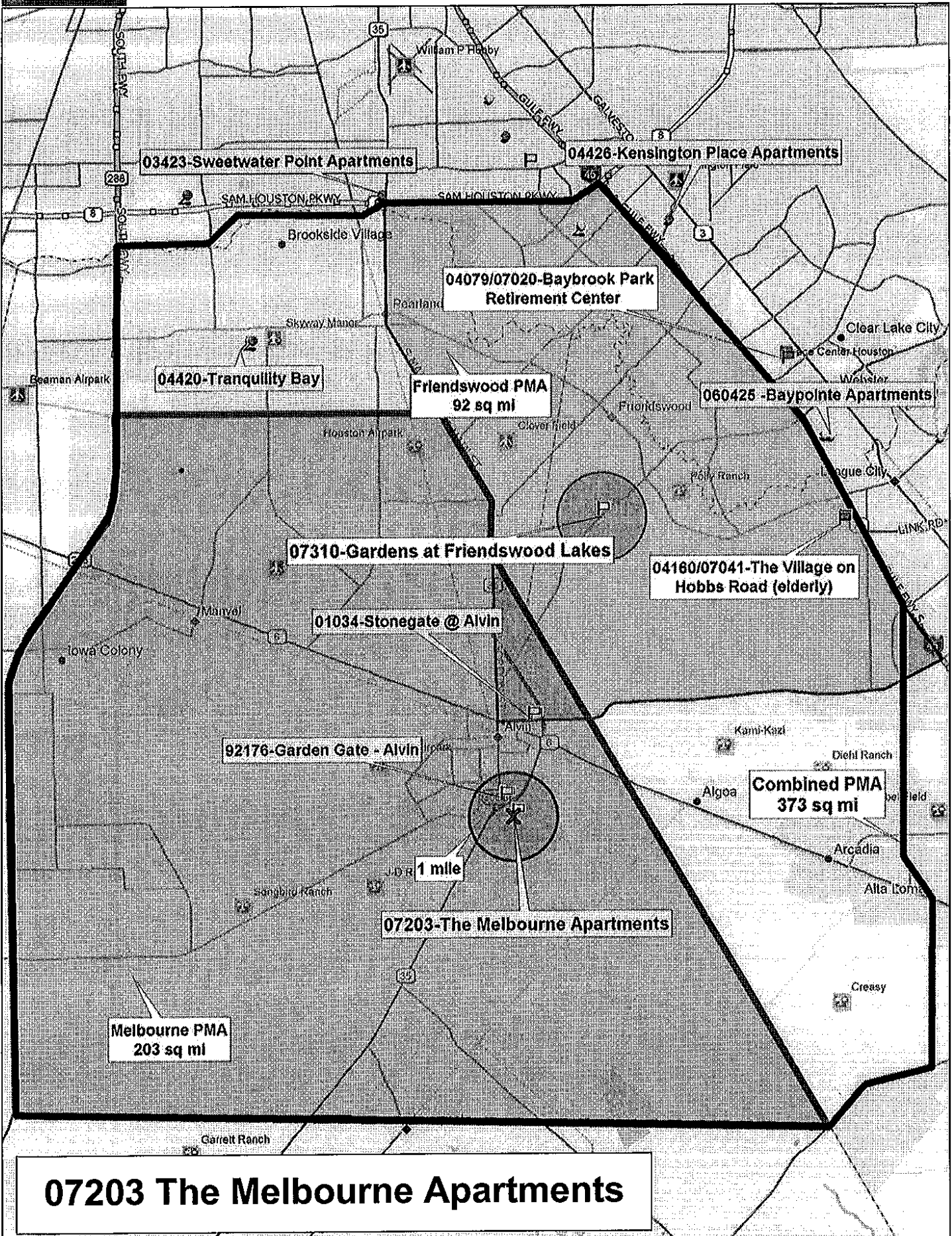
INCOME at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$855,240	\$880,897	\$907,324	\$934,544	\$962,580	\$1,115,894	\$1,293,627	\$1,499,669	\$2,015,429
Secondary Income	13,200	13,596	14,004	14,424	14,857	17,223	19,966	23,146	31,107
Other Support Income:	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	868,440	894,493	921,328	948,968	977,437	1,133,117	1,313,593	1,522,815	2,046,536
Vacancy & Collection Loss	(65,133)	(67,007)	(69,100)	(71,173)	(73,308)	(84,904)	(98,520)	(114,211)	(153,490)
Employee or Other Non-Rental	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$803,307	\$827,406	\$852,228	\$877,795	\$904,129	\$1,048,133	\$1,215,074	\$1,408,604	\$1,893,046
EXPENSES at 4.00%									
General & Administrative	\$43,232	\$44,961	\$46,759	\$48,630	\$50,575	\$61,532	\$74,863	\$91,083	\$134,825
Management	28,929	29,797	30,691	31,612	32,560	37,746	43,758	50,728	68,174
Payroll & Payroll Tax	91,960	95,638	99,464	103,442	107,580	130,888	159,245	193,746	286,791
Repairs & Maintenance	60,589	63,012	65,533	68,154	70,880	86,237	104,920	127,651	188,955
Utilities	34,396	35,772	37,202	38,690	40,238	48,956	59,562	72,467	107,268
Water, Sewer & Trash	38,553	40,095	41,699	43,367	45,101	54,873	66,761	81,225	120,233
Insurance	31,755	33,025	34,346	35,720	37,149	46,198	56,990	69,903	99,033
Property Tax	102,364	106,459	110,717	115,146	119,751	145,696	177,261	216,666	319,238
Reserve for Replacements	27,600	28,800	29,744	30,934	32,171	39,141	47,621	57,938	85,763
Other	6,800	7,072	7,355	7,649	7,955	9,679	11,775	14,327	21,207
TOTAL EXPENSES	\$466,078	\$484,432	\$503,511	\$523,344	\$543,962	\$659,945	\$800,758	\$971,734	\$1,431,487
NET OPERATING INCOME	\$337,229	\$342,975	\$348,718	\$354,451	\$360,167	\$388,189	\$414,316	\$436,870	\$461,559
DEBT SERVICE									
First Lien Financing	\$263,381	\$263,381	\$263,381	\$263,381	\$263,381	\$263,381	\$263,381	\$263,381	\$263,381
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	\$73,848	\$79,593	\$85,336	\$91,070	\$96,786	\$124,807	\$160,935	\$173,489	\$198,177
DEBT COVERAGE RATIO	1.28	1.30	1.32	1.35	1.37	1.47	1.57	1.66	1.75

HTC ALLOCATION ANALYSIS -The Melbourne Apartments, Alvin, 9% HTC #07203

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
Acquisition Cost				
Purchase of land	\$2,762,000	\$2,762,000		
Purchase of buildings				
Off-Site Improvements				
Sitework	\$814,000	\$814,000	\$814,000	\$814,000
Construction Hard Costs	\$7,045,000	\$6,592,840	\$7,045,000	\$6,592,840
Contractor Fees	\$984,410	\$984,410	\$984,410	\$984,410
Contingencies	\$330,557	\$330,557	\$330,557	\$330,557
Eligible Indirect Fees	\$465,380	\$465,380	\$465,380	\$465,380
Eligible Financing Fees	\$642,589	\$642,589	\$642,589	\$642,589
All Ineligible Costs	\$656,300	\$656,300		
Developer Fees				
Developer Fees	\$1,460,000	\$1,460,000	\$1,460,000	\$1,460,000
Development Reserves	\$297,327	\$297,327		
TOTAL DEVELOPMENT COSTS	\$15,457,563	\$15,005,403	\$11,741,936	\$11,289,776

Deduct from Basis:			
All grant proceeds used to finance costs in eligible basis			
B.M.R. loans used to finance cost in eligible basis			
Non-qualified non-recourse financing			
Non-qualified portion of higher quality units [42(d)(3)]			
Historic Credits (on residential portion only)			
TOTAL ELIGIBLE BASIS		\$11,741,936	\$11,289,776
High Cost Area Adjustment		130%	130%
TOTAL ADJUSTED BASIS		\$15,264,517	\$14,676,709
Applicable Fraction		100%	100%
TOTAL QUALIFIED BASIS		\$15,264,517	\$14,676,709
Applicable Percentage		8.55%	8.55%
TOTAL AMOUNT OF TAX CREDITS		\$1,305,116	\$1,254,859

Syndication Proceeds	0.9099	\$11,875,370	\$11,418,072
Total Tax Credits (Eligible Basis Method)		\$1,305,116	\$1,254,859
Syndication Proceeds		\$11,875,370	\$11,418,072
Requested Tax Credits		\$1,200,000	
Syndication Proceeds		\$10,918,908	
Gap of Syndication Proceeds Needed		\$12,287,563	
Total Tax Credits (Gap Method)		\$1,350,417	



07203 The Melbourne Apartments



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Real Estate Analysis Division
Underwriting Report Addendum

REPORT DATE: 06/30/08 PROGRAM: 9% HTC

FILE NUMBER: **07219**

DEVELOPMENT						
The Canyons Retirement Community						
Location: <u>2200 West 7th Avenue</u>				Region: <u>1</u>		
City: <u>Amarillo</u>		County: <u>Potter</u>		Zip: <u>79106</u>		<input checked="" type="checkbox"/> QCT <input type="checkbox"/> DDA
Key Attributes: <u>Multifamily, Elderly, Urban, Acquisition/Rehabilitation</u>						
ALLOCATION						
	REQUEST			RECOMMENDATION		
TDHCA Program	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term
Housing Tax Credit (Annual)	\$907,655			\$876,745		
*The original tax credit award was \$876,745.						
RECOMMENDATION						
<p>Staff has evaluated the financial viability of the requested amendment. Based on the revised information provided, the transaction would meet the Department's 2008 Real Estate Analysis Rules and Guidelines if approved. The underlying economics of the transaction have not materially changed; therefore, the Underwriter makes no recommendation regarding the requested changes. If the Board chooses to approve the amendment, the Underwriter recommends a total allocation of \$876,745, subject to the following conditions.</p>						
CONDITIONS						
<ol style="list-style-type: none"> 1 Receipt, review and acceptance by cost certification of proper abatement of asbestos and lead-based paint in compliance with O & M plans and federal and state regulations is required as it relates to renovation and demolition at the subject Site. 2 Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit allocation amount may be warranted. 						
SALIENT ISSUES						
PROS			CONS			
<ul style="list-style-type: none"> ▫ The application proposes the revitalization and preservation of a 80 year old property. 			<ul style="list-style-type: none"> ▫ The Applicant's expense to income ratio is high although still acceptable at 64.90%. ▫ The acquisition is an identity of interest. ▫ The market for 2 bedroom units at 60% AMI may be somewhat saturated with unit capture rate of over 100%. ▫ The property has had significant capital improvements over the last 10 years though this is the first comprehensive rehabilitation since the property was donated. 			

ADDENDUM

The subject development was originally underwritten and approved for an award of 9% Housing Tax Credits in 2007. Subsequently, on May 22, 2008 the Applicant submitted a request to amend the application as follows:

- Approval of a waiver of the 2007 QAP threshold requirement to provide dishwashers in each unit. Thirty-five of 111 units would not include a dishwasher.
- Approval of a waiver of the 2007 QAP threshold requirement to provide garbage disposals in each unit. Twenty-seven of 111 units would not include a dishwasher.
- Change in the layout of two units, one one-bedroom and one efficiency unit. The current efficiency unit would be converted to a one-bedroom unit. The current one-bedroom unit would be converted to an efficiency unit.
- Change in the scope of service of one elevator to eliminate a proposed stop on the building's mezzanine level.
- Expand the size of a coffee shop area currently included in the development.

The Applicant asserts that the waiver of the requirement to provide dishwashers and garbage disposals is necessary due to space limitations in the affected units. According to the Applicant, the average size of the affected units is 425 square feet, with kitchens averaging 25 square feet and 5 linear feet of counter space. To address space constraints, "unit kitchens" will be used in these units. "Unit kitchens" include a sink, under counter refrigerator, and under counter range, and take up 5 linear feet. In contrast, the inclusion of a dishwasher, sink, typical under counter refrigerator, and range requires 8 linear feet. The currently plumbed wall does not have 8 linear feet available. In addition, moving the kitchen area to a different wall is not cost effective and is not an efficient use of available space. Portable dishwashers are not being considered because of the lack of space to store the unit while not in use, and because of safety concerns about elderly tenants hooking up water and electricity to the units.

The Applicant is unable to provide garbage disposals in 27 units because the "unit kitchens" being used in those units do not have a "package" that includes a garbage disposal. In addition, modifications to the "unit kitchen" to include a disposal would void the warranty on the unit.

The Applicant is proposing to change the layout of two units, 200 (a one-bedroom) and 221 (an efficiency), in order to provide adequate egress and improve the desirability of unit 221. Unit 221 will be reconfigured to allow the installation of a window; this requires taking a bedroom from unit 200.

The Applicant is also seeking approval to eliminate an elevator stop that was proposed at application. At application, the elevator was proposed to stop at the development's mezzanine level; however, due to a lack of overhead room, this stop is not possible. The Applicant has revised development costs to reflect the elimination of the mezzanine-level stop, and has also updated cost estimates for other elevator-related development costs that were originally contemplated in the application.

As a substitute for not installing dishwashers and disposals in some units, the Applicant proposes to expand the existing coffee shop area of the development by 644 square feet.

The Applicant confirmed that income and expense estimates have not changed since application. The Underwriter's income estimate decreased by \$360 annually, however, as a result of a reduction of the rental rate by \$30 for the converted one-bedroom unit, unit 221. The change in income did not affect the Underwriter's DCR, which is within Department guidelines.

The Applicant has received a new equity commitment since application, which includes a more favorable syndication rate than the original commitment, and has changed equity providers, from CharterMac to PNC Multifamily Capital. In addition, the Applicant has changed construction and permanent lenders from JPMorgan Chase to Wells Fargo. The amount of the construction loan has decreased from \$3,830,000 to \$3,000,000; the amount and terms of the permanent loan are the same as originally proposed.

The Underwriter has evaluated the impact of these changes on the financial viability of the transaction and the tax credit award based on the documentation provided and the requested changes. Only those portions of the report that are materially affected by the proposed changes are discussed below. This report should be read in conjunction with the original underwriting report with a full evaluation of the originally proposed development plan and structure.

CONSTRUCTION COST ESTIMATE EVALUATION

Acquisition Cost:

The Applicant revised the acquisition basis of the buildings, reducing eligible basis by \$146,447 to \$1,378,553; however, the Applicant's total acquisition cost of the buildings and land, \$1,800,000, have not changed since application. Rather, the revision to acquisition basis was made in order to be consistent with the acquisition eligible basis used by the Department at original underwriting. At application, the Department limited the total acquisition cost to \$1,653,553, which is the amount of capital improvements to the property since acquisition, and limited acquisition basis for the buildings to \$1,378,553. The revised, lower acquisition eligible basis used by the Applicant in the amendment request did not affect the amount of acquisition housing tax credits the development is eligible for.

Direct Construction Costs:

The Applicant's direct construction cost estimate has increased by \$320,470 from what was presented at application. The Applicant provided a revised cost schedule and replacement reserve schedule from the Property Condition Assessment ("PCA") provider, Dekker/Perich/Sabatini, to support the increases in direct construction costs presented by the Applicant.

The original application and PCA did not include costs related to the installation of dishwashers and disposals in the units. Therefore, the Applicant's increase in direct construction costs includes \$24,235 for the installation of dishwashers in 76 of the units and \$21,000 for the installation of disposals in 84 of the units, which is substantiated by the revised PCA.

The Applicant's revised cost schedule also includes an increase of \$19,000 to expand the existing coffee shop area by 644 square feet; this cost was not contemplated in the original PCA, but is supported by the revised PCA.

A reduction of \$13,250 representing the cost to add an elevator stop to the mezzanine level is also reflected in the Applicant's cost schedule; the \$13,250 cost was originally contemplated in the PCA and has been deleted from the revised PCA. In addition, the PCA has been revised to reflect a \$257,485 increase in the cost of originally proposed replacements related to the development's elevators.

The Applicant's revised cost schedule included an increase of \$12,000 to reconfigure units 200 and 221; this cost is supported by the revised PCA.

The replacement requirements for the first 30 years, as reflected in the revised PCA replacement reserve schedule, can be adequately met by the Applicant's replacement reserve account.

Indirect and Financing Costs:

The Applicant's estimate of tenant relocation expense increased by \$50,000 from application. The Applicant's estimate of financing costs decreased by \$108,368 as a result of new commitments for construction and permanent financing, and equity contributions. The Underwriter's estimate of eligible construction interest expense of \$176,494, which is based on one year of fully drawn interest on \$3,000,000 at 5.04%, and on \$516,200 at 4.9%, is \$8,506 lower than the Applicant's estimate. Therefore, the Applicant's excess interest expense has been moved into the Ineligible Costs line item.

Conclusion:

The Underwriter's cost schedule was derived from information presented in the 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. Eligible basis of \$1,378,553 for acquisition and adjusted basis of \$11,104,511 for rehabilitation supports annual tax credits of \$910,987. This figure will be compared to the Board approved tax credits, 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

Source: Wells Fargo Type: Interim & Permanent Financing

Interim: \$3,000,000 Interest Rate: 5.04% Floating Term: 30 months
Permanent: \$2,400,000 Interest Rate: 8.00% Fixed Amort: 360 months

Comments:

The construction and permanent lender has changed from JPMorgan Chase at application to Wells Fargo. The construction loan has decreased by \$830,000 from original underwriting and the interest rate has decreased from an underwritten variable rate of 8.5% to LIBOR plus 2.25% which is underwritten at 5.04%. The permanent loan amount, underwritten interest rate, term, and amortization have not changed.

Source: Panhandle Housing Finance Corporation Type: Interim Financing

Principal: \$516,200 Interest Rate: AFR Fixed Term: 12 months

Comments:

The amount of interim financing provided by Panhandle HFC has increased by \$44,200 since application to \$516,200. The loan amount was increased when the Commitment Notice for the development was due in August 2007. The Applicant stated that the City of Amarillo CDBG grant of \$44,200 proposed at application was not being used in the transaction and that the increase in financing from the Panhandle HFC would be used instead. The decrease in permanent financing associated with the original CDBG grant does not affect the financial feasibility of the transaction.

Source: PNC Multifamily Capital Type: Syndication

Proceeds: \$8,081,555 Syndication Rate: 92.5% Anticipated HTC: \$ 876,745

Comments:

The original syndication commitment from CharterMac provided syndication proceeds of \$7,740,000 at a rate of 88% per credit dollar. The new commitment from PNC Multifamily Capital provides an increase in proceeds of \$341,555 and an increase in the syndication rate to 92.5%.

Amount: \$248,320 Type: Deferred Developer Fees

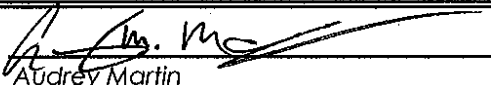
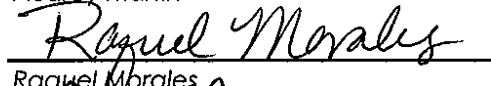

CONCLUSION

Recommended Financing Structure:

The Underwriter's total development cost estimate less the permanent loan of \$2,400,000 indicates the need for \$8,124,369 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$881,478 annually would be required to fill this gap in financing. Of the four possible tax credit allocations, the previously Board approved award (\$876,745), the Applicant's request (\$907,655), the gap-driven amount (\$881,478), and eligible basis-derived estimate (\$910,987), the previously Board approved amount of \$876,745 is recommended.

The Underwriter's recommended financing structure indicates a need for \$43,623 in additional permanent funds. Deferred developer fees in this amount appear to be repayable from development cash flow within one year of stabilized operations.

If the Applicant's proposed amendment is not approved, the lower total construction costs would result in a smaller gap in financing, \$7,666,510, which could be filled with a smaller tax credit allocation due to the more favorable syndication rate secured from PNC Multifamily Capital. The recommended tax credit allocation to fill the gap in financing, \$831,801, would represent a decrease of \$44,944 from the allocation originally approved by the Board. If the proposed amendment is not approved, no amount of developer fee would need to be deferred.

Underwriter:	 Audrey Martin	Date: <u>June 30, 2008</u>
Reviewing Underwriter:	 Raquel Morales	Date: <u>June 30, 2008</u>
Director of Real Estate Analysis:	 Tom Gouris	Date: <u>June 30, 2008</u>

MULTIFAMILY COMPARATIVE ANALYSIS

The Canyons Retirement Community, Amarillo, 9% HTC #07219

Type of Unit	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	Rent Collected	Rent per Month	Rent per SF	Utilities	WS&T
TC 30%	1	0	1	188	\$272	\$272	\$272	\$1.45	\$67.00	\$31.00
TC 30%	1	0	1	330	\$272	272	272	0.82	90.00	35.00
TC 30%	10	1	1	374	\$291	291	2,910	0.78	90.00	35.00
TC 60%	27	1	1	457	\$582	560	15,120	1.23	90.00	35.00
EO	1	1	1	602		600	600	1.00	90.00	35.00
TC 60%	27	1	1	625	\$582	582	15,714	0.93	90.00	35.00
TC 60%	5	1	2	708	\$582	582	2,910	0.82	90.00	35.00
TC 60%	3	2	1	638	\$699	640	1,920	1.00	112.00	37.00
TC 60%	13	2	2	703	\$699	675	8,775	0.96	112.00	37.00
TC 60%	17	2	2	788	\$699	699	11,883	0.89	112.00	37.00
MR	3	2	2	1,011		850	2,550	0.84	112.00	37.00
MR	2	2	1	1,197		850	1,700	0.71	112.00	37.00
TC 60%	1	1	1	510	\$582	530	530	1.04	90.00	35.00
TOTAL:	111		AVERAGE:	613		\$587	\$65,156	\$0.96	\$97.32	\$35.65

INCOME		Total Net Rentable Sq Ft:	68,000									
POTENTIAL GROSS RENT												
		Per Unit Per Month:	\$15.00									
POTENTIAL GROSS INCOME												
Vacancy & Collection Loss		% of Potential Gross Income:	-7.50%									
EFFECTIVE GROSS INCOME												
EXPENSES		% OF EGI	PER UNIT	PER SQ.FT								
General & Administrative		3.83%	\$256	0.42	\$28,389	\$28,387	\$17,900	\$17,900	\$0.26	\$161	2.45%	
Management		3.88%	259	0.42	28,791	28,804	33,000	33,000	0.49	297	4.51%	
Payroll & Payroll Tax		11.48%	767	1.25	85,119	85,112	97,500	97,500	1.43	878	13.33%	
Repairs & Maintenance		5.89%	394	0.64	43,712	43,708	40,000	40,000	0.59	360	5.47%	
Utilities		10.11%	676	1.10	75,000	75,000	75,000	75,000	1.10	676	10.25%	
Water, Sewer, & Trash		2.95%	197	0.32	21,883	21,881	15,750	15,750	0.23	142	2.15%	
Property Insurance		9.44%	631	1.03	70,000	70,000	70,000	70,000	1.03	631	9.57%	
Property Tax	2.53127	4.17%	278	0.45	30,907	30,907	35,000	35,000	0.51	315	4.78%	
Reserve for Replacements		4.49%	300	0.49	33,300	33,300	33,600	33,600	0.49	303	4.59%	
TDHCA Compliance Fees		0.57%	38	0.06	4,200	4,200	4,200	4,200	0.06	38	0.57%	
Other: Security		7.12%	476	0.78	52,800	52,800	52,800	52,800	0.78	476	7.22%	
TOTAL EXPENSES		63.92%	\$4,271	\$6.97	\$474,100	\$474,099	\$474,750	\$474,750	\$6.98	\$4,277	64.90%	
NET OPERATING INC		36.08%	\$2,411	\$3.94	\$267,613	\$267,947	\$256,758	\$256,758	\$3.78	\$2,313	35.10%	
DEBT SERVICE												
Chase Bank		28.49%	\$1,904	\$3.11	\$211,324	\$211,324	\$211,320	\$211,320	\$3.11	\$1,904	28.89%	
City of Amarillo -CDBG Funds		0.00%	\$0	\$0.00	0	0	0	0	\$0.00	\$0	0.00%	
Additional Financing		0.00%	\$0	\$0.00	0	0	0	0	\$0.00	\$0	0.00%	
NET CASH FLOW		7.59%	\$507	\$0.83	\$56,289	\$56,623	\$45,438	\$45,438	\$0.67	\$409	6.21%	
AGGREGATE DEBT COVERAGE RATIO					1.27	1.27	1.22	1.22				
RECOMMENDED DEBT COVERAGE RATIO							1.21	1.21				
CONSTRUCTION COST												
Description	Factor	% of TOTAL	PER UNIT	PER SQ.FT	TDHCA-AMEND	TDHCA-Orig.	APPLICANT-Orig.	APPLICANT-AMEND	PER SQ.FT	PER UNIT	% of TOTAL	
Acquisition Cost (site or bldg)		15.71%	\$14,897	\$24.32	\$1,653,553	\$1,653,553	\$1,800,000	\$1,800,000	\$26.47	\$16,216	16.78%	
Off-Sites		0.00%	0	0.00	0	0	0	0	0.00	0	0.00%	
Sitework		1.34%	1,269	2.07	140,807	140,807	195,055	195,055	2.87	1,757	1.82%	
Direct Construction		44.96%	42,633	69.59	4,732,233	4,411,978	4,357,730	4,678,200	68.80	42,146	43.80%	
Contingency	9.34%	4.32%	4,099	6.69	455,000	455,000	455,000	455,000	6.69	4,099	4.24%	
Contractor's Fees	13.97%	6.47%	6,133	10.01	680,794	637,390	637,390	680,794	10.01	6,133	6.34%	
Indirect Construction		8.60%	8,151	13.31	904,800	854,800	854,800	904,800	13.31	8,151	8.43%	
Ineligible Costs		0.43%	412	0.67	45,718	57,997	57,997	45,503	0.67	410	0.42%	
Developer's Fees	11.99%	10.09%	9,568	15.62	1,062,000	1,062,000	1,062,000	1,062,000	15.62	9,568	9.90%	
Interim Financing		5.38%	5,102	8.33	566,298	662,172	662,172	566,298	8.33	5,102	5.28%	
Reserves		2.69%	2,551	4.16	283,166	222,768	222,768	342,225	5.03	3,083	3.19%	
TOTAL COST		100.00%	\$94,814	\$154.77	\$10,524,369	\$10,158,465	\$10,304,912	\$10,729,875	\$157.79	\$96,666	100.00%	
Construction Cost Recap		67.09%	\$54,134	\$88.37	\$6,008,834	\$5,645,175	\$5,645,175	\$6,009,049	\$88.37	\$54,136	56.00%	
SOURCES OF FUNDS												
Chase Bank		22.80%	\$21,622	\$35.29	\$2,400,000	\$2,400,000	\$2,400,000	\$2,400,000	\$35.29	\$21,622	22.80%	
City of Amarillo -CDBG Funds		0.00%	\$0	\$0.00	0	44,200	44,200	0	\$0.00	\$0	0.00%	
HTC Syndication Proceeds		76.79%	\$72,807	\$118.85	8,081,555	7,740,000	7,740,000	8,081,555	\$118.85	\$72,807	76.79%	
Deferred Developer Fees		0.41%	\$386	\$0.63	42,814	120,712	120,712	248,320	\$0.63	\$386	0.41%	
Additional (Excess) Funds Req'd		0.00%	\$0	\$0.00	0	(146,447)	0	0	\$0.00	\$0	0.00%	
TOTAL SOURCES					\$10,524,369	\$10,158,465	\$10,304,912	\$10,729,875				\$961,702

MULTIFAMILY COMPARATIVE ANALYSIS (continued)
 The Canyons Retirement Community, Amarillo, 9% HTC #07219

PAYMENT COMPUTATION

Primary	\$2,400,000	Amort	360
Int Rate	8.00%	DCR	1.27
Secondary	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.27
Additional	\$0	Amort	
Int Rate		Aggregate DCR	1.27

RECOMMENDED FINANCING STRUCTURE APPLICANT'S NOI:

Primary Debt Service	\$211,324
Secondary Debt Service	0
Additional Debt Service	0
NET CASH FLOW	\$45,434

Primary	Amort	360
Int Rate	DCR	1.21
Secondary	Amort	0
Int Rate	Subtotal DCR	1.21
Additional	Amort	0
Int Rate	Aggregate DCR	1.21

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE (APPLICANT'S NOI)

INCOME at	3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 20	YEAR 30
POTENTIAL GROSS RENT		\$765,084	\$788,037	\$811,678	\$836,028	\$861,109	\$998,261	\$1,341,579	\$1,802,971
Secondary Income		0	0	0	0	0	0	0	0
Other: rental income, parking, storage, salon, rotary, widows		25,740	26,512	27,308	28,127	28,971	33,585	45,135	60,658
POTENTIAL GROSS INCOME		790,824	814,549	838,985	864,155	890,079	1,031,846	1,386,715	1,863,629
Vacancy & Collection Loss		(59,316)	(61,091)	(62,924)	(64,812)	(66,756)	(77,388)	(104,004)	(139,772)
Employee or Other Non-Rental Units or Concessions		0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME		\$731,508	\$753,458	\$776,061	\$799,343	\$823,323	\$954,458	\$1,282,711	\$1,723,856
EXPENSES at	4.00%								
General & Administrative		\$17,900	\$18,616	\$19,361	\$20,135	\$20,940	\$25,477	\$37,713	\$55,824
Management		33,000	33,990	35,010	36,060	37,142	43,058	57,866	77,767
Payroll & Payroll Tax		97,500	101,400	105,456	109,674	114,061	138,773	205,418	304,069
Repairs & Maintenance		40,000	41,600	43,264	44,995	46,794	56,932	84,274	124,746
Utilities		75,000	78,000	81,120	84,365	87,739	106,748	158,014	233,899
Water, Sewer & Trash		15,750	16,380	17,035	17,717	18,425	22,417	33,183	49,119
Insurance		70,000	72,800	75,712	78,740	81,890	99,632	147,479	218,306
Property Tax		35,000	36,400	37,856	39,370	40,945	49,816	73,740	109,153
Reserve for Replacements		33,600	34,944	36,342	37,795	39,307	47,823	70,790	104,787
Other		57,000	59,280	61,651	64,117	66,682	81,129	120,090	177,763
TOTAL EXPENSES		\$474,750	\$493,410	\$512,807	\$532,969	\$553,927	\$671,806	\$988,567	\$1,455,431
NET OPERATING INCOME		\$256,758	\$260,047	\$263,255	\$266,374	\$269,396	\$282,652	\$294,144	\$268,425
DEBT SERVICE									
First Lien Financing		\$211,324	\$211,324	\$211,324	\$211,324	\$211,324	\$211,324	\$211,324	\$211,324
Second Lien		0	0	0	0	0	0	0	0
Other Financing		0	0	0	0	0	0	0	0
NET CASH FLOW		\$45,434	\$48,723	\$51,930	\$55,050	\$58,072	\$71,328	\$82,820	\$57,101
DEBT COVERAGE RATIO		1.21	1.23	1.25	1.26	1.27	1.34	1.39	1.27

HTC ALLOCATION ANALYSIS -The Canyons Retirement Community, Amarillo, 9% HTC #07219

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S ACQUISITION ELIGIBLE BASIS	TDHCA ACQUISITION ELIGIBLE BASIS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
Acquisition Cost						
Purchase of land	\$275,000	\$275,000				
Purchase of buildings	\$1,525,000	\$1,378,553	\$1,378,553	\$1,378,553		
Off-Site Improvements						
Sitework	\$195,055	\$140,807			\$195,055	\$140,807
Construction Hard Costs	\$4,678,200	\$4,732,233			\$4,678,200	\$4,732,233
Contractor Fees	\$680,794	\$680,794			\$680,794	\$680,794
Contingencies	\$455,000	\$455,000			\$455,000	\$455,000
Eligible Indirect Fees	\$904,800	\$904,800			\$904,800	\$904,800
Eligible Financing Fees	\$566,298	\$566,298			\$566,298	\$566,298
All Ineligible Costs	\$45,503	\$45,718				
Developer Fees						
Developer Fees	\$1,062,000	\$1,062,000			\$1,062,000	\$1,062,000
Development Reserves	\$342,225	\$283,166				
TOTAL DEVELOPMENT COSTS	\$10,729,875	\$10,524,369	\$1,378,553	\$1,378,553	\$8,542,147	\$8,541,932

Deduct from Basis:						
All grant proceeds used to finance costs in eligible basis						
B.M.R. loans used to finance cost in eligible basis						
Non-qualified non-recourse financing						
Non-qualified portion of higher quality units [42(d)(3)]						
Historic Credits (on residential portion only)						
TOTAL ELIGIBLE BASIS			\$1,378,553	\$1,378,553	\$8,542,147	\$8,541,932
High Cost Area Adjustment					130%	130%
TOTAL ADJUSTED BASIS			\$1,378,553	\$1,378,553	\$11,104,791	\$11,104,511
Applicable Fraction			91%	91%	91%	91%
TOTAL QUALIFIED BASIS			\$1,256,328	\$1,256,328	\$10,120,220	\$10,119,966
Applicable Percentage			3.64%	3.64%	8.55%	8.55%
TOTAL AMOUNT OF TAX CREDITS			\$45,730	\$45,730	\$865,279	\$865,257

Syndication Proceeds 0.9217 \$421,486 \$421,486 \$7,975,066 \$7,974,865

Total Tax Credits (Eligible Basis Method) \$911,009 \$910,987

Syndication Proceeds \$8,396,552 \$8,396,351

Board Approved Tax Credits \$876,745

Syndication Proceeds \$8,080,747

Requested Tax Credits \$907,655

Syndication Proceeds \$8,365,637

Gap of Syndication Proceeds Needed \$8,329,875 \$8,124,369

Total Tax Credits (Gap Method) \$903,775 \$881,478



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

REPORT DATE: 07/16/07

PROGRAM: 9% HTC

FILE NUMBER: 07219

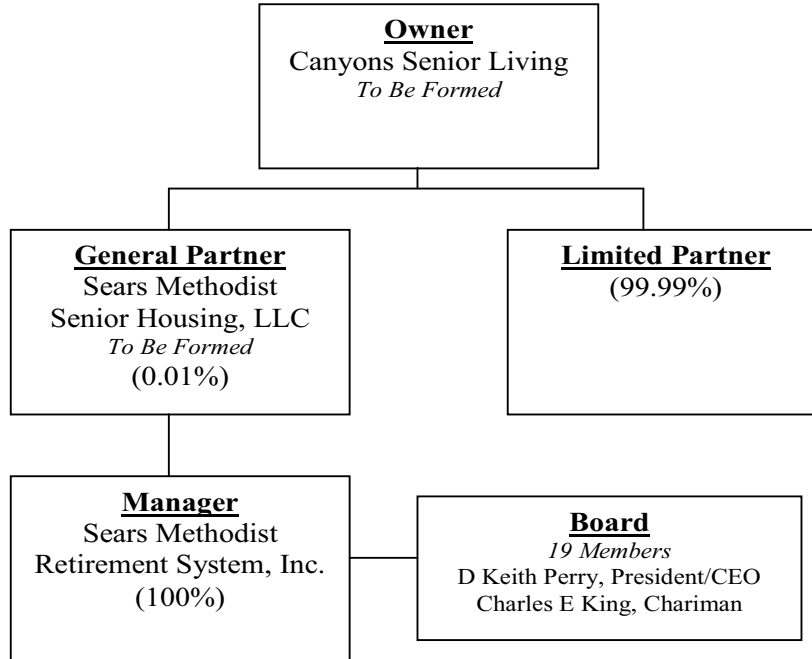
DEVELOPMENT						
The Canyons Retirement Community						
Location: <u>2200 West 7th Avenue</u>				Region: <u>1</u>		
City: <u>Amarillo</u>		County: <u>Potter</u>		Zip: <u>79106</u>		<input checked="" type="checkbox"/> QCT <input type="checkbox"/> DDA
Key Attributes: <u>Multifamily, Elderly, Urban/Exurban, Acquisition/Rehabilitation</u>						
ALLOCATION						
	REQUEST			RECOMMENDATION		
TDHCA Program	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term
Housing Tax Credit (Annual)	\$879,582			\$876,745		
CONDITIONS						
<p>1 Receipt, review and acceptance by cost certification of proper abatement of asbestos and lead-based paint in compliance with O & M plans and federal and state regulations is required as it relates to renovation and demolition at the subject Site.</p> <p>2 Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit/allocation amount may be warranted.</p>						
SALIENT ISSUES						
TDHCA SET-ASIDES for LURA						
Income Limit	Rent Limit	Number of Units				
30% of AMI	30% of AMI	12				
60% of AMI	60% of AMI	93				
PROS			CONS			
<ul style="list-style-type: none"> ▫ The application proposes the revitalization and preservation of a 80 year old property. 			<ul style="list-style-type: none"> ▫ The Applicant's expense to income ratio is high although still acceptable at 64.90%. ▫ The acquisition is an identity of interest. ▫ The market for 2 bedroom units at 60% AMI may be somewhat saturated with unit capture rate of over 100%. ▫ The property has had significant capital improvements over the last 10 years though this is the first comprehensive rehabilitation since the property was donated. 			

PREVIOUS UNDERWRITING REPORTS

The Applicant submitted an application in the 2006 9% tax credit cycle; however, it was not underwritten by the Department because it did not score high enough to be considered for funding.

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



CONTACT

Contact: Jamie Hayden Phone: (325) 691-5519 Fax: (325) 437-1191
 Email: jshaden@searsmethodist.com

KEY PARTICIPANTS

Name	Net Assets	Liquidity ¹	# Complete Developments
Sears Methodist Retirement System	\$7.3M	\$2.2M	0
Diana McIver & Associates	Consultant	N/A	2
Diana McIver	Confidential	N/A	22

¹ Liquidity = Current Assets - Current Liabilities

IDENTITIES of INTEREST

- The Applicant, Developer, property manager, and supportive services provider are related entities. These are common relationships for HTC-funded developments.
- The seller is regarded as a related party due to the common management and board structures of the organizations. 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 and that no developer fee for acquisition is being garnered.

After renovations it will have 12 units restricted to seniors earning no more than 30% AMI, 93 units restricted to seniors earning no more than 60% AMI, 5 units unrestricted and one unit for an on-site employee. The development is to undergo a renovation of existing facilities, with the renovations to include replacing parts of fencing, landscaping, painting, roof repair, parking lot repair, updating kitchen and bath cabinetry in 109 units, replacing shower and/or tubs in 49 one-bedroom units, replacing carpeting on the first and third floors, renovation of two down apartment units, installation of a wayfinding system, new HVAC system for all but the first floor, a new fire sprinkler system, replacement of the water main and miscellaneous sheet rock, tiling, flooring and appliance repair and/or replacement." (P. 4 Market Study). Of special note is the fact that the efficiency and 457 square foot units will have compact under-counter refrigerators.

"Relocation Plan: According to the owner and manager, renovations are planned to occur with minimal temporary displacement to the current residents. Units and common space will be rehabbed one floor at a time and each floor is expected to take one month to complete. Residents in units undergoing major renovations will be relocated either off-site or in vacant units not undergoing renovations on other floors. Residents in units undergoing minor renovations will have the option to remain in their units during the process and will have daily access to a hospitality area. Residents will receive advance notice and a schedule of when their floor is to be worked on. Every lease-compliant resident will receive temporary housing during the rehabilitation work. Also, moving expenses and additional rental expenses of relocated families will be paid by the owner/manager until the rehabilitation is completed for their unit."

SITE ISSUES

Total Size: 4.2 acres Scattered site? Yes No
 Flood Zone: C Within 100-yr floodplain? Yes No
 Zoning: Light Industrial* Needs to be re-zoned? Yes No N/A

Comments:

Zoning: The Applicant provided a letter from the City of Amarillo stating that current zoning of Light Industrial allows the existence of a multifamily apartment complex for seniors.

TDHCA SITE INSPECTION

Inspector: Manufactured Housing Staff Date: 5/9/2007

Overall Assessment:

Excellent Acceptable Questionable Poor Unacceptable

Surrounding Uses:

North: Retail (U-Haul), small retail, used car lot

South: Residential, office building & vacant land

East: Industrial warehouse and vacant land

West: Multifamily residential and offices

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: EcoSystems Environmental, Inc.

Date: 2/26/2007

Recognized Environmental Concerns (RECs) and Other Concerns:

- "According to a previous ESA conducted by EcoSystems Environmental, Inc (ESEI) dated March 6, 2006, ESEI conducted a limited sampling and analysis of suspect asbestos-containing material (ACM) in readily accessible portions of the buildings at the Site. Analysis of the samples collected indicated that nine of the sixteen samples contained regulated amounts of ACM. The identified ACM consisted of floor tile, floor tile mastic, and thermal system insulation. ESEI identified these materials at the time of the site visit. ESEI believes that the presence of ACM at the Site constitutes a REC (Recognized Environmental Condition). These materials were recommended to be managed under an Asbestos Operations & Maintenance Program at the Site, according to the previous ESA." (Executive Summary of the ESA)

"A licensed asbestos consultant with the Texas Department of Health Services issued an Asbestos Operations and Maintenance Program on March 28, 2006. Therefore, based upon the completion of the O&M Programs, no further action is required regarding the recommendations. However, in the event renovation or demolition activities are scheduled, further asbestos testing must be performed in the areas of renovation or demolition to comply with applicable federal and state regulations." (Executive Summary)

- "EcoSystems Environmental, Inc. conducted a limited sampling of suspect lead-based paint (LBP) in readily accessible portions of the buildings at the Site. The sampling program was a preliminary identification of potential LBP and should not be interpreted as a LBP survey. Analysis of the samples indicated three of the fifty-five samples contained regulated amounts of LBP. LBP was identified on the interior walls in the basement custodial room and on a handrail located in the stairwell at the Site during this sampling program. This LBP was assessed to be in good condition at the time of the site visit."

According to the Phase I ESA, these materials were recommended to be managed under a lead based paint Operations & Maintenance Program at the Site." A certified risk assessor issued a lead based paint O&M Program on March 28, 2006. "Therefore, based upon the completion of the O&M Program, no further action is required regarding these recommendations. (p. 20-21)

Comments:

Receipt, review and acceptance by cost certification of proper abatement of asbestos and lead-based paint in compliance with O & M plans and federal and state regulations is required as it relates to renovation and demolition at the subject Site is a condition of this report.

MARKET HIGHLIGHTS

Provider: Integra Realty Resources

Date: 2/6/2007

Contact: James Redford

Phone: (972) 960-1222

Fax: (512) 340-0421

Number of Revisions: 1

Date of Last Applicant Revision: 7/10/2007

Primary Market Area (PMA): 821.91 square miles (16.24 mile radius)

The Market Study submitted at application states, "The subject site is located within Downtown Amarillo at 2200 W. 7th Street. The primary market area (PMA) for any form of rental real estate property is defined as the area that a majority of the project's tenants will be drawn from. Market areas are shaped by physical barriers, psychological barriers, density, and other factors. Based upon these factors, we consider the primary market area (PMA) to be a 10-mile radius from the subject site." (p. 18)

Section 1.33(d)(8)(A) of the Department's REA rules states, "The Primary Market Area will be defined by the Market Analyst with... (ii) boundaries based on

(I) major roads,

(II) political boundaries, and

(III) natural boundaries.

(IV) A radius is prohibited as a boundary definition."

The Market Analyst was unaware of the change in the Department's rules that prohibits a radius form use as a boundary definition. Within three days of the Underwriter's request, the Market Analyst provided a revised Market Study with a non radius based primary market area as follows:

"...We consider the primary market area (PMA) to be Zip Codes 79124, 79106, 79109, 79121, 79110, 79119, 79103, 79104, 79107, 79118, 79108, and 79111." Revisions to the demographic section of the study were also made but had no significant impact on the findings or conclusions of the study. Moreover this study is with regards to an existing 100% occupied property which is not expected to significantly change its target population profile. Therefore much of the market study's conclusions that could be impacted by a change in the primary market area definition such as the capture rate are not affected by the change in boundary definitions.

PROPOSED, UNDER CONSTRUCTION & UNSTABILIZED COMPARABLE DEVELOPMENTS							
PMA				SMA			
Name	File #	Total Units	Comp Units	Name	File #	Total Units	Comp Units 25%
None				N/A			

INCOME LIMITS						
Potter						
% AMI	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons
30	\$10,900	\$12,450	\$14,000	\$15,550	\$16,800	\$18,050
60	\$21,780	\$24,840	\$27,960	\$31,080	\$33,540	\$36,060

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
EFF/30%	62	6	0	68	2	0	3%
1BR/30%	51	5	0	56	10	0	18%
1BR/60%	125	12	0	137	60	0	44%
2BR/60%	78	15	0	88	93	0	106%

OVERALL DEMAND											
		Target Households	Household Size	Income Eligible	Tenure	Demand					
PMA DEMAND from TURNOVER											
Market Analyst	p. 65	35%	3,779	88%	3,314	19%	630	Included	50%	315	
Underwriter		21%	28,547	100%	28,547	27%	7,742	34%	2,648	16%	424
PMA DEMAND from HOUSEHOLD GROWTH											
Market Analyst	p. 66			88%	199	19%	38	Included	100%	38	
Underwriter				100%	840	27%	228	34%	78	100%	78

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. 67	105	0	0	105	353	29.76%
Underwriter		105	0	0	105	502	20.92%

Primary Market Occupancy Rates:

The average occupancy level for all rentals within the PMA is 96%. For LIHTC properties it is also 96%.

Absorption Projections:

"The most recently constructed property within the PMA, The Winchester opened in 2006 and is reporting occupancy of 98%. The 98% occupancy was reached in a 6 month period. Therefore, based on that development which has 256 units, absorption is projected to be approximately 42 units per month." (p. 52). Because the subject development is a rehabilitation property whereby existing tenants will be relocated temporarily, and most tenants are expected to remain at the development after the renovations are completed, normal occupancy levels should be reached almost immediately after completion of construction.

RENT ANALYSIS (Tenant-Paid Net Rents)						
Unit Type (% AMI)	Proposed Rent	Program Maximum	Market Rent	Underwriting Rent	Savings Over Market	
Eff 279 SF (30%)	\$272	\$272	\$425	\$272	\$153	
1 BR 374 SF (30%)	\$291	\$291	\$500	\$291	\$209	
1 BR 457 SF (60%)	\$530	\$582	\$560	\$560	\$0	
1 BR 602 SF (EO%)	\$600		\$630	\$600	\$30	
1 BR 625 SF (60%)	\$560	\$582	\$640	\$582	\$58	
1 BR 708 SF (60%)	\$583	\$582	\$725	\$582	\$143	
2 BR 638 SF (60%)	\$640	\$699	\$640	\$640	\$0	
2 BR 703 SF (60%)	\$675	\$699	\$675	\$675	\$0	
2 BR 788 SF (60%)	\$699	\$699	\$715	\$699	\$16	
2 BR 1,011 SF (MR%)	\$850		\$870	\$850	\$20	
2 BR 1,197 SF (MR%)	\$850		\$970	\$850	\$120	

Market Impact:

The market impact from the renovation of the subject units should be minimal. The current owner or its affiliates have owned and operated the development as a seniors housing development since 1993, with the property currently 100% occupied.

Comments:

The Underwriter found the market study provided sufficient information upon which to base a funding recommendation; however, the Underwriter's map drawing of the PMA is somewhat different from the Market Analyst's map based on the specified zip codes. However, it is assumed that the market data information which is based on the zip codes would be the same. In addition, the Market Analyst's demand analysis results in an inclusive capture rate well within the maximum for a multifamily development targeting the elderly population and the subject development is currently operating with tenants in place and there are no plans to displace these households.

OPERATING PROFORMA ANALYSIS

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

The subject development is an older property that has not previously operated under the tax credit program. The Applicant's restricted rents are at maximum program rent limits on 29 units, but below maximum limits on the remaining restricted units due to market limitations. The underwriting analysis reflects the lesser of the program maximum or the market rent conclusion of the submitted Market Study for each unit type. Tenants are not required to pay any utility costs.

The Applicant's secondary income estimate exceeds the underwriting guideline of \$15 per unit per month without further substantiation. It should be noted the development currently operates with income from additional services such as meal preparation, housecleaning and laundry. The Applicant has indicated the development will no longer provide the additional services. Therefore, the underwriting analysis includes only the maximum \$15 per unit per month guideline in secondary income. The Applicant's vacancy and collection loss assumption is in line with current Department rules and despite the differences noted above, the Applicant's effective gross income is within 5% of the Underwriter's estimate.

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

The Applicant's total annual operating expense projection at \$4,277 is within 5% of the Underwriter's estimate of \$4,271 derived from the actual operating history of the development, the TDHCA database, and third party data sources. However, there are some line item expenses that deviate substantially from the Underwriter's estimates; particularly, general and administrative expenses (\$10K lower), payroll and payroll taxes (\$12K higher), and property taxes (\$4K higher).

The operating history of the property reflects substantially higher payroll expense. When questioned, the Applicant responded that the payroll expense will decrease due to the discontinuation of additional services such as meal preparation, housecleaning and laundry.

Conclusion:

The Applicant's effective gross income, total annual operating expense and net operating income (NOI) are each within 5% of the Underwriter's estimates. Therefore, the Applicant's NOI will be used to determine debt capacity. The proforma and proposed financing structure result in a debt coverage ratio within the Department's 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 Applicant's base year effective gross income, expense and net operating income were utilized resulting in continued positive cashflow and a debt coverage ratio that remains above 1.15. Therefore, the development can be characterized as feasible.

The Applicant's operating proforma estimates and initial expense to income ratio is within 1% of the Department's 65% maximum and no mitigating circumstances exist in the application to support such a high figure. The Underwriter's analysis reflects a slightly lower expense estimate and an expense to income ratio which is within 25 of the maximum ratio. In both cases the development can be characterized as feasible, even if marginally so, under this criteria.

ACQUISITION INFORMATION

APPRAISED VALUE

Provider:	<u>The Steve Rogers Company</u>	Date:	<u>2/28/2007</u>
Number of Revisions:	<u>0</u>	Date of Last Applicant Revision:	<u>N/A</u>
Land Only:	<u>4.230 acres</u>	<u>\$275,000</u>	As of: <u>2/22/2007</u>
Existing Buildings: (as-is)		<u>\$1,625,000</u>	As of: <u>2/22/2007</u>
Total Development: (as-is)		<u>\$1,900,000</u>	As of: <u>2/22/2007</u>

ASSESSED VALUE

Land Only:	<u>4.2 acres</u>	<u>\$147,600</u>	Tax Year:	<u>2006</u>
Existing Buildings:		<u>\$1,646,455</u>	Valuation by:	<u>Potter/Randall CAD</u>
Total Assessed Value:		<u>\$1,794,055</u>	Tax Rate:	<u>2.53127</u>

EVIDENCE of PROPERTY CONTROL

Type:	<u>Purchase Option</u>	Acreage:	<u>4.2</u>
Contract Expiration:	<u>8/31/2007</u>	Valid Through Board Date?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Acquisition Cost:	<u>\$1,800,000</u>	Other:	<u>Originally the related party purchase price was identified as \$500,000 or appraised value, but was amended on 6/22/07.</u>
Seller:	<u>Sears Panhandle Retirement Corp.</u>	Related to Development Team?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

TITLE

Comments:

Schedule C of the title report indicates that there are existing liens as follows: Deed of Trust (with Security Agreement and Assignment of Rents and Leases) dated August 1, 1998 and recorded October 2, 1998, executed by Sears Retirement Corporation, a tax-exempt non-profit corporation incorporated under the laws of the State of Texas, to Dennis Roemlein, securing the payment of one note of even date therewith payable to Chase Bank of Texas, NA, Master Trustee, in the original principal amount of \$46,530,000 together with all indebtedness to whatever nature, secured or to be secured by said Deed of Trust. Additionally, there is a Supplement to the Deed dated May 2003 in the original principal amount of \$73,200, and a Deed of Trust Financing Statement of even date in the amount of \$43,060,000. These liens also cover other properties. There does not appear to be a payoff of these liens but the new financing is also to be provided by Chase Bank and therefore a payoff of this cross collateral debt in order to obtain additional debt does not appear likely to be required.

CONSTRUCTION COST ESTIMATE EVALUATION

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

Acquisition Value:

The seller of the subject property is related to the Applicant; therefore, the acquisition cost is limited to the lesser of the contract price, appraised value, and original acquisition plus holding costs. In this case the original acquisition plus holding costs were established by submission of a Fixed Asset Summary Report for the period ended January 31, 2007. The original asset value of \$1,500,000 for the buildings plus the itemized capital improvements were provided to support the proposed acquisition cost of \$1,800,000. Note however that the property was donated to the current owner so that the original asset value was the value of the donation but the current owner paid nothing for the property at that time. Since that time the owner has reportedly spent over \$1,600,000 on capital improvements to the property. In addition, the appraised value of \$1,900,000 supports the claimed acquisition cost. The underwriting analysis includes the full amount of the improvements which is slightly less than contract price of \$1,800,000.

The Fixed Asset Summary Report for the period ended January 31, 2007 indicates capital improvements totaling \$1,653,553. The Underwriter requested a breakdown of the timing of these improvements to determine if any significant rehabilitation had taken place in the last ten years. The Applicant confirmed that a significant portion of these costs had been incurred in the last 10 years with the most recent major improvements occurring in 1997 and 2005 (re-roofing). This calls into question the issue of the IRS rule with regards to claiming acquisition eligible basis on a development that has had substantial rehabilitation within the past 10 years.

Upon request, the Applicant submitted an opinion prepared by Novogradac and Company, LLP, Certified Public Accountants stating, "The rehabilitation cost incurred...do not affect the ability of the Partnership to claim acquisition credits on the purchase of the property...because: The Property was acquired by the [current owner] in 1993, which is after the effective date in which 'nonqualified substantial improvements' could be made by the [current owner]." TDHCA legal staff concurs with the opinion that the 10-year hold rule does not affect the subject property. The current owner could not have had "nonqualified substantial improvements" since obtaining ownership because Congress had nullified the "nonqualified substantial improvements" rule for any improvements made after 1986, several years before the current owner to ownership of the subject property.

The Appraisal determined the underlying value of the land to be \$275,000 and the tax assessed value of the land is \$147,600. Both the Applicant and the Underwriter has assumed the higher land value of \$275,000, resulting in the acquisition eligible basis of \$1,525,000 (contract price of \$1,800,000 less land value of \$275,000) for the Applicant and \$1,378,553 (total capital improvements since donation \$1,653,553 less land value of \$275,000) for the Underwriter.

Sitework Cost:

Since this is a proposed rehabilitation the associated sitework cost are minimal. The Applicant has estimated sitework costs of \$1,757 per unit, while the PCA indicates costs at \$1,269 per unit. The underwriting analysis reflects the PCA estimate.

Direct Construction Cost:

The Applicant's direct construction cost estimate is slightly less than the estimate provided in the Property Condition Assessment (PCA) report. The underwriting analysis will reflect the PCA value. It should be noted, \$1.4M of the proposed costs is for a new HVAC system for all, but the first floor. Also, the PCA's estimate of sitework plus direct construction costs is equal to the Applicant's combined estimate for those two line items.

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. Eligible basis of \$1,378,553 for acquisition and \$8,224,147 for rehabilitation supports annual tax credits of \$878,781. 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: 0 Date of Last Applicant Revision: N/A

Source: JP Morgan Chase Type: Interim & Permanent Financing

Interim: \$3,830,000 Interest Rate: 8.5% Floating Term: 24 months
Permanent: \$2,400,000 Interest Rate: 8.0% Fixed Amort: 360 months

Comments:

Permanent commitment includes mention of a Letter of Credit with 1% origination fee and 1% per annum.

Source: Panhandle Housing Finance Corporation Type: Interim Financing

Principal: \$472,000 Interest Rate: AFR Fixed Term: 12 months

Source: City of Amarillo -CDBG Funds Type: Grant

Principal: \$44,200 Conditions: _____

Comments:

Non-interest bearing. Repayment is not required if in compliance for 15 years.

Source: CharterMac Capital, LLC Type: Syndication

Proceeds: \$7,740,000 Syndication Rate: 88% Anticipated HTC: \$ 879,582

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: \$120,712 Type: Deferred Developer Fees

CONCLUSIONS

Recommended Financing Structure:

As discussed briefly above, in the course of underwriting the development there was some concern as to whether the Applicant would be prohibited from claiming acquisition credits on the purchase of the subject property because of the IRS 10 Year Rule with regard to substantial improvements or rehabilitation. However, after research and several discussions, opinions were provided by the Applicant's CPA firm, Novogradac and Company, and by the Department's Legal Division which determined that the development is not prohibited from claiming acquisition credits. The Acquisition cost was reduced to the capital improvements on the property since donation. This is \$146,447 less than the applicant's revised figure but three times the original \$500,000 value proposed.

The Underwriter's total development cost estimate less the permanent loan of \$2,400,000 and grant of \$44,200 indicate the need for \$7,714,265 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$876,745 annually would be required to fill this gap in financing. Of the three possible tax credit allocations, Applicant's request (\$879,582), the gap-driven amount (\$876,745), and eligible basis-derived estimate (\$878,781), the gap amount of \$876,745 is recommended.

The Underwriter's recommended financing structure indicates no need for deferred developer fees.

Underwriter:	_____	Date:	July 16, 2007
	<i>D. Burrell</i>		
Reviewing Underwriter:	_____	Date:	July 16, 2007
	<i>Lisa Vecchietti</i>		
Director of Real Estate Analysis:	_____	Date:	July 16, 2007
	<i>Tom Gouris</i>		

MULTIFAMILY COMPARATIVE ANALYSIS

The Canyons Retirement Community, Amarillo, 9% HTC #07219

Type of Unit	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	Rent Collected	Rent per Month	Rent per SF	Utilities	WS&T
TC 30%	2	0	1	279	\$272	\$272	\$544	\$0.97	\$67.00	\$31.00
TC 30%	10	1	1	374	\$291	291	2,910	0.78	90.00	35.00
TC 60%	28	1	1	457	\$582	560	15,680	1.23	90.00	35.00
EO	1	1	1	602		600	600	1.00	90.00	35.00
TC 60%	27	1	1	625	\$582	582	15,714	0.93	90.00	35.00
TC 60%	5	1	2	708	\$582	582	2,910	0.82	90.00	35.00
TC 60%	3	2	1	638	\$699	640	1,920	1.00	112.00	37.00
TC 60%	13	2	2	703	\$699	675	8,775	0.96	112.00	37.00
TC 60%	17	2	2	788	\$699	699	11,883	0.89	112.00	37.00
MR	3	2	2	1,011		850	2,550	0.84	112.00	37.00
MR	2	2	1	1,197		850	1,700	0.71	112.00	37.00
TOTAL:	111		AVERAGE:	612		\$587	\$65,186	\$0.96	\$97.12	\$35.61

INCOME				Total Net Rentable Sq Ft:	67,987	TDHCA	APPLICANT	COUNTY	I REM REGION	COMPT. REGION
POTENTIAL GROSS RENT						\$782,232	\$765,084	Potter		1
Secondary Income		Per Unit Per Month:	\$15.00			19,980	0	\$0.00	Per Unit Per Month	
Other: rental income, parking, storage, salon, rotary, widows group						0	25,740	\$19.32	Per Unit Per Month	
POTENTIAL GROSS INCOME						\$802,212	\$790,824			
Vacancy & Collection Loss		% of Potential Gross Income:	-7.50%			(60,166)	(59,316)	-7.50%	of Potential Gross Income	
Employee or Other Non-Rental Units or Concessions						0	0			
EFFECTIVE GROSS INCOME						\$742,046	\$731,508			
EXPENSES				% OF EGI	PER UNIT	PER SQ FT		PER SQ FT	PER UNIT	% OF EGI
General & Administrative	3.83%	\$256	0.42			\$28,387	\$17,900	\$0.26	\$161	2.45%
Management	3.88%	259	0.42			28,804	33,000	0.49	297	4.51%
Payroll & Payroll Tax	11.47%	767	1.25			85,112	97,500	1.43	878	13.33%
Repairs & Maintenance	5.89%	394	0.64			43,708	40,000	0.59	360	5.47%
Utilities	10.11%	676	1.10			75,000	75,000	1.10	676	10.25%
Water, Sewer, & Trash	2.95%	197	0.32			21,881	15,750	0.23	142	2.15%
Property Insurance	9.43%	631	1.03			70,000	70,000	1.03	631	9.57%
Property Tax	2.53127	4.17%	278	0.45		30,907	35,000	0.51	315	4.78%
Reserve for Replacements	4.49%	300	0.49			33,300	33,600	0.49	303	4.59%
TDHCA Compliance Fees	0.57%	38	0.06			4,200	4,200	0.06	38	0.57%
Other: Security	7.12%	476	0.78			52,800	52,800	0.78	476	7.22%
TOTAL EXPENSES	63.89%	\$4,271	\$6.97			\$474,099	\$474,750	\$6.98	\$4,277	64.90%
NET OPERATING INC	36.11%	\$2,414	\$3.94			\$267,947	\$256,758	\$3.78	\$2,313	35.10%
DEBT SERVICE										
Chase Bank	28.48%	\$1,904	\$3.11			\$211,324	\$211,320	\$3.11	\$1,904	28.89%
City of Amarillo -CDBG Funds	0.00%	\$0	\$0.00			0	0	\$0.00	\$0	0.00%
Additional Financing	0.00%	\$0	\$0.00			0	0	\$0.00	\$0	0.00%
NET CASH FLOW	7.63%	\$510	\$0.83			\$56,623	\$45,438	\$0.67	\$409	6.21%
AGGREGATE DEBT COVERAGE RATIO						1.27	1.22			
RECOMMENDED DEBT COVERAGE RATIO							1.21			

CONSTRUCTION COST				TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL	
Description	Factor	% of TOTAL	PER UNIT	PER SQ FT					
Acquisition Cost (site or bldg)		16.28%	\$14,897	\$24.32	\$1,653,553	\$1,800,000	\$26.48	\$16,216	17.47%
Off-Sites		0.00%	0	0.00	0	0	0.00	0	0.00%
Sitework		1.39%	1,269	2.07	140,807	195,055	2.87	1,757	1.89%
Direct Construction		43.43%	39,748	64.89	4,411,978	4,357,730	64.10	39,259	42.29%
Contingency	9.99%	4.48%	4,099	6.69	455,000	455,000	6.69	4,099	4.42%
Contractor's Fees	14.00%	6.27%	5,742	9.38	637,390	637,390	9.38	5,742	6.19%
Indirect Construction		8.41%	7,701	12.57	854,800	854,800	12.57	7,701	8.30%
Ineligible Costs		0.57%	522	0.85	57,997	57,997	0.85	522	0.56%
Developer's Fees	12.43%	10.45%	9,568	15.62	1,062,000	1,062,000	15.62	9,568	10.31%
Interim Financing		6.52%	5,966	9.74	662,172	662,172	9.74	5,966	6.43%
Reserves		2.19%	2,007	3.28	222,768	222,768	3.28	2,007	2.16%
TOTAL COST		100.00%	\$91,518	\$149.42	\$10,158,465	\$10,304,912	\$151.57	\$92,837	100.00%
Construction Cost Recap		55.57%	\$50,857	\$83.03	\$5,645,175	\$5,645,175	\$83.03	\$50,857	54.78%

SOURCES OF FUNDS				RECOMMENDED			
Chase Bank	23.63%	\$21,622	\$35.30	\$2,400,000	\$2,400,000	\$2,400,000	Developer Fee Available
City of Amarillo -CDBG Funds	0.44%	\$398	\$0.65	44,200	44,200	44,200	\$1,062,000
HTC Syndication Proceeds	76.19%	\$69,730	\$113.85	7,740,000	7,740,000	7,714,265	% of Dev. Fee Deferred
Deferred Developer Fees	1.19%	\$1,087	\$1.78	120,712	120,712		0%
Additional (Excess) Funds Req'd	-1.44%	(\$1,319)	(\$2.15)	(146,447)	0	0	15-Yr Cumulative Cash Flow
TOTAL SOURCES				\$10,158,465	\$10,304,912	\$10,158,465	\$961,702

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

The Canyons Retirement Community, Amarillo, 9% HTC #07219

PAYMENT COMPUTATION

Primary	\$2,400,000	Amort	360
Int Rate	8.00%	DCR	1.27

Secondary	\$44,200	Amort	0
Int Rate	0.00%	Subtotal DCR	1.27

Additional	\$7,740,000	Amort	
Int Rate		Aggregate DCR	1.27

RECOMMENDED FINANCING STRUCTURE APPLICANT'S N

Primary Debt Service	\$211,324
Secondary Debt Service	0
Additional Debt Service	0
NET CASH FLOW	\$45,434

Primary	\$2,400,000	Amort	360
Int Rate	8.00%	DCR	1.21

Secondary	\$44,200	Amort	0
Int Rate	0.00%	Subtotal DCR	1.21

Additional	\$7,740,000	Amort	0
Int Rate	0.00%	Aggregate DCR	1.21

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE (APPLICANT'S NOI)

INCOME at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$765,084	\$788,037	\$811,678	\$836,028	\$861,109	\$998,261	\$1,157,258	\$1,341,579	\$1,802,971
Secondary Income	0	0	0	0	0	0	0	0	0
Other: rental income, parking, :	25,740	26,512	27,308	28,127	28,971	33,585	38,934	45,135	60,658
POTENTIAL GROSS INCOME	790,824	814,549	838,985	864,155	890,079	1,031,846	1,196,192	1,386,715	1,863,629
Vacancy & Collection Loss	(59,316)	(61,091)	(62,924)	(64,812)	(66,756)	(77,388)	(89,714)	(104,004)	(139,772)
Employee or Other Non-Renta	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$731,508	\$753,458	\$776,061	\$799,343	\$823,323	\$954,458	\$1,106,478	\$1,282,711	\$1,723,856
EXPENSES at 4.00%									
General & Administrative	\$17,900	\$18,616	\$19,361	\$20,135	\$20,940	\$25,477	\$30,997	\$37,713	\$55,824
Management	33,000	33,990	35,010	36,060	37,142	43,058	49,916	57,866	77,767
Payroll & Payroll Tax	97,500	101,400	105,456	109,674	114,061	138,773	168,838	205,418	304,069
Repairs & Maintenance	40,000	41,600	43,264	44,995	46,794	56,932	69,267	84,274	124,746
Utilities	75,000	78,000	81,120	84,365	87,739	106,748	129,876	158,014	233,899
Water, Sewer & Trash	15,750	16,380	17,035	17,717	18,425	22,417	27,274	33,183	49,119
Insurance	70,000	72,800	75,712	78,740	81,890	99,632	121,217	147,479	218,306
Property Tax	35,000	36,400	37,856	39,370	40,945	49,816	60,609	73,740	109,153
Reserve for Replacements	33,600	34,944	36,342	37,795	39,307	47,823	58,184	70,790	104,787
Other	57,000	59,280	61,651	64,117	66,682	81,129	98,706	120,090	177,763
TOTAL EXPENSES	\$474,750	\$493,410	\$512,807	\$532,969	\$553,927	\$671,806	\$814,884	\$988,567	\$1,455,431
NET OPERATING INCOME	\$256,758	\$260,047	\$263,255	\$266,374	\$269,396	\$282,652	\$291,594	\$294,144	\$268,425
DEBT SERVICE									
First Lien Financing	\$211,324	\$211,324	\$211,324	\$211,324	\$211,324	\$211,324	\$211,324	\$211,324	\$211,324
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	\$45,434	\$48,723	\$51,930	\$55,050	\$58,072	\$71,328	\$80,270	\$82,820	\$57,101
DEBT COVERAGE RATIO	1.21	1.23	1.25	1.26	1.27	1.34	1.38	1.39	1.27

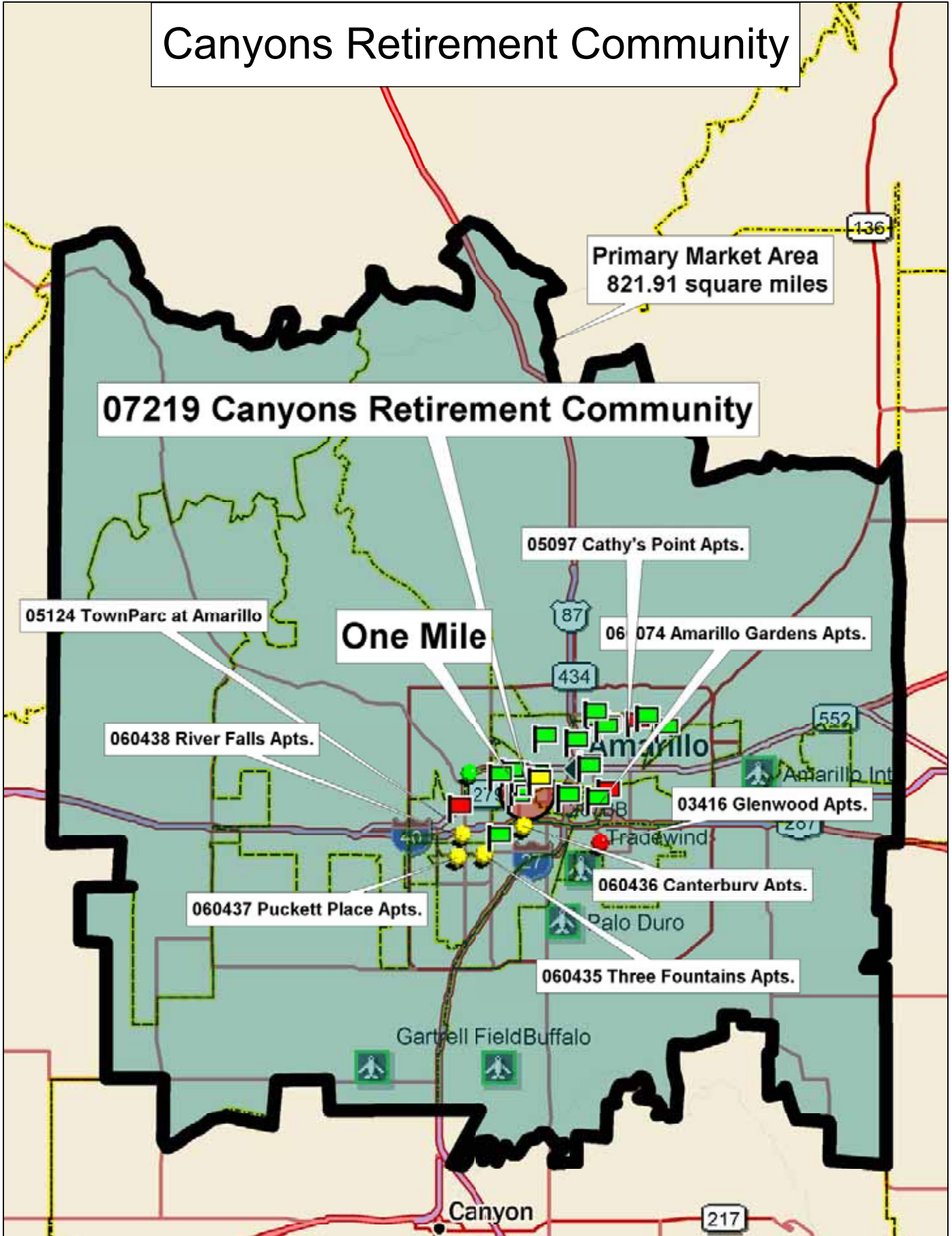
HTC ALLOCATION ANALYSIS -The Canyons Retirement Community, Amarillo, 9% HTC #07219

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S ACQUISITION ELIGIBLE BASIS	TDHCA ACQUISITION ELIGIBLE BASIS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
Acquisition Cost						
Purchase of land	\$275,000	\$275,000				
Purchase of buildings	\$1,525,000	\$1,378,553	\$1,525,000	\$1,378,553		
Off-Site Improvements						
Sitework	\$195,055	\$140,807			\$195,055	\$140,807
Construction Hard Costs	\$4,357,730	\$4,411,978			\$4,357,730	\$4,411,978
Contractor Fees	\$637,390	\$637,390			\$637,390	\$637,390
Contingencies	\$455,000	\$455,000			\$455,000	\$455,000
Eligible Indirect Fees	\$854,800	\$854,800			\$854,800	\$854,800
Eligible Financing Fees	\$662,172	\$662,172			\$662,172	\$662,172
All Ineligible Costs	\$57,997	\$57,997				
Developer Fees						
Developer Fees	\$1,062,000	\$1,062,000			\$1,062,000	\$1,062,000
Development Reserves	\$222,768	\$222,768				
TOTAL DEVELOPMENT COSTS	\$10,304,912	\$10,158,465	\$1,525,000	\$1,378,553	\$8,224,147	\$8,224,147

Deduct from Basis:						
All grant proceeds used to finance costs in eligible basis						
B.M.R. loans used to finance cost in eligible basis						
Non-qualified non-recourse financing						
Non-qualified portion of higher quality units [42(d)(3)]						
Historic Credits (on residential portion only)						
TOTAL ELIGIBLE BASIS			\$1,525,000	\$1,378,553	\$8,224,147	\$8,224,147
High Cost Area Adjustment					130%	130%
TOTAL ADJUSTED BASIS			\$1,525,000	\$1,378,553	\$10,691,391	\$10,691,391
Applicable Fraction			91%	91%	91%	91%
TOTAL QUALIFIED BASIS			\$1,389,765	\$1,256,305	\$9,743,292	\$9,743,292
Applicable Percentage			3.64%	3.64%	8.55%	8.55%
TOTAL AMOUNT OF TAX CREDITS			\$50,587	\$45,729	\$833,051	\$833,051

Syndication Proceeds	0.8799	\$445,106	\$402,363	\$7,329,815	\$7,329,815
Total Tax Credits (Eligible Basis Method)				\$883,639	\$878,781
Syndication Proceeds				\$7,774,922	\$7,732,178
Requested Tax Credits				\$879,582	
Syndication Proceeds				\$7,739,226	
Gap of Syndication Proceeds Needed				\$7,860,712	\$7,714,265
Total Tax Credits (Gap Method)				\$893,389	\$876,745

Canyons Retirement Community



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**MULTIFAMILY FINANCE PRODUCTION DIVISION
BOARD ACTION REQUEST
July 31, 2008**

Action Items

Presentation, Discussion and Possible Approval for Housing Tax Credit Extensions to Submit Documentation for the Commencement of Substantial Construction or Cost Certification.

Required Action

Approve, Amend or deny the requests for extension related to a 2006 Housing Tax Credit commitment.

Background

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

**HTC No. 060211, Hanratty Place Apartments
(Commencement of Construction)**

Summary of Request: The owner missed the May 30, 2008 deadline to submit the commencement of substantial construction documentation for the above referenced development. However, the owner indicated that the commencement of substantial construction requirement was met by the deadline and the documentation was included with the extension request. The commencement of substantial construction documentation has been forwarded to the Compliance Division for review and approval. The owner's extension request included all documentation necessary to comply with the requirement.

Owner:	Hanratty Place Apartments, LP.
General Partner:	Mental Health Housing Development Corporation, Inc.
Developer:	Mental Health Housing Development Corporation, Inc.
Principals/Interested Parties:	N/A
City/County:	Fort Worth/Tarrant
Set-Aside:	Nonprofit
Type of Area:	Urban
Type of Development:	Rehabilitation
Population Served:	Family
Units:	32 HTC units
2006 Allocation:	\$343,345
Allocation per HTC Unit:	\$10,730
Extension Request Fee Paid:	\$2,500
Current Deadline:	May 30, 2008
New Deadline Requested:	July 3, 2008 (date required documentation was submitted)
New Deadline Recommended:	July 3, 2008
Previous Extensions:	December 1, 2007 extended to May 30, 2008
Staff Recommendation:	Approve the extension as requested.

HTC No. 060132, Vista Pines Apartment Homes
(Commencement of Construction)

Summary of Request: The owner missed the May 30, 2008 deadline to submit the commencement of substantial construction documentation for the above referenced development. However, the owner indicated that the commencement of substantial construction requirement was met by the deadline and the documentation was included with the extension request. The commencement of substantial construction documentation has been forwarded to the Compliance Division for review and approval. The owner's extension request included all documentation necessary to comply with the requirement.

Owner:Nacogdoches Vista Pines Apartment Homes, LP
General Partner: Nacogdoches Vista Pines Apartment Homes I, LLC
Developer: Lankford Interests, LLC
Principals/Interested Parties: Michael Lankford
City/County: Nacogdoches/Nacogdoches
Set-Aside: N/A
Type of Area: Rural
Type of Development: New Construction
Population Served: Elderly
Units: 76 HTC units
2006 Allocation: \$793,915
Allocation per HTC Unit: \$2552
Extension Request Fee Paid: \$2,500
Current Deadline: May 30, 2008
New Deadline Requested: June 26, 2008 (date required documentation was submitted)
New Deadline Recommended: June 26, 2008
Previous Extensions: December 1, 2007 extended to May 30, 2008
Staff Recommendation: Approve the extension as requested.

HTC No. 060199, Legacy Senior Housing of Port Arthur
(Commencement of Construction)

The owner missed the May 30, 2008 deadline to submit the commencement of substantial construction documentation for the above referenced development. However, the owner indicated that the commencement of substantial construction requirement was met by the deadline and the documentation was included with the extension request. The commencement of substantial construction documentation has been forwarded to the Compliance Division for review and approval. The owner's extension request included all documentation necessary to comply with the requirement.

Owner:	LRG Legacy Senior Housing of Port Arthur, L.P.
General Partner:	HHLRG Legacy Senior Housing of Port Arthur LLC
Developer:	LRG Development, LP
Principals/Interested Parties:	Huelon A. Harrison and Terri Anderson
City/County:	Port Arthur/Jefferson
Set-Aside:	N/A
Type of Area:	Urban
Type of Development:	New Construction
Population Served:	Elderly
Units:	120 HTC units
2006 Allocation:	\$961,150
Allocation per HTC Unit:	\$8,011
Extension Request Fee Paid:	\$2,500
Current Deadline:	May 30, 2008
New Deadline Requested:	June 26, 2008 (date required documentation was submitted)
New Deadline Recommended:	June 26, 2008
Previous Extensions:	December 1, 2007 extended to May 30, 2008
Staff Recommendation:	Approve the extension as requested.

HTC No. 060224, Waco River Park Apartment Homes
(Commencement of Construction)

Summary of Request: The owner missed the May 30, 2008 deadline to submit the commencement of substantial construction documentation for the above referenced development. However, the owner indicated that the commencement of substantial construction requirement was met by the deadline and the documentation was included with the extension request. The commencement of substantial construction documentation has been forwarded to the Compliance Division for review and approval. The owner's extension request included all documentation necessary to comply with the requirement.

Owner: Waco River Park Apartment Homes, LP
General Partner: Waco River Park Apartment Homes I, LLC
Developer: Lankford Interests, LLC
Principals/Interested Parties: Michael Lankford
City/County: Waco/McLennan
Set-Aside: N/A
Type of Area: Urban
Type of Development: New Construction
Population Served: Elderly
Units: 118 HTC units
2006 Allocation: \$1,181,993
Allocation per HTC Unit: \$10,018
Extension Request Fee Paid: \$2,500
Current Deadline: May 30, 2008
New Deadline Requested: June 26, 2008 (date required documentation was submitted)
New Deadline Recommended: June 26, 2008
Previous Extensions: December 1, 2007 extended to May 30, 2008
Staff Recommendation: Approve the extension as requested.

HTC No. 05424, Mariposa Apartment Homes at River Bend
(Cost Certification Extension)

Summary of Request: The owner is requesting an extension of the deadline to submit cost certification documentation for the above referenced Development. The owner reports that more time is required to work out some cost certification items between the investors and developers, which included key personnel changes that caused difficulty for the two teams to finish the cost certification process. The owner also noted that they originally requested a 120-day extension to submit cost certification documentation for the Development, but they were only granted a 90-day extension by the Department. The owner's extension request included all documentation necessary to comply with the requirement.

Owner:	River Bend Residential LP
General Partner:	SBS River Bend VI and Stuart Shaw Family Management, LLC
Developer:	SSFP River Bend VI LP,
Principals/Interested Parties:	Stuart Shaw
City/County:	Georgetown/Williamson
Set-Aside:	N/A
Type of Area:	Urban
Type of Development:	New Construction
Population Served:	Elderly
Units:	201 HTC units
2006 Allocation:	\$635,004
Allocation per HTC Unit:	\$3,159
Extension Request Fee Paid:	\$2,500
Current Deadline:	July 1, 2008
New Deadline Requested:	August 15, 2008 (date required documentation was submitted)
New Deadline Recommended:	August 15, 2008
Previous Extensions:	April 1, 2008 extended to July 1, 2008
Staff Recommendation:	Approve the extension as requested.

Mental Health Housing Development Corporation
603 West magnolia, Suite 204
Fort Worth,, Texas 76104
telephone 817.926.8717
fax 817.926.8730

July 3, 2008

VIA UPS OVERNIGHT DELIVERY

Mr. Kent Bedell, Housing Specialist
Texas Department of Housing and Community Affairs
221 East 22th Street
Austin, Texas 76701-2410

re: Request for Extension for Report Documenting
Commencement of Substantial Construction, Hanratty
Place Apartments, TDHCA Development Number 060122

Dear Kent:

You have notified us that the Hanratty Place Apartments project missed its May 30, 2008 deadline for submitting commencement of substantial construction documentation. Hanratty Place Apartments, L.P. herewith requests an extension of the May 30, 2008, deadline. Attached is a check in the amount of \$2,500.00 in payment of the required extension fee.

That commencement of substantial construction documentation is herewith attached. In keeping with our telephone conversation on July 2nd, we will appreciate your passing it on to Gavin Reid for his review.

Sincerely,



Bonnie R. Siddons
Executive Director of Mental Health Housing Development Corporation
which is the sole member of MHH Hanratty LLC
which is the general partner of Hanratty Place Apartments, L.P.

T.D.H.C.A.

Check Number: 3100

Check Date: Jun 30, 2008

Duplicate

Check Amount: \$2,500.00

Item to be Paid - Description

Discount Taken

Amount Paid

Ext Fee - Rpt due 5/30/08 doc'g Comm of Subst

2,500.00

07-07-08P04:06 RCVD

MENTAL HEALTH HOUSING DEVELOPMENT CORP.

603 W. MAGNOLIA AVE., SUITE 204 FORT WORTH, TX 76104 (817) 926-8717

Bank of America



ACH R/T 111000025

322-1110

Duplicate

DATE

AMOUNT

Two Thousand Five Hundred and 00/100 Dollars

PAY

Jun 30, 2008

2,500.00

TO THE ORDER OF:

T.D.H.C.A. Austin, TX 78701

TWO SIGNATURES REQUIRED

David Steloff

Bruce Anderson

AUTHORIZED SIGNATURE

Memo:

⑈003100⑈ ⑆111000025⑆ 001630353243⑈

3100

Securities Features: Details on back



MENTAL HEALTH HOUSING DEVELOPMENT CORP./ADMINISTRATION

3100

T.D.H.C.A.

Check Number: 3100

Check Date: Jun 30, 2008

Duplicate

Check Amount: \$2,500.00

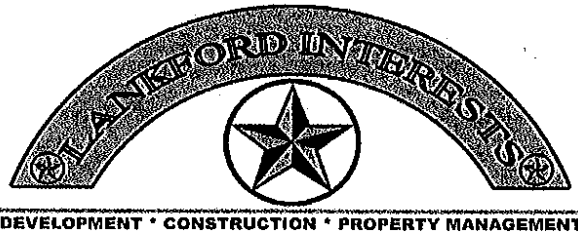
Item to be Paid - Description

Discount Taken

Amount Paid

Ext Fee - Rpt due 5/30/08 doc'g Comm of Subst

2,500.00



June 25, 2008

06-26-08P01:07 RCVD

Ben Sheppard
TDHCA
221 East 11th Street
Austin, TX 78711

RE: Vista Pines Apartment Homes, TDHCA # 060132

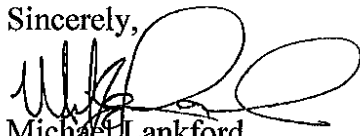
Dear Ben,

This letter is being written as an extension request to the *submittal of the documentation* required for the Commencement of Substantial Construction. We more than exceeded the construction requirements outlined in the COSC by the May 30, 2008, deadline, but inadvertently overlooked submitting the report to the TDHCA.

I've included the Construction Progress Report in its entirety. Please note on page 3 of the bank inspector report dated May 2, 2008, that all foundations were poured, representing 100% of the COSC foundation requirement. Also, on page 3, please note that all but 1 building (building 4) had framing completion, representing 190% of the COSC framing requirement. Further, as noted on the AIA 703, the development had reached 66.44% completion, representing 332% of the COSC requirement that 20% of construction contract budget amount must have been expended.

It is certainly not our intention to disregard submittal dates. We have been diligently working to get these developments completed and hope you will agree that we are succeeding in that effort.

Sincerely,



Michael Lankford
Lankford Interest

NACOGDOCHES VISTA PINES

APT HOMES, LP
4900 WOODWAY #750
HOUSTON, TX 77056
(713) 626-9655

AMEGY BANK NA
PO BOX 27459
HOUSTON, TX 77227
35-1125/1130

4285

6/25/2008

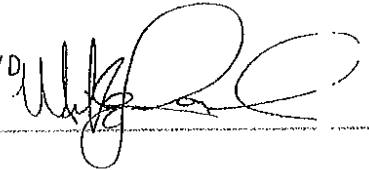
PAY TO THE ORDER OF TDHCA

\$ **2,500.00

Two Thousand Five Hundred and 00/100***** DOLLARS

TDHCA
221 East 11th Street
Austin, TX 78711

06-26-08P01:07 RCVD



⑈001285⑈ ⑆1301258⑆ ⑈0003658635⑈

NACOGDOCHES VISTA PINES APT HOMES, LP

4285

TDHCA

Date Type Reference
6/25/2008 Bill SubConExtention

Original Amt.
2,500.00

Balance Due
2,500.00

6/25/2008

Discount

Check Amount

Payment
500.00
500.00

Nacogdoches Vista Pi

2,500.00

June 26, 2008

Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78711-3941

06-27-08P03:55 RCVD

Attn. Mr. Kent Bedell

Re: LRG Legacy Senior Housing of Port Arthur LP.
File # 060199
CMTS ID: 4406

Good afternoon Mr. Bedell,

With this correspondence and per our conversation , I am requesting an extension in providing evidence supporting the Commencement of Substantial Construction requirements as outlined in the attached letter. Detailed below is a status report of the development.

1. Building permits have been issued. Copy Attached.
2. The foundations of all residential buildings and the clubhouse are complete. This fact is supported by the enclosed G702 and G703 report.
3. As of May 31, 2008, that framing was approximately 99 % complete.
4. As of May 31, 2008, approximately 66.77 % of the construction contract amount has been expended. This can be verified on the attached G703.
5. Recent photographs of the development are enclosed. These photographs were taken June 16, 2008.

Accordingly, I would like to request an extension through the date of this submission, June 26, 2008. The contractor has assured me that the development will be completed on schedule. The reason for the request is that I was not aware that a follow up report was due after the first extension was requested. All of the requirements were completed before the first extension expired. If I had known a follow up report was needed, I would have submitted the information well before the expiration.

I appreciate your consideration with regard to this matter and the \$2,500.00 extension fee is attached.

Thank you,


Duellon A. Harrison/ LRG Legacy Senior Housing of Port Arthur LP

HUELON A. HARRISON 8-97
LEGACY RESOURCE GROUP
3310 GRAYSON DR.
DALLAS, TX 75224-3106

3177

Date *June 26, 2008*

32-2/1118 TX
347

Pay to the Order of *TD HRA*

\$ *2,500*

Two thousand five hundred Dollars

Bank of America

Bank of America Advantage®

ACH/RIT 111090025



For *Extension Fee* File # *060199*
CHTS # *4406*

Huelon A. Harrison

⑆111000025⑆ 001298333981⑆3177⑆

06-27-08P03:56 RCVD



June 25, 2008

06-26-08P01:09 RCVD

Ben Sheppard
TDHCA
221 East 11th Street
Austin, TX 78711

RE: River Park Apartment Homes, TDHCA # 060224

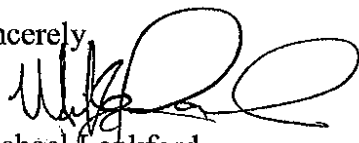
Dear Ben,

This letter is being written as an extension request to the *submittal of the documentation* required for the Commencement of Substantial Construction. We more than exceeded the construction requirements outlined in the COSC by the May 30, 2008, deadline, but inadvertently overlooked submitting the report to the TDHCA.

I've included the Construction Progress Report in its entirety. Please note from the language and pictures in the bank inspector report dated May 6, 2008, that all foundations were poured, representing 100% of the COSC foundation requirement, and that all but 3 buildings had framing completion, representing 181% of the COSC framing requirement. Further, as noted on the AIA 703, the development had reached 71.99% completion, representing 359% of the COSC requirement that 20% of construction contract budget amount must have been expended.

It is certainly not our intention to disregard submittal dates. We have been diligently working to get these developments completed and hope you will agree that we are succeeding in that effort.

Sincerely,



Michael Lankford
Lankford Interest

WACO RIVER PARK APT HOMES LP
4900 WOODWAY #750
HOUSTON, TX 77056
(713) 626-9655

AMEGY BANK NA
PO BOX 27459
HOUSTON, TX 77227
35-1125/1130

1281

6/25/2008

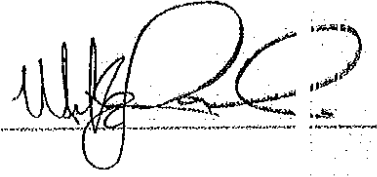
PAY TO THE ORDER OF TDHCA

\$ **2,500.00

Two Thousand Five Hundred and 00/100*****

DOLLARS

TDHCA
221 East 11th Street
Austin, TX 78711



⑈001281⑈ ⑆113011258⑆ ⑈0003658643⑈

WACO RIVER PARK APT HOMES LP

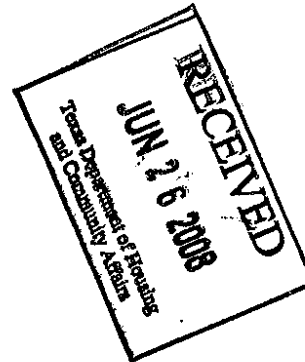
1281

TDHCA				6/25/2008			
Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment	
6/25/2008	Bill	SubConExtention	2,500.00	2,500.00		2,500.00	
				Check Amount		2,500.00	

06-26-08P01:08 RCVD

Waco River Park Apts

2,500.00





July 1, 2008

Texas Department of Housing & Community Affairs
Real Estate Analysis Division
PO Box 13941
Austin, Texas 78711

RE: Mariposa Apartment Homes at River Bend (fka River Bend Residential) – TDHCA #05424)

Dear Real Estate Analysis Division,

I am writing you on behalf of the Applicant and Owner, River Bend Residential LP, of Mariposa Apartment Homes at River Bend (MRB) in Georgetown, Texas. The Owner received the TDHCA approval for a 90 day extension instead of the 120 days requested. MRB tried to meet the deadline, but needs more time to complete the cost certification for this 4% LIHTC/Bond Project. There are items that need to be worked out with the cost certification between the investors and developers. There was also a key personnel change that has also caused difficulty for the teams working to finish the cost certification. MRB respectfully requests an extension until August 15, 2008 for submission of the cost certification package.

MRB is a beautiful project and we invite you for a private tour at any time. If you cannot make the visit I hope you can share the attached photos with your colleagues. If you have any questions please contact Casey Bump in my office at 512-220-8000 x1902.

Sincerely,

Stuart B. Shaw
Applicant's Representative

- Attachments:
- 1) Cover letter from previous request.
 - 2) TDHCA Approval Letter

901 MOPAC EXPRESSWAY SOUTH BARTON OAKS PLAZA BUILDING IV SUITE 180 AUSTIN, TEXAS 78746
T: 512-220-8000 F: 512-329-9002

BONNER CARRINGTON

April 1, 2008

Texas Department of Housing & Community Affairs
Real Estate Analysis Division
PO Box 13941
Austin, Texas 78711

RE: Mariposa Apartment Homes at River Bend (fka River Bend Residential) – TDHCA
#05424)

Dear Real Estate Analysis Division,

I am writing you on behalf of the Applicant and Owner, River Bend Residential LP, of Mariposa Apartment Homes at River Bend (MRB) in Georgetown, Texas. The Owner respectfully requests a 120 day extension to the Cost Certification filing date of April 1, 2008. MRB is a 201 unit 4% LIHTC/Bond development that is experiencing a successful lease up. The Owner has engaged Novogradac (engagement letter is attached) to perform the Cost Certification, but needs more time because there are additional capital improvements that may add to the eligible basis for the property.

MRB is a beautiful project and we invite you for a private tour at any time. If you cannot make the visit I hope you can share the attached photos with your colleagues. If you have any questions please contact Casey Bump in my office at 512-220-8000 x1902.

Sincerely,



Stuart B. Shaw
Applicant's Representative

Attachments: 1) Site Photos, 2) Novogradac Engagement Letter, 3) Payment Form with \$2500 Check

901 MOPAC EXPRESSWAY SOUTH, BARTON OAKS PLAZA BUILDING IV, SUITE 180, AUSTIN, TEXAS 78746
T: 512-220-8000 F: 512-220-9002

Received TDHCA 7/3/2008 1:00 PM

Vendor TDHCA TDHCA Check 1699 07/07/08

Trx No	Invoice No	Inv Date	Job/Description	Discount	Check Amount
1116	070708	07/07/08	MRB Cost Cert Ext Fee #2		2,500.00
				0.00	2,500.00

FOR SECURITY PURPOSES, THE FACE OF THIS DOCUMENT CONTAINS A COLORED BACKGROUND AND A MICROPRINT SIGNATURE LINE.

STUART SHAW FAMILY PARTNERSHIP LTD
OPERATING ACCOUNT
P.O. BOX 2217
AUSTIN, TX 78768
(512) 220-8000

AMERICAN BANK OF COMMERCE

88-1781/1149

1699

07/07/08

CHECK NO.

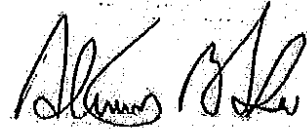
DATE

AMOUNT

*****TWO THOUSAND FIVE HUNDRED DOLLARS AND 00 CENTS***** ,500.00

TDHCA
P.O. BOX 13941
AUSTIN TX 78711-3941

PAY
TO THE
ORDER
OF



REF: MRB Cost Cert Ext Fee #2
TDHCA # 05424

AUTHORIZED SIGNATURE

⑈001699⑈ ⑆114⑆ 17814⑆ 42 016 71⑈

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

July 31, 2008

Action Item

Presentation, Discussion, and Possible Approval of the Final Commitments from the 2008 State Housing Credit Ceiling for the Allocation of Competitive Housing Tax Credits and the Waiting List for the 2008 Housing Tax Credit Application Round.

Requested Action

Approve, deny, or approve with amendments:

- ❖ A list of recommended Applications for Final Commitments of Housing Tax Credits from the 2008 State Housing Credit Ceiling; and
- ❖ A 2008 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 2008 Competitive Housing Tax Credit (“HTC”) Application Round.

The Competitive Housing Tax Credit recommendations for July 31, 2008 are presented in a separate addendum to the Board materials. The addendum contains the following information that reflects the recommendations of the Executive Award and Review Advisory Committee (“EARAC”):

Reports located in the Board Book

- Report 1A: **At-Risk and USDA Recommended Applications (“At-Risk R”)** (only shows those Applications recommended for an award in the At-Risk and USDA Allocations).
- Report 1B: **Regional Recommended Applications (“Regional R”)** (only shows those Applications recommended for an award in the Rural and Urban Regional Allocations).

- Report 2A: **At-Risk and USDA Awarded and Active Applications (“At-Risk A/R/N”)** (complete list of all Applications previously awarded, recommended for an award and the waiting list of all active Applications not recommended for an award for the At-Risk Allocation) **(This report is printed on colored paper in your board materials, if you have the printed version)**
- Report 2B: **Regional Awarded and Active Applications (“Regional A/R/N”)** (complete list of all Applications previously awarded, recommended for an award and the waiting list of all active Applications not recommended for an award for the Regional Allocations) **(This report is printed on colored paper in your board materials, if you have the printed version)**
- Report 3A: **At-Risk and USDA Awarded Applications (“At-Risk A”)** (forward commitments that the Board approved in 2007 out of the 2008 Credit Ceiling and 2005 applications that received binding agreements for additional credits out of the 2008 Credit Ceiling).
- Report 3B: **Regional Awarded Applications (“Regional A”)** (forward commitments that the Board approved in 2007 out of the 2008 Credit Ceiling and 2005 applications that received binding agreements for additional credits out of the 2008 Credit Ceiling).
- Report 4: **Applications Recommended to Meet the Federal Non-Profit Allocation** (only shows those Applications recommended for an award from the federal Nonprofit Set-Aside)
- Report 5: **Applications Recommended to Meet the State Rural Allocation** (only shows those Applications recommended for an award from the state required Rural Allocation).

Located in the Board Material Addendum

- Board Summary: Development Information, Public Input and Staff Recommendation for each application (provided in Development number order for all active/eligible Applications)
- Real Estate Analysis Report for each application that has been underwritten as of July 24, 2008.

I. REGIONAL ALLOCATION FORMULA AND SET-ASIDES

The total State Housing Credit Ceiling (“credit ceiling”) for 2008 is \$49,390,716 (as of July 24, 2008). This figure includes the amount of annual allocation authorized to the state, based on population, of \$47,808,760; amount carried forward from 2007 of \$227,109; and returned credits from previous years of \$1,354,847. The National Pool has not been announced as of July 24, 2008.

As required by §2306.111 of the Texas Government Code, and further addressed in §50.7(a) of the 2008 Qualified Allocation Plan and Rules (“QAP”), the Department utilizes a regional allocation formula to distribute eighty-five percent of the housing tax credits from the credit ceiling. There are thirteen 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 Regional Allocation, as required. Based on the regional allocation formula, each of these twenty-six geographic areas, or sub-regions, is to have available a specific amount of tax credits.

Nonprofit Set-Aside

As required by §50.7(b) of the 2007 QAP, several Set-Asides/allocations, are also required to be met with 2008 Housing Tax Credits. The only federally legislated Set-Aside is the Nonprofit Set-Aside, which requires that at least ten percent of the credit ceiling be allocated to Qualified Nonprofit Developments. As described in §50.9(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 ten percent 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 ten percent Nonprofit Set-Aside is met. It should be noted that for the 2008 credit ceiling, the Nonprofit Set-Aside is satisfied purely through the general scoring competitiveness; it is unnecessary to recommend additional Nonprofit Applications for non-scoring reasons.

At-Risk Set-Aside and USDA Allocation

Pursuant to §50.7(b)(2) of the 2008 QAP, an At-Risk Set-Aside, which is legislated by Texas Government Code, requires that at least fifteen percent of the State Housing Credit Ceiling be set-aside for existing Developments that are at risk of losing their affordability. Pursuant to §50.7(a) of the 2008 QAP, there is also a United States Department of Agriculture (“USDA”) Allocation that requires that at least five percent of the State Housing Credit Ceiling be awarded to Developments, proposing rehabilitation, that are funded by USDA. The five percent USDA set-aside is required to be taken from the fifteen percent At-Risk set-aside.

Allocation Distribution

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 Allocation, as well as the fifteen percent that must be allocated to At-Risk Applications. The fifteen percent dedicated to the At-Risk Allocation is calculated from the amount of State Credit Ceiling allocated to the state, based on population (\$47,808,760); the amount carried forward from 2007 (\$227,109); and National Pool (not announced as of July 24, 2008). The fifteen percent excludes any credit amounts returned from previous years. Returned Credits are returned back to the sub-region they were originally allocated from. The Total Allocation includes all returned credits. **(Table 1 on following page).**

Table 1

<u>Region</u>	<u>Total Allocation for Each Region</u>	<u>Rural Allocation</u>	<u>Urban Allocation</u>
1	\$ 1,864,733	\$ 708,046	\$ 1,156,687
2	\$ 973,154	\$ 553,642	\$ 419,512
3	\$ 8,911,426	\$ 663,611	\$ 8,247,815
4	\$ 2,132,624	\$ 1,231,784	\$ 900,840
5	\$ 1,337,999	\$ 940,622	\$ 397,377
6	\$ 8,996,579	\$ 727,237	\$ 8,269,342
7	\$ 2,231,028	\$ 535,895	\$ 1,695,133
8	\$ 2,562,336	\$ 545,033	\$ 2,017,303
9	\$ 2,999,101	\$ 543,042	\$ 2,456,059
10	\$ 1,735,190	\$ 752,498	\$ 982,692
11	\$ 5,770,541	\$ 2,518,988	\$ 3,251,553
12	\$ 1,072,720	\$ 526,235	\$ 546,485
13	\$ 1,597,905	\$ 536,374	\$ 1,061,531
Total Regions	\$ 42,185,336	\$ 10,783,008	\$ 31,402,328
At-Risk	\$ 7,205,380		
Total Allocation	\$ 49,390,716		

II. APPLICATION SUBMISSIONS

There were 197 Pre-Applications submitted reflecting a total request for housing tax credits of \$142,939,682. Subsequently there were 112 full Applications submitted with a total request for tax credits of \$80,972,155. At the time of this posting, seventeen of the 112 Applications have been withdrawn or terminated.

The attached lists include applications that received forward commitments by the Board in 2007 out of the 2008 State Housing Tax Credit Ceiling, and 2005 Developments that received additional credits out of 2008 State Housing Credit Ceiling pursuant to the Final Policy for Addressing Cost Increases for 2004 and 2005 Competitive Housing Tax Credit Developments.

The Developments that received forward commitments and increased credits are indicated by an "A" in the column titled "Status" as they have already received an award from the 2008 cycle. The Applications being recommended for award are indicated by a "R" in the "Status" column. The Applications not being recommended for award are indicated by a "N" in the "Status" column.

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. Each Application has been reviewed in accordance with the Eligibility and Selection Criteria. The eligible Applications were assessed a score according to the documentation that was submitted to the Department.

The Applications that appeared to be most competitive were reviewed in detail for Threshold Criteria, financial feasibility and material non-compliance with Department programs. The final reviews of these few Applications were completed after the determination of appeals, challenges and financial feasibility

Public Comment

The Department held six public hearings in April 2008 throughout the state (Lubbock, El Paso, Harlingen, Houston, Austin and Dallas) to receive public comment from citizens, neighborhood groups, and elected officials concerning the 2008 Applications. In addition, the Department accepted written comments on all Applications, pursuant to §50.11(a)(9) of the 2008 QAP. 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 §50.5(a)(7) of the 2008 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 §50.5(a)(8) of the 2008 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 §50.5(b)(4) and (5) of the 2008 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.

Consistent with §50.6(d) of the 2008 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 §50.6(f) of the 2008 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 §50.6(g) of the 2008 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 §50.6(h) of the 2008 QAP, the Department will only recommend a 30% eligible basis for a “Development located in a Qualified Census Tract that has less than 40% 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 §50.6(j) of the 2008 QAP, a “Development 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 process 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 as of July 24, 2008, a threshold, financial feasibility analysis and compliance review have been completed for all Applications recommended for award, with the exception of Application #08278 in Region 3 and all Applications not recommended for award but will remain active on the waiting list. The recommended credit amounts are noted with an asterisk if the credit amount has not yet been evaluated; in these cases the credit amount reflected is the credit amount requested by the Applicant. 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, application review conditions and any other special conditions the Board may consider appropriate.

Recommendation Methodology

The recommendations in the USDA and At-Risk set-asides are made, first by identifying the Applications, in descending scoring order, whose recommended credit amounts total the amount necessary to meet the USDA set-aside requirement of \$2,401,793; then staff identifies the Applications, in descending scoring order, whose recommended credit amounts total the amount remaining necessary to meet the At-Risk set-aside requirement of \$7,205,380.

The recommendations in each Regional Sub-region are made by identifying the Applications, in descending scoring order, whose recommended credit amounts total the credit amount available in the sub-region, without exceeding the credit amounts available in each sub-region. By not exceeding the amounts available, in a few instances, there will be a significant balance of tax credits remaining in each sub-region.

All credits remaining in the Rural sub-regions are then combined together. Applications are then selected in order, by highest score, in the most under-served Rural sub-region, in the 2008 regional allocation, until the total combined amount is reached but not exceeded. These recommendations are considered the “Rural collapse”.

Any tax credits that have not been utilized from the “Rural collapse” will be combined with any remaining amounts from the Urban sub-regions. Applications are then selected in order, by highest score, in the most under-served sub-region, whether Urban or Rural. These recommendations are considered the “Statewide collapse”.

The number of competing Applications recommended for an allocation of 2008 Housing Tax Credits is fifty-nine, which does not include the six Developments that received a forward commitment by the Board in 2007 out of the 2008 State Housing Tax Credit Ceiling, or the fifty-five Applications from 2005 that received additional credit increases out of the 2008 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 \$49,390,716. It should be noted that ALL available Credit Ceiling is being recommended.

V. DISCUSSION OF OUTSTANDING EVIDENCE FOR ADDITIONAL FUNDING AND ZONING

Two selection criteria items under the 2008 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 may 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 2008 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 not recommending the Application for an award of tax credits. If the loss of points would have made the Application noncompetitive, the Commitment Notice will be rescinded and the tax credits reallocated to the next Application on the Waiting List.

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, the Commitment Notice will be rescinded and the tax credits reallocated.

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 whose tax credits are rescinded has had the opportunity to appeal. The Commitment Fee must be submitted with the Commitment Notice.

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 conditions of the Commitment Notice, the same timing and processes noted above will apply.

VI. STAFF RECOMMENDATION – WAITING LIST

Consistent with §2306.6711 of the Texas Government Code and §50.10(b) of the 2008 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 2008 Housing Tax Credits, and have not been terminated by the Department or withdrawn by the Applicant. Staff further recommends that the report entitled “Report 5: 2008 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 sub-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 Set-Aside Allocation and the return of tax credits causes the Department to achieve less than the required five percent allocation, the next highest scoring USDA Development from the At-Risk Waiting List will be recommended to the Board for a commitment. If there are no eligible USDA Applications available, then the next highest scoring At-Risk Application will be recommended for a commitment to the Board. If there are no eligible At-Risk Applications available, then the remaining ceiling will be added to the Statewide collapse pool.
- If tax credits are returned from the At-Risk Set-Aside Allocation and the return of tax credits causes the Department to achieve less than the required fifteen percent At-Risk set-aside, the next highest scoring At-Risk Development from the At-Risk Waiting List

will be recommended for a commitment to the Board. If there are no eligible Applications available in the At-Risk set-aside, then the remaining ceiling will be added to the Statewide collapse pool.

- 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 sub- region's waiting list, regardless of inclusion in a set-side, will be recommended for a commitment to the Board.

All Developments on the Waiting List not yet reviewed for Threshold or underwritten must still be found to be Acceptable, or Acceptable with Conditions, by the Multifamily and Real Estate Analysis Divisions. 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 next appropriate Application, that Applicant will be offered an opportunity to adjust the size of their Development. If the Applicant declines the offer, staff will contact the next appropriate Applicant on the Waiting List, continuing in this manner until the Waiting List is exhausted. Staff will also review to ensure that no awards from the Waiting List would cause a violation of any sections of the 2008 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 2008 Application Round (as amended and approved by the Board). Because the last recommended Application in the statewide collapse was required to reduce their award (from \$1,099,702 to \$935,850) to enable the Department to use all available Credit Ceiling, staff recommends the Board approve any returned credits after July 31, 2008 through December 31, 2008 and National Pool (if necessary), first be award to the last recommended Application in the statewide collapse, #08261, Towne Center Apartment Homes, to make that Application whole and then follow the allocation process for the waiting list as outlined in this presentation; and**
- 2. Approval of a Waiting List as outlined in “Report 2A: At-Risk and USDA Awarded and Active Applications (“At-Risk A/R/N”) and Report 2B: Regional Awarded and Active Applications (“Regional A/R/N”)” (as amended and approved by the Board). The Waiting List will be 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 awardees being allocated have sufficient time to proceed.**

**Report 1A: At-Risk and USDA Recommended Applications ("At-Risk R")
2008 Competitive Housing Tax Credit Program
(As of July 24, 2008, the recommendations may change due to pending appeals)**

Estimated State Ceiling to be Allocated: \$7,205,380 *(Calculation Based on Annual State Ceiling including 2007 Carry Forward and National Pool but Excluding Any Credit Returns)*

File #	Region Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP AR	LI Units	Total Target ⁴ Units	Pop	Housing ⁵ Activity	ACQ ⁶	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁷
08150	9 R	Oak Manor/Oak Village Apartments	2330/2334 Austin Hwy	San Antonio	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	229	229	G	RH	<input checked="" type="checkbox"/>	\$1,200,000	Gilbert M. Piette	<input type="checkbox"/>	206.0	Competitive in At-Risk Set-Aside
08149	10 R	American GI Forum Village I & II	1801 Bosquez St., Box 81	Robstown	Rural	<input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	76	76	G	RH	<input checked="" type="checkbox"/>	\$735,000	Walter Martinez	<input checked="" type="checkbox"/>	202.0	Competitive in At-Risk Set-Aside
08201	5 R	First Huntington Arms	415 N. Hwy 69	Huntington	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	40	40	G	RH	<input checked="" type="checkbox"/>	\$367,559	Louis Williams	<input checked="" type="checkbox"/>	201.0	Competitive in USDA Allocation
08298	3 R	Residences on Stalcup	3828 Stalcup	Fort Worth	Urban	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	92	92	G	RH	<input checked="" type="checkbox"/>	\$762,356	Dan Allgeier	<input type="checkbox"/>	199.0	Competitive in At-Risk Set-Aside
08195	6 R	Chateau Village Apartments	3815 Fuqua St. W.	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	150	150	G	RH	<input checked="" type="checkbox"/>	\$1,093,892	Mark S. Moorhouse	<input type="checkbox"/>	197.0	Competitive in At-Risk Set-Aside
08220	4 R	Northview Apartments	331 N. Longview St.	Kilgore	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	72	72	I	RH	<input checked="" type="checkbox"/>	\$238,654	James W. Fieser	<input checked="" type="checkbox"/>	190.0	Competitive in USDA Allocation
08260	6 R	Harris Manor Apartments	2216 E. Harris Rd.	Pasadena	Urban	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	193	201	G	RH	<input checked="" type="checkbox"/>	\$725,011	Daniel Betsalel	<input type="checkbox"/>	190.0	Competitive in At-Risk Set-Aside
08128	6 R	Mid-Towne Apartments	820 E. Carrell St.	Tomball	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	54	54	G	RH	<input checked="" type="checkbox"/>	\$280,619	Dennis Hoover	<input type="checkbox"/>	190.0	Competitive in USDA Allocation
08215	3 R	Quail Run Apartments	1906 S. College Ave.	Decatur	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	40	40	G	RH	<input checked="" type="checkbox"/>	\$137,531	James W. Fieser	<input checked="" type="checkbox"/>	189.0	Competitive in USDA Allocation
08130	9 R	Jourdanton Square Apartments	2701 Zanderson	Jourdanton	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	52	52	G	RH	<input checked="" type="checkbox"/>	\$222,957	Dennis Hoover	<input checked="" type="checkbox"/>	188.0	Competitive in USDA Allocation
08106	6 R	Brookhollow Manor	3444 Depot St.	Brookshire	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	48	48	G	RH	<input checked="" type="checkbox"/>	\$204,759	James W. Fieser	<input checked="" type="checkbox"/>	186.0	Competitive in USDA Allocation
08216	3 R	Chisum Trail Apartments	1100 Austin	Sanger	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	40	40	G	RH	<input checked="" type="checkbox"/>	\$133,940	James W. Fieser	<input checked="" type="checkbox"/>	184.0	Competitive in USDA Allocation
08129	7 R	Alta Vista Apartments	1001 Pecan Valley Dr.	Marble Falls	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	64	64	G	RH	<input checked="" type="checkbox"/>	\$312,199	Dennis Hoover	<input type="checkbox"/>	180.0	Competitive in USDA Allocation
08182	13 R	Suncrest Apartments	611 Rubin Dr.	El Paso	Urban	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	100	100	G	RH	<input checked="" type="checkbox"/>	\$359,146	Kevin Ruf	<input type="checkbox"/>	173.0	Competitive in At-Risk Set-Aside
08297	3 R	St. Charles Place	1408 Longhorn Tr.	Crowley	Urban	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	52	52	G	RH	<input checked="" type="checkbox"/>	\$221,592	Patrick A. Barbolla	<input checked="" type="checkbox"/>	169.5	Competitive in USDA Set-Aside

1 = Status of Award Abbreviation: Development Previously Awarded 2008 Housing Tax Credits=A, Recommended for Award=R, Not Recommended for Award=N.

2 = Allocation: Rural Regional Allocation or Urban Regional Allocation.

3 = Set-Aside Abbreviations: TRDO=USDA=USDA, Nonprofit=NP, At-Risk=AR.

4 = Target Population Abbreviation: Intergenerational=I, Elderly=E, General=G.

5 = Housing Activity: New Construction=NC, Rehabilitation (includes Reconstruction)=RH, Adaptive Reuse=ADR.

6 = Acquisition=ACQ, Developments for which acquisition Housing Tax Credits are being requested.

7 = Comment: Reason for Recommendation

* = Recommended Credit: Development is displaying the requested amount because a real estate analysis has not yet been completed.

File #	Region Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³			LI Units	Total Units	Target ⁴ Pop	Housing ⁵ Activity	ACQ ⁶	Recommended*Owner Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁷
08226	8 R	Whispering Oaks Apartments	1209 W. 8th St.	Goldthwaite	Rural	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	24	24	E	RH	<input checked="" type="checkbox"/>	\$135,597	Patrick A. Barbolla	<input checked="" type="checkbox"/>	163.0	Competitive in USDA Allocation
08296	8 R	Prairie Village Apartments	611 Paul St.	Rogers	Rural	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	24	24	G	RH	<input checked="" type="checkbox"/>	\$104,992	Patrick A. Barbolla	<input checked="" type="checkbox"/>	152.0	Competitive in USDA Allocation
Total:									1,350	1,358				\$7,235,804				
17 Total Applications									1,350	1,358				\$7,235,804				

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5 = Housing Activity: New Construction=NC, Rehabilitation (includes Reconstruction)=RH, Adaptive Reuse=ADR.

6 = Acquisition=ACQ, Developments for which acquisition Housing Tax Credits are being requested.

7 = Comment: Reason for Recommendation

* = Recommended Credit: Development is displaying the requested amount because a real estate analysis has not yet been completed.

**Report 1B: Regional Recommended Applications ("Regional R")
2008 Competitive Housing Tax Credit Program
(As of July 24, 2008, the recommendations may change due to pending appeals)**

Estimated State Ceiling to be Allocated: \$42,185,336 *(Calculation Based on Annual State Ceiling including 2007 Carry Forward and National Pool but Excluding Any Credit Returns)*

Region File #	Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Target ⁴ Units	Housing ⁵ Pop	Activity	ACQ ⁶	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁷
Region: 2																
Allocation Information for Region 2:		Total Credits Available for Region:			\$973,154		Urban Allocation:			\$419,512		Rural Allocation:		\$553,642		
Applications Submitted in Region 2: Urban																
08142	2 R	Anson Park Seniors	Ambrocio Flores Jr. Rd. & Vogel Ave.	Abilene	Urban	<input type="checkbox"/> <input type="checkbox"/>	80	80	E	NC	<input type="checkbox"/>	\$776,637	Theresa Martin-Holder	<input type="checkbox"/>	201.0	Significant Sub-Regional Shortfall in State Collapse
Total:							80	80				\$776,637				
Applications Submitted in Region 2: Rural																
08139	2 R	Arizona Avenue Apartments	Intersection of NW. E. Arizona Ave. & I-20	Sweetwater	Rural	<input type="checkbox"/> <input type="checkbox"/>	80	80	G	NC	<input type="checkbox"/>	\$717,150	Leslie Clark	<input type="checkbox"/>	190.0	Significant Sub-Regional Shortfall in Rural Collapse
Total:							80	80				\$717,150				
2 Applications in Region					Region Total:		160	160				\$1,493,787				

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4 = Target Population Abbreviation: Intergenerational=I, Elderly=E, General=G.

5 = Housing Activity: New Construction=NC, Rehabilitation (includes Reconstruction)=RH, Adaptive Reuse=ADR.

6 = Acquisition=ACQ, Developments for which acquisition Housing Tax Credits are being requested.

7 = Comment: Reason for Recommendation

* = Recommended Credit: These developments are displaying the requested amount because a real estate analysis has not yet been completed.

Region: 3

Allocation Information for Region 3:	Total Credits Available for Region: \$8,911,426	Urban Allocation: \$8,247,815	Rural Allocation: \$663,611
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Applications Submitted in Region 3:		Urban																
08207	3 R	Carpenter's Point	3326 Mingo St.	Dallas	Urban	<input type="checkbox"/>	<input type="checkbox"/>	150	150	E	NC	<input type="checkbox"/>	\$1,200,000	George King, Jr.	<input type="checkbox"/>	203.0	Competitive in Region	
08223	3 R	Evergreen at The Colony	NW. Corner of SH 121 & Morning Star	The Colony	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	145	145	E	NC	<input type="checkbox"/>	\$1,200,000	Brad Forslund	<input checked="" type="checkbox"/>	203.0	Competitive in Region	
08193	3 R	Sphinx at Fiji Senior	201 Fran Way	Dallas	Urban	<input type="checkbox"/>	<input type="checkbox"/>	130	130	E	NC	<input type="checkbox"/>	\$1,200,000	Joseph Agumadu	<input type="checkbox"/>	200.0	Competitive in Region	
08233	3 R	Heritage Park Vista	8500 Ray White Rd.	Fort Worth	Urban	<input type="checkbox"/>	<input type="checkbox"/>	135	140	E	NC	<input type="checkbox"/>	\$1,106,616	Dan Allgeier	<input type="checkbox"/>	200.0	Competitive in Region	
08205	3 R	Wind River	8725 Calmont Ave.	Fort Worth	Urban	<input type="checkbox"/>	<input type="checkbox"/>	168	168	G	RH	<input checked="" type="checkbox"/>	\$1,188,738	Barbara Holston	<input type="checkbox"/>	199.0	Competitive in Region	
08278	3 R	Vista Bella Ranch	1300 W. Taylor St.	Sherman	Urban	<input type="checkbox"/>	<input type="checkbox"/>	200	200	G	NC	<input type="checkbox"/>	\$950,000 *	Manish Verma	<input type="checkbox"/>	197.0	Competitive in Region	
								Total:	928	933								\$6,845,354

Applications Submitted in Region 3:		Rural																
08184	3 R	Washington Hotel Lofts	2612 Washington St.	Greenville	Rural	<input type="checkbox"/>	<input type="checkbox"/>	36	36	G	ADR	<input checked="" type="checkbox"/>	\$390,225	Bill Scantland	<input type="checkbox"/>	207.0	Competitive in Region	
08264	3 R	Cambridge Crossing	Bragg Ave. & Cambridge St.	Corsicana	Rural	<input type="checkbox"/>	<input type="checkbox"/>	58	60	E	NC	<input type="checkbox"/>	\$578,144	Diana McIver	<input checked="" type="checkbox"/>	205.0	Significant Sub-Regional Shortfall in State Collapse	
								Total:	94	96								\$968,369

8 Applications in Region	Region Total:	1,022	1,029														\$7,813,723
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 6 = Acquisition=ACQ, Developments for which acquisition Housing Tax Credits are being requested.
 7 = Comment: Reason for Recommendation
 * = Recommended Credit: These developments are displaying the requested amount because a real estate analysis has not yet been completed.

Region	File #	Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Target ⁴ Units	Housing ⁵ Pop	Activity	Housing ⁵ ACQ	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁷
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Region: 4

Allocation Information for Region 4:	Total Credits Available for Region: \$2,132,624	Urban Allocation: \$900,840	Rural Allocation: \$1,231,784
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Applications Submitted in Region 4: Urban																		
08284	4	R	North Eastman Residential	1400 N. Eastman Dr.	Longview	Urban	<input type="checkbox"/>	<input type="checkbox"/>	80	80	G	NC	<input type="checkbox"/>	\$877,271	Stuart Shaw	<input type="checkbox"/>	204.0	Significant Sub-Regional Shortfall in State Collapse
									Total:	80	80			\$877,271				
Applications Submitted in Region 4: Rural																		
08157	4	R	SilverLeaf at Chandler	801 FM 2010	Chandler	Rural	<input type="checkbox"/>	<input type="checkbox"/>	80	80	E	NC	<input type="checkbox"/>	\$761,465	Mike Sugrue	<input checked="" type="checkbox"/>	204.0	Competitive in Region
08258	4	R	Lexington Court Phase II	3509 US Hwy 259 N.	Kilgore	Rural	<input type="checkbox"/>	<input checked="" type="checkbox"/>	76	76	G	NC	<input type="checkbox"/>	\$693,584	Emanuel H. Glockzin, Jr.	<input checked="" type="checkbox"/>	200.0	Significant Sub-Regional Shortfall in Rural Collapse
									Total:	156	156			\$1,455,049				
3 Applications in Region						Region Total:			236	236			\$2,332,320					

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7 = Comment: Reason for Recommendation
* = Recommended Credit: These developments are displaying the requested amount because a real estate analysis has not yet been completed.

Region	File #	Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Target ⁴ Units	Housing ⁵ Pop	Activity	ACQ ⁶	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁷
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Region: 5

Allocation Information for Region 5:	Total Credits Available for Region: \$1,337,999	Urban Allocation: \$397,377	Rural Allocation: \$940,622
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Applications Submitted in Region 5: Urban																		
08133	5	R	Timber Creek Senior Living	Proposed Sienna Trails Dr. & Timber Creek Loop	Beaumont	Urban	<input type="checkbox"/>	<input type="checkbox"/>	115	120	E	NC	<input type="checkbox"/>	\$1,110,256	Ofelia Elizondo	<input type="checkbox"/>	193.0	Significant Sub-Regional Shortfall in State Collapse
									Total:	115	120							\$1,110,256
Applications Submitted in Region 5: Rural																		
08174	5	R	Oakleaf Estates	1195 Hwy 327 & E. Tennison Ln.	Silsbee	Rural	<input type="checkbox"/>	<input type="checkbox"/>	80	80	G	NC	<input type="checkbox"/>	\$736,782	K.T. (Ike) Akbari	<input type="checkbox"/>	169.0	Significant Sub-Regional Shortfall in Rural Collapse
									Total:	80	80							\$736,782
2 Applications in Region							Region Total:		195	200							\$1,847,038	

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Region	File #	Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Target ⁴ Units	Housing ⁵ Pop	Activity	ACQ ⁶	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁷
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Region: 6

Allocation Information for Region 6:	Total Credits Available for Region: \$8,996,579	Urban Allocation: \$8,269,342	Rural Allocation: \$727,237
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Applications Submitted in Region 6:		Urban																	
08303	6 R	Heritage Square	520 3rd Ave. N.	Texas City	Urban	<input type="checkbox"/>	<input type="checkbox"/>	50	50	E	RH	<input checked="" type="checkbox"/>	\$349,923	Chad Asarch	<input type="checkbox"/>	211.0	Competitive in Region		
08140	6 R	Premier on Woodfair	9502 Woodfair Dr.	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	390	408	G	RH	<input type="checkbox"/>	\$1,200,000 *	Ruth Gaus	<input type="checkbox"/>	206.0	Competitive in Region		
08101	6 R	Jackson Village Retirement Center	200 Abner Jackson Blvd.	Lake Jackson	Urban	<input type="checkbox"/>	<input type="checkbox"/>	92	96	E	NC	<input type="checkbox"/>	\$881,320	Ofelia Elizondo	<input type="checkbox"/>	205.0	Competitive in Region		
08244	6 R	TownePlace Reserve	W. Side of Cullen Blvd, S. of FM 518	Pearland	Urban	<input type="checkbox"/>	<input type="checkbox"/>	115	120	E	NC	<input type="checkbox"/>	\$1,189,754	Les Kilday	<input type="checkbox"/>	204.0	Competitive in Region		
08251	6 R	HomeTowne on Wayside	SW Corner of Wayside & Ley Rd.	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	123	128	E	NC	<input type="checkbox"/>	\$950,000	Kenneth W. Fambro	<input type="checkbox"/>	203.0	Competitive in Region		
08232	6 R	Sakowitz Apartments	2300 Sakowitz	Houston	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	166	166	G	NC	<input type="checkbox"/>	\$740,419	Joy Horak-Brown	<input type="checkbox"/>	203.0	Competitive in Region		
08126	6 R	South Acres Ranch	E. Side of Approx. 11500 Blk Scott	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	77	80	G	NC	<input type="checkbox"/>	\$1,200,000	W. Barry Kahn	<input type="checkbox"/>	200.0	Competitive in Region		
08198	6 R	Highland Manor	300 Blk Newman Rd.	La Marque	Urban	<input type="checkbox"/>	<input type="checkbox"/>	134	141	E	NC	<input type="checkbox"/>	\$1,200,000	David Koogler	<input type="checkbox"/>	200.0	Competitive in Region		
Total:												1,147	1,189			\$7,711,416			

Applications Submitted in Region 6:		Rural																	
08304	6 R	Park Place Apartments	100 Campbell St.	Cleveland	Rural	<input type="checkbox"/>	<input type="checkbox"/>	60	60	I	RH	<input checked="" type="checkbox"/>	\$485,633	Chad Asarch	<input type="checkbox"/>	199.0	Competitive in Region		
08254	6 R	Montgomery Meadows Phase II	Corner of Old Montgomery Rd. & Cline	Huntsville	Rural	<input type="checkbox"/>	<input type="checkbox"/>	48	48	E	NC	<input type="checkbox"/>	\$498,997	Emanuel H. Glockzin, Jr.	<input type="checkbox"/>	194.0	Significant Sub-Regional Shortfall in Rural Collapse		
Total:												108	108			\$984,630			

10 Applications in Region						Region Total: 1,255 1,297						\$8,696,046					
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7 = Comment: Reason for Recommendation
* = Recommended Credit: These developments are displaying the requested amount because a real estate analysis has not yet been completed.

Region	File #	Status	Development Name	Address	City	Allocation	Set-Asides USDA NP	LI Units	Total Target Units	Housing Pop	Housing Activity	ACQ	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment
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Region: 7

Allocation Information for Region 7:	Total Credits Available for Region: \$2,231,028	Urban Allocation: \$1,695,133	Rural Allocation: \$535,895
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Applications Submitted in Region 7:		Urban																
08253	7 R	Creekside Villas Senior Village	10.962 Acres on FM 967, On Onion Creek	Buda	Urban	<input type="checkbox"/>	<input type="checkbox"/>	144	144	E	NC	<input type="checkbox"/>	\$1,200,000	Colby Denison	<input checked="" type="checkbox"/>	209.0	Competitive in Region	
								Total:	144	144								\$1,200,000

Applications Submitted in Region 7:		Rural																
08229	7 R	Fairwood Commons Senior Apartments	S. Side of Old Austin Hwy Approx. 250' E. of Hasler Blvd.	Bastrop	Rural	<input type="checkbox"/>	<input type="checkbox"/>	63	66	E	NC	<input type="checkbox"/>	\$485,611	David G. Rae	<input checked="" type="checkbox"/>	199.0	Competitive in Region-Tie Break Won	
								Total:	63	66								\$485,611

2 Applications in Region	Region Total:	207	210								\$1,685,611
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2 = Allocation: Rural Regional Allocation or Urban Regional Allocation.
3 = Set-Aside Abbreviations: TRDO-USDA=USDA, Nonprofit=NP.
4 = Target Population Abbreviation: Intergenerational=I, Elderly=E, General=G.
5 = Housing Activity: New Construction=NC, Rehabilitation (includes Reconstruction)=RH, Adaptive Reuse=ADR.
6 = Acquisition=ACQ, Developments for which acquisition Housing Tax Credits are being requested.
7 = Comment: Reason for Recommendation
* = Recommended Credit: These developments are displaying the requested amount because a real estate analysis has not yet been completed.

File #	Region	Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³	LI	Total	Target ⁴	Housing ⁵	Recommended*	Owner	TDHCA	Final	Score	Comment
							USDA NP	Units	Units	Pop	Activity	ACQ ⁶	Contact	HOME			

Region: 8

Allocation Information for Region 8:	Total Credits Available for Region: \$2,562,336	Urban Allocation: \$2,017,303	Rural Allocation: \$545,033
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Applications Submitted in Region 8: Urban																		
08257	8	R	Constitution Court	Constitution Dr. off US Hwy 190	Copperas Cove	Urban	<input type="checkbox"/>	<input type="checkbox"/>	108	108	G	NC	<input type="checkbox"/>	\$947,423	Emanuel H. Glockzin, Jr.	<input checked="" type="checkbox"/>	206.0	Competitive in Region
08261	8	R	Towne Center Apartments Homes	1301 Prairie Dr.	Bryan	Urban	<input type="checkbox"/>	<input type="checkbox"/>	141	148	E	NC	<input type="checkbox"/>	\$935,850	Michael Lankford	<input type="checkbox"/>	200.0	Significant Sub-Regional Shortfall in State Collapse
									Total:	249	256			\$1,883,273				
2 Applications in Region							Region Total:		249	256			\$1,883,273					

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7 = Comment: Reason for Recommendation
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Region	File #	Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Units	Target ⁴ Pop	Housing ⁵ Activity	ACQ ⁶	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁷
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Region: 9

Allocation Information for Region 9:	Total Credits Available for Region: \$2,999,101	Urban Allocation: \$2,456,059	Rural Allocation: \$543,042
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Applications Submitted in Region 9: Urban																		
08200	9	R	Ingram Square Apartments	5901 Flynn Dr.	San Antonio	Urban	<input type="checkbox"/>	<input type="checkbox"/>	120	120	G	RH	<input checked="" type="checkbox"/>	\$752,115	Paul Patierno	<input type="checkbox"/>	213.0	Competitive in Region
									Total:	120	120			\$752,115				

Applications Submitted in Region 9: Rural																		
08135	9	R	Gardens at Clearwater	400 Block of Clearwater Paseo	Kerrville	Rural	<input type="checkbox"/>	<input type="checkbox"/>	80	80	E	NC	<input type="checkbox"/>	\$760,867	Lucille Jones	<input type="checkbox"/>	193.0	Significant Sub-Regional Shortfall in Rural Collapse
									Total:	80	80			\$760,867				

2 Applications in Region	Region Total:	200	200			\$1,512,982
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6 = Acquisition=ACQ, Developments for which acquisition Housing Tax Credits are being requested.
7 = Comment: Reason for Recommendation
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Region	File #	Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Target ⁴ Units	Housing ⁵ Pop	Activity	ACQ ⁶	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁷
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Region: 10

Allocation Information for Region 10:	Total Credits Available for Region: \$1,735,190	Urban Allocation: \$982,692	Rural Allocation: \$752,498
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Applications Submitted in Region 10: Urban																		
08235	10	R	Buena Vida Senior Village	4650 Old Brownsville Rd.	Corpus Christi	Urban	<input type="checkbox"/>	<input type="checkbox"/>	100	100	E	NC	<input type="checkbox"/>	\$857,951	Randy Stevenson	<input type="checkbox"/>	199.0	Significant Sub-Regional Shortfall in State Collapse
									Total:	100	100			\$857,951				
Applications Submitted in Region 10: Rural																		
08152	10	R	Heights at Corral	1000 W. Corral Ave.	Kingsville	Rural	<input type="checkbox"/>	<input type="checkbox"/>	80	80	G	RH	<input type="checkbox"/>	\$784,000	Socorro (Cory) Hinojosa	<input type="checkbox"/>	217.0	Significant Sub-Regional Shortfall in Rural Collapse
									Total:	80	80			\$784,000				
2 Applications in Region						Region Total:		180	180			\$1,641,951						

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6 = Acquisition=ACQ, Developments for which acquisition Housing Tax Credits are being requested.
7 = Comment: Reason for Recommendation
* = Recommended Credit: These developments are displaying the requested amount because a real estate analysis has not yet been completed.

Region	File #	Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Units	Target ⁴ Pop	Housing ⁵ Activity	ACQ ⁶	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁷
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Region: 11

Allocation Information for Region 11:	Total Credits Available for Region: \$5,770,541	Urban Allocation: \$3,251,553	Rural Allocation: \$2,518,988
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Applications Submitted in Region 11: Urban																		
08151	11	R	Parkview Terrace	211 W. Audrey	Pharr	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	100	100	G	RH	<input type="checkbox"/>	\$985,000	J. Fernando Lopez	<input type="checkbox"/>	214.0	Competitive in Region
08158	11	R	Villas at Beaumont	2200 Beaumont Ave.	McAllen	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	36	36	E	NC	<input type="checkbox"/>	\$376,000	Joe Saenz	<input type="checkbox"/>	200.0	Competitive in Region
Total:									136	136								\$1,361,000

Applications Submitted in Region 11: Rural																		
08294	11	R	Stardust Village	Hwy 83, 1/2 Blk N. of Brazos St.	Uvalde	Rural	<input type="checkbox"/>	<input type="checkbox"/>	36	36	G	NC	<input type="checkbox"/>	\$427,390	Tammye Trevino	<input type="checkbox"/>	202.0	Competitive in Region
08302	11	R	Leona Apartments	209 First St.	Uvalde	Rural	<input type="checkbox"/>	<input type="checkbox"/>	40	40	G	RH	<input checked="" type="checkbox"/>	\$124,375	Chad Asarch	<input type="checkbox"/>	200.0	Competitive in Region
08176	11	R	Maeghan Pointe	SR 107 & Mile 6 Rd.	Elsa	Rural	<input type="checkbox"/>	<input type="checkbox"/>	80	80	G	NC	<input type="checkbox"/>	\$1,083,920	Donald Pace	<input type="checkbox"/>	199.0	Competitive in Region
Total:									156	156								\$1,635,685

5 Applications in Region			Region Total:	292	292								\$2,996,685
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* = Recommended Credit: These developments are displaying the requested amount because a real estate analysis has not yet been completed.

Region	File #	Status	Development Name	Address	City	Allocation	Set-Asides USDA NP	LI Units	Total Target Units	Target Pop	Housing Activity	ACQ	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment
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Region: 12

Allocation Information for Region 12:	Total Credits Available for Region: \$1,072,720	Urban Allocation: \$546,485	Rural Allocation: \$526,235
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Applications Submitted in Region 12: Urban

08138	12	R	River Place Apartments	Rio Concho Dr. & Irene St.	San Angelo	Urban	<input type="checkbox"/>	<input type="checkbox"/>	120	120	E	NC	<input type="checkbox"/>	\$994,242	G. Granger MacDonald	<input type="checkbox"/>	189.0	Significant Sub-Regional Shortfall in State Collapse
Total:									120	120			\$994,242					

Applications Submitted in Region 12: Rural

08299	12	R	Southern View Apartments	SW. Corner of Ryan St. & Hwy 385	Fort Stockton	Rural	<input type="checkbox"/>	<input type="checkbox"/>	47	48	G	NC	<input type="checkbox"/>	\$433,000	Justin Zimmerman	<input type="checkbox"/>	126.0	Competitive in Region
Total:									47	48			\$433,000					

2 Applications in Region **Region Total: 167 168 \$1,427,242**

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4 = Target Population Abbreviation: Intergenerational=I, Elderly=E, General=G.
5 = Housing Activity: New Construction=NC, Rehabilitation (includes Reconstruction)=RH, Adaptive Reuse=ADR.
6 = Acquisition=ACQ, Developments for which acquisition Housing Tax Credits are being requested.
7 = Comment: Reason for Recommendation
* = Recommended Credit: These developments are displaying the requested amount because a real estate analysis has not yet been completed.

Region	File #	Status	Development Name	Address	City	Allocation	Set-Asides	LI	Total	Target	Housing	Recommended*	Owner	TDHCA	Final	
							USDA NP	Units	Units	Pop	Activity	ACQ	Contact	HOME	Score	Comment

Region: 13

Allocation Information for Region 13:	Total Credits Available for Region: \$1,597,905	Urban Allocation: \$1,061,531	Rural Allocation: \$536,374
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Applications Submitted in Region 13: Urban																		
08160	13	R	Tres Palmas	Rich Beem, Approx. 300' N. of Montana St.	El Paso	Urban	<input type="checkbox"/>	<input type="checkbox"/>	172	172	G	NC	<input type="checkbox"/>	\$1,200,000	R.L. (Bobby) Bowling, IV	<input type="checkbox"/>	188.0	Significant Sub-Regional Shortfall in State Collapse
									Total:	172	172			\$1,200,000				
Applications Submitted in Region 13: Rural																		
08163	13	R	San Elizario Palms	13800 Blk of Socorro Rd. Near Herring Rd.	San Elizario	Rural	<input type="checkbox"/>	<input type="checkbox"/>	80	80	G	NC	<input type="checkbox"/>	\$748,456	R.L. (Bobby) Bowling, IV	<input type="checkbox"/>	177.0	Significant Sub-Regional Shortfall in Rural Collapse
									Total:	80	80			\$748,456				
2 Applications in Region									Region Total:	252	252			\$1,948,456				
42 Total Applications										4,415	4,480			\$35,279,114				

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5 = Housing Activity: New Construction=NC, Rehabilitation (includes Reconstruction)=RH, Adaptive Reuse=ADR.
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**Report 2A: At-Risk and USDA Awarded and Active Applications (“At-Risk A/R/N”)
2008 Competitive Housing Tax Credit Program
(As of July 24, 2008, the recommendations may change due to pending appeals)**

Estimated State Ceiling to be Allocated: \$7,205,380 *(Calculation Based on Annual State Ceiling including 2007 Carry Forward and National Pool but Excluding Any Credit Returns)*

Region	File #	Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP AR	LI Units	Total Units	Target ⁴ Pop	Housing ⁵ Activity	ACQ ⁶	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁷
	08078	5 A	Joaquin Apartments	Rt. 1, Box 141, Hwy 84	Joaquin	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	31	32	G	RH	<input checked="" type="checkbox"/>	\$3,233	Murray Calhoun	<input type="checkbox"/>	300.0	Binding Allocation Agreement
	08072	8 A	Clifton Manor Apartments I and II	610 S. Ave. F; 115 S. Ave. P	Clifton	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	40	40	G	RH	<input checked="" type="checkbox"/>	\$630	Louis Williams	<input type="checkbox"/>	300.0	Binding Allocation Agreement
	08074	8 A	Hamilton Manor Apartments	702 S. College St.	Hamilton	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	18	18	G	RH	<input checked="" type="checkbox"/>	\$1,395	Louis Williams	<input type="checkbox"/>	300.0	Binding Allocation Agreement
	08037	9 A	Vista Verde I & II Apartments	810 & 910 N. Frio	San Antonio	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	190	190	G	RH	<input checked="" type="checkbox"/>	\$63,584	Ronald C. Anderson	<input type="checkbox"/>	300.0	Binding Allocation Agreement
	08052	10 A	Hampton Port Apartments	6130 Wooldridge Rd.	Corpus Christi	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	110	110	G	RH	<input checked="" type="checkbox"/>	\$36,404	Richard Franco	<input type="checkbox"/>	300.0	Binding Allocation Agreement
	08023	11 A	Alamo Village	504 N. 9th St.	Alamo	Urban	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	56	56	G	RH	<input checked="" type="checkbox"/>	\$5,186	Betty Morris	<input type="checkbox"/>	300.0	Binding Allocation Agreement
	08029	11 A	San Juan Village	400 N. Iowa	San Juan	Urban	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	86	86	G	RH	<input checked="" type="checkbox"/>	\$6,871	Betty Morris	<input type="checkbox"/>	300.0	Binding Allocation Agreement
	08021	11 A	Santa Rosa Village	FM 506 at Colorado	Santa Rosa	Rural	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	53	53	G	RH	<input checked="" type="checkbox"/>	\$1,674	Betty Morris	<input type="checkbox"/>	300.0	Binding Allocation Agreement
	08035	12 A	Country Village Apartments	2401 N. Lillie St.	San Angelo	Urban	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	160	160	G	RH	<input checked="" type="checkbox"/>	\$33,850	Doug Gurkin	<input type="checkbox"/>	300.0	Binding Allocation Agreement
	08003	12 A	Oasis Apartments	1501 N. Marshall Rd.	Fort Stockton	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	56	56	G	RH	<input checked="" type="checkbox"/>	\$1,946	Gary L. Kersch	<input type="checkbox"/>	300.0	Binding Allocation Agreement
	08002	13 A	Villa Apartments	1901 Golf Course Rd.	Marfa	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	24	24	G	RH	<input checked="" type="checkbox"/>	\$1,143	Gary L. Kersch	<input type="checkbox"/>	300.0	Binding Allocation Agreement
	08001	13 A	Mountainview Apartments	801 N. Orange Rd.	Alpine	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	56	56	G	RH	<input checked="" type="checkbox"/>	\$2,010	Gary L. Kersch	<input type="checkbox"/>	300.0	Binding Allocation Agreement
							Total:	880	881			\$157,926					
	08150	9 R	Oak Manor/Oak Village Apartments	2330/2334 Austin Hwy	San Antonio	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	229	229	G	RH	<input checked="" type="checkbox"/>	\$1,200,000	Gilbert M. Piette	<input type="checkbox"/>	206.0	Competitive in At-Risk Set-Aside
	08149	10 R	American GI Forum Village I & II	1801 Bosquez St., Box 81	Robstown	Rural	<input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	76	76	G	RH	<input checked="" type="checkbox"/>	\$735,000	Walter Martinez	<input checked="" type="checkbox"/>	202.0	Competitive in At-Risk Set-Aside
	08201	5 R	First Huntington Arms	415 N. Hwy 69	Huntington	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	40	40	G	RH	<input checked="" type="checkbox"/>	\$367,559	Louis Williams	<input checked="" type="checkbox"/>	201.0	Competitive in USDA Allocation

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3 = Set-Aside Abbreviations: TRDO=USDA=USDA, Nonprofit=NP, At-Risk=AR.

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5 = Housing Activity: New Construction=NC, Rehabilitation (includes Reconstruction)=RH, Adaptive Reuse=ADR.

6 = Acquisition=ACQ, Developments for which acquisition Housing Tax Credits are being requested.

7 = Comment: Reason for Recommendation

* = Recommended Credit: Development is displaying the requested amount because a real estate analysis has not yet been completed.

File #	Region Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP AR	LI Units	Total Units	Target ⁴ Pop	Housing ⁵ Activity	ACQ ⁶	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁷
08298	3 R	Residences on Stalcup	3828 Stalcup	Fort Worth	Urban	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	92	92	G	RH	<input checked="" type="checkbox"/>	\$762,356	Dan Allgeier	<input type="checkbox"/>	199.0	Competitive in At-Risk Set-Aside
08195	6 R	Chateau Village Apartments	3815 Fuqua St. W.	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	150	150	G	RH	<input checked="" type="checkbox"/>	\$1,093,892	Mark S. Moorhouse	<input type="checkbox"/>	197.0	Competitive in At-Risk Set-Aside
08220	4 R	Northview Apartments	331 N. Longview St.	Kilgore	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	72	72	I	RH	<input checked="" type="checkbox"/>	\$238,654	James W. Fieser	<input checked="" type="checkbox"/>	190.0	Competitive in USDA Allocation
08260	6 R	Harris Manor Apartments	2216 E. Harris Rd.	Pasadena	Urban	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	193	201	G	RH	<input checked="" type="checkbox"/>	\$725,011	Daniel Betsalel	<input type="checkbox"/>	190.0	Competitive in At-Risk Set-Aside
08128	6 R	Mid-Towne Apartments	820 E. Carrell St.	Tomball	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	54	54	G	RH	<input checked="" type="checkbox"/>	\$280,619	Dennis Hoover	<input type="checkbox"/>	190.0	Competitive in USDA Allocation
08215	3 R	Quail Run Apartments	1906 S. College Ave.	Decatur	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	40	40	G	RH	<input checked="" type="checkbox"/>	\$137,531	James W. Fieser	<input checked="" type="checkbox"/>	189.0	Competitive in USDA Allocation
08130	9 R	Jourdanton Square Apartments	2701 Zanderson	Jourdanton	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	52	52	G	RH	<input checked="" type="checkbox"/>	\$222,957	Dennis Hoover	<input checked="" type="checkbox"/>	188.0	Competitive in USDA Allocation
08106	6 R	Brookhollow Manor	3444 Depot St.	Brookshire	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	48	48	G	RH	<input checked="" type="checkbox"/>	\$204,759	James W. Fieser	<input checked="" type="checkbox"/>	186.0	Competitive in USDA Allocation
08216	3 R	Chisum Trail Apartments	1100 Austin	Sanger	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	40	40	G	RH	<input checked="" type="checkbox"/>	\$133,940	James W. Fieser	<input checked="" type="checkbox"/>	184.0	Competitive in USDA Allocation
08129	7 R	Alta Vista Apartments	1001 Pecan Valley Dr.	Marble Falls	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	64	64	G	RH	<input checked="" type="checkbox"/>	\$312,199	Dennis Hoover	<input type="checkbox"/>	180.0	Competitive in USDA Allocation
08182	13 R	Suncrest Apartments	611 Rubin Dr.	El Paso	Urban	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	100	100	G	RH	<input checked="" type="checkbox"/>	\$359,146	Kevin Ruf	<input type="checkbox"/>	173.0	Competitive in At-Risk Set-Aside
08297	3 R	St. Charles Place	1408 Longhorn Tr.	Crowley	Urban	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	52	52	G	RH	<input checked="" type="checkbox"/>	\$221,592	Patrick A. Barbolla	<input checked="" type="checkbox"/>	169.5	Competitive in USDA Set-Aside
08226	8 R	Whispering Oaks Apartments	1209 W. 8th St.	Goldthwaite	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	24	24	E	RH	<input checked="" type="checkbox"/>	\$135,597	Patrick A. Barbolla	<input checked="" type="checkbox"/>	163.0	Competitive in USDA Allocation
08296	8 R	Prairie Village Apartments	611 Paul St.	Rogers	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	24	24	G	RH	<input checked="" type="checkbox"/>	\$104,992	Patrick A. Barbolla	<input checked="" type="checkbox"/>	152.0	Competitive in USDA Allocation
Total:							1,350	1,358				\$7,235,804				
08147	11 N	Northside Apartments	1800 N. Texas Blvd.	Weslaco	Urban	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	289	289	G	RH	<input checked="" type="checkbox"/>	\$979,901*	David Marquez	<input type="checkbox"/>	165.0	Not Recommended
08121	8 N	Cherrywood Apartments	1301 I-35 S.	West	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	20	20	E	RH	<input checked="" type="checkbox"/>	\$110,304*	Gary Maddock	<input checked="" type="checkbox"/>	157.0	Not Recommended
08120	8 N	Applewood Apartments, LP	701 Tokio Rd.	West	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	24	24	E	RH	<input checked="" type="checkbox"/>	\$127,059*	Gary Maddock	<input checked="" type="checkbox"/>	152.0	Not Recommended
Total:							333	333				\$1,217,264				
32 Total Applications							2,563	2,572				\$8,610,994				

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2 = Allocation: Rural Regional Allocation or Urban Regional Allocation.

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Report 2B: Regional Awarded and Active Applications ("Regional A/R/N")
2008 Competitive Housing Tax Credit Program
(As of July 24, 2008, the recommendations may change due to pending appeals)

Estimated State Ceiling to be Allocated: \$42,185,336 *(Calculation Based on Annual State Ceiling including 2007 Carry Forward and National Pool but Excluding Any Credit Returns)*

Region File #	Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Target ⁴ Units	Housing ⁵ Pop	Activity	ACQ ⁶	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁷
Region: 1																
Allocation Information for Region 1:		Total Credits Available for Region: \$1,864,733					Urban Allocation: \$1,156,687					Rural Allocation: \$708,046				
Applications Submitted in Region 1: Urban																
08031	1 A	Cathy's Pointe	2701 N. Grand St.	Amarillo	Urban	<input type="checkbox"/> <input type="checkbox"/>	120	120	G	NC	<input type="checkbox"/>	\$72,827	Donald Pace	<input type="checkbox"/>	300.0	Binding Allocation Agreement
08038	1 A	TownParc at Amarillo	Woodward Ave. & Kirkland Dr.	Amarillo	Urban	<input type="checkbox"/> <input type="checkbox"/>	144	144	G	NC	<input type="checkbox"/>	\$86,710	Christopher C. Finlay	<input type="checkbox"/>	300.0	Binding Allocation Agreement
							Total:	264	264			\$159,537				
							Total:	264	264			\$159,537				
Applications Submitted in Region 1: Rural																
08091	1 A	StoneLeaf at Dalhart	1719 E. 1st St.	Dalhart	Rural	<input type="checkbox"/> <input type="checkbox"/>	76	76	G	NC	<input type="checkbox"/>	\$687,957	Mike Sugrue	<input type="checkbox"/>	301.0	Forward Commitment of 2008 Credits Made in 2007
08007	1 A	Central Place	402 W. 4th St.	Hereford	Rural	<input type="checkbox"/> <input type="checkbox"/>	32	32	G	NC	<input type="checkbox"/>	\$20,089	Christopher Paul Rhodes	<input type="checkbox"/>	300.0	Binding Allocation Agreement
							Total:	108	108			\$708,046				
08112	1 N	Cedar Street Apartments	N. Cedar St. N. of Hwy 380	Brownfield	Rural	<input type="checkbox"/> <input type="checkbox"/>	48	48	G	NC	<input type="checkbox"/>	\$441,361 *	Justin Zimmerman	<input type="checkbox"/>	136.0	Sub-region over allocated by forward commitment in 2007
							Total:	48	48			\$441,361				
							Total:	156	156			\$1,149,407				
5 Applications in Region					Region Total:		420	420			\$1,308,944					

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Region	File #	Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Units	Target ⁴ Pop	Housing ⁵ Activity	ACQ ⁶	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁷
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Region: 2

Allocation Information for Region 2:	Total Credits Available for Region:	\$973,154	Urban Allocation:	\$419,512	Rural Allocation:	\$553,642
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Applications Submitted in Region 2: Urban																		
08042	2	A	Arbors at Rose Park	2702 S. 7th St.	Abilene	Urban	<input type="checkbox"/>	<input type="checkbox"/>	77	80	E	NC	<input type="checkbox"/>	\$43,281	Diana McIver	<input type="checkbox"/>	300.0	Binding Allocation Agreement
									Total:	77	80			\$43,281				
08142	2	R	Anson Park Seniors	Ambrocio Flores Jr. Rd. & Vogel Ave.	Abilene	Urban	<input type="checkbox"/>	<input type="checkbox"/>	80	80	E	NC	<input type="checkbox"/>	\$776,637	Theresa Martin-Holder	<input type="checkbox"/>	201.0	Significant Sub-Regional Shortfall in State Collapse
									Total:	80	80			\$776,637				
08236	2	N	Green Briar Village Phase II	E. Side of SH 240, S. of Intersection of Airport Dr.	Wichita Falls	Urban	<input type="checkbox"/>	<input type="checkbox"/>	36	36	G	NC	<input type="checkbox"/>	\$362,341	* Randy Stevenson	<input type="checkbox"/>	177.0	Not Competitive in Region
									Total:	36	36			\$362,341				
									Total:	193	196			\$1,182,259				
Applications Submitted in Region 2: Rural																		
08139	2	R	Arizona Avenue Apartments	Intersection of NW. E. Arizona Ave. & I-20	Sweetwater	Rural	<input type="checkbox"/>	<input type="checkbox"/>	80	80	G	NC	<input type="checkbox"/>	\$717,150	Leslie Clark	<input type="checkbox"/>	190.0	Significant Sub-Regional Shortfall in Rural Collapse
									Total:	80	80			\$717,150				
									Total:	80	80			\$717,150				
4 Applications in Region							Region Total:		273	276			\$1,899,409					

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Region: 3

Allocation Information for Region 3:	Total Credits Available for Region: \$8,911,426	Urban Allocation: \$8,247,815	Rural Allocation: \$663,611
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Applications Submitted in Region 3: Urban																	
08096	3 A	Villas on Raiford	Raiford Rd.	Carrollton	Urban	<input type="checkbox"/>	<input type="checkbox"/>	172	180	E	NC	<input type="checkbox"/>	\$734,466	Chan Il Pak	<input type="checkbox"/>	301.0	Forward Commitment of 2008 Credits Made in 2007
08053	3 A	Lakeview Park	Hwy 91, S. of 1916 State Hwy 91	Denison	Urban	<input type="checkbox"/>	<input type="checkbox"/>	76	76	G	NC	<input type="checkbox"/>	\$41,622	Steve Rumsey	<input type="checkbox"/>	300.0	Binding Allocation Agreement
08004	3 A	Samuel's Place	SE. Corner of Samuel's Ave. & Poindexter St.	Fort Worth	Urban	<input type="checkbox"/>	<input type="checkbox"/>	36	36	G	NC	<input type="checkbox"/>	\$20,734	Barbara Holston	<input type="checkbox"/>	300.0	Binding Allocation Agreement
08036	3 A	Wahoo Frazier Townhomes	E. Side of Blks 4700-4900 Hatcher St.	Dallas	Urban	<input type="checkbox"/>	<input type="checkbox"/>	95	118	G	NC	<input type="checkbox"/>	\$63,797	Lester Nevels	<input type="checkbox"/>	300.0	Binding Allocation Agreement
08005	3 A	Cambridge Courts	8124 Calmont Ave.	Fort Worth	Urban	<input type="checkbox"/>	<input type="checkbox"/>	330	330	G	RH	<input checked="" type="checkbox"/>	\$105,777	Barbara Holston	<input type="checkbox"/>	300.0	Binding Allocation Agreement
08015	3 A	Cimarron Springs Apartments	SE. Corner of Kilpatrick & Donaho	Cleburne	Urban	<input type="checkbox"/>	<input type="checkbox"/>	149	156	G	NC	<input type="checkbox"/>	\$79,351	Ron Hance	<input type="checkbox"/>	300.0	Binding Allocation Agreement
08025	3 A	Sphinx at Luxar	3110 Cockrell Hill Rd.	Dallas	Urban	<input type="checkbox"/>	<input type="checkbox"/>	96	100	G	NC	<input type="checkbox"/>	\$60,091	Jay O. Oji	<input type="checkbox"/>	300.0	Binding Allocation Agreement
08027	3 A	Oak Timbers-Fort Worth South	300 E. Terrell Ave.	Fort Worth	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	160	168	E	NC	<input type="checkbox"/>	\$89,227	A. V. Mitchell	<input type="checkbox"/>	300.0	Binding Allocation Agreement
08030	3 A	Sphinx At Reese Court	1201 Ewing Ave.	Dallas	Urban	<input type="checkbox"/>	<input type="checkbox"/>	80	80	G	NC	<input type="checkbox"/>	\$50,175	Jay O. Oji	<input type="checkbox"/>	300.0	Binding Allocation Agreement
								Total: 1,194	1,244				\$1,245,240				
08207	3 R	Carpenter's Point	3326 Mingo St.	Dallas	Urban	<input type="checkbox"/>	<input type="checkbox"/>	150	150	E	NC	<input type="checkbox"/>	\$1,200,000	George King, Jr.	<input type="checkbox"/>	203.0	Competitive in Region
08223	3 R	Evergreen at The Colony	NW. Corner of SH 121 & Morning Star	The Colony	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	145	145	E	NC	<input type="checkbox"/>	\$1,200,000	Brad Forslund	<input checked="" type="checkbox"/>	203.0	Competitive in Region
08193	3 R	Sphinx at Fiji Senior	201 Fran Way	Dallas	Urban	<input type="checkbox"/>	<input type="checkbox"/>	130	130	E	NC	<input type="checkbox"/>	\$1,200,000	Joseph Agumadu	<input type="checkbox"/>	200.0	Competitive in Region
08233	3 R	Heritage Park Vista	8500 Ray White Rd.	Fort Worth	Urban	<input type="checkbox"/>	<input type="checkbox"/>	135	140	E	NC	<input type="checkbox"/>	\$1,106,616	Dan Allgeier	<input type="checkbox"/>	200.0	Competitive in Region
08205	3 R	Wind River	8725 Calmont Ave.	Fort Worth	Urban	<input type="checkbox"/>	<input type="checkbox"/>	168	168	G	RH	<input checked="" type="checkbox"/>	\$1,188,738	Barbara Holston	<input type="checkbox"/>	199.0	Competitive in Region

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File #	Region Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Units	Target ⁴ Pop	Housing ⁵ Activity	ACQ ⁶	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁷	
08278	3 R	Vista Bella Ranch	1300 W. Taylor St.	Sherman	Urban	<input type="checkbox"/> <input type="checkbox"/>	200	200	G	NC	<input type="checkbox"/>	\$950,000	* Manish Verma	<input type="checkbox"/>	197.0	Competitive in Region	
Total:							928	933				\$6,845,354					
08234	3 N	Central Park Senior Village	3101 S. Center St.	Arlington	Urban	<input type="checkbox"/> <input type="checkbox"/>	140	140	E	NC	<input type="checkbox"/>	\$1,162,693	* Randy Stevenson	<input type="checkbox"/>	196.0	Not Competitive in Region	
08252	3 N	LifeNet-Supportive Housing SRO Community, L.P.	2731 Clarence; 3 Acres of Multiple Lots in 2700-2800 Blk Grand Ave. & Clarence	Dallas	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/>	125	125	G	NC	<input type="checkbox"/>	\$788,415	* Liam Mulvaney	<input type="checkbox"/>	191.0	Not Competitive in Region	
08217	3 N	Merritt Homes	E. Side of N. Tennessee & W. White Ave.	McKinney	Urban	<input type="checkbox"/> <input type="checkbox"/>	178	178	E	NC	<input type="checkbox"/>	\$1,200,000	* Beth Bentley	<input type="checkbox"/>	190.0	Not Competitive in Region	
08273	3 N	Four Seasons at Clear Creek	Oak Grove Shelby & S. Race St.	Fort Worth	Urban	<input type="checkbox"/> <input type="checkbox"/>	92	96	G	NC	<input type="checkbox"/>	\$841,368	* Susan Sheeran	<input type="checkbox"/>	187.0	Not Competitive in Region	
08274	3 N	Casa Bella	3217 Beltline Rd.	Sunnyvale	Urban	<input type="checkbox"/> <input type="checkbox"/>	138	144	E	NC	<input type="checkbox"/>	\$918,441	* Manish Verma	<input type="checkbox"/>	184.0	Not Competitive in Region	
08124	3 N	Mill Stone Apartments	8600 Randoll Mill Rd.	Fort Worth	Urban	<input type="checkbox"/> <input type="checkbox"/>	144	144	G	NC	<input type="checkbox"/>	\$1,200,000	* Bert Magill	<input type="checkbox"/>	160.0	Not Competitive in Region	
Total:							817	827				\$6,110,917					
Total:							2,939	3,004				\$14,201,511					
Applications Submitted in Region 3:		Rural															
08058	3 A	Windvale Park	44th St. off W. Park Row	Corsicana	Rural	<input type="checkbox"/> <input checked="" type="checkbox"/>	76	76	G	NC	<input type="checkbox"/>	\$46,255	Jason Bienski	<input type="checkbox"/>	300.0	Binding Allocation Agreement	
Total:							76	76				\$46,255					
08184	3 R	Washington Hotel Lofts	2612 Washington St.	Greenville	Rural	<input type="checkbox"/> <input type="checkbox"/>	36	36	G	ADR	<input checked="" type="checkbox"/>	\$390,225	Bill Scantland	<input type="checkbox"/>	207.0	Competitive in Region	
08264	3 R	Cambridge Crossing	Bragg Ave. & Cambridge St.	Corsicana	Rural	<input type="checkbox"/> <input type="checkbox"/>	58	60	E	NC	<input type="checkbox"/>	\$578,144	Diana McIver	<input checked="" type="checkbox"/>	205.0	Significant Sub-Regional Shortfall in State Collapse	
Total:							94	96				\$968,369					
08255	3 N	West Park Senior Housing	W. Park Row & 44th St.	Corsicana	Rural	<input type="checkbox"/> <input type="checkbox"/>	48	48	E	NC	<input type="checkbox"/>	\$507,268	* Emanuel H. Glockzin, Jr.	<input checked="" type="checkbox"/>	205.0	Not Competitive in Region	
08154	3 N	Mineral Wells Pioneer Crossing	2509 E. Hubbard	Mineral Wells	Rural	<input type="checkbox"/> <input type="checkbox"/>	80	80	G	NC	<input type="checkbox"/>	\$805,355	* Noor Allah Jooma	<input checked="" type="checkbox"/>	198.0	Not Competitive in Region	
08100	3 N	Grand Reserve Seniors - Waxahachie Community	Park Hills Dr. (New Street Being Constructed)	Waxahachie	Rural	<input type="checkbox"/> <input type="checkbox"/>	80	80	E	NC	<input type="checkbox"/>	\$891,368	* Kenneth Mitchell	<input type="checkbox"/>	197.0	Not Competitive in Region	

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File #	Region Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Units	Target ⁴ Pop	Housing ⁵ Activity	ACQ ⁶	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁷
08256	3 N	Westway Place	44th St. off West Park Row	Corsicana	Rural	<input type="checkbox"/> <input type="checkbox"/>	40	40	G	NC	<input type="checkbox"/>	\$478,392 *	Emanuel H. Glockzin, Jr.	<input checked="" type="checkbox"/>	195.0	Not Competitive in Region
							Total:	248	248			\$2,682,383				
							Total:	418	420			\$3,697,007				
28 Applications in Region							Region Total:	3,357	3,424			\$17,898,518				

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Region	File #	Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Target ⁴ Units	Housing ⁵ Pop	Activity	Housing ⁵ ACQ	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁷
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Region: 4

Allocation Information for Region 4:	Total Credits Available for Region: \$2,132,624	Urban Allocation: \$900,840	Rural Allocation: \$1,231,784
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Applications Submitted in Region 4:		Urban																
08019	4 A	Longview Senior Apt Community	1600 Blk E. Whaley	Longview	Urban	<input type="checkbox"/>	<input type="checkbox"/>	100	100	E	NC	<input type="checkbox"/>	\$61,873	Brad Forslund	<input type="checkbox"/>	300.0	Binding Allocation Agreement	
								Total:	100	100								\$61,873
08284	4 R	North Eastman Residential	1400 N. Eastman Dr.	Longview	Urban	<input type="checkbox"/>	<input type="checkbox"/>	80	80	G	NC	<input type="checkbox"/>	\$877,271	Stuart Shaw	<input type="checkbox"/>	204.0	Significant Sub-Regional Shortfall in State Collapse	
								Total:	80	80								\$877,271
08262	4 N	Lake View Apartment Homes	N. Broadway at Loop 323	Tyler	Urban	<input type="checkbox"/>	<input type="checkbox"/>	134	140	E	NC	<input type="checkbox"/>	\$1,150,000 *	Michael Lankford	<input type="checkbox"/>	203.0	Not Recommended	
								Total:	134	140								\$1,150,000
								Total:	314	320								\$2,089,144

Applications Submitted in Region 4:		Rural																
08013	4 A	Timber Village Apartments	2707 Norwood St.	Marshall	Rural	<input type="checkbox"/>	<input type="checkbox"/>	76	76	G	NC	<input type="checkbox"/>	\$43,961	Rick J. Deyoe	<input type="checkbox"/>	300.0	Binding Allocation Agreement	
								Total:	76	76								\$43,961
08157	4 R	SilverLeaf at Chandler	801 FM 2010	Chandler	Rural	<input type="checkbox"/>	<input type="checkbox"/>	80	80	E	NC	<input type="checkbox"/>	\$761,465	Mike Sugrue	<input checked="" type="checkbox"/>	204.0	Competitive in Region	
08258	4 R	Lexington Court Phase II	3509 US Hwy 259 N.	Kilgore	Rural	<input type="checkbox"/>	<input checked="" type="checkbox"/>	76	76	G	NC	<input type="checkbox"/>	\$693,584	Emanuel H. Glockzin, Jr.	<input checked="" type="checkbox"/>	200.0	Significant Sub-Regional Shortfall in Rural Collapse	
								Total:	156	156								\$1,455,049
08110	4 N	Paris Big Sandy Apartments	Lamar Ave., 1 Mile E. of Loop 289	Paris	Rural	<input type="checkbox"/>	<input type="checkbox"/>	63	64	G	NC	<input type="checkbox"/>	\$612,210 *	Justin Zimmerman	<input type="checkbox"/>	199.0	Not Competitive in Region	
08240	4 N	Timber Village Apartments II	2707 Norwood St.	Marshall	Rural	<input type="checkbox"/>	<input type="checkbox"/>	72	72	G	NC	<input type="checkbox"/>	\$687,886 *	Rick J. Deyoe	<input type="checkbox"/>	195.0	Not Competitive in Region	
08185	4 N	Historic Lofts of Palestine	201 W. Oak St.; 314 S. Queen St.; 201 E. Oak St.; 119 E. Oak St.	Palestine	Rural	<input type="checkbox"/>	<input type="checkbox"/>	65	65	G	NC	<input type="checkbox"/>	\$647,682 *	Bill Scantland	<input type="checkbox"/>	186.0	Not Competitive in Region	
								Total:	200	201								\$1,947,778
								Total:	432	433								\$3,446,788

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File #	Region Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Units	Target ⁴ Pop	Housing ⁵ Activity	ACQ ⁶	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁷
9 Applications in Region						Region Total:	746	753				\$5,535,932				

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Region	File #	Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Units	Target ⁴ Pop	Housing ⁵ Activity	ACQ ⁶	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁷
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Region: 5

Allocation Information for Region 5:	Total Credits Available for Region: \$1,337,999	Urban Allocation: \$397,377	Rural Allocation: \$940,622
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Applications Submitted in Region 5: Urban																			
08061	5	A	Southwood Crossing Apartments	3901 Hwy 73	Port Arthur	Urban	<input type="checkbox"/> <input type="checkbox"/>	120	120	G	NC	<input type="checkbox"/>	\$59,326	K.T. (Ike) Akbari	<input type="checkbox"/>	300.0	Binding Allocation Agreement		
Total:								120	120									\$59,326	
08133	5	R	Timber Creek Senior Living	Proposed Sienna Trails Dr. & Timber Creek Loop	Beaumont	Urban	<input type="checkbox"/> <input type="checkbox"/>	115	120	E	NC	<input type="checkbox"/>	\$1,110,256	Ofelia Elizondo	<input type="checkbox"/>	193.0	Significant Sub-Regional Shortfall in State Collapse		
Total:								115	120									\$1,110,256	
Total:								235	240									\$1,169,582	
Applications Submitted in Region 5: Rural																			
08049	5	A	Timber Pointe Apt Homes	I-69 Hwy at Loop 287	Lufkin	Rural	<input type="checkbox"/> <input type="checkbox"/>	74	76	E	NC	<input type="checkbox"/>	\$40,362	Alicia Morgan	<input type="checkbox"/>	300.0	Binding Allocation Agreement		
Total:								74	76									\$40,362	
08174	5	R	Oakleaf Estates	1195 Hwy 327 & E. Tennison Ln.	Silsbee	Rural	<input type="checkbox"/> <input type="checkbox"/>	80	80	G	NC	<input type="checkbox"/>	\$736,782	K.T. (Ike) Akbari	<input type="checkbox"/>	169.0	Significant Sub-Regional Shortfall in Rural Collapse		
Total:								80	80									\$736,782	
08179	5	N	Homes at Cypress Ridge	100 SE. Stallings Dr.	Nacogdoches	Rural	<input type="checkbox"/> <input type="checkbox"/>	54	54	G	NC	<input type="checkbox"/>	\$670,625	Anita M. Kegley	<input type="checkbox"/>	151.0	Not Recommended		
Total:								54	54									\$670,625	
Total:								208	210									\$1,447,769	
5 Applications in Region							Region Total:		443	450									\$2,617,351

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Region: 6

Allocation Information for Region 6:	Total Credits Available for Region: \$8,996,579	Urban Allocation: \$8,269,342	Rural Allocation: \$727,237
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Applications Submitted in Region 6: Urban																		
08009	6 A	Enclave	S. Side of 1200 & 2300 Blks of W. Tidwell	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	40	40	G	NC	<input type="checkbox"/>	\$35,880	Isaac Matthews	<input type="checkbox"/>	300.0	Binding Allocation Agreement	
08065	6 A	Kingwood Senior Village	200 N. Pines	Houston	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	192	193	E	NC	<input type="checkbox"/>	\$87,431	Stephan Fairfield	<input type="checkbox"/>	300.0	Binding Allocation Agreement	
08062	6 A	Ambassador North Apartments	8210 Bauman Rd.	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	100	100	G	RH	<input checked="" type="checkbox"/>	\$48,989	David Marquez	<input type="checkbox"/>	300.0	Binding Allocation Agreement	
08051	6 A	Lincoln Park Apartments	790 W. Little York	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	200	250	G	NC	<input type="checkbox"/>	\$114,621	Horace Allison	<input type="checkbox"/>	300.0	Binding Allocation Agreement	
08060	6 A	Olive Grove Manor	101 Normandy	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	160	160	E	NC	<input type="checkbox"/>	\$89,097	H. Elizabeth Young	<input type="checkbox"/>	300.0	Binding Allocation Agreement	
08008	6 A	Waterside Court	S. Side of Approx. 500 Blk West Rd.	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	112	118	G	NC	<input type="checkbox"/>	\$100,100	W. Barry Kahn	<input type="checkbox"/>	300.0	Binding Allocation Agreement	
Total:								804	861									\$476,118
08303	6 R	Heritage Square	520 3rd Ave. N.	Texas City	Urban	<input type="checkbox"/>	<input type="checkbox"/>	50	50	E	RH	<input checked="" type="checkbox"/>	\$349,923	Chad Asarch	<input type="checkbox"/>	211.0	Competitive in Region	
08140	6 R	Premier on Woodfair	9502 Woodfair Dr.	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	390	408	G	RH	<input type="checkbox"/>	\$1,200,000 *	Ruth Gaus	<input type="checkbox"/>	206.0	Competitive in Region	
08101	6 R	Jackson Village Retirement Center	200 Abner Jackson Blvd.	Lake Jackson	Urban	<input type="checkbox"/>	<input type="checkbox"/>	92	96	E	NC	<input type="checkbox"/>	\$881,320	Ofelia Elizondo	<input type="checkbox"/>	205.0	Competitive in Region	
08244	6 R	TownePlace Reserve	W. Side of Cullen Blvd, S. of FM 518	Pearland	Urban	<input type="checkbox"/>	<input type="checkbox"/>	115	120	E	NC	<input type="checkbox"/>	\$1,189,754	Les Kilday	<input type="checkbox"/>	204.0	Competitive in Region	
08251	6 R	HomeTowne on Wayside	SW Corner of Wayside & Ley Rd.	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	123	128	E	NC	<input type="checkbox"/>	\$950,000	Kenneth W. Fambro	<input type="checkbox"/>	203.0	Competitive in Region	
08232	6 R	Sakowitz Apartments	2300 Sakowitz	Houston	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	166	166	G	NC	<input type="checkbox"/>	\$740,419	Joy Horak-Brown	<input type="checkbox"/>	203.0	Competitive in Region	
08126	6 R	South Acres Ranch	E. Side of Approx. 11500 Blk Scott	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	77	80	G	NC	<input type="checkbox"/>	\$1,200,000	W. Barry Kahn	<input type="checkbox"/>	200.0	Competitive in Region	
08198	6 R	Highland Manor	300 Blk Newman Rd.	La Marque	Urban	<input type="checkbox"/>	<input type="checkbox"/>	134	141	E	NC	<input type="checkbox"/>	\$1,200,000	David Koogler	<input type="checkbox"/>	200.0	Competitive in Region	
Total:								1,147	1,189									\$7,711,416

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File #	Region Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Units	Target ⁴ Pop	Housing ⁵ Activity	Housing ⁵ ACQ ⁶	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁷	
08295	6 N	Vista Bonita Apartments	9313 Tallyho Rd.	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/>	118	118	G	RH	<input checked="" type="checkbox"/>	\$1,078,293 *	Amay Inamdar	<input type="checkbox"/>	197.0	Not Competitive in Region	
08228	6 N	Chelsea Senior Community	3350 W. Little York Rd.	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/>	36	36	E	NC	<input type="checkbox"/>	\$506,036 *	Cherno Njie	<input type="checkbox"/>	191.0	Not Competitive in Region	
Total:							154	154				\$1,584,329					
Total:							2,105	2,204				\$9,771,863					
Applications Submitted in Region 6:		Rural															
08304	6 R	Park Place Apartments	100 Campbell St.	Cleveland	Rural	<input type="checkbox"/> <input type="checkbox"/>	60	60	I	RH	<input checked="" type="checkbox"/>	\$485,633	Chad Asarch	<input type="checkbox"/>	199.0	Competitive in Region	
08254	6 R	Montgomery Meadows Phase II	Corner of Old Montgomery Rd. & Cline	Huntsville	Rural	<input type="checkbox"/> <input type="checkbox"/>	48	48	E	NC	<input type="checkbox"/>	\$498,997	Emanuel H. Glockzin, Jr.	<input type="checkbox"/>	194.0	Significant Sub-Regional Shortfall in Rural Collapse	
Total:							108	108				\$984,630					
Total:							108	108				\$984,630					
18 Applications in Region							Region Total: 2,213 2,312					\$10,756,493					

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Region	File #	Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Units	Target ⁴ Pop	Housing ⁵ Activity	ACQ ⁶	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁷
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Region: 7

Allocation Information for Region 7:	Total Credits Available for Region: \$2,231,028	Urban Allocation: \$1,695,133	Rural Allocation: \$535,895
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Applications Submitted in Region 7:		Urban															
08063	7 A Parker Lane Seniors Apartments	2000 Woodward	Austin	Urban	<input type="checkbox"/>	<input type="checkbox"/>	68	70	E	NC	<input type="checkbox"/>	\$44,241	Keith Hoffpauir	<input type="checkbox"/>	300.0	Binding Allocation Agreement	
08059	7 A San Gabriel Senior Village	1900, 1906 & 1910 Leander St.	Georgetown	Urban	<input type="checkbox"/>	<input type="checkbox"/>	100	100	E	NC	<input type="checkbox"/>	\$64,206	Colby Denison	<input type="checkbox"/>	300.0	Binding Allocation Agreement	
08024	7 A Cambridge Villas	800 Dessau Rd.	Pflugerville	Urban	<input type="checkbox"/>	<input type="checkbox"/>	200	208	E	NC	<input type="checkbox"/>	\$115,908	Keith Hoffpauir	<input type="checkbox"/>	300.0	Binding Allocation Agreement	
							Total:	368	378			\$224,355					
08253	7 R Creekside Villas Senior Village	10.962 Acres on FM 967, On Onion Creek	Buda	Urban	<input type="checkbox"/>	<input type="checkbox"/>	144	144	E	NC	<input type="checkbox"/>	\$1,200,000	Colby Denison	<input checked="" type="checkbox"/>	209.0	Competitive in Region	
							Total:	144	144			\$1,200,000					
08134	7 N Huntington	FM 118, 1550' N. of FM 2001	Buda	Urban	<input type="checkbox"/>	<input type="checkbox"/>	116	120	E	NC	<input type="checkbox"/>	\$888,471	* Ofelia Elizondo	<input type="checkbox"/>	202.0	Not Competitive in Region	
08271	7 N Manor Road SRO	5908 Manor Rd.	Austin	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	110	110	G	NC	<input type="checkbox"/>	\$628,653	* Frank Fernandez	<input type="checkbox"/>	177.0	Not Competitive in Region	
							Total:	226	230			\$1,517,124					
							Total:	738	752			\$2,941,479					

Applications Submitted in Region 7:		Rural															
08016	7 A Gardens of Taylor, LP	317 Sloan St.	Taylor	Rural	<input type="checkbox"/>	<input type="checkbox"/>	36	36	E	NC	<input type="checkbox"/>	\$26,325	George D. Hopper	<input type="checkbox"/>	300.0	Binding Allocation Agreement	
							Total:	36	36			\$26,325					
08229	7 R Fairwood Commons Senior Apartments	S. Side of Old Austin Hwy Approx. 250' E. of Hasler Blvd.	Bastrop	Rural	<input type="checkbox"/>	<input type="checkbox"/>	63	66	E	NC	<input type="checkbox"/>	\$485,611	David G. Rae	<input checked="" type="checkbox"/>	199.0	Competitive in Region-Tie Break Won	
							Total:	63	66			\$485,611					
08263	7 N Villas at Lost Pines	1000' N. of Hwy 71 & Hwy 95 Intersection	Bastrop	Rural	<input type="checkbox"/>	<input type="checkbox"/>	64	66	E	NC	<input type="checkbox"/>	\$497,168	Diana McIver	<input checked="" type="checkbox"/>	199.0	Not Competitive-Tie Break Loss	
08181	7 N Park Ridge Apartments	SE. Corner of Legend Hills Blvd. & RM 152	Llano	Rural	<input type="checkbox"/>	<input type="checkbox"/>	62	64	G	NC	<input type="checkbox"/>	\$585,392	* Mark Mayfield	<input checked="" type="checkbox"/>	191.0	Not Competitive in Region	
							Total:	126	130			\$1,082,560					

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7 = Comment: Reason for Recommendation
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File #	Region Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Units	Target ⁴ Pop	Housing ⁵ Activity	ACQ ⁶	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁷
						Total:	225	232				\$1,594,496				
10 Applications in Region						Region Total:	963	984				\$4,535,975				

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Region	File #	Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Units	Target ⁴ Pop	Housing ⁵ Activity	ACQ ⁶	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁷
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Region: 8

Allocation Information for Region 8:	Total Credits Available for Region: \$2,562,336	Urban Allocation: \$2,017,303	Rural Allocation: \$545,033
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Applications Submitted in Region 8: Urban																			
08006	8 A		Country Lane Seniors-Temple Community	SE. H.K. Dodgen Loop, W. of MLK Jr. Dr.	Temple	Urban	<input type="checkbox"/> <input type="checkbox"/>	98	102	E	NC	<input type="checkbox"/>	\$63,226	Kenneth Mitchell	<input type="checkbox"/>	300.0	Binding Allocation Agreement		
08050	8 A		Ridge Pointe Apartments	1600 Blk Bacon Ranch Rd.	Killeen	Urban	<input type="checkbox"/> <input type="checkbox"/>	164	172	G	NC	<input type="checkbox"/>	\$97,664	Michael Lankford	<input type="checkbox"/>	300.0	Binding Allocation Agreement		
Total:								262	274				\$160,890						
08257	8 R		Constitution Court	Constitution Dr. off US Hwy 190	Copperas Cove	Urban	<input type="checkbox"/> <input type="checkbox"/>	108	108	G	NC	<input type="checkbox"/>	\$947,423	Emanuel H. Glockzin, Jr.	<input checked="" type="checkbox"/>	206.0	Competitive in Region		
08261	8 R		Towne Center Apartments Homes	1301 Prairie Dr.	Bryan	Urban	<input type="checkbox"/> <input type="checkbox"/>	141	148	E	NC	<input type="checkbox"/>	\$935,850	Michael Lankford	<input type="checkbox"/>	200.0	Significant Sub-Regional Shortfall in State Collapse		
Total:								249	256				\$1,883,273						
08208	8 N		Mansions at Briar Creek	1600 Blk Prairie Dr.	Bryan	Urban	<input type="checkbox"/> <input type="checkbox"/>	171	171	E	NC	<input type="checkbox"/>	\$1,187,937	Robert R. Burchfield	<input type="checkbox"/>	201.0	Not Recommended		
08280	8 N		Costa Esmeralda	Gurley Ln. & S. 16th St.	Waco	Urban	<input type="checkbox"/> <input type="checkbox"/>	112	112	G	NC	<input type="checkbox"/>	\$993,175 *	Mark Mayfield	<input type="checkbox"/>	196.0	Not Competitive in Region		
Total:								283	283				\$2,181,112						
Total:								794	813				\$4,225,275						
Applications Submitted in Region 8: Rural																			
08076	8 A		Villas of Hubbard	NW. Corner of Magnolia Ave. & S. 4th St.	Hubbard	Rural	<input type="checkbox"/> <input type="checkbox"/>	36	36	E	NC	<input type="checkbox"/>	\$16,284	Deborah A. Griffin	<input type="checkbox"/>	300.0	Binding Allocation Agreement		
Total:								36	36				\$16,284						
Total:								36	36				\$16,284						
7 Applications in Region								Region Total:	830	849				\$4,241,559					

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Region	File #	Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Target ⁴ Units	Housing ⁵ Pop	Activity	ACQ ⁶	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁷
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Region: 9

Allocation Information for Region 9:	Total Credits Available for Region: \$2,999,101	Urban Allocation: \$2,456,059	Rural Allocation: \$543,042
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Applications Submitted in Region 9: Urban																		
08093	9 A	San Juan Square II	S. Calaveras St. & Brady Blvd.	San Antonio	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	138	144	G	RC	<input type="checkbox"/>	\$1,200,000	Henry A. Alvarez III	<input type="checkbox"/>	301.0	Forward Commitment of 2008 Credits Made in 2007	
08047	9 A	San Juan Square	Corner of S. Zarzamora St. & Ceralvo St.	San Antonio	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	137	143	G	NC	<input type="checkbox"/>	\$85,948	Henry A. Alvarez III	<input type="checkbox"/>	300.0	Binding Allocation Agreement	
08048	9 A	Alhambra	7100 Blk New Laredo Hwy	San Antonio	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	134	140	E	NC	<input type="checkbox"/>	\$79,507	Henry A. Alvarez III	<input type="checkbox"/>	300.0	Binding Allocation Agreement	
Total:								409	427									\$1,365,455
08200	9 R	Ingram Square Apartments	5901 Flynn Dr.	San Antonio	Urban	<input type="checkbox"/>	<input type="checkbox"/>	120	120	G	RH	<input checked="" type="checkbox"/>	\$752,115	Paul Patierno	<input type="checkbox"/>	213.0	Competitive in Region	
Total:								120	120									\$752,115
08269	9 N	Darson Marie Terrace	3142 Weir Ave.	San Antonio	Urban	<input type="checkbox"/>	<input type="checkbox"/>	54	57	E	NC	<input type="checkbox"/>	\$571,824	* Richard Washington	<input type="checkbox"/>	189.0	Not Competitive in Region	
08190	9 N	Sutton Homes	909 Runnels	San Antonio	Urban	<input type="checkbox"/>	<input type="checkbox"/>	186	194	G	RH	<input type="checkbox"/>	\$1,200,000	* Ryan Wilson	<input type="checkbox"/>	187.0	Not Competitive in Region	
Total:								240	251									\$1,771,824
Total:								769	798									\$3,889,394
Applications Submitted in Region 9: Rural																		
08135	9 R	Gardens at Clearwater	400 Block of Clearwater Paseo	Kerrville	Rural	<input type="checkbox"/>	<input type="checkbox"/>	80	80	E	NC	<input type="checkbox"/>	\$760,867	Lucille Jones	<input type="checkbox"/>	193.0	Significant Sub-Regional Shortfall in Rural Collapse	
Total:								80	80									\$760,867
Total:								80	80									\$760,867
7 Applications in Region						Region Total:		849	878									\$4,650,261

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Region	File #	Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Target ⁴ Units	Housing ⁵ Pop	Activity	ACQ ⁶	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁷
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Region: 10

Allocation Information for Region 10:	Total Credits Available for Region: \$1,735,190	Urban Allocation: \$982,692	Rural Allocation: \$752,498
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Applications Submitted in Region 10: Urban																		
08040	10	A	Navigation Pointe	909 S. Navigation Blvd.	Corpus Christi	Urban	<input type="checkbox"/>	<input type="checkbox"/>	124	124	G	NC	<input type="checkbox"/>	\$67,974	Manish Verma	<input type="checkbox"/>	300.0	Binding Allocation Agreement
									Total:	124	124			\$67,974				
08235	10	R	Buena Vida Senior Village	4650 Old Brownsville Rd.	Corpus Christi	Urban	<input type="checkbox"/>	<input type="checkbox"/>	100	100	E	NC	<input type="checkbox"/>	\$857,951	Randy Stevenson	<input type="checkbox"/>	199.0	Significant Sub-Regional Shortfall in State Collapse
									Total:	100	100			\$857,951				
08145	10	N	Oasis at the Park	420 N. Port	Corpus Christi	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	80	80	G	ADR	<input type="checkbox"/>	\$291,222	David Marquez	<input type="checkbox"/>	197.0	Not Competitive in Region
08194	10	N	D.N Leathers Townhomes	1001 Coke St.	Corpus Christi	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	130	130	G	NC	<input type="checkbox"/>	\$1,200,000 *	Richard Franco	<input type="checkbox"/>	195.0	Not Competitive in Region
									Total:	210	210			\$1,491,222				
									Total:	434	434			\$2,417,147				
Applications Submitted in Region 10: Rural																		
08010	10	A	Figueroa Apartments	998 Ruben Chavez St.	Robstown	Rural	<input type="checkbox"/>	<input type="checkbox"/>	44	44	G	RH	<input checked="" type="checkbox"/>	\$16,592	Rick J. Deyoe	<input type="checkbox"/>	300.0	Binding Allocation Agreement
									Total:	44	44			\$16,592				
08152	10	R	Heights at Corral	1000 W. Corral Ave.	Kingsville	Rural	<input type="checkbox"/>	<input type="checkbox"/>	80	80	G	RH	<input type="checkbox"/>	\$784,000	Socorro (Cory) Hinojosa	<input type="checkbox"/>	217.0	Significant Sub-Regional Shortfall in Rural Collapse
									Total:	80	80			\$784,000				
									Total:	124	124			\$800,592				
6 Applications in Region							Region Total:		558	558			\$3,217,739					

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Region	File #	Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Target ⁴ Units Pop	Housing ⁵ Activity	ACQ ⁶	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁷
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Region: 11

Allocation Information for Region 11:	Total Credits Available for Region: \$5,770,541	Urban Allocation: \$3,251,553	Rural Allocation: \$2,518,988
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Applications Submitted in Region 11:		Urban																
08095	11 A	Bluebonnet Senior Village	1201 W. Austin Ln.	Alamo	Urban	<input type="checkbox"/>	<input type="checkbox"/>	36	36	E	NC	<input type="checkbox"/>	\$360,000	Mary Vela	<input type="checkbox"/>	301.0	Forward Commitment of 2008 Credits Made in 2007	
08094	11 A	Sunset Terrace	920 W. Villegas	Pharr	Urban	<input type="checkbox"/>	<input type="checkbox"/>	100	100	G	RC	<input type="checkbox"/>	\$975,319	J. Fernando Lopez	<input type="checkbox"/>	301.0	Forward Commitment of 2008 Credits Made in 2007	
08039	11 A	La Villita Apartments Phase II	2828 Rockwell Dr.	Brownsville	Urban	<input type="checkbox"/>	<input type="checkbox"/>	80	80	G	NC	<input type="checkbox"/>	\$17,785	Mark Musemeche	<input type="checkbox"/>	300.0	Binding Allocation Agreement	
08028	11 A	Vida Que Canta Apartments	500' N. of S. Mile Rd. on Inspiration Rd.	Mission	Urban	<input type="checkbox"/>	<input type="checkbox"/>	160	160	G	NC	<input type="checkbox"/>	\$87,318	Ketinna Williams	<input type="checkbox"/>	300.0	Binding Allocation Agreement	
08011	11 A	Poinsetta Apartments	Between N. 9th St. & N. 10th St. at Duranta Ave.	Alamo	Urban	<input type="checkbox"/>	<input type="checkbox"/>	100	100	G	NC	<input type="checkbox"/>	\$54,564	Rick J. Deyoe	<input type="checkbox"/>	300.0	Binding Allocation Agreement	
08014	11 A	Sevilla Apartments	600 N. Airport Dr.	Weslaco	Urban	<input type="checkbox"/>	<input type="checkbox"/>	80	80	G	RH	<input checked="" type="checkbox"/>	\$25,386	Rick J. Deyoe	<input type="checkbox"/>	300.0	Binding Allocation Agreement	
								Total:	556	556								\$1,520,372
08151	11 R	Parkview Terrace	211 W. Audrey	Pharr	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	100	100	G	RH	<input type="checkbox"/>	\$985,000	J. Fernando Lopez	<input type="checkbox"/>	214.0	Competitive in Region	
08158	11 R	Villas at Beaumont	2200 Beaumont Ave.	McAllen	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	36	36	E	NC	<input type="checkbox"/>	\$376,000	Joe Saenz	<input type="checkbox"/>	200.0	Competitive in Region	
								Total:	136	136								\$1,361,000
								Total:	692	692								\$2,881,372

Applications Submitted in Region 11:		Rural																
08032	11 A	Madison Pointe	US 81 & Las Palmas Dr.	Cotulla	Rural	<input type="checkbox"/>	<input type="checkbox"/>	76	76	G	NC	<input type="checkbox"/>	\$45,165	Donald Pace	<input type="checkbox"/>	300.0	Binding Allocation Agreement	
08012	11 A	Mesa Vista Apartments	Salinas St. at Stites St.	Donna	Rural	<input type="checkbox"/>	<input type="checkbox"/>	76	76	G	NC	<input type="checkbox"/>	\$42,387	Rick J. Deyoe	<input type="checkbox"/>	300.0	Binding Allocation Agreement	
08041	11 A	Los Ebanos Apartments	1103 Lincoln St.	Zapata	Rural	<input checked="" type="checkbox"/>	<input type="checkbox"/>	28	28	E	NC	<input type="checkbox"/>	\$4,855	Dennis Hoover	<input type="checkbox"/>	300.0	Binding Allocation Agreement	
								Total:	180	180								\$92,407

1 = Status of Award Abbreviation: Development Previously Awarded 2008 Housing Tax Credits=A, Recommended for Award=R, Not Recommended for Award=N.
2 = Allocation: Rural Regional Allocation or Urban Regional Allocation.
3 = Set-Aside Abbreviations: TRDO-USDA=USDA, Nonprofit=NP.
4 = Target Population Abbreviation: Intergenerational=I, Elderly=E, General=G.
5 = Housing Activity: New Construction=NC, Rehabilitation (includes Reconstruction)=RH, Adaptive Reuse=ADR.
6 = Acquisition=ACQ, Developments for which acquisition Housing Tax Credits are being requested.
7 = Comment: Reason for Recommendation
* = Recommended Credit: Development is displaying the requested amount because a real estate analysis has not yet been completed.

File #	Region Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Units	Target ⁴ Pop	Housing ⁵ Activity	ACQ ⁶	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁷
08294	11 R	Stardust Village	Hwy 83, 1/2 Blk N. of Brazos St.	Uvalde	Rural	<input type="checkbox"/> <input type="checkbox"/>	36	36	G	NC	<input type="checkbox"/>	\$427,390	Tammye Trevino	<input type="checkbox"/>	202.0	Competitive in Region
08302	11 R	Leona Apartments	209 First St.	Uvalde	Rural	<input type="checkbox"/> <input type="checkbox"/>	40	40	G	RH	<input checked="" type="checkbox"/>	\$124,375	Chad Asarch	<input type="checkbox"/>	200.0	Competitive in Region
08176	11 R	Maeghan Pointe	SR 107 & Mile 6 Rd.	Elsa	Rural	<input type="checkbox"/> <input type="checkbox"/>	80	80	G	NC	<input type="checkbox"/>	\$1,083,920	Donald Pace	<input type="checkbox"/>	199.0	Competitive in Region
							Total:	156	156			\$1,635,685				
							Total:	336	336			\$1,728,092				
14 Applications in Region							Region Total:	1,028	1,028			\$4,609,464				

1 = Status of Award Abbreviation: Development Previously Awarded 2008 Housing Tax Credits=A, Recommended for Award=R, Not Recommended for Award=N.

2 = Allocation: Rural Regional Allocation or Urban Regional Allocation.

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4 = Target Population Abbreviation: Intergenerational=I, Elderly=E, General=G.

5 = Housing Activity: New Construction=NC, Rehabilitation (includes Reconstruction)=RH, Adaptive Reuse=ADR.

6 = Acquisition=ACQ, Developments for which acquisition Housing Tax Credits are being requested.

7 = Comment: Reason for Recommendation

* = Recommended Credit: Development is displaying the requested amount because a real estate analysis has not yet been completed.

Region	File #	Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Target ⁴ Units	Housing ⁵ Pop	Activity	ACQ ⁶	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁷
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Region: 12

Allocation Information for Region 12:	Total Credits Available for Region: \$1,072,720	Urban Allocation: \$546,485	Rural Allocation: \$526,235
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Applications Submitted in Region 12: Urban																		
08092	12	A	Key West Village Phase II	1600 W. Clements	Odessa	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	36	36	E	NC	<input type="checkbox"/>	\$237,938	Bernadine Spears	<input type="checkbox"/>	301.0	Forward Commitment of 2008 Credits Made in 2007
									Total:	36	36			\$237,938				
08138	12	R	River Place Apartments	Rio Concho Dr. & Irene St.	San Angelo	Urban	<input type="checkbox"/>	<input type="checkbox"/>	120	120	E	NC	<input type="checkbox"/>	\$994,242	G. Granger MacDonald	<input type="checkbox"/>	189.0	Significant Sub-Regional Shortfall in State Collapse
									Total:	120	120			\$994,242				
08300	12	N	Blackshear Homes	8 Scattered Sites on Shelton, W. 19th, Brown, & Lillie Sts.	San Angelo	Urban	<input type="checkbox"/>	<input type="checkbox"/>	20	20	G	NC	<input type="checkbox"/>	\$278,624	* Stephanie Dugan	<input type="checkbox"/>	170.0	Not Competitive in Region
									Total:	20	20			\$278,624				
									Total:	176	176			\$1,510,804				
Applications Submitted in Region 12: Rural																		
08299	12	R	Southern View Apartments	SW. Corner of Ryan St. & Hwy 385	Fort Stockton	Rural	<input type="checkbox"/>	<input type="checkbox"/>	47	48	G	NC	<input type="checkbox"/>	\$433,000	Justin Zimmerman	<input type="checkbox"/>	126.0	Competitive in Region
									Total:	47	48			\$433,000				
									Total:	47	48			\$433,000				
									Region Total:	223	224			\$1,943,804				

4 Applications in Region

1 = Status of Award Abbreviation: Development Previously Awarded 2008 Housing Tax Credits=A, Recommended for Award=R, Not Recommended for Award=N.
2 = Allocation: Rural Regional Allocation or Urban Regional Allocation.
3 = Set-Aside Abbreviations: TRDO-USDA=USDA, Nonprofit=NP.
4 = Target Population Abbreviation: Intergenerational=I, Elderly=E, General=G.
5 = Housing Activity: New Construction=NC, Rehabilitation (includes Reconstruction)=RH, Adaptive Reuse=ADR.
6 = Acquisition=ACQ, Developments for which acquisition Housing Tax Credits are being requested.
7 = Comment: Reason for Recommendation
* = Recommended Credit: Development is displaying the requested amount because a real estate analysis has not yet been completed.

Region	File #	Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Target ⁴ Units Pop	Housing ⁵ Activity	ACQ ⁶	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁷
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Region: 13

Allocation Information for Region 13:	Total Credits Available for Region: \$1,597,905	Urban Allocation: \$1,061,531	Rural Allocation: \$536,374
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Applications Submitted in Region 13: Urban

08046	13 A	Linda Vista Apartments	4866 Hercules Ave.	El Paso	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	36	36	G	NC	<input type="checkbox"/>	\$21,807	Bill Schlesinger	<input type="checkbox"/>	300.0	Binding Allocation Agreement
08045	13 A	Deer Palms	6350 Deer Rd.	El Paso	Urban	<input type="checkbox"/>	<input type="checkbox"/>	152	152	G	NC	<input type="checkbox"/>	\$83,474	R.L. (Bobby) Bowling, IV	<input type="checkbox"/>	300.0	Binding Allocation Agreement
Total:								188	188			\$105,281					
08160	13 R	Tres Palmas	Rich Beem, Approx. 300' N. of Montana St.	El Paso	Urban	<input type="checkbox"/>	<input type="checkbox"/>	172	172	G	NC	<input type="checkbox"/>	\$1,200,000	R.L. (Bobby) Bowling, IV	<input type="checkbox"/>	188.0	Significant Sub-Regional Shortfall in State Collapse
Total:								172	172			\$1,200,000					
08301	13 N	Ysleta del Sur Pueblo Homes I	Tomas Granillo St.	Socorro	Urban	<input type="checkbox"/>	<input type="checkbox"/>	60	60	G	NC	<input type="checkbox"/>	\$694,425	* Albert Joseph	<input type="checkbox"/>	184.0	Not Competitive in Region
08161	13 N	Canutillo Palms	S. & Adjacent to Canutillo High School, 200' W. of I-10	El Paso	Urban	<input type="checkbox"/>	<input type="checkbox"/>	172	172	G	NC	<input type="checkbox"/>	\$1,200,000	* R.L. (Bobby) Bowling, IV	<input type="checkbox"/>	178.0	Not Competitive in Region
08183	13 N	Desert Villas	0.5 Miles SW. of Intersection of Alameda Ave. & Coronado Rd.	El Paso	Urban	<input type="checkbox"/>	<input type="checkbox"/>	94	94	G	NC	<input type="checkbox"/>	\$954,776	* Ike J. Monty	<input type="checkbox"/>	178.0	Not Competitive in Region
Total:								326	326			\$2,849,201					
Total:								686	686			\$4,154,482					

Applications Submitted in Region 13: Rural

08163	13 R	San Elizario Palms	13800 Blk of Socorro Rd. Near Herring Rd.	San Elizario	Rural	<input type="checkbox"/>	<input type="checkbox"/>	80	80	G	NC	<input type="checkbox"/>	\$748,456	R.L. (Bobby) Bowling, IV	<input type="checkbox"/>	177.0	Significant Sub-Regional Shortfall in Rural Collapse
Total:								80	80			\$748,456					
Total:								80	80			\$748,456					

7 Applications in Region

Region Total: 766 766 \$4,902,938

124 Total Applications

12,669 12,922 \$68,118,387

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4 = Target Population Abbreviation: Intergenerational=I, Elderly=E, General=G.
5 = Housing Activity: New Construction=NC, Rehabilitation (includes Reconstruction)=RH, Adaptive Reuse=ADR.
6 = Acquisition=ACQ, Developments for which acquisition Housing Tax Credits are being requested.
7 = Comment: Reason for Recommendation
* = Recommended Credit: Development is displaying the requested amount because a real estate analysis has not yet been completed.

**Report 3A: At-Risk and USDA Awarded Applications ("At-Risk A")
2008 Competitive Housing Tax Credit Program
(As of July 24, 2008, the recommendations may change due to pending appeals)**

Estimated State Ceiling to be Allocated: \$7,205,380 *(Calculation Based on Annual State Ceiling including 2007 Carry Forward and National Pool but Excluding Any Credit Returns)*

Region File #	Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP AR	LI Units	Total Units	Target ⁴ Pop	Housing ⁵ Activity	ACQ ⁶	Awarded Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁷	
08078	5 A	Joaquin Apartments	Rt. 1, Box 141, Hwy 84	Joaquin	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	31	32	G	RH	<input checked="" type="checkbox"/>	\$3,233	Murray Calhoun	<input type="checkbox"/>	300.0	Binding Allocation Agreement	
08074	8 A	Hamilton Manor Apartments	702 S. College St.	Hamilton	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	18	18	G	RH	<input checked="" type="checkbox"/>	\$1,395	Louis Williams	<input type="checkbox"/>	300.0	Binding Allocation Agreement	
08072	8 A	Clifton Manor Apartments I and II	610 S. Ave. F; 115 S. Ave. P	Clifton	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	40	40	G	RH	<input checked="" type="checkbox"/>	\$630	Louis Williams	<input type="checkbox"/>	300.0	Binding Allocation Agreement	
08037	9 A	Vista Verde I & II Apartments	810 & 910 N. Frio	San Antonio	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	190	190	G	RH	<input checked="" type="checkbox"/>	\$63,584	Ronald C. Anderson	<input type="checkbox"/>	300.0	Binding Allocation Agreement	
08052	10 A	Hampton Port Apartments	6130 Wooldridge Rd.	Corpus Christi	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	110	110	G	RH	<input checked="" type="checkbox"/>	\$36,404	Richard Franco	<input type="checkbox"/>	300.0	Binding Allocation Agreement	
08029	11 A	San Juan Village	400 N. Iowa	San Juan	Urban	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	86	86	G	RH	<input checked="" type="checkbox"/>	\$6,871	Betty Morris	<input type="checkbox"/>	300.0	Binding Allocation Agreement	
08023	11 A	Alamo Village	504 N. 9th St.	Alamo	Urban	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	56	56	G	RH	<input checked="" type="checkbox"/>	\$5,186	Betty Morris	<input type="checkbox"/>	300.0	Binding Allocation Agreement	
08021	11 A	Santa Rosa Village	FM 506 at Colorado	Santa Rosa	Rural	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	53	53	G	RH	<input checked="" type="checkbox"/>	\$1,674	Betty Morris	<input type="checkbox"/>	300.0	Binding Allocation Agreement	
08035	12 A	Country Village Apartments	2401 N. Lillie St.	San Angelo	Urban	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	160	160	G	RH	<input checked="" type="checkbox"/>	\$33,850	Doug Gurkin	<input type="checkbox"/>	300.0	Binding Allocation Agreement	
08003	12 A	Oasis Apartments	1501 N. Marshall Rd.	Fort Stockton	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	56	56	G	RH	<input checked="" type="checkbox"/>	\$1,946	Gary L. Kersch	<input type="checkbox"/>	300.0	Binding Allocation Agreement	
08002	13 A	Villa Apartments	1901 Golf Course Rd.	Marfa	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	24	24	G	RH	<input checked="" type="checkbox"/>	\$1,143	Gary L. Kersch	<input type="checkbox"/>	300.0	Binding Allocation Agreement	
08001	13 A	Mountainview Apartments	801 N. Orange Rd.	Alpine	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	56	56	G	RH	<input checked="" type="checkbox"/>	\$2,010	Gary L. Kersch	<input type="checkbox"/>	300.0	Binding Allocation Agreement	
Total:							880	881				\$157,926					
12 Total Applications							880	881				\$157,926					

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4 = Target Population Abbreviation: Intergenerational=I, Elderly=E, General=G.
5 = Housing Activity: New Construction=NC, Rehabilitation (includes Reconstruction)=RH, Adaptive Reuse=ADR.
6 = Acquisition=ACQ, Developments for which acquisition Housing Tax Credits are being requested.
7 = Comment: Reason for Recommendation

Report 3B: Regional Awarded or Active Applications ("Regional A")
2008 Competitive Housing Tax Credit Program
(As of July 24, 2008, the recommendations may change due to pending appeals)

Estimated State Ceiling to be Allocated: \$42,185,336 *(Calculation Based on Annual State Ceiling including 2007 Carry Forward and National Pool but Excluding Any Credit Returns)*

Region	File #	Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Target ⁴ Units	Housing ⁵ Pop	Activity	Housing ⁵ ACQ ⁶	Awarded Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁷
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Region: 1

Allocation Information for Region 1:	Total Credits Available for Region: \$1,864,733	Urban Allocation: \$1,156,687	Rural Allocation: \$708,046
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Applications Submitted in Region 1: Urban

08038	1	A	TownParc at Amarillo	Woodward Ave. & Kirkland Dr.	Amarillo	Urban	<input type="checkbox"/> <input type="checkbox"/>	144	144	G	NC	<input type="checkbox"/>	\$86,710	Christopher C. Finlay	<input type="checkbox"/>	300.0	Binding Allocation Agreement	
08031	1	A	Cathy's Pointe	2701 N. Grand St.	Amarillo	Urban	<input type="checkbox"/> <input type="checkbox"/>	120	120	G	NC	<input type="checkbox"/>	\$72,827	Donald Pace	<input type="checkbox"/>	300.0	Binding Allocation Agreement	
Total:								264	264				\$159,537					
Total:								264	264				\$159,537					

Applications Submitted in Region 1: Rural

08091	1	A	StoneLeaf at Dalhart	1719 E. 1st St.	Dalhart	Rural	<input type="checkbox"/> <input type="checkbox"/>	76	76	G	NC	<input type="checkbox"/>	\$687,957	Mike Sugrue	<input type="checkbox"/>	301.0	Forward Commitment of 2008 Credits Made in 2007	
08007	1	A	Central Place	402 W. 4th St.	Hereford	Rural	<input type="checkbox"/> <input type="checkbox"/>	32	32	G	NC	<input type="checkbox"/>	\$20,089	Christopher Paul Rhodes	<input type="checkbox"/>	300.0	Binding Allocation Agreement	
Total:								108	108				\$708,046					
Total:								108	108				\$708,046					
4 Applications in Region								Region Total:	372	372				\$867,583				

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4 = Target Population Abbreviation: Intergenerational=I, Elderly=E, General=G.
5 = Housing Activity: New Construction=NC, Rehabilitation (includes Reconstruction)=RH, Adaptive Reuse=ADR.
6 = Acquisition=ACQ, Developments for which acquisition Housing Tax Credits are being requested.
7 = Comment: Reason for Recommendation

Region	File #	Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Target ⁴ Units	Pop	Housing ⁵ Activity	ACQ ⁶	Awarded Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁷
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Region: 2

Allocation Information for Region 2:	Total Credits Available for Region:	\$973,154	Urban Allocation:	\$419,512	Rural Allocation:	\$553,642
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Applications Submitted in Region 2:		Urban																
08042	2 A	Arbors at Rose Park	2702 S. 7th St.	Abilene	Urban	<input type="checkbox"/>	<input type="checkbox"/>	77	80	E	NC	<input type="checkbox"/>	\$43,281	Diana McIver	<input type="checkbox"/>	300.0	Binding Allocation Agreement	
								Total:	77	80								\$43,281
								Total:	77	80								\$43,281
1 Applications in Region								Region Total:	77	80								\$43,281

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4 = Target Population Abbreviation: Intergenerational=I, Elderly=E, General=G.
5 = Housing Activity: New Construction=NC, Rehabilitation (includes Reconstruction)=RH, Adaptive Reuse=ADR.
6 = Acquisition=ACQ, Developments for which acquisition Housing Tax Credits are being requested.
7 = Comment: Reason for Recommendation

Region: 3

Allocation Information for Region 3:	Total Credits Available for Region: \$8,911,426	Urban Allocation: \$8,247,815	Rural Allocation: \$663,611
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Applications Submitted in Region 3: Urban																			
08096	3	A	Villas on Raiford	Raiford Rd.	Carrollton	Urban	<input type="checkbox"/>	<input type="checkbox"/>	172	180	E	NC	<input type="checkbox"/>	\$734,466	Chan Il Pak	<input type="checkbox"/>	301.0	Forward Commitment of 2008 Credits Made in 2007	
08053	3	A	Lakeview Park	Hwy 91, S. of 1916 State Hwy 91	Denison	Urban	<input type="checkbox"/>	<input type="checkbox"/>	76	76	G	NC	<input type="checkbox"/>	\$41,622	Steve Rumsey	<input type="checkbox"/>	300.0	Binding Allocation Agreement	
08015	3	A	Cimarron Springs Apartments	SE. Corner of Kilpatrick & Donaho	Cleburne	Urban	<input type="checkbox"/>	<input type="checkbox"/>	149	156	G	NC	<input type="checkbox"/>	\$79,351	Ron Hance	<input type="checkbox"/>	300.0	Binding Allocation Agreement	
08036	3	A	Wahoo Frazier Townhomes	E. Side of Blks 4700-4900 Hatcher St.	Dallas	Urban	<input type="checkbox"/>	<input type="checkbox"/>	95	118	G	NC	<input type="checkbox"/>	\$63,797	Lester Nevels	<input type="checkbox"/>	300.0	Binding Allocation Agreement	
08005	3	A	Cambridge Courts	8124 Calmont Ave.	Fort Worth	Urban	<input type="checkbox"/>	<input type="checkbox"/>	330	330	G	RH	<input checked="" type="checkbox"/>	\$105,777	Barbara Holston	<input type="checkbox"/>	300.0	Binding Allocation Agreement	
08004	3	A	Samuel's Place	SE. Corner of Samuel's Ave. & Poindexter St.	Fort Worth	Urban	<input type="checkbox"/>	<input type="checkbox"/>	36	36	G	NC	<input type="checkbox"/>	\$20,734	Barbara Holston	<input type="checkbox"/>	300.0	Binding Allocation Agreement	
08030	3	A	Sphinx At Reese Court	1201 Ewing Ave.	Dallas	Urban	<input type="checkbox"/>	<input type="checkbox"/>	80	80	G	NC	<input type="checkbox"/>	\$50,175	Jay O. Oji	<input type="checkbox"/>	300.0	Binding Allocation Agreement	
08027	3	A	Oak Timbers-Fort Worth South	300 E. Terrell Ave.	Fort Worth	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	160	168	E	NC	<input type="checkbox"/>	\$89,227	A. V. Mitchell	<input type="checkbox"/>	300.0	Binding Allocation Agreement	
08025	3	A	Sphinx at Luxar	3110 Cockrell Hill Rd.	Dallas	Urban	<input type="checkbox"/>	<input type="checkbox"/>	96	100	G	NC	<input type="checkbox"/>	\$60,091	Jay O. Oji	<input type="checkbox"/>	300.0	Binding Allocation Agreement	
									Total:	1,194	1,244			\$1,245,240					
									Total:	1,194	1,244			\$1,245,240					
Applications Submitted in Region 3: Rural																			
08058	3	A	Windvale Park	44th St. off W. Park Row	Corsicana	Rural	<input type="checkbox"/>	<input checked="" type="checkbox"/>	76	76	G	NC	<input type="checkbox"/>	\$46,255	Jason Bienski	<input type="checkbox"/>	300.0	Binding Allocation Agreement	
									Total:	76	76			\$46,255					
									Total:	76	76			\$46,255					
10 Applications in Region									Region Total:		1,270	1,320			\$1,291,495				

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4 = Target Population Abbreviation: Intergenerational=I, Elderly=E, General=G.
5 = Housing Activity: New Construction=NC, Rehabilitation (includes Reconstruction)=RH, Adaptive Reuse=ADR.
6 = Acquisition=ACQ, Developments for which acquisition Housing Tax Credits are being requested.
7 = Comment: Reason for Recommendation

Region	File #	Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Units	Target ⁴ Pop	Housing ⁵ Activity	Awarded ⁶ ACQ	Credit Owner Contact	TDHCA HOME	Final Score	Comment ⁷
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Region: 4

Allocation Information for Region 4:	Total Credits Available for Region: \$2,132,624	Urban Allocation: \$900,840	Rural Allocation: \$1,231,784
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Applications Submitted in Region 4:		Urban															
08019	4 A	Longview Senior Apt Community	1600 Blk E. Whaley	Longview	Urban	<input type="checkbox"/>	<input type="checkbox"/>	100	100	E	NC	<input type="checkbox"/>	\$61,873	Brad Forslund	<input type="checkbox"/>	300.0	Binding Allocation Agreement
								Total:	100	100			\$61,873				
								Total:	100	100			\$61,873				
Applications Submitted in Region 4:		Rural															
08013	4 A	Timber Village Apartments	2707 Norwood St.	Marshall	Rural	<input type="checkbox"/>	<input type="checkbox"/>	76	76	G	NC	<input type="checkbox"/>	\$43,961	Rick J. Deyoe	<input type="checkbox"/>	300.0	Binding Allocation Agreement
								Total:	76	76			\$43,961				
								Total:	76	76			\$43,961				
2 Applications in Region								Region Total:	176	176			\$105,834				

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 4 = Target Population Abbreviation: Intergenerational=I, Elderly=E, General=G.
 5 = Housing Activity: New Construction=NC, Rehabilitation (includes Reconstruction)=RH, Adaptive Reuse=ADR.
 6 = Acquisition=ACQ, Developments for which acquisition Housing Tax Credits are being requested.
 7 = Comment: Reason for Recommendation

Region	File #	Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Units	Target ⁴ Pop	Housing ⁵ Activity	Awarded ⁶ ACQ	Credit Owner Contact	TDHCA HOME	Final Score	Comment ⁷
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Region: 5

Allocation Information for Region 5:	Total Credits Available for Region: \$1,337,999	Urban Allocation: \$397,377	Rural Allocation: \$940,622
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Applications Submitted in Region 5:		Urban														
08061	5 A Southwood Crossing Apartments	3901 Hwy 73	Port Arthur	Urban	<input type="checkbox"/>	<input type="checkbox"/>	120	120	G	NC	<input type="checkbox"/>	\$59,326	K.T. (Ike) Akbari	<input type="checkbox"/>	300.0	Binding Allocation Agreement
							Total:	120	120			\$59,326				
							Total:	120	120			\$59,326				
Applications Submitted in Region 5:		Rural														
08049	5 A Timber Pointe Apt Homes	I-69 Hwy at Loop 287	Lufkin	Rural	<input type="checkbox"/>	<input type="checkbox"/>	74	76	E	NC	<input type="checkbox"/>	\$40,362	Alicia Morgan	<input type="checkbox"/>	300.0	Binding Allocation Agreement
							Total:	74	76			\$40,362				
							Total:	74	76			\$40,362				
2 Applications in Region							Region Total:	194	196			\$99,688				

1 = Status of Award Abbreviation: Development Previously Awarded 2008 Housing Tax Credits=A, Recommended for Award=R, Not Recommended for Award=N.
2 = Allocation: Rural Regional Allocation or Urban Regional Allocation.
3 = Set-Aside Abbreviations: TRDO-USDA=USDA, Nonprofit=NP.
4 = Target Population Abbreviation: Intergenerational=I, Elderly=E, General=G.
5 = Housing Activity: New Construction=NC, Rehabilitation (includes Reconstruction)=RH, Adaptive Reuse=ADR.
6 = Acquisition=ACQ, Developments for which acquisition Housing Tax Credits are being requested.
7 = Comment: Reason for Recommendation

Region: 6

Allocation Information for Region 6:	Total Credits Available for Region: \$8,996,579	Urban Allocation: \$8,269,342	Rural Allocation: \$727,237
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Applications Submitted in Region 6:		Urban															
08009	6 A Enclave	S. Side of 1200 & 2300 Blks of W. Tidwell	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	40	40	G	NC	<input type="checkbox"/>	\$35,880	Isaac Matthews	<input type="checkbox"/>	300.0	Binding Allocation Agreement	
08060	6 A Olive Grove Manor	101 Normandy	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	160	160	E	NC	<input type="checkbox"/>	\$89,097	H. Elizabeth Young	<input type="checkbox"/>	300.0	Binding Allocation Agreement	
08062	6 A Ambassador North Apartments	8210 Bauman Rd.	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	100	100	G	RH	<input checked="" type="checkbox"/>	\$48,989	David Marquez	<input type="checkbox"/>	300.0	Binding Allocation Agreement	
08065	6 A Kingwood Senior Village	200 N. Pines	Houston	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	192	193	E	NC	<input type="checkbox"/>	\$87,431	Stephan Fairfield	<input type="checkbox"/>	300.0	Binding Allocation Agreement	
08008	6 A Waterside Court	S. Side of Approx. 500 Blk West Rd.	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	112	118	G	NC	<input type="checkbox"/>	\$100,100	W. Barry Kahn	<input type="checkbox"/>	300.0	Binding Allocation Agreement	
08051	6 A Lincoln Park Apartments	790 W. Little York	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	200	250	G	NC	<input type="checkbox"/>	\$114,621	Horace Allison	<input type="checkbox"/>	300.0	Binding Allocation Agreement	
							Total:	804	861			\$476,118					
							Total:	804	861			\$476,118					
6 Applications in Region							Region Total:	804	861			\$476,118					

1 = Status of Award Abbreviation: Development Previously Awarded 2008 Housing Tax Credits=A, Recommended for Award=R, Not Recommended for Award=N.
2 = Allocation: Rural Regional Allocation or Urban Regional Allocation.
3 = Set-Aside Abbreviations: TRDO-USDA=USDA, Nonprofit=NP.
4 = Target Population Abbreviation: Intergenerational=I, Elderly=E, General=G.
5 = Housing Activity: New Construction=NC, Rehabilitation (includes Reconstruction)=RH, Adaptive Reuse=ADR.
6 = Acquisition=ACQ, Developments for which acquisition Housing Tax Credits are being requested.
7 = Comment: Reason for Recommendation

Region	File #	Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Units	Target ⁴ Pop	Housing ⁵ Activity	Awarded ACQ ⁶	Credit Owner Contact	TDHCA HOME	Final Score	Comment ⁷
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Region: 7

Allocation Information for Region 7:	Total Credits Available for Region: \$2,231,028	Urban Allocation: \$1,695,133	Rural Allocation: \$535,895
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Applications Submitted in Region 7:		Urban																
08059	7 A	San Gabriel Senior Village	1900, 1906 & 1910 Leander St.	Georgetown	Urban	<input type="checkbox"/>	<input type="checkbox"/>	100	100	E	NC	<input type="checkbox"/>	\$64,206	Colby Denison	<input type="checkbox"/>	300.0	Binding Allocation Agreement	
08063	7 A	Parker Lane Seniors Apartments	2000 Woodward	Austin	Urban	<input type="checkbox"/>	<input type="checkbox"/>	68	70	E	NC	<input type="checkbox"/>	\$44,241	Keith Hoffpauir	<input type="checkbox"/>	300.0	Binding Allocation Agreement	
08024	7 A	Cambridge Villas	800 Dessau Rd.	Pflugerville	Urban	<input type="checkbox"/>	<input type="checkbox"/>	200	208	E	NC	<input type="checkbox"/>	\$115,908	Keith Hoffpauir	<input type="checkbox"/>	300.0	Binding Allocation Agreement	
								Total:	368	378			\$224,355					
								Total:	368	378			\$224,355					
Applications Submitted in Region 7:		Rural																
08016	7 A	Gardens of Taylor, LP	317 Sloan St.	Taylor	Rural	<input type="checkbox"/>	<input type="checkbox"/>	36	36	E	NC	<input type="checkbox"/>	\$26,325	George D. Hopper	<input type="checkbox"/>	300.0	Binding Allocation Agreement	
								Total:	36	36			\$26,325					
								Total:	36	36			\$26,325					
4 Applications in Region								Region Total:	404	414			\$250,680					

1 = Status of Award Abbreviation: Development Previously Awarded 2008 Housing Tax Credits=A, Recommended for Award=R, Not Recommended for Award=N.
2 = Allocation: Rural Regional Allocation or Urban Regional Allocation.
3 = Set-Aside Abbreviations: TRDO-USDA=USDA, Nonprofit=NP.
4 = Target Population Abbreviation: Intergenerational=I, Elderly=E, General=G.
5 = Housing Activity: New Construction=NC, Rehabilitation (includes Reconstruction)=RH, Adaptive Reuse=ADR.
6 = Acquisition=ACQ, Developments for which acquisition Housing Tax Credits are being requested.
7 = Comment: Reason for Recommendation

Region	File #	Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Units	Target ⁴ Pop	Housing ⁵ Activity	Awarded ⁶ ACQ	Credit Owner Contact	TDHCA HOME	Final Score	Comment ⁷
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Region: 8

Allocation Information for Region 8:	Total Credits Available for Region: \$2,562,336	Urban Allocation: \$2,017,303	Rural Allocation: \$545,033
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Applications Submitted in Region 8:		Urban																
08006	8 A	Country Lane Seniors-Temple Community	SE. H.K. Dodgen Loop, W. of MLK Jr. Dr.	Temple	Urban	<input type="checkbox"/>	<input type="checkbox"/>	98	102	E	NC	<input type="checkbox"/>	\$63,226	Kenneth Mitchell	<input type="checkbox"/>	300.0	Binding Allocation Agreement	
08050	8 A	Ridge Pointe Apartments	1600 Blk Bacon Ranch Rd.	Killeen	Urban	<input type="checkbox"/>	<input type="checkbox"/>	164	172	G	NC	<input type="checkbox"/>	\$97,664	Michael Lankford	<input type="checkbox"/>	300.0	Binding Allocation Agreement	
								Total:	262	274								\$160,890
								Total:	262	274								\$160,890
Applications Submitted in Region 8:		Rural																
08076	8 A	Villas of Hubbard	NW. Corner of Magnolia Ave. & S. 4th St.	Hubbard	Rural	<input type="checkbox"/>	<input type="checkbox"/>	36	36	E	NC	<input type="checkbox"/>	\$16,284	Deborah A. Griffin	<input type="checkbox"/>	300.0	Binding Allocation Agreement	
								Total:	36	36								\$16,284
								Total:	36	36								\$16,284
3 Applications in Region								Region Total:	298	310								\$177,174

1 = Status of Award Abbreviation: Development Previously Awarded 2008 Housing Tax Credits=A, Recommended for Award=R, Not Recommended for Award=N.
2 = Allocation: Rural Regional Allocation or Urban Regional Allocation.
3 = Set-Aside Abbreviations: TRDO-USDA=USDA, Nonprofit=NP.
4 = Target Population Abbreviation: Intergenerational=I, Elderly=E, General=G.
5 = Housing Activity: New Construction=NC, Rehabilitation (includes Reconstruction)=RH, Adaptive Reuse=ADR.
6 = Acquisition=ACQ, Developments for which acquisition Housing Tax Credits are being requested.
7 = Comment: Reason for Recommendation

Region	File #	Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Units	Target ⁴ Pop	Housing ⁵ Activity	Awarded ⁶ ACQ	Credit Owner Contact	TDHCA HOME	Final Score	Comment ⁷
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Region: 9

Allocation Information for Region 9:	Total Credits Available for Region: \$2,999,101	Urban Allocation: \$2,456,059	Rural Allocation: \$543,042
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Applications Submitted in Region 9: Urban																				
08093	9	A	San Juan Square II	S. Calaveras St. & Brady Blvd.	San Antonio	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	138	144	G	RC	<input type="checkbox"/>	\$1,200,000	Henry A. Alvarez III	<input type="checkbox"/>	301.0	Forward Commitment of 2008 Credits Made in 2007		
08048	9	A	Alhambra	7100 Blk New Laredo Hwy	San Antonio	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	134	140	E	NC	<input type="checkbox"/>	\$79,507	Henry A. Alvarez III	<input type="checkbox"/>	300.0	Binding Allocation Agreement		
08047	9	A	San Juan Square	Corner of S. Zarzamora St. & Ceralvo St.	San Antonio	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	137	143	G	NC	<input type="checkbox"/>	\$85,948	Henry A. Alvarez III	<input type="checkbox"/>	300.0	Binding Allocation Agreement		
Total:									409	427			\$1,365,455							
Total:									409	427			\$1,365,455							
3 Applications in Region									Region Total:		409	427			\$1,365,455					

1 = Status of Award Abbreviation: Development Previously Awarded 2008 Housing Tax Credits=A, Recommended for Award=R, Not Recommended for Award=N.
2 = Allocation: Rural Regional Allocation or Urban Regional Allocation.
3 = Set-Aside Abbreviations: TRDO-USDA=USDA, Nonprofit=NP.
4 = Target Population Abbreviation: Intergenerational=I, Elderly=E, General=G.
5 = Housing Activity: New Construction=NC, Rehabilitation (includes Reconstruction)=RH, Adaptive Reuse=ADR.
6 = Acquisition=ACQ, Developments for which acquisition Housing Tax Credits are being requested.
7 = Comment: Reason for Recommendation

Region: 10

Allocation Information for Region 10:	Total Credits Available for Region: \$1,735,190	Urban Allocation: \$982,692	Rural Allocation: \$752,498
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Applications Submitted in Region 10: Urban

08040	10	A	Navigation Pointe	909 S. Navigation Blvd.	Corpus Christi	Urban	<input type="checkbox"/>	<input type="checkbox"/>	124	124	G	NC	<input type="checkbox"/>	\$67,974	Manish Verma	<input type="checkbox"/>	300.0	Binding Allocation Agreement
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Total: 124 124 \$67,974

Total: 124 124 \$67,974

Applications Submitted in Region 10: Rural

08010	10	A	Figueroa Apartments	998 Ruben Chavez St.	Robstown	Rural	<input type="checkbox"/>	<input type="checkbox"/>	44	44	G	RH	<input checked="" type="checkbox"/>	\$16,592	Rick J. Deyoe	<input type="checkbox"/>	300.0	Binding Allocation Agreement
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Total: 44 44 \$16,592

Total: 44 44 \$16,592

2 Applications in Region Region Total: 168 168 \$84,566

1 = Status of Award Abbreviation: Development Previously Awarded 2008 Housing Tax Credits=A, Recommended for Award=R, Not Recommended for Award=N.
 2 = Allocation: Rural Regional Allocation or Urban Regional Allocation.
 3 = Set-Aside Abbreviations: TRDO-USDA=USDA, Nonprofit=NP.
 4 = Target Population Abbreviation: Intergenerational=I, Elderly=E, General=G.
 5 = Housing Activity: New Construction=NC, Rehabilitation (includes Reconstruction)=RH, Adaptive Reuse=ADR.
 6 = Acquisition=ACQ, Developments for which acquisition Housing Tax Credits are being requested.
 7 = Comment: Reason for Recommendation

Region: 11

Allocation Information for Region 11:	Total Credits Available for Region: \$5,770,541	Urban Allocation: \$3,251,553	Rural Allocation: \$2,518,988
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Applications Submitted in Region 11: Urban																		
08094	11	A	Sunset Terrace	920 W. Villegas	Pharr	Urban	<input type="checkbox"/>	<input type="checkbox"/>	100	100	G	RC	<input type="checkbox"/>	\$975,319	J. Fernando Lopez	<input type="checkbox"/>	301.0	Forward Commitment of 2008 Credits Made in 2007
08095	11	A	Bluebonnet Senior Village	1201 W. Austin Ln.	Alamo	Urban	<input type="checkbox"/>	<input type="checkbox"/>	36	36	E	NC	<input type="checkbox"/>	\$360,000	Mary Vela	<input type="checkbox"/>	301.0	Forward Commitment of 2008 Credits Made in 2007
08011	11	A	Poinsetta Apartments	Between N. 9th St. & N. 10th St. at Duranta Ave.	Alamo	Urban	<input type="checkbox"/>	<input type="checkbox"/>	100	100	G	NC	<input type="checkbox"/>	\$54,564	Rick J. Deyoe	<input type="checkbox"/>	300.0	Binding Allocation Agreement
08014	11	A	Sevilla Apartments	600 N. Airport Dr.	Weslaco	Urban	<input type="checkbox"/>	<input type="checkbox"/>	80	80	G	RH	<input checked="" type="checkbox"/>	\$25,386	Rick J. Deyoe	<input type="checkbox"/>	300.0	Binding Allocation Agreement
08028	11	A	Vida Que Canta Apartments	500' N. of S. Mile Rd. on Inspiration Rd.	Mission	Urban	<input type="checkbox"/>	<input type="checkbox"/>	160	160	G	NC	<input type="checkbox"/>	\$87,318	Ketinna Williams	<input type="checkbox"/>	300.0	Binding Allocation Agreement
08039	11	A	La Villita Apartments Phase II	2828 Rockwell Dr.	Brownsville	Urban	<input type="checkbox"/>	<input type="checkbox"/>	80	80	G	NC	<input type="checkbox"/>	\$17,785	Mark Musemeche	<input type="checkbox"/>	300.0	Binding Allocation Agreement
									Total:	556	556			\$1,520,372				
									Total:	556	556			\$1,520,372				
Applications Submitted in Region 11: Rural																		
08012	11	A	Mesa Vista Apartments	Salinas St. at Stites St.	Donna	Rural	<input type="checkbox"/>	<input type="checkbox"/>	76	76	G	NC	<input type="checkbox"/>	\$42,387	Rick J. Deyoe	<input type="checkbox"/>	300.0	Binding Allocation Agreement
08032	11	A	Madison Pointe	US 81 & Las Palmas Dr.	Cotulla	Rural	<input type="checkbox"/>	<input type="checkbox"/>	76	76	G	NC	<input type="checkbox"/>	\$45,165	Donald Pace	<input type="checkbox"/>	300.0	Binding Allocation Agreement
08041	11	A	Los Ebanos Apartments	1103 Lincoln St.	Zapata	Rural	<input checked="" type="checkbox"/>	<input type="checkbox"/>	28	28	E	NC	<input type="checkbox"/>	\$4,855	Dennis Hoover	<input type="checkbox"/>	300.0	Binding Allocation Agreement
									Total:	180	180			\$92,407				
									Total:	180	180			\$92,407				
9 Applications in Region									Region Total:	736	736			\$1,612,779				

1 = Status of Award Abbreviation: Development Previously Awarded 2008 Housing Tax Credits=A, Recommended for Award=R, Not Recommended for Award=N.
2 = Allocation: Rural Regional Allocation or Urban Regional Allocation.
3 = Set-Aside Abbreviations: TRDO-USDA=USDA, Nonprofit=NP.
4 = Target Population Abbreviation: Intergenerational=I, Elderly=E, General=G.
5 = Housing Activity: New Construction=NC, Rehabilitation (includes Reconstruction)=RH, Adaptive Reuse=ADR.
6 = Acquisition=ACQ, Developments for which acquisition Housing Tax Credits are being requested.
7 = Comment: Reason for Recommendation

Region	File #	Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Units	Target ⁴ Pop	Housing ⁵ Activity	Awarded ACQ ⁶	Credit Owner Contact	TDHCA HOME	Final Score	Comment ⁷
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Region: 12

Allocation Information for Region 12:	Total Credits Available for Region: \$1,072,720	Urban Allocation: \$546,485	Rural Allocation: \$526,235
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Applications Submitted in Region 12: Urban																		
08092	12	A	Key West Village Phase II	1600 W. Clements	Odessa	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	36	36	E	NC	<input type="checkbox"/>	\$237,938	Bernadine Spears	<input type="checkbox"/>	301.0	Forward Commitment of 2008 Credits Made in 2007
									Total:	36	36			\$237,938				
									Total:	36	36			\$237,938				
1 Applications in Region									Region Total:	36	36			\$237,938				

1 = Status of Award Abbreviation: Development Previously Awarded 2008 Housing Tax Credits=A, Recommended for Award=R, Not Recommended for Award=N.
2 = Allocation: Rural Regional Allocation or Urban Regional Allocation.
3 = Set-Aside Abbreviations: TRDO-USDA=USDA, Nonprofit=NP.
4 = Target Population Abbreviation: Intergenerational=I, Elderly=E, General=G.
5 = Housing Activity: New Construction=NC, Rehabilitation (includes Reconstruction)=RH, Adaptive Reuse=ADR.
6 = Acquisition=ACQ, Developments for which acquisition Housing Tax Credits are being requested.
7 = Comment: Reason for Recommendation

Region	File #	Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Units	Target ⁴ Pop	Housing ⁵ Activity	Awarded ACQ ⁶	Credit Owner Contact	TDHCA HOME	Final Score	Comment ⁷
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Region: 13

Allocation Information for Region 13:	Total Credits Available for Region: \$1,597,905	Urban Allocation: \$1,061,531	Rural Allocation: \$536,374
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Applications Submitted in Region 13: Urban																		
08045	13	A	Deer Palms	6350 Deer Rd.	El Paso	Urban	<input type="checkbox"/>	<input type="checkbox"/>	152	152	G	NC	<input type="checkbox"/>	\$83,474	R.L. (Bobby) Bowling, IV	<input type="checkbox"/>	300.0	Binding Allocation Agreement
08046	13	A	Linda Vista Apartments	4866 Hercules Ave.	El Paso	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	36	36	G	NC	<input type="checkbox"/>	\$21,807	Bill Schlesinger	<input type="checkbox"/>	300.0	Binding Allocation Agreement
									Total:	188	188			\$105,281				
									Total:	188	188			\$105,281				
2 Applications in Region									Region Total:	188	188			\$105,281				
49 Total Applications									5,132	5,284			\$6,717,872					

1 = Status of Award Abbreviation: Development Previously Awarded 2008 Housing Tax Credits=A, Recommended for Award=R, Not Recommended for Award=N.
2 = Allocation: Rural Regional Allocation or Urban Regional Allocation.
3 = Set-Aside Abbreviations: TRDO-USDA=USDA, Nonprofit=NP.
4 = Target Population Abbreviation: Intergenerational=I, Elderly=E, General=G.
5 = Housing Activity: New Construction=NC, Rehabilitation (includes Reconstruction)=RH, Adaptive Reuse=ADR.
6 = Acquisition=ACQ, Developments for which acquisition Housing Tax Credits are being requested.
7 = Comment: Reason for Recommendation

**Report 4: Applications Recommended to Meet the Federal Non-Profit Allocation
2008 Competitive Housing Tax Credit Program
(As of July 24, 2008, the recommendations may change due to pending appeals)**

Estimated Non-Profit Allocation: \$4,939,072

File #	Region Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP AR	LI Units	Total Units	Target ⁴ Pop	Housing ⁵ Activity	ACQ ⁶	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁷
08151	11 R	Parkview Terrace	211 W. Audrey	Pharr	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	100	100	G	RH	<input type="checkbox"/>	\$985,000	J. Fernando Lopez	<input type="checkbox"/>	214.0	Competitive in Region
08150	9 R	Oak Manor/Oak Village Apartments	2330/2334 Austin Hwy	San Antonio	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	229	229	G	RH	<input checked="" type="checkbox"/>	\$1,200,000	Gilbert M. Piette	<input type="checkbox"/>	206.0	Competitive in At-Risk Set-Aside
08223	3 R	Evergreen at The Colony	NW. Corner of SH 121 & Morning Star	The Colony	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	145	145	E	NC	<input type="checkbox"/>	\$1,200,000	Brad Forslund	<input checked="" type="checkbox"/>	203.0	Competitive in Region
08232	6 R	Sakowitz Apartments	2300 Sakowitz	Houston	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	166	166	G	NC	<input type="checkbox"/>	\$740,419	Joy Horak-Brown	<input type="checkbox"/>	203.0	Competitive in Region
08149	10 R	American GI Forum Village I & II	1801 Bosquez St., Box 81	Robstown	Rural	<input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	76	76	G	RH	<input checked="" type="checkbox"/>	\$735,000	Walter Martinez	<input checked="" type="checkbox"/>	202.0	Competitive in At-Risk Set-Aside
08258	4 R	Lexington Court Phase II	3509 US Hwy 259 N.	Kilgore	Rural	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	76	76	G	NC	<input type="checkbox"/>	\$693,584	Emanuel H. Glockzin, Jr.	<input checked="" type="checkbox"/>	200.0	Significant Sub-Regional Shortfall in Rural Collapse
08158	11 R	Villas at Beaumont	2200 Beaumont Ave.	McAllen	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	36	36	E	NC	<input type="checkbox"/>	\$376,000	Joe Saenz	<input type="checkbox"/>	200.0	Competitive in Region
Total:							828	828				\$5,930,003				
7 Total Applications							828	828				\$5,930,003				

1 = Status of Award Abbreviation: Development Previously Awarded 2008 Housing Tax Credits=A, Recommended for Award=R, Not Recommended for Award=N.
2 = Allocation: Rural Regional Allocation or Urban Regional Allocation.
3 = Set-Aside Abbreviations: TRDO-USDA=USDA, Nonprofit=NP, At-Risk=AR.
4 = Target Population Abbreviation: Intergenerational=I, Elderly=E, General=G.
5 = Housing Activity: New Construction=NC, Rehabilitation (includes Reconstruction)=RH, Adaptive Reuse=ADR.
6 = Acquisition=ACQ, Developments for which acquisition Housing Tax Credits are being requested.
7 = Comment: Reason for Recommendation
* = Recommended Credit: Development is displaying the requested amount because a real estate analysis has not yet been completed.

**Report 5: Applications Recommended to Meet the State Rural Allocation
2008 Competitive Housing Tax Credit Program
(As of July 24, 2008, the recommendations may change due to pending appeals)**

Estimated Rural Allocation: \$9,607,174

Region File #	Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP AR	LI Units	Total Units	Target ⁴ Pop	Housing ⁵ Activity	ACQ ⁶	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁷
08152	10 R	Heights at Corral	1000 W. Corral Ave.	Kingsville	Rural	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	80	80	G	RH	<input type="checkbox"/>	\$784,000	Socorro (Cory) Hinojosa	<input type="checkbox"/>	217.0	Significant Sub-Regional Shortfall in Rural Collapse
08184	3 R	Washington Hotel Lofts	2612 Washington St.	Greenville	Rural	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	36	36	G	ADR	<input checked="" type="checkbox"/>	\$390,225	Bill Scantland	<input type="checkbox"/>	207.0	Competitive in Region
08264	3 R	Cambridge Crossing	Bragg Ave. & Cambridge St.	Corsicana	Rural	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	58	60	E	NC	<input type="checkbox"/>	\$578,144	Diana McIver	<input checked="" type="checkbox"/>	205.0	Significant Sub-Regional Shortfall in State Collapse
08157	4 R	SilverLeaf at Chandler	801 FM 2010	Chandler	Rural	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	80	80	E	NC	<input type="checkbox"/>	\$761,465	Mike Sugrue	<input checked="" type="checkbox"/>	204.0	Competitive in Region
08149	10 R	American GI Forum Village I & II	1801 Bosquez St., Box 81	Robstown	Rural	<input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	76	76	G	RH	<input checked="" type="checkbox"/>	\$735,000	Walter Martinez	<input checked="" type="checkbox"/>	202.0	Competitive in At-Risk Set-Aside
08294	11 R	Stardust Village	Hwy 83, 1/2 Blk N. of Brazos St.	Uvalde	Rural	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	36	36	G	NC	<input type="checkbox"/>	\$427,390	Tammye Trevino	<input type="checkbox"/>	202.0	Competitive in Region
08201	5 R	First Huntington Arms	415 N. Hwy 69	Huntington	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	40	40	G	RH	<input checked="" type="checkbox"/>	\$367,559	Louis Williams	<input checked="" type="checkbox"/>	201.0	Competitive in USDA Allocation
08258	4 R	Lexington Court Phase II	3509 US Hwy 259 N.	Kilgore	Rural	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	76	76	G	NC	<input type="checkbox"/>	\$693,584	Emanuel H. Glockzin, Jr.	<input checked="" type="checkbox"/>	200.0	Significant Sub-Regional Shortfall in Rural Collapse
08302	11 R	Leona Apartments	209 First St.	Uvalde	Rural	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	40	40	G	RH	<input checked="" type="checkbox"/>	\$124,375	Chad Asarch	<input type="checkbox"/>	200.0	Competitive in Region
08304	6 R	Park Place Apartments	100 Campbell St.	Cleveland	Rural	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	60	60	I	RH	<input checked="" type="checkbox"/>	\$485,633	Chad Asarch	<input type="checkbox"/>	199.0	Competitive in Region
08229	7 R	Fairwood Commons Senior Apartments	S. Side of Old Austin Hwy Approx. 250' E. of Hasler Blvd.	Bastrop	Rural	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	63	66	E	NC	<input type="checkbox"/>	\$485,611	David G. Rae	<input checked="" type="checkbox"/>	199.0	Competitive in Region-Tie Break Won
08176	11 R	Maeghan Pointe	SR 107 & Mile 6 Rd.	Elsa	Rural	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	80	80	G	NC	<input type="checkbox"/>	\$1,083,920	Donald Pace	<input type="checkbox"/>	199.0	Competitive in Region
08254	6 R	Montgomery Meadows Phase II	Corner of Old Montgomery Rd. & Cline	Huntsville	Rural	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	48	48	E	NC	<input type="checkbox"/>	\$498,997	Emanuel H. Glockzin, Jr.	<input type="checkbox"/>	194.0	Significant Sub-Regional Shortfall in Rural Collapse

1 = Status of Award Abbreviation: Development Previously Awarded 2008 Housing Tax Credits=A, Recommended for Award=R, Not Recommended for Award=N.

2 = Allocation: Rural Regional Allocation or Urban Regional Allocation.

3 = Set-Aside Abbreviations: TRDO-USDA=USDA, Nonprofit=NP, At-Risk=AR.

4 = Target Population Abbreviation: Intergenerational=I, Elderly=E, General=G.

5 = Housing Activity: New Construction=NC, Rehabilitation (includes Reconstruction)=RH, Adaptive Reuse=ADR.

6 = Acquisition=ACQ, Developments for which acquisition Housing Tax Credits are being requested.

7 = Comment: Reason for Recommendation

* = Recommended Credit: Development is displaying the requested amount because a real estate analysis has not yet been completed.

Region File #	Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP AR			LI	Total Units	Target ⁴ Pop	Housing ⁵ Activity	ACQ ⁶	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁷
08135	9 R	Gardens at Clearwater	400 Block of Clearwater Paseo	Kerrville	Rural	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	80	80	E	NC	<input type="checkbox"/>	\$760,867	Lucille Jones	<input type="checkbox"/>	193.0	Significant Sub-Regional Shortfall in Rural Collapse
08139	2 R	Arizona Avenue Apartments	Intersection of NW. E. Arizona Ave. & I-20	Sweetwater	Rural	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	80	80	G	NC	<input type="checkbox"/>	\$717,150	Leslie Clark	<input type="checkbox"/>	190.0	Significant Sub-Regional Shortfall in Rural Collapse
08220	4 R	Northview Apartments	331 N. Longview St.	Kilgore	Rural	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	72	72	I	RH	<input checked="" type="checkbox"/>	\$238,654	James W. Fieser	<input checked="" type="checkbox"/>	190.0	Competitive in USDA Allocation
08128	6 R	Mid-Towne Apartments	820 E. Carrell St.	Tomball	Rural	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	54	54	G	RH	<input checked="" type="checkbox"/>	\$280,619	Dennis Hoover	<input type="checkbox"/>	190.0	Competitive in USDA Allocation
08215	3 R	Quail Run Apartments	1906 S. College Ave.	Decatur	Rural	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	40	40	G	RH	<input checked="" type="checkbox"/>	\$137,531	James W. Fieser	<input checked="" type="checkbox"/>	189.0	Competitive in USDA Allocation
08130	9 R	Jourdanton Square Apartments	2701 Zanderson	Jourdanton	Rural	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	52	52	G	RH	<input checked="" type="checkbox"/>	\$222,957	Dennis Hoover	<input checked="" type="checkbox"/>	188.0	Competitive in USDA Allocation
08106	6 R	Brookhollow Manor	3444 Depot St.	Brookshire	Rural	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	48	48	G	RH	<input checked="" type="checkbox"/>	\$204,759	James W. Fieser	<input checked="" type="checkbox"/>	186.0	Competitive in USDA Allocation
08216	3 R	Chisum Trail Apartments	1100 Austin	Sanger	Rural	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	40	40	G	RH	<input checked="" type="checkbox"/>	\$133,940	James W. Fieser	<input checked="" type="checkbox"/>	184.0	Competitive in USDA Allocation
08129	7 R	Alta Vista Apartments	1001 Pecan Valley Dr.	Marble Falls	Rural	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	64	64	G	RH	<input checked="" type="checkbox"/>	\$312,199	Dennis Hoover	<input type="checkbox"/>	180.0	Competitive in USDA Allocation
08163	13 R	San Elizario Palms	13800 Blk of Socorro Rd. Near Herring Rd.	San Elizario	Rural	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	80	80	G	NC	<input type="checkbox"/>	\$748,456	R.L. (Bobby) Bowling, IV	<input type="checkbox"/>	177.0	Significant Sub-Regional Shortfall in Rural Collapse
08174	5 R	Oakleaf Estates	1195 Hwy 327 & E. Tennison Ln.	Silsbee	Rural	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	80	80	G	NC	<input type="checkbox"/>	\$736,782	K.T. (Ike) Akbari	<input type="checkbox"/>	169.0	Significant Sub-Regional Shortfall in Rural Collapse
08226	8 R	Whispering Oaks Apartments	1209 W. 8th St.	Goldthwaite	Rural	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	24	24	E	RH	<input checked="" type="checkbox"/>	\$135,597	Patrick A. Barbolla	<input checked="" type="checkbox"/>	163.0	Competitive in USDA Allocation
08296	8 R	Prairie Village Apartments	611 Paul St.	Rogers	Rural	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	24	24	G	RH	<input checked="" type="checkbox"/>	\$104,992	Patrick A. Barbolla	<input checked="" type="checkbox"/>	152.0	Competitive in USDA Allocation
08299	12 R	Southern View Apartments	SW. Corner of Ryan St. & Hwy 385	Fort Stockton	Rural	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	47	48	G	NC	<input type="checkbox"/>	\$433,000	Justin Zimmerman	<input type="checkbox"/>	126.0	Competitive in Region
									Total:	1,558	1,564			\$12,583,406				
27 Total Applications										1,558	1,564			\$12,583,406				

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REQUEST FOR BOARD ACTION Multifamily Finance Production

Private Activity Bond Program – Waiting List

1 Priority 2 Application for 2008 Waiting List

TABLE OF EXHIBITS

TAB 1	TDHCA Board Presentation – July 31, 2008
TAB 2	Summary of Applications
TAB 3	Inducement Resolution
TAB 4	Map of Development Site

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

July 31, 2008

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 – 2008 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 2008 Private Activity Bond Program for one (1) application.

Background

The Texas Bond Review Board (BRB) administers the state's annual bond authority for the State of Texas. The Department is an issuer of Private Activity Bonds through the bond program. Each issuer's Board is required to induce an application for bonds prior to the submission to the BRB. The Board approval of the inducement resolution is the first step for the Board in the application process. The inducement allows staff to submit the application to the BRB to await a reservation of allocation. Once the application receives a reservation of allocation, the Applicant has 150 days to close on the private activity bond transaction. During the 150 day process, the Department will review the Applicant's complete application for threshold and compliance with the Department's Rules and is underwritten to determine financial feasibility. The Department will schedule and conduct a public hearing in the community of the proposed location of the development. The complete application including a transcript from the hearing will then be presented before the Board again for a decision on the actual issuance of the bonds as well as the allocation of housing tax credits.

Each year, the State of Texas is notified of the cap on the amount of private activity tax-exempt revenue bonds that may be issued within the state. Approximately \$440 million is set aside for multifamily until August 7th for the 2008 bond program year. TDHCA has a set aside of approximately \$89 million available for new 2008 applications. If the Board approves the Waiting List application listed below it will be submitted to the Texas Bond Review Board.

Inducement Resolution 08-029 includes one (1) application that was received on or before June 26, 2008. The application will reserve approximately \$15 million in 2008 state volume cap. Upon Board approval to proceed, the application will be submitted to the Texas Bond Review Board for placement on the 2008 Waiting List. Board approval of the inducement resolution allows the Department to submit the application to the Bond Review Board to await a reservation of allocation. The Board has previously approved twelve (12) applications for the 2008 program year.

Woodmont Apartments, App. #08615– The proposed new construction will consist of 252 units and will target the general population. It will be located at approximately the Northeast corner of Oak Grove and Loop 820, Fort Worth, Tarrant County. Demographics for the census tract (1059.00) include AMFI of \$29,022; the total population is 7,524; the percent of the population that is minority is 90.91%; the number of owner occupied units is 783; number of renter occupied units is 1,357; and the number of vacant units is 198. (Census Information from FFIEC Geocoding for 2007).

Public Comment: The Department has received one letter of support from State Representative Lon Burnam and no letters of opposition.

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

2008 Multifamily Private Activity Bond Program - Waiting List

Application #	Development Information	Units	Bond Amount	Developer Information	Comments
08615	Woodmont Apartments NEC of Oak Grove and Loop 820	252	\$ 15,000,000	Woodmont Apartments, Ltd. Dan Markson	Recommend
Priority 2	City: Fort Worth County: Tarrant <i>New Construction</i>	General	Score = 72	111 Soledad, Suite 1220 San Antonio, Texas 78205 (210) 487-7878	
Totals for Recommended Applications		252	\$ 15,000,000		

RESOLUTION NO. 08-029

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 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 2008 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 31st day of July, 2008.

[SEAL]

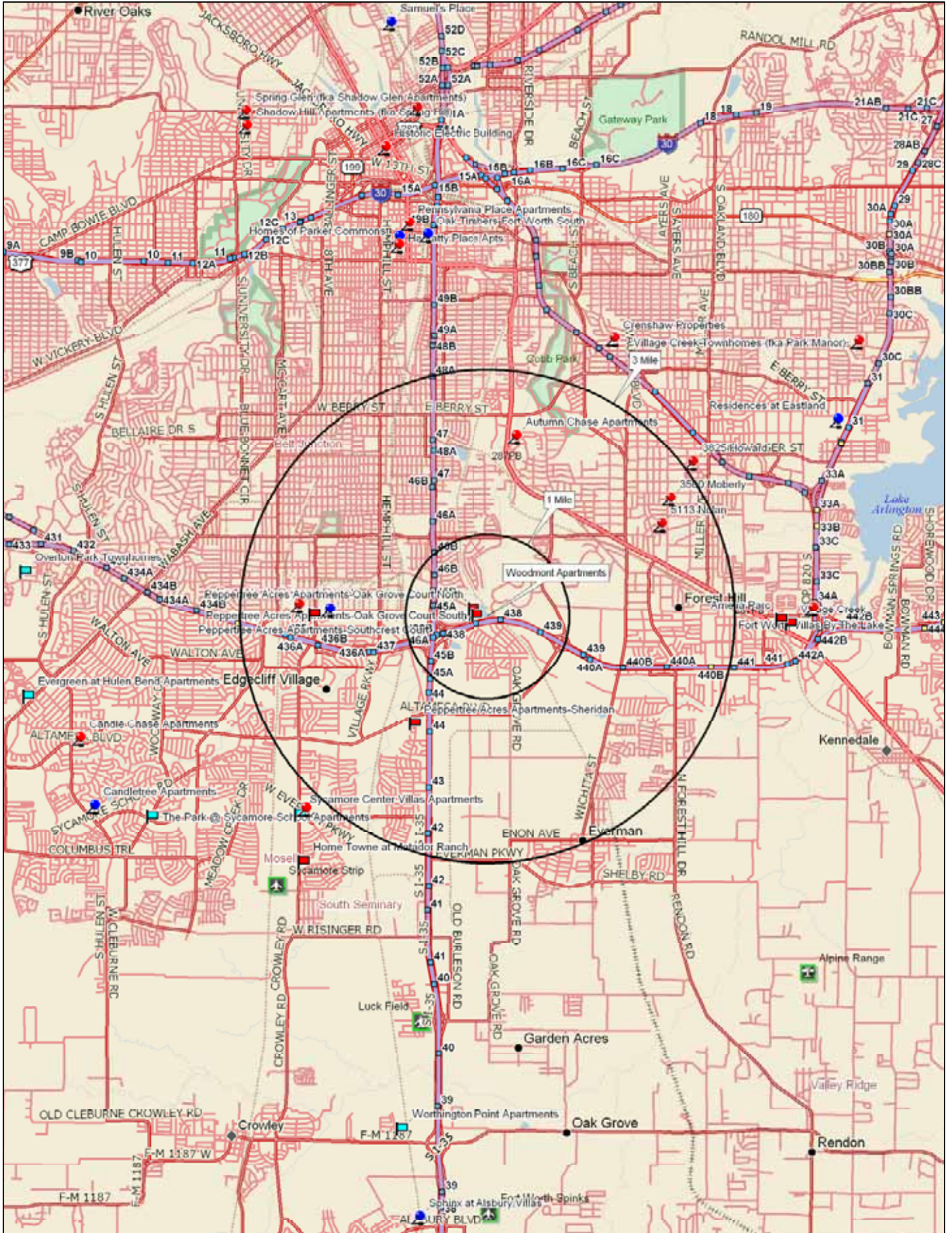
By: _____
Chairman, Governing Board

Attest: _____
Secretary to the Governing Board

EXHIBIT "A"

Description of each Owner and its Development

Project Name	Owner	Principals	Amount Not to Exceed
Woodmont Apartments	Woodmont Apartments, Ltd., or other entity	the General Partner of which is NRP Woodmont Apartments, LLC, or other entity	\$15,000,000
<p>Costs: (i) acquisition of real property located at approximately the Northeast corner of Oak Grove and Loop 820, Forth Worth, Tarrant County, Texas 76115; and (ii) the construction thereon of an approximately 252-unit multifamily residential rental housing development, in the amount not to exceed \$15,000,000.</p>			



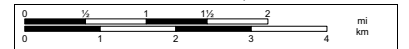
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Scale 1 : 100,000



1" = 1.58 mi Data Zoom 11-0

**HOME DIVISION
BOARD ACTION REQUEST
July 31, 2008**

Action Item

Presentation, Discussion and Possible Approval of HOME Investment Partnerships Program Award Recommendations.

Requested Action

Approve, Deny or Approve with Amendments the HOME Investment Partnerships Program Award Recommendations.

Background

Awards for contracts from all active Notices of Funding Availability (NOFAs), reflecting multiple activity types, are combined in this one action item.

All applications have been reviewed by the Portfolio Management and Compliance Division and no issues of material non-compliance, unresolved audit findings or questioned or disallowed costs have been identified.

DISASTER RELIEF PROGRAM

On June 16, 2007, Liberty County experienced severe storms, tornadoes and flooding which devastated certain areas of the County, including the City of Dayton. On August 21, 2007, Liberty County was included in federal disaster declaration FEMA-1709-DR TX. The availability of HOME disaster relief funds, available from the Department's deobligated HOME funds as permitted by the Deobligation Policy, was shared with the Liberty County Judge and technical assistance for completing an application was offered.

In accordance with 10 TAC §53.47(5), the applicant cannot be funded until 90 days have expired from the federal declaration date. The rule further states that applications will only be accepted within 6 months after assistance is made available. The deadline date to accept applications for this disaster declaration was May 19, 2008. The City of Dayton's application was received on May 29, 2008, 10 days past the deadline date. Since Liberty County was declared a federal disaster area, unmet housing need continues to exist as a result of the disaster, and deobligated funds are available, staff is requesting a waiver of the application deadline in 10 TAC §53.47(5) in order for the City of Dayton's application to be recommended for funding.

Staff recommends this award to the City of Dayton for \$500,000 with changes from the original request for 1) administrative funds reduced from \$20,000 to \$10,000, 2) the number of units

required increased from 6 to 7, and 3) Board approval to waive the application deadline date in 10 TAC §53.47(5).

Attached:

- Disaster Relief Award Recommendations; and,
- Disaster Relief Application Log.

HOMEBUYER ASSISTANCE PROGRAM

A Notice of Funding Availability (NOFA) for \$6 million for Homebuyer Assistance (HBA) was released in January 2008 with applications due by May 30, 2008.

The Homebuyer Assistance Program provides assistance to first time homebuyers earning 80 percent (80%) or less of the Area Median Family Income (AMFI) as defined by HUD, for downpayment and closing costs assistance. The amount of HOME HBA funds provided to any household shall not exceed the greater of six percent of the purchase price of the single family housing or \$10,000.

Of twenty two (22) applications received in response to the NOFA, 17 have been approved by the Board totaling \$3,776,081 in project funds, targeted to serve 401 households. A balance of \$2,223,919 of the original \$6 million remains available. One application is being reviewed and three applications are presented today for funding recommendations. Attached is an application log reflecting all applications received in response to this NOFA. Staff has provided a brief description of the applicants being recommended for an award below:

Organizacion Progresiva de San Elizario (OPSE) is a non-profit corporation dedicated to improving living conditions in the colonias of San Elizario, a rural community located on the outskirts of El Paso, Texas. Participating families build energy-efficient adobe homes through OPSE's self-help housing program, which began in 2002. The applicant is requesting \$110,000 and is proposing to assist 11 homebuyers.

El Paso Credit Union HOAP, Inc. is a 501(c)(3) nonprofit organization formed in 2001 by eight El Paso-based credit unions. This organization has established an Individual Development Account (IDA) program, a specialized savings account for closing cost assistance in which participants contribute \$2,000, which is matched by \$4,000, giving the participant \$6,000 in assistance. Over sixty households have participated in the IDA program. El Paso Credit Union HOAP, Inc. has developed community-oriented services that include bilingual financial education, homebuyer counseling, credit counseling, foreclosure prevention assistance, volunteer income tax preparation and innovative home mortgage loans through its sister organization El Paso Credit Union Affordable Housing LLC. The applicant is requesting \$300,000 and is proposing to assist 30 homebuyers in the rural areas of El Paso.

Hill Country Home Opportunity Council, Inc. was developed from a program the City of Kerrville formed 10 years ago. The Home Opportunity Advisory Board was established by the Kerrville City Council in 1997 to oversee the construction of a subdivision of new affordable single family homes. The entity is now a non-profit corporation specializing in affordable housing. Its stated mission is to help provide ownership of decent housing to low income people

of Kerr County and adjacent counties, provide housing education and ownership counseling through a community home ownership organization and to promote healthy communities that ultimately contribute to the economic development of the community. The applicant is requesting \$60,000 and is proposing to assist 6 homebuyers.

If the recommendations are approved, \$470,000 in project funds and \$6,800 in administrative funds will be awarded and the balance of \$1,753,919 may be utilized to consider an award recommendation for the remaining application under review. Any remaining balance will be returned to the balance of HOME funds available for programming.

Attached:

- 2007 HOME HBA NOFA – Award Recommendations; and,
- 2007 HOME HBA NOFA - Application Log.

TENANT-BASED RENTAL ASSISTANCE PROGRAM

A Notice of Funding Availability (NOFA) for \$3 million for Tenant Based Rental Assistance (TBRA) was released in January 2008 with applications due by May 30, 2008. The Tenant-Based Rental Assistance Program provides eligible households rental subsidies, including security and utility deposits to tenants, for up to 24 months and earning 80 percent (80%) or less of the Area Median Family Income (AMFI) as defined by HUD. Tenants must also participate in a self sufficiency program.

Of fourteen (14) applications received in response to the NOFA, 8 have been approved by the Board totaling \$1,614,762 in project funds, targeted to serve 163 households. A balance of \$1,385,238 of the original \$3 million remains available. Two applications are under review, and one application is being recommended for an award below:

Buckner Children and Family Services, Inc. dba Buckner Family Place, was originally founded as an orphanage in 1879. Buckner Children and Family Services, provides residential and community-based services. Services include child care centers, community counseling, residential group care, programs for single parents, adoption and maternity services and a camp in the Texas Hill Country. Buckner has operated the Family Place in Lufkin for over 10 years, working to eliminate barriers to economic self-sufficiency, including education, housing and transportation. Buckner also operates the Family Place in Midland and offers the same type services. Buckner has used the Department's TBRA program since 2000. The Applicant is requesting \$250,000 to assist 20 low-income households in the Lufkin area.

If the above recommendation is approved, \$250,000 in project funds and \$10,000 in administrative funds will be awarded and a balance of \$1,135,238 may be utilized to consider an award recommendation for the remaining applications under review. Any remaining balance will be returned to the balance of HOME funds available for programming.

Attached:

- 2007 HOME TBRA NOFA – Award Recommendation; and,
- 2007 HOME TBRA NOFA - Application Log.

RENTAL HOUSING DEVELOPMENT PROGRAM

A Notice of Funding Availability (NOFA) for \$15 million for Rental Housing Development was released in July 2007. In May 2008 the Board approved an increase of \$12,000,000 to the total amount of funds available under this NOFA. The NOFA allowed applicants to apply for funding on a statewide first-come, first-served basis and the application deadline was June 2, 2008. Of the 34 applications received, totaling \$30,232,226, three applications were withdrawn, three applications have been terminated, six applications were submitted requesting only HOME funds, two applications have been awarded, and twenty applications were submitted requesting both HOME and housing tax credits.

All applications being recommended for funding have completed all three phases of the application review process. Applications that are layered with an application for housing tax credits but for which a credit allocation is not being recommended are not being recommended for a HOME award.

The Real Estate Analysis (REA) Division has evaluated the applications and the underwriting reports are included in the Housing Tax Credit action item in today's board book.

If the above recommendation is approved \$11,461,223 in project funds will be awarded and a balance of \$11,169,797 remains in the NOFA to consider for award recommendations for HOME only funding requests that are currently under review. Any unawarded balance of funds will be transferred to the 2008 Rental Housing Development NOFA in October 2008.

Attached:

- HOME Rental Housing Development Program Award Recommendations; and,
- HOME Rental Housing Development Program Application Log.

COMMUNITY HOUSING DEVELOPMENT ORGANIZATION (CHDO) RENTAL HOUSING DEVELOPMENT PROGRAM

A Notice of Funding Availability (NOFA) for \$6 million for Community Housing Development Organization (CHDO) Rental Housing Development was released in July 2007. In May 2008 the Board approved an increase of \$6 million to the NOFA. The NOFA allowed applicants to apply for funding on a statewide first-come, first-served basis and the application deadline was June 2, 2008. Of the 9 applications received, totaling \$19,087,858, one application has been awarded. The remaining 8 applications were submitted requesting both HOME and housing tax credits.

All applications being recommended for funding have completed all three phases of the application review process. Applications that are layered with an application for housing tax credits but for which a credit allocation is not being recommended are not being recommended for a HOME award.

The Real Estate Analysis (REA) Division has evaluated the applications and the underwriting reports are included in the Housing Tax Credit action item in today's board book.

If the above recommendation is approved \$7,550,000 in project funds will be awarded and \$50,000 in CHDO operating expenses fund will be awarded and a balance of \$2,506,118 remains in the NOFA to consider for award recommendations for HOME only funding requests that are currently under review. Any unawarded balance of funds will be transferred to the 2008 Rental Housing Development CHDO NOFA in October 2008.

Attached:

- HOME CHDO Rental Housing Development Program Award Recommendations; and,
- HOME CHDO Rental Housing Development Program Application Log.

***RENTAL HOUSING DEVELOPMENT PROGRAM FOR
PERSONS WITH DISABILITIES***

A Notice of Funding Availability (NOFA) for \$1,675,307 for Rental Housing Development for Persons with Disabilities was approved by the Board in June 2008. The NOFA allowed applicants to apply for funding on a statewide first-come, first-served basis and the application deadline is October 3, 2008. One application has been received requesting both HOME and housing tax credits.

The application being recommended for funding has completed all three phases of the application review process.

The Real Estate Analysis (REA) Division has evaluated the application and the underwriting report is included in the Housing Tax Credit action item in today's board book.

If the above recommendation is approved \$426,145 in project funds will be awarded and a balance of \$1,249,162 remains in the NOFA to consider for future applications and award recommendation.

Attached:

- HOME Rental Housing Development Program for Persons with Disabilities Award Recommendations; and,
- HOME Rental Housing Development Program for Persons with Disabilities Application Log.

Recommendation

Staff recommends that the Board approve all of the following awards as detailed in the Award Logs attached:

- Disaster Relief Award for the City of Dayton with 2% of project funds awarded for program administration and waiver of the application deadline in 10 TAC §53.47(5).

- HBA Awards for Organization Progressiva de San Elizario, El Paso Credit Union HOAP Inc., and Hill Country Home Opportunity Council, Inc. with 4% of total project funds awarded for program administration.
- TBRA Award for Buckner Children and Family Services, dba Buckner Family Place with 4% of total project funds awarded for program administration.
- Rental Housing Development Awards totaling \$11,461,223 for Constitution Court, Bracketville Seniors Apartments, Fredericksburg Seniors Apartments, Cambridge Crossing, Fairwood Commons Seniors Apartments, First Huntington Arms, Jourdanton Square Apartments, Brookhollow Manor, Northview Apartments, Quail Run Apartments, Chisum Trail Apartments, Whispering Oaks Apartments, Prairie Village Apartments, and SilverLeaf at Chandler.
- CHDO Rental Housing Development Awards totaling \$7,550,000 and one CHDO operating expenses award for \$50,000 for Creekside Villas Senior Village, Lexington Court Phase II, Evergreen at The Colony, and American GI Forum Village I & II.
- Rental Housing Development for Persons with Disabilities Awards totaling \$426,145 for St. Charles Place.

HOME Disaster Relief Fund Award Recommendations

Sorted by date/time received

App number	Received Date	Time Received	Applicant	Region	Project Funds Recommended	Admin Funds Recommended	Total Units
2008-0056	5/29/2008	4:06 PM	City of Dayton	6	\$500,000	\$10,000	7
<i>Total Recommended:</i>					\$500,000	\$10,000	7

HOME Disaster Relief Fund - Application Log

Sorted by date/time received

Total NOFA Amount - \$6,800,000

***Total Amount Available: \$4,300,000**

App number	Received Date	Time Received	Applicant	Region	Project Funds Requested	Admin Funds Requested	Total Units	Project Funds Awarded and/or Recommended	Admin Funds Awarded and/or Recommended	Total Units	Comments
2008-0001	2/1/2008	8:23 AM	Crystal City	11	\$500,000	\$20,000	9	\$500,000	\$10,000	9	Awarded 3/13/2008
2008-0010	2/18/2008	11:36 AM	City of Ames	6	\$500,000	\$20,000	6	\$500,000	\$10,000	7	Awarded 5/8/2008
2008-0009	2/19/2008	9:30 AM	City of Cleveland	6	\$500,000	\$20,000	6	\$500,000	\$10,000	7	Awarded 5/8/2008
2008-0011	2/20/2008	10:27 AM	Liberty County	6	\$500,000	\$20,000	5	\$500,000	\$10,000	7	Awarded 5/8/2008
2008-0029	3/27/2008	11:15 AM	Baylor County	3	\$500,000	\$20,000	10	\$500,000	\$10,000	10	Awarded 5/8/2008
2008-0056	5/29/2008	4:06 PM	City of Dayton	6	\$500,000	\$20,000	6	\$500,000	\$10,000	7	Pending Award
Totals:					\$3,000,000	\$120,000	42	\$3,000,000	\$60,000	47	

**This amount reflects \$6,800,000 in funds made available in the NOFA less awards approved by the Board.*

2007 HOME HBA NOFA Award Recommendations

Sorted by date/time received

App number	Received Date	Time Received	Applicant	Region	Project Funds Recommended	Admin Funds Recommended	Total Units	Comments
2008-0033	4/21/2008	12:00 PM	Organizacion Progresiva De San Elizario	13	\$110,000	\$4,400	11	Pending Award
2008-0057	5/29/2008	4:03 PM	El Paso Credit Union HOAP Inc.	13	\$300,000	\$0	30	Pending Award
2008-0054	5/30/2008	2:01 PM	Hill Country Home Opportunity Council, Inc.	9	\$60,000	\$2,400	6	Pending Award
<i>Total Recommended:</i>					\$470,000	\$6,800	47	

2007 HOME HBA NOFA - Application Log

Sorted by date/time received

Total NOFA Amount - \$6,000,000

****Total Amount Available: \$2,223,919***

App number	Received Date	Time Received	Applicant	Region	Project Funds Requested	Admin Funds Requested	Total Units	Project Funds Awarded and/or Recommended	Admin Funds Awarded and/or Recommended	Total Units	Comments
2008-0006	1/2/2008	12:00 PM	El Paso Collaborative for Community and Economic Development	13	\$192,014	\$8,001	20	\$200,000	\$8,000	20	Awarded 5/8/2008
2008-0008	1/15/2008	3:13 PM	Southeast Texas HFC	6	\$174,842	\$6,993	18	\$174,842	\$6,994	18	Awarded 5/8/2008
2008-0003	2/7/2008	12:00 PM	Cameron County Housing Finance Corporation	11	\$300,000	\$12,000	30	\$300,000	\$12,000	30	Awarded 5/8/2008
2008-0004	2/7/2008	12:00 PM	City Of Paris	4	\$200,000	\$8,000	20	\$200,000	\$8,000	20	Awarded 5/8/2008
2008-0002	2/7/2008	12:00 PM	Community Development Corporation of Brownsville	11	\$300,000	\$12,000	30	\$300,000	\$12,000	30	Awarded 5/8/2008
2008-0005	2/14/2008	12:00 PM	Southeast Texas HFC	6	\$251,239	\$10,049	28	\$251,239	\$10,050	28	Awarded 5/8/2008
2008-0012	2/27/2008	12:12 PM	San Benito Housing Authority	11	\$300,000	\$12,000	30	\$300,000	\$12,000	30	Awarded 5/8/2008
2008-0013	2/27/2008	1:42 PM	City of Hughes Springs	4	\$150,000	\$6,000	15	\$150,000	\$6,000	15	Awarded 5/8/2008
2008-0014	2/28/2008	10:22 AM	City of Nash	4	\$250,000	\$10,000	25	\$250,000	\$10,000	25	Awarded 5/8/2008
2008-0015	2/28/2008	10:27 AM	Travis County Housing Finance Corporation	7	\$300,000	\$12,000	40	\$300,000	\$12,000	40	Awarded 5/8/2008
2008-0017	2/29/2008	8:51 AM	City of Midland	12	\$100,000	\$4,000	10	\$100,000	\$4,000	10	Awarded 5/8/2008

**This amount reflects \$6,000,000 in funds made available in the NOFA less awards approved by the Board.*

App number	Received Date	Time Received	Applicant	Region	Project Funds Requested	Admin Funds Requested	Total Units	Project Funds Awarded and/or Recommended	Admin Funds Awarded and/or Recommended	Total Units	Comments
2008-0018	2/29/2008	9:37 AM	City of Bay City	6	\$250,000	\$10,000	25	\$250,000	\$10,000	25	Awarded 5/8/2008
2008-0019	2/29/2008	10:42 AM	Temple Housing Authority	8	\$120,000	\$4,800	12	\$120,000	\$4,800	12	Awarded 5/8/2008
2008-0023	3/3/2008	3:28 PM	City of McKinney	3	\$300,000	\$12,000	40	\$300,000	\$12,000	40	Awarded 5/8/2008
2008-0030	4/1/2008	2:49 PM	City of Terrell	3	\$200,000	\$12,000	20	\$200,000	\$8,000	20	Awarded 5/8/2008
2008-0032	4/17/2008	10:45 AM	FUTURO Communities, Inc.	11	\$300,000	\$12,000	30	\$0	\$0	0	Under Review
2008-0033	4/21/2008	12:00 PM	Organizacion Progresiva De San Elizario	13	\$110,000	\$4,400	11	\$110,000	\$4,400	11	Pending Award
2008-0034	4/22/2008	12:00 PM	Community Council of Southwest Texas, Inc.	11	\$500,000	\$20,000	50				Terminated
2008-0035	4/29/2008	3:49 PM	Midland Habitat for Humanity	12	\$80,000	\$3,200	8	\$80,000	\$3,200	8	Awarded 6/26/2008
2008-0045	5/19/2008	12:37 PM	City of La Feria	11	\$300,000	\$12,000	30	\$300,000	\$12,000	30	Awarded 6/26/2008
2008-0057	5/29/2008	4:03 PM	El Paso Credit Union HOAP Inc.	13	\$300,000	\$0	30	\$300,000	\$0	30	Pending Award
2008-0054	5/30/2008	2:01 PM	Hill Country Home Opportunity Council, Inc.	9	\$60,000	\$2,400	6	\$60,000	\$2,400	6	Pending Award
Totals:					\$5,038,095	\$193,843	528	\$4,246,081	\$157,844	448	

**This amount reflects \$6,000,000 in funds made available in the NOFA less awards approved by the Board.*

2007 HOME TBRA NOFA Award Recommendations

Sorted by date/time received

App number	Received Date	Time Received	Applicant	Region	Project Funds Recommended	Admin Funds Recommended	Total Units	Comments
2008-0046	5/7/2008	12:00 PM	Buckner Children & Family Services, Inc. dba Buckner Family Place	5	\$250,000	\$10,000	20	Pending Award
<i>Total Recommended:</i>					\$250,000	\$10,000	20	

2007 HOME TBRA NOFA - Application Log

Sorted by date/time received

Total NOFA Amount - \$3,000,000

***Total Amount Available: \$1,385,238**

App number	Received Date	Time Received	Applicant	Region	Project Funds Requested	Admin Funds Requested	Total Units	Project Funds Awarded and/or Recommended	Admin Funds Awarded and/or Recommended	Total Units	Comments
2008-0007	2/15/2008	12:00 PM	Ellis Community Resources Inc.	9	\$300,000	\$12,000	28	\$300,000	\$12,000	28	Awarded 5/8/2008
2008-0016	2/28/2008	12:34 PM	Spindletop MHMR Services	5	\$163,700	\$6,548	25	\$163,700	\$6,548	25	Awarded 5/8/2008
2008-0024	3/17/2008	2:08 PM	Affordable Caring Housing, Inc.	4	\$152,472	\$6,099	15	\$152,472	\$6,099	15	Awarded 5/8/2008
2008-0025	3/18/2008	1:13 PM	Special Health Resource for Texas, Inc.	4	\$300,000	\$12,000	30	\$300,000	\$12,000	30	Awarded 5/8/2008
2008-0027	3/24/2008	10:43 AM	Affordable Caring Housing, Inc.	3	\$42,864	\$1,715	4	\$42,864	\$1,715	4	Awarded 5/8/2008
2008-0028	3/24/2008	3:07 PM	Affordable Caring Housing, Inc.	6	\$68,376	\$2,735	7	\$68,376	\$2,735	7	Awarded 5/8/2008
2008-0042	5/6/2008	4:58 PM	Christian Community Action	3	\$300,000	\$12,000	22	\$300,000	\$12,000	22	Awarded 6/26/2008
2008-0046	5/7/2008	12:00 PM	Buckner Children & Family Services, Inc. dba Buckner Family Place	5	\$250,000	\$10,000	20	\$250,000	\$10,000	20	Pending Award
2008-0047	5/15/2008	12:00 PM	Affordable Housing of Parker County, Inc.	3	\$217,800	\$8,712	15				Terminated
2008-0049	5/27/2008	10:35 AM	Combined Community Action, Inc.	7	\$150,000	\$6,000	15				Terminated

**This amount reflects \$3,000,000 in funds made available in the NOFA less awards approved by the Board.*

App number	Received Date	Time Received	Applicant	Region	Project Funds Requested	Admin Funds Requested	Total Units	Project Funds Awarded and/or Recommended	Admin Funds Awarded and/or Recommended	Total Units	Comments
2008-0050	5/27/2008	10:48 AM	Combined Community Action, Inc.	6	\$80,000	\$3,200	10				Terminated
2008-0053	5/28/2008	10:05 AM	Burke Center	5	\$287,350	\$11,494	32	\$287,350	\$11,494	32	Awarded 6/26/2008
2008-0059	5/29/2008	10:08 AM	Center for Health Care Services	9	\$274,500	\$10,980	12				Under Review
2008-0055	5/29/2008	10:08 AM	Center for Health Care Services	9	\$274,500	\$10,980	12				Under Review
Totals:					\$2,861,562	\$114,463	247	\$1,864,762	\$74,591	183	

**This amount reflects \$3,000,000 in funds made available in the NOFA less awards approved by the Board.*

**HOME Rental Housing Development Program Award Recommendations
Sorted by Date and Time Received**

Thursday, July 24, 2008

File #	Region	Received By:		Development Name	City	Housing Actvty(1)	HOME Units	Total Units	Target(2) Population	Layering (3)			Requested Project Funds	Recommended Project Funds	Status
		Date	Time							9%	4%	HTF			
08257	8	11/20/2007	3:10 PM	Constitution Court	Copperas Cove	NC	45	108	General	Yes	No	No	\$2,900,000	\$2,900,000	HOME award contingent upon an allocation of HTC
08325	11	2/25/2008	1:27 PM	Bracketville Seniors Apartments	Bracketville	R	32	32	Elderly	No	No	No	\$875,973	\$875,973	Pending Award
08324	9	2/25/2008	1:33 PM	Fredericksburg Seniors Apartments	Fredericksburg	NC	47	48	Elderly	No	No	No	\$1,234,674	\$1,234,674	Pending Award
08264	3	2/28/2008	9:17 AM	Cambridge Crossing	Corsicana	NC	12	60	Elderly	Yes	No	No	\$420,000	\$420,000	HOME award contingent upon an allocation of HTC
08229	7	2/28/2008	1:40 PM	Fairwood Commons Senior Apartments	Bastrop	NC	14	66	Elderly	Yes	No	No	\$600,000	\$600,000	HOME award contingent upon an allocation of HTC
08201	5	2/29/2008	10:24 AM	First Huntington Arms	Huntington	R	8	40	General	Yes	No	No	\$555,212	\$555,212	HOME award contingent upon an allocation of HTC
08130	9	2/29/2008	12:27 PM	Jourdanton Square Apartments	Jourdanton	R	11	52	General	Yes	No	No	\$437,274	\$437,274	HOME award contingent upon an allocation of HTC
08106	6	2/29/2008	1:23 PM	Brookhollow Manor	Brookshire	R	48	48	General	Yes	No	No	\$630,000	\$630,000	HOME award contingent upon an allocation of HTC
08220	4	2/29/2008	1:31 PM	Northview Apartments	Kilgore	R	72	72	Intg.	Yes	No	No	\$760,000	\$760,000	HOME award contingent upon an allocation of HTC

1 = Housing Activity: New Construction=NC, Rehabilitation = R

2 = Target Population Abbreviation: Intergenerational=Intg

3 = Layering of Other Department Applications: 9%=9% Competitive Tax Credits, 4%=4% Tax Credit Program, HTF = Housing Trust Fund

File #	Region	Received By:		Development Name	City	Housing Actvty(1)	HOME Units	Total Units	Target(2) Population	Layering (3)			Requested Project Funds	Recommended Project Funds	Status	
		Date	Time							9%	4%	HTF				
08215	3	2/29/2008	1:33 PM	Quail Run Apartments	Decatur	R	40	40	General	Yes	No	No	\$400,000	\$400,000	HOME award contingent upon an allocation of HTC	
08216	3	2/29/2008	1:39 PM	Chisum Trail Apartments	Sanger	R	40	40	General	Yes	No	No	\$450,000	\$450,000	HOME award contingent upon an allocation of HTC	
08226	8	3/26/2008	2:30 PM	Whispering Oaks Apartments	Goldthwaite	R	24	24	Elderly	Yes	No	No	\$210,000	\$210,000	HOME award contingent upon an allocation of HTC	
08296	8	3/26/2008	2:32 PM	Prairie Village Apartments	Rogers	R	24	24	General	Yes	No	No	\$330,000	\$330,000	HOME award contingent upon an allocation of HTC	
08157	4	3/28/2008	4:44 PM	SilverLeaf at Chandler	Chandler	NC	17	80	Elderly	Yes	No	No	\$1,658,090	\$1,658,090	HOME award contingent upon an allocation of HTC	
Total HOME Applications							14	Unit Totals:		434	734	Fund Totals:		\$11,461,223	\$11,461,223	

1 = Housing Activity: New Construction=NC, Rehabilitation = R

2 = Target Population Abbreviation: Intergenerational=Intg

3 = Layering of Other Department Applications: 9%=9% Competitive Tax Credits, 4%=4% Tax Credit Program, HTF = Housing Trust Fund

**HOME Rental Housing Development Program - Application Log
Sorted by Date and Time Received**

Thursday, July 24, 2008

Total Amended NOFA Amount - \$27,000,000

***Funds Available: \$22,631,020**

File #	Region	Received By:		Development Name	City	Housing Actvty(1)	HOME Units	Total Units	Target(2) Population	Layering (3)			Requested Project Funds	Awarded and/or Recommended Project Funds	Status
		Date	Time							9%	4%	HTF			
08405	7	11/8/2007	4:49 PM	Sierra Ridge Apartments	Georgetown	NC	16	188	General	No	Yes	No	\$2,000,000		Under Review
08257	8	11/20/2007	3:10 PM	Constitution Court	Copperas Cove	NC	45	108	General	Yes	No	No	\$2,900,000	\$2,900,000	HOME award contingent upon an allocation of HTC
07346	7	12/13/2007	12:00 PM	Creek View Apartments	Johnson City	NC	28	28	Family	No	No	Yes	\$3,250,000	\$3,250,000	Awarded
08406	3	2/8/2008	2:32 PM	Woodland Park at Weatherford	Weatherford	NC	17	76	General	No	Yes	No	\$1,000,000		Terminated
08407	3	2/8/2008	2:33 PM	Woodland Park at Decatur	Decatur	NC	15	72	Elderly	No	Yes	No	\$1,000,000		Terminated
08325	11	2/25/2008	1:27 PM	Brackettville Seniors Apartments	Brackettville	R	32	32	Elderly	No	No	No	\$875,973	\$875,973	Pending Award
08324	9	2/25/2008	1:33 PM	Fredericksburg Seniors Apartments	Fredericksburg	NC	47	48	Elderly	No	No	No	\$1,234,674	\$1,234,674	Pending Award
08256	3	2/27/2008	3:25 PM	Westway Place	Corsicana	NC	16	40	General	Yes	No	No	\$500,000		Not being recommended for HTC allocation

1 = Housing Activity: New Construction=NC, Rehabilitation = R

2 = Target Population Abbreviation: Intergenerational=Intg

3 = Layering of Other Department Applications: 9%=9% Competitive Tax Credits, 4%=4% Tax Credit Program, HTF = Housing Trust Fund

* This amount reflects \$27,000,000 in funds made available in the NOFA less awards approved by the board.

File #	Region	Received By:		Development Name	City	Housing Actvty(1)	HOME Units	Total Units	Target(2) Population	Layering (3)			Requested Project Funds	Awarded and/or Recommended Project Funds	Status
		Date	Time							9%	4%	HTF			
08255	3	2/27/2008	3:31 PM	West Park Senior Housing	Corsicana	NC	25	48	Elderly	Yes	No	No	\$400,000		Not being recommended for HTC allocation
08264	3	2/28/2008	9:17 AM	Cambridge Crossing	Corsicana	NC	12	60	Elderly	Yes	No	No	\$420,000	\$420,000	HOME award contingent upon an allocation of HTC
08229	7	2/28/2008	1:40 PM	Fairwood Commons Senior Apartments	Bastrop	NC	14	66	Elderly	Yes	No	No	\$600,000	\$600,000	HOME award contingent upon an allocation of HTC
08266	10	2/29/2008	9:22 AM	Hillcrest at Galloway	Beeville	NC	11	48	General	Yes	No	No	\$1,200,000		Withdrawn
08201	5	2/29/2008	10:24 AM	First Huntington Arms	Huntington	R	8	40	General	Yes	No	No	\$555,212	\$555,212	HOME award contingent upon an allocation of HTC
08263	7	2/29/2008	11:54 AM	Villas at Lost Pines	Bastrop	NC	13	66	Elderly	Yes	No	No	\$1,100,000	\$0	Not being recommended for HTC allocation
08326	11	2/29/2008	12:16 PM	Buena Vida Apartments	La Feria	R	54	58	Elderly	No	No	No	\$1,160,000	\$1,118,980	Awarded
08130	9	2/29/2008	12:27 PM	Jourdanton Square Apartments	Jourdanton	R	11	52	General	Yes	No	No	\$437,274	\$437,274	HOME award contingent upon an allocation of HTC
08106	6	2/29/2008	1:23 PM	Brookhollow Manor	Brookshire	R	48	48	General	Yes	No	No	\$630,000	\$630,000	HOME award contingent upon an allocation of HTC
08220	4	2/29/2008	1:31 PM	Northview Apartments	Kilgore	R	72	72	Intg.	Yes	No	No	\$760,000	\$760,000	HOME award contingent upon an allocation of HTC

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File #	Region	Received By:		Development Name	City	Housing Actvty(1)	HOME Units	Total Units	Target(2) Population	Layering (3)			Requested Project Funds	Awarded and/or Recommended Project Funds	Status
		Date	Time							9%	4%	HTF			
08215	3	2/29/2008	1:33 PM	Quail Run Apartments	Decatur	R	40	40	General	Yes	No	No	\$400,000	\$400,000	HOME award contingent upon an allocation of HTC
08216	3	2/29/2008	1:39 PM	Chisum Trail Apartments	Sanger	R	40	40	General	Yes	No	No	\$450,000	\$450,000	HOME award contingent upon an allocation of HTC
08213	2	2/29/2008	1:50 PM	Stamford Place Apartments	Stamford	R	40	40	General	Yes	No	No	\$530,000		Withdrawn
08120	8	2/29/2008	2:55 PM	Applewood Apartments, LP	West	R	24	24	Elderly	Yes	No	No	\$335,957		Not being recommended for HTC allocation
08121	8	2/29/2008	3:01 PM	Cherrywood Apartments	West	R	20	20	Elderly	Yes	No	No	\$241,301		Not being recommended for HTC allocation
08118	6	2/29/2008	3:20 PM	Gardenwood Apartments	Magnolia	R	0	36	General	Yes	No	No	\$620,000		Withdrawn
08181	7	3/6/2008	2:40 PM	Park Ridge Apartments	Llano	NC	8	64	General	Yes	No	No	\$350,000		Not being recommended for HTC allocation
08154	3	3/26/2008	2:12 PM	Mineral Wells Pioneer Crossing	Mineral Wells	NC	16	80	General	Yes	No	No	\$625,000		Not being recommended for HTC allocation
08225	2	3/26/2008	2:29 PM	Oakwood Apartments	Brownwood	R	47	48	General	Yes	No	No	\$250,000		Not being recommended for HTC allocation
08226	8	3/26/2008	2:30 PM	Whispering Oaks Apartments	Goldthwaite	R	24	24	Elderly	Yes	No	No	\$210,000	\$210,000	HOME award contingent upon an allocation of HTC

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File #	Region	Received By:		Development Name	City	Housing Actvty(1)	HOME Units	Total Units	Target(2) Population	Layering (3)			Requested Project Funds	Awarded and/or Recommended Project Funds	Status	
		Date	Time							9%	4%	HTF				
08296	8	3/26/2008	2:32 PM	Prairie Village Apartments	Rogers	R	24	24	General	Yes	No	No	\$330,000	\$330,000	HOME award contingent upon an allocation of HTC	
08297	3	3/26/2008	2:33 PM	St. Charles Place	Crowley	R	9	52	General	Yes	No	No	\$650,000		Terminated	
08157	4	3/28/2008	4:44 PM	SilverLeaf at Chandler	Chandler	NC	17	80	Elderly	Yes	No	No	\$1,658,090	\$1,658,090	HOME award contingent upon an allocation of HTC	
08328	3	5/30/2008	2:14 PM	Estates at Northside	Pilot Point	NC	32	32	Elderly	No	No	No	\$2,283,745		Under Review	
08329	3	6/2/2008	3:37 PM	Meadowlake Village Apartments	Mabank	R	40	40	General	No	No	No	\$500,000		Under Review	
08330	8	6/2/2008	4:00 PM	Holland House Apartments	Holland	R	68	68	General	No	No	No	\$775,000		Under Review	
Total HOME Applications:							34	Unit Totals:		933	1,862	Fund Totals:		\$30,232,226	\$15,830,203	

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HOME CHDO Rental Housing Development Program - Award Recommendations

Sorted by Date and Time Received

Thursday, July 24, 2008

File #	Region	Received By:		Development Name	City	Housing Actvty(1)	HOME Units	Total Units	Target(2) Population	Layering (3)			Rqstd. Project Funds	Rqstd. CHDO Op. Funds	Awarded and/or Recommended Project Funds	Awarded and/or Recommended CHDO Op. Funds	Status
		Date	Time							9%	4%	HTF					
08253	7	2/28/2008	2:58 PM	Creekside Villas Senior Village	Buda	NC	11	144	Elderly	Yes	No	No	\$1,200,000	\$0	\$1,200,000	\$0	HOME award contingent upon an allocation of HTC
08258	4	2/29/2008	2:12 PM	Lexington Court Phase II	Kilgore	NC	34	76	General	Yes	No	No	\$2,600,000	\$50,000	\$2,600,000	\$50,000	HOME award contingent upon an allocation of HTC
08223	3	2/29/2008	4:22 PM	Evergreen at The Colony	The Colony	NC	29	145	Elderly	Yes	No	No	\$3,000,000	\$0	\$3,000,000	\$0	HOME award contingent upon an allocation of HTC
08149	10	4/9/2008	1:34 PM	American GI Forum Village I & II	Robstown	R	19	76	General	Yes	No	No	\$750,000	\$0	\$750,000	\$0	HOME award contingent upon an allocation of HTC
Total HOME Applications		4		Unit Totals:			93	441	Fund Totals:			\$7,550,000	\$50,000	\$7,550,000	\$50,000		

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**HOME CHDO Rental Housing Development Program- Application Log
Sorted by Date and Time Received**

Thursday, July 24, 2008

*Funds Available: \$2,506,118

File #	Region	Received By:		Development Name	City	Housing Actvty(1)	HOME Units	Total Units	Target(2) Population	Layering (3)			Rqstd. Project Funds	Rqstd. CHDO Op. Funds	Awarded and/or Recommended Project Funds	Awarded and/or Recommended CHDO Op. Funds	Status
		Date	Time							9%	4%	HTF					
07347	9	12/20/2007	10:06 AM	Floresville Senior Village	Floresville	NC	24	24	Elderly	No	No	No	\$2,037,858	\$50,000	\$1,943,882	\$50,000	Awarded
08253	7	2/28/2008	2:58 PM	Creekside Villas Senior Village	Buda	NC	11	144	Elderly	Yes	No	No	\$1,200,000	\$0	\$1,200,000	\$0	HOME award contingent upon an allocation of HTC
08258	4	2/29/2008	2:12 PM	Lexington Court Phase II	Kilgore	NC	34	76	General	Yes	No	No	\$2,600,000	\$50,000	\$2,600,000	\$50,000	HOME award contingent upon an allocation of HTC
08203	3	2/29/2008	4:07 PM	Evergreen at Forney	Forney	NC	25	80	Elderly	Yes	No	No	\$3,000,000	\$0			Not being recommended for HTC allocation
08222	3	2/29/2008	4:13 PM	Evergreen at Vista Ridge	Lewisville	NC	25	95	Elderly	Yes	No	No	\$3,000,000	\$0	\$0	\$0	Under Review
08223	3	2/29/2008	4:22 PM	Evergreen at The Colony	The Colony	NC	29	145	Elderly	Yes	No	No	\$3,000,000	\$0	\$3,000,000	\$0	HOME award contingent upon an allocation of HTC
08249	3	3/11/2008	3:29 PM	Terrell Senior Terraces III	Terrell	NC	0	80	Elderly	Yes	No	No	\$500,000	\$16,500			Not being recommended for HTC allocation
08327	3	3/18/2008	4:45 PM	Ennis Family and Senior Estates	Ennis	NC	0	252	Intg.	No	No	No	\$3,000,000	\$50,000	\$0	\$0	Not being recommended for HTC allocation

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* This amount reflects \$16,000,000 in funds made available in the NOFA less awards approved b

File #	Region	Received By:		Development Name	City	Housing Actvty(1)	HOME Units	Total Units	Target(2) Population	Layering (3)			Rqstd. Project Funds	Rqstd. CHDO Op. Funds	Awarded and/or Recommended Project Funds	Awarded and/or Recommended CHDO Op. Funds	Status
		Date	Time							9%	4%	HTF					
08149	10	4/9/2008	1:34 PM	American GI Forum Village I & II	Robstown	R	19	76	General	Yes	No	No	\$750,000	\$0	\$750,000	\$0	HOME award contingent upon an allocation of HTC
Total HOME Applications		9		Unit Totals:			167	972	Fund Totals:			\$19,087,858	\$166,500	\$9,493,882	\$100,000		

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**HOME Rental Housing Development Program for Persons with Disabilities- Award Recommendation
Sorted by Date and Time Received**

Thursday, July 24, 2008

File #	Region	Received By:		Development Name	City	Housing Actvty(1)	HOME Units	Total Units	Target(2) Population	Layering (3)			Requested Project Funds	Requested CHDO Operating Funds	Awarded and/or Recommended Project Funds	Awarded and/or Recommended CHDO Op. Funds	Status
		Date	Time							9%	4%	HTF					
08332	3	7/23/2008	4:11 PM	St. Charles Place	Crowley	R	9	52	General	No	No	No	\$426,145	0	\$426,145	0	Pending Award
Total HOME Applications		1		Unit Totals:			9	52	Fund Totals:			\$426,145	\$0	\$426,145	\$0		

**HOME Rental Housing Development Program for Persons with Disabilities - Application Log
Sorted by Date and Time Received**

Thursday, July 24, 2008

NOFA Amount - \$1,675,307

File #	Region	Received By:		Development Name	City	Housing Actvty(1)	HOME Units	Total Units	Target(2) Population	Layering (3)			Requested Project Funds	Awarded and/or Recommended Project Funds	Status
		Date	Time							9%	4%	HTF			
08332	3	7/23/2008	4:11 PM	St. Charles Place	Crowley	R	9	52	General	No	No	No	\$426,145	\$426,145	Pending Award
Total HOME Applications:		1		Unit Totals:			9	52	Fund Totals:			\$426,145	\$426,145		

HOME DIVISION
BOARD ACTION REQUEST
July 31, 2008

Action Item

Presentation, Discussion and Possible Approval of the HOME Investment Partnerships Program 2008 Single Family Notice of Funding Availability (NOFA).

Requested Action

Approve, Deny or Approve with Amendments the HOME Investment Partnerships Program 2008 Single Family Notice of Funding Availability (NOFA).

Background

On March 24, 2008, the Department received its Funding Approval and Grant Agreement from the U.S. Department of Housing and Urban Development. The approval and agreement included \$40,043,225 for the Department's Program Year 2008 allocation of the HOME Investment Partnerships Program. The Department's approved 2008 Consolidated Annual Action Plan included approximately \$23,034,118 allocated for single family programs including \$16,123,882 allocated for Owner-Occupied Housing Assistance, \$3,455,118 dedicated to Tenant-Based Rental Assistance, and \$3,455,118 allocated for Homebuyer Assistance.

As proposed, the NOFA makes funds available to eligible applicants to provide assistance to income eligible households with either assistance for the rehabilitation or reconstruction of owner occupied housing units, rental subsidy, or downpayment assistance. As required by §2306.1115 Texas Government Code, these funds are subject to the Regional Allocation Formula (RAF). Funds will be available through the RAF on a first-come, first-served basis until Wednesday, October 15, 2008. On Thursday, October 16, 2008 funds for each HOME Program Activity not requested through the RAF, will be made available statewide in its respective program activity until Thursday, January 15, 2009. On Friday, January 16, 2009, all remaining funds will be available on an ongoing basis for any activity statewide until the earlier of the award of all funds or Thursday, April 30, 2009.

The availability and use of these funds are subject to the Department's HOME Program Rule (Title 10 Texas Administrative Code Chapter 53) and the federal regulations governing the HOME Program (24 CFR Part 92). An open application cycle method will be used to process applications received in response to this NOFA. Requirements of the Regional Allocation Formula will be utilized in prioritizing funding recommendations.

In efforts to prevent predatory lending and foreclosures and as supported by HUD, staff recommends imposing the following first lien mortgage financing requirements for households receiving Homebuyer Assistance:

- No adjustable rate mortgages (ARMs);
- No mortgage loans where the loan to value is equal to or greater than 100%;

- No subprime mortgage loans;
- An origination fee and fees associated with the first lien mortgage loan may not exceed 2% of the loan amount; and
- The debt to income ratio (back-end ratio) may not exceed 45%.

All applications will be required to meet a minimum threshold score and threshold criteria in which are established in order to incentivize applicants to provide eligible match or target lower income households.

The proposed NOFA is attached to this action item.

Recommendation

Staff recommends approval of the 2008 Single Family Notice of Funding Availability (NOFA) and approval to release for publication in the *Texas Register*.



Texas Department of Housing and Community Affairs

HOME Investment Partnerships Program (HOME)

2008 Single Family (Owner-Occupied Housing Assistance, Tenant-Based Rental Assistance, and Homebuyer Assistance Programs) Notice of Funding Availability (NOFA)

1) Summary.

- a) The Texas Department of Housing and Community Affairs (“the Department”) announces the availability of \$23,034,118 in funding from the HOME Investment Partnerships Program (HOME) funds for single family housing programs including owner-occupied housing assistance, homebuyer assistance, and tenant-based rental assistance to assist low income Texans. As published in the 2008 State of Texas Consolidated Plan One-Year Action Plan, \$16,123,882 is available for the owner-occupied Housing Assistance (OCC) Program, \$3,455,118 is available for the Homebuyer Assistance (HBA) Program, and \$3,455,118 is available for the Tenant-Based Rental Assistance (TBRA) Program.
- b) The availability and use of these funds is subject to the Department’s HOME Program Rule at Title 10 Texas Administrative Code (10 TAC) Chapter 53 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, 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 Funds.

- a) These funds are made available through the Department’s 2008 annual HOME allocation from the U.S. Department of Housing and Urban Development (HUD) and may also include uncommitted, deobligated and program income HOME funds. The funds are set-aside for eligible applicants proposing to provide assistance to eligible homeowners in need of rehabilitation or reconstruction of their primary residence, homebuyers for the acquisition including downpayment and closing costs toward the purchase of a home, and

households seeking tenant-based rental assistance. Households assisted with HOME funds must be at or below 80% of the Area Median Family Income (AMFI), as defined by HUD.

- b) In accordance with Texas Government Code Chapter 2306.111, housing funds awarded in the HOME Program must be allocated utilizing the Regional Allocation Formula (RAF) developed by the Department. Funds are allocated for each Program Activity to each Uniform State Service Region and rural and urban area types.
- c) In accordance with 10 TAC §53.48(a) this NOFA will be an open application cycle. Funds will first be available for HOME Program Activities, specified in this NOFA, utilizing the RAF for each activity, on a first-come, first-served basis. Applications will be accepted by the Department on an on-going basis utilizing the funds allocated by the RAF until the earlier of the request of all funds or **5:00 p.m. Wednesday, October 15, 2008, regardless of method of delivery.**
- d) **On Thursday, October 16, 2008** funds for each HOME Program Activity not requested under the open cycle utilizing the RAF will be made available statewide (excluding PJs) in any Uniform State Service Region. Funds will remain set-aside within each HOME Program Activity. Applications will be accepted by the Department on an on-going basis until the earlier of the request of all funds or **5:00 p.m. Thursday, January 15, 2009, regardless of method of delivery.**
- e) **On Friday, January 16, 2009** any funds not requested under the statewide, Program Activity specific open cycle, will be made available in any Uniform State Service Region (excluding PJs) for any eligible HOME Program Activity specified in this NOFA. Applications will be accepted by the Department on an on-going basis until the earlier of the award of all funds or **5:00 p.m. Thursday, April 30, 2009, regardless of method of delivery.**
- f) Requirements of the Regional Allocation Formula and 10 TAC §53.48(a) will be utilized in prioritizing funding recommendations. Applicants may apply for the maximum allowed in each activity even though the amount of available funds utilizing the RAF may be less. However, only the maximum allowable under the RAF will be recommended for award during the RAF period.

3) Limitation on Funds.

- a) Funds will not be eligible for use in a Participating Jurisdiction (PJ). Any HOME funds available for serving households in a PJ will only be made available under a separate NOFA for Persons with Disabilities as described in the 2008 State of Texas Consolidated Plan One-Year Action Plan.
- b) The Department awards HOME funds to eligible entities and the maximum award amount may not exceed \$375,000 for Owner-Occupied Housing Assistance, \$300,000 for Homebuyer Assistance, and \$300,000 for Tenant-Based Rental Assistance. Up to

\$500,000 may be awarded to Homebuyer Assistance applicants whose Service Area includes multiple counties within a Uniform State Service Region.

- c) With the exception of Tenant-Based Rental Assistance, the minimum HOME assistance amount per unit may not be less than \$1,000 per HOME assisted unit. The per-unit subsidy may not exceed the per-unit dollar limits established by the U. S. 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 housing is located, and as published by HUD. The purchase price of the housing unit, plus the value of the rehabilitation or reconstruction if applicable, must not exceed 95% of the area's median purchase price as specified in the HUD 203(b) Limits.
- d) Each applicant that is awarded HOME funds may also be eligible to receive funding for administrative costs. The award amount for administrative costs shall not exceed the amount allowed per 10 TAC §53.85 for each type of activity including:
 - i) OCC (Reconstruction) – Maximum Percentage for Administrative Costs based on Total Project Costs is two percent (2%)
 - ii) OCC (Rehabilitation Only) – Maximum Percentage for Administrative Costs based on total Project Costs is two percent (2%)
 - iii) HBA (Downpayment & Closing Costs Only) – Maximum Percentage for Administrative Costs is four percent (4%)
 - iv) TBRA – Maximum Percentage for Administrative Costs is four percent (4%)

4) Eligible and Prohibited Activities.

- a) Eligible activities include those permissible under the federal HOME Final Rule at 24 CFR §92.205 and the Department's HOME Program Rule at 10 TAC §53.31 for OCC, §53.32 for HBA, and §53.33 for TBRA.
- b) Prohibited activities include those at 24 CFR §92.214 and 10 TAC §53.37.

5) Eligible and Ineligible Applicants.

- a) Eligible Applicants are Units of General Local Government, Nonprofit Organizations, Public Housing Authorities (PHAs), and for-profit entities.
- b) Applicants may be ineligible for funding if they meet any of the criteria listed in 10 TAC §53.42 of the Department's HOME Program Rule. Applicants are encouraged to familiarize themselves with the Department's certification and debarment policies prior to application submission.

6) Matching Funds.

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.

7) Affordability Requirements.

- a) Applicants should be aware that there are minimum affordability periods necessary for HOME-assisted housing. The unit assisted must be the primary residence of the homebuyer. Single family housing units assisted with HOME funds must comply with the required affordability requirements as defined at 24 CFR §92.254. Awarded entities will provide the HOME assistance to the homebuyer in the form of a loan. Each loan will be in the form of a zero percent (0%) interest, deferred forgivable loan with a term based on the total amount of assistance provided and in accordance with 24 CFR §92.254. All loans to assisted homebuyers must be evidenced by loan documents provided by the Department. Each loan to an assisted homebuyer and homeowners must be payable to Department. Each loan for reconstruction or rehabilitation shall be evidenced by a construction loan agreement, note, deed of trust, mechanic's lien note, and mechanic's lien contract secured by the property and must be fully executed before any construction activities commence.
- b) If at any time prior to the full loan period there occurs a resale of the property, a refinance of any superior lien, a repayment of any superior lien, or if the unit ceases to be the assisted Household's principal residence, the remaining loan balance shall become due and payable.
- c) Forgiveness of the loan balance is calculated based on a pro-rata annual share of the loan term. The anniversary date of the loan shall constitute completion of the year. Any partial year shall not be waived. The amount due will be based on the pro-rata share number of years of the remaining loan term.
- d) In the event the home is sold (voluntary or involuntary), the assisted Household will pay the loan balance from the shared net proceeds of the sale. The shared net proceeds are the sales price minus superior loan repayment (other than HOME funds) and any closing costs. A copy of the HUD closing statement must be provided.

8) Site and Construction 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, the International Residential Code, Texas Minimum Construction Standards (TMCS) and be in compliance with the basic access standards in new construction, established by §2306.514, Texas Government Code. In addition,

- b) At the completion of the assistance, all properties must meet the International Residential Code and local building codes. If a home is reconstructed, the applicant must also ensure compliance with the universal design features in new construction, established by Chapter 2306.514, Texas Government Code, required for any applicant utilizing federal or state funds administered by TDHCA in the construction of single family homes.
- c) 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).
- d) Rental units secured through HOME assistance must be inspected prior to occupancy and must comply with Housing Quality Standards (HQS) established by HUD in 24 CFR Part 92.

9) Owner-Occupied Housing Assistance (OCC).

- a) A total of \$16,123,882 in funding released under this NOFA may be used to administer an Owner-Occupied Housing Assistance Program to provide eligible households with loans for the rehabilitation or reconstruction of existing owner-occupied housing and earning 80 percent (80%) or less of the Area Median Family Income (AMFI) as defined by HUD. As defined in 10 TAC §53.31(d)(1), the home must be the principal residence of the homeowner.
- b) The table below shows the allocation of funds to the 13 State Service Regions and the corresponding rural and urban distribution within each region.

Table 1. OCC Regional, Rural, and Urban Funding Amounts

Region	Place for Geographical Reference	Regional Funding Amount	Regional Funding %	Rural Funding Amount	Rural Funding %	Urban Funding Amount	Urban Funding %
1	Lubbock	910,061	5.6%	909,892	100.0%	169	0.0%
2	Abilene	597,429	3.7%	584,786	97.9%	12,643	2.1%
3	Dallas/Fort Worth	2,851,824	17.7%	875,549	30.7%	1,976,275	69.3%
4	Tyler	2,049,849	12.7%	1,598,672	78.0%	451,177	22.0%
5	Beaumont	947,455	5.9%	858,034	90.6%	89,421	9.4%
6	Houston	1,145,014	7.1%	469,856	41.0%	675,158	59.0%
7	Austin/Round Rock	685,992	4.3%	386,245	56.3%	299,747	43.7%
8	Waco	756,726	4.7%	402,488	53.2%	354,238	46.8%
9	San Antonio	823,099	5.1%	516,486	62.7%	306,613	37.3%
10	Corpus Christi	1,166,337	7.2%	966,385	82.9%	199,952	17.1%
11	Brownsville/Harlingen	2,833,963	17.6%	2,054,998	72.5%	778,965	27.5%
12	San Angelo	818,629	5.1%	571,332	69.8%	247,297	30.2%
13	El Paso	537,503	3.3%	298,381	55.5%	239,122	44.5%
	Total	\$16,123,882	100.0%	\$10,493,105	65.1%	\$5,630,777	34.9%

- c) As per 10 TAC §53.47(a)(1), the maximum award amount for OCC shall not exceed \$375,000 per Application. In accordance with 10 TAC §53.85, up to two percent (2%) of the requested project funds may be requested for administrative costs.

- d) Owner-Occupied Housing Assistance to a household is provided in the form of a loan and in accordance with 10 TAC §53.31(g), the maximum amount of assistance (including soft costs) to an eligible household is limited as follows:
 - i) Rehabilitation that is Reconstruction for 1 - 4 person Household: \$60,000;
 - ii) Rehabilitation that is Reconstruction for 5 - 6 person Household: \$67,500;
 - iii) Rehabilitation that is Reconstruction for 7 or more person Household: \$75,000; and,
 - iv) Rehabilitation that is not Reconstruction: \$30,000

- e) In accordance with 10 TAC §53.72(a)(1), the contract term for OCC Program Activity shall not exceed 22 months and performance under the contract will be evaluated according to the following benchmarks:
 - i) 6 months, exempt administrative and broad review environmental clearance must be complete, and if not tiering, the first Household to be assisted must be environmentally cleared;

- ii) 8 months, Authority to Use Grant Funds must be fully executed and all Households to be assisted must be environmentally cleared;
- iii) 12 months, 100% of funds must be committed to Households to be assisted;
- iv) 15 months, 100% of Household's Loans must be closed, if applicable;
- v) 20 months, 100% of construction must be complete for all Households to be assisted; and
- vi) 22 months, 100% funds drawn and 100% of match requirement supplied.

10) A minimum threshold score of 25 is required in order to be considered for funding. The following threshold criteria listed in the subsection are mandatory requirements at the time of application submission unless specifically indicated otherwise and will be included in the written agreement, if awarded funds:

- i) **Affordable Housing Needs Score:** Points range from zero to seven as published by the Department. Maximum 7 points.
- ii) **Match:** Per 24 CFR §92.218, the Department will recognize eligible forms of matching contributions made from nonfederal resources. The following table will be used to determine match requirement and associated points:

Table 2. OCC Housing Program Required Community Match Contributions

City Population	County Population	Required Match % of Project Funds Requested	Points	Additional Points
< 3000	< 20,000	5%	10	10 points for each additional percent of match provided
3,000 – 5,000	20,000 – 75,000	10%	10	7 points for each additional percent of match provided
> 5,000	> 75,000	12.5%	10	5 points for each additional percent of match provided

- iv. **Income Targeting:** In order to meet its annual goal of assisting very low to extremely low income families, the Department incentivizes application points for income targeting of households assisted. The following table will be used to determine income targeting requirements and associated points. For those counties where the Area Median Family Income (AMFI) is at or below the state average median family income the applicant will receive the same number of points for income targeting when serving households at or below 50% AMFI as those counties exceeding the

statewide median income targeting households at or below 30% AMFI. Maximum 20 points.

Table 3. Point Incentives for Income Targeting

Income Target	Points
0% to 29.99 % of units at 60% AMFI	1
30% to 59.99 % of units at 60% AMFI	3
60% to 100 % of units at 60% AMFI	5
0% to 29.99% of units at 30% AMFI	+6
30% to 59.99% of units at 30% AMFI	+11
60% to 100% of units at 30% AMFI	+15

- iii) **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 evidence the ability to administer the program and commit adequate cash reserves of at least \$120,000 to facilitate administration of the program during the Department’s disbursement process. Cash reserves are not permanently invested in the project but are used for short term deficits that are reimbursed by program funds. Evidence of this commitment and the amount of the commitment must be included in the Applicant’s resolution and budget.
- iv) **Resolution:** All applications submitted must include an **original** resolution from the Applicant’s direct governing body, authorizing the submission of the Application, commitment and amount of cash reserves for use during the contract period, source of funds for match obligation and match dollar amount, naming of a person and the person’s title authorized to represent the organization and signature authority to execute a contract. If an Applicant that is a nonprofit organization is requesting a waiver of the grant application fee, they must do so in the resolution, and must state that the nonprofit organization offers expanded services such as child care, nutrition programs, job training assistance, health services, or human services. The resolution must be signed and dated within the six months preceding the application submission date.
- v) **Description of Demand:** All applicants must submit a narrative that describes in detail the demand evidenced for the proposed number of units to be assisted in the proposed service area. Source data, calculations, assumptions, and pictures of housing stock must be included.

11) Homebuyer Assistance (HBA).

- a) Approximately \$3,455,118 of HOME Funds released under this NOFA shall be used to administer a Homebuyer Assistance Program, providing downpayment and closing cost assistance (including soft costs) to eligible first time homebuyers for the acquisition of affordable single family housing.

- b) The table below shows the allocation of funds to the 13 State Service Regions and the corresponding rural and urban distribution within each region.

Table 4. HBA Regional, Rural, and Urban Funding Amounts							
Region	Place for Geographical Reference	Regional Funding Amount	Regional Funding %	Rural Funding Amount	Rural Funding %	Urban Funding Amount	Urban Funding %
1	Lubbock	195,013	5.6%	194,977	100.0%	36	0.0%
2	Abilene	128,020	3.7%	125,311	97.9%	2,709	2.1%
3	Dallas/Fort Worth	611,105	17.7%	187,618	30.7%	423,488	69.3%
4	Tyler	439,253	12.7%	342,573	78.0%	96,681	22.0%
5	Beaumont	203,026	5.9%	183,864	90.6%	19,162	9.4%
6	Houston	245,360	7.1%	100,683	41.0%	144,677	59.0%
7	Austin/Round Rock	146,998	4.3%	82,767	56.3%	64,232	43.7%
8	Waco	162,156	4.7%	86,247	53.2%	75,908	46.8%
9	San Antonio	176,378	5.1%	110,676	62.7%	65,703	37.3%
10	Corpus Christi	249,929	7.2%	207,082	82.9%	42,847	17.1%
11	Brownsville/Harlingen	607,278	17.6%	440,357	72.5%	166,921	27.5%
12	San Angelo	175,421	5.1%	122,428	69.8%	52,992	30.2%
13	El Paso	115,179	3.3%	63,939	55.5%	51,240	44.5%
Total		\$3,455,118	100.0%	\$2,248,523	65.1%	\$1,206,595	34.9%

- c) As defined in 10 TAC §53.47(a)(2), the maximum award amount for HBA shall not exceed \$300,000 per Application; however, up to \$500,000 may be awarded to HBA Applicants whose Service Area includes multiple counties within a Uniform State Service Region. In accordance with the 2008 Consolidated Plan-One Year Action Plan, up to four percent (4%) of the requested project funds may be requested for administrative costs.
- d) In accordance with §53.32(e), the maximum amount of assistance for downpayment and closing cost assistance (including soft costs) to an eligible household is \$10,000.
- e) The following first lien purchase loan requirements are imposed for households receiving Homebuyer Assistance:
- i) No adjustable rate mortgage loans (ARMs) are allowed;
 - ii) No mortgages with a loan to value equal to or greater than 100% are allowed;
 - iii) No subprime mortgage loans are allowed;
 - iv) An origination fee and any other fees associated with the mortgage loan may not exceed 2% of the loan amount; and,
 - v) The debt to income ratio (back-end ratio) may not exceed 45%.

- f) HBA assistance will be in the form of a 0% interest 5 or 10 year deferred forgivable loan depending on the amount of assistance, creating a 2nd or 3rd lien with a term based on the federal affordability requirements as defined in 24 CFR §92.254.
- g) In accordance with 10 TAC §53.72(a)(2), the contract term for the HBA Program Activity shall not exceed 24 months and performance under the contract will be evaluated according to the following benchmarks:
 - i) 6 months, exempt administrative and environmental clearance must be complete for at least one Household to be assisted;
 - ii) 12 months, environmental clearance must be complete for at least 50% of the Households to be assisted, 50% of funds must be committed, 25% of funds drawn, and 25% of match supplied;
 - iii) 18 months, environmental clearance must be complete for at least 75% of the Households to be assisted, 75% of funds must be committed, 50% of funds drawn, and 50% of match requirement supplied; and
 - iv) 24 months, 100% of funds must be committed, 100% of funds drawn, and 100% of matched supplied.
- h) A minimum threshold score of 15 is required in order to be considered for funding. The following threshold criteria listed in the subsection are mandatory requirements at the time of application submission unless specifically indicated otherwise and will be included in the written agreement, if awarded funds:
 - i) **Affordable Housing Needs Score:** Points range from zero to seven, as published by the Department. Maximum 7 points.
 - ii) **Match:** the following table will be used to determine match requirement and associated points:

Table 5. HBA Program Required Community Match Contributions

Required Match % of Project Funds Requested	Points	Additional Points
5%	10	10 points for each additional percent of match provided

- iii) **Income Targeting:** In order to meet its annual goal of assisting very low to extremely low income families, the Department incentivizes application points for

income targeting of households assisted The following table will be used to determine income targeting requirements and associated points. Maximum 20 points.

Table 6. Point Incentives for Income Targeting

Income Target	Points
0% to 29.99% of units at 60% AMFI	3
30% to 59.99% of units at 60% AMFI	7
60% to 100% of units at 60% AMFI	10

- iv) **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 evidence the ability to administer the program and commit adequate cash reserves of at least \$60,000 to facilitate administration of the program during the Department’s disbursement process. Cash reserves are not permanently invested in the project but are used for short term deficits that are paid by program funds. Evidence of this commitment and the amount must be included in the Applicant’s resolution and budget.
- v) **Resolution:** All applications submitted must include an **original** resolution from the Applicant’s direct governing body, authorizing the submission of the Application, commitment and the amount of cash reserves for use during the contract period, source of funds for match obligation and match dollar amount, naming of a person and the person’s title authorized to represent the organization and signature authority to execute a contract. If an Applicant that is a nonprofit organization is requesting a waiver of the grant application fee, they must do so in the resolution, and must state that the nonprofit organization offers expanded services such as child care, nutrition programs, job training assistance, health services, or human services. . The resolution must be signed and dated within the six months preceding the application deadline date.
- vi) **Description of Demand:** It will be a threshold requirement to submit a narrative that describes in detail the demand evidenced for the proposed number of units to be assisted in the proposed service area. Source data, calculations and assumptions must be included.
- vii) **Homebuyer Counseling:** It will be a threshold requirement for each applicant to submit the level of homebuyer counseling that will be provided. A minimum of 8 hours of homebuyer counseling must be provided. Evidence must include documentation describing the level of homebuyer counseling proposed, including post purchase counseling. Applicant must state who will provide the homebuyer counseling. A copy of the curriculum and a copy of the proposed written agreement for service provider (if the applicant is not providing the service) must also be provided.

12) Tenant-Based Rental Assistance (TBRA).

- a) Approximately \$3,455,118 of HOME funds released under this NOFA shall be used to administer a Tenant-Based Rental Assistance Program to provide eligible households rental subsidies, including security and utility deposits to tenants earning 80 percent (80%) or less of the Area Median Family Income (AMFI) as defined by HUD. In accordance with 24 CFR 92.216, not less than 90% of the households assisted with respect to TBRA or rental units, must have incomes at or below 60% of the AMFI, as defined by HUD.
- b) The table below shows the allocation of funds to the 13 State Service Regions and the corresponding rural and urban distribution within each region.

Table 7. TBRA. Regional, Rural, and Urban Funding Amounts							
Region	Place for Geographical Reference	Regional Funding Amount	Regional Funding %	Rural Funding Amount	Rural Funding %	Urban Funding Amount	Urban Funding %
1	Lubbock	195,013	5.6%	194,977	100.0%	36	0.0%
2	Abilene	128,020	3.7%	125,311	97.9%	2,709	2.1%
3	Dallas/Fort Worth	611,105	17.7%	187,618	30.7%	423,488	69.3%
4	Tyler	439,253	12.7%	342,573	78.0%	96,681	22.0%
5	Beaumont	203,026	5.9%	183,864	90.6%	19,162	9.4%
6	Houston	245,360	7.1%	100,683	41.0%	144,677	59.0%
7	Austin/Round Rock	146,998	4.3%	82,767	56.3%	64,232	43.7%
8	Waco	162,156	4.7%	86,247	53.2%	75,908	46.8%
9	San Antonio	176,378	5.1%	110,676	62.7%	65,703	37.3%
10	Corpus Christi	249,929	7.2%	207,082	82.9%	42,847	17.1%
11	Brownsville/Harlingen	607,278	17.6%	440,357	72.5%	166,921	27.5%
12	San Angelo	175,421	5.1%	122,428	69.8%	52,992	30.2%
13	El Paso	115,179	3.3%	63,939	55.5%	51,240	44.5%
Total		\$3,455,118	100.0%	\$2,248,523	65.1%	\$1,206,595	34.9%

- c) In accordance with 10 TAC §53.47(a)(3) the maximum award amount for TBRA shall not exceed \$300,000 per Application. In accordance with the 2008 Consolidated Plan-One Year Action Plan, up to four percent (4%) of the requested project funds may be requested for administrative costs. In accordance with 10 TAC §53.72(a)(3) the contract term for TBRA shall not exceed 36 months, however, individual household assistance is limited to 24 months.
- d) Through the TBRA program, rental subsidy and security and utility deposit assistance is provided to tenants as a grant, in accordance with written tenant selection policies, for a period not to exceed twenty-four (24) months, which shall include among its objectives the securing of a permanent source of affordable housing on or before the expiration of the rental subsidy. Security deposits and utility deposits may be provided in conjunction with rental assistance. A security deposit cannot exceed two (2) months rent for the unit.

- e) As per 10 TAC §53.33, the Household must comply with the following initial eligibility requirements: participate in an approved self-sufficiency program; maintain principal residency in the rental unit for which the subsidy is being provided; be an income eligible household; reside in a rental unit that is located within the Administrator’s Service Area; and meet all other eligibility requirements.

- f) As defined in 10 TAC §53.33(d) the rental standard must not exceed HUD’s “Fair Market Rent for the Housing Choice Voucher Program.” Rental units must be inspected prior to occupancy and must comply with Housing Quality Standards established by HUD.

- g) In accordance with 10 TAC §53.72(a)(3), the contract term for the TBRA Program shall not exceed 36 months and performance under the contract will be evaluated according to the following benchmarks:
 - i) 6 months, exempt administrative environmental clearance must be complete and application intake complete for 30% for Households to be assisted;
 - ii) 9 months, application intake complete for 75% for Households to be assisted;
 - iii) 12 months, 100% of funds must be committed to Households to be assisted and 25% of funds drawn;
 - iv) 18 months, 100% of funds already committed and 35% of funds drawn;
 - v) 24 months, 100% of funds already committed and 50% of funds drawn; and
 - vi) 36 months, 100% of funds already committed and 100% of funds drawn.

- h) A minimum threshold score of 15 is required in order to be considered for funding. The following threshold criteria listed in the subsection are mandatory requirements at the time of application submission unless specifically indicated otherwise and will be included in the written agreement, if awarded funds:
 - i) **Affordable Housing Needs Score:** Points range from zero to seven, as published by the Department. Maximum 7 points.
 - ii) **Income Targeting- Maximum 20 points:** In order to meet its annual goal of assisting very low to extremely low income families, the Department incentivizes application points for income targeting of households assisted. The following table will be used to determine income targeting requirements and associated points. For those counties where the area median family income (AMFI) is at or below the state average median family income will receive the same number of points for income targeting when serving households at or below 50% AMFI as those counties exceeding the statewide median income targeting households at or below 30% AMFI.

Table 8. Point Incentives for Income Targeting

Income Target	Points
0% to 29.99 % of units at 60% AMFI	1
30% to 59.99 % of units at 60% AMFI	3
60% to 100 % of units at 60% AMFI	5
0% to 29.99% of units at 30% AMFI	+6
30% to 59.99% of units at 30% AMFI	+11
60% to 100% of units at 30% AMFI	+15

- iii) **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 evidence the ability to administer the program and commit adequate cash reserves of at least one month of rent for the number of households proposed to serve as stated in the application to facilitate administration of the program during the Department’s disbursement process. Cash reserves are not permanently invested in the project but are used for short term deficits that are reimbursed by program funds. Evidence of this commitment and the amount must be included in the Applicant’s resolution and budget.
- iv) **Resolution:** All applications submitted must include an **original** resolution from the Applicant’s direct governing body, authorizing the submission of the Application, commitment and amount of cash reserves for use during the contract period, source of funds for match obligation and match dollar amount, naming of a person and the person’s title authorized to represent the organization and signature authority to execute a contract. If an Applicant that is a nonprofit organization is requesting a waiver of the grant application fee, they must do so in the resolution, and must state that the nonprofit organization offers expanded services such as child care, nutrition programs, job training assistance, health services, or human services. The resolution must be signed and dated within the six months preceding the application deadline date.
- v) **Description of Demand:** It will be a threshold requirement to submit a narrative that describes in detail the demand evidenced for the proposed number of units to be assisted in the proposed service area. Source data, calculations and assumptions must be included.
- vi) **TBRA Self Sufficiency Program:** It will be a threshold requirement for each Applicant to submit a proposed detailed Self Sufficiency Plan and must describe the process for the transition of households to permanent housing by the end of the 24-month rental assistance contract term.
 - (1) 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:

- (a) 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 24-month rental assistance.
- (b) 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.
- (c) Specific housing goals that will be completed on or before the end of the 24-month assistance period include: finding permanently 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.

13) Review Process.

- a) Pursuant to 10 TAC §53.48(a), 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 as applicable. Applications will continue to be prioritized for funding based on their "received date". Applications will be reviewed for applicant and activity eligibility, and threshold criteria as described in this NOFA.
 - i) The Department will ensure review of materials required under the NOFA and Application Submission Procedures Manual (ASPM) and will issue a notice of any Administrative Deficiencies within 45 days of the received date. Applications with Administrative Deficiencies not cured within five (5) business days, will be terminated and must reapply for consideration of funds. Applications that have completed this Phase will be reviewed for recommendation to the Board by the Committee.
 - ii) 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 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
- b) Pursuant to 10 TAC §53.42 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, will be terminated without being processed as an Administrative Deficiency.

- c) 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 that are received, and may decide it is in the Department's best interest to refrain from pursuing any selection process. The Department reserves the right to negotiate individual elements of any Application
- d) All Applicants will be processed through the Department's Application Evaluation System, and will include a previous award and past performance evaluation. Poor past performance may disqualify an Applicant for a funding recommendation or the recommendation may include conditions.
- e) Funding recommendations of eligible Applicants will be presented to the Department's Governing Board of Directors based on eligibility and limited by the total amount of funds available under this NOFA and the maximum award amount.
- f) In accordance with §2306.082, Texas Government Code and 10 TAC §53.6, 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 TAC §1.17
- g) An Applicant may appeal decisions made by staff in accordance with 10 TAC §1.7.

14) Application Submission.

- a) All applications submitted under this NOFA must be received on or before 5:00 p.m. on **Thursday, April 30, 2009, regardless of method of delivery.**
- b) 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. Question regarding this NOFA should be addressed to:

HOME Division

221 E. 11th Street
Austin, Texas 78701
Telephone: (512) 463-8921
E-mail: HOME@tdhca.state.tx.us

- c) All applications must be submitted, and provide all documentation, as described in this NOFA and associated application materials.
- d) Applicants must submit one complete printed copy of all Application materials and one complete scanned copy of the Application materials as detailed in the Application Submission Procedures Manual (ASPM). All scanned copies must be scanned in accordance with the guidance provided in the ASPM.
- e) 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. 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.
- f) 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. Payment must be in the form of a check, cashier's check or money order. Do not send cash. Per §2306.147(b), 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.
- g) This NOFA does not include text of the various applicable regulatory provisions that may be important to the HOME Program. For proper completion of the application, the Department strongly encourages potential applicants to review the State and Federal regulations, and contact the HOME Division for guidance and assistance.
- h) **Application Workshop:** the Department will present application workshops in locations throughout the State which will provide an overview of the HOME Program Activities eligible under this NOFA and will also provide Application preparation and submission requirements, evaluation criteria, and state and federal program information. The Application workshop schedule and registration will be posted on the Department's website at www.tdhca.state.tx.us
- i) **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).

j) Applications must be sent via overnight delivery to:

**HOME Division
Texas Department of Housing and Community Affairs
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
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 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 31, 2008

Action Item

Presentation, Discussion and Possible Approval of the retroactive application of §53.31(m) of the HOME Program Rule, 10 TAC 53.

Requested Action

Approve, Deny or Approve with Amendments the retroactive application of §53.31(m) of the HOME Program Rule, 10 TAC 53.

Background

In February 2006, the Board approved rule changes that resulted in the requirement that the funding provided for the Owner-Occupied Housing Assistance Program (OCC) would be provided in the form of a loan. Since the inception of the HOME Program in 1992, the Department has provided the assistance for the rehabilitation or reconstruction of an owner-occupied housing unit in the form of a grant. This change to loans had the beneficial effect of creating a state-imposed affordability period and the ability to recycle and/or recapture the valuable and limited HOME funds that are utilized to provide this assistance to a low-income homeowner. In order to allow the Department to recycle or recapture HOME funds, an enforceable lien must be placed on the property to ensure that if the household sells or otherwise attempts to transfer the property, the lien remains on the property until released by the Department.

The following provision was included in the HOME Program Rule adopted by the Board on December 20, 2007:

§53.31 (m) Owner-Occupied Housing Assistance Program (OCC):

(m) In the event that the housing unit ceases to be the Principal Residence of the Household, the forgiveness of the Loan, if applicable, will cease, unless the Property is transferred by devise, descent or operation of law upon the death of the homeowner that is a Household whose Annual Income does not exceed 30% of the AMFI. The Department shall use the state average median family income for eligible Households living in those counties where the area median family income is lower than the state average median family income, as defined in Rider 5 of the Department's Legislative Appropriation, to apply this subsection.

This provision allows the debt and lien created by the Department's loan to be forgiven upon the death of the homeowner, if the homeowner's income was at or below 30% AMFI at the time of assistance. Staff has received requests from Contract Administrators and consultants that this provision be permitted for contracts that were awarded and executed prior to the adoption of this

rule. Since this rule was adopted in December 2007 it has only applied to contracts awarded after the adoption date.

Options for Board Consideration

Staff is presenting two options for the Board's consideration:

1. The Board could approve the application of this rule retroactively to contracts that were awarded and executed prior to the rule adoption date. This would specifically affect active contracts associated with program years 2006 and 2007.
2. The Board could deny the request for this provision to apply retroactively to contracts awarded and executed prior to the rule adoption.

Recommendation

Staff recommends the Board select one of the options presented. If the Board approves option 1, staff requests that this provision apply to only those households that will close on their loan after **August 8, 2008** to allow time for staff to adjust the language in the loan documents to be executed at closing and to have minimal impact on planned closing dates. Staff also requests that any closing that has occurred prior to **August 8, 2008** not be eligible for a loan modification to allow for this provision. Staff will send a communication alerting both Administrators and Consultants of the Board's decision.

**HOME DIVISION
BOARD ACTION REQUEST
July 31, 2008**

Action Item

Presentation, Discussion and Possible Approval of Request for Amendments to HOME Investment Partnerships Program Contracts/Commitments:

1000689	City of Edinburg	OCC
1000490	Edinburg Housing Authority	HBA

Requested Action

Approve, Deny or Approve with Conditions Request for Amendment to HOME Investment Partnerships Program Commitment/Contracts:

1000689	City of Edinburg	OCC
1000490	Edinburg Housing Authority	HBA

City of Edinburg

Background

The City of Edinburg (Administrator) received an award and contract in the amount of \$286,000 to assist eight households to rehabilitate or reconstruct their homes.

During the course of the contract, the Administrator has identified eight (8) homeowners they intend to assist under this contract. The environmental clearance has been completed on all eight households and all of them have been entered into the Department's Contract System and submitted documents for review. The Administrator plans to reconstruct each of the homes they will be assisting.

Of the 8 households being assisted under this contract, 5 households are moving through the loan process; however, three households have been determined to have appraised values greater than the amount of assistance to be provided. This prevents the Department from determining the loan amount. None of the 3 homeowners have existing mortgages on the properties. It is also important to mention that 2 of the affected 3 homeowners are also using other sources of funds, being used to meet match obligations, to complete reconstruction of the units, which is the reason there is a lesser than typical amount of HOME funds being utilized to assist these 2 homeowners.

A summary of the reconstruction costs, appraised values, and proposed funding for the 3 houses is provided in the table below:

Address	Estimated Reconstruction Cost	Appraised Value	Proposed Funding
302 N. 29 th Street	\$52,213.64	\$38,300	\$46,399.99 in cash \$5,813.65 in HOME funds
921 South 17 th Street	\$52,213.64	\$30,900	\$46,399.99 in cash \$5,813.65 in HOME funds
321 South 18 th Street	\$48,082.92	\$65,900	\$48,082.92 in HOME funds

As mentioned above, the initial appraisal submitted for each of the 3 homes reflects a value that exceeds the amount of assistance the Administrator intends to provide for the reconstruction of the homes. The current loan policy requires the loan amount be calculated by subtracting the initial appraised value and 10% of the final appraised value from the final appraised value. In order to proceed with the loans for these households to be assisted, staff recommends that the loan amount equal the amount of HOME assistance provided with no adjustment for the initial or final appraised values nor for the matching funds provided. Without this Board action, staff has no ability to originate a loan to assist this household.

This will be this Administrator's third contract amendment. The first amendment was an administrative amendment approved by the Department's governing board on February 1, 2007 for all 2005 and 2006 HOME OCC Contracts to allow a 9.09% increase in funds for each contract household, but no more than \$5,000 per household. The second amendment was again an administrative amendment for all 2006 contracts to allow a 12-month contract extension due to the constructive termination language in the original contract.

Current Contract Status

Amendment Number:	3
Administrator:	City of Edinburg
Consultant:	N/A
Activity Type:	OCC
Contract Executor:	Joe Ochoa, Mayor
Contract Start Date:	November 1, 2006
Original Contract End Date:	April 30, 2008
Amended End Date:	April 30, 2009
Service Area:	Edinburg, Texas
Total Original Budget Amount:	\$286,000
Amended Budget Amount:	\$312,000
Households Required:	8
Households Committed:	8
Households Completed:	0
Amount Committed To-Date:	\$300,000
Project Amount Drawn To-Date:	\$0
Admin. Amount Drawn To-Date:	\$0

Recommendation

Based on current rules and contractual requirements, staff does not have the ability to originate a loan to assist these households and therefore, staff recommends that the Board approve that the loan amount be equal to the amount of HOME assistance provided with no adjustment for the initial or final appraised values.

Edinburg Housing Authority

Background

Edinburg Housing Authority (Administrator) requested an amendment to reduce the number of required households from 30 to 25 and to waive the match obligation. Such a reduction in households from 30 to 25 would result in a decrease of program funds by \$52,000, which includes \$50,000 in project funds and \$2,000 in administrative funds. The granting of this request would result in a reduction of match from \$6,000.00 to \$0. This will be the Administrator's second amendment.

The first amendment, which was approved by the Board on August 23, 2007, reduced the number of homebuyers required from 50 to 30, reduced the match obligation from \$10,000 to \$6,000, and extended the contract for twelve months. Additionally, due to the Administrators difficulty in identifying eligible homebuyers at the lower AMFI targets, the AMFI income limits were increased.

The Administrator has set-up 17 households, 10 of which have received homebuyer assistance, in the Department's Contract System. Five of these households are active and are pending loan closing before funds can be requested and disbursed and two households are being processed by Department staff for set-up approval. The Administrator has not submitted information that indicates how they will be able to assist the additional 8 units to achieve a total number of 25 households served.

The Administrator has indicated that several factors beyond their control are proving a hindrance to the program. One such factor is the current housing market, which the Administrator indicates has increased banks' reluctance to lend money. The Administrator also indicates that families may qualify for the program; however, costs such as property taxes and insurance cause families to rescind their applications before closing. Among the other factors cited by the Administrator are fear of job loss, high interest rates, and the price of homes. The Administrator contends that the combination of these factors has limited their ability to serve the thirty households required by the contract and therefore they are requesting a decrease in required units. During conversations with staff, the Administrator indicated that they have continued to market the program by employing door to door marketing with a limited response.

With this request the Administrator has indicated the match source is funded with federal funds. In their letter dated October 1, 2007, the Administrator indicated that they had only recently discovered that their match source received federal funds. On May 30, 2008, the Administrator further indicated that two organizations provided homebuyer training at no charge because both organizations are federally funded. HOME regulations require eligible match be from a non-federal source, be a permanent contribution to the project, and be provided by a person or entity not also receiving benefit from the HOME award. The Administrator has indicated to staff that alternate providers were sought for the homebuyer training; however, no other providers exist in the area.

Upon receiving the Administrator's request for a reduction in match, the Performance Specialist rescored the original application. It was determined through review of the original application score that the Administrator did not receive any points in the match category on the original application, which occurs when the original match amount does not exceed the 12.5% threshold requirement. The original match amount requested equaled 2% of the amount of project funds requested. Reducing the Administrator's match requirement from \$6,000 to \$0 would have no impact on the overall application score of 71. Thus, the Administrator's application would have still been funded.

Current Contract Status

Amendment Number:	2
Administrator:	Edinburg Housing Authority
Consultant:	N/A
Activity Type:	HBA
Contract Executor:	Estella Trevino, Executive Director
Contract Start Date:	October 3, 2005
Original Contract End Date:	September 28, 2007
Amended End Date:	September 28, 2008
Service Area:	Edinburg
Total Original Budget Amount:	\$520,000
Total Amended Budget Amount:	\$312,000
Households Required:	30
Households Committed:	15
Households Completed:	10
Amount Committed To-Date:	\$160,000
Project Amount Drawn To-Date:	\$100,000
Admin. Amount Drawn To-Date:	\$0

Modification Request

Requested Match Requirement:	\$0
Households Required:	25

Recommendation

Staff does not recommend approval of Edinburg Housing Authority's request to reduce the number of required households from 30 to 25. If the Board chooses to deny the Administrator's request and the Administrator does not assist 30 households by September 28, 2008, the Administrator will be in non-compliance with contractual obligations. In accordance with 10 TAC §53.42 (1), the Administrator would not be able to apply for funding until 12 months passed from the deobligation of a previously funding HOME contract for a failure to meet contractual obligations.

Based on current rules and contractual requirements, staff is not recommending approval of the reduction in match request because the request exceeds a 25% reduction.



EDINBURG HOUSING AUTHORITY

910 South Sugar Road
Edinburg, Texas 78539
Telephone: (956) 383-3839 Fax: (956) 380-6308
changv@aol.com



October 1, 2007

*Contract
1000490*

logged 10004902

Ms. Lucy Treviño
Texas Dept. of Housing and Community Affairs
221 E. 11th St.
Austin, Texas 78701

Dear Ms. Treviño:

The Edinburg Housing Authority is requesting to have the match obligation waived for the following reason:

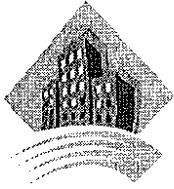
The Edinburg Housing Authority has discovered that our match source is funded with federal funds and therefore it is not an eligible match source.

Should you have any questions in reference to this request, please call me at (956) 383-5653.

Sincerely,

Olga Regalado

for Estella L. Treviño
Executive Director



EDINBURG HOUSING AUTHORITY

910 South Sugar Road
Edinburg, Texas 78539
Telephone: (956) 383-3839 Fax: (956) 380-6308
ehargv@aol.com



May 30, 2008

Artricia Allen, Performance Specialist
Texas Dept. of Housing and Community Affairs
HOME Division
221 E. 11th St.
Austin, Texas 78701

Dear Ms . Allen,

The Edinburg Housing Authority is doing its best to assist families to take advantage of downpayment assistance. Attached please find a report on the families that have closed and those that will close in the near future. We have six additional families that have been identified as eligible income families and are looking for a house to purchase.

McAllen Affordable Homes and Amigos del Valle provide the homebuyer classes for the applicants; the classes are free of charge because both organizations are federally funded.

Ms. Olga Regalado, homeownership coordinator, has been promoting the homeownership program to our participating families. She has been scheduling office appointments and has gone out to hand deliver notices. She has also posted flyers around the building for the participants to see. There is no waiting list at this point.

The Edinburg Housing Authority anticipates to provide assistance to all the households listed in the attached report. We anticipate to identify more eligible households.

Should you have any questions, please call me at 383-5653.

Sincerely,

Estella L. Trevino
Executive Director

EDINBURG HOUSING AUTHORITY

HOMEOWNERSHIP PROGRAM

HOMEOWNER'S NAME	PROGRAM	ADDRESS	DATE OF CLOSING	TDHCA FUNDED	HUD INCENTIVE
Ignacio Guerrero	Sec. 8	2011 Rebecca Dr.	09/10/07	Yes	Yes 50%
Enedina Garza	Sec. 8	2007 Rebecca Dr.	09/12/07	Yes	Yes 50%
Gloria Zarate	Sec. 8	2009 Rebecca Dr.	09/24/07	Yes	Yes 80%
Aurora Garcia	Sec. 8	2013 Rebecca Dr.	10/10/07	Yes	Yes 50%
Jesus Pena	Sec. 8	1504 Baywood	11/1/07	Yes	Yes 50%
Rosa Lopez	Sec. 8	2814 Stonecrest	11/14/07	Yes	Pending 50%
Sonia Gonzalez	Low Rent	2819 Stonecrest	09/24/07	Yes	No 60%
Arely Riley	Sec. 8	1113 W. Samano	1/11/08	Yes	Pending 60%
David Vasquez	Sec. 8	1821 Butkus	4/11/08	Yes	Pending 50%

IN PROCESS OF CLOSING

David Ramirez	Sec. 8	2809 La Mora Lane	early June	Approved by INB	80%
Abraham Perez	Low Rent	2805 Gayle St.	early June	Approved b Bank of America	50%
Homero Garza	Low Rent	616 E. Samano	mid June	Approved by INB	50%
Corina Garcia	Sec. 8	905 E. McIntyre	late June	Approved by INB	60%

APPROVED AND LOOKING FOR A HOUSE

Maria D. Garcia	Sec. 8	Approved by INB			60%
Alyse Gonzalez	Sec. 8	Approved by INB			50%
Mirna Guevara	Sec. 8	Approved by INB			60%
Sonia Castellanos	Low Rent	Approved by INB			60%
Alma Regalado	Sec. 8	Approved by 1 st Rate Mortgage			50%
Juan R. Garcia	Sec. 8	Approved by INB			50%

Report as of May 30, 2008
Olga Regalado, Homeownership Coordinator

Amigos del Valle

Amigos del Valle, Inc. Affordable Housing Program is a non-profit organization that is dedicated to providing affordable housing opportunities for low income individuals that reside in the three county areas of Hidalgo Cameron and Willacy counties of the lower Rio Grande Valley and South Texas. Through September 30, 2004, the Project provided housing mortgage loans, closing cost and/or down payment loans or grants, and homebuyer education and counseling services.

Successful completion of an approved home buyer education course is required to be eligible for down payment/closing cost assistance through this program.

If you have not already, please contact your lender of the ADV Affordable Housing Home Purchase assistance Program for First-Time Home buyers at (1-866-581-9494, Ext 123) to find out about their upcoming classes

Idahlia R. Snell Housing Development Director, Ext 125 or Esther G. Rivera Loan Processor, Ext 123

Address: 1116 N. Conway Ave.
Mission, TX 78572
Phone: (956) 581-9494 Fax: (956) 584-5716

McAllen Affordable Homes

McAllen Affordable Homes Inc. provides homebuyer education seminars, fairs, and one-on-one counseling to prepare families to become homebuyers. Participants learn about the home buying process and what they need to do in order to qualify for MAHI programs in a one hour orientation for potential homebuyers. Preparing soon-to-be homeowners for the responsibilities of owning a home is covered in a four hour homebuyer education seminar about budgeting, taxes, insurance, closing costs, maintenance, and money management.

Homebuyer Education Seminars are fun, as well as educational. MAHI's homebuyer counselor has incorporated one of Mexico's oldest traditions into the courses. By using the pictures of the many different characters and figures of La Loteria Mexicana to represent the numerous factors a homebuyer must face, MAHI has enhanced the learning experience in our courses. While "El Diablito" becomes the predatory lender to look out for, and "El Catrin" Equifax, which is one of three agencies who issue credit reports, our homebuyers are educated in a fun and effective manner. For more information on our Homebuyer Education Seminars contact the office of McAllen Affordable Homes, Inc..

Class Schedules

Homebuyer classes are offered the 3rd Saturday of every month at 9 A.M.
Orientation classes are offered the 1st Tuesday of every month at 6 P.M.

Please contact McAllen Affordable Homes if planning to attend a class. Times and dates are subject to change.

Contact person: Eunice Gonzalez
1420 Erie McAllen, Tx 78501
(Phone) 956-687-6263 (Fax) 956-682-1111



Edinburg Housing Authority

Administration Department
P.O. Box 295

910 South Sugar Road

Edinburg, Texas 78540-295

Phone (956) 383-3839 Fax (956) 380-6308

June 06, 2008

Artricia Allen
Performance Specialist
Texas Dept. of Housing & Community Affairs
221 E. 11th St.,
Austin, TX 78702

Dear Ms. Allen:

Due to circumstances within the economy, we will not be able to accomplish the goal of placing 30 families in a new home under the homeownership program by the deadline of June 28, 2008. However, we are confident of assisting 25 families for homeownership. To date, the Edinburg Housing Authority has closed on nine families and is scheduled to close on 6 more soon. Additionally, we are helping six more families who are looking for a house to purchase. After speaking to the families, I find the following five factors that keep families from owning a house:

- 1. Banks' reluctance to lend money due to the ongoing housing crisis;*
- 2. Families not being comfortable with the hidden costs associated with property tax and insurance;*
- 3. House being priced out of range for the families;*
- 3. High interest rate;*
- 4. Fear of loss of jobs (and income) by families in an area where there are not too many;*
- 5. Families preferring to stay where they are because of availability of amenities such as school, church, friends, neighbors, jobs, etc.*

Please do not hesitate to contact me at (956) 383-3839 if you have need for more information.

Sincerely,

Estella L. Treviño

Mrs. Estella L. Treviño

Executive Director

Edinburg Housing Authority

HOME DIVISION
BOARD ACTION REQUEST
July 31, 2008

Action Item

Presentation, Discussion and Possible Approval of the Housing Trust Fund Program Award Recommendations.

Requested Action

Approve, Deny or Approve with Amendments the Housing Trust Fund Program Award Recommendations.

2008 HOMEOWNERSHIP SUPERNOFA PROGRAM

Background

In January 2008 a NOFA for \$1 million was released for the Housing Trust Fund 2008 Homeownership SuperNOFA Program. The funds were to be utilized for the rebuilding or rehabilitation of affordable housing for homeowners and gap financing or downpayment assistance for first-time homebuyers. In June 2008, the Board approved an additional \$1,000,000 in Housing Trust Fund funds for the Homeownership SuperNOFA, increasing the total amount available to \$2,000,000.

Of the 11 applications, totaling \$2,499,900, received in response to the NOFA, the Board has already approved 5 applications for funding, totaling \$1,000,000 for project and administrative funds with a target to assist 70 households and leaving no balance in the original \$1,000,000 NOFA.

Four applications are being recommended to the Board for award recommendations today totaling \$966,190 in project funds and \$33,810 in administrative funds. One application which was received on the application deadline date is still under review. Attached is an application log reflecting all applications received in response to this NOFA and an award recommendation log. Staff has provided a brief description of the applicants being recommended for an award below:

Austin Affordable Housing Corporation (AAHC) incorporated as a 501(c)(3) nonprofit corporation in 1995. Since 2004 the AAHC partnered with the Southwest Housing Compliance Corporation to create a Down Payment Assistance Program which has made available \$350,000 for homebuyer assistance that assisted over 32 eligible Austin residents. In 2007 AAHC initiated a Lease-to-Own program for Public Housing and Housing Choice Voucher residents, who are unable to qualify for a conventional mortgage, to transition to homeownership after the completion of a five-year self-sufficiency program. AAHC also created a Six Star program for residents of the AAHC-owned apartments, which set aside a portion of the rent for homeownership purposes over the course of three years. In addition, the AAHC offers financial literacy classes and homeownership case management for those not yet ready for

homeownership. The applicant is requesting \$240,000 in project funds and \$10,000 in administrative funds to assist 24 homebuyers.

The Community Development Corporation of Brownsville (CDCB) is a private 501(c)(3) organization that has served the Brownsville/Cameron County area since 1974. An approved FHA Title I and II lender, CDCB originated over \$10 million in loans for over 156 homes in the 2005-2006 program year. Since 1995 CDCB has received 5 TDHCA HOME Owner-Occupied Housing Assistance contracts totaling \$849,038 and assisted 83 households. The applicant is requesting \$238,095 in project funds and \$11,905 in administrative funds under the Rehabilitation Assistance Program and proposes to assist 8 households.

Fort Worth Area Habitat for Humanity, Inc. (dba Trinity Habitat for Humanity) is a 501(c)(3) nonprofit organization which incorporated in 1989. Fort Worth Area Habitat for Humanity has constructed 330 homes with sweat-equity from low-income families and volunteers. Fort Worth Area Habitat for Humanity began in Tarrant County, expanded to Johnson County in 2002 and added Wise and Parker Counties to its service area in 2006. Since 2001 TDHCA's Office of Colonia initiatives has funded this organization with \$1.3 million with which Fort Worth Area Habitat for Humanity created 46 loans for the improvement of housing situations. The organization works with families that earn between 30 and 60 percent of the area median income, have a need for housing, have an ability to pay for housing and have a willingness to partner with Habitat. Each homebuyer contributes 300 hours to building Habitat Houses. The applicant is requesting \$238,095 in project funds and \$11,905 in administrative funds and proposes to assist 24 homebuyers.

El Paso Credit Union HOAP, Inc. is a 501(c)(3) nonprofit organization formed in 2001 by eight El Paso-based credit unions. This organization has established an Individual Development Account (IDA) program, a specialized savings account for closing cost assistance in which participants contribute \$2,000, which is matched by \$4,000, giving the participant \$6,000 in assistance. Over sixty households have participated in the IDA program. El Paso Credit Union HOAP, Inc. has developed community-oriented services that include bilingual financial education, homebuyer counseling, credit counseling, foreclosure prevention assistance, volunteer income tax preparation and innovative home mortgage loans through its sister organization El Paso Credit Union Affordable Housing LLC. The applicant is requesting \$250,000 in project funds and is proposing to assist 25 households.

All applications have also been reviewed by the Portfolio Management and Compliance Division and no issues of material non-compliance, unresolved audit findings, or questioned or disallowed costs have been identified. Staff will verify during a second compliance review at contract generation that there are no unresolved audit findings, questioned or disallowed costs, and performance issues identified at that time. These applications are recommended for funding under the 2008 Housing Trust Fund Program Rule.

If the award recommendations are approved, no balance will remain under this NOFA. The 2008 HTF Homeownership SuperNOFA remains oversubscribed by \$249,900.

Attached:

- HTF 2008 Homeownership SuperNOFA – Award Recommendations; and,
- HTF 2008 Homeownership SuperNOFA - Application Log.

Recommendation

Staff recommends approval of Austin Affordable Housing Corporation (AAHC), Community Development Corporation of Brownsville (CDCB), Fort Worth Area Habitat for Humanity, and El Paso Credit Union HOAP, Inc. for a Housing Trust Fund Homeownership SuperNOFA award.

2008 HTF Homeownership SuperNOFA - Award Recommendations

Sorted by Date/Time Received

App number	Received Date	Time Received	Applicant	Activity	Region	Project Funds Recommended	Admin Funds Recommended	Total Units	Comments
2008-0040	5/6/2008	8:21 AM	Austin Affordable Housing Corporation	Downpayment Assistance	7	\$240,000	\$10,000	24	Pending Award
2008-0043	5/14/2008	4:04 PM	Community Development Corporation of Brownsville	Rehabilitation Assistance	11	\$238,095	\$11,905	8	Pending Award
2008-0048	5/27/2008	9:22 AM	Fort Worth Area Habitat for Humanity, Inc.	Downpayment Assistance	3	\$238,095	\$11,905	24	Pending Award
2008-0058	6/12/2008	4:52 PM	El Paso Credit Union HOAP Inc.	Downpayment Assistance	13	\$250,000	\$0	25	Pending Award
<i>Total Recommended:</i>						\$966,190	\$33,810	81	

2008 HTF Homeownership SuperNOFA - Application Log

Sorted by Date/Time Received

Total NOFA Amount - \$2,000,000

***Total Amount Available: \$1,000,000**

App number	Received Date	Time Received	Applicant	Region	Project Funds Requested	Admin Funds Requested	Total Units	Project Funds Awarded and/or Recommended	Admin Funds Awarded and/or Recommended	Total Units	Comments
2008-0026	3/19/2008	8:46 AM	Dallas Area Habitat For Humanity	3	\$240,000	\$10,000	24	\$240,000	\$10,000	24	Awarded 5/8/2008
2008-0041	4/24/2008	3:16 PM	Community Council of Southwest Texas, Inc.	11	\$237,500	\$12,500	8				Withdrawn
2008-0036	4/24/2008	3:17 PM	Community Council of Southwest Texas, Inc.	11	\$238,095	\$11,905	24	\$238,095	\$11,905	24	Awarded 6/26/2008
2008-0037	4/29/2008	11:48 AM	Community Housing Services Corp., Inc.	11	\$47,620	\$2,380	5	\$58,096	\$2,904	6	Awarded 6/26/2008
2008-0038	4/29/2008	11:49 AM	Community Housing Services Corp., Inc.	11	\$190,476	\$9,524	6	\$180,000	\$9,000	6	Awarded 6/26/2008
2008-0039	5/5/2008	4:53 PM	City of New Braunfels	9	\$250,000	\$0	10	\$250,000	\$0	10	Awarded 6/26/2008
2008-0040	5/6/2008	8:21 AM	Austin Affordable Housing Corporation	7	\$240,000	\$10,000	24	\$240,000	\$10,000	24	Pending Award
2008-0043	5/14/2008	4:04 PM	Community Development Corporation of Brownsville	11	\$238,095	\$11,905	8	\$238,095	\$11,905	8	Pending Award
2008-0048	5/27/2008	9:22 AM	Fort Worth Area Habitat for Humanity, Inc.	3	\$238,095	\$11,905	24	\$238,095	\$11,905	24	Pending Award
2008-0058	6/12/2008	4:52 PM	El Paso Credit Union HOAP Inc.	13	\$250,000	\$0	25	\$250,000	\$0	25	Pending Award
2008-0060	6/27/2008	5:00 PM	Downtown Triangle Community Development Corporation	6	\$238,000	\$11,900	24				Under Review

**This amount reflects \$2,000,000 in funds made available in the NOFA less awards approved by the Board.*

App number	Received Date	Time Received	Applicant	Region	Project Funds Requested	Admin Funds Requested	Total Units	Project Funds Awarded and/or Recommended	Admin Funds Awarded and/or Recommended	Total Units	Comments
<i>Totals:</i>					\$2,407,881	\$92,019	182	\$1,932,381	\$67,619	151	

**This amount reflects \$2,000,000 in funds made available in the NOFA less awards approved by the Board.*

EXECUTIVE DIVISION
BOARD ACTION REQUEST
July 31, 2008

Action Item

Presentation, Discussion and Possible Approval of the 2009 Housing Trust Fund Annual Plan.

Requested Action

Presentation, Discussion and Possible Approval of the 2009 Housing Trust Fund Annual Plan.

Background

During the 80th Legislative Session the Department was appropriated additional General Revenue specifically for the Housing Trust Fund. As provided for in the Conference Committee Report on House Bill 1, 80th Legislative Session, the Department is now appropriated funds as noted below.

	2008	2009
Single Family (SF)*	\$5,393,036	\$5,394,409
Multifamily (MF)*	\$451,361	\$453,052
Total Annual Approp.	\$5,844,397	\$5,847,461
Increase from 2007	\$2,794,528	\$2,797,592
% Increase from 2007	91.62%	91.73%

* Rider 10(e) in the GAA allows up to \$2.5 million to transfer between the SF and MF activities.

** Rider 9 of the GAA indicates that this number includes \$900,000 in loan repayments and interest.

Rider 10(d) of the Bill also requires that: "The Department of Housing and Community Affairs shall provide an annual report to the Legislative Budget Board, the House Appropriations Committee, and the Senate Finance Committee no later than October 1 detailing the agency's plan to expend funds from the Housing Trust Fund during the current fiscal year." The purpose of this action item is to produce the 2009 Annual Plan to be submitted to the noted entities. It is being presented in July 2008, well ahead of the October deadline, to allow the Department to begin awarding funds as expeditiously as possible. A 2008 plan was approved by the Board and submitted in October 2007 reflecting the plan to expend the 2008 appropriation. That plan is continuing to be implemented as noted below.

2008 Plan Activity	Funds Budgeted	Awards Made /Contracts Executed		Funds Expended		Notes
		\$	%	\$	%	
Bootstrap Self-Help Housing Program	\$3,000,000	\$3,512,107	117%	\$1,613,093	45%	Funds exceed \$3M because \$6.5M in funds were released in 2008 for Bootstrap (\$3M from the 2008 Plan and \$3.5M from 2007 HTF and Bootstrap deobligations.
Disaster Recovery Homeowner Repair Gap Financing Program	\$1,000,000	1,000,000	41%	\$117,102	11.7%	Contracts with the COGs have been executed representing \$1,000,000. Of that, \$405,940 has been committed to households representing 41% of funds. These funds are tied to CDBG Round 1 funds; expenditures are based on the progress on those contracts.
Rental Production Program	\$844,397	\$0	0%	\$0	0%	At this time, only one application has been submitted which is being withdrawn. Feedback has indicated that low participation is occurring because funds are not permitted for tax credit properties. 2009 Plan removes this restriction.
Homeownership SuperNOFA	\$1,000,000	\$1,000,000	100%	0%	0%	The program is currently oversubscribed; \$727,500 in applications were pending as of June 26. At the June Board meeting the Board approved allocating an additional \$1 million in Trust Fund (funds not anticipated in the 2008 annual plan generating from loan repayments and interest earnings) to further fund these applications.

The attached Plan reflects only the use of the 2009 Housing Trust Fund Program appropriated funds; all funds remaining from the 2008 Plan will remain programmed as outlined in the 2008 Plan.

Overview of 2009 Annual Plan

The 2009 Plan is continuing similar programming to the 2008 Plan. A summary of those activities and the differences from the 2008 Plan include:

- ❖ Use of \$3,000,000 for the Bootstrap Self-Help Housing Program, as in the 2008 Plan
- ❖ Creation of an \$97,461 Bootstrap Self-Help Housing Capacity Building Pilot Program
- ❖ Plan to use loan repayments and interest sources, and not the 2009 appropriation, for the Disaster Recovery Homeowner Repair Gap Financing Program to complement the second series of CDBG Disaster Recovery funding
- ❖ Continuation of a Rental Production Program in an amount of \$750,000 with removal of the restriction against properties involving Housing Tax Credits because potential applicants have indicated that is what has precluded the more timely release of funds.
- ❖ Continuation of a Texas Veterans Housing Support Program, as utilized with 2007 Housing Trust Fund funds, in the amount of \$1,000,000
- ❖ Continuation of a Homeownership SuperNOFA in an amount of \$1,000,000 with the elimination of Disaster Assistance for more recent disasters since those communities can apply for HOME Disaster Relief funds.

The 2009 Housing Trust Fund Annual Plan is attached, reflecting the funding allocation breakdown and a more detailed program description of each activity proposed.

Recommendation

Staff recommends approval of the proposed 2009 Housing Trust Fund Annual Plan to be submitted to the Legislative Budget Board, the House Appropriations Committee, and the Senate Finance Committee Pursuant Rider 10d, 80th Legislative Session, Conference Committee Report on House Bill 1.

Texas Department of Housing and Community Affairs

2009 Housing Trust Fund Annual Plan



Texas Department of Housing and Community Affairs

Michael Gerber, Executive Director

PO Box 13941

Austin, TX 78711-3941

Phone: (512) 475-3976

Fax: (512) 475-3746

www.tdhca.state.tx.us

July 31, 2008

Introduction and Purpose

During the 80th Legislative Session the Department was appropriated General Revenue to the Housing Trust Fund at over \$2.7 million per year from the 2006-2007 appropriation. The Department was appropriated funds as noted below for the 2008-2009 biennium.

The Department annually accrues interest and receives loan repayments to the Fund. Rider 9 of the GAA clarifies that included in funds appropriated each year under the Single Family strategy is an estimated \$900,000 per year in interest to the account as well as loan repayments.

	2008	2009
Single Family (SF)*	\$5,393,036	\$5,394,409
Multifamily (MF)*	\$451,361	\$453,052
Total Annual Approp.	\$5,844,397	\$5,847,461
Increase from 2007	\$2,794,528	\$2,797,592
% Increase from 2007	91.62%	91.73%

* Rider 10(e) in the Bill allows up to \$2.5 million to transfer between the SF and MF activities. Rider 9 of the GAA indicates that this number includes \$900,000 in loan repayments and interest.

Rider 10(d) of the GAA also requires that:

"The Department of Housing and Community Affairs shall provide an annual report to the Legislative Budget Board, the House Appropriations Committee, and the Senate Finance Committee no later than October 1 detailing the agency's plan to expend funds from the Housing Trust Fund during the current fiscal year."

The purpose of this document is to serve as the Annual Plan detailing the Department's plan for expenditure of the 2009 Housing Trust Fund appropriation.

Funding and Allocation Considerations

Statutory restrictions and directives limit alternatives of how the funds can be programmed for use. Listed below are the limiting parameters that are factored into the plan:

Bootstrap Self-Help Housing Program

Pursuant to 2306.7581, Texas Government Code, the Department is required each fiscal year to transfer at least \$3 million to the owner-builder revolving fund (more commonly known as the "Bootstrap Program") from either HOME funds, Housing Trust Fund monies, or from money appropriated by the legislature to the Department. Because of the demand by non-participating jurisdictions, more onerous federal limitations, and extensive reporting associated with the HOME Program, the Department has determined that the use of HOME funds is not practical to accomplish the goals of the Bootstrap Program. Additionally, to date, no direct funding has been provided by the legislature for this activity. Therefore, the only practical source available for the Department to meet the statutory transfer requirement is the Housing Trust Fund.

Eligible Entities to Receive Funds

Pursuant to 2306.202, Texas Government Code, the Department is directed on the types or eligible entities that may be allocated Trust Fund monies. 2306.6202 states:

"In each biennium the first \$2.6 million available through the housing trust fund for loans, grants, or other comparable forms of assistance shall be set aside and made available exclusively for local units of government, public housing authorities, and nonprofit organizations. Any additional funds may also be made available to for-profit organizations so long as at least 45 percent of available funds in excess of the first \$2.6 million shall be made available to nonprofit organizations for the purpose of acquiring, rehabilitating, and developing decent, safe, and sanitary housing. The remaining portion shall be competed for by nonprofit organizations, for-profit organizations, and other eligible entities."

The Department fully achieved the first \$2.6 million for the biennium for nonprofits with the prior 2008 Plan, in particular by allocating more than \$3 million to the 2008 Bootstrap Program whose eligible applicants are limited to nonprofit organizations. The remainder of funds for the biennium will be programmed such that at least 45% of funds are made available to nonprofits. The 2009 funding allocation breakdown to comply with this statute is as follows:

Programming of Funds for Nonprofits for 2009*	
Total 2009 Funds Available	\$5,847,461
45% of Funds to be Programmed for Nonprofits	\$2,631,357

* First \$2.6 million achieved for the biennium in 2008

Regional Allocation Formula

Pursuant to 2306.111(d-1), as amended by SB1908, 80th Legislative Session:

"Funds or credits are not required to be allocated according to the regional allocation formula under Subsection (d) if:

(1) the funds or credits are reserved for contract-for-deed conversions or for set-asides mandated by state or federal law and each contract-for-deed allocation or set-aside allocation equals not more than 10 percent of the total allocation of funds or credits for the applicable program;

(2) the funds or credits are allocated by the department primarily to serve persons with disabilities; or

(3) the funds are housing trust funds administered by the department under Sections 2306.201-2306.206 that are not otherwise required to be set aside under state or federal law and do not exceed \$3 million during each application cycle." (emphasis added)

Due to the limitations using other funds and as the Bootstrap Program is a statutory set-aside that is removed from the total under §2306.111(d-1)(3), after the \$3 million set aside for Bootstrap is removed the remaining total is \$2,847,461. As that total does not exceed \$3 million the statute excepts these funds from the regional allocation formula. Therefore, no regional allocation is anticipated in this Plan for any programmed activities.

Other Critical Considerations

To make the most efficient use of these funds, and to have the greatest impact on low income Texans, several other goals were identified when proposing this Annual Plan:

- Funds should generally be used for very low income families who are not able to obtain housing through financial institutions.
- The flexibility of the funds should be used to design programs to help address unique needs.
- Funds should be leveraged with either sweat equity or other funds as much as possible.
- Funds should be programmed in ways that generally will allow repayment to the state to re-lend.
- Funds should generally be made available statewide.
- When being programmed, creating homeownership should be a primary consideration.

The Department also evaluated areas of need and critical concern to the Department in making the recommendations for this Annual Plan. Of note are the following needs:

- As evidenced by the success and demand of the 2008 programming of funds there is a significant need for housing assistance for veterans, particularly those returning from Iraq and Afghanistan, and for homeownership funds.
- Based on feedback received from interested applicants, there is interest in restructuring the Rental Production Program to allow the funding requests to be layered with developments that are applying for or have received an allocation of Housing Tax Credits.
- Based on the success of the Bootstrap Program, it is a model worth duplicating however smaller Nonprofit Owner Housing Provider do not yet have the capacity to participate in the program. The reservation system in place at the Department does reduce some of the barriers, however peer training and capacity building is needed to help those less experienced organizations to become able to utilize program funds.

2009 Housing Trust Fund Funding Plan

Based on the above considerations, the Department has determined to program and expend the 2009 Housing Trust Fund General Revenue appropriation in the amount of \$5,847,461 as follows. It should be noted that in general the total Annual Appropriations for each year will reflect what is appropriated for both programming and agency administration combined. The Department uses approximately \$600,000 each year for agency administration. This 2009 Plan proposes programming all of the appropriation because there are currently sufficient funds generated from deobligations and higher than expected loan repayments.

2009 Activity	Amount Designated
Bootstrap Self-Help Housing Program	\$3,000,000
Bootstrap Self-Help Housing Capacity Building Pilot Program	\$97,461
Texas Veterans Housing Support Program	\$1,000,000
Rental Production Program	\$750,000
Homeownership SuperNOFA	\$1,000,000
Total	\$5,847,461

Following are descriptions of the programs noted above. Additionally, as noted earlier, the Department annually accrues interest and receives loan repayments to the Fund. Rider 9 of the GAA clarifies that \$900,000 of those funds are appropriated each year under the Single Family strategy as part of the \$5,847,461. Currently, the Department has approximately \$1.3 million in additional loan repayments, deobligations and interest. While not part of the appropriation and therefore not a formal part of this Plan, the Department is targeting these funds to the Disaster Recovery Homeowner Repair Gap Financing Program as permitted under the Department's Deobligation Policy. This Program was used in 2008 to assist with gap financing on the first series of Community Development Block Grant disaster relief funds; this \$1.3 million will be earmarked to similarly assist with gap financing on the second series of Community Development Block Grant disaster relief funds.

Because CDBG Disaster Recovery Funds are limited in the amount of federal assistance that can be provided to a household, otherwise qualified households who are lacking only a small portion of funds to fulfill their full cost of construction, are unable to complete their home. This Program will complement the existing CDBG fund delivery structure administered by ACS such that ACS would be able to access these funds for qualified households.

Bootstrap Self-Help Housing Program

Amount Required under Statutory Set Aside: \$3 million total of which \$2 million must be funded in areas defined under Chapter 17 Subchapter K of the Texas Water Code and \$1 million will be allocated to the balance of the state.

General Program Description: The Bootstrap Program makes funds available to Colonia Self-Help Centers or state certified Nonprofit Owner-Builder Housing Providers to purchase or refinance real property on which to build new residential housing or improve existing residential housing through self-help construction for very low and extremely low income individuals and families (Owner-Builders); including persons with special needs.

Maximum Loan Amount: TDHCA may provide loans of not more than \$30,000 per household. The total amount of amortized loans made with TDHCA and any other source combined may not exceed \$60,000 per household.

Eligibility Requirement: The administrator must be either a Colonia Self-Help Center or a state certified Nonprofit Owner-Builder Housing Provider. Eligibility for the Owner-Builder includes their income not exceeding 60% of AMFI, that they must have resided in this state for the preceding six months; that they must have successfully completed an owner-builder education class; and that they must agree to provide at least 60 percent of the labor necessary to build or rehabilitate the proposed housing by working through a Colonia Self-Help Center or a state certified Nonprofit Owner-Builder Housing Provider.

In accordance with Section 2306.753(d) of the Texas Government Code, as amended, TDHCA shall set aside at least two-thirds of the available funds for Owner-Builders whose property is located in. The remainder of the funding will be available state-wide

Administration Fees: 6% of the loan paid upon completion of each house.

Other Considerations: This use of funds achieves the statutory requirement to fund the Bootstrap Program (2306.7581) and the statutory requirement to target 45% of all remaining funds of the biennium (in excess of the first \$2.6 million) to nonprofits. It well exceeds the 45% target of \$2,631,357 to nonprofits. This activity also achieves significant leveraging, promotes homeownership and provides for repayment to the Fund.

Bootstrap Self-Help Housing Capacity Building Pilot Program

Amount Recommended: \$97,461. This amount may be increased up to \$100,000 if additional loan repayments and deobligated funds are available.

General Program Description: Based on the success of the Bootstrap Program, it is a model worth duplicating. However smaller Nonprofit Owner Housing Providers (NOHPs) do not yet have the capacity to participate in the Program. Peer training and capacity building is needed to help those less experienced organizations to become able to utilize Program funds. Therefore, a pilot program is being proposed that will fund approximately ten capacity building partnerships.

NOHPs with limited experience can apply for the program. A partnership will be created comprised of two NOHPs – the applicant with limited experience and one with more significant experience. The more experienced NOHP will provide a minimum number of hours of mentoring /training sessions to a staff member of the less experienced NOHP on their site.

Funds will be tied to production of units with Bootstrap Program funds, additional trainings (on topics such as mortgage origination or construction for example), and staff time and travel. It is expected that the training will be an intensive opportunity to go through all the phases of an owner-builder program and what it entails. A Notice of Funding Availability for the Pilot Program will be released as the process for identifying partnerships.

Maximum Grant Amount: TDHCA will provide \$10,000 to each partnership, to be utilized by both NOHPs in that partnership.

Eligibility Requirement: Each partnership must include two organizations, both of which must be either a Colonia Self-Help Center or a state certified Nonprofit Owner-Builder Housing Provider. Eligibility for the experienced NOHP will include a minimum number of owner-builder units produced; eligibility for the less experienced NOHP will include a cap to the number of owner-builder units they have produced in the recent past. Eligibility criteria, as defined in the NOFA, may also include an evaluation of previous performance such as timeliness, quality of units, loan performance and any non-compliance issues.

Administration Fees: The funds received cover administration of the capacity building effort.

Other Considerations: While this activity is a grant and therefore produces no direct repayment to the fund, it is an excellent means to enhance the capacity of organizations able to utilize the program enabling the program to be used in even more communities. Additionally, this promotes homeownership.

Texas Veterans Housing Support Program

Amount Recommended: \$ 1,000,000

General Program Description: This program, awarded to eligible applicants in 2008, was successful and had sufficient demand to warrant reutilization of the program. Funds are 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 or 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. Priority will be 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 known as Operation Iraqi Freedom, and other recent overseas conflicts.

Maximum Request Amount: The maximum request per applicant will be \$250,000. Rental assistance will be for a period no longer than 36 months. Down payment assistance and modifications have a maximum loan amount of 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, but no more than \$20,000, can be used for needed accessibility modifications.

Eligibility Requirement: Eligible applicants are Units of General Local Government, Nonprofit Organizations and Public Housing Authorities (PHA's). The household assisted must be at or below 80% of AMFI.

Administration Fees: The Program would allow for 4% administration costs for the organization.

Other Considerations: This use of funds will serve lower income families, will promote the effort of homeownership and assist a unique housing need.

Rental Production Program

Amount Recommended: \$750,000

General Program Description: There is a need to leverage funds with rental properties, primarily in rural areas, to better enable quality properties to target units to households at lower median incomes (30% to 50% of AMFI). Funds will be used for low or 0% interest loans to ensure repayment to the fund. The loans will be capped at no more than \$250,000 and will be limited in purpose to solely financing units that will serve families at 50% of AMFI or below. Additionally, as an incentive, if the funds are used to target families at 30% or below and those units were not already targeted to serve a 30% family through another subsidy source, the Department may allow a forgivable loan only for those 30% units.

Maximum Loan Amount: \$250,000 per proposed property.

Eligibility Requirement: The applying entity may be a unit of general local government, Public Housing Authority, for profit or nonprofit organization. The recipient of the funds must satisfy the Department's minimum threshold and underwriting criteria as specified in the Notice of Funding Availability. The units funded by the funds must be utilized for households at 50% or less of AMFI.

Administration Fees: These funds do not include any administration fees as there is no cost to administer the program – the funds are utilized directly for the financing and construction of the property.

Other Considerations: This use of funds will achieve the multifamily performance measure, will help further serve lower income households in rental units and will likely provide leveraging. It will also provide for repayment to the fund.

Homeownership SuperNOFA

Amount Recommended: \$ 1,000,000

General Program Description: This program was utilized in 2008 and had demand that nearly doubled the original funds made available. This fund is utilized by a SuperNOFA because it will be fairly flexible in its use of funds. The idea is to allow flexibility to for profit or nonprofit organizations across the state in identifying what their community's homeownership needs are and then serving that need. These activities should allow applications in most activities relating to homeownership. The applicant may apply for any of the following activities:

- Zero percent interest gap financing or down payment assistance for first time homebuyers
- Zero percent interest rehabilitation loans for homeowners including barrier removal
- Other innovative homeownership initiatives as released in the NOFA

Funds would be limited to loans to ensure repayment to the program and will only be awarded for serving households at or below 50% of AMFI. Loan caps per activity are established to spread funds while providing needed assistance; for example, a loan cap for the rehabilitation activity is set that will assist in serving more households and discourage reconstruction (which is eligible for HOME funds as a separate activity).

Maximum Loan Amount: The maximum request per applicant will be \$250,000.

- The maximum loan amount for the rehabilitation activity will be \$30,000.
- The maximum loan amount for gap financing and down payment assistance is \$10,000.

Eligibility Requirement: Eligible applicants are Units of General Local Government, Nonprofit Organizations and Public Housing Authorities (PHA's). The household assisted must be at or below 50% of AMFI.

Administration Fees: The Program would allow for 4% administration costs for the organization.

Other Considerations: This use of funds will achieve leveraging, will serve lower income families, and will promote the effort of homeownership.

REPORT ITEMS

**COMMUNITY AFFAIRS DIVISION
BOARD REPORT ITEM**

July 31, 2008

Report Item

The US Department of Health and Human Services (USDHHS) requires states to hold a public hearing each year as part of the submission of the 2009 Low Income Home Energy Assistance Program Plan. On June 9, 2008, the Community Affairs Division held a Public Hearing and received public comment from two parties.

Required Action

None. Informational Purposes Only.

Background

Mr. Art Kampschafer of Community Services Inc. submitted comments about the state plan. Mr. Kampschafer commended the state for continuing to allow up to \$4,000 of weatherization assistance per eligible household in the LIHEAP plan. An additional comment was submitted about leveraging activities and was not germane to the plan.

Staff response: Staff appreciates the comment.

Mr. Cyrus Reed of The Sierra Club – Lone Star Chapter would like two additional sources of funding reflected in the LIHEAP plan: SB7 requires all Investor Owned Utilities (IOU) to develop a standard offer and market based energy efficiency program and the System Benefit Fund (SBF) which has not been funded in recent years.

Staff response: Mr. Reed is correct about the requirement for IOU's, however, they are not required to administer the programs through TDHCA and the SBF is not a guaranteed source of funding. Inclusion of uncertain funding sources in the LIHEAP plan would not provide an advantage to the State of Texas in the submission of the plan and could require additional explanation if the funding is not received.

Mr. Reed also states that HB 3693 requires TDHCA to develop minimum energy efficiency standards for single or multifamily dwellings (both new construction and rehabilitation). Mr. Reed would like for TDHCA to address the requirement through the LIHEAP plan or through separate rules.

Staff Response: Staff agrees with the need for energy efficient low income housing, however, HB 3693 strictly states that the Weatherization Program is exempted from the regulation.

Mr. Reed requests that the QAP for 2009 establish minimum energy efficiency standards for federally funded programs.

Staff Response: The Department will consider this recommendation as rules are drafted.

Recommendation

None. The Board approved the State of Texas draft PY 2009 plan at the May 8, 2008 Board meeting. In the event that the Department did not receive public comment which would affect the plan as drafted, the Board granted the Executive Director the authority to submit the plan. The Department appreciates the comments that were provided during the public hearing.