

BOARD MEETING OF JULY 8, 2010

C. Kent Conine, Chair



Gloria Ray, Vice-Chair

Leslie Bingham Escareño, Member

Tom Gann, Member

Lowell Keig, 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**

A G E N D A

**9:00 a.m.
July 8, 2010**

**Capitol Extension Auditorium
1100 Congress Avenue
Austin, TX**

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.

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 under Chapter 551 of the Texas Government Code, Texas Open Meetings Act.

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

Multifamily Division Items - Housing Tax Credit and Exchange Programs

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

Robbye Meyer
Dir. Multifamily

09914	StoneLeaf at Dalhart	Dalhart
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Housing Trust Fund

- b) Presentation, Discussion, and Possible Approval of the 2010-2011 Housing Trust Fund (HTF) Rural Housing Expansion Program NOFA Award Recommendations and Authorization to Release a Separate NOFA for USDA 502 Direct Loan Application Assistance:

Dee Patience
Mgr. HTF

2010-0021	Community Development Corporation of Brownsville	Brownsville
2010-0023	Brazos Valley CDC, Inc.	Bryan

Disaster Recovery:

- c) Presentation, Discussion, and Possible Approval of Request for Amendments to CDBG Disaster Recovery Housing Contracts administered by TDHCA for CDBG Hurricane Ike/Dolly Round I Funding

Sara Newsom
DED, Emergency
Housing & Disaster

70090010	Chambers County
70090001	City of Houston

ACTION ITEMS

Item 2: Asset Management and Compliance:

- a) Presentation, Discussion, and possible approval of asset management fees for Exchange and Tax Credit Assistance Program

Patricia Murphy
Chief of Compliance and
Asset Management

Item 3: Financial Administration

- a) Presentation, Discussion and Possible Approval of the fourth amendment to the FY 2010 Operating Budget and Housing Finance Budget along with authorization to submit the related Finding of Fact to the Governor's Office and the Legislative Budget Board

David Cervantes
Dir. Financial Admin.

- b) Presentation, Discussion, and Possible Approval of the FY 2011 Draft Operating Budget
- c) Presentation, Discussion, and Possible Approval of the FY 2011 Draft Housing Finance Operating Budget along with authorization to submit the related Finding of Fact to the Governor's Office and the Legislative Budget Board

Item 4: Tax Credit Assistance Program

Tom Gouris
DED Housing Programs

- a) Presentation, Discussion, and Possible Approval of a Round 4 application cycle for the Tax Credit Assistance Program (TCAP)

Item 5: Multifamily Division Items - Housing Tax Credit Program:

Robbye Meyer
Dir. Multifamily

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

060170 Orchard Park at Willowbrook Houston

- b) Presentation and Discussion of the Status of Applications Awarded Housing Tax Credit Exchange Funds and Possible Action for an Extension of Deadlines for the Housing Tax Credit Exchange Program
- c) Presentation and Discussion of Challenges Made in Accordance with §50.(17)(c) of the 2010 Qualified Allocation Plan and Rules (QAP) Concerning 2010 Housing Tax Credit (HTC) Applications

Tom Gouris
DED Housing Programs

Item 4: Appeals:

- a) Presentation, Discussion, and Possible Action for Tax Credit Program Appeals not timely filed:

10173 Sphinx at Lawnview

Tom Gouris
DED Housing Programs

- b) Presentation, Discussion, and Possible Action on Multifamily Program Appeals:

Robbye Meyer
Dir. Multifamily

10013 Artisan at Queen's Retreat
 10039 Paris Retirement Village II
 10051 Parkway Ranch Apartments
 10094 Providence Town Square
 10134 Champion Homes at Copperridge
 10136 Evergreen at Richardson
 10150 Woodlawn Ranch Apartments
 10153 Britain Way Apartments
 10160 Creekside Place
 10200 Hillside West Seniors
 10202 Brae Estates
 10227 Tarrington Court
 10241 Timberland Trails
 10284 Atmos Lofts

Appeals Timely Filed

- c) Presentation, Discussion, and Possible Action for Underwriting Appeals:

Brent Stewart
Director, REA

Appeals Filed Timely

- d) Presentation, Discussion, and Possible Action for Housing Trust Fund Program Appeals:

Dee Patience
Mgr. HTF

Appeals Filed Timely

REPORT ITEMS

Kent Conine, Chairman

1. Disaster Recovery Division's Status Report on CDBG and FEMA AHPP Contracts Administered by TDHCA, including update on Ike/Dolly Round II
2. Exchange Extensions

EXECUTIVE SESSION

The Board may go into Executive Session (close its meeting to the public):

Kent Conine, Chairman

1. The Board may go into Executive Session Pursuant to Tex. Gov't. 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;
2. Pursuant to Tex. Gov't. Code §2306.039(c) to meet with the internal auditor to discuss issues related to fraud, waste, or abuse;
3. Pursuant to Tex. Gov't. Code, §551.071(1) to seek the advice of its attorney about pending or contemplated litigation or a settlement offer, including:
 - a) *The Inclusive Communities Project, Inc. v. Texas Department of Housing and Community Affairs*, et al filed in federal district court,
4. Pursuant to Tex. Gov't. Code, §551.071(2) for the purpose of seeking the advice of its attorney about a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this Tex. Gov't. Code, Chapter 551
5. Pursuant to Tex. Gov't. Code, §551.072 to deliberate the possible purchase, sale, exchange, or lease of real estate because it would have a material detrimental effect on the Department's ability to negotiate with a third person

OPEN SESSION

If there is an Executive Session, the Board will reconvene in Open Session. Except as specifically authorized by applicable law, the Board may not take any actions in Executive Session

Kent Conine, Chairman

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.

**MULTIFAMILY FINANCE DIVISION
BOARD ACTION REQUEST
July 8, 2010**

Requested Action

Approve the requests for extensions related to one (1) 2009 Housing Tax Credit Exchange allocations.

WHEREAS, the Board requires compliance with the deadlines it sets through its policies and authorizes the Executive Director to approve reasonable extensions of such deadlines when requested with good cause prior to the deadline, and

WHEREAS, the Board may consider and approve with good cause or deny extensions of deadlines requested after the deadline.

It is hereby:

BE IT RESOLVED, that the extension presented in this meeting relating to Application No. 09914 (StoneLeaf at Dalhart) be and is hereby approved in the form presented to this meeting.

Background

Pertinent facts about the request for extension are following:

HTC No. 09914, StoneLeaf at Dalhart (Tax Credit Exchange Program App)
(Commencement of Substantial Construction)

Summary of Request: Pursuant to the Exchange Policy, the Development Owner must submit evidence of having commenced and continued substantial construction activities and evidence must be submitted not later than May 31, 2010. The owner of this development missed the deadlines to commence substantial construction (COC) and to submit the documentation and has requested a new deadline of August 31, 2010.

The reason given for the request is that, the owner had applied for Tax Credit Exchange Program funds and did not close on those funds until the end of March. The owner has indicated that construction has commenced with the clearing and staking of the site. The owner also indicated that he anticipates that the community building slab will be in place by the end of August and that the development is on schedule to meet its placed in service requirement.

Owner:	StoneLeaf at Dalhart, LP
General Partner:	Solutions Plus, Inc.
Developer:	StoneLeaf Development, LLC
Principals/Interested Parties:	J.M. Sugrue and Victoria Sugrue
City/County:	Dalhart/Dallam
Set-Aside:	N/A
Type of Area:	Rural
Type of Development:	New Construction
Population Served:	Family
Units:	76 HTC units
2009 Allocation:	\$759,333
Allocation per HTC Unit:	\$9,991
Extension Request Fee Paid:	\$2,500
Current Deadline:	May 31, 2010
New Deadline Requested:	August 31, 2010
Previous Extensions:	N/A

Stoneleaf at Dalhart, LP

May 17, 2010

Michael Gerber
Executive Director
Texas Department of Housing and Community Affairs
221 East 11th St.
Austin, TX 78701

Re: StoneLeaf at Dalhart Apartments

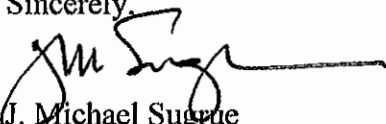
Dear Mr. Gerber:

This letter is being sent as a formal request for an extension for "commencement of substantial construction", which we understand is evidenced by the existence of a foundation slab for the Community Building. We are also requesting an extension of the "10% test" in the event that an automatic extension was not granted by the action of the Board at the May 12, 2010 meeting. We have attached a \$2,500.00 check, as well, which may, or may not be refundable, depending on the interpretation of the Board of Directors motion at the Board meeting held May 12, 2010.

As you are aware, closing occurred at the end of March and construction has begun with the clearing and staking of the site. We should be able to have the Community Building slab in place by the end of August.

Thank you for your assistance. We look forward to your positive response.

Sincerely,


J. Michael Sugrue
General Partner

Cc: Michael Lyttle, TDHCA
Tom Gouris, TDHCA
Robbye Meyer, TDHCA
Granger MacDonald, MacDonald Companies
Carolyn Birge, Reznick Group

**HOUSING TRUST FUND DIVISION
BOARD ACTION REQUEST
July 8, 2010**

Recommended Action

Approve Housing Trust Fund (HTF) Program award recommendations from the 2010-2011 Rural Housing Expansion Program Notice of Funding Availability (NOFA) for two (2) USDA Section 502 Direct Loan Application Assistance applications, totaling up to \$87,000 in project funds which result in assistance for an estimated 58 low income households and authorize staff to release a new NOFA solely for the USDA 502 Direct Loan Application Assistance activity.

RESOLVED, that the award of contracts in the amount of up to \$37,500 to Brazos Valley Community Development Corporation, Inc. and up to \$49,500 to Community Development Corporation of Brownsville, are hereby approved as presented to this meeting.

FUTHER RESOLVED, that staff is hereby authorized and directed to close the current NOFA and release a new NOFA for USDA 502 Direct Loan Application Assistance in the amount of \$363,000 in project funds and \$50,000 in funds for capacity building in substantively the form previously approved by the board for the current NOFA and to make such changes and technical corrections as they may deem necessary or advisable to effectuate the foregoing so long as the changes meet the program design approved in the Amended Housing Trust Fund Plan.

Background

The 2010–2011 Rural Housing Expansion Program Design was approved by the Board on March 11, 2010. The goal of the program is to increase the capacity of rural Texas communities for providing affordable housing. Based on significant public input and feedback, it was determined that more rural households could access USDA Section 502 Direct Loans more effectively if the organizations certified to package and submit the loans could receive grant assistance for administration of the program and funds for capacity building.

The Rural Housing Expansion Program Notice of Funding Availability (NOFA) was released on March 31, 2010. Two (2) applications were received, requesting a total of \$87,000 in grant assistance funds. No capacity building funds were requested due to the high level of experience with USDA loan packaging by the applicants. Both applications have completed the review process and are being recommended for their full requests, which will result in assistance to an estimated 58 rural low income households to close on USDA Section 502 Loans (\$1,500 of grant assistance per loan).

**Brazos Valley Community
Development Corporation, Inc.**

Award recommendation of up to \$37,500 in project funds to package, submit and close 25 USDA Section 502 Direct Loans with rural households.

**Community Development
Corporation of Brownsville**

Award recommendation of up to \$49,500 in project funds to package, submit and close 33 USDA Section 502 Direct Loans with rural households

Should this board item be approved, \$363,000 in project funds and \$50,000 in funds for capacity building will remain available and be offered under the proposed new NOFA.

Awards are conditioned upon there being no findings or issues of material non-compliance, unresolved audit findings or questioned or disallowed costs.

The Application and Award Recommendations Log is attached.

***2010-2011 Rural Housing Expansion Program – USDA Section 502 Direct Loan
Application Assistance and Capacity Building Program***

Application Log

***Total NOFA Amount = \$450,000 Administrative Funds and
\$50,000 Capacity Building Funds***

Application Number	Received Date	Applicant	Applicant City	Region(s) Served	Service Area	Estimated Number of Households to be Served	Estimated Administrative Funds Reserved	Capacity Building Funds Requested	Capacity Building Funds Awarded and/or Recommended	Comments
2010-0021	6/7/2010	Community Development Corporation of Brownsville	Brownsville	11	Cameron & Willacy Counties	33	\$49,500	\$0	\$0	Pending Award
2010-0023	6/18/2010	Brazos Valley CDC, Inc.	Bryan	8,6,5,4	Brazos, Burleson, Leon, Madison, Robertson, Washington Counties	25	\$37,500	\$0	\$0	Pending Award
	TOTALS					58	\$87,000	\$0	\$0	

DISASTER RECOVERY DIVISION

BOARD ACTION REQUEST

July 8, 2010

Recommended Action

Approve requests for amendments to CDBG Disaster Recovery Contract Nos. 70090010 with Chambers County, and 70090001 with the City of Houston, housing contracts administered by TDHCA for CDBG Hurricane Ike/Dolly Round 1 Funding.

RESOLVED, that the Executive Director or his designee are hereby authorized to execute first amendments to Chambers County Disaster Recovery Contract, No. 70090010 and City of Houston Disaster Recovery Contract 70090001 to increase the amount of funding available for homeowner rehabilitation and reconstruction activities as presented to this meeting.

Background

Chambers County is in the process of implementing their Hurricane Ike disaster recovery program and has identified program constraints that must be addressed to move forward. Specifically, the County is requesting an increase in the maximum assistance amount for homeowner activities to allow for elevation costs in the areas hard hit by the storm surge. In addition, Chambers County requested that funds previously budgeted by the County for Project Delivery expenses that were inadvertently included under the *Homeowner Repair, Reconstruction, New Construction* line item in the contract, be moved to the Project Delivery line item. These modifications will not reduce the number of beneficiaries served.

The City of Houston is requesting an increase in the maximum assistance level under their *Homeowner Rehabilitation, Reconstruction, New Construction* program costs to allow for funding for a Temporary Relocation Program. Due to financial hardships on program recipients, the City of Houston has determined that relocation assistance provided during construction is necessary in some cases. Construction activities include demolition of original dwellings, construction of replacement dwellings, and/or rehabilitation of existing structures that are currently causing life, health or safety hazards to the occupants. These modifications will not reduce the number of beneficiaries served.

Chambers County 70090010

Homeowner Repair, Reconstruction, New Construction

Chambers County is proposing to increase the maximum allowable amount under this activity type from one hundred five thousand (\$105,000) to one hundred thirty-five thousand (\$135,000). This increase will allow for additional funds in instances where elevation is required. The County's rehabilitation and replacement activities combined will still assist a minimum of one hundred eighty (180) low to moderate income households.

Project Delivery

Under the CDBG Disaster Recovery Program, Subrecipients can request up to ten percent (10%) for Project Delivery costs. Project Delivery costs are costs that can be directly attributed to housing activities including case management costs, bid preparations, inspections, and construction oversight activities. Chambers County's current budget allows for three percent (3%) for Project Delivery costs; however costs intended by the County to be budgeted as Project Delivery costs were included under the

Homeowner Repair, Reconstruction, New Construction budget line item in the contract between TDHCA and the County. Therefore, the County is requesting a contract amendment to transfer six hundred thirty thousand and no/100 dollars (\$630,000.00) accordingly, which will increase the Project Delivery line item to six percent (6%) as allowed under the Program.

	Original	Change	Amended
Homeowner Activities	\$19,734,582	(\$630,000)	\$19,104,582
<i>Projected Served</i>	180	(0)	180
Project Delivery	\$632,000	\$630,000	\$1,262,000

City of Houston 70090001

Homeowner Repair, Reconstruction, New Construction

The City of Houston is proposing to increase the maximum allowable amount under this activity type from one hundred thirty-five thousand (\$135,000) to one hundred forty thousand (\$140,000). This increase will allow for additional funds in instances where the City will provide temporary relocation assistance. Funds budgeted under these activities combined will still assist a minimum of forty-eight (48) low to moderate income households. Funding for this increase will come from Project Delivery, as further detailed below.

Project Delivery

The City is requesting a contract amendment to transfer one hundred sixty thousand and no/100 dollars (\$160,000.00) from the Project Delivery line item to the *Homeowner Repair, Reconstruction, New Construction* line item to provide for the funding necessary to implement a temporary relocation program.

	Original	Change	Amended
Homeowner Activities	\$9,423,434	\$160,000	\$9,583,434
<i>Projected Served</i>	48	(0)	48
Project Delivery	\$1,947,858	(\$160,000)	\$1,787,858

COMPLIANCE AND ASSET OVERSIGHT

BOARD ACTION REQUEST

July 8, 2010

Recommended Action

Approval of Asset Management Fees for Developments Funded through the Housing Tax Credit Exchange Program (Exchange) and the Tax Credit Assistance Program (TCAP).

WHEREAS, the American Recovery and Reinvestment Act of 2009 requires asset management to ensure that assets funded under Exchange and TCAP are developed and operated in accordance with applicable federal requirements and

WHEREAS the Board has previously adopted a policy for each program to charge a fee in an amount to be determined to cover the cost of asset management services,

BE IT RESOLVED, that the initial fee amounts collected will be \$50 per unit for all properties funded with Exchange and those TCAP properties with no third party asset management provider and \$35 per unit for TCAP properties with third party asset management providers.

Background

For Exchange properties, the fee will be invoiced beginning May 1, 2010 and will be collected annually for at least 15 years. For TCAP properties the fee will be payable January 1st of the year following closing. Staff has projected the scope of work that needs to be performed and believes that asset management can be performed for these fees. However, since this is a new activity for the Department, these fees may need to be re-visited based on actual experience.

The Department issued a Request for Proposal (RFP) for Asset Management Services with responses due February 19, 2010. After reviewing responses to the RFP, staff recommends hiring additional staff to perform the asset management in house rather than outsourcing. The fees approved today will cover asset management if performed by TDHCA. If the request to hire additional staff is not approved, the Department will have to outsource asset management. Under that scenario, staff may, depending on proposals need to increase these fees to cover the cost of outsourcing.

**Financial Administration Division
Board Action Request
July 8, 2010**

Recommended Action

The Board approve a fourth amendment to the FY 2010 Operating Budget and Housing Finance Budget along with the related Request to Exceed FTE Cap/Finding of Fact and Proposed Use of Additional Appropriated Receipts.

RESOLVED, that the fourth amendment to the FY 2010 Operating Budget and Housing Finance Budget, in the form presented to this meeting, is hereby approved.

RESOLVED, that the Request to Exceed FTE Cap as presented in this meeting is hereby approved and will be submitted by the Board to the Governor and the Legislative Budget Board.

FURTHER RESOLVED, that the Finding of Fact and Proposed Use of Additional Appropriated Receipts (AR) as presented in this meeting is hereby approved and will be submitted by the Board to the Governor and the Legislative Budget Board.

Background

The purpose of the fourth amendment is to request several items including two (2) additional FTE's for the Real Estate Analysis Division to meet increased underwriting workload associated with the administration of the economic stimulus programs (Disaster Tax Credit, TCAP, Exchange and CDBG Programs). These two associate level underwriters will be responsible for the up-front underwriting of deals. They will also facilitate the re-evaluation of amendments and the cost certification process on multifamily deals as they are completed and final allocations are determined. As a result of the increasing number of deals financed through the Department each year, the amendment review and cost certification pipeline is increasing both in volume and degree of complexity a trend which will continue over the next two years. These positions will be funded by commitment fee income from the multifamily programs mentioned above but primarily the Disaster Tax Credit fees (See Exhibits A and B for more details).

TDHCA also requests approval of a Request to Exceed FTE Cap associated with these FTEs and four (4) FTEs included in the original 2010 Operating Budget. While the requested FTEs, like other stimulus related positions, are temporary in nature, because they are funded through fees rather than through federal funds, they cannot be exempted from the agency's FTE cap as set forth in the General Appropriations Act (GAA). The original 2010 Budget as adopted by the Board (July 30, 2009) included four (4) FTEs for the purpose of initial administration duties associated with these programs; these must likewise be counted against TDHCA's FTE cap.

TDHCA has been utilizing its vacancies (resulting from staff turnover) to provide sufficient staffing for these programs without exceeding its cap. However, this cannot be sustained without risk to program operations and performance. Therefore, TDHCA requests that the Governing Board submit a Request to Exceed FTE Cap as provided under Section 6.10(b) Article IX of the

GAA. The four (4) positions plus the proposed two (2) in this amendment would increase the 2010 FTE CAP from 314 to 320.

TDHCA also requests approval of the attached Finding of Fact (Exhibit C) and Proposed Use of Additional Appropriated Receipts (Exhibit D). When the GAA was passed in May 2009, the following AR costs were not contemplated:

- Salary, payroll related and computer costs associated with the hiring of six (6) employees to administer the Tax Credit Assistance Program (TCAP) and the Housing Tax Credit Exchange Program (\$493,754)
- Accrued Audit Costs related to TCAP and Exchange Programs (\$100,000)
- Temporary help costs associated with implementation of the \$8,000 First Time Homebuyer Tax Credit Monetization Program (\$23,270)
- Legal fees necessary to defend the State in the case of *Inclusive Community Project Inc. v. TDHCA et al.* (\$1,000,000)

While TDHCA has collected sufficient fees to meet these costs, the funds cannot be utilized without requesting additional appropriation authority. Rider 12 of TDHCA's bill pattern provides a mechanism for requesting the additional AR.

The Rider requires the TDHCA Board to submit a Finding of Fact indicating the need for the additional funds along with a written plan outlining the sources, uses, and projected impact of funds on performance measures. As provided under Rider 12, TDHCA will be authorized to expend the additional funds unless the Legislative Budget Board or the Governor issue written disapproval within ten days of receipt of this letter.

Summary

If the Board approves the recommended fourth amendment to the FY 2010 Operating Budget, the Department will submit the amended budgets to the LBB and Governor's Office. The Board Secretary will certify the Board's approval to submit to the Legislative Budget Board (LBB) and Governor's Office on the behalf of the Board a Request to Exceed FTE Cap by six (6) FTEs and a Finding of Fact and a related plan for outlining the Sources, Uses and the projected impact on performance measures for additional appropriated receipts.

Texas Department of Housing and Community Affairs
September 2009 thru August 2010 (Amendment #4)
Comparison by Expense Object

EXHIBIT A

	Approved Budget (a)	Amended Budget (b)	Variance (b-a)	Percentage Change
Salaries and Wages	\$ 19,646,238	\$ 19,661,542	\$ 15,303	0.1%
Payroll Related Costs	4,518,635	4,522,155	3,520	0.1%
Travel In-State	1,232,420	1,232,420	-	0.0%
Travel Out-of-State	125,394	125,394	-	0.0%
Professional Fees	5,517,610	5,517,610	-	0.0%
Material and Supplies	639,335	639,335	-	0.0%
Repairs/Maintenance	668,855	668,855	-	0.0%
Printing and Reproduction	196,735	196,735	-	0.0%
Rentals and Leases	563,438	563,438	-	0.0%
Membership Fees	102,770	102,770	-	0.0%
Staff Development	386,372	386,372	-	0.0%
Insurance/Employee Bonds	94,997	94,997	-	0.0%
Employee Tuition	22,100	22,100	-	0.0%
Advertising	163,333	163,333	-	0.0%
Freight/Delivery	47,137	47,137	-	0.0%
Temporary Help	417,115	417,115	-	0.0%
Furniture and Equipment	381,630	384,630	3,000	0.8%
Communication and Utilities	331,887	331,887	-	0.0%
Capital Outlay	88,298	88,298	-	0.0%
State Office of Risk Management	39,423	39,423	-	0.0%
Total Department	\$ 35,183,721	\$ 35,205,544	\$ 21,823	0.1%
* FTE's	323.00	325.00	2.00	0.6%
Method of Finance:				
General Revenue	\$ 3,220,111	\$ 3,220,111	\$ -	0.0%
ARRA Stimulus Earned Federal Funds	790,065	790,065	-	0.0%
Federal Funds	6,227,991	6,227,991	-	0.0%
CDBG/FEMA Disaster Recovery	3,278,526	3,278,526	-	0.0%
ARRA Stimulus	6,589,696	6,589,696	-	0.0%
Neighborhood Stabilization Program	1,111,320	1,111,320	-	0.0%
** Appropriated Receipts - Housing Finance	13,368,845	13,390,668	21,823	0.2%
Interagency Contracts	80,982	80,982	-	0.0%
Appropriated Receipts - Manufact. Housing	516,185	516,185	-	0.0%
Total, Method of Finance	\$ 35,183,721	\$ 35,205,544	\$ 21,823	0.1%

* Note: Amendment #4 reflects the addition of two (2) FTEs; associated payroll related costs and the purchase of two computers.

** Housing Finance Budget (Exhibit B)

Texas Department of Housing and Community Affairs
September 1, 2009 thru August 31, 2010
Housing Finance Budget (Amendment #4)

EXHIBIT B

Budget Categories	Executive Administration	Agency Administration	Housing Programs Division	Community Based Programs	Compliance and Asset Oversight	Capital Budget	Payroll Related Costs	Total
Salaries	1,305,758	3,829,865	1,800,438	236,375	1,371,479			8,543,916
Payroll Related Costs	-	-	-	-	-		1,268,574	1,268,574
Travel In-State	63,575	47,650	22,750	8,500	145,000			287,475
Travel Out-of-State	29,384	21,422	15,800	1,900	6,540			75,046
Professional Fees	1,175,500	172,450	45,400	-	156,750			1,550,100
Materials/Supplies	38,935	52,013	32,196	9,364	25,129			157,637
Repairs/Maintenance	24,672	166,855	35,724	10,437	32,044			269,732
Printing and Reproduction	17,407	13,509	3,397	8,684	7,131			50,129
Rental/Lease	34,222	75,317	20,776	4,112	39,894			174,321
Membership Dues	6,750	52,140	2,000	250	4,680			65,820
Staff Development	59,405	73,608	29,797	3,000	18,000			183,810
Insurance/Employee Bonds	4,313	25,366	7,276	2,156	6,412			45,523
Employee Tuition	-	3,570	2,600	-	2,400			8,570
Advertising	900	73,200	2,475	-	1,000			77,575
Freight/Delivery	6,850	13,128	2,875	250	1,500			24,603
Temporary Help	32,237	88,868	40,553	5,267	51,365			218,290
Furniture/Equipment	6,704	19,517	6,388	752	9,197	153,960		196,518
Communications/Utilities	28,543	40,563	26,323	7,522	21,850			124,801
Capital Outlay	-	-	-	-	-	44,020		44,020
State Office of Risk Management	1,471	14,508	2,553	-	5,677			24,208
Total	2,836,626	4,783,549	2,099,321	298,569	1,906,047	197,980	1,268,574	13,390,668

Method of Finance:

Bond Administration Fees	2,483,599
Housing Tax Credit Fees	1,231,168
Disaster Recovery Tax Credit Fees	591,304
Compliance Fees	2,112,845
Appropriated Receipts - Central Support	6,971,751
Total, Method of Finance	13,390,668

Appropriated Receipts include Bond Administration Fees, Housing Tax Credit Fees, and Multifamily Compliance Fees

Note: Amendment #4 increases the Housing Finance Budget from \$13,368,845 to \$13,390,668

TDHCA

Findings of Fact

RESOLVED, that the Governing Board (this “Board”) of the Texas Department of Housing and Community Affairs (the “Department”) hereby adopts the fourth amendment to the Department’s operating budget, in the form presented to this meeting, and

FURTHER RESOLVED, that this Board hereby makes the following findings:

1. That the enactment of the American Recovery and Reinvestment act of 2009, P. L. 111-5 (“ARRA”), specifically the Tax Credit Assistance Program (“TCAP”) and the Tax Credit Exchange Program (“TCEP”) created under ARRA, has resulted in the Department being required to carry out greatly expanded activity and assume greatly expanded responsibility in the administration of multifamily affordable housing finance activity, including expanded and extended asset management responsibility;
2. That addition to the responsibilities under TCAP and TCEP, the Department has significant additional newly assigned responsibilities under the Housing and Economic Recovery Act of 2008, P.L. 110-289 (“HERA”), specifically under the Neighborhood Stabilization Program (“NSP”), and the ARRA expansion of the Weatherization Assistance Program (“WAP”);
3. That the successful and timely execution and administration of programs assigned to the Department under HERA and ARRA require additional staff;
4. That the Department’s ongoing activities involve a constantly increasing portfolio of housing finance transactions that must be administered and monitored, including new multifamily properties developed with financial assistance under the HOME Investments Partnership (“HOME”), the Low Income Housing Tax Credit Program (“LIHTC”), and the Community Development Block Grant special appropriations for disaster recovery (“CDBG DR”);
5. That certain of these programs, namely WAP, HOME, and CDBG DR provide for federal administration funds, enabling these programs to increase staff under the provisions of Texas General Appropriations Act (Eighty-first Legislature) (the “GAA”), Art. IX, Section 6.10(g);
6. That certain of these programs, namely LIHTC, provide for the establishment and collection of fees to support the Department in carrying out its responsibilities;
7. That certain of these programs, namely TCAP, TCEP, and HOME, will require the Department to add staff that does not meet the criteria of GAA, Art. IX, Section 6.10(b) and, therefore, will count against the Department’s full time equivalent cap of 314 (the “FTE Cap”), as established under GAA, Article VII;

8. That the prudent administration of these programs requires that the Department add 6 employees over and above its FTE Cap, all as set forth in Exhibit C which is attached hereto and incorporated herein by reference for all purposes;
9. That increasing its FTEs by 6 to a total of 320 will require approval under GAA, Art. IX, Section 6.10(b);
10. That it is necessary for the Department to exceed the FTE cap because of the enactment of the American Recovery and Reinvestment act of 2009, P. L. 111-5 ("ARRA"), specifically the Tax Credit Assistance Program ("TCAP") and the Tax Credit Exchange Program ("TCEP") created under ARRA, has resulted in the Department being required to carry out expanded activity and expanded responsibility in the administration of multifamily affordable housing finance activity including expanded and extended asset management responsibility. The Department's ongoing activities involve a constantly increasing portfolio of housing finance transactions that must be administered and monitored;
11. The salaries for the additional employees in excess of the FTE cap will be paid from sources funded by commitment fee income from the multifamily programs, but primarily the Disaster Tax Credit fees in addition to the regular Tax Credit and multifamily bond program;
12. That the Inclusive Communities Project, Inc., has filed a lawsuit against the Department claiming Fair Housing violations in regard to the LIHTC Program. (*Inclusive Communities Project, Inc., vs. the Texas Department and Community Affairs et al.*) The Department, in consultation with the Office of Attorney General (OAG), has determined that it is in the best interest of the state to retain outside counsel for the balance of this litigation due to the timeline and complexities of this lawsuit. With the OAG's approval, the Department has retained outside counsel for this suit.
13. The legal fees associated with retaining outside counsel will be paid from commitment fees from the Tax Credit Program.
14. That under ARRA, first time homebuyers could receive an \$8,000 tax credit. To allow more Texas households to benefit from this, the Department monetized the credit, providing participants a short term loan for down-payment assistance prior to filing and receiving the credit in the form of a cash payment which could be used to repay the down payment assistance loan. Temporary resources were needed to process loan applications, assist in the preparation of required disclosures and loan documentation, and coordinate closing with lenders and borrowers.
15. The costs associated with temporary resources needed for such monetization of first time homebuyer tax credits will be paid from fees from the single family mortgage revenue bond program.

16. That increased funding associated with TCAP and TCEP have resulted in accrued audit costs for which it is prudent to budget. These costs will be paid from fees associated with these programs.
17. That all costs described in the findings (above) total \$1,617,024 and are categorized as Appropriated Receipts (AR).
18. That these AR costs are excess of appropriation authority provided for such funds for state fiscal year 2010 under the GAA and therefore will require approval as set forth in Rider 12 of the Department's bill pattern.
19. That Exhibit D provides a written plan outlining the sources, uses, and projected impact of the funds on performance measures.
20. That these findings constitute the findings required under GAA Art. IX, Section 6.10(b) and Art. VII, TDHCA Bill Pattern, Rider 12(a) (1).

FURTHER RESOLVED, that the Secretary, on behalf of this Board, is hereby directed to certify these findings; and

FURTHER RESOLVED, that the Executive Director is hereby authorized and directed to submit to the Governor and the Legislative Budget Board, as required by GAA, Article IX, Section 6.10(a), a request for written approval for the Department to exceed the FTE Cap by 6 employees as provided for in these resolutions and findings and to perform such additional acts and execute, deliver, and cause to be performed such documents, instruments, and writings as he may reasonably deem necessary or advisable to effectuate the foregoing; and

FURTHER RESOLVED, that the Executive Director is hereby authorized and directed to submit to the Governor and the Legislative Budget Board, as required by GAA, Article VII, Rider 12 (a)(1) of the Department's bill pattern these findings and a written plan outlining the sources, uses, and projected impact of the additional AR appropriation authority on performance measures to perform such additional acts and execute, deliver, and cause to be performed such documents, instruments, and writings as he may reasonably deem necessary or advisable to effectuate the foregoing; and

FURTHER RESOLVED, that the Executive Director shall report to provide to this Board at its next regular meeting regarding its staffing levels and the request made to the Governor and the Legislative Budget Board.

**Texas Department of Housing and Community Affairs
Proposed Use of Additional Appropriated Receipts
July 8, 2010**

The following information is intended to outline the sources, uses and projected impact of funds on performance measures as per the General Appropriations Act, Article VII, TDHCA, Rider 12a.

Sources and Uses Schedule:

Objects of Expense	FY2010			Total
	Strategy # / Appropriation #			
	A1.5,13005	A1.1,13006	F1.1,13800	
Salaries and Wages	\$427,081			\$427,081
Professional Fees and Services	100,000		\$1,000,000	1,100,000
Other Operating Expenses	3,000	23,270		26,270
Subtotal	\$530,081	\$23,270	\$1,000,000	\$1,553,351
Payroll Related Costs	63,673			63,673
Total	\$593,754	\$23,270	\$1,000,000	\$1,617,024
Method of Finance:				
666 Appropriated Receipts	\$593,754	\$23,270	\$1,000,000	\$1,617,024

Authorized Original Full-Time Equivalents	314
Additional Rider 12a FTEs	6
Amended CAP, FTEs	320

Projected Impact of Funds on Performance Measures

\$490,754 for Salary and Payroll Related Costs associated with the hiring of six (6) full-time equivalents (FTEs) to administer portions of the Tax Credit Assistance Program (TCAP) and the Housing Tax Credit (HTC) Exchange Program

The Tax Credit Assistance Program (TCAP) and the Tax Credit Exchange Program are designed to provide a way for existing housing tax credit awardees to complete their development. The TCAP provides \$148 million in additional funds to Texas to administer through HUD and the HOME Program while the Exchange provides existing tax credits that can be converted to cash through the U.S. Treasury. The Department has converted prior year tax credit allocations in the amount of \$598 million to cash with the U.S. Treasury in order to fund tax credit transactions that were ready to proceed but for the collapse of the financial market. In addition to TCAP and Exchange, the Department has also received supplemental HERA tax credit allocation (\$4.8 million for two years) and Hurricane Ike disaster tax credit allocation of \$45 million through the Emergency Economic Stabilization Act of 2008.

As a result of these additional funds, additional applications, review and commitment fees are being generated to fund the administration activities for these programs (6 CAP, Temporary FTEs). The

additional resources will assist in the administration of the supplemental HERA tax credit allocation and the Hurricane Ike disaster tax credit allocation as well as the application of TCAP and Exchange funds. These new initiatives have added significant work to re-evaluate the financial structure, document new contractual arrangements and oversee the funding draws for these new sources. As a result of these funding opportunities, the workload for the real estate analysis group has more than doubled (137 transactions have thus far been re-underwritten at least once where in a normal year approximately 100 transactions are underwritten). While the initial re-underwriting has been completed only a quarter of these developments have closed and several have had to be re-evaluated a second time. Given the large number of transactions that have yet to close it is anticipated that a significant portion will need to be re-evaluated again in order to close and move forward.

The outcome of these initiatives will add approximately 4,500 units along the coastal regions affected by the Hurricane to the normal tax credit production of 8,000 to 11,000 affordable housing units across the state annually. The Exchange and TCAP programs will facilitate the completion of 14,573 units of affordable housing across the state of Texas.

\$100,000 Accrued Audit Costs related to TCAP and Exchange Programs

\$23,270 for Temporary Assistance in association with the \$8,000 First Time Homebuyer Tax Credit Monetization Program

As a result of the mortgage meltdown in late 2008 & 2009 and due to lack of investors in the MRB market, TDHCA implemented the 90-Day Down Payment and Mortgage Advantage Programs – both designed to monetize the Congressionally approved \$8,000 federal first time homebuyer tax credit. Both programs allowed consumers to take advantage of the legislation by receiving a short term loan for down payment assistance prior to filing for and receiving the federal tax credit.

Both programs offered 2nd lien down payment assistance loans up to 5% of the 1st lien mortgage amount. Terms of the loans differed slightly but both included a short term 0% interest period to encourage timely repayment.

The program required the assistance of traditional temporaries to assist with administration activities. The temporary resources were responsible for processing loan applications, maintaining communication with lender/borrowers and closing loans. The TDHCA Board approved a \$250 application fee to fund these activities. The Department generated revenues of approximately \$250 thousand.

Under the program, 854 loans (families) were assisted totaling approximately \$4.5 million.

\$1,000,000 in legal fees associated with Inclusive Communities Project, Inc. vs. the Texas Department of Housing and Community Affairs et. al.; United States District Court for the Northern District of Texas, Dallas Division, Civil Action No. 3:08-CV-00546-D

Inclusive Communities Project (ICP) filed a lawsuit against TDHCA claiming violations of the Fair Housing Act in regard to the Housing Tax Credit (HTC) Program.

TDHCA, in consultation with the Office of the Attorney General (OAG), determined as the suit was in process and deadlines had been missed or were fast approaching that it would be in the best interest of the State to retain outside counsel for the balance of this litigation. Factors taken into consideration to hire outside counsel included intensive discovery issues associated with the lawsuit, complexities associated with the Tax Code, the need to dedicate resources to counter the Fair Housing issues and the timeline for the lawsuit. Department legal staff continues to support this litigation to help reduce costs.

With the approval of the OAG, TDHCA has retained outside counsel to defend the lawsuit. The contract entered into caps fees at \$1,000,000. To the extent possible, TDHCA has requested coverage of these fees under its D&O policy; and is keeping the carrier informed of the process to maximize recovery. However, it is anticipated the majority of the costs will not be covered under this policy. The case was recently reset by the court for a trial date of August 23, 2010.

The OAG remains informed about the lawsuit and is expected to handle any appellate actions.

**Financial Administration Division
Board Action Request
July 8, 2010**

Recommended Action

The Board approve the FY 2011 Draft Operating Budget.

RESOLVED, that the FY 2011 Draft Operating Budget, in the form presented to this meeting, is hereby approved.

Background

In accordance with Texas Government Code, Chapter 2306, TDHCA is charged with preparing an operating budget for Board adoption on or before September 1 of each fiscal year. The budget includes operational expenses distributed among the Department's divisions. It does not include pass through grants.

The FY 2011 Draft Internal Operating Budget, which the Board is considering, corresponds to the second year of the General Appropriations Act (GAA) passed by the 81st Session of the Legislature. In total, this draft budget is \$42,397,264 or a \$7,191,720 (20.4%) increase over the prior year budget. This increase is primarily attributed to the addition of salaries and benefits for thirty-two (32) new employees, as well as, increased Professional Fees and Services. The budget increase is primarily funded by additional Disaster Recovery funds of \$6,407,565 and Appropriated Receipts of \$568,255. General Revenue is decreasing by \$119,434 in order to achieve cost savings required by State leadership.

The increased staffing is essential to the ongoing administrative program activities associated with Disaster Recovery (CDBG), Neighborhood Stabilization Program (NSP), TCAP and Exchange Programs. These program activities require twenty-three (23) Article IX, Temporary, 100% Federally Funded, Full-Time Equivalents (FTEs). Of the twenty-three (23), eighteen (18) will reside in the expanded Emergency Housing and Disaster Recovery Division, four (4) will support NSP, and one (1) will provide support for the Information Systems Division. These FTEs will not add to the authorized permanent CAP of 314.

The remaining nine (9) FTEs will provide services related to TCAP and Exchange Programs. These FTEs will implement initial asset management activities. Five (5) are associated with development construction oversight and three (3) are needed for initial long-term asset management. One (1) additional employee will support the Financial Services section. These positions will be funded through the adoption of new Asset Management Fees (Appropriated Receipts) and are considered CAP FTEs. With the Board's approval, the Department will request of the Governor's Office and LBB additional appropriated receipt authority under GAA, Article IX, Section 6.10(b) and Article VII, TDHCA Bill Pattern, Rider 12(a)(1). In compliance with these provisions, a Finding of Fact will be issued indicating the need for authority to use additional appropriated receipts along with a written plan outlining the sources, uses and projected impact of funds on performance measures.

The FY 2011 Draft Internal Operating Budget also provides for expanded Professional Fees and Services largely attributed to the following:

- \$4 million for an outsourced processing center for subrecipient set-ups and draws for the Disaster Recovery Division (Ike);
- Fair Housing Impediments Study;
- Ike Inspections;
- Audits;
- And defense funding for Inclusive Community Project, Inc. vs. TDHCA lawsuit.

As a result of increased program activities and staff associated with Disaster Recovery (CDBG), NSP, TCAP and Exchange Programs, the Department set aside a contingency fund for leased space at its Twin Tower Office Center (TTOC) location. Approximately \$353 thousand is reserved for additional leased space, communications, infrastructure, modular furniture, movers, renovation/reconfiguration and furniture costs. Department staff is communicating with TTOC and Texas Facilities Commission (TFC) representatives regarding leased space and staff relocation.

For a complete explanation of the aforementioned costs and details, please see the accompanying Comparison Report (Exhibit A).

Summary

If the Board approves the FY 2011 Draft Operating Budget, the Department will submit the budget to the Governor's Office and the LBB. The Board Secretary will certify the Board's approval to submit to the Governor's Office and Legislative Budget Board on behalf of the Board a Request to Exceed FTE CAP by fifteen (15). Article IX communications relating to additional Earned Federal Funds and additional Temporary, Article IX, 100% Federally Funded positions will also be submitted to oversight agencies.

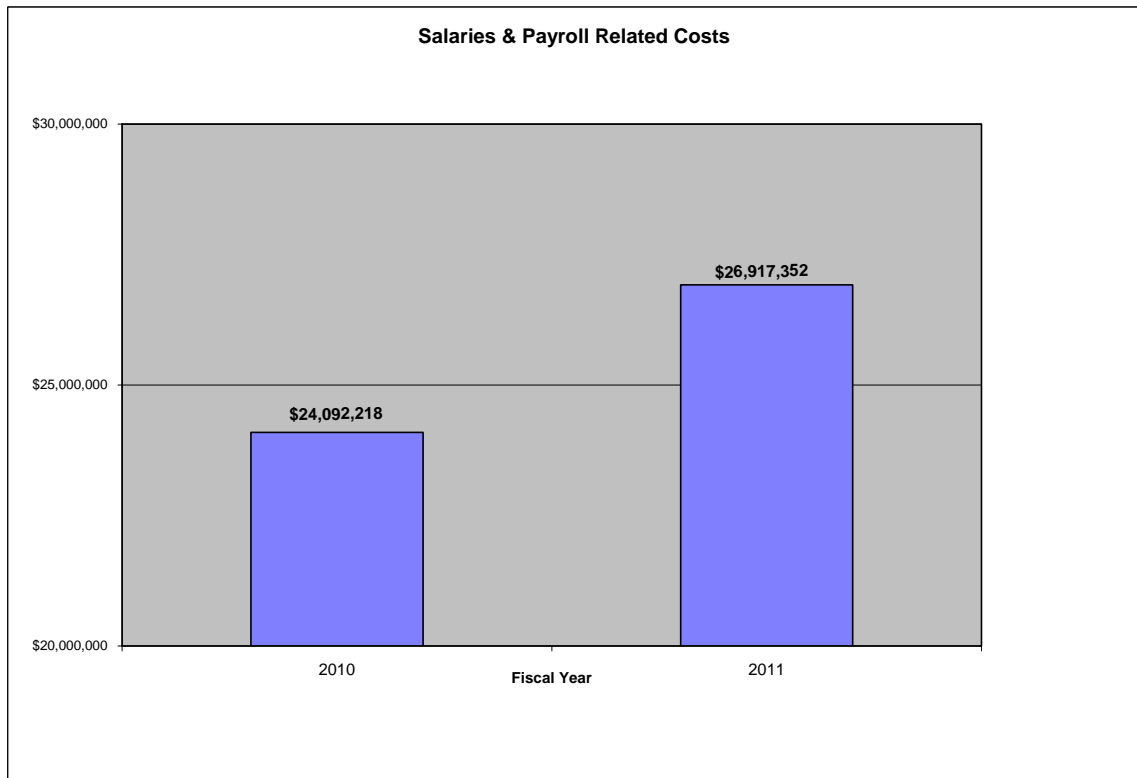
TEXAS DEPT. OF HOUSING AND COMMUNITY AFFAIRS
FY 2011 Draft Operating Budget
Comparison Report
July 8, 2010

The Comparison Report provides an explanation of significant changes to key cost categories.

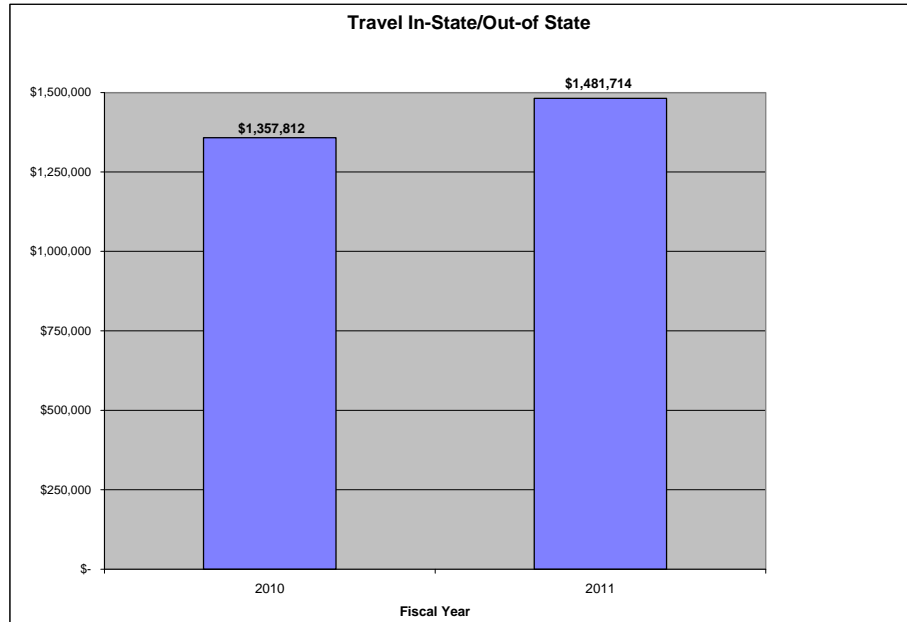
In total, this FY 2011 Draft Operating Budget is \$42,397,264 or a \$7,191,720 (20.4 %) increase over the prior year budget.

Below are the highlights of the FY 2011 Draft Budget. Please refer to the “Comparison by Expense Object” schedule on Page 6 of 7.

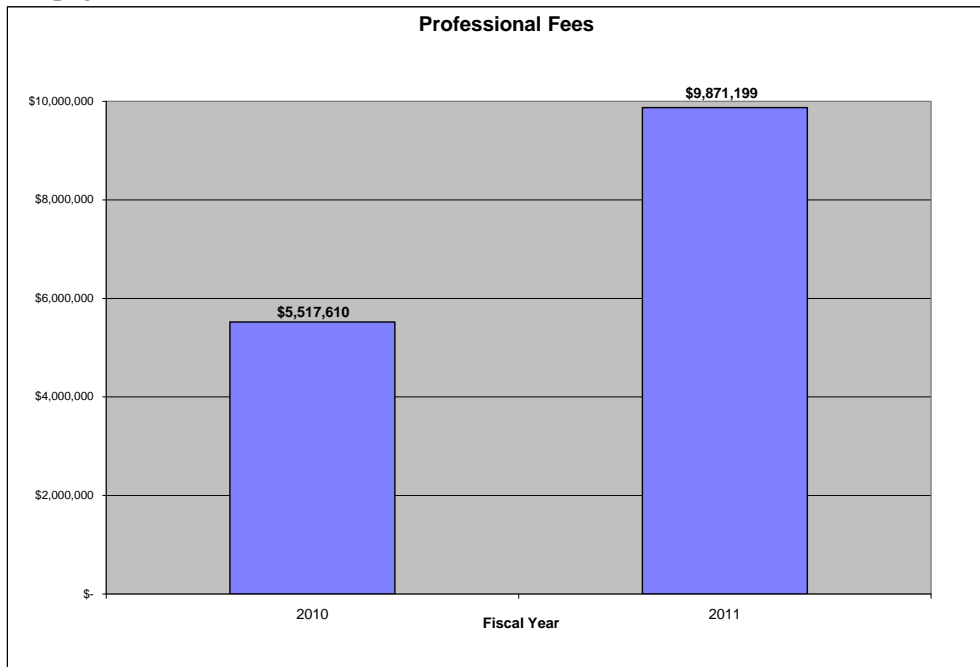
1. **Salaries/Wages and Payroll Related Costs.** These two line items represent 63.6% of the total operating budget. These line items have increased 22.6% as a result of an additional thirty-two (32) Full Time Equivalents (FTEs). In State Fiscal Year (SFY) 2011 the Department plans to hire twenty-three (23) full time temporary employees, eighteen (18) will reside in the expanded Emergency Housing and Disaster Recovery Division, four (4) will support the Neighborhood Stabilization Program (NSP) and one (1) will provide support for the Information Systems Division. The additional nine (9) FTEs will provide services related to TCAP and Exchange Programs and administrative support. The funding source will be Appropriated Receipts generated from newly established asset oversight fees.



2. **Travel In-State and Out-of-State.** The Department's In-State travel budget will increase by 10.1%. The majority of the increases can be located in the Emergency Housing and Disaster Recovery and Compliance and Asset Oversight Divisions. The out-of-state travel cap imposed by the Legislature remains at \$125,394. The Legislature added Rider 20 to the Department's bill pattern. This rider allows an exception to the limitation as long as travel is 100% reimbursed by the Federal Government. TDHCA plans to exercise this option on a case by case basis when it exceeds normal cap provisions.



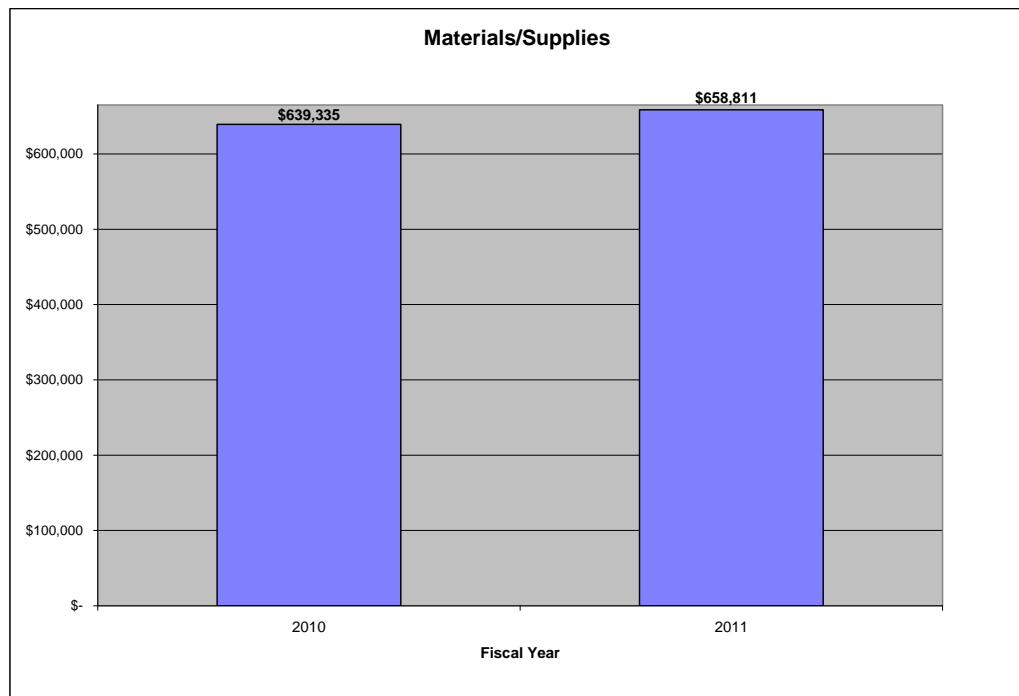
3. **Professional Fees.** Professional Services increased by 78.9%. The majority of this increase can be attributed to a proposed Disaster Recovery contract for the administration of draws in the amount of \$4,000,000. Please refer to the professional fees chart on the next page for more details.



Professional Fees Chart

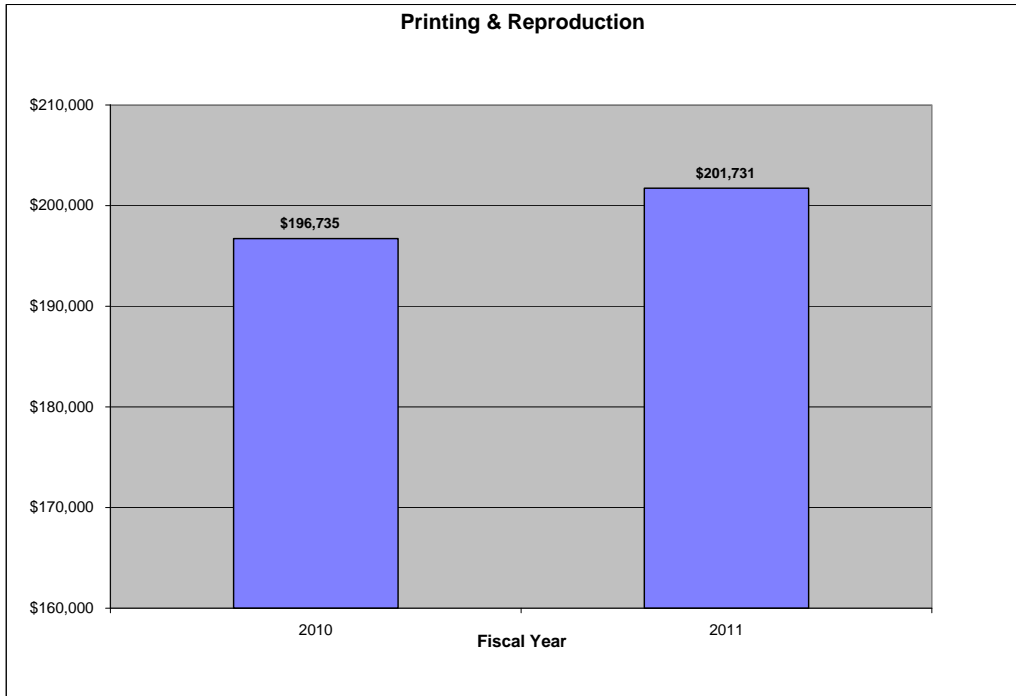
<u>Division</u>	<u>Type of Service</u>	<u>2010 Budgeted</u>	<u>2011 Budgeted</u>
FA, Compliance, Texas Homeownership	Statewide Cost Allocation	\$ 76,900	\$ 77,078
Various	Audit Costs - Financial and Single Audit	648,000	673,000
Legal	Legal Costs	1,175,000	675,000
Compliance	Inspection Outsourcing (On-Sight Inspections)	140,000	180,000
HOME / Program Svc.	Training/Tech Writing/Tech Assistance	47,800	216,900
Disaster Recovery	Inspection/In-take Outsourcing, Impediments -Fair Housing Study	-	4,700,000
Texas Homeownership	Tx. Statewide Homebuyer Education Program	90,000	90,000
Energy Assistance	Weatherization Academy	2,964,620	2,921,045
Energy Assistance	HVAC/Mobile Home Insulation Training	-	45,000
HRC/DPPA	Market Studies and Preparation of Educational Materials	120,000	120,000
Various	Miscellaneous Training and Special Projects	36,800	59,176
MF/ REA	National Development Council Training	45,400	20,000
NSP	Davis Bacon/Environmental Assistance	54,000	54,000
HRC	HHS Council/National Foreclosure Mitigation Coordination	35,000	15,000
Community Services	Homeless Prevention Contractor Training	84,090	25,000
Total		\$ 5,517,610	\$ 9,871,199

4. **Materials and Supplies.** There were no significant changes in this area.

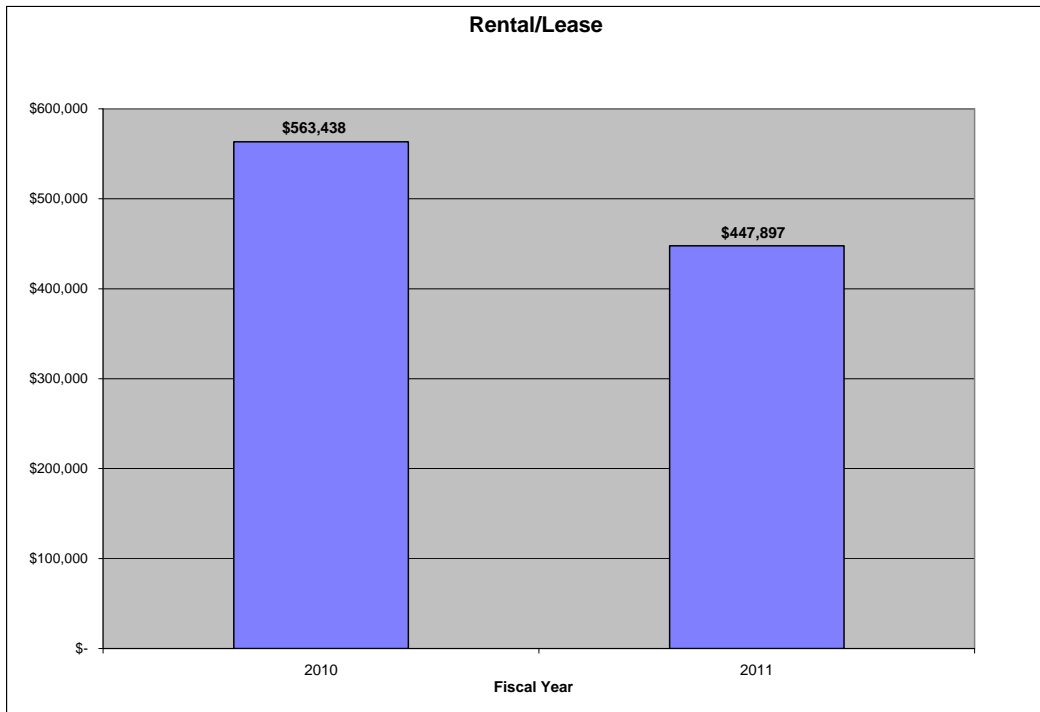


5. **Repairs and Maintenance.** The budget continues to include funding for maintenance of agency software such as MITAS, PeopleSoft, CRN, HAPPY, and APPX systems. These core applications support Loan Servicing, State/Federal Accounting, Bond Accounting, Weatherization, Energy Audits, Section 8 administration and in-house Contract Management Systems.

6. **Printing and Reproduction.** There were no significant changes in this area.



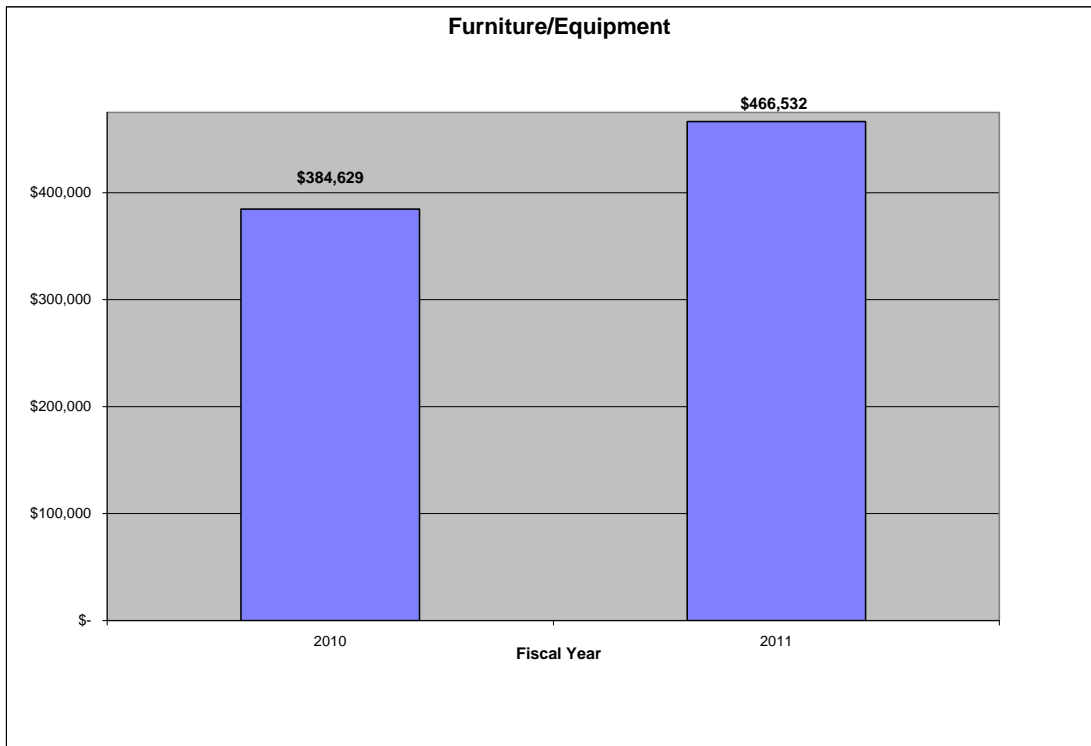
7. **Rentals and Leases.** The Department began leasing space at the Twin Towers Office Center (TTOC) in September 2009. The FY 2011 budget includes approximately \$112 thousand related to additional space needed for the Disaster Recovery and Asset Oversight employees. The overall decrease is caused by a reduction of rentals and leases for the Energy Assistance section. In FY 2010, funds were budgeted under the assumption leased space would be needed but the section remained at headquarters.



8. **Membership Dues.** Key associations are the National Council of State Housing Agencies (NCSHA), the National Association of Home Builders (NAHB), the National

Association for State Community Services Programs (NASCP) and the Council of State Community Development Agencies (COSFDA).

9. **Staff Development.** This category has been adjusted to meet additional business needs for Compliance and Disaster Recovery.
10. **Advertising.** The majority of this funding will target program/marketing announcements related to Weatherization, MCC, and First Time Homebuyer programs (\$111,333). The Human Resources office will also use funds for proactive staff recruiting efforts (\$15,000). The remaining portion of this line item will be applied to general agency wide employment announcements.
11. **Temporary Help.** The decrease in this category resulted from a reduction in temporary help in the Texas Homeownership Division, ARRA Accountability section and the Information Systems Division. Funds are also for scanning projects in the Loan Servicing section and Compliance Division.
12. **Furniture and Equipment.** This line item increased 21.3% due to additional equipment needed to support the expanded Emergency Housing and Disaster Recovery Division and the new Asset Oversight Program. The additional sum of \$81,903 is for procuring office furniture and equipment (modular furniture, desks, chairs, etc.) at the Insurance Annex and the Twin Towers location.



13. **Communication and Utilities.** The increase of \$76,499 is primarily for data cabling related to new space at TTOC.
14. **Capital Outlay.** The Capital Budget (\$86,533) is approved by the Legislature for normal growth such as servers and network enhancements.

Comparison by Expense Object

	2010 Budget As Amended 7/8/10 (a)	2011 Budget (b)	Variance (b-a)	Percentage Change
Salaries and Wages	\$ 19,661,542	\$ 21,884,026	\$ 2,222,484	11.3%
Payroll Related Costs	4,522,155	5,033,326	511,171	11.3%
Travel In-State	1,232,420	1,356,320	123,900	10.1%
Travel Out-of-State	125,394	125,394	-	0.0%
Professional Fees	5,517,610	9,871,199	4,353,589	78.9%
Material and Supplies	639,335	658,811	19,476	3.0%
Repairs/Maintenance	668,855	618,113	(50,742)	-7.6%
Printing and Reproduction	196,735	201,731	4,996	2.5%
Rentals and Leases	563,438	447,897	(115,541)	-20.5%
Membership Fees	102,770	102,770	-	0.0%
Staff Development	386,372	403,932	17,560	4.5%
Insurance/Employee Bonds	94,997	91,996	(3,001)	-3.2%
Employee Tuition	22,100	29,500	7,400	33.5%
Advertising	163,333	163,333	-	0.0%
Freight/Delivery	47,137	51,637	4,501	9.5%
Temporary Help	417,115	356,405	(60,710)	-14.6%
Furniture and Equipment	384,629	466,532	81,903	21.3%
Communication and Utilities	331,887	408,386	76,499	23.0%
Capital Outlay	88,298	86,533	(1,765)	-2.0%
State Office of Risk Management	39,423	39,423	-	0.0%
Total Department	\$ 35,205,544	\$ 42,397,264	\$ 7,191,720	20.4%
CAP FTE's	256	265	9	3.5%
Article IX FTE's	69	92	23	33.3%
Total FTEs	325	357	32	9.8%
Method of Finance:				
General Revenue	\$ 3,220,111	\$ 3,100,677	\$ (119,434)	-3.7%
ARRA Stimulus Earned Federal Funds	790,065	806,131	16,066	2.0%
Federal Funds	6,227,991	6,669,143	441,152	7.1%
CDBG/FEMA Disaster Recovery	3,278,526	9,686,091	6,407,565	195.4%
ARRA Stimulus	6,589,696	6,296,753	(292,943)	-4.4%
Neighborhood Stabilization Program	1,111,320	1,287,264	175,944	15.8%
Appropriated Receipts - Housing Finance	13,390,668	13,958,923	568,255	4.2%
Interagency Contracts	80,982	83,411	2,429	3.0%
Appropriated Receipts - Manufact. Housing	516,185	508,871	(7,314)	-1.4%
Total, Method of Finance	\$ 35,205,544	\$ 42,397,264	\$ 7,191,720	20.4%

Methods of Finance

The 2011 Budget will be financed from the following sources:
(Please refer to the “Method of Finance” chart on the following page)

General Revenue - State appropriated funds including additional funds for affordable housing market studies.

ARRA Stimulus Earned Federal Funds - Federal funds appropriated for indirect costs associated with administering federal funds.

Federal Funds - Federally appropriated funds:

CDBG/FEMA Disaster Recovery - Federally appropriated funds specifically designated for disaster recovery.

ARRA – Federally appropriated funds specifically designated for Community Services, Homeless Prevention and Weatherization Programs.

Neighborhood Stabilization Program – Federally appropriated funds specifically designated for HERA-NSP.

Appropriated Receipts - Housing Finance (HF):

Bond Admin Fees - Appropriated receipts associated with our Single Family and Multifamily bond programs such as application fees, issuance fees, and administration fees

Low Income Housing Tax Credit Fees - Appropriated receipts associated with our housing tax credit program such as application fees and commitment fees.

Compliance Fees - Fees assessed to multifamily developers for the purpose of ensuring long-term compliance.

(New) Asset Oversight Fees – Fees assessed to TCAP and Exchange property developers for the purpose of safeguarding the Department’s financial interest in their properties.

Interagency Contracts - Contract with TDRA (Texas Department of Rural Affairs) for the Office of Colonia Initiatives (OCI) Self-Help Center’s operation and administration.

Appropriated Receipts (MH) - Manufactured Housing Division fees generated through inspecting, licensing and titling activities.



**TEXAS DEPARTMENT OF
HOUSING & COMMUNITY AFFAIRS**

Building Homes. Strengthening Communities.

DRAFT

FY-2011 OPERATING BUDGET
(September 1, 2010 through August 31, 2011)

July 8, 2010

Prepared by the Financial Administration Division

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
FY-2011 DRAFT OPERATING BUDGET**

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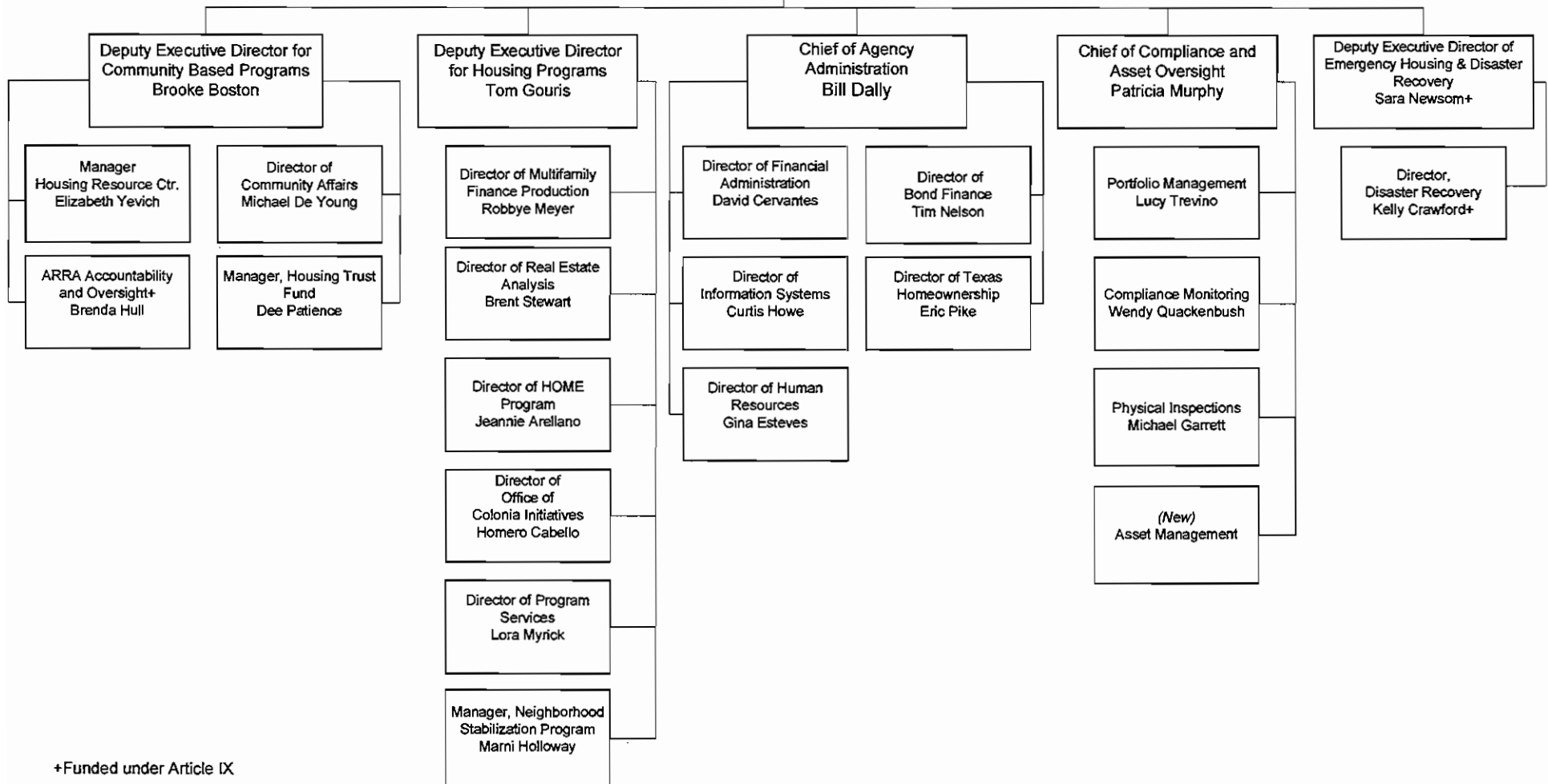
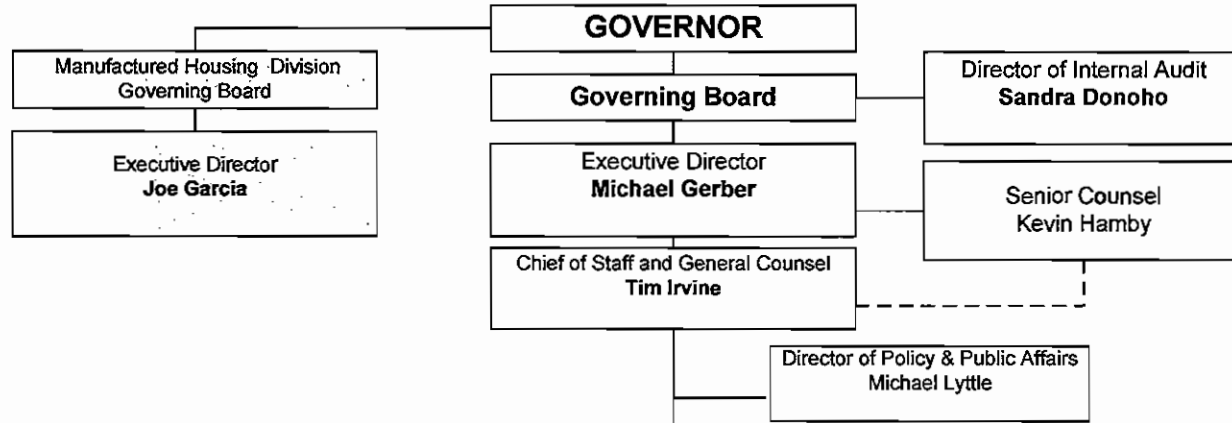
**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
FY-2011 OPERATING BUDGET**

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Texas Homeownership	41

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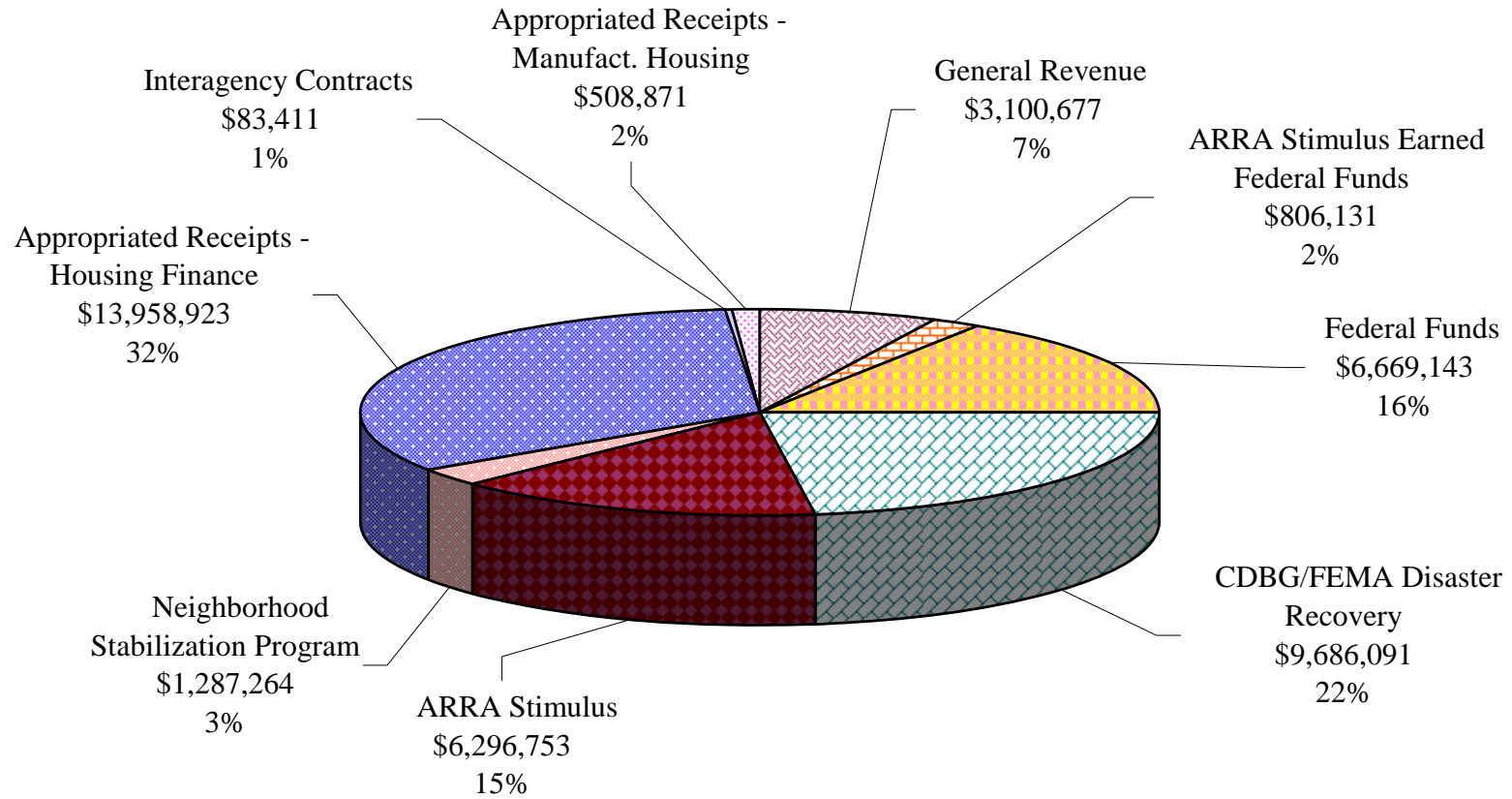
TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS



+Funded under Article IX

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

FY 2011 METHOD of FINANCE



Total Budget \$42,397,264

Type	2010	2011
General Revenue	\$ 3,220,111	\$ 3,100,677
ARRA Stimulus Earned Federal Funds	790,065	806,131
Federal Funds	6,227,991	6,669,143
CDBG/FEMA Disaster Recovery	3,278,526	9,686,091
ARRA Stimulus	6,589,696	6,296,753
Neighborhood Stabilization Program	1,111,320	1,287,264
Appropriated Receipts - Housing Finance	13,390,668	13,958,923
Interagency Contracts	80,982	83,411
Appropriated Receipts - Manufact. Housing	516,185	508,871
Total, Method of Finance	\$35,205,544	\$42,397,264

Texas Department of Housing and Community Affairs

Appropriation Year 2010/2011

Comparison by Expense Object

	2010		2011		Percentage
	Budget As	Proposed	Budget	Variance	Change
	Amended 7/8/10				
	(a)	(b)	(b-a)		
Salaries and Wages	\$ 19,661,542	\$ 21,884,026	\$ 2,222,484	11.3%	
Payroll Related Costs	4,522,155	5,033,326	511,171	11.3%	
Travel In-State	1,232,420	1,356,320	123,900	10.1%	
Travel Out-of-State	125,394	125,394	-	0.0%	
Professional Fees	5,517,610	9,871,199	4,353,589	78.9%	
Material and Supplies	639,335	658,811	19,476	3.0%	
Repairs/Maintenance	668,855	618,113	(50,742)	-7.6%	
Printing and Reproduction	196,735	201,731	4,996	2.5%	
Rentals and Leases	563,438	447,897	(115,541)	-20.5%	
Membership Fees	102,770	102,770	-	0.0%	
Staff Development	386,372	403,932	17,560	4.5%	
Insurance/Employee Bonds	94,997	91,998	(2,999)	-3.2%	
Employee Tuition	22,100	29,500	7,400	33.5%	
Advertising	163,333	163,333	-	0.0%	
Freight/Delivery	47,137	51,637	4,500	9.5%	
Temporary Help	417,115	356,405	(60,710)	-14.6%	
Furniture and Equipment	384,629	466,532	81,903	21.3%	
Communication and Utilities	331,887	408,386	76,499	23.0%	
Capital Outlay	88,298	86,533	(1,765)	-2.0%	
State Office of Risk Management	39,423	39,423	-	0.0%	
Total Department	\$ 35,205,544	\$ 42,397,264	\$ 7,191,720	20.4%	
FTE's	325.00	357.00	32.00	9.8%	
Method of Finance:					
General Revenue	\$ 3,220,111	\$ 3,100,677	\$ (119,434)	-3.7%	
ARRA Stimulus Earned Federal Funds	790,065	806,131	16,066	2.0%	
Federal Funds	6,227,991	6,669,143	441,152	7.1%	
CDBG/FEMA Disaster Recovery	3,278,526	9,686,091	6,407,565	195.4%	
ARRA Stimulus	6,589,696	6,296,753	(292,943)	-4.4%	
Neighborhood Stabilization Program	1,111,320	1,287,264	175,944	15.8%	
Appropriated Receipts - Housing Finance	13,390,668	13,958,923	568,255	4.2%	
Interagency Contracts	80,982	83,411	2,429	3.0%	
Appropriated Receipts - Manufact. Housing	516,185	508,871	(7,314)	-1.4%	
Total, Method of Finance	\$ 35,205,544	\$ 42,397,264	\$ 7,191,720	20.4%	

Texas Department of Housing and Community Affairs
 Full Time Equivalent (FTE) Positions
 September 2010 thru August 2011

	CAP FTEs	Temporary FTEs	Total FTEs
Executive Administration:			
Executive Office	4.00	-	4.00
Board	-	-	-
Legal Services	7.00	-	7.00
Internal Audit	5.00	2.00	7.00
Policy and Public Affairs	5.00	-	5.00
Total, Executive Administration	21.00	2.00	23.00
Agency Administration:			
Human Resources	4.00	1.00	5.00
Information Services	18.00	2.00	20.00
Director's Office - Financial Administration	4.00	-	4.00
Accounting Operations	11.00	1.00	12.00
Financial Services/Budget/Travel	12.00	-	12.00
Loan Services	8.00	1.00	9.00
Purchasing and Facilities Management	8.00	1.00	9.00
Texas Homeownership Program	5.00	-	5.00
Bond Finance	4.00	-	4.00
Total, Agency Administration	74.00	6.00	80.00
Compliance and Asset Oversight	46.00	-	46.00
Emergency Housing and Disaster Recovery	12.00	34.00	46.00
Housing Programs Division:			
HOME Program	18.00	-	18.00
Office of Colonia Initiatives	6.00	-	6.00
Multi Family Housing Production	16.00	-	16.00
Real Estate Analysis	13.00	-	13.00
Neighborhood Stabilization Program	-	16.00	16.00
Program Services	10.00	-	10.00
Total, Housing Programs Division	63.00	16.00	79.00
Community Based Programs Division:			
Community Affairs - Administration	3.00	-	3.00
Community Services	14.00	5.00	19.00
Energy Assistance	14.00	26.00	40.00
Section 8	7.00	-	7.00
Housing Resource Center	7.00	1.00	8.00
ARRA Accountability and Oversight	-	2.00	2.00
Housing Trust Fund	4.00	-	4.00
Total, Community Based Programs Division	49.00	34.00	83.00
Subtotal, Housing and Community Affairs	265.00	92.00	357.00
Manufactured Housing	64.00	-	64.00
Total, Department FTEs	329.00	92.00	421.00

Texas Department of Housing and Community Affairs
 Appropriation Year 2011

Out of State Travel

	Budget 2011	Federal Funds	ARRA Stimulus	CDBG/FEMA Disaster	General Revenue	Appropriated Receipts	EFF Stimulus
Executive Administration:							
Executive Office	8,078					8,078	
Board	13,751					13,751	
Legal Services	4,410					4,410	
Internal Audit	1,500				1,500		
Policy and Public Affairs	3,145					3,145	
Total, Executive Administration	30,884	-	-	-	1,500	29,384	-
Agency Administration:							
Human Resources	1,900					1,900	
Information Services	2,420				1,452	968	
Director's Office - Financial Administration	2,525					2,525	
Accounting Operations	1,265				1,265		
Financial Services	1,176					1,176	
Loan Servicing	1,176					1,176	
Purchasing and Facilities Management							
Texas Homeownership Program	6,017					6,017	
Bond Finance	7,660					7,660	
Total, Agency Administration	24,139	-	-	-	2,717	21,422	-
Compliance and Asset Oversight	10,900	1,744		2,616		6,540	
Emergency Housing and Disaster Recovery Division	7,900			7,900			
Housing Programs Division:							
HOME Program	7,485	7,485					
Office of Colonia Initiatives	3,575				3,575		
Multi Family Housing Production	8,900					8,900	
Real Estate Analysis	6,900					6,900	
Program Services	3,856	3,856					
Neighborhood Stabilization Program							
Total, Housing Programs Division	30,716	11,341	-	-	3,575	15,800	-
Community Based Programs Division:							
Community Affairs - Administration	8,200	8,200					
Community Services	3,155	3,155					
Energy Assistance	3,890	3,890					
Section 8	2,210	2,210					
Housing Resource Center	1,900					1,900	
ARRA Accountability and Oversight							
Housing Trust Fund	1,500				1,500		
Total, Community Based Programs Division	20,855	17,455	-	-	1,500	1,900	-
Total, Department	125,394	30,540	-	10,516	9,292	75,046	-

Note: Rider 20, Out of State Travel Limitations states that the limitation does not apply to travel associated with federal programs if the cost of such travel is paid for or reimbursed by the federal government.

Texas Department of Housing and Community Affairs

Annual Operating Budget

September 1, 2010 thru August 31, 2011

Capital Budget

Budget Categories	Budgeted	<i>50002</i> Federal Funds	<i>50002</i> HF Approp Receipts
Salaries			
Travel In-State			
Travel Out-of-State			
Professional Fees			
Materials/Supplies			
Repairs/Maintenance			
Printing and Reproduction			
Rental/Lease			
Membership Dues			
Staff Development			
Insurance/Employee Bonds			
Employee Tuition			
Advertising			
Freight/Delivery			
Temporary Help			
Furniture/Equipment	176,760	86,900	89,860
Communications/Utilities			
Capital Outlay	86,533	34,468	52,065
State Office of Risk Management			
Total	<u>263,293</u>	<u>121,368</u>	<u>141,925</u>

Notes:

1. Capital Outlay and Furniture/Equip are Scheduled Replacement of Items
2. Does not tie to the Capital Budget Rider due to \$72,467 budgeted in Manufactured Housing for Replacement of Items

Texas Department of Housing and Community Affairs
 Fiscal Year 2011

Capital Budget by Project

Project Name	<i>50002</i> Federal Funds	<i>50002 HF</i> Approp Receipts	Total	Professional Services	Capital Outlay	LIHTC	Compliance Fees	Bond Admin Fees	Manufactured Housing	Total
Scheduled Replacement of Items:										
Furniture/Equipment (PCs, Printers, etc)	86,900	89,860	176,760		89,860	13,260	3,200	73,400		89,860
Capital Outlay (Servers, Network Enhancements)	34,468	52,065	86,533		52,065	5,867	7,517	38,681		52,065
Total, Fiscal Year 2011	121,368	141,925	263,293	-	141,925	19,127	10,717	112,081	-	141,925

Texas Department of Housing and Community Affairs

Annual Operating Budget

September 1, 2010 thru August 31, 2011

Executive Administration

Budget Categories	Budgeted	<i>F.1.1./13800</i> General Revenue (CS)	<i>B.1.1./13034</i> HF Approp Receipts	<i>F.1.1./13800</i> MH Approp Receipts	<i>F.1.1./13800</i> HF Approp Receipts	<i>B.1.1./13034</i> CHRP General Revenue	<i>F.1.1./13800</i> EFF - ARRA
Salaries	1,791,099	257,619	196,306	35,436	1,214,739	-	87,000
Travel In-State	70,575	7,000	8,500	-	55,075	-	-
Travel Out-of-State	30,884	1,500	-	-	29,384	-	-
Professional Fees	676,319	249	178	-	675,892	-	-
Materials/Supplies	41,467	5,340	6,098	-	30,029	-	-
Repairs/Maintenance	33,905	10,113	6,247	-	17,545	-	-
Printing and Reproduction	18,173	722	8,455	-	8,996	-	-
Rental/Lease	34,953	1,746	1,246	-	31,961	-	-
Membership Dues	9,150	2,400	250	-	6,500	-	-
Staff Development	71,605	12,200	3,000	-	56,405	-	-
Insurance/Employee Bonds	5,156	1,569	1,120	-	2,467	-	-
Employee Tuition	2,700	2,700	-	-	-	-	-
Advertising	1,200	300	-	-	900	-	-
Freight/Delivery	7,050	200	250	-	6,600	-	-
Temporary Help	33,040	1,108	4,591	-	27,341	-	-
Furniture/Equipment	7,965	1,468	405	-	6,092	-	-
Communications/Utilities	31,575	7,269	5,725	-	18,581	-	-
Capital Outlay	-	-	-	-	-	-	-
State Office of Risk Management	1,471	-	1,471	-	-	-	-
Total	2,868,287	313,503	243,842	35,436	2,188,506	-	87,000

Note:

Executive Administration Includes:

Executive Office	489,067
Board	85,308
Legal Services	1,326,293
Internal Audit	492,194
Policy and Public Affairs	475,426

Texas Department of Housing and Community Affairs
 Annual Operating Budget
 September 1, 2010 thru August 31, 2011

Executive Office

Budget Categories	Budgeted	<i>F.1.1./13800</i> General Revenue (CS)	<i>F.1.1./13800</i> MH Approp Receipts	<i>F.1.1./13800</i> HF Approp Receipts	<i>F.1.1./13800</i> EFF - ARRA
Salaries	406,193	-	-	406,193	-
Travel In-State	20,000			20,000	
Travel Out-of-State	8,078			8,078	
Professional Fees	143			143	
Materials/Supplies	5,514			5,514	
Repairs/Maintenance	5,598			5,598	
Printing and Reproduction	872			872	
Rental/Lease	997			997	
Membership Dues	2,500			2,500	
Staff Development	20,305			20,305	
Insurance/Employee Bonds	898			898	
Employee Tuition	-			-	
Advertising	-			-	
Freight/Delivery	3,000			3,000	
Temporary Help	2,633			2,633	
Furniture/Equipment	1,824			1,824	
Communications/Utilities	10,512			10,512	
Capital Outlay	-			-	
State Office of Risk Management	-			-	
Total	489,067	-	-	489,067	-

Texas Department of Housing and Community Affairs
 Annual Operating Budget
 September 1, 2010 thru August 31, 2011

Board

Budget Categories	Budgeted	<i>F.1.1./13800</i> HF Approp Receipts	<i>F.1.1./13800</i> EFF - ARRA
Salaries			
Travel In-State	19,000	19,000	
Travel Out-of-State	13,751	13,751	
Professional Fees	500	500	
Materials/Supplies	2,021	2,021	
Repairs/Maintenance	1,000	1,000	
Printing and Reproduction	536	536	
Rental/Lease	2,000	2,000	
Membership Dues	1,000	1,000	
Staff Development	21,000	21,000	
Insurance/Employee Bonds	-	-	
Employee Tuition	-	-	
Advertising	500	500	
Freight/Delivery	3,000	3,000	
Temporary Help	20,000	20,000	
Furniture/Equipment	1,000	1,000	
Communications/Utilities	-	-	
Capital Outlay	-	-	
State Office of Risk Management	-	-	
Total	85,308	85,308	-

Texas Department of Housing and Community Affairs
 Annual Operating Budget
 September 1, 2010 thru August 31, 2011

Legal Services

Budget Categories	Budgeted	<i>F.1.1./13800</i> HF Approp Receipts	<i>F.1.1./13800</i> EFF - ARRA
Salaries	573,220	573,220	-
Travel In-State	4,075	4,075	
Travel Out-of-State	4,410	4,410	
Professional Fees	675,249	675,249	
Materials/Supplies	22,026	22,026	
Repairs/Maintenance	8,947	8,947	
Printing and Reproduction	7,588	7,588	
Rental/Lease	4,964	4,964	
Membership Dues	2,000	2,000	
Staff Development	8,100	8,100	
Insurance/Employee Bonds	1,569	1,569	
Employee Tuition	-	-	
Advertising	400	400	
Freight/Delivery	600	600	
Temporary Help	4,708	4,708	
Furniture/Equipment	2,368	2,368	
Communications/Utilities	6,069	6,069	
Capital Outlay	-	-	
State Office of Risk Management	-	-	
Total	1,326,293	1,326,293	-

Texas Department of Housing and Community Affairs
 Annual Operating Budget
 September 1, 2010 thru August 31, 2011

Internal Audit

Budget Categories	Budgeted	<i>F.1.1./13800</i> General Revenue (CS)	<i>F.1.1./13800</i> MH Approp Receipts	<i>F.1.1./13800</i> HF Approp Receipts	<i>F.1.1./13800</i> EFF - ARRA
Salaries	436,310	257,619	17,000	74,690	87,000
Travel In-State	7,000	7,000			
Travel Out-of-State	1,500	1,500			
Professional Fees	249	249			
Materials/Supplies	5,340	5,340			
Repairs/Maintenance	10,113	10,113			
Printing and Reproduction	722	722			
Rental/Lease	1,746	1,746			
Membership Dues	2,400	2,400			
Staff Development	12,200	12,200			
Insurance/Employee Bonds	1,569	1,569			
Employee Tuition	2,700	2,700			
Advertising	300	300			
Freight/Delivery	200	200			
Temporary Help	1,108	1,108			
Furniture/Equipment	1,468	1,468			
Communications/Utilities	7,269	7,269			
Capital Outlay	-	-			
State Office of Risk Management	-	-			
Total	492,194	313,503	17,000	74,690	87,000

Texas Department of Housing and Community Affairs
 Annual Operating Budget
 September 1, 2010 thru August 31, 2011

Policy and Public Affairs

Budget Categories	Budgeted	<i>F.1.1./13800</i> General Revenue (CS)	<i>B.1.1./13034</i> HF Approp Receipts	<i>F.1.1./13800</i> MH Approp Receipts	<i>F.1.1./13800</i> HF Approp Receipts	<i>B.1.1./13034</i> HOME	<i>B.1.1./13034</i> CHRP General Revenue
Salaries	375,377	-	196,306	18,436	160,635	-	-
Travel In-State	20,500		8,500		12,000	-	-
Travel Out-of-State	3,145		-		3,145	-	-
Professional Fees	178		178			-	-
Materials/Supplies	6,566		6,098		468	-	-
Repairs/Maintenance	8,247		6,247		2,000	-	-
Printing and Reproduction	8,455		8,455		-	-	-
Rental/Lease	25,246		1,246		24,000	-	-
Membership Dues	1,250		250		1,000	-	-
Staff Development	10,000		3,000		7,000	-	-
Insurance/Employee Bonds	1,120		1,120		-	-	-
Employee Tuition	-		-		-	-	-
Advertising	-		-		-	-	-
Freight/Delivery	250		250		-	-	-
Temporary Help	4,591		4,591		-	-	-
Furniture/Equipment	1,305		405		900	-	-
Communications/Utilities	7,725		5,725		2,000	-	-
Capital Outlay	-		-		-	-	-
State Office of Risk Management	1,471		1,471		-	-	-
Total	475,426	-	243,842	18,436	213,148	-	-

Texas Department of Housing and Community Affairs
 Annual Operating Budget
 September 1, 2010 thru August 31, 2011

Emergency Housing and Disaster Recovery

Budget Categories	Budgeted	<i>D.1.2./13036</i>	<i>D.1.2./13036</i>	<i>D.1.2./13036</i>	<i>A.1.5./13005</i>	<i>D.1.2./13036</i>
		CDBG I	CDBG II	CDBG - Ike	Disaster Recovery Tax	FEMA
Salaries	2,914,563	20,053	368,233	2,450,953	4,500	70,825
Travel In-State	102,000		15,300	86,700		
Travel Out-of-State	7,900		1,185	6,715		
Professional Fees	4,911,639		491,164	4,420,475		
Materials/Supplies	42,115		6,317	35,798		
Repairs/Maintenance	57,979		8,697	49,282		
Printing and Reproduction	10,866		1,630	9,236		
Rental/Lease	110,644		16,597	94,047		
Membership Dues	2,000		300	1,700		
Staff Development	25,000		3,750	21,250		
Insurance/Employee Bonds	10,308		1,546	8,762		
Employee Tuition	1,200		180	1,020		
Advertising	5,000		750	4,250		
Freight/Delivery	3,000		450	2,550		
Temporary Help	30,780		4,617	26,163		
Furniture/Equipment	138,731		20,810	117,921		
Communications/Utilities	77,103		11,565	65,538		
Capital Outlay	-		-	-		-
State Office of Risk Management	-		-	-		-
Total	8,450,828	20,053	953,090	7,402,360	4,500	70,825

Texas Department of Housing and Community Affairs
 Annual Operating Budget
 September 1, 2010 thru August 31, 2011

Compliance and Asset Oversight

	<i>D.1.2./13036</i>	<i>D.1.2./13036</i>	<i>D.1.2./13036</i>	<i>D.1.1./13035</i>	<i>D.1.2./13036</i>	<i>B.2.1./13020</i>	<i>A.1.2./13030</i>	<i>A.1.3./13031</i>	
Budget Categories	Budgeted	CDBG II	CDBG - Ike	HOME	Compliance Fees	CSBG	IAC ORCA	NSP	HTF Single Family
Salaries	2,626,182	269,230	91,631	341,312	1,795,306	26,006	10,114	60,641	31,942
Travel In-State	276,400	27,000		18,000	231,400				
Travel Out-of-State	10,900	2,616		1,744	6,540				
Professional Fees	198,389				198,389				
Materials/Supplies	40,405	7,316		4,877	28,212				
Repairs/Maintenance	59,679	11,608		7,739	40,332				
Printing and Reproduction	11,631	2,271		1,514	7,845				
Rental/Lease	60,856	4,977		3,318	52,560				
Membership Dues	6,480	1,080		720	4,680				
Staff Development	29,600	3,960		2,640	23,000				
Insurance/Employee Bonds	10,308	1,953		1,302	7,054				
Employee Tuition	2,730	198		132	2,400				
Advertising	1,500	300		200	1,000				
Freight/Delivery	2,500	600		400	1,500				
Temporary Help	80,380	20,434		13,623	46,324				
Furniture/Equipment	36,441	2,453		1,635	32,353				
Communications/Utilities	51,279	8,945		5,964	36,370				
Capital Outlay	-	-		-	-				
State Office of Risk Management	5,677	-		-	5,677				
Total	3,511,337	364,941	91,631	405,119	2,520,942	26,006	10,114	60,641	31,942
-	-	-	-	-	-	-	-	-	-
<i>Note: PMC Professional Fees</i>									
Training									
USPCS Inspections	180,000								
Ike Inspectors	-	\$200,000 included in Emergency Housing & Disaster Recovery Division							
Data Disaster Recovery	1,733								
Statewide Cost Allocation	16,750								
Total, PMC	198,483								

Texas Department of Housing and Community Affairs

Annual Operating Budget

September 1, 2010 thru August 31, 2011

Community Based Programs

Budget Categories	Budgeted	HTF Multifamily General Revenue	HTF Single Family General Revenue	HRC General Revenue	Federal Funds Community Services	ARRA Stimulus	Earned Fed Funds ARRA Stimulus	HF Approp Receipts	GR Enriched Housing
Salaries	4,628,734	91,499	150,127	-	1,968,103	1,815,741	175,394	270,862	157,007
Travel In-State	685,145	1,500	3,500	-	141,500	504,345	10,000	8,500	15,800
Travel Out-of-State	20,855	450	1,050	-	17,455	-	-	1,900	-
Professional Fees	3,480,578	1,243	2,900	120,000	304,458	3,036,620	71	285	15,001
Materials/Supplies	325,891	1,194	2,786	-	128,073	171,516	3,239	7,959	11,124
Repairs/Maintenance	128,373	1,499	3,499	-	104,215	6,666	2,499	9,995	-
Printing and Reproduction	120,187	221	515	-	13,409	96,667	668	8,707	-
Rental/Lease	69,392	299	698	-	46,202	16,000	998	1,995	3,200
Membership Dues	24,800	150	350	-	15,550	8,000	500	250	-
Staff Development	109,702	1,050	2,450	-	38,800	63,402	1,000	3,000	-
Insurance/Employee Bonds	18,600	269	627	-	15,463	-	448	1,793	-
Employee Tuition	10,600	180	420	-	10,000	-	-	-	-
Advertising	68,933	300	700	-	4,100	58,333	500	-	5,000
Freight/Delivery	10,384	600	1,400	-	4,300	3,334	500	250	-
Temporary Help	75,120	190	443	-	28,438	26,667	2,316	5,066	12,000
Furniture/Equipment	58,281	397	927	-	9,446	44,700	2,162	649	-
Communications/Utilities	101,815	1,179	2,752	-	77,515	10,000	2,506	7,863	-
Capital Outlay	-	-	-	-	-	-	-	-	-
State Office of Risk Management	8,561	-	-	-	8,561	-	-	-	-
Total	9,945,951	102,220	175,144	120,000	2,935,588	5,861,992	202,801	329,074	219,132

Note:

Community Based Programs Included:

Housing Resource Center	708,214
ARRA Accountability and Oversight	162,793
Community Affairs Division	8,797,579
Housing Trust Fund	277,364

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Housing Resource Center

Budget Categories	Budgeted	B.1.1./13034 HF Approp Receipts	B.1.1./13034 HRC General Revenue	F.1.1./13800 EFF - ARRA	B.1.1./21966 GR Enriched Housing
Salaries	467,877	270,862		40,008	157,007
Travel In-State	24,300	8,500			15,800
Travel Out-of-State	1,900	1,900			-
Professional Fees	135,286	285	120,000		15,001
Materials/Supplies	19,083	7,959			11,124
Repairs/Maintenance	9,995	9,995			-
Printing and Reproduction	8,707	8,707			-
Rental/Lease	5,195	1,995			3,200
Membership Dues	250	250			-
Staff Development	3,000	3,000			-
Insurance/Employee Bonds	1,793	1,793			-
Employee Tuition	-	-			-
Advertising	5,000	-			5,000
Freight/Delivery	250	250			-
Temporary Help	17,066	5,066			12,000
Furniture/Equipment	649	649			-
Communications/Utilities	7,863	7,863			-
Capital Outlay	-	-			-
State Office of Risk Management	-	-			-
Total	708,214	329,074	120,000	40,008	219,132

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ARRA Accountability and Oversight

Budget Categories	Budgeted	<i>F.1.1./13800</i> EFF - ARRA
Salaries	135,386	135,386
Travel In-State	10,000	10,000
Travel Out-of-State	-	0
Professional Fees	71	71
Materials/Supplies	3,239	3,239
Repairs/Maintenance	2,499	2,499
Printing and Reproduction	668	668
Rental/Lease	998	998
Membership Dues	500	500
Staff Development	1,000	1,000
Insurance/Employee Bonds	448	448
Employee Tuition	-	0
Advertising	500	500
Freight/Delivery	500	500
Temporary Help	2,316	2,316
Furniture/Equipment	2,162	2,162
Communications/Utilities	2,506	2,506
Capital Outlay	-	0
State Office of Risk Management	-	0
Total	<u>162,793</u>	<u>162,793</u>

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Community Affairs

Budget Categories	Budgeted	Federal Funds	ARRA Homeless	ARRA DOE T/TA	DOE ARRA Grantee
Salaries	3,783,844	1,968,103	238,000	632,785	944,956
Travel In-State	645,845	141,500	19,980	260,038	224,327
Travel Out-of-State	17,455	17,455	-	-	-
Professional Fees	3,341,078	304,458	17,000	2,682,869	336,751
Materials/Supplies	299,589	128,073	4,000	131,433	36,083
Repairs/Maintenance	110,881	104,215	-	-	6,666
Printing and Reproduction	110,076	13,409	-	52,000	44,667
Rental/Lease	62,202	46,202	16,000	-	-
Membership Dues	23,550	15,550	-	5,000	3,000
Staff Development	102,202	38,800	-	60,068	3,334
Insurance/Employee Bonds	15,463	15,463	-	-	-
Employee Tuition	10,000	10,000	-	-	-
Advertising	62,433	4,100	-	-	58,333
Freight/Delivery	7,634	4,300	-	-	3,334
Temporary Help	55,105	28,438	-	6,667	20,000
Furniture/Equipment	54,146	9,446	5,700	-	39,000
Communications/Utilities	87,515	77,515	-	-	10,000
Capital Outlay	-	-	-	-	-
State Office of Risk Management	8,561	8,561	-	-	-
Total	8,797,579	2,935,588	300,680	3,830,860	1,730,451

Note:

Community Affairs Includes:

Administration - Community Affairs	321,636
Community Services Program	1,471,358
Energy Assistance Program	6,550,231
Section 8	454,354

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Community Affairs - Administration

Budget Categories	Budgeted	<i>C.1.1./13011</i>	<i>C.2.1./13013</i>	<i>C.2.1./13013</i>
		CSBG	LIHEAP	DOE ARRA Grantee
Salaries	282,719	122,609	122,609	37,501
Travel In-State	5,000	2,500	2,500	
Travel Out-of-State	8,200	4,100	4,100	
Professional Fees	4,107	2,054	2,054	
Materials/Supplies	2,617	1,309	1,309	
Repairs/Maintenance	4,248	2,124	2,124	
Printing and Reproduction	788	394	394	
Rental/Lease	1,748	874	874	
Membership Dues	1,500	750	750	
Staff Development	3,000	1,500	1,500	
Insurance/Employee Bonds	672	336	336	
Employee Tuition	-	-	-	
Advertising	-	-	-	
Freight/Delivery	500	250	250	
Temporary Help	1,975	988	988	
Furniture/Equipment	1,343	672	672	
Communications/Utilities	3,219	1,610	1,610	
Capital Outlay	-	-	-	
State Office of Risk Management	-	-	-	
Total	321,636	142,067	142,067	37,501

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Community Services Program

Budget Categories	Budgeted	<i>C.1.1./13011</i>	<i>C.1.1./13011</i>	<i>C.1.1./13011</i>
		CSBG	ESGP	ARRA Homeless
Salaries	1,081,961	684,206	159,754	238,000
Travel In-State	69,980	32,500	17,500	19,980
Travel Out-of-State	3,155	3,155		-
Professional Fees	135,427	118,427		17,000
Materials/Supplies	21,279	17,279		4,000
Repairs/Maintenance	25,740	25,740		-
Printing and Reproduction	4,797	4,797		-
Rental/Lease	41,736	25,736		16,000
Membership Dues	7,050	7,050		-
Staff Development	20,000	20,000		-
Insurance/Employee Bonds	4,258	4,258		-
Employee Tuition	10,000	10,000		-
Advertising	500	500		-
Freight/Delivery	1,000	1,000		-
Temporary Help	10,025	10,025		-
Furniture/Equipment	9,391	3,691		5,700
Communications/Utilities	22,188	22,188		-
Capital Outlay	-	-		-
State Office of Risk Management	2,872	2,872		-
Total	1,471,358	993,424	177,254	300,680

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Energy Assistance Program

Budget Categories	Budgeted	<i>C.2.1./13013</i> DOE T&TA	<i>C.2.1./13013</i> DOE Grantee	<i>C.2.1./13013</i> LIHEAP	<i>C.2.1./13013</i> ARRA DOE T&TA	<i>C.2.1./13013</i> ARRA DOE Grantee
Salaries	2,040,270	37,825	30,920	431,284	632,785	907,455
Travel In-State	557,865	14,700	22,050	36,750	260,038	224,327
Travel Out-of-State	3,890	778	1,167	1,945	-	-
Professional Fees	3,187,295	13,500	13,500	140,675	2,682,869	336,751
Materials/Supplies	267,311	75,000		24,795	131,433	36,083
Repairs/Maintenance	71,646		15,000	49,980	-	6,666
Printing and Reproduction	102,028			5,361	52,000	44,667
Rental/Lease	16,972			16,972	-	-
Membership Dues	14,000			6,000	5,000	3,000
Staff Development	73,402			10,000	60,068	3,334
Insurance/Employee Bonds	8,964			8,964	-	-
Employee Tuition	-			-	-	-
Advertising	61,333			3,000	-	58,333
Freight/Delivery	5,834			2,500	-	3,334
Temporary Help	35,997			9,330	6,667	20,000
Furniture/Equipment	42,844			3,844	-	39,000
Communications/Utilities	57,120			47,120	-	10,000
Capital Outlay	-			-	-	-
State Office of Risk Management	3,460			3,460	-	-
Total	6,550,231	141,803	82,637	801,981	3,830,860	1,692,950

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Section 8 - Rental Assistance Program

Budget Categories	Budgeted	<i>A.1.4./13004</i> Section 8
Salaries	378,895	378,895
Travel In-State	13,000	13,000
Travel Out-of-State	2,210	2,210
Professional Fees	14,249	14,249
Materials/Supplies	8,382	8,382
Repairs/Maintenance	9,247	9,247
Printing and Reproduction	2,463	2,463
Rental/Lease	1,746	1,746
Membership Dues	1,000	1,000
Staff Development	5,800	5,800
Insurance/Employee Bonds	1,569	1,569
Employee Tuition	-	-
Advertising	600	600
Freight/Delivery	300	300
Temporary Help	7,108	7,108
Furniture/Equipment	568	568
Communications/Utilities	4,988	4,988
Capital Outlay	-	-
State Office of Risk Management	2,229	2,229
Total	<u>454,354</u>	<u>454,354</u>

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Housing Trust Fund

Budget Categories	Budgeted	<i>A.1.3./13031</i> HTF Single Family	<i>A.1.7./13033</i> HTF Multifamily
Salaries	241,626	150,127	91,499
Travel In-State	5,000	3,500	1,500
Travel Out-of-State	1,500	1,050	450
Professional Fees	4,143	2,900	1,243
Materials/Supplies	3,980	2,786	1,194
Repairs/Maintenance	4,998	3,499	1,499
Printing and Reproduction	736	515	221
Rental/Lease	997	698	299
Membership Dues	500	350	150
Staff Development	3,500	2,450	1,050
Insurance/Employee Bonds	896	627	269
Employee Tuition	600	420	180
Advertising	1,000	700	300
Freight/Delivery	2,000	1,400	600
Temporary Help	633	443	190
Furniture/Equipment	1,324	927	397
Communications/Utilities	3,931	2,752	1,179
Capital Outlay	-	0	0
State Office of Risk Management	-	0	0
Total	277,364	175,144	102,220

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Housing Programs Division

Budget Categories	Budgeted	HTF		IAC ORCA	Federal Funds	Tax Credit Fees	Multifamily Bond Admin	Single Family Bond Admin	NSP	Disaster Recovery Tax Credit
		Multifamily GR	HTF Single Family GR							
Salaries	4,722,765	14,726	191,567	57,700	1,711,245	965,332	264,416	203,019	804,711	510,050
Travel In-State	171,550	-	40,000	-	51,800	13,388	9,363	-	57,000	-
Travel Out-of-State	30,716	-	3,575	-	11,341	7,855	7,945	-	-	-
Professional Fees	338,114	-	14,214	-	242,897	20,844	5,590	-	54,570	-
Materials/Supplies	71,707	-	6,247	-	26,846	15,412	13,283	-	9,918	-
Repairs/Maintenance	103,391	-	7,496	-	35,167	18,018	18,718	-	23,992	-
Printing and Reproduction	22,372	-	1,040	-	14,345	1,985	1,657	-	3,345	-
Rental/Lease	74,575	-	18,495	-	32,961	8,050	6,080	-	8,989	-
Membership Dues	29,500	-	1,000	-	2,500	16,075	8,925	-	1,000	-
Staff Development	61,797	-	6,000	-	21,000	14,083	15,714	-	5,000	-
Insurance/Employee Bonds	17,701	-	1,343	-	6,275	3,204	3,294	-	3,585	-
Employee Tuition	6,400	-	600	-	1,200	1,480	1,120	-	2,000	-
Advertising	11,100	-	2,000	-	1,625	1,399	1,076	-	5,000	-
Freight/Delivery	9,875	-	1,000	-	4,000	1,781	1,094	-	2,000	-
Temporary Help	82,479	-	10,456	-	19,302	20,818	19,371	-	12,532	-
Furniture/Equipment	22,591	-	3,487	-	3,604	2,367	3,835	-	9,298	-
Communications/Utilities	72,186	-	8,600	-	23,196	11,919	11,989	-	16,482	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-
State Office of Risk Management	6,445	-	1,070	-	2,821	1,720	834	-	-	-
Total	5,855,264	14,726	318,190	57,700	2,212,126	1,125,730	394,302	203,019	1,019,422	510,050

Note:

Housing Programs Division Includes:

Multifamily Finance Production	1,194,533
Real Estate Analysis	913,551
HOME Program	1,513,992
Office of Colonia Initiatives	529,238
Program Services	701,209
Neighborhood Stabilization Program	1,002,742

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Multifamily Finance Production

Budget Categories	Budgeted	A.1.5./13005	A.1.8./13018	A.1.5./13005
		Tax Credit Fees	Multifamily Bond Admin	Disaster Recovery Tax Credit
Salaries	1,006,165	509,230	190,119	306,815
Travel In-State	18,750	12,188	6,563	-
Travel Out-of-State	8,900	5,785	3,115	-
Professional Fees	15,970	10,381	5,590	-
Materials/Supplies	19,439	12,635	6,803	-
Repairs/Maintenance	19,992	12,995	6,997	-
Printing and Reproduction	2,550	1,658	893	-
Rental/Lease	10,889	7,078	3,811	-
Membership Dues	24,500	15,925	8,575	-
Staff Development	14,697	9,553	5,144	-
Insurance/Employee Bonds	3,585	2,330	1,255	-
Employee Tuition	2,000	1,300	700	-
Advertising	1,875	1,219	656	-
Freight/Delivery	2,625	1,706	919	-
Temporary Help	25,032	16,271	8,761	-
Furniture/Equipment	1,448	941	507	-
Communications/Utilities	13,563	8,816	4,747	-
Capital Outlay	-	-	-	-
State Office of Risk Management	2,553	1,720	834	-
Total	<u>1,194,533</u>	<u>631,729</u>	<u>255,988</u>	<u>306,815</u>

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Real Estate Analysis

Budget Categories	Budgeted	A.1.5./13005 Tax Credit Fees	A.1.6./13032 Multifamily HOME	A.1.2./13030 NSP	A.1.8./13018 Multifamily Bond Admin	A.1.5./13005 Disaster Recovery Tax Credit
Salaries	811,635	456,102	79,322	25,001	74,297	176,914
Travel In-State	4,000	1,200			2,800	
Travel Out-of-State	6,900	2,070			4,830	
Professional Fees	10,463	10,463				
Materials/Supplies	9,257	2,777			6,480	
Repairs/Maintenance	16,744	5,023			11,721	
Printing and Reproduction	1,092	328			764	
Rental/Lease	3,241	972			2,269	
Membership Dues	500	150			350	
Staff Development	15,100	4,530			10,570	
Insurance/Employee Bonds	2,913	874			2,039	
Employee Tuition	600	180			420	
Advertising	600	180			420	
Freight/Delivery	250	75			175	
Temporary Help	15,157	4,547			10,610	
Furniture/Equipment	4,754	1,426			3,328	
Communications/Utilities	10,345	3,104			7,242	
Capital Outlay	-					
State Office of Risk Management	-					
Total	913,551	494,000	79,322	25,002	138,314	176,914

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HOME Program

		<i>A.1.2./13030</i>	<i>A.1.6./13032</i>	<i>D.1.2./13036</i>
Budget Categories	Budgeted	HOME Single Family	HOME Multifamily	HOME PMC
Salaries	1,100,844	349,172	159,835	591,836
Travel In-State	42,659	29,861	12,798	
Travel Out-of-State	7,485	5,240	2,246	
Professional Fees	235,641	235,641		
Materials/Supplies	17,484	12,239	5,245	
Repairs/Maintenance	22,612	15,828	6,784	
Printing and Reproduction	9,508	6,656	2,852	
Rental/Lease	21,808	15,266	6,542	
Membership Dues	1,667	1,167	500	
Staff Development	14,000	9,800	4,200	
Insurance/Employee Bonds	4,034	2,824	1,210	
Employee Tuition	800	560	240	
Advertising	1,083	758	325	
Freight/Delivery	1,000	700	300	
Temporary Help	12,764	8,935	3,829	
Furniture/Equipment	2,793	1,955	838	
Communications/Utilities	14,989	10,492	4,497	
Capital Outlay	-	-	-	
State Office of Risk Management	2,821	1,975	846	
Total	<u>1,513,992</u>	<u>709,068</u>	<u>213,087</u>	<u>591,836</u>

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Office of Colonia Initiatives

Budget Categories	Budgeted	HOME	<i>B.2.1./13020</i> IAC TDRA	<i>A.1.3./13031</i> HTF Single Family GR	<i>B.2.1./13020</i> HF Approp Receipts
Salaries	402,615	-	57,700	141,896	203,019
Travel In-State	40,000			40,000	
Travel Out-of-State	3,575			3,575	
Professional Fees	14,214			14,214	
Materials/Supplies	6,247			6,247	
Repairs/Maintenance	7,496			7,496	
Printing and Reproduction	1,040			1,040	
Rental/Lease	18,495			18,495	
Membership Dues	1,000			1,000	
Staff Development	6,000			6,000	
Insurance/Employee Bonds	1,343			1,343	
Employee Tuition	600			600	
Advertising	2,000			2,000	
Freight/Delivery	1,000			1,000	
Temporary Help	10,456			10,456	
Furniture/Equipment	3,487			3,487	
Communications/Utilities	8,600			8,600	
Capital Outlay	-				
State Office of Risk Management	1,070			1,070	
Total	529,238	-	57,700	268,519	203,019

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Program Services

Budget Categories	Budgeted	A.1.2./13030	A.1.6./13032	A.1.3./13031	A.1.5./13005	A.1.7./13033
		HOME Single Family	HOME Multifamily	HTF Single Family	Disaster Recovery Tax Credit	HTF Multifamily
Salaries	613,477	368,346	162,734	49,671	18,000	14,726
Travel In-State	9,141	6,399	2,742			
Travel Out-of-State	3,856	2,699	1,157			
Professional Fees	7,256	5,079	2,177			
Materials/Supplies	9,362	6,553	2,809			
Repairs/Maintenance	12,555	8,789	3,767			
Printing and Reproduction	4,837	3,386	1,451			
Rental/Lease	11,153	7,807	3,346			
Membership Dues	833	583	250			
Staff Development	7,000	4,900	2,100			
Insurance/Employee Bonds	2,241	1,569	672			
Employee Tuition	400	280	120			
Advertising	542	379	163			
Freight/Delivery	3,000	2,100	900			
Temporary Help	6,538	4,577	1,961			
Furniture/Equipment	811	568	243			
Communications/Utilities	8,207	5,745	2,462			
Capital Outlay	-	-	-			
State Office of Risk Management	-	-	-			
Total	701,209	429,758	189,054	49,671	18,000	14,726

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Neighborhood Stabilization Program

Budget Categories	Budgeted	<i>A.1.2./13030</i> NSP	<i>A.1.5./13005</i> Disaster Recovery Tax Credit
Salaries	788,031	779,710	8,321
Travel In-State	57,000	57,000	
Travel Out-of-State	-	-	
Professional Fees	54,570	54,570	
Materials/Supplies	9,918	9,918	
Repairs/Maintenance	23,992	23,992	
Printing and Reproduction	3,345	3,345	
Rental/Lease	8,989	8,989	
Membership Dues	1,000	1,000	
Staff Development	5,000	5,000	
Insurance/Employee Bonds	3,585	3,585	
Employee Tuition	2,000	2,000	
Advertising	5,000	5,000	
Freight/Delivery	2,000	2,000	
Temporary Help	12,532	12,532	
Furniture/Equipment	9,298	9,298	
Communications/Utilities	16,482	16,482	
Capital Outlay	-	-	
State Office of Risk Management	-	-	
Total	<u>1,002,742</u>	<u>994,421</u>	<u>8,321</u>

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Agency Administration

Budget Categories	Budgeted	General	General	Bond Admin	MH Approp	HF Approp	HTF General	EFF - ARRA	Disaster
		Revenue (OS)	Revenue (CS)	Fees	Receipts	Receipts	Revenue		Recovery Tax
									Credit
Salaries	5,200,682	95,734	440,227	1,138,085	378,281	2,813,689	12,732	321,934	-
Travel In-State	50,650	-	2,000	27,200	-	21,450	-	-	-
Travel Out-of-State	24,139	1,452	1,265	13,677	-	7,745	-	-	-
Professional Fees	266,160	606	3,428	17,721	-	54,405	90,000	-	100,000
Materials/Supplies	137,226	16,455	8,450	74,801	-	37,520	-	-	-
Repairs/Maintenance	234,786	25,700	16,495	11,470	-	121,121	-	60,000	-
Printing and Reproduction	18,502	2,131	2,615	8,149	-	5,607	-	-	-
Rental/Lease	97,477	24,465	2,992	39,482	-	30,538	-	-	-
Membership Dues	30,840	1,000	700	23,450	-	5,690	-	-	-
Staff Development	106,228	16,824	16,320	13,300	-	59,784	-	-	-
Insurance/Employee Bonds	29,925	3,627	2,689	2,016	-	21,593	-	-	-
Employee Tuition	5,870	2,000	900	870	-	2,100	-	-	-
Advertising	75,600	1,200	1,200	57,000	-	16,200	-	-	-
Freight/Delivery	18,828	700	500	4,678	-	12,950	-	-	-
Temporary Help	54,606	9,086	5,077	9,724	-	30,719	-	-	-
Furniture/Equipment	25,763	2,387	1,773	3,405	-	18,198	-	-	-
Communications/Utilities	74,428	24,140	8,551	11,818	-	29,919	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
State Office of Risk Management	17,269	691	2,071	2,386	-	12,121	-	-	-
Total	6,468,979	228,199	517,252	1,459,232	378,281	3,301,349	102,732	381,934	100,000

Note:

Agency Administration Includes:

Human Resources	382,792
Information Systems	1,571,834
Financial Administration	3,404,651
Bond Finance	488,390
Texas Homeownership Program	621,313

Texas Department of Housing and Community Affairs
 Annual Operating Budget
 September 1, 2010 thru August 31, 2011

Human Resources

Budget Categories	Budgeted	F.1.1./13800 HF Approp Receipts	F.1.1./13800 MH Approp Receipts	F.1.1./13800 EFF - ARRA
Salaries	307,442	236,627	25,214	45,600
Travel In-State	500	500		
Travel Out-of-State	1,900	1,900		
Professional Fees	7,678	7,678		
Materials/Supplies	5,120	5,120		
Repairs/Maintenance	7,247	7,247		
Printing and Reproduction	581	581		
Rental/Lease	1,246	1,246		
Membership Dues	880	880		
Staff Development	25,368	25,368		
Insurance/Employee Bonds	1,120	1,120		
Employee Tuition	-	-		
Advertising	15,000	15,000		
Freight/Delivery	350	350		
Temporary Help	3,791	3,791		
Furniture/Equipment	1,006	1,006		
Communications/Utilities	3,563	3,563		
Capital Outlay	-	-		
State Office of Risk Management	-	-		
Total	382,792	311,977	25,214	45,600

Texas Department of Housing and Community Affairs
 Annual Operating Budget
 September 1, 2010 thru August 31, 2011

Information Systems

Budget Categories	Budgeted	F.1.2./13801 General Revenue (IR)	F.1.2./13801 MH Approp Receipts	F.1.2./13801 HF Approp Receipts	F.1.1./13800 EFF - ARRA
Salaries	1,333,466	45,343	136,909	1,024,480	126,734
Travel In-State	4,000			4,000	
Travel Out-of-State	2,420	1,452		968	
Professional Fees	713	428		285	
Materials/Supplies	23,009	13,805		9,204	
Repairs/Maintenance	92,290	19,374		12,916	60,000
Printing and Reproduction	2,485	1,491		994	
Rental/Lease	40,463	24,278		16,185	
Membership Dues	1,000	600		400	
Staff Development	26,040	15,624		10,416	
Insurance/Employee Bonds	4,482	2,689		1,793	
Employee Tuition	-	-		-	
Advertising	1,500	900		600	
Freight/Delivery	1,000	600		400	
Temporary Help	11,344	6,806		4,538	-
Furniture/Equipment	3,722	1,333		2,389	-
Communications/Utilities	20,738	20,738			
Capital Outlay	-				-
State Office of Risk Management	3,161	483		2,678	
Total	1,571,834	155,945	136,909	1,092,246	186,734

Texas Department of Housing and Community Affairs

Annual Operating Budget

September 1, 2010 thru August 31, 2011

Financial Administration

Budget Categories	Budgeted	General Revenue (CS)	HF Approp Receipts	HF Approp Receipts	MH Approp Receipts	General Revenue (OS)	EFF - ARRA	Disaster Recovery Tax Credit
Salaries	2,861,218	440,227	452,262	1,552,582	216,157	50,391	149,600	
Travel In-State	18,950	2,000	-	16,950	-	-	-	-
Travel Out-of-State	6,142	1,265	-	4,877	-	-	-	-
Professional Fees	150,048	3,428	-	46,442	-	178	-	100,000
Materials/Supplies	34,296	8,450	-	23,196	-	2,650	-	-
Repairs/Maintenance	123,779	16,495	-	100,958	-	6,326	-	-
Printing and Reproduction	7,287	2,615	-	4,032	-	640	-	-
Rental/Lease	16,286	2,992	-	13,107	-	187	-	-
Membership Dues	5,510	700	-	4,410	-	400	-	-
Staff Development	41,520	16,320	-	24,000	-	1,200	-	-
Insurance/Employee Bonds	22,307	2,689	-	18,680	-	938	-	-
Employee Tuition	5,000	900	-	2,100	-	2,000	-	-
Advertising	2,100	1,200	-	600	-	300	-	-
Freight/Delivery	12,800	500	-	12,200	-	100	-	-
Temporary Help	29,747	5,077	-	22,390	-	2,280	-	-
Furniture/Equipment	17,630	1,773	-	14,803	-	1,054	-	-
Communications/Utilities	38,309	8,551	-	26,356	-	3,402	-	-
Capital Outlay	-	-	-	-	-	-	-	-
State Office of Risk Management	11,722	2,071	-	9,443	-	208	-	-
Total	3,404,651	517,252	452,262	1,897,126	216,157	72,254	149,600	100,000

Note:

Financial Administration Includes:

Director's Office	410,551
Accounting Operations	839,489
Financial Services	958,745
Loan Servicing	620,728
Purchasing and Facilities Management	575,138

Texas Department of Housing and Community Affairs
 Annual Operating Budget
 September 1, 2010 thru August 31, 2011

Director's Office of Financial Administration

Budget Categories	Budgeted	<i>F.1.1./13800</i> General Revenue (CS)	<i>F.1.1./13800</i> HF Approp Receipts	<i>F.1.1./13800</i> MH Approp Receipts
Salaries	345,501	-	322,613	22,888
Travel In-State	7,000		7,000	
Travel Out-of-State	2,525		2,525	
Professional Fees	19,893		19,893	
Materials/Supplies	3,491		3,491	
Repairs/Maintenance	4,998		4,998	
Printing and Reproduction	872		872	
Rental/Lease	5,215		5,215	
Membership Dues	1,000		1,000	
Staff Development	2,000		2,000	
Insurance/Employee Bonds	896		896	
Employee Tuition	600		600	
Advertising	600		600	
Freight/Delivery	700		700	
Temporary Help	1,533		1,533	
Furniture/Equipment	824		824	
Communications/Utilities	4,431		4,431	
Capital Outlay	-		-	
State Office of Risk Management	8,473		8,473	
Total	410,551	-	387,664	22,888

Texas Department of Housing and Community Affairs
 Annual Operating Budget
 September 1, 2010 thru August 31, 2011

Accounting Operations

Budget Categories	Budgeted	<i>F.1.1./13800</i> General Revenue (CS)	<i>F.1.1./13800</i> HF Approp Receipts	<i>F.1.1./13800</i> MH Approp Receipts	<i>F.1.1./13800</i> EFF - ARRA
Salaries	762,463	440,227	172,150	100,087	50,000
Travel In-State	2,000	2,000			
Travel Out-of-State	1,265	1,265			
Professional Fees	3,428	3,428			
Materials/Supplies	8,450	8,450			
Repairs/Maintenance	16,495	16,495			
Printing and Reproduction	2,615	2,615			
Rental/Lease	2,992	2,992			
Membership Dues	700	700			
Staff Development	16,320	16,320			
Insurance/Employee Bonds	2,689	2,689			
Employee Tuition	900	900			
Advertising	1,200	1,200			
Freight/Delivery	500	500			
Temporary Help	5,077	5,077			
Furniture/Equipment	1,773	1,773			
Communications/Utilities	8,551	8,551			
Capital Outlay	-	-			
State Office of Risk Management	2,071	2,071			
Total	839,489	517,252	172,150	100,087	50,000

Texas Department of Housing and Community Affairs
 Annual Operating Budget
 September 1, 2010 thru August 31, 2011

Financial Services

Budget Categories	Budgeted	<i>A.1.1./13006</i>	<i>F.1.1./13800</i>	<i>F.1.1./13800</i>	<i>A.1.5./13005</i>
		HF Approp Receipts	HF Approp Receipts	MH Approp Receipts	Disaster Recovery Tax Credit
Salaries	755,800	52,882	659,266	43,652	
Travel In-State	3,975		3,975		
Travel Out-of-State	1,176		1,176		
Professional Fees	122,328		22,328		100,000
Materials/Supplies	9,439		9,439		
Repairs/Maintenance	28,995		28,995		
Printing and Reproduction	1,008		1,008		
Rental/Lease	2,992		2,992		
Membership Dues	1,535		1,535		
Staff Development	12,000		12,000		
Insurance/Employee Bonds	2,689		2,689		
Employee Tuition	1,500		1,500		
Advertising	-		-		
Freight/Delivery	500		500		
Temporary Help	1,899		1,899		
Furniture/Equipment	3,173		3,173		
Communications/Utilities	9,736		9,736		
Capital Outlay	-		-		
State Office of Risk Management	-		-		
Total	958,745	52,882	762,211	43,652	100,000

Texas Department of Housing and Community Affairs
 Annual Operating Budget
 September 1, 2010 thru August 31, 2011

Loan Servicing

Budget Categories	Budgeted	<i>A.1.1./13006</i> HF Approp Receipts	<i>F.1.1./13800</i> HF Approp Receipts	<i>F.1.1./13800</i> EFF - ARRA
Salaries	502,727	399,380	51,747	51,600
Travel In-State	3,975		3,975	
Travel Out-of-State	1,176		1,176	
Professional Fees	4,221		4,221	
Materials/Supplies	6,579		6,579	
Repairs/Maintenance	60,246		60,246	
Printing and Reproduction	756		756	
Rental/Lease	2,244		2,244	
Membership Dues	1,535		1,535	
Staff Development	6,000		6,000	
Insurance/Employee Bonds	14,017		14,017	
Employee Tuition	-		-	
Advertising	-		-	
Freight/Delivery	1,000		1,000	
Temporary Help	5,424		5,424	
Furniture/Equipment	3,230		3,230	
Communications/Utilities	7,598		7,598	
Capital Outlay	-		-	
State Office of Risk Management	-		-	
Total	620,728	399,380	169,748	51,600

Texas Department of Housing and Community Affairs
 Annual Operating Budget
 September 1, 2010 thru August 31, 2011

Purchasing and Facilities Management

Budget Categories	Budgeted	<i>F.1.3./13802</i> General Revenue (OS)	<i>F.1.3./13802</i> HF Approp Receipts	<i>F.1.3./13802</i> MH Approp Receipts	<i>F.1.1./13800</i> EFF - ARRA
Salaries	494,728	50,391	346,806	49,531	48,000
Travel In-State	2,000	-	2,000		
Travel Out-of-State	-	-	-		
Professional Fees	178	178	-		
Materials/Supplies	6,337	2,650	3,687		
Repairs/Maintenance	13,045	6,326	6,719		
Printing and Reproduction	2,036	640	1,396		
Rental/Lease	2,843	187	2,656		
Membership Dues	740	400	340		
Staff Development	5,200	1,200	4,000		
Insurance/Employee Bonds	2,016	938	1,078		
Employee Tuition	2,000	2,000	-		
Advertising	300	300	-		
Freight/Delivery	10,100	100	10,000		
Temporary Help	15,814	2,280	13,534		
Furniture/Equipment	8,630	1,054	7,576		
Communications/Utilities	7,993	3,402	4,591		
Capital Outlay	-	-	-		
State Office of Risk Management	1,178	208	970		
Total	575,138	72,254	405,353	49,531	48,000

Texas Department of Housing and Community Affairs
 Annual Operating Budget
 September 1, 2010 thru August 31, 2011

Bond Finance

Budget Categories	Budgeted	<i>A.1.1./13006</i> Single Family Bond Admin	<i>A.1.8./13018</i> Multifamily Bond Admin
Salaries	332,521	299,269	33,252
Travel In-State	6,500	5,850	650
Travel Out-of-State	7,660	6,894	766
Professional Fees	4,143	3,729	414
Materials/Supplies	69,428	62,485	6,943
Repairs/Maintenance	4,998	4,498	500
Printing and Reproduction	738	664	74
Rental/Lease	13,868	12,481	1,387
Membership Dues	23,000	20,700	2,300
Staff Development	7,000	6,300	700
Insurance/Employee Bonds	896	806	90
Employee Tuition	600	540	60
Advertising	7,000	6,300	700
Freight/Delivery	2,000	1,800	200
Temporary Help	1,783	1,605	178
Furniture/Equipment	2,324	2,092	232
Communications/Utilities	3,931	3,538	393
Capital Outlay	-	-	-
State Office of Risk Management	-	-	-
Total	488,390	439,551	48,839

Texas Department of Housing and Community Affairs
 Annual Operating Budget
 September 1, 2010 thru August 31, 2011

Texas Homeownership Program

Budget Categories	Budgeted	<i>A.1.2./13031</i> Single Family HOME	<i>A.1.1./13006</i> Single Family Bond Admin	<i>A.1.3./13031</i> HTF Single Family GR
Salaries	366,035	-	353,303	12,732
Travel In-State	20,700		20,700	
Travel Out-of-State	6,017		6,017	
Professional Fees	103,578		13,578	90,000
Materials/Supplies	5,373		5,373	
Repairs/Maintenance	6,472		6,472	
Printing and Reproduction	7,411		7,411	
Rental/Lease	25,615		25,615	
Membership Dues	450		450	
Staff Development	6,300		6,300	
Insurance/Employee Bonds	1,120		1,120	
Employee Tuition	270		270	
Advertising	50,000		50,000	
Freight/Delivery	2,678		2,678	
Temporary Help	7,941		7,941	
Furniture/Equipment	1,081		1,081	
Communications/Utilities	7,887		7,887	
Capital Outlay	-			
State Office of Risk Management	2,386		2,386	
Total	621,313	-	518,581	102,732

**Financial Administration Division
Board Action Request
July 8, 2010**

Recommended Action

The Board approve the FY 2011 Draft Housing Finance Operating Budget along with the related Finding of Fact.

RESOLVED, that the FY 2011 Draft Housing Finance Operating Budget, in the form presented to this meeting, is hereby approved.

RESOLVED, that the Finding of Fact and Proposed Use of Additional Appropriated Receipts (AR) as presented in this meeting is hereby approved and will be submitted by the Board to the Governor and the Legislative Budget Board (LBB).

Background

In accordance with Section 2306.113 of the Texas Government Code, the Department shall create a separate annual budget for the Housing Finance Division to certify the housing program fee revenue that supports the Department. This budget is a subset of the whole operating budget and shows the Housing Finance revenues also known as Appropriated Receipts that support the operating budget.

The FY 2011 Draft Housing Finance Operating Budget, which the Board is considering, is \$13.9 million. The Housing Finance Budget exceeds the Appropriation Authority under the General Appropriations Act (GAA) by \$1.8 million.

In cases where the Department finds it necessary to exceed its Appropriated Receipts Authority, it is required under GAA, Article IX, Section 6.10(b) and Article VII, TDHCA Bill Pattern, Rider 12(a)(1) to submit to the Governor's Office and the Legislative Budget Board, a Finding of Fact with a written plan outlining the sources, uses and projected impact of funds on performance measures. The Department will comply with this provision in SFY 2011. The Department proposes the inclusion of \$1,882,907 in additional appropriated receipts. The purpose of this funding is to maintain six (6) CAP FTEs (\$514,550) associated with the upfront administration of TCAP/Exchange and Disaster Recovery Programs. The Department will also add nine (9) new CAP FTEs (\$450,000) related to statutorily required asset management duties.

This budget also includes financing for the following:

- Payroll Related Costs - \$182,329;
- Other Expenses - \$136,027;
- Audits - \$100,000;
- And Outside Counsel - \$500,000 (for pending litigation in the case of ICP vs. TDHCA).

TDHCA's FTE CAP is expected to increase from 314 to 329. The Department will utilize Disaster Recovery Tax Credit Commitment Fees and new Asset Management Fees to fund TCAP/Exchange/Disaster Recovery business. Existing Multifamily Tax Credit Fees will finance litigation costs. Under Rider 12, TDHCA will be authorized to expend the additional funds unless the Governor's Office or Legislative Budget Board issues a written disapproval within ten days of receipt.

(For Finding of Fact and Proposed Appropriated Receipts documents, see Exhibits A and B, respectively.)

Summary

If the Board approves the FY 2011 Draft Housing Finance Operating Budget, the Department will submit the budget to the Governor's Office and the LBB. The Board Secretary will certify the Board's approval to submit to the Governor's Office and Legislative Budget Board on behalf of the Board a Request to Exceed FTE CAP by fifteen (15), a Finding of Fact, and a related plan for outlining the sources, uses and the projected impact on performance measures for additional appropriated receipts.



**TEXAS DEPARTMENT OF
HOUSING & COMMUNITY AFFAIRS**

Building Homes. Strengthening Communities.

DRAFT

ANNUAL HOUSING FINANCE OPERATING BUDGET

FISCAL YEAR 2011

Prepared by the Financial Administration Division

Texas Department of Housing and Community Affairs

September 1, 2010 thru August 31, 2011

Housing Finance Budget Appropriated Receipts

Budget Categories	Executive Administration	Agency Administration	Housing Programs Division	Community Based Programs	Compliance and Asset Oversight	Emergency Housing and Disaster Recovery	Capital Budget	Payroll Related Costs	Total
Salaries	1,411,044	3,951,774	1,942,816	270,862	1,795,306	4,500			9,376,303
Payroll Related Costs	-	-	-	-	-	-		1,436,454	1,436,454
Travel In-State	63,575	48,650	22,750	8,500	231,400				374,875
Travel Out-of-State	29,384	21,422	15,800	1,900	6,540				75,046
Professional Fees	676,070	172,126	26,433	285	198,389				1,073,303
Materials/Supplies	36,127	112,320	28,696	7,959	28,212				213,314
Repairs/Maintenance	23,792	132,591	36,736	9,995	40,332				243,446
Printing and Reproduction	17,451	13,756	3,642	8,707	7,845				51,401
Rental/Lease	33,207	70,021	14,130	1,995	52,560				171,912
Membership Dues	6,750	29,140	25,000	250	4,680				65,820
Staff Development	59,405	73,084	29,797	3,000	23,000				188,286
Insurance/Employee Bonds	3,587	23,609	6,498	1,793	7,054				42,540
Employee Tuition	-	2,970	2,600	-	2,400				7,970
Advertising	900	73,200	2,475	-	1,000				77,575
Freight/Delivery	6,850	17,628	2,875	250	1,500				29,103
Temporary Help	31,932	40,443	40,189	5,066	46,324				163,953
Furniture/Equipment	6,497	21,603	6,202	649	32,353		89,860		157,164
Communications/Utilities	24,306	41,737	23,908	7,863	36,370				134,184
Capital Outlay	-	-	-	-	-		52,065		52,065
State Office of Risk Management	1,471	14,508	2,553	-	5,677				24,208
Total	2,432,348	4,860,581	2,233,100	329,074	2,520,942	4,500	141,925	1,436,454	13,958,923

Method of Finance:

Bond Administration Fees									2,576,434
Housing Tax Credit Fees									1,273,619
Disaster Recovery Tax Credit Fees									693,379
Compliance Fees									2,795,984
Appropriated Receipts - Central Support									6,619,507
Total, Method of Finance									13,958,923

Note: Appropriated Receipts include Bond Administration Fees, Housing Tax Credit Fees, and Multifamily Compliance Fees

TDHCA

Findings of Fact

RESOLVED, that the Governing Board (this “Board”) of the Texas Department of Housing and Community Affairs (the “Department”) hereby adopts the Department’s FY 2011 Housing Finance Operating Budget, in the form presented to this meeting, and

FURTHER RESOLVED, that this Board hereby makes the following findings:

1. That the enactment of the American Recovery and Reinvestment act of 2009, P. L. 111-5 (“ARRA”), specifically the Tax Credit Assistance Program (“TCAP”) and the Tax Credit Exchange Program (“TCEP”) created under ARRA, has resulted in the Department being required to carry out greatly expanded activity and assume greatly expanded responsibility in the administration of multifamily affordable housing finance activity, including expanded and extended asset management responsibility;
2. That addition to the responsibilities under TCAP and TCEP, the Department has significant additional newly assigned responsibilities under the Housing and Economic Recovery Act of 2008, P.L. 110-289 (“HERA”), specifically under the Neighborhood Stabilization Program (“NSP”), and the ARRA expansion of the Weatherization Assistance Program (“WAP”);
3. That the successful and timely execution and administration of programs assigned to the Department under HERA and ARRA require additional staff;
4. That the Department’s ongoing activities involve a constantly increasing portfolio of housing finance transactions that must be administered and monitored, including new multifamily properties developed with financial assistance under the HOME Investments Partnership (“HOME”), the Low Income Housing Tax Credit Program (“LIHTC”), and the Community Development Block Grant special appropriations for disaster recovery (“CDBG DR”);
5. That certain of these programs, namely WAP, HOME, and CDBG DR provide for federal administration funds, enabling these programs to increase staff under the provisions of Texas General Appropriations Act (Eighty-first Legislature) (the “GAA”), Art. IX, Section 6.10(g);
6. That certain of these programs, namely LIHTC, provide for the establishment and collection of fees to support the Department in carrying out its responsibilities;
7. That certain of these programs, namely TCAP, TCEP, and HOME, will require the Department to add staff that does not meet the criteria of GAA, Art. IX, Section 6.10(b) and, therefore, will count against the Department’s full time equivalent cap of 314 (the “FTE Cap”), as established under GAA, Article VII;

EXHIBIT A

8. That the prudent administration of these programs requires that the Department add 15 employees over and above its FTE Cap, all as set forth in Exhibit B which is attached hereto and incorporated herein by reference for all purposes;
9. That increasing its FTEs by 15 to a total of 329 will require approval under GAA, Art. IX, Section 6.10(b);
10. That it is necessary for the Department to exceed the FTE cap because of the enactment of the American Recovery and Reinvestment act of 2009, P. L. 111-5 (“ARRA”), specifically the Tax Credit Assistance Program (“TCAP”) and the Tax Credit Exchange Program (“TCEP”) created under ARRA, has resulted in the Department being required to carry out expanded activity and expanded responsibility in the administration of multifamily affordable housing finance activity including expanded and extended asset management responsibility. The Department’s ongoing activities involve a constantly increasing portfolio of housing finance transactions that must be administered and monitored;
11. The salaries for the additional employees in excess of the FTE cap will be paid from sources funded by commitment fee income from the multifamily programs, asset management fees, and the Disaster Tax Credit fees in addition to the regular Tax Credit and multifamily bond program;
12. That the Inclusive Communities Project, Inc., has filed a lawsuit against the Department claiming Fair Housing violations in regard to the LIHTC Program. (*Inclusive Communities Project, Inc., vs. the Texas Department and Community Affairs et al.*) The Department, in consultation with the Office of Attorney General (OAG), has determined that it is in the best interest of the state to retain outside counsel for the balance of this litigation due to the timeline and complexities of this lawsuit. With the OAG’s approval, the Department has retained outside counsel for this suit.
13. The legal fees associated with retaining outside counsel will be paid from commitment fees from the Tax Credit Program.
14. That increased funding associated with TCAP and TCEP have resulted in potential audit costs for which it is prudent to budget. These costs will be paid from fees associated with these programs.
15. That all costs described in the findings (above) total \$1,882,907 and are categorized as Appropriated Receipts (AR).
16. That these AR costs are excess of appropriation authority provided for such funds for state fiscal year 2011 under the GAA and therefore will require approval as set forth in Rider 12 of the Department’s bill pattern.
17. That Exhibit B provides a written plan outlining the sources, uses, and projected impact of the funds on performance measures.

18. That these findings constitute the findings required under GAA Art. IX, Section 6.10(b) and Art. VII, TDHCA Bill Pattern, Rider 12(a) (1).

FURTHER RESOLVED, that the Secretary, on behalf of this Board, is hereby directed to certify these findings; and

FURTHER RESOLVED, that the Executive Director is hereby authorized and directed to submit to the Governor and the Legislative Budget Board, as required by GAA, Article IX, Section 6.10(a), a request for written approval for the Department to exceed the FTE Cap by 15 employees as provided for in these resolutions and findings and to perform such additional acts and execute, deliver, and cause to be performed such documents, instruments, and writings as he may reasonably deem necessary or advisable to effectuate the foregoing; and

FURTHER RESOLVED, that the Executive Director is hereby authorized and directed to submit to the Governor and the Legislative Budget Board, as required by GAA, Article VII, Rider 12 (a)(1) of the Department's bill pattern these findings and a written plan outlining the sources, uses, and projected impact of the additional AR appropriation authority on performance measures to perform such additional acts and execute, deliver, and cause to be performed such documents, instruments, and writings as he may reasonably deem necessary or advisable to effectuate the foregoing; and

FURTHER RESOLVED, that the Executive Director shall report to provide to this Board at its next regular meeting regarding its staffing levels and the request made to the Governor and the Legislative Budget Board.

**Texas Department of Housing and Community Affairs
Proposed Use of Additional Appropriated Receipts
July 8, 2010**

The following information is intended to outline the sources, uses and projected impact of funds on performance measures as per the General Appropriations Act, Article VII, TDHCA, Rider 12a.

Sources and Uses Schedule:

FY2011
Strategy # / Appropriation #

Objects of Expense	A.1.5,13005	D.1.1,13035	F.1.1,13800	Total
Salaries and Wages	\$514,550	405,000	45,000	\$964,550
Professional Fees and Services	100,000		\$500,000	600,000
Travel		86,400		86,400
Rent - Building		18,764		18,764
Other Operating Expenses		28,364	2,500	30,864
Subtotal	\$614,550	\$538,528	\$547,500	\$1,700,578
Payroll Related Costs	78,829	93,150	10,350	182,329
Total	\$693,379	\$631,678	\$557,850	\$1,882,907
Method of Finance:				
666 Appropriated Receipts	\$693,379	\$631,678	\$557,850	\$1,882,907

Authorized Original Full-Time Equivalents	314
* Additional Rider 12a FTEs – 2010	6
Subtotal	320
* Additional Rider 12a FTEs - 2011	9
Amended CAP, FTEs	329

* Finding of Fact includes a total of 15 FTEs.

Projected Impact of Funds on Performance Measures

\$1,282,906 for Salaries, Payroll Related Costs and other expenses associated with the hiring of fifteen (15) full-time equivalents (FTEs) to administer portions of the Tax Credit Assistance Program (TCAP) and the Housing Tax Credit (HTC) Exchange Program

The Tax Credit Assistance Program (TCAP) and the Tax Credit Exchange Program are designed to provide a way for existing housing tax credit awardees to complete their development. The TCAP provides \$148 million in additional funds to Texas to administer through HUD and the HOME Program while the Exchange provides existing tax credits that can be converted to cash through the U.S. Treasury. The Department has converted prior year tax credit allocations in the amount of \$598 million to cash with the U.S. Treasury in order to fund tax credit transactions that were ready to proceed but for the collapse of the financial market. In addition to TCAP and Exchange, the

Department has also received supplemental HERA tax credit allocation (\$4.8 million for two years) and Hurricane Ike disaster tax credit allocation of \$45 million through the Emergency Economic Stabilization Act of 2008.

As a result of these additional funds, additional applications, review, commitment fees and asset management are being generated to fund the administration activities for these programs (15 CAP, Temporary FTEs). The additional resources will assist in the administration of the supplemental HERA tax credit allocation and the Hurricane Ike disaster tax credit allocation as well as the application of TCAP and Exchange funds. These new initiatives have added significant work to re-evaluate the financial structure, document new contractual arrangements and oversee the funding draws for these new sources. As a result of these funding opportunities, the workload for the real estate analysis group has more than doubled (137 transactions have thus far been re-underwritten at least once where in a normal year approximately 100 transactions are underwritten). While the initial re-underwriting has been completed only a quarter of these developments have closed and several have had to be re-evaluated a second time. Given the large number of transactions that have yet to close, it is anticipated that a significant portion will need to be re-evaluated again in order to close and move forward. Upon completion of these deals, the Department will perform development construction oversight and long-term asset management as statutorily required in the American Recovery and Reinvestment Act of 2009, P.L.111-5.

The outcome of these initiatives will add approximately 4,500 units along the coastal regions affected by the Hurricane to the normal tax credit production of 8,000 to 11,000 affordable housing units across the state annually. The Exchange and TCAP programs will facilitate the completion of 14,573 units of affordable housing across the state of Texas.

\$100,000 Audit Costs related to TCAP and Exchange Programs

\$500,000 in legal fees associated with Inclusive Communities Project, Inc. vs. the Texas Department of Housing and Community Affairs et. al.; United States District Court for the Northern District of Texas, Dallas Division, Civil Action No. 3:08-CV-00546-D

Inclusive Communities Project (ICP) filed a lawsuit against TDHCA claiming violations of the Fair Housing Act in regard to the Housing Tax Credit (HTC) Program.

TDHCA, in consultation with the Office of the Attorney General (OAG), determined as the suit was in process and deadlines had been missed or were fast approaching that it would be in the best interest of the State to retain outside counsel for the balance of this litigation. Factors taken into consideration to hire outside counsel included intensive discovery issues associated with the lawsuit, complexities associated with the Tax Code, the need to dedicate resources to counter the Fair Housing issues and the timeline for the lawsuit. Department legal staff continues to support this litigation to help reduce costs.

With the approval of the OAG, TDHCA has retained outside counsel to defend the lawsuit. The contract entered into caps fees at \$1,000,000. To the extent possible, TDHCA has requested coverage of these fees under its D&O policy; and is keeping the carrier informed of the process to maximize recovery. However, it is anticipated the majority of the costs will not be covered under this policy. The case was recently reset by the court for a trial date of August 23, 2010.

The OAG remains informed about the lawsuit and is expected to handle any appellate actions.

HOME PROGRAM DIVISION

BOARD ACTION REQUEST

July 8, 2010

Recommended Action

Approve an open application cycle for the Tax Credit Assistance Program (“TCAP”) funds remaining after allocation to Round 1, Round 2 and Round 3 applicants.

WHEREAS, the Board approved the TCAP Plan, Policy and Policy Supplement on May 21, 2009, clarified the Policy on October 15, 2009, and clarified the Policy Supplement on June 28, 2010 to allow for the allocation and award of \$148,354,769 in TCAP funds, and

WHEREAS, there is a high likelihood that a balance of funds will remain after allocation to Round 1, Round 2 and Round 3 applicants that could be awarded by the state so long as they can be disbursed by February 16, 2012 and there remains a pool of eligible applicants

RESOLVED, that the Executive Director and his designees and each of them be and they hereby are authorized and empowered, for and on behalf of this Department, to publish and hold an open application cycle for the allocation of TCAP Funds remaining after allocation to Round 1, Round 2 and Round 3 applicants as presented in this meeting.

Background

The American Recovery and Reinvestment Act of 2009 provides for dedicated funds to assist in the development of properties that had been awarded low income housing tax credits (“LIHTCs”) between October 1, 2006, and September 30, 2009. These funds were issued through the U.S. Department of Housing and Urban Development (HUD). HUD provided the State of Texas, through the Department, \$148,354,769 in TCAP funds. These funds are to be used to help provide additional financing at a level determined by the State to create jobs and provide affordable housing. All of the funds must be expended or returned to HUD by February 16, 2012. The Department must also disburse 75% of the entire allocation by February 16, 2011. The Department has already met a February 16, 2010 deadline to commit 75% of funds to specific tax credit developments.

The TCAP Policy and Policy Supplement provided for two application rounds. Round 1 Applications for developments with an award of LIHTC’s made in 2007 or 2008 were accepted from June 15, 2009 through July 17, 2009 and Round 2 Applications for developments with an award of LIHTC’s made in 2009 were accepted from August 3, 2009 through October 1, 2009. At the March 11, 2010 TDHCA board meeting, a Round 3 was approved for developments without a previous TCAP award and that had not yet

submitted cost certification. The following provides a summary of the results from these rounds.

Table 1. TCAP Round 1, Round 2 and Round 3 Funding Status as of July 1, 2010

	Round 1	Round 2	Round 3	Total
Submitted Applications	57	46	11	
Total Requested	\$211,828,645	\$154,503,894	\$17,074,613	\$379,409,556
Active Applications	26	24	10	60
Total Awards	\$73,832,595	\$62,403,353	<i>pending</i>	<i>pending</i>

As the table reflects, the TCAP was initially over-subscribed and remains so as of posting of the Board book for this meeting. However, there are multiple transactions that have indicated that they either have no need for TCAP funds or cannot close and complete their transaction in time to meet the program’s federal deadlines. To date \$136M (92%) has been committed and twenty (20) transactions have closed with \$12M drawn and disbursed.

The existing TCAP Policy (Board Resolution 09-043) outlines eligibility, priority, affordability, repayment, ownership and asset management. An existing Policy Supplement outlines threshold criteria, selection criteria, details regarding application submission, review process, and guidelines for contract administration and asset management. The open cycle TCAP Applicants will be required to adhere to both the Governing Board Policy and Policy Supplement. In order to ensure timely delivery of the funds and prevent delays in meeting federal deadlines, staff would emphasize and request the Board affirm and make clear that:

- Only Developments with an approved TCAP Round 1, Round 2 or Round 3 award or previously eligible developments with a TDHCA Environmental Clearance as evidenced by an Authority to Use Grant Funds may apply for the open cycle TCAP Funds;
- Developments that have submitted a cost certification to the Department may not apply for the open cycle TCAP Funds;
- The open application cycle will use the same application materials as Round 3 and be an open first come first serve cycle starting on July 16, 2010 and closing on December 31, 2010;
- All applications received on the same day will be prioritized: first, to regions of the state that did not received applications in the prior rounds; then, to regions of the state that were undersubscribed based upon the original RAF and the allocations to date; and, finally, to all regions of the state.
- Where ties exist based upon the submission date and locational priority, the scoring criteria included in the Policy and Policy Supplement will be implemented.

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

July 8, 2010

Requested Action

Approve the requests for amendments as presented.

RESOLVED, that staff's recommendations regarding the requested amendments relating to Application #060170, Orchard Park at Willowbrook be and they hereby are approved in the form presented to this meeting;

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.

HTC No. 060170, Orchard Park at Willowbrook

Summary of Request: The request seeks approval to deliver the development as 10.664 acres of land instead of 11.233 acres as proposed in the application and with nine-foot ceilings in all units as a substitute for self-cleaning ovens in all units. The reduction in the area of the land resulted from the City of Houston requiring the dedication of 0.569 acres of land along the two streets that bound the subject property's corner site. This five percent reduction in the area of the site translates into a five percent increase in the density of development. By statute, an increase in density of five percent requires the Board's approval.

Regarding the substitution of nine-foot ceilings for self-cleaning ovens, staff confirmed that the subject application scored one point for self-cleaning ovens in the Unit Amenities exhibit while the scoring item for nine-foot ceilings, also worth one point in the exhibit, was not selected. The development was represented in the Specifications and Amenities exhibit and underwritten as proposing eight foot ceilings.

Apart from the issues of direct concern to the amendment request, the owner has affirmed that 97 of the units originally restricted to rents and incomes at 60% of AMI will be restricted further to rents and incomes at 50% of AMI for the first 15 years of the affordability period. This commitment was stated as a measure to further the owner's mission. The commitment will be recorded in the land use restrictive agreement that is required of all tax credit developments.

Staff deemed the dedication of land to be acceptable and the substitution of amenities to be an adequate exchange.

Owner:	Orchard Willowbrook LP
General Partner:	Orchard Willowbrook GP LLC
Developer:	Orchard Communities, Inc., principal of GP and developer
Principals/Interested Parties:	Orchard Communities, Inc.; Stephan Fairfield, Executive Director
Syndicator:	National Equity Fund
Construction Lender:	JP Morgan Chase
Permanent Lender:	JP Morgan Chase
City/County:	Houston/Harris
Set-Aside:	Elderly Population
Type of Area:	Urban
Region:	6
Type of Development:	New Construction
Population Served:	Elderly Population
Units:	187 HTC units and 8 market rate units
2006 Allocation:	\$1,200,000
Allocation per HTC Unit:	\$6,417
Prior Board Actions:	8/06 – Approved award of tax credits
REA Recommendation:	No material change to the original underwritten award recommendation.
Staff Recommendation:	Approve the request.



Memorandum

To: File

From: Rosalio Banuelos, Real Estate Analysis

cc: Ben Sheppard, Multifamily Finance Production

Date: June 14, 2010

Re: Amendment Request for Orchard Park at Willowbrook, TDHCA #060170

Background

The Development was submitted and approved for an allocation of 9% tax credits in the amount of \$1,200,120 during the 2006 9% HTC cycle. Construction of the Development is complete, and the cost certification documentation has been submitted to the Department.

Amendment Request

In a letter dated June 11, 2010, the Owner requested approval for the following changes:

1. Site Acreage and Residential Density – during the platting and permit process, the City of Houston required the Owner to dedicate right-of-way for the expansion of Grant Road and Perry Road. As a result, the acreage of the development decreased from 11.233 acres to 10.664 or by 5%. This reduction to the acreage resulted in a change of more than 5% to the residential density of the Development. The Owner is asking for approval for the Development as-built.
2. Self-Cleaning Ovens – the original application proposed self-cleaning ovens in each unit; however, the amenity was not provided. The Owner is asking for approval to substitute nine-foot ceilings for the self-cleaning ovens.
3. Income and Rent Targeting – the Development was submitted and approved with the following income and rent targeting:
 - 20 units at 30% incomes and rents
 - 167 units at 60% incomes and rents
 - Eight market rate units

However, the Owner is requesting approval for the following income and rent targeting:

- 20 units at 30% incomes and rents
- 97 units at 50% incomes and rents
- 70 units at 60% incomes and rents
- Seven market rate units
- One employee occupied unit

The Owner proposes to have the 50% targeting for 15 years and continuing thereafter for as long as debt service coverage allows. The Owner indicated that the deeper

income and rent targeting is stipulated in the loan documents for the funds from the Federal Home Loan Bank and is consistent with the mission of the partnership. Of note, as a requirement for the HOME funds from the City of Houston, the number of HOME designated units has also changed from 21 Low HOME and nine High HOME originally proposed to eight Low HOME and 28 High HOME. The HOME funds were obtained by the sole member of the general partner and loaned to the Owner.

Conclusion

The Owner's final costs, as certified by the Owner's CPA, are within 5% of the Underwriter's updated *Marshall & Swift Residential Cost Handbook*-derived estimate. The original costing methodology used by the Underwriter does not provide an individual estimate for self-cleaning ovens, but the Underwriter's original cost estimate would have increased had nine-foot ceilings been proposed initially. The land acquisition cost in the Underwriter's analysis was not reduced as a result of the right-of-way contribution to the City. The Underwriter's analysis indicates that the requested changes do not negatively impact the underwriting of the transaction. Based on the deeper rent targeting and 2009 rent limits, the Underwriter's analysis reflects a projected DCR of 1.33, and if the 60% units were to be used, the projected DCR would exceed the Department's maximum guideline of 1.35. However, due to the deeper rent targeting and higher operating expenses, both the Underwriter's pro forma and the Owner's pro forma reflect an expense to income ratio that exceeds 65%. Under current rules, the Development would be characterized as infeasible, but the 65% rule was not in place at original underwriting. No change to the credit recommendation is recommended prior to the finalization of the cost certification review process.

COST CERTIFICATION COMPARATIVE ANALYSIS

Orchard Park at Willowbrook, Houston, HTC#060170

Type of Unit	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	Rent Collected	UW Net Rent	Max Net	Rent per Month	Rent per SF	Tnt-Pd Util	WS&T
TC 30%	4	1	1	693	\$358	\$293	\$289	293	\$1,172	\$0.42	\$65.00	\$53.00
TC 50%	74	1	1	693	\$598	\$533		533	\$39,442	\$0.77	\$65.00	\$53.00
TC 50%	3	1	1	705	\$598	\$533		533	\$1,599	\$0.76	\$65.00	\$53.00
TC 60%	1	1	1	705	\$717	\$652	632	652	\$652	\$0.92	\$65.00	\$53.00
TC 60%	4	1	1	765	\$717	\$652	632	652	\$2,608	\$0.85	\$65.00	\$53.00
TC 30%	2	1	1	691	\$358	\$293	289	293	\$586	\$0.42	\$65.00	\$53.00
TC 50%	6	1	1	691	\$598	\$533		533	\$3,198	\$0.77	\$65.00	\$53.00
TC 30%	8	1	1	707	\$358	\$293	289	293	\$2,344	\$0.41	\$65.00	\$53.00
TC 30% LH	6	1	1	707	\$358	\$293	632	293	\$1,758	\$0.41	\$65.00	\$53.00
TC 60%	11	1	1	707	\$717	\$652	633	652	\$7,172	\$0.92	\$65.00	\$53.00
TC 60% HH	23	1	1	707	\$714	\$649	634	649	\$14,927	\$0.92	\$65.00	\$53.00
TC 60%	10	1	1	749	\$717	\$652	632	652	\$6,520	\$0.87	\$65.00	\$53.00
TC 60%	2	1	1	742	\$717	\$652	632	652	\$1,304	\$0.88	\$65.00	\$53.00
TC 60%	4	1	1	731	\$717	\$652	632	652	\$2,608	\$0.89	\$65.00	\$53.00
TC 50%	4	2	1	872	\$717	\$639		639	\$2,556	\$0.73	\$78.00	\$64.00
TC 50% LH	2	2	1	872	\$717	\$639		639	\$1,278	\$0.73	\$78.00	\$64.00
TC 60% HH	3	2	1	918	\$861	\$783	759	783	\$2,349	\$0.85	\$78.00	\$64.00
TC 60%	2	2	1	972	\$861	\$783	759	783	\$1,566	\$0.81	\$78.00	\$64.00
TC 60% HH	2	2	1	972	\$861	\$783	760	783	\$1,566	\$0.81	\$78.00	\$64.00
TC 50%	4	2	1	920	\$717	\$639		639	\$2,556	\$0.69	\$78.00	\$64.00
TC 50%	4	2	1	871	\$717	\$639		639	\$2,556	\$0.73	\$78.00	\$64.00
TC 60%	4	2	2	1,186	\$861	\$783		783	\$3,132	\$0.66	\$78.00	\$64.00
MR	4	2	2	1,186		\$950		950	\$3,800	\$0.80	\$78.00	\$64.00
TC 60%	4	2	2	1,211	\$861	\$783		783	\$3,132	\$0.65	\$78.00	\$64.00
MR	3	2	2	1,211		\$950		950	\$2,850	\$0.78	\$78.00	\$64.00
EO	1	2	2	1,211		\$950		950	\$950	\$0.78	\$78.00	\$64.00
TOTAL:	195		AVERAGE:	767		\$586			\$114,181	\$0.76	\$67.47	\$55.09

INCOME

Total Net Rentable Sq Ft: 149,510

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	4.95%	\$324	0.42	
Management	4.00%	262	0.34	
Payroll & Payroll Tax	18.44%	1,208	1.58	
Repairs & Maintenance	6.20%	406	0.53	
Utilities	3.09%	202	0.26	
Water, Sewer, & Trash	4.67%	306	0.40	
Property Insurance	6.86%	449	0.59	
Property Tax	2.79488	11.11%	728	0.95
Reserve for Replacements	3.82%	250	0.33	
TDHCA Compliance Fees	0.59%	38	0.05	
Other: Margin Tax, Security, Supp. Svc	3.23%	212	0.28	
TOTAL EXPENSES	66.95%	\$4,386	\$5.72	

NET OPERATING INC

33.05% \$2,166 \$2.82

DEBT SERVICE

JPMorgan Chase Bank, N.A.	24.81%	\$1,625	\$2.12
Orchard Communities (HOME funds)	0.00%	\$0	\$0.00
Additional Financing	0.00%	\$0	\$0.00
NET CASH FLOW	8.25%	\$540	\$0.70

AGGREGATE DEBT COVERAGE RATIO

RECOMMENDED DEBT COVERAGE RATIO

CONSTRUCTION COST

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA Cost Certification	TDHCA-UW	APP.	Applicant - Cost Certification	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)		7.51%	\$7,563	\$9.86	\$1,474,865	\$1,468,843	\$1,468,843	\$1,474,865	\$9.86	\$7,563	7.39%
Off-Sites		1.68%	1,693	2.21	330,111	0	0	330,111	2.21	1,693	1.65%
Sitework		7.20%	7,256	9.46	1,414,864	1,461,525	1,461,525	1,414,864	9.46	7,256	7.09%
Direct Construction		47.86%	48,206	62.87	9,400,148	7,797,322	7,898,198	9,420,297	63.01	48,309	47.22%
Contingency						462,942	467,986		0.00	0	0.00%
Contractor's Fees	13.50%	7.43%	7,486	9.76	1,459,735	1,296,239	1,310,360	1,459,735	9.76	7,486	7.32%
Indirect Construction		9.32%	9,391	12.25	1,831,196	706,515	706,515	1,831,196	12.25	9,391	9.18%
Ineligible Costs		1.56%	1,574	2.05	306,867	158,719	158,719	306,867	2.05	1,574	1.54%
Developer's Fees	13.82%	10.52%	10,595	13.82	2,066,007	1,939,647	1,965,675	2,066,007	13.82	10,595	10.36%
Interim Financing		4.30%	4,336	5.65	845,473	1,206,437	1,206,437	845,473	5.65	4,336	4.24%
Reserves		2.61%	2,625	3.42	511,839	498,092	498,092	802,149	5.37	4,114	4.02%
TOTAL COST	100.00%	\$100,724	\$131.37	\$19,641,106	\$16,996,281	\$17,142,350	\$19,951,564	\$133.45	\$102,316	100.00%	
Construction Cost Recap	62.50%	\$62,947	\$82.10	\$12,274,747	\$11,018,028	\$11,138,069	\$12,294,896	\$82.23	\$63,051	61.62%	

SOURCES OF FUNDS

JPMorgan Chase Bank, N.A.	20.92%	\$21,076	\$27.49	\$4,109,900	\$4,472,252	\$4,472,252	\$4,109,900	RECOMMENDED	\$4,109,900	Developer Fee Available
Orchard Communities (HOME funds)	17.06%	\$17,179	\$22.41	3,350,000	1,630,000	1,630,000	3,350,000		3,350,000	\$2,066,007
Orchard Communities (FHLB funds)	4.38%	\$4,410	\$5.75	860,000			860,000		860,000	
Cash Equity	0.00%	\$1	\$0.00	100	100	100	100		100	
HTC Syndication Proceeds	58.65%	\$59,077	\$77.05	11,520,000	11,039,998	11,039,998	11,520,000		11,520,000	% of Dev. Fee Deferred
Deferred Developer Fees	0.00%	\$0	\$0.00	0	0	0	0		111,564	5%
Additional (Excess) Funds Req'd	-0.10%	(\$1,020)	(\$1.33)	(198,894)	(146,069)	0	111,564		0	15-Yr Cumulative Cash Flow
TOTAL SOURCES				\$19,641,106	\$16,996,281	\$17,142,350	\$19,951,564		\$19,951,564	\$1,745,068

COST CERTIFICATION COMPARATIVE ANALYSIS (continued)

Orchard Park at Willowbrook, Houston, HTC#060170

DIRECT CONSTRUCTION COST ESTIMATE

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

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$53.52	\$8,001,797
Adjustments				
Exterior Wall Finish	3.20%		\$1.71	\$256,058
Elderly	3.00%		1.61	240,054
9-Fl. Ceilings	3.00%		1.61	240,054
Roofing			0.00	0
Subfloor			(0.61)	(90,454)
Floor Cover			2.38	355,834
Breezeways/Balconies	\$23.27	18,149	2.82	422,327
Plumbing Fixtures	\$835	195	1.09	162,825
Rough-ins	\$410		0.00	0
Built-In Appliances	\$1,800	195	2.35	351,000
Integrated Comm Area	\$70	5,147	2.41	360,933
Enclosed Corridors	\$48.18	33,382	10.76	1,608,350
Heating/Cooling			1.83	273,603
Garages/Carports	\$63.300	2	0.85	126,600
Comm &/or Aux Bldgs	\$64.63	10,396	4.49	671,842
Other: fire sprinkler	\$2.15	149,510	2.15	321,447
SUBTOTAL			88.97	13,302,269
Current Cost Multiplier	0.98		(1.78)	(266,045)
Local Multiplier	0.89		(9.79)	(1,463,250)
TOTAL DIRECT CONSTRUCTION COSTS			\$77.41	\$11,572,974
Plans, specs, survy, bld prmts	3.90%		(\$3.02)	(\$451,346)
Interim Construction Interest	3.38%		(2.61)	(390,588)
Contractor's OH & Profit	11.50%		(8.90)	(1,330,892)
NET DIRECT CONSTRUCTION COSTS			\$62.87	\$9,400,148

PAYMENT COMPUTATION

Primary	\$4,109,900	Amort	360
Int Rate	6.66%	DCR	1.33

Secondary	\$3,350,000	Amort	
Int Rate	5.27%	Subtotal DCR	1.33

Additional	\$860,000	Amort	
Int Rate	3.61%	Aggregate DCR	1.33

RECOMMENDED FINANCING STRUCTURE

APPLICANT'S NOI:

Primary Debt Service	\$316,936
Secondary Debt Service	0
Additional Debt Service	0
NET CASH FLOW	\$95,782

Primary	\$4,109,900	Amort	360
Int Rate	6.66%	DCR	1.30

Secondary	\$3,350,000	Amort	0
Int Rate	5.27%	Subtotal DCR	1.30

Additional	\$860,000	Amort	0
Int Rate	3.61%	Aggregate DCR	1.30

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	\$1,371,000	\$1,412,130	\$1,454,494	\$1,498,129	\$1,543,073
Secondary Income	23,400	24,102	24,825	25,570	26,337
Other Support Income:	0	0	0	0	0
POTENTIAL GROSS INCOME	1,394,400	1,436,232	1,479,319	1,523,699	1,569,409
Vacancy & Collection Loss	(104,580)	(107,717)	(110,949)	(114,277)	(117,706)
Employee or Other Non-Rental Unit	(11,400)	(11,742)	(12,094)	(12,457)	(12,831)
EFFECTIVE GROSS INCOME	\$1,278,420	\$1,316,773	\$1,356,276	\$1,396,964	\$1,438,873
EXPENSES at 4.00%					
General & Administrative	\$79,839	\$83,033	\$86,354	\$89,808	\$93,400
Management	51,137	52,671	54,251	55,879	57,555
Payroll & Payroll Tax	223,445	232,383	241,678	251,345	261,399
Repairs & Maintenance	69,497	72,277	75,168	78,175	81,302
Utilities	59,920	62,317	64,809	67,402	70,098
Water, Sewer & Trash	58,880	61,235	63,685	66,232	68,881
Insurance	83,177	86,504	89,964	93,563	97,305
Property Tax	141,984	147,663	153,570	159,713	166,101
Reserve for Replacements	48,750	50,700	52,728	54,837	57,031
Other	49,073	51,036	53,077	55,200	57,408
TOTAL EXPENSES	\$865,702	\$899,819	\$935,285	\$972,154	\$1,010,481
NET OPERATING INCOME	\$412,718	\$416,954	\$420,991	\$424,810	\$428,392
DEBT SERVICE					
First Lien Financing	\$316,936	\$316,936	\$316,936	\$316,936	\$316,936
Second Lien	0	0	0	0	0
Other Financing	0	0	0	0	0
NET CASH FLOW	\$95,782	\$100,018	\$104,055	\$107,875	\$111,456
DEBT COVERAGE RATIO	1.30	1.32	1.33	1.34	1.35

YEAR 10	YEAR 15	YEAR 20	YEAR 30
\$1,788,844	\$2,073,761	\$2,404,057	\$3,230,851
30,532	35,395	41,032	55,144
0	0	0	0
1,819,376	2,109,155	2,445,089	3,285,995
(136,453)	(158,187)	(183,382)	(246,450)
(14,874)	(17,244)	(19,990)	(26,865)
\$1,668,048	\$1,933,725	\$2,241,717	\$3,012,680
\$113,636	\$138,255	\$168,209	\$248,990
66,722	77,349	89,669	120,508
318,032	386,934	470,765	696,847
98,916	120,346	146,420	216,737
85,285	103,762	126,242	186,870
83,805	101,961	124,051	183,626
118,387	144,036	175,241	259,400
202,088	245,870	299,139	442,799
69,386	84,419	102,709	152,034
69,846	84,979	103,389	153,042
\$1,226,102	\$1,487,912	\$1,805,835	\$2,660,852
\$441,946	\$445,813	\$435,883	\$351,828
\$316,936	\$316,936	\$316,936	\$316,936
0	0	0	0
0	0	0	0
\$125,010	\$128,877	\$118,947	\$34,893
1.39	1.41	1.38	1.11

HTC ALLOCATION ANALYSIS -Orchard Park at Willowbrook, Houston, HTC#060170

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
Acquisition Cost				
Purchase of land	\$1,474,865	\$1,474,865		
Purchase of buildings				
Off-Site Improvements	\$330,111	\$330,111		
Sitework	\$1,414,864	\$1,414,864	\$1,414,864	\$1,414,864
Construction Hard Costs	\$9,420,297	\$9,400,148	\$9,420,297	\$9,400,148
Contractor Fees	\$1,459,735	\$1,459,735	\$1,459,735	\$1,459,735
Contingencies				
Eligible Indirect Fees	\$1,831,196	\$1,831,196	\$1,831,196	\$1,831,196
Eligible Financing Fees	\$845,473	\$845,473	\$845,473	\$845,473
All Ineligible Costs	\$306,867	\$306,867		
Developer Fees				
Developer Fees	\$2,066,007	\$2,066,007	\$2,066,007	\$2,066,007
Development Reserves	\$802,149	\$511,839		
TOTAL DEVELOPMENT COSTS	\$19,951,564	\$19,641,106	\$17,037,572	\$17,017,423

Deduct from Basis:			
All grant proceeds used to finance costs in eligible basis		\$3,350,000	\$3,350,000
B.M.R. loans used to finance cost in eligible basis			
Non-qualified non-recourse financing		\$860,000	\$860,000
Non-qualified portion of higher quality units [42(d)(3)]			
Historic Credits (on residential portion only)			
TOTAL ELIGIBLE BASIS		\$12,827,572	\$12,807,423
High Cost Area Adjustment		130%	130%
TOTAL ADJUSTED BASIS		\$16,675,844	\$16,649,651
Applicable Fraction		94.35%	94.35%
TOTAL QUALIFIED BASIS		\$15,733,871	\$15,709,158
Applicable Percentage		9.00%	9.00%
TOTAL AMOUNT OF TAX CREDITS		\$1,416,048	\$1,413,824

Syndication Proceeds	0.9599	\$13,592,706	\$13,571,355
Total Tax Credits (Eligible Basis Method)		\$1,416,048	\$1,413,824
Syndication Proceeds		\$13,592,706	\$13,571,355
Approved Tax Credits		\$1,200,120	
Syndication Proceeds		\$11,520,000	
Cost Certification Request		\$1,838,333	
Syndication Proceeds		\$17,646,232	
Gap of Syndication Proceeds Needed		\$11,631,564	
Total Tax Credits (Gap Method)		\$1,211,742	
Reconciled Tax Credits		\$1,200,120	
Syndication Proceeds		\$11,520,000	

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

DATE: August 4, 2006

PROGRAM: 9% HTC

FILE NUMBER: 060170

DEVELOPMENT NAME

Orchard Park at Willowbrook

APPLICANT

Name: Orchard Willowbrook LP **Contact:** Stephan Fairfield
Address: PO Box 130567
City: Houston **State:** TX **Zip:** 77219
Phone: (832) 725-8855 **Fax:** (713) 223-1853 **Email:** sfairfield@sbcglobal.net

KEY PARTICIPANTS

Name: Orchard Willowbrook GP LLC **Title:** 1% Managing General Partner of Applicant
Name: Orchard Communities, Inc **Title:** 100% Nonprofit Owner of the GP / Developer
Name: Covenant Community Capital Corp **Title:** Affiliate of Orchard Communities, Inc

PROPERTY LOCATION

Location: 9701 Grant Road
City: Houston **Zip:** 77070
County: Harris **Region:** 6 QCT DDA

REQUEST

<u>Program</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Amortization</u>	<u>Term</u>
HTC	\$1,200,000	N/A	N/A	N/A
Proposed Use of Funds:	New construction	Type:	Multifamily	
Target Population:	Elderly	Other:	Urban/Exurban	

RECOMMENDATION

RECOMMEND APPROVAL OF A HOUSING TAX CREDIT ALLOCATION NOT TO EXCEED \$1,200,000¹ ANNUALLY FOR TEN YEARS, SUBJECT TO CONDITIONS.

CONDITIONS

1. Receipt, review and acceptance of a final commitment with terms for funding by a local political subdivision. The interest rate must be above AFR.
2. Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the allocation amount may be warranted.

REVIEW of PREVIOUS UNDERWRITING REPORTS

No previous reports.

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

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DEVELOPMENT SPECIFICATIONS

IMPROVEMENTS

Total Units: 195 **# Res Bldgs** 1 **# Non-Res Bldgs** 3 **Age:** N/A yrs **Vacant:** N/A at / /
Net Rentable SF: 142,375 **Av Un SF:** 730 **Common Area SF:** 8,247 **Gross Bldg SF:** 150,622

ARCHITECTURAL REVIEW

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

STRUCTURAL MATERIALS

The structures will be constructed on concrete slabs. According to the plans provided in the application the exterior will be 40% masonry veneer and 60% stucco. The interior wall surfaces will be drywall and the roofs will be finished with composite shingles.

UNIT FEATURES

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

ONSITE AMENITIES

In order to meet threshold criteria for total units of 150 or more, the Applicant has elected to provide community dining room with kitchen, community gardens, an enclosed sun porch or covered community porch, an equipped business center or computer learning center, a furnished community room, a furnished fitness center, a library separate from the community room, a senior activity room, and a service coordinators office in addition to the leasing offices.

Uncovered Parking: 146 spaces **Carports:** 0 spaces **Garages:** 0 spaces

PROPOSAL and DEVELOPMENT PLAN DESCRIPTION

Description: Orchard Park at Willowbrook is a 17-unit per acre new construction development located in north Houston. The development is comprised of one elevator-served residential building as follows:

<u>No. of Buildings</u>	<u>No. of Floors</u>	<u>1BR</u>	<u>2BR</u>
1	4	158	37

The development includes 8,247-square feet in community area, a portion of which is integrated into the residential building and a portion which is in a separate building. The community areas include a community room, kitchen, library, art studio, salon, mail areas, and a fitness center. The residential building is served by two elevators, which equates to one elevator per 98 units. In addition, the development plan includes 146 parking spaces for the 195 units which equates to 0.75 parking spaces per unit.

SITE ISSUES

SITE DESCRIPTION

Total Size: <u>11.24 acres</u>	Scattered sites?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Flood Zone: <u>Zone X</u>	Within 100-year floodplain?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Current Zoning: <u>No zoning in Houston</u>	Needs to be re-zoned?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A

SITE and NEIGHBORHOOD CHARACTERISTICS

Location: The proposed site is a rectangular-shaped parcel located at the southeast corner of Grant Road and Perry Road in Houston, Harris County, approximately 18 miles northwest of Houston's downtown area.

Adjacent Land Uses:

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- **North:** Grant Road immediately adjacent and vacant land and a church beyond;
- **South:** a church and vacant land immediately adjacent and vacant land beyond;
- **East:** vacant land immediately adjacent and vacant land beyond; and
- **West:** Perry Road immediately adjacent and Cypress Creek High School beyond.

Site Access: Primary access to the site will be available from north or south bound on Perry Road. In addition, the development will have two other access drives, one from Perry Road and the other from Grant Road.

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

Shopping & Services: Major supermarkets, other retail facilities and restaurants, banks, churches, and a major hospital and medical clinics are all located within two miles of the site.

TDHCA SITE INSPECTION

Inspector: Manufactured Housing Staff **Date:** 4/12/2006

Overall Assessment: Excellent Acceptable Questionable Poor Unacceptable

Comments: _____

HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)

A Phase I Environmental Site Assessment report dated January 27, 2006 was prepared by The Murillo Company (TMC) and contained the following findings and recommendations:

Findings:

- **Noise:** “The subject property is in an area surrounded by vacant land, Cypress High School, and a commercial building. There are no airports or railroads within a half (1/2) mile. We do not recommend a noise study for the subject property” (Add.).
- **Floodplain:** “According to the Federal Emergency Management Act (FEMA) Flood Insurance Rate Map (FIRM)...this subject property is located in Zone ‘X,’ area determined to be outside the 500-year floodplain” (p. 11).
- **Asbestos-Containing Materials (ACM):** “We do not recommend...asbestos testing for the subject property” (Add.).
- **Lead-Based Paint (LBP):** “We do not recommend lead based paint...testing for the subject property” (Add.).
- **Lead in Drinking Water:** No reference is made to lead in drinking water; however, the property is currently vacant has no drinking water on site.
- **Radon:** “Radon, a carcinogenic gas is emitted from the decay of radium found in igneous and metamorphic rocks, and some sedimentary rocks. The Harris County area does not have the source material needed for radon to be produced. Contact with Texas Commission on Environmental Quality (TCEQ), and review of EPA files indicate that radon is not considered a major problem in the Harris County area” (p. 14).
- **Recognized Environmental Concerns (RECs):** “This assessment has revealed no evidence of *Recognized Environmental Conditions* in connection with the subject property” (p. 16).

Recommendations: “The following findings and conclusions are made for the subject property: The subject property is three (3) demolished structures with wood frames remaining and vacant land; One (1) Comprehensive Environmental Response Compensation & Liability Information System (CERCLIS) site was identified within a ¼ mile radius of the subject property; Two (2) Leaking Petroleum Storage Tank (LPST) sites were identified within a ½ mile radius of the subject property; One (1) Petroleum Storage Tank (PST) site was identified within ¼ mile radius of the subject property; and One (1) Innocent Owner / Operator Program (IOP) site was identified within a ½ mile radius of the subject property. Based upon TMC site investigation of the subject property, surrounding properties, regulatory agency records review and inquiries, interviews, and historical research, no other direct evidence was found indicating recognized environmental

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conditions exist at the subject property” (p. 15-16).

INCOME SET-ASIDE

The Applicant has elected the 40% at 60% or less of area median gross income (AMGI) set-aside. One-hundred and eighty-seven of the units (96% of the total) will be reserved for low-income tenants. Twenty of the units (10%) will be reserved for households earning 30% or less of AMI, 167 units (87%) will be reserved for households earning 60% or less of AMI, and the remaining eight units will be offered at market rents. In addition, 21 of the 195 units will have rents restricted by the local HOME funding requirements to Low HOME rents and nine units will have rents restricted to High HOME rents.

MAXIMUM ELIGIBLE INCOMES						
	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons
60% of AMI	\$25,620	\$29,280	\$32,940	\$36,600	\$39,540	\$42,480

MARKET HIGHLIGHTS

A market feasibility study dated February 26, 2006 was prepared by O’Connor & Associates (“Market Analyst”) and included the following findings:

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

Definition of Primary Market Area (PMA): “The subject primary market area (PMA) consist of zip codes 77064, 77066, 77069, 77070. The boundaries of the PMA are irregular due to the use of zip code boundaries. The use of zip code boundaries is considered to result in more accurate demographics and statistical information” (p. 23). This area encompasses approximately 42 square miles and is equivalent to a circle with a radius of 3.7 miles.

Population: The estimated 2005 population of the PMA was 124,662 and is expected to increase by 12.2% (2.4% annually) to approximately 137,716 by 2010. Within the primary market area there were estimated to be 44,528 households in 2005.

Total Market Demand: The Market Analyst utilized a target household adjustment rate of 23% and a household size-appropriate adjustment rate of 70% (p. 72). The Underwriter used a household size-adjustment rate of 100%. The Analyst’s income band of \$10,290 to \$32,940 and tenure appropriate rate of 31% result in an income eligible, tenure appropriate adjustment rate of 4.46% (p. 68). The Market Analyst indicates a turnover rate of 60% applies based on IREM data (p. 66).

In addition, the Market Analyst included demand from Section 8 voucher holders. “The number of Section 8 vouchers available was determined by contacting the local housing authority with jurisdiction over the subject’s location, which in this case was the City of Houston. The number of income-qualified households was determined by calculating the number of households in the PMA earning below the minimum income required to rent at the subject property, which equates to 4.10% of households earning below \$10,290. Since the purpose of this calculation is to determine the theoretical number of vouchers available within the PMA, and virtually all voucher holders are renters, we have not applied a renter percentage. The percentage of senior to the total population was applied to factor out non-seniors” (p. 69). The Market Analyst calculated a demand for 59 units from Section 8 voucher holders. The demand from Section 8 voucher holders was recalculated by the Underwriter.

MARKET DEMAND SUMMARY				
Type of Demand	Market Analyst		Underwriter	
	Units of Demand	% of Total Demand	Units of Demand	% of Total Demand
Household Growth	15	6%	11	4%
Resident Turnover	194	72%	286	94%
Other Sources: Section 8 vouchers	59	22%	6	2%
TOTAL DEMAND	268	100%	303	100%

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Inclusive Capture Rate: The Market Analyst calculated an inclusive capture rate of 69.7% based upon 268 units of demand and 187 unstabilized affordable housing in the PMA (including the subject) (p. 72). The Underwriter calculated an inclusive capture rate of 61.7% based upon a supply of 187 unstabilized comparable affordable units divided by a revised demand estimate for 303 affordable units.

Unit Mix Conclusion: No opinion is provided regarding the unit mix of the proposed development.

Market Rent Comparables: The Market Analyst surveyed five comparable apartment projects totaling more than 1,100 units in the market area.

RENT ANALYSIS (net tenant-paid rents)					
Unit Type (% AMI)	Proposed	Program Max	Differential	Est. Market	Differential
1-Bedroom (30%/LH)	\$285	\$289	-\$4	\$695	-\$410
1-Bedroom (30%/HH)	\$285	\$289	-\$4	\$695	-\$410
1-Bedroom (60%/HH)	\$543	\$558	-\$15	\$695	-\$152
1-Bedroom (60%)	\$628	\$632	-\$4	\$695	-\$67
2-Bedroom (60%/LH)	\$614	\$622	-\$8	\$885	-\$271
2-Bedroom (60%/HH)	\$661	\$679	-\$18	\$885	-\$18
2-Bedroom (60%)	\$751	\$759	-\$8	\$885	-\$134
2-Bedroom (MR)	\$833	N/A		\$970	-\$137

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

Primary Market Occupancy Rates: “The selected comparable apartments surveyed in the primary market area of the proposed subject complex exhibited high occupancy rates, with a median occupancy level of 89.8%” (p. 65). The closest stabilized HTC properties (Willow Green and Wellington Park Apartments) reported a current occupancy of 96% and 85%, respectively” (p. 64).

Absorption Projections: “Absorption in the subject’s primary market area over the past twelve quarters ending December 2005 totals a positive 417 units. Over the prior twelve months, HTC properties within the PMA have absorbed 234 units, or approximately 15 units per quarter” (p. 66). Considering the strong absorption history of similar properties and lack of available quality affordable units in this market, we project that the subject property will lease an average of 20-30 units per month until achieving stabilized occupancy” (p. 79). “The proposed subject property should be highly competitive in this market, and should achieve stabilized occupancy within twelve months after completion” (p. 78).

Unstabilized, Under Construction, and Planned Development: “Based on our research, there is no market rate and no affordable Seniors housing projects, other than the 195-unit subject property, currently proposed, non-stabilized, under construction or approved for construction in the subject’s primary market” (p. 72). There are two HTC properties targeting the general population that may be considered unstabilized based on the year of application to TDHCA. Wellington Park (TDHCA #03466) and Providence at Veterans Memorial (TDHCA #03462) are both bond-financed developments that received a tax credit allocation in 2003. However, developments targeting the general population do not affect the inclusive capture rate of developments targeting seniors.

Market Impact: “Based on the high occupancy levels of the existing properties in the market, along with the strong recent absorption history, we project that the subject property will have minimal sustained negative impact upon the existing apartment market. Any negative impact from the subject property should be of reasonable scope and limited duration” (p. 79).

Other Information: The Department commissioned a market study for the Houston-Baytown-Sugar Land Metropolitan Statistical Area (MSA). The proposed development is located in the West submarket (#15) within the Houston MSA. According to the Department market study; there are 39 units of demand for one bedroom units at the 30% income level; 19 units of demand for one-bedroom units at the 30% income level; -3 units of demand for two-bedroom units at the 60% income level; and -1 units of demand for two-bedroom units at the 60% income level (p. III-593).

The Department’s market study for the entire MSA does not incorporate demand from turnover as normally allowed in development specific market studies because in an overall study the demand from turnover returns

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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 attract away from existing units and to the proposed development (and any other new developments that have not yet become fully occupied.).

The Underwriter requested additional information from the Market Analyst to explore these and other differences. In a follow-up analysis dated July 17, 2006 the Market Analyst indicated the following concerns with the study commissioned by the Department:

- Vogt Williams PMA has a population of 371,371 (in 2006), well over the TDHCA maximum of 250,000 persons.
- Vogt Williams PMA includes several very divergent submarkets within their one submarket. Properties and demographics north of FM 1960 are very different from those south. The same is true west of SH 249 and east of 249.
- Arbitrary use of replacement of 2.5% of “Functionally Obsolete” units perpetuates and exacerbates the problem of substandard housing. Without new/newly-renovated product within the submarket, the owners of the “functionally obsolete” complexes have no impetus to demolish or renovate.
- Vogt Williams methodology does not conform to 2006 QAP.
- Vogt Williams study states that 17.6% of the population within the submarket is Rent-Overburdened, but does nothing to address this problem.
- Vogt Williams study surveyed only 28 complexes within the submarket.
- Numerous minor errors in project names, number of units, status (tax credit or market, or senior versus family) which diminish the confidence level in the conclusions. Examples were provided.
- The study showing minimal demand at the 40% to 60% AMI level for Senior’s units ranging from 3 to 46 units annually for years 2006 to 2009 makes no intuitive sense. If there were such minimal demand, the existing HTC complexes would not be operating in the 90% to 100% occupancy level, for the most part.

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

OPERATING PROFORMA ANALYSIS

Income: The Applicant’s projected rents collected per unit were calculated by subtracting tenant-paid utility allowances as of April 1, 2004, maintained by the Housing Authority of the City of Houston (HACH), from the lesser of the 2006 program gross rent limits or 2006 HOME rent limits. Tenants will be required to pay electric costs. Subsequent to the submission of the application, the HACH released updated utility allowances which resulted in a discrepancy between the Applicant’s income and the Underwriter’s income. The Applicant’s secondary income and vacancy and collection loss are within Department guidelines and the Applicant’s gross income is within 5% of the Underwriter’s estimate.

Expenses: The Applicant’s total annual operating expense projection at \$4,045 per unit is within 5% of the Underwriter’s estimate of \$4,141, derived from the TDHCA database and third party data. However, the Applicant’s estimate of utilities is significantly different (\$14K or 43% higher) from the Underwriter’s estimate, and the Applicant’s estimate of property tax is \$26K or 14% less than the Underwriter’s. Finally, the Applicant has understated TDHCA compliance fees.

Conclusion: The Applicant’s estimate of gross income, operating expenses, and net operating income are each within 5% of the Underwriter’s estimates. Therefore, the Applicant’s proforma will be used to determine the development’s debt capacity and debt service ratio (DCR). Both the Applicant and Underwriter calculated a year one within the Department’s guideline of a 1.10 to 1.30.

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

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INTERIM TO PERMANENT FINANCING

Source: JPMorgan Chase Bank **Contact:** Ken Overshiner
Interim: \$9,205,981 **Interest Rate:** 8%, variable, lender's estimate **Amort:** 30 months
Permanent: \$4,472,252 **Interest Rate:** 8%, fixed, lender's estimate **Amort:** 360 months
Documentation: Signed Term Sheet LOI Firm Commitment Conditional Commitment Application
Comments: Interim interest rate = JPMC Prime floating minus 25 bps

INTERIM TO PERMANENT FINANCING

Source: HHFC/HACH/City of Houston **Contact:** Jeff Smith
Principal: \$1,630,000 **Interest Rate:** 4.59%, variable, lender's estimate **Amort:** 360 months
Documentation: Signed Term Sheet LOI Firm Commitment Conditional Commitment Application
Comments: 30-month interim period with interest rate based on AFR

TAX CREDIT SYNDICATION

Source: National Equity Fund **Contact:** Sharon Baranofsky
Proceeds: \$11,039,998 **Net Syndication Rate:** 92% **Anticipated HTC:** \$1,200,000/year
Documentation: Signed Term Sheet LOI Firm Commitment Conditional Commitment Application
Comments:

OTHER

Amount: \$100 **Source:** Cash Equity

FINANCING STRUCTURE ANALYSIS

Interim Financing: The NEOF, Inc commitment letter is consistent with the terms and conditions reflected in the sources and uses of funds portion of the application.

Interim to Permanent Financing: The JPMorgan Chase Bank term sheet is consistent with the terms and conditions reflected in the sources and uses of funds portion of the application.

Funding by Local Political Subdivision: The Applicant has applied to the Houston Housing Finance Corporation, the Housing Authority of the City of Houston, and the City of Houston for funding. The Applicant has requested similar terms from each potential source but will only accept funding up to \$1,630,000. The HHFC/HACH/City of Houston applications are inconsistent with the sources and uses of funds portion of the application. The construction loan amount in the sources and uses of funds portion of the application is \$350K lower than is reflected in application materials provided. Because the requested terms include an interest rate at AFR, the source of the funds will not adversely affect the development's eligible basis or 30% boost. Receipt, review and acceptance of a final commitment with terms is a condition of this report. The Underwriter assumed a slightly higher current AFR of 5.19%, versus the 4.59% 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.

Cash Equity: The Applicant has included \$100 of cash equity.

Deferred Developer Fees: No deferred developer fees are claimed by the Applicant.

Financing Conclusions: The Applicant's total development cost estimate less the permanent loans of \$4,472,252 and \$1,630,000 indicates the need for \$11,039,998 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$1,200,120 annually would be required to fill this gap in financing. Of the three possible tax credit allocations, the gap-driven amount (\$1,200,120), eligible basis-derived estimate (\$1,554,287), at the higher applicable percentage rate approved by the TDHCA Board on July 28, 2006, and the maximum allowable allocation (\$1,200,000), the maximum allowable of \$1,200,000 is recommended resulting in proceeds of \$11,038,894 based on a syndication rate of 92%. The Underwriter's

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

recommended financing structure indicates the need for \$1,104 in additional permanent funds. Deferred developer fees in this amount appear to be repayable within one year.

Due to the small amount of deferred developer fees, if the final syndication rate were to increase by one cent per dollar of tax credit, 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.

Should the local funding not be approved, there would be sufficient developer fee to defer and it would be repayable in more than ten years, but less than fifteen years.

DEVELOPMENT TEAM

IDENTITIES of INTEREST

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

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

Financial Highlights:

- The Applicant and General Partner are single-purpose entities created for the purpose of receiving assistance from TDHCA and therefore have no material financial statements.
- The 100% owner of the GP, Orchard Communities, Inc, submitted an unaudited financial statement as of February 24, 2006 reporting total assets of \$10K and consisting of \$10K in cash. Liabilities totaled \$0, resulting in net assets of \$10K. Orchard Communities, Inc will guarantee the financing.
- As stated in the commitments from the lender and syndicator, Covenant Community Capital Corp may act as a sponsor for the purpose of guaranteeing the financing. Covenant Community Capital Corp submitted a draft financial statement as of December 31, 2005 reporting total assets of \$3.6M and consisting of \$378K in cash, \$3.2M in restricted cash and receivables, \$22K in real property, and \$92K in other assets. Liabilities totaled \$1.3M, resulting in net assets of \$2.4M.

Background & Experience: Multifamily Production Finance Staff have verified that the Department's experience requirements have been met and Portfolio Management and Compliance staff will ensure that the proposed owners have an acceptable record of previous participation.

SUMMARY OF SALIENT RISKS AND ISSUES

- The development would need to capture a majority of the projected market area demand (i.e., capture rate exceeds 50%).

Underwriter:

Cameron Dorsey

Date: August 4, 2006

Reviewing Underwriter:

Lisa Vecchietti

Date: August 4, 2006

Director of Real Estate Analysis:

Tom Gouris

Date: August 4, 2006

MULTIFAMILY COMPARATIVE ANALYSIS

Orchard Park at Willowbrook, Houston, HTC 9%, #060170 -- App Perc Inc

Type of Unit	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	Rent Collected	Rent per Month	Rent per SF	Tnt-Pd Util	Wtr, Swr, Trsh
TC 30%/LH	19	1	1	689	\$343	\$289	\$5,491	\$0.42	\$54.00	\$32.31
TC 30%/HH	1	1	1	689	343	289	289	0.42	54.00	32.31
TC 60%/HH	4	1	1	689	612	558	2,232	0.81	54.00	32.31
TC 60%	134	1	1	689	686	632	84,688	0.92	54.00	32.31
TC 60%/LH	2	2	1	869	686	622	1,244	0.72	64.00	36.31
TC 60%/HH	4	2	1	869	743	679	2,716	0.78	64.00	36.31
TC 60%	23	2	1	869	823	759	17,457	0.87	64.00	36.31
MR	8	2	1	1,039		970	7,760	0.93	64.00	36.31
TOTAL:	195		AVERAGE:	730	\$638	\$625	\$121,877	\$0.86	\$55.90	\$33.07

INCOME

Total Net Rentable Sq Ft: 142,375

POTENTIAL GROSS RENT

Secondary Income Per Unit Per Month: \$15.00
 Other Support Income: \$0.00 Per Unit Per Month

POTENTIAL GROSS INCOME

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

EFFECTIVE GROSS INCOME

EXPENSES

	% OF EGI	PER UNIT	PER SQ FT
General & Administrative	4.76%	\$338	0.46
Management	5.00%	355	0.49
Payroll & Payroll Tax	12.48%	887	1.21
Repairs & Maintenance	5.55%	394	0.54
Utilities	2.36%	168	0.23
Water, Sewer, & Trash	4.48%	318	0.44
Property Insurance	3.60%	256	0.35
Property Tax 3.20077	13.52%	960	1.32
Reserve for Replacements	2.82%	200	0.27
Cbl, compl fees, sec, transport	3.72%	264	0.36

TOTAL EXPENSES

NET OPERATING INC

DEBT SERVICE

NET CASH FLOW

AGGREGATE DEBT COVERAGE RATIO

RECOMMENDED DEBT COVERAGE RATIO

CONSTRUCTION COST

CONSTRUCTION COST

CONSTRUCTION COST

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CONSTRUCTION COST

	TDHCA	APPLICANT
POTENTIAL GROSS RENT	\$1,462,524	\$1,437,996
Secondary Income	35,100	35,100
Other Support Income	0	0
POTENTIAL GROSS INCOME	\$1,497,624	\$1,473,096
Vacancy & Collection Loss	(112,322)	(110,482)
Employee or Other Non-Rental Units or Concessions	0	0
EFFECTIVE GROSS INCOME	\$1,385,302	\$1,362,614
General & Administrative	\$66,007	\$67,575
Management	69,265	68,132
Payroll & Payroll Tax	172,951	183,300
Repairs & Maintenance	76,835	73,665
Utilities	32,700	46,800
Water, Sewer, & Trash	62,063	56,160
Property Insurance	49,831	43,875
Property Tax 3.20077	187,245	161,636
Reserve for Replacements	39,000	39,000
Cbl, compl fees, sec, transport	51,560	48,635
TOTAL EXPENSES	\$807,457	\$788,778
NET OPERATING INC	\$577,845	\$573,836
First Lien Mortgage	\$393,790	\$493,946
Houston/HACM/HHFC	100,156	0
Additional Financing	0	0
NET CASH FLOW	\$83,899	\$79,890
AGGREGATE DEBT COVERAGE RATIO	1.17	1.16
RECOMMENDED DEBT COVERAGE RATIO		1.15

Comptroller's Region 6
 IREM Region Houston

\$15.00 Per Unit Per Month
 \$0.00 Per Unit Per Month

-7.50% of Potential Gross Income

	PER SQ FT	PER UNIT	% OF EGI
General & Administrative	\$0.47	\$347	4.96%
Management	0.48	349	5.00%
Payroll & Payroll Tax	1.29	940	13.45%
Repairs & Maintenance	0.52	378	5.41%
Utilities	0.33	240	3.43%
Water, Sewer, & Trash	0.39	288	4.12%
Property Insurance	0.31	225	3.22%
Property Tax 3.20077	1.14	829	11.86%
Reserve for Replacements	0.27	200	2.86%
Cbl, compl fees, sec, transport	0.34	249	3.57%
TOTAL EXPENSES	\$5.54	\$4,045	57.89%
NET OPERATING INC	\$4.03	\$2,943	42.11%
First Lien Mortgage	\$3.47	\$2,533	36.25%
Houston/HACM/HHFC	\$0.00	\$0	0.00%
Additional Financing	\$0.00	\$0	0.00%
NET CASH FLOW	\$0.56	\$410	5.86%

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT
Acquisition Cost (site or bldg)		8.64%	\$7,533	\$10.32
Off-Sites		0.00%	0	0.00
Sitework		8.60%	7,495	10.27
Direct Construction		45.88%	39,986	54.77
Contingency	5.00%	2.72%	2,374	3.25
General Req'ts	6.00%	3.27%	2,849	3.90
Contractor's G & A	2.00%	1.09%	950	1.30
Contractor's Profit	6.00%	3.27%	2,849	3.90
Indirect Construction		4.16%	3,623	4.96
Ineligible Costs		0.93%	814	1.11
Developer's G & A	8.92%	6.79%	5,915	8.10
Developer's Profit	6.08%	4.63%	4,032	5.52
Interim Financing		7.10%	6,187	8.47
Reserves		2.93%	2,554	3.50
TOTAL COST		100.00%	\$87,160	\$119.38
Construction Cost Recap		64.83%	\$56,503	\$77.39

	TDHCA	APPLICANT
Acquisition Cost (site or bldg)	\$1,468,843	\$1,468,843
Off-Sites	0	0
Sitework	1,461,525	1,461,525
Direct Construction	7,797,322	7,898,198
Contingency	462,942	467,986
General Req'ts	555,531	561,583
Contractor's G & A	185,177	187,194
Contractor's Profit	555,531	561,583
Indirect Construction	706,515	706,515
Ineligible Costs	158,719	158,719
Developer's G & A	1,153,377	1,179,405
Developer's Profit	786,270	786,270
Interim Financing	1,206,437	1,206,437
Reserves	498,092	498,092
TOTAL COST	\$16,996,280	\$17,142,350
Construction Cost Recap	\$11,018,027	\$11,138,069

	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)	\$10.32	\$7,533	8.57%
Off-Sites	0.00	0	0.00%
Sitework	10.27	7,495	8.53%
Direct Construction	55.47	40,504	46.07%
Contingency	3.29	2,400	2.73%
General Req'ts	3.94	2,880	3.28%
Contractor's G & A	1.31	960	1.09%
Contractor's Profit	3.94	2,880	3.28%
Indirect Construction	4.96	3,623	4.12%
Ineligible Costs	1.11	814	0.93%
Developer's G & A	8.28	6,048	6.88%
Developer's Profit	5.52	4,032	4.59%
Interim Financing	8.47	6,187	7.04%
Reserves	3.50	2,554	2.91%
TOTAL COST	\$120.40	\$87,909	100.00%
Construction Cost Recap	\$78.23	\$57,118	64.97%

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

\$80.00 per square foot

SOURCES OF FUNDS

First Lien Mortgage	26.31%	\$22,935	\$31.41
Houston/HACM/HHFC	9.59%	\$8,359	\$11.45
Cash Equity	0.00%	\$1	\$0.00
HTC Syndication Proceeds	64.96%	\$56,615	\$77.54
Deferred Developer Fees	0.00%	\$0	\$0.00
Additional (Excess) Funds Req'd	-0.86%	(\$749)	(\$1.03)
TOTAL SOURCES			

RECOMMENDED

First Lien Mortgage	\$4,472,252
Houston/HACM/HHFC	1,630,000
Cash Equity	100
HTC Syndication Proceeds	11,038,894
Deferred Developer Fees	1,104
Additional (Excess) Funds Req'd	0
TOTAL SOURCES	\$17,142,350

Developer Fee Available \$1,957,653
 % of Dev. Fee Deferred 0%
 15-Yr Cumulative Cash Flow \$2,079,689

MULTIFAMILY COMPARATIVE ANALYSIS(continued)

Orchard Park at Willowbrook, Houston, HTC 9%, #060170 -- App Perc Inc

DIRECT CONSTRUCTION COST ESTIMATE

Residential Cost Handbook

Average Quality Multiple Residence Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$46.91	\$6,679,189
Adjustments				
Exterior Wall Finish	3.20%		\$1.50	\$213,734
Elderly	3.00%		1.41	200,376
Fire Sprinklers			1.95	277,631
Subfloor			(0.56)	(79,730)
Floor Cover			2.22	316,073
Porches/Balconies	\$20.60	16,980	2.46	349,840
Plumbing	\$680	195	0.93	132,600
Built-In Appliances	\$1,675	195	2.29	326,625
Roofing			0.00	0
Enclosed Corridors	\$41.57	24,000	7.01	997,744
Heating/Cooling			1.73	246,309
Garages/Carports	\$63,300	2	0.89	126,600
Comm &/or Aux Bldgs	\$67.23	3,100	1.46	208,413
Integrated Comm Area	\$63.50	5,147	2.30	326,809
SUBTOTAL			72.50	10,322,212
Current Cost Multiplier	1.04		2.90	412,888
Local Multiplier	0.89		(7.98)	(1,135,443)
TOTAL DIRECT CONSTRUCTION COSTS			\$67.43	\$9,599,657
Plans, specs, survy, bld prn	3.90%		(\$2.63)	(\$374,387)
Interim Construction Interes	3.38%		(2.28)	(323,988)
Contractor's OH & Profit	11.50%		(7.75)	(1,103,961)
NET DIRECT CONSTRUCTION COSTS			\$54.77	\$7,797,322

PAYMENT COMPUTATION

Primary	\$4,472,252	Amort	360
Int Rate	8.00%	DCR	1.47

Secondary	\$1,630,000	Amort	360
Int Rate	4.59%	Subtotal DCR	1.17

Additional		Amort	
Int Rate		Aggregate DCR	1.17

RECOMMENDED FINANCING STRUCTURE APPLICANT'S N

Primary Debt Service	\$393,790
Secondary Debt Service	107,285
Additional Debt Service	0
NET CASH FLOW	\$72,762

Primary	\$4,472,252	Amort	360
Int Rate	8.00%	DCR	1.46

Secondary	\$1,630,000	Amort	360
Int Rate	5.19%	Subtotal DCR	1.15

Additional	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.15

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE

INCOME at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$1,462,524	\$1,506,400	\$1,551,592	\$1,598,139	\$1,646,084	\$1,908,262	\$2,212,199	\$2,564,545	\$3,446,534
Secondary Income	35,100	36,153	37,238	38,355	39,505	45,798	53,092	61,548	82,715
Other Support Income:	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	1,497,624	1,542,553	1,588,829	1,636,494	1,685,589	1,954,060	2,265,291	2,626,093	3,529,249
Vacancy & Collection Loss	(112,322)	(115,691)	(119,162)	(122,737)	(126,419)	(146,554)	(169,897)	(196,957)	(264,694)
Employee or Other Non-Rental	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$1,385,302	\$1,426,861	\$1,469,667	\$1,513,757	\$1,559,170	\$1,807,505	\$2,095,394	\$2,429,136	\$3,264,555
EXPENSES at 4.00%									
General & Administrative	\$66,007	\$68,647	\$71,393	\$74,249	\$77,219	\$93,948	\$114,302	\$139,066	\$205,852
Management	69,265	71,343	73,483	75,688	77,958	90,375	104,770	121,457	163,228
Payroll & Payroll Tax	172,951	179,869	187,063	194,546	202,328	246,163	299,494	364,381	539,372
Repairs & Maintenance	76,835	79,908	83,105	86,429	89,886	109,360	133,053	161,880	239,622
Utilities	32,700	34,008	35,368	36,783	38,254	46,542	56,626	68,894	101,980
Water, Sewer & Trash	62,063	64,546	67,127	69,813	72,605	88,335	107,473	130,758	193,553
Insurance	49,831	51,825	53,897	56,053	58,296	70,925	86,292	104,987	155,406
Property Tax	187,245	194,735	202,524	210,625	219,050	266,508	324,248	394,497	583,952
Reserve for Replacements	39,000	40,560	42,182	43,870	45,624	55,509	67,535	82,167	121,627
Other	51,560	53,622	55,767	57,998	60,318	73,386	89,285	108,629	160,798
TOTAL EXPENSES	\$807,457	\$839,062	\$871,911	\$906,053	\$941,538	\$1,141,052	\$1,383,079	\$1,676,715	\$2,465,390
NET OPERATING INCOME	\$577,845	\$587,799	\$597,756	\$607,704	\$617,632	\$666,453	\$712,315	\$752,421	\$799,165
DEBT SERVICE									
First Lien Financing	\$393,790	\$393,790	\$393,790	\$393,790	\$393,790	\$393,790	\$393,790	\$393,790	\$393,790
Second Lien	107,285	107,285	107,285	107,285	107,285	107,285	107,285	107,285	107,285
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$76,771	\$86,724	\$96,681	\$106,629	\$116,557	\$165,378	\$211,240	\$251,346	\$298,090
DEBT COVERAGE RATIO	1.15	1.17	1.19	1.21	1.23	1.33	1.42	1.50	1.59

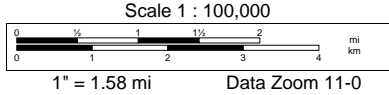
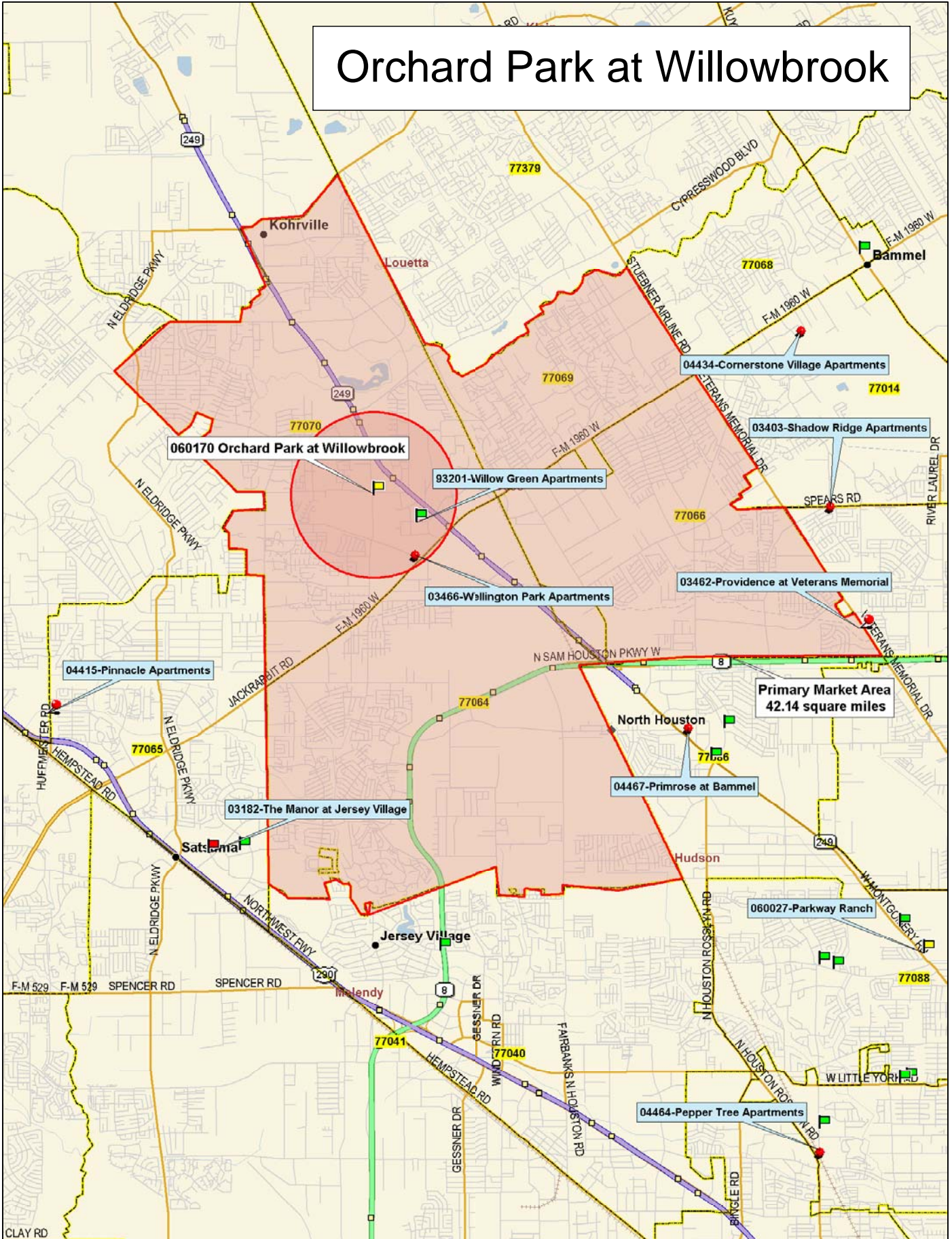
HTC ALLOCATION ANALYSIS - Orchard Park at Willowbrook, Houston, HTC 9%, #060170 -- App Perc Inc

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
(1) Acquisition Cost				
Purchase of land	\$1,468,843	\$1,468,843		
Purchase of buildings				
(2) Rehabilitation/New Construction Cost				
On-site work	\$1,461,525	\$1,461,525	\$1,461,525	\$1,461,525
Off-site improvements				
(3) Construction Hard Costs				
New structures/rehabilitation hard costs	\$7,898,198	\$7,797,322	\$7,898,198	\$7,797,322
(4) Contractor Fees & General Requirements				
Contractor overhead	\$187,194	\$185,177	\$187,194	\$185,177
Contractor profit	\$561,583	\$555,531	\$561,583	\$555,531
General requirements	\$561,583	\$555,531	\$561,583	\$555,531
(5) Contingencies				
	\$467,986	\$462,942	\$467,986	\$462,942
(6) Eligible Indirect Fees				
	\$706,515	\$706,515	\$706,515	\$706,515
(7) Eligible Financing Fees				
	\$1,206,437	\$1,206,437	\$1,206,437	\$1,206,437
(8) All Ineligible Costs				
	\$158,719	\$158,719		
(9) Developer Fees				
			\$1,957,653	
Developer overhead	\$1,179,405	\$1,153,377		\$1,153,377
Developer fee	\$786,270	\$786,270		\$786,270
(10) Development Reserves				
	\$498,092	\$498,092		
TOTAL DEVELOPMENT COSTS	\$17,142,350	\$16,996,280	\$15,008,675	\$14,870,627

Deduct from Basis:				
All grant proceeds used to finance costs in eligible basis				
B.M.R. loans used to finance cost in eligible basis				
Non-qualified non-recourse financing				
Non-qualified portion of higher quality units [42(d)(3)]				
Historic Credits (on residential portion only)				
TOTAL ELIGIBLE BASIS			\$15,008,675	\$14,870,627
High Cost Area Adjustment			130%	130%
TOTAL ADJUSTED BASIS			\$19,511,277	\$19,331,815
Applicable Fraction			94%	94%
TOTAL QUALIFIED BASIS			\$18,372,189	\$18,203,204
Applicable Percentage			8.46%	8.46%
TOTAL AMOUNT OF TAX CREDITS			\$1,554,287	\$1,539,991

Syndication Proceeds	0.9199	\$14,298,009	\$14,166,498
Total Tax Credits (Eligible Basis Method)		\$1,554,287	\$1,539,991
Syndication Proceeds		\$14,298,009	\$14,166,498
Requested Tax Credits		\$1,200,000	
Syndication Proceeds		\$11,038,894	
Gap of Syndication Proceeds Needed		\$11,039,998	
Total Tax Credits (Gap Method)		\$1,200,120	
Limited Syndication Proceeds		\$11,038,894	
Total Tax Credits (QAP Limit)		\$1,200,000	

Orchard Park at Willowbrook



P.O. Box 130567 • Houston, Texas 77219 • 713.223.1864

June 11, 2010

Ben Sheppard
Specialist, Multifamily Finance
Texas Department of Housing & Community Affairs
221 East 11th Street
Austin, TX 78711-3941

RE: Orchard Park at Willowbrook, TDHCA # 060170

Dear Mr. Sheppard,

We would be grateful for your assistance with an amendment request for the following:

1. Our original site acreage was 11.233 acres, however during the platting and permit process the City of Houston required us to dedicate right-of-way for the expansion of the adjoining Grant Road and Perry Road, resulting in a 5% density increase. Please see the enclosed letter from our engineer explaining the amount of land that was required by the City of Houston for the street widening.
2. We indicated in our application that we would have self-cleaning or continuously cleaning ovens in each unit. However, due to an oversight on our part they were only included in the UFAS units. The self-cleaning ovens were worth one point in the tax credit application. We would like to request approval to substitute nine- foot ceilings, also worth 1 point. Please see the attached Architect's Certification of both this amenity and other amenities.
3. To further our mission we more deeply targeted 97 units from 60% to 50% AMI for 15 years (and continuing thereafter for as long as adequate debt service coverage allows). We would like to incorporate this 50% targeting and retention period, already included in a deed of trust, into the HTC LURA.

Thanks for your kind assistance.

Sincerely,



Stephan Fairfield
President of GP



CENTURY ENGINEERING, INC.

3030 SOUTH GESSNER • SUITE 100 • HOUSTON, TEXAS 77063
(713) 780-8871 • FAX (713) 780-7662

060170

March 18, 2010

Orchard Communities
P.O. Box 130567
Houston, TX 77219

Re: Orchard Willowbrook
Grant & Perry
Houston, Texas

Dear Ms. Schoon:

.This tract is located within the city limits of Houston. Prior to obtaining a building permit, the city requires the property being developed to be approved and platted through the City Planning Commission. In accordance with Planning Commission regulations, the plat was prepared and submitted. During the review process the Planning Department, as well as other reviewing departments, determined that widening was required along both Grant Road and Perry Road. The Planning Commission required the widening to be dedicated as a part of the plat approval.

Original Tract	11.233 acres
Street widening	0.5691 acres
Net Tract	10.664 acres

The final plat dedicated 0.5691 acres for street widening and was recorded as such.

If you have any additional questions regarding this project, please don't hesitate to call.

Century Engineering, Inc.



Barry Hunsworth
Project Manager

None at this time

**MULTIFAMILY FINANCE DIVISION
BOARD ACTION REQUEST
July 8, 2010**

Requested Action

Presentation and Discussion of Challenges Made in Accordance with §50.17(c) of the 2010 Qualified Allocation Plan and Rules (QAP) Concerning 2010 Housing Tax Credit (HTC) Applications.

WHEREAS, the Department allows unrelated parties to an application to submit challenges against any application pursuant to §50.17(c) of the 2010 Qualified Allocation Plan and Rules (QAP); and

WHEREAS, staff has reviewed all challenges and completed the evaluation of all but two with a finding of no action needed; therefore

BE IT RESOLVED, that no additional action is taken with regard to challenges at this time.

Background

A challenge may pertain to any part of the application including but not limited to eligibility, selection (scoring) and threshold. Staff reviews the challenge and submits a request to the applicant for a response to the challenge. Staff researches both sides of the challenge and makes a determination of appropriate resolution to the challenge. A summary of the challenge and the resolution is provided in the Challenge Status Log and is published on the Department's website.

The attached table summarizes the status of the challenges received on or before June 15, 2010. The challenges were made against applications in the 2010 Application Round. Behind the status log, all imaged challenges are provided in project number order.

All challenges are addressed pursuant to §50.17(c) of the 2010 Qualified Allocation Plan and Rules ("QAP"), which states, "the Department will address information or challenges received from unrelated entities to a specific 2010 active Application, utilizing a preponderance of the evidence standard, as stated in paragraphs (1) – (3) of this subsection, provided the information or challenge includes a contact name, telephone number, fax number and e-mail address of the person providing the information or challenge:

- (1) Within 14 business days of the receipt of the information or challenge, the Department will post all information and challenges received (including any identifying information) to the Department's website.

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

Please note that a challenge is not eligible pursuant to this section if it is not made against a specific active 2010 HTC Application. If an Application is no longer active because the Development has been awarded tax credits by the Texas Department of Housing and Community Affairs’ (the “Department”) Board, challenges relating to the awarded/inactive Application are not eligible under this section.

To the extent that the Applicant related to the challenge responds to the eligible challenge(s), point reductions and/or terminations could possibly be made administratively. In these cases, the Applicant will be given an opportunity to appeal pursuant to §50.17(b) of the 2010 QAP, as is the case with all point reductions and terminations. To the extent that the evidence does not confirm a challenge, a memo will be written to the file for that Application relating to the challenge.

The table attached reflects a summary of all such challenges received and determinations made as of June 15, 2010.

Date Challenge Received	TDHCA #	Development Name	Challenger	Nature and Basis of Challenge	Status
6/11/2010	10079	Steeple Chase Farms	Michael A. Hartman, Roundstone Development, LLC	<p>Challenge regarding points awarded to the Application under §50.9(i)(5), The Commitment of Development Funding by Local Political Subdivisions. The basis of the challenge as reflected in the challenge documentation is: the Rules for Loans from the Capital Area Housing Finance Corporation (CAHFC) states that loans will be considered only in nine counties, or if a loan is to be made in another Local Political Subdivision it is allowed under an executed inter-local agreement. The site of the proposed development is Sherman, Grayson County, neither of which is served by the CAHFC. An executed inter-local agreement between the CAHFC and either Sherman or Grayson County was not included in the application submission. Therefore, this application cannot legally secure a loan from the CAHFC that qualifies under the QAP and should not received points under §50.9(i)(5).</p>	<p>Analysis: Per §50.9(i)(5) of the QAP, an application may score up to 18 points for providing evidence of funding from a Local Political Subdivision. Evidence to be submitted with the application to score these points includes “a copy of the application to the funding entity and a letter from the funding entity indicating the application was received.” If a funding entity utilized for purposes of these points is proposed to commit funds outside of its service area, evidence in the form of a commitment approved by the Local Political Subdivision for the funding as well as an executed inter-local agreement is required to be submitted at the time the executed Commitment Notice is submitted to the Department. Staff has reviewed the documentation included in the challenge as well as the Applicant’s response and has determined that the Applicant filed the appropriate documentation required by the QAP for purposes of these points. The Local Political Subdivision is not required to submit an executed inter-local agreement at the time of application, but rather at the time of Commitment which will be in August 2010.</p> <p>Resolution: The Department has evaluated the challenge pursuant to the methodology outlined in §50.9(i)(5) of the 2010 QAP and has determined that no action is required.</p>

Date Challenge Received	TDHCA #	Development Name	Challenger	Nature and Basis of Challenge	Status
6/11/2010	10119	Race Street Lofts	Michael A. Hartman, Roundstone Development, LLC	<p>Challenge regarding points awarded to the Application under §50.9(i)(5), The Commitment of Development Funding by Local Political Subdivisions. The basis of the challenge as reflected in the challenge documentation is: the Application was awarded 18 points for funding from the City of Fort Worth HOME. The letter and application to the City of Fort Worth (included within the HTC application) commit to deliver 45 total affordable rental units as part of the development. The Housing Tax Credit application reflects a total of 36 affordable rental units proposed for the development. Challenger contends that the application cannot meet the promises made to the City of Fort Worth for the funding requested and should not receive points under §50.9(i)(5).</p> <p>Challenger further asserts that the City application states “that funds will be disbursed at issuance of Certificate of Occupancy” and the Department should underwrite the project without counting the City funding as a construction source of financing. In doing so, this application will have a shortfall of funding during the construction phase and, as a result, will be economically unfeasible and should not be considered for an award.</p>	<p>Analysis: Per §50.9(i)(5) of the QAP, an application may score up to 18 points for providing evidence of funding from a Local Political Subdivision. Acceptable evidence to be submitted with the application to score these points includes “a copy of the application to the funding entity and a letter from the funding entity indicating the application was received.” The HTC application included a copy of a letter to the City of Fort Worth as well as a copy of the application to the City made in November 2009. A letter from the City acknowledging receipt of the application was also provided. Staff has reviewed the documentation in the challenge as well as the Applicant’s response and has determined that the Applicant filed the appropriate documentation required by the QAP. The Applicant’s response included a letter from the City of Fort Worth acknowledging the reduction in total project size and confirming that this change does not disqualify the application from consideration. Further the City’s letter also states that the RFP contained cautionary language that reflects in some cases the City might require that funds be escrowed until, or only be funded upon, issuance of certificates of occupancy. However, the timing of funding is negotiable and the City’s position will be dependent upon other sources of construction financing and the developer’s financial stability and track record.</p> <p>Resolution: The Department has evaluated the challenge pursuant to the methodology outlined in §50.9(i)(5) of the 2010 QAP and has determined that no action is required.</p>

6/11/2010	10149	Sedona Ranch	Michael A. Hartman, Roundstone Development, LLC	<p>Challenge regarding points awarded to the Application under §50.9(i)(5), The Commitment of Development Funding by Local Political Subdivisions. The basis of the challenge as reflected in the challenge documentation is: the Rules for Loans from the East Texas Housing Finance Corporation states that loans will be considered only in Sponsoring Political Subdivisions, or if a loan is to be made in the jurisdiction of another HFC under a cooperative agreement. The site of the proposed development is Fort Worth, Tarrant County, neither of which is served by the East Texas HFC. A cooperative agreement between the East Texas HFC and either the Fort Worth or Tarrant County HFCs was not included in the application submission. Therefore, the application cannot legally secure a loan from the East Texas HFC that qualifies under the QAP and should not receive points under §50.9(i)(5).</p>	<p>Analysis: Per §50.9(i)(5) of the QAP, an application may score up to 18 points for providing evidence of funding from a Local Political Subdivision. Evidence to be submitted with the application to score these points includes “a copy of the application to the funding entity and a letter from the funding entity indicating the application was received.” If a funding entity utilized for purposes of these points is proposed to commit funds outside of its service area, evidence in the form of a commitment approved by the Local Political Subdivision for the funding as well as an executed inter-local agreement is required to be submitted at the time the executed Commitment Notice is submitted to the Department. Staff has reviewed the documentation included in the challenge as well as the Applicant’s response and has determined that the Applicant filed the appropriate documentation required by the QAP for purposes of these points. The Local Political Subdivision is not required to submit an executed inter-local agreement at the time of application, but rather at the time of Commitment which will be in August 2010.</p> <p>Resolution: The Department has evaluated the challenge pursuant to the methodology outlined in §50.9(i)(5) of the 2010 QAP and has determined that no action is required.</p>
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Date Challenge Received	TDHCA #	Development Name	Challenger	Nature and Basis of Challenge	Status
6/11/2010	10153	Britain Way	Michael A. Hartman, Roundstone Development, LLC	<p>Challenge regarding points awarded to the Application under §50.9(i)(5), The Commitment of Development Funding by Local Political Subdivisions. The basis of the challenge as reflected in the challenge documentation is: the Rules for Loans from the Capital Area Housing Finance Corporation (CAHFC) states that loans will be considered only in nine counties, or if a loan is to be made in another Local Political Subdivision it is allowed under an executed inter-local agreement. The site of the proposed development is Irving, Dallas County, neither of which is served by the CAHFC. An executed inter-local agreement between the CAHFC and either Irving or Dallas County was not included in the application submission. Therefore, this application cannot legally secure a loan from the CAHFC that qualifies under the QAP and should not received points under §50.9(i)(5).</p>	<p>Analysis: Per §50.9(i)(5) of the QAP, an application may score up to 18 points for providing evidence of funding from a Local Political Subdivision. Evidence to be submitted with the application to score these points includes “a copy of the application to the funding entity and a letter from the funding entity indicating the application was received.” If a funding entity utilized for purposes of these points is proposed to commit funds outside of its service area, evidence in the form of a commitment approved by the Local Political Subdivision for the funding as well as an executed inter-local agreement is required to be submitted at the time the executed Commitment Notice is submitted to the Department. Staff has reviewed the documentation included in the challenge as well as the Applicant’s response and has determined that the Applicant filed the appropriate documentation required by the QAP for purposes of these points. The Local Political Subdivision is not required to submit an executed inter-local agreement at the time of application, but rather at the time of Commitment which will be in August 2010.</p> <p>Resolution: The Department has evaluated the challenge pursuant to the methodology outlined in §50.9(i)(5) of the 2010 QAP and has determined that no action is required.</p>

Challenge Received Date	TDHCA #	Development Name	Challenger	Nature and Basis of Challenge	Status
6/15/2010	10171	HomeTowne at Garland	J. Anthony Sisk, Churchill Residential, Inc.	<p>Challenge regarding the assessment of penalty points associated with a Housing Tax Credit amendment requested by a principal of the Applicant for the application in question. Challenger states that previous information published to the Department's website reflected the principal was in Material Noncompliance with another tax credit development during the 2010 competitive cycle. As required by the Compliance rules set forth in Chapter 60 issues of Material Noncompliance must be cured within a 90 day period, with a right to extend 90 days. Therefore, challenger indicates that if this cure period has expired it is a requirement that penalties be assessed for pending 2010 tax credit applications for all related entities, which includes the application being challenged. The challenger requests that staff re-score the HomeTowne at Garland application and apply the appropriate penalties.</p>	<p>Pending: Posted to the Department's website. Challenge being processed pursuant to §50.17(c) of the 2010 QAP</p>

6/15/2010	10222	Citrus Gardens	Saleem Jafar, Odyssey Residential Holdings, L.P.	<p>Challenge regarding compliance with the Department's threshold requirements for a related party transaction. The basis of the challenge as reflected in the challenge documentation is: the land acquisition is a related party transaction and the Applicant failed to provide an appraisal meeting the requirements of §50.9(h)(7) of the QAP. The challenger contends that the fair market value of the ground lease should be determined as it is a HUD requirement and the proposed development will be a HUD mixed finance application as noted in the Housing Tax Credit application. Challenger further contends that the fair market value of the lease will far exceed the Owner's land acquisition price plus any allowed costs, and therefore, will require a third party appraisal. Challenger requests the Department to determine the fair market value of the lease and should staff determine that this value far exceeds the original cost paid by the housing authority plus allowed carrying costs, that the Department terminate the application for failure to meet the Department's threshold requirements as stated in §50.9(h)(7) of the 2010 QAP.</p>	<p>Analysis: Per §50.9(h)(7) of the QAP, if the acquisition can be characterized as an identity of interest transaction, then the Applicant is only required to submit an appraisal meeting the Department's requirements if the original acquisition cost is less than the acquisition cost claimed in the application. The Development Cost Schedule submitted within the HTC application for this development reflects no acquisition cost for the land because the housing authority is contributing land it already owns for the proposed development site. Staff has reviewed the documentation included in the challenge as well as the Applicant's response and has determined that the Applicant met the threshold requirements with respect to the identity of interest transaction.</p> <p>Resolution: The Department has evaluated the challenge pursuant to the methodology outlined in §50.9(h)(7) of the 2010 QAP and has determined that no action is required.</p>
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Challenge Received Date	TDHCA #	Development Name	Challenger	Nature and Basis of Challenge	Status
6/11/2010	10232	Evergreen Residences	Michael A. Hartman, Roundstone Development, LLC	<p>Challenge regarding points awarded to the Application under §50.9(i)(5), The Commitment of Development Funding by Local Political Subdivisions. The basis of the challenge as reflected in the challenge documentation is: the application was awarded 18 points for funding from the City of Dallas. Submitted with the HTC application was a resolution from the City of Dallas approved on February 24, 2010 which reflects that the application will rent 100% of the units to tenants with incomes capped at 30% of AMFI. The rent schedule submitted within the HTC application reflects 90 units set aside for households earning 50% of AMFI and 10 units set aside for households earning 60% of AMFI. Therefore, this application cannot meet the requirements that the City of Dallas has imposed for the requested City funding and should not receive points under §50.9(i)(5).</p>	<p>Analysis: Per §50.9(i)(5) of the QAP an application may score up to 18 points for providing evidence of funding from a Local Political Subdivision. Evidence to be submitted with the application to score these points includes “a letter from the funding entity indicating that the funds for which the Applicant intends to apply for, will become available after March 1, 2010.” Additionally, staff requested of the Applicant through the Administrative Deficiency process clarification of the exact issue that the Challenger has presented. In response to this deficiency, the Applicant provided a revised rent schedule that reflects 100% of the units set aside for households at 30% of AMFI. Staff has reviewed the documentation included in the challenge and has determined that the Applicant has filed the appropriate documentation and clarified the discrepancy identified in this challenge for purposes of scoring these points.</p> <p>Resolution: The Department has evaluated the challenge pursuant to the methodology outlined in §50.9(i)(5) of the 2010 QAP and has determined that no action is required.</p>

6/14/2010	10284	Atmos Lofts	J. Anthony Sisk, Churchill Residential, Inc.	<p>Challenge regarding points awarded to the Application under §50.9(i)(14), Pre-Application Participation Incentive Points. The basis of the challenge as reflected in the challenge documentation is: the application should not be eligible for the six Pre-Application points because the Applicant did not submit the Pre-Application in accordance with the 2010 QAP, Application Submission Procedures Manual (ASPM), and the Pre-Application Excel file. While §50.8 does not specifically or fully describe the required “form” of the Pre-Application, it does not nullify the fact that §50.3(74) states that the form will be prescribed by the Department. The ASPM describes the required form as an Excel file and a PDF file. Further, this year the Department released the Pre-Application on the TDHCA website as a Microsoft Excel file, with an “Instructions” tab included which clearly directs the Applicants to read the instructions in the ASPM and includes detailed steps on how to convert the Excel file into a PDF file. The challenger contends that there would be no reason for the Department to include these directions if it was not required to submit the Pre-Application electronically. Finally, the challenger states that the Applicant is an experienced participant of the HTC program and should have complied with the Pre-Application electronic submission requirements. All other Applicants followed the published rules in order to earn the six Pre-Application points and the Atmos Lofts application should not qualify for points under §50.9(i)(14) since it did not comply with these requirements.</p>	<p>Analysis: While staff intended to have all Pre-Applications submitted electronically in the same manner that the full application was required to be submitted, §50.8 of the QAP does not include the same submission requirements as reflected in §50.9. The omission in §50.8 of the QAP that a Pre-Application must be submitted on the same basis required by §50.9 was unintentional. However, staff has reviewed the documentation included in the challenge as well as the Applicant’s response and has determined that the Applicant met the technical language of the rule with respect to submission of the Pre-Application and has met the requirements for scoring points under §50.9(i)(14).</p> <p>Resolution: The Department has evaluated the challenge pursuant to the methodology outlined in §50.9(i)(14) of the 2010 QAP and has determined that no action is required.</p>
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6/16/2010	10284	Atmos Lofts	Curtis Lockey	<p>The basis of the challenge is that if the plan for the entire complex, of which the application in question is a part of, is ultimately to develop all four buildings for a mixed-income development then the proposal reflected in the tax credit application is misleading and potentially violates fair housing laws. The challenger asserts that the application for the affordable housing component of the four building complex significantly understates the cost per unit for the proposed Atmos Lofts building. The original plans for redevelopment of this complex that was submitted to the City of Dallas proposed to disperse the affordable units among all four buildings, with a projected per unit cost of \$223K. A second plan was subsequently submitted increasing the number of affordable units but still dispersing these units among all four buildings of the complex and the cost per unit was projected at \$197K. In the current tax credit application the Applicant proposes to build all low income units within one building at \$117K per unit. On this basis alone the challenger asserts that the application violates fair housing laws because of the quality of construction and/or amenities to be offered in the low income units have significantly decreased when compared to the cost per unit when the low income units were original evenly dispersed among all four buildings. Additionally, the challenger contends that if an application was submitted to the Department and proposed a mixed-income development, the proposal would not be able to segregate all low income units to separate buildings from the market rate units.</p>	<p>Pending: Posted to the Department's website. Challenge being processed pursuant to §50.17(c) of the 2010 QAP.</p>
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Roundstone Development, LLC
Contact: Michael A. Hartman
1370 Taurus Court
Merritt Island, FL 32953
321-453-9587 / 321-453-6796 fax
321-223-8650 cell
mah1370@hotmail.com

RECEIVED
JUN 11 2010
EXECUTIVE DIRECTOR

June 9, 2010

Mr. Michael Gerber, Executive Director
Texas Department of Housing and Community Affairs
221 E. 11th Street
Austin, Texas 78701

Re: Challenge of TDHCA Application 10079
Steeple Chase Farms

Dear Mr. Gerber:

We hereby provide the following information and challenge the scoring of Application 10079 (hereinafter referred to as "10079").

Scoring under QAP Section 50.9(i)(5)

1. Attached is a letter dated February 25, 2010 from the Capital Area HFC (CAHFC) submitted by 10079 in support of the award of points for the commitment of development funding by local political subdivisions.
2. Also attached are the Rules for Loans for the CAHFC. The Rule states that loans will be considered only in nine counties, a list of which is included, or if a loan is to be made in another Local Political Subdivision under an executed Interlocal Agreement.
3. The site is located in Sherman, Grayson County, neither of which are served by the CAHFC.
4. Application 10079 did not include an executed Interlocal Agreement between the CAHFC and either Sherman or Grayson County.
5. Therefore, 10079 cannot legally secure a loan from the CAHFC that qualifies under the QAP and should not receive points under Section 50.9(i)(5).

We thank you for your consideration of this matter.

Sincerely,



Michael A. Hartman
Enclosures



2010 MULTIFAMILY UNIFORM APPLICATION

Texas Department of Housing and Community Affairs

Mailing Address: P.O. Box 13941, Austin, TX 78711-3941

Physical Address: 221 East 11th Street, Austin, TX 78701

The undersigned hereby makes Application to TDHCA for financial assistance. The Applicant has read and understands the Application instructions, has read and understands §50.9(c), Adherence to Obligations, of the 2010 Qualified Allocation Plan and Rules, and certifies that all information herein is true and correct to the best of their knowledge and belief. By signing this document, Applicant is affirming that all statements and representations made in this document are true and correct under penalty of Chapter 37 of the Texas Penal Code titled Perjury and Other Falsification and subject to criminal penalties as defined by the State of Texas. TEX. PENAL CODE ANN. §§37.01 et seq. (VERNON 2003 & SUPP. 2007).

Submitted Application must be signed by a representative with authority to execute documents on the Applicant's behalf.


Applicant's Authorized Representative's Signature

Chris Dischinger
Representative's Printed Name, Title

2/26/10
Date

Volume 1, Tab 1
PART A. ACTIVITY OVERVIEW

1. Multifamily Rental Development Name and Location

Development Name:	<u>Steeple Chase Farms</u>	Region:	<u>6</u>
Address:	<u>South FM 1417 and Park Ave.</u>		
City:	<u>Sherman</u>	County:	<u>Grayson</u>
		ZIP:	<u>00007-5092</u>
If a Pre-Application was submitted, enter TDHCA assigned Development number:			<u>10079</u>

2. Target Population (Select by Placing a "x"):

- General
- Elderly
- Intergenerational Housing
- Supportive Housing

3. Construction Type (Select Only One by Placing a "x"):

- New Construction
- Acquisition/Rehabilitation (includes Reconstruction)
- Acquisition/Rehabilitation (excludes Reconstruction)
- Adaptive Reuse
- Single Room Occupancy

COMMITMENT OF DEVELOPMENT FUNDING FROM LOCAL POLITICAL SUBDIVISION (50.9)(i)(5)

Applications may qualify to receive up to 18 points for qualifying under this exhibit. An Applicant may submit enough sources to substantiate the point request. For example, if an Applicant is requesting 18 points, five sources may be submitted if each is for an amount equal to 1% of the Total Housing Development Cost.

Complete 1 form for each source. Use additional pages if necessary.

All funding, including in-kind contributions (except Development Based Rental Subsidies), must be reflected in the Volume 1, Tab 4, Part A. Summary of Sources and Uses of Funds form, the Volume 1, Tab 4, Part B. Financing Participants form, and Volume 1, Tab 4, Financing Narrative

1. Name of Local Political Subdivision/Governmental Instrumentality:

CAHFC

2. Funding Source. Refer to ASPM and QAP for specific requirements of each funding source. Check one box.

Loan:

Loans must have a minimum term of the later of one year and Placed in Service Date, and the interest rate must be at or below the Applicable Federal Rate (AFR) at the time of loan closing

Source :	<u>CAHFC</u>	Amount:	<u>\$1,000,000</u>
Source:	<u></u>	Amount:	<u></u>
Source:	<u></u>	Amount:	<u></u>
Total Amount attributed to the Total Housing Development Cost:			<u>\$1,000,000</u>

Grant

Source:	<u></u>	Amount:	<u></u>
Source:	<u></u>	Amount:	<u></u>
Source:	<u></u>	Amount:	<u></u>
Total Amount attributed to the Total Housing Development Cost:			<u>\$0</u>

TDHCA HOME Funds

A resolution, dated on or before February 27, 2009, is submitted with the Application from the Local Political Subdivision authorizing the Applicant to act on behalf of the Local Political Subdivision in applying for HOME Funds from TDHCA for the particular Application

Total Amount attributed to the Total Housing Development Cost:

In-kind Contribution

In-kind contributions must provide a tangible economic benefit that results in a quantifiable reduction in the Total Housing Development Cost; evidence from the Local Political Subdivision that substantiates the value must be provided; the value of the in-kind contribution may only include the time period between award, or August 1, 2009, and the Development's Placed in Service date, with the exception of land contributions; and the in-kind contribution may only include the value during the period or waiver is received and/or assessed. Tax exemptions or abatements must be in addition to those required under statute. For land contributions, the entire value of the land may be included; an appraisal must be provided to substantiate the value of the land; evidence of the value of the contribution from the Local Political Subdivision must reference the appraisal; and the land must be under the control of the Applicant.

Source:	<u></u>	Amount:	<u></u>
Source:	<u></u>	Amount:	<u></u>
Source:	<u></u>	Amount:	<u></u>
Total Amount attributed to the Total Housing Development Cost (For all contributions except for land, include value of contribution from August 1, 2009 through Placed in Service date):			<u>\$0</u>

Type of in-kind contribution:



February 25, 2010

Mr. Chris Dischinger
Steeple Chase Farms Summit, LP
111 Cambridge Station
Louisville, KY 40223

Re: Steeple Chase Farms

We have received your loan request dated February 25, 2010 for \$1,000,000 for a term of one (1) year or the placed in service date, whichever is longer, at an interest rate of AFR or less. We are in the process of evaluating your request, and we will contact you should we have questions concerning your application.

Kind regards,

A handwritten signature in black ink, appearing to read 'Jim Shaw', is written over the typed name.

Jim Shaw
Executive Director

CAPITAL AREA HOUSING FINANCE CORPORATION

RULES FOR LOANS IN CONNECTION WITH OBTAINING TAX CREDITS FOR MULTIFAMILY RESIDENTIAL RENTAL PROJECTS

ARTICLE I. PURPOSE AND SCOPE

Capital Area Housing Finance Corporation (the "*Corporation*") was created as a public non-profit corporation under the provisions of the Texas Housing Finance Corporations Act, Texas Local Government Code, Chapter 394, as amended (the "*Act*"). The Corporation's primary purpose is to assist individuals of low and moderate income to obtain decent, safe, sanitary, and affordable housing. The Corporation is authorized by the Act to make loans to further its purposes thereunder. Applications for loans will be considered in connection with developments located in one or more of the following: Counties of Bastrop, Blanco, Burnet, Caldwell, Fayette, Hays, Lee, Llano and Williamson (collectively, the "Program Area") or in locations outside of the Program Area with the consent of the applicable Local Political Subdivision as evidenced by an executed Interlocal Agreement. The Corporation has adopted these Rules to set forth the general requirements and procedures applicable to qualifying for a loan in connection with obtaining tax credits from the Texas Department of Housing and Community Affairs (the "*TDHCA*") in connection with applicant's residential development. The Corporation makes no representation or warranty that the loan will comply with the rules and regulations of the TDHCA.

A. *Application of Rules.* These Rules apply to specific multifamily rental residential developments for which an applicant or a Local Political Subdivision on behalf of an applicant requests the Corporation to make a loan to obtain tax credits in connection with such development.

B. *Waiver of Rules.* Specific provisions of these Rules may be waived by a majority vote of the Board of Directors of the Corporation.

C. *Amendment of Rules.* These Rules may be amended, revised, repealed or otherwise altered by a majority of the Board of Directors of the Corporation at any time and from time to time and with or without notice.

ARTICLE II. GENERAL REQUIREMENTS

The Corporation will not make a loan of funds to any applicant in connection with any financing for any residential development that has not satisfied, as determined by the Corporation, general requirements set forth in these Rules. The Corporation reserves the right to impose additional specific requirements with respect to any particular residential development. Compliance with these Rules does not and shall not be deemed to constitute a commitment or assurance that financing will be provided by the Corporation. In completing and executing the Application for Loan attached hereto, the applicant hereby represents and warrants or covenants

COATS | ROSE

A Professional Corporation

BARRY J. PALMER

bpalmer@coatsrose.com
Direct Dial
(713) 653-7395
Direct Fax
(713) 890-3944

June 21, 2010

Via E-Mail

Mr. Michael Gerber, Executive Director
Texas Department of Housing
And Community Affairs
221 East 11th Street
Austin, Texas 78701

RE: Response to Challenge filed against Steeple Chase Farms (#10079)

Dear Mr. Gerber:

This letter responds to the challenges submitted by Roundstone Development, LLC regarding the score for Steeple Chase Farms (the “**Project**”) under Section 50.9(i)(5). The challenge relates to the applicant’s Local Political Subdivision (“**LPS**”) financing from Capital Area Housing Finance Corporation (“**CAHFC**”).

Scoring under Section 50.9(i)(5):

Allegation:

The scoring challenge asserts that because an inter-local agreement was not included in the application, the Project cannot legally secure a loan from CAHFC, and as such, the points should disallowed.

Response:

Pursuant to Section 50.9(i)(5)(viii) “evidence to be submitted with the Application must include....a copy of the application to the funding entity and a letter from the funding entity indicating the application was received”. The QAP does not require evidence that an approved commitment has been provided from the LPS until the time that the executed Commitment Notice is required to be submitted. Furthermore, there is no requirement in the QAP that the applicant provide evidence of an inter-local agreement in place between the entity providing the commitment and any other LPS. The requirement of the inter-local agreement is a requirement in the rules of the Capital Area Housing Finance Corporation which must be satisfied prior to issuance of a commitment, not at the time of receipt of an application.

3 East Greenway Plaza, Suite 2000 Houston, Texas 77046-0307
Phone: 713-651-0111 Fax: 713-651-0220
Web: www.coatsrose.com

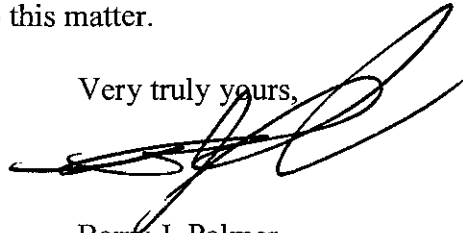
HOUSTON | CLEAR LAKE | AUSTIN | DALLAS | SAN ANTONIO | NEW ORLEANS

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Consequently, there is no requirement in the QAP that the applicant provide evidence of an inter-local agreement in place for the LPS at the time of application. Any such requirement for an inter-local agreement would be a requirement of the LPS not of the TDHCA, and would be a requirement that would need to be satisfied at the time that the financing commitment is issued.

We appreciate your attention to this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Barry J. Palmer', written over the typed name below.

Barry J. Palmer

cc: Mr. Scott Brian
Mr. Justin Hartz
Ms. Sarah Anderson
Mr. Bill Walter

Roundstone Development, LLC
Contact: Michael A. Hartman
1370 Taurus Court
Merritt Island, FL 32953
321-453-9587 / 321-453-6796 fax
321-223-8650 cell
mah1370@hotmail.com

RECEIVED
JUN 11 2010

EXECUTIVE DIRECTOR

June 9, 2010

Mr. Michael Gerber, Executive Director
Texas Department of Housing and Community Affairs
221 E. 11th Street
Austin, Texas 78701

Re: Challenge of TDHCA Application 10119
Race Street Lofts

Dear Mr. Gerber:

We hereby provide the following information and challenge the threshold determination and scoring of Application 10119 (hereinafter referred to as "10119").

Scoring under QAP Section 50.9(i)(5)

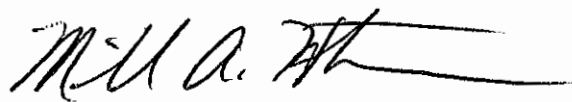
1. Attached are copies of pertinent pages from the application made by 10119 to the City of Fort Worth and submitted by 10119 in support of the award of points for the commitment of development funding by local political subdivisions.
2. The letter and the application to the City of Fort Worth commit 10119 to deliver 45 affordable rental units as part of the development.
3. Also attached from 10119 is Volume 1, Tab 2, Part B, Rent Schedule. This schedule indicates that 10119 will consist of 36 affordable units.
4. Therefore, 10119 cannot meet the promises it made to the City of Fort Worth for the potential award of the funding and should not receive points under Section 50.9(i)(5).

Threshold under Real Estate Analysis Rules

1. The City application states "that funds will be disbursed at issuance of Certificate of Occupancy".
2. Therefore TDHCA should underwrite the project without counting the \$1,500,000 of HOME funds from the city as a Construction Source of Funds.
3. In doing so, 10119 will have a shortfall of funding during the construction phase.
4. Therefore, 10119 is economically unfeasible and should be eliminated.

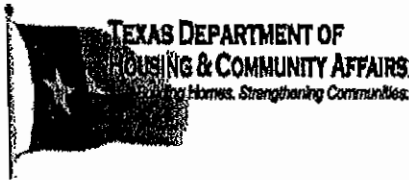
We thank you for your consideration of this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "M.A. Hartman", with a long horizontal flourish extending to the right.

Michael A. Hartman

Enclosures



2010 MULTIFAMILY UNIFORM APPLICATION

Texas Department of Housing and Community Affairs
Mailing Address: P.O. Box 13941, Austin, TX 78711-3941
Physical Address: 221 East 11th Street, Austin, TX 78701

The undersigned hereby makes Application to TDHCA for financial assistance. The Applicant has read and understands the Application instructions, has read and understands §50.9(c), Adherence to Obligations, of the 2010 Qualified Allocation Plan and Rules, and certifies that all information herein is true and correct to the best of their knowledge and belief. By signing this document, Applicant is affirming that all statements and representations made in this document are true and correct under penalty of Chapter 37 of the Texas Penal Code titled Perjury and Other Falsification and subject to criminal penalties as defined by the State of Texas. TEX. PENAL CODE ANN. §§37.01 et seq. (VERNON 2003 & SUPP. 2007).

Submitted Application must be signed by a representative with authority to execute documents on the Applicant's behalf.


Applicant's Authorized Representative's Signature


Representative's Printed Name, Title


Date

PART A. ACTIVITY OVERVIEW

1. Multifamily Rental Development Name and Location

Development Name:	<u>Race Street Loft</u>	Region:	<u>Central</u>
Address:	<u>2817 Race Street and 2817/2820/2822/2825 Melanore Street</u>		
City:	<u>Fort Worth</u>	County:	<u>Tarrant</u>
		ZIP:	<u>76114</u>
If a Pre-Application was submitted, enter TDHCA assigned Development number: <u>1019</u>			

2. Target Population (Select by Placing a "x"):

- General
- Elderly
- Intergenerational Housing
- Supportive Housing

3. Construction Type (Select Only One by Placing a "x"):

- New Construction
- Acquisition/Rehabilitation (includes Reconstruction)
- Acquisition/Rehabilitation (excludes Reconstruction)
- Adaptive Reuse
- Single Room Occupancy

PART A. Summary of Sources and Uses of Funds

Describe all sources of funds and total uses of funds. Information must be consistent with the information provided throughout the Application (i.e. Financing Participants and Development Cost Schedule forms). Where funds such as tax credits, loan guarantees, bonds are used, only the proceeds going into the development should be identified so that "sources" match "uses."

*Applicants must attach a written narrative to this form that describes the financing plan for the Development. The narrative shall include: (a) any non-traditional financing arrangements; (b) the use of funds with respect to the Development; (c) the funding sources for the Development including construction, permanent and bridge loans, rents, operating subsidies, and replacement reserves; and (d) the commitment status of the funding sources

Development Name: **Race Street Lofts**

Source #	Funding Description	Priority of Lien	Construction or Rehab. Loan Stage Amt.	Permanent Loan Stage Amount	Financing Participants
1	Conventional Loan	1	\$3,700,000	\$1,220,000	Oak Grove Capital
2	Conventional Loan/FHA				
3	Conventional Loan/Letter of Credit				
4	HOME				
5	Housing Trust Fund				
6	CDBG				
7	Mortgage Revenue Bonds				
8	HTC Syndication Proceeds		\$835,047	\$4,175,235	Red Stone Equity Partners, Inc.
9	Historic Tax Credit Syndication Proceeds				
10	USDA/ TXRD Loan(s)				
11	Other Federal Loan or Grant		\$1,500,000	\$1,500,000	City of Fort Worth
12	Other State Loan or Grant				
13	Local Government Loan or Grant				
14	Private Loan or Grant				
15	Cash Equity				
16	In-Kind Equity/Deferred Developer Fee			\$74,490	Fort Worth Housing Finance Corp
17	Other: Third Party Funding		\$140,000		Lifestyle Neighborhoods Corporation
18	Other (Describe)				
19	Other (Describe)				
20	Other (Describe)				
TOTAL SOURCES OF FUNDS			\$ 6,175,047	\$ 6,969,725	
TOTAL USES OF FUNDS				\$ 6,969,725	

⁽¹⁾ Indicate Exclusive Use Financing Participant only where funds from that source are dedicated only for a specific purpose, i.e. CDBG infrastructure funds used only for off-site construction

NRP

111 Soledad, Suite 1220
San Antonio, TX 78205
Phone: 210.487.7878
Fax: 210.487.7880

November 3, 2009

City of Fort Worth
Purchasing Department- Lower Level
1000 Throckmorton
Fort Worth, Texas 76102
Attn: Pam Kenney

RE: Fort Worth Affordable Housing Development Project (NONCHDO 2012)

Dear Ms. Kenney:

I am pleased to provide one (1) original and five (5) copies of our Request for Proposal in response for **Fort Worth Affordable Housing Development Project- NONCHDO 2012**.

Race Street Apartments is a 45-unit, affordable, multi-family rental property located at Race Street and Mc Lemore Avenue. The development is comprised of one, two, and three bedroom units for individuals and families at 30%, 50%, and 60% of the Area Median Income. The total development cost is \$7,677,601.

Our request is for \$1,500,000 in HOME funds from the City of Fort Worth. For the investment from the City, we propose to identify 30 HOME units of the 45 total units. The rents charged for occupants of HOME units will be 6 units at Low HOME Rents and 24 units at High HOME Rents.

Thank you in advance for considering The NRP Group and we look forward to the possibility of working with you on this exciting project. Should you require additional copies or information, please do not hesitate to contact me at 210.487.7878 or dguerrero@nrpgroup.com.

Sincerely,

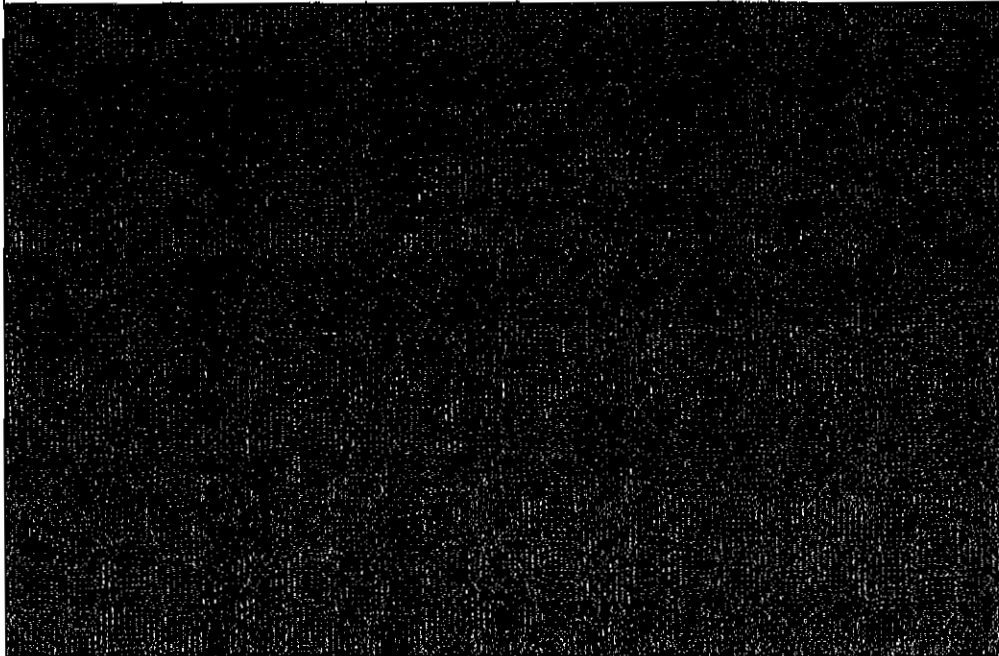

Debra Guerrero
Authorized Representative

Funding RequestTotal Project Cost: \$ 7,677,601Total HOME Funds Requested: \$1,500,000*** Please note that funds will be disbursed at issuance of Certificate of Occupancy.****Development Budget**

Use of Funds	Source of Funds			
	HOME \$ (1)	OTHER \$ FUNDS (2)	SOURCES OF OTHER FUNDS (Names)	TOTAL \$ FUNDS (1+2)
Prerequisite Cost				
1. Market Study		15,000	TBD	15,000
2. Feasibility (ie: preliminary work write-up, cost estimates, design)		175,000	TBD	175,000
3. Other		0	--	0
Total Prerequisite Cost (1+2+3)		190,000	TBD	190,000
Development Cost				
4. Land and/or building acquisition	1,150,000	0	--	1,150,000
5. Site Preparation	100,000	405,000	--	505,000
6. Construction Cost	0	2,728,616	TBD	2,728,616
7. Fence	0	0	--	0
8. Landscape	0	0	--	0
9. Contingency	0	156,681	TBD	156,681
10. Appraisal	0	8,000	TBD	8,000
11. Architect & Engineering Fees	150,000	0	--	150,000
12. Construction Management Fee	0	438,708	TBD	438,708
13. Construction Loan Interest	0	160,388	TBD	160,388
14. Property Survey	0	15,000	TBD	15,000
15. Legal Fees	0	375,700	TBD	375,700
16. Real Estate Fees	0	0	--	0
17. Utility Hookup/Impact Fees	100,000	150,000	TBD	250,000
18. Title & Recording Fees	0	60,000	TBD	60,000
19. Developer Fee	0	996,000	TBD	996,000
20. Other: Reserves, Insurance, Taxes	0	446,166	TBD	443,511
Total Development Cost (Total of items 4 – 20)	1,500,000	5,987,601	--	7,487,601
Total Project Cost	1,500,000	6,177,601	--	7,677,601

Income Targeting (See Exhibit A for Area Median Income (AMI) table)

SINGLE FAMILY PROJECTS



MULTI-FAMILY PROJECTS

Housing Activity	Total # of Units (All Funding Sources)	For households w income 30% or less of AMI	For households w income 30% - 60% or less of AMI	For households w income 60% - 80% or less of AMI	Special Needs (Indicate Category) E = Elderly M = Mentally Challenged PS = Permanent Supportive PC = Physically Challenged O = Other: <u>Physically disabled/impaired</u>
		# of units	# of units	# of units	# of units
New Construction – MF – Rental	45	3	42	0	3

Unit Summary

11/3/2009 1:48 PM

THE NRP GROUP LLC
Race Street Family, Fort Worth, TX
Scenario: 8% LIHTC

Unit Mix and Rent Schedule

Unit Type	Bedrooms	Baths	Affordability	Description	Units	Sq. Ft. per Unit	Extended Sq. Ft.	Monthly Gross Rent	Utility Allowance	Monthly Net Rent	Extended Rent	Rent Per Sq. Ft.
Unit 1	1		30%		1	800	800	\$ 371	\$ 79	\$ 292	\$ 292	0.37
Unit 2	1		50%		9	800	6,400	618	79	539	4,312	0.67
Unit 3	1		60%		7	800	5,600	742	79	663	4,641	0.83
Unit 4	2		30%		1	1,000	1,000	445	94	351	351	0.35
Unit 5	2		50%		8	1,000	8,000	742	94	648	5,184	0.65
Unit 6	2		60%		9	1,000	9,000	891	94	797	7,173	0.80
Unit 7	3		30%		1	1,200	1,200	514	107	407	407	0.34
Unit 8	3		50%		5	1,200	6,000	857	107	750	3,750	0.83
Unit 9	3		60%		5	1,200	6,000	1,029	107	922	4,610	0.77
					45		44,000			\$ 5,389	\$ 30,720	Monthly GPR
										\$ 388,640		Annual GPR

Summary Data

Studios	-	-	-
1 BR	16	35.6%	12,800
2 BR	18	40.0%	18,000
3 BR	11	24.4%	13,200
4 BR	-	-	-
	45	100.0%	44,000
Affordable Market	45	100.0%	44,000
	45	100.0%	44,000
30% AMI	3	6.7%	3,000
35% AMI	-	-	-
40% AMI	-	-	-
45% AMI	-	-	-
50% AMI	21	46.7%	20,400
55% AMI	-	-	-
60% AMI	21	46.7%	20,600
Market	45	100.0%	44,000

RACE STREET LOFTS, LTD.

1000 Throckmorton Street

Fort Worth, Texas 76102

June 22, 2010

Via E-Mail

Mr. Michael Gerber, Executive Director
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701

RE: Response to Challenge filed against Race Street Lofts (#10119);
Race Street Lofts, Ltd. (the "Applicant").

Dear Mr. Gerber:

This letter responds to challenges submitted by Michael A. Hartman of Roundstone Development, LLC regarding Race Street Lofts (the "Project"). Mr. Hartman questions whether the Project qualifies for points under Section 50.9(i)(5) and whether it complies with Threshold requirements for economic feasibility. Both challenges relate to the Applicant's application for Local Political Subdivision financing from the City of Fort Worth (the "City") pursuant to the City's Request for Proposals: NONCHDO 2012 (the "RFP"), which was posted on October 7, 2009, with a submittal deadline of November 5, 2009.

Scoring under Section 50.9(i)(5):

Allegation:

The scoring challenge is that when Applicant applied to the City for Local Political Subdivision funding, Applicant committed to deliver 45 affordable rental units, whereas the 9% application is for a total of only 36 units in the entire Project. Mr. Hartman states that since the Applicant cannot meet the promises made to the City, the Project should not receive 18 points for Local Political Subdivision funding.

Response:

Mr. Hartman is in error regarding the proposed commitment to the City. On November 3, 2009, application was made to the City for \$1,500,000 in HOME financing for the Project. The cover letter indicated that the total project size would be 45 units. The cover letter also indicated:

Mr. Michael Gerber, Executive Director
Texas Department of Housing and Community Affairs
June 22, 2010
Page 2

... For the investment from the City, we propose to identify 30 HOME units of the 45 total units. The rents charged for occupants of HOME units will be 6 units at Low HOME Rents and 24 units at High HOME Rents. [See Attachment A - Emphasis added].

Subsequent to filing the loan application, the decision was made to reduce the total number of units to 36, and that number is reflected in the Pre-Application that was filed for the Project [See Attachment B]. Since the total units is in excess of the number of HOME units proposed, the Applicant is still able to fulfill its initial proposal to the City. We note, however that the City retains the right in its RFP to waive any and all irregularities and award a contract in the best interest of the City. [See Attachment C]. In that regard, we enclose a letter from the City indicating that the reduction in total size of the Project and a potential reduction in the number of HOME units to be provided do not disqualify the Applicant's application for City financing. [See Attachment D].

We also note that if the City financing for some reason was unavailable to the Applicant, Section 50.9(i)(5)(A)(iii) of the QAP provides that the Applicant "may substitute any source in response to a Deficiency Notice or after the Application has been submitted to the Department." Accordingly, the challenge to the viability of the proposed Local Political Subdivision financing is inappropriate at this time. The Applicant's final qualification for Local Political Subdivision financing points should be assessed at the time that the Commitment Notice is accepted by the Applicant and the evidence of a funding commitment approved by the Local Political Subdivision's Governing Body is provided to the Department.

Threshold Under Real Estate Analysis Rules:

Allegation:

Mr. Hartman does not specify what specific section of the Real Estate Analysis Rules is allegedly being violated. He merely states that because the City application form provides that funds will be disbursed upon issuance of Certificates of Occupancy, the underwriting of the Project should not include the requested \$1,500,000 in City HOME funds as a construction funding source. Mr. Hartman argues that this would result in a shortfall during construction, making the Project economically unfeasible.

Response:

Mr. Hartman is incorrect in his assertion that the City funds would necessarily be disbursed only at issuance of Certificates of Occupancy. The City's RFP contains the following Contract Terms:

Contract Terms

In the event that a funding application is approved, terms of the contract will be negotiated between the City of Fort Worth and the successful

Mr. Michael Gerber, Executive Director
Texas Department of Housing and Community Affairs
June 22, 2010
Page 3

proposer. The contract will indicate the amount of funding approved by City Council, as well as the terms and conditions under which the funds may be expended. **All project funding will be disbursed on a reimbursable basis for eligible expenses only. In some cases, funds will be required to be deposited in an escrow account and will be released upon issuance of a Certificate of Occupancy.** [See Attachment E - Emphasis in original].

We have been advised by City staff that this potential condition to funding has been recommended by HUD, due to some recent instances of the City providing construction financing for projects that were ultimately never completed. Please note again that the language highlighted in Attachment C permits the City to waive such requirement, based upon the specifics of a particular project and the financial stability and performance history of its developer. The City's letter additionally acknowledges that the City can waive the timing of funding for an appropriate applicant. [See Attachment D].

Even if the most restrictive funding terms of the City's RFP were adopted for the requested Project financing, the City's funds would still be considered construction financing. Funding on a reimbursable basis for eligible expenses only, to be paid at issuance of Certificates of Occupancy would simply mean that the City was requiring that its funds be the last dollars in for the Construction Phase financing. We would anticipate that after issuance of the Certificates of Occupancy, the construction financing would still be outstanding for an estimated 10 months, until the Project stabilizes and all criteria are met for conversion into permanent financing.

Summary:

Thank you for the opportunity to respond to the challenges raised. We believe that the Applicant has met the requirements of the QAP necessary to qualify for points under Section 50.9(i)(5). The Department's recent underwriting of the Project also indicates that with the proposed financing, the Project is considered financially feasible. [See Attachment F].

Sincerely,



Debra Guerrero.
Authorized Representative

Attachments

cc: Jesus Chapa

ATTACHMENT A

NRP

111 Soledad, Suite 1220
San Antonio, TX 78205
Phone: 210.487.7878
Fax: 210.487.7880

November 3, 2009

City of Fort Worth
Purchasing Department- Lower Level
1000 Throckmorton
Fort Worth, Texas 76102
Attn: Pam Kenney

RE: Fort Worth Affordable Housing Development Project (NONCHDO 2012)

Dear Ms. Kenney:


I am pleased to provide one (1) original and five (5) copies of our Request for Proposal in response for Fort Worth Affordable Housing Development Project- NONCHDO 2012.

Race Street Apartments is a 45-unit, affordable, multi-family rental property located at Race Street and Mc Lemore Avenue. The development is comprised of one, two, and three bedroom units for individuals and families at 30%, 50%, and 60% of the Area Median Income. The total development cost is \$7,677,601.

Our request is for \$1,500,000 in HOME funds from the City of Fort Worth. For the investment from the City, we propose to identify 30 HOME units of the 45 total units. The rents charged for occupants of HOME units will be 6 units at Low HOME Rents and 24 units at High HOME Rents.

Thank you in advance for considering The NRP Group and we look forward to the possibility of working with you on this exciting project. Should you require additional copies or information, please do not hesitate to contact me at 210.487.7878 or dguerrero@nrpgroup.com.

Sincerely,


Debra Guerrero
Authorized Representative

ATTACHMENT B

ATTACHMENT C

After submitting this Proposal, parties may not spend, commit, or contract to spend any money – either private or public funds – for site work, property acquisition, demolition, rehabilitation of multifamily units, conversion, construction/reconstruction prior to the completion of environmental review and receipt of the Release of Funds from U.S. Department of Housing and Urban Development (HUD). Violation of this provision will result in the denial of funds under this Request for Proposal. If project is chosen for funding, a Notice To Proceed will be sent when the Authorization to Use Grant Funds has been received.

Notwithstanding the above, you may begin architectural and engineering services, purchase options and certain pre-development activities only with prior written approval from the City of Fort Worth. Undertaking these activities without prior approval will result in the denial of funds under this Request for Proposal. Please note the amount of funding needed for these activities on page 9 so that these funds may be cleared separately.

Any submittals, including all attachments, including rejected submittals, are public information and is subject to the Texas Open Records Act and Federal Freedom of Information Act.

This Request for Proposals follows a procedure established by the City, however, because this request is exempt from Chapter 252 of the Texas Local Government Code, the City reserves the right to negotiate a contract after receiving all proposals. The City reserves the right to waive any and all irregularities and award a contract in the best interest of the City.

For additional information on this Request for Proposals, please contact Janay Tieken at 817-392-7550 or via email at janay.tieken@fortworthgov.org.

ATTACHMENT D



June 22, 2010

Texas Department of Housing
and Community Affairs
221 East 11th Street
Austin, Texas 78701
Attention: Mr. Michael Gerber

RE: Race Street Lofts (TDHCA #10119).

Dear Mr. Gerber:

We understand that challenges have been filed with you questioning whether Race Street Lofts, Ltd., qualifies for Selection Criteria Points based upon its application to the City of Fort Worth for financing pursuant to the City's Request for Proposals: NONCHDO 2012 (the "RFP"). In that regard, please be advised as follows:

1. City staff is aware that the Race Street Lofts application for 9% tax credits reflects a total project size of 36 units, instead of the 45-unit project mentioned in the response to the City's RFP. Because the City negotiates the terms of its financing after initial proposals have been received, the reduction in total project size, and any concomitant reduction in the number of units that might be restricted in exchange for HOME financing is not a disqualifying factor in obtaining City financing. We expect initial proposals to be further refined as the development process proceeds.

2. The RFP contained the caution that in some cases the City might require that funds be escrowed until, or only be funded upon, issuance of certificates of occupancy. This provision was included at HUD's suggestion, in order to provide controls over the funding and avoid the City's funds going into a project that never gets completed. In the RFP the City reserved the right to negotiate a contract after receiving all proposals. The timing of funding is a negotiable matter, and the City's position will be dependent upon the other sources of construction financing and the developer's financial stability and track record. In any event, the funds will be provided for eligible construction costs.

We hope this letter serves to clarify how the City's RFP application process works. Insofar as we are aware, the City's financing under the RFP is designed to qualify as a Commitment of Development Funding by a Local Political Subdivision under §50.9(i)(5) of the 2010 Qualified Allocation Plan.

Sincerely,

T.M. Higgins
Assistant City Manager

CITY MANAGER'S OFFICE

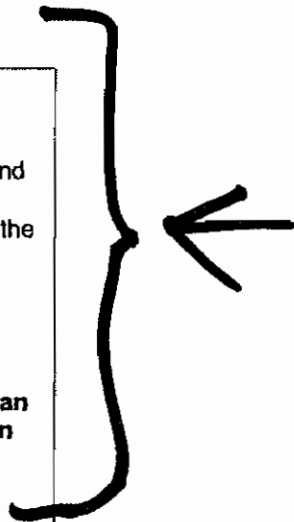
THE CITY OF FORT WORTH * 1000 THROCKMORTON STREET * FORT WORTH, TEXAS 76102
817-392-6111 * FAX 817-392-6134

ATTACHMENT E

**The City of Fort Worth
Affordable Housing Request for Proposals**

The City of Fort Worth is looking for sustainable affordable housing projects. Projects that integrate into existing neighborhoods and result in the greatest benefit for the community will be rated the highest. For all projects, the highest quality materials and design are required.

<p>Application Process Request for Proposal (RFP) application is required to request financial assistance from HOME program for eligible activities within the City of Fort Worth.</p> <p>Applicants are required to attend <u>one</u> of the following Pre-Proposal Conferences. Failure to attend will result in Proposal rejection:</p> <p>Thursday, October 15, 2009, 10am – noon, in the City Hall Pre-Council Chambers, 1000 Throckmorton (2nd floor), FW, 76102.</p> <p>Friday, October 23, 2009 1-3pm, in the City Hall Pre-Council Chambers, 1000 Throckmorton (2nd floor), FW, 76102.</p> <p>Completed Proposals are due back to the City of Fort Worth, Purchasing Department, 1000 Throckmorton, FW, 76102 (lower level) no later than November 5, 2009, 1:30p.m.</p>	<p>Contract Terms In the event that a funding application is approved, terms of the contract will be negotiated between the City of Fort Worth and the successful proposer. The contract will indicate the amount of funding approved by the City Council, as well as the terms and conditions under which the funds may be expended. All project funding will be disbursed on a reimbursable basis for eligible expenses only. In some cases, funds will be required to be deposited in an escrow account and will be released upon issuance of a Certificate of Occupancy.</p> <p>For projects that involve home ownership, clients must be income qualified through the City of Fort Worth Housing Assistance Program (HAP) and will be required to utilize a minimum of \$1,000 in City of Fort Worth Housing Assistance Program (HAP) funds.</p>
<p>Proposal Elements Applicants will be required to provide 12.5% matching funds on HOME funds request. This may be waived at the City's discretion. See page 17 for a definition of acceptable forms of 'Match'.</p>	<p>Permits/Inspections Each individual/organization is responsible for obtaining the appropriate permits, certificates, licenses and approvals which may be required depending on the type of activity.</p> <p>City may inspect project upon demand.</p>
<p>Review Process All Proposals will be reviewed by the City of Fort Worth Housing and Economic Development Staff and Approved by City of Fort Worth City Council.</p> <ul style="list-style-type: none"> • Environmental Review: November/December 2009 • Contract Negotiations: November/December 2009 • Contracts to City Council for approval: December 2009 • Contracts executed: January 2010 <p>*These timeframes are only guidelines and are subject to change.</p>	<p>Reporting Requirements Each individual/organization is responsible for submitting monthly activity reports which include a summary of activities undertaken and expenditures</p> <p>Each individual/organization is responsible for submitting an annual audit performed by an Independent Public Accountant (IPA). A current audit for all entities will be required before a contract is executed.</p> <p>Each individual/organization must report all amounts of funding that financially supports the entity.</p>



ATTACHMENT F



REPORT DATE: 06/14/10 PROGRAM: 9% HTC FILE NUMBER: 10119

DEVELOPMENT

Race Street Lofts

Location: 2817 Race Street and 2812/2820/2822/2902 McLemore Region: 3
 City: Fort Worth County: Tarrant Zip: 76111 QCT DDA
 Key Attributes: General, Reconstruction, Urban, and Multifamily

ALLOCATION

	REQUEST			RECOMMENDATION		
	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term
TDHCA Program						
Housing Tax Credit (Annual)	\$592,207			\$592,207		

CONDITIONS

- 1 Receipt, review, and acceptance, before the 10% Test, of documentation that a comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.
- 2 Receipt, review, and acceptance, by Cost Certification, of documentation that all noise assessment recommendations were implemented.
- 3 Receipt, review, and acceptance, by Cost Certification, of documentation that a subsurface investigation was conducted to evaluate potential impacts to soils and groundwater associated with the former adjacent plastics company, dry cleaners, former US Post Office and the former adjacent Midas Rex facility, and that any subsequent recommendations were implemented.
- 4 Receipt, review, and acceptance, by Cost Certification, of documentation that a comprehensive survey was completed to identify the presence of asbestos-containing-materials or lead-based paint, and that appropriate abatement procedures, consistent with all relevant regulations, were followed for the demolition and removal of any such materials.
- 5 If any existing drinking water piping will be used in the future, then, receipt, review, and acceptance, by Cost Certification, of documentation that a lead in drinking water survey was conducted, and that any subsequent recommendations were implemented.
- 6 Receipt, review and acceptance, by Commitment, of a firm commitment from the City of Fort Worth Department of Housing and Economic Development for the anticipated \$1,500,000 of HOME Funds with the terms of the funds clearly stated.
- 7 Receipt, review and acceptance, by Cost Certification, of an attorney's opinion affirming that the City of Fort Worth Department of Housing and Economic Development cash flow loan can be repaid at or by maturity and can be considered valid debt.
- 8 Should the terms or amounts of the proposed debt or equity change, the transaction should be reevaluated and an adjustment to the credit amount may be warranted.

SALIENT ISSUES

TDHCA SET-ASIDES for LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	2
50% of AMI	50% of AMI	16
60% of AMI	60% of AMI	18

STRENGTHS/MITIGATING FACTORS

- Historical absorption for units built since 2000 is 25-30 units per month.
- Developments in the PMA built since 2005 have occupancies from 92-100%; higher vacancies are concentrated in older properties.
- The property manager NRP Management, LLC has experience managing 16 tax credit properties in Texas with a total 2,925 units.

WEAKNESSES/RISKS

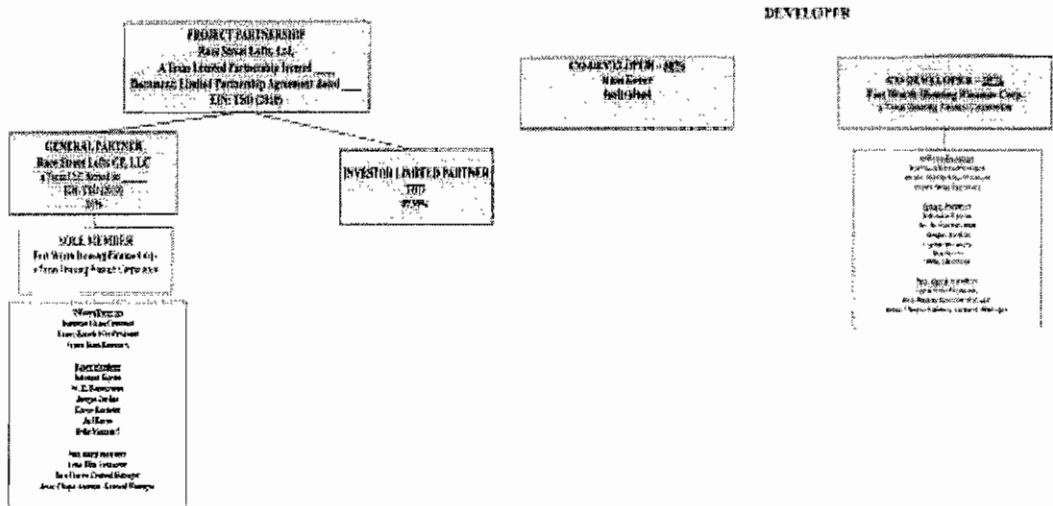
- Occupancies for 2BR and 3BR units in the PMA are below 90%.
- Gross capture rate of 8.9% is close to 10% maximum allowed by Department rule.

PREVIOUS UNDERWRITING REPORTS

None

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



CONTACT

Contact: Jesus "Jay" Chapa Phone: (817) 392-5804 Fax: (817) 392-2431
 Email: jesus.chapa@fortworthgov.org.

IDENTITIES of INTEREST

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

Relocation Plan:

When the appropriate time nears for each of the tenants in the four single-family homes to move more information will be provided explaining the reimbursement of moving expenses, utility transfers, etc. The Applicant has provided a relocation budget of approximately \$50,000.

SITE ISSUES

Total Size:	<u>1.56</u> acres	Scattered site?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Flood Zone:	<u>X</u>	Within 100-yr floodplain?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Zoning:	<u>MU-1 Residential</u>	Needs to be re-zoned?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No <input type="checkbox"/> N/A

TDHCA SITE INSPECTION

Inspector: Manufactured Housing Staff Date: 5/5/2010

Overall Assessment:
 Excellent Acceptable Questionable Poor Unacceptable

Surrounding Uses:
North: Residential East: Small Businesses
South: Small Businesses / Residential Beyond West: Small Businesses

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Terracon Date: 3/9/2010

Recognized Environmental Concerns (RECs) and Other Concerns:

- "Based on the dates of construction (i.e. prior to 1960), Terracon recommends that an asbestos survey be conducted in accordance with local, state, and/or federal laws on the structures prior to renovation or demolition. If the on-site structures are not planned for demolition, Terracon recommends that a lead-based paint survey be conducted."
- "If the existing drinking water piping will be used in the future, Terracon recommends that a lead in drinking water survey be conducted. If new piping will be installed during site development, and if water to the site is or will be supplied by the City of Fort Worth, it does not appear that a lead in drinking water survey will be necessary."
- "Terracon recommends that a subsurface investigation be conducted to evaluate potential impacts to soils and groundwater associated with the former adjacent plastics company, dry cleaners, former US Post Office and the former adjacent Midas Rex facility."
- "Terracon recommends that further evaluation be conducted regarding the noise assessment guidelines."

Any funding recommendation will be subject to the following conditions:

- Receipt, review, and acceptance, before the 10% Test, of documentation that a comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.
- Receipt, review, and acceptance, by Cost Certification, of documentation that all noise assessment recommendations were implemented.
- Receipt, review, and acceptance, by Cost Certification, of documentation that a subsurface investigation was conducted to evaluate potential impacts to soils and groundwater associated with the former adjacent plastics company, dry cleaners, former US Post Office and the former adjacent Midas Rex facility, and that any subsequent recommendations were implemented.

- Receipt, review, and acceptance, by Cost Certification, of documentation that a comprehensive survey was completed to identify the presence of asbestos-containing-materials or lead-based paint, and that appropriate abatement procedures, consistent with all relevant regulations, were followed for the demolition and removal of any such materials.
- If any existing drinking water piping will be used in the future, then, receipt, review, and acceptance, by Cost Certification, of documentation that a lead in drinking water survey was conducted, and that any subsequent recommendations were implemented.

MARKET ANALYSIS

Provider: Apartment MarketData Date: 2/24/2010
 Contact: Darrell Jack Phone: (210) 530-0040
 Number of Revisions: none Date of Last Applicant Revision: N / A

Primary Market Area (PMA): 46 sq. miles 4 mile equivalent radius

The Primary Market Area is defined by 31 census tracts in central Fort Worth, along I 35 between I30 and I820.

ELIGIBLE HOUSEHOLDS BY INCOME								
Tarrant County Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	\$12,720	\$13,850	---	---	\$21,189	\$23,100	\$25,440	\$27,720
2	\$12,720	\$15,850	---	---	\$21,189	\$26,400	\$25,440	\$31,680
3	\$15,257	\$17,800	---	---	\$25,440	\$29,700	\$30,549	\$35,640
4	---	---	---	---	\$29,417	\$33,000	\$35,280	\$39,600
5	---	---	---	---	\$29,417	\$35,650	\$35,280	\$42,780
6	---	---	---	---	---	---	---	---

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
10117	Terrell Homes I	new	family	54	54
10202	Bonnie Brae Estates	new	family	68	68
Other Affordable Developments in PMA since 2006					
060211	Hanratty Place	new	family	n/a	32
Stabilized Affordable Developments in PMA (pre-2006)					
Total Properties (pre-2006)		10	Total Units		1,520

COMPARABLE SUPPLY in SECONDARY MARKET					
08124	Mill Stone Apts	new	family	144	144
07149	Residences at Eastland	new	family	146	146
060415	Village Creek	new	family	252	252

Proposed, Under Construction, and Unstabilized Comparable Supply:

There are two applications, other than the subject, in the 2010 tax credit cycle, for developments in the Primary Market Area targeting family households. Terrell Homes I (#10117) and Bonnie Brae Estates (#10202) both consist entirely of single-family units, but they will compete for some of the same households as the subject, and are therefore included in the comparable supply in calculating the capture rate.

There are also three unstabilized family developments in the surrounding area that must be considered. Mill Stone Apartments, Residences at Eastland, and Village Creek Apartments are all located outside the subject PMA, but the market areas defined for these developments each intersect with the subject PMA. Thirty-five percent of the population of the subject PMA is also targeted by at least one of these developments. These developments are therefore also included in the comparable supply.

OVERALL DEMAND ANALYSIS		
	Market Analyst	Underwriter
Total Households in the Primary Market Area	34,745	34,745
Potential Demand from the Primary Market Area	8,325	7,893
Potential Demand from Other Sources	0	0
GROSS DEMAND	8,325	7,893
Subject Affordable Units	36	36
Unstabilized Comparable Units	55	664
RELEVANT SUPPLY	91	700
Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE	1.1%	8.9%

Demand Analysis:

The Market Analyst identifies 8,325 income-eligible renter households in the PMA, and calculates a Gross Capture rate of 1.1% for a total Relevant Supply of 91 units (36 units at the subject and a total of 55 between Terrell Homes and Bonnie Brae Estates).

The Underwriter only includes eligible households of five-persons or less, providing Gross Demand for 7,893 units; this results in a Gross Capture rate of 8.9% for a total Relevant Supply of 600 units (including Mill Stone, Residences at Eastland, and Village Creek as well as the subject, Terrell Homes and Bonnie Brae Estates).

The maximum Gross Capture Rate for urban developments targeting family households is 10%; the analysis indicates sufficient demand to support the proposed development as well as the other proposed and unstabilized units in the area.

PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Camp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
1 BR/30%	606	1	0	0%	268	1	0	0%
1 BR/50%	924	5	0	1%	420	5	0	1%
1 BR/60%	1001	6	0	1%	474	4	0	1%
2 BR/30%	284	1	0	0%	234	1	1	1%
2 BR/50%	512	6	0	1%	413	6	9	4%
2 BR/60%	468	7	0	1%	375	9	0	2%
3 BR/50%	403	5	13	4%	241	5	51	23%
3 BR/60%	475	5	13	4%	268	5	12	6%

Primary Market Occupancy Rates:

The market study reports overall occupancy in the PMA at 89.2% based on data for 8,558 units. (p. 51) The data shows one-bedroom units at 90.3%, two-bedroom units at 87.8%, and three-bedroom units at 88.0%. (A sample of 20 four-bedroom units are reportedly 100% occupied.)

Additional data with a larger sample representing a larger submarket indicates that properties built since 2000 are 94.4% occupied, properties built in the 1990's average 95.0%, those built in the 1980's average 90%, and those built in the 1970's average 82.3%. [p. 54]

Department data on the affordable properties closest to the subject tends to confirm the trend of occupancy by the age of the properties. Of seven properties within three miles of the subject, four of them, all built since 2005, report occupancies ranging from 92% to 100%. The older properties, from 2001, 1996, and 1995, report 82%, 94%, and 86%. Most of these properties are near the subject or to the south, closer to downtown; Residences at Diamond Hill, the 2001 property at only 82% occupancy, is three miles north of the subject and the furthest from downtown.

The subject will consist of new, contemporary buildings, replacing some very old, dilapidated, and vacant structures. The stronger performance of the newer properties in the market area suggests the subject will have an advantage over the older stock.

Absorption Projections:

The market study reports net absorption of 886 units over five years, but this is made up of 1,558 newer units (built since 2000), and overall negative absorption for older product. Similarly, the trailing one-year data shows absorption of 358 newer units, with negative data for all older units. (p. 54) This data indicates that newer units have been absorbed at an average rate of 25-30 units per month.

Market Impact:

"The proposed project is not likely to have a dramatically detrimental effect on the balance of supply and demand in this market. Newer affordable family units have been easily absorbed. Today, the two newest stabilized affordable projects are both 100% occupied. This demonstrates that the demand for new affordable rental housing is high." (p. 59)

Comments:

While there appears to be some weakness in the occupancy of two- and three-bedroom units, the vacancies seem to be concentrated among the older developments. The overall market analysis supports a funding recommendation for the subject.

OPERATING PROFORMA ANALYSIS

Income: Number of Revisions: Two Date of Last Applicant Revision: 5/13/2010

The Applicant's projected rents collected per unit were calculated by subtracting the tenant-paid utility allowances as of January 1, 2010, maintained by the Fort Worth Housing Authority from the 2009 Housing Tax Credit rent limits which apply to HTC applications. 2010 rent limits were released after underwriting for 2010 applications began; therefore, the development was evaluated using 2009 limits. If the Underwriter and Applicant used 2010 rent limits, income would increase by 2% and DCR would be 1.34 and 1.24, respectively, and the recommendation would not have been affected. Tenants will be required to pay all electric utility costs and water & sewer.

The Applicant's estimate of secondary income and vacancy and collection loss are within the Department's guidelines. Overall the Applicant's effective gross income is within 5% of the Underwriter's estimate.

Expense: Number of Revisions: None Date of Last Applicant Revision: N/A

The Applicant's total annual operating expense projection at \$4,062 per unit is not within 5% of the Underwriter's estimate of \$3,699, derived from the TDHCA database, IREM, and third-party data sources. The Applicant's budget shows two line item estimates that deviate significantly when compared to the Underwriter's estimates, specifically: utilities (56% higher) and water, sewer & trash (71% higher). However, although the Applicant's estimates for these line items differ from the Underwriter's estimates, they are in line with the TDHCA database, and as such are considered to be reasonable.

Conclusion:

The Applicant's estimate of total expenses and net operating income are not within 5% of the Underwriter's estimates; therefore, the Underwriter's year one pro forma is used to determine the development's debt capacity and debt coverage ratio (DCR). Based on the proposed permanent financing structure the calculated DCR of 1.29 falls within the Department's guidelines.

Feasibility:

The underwriting 30-year proforma utilizes a 2% annual growth factor for income and a 3% annual growth factor for expenses in accordance with current TDHCA guidelines. 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 cash flow. Therefore, the development can be characterized as feasible.

ACQUISITION INFORMATION

ASSESSED VALUE

Land Only:	1.56 acres	\$84,756	Tax Year:	2009
Existing Buildings:		\$803,144	Valuation by:	Tarrant CAD
Total Assessed Value:		\$887,900	Tax Rate:	2.826567

EVIDENCE of PROPERTY CONTROL

Type:	Agreement to Purchase and Sell Commercial Land		Acreage:	1.56
Contract Expiration:	12/31/2010	Valid Through Board Date?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Acquisition Cost:	\$1,110,000	Other:		
Seller:	Race Street Properties, LP	Related to Development Team?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

CONSTRUCTION COST ESTIMATE EVALUATION

COST SCHEDULE Number of Revisions: One Date of Last Applicant Revision: 4/26/2010

Acquisition Value:

The site cost of \$1,110,000 which is \$711,538 per acre or \$30,833 per unit is assumed to be reasonable since the acquisition is an arm's-length transaction.

Sitework Cost:

The Applicant's claimed sitework costs over the Departments maximum guideline of \$9,000 per unit and provided sufficient third party certification through a detailed certified cost estimate by a licensed engineer to justify these costs. In addition, these costs have been reviewed by the Applicant's CPA, Novogradac & Company, to preliminarily opine that \$324,000 of the total \$458,232 will be considered eligible. Of note, without the demolition cost the sitework casts would be within the Department's maximum guideline of \$9,000.

Direct Construction Cost:

The Applicant's direct construction cost estimate is \$25.6K or 1% higher than the Underwriter's Marshall & Swift Residential Cost Handbook-derived estimate.

Contingency & Fees:

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

30% Increase to Eligible Basis

The development qualifies for a 30% increase in eligible basis because it is located in an eligible QCT with less than 40% HTC units per households in the tract.

Conclusion:

The Applicant's total development cost is within 5% of the Underwriter's estimate; therefore, the Applicant's development cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$5,061,600 and the 9% applicable percentage rate supports annual tax credits of \$592,207. 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.

PROPOSED FINANCING STRUCTURE

SOURCES & USES Number of Revisions: None Date of Last Applicant Revision: N/A

Source: Oak Grove Capital Type: Interim Financing

Principal: \$3,750,000 Interest Rate: 6.5% Fixed Term: 24 months

Source: City of Fort Worth Type: Interim Financing

Principal: \$1,500,000 Interest Rate: 1.0% Fixed Term: TBD months

Comments:

At the time of underwriting there was only an application pending for the funds; therefore, by Commitment a firm commitment from The City of Fort Worth for the anticipated \$1,500,000 with the terms of the funds clearly stated will be required.

Source: Lifestyle Neighborhoods Corporation Type: Interim Financing

Principal: \$140,000 Interest Rate: 7.0% Fixed Term: 15 months

Comments:

The interest will be the greater of seven percent or prime plus two percent.

Source: Oak Grove Capital Type: Permanent Financing

Principal: \$1,220,000 Interest Rate: 9.0% Fixed Amort: 360 months
Term: 18 years

Source: City of Fort Worth Type: Permanent Financing

Principal: \$1,500,000 Interest Rate: 1.0% Fixed Amort: 420 months
Term: 35 years

Comments:

Applicant has requested a 1% soft simple interest rate, accruing, but not compounded based on available cash flow. Also at the time of underwriting there was only an application pending for the funds; therefore, by Commitment a firm commitment from The City of Fort Worth for the anticipated \$1,500,000 with the terms of the funds clearly stated will be required.

The recommended financing structure does not show sufficient cash flow to repay the loan. Accordingly, receipt, review and acceptance, by Cost Certification, of an attorney's opinion affirming that the cash flow loan can be repaid at or by maturity and can be considered valid debt is a condition of this report.

Source: Red Stone Equity Partners Type: Syndication

Proceeds: \$4,026,202 Syndication Rate: 68% Anticipated HTC: \$ 592,207

Amount: \$16,537 Type: Deferred Developer Fees

CONCLUSIONS

Recommended Financing Structure:

The Applicant's total development cost estimate less the permanent loan of \$1,220,000 and the HOME funds from the City of Fort Worth for \$1,500,000 indicates the need for \$4,042,739 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$594,639 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

Allocation determined by eligible basis:	\$592,207
Allocation determined by gap in financing:	\$594,639
Allocation requested by the Applicant:	\$592,207

The allocation amount determined by the Applicant's requested amount / eligible basis is recommended. A tax credit allocation of \$592,207 per year for 10 years results in total equity proceeds of \$4,026,202 at a syndication rate of \$0.68 per tax credit dollar.

The Underwriter's recommended financing structure indicates the need for \$16,537 in additional permanent funds. Deferred developer and contractor fees in this amount appear to be repayable from development cashflow within one year of stabilized operation.

Underwriter:	_____	Date:	_____
	<i>Carl Hoover</i>		June 14, 2010
Manager of Real Estate Analysis:	_____	Date:	_____
	<i>Audrey Martin</i>		June 14, 2010
Director of Real Estate Analysis:	_____	Date:	_____
	<i>Brent Stewart</i>		June 14, 2010

UNIT MIX/RENT SCHEDULE

Race Street Lofts, Fort Worth, 9% HTC #10119

LOCATION DATA		UNIT DISTRIBUTION			Other Unit Designation				OTHER ASSUMPTIONS	
CITY:	Fort Worth	# Beds	# Units	% Total	PROGRAMS:				RECONSTRUCTION	REVENUE GROWTH:
					Eff	1	2	3		
COUNTY:	Tarrant									2.00%
SUB-MARKET:										3.00%
PROGRAM REGION:	3		10	27.8%	LH	\$577	\$618	\$858	\$957	130%
RURAL RENT USED:	No		16	44.4%	HH	\$648	\$689	\$1,082	\$1,186	100.00%
IREM REGION:	Fort Worth		10	27.8%	MISC					N/A
			36	100.0%						9.00%
TOTAL:										

UNIT MIX / MONTHLY RENT SCHEDULE

Type	UNIT DESCRIPTION			PROGRAM RENT LIMITS			APPLICANT RENTS				TDHCA RENTS			OTHER UNIT DESIGNATION		MARKET RENTS	
	Other Designation	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Paid Utilities (Verified)	Max Net Program Rent	Delta to Max Program	Net Rent per Unit	Total Monthly Rent	Net Rent per Unit	Total Monthly Rent	Delta to Max Program	RENT per NRA	HOME	TDHCA Savings to Market
TC 30%	LH	1	1	1	818	\$371	\$80	\$291	\$0	\$0.35	\$291	\$291	\$291	\$0	\$0.35	\$518	\$554
TC 50%	HH	5	1	1	818	\$618	\$80	\$538	\$0	\$0.65	\$2,690	\$2,690	\$2,690	\$0	\$0.65	\$588	\$307
TC 60%		4	1	1	818	\$742	\$80	\$662	\$0	\$0.81	\$2,648	\$2,648	\$2,648	\$0	\$0.81	\$662	\$183
TC 30%	LH	1	2	2	1,001	\$445	\$97	\$348	\$0	\$0.35	\$348	\$348	\$348	\$0	\$0.35	\$742	\$602
TC 50%	HH	6	2	2	1,001	\$742	\$97	\$645	\$0	\$0.64	\$3,870	\$3,870	\$3,870	\$0	\$0.64	\$838	\$305
TC 60%		9	2	2	1,001	\$891	\$97	\$794	\$0	\$0.79	\$7,146	\$7,146	\$7,146	\$0	\$0.79	\$950	\$156
TC 50%		3	3	2	1,202	\$858	\$113	\$745	(\$1)	\$0.62	\$2,232	\$2,232	\$2,232	\$0	\$0.62	\$1,170	\$425
TC 60%		3	3	2	1,202	\$1,029	\$113	\$916	\$0	\$0.76	\$2,748	\$2,748	\$2,748	\$0	\$0.76	\$1,170	\$254
TC 50%	LH	1	3	2	1,206	\$858	\$113	\$745	(\$1)	\$0.62	\$744	\$744	\$745	\$0	\$0.62	\$1,175	\$430
TC 50%	HH	1	3	2	1,206	\$858	\$113	\$745	(\$1)	\$0.62	\$744	\$744	\$745	\$0	\$0.62	\$1,175	\$430
TC 60%		2	3	2	1,206	\$1,029	\$113	\$916	\$0	\$0.76	\$1,832	\$1,832	\$1,832	\$0	\$0.76	\$1,175	\$259
TOTAL:		36			36,232						\$25,293	\$25,298	\$25,298				
AVG:					1,006				(\$0)	\$0.70	\$703	\$703	\$703		\$0.70	\$983	(\$260)
ANNUAL:											\$303,516	\$303,516	\$303,516				

PROFORMA ANALYSIS & DEVELOPMENT COSTS

Race Street Lofts, Fort Worth, 9% HTC #10119

INCOME

Total Net Rentable Sq Ft:

POTENTIAL GROSS RENT

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

TDHCA	APPLICANT
\$303,576	\$303,516
4,320	4,320
\$307,896	\$307,836
(23,092)	(23,088)
0	
\$284,804	\$284,748

\$10.00	Per Unit Per Month
\$0.00	Per Unit Per Month
\$0.00	Per Unit Per Month
-7.50%	of Potential Gross 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	3.99%	\$316	0.31
Management	5.00%	\$396	0.39
Payroll & Payroll Tax	10.07%	\$796	0.79
Repairs & Maintenance	10.12%	\$801	0.80
Utilities	3.15%	\$250	0.25
Water, Sewer, & Trash	4.24%	\$335	0.33
Property Insurance	3.99%	\$316	0.31
Property Tax	2.826567	0.00%	\$0
Reserve for Replacements	3.16%	\$250	0.25
TDHCA Compliance Fees	0.51%	\$40	0.04
Other: Supp. Serv.	2.53%	\$200	0.20
TOTAL EXPENSES	46.76%	\$3,699	\$3.68

TDHCA	APPLICANT
\$11,376	\$11,880
14,240	14,091
28,670	30,420
28,820	28,440
8,982	14,040
12,072	20,700
11,368	9,036
0	0
9,000	9,000
1,440	1,440
7,200	7,200
\$133,168	\$146,247

PER SQ FT	PER UNIT	% OF EGI
\$0.33	\$330	4.17%
0.39	391	4.95%
0.84	845	10.68%
0.78	790	9.99%
0.39	390	4.93%
0.57	575	7.27%
0.25	251	3.17%
0.00	0	0.00%
0.25	250	3.16%
0.04	40	0.51%
0.20	200	2.53%
\$4.04	\$4,062	51.36%

NET OPERATING INC

% OF EGI	PER UNIT	PER SQ FT
53.24%	\$4,212	\$4.19

TDHCA	APPLICANT
\$151,636	\$138,501

PER SQ FT	PER UNIT	% OF EGI
\$3.82	\$3,847	46.64%

DEBT SERVICE

Oak Grove Capital	
City of Fort Worth - HOME	
Additional Financing	
Additional Financing	
Additional Financing	
TOTAL DEBT SERVICE	

\$117,797	\$117,797
\$0	
\$0	
0	
0	
117,797	117,797

NET CASH FLOW

\$33,839	\$20,704
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AGGREGATE DEBT COVERAGE RATIO

1.29	1.18
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RECOMMENDED DEBT COVERAGE RATIO

1.29

CONSTRUCTION COST

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT
Acquisition Cost (site or bldg)		16.69%	\$30,833	\$30.64
Off-Sites		0.00%	\$0	\$0.00
Sitework		4.87%	\$9,000	\$8.94
Direct Construction		30.23%	\$55,849	\$55.49
Contingency	5.05%	1.77%	\$3,278	\$3.26
Contractor's Fees	16.00%	5.90%	\$10,900	\$10.83
Indirect Construction		15.63%	\$29,244	\$29.06
Ineligible Costs		8.09%	\$11,253	\$11.18
Developer's Fees	20.00%	12.60%	\$23,266	\$23.12
Interim Financing		4.37%	\$8,069	\$8.02
Reserves		1.65%	\$3,043	\$3.02
TOTAL COST		100.00%	\$184,737.97	\$183.56
Construction Cost Recap		42.78%	\$79,028	\$78.52

TDHCA	APPLICANT
\$1,110,000	\$1,110,000
0	0
324,000	324,000
2,010,568	2,036,210
118,010	118,010
392,412	396,514
1,052,798	1,052,798
405,117	405,117
837,651	843,600
290,468	290,468
109,542	186,022
\$6,650,567	\$6,762,739

PER SQ FT	PER UNIT	% of TOTAL
\$30.64	\$30,833	16.41%
0.00	0	0.00%
8.94	9,000	4.79%
56.20	56,561	30.11%
3.26	3,278	1.75%
10.94	11,014	5.66%
29.06	29,244	15.57%
11.18	11,253	5.99%
23.26	23,433	12.47%
6.02	6,069	4.30%
5.13	5,167	2.75%
\$186.65	\$167,654	100.00%
\$79.34	\$79,854	42.51%

SOURCES OF FUNDS

Oak Grove Capital	18.34%	\$33,689	\$33.67
City of Fort Worth - HOME	22.55%	\$41,667	\$41.40
HTC Syndication Proceeds	60.54%	\$111,839	\$111.12
Deferred Developer Fees	0.25%	\$459	\$0.46
Additional (Excess) Funds Req'd	-1.69%	(\$3,116)	(\$3.10)
TOTAL SOURCES			

\$1,220,000	\$1,220,000
1,500,000	1,500,000
4,026,202	4,026,202
16,537	16,537
(112,172)	0
\$6,650,567	\$6,762,739

RECOMMENDED

\$1,220,000
1,500,000
4,026,202
16,537
0
\$6,762,739

Developer Fee Available	\$843,600
% of Dev. Fee Deferred	2%
15-Yr Cumulative Cash Flow	\$700,087

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Race Street Lofts, Fort Worth, 9% HTC #10119

DIRECT CONSTRUCTION COST ESTIMATE

Marshall & Swift Residential Cost Handbook
Average Quality Multiple Residence Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$54.58	\$1,977,575
Adjustments				
Exterior Wall Finish	0.00%		\$0.00	\$0
Elderly	0.00%		0.00	0
9-Ft. Ceilings	3.00%		1.64	59,327
Roofing			0.00	0
Subfloor			0.63	22,754
Floor Cover			2.41	87,319
Breezeways	\$24.13	5,310	3.54	128,120
Balconies	\$22.22	2,704	1.66	60,080
Plumbing Fixtures	\$845	78	1.82	65,910
Rough-ins	\$420	72	0.83	30,240
Built-In Appliances	\$1,850	36	1.84	66,600
Exterior Stairs	\$1,900	9	0.47	17,100
Enclosed Corridors	\$44.66		0.00	0
Carports	\$9.70	0	0.00	0
Heating/Cooling			1.85	67,029
Garages	\$30.00	0	0.00	0
Comm &/or Aux Bldgs	\$78.98	1,890	4.12	149,272
Other: fire sprinkler	\$2.25	36,232	2.25	81,522
SUBTOTAL			77.63	2,812,848
Current Cost Multiplier	0.99		(0.78)	(28,128)
Local Multiplier	0.89		(8.54)	(309,413)
TOTAL DIRECT CONSTRUCTION COSTS			\$68.32	\$2,475,307
Plans, specs, survy, bld pm	3.90%		(\$2.66)	(\$96,537)
Interim Construction Interes	3.38%		(2.31)	(83,542)
Contractor's OH & Profit	11.50%		(7.86)	(284,660)
NET DIRECT CONSTRUCTION COSTS			\$55.49	\$2,010,568

PROPOSED PAYMENT COMPUTATION

Oak Grove Capital	\$1,220,000	Amort	360
Int Rate	9.00%	DCR	1.29
City of Fort Worth - t			
	\$1,500,000	Amort	0
Int Rate	1.00%	Subtotal DCR	1.29
Additional Financing			
	\$0	Amort	
Int Rate		Aggregate DCR	1.29
Additional Financing			
	\$0	Amort	
Int Rate		Subtotal DCR	1.29
Additional Financing			
	\$0	Amort	
Int Rate		Aggregate DCR	1.29

RECOMMENDED FINANCING STRUCTURE:

Oak Grove Capital	\$117,797
City of Fort Worth - HOME	0
Additional Financing	0
Additional Financing	0
Additional Financing	0
TOTAL DEBT SERVICE	\$117,797
Oak Grove Capital	
	\$1,220,000
Int Rate	9.00%
City of Fort Worth - t	
	\$1,500,000
Int Rate	1.00%
Additional Financing	
	\$0
Int Rate	0.00%
Additional Financing	
	\$0
Int Rate	0.00%
Additional Financing	
	\$0
Int Rate	0.00%

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE

INCOME at 2.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$303,576	\$309,648	\$315,840	\$322,157	\$328,600	\$362,801	\$400,562	\$442,253	\$539,104
Secondary Income	4,320	4,406	4,495	4,584	4,676	5,163	5,700	6,293	7,672
Other Support Income:	0	0	0	0	0	0	0	0	0
Other Support Income:	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	307,896	314,054	320,335	326,742	333,277	367,964	406,262	448,546	546,775
Vacancy & Collection Loss	(23,092)	(23,554)	(24,025)	(24,506)	(24,996)	(27,597)	(30,470)	(33,641)	(41,006)
Employee or Other Non-Rental	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$284,804	\$290,500	\$296,310	\$302,236	\$308,281	\$340,367	\$375,793	\$414,905	\$505,767
EXPENSES at 3.00%									
General & Administrative	\$11,376	\$11,717	\$12,058	\$12,430	\$12,803	\$14,843	\$17,207	\$19,947	\$26,807
Management	14,240	14,525	14,815	15,112	15,414	17,018	18,790	20,745	25,288
Payroll & Payroll Tax	28,670	29,530	30,416	31,328	32,268	37,407	43,365	50,272	67,562
Repairs & Maintenance	29,820	29,685	30,576	31,493	32,438	37,604	43,593	50,537	67,917
Utilities	8,982	9,251	9,529	9,815	10,109	11,719	13,586	15,750	21,167
Water, Sewer & Trash	12,072	12,434	12,807	13,191	13,587	15,751	18,260	21,168	28,448
Insurance	11,368	11,709	12,061	12,422	12,795	14,833	17,196	19,934	26,790
Property Tax	0	0	0	0	0	0	0	0	0
Reserve for Replacements	9,000	9,270	9,548	9,835	10,130	11,743	13,613	15,782	21,209
TDHCA Compliance Fee	1,440	1,463	1,528	1,574	1,621	1,879	2,178	2,525	3,393
Other	7,200	7,416	7,638	7,868	8,104	9,394	10,891	12,625	16,967
TOTAL EXPENSES	\$133,168	\$137,021	\$140,986	\$145,068	\$149,268	\$172,192	\$198,679	\$229,286	\$305,550
NET OPERATING INCOME	\$151,636	\$153,479	\$155,324	\$157,168	\$159,012	\$168,175	\$177,114	\$185,619	\$200,217
DEBT SERVICE									
First Lien Financing	\$117,797	\$117,797	\$117,797	\$117,797	\$117,797	\$117,797	\$117,797	\$117,797	\$117,797
Second Lien	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$33,839	\$35,682	\$37,527	\$39,372	\$41,216	\$50,378	\$59,317	\$67,822	\$82,421
DEBT COVERAGE RATIO	1.29	1.30	1.32	1.33	1.35	1.43	1.50	1.58	1.70

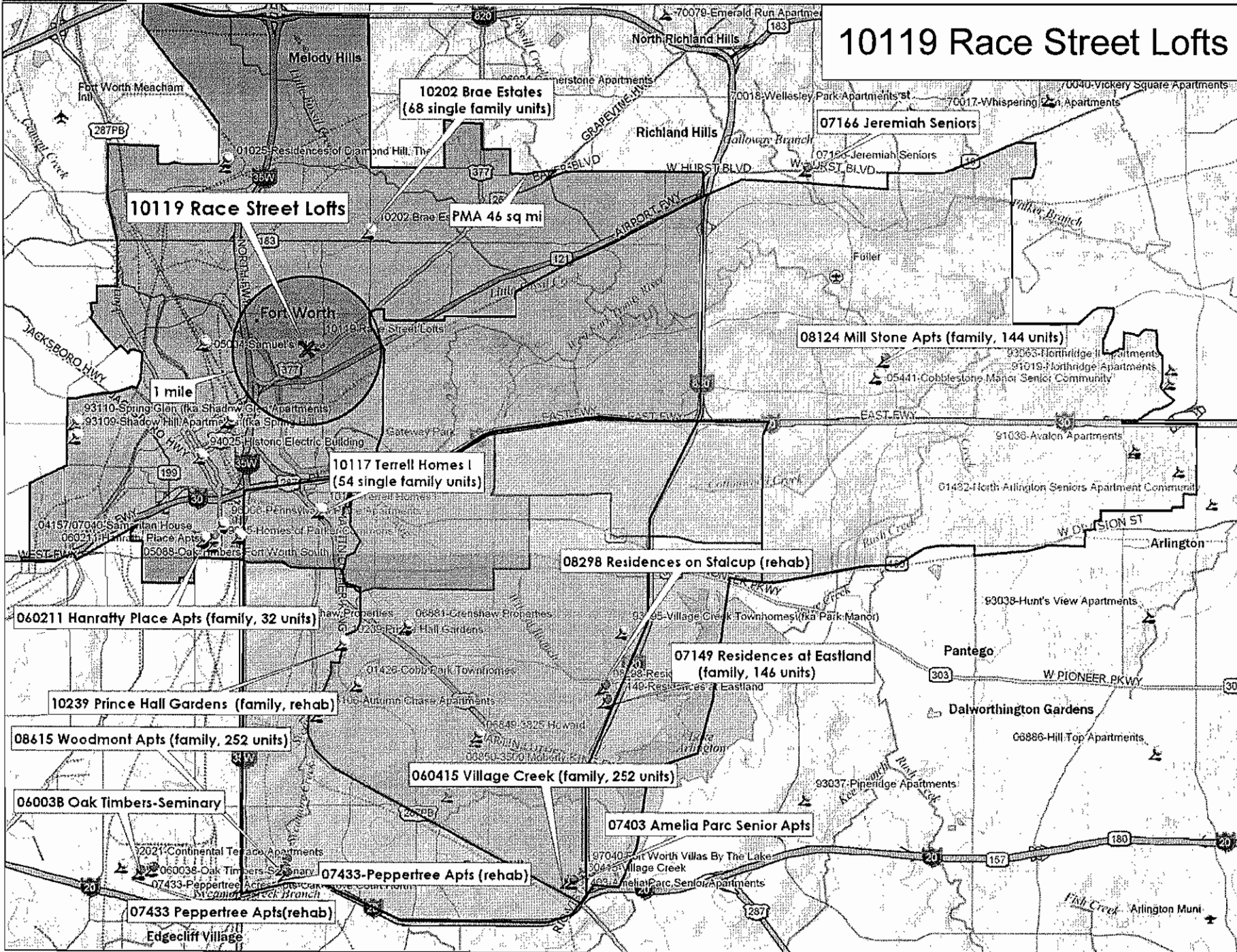
HTC ALLOCATION ANALYSIS -Race Street Lofts, Fort Worth, 9% HTC #10119

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
Acquisition Cost				
Purchase of land	\$1,110,000	\$1,110,000		
Purchase of buildings				
Off-Site Improvements				
Sitework	\$324,000	\$324,000	\$324,000	\$324,000
Construction Hard Costs	\$2,036,210	\$2,010,568	\$2,036,210	\$2,010,568
Contractor Fees	\$396,514	\$392,412	\$396,514	\$392,412
Contingencies	\$118,010	\$118,010	\$118,010	\$118,010
Eligible Indirect Fees	\$1,052,798	\$1,052,798	\$1,052,798	\$1,052,798
Eligible Financing Fees	\$290,468	\$290,468	\$290,468	\$290,468
All Ineligible Costs	\$405,117	\$405,117		
Developer Fees				
Developer Fees	\$843,600	\$837,651	\$843,600	\$837,651
Development Reserves	\$186,022	\$109,542		
TOTAL DEVELOPMENT COSTS	\$6,762,739	\$6,650,567	\$5,061,600	\$5,025,907

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		\$5,061,600	\$5,025,907
High Cost Area Adjustment		130%	130%
TOTAL ADJUSTED BASIS		\$6,580,080	\$6,533,680
Applicable Fraction		100%	100%
TOTAL QUALIFIED BASIS		\$6,580,080	\$6,533,680
Applicable Percentage		9.00%	9.00%
TOTAL AMOUNT OF TAX CREDITS		\$592,207	\$588,031

Syndication Proceeds	0.6799	\$4,026,203	\$3,997,812
Total Tax Credits (Eligible Basis Method)		\$592,207	\$588,031
Syndication Proceeds		\$4,026,203	\$3,997,812
Requested Tax Credits		\$592,207	
Syndication Proceeds		\$4,026,202	
Gap of Syndication Proceeds Needed		\$4,042,739	
Total Tax Credits (Gap Method)		\$594,639	
Recommended Tax Credits		592,207	
Syndication Proceeds		\$4,026,202	

10119 Race Street Lofts



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06-11-2010

Roundstone Development, LLC

Contact: Michael A. Hartman
1370 Taurus Court
Merritt Island, FL 32953
321-453-9587 / 321-453-6796 fax
321-223-8650 cell
mah1370@hotmail.com

RECEIVED
JUN 11 2010

EXECUTIVE DIRECTOR

June 9, 2010

Mr. Michael Gerber, Executive Director
Texas Department of Housing and Community Affairs
221 E. 11th Street
Austin, Texas 78701

Re: Challenge of TDHCA Application 10153
Britain Way

Dear Mr. Gerber:

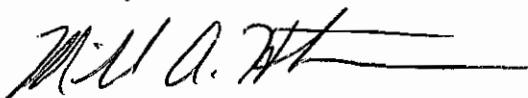
We hereby provide the following information and challenge the scoring of Application 10153 (hereinafter referred to as "10153").

Scoring under QAP Section 50.9(i)(5)

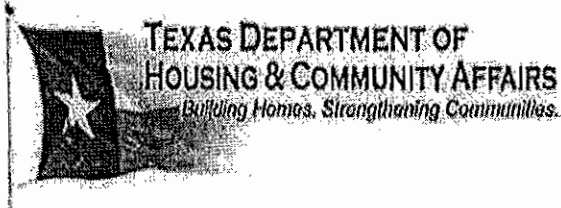
1. Attached is a letter dated March 1, 2010 from the Capital Area HFC (CAHFC) submitted by 10153 in support of the award of points for the commitment of development funding by local political subdivisions.
2. Also attached are the Rules for Loans for the CAHFC. The Rule states that loans will be considered only in nine counties, a list of which is included, or if a loan is to be made in another Local Political Subdivision under an executed Interlocal Agreement.
3. The site is located in Irving, Dallas County, neither of which are served by the CAHFC.
4. Application 10153 did not include an executed Interlocal Agreement between the CAHFC and either Irving or Dallas County.
5. Therefore, 10153 cannot legally secure a loan from the CAHFC that qualifies under the QAP and should not receive points under Section 50.9(i)(5).

We thank you for your consideration of this matter.

Sincerely,




Michael A. Hartman
Enclosures




2010 MULTIFAMILY UNIFORM APPLICATION
 Texas Department of Housing and Community Affairs
 Mailing Address: P.O. Box 13941, Austin, TX 78711-3941
 Physical Address: 221 East 11th Street, Austin, TX 78701

The undersigned hereby makes Application to TDHCA for financial assistance. The Applicant has read and understands the Application Instructions, has read and understands §30.9(e), Adherence to Obligations, of the 2010 Qualified Allocation Plan and Rules, and certifies that all information herein is true and correct to the best of their knowledge and belief. By signing this document, Applicant is affirming that all statements and representations made in this document are true and correct under penalty of Chapter 37 of the Texas Penal Code titled Perjury and Other Falsification and subject to criminal penalties as defined by the State of Texas. TEX. PENAL CODE ANN. §§37.01 et seq. (VERNON 2003 & SUPP. 2007).

Submitted Application must be signed by a representative with authority to execute documents on the Applicant's behalf.


 Applicant's Authorized Representative's Signature


 DEEPAK P. GULAKHE
 Representative's Printed Name, Title
 PRINCIPAL OF MANAGING MEMBER
 Date: 2.28.10

Volume 1, Tab 1
PART A. ACTIVITY OVERVIEW

1. Multifamily Rental Development Name and Location

Development Name: Brittain Way Region: 3
 Address: 1954 Shoaf
 City: Irving County: Dallas ZIP: 75061
 If a Pre-Application was submitted, enter TDHCA assigned Development number: 10153

2. Target Population (Select by Placing a "x"):

- General
- Elderly
- Intergenerational Housing
- Supportive Housing

3. Construction Type (Select Only One by Placing a "x"):

- New Construction
- Acquisition/Rehabilitation (includes Reconstruction)
- Acquisition/Rehabilitation (excludes Reconstruction)
- Adaptive Reuse
- Single Room Occupancy

COMMITMENT OF DEVELOPMENT FUNDING FROM LOCAL POLITICAL SUBDIVISION (50.9)(i)(5)

Applications may qualify to receive up to 18 points for qualifying under this exhibit. An Applicant may submit enough sources to substantiate the point request. For example, if an Applicant is requesting 18 points, five sources may be submitted if each is for an amount equal to 1% of the Total Housing Development Cost.

Complete 1 form for each source. Use additional pages if necessary

All funding, including in-kind contributions (except Development Based Rental Subsidies), must be reflected in the Volume 1, Tab 4, Part A. Summary of Sources and Uses of Funds form, the Volume 1, Tab 4, Part B. Financing Participants form, and Volume 1, Tab 4, Financing Narrative

1. Name of Local Political Subdivision/Governmental Instrumentality:

Capital Area Housing Finance Corporation

2. Funding Source. Refer to ASPM and QAP for specific requirements of each funding source. Check one box.

Loan:

Loans must have a minimum term of the later of one year and Placed in Service Date, and the interest rate must be at or below the Applicable Federal Rate (AFR) at the time of loan closing

Source :	<u>CAHFC</u>	Amount:	<u>\$950,000</u>
Source:	_____	Amount:	_____
Source:	_____	Amount:	_____
Total Amount attributed to the Total Housing Development Cost			<u>\$950,000</u>

Grant

Source:	_____	Amount:	_____
Source:	_____	Amount:	_____
Source:	_____	Amount:	_____
Total Amount attributed to the Total Housing Development Cost			<u>\$0</u>

TDHCA HOME Funds

A resolution, dated on or before February 27, 2009, is submitted with the Application from the Local Political Subdivision authorizing the Applicant to act on behalf of the Local Political Subdivision in applying for HOME Funds from TDHCA for the particular Application

Total Amount attributed to the Total Housing Development Cost _____

In-kind Contribution

In-kind contributions must provide a tangible economic benefit that results in a quantifiable reduction in the Total Housing Development Cost; evidence from the Local Political Subdivision that substantiates the value must be provided; the value of the in-kind contribution may only include the time period between award, or August 1, 2009, and the Development's Placed in Service date, with the exception of land contributions; and the in-kind contribution may only include the value during the period or waiver is received and/or assessed. Tax exemptions or abatements must be in addition to those required under statute. For land contributions, the entire value of the land may be included; an appraisal must be provided to substantiate the value of the land; evidence of the value of the contribution from the Local Political Subdivision must reference the appraisal; and the land must be under the control of the Applicant.

Source:	_____	Amount:	_____
Source:	_____	Amount:	_____
Source:	_____	Amount:	_____
Total Amount attributed to the Total Housing Development Cost (For all contributions except for land, include value of contribution from August 1, 2009 through Placed in Service date):			<u>\$0</u>

Type of in-kind contribution: _____



March 1, 2010

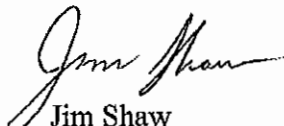
Mr. Deepak Sulakhe
OM Housing LLC
P. O. Box # 515485
Dallas, TX 75251

Re: Britain Way Apartments

Dear Mr. Sulakhe,

We have received your loan request dated March 1, 2010 for \$950,000.00 for a term of one (1) year or the placed in service date, whichever is longer, at an interest rate of AFR or less. We are in the process of evaluating your request and we will contact you should we have questions concerning your application.

Kind regards,


Jim Shaw
Executive Director

CAPITAL AREA HOUSING FINANCE CORPORATION

RULES FOR LOANS IN CONNECTION WITH OBTAINING TAX CREDITS FOR MULTIFAMILY RESIDENTIAL RENTAL PROJECTS

ARTICLE I. PURPOSE AND SCOPE

Capital Area Housing Finance Corporation (the "*Corporation*") was created as a public non-profit corporation under the provisions of the Texas Housing Finance Corporations Act, Texas Local Government Code, Chapter 394, as amended (the "*Act*"). The Corporation's primary purpose is to assist individuals of low and moderate income to obtain decent, safe, sanitary, and affordable housing. The Corporation is authorized by the Act to make loans to further its purposes thereunder. Applications for loans will be considered in connection with developments located in one or more of the following: Counties of Bastrop, Blanco, Burnet, Caldwell, Fayette, Hays, Lee, Llano and Williamson (collectively, the "*Program Area*") or in locations outside of the Program Area with the consent of the applicable Local Political Subdivision as evidenced by an executed Interlocal Agreement. The Corporation has adopted these Rules to set forth the general requirements and procedures applicable to qualifying for a loan in connection with obtaining tax credits from the Texas Department of Housing and Community Affairs (the "*TDHCA*") in connection with applicant's residential development. The Corporation makes no representation or warranty that the loan will comply with the rules and regulations of the TDHCA.

A. *Application of Rules.* These Rules apply to specific multifamily rental residential developments for which an applicant or a Local Political Subdivision on behalf of an applicant requests the Corporation to make a loan to obtain tax credits in connection with such development.

B. *Waiver of Rules.* Specific provisions of these Rules may be waived by a majority vote of the Board of Directors of the Corporation.

C. *Amendment of Rules.* These Rules may be amended, revised, repealed or otherwise altered by a majority of the Board of Directors of the Corporation at any time and from time to time and with or without notice.

ARTICLE II. GENERAL REQUIREMENTS

The Corporation will not make a loan of funds to any applicant in connection with any financing for any residential development that has not satisfied, as determined by the Corporation, general requirements set forth in these Rules. The Corporation reserves the right to impose additional specific requirements with respect to any particular residential development. Compliance with these Rules does not and shall not be deemed to constitute a commitment or assurance that financing will be provided by the Corporation. In completing and executing the Application for Loan attached hereto, the applicant hereby represents and warrants or covenants

June 24, 2010

Ms. Robbye Meyer
Director, Multifamily Finance Production Division
Texas Department of Housing and Community Affairs
PO Box 13941
Austin, TX 78711

RE: Response to Challenge of 10153, Britain Way Apartments

Dear Ms. Meyer:

This letter is in response to the challenge presented by Mr. Michael A. Hartman regarding the scoring on application 10153 Britain Way. Mr. Hartman argues that points under section 50.9(i)(5) should not be awarded to Britain Way because the application cannot secure a loan from the funding source, Capital Area Housing Finance Corporation (CAHFC). Mr. Hartman specifically states that an executed interlocal agreement was not provided with the application.

Per section 50.9(i)(5)(viii) of the QAP, an applicant may provide either (a) a copy of the commitment of funds, (b) a copy of the application to the funding entity and a letter from the funding entity indicating that the application was received, or (c) a letter from the funding entity indicating that funds for which the Applicant intends to apply for will become available after March 1, 2010. A copy of the application to the Capital Area Housing Finance Corporation (CAHFC) and a letter from CAHFC indicating that the application was received was provided with the HTC Full Application. An interlocal agreement is not required with the CAHFC application at the time of submission. Furthermore, CAHFC will determine the format of the agreement between CAHFC and the local government entity during their review process.

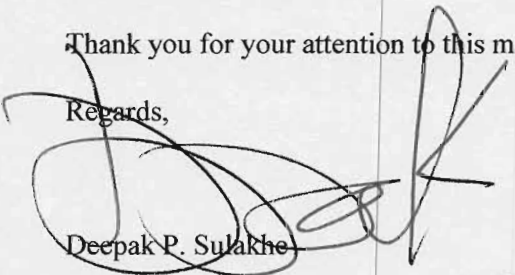
Per section 50.9(i)(5)(IX) of the QAP, the final commitment of funding is not required until Commitment Notice. The exact language of the QAP reads as follows:

If not already provided, at the time the executed Commitment Notice is required to be submitted, the Applicant or Development Owner must provide evidence of a commitment approved by the Governing Body of the Local Political Subdivision for the Development Funding to the Department.

A final commitment of funding is not required until Commitment Notice. Per the QAP, the application for Britain Way met the point requirements under section 50.9(i)(5) of the QAP with the submission of the application to the funding entity and the letter that the application was received. Points should be awarded for this scoring item.

Thank you for your attention to this matter. Please contact me with any questions.

Regards,


Deepak P. Sulakhe

Roundstone Development, LLC
Contact: Michael A. Hartman
1370 Taurus Court
Merritt Island, FL 32953
321-453-9587 / 321-453-6796 fax
321-223-8650 cell
mah1370@hotmail.com

RECEIVED
JUN 11 2010
EXECUTIVE DIRECTOR

June 9, 2010

Mr. Michael Gerber, Executive Director
Texas Department of Housing and Community Affairs
221 E. 11th Street
Austin, Texas 78701

Re: Challenge of TDHCA Application 10149
Sedona Ranch

Dear Mr. Gerber:

We hereby provide the following information and challenge the scoring of Application 10149 (hereinafter referred to as "10149").

Scoring under QAP Section 50.9(i)(5)

1. Attached is a letter dated February 26, 2010 from the East Texas HFC submitted by 10149 in support of the award of points for the commitment of development funding by local political subdivisions.
2. Also attached are the Rules for Loans from the East Texas HFC. The pertinent Rule states that loans will be considered only in Sponsoring Political Subdivisions, a list of which is attached, or if a loan is to be made in the jurisdiction of another HFC under a cooperative agreement.
3. Also attached is a list of jurisdictions served by East Texas HFC. Tarrant County, the location of 10149, is not served by the East Texas HFC.
4. The site is located in Fort Worth, Tarrant County, each of which has its own HFC per the enclosed lists.
5. Application 10149 did not include a cooperative agreement between the East Texas HFC and either the Fort Worth or Tarrant County HFCs.
6. Therefore, 10149 cannot legally secure a loan from the East Texas HFC that qualifies under the QAP and should not receive points under Section 50.9(i)(5).

We thank you for your consideration of this matter.

Sincerely,




Michael A. Hartman
Enclosures



2010 MULTIFAMILY UNIFORM APPLICATION
Texas Department of Housing and Community Affairs
Mailing Address: P.O. Box 13941, Austin, TX 78711-3941
Physical Address: 221 East 11th Street, Austin, TX 78701

The undersigned hereby makes Application to TDHCA for financial assistance. The Applicant has read and understands the Application instructions, has read and understands §50.9(c), Adherence to Obligations, of the 2010 Qualified Allocation Plan and Rules, and certifies that all information herein is true and correct to the best of their knowledge and belief. By signing this document, Applicant is affirming that all statements and representations made in this document are true and correct under penalty of Chapter 37 of the Texas Penal Code titled Perjury and Other Falsification and subject to criminal penalties as defined by the State of Texas. TEX. PENAL CODE ANN. §§37.01 et seq. (VERNON 2003 & SUPP. 2007).

Submitted Application must be signed by a representative with authority to execute documents on the Applicant's behalf.


Applicant's Authorized Representative's Signature

Manish Verma
Representative's Printed Name, Title

3/1/10
Date

PART A, ACTIVITY OVERVIEW

1. Multifamily Rental Development Name and Location

Development Name:	<u>Sedona Ranch</u>	Region:	<u>3</u>
Address:	<u>6101 Old Denton Road</u>		
City:	<u>Fort Worth</u>	County:	<u>Tarrant</u>
		ZIP:	<u>76131</u>
If a Pre-Application was submitted, enter TDHCA assigned Development number:			<u>10149</u>

2. Target Population (Select by Placing a "x"):

- General
- Elderly
- Intergenerational Housing
- Supportive Housing

3. Construction Type (Select Only One by Placing a "x"):

- New Construction
- Acquisition/Rehabilitation (includes Reconstruction)
- Acquisition/Rehabilitation (excludes Reconstruction)
- Adaptive Reuse
- Single Room Occupancy

COMMITMENT OF DEVELOPMENT FUNDING FROM LOCAL POLITICAL SUBDIVISION (50.9)(i)(5)

Applications may qualify to receive up to 18 points for qualifying under this exhibit. An Applicant may submit enough sources to substantiate the point request. For example, if an Applicant is requesting 18 points, five sources may be submitted if each is for an amount equal to 1% of the Total Housing Development Cost.

Complete 1 form for each source. Use additional pages if necessary.

All funding, including in-kind contributions (except Development Based Rental Subsidies), must be reflected in the Volume 1, Tab 4, Part A. Summary of Sources and Uses of Funds form, the Volume 1, Tab 4, Part B. Financing Participants form, and Volume 1, Tab 4, Financing Narrative

1. Name of Local Political Subdivision/Governmental Instrumentality:

East Texas Housing Finance Corporation

2. Funding Source. Refer to ASPM and QAP for specific requirements of each funding source. Check one box.

Loan:

Loans must have a minimum term of the later of one year and Placed in Service Date, and the interest rate must be at or below the Applicable Federal Rate (AFR) at the time of loan closing

Source :	<u>East Texas HFC</u>	Amount:	<u>\$1,400,000</u>
Source:	_____	Amount:	_____
Source:	_____	Amount:	_____
Total Amount attributed to the Total Housing Development Cost:			<u>\$1,400,000</u>

Grant

Source:	_____	Amount:	_____
Source:	_____	Amount:	_____
Source:	_____	Amount:	_____
Total Amount attributed to the Total Housing Development Cost:			<u>\$0</u>

TDHCA HOME Funds

A resolution, dated on or before February 27, 2009, is submitted with the Application from the Local Political Subdivision authorizing the Applicant to act on behalf of the Local Political Subdivision in applying for HOME Funds from TDHCA for the particular Application

Total Amount attributed to the Total Housing Development Cost: _____

In-kind Contribution

In-kind contributions must provide a tangible economic benefit that results in a quantifiable reduction in the Total Housing Development Cost; evidence from the Local Political Subdivision that substantiates the value must be provided; the value of the in-kind contribution may only include the time period between award, or August 1, 2009, and the Development's Placed in Service date, with the exception of land contributions; and the in-kind contribution may only include the value during the period or waiver is received and/or assessed. Tax exemptions or abatements must be in addition to those required under statute. For land contributions, the entire value of the land may be included; an appraisal must be provided to substantiate the value of the land; evidence of the value of the contribution from the Local Political Subdivision must reference the appraisal; and the land must be under the control of the Applicant.

Source:	_____	Amount:	_____
Source:	_____	Amount:	_____
Source:	_____	Amount:	_____
Total Amount attributed to the Total Housing Development Cost (For all contributions except for land, include value of contribution from August 1, 2009 through Placed in Service date):			<u>\$0</u>

Type of in-kind contribution: _____

EAST TEXAS HOUSING FINANCE CORPORATION
211 W. Austin
Marshall, Texas 75670

February 26, 2010

Fossil Ridge II, LP
4733 College Park, Suite 200
San Antonio, Texas 77249
Attn: Manjiv Verma

Re: Fossil Ridge II, LP

Dear Mr. Verma:

This letter acknowledges receipt of your request for funding from the East Texas Housing Finance Corporation in the amount of \$1,400,000.00 (the "Loan"). The Loan is expected to mature either twelve (12) months following the issuance of the Loan or on the placed in service date of the project, whichever occurs later. The Loan will bear interest at the Applicable Federal Rate in effect as of the issuance of the Loan. The East Texas Housing Finance Corporation acknowledges that no portion of the funding for the proposed Loan has been provided by the developer, consultant, applicant or any other member of the applicant's development team.

Please feel free to contact me should you have my questions.

Very truly yours,

EAST TEXAS HOUSING FINANCE CORPORATION

By 

Name: Danny Buok Davidson
Title: President

East Texas Housing Finance Corporation

Rules for Loans in Connection with Obtaining Tax Credits for Multifamily Residential Rental Projects

I. PURPOSE AND SCOPE

East Texas Housing Finance Corporation (the "Corporation") was created as a public non-profit corporation under the provisions of the Texas Housing Finance Corporations Act, as amended, Texas Local Government Code, Chapter 394 of the Local Government Code (the "Act"). The Corporation's primary purpose is to assist individuals of low and moderate income to obtain decent, safe, sanitary, and affordable housing located within the boundaries of one of the Sponsoring Political Subdivisions (as defined below). The Corporation is authorized by the Act to make loans to further its purposes thereunder. Applications for loans will be considered only in connection with developments located in one or more of the counties under its jurisdiction (collectively, the "Sponsoring Political Subdivisions") or in the case an applicant requests a loan within the jurisdiction of another Housing Finance Corporation created under the Act to be made within another jurisdiction under a cooperative agreement. The Corporation has adopted these Rules to set forth the general requirements and procedures applicable to qualifying for a loan in connection with obtaining tax credits from the Texas Department of Housing and Community Affairs in connection with applicant's residential development.

A. Application of Rules. These Rules apply to specific multifamily rental residential developments for which an applicant requests the Corporation to make a loan to obtain tax credits in connection with such development.

B. Waiver of Rules. Specific provisions of these Rules may be waived by a majority vote of the Board of Directors of the Corporation.

C. Amendment of Rules. These Rules may be amended, revised, repealed or otherwise altered by a majority of the Board of Directors of the Corporation at any time and from time to time and with or without notice.

II. GENERAL REQUIREMENTS

The Corporation will not make a loan of funds to any applicant in connection with any financing for any residential development that has not satisfied, as determined by the Corporation, general requirements set forth in this Article II. The Corporation reserves the right to impose additional specific requirements with respect to any particular residential development. Compliance with these Rules does not and shall not be deemed to constitute a commitment or assurance that financing will be provided by the Corporation. In completing and executing the Application for Loan attached below, the applicant hereby represents and warrants or covenants with respect to the residential development for which tax credits are being obtained as follows:

The residential development will be located entirely within the boundaries of one or more of the Sponsoring Political Subdivisions or in the jurisdiction of another Housing Finance Corporation created under the Act under a cooperative agreement.

III. FILING AND PROCEDURAL REQUIREMENTS

A. Preliminary Applications. Any person desiring that the Corporation make a loan to facilitate obtaining tax credits in connection with the financing or refinancing for a residential development shall

LOCAL HOUSING FINANCE CORPORATION (HFC) CONTACT LIST

Known as of April 2006

East Texas HFC	Richard Anderson 211 West Austin Marshall, TX 75670 Phone: (903) 938-8373	Keith Barber P.O. Box 131 Gilmer, TX 75644 Phone: (903) 790-5674 rkeithbar@hotmail.com	Cos of Anderson, Angelina, Camp, Cherokee Gregg, Harrison, Henderson, Marion Nacogdoches, Panola, Rains, Rusk Smith, Upshur, Van Zandt and Wood
El Paso HFC	Susie Byrd 2 Civic Center Plaza, District #2 El Paso, TX 79901 Phone: (915) 541-4416 Fax: (915) 541-4348 district#2@elpasotexas.gov		City of El Paso
El Paso County HFC	Carlos Aguilar 500 E San Antonio, 3rd Fl El Paso, TX 79901 Phone: (325) 526-4177		El Paso County
Farmers Branch HFC	Charlie Cox PO Box 819010 Farmers Branch, TX 75381-9010 Phone: (972) 919-2521 Fax: (972) 919-2688		City of Farmers Branch
Fort Bend County HFC	Pamela Poole 303 Texas Parkway Missouri City, TX 77459 Phone: (281) 403-8001 Fax: (281) 403-8009 poolepam@co.fort-bend.tx.us		Fort Bend County
Fort Worth HFC	Jerome Walker 1000 Throckmorton Fort Worth, TX 76102 Phone: (817) 392-7537 Fax: (817) 392-7328		City of Fort Worth
Galveston County HFC	Ron Williams 310 Tahiti Tiki Island, TX 77550 Phone: (409) 938-1163 Fax: (281) 534-7572	Cliff Burks	Galveston Co without Dickinson, Galveston La Marque League City Santa Fe & Texas City
Galveston HFC	Sam Tramonte 2127 Broadway Galveston, TX 77550 Phone: (409) 763-2454 Fax: (409) 763-4309		City of Galveston
Garland HFC	Sandra Wilson 6010 Troon Circle Garland, TX 75044 Phone: (972) 205-2343 Fax: (972) 205-2196	Ed Jackson	City of Garland
Golden Crescent HFC	Danny Long Phone: (361) 578-1587		Cos. of DeWitt, Goliad, Gonzales, Jackson Lavaca, Victoria and the City of Port Lavaca
Grand Prairie HFC	Cyndi Pitman PO Box 532758 Grand Prairie, TX 75053-2758 Phone: (972) 772-5894 Fax: (972) 772-8142	Eddie Freeman 15601 Dallas Parkway Suite 400 Addison, TX 75001 Phone: (972) 361-5216 Fax: (972) 361-5910 eddie.freeman@staubach.com	City of Grand Prairie

LOCAL HOUSING FINANCE CORPORATION (HFC) CONTACT LIST

Known as of April 2006

Southeast Texas HFC	Ron Williams 11111 South Sam Houston Parkway East Houston, TX 77089 Phone: (281) 484-4663 Fax: (281) 484-1971 rwilliams@sethfc.com	Bob Allen 2323 Hearme Pasadena, TX 77502 Phone: (713) 475-7862 Fax: (713) 475-7859 rhallen@ci.pasadena.tx.us	Cos of Austin, Brazoria, Chambers, Liberty Matagorda, Waller, Walker, Wharton & Cities of Baytown, Deer Park, Dickinson, La Marque, La Porte, League City, Pasadena Santa Fe, Shoreacres, Texas City & Tomball
Tarrant County HFC	J.D. Johnson 100 East Weatherford Fort Worth, TX 76102 Phone: (817) 884-1234		Tarrant County
TDHCA	Byron Johnson - Single Family Robbye Meyer - Multifamily PO Box 13941 Austin, TX 78711-3941 Phone: (512) 475-3856 Phone: (512) 475-2213 byron.johnson@tdhca.state.tx.us robbye.meyer@tdhca.state.tx.us		State of Texas
Texoma HFC	Frank Budra 1117 Gallagher Drive Sherman, TX 75090 Phone: (903) 786-2626 Fax: (903) 786-6393 mhill@mail.bokf.com		Counties of Cooke, Fannin & Grayson
Tom Green County HFC	Mike Brown 112 West Beauregard San Angelo, TX 76903 Phone: (325) 653-3318		Tom Green County
Travis County HFC	Sam Biscoe 314 West 11th St. 5th Floor Austin, TX 78701 Phone: (512) 854-9555 Fax: (512) 854-9535 sam.biscoe@co.travis.tx.us		Travis County
Trinity HFC	1000 Throckmorton Fort Worth, TX 76102		City of Fort Worth
Victoria HFC	Ted Reed 105 West Juan Linn Victoria, TX 79902		City of Victoria
Victory Street PFC	Ernie Etuk 2640 Fountainview, Ste 230 Houston, TX 77057 Phone: (713) 260-0502		Houston
Webb County HFC	David Cortez PO Box 29 Laredo, TX 78042		Webb County
West Central Texas HFC	Tomm Mann 1025 East North 10th Street Abilene, TX 79601 Phone: (325) 672-8544 tmann@wctoc.org		Counties of Brown, Callahan, Coleman, Eastland Fisher, Haskell, Jones, Kent, Knox, Mitchell Nolan, Runnels, Scurry, Shackelford, Stephens Stonewall, Taylor & Throckmorton
Winter Garden HFC	Wayne Hyde 400 Pecan Street Del Rio, TX 78841		Became part of Middle Rio Grand HFC

June 24, 2010

Ms. Raquel Morales
Texas Department of Housing and Community Affairs
221 West 11th Street
Austin, Texas 78701

Re: Sedona Ranch (Fort Worth)
TDHCA No. 10158

Dear Raquel:

We represent Fossil Ridge II, LP (the "**Applicant**"), which is the applicant for tax credits for Sedona Ranch in Fort Worth (the "**Development**"), bearing application number 10158. The Applicant is responding to a letter dated June 9, 2010 from a competitor, Roundstone Development, LLC with respect to scoring of its application (the "**Challenge**").

The Challenge alleges that the Development does not qualify for points for funding from a Local Political Subdivision under Section 50.9(i)(5) of the Qualified Allocation Plan (the "**QAP**") based on the following:

The Applicant's source of Local Political Subdivision funding is the East Texas Housing Finance Corporation ("**ETHFC**"). The service jurisdiction of ETHFC does not include Fort Worth, the proposed location for the Development. However, ETHFC's policies do allow ETHFC to make loans outside its service jurisdiction if ETHFC enters into a cooperative agreement with the applicable local jurisdiction. The Challenge alleges that, because such a cooperative agreement was not included in the application, the Applicant is not eligible to receive the points under the QAP.

Contrary to the allegation in the Challenge, the Applicant has met all QAP requirements to receive points under Section 50.9(i)(5) of the QAP. When TDHCA staff was reviewing the application, it noticed that the Development was not located in the jurisdiction served by ETHFC. Staff submitted an administrative deficiency, asking the Applicant for evidence that a cooperative agreement would be entered into. Although the QAP does not specifically require an applicant to produce evidence of a cooperative agreement, the Applicant consulted with ETHFC as to its intentions and responded to TDHCA with evidence that the ETHFC expected to execute a cooperative agreement

Ms. Raquel Morales
June 24, 2010
Page 2

with the local jurisdiction. Staff indicated that the submission resolved the deficiency. (See correspondence attached as Exhibit A.)

If the Development receives a tax credit award, the final commitment for Local Political Subdivision funding will be submitted to TDHCA concurrently with the return of the Applicant's Commitment Notice. ETHFC will be responsible for assuring that a cooperative agreement will be in place as necessary to allow ETHFC to make this funding available.

We trust that this response provides adequate information to show that the allegation in the Challenge is without merit. However, if you need additional information, please feel free to contact me or the Applicant.

Thank you very much.

Sincerely,



Cynthia L. Bast

cc: Manish Verma

EXHIBIT A

Janice Degollado

From: Chris Applequist [chris@versadevco.com]
Sent: Friday, May 21, 2010 10:56 AM
To: 'Manish C. Verma'
Cc: 'Janice Degollado'
Subject: FW: Interlocal Agreement - Sedona Ranch - 10158

Categories: File

FYI

Chris Applequist
Versa Development, LLC
4733 College Park
San Antonio, TX 78249
(210)530-0090 (O)
(210)530-5080 (F)
(817)501-9577 (C)
Chris@versadevco.com

From: Nicole Fisher [mailto:nicole.fisher@tdhca.state.tx.us]
Sent: Friday, May 21, 2010 9:53 AM
To: Chris Applequist; nicole.fisher@tdhca.state.tx.us
Subject: RE: Interlocal Agreement - Sedona Ranch - 10158

Chris,

The letter is sufficient for that item.

Nicole Fisher
Multifamily Housing Specialist
Texas Department of Housing and Community Affairs
(512) 475-2201 Phone
(512) 475-1895 Fax
nicole.fisher@tdhca.state.tx.us

From: Chris Applequist [mailto:chris@versadevco.com]
Sent: Thursday, May 20, 2010 10:19 PM
To: nicole.fisher@tdhca.state.tx.us
Subject: FW: Interlocal Agreement - Sedona Ranch - 10158

Hello Nicole,

Could you confirm that we can clear the deficiency with the attached interlocal agreement?

Thanks,

Chris Applequist
Versa Development, LLC
4733 College Park
San Antonio, TX 78249
(210)530-0090 (O)
(210)530-5080 (F)
(817)501-9577 (C)

Chris@versadevco.com

From: Chris Applequist [mailto:chris@versadevco.com]
Sent: Wednesday, May 19, 2010 3:02 PM
To: 'nicole.fisher@tdhca.state.tx.us'
Subject: FW: Interlocal Agreement - Sedona Ranch - 10158

Nicole,

Please see attached interlocal agreement. This is what we have sent to the city of Fort Worth and plan to have executed shortly. Please let me know if this works for you.

Thanks,

Chris Applequist
Versa Development, LLC
4733 College Park
San Antonio, TX 78249
(210)530-0090 (O)
(210)530-5060 (F)
(817)501-9577 (C)
Chris@versadevco.com

From: [Tony Sisk](#)
To: [Raquel Morales](#);
Subject: FW: challenge
Date: Tuesday, June 15, 2010 4:55:18 PM
Attachments: [Challenge to 10171 Hometown at Garland.doc](#)
[SKMBT_C55010061516480.pdf](#)

I forgot to ask for a receipt, like you gave me yesterday. Thanks

J. Anthony Sisk
Principal
Churchill Residential, Inc.
5605 N. MacArthur Blvd. #580
Irving, TX 75038
972.550.7800 x 224
972.550.7900 Fax
972-679-8395 Cell
tsisk@cri.bz

From: Tony Sisk
Sent: Tuesday, June 15, 2010 4:50 PM
To: 'Robbye Meyer'
Cc: 'Raquel Morales'; 'patricia.murphy@tdhca.state.tx.us'; Benetta Rusk
Subject: challenge

Please note that we are requesting that if these facts are incorrect about the cure period, this challenge be rescinded and not become a matter of public record. We felt like a challenge was the only way to address the issue.

Tony

J. Anthony Sisk
Principal
Churchill Residential, Inc.
5605 N. MacArthur Blvd. #580
Irving, TX 75038
972.550.7800 x 224
972.550.7900 Fax
972-679-8395 Cell
tsisk@cri.bz

From: [Tony Sisk](#)
To: [Robbye Meyer;](#)
cc: [Raquel Morales; patricia.murphy@tdhca.state.tx.us;](#)
[Benetta Rusk;](#)
Subject: challenge
Date: Tuesday, June 15, 2010 4:51:46 PM
Attachments: [Challenge to 10171 Hometown at Garland.doc](#)
[SKMBT_C55010061516480.pdf](#)

Please note that we are requesting that if these facts are incorrect about the cure period, this challenge be rescinded and not become a matter of public record. We felt like a challenge was the only way to address the issue.

Tony

J. Anthony Sisk
Principal
Churchill Residential, Inc.
5605 N. MacArthur Blvd. #580
Irving, TX 75038
972.550.7800 x 224
972.550.7900 Fax
972-679-8395 Cell
tsisk@cri.bz

From: [Robbye Meyer](#)
To: [Raquel Morales](#);
Subject: FW: Challenge - Citrus Gardens #010-222
Date: Wednesday, June 16, 2010 7:25:33 AM
Attachments: [Citrus Garden Brownstone Challenge 06-15-10.pdf](#)

challenge

Robbye G. Meyer

*Director of Multifamily Finance
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701
(512) 475-2213 (V)
(512) 475-0764 (F)*

From: Melissa Adami [mailto:madami@orhlp.com]
Sent: Tuesday, June 15, 2010 4:40 PM
To: Robbye Meyer; Tom Gouris
Cc: Saleem Jafar; Robert Onion; Bill Fisher
Subject: Challenge - Citrus Gardens #010-222

Robbye and Tom:
Please see the attached challenge to the Citrus Gardens application (#010-222).

Please confirm that you receive this email.

Thanks,
Melissa Adami

Melissa R. Adami
Odyssey Residential Holdings, LP | phone 972.701.5558

From: Leslieholleman@aol.com
To: tom.gouris@tdhca.state.tx.us; robbye.meyer@tdhca.state.tx.us;
[US](#);
cc: raquel.morales@tdhca.state.tx.us;
Subject: Challenge - #10222 Citrus Gardens in Brownsville
Date: Wednesday, June 16, 2010 12:32:05 PM

Tom and Robbye,
Bill Fisher has made us aware that he filed a challenge yesterday to #10222 Citrus Gardens in Brownsville (he sent us a copy of what he submitted to TDHCA). I am the Consultant to this application, and I have a few questions I would like to ask, but I am not sure who I am allowed to speak to at TDHCA regarding this matter. Obviously, we disagree with the premise of his challenge as we claim no acquisition cost or Selection Criteria points for the land /ground lease, but I would like to speak to someone regarding the matter if possible. My number is 970-731-9943 or please let me know who I may speak to and I'll place a call.

Thanks for your help,

Leslie

Leslie Holleman & Associates, Inc.

Thru October 31, 2010

P. O. Box 5846

Pagosa Springs, CO 81147

(970) 731-9943 ph

Permanent Address

6459 Safe Haven Lane

Brownwood, TX 76801

(325) 784-9797 ph

(325) 998-0705 cell

leslieholleman@aol.com

From: Leslieholleman@aol.com
To: raquel.morales@tdhca.state.tx.us;
Subject: Re: Challenge - #10222 Citrus Gardens in Brownsville
Date: Wednesday, June 16, 2010 1:55:41 PM

OK, tomorrow is fine....thanks.

I'm on Mountain time, so don't call me at 8am/Central, I won't have enough coffee in me to be coherent.....haha!!!

970-731-9943

Leslie

Leslie Holleman & Associates, Inc.

Thru October 31, 2010

P. O. Box 5846

Pagosa Springs, CO 81147

(970) 731-9943 ph

Permanent Address

6459 Safe Haven Lane

Brownwood, TX 76801

(325) 784-9797 ph

(325) 998-0705 cell

leslieholleman@aol.com

In a message dated 6/16/2010 12:53:26 P.M. Mountain Daylight Time, raquel.morales@tdhca.state.tx.us writes:

Leslie,

I can call you tomorrow when I'm in the office. I'm working from home today so you can email me your questions or I'll get in touch with you tomorrow.

From: Leslieholleman@aol.com [mailto:Leslieholleman@aol.com]

Sent: Wed 6/16/2010 12:31 PM

To: tom.gouris@tdhca.state.tx.us; robbye.meyer@tdhca.state.tx.us

Cc: raquel.morales@tdhca.state.tx.us

Subject: Challenge - #10222 Citrus Gardens in Brownsville

Tom and Robbye,

Bill Fisher has made us aware that he filed a challenge yesterday to #10222 Citrus Gardens in Brownsville (he sent us a copy of what he submitted to TDHCA). I am the Consultant to this application, and I have a few questions I would like to ask, but I am not sure who I am

allowed to speak to at TDHCA regarding this matter. Obviously, we disagree with the premise of his challenge as we claim no acquisition cost or Selection Criteria points for the land /ground lease, but I would like to speak to someone regarding the matter if possible. My number is 970-731-9943 or please let me know who I may speak to and I'll place a call.

Thanks for your help,

Leslie

Leslie Holleman & Associates, Inc.

Thru October 31, 2010

P. O. Box 5846

Pagosa Springs, CO 81147

(970) 731-9943 ph

Permanent Address

6459 Safe Haven Lane

Brownwood, TX 76801

(325) 784-9797 ph

(325) 998-0705 cell

leslieholleman@aol.com

COATS | ROSE

A Professional Corporation

WILLIAM D. WALTER, JR.

wwalter@coatsrose.com

Direct Dial

(512) 684-3842

Fax

(713) 890-3954

June 22, 2010

Via E-Mail

Mr. Michael Gerber, Executive Director
Texas Department of Housing
And Community Affairs
221 East 11th Street
Austin, Texas 78701

RE: Response to Challenge filed against Citrus Gardens (#10222)

Dear Mr. Gerber:

This letter responds to the challenge submitted by Mr. Saleem Jafar on behalf of Odyssey Residential Holdings, L.P. as to Citrus Gardens (the "Project"). Mr. Jafar contends that the applicant failed to include an appraisal pursuant to section 50.9(h)(7) of the 2010 Qualified Allocation Plan ("QAP"), however, Mr. Jafar's challenge fails under the plain language of section 50.9(h)(7).

Allegation:

The challenge asserts the applicant wrongfully omitted an appraisal under QAP section 50.9(h)(7)(A)(iv)(II).

Response:

By way of background, the Housing Authority of the City of Brownsville, the sponsor of the application, is contributing land that it currently owns for the Project site. Because the housing authority will have a continuing ownership in the Project, this is an identity of interest transaction. However, because the housing authority already owns the land, no acquisition cost is being charged to the applicant. Additionally, no acquisition cost is being claimed in the application. Please see the relevant portion of the application's development cost schedule attached as **Exhibit A**.

Section 50.9(h)(7)(A)(iv)(II) states:

1717 W. 6th Street, Suite 420 Austin, Texas 78703

Phone: 512-469-7987 Fax: 512-469-9408

Web: www.coatsrose.com

“(iv) If the acquisition can be characterized as an identity of interest transaction, as described in §1.32 of this title, subclauses (I) – (III) of this clause, the Applicant must provide (not required at Pre-Application):

(I) Documentation of the original acquisition cost in the form of a settlement statement or, if a settlement statement is not available, the seller’s most recent audited financial statement specifically indicating the asset value for the Development Site; and

(II) **If the original acquisition cost evidenced by subclause (I) of this clause is less than the acquisition cost claimed in the Application;**

(-a-) An appraisal meeting the requirements of paragraph (14)(D) of this subsection; and

...” (emphasis added).

Mr. Jafar’s insistence on the delivery of an appraisal under subsection (II)(-a-) conveniently overlooks the predicate requirement in subsection (II) – namely, that the applicant claim an acquisition cost in the application that is higher than the original acquisition cost. **Quite simply, where the acquisition cost claimed in the application is zero, there is no requirement under the QAP for the appraisal, because an acquisition cost of zero cannot possibly be higher than the original acquisition cost.** The rationale for requiring an appraisal is to prevent unscrupulous applicants from artificially inflating the acquisition price in an identity of interest transaction, which is not a concern where the site is being contributed to the applicant.

As a final item, we note that Mr. Jafar mistakenly identifies the Project as a mixed-finance. This inclusion is puzzling, as even were the project a mixed-finance development: (i) we are not aware of any HUD requirement or regulation that would act to modify the plain language of the QAP; and (ii) the QAP does not impose different appraisal rules for a mixed-finance development. As such, and based on the plain language of the QAP, we respectfully request that the Department dismiss the challenge. We greatly appreciate your attention to this matter.

Yours truly,



William D. Walter, Jr.

Cc: Mr. Tom Gouris
Mr. Antonio Juarez
Mr. Doak Brown
Ms. Leslie Holleman
Mr. Nono Flores
Mr. Barry Palmer

EXHIBIT A

Volume 1, Tab 3. ACTIVITY OVERVIEW

Part A. Development Cost Schedule

This Development Cost Schedule must be consistent with the Summary Sources and Uses of Funds Statement. All applications must complete the total development cost column and the Tax Payer Identification column. Only HTC applications must complete the eligible basis columns and the Requested Credit calculation below:

DEVELOPMENT NAME:

Citrus Gardens		
TOTAL DEVELOPMENT SUMMARY		
Total Cost	Eligible Basis (If Applicable)	
	Acquisition	New/Rehab.
Expected Payee Taxpayer Identification Number (TIN) ¹ (and % of cost if item involves multiple payees)		

ACQUISITION

Site acquisition cost	0			
Existing building acquisition cost	0			
Closing costs & acq. legal fees	0			
Other ² (specify)	0			
Subtotal Acquisition Cost	\$0	\$0	\$0	

OFF-SITES³

Off-site concrete	0			
Storm drains & devices	0			
Water & fire hydrants	0			
Off-site utilities	0			
Sewer lateral(s)	0			
Off-site paving	0			
Off-site electrical	0			
Other ² (specify)	0			
Subtotal Off-Sites Cost	\$0	\$0	\$0	

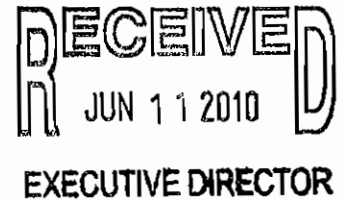
SITE WORK⁴

Demolition	750,000			20-3745669
Rough grading	160,450		160,450	20-3745669
Fine grading	120,446		120,446	20-3745669
On-site concrete	262,015		262,015	20-3745669
On-site electrical	92,150		92,150	20-3745669
On-site paving	235,835		235,835	20-3745669
On-site utilities	215,321		215,321	20-3745669
Decorative masonry	5,413		5,413	20-3745669
Bumper stops, striping & signs	10,125		10,125	20-3745669
Landscaping	154,784		154,784	20-3745669
Pool and decking	0		0	20-3745669
Athletic court(s), playground(s)	0		0	20-3745669
Fencing	75,313		75,313	20-3745669
Other ²			0	20-3745669
Subtotal Site Work Cost	\$2,081,852	\$0	\$1,331,852	

DIRECT CONSTRUCTION COSTS⁵:

Concrete	674,686		674,686	20-3745669
Masonry	363,293		363,293	20-3745669
Metals	246,520		246,520	20-3745669
Woods and Plastics	2,140,832		2,140,832	20-3745669
Thermal and Moisture Protection	272,469		272,469	20-3745669
Roof Covering	421,679		421,679	20-3745669
Doors and Windows	285,444		285,444	20-3745669
Finishes	882,282		882,282	20-3745669
Specialties	162,184		162,184	20-3745669
Equipment	201,108		201,108	20-3745669

Roundstone Development, LLC
Contact: Michael A. Hartman
1370 Taurus Court
Merritt Island, FL 32953
321-453-9587 / 321-453-6796 fax
321-223-8650 cell
mah1370@hotmail.com



June 9, 2010

Mr. Michael Gerber, Executive Director
Texas Department of Housing and Community Affairs
221 E. 11th Street
Austin, Texas 78701

Re: Challenge of TDHCA Application 10232
Evergreen Residences – 3800 Willow

Dear Mr. Gerber:

We hereby provide the following information and challenge the threshold determination and scoring of Application 10232 (hereinafter referred to as "10232").

Scoring under QAP Section 50.9(i)(5)

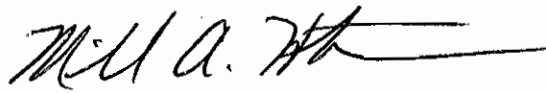
1. Attached is Resolution 10-0586 approved by the Dallas City Council on February 24, 2010 and submitted by 10232 in support of the award of points for the commitment of development funding by local political subdivisions.
2. On page 2 of the resolution, in the sixth WHEREAS paragraph, the resolution states that 10232 will rent 100% of the units to tenants with incomes capped at 30% of the area median family income (AMFI) at rents affordable to households at 30% or below the AMFI.
3. Also attached from 10232 is Volume 1, Tab 2, Part B, Rent Schedule. This schedule indicates that 90% of the units will be rented to households earning 50% of the AMFI and 10% of the units will be rented to households earning 60% of the AMFI.
4. Therefore, 10232 cannot meet the requirements that the City of Dallas has imposed for the potential award of the funding and should not receive points under Section 50.9(i)(5).

Threshold under Real Estate Analysis Rules

1. In order to receive funding from the City of Dallas, 10232 must charge 30% rents on all units.
2. Therefore TDHCA should underwrite 10232 using 30% rents (\$354 PUPM) for all 100 units.
3. In doing so, 10232 will have negative net operating income.
4. Therefore, 10232 is economically unfeasible and should be eliminated.

We thank you for your consideration of this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "M.A. Hartman", with a long horizontal flourish extending to the right.

Michael A. Hartman

Enclosures



2010 MULTIFAMILY UNIFORM APPLICATION
 Texas Department of Housing and Community Affairs
 Mailing Address: P.O. Box 13941, Austin, TX 78711-3941
 Physical Address: 221 East 11th Street, Austin, TX 78701

The undersigned hereby makes Application to TDHCA for financial assistance. The Applicant has read and understands the Application instructions, has read and understands §50.9(a), Adherence to Obligations, of the 2010 Qualified Allocation Plan and Rules, and certifies that all information herein is true and correct to the best of their knowledge and belief. By signing this document, Applicant is affirming that all statements and representations made in this document are true and correct under penalty of Chapter 37 of the Texas Penal Code titled Perjury and Other Falsification and subject to criminal penalties as defined by the State of Texas. TEX. PENAL CODE ANN. §§37.01 et seq. (VERNON 2003 & SUPP. 2007).

Submitted Application must be signed by a representative with authority to execute documents on the Applicant's behalf.

Graham Green
 Applicant's Authorized Representative's Signature

Graham Green, Authorized I
 Representative's Printed Name, Title

02/25/10
 Date

Volume 1, Tab 1
PART A. ACTIVITY OVERVIEW

1. Multifamily Rental Development Name and Location

Development Name:	<u>EVERgreen Residences - 3800 Willow</u>	Region:	<u>3</u>
Address:	<u>3800 Willow</u>		
City:	<u>Dallas</u>	County:	<u>TX</u>
		ZIP:	<u>75226-1757</u>
If a Pre-Application was submitted, enter TDHCA assigned Development number:			<u>10232</u>

2. Target Population (Select by Placing a "x"):

- General
- Elderly
- Intergenerational Housing
- Supportive Housing

3. Construction Type (Select Only One by Placing a "x"):

- New Construction
- Acquisition/Rehabilitation (includes Reconstruction)
- Acquisition/Rehabilitation (excludes Reconstruction)
- Adaptive Reuse
- Single Room Occupancy



City of Dallas

STATE OF TEXAS

COUNTY OF DALLAS

CITY OF DALLAS

I, **DEBORAH WATKINS**, City Secretary of the City of Dallas, Texas do hereby certify that the attached is a true and correct copy of:

RESOLUTION NO. 10-0586

which was approved by the City Council on **February 24, 2010**.

WITNESS MY HAND AND THE SEAL OF THE CITY OF DALLAS, TEXAS, this the **25th** day of **February, 2010**.

A handwritten signature in cursive script, appearing to read 'Deborah Watkins', written over a horizontal line.

**DEBORAH WATKINS
CITY SECRETARY
CITY OF DALLAS, TEXAS**

Prepared by: G.S. Ruelas

100586
February 24, 2010

WHEREAS, on January 11, 2006, the City Council decided for the 12 month period beginning January 11, 2006 not to approve any new tax credit transactions unless a pre-application waiver was granted by the City Council by Resolution No. 06-0136, and

WHEREAS, the Applicant, Graham Greene, Oglesby Greene Architecture, Developer, submitted an application to the City of Dallas on behalf of Evergreen Residential, LTD for support of their application to TDHCA for the 2010 Low Income Housing Tax Credit Program; and

WHEREAS, on February 10, 2010, the City Council approved a modification to the policy for the acceptance of applications seeking City of Dallas support for low income housing tax credit financing, when the State of Texas does not require direct City of Dallas approval by Resolution No. 10-0498; and

WHEREAS, on February 16, 2010, the Evergreen Residences-Willow Low Income Housing Tax Credit multifamily project was briefed to the Housing Committee; and

WHEREAS, the applicant also submitted a request for funding of \$4M from the City of Dallas which will be reviewed and separately considered by the City Council after March 1, 2010, contingent upon available funding and the success of the applicant to secure other project approvals; and

WHEREAS, as a condition for being considered for the award of the 9% tax credit, the Applicant has committed to renting 100 units or 100% of the units to tenants with household incomes capped at 30% or below the area median family income (AMFI) with rents affordable to tenants whose household incomes are 30% or below the AMFI; and

WHEREAS, as with the City's approval of the TDHCA LIHTC application for Evergreen Residences-Willow, the owner of the project will provide social services with the project approved by the Housing/Community Services Department; and

WHEREAS, the City of Dallas desires to provide approval of the TDHCA LIHTC application for Evergreen Residences-Willow housing project at 3800 Willow Street;
NOW, THEREFORE

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

SECTION 1. That the City of Dallas supports the Texas Department of Housing and Community Affairs (TDHCA) 9% low-income housing tax credit allocation for Evergreen Residences-Willow located at 3800 Willow Street for the acquisition and new construction of the proposed 100-unit multifamily residential development for low income housing, provided, however, that the City's approval of the tax credit financing for this project shall be contingent upon, among other things, future City Council approval of zoning.

Raquel Morales

From: Tony Sisk [tsisk@cri.bz]
Sent: Monday, June 14, 2010 6:17 PM
To: Robbye Meyer
Cc: Raquel Morales
Subject: challenge to Atmos Lofts #10284
Attachments: SKMBT_C55010061418110.pdf; Exh A action notice to terminate.pdf; Exh B preapp def.pdf; Exh C aspm def.pdf; Exh D ASPM application subm proc.pdf; Exh E preapp instructions from excel.pdf; Exh F first page of preapp with certification.pdf; Exh G 09 plaza org charts.pdf; Exh I 09 plaza full app 1st page.pdf; Exh H 09 plaza preapp 1st page.pdf; Exh J 2009 aspm proof.pdf

Robbye/Raquel- Please accept this challenge, and send us acknowledgement of receipt.

Thank you-

Tony

J. Anthony Sisk
Principal
Churchill Residential, Inc.
5605 N. MacArthur Blvd. #580
Irving, TX 75038
972.550.7800 x 224
972.550.7900 Fax
972-679-8395 Cell
tsisk@cri.bz

June 14, 2010

Robbye Meyer
Director, Multifamily Finance Production Division
Texas Department of Housing and Community Affairs
PO Box 13941
Austin, TX 78711

RE: Challenge to the six pre-application points received by application 10284 Atmos Lofts.

Dear Ms. Meyer:

Please accept this letter as a formal challenge to the six Pre-Application points that were awarded to application 10284, Atmos Lofts. We do not believe that this application is eligible for Pre-Application points because the Applicant did not submit the Pre-Application in accordance with the 2010 Qualified Allocation Plan (QAP), Application Submission Procedures Manual (ASPM), and Pre-Application Excel file.

Background

In the first Pre-Application log posted to the TDHCA website on January 22, 2010, 10284 Atmos Lofts was not listed. However, in the final Pre-Application log that was posted to the TDHCA website on January 22, 2010, 10284 Atmos Lofts appeared in the log. Discussions with TDHCA staff confirmed that 10284 Atmos Loft had not been on the initial list because they had submitted their Pre-Application solely in hard copy, and that staff had determined it to not be eligible for submission. This decision was subsequently changed and the Pre-Application was accepted because it was decided that language in the QAP does not specifically require electronic submission for the Pre-Application (see Exhibit A). We respectfully disagree with the assertion and ask that the Pre-Application points awarded to 10284 be reconsidered.

Language in the QAP

Section 50.8, *“Pre-Applications for Competitive Housing Tax Credits: Submission; Communication with Departments Staff; Evaluation Process; Threshold Criteria and Review; Results,”* outlines the HTC Pre-Application process.

Section 50.9, *“Application: Submission; Communication with Department Employees; Adherence to Obligations; Evaluation Process for Competitive Applications Under the State Housing Credit Ceiling; Evaluation Process for Tax-Exempt Bond Development Applications; Evaluation Process for Rural Rescue Applications Under the 2008 Credit Ceiling; Experience Pre-Certification Procedures; Threshold Criteria; Selection Criteria; Tiebreaker Factors; Staff Recommendations; American Recovery and Reinvestment Act,”* outlines the HTC Full Application process.

While Section 50.9 specifically states that the Application must be submitted as an electronically copy and in accordance with the ASPM, Section 50.8 does not include this same language for the Pre-Application. It is our understanding that TDHCA did not terminate the Pre-Application based on this fact. However, we believe that there is evidence to support the requirement of an electronic submission of the Pre-Application, and thus the Pre-Application points for 10284 Atmos Lofts should not be awarded.

Under the definitions section of the QAP, Section 50.3(74) defines “Pre-Application” as *“A preliminary application, in a form prescribed by the Department, filed with the Department by an Applicant prior to submission of a Competitive Housing Tax Credit Application, for an allocation from the State Housing*

Credit Ceiling, including any required exhibits or other supporting material, as more fully described in this chapter.” (See Exhibit B.)

Note that the definition reads, “in a form prescribed by the Department.” Section 50.8 does not specifically or fully describe the required “form” of the Pre-Application; however, that does not nullify the fact that 50.3(74) states that the form will be prescribed by the Department. The ASPM describes that form as being an Excel file that is submitted electronically as both an Excel file and a converted PDF file. An Applicant is not free to submit the Pre-Application in any form that he or she chooses.

Under the definitions section of the QAP, Section 50.3(11) defines “Application Submission Procedures Manual as *“The manual produced and amended from time to time by the Department which sets forth procedures, forms, and guidelines for the filing of Pre-Applications and Applications for Housing Tax Credits.”* (See Exhibit C.)

While Section 50.8 does not specifically mention “Application Submission Procedures Manual” or “ASPM,” the definition of ASPM clearly indicates that it sets forth the procedures, forms, and guidelines for submitting the Pre-Application. Because the definition of “Pre-Application” notes that the document is in a “form prescribed by the Department” and the definition of “Application Submission Procedures Manual” notes that it “sets forth procedures, forms, and guidelines for the filing of Pre-Applications,” it is clear that the ASPM should be consulted when preparing the Pre-Application.

Language in the ASPM

Section IV of the ASPM outlines the format for submitting the Pre-Application. Exhibit D provides a copy of the Pre-Application submission procedures from the ASPM with pertinent text highlighted. The text that begins the section is below.

The Pre-Application for Competitive HTC has been converted into one Excel file and consists of two separate parts: unbound items and electronic submission. The complete Pre-Application for each proposed development must be submitted as described in this section. Incomplete Pre-Applications or improperly formatted Pre-Applications will not be accepted.

The ASPM states that there is an electronic submission that consists of an Excel file and a separate PDF file, which is the required format. Nowhere does the ASPM state that a hard copy submission is acceptable or allowed. In fact, the ASPM emphasizes that improperly formatted Pre-Applications will not be accepted.

Instructions in the Pre-Application Excel File

The Pre-Application was released on the TDHCA website as a Microsoft Excel file. The “Instructions” tab of the Excel Pre-Application clearly directs applicants to “Please read directions that follow. This is not an instruction manual. Please refer to the 2010 ASPM and QAP for detailed instructions for completing your application.” (See Exhibit E.) This “Instructions” tab also includes detailed steps on how to convert the Pre-Application Excel file into a PDF and how to name the PDF file. Unless the Pre-Application was to be submitted electronically by PDF, there would be no reason for TDHCA to include these directions.

Signed Pre-Application Certification

The first page of the Pre-Application document has a signature block. An excerpt of the certification for this signature block reads as follows:

The undersigned hereby makes Pre-Application to TDHCA for the HTC Program. The Applicant has read and understands the Pre-Application instructions, has read and understands Section 50.9(c)

Adherence to Obligations, of the 2010 Qualified Allocation Plan and Rules, and certifies that all information herein is true and correct to the best of their knowledge and belief.

Exhibit F is a copy of the first page of the Pre-Application for 10284 Atmos Lofts signed by Lawrence E Hamilton III, a principal of the Applicant. By signing the signature block, Mr. Hamilton certified that he read and understood the Pre-Application instructions.

If Mr. Hamilton did indeed read and understand the Pre-Application instructions, then he should have referred to the 2010 ASPM for detailed instructions on how to complete the application. And if Mr. Hamilton referred to the 2010 ASPM, he would have known that the Pre-Application was an Excel file that consisted of unbound items and electronic submission. Nowhere does the ASPM instruct the applicant to submit the Pre-Application as a hard copy.

If Mr. Hamilton signed this certification without properly referring to the 2010 ASPM, which was a clear directive stated in the "Instructions" tab of the Pre-Application Excel file, then we also question whether this Pre-Application should be terminated based on a negligent material misrepresentation by Mr. Hamilton's signing of the certification.

Past Experience of the Applicant

The principals of Atmos Lofts are not new to the HTC program. In fact, they submitted an application during the 2009 HTC application submission period, which also required electronic submission. The principals of 10284 Atmos Lofts, Lawrence Hamilton, Lawrence Hamilton III, and John Greenan, were also principals on the application for The Plaza, 09157 (see Exhibit G). Both a Pre-Application and a Full Application were submitted for 09157 The Plaza (Exhibit H has the signed first page of the Pre-Application and Exhibit I has the signed first page of the Full Application). Notably, the 2009 HTC application round also required that the Pre-Application be submitted electronically (See Exhibit J for the page of the ASPM that outlines the submission requirements, with pertinent text highlighted).

As an experienced Applicant that complied with the Pre-Application electronic submission requirements of the 2009 HTC round, we question why the Applicant had a blatant disregard for the Pre-Application submission requirements of the 2010 HTC round—especially when the Applicant certified that he read and understood the Pre-Application instructions.

Granting Pre-Application Points is Unfair to Competitors

Region 3-Urban is exceptionally competitive this year, with 27 applications submitted representing over \$35 million in requests for only \$9 million in tax credits. It is likely that tax credits will be awarded on the basis of tie-breakers. In such a situation, bending the rules for one applicant has immense negative impact on the other applicants. Everyone else followed the published rules in order to earn the six Pre-App Points. The Atmos Lofts application did not comply with the published rules for submitting a qualifying Pre-Application, and therefore should not receive the points.

Conclusion

Because the Pre-Application for 10284 Atmos Lofts was not submitted in accordance with the Pre-Application instructions outlined in the Pre-Application Excel file, the 2010 ASPM, or 2010 QAP, the Pre-Application should be terminated. We ask that TDHCA reconsider the award of six Pre-Application points to the 10284 Atmos Lofts Full Application.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tony Sisk', with a long horizontal stroke extending to the right.

Tony Sisk
Office (972)550-7800
Fax (972)550-7900
tsisk@cri.bz

EXECUTIVE DIRECTOR'S

ACTION ITEM

Date: January 21, 2010 **Deadline for Signature:** January 21, 2010
Staff to Contact: Raquel Morales **Staff Phone #:** 6-1076
Back Up Staff Contact: Robbye Meyer **B/U Staff Phone #:** 6-2213

Legal Routing #
(please highlight if applicable)
RUSH

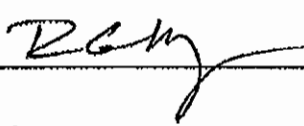
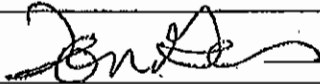
ITEM: Termination of Pre-Application for Atmos Lofts In Dallas, Texas

BACKGROUND: Pre-Application is being terminated because the pre-application was not submitted in the required electronic format.

ACTION REQUESTED: Review termination letter

ATTACHMENTS: (List all attachments. Be sure sufficient background documentation is provided)
 Atmos Lofts Termination Letter

DIVISION MANAGER AND/OR DIRECTOR APPROVAL MUST BE OBTAINED FIRST.

APPROVED BY:	Check if required	SIGNATURE:	DATE IN:	DATE OUT:	COMMENTS:
INITIATING DIVISION MANAGER (If applicable)	<input type="checkbox"/>				
INITIATING DIVISION DIRECTOR	<input checked="" type="checkbox"/>			1-26-10	
DIRECTOR -- DPPA (If applicable)	<input type="checkbox"/>				
DED HOUSING PROGRAMS	<input checked="" type="checkbox"/>			1-26-10	We should let this in since they got a hard copy in on time and the DPP does not require electronic submission
CHIEF OF AGENCY ADMINISTRATION (If applicable)	<input type="checkbox"/>				
NOTARY	<input type="checkbox"/>				
OTHER:	<input type="checkbox"/>				

Must Follow This Final Order! ALL lines must be completed.

APPROVED BY:	Check if required	SIGNATURE	DATE IN:	DATE OUT:	COMMENTS:
GENERAL COUNSEL	<input checked="" type="checkbox"/>				
CHIEF OF STAFF	<input checked="" type="checkbox"/>				
EXECUTIVE DIRECTOR	<input checked="" type="checkbox"/>				

FURTHER COMMENTS:

(70) **New Construction**--Any construction of a Development or a portion of a Development that does not meet the definition of Rehabilitation (which includes Reconstruction).

(71) **Person**--Without limitation, any natural person, corporation, partnership, limited partnership, joint venture, limited liability company, trust, estate, association, cooperative, government, political subdivision, agency or instrumentality or other organization or entity of any nature whatsoever and shall include any group of Persons acting in concert toward a common goal, including the individual members of the group.

(72) **Persons with Disabilities**--A person who:

(A) Has a physical, mental or emotional impairment that:

(i) Is expected to be of a long, continued and indefinite duration;

(ii) Substantially impedes his or her ability to live independently; and

(iii) Is of such a nature that the disability could be improved by more suitable housing

conditions;

(B) Has a developmental disability, as defined in the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. §15002); or

(C) Has a disability, as defined in 24 CFR §5.403.

(73) **Persons with Special Needs**--Persons with alcohol and/or drug addictions, Colonia residents, Persons with Disabilities, victims of domestic violence, persons with HIV/AIDS, homeless populations and migrant farm workers.

(74) **Pre-Application**--A preliminary application, in a form prescribed by the Department, filed with the Department by an Applicant prior to submission of a Competitive Housing Tax Credit Application, for an allocation from the State Housing Credit Ceiling, including any required exhibits or other supporting material, as more fully described in this chapter. (§2306.6704)

(75) **Pre-Application Acceptance Period**--That period of time during which Competitive Housing Tax Credit Pre-Applications for a Housing Credit Allocation from the State Housing Credit Ceiling may be submitted to the Department, December 8, 2009 through January 8, 2010.

(76) **Principal**--The term Principal is defined as Persons that will exercise Control over a partnership, corporation, limited liability company, trust, or any other private entity. In the case of:

(A) Partnerships, Principals include all General Partners, Special Limited Partners and Principals with ownership interest;

(B) Corporations, Principals include any officer authorized by the board of directors to act on behalf of the corporation, including the president, vice president, secretary, treasurer and all other executive officers, and each stock holder having a 10% or more interest in the corporation; and

(C) Limited liability companies, Principals include all managing members, members having a 10% or more interest in the limited liability company or any officer authorized to act on behalf of the limited liability company.

(77) **Property**--The real estate and all improvements thereon which are the subject of the Application (including all items of personal property affixed or related thereto), whether currently existing or proposed to be built thereon in connection with the Application.

(78) **Qualified Allocation Plan (QAP)**--This Plan as adopted.

(79) **Qualified Basis**--With respect to a building within a Development, the building's Eligible Basis multiplied by the Applicable Fraction, within the meaning of §42(c)(1) of the Code.

(80) **Qualified Census Tract**--Any census tract which is so designated by the Secretary of HUD in accordance with §42(d)(5)(C)(ii) of the Code.

(81) **Qualified Elderly Development**--A Development which meets the requirements of the federal Fair Housing Act, and:

(A) Is intended for, and solely occupied by, individuals sixty-two (62) years of age or older; or

(B) Is intended and operated for occupancy by at least one individual fifty-five (55) years of age or older per Unit, where at least 80% of the total housing Units are occupied by at least one individual who is fifty-five (55) years of age or older; and where the Development Owner publishes and adheres to policies and procedures which demonstrate an intent by the owner and manager to provide housing for individuals fifty-five (55) years of age or older. (42 U.S.C. §3607(b))

(82) **Qualified Market Analyst**--A real estate appraiser certified or licensed by the Texas Appraiser Licensing and Certification Board, a real estate consultant, or other professional currently active in the subject property's market area who demonstrates competency, expertise, and the ability to render a high quality written report. The individual's performance, experience, and educational background will provide the general

(2) **Administrative Deficiencies**--As referenced in §§50.5, 50.6, 50.8 and 50.9, is defined as information requested by the Department that is required to clarify or correct inconsistencies in an Application. An Administrative Deficiency is a deficiency or inconsistency, in the Department's reasonable judgement, that may be cured by supplemental information or explanation which will not necessitate a substantial reassessment or re-evaluation of the Application.

(3) **Affiliate**--An individual, corporation, partnership, joint venture, limited liability company, trust, estate, association, cooperative or other organization or entity of any nature whatsoever that directly, or indirectly through one or more intermediaries, Controls, is Controlled by, or is under common Control with any other Person, and specifically shall include parents or subsidiaries. Affiliates also include all General Partners, Special Limited Partners and Principals with an ownership interest unless the entity is an experienced Developer as described in §50.9(h)(9)(D) of this chapter (relating to Threshold Criteria).

(4) **Agreement and Election Statement**--A document in which the Development Owner elects, irrevocably, to fix the Applicable Percentage with respect to a building or buildings, as that in effect for the month in which the Department and the Development Owner enter into a binding agreement as to the housing credit dollar amount to be allocated to such building or buildings.

(5) **Applicable Fraction**--The fraction used to determine the Qualified Basis of the qualified low-income building, which is the smaller of the Unit fraction or the floor space fraction, all determined as provided in §42(c)(1) of the Code.

(6) **Applicable Percentage**--The percentage used to determine the amount of the Housing Tax Credit for any Development (New Construction, Reconstruction, and/or Rehabilitation), as defined more fully in §42(b) of the Code.

(A) For purposes of the Application, the Applicable Percentage will be projected at:

(i) the greater of 9% or the current applicable percentage for 70% present value credits for new buildings, pursuant to §42(b) of the Code for the month in which the Application is submitted to the Department; or

(ii) 15 basis points over the current applicable percentage for 30% present value credits associated with acquisition and with qualified Tax-Exempt Bond Developments, pursuant to §42(b) of the Code for the month in which the Application is submitted to the Department.

(B) For purposes of making a credit recommendation at any other time, the Applicable Percentage will be based in order of priority on:

(i) The percentage indicated in the Agreement and Election Statement, if executed; or

(ii) The actual applicable percentage as determined by §42(b) of the Code, if all or part of the Development has been placed in service and for any buildings not placed in service the percentage will be the actual percentage as determined by §42(b) of the Code for the most current month; or

(iii) The percentage as calculated in subparagraph (A) of this paragraph if the Agreement and Election Statement has not been executed and no buildings have been placed in service.

(7) **Applicant**--Any Person or Affiliate of a Person who files a Pre-Application or an Application with the Department requesting a Housing Credit Allocation. (§2306.6702)

(8) **Application**--An application, in the form prescribed by the Department, filed with the Department by an Applicant, including any exhibits or other supporting material. (§2306.6702)

(9) **Application Acceptance Period**--That period of time during which Applications for a Housing Credit Allocation from the State Housing Credit Ceiling may be submitted to the Department, December 8, 2009 through March 1, 2010, as more fully described in §§50.8 - 50.12 of this chapter. For Tax-Exempt Bond Developments this period is the date the Volumes 1 and 2 are submitted or the date the reservation is issued by the Texas Bond Review Board, whichever is earlier.

(10) **Application Round**--The period beginning on the date the Department begins accepting Applications and continuing until all available Housing Tax Credits are allocated, but not extending past the last day of the calendar year. (§2306.6702) For purposes of this section, this definition applies to Housing Tax Credits allocated with the State Housing Credit Ceiling.

(11) **Application Submission Procedures Manual**--The manual produced and amended from time to time by the Department which sets forth procedures, forms, and guidelines for the filing of Pre-Applications and Applications for Housing Tax Credits.

(12) **Area**--

(A) The geographic area contained within the boundaries of:

(i) An incorporated place; or

(ii) Census Designated Place (CDP) as established by the U.S. Census Bureau for the most recent Decennial Census.

III. COMPETITIVE HOUSING TAX CREDITS: PRE-APPLICATION AND APPLICATION SUBMISSION

A Pre-Application for a Housing Credit Allocation from the State Housing Credit Ceiling may be filed at any time during the Pre-Application Acceptance Period. An Application for a Housing Credit Allocation from the State Housing Credit Ceiling may be filed at any time during the Application Acceptance Period. For the 2010 Competitive Housing Tax Credit Application Round the dates are:

Electronic Filing Agreement Submission	December 23, 2009
FTP Account Setup Deadline for Pre-Application:	December 30, 2009
Application Cycles Open:	December 8, 2009
Pre-Application Acceptance Period Closes:	January 8, 2010
Electronic Filing Agreement Submission	February 17, 2010 (Applicants that did not file Pre-App)
FTP Account Setup Deadline for Full Application:	February 22, 2010 (Applicants that did not file Pre-App)
Application Acceptance Period Closes:	March 1, 2010

Applications received after 5:00 P.M. CST on the last day of the Acceptance Period(s) **will not be accepted**. The deadline is **strictly** adhered to; therefore, the Department strongly encourages you to consider traffic and travel delays as well as potential delays with the FTP file server when planning your submission.

IV. COMPETITIVE HOUSING TAX CREDITS: FORMAT FOR SUBMITTING PRE-APPLICATION

The Pre-Application for Competitive HTC has been converted into one Excel file and consists of two separate parts: unbound items and electronic submission. The complete Pre-Application for each proposed development must be submitted as described in this section. **Incomplete Pre-Applications or improperly formatted Pre-Applications will not be accepted.**

Please note that Applicants are not required to submit a Pre-Application. However, pursuant to §§50.7(b)(2) and (b)(3) of the 2010 QAP, Applicants who apply for Competitive HTCs under the At-Risk Set-Aside or TDRO-USDA Set-Aside must either submit a Pre-Application or file a *2010 Intent to Request Housing Tax Credits* form by 5:00 p.m. CST on January 8, 2010 to be considered for the 2010 Application Round. This form will be made available on the Department's website along with all 2010 Application Materials.

Exhibits shown in *italics* are forms, templates or reference material included on the Department's website and in the Pre-Application. The forms, templates or reference material required to complete the Pre-Application are:

1. "2010 Competitive Housing Tax Credit Pre-Application" – Will be referred to as "***Pre-Application Exhibits***" in the ASPM. Link found at <http://www.tdhca.state.us/multifamily/htc/applications.htm>. Please note that all 2010 Templates will be included within the 2010 Pre-Application file.
2. "2010 Reference Manual Items" – Will be referred to as "***Reference Manual***" in the ASPM. All items are provided in the link found at <http://www.tdhca.state.us/multifamily/applications.htm>.
3. "2010 Final QAP Signed by Governor (PDF)" – Will be referred to as "***2010 QAP***" in the ASPM. Link found at <http://www.tdhca.state.tx.us/multifamily/htc/index.htm>
4. "2010 *Electronic Application Filing Agreement*" – Will be referred to as "***the Filing Agreement***" in the ASPM. Link found at <http://www.tdhca.state.tx.us/multifamily/applications.htm>

SUBMISSION FORMAT:

Identifying Labels – Any documentation submitted to the Department with the Pre-Application must be clearly labeled with the following:

1. Development Name
2. Owner Name
3. Contact Name(s)
4. Contact Address(es)
5. Contact Phone and Fax Number(s)
6. Contact Email Address(es)

A. **Electronic submission:**

The Pre-Application consists of two separate files, one in EXCEL format and one in PDF format. These will be submitted to the Department via the FTP file server, in person or by mail, on or before 5:00 P.M. (CST) January 8, 2010 in the following required formats:

- ❖ The file in EXCEL **and** PDF format
- ❖ There is an "Instructions" tab within the workbook that will provide general instructions on how to fill out the electronic Application and how to convert the Excel file to PDF format. Please read these instructions carefully and in conjunction with this ASPM.
- ❖ For the PDF formatted file:
 - The volume's tabs must be correctly bookmarked
 - Files should average less than 100 Kilobytes per page
 - Files must be readable with free PDF file viewers including Adobe Reader and be compatible with Adobe Reader 5.0 and above
 - Files should be saved so that "Fast Web View" (or page at a time downloading) is enabled
 - Text within the PDF file should be searchable using the "Find" command in the PDF viewer
 - The PDF file should be named in the following format -- <file_name>.pdf (i.e. Greens_Crossing.pdf)

Please note that the PDF format is an open technology and not proprietary to Adobe, therefore other PDF format applications are available to the public. Questions about electronic submission should be directed to Jason Burr at jason.burr@tdhca.state.tx.us.

IMPORTANT INFORMATION REGARDING ELECTRONIC SUBMISSIONS

- ❖ **Each Application must be setup and assigned a separate user name and a password.** Information regarding the Department's File Transfer Protocol (FTP) Procedures to submit subsequent application documentation will be provided on the Department's website.
- ❖ All Application documentation required subsequent to the Pre-Application will be submitted using the FTP service.
- ❖ **Each Applicant is required to complete and submit the *Electronic Application Filing Agreement* prior to receiving a user name and password for the FTP service. The agreement can be found at <http://www.tdhca.state.tx.us/multifamily/applications.htm>.**
- ❖ **Applicants not submitting a Pre-Application MUST submit the *Electronic Application Filing Agreement* to the Department prior to issuance of a user name and password for access to the Department's File Transfer Protocol for submission of the full Application and subsequent documentation.**

*****INSTRUCTIONS FOR COMPLETING THE PRE-APPLICATION*****

Please note that you should fill in all applicable boxes, and there are several places requiring original signatures. Please read directions that follow. This is not an instruction manual. Please refer to the 2010 ASPM and QAP for detailed instructions for completing your application. Additionally, TDHCA staff is available to answer any other questions.

1. There are six electronic tabs in the Pre-Application Excel workbook that represent separate spreadsheets for applicant use. Note that some tabs in the workbook act as a placeholder for purposes of reminding the Applicants of the unbound documents that must be provided within the application:
 - Instructions
 - 9% HTC Pre-Application Submission Form
 - 9% HTC Pre-Application Self-Scoring Form
 - Relevant Development Information Form
 - Public Notifications Information Form
 - Certification of Notifications at Pre-Application Form
2. Fill in only the areas shaded in Yellow. Gray or white shaded cells automatically calculate information provided by the applicant and are locked, but Applicants will be able to view any formulas within in these cells. All questions are intended to elicit a response, so please do not leave out any requested information.
3. All sheets in this workbook have been protected in order to maintain the integrity of the electronic application. However, you may adjust the size of the cells, text font, etc.
4. This electronic application has been designed so that some information, such as the project name and city, need only be entered once. In order to take advantage of this feature, the user must enter information in the order in which it is requested. There are exceptions to this. If you see a "#VALUE!" or "DIV/0!" in a cell upon data entry, do not worry. These cells will auto-calculate or auto-fill upon data entry in another tab.
5. Be sure to hit "Save" as you fill out your application!
6. Once the application is completed and you are ready to convert to PDF, follow the directions below:
 - ✓ With the Excel document open, go to the Adobe PDF drop-down box from the task bar
 - ✓ Select "Convert to Adobe PDF" from the drop-down list
 - ✓ The Adobe PDFMaker box will appear. On the left hand side of the box a list of the sheets within the Excel file will be listed and you will be prompted to select the sheets you would like to convert to PDF. Once the sheets are selected, click on the "Add Sheets" button to move those sheets over to the right-hand side of the Adobe PDFMaker box, this will list the sheets to be converted to PDF.

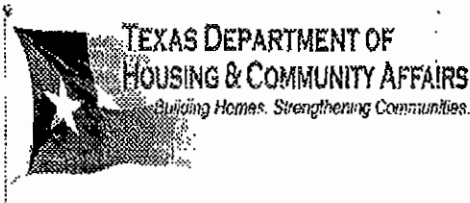
- ✓ Once all sheets that have been selected to be converted appear on the right-hand side under "Sheets in PDF" click on the "Convert to PDF" button.
- ✓ You will be prompted to create a name and save the PDF file. The PDF file should be named in the following format -- <file_name>.pdf (i.e. Greens_Crossing.pdf)
- ✓ A pop-up box will appear that asks "Do you want to proceed without creating tags?" Click Yes.
- ✓ Once the file has been converted to PDF you will need to make sure and go through the document and set the Bookmarks in the correct locations. Bookmarks will have already been created as part of the conversion process, but the locations may not be set correctly due to some of the forms being more than one page in length. To correctly set the Bookmark locations you must have the PDF file open in Adobe Acrobat. Click on the Bookmark icon located on the left-hand side of the Adobe Acrobat screen, or go to the task bar and select these options in the following order: **View** → **Navigation Panels** → **Bookmarks**.
- ✓ Note that a Bookmark has been created for each tab within the Excel file. To re-set the location for the Bookmarks, go to the first page of each exhibit. You will then right-click on the corresponding Bookmark for the form you are currently viewing. Select "Set Destination" and a pop-up box will appear asking you the following: "Are you sure you want to set the destination of the selected bookmark to the current location?" Select Yes.
- ✓ If after conversion of the Excel file to PDF format you have extra blank pages of any exhibit, you can delete those pages in order to limit the size of the file. To delete any extra, unnecessary pages identify the page number(s) you want deleted. On the Adobe Acrobat Task Bar click on Document and select Delete Pages from the drop down list. A box will appear prompting you to select which page(s) you would like to delete. Enter the page numbers to be deleted and hit OK.
- ✓ Be sure to read the ASPM for other PDF formatting requirements.

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- ✓ Be sure to read the ASPM for other PDF formatting requirements.



2010 9% HOUSING TAX CREDIT PRE-APPLICATION

Texas Department of Housing and Community Affairs
 Mailing Address: P.O. Box 13941, Austin, TX 78711-3941
 Physical Address: 221 East 11th Street, Austin, TX 78701

The undersigned hereby makes Pre-Application to TDHCA for the HTC Program. The Applicant has read and understands the Pre-Application instructions, has read and understands §50.9(c), Adherence to Obligations, of the 2010 Qualified Allocation Plan and Rules, and certifies that all information herein is true and correct to the best of their knowledge and belief. By signing this document, Applicant is affirming that all statements and representations made in this document are true and correct under penalty of Chapter 37 of the Texas Penal Code titled Perjury and Other Falsification and subject to criminal penalties as defined by the State of Texas. TEX. PENAL CODE ANN. §§37.01 et seq. (VERNON 2003 & SLP. 2007).

I certify that all the information provided regarding notifications is correct at the time that this pre-application is submitted and all of the required entities were notified as required by §50.8(d)(3)(B) of the QAP. I understand that the Department is not responsible for notifying me of any errors identified in the information provided. I also certify that all notifications were made in the format outlined in the template, Neighborhood Organization Request Format and Public Notifications Format (Written).

By: *Sam Elliott*
 Signature of Applicant/Owner

1/8/10
 Date

Its: Authorized Signature

Tab 1, Part A
9% HTC PRE-APPLICATION SUBMISSION FORM

1. DEVELOPMENT INFORMATION

Development Name: Atmos Lofts Region: 3

Development Address: 1900 Jackson Street

Development City: Dallas Zip: 75201 County: Dallas

2. SET-ASIDE INFORMATION: (Select all Set-Asides for which the Pre-Application is being submitted by placing a "x".)

Nonprofit Set-Aside At-Risk Set-Aside

3. ALLOCATION INFORMATION: (Select all Allocations for which the Pre-Application is being submitted by placing a "x".)

Rural Allocation USDA Allocation (if Rural)

Urban Allocation

4. UNITS

Total Low Income Units: 107 Total Market Rate Units: 0

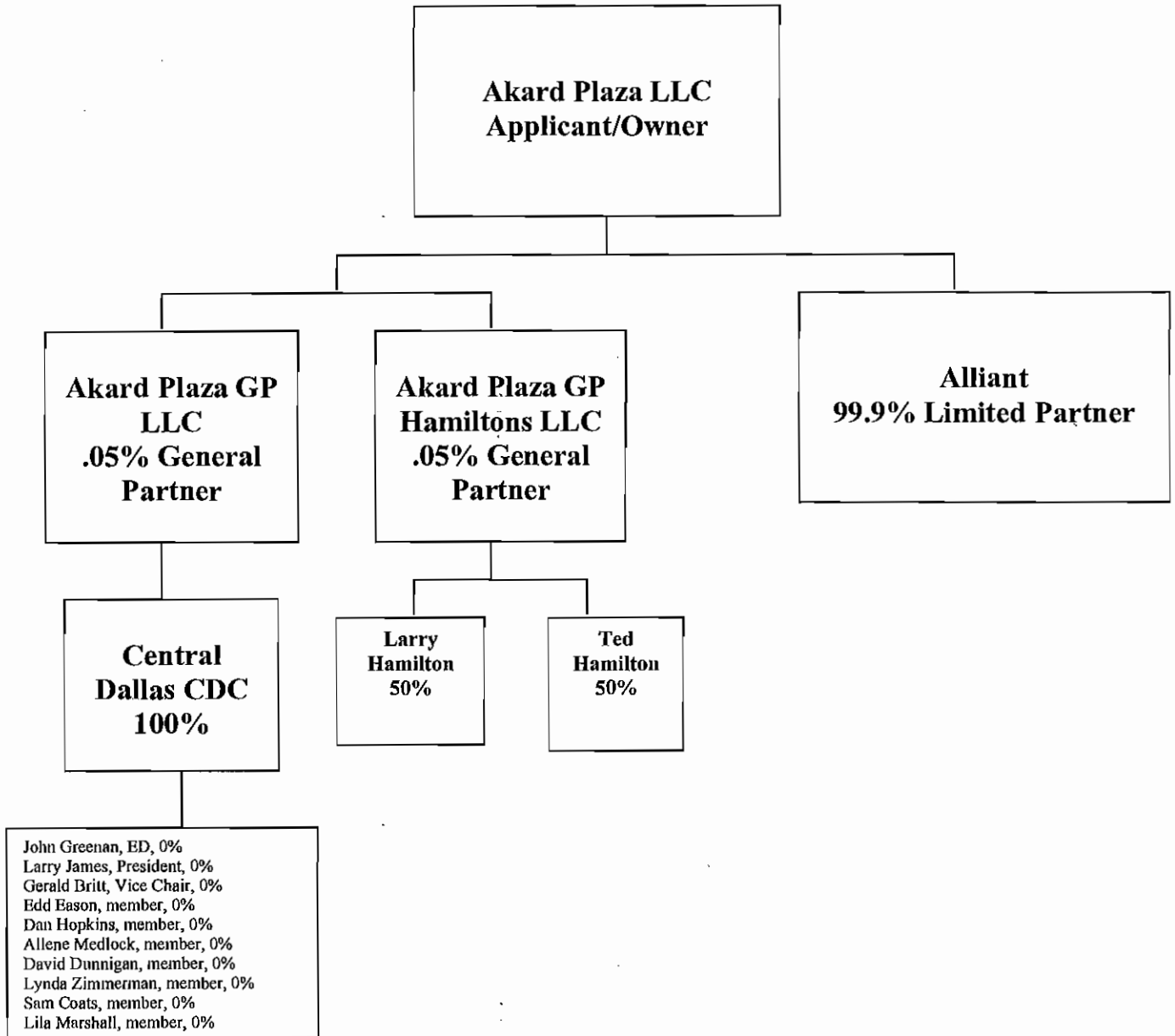
Total Units (Low Income and Market Rate): 107

5. TARGET POPULATION (Select appropriate population by placing a "x".)

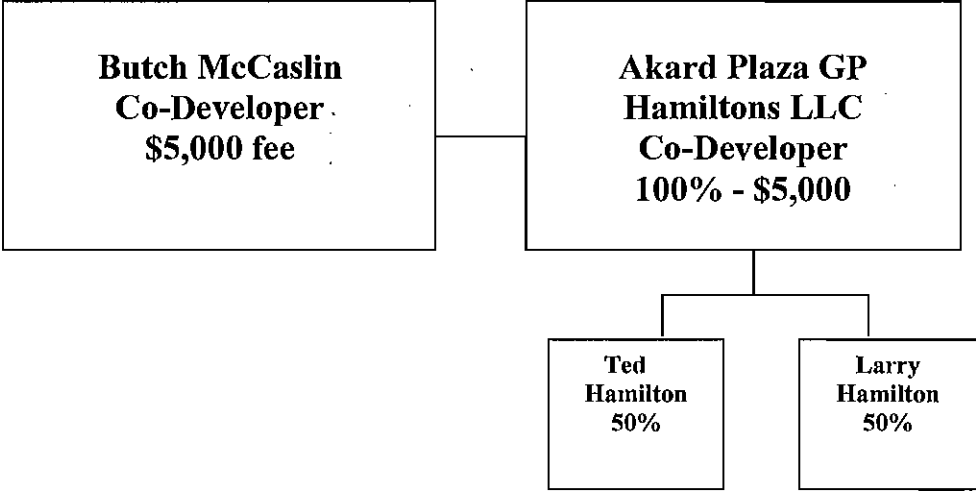
General Intergenerational Housing

Elderly Supportive Housing

VOLUME 1 TAB 5: ORGANIZATIONAL CHART FOR THE APPLICANT/OWNER



VOLUME 1 TAB 5: ORGANIZATIONAL CHART FOR THE DEVELOPER





2009 MULTIFAMILY UNIFORM APPLICATION
 Texas Department of Housing and Community Affairs (TDHCA)
 Mailing Address: P.O. Box 13941, Austin, TX 78711-3941
 Physical Address: 221 East 11th Street, Austin, TX 78701

The undersigned hereby makes Application to TDHCA for financial assistance. The Applicant has read and understands the Application instructions, has read and understands §49.9(c), Adherence to Obligations, of the 2009 Qualified Allocation Plan and Rules, and certifies that all information herein is true and correct to the best of their knowledge and belief. By signing this document, Applicant is affirming that all statements and representations made in this document are true and correct under penalty of Chapter 37 of the Texas Penal Code titled Perjury and Other Falsification and subject to criminal penalties as defined by the State of Texas. TEX. PENAL CODE ANN. §§37.01 et seq. (VERNON 2003 & SUPP. 2007).

Submitted Application must be signed by a representative with authority to execute documents on the Applicant's behalf.

Lawrence Hamilton
 Applicant's Authorized Representative's Signature **LAWRENCE HAMILTON** 2-26-09
 Representative's Printed Name, Title Date

Volume 1, Tab 1
PART A. ACTIVITY OVERVIEW

1. Multifamily Rental Development Name and Location

Development Name: <u>THE PLAZA</u>	Region: <u>5</u>
Address: <u>10115 S. AKARD ST</u>	ZIP Code: <u>75245</u>
City: <u>Dallas</u>	County: <u>Dallas</u>
If a Pre-Application was submitted, enter TDHCA assigned Development number: <u>09157</u>	

2. Target Population (Check Only One):

- Family
- Elderly
- Intergenerational Housing

PART B. APPLICANT INFORMATION

Provide the contact data for the Applicant's staff person who is responsible for Application and contract administration. This primary contact will not be the consultant or the end service provider.

1. Applicant Contact Information

Applicant Legal Name: <u>Award Plaza LLC</u>	
Applicant Contact Name: <u>John Greenan</u>	
Mailing Address: <u>2814 Main St, Ste 102</u>	City: <u>Dallas</u> State: <u>TX</u> ZIP: <u>75226</u>
Phone: <u>(214) 573-2370</u>	Fax: <u>(214) 573-2575</u> Email: <u>jgreenan@centraldallascd.org</u>

If Applicant's "Physical Address" is different from the "Mailing Address," provide the physical address below:

Applicant Physical Address: <u>same</u>	
City: <u>Dallas</u>	State: <u>TX</u> ZIP: <u>75226</u>
2 nd Contact Name (required): <u>Sarah Andrie</u>	
Phone: <u>(214) 694-3369</u>	Fax: <u>(214) 234-2266</u> Email: <u>sarah@2addevelopment.com</u>

June 24, 2010

VIA E-MAIL

Mr. Michael Gerber
Executive Director
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701

Re: Response to Challenge; TDHCA #10284; Our File No.: 50881.1

Dear Mr. Gerber:

This letter is in response to the letter to Robbye Meyer, dated June 14, 2010, from Tony Sisk, in which Mr. Sisk challenges the eligibility of Atmos LIHTC, LP (the "Applicant") to receive six points for submitting a Pre-Application in accordance with the 2010 Qualified Action Plan ("QAP").

First, I compliment Mr. Sisk for submitting a well written and well reasoned challenge to Applicant receiving six Pre-Application points. I do, however, take exception with the conclusion reached by Mr. Sisk for the reasons below stated.

The Department correctly concluded Applicant is entitled to the six Pre-Application points due to the ambiguity in the QAP regarding the form of submission of the Pre-Application pursuant to Section 50.8 of the QAP and the form of submission of the full Application pursuant to Section 50.9 of the QAP. As Mr. Sisk correctly points out, Section 50.8 of the QAP does not specifically prescribe the required form of submission of the Pre-Application, and Section 50.9 of the QAP clearly does by requiring a full Application to be submitted "as required by the Application Submission Procedures Manual" (the "ASPM"). The issue centers around the omission in Section 50.8 of the QAP of the language "must be submitted as required by the Application Submission Procedure Manual."

Next, Mr. Sisk cobbles together certain language in the definitions section of the QAP and language in the ASPM to make the argument that the requirements of the ASPM are incorporated into the requirements for submission of a Pre-Application. The conclusion reached by Mr. Sisk is fatally flawed due to his interpretation of what constitutes an acceptable form of submission of the Pre-Application. Mr. Sisk incorrectly states that Section IV of the ASPM requires "an electronic submission", when in fact it categorically does not state that to be the case.

Similar to the difference between the language of Section 50.8 of the QAP and Section 50.9 of the QAP, the language of Section VI of the ASPM, which mandates the form of submission for the full Application, is materially different than what Section IV of the ASPM provides for the form of submission of the Pre-Application.

In Section VI of the ASPM, under the heading Electronic Submission, the language at issue is as follows: "A bookmark, electronic copy of the complete Application and Third Party Reports must be submitted as one PDF file on a recordable compact disc (CD-R) **AND** must also be submitted in the original Excel format." This key sentence in Section VI of the ASPM clearly states that the full Application may only be submitted to the Department on a CD-R.

If Department required a Pre-Application to be submitted only on a CD-R, then the language referenced in Section VI of the ASPM would also be included in Section IV of the ASPM. It does not. Applicant contends it completely complied with the provisions of Section IV of the ASPM by delivering in person, which is expressly permitted in Section IV of the ASPM, a hard copy of the Pre-Application in separate files, one in Excel format and one in PDF format. Applicant downloaded the Pre-Application, completed all the information in both the Excel format and PDF format and timely submitted same to the Department before 5:00 p.m., January 8, 2010. Mr. Sisk mistakenly reads the word "electronic" into the form of submission in Section IV of the ASPM when it is only used in Section VI of the ASPM.

The QAP is a legally binding set of rules and regulations governing the low income housing tax credit program under the auspices of the Texas Department of Housing and Community Affairs ("TDHCA"), and it must be interpreted by the same judicial standard applied to interpreting any other laws and statutes.

In support of this proposition, please see *In re M.N.*, 262 S.W.3d 799, 802 (Tex. 2008). As provided in *In re M.N.*, the court states that "we presume that the legislature included each word in the statute for a purpose, and that the legislature purposely omitted words not included." See also *City of Rockwall vs. Hughes*, 246 S.W.3d 621, 628 (Tex. 2008), in which the court states, "It is a rule of statutory construction that every word of a statute must be presumed to have been used for a purpose ... [and] we believe every word excluded from a statute must also be presumed to have been excluded for a purpose."

Based upon case law rule of statutory construction, I therefore submit the following two arguments. In applying the above judicial standard, it must be concluded that the drafters of the QAP intentionally or purposefully omitted in Section 50.8 of the QAP the requirement that a Pre-Application must be submitted on the same basis required by Section 50.9 of the QAP. Accordingly, references to compliance with the ASPM in Section 50.9 of the QAP are inapplicable to the submission of the Pre-Application pursuant to Section 50.8 of the QAP.

The second argument is that Applicant did in fact comply with the terms and provisions of Section IV of the ASPM by submitting a hard copy of the Pre-Application in two files, one in Excel format and one in PDF format. Again, Section IV of the ASPM must be interpreted by the judicial standard above set forth and the conclusion is that the drafter of the ASPM intentionally

Mr. Michael Gerber

June 24, 2010

Page 3

or purposefully omitted the requirement found in Section VI of the ASPM that the sole form of submission must be electronic. Accordingly, the language in Section VI of the ASPM for submission of a full Application is inapplicable to the submission of the Pre-Application.

Due to the material differences in the language of Sections 50.8 and 50.9 of the QAP and differences in the language of Sections IV and VI of the ASPM, the Department correctly concluded that Applicant is entitled to the six Pre-Application points and the staff's decision in this matter should not be reversed.

I respectfully request the challenge presented by Mr. Sisk be dismissed and the six Pre-Application points awarded to Applicant be maintained.

Very truly yours,



John C. Shackelford, Esq.

JCS/sd

cc: Robbye Meyer *(via e-mail)*
Tom Gouris *(via e-mail)*
Raquel Morales *(via e-mail)*
Tim Irvine, Esq. *(via e-mail)*
Jeff Pender, Esq. *(via e-mail)*
Larry Hamilton *(via e-mail)*
Ted Hamilton *(via e-mail)*
John Greenan, Esq. *(via e-mail)*
Jeff Spicer *(via e-mail)*

16 June, 2010

Mr. Michael Gerber, Executive Director
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701-2410

Re: "Atmos Lofts" Project
1900 Jackson Street
Dallas, Texas 75201
Region 3; File Number 10284

Dear Mr. Gerber:

Please accept this letter as an expression of my concerns regarding the subject Tax Credit project application. It is my understanding that Ted Hamilton has applied to the State for \$1,336,488 in Low Income Housing Tax Credits for the 107 unit "Atmos Lofts" multifamily project, which is located at 1900 Jackson Street in Downtown Dallas. While I am very supportive of any and all efforts by the City of Dallas and your department to create Low and Moderate Income housing opportunities in the Dallas Central Business/Residential District, I have some significant reservations about this particular project.

The "Atmos Complex" (also known as The Lonestar Gas Complex) is composed of four separate, interconnected buildings on five separate land parcels, occupying the entire city block bounded by Harwood, Wood, St. Paul, and Jackson streets. Each building has its own address, and all four buildings have different Dallas Central Appraisal District property identification numbers. The four buildings in the complex, containing 390,425 square feet of building area per DCAD, are known individually as: 1900 Jackson Street, 301 South Harwood Street, 1915 Wood Street, and 1815 Wood Street. The entire complex was built by Lonestar Gas Company, the forerunner company to Atmos Gas. The oldest building in the complex, 1915 Wood Street, was built in 1924. In 1930, Lonestar constructed an addition to the first building, 301 South Harwood Street. Another addition, 1815 Wood Street, was completed by Lonestar in 1966. The fourth and final addition to the complex was made in 1979 when 1900 Jackson Street was constructed.

On October 20, 2008, the Hamilton plan for redevelopment of the entire Atmos complex of buildings was presented to the Dallas City Council Economic Development Committee (see attached Exhibit A). The redevelopment plan was for 225 multifamily residential rental units, with 23 (10%) of the units set aside for residents earning 80% of AMFI. Presumably, the 23 "affordable units" would have been dispersed throughout the four building complex, among the 202 "market units". The budget for this project, as presented, was \$50,241,603, or **\$223,296.01 per residential unit**.

On May 18, 2009, another Hamilton plan for the redevelopment of the entire Atmos complex was presented to the Dallas City Council Housing Committee (see attached Exhibit B). This redevelopment plan for the complex included 233 multifamily residential rental units, with 46 (20%) of the units set aside for residents earning 80% of AMFI. Presumably, the 46 "affordable units" would have been dispersed throughout the four building complex, among the 187 "market units". The budget for this project, as presented, was \$45,986,206, or **\$197,365.69 per residential unit**.

Then, on April 19, 2010, the Hamilton "tax credit" plan was presented to the Dallas City Council Housing Committee (See attached Exhibit C). This plan includes redevelopment of only one of the four buildings, 1900 Jackson Street, into 107 multifamily residential rental units, with all of the units (100%) set aside for residents earning 60% of AMFI and less. **It appears the 107 Low income units will be segregated in this one building, separated from the remaining three buildings in the complex, instead of being dispersed throughout the four building complex**

as in the previous redevelopment plans. The budget for the 107-unit, single building project, as presented, is \$12,623,595, or **\$117,977.52 per residential unit.** As a practical matter, it is my belief that the 1900 Jackson Street building cannot be redeveloped as a stand-alone building, especially for the budgeted amount of \$12,623,595 (based on the earlier May, 2009 budget, I believe an amount of at least \$21,118,129, at \$197,365.69 per residential unit, will be required as a minimum). If the developer represented to TDHCA, in its tax credit application (which I have not seen, but I do plan on making an open records request for their application.), that the 107 low income unit project at 1900 Jackson Street could be redeveloped for \$12,623,595 (**\$117,977.52 per residential unit**) independent of the three remaining buildings in the complex, I fear that you may have been misled.

Aside from the financial dependency, the 1900 Jackson Street building is also dependent on the other three buildings in the complex for other related amenities such as parking, exercise facility, leasing center, swimming pool, etc. I also believe that the developer has every intention of developing the entire complex of four buildings as a “mixed income” project, with a total development budget of around \$46 million, as had been presented in May, 2009. Therefore, the budget for the redevelopment of the three remaining buildings will be approximately \$33.363 Million for about 126 “market” residential units (assuming a total of 233 residential units for the four building complex), or about **\$265,000 per residential unit.** As you can readily see, there is a substantial difference in cost per unit between the 1900 Jackson Street project as presented to TDHCA, and the redevelopment of the three remaining buildings in the complex.

If, as is suspected, the true plan to redevelop the entire complex becomes a reality, the complete concentration of low income housing units in one building of the four-building complex will represent the very segregation, discrimination, and lack of integration that Federal Fair Housing and Civil Rights Laws were designed to prevent. According to the 2000 Census, 64.7% of Dallas’ population are minorities (25.9% Black; 35.6% Hispanic/Latino; 2.7% Asians; .5% American Indian and Alaskan Native), and I suspect that these minority populations will increase when the 2010 Census results become available. These minorities are heavily and disproportionately represented in the income levels to be served by this project. So, it is easy to conclude that the 107 unit single building at 1900 Jackson Street will be largely occupied by members of the impacted/protected classes, while the other three buildings will not.

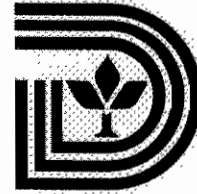
I am aware of the lawsuit, filed against the Texas Department of Housing and Community Affairs by The Inclusive Communities Project, Inc., and I have also read the Motion to Dismiss which was filed with the court by the Texas Attorney General, where he accurately (I believe) asserted the reason tax credit projects were only completed in the predominantly minority areas of the city was because that was the only area/location in which the City of Dallas had approved and submitted tax credit project applications to the TDHCA. Clearly, I understand that both TDHCA and the City of Dallas are now motivated to encourage low income housing tax credit projects in the Northern areas of the City, reversing the previous trend. However, in the case of the Atmos Lofts project, as presented to TDHCA, it is my belief that the City has approved and supported a project with an extremely discriminatory element that will further segregation and racism in an area that doesn't need gasoline thrown on an already existing fire. We want and need low and moderate income units in downtown Dallas, when its done correctly, not in this manner, where multiple federal laws would be violated.

Respectfully submitted,

s/s Curtis Lockey

Cc: Brooke Boston
Tom Gouris
Robbye Meyer
Misael Arroyo

Memorandum



CITY OF DALLAS

DATE May 15, 2009

TO Housing Committee Members: Steve Salazar, Chair, Carolyn R. Davis, Vice-Chair, Tennell Atkins, Dr. Elba Garcia, Vonciel Jones Hill, Angela Hunt, Linda Koop, Pauline Medrano

SUBJECT Community Development Block Grant Section 108 Guarantee Loan Application for The Atmos Lofts

On Monday, May 18, 2009, you will be briefed on Community Development Block Grant Section 108 Guarantee Loan Application for The Atmos Lofts. A copy of the briefing is attached.

Please let me know if you have any questions.

A handwritten signature in black ink, appearing to read 'A.C. Gonzalez'.

A.C. Gonzalez, Assistant City Manager

c: The Honorable Mayor and Members of the City Council
Mary K. Suhm, City Manager
Deborah Watkins, City Secretary
Tom P. Perkins, Jr., City Attorney
Craig Kinton, City Auditor
C. Victor Lander, Judiciary
Ryan S. Evans, First Assistant City Manager
Forest Turner, Interim Assistant City Manager
Ramon Miguez, P.E., Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Dave Cook, Chief Financial Officer
Jerry Killingsworth, Housing Director
Jeanne Chipperfield, Director, Budget and Management Services
Helena Stevens-Thompson, Assistant to the City Manager

Community Development Block Grant Section 108 Guarantee Loan Application for The Atmos Lofts

A Briefing To The Housing Committee

May 18, 2009

Housing Department



Purpose

Consideration of Community Development Block Grant Section 108 Guarantee Loan application for \$9,000,000 for the conversion of vacant commercial buildings into 233 rental units and approximately 10,000 square feet of retail for the four buildings comprising the current Atmos Complex located at 1900 Jackson Street, 301 S. Harwood Street, 1915 Wood Street and 1815 Wood Street

Section 108 Loan Application Process

- □ Develop proposed HUD application for \$9M and waiver request for affordability of 20% of units
- Held Neighborhood Public Hearing May 4, 2009
 - Hearing held at Central Library downtown in the area in which funds will be used
 - Participants provided Section 108 Loan Guarantee purpose and eligible uses
 - Obtained favorable views of citizens
 - Community development objectives
 - Housing and economic development needs
- Prepare Final HUD Application
 - Consideration of public comments and views
 - Finalized description of activities

Section 108 Loan Application Process (cont.)

☐☐ Hold City Council Public Hearing

- ☐ Contents of final HUD application
- ☐ Summary of public comments

☐☐ Obtain City Council Approval

- ☐ Final application for project
- ☐ Schedule of repayment to HUD of the Section 108 guaranteed loan

Underwriting Guidelines

- ☐☐ Section 108 funding used as subordinate gap financing as a mezzanine refunding piece
- ☐☐ Total loan balance of the project, including first liens, cannot exceed 85% of the lower of total cost or appraised value of the completed stabilized project
- ☐☐ Debt service coverage ratio of 1.15 for all debt
- ☐☐ Additional credit enhancement to provide collateral support to insure that payments can be repaid if refinancing does not repay both first and second liens
- ☐☐ Additional credit support required if the first lien mortgage financing does not include an interest reserve during the construction period, redevelopment and lease up

Atmos Lofts

- 1900 Jackson Street, 301 S. Harwood Street, 1915 Wood Street and 1815 Wood Street, Council District 14
- Four vacant commercial buildings converted into 233 rental units and approximately 10,000 square feet of bottom floor retail
 - 37 efficiencies - average size 647 square feet
 - 136 one bedrooms - average size 804 square feet
 - 45 two bedrooms – average size 1,274 square feet
 - 15 units average size 1,637 square feet
 - 46 affordable units, 187 market rate units
- Applicant – Hamilton Atmos LP
 - Partners: Hamilton Atmos GP LLC, Lawrence E. Hamilton, and Lawrence E. Hamilton III

Developer

- □ Hamilton LP is an affiliate of Hamilton Properties Corporation that has sponsored several developments in downtown Dallas including:
 - The Davis Building, 1309 Main Street, 183 loft apartments, 20,000 square feet of retail, and 12 story parking garage containing 608 parking stalls and 30,000 square feet of retail space
 - The Dallas Power & Light, 1508 Commerce, 158 loft apartments, 25,000 square feet of retail, and structured parking for 160 vehicles
 - Mosaic, 300 N. Akard Street, 440 loft apartment units, 20,000 square feet of retail, and an 8 story parking structure for 650 vehicles
 - Santa Fe IV , 1033 Young Street, currently under construction to convert 8 story commercial building into a 193 room Aloft Hotel, scheduled completion in August 2009

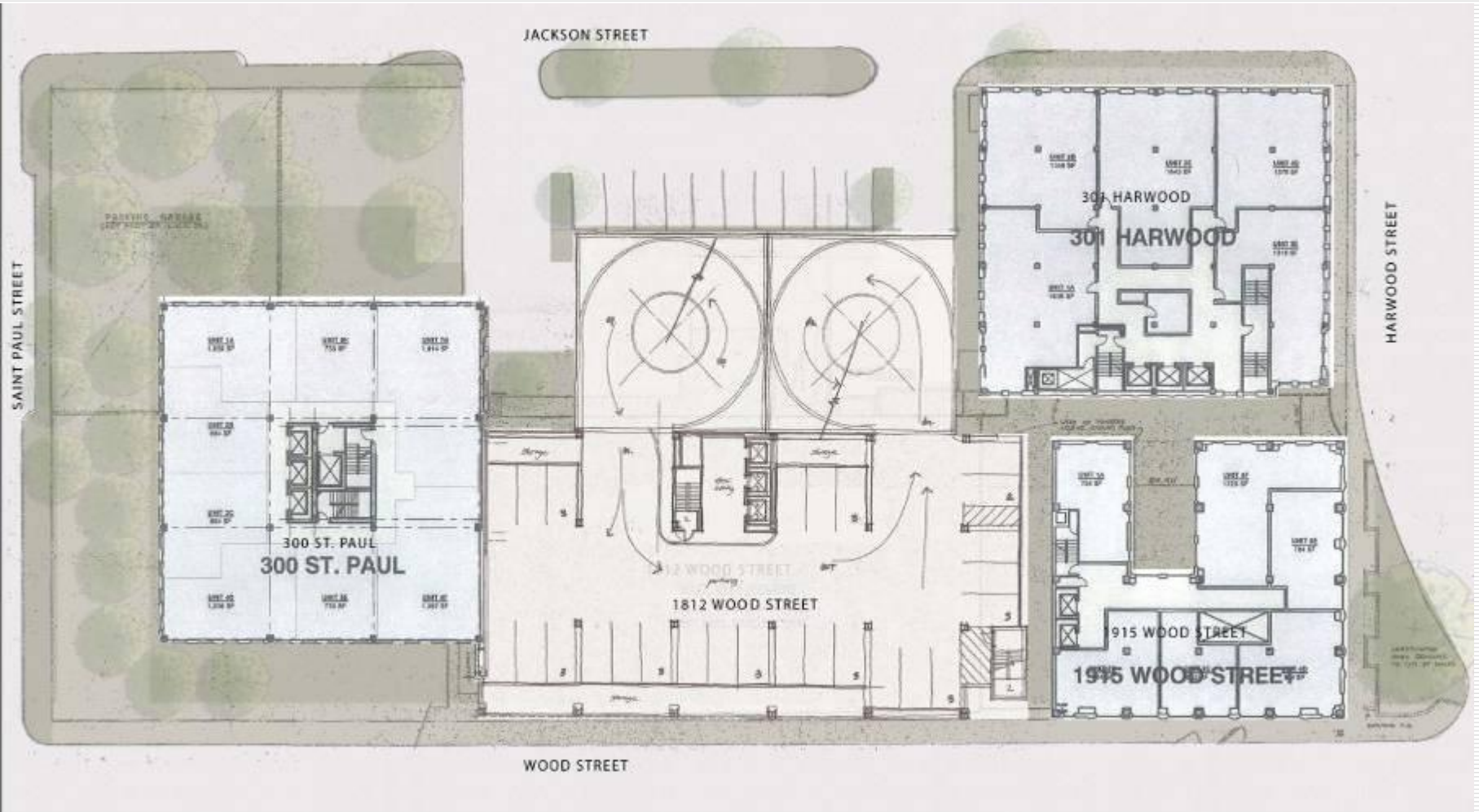
Property Manager

- □ Trigon Management, 1412 Main Street, Suite 1400, Dallas
 - Formed in 2005
 - 2525 total units managed in the metroplex and Universal City, TX
 - Properties managed in Dallas
 - The Davis Building & Metropolitan Garage, 1309 Main and 1310 Elm, 183 residential, retail and office
 - Dallas Power & Light Building, 1222 Browder St., 58 units residential and retail
 - Mosaic, 300 N. Akard, 440 residential units and retail
 - Ilume, 4123 Cedar Springs Rd., 316 residential units and retail
 - Casa de Loma, 100 N. Randolph, 102 residential units
 - August Park, 2808 N. Saint Augustine, 158 residential units

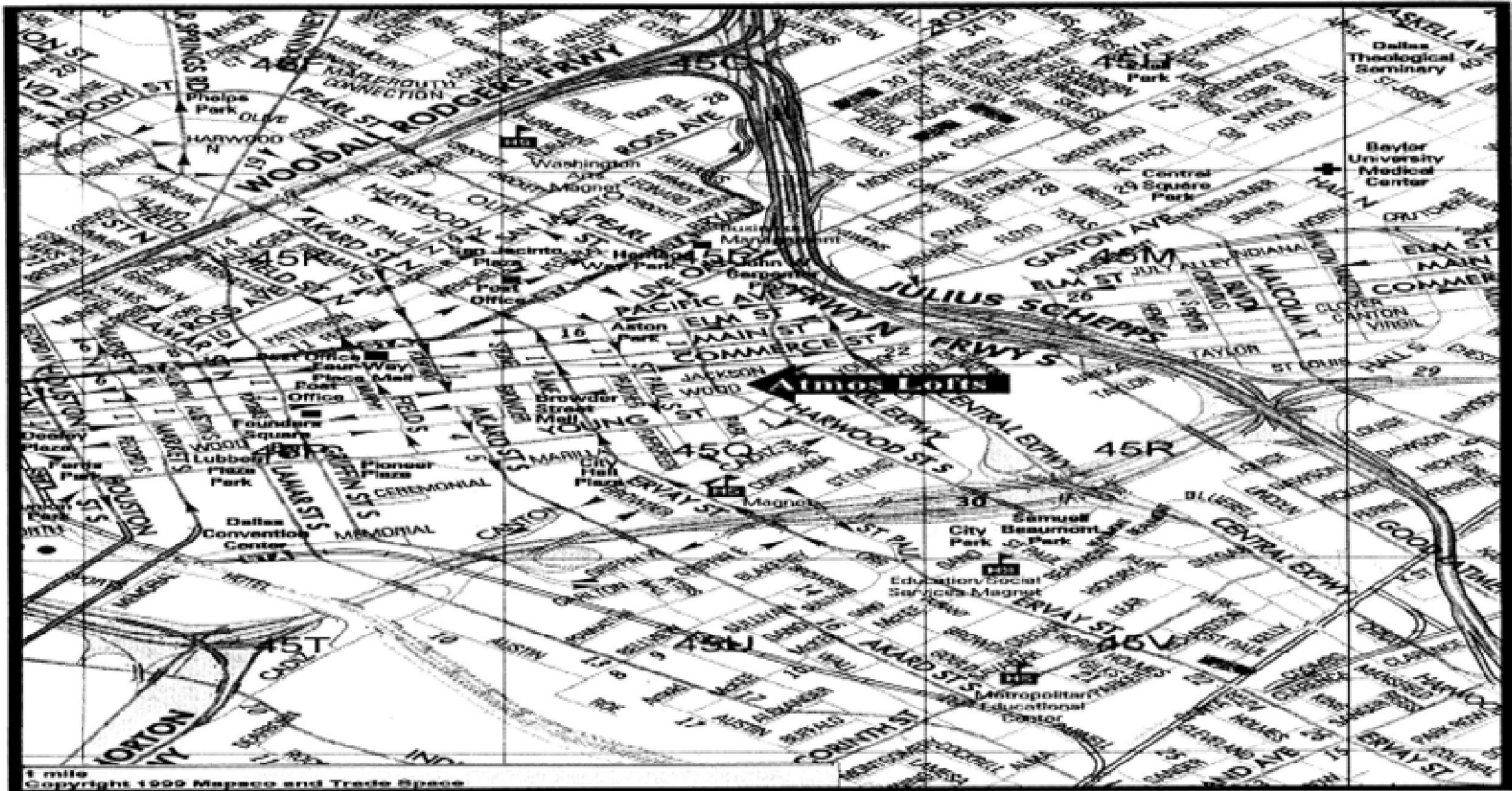
Current Atmos Complex



Site Plan



Project Location



MAPSCO 45Q

Sources and Uses

SOURCES

Construction Loan	\$21,251,724
TIF Bridge Loan of 50%	5,748,276
Section 108 Loan	9,000,000
Tax Credit Equity	4,347,254
Developer Equity	<u>5,638,952</u>
TOTAL SOURCES	\$45,986,206

USES

Land and Building	\$ -0-
Construction Costs	26,440,705
Demolition and Abatement	2,142,900
Furniture, Fixtures & Equipment	891,035
Tenant Improvement Costs	750,000
Hard Cost Contingency	1,965,722
Architect/Engineering	1,539,200
Insurance	58,250
Property taxes during Constr.	380,000
Construction Interest	1,215,000
Interest Reserve for Lease-up	1,209,955
Interest Reserve for 108 loan	1,102,698
Legal and Accounting	175,000
Title, Closing and Carry	332,500
Loan Origination Fees	507,500
Construction Management Fee	234,000
Developer Fee and Overhead	6,500,000
Soft Cost Contingency	<u>541,741</u>
TOTAL USES	\$45,986,206

Credit Enhancement

- Three and half years of interest reserve for 108 loan represents two years more interest rate than needed to pay debt and allows for slippage in lease up of the project
- Project @ stabilization cash flows sufficient debt coverage to pay 1st and 2nd lien debt
- 50% of TIF reimbursements totaling \$21+M beginning in 2014 will be pledged directly to repay the \$9M 108 loan
- No partnership distributions will be made until the first TIF reimbursement is paid. The 1st lien loan and the City's 108 loan will each have claim to 50% of the accumulated NOI (estimated @ \$1.6M or \$800K each) providing another two years of interest carry on the 108 loan
- All NOI that exceeds 1.15 debt coverage on the first and 108 loan will be used to reduce the 108 loan and not paid as a partnership distribution

Pro Forma Analysis

See Addendum A

- Construction commences in 2009 and completed in 2010
- Project reaches rent stabilization in 2011
- Loan to Value ratio of 99% for both 1st lien debt and 108 second lien loan will not meet underwriting standard based upon a capitalization rate of 7% of the net operating income
- Underwriting standard not met for project debt coverage on 1st debt plus 108 loan second debt of 1.15% during lease up until permanent loan when coverage drops to 1.05% debt coverage in 1st year of permanent debt
- City only receiving 50% of TIF reimbursement in order to facilitate the underlying bank loan that otherwise would not be approved
- The 50% TIF reimbursement of \$11.5M results in the City being paid back over 10 years on \$9M loan
- The TIF reimbursement represents the only payback of the 108 loan
- Three and half years of 108 interest reserve @ \$1,202,698 (current LIBOR plus 300 basis points) will be set up at closing of construction loan
- Based upon pro forma, we have two and a half years of extra interest to allow for construction delays and or slow lease up before project stabilizes
- No partnership distributions will be made until the first TIF reimbursement is paid. The 1st lien loan and the City's 108 loan will each have claim to 50% of the accumulated NOI (estimated @ \$1.6M or \$800K each) providing another two years of interest carry on the 108 loan
- All NOI that exceeds 1.15 debt coverage on the first and 108 loan will be used to reduce the 108 loan and not paid as a partnership distribution

RECOMMENDATION

- City loan \$9M in 108 funds borrowed from HUD to Hamilton Atmos GP,LLC, to redevelop the project known as the Atmos Block with principle to be repaid with 50% of the TIF reimbursements beginning in 2014 and interest paid through a combination of interest reserve built into the construction loan, pledge of partnership distributions until TIF reimbursements start, and the Net Operating Income of the property

Next Steps

- ☐☐ May 20, 2009 City Council call for public hearing
- ☐☐ June 24, 2009 City Council Public Hearing and final approval for filing of Section 108 loan application and waiver request to HUD
- ☐☐ Complete draft of Section 108 loan application and waiver request and submit to HUD

Atmos Lofts

Dallas, Texas

Construction Loan Analysis

	Per Unit ¹	PSF ²	Amount
Cost Information			
Land, Building and Acquisition Costs	\$0	\$0.00	\$0
Hard Costs	\$138,156	\$149.34	\$32,190,362
Soft Costs	\$38,609	\$41.73	\$8,995,844
Deferred Development Fee	\$20,601	\$22.27	<u>\$4,800,000</u>
Total Costs	\$197,366	\$213.34	\$45,986,206
Total Cost w/out Deferred Development Fee	\$176,765	\$191.07	\$41,186,206
Total Tax Increment Finance (TIF) Funds to the project³			\$11,496,552
Loan Information			
Loan Request Net of 50% of TIF	\$91,209	\$98.59	\$21,251,724
Loan Request including TIF bridge			\$27,000,000
Section 108 Loan	\$38,627	\$41.75	\$9,000,000
First Mortgage			
30-Day Libor as of 4-13-09			0.50063%
Spread			2.50%
Interest Rate Cushion			2.50%
Interest Rate			5.50%
Term			5 Years
Amortization			Interest Only
Annual Debt Service	\$6,374	\$6.89	\$1,485,170
Section 108 Loan⁴			
30-Day Libor as of 4-13-09			0.50063%
Spread			0.50%
Interest Rate Cushion			2.50%
Interest Rate			3.50%
Term			15 Years
Ineterst Only (Principal paid back with 50% of TIF proceeds)			I/O
Annual Debt Service			\$315,057
Ratios			
Debt Service Coverage "As Stabilized" First Mortgage			1.79x
Debt Service Coverage "As Stabilized" Fully Amortizing First			1.45x
DSC Fully Amortizing First less TIF \$'s			1.84x
DSC "As Stabilized" I/O and 108 pmt			1.48x
Loan To Cost (w/out Deferred Development Fee or TIF \$'s)			66%
Loan to Stabilized Value (without TIF dollars)			71%
Loan to Stabilized Value (with 50% of TIF dollars)			56%
108 loan to stabilized Value (without TIF dollars)			95%
108 loan to stabilized Value (less TIF dollars)			64%
Equity Source Summary			
Historic Tax Credit Equity	\$18,658	\$20.17	\$4,347,254
Land, Building and Acquisition Costs	\$0	\$0.00	\$0
Additional Equity Required			\$838,952
Deferred Development Fee Equity	\$20,601	\$22.27	<u>\$4,800,000</u>
Total Equity Contributions	\$42,859	\$46.33	\$9,986,206
Value Information			
	NOI ⁵	Cap Rate	Value
Net Operating Income Year 5	\$2,661,693	7.00%	\$38,024,191
Estimated Value	\$163,194	\$176.40	\$38,024,191

Footnotes

- 1 Based on 233 apartment units.
- 2 PSF calculations are based on the net rentable area of 215,556 Square Feet and excludes the garage square footage.
- 3 TIF dollars do not start flowing to the project until 2013, but the TIF funds accrue interest at 5.85%, with total TIF grant capped (including interest) at \$23,000,000.
- 4 Section 108 funds from the City of Dallas will remain in 2nd position after a refinance/sale. 50% of TIF funds are pledged to the 108 loan.
- 5 Based on Year-3 Net Operating Income.

Atmos Lofts

Detailed Budget

AHS	GL	Code	Cat	GL Name	Qty	Unit	\$/Unit	Budget
Acqui	10	905	Land	Land, Building, and Acquisition Cost	1	LS		\$ -
				10905 Land Total				\$ -
				10900 Land, Building, Acquisition Cost Total				\$ -
Hard	11	100	Private	General Contract - Andres				\$ 26,440,705
				11100 General Contractor - Andres Total				\$ 26,440,705
Hard	11	250	Demo	Demolition and Abatement Contract	1	LS	\$ 2,142,900	\$ 2,142,900
				11200 Abatement Total				\$ 2,142,900
				FFE - Apartments Subtotal				\$ -
Hard	12	205	FFE	Trash Compactors	3	LS	\$ 15,000	\$ 45,000
Hard	12	210	FFE	Security/Access Control /Sound/Direct TV	233	apt	\$ 575	\$ 150,000
Hard	12	220	FFE	Sound	233	apt	\$ 75	\$ 17,475
Hard	12	225	FFE	Art	1	LS	\$ 25,000	\$ 25,000
Hard	12	230	FFE	Signage - Interior (code signage by Andres)	233	LS	\$ 65	\$ 15,145
Hard	12	235	FFE	Owner Inspections and Permits	1	LS	\$ 13,915	\$ 13,915
Hard	12	245	FFE	FFE - Other (Kul items)	1	LS	\$ 65,000	\$ 65,000
				FFE - Interiors / General Subtotal				\$ 331,535
Hard	12	305	FFE	Landscaping	1	LS	\$ 200,000	\$ 50,000
Hard	12	310	FFE	Pool Deck and cabana	1	LS	\$ 100,000	\$ 50,000
Hard	12	315	FFE	Dive-in theater	1	LS	\$ 50,000	\$ 20,000
Hard	12	320	FFE	Signage - Exterior	1	LS	\$ 25,000	\$ 40,000
Hard	12	335	FFE	Street Scape	1	LS	\$ 30,000	\$ 30,000
				FFE - Exteriors Subtotal				\$ 190,000
Hard	12	805	FFE	Grand Opening	1	LS	\$ 15,000	\$ 15,000
Hard	12	807	FFE	Fitness Equipment	1	LS	\$ 55,000	\$ 55,000
Hard	12	810	FFE	Janitorial supplies and eq.	1	LS	\$ 4,500	\$ 4,500
Hard	12	815	FFE	Keytrack	1	LS	\$ 15,000	\$ 15,000
Hard	12	820	FFE	Lobby Furniture	1	LS	\$ 15,000	\$ 15,000
Hard	12	822	FFE	Model Unit Furniture				\$ 20,000
Hard	12	825	FFE	Marketing, Start-up	1	LS	\$ 100,000	\$ 100,000
Hard	12	830	FFE	Office Supplies	1	LS	\$ 15,000	\$ 15,000
Hard	12	835	FFE	Office equip, computers etc	1	LS	\$ 15,000	\$ 15,000
Hard	12	840	FFE	Office Furniture	1	LS	\$ 15,000	\$ 15,000
Hard	12	845	FFE	Power @ Lease-up	1	LS	\$ 100,000	\$ 100,000
				FFE - Leasing Start-up Subtotal				\$ 369,500
				12000 Furniture, Fixtures, and Equipment Total				\$ 891,035
Hard	13	005	TI	Space 1	5,000	sf	\$ 75	\$ 375,000
Hard	13	010	TI	Space 2	5,000	sf	\$ 75	\$ 375,000
				13000 Tenant Improvements Total				\$ 750,000
Hard	14	005	Contingei	Hard Cost Contingency	7.00%	%	\$ 28,081,740	\$ 1,965,722
				14000 Hard Cost Contingency Total				\$ 1,965,722
				Hard Cost Total				\$ 32,190,362
Soft C	15	005	Interest	Interest - Construction	1	LS	\$ 1,215,000	\$ 1,215,000
Soft C	15	010	Interest	Interest Reserve- Lease-up	1	LS	\$ 1,209,955	\$ 1,209,955
Soft C	15	015	Interest	Interest Reserve - Section 108			\$ 1,102,698	\$ 1,102,698
				15000 Interest Total				\$ 2,424,955
				15100 Architects and Engineers Total				\$ 1,539,200
Soft C	15	205	Insurance	Insurance- Bldrs. Risk	233	LS	\$ 250	\$ 58,250
Soft C	15		Insurance	Insurance - Excess Liability, Umbrella				\$ -
				15200 Insurance Total				\$ 58,250
Soft C	15	305	Legal/Acc	Legal Costs	1	LS	\$ 150,000	\$ 150,000
Soft C	15	310	Legal/Acc	Accounting Costs	1	LS	\$ 25,000	\$ 25,000
				15300 Legal/Accounting Total				\$ 175,000
Soft C	15	405	Property	Property Taxes during Construction	1	LS	\$ 380,000	\$ 380,000
				15400 Property Tax Total				\$ 380,000
Soft C	15	505	Title/Clos	Survey	1	LS	\$ 5,000	\$ 5,000
Soft C	15	510	Title/Clos	Appraisal	1	LS	\$ 12,500	\$ 12,500
Soft C	15	515	Title/Clos	Misc, Ins, utilities, etc	1	LS	\$ 200,000	\$ 200,000
Soft C	15	520	Title/Clos	Title Premium	1	LS	\$ 115,000	\$ 115,000
				15500 Title/Closing/Carrying Total				\$ 332,500
Soft C	15	605	Loan / Or	Construction Lender	1.00%	%	\$27,000,000	\$ 270,000
Soft C	15	610	Loan / Or	Holiday Fenoglio Fowler	0.75%	%	\$27,000,000	\$ 202,500
Soft C	15	630	Loan / Or	Tax Credit Capital	1	LS	\$ 35,000	\$ 35,000
				15600 Loan / Origination Fees Total				\$ 507,500
Soft C	15	705	CM Fee	Construction Management Fee	1	LS	\$ 234,000	\$ 234,000
				15700 Construction Management Fee Total				\$ 234,000
Soft C	15	805	Develope	Earned Developer Fee	1	LS	\$ 1,700,000	\$ 1,700,000
Soft C	15	815	Develope	Deferred Developer Fee	1	LS	\$ -	\$ 4,800,000
				15800 Developer Fees Total				\$ 6,500,000
Soft C	16	005	Soft Cost	Soft Cost Contingency	10%	calc	\$ 5,417,405	\$ 541,741
				16000 Soft Cost Contingency Total				\$ 541,741
				Soft Cost Total				\$ 13,795,844
				Grand Total				\$ 45,986,206

Atmos Lofts
Dallas, Texas
Proforma

Description	# of Units	Square Feet	Avg. Monthly Rent		2011	2012	2013	2014	2015
			Per Unit	Per SF					
Rental Income	233	215,556	\$1,315	\$1.42	\$3,677,399	\$3,787,721	\$3,901,353	\$4,018,393	\$4,138,945
Other Income	233	215,556	\$35	\$0.04	\$97,860	\$100,796	\$103,820	\$106,934	\$110,142
Retail Rental Income		10,000		\$1.50	\$180,000	\$185,400	\$190,962	\$196,691	\$202,592
Retail Reimbursement Income		10,000		\$0.33	\$40,000	\$41,200	\$42,436	\$43,709	\$45,020
Parking Income	301		\$75		\$270,900	\$279,027	\$287,398	\$296,020	\$304,900
Gross Potential Income		225,556	\$1,526	\$1.58	\$4,266,159	\$4,394,144	\$4,525,968	\$4,661,747	\$4,801,600
<i>Vacancy/Concession Loss Apts.</i>	7.0%				(\$264,268)	(\$272,196)	(\$280,362)	(\$288,773)	(\$297,436)
<i>Vacancy/Concession Loss Retail</i>	15.0%				(\$33,000)	(\$33,990)	(\$35,010)	(\$36,060)	(\$37,142)
<i>Vacancy/Concession Loss - Pkg</i>	7.0%				(\$18,963)	(\$19,532)	(\$20,118)	(\$20,721)	(\$21,343)
<i>Total Vacancy/Collection Loss</i>					(\$316,231)	(\$325,718)	(\$335,490)	(\$345,554)	(\$355,921)
Effective Gross Income (EGI)			\$1,413	\$1.46	\$3,949,928	\$4,068,426	\$4,190,479	\$4,316,193	\$4,445,679
<i>Less Multifamily Operating Expenses (Includes parking space)</i>			<i>Per Unit</i>	<i>Per Sq.Ft.</i>					
Management Fee	3.0%		\$562	\$0.61	\$130,872	\$134,798	\$138,842	\$143,007	\$147,297
Payroll			\$1,180	\$1.28	\$275,000	\$283,250	\$291,748	\$300,500	\$309,515
Administrative			\$223	\$0.24	\$52,000	\$53,560	\$55,167	\$56,822	\$58,526
Advertising / Marketing			\$343	\$0.37	\$80,000	\$82,400	\$84,872	\$87,418	\$90,041
Utilities			\$773	\$0.84	\$180,000	\$185,400	\$190,962	\$196,691	\$202,592
Repairs/Maintenance			\$687	\$0.74	\$160,000	\$164,800	\$169,744	\$174,836	\$180,081
Real Estate Taxes			\$2,495	\$2.70	\$581,273	\$598,711	\$616,672	\$598,711	\$616,672
Property Insurance			\$279	\$0.30	\$65,000	\$66,950	\$68,959	\$71,027	\$73,158
Replacement Reserves			\$175	\$0.19	\$40,775	\$40,775	\$40,775	\$40,775	\$40,775
<i>Total Multifamily Expenses</i>			\$6,716	\$7.26	\$1,564,919	\$1,610,644	\$1,657,740	\$1,669,787	\$1,718,657
<i>Less Retail Operating Expenses</i>				<i>Per Retail SI</i>					
Real Estate Taxes				\$1.74	\$17,438	\$17,961	\$18,500	\$19,055	\$19,627
Management Fee	3.0%			\$0.76	\$7,590	\$7,818	\$8,052	\$8,294	\$8,543
CAM				\$3.00	\$30,000	\$30,900	\$31,827	\$32,782	\$33,765
Property Insurance				\$0.30	\$3,015	\$3,105	\$3,198	\$3,294	\$3,393
<i>Total Retail Operating Expenses</i>				\$5.80	\$58,043	\$59,784	\$61,578	\$63,425	\$65,328
Net Operating Income (NOI)					\$2,326,966	\$2,397,998	\$2,471,161	\$2,582,981	\$2,661,693
First Mortgage Payment	6.25%	360	27,000,000		\$1,485,170	\$1,485,170	\$1,994,924	\$1,994,924	\$1,994,924
Section 108 Loan Payment					315,057	315,057	315,057	315,057	315,057
Cash Flow					\$526,739	\$597,771	\$161,181	\$273,000	\$351,713

Note: The first mortgage is assumed to be interest only for 3 years and then amortizes over 30 years. The 108 principal payments are assumed to come from the TIF dollars which are projected to start flowing in to the project in 2014.

Atmos Lofts

Dallas, Texas

Sources and Uses

Sources

Construction Loan	\$	21,251,724	46%
TIF Bridge Loan of 50%	\$	5,748,276	13%
Section 108 Loan	\$	9,000,000	20%
Tax Credit Equity	\$	4,347,254	9%
Developer Equity	\$	5,638,952	12%
Total Sources		\$45,986,206	100%

Uses

Land and Building	\$	-	
Construction Costs-Andres	\$	26,440,705	57%
Demolition and Abatement	\$	2,142,900	5%
Furniture, Fixtures, Equipment	\$	891,035	2%
Tenant Improvement Costs	\$	750,000	2%
Hard Cost Contingency	\$	1,965,722	4%
Architectural and Engineering	\$	1,539,200	3%
Insurance	\$	58,250	0%
Property Taxes during Constr.	\$	380,000	1%
Construction Interest	\$	1,215,000	3%
Interest Reserve for lease-up	\$	1,209,955	3%
Interest Reserve for 108 loan	\$	1,102,698	2%
Legal and Accounting	\$	175,000	0%
Title, Closing and Carry	\$	332,500	1%
Loan Origination Fees	\$	507,500	1%
Construction Management Fee	\$	234,000	1%
Developer Fee	\$	6,500,000	14%
Soft Cost Contingency	\$	541,741	1%
Total Uses	\$	45,986,206	100%

Memorandum



CITY OF DALLAS

DATE October 17, 2008

TO Members of the Economic Development Committee:
Ron Natinsky (Chair), Tennell Atkins (Vice Chair), Dwaine Caraway, Jerry R. Allen, Sheffie Kadane, Mitchell Rasansky, Linda Koop, and Steve Salazar

SUBJECT Atmos/ Forest City Conveyance

Attached is the briefing material on the Atmos/ Forest City Conveyance to be presented to the Economic Development Committee on Monday, October 20, 2008.

Please contact me if you need additional information.

A handwritten signature in black ink, appearing to be 'A.C. Gonzalez'.

A.C. Gonzalez
Assistant City Manager

C: Honorable Mayor and Members of the City Council
Mary K. Suhm, City Manager
Deborah A. Watkins, City Secretary
Thomas P. Perkins, Jr., City Attorney
Craig D. Kinton, City Auditor
Judge C. Victor Lander
Ryan S. Evans, First Assistant City Manager
Forest Turner, Interim Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Ramon F. Miguez, P.E., Assistant City Manager
David K. Cook, Chief Financial Officer
Theresa O'Donnell, Director of Development Services
Helena Thompson-Stevens, Assistant to the City Manager

Atmos/ Forest City Conveyance

Economic Development Committee
October 20, 2008



Office of Economic Development
WWW.DALLAS-ECODEV.ORG



Overview

- Existing agreement requires Forest City to:
 - Maintain and operate the four building Atmos Complex.
 - Redevelop buildings or cause them to be redeveloped by another developer without incentives.
 - Pay \$250,000 annual fee to City from October 2007 thru October 2009 if building permits are not obtained.
 - Revert buildings to the City at anytime prior to October 2009 upon payment of any unpaid portion of the aggregate \$750,000 fee.

Overview

- Forest City proposes to convey the Atmos Buildings to Hamilton Properties for future redevelopment.
 - Retains same obligations to City, but requests deferral of remaining fee payments to October 2009 and October 2010.
 - Hamilton Atmos LP proposes a \$50.2M* redevelopment with approximately 225 residential units, 282 parking spaces and 10,000 square feet of retail.
 - Will require \$12.6M of TIF subsidies plus accrued interest at TIF Bond rate.

Overview

Requires:

- Amendment to the Downtown Connection TIF Plan to allow for direct lease or sale of City-owned/City-controlled property without auction or bidding.
- Amendment of the Forest City Development Agreement
- Approval of a development agreement with Hamilton Atmos LP.

Purpose

1. Explain the previous Forest City deal.
2. Provide details of the Hamilton Properties redevelopment proposal.
3. Describe TIF assistance requested.
4. Compare the existing situation with the redevelopment proposal.
5. Provide recommendations and propose next steps.

Background – Forest City Agreement

- In 2005, the Atmos Complex was donated to the City of Dallas at no cost and transferred to Forest City as part of the Mercantile redevelopment deal.
- On August 2005, City Council approved a Development Agreement with Forest City to redevelop the Mercantile Block, the Continental Building and the Atmos Complex.
- The agreement called for the Atmos Complex to be redeveloped by Forest City (or that Forest City would cause it to be redeveloped by another developer) into 202 residential units, 5,000 sf of retail space and 220 parking spaces.
- No TIF incentives allowable to Forest City for redevelopment of the Atmos Complex.

Background – Forest City Agreement

- Atmos Complex is comprised of four buildings adjacent to the Dallas Grand Hotel and one block from Main Street Garden Park.
- The buildings contain over 249,114 square feet of obsolete office space.



Background – Forest City Agreement

- Forest City is responsible for all operational, maintenance, repair and utility costs related to owning/operating the Atmos Complex at no cost to the City.
 - Current operational and maintenance costs are approximately \$25,000 - \$30,000 per month plus taxes and insurance.
- The agreement stipulates penalties to be paid by Forest City if building permits are not obtained. For each of the three penalty date benchmarks, Forest City would be required to pay a fee of \$250,000.
- Penalty benchmark dates, as defined by the development agreement, occur on October 26th of the years 2007, 2008 and 2009.

Background – Forest City Agreement

- The Atmos Complex reverts back to the City, in the condition originally conveyed, if building permits are not obtained by October 26, 2009.
- Reversion of the Atmos Complex back to the City could occur prior to October 26, 2009 upon payment by Forest City of any remaining unpaid portion of the \$750,000 penalty.
- Forest City made the first \$250,000 penalty payment to the City in October 2007.
- Forest City has contacted third-party developer Hamilton Properties, Inc. concerning their interest in redeveloping the Atmos Complex.

Project Details – Hamilton Atmos LP

- The proposed project includes the renovation of the Atmos buildings with approximately 225 residential units, 10,000 square feet of retail space, and 282 parking spaces.
- Hamilton Atmos LP estimates a total project cost of \$50.2* million, including \$36.6 million in hard construction costs. (See Appendices A & B, Project Proformas.)



Project Deadlines - Hamilton Atmos LP

Hamilton Atmos LP will be required to:

- Obtain a building permit by October 20, 2010.
- Receive final certificate of occupancy by February 28, 2013.
- Pay a \$250,000 option fee if building permits are not obtained by October 20, 2009.
- Pay an additional \$250,000 option fee if building permits are not obtained by October 20, 2010
- Return the Atmos Complex back to Forest City for reversion to the City if building permits are not obtained by October 20, 2010

The Office of Economic Development Director may authorize adjustments to the project deadlines should reasonable adjustments be needed and supported by additional consideration (the project will be in the shared queue for TIF payment).



TIF Assistance - Hamilton Atmos LP



The developer is seeking authorization for TIF subsidy for the redevelopment of the Atmos Complex in an amount not to exceed \$12,560,461 plus interest, at TIF Bond rate. (See Appendices C & D for evaluation worksheet and comparison with other projects.)

TIF Assistance - Hamilton Atmos LP

- This project qualifies for \$12,560,401 in incentives under the Downtown Connection TIF District Project Evaluation Criteria.
- Funding is requested as follows: \$4,000,000 in TIF Funding for TIF-eligible expenditures and \$8,560,401 in an economic development grant for non TIF-eligible expenditures.
- Two of the buildings (301 S. Harwood Avenue and 1915 Wood Street) are historic and may qualify for Historic Tax Credits.

Comparative Benefits

Summary of Comparative Benefits			
	Existing Forest City Deal		Hamilton Proposal
Developer	Forest City Enterprises d/b/a FC Atmos		Hamilton Properties, Inc. d/b/a Hamilton Atmos LP
Residential Units	202		225
Parking Spaces	220		282
Retail Space	5,000 sq. ft.		10,000 sq. ft.
Building Permit	Will not redevelop		October 20, 2010
Expected Completion	Will not redevelop		February 28, 2013
Penalty Payment	FC Atmos Cross Defaulted w/ FC Merc and FC Continental		Same FC Obligation Plus Hamilton Atmos LP
1 st Payment Due	10/26/07	\$250,000	N/A
2 nd Payment Due	10/26/08	\$250,000	10/26/09 \$250,000
3 rd Payment Due	10/26/09	\$250,000	10/26/10 \$250,000

Comparative Benefits

Summary of Comparative Benefits		
	Existing Forest City Deal	Hamilton Proposal
Property Reversion to the City	If not redeveloped, at 10/26/09 or anytime prior upon full remittance of unpaid balance of penalty fees.	If not redeveloped, at 10/26/10 or anytime prior upon full remittance of unpaid balance of penalty fees.
Affordable Housing	No Requirement	23 Affordable Units (10% of total)
TIF Incentive	NONE	A maximum of \$12,560,401. Shared queue for reimbursement. Interest accrual at TIF Bond Rate. Maximum incentives not to exceed \$23 million
Maintenance and Indemnity Obligations	Cross defaulted w/ FC Merc and FC Continental. FC Atmos maintains all obligations until building permits are obtained or the property reverts back to the City, whichever occurs sooner.	FC Atmos (plus Hamilton Atmos) shall maintain all obligations until building permits are obtained or property reverts to City, whichever occurs sooner.

Why Do The Deal?

- Need to maintain Downtown momentum.
- No new residential construction starts since Mercantile Complex project.
- Forest City maintains all prior obligations post conveyance to Hamilton Properties.
- Operational and maintenance costs are \$25-\$30K/month plus taxes and insurance which exceeds what the City could earn on \$250K penalty fee.

Recommendations and Next Steps

Staff requests Committee approval and recommendation for approval to the City Council for the following items at the October 22, 2008 Council meeting:

- Amend the Downtown Connection TIF Plan to allow for direct lease or sale of City-owned/ City-controlled property without auction or bidding requirements under certain conditions.
- Approval of the amendment to the Forest City Development Agreement extending payment of the remaining two option fee payments by 12 months each.
- Approval to authorize a Development Agreement with Hamilton Atmos LP for the redevelopment of the Atmos complex as described in this briefing.

Appendix A – Proforma Information - Project Requirements/Other Information

	<u>Atmos Complex</u>
Total Project Cost	\$50,241,603*
Hard Costs	\$36,657,603
Soft Costs	\$13,584,000*
Acquisition	\$0
2008 DCAD Value	\$3,100,760
Personal Property	\$0
# units	225
# of affordable units (10% required for TIF)	23
Retail sf	10,000
Total Square Feet	249,114
<p>* Includes deferred developer's fee of \$4,750,000 which is paid from cash flow after construction. For purposes of calculating TIF amount, this amount was removed from total project cost.</p>	

Appendix B – Proforma Information - Atmos Complex Project NOI

Residential Retail and Parking Income		
Residential	(\$1.40/s.f - market & \$1.05/s/f - affordable units)	\$3,780,346
Other Income		\$100,255
Retail (including reimbursement income)	(\$1.50/sf - retail & \$0.33/sf - reimb. Income)	\$232,974
Parking	(282 stalls @ \$65/ month)	\$233,356
Less: Vacany and Concensions	(10% of residential, parking & 15% of retail)	<u>(\$349,472)</u>
Effective Gross Total Residential Retail and Parking Income		\$3,997,459
Residential, Retail and Parking Expenses		
Management Fee (3.5%)		(\$174,734)
Payroll		(\$259,655)
Administrative		(\$49,098)
Advertising/ Marketing		(\$75,536)
Utilities		(\$217,485)
Repairs and Maintenance		(\$151,072)
Real Estate Taxes		(\$721,663)
Common Area Maintenace		(\$31,827)
Property Insurance		(\$64,493)
Replacement Reserves		<u>(\$35,438)</u>
Total Operating Expenses		(\$1,781,001)
Total Project NOI (Stablized Year 3)		\$2,216,458

CAP RATE	6.0%	6.5%	7.0%
	\$36,940,967	\$34,099,354	\$31,663,686

Return on Investment (no City \$)*	4.9%
Return on Investment (w/ \$12,560,401 TIF Funds)*	6.7%

* Total Project Cost equals \$45,491,603 (\$50,241,603 less deferred developer's fee of \$4,750,000)



Appendix C – Hamilton Atmos TIF Value Point Worksheet

VALUES	15pts	10pts	8pts	4pts	0pts
Reaching Critical Mass - Residential	200 + Units	199 - 150 Units	149 - 100 Units	99 - 1 Unit(s)	0 Units
Reaching Critical Mass - Retail	10,000 + sq. feet	9,999 - 5,000 sq. feet	4,999 - 2,500 sq. feet	< 2,500 sq. feet	0 sq. feet
Proximity to Main Street Core or Catalyst Project / Park	Within Main Street Core or Directly Adjacent to Catalyst Project / Park	Adjacent to Main Street Core	Within one block of catalyst project / park	Inside Downtown Freeway Loop	Outside Downtown Freeway Loop
Public vs. Private Investment (Benefit Analysis)	Benefit = 2x > Cost	Benefit = 1.9x - 1.5x > Cost	Benefit = 1.4x - 1.1 > Cost	Benefit = 1x > Cost	Benefit = 0.9x > Cost
Historic Restoration	Yes				No
New Construction		Yes			No
Reuse of Existing Structure		Yes			No
Buildings with 3 stories or less (existing/historic buildings)		Yes			No
Years to Recover Public Investment		< 5 Years	6 - 8 Years	9 -10 Years	11 + Years
Affordable Housing > 10 %				Yes	No
Permanent Jobs Created > 20				Yes	No
Commitment to Minority / Women Bus.(all funding sources) > 25 %				Yes	No
Offering Public Parking > 50 Spaces				Yes	No
Land Use - Hotel and/or Office				Yes	No
Impact Project - Bonus Points = 15 Points	Yes				No
	75	10	0	0	0

High Ranking = 15 point maximum
 Medium Ranking = 10 point maximum
 Low Ranking = 4 point maximum
 Special Impact Project = Bonus 15 points

85 Tier Levels
 Tier 1 = 100 - 81 Points
 Tier 2 = 80 - 66 Points
 Tier 3 = 65 - 51 Points
 Tier 4 = 50 - 0 Points

Funding Levels
 25 % cap
 20 % cap
 15 % cap
 0 % cap



Appendix D – Project Comparison

DOWNTOWN PROJECT COMPARISON

<u>Project (City Center and Downtown Connection with over 75 units)</u>	<u>TIF Assistance</u>	<u>Tax Abatement (estimate)</u>	<u>Section 108 and other Intown Housing Funds</u>	<u>Private Investment</u>	<u># of Units</u>	<u># of Affordable Units/Amount of Buy-Out</u>	<u>Cost (Includes TIF/Unit)</u>	<u>Public Subsidy/Unit</u>	<u>Public to Private Investment</u>
Santa Fe II (SoCo Lofts)	n/a	\$1,354,735	\$4,050,000	\$18,465,825	205	49 \$	90,077	\$26,265	29.27%
Majestic Lofts	n/a	\$768,181	\$4,051,760	\$10,300,000	129	51 \$	79,845	\$37,364	46.80%
Kirby Building	\$1,375,000	\$892,992	\$5,100,000	\$21,500,000	156	57 \$	137,821	\$8,814	34.27%
Davis Building	\$1,350,000	\$1,189,000	\$7,216,000	\$34,000,000	183	40 \$	185,792	\$7,377	28.69%
Wilson Building	\$3,800,000	n/a	n/a	\$18,000,000	133	0 \$	135,338	\$28,571	21.11%
Dallas Power and Light	\$6,503,000	\$997,000	n/a	\$24,000,000	154	0 \$	155,844	\$42,227	31.25%
Interurban Building	\$5,000,000	\$967,000	n/a	\$15,000,000	134	0 \$	111,940	\$37,313	39.78%
Republic Center	\$4,605,000	\$1,440,000	n/a	\$34,000,000	227	0 \$	149,780	\$20,286	17.78%
1200 Main (Metropolitan)	\$4,750,000	n/a	n/a	\$48,000,000	273	0 \$	175,824	\$17,399	9.90%
Mosaic	\$9,000,000	\$6,777,298	n/a	\$80,000,000	440	0 \$	181,818	\$20,455	19.72%
Stoneleigh Hotel	\$2,500,000			\$31,000,000	17*	0 \$	1,823,529	\$147,059	8.06%
Mercantile Complex	\$58,000,000	\$4,000,000	n/a	\$130,000,000	375	0 \$	346,667	\$154,667	47.69%
500 S. Ervay/717 Leonard	\$15,000,000	\$2,874,600	n/a	\$129,000,000	602	\$1,040,000	214,286	\$24,917	13.86%
Tower Petroleum/1900 Pacific	\$12,000,000	\$2,887,877	n/a	\$102,000,000	255**	\$455,000**	400,000	\$47,059	14.60%
Santa Fe IV	\$4,296,264			\$21,600,000	170*	0 \$	84,706	\$16,848	19.89%
***1600 Pacific Avenue	\$15,907,777	n/a	n/a	\$64,000,000	307	61 \$	208,469	\$51,817	24.86%
Atmos Complex	\$12,560,401	n/a	n/a	\$45,000,000	225	23 \$	200,000	\$55,824	27.91%
Total	\$156,647,442	\$24,148,683	\$20,417,760	\$825,865,825	3985	281			

* Includes hotel rooms or hotel rooms and condominiums
 **Transfer fee for 130 condominium units
 ***Includes TIF subsidy for affordable housing development



Memorandum



CITY OF DALLAS

DATE April 16, 2010

TO Housing Committee Members: Steve Salazar, Chair, Carolyn R. Davis, Vice-Chair, Tennell Atkins, Dwaine Caraway, Angela Hunt, Ann Margolin, Pauline Medrano

SUBJECT Update on 2010 Low Income Housing Tax Credit Projects for Dallas

On Monday, April 19, 2010, you will be briefed on Update on 2010 Low Income Housing Tax Credit Projects for Dallas. A copy of the briefing is attached.

Please let me know if you have any questions.

A handwritten signature in black ink, appearing to be 'A.C. Gonzalez', written over a circular scribble.

A.C. Gonzalez, Assistant City Manager

c: The Honorable Mayor and Members of the City Council
Mary K. Suhm, City Manager
Deborah Watkins, City Secretary
Tom P. Perkins, Jr., City Attorney
Craig Kinton, City Auditor
C. Victor Lander, Administrative Judge, Municipal Court
Ryan S. Evans, First Assistant City Manager
Forest Turner, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Jerry Killingsworth, Housing/Community Services Director
Helena Stevens-Thompson, Assistant to the City Manager

Update on 2010 Low Income Housing Tax Credit Projects for Dallas

A Briefing To The
Housing Committee

Housing/Community Services Department
April 19, 2010



Key Focus Area: Economic Vibrancy

Purpose

- ❑ Provide information regarding fourteen Low Income Housing Tax Credit (LIHTC) Projects for Dallas that applied for 9% tax credits from the Texas Department of Housing & Community Affairs (TDHCA)

- ❑ Provide further recommendations for:
 - ❑ the remaining projects
 - ❑ funding for certain applicants

Background Information

- December 2009, Texas Department of Housing & Community Affairs (TDHCA) released the Qualified Allocation Plan and Rules to allow for developers to apply for 2010 Low Income Housing Tax Credits (LIHTCs)
- January 8, 2010, Preapplications from developers were due to TDHCA
- January 22, 2010, applications from developers were due to the City of Dallas
- February 1, 2010, City Council Housing Committee was briefed on the LIHTC Program and notified of the applications which had been submitted to the City of Dallas
- February 16, 2010, City Council Housing Committee was briefed and the Committee recommended support of certain LIHTC projects
- February 24, 2010, City Council approved recommendations for support of LIHTC projects
- March 1, 2010, final applications from developers were due to TDHCA

TDHCA LIHTC Allocations & Scoring

- In 2010, TDHCA will provide approximately \$10M per year for 10 years for the North Texas Region including Dallas, Denton, Collin, Tarrant, and Grayson Counties
- 89.5% of that allocation (\$9.6M) will be provided to urban projects and 10.5% (\$1.1M) will be provided to rural projects
- TDHCA further categorizes projects statewide into a general pool and an “At Risk” pool
 - The “At Risk” projects are those where the units are currently low income and they are at risk of losing all financial benefits available to the development to keep them affordable
 - The “At Risk” pool will be funded for 15% of the total state allocation or approximately \$7.6M
- The LIHTC point based scoring system has a maximum of 240 points

LIHTC Applications Received by City of Dallas

Project Name	Address	Council District	# of Units	Unit Types	Ranking by Score
Atmos Lofts	300 S.Harwood/1900 Jackson	14	107	Families	3 of 27
Greenhaus at East Side	4611 East Side Ave.	2	24	SRO-PSH	4 of 27
Champion Homes at Copperridge	5542 Maple Ave.	2	107	Families	6 of 27
Kleberg Commons	12700 Kleberg Rd.	8	200	Senior	9 of 27
Hillside West Seniors	32 Pinnacle Park	3	130	Senior	12 of 27
Jackson Square	1701 Jackson St.	14	100	Families	14 of 27
Sphinx at Lawnview	4120 Lawnview	7	130	Senior	19 of 27
Evergreen Residences	3800 Willow	2	100	SRO-PSH	21 of 27
Prince of Wales	4515 Live Oak	2	63	SRO-PSH	6 of 18 (At Risk Category)
Wynnewood Village	1500 S.Zang	3	140	Senior	7 of 18 (At Risk Category)
Akard Plaza	1011 S. Akard	2	203	SRO-PSH	Withdrawn
Terrace at Founders Square	1400 Englewood (at Tilden)	3	172	Senior	Withdrawn
Hatcher Square	4600 Scyene	7	126	Families	Withdrawn
Evergreen Residences	2012 Jackson St.	14	100	SRO-PSH	Withdrawn

Texas Department of Housing & Community Affairs (TDHCA) -One Mile Rule

- Within counties with populations of one million or greater, for applicants whose projects are one mile or less from each other, TDHCA will only fund one project per funding cycle
- Applications with one mile concerns:
 - Atmos Lofts and Jackson Square
 - Greenhaus at East Side, Evergreen Residences (Willow), and Prince of Wales

LIHTC Applications Recommendations

Project Name	Support or Deny	GAP Funding Requested	Funding Recommended	Comments
Atmos Lofts	Support	\$1.5M Sec.108	\$1.5M Sec.108	Sec.108 in process; TIF Reimbursement approved by City Council
Greenhaus at East Side	Support	\$400K CDBG	\$400K CDBG	Funds already approved & invested
Champion Homes at Copperridge	Support	\$1M	\$1M Sec.108	Seek Sec.108 approval from City Council by June 2010
Kleberg Commons	Support	\$1.5M	\$1.5M Sec.108	Seek Sec.108 approval from City Council by June 2010
Hillside West Seniors	Support	\$1.6M TIF	\$1.6M TIF	Seek TIF Board & City Council approval by June 2010
Jackson Square	Support	\$6.7M	\$4.6M Sec.108	Seek Sec.108 approval from City Council by June 2010
Sphinx at Lawnview	Support	\$1.6M	\$1.6M Sec. 108	Seek Sec.108 approval from City Council by June 2010
Evergreen Residences Willow	Deny	\$4M	No Funding Recommended	Lack of Community Support
Prince of Wales	Support	\$2.2M	No Funding Recommended	This project has 13 more years left on tax credit compliance
Wynnewood Village	Support	\$1.5M	\$1.5M Sec.108	Seek Sec.108 approval from City Council by June 2010

Next Steps

- ❑ Considerations for zoning, TIF, or other funding presented to City Council individually
- ❑ TDHCA Board will decide on tax credit awards by July 31, 2010

Attachment A

Detail of each LIHTC project
(not withdrawn) from
February 16, 2010
Housing Committee briefing

Atmos Lofts 1900 Jackson St.

- **Description:**
 - Adaptive/Reuse of office buildings to create 107 multifamily units for families
 - 37 efficiencies, 56 one-bedrooms, 14 two-bedrooms
 - 6 units for households at or below 30% area median family income
 - 49 units for households at or below 50% area median family income
 - 52 units for households at or below 60% area median family income

- **Applicant** –FC Atmos,Inc.
 - Partners Include:
 - Lawrence E Hamilton and Lawrence E Hamilton III

- **Developer** – Hamilton Development & Central Dallas Ministries

- **Property Manager** – Pinnacle, an American management Services Central Co.

Atmos Lofts

Sources and Uses

Sources

Section 108 Loan	\$1,546,390 *
Tax Credit Equity	11,077,205
Total Sources	\$12,623,595

Uses

Hard Costs	\$8,486,166
Indirect Costs	864,076
Developer Fee	2,100,494
Construction Bridge Loan	760,576
Other Financing Costs	85,892
Reserves	326,391
Total Uses	\$12,623,595

* Requested City of Dallas Support; \$9 M has already been approved

Greenhaus at East Side

4611 East Side Ave.

- **Description:**
 - New construction of 24 Permanent Supportive Housing units
 - 12 two bedrooms and 12 three bedrooms for households below 30% area median family income
 - Energy efficient-LEED Platinum

- **Applicant** – Shared Housing Center, Inc. –nonprofit agency

- **Developer** – OM Housing, LLC

- **Property Manager** – To be determined

- **Service Provider** – Shared Housing Center, Inc.

Greenhaus at East Side

Sources and Uses

Sources

Conventional Loan	\$630,000
Tax Credit Equity	2,443,134
Developer's Note	339,700
City Loan	400,000 *
Total Sources	\$3,812,834

Uses

Land Acquisition	\$350,000
Sitework	208,800
Hard Construction Costs	1,992,300
Soft Costs	456,332
Financing Costs	191,925
Developer Fee	535,476
Operating Reserve	52,001
Syndication Costs	5,000
Real Estate & Mortgage Costs	21,000
Total Uses	\$3,812,834

* City of Dallas support provided 11/9/09

Champion Homes of Copperidge

5542 Maple Ave.

- **Description:**
 - New construction of 107 multifamily units for families
 - 53 One Bedroom Units and 54 Two Bedroom Units
 - 6 units for households at or below 30% area median family income
 - 38 units for households at or below 50% area median family income
 - 63 units for households at or below 60% area median family income
 - Near Maple/Inwood DART Station

- **Applicant** – Chickory Court IX, LP, Odyssey Residential Holdings, LP
 - Partners include:
 - Saleem Jafar, Bill Fisher

- **Developer** – Saleem Jafar & Bill Fisher

- **Property Manager** – Odyssey Residential Management, LLC

Champion Homes at Copperidge

Sources & Uses

SOURCES

Permanent Debt	\$3,150,000
City's Loan	1,000,000 *
Tax Credit Equity	9,739,545
Deferred Developer Fee	150,474
Total Sources	\$14,040,019

USES

Land Acquisition	\$2,120,000
Sitework	963,000
Hard Construction Costs	5,904,520
Contractor's Fees	961,453
Contingency	343,376
Professional Fees	680,000
Interim Financing Costs	1,089,250
Permanent Financing Fees	316,420
Development Fee	1,262,000
Reserves & Other Costs	400,000
Total Uses	\$14,040,019

* Requested City of Dallas Support

Kleberg Commons Housing

12700 Kleberg

■ **Description:**

- New construction of 200 multifamily units for seniors
- 100 one-bedrooms and 100 two-bedrooms
- 30 units for households at or below 30% area median family income
- 70 units for households at or below 50% area median family income
- 100 units for households at or below 60% area median family income

■ **Applicant** – Kleberg Leased Housing, L.P.

■ Partners include:

- Dale Lancaster and Jeffrey spicer

■ **Developer** – Arrington Developers, LLC

■ **Property Manager** – Guardian Asset Management, Inc.

Kleberg Commons

Sources and Uses

SOURCES

Taxable Loan	\$3,700,000
City Loan	1,500,000 *
Tax Credit Equity	13,727,417
Deferred developer fee	559,285
Total Sources	\$19,486,702

USES

Land Acquisition	\$1,800,000
Hard Construction Costs	13,197,096
Architect/Engineering	303,500
Permits and Fees	95,600
Financing	356,720
Construction Period Interest	444,000
Tax Credit Costs	103,432
Soft Costs	58,681
Legal	40,000
FFE	152,300
Prestabilization Costs	210,000
Reserves	569,707
Developer Fee	2,155,666
Total Uses	\$19,486,702

* Requested City of Dallas Support

Hillside West Seniors

32 Pinnacle Park

- **Description:**
 - New construction of 130 senior units
 - 40 one-bedrooms and 90 two-bedrooms
 - 7 units for households at or below 30% area median family income
 - 65 units for households at or below 50% area median family income
 - 58 units for households at or below 60% area median family income

- **Applicant** – Hillside West Seniors, LP
 - Partners include:
 - Brandon Bolin and Alan McDonald

- **Developer** – Hillside West Seniors, LP

- **Property Manager** – To be determined

Hillside West Seniors

Sources and Uses

SOURCES

Conventional Loan	\$4,850,000
Equity	8,858,993
Developer's Note	1,587,413
Construction Loan Bridge	<u>1,656,613</u> *
Total Sources	\$16,953,019

USES

Land Acquisition	\$2,000,000
Taxes and Insurance	355,000
Financing	1,143,006
Architectural/Engineering	599,935
Legal	167,500
Site Work	1,169,996
Hard Construction Costs	8,054,082
Soft Costs	1,336,087
Contingency	540,000
Developer Fee	<u>1,587,413</u>
Total Uses	\$16,953,019

* Requested City of Dallas Support from TIF Funds

Jackson Square 1701 Jackson Street

- **Description:**
 - 100 units for families
 - 28 one-bedrooms, 55 two-bedrooms and 11 three-bedrooms
 - 5 units for households at or below 30% area median family income
 - 45 units for households at or below 50% area median family income
 - 50 units for households at or below 60% area median family income

- **Applicant** –Forest City Residential Group, Inc., Jim Truitt, Vice-Pres.
 - Partnership not yet formed

- **Developer** – Forest City Residential Group, Inc.

- **Property Manager** – Forest City Residential Management, Inc.

Jackson Square

Sources and Uses

SOURCES

Conventional Loan	\$3,106,500
City Loan Section 108	6,750,000 *
Tax Credit Equity	12,348,159
Forest City Equity	(17,122)
Total Sources	\$22,187,537

USES

Land Acquisition	\$2,592,694
Hard Construction Costs	12,055,594
Architect/Engineering	600,000
Office	132,500
F/F/E	200,000
Legal	100,000
Marketing	195,000
Tax and Insurance	142,995
Developer Fee	1,627,505
Construction Manager	482,224
Financing	526,584
Reserves	789,857
Section 108 Interest Reserve/start-up	865,000
Contingency	1,205,559
Operating Deficit	672,025
Total Uses	\$22,187,537

* Requested City of Dallas Support

Sphinx at Lawnview

4120 Lawnview Ave.

- **Description:**

- New construction of 130 Units for seniors
- 7 units for households at or below 30% area median family income
- 45 units for households at or below 50% area median family income
- 78 units for households at or below 60% area median family income

- **Applicant** – SDC Lawnview Villas, LP

- Partners include:
 - Jay Oji

- **Developer** – Sphinx Development Corporation

- **Property Manager** – Alpha Barnes

Sphinx at Lawnview

Sources and Uses

SOURCES

Conventional Loan	\$3,289,000
City of Dallas Loan	1,600,000 *
Tax Credit Equity	10,498,950
Deferred Developer Fee	630,426
Total Sources	\$16,018,376

USES

Land Acquisition/Demolition	\$767,150
Hard Construction Costs	10,370,965
Architect and Engineering	510,500
Permits and Fees	180,100
Financing	516,500
Construction Period Interest	475,000
Tax Credit Costs	84,850
Soft Costs	128,914
Legal Fees	127,500
FFE/Pre-Stabilization	614,075
Reserves	438,639
Developer Fees	1,804,183
Total Uses	\$16,018,376

* Requested City of Dallas Support

Evergreen Residences

3800 Willow

- **Description:**
 - New construction of 100 Permanent Supportive Housing Units
 - 100 efficiency units for households below 30% area median family income
 - Energy efficient-LEED Platinum

- **Applicant** –Evergreen Residential, Ltd, FPC Housing, LLC, GREENarc Corp
 - Partners include:
 - Rev. Dr. Bruce Buchanan, Janice Estes, Lee Hutchins, Graham Greene

- **Developer** – Graham Greene and Rev. Dr. Bruce Buchanan

- **Property Manager** – FPC Housing, LLC

- **Service Provider** – First Presbyterian Church/Stewpot

Evergreen Residences 3800 Willow

Sources and Uses

SOURCES

Conventional Loan	\$910,116
City Loan	4,000,000 *
Tax Credit Equity	9,750,000
Equity Contribution	853,234
Total Sources	\$15,513,350

USES

Land Acquisition	\$1,500,000
Hard Construction Costs	8,480,000
Soft Costs	2,679,000
Financing Costs	70,000
Developer Fee	1,804,350
Syndication Costs	300,000
Debt Service Fund	350,000
Real Estate and Mortgage Costs	330,000
Total Uses	\$15,513,350

* Requested City of Dallas Support

Prince of Wales 4515 Live Oak

- **Description:**
 - Rehabilitation of 63 Permanent Supportive Housing units
 - 61 efficiencies and 2 one-bedrooms for households below 30% area median family income

- **Applicant** – Prince of Wales, Partnership, Ltd., Prince of Wales, LLC, Undermain Corp, Greenfield Operations, LLC
 - Partners include:
 - Eric Anderson, Graham Greene

- **Developer** – Prince of Wales Partnership, Ltd. And Undermain Corp.

- **Property Manager** – Prince of Wales, LLC with the First Presbyterian Church/Stewpot

Prince of Wales

Sources and Uses

SOURCES

First Lien City Loan	\$2,205,000 *
Tax Credit Equity	4,568,996
Equity Contribution	207,527
Total Sources	\$6,981,523

USES

Construction Costs	\$3,392,000
Soft Costs	928,620
Financing Costs	200,000
Developer Fee	910,603
Syndication Costs	200,000
Debt Service Reserve Fund	300,300
Real Estate and Mortgage Costs	1,050,000
Total Uses	\$6,981,523

* Requested City of Dallas Support

Wynnewood Village

1500 S. Zang Blvd.

- **Description:**

- New construction of 140 units for Seniors
- 73 one bedrooms and 67 two bedrooms
- 7 units for households at or below 30% area median family income
- 56 units for households at or below 50% area median family income
- 77 units for households at or below 60% area median family income

- **Applicant** – Wynnewood Senior Housing, L.P.

- Partners Include:

- Central Dallas CDC, Banc of America Community Development Corporation

- **Developer** – Bank of America, CDC

- **Property Manager** – To be determined

Wynnewood Village

Sources and Uses

SOURCES

Conventional Loan	1,755,838
Section 108 Loan	1,459,247 *
Tax Credit Equity	14,714,548
Deferred Developer Fee	1,465,225
Total Sources	\$19,394,858

USES

Land Acquisition/Demolition	\$2,337,500
Hard Construction Costs	10,630,145
Rehabilitation Soft Costs	2,909,085
Developer Fees	2,520,001
Other Soft Costs	284,325
Reserves & Others	713,802
Total Uses	\$19,394,858

* Requested City of Dallas Support

Attachment B

Texas Department of Housing &
Community Affairs Application
Log with Current Scoring



June 24, 2010

Mr. Michael Gerber
Executive Director
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, TX 78701-2410

Re: Letter dated June 16, 2010 from Curtis Lockey in opposition to Atmos Lofts Project,
TDHCA No. 10284

Dear Mr. Gerber:

In an email dated June 17, 2010 Raquel Morales requested that we respond to the captioned letter of opposition. By way of background, Mr. Lockey had earlier proposed a development project at 1600 Pacific Avenue in downtown Dallas which would have had a large affordable housing component and his application for a TIF grant was turned down by the City for various reasons. Thereafter Mr. Lockey has been critical of ours and other City grants alleging favoritism, etc.

His assertion that our project will "further segregation and racism" is without basis. It will do just the opposite providing decent housing for persons of any race at lower income levels - a glaring unmet need. It will help to further integrate downtown housing by providing opportunities for minority persons and persons of all races who are in need of affordable housing. If his assertion were correct, then any LIHTC project that had more minority residents than nearby existing housing could be judged to be furthering racism and segregation when in fact they tend to do the opposite.

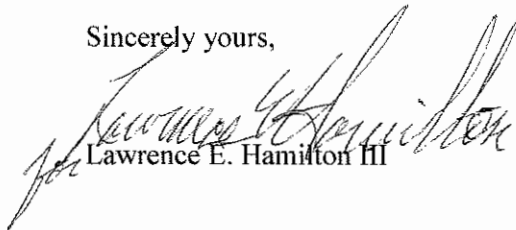
We considered the possibility of spreading the LIHTC units throughout all the buildings in the Atmos complex but decided against it for the following reasons:

1. Our financial advisors indicated that it was difficult to arrange financing in any LIHTC project with more than 20% market units and we would have had about 50% market units if we had spread them all around. As it is we have a separate LIHTC component that will be readily financeable.
2. The two other residential buildings had substantial environmental abatement and demolition costs that the Enserch (LIHTC) Building did not have so from a cost feasibility standpoint it made sense for the LIHTC units to be in that Building.
3. By avoiding the necessity of asbestos removal and abatement we will save as much as six months in delivering the LIHTC units meeting the housing need sooner and making the in-service deadline for delivering the tax credit units more achievable.

4. The LIHTC units require bathroom exhaust fans which were not in the design for the market rate units. It would have been costly and unfeasible to mix up units throughout the project with some having exhaust fans and stacks and others without.
5. The Enserch Building has a consistent floor plate from floor to floor whereas the other buildings vary from floor to floor with step backs as the floors rise. Thus the other buildings are more costly to develop with plumbing and electrical transitions from floor to floor that are not required in the Enserch Building.
6. While the LIHTC units are all within the Enserch Building, there remain ten affordable (but non-LIHTC) units at 80% of the AMI that are in fact in the other buildings so there still is some mixing of affordable units within the market rate component.
7. The other two buildings will earn historic tax credits which would have had the effect of reducing the basis on the LIHTC project if it were included in those buildings resulting in lower overall tax credits.
8. The project amenities, common areas, parking, retail and the like will be open to all of the residents regardless of which building they occupy contrary to the suggestion that the residents will be segregated from each other.
9. The City of Dallas has been made aware of the changes in the project as it has evolved and has supported the LIHTC component being in the Enserch Building. Overall the project will have roughly 50% of the units being in the affordable price range which is much needed downtown.

Thus Mr. Lockey's objection is misplaced. The project he had proposed at 1600 Pacific would have addressed a real unmet need in bringing affordable housing to downtown Dallas. The unmet need remains and the Atmos project promises to finally make some headway in an area where there are no current LIHTC projects. Far from furthering racism and segregation, the Atmos project will bring more housing opportunities to lower income persons regardless of their race or ethnicity.

Sincerely yours,



Lawrence E. Hamilton III

10173

Sphinx at Lawnview

**MULTIFAMILY FINANCE DIVISION
BOARD ACTION REQUEST
July 8, 2010**

Requested Action

Deny the appeal to reinstate Application #10173, Sphinx at Lawnview.

WHEREAS, an application for tax credits was partially submitted for Sphinx at Lawnview on March 1, 2010, without the required third-party reports, such as the market study, which is, as provided for in the Qualified Allocation Plan, allowed to be submitted on or before April 1, 2010; and

WHEREAS, the market study for Sphinx at Lawnview was not submitted by the April 1, 2010 deadline as specified in the Qualified Allocation Plan; and

WHEREAS, a termination letter was sent to the Applicant on April 21, 2010 giving notice of the requirement to file any notice of appeal within seven days; and

WHEREAS, the Applicant sent a letter on June 10, 2010 asking the Executive Director to place an appeal before the Board; and

WHEREAS, in public comment at its June 28, 2010 meeting the Board heard comment on this matter and asked that it be placed on the agenda for the July 8, 2010 meeting; therefore

BE IT RESOLVED, that the appeal for Sphinx at Lawnview, #10173 presented in this meeting is hereby denied.

Background

Sphinx at Lawnview is a proposed 120-unit elderly, new construction development in Dallas. The application was terminated on April 21, 2010 for not meeting the minimum threshold requirements under §50.9(h)(14)(G) of the 2010 Qualified Allocation Plan and Rules (“QAP”). Specifically, a Market Study report was not submitted on or before 5:00 p.m. CST on April 1, 2010. Pursuant to §50.17(b) of the QAP, the Applicant had seven days to file an appeal to the termination (by 5:00pm on April 28, 2010). The initial termination letter also referenced that the Phase I Environmental Site Assessment (ESA) had not been timely filed, but this report was subsequently located with an arrival date stamp of March 31, 2010. The market study was ultimately submitted electronically on April 15, 2010, after staff verbally notified the Applicant that the file was not provided. The Applicant did not respond to the termination letter within the seven day timeframe required under state rules.

On June 11th the Applicant sent an email to the Executive Director with a letter attached requesting the application be placed on the June 28, 2010 Board agenda, specifically to address and demonstrate the “mix-up” that has occurred with this application. The Applicant indicates in the letter that the third party consultants were timely engaged and that both the Market Analyst and ESA providers confirmed that the reports were timely filed with the Department. The Applicant made public comment at the June 28th Board meeting and requested that the Board allow the opportunity to explain the circumstances that resulted in the application being terminated. The Board directed staff to place this application as an agenda item for the July 8, 2010 meeting to allow the Applicant to appeal the termination of the application.

A subsequent appeal letter from the Applicant dated June 29, 2010 was sent to the Department for inclusion in the Department’s Board book posting for the July 8th meeting. The letter repeats the same information previously addressed in the Applicant’s June 11th letter. The letter includes engagement letters for both the ESA and Market Study. Additionally, the Applicant provided a copy of a Federal Express receipt which shows that the Market Study Analyst sent a package to the Applicant on March 30, 2010 for next day delivery. Staff further confirmed with the Market Study Analyst that the report was not delivered by the analyst directly to the Department, but rather delivered directly to the Applicant.

The information did not include any documentation or reference that the Department was sent or received the market study either electronically or by hard copy by the April 1st deadline.

The Applicant also requests the reinstatement of five points for failing to provide a commitment notice from the City of Dallas pursuant to §50.9(i)(5) of the QAP and that they understand that the City is willing to attest in some way to clear up this issue but provided no documentation to support this claim. The Department has not issued a final scoring notice for this application, therefore, the Applicant’s claim of any point loss perhaps is anticipated based on deficiency letters sent at the time the file was being reviewed. Staff has no basis for recommending the reinstatement of the five point loss until a final scoring review has been performed and a scoring notice has been issued.

10173

Termination Letter



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

Michael Gerber
EXECUTIVE DIRECTOR

BOARD MEMBERS
C. Kent Conine, *Chair*
Gloria Ray, *Vice Chair*
Leslie Bingham Escareño
Tom H. Gann
Lowell A. Keig
Juan S. Muñoz, Ph.D.

April 21, 2010

Jay O. Oji
SDC Lawnview Villas, LP
3030 LBJ Freeway, Suite 880
Dallas, Texas 75234

Re: Application #10173 Sphinx at Lawnview

Dear Mr. Oji:

On March 1, 2010 you submitted a Housing Tax Credit application for the above-referenced development to the Texas Department of Housing and Community Affairs (the "Department"). It has been determined that this application has not met the minimum threshold requirements under §50.9(h)(14)(G) of the 2010 Qualified Allocation Plan and Rules ("QAP") for the reasons stated below.

Pursuant to the 2010 QAP, §50.9(h)(14), Supplemental Threshold Reports,

"All Applications must include documents under subparagraphs (A) and (B) of this paragraph. If required under paragraph (6) of this subsection, a Property Condition Assessment as described in subparagraph (C) of this paragraph must be submitted. If required under paragraph (7) or (12) of this subsection, an appraisal as described in subparagraph (D) of this paragraph must be submitted. §50.9(h)(14)(G) states that "The requirements for each of the reports identified in subparagraphs (A) - (C) of this paragraph can be satisfied in either of the methods identified in clause (i) or (ii) of this subparagraph and meet the requirements of clause (iii) of this subparagraph.

(i) Upon Application submission, the documentation for each of these exhibits may be submitted in its entirety; or

(ii) Upon Application submission, the Applicant may provide evidence in the form of an executed engagement letter with the party performing each of the individual reports that the required exhibit has been commissioned to be performed and that the delivery date will be no later than April 1, 2010. In addition to the submission of the engagement letter with the Application, a map must be provided that reflects the Qualified Market Analyst's intended

market area. Subsequently, the entire exhibit must be submitted on or before 5:00 p.m. CST, April 1, 2010. If the entire exhibit is not received by that time, the Application will be terminated and will be removed from consideration.

All submissions must meet the requirements stated in subparagraphs (E) - (G) of this paragraph.”

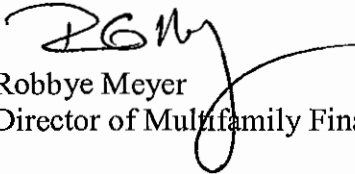
A Market Study and Phase I Environmental Site Assessment (ESA) report, as required by subparagraphs (A) and (B) of this section, was not submitted on or before 5:00 p.m. CST on April 1, 2010.

For this reason, the application is terminated.

If you would like to appeal the Department’s determination that the Application has not met the minimum threshold requirements, an Appeals Policy does exist for the Housing Tax Credit Program. The restrictions and requirements relating to the filing of an appeal can be found in §50.17(b) of the 2010 QAP. If you choose to appeal this determination, you must first submit an appeal to the Executive Director no later than 5:00 pm on **April 28, 2008**. In the event an appeal is denied by the Executive Director, you may appeal directly in writing to the Board, provided that an appeal filed with the Board is received by **April 30, 2010**.

If you have any questions, please do not hesitate to contact Raquel Morales at 512-475-1676 or raquel.morales@tdhca.state.tx.us.

Sincerely,



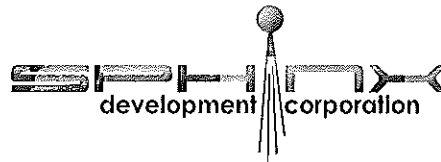
Robbye Meyer
Director of Multifamily Finance

MFF:rbm

cc: Jeff Spicer

10173

Appeal to Executive
Director



June 10, 2010

Mr. Michael Gerber
Executive Director
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701

Re: *Sphinx at Lawnview; Application #10173*

Dear Mr. Gerber:

The purpose of this letter is to ask you to put on the agenda for the next TDHCA June 28 2010 Board meeting to the appeal by SDC Lawnview Villas, LP ("Applicant") of the termination of Application #10173 (the "Application").

Pursuant to the letter from Robbye Meyer dated April 21, 2010, the Application was terminated under Section 50.9(h)(14)(G) of the 2010 Qualified Action Plan and Rules (the "QAP") due to a failure to provide the Department with a Market Study and Phase I Environmental Site Assessment as required on or before 5:00 p.m. CST on April 1, 2010. I received a staff call that a termination letter was being sent which we received. A day later, I received a call from a staff member telling me to disregard the already sent letter, that a revised letter was being sent. We never received a revised letter.

The third party consultants were timely engaged, as evidenced by the engagement letters submitted with the full application. Apartment Market Data who conducted the Market Analysis has affirmed contact with staff and assures me that they have settled the dispute that the reports were timely submitted. The Environmental Studies was completed and even advanced to Phase II. I am asking for the opportunity to demonstrate that there has been a mix-up. The Environmental Analyst, Reed Engineering has repeatedly maintained that the reports were uploaded by the deadline and can document that claim.

Also, we have been notified that the Application was deducted 5 points due to the City of Dallas (the "City") failing to provide to the Department the Commitment Notice required under Section 50.9(i)(5) of the QAP. It is my understanding staff members of the City of Dallas Department of Housing will attest to having discussions with Department staff members regarding the City's failure to timely provide the Commitment Notice for this Application.

There is more than one issue facing this application, and that is why we ask for the opportunity to present you all the facts. We ask for the opportunity to make the case for the reinstatement of this application. The Proposed Sphinx at Lawnview Seniors is targeted to the elderly population based on need in line with the Sphinx Development Corporation's demonstrated commitment to planning, development and maintenance of strong viable communities – especially in the southern sector of Dallas. We have proposed a 130 units on 13.6 Acres land which will comprise in all one story single family style which has proven to be a winner for the neighborhood and the greater City.

Sphinx at Lawnview project has strong local support starting with the City of Dallas, with a resolution supporting the development. Additionally, the City has also committed \$1.6 million in soft money through section 108 program to encourage this development. We have met with all neighborhood

Mr. Michael Gerber

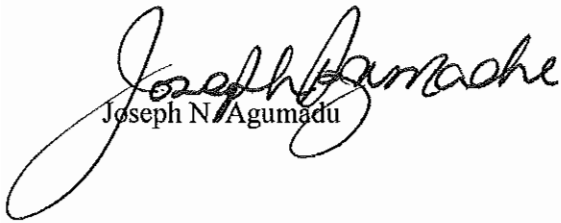
June 10, 2010

Page 2

organizations within the area including Creekside at Lawnview and Buckner Terrace HOA. All support this project. The State Senator for the district Senator Royse West has also sent a letter of support. The City Councilwoman whose district it is located in, Caroline Davis, has also sent a letter of support as well as the County Commissioner in whose district this projected is sited..

Please confirm Applicant's request to appeal the termination of the Application is on the TDHCA June 28 2010 Board's agenda. Thank you for your assistance in this matter.

Very truly yours,



Joseph N. Agumadu

cc: John C. Shackelford, Esq. *(via e-mail)*

10173

Appeal to Board



June 29, 2010

Mr. Michael Gerber
Executive Director
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701

Re: *Sphinx at Lawnview; Application #10173*

Dear Mr. Gerber:

The purpose of this letter is to ask you to set aside the termination letter of April 21, 2010 and reinstate SDC Lawnview Villas, LP ("Applicant") of the Application #10173 (the "Application") for the 2010 application round.

Pursuant to the letter from Robbye Meyer dated April 21, 2010, the Application was terminated under Section 50.9(h)(14)(G) of the 2010 Qualified Action Plan and Rules (the "QAP") due to a failure to provide the Department with a Market Study and Phase I Environmental Site Assessment as required on or before 5:00 p.m. CST on April 1, 2010. The third party consultants were timely engaged, as evidenced by the engagement letters submitted with the full application. The reports were also timely completed and delivered as the attached transmittal letters would show. The letter dated April 21, 2010 states that the application has been terminated because we did not submit any of these reports by the deadline. However, we did we felt that the issue was being correctly resolved internally.

We know that the reports were uploaded at the same time and in the same manner. The Department's system shows that the Environmental Report was timely uploaded, but it shows that the Market Study was uploaded on a different date. Please find the summary of the reports which show the date of completion of each report. We have also included a delivery notification of the report from FedEx which informs on time delivery with the deadline in mind.

Also, we have been notified that the Application was deducted 5 points due to the City of Dallas (the "City") failing to provide to the Department the Commitment Notice required under Section 50.9(i)(5) of the QAP. It is my understanding staff members of the City of Dallas Department of Housing will attest to having discussions with Department staff members regarding the City's failure to timely provide the Commitment Notice for this Application. A staff of the City of Dallas will be present at TDHCA Board meeting to clarify this issue.

We ask that you reinstate this application. The Proposed Sphinx at Lawnview Seniors is targeted to the elderly population based on need in line with the Sphinx Development Corporation's demonstrated commitment to planning, development and maintenance of strong viable communities – especially in the southern sector of Dallas. We have proposed 130 units on 13.6 Acres on land which will comprise all one story single family style which has proven to be a winner for the neighborhood and the greater City.

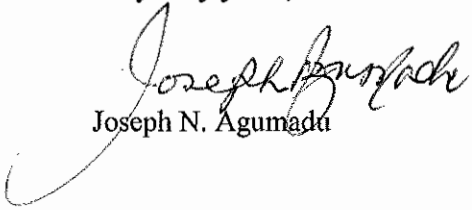
Sphinx at Lawnview project has strong local support starting with the City of Dallas, with a resolution supporting the development. Additionally, the City has also committed \$1.6 million in soft money through section 108 program to encourage this development. We have met with all neighborhood

Mr. Michael Gerber
June 29, 2010
Page 2

organizations within the area including Creekside at Lawnview and Buckner Terrace HOA. All support this project. The State Senator for the district Senator Royse West has also sent a letter of support. The City Councilwoman whose district is located, Caroline Davis, has also sent a letter of support as well as the County Commissioner in whose district this projected is sited.

Please confirm Applicant's request to be reinstated for the 2010 application round. Thank you for your assistance in this matter.

Very truly yours,



Joseph N. Agumada

cc: John C. Shackelford, Esq. *(via e-mail)*

December 30, 2009
Proposal No. 12-57

Mr. Adolphus C. Oji
Sphinx Development Corporation
3030 LBJ Freeway, Suite 880
Dallas, Texas 75234

**LIMITED SUBSURFACE INVESTIGATION
APPROXIMATE 14-ACRE TRACT
NEAR 4120 LAWNVIEW
DALLAS, TEXAS**

Gentlemen:

Submitted here is our proposal for providing Limited Subsurface Investigation (LSI) services for the above referenced site. This proposal is based on the Phase I Environmental Site Assessment (ESA) that was issued in 2001 by Alpha Testing, Inc (Alpha). Alpha described a Recognized Environmental Condition (REC) on the subject property as land with fill material and construction debris covering approximately one-half of the site. The fill material was estimated to range in thickness up to approximately 12 to 13 feet.

The scope of this LSI is limited and is intended to assess if impact to soil and/or groundwater has occurred in readily accessible areas. This investigation will not necessarily endeavor to delineate the lateral or vertical extent of contamination, if encountered.

Limited Subsurface Investigation

Field Activities: The environmental field activities will include drilling five (5) soil borings that will be converted to temporary monitor wells. The borings will be installed using a truck-mounted drill rig. The wells will be advanced to a depth of 5 feet into water or unweathered rock, whichever is shallower. The borings are anticipated to be installed to depths of approximately 30 feet below ground surface (bgs). The borings will be placed in, or downgradient of, the suspect environmental areas.

Soil samples will be collected from all borings and logged by a geologist. Soil samples collected from each boring will be scanned for the presence of organic vapors using a flame-ionization detector (FID) or photo-ionization detector (PID). Groundwater samples will be collected from the monitor wells installed as part of this LSI.

The monitor wells installed as part of this investigation will be constructed by placing the casing into the previously drilled open borehole. Individual lengths of screen and casing will be flush-threaded so that no glues or solvents are necessary to join the sections. All casing materials will be factory pre-cleaned, plastic wrapped, and boxed to ensure that no oils, grease, or other contaminants will be present at the time of well construction. Casing material will consist of 2-inch diameter, Schedule 40 PVC pipe and factory-slotted casing with 0.010-inch widths. The filter pack will consist of clean 10-20 sand, and will be installed within the annular space from the total depth of the well to approximately two feet above the top of the screen interval. The annular space above the filter pack will be sealed with hydrated bentonite to within one foot below ground surface. Well covers will not be concreted in place.

Reed Engineering Group, Ltd. will not be liable for damage to utilities or structures not identified on plans provided to us, or mislocated in the field by other parties.

Laboratory Activities: It is anticipated that one to two soil samples collected from each boring (those exhibiting the highest FID/PID reading above the water table, near surface sample, and/or at the bottom of the borehole) will be submitted to a State of Texas certified laboratory for analyses. A groundwater sample will be submitted from each monitor well, if available. The soil and groundwater samples collected from the borings/wells will be analyzed for one or more of the following: total petroleum hydrocarbons (TPH) by Texas Method 1005; volatile organic compounds (VOCs) by EPA Method 8260; polynuclear aromatic hydrocarbons (PAH) by EPA Methods 8270 and 8310, and RCRA Metals by EPA Method 6010B and 7471. The need for a PAH and RCRA Metals analysis will be based on the results of the TPH 1005 analyses.

Waste Disposition: All soils and monitor well purge water will be properly stored in 55-gallon drums on the subject property. The drums will remain on-site until the disposition of the materials is determined. Waste will be generated on behalf of Sphinx Development Corporation. Disposal costs are addressed under this proposal. Costs associated with soil and water disposal are anticipated to cost approximately \$800.00 for disposal as Class II Non-Hazardous, but may vary based on constituent concentrations and quantity of materials to be disposed.

Monitor Well Disposition: Costs for plugging and abandonment of the monitor wells are included in this proposal.

Report Preparation: Upon completion of the LSI, the procedures, findings, conclusions, and recommendations of the investigation will be incorporated into a LSI report. Four bound copies will be submitted.

Any additional reporting that may be requested/required will be addressed under a separate proposal, once the findings of this LSI are reviewed.

Sphinx Development Corporation
Proposal No. 12-57
December 30, 2009
Page 3 of 5

Report Timeframe

The work should be completed within approximately three to five weeks of gaining access to the property, barring inclement weather, and dependent on rush analytical requirements.

Budget and Schedule

Costs associated with the proposed scope of services are itemized on the attached cost breakdown. Based on the breakdown, we anticipate the total cost of our services to be on the order of \$11,700.00 to \$14,500.00. The upper limit budget will not be exceeded without prior authorization.

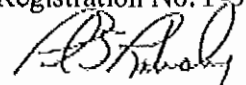
Unless prior arrangements are agreed to in writing, payment for our services is due upon receipt of invoice. Payments not received within 30 calendar days of the invoice date will be charged interest at a rate of 1.0 % per month.

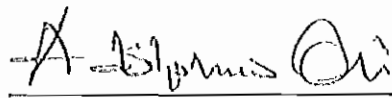
Authorization

We appreciate the opportunity to present this proposal and look forward to working with you on the project. Authorization to proceed may be indicated by signing and returning a copy of this proposal to our office. Upon receipt of authorization, we will send a confirmation via facsimile that your project has been setup and is commencing. If you do not get a confirming facsimile, we may not have received the authorization. If any questions arise, do not hesitate to call.

Sincerely,

REED ENGINEERING GROUP, LTD.
Registration No. E-3114


Paul S. Rodusky, P.G.
Vice President Environment Services


Authorized by
ADOLPHUS OJI
Printed Name
2/10/2010
Date

PSR/MDS/psr
Copies: (1) Via email only

**COST ESTIMATE
 LIMITED SUBSURFACE INVESTIGATION
 APPROXIMATE 14-ACRE TRACT
 NEAR 4120 LAWNVIEW
 DALLAS, TEXAS**

Field Services – Boring/Monitor Well Installation

150	Feet, Drilling and Monitor Well Completion, Truck-Mounted Rig ^{1,2}	\$4,050.00
1	Truck Mounted Rig Mobilization	250.00
2	Days, Power Washer	250.00
1	Hour, Decon Time and Drum Staging	150.00
12	Hours, Geologist – Boring/Monitor Well Installation Activities	1,080.00
8	Hours, Technician – Groundwater Gauging, Survey, and Sampling Activities	400.00
2	Days, FID Rental	300.00
7	Drums	280.00
7	Drums, Drum Disposal ³	875.00
150	Feet, Monitor Well Plugging & Abandonment Sampling Equipment	900.00
		<u>100.00</u>
	Subtotal, Field	\$8,635.00

1. Assumes borings will be drilled to an average of 30 feet deep. Field conditions may require boring depths to be shortened/extended.
2. Assumes that temporary wells will be installed.
3. Disposal of the soil and purge water is anticipated to cost \$125.00 per drum for disposal of Class II Non-Hazardous Waste. The associated costs may vary depending on concentrations of constituents in soil and groundwater, and quantity of soil and groundwater to be disposed. These costs may be adjusted accordingly.

**COST ESTIMATE (CONTINUED)
LIMITED SUBSURFACE INVESTIGATION
APPROXIMATE 14-ACRE TRACT
NEAR 4120 LAWNVIEW
DALLAS, TEXAS**

Laboratory Analysis⁴

10	TPH Analyses, Soil	\$ 550.00
10	VOC Analyses, Soil	880.00
1	PAH Analyses, Soil ⁵	137.50
3	RCRA Metals Analyses, Soil	306.00
5	TPH Analyses, Groundwater	275.00
5	VOC Analyses, Groundwater	440.00
1	PAH Analyses, Groundwater ⁵	137.50
3	RCRA Metals Analyses, Groundwater	<u>306.00</u>

Subtotal, Laboratory \$3,032.00

4. These costs reflect a standard laboratory turnaround of approximately 5 to 8 business days. If sample rushes are required, they will be billed as follows: 2 to 3 Day Rush @ 100% Markup; 4 Day Rush @ 75% Markup, 5 Day Rush @ 50% Markup, 6 Day Rush @ 25% Markup, 7-8 Day Rush @ 10%.
5. The need for PAH analyses will be based on TPH 1005 analyses results. Costs will be billed at a rate of \$137.50.

Engineering Services

20	Hours, Project Coordination, Analysis and Report Preparation – Hydrogeologist ⁶	\$ 900.00
1	Hour, Review - Senior Hydrogeologist	110.00
6	Hours, Drafting and Secretarial Support	<u>240.00</u>

Subtotal, Engineering \$1,250.00

TOTAL ESTIMATED AMOUNT \$12,917.00

6. Time includes approximately 10 hours of consulting time related to fill disposition and removal.

Based on the above quantities, the total cost for our services is estimated to be \$11,700.00 to \$14,500.00. Reed Engineering Group reserves the right to vary quantities and types of services, as the project requires. The upper limit budget will not be exceeded without prior authorization.

March 30, 2010
Project No. 16635

Sphinx Development Corporation
3030 LBJ Freeway, Suite 880
Dallas, Texas 75234
ATTN: Mr. Adolphus Oji

**PHASE I ENVIRONMENTAL SITE ASSESSMENT
AND LIMITED SUBSURFACE INVESTIGATION
APPROXIMATE 14-ACRE TRACT
NEAR 4120 LAWNVIEW AVENUE
DALLAS, TEXAS**

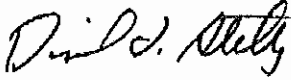
Gentlemen:

We have completed our Phase I Environmental Site Assessment and Limited Subsurface Investigation of the above referenced property. The findings and conclusions of our work are presented in the attached report.

Should any questions arise regarding our report, do not hesitate to call. It has been a pleasure to work with you on this project. We look forward to being of continued service.

Sincerely,

REED ENGINEERING GROUP, LTD.
Registration number F-3114

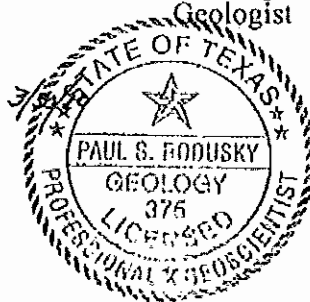
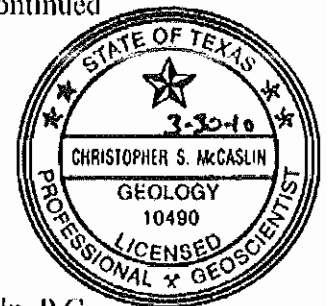

David L. Stelly
Environmental Scientist


Paul S. Rodusky, P.G.
Vice President - Environmental Services

DLS/CMS/PSR/acr

copies submitted: (4)


Christopher M. McCaslin, P.G.
Geologist



APARTMENT

MARKET DATA, LLC

CONSULTANTS, ECONOMISTS, ANALYSTS

February 3, 2010

{Engagement -- Dallas, Texas}

Sphinx Development Corp.
3030 LBJ Freeway, Suite 880
Dallas, Texas 75234

Re: LIHTC Market Feasibility Study
Sphinx at Lawnview - Seniors
Dallas, Texas

Greetings:

This is a confirmation letter, with signature authorization, for our firm to review, analyze, and determine the market feasibility for the development of a proposed LIHTC project, to be located in Dallas, Texas. The purpose of the "Feasibility Study" is to provide a market overview of the data necessary to qualify for the Texas Department of Housing and Community Affairs (TDHCA) tax credit application, and to make an investment decision about the proposed development.

It will be our understanding that (2) two originals and (2) two electronic copies of the report are to be submitted to the undersigned. Our engagement shall begin on the day of receipt of the deposit and this signed agreement. The final reports are to be delivered on or before April 1, 2010. Our fee for services rendered is the sum of \$6,500.00, of which a non-refundable deposit of 50% (\$3,250.00) is due upon engagement, 50% (\$3,250.00) upon completion of the assignment. Shipping of the reports is an additional charge via your requested carrier. **Please note that no reports will be delivered prior to the receipt of the final payment.**

To begin the project, the following information should be returned with this signed engagement letter:

- Volume 1, Tab 2, Part B – Populations Served (aka Unit Mix and Rents)
- Legal entity / name of the current ownership of the site, and identification of relationship to sponsor, if any



20475 Hwy. 46 West Suite 180 - PMB 416 Spring Branch, Texas 78070
(210) 530-0040 Fax (210) 340-5830 www.apfmktdata.com

Your signature on a copy of this letter confirms acceptance of this assignment and that you will own the reports we provide, with no restrictions regarding redistribution.

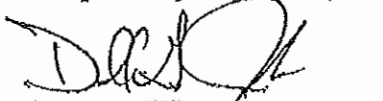
The fee for this report is inclusive of the report only. Any changes to this agreement must be agreed to in writing, by the undersigned and the client. Additional requests for services beyond the requirements of this study, additional copies of the report, any changes in project specifications, or those which require further research, shall be priced based upon the scope of the request at that time, and may cause a delay in the delivery of the report if requested after engagement. Any follow up reports or letters will also require additional preparation time and production costs and require additional billings to the client. Any additional services required beyond the scope of the proposal and engagement agreement will be billed at \$175.00 per hour. Estimates prior to engagement for a particular request can be made available to the client.

Apartment MarketData, LLC agrees to prepared the market feasibility study in compliance with TDHCA guidelines. Apartment MarketData, LLC certifies that it has read and understands Department Rules specific to the report found in Sections 1.33-1.36 of the REA rules.

Thank you for considering us for this assignment. I look forward to working with you on this project.

Project: Sphinx at Lawnview, Dallas, Texas

Respectfully Submitted,



Darrell G. Jack

FEB. 3, 2010
Date

Accepted,



Authorized Signature

2/10/10
Date

This project will will not include TDHCA HOME Funds
(check one)

By acceptance of this agreement, the client agrees to the payment terms and limiting conditions listed above. All reports remain the property of Apartment MarketData, LLC until paid for in full. Furthermore, If payment is not received, the client agrees to pay any and all collection and legal expenses incurred by Apartment MarketData to secure full payment. Any and all litigation for the payment of services is agreed by all parties to be conducted within Comal County, Texas.

APARTMENT

MARKETDATA, LLC

CONSULTANTS, ECONOMISTS, ANALYSTS

March 22, 2010

Mr. Brent Stewart
Texas Dept. of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701

and

Mr. Jay Oji
SDC Lawnview Villas, LP
3030 LBJ Freeway
Suite 880
Dallas, Texas 75234

Re: LIHTC Market Feasibility Study
Sphinx at Lawnview Villas
Dallas, Texas

Greetings:

Apartment MarketData, LLC prepared market feasibility study for Sphinx at Lawnview (Dallas, Texas) in compliance with the TDHCA guidelines. Apartment MarketData, LLC certifies that it has read and understands Department Rules specific to the report found in Sections 1.33-1.36 of the REA rules. The purpose of this study was to summarize the market potential of redeveloping the subject tract of land as an "affordable" rental project to meet the senior rental housing needs of Dallas. The analysis, conclusions, and opinions of this study are not based on any requested results.

Site Location: 4120 Lawnview Avenue, Dallas, Texas

Site Description: The subject site is an 13.633 acre undeveloped tract of land located at 4120 Lawnview Avenue, in Dallas, Texas. The site is identified by the Dallas County Tax Appraiser as account # 435698000000.

Development Team: Sphinx at Lawnview Villas, LP

Effective Date of Report: March 22, 2010



Date of Site Inspection: March 17, 2010

Name of Inspector: David McMurphy

Name of Market Analyst(s): Darrell G Jack
Rick Proffer

It is our understanding that the report is addressed to the Texas Department of Housing and Community Affairs (TDHCA); and such other persons or entities as may be designated by the sponsor, and their respective successors and assigns. We understand that:

- The report may be relied upon by the TDHCA in determining whether to proceed with the financing of the project.
- The report may be relied upon by the TDHCA in determining whether the project is financially feasible.
- The report may be included with and referred to in materials the TDHCA deems necessary.

The MapInfo demographics estimate the demand growth for new senior rental units to be 48 units per year. The HISTA data suggests that the growth for new rental units will be 126 units per year.

There is no doubt that the subject's units are needed and will serve the east Dallas market with a stock of new "affordable" units. Evidence suggests that LIHTC projects tend to derive most of their demand from households already living in the area. The "Overall Capture Rate" calculation in Section 5.3 found 1,446 senior renter households and 2,691 senior owner households that are income qualified. Thus in our mind, this project is feasible even without additional growth in the number of renter households.

According to market participants, the market in this area is strong and the level of demand for quality "affordable" housing is growing.

In view of the following facts and data contained within the study, the market feasibility results of the subject property, "to be built" as of March 22, 2010, and subject to the general underlying assumptions and limiting conditions, are:



Español | Customer Support | FedEx Locations Search Go

Package/Envelope Freight Expedited Office/Print Services *
 Ship Track Manage Business Solutions

Detailed Results

Printer Friendly Get Link Help
 Enter tracking number:

Detailed Results	Notifications																												
Tracking no.: 867039829919 Select time format: 12H 24H Email notifications																													
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<p>Shipment Travel History Help</p> <p>Select time zone: Local Scan Time</p> <p>All shipment travel activity is displayed in local time for the location</p> <table border="1"> <thead> <tr> <th>Date/Time</th> <th>Activity</th> <th>Location</th> <th>Details</th> </tr> </thead> <tbody> <tr> <td>Mar 31, 2010 11:44 AM</td> <td>Delivered</td> <td></td> <td></td> </tr> <tr> <td>Mar 31, 2010 7:45 AM</td> <td>On FedEx vehicle for delivery</td> <td>ADDISON, TX</td> <td></td> </tr> <tr> <td>Mar 31, 2010 8:23 AM</td> <td>At local FedEx facility</td> <td>ADDISON, TX</td> <td></td> </tr> <tr> <td>Mar 31, 2010 4:20 AM</td> <td>Departed FedEx location</td> <td>FORT WORTH, TX</td> <td></td> </tr> <tr> <td>Mar 30, 2010 11:46 PM</td> <td>Arrived at FedEx location</td> <td>FORT WORTH, TX</td> <td></td> </tr> <tr> <td>Mar 30, 2010 7:30 PM</td> <td>Left FedEx origin facility</td> <td>SAN ANTONIO, TX</td> <td></td> </tr> </tbody> </table>		Date/Time	Activity	Location	Details	Mar 31, 2010 11:44 AM	Delivered			Mar 31, 2010 7:45 AM	On FedEx vehicle for delivery	ADDISON, TX		Mar 31, 2010 8:23 AM	At local FedEx facility	ADDISON, TX		Mar 31, 2010 4:20 AM	Departed FedEx location	FORT WORTH, TX		Mar 30, 2010 11:46 PM	Arrived at FedEx location	FORT WORTH, TX		Mar 30, 2010 7:30 PM	Left FedEx origin facility	SAN ANTONIO, TX	
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SDA21

FedEx US Airbill
Express

FedEx Tracking Number 8670 3982 9919

Form 0215

1 From *Sender's address*
 Date: 3/30/10 Sender's FedEx Account Number: 2521-8966-1
 Sender's Name: D. JACK Phone: (201) 530-0040
 Company: APARTMENT MARKET DATA
 Address: 20475 HWY 46 W STE 180 PMB 416
 City: SPRING BRANCH State: TX ZIP: 78070-6180

2 Your Internal Billing Reference
 First 21 characters will appear on invoice.

3 To
 Recipient's Name: JAY QLI Phone: 214 342-1405
 Company: SPINIX DEVELOPMENT
 Recipient's Address: 3030 LBJ FREEWAY #880
 We cannot deliver to P.O. boxes or P.O. ZIP codes.
 Address: DALLAS State: TX ZIP: 75234
 To request a package be held at a specific FedEx location, print FedEx address here.

0394271880

4a Express Package Service

FedEx Priority Overnight (Next business morning. Friday shipments will be delivered on Monday unless SATURDAY Delivery is selected.)
 FedEx Standard Overnight (Next business morning. Saturday Delivery NOT available.)
 FedEx 2Day (Second business day. Thursday shipments will be delivered on Monday unless SATURDAY Delivery is selected. FedEx Envelope rate not available. Minimum charge One-pound rate.)
 FedEx Express Saver (Third business day. Saturday Delivery NOT available.)

Packages up to 150 lbs.
 FedEx First Overnight (Extra fast business morning delivery to select locations. Saturday Delivery NOT available.)

4b Express Freight Service

FedEx 10day Freight* (Next business day** Friday shipments will be delivered on Monday unless SATURDAY Delivery is selected.)
 FedEx 20day Freight (Second business day** Thursday shipments will be delivered on Monday unless SATURDAY Delivery is selected.)
 FedEx 30day Freight (Third business day** Saturday Delivery NOT available.)

* Call for Confirmation. ** To most locations.

5 Packaging

FedEx Envelope*
 FedEx Pak* (Includes FedEx Small Pak, FedEx Large Pak, and FedEx Sturdy Pak.)
 FedEx Box
 FedEx Tube
 Other

* Declared value limit \$500.

6 Special Handling

SATURDAY Delivery (NOT available for FedEx Standard Overnight, FedEx First Overnight, FedEx Express Saver, or FedEx 10day Freight.)
 HOLD Weekday at FedEx Location (NOT available for FedEx First Overnight.)
 HOLD Saturday at FedEx Location (Available ONLY for FedEx Priority Overnight and FedEx 2Day to select locations.)

Does this shipment contain dangerous goods?
 No Yes (If attached Shipper's Declaration not required.)
 Yes (Shipper's Declaration not required.)
 Dry Ice (By ICA 6.1/11.4) Cargo Aircraft Only

Dangerous goods (including dry ice) cannot be shipped in FedEx packaging.

7 Payment Bill to: Enter FedEx Acct. No. or Credit Card No. below.
 Sender (Acct. No. in Section 1 will bill.)
 Recipient
 Third Party
 Credit Card
 Cash/Check

FedEx Acct. No. or Credit Card No. Ex. No.

Total Packages Total Weight Total Declared Value* \$.00

Your liability is limited to \$100 unless you declare a higher value. See back for details. By using this Airbill you agree to the service conditions on the back of this Airbill and in the terms of FedEx Service Guide, including those that limit our liability.

8 Residential Delivery Signature Options (If you require a signature, check Direct or Indirect.)

No Signature Required (Package may be held without obtaining a signature for delivery.)
 Direct Signature (Someone at recipient's address may sign for delivery. FedEx will not deliver to this address.)
 Indirect Signature (If available at recipient's address, someone at a neighboring address may sign for delivery.)

519

Store your addresses at fedex.com
Simplify your shipping. Manage your account. Access all the tools you need.

10013

Artisan at Queen's
Retreat

**MULTIFAMILY FINANCE DIVISION
BOARD ACTION REQUEST
July 8, 2010**

Requested Action

Deny the appeal to reinstate Application #10013, Artisan at Queen's Retreat.

WHEREAS, an application for tax credits was submitted for Artisan at Queen's Retreat on March 1, 2010; and

WHEREAS, the public notification sign installed on the property did not include the required public hearing information on or before March 1, 2010; therefore

BE IT RESOLVED, that the appeal of Artisan at Queen's Retreat, #10013 is hereby denied.

Background

Artisan at Queen's Retreat is a proposed 111-unit, elderly new construction development in Mercedes. The application has been terminated for not having met the threshold requirement for proper notification pursuant to §50.9(h)(8)(B) of the 2010 Qualified Allocation Plan and Rules (QAP). Specifically, evidence of signage must be provided in the application via a photograph. The application included a photo of the sign on the development site; however, the sign did not include the date, time, and location of the public hearing closest to the site, as published by the Department. This information is required to be included on the sign at the time it is installed, which must occur on or before the Application is submitted to the Department (March 1, 2010) for Competitive Housing Tax Credit Applications.

The Applicant is appealing the termination on the basis that the public hearing information was not available at the time the Applicant originally installed the sign on the property. The Applicant indicated, through an administrative deficiency response, that the sign was installed on February 24, 2010. The Department published the public hearing information to its website on January 28, 2010. The Applicant asserts that a broken link on the Department's website prevented the Applicant from retrieving the public hearing information contributed to the information not being inserted into the sign at the time it was installed.

The Department did in fact have a broken link; however, the link was to one of the public hearing meeting locations and not the link to the actual public hearing information page. Therefore, the Applicant's claim of the broken link should not have impacted the proper date being included on the sign. The Applicant further appeals that the information was inserted into the sign 37 days prior to the public hearing scheduled in Harlingen and had this transaction been a bond deal, the Applicant asserts that the posted notice criteria

would have been met. For this reason, the Applicant requests relief from the requirement stated in §50.9(h)(8)(B).

This application is not a bond transaction. It is a competitive tax credit application that was required to publish specific information on a sign for the public by the time the application was submitted to the Department. This Applicant failed to meet the threshold requirement of the QAP. The Department applied the rules equitably among all applications to meet specific requirements of the rules. To reinstate this Applicant and allow exceptions to the rules, will set aside the fairness and objectivity of the cycle.

10013

Termination Letter



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

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Lowell A. Keig
Juan S. Muñoz, Ph.D.

June 17, 2010

Ryan Wilson
ARDC Queens Retreat, Ltd.
21260 Gathering Oak, Suite 101
San Antonio, TX 78260

Re: Application #10013, Artisan at Queens Retreat

Dear Mr. Wilson:

In accordance with the Texas Department of Housing and Community Affairs (the "Department") governing statute §2306.6703(a)(4) Texas Government Code and §50.9(h)(8)(B) of the 2010 Qualified Allocation Plan and Rules (QAP) which states:

"(B) Signage on Property or Alternative. A Public Notification Sign shall be installed on the Development Site prior to the date the Application is submitted unless prohibited by local ordinance or code or restrictive covenants. Scattered site Developments must install a sign on each non-contiguous Development Site. For Competitive Housing Tax Credit Applications the date, time and location of the public hearing, as published by the Department and closest to the Development Site, must be included on the sign. For Tax-Exempt Bond Developments, regardless of the Priority of the Application or the Issuer, the sign must be installed within thirty (30) days of the Department's receipt of Volumes I and II. The date, time and location of the bond Tax Exempt Fiscal Responsibility Act (TEFRA) public hearing must be included on the sign no later than thirty (30) days prior to the scheduled public hearing. Evidence submitted with the Application must include photographs of the site with the installed sign. The sign must be at least 4 feet by 8 feet in size and located within twenty (20) feet of, and facing, the main road adjacent to the site. The sign shall be continuously maintained on the site until the day that the Board takes final action on the Application for the Development. The information and lettering on the sign must meet the minimum requirements identified in the Application. For Tax-Exempt Bond Developments, regardless of the issuer, the Applicant must certify to the fact that the sign was installed within thirty (30) days of submission and the date, time and location of the TEFRA hearing is indicated on the sign at least thirty (30) days prior to the date of the scheduled hearing. In areas where the Public Notification Sign is prohibited by local ordinance or code or restrictive covenant, an alternative to installing a Public Notification Sign and at the same required time, the Applicant shall, mail written notification to those addresses described in either clause (i) or (ii) of this subparagraph. This written notification must include the information otherwise required for the sign as provided in the Application. The final Application

must include a map of the proposed Development Site and mark the distance required by clause (i) or (ii) of this subparagraph, up to 1,000 feet, showing street names and addresses; a list of all addresses the notice was mailed to; an exact copy of the notice that was mailed; and a certification that the notice was mailed through the U.S. Postal Service and stating the date of mailing. If Public Notification Sign is prohibited by local ordinance or code or restrictive covenant, evidence of the applicable ordinance or code or restrictive covenant must be submitted in the Application.

(i) All addresses required for notification by local zoning notification requirements. For example, if the local zoning notification requirement is notification to all those addresses within 200 feet, then that would be the distance used for this purpose; or

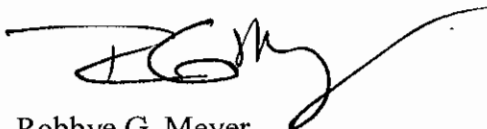
(ii) For Developments located in communities that do not have zoning, communities that do not require a zoning notification or those located outside of a municipality, all addresses located within 1,000 feet of any part of the proposed Development Site.”

During the course of the Department’s threshold review for the above referenced application it was revealed that the public notification sign did not have the required public hearing information by the required March 1, 2010 application submission date for competitive housing tax credit applications. As a result this application has not met the minimum threshold requirements and is no longer eligible for consideration in the 2010 Housing Tax Credit Application cycle.

An Appeals Policy exists for the Housing Tax Credit Program. The restrictions and requirements relating to the filing of an appeal can be found in §50.17(b) of the 2010 QAP. If you choose to appeal this determination, you must first submit an appeal to the Executive Director no later than 5:00 pm on **June 24, 2010**. In the event an appeal is denied by the Executive Director, you may appeal directly in writing to the Board, provided that an appeal filed with the Board is received by **June 28, 2010**.

If you have any questions, please do not hesitate to contact Raquel Morales at 512-475-1676 or raquel.morales@tdhca.state.tx.us .

Sincerely,



Robbye G. Meyer
Director of Multifamily Finance

MFF/rbm

10013

Appeal Documents



June 23, 2010

By E-Mail to michael.gerber@tdhca.state.tx.us

Mr. Michael Gerber

Executive Director

Texas Department of

Housing and Community Affairs

221 East 11th Street

Austin, Texas 78701-2410

RE: Artisan at Queens Retreat (# 10013) - Appeal of Termination.

Dear Mr. Gerber:

This letter appeals the notice of termination of the 9% tax credit application for the Artisan at Queens Retreat (the "Project") sent by Ms. Robbye Meyer on June 17, 2010. Staff terminated the application because of an issue with the Project notification signage. For the reasons detailed below, we respectfully request that you reinstate the application.

Staff terminated the application based on the Project signage. Section 50.9(h)(8)(B) of the 2010 Qualified Allocation Plan ("QAP") states:

(B) Signage on Property or Alternative. A Public Notification Sign shall be installed on the Development Site prior to the date the Application is submitted unless prohibited by local ordinance or code or restrictive covenants. Scattered site Developments must install a sign on each non-contiguous Development Site. For Competitive Housing Tax Credit Applications the date, time and location of the public hearing, as published by the Department and closest to the Development Site, must be included on the sign. For Tax-Exempt Bond Developments, regardless of the Priority of the Application or the Issuer, the sign must be installed within thirty (30) days of the Department's receipt of Volumes I and II. The date, time and location of the bond Tax Exempt Fiscal Responsibility Act (TEFRA) public hearing must be included on the sign no later than thirty (30) days prior to the scheduled public hearing. Evidence submitted with the Application must include photographs of the site with the installed sign. The sign must be at least 4 feet by 8 feet in size and located within twenty feet of, and facing, the main road adjacent to the site. The sign shall be continuously maintained on the site until the day that the Board takes final action on the Application for the Development. The information and lettering on the sign must meet the minimum requirements identified in the Application. For Tax-Exempt Bond Developments, regardless of the issuer, the Applicant must certify to the fact that the sign was installed within thirty (30) days of submission and the date, time and location of the TEFRA hearing is indicated on the sign at least thirty (30) days prior to the date of the scheduled hearing.

We installed the signage on the property in February 2010. The list of public hearings was published by the Department after we installed the sign, therefore it was not photographed with the public hearing information completed. The initial attempts to retrieve the hearing information were unsuccessful because of a broken link, and we ultimately received the public hearing information on March 8. It was inserted into the sign on that day, some 37 days prior to the TDHCA public hearing in Harlingen. Because the information was not posted on the sign by March 1, staff terminated the application.



While we recognize staff's obligation to operate pursuant to the letter of the QAP, we respectfully ask for relief from staff's decision. The information was provided via the sign more than 30 days prior to the public hearing, with ample time to provide public notice. Had this transaction been a bond deal, the posted notice criteria would have been met. We would ask that the Department please consider that the signage was posted with enough time for the intent of the public posting provision to be fulfilled.

In that respect, there was prior public notices to many community constituents: (i) the Mayor and City Council were well aware of the proposed project as evidenced by the resolutions passed at City Council, (ii) the existing residents were made aware and they provided the Department letter of support, (iii) the State representative and senator were each made aware and provided letters of support, and (iv) the housing authority sponsor had meetings in January that were posted to the public. Given these notices, as well as the notice actually provided by the sign well before the Department hearing, we would ask the Department not to terminate the application on a matter more form than substance.

Should the application remain terminated, it will serve to keep decent affordable housing from some of the populace most in need. The Project was originally constructed in the 1940s, and the last even cosmetic rehabilitation work was in the 1970s. No comprehensive interior rehabilitation has ever been done. The Project currently contains 111 total units, whose current 109 tenants reside without the benefit of central air conditioning. It will deprive a strongly supportive community of this much needed housing.

Thank you very much for your consideration of this appeal. If you are not able to grant this appeal, we respectfully request that it be scheduled to be heard by the TDHCA Board at its next Board Meeting.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Ryan Wilson', is written over a light blue rectangular background.

Ryan Wilson

cc: Tom Gouris
Robbye Meyer
Raquel Morales
Barry Palmer
Horacio Pequeno

10013

Executive Director's
Response



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

Michael Gerber
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Tom H. Gann
Lowell A. Keig
Juan S. Muñoz, Ph.D.

June 29, 2010

Ryan Wilson
Franklin Development
21260 Gathering Oaks, Suite 101
San Antonio, Texas 78258

Re: Appeal for Reinstatement of Application #10013, Artisan at Queens Retreat

Dear Mr. Wilson:

Appeal Review

I have carefully reviewed the appeal received on June 23, 2010, regarding your request to have the application for Artisan at Queens Retreat in Mercedes reinstated.

The Application was terminated because it was determined during the course of the Department's application review that the application failed to meet threshold requirements pursuant to §50.9(h)(8)(B) of the 2010 Qualified Allocation Plan and Rules (QAP), which requires that "the date, time and location of the public hearing, as published by the Department and closest to the Development Site, must be included on the sign."

Your appeal states that the sign was installed on the property in February, and that the list of public hearings was published by the Department after the sign was installed on the property. As a result, the public hearing information was not included on the sign at installation and not photographed for purposes of submitting the application to the Department. Further, your appeal states that initial attempts to retrieve the public hearing information were unsuccessful because of a broken link and, ultimately, the public hearing information was not received until March 8, 2010. That same day the information was inserted into the sign, which was 37 days prior to the public hearing scheduled in Harlingen.

Staff published the public hearing information to the Department's website on January 28, 2010. The public hearing information was reposted again in February, but only because one of the links **within** the public hearing information page was broken. The link to the actual information itself was fine and Applicants had access to the public hearing information as of January 28, 2010 which was well before the March 1, 2010 deadline.

Appeal Determination

Your appeal is denied.

Per your request your appeal has been placed on the next Board meeting agenda. Pursuant to §50.17(b)(4) of the 2010 Qualified Allocation Plan and Rules, if you wish to submit any further documentation for your Board appeal, the documentation **must** be received by 5:00 p.m. CST on **June 30, 2010** to be placed with the July 2010 Board materials. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.

Sincerely,



Michael Gerber
Executive Director

MFF/rbm

cc: Barry Palmer
Horacio Pequeno

10039

Paris Retirement
Village II

**MULTIFAMILY FINANCE DIVISION
BOARD ACTION REQUEST
July 8, 2010**

Requested Action

Deny the appeal to reinstate a cumulative 34 points for Application #10039, Paris Retirement Village II.

WHEREAS, an application for tax credits was submitted for Paris Retirement Village II on March 1, 2010; and

WHEREAS, the Applicant was not awarded 28 points for §50.9(i)(1)- Financial Feasibility because they did not provide the required supporting documentation and financial data to be eligible for the points; and

WHEREAS, the application lost an additional 6 points for 50.9(i)(14)- Pre-Application Participation Incentive Points due to the size of the point loss for Financial Feasibility; therefore

BE IT RESOLVED, that the appeal of Paris Retirement Village II, #10039 is hereby denied.

Background

Paris Retirement Village is a proposed 80-unit, elderly, new construction development in Paris, Texas. The application was not awarded twenty-eight points for Financial Feasibility under §50.9(i)(1) of the Qualified Allocation Plan and Rules (QAP) because the required supporting financial data was not provided to award the points. Specifically, the QAP requires that a commitment from a construction or permanent lender, along with a proforma and a statement from the lender that the development is feasible for 15 years, shall be provided for purposes of scoring points under this item. The Applicant's proposed financing structure reflects only two sources of financing: syndication proceeds from Raymond James and interim/permanent financing from the Department's HOME funds. While the Department does not currently issue commitments or statements of feasibility prior to evaluation, the Applicant could have but did not request such an evaluation or letter prior to submission of the application. There is currently no waiver or exclusion of the requirements for developments proposing only the use of TDHCA HOME funds in the financing structure.

The Applicant could have submitted a HOME application early and requested the evaluation or could have requested an interim commitment from a conventional lender. The twenty-eight point loss discussed above resulted in the final score awarded to the application being more than 5% lower than the score awarded at Pre-Application. As a

result, Pre-Application points pursuant to §50.9(i)(14) of the QAP were also not awarded, bringing the total point loss to thirty-four.

The Applicant appeals that the Financial Feasibility criteria does not specify that conventional lending is required as a means to accomplish the goal of this rule, neither does it preclude the use of HOME funds exclusively to merit the points so long as the development is feasible economically. The Department does not disagree on either point; however, in cases where the Department's HOME funds are the only source of permanent financing in addition to syndication proceeds, the Department is not in a position to issue a commitment letter or make statements of financial feasibility prior to an application being underwritten. Therefore, to award points to an application the HOME application would have had to been made early enough to make a determination. Therefore, awarding these points without having any commitment from a construction or permanent lender, and on the premise that the 30-Year Pro forma included as an application exhibit should be accepted as a statement of financial feasibility without having any assessment of feasibility would be giving this application an unfair advantage over other applicants.

The Applicant is also appealing that the potential loss of these points would constitute a gross deficiency and should have merited bringing it to the Applicant's attention for corrective action within the typical five-day time period. While staff disagrees because an Administrative Deficiency is made only to request information to clarify a discrepancy or correct inconsistencies in an application, the documentation that was subsequently provided with the appeal was also inconsistent with the application. Staff did not identify any discrepancy or inconsistency with respect to information submitted for Financial Feasibility that required a notice to the Applicant. §50.9(a) of the 2010 QAP prohibits an Applicant from changing or supplementing any part of an application in any manner after the filing deadline except in response to a direct request from the Department to remedy an Administrative Deficiency. Therefore, the only cure to this deficiency would have been to submit a change to the financing structure without having been asked for such a change. This is what the Applicant attempted by the commitments provided with the Applicant's appeal. The commitments provided, however reflect amounts that are inconsistent with the original application submission and would result in a change to the original application.

10039

Scoring Notice



MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2010 Application Round
Scoring Notice - Competitive Housing Tax Credit Application

Page 2 of Final Scoring Notice: 10039, Paris Retirement Village II

Explanation for Difference between Points Requested and Points Awarded by the Department (explanation does not include points for §§50.9(i)(2), (6) and (18)):

§50.9(i)(1)- Financial Feasibility: a commitment from a construction or permanent lender was not provided to support these points. (28 pts requested, 0 awarded)

§50.9(i)(14) – Pre-Application Points: To be eligible for these points the score awarded by the Department must not be more than 5% greater or less than the number of points awarded by the Department at Pre-Application. The score awarded by the Department at Pre-Application was 169. The score awarded by the Department at Application is 137, which is more than 5% lower than the Pre-Application score awarded. (6 pts requested, 0 awarded)

A formal appeals policy exists for the Competitive HTC Program. If you wish to appeal this scoring notice (including Set-Aside eligibility), you must file your appeal with the Department no later than 5:00 p.m. (CST), Wednesday, June 9, 2010. If an appeal is denied by the Executive Director, an Applicant may appeal to the Department's Board.

In an effort to increase the likelihood that Board appeals related to scoring and Set-Asides are heard at the Board meeting, the Department has provided an Appeal Election Form for all appeals submitted to the Executive Director. In the event an appeal is denied by the Executive Director, the form requests that the appeal automatically be added to the Board agenda.

If you have any concerns regarding potential miscalculations or errors made by the Department, please contact Raquel Morales by facsimile at (512) 475-0764 or by email at raquel.morales@tdhca.state.tx.us.

Sincerely,

Robbye Meyer

Robbye Meyer
Director of Multifamily Finance

MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2010 Application Round
Scoring Notice - Competitive Housing Tax Credit Application

Appeal Election Form: 10039, Paris Retirement Village II

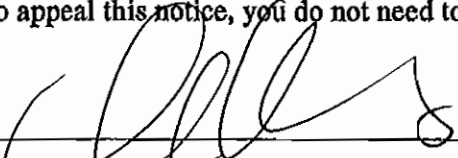
I am in receipt of my 2010 scoring notice and am filing a formal appeal to the Executive Director on or before Wednesday, June 9, 2010.

If my appeal is denied by the Executive Director,:

I do wish to appeal to the Board of Directors and request that my application be added to the Department Board of Directors meeting agenda. My appeal documentation, which identifies my specific grounds for appeal, is attached. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.

I do not wish to appeal to the Board of Directors.

Note: If you do not wish to appeal this notice, you do not need to submit this form.

Signed 

Title PRESIDENT OF GEN'L PRINZ

Date 6-8-10

Please fax or email to the attention of Raquel Morales:
Fax: (512) 475-0764 or (512) 475-1895
Email: <mailto:raquel.morales@tdhca.state.tx.us>

10039

Appeal Documents

Chamy Investments
REAL ESTATE

2128 L. Don Dodson
Bedford, Texas 76021
(817) 285-6315
(817)285-7157(Fax)
jchamy@chamyinvestments.com

June 8, 2010

Via LSO# Z6306497

Mr. Michael Gerber
Executive Director
TDHCA
221 East 11th St.
Austin, TX 78701

RE: Paris Retirement Village II, LTD – TDHCA# 10039

Dear Mr. Gerber:

My appeal refers to the denial of Financial Feasibility Points (50.9(i)(1), 28 points and the concurrent loss of Pre-application Points (50.9(i)(14), as a result of the loss of the Feasibility Points; hence cumulatively a 34 Point Loss.

Reference is hereby made (copy enclosed herein) to Deficiency Notice issued May 3, 2010 and subsequent e-mail response by the Department, whereby the Department had indicated that ALL deficiencies have been received and cleared.

I. **Contention # 1** - Lender Criteria

50.9(i)(1) does not specify that Conventional Lending is required as a means to accomplish the goal of this Paragraph.; neither does this Paragraph preclude the use of HOME Funds exclusively to merit the points so long as the deal is feasible economically. Hence the usage of HOME Funds to accomplish the intent of this paragraph is not contrary to 50.9(i)(1) as stated.

As to 50.9(h)(7)(c), if the source of Funding (HOME), being administered by the Department does not issue construction or permanent Loan Letters (term sheets), yet has traditionally accepted the 30 Year Pro-forma (Vol 1, Tab 2 Activity Overview), then this requirement is met.

II. **Contention #2** - Deficiency Notice Criteria

The potential loss of 34 points, I would think, by any measurable standard, would constitute a gross deficiency and would merit bringing it to the Applicant's attention for corrective action within the typical five (5) day window.

- A. If this is **not** viewed as a Deficiency (A deficiency notice can put the applicant at risk of losing points), then the 34 points **should** be awarded as the deal as structured is viable economically.
- B. If this **is** viewed as a Deficiency, then, at minimum, a notice should be given to the Applicant and the applicant should be given the opportunity to remedy the shortcoming within the typical five (5) day time frame.

It appears to me that it is patently unfair and contrary to the spirit of the QAP to view this item as a Deficiency and to not give the applicant the opportunity to remedy it OR conversely not to view it as a Deficiency and take away the points, anyway.

There is seemingly an arbitrary definition as to what constitutes a "deficiency". In this case, the points in contention, were viewed as neither a deficiency OR a deficiency.....It certainly cannot be both; either of which penalizes the Applicant unfairly.

Finally, if the intent of 50.9(i)(1) is to leverage conventional with state/federal funds (Either 100% conventional or conventional/state/federal funds); then it should be stated as a requirement to merit these points.

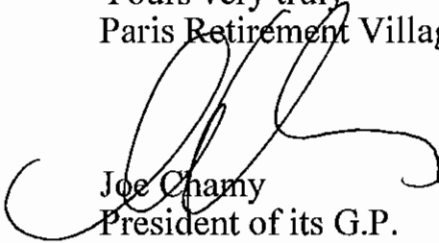
For the record, I am enclosing herein, a term sheet from Bank of America and one from Bank of Oklahoma; both of which I solicited shortly upon receipt of the scoring notice .

It is my earnest hope that we shall be awarded the cumulative 34 point loss or be given the opportunity to remedy this unfortunate circumstance.

Mr. Michael Gerber

Page 3

Yours very truly
Paris Retirement Village II, LTD.



Joe Chamy
President of its G.P.

Enc: Deficiency Notice
Deficiency Clearance E-mail
Term Sheet- Bank of America
Term Sheet- Bank of Oklahoma



Texas Department of Housing and Community Affairs
Housing Tax Credit Program
2010 Application Deficiency Notice

Deficiency Notice Date: May 03, 2010

THIS NOTICE WILL ONLY BE TRANSMITTED VIA EMAIL

<u>Primary Contact:</u>		<u>Second Contact:</u>
Contact Name: Joe Chamy		Second Contact:
Contact Phone: (817) 285-6315		Second Phone:
Contact Fax: (817) 285-7157		Second Fax:
Contact E-Mail: jchamy@chamyinvestments.com		Second E-Mail:

Regarding: TDHCA Number 10039, Paris Retirement Village II

In the course of the Department's review of the above referenced application documentation, an Administrative Deficiency, as defined in §50.3(2) of the 2010 Qualified Allocation Plan and Rules, has been identified. An Administrative Deficiency is defined as: "The absence of information or inconsistent information in the Application as is required under §50.5, §50.6, §50.8 and §50.9 of this title, unless determined by the Department as unable to be corrected." By this notice, the Department is requesting documentation to correct the following deficiency or deficiencies:

I. The following Administrative Deficiencies were found in your Threshold Criteria documentation. Threshold Administrative Deficiencies will be handled as described below.

Threshold:

II. The following Administrative Deficiencies were found in your Selection Criteria documentation. Selection Administrative Deficiencies will be handled as described below.

- Selection:
- 1. Vol 1, Tab 1, Part B. Applicant Information: Revise to include Second Contact Information. ✓
 - 2. Vol 3, Tab 3, Site Information, Section 1: It appears the Census Tract number is incorrect and Census Tract map was not submitted. ✓
 - 3. Vol 3, Tab 3, Site Information, Section 2: Select the correct box regarding Hazard Area. ✓
 - 4. Vol 4, Tab 3, Income levels of Tenants of the Development: If the development includes Units that are not Low Income Units, at least 10% of all the Units that are not Low Income Units in the Development are set-aside with incomes at or below MR80% of AMGI. (Requested 22pts; Awarded 0pts) ✓
 - 5. Vol 4, Tab 5, Commitment of Funding by LPS: Revise to complete the second page of the form. (Requested 18pts; Awarded 0pts) ✓
 - 6. Vol 4, Tab 7, Cost of Development by Square Foot: Revise the form to indicate the correct amount per square foot. Lamar County is not a First Tier county. (Requested 10pts; Awarded 0pts) ✓
 - 7. Vol 4, Tab 11, Housing Needs Characteristics: Submit a Census Tract Map with the development site indicated. (Requested 5pts; Awarded 0pts) ✓
 - 8. Vol 4, Tab 28: Submit required affidavits. ✓

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Texas Department of Housing and Community Affairs
Housing Tax Credit Program
2010 Application Deficiency Notice

Pursuant to §50.9(d)(4), "if Administrative Deficiencies are not clarified or corrected to the satisfaction of the Department by 5:00 p.m. CST on the fifth business day following the date of the deficiency notice, then for competitive Applications under the State Housing Credit Ceiling, five points shall be deducted from the Selection Criteria score for each additional day the deficiency remains unresolved. If Administrative Deficiencies are not clarified or corrected by 5:00 p.m. CST on the seventh business day following the date of the deficiency notice, then the Application shall be terminated. The time period for responding to a deficiency notice begins at the start of the next business day following the deficiency notice date. Deficiency notices may be sent to an Applicant prior to or after the end of the Application Acceptance Period. This Administrative Deficiency process applies to requests for information made by the Real Estate Analysis Division review." The Department must receive the requested documentation by 5:00 p.m. CST or the documentation will be deemed to have been received the following business day.

All documentation should be submitted as a whole using the Department's FTP server. Once the documents are submitted to the Department via the FTP server, email the staff member issuing this notice at the address below. If you have questions regarding the FTP submission process, contact Jason Burr at jason.burr@tdhca.state.tx.us or by phone at (512) 475-3986.

Sincerely,

Nicole Fisher
Multifamily Housing Specialist

Phone Number: (512) 475-2201

Email: nicole.fisher@tdhca.state.tx.us

Joe Chamy

From: Nicole Fisher [nicole.fisher@tdhca.state.tx.us]
Sent: Thursday, May 06, 2010 4:53 PM
To: Joe Chamy

Subject: RE: Paris Retirement village II- TDHCA# 10039
All of your deficiencies have been received and cleared.

Thank you,

Nicole Fisher

Multifamily Housing Specialist
Texas Department of Housing and Community Affairs
(512) 475-2201 Phone
(512) 475-1895 Fax
nicole.fisher@tdhca.state.tx.us

From: Joe Chamy [mailto:jchamy@chamyinvestments.com]
Sent: Thursday, May 06, 2010 4:57 PM
To: 'Nicole Fisher'
Cc: 'Johanna Whitten'
Subject: RE: Paris Retirement village II- TDHCA# 10039

Nicole;

Attached is the correction of the deficiency that you had alluded to.....best always

Joe

Joe Chamy-Principal
jchamy@chamyinvestments.com
817/285.6315 x11
817/285.7157 (Fax)
2128 L. Don Dodson,
Bedford, TX 76021

From: Nicole Fisher [mailto:nicole.fisher@tdhca.state.tx.us]
Sent: Thursday, May 06, 2010 4:31 PM
To: Joe Chamy
Subject: RE: Paris Retirement village II- TDHCA# 10039

Joe,

Def # 5 is still incomplete. You need to make a selection under part 3 on the 2nd page of the form. Since it is TDHCA HOME, it should be the second box.

All of the other deficiencies are satisfied.

Nicole Fisher

5/6/2010

June 7, 2010

VIA EMAIL

Joe Chamy
Chamy Investments
2128 L. Don Dodson
Bedford, TX 76021

Re: Paris Retirement Village II – 80-unit Family Apartment Complex in Paris, TX.

Dear Mr. Chamy:

This letter will serve as a preliminary outline of the terms under which Bank of America (the "Bank") would consider a loan request on the above referenced project. **This letter does not represent an offer or commitment by the Bank for the proposed financing, nor does it define all the terms and conditions of a loan commitment, but is a framework upon which a loan request may be submitted. Issuance of a commitment by the Bank is subject to, among other things, the completion of the following items, and approval of the loan request under the Bank's internal approval process. The Bank may decline to approve the loan request. Upon your response to this letter and after providing any additional information which may be necessary, the Bank will proceed with the necessary due diligence to submit the loan request. The proposed terms and conditions are as follows:**

Project: To be constructed 80 - unit family apartment complex located in Paris, TX.
Borrower: To Be Formed Special Purpose Entity—form and substance of Borrower must be acceptable to the Bank.

Reporting Requirements: Annually: Borrower and Guarantors' financial statements and covenant compliance.
Monthly: Property operating statements and rental summary report.

Know Your Customer: Within five (5) business days of opening an account with Bank, Borrower shall have delivered to Bank all due diligence materials necessary and relevant to verifying Borrower's identity and background information, as deemed necessary by Bank in its sole and absolute discretion.

Other Requirements: All of the following to be acceptable to the Bank: documentation and submissions that are standard for loans of this type including, but not limited to, appraisal, ESA, legal documentation, title/survey, proposed standard lease form, front-end cost and document reviews and acceptance of final budget (includes adequate contingency, interest carry/operating deficit reserve, etc.), review of plans/specs, condition of markets/submarkets, revenue/expenses pro-formas, financial review of Borrower, Guarantor, and general contractor, background and credit check on all general partners, developer, guarantors, and their principals. status of existing projects, management agreement and subordination; and (as applicable), proof of tax credit award, equity investor and pay-in schedule, proof of tax-exempt status with respect to ad valorem taxes and other terms and conditions as may be required.

Fees and Expenses:

Borrower will pay all reasonable costs incurred by the Bank in connection with the loans including, but not limited to, legal, environmental, front end costs and document review/inspections, administration fee (the greater of 3 BPS or \$2,500) physical needs assessment (for existing projects only) and appraisal.

Tax Credit Equity

Subject to Bank approval. Standard requirements include minimum 15% ILP Equity at Closing, 30% (cumulative) of ILP Equity by 50% Completion and 50% (cumulative) of ILP Equity by Completion OR 25% of ILP Equity at Closing if additional installments are not scheduled during construction. Assignment of Tax Credits will be required. The Investor Limited Partner will be subject to Bank approval. Total ILP equity paid in through completion plus other sources paid in upfront required to be no less than 15% of Total Development Costs.

TCAP Proceeds:

To the extent applicable, Regulatory Agreement and Promissory Note or Commitment to support must be in form and contain terms acceptable to Bank including but not limited to Pay-in schedule, Subordination, A condition of closing will be satisfactory evidence, in Bank's sole discretion, of availability of TCAP proceeds at the time of construction loan closing. Tri-Party or Inter-creditory agreement may be required. Bank reserves the right to characterize these funds as subordinate soft debt and to apply different underwriting and pricing requirements accordingly.

Confidentiality:

This term sheet is strictly confidential and may not be shared with anyone else other than the owners of Borrower.

Construction Loan

Construction Loan Amount:

Information obtained by the Bank is so far insufficient to establish a loan amount. Based on our general underwriting parameters for what we believe to be similar transactions, the construction loan amount in this transaction would be the lesser of:

- 1) \$2,078,317 or
- 2) 75% LTC based on final Bank approved construction budget or
- 3) 80% LTV based on an appraisal in form and substance acceptable to the Bank.

Construction Interest Rate:

30 Day LIBOR+ 4.00%, daily floating. An interest rate protection product from a financial provider acceptable to the Bank may be required prior to funding of a loan.

Pricing is subject to change including the provision for a floor rate on the index (30-day LIBOR).

Construction Loan Term:

24 months from the loan closing.

**Construction
Loan**

Amortization: Interest only for 24 months; payable monthly

Commitment Fee: 1.50% of the total Loan Commitment, payable at closing.

**Construction
Renewal Options:**

- One, six-month extension option subject to the following:
- a) no less than 30 but no more than 90 day written notice of intention to exercise the option,
 - b) lien-free construction completion and final C/O of the Project,
 - c) no event of default having occurred or potential default occurring,
 - d) no material adverse change in the financial condition of the Project, Borrower, and Guarantor, and,
 - e) payment of 0.75% renewal fee based on the then outstanding loan balance.
 - f) Rate adjustment or fee payment, as appropriate, to cover the cost of revising the forward rate lock, if any.

**Payment and
Performance
Guaranty:**

100 % guarantee of completion, performance and repayment to be provided by **Joe Chamy and Jodi Lane. Additional Guarantors may be required as a result of underwriting.** For borrowers that are single-asset entities, principal(s) with general liability or guarantor(s) acceptable to the Bank must be jointly and severally liable for completion of the project and repayment of the financing, including interest and costs. Guarantors to have financial covenants that include minimum net worth and liquidity—TBD. Review and approval of guarantors subject to bank approval.

Collateral:

- 1) First Lien Deed of Trust on land and improvements constructed thereon.
- 2) UCC filing on furniture, fixtures and equipment.
- 3) Assignment of rents/leases and management/construction/architectural contracts, etc.
- 4) Assignment of ILP interests
- 5) Assignment of interest rate hedge agreement, if any.

General Contractor: TBD - This entity will be subject to the Bank's full due diligence and approval. Minimum 5% Construction Contingency / 3% soft cost contingency shall be budgeted. GMAX Contract and bonding is required. Minimum retainage 10%.

Term Loan

**Term Loan
Amount:**

\$500,000; to be the lesser of: 1) 80% LTV based on an appraisal in form and substance acceptable to the Bank on all must-pay debt to include subordinate TCAP loan, or 2) the principal amount based on all must-pay debt payments sufficient to achieve a **1:1.20 DSCR**.

Term Loan

Interest Rate: Fixed rate for the life of the financing. Note rate will be fixed immediately prior to construction closing based upon then applicable market rates for like tenor and character loans. The Bank estimates that, were the Note rate fixed as of June 7, 2010, the rate would be approximately 7.25%.

Due to fluctuating US Treasury rates and term market spreads, an underwriting rate of 7.50% has been utilized for Bank analysis.

The interest rate will be forward locked for a period of 30 months.

Term Loan

Maturity: Eighteen (18) years from the term loan conversion and closing.

Amortization: Thirty (30) years

Term Loan Fees: 1.50% (150 bps) of the total Loan Commitment, payable 50% at time of rate lock and 50% at time of conversion and funding of Term Loan.

**Conversion Terms
And Conditions:**

Typically include:

- a) Occupancy at 90% for 90 consecutive days
- b) DSC of 1.20 for 3 consecutive months
- c) Receipt of TDHCA 8609s
- d) Payment of Conversion Fee equal to \$10,000

Reserves: At conversion, repair and replacement reserve funded monthly at a rate of \$250 per unit per year; thereafter, as established by PNA reports at 10-year intervals. Impounds for taxes and insurance are also required.

Guaranty: Non-recourse exclusions from key principals relating to fraudulent acts, in form and substance acceptable to Bank.

Financial condition of key principals will be subject to Bank review and approval.

Other Sources: All other sources required to be funded prior to funding of bank loan.

**Regulatory
Requirements:**

Subject to the review and approval of all regulatory agreements and/or land use restrictions as required for ad valorem tax abatement, Section 8, subordinate debt, or other sources of funding (as applicable). Evidence that ad valorem tax abatement coincides with the real estate collateral.

Secondary Financing: Secondary Financing is permitted, subject to Bank approval. Secondary Financing shall be subordinated to the Bank's lien and secondary creditors shall execute an inter-creditor agreement satisfactory in substance and form to the Bank, which limits and restricts the secondary creditor's rights and remedies without the prior written consent of the Bank. Secondary Financing subordination terms and conditions shall be consistent with provisions contained in Bank's form of subordination agreement and allow the potential refinance of

the Bank's loan. Any rent or income restrictions which are a condition of any Secondary Financing shall be subordinate to the Bank. All Secondary Financing loan documents including the subordination agreement, shall be acceptable to the Bank. The Bank documents shall provide for traditional restrictions on Borrower encumbrances of the property.

Any required "must-pay" subordinate debt service shall be underwritten and included in the loan-to-value calculations.

Sources of Secondary Financing not paid in at closing and to be provided by governmental agencies (Federal, State, or Local) shall be evidenced by a commitment at closing which shall indicate that the allocation has been approved and funds allocated have been raised, reserved and available, and are not subject to claw back for other governmental priorities and, further, that the commitment does not obligate funds in excess of funds reserved.

Material

Adverse Change:

Bank of America's obligations hereunder shall terminate if, prior to closing, Bank of America determines, in its sole judgment, that there shall exist any conditions regarding the property, or the operations, business, assets, liabilities or condition (financial or otherwise, including credit rating) of Borrower or Guarantor, or there shall have occurred a material adverse change in, or there shall exist any material adverse conditions in, the market for syndicated bank credit facilities or the financial, banking, credit or debt capital markets generally, that could be expected to cause the loan to become delinquent or prevent any guarantor from performing its obligations under any guaranty or to materially and adversely affect the value or marketability of the loan or the property or Bank of America's ability to syndicate the loan.

Assumptions made:

The terms discussed herein are presented, based on the credit conditions in the potential transaction as known by Bank of America. Should additional facts come to light that positively or negatively impact the situation, prices or other requirements quoted here may be adjusted.

Expiration:

This term sheet will expire at 5:00 p.m. central time on that date which is five (5) business days from the date hereof unless you execute this term sheet and return it to us prior to that time, which may be by facsimile transmission. Please understand that this term sheet does not represent an offer or commitment by Bank of America, or any of its affiliated entities, for the proposed new financing, nor does it define all of the terms and conditions of a loan commitment, but is a framework upon which a loan request may be submitted. Issuance of a commitment by Bank of America is subject to, among other things, the approval of your loan request under the Bank's approval process. If Bank of America issues a financing commitment in this transaction, it will in all respects supersede this letter.

Joe Chamy
Chamy Investments
June 7, 2010
Page 6 of 6

Please review the above terms and conditions and feel free to call me with any questions or comments you may have. If you find the above terms and conditions to be acceptable, please indicate so by signing below and returning a faxed copy to my attention by **within 5 business days of the date of this letter** along with a good-faith deposit of **\$15,000**. Upon receipt of the letter and the good-faith deposit, the Bank will proceed with the necessary due diligence to prepare and submit your loan request, provided, however that in any event, this term sheet will finally expire at 5:00 p.m. central time on that date which is sixty (60) days from the date hereof. Your deposit is refundable, less the Bank's out of pocket expenses incurred, should the Bank decline the financing opportunity discussed herein. I look forward to hearing from you and working with you on this and other transactions.

Sincerely,



Jeffrey S Rodman
Senior Vice President
901 Main Street, 20th Floor
Dallas, Texas 75202
214-209-2160 Office
214-416-0740 Fax

Please submit a loan application as outlined above:

Name: _____

Title: _____

Date: _____



LISA E. ALBERS
Vice President
Community Development Banking Group
Phone: 918-588-6420
Fax: 918-895-8102

June 7, 2010

Joe Chamy
Chamy Investments
2128 L. Don Dodson
Bedford, Texas 76021

Mr. Chamy,

On behalf of Bank of Oklahoma, N.A. (BOK) it is our pleasure to offer the following financing terms for the construction of Paris Retirement Village II in Paris, Texas. The terms presented below are indicative of a loan structure we would like to pursue and are based on the information provided by you and our underwriting assumptions.

Borrower: Paris Retirement Village II, Ltd.

Loan Amount:

Construction Loan: A loan in the amount of \$1,850,000. This is based on a project budget of \$8,050,007 and receipt of the 9% low-income housing tax credits prior to closing.

Maturity:

Construction Loan: Twenty-four (24) months from closing.

Collateral:

First mortgage on the project; the assignment of all leases and rents, contracts, plans and specifications of the project.

Underwritten

Interest Rate:

Construction Loan: The rate will be fixed at closing at BOK National Prime plus 100 basis points. Today this equates to a rate of 5.00%.

Origination Fee:

Construction Loan: A non-refundable fee of 1% of the construction loan amount will be payable at closing.

Payment Terms:

Construction Loan: Monthly interest payments will be due during construction.

Prepayment Penalty:

Construction Loan: Not Applicable.

Guaranty:

Construction Loan: Joe Charmy and other interested parties acceptable to the Bank will provide an unlimited guaranty of the loan amount during construction.

Use of Loan Proceeds:

The Loan proceeds will be used exclusively to construct the 80 units at the Paris Retirement Village II in Paris, Texas.

Disbursement Of Loan Funds:

Disbursement of Loan proceeds will occur no more than monthly, following the Bank's receipt and acceptance of written advance requests. Requests should be based on the final approved project budget and the progress of the construction of the Project, and subject to a third party inspecting review. Advance requests shall be accompanied by support documentation, as well as lien waivers.

Appraisal:

Funding is contingent on the Bank's receipt of an acceptable self-contained appraisal report stating the Market Value of the Project, prepared by a Bank-approved MAI appraiser.

Environmental Report(s):

Prior to closing, Borrower will provide the Bank with a Phase I environmental audit, prepared by a licensed environmental engineer, approved by the Bank, reflecting the Project's real property to be free and clear of any environmental hazard on, under, or around the subject.

Borrower Financial Reports:

Borrower will provide Bank with quarterly and calendar year-to-date financial statements, including balance sheet, income statement, rent roll, within 45 days of each calendar quarter end, and 60 days of each calendar year end.

Guarantor Financial Statements:

Guarantors will provide Bank with annual financial statements, including balance sheets including contingent liabilities, income and expense statement, and any additional supporting information reasonably requested by the Bank.

Mortgage Title Insurance:

Prior to closing, the Bank requires receipt of a commitment for mortgage title insurance in an amount equal to the maximum loan amount, issued by a Bank-approved title insurance company, listing no liens other than those which are to be paid off prior to or at closing. There are to be no exceptions other than routine utility easements and restrictions, and the current year's taxes not yet due. The Bank shall be named as the insured mortgagee.

Survey:

Prior to closing, the Bank requires receipt of a minimum ALTA survey of the Project, in form and content acceptable to the Bank, showing all easements, encroachments or any other item which may affect the Bank's lien position. The survey must be satisfactory to delete the survey exception in the mortgage title insurance commitment.

Flood Insurance: If any Improvements (existing and/or proposed) on the Project are or will be located in an area identified by the U. S. Department of Housing and Urban Development (H.U.D.) as an area having "special flood hazards", flood insurance must be purchased and maintained in the amount of the Loan.

Insurance: At or before closing, the Borrower will provide evidence of general liability, hazard and builders risk insurance coverage acceptable in form and content to Bank, covering the greater of (a) the Loan amount or (b) the replacement cost of the improvements. The Bank will be named as mortgagee and loss payee.

Governmental Approvals: Borrower shall provide the Bank with evidence of all necessary governmental approvals for the Project, including but not limited to, zoning and building permits.

Utilities: Borrower shall provide evidence to Bank of the availability, at the Project, of all utilities service necessary for the construction and operation of the Project including, but not limited to water, electric, natural gas, telephone and sanitary sewer.

Plans & Specifications: Prior to Closing, Bank requires copies of all Borrower's final building plans and specifications with architect's certification. The Borrower agrees that no changes will be made in the plans and specifications without the prior written consent of the Bank.

General Contractor: The general contractor to be used to construct the Project shall be subject to the approval of the Bank, prior to Loan closing.

Construction Contract: A certified copy of the final fixed price construction contract will be provided to the Bank prior to closing.

Performance Bond: If requested by Bank, the site improvements contract will be covered under a performance bond acceptable to the Bank.

Inspecting Architect: An independent project architect, approved by the Bank, will perform a pre-construction review and cost analysis in addition to monthly construction progress and draw request reviews during the construction of the Project. All cost for services rendered by the Inspecting architect will be paid for by the Borrower.

Other Encumbrances: No other encumbrances will be placed on the collateral without the prior written approval of the Bank.

Assignment: This commitment can not be assigned without the prior written consent of the Bank.

**Pending
Litigation:**

Borrower shall certify to Bank that no litigation or proceedings are pending or threatened which might adversely affect the Borrower's or the Guarantor's ability to perform under the terms of this agreement or the loan documents.

**Ownership
Change:**

Ownership of the Borrower shall not change during the term of the Loan without the prior written consent of the bank.

**Opinion of
Counsel:**

Prior to or at closing, the Bank requires a legal opinion of Borrower's counsel will provide a legal opinion confirming that all matters pertaining to the Project and Loan are valid, enforceable and in accordance with the intended terms and do not violate any laws.

Expenses:

Borrower will pay all expenses associated with the Loan. The expenses shall include but not be limited to; attorney's fees, lender's title insurance policy, appraisal, environmental report, survey and mortgage tax (where allowed by law), and engineer or inspector fees. Any costs incurred for this financing will be the responsibility of the Borrower to pay. Please be advised that it is the Borrower's sole responsibility to pay these costs irrespective of whether the loan closes or not.

**Other
Requirements:**

The subject requirements are intended to set out the primary terms and conditions of the Loan, but are not all-inclusive and would be subject to review by the Bank's legal counsel.

**Related Deposit
Accounts:**

The related deposit accounts for this project will be maintained at the Bank of Oklahoma.

The terms and conditions of this letter will expire September 1, 2010. Thank you for the opportunity to consider financing this project. Please let me know if I can answer any additional questions.

Best Regards,



Lisa E. Albers

10039

Executive Director's
Response



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

Michael Gerber
EXECUTIVE DIRECTOR

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June 18, 2010

Joe Chamy
Paris Retirement Village II, LTD.
2128 L. Don Dodson
Bedford, Texas 76021

Re: Appeal of Scoring Notice for #10039, Paris Retirement Village II

Dear Mr. Chamy:

Appeal Review

I have carefully reviewed the appeal received on June 8, 2010, by the Texas Department of Housing and Community Affairs (the "Department"), regarding your request to reinstate the 28 points for Financial Feasibility pursuant to §50.9(i)(1) of the 2010 Qualified Allocation Plan and Rules (QAP) and the six Pre-Application Incentive points pursuant to §50.9(i)(14) of the QAP. Financial Feasibility points were not awarded because the application did not include the supporting financial data from a permanent or construction lender as required. Additionally, as a result of the 28 point loss the final score awarded to the application was more than 5% lower than the score awarded at Pre-application, thereby causing the application to be ineligible for the pre-application incentive points.

§50.9(i)(1) of the 2010 QAP states the following:

"(1) Financial Feasibility of the Development. Financial Feasibility of the Development based on the supporting financial data required in the Application that will include a Development underwriting pro forma from the permanent or construction lender. (§2306.6710(b)(1)(A)) Applications may qualify to receive 28 points for this item. No partial points will be awarded. Evidence will include the documentation required for this exhibit, as reflected in the Application submitted, in addition to the commitment letter required under subsection (h)(7)(C) of this section. The supporting financial data shall include:

(A) A fifteen year pro forma prepared by the permanent or construction lender:

(i) Specifically identifying each of the first five (5) years and every fifth year thereafter;

(ii) Specifically identifying underlying assumptions including, but not limited to general growth factor applied to income and expense; and

(iii) Indicating that the Development maintains a minimum 1.15 debt coverage ratio throughout the initial fifteen (15) years proposed for all third party lenders that require scheduled repayment; and

(B) A statement in the commitment letter, or other form deemed acceptable by the Department, indicating that the lender's assessment finds that the Development will be feasible for fifteen (15) years.

(C) For Developments receiving financing from TRDO-USDA, the form entitled "Sources and Uses Comprehensive Evaluation for Multi-Family Housing Loans" or other form deemed acceptable by the Department shall meet the requirements of this section."

Your appeal states that the Financial Feasibility criteria does not specify that conventional lending is required as a means to accomplish the goal of this rule, neither does it preclude the use of HOME funds exclusively to merit the points so long as the development is feasible economically. The Department does not disagree on either point, however, in cases where the Department's HOME funds are the only source of permanent financing in addition to syndication proceeds, the Department is not in a position to issue a commitment letter or make statements of financial feasibility prior to an application being underwritten. Therefore, to award points to an application without having any commitment from a construction or permanent lender, and on the premise that the 30-Year Proforma should be accepted as a statement of financial feasibility without having any assessment of feasibility would be an unfair advantage to any application.

Your appeal further contends that the potential loss of these points would constitute a gross deficiency and would merit bringing it to the Applicant's attention for corrective action within the typical five-day timeframe. An Administrative Deficiency is made to request information to clarify a discrepancy or correct inconsistencies in an application. Staff did not identify any discrepancy or inconsistency with respect to information submitted for Financial Feasibility that required a notice to the Applicant. §50.9(a) of the 2010 QAP prohibits an Applicant from changing or supplementing any part of an application in any manner after the filing deadline except in response to a direct request from the Department to remedy an Administrative Deficiency. Therefore, the only cure to this deficiency would be to submit a change to the financing structure, which is evidenced by the commitments provided with your appeal. The commitments reflect amounts that are inconsistent with the original application submission and would result in a change to your application.

Appeal Determination

Your appeal is denied.

Per your request your appeal has been placed on the next Board meeting agenda. Pursuant to §50.17(b)(4) of the 2010 Qualified Allocation Plan and Rules, if you wish to submit any further documentation for your Board appeal, the documentation must be received by 5:00 p.m. CST on **June 28, 2010** to be placed with the July 2010 Board materials. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.

Sincerely,



Michael Gerber
Executive Director

MFF/rbm

10051

Parkway Ranch
Apartments

**MULTIFAMILY FINANCE DIVISION
BOARD ACTION REQUEST
July 8, 2010**

Requested Action

Deny the appeal to reinstate one point for Application #10051, Parkway Ranch Apartments.

WHEREAS, an application for tax credits was submitted for Parkway Ranch Apartments on March 1, 2010; and

WHEREAS, the Applicant was not awarded one point for §50.9(i)(25)- Qualified Census Tract with Community Revitalization because they did not provide the required evidence in the form of an ordinance, resolution or other evidence of a vote by the local Governing Body that the Community Revitalization Plan utilized for this point item was adopted; therefore

BE IT RESOLVED, that the appeal of Parkway Ranch Apartments, #10051 is hereby denied.

Background

Parkway Ranch is a proposed 44-single family unit, new construction development in Houston. The application lost one point for Qualified Census Tract with Community Revitalization under §50.9(i)(25) of the Qualified Allocation Plan and Rules (QAP) because the Applicant was not able to provide evidence in the form of an ordinance, resolution or other evidence of a vote by the local Governing Body that the Community Revitalization Plan utilized for this point item (Acres Home Revitalization Strategies Plan) was adopted.

The Applicant asserts that this application proposes a second phase to an existing tax credit property that received an allocation in 2006. The Applicant provided the Department a copy of the Plan and evidence that the development is in a Qualified Census Tract (QCT) as evidenced by a letter from Harris County Community Services Department. While the Applicant recognizes that the plan was not adopted by vote of the Houston City Council, the Applicant asks that the Department consider that in the previous 2006 application for the phase I development, the same documentation was submitted and accepted by the Department. Additionally, the appeal states that the role of the Super Neighborhoods in Houston were developed as a mechanism to help the City with its planning process and that once the Plan in question was approved by the Acres Home Coalition, there was no need, procedural or otherwise, for the Plan to be approved by the Houston City Council. Finally, the appeal states that the Department should consider adoption of a Community Revitalization Plan by a Super Neighborhood the equivalent of adoption by the City itself.

Staff agrees that the documentation provided in conjunction with the 2010 application for this point item was also provided back in 2006, and accepted at that time. However, the language and requirements of this specific section of the QAP has changed between 2006 and now. Specifically, the QAP requirement for §50.9(i)(25) in the 2006 QAP did not include language requiring evidence of ordinance, resolution or other vote by the local Governing Body of adoption of a Plan.

10051

Scoring Notice



MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2010 Application Round
Scoring Notice - Competitive Housing Tax Credit Application

Page 2 of Final Scoring Notice: 10051, Parkway Ranch II

Explanation for Difference between Points Requested and Points Awarded by the Department (explanation does not include points for §§50.9(i)(2), (6) and (18)):

§50.9(i)(25)- Qualified Census Tracts with Revitalization: Evidence that the Acres Home Revitalization Strategies Plan was adopted by local government via ordinance, resolution or specific vote was not provided. (1 pt requested, 0 awarded)

A formal appeals policy exists for the Competitive HTC Program. If you wish to appeal this scoring notice (including Set-Aside eligibility), you must file your appeal with the Department no later than 5:00 p.m. (CST), Wednesday, June 9, 2010. If an appeal is denied by the Executive Director, an Applicant may appeal to the Department's Board.

In an effort to increase the likelihood that Board appeals related to scoring and Set-Asides are heard at the Board meeting, the Department has provided an Appeal Election Form for all appeals submitted to the Executive Director. In the event an appeal is denied by the Executive Director, the form requests that the appeal automatically be added to the Board agenda.

If you have any concerns regarding potential miscalculations or errors made by the Department, please contact Raquel Morales by facsimile at (512) 475-0764 or by email at raquel.morales@tdhca.state.tx.us.

Sincerely,

Robbye Meyer 

Robbye Meyer
Director of Multifamily Finance

10051

Appeal Documents

June 8, 2010

Mr. Michael Gerber
Executive Director
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701

Re: Parkway Ranch II (Houston), TDHCA No. 10051
Appeal for Scoring

Dear Mike:

We represent Parkway Ranch II, Ltd. ("Applicant"), which applied for low-income housing tax credits in the 2010 application round for the Development listed above. Applicant requested one (1) point under Section 50.9(i)(25) of the Qualified Allocation Plan (the "QAP") for a development located in a qualified census tract that contributes to a community revitalization plan. The point was not awarded.

Request

On behalf of Applicant, we request that Applicant receive one (1) point under Section 50.9(i)(25) of the QAP.

Background Information

The site for the Development is in the Acres Home neighborhood of northwest Houston. Acres Home was recognized as a Super Neighborhood by the City of Houston in May 2000. Its designation as a Super Neighborhood was the result of an extensive planning process that commenced in January 1995. The City of Houston Planning and Development Department initiated the process upon the request of community leaders, under the auspices of Houston's Neighborhood Planning Partnership Program. This process led the community leaders to formally adopt the Acres Home Revitalization Strategies Plan (the "Plan") in August 1999. A copy of the Plan was included in Applicant's tax credit application and is attached as Exhibit A. The goals of the Plan for housing include the construction of single family homes and accessing the tax credit program to encourage additional development.

The Development is a proposed second phase of an existing property ("Parkway Ranch I") that received an allocation of low-income housing tax credits in 2006. Parkway Ranch I consists of four-bedroom single family homes that have been in high demand. The

Enclave is a sister property to Parkway Ranch I, also providing single family rental homes in the Acres Home neighborhood. The Enclave received an allocation of low-income housing tax credits in 2006, as well. Both Parkway Ranch I and The Enclave contribute to the revitalization of Acres Home by: (i) giving families with historical ties to the neighborhood an opportunity to stay in the neighborhood or come back to the neighborhood and (ii) providing residents with a single family home experience, with the security of a rental arrangement.

QAP

The QAP awards one (1) point under Section 50.9(i)(25) as follows:

Applications will receive the points for this item if the Development is located within a Qualified Census Tract and contributes to a concerted Community Revitalization Plan. Evidence of the Community Revitalization Plan (*such evidence must include an ordinance, resolution, or otherwise recorded documentation of a vote taken by the local elected Governing Body specifically adopting the Community Revitalization Plan*) and a letter from the chief executive officer or other local official with appropriate jurisdiction of the local Governing Body stating that the Development Site is located within the targeted development areas outlined in the Community Revitalization Plan must be submitted. (emphasis added)

A Community Revitalization Plan is defined as:

A published document under any name, approved and adopted by the local Governing Body by ordinance, resolution, or vote that targets specific geographic areas for revitalization and development of residential developments.

Applicant provided TDHCA with a copy of the Plan, evidence that the Development is in a qualified census tract, and other supporting materials, including a letter from David Turkel, the Director of the Harris County Community Services Department. However, the point was not awarded because "Evidence that the Acres Home Revitalization Strategies Plan was adopted by local government via ordinance, resolution or specific vote was not provided."

Analysis and Arguments

Applicant recognizes that the Plan was not adopted by the Houston City Council. However, Applicant believes there are a number of factors that should be considered to allow TDHCA to accept the Plan and award the point.

Prior Acceptance. When Parkway Ranch I and The Enclave applied for tax credits in 2006, each requested two points under the equivalent section of the QAP and was awarded the points. At the time, the definition of a Community Revitalization Plan in the 2006 QAP was somewhat different, but it still called for a "published document . . . approved and adopted by the local governing body by ordinance or resolution." Given that TDHCA has previously accepted the Plan as a Community Revitalization Plan for purposes of the tax credit allocation competition, we believe it appropriate for TDHCA to be consistent in this position and accept the Plan for the Development's tax credit application.

Changes in the QAP. As noted above, over the past five (5) QAPs, the definition of a Community Revitalization Plan has always called for a "published document . . . approved and adopted by the local governing body by ordinance or resolution." This includes the 2006 QAP, when the Plan was accepted by TDHCA for other tax credit application. However, in 2009, TDHCA changed the QAP with regard to the evidence that an applicant was required to submit to obtain points for a development in a Qualified Census Tract that contributes to a Community Revitalization Plan. The language highlighted with emphasis, above, was added.¹ Presumably, the addition of this language was to ensure that the definition of Community Revitalization Plan, requiring that the plan be approved and adopted by the local governing body, be implemented. It is notable that this addition was made in response to the public comment process. The public comment made was that "not all adoptions of documents are done by ordinance or resolution." This comment properly implied that Community Revitalization Plans come in many shapes and sizes and go through different processes for approval. Given the many ways a Community Revitalization Plan can come into being, public comment suggested that TDHCA should be more flexible in its requirements so that legitimate Community Revitalization Plans would not be excluded from the process.

Role of Super Neighborhoods. In Houston, Super Neighborhood Councils were developed as a mechanism to help the City with its planning process. According to the City's website:

The council serves as a forum where residents and stakeholders can discuss issues impacting their super neighborhood, reach a consensus on projects and develop a super neighborhood action plan (SNAP) for community improvements. Super neighborhood councils are one way that City Departments and City Council can work more effectively with neighborhoods, be responsive to communities, and deliver city services and needed improvements promptly and courteously.

The Super Neighborhood Councils can make requests for services and work directly with the City to implement change for their areas. The Super Neighborhood Alliance, comprised of the presidents of all the Houston Super Neighborhood Councils, has been officially recognized by the Mayor of Houston by Proclamation. (See Exhibit B, attached.)

The role of Super Neighborhoods in Houston is unique and is important to this appeal. The City relies on its Super Neighborhood Councils to target revitalization and planning needs. Once the Plan was approved by the Acres Home coalition, there was no need, procedural or otherwise, for the Plan to be approved by the Houston City Council. The coalition formed the Super Neighborhood Council, and that was the vehicle by which the Acres Home Revitalization Strategies Plan was pursued.

¹ "(such evidence must include an ordinance, resolution, or otherwise recorded documentation of a vote taken by the local elected Governing Body specifically adopting the Community Revitalization Plan)"

Mr. Michael Gerber
June 8, 2010
Page 4

Super Neighborhoods are a vehicle deliberately established by the City of Houston to assist with its public planning function. If a Super Neighborhood adopts a Community Revitalization Plan, that should be considered the equivalent of adoption of the plan by the City itself.

Acres Home is a Revitalization Area for Houston HOPE. Houston HOPE is an initiative of the City to identify reinvest in certain key neighborhoods. The initiative has published a map of designated "revitalization zones," and Acres Homes is one of them. (See Exhibit C, attached.) Thus, the Development is proposed for a revitalization zone identified by the City of Houston and consistent with the Acres Home Revitalization Strategies Plan. While we may not be able to produce an ordinance by which the revitalization zones were approved, it is clear that revitalizing the Acres Home community is part of the City of Houston's overall plan. Moreover, the documents presented satisfy the intent of the QAP to give an incentive for development in an area that needs housing to support revitalization.

For all these reasons, we believe the Acres Home Revitalization Strategies Plan should be accepted as a Community Revitalization Plan that has been embraced by the City of Houston and that helps to direct the planning for the area in which the Development is proposed. While we cannot provide a City of Houston ordinance or resolution by which the Plan was adopted, we can show that the Plan was adopted by the predecessor of a Super Neighborhood, which is a creation of the City of Houston intended for the very purpose of guiding planning and development decisions. We believe this meets the spirit and intent of the QAP and explains why this very Plan has been accepted for QAP points in the past.

We respectfully request that this appeal be granted by the Executive Director, if possible. If administrative approval is not possible, we request that this appeal be heard at the next available Board meeting.

Thank you, and feel free to contact me with any questions.

Sincerely,



Cynthia L. Bast

cc: Robbye Meyer
Raquel Morales
TDHCA

Barry Kahn
Ryan Hettig

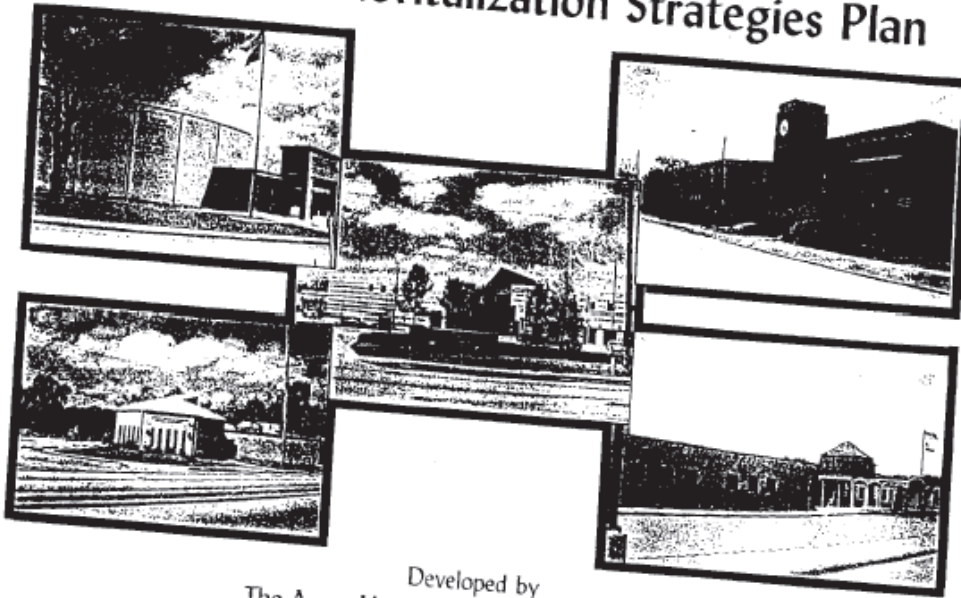
Exhibit A - Community Revitalization Plan
Exhibit B - Mayoral Proclamation
Exhibit C - Map of Houston Revitalization Zones

Exhibit A

Community Revitalization Plan

(attached)

Acres Home Revitalization Strategies Plan



Developed by
The Acres Home Citizen Council Coalition
in conjunction with the City of Houston Planning & Development Department
August, 1999

Mayor

Lee P. Brown

City Controller

Sylvia R. Garcia

City Council Members

Bruce Tatro, District A
Michael J. Yarbrough, District B
Martha Wong, District C
Jew Don Boney, Jr., District D
Rob Todd, District E
Ray F. Driscoll, District F
Jean Kelley, District G

Felix Fraga, District H
John E. Castillo, District I
Annise D. Parker
At-Large Position 1
Joe Roach
At-Large Position 2

Orlando Sanchez
At-Large Position 3
Chris Bell
At-Large Position 4
Carroll G. Robinson
At-Large Position 5

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Grady Prestage
Fort Bend County Commissioner
The Honorable Ed Chance
Montgomery County Commissioner
Mark Mooney
Montgomery County Engineer
Robert M. Litke
Secretary to Commission



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History

Acres Home was developed around the time of World War I when it was settled by African Americans mainly from rural areas. During this time, a few landowners sold homesteads by acres, hence the original name Acreage Home. The area was attractive to African Americans because of inexpensive land prices, low taxes, and an agrarian lifestyle.

Residential development occurred slowly until the late 1930s when W. W. Mount and the Wright Land Company began building in the area. The subdivisions that were developed included Highland Heights, Highland Acres, Highland Heights Annex, Acres Acreage, Harvis Heights, Carver Addition, and Lincoln City.

Since the community was not inside the city limits, city services, such as water and sewer lines, were non-existent. The community's water supply was provided by privately owned wells equipped with electric pumps. Septic tanks were the means by which sewage was disposed.

"Despite the lack of infrastructure, the Acres Home community was not only economically self-sufficient but it also demonstrated a strong support for civic mindedness," according to Mr. Leonard Smith, a native of the community. The Harrison and Elmore Enterprises, a general merchandise store, established by B. J. Harrison and Bennie C. Elmore in the mid 1940s, housed many of the community's businesses, such as a post office, beauty shop, cafe, grocery, drug, clothing, and shoe stores. Utility bills were also paid at the facility. The Harrison and Elmore Enterprise, managed by Mr. Harrison, employed many local residents. Many of these businesses, and other major facilities, were located along West Montgomery Road.

In 1958, Mr. Harrison and six other shareholders established the

Acres Homes Transit Company with personal funds. The transit company, located in the 5800 block of West Montgomery Road, operated a fleet of 24 buses. It provided a viable link to downtown Houston at a time when jitney services and individual cars were the primary means of transportation. The transit company was sold to Houston Metro System in 1969.

In addition to operating their own businesses, Mr. and Mrs. Elmore and Mrs. Harrison held jobs with the Houston public school system. After their retirement, Mrs. Harrison and Mrs. Elmore continued to serve their community in various capacities. Mrs. Harrison owned and operated a Watkins Product franchise that employed more than 20 local residents. Mrs. Elmore embarked on



Taken in 1958, this photograph depicts the Acres Home Transit Company which provided a viable link to downtown Houston at a time when jitney services and individual cars were the primary means of transportation.

a writing career. She wrote her husband's biography, "History of a Great Pioneer in Education"; her autobiography, "Times to Remember"; and, "Children, Our Greatest."

Residents of Acres Home attended the George Washington Carver High School built at 7401 Wheatley in the early 1940s. The school was relocated to 2100 South Victory in the late 1950s. In the mid 1970s, the school's name was changed to George Washington Carver High School for Engineering/Applied Science/The Arts. It is now located in the Aldine Independent School District (AISD).

Acres Home was the largest unincorporated African American community in the South prior to annexation. Annexation was conducted in four stages: 1967, 1970, 1971, and 1974. After the community was annexed by the City of Houston from Harris County, it started receiving municipal services. According to the U.S. Census, 22,301 people lived in the community at the time of the 1970 annexation. When annexation was finally completed, Acres Home covered 5,390 acres. Residents still enjoy the agrarian lifestyle.

Overview

The Plan

To develop goals and action plans to stimulate and guide revitalization in the Acres Home community.

Participants

This Acres Home Strategic Plan is the result of a partnership effort between the Acres Home community and the City of Houston Planning and Development Department. The Planning staff organized this undertaking at the request of community leaders who formed an alliance to address community revitalization (see participating organizations and stakeholders).

Planning Process

In January of 1995, the Planning and Development Department was requested to assist in the development of a community plan. The Planning staff met with community leaders to discuss issues

and concerns and to explain the Neighborhood Planning Partnership Program. Residents decided that basic city services needed to be addressed before looking to the future. The community created a coalition to work with the Planning staff. The coalition worked with various city departments for nine months focusing on basic service needs. Afterwards, the coalition was ready to work on a plan for the future growth and development of Acres Home. A kickoff town hall meeting was held on June 25, 1996. Following the town hall meeting, six subcommittees were formed: public services, housing, land use, youth services, urban design/beautification, and economic development. Since the kick-off meeting, each subcommittee has identified issues and formulated goals and action plans to address those issues. In some instances, the subcommittees have already moved ahead to implement components of their action plans. A summary of subcommittee activities is included in this report.



Strategic Plan

As its first task, the coalition established a set of objectives as a guide to help formulate a strategic plan. The objectives were to:

- enhance the infrastructure and the physical appearance of the community as well as create safe, livable neighborhoods;
- improve existing housing conditions and create an environment that fosters the development of new affordable housing;

- develop a comprehensive land use concept map and employ stabilization strategies for the Acres Home community;
- increase communication, awareness, and participation among community youth organizations;
- enhance the environmental quality of the Acres Home community; and
- strengthen the economic base of the Acres Home community.

Planning Process

First Contact: Community Leaders

At a meeting sponsored by community leaders, the Planning staff explained the community strategic planning process. Community residents in attendance explained that basic city services needed to be addressed before the community could work on a plan for the future. As a result of the meeting, it was agreed that the community would form a coalition that included residents, businesses, civic clubs, and other neighborhood associations. The coalition would work with the Planning staff to tackle basic city service issues, identified as follows:

- weeded lots and dangerous buildings
- street overlay repairs
- ditch cleaning
- crime spots
- livestock nuisances

The Planning staff created base maps that Coalition members used to conduct windshield surveys. The windshield surveys were undertaken to identify (by specific street address) vacant weeded
August, 1999

lots, dangerous buildings, streets in disrepair and other community problems such as high crime spots. The surveys were started in March 1995 and were completed in about two months. By July 1995, the Planning staff had compiled the survey data and plotted problem locations on the maps. After this task was completed, the Coalition used the maps to determine which problem locations required priority attention.

Planning staff met with Councilmember Yarbrough, Council District B, and with representatives of various city agencies (such as the Department of Public Works and Engineering Traffic and Transportation and Neighborhood Protection Divisions, and the Houston Police Department) to coordinate plans to address specific problem areas identified by the Coalition. Over a three month period, city departments began to deliver additional city services based on the information and maps generated by the Coalition. For example, after the Coalition sectioned the weeded lots and dangerous buildings map into 11 manageable work areas (see pg. 11), teams from the Neighborhood Protection Team conducted sweeps of

priority sites to clean the lots. Also, using the street repair overlay maps, the Coalition reviewed the repair condition of streets that provide the most circulation to community residents and designated them for priority repair on an "as needed" basis. The Public Works and Engineering Department is currently using the Coalition's street repair overlay map to identify and coordinate street overlay projects in the community. The mapping information was also helpful in identifying neighborhoods for participation in the Neighborhoods-to-Standard Program.

Having placed a plan in effect to deal with more immediate service delivery needs, the Coalition was now ready to discuss issues impacting on the future of the community. Coalition members cited factors such as the community's old housing stock and the disrepair of rental and senior citizen housing as causes of neighborhood deterioration. The abundance of vacant land was viewed as a positive asset to the community; however, mis-use of vacant land for illegal trash dumping was considered a problem area that would have to be tackled. Through the discussion process, the Coalition decided to focus its attention on several themes related to public services, housing, land use, youth services, urban design and beautification, and economic development.

Stages in the Planning Process

The Neighborhood Planning Partnership Program process is two-fold; 1) Preparing to plan; and 2) Defining the planning process.

Preparing to Plan

The coalition agreed to:

- hold initial discussions with the planning staff on community issues and concerns;
- work together with any community organizations wishing to participate; and

- hold a town hall meeting to explain the planning partnership process and to build a consensus on what major issues should be addressed. During the meeting, residents were asked to sign up to participate in the planning process.

Defining the Planning Process

The planning process occurred over a 12 month period and consisted of the following activities:

- **issue framing process** - residents and organization representatives who signed up to participate in the planning process met several times to "flesh-out" in detail, issues raised during the town hall meetings.
- **formation of subcommittees** - working subcommittees were created to address the principal issues detailed by the issues framing team. Altogether, six subcommittees were formed: public services, housing, land use, youth services, urban design/beautification, and economic development. Comprised of community residents and organization representatives, the six subcommittees were responsible for working on specific issues, creating goals to address the issues, and developing action plans that would accomplish the goals.
- **goal and action plan workshops** - each subcommittee held brainstorming sessions on issues and problems related to their topic. Once this was completed, the subcommittee developed goals to address each problem specified. The subcommittee then developed specific action plans to achieve each goal. The action plan included: 1) selecting a lead person(s) who would take responsibility for researching information necessary to complete the action, (2) establishing a timeline for completing the action, (3) identifying a list of resources necessary to complete the action, and (4) developing a list of funding sources necessary to complete the action. Subcommittees brought in outside experts to give presentations on various topics.

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- **steering committee** - a steering committee was formed to review the goals and action plan being prepared by the subcommittees. The steering committee consisted of subcommittee chairpersons and coalition members.
- **town hall meeting** - on April 17, 1997, a second town hall meeting was convened to present a summary of the goals and action plans developed by the various subcommittees.
- **preparing the plan document** - writing, editing, and formatting of the plan document was done by the Planning and Development Department. Once completed, the steering committee reviewed, amended, and approved the final document.

Public Services Subcommittee

Project Summary

The Public Service subcommittee focused its attention on community infrastructure improvements and its physical and social environment. Civic association leaders and coalition members used base maps to identify problem areas: ditches in need of cleaning, culverts in despair, streets in need of paving, lots with livestock, and high crime areas. After coding the maps, Department staff created presentation maps of each service issue and met with other city department representatives to develop strategies addressing areas identified on the maps. Maps showing nuisance code violations and street repairs were given to the Department of Public Works & Engineering, while maps showing high crime areas were given to the Houston Police Department.

The coalition, along with the Planning and Development staff, coordinated clean-up efforts with the Neighborhood Protection Team (NPT) to conduct "sweeps" of the neighborhood. The "sweeps" were conducted in six phases, with the initial one starting in the northeast section of the neighborhood.

As part of the Neighborhoods to Standard (NTS) program, Yorkdale/White Oak Terrace and Lincoln City, both located in Acres Home, obtained 4,800 linear feet of new sidewalks. In addition, sewer lines valued at \$42.9 million were upgraded throughout the community.

Mission Statement

To improve the health and safety of residents and to enhance the community's physical condition and infrastructure.

Goals

Goal #1: *Develop and implement strategies to ensure that ditches are cleaned or improved, culverts are upgraded and that the city's nuisance code is enforced.*

Actions:

- Provide maps to civic associations in the community to identify ditches that need cleaning or improving and culverts that need upgrading.
- Work with Neighborhood Protection Team of the Department of Public Works & Engineering and other city departments to enhance enforcement of nuisance codes in identified areas.
- Work with the Department of Public Works & Engineering to develop a strategy for upgrading the culverts identified.

Lead: Mr. Earl Harris

Time Frame: 6 Months

Resources: Planning & Development Department

Funding Sources: NA

Goal #2: *Develop and implement strategies to ensure that roads are maintained and that rights-of-way are mowed.*

Actions:

- Provide maps to civic associations in the community to identify roads in need of upgrading and rights-of-way to be mowed.
- Petition the Right-of-Way Division of the Department of Public Works and Engineering, for City of Houston, and/or Right-of-Way Department of Harris County for additional services.

Lead: Mr. Earl Harris

Time Frame: On a regularly on-going basis

Resources: Department of Public Works and Engineering

Funding Sources: City of Houston and Harris County

Goal #3: Construct sidewalks along major thoroughfares and around all schools in the Acres Home community.

Actions:

- Petition to be included into the Neighborhoods to Standard Program.
- Notify the community regarding public Capital Improvement Plan input meetings in Council District B and encourage citizens to attend.

Goal #4: Install additional street lighting along major thoroughfares and local streets in the Acres Home community.

Actions:

- Identify the major thoroughfares and local streets that need more street lighting.
- Petition the Street Lighting Division of the Department of Public Works and Engineering and HL&P to install more street lighting in the areas identified.

Lead: Mr. Earl Harris and Mr. Ben Mask

Time Frame: TBA

Resources: Planning and Development Department, Department of Public Works and Engineering, and HL&P

Funding Sources: City of Houston

Goal #5: Provide a permanent paramedic at Station 67 and cut brush around fire hydrants in Acres Home.

Actions:

- Periodically contact the Fire Department to ensure that a paramedic is always present at Station 67.
- Identify the fire hydrants with high brush and petition the Department of Public Works and Engineering to cut and clear them.

Lead: Mr. Earl Harris

Time Frame: On a quarterly basis

Resources: Councilmember Yarborough, Planning and Development and Fire Department

Funding Sources: None identified

Goal #6: Mobilize political clout.

Actions:

- Continue to conduct voter education forums.
- Foster a relationship with the Houston news media.
- Publish a community newsletter.

Lead: Subcommittee members

Time Frame: Twice a year

Resources: Planning and Development Department (temporary)

Funding Sources: Civic associations

Goal #7: Locate abandoned hazardous utility sites (such as obsolete, buried gas tanks and septic tanks) in the Acres Home community.

Actions:

- Identify and map lots or areas with gas tanks and septic tanks.
- Create a database regarding sites identified.

Lead: Planning and Development Department

Time Frame: 6 Months

Resources: Department of Public Works and Engineering

Funding Sources: N/A

Goal #8: Identify and report to appropriate authorities companies that dump hazardous materials in the Acres Home community.

Action:

- Report businesses that dump chemicals into storm sewers.

Lead: Public Service subcommittee

Time Frame: 6 months

Resources: Texas Natural Resource Conservation Commission (TNRCC), The Department of Public Works and Engineering

Funding Sources: NA

Goal: *Work with the City to ensure enhanced enforcement of animal ordinances.*

Action:

- Create a database of companies and individuals violating the City's Animal Ordinance
- Notify appropriate city officials of violations identified.

Lead: Mrs. Britton

Time Frame: 6 months

Resources: Neighborhood Protection Team, HPD, and neighborhood civic associations

Funding Sources: NA

Housing Subcommittee

Project Summary

The Housing Subcommittee formulated seven practical goals to improve housing conditions in the Acres Home community. Two of those goals, hold a "housing fair" and repair elderly homes, have been accomplished or are presently in progress.

On March 15, 1997, a housing fair was held at the Acres Home Multi-Purpose Center. Twenty-five (25) sponsors participated and over 200 residents attended. Through an informal survey, it was concluded that most of the residents received positive information at the housing fair. Since the fair, the subcommittee continues to receive positive feedback from the community. The subcommittee is considering holding future housing fairs in Acres Home on an annual basis.

In conjunction with Private Sector Initiative (PSI), over an 8 month period in 1997, the housing subcommittee assisted with the repair of 50 homes owned by elderly residents in Acres Home. Subcommittee members canvassed the neighborhood door to door to determine if applicants qualified for the program. If they did not

qualify, subcommittee members provided residents with information about other assistance services. This program is on-going.

The housing subcommittee is presently in the process of compiling information on local contractors and home builders. Essentially, the subcommittee plans to maintain an up-to-date database on reputable companies and individuals providing housing services in the community. This database was designed to create a housing referral program that focuses on delivering housing assistance services to Acres Home residents.

Mission Statement

To improve existing housing conditions and to create an environment that fosters the development of new affordable housing in the Acres Home community.

August, 1999

Goals

Goal #1: *Initiate a strategy to reverse the misconception that Acres Home CDCs (Community Development Corporations) and community home builders do not have the experience to build homes.*

Actions:

- Promote area contractors in Acres Home and in the northwest area of the city.
Lead: Signora Tinsley, Brenda Lakey, Velma Holliday, Myra Edwards
Time Frame: 6 Months
Resources: Acres Home CDC
Funding Sources: None Identified
- Create a database of Acres Home and citywide contractors willing to undertake jobs in the community.
A. Identify known contractors and solicit their participation on local housing construction and rehabilitation programs.
B. Develop a pre-qualification criteria and encourage contractors to complete pre-qualification applications.
Lead: Signora Tinsley, Brenda Lakey, Velma Holliday
Time Frame: 9 Months
Resources: Acres Home CDC
Funding Sources: None
- Organize and present a Housing Information Forum (HIF) at Acres Home Multi-Service Center.
Lead: Signora Tinsley, Brenda Lakey, Velma Holliday
Time frame: 6 Months
Resources: Acres Home CDC and the Housing Subcommittee
Funding Sources: Banks and non-profit organizations

Goal #2: *Identify various repair/rehabilitation programs (such as the 203 (k) Rehabilitation Mortgage Insurance Program and the State Tax Credit Program) for single family homeowners and multi-family developers.*

Action:

- Contact the City of Houston Housing and Community Development Department for information on repair/rehabilitation programs.
Lead: Velma Holliday and Charles Smith
Time Frame: 6 Months
Resources: Housing and Community Development
Funding Sources: None

Goal #3: *Review the Emergency Housing Repair Program participation criteria to determine how it can benefit home owners in the community.*

Action:

- Contact the City of Houston Housing and Community Development Department for information on the Emergency Housing Repair Program.
Lead: Mary Crowe and Michael Thibodeaux
Time Frame: 6 Months
Resources: Housing and Community Development
Funding Sources: None Identified

Goal #4: *Promote the stabilization of existing multi-family housing in the neighborhood.*

Actions:

- Review and create a database on current multi-family housing stock in the community.
- Partner with the Neighborhood Protection Division in order to promote stabilization of multi-family housing units in the neighborhood.
Lead: Leonard Smith and Myra Edwards
Time Frame: On-going
Resources: Neighborhood Protection Division
Funding Sources: None

Goal #5: *Identify four target areas in the Acres Home community and rehabilitate 25 houses in each of these areas within 24 months.*

Actions:

- Using objective criteria developed by the Housing and Community Development Department (such as windshield surveys and interviews) survey and select 25 homes for rehabilitation.

Lead: Mary Crowe, Ruby Mosley, Myra Edwards

Time Frame: 6 months per area

Resources: None

Funding Sources: None identified

Goal #6: *Construct 100 houses in the neighborhood over the next two to three years.*

Actions:

- Identify vacant lots that have adequate infrastructure.
- Identify a large vacant tract of land for the construction of 100 single family homes.
- Identify and encourage home builders and individuals within the area to build housing in the Acres Home neighborhood.

Lead: Mary Crowe, Myra Edwards and Michael Thibodeaux

Time Frame: Two to Three Years

Resources: Public Service Committee, Public Works & Engineering Department, Homes for Houston and Habitat for Humanities

Funding Sources: None identified

Goal #7: *Form a partnership with the Acres Home CDC and a major multi-family housing developer to participate in the State Tax Credit Program.*

Actions:

- Invite program representatives to make a presentation to the Housing subcommittee members on procedures of the State Tax Credit Program.
- Identify prospective developers who are willing to form a partnership with the Acres Home CDC.

Lead: Mary Crowe, Myra Edwards, and Michael Thibodeaux

Timeframe: 6 months

Resources: Acres Home CDC, Department of Housing and Community Development and Planning and Development Department

Funding Sources: None identified

Land Use Subcommittee

Project Summary

The Land Use Subcommittee's efforts focused on two tasks: 1) creating a proposed land use map to serve as a guide for future development in the community, and 2) distributing letters to coalition members encouraging them to take advantage of the Pro-bono Deed Restriction Program (sponsored by the Houston Bar Association and the City of Houston Planning and Development Department).

The Land Use Subcommittee started the mapping process with a land use exercise. This exercise involved taking photographs of existing land uses throughout the community. Subcommittee members identified several incompatible land uses (for example, subcommittee members identified a number of single family uses adjacent to industrial land uses). Lack of adequate land use tools, such as deed restrictions and zoning, allows undesirable land uses to locate adjacent to residential uses.

The subcommittee used the current land use map of the community as a rough draft for outlining vacant land that could be developed (See Land Use Map, page 21). The result was the creation of a comprehensive land use map. This map was developed to be used as a guide for future development in the Acres Home community (See Concept Map, page 23).

The second strategy was to stabilize the residential core of the community by establishing deed restrictions. The subcommittee distributed information outlining the Pro-Bono Deed Restriction Program sponsored by the Houston Bar Association and the Planning and Development Department. In addition, a letter, signed by the Land Use Subcommittee chairperson, was sent to coalition members explaining the program's content and encouraging them to take advantage of the program. Many of the subdivisions in the

community meet the program's criteria to qualify for pro-bono deed restriction assistance.

Mission Statement

Develop a comprehensive land use map and employ stabilization strategies for the Acres Home community.

Goals

Goal #1: Create a proposed land use map concept to use as a guide for future development in the Acres Home community.

Actions:

- Identify appropriate land uses.

Lead: Planning & Development Department (Neighborhood Services)

Time Frame: 2 Months

Resources: Planning & Development Department (Neighborhood Services)

Funding Sources: N/A

- Solicit input from the Acres Home Community Coalition Steering Committee.

Lead: Pat Austin

Time Frame: 4 Months

Resources: Land Use Subcommittee

Funding Sources: N/A

- Solicit input from the general public.

Lead: Land Use Subcommittee (Pat Austin, Chair)

Timeframe: 4 Months

Resources: Acres Home Community Coalition

Funding Sources: N/A

Goal: Stabilize existing residential area in the Acres Home community.

Actions:

- Identify existing subdivisions without deed restrictions.
Lead: Acres Home Coalition Civic Association
Time Frame: TBA
Resources: Acres Home Community Coalition
Funding Sources: N/A
- Provide pro-bono deed restrictions assistance information to the Acres Home Citizens Coalition.
Lead: Planning and Development Department (Neighborhood Services)
Time Frame: 6 Months

Resources: Planning and Development Department (Neighborhood Services)

Funding Sources: Planning and Development Department (Neighborhood Services)

- Establish or amend deed restriction for subdivisions that meet City of Houston and Houston Bar Association requirements.
Lead: Planning and Development Department, Houston Bar Association, Acres Home Community
Time Frame: On-going
Resources: Planning & Development Department, Houston Bar Association, Acres Home Community
Funding Sources: N/A

Youth Services Subcommittee

Project Summary

The Youth Services Subcommittee focused on two major projects: 1) conducting a survey (on youth issues) in the Acres Home community; and 2) developing a database of existing youth organizations in Acres Homes and the City of Houston.

The Youth Services Subcommittee members met twice during the month of January 1997 to identify and coordinate various tasks necessary to develop and distribute a Youth Program Questionnaire. Deborah Scott, Mildred Henry, Michael Burton, and Charles Simmons obtained listings of organizations, churches, and schools who could assist with distributing the questionnaire. In February 1997, a questionnaire was developed by the Acres Home Youth Subcommittee and the City of Houston Planning and Development Department. The purpose of the survey instrument was to gather

information on the Acres Home community's youth and parents' preferences for locating a new youth facility. Brenda Nicholas and Claudia Davis oversaw the distribution of the questionnaires to youth and parents in area schools, churches, and community centers. The Planning staff collected the questionnaires for analysis. The analysis was completed by the end of April 1997.

According to the survey results, a majority of the parents (80%) prefer to have their children participate in afterschool activities/programs between 5 to 7 pm. A majority of the youth (56%) prefer activities to be held between 3 to 5 pm. It is evident that the parents' response reflects the time they get off work, while the youth's response reflects the time they get out of school.

The survey results was distributed to various youth program service providers for two reasons:

August, 1999

1) to inform providers about the type of activities and hours of services preferred; and 2) to minimize the duplication of services.

Parents and youth were also asked to identify a preferred location for a new youth facility. Both the parents and youth identified the Lincoln City neighborhood as a preferred location. A majority of parents surveyed (50%) chose Lincoln City as the preferred location for a new youth facility. Preferences for location among youths surveyed were more diversified, with 34% selecting Lincoln City as the preferred location.

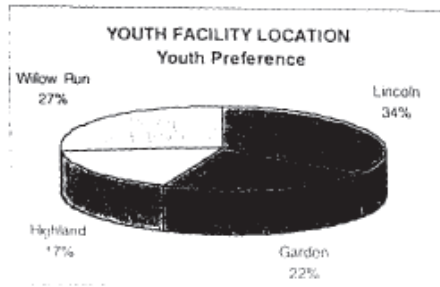
Both parents and youths surveyed selected "vocational activities" as the most preferred subject matter to be taught by youth service providers (37% and 19%, respectively). Parents selected "computer training" as their second highest preference, whereas youth survey participants were equally split between "etiquette classes" and "homemaking" (12% each) as their second preference.

The planning staff analysis concluded the following:

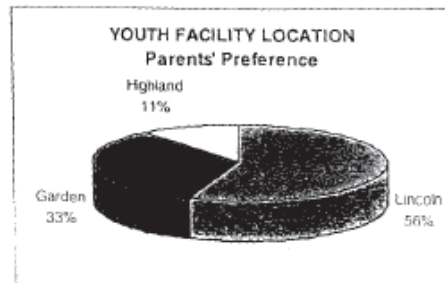
- Parents preferred to have youth participate in afterschool activities/programs between 5 to 7 p.m.

- Youth respondents preferred to participate in afterschool activities/programs between 3 to 5 p.m.
- Both parents and youth respondents chose vocational programs as the most desired activity.
- Both parents and youth polled would prefer constructing a new youth facility in the community.
- Both parents and youth polled chose Lincoln City as the preferred location for the new facility.

The subcommittee's second major focus was to develop a database of existing youth programs in the Acres Home community and to identify citywide youth programs that could be accessed by community residents. Brenda Nicholas collected information on existing community and citywide youth programs, while the Planning staff created a database booklet. The booklet was completed in March 1997.



Source: City of Houston Planning & Development Department
Acres Home Youth Subcommittee



Source: City of Houston Planning & Development Department
Acres Home Youth Subcommittee

Miss Statement:

To increase communication, awareness, and participation among the various youth organizations within the community.

Goals

Goal #1: Conduct a survey regarding youth service program needs in the community.

Actions:

- Develop a questionnaire for distribution to youths and parents.
- Identify schools, churches, and youth organizations that will assist with distributing the questionnaire.

Lead: Deborah Scott - list of organizations
 Mildred Henry - list of churches
 Michael Burton - list of schools
 Charles Simmons - follow-up calls

Time Frame: 6 Months

Resources: Planning and Development Department

Funding Sources: Planning and Development Department

- Distribute questionnaires to youth and parents.

Lead: Brenda Nicholas, Claudia Davis

Time Frame: 6 Months

Resources: Challenge 2000, Planning and Development Department

Funding Sources: Planning and Development Department

- Analyze youth and parents survey results.

Lead: Kevin Calfee

Time Frame: 6 Months

Resources: Planning and Development Department

Funding Sources: Planning and Development Department

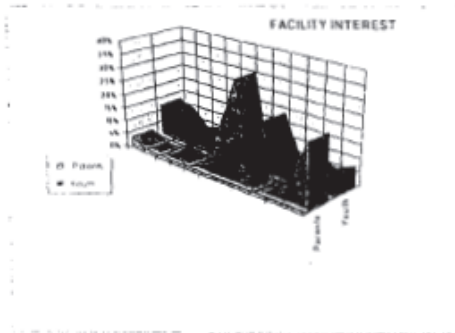
Goal #2: Encourage representatives of the resident council and the City of Houston Housing Authority to get involved in the Acres Home community planning process.

Action:

- Invite a representative of the resident council to participate in the

Interest	Parents		Youth	
	#	%	#	%
Etiquette	1	3%	9	12%
Latchkey	0	0%	8	10%
Sex Education	0	0%	3	4%
Beautification	1	3%	5	6%
Homeless Youth	0	0%	2	3%
Homemaking	1	3%	9	12%
Child Dev.	5	17%	7	9%
Vocational	11	37%	15	19%
Video Prod.	0	0%	3	4%
Teen Court	1	3%	6	8%
Male Initiatives	3	10%	4	5%
Computers	7	24%	6	8%
Total	30	100%	77	100%

Source: Acres Home Youth Subcommittee Youth & Parent Survey Analysis



Source: City of Houston Planning & Development Department, Acres Home Youth Subcommittee

planning process.

Lead: Deborah Scott, Brenda Nicholas

Time Frame: 3 Months

Resources: N/A

Funding Sources: N/A

(No representatives from the above organizations elected to participate.)

Goal #3: Recruit a youth to serve on the Youth Services Subcommittee.

Action:

- Identify and invite a parent and child to work with the Youth Services Subcommittee.

Lead: Brenda Nicholas

Time Frame: 3 Months

Resources: N/A

Funding Sources: N/A

(Claudia Davis and her son, Gabriel Davis agreed to participate.)

Goal #4: Develop a database of existing youth organizations and programs.

Action:

- Identify sources of information on youth organizations throughout the city.

Lead: Brenda Nicholas, Kevin Calfee

Time Frame: 6 Months

Resources: Challenge 2000, Planning and Development Department

Funding Sources: Planning and Development Department

Goal #5: Provide a TAAS (Texas Assessment of Academic Skills) tutorial program.

Actions:

- Conduct a TAAS tutorial program in the community.

Lead: Brenda Nicholas, David Baxter

Time Frame: 6 Months

Resources: Challenge 2000, Aldine ISD

Funding Sources: Challenge 2000, Aldine ISD

- Create a video tape of the TAAS workshop sponsored by Aldine ISD.

Lead: David Baxter, Eugene Smith, James Wilson

Time Frame: 6 Months

Resources: Aldine ISD, FoxVision

Funding Sources: Aldine ISD, FoxVision

- Create a music video designed to teach students techniques to take a test.

Lead: Eugene Smith, James Wilson, David Baxter

Time Frame: 10 Months

Resources: FoxVision, Aldine ISD

Funding Sources: FoxVision, Aldine ISD, TBD

Goal #6: Provide vocational, mentoring, recreational, sex education, parenting, and male initiatives programs.

Action:

- Identify high priority program preferences from the youth and parent survey.

Lead: Brenda Nicholas

Time Frame: 7 Months

Resources: Challenge 2000

Funding Sources: TBD

Goal #7: Contact and encourage local businesses to provide summer employment and train youths as entrepreneurs.

Action:

- Identify existing summer youth employment programs in Acres Home and the City of Houston.

Lead: Charles Simmons, Raynetta Glent

Time Frame: 6 Months

Resources: City Councilmember, One Stop Business Assistance Center Houston Community College, Jewel's Community Outreach Services

Funding Sources: Jewel's Community Outreach Services

Goal #8: Address homelessness among the youth in the community.

Action:

- Identify existing homeless youth programs in Acres Home.

Lead: Brenda Nicholas, David Baxter

Time Frame: 6 Months

Resources: Challenge 2000, Aldine ISD

Funding Sources: N/A

Goal #9: Address latch key youth problems.

Action:

- Identify existing latch key youth programs in Acres Home.

Lead: David Baxter, Linda Trimble

Time Frame: 6 Months

Resources: Aldine ISD

Funding Sources: N/A

Urban Design / Beautification Subcommittee

Project Summary

The Urban Design and Beautification subcommittee focused on three goals: 1) enhancing the environmental quality of Acres Home; 2) identifying locations for entrance signs to the Acres Home community; and 3) identifying the appropriate location for the ISTEA (Intermodal Surface Transportation Efficiency Act) hike and bike trail.

The subcommittee's concerns included: how to regulate and limit the growing amount of livestock in the community; who to contact about abandoned landfills and underground gas tanks left in place by closed service stations; and how to get the Department of Public Works and Engineering to keep neighborhood ditches clean.

Staff provided base maps of the Acres Home community to all members of the subcommittee. The maps were used to help

identify and plot unregulated livestock, illegal landfills, underground gas tanks, and ditches in need of cleaning. In order to take action against the problems facing the community, the committee members armed themselves with maps that indicated possible site violations. These maps would be presented to officials who regulate and address the above concerns, for example, TNRCC (Texas Natural Resource Conservation Commission) and NPT (Neighborhood Protection Team).

The Urban Design and Beautification Subcommittee used land use maps to designate appropriate locations for entrance signs. Because Acres Home is composed of 16 neighborhoods, the subcommittee decided that it would be best to locate an entrance sign at the entry of each neighborhood within the Acres Home community.

The City of Houston West White Oak Bayou Trail Extension

project, initiated by Mary Taylor (Chairperson of the Urban Design/ Beautification Subcommittee), was already funded before the Planning and Development Department began a neighborhood partnership program with the Acres Home community. The West White Oak Bayou Trail Extension project, funded by ISTEA, consists of a 10' - 12' wide trail with striped pedestrian and bike pathways and crosses the entire Acres Home community (see page 31). Some amenities featured along the Hike and Bike Trail include: planted trees, paving, illumination, retaining block walls, and seeding fertilizer. The subcommittee met with Gus Nowak, P.E., and Mr. Gregory Denby, from the Department of Public Works and Engineering, to discuss the best location to lay the trail in the Acres Home community.

Mission Statement

To enhance and permanently maintain the environmental and aesthetic qualities of Acres Home with the support of the community.

Goal # 1: Enhance the environmental quality of Acres Home.

Actions:

- Preserve as many trees as possible with every new development in Acres Home.
Lead: All members in the subcommittee
Time Frame: NA
Resources: Parks and Recreation Department, Planning and Development Department
Funding Sources: NA
- Create signs that encourage people to keep their neighborhoods clean and discourage illegal dumping. Place at least one sign per vacant lot.
Lead: Mrs. Taylor, Mrs. Cain
Time Frame: 6 months

Resources: Civic Clubs, Planning and Development Department, Local School projects

Funding Sources: Civic Clubs, Local Schools, Public Works & Engineering, HPD

Goal # 2: Improve the aesthetic quality of the Acres Home community through various Urban Design / Beautification projects.

Actions:

- Identify possible entrances to the Acres Home Community and construct new signs and gateways.
Lead: Mrs. Taylor, Mrs. Cain
Time Frame: 6 months
Resources: Local Businesses, Neighborhood Civic Clubs, Planning and Development Department
Funding Sources: Local Businesses, Civic Clubs
- Identify all landscape areas in the Acres Home community that require improvements and provide more trees, water, mulch, fertilizer, trimming, etc.
Lead: Mrs. Taylor, Mrs. Cain
Time Frame: To be determined
Resources: Local Businesses, Neighborhood Civic Clubs, Department of Public Works Engineering
Funding Sources: To be determined
- Provide a sound barrier adjacent to Veterans Memorial Boulevard.
Lead: Mrs. Taylor
Time Frame: To be determined
Resources: Department of Public Works and Engineering
Funding Source: To be determined

Goal #3: Improve the parks in the Acres Homes community.

Actions:

- Apply for Neighborhoods to Standard (NTS) designation to upgrade existing parks with more lighting and recreational facilities.

Lead: Mary Taylor

Time Frame: Long term

Resources: Department of Parks and Recreation, City Council Members and the Mayor, Citizens Assistance Office

Funding Sources: N/A

- Identify various types of recreational programs and facilities that are needed in the Acres Home community parks. (Board games,

table tennis, basketball courts, weight room, and indoor swimming pools)

Lead: Mary Taylor

Time Frame: Long term

Resources: Department of Parks and Recreation, a survey in the Acres Home community

Funding Sources: Department of Parks and Recreation

Economic Development Subcommittee

Project Summary

Members of the Economic Development Subcommittee participated in a series of training workshops with expert guest speakers addressing the following topics: small business lending, market studies, demographics analysis, commercial real estate, and public finance.

The subcommittee identified specific market niches to assist in the formulation of a series of goals, objectives and action plans. The subcommittee sponsored a job fair in the community during the summer of 1997 that built on the success of a housing fair sponsored by the Housing Subcommittee earlier in the year. Finally, the subcommittee chose to adopt a local barber college business for the purpose of expanding job training and entrepreneur opportunities for local residents.

Mission Statement

To enhance and improve the community by encouraging technical labor force training, educating existing business owners

to enhance their growth, and utilizing CDC's effectively for the betterment of the community.

Goals

Goal #1: Create 100 - 200 jobs of various levels in phases.

Actions:

- Conduct a job market study - from census data and State Retail Sales Tax Report.
 - Identify existing niches and constraints in the technical and industrial job marketability of residents within the community.
 - Provide guidance counseling and job interview skills by way of Job Development Seminars.
 - Match skills/qualifications of applicants with potential employers.
- Resources: City of Houston Planning and Development Department, Weirich Realty Management Co. Inc., Acres Home Chamber of Commerce, and Northwest Community Baptist Church - Job Training Program.

Local Resources:

Texas Southern University Career and Placement Director, Greater Greenspoint Management, NHMCCC District, Aldine ISD, Houston Community College District, Ser-Jobs for Progress College Vocational Training Program, and Texas WorkForce Commission.

Method of Communication:

Word of mouth, Acres Home Citizen Council, Houston Chronicle, local radio and TV media, flyers, Acres Home Citizens Coalition Council, local churches, businesses, and township meetings.

Action Plan:

1. Job Developmental Seminar
2. Job Fair

Time Frame: 2-3 years (short term)

Sponsorship: To Be Announced

Goal #2: Strengthen the economic base of existing businesses.

Actions:

- Provide technical assistance workshops for small businesses.
- Ensure businesses retention, development and expansion.
- Establish Enhanced Enterprise Zone(s).
- Foster collaboration between existing business owners, Acres Home Citizens Coalition Council, Acres Home Chamber of Commerce.
- Conduct retail market sales tax study.

Research:

Study successful plans such as the Heights, East-End, Third Ward, Spring Branch, and Memorial community plans.

Potential Resources:

Small Business Administration, Weingarten Realty, Chase Bank, Texas Southern University Small Business Development Department, City of Houston Planning and Development Department, and University of Houston Small Business Development Department.



Alteration/renovet of Mary M. Cloud Betteuse Elementary
1500 South Victory



New development at the intersection of
West Little York Rd. and T.C. Jester Blvd

Method of Communication:

Word of mouth, Acres Home Citizen Coalition Council, Houston Chronicle, local radio and TV media, flyers, Acres Home Citizens Coalition Council, local churches and business, townhall meetings.

Action Plan:

1. Conduct small business developmental information seminars
2. Meet with entrepreneurs, residents and other business owners

Time Frame: 3-4 years (long term)

Sponsorship: To Be Announced

Goal #3: Identify locations for a supermarket/strip shopping center.

Actions:

- Discuss economic development strategies.
- Identify main economic development corridor.
- Establish Enhanced Enterprise Zone(s).
- Apply for Hitachi Grant monies.

- Conduct retail market sales tax study.
- Prevent further blight in the community.
- Identify potential development projects, businesses, and entrepreneurs to take advantage of loans or grant funds available.

Research:

Weingarten Realty, Chase Bank, Texas Southern University Small Business Development Department, City of Houston Planning and Development Department, University of Houston Small Business Development Department, and Houston Small -Business Administration.

Potential Resources: N/A

Method of Communication:

Word of mouth, Acres Home Citizen Council, Houston Chronicle, local radio and TV media, flyers, Acres Home Citizens Coalition Council, and local churches

Time Frame: 3-5 years (long term)

Li. of Achievements and Future Projects

Public Services Subcommittee

Achievements

- ✓ Coordinated with the Department of Public Works and Engineering to construct 4,800 feet of sidewalk along T. C. Jester Boulevard between Victory Street and West Little York Road and around some schools.
- ✓ Lobbied for the inclusion of Yorkdale/White Oak Terrace and Lincoln City in the Neighborhoods to Standard (NTS) Program.
- ✓ Completed a Neighborhood Protection Team (NPT) "sweep" which resulted in up keep of area properties and citation of others for non-compliance with city code.
- ✓ Coordinated with Houston Police Department (HPD) to identify crime spots in the Acres Home community.
- ✓ Lobbied for the completion of several street pavings and ditch improvement projects in the Acres Home community.
- ✓ Monitored the rehabilitation of sewer lines valued at \$42.9 million.

Future Projects

- ✓ Monitor the repair of six streets in the Acres Home community included in the 1998 Capital Improvement Plan: Areba, Aston, Bayou View, Carmel, Cliffdale, and Garapan.
- ✓ Create a database of businesses that violate the animal ordinance and notify the Health and Human Service Department.
- ✓ Petition NPT to conduct another "sweep."
- ✓ Identify and map ditches that need to be cleaned, culverts that need to be improved, roads and rights-of-way that need to be mowed, and major thoroughfares and local streets that need additional lighting.

Housing Subcommittee

Achievements

- ✓ Organized and presented a housing information forum at the Acres Home Multi-Purpose Center on March 15, 1997.
- ✓ Identified four areas in the community to build 100 new houses (target the first 25 houses for completion within 24 months).
- ✓ Identified four potential sites to construct houses, with each site receiving 25 houses.
- ✓ Identified 80 home owners who meet the criteria established by the Emergency Home Repair Program.
- ✓ Identified local contractors willing to build homes in the Acres Home community.
- ✓ Created a database of contractors or builders/repairmen to be employed.
- ✓ Recommended 20 applicants for pre-qualifications by several local banks for the Acres Home CDC housing project.
- ✓ Identified three large vacant tracts of land that can each accommodate 10 single family homes (forwarded the information to Habitat for Humanity).

Future Projects

- ✓ Form a partnership with the Acres Home CDC and a major multi-family housing developer to utilize the State Tax Credit Program.
- ✓ Construct 100 houses in the community over the next 2 to 3 years.

Challenges/Opportunities

There are opportunities and challenges that the Acres Home community will need to address to accomplish its revitalization efforts.

Opportunities

- ✓ Easy access to Interstate Highway 45
- ✓ Large tracts of undeveloped land comprising 43% of the total area
- ✓ Major thoroughfare business corridors (Tidwell, West Montgomery, Little York)
- ✓ Adequate infrastructure along business corridors
- ✓ Predominantly a single-family residential area
- ✓ New police command station

Challenges

- ✓ Inadequate infrastructure in many residential areas
- ✓ No deed restrictions in many areas of the community
- ✓ Attracting larger business development
- ✓ Dealing with existing and future incompatible land uses

Community Profile

The Acres Home community covers approximately 4,659 acres and is located 9 miles northwest of Houston's central business district in Council Districts A and B. The community is located west of North Shepherd Drive and Veterans Memorial Boulevard, north of Pinemont Drive, east of White Oak Bayou and Lincoln Street, and south of West Mount Houston Road (See Acres Home Map). The community is comprised of the following neighborhoods: Green Meadows, Shepherd Park Terrace, Pinemont Plaza, Highland Heights Annex, Highland Heights Addition, White Oak Terrace/Yorkdale, Lincoln City, Carver Estates, Highland Acres Home, Highland Gardens City, Montgomery Terrace, Melrose Garden, Nuben, Ella Park Terrace, Acres Home West, and 576 Neighbors in Action.

The Neighborhood Profile is comprised of physical and demographic data compiled by the City of Houston Planning and Development Department for the Acres Home community. Demographic elements include: population, education, employment, household income/poverty, housing, building permit activity, land use, and infrastructure. The Houston-Galveston Area Council (HGAC) has developed projections statistics for 1990-1995. The statistics generated by HGAC include a slightly larger target area than the statistics used for 1980-1990.

Population & Ethnicity:

The population of the Acres Home community decreased by 16.5 percent between 1990 and 1997. The community's population in 1990 was 26,620 persons, a decrease of 3,761 persons by 1997. During the same time period, Houston's population grew by 2.2 percent. There is a general sense that the community population, once declining in part due to an out-migration of persons in the working age group (18-64 years), now has people moving into the

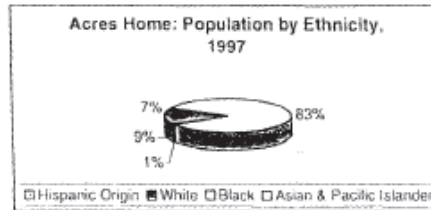
community.

Since its inception, the Acres Home community has always been predominantly African-American, but the percent of African-Americans comprising the community declined from 91 to 83 percent.

Households

The number of family households in the Acres Home area decreased by 3.0 percent between 1990 and 1997. During the same time period, total households decreased by 1,084 households from 8,586 to 7,502.

The numbers of family and non-family households in the City and Acres Home are decreasing. For both household types this is happening at a greater magnitude in the Acres Home area than city-wide. Family households decreased by 15.8 percent in Acres Home while they fell by 1.2 percent in the City. The number of households headed by married couples in Acres Home declined at almost three times the rate of the City.



Educational Attainment

The Acres Homes population generally has lower educational attainment rates than the city population. The 1997 data show that 68.0 percent of the Acres Home residents 25 years of age and older have a high school diploma or higher, as compared to 73.0 for the City.

The most change in educational attainment is "Persons with some college." In 1990, 32 percent of persons 25 years and over completed some college which in 1997 only 5 percent completed some college.

Property Data

According to the Harris County Appraisal District (HCAD), property values in the Acres Homes area total \$281,727,450. The average land value in the area is \$6,606 and the average improvement value is \$14,699. The average lot size tend to be quite large, averaging .82 of an acre. There are 5,043 vacant parcels in the area, which represent 38% of existing lots.

	Land Value	Improvement Value	Total Value	Acres	# of lots	# of vacant lots
Total	\$87,256,110	\$194,318	\$281,727,450	10,767	13,225	5,343
Average	\$8,606	\$14,699	\$21,304	0.82		

Building Permit Data

Building permit activity (new residential construction, new non-residential construction, and remodels) is often used to gauge a community's economic health.

Between 1992 and 1997, overall new residential building permits totaled 507. Of this number, single-family units accounted for 494 permits. From 1992 to 1995, annual residential permits grew, with the greatest rate of 94.9 percent occurring between 1994 and 1995. From 1995 to 1997, new residential construction decreased. The

value of new residential construction in Acres Home between 1992 and 1997 totaled \$39.3 million.

From 1992 to 1997, a total of 258 new non-residential building permits were issued in Acres Home. Of this number, the other non-residential category (garages and other non-residential buildings) had the largest amount of new non-residential activity with 154 permits, while industrial building permits were the lowest with three permits. The total number of annual, new non-residential building permits fluctuated between 1992 and 1997. This activity declined between 1992 and 1993, but moved upward from 1994 to 1996, after which it declined. The largest decline (26.3%) occurred between 1996 and 1997, while the greatest rate of growth (32.5%) occurred between 1994 and 1995.

From 1992 to 1997, overall value of new non-residential construction was \$60.1 million, of which the category of institutional/public comprised 58.4 percent of the value (\$35.1 million), while industrial accounted for less than one percent (\$350,000). The annual value of new non-residential construction fluctuated during the six year period. From 1992 to 1994, it grew, but moved in a downward trend thereafter. The highest rate of growth (280.4%) occurred between 1993 and 1994, while the biggest decline

	1992	1993	1994	1995	1996	1997	% Change 1992 vs. 97
Single Family	20	41	78	145	112	88	217.9%
Multi-Family	0	0	0	7	6	0	---
TOTAL	20	41	78	152	118	88	217.9%

	1992	1993	1994	1995	1996	1997	% Change 1992 vs. 97
Single Family	\$1.90	\$3.74	\$5.57	\$9.70	\$8.81	\$7.70	67.9%
Multi-Family	\$0.00	\$0.00	\$0.00	\$0.15	\$0.14	\$0.00	---
TOTAL	\$1.90	\$3.74	\$5.57	\$9.85	\$8.95	\$7.70	67.9%

*Values may differ slightly due to rounding. 1997 data is based on the City of Houston's Uniform Crime Report.

BUILDING PERMIT DATA
New Non-Residential Buildings Permitted (1992-1997)
Source: City of Houston Planning & Development Dept., Building Inspections Div.

	1992	1993	1994	1995	1996	1997	% Change 1992 vs. 97
Office	0	2	1	0	2	0	---
Commercial	15	6	5	17	4	5	---
Industrial	0	0	7	6	1	1	---
Institutional/Public	10	4	3	7	17	4	-10.0%
Other Non-Residential	24	14	27	29	31	27	12.5%
TOTAL	34	33	40	43	57	43	23.5%

BUILDING PERMIT DATA
New Non-Residential Construction (1992-1997)
Source: City of Houston Planning & Development Dept., Building Inspections Div.
(\$ Millions)

	1992	1993	1994	1995	1996	1997	% Change 1992 vs. 97
Office	\$0.00	\$0.06	\$0.01	\$0.00	\$0.18	\$0.00	---
Commercial	\$2.15	\$0.52	\$2.17	\$4.35	\$1.09	\$1.20	-44.2%
Industrial	\$0.00	\$0.00	\$0.05	\$0.00	\$0.28	\$0.02	---
Institutional/Public	\$0.24	\$2.31	\$10.71	\$8.54	\$7.86	\$0.52	-116.2%
Other Non-Residential	\$2.12	\$2.27	\$1.27	\$1.94	\$2.34	\$2.52	-23.0%
TOTAL	\$4.51	\$5.15	\$14.21	\$14.85	\$12.18	\$4.34	-3.5%

*Values have been inflation adjusted. All 1997 dollars based on the CPI for Houston-Galveston-CAUSA.

BUILDING PERMIT DATA
Value of Alterations and Remodels (1992-1997)
Source: City of Houston Planning & Development Dept., Building Inspections Div.
(\$ Millions)

	1992	1993	1994	1995	1996	1997	% Change 1992 vs. 97
Residential	\$1.54	\$0.71	\$1.07	\$1.43	\$1.46	\$1.62	1.3%
Non-Residential	\$3.68	\$2.54	\$1.84	\$2.41	\$2.51	\$7.83	128.2%
Total	\$5.22	\$3.25	\$2.91	\$3.84	\$4.01	\$9.45	85.2%

*Values have been inflation adjusted. All 1997 dollars based on the CPI for Houston-Galveston-CAUSA.

(64.2%) occurred between 1996 and 1997.

From 1992 to 1997, the overall value of remodeling projects (additions, alterations and conversions) totaled \$27,350,000, of which non-residential alterations and remodels accounted for the majority (71.0%). From 1992 to 1994, the annual value of alterations and remodels declined, but moved upward each year between 1994 and 1997. The greatest growth rate (97.9%) occurred between 1996 and 1997, while the largest decrease of 30.4 percent occurred

between 1992 and 1993.

Between 1992 and 1997, a total of 343 permits were issued for residential demolition, with no demolition permits granted for multi-family units in the area. The number of demolitions permitted each year from 1994 to 1997 was lower than the number of permits given in 1992 and 1993.

Infrastructure

Water:

In general, the diameter of water lines on the local streets in the community ranges from 6 inches to 8 inches. Water lines under 6 inches are considered insufficient for single family development. The major thoroughfare streets, such as West Montgomery, Little York, South Victory, Tidwell, and Shepherd have lines ranging from 8 to 20 inches.

Wastewater:

Acres Home is serviced by 8 inch public wastewater lines throughout the community. Wastewater lines less than 8 inches are considered insufficient for single family development. The community's major thoroughfare streets have lines ranging from 8 to 12 inches. Wilberforce has one of the largest lines (30 inches) in the community.

Storm Sewer:

Storm sewer drainage lines are primarily located along major thoroughfares in the community and vary in size from 24 to 84 inches. Local streets are generally serviced by an open ditch system.

Capital Improvement Plan (Infrastructure Only)

The 1998-2002 Capital Improvement Plan reflects a variety of infrastructure improvements for Acres Home. The various agencies

Involved in making infrastructure improvements have scheduled 116 projects for the area. The majority of the improvement projects are street repairs and overlays. Other major projects include sewer relief and rehabilitation projects, as well as a planned hike and bike path. Neighborhoods to Standard and speed hump projects also comprise a large number of Acres Home's improvements.

The Greater Houston Wastewater Program (GHWP) expended \$35 million in sewer relief and rehabilitation in the community between 1992 and 1997. GHWP expended \$7.8 million in sewer relief for West Montgomery Road and Knox Street. This project was completed in 1997.

Construction of the hike and bike trails and bikeway routes is estimated to cost a total of \$2.25 million, of which the federal government and City have allocated \$1.8 million and \$450,000, respectively. The Department of Public Works and Engineering met with community residents and chose one of five alternatives. The hike and bike paths will be 5.57 miles in length and 1.3 additional miles will be added if more funds are available.

Two neighborhoods within Acres Home have been designated as Neighborhoods to Standard (NTS) areas — Lincoln City and Yorkdale-White Oak Terrace. The NTS program prioritizes different types of projects for those neighborhoods (for example, street overlays and sidewalks) to improve the quality of the infrastructure in the area.

The speed hump program has also resulted in fourteen projects in Acres Home to more effectively control traffic in the area.

Flood Plain

One neighborhood, Melrose Garden/Green Meadow, is located in the 100 year flood plain. The flood plain boundaries are Rittenhouse to the north, Rachel to the south, North Shepherd to the east and DePriest to the west. Properties located in this area are more susceptible to flooding than other areas in the community.

Retail Market Trends

An analysis of retail trends in the Acres Home area shows overall growth in retail sales and significant household purchasing power. Trends in retail sales were analyzed for zip codes 77088 and 77091, which most closely match the Acres Home study area. Household income and expenditures patterns were also analyzed at the zip code level.

Retail Sales Trends

Retail sales for the area, in inflation adjusted dollars, increased 28% from 1990 to 1997. In comparison, the City of Houston experienced a 46% increase in sales during the same period (See Table 1). In 1997, the Acres Home area captured a 1% share of Citywide retail sales.

Two categories of retail sales have experienced increases between 1990 and 1997: Food Stores (14%) and Miscellaneous Sales (513%, e.g. bookstores, sporting goods stores, and other businesses not included in major categories). A large decline in sales occurred in the Building Materials and Home Furnishings categories.

Figure 1 shows the overall trend in total sales from 1990 to 1997. In inflation adjusted dollars, sales were at their highest in 1997 (\$374 million). Sales were fairly stable, with a small decline between 1992 and 1997. Meanwhile the number of retail outlets in the area decreased 4% between 1990 and 1997 (521 vs. 501 outlets).

Household Income & Expenditure Patterns

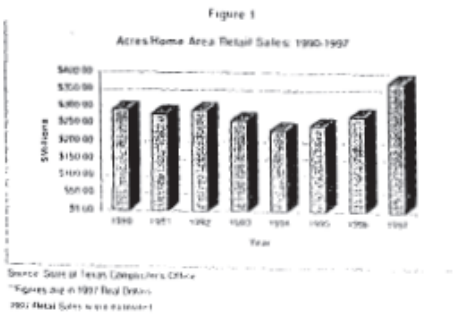
Approximately 25,045 households in 1997 made up the Acres Home area as defined by zip codes 77088 and 77091 (See Table 2). The average household income was \$34,679 in 1997, and when combined, totals \$868 million in aggregate purchasing power.

Consumer demand in several retail categories were analyzed based on the area's average household income. Average household expenditure patterns were derived from the U.S. Bureau of Labor

Table 1
Acres Home Area
Retail Sales Activity in Zip Codes 77088 & 77091, 1990 & 1997
(\$Millions: 1997 Real Dollars)

	1990	Estimated 1997	Net Change	% Change
Bldg. Materials	\$56,410	\$13,493	(\$42,917)	-76.1%
Food Stores	\$67,120	\$76,205	\$9,085	+13.5%
Automotive	\$37,930	\$36,088	(\$1,842)	-4.9%
Apparel & Accessories	\$5,340	\$4,866	(\$5,474)	-8.9%
Home Furnishings	\$19,508	\$3,140	(\$16,368)	-83.9%
Restaurants	\$36,248	\$26,575	(\$9,673)	-26.7%
Drug Stores	---	\$27,681	---	---
Leisure Stores	\$5,476	\$3,717	(\$1,759)	-32.1%
Miscellaneous	\$30,391	\$186,280	\$155,889	+512.9%
Unclassified Sales	\$70,362	\$17,482	(\$53,480)	-75.4%
Area Total	\$291,457	\$373,650	\$82,193	+28.2%
City of Houston	\$22,228,170	\$32,580,080	\$10,272,910	46.2%

Source: Texas State Comptroller's Office
 *Automotive (primarily sales from Automobiles, Auto parts, gas/oil, service stations)
 **New, unclassified retail sales represented expenditures occurring in four or less outlets within a zip code



Statistics, 1995 Consumer Expenditure Survey. For the categories shown in Table 2, the total sales potential for the area was \$253 million.

A full retail market study would compare the area's potential demand and existing sales to determine if there were retail sales leakages. A sales leakage refers to dollars that could have been spent in the area but were spent elsewhere, or "leaked from the community". In analyzing support for new retail space based on any sales leakages, typical square footage figures for new stores and

Table 2
Purchasing Power of Acres Home Area
(Based on Typical Expenditure Patterns by Household Income)
1997 Real Dollars

	1997 Estimated Households(1)	1997 Avg. HH Income(2)	1997 AGGREGATE INCOME
	25,045	\$34,879	\$868,544,074

Retail Categories	Annual Expenditures Per HH (3)	Sales Potential (\$Millions)
Food Stores	\$3,030	\$75,875
Restaurants	\$2,131	\$53,383
Apparel/Accessories	\$1,728	\$43,273
Home Furnishings (Furniture & Accessories)	\$488	\$12,229
Automotive (Auto parts, gasoline/service stations)	\$1,916	\$47,997
Drug Stores	\$804	\$20,143
Miscellaneous(4)	\$1,750	\$43,835
TOTAL	\$11,848	\$252,901

Notes: (1) U.S. Census Bureau - 1992 Census figures have been adjusted based on Houston-Columbian Area Council (HGAC) projected growth rates. HGAC growth rates (from Home Census, Tract) for 1990-95 were applied to 1990 figures to estimate 1997 households. For the Acres Home area (zip codes 77088 and 77091), a 1% growth rate was applied.
 (2) U.S. Census Bureau (Derived by dividing total income by total households)
 (3) U.S. Bureau of Labor Statistics Consumer Expenditure Survey (\$20-28,999 income range)
 (4) Miscellaneous Retail includes reading materials, tobacco products, entertainment including cinemas, film & related products, hobbies, sporting goods, gift stores, stationary, etc.

net deductions for existing retail supply would be taken into account.

Conclusion

Based on an initial review of retail sales trends and household purchasing power in the Acres Home area, the retail market appears to be healthy. However, it is difficult to determine the sales trends for specific stores in the study area. Overall sales have increased in

recent years. The retail categories of Food Stores and Miscellaneous Sales have experienced increases in sales. Household purchasing power in the Acres Home area is significant based on average household income and typical expenditure patterns. In order to determine the potential for new retail in the area, a full market study will need to be completed.



Participating Organizations and Stakeholders

Cora Street Civic Club	Council for Community Improvement
North Plaza/Willow Run Civic Club	Yorkdale/White Oak Terrace Civic Club
Montgomery Terrace Civic Club	Carver Estates Civic Club
Ella Park Terrace Civic Club	Highland Heights #2
Pinemont Plaza Civic Club	Challenge 2000
Ferguson Way Civic Club	Aldine Independent School District
Lincoln City Civic Club	Acres Home Center for Business & Economic Development
Acres Home West Area Civic Club	Acres Home Citizens Chamber of Commerce
Garden City Civic Club	Acres Home Community Development Corporation
Acres Home War Against Drugs	

Acknowledgements

Steering Committee

Earl Harris	Ben Mask
Mary Taylor	Laconia Cain
Pat Austin	Debbie Allen
Charles Smith	Signora Tinsley

Public Services Subcommittee

Earl Harris, Chairperson	Roosevelt Moore
Ben Mask, Co-chairperson	Vicki Perry
Guy Lewis	James Giffins
Carolyn Moore-Thomas	Robbie Keener
Jessie Cheves	Maurice Keener
C.M. Jenkins	

Housing Subcommittee

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Signora Tinsley, Co-chairperson	Brenda Lakey
Mary Crowe	Charles Mitchel
Velma Holliday	Ruby Mosley
Lawrence Gilbert	Howard Mosley
Myra Edwards	Michael Thibodeaux
Richard O'Cloo	Daniel Williams

Land Use Subcommittee

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Ada Franklin	Leonard Smith

Urban Design/Beautification Subcommittee

Mary Taylor, Chairperson	Little R. Briscoe
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Aubry Davis	Dessie Coleman

Youth Subcommittee

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Linda Trimble	

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Romona Bihms	Aubry Davis
Brenda Nicholas	Silvester Scyres, Sr.
Velma Holliday	

Multipurpose Center Staff

Barbara Collins
Norita Griffins
Patricia Lindsey

Planning and Development Department Neighborhood Services Division

Project Team:

Matt Thibodeaux - Assistant Director
Charles Vatterot - Administration Manager
Kevin L. Calfee, Principal Planner, Project Manager
Mathew Dease, Principal Planner
James Nimene, Senior Planner
Mohdudul Haq, Senior Planner
Hector Rodriguez, Senior Planner
Donald Perkins, Planner
Kenya Theus, Planner Intern

Exhibit B

Proclamation

The Super Neighborhood Alliance is an organization comprised of the Presidents or Chairs of Super Neighborhood Councils and serve as a formal advisory board to the Mayor and city government on community matters.

PROCLAMATION

Leaders of the recognized Super Neighborhood Councils from across the City of Houston have come together and worked long and hard to organize a Super Neighborhood Alliance that creates a forum for support, education, networking and advocacy; and Members of the Super Neighborhood Alliance have assembled as delegates from their diverse Super Neighborhood Councils which represent civic clubs, churches, businesses, institutions and other community interests.

Members of the Super Neighborhood Alliance have adopted an organizational framework that encourages information sharing and collaboration by neighborhoods with diverse and distinct traits and concerns.

Members of the Super Neighborhood Alliance will encourage the progress of the Super Neighborhood initiative, its participants and its expansion.

Members of the Super Neighborhood Alliance have shown a strong commitment to improving their neighborhoods through the individual Super Neighborhood Councils and a dedication to working with the City of Houston to achieve the specific goals established in each Super Neighborhood Action Plan adopted annually by recognized Super Neighborhood Councils across the city.

Members of the Super Neighborhood Alliance are comprised of all Presidents or Chairs of Super Neighborhood Councils and serve as a formal advisory board to the Mayor and city government on community matters.

NOW, THEREFORE, BE IT RESOLVED that the Mayor of the City of Houston recognizes the Super Neighborhood Alliance as an Advisory Board, supports its ongoing efforts to improve and strengthen Houston's neighborhoods and will utilize the Alliance Board's input on community matters offered by the Super Neighborhood Alliance.

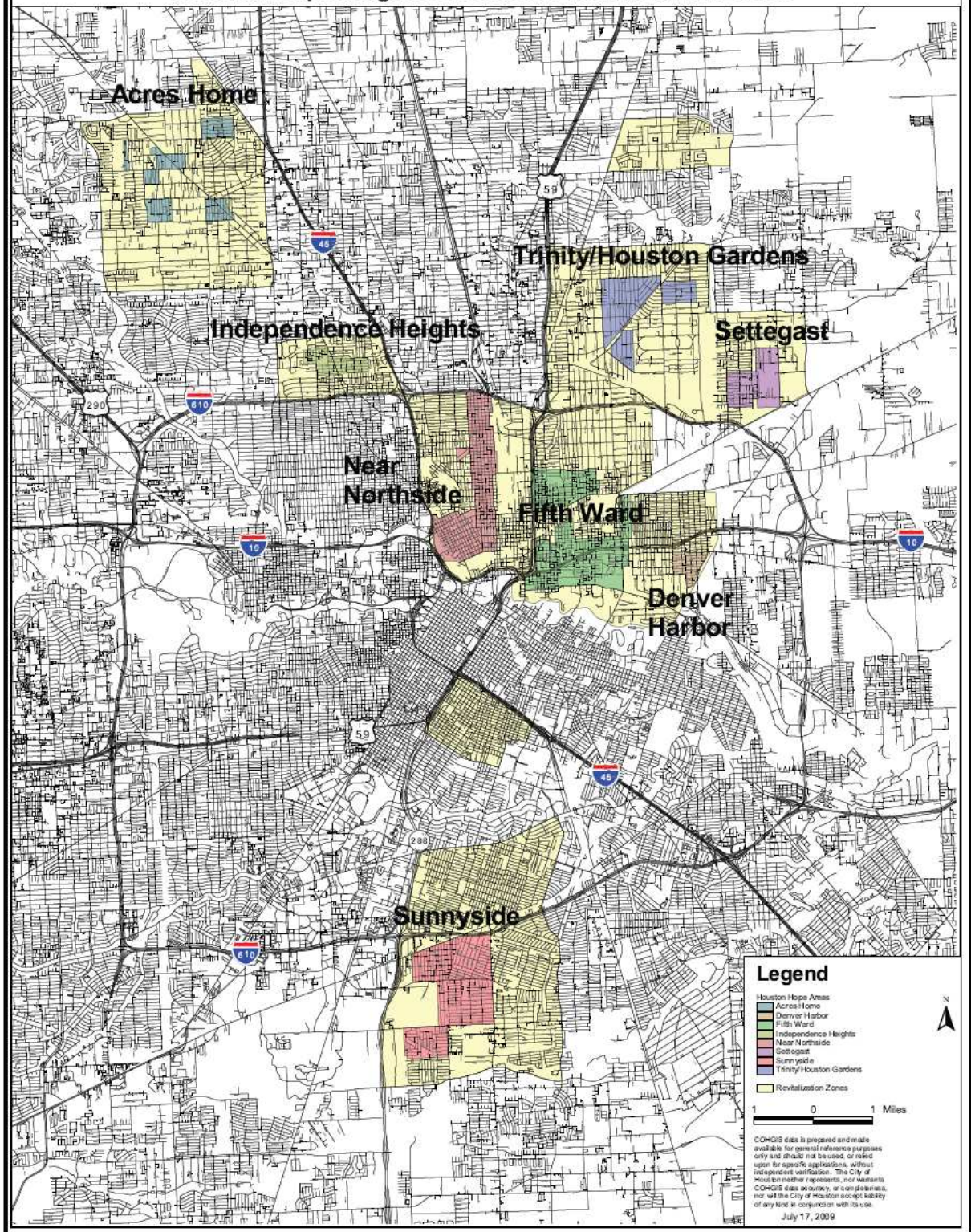
Mayor Lee P. Brown, City of Houston
April 2, 2003

Exhibit C

Houston Revitalization Zones

(attached)

Houston Hope Neighborhoods and Revitalization Zones



10051

Executive Director's
Response



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

Michael Gerber
EXECUTIVE DIRECTOR

BOARD MEMBERS
C. Kent Conine, *Chair*
Gloria Ray, *Vice Chair*
Leslie Bingham Escareño
Tom H. Gann
Lowell A. Keig
Juan S. Muñoz, Ph.D.

June 18, 2010

Cynthia L. Bast
Locke Lord Bissell & Liddell
100 Congress Avenue, Suite 300
Austin, Texas 78701

Re: Appeal of Scoring Notice for #10051, Parkway Ranch Apartments

Dear Ms. Bast:

Appeal Review

I have carefully reviewed the appeal received on June 8, 2010, by the Texas Department of Housing and Community Affairs (the "Department"), regarding your request to reinstate the one (1) point for Qualified Census Tracts with Revitalization pursuant to §50.9(i)(25) of the 2010 Qualified Allocation Plan and Rules (QAP), which states the following:

"(25) Qualified Census Tracts with Revitalization. Applications may qualify to receive 1 point for this item. (§42(m)(1)(B)(ii)(III)) Applications will receive the points for this item if the Development is located within a Qualified Census Tract and contributes to a concerted Community Revitalization Plan. Evidence of the Community Revitalization Plan (such evidence must include an ordinance, resolution, or otherwise recorded documentation of a vote taken by the local elected Governing Body specifically adopting the Community Revitalization Plan) and a letter from the chief executive officer or other local official with appropriate jurisdiction of the local Governing Body stating that the Development Site is located within the targeted development areas outlined in the Community Revitalization Plan must be submitted."

The point for this item was not awarded because the Applicant did not provide evidence that the Acres Home Revitalization Strategies Plan, which is the Community Revitalization Plan being used for this item, was adopted by ordinance, resolution or other recorded documentation of a vote taken by the City of Houston. The Applicant recognizes that the plan was not adopted by the Houston City Council but believes that other factors should be considered in awarding the point. Those factors include the fact that the same Plan was submitted in 2006 and deemed acceptable by the Department, and that adoption by a Super Neighborhood should be considered the equivalent of adoption by the City itself.

Staff considered the Acres Home Revitalization Strategies Plan acceptable for the point requested back in 2006 because the documentation submitted at that time met the requirements of 2006 QAP. Since then the requirements of this provision have changed and the current QAP includes language which requires evidence in the form of "an ordinance, resolution, or otherwise recorded documentation of a vote taken by the local elected Governing Body specifically adopting the Community Revitalization Plan." Staff does not have the ability to waive this requirement and, as a result, the point was not awarded. With respect to the Applicant's statement that adoption of a plan by a

Super Neighborhood should be viewed as the plan adopted by the City itself is an interpretation that cannot be made by staff unless a letter from the City is provided stating this.

Appeal Determination

Your appeal is denied.

Per your request your appeal has been placed on the next Board meeting agenda. Pursuant to §50.17(b)(4) of the 2010 Qualified Allocation Plan and Rules, if you wish to submit any further documentation for your Board appeal, the documentation **must** be received by 5:00 p.m. CST on **June 28, 2010** to be placed with the July 2010 Board materials. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Gerber", written over a horizontal line.

Michael Gerber
Executive Director

MFF/rbm

cc: Barry Kahn

10094

Providence Town
Square

**MULTIFAMILY FINANCE DIVISION
BOARD ACTION REQUEST
July 8, 2010**

Requested Action

Deny the appeal to reinstate four points Application #10094, Providence Town Square.

WHEREAS, an application for tax credits was submitted for Providence Town Square on March 1, 2010; and

WHEREAS, the Applicant was not awarded four points for §50.9(i)(15)(A)- Economic Development Initiatives because they did not provide evidence that the area is a designated state or federal Empowerment/Enterprise Zone, Urban Enterprise Community, or Urban Enhanced Enterprise Community; therefore

BE IT RESOLVED, that the appeal of Providence Town Square, #10094 is hereby denied.

Background

Providence Town Square is a proposed 188-unit elderly, new construction development in Deer Park. The application submission reflects points requested under option A of this point item, which requires a letter from a city/county official stating that the proposed development is located with a designated State or Federal Empowerment/Enterprise Zone, Urban Enterprise Community or Urban Enhanced Enterprise Community. The Applicant's appeal requests that points be reconsidered under option B of §50.9(i)(15); however, staff's response to the appeal is based on the elections made in the original application submission.

Staff has determined that the evidence provided in the application and with the appeal does not support the points under either options provided. A letter from the City of Deer Park dated 2/25/2010 was provided confirming approval of a tax abatement in the amount of \$9.7M for Core Laboratories LP to construct a facility in Deer Park. The letter also confirms that the abatement was approved through the City's Tax Abatement Program, which is only allowed in a reinvestment zone that is created by the City Council. The Applicant appeals that the award presented in the application meets the intent of the rule, despite not having been a "state or federally funded" economic development initiative or award, and should be considered as an Economic Development Initiative and a positive impact to the state.

10094

Scoring Notice



MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2010 Application Round
Scoring Notice - Competitive Housing Tax Credit Application

Page 2 of Final Scoring Notice: 10094, Providence Town Square

Explanation for Difference between Points Requested and Points Awarded by the Department (explanation does not include points for §§50.9(i)(2), (6) and (18)):

50.9(i)(15)- Economic Development Initiatives: The area in which the development is proposed to be located is not state or federally designated as a Empowerment/Enterprise Zone, Urban Enterprise Community or Urban Enhanced Enterprise Community. (4 pts requested, 0 awarded)

A formal appeals policy exists for the Competitive HTC Program. If you wish to appeal this scoring notice (including Set-Aside eligibility), you must file your appeal with the Department no later than 5:00 p.m. (CST), Wednesday, June 9, 2010. If an appeal is denied by the Executive Director, an Applicant may appeal to the Department's Board.

In an effort to increase the likelihood that Board appeals related to scoring and Set-Asides are heard at the Board meeting, the Department has provided an Appeal Election Form for all appeals submitted to the Executive Director. In the event an appeal is denied by the Executive Director, the form requests that the appeal automatically be added to the Board agenda.

If you have any concerns regarding potential miscalculations or errors made by the Department, please contact Raquel Morales by facsimile at (512) 475-0764 or by email at raquel.morales@tdhca.state.tx.us.

Sincerely,

Robbye Meyer 

Robbye Meyer
Director of Multifamily Finance



**MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2010 Application Round
Scoring Notice - Competitive Housing Tax Credit Application**

Appeal Election Form: 10094, Providence Town Square

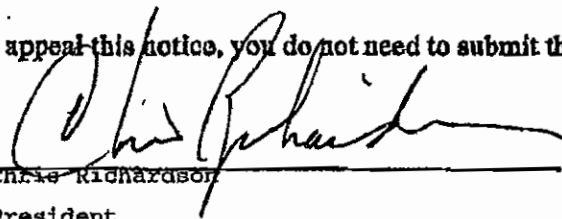
I am in receipt of my 2010 scoring notice and am filing a formal appeal to the Executive Director on or before Wednesday, June 9, 2010.

If my appeal is denied by the Executive Director,:

I do wish to appeal to the Board of Directors and request that my application be added to the Department Board of Directors meeting agenda. My appeal documentation, which identifies my specific grounds for appeal, is attached. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.

I do not wish to appeal to the Board of Directors.

Note: If you do not wish to appeal this notice, you do not need to submit this form.

Signed 
Chris Richardson
Title President
Date 06/09/2010

Please fax or email to the attention of Raquel Morales:
Fax: (512) 475-0764 or (512) 475-1895
Email: <mailto:raquel.morales@tdhoa.state.tx.us>

sent via email

10094

Appeal Documents

**Providence Town Square Housing, Ltd
18729 FM 1887
Hempstead, TX 77445**

June 9th, 2010

Re: Appeal Election Supplement: 10094, Providence Town Square

Dear Mr Gerber,

Please accept this information provided by the City of Deer Park, as our request to appeal the 4 points under section 50.9(i)(15)(B) Economic Development Initiatives, the information attached supports the tax abatement approved by City council. The report substantiates the largest anticipated impact of granting the tax abatement would be an increase in sales tax. The initiative of local government granting the tax abatement is to increase sales and other taxes to the benefit of the state and federal government, through job creation and from the taxes of the individual employees. Therefore this should be considered an Economic Development Initiative and a positive impact to the state.

Sincerely,



Chris Richardson
President

To: Matt Fuqua
From: Gary M. Jackson
Re: Core Laboratories

Enclosed please find two annual economic impact studies pertaining to Core Laboratories, which entered into a tax abatement agreement with the City of Deer Park in June 2009. Core Laboratories currently has two locations in the Houston area and employs a combined total of 75 employees. The company plans to consolidate these locations into one new location in the city of Deer Park. After this consolidation, the company foresees growing its employee base from 75 to 100 employees over a period not to exceed five years.

These studies evaluate the impact of bringing 25 new jobs to the state. The studies assume these jobs will lead to increased sales taxes associated with increased traffic at local eateries, gas stations, convenience stores and service providers near the business. There are both direct and indirect effects (jobs, income, sales and value added) in the businesses that receive money directly from the new employees, as well as these businesses' suppliers and other "backward linked" industries.

The first study evaluates the economic impact of moving their existing 75 employees into the new Deer Park facility. It shows a total economic effect of \$840,263. This amount can be used as a baseline, as the employees are already working in the state.

The second study shows the economic impact of hiring an additional 25 new employees, bringing their total employee count to 100. It shows a total economic effect of \$1,134,875.

As it can be assumed that the hiring of these additional 25 new employees is a direct result of the granting of the tax abatement, one can also assume that there will be an increased economic impact of \$294,612 brought to the state as a result of this action.

Study #1 – 75 Employees

Direct and Total Effects of Visitor Spending			
	Visitor segments		
	Local	NL-Day	Total
Spending captured	\$19,522	\$258,448	\$277,969
Direct Economic Effects			
Jobs	0.39	5.16	5.55
Sales	\$19,522	\$258,448	\$277,969
Personal Income	\$7,191	\$95,208	\$102,400
Value added	\$10,912	\$144,464	\$155,376
Totals	\$37,625	\$498,120	\$535,745
Total Economic Effects			
Jobs	0.52	6.82	7.34
Sales	\$30,258	\$400,594	\$430,853
Personal Income	\$11,133	\$147,391	\$158,524
Value added	\$17,620	\$233,266	\$250,886
Totals	\$59,011	\$781,252	\$840,263

Study #2 – 100 Employees

Direct and Total Effects of Visitor Spending			
	Visitor segments		
	Local	NL-Day	Total
Spending captured	\$40,214	\$335,216	\$375,431
Direct Economic Effects			
Jobs	0.80	6.70	7.50
Sales	\$40,214	\$335,216	\$375,431
Personal Income	\$14,814	\$123,488	\$138,303
Value added	\$22,479	\$187,375	\$209,854
Totals	\$77,507	\$646,080	\$723,587
Total Economic Effects			
Jobs	1.06	8.85	9.91
Sales	\$62,332	\$519,585	\$581,918
Personal Income	\$22,934	\$191,172	\$214,106
Value added	\$36,296	\$302,555	\$338,851
Totals	\$121,563	\$1,013,312	\$1,134,875



CITY OF DEER PARK TAX ABATEMENT ECONOMIC IMPACT ANALYSIS

The following scenario was presented to the Economic Alliance Houston Port Region with the instructions to determine the annual economic impact if the subject company relocates to Deer Park.

- Core Laboratories
- To construct a 45,000 square feet facility on about 5 acres of land in the city limits of Deer Park
- The estimated cost for the project is \$9,791,482
- Creation of 75 jobs in Deer Park
- Planned facility is intended to house two of Core Labs divisions, Saybolt LP and Core Lab Petroleum Services LP (these two groups provide independent inspection, analytical and calibration services for petroleum, petro-chemical and other bulk commodities)
- Annual gross income of these jobs is \$ 3.3 million
- Employees will be relocating from the companies' Pasadena and Houston offices

METHODOLOGY

The company is relocating within Harris County; therefore, the net economic impact from creating or bringing new jobs on the county will be zero. Additionally, the probability of construction workers and employees relocating to Deer Park is relatively small given the workforce dynamics of east Harris County and proximity of existing Core Laboratories facilities.

It is also probable that there will not be a significant increase in sales tax, due to the fact that the facility does not appear to produce taxable goods to be sold locally. Conversely, the number of employees is great enough to make a daily impact on food, gas and services sold as they pass through Deer Park during their working days. The ability to model this impact will be explored in the Money Generation Model – Version 2 (MGM2) section.

Property Taxes

The most tangible and immediately quantifiable impact from the relocation would be the property tax increase associated with the new building, followed by slight increases in utility tax, and sales tax through employee purchases while in Deer Park. It is anticipated that the increase in utility tax will be relatively small given the type of facility (i.e., light industrial or office building).

Sales tax increases will be associated with increased traffic at local eateries, gas stations, convenience stores and service providers near the business.

In a scenario where a facility relocates close enough to prevent its employees from moving their households; it is difficult to demonstrate the tangible short term benefits.

Table 1 illustrates the taxes received comparison of this project. This table includes the appraised value of \$9.7 million of the facility, the abatement schedule in percentages by year, and the resulting taxes garnered with and without the abatement applied. It is important to also consider the final column of \$0 taxes collected if the company chooses not to relocate and build in Deer Park.

Table 1. Applied Tax Abatement Schedule Comparison

Year	Appraised Value	Abatement %	Abatement value	Taxes @ Full Value	Taxes w/ Abatement	Difference	Taxes w/o Relocation
1	\$9,791,482	100%	\$0	\$69,030	\$0	(69,030)	\$0
2	\$9,791,482	100%	\$0	\$69,030	\$0	(69,030)	\$0
3	\$9,791,482	50%	\$4,895,741	\$69,030	\$34,515	(34,515)	\$0
4	\$9,791,482	25%	\$7,343,612	\$69,030	\$51,773	(17,258)	\$0
5	\$9,791,482	25%	\$7,343,612	\$69,030	\$51,773	(17,258)	\$0
6	\$9,791,482	-	\$9,791,482	\$69,030	\$69,030	0	\$0
7	\$9,791,482	-	\$9,791,482	\$69,030	\$69,030	0	\$0
8	\$9,791,482	-	\$9,791,482	\$69,030	\$69,030	0	\$0
9	\$9,791,482	-	\$9,791,482	\$69,030	\$69,030	0	\$0
10	\$9,791,482	-	\$9,791,482	\$69,030	\$69,030	0	\$0
Total				\$690,300	\$483,210	(207,090)	\$0

MGM2 Model Methodology

As previously stated, the likelihood of employees relocating to Deer Park with the development of the proposed new facility is low. However, the influx of 75 employees into the city on a daily basis will have a significant affect on the local economy through their retail purchases of gas, food and services. The impact of that activity can be modeled accurately using the MGM2, developed by the Michigan State University Department of Community, Agriculture, Recreation and Resource Studies. MGM2 is a set of Microsoft Excel workbooks for estimating the economic impacts of visitor spending on a local region. MGM2 is an update of the NPS Money Generation Model as originally developed by Ken Hornback. Dr. Daniel Stynes and Dr. Dennis Propst at Michigan State University developed the new version, called MGM2, in 2001. Dr. Stynes stated that "the MGM2 model is quite flexible. It can be used for any activity bringing visitors to an area."

MGM2 estimates the impacts that visitors have on the local economy in terms of their contribution to sales, income and jobs in the area. The Money Generation Model produces quantifiable measures of economic benefits that can be used for planning, budget justifications, policy analysis and marketing.

With 75 employees and 260 working days per year, the expected influx of people into the city will be 19,500 annually (Table 2).

Table 2. Annual Expected Influx of Employees to Deer Park

Employees	Annual Working Days	Annual Total Influx into DP
75	260	19,500

The MGM2 allows for specific inputs in order to tailor the model to a specific scenario. In this case we have created a scenario that assumes 10% of the employees live in Deer Park.

Outputs of MGM2

Visitor spending leads to sales in the region and the associated direct effects (jobs, income, value added) in the businesses that receive money directly from visitors (restaurants, attractions, retail stores). Secondary or multiplier effects are of two kinds. **Indirect effects** result from visitor businesses buying goods and services from other "backward linked" industries in the region, while **induced effects** results from households re-spending the income earned from visitor spending in the area. Secondary effects may be estimated separately by subtracting the direct effects from totals. The four measures of economic impacts are:

- **Sales** are the sales of goods and services by firms located within the region
- **Personal income** represents wage and salaries paid by these firms (including sole proprietor's income and worker benefits).
- **Value added** includes personal income plus rents and profits plus indirect business taxes.
- **Jobs** are the number of jobs supported by these sales

Results

Table 3 illustrates the expected visitor spending by visitor segments generated from 75 new employees working in Deer Park that yield a total of 19,500 annual visitors. Total Visitor spending is estimated at \$338,987.

Table 3. Visitor Spending

Visitor Spending			
	Visitor segments		
	Local	NL-Day	Total
Visits	1,950	17,550	19,500
Visitor Nights in Area	557	5,014	5,571
Average spending per night	\$42.73	\$62.86	
Total Visitor Spending	\$23,807	\$315,180	\$338,987
Percent of Spending	7%	93%	100%

With 19,500 annual trips into Deer Park by employees, and 10% of them living in the city, Deer Park will realize an estimated annual impact of \$840,263, with an additional 7.3 jobs created to support the increased sales activity. Table 4 below illustrates the direct and total economic impact to the community.

Table 4. Economic Impact of 26,789 Visitors & 10% Residing in Deer Park

Direct and Total Effects of Visitor Spending			
	Visitor segments		
	Local	NL-Day	Total
Spending captured	\$19,522	\$258,448	\$277,969
Direct Economic Effects			
Jobs	0.39	5.16	5.55
Sales	\$19,522	\$258,448	\$277,969
Personal Income	\$7,191	\$95,208	\$102,400
Value added	\$10,912	\$144,464	\$155,376
Totals	\$37,625	\$498,120	\$535,745
Total Economic Effects			
Jobs	0.52	6.82	7.34
Sales	\$30,258	\$400,594	\$430,853
Personal Income	\$11,133	\$147,391	\$158,524
Value added	\$17,620	\$233,266	\$250,886
Totals	\$59,011	\$781,252	\$840,263



CITY OF DEER PARK TAX ABATEMENT ECONOMIC IMPACT ANALYSIS

The following scenario was presented to the Economic Alliance Houston Port Region with the instructions to determine the annual economic impact if the subject company relocates to Deer Park.

- Core Laboratories
- To construct a 45,000 square foot facility on about 5 acres of land in the city limits of Deer Park
- The estimated cost for the project is \$7,500,000
- Creation of 103 jobs in Deer Park
- Planned facility is intended to house two of Core Labs divisions, Saybolt LP and Core Lab Petroleum Services LP (these two groups provide independent inspection, analytical and calibration services for petroleum, petro-chemical and other bulk commodities)
- Annual gross income of these jobs is \$ 4.4 million
- Employees will be relocating from the companies' Pasadena and Houston offices

METHODOLOGY

IMPLAN Economic Impact Model

As this project calls for analyzing the economic impact at the city-level it is appropriate to use zip code level data rather than Harris County data (Economic Alliance owns county level only). Moreover, the company is relocating within Harris County; therefore, the net economic impact from creating or bringing new jobs on the county will be zero, (zip code level data is available for purchase at the IMPLAN Group website). The zip code 77536 accounts for 99.4% of the Deer Park, IMPLAN data for this zip code would be sufficient to conduct the impact analysis. An IMPLAN study for the given case could be conducted in two steps one for construction phase and the other for operations. Construction phase (input: construction cost) IMPLAN study can provide the economic impact of constructing a new building, whereas the operation phase (input: number of employees) IMPLAN study can provide the economic impact of business operations in the future.

However, having stated the above, the IMPLAN results will likely be inappropriate for this particular case because the chances of construction workers and employees relocating residence to Deer Park is relatively small given the workforce dynamics of east Harris County. We also believe that there will not be a significant increase in sales tax, due to the fact that the facility does not appear to produce taxable goods to be sold locally. Conversely, the number of employees is great enough to make a daily impact on food, gas and services sold as they pass through Deer Park during their working days. The ability to model this impact will be explored in the Money Generation Model – Version 2 (MGM2) section.

Property Taxes

The most tangible and immediately quantifiable impact from the relocation would be the property tax increase associated with the new building, followed by slight increases in utility tax, and sales tax through employee purchases while in Deer Park. It is expected that the increase in utility tax will be relatively small given the type of facility (i.e., light industrial or office building). Sales tax increases will be associated with increased traffic at local eateries, gas stations, convenience stores and service providers near the business.

In scenarios such as these – where a new facility relocates to a town, while the vast majority of workers remain living (and spending) in their current locations – it is difficult to demonstrate tangible short term benefits.

Below Table 1 illustrates the taxes received comparison of this project. This table includes the appraised value of \$7.5 million of the facility, the abatement schedule in percentages by year, and the resulting taxes garnered with and without the abatement applied. It is important to also consider the final column of \$0 taxes collected if the company chooses not to relocate and build in Deer Park.

Table 1. Applied Tax Abatement Schedule Comparison

Year	Appraised Value	Abatement %	Abatement Value	Taxes @ Full Value	Taxes w/ Abatement	Difference	Taxes w/o Relocation
1	\$7,500,000	100%	\$0	\$52,875	\$0	(52,875)	\$0
2	\$7,500,000	100%	\$0	\$52,875	\$0	(52,875)	\$0
3	\$7,500,000	50%	\$3,750,000	\$52,875	\$26,438	(26,438)	\$0
4	\$7,500,000	25%	\$5,625,000	\$52,875	\$39,656	(13,219)	\$0
5	\$7,500,000	25%	\$5,625,000	\$52,875	\$39,656	(13,219)	\$0
6	\$7,500,000	-	\$7,500,000	\$52,875	\$52,875	0	\$0
7	\$7,500,000	-	\$7,500,000	\$52,875	\$52,875	0	\$0
8	\$7,500,000	-	\$7,500,000	\$52,875	\$52,875	0	\$0
9	\$7,500,000	-	\$7,500,000	\$52,875	\$52,875	0	\$0
10	\$7,500,000	-	\$7,500,000	\$52,875	\$52,875	0	\$0
Total				\$528,750	\$370,125	(158,626)	\$0

MGM2 Model Methodology

As previously stated, the likelihood of employees relocating to Deer Park with the development of the proposed new facility is low. However, the influx of 103 employees into the city on a daily basis will have a significant affect on the local economy through their retail purchases of gas, food and services. The impact of that activity can be modeled accurately using the MGM2,

developed by the Michigan State University Department of Community, Agriculture, Recreation and Resource Studies. MGM2 is a set of Microsoft Excel workbooks for estimating the economic impacts of visitor spending on a local region. MGM2 is an update of the NPS Money Generation Model as originally developed by Ken Hornback. Dr. Daniel Stynes and Dr. Dennis Propst at Michigan State University developed the new version, called MGM2, in 2001. Dr. Stynes stated that "the MGM2 model is quite flexible. It can be used for any activity bringing visitors to an area."

MGM2 estimates the impacts that visitors have on the local economy in terms of their contribution to sales, income and jobs in the area. The Money Generation Model produces quantifiable measures of economic benefits that can be used for planning, budget justifications, policy analysis and marketing.

With 103 expected workers and 260 working days annually, the expected influx of people into the city will be 26,780 (Table 2).

Table 2. Annual Expected Influx of Employees to Deer Park

Employees	Annual Working Days	Annual Total Influx into DP
103	260	26,780

The MGM2 allows for specific inputs in order to tailor the model to a specific scenario. In this case we have created two scenarios; the first assumes 10% of the employees live in Deer Park, and the second, 15% of the employees. The greater the number of employees that relocate to Deer Park, the greater the impact will be due to their extended purchasing time within the city.

Outputs of MGM2

Visitor spending leads to sales in the region and the associated direct effects (jobs, income, value added) in the businesses that receive money directly from visitors (restaurants, attractions, retail stores). Secondary or multiplier effects are of two kinds. **Indirect effects** result from visitor businesses buying goods and services from other "backward linked" industries in the region, while **induced effects** results from households re-spending the income earned from visitor spending in the area. Secondary effects may be estimated separately by subtracting the direct effects from totals. The four measures of economic impacts are:

- **Sales** are the sales of goods and services by firms located within the region
- **Personal income** represents wage and salaries paid by these firms (including sole proprietor's income and worker benefits).
- **Value added** includes personal income plus rents and profits plus indirect business taxes.
- **Jobs** are the number of jobs supported by these sales

Results

With 26,780 annual trips into Deer Park by employees, and 10% of them living in the city, Deer Park will realize an estimated annual impact of \$756,490, with an additional 6.5 jobs created to support the increased sales activity. Table 3 below illustrates the direct and total economic impact to the community.

Table 3. Economic Impact of 26,789 Visitors & 10% Residing in Deer Park

Direct and Total Effects of Visitor Spending			
	Visitor segments		
	Local	NL-Day	Total
Spending captured	\$17,575	\$232,683	\$250,258
Direct Economic Effects			
Jobs	0.35	4.65	5.00
Sales	\$17,575	\$232,683	\$250,258
Personal Income	\$6,475	\$85,717	\$92,191
Value added	\$9,824	\$130,062	\$139,886
Totals	\$33,874	\$448,461	\$482,335
Total Economic Effects			
Jobs	0.46	6.14	6.61
Sales	\$27,242	\$360,658	\$387,900
Personal Income	\$10,023	\$132,697	\$142,721
Value added	\$15,863	\$210,012	\$225,875
Totals	\$53,128	\$703,367	\$756,495

Table 4 below illustrates the direct and total economic impact to the city if 15% of the employees relocate to Deer Park. The community will realize an estimated annual impact of \$1.1 million, with an additional 10 jobs created to support the increased sales activity.

Table 4. Economic Impact of 26,789 Visitors & 15% Residing in Deer Park

Direct and Total Effects of Visitor Spending			
	Visitor segments		
	Local	NL-Day	Total
Spending captured	\$40,214	\$335,216	\$375,431
Direct Economic Effects			
Jobs	0.80	6.70	7.50
Sales	\$40,214	\$335,216	\$375,431
Personal Income	\$14,814	\$123,488	\$138,303
Value added	\$22,479	\$187,375	\$209,854
Totals	\$77,507	\$646,080	\$723,587
Total Economic Effects			
Jobs	1.06	8.85	9.91
Sales	\$62,332	\$519,585	\$581,918
Personal Income	\$22,934	\$191,172	\$214,106
Value added	\$36,296	\$302,555	\$338,851
Totals	\$121,563	\$1,013,312	\$1,134,875



GARY M. JACKSON
ASSISTANT CITY MANAGER

710 E. San Augustine • P. O. Box 700 • Deer Park, Texas 77536 • (281) 478-7260 • Fax (281) 542-0879
E-Mail: gjackson@deerparktx.org

February 25, 2010

Providence Town Square Housing, Ltd.
18729 FM 1887
Hempstead, Texas 77445

RE: Providence Town Square, TDHCA Application No. 10094

Dear Mr. Fuqua,

The Providence Town Square project is located in the city limits of the City of Deer Park.

In June of 2009 the City of Deer Park undertook an economic development initiative to approve a Tax Abatement in the amount of \$9,791,482 for Core Laboratories LP to construct a 45,000 square foot facility on a tract of land in the Deerwood Glen Business Park. This proposed facility will consolidate two of Core Labs' divisions, Saybolt LP and Core Lab Petroleum Services LP. These two groups provide independent inspection, analytical and calibration services for petroleum, petro chemical and other bulk commodities. The company plans to employ between 75 and 100 at this facility.

The abatement was approved through the City of Deer Park's Tax Abatement Program. This program provides that tax abatement is only allowed in a reinvestment zone. A Reinvestment Zone was also created by City Council. The map of the Reinvestment Zone is attached.

Please do not hesitate to contact me at (281) 478-7260 or gjackson@deerparktx.org if you need additional information.

Sincerely,

Gary M. Jackson
Assistant City Manager
City of Deer Park

"QUALITY FIRST TIME EVERY TIME"

10094

Executive Director's
Response



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

Michael Gerber
EXECUTIVE DIRECTOR

BOARD MEMBERS
C. Kent Conine, *Chair*
Gloria Ray, *Vice Chair*
Leslie Bingham Escarefio
Tom H. Gann
Lowell A. Keig
Juan S. Muñoz, Ph.D.

June 21, 2010

Chris Richardson
Providence Town Square Housing, Ltd.
18729 FM 1887
Hempstead, Texas 77445

Re: Appeal of Scoring Notice for #10094, Providence Town Square

Dear Mr. Richardson:

Appeal Review

I have carefully reviewed the appeal received on June 9, 2010, by the Texas Department of Housing and Community Affairs (the "Department"), regarding your request to reinstate the four (4) points for Economic Development Initiatives pursuant to §50.9(i)(15) of the 2010 Qualified Allocation Plan and Rules (QAP).

The Applicant requested four points under option A of §50.9(i)(15) which states the following:

"(15) Economic Development Initiatives. A Development that is located in one of the following two areas may qualify to receive 4 points. For the purpose of this paragraph, "area" shall mean the boundaries of any zone or community in subparagraph (A) of this paragraph or the area in which funds in subparagraph (B) of this paragraph must be used:

(A) A Designated State or Federal Empowerment/Enterprise Zone, Urban Enterprise Community, or Urban Enhanced Enterprise Community. To be eligible for these points, Applicants must submit a letter and a map of the zoned area from a city/county official stating that the proposed Development is located within such a designated zone or area; is eligible to receive the state or federal economic development grants or loans associated with such designations; and the city/county still has available funds in such program. The letter should be no older than six (6) months from the first day of the Application Acceptance Period. (General Appropriation Act, Article VII, Rider 3; §2306.127);"

The evidence provided behind this exhibit in the application included a letter from the City of Deer Park confirming a tax abatement award in amount of \$9.7M for Core Laboratories LP to construct a 45,000 square foot facility in Deer Park. The letter also confirms that the abatement was approved through the City's Tax Abatement Program, which is only allowed in a reinvestment zone that is created by the City Council. Staff determined that the letter and evidence of award provided did not meet the requirements of the QAP because the award was not from a state or federal source. Additionally, while the letter from the City acknowledges that the award was made to an entity that will be located in a reinvestment zone, the reinvestment zone was designated at a local level instead of being state or federally designated as required by language in the QAP. The appeal further states that the award presented in

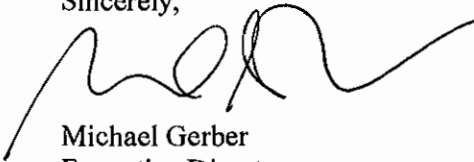
the application for this point item meets the intent of §50.9(i)(15) and should be considered as an Economic Development Initiative and a positive impact to the state.

Appeal Determination

Your appeal is denied.

Per your request your appeal has been placed on the next Board meeting agenda. Pursuant to §50.17(b)(4) of the 2010 Qualified Allocation Plan and Rules, if you wish to submit any further documentation for your Board appeal, the documentation **must** be received by 5:00 p.m. CST on **June 28, 2010** to be placed with the July 2010 Board materials. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Gerber", written over a horizontal line.

Michael Gerber
Executive Director

MFF/rbm

cc: Matt Fuqua

10094

Board Appeal
Documents

Providence Town Square Housing, Ltd
18729 FM 1887
Hempstead, TX 77445

June 28th, 2010

Re: Appeal to TDHCA Board Members: 10094, Providence Town Square

Dear Board Members,

The appeal before you is a request for you to reinstate the four points for Economic Development Initiatives pursuant to Section 50.9(i)(15) of the 2010 QAP. The request is based on the action of the City of Deer Park to create incentives that positively effect at a State level. We ask that you consider this appeal under Paragraph B of the Economic Development Initiatives. The report substantiates the largest impact of granting the tax abatement would be the increase in sales tax. Therefore the actions of local government making policy to increase sales tax for the Community of Deer Park, should be considered an Economic Development Initiative, as it impacts at a State level.

Sincerely,

Chris Richardson
President



SUMMARY OF STATE INCENTIVES & PROGRAMS

Summary Includes:

- Texas Enterprise Fund
- Emerging Technology Program
- Texas Enterprise Zone Program
- Texas Capital Fund Infrastructure Program
- Texas Capital Fund Real Estate Development Program
- Rural Municipal Finance Program
- State Sales and Use Tax Exemptions
- Chapter 380
- Texas Industry Development Program
- Texas Leverage Fund
- Bonds
- Section 108
- Texas Economic Development Act
- Ad Valorem/Property Tax Exemption
- Economic Development Refund
- Renewable Energy Incentives
- Permit Assistance
- Moving Image Industry Incentive Program
- Economic Development and Diversification In-State Tuition for Employees

DISCLAIMER: *The material contained in this Summary of State Incentives is provided for informational purposes only and cannot be construed as a commitment. Assumptions are based on creating jobs and providing a capital investment. Total jobs and capital investment have been included as eligible costs for the various incentive programs available. However, actual jobs and capital investment may vary from the assumptions made due to final determination of program eligibility and site location.*



TEXAS ENTERPRISE FUND

The 78th Texas Legislature established the Texas Enterprise Fund to provide financial resources to help strengthen the state's economy. The Governor, Lieutenant Governor, and the Speaker of the House must unanimously agree to support the use of the Texas Enterprise Fund for each specific project.

Projects that are considered for Enterprise Fund support must demonstrate a project's worthiness, maximize the benefit to the State of Texas and realize a significant rate of return of the public dollars being used for economic development in Texas. Capital investment, job creation, wages generated, financial strength of the applicant, applicant's business history, analysis of the relevant business sector, and federal and local government and private sector financial support of a project will all be significant factors in approving the use of the Enterprise Fund.

EMERGING TECHNOLOGY PROGRAM

The \$200 million Texas Emerging Technology Program is designed to help Texas create jobs and grow the economy over the long-term by expediting the development and commercialization of new technologies and attracting and creating jobs in technology fields that will form the backbone of our economy. The program will work through partnerships between the state, institutions of higher education and private industry to focus greater attention on the research, development and commercialization of emerging technology. The Emerging Technology Program is dedicated to three areas:

1. Regional Centers of Innovation and Commercialization (RCICs). These centers will become concentrated with applied R&D activities, be incubators (including specialized workforce training) for startup firms and encourage expansion of existing companies resulting from commercializing their developments.
2. Matching grant funds. Applied technology research and development projects that accelerate commercialization into production and have a demonstrated ability to receive or have received federal grants or non-state grants may apply for matching dollars from the Emerging Technology Fund. Grants such as Small Business Innovation Research grants, Small Business Technology Transfer grants, etc
3. Attracting research talent. The state will help Texas public universities attract highly renowned research teams from universities and institutions in other states.

For more information regarding the application process or funding, please contact Mark Ellison with the Office of the Governor at 512/463-1472.

TEXAS ENTERPRISE ZONE PROGRAM

Under the statewide cap of 105 projects per biennium a community with less than 250,000 in population may have up to four enterprise projects. A community with 250,000 in population or greater may have up to six enterprise projects.

Upon a community designating a business as an enterprise project, and upon that project's designation being approved by the state, the business would be eligible for the following incentives:



State Sales and Use Tax refunds

Beginning September 1, 2007 an enterprise project is eligible for a refund for all state sales and use taxes paid and used at the qualified business site. The total amount of any refund will continue to be predicated on investment amount and number of jobs created/retained.

The refund can be an amount ranging from a minimum of \$2,500 per job to a maximum of \$7,500 per job as follows:

1. If project investment amount is greater than \$40,000 and less than \$400,000, then refund amount is \$2,500 per job up to a maximum of 10 jobs created/retained;
2. If project investment amount is equal to or greater than \$400,000 and less than \$1,000,000, then refund amount is \$2,500 per job up to a maximum of 25 jobs created/retained;
3. If project investment amount is equal to or greater than \$1,000,000 and less than \$5,000,000, then refund amount is \$2,500 per job up to a maximum of 125 jobs created/retained;
4. If project investment amount is equal to or greater than \$5,000,000 and less than \$150,000,000, then refund amount is \$2,500 per job up to a maximum of 500 jobs created/retained;
5. If project investment amount is equal to or greater than \$150,000,000 and less \$250,000,000, then refund amount is \$5,000 per job up to a maximum of 500 jobs created/retained;
6. If project investment amount is equal to or greater than \$250,000,000, then refund amount is \$7,500 per job up to a maximum of 500 jobs created/retained;

Receipts for purchases of building materials and machinery and equipment and payroll information are required to be retained as part of the audit process. (Note: All contracts should separate the costs for building materials and/or equipment from the costs of labor and services in order to be eligible.)

The refund for sales and use tax must be for all eligible items for use at the qualified business site.

TEXAS CAPITAL FUND INFRASTRUCTURE PROGRAM

The Texas Capital Fund Infrastructure Program is an economic development tool designed to provide financial resources to non-entitlement communities. Funds from this program can be utilized for public infrastructure (water, sewer, roads, etc.) needed to assist a business, which commits to create and/or retain permanent jobs, primarily for low and moderate-income persons. The minimum award is \$50,000 and the maximum is \$750,000. The award may not exceed fifty percent (50%) of the total project cost.

The Texas Department of Agriculture administers the Texas Capital Fund Program. For further details on the program, please contact Karl Young at 512/936-0281.

TEXAS CAPITAL FUND REAL ESTATE DEVELOPMENT PROGRAM

The Texas Capital Fund Real Estate Development Program is designed to provide financial resources to non-entitlement communities. Funds must be used for real estate development (acquisitions, construction and/or rehabilitation) to assist a business, which commits to create and/or retain permanent jobs, primarily for low and moderate-income persons. This program encourages business development and expansions located in



non-entitlement communities. The minimum award is \$50,000 and the maximum is \$750,000. The award may not exceed fifty percent (50%) of the total project cost. Funds are provided with no interest accruing and with payments based on a 20-year amortization schedule.

The Texas Department of Agriculture administers the Texas Capital Fund Program. For further details on the program, please contact Karl Young at 512/936-0281.

** Total Texas Capital Fund participation from both Infrastructure program and Real Estate Development program may not exceed \$750,000.

RURAL MUNICIPAL FINANCE PROGRAM

The Rural Municipal Finance Program was created by the Texas Agricultural Finance Authority (TAFA) to stimulate economic activity in rural Texas. TAFA was created in 1987 as a Public Authority within the Texas Department of Agriculture

This loan program is designed for eligible applicants located within rural areas of the state that provide significant benefits for the rural area, and provide evidence of ability to repay the commitments. Applicants can include: city and county governments; economic development corporations; hospital districts; rail districts; utility districts; special districts; agricultural districts; and private water and wastewater corporations.

An applicant must certify to TAFA that:

1. The project is located in a non-metropolitan statistical area (county); or
2. If in a metropolitan statistical area, the project is in an unincorporated area; or
3. Located in a city with a population of under 20,000, that is not adjoining a city or group of cities with an aggregate population of 50,000 or greater.

Loan amounts range from \$50,000 to an amount approved by TAFA's board of directors, but target projects for less than \$1,000,000. Loans may be used for real estate purchase, building construction, site improvements, equipment, water and wastewater systems, municipal infrastructure projects and any other use that can be identified to improve or assist in the economic development of the rural area.

The Texas Department of Agriculture administers the Rural Municipal Finance Program. For further details on the program, please contact Karl Young at 512/936-0281.

STATE SALES & USE TAX EXEMPTIONS

Manufacturing Machinery & Equipment

Leased or purchased machinery, equipment, replacement parts, and accessories that have a useful life of more than six months, and that are used or consumed in the manufacturing, processing, fabricating, or repairing of tangible personal property for ultimate sale, are exempt from state and local sales and use tax. Texas businesses are exempt from paying state sales and use tax on labor for constructing new facilities.

Texas businesses are exempt from paying state sales and use tax on the purchase of machinery exclusively used in processing, packing, or marketing agricultural products by the original producer at a location operated by the original producer.



Natural Gas & Electricity

Texas companies are exempt from paying state sales and use tax on electricity and natural gas used in manufacturing, processing, or fabricating tangible personal property. The company must complete a “predominant use study” that shows that at least 50% of the electricity or natural gas consumed by the business directly causes a physical change to a product.

CHAPTER 380

Section 380.001 of the Local Government Code authorizes municipalities to offer a range of incentives designed to promote state or local economic development. Specifically, it allows for the provision of loans and grants of city funds, as well as the use of city staff, city facilities or city services, at minimal or no charge.

To establish a loan or grant or to offer discounted or free city services, the city must meet the requirements contained in the Texas Constitution and in applicable Texas statutes. Additionally, cities must review their city charters and any other local provisions that may limit the city’s ability to provide such a grant or loan. To determine the latitude of whether a municipality is able to offer a particular incentive or combination of incentives, local communities should consult their city attorney.

TEXAS INDUSTRY DEVELOPMENT

The Office of the Governor Economic Development and Tourism Division hereby gives notice that The Texas Small Business Industrial Corporation is accepting applications for loans to be funded through the Texas Industry Development Revolving Loan program.

The Texas Industry Development Revolving Loan Program, provides capital to Texas communities and eligible 501(c) 3 corporations at favorable market rates. The program supports eligible tax exempt public purpose projects that stimulate economic development within the community. The loans are available with low cost, variable rate long term financing with the term of the loan not extending beyond the useful life of the assets and up to bond maturity in 2025.

Eligible projects must meet the project definition as described in the Development Corporation Act of 1979, the Texas Industry Development Program Guidelines and all appropriate state and federal regulations as applicable to the program. Examples of public projects include: public facilities; community infrastructure (i.e. water, wastewater, drainage, streets); remediation on public land/facilities, and public transportation. Loan terms are available for participants with a credit rating of an A or above with a term not to exceed December 2025.

A project must be found to be required or suitable for the promotion of economic development as deemed by the Corporation’s board of directors in the performance of its public purposes, functions and duties.

A project will not be eligible for funding under the program for moving existing jobs from one municipality or county in Texas to another municipality or county within the state.

Applications will be accepted at any time during a quarterly round. The initial quarterly round will close at 5:00 p.m. June 1, 2006. Application may be found at:

http://www.governor.state.tx.us/divisions/ecodev/ed_bank/TID_loan_program

For additional information please contact Donna Weinberger-Rourke with The Office of the Governor Economic Development and Tourism Division at 512/936-6443.



TEXAS LEVERAGE FUND

The Texas Leverage Fund (TLF) is an "economic development bank" offering an added source of financing to communities that have passed the economic development sales tax. Approximately 500 communities in Texas have adopted the local economic development sales tax. EDT may loan funds directly to a local Industrial Development Corporation (IDC) to finance eligible projects. Sales tax revenues pledged by the IDC need only be sufficient to cover projected annual debt service as specified in the Texas Leverage Fund Program Guidelines. This allows cities to leverage their economic development sales tax and to pursue additional projects.

BONDS

Sales Tax Bonds

Sales Tax Bonds do not fall under the volume cap and are eligible to communities that have passed the economic development sales tax. Ineligible projects include for-profit hospitals, multi-family projects and municipal services.

Exempt-Facility Bonds

Bonds can be issued to finance certain facilities such as airports, dock and wharf facilities, mass commuting facilities, high-speed inter-rail facilities, or certain qualified hazardous waste facilities (including certain training and storage facilities). There is no limit on the amount of the issue and these issues do not require a reservation under the volume cap. Although the facility must be governmentally owned, it may be leased or subject to management contracts with the business.

Other types of exempt bonds include projects for water, sewage and solid waste facilities, facilities for the local furnishing of electricity or gas, local district heating or cooling facilities. These types of exempt-facility issues must reserve a portion of the volume cap. Exempt-facility bonds that are not governmentally owned may reserve up to \$25 million in tax-exempt volume cap allocation each year, however, there is no restriction to project size.

Tax-Exempt Industrial Revenue Bonds

Tax-Exempt Industrial Revenue Bonds are designed to provide tax-exempt financing to finance land and depreciable property for eligible industrial or manufacturing projects. The maximum bond amount is \$10 million (which can include certain capital and administrative costs). (On January 1, 2007, the maximum bond amount will increase to \$20 million.) These issues must receive a reservation under the State's volume limitation ("volume cap") managed by the Texas Bond Review Board.

The Tax Reform Act of 1986 imposes a volume ceiling on the aggregate principal amount of "private activity bonds" that may be issued with the State during any calendar year. Generally, the reservation of state ceiling issues is allocated by lottery in October each program year.

For more information on the "volume cap" or the lottery dates, contact the Texas Bond Review Board at 512/463-1741.



SECTION 108

Entitlement communities may access the Section 108 program through HUD. The program allows entitlement communities the ability to borrow funds guaranteed by Section 108 through pledging their current and future CDBG allocations (up to the loan amount) as security for the loan. HUD provides additional security for the loan (as a loan-loss reserve or debt-service) to reduce the exposure of a community's CDBG funds. Economic Development Initiative (EDI) provides grants to local governments that can be used to enhance both the security of loans guaranteed through Economic Development Loan Fund and the feasibility of the large economic development and revitalization projects they finance. The guaranteed amount may be extended up to five times the community's most recent CDBG allocation. Eligible activities include property acquisition; rehabilitation of publicly owned property; economic development activities; installation of public facilities; and other site improvements.

TEXAS ECONOMIC DEVELOPMENT ACT

In 2001, the 77th Texas Legislature enacted House Bill 1200 creating Tax Code Chapter 313, Texas Economic Development Act, to encourage large-scale manufacturing, research and development, renewable energy, nuclear and integrated gasification combined cycle electric generation facilities capital investment projects in the State of Texas. It requires companies to invest a specified amount of money to qualify for a tax credit and an eight-year limitation on the appraised value of a property for the maintenance and operations portion of the school district property tax. The local school district must elect to participate in order for the Company to recognize this benefit.

The qualifying investment amount is determined on a sliding scale that begins at \$100 million for large urban areas and \$30 million for rural areas. The qualifying investment amount is reduced for areas with a lower tax base.

For detailed information regarding this incentive, please contact Gary Price with the Comptroller of Public Accounts at 512/463-3993.

AD VALOREM/ PROPERTY TAX EXEMPTION

Freeport Exemption

A community may choose to offer the Freeport exemption for various types of goods that are detained in Texas for a short period of time. Freeport property includes goods, wares, merchandise, ores, and certain aircraft and aircraft parts. Freeport property qualifies for an exemption from ad valorem taxation only if it has been detained in the state for 175 days or less for the purpose of assembly, storage, manufacturing, processing, or fabricating. For more information, please visit the following links:

Texas Constitution Article 8, Section 1-J: <http://www.capitol.state.tx.us/tconst/sections/cn000800-01-j00.html>

Administrative Code:

[http://info.sos.state.tx.us/pls/pub/readtac\\$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=34&pt=1&ch=9&rl=415](http://info.sos.state.tx.us/pls/pub/readtac$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=34&pt=1&ch=9&rl=415)

Goods-in-Transit Incentive



House Bill 621 of the 80th Texas Legislature amends the Tax Code and the Government Code to add an exemption from ad valorem taxation for goods-in-transit.

To qualify for the exemption, personal property used for assembling, storing, manufacturing, processing, or fabricating purposes would have to be acquired in Texas or imported into Texas and stored at a Texas location in which the owner of the goods does not have a direct or indirect ownership interest. The goods-in-transit would have to be transported to another location in Texas or out of state no later than 175 days after the property was acquired in or imported into the state. Oil and gas and their immediate derivatives, aircraft, and dealer's special inventories would not qualify for the exemption.

For more information, please visit the following links:

<http://www.capitol.state.tx.us/BillLookup/BillSummary.aspx?LegSess=80R&Bill=HB621>

<http://www.capitol.state.tx.us/tlodocs/80R/fiscalnotes/html/HB00621F.HTM>

Pollution Control Equipment Incentive

A Texas constitutional amendment providing an exemption from property taxation for pollution control was approved in 1993. The intent was to ensure that compliance with environmental mandates, through capital investments, did not result in an increase in a facility's property taxes. A facility must first receive a determination from the Texas Commission on Environment Quality (TCEQ) that property is for pollution control purposes. That positive use determination is then provided to the local appraisal district, which must accept the TCEQ's decision and grant the property an exemption from property taxes.

To be eligible for a positive use determination, the property must have been purchased, acquired, constructed, installed, replaced, or reconstructed after January 1, 1994 to meet or exceed federal, state, or local environmental laws, rules, or regulations.

For detailed information regarding this incentive, please contact David Greer with the Texas Commission on Environmental Quality at 512/239-5344.

ECONOMIC DEVELOPMENT REFUND

The Texas Comptroller of Public Accounts offers a refund of State franchise and sales/use taxes paid by companies owning certain abated property. A company who meets the following three conditions may apply for a refund:

1. Paid property taxes to a school district on property that is located in a reinvestment zone established under Chapter 312.
2. Is exempt in whole or in part from property tax imposed by a city or county under a tax abatement agreement established under Chapter 312.
3. Is not in a tax abatement agreement with a school district.

The refund is equal to the amount of property taxes that would have been paid had the company entered into a school district abatement agreement with terms identical to the city or county abatement agreement, not to exceed the net state sales and use taxes and state franchise taxes paid or collected and remitted during that calendar year. The refund amount may also be limited by a statewide appropriation per year for this refund program.

For more information and assistance on this incentive, contact the Comptroller of Public Accounts at 800/252-9121 or 512/305-9999.



RENEWABLE ENERGY INCENTIVES

Wind and Solar Energy Tax Exemptions and Deductions

Tax Code Section 171.056 extends a franchise tax exemption to manufacturers, sellers, or installers of solar energy devices. The state also permits a corporate deduction from the state's franchise tax for renewable energy sources. Business owners may deduct the cost of the system from the company's taxable capital or deduct 10% from the company's income.

Wind energy qualifies under the term "solar energy" for the exemption and deduction under Sections 171.056 and 171.107.

For more information on the tax exemption, visit the State Energy Conservation Office's website at http://www.seco.cpa.state.tx.us/re_incentives.htm or contact the Comptroller of Public Accounts.

Texas property tax code permits a 100% exemption on the appraised value of solar, wind or biomass energy devices installed or constructed for the production and use of energy on-site.

See Texas property tax Form 50-123, "Exemption Application for Solar or Wind-Powered Energy Devices" to claim this exemption.

Texas also offers a loan program for eligible efficiency technologies. The "LoanSTAR" program is available to schools, hospitals and local governments. The low interest loans are capped at a \$5 million maximum and are required to meet certain technical guidelines including a detailed energy assessment report.

Website: <http://seco.cpa.state.tx.us/lis.htm>

Franchise tax questions

1-800-531-5441, ext. 5-9952 or (512) 305-9952

Property tax questions

1-800-531-5441, ext. 5-9806 or (512) 305-9806

PERMIT ASSISTANCE

TCEQ and the Office of the Governor Economic Development & Tourism division have established a relationship to assist companies, which may experience unwarranted delays in their environmental permitting process for projects that could affect job creation or have a high economic impact.

MOVING IMAGE INDUSTRY INCENTIVE PROGRAM

In 2007, the 81st Texas Legislature enacted House Bill 1634 establishing the Moving Image Industry Incentive Program. Under the legislation, grants to promote industry growth in Texas can be made to applicant production companies.

The incentive is available in the form of a production grant equal to 5% of in-state spending, including wages paid to Texas residents. Grants are available upon project completion to features, television programs,



television commercials and video games. Both live action and animated projects are eligible. The maximum grant amounts available after September 1, 2007 are:

- \$2 million for features;
- \$2.5 million for television programs (for episodic series, \$2.5 million per season);
- \$200,000 for a commercial, series of commercials or music videos; and
- \$250,000 for video games.

Available for review at the Texas Film Commissions website are the specific eligibility qualifications for projects including investment thresholds, employment requirements and content. Specific incentive enhancements related to underused areas are provided.

Website: <http://www.governor.state.tx.us/divisions/film/incentives/grants.htm>

ECONOMIC DEVELOPMENT & DIVERSIFICATION IN-STATE TUITION FOR EMPLOYEES

The Economic Development and Diversification In-state Tuition incentive may be offered to qualified businesses that are in the decision-making process to relocate or expand their operations into Texas. The incentive allows employees and family members of the qualified businesses to pay in-state tuition fees if the individual files with a Texas institution of higher education. Without this incentive designation, a student must reside in Texas for a 12-month period to be entitled to pay the tuition fees of a Texas resident.

10134

Champion Homes at
Copperridge

**MULTIFAMILY FINANCE DIVISION
BOARD ACTION REQUEST
July 8, 2010**

Requested Action

Deny the appeal to reinstate a cumulative sixteen points for Application #10134, Champion Homes at Copperridge.

WHEREAS, an application for tax credits was submitted for Champion Homes at Copperridge on March 1, 2010; and

WHEREAS, the Stemmons Corridor Business Association letter submitted for purposes of scoring twelve points under §50.9(i)(2)- Quantifiable Community Participation from Neighborhood Organizations was not awarded the points because they did not provide evidence that the association qualifies as a Neighborhood Organization as defined in the 2010 QAP; and

WHEREAS, the Applicant was not awarded four points for §50.9(i)(15)(A)- Economic Development Initiatives because they did not provide evidence that the area is a designated state or federal Empowerment/Enterprise Zone, Urban Enterprise Community, or Urban Enhanced Enterprise Community; therefore

BE IT RESOLVED, that the appeal of Champion Homes at Copperridge, #10134 is hereby denied.

Background

Champion Homes at Copperridge is a proposed 107-unit, new construction general population development in Dallas. Stemmons Corridor Business Association submitted a letter and packet to the Department for purposes of scoring points under Quantifiable Community Participation from Neighborhood Organizations §50.9(i)(2) of the Qualified Allocation Plan and Rules (QAP). The Department determined that the organization was ineligible for the twelve points because the development site was not determined to be located within the boundaries of the organization and, the Applicant has appealed the loss of four points for the ineligibility of the Economic Development Initiatives program identified by the Applicant because the organization is composed of business owners.

The original QCP packet submitted to the Department included a map of the organization's boundaries that reflected the development to be located within the boundaries. On March 1st a revised boundary map was sent to the Department wherein the development appeared to be located outside of the revised boundaries. Staff confirmed the location of the development site by utilizing the written boundaries provided in the QCP packet as well as other mapping resources to make a final determination that the site is located outside of the organization's boundaries. The Applicant appeals that the site is in fact located within the Stemmons Corridor

Association's boundaries because the site is on the boundary line, as well as being within a 1,000 foot extension beyond the boundary called for in the business organization's documents.

Additionally, the organization was also determined to not meet the definition of Neighborhood Organization, defined in the QAP and Statute as follows:

“An organization that is composed of persons living near one another within the organization's defined boundaries for the neighborhood and that has a primary purpose of working to maintain or improve the general welfare of the neighborhood. A neighborhood organization includes a homeowners' association or a property owners' association.” (§2306.001(23-a))

The information provided by the Stemmons Corridor Business Association has documented that it is an organization of businesses and has not documented that it involves any persons living near one another within the organization's defined boundaries. The Applicant appeals that the organization meets the definition because the majority of the members own real property in the area. However, the Department applied the rules of this specific scoring item equitably among all applications to meet the most specific limitations and requirements of Statute. The organization must be composed of persons living near one another. To the extent that a homeowner's association or a property owner's association qualifies under this provision, it does so only if it also meets the more specific requirements of persons living near one another.

With respect to the points lost related to §50.9(i)(15)(A)- Economic Development Initiatives, option A of this point item requires a letter from a city/county official stating that the proposed development is located with a designated State or Federal Empowerment/Enterprise Zone, Urban Enterprise Community or Urban Enhanced Enterprise Community. While the application submission for this item included a print out of the HUD website for the Dallas Urban Round I Enterprise Community with the site noted on the map, a letter from the city/county official stating that the proposed development is located within such a designated zone was not provided. A letter from the City of Dallas dated February 22, 2010 was provided under this point item confirming that the site is located within the Maple/Mockingbird Tax Increment Finance (TIF) District; however, a TIF District is not one of the eligible zones/communities specifically cited under option A of this point item.

The Applicant's appeal further states that City of Dallas staff has indicated that they will not issue letters required for these points as outlined in the QAP because no project in Texas meets the criteria. Further, the Applicant appeals that staff should level the playing field by awarding the four points because the staff at the City of Dallas does not believe any letter from any jurisdiction can meet the requirements. Staff disagrees with that logic as it would undermine the general collaborative nature of providing points for furthering local initiatives.

10134

Scoring Notice



MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2010 Application Round
Scoring Notice - Competitive Housing Tax Credit Application

Page 2 of Final Scoring Notice: 10134, Champion Homes at Copperridge

Explanation for Difference between Points Requested and Points Awarded by the Department (explanation does not include points for §§50.9(i)(2), (6) and (18)):

50.9(i)(15)- Economic Development Initiatives: the Tax Increment Financing Reinvestment Zone does not qualify under this item because this is not a state or federally designated zone. (4 pts requested, 0 awarded)

A formal appeals policy exists for the Competitive HTC Program. If you wish to appeal this scoring notice (including Set-Aside eligibility), you must file your appeal with the Department no later than 5:00 p.m. (CST), Wednesday, June 9, 2010. If an appeal is denied by the Executive Director, an Applicant may appeal to the Department's Board.

In an effort to increase the likelihood that Board appeals related to scoring and Set-Asides are heard at the Board meeting, the Department has provided an Appeal Election Form for all appeals submitted to the Executive Director. In the event an appeal is denied by the Executive Director, the form requests that the appeal automatically be added to the Board agenda.

If you have any concerns regarding potential miscalculations or errors made by the Department, please contact Raquel Morales by facsimile at (512) 475-0764 or by email at raquel.morales@tdhca.state.tx.us.

Sincerely,

Robbye Meyer 

Robbye Meyer
Director of Multifamily Finance



MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2010 Application Round
Scoring Notice - Competitive Housing Tax Credit Application

Appeal Election Form: 10134, Champlon Homes at Copperridge


I am in receipt of my 2010 scoring notice and am filing a formal appeal to the Executive Director on or before Wednesday, June 9, 2010.

If my appeal is denied by the Executive Director,:

- I do wish to appeal to the Board of Directors and request that my application be added to the Department Board of Directors meeting agenda. My appeal documentation, which identifies my specific grounds for appeal, is attached. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.

- I do not wish to appeal to the Board of Directors.

Note: If you do not wish to appeal this notice, you do not need to submit this form.

Signed 
Title Section Director, Prog. - G.P.
Date 6/3/10

Please fax or email to the attention of Raquel Morales:
Fax: (512) 475-0764 or (512) 475-1895
Email: <mailto:raquel.morales@tdhca.state.tx.us>

10134

Appeal Documents

ODYSSEY RESIDENTIAL HOLDINGS, L.P.
5420 LBJ FREEWAY, SUITE 1355
TWO LINCOLN CENTRE
DALLAS, TX 75240
972-701-5551
972-701-5562 FAX

Mr. Mike Gerber
Executive Director
TDHCA
221 East 11th Street
Insurance Building Annex
Austin, TX 78701

June 9, 2010

RE: Transit Oriented, Affordable Housing development in Dallas, Champion Homes at
Copperridge, TDHCA #10-134; appeal of the scoring notice dated June 2, 2010

Dear Mike:

Pursuant to the provisions in the QAP, Chicory Court IX, L.P. is making this appeal to the Executive Director regarding the final scoring notice we received on our TOD, transit oriented development, proposed directly adjacent to the newest DART light rail station in the UT Southwestern Medical District in Dallas, TX. At issue, are two point scoring items that result in our score being 16 points lower than it should be, as follows:

1. We did not receive the full 24 QCP, Quantifiable Community Participation Points, from our Stemmons Corridor Association support letter . The Stemmons Corridor Association is a well known, well established, community organization that influences nearly all key decisions that affect their defined area. This includes issues like land use and development for our proposed mixed use, affordable, transit oriented development in this application. They have been in existence for more than 10 years, operating with executive director and board of directors elected by their membership.
2. We did not receive, nor did any developments in the City of Dallas receive, a letter from the City of Dallas (COD) for the 4 economic development initiatives points. Staff has discussed this issue with the City of Dallas staff who maintain, not only, that they cannot write a letter for this initiative, but that the other jurisdictions that are writing these letters are doing so without support for their position. Simply put, TDHCA staff is aware that COD claims, as the QAP is written, that no one in the State is eligible for the letter needed to score these points. In addition, they believe, with few exceptions, that the Cities that do write the letters are doing so without verifying the accuracy of the statement and the TDHCA requirements.

To address staff's issue with the scoring on these items please refer to the letter attached here to Stemmons Corridor and the letter to us stating the reasons for the 12 points reduction in our scoring request. Two items are addressed in our letter:

1. The development site is not within the boundaries of the organization
2. The organization is a business organization not a community organization

First, we are within their boundaries as defined by their map and their organizational documents. The organization confirms that we are within their boundaries in their submission to TDHCA. This is not grounds for failing to fully score their letter because TDHCA did not give them an administrative

deficiency notice on this issue so the organization could respond in support of this position. We are within their boundaries as defined by their map and organizational documents because we are on their boundary line and the site is within the 1000 foot extension beyond the boundary called for in their organizational documents. This is and has been the organizations defined boundaries for long before we ever pursued this development. TDHCA would have to have given them a deficiency notice before making this independent determination. The organization's position today is that we are within their boundaries just as stated in their organizational documents and publicly available boundary map and confirmed in their support letter sent to TDHCA. www.scbadallas.org

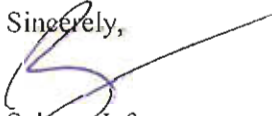
The second reason given by staff is that Stemmons Corridor is not a neighborhood organization because they are a business association. This is simple. Our contention is they are allowed as a neighborhood organization because the majority of their members own real property in the area. This makes them a property owners association which is specifically allowed in the QAP. I also want it to be clear that this group complies with the Statute enacting QCP points, see attached excerpts, and their mission and function is exactly what was contemplated by the legislature when this requirement was passed. Other "mixed" organizations did get QCP points, specifically projects with letters from the Downtown Dallas Resident's Council. This group's membership list is attached. Many of their members are businesses that do not "live" downtown. We are not suggesting they are not a valid organization for QCP. We are suggesting they have resident members and other members (business members) and the mix does not preclude their letter being scored. Since the majority of the members in Stemmons Corridor are property owners, even though some of the members are also businesses, does not preclude our letter from being scored. This is a property owners association by majority membership and our site is within their boundaries. We ask that you review all the facts in hand, including but not limited to the awarding of points to projects with letters from the Downtown Dallas Resident's Council. We further request that you reinstate our full QCP points by adding a net 12 to our scoring notice.

Regarding the 4 economic development points, there is not much to add to the issue outlined in #2 above. The City of Dallas staff expert has told department staff that they will not do the letters required for the points as outlined in the QAP because no project in Texas meets the criteria. They go further to tell us that no other jurisdiction can accurately provide the required letter. We respectfully request that you discuss this issue with staff and level the playing field by awarding us the 4 points. I have attached contact information for the record to the department in COD who refuses to provide these letters.

Finally, we respectfully request that the Executive Director grant our appeal and instruct staff to use the completed scoring notice with these additional 16 points included in the total. If the appeal is denied by the Executive Director, we respectfully request the appeal be placed on the next applicable Board agenda for consideration by the TDHCA board.

All of our application material including deficiency responses and all material in the QCP file from The Stemmons Corridor Association are included by reference with this appeal. We reserve the right to supplement the file prior to consideration of our appeal by the TDHCA, if necessary, as allowed by the rules. Your consideration in this matter is appreciated.

Sincerely,



Saleem Jafar
President of the G.P.

From: "Robert Todd" <rtodd@cityrealtygroup.com>
Subj: RE: Stemmon Corridor
Date: Wed Jun 9, 2010 2:56 pm
Size: 656 bytes
To: "'Mark Robertson'" <markrob@prgdallas.com>
cc: "Gabriela Gilmore" <gabriela.gilmore@scbadallas.org>

X 56 of the 99 members are property owners within the boundaries of the Stemmons Corridor Business Association.

Robert H. Todd

City Realty Group, Inc.

6333 Denton Drive, Suite 150

P.O. Box 35808

Dallas, TX 75235

214-351-1585 Office

214-763-9824 Cell

<<mailto:rtodd@cityrealtygroup.com>> rtodd@cityrealtygroup.com

SCORING NOTICE



MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2010 Application Round
Scoring Notice - Competitive Housing Tax Credit Application

Chicory Court IX, L.P.
 Saleem Jafar
 5420 LBJ Freeway, Suite 1235
 Dallas, TX 75240
 Phone #: (972) 701-5551
 Fax #: (972) 701-5562
 Email: sjafar@orhlp.com

Date Issued: June 02, 2010

THIS NOTICE WILL ONLY BE TRANSMITTED VIA EMAIL

Second Email: bfisher@orhlp.com

RE: 2010 Competitive Housing Tax Credit (HTC) Application for Champion Homes at Copperridge, TDHCA Number: 10134

Attention: Saleem Jafar

The Texas Department of Housing and Community Affairs (the "Department") has completed its Eligibility and Selection Criteria Review of the Application referenced above as further described in §50.9(d)(1) of the 2010 Qualified Allocation Plan and Rules ("QAP"). Below, a summary is provided of the score requested, as calculated by the Applicant, followed by the score requested, as calculated by the Department. The two numbers differ if the Applicant's calculation was incorrect. The next score shown is the score awarded to the Application by the Department, followed by the difference between the score requested (as calculated by the Department) and the score awarded. An explanation of the reason(s) for any differences, including points denied, is provided at the top of the second page of this notice. The next scoring items show the number of points awarded for each of the three categories for which points could not be requested by the applicant: §50.9(i)(2) Quantifiable Community Participation (QCP); §50.9(i)(6) Level of Community Support from State Representative or State Senator; §50.9(i)(18) Demonstration of Community Input other than QCP. This is followed, in bold, by the final cumulative number of points awarded by the Department to the Application.

Please note that if you were awarded points under §50.9(i)(5), or (28) of the 2010 QAP this notice only provides an explanation of any point deductions for those items. In addition, note that should this application receive an award of tax credits, at the time the executed Commitment Notice is required to be submitted, the Applicant or Development Owner must provide evidence of a commitment approved by the governing body of a local political subdivision for the sufficient local funding and a commitment approved by a qualifying private, state, or federal source to the Department. Qualifying sources other than those submitted in the Application may be submitted to the Department at the time the executed Commitment Notice is required to be submitted pursuant to §50.9(i)(5) and (28) of the 2010 QAP.

To the extent that a threshold review is not yet completed for this application, pursuant to §50.9(d)(3), the final score may still change, in which case you will be notified.

Allocation: Urban

Set Asides: USDA Non Profit At Risk

Score Requested by Applicant (Does not include points for §§50.9(i)(2), (6) or (18) of the 2010 QAP):	178
Score Requested as Calculated by Department (Does not include points for §§50.9(i)(2), (6) or (18) of the 2010 QAP):	178
Score Awarded by Department (Does not include points for §§50.9(i)(2), (6) or (18) of the 2010 QAP):	174
Difference between Requested and Awarded (Does not include points for §§50.9(i)(2), (6) or (18) of the 2010 QAP):	4
Points Awarded for §50.9(i)(2), Quantifiable Community Participation:	12
Points Awarded for §50.9(i)(6), Input from State Senator or Representative:	14
Points Awarded for §50.9(i)(18), Community Input Other than QCP:	0
Final Score Awarded to Application by Department:	200



MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2010 Application Round
Scoring Notice - Competitive Housing Tax Credit Application

Page 2 of Final Scoring Notice: 10134, Champion Homes at Copperridge

Explanation for Difference between Points Requested and Points Awarded by the Department
(explanation does not include points for §§50.9(i)(2), (6) and (18)):

50.9(i)(15)- Economic Development Initiatives: the Tax Increment Financing Reinvestment Zone does not qualify under this item because this is not a state or federally designated zone. (4 pts requested, 0 awarded)

A formal appeals policy exists for the Competitive HTC Program. If you wish to appeal this scoring notice (including Set-Aside eligibility), you must file your appeal with the Department no later than 5:00 p.m. (CST), Wednesday, June 9, 2010. If an appeal is denied by the Executive Director, an Applicant may appeal to the Department's Board.

In an effort to increase the likelihood that Board appeals related to scoring and Set-Asides are heard at the Board meeting, the Department has provided an Appeal Election Form for all appeals submitted to the Executive Director. In the event an appeal is denied by the Executive Director, the form requests that the appeal automatically be added to the Board agenda.

If you have any concerns regarding potential miscalculations or errors made by the Department, please contact Raquel Morales by facsimile at (512) 475-0764 or by email at raquel.morales@tdhca.state.tx.us.

Sincerely,

Robbye Meyer

A handwritten signature in black ink, appearing to read "Robbye Meyer".

Robbye Meyer
Director of Multifamily Finance

QCP NOTICE



Texas Department of Housing and Community Affairs
Multifamily Finance Division
2010 Quantifiable Community Participation

May 24, 2010

Primary Contact:

Contact Name: Tony Gilbert, Chairman of the Board

Contact Phone: (214) 905-6391

Contact Fax: (214) 605-6995

Contact E-Mail: tony.gilbert@mkcorp.com

Second Contact:

Second Contact: Gabriela Gilmore

Second Phone: (214) 800-8771

Second Fax: (214) 800-8777

2nd E-Mail: gabriela.gilmore@scbadallas.org

Re: Neighborhood Organization for Quantifiable Community Participation
TDHCA# 10134

Dear Tony Gilbert:

The Texas Department of Housing and Community Affairs (the "Department") received the letter you submitted for the purpose of scoring Quantifiable Community Participation (QCP) points, in accordance with §50.9(i)(2) of the Qualified Allocation Plan and Rules, for the above referenced application.

The Department has reviewed the letter and all documentation that was submitted and compared it to the requirements of the 2010 Qualified Allocation Plan and Rules (QAP) that govern the Housing Tax Credit Program. In our review, one or more of the requirements, still have not been satisfied.

The letter submitted for points under §50.9(i)(2) of the 2010 Qualified Allocation Plan and Rules ("QAP") does not qualify because the organization is a Business Association and the development site is not within the boundaries.

Unfortunately, your organization's letter will not be considered further for scoring. However, please be assured the Department values all public comment and while the Department will be unable to assign points to your letter, the Department will still record your comment in the Application's file and provide the Department's Governing Board with a summary of your comment for their information when considering a final decision with regard to the award of funding.

The Department appreciates your participation in the public comment process. If you have any questions relating to the score awarded, please do not hesitate to contact Raquel Morales at (512) 475-1676 or by email at <mailto:raquel.morales@tdhca.state.tx.us>

Sincerely,

Robbye Meyer

Robbye Meyer

Director of Multifamily Finance

Bill Fisher

From: Raquel Morales [raquel.morales@tdhca.state.tx.us]
Sent: Thursday, June 03, 2010 2:15 PM
To: Bill Fisher; Robbye Meyer
Cc: Robert Onion; Melissa Adami; Saleem Jafar; Nicole Fisher
Subject: RE: Champion Homes at Copperidge
Attachments: Stemmons Corridor- Maps.pdf

Bill,

I've attached a copy of what was sent to us directly from the organization. In the original QCP packet they provided a map with the neighborhood organization's boundaries and the development site referenced. We subsequently received a revised map from Gabriela Gilmore which changes the development being located within the boundaries of the organization. Further, staff looked up the site in relation to the boundaries identified in the QCP letter and verified that the development is not located within the boundaries.

Stemmons Corridor is composed of business owners who do not live near one another. The definition of a Neighborhood Organization in the QAP requires that the organization be composed of persons living near one another within the organization's defined boundaries. Owning a business within the boundaries is not the same as living near one another within the boundaries.

You can appeal staff's decision through our appeal process.

Raquel Morales
Multifamily HTC Program Administrator
(512) 475-1676 - office
(512) 475-0764- fax
raquel.morales@tdhca.state.tx.us

From: Bill Fisher [mailto:bfisher@orhlp.com]
Sent: Thursday, June 03, 2010 2:08 PM
To: Raquel Morales; Robbye Meyer
Cc: Robert Onion; Melissa Adami; Saleem Jafar; Nicole Fisher
Subject: RE: Champion Homes at Copperidge

We are clearly in their footprint. They have a map on their website which we fit into without question. Can you show us how you came to that position regarding their boundaries?

They are a well known and well established community organization made up primarily of property owners. How are they different than the Downtown Dallas Resident's Council. That organization has tons of members who are businesses downtown?

Bill

From: Raquel Morales [mailto:raquel.morales@tdhca.state.tx.us]
Sent: Thursday, June 03, 2010 1:41 PM
To: Bill Fisher; Robbye Meyer
Cc: Robert Onion; Melissa Adami; Saleem Jafar; Nicole Fisher
Subject: RE: Champion Homes at Copperidge

Bill,

I've attached the letter that the Department sent out to the neighborhood organization directly regarding their QCP letter and the reason for the ineligibility. This letter gives specifics as to why it was not eligible for the full 24 points.

Let me know if you have any other questions.

Raquel Morales
Multifamily HTC Program Administrator
(512) 475-1676 - office
(512) 475-0764- fax
raquel.morales@tdhca.state.tx.us

From: Bill Fisher [mailto:bfisher@orhlp.com]
Sent: Thursday, June 03, 2010 1:23 PM
To: Robbye Meyer; Raquel Morales
Cc: Robert Onion; Melissa Adami; Saleem Jafar
Subject: Champion Homes at Copperidge

Robbye and Raquel,

We did not get the QCP points for our support letter from Stemmon Corridor. Who do we contact to find out the reason it was not scored?

I understand that the department scored for 24 points the Downtown Dallas Residents Council. In reviewing their website at the time of application it appeared to be similar in nature to Stemmons Corridor.

I would like an explanation as to what the difference is between the two organizations that led one to score and the other to not score. With the QCP points, we have a score that should be competitive for credits.

The basis of our appeal will be around the QCP points. Stemmons Corridor Association is made up primarily of property owners and have held sway in this area for more than 10 years. I understand they have a staff and ED. We are not looking to undo the other groups QCP points, just take advantage of the similarities in the two groups to get the letter scored for our project.

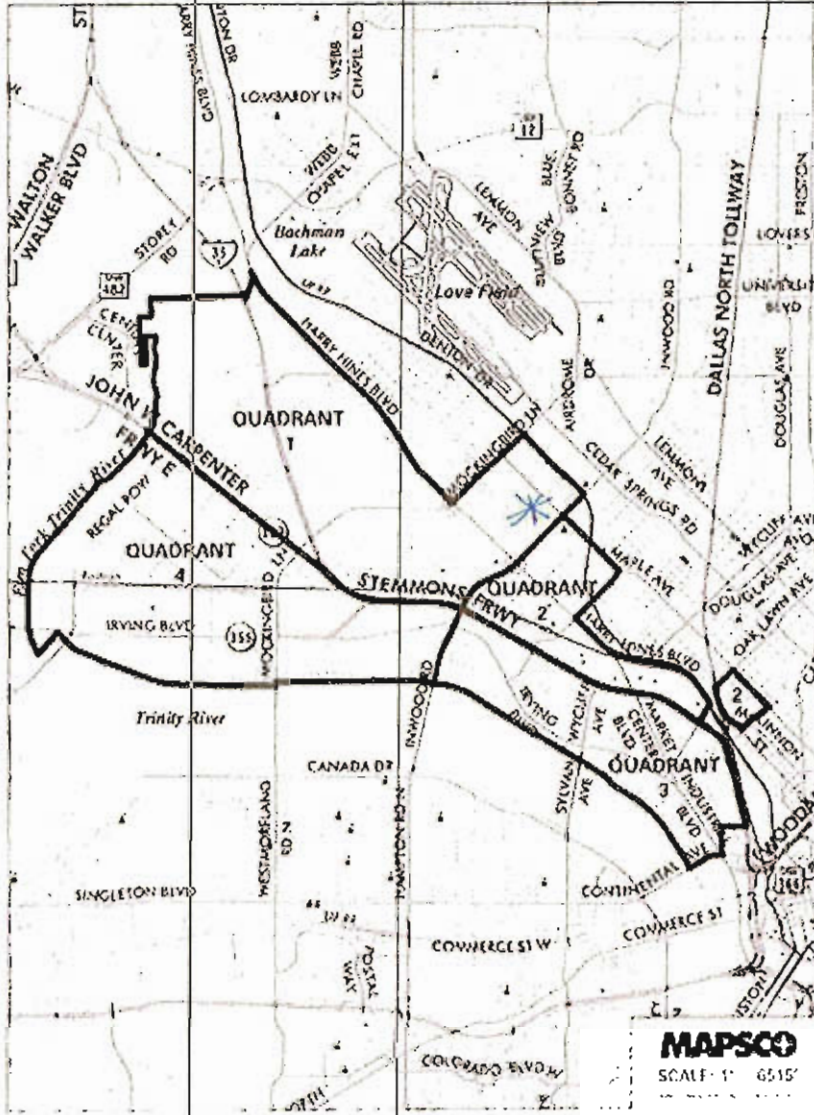
Can you help me with this information?

Thanks

Bill

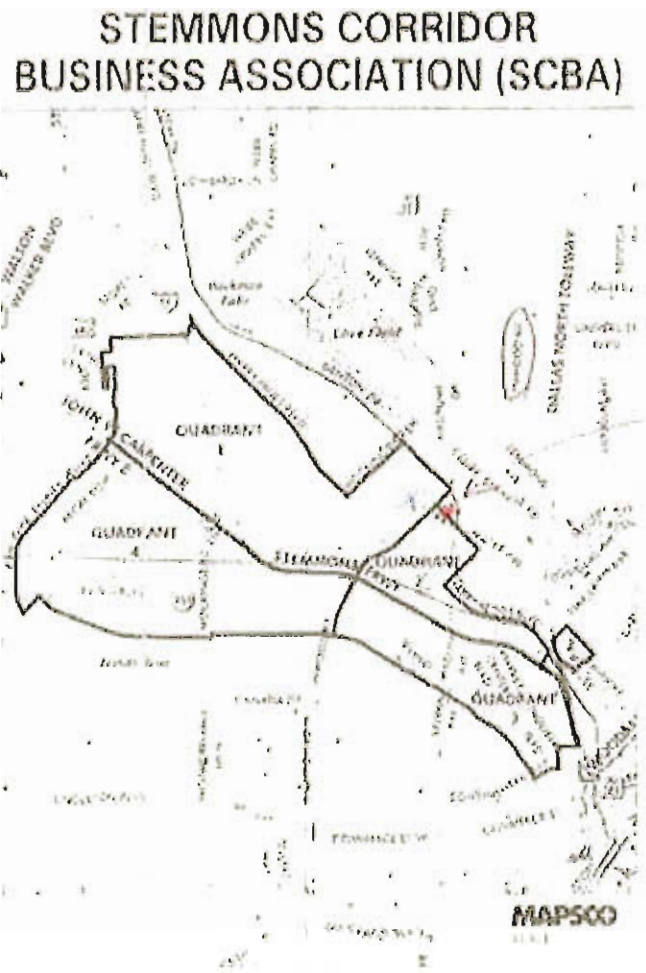
James R. (Bill) Fisher
Odyssey Residential Holdings, L.P.
5420 LBJ Freeway, Suite 1355
Two Lincoln Centre
Dallas, TX 75240
972-701-5551
972-701-5562 FAX
214-608-7201 Cell
bfisher@orhlp.com
bfisher8@airmail.net
www.odysseyresidentialholdings.com

STEMMONS CORRIDOR BUSINESS ASSOCIATION (SCBA)



From: [Gabriela Gilmore](#)
To: nicole.fisher@tdhca.state.tx.us
Subject: Updated boundary map with development site from SCBA
Date: Monday, March 01, 2010 2:29:46 PM

Nicole,
One of our board members made an update/correction to the boundary map that I previously sent. Please use this one with the development site marked in red. Thank you.

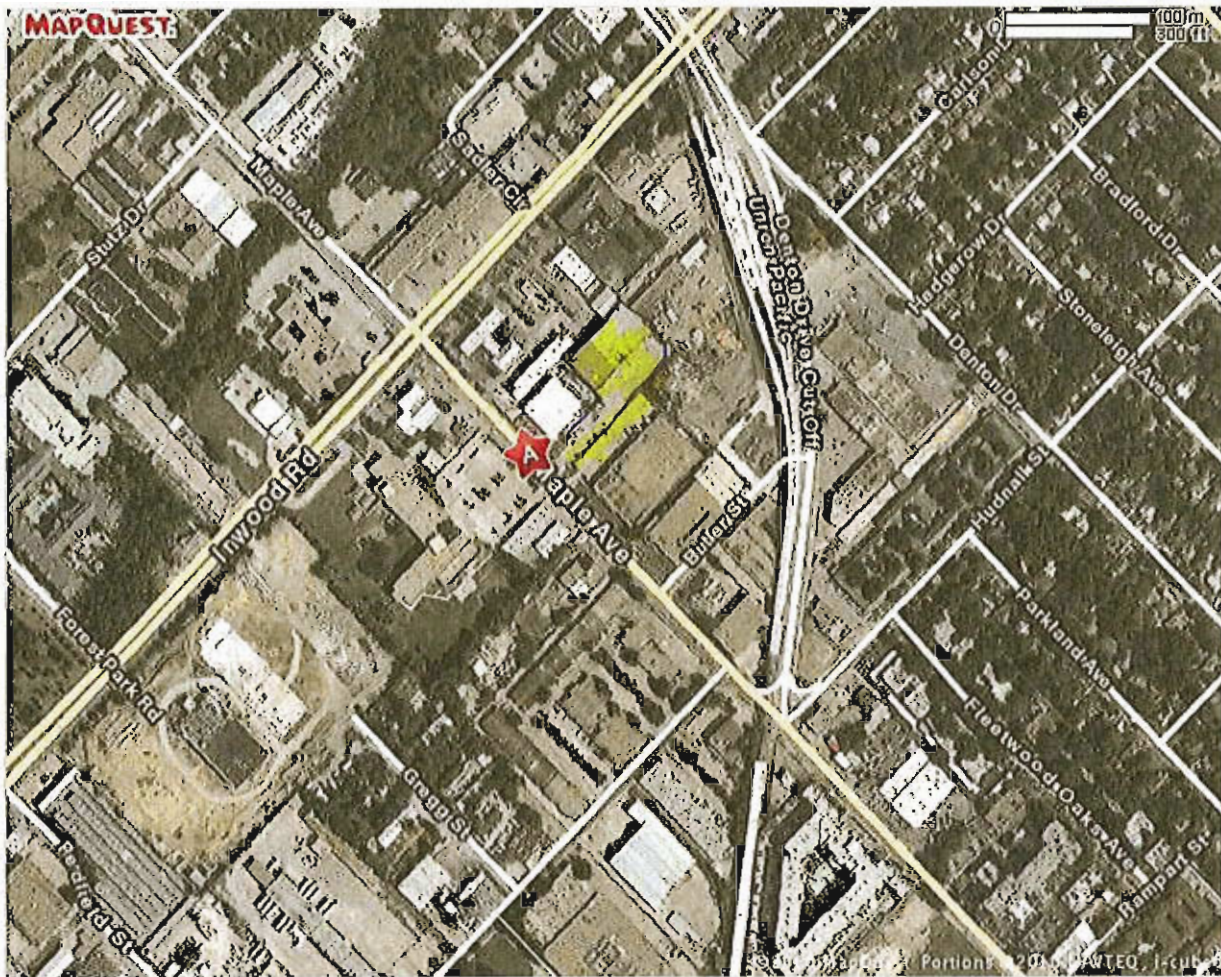




MAPQUEST.

Notes

Map of 5609 Maple Ave
Dallas, TX 75235-7419



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QCP DEFICIENCY NOTICE



Texas Department of Housing and Community Affairs
Multifamily Finance Division
2010 Quantifiable Community Participation

March 22, 2010

Primary Contact:

Contact Name: Tony Gilbert, Chairman of the Board

Contact Phone: (214) 905-6391

Contact Fax: (214) 605-6995

Contact E-Mail: tony.gilbert@mkcorp.com

Second Contact:

Second Contact: Gabriela Gilmore

Second Phone: (214) 800-8771

Second Fax: (214) 800-8777

2nd E-Mail: gabriela.gilmore@scbadallas.org

Re: Letter from Stemmons Corridor Business Association for Quantifiable Community Participation 10134

Dear Tony Gilbert, Gabriela Gilmore:

The Texas Department of Housing and Community Affairs (the "Department") received the letter you submitted for the purpose of scoring Quantifiable Community Participation (QCP) points, in accordance with §50.9(i)(2) of the Qualified Allocation Plan and Rules, for the above referenced application.

The Department has reviewed the letter and all documentation that was submitted and compared it to the requirements of the 2010 Qualified Allocation Plan and Rules (QAP) that govern the Housing Tax Credit Program and determined that one or more of the requirements has not been satisfied. The Department hereby requests the following information be submitted in to, or for clarification or correction of, existing information.

The items listed below are those items that need to be provided to the Department.

1. Please provide an explanation of how the Stemmons Corridor Business Association "meets the definition of 'Neighborhood Organization' as defined in §50.3(68) of the 2010 Qualified Allocation Plan and Rules and is an organization comprised of persons living near one another within the organization's defined boundaries and that it has a primary purpose of working to maintain or improve the general welfare of the neighborhood.
2. There was no evidence provided that showed the method(s) used to notify residents within the organization's boundaries of opportunities to join or participate in the organization's affairs. Please provide this information.

In accordance with §50.9(i)(2)(C), the deficiencies above must be clarified or corrected and received by the Department by 5:00 p.m. CST on the fifth (5th) business day following the date of this notice of the letter will no longer be considered for Quantifiable Community Participation.

Pursuant to §50.9(i)(2)(C), the deficiencies above must be clarified or corrected and received by the Department by 5:00 p.m. CST on the fifth (5th) business day following the date of this notice or the letter will no longer be considered for Quantifiable Community Participation.



Texas Department of Housing and Community Affairs
Multifamily Finance Division
2010 Quantifiable Community Participation

All documentation and questions regarding this notice should be directed to the attention of the staff member issuing this notice at:

TDHCA Multifamily Finance Division
Via U.S. Mail: P.O. Box 13941, Austin, Texas 78711-3941.
Via express delivery/private courier: 221 East 11th, Austin, TX 78701.

Only documents less than 10 pages in length may be faxed to: (512) 475-0764. You may also e-mail your response to the staff member issuing this notice.

You may submit your document by facsimile to (512) 475-0764 or by email to the staff member issuing the notice.

Should you have any questions, please contact Nicole Fisher at (512) 475-2201 or by email at <mailto:nicole.fisher@tdhca.state.tx.us>

Sincerely,

Valentin DeLeon

Multifamily Housing Specialist

Toll Free Phone Number: 1-800-525-0657 or my Direct Phone Number: (512) 475-3061

Email: valentin.deleon@tdhca.state.tx.us

Downtown Dallas
Resident Council
Membership List



DOWNTOWN DALLAS'

2008 Membership List

Company Name:
1900 McKinney
360 Architecture
A.H. Belo Corporation
Adair Morris & Osborn
AFI Dallas International Film Festival
Allie Beth Urban
Alpha-Barnes
ALT Worldwide Chauffeured Services
Amegy Bank of Texas
Andres Construction
Andres Properties
Armstrong Berger Landscape Architects
AT&T
Atmos Energy Corporation
Austin Industries, Inc.
Bank of America
Bank of America Plaza
Baylor Health Care System
BEARCOM Wireless Worldwide
Belmont Hotel
Ben E. Keith Company
Bennett Miller Company
Billingsley Company
Bradley & Bradley Realtors, Inc.
Bright Horizons
Brook Furniture Rental Inc.
Brook Partners, Inc.
Capital One Bank
CB Richard Ellis
Central Parking Systems
Charter Holdings
Chase
Chavez Properties/Star Parking
Chicago Title Insurance Co.
Cirque
Citibank of Texas, N.A.
City View
Coach America
Collier International - Urban Advisory Group
Comerica Bank
Comerica Bank Tower
Corqan Associates, Inc.
Cottonwood Partners
Crescent Real Estate Equities, Ltd.
Crow Collection of Asian Art
Crow Holdings
Current Energy
Cushman & Wakefield
D Magazine
Dallas Arts District Alliance
Dallas Black Dance Theatre
Dallas Center/Performing Arts
Dallas Citizens Council
Dallas Convention & Visitors Bureau
Dallas County Community College District
Dallas InterUrban
Dallas Public Library



DOWNTOWN DALLAS'

2008 Membership List

Company Name:

Dallas Symphony Association
DeShazo, Tang & Associates, Inc
DLA Piper US LLP
Downtown YMCA
Dykema
E.H. Teasley & Company
ECOM Real Estate
Energy Future Holdings
Epstein Becker Green, P.C.
Equity Office
Ernst & Young LLP
Estrella Energy
Expressions by Susan Inc.
Fast Signs Downtown
Federal Reserve Bank of Dallas
First Baptist Academy
First Presbyterian Church
First Southwest Company
Forest City Residential Group
Freese & Nichols
Gables Residential
Gardere Wynne Sewell LLP
Good Fulton & Farrell
Granite Properties
Grant Thornton
Greenberg Traurig, LLP
GVA Cawley Realty Services
Hall Financial Group, Inc.
Hamilton Properties
Harwood International
Haynes & Boone, LLP
Headington Oil
Henry S. Miller
HKS
HOK
Holliday Fenoglio Fowler, L.P.
Hunt Consolidated, Inc.
Hunton & Williams
Hyatt Regency Dallas
Jackson Walker
Jacobs
Jason's Dell
Jim Lake Companies
Jones Day
Jones Lang LaSalle
Jos A. Bank Clothing
JPI Partners, LLC
KDFW FOX 4, kdfi 27
KPMG
L&B Realty Advisors
LAZ Parking
Levenson & Brinker Public Relations
Lincoln Property Company - 1700 Pacific
Locke Lord Bissell & Liddell LLP
Lockton Dunning Benefit Company
LOPEZGARCIA GROUP
Lupshire Management Company, Inc.
Magellan Commercial Realty, Inc.
Manhattan Construction
Marcus & Millichap



DOWNTOWN DALLAS'

2008 Membership List

Company Name:

Mary Kay, Inc.
Merriman Associates Architects
Millet The Printer, Inc.
Munsch Hardt Kopf & Harr, P.C.
Myron Mims, Esq.
Nasher Sculpture Center
Neiman Marcus
North Texas Public Broadcasting, Inc. (KERA)
Office Equipment Company
Old Red Museum
Omnicom Management Services
Oncor Electric Delivery
Palton Boggs, LLP
Pearl at Commerce
Pegasus School of Liberal Arts & Sciences
Peloton Real Estate Partners
People Newspapers
Pillar Group
Platinum Parking
PM Realty Group
Post Properties, Inc.
Pricewaterhouse
Purdy-McGuire
RBC Builders Finance
RE/MAX Urban, Realtors
REDLEE/SCS
Republic Center
South Side on Lamar
Spectrum Properties
SPG International, Inc.
Spire Realty Group
Staubach
Stewart National Title Services
Strategic Hype
Stream Realty Partners, Inc.
Teknion
TEN Sports Grill
Tenet Healthcare Corporation
Texas Capital Bank
The Adolphus
The Adolphus Tower
The Beck Group
The Joule Hotel
The Magnolia Hotel
The Metropolitan
The Point Group
The Real Estate Council
The Sixth Floor Museum @ Dealy Plaza
The Texas Club
The Thanks-Giving Foundation
Thompson & Knight
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Tier Development
TM Advertising
Todd Interests
Tower Club of Dallas
Transwestern
Trigon Management
Turner Construction
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DOWNTOWNDALLAS'

2008 Membership List

Company Name:

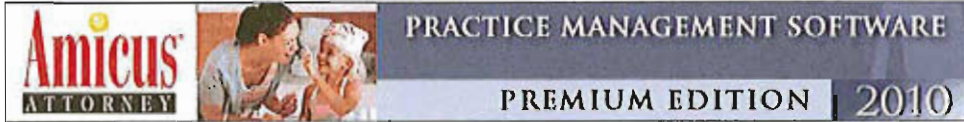
University of North Texas System
UPS
Urban Paws
Victory Park - Hillwood
Vinson & Elkins, LLP
Wachovia Bank
Waste Management
WDG Habib Architecture, Inc.
Weber Shandwick
Wells Fargo
Westmount Realty Capital, LLC/ SoCo Urban Loft Condominiums, Ltd.
Winstead
Woodbine Development Corporation
Worth, Ross Management
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QCP:

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 Subchapter DD Section 2306.6710

TEX GV. CODE ANN. § 2306.6710 : Texas Statutes - Section 2306.6710: EVALUATION AND UNDERWRITING OF APPLICATIONS

Search TEX GV. CODE ANN. § 2306.6710 : Texas Statutes - Section 2306.6710: EVALUATION AND UNDERWRITING OF APPLICATIONS

(a) In evaluating an application, the department shall determine whether the application satisfies the threshold criteria required by the board in the qualified allocation plan. The department shall reject and return to the applicant any application that fails to satisfy the threshold criteria.

(b) If an application satisfies the threshold criteria, the department shall score and rank the application using a point system that:

(1) prioritizes in descending order criteria regarding:

(A) financial feasibility of the development based on the supporting financial data required in the application that will include a project underwriting pro forma from the permanent or construction lender;

(B) quantifiable community participation with respect to the development, evaluated on the basis of written statements from any neighborhood organizations on record with the state or county in which the development is to be located and whose boundaries contain the proposed development site;

(C) the income levels of tenants of the development;

(D) the size and quality of the units;

(E) the commitment of development funding by local political subdivisions;

(F) the level of community support for the application, evaluated on the basis of written statements from the state representative or the state senator that represents the district containing the proposed development site;

(G) the rent levels of the units;

(H) the cost of the development by square foot;

(I) the services to be provided to tenants of the development; and

(J) whether, at the time the complete application is submitted or at any time within the two-year period preceding the date of submission, the proposed development site is located in an area declared to be a disaster under Section 418.014;

(2) uses criteria imposing penalties on applicants or affiliates who have requested extensions of department deadlines relating to developments supported by housing tax credit allocations made in the application round preceding the current round or a developer or principal of the applicant that has been removed by the lender, equity provider, or limited partners for its failure to perform its obligations under the loan documents or limited partnership agreement; and

(3) encourages applicants to provide free notary public service to the residents of the developments for

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which the allocation of housing tax credits is requested.

(c) The department shall publish in the qualified allocation plan details of the scoring system used by the department to score applications.

(d) The department shall underwrite the applications ranked under Subsection (b) beginning with the applications with the highest scores in each region described by Section 2306.111(d) and in each set-aside category described in the qualified allocation plan. Based on application rankings, the department shall continue to underwrite applications until the department has processed enough applications satisfying the department's underwriting criteria to enable the allocation of all available housing tax credits according to regional allocation goals and set-aside categories. To enable the board to establish an applications waiting list under Section 2306.6711, the department shall underwrite as many additional applications as the board considers necessary to ensure that all available housing tax credits are allocated within the period required by law. The department shall underwrite an application to determine the financial feasibility of the development and an appropriate level of housing tax credits. In determining an appropriate level of housing tax credits, the department shall evaluate the cost of the development based on acceptable cost parameters as adjusted for inflation and as established by historical final cost certifications of all previous housing tax credit allocations for:

- (1) the county in which the development is to be located;
- (2) if certifications are unavailable under Subdivision (1), the metropolitan statistical area in which the development is to be located; or
- (3) if certifications are unavailable under Subdivisions (1) and (2), the uniform state service region in which the development is to be located.

(e) In scoring applications for purposes of housing tax credit allocations, the department shall award, consistent with Section 42, Internal Revenue Code of 1986 (26 U.S.C. Section 42), preference points to a development that will:

- (1) when practicable and feasible based on documented, committed, and available third-party funding sources, serve the lowest income tenants per housing tax credit, if the development is to be located outside a qualified census tract; and
- (2) produce for the longest economically feasible period the greatest number of high quality units committed to remaining affordable to any tenants who are income-eligible under the low income housing tax credit program.

(f) In evaluating the level of community support for an application under Subsection (b)(1)(F), the department shall award:

- (1) positive points for positive written statements received;
- (2) negative points for negative written statements received; and
- (3) zero points for neutral statements received.

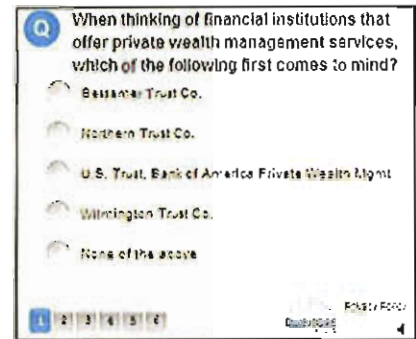
(g) Repealed by Acts 2007, 80th Leg., R.S., Ch. 1341, Sec. 42, eff. September 1, 2007.

Added by Acts 2001, 77th Leg., ch. 1367, Sec. 8.01, eff. Sept. 1, 2001. Amended by Acts 2003, 78th Leg., ch. 330, Sec. 22, eff. Sept. 1, 2003.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. [1341](http://www.legis.state.tx.us/tlodocs/80R/billtext/html/SB01908F.HTM), Sec. 6, eff. September 1, 2007.

Acts 2007, 80th Leg., R.S., Ch. [1341](http://www.legis.state.tx.us/tlodocs/80R/billtext/html/SB01908F.HTM), Sec. 42, eff. September 1, 2007.



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APPLICATION LOG

Up
LOW INCOME HOUSING TAX CREDIT PROGRAM

Next »
ALLOCATION OF HOUSING TAX CREDITS

10134

Executive Director's
Response



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

Michael Gerber
EXECUTIVE DIRECTOR

June 21, 2010

Saleem Jafar
Odyssey Residential Holdings, L.P.
5420 LBJ Freeway, Suite 1355
Two Lincoln Centre
Dallas, Texas 75240

Re: Appeal of Scoring Notice for #10134, Champion Homes at Copperridge

Dear Mr. Jafar:

Appeal Review

I have carefully reviewed the appeal received on June 9, 2010, by the Texas Department of Housing and Community Affairs (the "Department"), regarding your request to reconsider the twelve (12) points deducted for §50.9(i)(2) of the Qualified Allocation Plan and Rules (QAP) - Quantifiable Community Participation from Neighborhood Organizations and the four (4) points deducted for §50.9(i)(15) of the QAP - Economic Development Initiatives.

A letter from the Stemmons Corridor Business Association was submitted directly to the Department for purposes of scoring points under §50.9(i)(2) of the QAP. The Department determined that the letter provided was not eligible because the organization does not meet the requirements of a Neighborhood Organization as defined in the 2010 QAP. The development site does not exist within the boundaries of the organization as reflected in the information provided by the Stemmons Corridor Business Association. The definition of Neighborhood Organization in both the 2010 QAP and Statute reads as follows:

“(68) Neighborhood Organization--An organization that is composed of persons living near one another within the organization's defined boundaries for the neighborhood and that has a primary purpose of working to maintain or improve the general welfare of the neighborhood. A neighborhood organization includes a homeowners' association or a property owners' association. (§2306.001(23-a), Texas Government Code)”

The Stemmons Corridor Business Association is an organization of businesses and has not documented that any persons live near one another within the organization's defined boundaries. The appeal asserts that the organization meets the definition because the majority of the members own real property in the area. However, the Department applied the rules of this section equitably among all letters submitted for these points to meet the most specific limitations and requirements of Statute. The organization must be composed of persons living near one another. To the extent that a homeowner's association or a property owner's association qualifies under this provision, it does so only if it also meets the more specific requirements of persons living near one another.

With respect to the points requested under §50.9(i)(15)- Economic Development Initiatives, the application provided two separate items for consideration. The first item submitted under this exhibit was a copy of the HUD website reflecting a map of the Dallas Urban Round I Enterprise Community, with the development site and census tract identified by the

Applicant on the map. The second item submitted for consideration was a letter from the City of Dallas identifying the development site to be located within a Tax Increment Financing District. The application requested points under option A of this rule, which states the following:

“(15) **Economic Development Initiatives.** A Development that is located in one of the following two areas may qualify to receive 4 points. For the purpose of this paragraph, "area" shall mean the boundaries of any zone or community in subparagraph (A) of this paragraph or the area in which funds in subparagraph (B) of this paragraph must be used:

(A) A Designated State or Federal Empowerment/Enterprise Zone, Urban Enterprise Community, or Urban Enhanced Enterprise Community. To be eligible for these points, Applicants must submit a letter and a map of the zoned area from a city/county official stating that the proposed Development is located within such a designated zone or area; is eligible to receive the state or federal economic development grants or loans associated with such designations; and the city/county still has available funds in such program. The letter should be no older than six (6) months from the first day of the Application Acceptance Period. (General Appropriation Act, Article VII, Rider 3; §2306.127);”

Of the two items presented, the Dallas Urban Round I Enterprise Community may have qualified; however, a letter from a city/county official stating that the proposed Development is located within such a designated zone or community was not provided as required by the 2010 QAP. The Applicant asserts that City of Dallas staff maintains that they cannot write a letter for this initiative and that no city or county within the State is eligible for the letter needed to score these points. Additionally, the Applicant states that the Department should level the playing field by awarding the four points to this application given the position provided by the City of Dallas on this requirement.

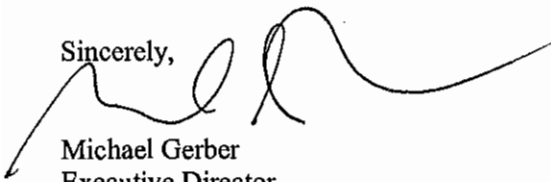
The Applicant also provided a letter from the City of Dallas with respect to the Maple/Mockingbird TIF District; however, the letter is not eligible as it is not one of the specific zones or communities eligible for the points under option A. Further, a TIF district is created locally by a city, thus not meeting the requirement that is be state or federally designated.

Appeal Determination

Your appeal is denied.

Per your request your appeal has been placed on the next Board meeting agenda. Pursuant to §50.17(b)(4) of the 2010 Qualified Allocation Plan and Rules, if you wish to submit any further documentation for your Board appeal, the documentation **must** be received by 5:00 p.m. CST on **June 28, 2010** to be placed with the July 2010 Board materials. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.

Sincerely,



Michael Gerber
Executive Director

MFF/rbm

cc: Bill Fisher

10136

Evergreen at
Richardson

**MULTIFAMILY FINANCE DIVISION
BOARD ACTION REQUEST
July 8, 2010**

Requested Action

Deny the appeal to reinstate twelve points for §50.9(i)(2)- Quantifiable Community Participation from Neighborhood Organizations for Application #10136, Evergreen at Richardson.

WHEREAS, an application for tax credits was submitted for Evergreen at Richardson on March 1, 2010; and

WHEREAS, the Breckinridge Corners Property Owners Association letter submitted for purposes of scoring twelve points under §50.9(i)(2)- Quantifiable Community Participation from Neighborhood Organizations was not awarded the points because they did not provide evidence that the association qualifies as a Neighborhood Organization as defined in the 2010 QAP; therefore

RESOLVED, that the appeal of Evergreen at Richardson, #10136 is hereby denied.

Background

Evergreen at Richardson is a proposed 170-unit elderly, new construction development in Richardson. A letter and packet from the Breckenridge Corners Property Owners Association for purposes of scoring the twelve points under Quantifiable Community Participation §50.9(i)(2) of the Qualified Allocation Plan and Rules (QAP) was submitted to the Department.

The Department determined that the organization was not eligible because the organization does not meet the definition of Neighborhood Organization as defined in the 2010 QAP. Specifically, it does not meet the requirement that the organization must be “composed of persons living near one another within the organization’s defined boundaries of the neighborhood...” During the review of the information submitted by the organization, staff was able to verify that only two members of the organization live within the boundaries; however, both members live within the same household residence. The Department does not believe that one household residence comprises the intent of a “neighborhood” and did not award the full twenty-four points for QCP to this organization. The Application did receive twelve points for QCP as there was no opposition letters received.

The Applicant asserts that the definition of Neighborhood Organization does not specify how many persons must live near one another and within the boundaries in order to qualify as such. Further, the Applicant states that there are a total of fifteen members in the Breckenridge Corners POA and confirms that only two of the members live within the boundaries and they share the same residence. As a result the Applicant believes this

organization meets the definition of “persons living near one another” and is eligible to receive the full twenty-four points for QCP.

10136

Scoring Notice



MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2010 Application Round
Scoring Notice - Competitive Housing Tax Credit Application

Page 2 of Final Scoring Notice: 10136, Evergreen at Richardson

**Explanation for Difference between Points Requested and Points Awarded by the Department
(explanation does not include points for §§50.9(i)(2), (6) and (18)):**

A formal appeals policy exists for the Competitive HTC Program. If you wish to appeal this scoring notice (including Set-Aside eligibility), you must file your appeal with the Department no later than 5:00 p.m. (CST), Wednesday, June 9, 2010. If an appeal is denied by the Executive Director, an Applicant may appeal to the Department's Board.

In an effort to increase the likelihood that Board appeals related to scoring and Set-Asides are heard at the Board meeting, the Department has provided an Appeal Election Form for all appeals submitted to the Executive Director. In the event an appeal is denied by the Executive Director, the form requests that the appeal automatically be added to the Board agenda.

If you have any concerns regarding potential miscalculations or errors made by the Department, please contact Raquel Morales by facsimile at (512) 475-0764 or by email at raquel.morales@tdhca.state.tx.us.

Sincerely,

Robbye Meyer

Robbye Meyer
Director of Multifamily Finance



MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2010 Application Round
Scoring Notice - Competitive Housing Tax Credit Application

Appeal Election Form: 10136, Evergreen at Richardson

I am in receipt of my 2010 scoring notice and am filing a formal appeal to the Executive Director on or before Wednesday, June 9, 2010.

If my appeal is denied by the Executive Director,:

- I do wish to appeal to the Board of Directors and request that my application be added to the Department Board of Directors meeting agenda. My appeal documentation, which identifies my specific grounds for appeal, is attached. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.
- I do not wish to appeal to the Board of Directors.

Note: If you do not wish to appeal this notice, you do not need to submit this form.

Signed _____

Title _____

Date _____

Please fax or email to the attention of Raquel Morales:

Fax: (512) 475-0764 or (512) 475-1895

Email: <mailto:raquel.morales@tdhca.state.tx.us>

10136

Appeal Documents

COATS | ROSE

A Professional Corporation

TAMEA A. DULA
OF COUNSEL

tdula@coatsrose.com
Direct Dial
(713) 653-7322
Direct Fax
(713) 890-3918

June 8, 2010

By E-Mail Submission

Texas Department of Housing
and Community Affairs
221 E. 11th Street
Austin, Texas 78701-2410
Attention: Michael Gerber, Executive Director

RE: Evergreen at Richardson (TDHCA # 10136).

Dear Mike:

This law firm represents Churchill Residential, Inc., the developer of Evergreen at Richardson Senior Community (the "Project"), who prepared the 2010 Application for 9% Tax Credits on behalf of the project sponsor, PWA Coalition of Dallas, Inc., d/b/a AIDS Services of Dallas, a 501(c)(3) organization. We are appealing the denial of 12 Quantifiable Community Participation ("QCP") points for the Project pursuant to a support letter from Breckinridge Corners Property Owners Association ("Breckinridge")

In a letter from Robbye Meyer to Ed Whitehill of Breckinridge dated May 24, 2010, the points were denied because:

The letter submitted for points under §50.9(i)(2) of the 2010 Qualified Allocation Plan and Rules (QAP) does not qualify as a Neighborhood Organization. There are only 2 members of the organization that live within the boundaries and they share a residence; therefore, it doesn't meet the definition of "persons living near one another."

We note that the definition of a Neighborhood Association is set out in Section 50.3(68) of the 2010 Qualified Allocation Plan ("QAP"):

(68) Neighborhood Organization--An organization that is composed of persons living near one another within the organization's defined boundaries for the neighborhood and that has a primary purpose of working to maintain or improve the general welfare of the neighborhood. A neighborhood organization includes a homeowners' association or a property owners' association. (§2306.001(23-a))

The definition fails to specify how many persons must live near one another and within the organization's defined boundaries in order to have a Neighborhoods Organization. Clearly there must be more than one person because of the use of the plural term "persons". Equally clearly, the QAP does not specify a minimum number of residents required, nor does it state that only

3 East Greenway Plaza, Suite 2000 Houston, Texas 77046-0307
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June 8, 2010

Page 2

one person per household can be considered a “person” for the purpose of this definition. To the extent that a Neighborhood Organization includes at least two (2) people who each live within the boundaries, such an organization plainly meets the stated requirements of the QAP definition.

In the case of Breckinridge, the By-Laws (copy attached as Exhibit “A”) provide that membership is open to all persons and business owners or business entities that reside in, work in or own single-family homes or businesses within the boundaries. [Article II, Section 1]. There are two classes of membership, voting members who “both own and live in their home or business” (i.e., resident property owners- appears to include business owners who own the business site) and non-voting members who “reside in the area but do not own homes” (i.e., renters) or who “own homes or businesses in the area but live outside the area.” (i.e., non-resident property owners) [Article II, Section 2]. The term “Owner” is defined as being “record owner(s), or his heir(s), whether one of [sic] more persons or entities, of the fee simple or contract title to any single-family home or business”, excluding persons holding such interests as security for the performance of an obligation. [Article II, Section 4]. With regard to the voting memberships, the By-Laws specify that “One vote per adult with a maximum of two votes per household/business in good standing and attending will be permitted.” [Article VIII, Section 4].

The Members List submitted to the TDHCA by the Breckinridge Corners Property Owners Association indicates that there are a total of 15 members in the organization (Copy attached as Exhibit “B”). The TDHCA staff suggests that of the 15 members, only two (2) [Scott Erickson and Erica Erickson] reside within the boundaries of the Association and indicates that because they share a residence, they cannot be “persons living near one another”.

We suggest that living within the same household is living very near one another and is not prohibited by the terms of the QAP. Additionally, under the By-Laws of the organization, each of the spousal couple is a voting member of the organization in his or her own right. The Special Warranty Deed with Vendor’s Lien dated August 15, 2005 into Scott William Erickson and spouse, Erica Lynne Erickson, vests title to their residence at 3313 Hayley Court, Richardson, Texas 75082 in the two individuals, jointly, making each a “record owner” of the fee simple title. [Unofficial copy attached as Exhibit “C”- Note that the copy is “unofficial” only because it was printed from the Collin County website, without obtaining a certified copy from the Collin County Clerk. Such a certified copy is available, if required by the TDHCA.] Since each is a record title owner who “both own and live in their home”, each of the Ericksons qualifies as a voting member of the Association. Additionally, the Ericksons, who are both Doctors of Veterinary Medicine, own and operate the Breckinridge Park Animal Hospital at 3600 North Star Road, which is located within the boundaries of the Association.

We suggest that if two residents who live near one another within the boundaries of a neighborhood organization are not sufficient to constitute a neighborhood organization, then the QAP should have specified the required minimum number of residents, so that there would be clarity and a level playing ground for applicants seeking neighborhood organization support. As it is, the QAP requires only that there be more than one person in the organization living within the boundaries of the organization. Accordingly, Breckinridge Corners Property Owners Association meets the QAP criteria for a “Neighborhood Organization” and its support letter

Texas Department of Housing
and Community Affairs

June 8, 2010

Page 3

should be scored as a qualifying support letter. We therefore ask that you award the Project the full 24 points available for QCP support from a Neighborhood Organization.

Thank you very much for your consideration of this appeal. If you feel you are not able to grant the appeal as the Executive Director, we request that it be presented to the TDHCA Board at the June 28, 2010 meeting. An executed copy of the Appeal Election Form is attached.

Very truly yours,



Tamea A. Dula

Enclosures

cc; Ms. Robbye Meyer, TDHCA
Ms. Raquel Morales, TDHCA
Mr. Donald Maison, PWA Coalition of Dallas, Inc.
Mr. Bradley E. Forslund, Churchill Residential, Inc.
Mr. Tony Sisk, Churchill Residential, Inc.



MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2010 Application Round
Scoring Notice - Competitive Housing Tax Credit Application

Appeal Election Form: 10136, Evergreen at Richardson

I am in receipt of my 2010 scoring notice and am filing a formal appeal to the Executive Director on or before Wednesday, June 9, 2010.

If my appeal is denied by the Executive Director,:

I do wish to appeal to the Board of Directors and request that my application be added to the Department Board of Directors meeting agenda. My appeal documentation, which identifies my specific grounds for appeal, is attached. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.

I do not wish to appeal to the Board of Directors.

Note: If you do not wish to appeal this notice, you do not need to submit this form.

Signed Don Maison
Title President/CEO
Date 06/03/10

Please fax or email to the attention of Raquel Morales:
Fax: (512) 475-0764 or (512) 475-1895
Email: <mailto:raquel.morales@tdhca.state.tx.us>

EXHIBIT "A"

BY-LAWS

**BRECKINRIDGE CORNERS PROPERTY OWNERS ASSOCIATION
BY-LAWS**

ARTICLE I – NAME AND PURPOSE

Section 1 – Name. The name of this organization shall be the Breckinridge Corners Property Owners Association (BCPOA).

Section 2 – Purpose. The purpose of the BCPOA shall be to promote all interests for improvement of this neighborhood, including:

- Protection of residential and commercial business quality/character of the Breckinridge community
- Maintenance of a high level of appearance in the neighborhood
- Promotion of safety in the neighborhood
- Promotion of neighborhood/commercial cohesiveness
- Sponsor / participate in neighborhood activities such as:
 - Crime watch
 - Neighborhood night out
- Promotion of neighborhood / commercial cohesiveness
- Work with the Richardson Chamber of Commerce to promote neighborhood business development marketing
- Work to maintain and improve the general welfare of the neighborhood

ARTICLE II – MEMBERSHIP

Section 1 – Eligibility. Membership in Breckinridge Corners Property Owners Association is desired for all residents of the area, but is not mandatory. Membership in this Association shall be open to all persons and business owners or business entities that reside in, work in or own single-family homes or businesses in the BCPBOA area of Richardson, Collin County, Texas. The boundaries of this area shall be according to the attached map.

Section 2 – Types of Membership. Voting membership is open to those residents and business owners who both own and live in their home or business within the area described above. Nonvoting (associate) membership is open to those that reside in the area but do not own homes, and to those who own homes or businesses in the area but live outside the area.

Section 3 – Member Action. Members are encouraged to attend and participate as private citizens in local governmental functions, commissions and boards; however, no one may act or speak in the name of the BCPBOA unless authorized to do so in advance by the Board of Directors. Members disagreeing with a BCPBOA position shall not identify themselves as an Association member if they publicly speak in opposition.

Section 4 – Definition of Ownership/Business/Owner. The term “Ownership”, “Business” and/or “Owner” shall mean and refer to record owner(s), or his heir(s), whether one of more persons or entities, of the fee simple or contract title to any single-family home or business which is located in, and is part of, the property described in Section 1 of this Article, but excluding those having such interest merely as security for the performance of an obligation.

ARTICLE III – BOARD OF DIRECTORS

Section 1 – Number, Manner of Selection and Term of Office. The board of Directors shall consist of the Officers of the BCPBOA. The Board of Directors shall be elected by the general membership at each annual business meeting, shall serve for a term of one year, and shall take office on November 1.

Section 2 – Qualifications. Only voting members of the BCPBOA shall serve on the board. Only one member of a household and or business at a time shall be on the Board.

Section 3 – Vacancies and Removal. Vacancies on the board may be filled, until the next annual meeting, by majority vote of the remaining members of the Board. Three consecutive absences from Board meetings may be deemed a resignation. In the event of death, resignation, or removal of a Director, the appointed Director shall serve for the unexpired term of his predecessor. Any Director may be removed from the board, with or without cause, by a majority vote of the members of the BCPBOA.

Section 4 – Powers and Duties. The Board of Directors shall set policy and conduct the business of the Association. The Board shall plan and direct the work necessary to carry out the programs adopted by the membership. The Board shall designate special committees as deemed necessary.

Section 5 – Board Meetings. There shall be at least one regular meeting of the Board of Directors annually. The President may call special meetings of the Board; a special meeting will be called upon the written request of three members of the Board.

Section 6 – Quorum. A majority of the members of the Board of Directors shall constitute a quorum.

Section 7 – Compensation. No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

ARTICLE IV – OFFICERS

Section 1 – Officers, Election, and Term of Office. The Officers of the BCPOA shall be President, Vice President, Secretary/Treasurer. Each shall be elected for a term of one year by the general membership at the annual business meeting and shall take office on November 1.

Section 2 – The President. The President shall preside at all meetings of the Association and at all meetings of the Board of Directors. The president shall be a member of all committees, ex officio, except for the Nominating Committee. Only the President, or someone designated by the Board, shall speak for the Association.

Section 3 – The Vice President. The Vice President shall fulfill the duties of the President in the case of the President's absence or inability to serve, and shall perform such other duties as requested by the president or Board.

Section 4 – The Secretary/Treasurer shall keep records of the meeting and work of the Association. The secretary shall take minutes of regular membership meetings and act as Secretary of the Board of Directors.

Section 5 – The Treasurer. The Secretary/Treasurer shall collect all monies due the Association, keep accurate record thereof, deposit same in the bank in the name of the BCPOA, pay all funded bills incurred by the Association, present a report at each Board meeting, at the annual business meeting, and at any time upon request. All checks shall be signed by the Treasurer and the President, or the Treasurer and one other designated person.

Section 6 – Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of receipt of such notice or any later time specified therein, and unless otherwise specified therein, the acceptance of such shall not be necessary to make it effective.

Section 7 – Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy may serve for the remainder of the term of the officer he replaces.

ARTICLE V – DIRECTORS DUTIES AND STANDING COMMITTEE FUNCTIONS

Section 1 – Director’s Duties. The three elected Directors shall serve as members of the Board of Directors and chair the active Standing Committee specified for each by the Board.

Section 2 – Civic Committee. The committee shall observe meetings of governmental bodies and alert the board to items that merit attention by the Association.

Section 3 – Environmental Committee. This committee will sponsor projects for the improvement and beautification of our neighborhood.

Section 4 – Communication Committee. This committee shall serve as the communication link between the Board and the membership.

ARTICLE VI – FINANCIAL ADMINISTRATION

Section 1 – Fiscal year. The fiscal year shall be from September 1 to August 31.

Section 2 – Dues. Annual dues shall be \$5.00 per household or business payable when joining; payment shall be due to the Association Treasurer. Dues shall then be payable each year by September 1. An annual Budget should be recommended by the Board and adopted by the membership.

Section 3 – Annual Audit of Books. The Board shall require an audit to be made of the accounts of the Association at the end of each fiscal year. This may be done by committee or by independent accountant, as deemed advisable by the Board. The LEGAL FUND shall be kept apart from membership dues.

Section 4 – Books and Records. The books, records and papers of the Association shall at all times, during reasonable business hours, be subjected to the inspection by any voting member of the BCPOA. The Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member of the Association.

ARTICLE VII – MEETINGS

Section 1 – General Membership meetings. There shall be a minimum of one meeting of the general membership each year. The time and place of this meeting shall be determined by the Board of Directors.

Section 2 – Annual Business Meeting. An annual business meeting shall be held between September 1 and October 15 of each year. The exact date of this meeting shall be determined by the board of Directors. The purpose of the annual business meeting shall be to:

1. Elect officers, directors and members of the nominating committee
2. Transact such other business as may properly come before it.

Section 3 – Quorum. Ten percent of the paid voting membership shall constitute a quorum at the annual business meeting of the BCPOA.

Section 4 – Special Meetings. Special meeting of the membership may be called at any time by the President or by the board of Directors, or upon written request of ten –percent (10%) of the members who are entitled to vote.

Section 5 – Notice of Meeting. Written notice of each meeting of the membership shall be given by, or at the direction of the Secretary or person authorized to call the meeting, by delivering a copy of such notice at least seven (7) days before such meeting to each member household entitled to vote thereat, addressed to the member's address last appearing on the books for the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, purpose of the meeting and an agenda if appropriate.

ARTICLE VIII – NOMINATIONS, ELECTIONS AND VOTES

Section 1 – Nominating Committee. The Nominating Committee shall consist of five members, two of whom shall be members of the Board of Directors, excluding the President. The chairman and the two members who are not on the Board shall be elected at the annual business meeting. The current Nominating Committee shall make nominations for these three officers. The two members selected from the board shall be appointed by December 1. Any vacancy on the Nominating Committee shall be filled by the Board. Suggestions for nominations for Officers and Directors may be sent to this Committee by any voting member.

Section 2 – Report of the Nominating Committee and Nominations from the Floor. The report of the Nominating committee of its single slate of nominations for Officers, Directors and the three members of the succeeding Nominating Committee shall be sent to all members one month before the date of the annual business meeting. Immediately following the presentation of this report at the annual business meeting, nominations may be made from the floor by any voting member, provided that the consent of the nominee shall have been previously secured.

Section 3 – Elections. The election shall be by ballot, provided that when there is but one nominee for each office, it may be moved to elect by acclamation. A majority of those qualified to vote and voting shall constitute an election.

Section 4 – Number of Votes Per Household/Business. One vote per adult with a maximum of two votes per household/business in good standing and attending will be permitted. Absentee or proxy voting shall not be permitted.

ARTICLE IX - PARLIAMENTARY AUTHORITY

Section 1 – Parliamentary rules. The rules contained in Robert's rules of Order, Newly Revised, shall govern the Association in all cases to which they apply, and in which they are consistent with the by-Laws.

Section 2 – Parliamentarian. A Parliamentarian may be appointed as need for any meeting, but especially for the annual business meeting.

ARTICLE X – AMENDMENTS

Section 1 – These By-Laws may be amended at a Regular, Special, or annual Meeting of the members, by a two thirds majority of a quorum of voting members present in person, providing that the amendments are submitted to the board and to the membership at least thirty days before the date of the said meeting.

Section 2 – In case of any conflict between the Articles of Incorporation and these by-Laws, the Articles shall control.

EXHIBIT "B"
MEMBERS LIST

BRECKINRIDGE CORNERS PROPERTY OWNERS ASSOCIATION (BCPOA)
MEMBERS LIST

1. Ed Whitehill
Renner Carwash Partners, L.P.
4001 E. Renner Rd.
Richardson, TX 75082

(972) 705-9274 work
(972) 333-4615 cell

E-mail: ed.whitehill@gmail.com

2. Scott Erickson
3313 Hayley Court
Richardson, TX 75082

(972) 644-4253 home
(972) 816-1503 cell Scott

E-mail: scottedvm@tx.net.com

3. Han Kim
HK's Cleaners, Inc
4011 E. Renner Rd., Suite 100
Richardson, TX 75082

(972) 437-2400 work
(972) 728-3763 cell

E-mail: hkcleaners@yahoo.com

4. Kevin Lu
J+K Family dba JK China Garden
4011 E. Renner Rd., Suite 128
Richardson, TX 75082

(972) 235-6888 work

E-mail: lu9318@msn.com

5. Nick Velazquez
Jesse Velazquez
Krystal's Corporate Catering dba Nico's Tex Mex Cantina
4101 E. Renner Rd., Suite 100
Richardson, TX 75082

(972) 497-9222 work
(469) 682-2533 cell Nick

E-mail: nick@nicoscantina.com Nick
E-mail: jesse@nicoscantina.com Jesse

6. Colleen Halbert
Cols JJ of NoTex dba/ Jimmy Johns Sandwiches
4101 E. Renner Rd., Suite 106
Richardson, TX 75082

(972) 918-9228

E-mail: colsjj@hotmail.com

7. Dr. Dane Hoang, D.D.S., M.S.
Children's Dental Care
4011 E. Renner Rd., Suite 108
Richardson, TX 75082

(972) 808-9600 work

(214) 728-2828 cell

E-mail: drdane@childrens-dental-care.com

8. Dr. Binh Ho
FastER Care
4011 E. Renner Rd., Suite 110
Richardson, TX 75082

(972) 234-3299 work

(214) 938-1635 cell

E-mail: binhanh@sbcglobal.net

9. Erica Erickson, DVM
Breckinridge Park Animal Hospital
3600 North Star Rd.
Richardson, TX 75082

(972) 690-6900

E-mail: CLIENTCARE@BPAAH.NET

10. Jeffrey Moore, DDS
North Star Dental
4011 E. Renner Rd., Suite 107
Richardson, TX 75082

(972) 238-5665

E-mail: teeth@mynorthstardental.com

11. Silveria Hufstedler
Edward JONES
4011 E. Renner Rd., Suite 116
Richardson, TX 75082

(972) 918-0349 work
(469) 964-3608 cell

E-mail: silveria.hufstedler@edwardjones.com

12. Robert Jeffrey Doyle, D.P.M.
North Star Foot & Ankle Associates, P.A.
3600 North Star Rd., Suite 140
Richardson, TX 75082

(972) 480-0072 work

E-mail:

13. Reese Mathieu, M.D., FAAP
Pediatrics
3601 North Star Rd.
Richardson, TX 75082

(972) 235-0385

14. Tony Elguea
SNAP Fitness
4101 E. Renner Rd., Suite 118
Richardson, TX 75082

(972) 437-6457 work
(469) 231-1705 cell

15. Hung Le, Kim Anh Le
Starcuts Family Hair care
4011 E. Renner Rd., Suite 114
Richardson, TX 75082

(469) 682-0091

E-mail: icaowfg@yahoo.com

EXHIBIT "C"

**SPECIAL WARRANTY DEED
WITH VENDOR'S LIEN**

2005-0119245
2005- 0119245

ORIGINAL

GF# 04-6043524

SPECIAL ALAMO TITLE COMPANY
WARRANTY DEED WITH
VENDOR'S LIEN

5990 00752

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Grantor: DREES CUSTOM HOMES L.P., A TEXAS LIMITED PARTNERSHIP

Grantor's Mailing Address (including county): 6051 STATE HWY 161, IRVING, DALLAS COUNTY, TEXAS 75038

Grantee: SCOTT WILLIAM ERICKSON AND SPOUSE, ERICA LYNN ERICKSON

Grantee's Mailing Address (including county): 3313 HAYLEY COURT, RICHARDSON, TEXAS 75082

Consideration: TEN AND NO/100-----(\$10.00)-----DOLLARS and other good and valuable consideration to Grantor in hand paid by Grantee, the receipt and sufficiency of which is hereby acknowledged and confessed, and for the further consideration of the execution and delivery by said Grantee of the Promissory Note(s) in the original principal sum, being in the amount specified in that certain Deed of Trust referenced below, being of approximate even date herewith, payable to the order of FIRST EQUITY MORTGAGE INCORPORATED, AN OHIO CORPORATION, DOING BUSINESS IN TEXAS AS FIRST EQUITY MORTGAGE OF OHIO, INC., hereinafter called "Mortgagee", and bearing interest at the rate therein provided; said Note(s) containing an attorney's fee clause and acceleration of maturity clause in case of default, and being secured by Vendor's Lien and Superior Title retained herein in favor of said Grantor and assigned to Mortgagee, and also being secured by a Deed of Trust of even date herewith from Grantee to DUDLEY BEADES OR CHARLES H. NEWMAN OR JAMES F. LAWLER, JR., TRUSTEE(S).

Property (including any improvements):

LOT 4, BLOCK A, SHARPESTATES, AN ADDITION TO THE CITY OF RICHARDSON, COLLIN COUNTY, TEXAS, ACCORDING TO THE MAP RECORDED IN CABINET N, SLIDE 269, MAP RECORDS, COLLIN COUNTY, TEXAS.

Reservations from and Exceptions to Conveyance and Warranty:

THIS CONVEYANCE IS EXECUTED, DELIVERED AND ACCEPTED SUBJECT TO AD VALOREM TAXES FOR THE CURRENT YEAR, ROLLBACK TAXES DUE TO THIS CONVEYANCE OR GRANTEE'S USE OF THE SUBJECT PROPERTY, MAINTENANCE FUND LIENS, ZONING ORDINANCES, UTILITY DISTRICT ASSESSMENTS AND STANDBY FEES, IF ANY, ANY AND ALL VALID UTILITY EASEMENTS CREATED BY THE DEDICATION DEED OR PLAT OF THE SUBDIVISION IN WHICH SAID REAL PROPERTY IS LOCATED, RECORDED EASEMENTS, RESERVATIONS, MINERAL RESERVATIONS AND LEASES, RESTRICTIONS, COVENANTS, CONDITIONS, RIGHTS OF WAY EASEMENTS, IF ANY, AFFECTING THE HEREIN DESCRIBED PROPERTY.

Grantor, for the consideration and subject to the reservations from and exceptions to conveyance and warranty, grants, sells, and conveys to Grantee the property, together with all and singular the rights and appurtenances thereto in any wise belonging, to have and hold it to Grantee, Grantee's heirs, executors, administrators, successors, or assigns forever. Grantor hereby binds Grantor and Grantor's heirs, executors, administrators, and successors to warrant and forever defend all and singular the property to Grantee and Grantee's heirs, executors, administrators, successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof, except as to the reservations from and exceptions to warranty, when the claim is by, through or under the Grantor, but not otherwise.

The vendor's lien against and superior title to the property are retained until each note described is fully paid according to its terms, at which time this deed shall become absolute.

When the context requires, singular nouns and pronouns include the plural.

The said Vendor's Lien and Superior Title herein retained are hereby transferred, assigned, sold and conveyed to FIRST EQUITY MORTGAGE INCORPORATED, AN OHIO CORPORATION, DOING BUSINESS IN TEXAS AS FIRST EQUITY MORTGAGE OF OHIO, INC., its successors and assigns, the Payee named in said Note, without recourse on Grantor.

Dated this the 15th day of August, 2005

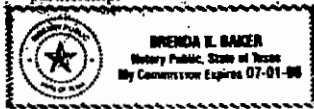
DREES CUSTOM HOMES L.P.
A TEXAS LIMITED PARTNERSHIP

BY: DREES BUILDERS, INC.
AN OHIO CORPORATION, ITS GENERAL PARTNER

BY: Laura L. Puckett
Laura L. Puckett Assistant Secretary
(Acknowledgment)

THE STATE OF ~~TEXAS~~ }
COUNTY OF DALLAS }

This instrument was acknowledged before me on the 15th day of August, 2005, by Laura L. Puckett Assistant Secretary of DREES BUILDERS, INC., an Ohio corporation, General Partner of DREES CUSTOM HOMES L.P., a Texas Limited Partnership, on behalf of said partnership.



Brenda K. Baker
Notary Public, State of Texas
Notary's Name (printed):
Notary's commission expires:

AFTER RECORDING RETURN TO:
SCOTT WILLIAM ERICKSON
3313 HAYLEY COURT
RICHARDSON, TEXAS 75082

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW (COUNTY OF COLLIN, THE STATE OF TEXAS) I hereby certify that this instrument was FILED in the File Number Sequence on the date and the time stamped hereon by me, and was duly RECORDED, in the Official Public Records of Real Property of Collin County, Texas on:

AUG 26 2005

Brenda Taylor



Filed for Record in:
Collin County, McKinney TX
Honorable Brenda Taylor
Collin County Clerk

On Aug 26 2005
At 10:39am

Doc/Num : 2005- 0119245

Recording/Type: D1 16.00
Receipt #: 34718

10136

Executive Director's
Reponse



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

Michael Gerher
EXECUTIVE DIRECTOR

BOARD MEMBERS
C. Kent Conine, *Chair*
Gloria Ray, *Vice Chair*
Leslie Bingham Escareño
Tom H. Gann
Lowell A. Keig
Juan S. Muñoz, Ph.D.

June 22, 2010

Tamea Dula
Coats Rose
3 East Greenway Plaza, Suite 2000
Houston, Texas 77046-0307

Re: Appeal of Scoring Notice for #10136, Evergreen at Richardson

Dear Ms. Dula:

Appeal Review

I have carefully reviewed the appeal received on June 8, 2010, by the Texas Department of Housing and Community Affairs (the "Department"), regarding your request to reinstate the twelve (12) points for Quantifiable Community Participation from Neighborhood Organizations pursuant to §50.9(i)(2) of the 2010 Qualified Allocation Plan and Rules (QAP).

A Quantifiable Community Participation (QCP) packet was submitted by the Breckinridge Corners Property Owners Association for purposes of scoring 12 points under §50.9(i)(2) of the QAP. The Department determined that the organization was not eligible because the organization does not meet the definition of Neighborhood Organization as defined in the 2010 QAP, "An organization that is composed of persons living near one another within the organization's defined boundaries for the neighborhood..." Staff was only able to verify two members of the organization that lived within the boundaries; however, both members live within the same household residence. Therefore, staff determined that a "reasonable person" would conclude that only one household residence does not comprise the intent of a "neighborhood."

The Appeal states that the definition of Neighborhood Organization fails to specify how many persons must live near one another and within the boundaries in order to qualify as such. The Applicant's appeal also states that there are a total of 15 members in the Breckenridge Corners POA and confirms that only two of the members live within the boundaries, and that these two members share a residence. Therefore, the Applicant believes that since these two members live within the same household that they meet the definition of "persons living near one another."

Appeal Determination

Your appeal is denied.

Per your request your appeal has been placed on the next Board meeting agenda. Pursuant to §50.17(b)(4) of the 2010 Qualified Allocation Plan and Rules, if you wish to submit any further documentation for your Board appeal, the documentation **must** be received by 5:00 p.m. CST on **June 28, 2010** to be placed with the July 2010 Board materials. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.

Sincerely,



Michael Gerber
Executive Director

MFF/rbm

cc: Don Maison
Brad Forslund
Tony Sisk

10150

Woodlawn Ranch
Apartments

**MULTIFAMILY FINANCE DIVISION
BOARD ACTION REQUEST
July 8, 2010**

Requested Action

Deny the appeal to reinstate six points for Application #10150, Woodlawn Ranch Apartments.

WHEREAS, an application for tax credits was submitted for Woodlawn Ranch Apartments on March 1, 2010; and

WHEREAS, the Applicant was not awarded six points for §50.9(i)(13)- Community Revitalization or Historic Preservation because they did not provide evidence that the development qualifies as Rehabilitation or Reconstruction; therefore

BE IT RESOLVED, that the appeal of Woodlawn Ranch Apartments, #10150 is hereby denied.

Background

Woodlawn Ranch is a proposed 252-unit development in San Antonio. The development plan in the application calls for the demolition of the existing 200 units and the new construction of 252 units. At issue in the appeal is the definition of Rehabilitation and Reconstruction, which preclude the possibility to increase the number of units. The 2010 QAP defines Rehabilitation as follows:

“(86) **Rehabilitation** - The improvement or modification of an Existing Residential Development through alteration, incidental addition or enhancement. The term includes the demolition of an Existing Residential Development and the reconstruction of a Development on the Development Site, but does not include Adaptive Reuse. Rehabilitation includes repairs necessary to correct the results of deferred maintenance, the replacement of principal fixtures and components, improvements to increase the efficient use of energy, and installation of security devices. Reconstruction, for these purposes, includes the demolition of one or more residential buildings in an Existing Residential Development and the reconstruction of the Units on the Development Site. Developments proposing Adaptive Reuse or proposing to increase the total number of Units in the Existing Residential Development are not considered Rehabilitation or reconstruction.”

Due to the fact that the Applicant proposes to increase the total number of units in the existing development, the application is classified as New Construction. As a result, staff did not award the six points under Community Revitalization §50.9(i)(13) of the Qualified Allocation Plan and Rules because the rule as written allows for those points only where the development proposes Rehabilitation (including reconstruction).

The Applicant asserts that the proposed plan for the development meets the intent of the Community Revitalization provision and is, in fact, using an existing residential development. The Applicant further appeals that the application will revitalize the area with the construction of the proposed development and states that it has overwhelming neighborhood and political support. Staff does not dispute the community support for the development however the provision for points for this issue does not include New Construction or Reconstruction with additional units regardless if they are tax credit or unrestricted units.

10150

Scoring Notice



MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2010 Application Round
Scoring Notice - Competitive Housing Tax Credit Application

Page 2 of Final Scoring Notice: 10150, Woodlawn Ranch Apts

Explanation for Difference between Points Requested and Points Awarded by the Department (explanation does not include points for §§50.9(i)(2), (6) and (18)):

50.9(i)(13)- Community Revitalization or Historic Preservation: the application does not qualify for these points because it is proposing New Construction. (6 pts requested, 0 awarded)

A formal appeals policy exists for the Competitive HTC Program. If you wish to appeal this scoring notice (including Set-Aside eligibility), you must file your appeal with the Department no later than 5:00 p.m. (CST), Wednesday, June 9, 2010. If an appeal is denied by the Executive Director, an Applicant may appeal to the Department's Board.

In an effort to increase the likelihood that Board appeals related to scoring and Set-Asides are heard at the Board meeting, the Department has provided an Appeal Election Form for all appeals submitted to the Executive Director. In the event an appeal is denied by the Executive Director, the form requests that the appeal automatically be added to the Board agenda.

If you have any concerns regarding potential miscalculations or errors made by the Department, please contact Raquel Morales by facsimile at (512) 475-0764 or by email at raquel.morales@tdhca.state.tx.us.

Sincerely,

Robbye Meyer 

Robbye Meyer
Director of Multifamily Finance



**MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2010 Application Round
Scoring Notice - Competitive Housing Tax Credit Application**

Appeal Election Form: 10150, Woodlawn Ranch Apts

I am in receipt of my 2010 scoring notice and am filing a formal appeal to the Executive Director on or before Wednesday, June 9, 2010.

If my appeal is denied by the Executive Director,:

- I do wish to appeal to the Board of Directors and request that my application be added to the Department Board of Directors meeting agenda. My appeal documentation, which identifies my specific grounds for appeal, is attached. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.
- I do not wish to appeal to the Board of Directors.

Note: If you do not wish to appeal this notice, you do not need to submit this form.

Signed _____

Title _____

Date _____

**Please fax or email to the attention of Raquel Morales:
Fax: (512) 475-0764 or (512) 475-1895
Email: <mailto:raquel.morales@tdhca.state.tx.us>**

10150

Appeal Documents

By Facsimile

512-475-0764

June 9, 2010

To: Raquel Morales
From: Michael Hogan
Re: Woodlawn Ranch Apartments
TDHCA #10150
Appeal of Scoring Notice Dated June 2, 2010

06-09-10P03:45 RCVD

June 7, 2010

**Executive Director
Texas Department of Housing And Community Affairs**

**Re: Woodlawn Ranch Apartments
TDHCA # 10150
Appeal of Scoring Notice**

Greetings:

This is in response to the Competitive Tax Credit Scoring Notice dated June 2, 2010, regarding Woodlawn Ranch Apartments, TDHCA Number 10150, wherein the applicant was denied the six points for the Community Revitalization or Historic Preservation, because "it is proposing new construction."

Attached please find the original Deficiency Notice dated April 8, 2010 for Woodlawn Ranch, particularly Item 8, Community Revitalization, where it states "the subject development appears to be neither Rehabilitation nor reconstruction."

Also included is applicant's response to the Deficiency Notice, which specifically addresses Item 8, and demonstrates that Woodlawn Ranch does meet the intent of the Community Revitalization provision, and should receive the six points.

Finally, on April 15, 2010, applicant received the enclosed email from Nicole Fisher, stating "The deficiencies have been received and resolved." Therefore, this exact issue was raised by TDHCA; applicant responded; and received formal notification that all items had been addressed and approved. There should be no requirement for appeal. Moreover, in reliance upon TDHCA's ruling, applicant has now spent thousands of dollars in moving forward with engineering and architect design work, so it will be ready to proceed when the award notices are issued.

In the alternative, to recapitulate, Woodlawn Ranch meets exactly the criteria of Section 50.9(i)(13)(A). It is a vital part of the Community Revitalization

Plan; it uses an existing residential development; and has overwhelming neighborhood and political support. Everyone wants the existing units torn down, and a completely new, modern community rebuilt in its place. We are using the existing property, not building on a vacant piece of land. Thus we are revitalizing that site and transforming an eyesore into a beautiful community.

Here is the relevant reference to Community Revitalization from the ASPM. Again, the key element to granting the six points is the development's location in the target geographic area of the Community Revitalization Plan.

1. Part A. Community Revitalization

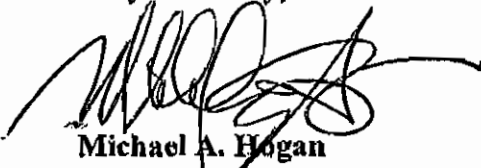
- a. A copy, or excerpts, of the Community Revitalization Plan, as defined in §50.3(23) of the QAP. If the Community Revitalization Plan references any other documents or plans, the referenced documents must also be provided, and an outline describing how the individual plans combine to target a specific geographic area for revitalization and development of residential developments must be provided. Flag or highlight each section of the submitted documents which target specific geographic areas for revitalization and development of residential developments.
- b. Submit evidence that the Community Revitalization Plan has been adopted by the local Governing Body by ordinance, resolution or specific vote.
- c. Submit a letter from the Governing Body stating that the Development Site is located within the targeted development areas outlined in the Community Revitalization Plan.

The definitions of new construction, reconstruction and rehabilitation seem to be all-inclusive. For example, as stated before, the Scoring Notice states that applicant is proposing "new construction". Section 50.9(i)(11), just two paragraphs in front of (13) Community Revitalization, reads "Rehabilitation, (which includes reconstruction) or Adaptive Reuse. Applications proposing to build solely Rehabilitation (excluding New Construction of non-residential buildings), solely reconstruction (excluding New Construction of non-residential buildings) ...qualify for points." Thus, by any interpretation, rehabilitation and reconstruction must include New Construction of residential buildings, or why would there have been the exclusion of New Construction of nonresidential? .

The definition of Rehabilitation in Section 50.3(86) "includes the demolition of an Existing Residential Development and the "reconstruction" of a Development on the Development Site." The existing Chaminade residential development is 200 units. Applicant is not "proposing to increase the total number of Units in the Existing Residential Development", because the existing development will no longer exist. We are building at Woodlawn Ranch, the maximum number of tax credit units permissible under the Competitive Tax Credit Program, which is 200. Therefore, we are replacing the existing 200 tax credit eligible units with the same number of tax credit eligible units. We are demolishing an existing residential development and reconstructing a new residential development with the same number of Tax Credit eligible units on the same site. Woodlawn Ranch is definitely being constructed in the spirit, intent and letter of Section 50.9(i)(13)(A).

Applicant asks that the original resolution of the Deficiency Notice be followed, and that the six points be granted.

Very Sincerely,



Michael A. Hogan

For Hillcrest Living GP, LLC

General Partner of Hillcrest SA Apartments, LP

Attachments

MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2010 Application Round
Scoring Notice - Competitive Housing Tax Credit Application

Appeal Election Form: 10150, Woodlawn Ranch Apts

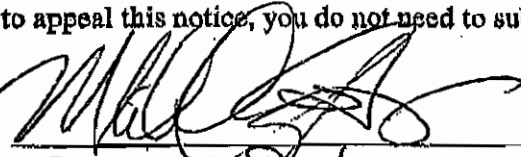
I am in receipt of my 2010 scoring notice and am filing a formal appeal to the Executive Director on or before Wednesday, June 9, 2010.

My appeal is denied by the Executive Director,:

I do wish to appeal to the Board of Directors and request that my application be added to the Department Board of Directors meeting agenda. My appeal documentation, which identifies my specific grounds for appeal, is attached. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.

I do not wish to appeal to the Board of Directors.

Note: If you do not wish to appeal this notice, you do not need to submit this form.

Signed 
Title General Partner
Date June 7th 2010

Please fax or email to the attention of Raquel Morales:
Fax: (512) 475-0764 or (512) 475-1895
Email: <mailto:raquel.morales@tdhca.state.tx.us>

05-09-10P03:46 RCVD

MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2010 Application Round
Scoring Notice - Competitive Housing Tax Credit Application

Ilcrest SA Apartments, LP
 Stephen J. Poppoon
 618 Lockhill-Selma
 San Antonio, TX 78213
 Phone #: (210) 682-1500
 Fax #: (210) 682-4015
 Email: spoppoon@hoganre.com

Date Issued: June 02, 2010

THIS NOTICE WILL ONLY BE TRANSMITTED VIA EMAIL

Second Email: mhogan@hoganre.com

RE: 2010 Competitive Housing Tax Credit (HTC) Application for Woodlawn Ranch Apts, TDHCA Number: 10150

Attention: Stephen J. Poppoon

The Texas Department of Housing and Community Affairs (the "Department") has completed its Eligibility and Selection Criteria Review of the Application referenced above as further described in §50.9(d)(1) of the 2010 Qualified Allocation Plan and Rules ("QAP"). Below, a summary is provided of the score requested, as calculated by the Applicant, followed by the score requested, as calculated by the Department. The two numbers differ if the Applicant's calculation was incorrect. The next score shown is the score awarded to the Application by the Department, followed by the difference between the score requested (as calculated by the Department) and the score awarded. An explanation of the reason(s) for any differences, including points denied, is provided at the top of the second page of this notice. The next scoring items show the number of points awarded for each of the three categories for which points could not be requested by the applicant: §50.9(i)(2) Quantifiable Community Participation (QCP); §50.9(i)(6) Level of Community Support from State Representative or State Senator; §50.9(i)(18) Demonstration of Community Input other than QCP. This is followed, in bold, by the final cumulative number of points awarded by the Department to the Application.

Please note that if you were awarded points under §50.9(i)(5), or (28) of the 2010 QAP this notice only provides an explanation of any point deductions for those items. In addition, note that should this application receive an award of tax credits, at the time the executed Commitment Notice is required to be submitted, the Applicant or Development Owner must provide evidence of a commitment approved by the governing body of a local political subdivision for the sufficient local funding and a commitment approved by a qualifying private, state, or federal source to the Department. Qualifying sources other than those submitted in the Application may be submitted to the Department at the time the executed Commitment Notice is required to be submitted pursuant to §50.9(i)(5) and (28) of the 2010 QAP.

To the extent that a threshold review is not yet completed for this application, pursuant to §50.9(d)(3), the final score may still change, in which case you will be notified.

Allocation: Urban Set Asides: USDA Non Profit At Risk

Score Requested by Applicant (Does not include points for §§50.9(i)(2), (6) or (18) of the 2010 QAP):	171
Score Requested as Calculated by Department (Does not include points for §§50.9(i)(2), (6) or (18) of the 2010 QAP):	173
Score Awarded by Department (Does not include points for §§50.9(i)(2), (6) or (18) of the 2010 QAP):	167
Difference between Requested and Awarded (Does not include points for §§50.9(i)(2), (6) or (18) of the 2010 QAP):	6
Points Awarded for §50.9(i)(2), Quantifiable Community Participation:	24
Points Awarded for §50.9(i)(6), Input from State Senator or Representative:	14
Points Awarded for §50.9(i)(18), Community Input Other than QCP:	0
Final Score Awarded to Application by Department:	205

MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2010 Application Round
Scoring Notice - Competitive Housing Tax Credit Application

Page 2 of Final Scoring Notice: 10150, Woodlawn Ranch Apts

Explanation for Difference between Points Requested and Points Awarded by the Department
(explanation does not include points for §§50.9(i)(2), (6) and (18)):

50.9(i)(13)- Community Revitalization or Historic Preservation: the application does not qualify for these points because it is proposing New Construction. (6 pts requested, 0 awarded)

A formal appeals policy exists for the Competitive HTC Program. If you wish to appeal this scoring notice (including Set-Aside eligibility), you must file your appeal with the Department no later than 5:00 p.m. (CST), Wednesday, June 9, 2010. If an appeal is denied by the Executive Director, an Applicant may appeal to the Department's Board.

In an effort to increase the likelihood that Board appeals related to scoring and Set-Asides are heard at the Board meeting, the Department has provided an Appeal Election Form for all appeals submitted to the Executive Director. In the event an appeal is denied by the Executive Director, the form requests that the appeal automatically be added to the Board agenda.

If you have any concerns regarding potential miscalculations or errors made by the Department, please contact Raquel Morales by facsimile at (512) 475-0764 or by email at raquel.morales@tdhoa.state.tx.us.

Sincerely,

Robbye Meyer 

Robbye Meyer
Director of Multifamily Finance



Texas Department of Housing and Community Affairs
 Housing Tax Credit Program
 2010 Application Deficiency Notice

Deficiency Notice Date: April 08, 2010

THIS NOTICE WILL ONLY BE TRANSMITTED VIA EMAIL

Primary Contact:

Contact Name: Stephen J. Poppoon
 Contact Phone: (210) 682-1500
 Contact Fax: (210) 682-4015
 Contact E-Mail: spoppoon@hoganre.com

Second Contact:

Second Contact: Michael A. Hogan
 Second Phone: (210) 682-1500
 Second Fax: (210) 682-4015
 Second E-Mail: mhogan@hoganre.com

Regarding: TDHCA Number 10150, Woodlawn Ranch Apts

In the course of the Department's review of the above referenced application documentation, an Administrative Deficiency, as defined in §50.3(2) of the 2010 Qualified Allocation Plan and Rules, has been identified. An Administrative Deficiency is defined as: "The absence of information or inconsistent information in the Application as is required under §50.5, §50.6, §50.8 and §50.9 of this title, unless determined by the Department as unable to be corrected." By this notice, the Department is requesting documentation to correct the following deficiency or deficiencies:

I. The following Administrative Deficiencies were found in your Threshold Criteria documentation. Threshold Administrative Deficiencies will be handled as described below.

Threshold:

II. The following Administrative Deficiencies were found in your Selection Criteria documentation. Selection Administrative Deficiencies will be handled as described below.

- Selection:
1. Vol 1 Tab 1 Funding request of \$2,000,000 versus Vol 1 Tab 4 request of \$2,238,504. The funding request in Tab 1 differs from the request in the development cost schedule. Please explain which is your request and why the difference exists.
 2. Vol 1 Tab 7 Part B 9% HTC Confirmation of Set-Aside. At least one of the programs in part A of the form must be selected if the At-Risk Set-Aside is to be claimed. Revise form and resubmit as applicable.
 3. Vol 3 Tab 8 Parts A & B. "Evidence of Nonprofit Organization and CHDO Participation" and "List of Nonprofit Organization's Board Members, Directors and Officers" must be submitted for the public housing authority under whose authority San Antonio Housing Trust Public Facility Corporation is organized OR if the PFC already exists, submit this documentation for the PFC (and not the housing authority). Also, submit an IRS 501(c)(3) or (4) letter or the equivalent for the PFC.
 4. Vol 4 Tab 2 Financial Feasibility. Revise Vol 1 Tab 4 Sources and Uses to correctly name the provider of the construction and mortgage loans.
 5. Vol 4 Tab 4 Quality of the Units Part B. Correct the bottom of the form to indicate 14 points, not 20 points.
 6. Vol 4 Tab 5 Commitment from LPS. Submit a letter from the City of San Antonio with the required acknowledgement. (18 points, 0 Awarded)
 7. Vol 4 Tab 6 Rent Levels of the Units. 99 units divided by 200 units equals 49.5%. 49.5% minus 40% equals 9.5%. 9.5% is not 10% and fails the test. Revise Rent Schedule's income targeting as you deem appropriate. Do not change any exhibits other than the Rent Schedule. (12 points, 0 awarded)



Texas Department of Housing and Community Affairs
Housing Tax Credit Program
2010 Application Deficiency Notice

8. Vol 4 Tab 12 Community Revitalization. Please see the definition of "Rehabilitation" in the QAP. By definition, the subject development appears to be neither Rehabilitation nor reconstruction. Therefore the development is not eligible for points under this scoring item. (6 point, 0 awarded)

9. Vol 4 Tab 14 Economic Development Initiatives. The Vol 3 Tab 3 Site Information form must indicate the "zone" that is applicable to this request for points under the "Specialist Districts" section of the form. The request form for this scoring item must indicate that you are applying under either "A", or "B" as applicable to the documentation submitted and your documentation does not fit "B". The letter does not state that Texas Enterprise zone incentives are available, i.e. it seems to say that "local incentives" are available. Ask the writer for a revision of the letter clarifying that the "local incentives" are "Texas Enterprise Zone" incentives. The letter does not state that the development will be eligible for the incentives because there is no indication that either the employees or tenants will qualify as within the "poverty rate" of financial status, i.e. there is no definition of the poverty rate. (4 points, 0 awarded)

10. Vol 4 Tab 15 Development Location. Only 69.8% of the units have two bedrooms or more. This is not 70%. (4 points, 0 awarded)

11. Vol 4 Tab 23 QCT with Revitalization. The required letter from the governing body stating that the development is within the targeted area indicated by the revitalization plan was not submitted. (1 point, 0 awarded)

12. Vol 4 Tab 24 Sponsor Characteristics. The documentation to score was submitted but the Self-Score form did not include the points. You may not revise the self-score form except with respect to tabs that are specified by this deficiency to allow such revisions. This is one of those items. (2 points, 0 awarded)

13. Vol 4 Affidavit. Submit an affidavit stating that no member of the development owner or developer has been removed from participation in a development by the syndicator or lender in the past five years.

Pursuant to §50.9(d)(4), "if Administrative Deficiencies are not clarified or corrected to the satisfaction of the Department by 5:00 p.m. CST on the fifth business day following the date of the deficiency notice, then for competitive Applications under the State Housing Credit Ceiling, five points shall be deducted from the Selection Criteria score for each additional day the deficiency remains unresolved. If Administrative Deficiencies are not clarified or corrected by 5:00 p.m. CST on the seventh business day following the date of the deficiency notice, then the Application shall be terminated. The time period for responding to a deficiency notice begins at the start of the next business day following the deficiency notice date. Deficiency notices may be sent to an Applicant prior to or after the end of the Application Acceptance Period. This Administrative Deficiency process applies to requests for information made by the Real Estate Analysis Division review." The Department must receive the requested documentation by 5:00 p.m. CST or the documentation will be deemed to have been received the following business day.

All documentation should be submitted as a whole using the Department's FTP server. Once the documents are submitted to the Department via the FTP server, email the staff member issuing this notice at the address below. If you have questions regarding the FTP submission process, contact Jason Burr at jason.burr@tdhca.state.tx.us or by phone at (512) 475-3986.

Sincerely,

Nicole Fisher
Multifamily Housing Specialist

Phone Number: (512) 475-2201

Email: nicole.fisher@tdhca.state.tx.us

Texas Department of Housing and Community Affairs
Deficiency Notice
TDHCA # 10150
Woodlawn Ranch Apartments
Response
Attn: Nicole Fisher
Multifamily Housing Specialist
nicole.fisher@tdhca.state.tx.us

In response to the deficiency notice dated April 8, 2010:

1. The request for tax credits is the \$2,000,000 limit. The actual calculation of tax credits based on the qualified costs is \$2,238,504.
2. The revised form is attached.
3. According to the legal counsel for the Public Facilities Corporation, it does not meet the definition of a nonprofit organization for this application. Therefore we did not fill in those forms.
4. The revised form is attached.
5. The revised form is attached. However, we had to do this manually, as the 20 points on the form we used was the total on Vol 3 Tab 1 Part D R42. That number fills in automatically, and cannot be changed. Vol 3 Tab 1 Part D R42 specifies that we must check every item that applies. If we do that, the total is greater than 14.
6. Item 6, we included the notice saying the funds are available and asking for proposals by March 1, 2010. Also attached was our notice of intent to file the application for the HOME funds. Here is a letter confirming the availability of funds.
7. Attached please find the revised rent schedule, reflecting the correct percentages.
8. Item 8, our interpretation of this was that the key factor in qualifying for these points was that development would be part of a Community Revitalization Plan. In other words, the fact of the property being located within, and being part of the Plan, is the controlling intent. We are tearing down the existing 200 obsolete and dilapidated dwellings and reconstructing on the same site the existing 200 units, plus 52 additional units. It was determined by all concerned, including the current owner, St. Mary's University; the future owner, the City of San Antonio Housing Trust Public Facilities Corporation; HUD; and local and state officials, that the best way to further the Community Revitalization Plan was to reconstruct a new,

modern residential neighborhood on the same site. We hope this meets the requirements of Volume 4 Tab 12.

9. For Item 9, attached please find the revised Volume 3 Tab 3 and Volume 4 Tab 14.
10. For Vol 4 Tab 15, we have added four three bedroom units, and removed four one bedroom units, which now exceeds the required 70%.
11. For Vol 4 Tab 23, attached please find the required letter.
12. Attached is a revised self scoring page adding the two points for Sponsor Characteristics.
13. Attached please find the required affidavit.

If there is any problem with these items, please let me know immediately.
Thank you.

Very truly yours,


Stephen Poppon
Attachments

Steve Poppoon

From: Michael A Hogan [mhogan@hoganre.com]
Sent: Monday, June 07, 2010 1:53 PM
To: Steve Poppoon (spoppoon@hoganre.com)
Subject: FW: Regarding: TDHCA Number 10150, Woodlawn Ranch Apts

From: Nicole Fisher [mailto:nicole.fisher@tdhca.state.tx.us]
Sent: Thursday, April 15, 2010 2:04 PM
To: Steve Poppoon; Nicole Fisher
Cc: Michael A Hogan; Jose Gonzalez
Subject: RE: Regarding: TDHCA Number 10150, Woodlawn Ranch Apts

The deficiencies have been received and resolved.

Thank you,

Nicole Fisher
Multifamily Housing Specialist
Texas Department of Housing and Community Affairs
(512) 475-2201 Phone
(512) 475-1895 Fax
nicole.fisher@tdhca.state.tx.us

From: Steve Poppoon [mailto:spoppoon@hoganre.com]
Sent: Wednesday, April 14, 2010 4:13 PM
To: 'Nicole Fisher'
Cc: 'Michael A Hogan'; 'Jose Gonzalez'
Subject: RE: Regarding: TDHCA Number 10150, Woodlawn Ranch Apts

Nicole
Attached please find our revisions to our application pursuant to the
Deficiency Notice dated April 8, 2010 to TDHCA #10150.
Please let us know if you have any questions.
Thank you.
Steve

Stephen J. Poppoon
Attorney at Law
Hogan Real Estate Services
1618 Lockhill-Selma
San Antonio, Texas 78213
210-682-1500
210-573-0178 mobile
fax 210-682-4015
email spoppoon@yahoo.com
spoppoon@hoganre.com

All information contained herein was obtained from sources deemed reliable. However, such

10150

Executive Director's
Response



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

Michael Gerber
EXECUTIVE DIRECTOR

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Lowell A. Keig
Juan S. Muñoz, Ph.D.

June 16, 2010

Michael A. Hogan
For Hillcrest Living GP, LLC
1618 Lockhill-Selma
San Antonio, Texas 78213

Re: Appeal of Scoring Notice for #10150, Woodlawn Ranch Apartments

Dear Mr. Hogan:

Appeal Review

I have carefully reviewed the appeal received on June 7, 2010, by the Texas Department of Housing and Community Affairs (the "Department"), regarding your request to reinstate the six points for Community Revitalization or Historic Preservation pursuant to §50.9(i)(13) of the 2010 Qualified Allocation Plan and Rules (QAP), which states the following:

"Applications may qualify to receive 6 points for either subparagraph (A) or (B) of this paragraph.

(A) The Development includes the use of an Existing Residential Development and proposes any Rehabilitation or any Reconstruction that is part of a Community Revitalization Plan. Evidence of the Community Revitalization Plan (such evidence must include an ordinance, resolution, or otherwise recorded documentation of a vote taken by the local elected Governing Body specifically adopting the Community Revitalization Plan) and a letter from the chief executive officer or other local official with appropriate jurisdiction of the local Governing Body stating that the Development Site is located within the targeted development areas outlined in the Community Revitalization Plan must be submitted; or

(B) The Development includes the use of an existing building that is designated as historic by a federal or state Entity and proposes Rehabilitation (including reconstruction) or Adaptive Reuse. The Development itself must have the designation; points in this subparagraph are not available for Developments simply located within historic districts or areas that do not have a designation on the building. The Development must include the historic building. Evidence will include proof of the historic designation from the appropriate Governmental Entity."

Your appeal states that the proposed development does meet the intent of the Community Revitalization provision and is a vital part of the Community Revitalization Plan for the City of San Antonio. The appeal further states that the development proposes the use of an existing residential development and has overwhelming neighborhood and political support. The existing Chaminade residential development is 200 units and your appeal states that the Applicant is not "proposing to increase the total number of Units in the Existing Residential Development", because the existing development will no longer exist.

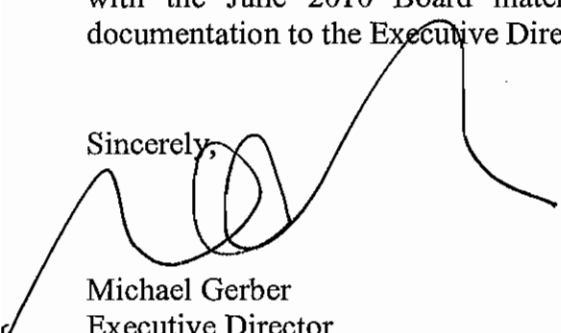
Appeal Determination

Staff has carefully considered the Applicant's appeal and development plan for the proposed Woodlawn Ranch. Staff disagrees with the Applicant's appeal that the Applicant is not proposing to increase the total number of units. The development plan submitted in the application reflects the demolition of the existing 200 units and the reconstruction of 252 units, thereby increasing the total number of units. The definition of Rehabilitation states "Developments proposing Adaptive Reuse or proposing to increase the total number of Units in the Existing Residential Development are not considered Rehabilitation or reconstruction."

While staff agrees that the Applicant's proposed development plan meets the spirit and intent of §50.9(i)(13) of the 2010 QAP, staff does not have the ability to waive this rule. Therefore, your appeal is denied.

Per your request your appeal has been placed on the next Board meeting agenda. Pursuant to §50.17(b)(4) of the 2010 Qualified Allocation Plan and Rules, if you wish to submit any further documentation for your Board appeal, the documentation **must** be received by 5:00 p.m. CST on **June 18, 2010** to be placed with the June 2010 Board materials. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.

Sincerely,



Michael Gerber
Executive Director

MFF/rbm

cc: Stephen J. Poppoon

10153

Britain Way
Apartments

**MULTIFAMILY FINANCE DIVISION
BOARD ACTION REQUEST
July 8, 2010**

Recommended Action

Deny the appeal to reinstate six points for Application #10153, Britain Way Apartments.

WHEREAS, an application for housing tax credits was submitted for Britain Way Apartments on March 1, 2010; and

WHEREAS, the Applicant was not awarded six points for §50.9(i)(14)- Pre-Application Participation Incentive Points because they did not provide evidence to demonstrate that the same Applicant maintained continuous site control from pre-application to application; therefore

BE IT RESOLVED, that the appeal of Britain Way Apartments, #10153 is hereby denied.

Background

Britain Way Apartments is a proposed rehabilitation of an existing 168-unit family development in Irving. The full application reflects Britain Way Apartments, LP as the Applicant for the proposed development. However, at pre-application the site control was executed by Summit Britain Way Apartments, LTD with Blake Brazeal as President and Tom Champion reflected as a contact. At the time of pre-application the full ownership structure is not known. During the course of the Department's review of the full application, staff requested documentation to clarify site control on behalf of the Applicant, Irving Britain Way Apartments, LP as the purchaser, versus the site control documents in the original submission which reflect Summit Britain Way Apartments, Ltd. In response the Applicant provided a Reinstatement, Assignment and Amendment of Purchase and Sale Agreement dated as of March 1, 2010 whereby the Summit contract was assigned to Om Housing, LLC, an affiliate of the currently proposed Applicant. The full application provides an ownership structure in which no Summit principals including Mr. Champion or Mr. Brazeal are involved. As a result staff was not able to verify that the same Applicant from pre-application to full application maintained continuous site control. What staff was able to determine was that Om Housing, LLC, which is an affiliate of the current Applicant, had site control from March 1, 2010 to the present day. Therefore, the six pre-application points were not awarded to the application.

The Applicant asserts that there is nothing explicit in the Qualified Allocation Plan and Rules (QAP) to require that the same Development owner or principals maintain site control from pre-application until the time of application in order to secure the pre-application points. Further, the Applicant is appealing that the Department requires a limited amount of information at pre-application, none of which includes a list of the development team members or an organization chart for the proposed development owner. As a result the Applicant asserts that it is impossible to discern who else could be

included in the definition of Applicant at the time of pre-application filing. The Department does not disagree that limited information is required at the time that a pre-application is filed. However, it is clear and undisputed that the name of the Applicant reflected in the pre-application is not the same that is reflected in the full application.

10153

Scoring Notice



MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2010 Application Round
Scoring Notice - Competitive Housing Tax Credit Application

Page 2 of Final Scoring Notice: 10153, Britain Way

**Explanation for Difference between Points Requested and Points Awarded by the Department
(explanation does not include points for §§50.9(i)(2), (6) and (18)):**


50.9(i)(14) - Pre-Application Participation Incentive Points: a site control contract to the development owner, Irving Britain Way Apartments, L.P., was not submitted. Staff is unable to confirm that site control was maintained by the same Applicant from Pre-Application to full Application. (6 pts requested, 0 awarded)

A formal appeals policy exists for the Competitive HTC Program. If you wish to appeal this scoring notice (including Set-Aside eligibility), you must file your appeal with the Department no later than 5:00 p.m. (CST), Wednesday, June 9, 2010. If an appeal is denied by the Executive Director, an Applicant may appeal to the Department's Board.

In an effort to increase the likelihood that Board appeals related to scoring and Set-Asides are heard at the Board meeting, the Department has provided an Appeal Election Form for all appeals submitted to the Executive Director. In the event an appeal is denied by the Executive Director, the form requests that the appeal automatically be added to the Board agenda.

If you have any concerns regarding potential miscalculations or errors made by the Department, please contact Raquel Morales by facsimile at (512) 475-0764 or by email at raquel.morales@tdhca.state.tx.us.

Sincerely,

Robbye Meyer 

Robbye Meyer
Director of Multifamily Finance



MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2010 Application Round
Scoring Notice - Competitive Housing Tax Credit Application

Appeal Election Form: 10153, Britain Way

I am in receipt of my 2010 scoring notice and am filing a formal appeal to the Executive Director on or before Wednesday, June 9, 2010.

If my appeal is denied by the Executive Director,:

- I do wish to appeal to the Board of Directors and request that my application be added to the Department Board of Directors meeting agenda. My appeal documentation, which identifies my specific grounds for appeal, is attached. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.
- I do not wish to appeal to the Board of Directors.

Note: If you do not wish to appeal this notice, you do not need to submit this form.

Signed _____

Title _____

Date _____

Please fax or email to the attention of Raquel Morales:
Fax: (512) 475-0764 or (512) 475-1895
Email: <mailto:raquel.morales@tdhca.state.tx.us>

10153

Appeal Documents

Raquel Morales

From: Bast, Cynthia L. [clbast@lockelord.com]
Sent: Wednesday, June 09, 2010 1:47 PM
To: michael.gerber@tdhca.state.tx.us; raquel.morales@tdhca.state.tx.us;
robbye.meyer@tdhca.state.tx.us
Cc: Alyssa Carpenter; Sarah Anderson; Sarah Andre; Deepak P Sulakhe
Subject: Britain Way Appeal
Attachments: Britain Way.pdf

Please see attached and confirm receipt. Thank you.

Cynthia L. Bast
Partner
Locke Lord Bissell & Liddell LLP
100 Congress Avenue
Suite 300
Austin, Texas 78701
512-305-4707 Direct
512-391-4707 Fax
cbast@lockelord.com
www.lockelord.com

Atlanta, Austin, Chicago, Dallas, Houston, London, Los Angeles, New Orleans, New York, Sacramento, San Francisco, Washington DC

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100 Congress, Suite 300
Austin, TX 78701
Telephone: 512-305-4700
Fax: 512-305-4800
www.lockelord.com

Cynthia L. Bast
Direct Telephone: 512-305-4707
Direct Fax: 512-391-4707
cbast@lockelord.com

June 9, 2010

Mr. Michael Gerber
Executive Director
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701

Re: Britain Way (Irving), TDHCA No. 10153
Appeal for Scoring

Dear Mike:

We represent Irving Britain Way Apartments LP ("Applicant"), which applied for low-income housing tax credits in the 2010 application round for the Development listed above. Applicant requested points under Section 50.9(i)(14) of the Qualified Allocation Plan (the "QAP") for submission of a pre-application. The points were not awarded.

Request

On behalf of Applicant, we request that Applicant receive six (6) points under Section 50.9(i)(14) of the QAP.

Summary

TDHCA declined to award pre-application points because "Staff is unable to confirm that site control was maintained by the same Applicant from Pre-Application to full Application." Nothing in the QAP requires an "Applicant" to remain the same from the time of Pre-Application to the time of final Application, nor do the application materials provide TDHCA with the information necessary to make a determination as to whether the Applicant has remained the same.

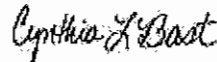
This issue was first addressed in the deficiency process, when staff raised questions about the site control materials submitted. We delivered an extensive memorandum on the matter and attach that memorandum as the basis for Applicant's appeal.

Mr. Michael Gerber
June 9, 2010
Page 2

We respectfully request that this appeal be granted by the Executive Director, if possible. If administrative approval is not possible, we request that this appeal be heard at the next available Board meeting.

Thank you, and feel free to contact me with any questions.

Sincerely,



Cynthia L. Bast

cc: Robbye Meyer
Raquel Morales
TDHCA

Deepak Sulakhe
Sarah Andre
Sarah Anderson
Alyssa Carpenter

Exhibit A - Memorandum Regarding Site Control

Exhibit A



100 Congress, Suite 300
Austin, TX 78701
Telephone: 512-305-4700
Fax: 512-305-4800
www.lockelord.com

Cynthia L. Bast
Direct Telephone: 512-305-4707
Direct Fax: 512-391-4707
cbast@lockelord.com

Memorandum

Date: May 20, 2010

To: Robbye Meyer

From: Cynthia L. Bast

Subject: Britain Way
Low-Income Housing Tax Credit application
TDHCA No. 10153

This memorandum responds to your question as to whether the same development owner has demonstrated continuous site control for the proposed Britain Way development from the time of filing the pre-application to the time of filing the application.

Background Information

Pre-Application. On or before January 8, 2010, a pre-application for tax credits for the acquisition and rehabilitation of the Britain Way Apartments was submitted. The proposed Development Owner was identified as Summit Britain Way Apartments, Ltd. The pre-application listed Tom Champion and Alyssa Carpenter as contact persons.

To evidence site control, the pre-application included a Purchase and Sale Contract dated November 30, 2009 (the "**Contract**"), by which the current owner of Britain Way Apartments, 1954, Ltd., proposed to sell the property to Summit Britain Way Apartments, Ltd.

Application. On or before March 1, 2010, an application for tax credits for the acquisition and rehabilitation of the Britain Way Apartments was submitted. The proposed Development Owner was identified as Irving Britain Way Apartments LP. The application listed Deepak Sulakhe and Alyssa Carpenter as the contact persons for the application.

To evidence site control, the application included the same Purchase and Sale Contract that was included in the pre-application.

Deficiency. On May 11, 2010, the Development Owner received a deficiency notice, including the following:

Vol 3 Tab 3 Site Control. The contract to the development owner, Irving Britain Way Apartments, L.P., was not submitted.

In response to the deficiency, the proposed Development Owner submitted a copy of the Reinstatement, Assignment and Amendment of Purchase and Sale Agreement dated as of March 1, 2010 (the "**Assignment of Contract**"), by which Summit Britain Way Apartments, Ltd. assigned its interest in the Contract to Om Housing, LLC, and such assignment was consented to by 1954, Ltd., the property owner and seller. Om Housing, LLC is an affiliate of the proposed Development Owner in the application, and the Contract, as amended by the Assignment of Contract, expressly permits assignment of the purchaser's rights to an affiliate. Thus, the Contract is assignable to Irving Britain Way Apartments LP.

Question Presented

It appears TDHCA is concerned that the proposed Development Owner listed in the pre-application was Summit Britain Way Apartments, Ltd. while the proposed Development Owner listed in the application is Irving Britain Way Apartments LP and that the principals of the proposed Development Owner may have changed. This implies a mandate that, in order to satisfy the continuous site control requirements of the QAP, the same Development Owner, or the same principals, must have site control from the time of the pre-application until the time of the application.

Brief Answer

There is nothing in the QAP to require that the same Development Owner or principals maintain site control from the time of the pre-application until the time of the application. Irving Britain Way Apartments LP has met all of the threshold requirements for site control in its tax credit application and, further, has met all the requirements for pre-application points in the selection criteria.

Analysis

The QAP goes to great lengths to define and utilize certain terms with respect to the parties involved with a tax credit application. It must be presumed that these various defined terms are used with a purpose. Under that assumption, the following analysis applies:

The QAP defines an "**Applicant**" as:

Any Person or Affiliate of a Person who files a Pre-Application or an Application with the Department requesting a Housing Credit Allocation.

The "**Development Owner**" is defined as:

Any Person, General Partner, or Affiliate of a Person who owns or proposes a Development or expects to acquire Control of a Development under a purchase contract or ground lease approved by the Department.

Pre-application Threshold Criteria. The pre-application is intended to be a preliminary statement of intent with regard to the proposed development and financing of an affordable housing property. Accordingly, TDHCA requires a limited amount of information in a pre-application submission. In fact, only three threshold items are required. With regard to site control, the QAP requires the Applicant to include "evidence of property control through March 1, 2010 as evidenced by the documentation required under §50.9(h)(7)(A) of this chapter." Under §50.9(h)(7)(A), "evidence of property control" means "evidence of Property control in the name of the Development Owner." Further, "if the evidence is not in the name of the Development Owner, then the documentation should reflect an expressed ability to transfer the rights to the Development Owner."

Satisfaction. The QAP requires the Applicant to provide evidence of site control in the name of the Development Owner. This requirement is met by a snapshot, taken at a moment in time, on the date the pre-application is filed. Based upon the definition of "Applicant" in the QAP, the Applicant at the time the Britain Way pre-application was filed could have been: Tom Champion, as a listed contact person, Alyssa Carpenter, as a listed contact person, Summit Britain Way Apartments, Ltd., as the proposed Development Owner, or affiliates of those persons. TDHCA does not require a development team listing or an organizational chart for the proposed Development Owner at the time of pre-application, so it is impossible to discern who else could be included in the definition of "Applicant" at the time of pre-application filing. In this case, the persons who submitted the pre-application (the Applicant) submitted the Contract in the name of the proposed Development Owner. At the time submitted, the Contract was effective through March 1, 2010. The submission of the Contract by the Applicant satisfies the threshold criteria of the QAP for a pre-application.

Application Threshold Criteria. When an application is submitted, the threshold requirement for site control is met if the Applicant submits "a contract for sale, an exclusive option to purchase or a lease which is valid for the entire period the Development is under consideration for tax credits." The site control must be "in the name of the Development Owner" or, if not, it "should reflect an expressed ability to transfer the rights to the Development Owner."

Satisfaction. Again, the QAP requires the Applicant to provide evidence of site control in the name of the Development Owner. Based on the plain language of the QAP, this requirement is satisfied with a snapshot look at the evidence provided in the application. Utilizing the definition of "Applicant" in the QAP, the Applicant at the time the application was filed could have been: Deepak Sulakhe, as a listed contact person, Alyssa Carpenter, as a listed contact person, Irving Britain Way Apartments LP, as the proposed Development Owner, or the affiliates of the proposed Development Owner shown on the organizational chart in the application, which would include Om Housing, LLC. In this case, the persons who submitted the application (the Applicant) submitted the Contract and, in response to a deficiency request because of an omission, the Assignment of Contract. Taken together, the Contract and the Assignment of Contract show that Om Housing, LLC had site control from the date of application through the entire period that the development will be considered for tax credits. While the Contract, as

amended by the Assignment of Contract, is not in the name of the proposed Development Owner, it is clearly assignable to the proposed Development Owner. The submission of the Contract and the Assignment of Contract by the Applicant satisfies the threshold criteria of the QAP for an application.

Application Selection Criteria. To receive the pre-application incentive points, the QAP states that the application must "be for the identical Development Site, or reduced portion of the Development Site as the proposed Development Site under control in the Pre-Application."

Satisfaction. It is clear that the pre-application for the Britain Way Apartments and the application for the Britain Way Apartments are for the identical development site. The development site was under control at the time of pre-application. Nothing in the QAP states that a specific Applicant or Development Owner must have maintained continuous site control from the date the pre-application was filed until the date the application was filed. If that were required, the QAP would say so. Implications or intentions cannot trump over the plain language of the rules in this complex and competitive process. The development site was under control at the time of application. Because the pre-application and application are for the same site, the selection item for pre-application incentive points has been satisfied.

Position Statement

- Based on the plain language of the QAP, the threshold criteria for site control in the pre-application is satisfied at a moment in time. If, as of the date of filing the pre-application, the Applicant had site control in the name of the proposed Development Owner through March 1, 2010, then the threshold requirement is satisfied. In the case of Britain Way, parties meeting the definition of "Applicant" satisfied this requirement by submitting the Contract.
- Similarly, the threshold criteria for site control in the application is satisfied at a moment in time. If, as of the date of filing the application, the Applicant had site control in the name of the proposed Development Owner through the time when the tax credits will be considered, then the threshold requirement is satisfied. In the case of Britain Way, parties meeting the definition of "Applicant" satisfied this requirement by submitting the Contract and the Assignment of Contract.
- In short, the pre-application requires that whoever is the Applicant at the time the pre-application is submitted must provide evidence of site control from the time of pre-application through March 1, 2010. The application requires that whoever is the Applicant at time the application is submitted must provide evidence of site control from the time of application through the time the tax credits are being considered in the name of the proposed Development Owner. This leaves open the possibility that something could happen with regard to the site control between the time the pre-application is filed and the time the application is filed. And because the site control requirements for pre-application and application are satisfied at a moment in time, an intervening circumstance does not impact the viability of the ultimate application.
- There is nothing in the QAP to require the Applicant submitting the pre-application and the Applicant submitting the application to be the same. In fact, this would be impossible to discern. Other than a signature line for "Owner/Applicant", neither the pre-application nor the application requires the party making the submission to identify all persons who could be included in the definition of "Applicant" at either the pre-application or

application stage so that TDHCA can confirm they are the same. Moreover, "Owner" and "Applicant" could be two totally different persons, so placement of a signature cannot be a determining factor

- Additionally, if an "Applicant" is defined as a person who submits a pre-application or an application, then Alyssa Carpenter was an Applicant for both the pre-application and the application on Britain Way.
- There is nothing in the QAP to require that the proposed Development Owner listed in the pre-application be the same as the proposed Development Owner listed in the application. As you know, in most instances, the proposed Development Owner is an entity to be formed. TDHCA does not require that the entity be formed at the time of pre-application or at the time of application. TDHCA does not even require that a name reservation for the proposed Development Owner be filed at the time of pre-application. This leaves open the possibility that the name of the proposed Development Owner may change between the time of pre-application and the time of application, if the Applicant determines that the name it originally planned for is not available in the name reservation process. Thus, the change of the name of the proposed Development Owner from Summit Britain Way Apartments, Ltd. to Irving Britain way Apartments LP is not prohibited by the QAP.
- There is nothing in the QAP to require that the principals of the proposed Development Owner remain the same between the pre-application and the application. Again, TDHCA does not collect data to be able to assess how the principals change between the time of pre-application and application. In fact, an Applicant could submit a pre-application that does not take any points for sponsor characteristics under item 26 and then submit an application that does take points for that item by including a HUB general partner. This would be a change in the principals of the Development Owner between the time of pre-application and application that would be expressly permitted by the QAP. Absent a specific prohibition, TDHCA cannot assert that the application has failed to meet any threshold because Summit Housing Partners is observed in the pre-application and Om Housing, LLC is observed in the application.
- To receive pre-application incentive points, the application must simply be for the same site as the pre-application. That is clearly the case here. This is an application for the acquisition and rehabilitation of the Britain Way Apartments. The property to be financed with tax credits has not changed between pre-application and application. Per the plain language of the QAP, the requirements for these points have been satisfied.

Conclusion

Respectfully, the question as to whether the same development owner has maintained continuous site control between the pre-application and the application is an irrelevant inquiry. Nothing in the language of the QAP imposes such a requirement. If you would like to discuss this matter further, I am happy to do so.

10153

Executive Director
Response



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

Michael Gerber
EXECUTIVE DIRECTOR

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Lowell A. Keig
Juan S. Muñoz, Ph.D.

June 18, 2010

Cynthia L. Bast
Locke Lord Bissell & Liddell
100 Congress Avenue, Suite 300
Austin, Texas 78701

Re: Appeal of Scoring Notice for #10153, Britain Way

Dear Ms. Bast:

Appeal Review

I have carefully reviewed the appeal received on June 9, 2010, by the Texas Department of Housing and Community Affairs (the "Department"), regarding your request to reinstate the six (6) Pre-Application Incentive points pursuant to §50.9(i)(14) of the 2010 Qualified Allocation Plan and Rules (QAP).

The points were not awarded because the application did not establish that the same Development Owner from pre-application to application continuously maintained site control. The pre-application submitted reflected Summit Britain Way Apartments, Ltd. as the proposed Development Owner and Tom Champion as the contact for the Development Owner. The pre-application also included a Purchase and Sale Contract dated 11/30/2009 between Britain Way Apartments 1954, LTD. (Seller) and Summit Britain Way Apartments, Ltd. (Buyer). As stated in the Applicant's appeal, the Department requires limited information at the time of pre-application with respect to the development team. Therefore, while not explicit in the QAP, it is inherent that the Development Owner reflected in the pre-application will continue to be the same Development Owner through the full application process.

The application for the subject development submitted on March 1, 2010 reflects the Development Owner as Britain Way Apartments, LP and Deepak Sulakhe as the contact and principal. A copy of the exact site control contract was submitted with the application, which resulted in an Administrative Deficiency given that it was no longer in the name of the proposed Development Owner in the application. In response to the deficiency, a Reinstatement, Assignment and Amendment of Purchase and Sale Agreement dated as of March 1, 2010 was provided whereby Summit Britain Way Apartments, Ltd. assigned its interest in the contract to Om Housing, LLC, which is an affiliate of the Development Owner at application. Given the information provided to date, it has not been shown that the same Development Owner had site control from the date of pre-application through the entire period that the development will be considered for tax

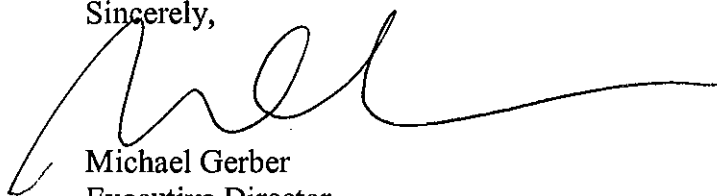
credits. What has been documented is that Om Housing, LLC, which is an affiliate of the current Development Owner, had site control only from March 1, 2010. Therefore, staff's determination of the subject application's ineligibility for the pre-application points is consistent with the intent of this rule.

Appeal Determination

Your appeal is denied.

Per your request your appeal has been placed on the next Board meeting agenda. Pursuant to §50.17(b)(4) of the 2010 Qualified Allocation Plan and Rules, if you wish to submit any further documentation for your Board appeal, the documentation **must** be received by 5:00 p.m. CST on **June 28, 2010** to be placed with the July 2010 Board materials. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.

Sincerely,

A handwritten signature in black ink, appearing to read 'Michael Gerber', with a long horizontal flourish extending to the right.

Michael Gerber
Executive Director

MFF/rbm

cc: Deepak Sulakhe
Sarah Andre
Sarah Anderson
Alyssa Carpenter

10160

Creekside Place

**MULTIFAMILY FINANCE DIVISION
BOARD ACTION REQUEST
July 8, 2010**

Requested Action

Deny the appeal to reinstate six points for Application #10160, Creekside Place.

WHEREAS, an application for tax credits was submitted for Creekside Place on March 1, 2010; and

WHEREAS, the Applicant was not awarded six points for §50.9(i)(16)- Development Location because they did not provide evidence that the census tract in which the development is proposed to be located in has a higher median family income (MFI) than the county MFI; therefore

BE IT RESOLVED, that the appeal of Creekside Place, #10160 is hereby denied.

Background

Creekside Place is a proposed 176-unit elderly, new construction development in New Braunfels. The application was not awarded four points under Development Location §50.9(i)(16)(C) of the Qualified Allocation Plan and Rules (QAP), which states the following:

“(C) The Development is located in a census tract which has a median family income (MFI), as published by the United States Bureau of the Census (U.S. Census) that is higher than the median family income for the county in which the census tract is located. This comparison shall be made using the most recent data available as of the date the Application Round opens the year preceding the applicable program year. Developments eligible for these points must submit evidence documenting the median income for both the census tract and the county. These Census Tracts are outlined in the 2010 Housing Tax Credit Site Demographic Characteristics Report.”

The 2010 Site Demographics report was utilized for all 2010 competitive tax credit applications in determining whether an application met the criteria for this point item. According to the 2010 Site Demographics report the census tract in which the proposed development is to be located does not qualify for these points. However, the Applicant appeals that there is more recent data to support that the census tract MFI is higher than the county MFI, thereby qualifying the application for the four points. The Applicant’s appeal included data from the Financial Institutions Examination Council (FFIEC) Geocoding System, which is offered as one of several mapping resources on the Department’s HTC web page. According to this data the projected 2008 and 2009 census tract MFI is estimated to be higher than the county MFI. However, the QAP requires that the “most recent data available as of the date the Application Round opens the year

preceding the applicable program year” be utilized to compare AMFI for county versus census tract. This would mean the data would have to be recent as of December 2008. The data provided by the Applicant indicates that the last update was performed on August 7, 2009, which is after the December 2008 date and therefore specifically precluded by the rule.

To allow this Applicant to use estimated figures for the purposes of determining eligibility under this point item would provide this application an unfair advantage over all other 2010 competitive applications submitted. All applications were evaluated based on the same data that was available as of December 2008.

10160

Scoring Notice



MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2010 Application Round
Scoring Notice - Competitive Housing Tax Credit Application

Page 2 of Final Scoring Notice: 10160, Creekside Place

Explanation for Difference between Points Requested and Points Awarded by the Department (explanation does not include points for §§50.9(i)(2), (6) and (18)):

50.9(i)(16)- Development Location: the application requested points for being located in a census tract having a median family income (MFI) higher than the MFI of the county. Based on the 2010 Housing Tax Credit Site Demographics, the census tract does not have a MFI higher than the county MFI. (4 pts requested, 0 awarded)

A formal appeals policy exists for the Competitive HTC Program. If you wish to appeal this scoring notice (including Set-Aside eligibility), you must file your appeal with the Department no later than 5:00 p.m. (CST), Wednesday, June 9, 2010. If an appeal is denied by the Executive Director, an Applicant may appeal to the Department's Board.

In an effort to increase the likelihood that Board appeals related to scoring and Set-Asides are heard at the Board meeting, the Department has provided an Appeal Election Form for all appeals submitted to the Executive Director. In the event an appeal is denied by the Executive Director, the form requests that the appeal automatically be added to the Board agenda.

If you have any concerns regarding potential miscalculations or errors made by the Department, please contact Raquel Morales by facsimile at (512) 475-0764 or by email at raquel.morales@tdhca.state.tx.us.

Sincerely,

Robbye Meyer 

Robbye Meyer
Director of Multifamily Finance



MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2010 Application Round
Scoring Notice - Competitive Housing Tax Credit Application

Appeal Election Form: 10160, Creekside Place

I am in receipt of my 2010 scoring notice and am filing a formal appeal to the Executive Director on or before Wednesday, June 9, 2010.

If my appeal is denied by the Executive Director,:

- I do wish to appeal to the Board of Directors and request that my application be added to the Department Board of Directors meeting agenda. My appeal documentation, which identifies my specific grounds for appeal, is attached. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.
- I do not wish to appeal to the Board of Directors.

Note: If you do not wish to appeal this notice, you do not need to submit this form.

Signed _____

Title _____

Date _____

Please fax or email to the attention of Raquel Morales:
Fax: (512) 475-0764 or (512) 475-1895
Email: <mailto:raquel.morales@tdhca.state.tx.us>

10160

Appeal Documents

Janice Degollado

From: Janice Degollado [janiced@versadevco.com]
Sent: Wednesday, June 09, 2010 4:04 PM
To: 'Raquel Morales'
Cc: 'Janice Degollado'; 'manishv@versadevco.com'
Subject: FW: Emailing: 10160 Creekside Place.pdf
Attachments: Appeal package.pdf

I am faxing in the event my email was not received.

Hi Raquel,

Attached is our appeal request for Creekside Place.

Please confirm receipt.

Thank you,
Janice

From: Manish C. Verma [mailto:manishv@versadevco.com]
Sent: Thursday, June 03, 2010 8:14 AM
To: Janice Degollado
Subject: Fwd: Emailing: 10160 Creekside Place.pdf

Manish Verma
Versa Development, LLC
4733 College Park, Ste. 200
San Antonio, Texas 78249

210.530.0090 x202 (o)
210.240.8376 (m)
866.245.4254 (f)
manishv@versadevco.com

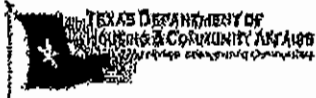
Begin forwarded message:

From: "Misael Arroyo" <misael.arroyo@tdhca.state.tx.us>
Date: June 2, 2010 4:31:13 PM CDT
To: <fgodinez@mauc.org>, <manishv@versadevco.com>
Cc: "Robbye Meyer" <robbye.meyer@tdhca.state.tx.us>, "Raquel Morales" <raquel.morales@tdhca.state.tx.us>
Subject: Emailing: 10160 Creekside Place.pdf

<<10160 Creekside Place.pdf>> Attached you will find the Scoring notice for your 2010 HTC Application.

The message is ready to be sent with the following file or link attachments:

10160 Creekside Place.pdf



MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2010 Application Round
Scoring Notice - Competitive Housing Tax Credit Application

Appeal Election Form: 10160, Creekside Place

I am in receipt of my 2010 scoring notice and am filing a formal appeal to the Executive Director on or before Wednesday, June 9, 2010.

If my appeal is denied by the Executive Director,:

I do wish to appeal to the Board of Directors and request that my application be added to the Department Board of Directors meeting agenda. My appeal documentation, which identifies my specific grounds for appeal, is attached. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.

I do not wish to appeal to the Board of Directors.

Note: If you do not wish to appeal this notice, you do not need to submit this form,

Signed
Title Act. Dir.
Date 6/8/10

Please fax or email to the attention of Raquel Morales:
Fax: (512) 475-0764 or (512) 475-1895
Email: <mailto:raquel.morales@tdhca.state.tx.us>

June 9, 2010

Raquel Morales
Multifamily HTC Program Administrator

RE: Creekside Please, TDHCA 10160 – Appeal

Raquel,

We would like to appeal the scoring notice. The reason for our appeal is as follows:

1. Requesting 1 pt – Third Party Funding Commitment Outside of Qualified Census Tract

The application was submitted with an "Applicant Self Score" of 179 as noted in the Excel version of the application (see attached). The PDF version application was initially submitted with "Applicant Self Score" of 178, with the difference being that the 1 point for "Third Party Funding Commitment Outside of Qualified Census Tract" was not checked. Upon realizing the error, we uploaded the file "Creekside 10160 this one is our app" which had the correct "Applicant Self Score" of 179. TDHCA however was not able to open this file. The backup required to meet his point requirement was submitted with a deficiency dated May 5, 2010.

2. Requesting 4 pts – Development Location

The application requested points for being located in a census tract having a median family income (MFI) higher than the MFI of the county. The 2010 Housing Tax Credit Demographics does not show that the MFI higher than the county MFI, which appears to be incorrect. The QAP states that "this comparison shall be made using the most recent data available as of the date the Application round opens the year preceding the applicable program year. The MFI for census tract 3105.00 was \$60,093 and \$62,840 for the years 2008 and 2009 respectively (see attached), whereas the county income was \$54,700 and \$57,200. The MFI for the census tract is therefore greater than that of the county's.

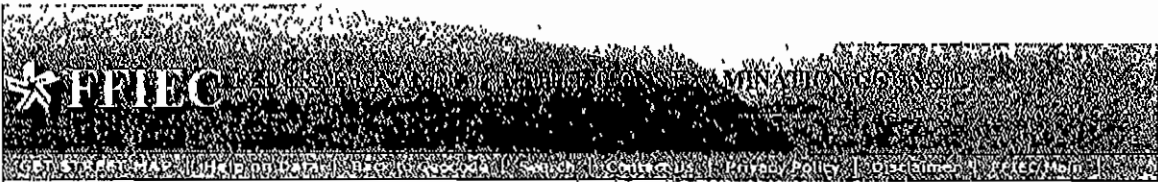
If you have any question or need additional information, please feel free to contact us.

Sincerely,
Manish Verma

Volume 4 (Tab.)
APPLICANT SELF SCORE

Instructions: Complete the following form and indicate all points requested for this Application. All evidence as required by §50.9(i) of the 2009 QAP must be submitted as outlined in the *Application Submission Procedures Manual*.

§50.9(i)	ASPM Tab #	Point Category	Points Requested
(1)	2	Financial Feasibility of the Development (28 points)	28
(2)	No Tab	Quantifiable Community Participation (Points Not Requested in Self Score)	N/A
(3)	3	The Income Levels of Tenants of the Development (22 Point Maximum)	22
(4)(A)	4	The Size of the Units (Development Characteristics) (6 Points Maximum)	6
(4)(B)	4	The Quality of the Units (Development Characteristics) (14 Points Maximum)	14
(5)	5	The Commitment of Development Funding by Local Political Subdivisions (18 Points Maximum)	18
(6)	No Tab	The Level of Community Support from State Elected Officials (Points Not Requested in Self Score)	N/A
(7)	6	The Rent Levels of the Units (12 Points Maximum)	12
(8)	7	The Cost of the Development by Square Foot (Development Characteristics) (10 Points)	10
(9)	8	The Services to be Provided to Tenants of the Development (8 Points Maximum for Part A and B Combined)	8
(10)	9	Declared Disaster Areas (7 Points)	7
(11)	10	Rehabilitation (which includes reconstruction) or Adaptive Reuse (3 Points)	0
(12)	11	Housing Needs Characteristics (6 Points Maximum)	5
(13)	12	Community Revitalization (Development Characteristics) (§42(m)(1)(C)(iii)) or Historic Preservation (6 Points Maximum for Part A and B combined)	0
(14)	13	Pre-Application Participation Incentive Points (6 Points)	6
(15)	14	Economic Development Initiatives (4 Points Maximum for Part A or Part B)	4
(16)	15	Development Location (4 Points Maximum for Parts A - F)	4
(17)	16	Green Building Initiatives (6 Points Maximum)	6
(18)	17	Demonstration of Community Input other than Quantifiable Community Participation (Points Not Requested in Self Score)	N/A
(19)	18	Developments in Census Tracts with No Other Existing Developments Supported by Tax Credits (6 Points)	6
(20)	19	Affirmative Marketing for Veterans (6 Points)	6
(21)	20	Tenant Populations with Special Housing Needs (4 Points)	4
(22)	21	Length of Affordability Period (4 Points Maximum)	4
(23)(A)	22	Proximity of Site to Amenities (4 Points)	4
(23)(B)	22	Negative Site Features (Maximum of -6 Points)	0
(24)	No Tab	Development Size (3 Points)	0
(25)	23	Qualified Census Tracts with Revitalization (1 Point)	0
(26)	24	Sponsor Characteristics (2 Points)	2
(27)	25	Projects Intended for Eventual Tenant Ownership - Right of First Refusal (1 Point)	1
(28)	26	Leveraging of Private, State, and Federal Resources (1 Point)	1
(29)	27	Third-Party Funding Commitment Outside of Qualified Census Tracts (1 Point)	1
(30)	No Tab	Scoring Criteria Imposing Penalties (-5 Points for Part A and -3 Points for each removal under Part B)	
Total Points Requested (must be 118 or greater (unless TRDO-USDA):			119



Geocoding System

MSA Code: **41700** | State Code: **48** | County Code: **091** | Tract Code: **3108.00**

Summary Census Demographic Information

Tract Income Level	Middle	Tract Population	9080
Underserved or Distressed Tract	No	Tract Minority %	35.38
2008 HUD Estimated MSA/MD/non-MSA/MD Median Family Income	\$54,700	Minority Population	3205
2008 Est. Tract Median Family Income	\$60,093	Owner-Occupied Units	1891
2000 Tract Median Family Income	\$48,998	1- to 4-Family Units	2790
Tract Median Family Income %	109.88		

[HOME](#) | [INCOME DATA](#) | [POPULATION DATA](#) | [HOUSING DATA](#)

Last update: 08/07/2009 5:00 PM





Geocoding System

MSA Code: 41700 | State Code: 48 | County Code: 091 | Tract Code: 3105.00
 (MSA/MD Name: SAN ANTONIO, TX (41700))

Summary Census Demographic Information

Tract Income Level	Middle	Tract Population	9080
Underserved or Distressed Tract	No	Tract Minority %	35.38
2009 HUD Estimated MSA/MD/non-MSA/MD Median Family Income	\$57,200	Minority Population	3205
2009 Est. Tract Median Family Income	\$62,640	Owner-Occupied Units	1891
2000 Tract Median Family Income	\$48,988	1- to 4-Family Units	2790
Tract Median Family Income %	109.66		

[HOME](#) | [INCOME DATA](#) | [POPULATION DATA](#) | [HOUSING DATA](#)

Last update: 08/07/2009 5:00 PM



10160

Executive Director's
Response



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

Michael Gerber
EXECUTIVE DIRECTOR

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Gloria Ray, *Vice Chair*
Leslie Bingham Escareño
Tom H. Gann
Lowell A. Keig
Juan S. Muñoz, Ph.D.

June 24, 2010

Manish Verma
Versa Development, LLC
4733 College Park, Ste. 200
San Antonio, Texas 78249

Re: Appeal of Scoring Notice for #10160, Creekside Place

Dear Mr. Verma:

Appeal Review

I have carefully reviewed the appeal received on June 9, 2010, by the Texas Department of Housing and Community Affairs (the "Department"), regarding your request to reinstate the four (4) points for Development Location pursuant to §50.9(i)(16), and one (1) point for Third Party Funding Commitment Outside of Qualified Census Tract pursuant to §50.9(i)(29), of the 2010 Qualified Allocation Plan and Rules (QAP).

The application was not awarded the one point for §50.9(i)(29) because the application submission did not reflect the point requested for this item in the self score form (PDF version) and evidence for this item as not included in the application. The Applicant is appealing that the Excel version of the application was submitted with an Applicant self score of 179; however, the PDF version of the application was erroneously submitted with a self score of 178. Upon realizing this error, the Applicant submitted a corrected version of the PDF application to the Department's server. However, staff was unable to open the corrected PDF application file. Staff was able to confirm that the Applicant previously identified the difference in self score between both PDF application files and submitted all required evidence for awarding the point item requested.

Additionally, the application was not awarded the four points for §50.9(i)(16), specifically under option C which states the following:

"(C) The Development is located in a census tract which has a median family income (MFI), as published by the United States Bureau of the Census (U.S. Census) that is higher than the median family income for the county in which the census tract is located. This comparison shall be made using the most recent data available as of the date the Application Round opens the year preceding the applicable program year. Developments eligible for these points must submit evidence documenting the median income for both the census tract and the county. These Census Tracts are outlined in the 2010 Housing Tax Credit Site Demographic Characteristics Report."

The 2010 Site Demographics report reflects that the census tract in which the proposed development is to be located does not have a Area Median Family Income (AMFI) that is higher than the AMFI for the county. The Applicant is appealing that 2010 Site Demographics report is incorrect in reflecting the census tract eligibility for

these points and contends that more recent data is available to indicate otherwise. The Site Demographics report reflects that tract 3105.00 has a tract median family income of \$48,986 whereas the county median family income is reflected as \$52,455, based on U.S. Census 2000 data. The data source provided by the Applicant is the Federal Financial Institutions Examination Council (FFIEC) Geocoding System which is offered as one of several mapping resources on the Department's HTC web page.

The Applicant asserts that this source of AMFI for census tract 3105.00 is \$60,093 and \$62,840 for the years 2008 and 2009, respectively, whereas the county income is \$54,700 and \$57,200 for 2008 and 2009, respectively. The data provided by the Applicant is an estimated amount for 2008 and 2009, based on the same U.S. Census 2000 data. The QAP requires that the "most recent data available as of the date the Application Round opens the year preceding the applicable program year" be utilized to compare AMFI for county versus census tract. This would mean the data would have to be recent as of December 2008. The data provided by the Applicant indicates that the last update was performed on August 7, 2009, which is after the December 2008 date and would not meet the requirements of the QAP.

Additionally, to allow this Applicant to use estimated figures for the purposes of determining eligibility under this point item would provide this application an unfair advantage over all other 2010 competitive applications submitted. All applications were evaluated based on the same data that was available as of December 2008 with respect to this point item.

Appeal Determination

Your appeal regarding the one point for Third Party Funding Commitment Outside of Qualified Census Tract pursuant to §50.9(i)(29) is granted and a revised final scoring notice is attached reflecting the reinstatement of this point to the final application score.

Your appeal regarding the four points for Development Location pursuant to §50.9(i)(16) is denied.

Per your request your appeal has been placed on the next Board meeting agenda. Pursuant to §50.17(b)(4) of the 2010 Qualified Allocation Plan and Rules, if you wish to submit any further documentation for your Board appeal, the documentation mnst be received by 5:00 p.m. CST on **June 28, 2010** to be placed with the July 2010 Board materials. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.

Sincerely,



Michael Gerber
Executive Director

MFf/rbm



MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2010 Application Round
Revised Scoring Notice - Competitive Housing Tax Credit Application

Page 2 of Final Scoring Notice: 10160, Creekside Place

Explanation for Difference between Points Requested and Points Awarded by the Department (explanation does not include points for §§50.9(i)(2), (6) and (18)):

50.9(i)(16)- Development Location: the application requested points for being located in a census tract having a median family income (MFI) higher than the MFI of the county. Based on the 2010 Housing Tax Credit Site Demographics, the census tract does not have a MFI higher than the county MFI. (4 pts requested, 0 awarded)

A formal appeals policy exists for the Competitive HTC Program. If you wish to appeal this scoring notice (including Set-Aside eligibility), you must file your appeal with the Department no later than 5:00 p.m. (CST), Monday, June 28, 2010. If an appeal is denied by the Executive Director, an Applicant may appeal to the Department's Board.

In an effort to increase the likelihood that Board appeals related to scoring and Set-Asides are heard at the Board meeting, the Department has provided an Appeal Election Form for all appeals submitted to the Executive Director. In the event an appeal is denied by the Executive Director, the form requests that the appeal automatically be added to the Board agenda.

If you have any concerns regarding potential miscalculations or errors made by the Department, please contact Raquel Morales by facsimile at (512) 475-0764 or by email at raquel.morales@tdhca.state.tx.us.

Sincerely,

Robbye Meyer

Robbye Meyer
Director of Multifamily Finance

10200

Hillside West Seniors

**MULTIFAMILY FINANCE DIVISION
BOARD ACTION REQUEST
July 8, 2010**

Recommended Action

Deny the appeal to reinstate six points for Application #10200, Hillside West Seniors Apartments.

WHEREAS, an application for tax credits was submitted for Hillside West Seniors Apartments on March 1, 2010; and

WHEREAS, the Applicant was not awarded six points for §50.9(i)(14)- Pre-Application Participation Incentive Points because they did not provide evidence to demonstrate that the Applicant maintained continuous site control from pre-application to application; therefore

BE IT RESOLVED, that the appeal of Hillside West Seniors Apartments, #10200 is hereby denied.

Background

Hillside West Seniors Apartments is a proposed 130-unit elderly, new construction development in Dallas. The application was not awarded the six Pre-Application points under Pre-Application Participation Incentive Points §50.9(i)(14) of the Qualified Allocation Plan and Rules (QAP) because evidence was not provided to demonstrate that the Applicant maintained continuous site control between pre-application to full application. The pre-application reflected that the Seller was an entity whose president is Alan P. McDonald, and the contract reflected a five acre parcel being sold for \$2,178,000. A new contract was provided at the time of full application executed on behalf of the Seller on February 25, 2010 by Dirik Oudt reflecting a 4.867 acre parcel selling for a price of \$1,700,000. During the course of the Department's review, staff requested and the Applicant provided a copy of an escrow receipt for the development site to be purchased. A receipt reflecting a \$5,000 deposit made on 3/2/2010 was provided. As is common practice during review of applications for tax credits, if a pre-application was submitted for the same development then staff pulls the information submitted at pre-application to determine that the same proposed Applicant at pre-application had site control over the same site documented at that time, and has maintained continuous site control from pre-application throughout the full application process. In this case, staff was not able to make that determination. Specifically, at pre-application the Purchase and Sale Contract with an effective date of 1/8/2010 was submitted to the Department and included a provision within the contract that earnest money be tendered in escrow within two days of the effective date, or by 1/10/2010. Although requested, the Applicant was not able to provide evidence to demonstrate that Applicant complied with the required escrow provision of the contract.

According to the Applicant's appeal, the QAP does not specifically require an Applicant to provide evidence of the deposit of earnest money pursuant to the terms of the real estate contract. Further, the Applicant confirms that earnest money was not delivered to the title company in accordance with the Purchase and Sale Contract because there was an identity of interest between the seller and buyer of the property that existed at that time. For this reason the Applicant did not see the need to deposit earnest money despite the provision in the contract to do so. The person whose involvement with both parties creates an "identity of interest", Alan P. McDonald, is said to no longer be a principal in the seller.

The Department's process with respect to review of site control does not provide for an exception to transactions that involve an identity of interest, and all provisions of a contract that is signed by both parties are considered to be enforceable. Further, other changes to the contract which were identified during the review process (including site acreage, contract dollar amount, closing date and legal description, etc.) further call into question that the contract is a continuation or a totally new contract. The escrow receipt ultimately submitted upon request by the Department reflects earnest money tendered for a second contract, which pertained to a somewhat different tract of land with different principals in the seller. Therefore, the Department did not award the six Pre-application points to this application consistent with the intent of this rule.

10200

Scoring Notice



MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2010 Application Round
Revised Scoring Notice - Competitive Housing Tax Credit Application

Hillside West Seniors, LP
 Brandon Bolin
 3109 Knox St., Ste. 305
 Dallas, TX 75205
 Phone #: (214) 991-8331
 Fax #: (972) 462-8715
 Email: bbolin@groundfloordev.com

Date Issued: June 07, 2010

**THIS NOTICE WILL ONLY BE
 TRANSMITTED VIA EMAIL**

Second Email: Terri.L.Anderson@msn.com

**RE: 2010 Competitive Housing Tax Credit (HTC) Application for Hillside West Seniors, TDHCA
 Number: 10200**

Attention: Brandon Bolin

The Texas Department of Housing and Community Affairs (the "Department") has completed its Eligibility and Selection Criteria Review of the Application referenced above as further described in §50.9(d)(1) of the 2010 Qualified Allocation Plan and Rules ("QAP"). Below, a summary is provided of the score requested, as calculated by the Applicant, followed by the score requested, as calculated by the Department. The two numbers differ if the Applicant's calculation was incorrect. The next score shown is the score awarded to the Application by the Department, followed by the difference between the score requested (as calculated by the Department) and the score awarded. An explanation of the reason(s) for any differences, including points denied, is provided at the top of the second page of this notice. The next scoring items show the number of points awarded for each of the three categories for which points could not be requested by the applicant: §50.9(i)(2) Quantifiable Community Participation (QCP); §50.9(i)(6) Level of Community Support from State Representative or State Senator; §50.9(i)(18) Demonstration of Community Input other than QCP. This is followed, in bold, by the final cumulative number of points awarded by the Department to the Application.

Please note that if you were awarded points under §50.9(i)(5), or (28) of the 2010 QAP this notice only provides an explanation of any point deductions for those items. In addition, note that should this application receive an award of tax credits, at the time the executed Commitment Notice is required to be submitted, the Applicant or Development Owner must provide evidence of a commitment approved by the governing body of a local political subdivision for the sufficient local funding and a commitment approved by a qualifying private, state, or federal source to the Department. Qualifying sources other than those submitted in the Application may be submitted to the Department at the time the executed Commitment Notice is required to be submitted pursuant to §50.9(i)(5) and (28) of the 2010 QAP.

To the extent that a threshold review is not yet completed for this application, pursuant to §50.9(d)(3), the final score may still change, in which case you will be notified.

Allocation: Urban Set Asides: USDA Non Profit At Risk

Score Requested by Applicant (Does not include points for §§50.9(i)(2), (6) or (18) of the 2010 QAP):	178
Score Requested as Calculated by Department (Does not include points for §§50.9(i)(2), (6) or (18) of the 2010 QAP):	178
Score Awarded by Department (Does not include points for §§50.9(i)(2), (6) or (18) of the 2010 QAP):	171
Difference between Requested and Awarded (Does not include points for §§50.9(i)(2), (6) or (18) of the 2010 QAP):	7
Points Awarded for §50.9(i)(2), Quantifiable Community Participation:	24
Points Awarded for §50.9(i)(6), Input from State Senator or Representative:	14
Points Awarded for §50.9(i)(18), Community Input Other than QCP:	0
Final Score Awarded to Application by Department:	209



MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2010 Application Round
Revised Scoring Notice - Competitive Housing Tax Credit Application

Page 2 of Final Scoring Notice: 10200, Hillside West Seniors

Explanation for Difference between Points Requested and Points Awarded by the Department (explanation does not include points for §§50.9(i)(2), (6) and (18)):

50.9(i)(25)- QCT with Revitalization: Evidence of a community revitalization plan and a letter from the chief executive officer or other local official with appropriate jurisdiction of the local Governing Body stating that the Development Site is located within the targeted development areas outlined in the community revitalization plan was not provided. (1 pt requested, 0 awarded)

50.9(i)(14)- Pre-Application Participation Incentive Points: Staff is unable to determine that continuous site control was maintained by the Applicant between Pre-Application and Application. Section 5 of the Purchase and Sale Contract provided at Pre-Application required that within two business days after the Effective Date, the Buyer shall deposit earnest money of \$5,000 to be held in escrow pursuant to the terms in the contract. The Effective Date in the contract is defined as the latter of the two dates the contract is executed by the Seller and Buyer. The contract was executed on 1/8/2010 by both the Seller and the Buyer, therefore, the \$5K earnest money was due to have been paid into escrow on 1/10/2010. The escrow receipt provided by the Applicant for \$5K and dated 3/2/2010. The Applicant has been unable to provide evidence that the earnest money required by the contract was deposited into escrow by 1/10/2010.

A formal appeals policy exists for the Competitive HTC Program. If you wish to appeal this scoring notice (including Set-Aside eligibility), you must file your appeal with the Department no later than 5:00 p.m. (CST), Wednesday, June 14, 2010. If an appeal is denied by the Executive Director, an Applicant may appeal to the Department's Board.

In an effort to increase the likelihood that Board appeals related to scoring and Set-Asides are heard at the Board meeting, the Department has provided an Appeal Election Form for all appeals submitted to the Executive Director. In the event an appeal is denied by the Executive Director, the form requests that the appeal automatically be added to the Board agenda.

If you have any concerns regarding potential miscalculations or errors made by the Department, please contact Raquel Morales by facsimile at (512) 475-0764 or by email at raquel.morales@tdhca.state.tx.us.

Sincerely,

Robbye Meyer

Robbye Meyer
Director of Multifamily Finance



MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2010 Application Round
Revised Scoring Notice - Competitive Housing Tax Credit Application

Appeal Election Form: 10200, Hillside West Seniors

I am in receipt of my 2010 scoring notice and am filing a formal appeal to the Executive Director on or before Wednesday, June 14, 2010.

If my appeal is denied by the Executive Director,:

I do wish to appeal to the Board of Directors and request that my application be added to the Department Board of Directors meeting agenda. My appeal documentation, which identifies my specific grounds for appeal, is attached. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.

I do not wish to appeal to the Board of Directors.

Note: If you do not wish to appeal this notice, you do not need to submit this form.

Signed _____

Title _____

Date _____

Please fax or email to the attention of Raquel Morales:

Fax: (512) 475-0764 or (512) 475-1895

Email: <mailto:raquel.morales@tdhca.state.tx.us>

10200

Appeal Documents

June 14, 2010

Mr. Michael Gerber
Executive Director
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701

Re: Appeal of Revised Scoring Notice; Hillside West Seniors; TDHCA Number: 10200;
Our File No.: 50858.2

Dear Mr. Gerber:

This letter shall serve as an appeal of the deduction of a cumulative total of 7 points to the 2010 Competitive Housing Tax Credit Application (the "Application") for Hillside West Seniors (the "Project") as set forth in the Revised Scoring Notice (the "Notice") dated June 7, 2010. On behalf of Hillside West Seniors, L.P. ("Applicant"), I respectfully request the reinstatement of 7 points to the Application for the reasons below stated.

The Notice advised of the deduction of 1 point due to the failure of Applicant to provide "Evidence of a community revitalization plan and a letter from the chief executive officer or other local official with appropriate jurisdiction of the local Governing Body stating that the Development Site is located within the targeted development areas outlined in the community revitalization plan." First, Applicant did provide a letter to the Texas Department of Housing and Community Affairs (the "Department") from Karl Stundins, Area Redevelopment Manager with the City of Dallas (the "City") dated April 13, 2010. A copy of Mr. Stundins' letter is attached hereto. It is Applicant's and my understanding in conversations and e-mail exchanges with Tim Irvine and Robbye Meyer that the deficiency of Mr. Stundins' letter was solely due to his position not being of a level within the government of the City to constitute the "chief executive officer or other local official with appropriate jurisdiction."

According to Mr. Irvine and Ms. Meyer, Section 50.9(i)(25) of the 2010 Qualified Action Plan and Rules ("QAP") requires the letter to be signed by either the Mayor or City Manager of the City. Although I take issue with this interpretation of Section 50.9(i)(25) of the QAP and point out that the Department did not require a letter signed by the Mayor or City Manager of the City

in connection with another application last year which received 1 point for being located within the same community revitalization area as the Project, please be advised Applicant has obtained such letter. Attached please find a letter from Tom Leppert, Mayor, City of Dallas, to you confirming that the Project is located “within the targeted development areas of the Community Revitalization Plan entitled the Davis Garden TIF District Project Plan and Reinvestment Zone Financing Plan dated February 2008.” Mr. Leppert’s letter further states the letter previously delivered by Applicant to the Department was “authorized as executed by the City of Dallas official Mr. Karl Stundins, Area Redevelopment Manager of the Office of Economic Development. Additionally, Mr. Stundins is authorized to execute documents on behalf of the City of Dallas.”

I submit to you that in all respects Applicant has satisfied the requirements of Section 50.9(i)(25), and, in particular, has satisfied the requirement of delivering a letter from the “chief executive officer or other local official with appropriate jurisdiction of the local Governing Body” by delivering to you the letter from Mr. Leppert. Accordingly, Applicant requests 1 point be added to the Application.

Next, Applicant was deducted 6 points by the Department because Department’s staff was “unable to determine that continuous site control was maintained by the Applicant between Pre-Application and Application.” To justify the Department’s position, staff focused on Section 5 of the Purchase and Sale Contract provided by Applicant at Pre-Application which is dated January 8, 2010. Section 5 provides for the payment of \$5,000.00 earnest money to be delivered to the title company within two business days after the effective date of the contract.

There are multiple bases for why I believe the Department has erred in deducting 6 points, the first of which is the Department’s interpretation of Section 50.9(i)(14) of the QAP. The interpretation is either being applied incorrectly in this instance or such provision of the QAP is ambiguous. The Department’s argument that it is unable to determine that “continuous site control” was maintained is based on the fact that the buyer under the contract, Applicant, did not deposit earnest money with the title company on or before January 10, 2010 in accordance with such contract, and therefore, in the Department’s opinion, such failure compromised the integrity of the contract and gave the seller the right to terminate the contract. On that basis alone the Department has determined that Applicant did not have “continuous site control.” Neither the QAP nor any other rules of the Department governing the Housing Tax Credit Program specifically requires an applicant to provide evidence of the deposit of earnest money pursuant to the terms of the real estate contract. The QAP fails to define “continuous site control” and does not specify any minimum requirements an applicant must meet to satisfy “continuous site control.” On the basis that the QAP fails to define “continuous site control” or provide clear guidance as to what an applicant must provide to the Department to evidence “continuous site

control,” it is my opinion this alone is a sufficient basis to warrant reversal of the decision of the Department to deduct 6 points from the Application.

Furthermore, however, I submit to you that for the Department to choose to look at this one provision of a contract is arbitrary. As you know, a real estate contract typically contains several provisions, one of which is the provision for the escrow of earnest money. There are several other provisions however within a real estate contract that if breached by the buyer gives the seller the right to terminate it. To my knowledge, the Department does not inquire about any other provisions of the contract being breached by an applicant which may have given a seller the right to terminate the contract. The Department assumes if the contract is not terminated then the applicant maintained “continuous site control,” when in reality this may not be the case based upon the Department’s rationale that if a seller had the right to terminate then “continuous site control” was not maintained. From a policy standpoint, how can the Department arbitrarily look at one provision of the contract, ignore other provisions which give a seller the right to terminate and determine whether an applicant maintained “continuous site control?” No one provision is superior to another and to selectively choose one over all others to determine the fate of an application is unreasonable, arbitrary and beyond the scope of the Department’s purview to make a legal conclusion that a contract remained enforceable during the application process.

Another basis for why this appeal should be granted is because of the reason why the earnest money was not delivered to the title company in accordance with the contract dated January 8, 2010. On January 8, 2010, the seller and buyer under the contract had an identical interest. The seller is an entity in which Alan McDonald is a partial owner of the general partner of seller and was the managing member of such general partner with authority to execute the contract on behalf of seller. Mr. McDonald is also a principal, together with Brandon Bolin, in the buyer. Mr. McDonald was on both sides of the transaction as seller and buyer, and he did not see the need to deposit earnest money, despite the language in the contract. He knew he would not enforce against himself the right to terminate provision. If Mr. McDonald had deposited the earnest money as required by the contract, he would be taking money out of one pocket and putting it in his other pocket. The underlying purpose of the language “continuous site control” in Section 50.9(i)(14) of the QAP is to be sure an applicant has not had its contract terminated during the application process. In this instance, the contract dated January 8, 2010 was never terminated and was never contemplated to be terminated on the common sense basis that it would be silly for a person to enter into a contract with himself only to enforce a termination provision against his own self interest. In support of this argument, attached is an Affidavit from Mr. McDonald. For this reason, it is my opinion Applicant maintained “continuous site control” between Pre-Application and Application in accordance with Section 50.9(i)(14) of the QAP.

Additionally, it is important to note additional facts that occurred with respect to this contract. In a conversation with Ms. Meyer on June 7, 2010, Ms. Meyer asked why did Mr. McDonald deposit earnest money in March, 2010 if he did not think it was necessary to do so by January 10, 2010 because of him being on both sides of the sale and purchase transaction. This is a fair question and I provided an explanation via e-mail to Ms. Meyer, Mr. Irvine, Jeff Pender and Raquel Morales on June 8, 2010. The reason is Mr. McDonald and Mr. Bolin, the principals of Applicant, and Dirik Oudt, Vice President of the general partner of seller, determined it was prudent to execute a replacement contract that, in effect, constitutes an amendment and restatement of the January 8, 2010 contract. The replacement contract has an effective date of Thursday, February 25, 2010. The reasons why Mr. McDonald, Mr. Bolin and Mr. Oudt determined it was prudent to enter into a replacement contract dated February 25, 2010 is set forth in a letter to you dated June 9, 2010 from Mr. Bolin and Mr. Oudt. A copy of such letter is attached for your review and consideration. As you see from the letter, there are several reasons given for why the parties executed a replacement contract.

Applicant was aware that Mr. McDonald would be withdrawing soon as a principal in the general partner of the seller and therefore Mr. McDonald would no longer be on both sides of the sale and purchase transaction. That being the case, Mr. Bolin, an attorney, required all terms of the replacement contract to be strictly adhered to ensuring future enforceability of the contract after Mr. McDonald's withdrawal from the seller, including the provision for the deposit of earnest money in the amount of \$5,000 with the title company. Applicant strictly complied with the terms and provisions of the February 25, 2010 contract by depositing the earnest money with the title company within two business days as provided in the contract. As previously stated, the effective date of the contract was February 25th, which was a Thursday. Two business days following February 25th was Monday, March 1st. Applicant delivered the earnest money to the title company on March 1st. Attached please find a letter from Kyle Denbow, on behalf of Commonwealth Land Title Insurance Company, stating that the earnest money was received on March 1, 2010, and attached to Mr. Denbow's letter, among other documents, is a copy of an e-mail from Mr. Denbow to Mr. McDonald, Mr. Bolin, Karen Cowden and Susan Evans dated March 1, 2010 at 4:19 p.m., in which Mr. Denbow acknowledges receipt of the earnest money check from buyer in the amount of \$5,000.00. It is unquestionable Applicant deposited timely with the title company earnest money pursuant to the replacement contract dated February 25, 2010.

Applicant has therefore clearly demonstrated a respect for the provisions of the QAP and an adherence to them by delivering earnest money to the title company in accordance with the terms of the replacement contract dated February 25, 2010.

Mr. Michael Gerber

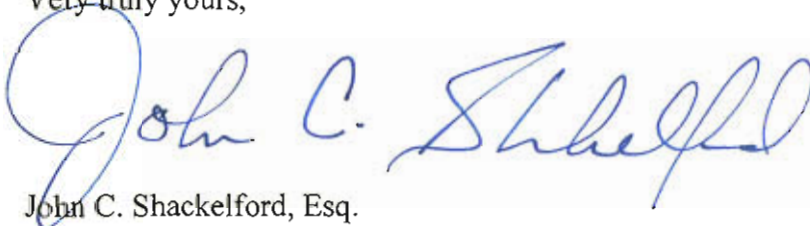
June 14, 2010

Page 5

To summarize the arguments relating to the deduction of 6 points from the Application due to Applicant's failure to provide evidence of the deposit of earnest money in accordance with the terms of the contract dated January 8, 2010, and, in the Department's opinion, such failure constituting a failure of Applicant to maintain "continuous site control" between Pre-Application and Application, (i) the QAP fails to define "continuous site control" and its meaning is ambiguous at best; (ii) the Department's staff arbitrarily focused on one provision of the contract to make a legal conclusion as to whether Applicant maintained "continuous site control" when real estate contracts are replete with provisions that if breached by the buyer give rights to the seller to terminate them and therefore such determination by Department's staff to selectively review one provision over all others is unreasonable and arbitrary; (iii) the contract dated January 8, 2010 was between a seller and buyer with an identical interest, it would have been silly for Mr. McDonald to have taken \$5,000.00 out of one pocket and put it in his other pocket and common sense dictates that he would not terminate the contract against his own self interest; and (iv) for prudent business reasons Applicant and seller decided to enter into a replacement contract dated February 25, 2010, whereupon Applicant strictly complied with the terms of such contract by depositing earnest money with the title company on March 1, 2010.

For the reasons stated above, Applicant respectfully requests you grant this appeal and for the cumulative total of 7 points be added to the Application. Thank you for your consideration.

Very truly yours,

A handwritten signature in blue ink that reads "John C. Shackelford". The signature is written in a cursive style with a large initial "J".

John C. Shackelford, Esq.

JCS/sd

Attachments

cc: Tim Irvine, Esq. *(via e-mail)*
Jeff Pender, Esq. *(via e-mail)*
Robbye Meyer *(via e-mail)*
Raquel Morales *(via e-mail)*
Alan McDonald *(via e-mail)*
Brandon Bolin *(via e-mail)*
Terri Anderson *(via e-mail)*



MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2010 Application Round
Revised Scoring Notice - Competitive Housing Tax Credit Application

Page 2 of Final Scoring Notice: 10200, Hillside West Seniors

Explanation for Difference between Points Requested and Points Awarded by the Department (explanation does not include points for §§50.9(i)(2), (6) and (18)):

50.9(i)(25)- QCT with Revitalization: Evidence of a community revitalization plan and a letter from the chief executive officer or other local official with appropriate jurisdiction of the local Governing Body stating that the Development Site is located within the targeted development areas outlined in the community revitalization plan was not provided. (1 pt requested, 0 awarded)

50.9(i)(14)- Pre-Application Participation Incentive Points: Staff is unable to determine that continuous site control was maintained by the Applicant between Pre-Application and Application. Section 5 of the Purchase and Sale Contract provided at Pre-Application required that within two business days after the Effective Date, the Buyer shall deposit earnest money of \$5,000 to be held in escrow pursuant to the terms in the contract. The Effective Date in the contract is defined as the latter of the two dates the contract is executed by the Seller and Buyer. The contract was executed on 1/8/2010 by both the Seller and the Buyer, therefore, the \$5K earnest money was due to have been paid into escrow on 1/10/2010. The escrow receipt provided by the Applicant for \$5K and dated 3/2/2010. The Applicant has been unable to provide evidence that the earnest money required by the contract was deposited into escrow by 1/10/2010.

A formal appeals policy exists for the Competitive HTC Program. If you wish to appeal this scoring notice (including Set-Aside eligibility), you must file your appeal with the Department no later than 5:00 p.m. (CST), Wednesday, June 14, 2010. If an appeal is denied by the Executive Director, an Applicant may appeal to the Department's Board.

In an effort to increase the likelihood that Board appeals related to scoring and Set-Asides are heard at the Board meeting, the Department has provided an Appeal Election Form for all appeals submitted to the Executive Director. In the event an appeal is denied by the Executive Director, the form requests that the appeal automatically be added to the Board agenda.

If you have any concerns regarding potential miscalculations or errors made by the Department, please contact Raquel Morales by facsimile at (512) 475-0764 or by email at raquel.morales@tdhca.state.tx.us.

Sincerely,

Robbye Meyer

Robbye Meyer
Director of Multifamily Finance



Housing Tax Credit Program - 2010 Application Round
Revised Scoring Notice - Competitive Housing Tax Credit Application

Appeal Election Form: 10200, Hillside West Seniors

I am in receipt of my 2010 scoring notice and am filing a formal appeal to the Executive Director on or before Wednesday, June 14, 2010.

If my appeal is denied by the Executive Director,:

I do wish to appeal to the Board of Directors and request that my application be added to the Department Board of Directors meeting agenda. My appeal documentation, which identifies my specific grounds for appeal, is attached. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.

I do not wish to appeal to the Board of Directors.

Note: If you do not wish to appeal this notice, you do not need to submit this form.

Signed Brandon Belin / Brandon Belin
Title President
Date 11 June 10

Please fax or email to the attention of Raquel Morales:
Fax: (512) 475-0764 or (512) 475-1895
Email: <mailto:raquel.morales@tdhca.state.tx.us>



April 13, 2010

Brandon Bolin
GFD Opportunity II, LLC
3109 Know Street, Suite 305
Dallas, Texas 75205

Dear Mr. Bolin:

Congratulations on receiving the Davis Garden TIF Board's approval of your TIF funding request for \$1,600,000 pertinent to the Hillside West senior housing project.

Please be advised that any commitment of TIF funds is within the sole discretion of the Dallas City Council. In addition, the use of TIF funds is subject to an executed development agreement between GFD Opportunity II, LLC and the City as well as City Council's final approval. City Council's final approval of the prospective project is anticipated on April 28, 2010.

Please do not hesitate to contact me if you have any questions. I can be reached at (214) 670-1690.

Sincerely,

A handwritten signature in black ink, appearing to read 'Karl Stundins'.

Karl Stundins, Area Redevelopment Manager
Office of Economic Development

c: Telemachus Evans, Economic Development Analyst



THOMAS C. LEPPERT
MAYOR

June 4, 2010

Mr. Michael Gerber, Executive Director
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, TX 78701

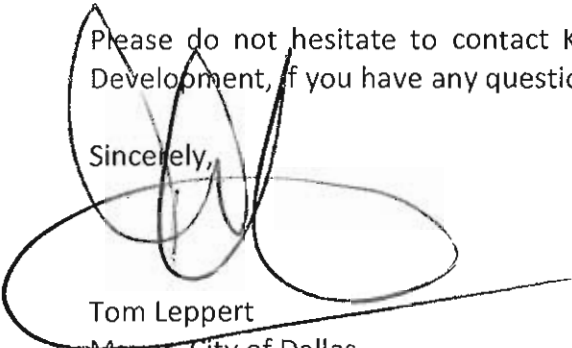
Dear Mr. Gerber:

This letter confirms that the proposed Hillside West development located at 4512 West Davis Street, Dallas, Texas 75211 is within the targeted development areas of the Community Revitalization Plan entitled the Davis Garden TIF District Project Plan and Reinvestment Zone Financing Plan dated February 2008. The letters previously provided to the Texas Department of Housing and Community Affairs regarding the Hillside West development, its location within the Davis Garden TIF District, and its award of TIF funds are authorized as executed by City of Dallas official Mr. Karl Stundins, Area Redevelopment Manager of the Office of Economic Development. Additionally, Mr. Stundins is authorized to execute documents on behalf of the City of Dallas.

In addition, the Hillside West development is located in the Southern Sector of the City of Dallas, which has been designated as an Enterprise Zone and is an economic development priority for the City of Dallas. The Hillside West development is eligible for any incentives with the Enterprise Zone designation.

Please do not hesitate to contact Karl Zavitkovsky, Director of the Dallas Office of Economic Development, if you have any questions. Karl can be reached at (214) 670-5140.

Sincerely,


Tom Leppert
Mayor, City of Dallas

cc: Karl Zavitkovsky, Director, Office of Economic Development
Karl Stundins, Area Redevelopment Manager
Telemachus Evans, Economic Development Analyst



April 13, 2010

Brandon Bolin
GFD Opportunity II, LLC
3109 Know Street, Suite 305
Dallas, Texas 75205

Dear Mr. Bolin:

Congratulations on receiving the Davis Garden TIF Board's approval of your TIF funding request for \$1,600,000 pertinent to the Hillside West senior housing project.

Please be advised that any commitment of TIF funds is within the sole discretion of the Dallas City Council. In addition, the use of TIF funds is subject to an executed development agreement between GFD Opportunity II, LLC and the City as well as City Council's final approval. City Council's final approval of the prospective project is anticipated on April 28, 2010.

Please do not hesitate to contact me if you have any questions. I can be reached at (214) 670-1690.

Sincerely,

A handwritten signature in black ink, appearing to read 'Karl Stundins'.

Karl Stundins, Area Redevelopment Manager
Office of Economic Development

c: Telemachus Evans, Economic Development Analyst

SIGNED this 14th day of June, 2010.



Alan McDonald

STATE OF TEXAS

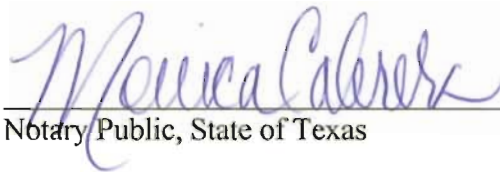
§

§

COUNTY OF DALLAS

§

SUBSCRIBED AND SWORN TO BEFORE ME by Alan McDonald on this 14th day of June, 2010, to certify which witness my hand and official seal of office.



Notary Public, State of Texas



June 9, 2010

Mr. Michael Gerber
Executive Director
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701

Re: Hillside West Seniors, L.P. Contract; TDHCA Number 10200

There are several reasons why a new contract was submitted for the Hillside West Seniors transaction at the time of the full application submittal to TDHCA.

First, the land size referenced in the pre-application contract was for 5.0 acres. After the pre-application cycle, we hired our architect (RPGA) and civil engineer (Kimley-Horn) for the Hillside West project and we realized that our site-plan could fit on 4.87 acres. Thus in order to keep costs down we decided to reduce the size of the development site. We are permitted to do so per the QAP from the time of pre-application to full application.

Secondly, the metes and bounds description provided to us by Stratford Land Fund (the land owner) for the initial 5.0 acre tract contained some inaccurate calls which we subsequently discovered after the pre-application was submitted to TDHCA. We did not discover this until we had the opportunity to commission a new survey, which was required for the full application to TDHCA. Once we were able to obtain a new survey for the 4.87-acre tract, we included that legal description with the new contract and provided that to TDHCA as well. We now have a correct survey for the 4.87-acre development site and a matching title commitment for that same tract.

Thirdly, the purchase price in the pre-application was for \$2,178,000. Since our site decreased in size from pre-application to the time of full application submittal, our purchase price was reduced as well down to \$1,700,000.

Fourthly, even though Alan was technically still a partner in the GP entity at the time of full application submittal, we knew that he would be stepping down as a partner in that entity, and we thus felt it was most prudent to get one of the remaining partners in the GP entity to sign instead of Alan which is why Dirik Oudt signed the new application on behalf of the general partner of seller that was submitted to TDHCA at the time of full submittal.

Lastly, there were some minor scrivener errors in the pre-application contract that needed to be corrected.

For all the reasons listed above, we decided to draft a new contract for the purposes of the full application submittal to TDHCA. At no time from January 8, 2010 until now has the Buyer (Hillside West Seniors, LP) lost control of the contemplated development site. If needed, the Seller (SLF III/INCAP, LP) will sign a sworn affidavit stating as much and will be available to testify before the Board stating the same if needed.


Respectfully,

Buyer

Hillside West Seniors, LP,
a Texas limited partnership

By: Hillside West Seniors GP, LLC,
a Texas limited liability company,
its general partner

By: GFD Holdings, LLC
a Texas limited liability company,
its sole member

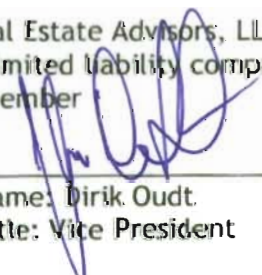
By: 
Name: Brandon Lloyd Bolin
Title: Managing Member

Seller

SLF III/INCAP, L.P.
A Texas limited partnership

By: INCAP/SLF III GP, LLC
a Texas limited liability company,
its general partner

By: INCAP Real Estate Advisors, LLC
A Texas limited liability company
its sole member

By: 
Name: Dirk Oudt
Title: Vice President



Commonwealth Land Title Insurance Company
Sterling Plaza
5949 Sherry Lane, Suite 111
Dallas, TX 75225
Tel: 214.373.6100 · Fax: 214.987.4202

James P. Lazar
A Professional Corporation
Attorney and Counselor

June 8, 2010

Texas Department of Housing
and Community Affairs
221 East 11th St.
Austin, Texas 78701
Attention: Michael Gerber, Executive Director

Re: Hillside West - City of Dallas, Dallas County, TX - SLF III/INCAP, L.P. ("Seller")
and Hillside West Seniors, LP ("Buyer").

Dear Mr. Gerber:

Enclosed please find a copy of that certain Purchase and Sale Contract (the "Initial Contract") dated effective as of January 8, 2010 (the "Effective Date") and a copy of that certain First Amendment to Purchase and Sale Contract (the "First Amendment") dated as of the Effective Date. As noted in the First Amendment, Seller waived Buyer's requirement to deliver the earnest money required under the Initial Contract.

In preparation for the full application submittal to the Texas Department of Housing and Community Affairs, Seller and Buyer subsequently entered into a Purchase and Sale Contract dated effective as of February 25, 2010 (the "Replacement Contract"), which replaced the Initial Contract in its entirety. A copy of the Replacement Contract is enclosed.

I have enclosed a copy of the critical dates letter that we circulated to the parties, wherein we noted that the earnest money due under the Replacement Contract was due on or prior to March 1, 2010. The earnest money was timely delivered to Commonwealth Land Title Insurance Company on March 1, 2010, as evidenced by the enclosed email circulated to all parties acknowledging our receipt of the earnest money. The bank receipt is also enclosed showing that the funds were deposited into the escrow account the following day.

If you should have any questions with respect to the foregoing, please do not hesitate to call me.

Very truly yours,

A handwritten signature in black ink, appearing to read "Kyle Denbow", is written over the typed name.

Kyle Denbow

Enclosures

cc: Brandon Bolin
Alan McDonald
John Shackelford

PURCHASE AND SALE CONTRACT
(Morning Park (aka Hillside Seniors), Dallas, Dallas County, Texas)

This Purchase and Sale Contract (this "Contract") is made by and between SLF III/INCAP, L.P., a Texas limited partnership ("Buyer"), and Hillside West Seniors, LP, a Texas limited partnership ("Seller"), to be effective as of the Effective Date (as defined in Section 18.A. below). In consideration of the terms, covenants and agreements contained in this Contract, Buyer and Seller (each a "party" and together the "parties") hereby agree as follows:

1. AGREEMENT TO SELL AND PURCHASE. Seller agrees to sell and convey to Buyer, and Buyer agrees to purchase and acquire from Seller, the Property (as defined and described in Section 2 below), pursuant to the terms and provisions hereof.

2. PROPERTY. The "Property" is that approximately 5.0 acres of land located in the City of Dallas, Dallas County, Texas, as more particularly described on Exhibit A attached hereto (the "Land"), subject to the Mineral Reservation (as defined below), together with (i) any structures, improvements and fixtures situated thereon to the extent owned by Seller, and (ii) all rights, interests and appurtenances pertaining thereto to the extent the same pertain to and run with the Land, including any right, title and interest of Seller in and to adjacent streets, roads, alleys or rights-of-way abutting or immediately adjacent to the Land except with respect to those rights of Seller in and to same as the owner of adjacent land). The final metes and bounds legal description of the Property as set forth on the Survey (as defined in Section 6.A. below and as may be updated or revised pursuant hereto) will replace and become Exhibit A to this Contract and will be utilized in the Deed (defined below) and other documents to be signed and delivered at Closing (defined below), as applicable.

Notwithstanding anything to the contrary contained in this Contract, to the extent not already reserved by prior owners of the Property, Seller shall reserve and retain in the Deed to be delivered at Closing all right, title and interest in and to the entire mineral estate (the "Mineral Estate") located in or under or that may be produced from the Property, including without limitation, all oil, gas, lignite, coal and other hydrocarbon substances and minerals (collectively, the "Minerals") located in or under the Property or that may be produced from the Property, and all proceeds and royalties payable from production of the Minerals and Mineral Estate, including production from any existing oil and gas leases, and any proceeds or royalties payable therefrom, together with all rights, privileges and appurtenances pertaining thereto. The foregoing is referred to herein as the "Mineral Reservation". Seller, however, hereby agrees to waive and relinquish any right to use the surface of the Property for the exploration, development, production, extraction, removal and/or transporting of such Minerals, except as may otherwise be permitted by Buyer. Notwithstanding the foregoing, such surface use waiver shall not prohibit or restrict subterranean underground directional or "slant-well" drilling activities (and other sub-surface activities related to the exploration, development, production, extraction, removal and/or transporting of the Minerals and Mineral Estate) under the Property that begin upon or are conducted from the surface of property other than the Property. The Deed will incorporate such surface use restrictions in the body thereof.

3. PURCHASE PRICE. The purchase price for the Property (the "Purchase Price") is \$2,178,000.00.

4. PAYMENT OF PURCHASE PRICE. The Purchase Price shall be payable in full at Closing by delivery of certified funds or by wire transfer delivered in time on the Closing Date (as defined in Section 14.A. below) to permit "same day funding" thereof.

5. EARNEST MONEY, INDEPENDENT CONSIDERATION, AND TITLE COMPANY ESCROW.

A. Earnest Money. Within two (2) business days after the Effective Date, Buyer shall deposit earnest money in the form of a certified check or cashier's check or by wire transfer in the amount of \$5,000.00 (the "Earnest Money") with LandAmerica Commonwealth Title, 5959 Sherry Lane, Suite 111, Dallas, Texas 75225, Attn: James Lazar (the "Title Company"), in its capacity as escrow agent,

Purchase and Sale Contract – Morning Park (aka Hillside Seniors)

to be held in escrow pursuant to the terms of this Contract. Seller's acceptance of this Contract is expressly conditioned upon Buyer's timely deposit of the Earnest Money with the Title Company. If Buyer fails to timely deposit the Earnest Money, Seller may, at Seller's option, terminate this Contract by sending a written termination notice to Buyer at any time before Buyer deposits the Earnest Money, in which event the parties will have no further rights or obligations under this Contract (except for any that expressly survive the termination hereof).

The Title Company shall deposit the Earnest Money in an interest bearing FDIC or FSLIC fully insured account at a federally insured banking or savings and loan institution until the Closing or until such other time as Buyer or Seller shall be entitled to receive the Earnest Money in accordance with the terms of this Contract. Any interest earned on the Earnest Money will be added to and become part of the Earnest Money. No portion of the Earnest Money shall be refundable to Buyer upon the expiration of the Inspection Period, except if Buyer terminates this Contract pursuant to Section 7.B., Section 10.B., Section 13.A., or Section 15.A. hereof. If this Contract is terminated after the expiration of the Inspection Period for any reason, except in the circumstances described in the preceding sentence, then Seller shall receive the Earnest Money as liquidated damages. At the Closing, the Earnest Money will be applied to the Purchase Price.

- B. Independent Consideration.** Notwithstanding anything herein to the contrary, a portion of the Earnest Money in the amount of \$100.00 will be non-refundable and will be distributed to Seller upon any termination of this Contract as full payment and independent consideration for Seller's execution and delivery of this Contract and Buyer's termination right as provided in Section 9 hereof. Accordingly, and notwithstanding anything else herein to the contrary, if this Contract is terminated pursuant to a right of termination in this Contract and such provision calls for the Earnest Money to be returned to Buyer, such provision shall be deemed to read "the Earnest Money, less the \$100.00 non-refundable portion thereof," which non-refundable portion shall be released to Seller, and the balance of the Earnest Money shall be returned to Buyer.
- C. Escrow.** The Title Company is expressly authorized and instructed to disburse the Earnest Money as provided in this Contract without the requirement of any further writing or agreement of the parties; provided, however, that if both parties make demand for the payment of the Earnest Money and/or if a party disputes the other party's demands or instructions to the Title Company with respect to the Earnest Money, the Title Company shall have the right to require from both parties a written authorization to disburse the Earnest Money, including a written release of liability of the Title Company with respect to such disbursement, and if the Title Company is unable to obtain such authorization and release from both parties, the Title Company may interplead the Earnest Money with a court of competent jurisdiction.

6. TITLE AND SURVEY.

- A. Survey.** Within ten (10) days after the Effective Date, Seller shall, at Seller's expense, deliver or cause to be delivered to Buyer a copy of a current on-the-ground perimeter survey of the Property (the "Survey") prepared by a surveyor licensed in the State of Texas. The Survey must be in a form consistent with the requirements of the current Texas Society of Professional Surveyors Standards and Specifications for a Category IA, Condition II Survey, or otherwise must meet the current Minimum Standards for Professional Land Surveyors as adopted by the Texas Board of Professional Land Surveying and all other applicable standards, rules and requirements promulgated by the Texas Board of Professional Land Surveying and in an acceptable form that will allow the Title Company to modify the survey exception to read "any shortages in area" only. Notwithstanding anything to the contrary contained in this Contract, if Buyer terminates this Contract during the Inspection Period or if Closing does not occur as a result of a default or breach by Buyer under this Contract, then, in addition to any other rights or remedies of Seller set forth herein, Buyer shall promptly reimburse Seller for the cost of the Survey, which reimbursement obligation shall survive termination of this Contract. In the event Buyer terminates this Contract during the Inspection

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Period, the Title Company is authorized and directed to remit to Seller such survey expense out of the refundable portion of the Earnest Money before releasing the balance of the refundable portion of the Earnest Money to Buyer.

B. Title Commitment.

Within ten (10) business days after the Effective Date, Seller shall, at Seller's expense, deliver or cause to be delivered to Buyer (i) a title commitment (the "Title Commitment") covering the Property issued by the Title Company and binding the Title Company to issue at the Closing an Owner's Policy of Title Insurance (the "Title Policy") on the current standard form promulgated by the Texas Department of Insurance, in the full amount of the Purchase Price, insuring Buyer's fee simple title to the Property to be good and indefeasible, subject to the Permitted Exceptions (as defined in Section 7 below), and (ii) copies of all recorded instruments affecting the Property and shown as exceptions in the Title Commitment (collectively, the "Title Documents").

Buyer acknowledges that Buyer should have an abstract covering the Property examined by an attorney of Buyer's own selection or that Buyer should be furnished with or obtain a policy of title insurance.

7. TITLE/SURVEY REVIEW.

- A. Review Period.** Buyer shall have thirty (30) days after receipt of the last of the Survey, Title Commitment and Title Documents (the "Title Review Period") to review them and to deliver in writing to Seller any objections ("Objections") Buyer may have to them or to any matter disclosed therein. Any item or matter disclosed in the Survey, Title Commitment or Title Documents to which Buyer does not object in writing during the Title Review Period will be deemed a "Permitted Exception," and Buyer's failure to object within the Title Review Period will be a waiver of the right to object.

If either the Survey or the Title Commitment is revised prior to Closing to show any additional matters not shown in the initial Survey or Title Commitment received by Buyer in accordance with and pursuant to Section 6 herein and which materially and adversely affect the Property or the intended use thereof, then Buyer shall be entitled to object to only such additional matters by delivering written notice of such new Objections to Seller by the earlier of (i) ten (10) days after Buyer receives such revised Survey or Title Commitment or (ii) the Closing Date, and any new matter not so objected to by Buyer within such time period shall be deemed approved by Buyer and a Permitted Exception.

- B. Cure Period.** Seller may, but shall have no obligation to, cure or resolve (or to take any action, expend any monies, or institute any litigation or administrative proceedings, to cure or resolve) any of Buyer's Objections. If Seller does not deliver written notice to Buyer responding to Buyer's Objections within ten (10) days after delivery of such Objections to Seller, or if Seller delivers written notice to Buyer indicating that Seller is unable or unwilling to satisfy or cure Buyer's Objections, then Buyer shall have seven (7) days after the earlier of (a) the end of the ten (10) day period described above or (b) the date of such written notice from Seller, but in no event later than the end of the Inspection Period (as defined in Section 9 below), to notify Seller of Buyer's decision to either (1) waive such Objections and accept such title as Seller is able to convey, in which event such matters shall be deemed Permitted Exceptions, or (2) terminate this Contract by written notice to Seller, in which event the Earnest Money will be returned to Buyer and neither party will have any further rights or obligations under this Contract (except for any that expressly survive the termination hereof). If Buyer fails to timely provide written notification to Seller of Buyer's decision within the time frame provided above, then Buyer shall be deemed to have waived any uncured Objections, in which event such matters shall be deemed Permitted Exceptions. Seller's failure to satisfy Buyer's Objections shall in no event constitute a default by Seller; provided,

however, in the event Seller commits in writing to Buyer to satisfy or cure certain of Buyer's Objections and then fails to do so by the Closing Date (as the Closing Date may be extended or postponed for such purpose as provided in the last sentence of this Section 7.B. hereof)], then Buyer may either (i) waive such uncured Objections and proceed to Closing and accept such title as Seller is able to convey, in which event such matters shall be deemed Permitted Exceptions, or (ii) terminate this Contract by written notice to Seller, in which event the Earnest Money will be returned to Buyer and neither party will have any further rights or obligations under this Contract (except for any that expressly survive the termination hereof), and Buyer's failure to so terminate shall be deemed an election under the preceding clause (i). However, if any Objections that were timely made by Buyer in writing pursuant to Section 7.A. have not been cured, and Seller agreed in writing to cure the same, then either party may postpone the Closing Date by delivering a written notice to the other party specifying an extended Closing Date which is not more than thirty (30) days after the scheduled Closing Date.

- C. Permitted Exceptions.** For purposes of this Contract, "Permitted Exceptions" shall include (i) all matters deemed to be Permitted Exceptions as provided in Sections 7.A. and 7.B. above, (ii) city, state and county ad valorem taxes for the calendar year of sale (to be prorated as of the Closing Date as provided herein) and for subsequent years, (iii) tenants in possession pursuant to written or oral leases disclosed in this Contract, in the Property Information or in the Title Commitment, (iv) zoning laws, ordinances, codes and restrictions, (v) the Restrictive Covenants (as defined below), and (vi) any and all other matters specifically referred to in this Contract as Permitted Exceptions.
- D. Acknowledgment Regarding Title Expenses.** Buyer acknowledges that Buyer shall be responsible for the payment of any fees, costs or premiums associated with the deletion or modification of the standard Title Policy provisions or the survey deletion (i.e., modification of the standard survey exception to read "shortages in area" only), or any endorsements (or other form of extended coverage) to the Title Policy. Seller shall be responsible only for payment of the basic title insurance premium for the Title Policy.
- 8. PROPERTY INFORMATION.** Within thirty (30) days following the Effective Date, Seller shall deliver or cause to be delivered to Buyer, without representation or warranty of any kind, copies of the following items pertaining to the Property previously obtained by Seller, to the extent in Seller's possession a copy of the most recent environmental report pertaining to the Property and such other information or documentation regarding the Property as the parties may mutually agree (collectively, the "Property Information"). Buyer acknowledges and agrees (a) that all such items (and any other items and information pertaining to the Property delivered by Seller to Buyer at any time) have been or will be provided to Buyer without representation or warranty of any kind by Seller, specifically including, but not limited to, any representation or warranty as to the accuracy or completeness of such materials or other information, and (b) in no event shall Seller be liable for any use of or reliance upon such materials or other information by Buyer or any other party, and Buyer releases Seller from any liability which might otherwise arise from such use or reliance. If this Contract is terminated for any reason whatsoever, Buyer shall promptly return all such materials to Seller (which obligation shall survive termination of this Contract).
- 9. INSPECTIONS; INSPECTION PERIOD.** Buyer shall have from the Effective Date until August 31, 2010 (the "Inspection Period") in which to conduct such inspections of the Property as it deems necessary, which may include environmental investigations, soil tests, ecological studies and other physical inspections of the Property (provided that Buyer must obtain Seller's approval for any invasive testing on the Property, including, without limitation, any Phase II environmental testing, which approval will not be unreasonably withheld or delayed). Buyer, its agents, employees, contractors and consultants shall have a right of reasonable entry onto the Property during normal business hours at all times during the Inspection Period for the purpose of such inspections, tests and examinations, provided that Buyer shall notify Seller (which notice may be via email or facsimile to Rick Williamson and Ocie Vest) at least 48 hours prior to commencing any such inspections, tests or examinations on the Property (and, in

connection therewith, Buyer shall provide Seller with a reasonable opportunity for one of Seller's employees, agents or representatives to be present during any such inspections, tests or examinations). All such studies, tests and inspections shall be at BUYER'S SOLE RISK AND EXPENSE, and Buyer agrees that it shall not disturb any tenants or interfere with Seller's or any tenant's use of the Property pursuant to any lease, nor shall it interfere with the operation and maintenance of the Property nor damage any part of the Property or personal property owned or held by Seller or any tenant. Further, Buyer shall fully repair (or, at Seller's election, pay to Seller the cost to repair) any damage to the Property (and/or to any adjacent property) caused by any such inspections, tests or other activities by Buyer or its agents, employees, contractors, consultants, engineers, licensees or invitees so that the Property (and/or such adjacent property) is fully restored to its pre-inspection condition upon the completion of any such inspections and tests (which obligation shall survive any termination of this Contract. Buyer shall not reveal or disclose to any third party (other than to its employees, officers, directors, shareholders, partners, members, principals, legal and tax advisors, prospective lenders, and engineers and consultants retained by Buyer in connection with its inspection of the Property) any information obtained during the Inspection Period or prior to Closing concerning the Property or any materials submitted by Seller to Buyer, without Seller's prior express written consent (which covenant shall survive any termination of this Contract). *Buyer hereby agrees to and shall indemnify, defend, assume all liability for, and hold harmless Seller (and each employee, officer, director, shareholder, partner, member, principal, agent and affiliate of Seller or of any affiliate of Seller) from, for and against any and all liens, claims, causes of action, damages, liabilities, injuries, penalties, legal or code violations, losses, costs and expenses (including, without limitation, reasonable attorneys' fees and litigation costs and expenses) of any nature or description whatsoever, and any injury to person or loss of life or property damage, in any way caused by, arising out of, or resulting from (i) any inspections, tests or other activities by Buyer or its agents, employees, contractors, consultants, engineers, licensees or invitees on or about the Property (or as such activities may affect adjacent or surrounding properties) and/or (ii) any breach or violation of the provisions of this Section 9. The provisions of this indemnity shall expressly survive Closing and any termination of this Contract.* Prior to any entry by Buyer or any of Buyer's designees onto the Property, Buyer shall procure, and at all times prior to Closing, Buyer shall maintain, at Buyer's expense, a policy of commercial general liability insurance, naming Seller as an additional insured, issued by an insurer reasonably satisfactory to Seller, covering all Buyer's activities, with a single limit of liability coverage (per occurrence and in the aggregate) of not less than \$2,000,000.00, and prior to any entry by Buyer or any of Buyer's designees onto the Property (and thereafter upon request of Seller), deliver to Seller a Certificate of Insurance, evidencing that such insurance is in full force and effect, and evidencing that Seller has been named as an additional insured thereunder with respect to any Buyer's activities.

If Buyer determines, in Buyer's sole discretion, that the Property is not satisfactory or is not suitable for Buyer's intended use or purpose, then Buyer may terminate this Contract by delivering written notice to Seller by no later than 5:00 P.M. (Central) on the last day of the Inspection Period, in which event the Earnest Money will be returned to Buyer and neither party will have any further rights or obligations under this Contract (except for any that expressly survive the termination hereof). If Buyer does not properly and timely terminate this Contract before the end of the Inspection Period (or if Buyer accepts the Property in writing), then (i) Buyer will be deemed to have waived all objections to the Property, and Buyer shall purchase the Property in its then current condition, and (ii) upon the end of the Inspection Period the Earnest Money shall become non-refundable (except to the extent provided in Section 5.A. hereof). If Buyer cancels or terminates this Contract for any reason whatsoever, Buyer shall (i) promptly return to Seller any studies, reports, and other due diligence information and materials concerning the Property delivered by Seller to Buyer, and (ii) deliver and assign to Seller (and Seller may assign or make use of) all studies, surveys and reports generated as a result of Buyer's investigation of the Property. Buyer's obligations set forth in the preceding sentence shall expressly survive termination of this Contract.

10. SELLER'S REPRESENTATIONS AND WARRANTIES.

Purchase and Sale Contract -- Morning Park (aka Hillside Seniors)

A. **Statements.** Seller represents and warrants to Buyer the following, based on Seller's current, actual knowledge:

- (1) **Organization.** Seller has been duly formed, validly exists and is in good standing in the jurisdiction of its formation and in the state in which the Property is located.
- (2) **Power and Authority; Binding Obligation.** Subject to obtaining the requisite consent of its partners, (a) Seller has the legal power, right and authority to enter into this Agreement and to consummate the transactions contemplated hereby; (b) this Agreement has been duly executed and delivered by Seller, and is enforceable against Seller in accordance with the terms hereof, except as enforceability may be limited by bankruptcy, insolvency or reorganization laws or applicable principles of equity; and (c) this Agreement has been duly authorized by all requisite action of Seller and does not require the consent or approval of any third party, entity, governmental agency or any other authority.

To Seller's knowledge, the foregoing representations and warranties are true, correct and complete as of the Effective Date. For purposes of this Contract, the phrase "to Seller's knowledge", "to Seller's actual knowledge" or "to the best of Seller's knowledge" or similar qualifying phrases and words of similar import shall mean the current actual, not constructive, knowledge of Alan P. McDonald, without independent investigation or inquiry, and not otherwise. Alan P. McDonald is a representative of Seller acting for Seller, and in no manner, expressly or impliedly, is he/she making any representations or warranties individually. Neither Alan P. McDonald, nor any officer, director, shareholder, partner, member, trustee or representative of Seller or of any partner or member of Seller, shall be personally liable in any manner for any breach of a representation or warranty by Seller in this Contract, Seller's liability for a breach of a representation or warranty by Seller being limited to Seller's equity interest in the Property and being further subject to the following paragraphs.

B. **Condition to Closing; Discovery Prior to Closing.** Buyer's obligations to close are conditioned upon all of Seller's representations and warranties in Section 10.A. above being true and correct in all material respects as may be modified or waived as provided below. If, prior to Closing, Seller notifies Buyer of any matter, fact or condition that would make a representation or warranty given in Section 10.A. above untrue or incorrect in any material respect, or if, prior to Closing, Buyer otherwise discovers or becomes aware of any matter, fact or condition that would make a representation or warranty given in Section 10.A. above untrue or incorrect in any material respect, then at that time Buyer shall either (i) elect to accept such modified representation or warranty as Seller may then give, and proceed to Closing hereunder, thereby waiving its rights to object to the matter or matters which are the subject of the aforesaid modification, or (ii) notify Seller that it intends to terminate this Contract as a result thereof. If Buyer notifies Seller of its intent to terminate this Contract, then Seller shall have thirty (30) days following receipt of such notice to correct or remedy such matter such that the inaccurate or incomplete representation or warranty is true and correct in all material respects (and Closing shall be extended as necessary to allow for such cure period). If at the end of such thirty (30) day period Seller has failed to so correct or remedy such matter, then, at that time, Buyer shall, at its election, either (i) accept such modified representation or warranty as Seller may then give, and proceed to Closing hereunder, thereby waiving its rights to object to the matter or matters which are the subject of the aforesaid modification, or (ii) terminate this Contract by written notice to Seller, whereupon the Earnest Money shall be returned to Buyer, and neither party will have any further rights or obligations under this Contract (except for any that expressly survive the termination hereof). Should Buyer elect not to terminate this Contract and proceed to Closing hereunder notwithstanding such matters, facts or conditions, then by such election, Buyer shall be deemed to have waived (i) any objection to such matters, facts or conditions that are the subject of any such modified representation or warranty and (ii) any rights Buyer otherwise might have to assert a claim against Seller for a breach of a representation or warranty with respect to such matters, facts or conditions, Buyer hereby acknowledging that its right to

terminate this Contract and to receive a return of the Earnest Money is Buyer's sole and exclusive remedy for a breach of a representation or warranty by Seller disclosed to or discovered or known by Buyer prior to Closing.

- C. **Survival; Discovery After Closing.** The representations and warranties made by Seller in this Contract (as the same may be modified or waived as permitted hereunder) will survive Closing for a period of one (1) year, subject to the following: Buyer, by its execution of this Contract, acknowledges and agrees that, if following the Closing, it discovers that a representation or warranty of Seller under this Contract (as the same may have been modified or waived as provided in Section 10.B, above) has been breached, then Buyer must both (i) assert by written notice received by Seller within one (1) year after the Closing Date any claim relating to any such alleged breach of a representation or warranty, and (ii) file any legal claim related thereto with a court of competent jurisdiction within two (2) years after the Closing Date, or Buyer shall be deemed for all purposes to have forever waived its rights to assert such claim. Provided Buyer complies with the foregoing, then, in such event, Buyer may seek actual damages from Seller directly resulting from such breach, but in no event will Seller be liable for punitive, special, speculative, incidental or consequential damages.

11. Intentionally Omitted.

- 12. PROPERTY CONDITION; "AS IS" SALE.** Save and except for the representations and warranties of Seller expressly contained in this Contract, it is understood and agreed that Seller has not made and is not making and hereby specifically disclaims, and Buyer hereby specifically waives, any warranties, representations or guarantees of any kind or character, express or implied (or arising by operation of law), oral or written, past, present or future, with respect to or in any way related to or concerning the Property or its suitability for any particular purpose or use, including, but not limited to, warranties or representations as to matters of title, zoning, tax consequences, physical or environmental conditions, availability of access or utilities, ingress or egress, drainage, operating history or projections, valuation, governmental approvals, governmental regulations or any other matter or thing relating to or affecting the Property, including, without limitation, the following: (i) the nature and condition of the Property, including but not by way of limitation, the water, soil, geology and environmental condition of the Property, and the suitability thereof, and of the Property, for any and all activities and uses which Buyer may elect to conduct thereon or any improvements Buyer may elect to construct thereon, income to be derived therefrom or expenses to be incurred with respect thereto, or any obligations or any other matter or thing relating to or affecting the same; (ii) the manner or quality of construction (or of any materials incorporated into) and condition and state of repair or lack of repair of any improvements located thereon; (iii) the nature and extent of any easement, right-of-way, lease, possession, lien, encumbrance, license, reservation, condition or otherwise; (iv) the compliance of the Property or the operation of the Property with any laws, rules, codes, ordinances or regulations of any government or other body; (v) the value, condition, merchantability, marketability, profitability, suitability, habitability, or fitness for a particular use or purpose of the Property; and/or (vi) the manner or quality of the Property; and **BUYER HEREBY RELEASES SELLER FROM ANY LIABILITY WITH RESPECT TO SUCH MATTERS.** Buyer acknowledges that (a) it is generally familiar with the Property and is a sophisticated purchaser of real estate, (b) that it is relying and shall rely upon its own expertise and that of its consultants in purchasing the Property and that it will conduct such inspections and investigations as it deems necessary including, but not limited to, the physical and environmental conditions thereof and shall rely upon the same, and (c) that it shall look solely to the experts and professionals selected or approved by Buyer to advise Buyer with respect to the condition of the Property and, without limitation of the foregoing, will not hold Seller responsible for any environmental conditions or for any remediation activities in connection therewith, and hereby releases Seller from any such liability. Seller shall sell and convey the Property to Buyer, and Buyer shall acquire and accept the Property, "AS IS, WHERE IS, and WITH ALL FAULTS". The terms and conditions of this Section 12 shall

expressly survive the Closing and not merge with the provisions of any closing documents and shall, at the option of Seller, be incorporated into the Deed, but the failure to so include such language shall not in any way limit the terms or survival of this Section 12. Buyer acknowledges that Seller has not made any representations or warranties (oral or written) pertaining to the Property except as expressly set forth in this Contract, and Seller is not liable or bound in any manner by any oral or written statements, representations or information pertaining to the Property furnished by any broker, agent, employee, servant or other person, unless the same are expressly set forth herein. **THE PROVISIONS OF THIS SECTION 12 (I) ARE A MATERIAL PART OF THE CONSIDERATION FOR THE SELLER ENTERING INTO THIS CONTRACT AND ARE AN IMPORTANT PART OF THIS CONTRACT, (II) WERE AN IMPORTANT FACTOR IN THE DETERMINATION OF THE PURCHASE PRICE FOR THE PROPERTY (AND SELLER WOULD NOT HAVE AGREED TO SELL THE PROPERTY TO BUYER AT THE PURCHASE PRICE WITHOUT THE PROVISIONS OF THIS SECTION 12), AND (III) SHALL SURVIVE CLOSING.**

13. CASUALTY LOSS AND CONDEMNATION.

- A. **Damage or Destruction.** If, before Closing, the Property is damaged or destroyed by fire or other casualty to a Material Extent (defined below), then, within five (5) days after Buyer is notified of such casualty, Buyer may either (i) terminate this Contract by delivering written notice to Seller, in which event the Earnest Money will be returned to Buyer and neither party will have any further rights or obligations under this Contract (except for any that expressly survive a termination hereof), or (ii) elect to proceed to Closing as provided in this Contract and there will be no reduction in the Purchase Price. If Buyer does not timely and properly terminate this Contract during such five (5) day period, Buyer shall be deemed to have elected to proceed to Closing and to have waived such termination right. If, before Closing, the Property is damaged or destroyed by fire or other casualty to less than a Material Extent, the parties shall proceed to Closing as provided in this Contract, there will be no reduction in the Purchase Price, and Seller shall do one of the following: (1) repair the damage before the Closing, at Seller's expense; (2) give a credit to Buyer at the Closing for the reasonable cost of repairing the Property; or (3) assign to Buyer Seller's right and interest in any insurance proceeds resulting from the damage or destruction, plus give a credit to Buyer at the Closing in an amount equal to any applicable deductible. For purposes hereof, the term "Material Extent" means damage or destruction where the cost of repair exceeds ten percent (10%) of the Purchase Price. If the extent of damage or the amount of insurance proceeds to be made available cannot be determined before the Closing Date, or the repairs cannot be completed before the Closing Date, either party may postpone the Closing Date by delivering a written notice to the other party specifying an extended Closing Date; provided, however, that the Closing Date may not be extended, pursuant to the foregoing, more than thirty (30) days without the other party's consent. Notwithstanding the foregoing or any provision in this Section 13.A., the foregoing provisions in this Section 13.A. shall not apply to any damage (i) to trees or vegetation and/or (ii) to unusable, vacant or abandoned structures or other structures which Buyer does not intend to utilize in the future development or operation of the Property. Damage to such items described in the preceding sentence shall be excluded from any calculation of "Material Extent" and will not permit Buyer to terminate this Contract or require Seller to undertake any repair measures, give any credit to Buyer at the Closing, or assign any insurance proceeds to Buyer for such matters, and the parties shall proceed to Closing without any reduction in the Purchase Price.
- B. **Condemnation.** If, before Closing, any condemnation proceeding is commenced against any portion of the Property, then Seller shall immediately notify Buyer thereof and, if more than ten percent (10%) of the Property is subject to the condemnation, Buyer may terminate this Contract by delivering written notice to Seller within ten (10) days after Buyer receives the notice or, if Closing is to occur within such ten (10) days, then prior to Closing, in which event the Earnest Money will be returned to Buyer and neither party will have any further rights or obligations under this Contract

(except for any that expressly survive a termination hereof). If Buyer does not or is not permitted to terminate this Contract pursuant to the preceding sentence, then the parties shall proceed to Closing and any award in condemnation will, at Seller's option, (a) belong to (and be retained or paid to) Seller as and when payable, and the Purchase Price shall be reduced by the amount of the award known or estimated by Seller as of Closing, or (b) belong to (and be paid to) Buyer as and when payable (in which event at Closing Seller will assign its rights in and to the award to Buyer), and the Purchase Price will not be reduced. The rights and obligations of the parties in the preceding sentence shall survive Closing.

14. CLOSING.

A. **Closing Date.** The closing of the transaction described in this Contract (the "Closing") will be held at 10:00 a.m. at the offices of the Title Company, or at such other location as the parties may mutually agree, on December 31, 2010 or such earlier date upon at least ten (10) days' prior written notice from Purchaser to Seller (the "Closing Date"), subject, however, to possible extension as specifically provided in this Section 14.A. Notwithstanding the foregoing, Buyer may extend the Closing Date up to (but not beyond) January 31, 2011, by (i) notifying Seller in writing of such extension at least five (5) business days prior to the initial Closing Date, and (ii) depositing with the Title Company at least five (5) business days prior to the initial Closing Date a \$5,000 extension fee (the "Extension Fee"), which Extension Fee shall be absolutely non-refundable and immediately released and paid to Seller but shall be applied to the Purchase Price at Closing, and the Purchase Price shall be increased by the amount of such deposit. In the event Buyer elects to so extend the Closing Date in accordance with the foregoing, then the Closing Date, as so extended, shall be the "Closing Date" for purposes of this Contract.

B. **Seller's Closing Obligations.** At the Closing, Seller shall deliver to Buyer (or to the Title Company as escrow closing agent), at Seller's expense:

- (1) A duly executed Special Warranty Deed (with vendor's lien retained, if not a cash purchase and if requested by Buyer or Seller) (the "Deed"), in the form mutually acceptable to the parties, conveying the Property in fee simple, subject to the Permitted Exceptions;
- (2) An executed assignment of all leases, if there are any leases affecting the Property (other than leases pertaining to the Mineral Estate, if any);
- (3) Evidence of Seller's authority and capacity to close this transaction;
- (4) An executed non-foreign affidavit/certificate pursuant to Section 1445 of the Internal Revenue Code; and
- (5) Such other documents reasonably required by the Title Company to close this transaction in forms reasonably acceptable to Seller, including a standard owner's affidavit of debts, liens and parties in possession customarily required in the State of Texas in a form reasonably acceptable to Seller, such that the Title Company can issue the Title Policy subject only to the Permitted Exceptions and without exception for unpaid mechanics' and materialmen's liens.
- (6) An updated Title Commitment committing the underwriter for the Title Company to issue promptly after the Closing, at Seller's expense, the Title Policy pursuant to the Title Commitment, subject only to the Permitted Exceptions, in the full amount of the Purchase Price, dated as of the date of the Closing, and, at Buyer's option and expense for the additional premium cost, with the survey exception modified to read "any shortages in area" only;

C. **Buyer's Closing Obligations.** At the Closing, Buyer shall deliver to Seller (or to the Title Company as escrow closing agent), at Buyer's expense:

- (1) The Purchase Price, with the Earnest Money being applied thereto;
 - (2) A counterpart of the assignment of leases with respect to any lease of the Property being assigned by Seller;
 - (3) Evidence of Buyer's authority and capacity to close this transaction; and
 - (4) All other documents reasonably required by the Title Company to close this transaction.
- D. Closing Costs.** Each party shall pay its share of the closing costs which are customarily paid by a seller or buyer in a transaction of this character in the county where the Property is located, except to the extent otherwise provided below or elsewhere herein:
- (1) Seller shall be responsible for the payment of (i) the basic title insurance premium for the Title Policy in an insured amount equal to the Purchase Price, (ii) the cost of the Survey, (iii) one half (1/2) of the escrow fees to the Title Company, and (iv) Seller's own attorneys' fees.
 - (2) Buyer shall be responsible for payment of (i) any fees, costs or premiums associated with the deletion or modification of the standard Title Policy provisions and deletion or modification of the survey exception in the Title Policy to read "shortages in area" only, (ii) one half (1/2) of the escrow fees to the Title Company, and (iii) Buyer's other expenses, including, without limitation, its own attorneys' fees and all costs and expenses in connection with Buyer's inspections of the Property and other due diligence in connection with this transaction.
- E. Tax Prorations.** Ad valorem taxes and any special assessments relating to the Property for the calendar year in which Closing occurs based upon current use as of the Effective Date will be prorated between Buyer and Seller at the Closing effective as of the Closing Date. If the ad valorem taxes and any assessments for such calendar year have not been determined on the Closing Date, the proration shall be based upon the ad valorem taxes and assessments assessed against the Property for the calendar year immediately preceding the calendar year in which the Closing occurs; provided that if the actual amount of taxes or assessments for the year of Closing is more or less than that of the preceding calendar year upon which the proration was made, then proper adjustment and payment or reimbursement shall be made within twenty (20) days of receipt of the tax or assessment statements for the year of closing. This Section 14.E. shall survive Closing.
- F. Rollback Taxes.** Rollback Taxes. Buyer shall be responsible for any and all "rollback taxes" applicable to the Property. In accordance with Section 5.010(a) of the Texas Property Code, as amended, Seller hereby notifies Buyer of the following:

NOTICE REGARDING POSSIBLE LIABILITY FOR ADDITIONAL TAXES

If for the current ad valorem tax year the taxable value of the land that is the subject of this Contract is determined by a special appraisal method that allows for appraisal of the land at less than its market value, the person to whom the land is transferred may not be allowed to qualify the land for that special appraisal in a subsequent tax year and the land may then be appraised at its full market value. In addition, the transfer of the land or a subsequent change in the use of the land may result in the imposition of an additional tax plus interest as a penalty for the transfer or the change in the use of the land. The taxable value of the land and the applicable method of appraisal for the current tax year is public information and may be obtained from the tax appraisal district established for the county in which the land is located.

The provisions of this Paragraph 14.F. shall survive Closing and constitute the agreement of the parties regarding rollback taxes.

15. DEFAULT.

- A. Seller Default and Buyer's Remedies.** If Seller fails to close this Contract for any reason except Buyer's default or the termination of this Contract pursuant to a right to terminate set forth in this Contract, Seller will be in default and Buyer may elect one of the following, as Buyer's sole and exclusive remedy:
- (1) If, and only if, Seller's default is a failure or refusal by Seller to convey the Property to Buyer as required by this Contract, then Buyer may seek specific performance of Seller's obligations under this Contract. If Buyer elects to enforce specific performance hereunder, however, it must (i) file suit therefor in the appropriate court within thirty (30) days after the scheduled Closing Date (and Buyer's failure to do so will constitute a waiver of the remedy of specific performance hereunder), and (ii) maintain the Earnest Money with the Title Company (as escrow agent) during the pendency of any such action; or
 - (2) Buyer may terminate this Contract by written notice to Seller and receive a return of the Earnest Money, in which event the parties will have no further rights or obligations under this Contract (except for any that expressly survive the termination hereof).
- B. Buyer Default and Seller's Remedies.** If Buyer fails to close this Contract for any reason except Seller's default or the termination of this Contract pursuant to a right to terminate set forth in this Contract, Buyer will be in default and Seller may, as Seller's sole and exclusive remedy, terminate this Contract by written notice to Buyer and immediately receive the Earnest Money as liquidated damages for Buyer's breach of this Contract. If Seller terminates this Contract due to Buyer's default, then the parties will have no further rights or obligations under this Contract except for Buyer's obligation to cause the Earnest Money to be paid to Seller (and except for any that expressly survive the termination hereof).
- C.** The terms and provisions of this Section 15 shall expressly survive a termination of this Contract.

16. REAL ESTATE COMMISSION; BROKER DISCLOSURE.

- A. Real Estate Commission.** Seller agrees to pay a brokerage commission to Seller's broker, Jones Lang LaSalle – Southwest, Inc. ("Broker"), at Closing, but not otherwise, in an amount equal to six percent (6%) of the Purchase Price up to \$1,000,000 and three percent (3%) of the remainder of the Purchase Price, pursuant to a separate written agreement between Seller and Broker. Said commission shall be earned and paid only if and when Closing occurs pursuant to this Contract and not otherwise. Except as provided in the preceding sentence, Seller and Buyer each warrant and represent to the other that no realtor, broker, finder or other intermediary has been involved with, or engaged, retained or employed by, such party in connection with the transaction contemplated by this Contract, and *Seller and Buyer each agree to indemnify, defend and hold harmless the other from and against any and all claims, losses, liability, costs and expenses (including reasonable attorneys' fees at or before the trial level and any appellate proceedings) arising out of any claim made by any realtor, broker, finder or other intermediary (other than the Broker(s) named above) who claims to have been engaged, retained, employed, contracted or utilized by the indemnifying party in connection with the transaction which is the subject matter of this Contract, which indemnification obligations shall survive Closing and any termination of this Contract.*
- B. Broker Disclosure.** Seller advises Buyer and Buyer acknowledges that Seller or one or more of the partners, members, managers, principals, officers or affiliates of Seller are licensed real estate brokers and/or salespersons and may be acting as both brokers/salespersons and principals in this transaction.

17. ADDITIONAL TERMS AND PROVISIONS.

- A. Property Owners' Association.** If the Property is subject to mandatory membership in a property owners' association, Seller shall notify Buyer of the current annual budget of the property owners' association, and the current authorized fees, dues and /or assessments relating to the Property. In addition, Seller shall give to Buyer the written notice required under §5.012 of the Texas Property Code, if applicable, and Buyer agrees to acknowledge receipt of the notice in writing. Also, Seller shall give to Buyer the resale certificate required under Chapter 207 of the Texas Property Code, if applicable, and Buyer agrees to acknowledge receipt of the resale certificate in writing.
- B. Disclosures Regarding Property Agreements.** Buyer hereby acknowledges that the Property is currently encumbered by one or more sets of restrictive covenants (the "Existing Restrictions"), copies of which will be provided to Buyer as part of the Title Documents. Buyer further acknowledges that, following Closing, Seller will continue to own certain land adjacent to the Property ("Seller's Remaining Land") and that, prior to Closing, Seller may, in its sole discretion, amend and/or restate (in part or in its entirety) certain of the Existing Restrictions and/or further encumber the Property with additional restrictive covenants, the terms of which may provide for, among other things, (a) the creation of a new or additional master or property owner's or similar association ("POA"), to govern certain matters relating to the common properties to be located within the Property and/or all or part of Seller's Remaining Land, (b) the creation of architectural guidelines covering the construction of improvements located within the Property and/or all or part of Seller's Remaining Land, and (c) the imposition upon each owner of a lot located within the Property and/or all or part of Seller's adjacent property of annual and special assessments to cover the costs of the operation of the POA and maintenance of the common properties owned by the POA. Such amended, restated or new restrictions are hereinafter referred to as the "New Restrictions". Buyer further acknowledges that the title to the Property will be subject to the terms of such New Restrictions, if any, as the same may be amended or modified from time to time. At least fifteen (15) business days prior to the expiration of the Inspection Period, Seller shall provide a draft of such New Restrictions to Buyer for its review. Buyer may provide comments to Seller regarding same; provided, however, that Buyer's approval or consent to the New Restrictions is not required. If Buyer does not terminate this Contract pursuant to its rights under Section 9 hereof, the New Restrictions (in the form presented to Buyer for its review) shall be deemed approved by Buyer, Seller shall have the right to execute and record any such New Restrictions after the expiration of the Inspection Period and prior to (or simultaneous with) Closing, provided that there are no material changes to the form presented to Buyer for its review, and such recorded New Restrictions shall constitute Permitted Exceptions. To the extent that the final or revised version of any New Restrictions contains changes which materially and adversely affect the Property or Buyer's intended use thereof and which differ materially from the matters set forth in the form presented to Buyer for its review, Seller shall seek and obtain Buyer's written approval thereof, which approval shall not be unreasonably withheld or delayed.

18. MISCELLANEOUS PROVISIONS.

- A. Effective Date.** The "Effective Date" of this Contract shall be the later of the two dates this Contract is executed by Seller and Buyer. If only one party dates its signature, then that date shall be deemed the Effective Date of this Contract.
- B. Notices.** Except for inspection notices under Section 9 (which may be via email or facsimile), all notices and other communications required or permitted under this Contract must be in writing and will be deemed delivered, whether actually received or not, on the earlier of (1) actual receipt, if delivered in person or by messenger with evidence of delivery to the office of the recipient at the address set forth below, (2) receipt of an electronic facsimile transmission with confirmation of delivery by sender's equipment to the facsimile number specified below, (3) one (1) business day after being deposited with a reputable overnight courier service (such as Fedex or UPS) for next day

delivery and properly addressed to the intended recipient at the address set forth below, or (4) three (3) business days after being deposited with the United States Postal Service, certified mail, return receipt requested, postage prepaid, and properly addressed to the intended recipient at the address set forth below:

If intended for Seller: SLF III/INCAP, L.P.
600 N. Bishop, Suite 100
Dallas, Texas 75208
Attention: Mr. Rick Williamson
Telephone: (214) 751-3313
Facsimile:

With a copy to: Hudnall P.C.
5949 Sherry Lane, Suite 1750
Dallas, Texas 75225
Attention: Karen G. Cowden
Telephone: (214) 239-2371
Facsimile: (214) 368-9192

If intended for Buyer: Hillside West Seniors, LP
3109 Knox Street, #305
Dallas, Texas 75205
Attention: Mr. Brandon Bolin
Telephone: (214) 991-8331
Facsimile:

Any party may change its address for notice purposes by delivering written notice of its new address to all other parties in the manner set forth above. Copies of any notices delivered hereunder shall, concurrently with the delivery thereof, be delivered to the additional parties set forth above and shown as "with a copy to" by any method required for notices under this Section 18.B. above. Notices may be given on behalf of any party by its legal counsel designated above.

C. Assignment. Buyer may assign this Contract and its rights hereunder only to a related party, defined as an entity which is owned or controlled by the same person or persons which own or control Buyer as of the Effective Date. Buyer shall immediately notify Seller of any such assignment. Any attempted assignment in violation of this paragraph shall be null and void and of no effect whatsoever. Buyer shall remain fully liable under this Contract after, and notwithstanding, any assignment.

D. Attorneys' Fees. The prevailing party in any legal proceeding brought in relation to this Contract or the transaction contemplated hereunder will be entitled to recover from the non-prevailing party court costs, reasonable attorneys' fees and all other reasonable litigation expenses.

E. Entire Agreement. This Contract contains the complete agreement, and constitutes the entire agreement, between the parties with respect to the subject matter hereof and supersedes any prior agreements and understandings of the parties relating to the subject matter hereof. The parties agree that there are no oral agreements, understandings, representations or warranties made by the parties which are not expressly set forth in this Contract. Any prior written agreements, understandings, representations or warranties between the parties regarding the subject matter hereof will be deemed merged into and superseded by this Contract.

F. Amendments. This Contract may be amended only by an instrument in writing signed by Buyer and Seller.

Purchase and Sale Contract – Morning Park (aka Hillside Seniors)

- G. Binding Effect.** This Contract will inure to the benefit of, and will be binding upon, the parties to this Contract and their respective successors and assigns (subject to Section 18.C. above).
- H. Time for Performance.** Time is of the essence under each provision of this Contract. Strict compliance with the times for performance is required.
- I. Business Day.** If any date of performance under this Contract falls on a Saturday, Sunday or any federal or State of Texas legal holiday, such date of performance will be deferred to the next day that is not a Saturday, Sunday or federal or State of Texas legal holiday.
- J. Governing Law; Venue.** This Contract will be construed under and governed by the laws of the State in which the Property is located, and venue in any dispute between the parties, whether in law or equity, and whether in federal or state court, shall be laid in Dallas County, Texas.
- K. Severability.** If any provision of this Contract is held to be invalid, illegal or unenforceable by a court of competent jurisdiction, the invalid, illegal or unenforceable provision will not affect any other provisions, and this Contract will be construed as if the invalid, illegal or unenforceable provision is severed and deleted from this Contract.
- L. Gender; Number.** Unless the context requires otherwise, all pronouns used in this Contract will be construed to include the other genders, whether used in the masculine, feminine or neuter gender. Words in the singular number will be construed to include the plural, and words in the plural will be construed to include the singular.
- M. Rule of Construction.** The terms and provisions of this Contract represent the results of negotiations between Buyer and Seller, each of which has been represented by counsel of its own selection, and neither of which has acted under duress or compulsion whether legal, economic or otherwise. Consequently, the terms and provisions of this Contract shall be interpreted and construed in accordance with their usual and customary meanings, and Buyer and Seller hereby expressly waive and disclaim, in connection with the interpretation and construction of this Contract, any rule of law or procedure requiring otherwise, including, without limitation, any rule of law to the effect that ambiguous or conflicting terms or provisions contained herein be interpreted or construed against the parties whose attorneys prepared this Contract or any earlier draft hereof.
- N. Confidentiality.** Buyer acknowledges that the terms of this Contract and all information with respect to the Property furnished to Buyer or discovered by Buyer during its investigation thereof pursuant to this Contract (collectively, the "Confidential Information"), is and has been so furnished, and Buyer's investigation of the Property has been permitted by Seller, on the condition that Buyer maintains the confidentiality thereof. Accordingly, Buyer shall, and shall cause its members, officers, employees, agents, contractors and representatives to, hold in strict confidence, and not disclose to any other person or entity without the prior written consent of Seller, unless and until the Closing shall have been consummated, the terms of this Contract or any of the Confidential Information. If the Closing does not occur and this Contract is terminated, Buyer shall promptly return, or cause to be returned, to Seller all copies of such Confidential Information without retaining, or permitting retention of, any copy thereof. Notwithstanding anything to the contrary hereinabove set forth, Buyer may disclose such Confidential Information (1) on a confidential basis to its officers, employees, and partners, its title insurer, its current or prospective investors, and members of professional firms serving it in connection with this transaction, including, without limitation, its attorneys, accountants, architects, environmental consultants, engineers, lenders and the Broker named herein; (2) as any governmental agency or authority may require in order to comply with applicable laws or regulations; or (3) if required by an order of any court of competent jurisdiction (provided that Seller shall be given the opportunity to seek an injunction or other protective order to prevent such disclosure). The provisions of this Paragraph 18.N. shall survive

Closing and any termination or cancellation of this Contract unless otherwise agreed in writing by Seller; provided, however, after the Closing, this provision shall not apply to information available through the public records as a result of the Closing.

- O. No Recordation.** Neither party will record this Contract or any memorandum or affidavit of this Contract.
- P. Counterparts; Facsimile and Electronic Execution.** This Contract may be executed in one or more counterparts (including facsimile and e-mail counterparts), each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. In making proof of this Contract, it shall not be necessary to produce or account for more than one such counterpart. This Contract may be executed by facsimile or e-mail, and a facsimile signature or signature transmitted by e-mail shall constitute an original signature, and executed facsimile or e-mail counterparts (or copies thereof) shall each be treated as an original.
- Q. Contract as Offer.** The execution of this Contract by the first party to do so constitutes an offer to purchase or sell the Property. Unless, within three (3) days after the date of execution of this Contract by the first party, this Contract is accepted by the other party by signing the offer and delivering a fully executed copy to the first party, the offer of this Contract will be deemed automatically withdrawn, and the Earnest Money, if any, will be Buyer.


[This space intentionally left blank; signature pages and exhibits attached hereto.]

EXECUTED on the dates shown below to be effective as of the Effective Date.

SELLER:

SLF III/INCAP, L.P.,
a Texas limited partnership

By: INCAP/SLF III GP, LLC,
a Texas limited liability company,
its general partner

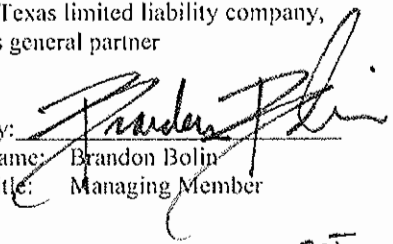
By: 
Name: Alan P. McDonald
Title: President

Date of execution by Seller: 1-8-10

BUYER:

**Hillside West Seniors, LP,
a Texas limited partnership**

By: Hillside West Seniors GP, LLC,
a Texas limited liability company,
its general partner

By: 
Name: Brandon Bolin
Title: Managing Member

Date of execution by Buyer: ~~8 Jan 09~~

1-8-10



EXHIBIT A

LEGAL DESCRIPTION

BEING a 5.0 acre tract of land situated in the J.E. HELMS SURVEY, ABSTRACT NO. 605, and being a part of a called 20.7929 acre tract of land described in a deed to Morning Park, Inc. recorded in Volume 2000244, Page 5360, Deed Records, Dallas County, Texas and being more particularly described as follows:

BEGINNING at a 1/2 inch iron rod found with cap stamped "Half" in the easterly right of way line of Pinnacle Park Boulevard (variable width right of way) and being the northwest corner of a called 9.756 acre tract of land described in a deed to Taylor Farms Texas, Inc. recorded in Volume 2001194, Page 5905, Deed Records, Dallas County, Texas;

THENCE along said easterly right of way line of Pinnacle Park Boulevard as follows:

North 49 degrees 19 minutes 45 seconds West, along said easterly right of way, a distance of 131.71 feet to a 1/2 inch iron rod found with cap stamped "Coombes" for corner and being the beginning of a curve to the right, through a central angle of 30 degrees 53 minutes 55 seconds, having a radius of 918.00 feet and chord bearing of North 32 degrees 00 minutes 41 seconds West and a chord length of 489.08 feet;

Along said curve to the right an arc length of 495.06 feet to a 1/2 inch iron rod found with cap stamped "Half" for the southwest corner of a tract of land described in a deed to the City of Dallas recorded in Instrument No. 20070127330, Deed Records, Dallas County, Texas;

North 88 degrees 46 minutes 00 seconds East, along said southerly line of said City of Dallas tract, a distance of 70.05 feet to a 1/2 inch iron rod found with cap stamped "Half" for corner;

North 00 degrees 09 minutes 40 seconds West, a distance of 3.12 feet to a 5/8 inch iron rod found for the southwest corner of a tract of land described in a deed to Dallas West Hills, LLC recorded in instrument No. 20070365187, Deed Records, Dallas County, Texas;

THENCE North 88 degrees 52 minutes 59 seconds East, along southerly line of said Dallas West Hills, LLC tract, a distance of 376.14 feet to a 3/4 inch iron rod found for the southwest corner of a tract described in a deed to EAC Ventures, LLC recorded in Instrument No. 2008060559, Deed Records, Dallas County, Texas and the northwest corner of a tract of land described in a deed to Mark J. Calabria recorded in Volume 2004088, Page 7109, Deed Records, Dallas County, Texas;

THENCE South 00 degrees 15 minutes 23 seconds East, along the westerly line of said Calabria tract, a distance of 511.51 feet to a concrete post for corner on the northerly line of aforementioned Taylor Farms Texas, Inc. tract;

THENCE South 89 degrees 21 minutes 11 seconds West, along said northerly line of Taylor Farms Texas, Inc. tract, a distance of 89.24 feet to the POINT OF BEGINNING and containing a computed area of 5.0 acres or 217,800 square feet of land.

FIRST AMENDMENT TO PURCHASE AND SALE CONTRACT

THIS FIRST AMENDMENT TO PURCHASE AND SALE CONTRACT (this "Amendment") is made to be effective as of January 8, 2010, between SLETH INC AP, L.P., a Texas limited partnership ("Seller"), and Hillside West Seniors, L.P., a Texas limited partnership ("Buyer").

BACKGROUND

A. Seller and Buyer are parties to that certain Purchase and Sale Contract, dated January 8, 2010 (the "Contract"), with respect to that certain real property located in Dallas County, Texas, and more particularly described in the Contract (the "Property"). All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to such terms in the Contract.

B. Seller and Buyer desire to amend the Contract as set forth below.

AGREEMENT

NOW HEREOF, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Earnest Money & Consideration:** Notwithstanding anything to the contrary contained in the Contract, Seller hereby waives the Buyer's obligation to deliver the Earnest Money described in Section 5 of the Contract. Buyer and Seller each agree that the Contract is valid and in full force and effect without the necessity of the Earnest Money delivery by the Buyer.
2. **Party Name Clarification:** Seller and Buyer acknowledge that the preamble to the Contract contained a typographical error and the parties wish to hereby modify the preamble to the Contract such that SLETH INC AP, L.P. shall be the seller (rather than buyer as stated in the Contract) and Hillside West Seniors, L.P. shall be the buyer (rather than seller as stated in the Contract).
3. **Miscellaneous:** Except as expressly provided by this Amendment, all terms and conditions of the Contract shall remain in full force and effect. This Amendment may be executed in counterparts and the parties may rely upon fax copies of signatures the same as if they were originals.

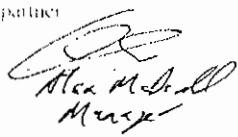
[Signature page follows]

IN WITNESS WHEREOF, Seller and Buyer have executed this Amendment to be effective as of January 8, 2010.

SELLER:

SLEUTH INC AP, L.P.,
A Texas limited partnership

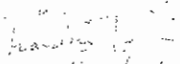
By: SLEUTH INC GP, LLC,
A Texas limited liability company,
Its general partner

By: 
Name: Alex McNeill
Title: Manager

BUYER:

HILLSIDE WEST SENIORS, LP
A Texas limited partnership

By: Hillside West Seniors GP, LLC
A Texas limited liability company,
Its general partner

By: 
Name: Brandon Peterson
Title: Managing Member

PURCHASE AND SALE CONTRACT
(Morning Park (aka Hillside West Seniors), Dallas, Dallas County, Texas)

This Purchase and Sale Contract (this "Contract") is made by and between SLF III/INCAP, L.P., a Texas limited partnership ("Seller"), and Hillside West Seniors, LP, a Texas limited partnership ("Buyer"), to be effective as of the Effective Date (as defined in Section 18.A. below). In consideration of the terms, covenants and agreements contained in this Contract, Buyer and Seller (each a "party" and together the "parties") hereby agree as follows:

1. AGREEMENT TO SELL AND PURCHASE. Seller agrees to sell and convey to Buyer, and Buyer agrees to purchase and acquire from Seller, the Property (as defined and described in Section 2 below), pursuant to the terms and provisions hereof.

2. PROPERTY. The "Property" is that approximately 4.87 total acres of land, being 3.901 useable acres of land, located in the City of Dallas, Dallas County, Texas, as more particularly described on Exhibit A attached hereto (the "Land"), subject to the Mineral Reservation (as defined below), together with (i) any structures, improvements and fixtures situated thereon to the extent owned by Seller, and (ii) all rights, interests and appurtenances pertaining thereto to the extent the same pertain to and run with the Land, including any right, title and interest of Seller in and to adjacent streets, roads, alleys or rights-of-way abutting or immediately adjacent to the Land except with respect to those rights of Seller in and to same as the owner of adjacent land). The final metes and bounds legal description of the Property as set forth on the Survey (as defined in Section 6.A. below and as may be updated or revised pursuant hereto) will replace and become Exhibit A to this Contract and will be utilized in the Deed (defined below) and other documents to be signed and delivered at Closing (defined below), as applicable.

Notwithstanding anything to the contrary contained in this Contract, to the extent not already reserved by prior owners of the Property, Seller shall reserve and retain in the Deed to be delivered at Closing all right, title and interest in and to the entire mineral estate (the "Mineral Estate") located in or under or that may be produced from the Property, including without limitation, all oil, gas, lignite, coal and other hydrocarbon substances and minerals (collectively, the "Minerals") located in or under the Property or that may be produced from the Property, and all proceeds and royalties payable from production of the Minerals and Mineral Estate, including production from any existing oil and gas leases, and any proceeds or royalties payable therefrom, together with all rights, privileges and appurtenances pertaining thereto. The foregoing is referred to herein as the "Mineral Reservation". Seller, however, hereby agrees to waive and relinquish any right to use the surface of the Property for the exploration, development, production, extraction, removal and/or transporting of such Minerals, except as may otherwise be permitted by Buyer. Notwithstanding the foregoing, such surface use waiver shall not prohibit or restrict subterranean underground directional or "slant-well" drilling activities (and other sub-surface activities related to the exploration, development, production, extraction, removal and/or transporting of the Minerals and Mineral Estate) under the Property that begin upon or are conducted from the surface of property other than the Property. The Deed will incorporate such surface use restrictions in the body thereof.

3. PURCHASE PRICE. The purchase price for the Property (the "Purchase Price") is \$1,700,000 (based on 3.901 acres of useable land at \$10.00 per square foot).

4. PAYMENT OF PURCHASE PRICE. The Purchase Price shall be payable in full at Closing by delivery of certified funds or by wire transfer delivered in time on the Closing Date (as defined in Section 14.A. below) to permit "same day funding" thereof.

5. EARNEST MONEY, INDEPENDENT CONSIDERATION, AND TITLE COMPANY ESCROW.

A. Earnest Money. Within two (2) business days after the Effective Date, Buyer shall deposit earnest money in the form of a certified check or cashier's check or by wire transfer in the amount of \$5,000.00 (the "Earnest Money") with LandAmerica Commonwealth Title, 5959 Sherry Lane, Suite 111, Dallas, Texas 75225, Attn: James Lazar (the "Title Company"), in its capacity as escrow agent, to be held in escrow pursuant to the terms of this Contract. Seller's acceptance of this Contract is expressly conditioned upon Buyer's timely deposit of

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the Earnest Money with the Title Company. If Buyer fails to timely deposit the Earnest Money, Seller may, at Seller's option, terminate this Contract by sending a written termination notice to Buyer at any time before Buyer deposits the Earnest Money, in which event the parties will have no further rights or obligations under this Contract (except for any that expressly survive the termination hereof).

The Title Company shall deposit the Earnest Money in an interest bearing FDIC or FSLIC fully insured account at a federally insured banking or savings and loan institution until the Closing or until such other time as Buyer or Seller shall be entitled to receive the Earnest Money in accordance with the terms of this Contract. Any interest earned on the Earnest Money will be added to and become part of the Earnest Money. No portion of the Earnest Money shall be refundable to Buyer upon the expiration of the Inspection Period, except if Buyer terminates this Contract pursuant to Section 7.B., Section 10.B., Section 13.A., or Section 15.A. hereof. If this Contract is terminated after the expiration of the Inspection Period for any reason, except in the circumstances described in the preceding sentence, then Seller shall receive the Earnest Money as liquidated damages. At the Closing, the Earnest Money will be applied to the Purchase Price.

- B. Independent Consideration.** Notwithstanding anything herein to the contrary, a portion of the Earnest Money in the amount of \$100.00 will be non-refundable and will be distributed to Seller upon any termination of this Contract as full payment and independent consideration for Seller's execution and delivery of this Contract and Buyer's termination right as provided in Section 9 hereof. Accordingly, and notwithstanding anything else herein to the contrary, if this Contract is terminated pursuant to a right of termination in this Contract and such provision calls for the Earnest Money to be returned to Buyer, such provision shall be deemed to read "the Earnest Money, less the \$100.00 non-refundable portion thereof," which non-refundable portion shall be released to Seller, and the balance of the Earnest Money shall be returned to Buyer.
- C. Escrow.** The Title Company is expressly authorized and instructed to disburse the Earnest Money as provided in this Contract without the requirement of any further writing or agreement of the parties; provided, however, that if both parties make demand for the payment of the Earnest Money and/or if a party disputes the other party's demands or instructions to the Title Company with respect to the Earnest Money, the Title Company shall have the right to require from both parties a written authorization to disburse the Earnest Money, including a written release of liability of the Title Company with respect to such disbursement, and if the Title Company is unable to obtain such authorization and release from both parties, the Title Company may interplead the Earnest Money with a court of competent jurisdiction.

6. TITLE AND SURVEY.

- A. Survey.** Within ten (10) days after the Effective Date, Seller shall, at Seller's expense, deliver or cause to be delivered to Buyer a copy of a current on-the-ground perimeter survey of the Property (the "Survey") prepared by a surveyor licensed in the State of Texas. The Survey must be in a form consistent with the requirements of the current Texas Society of Professional Surveyors Standards and Specifications for a Category 1A, Condition II Survey, or otherwise must meet the current Minimum Standards for Professional Land Surveyors as adopted by the Texas Board of Professional Land Surveying and all other applicable standards, rules and requirements promulgated by the Texas Board of Professional Land Surveying and in an acceptable form that will allow the Title Company to modify the survey exception to read "any shortages in area" only. Notwithstanding anything to the contrary contained in this Contract, if Buyer terminates this Contract during the Inspection Period or if Closing does not occur as a result of a default or breach by Buyer under this Contract, then, in addition to any other rights or remedies of Seller set forth herein, Buyer shall promptly reimburse Seller for the cost of the Survey, which reimbursement obligation shall survive termination of this Contract. In the event Buyer terminates this Contract during the Inspection Period, the Title Company is authorized and directed to remit to Seller such survey expense out of the refundable portion of the Earnest Money before releasing the balance of the refundable portion of the Earnest Money to Buyer.
- B. Title Commitment.**

Within ten (10) business days after the Effective Date, Seller shall, at Seller's expense, deliver or cause to be delivered to Buyer (i) a title commitment (the "Title Commitment") covering the Property issued by the Title Company and binding the Title Company to issue at the Closing an Owner's Policy of Title Insurance (the "Title Policy") on the current standard form promulgated by the Texas Department of Insurance, in the full amount of the Purchase Price, insuring Buyer's fee simple title to the Property to be good and indefeasible, subject to the Permitted Exceptions (as defined in Section 7 below), and (ii) copies of all recorded instruments affecting the Property and shown as exceptions in the Title Commitment (collectively, the "Title Documents").

Buyer acknowledges that Buyer should have an abstract covering the Property examined by an attorney of Buyer's own selection or that Buyer should be furnished with or obtain a policy of title insurance.

7. TITLE/SURVEY REVIEW.

- A. Review Period.** Buyer shall have thirty (30) days after receipt of the last of the Survey, Title Commitment and Title Documents (the "Title Review Period") to review them and to deliver in writing to Seller any objections ("Objections") Buyer may have to them or to any matter disclosed therein. Any item or matter disclosed in the Survey, Title Commitment or Title Documents to which Buyer does not object in writing during the Title Review Period will be deemed a "Permitted Exception," and Buyer's failure to object within the Title Review Period will be a waiver of the right to object.

If either the Survey or the Title Commitment is revised prior to Closing to show any additional matters not shown in the initial Survey or Title Commitment received by Buyer in accordance with and pursuant to Section 6 herein and which materially and adversely affect the Property or the intended use thereof, then Buyer shall be entitled to object to only such additional matters by delivering written notice of such new Objections to Seller by the earlier of (i) ten (10) days after Buyer receives such revised Survey or Title Commitment or (ii) the Closing Date, and any new matter not so objected to by Buyer within such time period shall be deemed approved by Buyer and a Permitted Exception.

- B. Cure Period.** Seller may, but shall have no obligation to, cure or resolve (or to take any action, expend any monies, or institute any litigation or administrative proceedings, to cure or resolve) any of Buyer's Objections. If Seller does not deliver written notice to Buyer responding to Buyer's Objections within ten (10) days after delivery of such Objections to Seller, or if Seller delivers written notice to Buyer indicating that Seller is unable or unwilling to satisfy or cure Buyer's Objections, then Buyer shall have seven (7) days after the earlier of (a) the end of the ten (10) day period described above or (b) the date of such written notice from Seller, but in no event later than the end of the Inspection Period (as defined in Section 9 below), to notify Seller of Buyer's decision to either (1) waive such Objections and accept such title as Seller is able to convey, in which event such matters shall be deemed Permitted Exceptions, or (2) terminate this Contract by written notice to Seller, in which event the Earnest Money will be returned to Buyer and neither party will have any further rights or obligations under this Contract (except for any that expressly survive the termination hereof). If Buyer fails to timely provide written notification to Seller of Buyer's decision within the time frame provided above, then Buyer shall be deemed to have waived any uncured Objections, in which event such matters shall be deemed Permitted Exceptions. Seller's failure to satisfy Buyer's Objections shall in no event constitute a default by Seller; provided, however, in the event Seller commits in writing to Buyer to satisfy or cure certain of Buyer's Objections and then fails to do so by the Closing Date (as the Closing Date may be extended or postponed for such purpose as provided in the last sentence of this Section 7.B. hereof)], then Buyer may either (i) waive such uncured Objections and proceed to Closing and accept such title as Seller is able to convey, in which event such matters shall be deemed Permitted Exceptions, or (ii) terminate this Contract by written notice to Seller, in which event the Earnest Money will be returned to Buyer and neither party will have any further rights or obligations under this Contract (except for any that expressly survive the termination hereof), and Buyer's failure to so terminate shall be deemed an election under the preceding clause (i). However, if any Objections that were timely made by Buyer in writing pursuant to Section 7.A. have not been cured, and Seller agreed in writing to cure the same, then either party

may postpone the Closing Date by delivering a written notice to the other party specifying an extended Closing Date which is not more than thirty (30) days after the scheduled Closing Date.

C. Permitted Exceptions. For purposes of this Contract, "Permitted Exceptions" shall include (i) all matters deemed to be Permitted Exceptions as provided in Sections 7.A, and 7.B. above, (ii) city, state and county ad valorem taxes for the calendar year of sale (to be prorated as of the Closing Date as provided herein) and for subsequent years, (iii) tenants in possession pursuant to written or oral leases disclosed in this Contract, in the Property Information or in the Title Commitment, (iv) zoning laws, ordinances, codes and restrictions, (v) the Restrictive Covenants (as defined below), and (vi) any and all other matters specifically referred to in this Contract as Permitted Exceptions.

D. Acknowledgment Regarding Title Expenses. Buyer acknowledges that Buyer shall be responsible for the payment of any fees, costs or premiums associated with the deletion or modification of the standard Title Policy provisions or the survey deletion (i.e., modification of the standard survey exception to read "shortages in area" only), or any endorsements (or other form of extended coverage) to the Title Policy. Seller shall be responsible only for payment of the basic title insurance premium for the Title Policy.

8. PROPERTY INFORMATION. Within thirty (30) days following the Effective Date, Seller shall deliver or cause to be delivered to Buyer, without representation or warranty of any kind, copies of the following items pertaining to the Property previously obtained by Seller, to the extent in Seller's possession a copy of the most recent environmental report pertaining to the Property and such other information or documentation regarding the Property as the parties may mutually agree (collectively, the "Property Information"). Buyer acknowledges and agrees (a) that all such items (and any other items and information pertaining to the Property delivered by Seller to Buyer at any time) have been or will be provided to Buyer without representation or warranty of any kind by Seller, specifically including, but not limited to, any representation or warranty as to the accuracy or completeness of such materials or other information, and (b) in no event shall Seller be liable for any use of or reliance upon such materials or other information by Buyer or any other party, and Buyer releases Seller from any liability which might otherwise arise from such use or reliance. If this Contract is terminated for any reason whatsoever, Buyer shall promptly return all such materials to Seller (which obligation shall survive termination of this Contract).

9. INSPECTIONS; INSPECTION PERIOD. Buyer shall have from the Effective Date until August 31, 2010 (the "Inspection Period") in which to conduct such inspections of the Property as it deems necessary, which may include environmental investigations, soil tests, ecological studies and other physical inspections of the Property (provided that Buyer must obtain Seller's approval for any invasive testing on the Property, including, without limitation, any Phase II environmental testing, which approval will not be unreasonably withheld or delayed). Buyer, its agents, employees, contractors and consultants shall have a right of reasonable entry onto the Property during normal business hours at all times during the Inspection Period for the purpose of such inspections, tests and examinations, provided that Buyer shall notify Seller (which notice may be via email or facsimile to Rick Williamson and Ocie Vest) at least 48 hours prior to commencing any such inspections, tests or examinations on the Property (and, in connection therewith, Buyer shall provide Seller with a reasonable opportunity for one of Seller's employees, agents or representatives to be present during any such inspections, tests or examinations). All such studies, tests and inspections shall be at BUYER'S SOLE RISK AND EXPENSE, and Buyer agrees that it shall not disturb any tenants or interfere with Seller's or any tenant's use of the Property pursuant to any lease, nor shall it interfere with the operation and maintenance of the Property nor damage any part of the Property or personal property owned or held by Seller or any tenant. Further, Buyer shall fully repair (or, at Seller's election, pay to Seller the cost to repair) any damage to the Property (and/or to any adjacent property) caused by any such inspections, tests or other activities by Buyer or its agents, employees, contractors, consultants, engineers, licensees or invitees so that the Property (and/or such adjacent property) is fully restored to its pre-inspection condition upon the completion of any such inspections and tests (which obligation shall survive any termination of this Contract. Buyer shall not reveal or disclose to any third party (other than to its employees, officers, directors, shareholders, partners, members, principals, legal and tax advisors, prospective lenders, and engineers and consultants retained by Buyer in connection with its inspection of the Property) any information obtained during the Inspection Period or prior to Closing concerning the Property or any materials submitted by Seller to Buyer,

without Seller's prior express written consent (which covenant shall survive any termination of this Contract). *Buyer hereby agrees to and shall indemnify, defend, assume all liability for, and hold harmless Seller (and each employee, officer, director, shareholder, partner, member, principal, agent and affiliate of Seller or of any affiliate of Seller) from, for and against any and all liens, claims, causes of action, damages, liabilities, injuries, penalties, legal or code violations, losses, costs and expenses (including, without limitation, reasonable attorneys' fees and litigation costs and expenses) of any nature or description whatsoever, and any injury to person or loss of life or property damage, in any way caused by, arising out of, or resulting from (i) any inspections, tests or other activities by Buyer or its agents, employees, contractors, consultants, engineers, licensees or invitees on or about the Property (or as such activities may affect adjacent or surrounding properties) and/or (ii) any breach or violation of the provisions of this Section 9. The provisions of this indemnity shall expressly survive Closing and any termination of this Contract.* Prior to any entry by Buyer or any of Buyer's designees onto the Property, Buyer shall procure, and at all times prior to Closing, Buyer shall maintain, at Buyer's expense, a policy of commercial general liability insurance, naming Seller as an additional insured, issued by an insurer reasonably satisfactory to Seller, covering all Buyer's activities, with a single limit of liability coverage (per occurrence and in the aggregate) of not less than \$2,000,000.00, and prior to any entry by Buyer or any of Buyer's designees onto the Property (and thereafter upon request of Seller), deliver to Seller a Certificate of Insurance, evidencing that such insurance is in full force and effect, and evidencing that Seller has been named as an additional insured thereunder with respect to any Buyer's activities.

If Buyer determines, in Buyer's sole discretion, that the Property is not satisfactory or is not suitable for Buyer's intended use or purpose, then Buyer may terminate this Contract by delivering written notice to Seller by no later than 5:00 P.M. (Central) on the last day of the Inspection Period, in which event the Earnest Money will be returned to Buyer and neither party will have any further rights or obligations under this Contract (except for any that expressly survive the termination hereof). If Buyer does not properly and timely terminate this Contract before the end of the Inspection Period (or if Buyer accepts the Property in writing), then (i) Buyer will be deemed to have waived all objections to the Property, and Buyer shall purchase the Property in its then current condition, and (ii) upon the end of the Inspection Period the Earnest Money shall become non-refundable (except to the extent provided in Section 5.A. hereof). If Buyer cancels or terminates this Contract for any reason whatsoever, Buyer shall (i) promptly return to Seller any studies, reports, and other due diligence information and materials concerning the Property delivered by Seller to Buyer, and (ii) deliver and assign to Seller (and Seller may assign or make use of) all studies, surveys and reports generated as a result of Buyer's investigation of the Property. Buyer's obligations set forth in the preceding sentence shall expressly survive termination of this Contract.

10. SELLER'S REPRESENTATIONS AND WARRANTIES.

A. **Statements.** Seller represents and warrants to Buyer the following, based on Seller's current, actual knowledge:

- (1) **Organization.** Seller has been duly formed, validly exists and is in good standing in the jurisdiction of its formation and in the state in which the Property is located.
- (2) **Power and Authority; Binding Obligation.** Subject to obtaining the requisite consent of its partners,
 - (a) Seller has the legal power, right and authority to enter into this Agreement and to consummate the transactions contemplated hereby;
 - (b) this Agreement has been duly executed and delivered by Seller, and is enforceable against Seller in accordance with the terms hereof, except as enforceability may be limited by bankruptcy, insolvency or reorganization laws or applicable principles of equity; and
 - (c) this Agreement has been duly authorized by all requisite action of Seller and does not require the consent or approval of any third party, entity, governmental agency or any other authority.

To Seller's knowledge, the foregoing representations and warranties are true, correct and complete as of the Effective Date. For purposes of this Contract, the phrase "to Seller's knowledge", "to Seller's actual knowledge" or "to the best of Seller's knowledge" or similar qualifying phrases and words of similar import shall mean the current actual, not constructive, knowledge of Alan P. McDonald, without independent investigation or inquiry, and not otherwise. Alan P. McDonald is a representative of Seller acting for Seller,

and in no manner, expressly or impliedly, is he/she making any representations or warranties individually. Neither Alan P. McDonald, nor any officer, director, shareholder, partner, member, trustee or representative of Seller or of any partner or member of Seller, shall be personally liable in any manner for any breach of a representation or warranty by Seller in this Contract, Seller's liability for a breach of a representation or warranty by Seller being limited to Seller's equity interest in the Property and being further subject to the following paragraphs.

B. Condition to Closing; Discovery Prior to Closing. Buyer's obligations to close are conditioned upon all of Seller's representations and warranties in Section 10.A. above being true and correct in all material respects as may be modified or waived as provided below. If, prior to Closing, Seller notifies Buyer of any matter, fact or condition that would make a representation or warranty given in Section 10.A. above untrue or incorrect in any material respect, or if, prior to Closing, Buyer otherwise discovers or becomes aware of any matter, fact or condition that would make a representation or warranty given in Section 10.A. above untrue or incorrect in any material respect, then at that time Buyer shall either (i) elect to accept such modified representation or warranty as Seller may then give, and proceed to Closing hereunder, thereby waiving its rights to object to the matter or matters which are the subject of the aforesaid modification, or (ii) notify Seller that it intends to terminate this Contract as a result thereof. If Buyer notifies Seller of its intent to terminate this Contract, then Seller shall have thirty (30) days following receipt of such notice to correct or remedy such matter such that the inaccurate or incomplete representation or warranty is true and correct in all material respects (and Closing shall be extended as necessary to allow for such cure period). If at the end of such thirty (30) day period Seller has failed to so correct or remedy such matter, then, at that time, Buyer shall, at its election, either (i) accept such modified representation or warranty as Seller may then give, and proceed to Closing hereunder, thereby waiving its rights to object to the matter or matters which are the subject of the aforesaid modification, or (ii) terminate this Contract by written notice to Seller, whereupon the Earnest Money shall be returned to Buyer, and neither party will have any further rights or obligations under this Contract (except for any that expressly survive the termination hereof). Should Buyer elect not to terminate this Contract and proceed to Closing hereunder notwithstanding such matters, facts or conditions, then by such election, Buyer shall be deemed to have waived (i) any objection to such matters, facts or conditions that are the subject of any such modified representation or warranty and (ii) any rights Buyer otherwise might have to assert a claim against Seller for a breach of a representation or warranty with respect to such matters, facts or conditions, Buyer hereby acknowledging that its right to terminate this Contract and to receive a return of the Earnest Money is Buyer's sole and exclusive remedy for a breach of a representation or warranty by Seller disclosed to or discovered or known by Buyer prior to Closing.

C. Survival; Discovery After Closing. The representations and warranties made by Seller in this Contract (as the same may be modified or waived as permitted hereunder) will survive Closing for a period of one (1) year, subject to the following: Buyer, by its execution of this Contract, acknowledges and agrees that, if following the Closing, it discovers that a representation or warranty of Seller under this Contract (as the same may have been modified or waived as provided in Section 10.B. above) has been breached, then Buyer must both (i) assert by written notice received by Seller within one (1) year after the Closing Date any claim relating to any such alleged breach of a representation or warranty, and (ii) file any legal claim related thereto with a court of competent jurisdiction within two (2) years after the Closing Date, or Buyer shall be deemed for all purposes to have forever waived its rights to assert such claim. Provided Buyer complies with the foregoing, then, in such event, Buyer may seek actual damages from Seller directly resulting from such breach, but in no event will Seller be liable for punitive, special, speculative, incidental or consequential damages.

11. Intentionally Omitted.

12. **PROPERTY CONDITION; "AS IS" SALE.** Save and except for the representations and warranties of Seller expressly contained in this Contract, it is understood and agreed that Seller has not made and is not making and hereby specifically disclaims, and Buyer hereby specifically waives, any warranties, representations or guarantees of any kind or character, express or implied (or arising by operation of law), oral or written, past, present or future, with respect to or in any way related to or concerning the Property

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or its suitability for any particular purpose or use, including, but not limited to, warranties or representations as to matters of title, zoning, tax consequences, physical or environmental conditions, availability of access or utilities, ingress or egress, drainage, operating history or projections, valuation, governmental approvals, governmental regulations or any other matter or thing relating to or affecting the Property, including, without limitation, the following: (i) the nature and condition of the Property, including but not by way of limitation, the water, soil, geology and environmental condition of the Property, and the suitability thereof, and of the Property, for any and all activities and uses which Buyer may elect to conduct thereon or any improvements Buyer may elect to construct thereon, income to be derived therefrom or expenses to be incurred with respect thereto, or any obligations or any other matter or thing relating to or affecting the same; (ii) the manner or quality of construction (or of any materials incorporated into) and condition and state of repair or lack of repair of any improvements located thereon; (iii) the nature and extent of any easement, right-of-way, lease, possession, lien, encumbrance, license, reservation, condition or otherwise; (iv) the compliance of the Property or the operation of the Property with any laws, rules, codes, ordinances or regulations of any government or other body; (v) the value, condition, merchantability, marketability, profitability, suitability, habitability, or fitness for a particular use or purpose of the Property; and/or (vi) the manner or quality of the Property; and BUYER HEREBY RELEASES SELLER FROM ANY LIABILITY WITH RESPECT TO SUCH MATTERS. Buyer acknowledges that (a) it is generally familiar with the Property and is a sophisticated purchaser of real estate, (b) that it is relying and shall rely upon its own expertise and that of its consultants in purchasing the Property and that it will conduct such inspections and investigations as it deems necessary including, but not limited to, the physical and environmental conditions thereof and shall rely upon the same, and (c) that it shall look solely to the experts and professionals selected or approved by Buyer to advise Buyer with respect to the condition of the Property and, without limitation of the foregoing, will not hold Seller responsible for any environmental conditions or for any remediation activities in connection therewith, and hereby releases Seller from any such liability. Seller shall sell and convey the Property to Buyer, and Buyer shall acquire and accept the Property, "AS IS, WHERE IS, and WITH ALL FAULTS". The terms and conditions of this Section 12 shall expressly survive the Closing and not merge with the provisions of any closing documents and shall, at the option of Seller, be incorporated into the Deed, but the failure to so include such language shall not in any way limit the terms or survival of this Section 12. Buyer acknowledges that Seller has not made any representations or warranties (oral or written) pertaining to the Property except as expressly set forth in this Contract, and Seller is not liable or bound in any manner by any oral or written statements, representations or information pertaining to the Property furnished by any broker, agent, employee, servant or other person, unless the same are expressly set forth herein. **THE PROVISIONS OF THIS SECTION 12 (I) ARE A MATERIAL PART OF THE CONSIDERATION FOR THE SELLER ENTERING INTO THIS CONTRACT AND ARE AN IMPORTANT PART OF THIS CONTRACT, (II) WERE AN IMPORTANT FACTOR IN THE DETERMINATION OF THE PURCHASE PRICE FOR THE PROPERTY (AND SELLER WOULD NOT HAVE AGREED TO SELL THE PROPERTY TO BUYER AT THE PURCHASE PRICE WITHOUT THE PROVISIONS OF THIS SECTION 12), AND (III) SHALL SURVIVE CLOSING.**

13. CASUALTY LOSS AND CONDEMNATION.

A. Damage or Destruction. If, before Closing, the Property is damaged or destroyed by fire or other casualty to a Material Extent (defined below), then, within five (5) days after Buyer is notified of such casualty, Buyer may either (i) terminate this Contract by delivering written notice to Seller, in which event the Earnest Money will be returned to Buyer and neither party will have any further rights or obligations under this Contract (except for any that expressly survive a termination hereof), or (ii) elect to proceed to Closing as provided in this Contract and there will be no reduction in the Purchase Price. If Buyer does not timely and properly terminate this Contract during such five (5) day period, Buyer shall be deemed to have elected to proceed to Closing and to have waived such termination right. If, before Closing, the Property is damaged or destroyed by fire or other casualty to less than a Material Extent, the parties shall proceed to Closing as provided in this Contract. If the transaction is to proceed to Closing pursuant to the foregoing, despite any damage or destruction, there will be no reduction in the Purchase Price, and Seller shall do one of the following: (1)

repair the damage before the Closing, at Seller's expense; (2) give a credit to Buyer at the Closing for the reasonable cost of repairing the Property; or (3) assign to Buyer Seller's right and interest in any insurance proceeds resulting from the damage or destruction and obtain the insurer's consent to such assignment, plus give a credit to Buyer at the Closing in an amount equal to any applicable deductible. For purposes hereof, the term "Material Extent" means damage or destruction where the cost of repair exceeds ten percent (10%) of the Purchase Price. If the extent of damage or the amount of insurance proceeds to be made available cannot be determined before the Closing Date, or the repairs cannot be completed before the Closing Date, either party may postpone the Closing Date by delivering a written notice to the other party specifying an extended Closing Date; provided, however, that the Closing Date may not be extended, pursuant to the foregoing, more than thirty (30) days without the other party's consent. Notwithstanding the foregoing or any provision in this Section 13.A., the foregoing provisions in this Section 13.A. shall not apply to any damage (i) to trees or vegetation and/or (ii) to unusable, vacant or abandoned structures or other structures which Buyer does not intend to utilize in the future development or operation of the Property. Damage to such items described in the preceding sentence shall be excluded from any calculation of "Material Extent" and will not permit Buyer to terminate this Contract or require Seller to undertake any repair measures, give any credit to Buyer at the Closing, or assign any insurance proceeds to Buyer for such matters, and the parties shall proceed to Closing without any reduction in the Purchase Price.

- B. Condemnation.** If, before Closing, any condemnation proceeding is commenced against any portion of the Property, then Seller shall immediately notify Buyer thereof and, if more than ten percent (10%) of the Property is subject to the condemnation, Buyer may terminate this Contract by delivering written notice to Seller within ten (10) days after Buyer receives the notice or, if Closing is to occur within such ten (10) days, then prior to Closing, in which event the Earnest Money will be returned to Buyer and neither party will have any further rights or obligations under this Contract (except for any that expressly survive a termination hereof). If Buyer does not or is not permitted to terminate this Contract pursuant to the preceding sentence, then the parties shall proceed to Closing and any award in condemnation will, at Seller's option, (a) belong to (and be retained or paid to) Seller as and when payable, and the Purchase Price shall be reduced by the amount of the award known or estimated by Seller as of Closing, or (b) belong to (and be paid to) Buyer as and when payable (in which event at Closing Seller will assign its rights in and to the award to Buyer), and the Purchase Price will not be reduced. The rights and obligations of the parties in the preceding sentence shall survive Closing.

14. CLOSING.

- A. Closing Date.** The closing of the transaction described in this Contract (the "Closing") will be held at 10:00 a.m. at the offices of the Title Company, or at such other location as the parties may mutually agree, on December 31, 2010 or such earlier date upon at least ten (10) days' prior written notice from Purchaser to Seller (the "Closing Date"), subject, however, to possible extension as specifically provided in this Section 14.A. Notwithstanding the foregoing, Buyer may extend the Closing Date up to (but not beyond) January 31, 2011, by (i) notifying Seller in writing of such extension at least five (5) business days prior to the initial Closing Date, and (ii) depositing with the Title Company at least five (5) business days prior to the initial Closing Date a \$5,000 extension fee (the "Extension Fee"), which Extension Fee shall be absolutely non-refundable and immediately released and paid to Seller but shall be applied to the Purchase Price at Closing, and the Purchase Price shall be increased by the amount of such deposit. In the event Buyer elects to so extend the Closing Date in accordance with the foregoing, then the Closing Date, as so extended, shall be the "Closing Date" for purposes of this Contract.

- B. Seller's Closing Obligations.** At the Closing, Seller shall deliver to Buyer (or to the Title Company as escrow closing agent), at Seller's expense:

- (1) A duly executed Special Warranty Deed (with vendor's lien retained, if not a cash purchase and if requested by Buyer or Seller) (the "Deed"), in the form mutually acceptable to the parties, conveying the Property in fee simple, subject to the Permitted Exceptions;

- (2) An executed assignment of all leases, if there are any leases affecting the Property (other than leases pertaining to the Mineral Estate, if any);
 - (3) Evidence of Seller's authority and capacity to close this transaction;
 - (4) An executed non-foreign affidavit/certificate pursuant to Section 1445 of the Internal Revenue Code; and
 - (5) Such other documents reasonably required by the Title Company to close this transaction in forms reasonably acceptable to Seller, including a standard owner's affidavit of debts, liens and parties in possession customarily required in the State of Texas in a form reasonably acceptable to Seller, such that the Title Company can issue the Title Policy subject only to the Permitted Exceptions and without exception for unpaid mechanics' and materialmen's liens.
 - (6) An updated Title Commitment committing the underwriter for the Title Company to issue promptly after the Closing, at Seller's expense, the Title Policy pursuant to the Title Commitment, subject only to the Permitted Exceptions, in the full amount of the Purchase Price, dated as of the date of the Closing, and, at Buyer's option and expense for the additional premium cost, with the survey exception modified to read "any shortages in area" only;
- C. Buyer's Closing Obligations.** At the Closing, Buyer shall deliver to Seller (or to the Title Company as escrow closing agent), at Buyer's expense:
- (1) The Purchase Price, with the Earnest Money being applied thereto;
 - (2) A counterpart of the assignment of leases with respect to any lease of the Property being assigned by Seller;
 - (3) Evidence of Buyer's authority and capacity to close this transaction; and
 - (4) All other documents reasonably required by the Title Company to close this transaction.
- D. Closing Costs.** Each party shall pay its share of the closing costs which are customarily paid by a seller or buyer in a transaction of this character in the county where the Property is located, except to the extent otherwise provided below or elsewhere herein:
- (1) Seller shall be responsible for the payment of (i) the basic title insurance premium for the Title Policy in an insured amount equal to the Purchase Price, (ii) the cost of the Survey, (iii) one half (1/2) of the escrow fees to the Title Company, and (iv) Seller's own attorneys' fees.
 - (2) Buyer shall be responsible for payment of (i) any fees, costs or premiums associated with the deletion or modification of the standard Title Policy provisions and deletion or modification of the survey exception in the Title Policy to read "shortages in area" only, (ii) one half (1/2) of the escrow fees to the Title Company, and (iii) Buyer's other expenses, including, without limitation, its own attorneys' fees and all costs and expenses in connection with Buyer's inspections of the Property and other due diligence in connection with this transaction.
- E. Tax Prorations.** Ad valorem taxes and any special assessments relating to the Property for the calendar year in which Closing occurs based upon current use as of the Effective Date will be prorated between Buyer and Seller at the Closing effective as of the Closing Date. If the ad valorem taxes and any assessments for such calendar year have not been determined on the Closing Date, the proration shall be based upon the ad valorem taxes and assessments assessed against the Property for the calendar year immediately preceding the calendar year in which the Closing occurs; provided that if the actual amount of taxes or assessments for the year of Closing is more or less than that of the preceding calendar year upon which the proration was made, then

proper adjustment and payment or reimbursement shall be made within twenty (20) days of receipt of the tax or assessment statements for the year of closing. This Section 14.E. shall survive Closing.

- F. **Rollback Taxes.** Rollback Taxes. Buyer shall be responsible for any and all "rollback taxes" applicable to the Property. In accordance with Section 5.010(a) of the Texas Property Code, as amended, Seller hereby notifies Buyer of the following:

NOTICE REGARDING POSSIBLE LIABILITY FOR ADDITIONAL TAXES

If for the current ad valorem tax year the taxable value of the land that is the subject of this Contract is determined by a special appraisal method that allows for appraisal of the land at less than its market value, the person to whom the land is transferred may not be allowed to qualify the land for that special appraisal in a subsequent tax year and the land may then be appraised at its full market value. In addition, the transfer of the land or a subsequent change in the use of the land may result in the imposition of an additional tax plus interest as a penalty for the transfer or the change in the use of the land. The taxable value of the land and the applicable method of appraisal for the current tax year is public information and may be obtained from the tax appraisal district established for the county in which the land is located.

The provisions of this Paragraph 14.F. shall survive Closing and constitute the agreement of the parties regarding rollback taxes.

15. DEFAULT.

- A. **Seller Default and Buyer's Remedies.** If Seller fails to close this Contract for any reason except Buyer's default or the termination of this Contract pursuant to a right to terminate set forth in this Contract, Seller will be in default and Buyer may elect one of the following, as Buyer's sole and exclusive remedy:

- (1) If, and only if, Seller's default is a failure or refusal by Seller to convey the Property to Buyer as required by this Contract, then Buyer may seek specific performance of Seller's obligations under this Contract. If Buyer elects to enforce specific performance hereunder, however, it must (i) file suit therefor in the appropriate court within thirty (30) days after the scheduled Closing Date (and Buyer's failure to do so will constitute a waiver of the remedy of specific performance hereunder), and (ii) maintain the Earnest Money with the Title Company (as escrow agent) during the pendency of any such action; or
- (2) Buyer may terminate this Contract by written notice to Seller and receive a return of the Earnest Money, in which event the parties will have no further rights or obligations under this Contract (except for any that expressly survive the termination hereof).

- B. **Buyer Default and Seller's Remedies.** If Buyer fails to close this Contract for any reason except Seller's default or the termination of this Contract pursuant to a right to terminate set forth in this Contract, Buyer will be in default and Seller may, as Seller's sole and exclusive remedy, terminate this Contract by written notice to Buyer and immediately receive the Earnest Money as liquidated damages for Buyer's breach of this Contract. If Seller terminates this Contract due to Buyer's default, then the parties will have no further rights or obligations under this Contract except for Buyer's obligation to cause the Earnest Money to be paid to Seller (and except for any that expressly survive the termination hereof).

- C. The terms and provisions of this Section 15 shall expressly survive a termination of this Contract.

16. REAL ESTATE COMMISSION; BROKER DISCLOSURE.

- A. **Real Estate Commission.** Seller agrees to pay a brokerage commission to Seller's broker, Jones Lang LaSalle – Southwest, Inc. ("Broker"), at Closing, but not otherwise, in an amount equal to six percent (6%) of the Purchase Price up to \$1,000,000 and three percent (3%) of the remainder of the Purchase Price, pursuant

to a separate written agreement between Seller and Broker. Said commission shall be earned and paid only if and when Closing occurs pursuant to this Contract and not otherwise. Except as provided in the preceding sentence, Seller and Buyer each warrant and represent to the other that no realtor, broker, finder or other intermediary has been involved with, or engaged, retained or employed by, such party in connection with the transaction contemplated by this Contract, and *Seller and Buyer each agree to indemnify, defend and hold harmless the other from and against any and all claims, losses, liability, costs and expenses (including reasonable attorneys' fees at or before the trial level and any appellate proceedings) arising out of any claim made by any realtor, broker, finder or other intermediary (other than the Broker(s) named above) who claims to have been engaged, retained, employed, contracted or utilized by the indemnifying party in connection with the transaction which is the subject matter of this Contract, which indemnification obligations shall survive Closing and any termination of this Contract.*

- B. Broker Disclosure.** Seller advises Buyer and Buyer acknowledges that Seller or one or more of the partners, members, managers, principals, officers or affiliates of Seller are licensed real estate brokers and/or salespersons and may be acting as both brokers/salespersons and principals in this transaction.

17. ADDITIONAL TERMS AND PROVISIONS.

- A. Property Owners' Association.** If the Property is subject to mandatory membership in a property owners' association, Seller shall notify Buyer of the current annual budget of the property owners' association, and the current authorized fees, dues and/or assessments relating to the Property. In addition, Seller shall give to Buyer the written notice required under §5.012 of the Texas Property Code, if applicable, and Buyer agrees to acknowledge receipt of the notice in writing. Also, Seller shall give to Buyer the resale certificate required under Chapter 207 of the Texas Property Code, if applicable, and Buyer agrees to acknowledge receipt of the resale certificate in writing.
- B. Disclosures Regarding Property Agreements.** Buyer hereby acknowledges that the Property is currently encumbered by one or more sets of restrictive covenants (the "Existing Restrictions"), copies of which will be provided to Buyer as part of the Title Documents. Buyer further acknowledges that, following Closing, Seller will continue to own certain land adjacent to the Property ("Seller's Remaining Land") and that, prior to Closing, Seller may, in its sole discretion, amend and/or restate (in part or in its entirety) certain of the Existing Restrictions and/or further encumber the Property with additional restrictive covenants, the terms of which may provide for, among other things, (a) the creation of a new or additional master or property owner's or similar association ("POA"), to govern certain matters relating to the common properties to be located within the Property and/or all or part of Seller's Remaining Land, (b) the creation of architectural guidelines covering the construction of improvements located within the Property and/or all or part of Seller's Remaining Land, and (c) the imposition upon each owner of a lot located within the Property and/or all or part of Seller's Remaining Land of annual and special assessments to cover the costs of the operation of the POA and maintenance of the common properties owned by the POA. Such amended, restated or new restrictions are hereinafter referred to as the "New Restrictions". Buyer further acknowledges that the title to the Property will be subject to the terms of such New Restrictions, if any, as the same may be amended or modified from time to time. At least fifteen (15) business days prior to the expiration of the Inspection Period, Seller shall provide a draft of such New Restrictions to Buyer for its review. Buyer may provide comments to Seller regarding same; provided, however, that Buyer's approval or consent to the New Restrictions is not required. If Buyer does not terminate this Contract pursuant to its rights under Section 9 hereof, the New Restrictions (in the form presented to Buyer for its review) shall be deemed approved by Buyer, Seller shall have the right to execute and record any such New Restrictions after the expiration of the Inspection Period and prior to (or simultaneous with) Closing, provided that there are no material changes to the form presented to Buyer for its review, and such recorded New Restrictions shall constitute Permitted Exceptions. To the extent that the final or revised version of any New Restrictions contains changes which materially and adversely affect the Property or Buyer's intended use thereof and which differ materially from the matters set forth in the form presented to Buyer for its review, Seller shall seek and obtain Buyer's written approval thereof, which approval shall not be unreasonably withheld or delayed.

18. MISCELLANEOUS PROVISIONS.

- A. Effective Date.** The "Effective Date" of this Contract shall be the later of the two dates this Contract is executed by Seller and Buyer. If only one party dates its signature, then that date shall be deemed the Effective Date of this Contract.
- B. Notices.** Except for inspection notices under Section 9 (which may be via email or facsimile), all notices and other communications required or permitted under this Contract must be in writing and will be deemed delivered, whether actually received or not, on the earlier of (1) actual receipt, if delivered in person or by messenger with evidence of delivery to the office of the recipient at the address set forth below, (2) receipt of an electronic facsimile transmission with confirmation of delivery by sender's equipment to the facsimile number specified below, (3) one (1) business day after being deposited with a reputable overnight courier service (such as Fedex or UPS) for next day delivery and properly addressed to the intended recipient at the address set forth below, or (4) three (3) business days after being deposited with the United States Postal Service, certified mail, return receipt requested, postage prepaid, and properly addressed to the intended recipient at the address set forth below:

If intended for Seller: SLF III/INCAP, L.P.
 Attention: Rick Williamson
 428 W Davis St, Studio 4
 Dallas, TX 75208
 (214) 566-7353 cell
 (214) 571-3370 fax
 rick@thecanyoninoc.com

With a copy to: Hudnall P.C.
 5949 Sherry Lane, Suite 1750
 Dallas, Texas 75225
 Attention: Karen G. Cowden
 Telephone: (214) 239-2371
 Facsimile: (214) 368-9192

If intended for Buyer: Hillside West Seniors, LP
 3109 Knox Street, #305
 Dallas, Texas 75205
 Attention: Mr. Brandon Bolin
 Telephone: (214) 991-8331
 Facsimile:

Any party may change its address for notice purposes by delivering written notice of its new address to all other parties in the manner set forth above. Copies of any notices delivered hereunder shall, concurrently with the delivery thereof, be delivered to the additional parties set forth above and shown as "with a copy to" by any method required for notices under this Section 18.B. above. Notices may be given on behalf of any party by its legal counsel designated above.

- C. Assignment.** Buyer may assign this Contract and its rights hereunder only to a related party, defined as an entity which is owned or controlled by the same person or persons which own or control Buyer as of the Effective Date. Buyer shall immediately notify Seller of any such assignment. Any attempted assignment in violation of this paragraph shall be null and void and of no effect whatsoever. Buyer shall remain fully liable under this Contract after, and notwithstanding, any assignment.
- D. Attorneys' Fees.** The prevailing party in any legal proceeding brought in relation to this Contract or the transaction contemplated hereunder will be entitled to recover from the non-prevailing party court costs, reasonable attorneys' fees and all other reasonable litigation expenses.

- E. Entire Agreement.** This Contract contains the complete agreement, and constitutes the entire agreement, between the parties with respect to the subject matter hereof and supersedes any prior agreements and understandings of the parties relating to the subject matter hereof. The parties agree that there are no oral agreements, understandings, representations or warranties made by the parties which are not expressly set forth in this Contract. Any prior written agreements, understandings, representations or warranties between the parties regarding the subject matter hereof will be deemed merged into and superseded by this Contract.
- F. Amendments.** This Contract may be amended only by an instrument in writing signed by Buyer and Seller.
- G. Binding Effect.** This Contract will inure to the benefit of, and will be binding upon, the parties to this Contract and their respective successors and assigns (subject to Section 18.C. above).
- H. Time for Performance.** Time is of the essence under each provision of this Contract. Strict compliance with the times for performance is required.
- I. Business Day.** If any date of performance under this Contract falls on a Saturday, Sunday or any federal or State of Texas legal holiday, such date of performance will be deferred to the next day that is not a Saturday, Sunday or federal or State of Texas legal holiday.
- J. Governing Law; Venue.** This Contract will be construed under and governed by the laws of the State in which the Property is located, and venue in any dispute between the parties, whether in law or equity, and whether in federal or state court, shall be laid in Dallas County, Texas.
- K. Severability.** If any provision of this Contract is held to be invalid, illegal or unenforceable by a court of competent jurisdiction, the invalid, illegal or unenforceable provision will not affect any other provisions, and this Contract will be construed as if the invalid, illegal or unenforceable provision is severed and deleted from this Contract.
- L. Gender; Number.** Unless the context requires otherwise, all pronouns used in this Contract will be construed to include the other genders, whether used in the masculine, feminine or neuter gender. Words in the singular number will be construed to include the plural, and words in the plural will be construed to include the singular.
- M. Rule of Construction.** The terms and provisions of this Contract represent the results of negotiations between Buyer and Seller, each of which has been represented by counsel of its own selection, and neither of which has acted under duress or compulsion whether legal, economic or otherwise. Consequently, the terms and provisions of this Contract shall be interpreted and construed in accordance with their usual and customary meanings, and Buyer and Seller hereby expressly waive and disclaim, in connection with the interpretation and construction of this Contract, any rule of law or procedure requiring otherwise, including, without limitation, any rule of law to the effect that ambiguous or conflicting terms or provisions contained herein be interpreted or construed against the parties whose attorneys prepared this Contract or any earlier draft hereof.
- N. Confidentiality.** Buyer acknowledges that the terms of this Contract and all information with respect to the Property furnished to Buyer or discovered by Buyer during its investigation thereof pursuant to this Contract (collectively, the "Confidential Information"), is and has been so furnished, and Buyer's investigation of the Property has been permitted by Seller, on the condition that Buyer maintains the confidentiality thereof. Accordingly, Buyer shall, and shall cause its members, officers, employees, agents, contractors and representatives to, hold in strict confidence, and not disclose to any other person or entity without the prior written consent of Seller, unless and until the Closing shall have been consummated, the terms of this Contract or any of the Confidential Information. If the Closing does not occur and this Contract is terminated, Buyer shall promptly return, or cause to be returned, to Seller all copies of such Confidential Information without retaining, or permitting retention of, any copy thereof. Notwithstanding anything to the

contrary hereinabove set forth, Buyer may disclose such Confidential Information (1) on a confidential basis to its officers, employees, and partners, its title insurer, its current or prospective investors, and members of professional firms serving it in connection with this transaction, including, without limitation, its attorneys, accountants, architects, environmental consultants, engineers, lenders and the Broker named herein; (2) as any governmental agency or authority may require in order to comply with applicable laws or regulations; or (3) if required by an order of any court of competent jurisdiction (provided that Seller shall be given the opportunity to seek an injunction or other protective order to prevent such disclosure). The provisions of this Paragraph 18.N. shall survive Closing and any termination or cancellation of this Contract unless otherwise agreed in writing by Seller; provided, however, after the Closing, this provision shall not apply to information available through the public records as a result of the Closing.

- O. No Recordation.** Neither party will record this Contract or any memorandum or affidavit of this Contract.
- P. Counterparts; Facsimile and Electronic Execution.** This Contract may be executed in one or more counterparts (including facsimile and e-mail counterparts), each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. In making proof of this Contract, it shall not be necessary to produce or account for more than one such counterpart. This Contract may be executed by facsimile or e-mail, and a facsimile signature or signature transmitted by e-mail shall constitute an original signature, and executed facsimile or e-mail counterparts (or copies thereof) shall each be treated as an original.
- Q. Contract as Offer.** The execution of this Contract by the first party to do so constitutes an offer to purchase or sell the Property. Unless, within three (3) days after the date of execution of this Contract by the first party, this Contract is accepted by the other party by signing the offer and delivering a fully executed copy to the first party, the offer of this Contract will be deemed automatically withdrawn, and the Earnest Money, if any, will be Buyer.

[This space intentionally left blank; signature pages and exhibits attached hereto.]

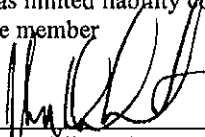
EXECUTED on the dates shown below to be effective as of the Effective Date.

SELLER:

**SLF III/INCAP, L.P.,
a Texas limited partnership**

By: INCAP/SLF III GP, LLC,
a Texas limited liability company,
its general partner

By: INCAP Real Estate Advisors, LLC,
a Texas limited liability corporation,
its sole member

By: 
Name: Dirk Oudt
Title: Vice President

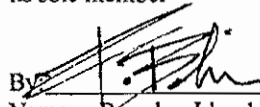
Date of execution by Seller: 2/25/10

BUYER:

**Hillside West Seniors, LP,
a Texas limited partnership**

By: Hillside West Seniors GP, LLC,
a Texas limited liability company,
its general partner

By: GFD Holdings, LLC
a Texas limited liability company,
its sole member

By: 
Name: Brandon Lloyd Bolin
Title: Managing Member

Date of execution by Buyer: Feb. 26, 2010

TITLE COMPANY ACKNOWLEDGMENT

The Title Company acknowledges receipt of this Contract on February 25, 2010, and, upon receipt of the Earnest Money, accepts the Earnest Money subject to the terms and conditions set forth in this Contract.

TITLE COMPANY:

~~LANDAMERICA~~ COMMONWEALTH TITLE

By: Kyle Denbow
Name: Kyle Denbow
Title: Authorized Agent

Exhibit A

Legal Description of Property
(total acreage)

BEING a tract of land in the J. E. Helms Survey, Abstract No. 605, City of Dallas, Dallas County,, Texas, being in the City of Dallas Block 7212, being part of the 3.617 acre tract of land described as Tract A-3, Tract 2 and the 68.557 acre tract of land described as Tract A-5 in deed to SLF III/INCAP, L.P. recorded in Instrument No. 20080313895 of the Official Public Records of Dallas County, Texas and being more particularly described as follows:

BEGINNING a 1/2" iron rod found with a cap stamped "Half" in the east right-of-way line of Pinnacle Park Boulevard (variable width ROW) from which a 1/2" iron rod with a cap stamped "Pibum" bears North 19°52' West, 3.4 feet, said iron rod being the northwest corner of said 3.617 acre tract and the southeast corner of a tract of land described in deed to the City of Dallas recorded in Instrument No. 20070127330 of the Official Public Records of Dallas County, Texas;

THENCE with the south line of said City of Dallas tract, North 88°46'00" East, a distance of 70.05 feet to a 5/8" iron rod found from which a 1/2" iron rod with a cap stamped "Half" bears South 89°08' West, 2.9 feet;

THENCE with the east line of said City of Dallas tract, North 00°09'40" West, a distance of 387.61 feet to a 5/8" iron rod set with a plastic cap stamped "KHA" (hereinafter called 5/8" iron rod set) for corner;

THENCE leaving said east line, North 71°02'34" East, a distance of 266.66 feet to a 5/8" iron rod set in the future west right-of-way line of a 64' wide street for the beginning of a non-tangent curve to the left having a radius of 777.79 feet, a central angle of 5°51'18", a chord bearing and distance of South 08°18'52" East, 79.45 feet;

THENCE with said future west right-of-way line, the following courses and distances to wit:
Southeasterly, with said curve, an arc distance of 79.48 feet to a 5/8" iron rod set for the beginning of a compound curve to the left with a radius of 432.00 feet, a central angle of 29°58'12", and a chord bearing and distance of South 26°13'38" East, 223.40 feet;
Southwesterly, with said curve, an arc distance of 225.97 feet to a 5/8" iron rod set for corner in the future northwest right-of-way line of a variable width street for the beginning of a non-tangent curve to the left having a radius of 444.00 feet, a central angle of 43°14'12", a chord bearing and distance of South 21°37'06" West, 327.16 feet;

THENCE with the future northwest right-of-way of the variable width street, the following courses and distances to wit:
Southwesterly, with said curve, an arc distance of 335.05 feet to a 5/8" iron rod set for corner;
SOUTH, a distance of 162.83 feet to a 5/8" iron rod set for the beginning of a tangent curve to the right with a radius of 200.00 feet, a central angle of 39°35'52", and a chord bearing and distance of South 19°47'56" West, 135.49 feet;
Southwesterly, with said curve, an arc distance of 138.22 feet to a 5/8" iron rod set for corner;
South 43°00'11" West, a distance of 16.32 feet to a 5/8" iron rod set for corner in the east right-of-way line of said Pinnacle Park Boulevard for the beginning of a non-tangent curve to the right having a radius of 918.00 feet, a central angle of 30°26'05", a chord bearing and distance of North 31°46'47" West, 481.92 feet;

THENCE northwesterly, with said east right-of-way line, and arc distance of 487.63 feet to the **POINT OF BEGINNING** and containing 211,995 square feet or 4.867 acres of land.

Bearing system based on the deed to SLF III/INCAP, L.P. recorded in Instrument No. 20080313895 of the Official Public Records of Dallas County, Texas.

Purchase and Sale Contract – Hillside West Seniors



Commonwealth Land Title Insurance Company
Sterling Plaza
5949 Sherry Lane, Suite 111
Dallas, TX 75225
Tel: 214.373.6100 · Fax: 214.987.4202

James P. Lazar
A Professional Corporation
Attorney and Counselor

March 1, 2010

VIA EMAIL - bbolin@groundfloordev.com

Mr. Brandon Bolin
Hillside West Seniors, LP
3109 Knox Street, Suite 305
Dallas, TX 75205

Re: Purchaser and Sale Contract (the "Contract") by and between SLF III/INCAP, L.P. ("Seller") and Hillside West Seniors, LP ("Buyer"); 4.87 acres of land, City and County of Dallas, Texas; Our Escrow File No. 2228003445.

Dear Mr. Bolin:

Following is a schedule of dates described or referenced in the Contract, but such is intended and should be interpreted only as my estimate of dates and not as a modification or legal interpretation of the Contract.

Additionally, please find enclosed wiring instructions for your convenience.

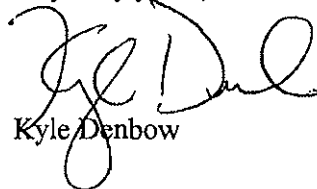
- | | | |
|----|--|---|
| 1. | Contract Effective Date | February 25, 2010 |
| 2. | Buyer to Deliver Earnest Money | March 1, 2010 |
| 3. | Seller to Deliver Current Survey | On or before March 8, 2010 |
| 4. | Title Commitment and Title Documents Delivered | February 26, 2010 |
| 5. | Expiration of Title Review Period | On or before March 29, 2010 |
| 6. | Expiration of Cure Period | Ten (10) days after Seller's receipt of Objections from Buyer |

Mr. Bolin
1 March 2010
Page 2 of 2

- | | | |
|----|--|--|
| 7. | Seller to Deliver Property Information referenced in Paragraph 8 of the Contract | On or before March 29, 2010 |
| 8. | Expiration of Inspection Period | August 31, 2010 |
| 9. | Closing Date | December 31, 2010 or such earlier date, upon which Seller receives notice from Buyer at least ten (10) days prior, subject to extensions but no later than January 31, 2011. |

If you should have any questions with respect to the foregoing, please do not hesitate to call me.

Very truly yours,



Kyle Denbow

KD/js
Enclosures

cc w/Contract: Mr. Dirik Oudt
Mr. Rick Williamson
Mr. Alan McDonald
SLF III/INCAP, LP
428 W. Davis Street, Studio 4
Dallas, TX 75208
Via Email - doudt@incapfund.com
rick@thecanyoninoc.com
amcdonald@incapfund.com

Karen G. Cowden, Esquire
Ms. Susan Evans
Hudnall, P.C.
5949 Sherry Lane, Suite 1750
Dallas, TX 75225
Via Email - kcowden@stratfordland.com
sevans@stratfordland.com

Kyle Denbow

From: Kyle Denbow [kdenbow@jameslazar.com]

Sent: Monday, March 01, 2010 4:19 PM

To: 'Alan McDonald'; 'bbolin@groundfloordev.com'; 'Karen Cowden'; 'Susan Evans'

Cc: 'jsharon@jameslazar.com'

Subject: Hillside West

We acknowledge receipt of an earnest money check from the buyer in the amount of \$5,000.00 for Hillside West.

Kyle Denbow
Attorney at Law
Commercial Escrow Officer
Commonwealth Land Title Insurance Company
5949 Sherry Lane, Suite 111
Dallas, Texas 75225
214-373-6100 (phone)
214-987-4202 (fax)

AGGREGATOR :XAS LP
5523 PARK LN
DALLAS, TX 75220

1192

88-2299/1113-09

3/1/2010 DATE

PAY TO THE ORDER OF Commonwealth Land Title Insurance Co. \$ 5,000.00/xx

Five thousand and no/100 DOLLARS



THIS CHECK IS DELIVERED IN CONNECTION WITH THE FOLLOWING ACCOUNT (S)

	Ernest Money		
	Reference #		
	2228003445		
	Hillside West		

⑈001192⑈ ⑆111322994⑆3100001050⑈

2228003445

PFB Financial
Dallas, Texas 75219

Deposit Listing

Escrow Account - Lazar Office Commonwealth Title of Dallas 5949 Sherry Lane, Suite 111 Dallas, Texas 75225 214-373-6100	JPMorgan Chase TX Account Number 656411907 Deposit Date: 3/2/2010
---	--

Deposit Ticket Number: 282179
Branch: 28-Lazar

Page 1

Quantity	Description	Amount
1	Earnest Money	\$5,000.00
	Deposit Total:	\$5,000.00



Open a Home Equity Line of Credit
Consolidate your debt,
Remodel your home, Pay for college
Talk to a Personal Banker today or
Call 1.800.800.LOAN

My Transaction Summary

Transaction #98
Account Number Ending In: 1907
Checking Deposit \$5,000.00

Further review may result in delayed
availability of this deposit

JPMorgan Chase Bank, N.A.
Preston Motorbank, Branch 000844
1-800-935-9935
Member FDIC, Equal Housing Lender
Please keep your receipt
03/02/2010 15:29

Business Date 03/02/2010
Session #4E

Thank you - Patricia J Masor
Cashbox #20

15

10200

Executive Director's
Response



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

Michael Gerber
EXECUTIVE DIRECTOR

BOARD MEMBERS
C. Kent Conine, *Chair*
Gloria Ray, *Vice Chair*
Leslie Bingham Escareño
Tom H. Gann
Lowell A. Keig
Juan S. Muñoz, Ph.D.

June 24, 2010

John C. Shackelford
3333 Lee Parkway
Tenth Floor
Dallas, Texas 75219

Re: Appeal of Scoring Notice for #10200, Hillside West Senior Apartments

Dear Mr. Bolin:

Appeal Review

I have carefully reviewed the appeal received on June 14, 2010, by the Texas Department of Housing and Community Affairs (the "Department"), regarding your request to reinstate the one (1) point for Qualified Census Tracts with Revitalization pursuant to §50.9(i)(25) and the six (6) points for Pre-Application Participation Incentive pursuant to §50.9(i)(14) and of the 2010 Qualified Allocation Plan and Rules (QAP).

The application was not awarded one point for Qualified Census Tracts with Revitalization pursuant to §50.9(i)(25), which requires the following:

"Evidence of the Community Revitalization Plan (such evidence must include an ordinance, resolution, or otherwise recorded documentation of a vote taken by the local elected Governing Body specifically adopting the Community Revitalization Plan) and a letter from the chief executive officer or other local official with appropriate jurisdiction of the local Governing Body stating that the Development Site is located within the targeted development areas outlined in the community revitalization plan must be submitted."

The application submission included documentation of the Davis Garden Tax Increment Financing (TIF) District for this selection item. Staff was able to verify with the City of Dallas that the City does not have a global community revitalization plan. However, it does have other plans that label targeted areas of the city for revitalization and acts as a vehicle for focusing housing programs and other city resources within specific geographic areas of the city. Examples provided include TIF Districts. Therefore, staff did not render the Davis Garden TIF District Plan as unacceptable for this point item. It qualifies based on discussions with the City of Dallas Staff. The Department was also able to confirm that the Davis Garden TIF District plan was voted on and approved by the Dallas City Council. However, the Applicant failed to provide (at the time of application) a letter from the chief executive officer or other local official with appropriate jurisdiction of the local Governing Body stating that the Development Site is located within the targeted development areas identified in the Davis Garden TIF District plan. This letter is required by the QAP as stated above. All Tax Increment Financing Districts are created and approved by the City of Dallas. Therefore, given the current language of this rule, a letter from the Mayor of the City of Dallas, or from the City Manager would have been acceptable. A letter signed by the Director

of the Office of Economic Development was provided but not considered sufficient to meet the requirements of the rule. The Applicant included with this appeal a letter from the City of Dallas regarding the community revitalization plan submitted previously and which meets the requirements of this rule.

The application was not awarded the six Pre-Application Participation Incentive points because evidence was not provided to show that continuous site control was maintained by the Applicant between pre-application and application. In an Administrative Deficiency to the Applicant dated May 24, 2010, the Department requested a copy of an escrow receipt to determine if the earnest money, required by the contract, had been tendered in escrow. The Applicant provided an earnest money receipt that reflects a \$5,000 earnest money deposit made on 3/2/2010. The pre-application submitted in January 2010 for the development included a Purchase and Sale Contract with an effective date of January 8, 2010 whereby a deposit of \$5,000 was required within two business days after the effective date, but no such earnest money was provided for that contract. The earnest money that was ultimately provided was for a second contract which pertained to a somewhat different tract of land with different principals in the seller.

The Applicant is appealing that the QAP does not specifically require an Applicant to provide evidence of the deposit of earnest money pursuant to the terms of the real estate contract and argues that the Department's review of this one provision is arbitrary. Further, the Applicant's appeal confirms that the earnest money was not delivered to the title company in accordance with the Purchase and Sale Contract and states that the reason earnest money was not tendered is due to the identity of interest which existed at that time between the seller and the buyer. Because of the identity interest in both parties the Applicant did not see the need to deposit earnest money despite the language in the contract requiring that escrow be tendered. The Department's current process, with respect to review of site control, does not provide for an exception to transactions that involve an identity of interest if the contract provided at pre-application includes a provision for earnest money. Moreover, the other changes in the contract (site acreage, contract dollar amount, closing date, and legal description, etc.) further call into question that the contract is a continuation or a totally new contract. To that end the new contract does not reference the contract provided at pre-application.

Appeal Determination

Your appeal regarding the one point for Qualified Census Tracts with Revitalization is approved, and a revised scoring noticed is attached reflecting the reinstatement of this point to the final application score. Your appeal regarding the six points for Pre-Application Participation Incentive is denied.

Per your request your appeal has been placed on the next Board meeting agenda. Pursuant to §50.17(b)(4) of the 2010 Qualified Allocation Plan and Rules, if you wish to submit any further documentation for your Board appeal, the documentation must be received by 5:00 p.m. CST on **June 28, 2010** to be placed with the July 2010 Board materials. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.

Sincerely,



Michael Gerber
Executive Director

MFF/rbm

cc: Brandon Bolin
Terri Anderson



MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2010 Application Round
Revised Scoring Notice - Competitive Housing Tax Credit Application

Hillside West Seniors, LP
 Brandon Bolin
 3109 Knox St., Ste. 305
 Dallas, TX 75205
 Phone #: (214) 991-8331
 Fax #: (972) 462-8715
 Email: bbolin@groundfloordev.com

Date Issued: June 24, 2010

**THIS NOTICE WILL ONLY BE
 TRANSMITTED VIA EMAIL**

Second Email: Terri.L.Anderson@msn.com

**RE: 2010 Competitive Housing Tax Credit (HTC) Application for Hillside West Seniors, TDHCA
 Number: 10200**

Attention: Brandon Bolin

The Texas Department of Housing and Community Affairs (the "Department") has completed its Eligibility and Selection Criteria Review of the Application referenced above as further described in §50.9(d)(1) of the 2010 Qualified Allocation Plan and Rules ("QAP"). Below, a summary is provided of the score requested, as calculated by the Applicant, followed by the score requested, as calculated by the Department. The two numbers differ if the Applicant's calculation was incorrect. The next score shown is the score awarded to the Application by the Department, followed by the difference between the score requested (as calculated by the Department) and the score awarded. An explanation of the reason(s) for any differences, including points denied, is provided at the top of the second page of this notice. The next scoring items show the number of points awarded for each of the three categories for which points could not be requested by the applicant: §50.9(i)(2) Quantifiable Community Participation (QCP); §50.9(i)(6) Level of Community Support from State Representative or State Senator; §50.9(i)(18) Demonstration of Community Input other than QCP. This is followed, in bold, by the final cumulative number of points awarded by the Department to the Application.

Please note that if you were awarded points under §50.9(i)(5), or (28) of the 2010 QAP this notice only provides an explanation of any point deductions for those items. In addition, note that should this application receive an award of tax credits, at the time the executed Commitment Notice is required to be submitted, the Applicant or Development Owner must provide evidence of a commitment approved by the governing body of a local political subdivision for the sufficient local funding and a commitment approved by a qualifying private, state, or federal source to the Department. Qualifying sources other than those submitted in the Application may be submitted to the Department at the time the executed Commitment Notice is required to be submitted pursuant to §50.9(i)(5) and (28) of the 2010 QAP.

To the extent that a threshold review is not yet completed for this application, pursuant to §50.9(d)(3), the final score may still change, in which case you will be notified.

Allocation: Urban Set Asides: USDA Non Profit At Risk

Score Requested by Applicant (Does not include points for §§50.9(i)(2), (6) or (18) of the 2010 QAP):	178
Score Requested as Calculated by Department (Does not include points for §§50.9(i)(2), (6) or (18) of the 2010 QAP):	178
Score Awarded by Department (Does not include points for §§50.9(i)(2), (6) or (18) of the 2010 QAP):	172
Difference between Requested and Awarded (Does not include points for §§50.9(i)(2), (6) or (18) of the 2010 QAP):	6
Points Awarded for §50.9(i)(2), Quantifiable Community Participation:	24
Points Awarded for §50.9(i)(6), Input from State Senator or Representative:	14
Points Awarded for §50.9(i)(18), Community Input Other than QCP:	0
Final Score Awarded to Application by Department:	210



MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2010 Application Round
Revised Scoring Notice - Competitive Housing Tax Credit Application

Page 2 of Final Scoring Notice: 10200, Hillside West Seniors

Explanation for Difference between Points Requested and Points Awarded by the Department (explanation does not include points for §§50.9(i)(2), (6) and (18)):

50.9(i)(14)- Pre-Application Participation Incentive Points: Staff is unable to determine that continuous site control was maintained by the Applicant between Pre-Application and Application. Section 5 of the Purchase and Sale Contract provided at Pre-Application required that within two business days after the Effective Date, the Buyer shall deposit earnest money of \$5,000 to be held in escrow pursuant to the terms in the contract. The Effective Date in the contract is defined as the latter of the two dates the contract is executed by the Seller and Buyer. The contract was executed on 1/8/2010 by both the Sellers and the Buyer, therefore, the \$5K earnest money was due to have been paid into escrow on 1/10/2010. The escrow receipt provided by the Applicant for \$5K and dated 3/2/2010. The Applicant has been unable to provide evidence that the earnest money required by the contract was deposited into escrow by 1/10/2010.

A formal appeals policy exists for the Competitive HTC Program. If you wish to appeal this scoring notice (including Set-Aside eligibility), you must file your appeal with the Department no later than 5:00 p.m. (CST), Monday, June 28, 2010. If an appeal is denied by the Executive Director, an Applicant may appeal to the Department's Board.

In an effort to increase the likelihood that Board appeals related to scoring and Set-Asides are heard at the Board meeting, the Department has provided an Appeal Election Form for all appeals submitted to the Executive Director. In the event an appeal is denied by the Executive Director, the form requests that the appeal automatically be added to the Board agenda.

If you have any concerns regarding potential miscalculations or errors made by the Department, please contact Raquel Morales by facsimile at (512) 475-0764 or by email at raquel.morales@tdhca.state.tx.us.

Sincerely,

Robbye Meyer

Robbye Meyer
Director of Multifamily Finance



MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2010 Application Round
Revised Scoring Notice - Competitive Housing Tax Credit Application

Appeal Election Form: 10200, Hillside West Seniors

I am in receipt of my 2010 scoring notice and am filing a formal appeal to the Executive Director on or before Monday, June 28, 2010.

If my appeal is denied by the Executive Director,:

I do wish to appeal to the Board of Directors and request that my application be added to the Department Board of Directors meeting agenda. My appeal documentation, which identifies my specific grounds for appeal, is attached. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.

I do not wish to appeal to the Board of Directors.

Note: If you do not wish to appeal this notice, you do not need to submit this form.

Signed _____

Title _____

Date _____

Please fax or email to the attention of Raquel Morales:

Fax: (512) 475-0764 or (512) 475-1895

Email: <mailto:raquel.morales@tdhca.state.tx.us>

10202

Brae Estates

**MULTIFAMILY FINANCE DIVISION
BOARD ACTION REQUEST
July 8, 2010**

Requested Action

Deny the appeal to reinstate a cumulative eight points for Application #10202, Brae Estates.

WHEREAS, an application for tax credits was submitted for Brae Estates on March 1, 2010; and

WHEREAS, the Applicant was not awarded four points for §50.9(i)(15)(A)- Economic Development Initiatives because they did not provide evidence that the area is a designated state or federal Empowerment/Enterprise Zone, Urban Enterprise Community, or Urban Enhanced Enterprise Community; and

WHEREAS, the Applicant was not awarded four points for §50.9(i)(16)(D)- Development Location because they did not provide evidence that the development is located within an elementary school attendance zone that has an academic rating of “Exemplary” or “Recognized”; therefore

BE IT RESOLVED, that the appeal of Brae Estates, #10202 is hereby denied.

Background

Brae Estates is a proposed 68-unit new construction family development located in Fort Worth. The application reflects four points requested under option A of Economic Development Initiatives. The Applicant’s appeal erroneously indicates that points were requested under option B of the selection criteria.

The evidence provided in the application included a letter from the City of Fort Worth dated 4/15/2010 acknowledging that the proposed site address lies within a CDBG eligible census tract. Under option A, the letter from the City had to confirm that the proposed development site is located within a “designated State or Federal Empowerment/Enterprise Zone, Urban Enterprise Community or Urban Enhanced Enterprise Community”. The letter does not confirm that the development site lies within any one of these areas.

Additionally, had the points been requested under option B as implied in the appeal, the letter would still fail to meet the requirements for these points because the Applicant must provide evidence that the area has received an award within the past three years from the “Texas Capital Fund, Texas or Federal Enterprise Zone Fund, Texas Leverage Fund, Industrial Revenue Bond Program, Emerging Technologies, Skills Development, Rural Business Enterprise Grants, Certified Development Company Loans, or Micro Loan

Program or other state or federally funded economic development initiatives approved by the Department.”

The Applicant’s appeal makes reference to an award of CDBG funds to the Riverside Alliance, which is a Neighborhood Alliance/Coalition, but actual documentation of an award of CDBG funds was not provided. What the Applicant did provide was general information about the Riverside Alliance organization and a copy of the 2010-2011 Action Plan for the City of Fort Worth that was submitted to HUD on April 15, 2010 for approval. The document does not make any specific reference to an award having been made within the last three years to the Riverside Alliance.

In order to qualify for points under either option A or B of §50.9(i)(15), the Department must perform a test to determine if tax credits have been awarded in the defined “area” within the last seven years in order for the application to be eligible for the points requested. The Applicant acknowledged in a previous Administrative Deficiency response that the City does not designate the area in which the CDBG funds must be used, but rather the federal government designates this area. If this is the case, HUD allocates CDBG funds to cities, rather than specific neighborhoods. Last year HUD allocated CDBG funds to the City of Fort Worth. Using this “area” as defined by HUD staff has determined that more than three tax credit developments have been funded in the last seven years, thereby disqualifying the application for the requested points.

Finally, the application also requested four points under §50.9(i)(16)(D)- Development Location. The application included evidence that the development is located within an elementary school attendance zone that has an academic rating of “Exemplary” or “Recognized.” The elementary school is the Riverside Applied Learning Center. Within Fort Worth Independent School District’s eighty-one elementary schools Advanced Academic Services are provided which include High Academic Programs and Special Interest Programs. The Riverside Applied Learning Center is a Special Interest Program that has its own campus. Although the Center does have an “exemplary” rating, the points were not awarded for this item because students must go through an application process to determine if admission will be granted. Therefore, while children living at Brea Estates may be eligible to attend this learning center, they do not have automatic admission to this campus and must apply and be accepted for admission in order to attend.

10202

Scoring Notice



MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2010 Application Round
Scoring Notice - Competitive Housing Tax Credit Application

Page 2 of Final Scoring Notice: 10202, Brae Estates

Explanation for Difference between Points Requested and Points Awarded by the Department (explanation does not include points for §§50.9(i)(2), (6) and (18)):

50.9(i)(15)- Economic Development Initiatives: the letter provided from the City of Fort Worth does not confirm that the proposed development site is located within a designated state or federal Empowerment/Enterprise Zone, Urban Enterprise Community or Urban Enhanced Enterprise Community. (4 pts requested, 0 awarded)

50.9(i)(16)- Development Location: the application reflects points requested under Options B and D of this item. Option B requires that the development be located in a county that has received an award from the Texas Department of Agriculture's Rural Municipal Finance Program or Real Estate Development and Infrastructure Program. No evidence was provided to support the points under this item. Option D requires that the development be located in an elementary school attendance zone of an elementary school that has an academic rating of "Exemplary" or "Recognized." The evidence provided under this option does not qualify because the school identified is a magnet school that limits attendance to those who apply and are accepted into the school. (4 pts requested, 0 awarded)

A formal appeals policy exists for the Competitive HTC Program. If you wish to appeal this scoring notice (including Set-Aside eligibility), you must file your appeal with the Department no later than 5:00 p.m. (CST), Wednesday, June 9, 2010. If an appeal is denied by the Executive Director, an Applicant may appeal to the Department's Board.

In an effort to increase the likelihood that Board appeals related to scoring and Set-Asides are heard at the Board meeting, the Department has provided an Appeal Election Form for all appeals submitted to the Executive Director. In the event an appeal is denied by the Executive Director, the form requests that the appeal automatically be added to the Board agenda.

If you have any concerns regarding potential miscalculations or errors made by the Department, please contact Raquel Morales by facsimile at (512) 475-0764 or by email at raquel.morales@tdhca.state.tx.us.

Sincerely,

Robbye Meyer 

Robbye Meyer
Director of Multifamily Finance



MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2010 Application Round
Scoring Notice - Competitive Housing Tax Credit Application

Appeal Election Form: 10202, Brae Estates

I am in receipt of my 2010 scoring notice and am filing a formal appeal to the Executive Director on or before Wednesday, June 9, 2010.

If my appeal is denied by the Executive Director,:

I do wish to appeal to the Board of Directors and request that my application be added to the Department Board of Directors meeting agenda. My appeal documentation, which identifies my specific grounds for appeal, is attached. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.

I do not wish to appeal to the Board of Directors.

Note: If you do not wish to appeal this notice, you do not need to submit this form.

Signed _____

Title _____

Date _____

Please fax or email to the attention of Raquel Morales:
Fax: (512) 475-0764 or (512) 475-1895
Email: <mailto:raquel.morales@tdhca.state.tx.us>

10202

Appeal Documents



June 9, 2010

Mr. Michael Gerber
Executive Director
Texas Department of Housing and Community Affairs
P.O. Box 13941
Austin, TX 78711-3941

Re: TDHCA Application #10202, Brae Estates - Scoring Notice Appeal

Dear Mr. Gerber,

Please accept this letter as a formal appeal response to the following:

1. **50.9(i)(15)(B)** – Economic Development Initiatives: The letter provided from the City of Fort Worth acknowledges Brae Estates lies within a CDBG eligible census tract. The CDBG program is administered by the United States Department of Housing and Urban Development as well as TDHCA for non-participating jurisdictions. As such, a CDBG award should be a qualifying activity. CDBG funds have been awarded within the Riverside Alliance, which is a Neighborhood Alliance/Coalition. **4pts. Requested**
2. **50.9(i)(16)(D)** – Development Location: Evidence was provided the proposed Brae Estates development site “is located in an elementary school attendance zone of an elementary school that has an academic rating of ‘Exemplary’ or ‘Recognized,’ ...” The Riverside Applied Learning Center:
 - a. is an elementary school with an “Exemplary” rating; and
 - b. has an attendance zone of Fort Worth Independent School District.Brae Estates is located within the Fort Worth Independent School District, and is three blocks from the Riverside Applied Learning Center. Children living at Brae Estates are eligible to attend Riverside Applied Learning Center. The QAP and ASPM do not address specific enrollment criteria as a disqualifying factor. **4pts. Requested**

I appreciate your consideration. Please contact me at (972) 567-4630 should you have additional questions or concerns.

Respectfully submitted,

Terri L. Anderson, President
Anderson Capital, LLC



MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2010 Application Round
Scoring Notice - Competitive Housing Tax Credit Application

Page 2 of Final Scoring Notice: 10202, Brae Estates

Explanation for Difference between Points Requested and Points Awarded by the Department (explanation does not include points for §§50.9(1)(2), (6) and (18)):

50.9(i)(15)- Economic Development Initiatives: the letter provided from the City of Fort Worth does not confirm that the proposed development site is located within a designated state or federal Empowerment/Enterprise Zone, Urban Enterprise Community or Urban Enhanced Enterprise Community. (4 pts requested, 0 awarded)

50.9(i)(16)- Development Location: the application reflects points requested under Options B and D of this item. Option B requires that the development be located in a county that has received an award from the Texas Department of Agriculture's Rural Municipal Finance Program or Real Estate Development and Infrastructure Program. No evidence was provided to support the points under this item. Option D requires that the development be located in an elementary school attendance zone of an elementary school that has an academic rating of "Exemplary" or "Recognized." The evidence provided under this option does not qualify because the school identified is a magnet school that limits attendance to those who apply and are accepted into the school. (4 pts requested, 0 awarded)

A formal appeals policy exists for the Competitive HTC Program. If you wish to appeal this scoring notice (including Set-Aside eligibility), you must file your appeal with the Department no later than 5:00 p.m. (CST), Wednesday, June 9, 2010. If an appeal is denied by the Executive Director, an Applicant may appeal to the Department's Board.

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Sincerely,

Robbye Meyer 

Robbye Meyer
Director of Multifamily Finance



MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2010 Application Round
Scoring Notice - Competitive Housing Tax Credit Application

Appeal Election Form: 10202, Brae Estates

I am in receipt of my 2010 scoring notice and am filing a formal appeal to the Executive Director on or before Wednesday, June 9, 2010.

If my appeal is denied by the Executive Director,:

- I do wish to appeal to the Board of Directors and request that my application be added to the Department Board of Directors meeting agenda. My appeal documentation, which identifies my specific grounds for appeal, is attached. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.
- I do not wish to appeal to the Board of Directors.

Note: If you do not wish to appeal this notice, you do not need to submit this form.

Signed K. Michael Schick
Title Managing Partner - Brae Estates
Date 6/9/2010

Please fax or email to the attention of Raquel Morales:
Fax: (512) 475-0764 or (512) 475-1895
Email: <mailto:raquel.morales@tdhca.state.tx.us>



April 15, 2010

Kim McCaslin Schlieker
M.R. DEVELOPMENT
100 North Mitchell Road
Mansfield, Texas 76063

RE: Bonnie Brae Estates Single Family Rental Development

Dear Ms. McCaslin Schlieker,

The proposed Bonnie Brae Estates development that consists of single family rental dwelling units with a site address of 3715 NE 28th Street in Fort Worth, Texas 76111 is located in a Community Development Block Grant (CDBG) eligible census tract (1049.00). The City has not designated the CDBG area for specific economic development initiatives. This letter is not a commitment of funds.

If you have any questions concerning this letter, please contact me at 817-392-6342 or via e-mail at Avis.Chaisson@fortworthgov.org.

Sincerely,

Avis E. Chaisson, Development Project Coordinator

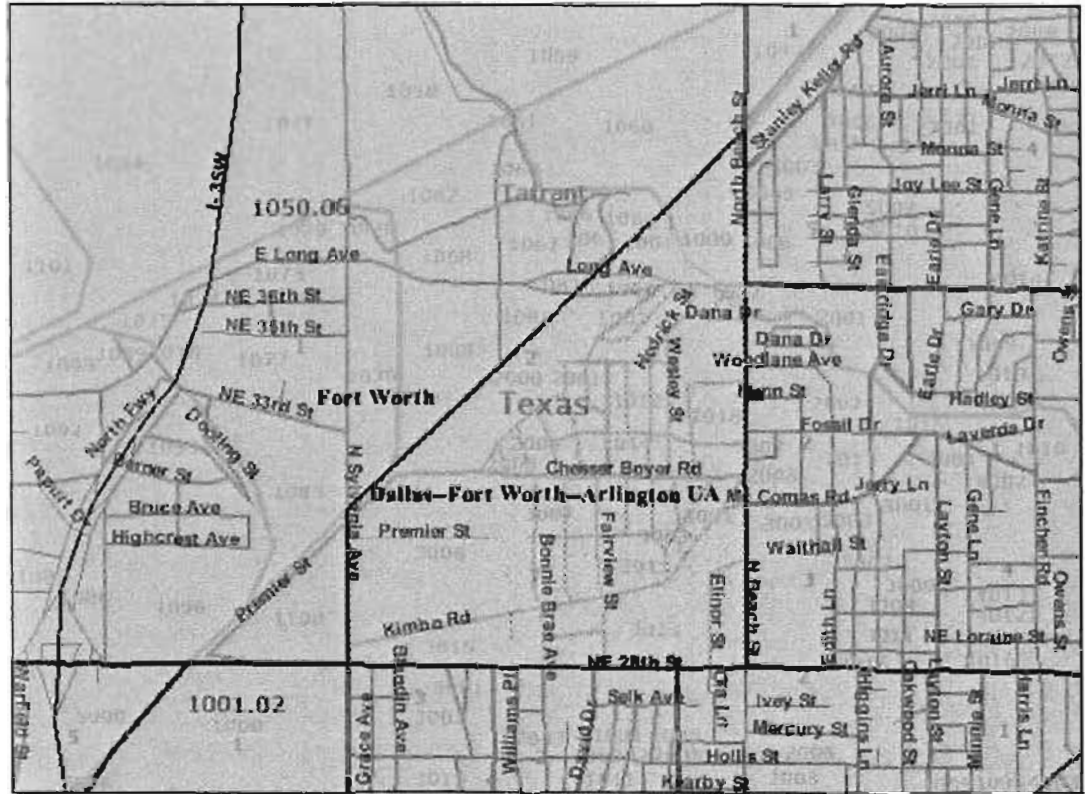
Housing and Economic Development Department

The City of Fort Worth ★ 1000 Throckmorton Street ★ Fort Worth, Texas 76102

817-392-7540 ★ Fax 817-392-7328

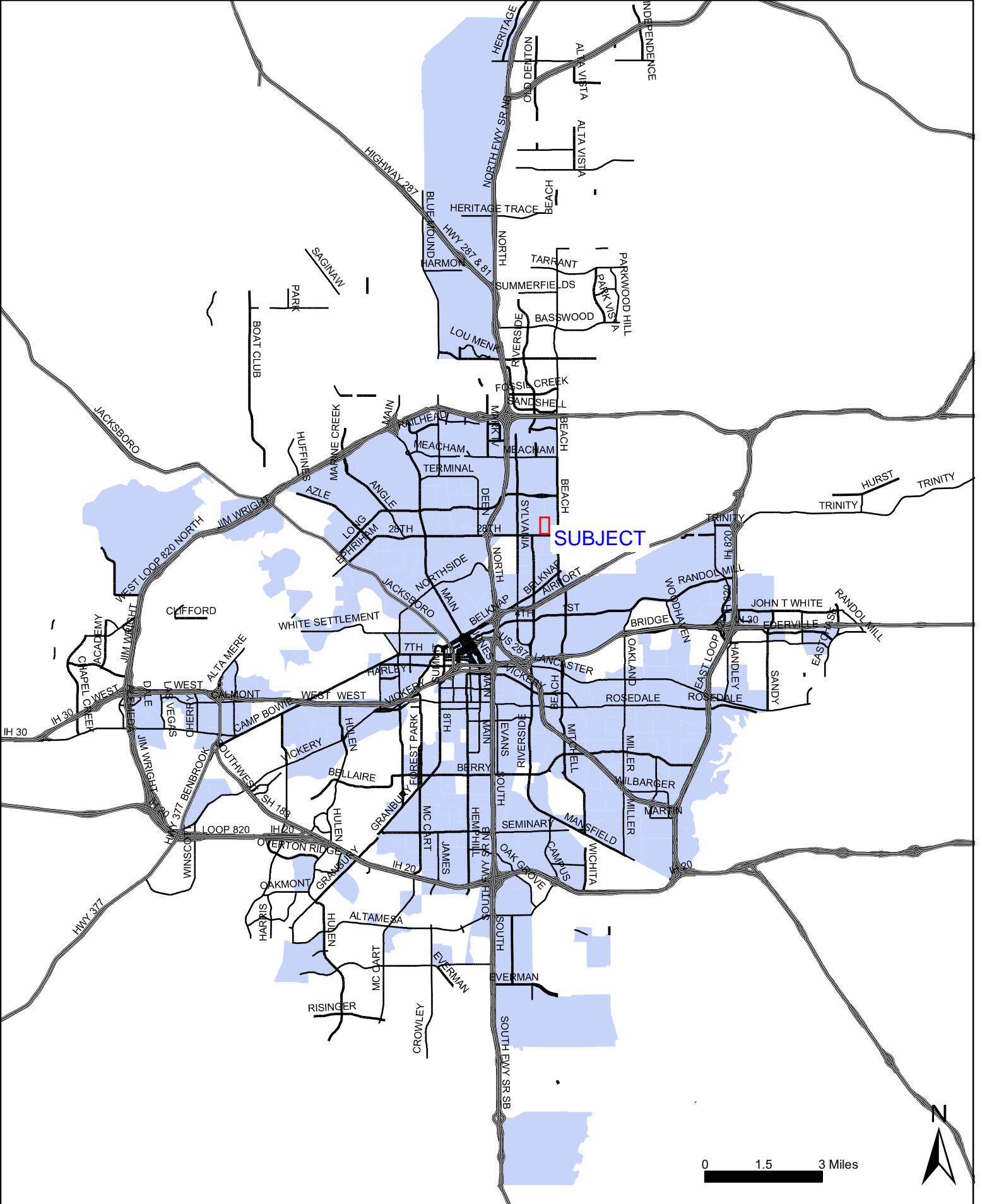
Census Tract 1049, Tarrant County, Texas

- Boundaries**
- State
 - '00 County
 - '00 Census Tract
 - '00 Block Group
 - '00 Block
 - '00 Place
 - '00 Place
 - '00 Urban Area
 - '00 Urban Area
- Features**
- Major Road
 - Street
 - Stream/Waterbody
 - Stream/Waterbody



2.8 miles across

Close

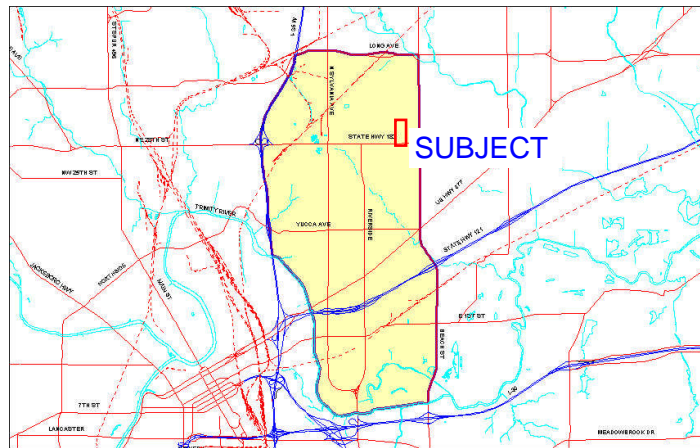




Fort Worth Neighborhood Office

Association

Association **Riverside Alliance**
 Address **PO Box 7243
 Fort Worth, TX 76111**
 Association Type **Neighborhood Alliance/Coalition**
 Membership Type **Unknown**
 Website



Location

Mapscoc Location (s)
 Boundries: North **Long Ave.**
 South **I-30**
 East **Beach St.**
 West **I-35**

Meeting Information

Meeting Info
 Meeting Location
 Meeting Time

Election Information

Officer Election Month
 Next Election Year
 Elections every **0** years

City Services

Council District(s) **2 - Sal Espino, 817-392-8802, District2@fortworthgov.org
 4 - Danny Scarth, 817-392-8804, District4@fortworthgov.org
 8 - Kathleen Hicks, 817-392-8808, District8@fortworthgov.org**

Neighborhood Policing District(s) **1 - Central - 501 Jones
 3 - North - 3457 Decatur
 5 - East - 5650 E. Lancaster**

Neighborhood Education Specialist

Specialist	Phone

Contacts

Barb Grisell
 Moderator
 818 N. Chandler Drive
 Fort Worth, TX 76111
 Home Phone: **817-929-6271**
 Email Address: barbgrisell@gmail.com

2010-2011 ACTION PLAN

For the use of
CDBG, HOME, ESG and HOPWA Funds

Program Year
June 1, 2010 – May 31, 2011



Housing & Economic Development Department

Final Copy Submitted on April 15, 2010 to
U.S. Department of Housing & Urban Development
P.O. Box 2905
801 Cherry Street
Fort Worth, Texas 76102



Received - DHUD

APR 15 2010

Office of Community
Planning & Development

Jesus "Jay" Chapa
Director

Jesus.Chapa@fortworthgov.org
(817) 392-5804

April 15, 2010

Ms. Katie Worsham
Director of Community Planning & Development
U.S. Department of Housing & Urban Development
P.O. Box 2905
801 Cherry Street
Fort Worth, Texas 76102

Received - DHUD

APR 15 2010

Office of Community
Planning & Development

Attention: Kristin Hadawi, CPD Representative

Dear Ms. Worsham:

Please find the enclosed City of Fort Worth's 2010-2011 Action Plan.

We appreciate the opportunity to work with you and your agency in providing valuable housing and community development services to the low and moderate income citizens of Fort Worth.

Should you have any questions, please feel free to contact me at (817) 392-5804. For specific information regarding the data contained in this submission, please contact Cynthia Garcia, Assistant Director at (817) 392-8187.

Sincerely,

Jesus Chapa

Housing and Economic Development Department

The City of Fort Worth ★ 1000 Throckmorton Street ★ Fort Worth, Texas 76102

817-392-2639 ★ Fax 817-392-7328





2010 - 2011 Action Plan

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I. General

A. Executive Summary

The 2010 -2011 Annual Action Plan describes how the City of Fort Worth intends to use Community Development Block Grants (CDBG), HOME Investment Partnership funds, Emergency Shelter Grants (ESG), and Housing Opportunities for Persons with AIDS (HOPWA) to meet community needs. The Action Plan also serves as the application for funds to the U.S. Department of Housing and Urban Development (HUD) for the period June 1, 2010 through May 31, 2011. Priorities include addressing affordable and decent housing, eliminating chronic homelessness, senior services, affordable childcare, and community development issues.

The Action Plan describes the use of funds for the first year of the three-year Consolidated Plan, including activities and budgets that address the needs and priorities established in the 2010-2013 Consolidated Plan. Priorities include activities addressing quality, affordable, accessible and decent housing, homelessness, and community development. Partnerships with neighboring jurisdictions, the private sector, non-profit organizations, and other City departments will provide support for the successful implementation of this plan. Copies of the City of Fort Worth's 2010-2013 Consolidated Plan and 2010-2011 Action Plan can be requested in accordance with the Citizen Participation Plan.

Affordable and Decent Housing

According to the 2000 census, 16 percent of persons in Fort Worth lived below the poverty level, versus 10.8 percent for the overall Consolidated Metropolitan Statistical Area. Many of these persons lived in older, deteriorated housing units. Analysis of the HUD data indicates that there are particular household types that are likely to have significant housing problems such as excessive cost (relative to the family's income), overcrowding, and substandard physical conditions. These household types include large families, particularly those with low incomes; renters with incomes under 50 percent of the area median (over 70 percent reporting housing problems); and very low income owners (69 percent in this category reported housing problems). Minority and disabled populations are particularly likely to have difficulty finding quality, affordable, accessible housing to rent.

The City of Fort Worth proposes to make decent housing more available and accessible by directly assisting the production of at least 36 new affordable rental units and by directly supporting the construction of at least 4 new single-family infill houses.

The City proposes to increase the affordability of decent housing by providing homebuyer assistance to 60 families and by ensuring continued housing availability for 90 low-income tenant households with members that have AIDS.

The City proposes to increase the sustainability of decent housing by providing major home repairs in targeted areas and on a city-wide basis (through the Housing Trust Fund) to at least 33 low or moderate income homeowners; by providing emergency repairs, weatherization assistance, and exterior paint to 700 very low income homeowners; and by providing architectural barrier removal/modifications for 35 unduplicated clients. The Pilot Roof Program will provide 13 to 20 low to moderate income homeowners with new roofs to prevent other damage to the structure of the house.

Homelessness Prevention For the homeless population, the city will maintain and increase the availability and accessibility of decent housing by funding emergency shelter providers to assist with the provision of 699 emergency shelter beds and by supporting funding proposals for transitional and permanent supportive housing. The City shall also further this goal by funding direct homeless prevention services and housing and supportive services for persons with AIDS. The availability and accessibility of quality, affordable, and decent housing will be continued through policy development, funding, and advocacy activities of the Mayor’s Commission on Quality Affordable Accessible Housing; by participating in the County-wide Continuum of Care planning process to obtain Homeless grant funds; by supporting the work of the Mayor’s Commission on Homelessness in implementing the “Directions Home” plan adopted by City Council on June 17, 2008, and by supporting tax credit applications for special needs and senior housing.

Community Development

The City will increase the sustainability of suitable living environments for 2000 residents of Fort Worth’s low and moderate income neighborhoods by improving lighting, sidewalks, or other infrastructures improvement. The City will assist in the suitability of low and moderate income neighborhood living environments, by providing youth services to 1100 youth, by providing services to 475 low and moderate income elderly residents, and by providing other needed social and public services to 6200 low and moderate income residents including disabled and limited English proficient persons. In addition, the City will increase the sustainability of economic opportunity for low and moderate income families by providing subsidized child care for an estimated 660 children.

Action Plan goals are summarized on the following page. Budget details are provided in Attachment A and project information by program type is provided in Attachment B. The Action Plan also reports on the availability of private funds being leveraged by federal grant funds.

The budget included in this Action Plan is based on the entitlement funds as documented in the notice of allocation amounts from HUD. The total amount of funds budgeted for CDBG, HOME, ESG, and HOPWA including reprogrammed funds and anticipated program income, is summarized in the following table:

Anticipated Funding for 2010-2011 Action Plan

Source	CDBG	HOME	ESG	HOPWA	TOTAL
2010 - 2011 Allocation	\$6,743,925	\$3,216,778	\$294,481	\$892,529	\$11,147,713
Anticipated Program Income	\$ 100,000	\$ 100,000			\$ 200,000
Total	\$6,843,925	\$3,316,778	\$294,481	\$892,529	\$11,347,713

Program Year 2010-2011 Action Plan Goals Summary

Objective	Sources of Funds	Performance Indicators	Year 1 of 3
Quality, Affordable, Accessible, Decent Housing			
Rental Housing			
Increase supply of affordable rental housing	HOME,	Number of new affordable rental units	15
Owner Housing			
Increase homeownership through housing counseling	FWHA, HUD Counseling Grant, CDBG	Number of counseling clients purchasing a home	100
Increase homeownership by constructing and/or providing funding for construction of single family infill housing	CDBG, HOME	Number of new affordable owner units produced	5
Increase affordability of homeownership by providing closing cost and down payment assistance	HOME	Number of homeownership assistance units	80
Sustain quality of homeowner units through emergency, weatherization, & exterior paint	CDBG, HOME, HUD, TDHCA Weatherization Grant	Number of owner units receiving repairs	700
Sustain quality of homeowner units through major and minor rehabilitation and pilot Roof Program	HOME, CDBG	Number of owner units receiving Major Repairs	60
Homelessness Prevention			
Objective	Sources of Funds	Performance Indicators	Year 1 of 3
Provide rental assistance payments for persons with HIV/AIDS	HOPWA	Number of households with HIV/AIDS receiving rental assistance	102
Maintain and increase emergency shelter beds	ESG	Number of emergency shelter beds maintained	699
Fund at least one direct homeless prevention service program per year	ESG, CDBG	Number of households benefiting from direct homeless prevention services	40
Community Development			
Objective	Sources of Funds	Performance Indicators	Year 1 of 3
Youth Services (Public Services)	CDBG	Number of low to moderate income persons served	1042
Elderly Services (Public Services)	CDBG	Number of low to moderate income persons served	475
Special Needs - Including disabled and Limited English Proficient Persons (Public Services)	CDBG	Number of low to moderate income persons served	6200
Lighting, sidewalks, signage, and other infrastructure improvements (Infrastructure)	CDBG	Number of low to moderate income persons served	2000
Provide subsidized childcare to give parents opportunity to access education, job training, placement services, and employment (Economic Development)	CDBG	Number of children in low to moderate income families provided subsidized childcare	660

See *Attachment F* for descriptions of 2010-2011 Action Plan Listing of Projects.

As summarized in the 2008-2009 Consolidated Annual Performance and Evaluation Reports (CAPER), the City of Fort Worth has successfully utilized federal grant funds as follows:

- The City served more than 8200 unduplicated persons supporting a wide range of non-profit agencies to provide social services to low and moderate income youth, children, senior citizens, disabled, and homeless residents;
- Provided 700 housing repairs per year to low income households (predominantly through Emergency Repair, Weatherization, and Cowtown Brush Up programs);
- Helped 86 households per year achieve the American dream of homeownership, with a majority of these households being minority families;
- Targeted a high percentage of its housing resources toward disadvantaged minority beneficiary populations (20% White, 20% Hispanic, 59% African-American, .31% Asian, and .31% Multi-Racial).
- Leveraged affordable housing development and neighborhood revitalization programs to encourage maximum non-federal investment through the Neighborhood Empowerment Zone Program, Housing Tax Credit Program, Fannie Mae, and the locally funded portion of the Housing Trust Fund.

B. General Questions

1. Geographic Areas of Investment

The City of Fort Worth has identified pre-determined target areas, based upon need (percent of low-moderate income persons, etc), for HUD funded activities. For example, all HUD grant funded community facilities, parks and infrastructure projects are located in neighborhoods that have 51% or more low and moderate income residents. Also, down-payment assistance may be provided in higher amounts in the City's pre-determined targeted areas. In keeping with the City's strategic goal of Central City Revitalization, particular projects may be targeted to specific locations which are deemed by City Council to be most in need of revitalization. The City will use 100% of its HUD funding for activities that benefit Low/Moderate Income persons through various services and staff administration.

Housing assistance programs, which benefit individual households, are generally not targeted to specific areas, but are instead provided on the basis of individual household need. Low-income, elderly, disabled and special needs homeowners reside throughout the city; therefore housing rehabilitation and homebuyer assistance is generally available city-wide and this is particularly the case with Emergency Repair, Weatherization, and Cowtown Brushup programs. The oldest housing stock is located within the Central City boundaries, and older housing is most likely to be in need of repair, many housing repair projects will be performed on Central City homes. In addition, major rehabilitation of owner-occupied single-family homes has generally been targeted to Model Block neighborhoods (also predominantly located in the Central City) that have successfully competed to win dedicated neighborhood revitalization funds in their CDBG eligible target area. Remaining active Model Blocks for Program Year (PY) 2010 are Greenway, North Greenbriar, South Hemphill Heights, Stop Six, and Historic Carver Heights. The City of Fort Worth also has a city-wide, major housing rehabilitation program for which all homeowners with incomes under 80% of the median income are eligible. Homeless persons and those faced with potential homelessness are not bounded to specific locations; therefore, the need for shelter and housing is a city-wide activity. Services provided for the homeless population are located to provide maximum accessibility.

Assistance for special needs populations (elderly people, disabled persons, persons with drug/alcohol addictions, persons with HIV/AIDS) is provided city-wide as these populations exist throughout the city. Public service organizations serving low-income youth and adults city-wide are located primarily in low to moderate income areas. Higher percentages of racial and ethnic minorities reside in low-income target areas. Detailed information on race, ethnicity, and poverty are provided in the 2010-2013 Consolidated Plan.

The following tables illustrate the percentages of Low/Moderate Income and Poverty population in active Program Year 2010 Model Blocks, as well as Race/Ethnicity for those areas.

TABLE A
Model Blocks Low to Moderate Income (L/M) & Poverty Statistics

ID	Census Tract	Census Block Group	Census Block	Total L/M Population	Number of L/M Population	Percent L/M Population	Total Poverty Population	Number of Poverty Population	Percent Poverty Population
91	101700	1017.001	1	601	480	79.9	601	180	29.95
136	103602	1036.021	1	1130	690	61.1	1130	195	17.26
137	103602	1036.022	2	1006	718	71.4	1006	249	24.75
153	104000	1040.003	3	414	289	69.8	512	158	30.86
164	104400	1044.001	1	1046	657	62.8	1051	289	27.50
165	104400	1044.004	4	889	704	79.2	889	309	34.76
275	106300	1063.003	3	672	551	82.0	672	212	31.55

TABLE B
Model Block by Race/Ethnicity

Race/Ethnicity	Historic Carver Heights			South Hemphill Heights			Stop Six
Model Block Census Tracts							
	1017.001	1036.021	1036.022	1040.003	1044.001	1044.004	1063.003
White	0	1.24%	0	13.65%	28.53%	11.36%	1.19%
African American	69.22%	97.26%	98.61%	22.31%	3.6%	2.36%	95.68%
Asian/Pacific Islander	0	35%	0	0	0	10.01%	0
Other	0	0	0.70%	0	.47%	0	3.13%
Hispanic (Ethnicity)	30.78%	1.15%	.07%	64.04%	67.39%	76.27%	0

2. Basis for Allocating Investments

The City of Fort Worth in 1999 adopted a Housing Policy that addressed a broad series of strategic goals to be pursued in the areas of affordable housing, special needs and homelessness services, and neighborhood revitalization. The Consolidated Plan for 2010-2013 identified specific target objectives and activities that would be undertaken to pursue these goals and also instituted a series of broad Community Development strategic goals. These strategic goals are presented below as background and context for the City's policies regarding use of HUD grant funds. Further refinement and prioritization of these target objectives and activities was accomplished through the adoption of HUD's Outcome Performance Measurement System.

Strategies Adopted through the Housing Policy of 1999:

1. Enhance local capacity to address affordable housing needs by developing partnerships with the business community and building the capacity of non-profits, including the faith community and neighborhood organizations, to provide affordable housing.
2. Serve, improve, and expand affordable housing in accordance with the City's Comprehensive Plan by improving the quality of existing owner-occupied homes, increasing homeownership opportunities, and the number of quality rental units affordable to extremely low- and low-income families.
3. Ensure equal housing opportunity for all citizens in Fort Worth by funding a Fair Housing Coordinator in Community Relations to promote an understanding of federal, state, and local fair housing laws, conduct public education on "affordable" housing, and enforce compliance with equal housing opportunity laws and regulations.
4. Meet the needs of persons who are homeless through prevention, emergency shelters and supportive services, and collaborating with service providers, neighborhoods, and businesses.
5. Address the housing needs of elderly and special needs (non-homeless) populations, particularly extremely low- and low-income households, by increasing the supply of senior housing and associated supportive services, and the supply of quality, affordable, accessible housing units.
6. Meet the social service needs of low-income citizens of Fort Worth through use of CDBG funds by increasing and improving community facilities and infrastructure for residents of the City and by providing subsidized childcare to give parents opportunities to access education, job training, placement services and employment.

Grant funds are allocated based on the above-described strategies, goals and objectives. In addition, priorities and funding recommendations are developed by the Community Development Council and the City's Housing and Economic Development Department staff, to be further refined by the Fort Worth City Council. Key guiding principles for development of the 2010-2011 Action Plan have been the following:

- "Hold Harmless" policy established by City Council for Child Care and Senior Citizen services.
- Consultation with Contract Compliance staff regarding results of compliance monitoring and review of sub-recipient reports and expenditures.
- High priority for services that benefit homeless persons or those at risk of homelessness, in response to the activities of the Mayor's Commission on Homelessness.

- HOME funds will be used to address homeownership assistance needs of low and moderate income homebuyers, neighborhood revitalization needs through infill housing development, and affordable housing needs of low income renters and special needs populations such as the elderly or homeless/disabled persons. Investment of HOME funds will also be leveraged to foster partnerships that increase investment of non-federal funds in the production of affordable housing.
- CDBG funds will be used to address public services needs of low and very low income residents, including senior citizens, youth and children, and disabled and homeless persons. CDBG funds will also be used to address neighborhood community development needs for infrastructure improvements, and economic development services. CDBG funds will also be used for affordable housing preservation activities such as emergency repair, exterior paint improvements for very low income homeowners, minor home repairs in targeted neighborhoods, and the pilot roof program.
- HOPWA and ESG funds (as eligible to each grant) will be used to address the emergency shelter, transitional housing and rental assistance needs of special needs and homeless populations. This is accomplished through direct assistance to homeless, at-risk, or special needs households, or through funding of grant-eligible services of the agencies that serve these populations.

3. Obstacles and Actions to Meet Underserved Need

The City of Fort Worth has identified the following obstacles to meeting underserved needs in its implementation of HUD-funded community development and housing activities that benefit low and moderate income populations. Projects that use CDBG, HOME, ESG, and HOPWA funds as seed money will be encouraged to leverage other public and private funds.

The primary obstacle to meeting underserved needs is limited funding. The need is enormous. An assessment of affordable housing needs presented to the Mayor's Commission on Affordable Housing estimated that there is presently approximately \$1.8 billion in unmet affordable housing need throughout Fort Worth, with the greatest (and most costly) need being experienced by households under 30% of area median income.

Another obstacle to meeting underserved needs is discriminatory practices which have a disparate impact on very low income, disadvantaged and minority populations. Although the Fort Worth Human Relations Commission has been successful in encouraging voluntary agreements with local banks to abolish predatory, discriminatory lending practices, a history of this disparate treatment continues to present obstacles.

In addition, public safety needs and limited private sector investment in some Central City neighborhoods has limited the City's ability to effectively utilize federal resources to revitalize neighborhoods. Effective use of federal resources is enhanced with the establishment of broad coalitions and partnerships with common goals. This is especially the case on projects with participation of private sector partners. Construction of new infill affordable housing units, repair of existing units, assistance to homebuyers, and provision of social services do not represent the full measure of all activities that may be required to fully revitalize disadvantaged neighborhoods.

4. Federal, State, and Local Resources to Address Identified Needs

The following additional resources are anticipated to be available during the period from June 1, 2010 through May 31, 2011, to address the priority needs and specific objectives identified in this Action Plan and the City of Fort Worth's Consolidated Plan for 2010-2013. These funding sources will be from federal and

non-federal sources as specified below. Duration of projects may exceed the twelve (12) month program year, therefore may be reported in the next year as well:

Housing Certificate Voucher Program (Section 8) 2010 Funding Year (Source: HUD) \$30,264,287
Funds will be used for projects that address affordable housing priorities as established by the Fort Worth City Council as follows: single family rehabilitation, multi-family rehabilitation or new construction, infill single family new construction, or special needs/homeless housing.

Housing Tax Credits – Applications Pending

• NRP – Race Street –	\$ 614,128
• NRP – Terrell Heights Infill Housing Project –	\$ 1,136,524
• Lincoln Terrace	<u>\$ 10,000,000</u>
Tax Credit Projects Leveraging Amount SUBTOTAL	\$ 11,750,652
McKinney Vento Homeless Assistance Programs Supportive Housing & Shelter Plus Care	\$10,100,000

(Leverage information is from projects June 1, 2010 – May 31, 2011)

Total Additional Housing Resources Made Available: \$ 53,414,939

Federal regulations governing the HOME Investment Partnerships Program (HOME) and Emergency Shelter Grant (ESG) programs require that specific percentages match contributions be made. For the HOME program, the matching requirement is \$361,888 based on a 12.5% required match on the total non-administrative funds amount of \$2,895,101. (The City of Fort Worth qualifies for a 50% reduction in the standard 25% match contribution requirement in accordance with HUD guidelines.) For the ESG Program, a 100% match is required for all federal funds received.

The ESG matching requirement will be met by sub-recipient agencies receiving these homeless assistance funds, through private donations, volunteer hours, staff time, or in-kind contributions of resources.

Other Local Resources: Tax Increment Financing Districts (TIFs)

The following TIFs are comprised of CDBG eligible areas. Local taxing entities (City of Fort Worth, Tarrant County, and Fort Worth ISD) dedicate the increase on the taxable value of these areas to infrastructure and other community improvements. Below are the 2009 TIF commitments from the City of Fort Worth Housing & Economic Development Department’s Economic Development Division.

TIF 3 (Downtown): \$64,234,705

The Downtown TIF promotes development and redevelopment of downtown. This area covers 407 acres and includes the Central Business District. The TIF is generally bounded on the east by Santa Fe Railroad, on the west and north by the Trinity River, on the south by Weatherford Street, Henderson Street, 3rd Street, Burnett Street, 7th Street and Calhoun Street.

TIF 4 (Southside): \$42,656,924

The Southside TIF was created to promote new development and the redevelopment of the Southside Medical District. This area covers 1,400 acres and includes the Southside Medical District. It extends east of I-35 to Kentucky Ave and is generally bounded to the north by I-30 and Vickery Boulevard and to the south by Allen Street and West Arlington Avenue.

TIF 8 (Lancaster): \$14,445,207

The Lancaster TIF was created to promote development along the Lancaster portion of downtown Fort Worth. This area covers 225 acres and includes property at the south end of downtown. It is bounded on the west by Henderson Street, to the east by Calhoun Street, and to the south by I-30.

TIF 9 (Trinity River Vision): \$320,054,300

The Trinity River Vision TIF was created to promote redevelopment along the Trinity River, while creating mixed-use development and utilizing Gateway Park as hydraulic valley storage to provide the necessary flood protection associated with the bypass flood control project. This area covers 3,980 acres and is generally bounded to the north by Northeast 23rd Street and to the south by Lancaster Avenue.

TIF 12 (East Berry Renaissance): \$9,911,094

Initial improvements include public infrastructure associated with retail development, demolition, environmental remediation, and all expenses allowable under the Tax Increment Financing Act are contemplated as needed. The area covers 604 acres and is generally bounded to the north by Glen Garden Drive, to the east by Highway 287, to the south by Riverside Drive east of Ripley Street, and to the west by I-35.

TIF 13 (Woodhaven): Currently, no project dollars have been committed to projects in this TIF.

Initial improvements may include public infrastructure associated with mixed-use development. Demolition, environmental remediation, and all expenses allowable under the Tax Increment Financing Act are contemplated as needed. The TIF covers approximately 1,100 acres and includes the intersections of Woodhaven Boulevard and Boca Raton Boulevard as well as Bridge Street and Boca Raton Boulevard, as they intersect Loop 820. It is generally bounded to the west by Willow Ridge Road, to the south by I-30, and to the north by the Trinity River.

C. Managing the Process

1. Lead Agency

The Housing and Economic Development Department of the City of Fort Worth is designated as the lead agency for the Consolidated Plan and subsequent Action Plans. The Department works closely with the Fort Worth Housing Authority, Texas Department of Housing and Community Affairs, and other City departments (Parks and Community Services, Planning and Development, Transportation and Public Works), and all of the stated non-profit sub-recipient agencies in the proposed project listing to achieve objectives outlined in the City's Consolidated Plan. Funding to be accessed includes CDBG, HOME, ESG, HOPWA, Section 108, and privately awarded or donated funds.

To enhance coordination between public and private housing and social service agencies, the City works closely with sub-recipient agencies listed in the proposed projects summary. City staff also provides support and information to the Community Development Council, which makes funding recommendations to enhance human services provision and eliminate duplicated services, and to promote coordination between provision of social services and provision of affordable housing.

2. Action Plan Development Process

The goals identified in the 2010-2013 Consolidated Plan are the foundation for the development of the Program Year 2010-2011 Action Plan. Community organizations were provided an opportunity to review the needs identified in the Consolidated Plan, and begin planning activities in support of the Consolidated Plan strategies.

The Community Development Council (CDC), a volunteer, citizen commission appointed by the City Council reviewed and ranked CDBG, HOME, ESG, and HOPWA renewal proposals. This review provided an independent third party assessment of Action Plan activities. This group meets monthly during the year, and met numerous times in January and February 2010 to prepare the Action Plan budget and receive comments from citizens and non-profit representatives with interest in this budget. A further description of the Action Plan Citizen Participation process is contained later within this narrative. Presentations, summaries of comments and views expressed by interested parties, and how these comments were addressed, is included.

The recommendations were made public during a 30-day comments period from March 9, 2010 to April 8, 2010. Notice of the availability of the Action Plan for review was made to the public through the city's web-page, and through a public notice in the Star Telegram, La Estrella, and La Vida newspapers. Two public hearings were held at City Council meetings; one on April 6, 2010 and the second on April 13, 2010. The City Council shall review the final Action Plan and approved the submission of the plan to HUD on April 13, 2010.

3. Actions to Enhance Coordination

The Housing and Economic Development Department of the City of Fort Worth as the lead agency for the Consolidated Plan and subsequent Action Plans, works closely with the Fort Worth Housing Authority, Texas Department of Housing and Community Affairs, and other City departments implementing proposed projects (Parks and Community Services, Transportation and Public Works) and all of the stated non-profit sub-recipient agencies in the proposed project listing to achieve objectives outlined in the City's Consolidated Plan. Funding to be accessed includes CDBG, HOME, ESG, HOPWA, Section 108, and privately awarded or donated funds.

To enhance coordination between public and private housing and social service agencies, the City works closely with sub-recipient agencies listed in the proposed projects summary. City staff also provides support and information to the Community Development Council which makes funding recommendations to enhance human services provisions and eliminate duplicated services, and to promote coordination between provision of social services and provision of quality, affordable, accessible housing. Staff will also continue to meet regularly with other City departments to coordinate activities using CDBG, HOME, other grant funds, and City general funds.

In addition, the Department of Housing and Economic Development promotes cooperation and coordination among social service providers in Fort Worth. These include the Fort Worth Independent School District, the Fort Worth Housing Authority, and Tarrant County governmental institutions. Other groups that enhance coordination efforts include the Tarrant County Mental Health Connection, The Tarrant Area Continuum of Care, Fort Worth Housing Authority, and the Tarrant County Homeless Coalition.

D. Citizen Participation

1. Summary of Citizen Participation Process

Public input related to recommended activities and budgets for the Community Development Block Grant (CDBG), HOME Investment Partnerships Program, Emergency Shelter Grant (ESG) and Housing for Persons with AIDS (HOPWA) Programs was sought and recorded in the CDC meeting minutes. A Public Notice and Action Plan Summary were published in the Star Telegram and on the city's website on March 9 2010. Citizens had a 30 day comment period, from March 9, 2010 through April 8, 2010. Public hearings were held on April 6, 2010 and April 13, 2010. Hard copies of the draft Action Plan were available at six public libraries and at the Housing and Economic Development offices.

In addition, three public hearings were held:

1. The first public hearing for the Action Plan was held on February 24, 2010 in the Pre-Council Chambers during a Community Development Council meeting at City Hall, 1000 Throckmorton, Fort Worth, TX, 76102.
2. The second public hearing for the Action Plan was held April 6, 2010, in the City Council Chambers located at 1000 Throckmorton, Fort Worth, TX, 76102.
3. The third and final public hearing for the Action Plan was held April 13, 2010, in the City Council Chambers located at 1000 Throckmorton, Fort Worth, TX, 76102.

The proposed Action Plan was made available for review and comment by citizens, public organizations, and other interested parties prior to City Council approval. The Action Plan Summary is available through the City's website <http://www.fortworthgov.org>, public libraries, and the Housing and Economic Development Department. The Executive Summary describes the contents and purpose of the Action Plan and lists locations where a copy of the Action Plan may be reviewed or obtained. The Action Plan is also available to any citizen, public or private organization requesting a copy.

PUBLIC COMMENTS

2. Summary of Citizen Comments

The City of Fort Worth submitted their Action Plan on or about April 15, 2010 after a 30 day public comment period.

On March 12, 2010, Mr. Roecker read the Public Notice in the Fort Worth Star Telegram and wanted to know more about CDBG Model Blocks and other CDBG funded programs that are available to improve housing stock to income eligible clients. He inquired about the process for accessing City housing repair funds, the Down Payment Assistance, Cowtown Brushup, and Rehab programs. City staff called Mr. Roecker and mailed him Housing Rehab Service program brochures to use as reference or distribute at his neighborhood association meetings.

30 Day Comment Period and Public Hearings (February 24, 2010 through April 8, 2010)

Citizens were given the opportunity to speak at three public hearings, submit written comments and submit written comments via email during the 30-day public comment period. The first public hearing was held on April 6, 2010, in the City Council Chambers in City Hall. Summary of citizen comments from that public hearing are as follows:

Comments were not received at this public hearing.

The second public hearing was held, April 13, 2010; in the City Council Chambers in City Hall Summary of citizen comments from that public hearing follow:

Comments were not received at this public hearing

The public notices and public hearing presentations are included in Attachments C and D.

3. Inclusion of Minorities, Non-English Speakers, and Individuals with Disabilities

The inclusion of Minority and Woman businesses enterprise (M/WBE) firms in the City's procurement process is governed by Ordinance 15530. For all City construction projects or source purchasing that exceeds \$25,000 the City must solicit M/WBE's in the procurement process. This process includes documented, extensive good faith efforts. Outreach to M/WBE's is primarily conducted through the partnerships established with minority chambers of commerce, the North Texas Regional Certification Agency, and other minority associations whose goals are to promote and build minority contracting opportunities.

A broad range of public service organizations proposed activities that are responsive to the needs of minorities, non-English speakers, and individuals with disabilities. It is our whole hearted effort for the inclusion of Minorities, Non-English Speakers, and Individuals with Disabilities to participate in the Action Plan. The Community Development Committee is composed of a diverse group of volunteers with different backgrounds and perspectives. They assisted in the assessment of proposals and made funding recommendations for City Council approval.

In order to broaden the public participation of the Action Plan and to make a deliberate effort to include persons with Limited English Proficiency (LEP), public notices were advertised in both English and Spanish. The public notices included information that referenced special assistance would be provided as needed such as Spanish language translation. The City provides language pay to employees who are available to

provide oral translation services to non-English speaking citizens. Employees speak a wide range of languages.

The need to include LEP comments was determined by the number of persons to be served or likely encountered by the program; the frequency in which LEP persons come in contact with the program; the nature and importance being provided to the LEP persons; and the resources available to the recipient and its costs. Public notices announcing the public hearings and public comment period for the Action Plan were published in Spanish in the Fort Worth Star-Telegram, La Estrella, and on the City website.

The City will continue making reasonable accommodations for citizens with disabilities by applying appropriate standards, techniques and technologies as they become available and affordable. If assistance is needed for finding information, please call Customer Service at 817-392-8660 or TDDY/TTY 817-392-8856.

In addition, the City Council chambers are wheelchair accessible. If any citizen has questions or needs regarding accessibility to these documents, the City has a disability program coordinator who can be reached at 817-392-8552 and ada@fortworthgov.org.

4. Written Explanation of Comments Not Accepted

Not applicable.

E. Institutional Structure

1. Actions to Develop Institutional Structure

The City of Fort Worth has realigned departments to further the mission of building strong neighborhoods and equitable communities. In Program Year 2009, the Housing Department merged with the Economic and Community Development Department to form the Housing and Economic Development Department. This new structure has already yielded greater opportunities for collaboration and leveraging of private resources.

The Housing and Economic Development Department works in partnership with public institutions, private and nonprofit partners, to implement activities and projects that require multiple funding sources. Staff works with other City departments to develop coordinated plans and to leverage resources for parks, infrastructure, code enforcement, clearance of substandard structures, economic development, housing development, and other projects in targeted neighborhoods. Coordination with and support from adjacent HUD entitlement grantees and the North Central Texas Council of Governments is also sought as appropriate.

In August 2007, the City Council authorized the creation of the Housing Trust Fund with an objective to address, in part, the housing needs of the City's very low, low and moderate income families. The Fort Worth Housing Trust Fund (HTF) will serve a mix of family incomes in projects assisted by the fund and encourage construction of new affordable housing developments.

F. Monitoring

1. Actions to Monitor Projects and Ensure Compliance

The City's Monitoring Plan will consist of the three following types of review 1) Internal Review of City Programs, 2) Sub-recipient Monitoring, and 3) On-site monitoring in order to ensure long-term compliance with program requirements, timeliness of expenditure, eligibility of activities and beneficiaries/clients, adherence to housing codes and compliance with all other applicable regulations and statutes. Continuing reviews and on-site inspections of active housing construction projects will be undertaken during the program year.

Internal Review of City Programs

Record keeping requirements for the Community Development Programs and all forms used for program implementation constitute legal instruments. Forms, such as contracts, will be approved by the City Attorney and assigned a contract number by the City Secretary's Office prior to their use. All other forms necessary for program use will be developed and approved by appropriate Housing and Economic Development Department Management staff. Contract Compliance staff will be responsible for monitoring sub-grantees to ensure that these agencies maintain accurate and complete files as required by HUD on each participant and recipient of assistance. In addition to verifying income eligibility, staff will conduct reviews to determine compliance with all program requirements.

Activities that provide any type of housing assistance will be monitored for compliance with the Fair Housing and Equal Opportunities (FHEO) laws. The City will also review projects for compliance with Section 504 (Handicap Accessibility), Lead-Based Paint, Housing Quality Standards, Davis-Bacon Standards, Environmental Standards and other rules or guidelines as appropriate.

The City of Fort Worth shall meet all requirements set forth by the Office of Management and Budget and shall comply with the requirements and standards of OMB Circular Nos. A-87 and A-133, and with the applicable sections of 24 CFR Part 85. An independent audit is conducted annually to ensure that CDBG funds are used in accordance with program requirements.

Sub-recipient Monitoring

Monitoring sub-grantees provides a basis for assessing program operations and identifying problems. A secondary goal of monitoring is to obtain ongoing data for use in determining program achievement. Evaluations will summarize monitoring findings and program goals and measure progress towards those goals during the provision of services. All sub-grantees will be monitored at least once per year.

The City has responsibility for overall CDBG, HOME, ESG, and HOPWA performance and Consolidated Plan compliance, including the performance of its sub-grantees. Clear record keeping requirements for sub-grantees are essential for grant accountability. Responsibility for maintaining many of the records is assigned to the sub-recipient. This includes responsibility for documenting activities with requirements such as necessary eligibility determinations, income certifications, or written agreements with beneficiaries, where applicable.

The City contracts with sub-recipient organizations to provide services to low-income citizens. Each sub-recipient contract details the services provided and includes a concise statement of conditions, requirements, and performance criteria. All contracts shall be reviewed and approved by the City Attorney prior to execution.

In accordance with the Code of Federal Regulations Title 24, Part 91, Section 230, the City of Fort Worth is proposing standards and procedures to monitor Consolidated Plan and Annual Action Plan activities. The purpose of the monitoring will be to ensure that these activities further the goals and objectives of the First (1) Year FY 2010-2013 Consolidated Plan for Housing and Community Development Programs (CDBG, HOME, ESG, and HOPWA).

CDBG Program

a) One (1) or more annual site visits, as needed, will be performed to ensure that sub-recipients are complying with the terms and conditions of the agreement between the sub-recipient and the City. These site visits will continue for the duration of the agreement. Some of the items that will be monitored are: compliance with the timeframe of the agreement; rate of expenditures; continued eligibility of the activities under the agreement; adequate documentation concerning client eligibility and service delivery; and compliance with the standard requirements of CDBG regulations.

b) Site visits will also be performed periodically when construction is involved to monitor Federal Labor Standards requirements. Davis Bacon interviews will be performed when necessary, payrolls will be reviewed on a weekly basis, and follow up will be provided when wage restitution is required.

c) If the activity involves acquisition, relocation, or displacement, then, monitoring will be performed to ensure compliance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended.

d) To ensure further due diligence, sub-recipients will be required to have audits performed pursuant to OMB Circular A-133 and submitted to the City on an annual basis. In addition, sub-recipients will be required to submit monthly reports, as well as annual reports for the duration of the period of the restrictive covenant.

e) A review of the timeliness of expenditures will occur monthly through the IDIS reporting system. This review will ensure that the CDBG program will not have more than 1.5 times the amount awarded for the upcoming Fiscal Year on hand by May 31st of every year.

f) Per 24 CFR Part 58, all CDBG projects will undergo an environmental review prior to an agreement being executed. City-wide CDBG projects with unspecified sites will be reviewed when they are identified according to the site review strategy.

g) All Housing rehabilitation projects must meet preservation and maintenance of property requirements and meet specific property standards.

HOME Program

a) The City will monitor the terms and conditions of every contract between the City of Fort Worth and recipients of HOME funding on an on-going basis. Some of these terms and conditions are: compliance with the timeframe of the agreement; rate of expenditures; eligibility of expenses; adequate documentation concerning income eligibility of homeowners and tenants; maximum subsidy limits; rents; property eligibility; periods of affordability; and compliance with other requirements of the HOME Program, such as Fair Housing and Equal Opportunity, Affirmative Marketing, Handicapped Accessibility, , etc. Agreements with recipients will also incorporate the City's requirements regarding Minority/Women Business Enterprise on all City sponsored projects as required by the City of Fort Worth Ordinance 15530.

b) Inspections by City staff or a third party inspection firm will be performed, as necessary, to ensure completion of work before disbursement of HOME funds.

c) Depending on the number of HOME units in a project, as shown below, inspections will be conducted to ensure compliance with Housing Quality Standards.

- One to four units – inspections every three years
- Five to twenty-five units – inspections every two years
- Twenty-six or more units – inspections each year (annually)

d) All HOME funded projects must pass City required inspections for compliance.

e) Site visits by City staff will be performed periodically when construction is involved to monitor Federal Labor Standards requirements. Davis Bacon interviews will be performed, payrolls will be reviewed on a weekly basis, and follow up will be provided when wage restitutions are required.

f) If the activity involves acquisition, relocation, or displacement, monitoring will be performed to ensure compliance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended.

g) Recipients of HOME funding, except for owner-occupants and homebuyers, will be required to submit annual reports, for the duration of the period of affordability of the project.

h) Community Housing Development Organizations (CHDO's) will be re-certified on an annual basis to ensure they continue to meet the requirements for CHDO designation.

i) Monitoring of rental units will be performed on an annual basis to ensure renters' incomes and rents comply with HOME Program requirements.

j) Owner occupancy requirements will be monitored on an annual basis by mailing letters to owner occupants who received HOME assistance for housing rehabilitation or homebuyer assistance.

k) Per 24 CFR Part 58, all HOME projects will undergo an environmental review prior to an agreement being executed. City-wide HOME projects with unspecified sites will be reviewed when they are identified according to the site review strategy.

On-Site Monitoring of CHDO's

In an effort to improve accountability, the City of Fort Worth visits CHDO's on site, prior to a project commencing. Within the framework of project management training, the City reviews requirements of the HOME Program and regulations with the CHDO, and assesses the CHDO's effectiveness and capacity to carry out projects. During the on-site project assessment, the City ascertains whether additional support or corrective measures are needed. The City also performs annual inspections of rental projects which have received HOME monies and are within the period of affordability. To provide checks and balances, on an annual basis, two (2) individuals from the Housing and Economic Development Department visit HOME assisted rental developments. One individual, who is the department's Housing Monitor, reviews tenant files, affirmative marketing procedures, and assesses the general condition of the property. Another individual from the Housing Rehabilitation Division of the Housing and Economic Development Department performs inspections to assess the interior condition of the units. After these inspections, these two individuals discuss conditions and, if necessary, corrective actions are undertaken. All units must meet the city's locally-adopted written minimum acceptable property standards.

ESG Program

- a) The City will monitor the terms and conditions of its contracts with homeless service providers receiving ESG funds, including compliance with the timeframe of the agreement, rate of expenditures, eligibility of expenses, and implementation of eligible activities under the ESG Program.
- b) The City will visit homeless service providers receiving ESG funds on an annual basis to ensure service provision according to the terms and conditions of the contracts, proper documentation on client eligibility, reimbursement requests, match obligations, and client confidentiality.
- c) Recipients of ESG funds will be required to submit monthly reports.

HOPWA Program

- a) The City will carry out the administration of the HOPWA Program. The City will monitor the terms and conditions of its contracts with the HOPWA providers including compliance with the timeframe of the agreement, rate of expenditures, eligibility of expenses, and implementation of eligible activities. In addition, the City will ensure that HOPWA funds are distributed in an unbiased, equitable, and consistent manner.
- b) The City will regularly monitor and visit agencies receiving HOPWA funds in order to ensure service provision according to the contracts, accomplishment of all terms and conditions of the contracts, and verify proper documentation on client eligibility, rent restrictions, and

disbursements. In so doing, the City will take issues of client confidentiality into consideration.

- c) Agencies receiving HOPWA funding will be required to submit monthly reports.
- d) When necessary, an HIV/AIDS Housing Needs Assessment will be undertaken to determine the extent of need for affordable housing and supportive services by the HIV/AIDS affected community.

Monitoring Status of Goals and Objectives of Consolidated Plan

The City shall review all projects, programs, and sub-recipients and programs funded by the Federal Entitlement funds to verify that the goals and objectives are being met as proposed in the Three Year Consolidated Plan. Contracts and interdepartmental agreements will contain outcomes consistent with the Performance Outcome Measurements required by HUD, and contained in the Consolidated Plan, and its applicable amendments. Review of status toward goals will be conducted on a quarterly basis, utilizing IDIS reports, expenditure status, and internal activity reports of application/outreach or other applicable activities, to assess the status of goal achievement and to plan for corrective action as necessary.

Timeliness of Expenditures

The City shall review its expenditures on a monthly basis and make draws through the IDIS system accordingly, based on actual expenses incurred by the entitlement grant programs. Annually at the beginning of the program year, forecasts will be performed of proposed expenditure by program category to assess the previous and current rates of expenditure within each program category or type and to project what rate of expenditure and service delivery will be needed to ensure compliance with regulatory expenditure and commitment requirements. Specific activity and expenditure goals will be set for broad categories of programs. During the applicable quarterly review process, progress against these goals will be assessed and corrective action taken as necessary. Annually at the time of CAPER preparation, an assessment will be performed of the previous year's expenditure patterns across program categories and project types, and current and future implementation strategies may be modified accordingly.

G. Lead-Based Paint

1. Actions Proposed to Evaluate and Reduce Lead

The City did not receive Area Lead Education Reduction and Training (ALERT) Program funding for 2010; however, through the Housing Trust Fund the following actions will address lead based paint problems in houses built before 1978 occupied by low-income residents will be performed

- Meet all regulatory requirements of the HUD's lead based paint regulations, which took effect in 2000; and,
- Ensure that all regulatory requirements regarding lead-based paint are met throughout any housing rehabilitation construction activity performed by the city on homes constructed prior to 1978.

II. Housing

A. Specific Housing Objectives

1. Description of Priorities and Objectives during the Next Year

The provision of affordable housing is a high priority for the City of Fort Worth. The City plans to foster and maintain affordable housing for Fort Worth residents by funding activities for homebuyers' assistance, housing rehabilitation, and new owner-occupied housing. The City will continue to facilitate multi-family, mixed-use development projects. The City in 2009 performed a Request for Proposal (RFP) for these types of projects.

CDBG and HOME funds are being allocated for the minor and major housing programs which will be offered citywide to maintain and improve existing housing stock for low to moderate income households. The purpose of the housing rehabilitation program is to assist low-income property owners with basic repairs to meet their needs for safe and decent housing. Rehabilitation is intended to enhance, improve, and preserve neighborhoods. Sixty-three (63) major and minor rehabilitation projects and ninety (90) emergency repairs will be undertaken for 2010 – 2011. In addition, 164 homes will have their exterior painted.

HOME funds are being allocated for the City of Fort Worth Homebuyers' Assistance Program (HAP) which will be offered citywide.

Homebuyers receive a zero percent interest-rate loan which is forgivable if they live in the house for the affordability period. If the home is sold prior to the end of the affordability period, a prorated portion of the loan may be required to be repaid from net proceeds.

The City through these housing programs estimates that it will assist 24 minorities in becoming home owners.

HOME Housing Category programs total \$3,216,778 to be allocated as follows:

- Program Administration - \$321,677. Program Administration is (10%) of the total HOME allocation. These funds will be used to cover the cost of planning, administering, operating, and monitoring HOME funded programs to ensure compliance with HUD and City policies and regulations.
- CHDO Project Funds - \$482,517. Community Housing Development Organization (CHDO) funds (15% of HOME program allocation) have been set-aside to foster and maintain affordable housing by constructing and/or acquiring, and rehabilitating existing housing units for sale to income qualified households.
- CHDO Operating Funds - \$150,000. Funds will be used to provide operational support for CHDO non-profit developers.
- Homebuyer Assistance Program - \$900,000. Funds will be used to provide deferred payment second mortgages and/or closing cost assistance to first-time homebuyers, city-wide, whose

incomes are at or below 80% of the area median income, up to \$14,999, for homes acquired in target areas, and up to \$8,500 for homes purchased outside the target areas.

- All clients seeking down-payment assistance through the City of Fort Worth are required to provide a certificate verifying that they have attended a homeownership training class. These classes generally provide a minimum of five hours of instruction, and are available through the Housing Services & Information Division and several other entities.
- In addition, budget and credit counseling is offered to all clients, and is provided for as many hours as the client wants and needs. Therefore, many clients receive extensive one-on-one financial counseling before attending the homeownership training class. In addition, most Homeownership Assistance Program (HAP) clients first attended housing counseling in order to become “mortgage ready” before seeking a mortgage lender from the City’s list of participating lenders.
- The Housing and Economic Development Department also offers a “Post Purchase” class to familiarize new homeowners with issues they may not have anticipated, and to ensure that they will be able to stay in the home over the long term.
- Targeted Neighborhood Projects (Terrell Heights) - \$500,000. Funds will be used for property acquisition and infill for accessible, quality affordable single family housing. Terrell Heights is located in Southeast Fort Worth, East of Interstate -35 and South of Interstate -30 and North of East Rosedale Street.
- Targeted Neighborhood Projects (Race Street) - \$862,584. Funds will be used to develop 36 multi-family units in the Six Points Urban Village. The development will be comprised of three and four bedroom single family homes for families at 30%, 50%, and 60% of the area median income.

CDBG Housing Category ALLOCATIONS \$3,242,104:

- Reach Resource Center on Independent Living Project RAMP - \$50,000. Funding for a non-profit agency to implement a housing architectural barrier removal program for income eligible disabled clients.
- City of Fort Worth/Housing and Economic Development Rehab/Construction Management Program Delivery. - \$930,236 Funds will be used to provide cost estimates, specification write-ups, rehabilitation and construction management, and inspections for single, and multi-family rehabilitation, and new construction activities performed by the City, CHDO’s and non-profits. These costs also include a portion of project delivery costs for Weatherization grants received from the State of Texas and the Cowtown Brushup Program.
- City of Fort Worth/Housing and Economic Development Emergency Home Repair - \$1,005,329-. Funds will be used to provide grants to very low-income homeowners to eliminate health hazards and unsafe conditions (30% of median income or below).

- City of Fort Worth/Housing and Economic Development - Housing Services and Information Program Delivery. - \$166,168—Funds will be used for client intake, application processing, eligibility determination, executing rehabilitation contracts, loan servicing, and the marketing of HED programs.
- City of Fort Worth/Housing and Economic Development Cowtown Brushup - \$293,814
Funds will be used to purchase supplies to prepare houses for the Annual Cowtown Brush-up Project.
- City of Fort Worth/Housing and Economic Development Cowtown Brushup Program Delivery — \$46,557 Provides salary for program delivery – see Rehab budget for remainder of salary.
- City of Fort Worth/Housing & Economic Development Pilot Roof Program \$200,000. Funds will be used to construct new roofs to income eligible clients to prevent other or additional damage to house's structure.
- City of Fort Worth/Housing & Economic Development Housing Trust Fund Homeowner Rehab Loans \$550,000.
 - The City of Fort Worth has affirmative marketing procedures that include minority outreach that comply with 24 CFR 92.351, and apply to rental and homebuyer projects containing five or more HOME-assisted housing units.
 - The City of Fort Worth and owners of HOME-assisted housing will take the following steps to assure outreach to minority groups and provide affirmative marketing without regard to race, color, national origin, sex, religion, familial status, or disability.
 - The Equal Housing Opportunity logo type or slogan will be used in press releases, solicitations by owners, advertising, public service announcements, webpage information, and brochures.
 - Program materials and brochures will be available in English, Spanish, and other languages as necessary.
 - Information about ongoing HOME funded programs, as well as new housing projects using HOME funds, will be provided to public and non-profit groups, lenders, social service agencies, community leaders, neighborhood groups, realty groups, or other interested groups through presentations at meetings and distribution of print materials. Information to be communicated will include a program description, the location where applications are accepted, the time frame for accepting applications, and a statement that the funding is limited.
 - Populations that are not likely to apply for assistance without special outreach efforts will be identified, including minority groups. Additional marketing efforts will be directed toward these populations and appropriate community organizations.
 - HOME program staff will monitor affirmative marketing activities.

Additionally, the City of Fort Worth is committed to ensuring the participation of minorities in all its programming to the maximum extent possible. Contracts with CHDO's and for profit developers have a

provision that encourages the use of historically underutilized businesses, sub-contractors, and suppliers who are at least 51 percent owned by racial or ethnic minorities and/or women.

2. Federal, State, and Local Resources to Address Identified Needs

In August 2007, the City Council authorized the creation of a Housing Trust Fund with an objective to address, in part, the housing needs of the City's very low, low and moderate income families. The Fort Worth Housing Trust Fund (HTF) fosters a mix of family incomes in projects assisted by the fund and encourage the disbursement of new affordable housing developments.

The Fort Worth Housing Finance Corporation (HFC) provides interim construction loans with favorable terms to encourage housing sponsors to construct and rehabilitate residential projects that are affordable to low and moderate income families in Fort Worth's Central City.

An initial investment of \$2.0 million in General Funds leveraged federal HOME grant funds and Community Development Block Grant Funds. The General Fund helps to assist populations and uses that federal grant funds are unable to address, including households earning between 81% and 120% AMI to achieve mixed-income objectives. Private sector partnerships to leverage the City's investment is a priority for the Housing Trust Fund, as is a permanent, sustainable funding source for the estimated \$1.8 billion affordable housing need identified by the Mayor's Advisory Task Force on Quality, Accessible, Affordable Housing. A 21-member broad-based assembly of neighborhood and development related expertise, the citizen task force was established by the Mayor to provide policy recommendations on key housing issues. The HFC administers the Fort Worth Housing Trust Fund according to the contract with the City of Fort Worth. The Housing Trust Fund is staffed by the Housing and Economic Development Department. The Homeowner Loan Program provides Fort Worth owner-occupants with home improvement loans that increase the safety of the dwelling, maintain the structures, and help build owner value in their investment.

The HOME matching requirement will be met during the 2010-2011 program year from a combination of sources including but not limited to the following sources. The specific HOME matching contributions for the period will be documented and reported in the City's Consolidated Annual Performance and Evaluation Report (CAPER).

- Foregone development fees or tax abatements offered through the city's Neighborhood Empowerment Zone program, for HOME assisted units
- Donations of materials or value of volunteer hours worked on HOME assisted affordable housing projects
- Cash donations from private foundations, the Federal Home Loan Bank, or similar financial or philanthropic entities, provided to affordable housing projects or activities

B. Needs of Public Housing

1. Plan for Addressing Public Housing Needs

The City of Fort Worth continues to take specific steps to assist the Fort Worth Housing Authority and to foster Public Housing Improvements and Resident Initiatives. The City partners with the Housing Authority in development of new multi-family rental housing.. For the 2010-2011 program year, the City has committed to supporting the Housing Authority's applications for Tax Credits for the Lincoln Terrace Apartments acquisition/reconstruction project and the Woodhaven Apartments new construction project,

through commitment of prior year's HOME funds from the Fort Worth Housing Trust Fund. The City continues to investigate partnership opportunities that will be mutually beneficial for the development of high-quality mixed income rental communities.

The City of Fort Worth Housing and Economic Development Department also supports the efforts of the Fort Worth Housing Authority (FWHA) to encourage its residents to become homeowners, through the Housing Choice Voucher Program Homeownership (HCVP) Program. This program is actively marketed to FWHA clients by the City's Housing Counseling staff provided by and approximately 24 former FWHA residents have become homeowners since a contract was executed between the two entities to provide intensive one-on-one counseling and homebuyer education to prospective homebuyers within Fort Worth Housing Authority's Home CVP tenant population.

In addition, the Fort Worth Housing Authority has contracted with the City of Fort Worth Housing and Economic Development Department to provide client counseling for its Housing Choice Voucher Homeownership (formerly Section 8 Homeownership) Program. The Housing Authority screens and refers its clients to the city's Housing Services & Information Division, which is a HUD Certified Housing Counseling agency. The city provides a minimum of 40 hours of homeownership training and budget/credit counseling to these clients to prepare them to purchase a house. The Housing Authority requested this degree of extensive training because their initial vendor for these services was unable to obtain positive outcomes with a lesser number of hours in training and counseling.

2. Improvements of Public Housing Authority if Designated "Troubled"

The City of Fort Worth is not a Public Housing Authority. If the local Housing Authority becomes designated as troubled, the City of Fort Worth will assist in any way possible.

C. Barriers to Affordable Housing

1. Actions to Remove Barriers to Affordable Housing

The City of Fort Worth maintains its commitment to preserve and maintain the existing stock of affordable housing. This commitment is evidenced by the Mayor and City Council developing the City's housing policy for use of \$2,000,000 in General Fund Revenue set aside for quality affordable, accessible housing in October 2006 and 2007. These funds are dedicated primarily to rehabilitation of older housing on a city-wide basis, both single-family and multi-family, as well as to central city revitalization through infill development. The City has regularly sought additional grant funds to expand its capacity to provide affordable housing activities, such as the Weatherization Assistance Program (WAP) funded through the Texas Department of Housing and Community Affairs (TDHCA). Additional OHHLC lead hazard reduction grant funds will be sought during the upcoming year. State of Texas WAP funding is also anticipated to continue for this program year.

The City also continues to place affordable housing high on its legislative priorities for advocacy before the Texas Legislature and the Texas Department of Housing and Community Affairs. The emphasis has been to promote the creation of affordable housing in downtown areas and to increase the availability of funding for mixed income housing communities. The City continues to partner with the Fort Worth Housing Authority and with other Low Income Housing Tax Credit developers to support development of new affordable housing units for low-income renters, as well as to support rehabilitation of existing multifamily units.

D. HOME

1. Describe Other Forms of Investment Not Described in 92.205(b)

The City will not engage in any form of investment using HOME funds that is not described in 24 CFR 92.205 (b).

2. Guidelines for Resale and Recapture

Homebuyers who are assisted with City HOME funds will be provided a minimum of \$1,000 HOME funded down payment assistance. The City's HOME subsidy, along with the lenders' and title companies' reduced and/or waived fees, will contribute to the remaining portion of expenses charged to the buyer for down payment, prepaid expenses, and other closing costs normally associated with the purchase of a home. HOME funds will be secured by a subordinate lien listing the City of Fort Worth as the lien-holder. The buyer will sign a Subordinate Deed of Trust and Promissory Note. The buyer will receive assistance in the form of a no-interest/deferred loan. The following will trigger repayment of the outstanding balance on the subordinate lien loan:

- Discovery that the applicant knowingly falsified an application and was actually ineligible for assistance; or,
- Buyer ceases to use the home as the principal residence; or,
- Sale of the property prior to the expiration of the affordability period.

3. RECAPTURE POLICY

Homeowners receiving down payment assistance will meet the affordability period if they remain in their home for the time specified (generally five years). The federal assistance, provided in the form of a forgivable loan, is forgiven when this condition is met. If the home is sold prior to the end of the affordability period, the City of Fort Worth implements a recapture policy. This option allows the seller to sell to any willing buyer at any price; however, a portion of the net proceeds from the sale will be returned to the City to be used for other eligible HOME activities. The portion of net proceeds returned to the City is the percent of HOME funds invested in the property, less the percent of the amount forgiven.

4. Guidelines if HOME Funds are Used to Refinance Existing Debt

Not applicable.

III. HOMELESS

A. Specific Homeless Elements

1. Sources of Funds for Addressing Homeless Needs and Homeless Prevention

The City of Fort Worth proposes to use ESG funds of \$294,481 for agencies to implement various emergency shelter programs on behalf of homeless persons. Funding is subject to change once actual allocations are received from HUD.

- Presbyterian Night Shelter - Presbyterian Night Shelter - \$181,561. Funds will be used to provide utility payments and shelter equipment for services used for free nightly shelter to homeless individuals and families. Services will include meals, case management, and basic medical care.
- SafeHaven of Tarrant County, Inc. – Safe Haven – \$20,000. Funds will be used to fund shelter operations necessary to provide essential services. The program will meet 7% of the essential service cap.
- SafeHaven of Tarrant County, Inc. – Shelter Childcare - \$15,157. Funds will be used for salaries of childcare providers who serve children who are homeless as a result of domestic violence.
- YWCA - Supportive Living - \$13,039. Funding will be used to pay a portion of the case managers salaries and is
- City of Fort Worth Parks and Community Services - Supplemental Homeless Intervention/Prevention Program - \$50,000. Funds will be used to provide direct assistance to persons and households experiencing financial difficulties that could result in homelessness. The program will meet 5% of the homeless prevention cap.
- City of Fort Worth Housing & Economic Development Grant and Contract Administration (5% of ESG allocation) - \$14,724. Funds will be used to cover the cost of planning, administering, operating, and monitoring ESG program to insure compliance with HUD and City policies and regulations. The administrative allocation is restricted by regulation up to 5% of total ESG allocation.

2. Addressing Homelessness Objectives in the Strategic Plan

The Strategic Plan integrates the recommendations and goals of the “Directions Home” plan.

3. Actions to Eliminate Chronic Homelessness

The City of Fort Worth’s goal of “making homelessness rare, short-term, and non-recurring in Fort Worth, Texas within ten years” is being implemented through the Mayor’s Advisory Commission on Homelessness. The “Directions Home” plan was adopted unanimously by City Council on June 10, 2008. Key components of the plan with 2010-2011 goals follow:

Directions Home Strategies

Strategy 1: Increase the Supply of Permanent Supportive Housing

Strategy 2: Increase Services and Opportunities Linked with Accountability

Strategy 3: Develop and Operate a Central Resource Facility

Strategy 4: Coordinate and Expand Homeless Prevention Activities

Strategy 5: Support and Strengthen Existing Public, Private, and Faith-Based Efforts

Strategy 6: Mitigate the Negative Community Impacts of Homelessness

Strategy 7: Lead, Educate, and Advocate for Change

4. Actions to Address Homelessness Prevention

Homelessness prevention activities in the City of Fort Worth include a variety of partnerships to address housing, education, employment, health, and other human service needs. A Directory of Community Resources is published annually as a guide for service referrals. Alternative sources of homeless prevention information include the 211 telephone number to United Way's 24-hour Community Information and Referral Service and the online list of Fort Worth community social service providers.

In fiscal year 2010-2011, the City of Fort Worth will dedicate a total of \$294,481 of ESG funding toward homelessness and homelessness prevention. The City of Fort Worth's strategy to help prevent homelessness for individuals and families at risk of homelessness include funding services such as:

- ESG prevention funds to provide rent and utility payments for individuals facing eviction and utility termination
- CDBG funds as match for ESG homeless prevention services
- CDBG funds for planning entities to continue to identify and address community needs
- CDBG funds to support participation in community-wide planning efforts to end chronic homelessness and to provide a continuum of coordinated homelessness services
- HPRP grant funds provide homeless prevention activities and housing activities for persons who are at risk of becoming homeless or are currently homeless

5. Implementation of a Community-wide Discharge Coordination Policy

The Tarrant County Homeless Coalition (TCHC) serves as the HUD designated lead agency for Fort Worth/Arlington/Tarrant County Continuum of Care. The City of Fort Worth during the FY 2010-2011 Program Year will continue to participate in TCHC planning and coordination efforts for development of appropriate discharge policies. Since municipal governments have only limited authority to directly control the primary areas of concern for discharge policies (as described below), the City of Fort Worth proposes to enhance and strengthen its ability to plan and coordinate these policies through the work of the Mayor's Advisory Commission on Homelessness, the role of the City's Homelessness Program Director, and through the staff for the Tarrant County Homeless Coalition.

The four primary areas for discharge policy planning are 1) mental health, 2) physical health, 3) criminal justice, and 4) foster care. The City of Fort Worth as a municipal government jurisdiction does not have direct control over any of these social service or criminal justice systems.

In Texas, the mental health hospital system is funded, implemented and regulated by state government through a network of local governmental mental health authorities, rather than city government. In addition, some limited emergency mental health services are provided by local public hospitals, which are funded by County government.

The Texas criminal justice and incarceration systems are implemented and funded jointly by state government through state prisons, and by county government through county jails. Municipal jails play a limited role for temporary holding purposes and misdemeanor level crimes.

The Texas physical health systems for indigent care are implemented by public hospitals funded and administered by county agencies.

The Texas Child Protective Services and foster care systems are also implemented and funded by state level government. Therefore, municipal government has a limited direct role in the discharge actions taken by the above entities. Consequently, the most beneficial path for influencing these policies is the appropriate exchange of information, planning and coordination.

B. Emergency Shelter Grants

The total ESG Allocation is \$294,481. Ten percent (10%) or \$28,196 of the ESG funds have been allocated to services which are within the 30% cap. Seventeen percent (17%) or \$50,000 of the ESG funds are allocated to homeless prevention and this is within the 30% cap.

A complete listing of programs addressing homeless needs and homeless prevention can be found under "Sources of Funds for Addressing Homeless Needs and Homeless Prevention."

IV. COMMUNITY DEVELOPMENT

A. Community Development

1. Priority Non-Housing Community Development Needs

The 2010-2011 Action Plan proposes the following projects be undertaken to benefit low and moderate income persons.

General Administration

This year's Administrative Cap is \$1,368,785 or (20%) of the total CDBG Allocation, which is based on the CDBG allocation of \$6,743,925 and anticipated program income of \$100,000. Funding in the amount of \$1,368,785 (20%) is recommended for administration of the grant as follows:

- CFW/Housing and Economic Development – General Administration - \$1,155,830
- City Departments: Finance, Internal Audit, Planning and Development, Community Relations: Central City/Fair Housing - \$212,955

Community Facilities and Infrastructure

- City of Fort Worth/Housing and Economic Development Department - Terrell Heights Lights Installation - \$50,000
- City of Fort Worth/Housing and Economic Development Department –Targeted Infrastructure Diamond Hill - \$468,724 (includes \$100,000 in estimated program income)

2. Long-term and Short-term Community Development Objectives

This year's Public Services cap is \$993,688 or (15%) of the total CDBG allocation. Funding in the amount of \$993,688 is recommended for the following services to low to moderate income clients: Homeless Services, Child Care, Youth Services, Senior Services, Employment Training, Mental Health, and General Services.

- AB Christian Learning Center: Stop Six Community Go Center - \$20,000
- Boys & Girls Clubs of Greater Fort Worth: Estrellas - \$14,400
- The Cenikor Foundation: Substance Abuse Services for Homeless - \$21,000
- Child Care Associates: Child Care - \$117,000
- CJs Studio of Performing Arts: Dance Studio - \$10,886
- Clayton Yes!: Greenbriar Pre-School - \$18,000
- Clayton Yes!: School Age Child Care - \$54,000
- Cooks Children's Health Care System: Save a Smile - \$21,870
- Cornerstone Assistance Network: New Life Center - \$15,297
- Cultural Center of the Americas: GED/Adult Literacy in Spanish - \$18,070
- Day Resource Center for the Homeless: Counseling Services - \$50,000
- EFW Montessori School Inc: Montessori Child Care - \$20,000
- Fort Worth Housing Authority: Amaka Child Care Center - \$27,000
- Girls Inc. of Tarrant County: Girl Power - \$12,600

- JMAC Youth Center of Tarrant County: JMAC Safe Haven – \$25,000
- The Ladder Alliance: Employment Training - \$20,000
- Latin Arts Assoc dba Artes de la Rosa: After School Drama Program - \$20,000
- Meals on Wheels of Tarrant County: Home Delivered Meals - \$33,696
- Mental Health Association of Tarrant County: Long Term Care Ombudsman Program - \$15,750
- Mental Health Association of Tarrant County: Mental Health Advocate - \$22,275
- Northside Inter-Church Agency, Inc.: Good Works/Buenas Obras - \$21,092
- The Salvation Army: S.T.A.R.T. - \$20,000
- Senior Citizen Services: Como Senior Center - \$18,000
- Senior Citizen Services: Diamond Hill Center - \$18,000
- Senior Citizen Services: Doc Sessions Center - \$16,000
- Tarrant Area Food Bank: Community Kitchen - \$18,000
- United Community Center, Inc (UCC): Client Intervention Program - \$16,200
- YMCA of Metropolitan: School Age Child Care - \$45,000
- YWCA Fort Worth and Tarrant County: Child Development Program – \$135,000
- YWCA Fort Worth and Tarrant County: My Own Place – \$17,628
- City of Fort Worth/Housing and Economic Development: Housing Counseling and Foreclosure Prevention - \$45,000
- City of Fort Worth Parks & Community Services Department: Como After-School Program – \$25,000
- City of Fort Worth Parks & Community Services Department: Northside Community Action Partners - \$25,724
- CFW Parks & Community Services Department: Woodhaven After School Enrichment Program - \$16,200

Economic Development

The Economic Development category programs \$720,624 for repayment of Sec 108 loan debt service.

B. Anti-poverty Strategy

1. Actions to Reduce the Number of Poverty Level Families

As part of the 2010-2013 Consolidated Plan, the City's anti-poverty strategy included the following components:

- Economic development programs designed to create job opportunities and support small business retention; expansion and recruitment, including use of the Section 108 loan guarantee program for development of major projects in distressed areas.
- Continue support for small business development by providing loan counseling, packaging of loans, and technical assistance to small and minority businesses.
- Promote gap financing and other financial assistance to private economic development activities, particularly in the central city.
- Continue various self-sufficiency programs which combine housing assistance and supportive services, e.g., child care and transportation, such as, those operated by Fort Worth Housing Authority, Women's

Center, Community Enrichment Center, Salvation Army, YWCA, Women's Second Chance and other transitional housing programs. These programs may not be funded each year of the Annual Action Plan.

- Provide case management, emergency assistance and information and referral services to low-income and poverty-level families, through the City of Fort Worth's Parks and Community Services Department and various non-profit organizations.
- Provide employment, transportation, and training programs to improve the academic, basic, and technical skills of low-income persons so that they can find jobs or improve their earning capacity, such as the various programs operated by the Texas Work Force Commission, SER, APREP, Women's Center, Fort Worth Public Library, Fort Worth Independent School District, the Fort Worth Transportation Authority, and various non-profit organizations through public service agreements.
- Provide supplementary and emergency food, clothing, rental assistance, child care, health, transportation, utility assistance, financial assistance and educational assistance to low-income families, particular those experiencing a crisis. Organizations in the community provide these various forms of assistance through public service agreements.
- Provide rehabilitation, exterior paint, weatherization, and minor repair of homes of the elderly and low-income households. These services are provided by CFW and other non-profit housing organizations.
- Provide incentives to the private sector to encourage job creation and central city reinvestment. The City of Fort Worth utilizes tax abatements, enhanced Community Facility Agreements, and other recognized economic development tools to encourage redevelopment and job creation that will benefit low-income neighborhoods. Tax abatement contracts are often structured to encourage businesses to hire residents of the central city.
- Create and maintain local Neighborhood Empowerment Zones (NEZ). The NEZ program supports both small and large redevelopment projects by authorizing fee waivers or tax abatements for activities such as housing rehabilitation, small business expansion, or new construction, when the project has the potential to increase the tax base over the long term.

As part of the 2010-2011 Action Plan, the City of Fort Worth will also fund numerous activities as described under the "Activity Descriptions" section to help support its anti-poverty strategy.

V. NON-HOMELESS SPECIAL NEEDS

A. Non-homeless Special Needs

1. Priorities and Objectives

The City of Fort Worth plans to serve individuals with special needs (e.g., elderly, disabled, substance abuse problems, mental illness, and individuals with HIV/AIDS) through the following five programs:

1. Owner Occupied Housing Rehabilitation
2. Architectural Barrier Removal
3. Emergency Housing Repair
4. Homeownership Assistance
5. Public Services

The City of Fort Worth plans to provide the Housing Rehabilitation Program to low and moderate income citizens, including those who are elderly and disabled. The goal is to maintain and improve existing housing stock for residents who cannot afford costly repairs. A related program will provide architectural barrier removal to improve accessibility and livability of homes for individuals with disabilities. Emergency housing repairs will also be provided to address special needs.

Supportive services for individuals with special needs will be assisted by CDBG Public Services funds. The City proposes to assist with the funding of support services such as:

- Support grant or tax credit applications for senior housing
- Target Home Improvement Program housing rehabilitation projects toward elderly homeowners
- Support new construction of senior construction
- Preserve and increase the supply and accessibility of affordable housing units for special needs populations.
- Architectural Barrier Removal – installation of ramps in the homes of low income disabled and/or elderly residents
- Support grant or tax credit applications for special needs housing
- Support rehabilitation of rental housing for special needs populations
- Fund at least three agencies that provide housing and supportive services to persons with HIV/AIDS and their families with HOPWA funds.

HOPWA and ESG funds (as eligible to each grant) will be used to address the emergency shelter, transitional housing and rental assistance needs of special needs and homeless populations, either through direct assistance to homeless, at-risk, or special needs households, or through funding of grant eligible services of the agencies that serve these populations.

2. Federal, State, and Local Resources to Address Identified Needs

The City of Fort Worth will coordinate with existing federal, state, and local resources to serve populations with special needs. Additionally, it will provide the maximum CDBG amount allowed by federal regulation to support public services projects.

B. Housing Opportunities for People with AIDS (HOPWA)

The City of Fort Worth supports organizations providing housing and supportive services to homeless families and individuals and/or persons with special needs receiving assistance in line with its Continuum of Care Plan, an integral part of the Consolidated Plan.

A Request for Proposal process is conducted for the HOPWA Program. The City publishes notices in the local newspaper, runs radio announcements, and includes notices in minority newspapers in order to inform citizens of the deadline for HOPWA proposals.

In order to be considered for funding, an agency must serve persons with HIV/AIDS, or dependents of persons with HIV/AIDS. City Council receives recommendation for funding by staff members and the Community Development Council.

C. Specific HOPWA Objectives

This year's HOPWA Allocation is \$892,529 with an Administrative Cap of \$26,775 or (3%) of the total HOPWA Allocation. This full amount is recommended for the City's Housing and Economic Development Department's administration of the grant. The City of Fort Worth serves Wise, Johnson, Parker, and Tarrant counties with HOPWA funds through the four agencies below

Agency	Service	Amount
AIDS Outreach Center	Housing assistance and supportive services for persons with HIV/AIDS	\$ 428,952
Tarrant County Samaritan Housing	Supportive services for persons with AIDS	\$ 269,372
AIDS Resources of Rural Texas	Housing assistance and supportive for HIV/AIDS patients	\$ 102,778
Catholic Charities Diocese of Fort Worth	Short Term Financial Assistance & Supportive Services	\$ 64,652
Housing and Economic Development Department	Grant Administration	<u>\$ 26,775</u>
	Total Special Needs Funding	\$ 892,529

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Attachment A: City Council Approved Budget

M&C G-16884 and Approved Budget

Approved Action Plan Budget

AGENCY	Service/Program	Funds Awarded 2009-2010	Community Development Committee Recommendation	Staff Recommendation
CDBG: PUBLIC SERVICES				
AB Christian Learning Center	Stop Six Community Go Center	\$20,000	\$20,000	\$20,000
Boys & Girls Clubs of Greater Fort Worth	Estrellas	\$14,400	\$14,400	\$14,400
Cenikor Foundation	Substance Abuse Services/ Homeless	\$21,000	\$21,000	\$21,000
Child Care Associates	Child Care	\$117,000	\$117,000	\$117,000
CJ's Studio of Performing Arts	Dance Studio	\$10,886	\$10,886	\$10,886
Clayton Yes! Childcare	Greenbrier Pre-School	\$18,000	\$18,000	\$18,000
Clayton Yes! Childcare	School Age Child Care	\$54,000	\$54,000	\$54,000
Cook Children's Health Care System	Save a Smile	\$21,870	\$21,870	\$21,870
Cornerstone Assistance Network	New Life Center	\$15,297	\$15,297	\$15,297
Cultural Center of the Americas	GED/Adult Literacy in Spanish	\$18,070	\$18,070	\$18,070
Day Resource Center for the Homeless	Counseling Services	\$50,000	\$50,000	\$50,000
EFW Montessori School Inc	Montessori Child Care	\$20,000	\$20,000	\$20,000
Fort Worth Housing Authority	Amaka Child Care Center	\$27,000	\$27,000	\$27,000
Girls Inc. of Tarrant County	Girl Power	\$12,600	\$12,600	\$12,600
J MAC Youth Center of Tarrant County	JMAC Safe Haven	\$25,000	\$25,000	\$25,000
The Ladder Alliance	Employment Training	\$20,000	\$20,000	\$20,000
Latin Arts Assoc. dba Artes de la Rosa	After School Drama Program	\$20,000	\$20,000	\$20,000
Meals on Wheels, Inc. of Tarrant County	Home Delivered Meals	\$33,696	\$33,696	\$33,696
Mental Health Association of Tarrant County	Long Term Care Ombudsman Program	\$15,750	\$15,750	\$15,750
Mental Health Association of Tarrant County	Mental Health Advocate	\$22,275	\$22,275	\$22,275
Northside Inter-Church Agency, Inc.	Good Works/Buenas Obras	\$21,092	\$21,092	\$21,092
The Salvation Army	S.T.A.R.T.	\$20,000	\$20,000	\$20,000
Senior Citizen Services	Como Senior Center	\$18,000	\$18,000	\$18,000
Senior Citizen Services	Diamond Hill Senior Center	\$18,000	\$18,000	\$18,000
Senior Citizen Services	Doc Session Senior Center	\$16,000	\$16,000	\$16,000
Tarrant Area Food Bank	Community Kitchen	\$18,000	\$18,000	\$18,000
United Community Center, Inc	Client Intervention Program	\$16,200	\$16,200	\$16,200

Approved Action Plan Budget

AGENCY <i>continued</i>	Service/Program	Funds Awarded 2009-2010	Community Development Committee Recommendation	Staff Recommendation
YMCA of Metropolitan	School Age Child Care	\$25,000	\$45,000	\$45,000
YWCA Fort Worth & Tarrant County	Child Development Program	\$135,000	\$135,000	\$135,000
YWCA Fort Worth & Tarrant County	My Own Place	\$17,628	\$17,628	\$17,628
Housing & Economic Development	Housing Counseling & Foreclosure Prevention	\$45,000	\$45,000	\$45,000
Parks & Community Services	Como Kids After-School Program	\$25,000	\$25,000	\$25,000
Parks & Community Services	Northside Community Action Partners (CAP)-Rehabilitation	\$6,431		\$25,724
Parks & Community Services	Northside Community Action Partners (CAP)-Utility Payments	\$19,293		
Parks & Community Services	Woodhaven After School Enrichment Program	\$16,200	\$16,200	\$16,200
	SUBTOTAL-PUBLIC SERVICE	\$973,688	\$933,688	\$993,688
AGENCY	Service/Program	Funds Awarded 2009-2010	Community Development Committee Recommendation	Staff Recommendation
CDBG: HOUSING PROGRAMS				
REACH Resource Center on Independent Living	Project Ramp	\$50,000	\$50,000	\$50,000
CFW/Housing & Economic Development	Rehab/Construction Management Program Delivery	\$930,236	\$930,236	\$930,236
CFW/Housing & Economic Development	Housing Services & Information Program Delivery	\$166,168	\$166,168	\$166,168
CFW/Housing & Economic Development	Emergency Home Repair	\$550,000	\$1,005,329	\$1,005,329
CFW/Housing & Economic Development	Cowtown Brushup - Project Delivery	\$343,814	\$293,814	\$293,814
CFW/Housing & Economic Development	Cowtown Brushup - Program Delivery	\$46,557	\$46,557	\$46,557
CFW/Housing & Economic Development	Pilot Roof Program	Not Applicable	\$200,000	\$200,000

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AGENCY	Service/Program	Funds Awarded 2009-2010	Community Development Committee Recommendation	Staff Recommendation
CDBG ECONOMIC DEVELOPMENT				
CFW/Housing & Economic Development	Repayment of Section 108 Loan Debt Service	\$791,053	\$720,624	\$720,624
	SUBTOTAL ECONOMIC DEVELOPMENT	\$791,053	\$720,624	\$720,624
AGENCY	Service/Program	Funds Awarded 2009-2010	Community Development Committee Recommendation	Staff Recommendation
EMERGENCY SHELTER GRANT (ESG)				
Parks & Community Services	SHIPP	\$50,000	\$50,000	\$50,000
Presbyterian Night Shelter	Emergency Shelter	\$181,561	\$181,561	\$181,561
SafeHaven of Tarrant County	Shelter Operations	\$20,000	\$20,000	\$20,000
SafeHaven of Tarrant County	Supportive Childcare	\$15,157	\$15,157	\$15,157
YWCA Fort Worth & Tarrant County	Supportive Living Program	\$13,039	\$13,039	\$13,039
CFW/Housing & Economic Development	Grant Administration / Contract Administration	\$14,724	\$14,724	\$14,724
	SUBTOTAL ESG	\$294,481	\$294,481	\$294,481
AGENCY	Service/Program	Funds Awarded 2009-2010	Community Development Committee Recommendation	Staff Recommendation
HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA)				
AIDS Outreach Center	HOPWA	\$421,791	\$428,952	\$428,952
AIDS Resources of Rural Texas	HOPWA	\$109,939	\$102,778	\$102,778
Catholic Charities Diocese of Fort Worth	Lady Hogan Project	\$64,652	\$64,652	\$64,652
Tarrant County Samaritan Housing, Inc,	Supportive Housing	\$269,372	\$269,372	\$269,372
CFW/Housing & Economic Development	Grant Administration / Contract Administration	\$26,775	\$26,775	\$26,775
	SUBTOTAL HOPWA	\$892,529	\$892,529	\$892,529

Approved Action Plan Budget

AGENCY	Service/Program	Funds Awarded 2009-2010	Community Development Committee Recommendation	Staff Recommendation
HOME INVESTMENT PARTNERSHIPS PROGRAM REQUESTS (HOME)				
CFW/Housing & Economic Development	CHDO Project Funds Minimum required 15%	\$482,517	\$482,517	\$482,517
CFW/Housing & Economic Development	Homebuyer Assistance Program	\$900,000	\$900,000	\$900,000
CFW/Housing & Economic Development	Targeted Neighborhood Projects - Terrell Heights	Not Applicable	\$500,000	\$500,000
CFW/Housing & Economic Development	Targeted Neighborhood Projects - NRP Race Street	Not Applicable	\$862,584	\$862,584
CFW/Housing & Economic Development	CHDO Operating Funds Minimum 5% required	\$150,000	\$150,000	\$150,000
CFW/Housing & Economic Development	HOME Program Administration Maximum 10%	\$321,667	\$321,677	\$321,677
	SUBTOTAL HOME	\$1,854,184	\$3,216,778	\$3,216,778

Attachment B: Activities to be Undertaken by Program Type

CDBG Public Services

CDBG Administration/Projects

HOME Services

HOME Projects

ESG Public Services

HOPWA Public Services

CDBG PUBLIC SERVICES		Funding	Description
AB Christian Learning Center	Stop Six Community Go Center	\$20,000	Provides computer access, tutoring, and mentoring services for 500 at-risk youth
Boys & Girls Clubs of Greater Fort Worth	Estrellas	\$14,400	Education support, drug and alcohol resistance training, recreational, and cultural activities for 725 at-risk youth
Cenikor Foundation	Substance Abuse Services/ Homeless	\$21,000	Substance abuse treatment for 150 adults.
Child Care Associates	Child Care	\$117,000	Provides childcare for 61 children of income-eligible families.
CJ's Studio of Performing Arts	Dance Studio	\$10,886	Provide dance training for 20 children of income- eligible families
Clayton Yes! Childcare	Greenbrier Pre-School	\$18,000	Monthly childcare for 10 children of income-eligible families
Clayton Yes! Childcare	School Age Child Care	\$54,000	Monthly before/after school childcare for 20 - 25 children of income-eligible families
Cook Children's Health Care System	Save a Smile	\$21,870	Dental screening and 300 free dental visits and 400 follow-up visits for income eligible children
Cornerstone Assistance Network	New Life Center	\$15,297	Provides housing for 25 chronically homeless men annually
Cultural Center of the Americas	GED/Adult Literacy in Spanish	\$18,070	Prepare 80 - 90 students to acquire their GED to secure a better work position.
Day Resource Center for the Homeless	Counseling Services	\$50,000	Counseling and referral services to appropriate agencies for 300 homeless clients
EFW Montessori School Inc	Montessori Child Care	\$20,000	Provides childcare for 80 children of income-eligible families.
Fort Worth Housing Authority	Amaka Child Care Center	\$27,000	Provides childcare for 30 children of income-eligible families.
Girls Inc. of Tarrant County	Girl Power	\$12,600	Addresses gender specific issues for 145 girls to prevent substance abuse and violence
J MAC Youth Center of Tarrant County	JMAC Safe Haven	\$25,000	Provides place for 45 children of income-eligible families to get afterschool supervision, mentoring, and tutoring.
The Ladder Alliance	Employment Training	\$20,000	The program targets domestic violence females who are at risk of homelessness and poverty

CDBG PUBLIC SERVICES		Funding	Description
Latin Arts Assoc. dba Artes de la Rosa	After School Drama Program	\$20,000	Provides theater, public speaking, and self-esteem building for 75 children of income-eligible families.
Meals on Wheels, Inc. of Tarrant County	Home Delivered Meals	\$33,696	Provides 5 noon meals weekly to 65 income-eligible elderly residents
Mental Health Association of Tarrant County	Long Term Care Ombudsman Program	\$15,750	1050 senior citizens will receive information on their rights and assistance with complaint resolution.
Mental Health Association of Tarrant County	Mental Health Advocate	\$22,275	Advocacy for 600 residents with mental illness or other disabilities living in unlicensed group homes
Northside Inter-Church Agency, Inc.	Good Works/Buenas Obras	\$21,092	Provides food and produce for 300 elderly or disabled clients.
The Salvation Army	S.T.A.R.T.	\$20,000	Provides crisis relief to homeless population for 20 men, 20 women, and 3 families monthly.
Senior Citizen Services	Como Senior Center	\$18,000	Provides case management and nutrition services for 90 income eligible elderly residents
Senior Citizen Services	Diamond Hill Senior Center	\$18,000	Provides case management and nutrition services for 90 income eligible elderly residents
Senior Citizen Services	Doc Session Senior Center	\$16,000	Provides case management and nutrition services for 90 income eligible elderly residents
Tarrant Area Food Bank	Community Kitchen	\$18,000	Provides culinary skills job training for 60 clients 5 days per week for 14 weeks.
United Community Center, Inc	Client Intervention Program	\$16,200	Provides groceries for 10,000 income eligible clients
UNT Health Science Center	Community Go Center	\$20,000	Provides 80 students with career and college choice counseling
YMCA of Metropolitan	School Age Child Care	\$45,000	Provides 32 children of income-eligible families with afterschool/holiday/summer childcare
YWCA Fort Worth & Tarrant County	Child Development Program	\$135,000	Provides childcare for 48 children of income-eligible families
YWCA Fort Worth & Tarrant County	My Own Place	\$17,628	Provides residential services for 33 participants that are "aging out" of foster care or are homeless

CDBG PUBLIC SERVICE		Funding	Description
Housing & Economic Development	Housing Counseling & Foreclosure Prevention	\$45,000	Funds will be used for program staff to provide one-on-one counseling to help future homebuyers determine whether they are ready for homeownership and how much house they can afford to 125 households.
Parks & Community Services	Como Kids After-School Program	\$25,000	Provides recreational, cultural, and collaborative programs for 200 children of income-eligible families
Parks & Community Services	Northside Community Action Partners (CAP)	\$24,724	To provide utility assistance payments for 150 income-eligible clients (\$19,293)
Parks & Community Services	Northside Community Action Partners (CAP)		To provide repair or replacement of air conditioner/heater to 50 eligible clients (\$6,431)
Parks & Community Services	Woodhaven After School Enrichment Program	\$16,200	Provides afterschool childcare for 75 children of income-eligible families M - Th.
SUBTOTAL-PUBLIC SERVICE			\$993,688
CDBG: HOUSING PROGRAMS			
REACH Resource Center on Independent Living	Project Ramp	\$50,000	Remove architectural barrier removal for 15 income-eligible residents
City of Fort Worth /Housing & Economic Development	Rehab/Construction Management Program Delivery	\$930,236	Provides the construction management function for the Department's various rehab programs, as well as provides technical assistance to non-profit housing sponsors and non-profit organizations which provide housing opportunities.
City of Fort Worth /Housing & Economic Development	Housing Services & Information Program Delivery	\$166,168	Provides rehabilitation counseling for individuals receiving loans and grants for the rehabilitation of privately owned homes.
City of Fort Worth /Housing & Economic Development	Emergency Home Repair	\$1,005,329	Funds will be used to provide grants to households of owner-occupied housing to eliminate conditions that pose hazards and unsafe conditions.
City of Fort Worth /Housing & Economic Development	Cowtown Brushup Project Delivery	\$293,814	Funds will be used to prepare and paint houses for the Annual Cowtown Brush-Up Project.

City of Fort Worth /Housing & Economic Development	Cowtown Brushup Program Delivery	\$46,557	Funds will be used to pay the salary for Program Delivery for the Cowtown Brush Up Program Coordinator.
City of Fort Worth /Housing & Economic Development	Housing Trust Fund Homeowner Rehab Loans	\$550,000	Funds will be dedicated to a citywide housing rehabilitation program that offers major repairs to preserve housing on behalf of low or moderate income homeowner
City of Fort Worth /Housing & Economic Development	Pilot Roof Program Project Delivery	\$200,000	Funds will be used to provide grants to households of owner-occupied housing to eliminate conditions that pose hazards and unsafe conditions.
SUBTOTAL - HOUSING			\$3,242,104
CDBG: COMMUNITY FACILITIES & INFRASTRUCTURE			
City of Fort Worth /Housing & Economic Development	Diamond Hill Infrastructure Project* Includes \$100,000 est. program income	\$468,724	Infrastructure improvement installed prior to the construction of single family homes located at 3601 and 3617 Hardy Street, Fort Worth.
City of Fort Worth /Housing & Economic Development	Terrell Heights Light Installation	\$50,000	CDBG funds will be used to install lights in the Terrell Heights CDBG eligible areas. The locations are shown on the attached map.
SUBTOTAL - PUBLIC FACILITIES			\$518,724
CDBG GENERAL ADMINISTRATION			
City of Fort Worth /Housing & Economic Development	General Administration	\$1,155,830	Funds will be used to cover the cost of planning, administering, operating, and monitoring CDBG program to insure compliance with HUD and City policies and regulations.
City Departments: Finance, Internal Audit, Planning & Development, Community Relations Central City/Fair Housing	General Administration	\$212,955	Funds will be used to cover the cost of planning, administering, operating, and monitoring CDBG, HOME, ESG, and HOPWA programs to insure compliance with HUD and City policies and regulations.
SUBTOTAL GENERAL ADMINISTRATION			\$1,368,785
CDBG ECONOMIC DEVELOPMENT			
City of Fort Worth /Housing & Economic Development	Repayment of Section 108 Loan Debt Service	\$720,624	These funds will be used to repay principal and interest for the Heritage Center Section 108 Loan.

SUBTOTAL ECONOMIC DEVELOPMENT			\$720,624
TOTAL CDBG REQUESTS/RECOMMENDATIONS			\$6,843,925
CDBG Entitlement Grant			\$6,743,925
Estimated Program Income			\$100,000
Estimated Total CDBG To Be Available			\$6,843,925
Amount Available for General Administration (20%)			\$1,368,785
EMERGENCY SHELTER GRANT FUNDING			
Parks & Community Services	Emergency Shelter Grant-SHIP	\$50,000,	Provides direct assistance, emergency services, and counseling to 40 income-eligible households
Presbyterian Night Shelter	Emergency Shelter	\$181,561	Provides emergency shelter for 2700 unduplicated participants
SafeHaven of Tarrant County	Shelter Operations	\$20,000	Provides operational expenses that provide for shelter for 1400 participants whose families have been affected by domestic violence
SafeHaven of Tarrant County	Supportive Childcare	\$15,157	Provides childcare for 1400 children whose families have been affected by domestic violence
YWCA Fort Worth & Tarrant County	Supportive Living Program	\$13,039	Provides housing and supportive services for 48 transitionally homeless women
City of Fort Worth /Housing & Economic Development	Grant Administration / Contract Administration	\$14,724	Funds will be used to cover the cost of planning, administering, operating, and monitoring ESG program to insure compliance with HUD and City policies and regulations.
SUBTOTAL ESG			\$294,481
HOUSING OPPORTUNITIESFOR PERSONS WITH AIDS			
AIDS Outreach Center	HOPWA	\$428,952	Provides short-term rent, mortgage, and utility payments 183 families impacted by HIV
AIDS Resources of Rural Texas	HOPWA	\$102,778	Provides short-term rent, mortgage, and utility payments 25 rural families impacted by HIV
Catholic Charities Diocese of Fort Worth	Lady Hogan Project	\$64,652	Provides tenant based rental assistance and supportive services to 84 families impacted by HIV

Tarrant County Samaritan Housing, Inc,	Supportive Housing	\$269,372	Provides housing and resources for 117 families impacted by HIV
City of Fort Worth /Housing & Economic Development	Grant Administration / Contract Administration	\$26,775	Funds will be used to cover the costs of planning, administering, operating, and monitoring HOPWA program to insure compliance with HUD and City policies and regulations.
SUBTOTAL HOPWA			\$892,529
HOME INVESTMENT PARTNERSHIPS PROGRAM REQUESTS 2010-2011			
CHDO Project Funds Minimum required 15%	Affordable Housing Development by CHDO Nonprofits	\$482,517	Provide funding for 5 new affordable owner-occupied housing units
Homebuyer Assistance Program	Down payments up to \$14,999 for LowMod Buyers	\$900,000	Provide down payment assistance for 75 income-eligible individuals/families
Targeted Neighborhood Projects - Terrell Heights	Targeted Neighborhood Affordable Housing Projects	\$500,000	HOME funds will be used to assist in the acquisition of properties and construction of five newly single family quality, affordable, accessible housing units for income eligible homebuyers (up to 80% of area median income).
Targeted Neighborhood Projects - NRP Race Street	Targeted Neighborhood Affordable Housing Project	\$862,584	Funds will be used to develop 36 multi-family rental properties clustered in the Six Points Urban Village area.
CHDO Operating Funds Minimum 5% required	Operational Costs for CHDO Non-Profit Developers	\$150,000	Funds will be used for operating expenses to help build the City of Fort Worth CHDO's capacity to provide affordable housing for low to moderate income families.
HOME Program Administration Maximum 10%	Grant Administration Costs	\$321,677	Funds will be used to cover the cost of planning, administering, operating, and monitoring HOME program to ensure compliance with HUD and City policies and regulations.
SUBTOTAL HOME			\$3,216,778

Attachment C: Public Notices

Fort Worth Star-Telegram: February 2, 2010 and March 8, 2010

LaVida: Week of February 11 – 18, 2010

La Estrella: Week of February 6 – 12, 2010

FORT WORTH

CITY OF FORT WORTH
HOUSING & ECONOMIC DEVELOPMENT DEPARTMENT

**PUBLIC NOTICE
AND
REQUEST FOR PUBLIC COMMENT FROM
ALL INTERESTED CITIZENS AND ORGANIZATIONS IN FORT WORTH
REGARDING THE
2010-2011 ANNUAL ACTION PLAN
and
2010-2013 CONSOLIDATED PLAN
FOR USE OF FEDERAL FUNDS FROM
THE U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT (HUD)
UNDER THE FOLLOWING PROGRAMS:
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM
HOME INVESTMENT PARTNERSHIPS (HOME) PROGRAM
EMERGENCY SHELTER GRANT (ESG) PROGRAM
HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA) PROGRAM**

The City of Fort Worth is providing a thirty-day public comment period regarding the submission of the proposed City of Fort Worth Annual Action Plan for 2010-2011 program year and the submission of its 2010-2013 Consolidated Plan. Proposed plans meet federal requirements under the Community Development Act of 1974 and the National Housing Act of 1990, as amended. These plans will be submitted to the U.S. Department of Housing and Urban Development (HUD) on or about April 15, 2010 to meet application and regulatory requirements for the Community Development Block Grant (CDBG), the Emergency Shelter Grant (ESG), the HOME Investment Partnerships Program (HOME), and the Housing Opportunities for Persons with AIDS (HOPWA) Programs.

ANNUAL ACTION PLAN

Total amount of grant funding to be allocated under the above-described programs for the 2010-2011 Program Year is estimated at \$11,347,713. This includes \$6,843,925 in CDBG funds, \$3,216,778 in HOME funds, \$294,481 in ESG funds, \$29 in HOPWA funds, and approximately \$100,000 in CDBG Program Income. The purpose of these funds is to benefit moderate-income individuals and areas throughout Fort Worth. ESG grant funds benefit Fort Worth homeless individuals and HOPWA grant funds benefit individuals with HIV/AIDS in Tarrant, Johnson, Parker, and Wise counties. Complete listing of how these funds will be allocated among different priorities and agencies can be obtained from the City of Fort Worth Housing & Economic Development Department by contacting the staff persons referenced at the end of this notice. The following is a list of proposed activities:

ESTIMATED ACTIVITY AMOUNTS BY PROJECTS AND/OR PROGRAMS

CDBG	
Community Development Block Grant (CDBG)	6,843,925
Public Services	53,242,104
Quality, Affordable, Accessible Housing and Related Programs	5,993,688
Programs for the Homeless	5,294,481
Emergency Shelter Grant (ESG)	294,481
Home Investment Partnerships (HOME)	3,216,778
Emergency Shelter Grant (ESG)	294,481
Housing Opportunities for Persons with AIDS (HOPWA)	29
Total	11,347,713

Services Activities include: AB Christian Learning Center \$20,000, Boys & Girls Club - Estrellas \$14,400, Foundation \$21,000, Centro Cultural de las Americas \$18,070, Child Care Associates \$117,000, CP's Studies of Learning Arts \$10,886, Clayton YES! - Greenbrier Preschool \$18,000, Clayton YES! - School Age Child Care \$54,000, Children's Health Care System \$21,870, Cornerstone Assistance Network \$15,297, Day Resource Center for the Homeless \$50,000, EFW Montessori School \$20,000, Ft. Worth Housing Auth. - Amaka \$27,000, Girls, Inc. of Tarrant County \$0, JMAC Youth Center of Tarrant County \$25,000, The Ladder Alliance \$20,000, Latin Arts Assoc. dba Artes de la \$20,000, Meals on Wheels, Inc. of Tarrant County \$33,696, Mental Health Assoc. of Tarrant County - Ombudsman \$0, Mental Health Assoc. of Tarrant County - Advocate \$22,275, Northside Inter-Church Agency \$21,092, The Iron Army \$20,000, Senior Citizens Services - Como \$18,000, Senior Citizens Services - Diamond Hill \$18,000, Citizen Services - Doc Session \$16,000, Tarrant Area Food Bank \$18,000, United Community Center, Inc. \$0, YMCA of Metropolitan \$55,000, YWCA - Child Development \$135,000, YWCA - My Own Place \$17,628, - Housing Counseling & Foreclosure Prevention \$45,000, PACS - Como Kids Afterschool Program \$25,000, - Northside Community Action Partners \$25,724, and PACS - Woodhaven Afterschool Program \$16,200. The total for CDBG Public Services Activities is \$993,688.

Quality, Affordable, Accessible Housing and related programs include: REACH, Inc., Project Ramp \$50,000, Bilingual and Construction Management (program delivery) \$890,236, Housing Services & Information Program \$166,168, Emergency Repair \$1,805,329, Cowtown Brushup (project delivery) \$293,814, Cowtown Brushup (program delivery) \$46,557, Pilot Roof Program (including project delivery) \$200,000, and Housing Trust Fund Bilingual Loans \$550,000. The total amount for rehabilitation and related activities is \$3,242,104.

Annual activities include: Housing and Economic Development Department General Administration \$5,830, Accounting \$61,426, Internal Audit \$53,911, Planning \$62,067, and Community Relations (Central City director) \$35,551. The total amount allocated for program administration is \$1,368,785. Program administration is set to a twenty percent cap.

Home Development and related activities include: Section 108 Loan Repayment \$720,624.

HOME	
Quality, Affordable, Accessible Housing Development by CDBG Recipients (at least 15% required) (To be determined by Request for Proposals and/or through substantial change amendments)	5,993,688
Home Investment Partnerships (HOME)	3,216,778
Emergency Shelter Grant (ESG)	294,481
Housing Opportunities for Persons with AIDS (HOPWA)	29
Total	9,514,976

Prior Year HOME funds and program income to be determined by Request for Proposals and/or through annual change amendments.

HOPWA	
Housing Opportunities for People with AIDS (HOPWA)	29
AIDS Outreach Center	542,952
AIDS Resource of Rural Texas	3,022,778
Catholic Charities - Lady Hogan Project	164,552
Tarrant County Sheltering Housing, Inc.	526,778
General Administration	893,529
Total	5,153,629

ESG	
Emergency Shelter Grant (ESG)	294,481
Preparation Night Shelter	1,181,601
Safe Haven of Tarrant County - Shelter Operations	320,000
Safe Haven of Tarrant County - Supportive Childcare	114,145
YWCA of Tarrant County - Supportive Childcare	111,079
City of Fort Worth - PACS - SHIP	150,000
General Administration	144,228
Total	2,320,534

2010-2011 Action Plan for the City of Fort Worth summarizes the major quality, affordable, accessible housing and community development activities and proposed expenditures from the above funding sources for the upcoming program year. The program year begins on **June 1, 2010 and ends on June 30, 2011**. Activities and/or programs which receive funding during the year must contribute to the attainment of outcomes in the City's Three Year (2010-2013) Consolidated Plan.

CONSOLIDATED PLAN

2010-2013 Consolidated Plan (ConPlan) for the City of Fort Worth summarizes quality, affordable, accessible housing and community development needs, particularly of low-income households (or persons) and provides the goals, objectives, and strategies to address these needs. This Consolidated Plan will cover the period from **June 1, 2010 until June 30, 2013**. One-year action plans are developed to support each year of the ConPlan. The City is required to submit ConPlan (2010-2013) to the U.S. Department of Housing and Urban Development (HUD) to continue receiving the funding grant funds:

- Community Development Block Grant (CDBG)
- HOME Program
- Emergency Shelter Grant (ESG)
- Housing Opportunities for Persons with AIDS (HOPWA) Grant funds

ConPlan consists of two parts: 1) the long-term Strategic Plan (three years - 2010-2013), and 2) the Annual Action Plan which includes quality, affordable, accessible housing and community development activities and proposed expenditures for upcoming program year. The first year plan of the three year ConPlan is listed above.

ANNUAL ACTION PLAN AND CONSOLIDATED PLAN COMMENT PERIOD AND PUBLIC HEARINGS

Public Comment Period
March 9, 2010 to April 8, 2010

Beginning March 9, 2010, drafts of the 2010-2011 Action Plan and the 2010-2013 Consolidated Plan will be available on the City's website at www.fortworthgov.org. Copies will also be available for public review at the Fort Worth Housing

FORT WORTH

CUIDAD DE FORT WORTH
DEPARTAMENTO DE VIVIENDA Y DESARROLLO ECONOMICO

**NOTA PUBLICA
Y
PETICION PARA COMENTARIO PUBLICO
A TODAS LAS PERSONAS INTERESADAS Y ORGANIZACIONES EN FORT WORTH
CON RESPECTO AL
PLAN DE ACCION ANUAL DEL 2010-2011
Y
PLAN CONSOLIDADO DEL 2010-2013**

PARA EL USO DE FONDOS FEDERALES DEL DEPARTAMENTO DE VIVIENDA Y DESARROLLO URBANO DE EE.UU. (HUD) BAJO LOS PROGRAMAS SIGUIENTES:
**PROGRAMA DE SUBSIDIOS GLOBALES PARA EL DESARROLLO COMUNITARIO (CDBG)
PROGRAMA DE ASOCIACION PARA INVERSIONES EN VIVIENDA HOME (HOME)
SUBSIDIOS PARA REFUGIOS DE EMERGENCIA - ASISTENCIA PARA PERSONAS SIN HOGAR (ESG)
PROGRAMA DE OPORTUNIDADES DE VIVIENDA PARA PERSONAS CON SIDA (HOPWA)**
La Ciudad de Fort Worth proporciona por un periodo de treinta-dias a la publico la oportunidad de someter comentarios con respecto a la submission del presupuesto Plan de Accion Anual del año 2010-2011 y sobre la submission del Plan Consolidado del 2010-2013. Los planes propuestos estan de acuerdo con los requisitos federales bajo el El Acto del Desarrollo de la Comunidad de 1974 y el Acto Nacional de Precio Asequible de 1990, como enmendado. Estos planes serán sometidos a el Departamento de Vivienda y Desarrollo Urbano de EE.UU. (HUD) en o cerca de el 15 de abril de 2010 para someter la aplicacion y para estar de acuerdo con los requisitos regulativos sobre el Programa de Subsidios Globales para el Desarrollo Comunitario (CDBG), el Programa de Asociacion para Inversiones en Vivienda HOME (HOME), Subsidios para Refugios de Emergencia - Asistencia para Personas sin Hogar (ESG), y el Programa de Oportunidades de Vivienda para Personas con SIDA (HOPWA).

PLAN DE ACCION ANUAL

La cantidad de beca total para ser recibida bajo los programas descritos arriba en el Programa del Año 2010-2011 esta estimado a ser \$11,347,713. Esto incluye \$6,843,925 en fondos CDBG, \$3,216,778 en fondos HOME, \$294,481 en fondos ESG, \$29 en fondos HOPWA, y aproximadamente \$100,000 en Ingresos de Programa de fondos CDBG. El proposito de estos fondos es para beneficiar a individuos y areas bajas y con ingresos moderados a través de Fort Worth. Los fondos de la beca ESG beneficiar a personas sin hogar, los fondos otorgados por el programa HOPWA beneficiar a individuos con HIV/SIDA en el condado Tarrant, Johnson, Parker, y Wise. Una lista completa de como estos fondos serán asignados entre prioridades y entre las agencias diferentes puede ser obtenido en la Ciudad de Fort Worth en el Departamento de Vivienda y Desarrollo Economico contactando a las personas mencionadas a fines de esta nota. Lo siguiente es una lista de actividades propuestas:

SUMA ESTIMADA por ACTIVIDAD y por PROYECTOS Y/O PROGRAMAS

CDBG	
PROGRAMA DE SUBSIDIOS GLOBALES PARA EL DESARROLLO COMUNITARIO (CDBG)	6,843,925
Programas de Vivienda Economica, Accesible, y de Calidad o Programas Relacionados con Vivienda	53,242,104
Administracion General	5,993,688
Programas de Vivienda Economica, Accesible, y de Calidad relacionados con los fondos de CDBG para la Vivienda incluyen: REACH, Inc., Project Ramp \$50,000, Bilingual and Construction Management (program delivery) \$890,236, Housing Services & Information Program Delivery \$166,168, Emergency Repair \$1,805,329, Cowtown Brushup (project delivery) \$293,814, Cowtown Brushup (program delivery) \$46,557, Pilot Roof Program (including project delivery) \$200,000, and Housing Trust Fund Bilingual Loans \$550,000. La cantidad total para rehabilitacion y actividades relacionadas es \$3,242,104.	3,216,778
Actividades de la Administracion del Programa incluyen: Administracion General de el Departamento de Vivienda y Desarrollo Economico \$1,155,830, Departamento de Contabilidad \$61,426, Auditoria Interna \$53,911, Departamento de Planificacion \$62,067, and Departamento de Relaciones Comunitarias (Cordinador de la Ciudad Central) \$35,551. La cantidad total asignada para la Administracion de programas es \$1,368,785. La administracion del programa es limitada a una capa de veinte por ciento. Desarrollo Economico y actividades relacionadas incluyen: Seccion 108 Devolucion de Prestamo \$720,624.	294,481
Total	11,347,713

Los Servicios Publicos a la Comunidad incluyen: AB Christian Learning Center \$20,000, Boys & Girls Club - Estrellas \$14,400, Confor Foundation \$21,000, Child Care Associates \$117,000, CP's Studies of Performing Arts \$10,886, Clayton YES! - Greenbrier Preschool \$18,000, Clayton YES! - School Age Child Care \$54,000, Cook Children's Health Care System \$21,870, Cornerstone Assistance Network \$15,297, Cultural Center of the Americas \$18,070, Day Resource Center for the Homeless \$50,000, EFW Montessori School \$20,000, Ft. Worth Housing Auth. - Amaka \$27,000, Girls, Inc. of Tarrant County \$12,600, JMAC Youth Center of Tarrant County \$25,000, The Ladder Alliance \$20,000, Latin Arts Assoc. dba Artes de la \$20,000, Meals on Wheels, Inc. of Tarrant County \$33,696, Mental Health Assoc. of Tarrant County - Ombudsman \$15,750, Mental Health Assoc. of Tarrant County - Advocate \$22,275, Northside Inter-Church Agency \$21,092, The Salvation Army \$20,000, Senior Citizens Services - Como \$18,000, Senior Citizens Services - Doc Session \$16,000, Tarrant Area Food Bank \$18,000, United Community Center, Inc. \$16,200, YMCA of Metropolitan \$55,000, YWCA - Child Development \$135,000, YWCA - My Own Place \$17,628, HED - Housing Counseling & Foreclosure Prevention \$45,000, PACS - Como Kids Afterschool Program \$25,000, PACS - Northside Community Action Partners \$25,724, and PACS - Woodhaven Afterschool Program \$16,200. La cantidad total para Servicios Publicos a la Comunidad con fondos CDBG es \$993,688.

Programas de Vivienda Economica, Accesible, y de Calidad relacionados con los fondos de CDBG para la Vivienda incluyen: REACH, Inc., Project Ramp \$50,000, Bilingual and Construction Management (program delivery) \$890,236, Housing Services & Information Program Delivery \$166,168, Emergency Repair \$1,805,329, Cowtown Brushup (project delivery) \$293,814, Cowtown Brushup (program delivery) \$46,557, Pilot Roof Program (including project delivery) \$200,000, and Housing Trust Fund Bilingual Loans \$550,000. La cantidad total para rehabilitacion y actividades relacionadas es \$3,242,104.

Actividades de la Administracion del Programa incluyen: Administracion General de el Departamento de Vivienda y Desarrollo Economico \$1,155,830, Departamento de Contabilidad \$61,426, Auditoria Interna \$53,911, Departamento de Planificacion \$62,067, and Departamento de Relaciones Comunitarias (Cordinador de la Ciudad Central) \$35,551. La cantidad total asignada para la Administracion de programas es \$1,368,785. La administracion del programa es limitada a una capa de veinte por ciento. Desarrollo Economico y actividades relacionadas incluyen: Seccion 108 Devolucion de Prestamo \$720,624.

HOME

PROGRAMA DE ASOCIACION PARA INVERSIONES EN VIVIENDA HOME (HOME)	3,216,778
Programas de Vivienda Economica, Accesible, y de Calidad relacionados con los fondos de HOME para la Vivienda incluyen: REACH, Inc., Project Ramp \$50,000, Bilingual and Construction Management (program delivery) \$890,236, Housing Services & Information Program Delivery \$166,168, Emergency Repair \$1,805,329, Cowtown Brushup (project delivery) \$293,814, Cowtown Brushup (program delivery) \$46,557, Pilot Roof Program (including project delivery) \$200,000, and Housing Trust Fund Bilingual Loans \$550,000. La cantidad total para rehabilitacion y actividades relacionadas es \$3,242,104.	3,216,778
Actividades de la Administracion del Programa incluyen: Administracion General de el Departamento de Vivienda y Desarrollo Economico \$1,155,830, Departamento de Contabilidad \$61,426, Auditoria Interna \$53,911, Departamento de Planificacion \$62,067, and Departamento de Relaciones Comunitarias (Cordinador de la Ciudad Central) \$35,551. La cantidad total asignada para la Administracion de programas es \$1,368,785. La administracion del programa es limitada a una capa de veinte por ciento. Desarrollo Economico y actividades relacionadas incluyen: Seccion 108 Devolucion de Prestamo \$720,624.	29
Total	3,216,778

Nota: El Año anterior los ingresos del programa de la beca HOME determinado por una Peticion y/o por enmiendas substanciales de cambio.

HOPWA

PROGRAMA DE OPORTUNIDADES DE VIVIENDA PARA PERSONAS CON SIDA (HOPWA)	29
Programas de Vivienda Economica, Accesible, y de Calidad relacionados con los fondos de HOPWA para la Vivienda incluyen: REACH, Inc., Project Ramp \$50,000, Bilingual and Construction Management (program delivery) \$890,236, Housing Services & Information Program Delivery \$166,168, Emergency Repair \$1,805,329, Cowtown Brushup (project delivery) \$293,814, Cowtown Brushup (program delivery) \$46,557, Pilot Roof Program (including project delivery) \$200,000, and Housing Trust Fund Bilingual Loans \$550,000. La cantidad total para rehabilitacion y actividades relacionadas es \$3,242,104.	29
Actividades de la Administracion del Programa incluyen: Administracion General de el Departamento de Vivienda y Desarrollo Economico \$1,155,830, Departamento de Contabilidad \$61,426, Auditoria Interna \$53,911, Departamento de Planificacion \$62,067, and Departamento de Relaciones Comunitarias (Cordinador de la Ciudad Central) \$35,551. La cantidad total asignada para la Administracion de programas es \$1,368,785. La administracion del programa es limitada a una capa de veinte por ciento. Desarrollo Economico y actividades relacionadas incluyen: Seccion 108 Devolucion de Prestamo \$720,624.	29
Total	29

ESG

SUBSIDIOS PARA REFUGIOS DE EMERGENCIA - ASISTENCIA PARA PERSONAS SIN HOGAR (ESG)	294,481
Programas de Vivienda Economica, Accesible, y de Calidad relacionados con los fondos de ESG para la Vivienda incluyen: REACH, Inc., Project Ramp \$50,000, Bilingual and Construction Management (program delivery) \$890,236, Housing Services & Information Program Delivery \$166,168, Emergency Repair \$1,805,329, Cowtown Brushup (project delivery) \$293,814, Cowtown Brushup (program delivery) \$46,557, Pilot Roof Program (including project delivery) \$200,000, and Housing Trust Fund Bilingual Loans \$550,000. La cantidad total para rehabilitacion y actividades relacionadas es \$3,242,104.	294,481
Actividades de la Administracion del Programa incluyen: Administracion General de el Departamento de Vivienda y Desarrollo Economico \$1,155,830, Departamento de Contabilidad \$61,426, Auditoria Interna \$53,911, Departamento de Planificacion \$62,067, and Departamento de Relaciones Comunitarias (Cordinador de la Ciudad Central) \$35,551. La cantidad total asignada para la Administracion de programas es \$1,368,785. La administracion del programa es limitada a una capa de veinte por ciento. Desarrollo Economico y actividades relacionadas incluyen: Seccion 108 Devolucion de Prestamo \$720,624.	294,481
Total	294,481

El Plan de Accion 2010-2011 de la Ciudad de Fort Worth resume la mayoria de actividades propuestas en programas de vivienda razonable, economica, y accesible y desarrollo comunitario y explica gastos propuestos con los beca para el año proximo. El año del programa empieza el **1 de junio de 2010 hasta los fines del 31 de mayo de 2011**. Las actividades y/o los programas que reciben financiaci3n durante el año deben contribuir al logro de objetivos resumidos en el Plan Consolidado de Tres Años (2010-2013) de la Ciudad.

PLAN CONSOLIDADO

El Plan Consolidado 2010-2013 (ConPlan) de la Ciudad de Fort Worth resume las necesidades de vivienda razonable, economica, accesible y de desarrollo comunitario, particularmente en hogares (o personas) con ingresos bajos y promueve objetivos, los objetivos y las estrategias de direccion a estas necesidades. El Plan Consolidado cubrirá el periodo del **1 de junio de 2010 hasta el 31 de mayo de 2013**. Planes de Acci3n por un año se desarrollarán para apoyar cada año del ConPlan. La Ciudad esta requerida a someter el ConPlan al Departamento de Vivienda y Desarrollo Urbano de EE.UU. (HUD) para continuar a recibir los fondos de las becas siguientes:

- Programa de Subsidios Globales para el Desarrollo Comunitario (CDBG)
- Programa de Asociacion para Inversiones en Vivienda HOME (HOME)
- Subsidios para Refugios de Emergencia - Asistencia para Personas sin Hogar (ESG)
- Programa de Oportunidades de Vivienda para Personas con SIDA (HOPWA)

El ConPlan consiste de dos partes: 1) el Plan Estratégico a largo plazo (tres años - 2010-2013), y 2) el Plan Anual de Acci3n que incluye vivienda razonable, economica, y accesible y actividades de desarrollo de comunitario y gastos propuestos para el año proximo. El primer plan del año del el ConPlan de tres años esta listado arriba.

PLAN DE ACCION Y PLAN CONSOLIDADO PERIODO PARA HACER COMENTARIOS Y AUDICIONES PUBLICAS

PERIODO PARA HACER COMENTARIOS
9 de marzo de 2010 a
el 8 de abril de 2010

Estasran el 9 de marzo de 2010, copias de el Plan de Acci3n 2010-2011 y el Plan Consolidado 2010-2013 estaran disponibles en el sitio web de la Ciudad en www.fortworthgov.org. Las copias también estaran

**CITY OF FORT WORTH
REVISED NOTICE OF PUBLIC MEETING
REGARDING THE
2010-2013 CONSOLIDATED PLAN
FOR THE PLANNING OF FEDERAL FUNDS UNDER THE FOLLOWING PROGRAMS:
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM
HOME INVESTMENT PARTNERSHIPS (HOME) PROGRAM
EMERGENCY SHELTER GRANT (ESG) PROGRAM
HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA) PROGRAM**

Every three-five years the City of Fort Worth must submit a Consolidated Plan to the U.S. Department of Housing and Urban Development (HUD) in order to receive entitlement funds for CDBG, HOME, HOPWA and ESG programs. The Consolidated Plan is used to promote affordable housing and suitable living environments for households with low and moderate incomes. In accordance with federal regulations at 24 CFR Part 91, the City of Fort Worth will be soliciting comments and public review for the 2010-2013 Consolidated Plan. The Plan summarizes housing and community development goals, objectives and strategies to address the needs of the community particularly of low and moderate income households. Topics will include: Housing Needs, Homelessness, Poverty, Economic Development and Neighborhood Stabilization. The second notice stated that the Community Development Council public hearing would be on February 10, 2010. This date has been changed to February 24, 2010. The public can provide input for the plan by attending the public meetings listed below.

Four public input meetings and one public hearing will be held the locations are as follows:

Location	Date
Riverside Community Center 700 E. Belknap Fort Worth, Texas 76111	January 14, 2010 - 6:00 p.m.
Baker Building-Texas Wesleyan University 3021 E. Rosedale Fort Worth, TX 76105	January 20, 2010 - 6:00 p.m.
Greenbriar Community Center 5200 Hemphill Fort Worth, Texas 76106	January 28, 2010 - 6:00 p.m.
R.D. Evans Community Center 3242 Lackland road Fort Worth, Texas 76116	February 4, 2010 - 6:00 p.m.
City Hall, Community Development Council (CDC) Public Hearing 1000 Throckmorton Street Fort Worth, Texas 76102	February 24, 2010 (Revised Date) - 6:30 p.m.

For more information, interested parties may write: The City of Fort Worth, Housing and Economic Development Department, 1000 Throckmorton Street, Fort Worth, Texas 76102, Attention: Jesus Chapa, Director. For additional information please call Kate Scott-Ward, Planner, at (817) 392-7563 or by email address Kate.Scott-Ward@fortworthgov.org.

**CIUDAD DE FORT WORTH
AVISO DE JUNTA PUBLICA CON REVISION
CON RESPECTO AL
EL PLAN CONSOLIDADO de 2010-2013
PARA LA PLANIFICACION DE FONDOS FEDERALES BAJO LOS PROGRAMAS SIGUIENTES:
PROGRAMA DE SUBSIDIOS GLOBALES PARA EL DESARROLLO COMUNITARIO (CDBG)
PROGRAMA DE ASOCIACION PARA INVERSIONES EN VIVIENDA HOME (HOME)
SUBSIDIOS PARA REFUGIOS DE EMERGENCIA - ASISTENCIA PARA PERSONAS SIN HOGAR (ESG)
PROGRAMA DE OPORTUNIDADES DE VIVIENDA PARA PERSONAS CON SIDA (HOPWA)**

Cada tres-cinco años la Ciudad de Fort Worth debe someterse a un Plan Consolidado a el Departamento de Vivienda y Desarrollo Urbano de EE.UU. (HUD) para recibir fondos para CDBG, HOME, HOPWA y programas de ESG. El Plan Consolidado es utilizado para promover vivienda razonable y ambientes convenientes de vida para casas con ingresos bajos y moderados. De acuerdo con las regulaciones federales en 24 CFR Parte 91, la Ciudad de Fort Worth estará solicitando comentarios y una revisión pública para el Plan Consolidado de 2010-2013. El Plan resume los objetivos para el desarrollo de vivienda y de la comunidad, los objetivos y las estrategias para dirigir las necesidades de la comunidad especialmente de para hogares de bajos y moderados ingresos. Los temas incluirán: Necesidades de Vivienda, Necesidades para Personas sin Hogar, Pobreza, Estabilización Económica y Estabilización de Vecindades. El anuncio original declaró que la audiencia pública del Consejo de Desarrollo de la Comunidad sería el 10 de Febrero de 2010. Esta fecha ha cambiado al 24 de Febrero de 2010. El público puede ver el documento y someter comentarios en el Plan con asistir a las reuniones públicas listadas abajo.

Se llevaran a cabo cuatro reuniones publicas y una audiencia pública en las siguientes ubicaciones:

Ubicación	Fecha
Riverside Community Center 700 E. Belknap Fort Worth, Texas 76111	El 14 de enero de 2010 - 6:00 p.m.
Baker Building-Texas Wesleyan University 3021 E. Rosedale Fort Worth, TX 76105	El 20 de enero de 2010 - 6:00 p.m.
Greenbriar Community Center 5200 Hemphill Fort Worth, Texas 76106	El 28 de enero de 2010 - 6:00 p.m.
R.D. Evans Community Center 3242 Lackland road Fort Worth, Texas 76116	El 4 de febrero de 2010 - 6:00 p.m.
City Hall, Community Development Council (CDC) Public Hearing 1000 Throckmorton Street Fort Worth, Texas 76102	El 24 de febrero de 2010 (fecha con revision) - 6:30 p.m.

Para más información, los partidos interesados pueden someter comentarios por escrito a City of Fort Worth, Housing and Economic Development Department, 1000 Throckmorton Street, Fort Worth, TX 76102. Atención: Jesus Chapa, Director. Para información adicional, favor de llamar a Kate Scott-Ward, encargada de la planificación, al (817) 392-7563, o por correo electrónico a Kate.Scott-Ward@fortworthgov.org.



**NOTICE OF PUBLIC HEARINGS
AND
REQUEST FOR COMMENT
FROM
ALL INTERESTED CITIZENS AND ORGANIZATIONS IN FORT WORTH

FY 2010-2011 ACTION PLAN
For Use of Grant Funds from
the U.S. Department of Housing and Urban Development (HUD)**

**CITY OF FORT WORTH HOUSING &
ECONOMIC DEVELOPMENT DEPARTMENT
1000 Throckmorton St., Fort Worth, TX 76102**

The City of Fort Worth is requesting public comment regarding the submission of the proposed City of Fort Worth Action Plan for FY 2010-2011. The plan will be submitted to the U.S. Department of Housing and Urban Development (HUD) to meet application requirements for the Community Development Block Grant (CDBG), the Emergency Shelter Grant (ESG), the HOME Investment Partnerships Program (HOME), and the Housing Opportunity for Persons With AIDS (HOPWA) Program. This Action Plan summarizes housing and community development activities proposed and expenditures planned for the above grant funding sources for the upcoming program year, which begins on June 1, 2010 and ends on May 31, 2011.

The total amount of grant funding to be received under the above-described programs for the 2010-2011 Program Year is estimated (based on the previous year's awards) to be \$11,147,713, as shown below. The purpose of these funds is to primarily benefit low and moderate-income families throughout Fort Worth, with ESG and HOPWA grant funds benefiting primarily homeless persons and persons with AIDS respectively. Activities and programs which receive funding during the year must contribute to the attainment of goals outlined in the City's Three-Year Consolidated Plan for the 2010-2013 period which is currently under development and will be published on March 9, 2010. A Draft Action Plan containing a complete listing of how these funds are proposed to be allocated among different priorities and agencies will be available for review on the city's website as of March 9, 2010 through April 8, 2010, or copies of the summary plan can be obtained by calling the City of Fort Worth Housing and Economic Development Department at 817-392-7540 beginning March 9, 2010.

ESTIMATED AMOUNTS OF GRANT FUNDS TO BE AVAILABLE

CDBG	\$6,743,925
HOME	\$3,216,778
ESG	\$294,481
HOPWA	\$892,529
TOTAL	\$11,147,713

PUBLIC HEARINGS AND REQUEST FOR PUBLIC COMMENT

The public is invited to make comments on proposed uses for the above FY 2010-2011 grant funds at the following schedule of public hearings. Members of the public may also examine, obtain copies or make comments on the Draft Action Plan at the above address from 8:30 am to 5:00 pm, Monday thru Friday, beginning March 9, 2010 to April 8, 2010. To obtain more information or submit comments, please call Sherie Goin, Community Development Coordinator, at (817) 392-7545 or Cynthia Garcia, Assistant Director, at 817-392-8187, or email questions or comments to sherie.goin@fortworthgov.org or cynthia.garcia@fortworthgov.org.

LOCATION	DATE
Community Development Council (CDC) Public Hearing Pre-Council Chambers, City Hall 1000 Throckmorton Street, Fort Worth, Texas 76102	February 24, 2010 - 6:00 p.m.
City Council Chamber, City Hall 1000 Throckmorton Street, Fort Worth, Texas 76102	April 6, 2010 - 7:00 p.m.
City Council Chamber, City Hall 1000 Throckmorton Street, Fort Worth, Texas 76102	April 13, 2010 - 7:00 p.m.

AMENDMENTS TO THE CITY OF FORT WORTH FY 2010 ACTION PLAN

The City of Fort Worth shall amend its Action Plan whenever the scope of an activity proposed in the Action Plan and funded through the above funds has changed significantly. A substantial change in the scope of a project would include any changes relating to the purpose, location, or beneficiaries of the activity. The definition of "Substantial Change" is outlined in the current version of the City's Consolidated Plan. Prior to the submission of an amendment to the U.S. Department of Housing and Urban Development: 1) the proposed changes will be approved by the City Council, and 2) citizens will be given reasonable notice of, and opportunity to comment on, such proposed changes in use of funds.

Asistencia En Español: para que le interpreten la solicitud en Español, llame al (817) 392-7319.

**AVISO DE AUDICIONES PUBLICAS
Y
PETICIÓN PARA COMENTARIO PÚBLICO
A TODAS LAS PERSONAS INTERESADAS Y ORGANIZACIONES EN
FORT WORTH

CON RESPECTO AL
PLAN DE ACCIÓN ANUAL del 2010-2011
PARA EL USO DE FONDOS FEDERALES DEL
DEPARTAMENTO DE VIVIENDA Y DESARROLLO URBANO DE EE.UU. (HUD)**

**CIUDAD DE FORT WORTH
DEPARTAMENTO DE VIVIENDA Y DESARROLLO ECONÓMICO
1000 Throckmorton St., Fort Worth, TX 76102**

La Ciudad de Fort Worth esta solicita comentarios publicos con respecto a la sumisión de la propuesta sobre El Plan de Acción Anual 2010-2011 de la Ciudad de Fort Worth. El plan será sometido a el Departamento de Vivienda y Desarrollo Urbano de EE.UU. (HUD) para cumplir los requisitos para el Programa de Subsidios Globales para el Desarrollo Comunitario (CDBG), Programa de Asociación para Inversiones en Vivienda HOME (HOME), Subsidios para Refugios de Emergencia - Asistencia para Personas sin Hogar (ESG), y el Programa de Oportunidades de Vivienda para Personas con SIDA (HOPWA). Este Plan de Acción resume las actividades de vivienda y de desarrollo para la comunidad propuestas. También identifica los gastos planeados con las becas para el año próximo, que empieza el 1 de junio de 2010 y los fines en el 31 de mayo de 2011.

La cantidad total de financiación de beca para ser recibida bajo estos programas en el año del programa 2010-2011 en estimado (basado en la beca del año anterior) a ser \$11,147,713, como mostrado abajo. El propósito de estos fondos es para beneficiar a personas y a áreas de la ciudad de bajos y moderados recursos. Los fondos de la beca de ESG beneficiaran a personas sin hogar y los fondos de la beca de HOPWA beneficiaran a individuos afectados con el SIDA (HIV/AIDS). Las actividades y/o los programas que reciben financiación durante el año deben contribuir al logro de objetivos resumidos en el Plan Consolidado de 2010-2013 que actualmente esta bajo desarrollo y será publicado el 9 de marzo de 2010. Una copia de el Plan de Acción Anual que contiene una lista completa de como estos fondos son propuestos y como serán asignados entre prioridades y agencias diferentes se puede ver desde el 9 de marzo de 2010 hasta el 8 de abril de 2010, o las copias se pueden obtener llamando a la Ciudad de Fort Worth a el Departamento de Vivienda y Desarrollo Económico, al 817-392-7540 empezando el 9 de marzo de 2010.

CANTIDAD ESTIMADA DE FONDOS PARA LOS PROYECTOS EN CADA PROGRAMA

CDBG	\$6,743,925
HOME	\$3,216,778
ESG	\$294,481
HOPWA	\$892,529
TOTAL	\$11,147,713

AUDENCIA PUBLICA Y PETICIÓN PARA COMENTARIO PÚBLICO

El público esta invitado a hacer comentarios en los propuestos usos para los fondos del año 2010-2011 en las siguientes audiciones publicas. Los ciudadanos también pueden examinar y obtener copias o hacer comentarios sobre el Plan de Acción en la dirección arriba de las 8:30 a.m. a las 5:00 p.m., del lunes hasta el viernes, empezando el 9 de marzo de 2010 a el 8 de abril de 2010. Para obtener más información o someter comentarios, por favor llame a Sherie Goin, Coordinador de Desarrollo de Comunidad, al (817) 392-7545 o con Cynthia Garcia, Director Asistente, al 817-392-8187, o por correo electrónico con preguntas o comentarios a sherie.goin@fortworthgov.org o cynthia.garcia@fortworthgov.org.

UBICACIÓN	FECHA
Concilio de Desarrollo de la Comunidad (CDC) Audición Pública Pre-Council Chambers, City Hall 1000 Throckmorton Street, Fort Worth, Texas 76102	El 24 de febrero de 2010 - 6:00 p.m.
City Council Chamber, City Hall 1000 Throckmorton Street, Fort Worth, Texas 76102	El 6 de abril de 2010 - 7:00 p.m.
City Council Chamber, City Hall 1000 Throckmorton Street, Fort Worth, Texas 76102	El 13 de abril de 2010 - 7:00 p.m.

AMENDMENTS TO THE CITY OF FORT WORTH FY 2010 ACTION PLAN

La Ciudad de Fort Worth entenderá su Plan de Acción siempre que las actividades propuestas financiadas por los fondos mencionados arriba en el Plan de Acción han cambiado significativamente. Un cambio substancial en un proyecto incluiría cualquier cambio que se relaciona con el propósito, la ubicación, o a los beneficiarios de la actividad. La definición de "Cambio Substantial" esta disponible en la versión actual del Plan Consolidado de la Ciudad. Antes de la sumisión de una enmienda al Departamento de Vivienda y Desarrollo Urbano de EE.UU.: 1) los cambios propuestos serán aprobados por el Consejo Municipal, y 2) ciudadanos serán dados nota razonable de, y la oportunidad de hacer comentarios acerca de, los cambios propuestos en el uso de fondos.

Presumen la pelea por el título mundial entre Pacquiao y Clottey en el Cowboys Stadium

NOTICIA

MÉXICO — La pelea entre el filipino Manny Pacquiao y Joshua Clottey por el título mundial wéber de la OMBI se jugará el próximo 12 de marzo en el Cowboys Stadium, anunció el promotor Bob Arum.

El presidente de la empresa Top Rank anunció el anuncio de la pelea denominada "El Evento" con la presencia de Jerry Jones, dueño de los Cowboys de Dallas, el promotor Freddie Roach y José Sulaimán, Ciudad del Comercio Mundial de Nueva York.

"No es posible estar de acuerdo en la ciudad de México para anunciar el combate entre Pacquiao, el mejor y más popular boxeador del mundo y del último campeón Clottey, quien siempre ha perdido por nocaut", declaró Arum.

El promotor británico mencionó que se decidió ubicar al Cowboys Stadium, casa de los Cowboys de la Liga Nacional de Fútbol Americano (NFL), que para un costo de mil 200 millones de dólares y que fue inaugurado en septiembre pasado.

"Clottey es más fuerte y grande que Pacquiao y no ha perdido por nocaut, por lo que será una gran pelea que atraiga los af-

icionados. Manny es el boxeador de la década y siempre uno en el mundo, por lo que tendremos a los mejores", afirmó Arum.

El magnate Jerry Jones, dueño del equipo, anunció por su parte que es un gran momento para una batalla de grandes peleadores, "conoce Pacquiao y es un campeón mundial en el nuevo estadio de los Cowboys", dijo.

Destacó que Cowboys es el equipo más visto por los aficionados en la NFL, y será oportuno de una gran pelea que le dará a conocer a estos países del mundo por la señal de televisión en Pago Por Evento.

José Sulaimán destacó en su oportunidad que Manny Pacquiao es el mejor boxeador del OMBI y demostrará su capacidad ante Clottey.

En la conferencia estuvieron los protagonistas de la pelea mundial, el ex campeón ligero OMBI, el mexicano José Luis Castillo, y Alfonso Gómez, quienes celebraron a 10 rounds en peso wéber.



De izquierda a derecha: José Sulaimán, Jerry Jones y Bob Arum durante la conferencia donde se dieron detalles de la función de boxeo del próximo 12 de marzo en el Cowboys Stadium.

Alfonso Gómez dijo que la promoción Top Rank le da la oportunidad de demostrar su capacidad, "trabaja en la semifinal

de una negociación internacional y espero dar una gran pelea a un nivel de experiencia como Clottey".

En la reunión en el estadio hotel de Pases de la familia estadounidense Mario Van Román y Freddie Roach, también se

de TV Azteca y el boxeador cubano Máximo Mártinez, informó al vicepresidente presidente del comité organizador.

FORT WORTH

NOTICE OF PUBLIC HEARINGS AND REQUEST FOR COMMENT FROM ALL INTERESTED CITIZENS AND ORGANIZATIONS IN FORT WORTH

FE 2010-2011 ACTION PLAN

The City of Fort Worth is holding public hearings on the proposed City of Fort Worth 2010-2011 Action Plan. The plan is available for review at the City of Fort Worth, 200 North Main Street, Fort Worth, TX 76102. The plan is available for review at the City of Fort Worth, 200 North Main Street, Fort Worth, TX 76102. The plan is available for review at the City of Fort Worth, 200 North Main Street, Fort Worth, TX 76102.

ESTIMATED AMOUNTS OF GRANT FUNDS TO BE AVAILABLE

Category	2010-2011	2011-2012
Capital Construction	\$10,000,000	\$10,000,000
Community Development	\$5,000,000	\$5,000,000
Public Safety	\$3,000,000	\$3,000,000
Transportation	\$2,000,000	\$2,000,000
Other	\$1,000,000	\$1,000,000

PUBLIC HEARINGS AND REQUEST FOR COMMENT

The public hearing will be held on the following dates and times:

Date	Time	Location
February 27, 2012	6:00 PM - 8:00 PM	City of Fort Worth, 200 North Main Street, Fort Worth, TX 76102
March 6, 2012	6:00 PM - 8:00 PM	City of Fort Worth, 200 North Main Street, Fort Worth, TX 76102

AMENDMENTS TO THE CITY OF FORT WORTH FE 2010-2011 ACTION PLAN

The City of Fort Worth is holding public hearings on the proposed City of Fort Worth 2010-2011 Action Plan. The plan is available for review at the City of Fort Worth, 200 North Main Street, Fort Worth, TX 76102. The plan is available for review at the City of Fort Worth, 200 North Main Street, Fort Worth, TX 76102. The plan is available for review at the City of Fort Worth, 200 North Main Street, Fort Worth, TX 76102.

FORT WORTH

AVISO DE AUDIENCIAS PÚBLICAS Y PETICIÓN PARA COMENTARIOS PÚBLICOS A TÍTULO DE LAS PRINCIPALES INTERSECCIONES PÚBLICAS EN FORT WORTH

CON RESPECTO AL PLAN DE ACCIÓN ANUAL DE 2010-2011 PARA EL SECTOR DE FORT WORTH

DEPARTAMENTO DE VIVIENDA Y DESARROLLO URBANO DE FORT WORTH

Ciudad de Fort Worth

DEPARTAMENTO DE VIVIENDA Y DESARROLLO URBANO

1909 Throckmorton St., Fort Worth, TX 76102

El objetivo de este aviso es proporcionar información sobre el plan de acción anual de 2010-2011 de la Ciudad de Fort Worth. El plan de acción anual de 2010-2011 de la Ciudad de Fort Worth es un documento que describe los programas y proyectos que la Ciudad de Fort Worth planea implementar durante el año 2010-2011. El plan de acción anual de 2010-2011 de la Ciudad de Fort Worth es un documento que describe los programas y proyectos que la Ciudad de Fort Worth planea implementar durante el año 2010-2011. El plan de acción anual de 2010-2011 de la Ciudad de Fort Worth es un documento que describe los programas y proyectos que la Ciudad de Fort Worth planea implementar durante el año 2010-2011.

CANTERAS PÚBLICAS DE FORT WORTH PARA LAS PROYECCIONES EN CADA PROGRAMA

Programa	Fecha	Hora	Lugar
Capital Construction	27 de febrero de 2012	6:00 PM - 8:00 PM	City of Fort Worth, 200 North Main Street, Fort Worth, TX 76102
Community Development	6 de marzo de 2012	6:00 PM - 8:00 PM	City of Fort Worth, 200 North Main Street, Fort Worth, TX 76102

AGENCIA PÚBLICA Y PETICIÓN PARA COMENTARIOS PÚBLICOS

El objetivo de este aviso es proporcionar información sobre el plan de acción anual de 2010-2011 de la Ciudad de Fort Worth. El plan de acción anual de 2010-2011 de la Ciudad de Fort Worth es un documento que describe los programas y proyectos que la Ciudad de Fort Worth planea implementar durante el año 2010-2011. El plan de acción anual de 2010-2011 de la Ciudad de Fort Worth es un documento que describe los programas y proyectos que la Ciudad de Fort Worth planea implementar durante el año 2010-2011. El plan de acción anual de 2010-2011 de la Ciudad de Fort Worth es un documento que describe los programas y proyectos que la Ciudad de Fort Worth planea implementar durante el año 2010-2011.

AMENDMENTS TO THE CITY OF FORT WORTH FE 2010-2011 ACTION PLAN

The City of Fort Worth is holding public hearings on the proposed City of Fort Worth 2010-2011 Action Plan. The plan is available for review at the City of Fort Worth, 200 North Main Street, Fort Worth, TX 76102. The plan is available for review at the City of Fort Worth, 200 North Main Street, Fort Worth, TX 76102. The plan is available for review at the City of Fort Worth, 200 North Main Street, Fort Worth, TX 76102.

Regresa Nájera a titularidad en Dallas

El retorno del de Chihuahua sucede luego de varios años.

POR DIEGO MARTÍNEZ AGUIAR NOTICIAS

MÉXICO, DF — El mexicano Eduardo Nájera regresó, luego de varios años, a la titularidad de los Mavericks.

El coach Rick Carlisle le dio oportunidad al chihuahuense de regresar con Dallas en el juego donde derrotaron a los Heat de Miami por 106-96 a Golden State, Atlanta, anotando como center en la cancha de Erick Dampier.

Lo's finalizó con 3 tiros promediados, sin puntos, realizó 14 minutos.

La última vez que Nájera de 33 años, salió como titular con los Mavericks fue el 22 de marzo de 2004, cuando Dallas venció a los Lakers de Los Angeles y al día siguiente, anotando 28 años, luego de haber jugado 2 puntos, 7 rebotes y 4 faltas personalizadas.

El debut en la NBA del jugador de México fue como titular con Dallas ante los Bucks de Milwaukee en la temporada 2004-2005, cuando anotó 30 puntos, 4 rebotes y 2 faltas.

El récord de Nájera de anotaciones en un partido en la NBA es de 22 en la temporada 2004-2005.

Calendario

Martes 6
St. Ignace, Dallas, Texas

Miércoles 7
St. Ignace, Dallas, Texas

Jueves 8
St. Ignace, Dallas, Texas

Viernes 9
St. Ignace, Dallas, Texas

Sábado 10
St. Ignace, Dallas, Texas

Domingo 11
St. Ignace, Dallas, Texas

RESTAURANTE VINO Y CERVEZA

LA COMER EN MOE'S!

Compra Recetas GRATIS

175-823-3498

AVISO LEGAL

Estos resultados de la Sorteados de la Lotería de Texas se darán a conocer:

Sorteo	Nombre del Juego / Probabilidades	1	2	3	4	5
1182	Lottery Texas - Probabilidades son de 1 en 3.87	\$0	270218	363718		
1183	Merry Millions - Probabilidades son de 1 en 3.04	\$00	1362710	1038710		
1190	Merry Millions - Probabilidades son de 1 en 4.83	\$0	1952710	1038710		
1205	Big Payoff - Probabilidades son de 1 en 3.08	\$10	21952710	2038710		
1194	Quick Pick Lottery - Probabilidades son de 1 en 3.48	\$0	2702710	2038710		
1362	Shifty Seven - Probabilidades son de 1 en 4.40	\$0	3637710	2038710		
1182	Cash Kings - Probabilidades son de 1 en 4.80	\$0	3638710	2038710		
1218	5-11-21 - Probabilidades son de 1 en 4.77	\$0	3704710	0470710		
1182	What's Your Number? - Probabilidades son de 1 en 4.30	\$0	3704710	0470710		
1188	Summer Spectacular - Probabilidades son de 1 en 5.30	\$10	3704710	0470710		
1178	Toto 5 - Probabilidades son de 1 en 3.88	\$0	3704710	0470710		
1178	Shoreline 5 Cash - Probabilidades son de 1 en 4.75	\$2	3704710	0470710		
1183	Merry Two - Probabilidades son de 1 en 4.36	\$0	3704710	0470710		
1188	Super Blackjack - Probabilidades son de 1 en 4.36	\$0	3704710	0470710		

TEXAS LOTTERY

Para detalles de las probabilidades de los juegos y más información, visite www.texaslottery.com o llame al 1-800-875-2770. Dadas las reglas de 18 años como mínimo de edad. La Lotería de Texas garantiza la integridad de sus sorteos. El 2010 Texas Lottery Commission. Todos los derechos reservados.

Attachment D: Public Hearings Presentations

February 24, 2010 Community Development Committee
Minutes

April 6, 2010 Public Hearing

April 13, 2010 Public Hearing

**CITY OF FORT WORTH, TEXAS
COMMUNITY DEVELOPMENT COUNCIL
February 24, 2010**

PRESENT

Main, Patrick
Butcher, Harry
Brennan, Mike
Pena, Robert
Harris-Allen Juna
Rice Jr., Mason

ABSENT

McFadden, Venita
Hall, Jason
Ayala, Teresa

STAFF

Chapa, Jay
Garcia, Cynthia
Guzman, Leann
Asbury, Barbara
Folden, Mark
Goin, Sherie
Garza, Dolores
Rodriguez, James
Hurt, Charletra
Chaisson, Avis
Garza, Dolores
Ward, Kate Scott-
Rhodes, Andrew
Sanders, Mattie

I. CALL TO ORDER

With a quorum present, Chair Patrick Main called the meeting to order at 6:15 p.m. for the Community Development Council. Mr. Main called for a brief intermission and then called the meeting back in session at 6:30 p.m. on Wednesday February 24, 2010 in the Pre-Council Chamber of the Fort Worth Municipal Building, 1000 Throckmorton, Fort Worth, Texas.

II. APPROVAL OF MINUTES FROM PREVIOUS MEETINGS

The minutes for February 10, 2010 meeting were provided to the CDC membership. Harry Butcher made a motion to postpone the minutes until the March 10th CDC meeting and it was seconded by Robert Pena. The motion passed unanimously.

III. REPORT OF THE CHAIR

Mr. Main stated that we will discuss the handout requested by Harry Butcher on Woodhaven Area After School Enrichment Grant during the Staff Report portion of the meeting. Comments from Mental Health Mental Retardation of Tarrant County (MHMR) were moved to the Public Hearing section of the meeting.

IV. PUBLIC HEARING

Mr. Main opened the public hearing on the City of Fort Worth's Drafted Consolidated Plan for 2010-2013 for Department of Housing and Urban Development. Kate Scott-Ward, Planner, presented the Consolidated Plan for 2010-2013. Mr. Main made everyone aware of the submission of comments letter from Dan Gadbury, Project Manager for MR/IDD Community Outreach/MHMR of Tarrant County and Paratrasit Education and Advocacy Collaborative – PEAC since he was unable to attend this meeting. Harry Butcher asked what "Eliminating Blighting Influences" is. Ms. Scott-Ward explained that an example of how the City "eliminates blighting influences" is by demolition/clearance of unoccupied properties that are deteriorating or in substandard condition. One of the City's strategies is to eliminate these types of sites and use them to create affordable housing or bring in new businesses. Ms. Scott-Ward continued with the presentation. After the presentation Mr. Main asked for public comments. There were none.

Mr. Main closed the public hearing for the drafted Consolidated Plan for 2010-2013 and opened the public hearing for the drafted Action Plan 2010-2011. There were none. Mr. Main asked for the staff reports.

V. STAFF REPORT

Jay Chapa, the Director for Housing & Economic Development Department, presented the Recommended Action Plan Allocations for 2010-2011. Mr. Main asked where program income would come from. Mr. Chapa explained that it typically comes from repaid loans that the City has awarded to developers. Mike Brennan asked if the CDBG Project for Diamond Hill 21 homes will be constructed by the City of Fort Worth. Mr. Chapa responded and stated that the City will probably allow home builders to buy the properties and build them. Because there would be Federal dollars in the infrastructure and the demolition to make the homes affordable, the homes would have to be sold to income-eligible persons. Mr. Brennan asked do we have control over what the houses will look like. Mr. Chapa said yes. Mr. Brennan asked if there will be certain design standards in districts based on the Neighborhood Associations and Historical Districts. Mr. Chapa stated that in some of the districts the Council members and Neighborhood Associations are okay with the existing designs that are already in some districts. Mr. Chapa asked if there are any other questions. There were none.

Mr. Main asked the members to take out the handout for the Woodhaven Area After School Enrichment Grant. Ms. Barbara Asbury, Grants Manager, Compliance Division went over the report with the members. She opened up for questions. Mr. Butcher asked if the program receives any other funding. Ms. Asbury stated that there is a ratio that the City of Fort Worth uses to determine the amount of money allocated to the Parks Dept and they are not privately funded; they are funded through the City of Fort Worth General Funds. Ms. Asbury answered Mr. Butcher's questions about audits received. Ms. Asbury stated that the Housing & Economic Development

conducts a monitoring visit for all agencies, however, the City's Internal Audit Department conducts a risk analysis and audits a sampling of agencies based on that analysis.

Mr. Main asked for the discussion of the Proposed Allocations for Action Plan 2010-2011.

VI. DISCUSSION/DECISION ITEM – PROPOSED ALLOCATIONS FOR ACTION PLAN 2010-2011

Charletra Hurt, Senior Contract Compliance Specialist, Compliance Division, presented the Proposed Allocations for Action Plan 2010-2011. Mr. Main asked if any one had any different recommendations since the last CDC meeting. Mr. Main asked for a motion to adopt the staff recommendations. Mr. Butcher made a motion to adopt the staff recommendations and the motion was seconded by Mr. Pena. The motion passed unanimously.

Mr. Main asked for the Status of CHDO Allocations and Recommendations.

VII. STATUS OF CHDO ALLOCATIONS AND RECOMMENDATIONS

Cynthia Garcia, Assistant Director of the Housing & Economic Development Department, presented the Status of CHDO Allocations and Recommendations. There were no questions or comments.

VIII. FUTURE AGENDA ITEMS

Mr. Main asked if there were any other future agenda items. The next meeting will be March 10, 2010 at 6:00 p.m. There were no future items to be added for next CDC meeting.

IX. ADJOURNMENT

Mr. Main asked for a motion to adjourn. Mr. Butcher made the motion and Mr. Pena seconded the motion. The Community Development Council meeting was adjourned at 7:15 p.m. on Wednesday, February 24, 2010.

Signature of Secretary or Chair for approval of minutes

Good Evening Mayor and Members of the City Council

My name is Dolores Garza, Community Development Coordinator in the Housing and Economic Development Department.

The purpose of this hearing is to receive public comment regarding the proposed Action Plan for use of federal grant funds from the U.S. Department of Housing & Urban Development also known as HUD for the 2010-2011 program year.

This evening on your agenda is M&C G-16884 regarding the Approval of the City's 2010-2011 Action Plan for use of federal grant funds totaling \$11,347,713. The grant funds under consideration in this public hearing, and budgeted through this Action Plan, are the Community Development Block Grant (known as CDBG), the HOME

Investment Partnerships Program (known as HOME), the Emergency Shelter Grant (known as ESG), and the Housing Opportunities for Persons with AIDS Program (also called HOPWA).

The funding for the 2010-2011 program year will begin on June 1, 2010 and end on May 31, 2011. Therefore,

- In accordance with HUD regulations, a 30-day public comment period is being held from March 9 to April 8, 2010 regarding the proposed use of these funds for this Action Plan, and notice of this hearing was made public as required by applicable law.

- Staff recommends that following any public comments received this evening, this public hearing be closed and

M&C G-16884 be continued until next week on April 13, 2010 where a second public hearing will be conducted prior to Council taking formal action on the M&C and the attached ordinance. Thank you.

Good Evening Mayor and Members of the City Council

My name is Dolores Garza, Community Development Coordinator in the Housing and Economic Development Department.

The purpose of this hearing is to receive public comment regarding the proposed Action Plan for use of federal grant funds from the U.S. Department of Housing & Urban Development also known as HUD for the 2010-2011 program year.

This evening on your agenda is M&C G-16884 regarding the Approval of the City's 2010-2011 Action Plan for use of federal grant funds totaling \$11,347,713. The grant funds under consideration in this public hearing, and budgeted through this Action Plan, are the Community

Development Block Grant (known as CDBG), the HOME Investment Partnerships Program (known as HOME), the Emergency Shelter Grant (known as ESG), and the Housing Opportunities for Persons with AIDS Program (also called HOPWA).

The funding for the 2010-2011 program year will begin on June 1, 2010 and end on May 31, 2011. Therefore,

- In accordance with HUD regulations, a 30-day public comment period was held from March 9 to April 8, 2010 regarding the proposed use of these funds for this Action Plan, and notice of this hearing was made public as required by applicable law.

- Staff recommends that following any public comments received this evening, this public hearing be closed and Council approve M&C G-16884 and the attached ordinance. Thank you.

Attachment E: Outcome Performance Measurements

Outcome Performance Measurements – Consolidated Plan 2010-2013							
Summary Objectives, Strategies and Goals							
Strategy	Goal	Sources of Funds	Performance Indicators	Year	Expected Number	Actual	Percent
					All Programs	Number	Completed
Objective 1: Decent Housing							
Strategy 1: Enhance Local Capacity to Address Affordable Housing Needs of Low-Income and Moderate-Income Households by Development Partnerships	Goal 1: Increase Supply of Rental Housing	HOME	Number of New Affordable Rental Units	2010	15		
				2011	15		
				2012	15		
				3 year goal	45		
	Goal 2: Increase Homeownership through Housing Counseling	FHWA, HUD Counseling Grant, CDBG	Number of counseling clients purchasing a home	2010	100		
				2011	100		
				2012	100		
				3 year goal	300		
	Goal 3: Increase homeownership by constructing and/or providing funding for construction of single family infill housing.	CDBG, HOME	Number of new affordable owner units produced	2010	0		
				2011	6		
				2012	15		
				3 year goal	21		
	Goal 4: Increase affordability of homeownership by providing closing cost and down payment assistance	HOME	Number of homeownership assistance units	2010	80		
2011				80			
2012				80			
3 year goal				240			
Strategy 2: Preserve, improve and expand the affordable housing supply for special need populations (non-homeless), specifically those of elderly, mentally and physically disabled and those persons affected with HIV/AIDS.	Goal 1: Sustain quality of homeowner units through emergency, weatherization, and exterior paint.	CDBG, HOME, HUD, TCHCA, Weatherization Grant	Number of owner units receiving repairs	2010	700		
				2011	700		
				2012	492		
				3 year goal	1892		
	Goal 2: Sustain quality of homeowner units through major and minor rehabilitation and pilot Roof Program	HOME, CDBG	Number of owner units receiving Major Repairs	2010	63		
				2011	63		
2012				63			
3 year goal				189			

Outcome Performance Measurements – Consolidated Plan 2010-2013							
Summary Objectives, Strategies and Goals							
Strategy	Goal	Sources of Funds	Performance Indicators	Year	Expected Number	Actual Number	Percent Completed
					All Programs		
Objective 1: Decent Housing cont.							
Strategy 3: Meet the Needs of Homeless Persons	Goal 1: Provide rental assistance payments for persons with HIV/AIDS.	HOPWA	Number of households with HIV/AIDS receiving rental assistance	2010	102		
				2011	102		
				2012	102		
				3 year goal	306		
	Goal 2: Maintain emergency shelter beds.	ESG	Number of emergency shelter beds maintained.	2010	699		
				2011	699		
				2012	699		
				3 year goal	2097		
	Goal 3: Fund at least one direct homeless prevention service program per year.	ESG, CDBG	Number of households benefiting from direct homeless prevention services.	2010	40		
				2011	40		
				2012	40		
				3 year goal	120		

Outcome Performance Measurements – Consolidated Plan 2010-2013							
Summary Objectives, Strategies and Goals							
Strategy	Goal	Sources of Funds	Performance Indicators	Year	Expected Number	Actual Number	Percent Completed
					All Programs		
Objective 2: A Stable Living Environment							
Strategy 1: Meet the social service needs of low-income residents.	Goal 1: Provide public services to youth.	CDBG	Number of low to moderate income persons served	2010	1042		
				2011	1042		
				2012	1042		
				3 year goal	3126		
	Goal 2: Provide public services to the elderly.	CDBG	Number of low to moderate income persons served.	2010	475		
				2011	475		
				2012	475		
				3 year goal	1425		
	Goal 3: Provide public services to special need citizens, including disabled person and limited English proficient persons.	CDBG	Number of low to moderate income persons served.	2010	6500		
				2011	6500		
				2012	6500		
				3 year goal	19500		
Strategy 2: Encourage revitalization of low-income neighborhood commercial areas through support for economic development efforts that create and/or retain jobs.	Goal 1: Provide projects in low to moderate income neighborhoods for lighting, sidewalks, signage, and other infrastructure improvement projects.	CDBG	Number of low to moderate income person served.	2010	2000		
				2011	2000		
				2012	2000		
				3 year goal	6000		

Outcome Performance Measurements – Consolidated Plan 2010-2013							
Summary Objectives, Strategies and Goals							
Strategy	Goal	Sources of Funds	Performance Indicators	Year	Expected Number	Actual Number	Percent Completed
					All Programs		
Objective 3: Expanded Economic Opportunities							
Strategy 1: Promote gap financing and other financial assistance to provide economic development activities.	Goal 1: Provide subsidized childcare to give parents opportunity to access education, job training, placement services, and employment.	CDBG	Number of children in low to moderate income families provided subsidized childcare.	2010	660		
				2011	660		
				2012	660		
				3 year goal	1980		

**Housing and Economic Development Department
Consolidated Plan Listing of Projects
Project Profile**

Recipient		Project Title	
AB Christian Learning Center		Stop 6 Community Go Center	
Address			
5009 Brentwood Stair Rd, #101 Fort Worth, Texas 76112			
Key Contact/Phone/E-Mail		Total Project Budget	
Loretta Burns	817-457-3911	\$20,000.00	
Lburns@abchrist.org			
Description			
<p>AB Christian Learning Center operates the Community GO Center at the Stop Six Church of Christ located at 4500 E. Berry Street, Fort Worth, Texas 76105. Although, the GO Center is physically located at a Church of Christ site, there are no inherent religious activities associated with the GO Center and the GO Center is not operated while religious worship services are conducted. The Go Center strives to serve high school students attending Dunbar High School (5700 Ramey Ave, 76112), Polytechnic High School (1300 Conner Ave, 76105) , OD Wyatt High School (2400 E. Seminary Drive 76119) , and Eastern Hills High School (5701 Shelton Street 76112). Math and reading workshops are held three times per week with each session lasting 3 hours while serving an estimated 25 students per session. College financial aid workshops will be held twice per year with each session lasting 3 hours per session with an expected attendance of 40 students and/or parent/guardians. A gender segregated, six hour long teen forum will be held once per year. Tutoring and GO Center Post Secondary Readiness programs are held during the school year or approximately 35 weeks is available. The CDBG funds will partially pay for staff salaries to mentor and provide college application assistance.</p>			
Objective Category:		1 Create suitable living environments	
Outcome Category:		3 Sustainability	
Performance Indicators:			
Number of persons assisted with:			
Improved access to service or benefit			
Objective Number	Project ID Number	Grant Number	B-10-MC-48-0010
HUD Matrix Code	CDBG Regulation Citation	National Objective Citation	570.208(a)(2)
05D Public Service Youth	570.201(e)		
Type of Recipient	National Objective	Funding Sources*	
Non-Profit	Low Moderate Income Client (LMC)		
Compliance Period	Proposed Accomplishments	CDBG Public Service	\$20,000.00
June 1, 2010 to May 31, 2011	300 youth	CDBG General	
Start Date	Completion Date	ESG	
06/01/2010	05/31/2011	HOME	
Census Tract/Block Group	% LOW MODERATE (L\M)	Other Funding	
		Total	\$20,000.00

**Housing and Economic Development Department
Consolidated Plan Listing of Projects
Project Profile**

Recipient		Project Title	
Boys & Girls Clubs of Greater Fort Worth		Estrellas	
Address			
3218 E Belknap Street Fort Worth, Texas 76111			
Key Contact/Phone/E-Mail		Total Project Budget	
Daphne Barlow	817-834-4711	\$14,400.00	
bbarlow@fortworthkids.org			
Description			
<p>The program is located at 2000 Ellis, Fort Worth, Texas 76106. The CDBG funds will provide children ages 6 to 18 residing in and near the Northside areas of Fort Worth with educational, cultural and prevention programs and activities that will create an atmosphere conducive to positive development for disadvantaged youth. It also serves as a multi-purpose center for area residents. Census tract/block groups served area: 1009.001, 1009.002, 1009.003, 1005.027, 1003.005, 1004.001, 1004.002, 1004.003, 1004.004, 1004.005, 1004.006, 1008.001, 1008.012, 1008.013, 1008.014, 1008.005, 1008.006, 1002.025, and 1011.001. CDBG funds will pay for a portion of personnel services.</p>			
Objective Category	1 Create suitable living environments		
Outcome Category	3 Sustainability		
Performance Indicators			
Number of person assisted with:			
Improved access to services or benefit			
Objective Number	Project ID Number		
		Grant Number	B-10-MC-48-0010
HUD Matrix Code	CDBG Regulation Citation	National Objective Citation	24 CFR 570.208(a)(2)
05D Public Service Youth	570.201(e)		
Type of Recipient	National Objective		
Non-Profit	Low Moderate Income Client (LMC)	Funding Sources	
Compliance Period	Proposed Accomplishments	CDBG Public Service	\$14,400.00
June 1, 2010 to May 31, 2011	420 youth	CDBG General	
Start Date	Completion Date	ESG	
06/01/2010	05/31/2011	HOME	
Census Tract/Block Group	% Low Moderate Income	Other Funding	
		Total	\$14,400.00

**Housing and Economic Development Department
Consolidated Plan Listing of Projects
Project Profile**

Recipient		Project Title	
The Cenikor Foundation, Inc		Substance Abuse Treatment	
Address			
2209 South Main Street Fort Worth, Texas 76110			
Key Contact/Phone/E-Mail		Total Project Budget	
Mike Hathcoat	817-921-2771 or 817-301-6981	\$21,000.00	
mhathcoat@cenikor.org			
Description			
The program is located at 2209 South Main Street, Fort Worth, Texas 76110. It is a supportive residential treatment program for 150 Low/Moderate Income clients who have met the DSM-IV-TR substance abuse definition. In this program, recovery plans are developed for the clients of whom many are homeless or come from the criminal justice system. The program is a supportive residential treatment program for Low\Moderate (L\M) clients who have met the DSM-IV-TR substance abuse definition. In this program, recovery plans are developed for the clients of whom many are homeless or come from the criminal justice system. CDBG funds will be used to pay for facility utility bill.			
Objective Category	1 Create suitable living environments		
Outcome Category	1 Availability/accessibility		
Performance Indicators			
Number of person assisted with:			
Improved access to service or benefit			
Objective Number	Project ID Number		
		Grant Number	B-10-MC-48-0010
HUD Matrix Code	CDBG Regulation Citation	National Objective Citation	24 CFR 570.208 (a)(2)
05F Substance Abuse Services	570.201(e)		
Type of Recipient	National Objective	Funding Sources*	
Non-Profit	Low Moderate Income Client (LMC)	CDBG Public Service	\$21,000.00
Compliance Period	Proposed Accomplishments	CDBG General	
June 1, 2010 to May 31, 2011	75 people	ESG	
Start Date	Completion Date	HOME	
06/01/2010	05/31/2011	HOPWA	
Census Tract/Block Group	% Low Moderate Income	Other Funding	
		Total	\$21,000.00

**Housing and Economic Development Department
Consolidated Plan Listing of Projects
Project Profile**

Recipient		Project Title	
Child Care Associates		Child Care	
Address			
3000 East Belknap Fort Worth, Texas 76111			
Key Contact/Phone/E-Mail		Total Project Budget	
Floretta Kelly	817-838-8422	\$117,000.00	
fkelly@childcareassociates.org			
Description			
Funds will provide child care for low income working parents at the following three primary centers, 1) Station 12 is located at 2410 Prospect, Fort Worth, Texas, 76102; 2) North Fort Worth is located at 901 NW 30 th , Fort Worth, Texas, 76107; and 3) Southside Child Care Facilities is located at 959 East Rosedale, Fort Worth, Texas, 76104. The CDBG funds will pay for childcare.			
Objective Category	1 Create suitable living environments		
Outcome Category	2 Affordability		
Performance Indicators			
Number of person assisted with:			
Improved access to services or benefit			
Objective Number	Project ID Number	Grant Number	2009-0017
	2009-0017	Grant Number	B-10-MC-48-0010
HUD Matrix Code	CDBG Regulation Citation	National Objective Citation	24 CFR 570.208 (a) (2)
05L Public Services Child Care Services	570.201(e)		
Type of Recipient	National Objective	Funding Sources*	
Non-Profit	Low Moderate Client (LMC)		
Compliance Period	Proposed Accomplishments	CDBG Public Service	\$117,000.00
June 1, 2010 to May 31, 2011	61 children	CDBG General	
Start Date	Completion Date	ESG	
06/01/2010	05/31/2011	HOME	
Census Tract/Block Group	% Low Moderate	Other Funding	
		Total	\$117,000.00

**Housing and Economic Development Department
Consolidated Plan Listing of Projects
Project Profile**

Recipient		Project Title	
CJ's Studio of Performing Arts		Performing Arts/ Dance Studio	
Address			
500 S. Oakland Blvd Fort Worth, Texas 76103			
Key Contact/Phone/E-Mail		Total Project Budget	
Clara Jones	817-473-4175	\$10,886.00	
clara8790@sbcglobal.net			
Description			
The program employs degreed dance and performing arts instructors who provide instruction at 500 S. Oakland, Fort Worth Texas, in dance, tumbling, and cultural arts classes to Low\Moderate Income families with children ages 3 and up. The CDBG funds will pay for scholarships and teaching aides.			
Objective Category		1 Create suitable living environments	
Outcome Category		3 Sustainability	
Performance Indicators:			
Number of person assisted with:			
Improved access to services or benefit			
Objective Number			
Project ID Number		Grant Number	B-10-MC-48-0010
HUD Matrix Code		CDBG Regulation Citation	National Objective Citation
05D Public Service Youth	570.201(e)		570.208(a)(2)
Type of Recipient		National Objective	
Non-Profit	Low Moderate Income Client (LMC)	Funding Sources*	
Compliance Period		Proposed Accomplishments	CDBG Public Service
June 1, 2010 to May 31, 2011	20 youth	CDBG General	\$10,886.00
Start Date		Completion Date	
06/01/2010	05/31/2011	ESG	
Census Tract/Block Group		% Low Moderate Income	
		Other Funding	
		Total	
		\$10,886.00	

**Housing and Economic Development Department
Consolidated Plan Listing of Projects
Project Profile**

Recipient		Project Title	
Clayton Yes Childcare		Greenbrier Pre-School	
Address			
1215 Country Club Lane Fort Worth, Texas 76112			
Key Contact/Phone/E-Mail		Total Project Budget	
Robert E. Duke, Jr bduke@claytonyes.org		817.923.9888 \$18,000.00	
Description			
The program will provide a full day pre-school program located at the Greenbrier School, 5701 Wedgwood Drive Fort Worth, Texas 76133, for economically disadvantaged children to promote and encourage self-esteem, confidence, interpersonal skills, positive peer group interaction, skill building instruction, and personal safety. The CDBG funds will pay \$7.10 per unit which represents a unit of service to subsidize childcare fees.			
Objective Category			
1 Create suitable living environments			
Outcome Category			
2 Affordability			
Performance Indicators			
Number of person assisted with:			
Improved access to services or benefit			
Objective Number			
Project ID Number		Grant Number	
		B-10-MC-48-0010	
HUD Matrix Code		CDBG Regulation Citation	
05L Public Service Child Care Services		National Objective Citation	
570.201(e)		24 CFR 570.208 (a) (2)	
Type of Recipient			
National Objective		Funding Sources*	
Non-Profit		Low Moderate Income Client (LMC)	
Compliance Period		CDBG Public Service	
June 1, 2010 to May 31, 2011		14 children	
Start Date		Completion Date	
06/01/2010		05/31/2011	
Census Tract/Block Group		% Low Moderate Income	
		Other Funding	
		Total	
		\$18,000.00	

**Housing and Economic Development Department
Consolidated Plan Listing of Projects
Project Profile**

Recipient		Project Title	
Clayton Yes Childcare		School Age Child Care	
Address			
1215 Country Club Lane Fort Worth, Texas 76112			
Key Contact/Phone/E-Mail		Total Project Budget	
Robert E. Duke, Jr.	817-923-9888 and 817-923-9888	\$54,000.00	
bduke@claytonyes.org			
Description			
The program will provide before and after school child care for youth located at two (2) elementary schools. Glen Park Elementary located at 3601 Pecos, Texas 76119 in southeast Fort Worth, and Hubbard Heights, 1333 W. Spurgeon, 76115, located in south central Fort Worth. The CDBG funds will pay to subsidize childcare fees.			
Objective Category	1 Create suitable living environments		
Outcome Category	2 Affordability		
Performance Indicators			
Number of person assisted with:			
Improved access to services or benefit			
Objective Number	Project ID Number	Grant Number	B-10-MC-48-0010
HUD Matrix Code	CDBG Regulation Citation	National Objective Citation	24 CFR 570.208 (a)(2)
05L Public Service Child Care Services	570.201(e)		
Type of Recipient	National Objective	Funding Sources*	
Non-Profit	Low Moderate Income Client (LMC)		
Compliance Period	Proposed Accomplishments	CDBG Public Service	\$54,000.00
June 1, 2010 to May 31, 2011	57 children	CDBG General	
Start Date	Completion Date	ESG	
06/01/2010	05/31/2011	HOME	
Census Tract/Block Group	% Low Moderate Income	Other Funding	
		Total	\$54,000.00

**Housing and Economic Development Department
Consolidated Plan Listing of Projects
Project Profile**

Recipient		Project Title	
Cook Children's Health Care System		Save a Smile	
Address			
801 Seventh Avenue, Fort Worth, Texas 76104			
Key Contact/Phone/E-Mail		Total Project Budget	
Linda S. Chappell, SVP	682-885-1721	\$21,870.00	
Sudeepa Bhattacharva	682-885-1386		
sudeepa.bhattacharra@cookschildren.org			
Description			
The program provides dental screenings, oral health education, initial and follow-up dental appointments to LOW\MODERATE (L\M) public school students. The students will receive an oral health kit containing a toothbrush and other dental hygiene items. Unduplicated clients reported is based on students who receive initial dental appointments. CDBG funds will be allocated to partial salary support for six case aides who provide family case management services and function as the vital link between families and community services and the master social worker who supervises them.			
Objective Category	1 Create suitable living environments		
Outcome Category	3 Sustainability		
Performance Indicators:			
Number of persons assisted with:			
Improved access to service or benefit			
Objective Number	Project ID Number		
		Grant Number	B-10-MC-48-0010
HUD Matrix Code	CDBG Regulation Citation	National Objective Citation	570.208(a)(2)
05D Public Service Youth	570.201(e)		
Type of Recipient	National Objective		
Private for Non-Profit	Low Moderate Income Client (LMC)	Funding Sources*	
Compliance Period	Proposed Accomplishments	CDBG Public Service	\$21,870.00
June 1, 2010 to May 31, 2011	175 youth	CDBG General	
Start Date	Completion Date	ESG	
06/01/2010	05/31/2011	HOME	
Census Tract/Block Group	% Low Moderate Income	Other Funding	
		Total	\$21,870.00

**Housing and Economic Development Department
Consolidated Plan Listing of Projects
Project Profile**

Recipient		Project Title	
Cornerstone Assistance Network		Cornerstone New Life Center	
Address			
1628 Sixth Ave. Fort Worth, Texas 76104			
Key Contact/Phone/E-Mail		Total Project Budget	
Roddy K. Youree, COO	817-810-9941	\$15,297.00	
ryouree@canetwork.org			
Description			
The program takes place at 1628 6 th Avenue, Fort Worth, Texas 76104. CDBG funds will be used to pay for salaries of those who provide case management in support of Section 8 moderate rehab, single room occupancy for rooms for homeless men. Documentation of participants' homelessness situation will be maintained in each client file in order to adequately determine eligibility.			
Objective Category:	1 Create Suitable Living Environment		
Outcome Category	1 Availability/Accessibility		
Performance Indicators:			
Number of persons assisted with:			
Improved access to service or benefit			
Objective Number	Project ID Number	Grant Number	B-10-MC-48-0010
HUD Matrix Code			
05 Public Services General	CDBG Regulation Citation	National Objective Citation	570.208(a)(2)
	570.201(e)		
Type of Recipient			
Non-Profit Organization	National Objective	Funding Sources*	
	Low Moderate Income Client (LMC)	CDBG Public Service	
Compliance Period		CDBG Public Service	\$15,297.00
June 1, 2010 to May 31, 2011	Proposed Accomplishments	ESG	
	25 people	HOME	
Start Date	Completion Date	HOPWA	
06/01/2010	05/31/2011	Other Funding	
Census Tract/Block Group	% Low Moderate Income	Total	\$15,297.00

**Housing and Economic Development Department
Consolidated Plan Listing of Projects
Project Profile**

Recipient		Project Title	
Cultural Center of the Americas		GED/Adult Literacy in Spanish	
Address			
3600 Weber St. Fort Worth, Texas 76106			
Key Contact/Phone/E-Mail		Total Project Budget	
Helen Sides	817-737-2422 or 817-737-2422	\$18,070.00	
helensides@sbcglobal.net			
Description			
The program prepares students to successfully acquire their GED in order to obtain better employment or to be more marketable for future employment opportunities. The program is located at Diamond Hill Jarvis High School 1411 Maydell Street, 76106. The funds will pay for a portion of personnel services, supplies, rent, printing, insurance, and telephone payments.			
Objective Category	1 Create suitable living environments		
Outcome Category	3 Sustainability		
Performance Indicators			
Number of person assisted with:			
Improved access to services or benefit			
Objective Number	Project ID Number	Grant Number	B-10-MC-48-0010
HUD Matrix Code	CDBG Regulation Citation	National Objective Citation	24 CFR 570.208
05H Public Services Employment Training	570.201 (e)		
Type of Recipient	National Objective		
Non-Profit	Low Moderate Income Client (LMC)	Funding Sources*	
Compliance Period	Proposed Accomplishments	CDBG Public Service	\$18,070.00
June 1, 2010 to May 31, 2011	43 people	CDBG General	
Start Date	Completion Date	ESG	
06/01/2010	05/31/2011	HOME	
Census Tract/Block Group	% Low Moderate Income	Other Funding	
		Total	\$18,070.00

**Housing and Economic Development Department
Consolidated Plan Listing of Projects
Project Profile**

Recipient		Project Title	
Day Resource Center for Homeless		Counseling Services	
Address			
2700 Airport Freeway, Suite B Fort Worth, Texas 76111			
Key Contact/Phone/E-Mail		Total Project Budget	
Ronna Huckaby, M.ED, LPC	817-332-6329	\$50,000.00	
R.Huckaby@recoverycouncil.org			
Description			
The program provides homeless males/females with case management services at 2700 Airport Freeway, Suite B, that include registration into the Homeless Management Information System. The case management services along with other services such as ID assistance, MH/MR services and social services. The funds will pay for a portion of case management and client counseling service staff salaries.			
Objective Category:		1 Create suitable living environments	
Objective Category:		3 Sustainability	
Performance Indicators:			
Number of persons assisted with:			
Improved access to service or benefit			
Objective Number	Project ID Number	Grant Number	B-10-MC-48-0010
		National Objective Citation	570.208(a)(2)
HUD Matrix Code	CDBG Regulation Citation		
05 Public Service General	570.201(e)		
Type of Recipient	National Objective		
Non-Profit	LOW MODERATE INCOME CLIENT (LMC)	Funding Sources*	
Compliance Period	Proposed Accomplishments	CDBG Public Service	\$50,000.00
June 1, 2010 to May 31, 2011	300 people	CDBG General	
Start Date	Completion Date	ESG	
06/01/2010	05/31/2011	HOME	
Census Tract/Block Group	% Low Moderate Income	Other Funding	
		Total	\$50,000.00

**Housing and Economic Development Department
Consolidated Plan Listing of Projects
Project Profile**

Recipient		Project Title	
EFW Montessori School, Inc.		Montessori Day Care	
Address			
501 Oakland Blvd Fort Worth, Texas 76103			
Key Contact/Phone/E-Mail		Total Project Budget	
Joyce Brown	817-496-3003	\$20,000.00	
joycebrown12060@aol.com			
Description			
The program is located at 501 Oakland provides access to a Montessori education to Low Moderate (L\M) students. The students will be provided with a multi-cultural setting to stimulate learning. Traditionally, the program's enrollment has more than 90% free and reduced meal participation from zip codes 76103, 76104, 76105 and 76112. The pre-kindergarten students ages 3-4 will attend school 6 hours per day for 5 days per week and the school follows the TEKS (Texas Essential Knowledge and Skills). A portion of personnel salaries, utilities and other contractual services such as custodial and pest services will be paid with CDBG funds.			
Objective Category:		1 Create suitable living environments	
Outcome Category:		3 Sustainability	
Performance Indicators:			
Number of persons assisted with:			
Improved access to service			
Objective Number	Project ID Number	Grant Number	B-10-MC-48-0010
HUD Matrix Code	CDBG Regulation Citation	National Objective Citation	570.208(a)(2)
05L Public Service Child Care Services	570.201(e)		
Type of Recipient	National Objective		
Non-Profit	Low Moderate Income Client (LMC)	Funding Sources*	
Compliance Period	Proposed Accomplishments	CDBG Public Service	\$20,000.00
June 1, 2010 to May 31, 2011	43 children	CDBG General	
Start Date	Completion Date	ESG	
06/01/2010	05/31/2011	HOME	
Census Tract/Block Group	% Low/Moderate Income	Other Funding	
		Total	\$20,000.00

**Housing and Economic Development Department
Consolidated Plan Listing of Projects
Project Profile**

Recipient		Project Title	
Fort Worth Housing Authority		Amaka Child Care Center	
Address			
PO Box 430 Fort Worth, Texas 76101			
Key Contact/Phone/E-Mail		Total Project Budget	
Karen Valenzuela	817-333-3410	\$27,000.00	
karenv@ftwha.org			
Description			
<p>Fort Worth Housing Authority, in partnership with YMCA of Fort Worth, provides quality child care after school programming, early childhood development activities, and parenting education to low/very low income families where the head-of-household is actively working toward full-time employment and/or involved in one of the self-sufficiency programs. The child care program and related services take place at Amaka Child Care Center, located at 1501 Stephenson in Fort Worth 76102. The funds will pay for \$8.65 per child per week for child care services. The Center is open Monday through Friday, on school holidays, and during school breaks from 6:30a.m. through 6:30p.m.</p>			
Objective Category			
1 Create suitable living environments			
Outcome Category			
2 Affordability			
Performance Indicators			
Number of person assisted with:			
Improved access to services or benefit			
Objective Number			
Project ID Number		Grant Number	
		B-10-MC-48-0010	
HUD Matrix Code		CDBG Regulation Citation	
05L Public Services Child Care Services		National Objective Citation	
570.201(e)		24 CFR 570.208 (a)(2)	
Type of Recipient		National Objective	
Nonprofit		LOW MODERATE INCOME CLIENT (LMC)	
Compliance Period		Proposed Accomplishments	
June 1, 2010 to May 31, 2011		CDBG Public Service	
		\$27,000.00	
		CDBG General	
Start Date		Completion Date	
06/01/2010		05/31/2011	
		ESG	
		HOME	
Census Tract/Block Group		% L/M	
		Other Funding	
		Total	
		\$27,000.00	

**Housing and Economic Development Department
Consolidated Plan Listing of Projects
Project Profile**

Recipient		Project Title	
Girls, Inc.		Girl Power	
Address			
2820 Matlock Road, Arlington, Texas 76015			
Key Contact/Phone/E-Mail		Total Project Budget	
Susan Dougherty	817-468-0306	\$12,600.00	
sdougherty@girlsincarrant.org			
		Census Tract/BlockGroup/Address	
Description			
<p>The program is located at the Northside Public Library 601 Park, Fort Worth, Texas 76164. It will address the gender specific risk factors to girls ages 10 through 17 years old who are from L/M income households. The participants will engage in the PEERsuation program that promotes a healthy lifestyle and positive relationships behaviors. The funds will pay for personnel services, supplies such as teaching aids, food, private auto allowance, and office equipment.</p>			
Objective Category:	1 Create suitable living environments		
Outcome Category	3 Sustainability		
Performance Indicators:			
	Number of persons assisted with		
	Improved access to service or benefit		
Objective Number	Project ID Number		
		Grant Number	B-10-MC-48-0010
HUD Matrix Code	CDBG Regulation Citation	National Objective Citation	570.208(a)(2)
05D Public Service Youth	570.201(e)		
Type of Recipient	National Objective		
Non-Profit	Low Moderate Income Client (LMC)	Funding Sources*	
Compliance Period	Proposed Accomplishments	CDBG Public Service	\$12,600.00
June 1, 2010 to May 31, 2011	60 youth	CDBG General	
Start Date	Completion Date	ESG	
06/01/2010	05/31/2011	HOME	
Census Tract/Block Group	% L/M	Other Funding	
		Total	\$12,600.00

**Housing and Economic Development Department
Consolidated Plan Listing of Projects
Project Profile**

Recipient		Project Title	
JMAC Youth Center of Tarrant County		JMAC Safe Haven	
Address			
2714 Stalcup St. Fort Worth, Texas 76119			
Key Contact/Phone/E-Mail		Total Project Budget	
Lillian Bayless	817-496-4600	\$25,000.00	
imac4509@yahoo.com			
Description			
JAMC provides day care services for children 18 months of age and above and has an early learning program. The center is located at 2714 Stalcup, Fort Worth, Texas, 76119. It also offers the community's youth a safe place to get help with homework and to receive early childhood intervention. The funds will pay for a portion of the staff salaries.			
Objective Category			
		1 Create suitable living environments	
Outcome Category			
		2 Affordability	
Performance Indicators			
Number of person assisted with:			
Improved access to services or benefit			
Objective Number			
		Grant Number	
		B-10-MC-48-0010	
HUD Matrix Code			
		National Regulation Citation	
05L Public Service Child Care Services		24 CFR 570.208	
Type of Recipient			
		National Objective	
Non-Profit		LOW MODERATE INCOME CLIENT (LMC)	
		Funding Sources*	
Compliance Period			
		CDBG Public Service	
June 1, 2010 to May 31, 2011		\$25,000.00	
		CDBG General	
Start Date			
		Completion Date	
06/01/2010		05/31/2011	
		ESG	
		HOME	
Census Tract/Block Group			
		% L/M	
		Other Funding	
		Total	
		\$25,000.00	

**Housing and Economic Development Department
Consolidated Plan Listing of Projects
Project Profile**

Recipient		Project Title	
The Ladder Alliance		Employment Training	
Address			
1000 Bonnie Brae, Suite 200 Fort Worth, Texas 76111			
Key Contact/Phone/E-Mail		Total Project Budget	
Sharon Cox	817-834-2100	\$20,000.00	
scox@ladderalliance.org			
Description			
The program is located at 1000 Bonnie Brae, Suite 200, Fort Worth, Texas 76111. It targets domestic violence victims who are at risk of homelessness, being a displaced worker, experiencing extreme hardship and/or poverty. The participants are offered free classes in office administration/technical classes such as Microsoft Word, Excel and Explorer. The computer skills program consists of either 92 or 116 hours of training comprised of either 46 or 58 sessions. These sessions are held 4 days per week in six hour sessions for 48 weeks per year. The CDBG funds will pay for personnel services and contractual services such as telephone and rent.			
Objective Category:	1 Create suitable living environments		
Outcome Category	3 Sustainability		
Performance Indicators:			
New access to service or benefit			
Objective Number	Project ID Number		
		Grant Number	B-10-MC-48-0010
HUD Matrix Code	CDBG Regulation Citation	National Objective Citation	570.208(a)(2)
05H Public Service Employment Training	570.201(e)		
Type of Recipient	National Objective		
Non-Profit	Low Moderate Income Client (LMC)	Funding Sources*	
Compliance Period	Proposed Accomplishments	CDBG Public Service	\$20,000.00
June 1, 2010 to May 31, 2011	119 people	CDBG General	
Start Date	Completion Date	ESG	
06/01/2010	05/31/2011	HOME	
Census Tract/Block Group	% L/M	Other Funding	
		Total	\$20,000.00

**Housing and Economic Development Department
Consolidated Plan Listing of Projects
Project Profile**

Recipient		Project Title	
Latin Arts Association, dba Artes de la Rosa		After School Drama Program	
Address			
1440 N. Main Street Fort Worth, Texas 76164			
Key Contact/Phone/E-Mail		Total Project Budget	
Cathy Hernandez	817-624-8333	\$20,000.00	
chernandez@rosemarinetheater.com			
Description			
The program takes place at 1440 N. Main Street, Fort Worth, Texas, 76106. It will engage and train 75 youth with public speaking, writing, and organization development skill in order to establish a confidence and self esteem. The training will take place through an after-school drama program. The CDBG funds will pay for a portion of personnel services, supplies such as postage and teaching aids, utilities such as telephone and electricity, custodial services, insurance and office equipment.			
Objective Category	1 Create suitable living environments		
Outcome Category	3 Sustainability		
Performance Indicators			
Number of person assisted with:			
Improved access to services or benefit			
Objective Number	Project ID Number	Grant Number	B-10-MC-48-0010
HUD Matrix Code	CDBG Regulation Citation	National Objective Citation	24 CFR 570.208(a)(2)
05D Public Service Youth	570.201(e)		
Type of Recipient	National Objective		
Nonprofit	Low Moderate Income Client (LMC)	Funding Sources*	
Compliance Period	Proposed Accomplishments	CDBG Public Service	\$20,000.00
June 1, 2010 to May 31, 2011	100 youth	CDBG General	
Start Date	Completion Date	ESG	
06/01/2010	05/31/2011	HOME	
Census Tract/Block Group	% L/M	Other Funding	
		Total	\$20,000.00

**Recommended funding amount is less than requested so proposed accomplishment may be reduced.

**Housing and Economic Development Department
Consolidated Plan Listing of Projects
Project Profile**

Recipient		Project Title	
Meals on Wheels, Inc. of Tarrant County		Home Delivered Meals	
Address			
320 South Freeway Fort Worth, Texas 76104			
Key Contact/Phone/E-Mail		Total Project Budget	
Carla Jutson	817-336-0912	\$33,696.00	
carla@mealsonwheels.org		Census Tract/Block Group/Address	
Barbara Lundgren	817-336-0912		
barbara@mealsonwheels.org			
Description			
The program delivers nutritionally appropriate meals to homebound disabled and elderly people each Monday through Friday. Each client typically receives 5 noon meals during each week. Clients also receive breakfast meal bags each Monday-Thursday. Approximately 20% of clients are in extremely difficult circumstances and qualify for weekend meals that are delivered on Friday along with the noon meals. The funds will be used to pay for a portion of program's food cost. The meals are provided throughout the City of Fort Worth.			
Objective Category	1 Create suitable living environments		
Outcome Category	3 Sustainability		
Performance Indicators			
Number of person assisted with:			
Improved access to services or benefit			
Objective Number	Project ID Number	Grant Number	B-10-MC-48-0010
HUD Matrix Code	CDBG Regulation Citation	National Objective Citation	24 CFR 570.208(a)(2)
05A Public Service Senior Services	570.201(e)		
Type of Recipient	National Objective	Funding Sources	
Nonprofit	Low Moderate Income Client (LMC)	CDBG Public Service	\$33,696.00
Compliance Period	Proposed Accomplishments	CDBG General	
June 1, 2010 to May 31, 2011	65 elderly	ESG	
Start Date	Completion Date	HOME	
06/01/2010	05/31/2011	Other Funding	
Census Tract/Block Group	% L/M	Total	\$33,696.00

**Housing and Economic Development Department
Consolidated Plan Listing of Projects
Project Profile**

Recipient		Project Title	
Mental Health Association of Tarrant County		Long Term Care Ombudsman Program	
Address			
3136 West 4th Street Fort Worth, Texas 76107			
Key Contact/Phone/E-Mail		Total Project Budget	
Carlela K. Vogel	817-335-5405	\$15,750.00	
carlelav@mhac.org		Census Tract/Block Group/Address	
Description			
<p>This program is located at 3136 West 4th Street. The program facilitates weekly or bi-monthly monitoring visits by a State Certified Staff Ombudsman to check on the residents of inner city high risk nursing homes. Residents are interviewed about their quality of life and care. The Ombudsman works with the resident/family in a plan of action to resolve complaints. If the Ombudsman is unable to resolve the problem and in matters of serious neglect or abuse, the Ombudsman will report this to the police or to the appropriate State agency. The funding will pay for personnel services.</p>			
Objective Category	1 Create suitable living environments		
Outcome Category	3 Sustainability		
Performance Indicators			
Number of person assisted with:			
Improved access to services or benefit			
Objective Number	Project ID Number		
	2009-0027	Grant Number	B-10-MC-48-0010
HUD Matrix Code	CDBG Regulation Citation	National Objective Citation	
03A Senior Centers	570.201(e)		24 CFR 570.208(a) (2)
Type of Recipient	National Objective		
Nonprofit	Low Moderate Income Client (LMC)	Funding Sources*	
Compliance Period	Proposed Accomplishments	CDBG Public Service	\$15,750.00
June 1, 2010 to May 31, 2011	850 elderly	CDBG General	
Start Date	Completion Date	ESG	
06/01/2010	05/31/2011	HOME	
Census Tract/Block Group	% L/M	Other Funding	
		Total	\$15,750.00

**Housing and Economic Development Department
Consolidated Plan Listing of Projects
Project Profile**

Recipient		Project Title	
Mental Health Association of Tarrant County		Mental Health Advocate	
Address			
3136 West 4th Street Fort Worth, TX 76107			
Key Contact/Phone/E-Mail		Total Project Budget	
Carlela K. Vogel	817-335-5405	\$22,275.00	
carlelav@mhatc.org		Census Tract/Block Group/Address	
Description			
<p>This program is located 3136 West 4th Street and advocates for residents in approximately 68 small licensed and unlicensed group homes serving people with mental illness. These residents receive a regular visit from a certified Ombudsman who: 1) checks with each resident to see how they are doing and if they have any complaints or needs; 2) visually inspects the housing and environment for substandard conditions; 3) assists resident in resolving complaints; 4) encourages landlords to provide good care; 5) reports complaints to outside agencies such as Code Enforcement, Health Departments, Adult Protective Services, Long Term Care Regulatory Services; and 6) assists residents with unmet social service needs. The funds will pay for personnel services</p>			
Objective Category	1 Create suitable living environments		
Outcome Category	3 Sustainability		
Performance Indicators			
Number of person assisted with:			
Improved access to services or benefit			
Objective Number	Project ID Number		
		Grant Number	B-10-MC-48-0010
HUD Matrix Code	CDBG Regulation Citation	National Objective Citation	24 CFR 570.208(a)(2)
05O Public Service Mental Health Services	570.201(e)		
Type of Recipient	National Objective		
Nonprofit	Low Moderate Income Client (LMC)	Funding Sources	
Compliance Period	Proposed Accomplishments	CDBG Public Service	\$22,275.00
June 1, 2010 to May 31, 2011	408 people	CDBG General	
Start Date	Completion Date	ESG	
06/01/2010	05/31/2011	HOME	
Census Tract/Block Group	% L/M	Other Funding	
		Total	\$22,275.00

**Housing and Economic Development Department
Consolidated Plan Listing of Projects
Project Profile**

Recipient		Project Title	
Northside Inter-Church Agency, Inc. (NICA)		Good Works-Buenas Obras	
Address			
1600 Circle Park Blvd Fort Worth, Texas 76106			
Key Contact/Phone/E-Mail		Total Project Budget	
Connie Nahoolewa	817- 626-1102	\$21,092.00	
conmien@nicaaagency.org		Census Tract/Block Group/Address	
		N/A	
Description			
<p>The program provides for selection and/or delivery of groceries, clothing, hygiene items, medical equipment and other essential items as well as home services to elderly and disabled people. The service is provided at 1600 Circle Park, Fort Worth, 76106.</p>			
Objective Category	1 Create suitable living environments		
Outcome Category	3 Sustainability		
Performance Indicators			
Number of person assisted with:			
Improved access to services or benefit			
Objective Number	Project ID Number	Grant Number	B-10-MC-48-0010
HUD Matrix Code	CDBG Regulation Citation	Regulation Citation	24 CFR 570.208(a)(2)
05 Public Service General	570.201(e)		
Type of Recipient	National Objective		
	Low Moderate Income Client (LMC)	Funding Sources*	
Compliance Period	Proposed Accomplishments	CDBG Public Service	\$21,092.00
June 1, 2010 to May 31, 2011	300 people	CDBG General	
Start Date	Completion Date	ESG	
6/1/2010	5/31/2011	HOME	
Census Tract/Block Group	% L/M	Other Funding	
		Total	\$21,092.00

**Housing and Economic Development Department
Consolidated Plan Listing of Projects
Project Profile**

Recipient		Project Title	
Salvation Army		S.T.A.R.T (Stabilizing To Achieve Richer Tomorrows)	
Address			
1855 E. Lancaster Fort Worth, Texas 76103			
Key Contact/Phone/E-Mail		Total Project Budget	
Deborah Bullock	817-344-1811	\$20,000.00	
deborah_bullock@uss.salvationarmy.org			
		Census Tract/BlockGroup/Address	
Description			
<p>The program provides a safe substance free environment for individuals who do not yet meet the requirement of the longer term programs they need or who need a place to stay only long enough to stay off the streets and stay healthy. Through needs assessment and intensive case management, they prepare clients to succeed at their next best step to stable healthy living. The program serves clients after they detoxify and before they get to treatment programs; clients just released from jail or prison who need identification or a job; chronically homeless ready to change their lives; homeless pregnant women who need a safe place to stay and have their baby; clients waiting for a bed in the long term care program; any one who needs to begin putting their life in order in a safe, substance free program. The goal of the program is to identify and coordinate ways to serve the homeless in cooperation with the local communities to guide this population to self-reliance and independence. The funds will pay for a portion of two case managers' salaries that will provide intensive case management and complete all intake paperwork and assessment. These services are offered at 1855 E. Lancaster</p>			
Objective Category:		1 Create suitable living environments	
Outcome Category:		3 Sustainability	
Performance Indicators:			
Number of persons assisted with:			
New access to service or benefit			
Objective Number	Project ID Number	Grant Number	B-10-MC-48-0010
HUD Matrix Code	CDBG Regulation Citation	National Objective Citation	570.208(a)(2)
05F Public Service Substance Abuse Services	570.201(e)		
Type of Recipient	National Objective		
Non-Profit	LMC Low Moderate Client	Funding Sources*	
Compliance Period	Proposed Accomplishments	CDBG Public Service	\$20,000.00
June 1, 2010 to May 31, 2011	77 people	CDBG General	
Start Date	Completion Date	ESG	
6/1/2010	5/31/2011	HOME	
Census Tract/Block Group	% L/M	Other Funding	
		Total	\$20,000.00

**Housing and Economic Development Department
Consolidated Plan Listing of Projects
Project Profile**

Recipient		Project Title	
Senior Citizens Services of Greater Tarrant County		Como Senior Center	
Address			
1000 Macon Street, Suite 203 Fort Worth, Texas 76102			
Key Contact/Phone/E-Mail		Total Project Budget	
Joyce Hanstrom-Parlin	817-338-4433	\$18,000.00	
jparlin@scstc.org			
		Census Tract/BlockGroup/Address	
Description			
The program is located at 4900 Horne Street, Fort Worth, Texas 76107 in the Como Community Center and targets L/M senior citizens. The senior will be served nutritious meals and an opportunity for socialization at least 250 days per year. The program is geared to assist seniors with issues frequently associated with aging such as isolation, poor nutrition, transportation loss, and/or illness. The CDBG funds will pay for food.			
Objective Category:	1 Create suitable living environments		
Outcome Category:	3 Sustainability		
Performance Indicators			
Number of person assisted with:			
Improved access to services or benefit			
Objective Number	Project ID Number	Grant Number	B-10-MC-48-0010
HUD Matrix Code	CDBG Regulation Citation	National Objective Citation	570.208(a)(2)
05A Public Service Senior Services	570.201(e)		
Type of Recipient	National Objective		
Non-Profit	Low Moderate Income Client (LMC)	Funding Sources*	
Compliance Period	Proposed Accomplishments	CDBG Public Service	\$18,000.00
June 1, 2010 to May 31, 2011	75 elderly	CDBG General	
Start Date	Completion Date	ESG	
6/1/2010	5/31/2011	HOME	
Census Tract/Block Group	% L/M	Other Funding	
N/A	N/A	Total	\$18,000.00

**Housing and Economic Development Department
Consolidated Plan Listing of Projects
Project Profile**

Recipient		Project Title	
Senior Citizens Services of Greater Tarrant County		Diamond Hill Senior Center	
Address			
1000 Macon Street, Suite 203 Fort Worth, Texas 76102			
Key Contact/Phone/E-Mail		Total Project Budget	
Joyce Hanstrom-Parlin	817-338-4433	\$18,000.00	
iparlin@scstc.org			
		Census Tract/BlockGroup/Address	
Description			
The program is located at 1707 NE 36th Street, Fort Worth, Texas 76106 and targets L/M senior citizens. The seniors will be served nutritious meals and an opportunity for socialization at least 250 days. The program is geared to assist seniors with issues frequently associated with aging such as isolation, poor nutrition, transportation loss, and/or illness. The CDBG funds pays for food.			
Objective Category:		1 Create suitable living environments	
Outcome Category:		3 Sustainability	
Performance Indicators:			
Number of persons assisted with:			
New access to service or benefit			
Objective Number	Project ID Number	Grant Number	B-10-MC-48-0010
HUD Matrix Code	CDBG Regulation Citation	National Objective Citation	570.208(a)(2)
05A Public Service Senior Services	570.201(e)		
Type of Recipient	National Objective		
Non-Profit	Low Moderate Income Client	Funding Sources*	
Compliance Period	Proposed Accomplishments	CDBG Public Service	\$18,000.00
June 1, 2010 to May 31, 2011	90 elderly	CDBG General	
Start Date	Completion Date	ESG	
6/1/2010	5/31/2011	HOME	
Census Tract/Block Group	% L/M	Other Funding	
		Total	\$18,000.00

**Housing and Economic Development Department
Consolidated Plan Listing of Projects
Project Profile**

Recipient		Project Title	
Senior Citizens Services of Greater Tarrant County		Doc Sessions Senior Center	
Address			
1000 Macon Street, Suite 203 Fort Worth, Texas 76102			
Key Contact/Phone/E-Mail		Total Project Budget	
Joyce Hanstrom-Parlin	817-338-4433	\$16,000.00	
jparlin@scstc.org			
		Census Tract/BlockGroup/Address	
		N/A	
Description			
The program is located at 3700 E. Belknap, Fort Worth, Texas 76111 in the Doc Session Community Center and targets L/M senior citizens. The seniors will be served nutritious meals and have an opportunity for socialization at least 250 days per year. The program is geared to assist seniors with issues frequently associated with aging such as isolation, poor nutrition, transportation loss, and/or illness. The CDBG funds will pay for food supplies.			
Objective Category:	1 Create suitable living environments		
Outcome Category:	3 Sustainability		
Performance Indicators:			
Number of persons assisted with:			
New access to service or benefit			
Objective Number	Project ID Number	Grant Number	B-10-MC-48-0010
HUD Matrix Code	CDBG Regulation Citation	National Objective Citation	570.208(a)(2)
05A Public Service Senior Services	570.201(e)		
Type of Recipient	National Objective		
Non-Profit	Low Moderate Income Client (LMC)	Funding Sources*	
Compliance Period	Proposed Accomplishments	CDBG Public Service	\$16,000.00
June 1, 2009 to May 31, 2009	75 elderly	CDBG General	
Start Date	Completion Date	ESG	
6/1/2010	5/31/2011	HOME	
Census Tract/Block Group	% L/M	Other Funding	
		Total	\$16,000.00

**Housing and Economic Development Department
Consolidated Plan Listing of Projects
Project Profile**

Recipient		Project Title	
Tarrant Area Food Bank		Community Kitchen	
Address			
2600 Cullen Street Fort Worth, TX 76107			
Key Contact/Phone/E-Mail		Total Project Budget	
Brian Buelta	817-332-9177	\$18,000.00	
brian.buelta@tafb.org		Census Tract/Block Group/Address	
Description			
<p>The program provides culinary classes 5 days a week for 14 weeks to low-income men and women ages 18 or above. The classes include placing students in an internship at a commercial kitchen operated by a professional chef at 2600 Cullen Street. The program also helps clients obtain a job in the culinary field. The CDBG funds will be used to pay for the job training component of the culinary program.</p>			
Objective Category	1 Create suitable living environments		
Outcome Category	3 Sustainability		
Performance Indicators			
Number of person assisted with:			
Improved access to services or benefit			
Objective Number	Project ID Number	Grant Number	B-10-MC-48-0010
HUD Matrix Code	CDBG Regulation Citation	National Objective Citation	24 CFR 570.208(a)(2)
05H Public Service Employment Training	570.201(e)		
Type of Recipient	National Objective		
Nonprofit	Low Moderate Income Client	Funding Sources	
Compliance Period	Proposed Accomplishments	CDBG Public Service	\$18,000.00
June 1, 2010 to May 31, 2011	40 people	CDBG General	
Start Date	Completion Date	ESG	
6/1/2010	5/31/2011	HOME	
Census Tract/Block Group	% L/M	Other Funding	
		Total	\$18,000.00

**Housing and Economic Development Department
Consolidated Plan Listing of Projects
Project Profile**

Recipient		Project Title	
United Community Center, Inc.		Client Intervention Program	
Address			
1200 E. Maddox Fort Worth, Texas 76104			
Key Contact/Phone/E-Mail		Total Project Budget	
Sherry Dunn	817-927-5556 x113	\$16,200.00	
s.dunn@unitedcommunitycenters.org		Census Tract/Block Group/Address	
Description			
This program is located in three of the UCC Centers 1) 3600 N Crump St, Fort Worth, 76106, (Wesley) 2) 3601 Avenue I, Fort Worth, 76105 (Polytechnic) and 3) 970 Humbolt East Street, Fort Worth, Texas 76104 provides groceries for individuals and regular meetings with a specialist to address their other needs such as after-school child care, youth programs, and adult education. The specialist helps clients find those services at low cost- the provider does not charge for this service. The funds will pay for a portion of client intervention coordinator salary.			
Objective Category			
		1 Create suitable living environments	
Outcome Category			
		3 Sustainability	
Performance Indicators			
Number of person assisted with:			
Improved access to services or benefit			
Objective Number			
	Project ID Number	Grant Number	B-10-MC-48-0010
HUD Matrix Code			
	CDBG Regulation Citation	National Regulation Citation	24 CFR 570.208(a)(2)
05 Public Service General	570.201(e)		
Type of Recipient			
Nonprofit	Low Moderate Income Client (LMC)	Funding Sources*	
Compliance Period		Proposed Accomplishments	\$16,200.00
June 1, 2010 to May 31, 2011	900 people	CDBG Public Service	
		CDBG General	
Start Date		Completion Date	
6/1/2010	5/31/2011	ESG	
Census Tract/Block Group		HOME	
	% L/M	Other Funding	
		Total	\$16,200.00

**Housing and Economic Development Department
Consolidated Plan Listing of Projects
Project Profile**

Recipient		Project Title	
YMCA of Metropolitan		School Age Child Care	
Address			
512 Lamar Street, Suite 400 Fort Worth, Texas 76102			
Key Contact/Phone/E-Mail		Total Project Budget	
Sue Yaker	817-566-1040	\$45,000.00	
		Census Tract/Block Group/Address	
Description			
The programs are located at 512 Lamar Street, Suite 400, Fort Worth, Texas 76102, 2801 Miller Avenue, Fort Worth, TX 76105, 1500 Sandy Lane, Fort Worth, TX 76112, 5315 Boat Club, Fort Worth, TX 76135. The program provides constructive activities in an atmosphere of caring, honesty, respect, and responsibility for children ages 4-12. Activities include academic time, arts enrichment, health and wellness, self-directed time and weekly opportunities for specialized classes and projects from which the students can choose. School aged child care for southeast and east side branches will be provided to low and moderate income families who are employed, in job training, in school, or actively seeking employment. The funds will pay for subsidized child care services.			
Objective Category	1 Create suitable living environments		
Outcome Category	3 Sustainability		
Performance Indicators			
Number of person assisted with:			
Improved access to services or benefit			
Objective Number	Project ID Number	Grant Number	B-10-MC-48-0010
HUD Matrix Code	CDBG Regulation Citation	National Objective Citation	24 CFR 570.208(a)(2)
05L Public Service Child Care Services	570.201(e)		
Type of Recipient	National Objective		
Nonprofit	Low Moderate Income Client (LMC)	Funding Sources*	
Compliance Period	Proposed Accomplishments	CDBG Public Service	\$45,000.00
June 1, 2010 to May 31, 2011	50 youth	CDBG General	
Start Date	Completion Date	ESG	
6/1/2010	5/31/2011	HOME	
Census Tract/Block Group	% L/M	Other Funding	
		Total	\$45,000.00

**Housing and Economic Development Department
Consolidated Plan Listing of Projects
Project Profile**

Recipient		Project Title	
YWCA Fort Worth & Tarrant County		Child Development Program	
Address			
512 W. 4th Street Fort Worth, Texas 76102			
Key Contact/Phone/E-Mail		Total Project Budget	
Carol Klocek	817-332-6191	\$135,000.00	
cklocek@ywcafortworth.org		Census Tract/BlockGroup/Address	
Description			
<p>The program targets L/M children ages 3 -5 who are living in transitional housing or whose parents are considered the working poor thus making less than \$17,000/year. The children will be provided with pre-school classes with the goal of preparing the children for school at the following locations: 1) Rosie Mauk Center located at 512 W. 4th Street, Fort Worth, Texas 76102 and 2) The Polytechnic Center located at 3401 Avenue I, Fort Worth, Texas 76105. The CDBG funds will pay for subsidized child care services.</p>			
Objective Category:		1 Create suitable living environments	
Outcome Category:		3 Sustainability	
Performance Indicators			
Number of person assisted with:			
Improved access to services or benefit			
Objective Number	Project ID Number	Grant Number	B-10-MC-48-0010
HUD Matrix Code	CDBG Regulation Citation	National Objective Citation	570.208(a)(2)
05L Public Service Child Care Services	570.201(e)		
Type of Recipient	National Objective		
Non-Profit	Low Moderate Income Client (LMC)	Funding Sources	
Compliance Period	Proposed Accomplishments	CDBG Public Service	\$135,000.00
June 1, 2010 to May 31, 2011	90 children	CDBG General	
Start Date	Completion Date	ESG	
6/1/2010	5/31/2011	HOME	
Census Tract/Block Group	% L/M	Other Funding	
		Total	\$135,000.00

**Housing and Economic Development Department
Consolidated Plan Listing of Projects
Project Profile**

Recipient		Project Title	
YWCA Fort Worth & Tarrant County		My Own Place	
Address			
512 W. 4th Street Fort Worth, Texas 76102			
Key Contact/Phone/E-Mail		Total Project Budget	
Carol Klocek	817-332-6191	\$17,628.00	
cklocek@ywcafortworth.org		Census Tract/BlockGroup/Address	
Description			
<p>This program provides housing, case management and other life education skills to young women ages 18 through 21 who are transitioning from the foster care system or are homeless. The program is located at 512 W. 4th Street at the YWCA Fort Worth & Tarrant County. The CDBG funds will be used to pay for program staff salaries.</p>			
Objective Category:		1 Create suitable living environment	
Outcome Category		1 Availability/accessibility	
Performance Indicators:			
Number of persons assisted with:			
Improved access to service or benefit			
Objective Number	Project ID Number	Grant Number	B-10-MC-48-0010
HUD Matrix Code	CDBG Regulation Citation	National Objective Citation	570.208(a)(2)
05 Public Service General	570.201(e)		
Type of Recipient	National Objective	Funding Sources	
Non-Profit Organization	Low Moderate Client (LMC)	CDBG Public Service	
Compliance Period	Proposed Accomplishments	CDBG General	\$17,628.00
June 1, 2010 to May 31, 2011	33 people	ESG	
Start Date	Completion Date	HOME	
6/1/2010	5/31/2011	HOPWA	
Census Tract/Block Group	% L/M	Other Funding	
		Total	
		\$17,628.00	

**Housing and Economic Development Department
Consolidated Plan Listing of Projects
Project Profile**

Recipient		Project Title	
Housing and Economic Development Department		Housing Counseling and Foreclosure Prevention	
Address			
1000 Throckmorton Fort Worth, Texas 76102			
Key Contact/Phone/E-Mail		Total Project Budget	
Karen Meunier	817-392-8091	\$45,000.00	
karen.meunier@fortworthgov.org			
Description			
<p>Funds will be used for program staff to provide one-on-one counseling to help future homebuyers determine whether they are ready for homeownership and how much house they can afford to 125 households. Citizens who are already homeowners get help with budget difficulties, finding answers to homesteading, tax and insurance questions, and get guidance on preventing loss of their home before delinquency or foreclosure becomes a problem. The CDBG funds will pay for a portion of a counselor's and administrative staff's personnel services, supplies and relevant staff training. One on one counseling sessions are being held at 1000 Throckmorton, Fort Worth, 76102.</p>			
Objective Category			
1 Create suitable living environments			
Outcome Category			
3 Sustainability			
Performance Indicators			
Number of person assisted with:			
Improved access to services or benefit			
Objective Number			
Project ID Number		Grant Number	B-10-MC-48-0010
HUD Matrix Code			
CDBG Regulation Citation		National Objective Citation	570.208(a)(2)
05U Public Service Home Buyer Counseling		570.201(e)	
Type of Recipient			
Nonprofit		Low Moderate Client (LMC)	
Compliance Period			
June 1, 2010 to May 31, 2011		Proposed Accomplishments	
		CDBG Public Service	\$45,000.00
		CDBG General	
Start Date			
6/1/2010		Completion Date	
		ESG	
		HOME	
Census Tract/Block Group			
% L/M		Other Funding	
Total			\$45,000.00

**Housing and Economic Development Department
Consolidated Plan Listing of Projects
Project Profile**

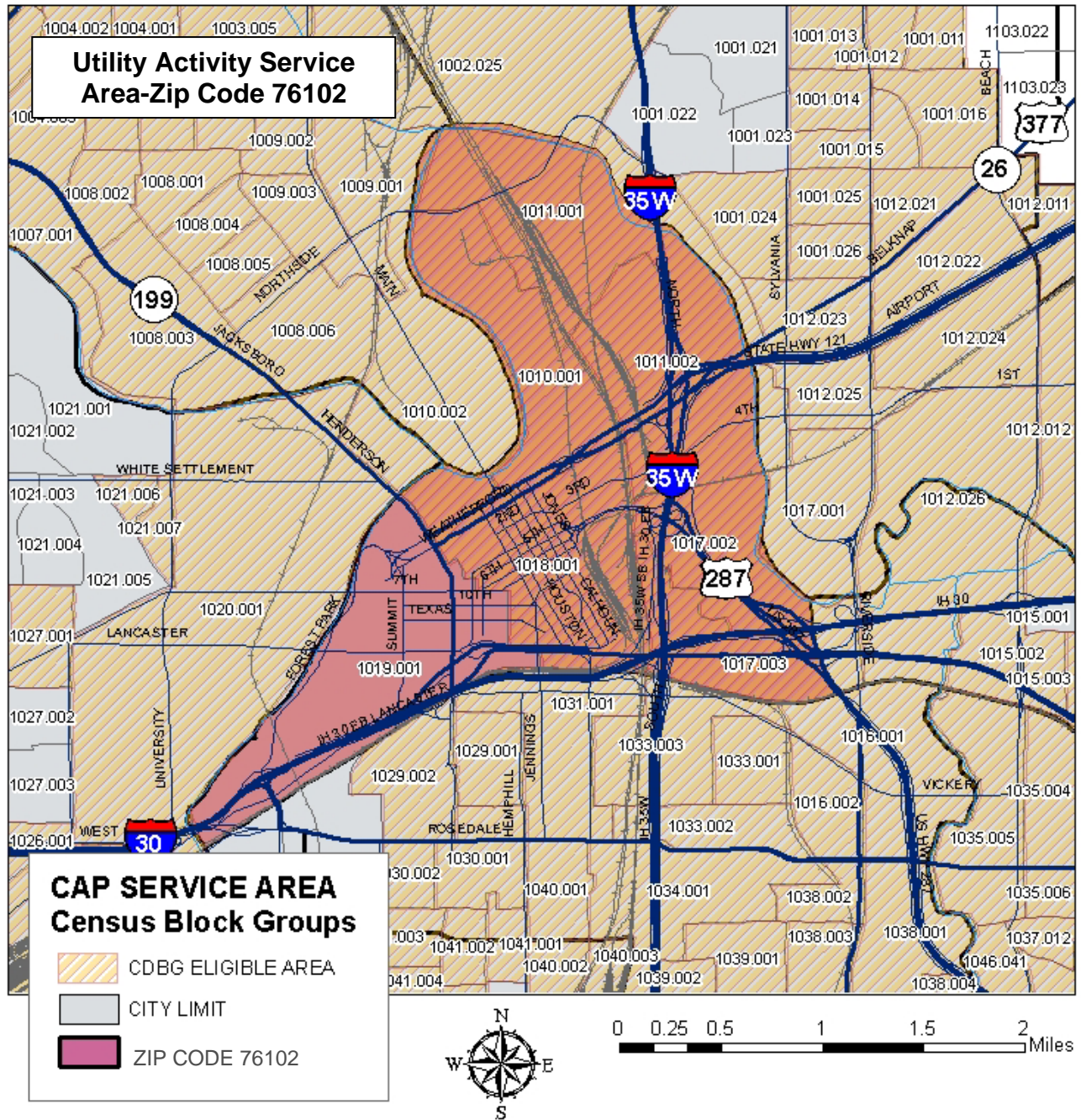
Recipient		Project Title	
City of Fort Worth - Parks & Community Services Dept.		Como Kids After-School Program	
Address			
4200 South Freeway, Suite 2200 Fort Worth, Texas 76115			
Key Contact/Phone/E-Mail		Total Project Budget	
Anthony Meyers		\$25,000.00	
Anthony.Meyers@fortworthgov.org		Census Tract/Block Group/Address	
Carol Brown	817-871-5030		
Carol.Brown@fortworthgov.org			
<p>Description: The program is located at 4900 Horne Street in the Como Community Center. The program will provide after school tutoring along with an emphasis on State mandated standardized testing in a safe and supportive environment. Currently, tutoring classes are offered to low/moderate students from Como Elementary School of which 89% participate in the free or reduced lunch. Additionally, students are exposed to arts, cultural diversity, and social awareness programs. The program also is eliminating the practice of leaving school age children unattended at home.</p>			
Objective Category:	1 Create suitable living environments		
Outcome Category:	3 Sustainability		
Performance Indicators			
Number of person assisted with:			
Improved access to services or benefit			
Objective Number	Project ID Number	Grant Number	B-10-MC-48-0010
HUD Matrix Code	CDBG Regulation Citation	National Objective Citation	570.208(a)(2)
05L Public Services Child Care Services	570.201 (e)		
Type of Recipient	National Objective		
Local Government	LMC	Funding Sources	
Compliance Period	Proposed Accomplishments	CDBG Public Service	\$25,000.00
June 1, 2010 to May 31, 2011	170 youth	CDBG General	
Start Date	Completion Date	ESG	
6/1/2010	5/31/2011	HOME	
Census Tract/Block Group	% L/M	Other Funding	
		Total	\$25,000.00

**Housing and Economic Development Department
Consolidated Plan Listing of Projects
Project Profile**

Recipient		Project Title	
City of Fort Worth - Parks & Community Services Dept.		Northside Community Action Partners (CAP) Rehabilitation	
Address			
4200 South Freeway, Suite 2200 Fort Worth, Texas 76115			
Key Contact/Phone/E-Mail		Total Project Budget	
Abel Gonzalez	817-871-5821	\$25,724.00	
Abel.Gonzalez@fortworthgov.org		Census Tract/Block Group/Address	
Sonia Singleton	817-871-5774	See Attached Map	
Sonia.Singleton@fortworthgov.org			
Description:			
CAP Rehab: (\$6,431)			
The program is located at 1801 Harrington, Fort Worth, Texas 76106. It targets Low Moderate L/M households in the 76102 and 76106 zip codes where the poverty rates are respectively, 44.6% and 19.3%. The program will assist L/M households in single family owner occupied units that request repair or replacement of air conditioner/heater. The CDBG funds will pay for personnel service, office supplies, postage, and office equipment.			
CAP Utility Assistance: (\$19,293)			
The program will assist L/M households in single family owner occupied units that request energy assistance through utility payments. The CDBG funds will pay for personnel service, office supplies, postage, and office equipment.			
Objective Category:	1 Create suitable living environments		
Outcome Category:	1 Availability/accessibility		
Performance Indicators			
Number of person assisted with:			
Improved access to services or benefit			
Objective Number	Project ID Number	Grant Number	B-10-MC-48-0010
HUD Matrix Code	CDBG Regulation Citation	National Objective Citation	570.208(a)(3)
14H	570.202		
Type of Recipient	National Objective		
Local Government	Low Moderate Housing (LMH)	Funding Sources*	
Compliance Period	Proposed Accomplishments	CDBG Public Service	\$25,724.00
June 1, 2010 to May 31, 2011	300 households	CDBG General	
Start Date	Completion Date	ESG	
6/1/2010	5/31/2011	HOME	
Census Tract/Block Group	% L/M	Other Funding	
		Total	\$25,724.00

Consolidated Plan Listing of Projects

City of Fort Worth Parks & Community Services Department—Northside
Community Actions Partners



**CDBG-PSA
Project 33**
Revised 3/2/2010 (AR)

Consolidated Plan Listing of Projects

City of Fort Worth Parks & Community Services Department—Northside
Community Actions Partners

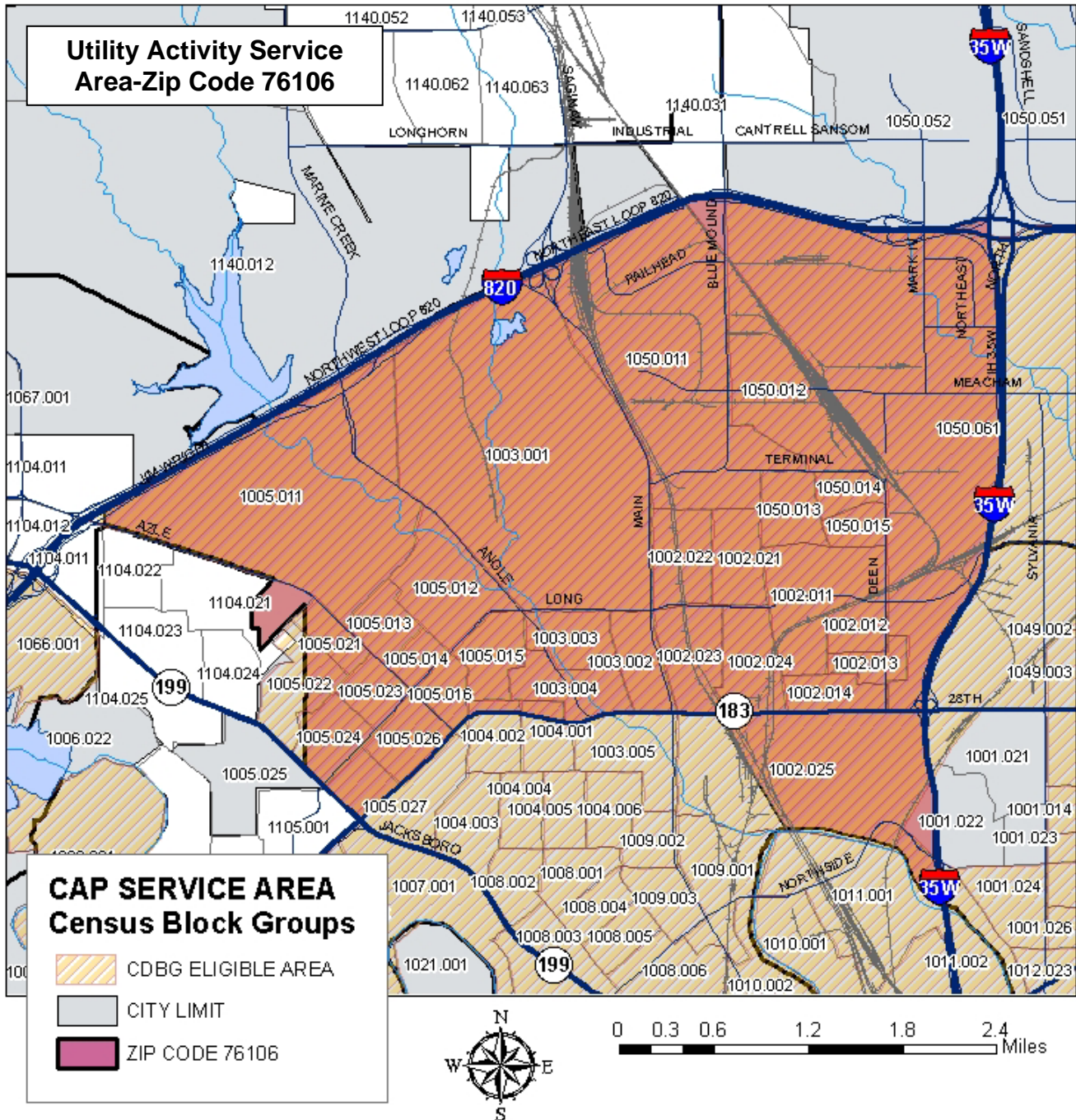
CAP Service Area - Zip Code 76102

Tract/Group	LOWMODUNIV	LOWMOD	LOWMODPCT
1010.001	1,009	693	68.7%
1011.001	106	106	100.0%
1011.002	445	349	78.4%
1017.002	797	770	96.6%
1017.003	536	528	98.5%
1018.001	806	516	64.0%
1019.001	787	312	39.6%
Total	4,486	3,274	73.0%

CDBG-PSA
Project 33
Revised 3/2/2010 (AR)

Consolidated Plan Listing of Projects

City of Fort Worth Parks & Community Services Department—Northside
Community Actions Partners



Consolidated Plan Listing of Projects

City of Fort Worth Parks & Community Services Department—Northside
Community Actions Partners

CAP Service Area - Zip Code 76106

Tract/Group	LOWMODUNIV	LOWMOD	LOWMODPCT
1002.011	1,299	788	60.7%
1002.012	974	553	56.8%
1002.013	845	644	76.2%
1002.014	911	575	63.1%
1002.021	1,700	1178	69.3%
1002.022	432	287	66.4%
1002.023	766	619	80.8%
1002.025	985	817	82.9%
1003.001	1,050	811	77.2%
1003.002	998	902	90.4%
1003.003	807	674	83.5%
1003.004	723	642	88.8%
1005.011	1,827	1,249	68.4%
1005.012	1,546	1397	90.4%
1005.013	1,141	882	77.3%
1005.014	646	480	74.3%
1005.015	1,121	803	71.6%
1005.016	822	673	81.9%
1005.021	728	511	70.2%
1005.022	961	544	56.6%
1005.023	1,399	827	59.1%
1005.024	825	512	62.1%
1005.026	1,805	1475	81.7%
1005.027	918	725	79.0%
1050.011	775	540	69.7%
1050.012	1,004	676	67.3%
1050.013	1,633	1260	77.2%
1050.014	1,155	675	58.4%
1050.015	1,055	791	75.0%
1050.061	624	425	68.1%
Total	31,475	22,935	72.9%

**CDBG-PSA
Project 33**

Revised 3/3/2010 (AR)

**Housing and Economic Development Department
Consolidated Plan Listing of Projects
Project Profile**

Recipient		Project Title	
City of Fort Worth - Parks & Community Services Dept.		Woodhaven After-School Enrichment	
Address			
4200 South Freeway, Suite 2200 Fort Worth, Texas 76115			
Key Contact/Phone/E-Mail		Total Project Budget	
Andrew Macfarland	817-871-5716	\$16,200.00	
Andrew.Macfarland@fortworthgov.org		Census Tract/Block	
Description:			
<p>The program is located at the Handley Meadowbrook Community Center. It will provide a structured recreation program including afterschool homework assistance in the after school period and summer break for youth between the ages of 6 and 12 years old from the West Handley Elementary School located at 2749 Putnam, Fort Worth, Texas 76112. CDBG funds will pay for personnel services, supplies such as teaching aids.</p>			
Objective Category:	1 Create suitable living environments		
Outcome Category:	1 Availability/accessibility		
Performance Indicators			
Number of person assisted with:			
Improved access to services or benefit			
Objective Number	Project ID Number	Grant Number	B-10-MC-48-0010
HUD Matrix Code	CDBG Regulation Citation	National Objective Citation	570.208(a)(2)
05L Public Service Child Care Services	570.201 (e)		
Type of Recipient	National Objective		
Local Government	Low Moderate Income Client (LMC)	Funding Sources*	
Compliance Period	Proposed Accomplishments	CDBG Public Service	\$16,200.00
June 1, 2010 to May 31, 2011	40 children	CDBG General	
Start Date	Completion Date	ESG	
6/1/2010	5/31/2011	HOME	
Census Tract/Block Group	% L/M	Other Funding	
		Total	\$16,200.00

**Housing and Economic Development Department
Consolidated Plan Listing of Projects
Project Profile**

Recipient		Project Title	
REACH Resource Center on Independent Living		Project Ramp	
Address			
1205 Lake Street Fort Worth, TX 76102-4501			
Key Contact/Phone/E-Mail		Total Project Budget	
Robin L. Lassiter	817.870.9082	\$50,000.00	
		Census Tract/Block Group/Address	
Description			
<p>The project builds ramps, installs grab bars, and/or widens doorways at the homes of low-income people with mobility impairments. The Goal is to reach low income individuals with mobility impairments by assisting 20-25 individuals with a construction of a ramp, grab bars and the widening of doorways at their homes. Each accessibility modification will be built or installed to the specifications in the ADA accessibility guidelines and city requirements. The funds will pay for building materials and contractual materials such as labor and permits.</p>			
Objective Category	1 Create suitable living environments		
Outcome Category	1 Availability/accessibility		
Performance Indicators			
Number of person assisted with:			
New Access to Services and Benefits			
Objective Number	Project ID Number	Grant Number	B-10-MC-48-0010
HUD Matrix Code	CDBG Regulation Citation	Regulation Citation	24 CFR 570.208 (a) (2)
14A	570.202		
Type of Recipient	National Objective		
Nonprofit	Low Moderate Housing (LMH)	Funding Sources*	
Compliance Period	Proposed Accomplishments	CDBG Public Service	\$50,000.00
June 1, 2010 to May 31, 2011	35 households	CDBG General	
Start Date	Completion Date	ESG	
6/1/2010	5/31/2011	HOME	
Census Tract/Block Group	% L/M	Other Funding	
		Total	\$50,000.00

**Housing and Economic Development Department
Consolidated Plan Listing of Projects
Project Profile**

Recipient		Project Title	
Housing and Economic Development Department		Rehab and Construction Management	
Address			
1000 Throckmorton Street Fort Worth, Texas 76102			
Key Contact/Phone/E-Mail		Total Project Budget	
Jesus Chapa	817.392.7540	\$930,236.00	
		Census Tract/Block Group/Address	
Description			
<p>The program provides the construction management function for the Department's various rehab programs, as well as provides technical assistance to non-profit housing sponsors and non-profit organizations which provide housing opportunities. The program staff also provides inspection services, work write up, final inspection, case management to CDBG-funded single and multi-family rehab projects.</p> <p>200 Emergency Repair with a minimum 2 inspections per unit; 150 Cowtown Brush-up Inspections with a minimum of 4 inspections which includes preliminary, prep/prime, paint, and final touch up; the inspection of 24 potential recipients of Housing Trust Fund (HTF home rehab). Estimated that 25 housing units will receive rehabilitation services with CDBG HTF funding.</p>			
Objective Category	2 Provides decent affordable housing		
Outcome Category	3 Sustainability		
Performance Indicators			
Number of person assisted with:			
New Access to Services and Benefits			
Objective Number	Project ID Number		
		Grant Number	B-10-MC-48-0010
HUD Matrix Code	CDBG Regulation Citation	National Objective Citation	570.208(a)(1)
14A Rehabilitation Admin	570.202		
Type of Recipient	National Objective		
Local Government	Low Moderate Housing	Funding Sources	
Compliance Period	Proposed Accomplishments	CDBG Public Service	
June 1, 2010 to May 31, 2011		CDBG General	\$930,236.00
Start Date	Completion Date	ESG	
6/1/2010	5/31/11	HOME	
Census Tract/Block Group	% L/M	Other Funding	
		Total	\$930,236.00

**Housing and Economic Development Department
Consolidated Plan Listing of Projects
Project Profile**

Recipient		Project Title	
Housing and Economic Development Department		Housing Services & Information Program Delivery	
Address			
1000 Throckmorton Street Fort Worth, Texas 76102			
Key Contact/Phone/E-Mail		Total Project Budget	
Karen Meunier	817.392.8091	\$166,168.00	
Karen.Meunier@fortworthgov.org		Census Tract/Block Group/Address	
Description			
<p>The Housing Services & Information Division (HS&I) provides rehabilitation counseling for individuals receiving loans and grants for the rehabilitation of privately owned homes. Staff is also responsible for loan origination, loan processing and loan servicing function for homebuyer and homeowner programs funded through the City's CDBG programs. These loan programs include the Home Owner Loans of the Housing Trust Fund which provides major home repair loans to low-income homeowners. In addition, HS&I provides outreach and education services that promotes the City's housing programs funded through CDBG such as the Emergency Repair program, Cowtown Brushup (exterior paint) program to broad range of populations.</p>			
Objective Category	1 Create suitable living environments		
Outcome Category	3 Sustainability		
Performance Indicators			
Number of person assisted with:			
New Access to Services and Benefits			
Objective Number	Project ID Number	Grant Number	B-10-MC-48-0010
		National Objective Citation	570.208(a)(1)
HUD Matrix Code	CDBG Regulation Citation		
14A Rehabilitation Single Unit Residential	570.202		
Type of Recipient	National Objective		
Local Government	Low Moderate Housing	Funding Sources	
Compliance Period	Proposed Accomplishments	CDBG Public Service	
June 1, 2010 to May 31, 2011		CDBG General	\$166,168.00
Start Date	Completion Date	ESG	
6/1/2010	5/31/11	HOME	
Census Tract/Block Group	% L/M	Other Funding	
		Total	\$166,168.00

**Housing and Economic Development Department
Consolidated Plan Listing of Projects
Project Profile**

Recipient		Project Title	
Housing and Economic Development Department		Emergency Repair Program	
Address			
1000 Throckmorton Street Fort Worth, TX 76102			
Key Contact/Phone/E-Mail		Total Project Budget	
Jesus Chapa	817.392.6103	\$1,005,329	
Jesus.Chapa@fortworthgov.org		Census Tract/Block Group/Address	
		1000 Throckmorton Street Fort Worth, TX 76102	
Description			
Funds will be used to provide grants to households of owner-occupied housing to eliminate conditions that pose hazards and unsafe conditions. The program provides assistance for home repairs which if neglected pose immediate threats to health and safety of the home owner. Income eligible home owners can qualify for up to \$5000 in emergency repairs. Funds will be used to provide emergency repairs to households at or below 50% of area median income. Approximately, 200 housing units will be served.			
Objective Category	2 Provide decent affordable housing		
Outcome Category	2 Affordability		
Performance Indicators			
Number of person assisted with:			
New Access to Services and Benefits			
Objective Number	Project ID Number	Grant Number	B-10-MC-48- 0010
HUD Matrix Code	CDBG Regulation Citation	National Objective Citation	570.208(a)(3)
14A Rehabilitation Single Unit Residential	570.202		
Type of Recipient	National Objective		
local government	Low Moderate Housing (LMH)	Funding Sources*	
Compliance Period	Proposed Accomplishments	CDBG Public Service	
June 1, 2010 to May 31, 2011	200 housing units	CDBG General	\$1,005,329
Start Date	Completion Date	ESG	
6/1/2010	5/31/11	HOME	
Census Tract/Block Group	% L/M	Other Funding	
		Total	\$1,005,329

**Housing and Economic Development Department
Consolidated Plan Listing of Projects
Project Profile**

Recipient		Project Title	
Housing and Economic Development Department		Pilot Roof Program	
Address			
1000 Throckmorton Street Fort Worth, TX 76102			
Key Contact/Phone/E-Mail		Total Project Budget	
Jesus Chapa	817.392.6103	\$200,000.00	
Jesus.Chapa@fortworthgov.org		Census Tract/Block Group/Address	
		1000 Throckmorton Street Fort Worth, TX 76102	
Description			
<p>Funds will be used to provide grants to households of owner-occupied housing to eliminate conditions that pose hazards and unsafe conditions. The program provides assistance for roof repairs which if neglected pose immediate threats to health and safety of the home owner. Income eligible home owners can qualify for up to \$14,999 in roof repairs. Funds will be used to provide roof repairs to households at or below 35% of area median income. Approximately 20 housing units will be served.</p>			
Objective Category	2 Provide decent affordable housing		
Outcome Category	2 Affordability		
Performance Indicators			
Number of person assisted with:			
New Access to Services and Benefits			
Objective Number	Project ID Number	Grant Number	B-10-MC-48-0010
HUD Matrix Code	CDBG Regulation Citation	National Objective Citation	570.208(a)(3)
14A Rehabilitation Single Unit Residential	570.202		
Type of Recipient	National Objective		
local government	Low Moderate Housing (LMH)	Funding Sources*	
Compliance Period	Proposed Accomplishments	CDBG Public Service	
June 1, 2010 to May 31, 2011	13 housing units	CDBG General	\$200,000.00
Start Date	Completion Date	ESG	
6/1/2010	5/31/11	HOME	
Census Tract/Block Group	% L/M	Other Funding	
		Total	\$200,000.00

**Housing and Economic Development Department
Consolidated Plan Listing of Projects
Project Profile**

Recipient		Project Title	
Housing and Economic Development Department		Cowntown Brush Up - Project Delivery	
Address			
1000 Throckmorton Street Fort Worth, TX 76102			
Key Contact/Phone/E-Mail		Total Project Budget	
Jesus Chapa	817.392.7540	\$293,814	
Jesus.Chapa@fortworthgov.org			
Description			
<p>Funds will be used to prepare and paint houses for the Annual Cowntown Brush-Up Project. This program provides income eligible owner occupied households with the painting of the exterior of their home for free. The Department staff inspects the homes to ensure they meet the requirements of the program.</p>			
Objective Category	2 Provide decent affordable housing		
Outcome Category	3 Sustainability		
Performance Indicators			
Number of person assisted with:			
New Access to Services and Benefits			
Objective Number	Project ID Number	Grant Number	B-10-MC-48-0010
HUD Matrix Code	CDBG Regulation Citation	National Objective Citation	570.208 (a)(3)
14H Rehabilitation Administration	570.202		
Type of Recipient	National Objective		
local government	Low Moderate Housing	Funding Sources*	
Compliance Period	Proposed Accomplishments	CDBG Public Service	
June 1, 2010 to May 31, 2011	150 households	CDBG General	\$293,814
Start Date	Completion Date	ESG	
6/1/2010	5/31/11	HOME	
Census Tract/Block Group	% L/M	Other Funding	
	100%	Total	\$293,814

**CDBG-General
Project 40
Revised 3/1/2010 (AR)**

**Housing and Economic Development Department
Consolidated Plan Listing of Projects
Project Profile**

Recipient		Project Title	
Housing and Economic Development Department		Cowntown Brush Up - Program Delivery	
Address			
1000 Throckmorton Street Fort Worth, TX 76102			
Key Contact/Phone/E-Mail		Total Project Budget	
Jesus Chapa	817.392.7540	\$46,557.00	
Jesus.Chapa@fortworthgov.org			
Description			
Funds will be used to pay the salary for Program Delivery for the Cowntown Brush Up Program Coordinator.			
Objective Category	2 Provide decent affordable housing		
Outcome Category	3 Sustainability		
Performance Indicators			
Number of person assisted with:			
New Access to Services and Benefits			
Objective Number	Project ID Number	Grant Number	B-10-MC-48-0010
HUD Matrix Code	CDBG Regulation Citation	National Objective Citation	570.208 (a)(3)
14H Rehabilitation Administration	570.202		
Type of Recipient	National Objective		
local government	Low Moderate Housing	Funding Sources*	
Compliance Period	Proposed Accomplishments	CDBG Public Service	
June 1, 2010 to May 31, 2011	150 participants	CDBG General	\$46,557.00
Start Date	Completion Date	ESG	
6/1/2010	5/31/11	HOME	
Census Tract/Block Group	% L/M	Other Funding	
	100%	Total	\$46,557.00

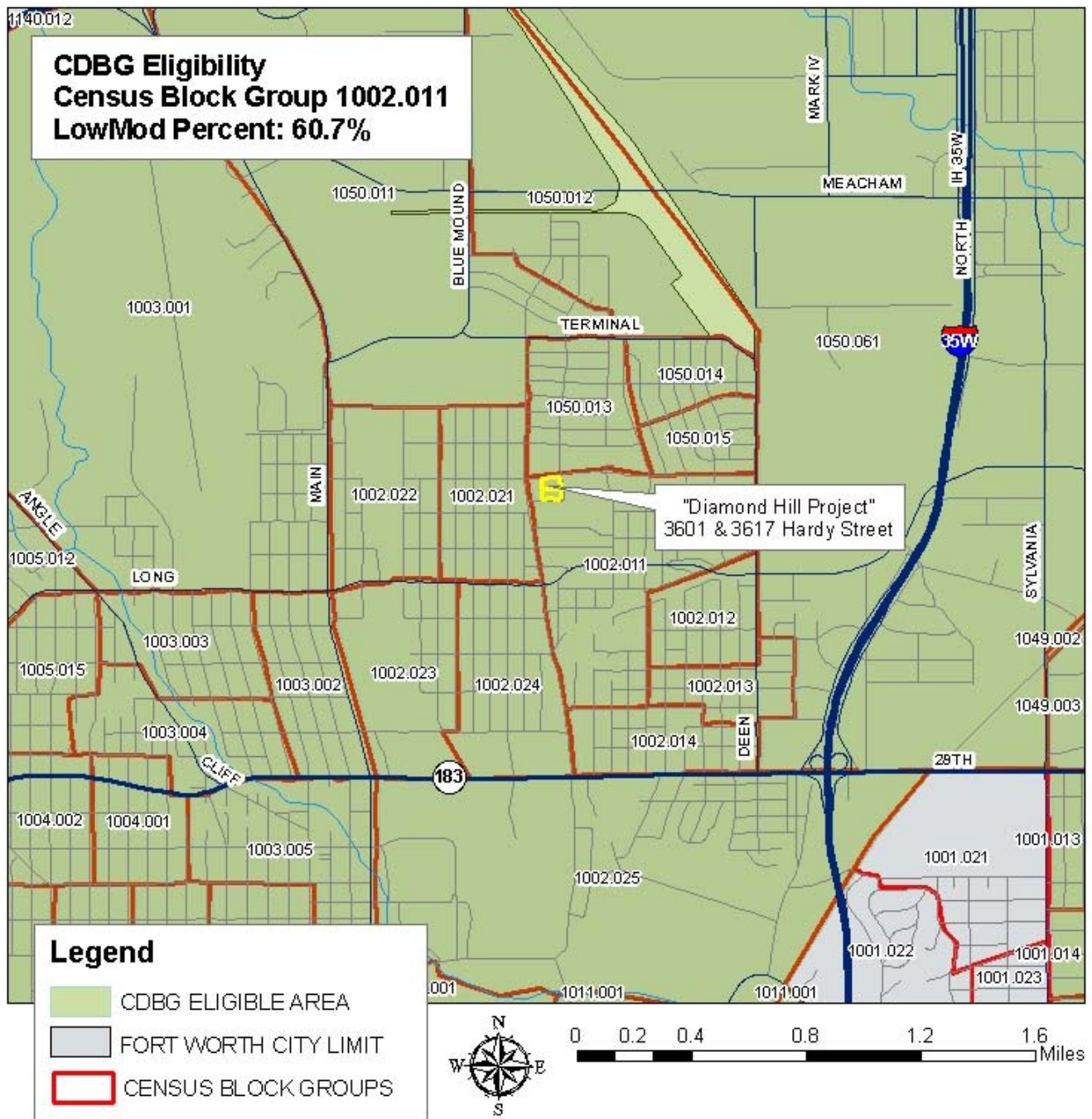
**Housing and Economic Development Department
Consolidated Plan Listing of Projects
Project Profile**

Recipient		Project Title	
Housing and Economic Development Department		Housing Trust Fund – Homeowner Rehab Loans	
Address			
1000 Throckmorton Street Fort Worth, TX 76102			
Key Contact/Phone/E-Mail		Total Project Budget	
Jesus Chapa	817-392-5804	\$550,000.00	
		Census Tract/Block Group/Address	
		1000 Throckmorton Street Fort Worth, TX 76102	
Description			
<p>Funds will be dedicated to a citywide housing rehabilitation program that offers major repairs to preserve housing on behalf of low or moderate income homeowner. Assistance will be provided in the form of loans up to \$40,000 with repayment based on a sliding scale determined by household income. Payment is 100% deferred for low income home owners under 40% of median income, 70% deferred for homeowners at 40% to 60% of area median income and 30% deferred for homeowners between 60% and 80% of area median income. There is a 10 year affordability period associated with these loans.</p> <p>The HTF will assist with a maximum of \$40,000 per unit and is projected to assist 14 eligible home owners.</p>			
Objective Category	2 Provide decent affordable housing		
Outcome Category	2 Affordability		
Performance Indicators			
Number of person assisted with:			
New Access to Services and Benefits			
Objective Number	Project ID Number	Grant Number	B-10-MC-48-0010
HUD Matrix Code	CDBG Regulation Citation	National Objective Citation	570.208(a)(3)
14A Rehabilitation Single Unit Residential	570.202		
Type of Recipient	National Objective		
local government	Low Moderate Housing	Funding Sources*	
Compliance Period	Proposed Accomplishments	CDBG Public Service	
June 1, 2010 to May 31, 2011	14 households	CDBG General	
Start Date	Completion Date	ESG	
6/1/2010	5/31/11	HOME	\$550,000.00
Census Tract/Block Group	% L/M	Other Funding	
		Total	\$550,000.00

**Housing and Economic Development Department
Consolidated Plan Listing of Projects
Project Profile**

Recipient		Project Title	
City of Fort Worth – Housing & Economic Development		Targeted Infrastructure – Diamond Hill Project	
Address			
1000 Throckmorton Street Fort Worth, TX 76102			
Key Contact/Phone/E-Mail		Total Project Budget	
Jesus Chapa	817.392.5804	\$468,724	
		Census Tract/Block Group/Address	
		3601 and 3617 Hardy Street (See Attached Map)	
Description			
Infrastructure improvements (water, sewer, street and drainage) installed prior to the construction of single family homes located at 3601 and 3617 Hardy Street, Fort Worth.			
Objective Category			
1 Create suitable living environments			
Outcome Category		3 Sustainability	
Performance Indicators			
Improved access to services or benefit			
Objective Number			
Project ID Number		Grant Number	
		B-10-MC-48-0010	
HUD Matrix Code		CDBG Regulation Citation	
03J		570.201 (c)	
Type of Recipient		National Objective	
local government		Low Moderate Area (LMA)	
Compliance Period		Proposed Accomplishments	
June 1, 2010 to May 31, 2011		CDBG Public Service	
Start Date		Completion Date	
6/1/2010		5/31/11	
Census Tract/Block Group		% L/M	
1012.02 / 5		68.40%	
		Total	
		\$468,724.00	

Targeted Infrastructure - Diamond Hill Project

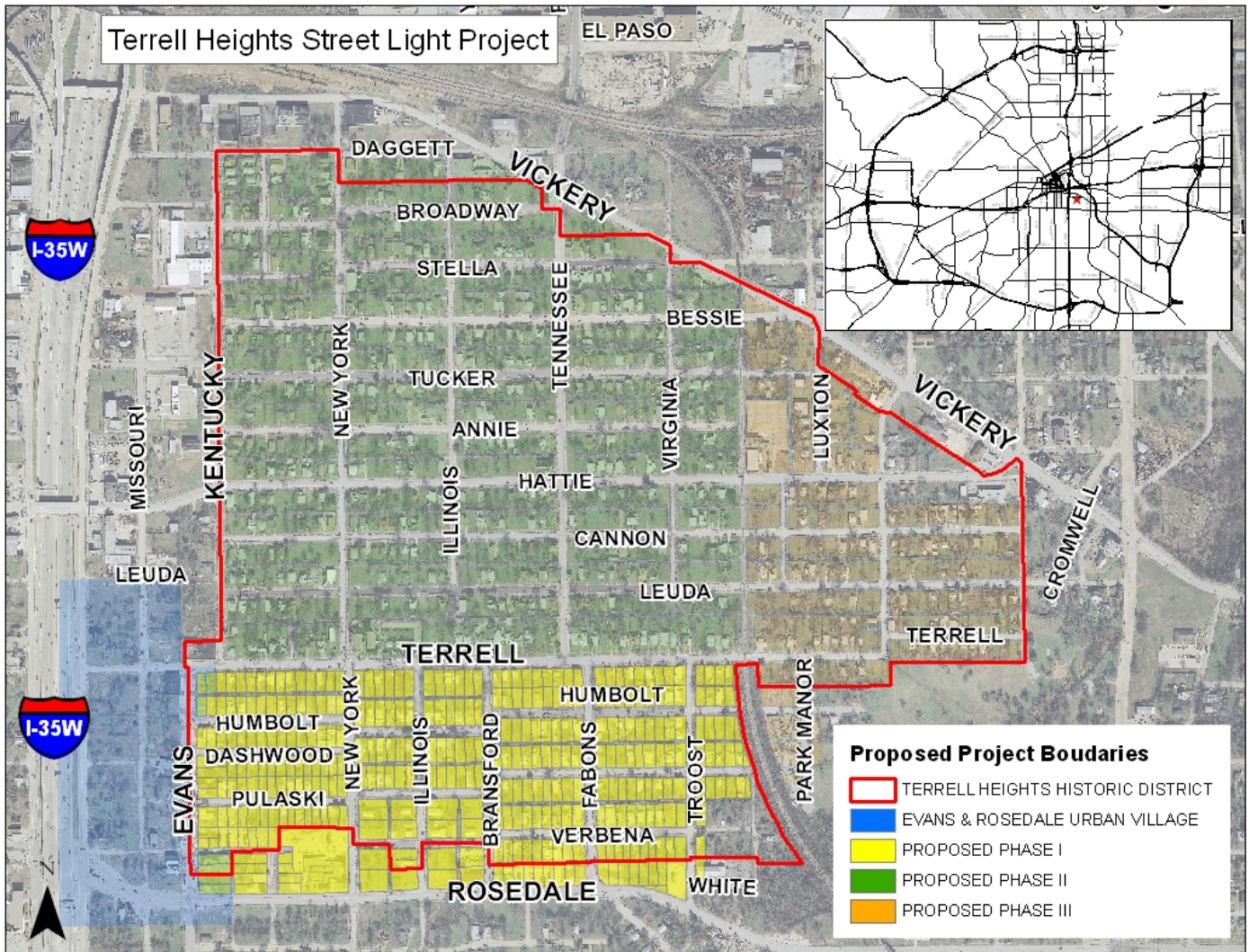


**Housing and Economic Development Department
Consolidated Plan Listing of Projects
Project Profile**

Recipient		Project Title	
Housing and Economic Development Department		Light Installation for Terrell Heights	
Address			
1000 Throckmorton Street Fort Worth, TX 76102			
Key Contact/Phone/E-Mail		Total Project Budget	
Jesus Chapa	817.392.6103	\$50,000.00	
jesus.chapa@fortworthgov.org		Census Tract/Block Group/Address	
		See Attached Maps	
Description			
CDBG funds will be used to install lights in the Terrell Heights CDBG eligible areas. The locations are shown on the attached map.			
Objective Category	1. Suitable Living Environment		
Outcome Category	1. Availability and Accessibility		
Performance Indicators			
Objective Number	Project ID Number	Grant Number	B-10-MC-48-0010
HUD Matrix Code	CDBG Regulation Citation	National Objective Citation	570.208(a)(1)(v)
03L Sidewalks	570.201(c)		
Type of Recipient	National Objective		
local government	Low Moderate Area	Funding Sources*	
Compliance Period	Proposed Accomplishments	CDBG Public Service	
June 1, 2010 to May 31, 2011		CDBG General	\$50,000.00
Start Date	Completion Date	ESG	
6/1/10	5/31/11	HOME	
Census Tract/Block Group	% L/M	Other Funding	
	90.3%/94.4%	Total	\$50,000.00

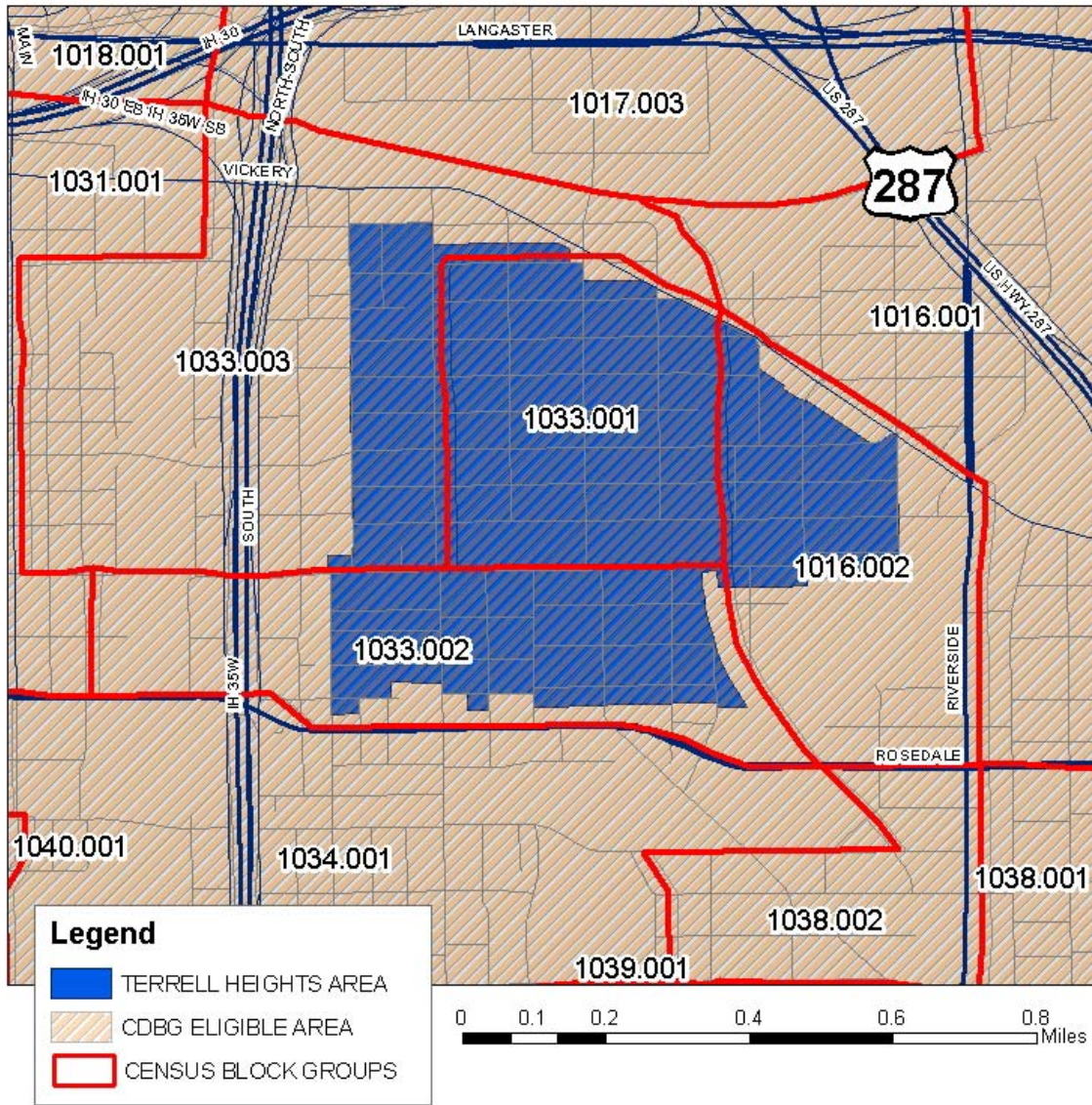
**CDBG-General
Project 44
Revised 3/1/2010 (AC)**

Street Light Installation for Terrell Heights



**CDBG-General
Project 44**
Revised 3/2/2010 (AR)

Street Light Installation for Terrell Heights



Street Light Installation Service Area

Tract/Group	LOWMODUNIV	LOWMOD	LOWMODPCT
1033.001	729	688	94.4%
1033.002	533	339	63.6%
1033.003	357	247	69.2%
1016.002	376	303	80.6%
Total	1,995	1,577	79.0%

**Housing and Economic Development Department
Consolidated Plan Listing of Projects
Project Profile**

Recipient		Project Title	
Housing and Economic Development Department		CDBG General Administration	
Address			
1000 Throckmorton Street Fort Worth, TX 76102			
Key Contact/Phone/E-Mail		Total Project Budget	
Jesus Chapa	817.392.7540	\$1,155,830	
Jesus.chapa@fortworthgov.org		Census Tract/Block Group/Address	
		1000 Throckmorton Street Fort Worth, TX 76102	
Description			
Funds will be used to cover the cost of planning, administering, operating, and monitoring CDBG program to insure compliance with HUD and City policies and regulations. The administrative allocations are restricted by regulation and are calculated accordingly. FY 2009-2010 percentage for CDBG grant is 20%.			
Objective Category			
Performance Indicators			
Objective Number	Project ID Number	Grant Number	B-10-MC-48-0010
HUD Matrix Code	CDBG Regulation Citation	National Objective Citation	
21A General Admin	570.206		
Type of Recipient	National Objective		
local government		Funding Sources*	
Compliance Period	Proposed Accomplishments	CDBG Public Service	
June 1, 2010 to May 31, 2011		CDBG General	\$1,155,830
Start Date	Completion Date	ESG	
6/1/10	5/31/11	HOME	
Census Tract/Block Group	% L/M	HOPWA	
		Other Funding	
		Total	\$1,155,830

**CDBG-General
Project 45
Revised 3/1/2010 (AR)**

**Housing and Economic Development Department
Consolidated Plan Listing of Projects
Project Profile**

Recipient		Project Title	
City Departments		General Administration	
Address			
1000 Throckmorton Street Fort Worth, TX 76102			
Key Contact/Phone/E-Mail		Total Project Budget	
Jesus Chapa	817.392.7540	\$212,955	
jesus.chapa@fortworthgov.org			
Description			
Funds will be used to cover the cost of planning, administering, operating, and monitoring CDBG, HOME, ESG, and HOPWA programs to insure compliance with HUD and City policies and regulations. Administrative expenses are allocated as shown below:			
Finance:			
Internal Audit: \$53,911			
Planning & Development: \$62,067			
Community Relations (Central City Coordinator): \$35,551			
Objective Category			
Outcome Category			
Performance Indicators			
Objective Number			
Project ID Number		Grant Number	B-10-MC-48-0010
HUD Matrix Code		CDBG Regulation Citation	National Objective Citation
22 Unprogrammed Funds		570.206	
Type of Recipient		National Objective	
local government		Funding Sources*	
Compliance Period		Proposed Accomplishments	
June 1, 2010 to May 31, 2011		CDBG Public Service	
		CDBG General	\$212,955
Start Date		Completion Date	
6/1/10		5/31/11	
Census Tract/Block Group		% L/M	
		Other Funding	
		Total	\$212,955

**Housing and Economic Development Department
Consolidated Plan Listing of Projects
Project Profile**

Recipient		Project Title	
City of Fort Worth		Debt Reserve - Section 108	
Address			
1000 Throckmorton, Fort Worth, Texas 76102			
Key Contact/Phone/E-Mail		Total Project Budget	
Jesus Chapa	817.392.7540	\$720,624	
Jesus.chapa@fortworthgov.org		Census Tract/Block Group/Address	
Description			
These funds will be used to repay principal and interest for the Heritage Center Section 108 Loan.			
Objective Category	N/A		
Outcome Category	N/A		
Performance Indicators	N/A		
Number of person assisted with:			
New Access to Services and Benefits			
Objective Number	Project ID Number	Grant Number	B-10-MC-48-0010
		Map Number	N/A
HUD Matrix Code	CDBG Regulation Citation	Regulation Citation	24 CFR 570.206
19F Planned Repayment of Section 108 Loan Principle	570.705 (c)		
Type of Recipient	National Objective		
local government	LMJ	Funding Sources*	
Compliance Period	Proposed Accomplishments	CDBG Public Service	
June 1, 2010 to May 31, 2011		CDBG General	\$720,624
Start Date	Completion Date	ESG	
6/1/2010	5/30/2011	HOME	
Census Tract/Block Group	% L/M	Other Funding	
N/A	N/A	Total	\$720,624

**Housing and Economic Development Department
Consolidated Plan Listing of Projects
Project Profile**

Recipient		Project Title	
Presbyterian Night Shelter		Emergency Shelter - Operations	
Address		Total Project Budget - Operating	
2400 Cypress Fort Worth, Texas 76102		\$181,561.00	
Key Contact/Phone/E-Mail		Census Tract/BlockGroup/Address	
Tiffany Oliver		2400 Cypress	
toliver@pns-tc.org		Fort Worth, Texas 76102	
Description			
The program is located at 2400 Cypress, Fort Worth, Texas 76102. The funds will be used to provide operational facility utility payments (gas, water, and electric), maintenance, and security in support of shelter operations. The shelter provides free nightly shelter to homeless individuals and families. Services provided at the Presbyterian Night Shelter will include meals, case management, and basic medical care. Documentation of the homeless participants' circumstances will be maintained in each client file in order to adequately determine the eligibility of persons served by HUD's homeless assistance programs. This documentation is typically obtained from the participant or a third party at the time of referral, entry, intake or orientation to the program. Activities will be set-up in IDIS as HUD Matrix Code 03T – Operating Costs of Homeless/AIDS for \$166,561 and 03C – Homeless Facilities (not operating costs) for \$15,000			
Essential Services: \$0	Operation and Maintenance: \$181,561		
Objective Category:	1 Create Suitable Living Environment		
Objective Category:	1 Availability/accessibility		
Performance Indicators:			
Number of persons assisted with:			
Improved access to service or benefit			
Objective Number	Project ID Number		
		Grant Number	S-10-MC-48-0006
HUD Matrix Code	ESG Regulation Citation		
03C – Homeless Facilities	576.21		
Type of Recipient	National Objective	Funding Sources*	
Non-Profit Organization		CDBG Public Service	
Compliance Period	Proposed Accomplishments	CDBG General	
June 1, 2010 to May 31, 2011	700 unduplicated people	ESG	\$181,561.00
Start Date	Completion Date	HOME	
06/01/2010	05/31/2011	HOPWA	
Census Tract/Block Group	% L/M	Other Funding	
		Total	\$181,561.00

**Housing and Economic Development Department
Consolidated Plan Listing of Projects
Project Profile**

Recipient		Project Title	
Safe Haven of Tarrant County		Shelter Operations	
Address			
6815 Manhattan Blvd, Suite 105 Fort Worth, Texas 76120			
Key Contact/Phone/E-Mail		Total Project Budget - Operating	
Mary Lee Hafley	817-535-6462	\$20,000	
mlhafley@safehaventc.org			
		Census Tract/BlockGroup/Address	
		6815 Manhattan Blvd, Suite 105 Fort Worth, Texas 76120	
Description			
The funds will be used to provide operational facility utility payments (gas, water, and electric) in support of domestic violence shelter operations. The shelter provides for basic needs such as food, clothing, and medical attention in support of services to homeless victims of violence and helps them access services to develop a plan of self-sufficiency. Documentation of the homeless participants' circumstances (where applicable) will be maintained in each client file in order to adequately determine the eligibility of persons served by HUD's homeless assistance programs. This documentation is typically obtained from the participant or a third party at the time of referral, entry, intake or orientation to the program. Activity will be set-up in IDIS as HUD Matrix Code 03T – Operating Costs of Homeless/AIDS			
Essential Services:	Operation and Maintenance:		
\$0	\$20,000		
Objective Category:	1 Create suitable living environment		
Outcome Category	1 Availability/accessibility		
Performance Indicators:			
Number of persons assisted with:			
Improved access to service or benefit			
Objective Number	Project ID Number		
		Grant Number	S-10-MC-48-0006
HUD Matrix Code	ESG Regulation Citation		
03C – Homeless Facilities	576.21		
Type of Recipient	National Objective	Funding Sources*	
Non-Profit Organization		CDBG Public Service	
Compliance Period	Proposed Accomplishments	CDBG General	
June 1, 2010 to May 31, 2011	1400 people	ESG	\$20,000.00
Start Date	Completion Date	HOME	
6/1/2010	05/31/2011	HOPWA	
Census Tract/Block Group	% L/M	Other Funding	
		Total	\$20,000.00

**Housing and Economic Development Department
Consolidated Plan Listing of Projects
Project Profile**

Recipient		Project Title	
Safe Haven of Tarrant County		Supportive Child Care	
Address			
6815 Manhattan Blvd, Suite 105 Fort Worth, Texas 76120			
Key Contact/Phone/E-Mail		Total Project Budget	
Mary Lee Hafley 817-535-6462		\$15,157	
allang@aoc.org		Census Tract/BlockGroup/Address	
Description			
All funding will pay for personnel services. This program's physical location is undisclosed due to high risk associated with the clients who have been victims of domestic violence. Administrative offices are located at 6815 Manhattan Blvd., Ste #105, Fort Worth, Texas, 76120. The program activities include but are not limited to fostering team work, arts & crafts, and helping the children cope with their family's past domestic violence and prevention of homelessness in the city. Activity will be set-up in IDIS as HUD Matrix Code 05 – Public Services (General)			
Essential Services \$15,157			
Objective Category:	1 Create suitable living		
Outcome Category	1 Availability/accessibility		
Performance Indicators:			
Number of persons assisted with:			
Improved access to service or benefit			
Objective Number	Project ID Number		
STR 5, G2, Obj. 4		Grant Number	S-10-MC-48-0006
HUD Matrix Code	ESG Regulation Citation		
03C – Homeless Facilities	576.21		
Type of Recipient	National Objective	Funding Sources*	
Local Government		CDBG Public Service	
Compliance Period	Proposed Accomplishments	CDBG General	
June 1, 2010 to May 31, 2011	150 children	ESG	\$15,157
Start Date	Completion Date	HOME	
06/01/2010	05/31/2011	HOPWA	
Census Tract/Block Group	% L/M	Other Funding	
		Total	\$15,157

**Housing and Economic Development Department
Consolidated Plan Listing of Projects
Project Profile**

Recipient		Project Title	
YWCA Fort Worth & Tarrant County		Supportive Living Program	
Address			
512 W. 4th Street Fort Worth, Texas 76102			
Key Contact/Phone/E-Mail		Total Project Budget - Essential Services	
Carol Klocek	817-332-6191	\$13,039.00	
cklocek@ywcafortworth.org			
		Census Tract/BlockGroup/Address	
Description			
The ESG funds will pay a portion of one case manager's salary. The program is located at 512 W. 4th Street in the YWCA of Fort Worth and Tarrant County. The program provides transitionally homeless women with the skills to become self-sufficient and it addresses the need for temporary housing and essential social services for these clients to reach independence within at least seven months. Activity will be set-up in IDIS as HUD Matrix Code 05 – Public Services (General)			
Essential Services: \$13,039	Operation and Maintenance: \$0		
Objective Category:	1 Create suitable living environment		
Outcome Category:	1 Availability/accessibility		
Performance Indicators:			
Number of persons assisted with:			
Improved access to service or benefit			
Objective Number	Project ID Number	Grant Number	S-10-MC-48-0006
HUD Matrix Code	ESG Regulation Citation		
03C – Homeless Facilities	576.21		
Type of Recipient	National Objective	Funding Sources*	
Non-Profit Organization		CDBG Public Service	
Compliance Period	Proposed Accomplishments	CDBG General	
June 1, 2010 to May 31, 2011	40 people	ESG	\$13,039.00
Start Date	Completion Date	HOME	
6/1/2010	05/31/2011	HOPWA	
Census Tract/Block Group	% L/M	Other Funding	
		Total	\$13,039.00

**Housing and Economic Development Department
Consolidated Plan Listing of Projects
Project Profile**

Recipient		Project Title	
City of Fort Worth - Parks & Community Services Dept.		Emergency Shelter Grant-Shipp	
Address			
4200 South Freeway, Suite 2200 Fort Worth, Texas 76115			
Key Contact/Phone/E-Mail		Total Project Budget	
Richard Zavala, Director Richard.Zavala@fortworthgov.org		817-392-7275 \$50,000.00	
		Census Tract/BlockGroup/Address	
		4200 South Freeway, Suite 2200 Fort Worth, Texas 76115	
		Fort Worth, Texas 76115	
Description			
Funds will be used to provide homeless prevention to persons and households experiencing financial difficulties. Assistance includes but is not limited to mortgage payments, rent deposits, and utility deposits. Activity will be set-up in IDIS as HUD Matrix Code 05Q – Subsistence Payments			
Essential Services: \$0		Operation and Maintenance: \$50,000	
Objective Category:		1 Create Suitable Living Environment	
Outcome Category		2 Affordability	
Performance Indicators:			
Number of persons assisted with:			
Improved access to service or benefit			
Objective Number	Project ID Number	Grant Number	
			S-10-MC-48-0006
HUD Matrix Code	ESG Regulation Citation		
03C – Homeless Facilities	576.21		
Type of Recipient	National Objective	Funding Sources*	
Local Government		CDBG Public Service	
Compliance Period	Proposed Accomplishments	CDBG General	
June 1, 2010 to May 31, 2011	90 people*	ESG	\$50,000.00
Start Date	Completion Date	HOME	
6/1/2010	05/31/2011	HOPWA	
Census Tract/Block Group	% L/M	Other Funding	
		Total	\$50,000.00

*35 people based upon request of \$15,000, however recommendation for funding is \$50,000.

**Housing and Economic Development Department
Consolidated Plan Listing of Projects
Project Profile**

Recipient		Project Title	
Housing and Economic Development Department		General Administration-ESG	
Address			
1000 Throckmorton, Fort Worth, Texas 76102			
Key Contact/Phone/E-Mail		Total Project Budget	
Jesus Chapa, Director 817-392-7540		\$14,724.00	
Jesus.Chapa@fortworthgov.org		Census Tract/BlockGroup/Address	
Description			
Funds will be used to cover the cost of planning, administering, operating, and monitoring ESG program to insure compliance with HUD and City policies and regulations. The administrative allocation is restricted by regulation and is ESG 5%.			
Administration: \$14,724		Operation and Maintenance: \$0	
Objective Category:		1 Create Suitable Living Environment	
Outcome Category		2 Affordability	
Performance Indicators:			
Number of persons assisted with:			
Improved access to service or benefit			
Objective Number	Project ID Number		
		Grant Number	S-10-MC-48-0006
HUD Matrix Code	ESG Regulation Citation		
03C – Homeless Facilities	576.21		
Type of Recipient	National Objective	Funding Sources*	
Local Government		CDBG Public Service	
Compliance Period	Proposed Accomplishments	CDBG General	
June 1, 2010 to May 31, 2011		ESG	\$14,724.00
Start Date	Completion Date	HOME	
6/1/2010	05/31/2011	HOPWA	
Census Tract/Block Group	% L/M	Other Funding	
		Total	\$14,724.00

**Housing and Economic Development Department
Consolidated Plan Listing of Projects
Project Profile**

Recipient		Project Title	
AIDS Outreach Center		Housing Assistance for Persons with HIV/AIDS Patients: Administration; Short-term Rent, Mortgage, Utility Assistance; Supportive Services; and Tenant-Based Rental Assistance	
Address			
801 W. Cannon Fort Worth, Texas 76104			
Key Contact/Phone/E-Mail		Total Project Budget	
Allan Gould, Jr. 817-335-1994		\$428,952	
allang@aoc.org		Census Tract/BlockGroup/Address	
Description			
Funds will provide for program administration (not to exceed 7% of the project sponsor's allocation) tenant-based rental assistance, short term rent, mortgage, and utility payments and supportive services to individuals with HIV/AIDS and their families in order to prevent homelessness, maintain housing stability, and improve access to care. An estimated 183 persons with HIV/AIDS from throughout a four county area (Tarrant, Hood, Johnson, and Parker) will receive assistance. Funding will be allocated as follows: \$279,508 for Tenant Based Rental Assistance, \$73,893 for Short-Term Rent Mortgage and Utility Assistance, \$51,637 for Supportive Services and \$23,914 for Administration.			
Objective Category:		2 Provide decent affordable housing	
Outcome Category		2 Affordability	
Performance Indicators:			
Number of persons assisted with:			
Improved access to service or benefit			
Objective Number		Project ID Number	
STR 5, G2, Obj. 4		Grant Number	
		TX-H-10-F002	
HUD Matrix Code		HOPWA Regulation Citation	
31D		574.300	
Type of Recipient		National Objective	
Local Government		Funding Sources*	
		CDBG Public Service	
Compliance Period		Proposed Accomplishments	
June 1, 2010 to May 31, 2011		CDBG General	
		ESG	
Start Date		Completion Date	
06/01/2010		HOME	
		HOPWA	
		\$428,952	
Census Tract/Block Group		% L/M	
		Other Funding	
		Total	
		\$428,952	

**Housing and Economic Development Department
Consolidated Plan Listing of Projects
Project Profile**

Recipient		Project Title	
AIDS Resources of Rural Texas		Housing assistance for HIV/AIDS patients - Administration, Supportive Services, Long term Rental, and Short-term Rent, Mortgage, Utility Assistance	
Address		Total Project Budget	
250 Santa Fe Drive, Suite 101 Weatherford, Texas 76086		\$102,778	
Key Contact/Phone/E-Mail			
Lisa Justice		817-596-3022	
ljustice@aidsresources.com		Census Tract/Block Group/Address	
Description			
Funding will be used for program administration (not to exceed 7% of the project sponsor's allocation) to provide tenant-based rental assistance, long term rental, short term rental, mortgage, utility payments, and supportive services to include case management to clients with HIV/AIDS in the rural areas of Parker, Johnson, Wise, and Tarrant Counties. An estimated 32 people with HIV/AIDS will be served. Funding will be allocated as follows: \$60,000 for Tenant Based Rental Assistance, \$14,419 for Short-Term Rent Mortgage and Utility Assistance, \$21,250 for Supportive Services and \$7,091 for Administration.			
Objective Category		2 Provide decent affordable housing	
Outcome Category		2 Affordability	
Performance Indicators			
Number of person assisted with:			
Improved access to services or benefit			
Objective Number		Project ID Number	
STR 5, G2, Obj. 4		Grant Number	
HUD Matrix Code		HOPWA Regulation Citation	
31B HOPWA		574.300	
Type of Recipient		National Objective	
Non-Profit		Funding Sources*	
Compliance Period		Proposed Accomplishments	
June 1, 2010 to May 31, 2011		CDBG Public Service	
Start Date		Completion Date	
06/01/2010		05/31/2011	
Census Tract/Block Group		% L/M	
		Other Funding	
		HOPWA	
		\$102,778.00	
		Total	
		\$102,778.00	

**Housing and Economic Development Department
Consolidated Plan Listing of Projects
Project Profile**

Recipient		Project Title	
Catholic Charities Diocese of Fort Worth, Inc.		Lady Hogan Project: Administration, Supportive Services, and Short-term Rent, Mortgage, Utility Assistance	
Address			
2641 Avenue L Fort Worth, Texas 76107			
Key Contact/Phone/E-Mail		Total Project Budget	
Beatriz Dantzer 817-413-3919		\$64,652	
Bdantzer@ccdofw.org		Census Tract/BlockGroup/Address	
Description			
<p>Funds will provide for program administration (not to exceed 7% of project sponsor's allocation) to enable the provision of services to individuals with HIV/AIDS and their families in order to prevent homelessness, maintain housing stability, and improve access to care. An estimated 84 persons with HIV/AIDS from throughout a four county (Tarrant, Hood, Johnson, and Parker) will be served as unduplicated persons. The services will include case management, emergency financial assistance, support groups, and consumer advocacy. Funding is broken down as: Administration \$4,515.25; Supportive Services \$24,733.70; and Short-term Rent, Mortgage, Utility Assistance \$35,403.05.</p>			
Objective Category:	2 Provide decent affordable housing		
Outcome Category	2 Affordability		
Performance Indicators:			
Number of persons assisted with:			
Improved access to service or benefit			
Objective Number	Project ID Number		
STR 5, G2, Obj. 4		Grant Number	TX-H-10-F002
HUD Matrix Code	HOPWA Regulation Citation		
31D	574.300		
Type of Recipient	National Objective	Funding Sources*	
Local Government		CDBG Public Service	
Compliance Period	Proposed Accomplishments	CDBG General	
June 1, 2010 to May 31, 2011	35 people	ESG	
Start Date	Completion Date	HOME	
06/01/2010	05/31/2011	HOPWA	\$64,652
Census Tract/Block Group	% L/M	Other Funding	
		Total	\$64,652

**Housing and Economic Development Department
Consolidated Plan Listing of Projects
Project Profile**

Recipient		Project Title	
Tarrant County Samaritan Housing, Inc.		Permanent Supportive Housing	
Address			
929 Hemphill St Fort Worth, TX 76104			
Key Contact/Phone/E-Mail		Total Project Budget	
Steve Dutton 817.332.6410		\$269,372	
stevedutton@samaritanhouse.org		Census Tract/BlockGroup/Address	
Description			
Funds will be used to provide program administration and supportive services (not to exceed 7% of the project sponsor's allocation), for individuals with HIV/AIDS. The services will foster independency and development skills that will enable that HIV/AIDS client to become a vital contributing member of society. An estimated 117 unduplicated persons with HIV/AIDS will be served throughout the four county area consisting of Tarrant, Parker, Hood and Johnson counties. Funding will be allocated as follows: \$18,354 for Administration and \$251,018 for Supportive Services.			
Objective Category:	2 Provide decent affordable housing		
Outcome Category	2 Affordability		
Performance Indicators:			
Number of persons assisted with:			
Improved access to service or benefit			
Objective Number	Project ID Number		
STR 5, G2, Obj. 4		Grant Number	TX-H-10-F002
HUD Matrix Code	HOPWA Regulation Citation		
31D	574.300		
Type of Recipient	National Objective	Funding Sources*	
Local Government		CDBG Public Service	
Compliance Period	Proposed Accomplishments	CDBG General	
June 1, 2010 to May 31, 2011	106 people	ESG	
Start Date	Completion Date	HOME	
06/01/2010	05/31/2011	HOPWA	\$269,372
Census Tract/Block Group	% L/M	Other Funding	
		Total	\$269,372

**Housing and Economic Development Department
Consolidated Plan Listing of Projects
Project Profile**

Recipient		Project Title	
Housing and Economic Development Department		General Administration-HOPWA	
Address			
1000 Throckmorton, Fort Worth, Texas 76102			
Key Contact/Phone/E-Mail		Total Project Budget	
Jesus Chapa, Director	817-392-7540	\$26,775.00	
Jesus.Chapa@fortworthgov.org		Census Tract/BlockGroup/Address	
Description			
Funds will be used to cover the costs of planning, administering, operating, and monitoring HOPWA program to insure compliance with HUD and City policies and regulations. The administrative costs are restricted by regulation and are allocated as HOPWA 3%.			
Administration: \$26,775	Operation and Maintenance: \$0		
Objective Category:	1 Create Suitable Living Environment		
Outcome Category	2 Affordability		
Performance Indicators:			
Number of persons assisted with:			
Improved access to service or benefit			
Objective Number	Project ID Number		
		Grant Number	TX-H-10-F002
HUD Matrix Code	CDBG Regulation Citation		
31A HOPWA Administration	574.3		
Type of Recipient	National Objective	Funding Sources*	
Local Government		CDBG Public Service	
Compliance Period	Proposed Accomplishments	CDBG General	
June 1, 2010 to May 31, 2011		ESG	
Start Date	Completion Date	HOME	
06/01/2010	05/31/2011	HOPWA	\$26,775.00
Census Tract/Block Group	% L/M	Other Funding	
		Total	\$26,775.00

**Housing and Economic Development Department
Consolidated Plan Listing of Projects
Project Profile**

Recipient		Project Title	
Listed Individual CHDO's		CHDO 15% HOME Allocation Set-Aside	
Address			
6924 Glenview Drive, Fort Worth, TX 76180 3345 South Jones Street, Fort Worth, TX 76110 1519 Circle Park Boulevard, #C, Fort Worth, TX 76106 201 S Sylvania Avenue, Fort Worth, TX 76111 605 W Magnolia, Fort Worth, TX 76104			
Key Contact/Phone/E-Mail		Total Project Budget	
CAN HDC - Philip Posey/817.632.6000/pposey@canetwork.org NLC - Gage Yager/817.926.9219/gage.yager@trinityhabitat.org NNPC - Abby Gamboa/817.362.9816/abby@partnerscouncil.org TCHP - Donna Van Ness/817.924.5091/donna@tchp.net URRC – Kelly Allen Gray/817.831.4589/unitedriverside@sbcglobal.net		\$482,517.00	
		Census Tract/BlockGroup/Address	
Description			
Funds will be used to assist in the construction of four new single family affordable housing units for income eligible homebuyers (up to 80% of area median income) in the service areas covered by the selected CHDO(s). Cost per unit is estimated at \$120,629.25. CHDO's that will potentially receive project funds include: Cornerstone Housing Development Corporation, Neighborhood Land Corporation, Near Northside Partners Council, United Riverside Rebuilding Corporation, and Tarrant County Housing Partnership.			
Objective Category:	1 Create suitable living		
Outcome Category	1 Availability/accessibility		
Performance Indicators:			
Number of quality, affordable, accessible housing units provided.			
Improved access to service or benefit			
Objective Number	Project ID Number		
		Grant Number	M-10-MC-48-0204
HUD Matrix Code	HOME Regulation Citation		
14 A Rehabilitation of Single Units Residential 12 Construction of Housing	24 CFR 92.206		
Type of Recipient	National Objective	Funding Sources*	
Local Government	Low Moderate Housing (LMH)	CDBG Public Service	
Compliance Period	Proposed Accomplishments	CDBG General	
June 1, 2010 to May 31, 2011	4 housing units	ESG	
Start Date	Completion Date	HOME	\$482,517.00
06/01/2010	05/31/2011	HOPWA	
Census Tract/Block Group	% L/M	Other Funding	
		Total	\$482,517.00

**Housing and Economic Development Department
Consolidated Plan Listing of Projects
Project Profile**

Recipient		Project Title	
City of Fort Worth Housing and Economic Development		Home Buyer Assistance Program	
Address			
1000 Throckmorton Street, Fort Worth, TX 76102			
Key Contact/Phone/E-Mail		Total Project Budget	
Jesus Chapa/817.392.7540/jesus.chapa@fortworthgov.org		\$900,000.00	
		Census Tract/BlockGroup/Address	
		Program is offered citywide.	
Description			
Funds will be provided for deferred payment second mortgages and/or closing cost assistance to first-time homebuyers citywide, whose incomes are at or below 80% of the area median income. The assistance is not to exceed \$14,999 for homes purchased in target areas or \$8,500 for homes purchased in non-target areas.			
Objective Category:	2 Provide Decent Affordable Housing		
Outcome Category	2 Affordability		
Performance Indicators:			
Number of quality, affordable, accessible housing units provided.			
Improved access to service or benefit			
Objective Number	Project ID Number		
		Grant Number	M-10-MC-48-0204
HUD Matrix Code	HOME Regulation Citation		
13 Direct Home Ownership Assistance	24 CFR 92.205		
Type of Recipient	National Objective	Funding Sources*	
Local Government	Low Moderate Housing (LMH)	CDBG Public Service	
Compliance Period	Proposed Accomplishments	CDBG General	
June 1, 2010 to May 31, 2011		ESG	
Start Date	Completion Date	HOME	\$900,000.00
06/01/2010	05/31/2011	HOPWA	
Census Tract/Block Group	% L/M	Other Funding	
		Total	\$900,000.00

**HOME
Project 60
Revised 3/1/2010 (FS)**

**Housing and Economic Development Department
Consolidated Plan Listing of Projects
Project Profile**

Recipient		Project Title	
City of Fort Worth Housing and Economic Development		Terrell Heights New Construction Project	
Address			
1000 Throckmorton Street, Fort Worth, TX 76102			
Key Contact/Phone/E-Mail		Total Project Budget	
Jesus Chapa/817.392.7540/jesus.chapa@fortworthgov.org		\$500,000.00	
		Census Tract/BlockGroup/Address	
		1033.01 & 1033.02 and 1016.01 & 1016.02 (Terrell Heights Neighborhood)	
Description			
HOME funds will be used to assist in the acquisition of properties and construction of five newly single family quality, affordable, accessible housing units for income eligible homebuyers (up to 80% of area median income). Terrell Heights is located east of I-35E, south of I-30, and north of Rosedale. Applicable procurement procedures will be followed. The number of units for new construction is 5 for income-eligible applicants. Cost per unit is estimated at \$100,000.00.			
Objective Category:	2 Provide Decent Affordable Housing		
Outcome Category	2 Affordability		
Performance Indicators:			
Number of quality, affordable, accessible housing units provided.			
Improved access to service or benefit			
Objective Number	Project ID Number		
		Grant Number	M-10-MC-48-0204
HUD Matrix Code	HOME Regulation Citation		
12 Construction of Housing	24 CFR 92.206		
Type of Recipient	National Objective	Funding Sources*	
Local Government	Low Moderate Housing (LMH)	CDBG Public Service	
Compliance Period	Proposed Accomplishments	CDBG General	
June 1, 2010 to May 31, 2011	5 housing units	ESG	
Start Date	Completion Date	HOME	\$500,000.00
06/01/2010	05/31/2011	HOPWA	
Census Tract/Block Group	% L/M	Other Funding	
1016/1003	90.3%/94.4%	Total	\$500,000.00

**Housing and Economic Development Department
Consolidated Plan Listing of Projects
Project Profile**

Recipient		Project Title	
City of Fort Worth Housing and Economic Development		NRP Race Street	
Address			
1000 Throckmorton Street, Fort Worth, TX 76102			
Key Contact/Phone/E-Mail		Total Project Budget	
Jesus Chapa/817.392.7540/jesus.chapa@fortworthgov.org		\$862,584.00	
		Census Tract/BlockGroup/Address	
Description			
Funds will be used to develop 36 multi-family rental properties clustered in the Six Points Urban Village area. The development will be comprised of three and four bedroom units for families at 30%, 50%, and 60% of the area median income.			
Objective Category:	2 Provide Decent Affordable Housing		
Outcome Category	2 Affordability		
Performance Indicators:			
Number of quality, affordable, accessible housing units provided.			
Improved access to service or benefit			
Objective Number	Project ID Number		
		Grant Number	M-10-MC-48-0204
HUD Matrix Code	HOME Regulation Citation		
12 Construction of Housing	24 CFR 92.206		
Type of Recipient	National Objective	Funding Sources*	
Local Government	Low Moderate Housing (LMH)	CDBG Public Service	
Compliance Period	Proposed Accomplishments	CDBG General	
June 1, 2010 to May 31, 2011	5 housing units	ESG	
Start Date	Completion Date	HOME	\$862,584.00
06/01/2010	05/31/2011	HOPWA	
Census Tract/Block Group	% L/M	Other Funding	
1016/1003	90.3%/94.4%	Total	\$862,584.00

**HOME
Project 62
Revised 3/8/2010 (DG)**

**Housing and Economic Development Department
Consolidated Plan Listing of Projects
Project Profile**

Recipient		Project Title	
Listed Individual CHDO's		CHDO Operating Funds	
Address			
6924 Glenview Drive, Fort Worth, TX 76180 3345 South Jones Street, Fort Worth, TX 76110 1519 Circle Park Boulevard, #C, Fort Worth, TX 76106 201 S Sylvania Avenue, Fort Worth, TX 76111 605 W Magnolia, Fort Worth, TX 76104			
Key Contact/Phone/E-Mail		Total Project Budget	
CAN HDC - Philip Posey/817.632.6000/pposey@canetwork.org NLC - Gage Yager/817.926.9219/gage.yager@trinityhabitat.org NNPC - Abby Gamboa/817.362.9816/abby@partnerscouncil.org TCHP - Donna Van Ness/817.924.5091/donna@tchp.net URRC – Kelly Allen Gray/817.831.4589/unitedriverside@sbcglobal.net		\$150,000.00	
		Census Tract/BlockGroup/Address	
Description			
Funds will be used for operating expenses to help build the City of Fort Worth CHDO's capacity to provide affordable housing for low to moderate income families. CHDO's that will potentially received Operating Funds include: Cornerstone Housing Development Corporation, Neighborhood Land Corporation, Near Northside Partners Council, United Riverside Rebuilding Corporation, and Tarrant County Housing Partnership.			
Objective Category:		2 Provide Decent Affordable Housing	
Outcome Category		2 Affordability	
Performance Indicators:			
Number of quality, affordable, accessible housing units provided.			
Objective Number	Project ID Number	Grant Number	M-10-MC-48-0204
HUD Matrix Code	HOME Regulation Citation		
211 CHDO Operating Funds	24 CFR 92.208		
Type of Recipient	National Objective	Funding Sources*	
Local Government	Low Moderate Housing (LMH)	CDBG Public Service	
Compliance Period	Proposed Accomplishments	CDBG General	
June 1, 2010 to May 31, 2011		ESG	
Start Date	Completion Date	HOME	\$150,000.00
06/01/2010	05/31/2011	HOPWA	
Census Tract/Block Group	% L/M	Other Funding	
		Total	\$150,000.00

**Housing and Economic Development Department
Consolidated Plan Listing of Projects
Project Profile**

Recipient		Project Title	
City of Fort Worth Housing and Economic Development		General Administration - HOME	
Address			
1000 Throckmorton Street, Fort Worth, TX 76102			
Key Contact/Phone/E-Mail		Total Project Budget	
Jesus Chapa/817.392.7540/jesus.chapa@fortworthgov.org		\$321,677.00	
		Census Tract/BlockGroup/Address	
Description			
Funds will be used to cover the cost of planning, administering, operating, and monitoring HOME program to ensure compliance with HUD and City policies and regulations. The administrative allocation is restricted by regulation and is HOME 10%.			
Objective Category:	1 Create Suitable Living Environment		
Outcome Category	2 Affordability		
Performance Indicators:			
Number of quality, affordable, accessible housing units provided.			
Improved access to service or benefit			
Objective Number	Project ID Number		
		Grant Number	M-10-MC-48-0204
HUD Matrix Code	HOME Regulation Citation		
21A General Administration	24 CFR 92.207		
Type of Recipient	National Objective	Funding Sources*	
Local Government	Low Moderate Housing (LMH)	CDBG Public Service	
Compliance Period	Proposed Accomplishments	CDBG General	
June 1, 2010 to May 31, 2011	5 housing units	ESG	
Start Date	Completion Date	HOME	\$321,677.00
06/01/2010	05/31/2011	HOPWA	
Census Tract/Block Group	% L/M	Other Funding	
		Total	\$321,677.00

Attachment G:
Standard Form 424 and Certification Forms for
CDBG, HOME, ESG and HOPWA

Application for Federal Assistance SF-424	Version 02
*9. Type of Applicant 1: Select Applicant Type: C. City or Township Government Type of Applicant 2: Select Applicant Type: Type of Applicant 3: Select Applicant Type: *Other (Specify)	
*10 Name of Federal Agency: US Housing & Urban Development	
11. Catalog of Federal Domestic Assistance Number: 14-218 _____ CFDA Title: Community Development Block Grants/Entitlement Grants _____	
*12 Funding Opportunity Number: _____ *Title: _____	
13. Competition Identification Number: _____ Title: _____	
14. Areas Affected by Project (Cities, Counties, States, etc.): Fort Worth, Texas	
*15. Descriptive Title of Applicant's Project: Community Development Block Grant (2010-2011 Program Year)	

Application for Federal Assistance SF-424	Version 02
*9. Type of Applicant 1: Select Applicant Type: C. City or Township Government Type of Applicant 2: Select Applicant Type: Type of Applicant 3: Select Applicant Type: *Other (Specify)	
*10 Name of Federal Agency: US Housing & Urban Development	
11. Catalog of Federal Domestic Assistance Number: 14-218 _____ CFDA Title: Community Development Block Grants/Entitlement Grants _____	
*12 Funding Opportunity Number: _____ *Title: _____	
13. Competition Identification Number: _____ Title: _____	
14. Areas Affected by Project (Cities, Counties, States, etc.): Fort Worth, Texas	
*15. Descriptive Title of Applicant's Project: Community Development Block Grant (2010-2011 Program Year)	

Application for Federal Assistance SF-424		Version 02
16. Congressional Districts Of:		
*a. Applicant: Texas 12th	*b. Program/Project: Texas 12th	
17. Proposed Project:		
*a. Start Date: 6/01/2010	*b. End Date: 5/31/2011	
18. Estimated Funding (\$):		
*a. Federal	\$6,743,925	
*b. Applicant		
*c. State		
*d. Local		
*e. Other		
*f. Program Income	\$100,000	
*g. TOTAL	\$6,843,925	
*19. Is Application Subject to Review By State Under Executive Order 12372 Process?		
<input type="checkbox"/> a. This application was made available to the State under the Executive Order 12372 Process for review on ____		
<input type="checkbox"/> b. Program is subject to E.O. 12372 but has not been selected by the State for review.		
<input checked="" type="checkbox"/> c. Program is not covered by E. O. 12372		
*20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes", provide explanation.)		
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
21. *By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U. S. Code, Title 218, Section 1001)		
<input checked="" type="checkbox"/> ** I AGREE		
** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions		
Authorized Representative:		
Prefix: Mr.	*First Name: T.M.	
Middle Name:		
*Last Name: Higgins		
Suffix:		
*Title: Assistant City Manager		
*Telephone Number: 817-392-6192	Fax Number: 817-392-6134	
* Email: Thomas.Higgins@fortworthgov.org		
*Signature of Authorized Representative: <i>THiggins</i>	*Date Signed: 4/13/10	

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Standard Form 424 (Revised 10/2005)
 Prescribed by OMB Circular A-102

Application for Federal Assistance SF-424		Version 02
16. Congressional Districts Of:		
*a. Applicant: Texas 12th		*b. Program/Project: Texas 12th
17. Proposed Project:		
*a. Start Date: 6/01/2010		*b. End Date: 5/31/2011
18. Estimated Funding (\$):		
*a. Federal	\$6,743,925	
*b. Applicant		
*c. State		
*d. Local		
*e. Other		
*f. Program Income	\$100,000	
*g. TOTAL	\$6,843,925	
*19. Is Application Subject to Review By State Under Executive Order 12372 Process?		
<input type="checkbox"/> a. This application was made available to the State under the Executive Order 12372 Process for review on _____. <input type="checkbox"/> b. Program is subject to E.O. 12372 but has not been selected by the State for review. <input checked="" type="checkbox"/> c. Program is not covered by E. O. 12372		
*20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes", provide explanation.)		
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
21. *By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U. S. Code, Title 218, Section 1001) <input checked="" type="checkbox"/> ** I AGREE ** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions		
Authorized Representative:		
Prefix: Mr.		*First Name: T.M.
Middle Name:		
*Last Name: Higgins		
Suffix:		
*Title: Assistant City Manager		
*Telephone Number: 817-392-6192		Fax Number: 817-392-6134
* Email: Thomas.Higgins@fortworthgov.org		
*Signature of Authorized Representative: <i>TH Higgins</i>		*Date Signed: 4/13/10

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Standard Form 424 (Revised 10/2005)
 Prescribed by OMB Circular A-102

Application for Federal Assistance SF-424		Version 02
*1. Type of Submission: <input type="checkbox"/> Preapplication <input type="checkbox"/> Application <input checked="" type="checkbox"/> Changed/Corrected Application		
*2. Type of Application * If Revision, select appropriate letter(s) <input type="checkbox"/> New <input checked="" type="checkbox"/> Continuation *Other (Specify) _____ <input type="checkbox"/> Revision		
3. Date Received:		4. Applicant Identifier: M-10-MC-48-0204
5a. Federal Entity Identifier:		*5b. Federal Award Identifier:
State Use Only:		
6. Date Received by State:		7. State Application Identifier:
8. APPLICANT INFORMATION:		
*a. Legal Name: City of Fort Worth, Texas		
*b. Employer/Taxpayer Identification Number (EIN/TIN): 75-6000528		*c. Organizational DUNS: 07-3170458
d. Address:		
*Street 1:	1000 Throckmorton _____	
Street 2:	_____	
*City:	Fort Worth _____	
County:	Tarrant _____	
*State:	Texas _____	
Province:	_____	
*Country:	United States of America _____	
*Zip / Postal Code	76102 _____	
e. Organizational Unit:		
Department Name: Housing & Economic Development		Division Name:
f. Name and contact information of person to be contacted on matters involving this application:		
Prefix:	Mr. _____	*First Name: Jesus _____
Middle Name:	_____	
*Last Name:	Chapa _____	
Suffix:	_____	
Title:	Director	
Organizational Affiliation:		
*Telephone Number: 817-392-7540		Fax Number: 817-392-2431
*Email: Jesus.Chapa@fortworthgov.org		

 ORIGINAL

Application for Federal Assistance SF-424

Version 02

***9. Type of Applicant 1: Select Applicant Type:**

C. City or Township Government

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

*Other (Specify)

***10 Name of Federal Agency:**

US Housing & Urban Development

11. Catalog of Federal Domestic Assistance Number:

14-239 _____

CFDA Title:

HOME Investment Partnerships Program _____

***12 Funding Opportunity Number:**

*Title:

13. Competition Identification Number:

Title:

14. Areas Affected by Project (Cities, Counties, States, etc.):

Fort Worth, Texas

***15. Descriptive Title of Applicant's Project:**

Home Grant Funds (2010-2011 Program Year)

Application for Federal Assistance SF-424		Version 02
16. Congressional Districts Of:		
*a. Applicant: Texas 12th	*b. Program/Project: Texas 12th	
17. Proposed Project:		
*a. Start Date: 6/01/2010	*b. End Date: 5/31/2011	
18. Estimated Funding (\$):		
*a. Federal	\$3,216,778	
*b. Applicant		
*c. State		
*d. Local		
*e. Other		
*f. Program Income	\$100,000	
*g. TOTAL	\$3,316,778	
*19. Is Application Subject to Review By State Under Executive Order 12372 Process?		
<input type="checkbox"/> a. This application was made available to the State under the Executive Order 12372 Process for review on ____ <input type="checkbox"/> b. Program is subject to E.O. 12372 but has not been selected by the State for review. <input checked="" type="checkbox"/> c. Program is not covered by E. O. 12372		
*20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes", provide explanation.)		
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
21. *By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U. S. Code, Title 218, Section 1001) <input checked="" type="checkbox"/> ** I AGREE <small>** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions</small>		
Authorized Representative:		
Prefix: Mr.		*First Name: T.M.
Middle Name:		
*Last Name: Higgins		
Suffix:		
*Title: Assistant City Manager		
*Telephone Number: 817-392-6192	Fax Number: 817-392-6134	
* Email: Thomas.Higgins@fortworthgov.org		
*Signature of Authorized Representative: <i>TH HIGGINS</i>		*Date Signed: 4/13/10

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Standard Form 424 (Revised 10/2005)
 Prescribed by OMB Circular A-102

Application for Federal Assistance SF-424		Version 02
*1. Type of Submission: <input type="checkbox"/> Preapplication <input type="checkbox"/> Application <input checked="" type="checkbox"/> Changed/Corrected Application		*2. Type of Application * If Revision, select appropriate letter(s) <input type="checkbox"/> New <input checked="" type="checkbox"/> Continuation <input type="checkbox"/> Revision *Other (Specify) _____
3. Date Received:		4. Applicant Identifier: TX-H-10-F002
5a. Federal Entity Identifier:		*5b. Federal Award Identifier:
State Use Only:		
6. Date Received by State:		7. State Application Identifier:
8. APPLICANT INFORMATION:		
*a. Legal Name: City of Fort Worth, Texas		
*b. Employer/Taxpayer Identification Number (EIN/TIN): 75-6000528		*c. Organizational DUNS: 07-3170458
d. Address:		
*Street 1:	1000 Throckmorton _____	
Street 2:	_____	
*City:	Fort Worth _____	
County:	Tarrant _____	
*State:	Texas _____	
Province:	_____	
*Country:	United States of America _____	
*Zip / Postal Code	76102 _____	
e. Organizational Unit:		
Department Name: Housing & Economic Development		Division Name:
f. Name and contact information of person to be contacted on matters involving this application:		
Prefix:	Mr. _____	*First Name: Jesus _____
Middle Name:	_____	
*Last Name:	Chapa _____	
Suffix:	_____	
Title:	Director	
Organizational Affiliation:		
*Telephone Number: 817-392-7540		Fax Number: 817-392-2431
*Email: Jesus.Chapa@fortworthgov.org		

 ORIGINAL

Application for Federal Assistance SF-424	Version 02
*9. Type of Applicant 1: Select Applicant Type: C. City or Township Government Type of Applicant 2: Select Applicant Type: Type of Applicant 3: Select Applicant Type: *Other (Specify)	
*10 Name of Federal Agency: US Housing & Urban Development	
11. Catalog of Federal Domestic Assistance Number: 14-241 CFDA Title: Housing Opportunities for Persons with AIDS Program	
*12 Funding Opportunity Number: *Title: 	
13. Competition Identification Number: Title: 	
14. Areas Affected by Project (Cities, Counties, States, etc.): Fort Worth, Texas	
*15. Descriptive Title of Applicant's Project: HOPWA Grant Funds (2010-2011 Program Year)	

Application for Federal Assistance SF-424		Version 02
16. Congressional Districts Of:		
*a. Applicant: Texas 12th		*b. Program/Project: Texas 12th
17. Proposed Project:		
*a. Start Date: 6/01/2010		*b. End Date: 5/31/2011
18. Estimated Funding (\$):		
*a. Federal	\$892,529	
*b. Applicant	_____	
*c. State	_____	
*d. Local	_____	
*e. Other	_____	
*f. Program Income	_____	
*g. TOTAL	\$892,529	
*19. Is Application Subject to Review By State Under Executive Order 12372 Process?		
<input type="checkbox"/> a. This application was made available to the State under the Executive Order 12372 Process for review on _____ <input type="checkbox"/> b. Program is subject to E.O. 12372 but has not been selected by the State for review. <input checked="" type="checkbox"/> c. Program is not covered by E. O. 12372		
*20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes", provide explanation.)		
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
21. *By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U. S. Code, Title 218, Section 1001) <input checked="" type="checkbox"/> ** I AGREE ** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions		
Authorized Representative:		
Prefix: Mr.	_____	*First Name: T.M. _____
Middle Name:	_____	
*Last Name:	Higgins	
Suffix:	_____	
*Title: Assistant City Manager		
*Telephone Number: 817-392-6192		Fax Number: 817-392-6134
* Email: Thomas.Higgins@fortworthgov.org		
*Signature of Authorized Representative: <i>THHiggins</i>		*Date Signed: 4/13/10

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Standard Form 424 (Revised 10/2005)
 Prescribed by OMB Circular A-102

Application for Federal Assistance SF-424		Version 02
*1. Type of Submission: <input type="checkbox"/> Preapplication <input type="checkbox"/> Application <input checked="" type="checkbox"/> Changed/Corrected Application		
*2. Type of Application * If Revision, select appropriate letter(s) <input type="checkbox"/> New <input checked="" type="checkbox"/> Continuation *Other (Specify) _____ <input type="checkbox"/> Revision		
3. Date Received:		4. Applicant Identifier: S-10-MC-48-006
5a. Federal Entity Identifier:		*5b. Federal Award Identifier:
State Use Only:		
6. Date Received by State:		7. State Application Identifier:
8. APPLICANT INFORMATION:		
*a. Legal Name: City of Fort Worth, Texas		
*b. Employer/Taxpayer Identification Number (EIN/TIN): 75-6000528		*c. Organizational DUNS: 07-3170458
d. Address:		
*Street 1:	1000 Throckmorton _____	
Street 2:	_____	
*City:	Fort Worth _____	
County:	Tarrant _____	
*State:	Texas _____	
Province:	_____	
*Country:	United States of America _____	
*Zip / Postal Code	76102 _____	
e. Organizational Unit:		
Department Name: Housing & Economic Development		Division Name:
f. Name and contact information of person to be contacted on matters involving this application:		
Prefix:	Mr. _____	*First Name: Jesus _____
Middle Name:	_____	
*Last Name:	Chapa _____	
Suffix:	_____	
Title:	Director	
Organizational Affiliation:		
*Telephone Number: 817-392-7540		Fax Number: 817-392-2431
*Email: Jesus.Chapa@fortworthgov.org		

 ORIGINAL

Application for Federal Assistance SF-424	Version 02
<p>*9. Type of Applicant 1: Select Applicant Type: C. City or Township Government</p> <p>Type of Applicant 2: Select Applicant Type:</p> <p>Type of Applicant 3: Select Applicant Type:</p> <p>*Other (Specify)</p>	
<p>*10 Name of Federal Agency: US Housing & Urban Development</p>	
<p>11. Catalog of Federal Domestic Assistance Number: 14-213 _____</p> <p>CFDA Title: Emergency Shelter Grants Program _____</p>	
<p>*12 Funding Opportunity Number: _____</p> <p>*Title: _____</p>	
<p>13. Competition Identification Number: _____</p> <p>Title: _____</p>	
<p>14. Areas Affected by Project (Cities, Counties, States, etc.): Fort Worth, Texas</p>	
<p>*15. Descriptive Title of Applicant's Project: Emergency Shelter Grant (2010-2011 Program Year)</p>	

Application for Federal Assistance SF-424		Version 02
16. Congressional Districts Of:		
*a. Applicant: Texas 12th	*b. Program/Project: Texas 12th	
17. Proposed Project:		
*a. Start Date: 6/01/2010	*b. End Date: 5/31/2011	
18. Estimated Funding (\$):		
*a. Federal	_____	\$294,481
*b. Applicant	_____	
*c. State	_____	
*d. Local	_____	
*e. Other	_____	
*f. Program Income	_____	
*g. TOTAL	_____	\$294,481
*19. Is Application Subject to Review By State Under Executive Order 12372 Process?		
<input type="checkbox"/> a. This application was made available to the State under the Executive Order 12372 Process for review on ____ <input type="checkbox"/> b. Program is subject to E.O. 12372 but has not been selected by the State for review. <input checked="" type="checkbox"/> c. Program is not covered by E. O. 12372		
*20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes", provide explanation.)		
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
21. *By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U. S. Code, Title 218, Section 1001) <input checked="" type="checkbox"/> ** I AGREE ** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions		
Authorized Representative:		
Prefix: Mr.	_____	*First Name: T.M. _____
Middle Name:	_____	
*Last Name:	Higgins	
Suffix:	_____	
*Title: Assistant City Manager		
*Telephone Number: 817-392-6192	Fax Number: 817-392-6134	
* Email: Thomas.Higgins@fortworthgov.org		
*Signature of Authorized Representative:	<i>TH HIGGINS</i>	*Date Signed: 4/13/10

Authorized for Local Reproduction

Standard Form 424 (Revised 10/2005)
 Prescribed by OMB Circular A-102

CERTIFICATIONS

In accordance with the applicable statutes and the regulations governing the consolidated plan regulations, the jurisdiction certifies that:

Affirmatively Further Fair Housing -- The jurisdiction will affirmatively further fair housing, which means it will conduct an analysis of impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting that analysis and actions in this regard.

Anti-displacement and Relocation Plan -- It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and implementing regulations at 49 CFR 24; and it has in effect and is following a residential antidisplacement and relocation assistance plan required under section 104(d) of the Housing and Community Development Act of 1974, as amended, in connection with any activity assisted with funding under the CDBG or HOME programs.

Drug Free Workplace -- It will or will continue to provide a drug-free workplace by:

1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
2. Establishing an ongoing drug-free awareness program to inform employees about --
 - (a) The dangers of drug abuse in the workplace;
 - (b) The grantee's policy of maintaining a drug-free workplace;
 - (c) Any available drug counseling, rehabilitation, and employee assistance programs; and
 - (d) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph 1;
4. Notifying the employee in the statement required by paragraph 1 that, as a condition of employment under the grant, the employee will -
 - (a) Abide by the terms of the statement; and
 - (b) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 4(b) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 4(b), with respect to any employee who is so convicted:
 - (a) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - (b) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1, 2, 3, 4, 5 and 6.

Anti-Lobbying -- To the best of the jurisdiction's knowledge and belief:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and
3. It will require that the language of paragraph 1 and 2 of this anti-lobbying certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

Authority of Jurisdiction -- The consolidated plan is authorized under State and local law (as applicable) and the jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations.

Consistency with plan -- The housing activities to be undertaken with CDBG, HOME, ESG, and HOPWA funds are consistent with the strategic plan.

Section 3 -- It will comply with section 3 of the Housing and Urban Development Act of 1968, and implementing regulations at 24 CFR Part 135.

	<u>4/14/10</u>
Signature/Authorized Official	Date

T.M. Higgins,
Assistant City Manager

Specific CDBG Certifications

The Entitlement Community certifies that:

Citizen Participation -- It is in full compliance and following a detailed citizen participation plan that satisfies the requirements of 24 CFR 91.105.

Community Development Plan -- Its consolidated housing and community development plan identifies community development and housing needs and specifies both short-term and long-term community development objectives that provide decent housing, expand economic opportunities primarily for persons of low and moderate income. (See CFR 24 570.2 and CFR 24 part 570)

Following a Plan -- It is following a current consolidated plan (or Comprehensive Housing Affordability Strategy) that has been approved by HUD.

Use of Funds -- It has complied with the following criteria:

1. **Maximum Feasible Priority.** With respect to activities expected to be assisted with CDBG funds, it certifies that it has developed its Action Plan so as to give maximum feasible priority to activities which benefit low and moderate income families or aid in the prevention or elimination of slums or blight. The Action Plan may also include activities which the grantee certifies are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available);
2. **Overall Benefit.** The aggregate use of CDBG funds including section 108 guaranteed loans during program year(s) , (a period specified by the grantee consisting of one, two, or three specific consecutive program years), shall principally benefit persons of low and moderate income in a manner that ensures that at least 70 percent of the amount is expended for activities that benefit such persons during the designated period;
3. **Special Assessments.** It will not attempt to recover any capital costs of public improvements assisted with CDBG funds including Section 108 loan guaranteed funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements. However, if CDBG funds are used to pay the proportion of a fee or assessment that relates to the capital costs of public improvements (assisted in part with CDBG funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds.

The jurisdiction will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108, unless CDBG funds are used to pay the proportion of fee or assessment attributable to the capital costs of public improvements financed from other revenue sources. In this case, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. Also, in the case of properties owned and occupied by moderate-income (not low-income) families, an assessment or charge may be made against the property for public improvements financed by a source other than CDBG funds if the jurisdiction certifies that it lacks CDBG funds to cover the assessment.

Excessive Force -- It has adopted and is enforcing:

1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and
2. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction;

Compliance With Anti-discrimination laws -- The grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 USC 2000d), the Fair Housing Act (42 USC 3601-3619), and implementing regulations.

Lead-Based Paint -- Its activities concerning lead-based paint will comply with the requirements of 24 CFR Part 35, subparts A, B, J, K and R;

Compliance with Laws -- It will comply with applicable laws.


Signature/Authorized Official 4/14/10
Date

T.M. Higgins,
Assistant City Manager

**OPTIONAL CERTIFICATION
CDBG**

Submit the following certification only when one or more of the activities in the action plan are designed to meet other community development needs having a particular urgency as specified in 24 CFR 570.208(c):

The grantee hereby certifies that the Annual Plan includes one or more specifically identified CDBG-assisted activities which are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community and other financial resources are not available to meet such needs.


Signature/Authorized Official 4/14/10
Date

T.M. Higgins,
Assistant City Manager

Specific HOME Certifications

The HOME participating jurisdiction certifies that:

Tenant Based Rental Assistance -- If the participating jurisdiction intends to provide tenant-based rental assistance:

The use of HOME funds for tenant-based rental assistance is an essential element of the participating jurisdiction's consolidated plan for expanding the supply, affordability, and availability of decent, safe, sanitary, and affordable housing.

Eligible Activities and Costs -- it is using and will use HOME funds for eligible activities and costs, as described in 24 CFR § 92.205 through 92.209 and that it is not using and will not use HOME funds for prohibited activities, as described in § 92.214.

Appropriate Financial Assistance -- before committing any funds to a project, it will evaluate the project in accordance with the guidelines that it adopts for this purpose and will not invest any more HOME funds in combination with other Federal assistance than is necessary to provide affordable housing.


Signature/Authorized Official

4/14/10
Date

T.M. Higgins,
Assistant City Manager

ESG Certifications

The Emergency Shelter Grantee certifies that:

Major rehabilitation/conversion -- It will maintain any building for which assistance is used under the ESG program as a shelter for homeless individuals and families for at least 10 years. If the jurisdiction plans to use funds for rehabilitation (other than major rehabilitation or conversion), the applicant will maintain any building for which assistance is used under the ESG program as a shelter for homeless individuals and families for at least 3 years.

Essential Services and Operating Costs -- Where assistance involves essential services or maintenance, operation, insurance, utilities and furnishings, it will provide services or shelter to homeless individuals and families for the period during which the ESG assistance is provided, without regard to a particular site or structure as long as the same general population is served.

Renovation -- Any renovation carried out with ESG assistance shall be sufficient to ensure that the building involved is safe and sanitary.

Supportive Services -- It will assist homeless individuals in obtaining appropriate supportive services, including permanent housing, medical and mental health treatment, counseling, supervision, and other services essential for achieving independent living, and other Federal State, local, and private assistance.

Matching Funds -- It will obtain matching amounts required under 24 CFR 576.51.


Confidentiality -- It will develop and implement procedures to ensure the confidentiality of records pertaining to any individual provided family violence prevention or treatment services under any project assisted under the ESG program, including protection against the release of the address or location of any family violence shelter project except with the written authorization of the person responsible for the operation of that shelter.

Homeless Persons Involvement -- To the maximum extent practicable, it will involve, through employment, volunteer services, or otherwise, homeless individuals and families in constructing, renovating, maintaining, operating facilities, and providing services assisted through this program.

Consolidated Plan -- It is following a current HUD-approved Consolidated Plan or CHAS.

Discharge Policy --- It has established a policy for the discharge of persons from publicly funded institutions or systems of care (such as health care facilities, foster care or other youth facilities, or correction programs and institutions) in order to prevent such discharge from immediately resulting in homelessness for such persons.

HMIS -- It will comply with HUD's standards for participation in a local Homeless Management Information System and the collection and reporting of client-level information.


Signature/Authorized Official

4/14/10
Date

T.M. Higgins,
Assistant City Manager

HOPWA Certifications

The HOPWA grantee certifies that:

Activities -- Activities funded under the program will meet urgent needs that are not being met by available public and private sources.

Building -- Any building or structure assisted under that program shall be operated for the purpose specified in the plan:

1. For at least 10 years in the case of assistance involving new construction, substantial rehabilitation, or acquisition of a facility,
2. For at least 3 years in the case of assistance involving non-substantial rehabilitation or repair of a building or structure.


Signature/Authorized Official

4/14/10
Date

T.M. Higgins,
Assistant City Manager

Place of Performance (Street address, city, county, state, zip code)
1000 Throckmorton, Fort Worth, Texas 76102

Check ___ if there are workplaces on file that are not identified here.

The certification with regard to the drug-free workplace is required by 24 CFR part 24, subpart F.

7. Definitions of terms in the Nonprocurement Suspension and Debarment common rule and Drug-Free Workplace common rule apply to this certification. Grantees' attention is called, in particular, to the following definitions from these rules:

"Controlled substance" means a controlled substance in Schedules I through V of the Controlled Substances Act (21 U.S.C. 812) and as further defined by regulation (21 CFR 1308.11 through 1308.15);

"Conviction" means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes;

"Criminal drug statute" means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance;

"Employee" means the employee of a grantee directly engaged in the performance of work under a grant, including: (i) All "direct charge" employees; (ii) all "indirect charge" employees unless their impact or involvement is insignificant to the performance of the grant; and (iii) temporary personnel and consultants who are directly engaged in the performance of work under the grant and who are on the grantee's payroll. This definition does not include workers not on the payroll of the grantee (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the grantee's payroll; or employees of subrecipients or subcontractors in covered workplaces).

APPENDIX TO CERTIFICATIONS

INSTRUCTIONS CONCERNING LOBBYING AND DRUG-FREE WORKPLACE REQUIREMENTS:

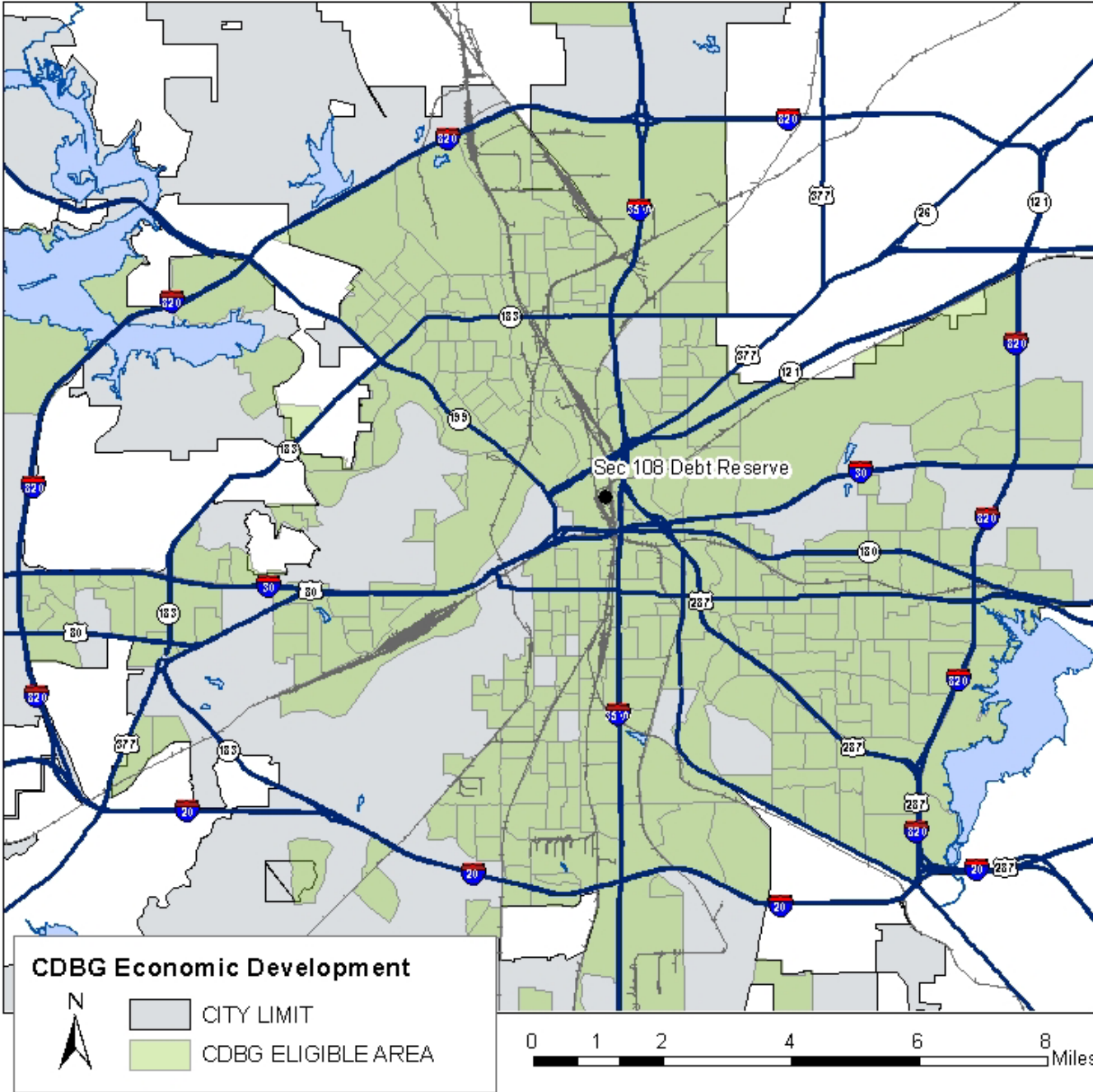
A. Lobbying Certification

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

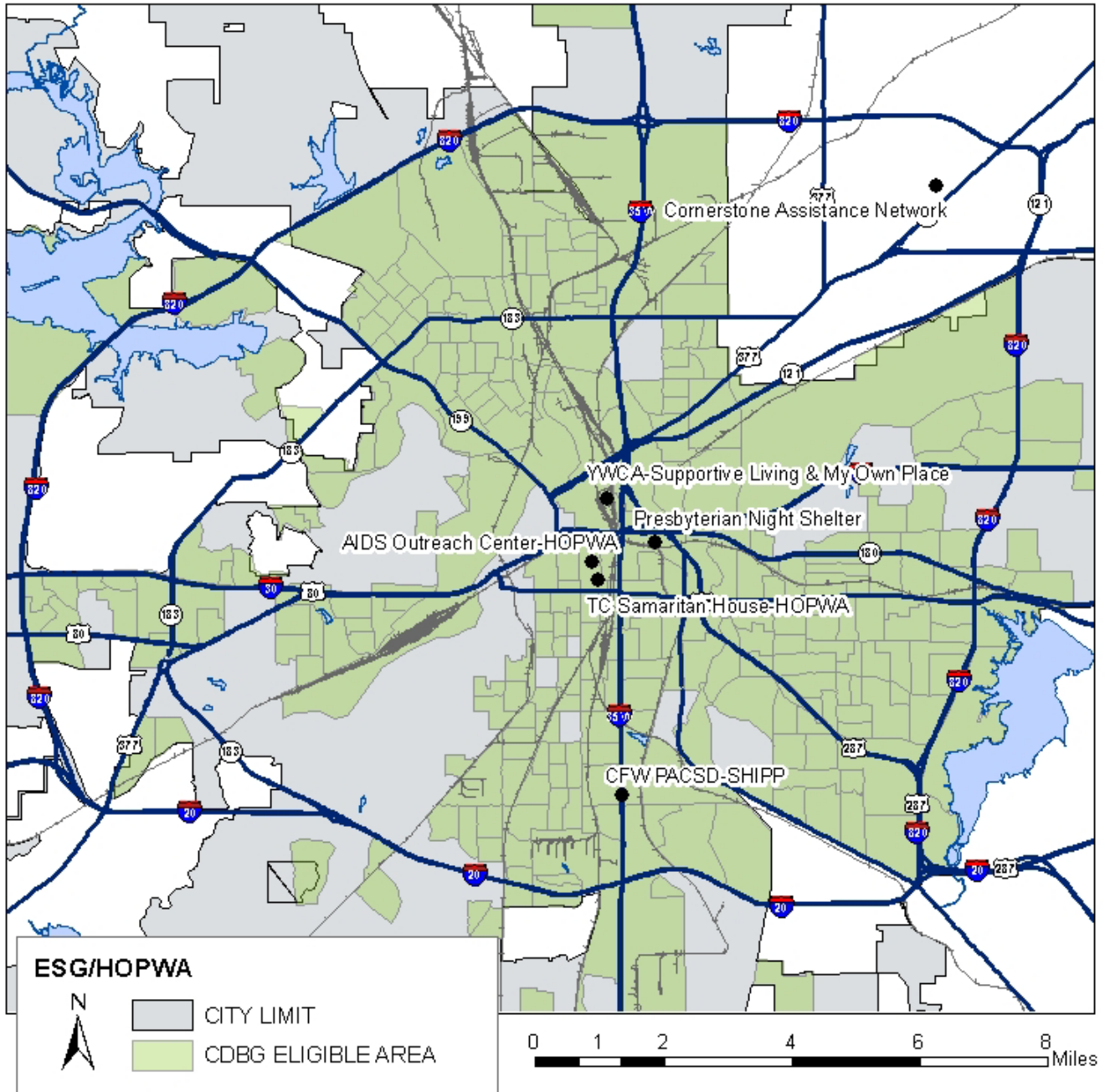
B. Drug-Free Workplace Certification

1. By signing and/or submitting this application or grant agreement, the grantee is providing the certification.
2. The certification is a material representation of fact upon which reliance is placed when the agency awards the grant. If it is later determined that the grantee knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, HUD, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.
3. Workplaces under grants, for grantees other than individuals, need not be identified on the certification. If known, they may be identified in the grant application. If the grantee does not identify the workplaces at the time of application, or upon award, if there is no application, the grantee must keep the identity of the workplace(s) on file in its office and make the information available for Federal inspection. Failure to identify all known workplaces constitutes a violation of the grantee's drug-free workplace requirements.
4. Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant takes place. Categorical descriptions may be used (e.g., all vehicles of a mass transit authority or State highway department while in operation, State employees in each local unemployment office, performers in concert halls or radio stations).
5. If the workplace identified to the agency changes during the performance of the grant, the grantee shall inform the agency of the change(s), if it previously identified the workplaces in question (see paragraph three).
6. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

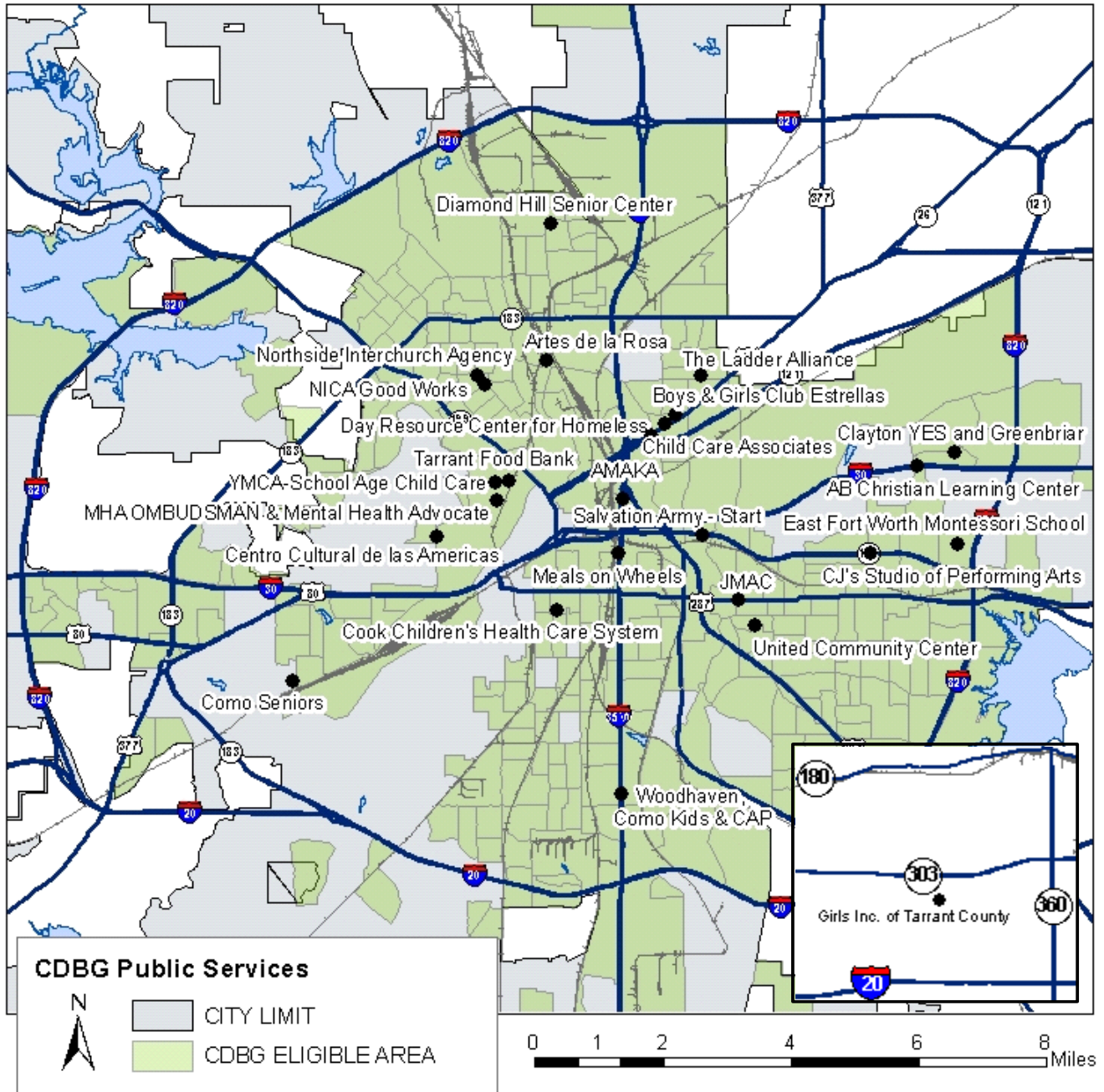
CDBG Economic Development



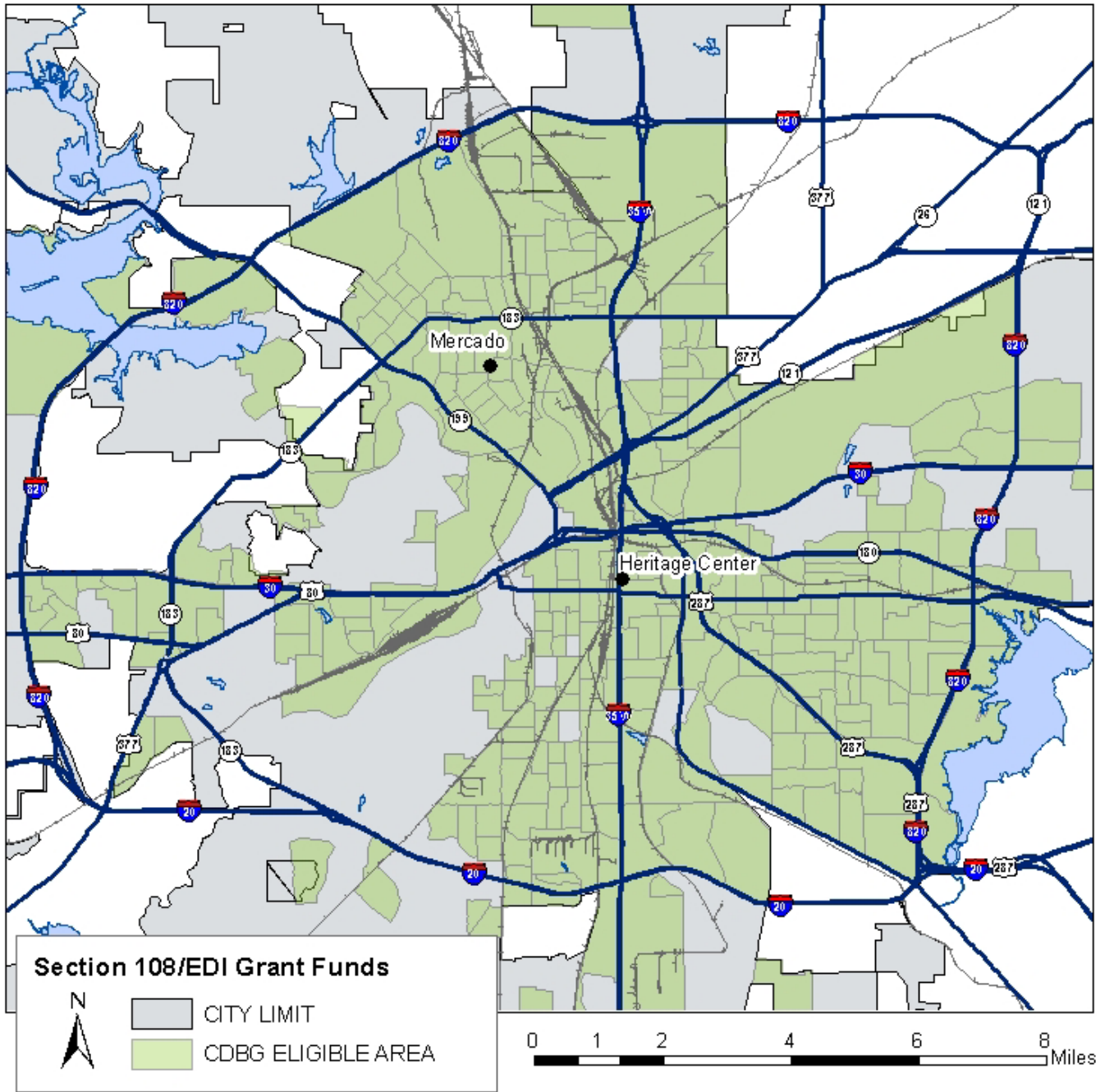
ESG/HOPWA



CDBG Public Services



Section 108/EDI Grant Funds

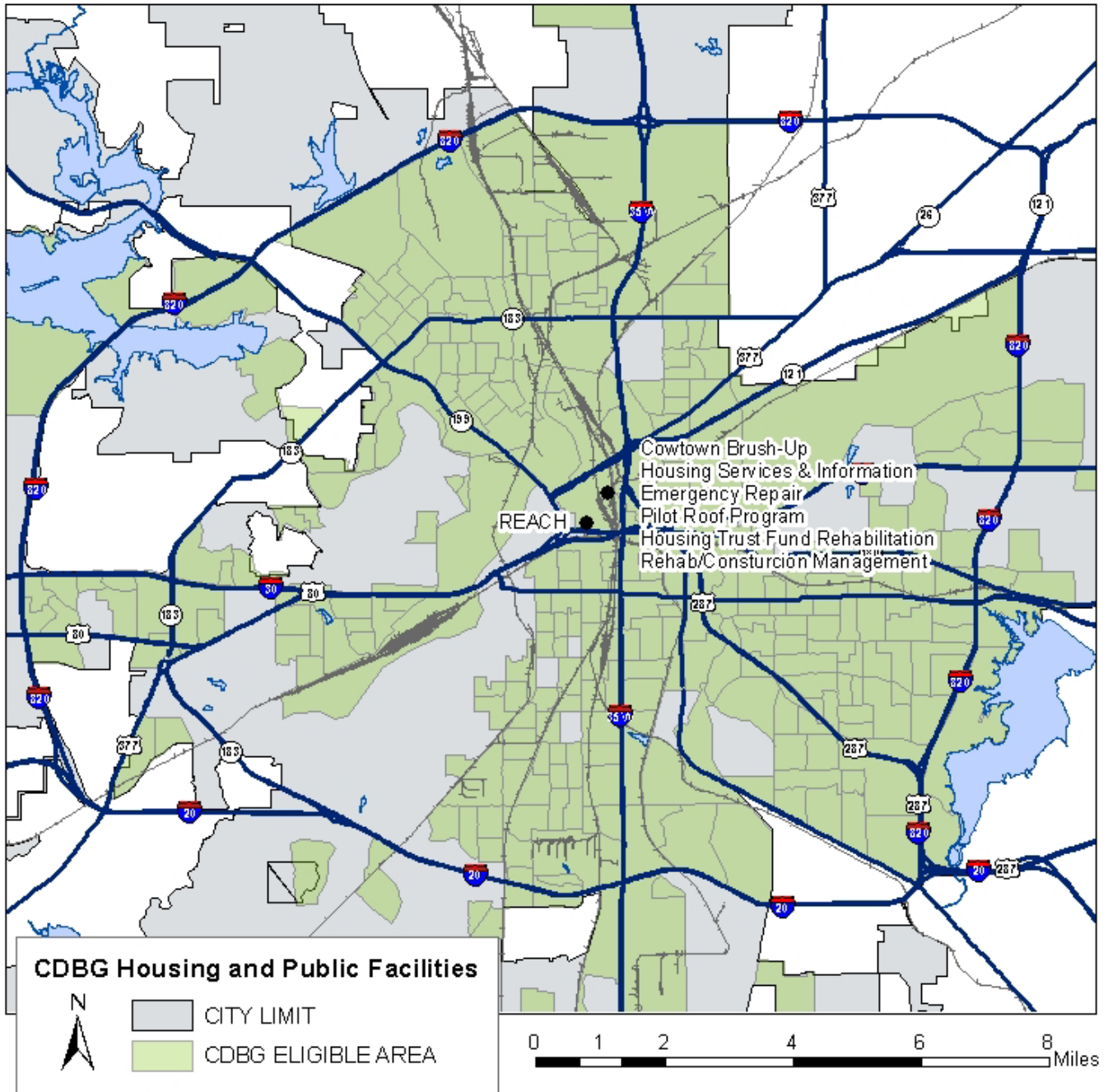


Attachment H

4

Revised 3/2/2010 (AR)

CDBG Housing and Public Facilities



Attachment I: Leveraging of Funds
CDBG
HOME
ESG
HOPWA

**Leverage of Funds
CDBG**

<u>Programs/Projects</u>	<u>Leverage Source</u>	<u>Amount</u>
AB Christian Learning Center	Department of Education	\$95,000.00
	Texas Higher Education	\$48,000.00
	Fort Worth ISD	\$25,000.00
	Others	\$70,000.00
Boys & Girls Clubs-Estrellas	Private Funds/United Way	\$393,864.03
Centro Cultural de las Americas	CYD	\$30,000.00
	Fundraising	\$15,000.00
	Art Council	\$9,130.00
Child Care Associates	HHS, Head Start	\$1,239,123.00
	US Department of Agriculture	\$108,477.00
	Child Care Management System	\$68,346.00
	Parent Fees	\$180,238.00
CJ's Studio of Performing Arts - Performing Arts	Tuition payable monthly	\$31,480.00
	Fundraisers	\$8,500.00
	Donations	\$6,398.00
	On-Site Snack Bar	\$3,000.00
Clayton YES Greenbrier Pre-School	Parent Fees & CCMS	\$474,454.00
	USDA and Interest	\$39,768.00
	Child Care Management Services	\$213,160.00
	Other	\$16,480.00
Clayton YES School Age Child Care	Parent Fees & CCMS	\$713,094.00
	USDA and Interest	\$13,958.00
	Child Care Management Services	\$185,336.00
	Other	\$7,725.00
Cook Children's Healthcare System- Save a Smile	Other Grants/Gifts	\$340,357.00
Cornerstone Assistance New Life Center	Fort Worth Housing Authority	\$66,828.00
	Rent from Residents	\$28,644.00

<u>Programs/Projects</u>	<u>Leverage Source</u>	<u>Amount</u>
Cornerstone Assistance (Cont'd) New Life Center	Cornerstone Assistance Network	\$1,225.00
CFW- Housing Counseling & Foreclosure Prevention	HOME	\$55,623.00
	FTWHA	\$60,000.00
	CHC	\$41,377.00
CFW - PACSD - Como Kids	Kids Café (Tarrant County Food Bank) Inkind	\$30,000.00
	Teachers for Tutoring	\$3,000.00
	Volunteers	\$15,000.00
	Fort Worth After School Grant	\$49,000.00
	City of Fort Worth Staff Salaries (7 Perm FT, 1 FT & 1 FT @ 25%)	\$112,000.00
CFW - PACSD - Northside Community Action Partners	CFW Salary (1 FT @ 50GF)	\$26,000.00
	CFW Salary (1 FT @ 50GF)	\$26,000.00
Day Resource Center for the Homeless – Counseling/CM Svcs	Amon Carter Foundation	\$69,213.00
East FW Montessori Schools Early Childhood	EFWMA	\$57,599.00
	Tuition Payment Parents	\$3,003.00
FWHA AMAKA Child Care Center	Child Care Management System	\$61,750.00
	Housing Authority Operating Funds	\$50,000.00
	YMCA	\$15,000.00
	Parent Fees	\$15,000.00
Girls, Inc. – Girl Power	Andrew's Family Foundation	\$30,000.00
	Community Youth Development Grant	\$23,000.00
	Meadows Foundation	\$20,721.98
JMAC Youth Center of Tarrant County	Day Care Association (CCMS)	\$24,000.00
	Parent Fees	\$187,694.00
	Other Funding	\$52,000.00
The Ladder Alliance Employment Training	Foundations	\$13,550.00
	Corporations	\$14,636.00
	Individuals	\$17,850.00
	Fundraisers	\$31,000.00

<u>Programs/Projects</u>	<u>Leverage Source</u>	<u>Amount</u>
Latin Arts Association dba Artes De la Rosa – After School Drama	Rentals Texas Commission on the Arts Arts Respond Fort Worth Transportation Authority	\$6,680.00 \$12,500.00 \$1,500.00 \$5,000.00
Meals on Wheels	Gov't Grants, Private Contributions from Individuals, Churches, Civic Groups, Foundations, Etc.	\$5,745,972.00
Mental Health Association (MHA) Mental Health Advocate	United Way of Tarrant County	\$30,523.33
Mental Health Association (MHA) Long Term Care Ombudsman	United Way of Tarrant County	\$30,984.94
Northside InterChurch Agency Good Works	Emergency Food & Shelter Board Program Congregational Funding Individual Donations	\$22,000.00 \$14,173.00 \$11,313.00
REACH, Inc. Project Ramp	REACH Match Funds	\$9,625.00
Senior Citizen Services Como Senior Center	Area Agency on Aging United Way Participant Contribution	\$18,553.00 \$18,924.00 \$2,500.00
Senior Citizen Services Doc Sessions	Area Agency on Aging United Way Participant Contribution	\$16,122.00 \$10,310.00 \$3,500.00
Senior Citizen Services Diamond Hill	Area Agency on Aging United Way Participant Contribution	\$18,350.00 \$9,681.00 \$3,093.00
Tarrant Area Food Bank Community Kitchen	Walmart Junior League of Fort Worth Carl B. & Florence E. King Foundation Tarrant Area Food Bank operating expenses	\$50,000.00 \$42,000.00 \$25,000.00 \$376,721.00

<u>Programs/Projects</u>	<u>Leverage Source</u>	<u>Amount</u>
The Salvation Army S.T.A.R.T.	United Way General Donations	\$71,075.00 \$415,719.00
United Community Center Crisis Intervention Program	United Way Contributions Grants-Private Grants-Govt	\$53,077.00 \$201,364.00 \$57,500.00 \$17,523.00
YWCA of Metro Fort Worth School Age Child Care	United Way & YMCA Contributions Program Fees from Parents CCMS & Texas Workforce Commission Texas Dept of Human Services	\$208,684.00 \$396,365.00 \$106,400.00 \$22,100.00
YWCA of Fort Worth & Tarrant C Child Development	Program Fees United Way Government Grants Other	\$270,000.00 \$193,745.00 \$192,371.00 \$422,173.00
YWCA - My Own Place	Special Events, United Way, Fundraising Facility Rental Government Grants Other	\$116,472.00 \$31,000.00 \$28,350.00 \$32,500.00
Rehabilitation Development Division	General Fund	\$55,010.00
CFW Housing Dept – Dept Mgmt	General Fund	\$457,236.00
Cowtown Brushup	Donations	\$25,000.00
	TOTAL	<u>\$14,883,045.28</u>

**LEVERAGE OF FUNDS
ESG**

<u>Programs/Projects</u>	<u>Source</u>	<u>Amount</u>
Cenikor Foundation, Inc.	Philanthropy, Special Fundraising, Program Revenues	\$2,093,816.00
CFW - PACSD - SHIPP	Community Services Block Grant (CSBG)	\$14,582.70

<u>Programs/Projects</u>	<u>Source</u>	<u>Amount</u>
Presbyterian Night Shelter	General revenue	\$1,657,914.39
Homeless Shelter	Veterans Administration	\$250,000.00
	HUD	\$636,347.00
	FEMA	\$169,096.00
SafeHaven of Tarrant County	Unrestricted Private Donations	\$20,000.00
Shelter Operations	Other Public and Private Donations	\$6,187,955.00
SafeHaven of Tarrant County	Unrestricted Private Donations	\$15,157.00
Supportive Childcare	Other Public and Private Donations	\$6,192,798.00
YWCA- Supportive Living	Special Events, United Way, Fundraising	\$184,797.00
	Facility Rental	\$39,856.00
	Government Grants	\$33,350.00
	Other	\$28,122.00
	TOTAL	\$17,523,791.09

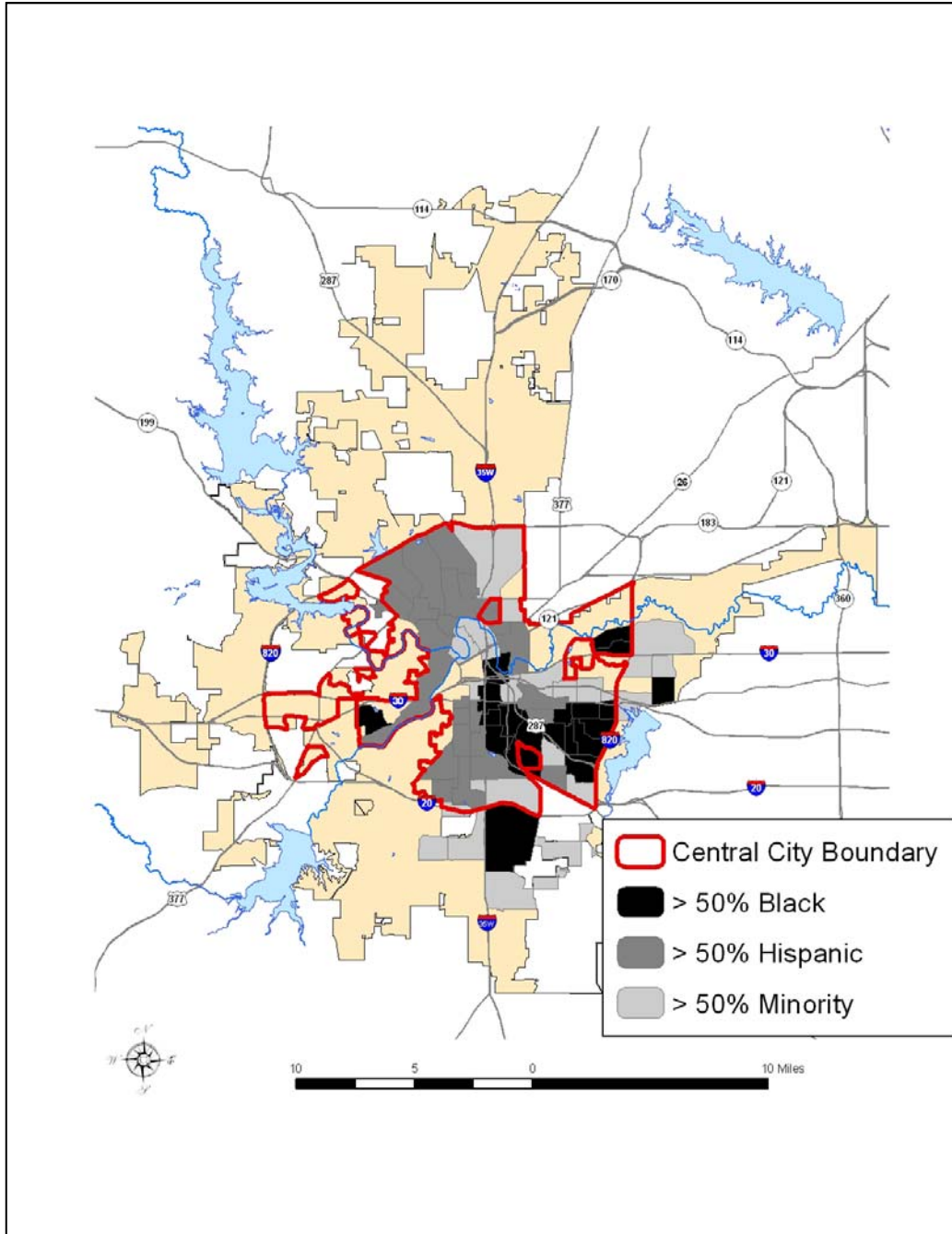
**LEVERAGE OF FUNDS
HOPWA**

<u>Programs/Projects</u>	<u>Leverage Source</u>	<u>Amount</u>
AIDS Outreach Center	Tarrant County (RWI, RWII, TDH State Svcs)	\$399,748.00
	Other (Private funding, etc)	\$91,257.00
Catholic Charities Diocese of FW	Tarrant County Pass-through	\$244,096.00
The Lady Hogan Project	Private Funding	\$6,464.00
	Agency Support	\$109,352.00
AIDS Resources of Rural Texas	Health Resources & Services Admin (HRSA)	\$390,000.00
	Tarrant County Public Health (TCPH)	\$670,274.00
	SAMHSA – MHMR – Tarrant County	\$73,166.00
	Other Foundation Grants/Program Income/ Unrestricted Funds	\$103,782.00
Tarrant County Samaritan Housing, Inc.	RWI, RWII, State Services	\$368,779.00
	HOPWA SNAP (TCCD)	\$297,009.00

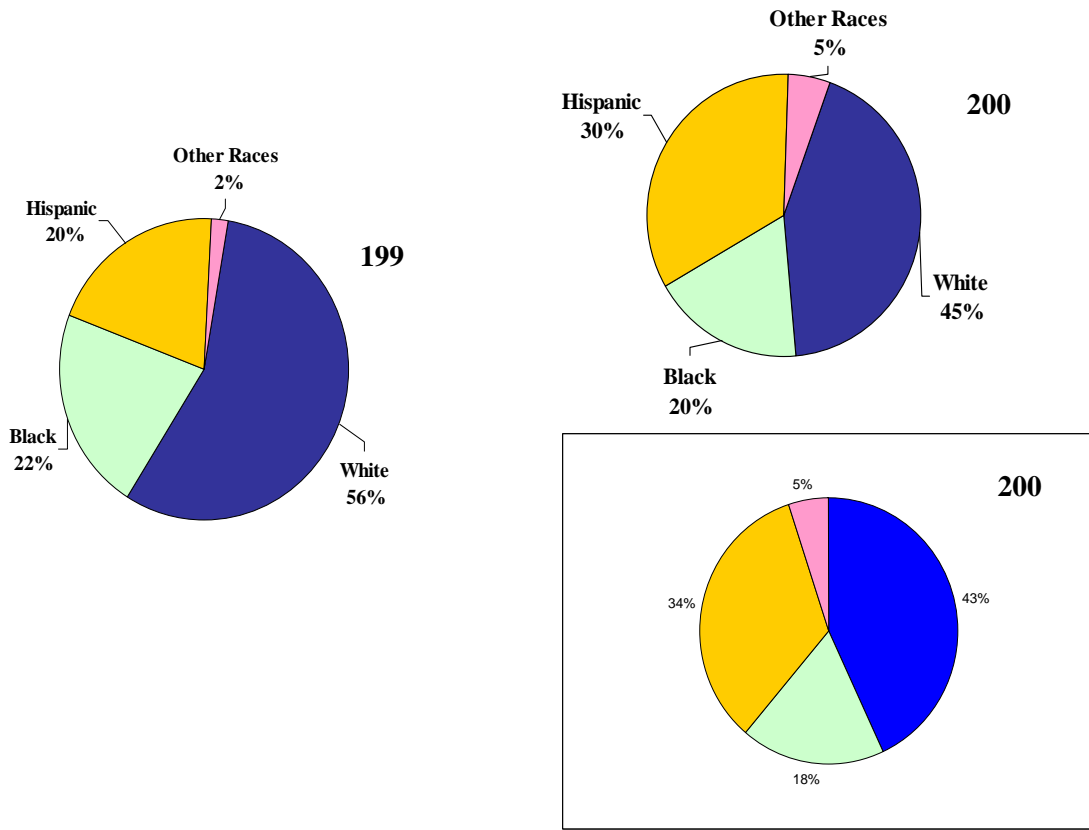
SHP & TBLA	\$296,211.00
All Other – Foundations, Fundraising, Contrib.	\$659,089.00

TOTAL \$3,709,227.00

City of Fort Worth
Central City Boundary Map with Black, Hispanic & Minority %



City of Fort Worth
Race/Ethnicity 1990, 2000, and 2007 Pie Charts



Sources: US Census. 1990 and 2000: US Census Bureau American Fact

ORDINANCE NO. 15530

AN ORDINANCE REPEALING ALL PREVIOUS MINORITY AND WOMEN BUSINESS ENTERPRISE ORDINANCES, POLICIES AND DISADVANTAGED BUSINESS ENTERPRISE POLICIES PREVIOUSLY ADOPTED; ADOPTING AN ORDINANCE TO REMEDY THE UNDERUTILIZATION OF MINORITY AND WOMEN BUSINESSES, AND TO ENHANCE THE UTILIZATION OF SAME; DEFINING MINORITY BUSINESS ENTERPRISE, AND WOMEN BUSINESS ENTERPRISE FOR PURPOSE OF CERTIFICATION; REQUIRING MINORITY BUSINESS ENTERPRISE AND WOMEN BUSINESS ENTERPRISE PARTICIPANTS TO BE QUALIFIED AND DOING BUSINESS IN LOCALITY FROM WHICH THE CITY REGULARLY SOLICITS; ESTABLISHING SEPARATE CATEGORIES FOR GOALS FOR MINORITY BUSINESS ENTERPRISES AND WOMEN BUSINESS ENTERPRISES IN THE SPECIFIC AREAS OF CONSTRUCTION, PROFESSIONAL SERVICES AND PURCHASING; ESTABLISHING PROCEDURES FOR PROJECT SPECIFIC GOALS; PROVIDING GENERALLY FOR THE PROCEDURES TO BE FOLLOWED IN THE PROCUREMENT PROCESS; REQUIRING CONTRACTORS TO SUBMIT DOCUMENTATION OF COMPLIANCE IN ORDER TO BE RESPONSIVE TO CITY SPECIFICATIONS; ESTABLISHING WAIVER OF GOALS PROCEDURES; ALLOWING FOR DEBARMENT FOR MISREPRESENTATION OF FACTS AS IT RELATES TO COMPLIANCE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

- WHEREAS, the City Council has commissioned Availability/Disparity Studies (Studies) conducted by Browne, Bortz & Coddington, Inc. (BBC), Carl Anderson, Esq. and MGT, Inc. and has held Public Hearings (Hearings) conducted by Carl Anderson, Esq., and found disparities in the utilization of minority and women business enterprises in contracts awarded by the City of Fort Worth (City); and
- WHEREAS, the Studies and Hearings found that discrimination occurred in the major contracting areas (construction, purchasing, and professional services) of the City of Fort Worth and resulted in significant underutilization of minority and women business enterprises; and
- WHEREAS, minority and women business enterprises have had and continue to have difficulties in obtaining financing, bonding, credit, insurance, and assistance programs have not been effective in either remedying the effects of underutilization in City contracting or in preventing ongoing underutilization; and
- WHEREAS, the Studies and the Hearings determined that race-neutral alternatives for enhancing minority and women business enterprise contracting are not completely sufficient; and

WHEREAS, the City has also been a passive participant in discriminatory behavior practiced by private industry within the relevant Marketplace in the award of contracts to minorities and women businesses.

WHEREAS, the purpose of this ordinance is to overcome the effects of this past underutilization and prevent any ongoing discrimination in the City's contracting processes; and

WHEREAS, the provisions of this ordinance may increase the utilization of minority and women business enterprises in contracts awarded by the City of Fort Worth; and

WHEREAS, the City Council now desires to provide a narrowly tailored remedy for past underutilization of minority and women businesses through the annual setting and defining of percentage goals for different categories of contracts, providing penalties for fraudulent misuse of this ordinance, requiring regular review of the necessity for the provisions of this ordinance, limiting those minority and women's business enterprises that participate under this ordinance to those that qualify and do business in the City's Marketplace, providing for post bid submission of required information about minority and women business enterprises and establishing waiver of goals procedures;

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FORT WORTH, TEXAS, THAT:

SECTION 1.

It is the policy of the City of Fort Worth to attempt to provide a remedy for past underutilization of qualified minority and women businesses and prevent ongoing underutilization of minority and women business enterprises in the City's contracting process by ensuring the full and equitable participation of minority and women business enterprises in the provision of goods and services to the City on a contractual basis in the manner identified in Attachment I of this ordinance, said Attachment I being a part of this ordinance.

SECTION 2.

The ultimate goal of this ordinance is to remedy the effects of past underutilization in the Marketplace by increasing the use of minority and women business enterprises in the Fort Worth Marketplace. The City Manager shall recommend an annual aspirational goal for MBE/WBE participation in City procurement activities, based on utilization and availability analyses of the most current procurement activity data within the Marketplace. An annual goal will provide a mechanism for adjustments as reflected by the relevant conditions in the Marketplace. This will be a measurement goal, not a quota.

SECTION 3.

The provisions of this ordinance shall apply to all contracts awarded by the City, except as may be hereafter specifically exempted. Where contracts involve the expenditure of federal or state funds, the state or federal policy related to MBE/WBE or DBE participation may take precedence over this ordinance. The provisions of this ordinance shall be liberally construed for the accomplishment of its policies and purposes. Specific goals shall be established in the areas of construction, professional services and purchases of other goods and services. A goal may be set on individual projects based on the type of work or services to be performed, or goods to be acquired and the availability of minority and women businesses in the City's Marketplace.

SECTION 4.

The provisions of this ordinance shall be considered in determining the responsiveness to specifications of offerors to the City. The City shall consider the offeror's responsiveness to this ordinance in the evaluation of bids and proposals and shall award contracts in accordance with governing law, inclusive of compliance to this minority and women business enterprise ordinance.

SECTION 5.

Debarment procedures shall be established for firms willfully misrepresenting the facts in compliance with this ordinance to the City.

SECTION 6.

Waiver procedures to the regulations established in this ordinance shall be provided for City procurement activities where a public calamity requires the emergency expenditure of funds; the purchase of goods or services from source(s) where subcontracting or supplier opportunities are nonexistent; where an economic risk or undue delay for the acquisition of goods or services will be imposed on the City, or when the availability of minority and women businesses is negligible.

SECTION 7.

From and after the date this ordinance takes effect, it shall supersede all previous City Council Policies affecting minority and women business enterprise and disadvantage business enterprise.

SECTION 8.

The City Manager, with the advice and counsel of the Minority and Women Business Enterprise Advisory Committee ("MWBEAC") in accord with City of Fort Worth Resolution No. 1148, is hereby authorized to establish, implement and administer regulations necessary to carry out the intent of this ordinance.

SECTION 9.

The City Council shall regularly, at least every five (5) years, determine whether there is a continuing need for a minority and women business enterprise program, make relevant findings, and, if necessary, repeal in whole or in part or enact appropriate amendments to this ordinance.

SECTION 10.

It is hereby declared to be the intention of the City Council that the sections, paragraphs, sentences, clauses and phrases of this ordinance are severable, and, if any phrase, clause, sentence, paragraph or section of this ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this ordinance, since the same would have been enacted by the City Council without the incorporation in this ordinance of any such unconstitutional phrase, clause, sentence, paragraph or section.

SECTION 11.

This ordinance shall take effect and be in full force and effect from on and after June 1, 2003; provided, however, that this ordinance shall not affect any procurement activity where formal solicitation began before the effective date of this ordinance, and it is so ordained.

APPROVED AS TO FORM AND LEGALITY:

Assistant City Attorney APRIL 22, 2003
Date

APRIL 22, 2003
Adopted

JUNE 1, 2003
Effective

ATTACHMENT 1

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I. **DEFINITIONS:**

1. **Applicable Contract** means any contract of \$25,000 or more for construction projects and professional services and \$25,000 or more for purchase agreements, as well as any other contracts that the City Council or City Manager deem appropriate.
2. **Certified** means those firms, located or doing business at the time of bid/proposal opening within the Marketplace, that have been determined to be a bonafide minority or women business enterprise by either the North Central Texas Regional Certification Agency (NCTRCA), or the Texas Department of Transportation (TxDOT), highway division.
3. **City** means the City of Fort Worth, Texas.
4. **City business day** means Monday through Friday, inclusive, excluding legal holidays. Legal holidays shall be observed as prescribed by the City Council for observance as follows:

New Year's Day	January 1
M. L. King, Jr. Birthday	Third Monday in January
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	First Monday in September
Thanksgiving Day	Fourth Thursday in November
Thanksgiving Friday	Fourth Friday in November
Christmas Day	December 25

When one of the above named holidays falls on a Saturday, the holiday shall be observed on the preceding Friday. When one of the above named holidays falls on a Sunday, the holiday shall be observed on the following Monday.

5. **Combined Projects** means a construction contract, which includes paving and/or drainage elements of construction and water and/or sanitary sewer construction elements, but does not include a standard water and/or sanitary sewer contract where the pavement is temporarily or permanently repaired and that repair is not a separate unit.
6. **Construction** means the erection, rehabilitation, alteration, conversion, extension, demolition, improvement, remodeling or repair to any real property, including streets, storm drains and facilities providing utility service owned by the City.
7. **Contract** means a binding agreement whereby the City either grants a privilege or is committed to expend or does expend its funds or other resources for or in connection with a) construction of any public improvement, and b) purchase of any services (including professional services). The term includes "purchase order".
8. **Contract Officer** means the person employed by the City to oversee the performance of the contract.
9. **Contracting Department** means the department responsible for payment of contract obligations.
10. **Contractor** means the business entity with whom the City has entered into an agreement. Includes the terms "Vendor", "Prime Contractor" and "Prime Consultant".
11. **Goal** means the percentage of minority business enterprise and/or women business enterprise participation on an applicable project as determined by the City, based on the availability of such businesses in the marketplace and the subcontracting/supplier opportunities of the project.

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11. **Goal** means the percentage of minority business enterprise and/or women business enterprise participation on an applicable project as determined by the City, based on the availability of such businesses in the marketplace and the subcontracting/supplier opportunities of the project.

12. **Good Faith Effort** means an honest and conscientious effort by the Offeror to meet the City's goal for M/WBE participation. Compliance with each of the following steps shall satisfy the Good Faith Effort requirement absent proof of fraud, misrepresentation, or intentional discrimination by the Offeror:

12.1. List each and every subcontracting and/or supplier opportunity for the completion of this project. On combined projects list each subcontracting and/or supplying opportunity through the 2nd tier.

12.2. Obtain a current (not more than three (3) months old from the bid open date) list of M/WBE subcontractors and/or suppliers from the City's M/WBE Office.

12.3. Solicit bids from M/WBEs, within the subcontracting and/or supplier areas previously listed, at least ten calendar days prior to bid opening by mail, exclusive of the day the bids are opened.

12.4. Solicit bids from M/WBEs, within the subcontracting and/or supplier areas previously listed, at least ten calendar days prior to bid opening by telephone, exclusive of the day the bids are opened.

Note: A facsimile may be used to comply with either 12.3 or 12.4, but may not be used for both.

Note: If the list of M/WBEs for a particular subcontracting/supplier opportunity is ten or less, the Contractor must contact the entire list within such area of opportunity to be in compliance with 12.3 and 12.4. If the list of M/WBEs for a particular subcontracting/supplier opportunity is ten or more, the Contractor must contact at least two-thirds of the list within such area of opportunity, but not less than ten, to be in compliance with 12.3 and 12.4.

12.5. Provide plans and specifications or information regarding the location of plans and specification to M/WBEs.

12.6. Submit documentation if M/WBE quotes were rejected. The documentation submitted should be in the form of an affidavit, include a detailed explanation of why the M/WBE was rejected and any supporting documentation the Offeror wishes to be considered by the City. In the event of a bona fide dispute concerning quotes, the Offeror will provide for confidential *in-camera* access to a inspection of any relevant documentation by City personnel.

13. **Horizontal Construction** means construction of highways, roads, streets, bridges, utilities, water supply projects, water plans, wastewater plants, water and wastewater distribution or conveyance facilities, wharves, docks, airport runways and taxiways, drainage projects, or related types of projects associated with civil engineering construction as referenced in this ordinance.

14. **Joint Venture** means an association of two or more businesses, one of which must be a certified M/WBE firm. The M/WBE firm must be responsible for a clearly defined portion of the work to be performed, equal to a share in the ownership, control, knowledge, management, responsibility, risks, and profits of the joint venture.

15. **Lease Agreement** means a written agreement to transfer control and use of truck(s) from one business entity to another, which outlines fees and/or commissions.

16. **Lease Trucks** means trucks that are leased from another M/WBE firm, including M/WBE owner-operators. Trucks leased from non-M/WBE firms will only receive credit for the fees and commissions earned by the M/WBE as outlined in the lease agreement.

17. **Manager** means the administrator of the M/WBE Office of the City of Fort Worth.
18. **Managing Department** means the department responsible for overseeing the day-to-day completion of the contract.
19. **Manufacturer** means one that manufactures a product by hand or machinery suitable for uses; the process of making wares.
20. **Marketplace** means the geographic market area as defined in the Availability and Disparity Study represented by the counties of Tarrant, Parker, Johnson, Collin, Dallas, Denton, Ellis, Kaufman and Rockwall.
21. **Minority** means a citizen of the United States or lawfully admitted permanent resident that is Asian American, American Indian, Black or Hispanic.
22. **Minority Business Enterprise** is defined as a qualified business concern located in the Marketplace or providing proof of doing business in the Marketplace at the time of bid opening or the opening of responses to requests for proposals, meeting the following criteria:
 - a. is at least 51 percent owned by one or more minority persons, or, in the case of any publicly owned business, at least 51 percent of the stock is owned by one or more minority persons; and
 - b. management and daily business operations are controlled by one or more minority persons who own it.
23. **MWBEAC** means the Minority and Women Business Enterprise Advisory Committee appointed by the City Council to review the findings of Availability and Disparity Studies conducted for the City and present recommendations, in concurrence with the City Manager, on any amendments to the M/WBE Ordinance.
24. **Mediation** means an alternate dispute resolution method as authorized by the state law
25. **Nepotism** means the state or fact of showing favoritism to a relative on the basis of a relationship.
26. **Non-compliance** means failure of a prime contractor to comply with the Ordinance's requirements during the contract and/or at completion of the contract.
27. **Non-responsive** means failure of an Offeror to respond to the Ordinance's requirements upon submission of a bid or proposal; herein specifically defined by either 1) meet or exceed the stated project goal, or 2) make a good and honest faith effort to meet the project goal or 3) submit the prime contractor waiver or 4) submit the joint venture form.
28. **Offeror** means any person, firm, corporation, or partnership that submits a bid or proposal to provide labor, goods or services to the City where funds are expended. The term includes bidder and proposer.
29. **Payment Dispute** means a bonafide disagreement of payment.
30. **Procurement** means the buying, renting, leasing or otherwise obtaining or acquiring any supplies, materials, equipment or services.

31. **Professional Services** means services, which require predominantly mental or intellectual labor and skills, includes, but is not necessarily limited to, architects, engineers, surveyors, doctors, attorneys, and accountants.
32. **Project Manager** see Contract Officer.
33. **Purchasing** means the buying, renting, leasing or otherwise obtaining or acquiring any supplies, materials, equipment or services excluding construction and professional services previously defined.
34. **Qualified** means an individual or business entity having previously performed or received training in the work, industry or profession required.
35. **Regular Dealer** is defined as a firm that owns, operates, or maintains a store, a warehouse, or other establishments in which the materials or supplies required for the contract are bought, kept in stock, and are regularly sold retail or wholesale.
36. **Subcontract** means an agreement between the contractor and another business entity for the performance of work.
37. **Subcontract/Supplier Opportunity** means an area where there is more than one M/WBE subcontractor/subconsultant/supplier in the market place.
38. **Tier** means the level of subcontracting below the prime contractor/consultant, i.e., a direct payment from the prime contractor to a subcontractor is considered 1st tier, a payment by a subcontractor to its supplier is considered 2nd tier.
39. **Vertical Construction** means construction of a facility. Facility means buildings the design and construction of which are governed by accepted building codes. The term does not include: (A) highways, roads, streets, bridges, utilities, water supply projects, water plans, wastewater plants, water and wastewater distribution or conveyance facilities, wharves, docks, airport runways and taxiways, drainage projects, or related types of projects associated with civil engineering construction or (B) builds or structures that are incidental to projects that are primarily civil engineering construction projects.
40. **Women Business Enterprise** is defined as a qualified business concern located in the Marketplace or provide proof of doing business in the Marketplace at the time of bid opening or the opening of responses to requests for proposals, meeting the following criteria:
 - a. is at least 51 percent owned by one or more women, or, in the case of any publicly owned business, at least 51 percent of the stock is owned by one or more women; and
 - b. management and daily business operations are controlled by one or more women who own it.

II. PURPOSE:

The ultimate goal of this ordinance is to remedy the effects of past underutilization in the Marketplace by increasing the utilization of minority and women business enterprises above the present low level to one more comparable to their availability in the Fort Worth Marketplace.

Specific goals shall be established in the areas of construction, professional services, and purchases of other goods and services. A goal may be set on individual projects based on the type of work or services to be performed, or goods to be acquired and the availability of minority and women businesses in the City's Marketplace.

The City Manager shall recommend an annual goal for MWBE participation in City procurement activities, based upon the availability within the Marketplace.

The provisions of this ordinance shall apply to all contracts awarded by the City, except as may be hereafter specifically exempted. Where contracts involve the expenditure of federal or state funds, the state or federal policy related to MWBE or DBE participation may take precedence over this ordinance.

Award of a contract shall be recommended when the Offeror has complied with the requirements of this ordinance via meeting the goal, demonstrating a Good Faith Effort to meet the goal or meeting the requirements for a Prime Contractor Waiver. Failure to comply with the Ordinance by any of the required methods shall result in an Offeror being deemed non-responsive.

III. CERTIFICATION:

The City will recognize MWBE firms that are certified by the North Central Texas Regional Certification Agency (NCTRCA) or Texas Department of Transportation (TX DOT), highway division. The firms shall be located in or doing business in the Marketplace at the time of bid/proposal opening.

IV. PROGRAM GOAL:

- A. A Citywide goal for the utilization of minority business enterprises (MBE) and women business enterprises (WBE) shall be reviewed and approved annually by the City Council.
 - 1. The City Manager shall conduct an analysis of the availability of MWBEs and present to the City Council an annual report on MWBE availability and utilization by the end of the first quarter of the new fiscal year.
 - 2. Based on the availability of MWBEs in the Marketplace and the City's most recent goal attainment and with the advice and counsel of the, the City Manager shall recommend to the City Council a reasonable goal for the remainder of the current fiscal year.
 - 3. The goal shall be expressed in terms of a percentage of the total dollar value of all applicable contracts awarded by the City. Goals shall be established separately for categories of construction, professional services, and purchasing, as well as, any other categories that the City Council or City Manager deems appropriate.
- B. An individual project goal shall be set by the MWBE Office in collaboration with the Contract Officer and Risk Management (where appropriate) prior to solicitation. The project goal shall be reasonable and shall be based upon:
 - 1. Specific subcontracting and/or materials opportunities required to complete the project, and
 - 2. The availability of MWBE in the identified subcontracting and/or materials opportunities in the Marketplace.

V. **APPLICABLE CONTRACTS:**

A. **CONSTRUCTION PROJECTS**

1. **M/WBE UTILIZATION REQUIREMENTS**

- a. In addition to the requirements set forth elsewhere, bid conditions shall include a statement of the M/WBE goal established for the project. The requirements below also apply to circumstances where change orders or extra work, give rise to new trade or vendor opportunities outside the original scope of work.
- b. Bid conditions and all other specifications for applicable contracts to be awarded by the City shall require that Offerors make a good faith effort (GFE) to subcontract with or purchase supplies from M/WBE firms. Such specifications shall require the Offeror to meet or exceed the stated goal or submit documentation of GFE for all applicable contracts to permit a determination of compliance with the specifications.
- c. Construction contracts (estimated cost of \$25,000 or more) shall be awarded and administered in accordance with the following standards and procedures:
 01. Competitive bids for applicable contracts shall include the M/WBE requirements and documentation in the bid specifications. M/WBE documentation consists of the **SPECIAL INSTRUCTIONS TO BIDDERS**, the **SUBCONTRACTOR UTILIZATION FORM**, the **PRIME CONTRACTOR WAIVER FORM**, the **GOOD FAITH EFFORT FORM**, and the **JOINT VENTURE FORM**.
 - a) Competitive bids where the Offeror equals or exceeds the project goal must submit the **SUBCONTRACTOR UTILIZATION FORM** or the **JOINT VENTURE FORM**.
 - b) Competitive bids where the Offeror does not have subcontracting and/or supplier opportunities must submit the **PRIME CONTRACTOR WAIVER FORM**.
 - c) Competitive bids where the Offeror has subcontracting and/or supplier opportunities but does not include M/WBE participation in an amount which equals or exceeds the project goal, must submit the **SUBCONTRACTOR UTILIZATION FORM** and the **GOOD FAITH EFFORT FORM (GFE)** and documentation.
 - d) Competitive bids where the Offeror has subcontracting and/or supplier opportunities but do not include any M/WBE participation must submit the **SUBCONTRACTOR UTILIZATION FORM** and the **GOOD FAITH EFFORT FORM** and documentation.
 02. The Offeror shall submit the **SUBCONTRACTOR UTILIZATION FORM** and/or the **GOOD FAITH EFFORT FORM** or the **PRIME CONTRACTOR WAIVER FORM**, or the **JOINT VENTURE FORM** ("and documentation") as appropriate. The Managing Department must receive the documentation no later than 5:00 p.m., five (5) City business days after the bid opening date, exclusive of the bid opening date. The Offeror shall obtain a receipt from the appropriate employee of the managing department to whom delivery was made. Such receipt shall be evidence that the City received the documentation. The submission of the applicable completed form(s) within the allotted time will be considered when determining the responsiveness of the bid. Failure to comply with the bid specifications, inclusive of the M/WBE requirements and documentation, shall render the Offeror non-responsive.

03. The GFE documentation shall demonstrate the Offeror's commitment and honest efforts to utilize M/WBE(s). The burden of preparing and submitting the GFE information is on the Offeror and will be evaluated as part of the responsiveness to the bid/proposal. An Offeror who intentionally and/or knowingly misrepresents facts on the documentation submitted will constitute a basis for classification as non-responsive and possible debarment.
04. The contracting department may request the M/WBE Office to waive the goal requirements of this subsection, or to reduce the amount of the goal, in accordance with the provisions of the Exceptions and Waivers section.

COUNTING M/WBE PARTICIPATION

M/WBE participation shall be counted toward meeting the goal in accordance with the following provisions:

- a. For the purpose of determining compliance with the goal requirements established in this ordinance, businesses will be counted as M/WBE only when they have been certified as such prior to a recommendation for award being made to the City Council.
 01. Any business listed by an Offeror that is not certified at the time of bid opening must file an application for certification to a city authorized certification agency within a reasonable time for the City to consider the business and dollar amount towards meeting the goal.
 02. If a business described in the subparagraph immediately above fails to submit an application for certification within a reasonable time, or if the business is denied certification, the Offeror shall be afforded five (5) City business days to secure additional certified/certifiable M/WBE participation, starting the next City business day following the day the written notification was received from the Managing Department.
 03. Evidence of the additional certified/certifiable M/WBE participation shall be delivered to and received by the Managing Department within five (5) City business days after the notification was received by the Offeror, exclusive of the date that the notification was received.
- b. Except as provided for in paragraph C below, if the Offeror is ruled non-responsive for failure to comply with the requirements of this ordinance, the Managing Department will provide written notification to the Offeror stating the specific basis for the ruling. The Offeror may then submit documentation that it will either meet or exceed the stated goal and if the documentation satisfies this ordinance, the Offeror may then be considered for an award of contract.
- c. If the Offeror is ruled non-responsive solely for its failure to identify a subcontract/supplier opportunity and that opportunity is less than three (3%) percent of the total bid, the Offeror may submit documentation that an M/WBE will be utilized for that subcontract/supplier opportunity, and may be considered for an award of contract.
- d. Documentation required under either paragraph 2 or 3 above must be received by the Managing Department within five (5) City business days, exclusive of the date that the Offeror was notified that it was non-responsive. If the documentation is not received within the stated time, the Offeror shall be deemed to have withdrawn its

03. The GFE documentation shall demonstrate the Offeror's commitment and honest efforts to utilize M/WBE(s). The burden of preparing and submitting the GFE information is on the Offeror and will be evaluated as part of the responsiveness to the bid/proposal. An Offeror who intentionally and/or knowingly misrepresents facts on the documentation submitted will constitute a basis for classification as non-responsive and possible debarment.
04. The contracting department may request the M/WBE Office to waive the goal requirements of this subsection, or to reduce the amount of the goal, in accordance with the provisions of the Exceptions and Waivers section.

COUNTING M/WBE PARTICIPATION

M/WBE participation shall be counted toward meeting the goal in accordance with the following provisions:

- a. For the purpose of determining compliance with the goal requirements established in this ordinance, businesses will be counted as M/WBE only when they have been certified as such prior to a recommendation for award being made to the City Council.
 01. Any business listed by an Offeror that is not certified at the time of bid opening must file an application for certification to a city authorized certification agency within a reasonable time for the City to consider the business and dollar amount towards meeting the goal.
 02. If a business described in the subparagraph immediately above fails to submit an application for certification within a reasonable time, or if the business is denied certification, the Offeror shall be afforded five (5) City business days to secure additional certified/certifiable M/WBE participation, starting the next City business day following the day the written notification was received from the Managing Department.
 03. Evidence of the additional certified/certifiable M/WBE participation shall be delivered to and received by the Managing Department within five (5) City business days after the notification was received by the Offeror, exclusive of the date that the notification was received.
- b. Except as provided for in paragraph C below, if the Offeror is ruled non-responsive for failure to comply with the requirements of this ordinance, the Managing Department will provide written notification to the Offeror stating the specific basis for the ruling. The Offeror may then submit documentation that it will either meet or exceed the stated goal and if the documentation satisfies this ordinance, the Offeror may then be considered for an award of contract.
- c. If the Offeror is ruled non-responsive solely for its failure to identify a subcontract/supplier opportunity and that opportunity is less than three (3%) percent of the total bid, the Offeror may submit documentation that an M/WBE will be utilized for that subcontract/supplier opportunity, and may be considered for an award of contract.
- d. Documentation required under either paragraph 2 or 3 above must be received by the Managing Department within five (5) City business days, exclusive of the date that the Offeror was notified that it was non-responsive. If the documentation is not received within the stated time, the Offeror shall be deemed to have withdrawn its

- l. An Offeror may not count toward its goal any arrangement with an M/WBE that is nepotism or where a M/WBE has been a recent employee (less than one year) of the Offeror.
- m. The Offeror may not count toward the goal any agreement with a M/WBE that does not meet the requirements of this ordinance.

3. PAYMENTS

The City Manager shall implement procedures to comply with the following:

- a. For **vertical** construction contracts, procedures will be established to ensure that the prime shall submit an invoice at least monthly and the City will pay the invoice as required by the Texas Prompt Payment Act (Tex. Gov't Code, chap. 2251) or any successor statute. The prime shall pay subcontractors as required by the Texas Prompt Payment Act or any successor statute. The prime contractor's failure to make payments as provided by state law shall, in addition to any other remedies provided by law, authorize the City to withhold future payments and/or reject future bids from the contractor until compliance with this ordinance is attained.
- b. For **horizontal** construction contracts, procedures will be established to ensure that all progress payments are made twice a month and that subcontractors are paid in accordance with the provisions of the Texas Prompt Payment Act or any successor statute. A contractor's failure to make payments as required by state law shall, in addition to any other remedies provided by state law, authorize the City to withhold future payments and/or reject future bids from the contractor until compliance with this ordinance is attained.
- c. Whenever there is a dispute over payment due between the prime and subcontractor and/or supplier, the City shall strongly encourage the parties to seek mediation before the City takes any action under this ordinance.

4. RETAINAGE

- a. If the prime withholds additional monies or a fee in excess of the retainage amount required by the City, and if there is no dispute about payment to the subcontractor, the prime shall release the additional monies after the completion of the subcontractor's scope of work, or as otherwise required by law, but may retain the required retainage monies until project completion, acceptance and final payment by the City.
- b. Where contracts involve the expenditure of federal or state funds, the state or federal policy related to M/WBE or DBE retainage may take precedence over this ordinance.

B. PROFESSIONAL SERVICES

1. M/WBE UTILIZATION REQUIREMENTS

- a. In addition to the requirements set forth elsewhere, requests for proposals shall include a statement of the M/WBE goal established for the project. The requirements below shall also apply to circumstances where amendments or extra work gives rise to new subconsulting/supplier opportunities.
- b. Requests for proposals and all other specifications for applicable contracts to be awarded by the City shall require that Offeror make a good faith effort (GFE) to sub-consult with or purchase supplies from M/WBE firms. Such specifications shall

require the Offeror to meet or exceed the stated goal or submit documentation of GFE for all applicable contracts to permit a determination of compliance with the specifications.

- c Professional Services contracts and such other contracts which may be competed for under sealed proposal procedures (estimated cost of \$25,000 or more) shall be awarded and administered in accordance with the following standards and procedures:
 - 01. Other than responses to Requests for Proposals for those professional services defined in Chapter 2254 of the Texas Government Code, responses to Request for Proposals shall be submitted by the proposal deadline date and include a section, which identifies the particular M/WBE utilization plan in performing the contract.
 - a) The proposal shall specify the estimated percentage of the M/WBE participation, the type of work to be performed by the M/WBE, and such other information as may reasonably be required to determine the responsiveness to the Request for Proposal.
 - b) Proposals that do not meet or exceed the utilization goal, as required by the Request for Proposal, must submit a GFE explanation. Failure to include such GFE explanation shall render the proposal non-responsive.
 - 02. Initial responses to requests for proposals for those professional services defined in Chapter 2254 of the Texas Government Code shall not include a response to the requirements of this ordinance. The City shall comply with the requirements of said Chapter and rank the professional on the basis of demonstrated competence and qualifications. During negotiations, the proposer shall respond to this ordinance in the manner specified in paragraph 01(a) above.
 - 03. The GFE documentation shall demonstrate the Offeror's commitment and honest efforts to utilize M/WBEs. The burden of preparing and submitting the GFE information is on the Offeror and will be evaluated as part of the responsiveness to the proposal. An Offeror who intentionally and/or knowingly misrepresents facts on the documentation submitted may be classified as non-responsive and be subject to possible debarment.
 - 04. The contracting department may request the M/WBE Office to waive the goal requirements of this subsection, or to reduce the amount of the goal, in accordance with the provisions of the Exceptions and Waivers section.

2. COUNTING M/WBE PARTICIPATION

M/WBE participation shall be counted toward meeting the goal in accordance with the following provisions:

- a. For the purpose of determining compliance with the goal requirements established in this ordinance, businesses will be counted as M/WBEs only when they have been certified as such prior to a recommendation for award being made to the City Council.
 - 01. Any business listed by an Offeror that is not certified at the time of response opening must file an application for certification to a city authorized certification agency within a reasonable time for the City to consider the business and dollar amount towards meeting the goal.

02. If a business described in the subparagraph immediately above fails to submit an application for certification within a reasonable time, or if the business is denied certification, the Offeror shall be afforded five (5) City business days to secure additional certified/certifiable M/WBE participation, starting the next City business day following the day the written notification was received from the Managing Department.
03. Evidence of the additional certified/certifiable M/WBE participation shall be delivered to and received by the Managing Department within five (5) City business days after the notification was received by the Offeror, exclusive of the date that the notification was received.
- b. The Offeror may count toward the goal any tier of M/WBE sub-consultants and/or suppliers.
- c. The Offeror will be given credit toward the goal only when the M/WBE sub-consultant performs a commercially useful function. A M/WBE sub-consultant is considered to have performed a commercially useful function when:
 01. It is responsible for the execution of a distinct element of the work by actually performing, managing and supervising the work involved in accordance with normal business practice; and
 02. When the firm receives due compensation as agreed upon for the work performed.
- d. The Offeror will be given credit toward the M/WBE contract goal only when the M/WBE supplier performs a commercially useful function. A M/WBE supplier is considered to have performed a commercially useful function when the M/WBE supplier is a manufacturer or a regular dealer.
- e. Regardless of whether an arrangement between the consultant and the M/WBE represents standard industry practice, if the arrangement erodes the ownership, control or independence of the M/WBE or does not meet the commercially useful function requirement, the Offeror shall receive no credit toward the goal.
- f. An Offeror may count toward its goal a portion of the total dollar value of a contract with a joint venture equal to the percentage of M/WBE participation in the joint venture.
 01. The Joint Venture Form must be submitted to the Managing Department with the proposal when determining the responsiveness of the proposal by the M/WBE Office. Failure to comply with the proposal scope of services, inclusive of the M/WBE requirements, shall render the Offeror non-responsive.
 02. The M/WBE involved in the joint venture must be responsible for a clearly defined portion of the work to be performed, equal to a share in the ownership, control, knowledge, management, responsibility, risks, and profits of the joint venture.
- g. Except for joint ventures, the prime consultant (regardless of their M/WBE status) and any work performed by the prime consultant is not counted toward meeting the M/WBE contract goal and is not considered when determining compliance with this ordinance.

- h. An Offeror may not count toward its goal any arrangement with an M/WBE that is nepotism or where an M/WBE has been a recent employee (less than one year) of the Offeror.
- i. The Offeror may not count toward the goal any agreement with a M/WBE that does not meet the requirements of this ordinance.

3. PAYMENTS

The City Manager shall implement procedures to comply with the following:

- a. The prime shall submit an invoice at least monthly or as designated by the contract documents and the City will pay the invoice as required by the Texas Prompt Payment Act or any successor statute. The prime shall pay sub-consultants as required by the Texas Prompt Payment Act or any successor statute. A consultant's failure to make payments in accordance with state law shall, in addition to any other remedies provided by law, authorize the City to withhold future payments and/or reject future proposals from the consultant until compliance with this ordinance is attained.
- b. Whenever there is a dispute over payment due between the prime and sub-consultant and/or supplier, the City shall strongly encourage the parties to seek mediation before the City initiates a stop payment order.

C. PURCHASES

1. M/WBE UTILIZATION REQUIREMENTS

- a. In addition to the requirements set forth elsewhere, bid conditions shall include a statement of the M/WBE goal established for the project. The requirements below also apply to circumstances where purchase orders or extra work cause new subcontracting/supplier opportunities.
- b. Bid conditions and all other specifications for applicable contracts to be awarded by the City shall require that Offeror make a good faith effort (GFE) to subcontract with or purchase supplies from M/WBE firms. Such specifications shall require the Offeror to meet or exceed the stated goal or submit documentation of GFE for all applicable contracts to permit a determination of compliance with the specifications.
- c. Purchase contracts and such other contracts which may be competed for under sealed proposal procedures (estimated cost of \$25,000 or more) shall be awarded and administered in accordance with the following standards and procedures:
 - 01. Competitive bids for applicable contracts shall include the M/WBE requirements and documentation in the bid specifications. M/WBE documentation consists of the **SPECIAL INSTRUCTIONS TO BIDDERS**, the **SUBCONTRACTOR UTILIZATION FORM**, the **PRIME CONTRACTOR WAIVER FORM**, the **GOOD FAITH EFFORT FORM**, and, the **JOINT VENTURE FORM**.
 - a) Competitive bids where the Offeror equals or exceeds the project goal must submit the **SUBCONTRACTOR UTILIZATION FORM**.
 - b) Competitive bids where the Offeror does not have subcontracting and/or supplier opportunities must submit the **PRIME CONTRACTOR WAIVER FORM**.

- c) Competitive bids where the Offeror has subcontracting and/or supplier opportunities but does not include M/WBE participation in an amount which equals or exceeds the project goal, must submit the **SUBCONTRACTOR UTILIZATION FORM** and the **GOOD FAITH EFFORT FORM** and documentation.
 - d) Competitive bids where the Offeror has subcontracting and/or supplier opportunities but do not include any M/WBE participation must submit the **GOOD FAITH EFFORT FORM** and documentation.
02. The Offeror shall submit the **SUBCONTRACTOR UTILIZATION FORM** and/or the **GOOD FAITH EFFORT FORM** or the **PRIME CONTRACTOR WAIVER FORM**, or the **JOINT VENTURE FORM** ("and documentation") as appropriate. The Managing Department must receive the documentation no later than 5:00 p.m., five (5) City business days after the bid opening date, exclusive of the bid opening date. The Offeror shall obtain a receipt from the appropriate employee of the managing department to whom delivery was made. Such receipt shall be evidence that the City received the documentation. The submission of the applicable completed form(s) within the allotted time will be considered when determining the responsiveness of the bid. Failure to comply with the bid specifications, inclusive of the M/WBE requirements and documentation, shall render the Offeror non-responsive.
 03. The GFE documentation shall demonstrate the Offeror's commitment and honest efforts to utilize M/WBE(s). The burden of preparing and submitting the GFE information is on the Offeror and will be evaluated as part of the responsiveness to the bid/proposal. An Offeror who intentionally and/or knowingly misrepresents facts on the documentation submitted will constitute a basis for classification as non-responsive and possible debarment.
 04. The contracting department may request the M/WBE Office to waive the goal requirements of this subsection, or to reduce the amount of the goal, in accordance with the provisions of the Exceptions and Waivers section.

2. COUNTING M/WBE PARTICIPATION

M/WBE participation shall be counted toward meeting Goal in accordance with the following provisions:

- a. For the purpose of determining compliance with the goal requirements established in this ordinance, businesses will be counted as M/WBEs only when they have been certified as such prior to a recommendation for award being made to the City Council.
 01. Any business listed by an Offeror that is not certified at the time of bid/response opening must file an application for certification within a reasonable time for the City to consider the business towards meeting the goal.
 02. If a business described in the subparagraph immediately above fails to submit an application for certification within a reasonable time, or if the business is denied certification, the Offeror shall be afforded five (5) City business days to secure additional certified/certifiable M/WBE participation, starting the next City business day following the day the written notification was received from the Managing Department
 03. Evidence of the additional certified/certifiable M/WBE participation shall be delivered to and received by the Managing Department within five (5) City

business days after the notification was received by the Offeror, exclusive of the date that the notification was received.

- b. Except as provided for in paragraph c below, if the Offeror is ruled non-responsive for failure to comply with the requirements of this ordinance, the Managing Department will provide written notification to the Offeror stating the specific basis for the ruling. The Offeror may submit documentation that it will either meet or exceed the stated goal, and if the documentation satisfies this ordinance, the Offeror may then be considered for an award of contract.
- c. If the Offeror is ruled non-responsive solely for its failure to identify a subcontract/supplier opportunity and that opportunity is less than three (3%) percent of the total bid, the Offeror may submit documentation that an M/WBE will be utilized for that subcontract/supplier opportunity, and may be considered for an award of contract.
- d. Documentation required under either paragraph b or c above must be received by the Managing Department within five (5) City business days, exclusive of the date that the Offeror was notified that it was non-responsive. If the documentation is not received within the stated time, the Offeror shall be deemed to have withdrawn its bid. The City will not communicate with another Offeror regarding award of the contract until five (5) City business days after the original Offeror has been notified that it is non-responsive.
- e. The Offeror may count toward the goal any tier of M/WBE subcontractors and/or suppliers. It is the sole responsibility of the Offeror to report and document all subcontracting and/or supplier participation dollars counted towards the goal, irrespective of tier level. Failure to submit documentation as required in this subparagraph, shall entitle the City to withhold payments and/or reject future purchasing orders until compliance is attained.
- f. The Offeror will be given credit toward the goal only when the M/WBE subcontractor performs a commercially useful function. A M/WBE subcontractor is considered to have performed a commercially useful function when:
 - 01. It is responsible for the execution of a distinct element of the work by actually performing, managing and supervising the work involved in accordance with normal business practice; and
 - 02. When the firm receives due compensation as agreed upon for the work performed.
- g. The Offeror will be given credit toward the M/WBE contract goal only when the M/WBE supplier performs a commercially useful function. A M/WBE supplier is considered to have performed a commercially useful function when the M/WBE supplier is a manufacturer or a regular dealer.
- h. The Offeror will be given credit for utilizing a M/WBE hauling firm as long as the M/WBE own and operate at least one fully licensed, insured and operational truck used on the contract. The M/WBE may lease trucks from another M/WBE firm, including M/WBE owner-operators and receive 100% M/WBE credit. The M/WBE may lease trucks from non-M/WBEs, including owner-operators, but will only receive credit for the fees and commissions earned by the M/WBE as outlined in the lease agreement.
- i. Regardless of whether an arrangement between the contractor and the M/WBE represents standard industry practice, if the arrangement erodes the ownership,

control or independence of the MWBE or does not meet the commercially useful function requirement, the Offeror shall receive no credit toward the goal.

- j. An Offeror may count toward its goal a portion of the total dollar value of a contract with a joint venture equal to the percentage of MWBE participation in the joint venture.
 - 01. The Managing Department must receive the Joint Venture form from the Offeror within five (5) City business days after the date of bid opening, exclusive of the day of the bid opening, for certification by the MWBE Office.
 - 02. The MWBE involved in the joint venture must be responsible for a clearly defined portion of the work to be performed, equal to a share in the ownership, control, knowledge, management, responsibility, risks, and profits of the joint venture.
- k. Except for joint ventures, the prime contractor (regardless of their MWBE status) and any work performed by the prime contractor is not counted toward meeting the MWBE contract goal and is not considered when determining compliance with this ordinance.
- l. An Offeror may not count toward its goal any arrangement with an MWBE that is nepotism or where an MWBE has been a recent employee (less than one year) of the Offeror.
- m. The Offeror may not count toward the goal any agreement with an MWBE that does not meet the requirements of this ordinance.

3. PAYMENTS

The City Manager shall implement procedures to comply with the following:

- a. Establish procedures to ensure that purchase orders for all vendors' invoices be paid as required by the Texas Prompt Payment Act or any successor statute and that subcontractors are also paid as required by state law . A vendor's failure to make payments as required by law shall, in addition to any other remedies provided by law, authorize the City to withhold future payments from the vendor until compliance with this ordinance is attained.
 - b. Whenever there is a dispute concerning payment due between the prime and subcontractor and/or supplier, the City shall strongly encourage the parties to seek mediation before the City initiates a stop payment order.
- ### 4. BEST VALUE CRITERIA
- a. In order to increase MWBE primes in direct purchases, the City will apply the best value criteria codified in State law (Tex. Local Gov't Code, sec. 252.043 or any successor statute) to all purchasing activities as outlined in the state legislation.
 - b. The City Manager, with the advice and counsel of the MWBEAC in accord with City of Fort Worth Resolution No. 1148, shall implement procedures the purchase of goods and services under the formal bid amount to emphasize the inclusion of MWBEs.

VI. POST-AWARD COMPLIANCE:

- A. In addition to such other requirements as may be set forth elsewhere, the following shall apply to applicable contracts awarded by the City:

1. Contracts shall incorporate this ordinance by reference, and shall provide that the contractor's violation of this ordinance shall constitute a breach of such contract and may result in debarment in accord with the procedures outlined in this ordinance.
2. Following the date and time of bid/proposal opening, any proposed change or deletion in M/WBE participation identified in the bid, proposal or contract shall be reviewed by the M/WBE Office to determine whether such change or deletion is justified in accord with paragraphs 3 and 4 immediately below. Any unjustified change or deletion shall be a material breach of contract and may result in debarment in accord with the procedures outlined in this ordinance.
3. Following the date and time of bid/proposal opening, the contractor shall:
 - a. Make no unjustified changes or deletions in its M/WBE participation commitments submitted with the bid, proposal or during negotiation, without prior submission of the proper documentation for review and approval by the M/WBE Office.
 - b. Shall submit a detailed explanation of how the requested change or deletion will affect the committed M/WBE goal. If the detail explanation is not submitted, it will affect the final compliance determination.
 - c. If substantial subcontracting and/or supplier opportunities arise during the term of any contract when the contractor represented in its bid to the City that it alone would perform the subcontracting/supplier opportunity work, the contractor shall notify the City before subcontracts for work and/or supplies are awarded and shall be required to comply with subsections 12.3 and 12.4 of this Attachment 1, exclusive of the time requirements stated in such subsections;
 - d. Maintain records reasonably necessary for monitoring their compliance with the provisions of this ordinance;
 - e. After the first payment and beginning with the second application for payment, submit the required M/WBE Periodic Payment Reports, including copies of M/WBE subcontractor's/subconsultant's/supplier applications for payment / invoices (as appropriate) and proof of payment documentation, to the M/WBE Office. Additionally, upon request of the M/WBE Office, the contractor shall submit such other documentation as may be reasonably required to verify proof of payments. Failure to submit these reports and other requested information, if any, as required shall authorize the City to withhold payment and/or reject future bids from the contractor until compliance with this ordinance is attained.
4. The contractor shall submit to the M/WBE Office for approval a **M/WBE REQUEST FOR APPROVAL OF CHANGE FORM** if, during the term of any contract, a contractor wishes to change or delete one or more M/WBE subcontractor(s), subconsultant(s) or supplier(s).
 - a. Within three (3) City business days after receipt by the M/WBE Office, exclusive of the date of receipt, the Request shall be reviewed. The Request shall be approved if the change or deletion is justified. The following shall constitute justification for the requested change or deletion:
 01. A M/WBE's failure to provide workers' compensation insurance evidence as required by state law; or
 02. A M/WBE's failure to provide evidence of general liability or other insurance under the same or similar terms as contained in the contract documents with limits of coverage no greater than the lower of 1) the limits required of the

contractor by the City; or 2) the limits contained in the contractor's standard subcontract or supply agreements used on other projects of similar size and scope and within the contractor's normal business practice with non-M/WBE subcontractor's/subconsultant's or suppliers; or

03. A M/WBE's failure to execute the contractor's standard subcontract form, if entering a subcontract is required by the contractor in its normal course of business, unless such failure is due to:
 - a) A change in the amount of the previously agreed to bid or scope of work;
or
 - b) The contract presented provides for payment once a month or longer and the contractor is receiving payment from the City twice a month; or
 - c) Any limitation being placed on the ability of the M/WBE to report violations of this Ordinance or any other ordinance or violations of any state or federal law or other improprieties to the City or to provide notice of any claim to the contractor's surety company or insurance company.
 - d) Mediation shall be a consideration before the request for change is approved.
04. A M/WBE defaults in the performance of the executed subcontract. In this event, the contractor shall:
 - a) Request bids from all M/WBE subcontractors previously submitting bids for the work,
 - b) If reasonably practicable, request bids from previously non-bidding M/WBEs, and
 - c) Provide to the M/WBE office documentation of compliance with (a) and (b) above.
05. Any other reason found to be acceptable by the M/WBE Office in its sole discretion.

NOTE: The contractor shall submit such documentation as may reasonably be requested by the M/WBE Office to support the contractor's request. The time between the request by the M/WBE Office for additional documentation and the delivery of such documentation shall not be included within the time period that the M/WBE Office is required to respond as stated in subparagraph (a) above.

- b. If the M/WBE Office approves the deletion of a M/WBE and replacement by a non-M/WBE, such approval shall constitute a post award waiver to the extent of the value of the deleted subcontract.
 - c. If the M/WBE Office denies the request for change or deletion, the contractor may appeal the denial to the City Manager whose decision will be final.
- 5 Whenever contract amendments, change orders, purchase orders or extra work orders are made individually or in the aggregate, the contractor shall comply with the provisions of this ordinance with respect to the alternates, amendments, change orders, or extra work orders.

- a. If the amendment, change order, purchase order or extra work affects the subcontract of a M/WBE, such M/WBE shall be given the opportunity to perform such amendment, change order, purchase order or extra work.
 - b. If the amendment, change order, purchase order or extra work is or is not covered by any subcontractor performing like or similar work, and the amount of such amendment, change order, purchase order or extra work is \$50,000.00 or more, of the original contract amount, the contractor shall comply with Article 1, subsections 12.3 and 12.4 of this Attachment 1 (exclusive of the time requirements stated therein) with respect to such amendment, change order purchase order or extra work.
6. If the contractor/consultant in its bid/proposal included any second or lower tier subcontractor/subconsultant/supplier towards meeting the goal, it is the sole responsibility of the Offeror to report and document all subcontracting/subconsulting and/or supplier participation dollars counted towards the goal, irrespective of tier level. Failure to comply with the City's request to provide the required documentation shall entitle the City to withhold payments and/or to reject future bids/proposals from the Offeror until compliance with this ordinance is attained.
 7. Upon completion of the contract and within ten (10) City business days after receipt of final payment from the City, exclusive of the date the contractor receives payment, the contractor shall provide the M/WBE Office with the **M/WBE FINAL SUMMARY PAYMENT REPORT FORM** to reflect the final participation of each subcontractor/subconsultant and/or supplier (including non-M/WBEs) used on the project. Failure to comply with the City's request to provide the required documentation shall entitle the City to reject future bids from the contractor until compliance with this ordinance is attained.
 8. In the event a contractor is in non-compliance and is a subcontractor/subconsultant on a new quote; the contractor will be required to comply with this ordinance prior to a recommendation for award being made to the City Council.

VII. CONTRACT MONITORING, AND REPORTING:

- A. The M/WBE Office shall monitor compliance with these requirements during the term of the contract. If it is determined that there is cause to believe that a contractor or subcontractor has failed to comply with any of the requirements of this ordinance, or the contract provisions pertaining to M/WBE utilization, the M/WBE Office shall notify the contracting department and the contractor. The M/WBE Office shall attempt to resolve the non-compliance through conciliation. If the non-compliance cannot be resolved, the Manager and the contracting department shall submit written recommendations to the City Manager or designee, and if the City Manager concurs with the findings, sanctions shall be imposed as stated in ordinance.
- B. Whenever the M/WBE Office finds, after investigation, that a contracting department has failed to comply with the provisions of this ordinance, a written finding specifying the nature of the non-compliance shall be transmitted to the contracting department, and the M/WBE Office shall attempt to resolve any non-compliance through conference and conciliation. Should such attempt fail to resolve the non-compliance, the Manager shall transmit a copy of the findings of non-compliance, with a statement that conciliation was attempted and failed, to the City Manager who shall take appropriate action to secure compliance.
- C. The M/WBE Office may require such reports, information, and documentation from contractors, Offerors, contracting agencies, and the head of any department, division, or office of the City of Fort Worth, as are reasonably necessary to determine compliance with the requirements of this ordinance.

- D. Contracting departments shall maintain accurate records for each contract awarded, including the names of contractors providing quotes, dollar value, the nature of the goods or services to be provided, the name of the contractor awarded the contract, the efforts it employed to solicit quotes from M/WBEs, identifying for each its dollar value, the nature of the goods or services provided, and the name of the subcontractors/suppliers.
- E. The City Manager, with the advice and counsel of the MWBEAC in accord with City of Fort Worth Resolution No. 1148, shall submit an annual report to the City Council on the progress of the City toward the utilization goal established by this ordinance, together with an identification of problems and specific recommendations for improving the City's performance.

VIII. EXCEPTIONS AND WAIVERS:

- A. If an Offeror is unable to comply with the MWBE goal requirements established in the Program Goal section of this ordinance, such Offeror shall submit one of the two forms listed below within the allotted time
 - 1. A Prime Contractor Waiver Form (Attachment 1B) is submitted if the Offeror will perform the entire contract without subcontractors or suppliers.
 - 2. A Good Faith Effort Form (Attachment 1C) is submitted if the Offeror has a subcontracting and/or supplier opportunity but was unable to meet or exceed the project goal. The Offeror will submit requested documentation that demonstrates a good faith effort to comply with the goal requirements as described in the Program Goal section above.
- B. A contracting department may request the MWBE Office to waive or modify the goal requirements for M/WBEs by submitting a Departmental Waiver Form, in writing, prior to solicitation of bids or proposals. The MWBE Office may grant such a waiver or reduction upon determination that:
 - 1. The reasonable and necessary requirements of the contract render subcontracting or other participation of business other than the Offeror infeasible; or
 - 2. A public or administrative emergency exists which requires the goods or services to be provided with unusual immediacy; or
 - 3. Lack of sufficient M/WBE subcontracting/subconsulting/suppliers providing the services required by the contract are unavailable in the marketplace of the project, despite attempts to locate them; or
 - 4. The application of the provisions of this ordinance will impose an unwarranted risk on the City or unduly delay acquisition of the goods or services.
- C. Whenever the MWBE Office denies a request to waive a goal, the contracting department may appeal that denial to the City Manager whose decision on the request shall be final.

IX. PROGRAM ADMINISTRATION:

- A. The City Manager, with the advice and counsel of the MWBEAC in accord with City of Fort Worth Resolution No. 1148, is authorized to establish and implement the regulations set forth in this ordinance. The MWBE Office shall be responsible for the overall administration of the City's MWBE Program, and its duties and responsibilities shall include:

1. Recommending rules and regulations to effectuate this ordinance;
 2. Maintaining a current listing of certified M/WBE firms for distribution internally and externally on contracts;
 3. Providing information, outreach (to include workshops, seminars, etc.) and needed assistance to M/WBEs to increase their ability to compete effectively for the award of City contracts;
 4. Investigating alleged violations of this ordinance and making written recommendations to appropriate City authorities for remedial action when appropriate;
 5. Developing and distributing all necessary forms, applications, and documents necessary to comply with this ordinance;
 6. Reviewing, on a regular basis, the progress of departments toward achieving the category goals for the utilization of minority and women business enterprises;
 7. Making recommendations to appropriate City staff regarding methods to further the policies and goals of this ordinance;
 8. Determining M/WBE compliance on bids and proposals before they are submitted to the City Council for award;
 9. Maintaining an accurate contract performance reporting system; and
 10. Compiling a report reflecting the progress in attaining the City's annual goal, quarterly and annually.
- B.** It shall be the responsibility of the contracting department to ensure that bids or proposals for the department's projects adhere to the procedures and provisions set forth in this ordinance.
1. The department director or designee shall assume primary responsibility for achieving the goals of this program and shall review, on a continuing basis, all aspects of the program's operations to assure that the purpose is being attained.
 2. The contracting department shall take the following action to ensure that M/WBEs have the maximum opportunity to participate on City contracts:
 - a. A written notification shall be sent to minority and women trade associations, contractor's associations, and minority and women chambers of commerce about the availability of formally advertised contracting opportunities no less than 28 days before bids are due;
 - b. All applicable contract solicitations shall include the requirements contained in this ordinance;
 - c. All contracting opportunities shall be evaluated in an effort to divide the total requirements of a contract to provide reasonable opportunities for M/WBE;
 - d. Establish procedures to ensure that all contractors' invoices are paid on construction, professional services and purchases as follows:
 01. Vertical and horizontal construction shall be paid twice monthly,
 02. Professional Services shall be paid within ten City business days after receipt of and approved invoice and
 03. Purchases shall be paid within ten City business days after receipt of an approved invoice.

- e. Establish guidelines to ensure that a notice to proceed is not issued until signed letters of intent evidencing receipt by the M/WBE or executed agreements with the M/WBE have been submitted along with the project work schedule, if applicable;
- f. Ensure that all required statistics and documentation are submitted to the M/WBE Office as requested; and
- g. If circumstances prevent the contracting department from meeting the 28-day advertising and notification requirements, the contracting department shall perform extensive outreach to M/WBE associations or other relevant organizations to inform them of the contracting opportunity.

X. SANCTIONS:

- A. The GFE documentation shall demonstrate the Offeror's commitment and honest efforts to utilize M/WBE. The burden of preparing and submitting the GFE information is on the Offeror and will be evaluated as part of the responsiveness to the bid/proposal. An Offeror who intentionally and/or knowingly misrepresents facts in the documentation submitted will be classified as non-responsive and be subject to possible debarment.
- B. A contractor's failure to make payments within five (5) City business days shall authorize the City to withhold payment from the contractor until compliance with this ordinance is attained.
- C. Debarment:
 - 1. An Offeror who intentionally and/or knowingly misrepresents material facts shall be determined to be an irresponsible Offeror and barred from participating in City work for a period of time of not less than three (3) years.
 - 2. The failure of an Offeror to comply with this ordinance where such non-compliance constitutes a material breach of contract as stated herein, may result in the Offeror being determined to be an irresponsible Offeror and barred from participating in City work for a period of time of not less than one (1) year.
 - 3. The M/WBE Office will send a written statement of facts and a recommendation for debarment to the City Manager. The City Manager, after consultation with the Department of Law, will make the decision regarding debarment and send a certified notice to the Offeror.
 - 4. An Offeror that receives notification of debarment may appeal to an Appeal Board, hereinafter created, by giving written notice within ten (10) days from the date of receipt of the debarment notice, to the City Manager of its request for appeal.
 - 5. An Appeal Board, consisting of not less than three members appointed by the City Manager with the approval of the City Council, will meet within thirty (30) days from the date of receipt of the request for appeal of debarment, unless Offeror requests an extension of time. The Offeror will be notified of the meeting time and location.
 - 6. The Offeror will be afforded an opportunity to appear with Counsel if they so desire, submit documentary evidence, and confront any witness that the City presents.
 - 7. The Appeal Board will render its decision not more than thirty (30) days of the hearing and send a certified notice to the Offeror.

RE: Attendance for Children at the Riverside Applied Learning Center

From: **Naughton, Mike** (Mike.Naughton1@fwisd.org)

Sent: Mon 4/19/10 5:20 PM

To: 'terri_l_anderson@msn.com' (terri_l_anderson@msn.com)

Cc: Valdez, Rodolfo (Rodolfo.Valdez@fwisd.org); 'nora.enriquez@fwisd.org' (nora.enriquez@fwisd.org); Buard, Thelma (Thelma.Buard@fwisd.org)

Ms Anderson,

Per our conversation, I can confirm that both 3715 NE 28th St and 3650 Kimbo Rd fall within the boundaries of FWISD.

Your description of the eligibility requirements for Special Interest Programs looks generally correct to me. Please contact the Advanced Academics Dept for more info (817-871-2500).

As for your question regarding children new to the district who are non-english speakers – I suggest you contact the Student Placement Center (817-740-5520) for clarification.

Please don't hesitate to call should you need anything else.

Regards,

Mike Naughton
Facilities Planning & Demographics
Fort Worth ISD
817-871-3077

From: Valdez, Rodolfo

Sent: Friday, April 16, 2010 8:52 AM

To: Naughton, Mike

Subject: FW: Attendance for Children at the Riverside Applied Learning Center

From: TERRI ANDERSON [mailto:terri_l_anderson@msn.com]

Sent: Wednesday, April 14, 2010 6:46 PM

To: Valdez, Rodolfo; nora.enriquez@fwisd.org

Subject: Attendance for Children at the Riverside Applied Learning Center

Importance: High

Good evening Ms. Enriquez,

Per my phone call yesterday, please provide confirmation the children living at 3715 NE 28th Street and 3650 Kimbo Road in Fort Worth, TX are eligible to attend the Riverside Applied Learning Center based on the selection criteria outlined in the attached brochure.

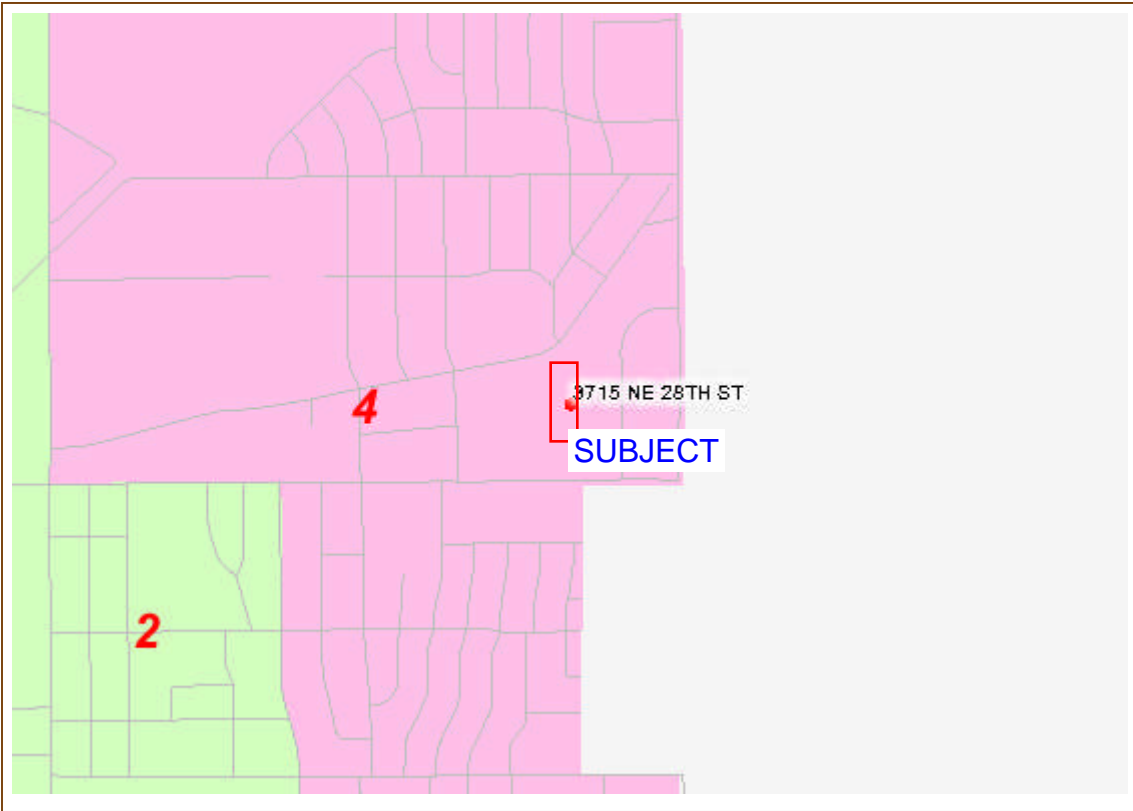
According to the brochure, Riverside Applied Learning Center (located three blocks north of the property) is a member of the Fort Worth Independent School District's Special Interest Program. Children living within the boundaries of the Fort Worth Independent School District (FWISD) are eligible to apply to your school in January to enroll the following year based on enrollment capacity and grade level availability.

In addition, please confirm all children who speak no english and have not attended a FWISD school previously will be required to attend Riverside Applied Learning Center.

Thank you in advance for your assistance.

Respectfully submitted,

Terri L. Anderson, President
Anderson Capital, LLC
347 Walnut Grove Lane
Coppell, TX 75019
Phone: (972)567-4630
Fax: (972)462-8715



CITY COUNCIL REPRESENTATIVE:

4 - Danny Scarth

CODE SECTORS: 1

ISD: FORT WORTH ISD

NEIGHBORHOOD ASSOCIATION:

Bonnie Brae

NEIGHBORHOOD ALLIANCES:

Riverside Alliance

POLICE BEAT: 3

C17

FIRE STATION: 19

2605 Carnation Ave

GARBAGE/RECYCLING DAY:

Monday

BULKY TRASH:

Week of the 2nd Monday of each month

CENSUS TRACTS: 1049.00



November 2009

TEXAS EDUCATION AGENCY
2009 CAMPUS ACCOUNTABILITY DATA TABLES - STANDARD PROCEDURES

DISTRICT NAME: FORT WORTH

CAMPUS NAME: RIVERSIDE APPLIED LRN CTR

CAMPUS NUMBER: 220905190

Campus Rating: Exemplary

Grade Span: PK - 05

Analysis groups used to determine ratings are highlighted in BLUE.
Accountability standards are shown in parentheses.
Special formats ('*', >99%, <1%) are used to protect student confidentiality.

TEXAS ASSESSMENT OF KNOWLEDGE AND SKILLS (TAKS) TABLE

Performance Results	2009				2008			Required Improvement				Numk w/TF
	Number Met Std	Number Taking	Pct Met Std	Stu Grp %	Number Met Std	Number Taking	Pct Met Std	Met Min Size	Act Chg	RI	Met RI?	
Reading/ELA (70%/75%/90%)												
All Students	107	117	91%	100%	103	111	93%		-2			1
African Amer	*	*	92%	*	*	*	> 99%		*			
Hispanic	74	82	90%	70%	72	79	91%		-1			
White	*	*	> 99%	*	*	*	93%		*			
Econ Disadv	65	71	92%	61%	59	65	91%		1			
Writing (70%/75%/90%)												
All Students	*	*	81%	100%	39	42	93%		-12			
African Amer	*	*	*	*	*	*	*		*			
Hispanic	*	*	81%	72%	27	30	90%		-9			
White	*	*	80%	*	*	*	> 99%		*			
Econ Disadv	*	*	89%	*	*	*	92%		-3			
Social Studies (70%/75%/90%)												
All Students	*	*	*	*	*	*	*		*			
African Amer	*	*	*	*	*	*	*		*			
Hispanic	*	*	*	*	*	*	*		*			
White	*	*	*	*	*	*	*		*			
Econ Disadv	*	*	*	*	*	*	*		*			
Mathematics (55%/75%/90%)												
All Students	112	117	96%	100%	101	112	90%		6			1
African Amer	*	*	92%	*	*	*	83%		9			
Hispanic	*	*	96%	70%	72	80	90%		6			
White	*	*	> 99%	*	*	*	> 99%		*			
Econ Disadv	67	71	94%	61%	58	65	89%		5			
Science (50%/75%/90%)												
All Students	*	*	95%	*	22	33	67%		28			
African Amer	*	*	*	*	*	*	40%		*			
Hispanic	*	*	97%	*	15	21	71%		26			
White	*	*	> 99%	*	*	*	71%		*			
Econ Disadv	*	*	96%	*	13	20	65%		31			

*** Summary column: Note that RI, TPM, and EXCP may elevate the rating one level, but only one level.

EXCEPTIONS TABLE

Number Msrs Evaluated	Number Allowed	Number Needed	Floor(s) Met?	Msr(s) Used in 2008?	Exceptions Applied
9	N/A	N/A	N/A	N/A	N/A

November 2009

TEXAS EDUCATION AGENCY
2009 CAMPUS ACCOUNTABILITY DATA TABLES - STANDARD PROCEDURES

DISTRICT NAME: FORT WORTH

CAMPUS NAME: RIVERSIDE APPLIED LRN CTR

CAMPUS NUMBER: 220905190

Campus Rating: Exemplary

Grade Span: PK - 05

Analysis groups used to determine ratings are highlighted in BLUE.
Accountability standards are shown in parentheses.

Special formats ('*', >99%, <1%) are used to protect student confidentiality.

COMPLETION RATE I TABLE (Gr. 9-12) (75.0%/85.0%/95.0%)

	Class of 2008					Class of 2007			Required Improvement			
	# Completers	# dropouts	# in Class	Comp Rate	Stu Grp %	# Completers	# in Class	Comp Rate	Met Min Size	Act Chg	RI	Met RI?
All Students	-	-	-	-	-	-	-	-	-	-	-	-
African Amer	-	-	-	-	-	-	-	-	-	-	-	-
Hispanic	-	-	-	-	-	-	-	-	-	-	-	-
White	-	-	-	-	-	-	-	-	-	-	-	-
Econ Disadv	-	-	-	-	-	-	-	-	-	-	-	-

Decreases in completion rates may be due to significant changes in the dropout definition beginning with the 2005-06 school year.

Completion data not evaluated for your accountability rating due to grade span, small numbers, or no data.

ANNUAL DROPOUT RATE TABLE (Gr. 7-8) (2.0%)

	2007-08				2006-07			Required Improvement			
	# Dropouts	# 7-8 Graders	Dropout Rate	Stu Grp %	# Dropouts	# 7-8 Graders	Dropout Rate	Met Min Size	Act Chg	RI	Met RI?
All Students	-	-	-	-	-	-	-	-	-	-	-
African Amer	-	-	-	-	-	-	-	-	-	-	-
Hispanic	-	-	-	-	-	-	-	-	-	-	-
White	-	-	-	-	-	-	-	-	-	-	-
Econ Disadv	-	-	-	-	-	-	-	-	-	-	-

Dropout data not evaluated for your accountability rating due to grade span, small numbers, or no data.

November 2009

TEXAS EDUCATION AGENCY

PAGE 3

2009 CAMPUS GOLD PERFORMANCE ACKNOWLEDGMENT (GPA) DATA TABLES - STANDARD PROCEDURES

DISTRICT NAME: FORT WORTH

CAMPUS NAME: RIVERSIDE APPLIED LRN CTR

CAMPUS NUMBER: 220905190

Campus Rating: Exemplary

Grade Span: PK - 05

Analysis groups used to determine acknowledgment are highlighted in BLUE.

Special formats ('*') are used to protect student confidentiality.

Summary of Gold Performance Acknowledgments

Earned 3 acknowledgment(s) out of 7 evaluated.

Advanced Courses		Commended Reading/ELA	NQ
AP/IB		Commended Mathematics	++
Attendance Rate	++	Commended Writing	NQ
College-Ready		Commended Science	++
RHSP/DAP		Commended Social Studies	
SAT/ACT		TSI ELA	
CI: Reading/ELA	NQ	TSI Mathematics	
CI: Mathematics	NQ		

++ = Acknowledged; NQ = Does Not Qualify; Blank = Not Applicable

Advanced Course/Dual Enrollment Completion (2007-08): NOT APPLICABLE

Student Groups	Number w/Credit for an Advanced Course	Number w/Credit for Any Course	Student Group Percent	Percent w/Credit for Advanced Courses
All Students	-	-	-	-
African American	-	-	-	-
Hispanic	-	-	-	-
White	-	-	-	-
Economically Disadvantaged	-	-	-	-

Advanced Courses data not evaluated for your acknowledgment due to grade span, small numbers, or no data.

AP/IB Results (2007-08): NOT APPLICABLE

Student Groups	Number Taking AP and/or IB	Number of 11th and 12th Graders	Student Group Percent	Percent Taking AP and/or IB	Number Scoring At or Above Criterion	Number Taking AP and/or IB	Percent Scoring At or Above Criterion
All Students	-	-	-	-	-	-	-
African American	-	-	-	-	-	-	-
Hispanic	-	-	-	-	-	-	-
White	-	-	-	-	-	-	-

AP/IB Results data not evaluated for your acknowledgment due to grade span, small numbers, or no data.

November 2009

TEXAS EDUCATION AGENCY

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2009 CAMPUS GOLD PERFORMANCE ACKNOWLEDGMENT (GPA) DATA TABLES - STANDARD PROCEDURES

DISTRICT NAME: FORT WORTH

CAMPUS NAME: RIVERSIDE APPLIED LRN CTR

CAMPUS NUMBER: 220905190

Campus Rating: Exemplary

Grade Span: PK - 05

Analysis groups used to determine acknowledgment are highlighted in BLUE. Special formats ('*') are used to protect student confidentiality.

Attendance Rate (2007-08): ACKNOWLEDGED

Student Groups	Total Days Present	Total Days Absent + Total Days Present	Student Group Percent	Attendance Rate
All Students	40,090	41,122	100%	97.5%
African American	3,611	3,764	9%	95.9%
Hispanic	29,866	30,533	74%	97.8%
White	3,610	3,786	9%	95.4%
Economically Disadvantaged	23,457	24,004	58%	97.7%

Attendance Rate standard for your acknowledgment is 97.0%.

College-Ready Graduates (Class of 2008): NOT APPLICABLE

Student Groups	Number Scoring At or Above Criteria on Both ELA & Math	Number Taking Both ELA & Math	Student Group Percent	Percent Scoring At or Above Criteria on Both ELA & Math
All Students	-	-	-	-
African American	-	-	-	-
Hispanic	-	-	-	-
White	-	-	-	-
Economically Disadvantaged	-	-	-	-

College-Ready Graduate data not evaluated for your acknowledgment due to grade span, small numbers, or no data.

Commended on Reading/ELA: DOES NOT QUALIFY

Student Groups	Number Commended	Number Taking	Student Group Percent	Percent Commended
All Students	25	117	100%	21%
African American	*	*	*	17%
Hispanic	18	82	70%	22%
White	4	*	*	31%
Economically Disadvantaged	15	71	61%	21%

Reading includes second administration results for Student Success Initiative students tested at the same campus.

November 2009

TEXAS EDUCATION AGENCY

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2009 CAMPUS GOLD PERFORMANCE ACKNOWLEDGMENT (GPA) DATA TABLES - STANDARD PROCEDURES

DISTRICT NAME: FORT WORTH

CAMPUS NAME: RIVERSIDE APPLIED LRN CTR

CAMPUS NUMBER: 220905190

Campus Rating: Exemplary

Grade Span: PK - 05

Analysis groups used to determine acknowledgment are highlighted in BLUE.
Special formats ('*') are used to protect student confidentiality.

Commended on Mathematics: ACKNOWLEDGED

Student Groups	Number Commended	Number Taking	Student Group Percent	Percent Commended
All Students	49	117	100%	42%
African American	4	*	*	33%
Hispanic	33	*	70%	40%
White	6	*	*	46%
Economically Disadvantaged	32	71	61%	45%

Mathematics includes second administration results for Student Success Initiative students tested at the same campus.

Commended on Writing: DOES NOT QUALIFY

Student Groups	Number Commended	Number Taking	Student Group Percent	Percent Commended
All Students	4	*	100%	11%
African American	*	*	*	*
Hispanic	4	*	72%	15%
White	*	*	*	< 1%
Economically Disadvantaged	*	*	*	< 1%

Commended on Science: ACKNOWLEDGED

Student Groups	Number Commended	Number Taking	Student Group Percent	Percent Commended
All Students	17	*	*	39%
African American	*	*	*	*
Hispanic	11	*	*	35%
White	*	*	*	40%
Economically Disadvantaged	8	*	*	31%

November 2009

TEXAS EDUCATION AGENCY

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2009 CAMPUS GOLD PERFORMANCE ACKNOWLEDGMENT (GPA) DATA TABLES - STANDARD PROCEDURES

DISTRICT NAME: FORT WORTH

CAMPUS NAME: RIVERSIDE APPLIED LRN CTR

CAMPUS NUMBER: 220905190

Campus Rating: Exemplary

Grade Span: PK - 05

Analysis groups used to determine acknowledgment are highlighted in BLUE.
Special formats ('*') are used to protect student confidentiality.

Commended on Social Studies: NOT APPLICABLE

Student Groups	Number Commended	Number Taking	Student Group Percent	Percent Commended
All Students	*	*	*	*
African American	*	*	*	*
Hispanic	*	*	*	*
White	*	*	*	*
Economically Disadvantaged	*	*	*	*

Social Studies data not evaluated for your acknowledgment due to grade span, small numbers, or no data.

Comparable Improvement: DOES NOT QUALIFY

Total Number of

Matched Students Quartile

Reading/ELA	74	Q4
Mathematics	75	Q2

Link to the 2009 Comparable Improvement Report

Recommended High School Program (RHSP)/DAP (Class of 2008): NOT APPLICABLE

Student Groups	Rec. HS Pgm. Graduates	Total Graduates	Student Group Percent	Percent Completing Rec. HS Pgm.
All Students	-	-	-	-
African American	-	-	-	-
Hispanic	-	-	-	-
White	-	-	-	-
Economically Disadvantaged	-	-	-	-

The count of RHSP graduates includes Distinguished Achievement Program (DAP) graduates.

Recommended H.S. Program data not evaluated for your acknowledgment due to grade span, small numbers, or no data.

November 2009

TEXAS EDUCATION AGENCY

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2009 CAMPUS GOLD PERFORMANCE ACKNOWLEDGMENT (GPA) DATA TABLES - STANDARD PROCEDURES

DISTRICT NAME: FORT WORTH

CAMPUS NAME: RIVERSIDE APPLIED LRN CTR

Campus Rating: Exemplary

CAMPUS NUMBER: 220905190

Grade Span: PK - 05

Analysis groups used to determine acknowledgment are highlighted in **BLUE**.
Special formats ('*') are used to protect student confidentiality.

SAT/ACT Results (Class of 2008): NOT APPLICABLE

Student Groups	Number Taking SAT and/ or ACT	Number of Non-Special Education Graduates	Student Group Percent	Percent Taking SAT and/ or ACT	Number Scoring At or Above Criterion	Number Taking SAT and/ or ACT	Percent Scoring At or Above Criterion
All Students	-	-	-	-	-	-	-
African American	-	-	-	-	-	-	-
Hispanic	-	-	-	-	-	-	-
White	-	-	-	-	-	-	-

SAT/ACT data not evaluated for your acknowledgment due to grade span, small numbers, or no data.

Texas Success Initiative (TSI) ELA: NOT APPLICABLE

Student Groups	Number Scoring At or Above Standard	Number Taking Exit-level ELA	Student Group Percent	Percent Scoring At or Above Standard
All Students	-	-	-	-
African American	-	-	-	-
Hispanic	-	-	-	-
White	-	-	-	-
Economically Disadvantaged	-	-	-	-

TSI ELA data not evaluated for your acknowledgment due to grade span, small numbers, or no data.

Texas Success Initiative (TSI) Mathematics: NOT APPLICABLE

Student Groups	Number Scoring At or Above Standard	Number Taking Exit-level Mathematics	Student Group Percent	Percent Scoring At or Above Standard
All Students	-	-	-	-

African American	-	-	-	-
Hispanic	-	-	-	-
White	-	-	-	-
Economically Disadvantaged	-	-	-	-

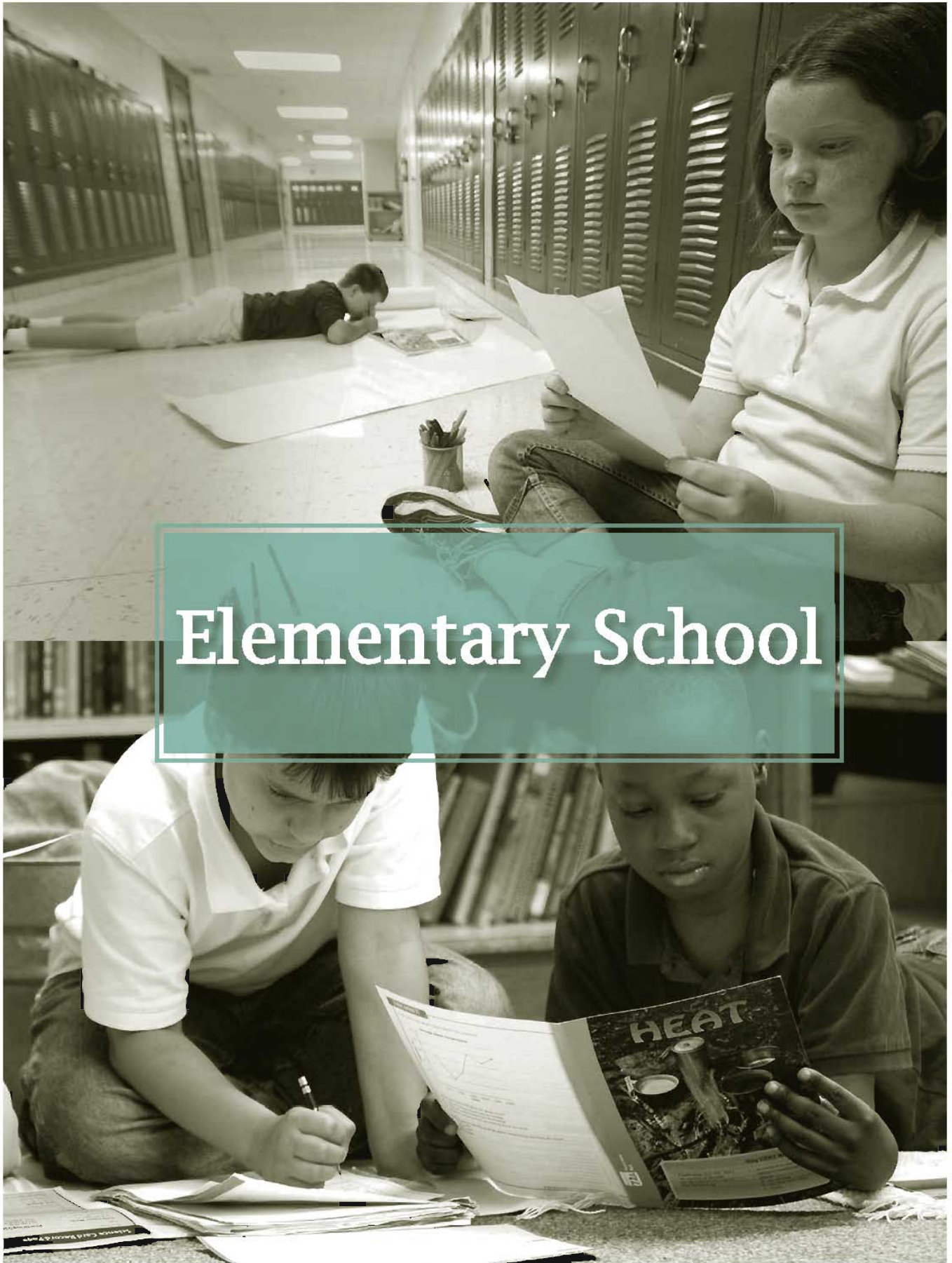
TSI Mathematics data not evaluated for your acknowledgment due to grade span, small numbers, or no data.

Explanation of Masking Rules
2009 Accountability Manual
2009 Accountability
Performance Reporting

[ESCs](#) | [Educator Certification \(SBEC\)](#) | [TRAIL](#) | [State of Texas](#) | [Contact/Comments](#) | [TEA Jobs](#) | [Procurement Opportunities at TEA](#) | [Texas Legislature](#) | [Web Policy and Accessibility](#) | [Public Information](#) | [Compact With Texans](#) | [Assistance for Military Families](#) | [Governors Committee on People with Disabilities](#) | [Equal Educational Opportunity](#)

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This request took 1.04 seconds of real time (v9.1 build 1461).



Elementary School

ADVANCED ACADEMIC SERVICES

in the elementary schools

The Fort Worth ISD is home to 81 elementary schools. Within each of the schools, Advanced Academic Services coordinates a variety of offerings to develop the academic talents of students. These services include High Academic Program (HAP) classes in grades 2-5, as well as Special Interest Programs (SIP) at designated campuses.

High Academic Program

HAP classes are designed to meet the needs of academically advanced students in grades 2-5 who excel beyond the required curriculum. The HAP classes enable high-achieving students, or students with the potential to achieve at high-levels, to be appropriately challenged in their home schools.

Differentiated instruction is a teacher's response to a learner's needs guided by general principles of differentiation, such as respectful tasks for all students, clear learning goals and expectations, flexible grouping, ongoing assessment and adjustment, and a positive learning environment that challenges and engages students. Teachers can differentiate the curriculum based on students' readiness levels, interests and learning profiles.

Embedded in the differentiated curriculum there is a range of instructional strategies including:

- ✳ Compacting of previously learned material within the curriculum to provide time for additional learning opportunities
- ✳ Tiered assignments
- ✳ Learning or interest centers
- ✳ Small group instruction or investigations
- ✳ Independent research investigations based on student interests
- ✳ Problem-based learning with real-world applications
- ✳ Authentic learning resulting in student products
- ✳ Renzulli Learning for Web-based explorations and projects

In all elementary schools, Advanced Academic Services offers a variety of academic day and extracurricular enrichment programs for interested students including:

- ✳ UIL competitions
- ✳ Invention Convention
- ✳ Dare to Discover HAP Intersession Program

Gifted learners in 1st grade are clustered together and served in the regular classroom with a teacher certified in gifted education who provides opportunities for students to extend the required curriculum.

Special Interest Programs

Special Interest Programs offer a unique thematic or philosophical approach to learning, while adhering to a rigorous curriculum. Programs that accept students in grades K-5 include:

- ✳ Alice Carlson Applied Learning Center
- ✳ Riverside Applied Learning Center
- ✳ Como Montessori School
- ✳ Daggett Montessori School

The Science, Mathematics and Technology Program at Morningside accepts students in grades 2-5.

The Spanish Immersion Academy at Morningside and Burton Hill will expand by one grade level per year but accepts new students in grades K-1 only.

You are invited...

Special Interest Programs Expo
 TCU – Brown-Lupton University Union Ballroom
 2901 Stadium Drive
 Fort Worth, TX 76129
 Saturday, January 16, 2010

Elementary SIP Open Houses
 9:00 a.m. – 1:00 p.m. Tuesday, January 26, 2010

Students accompanied by a parent or guardian may attend each event. For the open houses, it is necessary to give advance written notification to your school's attendance office. Students will then be given a half day excused absence for participation in the open houses.

An elementary application is included. A student who is applying for admission to a special interest program will need to provide the following:

- ✧ Completed application
- ✧ Most recent report card (applying for grades 1-12)
- ✧ Narrative essay (applying for grades 1-12)
- ✧ Test scores - Stanford 10/Aprena (applying for grades 2-4), TAKS (applying for grades 5-12)
- ✧ Assessment form from a current teacher (applying for grades 1-12)

Admission is based on a computer-generated selection process and/or academic achievement of all qualified students.

Applications and all required documentation must be received in the Advanced Academic Services office as soon as possible and no later than February 26, 2010.

Fort Worth ISD Advanced Academic Services
SIP Applications
 00 N. University Drive, Suite 226NE
 Fort Worth, TX 76107



RIVERSIDE APPLIED LEARNING CENTER

Riverside Applied Learning Center (RALC) is home to elementary students and is located in the northeast section of the District. Applied learning strategies help students become team players working together to problem-solve and create real-life products and services. Considered to be a hidden “gem” by many, RALC prides itself in producing independent life-long learners.

Using the District’s Curriculum Framework as the basis for instruction, RALC students have multiple opportunities for hands-on learning, to participate in a variety of projects and to complete authentic work. A Curriculum Festival is held annually which highlights student learning.

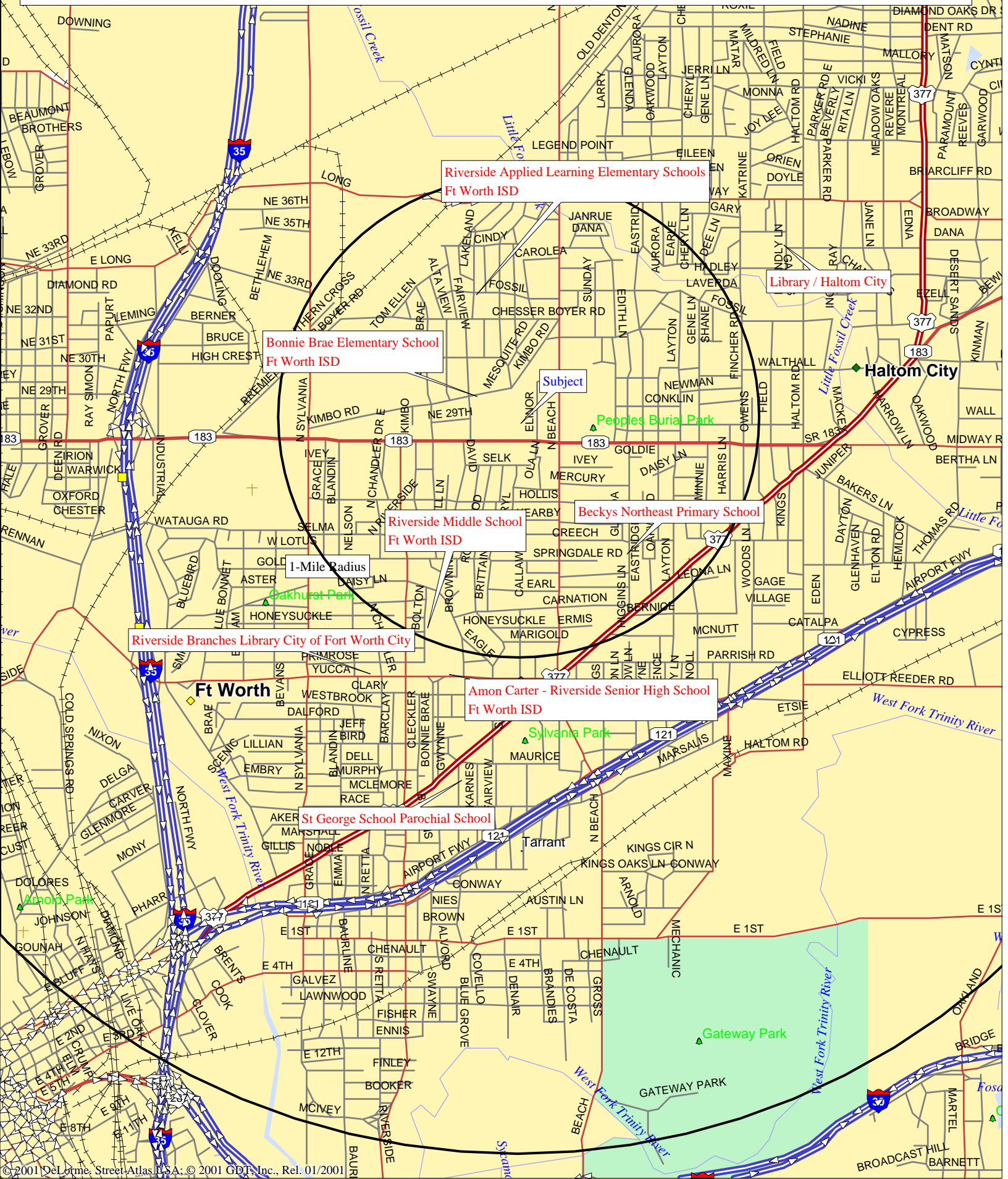
Rudy Valdez, Principal
 3600 Fossil Drive
 817.815.5800

Unique opportunities at RALC include:

- ✦ *Ballet Folklorico de Estrellas - an award winning dance troupe*
- ✦ *Chess and Basketball clubs*
- ✦ *Student-lead Year Book publication*
- ✦ *Renzulli Web-based program where students are able to access their work at home for independent research*
- ✦ *Applied Learning projects where students learn to solve real world problems*
- ✦ *Students receive a narrative report card as well as numerical grades*



Map 8 - Area Schools



10202

Executive Director's
Response



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

Michael Gerber
EXECUTIVE DIRECTOR

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C. Kent Conine, *Chair*
Gloria Ray, *Vice Chair*
Leslie Bingham Escareño
Tom H. Gann
Lowell A. Keig
Juan S. Muñoz, Ph.D.

June 18, 2010

Terri L. Anderson, President
Anderson Capital, LLC
347 Walnut Grove Lane
Coppell, TX 75019

Re: Appeal of Scoring Notice for #10202, Brae Estates Apartments

Dear Ms. Anderson:

Appeal Review

I have carefully reviewed the appeal received on June 9, 2010, by the Texas Department of Housing and Community Affairs (the "Department"), regarding your request to reinstate the four (4) points for Economic Development Initiatives and the four (4) points for Development Location pursuant to §§50.9(i)(15) and 50.9(i)(16) of the 2010 Qualified Allocation Plan and Rules (QAP).

The application submission reflects points requested under Option A of this section which states the following:

“(15) Economic Development Initiatives. A Development that is located in one of the following two areas may qualify to receive 4 points. For the purpose of this paragraph, "area" shall mean the boundaries of any zone or community in subparagraph (A) of this paragraph or the area in which funds in subparagraph (B) of this paragraph must be used:

(A) A Designated State or Federal Empowerment/Enterprise Zone, Urban Enterprise Community, or Urban Enhanced Enterprise Community. To be eligible for these points, Applicants must submit a letter and a map of the zoned area from a city/county official stating that the proposed Development is located within such a designated zone or area; is eligible to receive the state or federal economic development grants or loans associated with such designations; and the city/county still has available funds in such program. The letter should be no older than six (6) months from the first day of the Application Acceptance Period. (General Appropriation Act, Article VII, Rider 3; §2306.127);”

The Applicant's appeal erroneously indicates that points were requested under option B of this rule, however staff has confirmed that both the original and revised exhibit for this point item reflect points requested under option A. The documentation submitted to support the points requested included a letter from the City of Fort Worth's Housing and Economic Development Department stating that the development site is located in a Community Development Block Grant (CDBG) eligible census tract. A CDBG eligible census tract is not one of the specific zones or communities cited in §50.9(i)(15)(A) in order to qualify for these points. Additionally,

evidence of the recipient of an award of CDBG funds was not provided in the application or with this appeal. While the appeal states that an award of CDBG funds was made within the Riverside Alliance, which is a Neighborhood Alliance/Coalition, no evidence such award was provided. Finally, the Applicant did not provide evidence from the awarding entity (City of Forth Worth) that identifies a defined area in which the funds proposed for this item must be used.

The Applicant further appeals the loss of four points for Development Location. Specifically, the Applicant requested points for meeting the requirements of Option D in this section of the rule which states the following:

“(D) The proposed Development will serve families with children (at least 70% of the Units must have an eligible bedroom mix of two bedrooms or more) and is proposed to be located in an elementary school attendance zone of an elementary school that has an academic rating of "Exemplary" or "Recognized," or comparable rating if the rating system changes. The date for consideration of the attendance zone is that in existence as of the opening date of the Application Round and the academic rating is the most current rating determined by the Texas Education Agency as of that same date. (§42(m)(1)(C)(vii))”

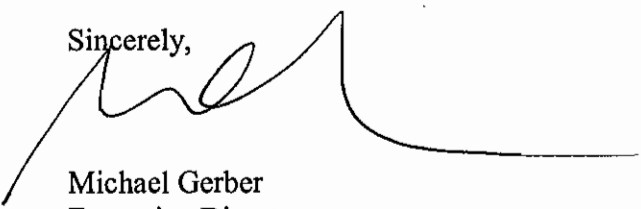
The evidence provided in the application included information for The Riverside Applied Learning Center which has been confirmed to be an elementary school with an “Exemplary” rating. However, points were not awarded because although children living at Brae Estates may eligible to attend this school, an application process is required for acceptance. Students must submit an application to attend and admission into The Riverside Applied Learning Center is determined based on a computer generated selection process and/or academic achievement.

Appeal Determination

Your appeal is denied.

Per your request your appeal has been placed on the next Board meeting agenda. Pursuant to §50.17(b)(4) of the 2010 Qualified Allocation Plan and Rules, if you wish to submit any further documentation for your Board appeal, the documentation **must** be received by 5:00 p.m. CST on **June 28, 2010** to be placed with the July 2010 Board materials. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.

Sincerely,



Michael Gerber
Executive Director

MFF/rbm

cc: Kim McCaslin Schlieker

10227

Tarrington Court

**MULTIFAMILY FINANCE DIVISION
BOARD ACTION REQUEST
July 8, 2010**

Requested Action

Deny the appeal to reinstate twelve points for Application #10227, Tarrington Court.

WHEREAS, an application for tax credits was submitted for Tarrington Court on March 1, 2010; and

WHEREAS, the Super Neighborhood #80-South Belt Ellington letter submitted for purposes of scoring twelve points under §50.9(i)(2)- Quantifiable Community Participation from Neighborhood Organizations was not awarded the points because they did not provide a response to an Administrative Deficiency request; therefore

BE IT RESOLVED, that the appeal of Tarrington Court, 10227 is hereby denied.

Background

Tarrington Court is a proposed 153-unit elderly, new construction development in Houston. The Department received a letter and packet from Super Neighborhood #80-South Belt Ellington for purposes of scoring the full twenty-four points under §50.9(i)(2). During the course of the Department's review of the submitted information from the neighborhood organization, the Department determined that one or more of the requirements had not been satisfied and issued a deficiency letter to the organization's contact on March 16, 2010. The Applicant was also provided a copy of the deficiency letter to the neighborhood organization on the same date, as required by the 2010 QAP. The Department was not in receipt of a response from the neighborhood organization within the typical five-day deficiency period stated in the letter. As a result, the Department could not conclude that Super Neighborhood #80- South Belt Ellington qualified for the full twenty-four points under QCP.

The Applicant is appealing the Department's determination on the basis that the Applicant was not aware of a deficiency having been sent to the Super Neighborhood. The Applicant further appeals that the QAP does not allow an Applicant to assist the neighborhood organizations in any manner, yet the organization is expected to fill out the complicated forms required by the Department. The Applicant states that the neighborhood's lack of knowledge and unfamiliarity with the process should not penalize the Applicant in losing these points.

The Applicant's assertion in the appeal that they were completely unaware of the deficiency notice is unfounded given that the Department provided a copy of the deficiency notice to the Applicant. The Qualified Allocation Plan and Rules does not allow an Applicant to provide assistance to a neighborhood organization in formulating

responses or information to be submitted to the Department, or in providing delivery assistance of that information. However, the Applicant is copied on any correspondence that is sent to the neighborhood organization for purposes of explaining the program and process required by the Department. Additionally, staff is available at anytime to discuss any questions that a neighborhood organization may have and to explain the process. In this particular case staff communicated with the neighborhood organization contact on several occasions and made any requests for information as specific as possible in order to direct the organization to provide the correct information in a timely manner.

Additionally, staff contacted the neighborhood organization president and discussed the situation at length. The facts are as follows:

- The neighborhood organization is only on record with the city and not the county or state, therefore the neighborhood organization is not qualified to count for quantifiable community participation as required by statute.
- TDHCA staff gave the president instructions in the deficiency notice of how she could have the organization recognized by the county and could then be eligible. The president did not follow those instructions and reconfirmed that to staff.
- This neighborhood organization is not unorganized. They participate and are active in the city of Houston. They are responsive and contrary to the developer's assertions appear to know how to work through processes.

While staff understands the challenges that applicants and neighborhood organizations sometimes face with QCP, staff believes in this case all parties were informed and aware of the circumstances and were provided repeated opportunities to correct the issue.

10227

Scoring Notice



MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2010 Application Round
Scoring Notice - Competitive Housing Tax Credit Application

Page 2 of Final Scoring Notice: 10227, Tarrington Court Apts

**Explanation for Difference between Points Requested and Points Awarded by the Department
(explanation does not include points for §§50.9(i)(2), (6) and (18)):**

A formal appeals policy exists for the Competitive HTC Program. If you wish to appeal this scoring notice (including Set-Aside eligibility), you must file your appeal with the Department no later than 5:00 p.m. (CST), Wednesday, June 9, 2010. If an appeal is denied by the Executive Director, an Applicant may appeal to the Department's Board.

In an effort to increase the likelihood that Board appeals related to scoring and Set-Asides are heard at the Board meeting, the Department has provided an Appeal Election Form for all appeals submitted to the Executive Director. In the event an appeal is denied by the Executive Director, the form requests that the appeal automatically be added to the Board agenda.

If you have any concerns regarding potential miscalculations or errors made by the Department, please contact Raquel Morales by facsimile at (512) 475-0764 or by email at raquel.morales@tdhca.state.tx.us.

Sincerely,

Robbye Meyer

Robbye Meyer
Director of Multifamily Finance



MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2010 Application Round
Scoring Notice - Competitive Housing Tax Credit Application

Appeal Election Form: 10227, Tarrington Court Apts

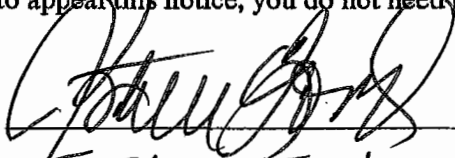
I am in receipt of my 2010 scoring notice and am filing a formal appeal to the Executive Director on or before Wednesday, June 9, 2010.

If my appeal is denied by the Executive Director,:

I do wish to appeal to the Board of Directors and request that my application be added to the Department Board of Directors meeting agenda. My appeal documentation, which identifies my specific grounds for appeal, is attached. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.

I do not wish to appeal to the Board of Directors.

Note: If you do not wish to appeal this notice, you do not need to submit this form.

Signed 
Title J. Steve Ford
Date 6/9/10

Please fax or email to the attention of Raquel Morales:
Fax: (512) 475-0764 or (512) 475-1895
Email: <mailto:raquel.morales@tdhca.state.tx.us>

10227

Appeal Documents

Tarrington Curt Apartments, L.P.
1800 Bering Drive, Suite 501
Houston, Texas 77057
Ph: (713) 334-5514 Fax: (713) 334-5614
Email: steve@resolutioninc.net

June 9, 2010

Ms. Raquel Morales, Multifamily HTC Program Administrator
Texas Department of Housing and Community Affairs
P O Box 13941
Austin, TX 78711-3941

RE: Scoring Notice Appeal, 2010 HTC Application for Tarrington Court
Apartments, TDHCA # 10227

Dear Ms. Morales:

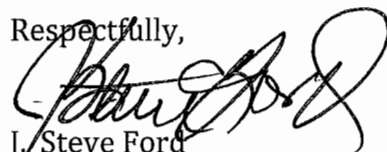
We are respectfully requesting to appeal the Final Scoring Notice issued by Texas Department of Housing & Community Affairs on June 2, 2010. We are specifically appealing the 12 points awarded by the department under the §50.9(i)(2) Quantifiable Community Participation for the following reason:

Tarrington Court Apartments, L.P., the applicant, was completely unaware of the deficiency notice sent by the department to Super Neighborhood # 80 on March 16, 2010.

According to §50.9(i)(2) (vi) of the 2010 Qualified Allocation Plan and Rules, an applicant is not allowed to assist the neighborhood organizations in any manner and yet they are expected to fill out TDHCA's complicated forms. The neighborhood's lack of knowledge and unfamiliarity with the program should not in any way penalize the applicant in losing points.

We are appealing on the premise of the Department's reliance on the untimely or non- response from the neighborhood organization. The Super Neighborhood # 80 strongly supports Tarrington Court Apartments, the project, but is unfamiliar with the program and the applicant was completely unaware of the communication between the department and the Super Neighborhood # 80.

Respectfully,



J. Steve Ford
Manager of Tarrington Court Development, L.L.C., the GP

10227

Executive Director's
Response



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

Michael Gerber
EXECUTIVE DIRECTOR

BOARD MEMBERS
C. Kent Conine, *Chair*
Gloria Ray, *Vice Chair*
Leslie Bingham Escareño
Tom H. Gann
Lowell A. Keig
Juan S. Muñoz, Ph.D.

June 21, 2010

J. Steve Ford
Tarrington Court Apartments, L.P.
1800 Bering Drive, Suite 501
Houston, Texas 77057

Re: Appeal of Scoring Notice for #10227, Tarrington Court

Dear Mr. Ford:

Appeal Review

I have carefully reviewed the appeal received on June 9, 2010, by the Texas Department of Housing and Community Affairs (the "Department"), regarding your request to reconsider the twelve (12) points deducted for

§50.9(i)(2) of the Qualified Allocation Plan and Rules (QAP) - Quantifiable Community Participation from Neighborhood Organizations.

A letter from Super Neighborhood South Belt Ellington #80 was submitted directly to the Department for purposes of scoring points under §50.9(i)(2) of the QAP. The Department determined that the letter provided was not eligible because a deficiency was issued to the organization requesting additional information and no response was received by the five day deadline. The appeal states that the Applicant was unaware of the deficiency notice sent to by the Department to Super Neighborhood #80 on March 16, 2010 and asserts that the neighborhoods lack of knowledge and unfamiliarity with the program should not penalize the Applicant in losing points for this item.

The Department emailed a deficiency letter to the contact and email address identified in the QCP packet for Super Neighborhood #80 on March 16, 2010. In a separate email on the same date, a copy of the deficiency letter was sent to the Applicant for informational purposes only. Therefore, the Applicant's contention that no notification was provided to them of the deficiency notice is unfounded.

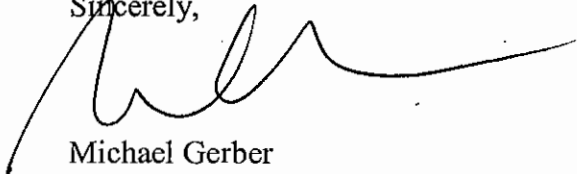
Appeal Determination

Your appeal is denied.

Per your request your appeal has been placed on the next Board meeting agenda. Pursuant to §50.17(b)(4) of the 2010 Qualified Allocation Plan and Rules, if you wish to submit any further documentation for

your Board appeal, the documentation **must** be received by 5:00 p.m. CST on **June 28, 2010** to be placed with the July 2010 Board materials. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.

Sincerely,

A handwritten signature in black ink, appearing to read 'Michael Gerber', written over a horizontal line.

Michael Gerber
Executive Director

MFF/rbm

cc: Lily Kavthekar

10241

Timberland Trails

**MULTIFAMILY FINANCE DIVISION
BOARD ACTION REQUEST
July 8, 2010**

Recommended Action

Deny the appeal to reinstate five points for Application #10241, Timberland Trails.

WHEREAS, an application for tax credits was submitted for Timberland Trails on March 1, 2010; and

WHEREAS, an Administrative Deficiency notice was issued to the Applicant on April 20, 2010 providing the prescribed five business day response period; and

WHEREAS, the Applicant was assessed a five point penalty pursuant to §50.9(d)(4)-Administrative Deficiencies because they did not provide all deficiency items by 5:00 p.m. on the fifth business day; therefore

BE IT RESOLVED, that the appeal of Timberland Trails, #10241 is hereby denied.

Background

Timberland Trails is a proposed 80-unit new construction family development in Lufkin. The application originally was not awarded a cumulative eleven points for §50.9(i)(18)-Demonstration of Community Input Other than QCP and for Administrative Deficiencies under §50.9(d)(4) of the Qualified Allocation Plan and Rules (QAP). The Applicant's appeal to the Executive Director regarding points under §50.9(i)(18) was approved and the six points have been reinstated to the final score. The appeal with respect to the five points lost for untimely submission of an Administrative Deficiency response was not approved by the Executive Director and is currently being appealed to the Board.

An Administrative Deficiency was issued to the Applicant on April 20, 2010. At 3:41 p.m. on the deficiency deadline date, the Applicant notified staff that the response had been uploaded to the Department's File Transfer Protocol (FTP) server. Staff reviewed the documentation upon receipt and emailed the Applicant at 4:58 p.m. that all but two items had been resolved. While the Applicant's appeal indicates that only one item was submitted after the deadline, staff has confirmed that two items were submitted untimely. The first was an affidavit by the Applicant that certified no removal in the past five years pursuant to §50.9(i)(30) and the other item was a legal opinion letter required pursuant to §50.9(h)(11)(B)(i). The Applicant appeals that the point penalty should be reconsidered because the information requested was compiled in every way possible in order to submit by the deadline. However, staff received the two remaining deficiency items after the 5:00 p.m. deadline. Therefore, the five-point penalty was assessed appropriately in accordance with the QAP.

10241

Scoring Notice



MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2010 Application Round
Scoring Notice - Competitive Housing Tax Credit Application

Page 2 of Final Scoring Notice: 10241, Timberland Trails Apts

Explanation for Difference between Points Requested and Points Awarded by the Department (explanation does not include points for §§50.9(i)(2), (6) and (18)):

50.9(d)(4) - Administrative Deficiencies: If Administrative Deficiencies are not clarified or corrected to the satisfaction of the Department by 5:00pm on the fifth business day following the date of the deficiency notice, then for Competitive Applications under the State Housing Credit Ceiling, five points shall be deducted from the Selection Criteria score for each additional day the deficiency remains unresolved. (-5 pts)

A formal appeals policy exists for the Competitive HTC Program. If you wish to appeal this scoring notice (including Set-Aside eligibility), you must file your appeal with the Department no later than 5:00 p.m. (CST), Wednesday, June 9, 2010. If an appeal is denied by the Executive Director, an Applicant may appeal to the Department's Board.

In an effort to increase the likelihood that Board appeals related to scoring and Set-Asides are heard at the Board meeting, the Department has provided an Appeal Election Form for all appeals submitted to the Executive Director. In the event an appeal is denied by the Executive Director, the form requests that the appeal automatically be added to the Board agenda.

If you have any concerns regarding potential miscalculations or errors made by the Department, please contact Raquel Morales by facsimile at (512) 475-0764 or by email at raquel.morales@tdhca.state.tx.us.

Sincerely,

Robbye Meyer 

Robbye Meyer
Director of Multifamily Finance



MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2010 Application Round
Scoring Notice - Competitive Housing Tax Credit Application

Appeal Election Form: 10241, Timberland Trails Apts

I am in receipt of my 2010 scoring notice and am filing a formal appeal to the Executive Director on or before Wednesday, June 9, 2010.

If my appeal is denied by the Executive Director,:

- I do wish to appeal to the Board of Directors and request that my application be added to the Department Board of Directors meeting agenda. My appeal documentation, which identifies my specific grounds for appeal, is attached. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.
- I do not wish to appeal to the Board of Directors.

Note: If you do not wish to appeal this notice, you do not need to submit this form.

Signed _____

Title _____

Date _____

Please fax or email to the attention of Raquel Morales:
Fax: (512) 475-0764 or (512) 475-1895
Email: <mailto:raquel.morales@tdhca.state.tx.us>

10241

Appeal Documents

SPECTRUM HOUSING CORP.

214 W. BELTLINE ROAD
SUITE C

CEDAR HILL., TX 75104

OFFICE: 972-291-6200

FAX: 972-291-6280

Fax Transmittal Form

To:
RAQUEL MORALES
TDHCA
512-475--0764 OR 1895

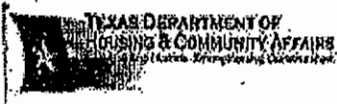
From:
JOHN D. MATHEWS

Urgent
For Review

DATE: 6-9-2010
NO. PAGES: 19 INCLUDING
COVER

Message:

RAQIEL, PLEASE FIND THE APPEAL DOCS FOR TIMBERLAND TRAILS APTS.
TDHCA NO. 10241



MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2010 Application Round
Scoring Notice - Competitive Housing Tax Credit Application

Appeal Election Form: 10241, Timberland Trails Apts

I am in receipt of my 2010 scoring notice and am filing a formal appeal to the Executive Director on or before Wednesday, June 9, 2010.

If my appeal is denied by the Executive Director,:

I do wish to appeal to the Board of Directors and request that my application be added to the Department Board of Directors meeting agenda. My appeal documentation, which identifies my specific grounds for appeal, is attached. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.

I do not wish to appeal to the Board of Directors.

Note: If you do not wish to appeal this notice, you do not need to submit this form.

Signed *[Signature]*
Title Authorized Representative
Date June 8, 2010

Please fax or email to the attention of Raquel Morales:
Fax: (512) 475-0764 or (512) 475-1895
Email: mailto:raquel.morales@tdhca.state.tx.us

SPECTRUM HOUSING CORP.

John D. Mathews
 Founder
 Executive Director

A NON-PROFIT MULTI-FAMILY DEVELOPERS "WE INVEST IN PEOPLE"

June 8, 2010

Lorri Jordan
 Founder
 Executive Vice President

Board of Directors

Frederick D. Schnurr
 President

Vantrice Burkes
 Vice President

Gary Vaden
 Secretary

Jeff Bacot
 Director

Toni Mansur
 Director

Wayne Stolz
 Director

CHDO Certified

Low Income Housing
 Tax Credits

Tax Exempt Bonds

Certificate of Experience

Supporters

Chase Bank of Texas

Enterprise Foundation

Cal Fed Workforce

Krogers

Target

Partners/Developers

Aspen Square Management

Cascade Affordable Housing

MMA Financial

Location of Properties

Austin, Texas

Dallas, Texas

Gainesville, Texas

Granbury, Texas

San Antonio, Texas

Ms. Robbye Meyer, Director
 Multifamily Housing Finance Production
 TDHCA
 221 E. 11th Street
 Austin, TX 78701

RE: Appeal of Project Scoring for Timberland Trails I, L.P. Application No. 10-241
 Request for 6 Points to be Awarded Pursuant to Section 50.9(I)(18) for
 Community Input Other Than QCP & a further request that 5 Points be awarded
 for an administrative issue for a timely submitted Legal Opinion Letter.

Dear Ms. Meyer:

Timberland Trails I, L.P., through its authorized representative, wishes to appeal the findings of the final scoring of its application for an award of 6 points as referenced above. Timberland Trails I, L.P., in fact, had letters of support from 3 civic and community organizations, which included information on the existence and extent of support for the proposed development, which falls within their scope of service. These letters and supporting documentation were all received by the Department on or before March 1, 2010, as required by the QAP. There was a processing problem within the body of the application when it was uploaded to the TDHCA website, in which pages identifying the civic and community service organizations were stuck together and did not scan separately. Those are attached for your review of this request.

However, the letters of support and documentation were sent in, independently, and were received by the Department on or before March 1, as confirmed by our subsequent Open Records Request for that documentation.

We feel that it is entirely appropriate to request the 6 points as we have demonstrated through independent, third party submittal of supporting documentation, that the project does have supportive community input which favors the project.

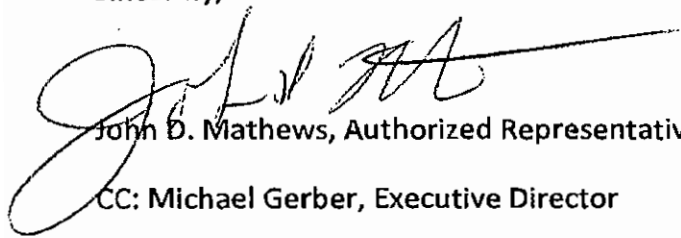
214 W. Beltline Rd., Suite C. Cedar Hill, Texas 75104

Office: 972-291-6200 Fax: 972-291-6280 Web Page: spectrumhousingcorp.com
 Email: jack@spectrumhousingcorp.com lorri@spectrumhousingcorp.com

As it relates to the Legal Opinion Letter submittal date, we strongly believe that we complied in every way possible with submitting this in a timely way. The original letter that was submitted on February 15 was exactly as required by the published TDHCA's 2010 template on their website. When it was requested that we clarify submittal issues by April 27 at 5PM, we orderly provided clarity for every item including the Legal Opinion Letter. Late on April 27 we discovered an unpublished add was being required to the letter only thru verbal inquiry and quickly complied. The actual submittal time after locating our attorney and redoing the Opinion Letter was 5 hours after a deadline set for 5PM for all resubmitted items. We respectfully request reconsideration on this 5 point deduction since we would have easily met the cutoff time if we had been aware of the UNPUBLISHED addition. The fact that we had a published template to guide us and confusion for all involved should not be the cause of this deduction when we clearly would have met this requirement if we understood what was required.

Thank you for your consideration in this matter. I am also submitting an executed copy of the Appeal Election Form, to submit this to the Board if the appeal is denied by the Executive Director of TDHCA.

Sincerely,



John D. Mathews, Authorized Representative

CC: Michael Gerber, Executive Director

Attachments:

Forms which did not upload during scanning and Copies of Letters of Community Input produced by TDHCA that were received on or before March 1, 2010.

Volume 4, Tab 1
APPLICANT SELF SCORE

Instructions: Complete the following form and indicate all points requested for this Application. All evidence as required by §50.9(i) of the 2009 QAP must be submitted as outlined in the *Application Submission Procedures Manual*.

§50.9(i)	ASPM Tab #	Point Category	Points Requested
(1)	2	Financial Feasibility of the Development (28 points)	28
(2)	No Tab	Quantifiable Community Participation (Points Not Requested in Self Score)	N/A
(3)	3	The Income Levels of Tenants of the Development (22 Point Maximum)	22
(4)(A)	4	The Size of the Units (Development Characteristics) (6 Points Maximum)	6
(4)(B)	4	The Quality of the Units (Development Characteristics) (14 Points Maximum)	14
(5)	5	The Commitment of Development Funding by Local Political Subdivisions (18 Points Maximum)	18
(6)	No Tab	The Level of Community Support from State Elected Officials (Points Not Requested in Self Score)	N/A
(7)	6	The Rent Levels of the Units (12 Points Maximum)	12
(8)	7	The Cost of the Development by Square Foot (Development Characteristics) (10 Points)	10
(9)	8	The Services to be Provided to Tenants of the Development (8 Points Maximum for Part A and B Combined)	8
(10)	9	Declared Disaster Areas (7 Points)	7
(11)	10	Rehabilitation (which includes reconstruction) or Adaptive Reuse (3 Points)	0
(12)	11	Housing Needs Characteristics (6 Points Maximum)	5
(13)	12	Community Revitalization (Development Characteristics) (§42(m)(1)(C)(iii)) or Historic Preservation (6 Points Maximum for Part A and B combined)	0
(14)	13	Pre-Application Participation Incentive Points (6 Points)	6
(15)	14	Economic Development Initiatives (4 Points Maximum for Part A or Part B)	4
(16)	15	Development Location (4 Points Maximum for Parts A – F)	4
(17)	16	Green Building Initiatives (6 Points Maximum)	6
(18)	17	Demonstration of Community Input other than Quantifiable Community Participation (Points Not Requested in Self Score)	N/A
(19)	18	Developments in Census Tracts with No Other Existing Developments Supported by Tax Credits (6 Points)	0
(20)	19	Affirmative Marketing for Veteran's (6 Points)	6
(21)	20	Tenant Populations with Special Housing Needs (4 Points)	4
(22)	21	Length of Affordability Period (4 Points Maximum)	4
(23)(A)	22	Proximity of Site to Amenities (4 Points)	5
(23)(B)	22	Negative Site Features (Maximum of -6 Points)	-1
(24)	No Tab	Development Size (3 Points)	0
(25)	23	Qualified Census Tracts with Revitalization (1 Point)	0
(26)	24	Sponsor Characteristics (2 Points)	2
(27)	25	Projects Intended for Eventual Tenant Ownership – Right of First Refusal (1 Point)	1
(28)	26	Leveraging of Private, State, and Federal Resources (1 Point)	1
(29)	27	Third-Party Funding Commitment Outside of Qualified Census Tracts (1 Point)	0
(30)	No Tab	Scoring Criteria Imposing Penalties (-5 Points for Part A and -3 Points for each removal under Part B)	0
Total Points Requested (must be 118 or greater (unless TRDO-USDA):			171

Volume 4, Tab 17

DEMONSTRATION OF COMMUNITY INPUT OTHER THAN QUANTIFIABLE COMMUNITY PARTICIPATION (QCP) (§50.9(i)(18))

Applicants may qualify for up to 6 points under this exhibit for letters that qualify for points under subparagraphs (A), (B), or (C). All letters must be received by March 1, 2010 for the Application to receive these points.

- (A) Application requests two points (maximum of 6 points) for each letter of support submitted from a community or civic organization that serves the community in which the site is located. Included behind this tab is documentation provided by the community or civic organization of its existence in the community in which the Development is located to include, but not be limited to, listing of services and/or members, brochures, annual reports, etc. The community and civic organizations represented here are not neighborhood organizations, governmental entities (excluding Special Management Districts), taxing entities or educational activities, nor are they organizations that were created by a governmental entity or derive their source of creation from a governmental entity. Note: Letters from Special Management Districts must include a description of the district's boundaries.

OR

- (B) Application requests 6 points for a letter of support from a property owners association created for a master planned community whose boundaries include the development site that does not meet the requirements of a Neighborhood Organization for points under paragraph (2) of this subsection.

OR

- (C) Application requests 6 points for a letter of support from a Special Management District, whose boundaries, as of March 1, 2010, include the Development Site and for which there is not a Neighborhood Organization on record with

VOLUME 4, TAB 17: LETTERS OF SUPPORT FROM COMMUNITY ORGANIZATIONS

- 1) Lufkin Rotary Club**
- 2) Buckner Family Place**
- 3) Neighborhood Leadership Council of North Lufkin**

Meeting Schedules & Speakers

Lufkin
Rotary
Club
Distrist 5910



The Object of Rotary is to encourage and foster the ideal of service as a basis of worthy enterprise and, in particular, to encourage and foster.

First. The development of acquaintance as an opportunity for service.

Second. High ethical standards in business and professions; the recognition of the worthiness of all useful occupations; and the dignifying by each Rotarian of his occupation as an opportunity to serve society.

Third. The application of the ideal of service by every Rotarian to his personal, business and community life;

Fourth. The advancement of international understanding, goodwill, and peace through a world fellowship of business and professional persons united in the ideal of service.

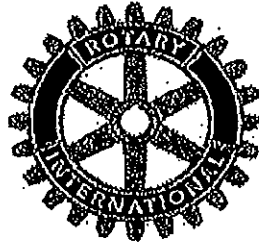
Meeting Mondays 12:00 Noon
First United Methodist Church
805 E. Denman Ave.
Lufkin, Texas



TESTED 22-FEB

Lufkin Rotary Club

The Lufkin-Rotary Club of Lufkin, Texas



MEMBERS

TIM ALVEY
 STAN BENCKENSTEIN
 ELI BORDEN
 EDGAR BURTON
 MARK BUSH
 LARRY CAIN
 DAVID COLLIER
 HOWARD DANIEL
 SALLYE DARMSTADTER
 DON DICKERSON
 WALLY E DUNKS
 MARK DUNN
 PAUL J EDWARDS
 CURTIS W FENLEY III
 ROBERT FLOURNOY
 KRISTI GAY
 JACK GORDEN
 BRUCE GREEN
 WAYNE D HAGLUND
 MIKE HAMPSON
 GORDON HENLEY
 BOBBIE S HOOD
 RON HUFFORD
 JAY JOST
 KATHY JOST
 DON LANGSTON
 LEON MANNING
 DON MCBRIDE

J P MCDONALD
 BRUCE MCKIBBEN
 LUIS MELENDEZ
 AL MEYER
 JERRY MOORE
 BOB MORGAN
 SALLY E MUHLBACH
 PAUL PARKER
 THOMAS PAXSON
 DR LARRY PHILLIPS
 C RAY POLK
 DENNIS RANKIN
 RONNIE ROBINSON
 WILLIAM ROYLE
 DR. V. P. SAMUEL
 TOMMY SCHERRY
 GREG SHRADER
 JAMES SLACK
 CY STAPLETON
 WAYNE STOLZ
 MARK STRONG
 TOMMY SWEARINGEN
 DR. PHIL TERRY
 CINDY TIERNEY
 CALVIN R TOUPS
 LISA M VILLARREAL
 HILARY WALKER
 STEVEN WHITE

PO Box 54 Lufkin, TX 75902

Office 936-699-3888

FAX 936-699-3944

The Lufkin Rotary Club of Lufkin, Texas was founded 30 years after the beginning of Rotary itself.

Rotary International granted a Charter to The Lufkin Rotary Club on January 18, 1934 in the Hotel Angelina's Grand Ballroom located in the Heart of Lufkin, Texas.

At that time, The Lufkin Rotary Club became Rotary International's Club Number 3641 joining a group of more than 28,000 active clubs today. The worldwide Rotary membership consists of over one million persons in 162 countries and geographical regions.

The Lufkin Rotary Club of Lufkin, Texas has a membership that is greater than 65 members and growing.

BUCKNER FAMILY PLACE

In 1997 the first Angelina College student families moved into rental units subsidized by a grant from the Texas Department of Housing and Community Affairs. This grant, called a Tenant Based Rental Assistance program, helps low and very low income families pay rent while participating in a self-sufficiency program. All participants must be enrolled as full time students in a technical/vocational certificate or associate degree program. Preference is given to single parents, victims of domestic violence or abuse, and displaced homemakers.

Students apply for this program through Buckner Family Place. Those who qualify are placed on a waiting list and are notified when openings become available. Once accepted into the program, many students choose to live at Buckner Family Place, a forty-apartment complex built on Angelina College property next door to the new Activity Center on Daniel McCall Drive.

Program participants must use a percentage of their income as rent, based on a formula mandated by the grant. Buckner Family Place covers the cost of most utility bills.

For students with small children, Buckner Family Place is an attractive choice because it offers affordable two-bedroom units and has a childcare facility, Mary Jo Gorden Child Development Center, on site and is within walking distance of Angelina College. Buckner Family Place, a unique and innovative partnership between Angelina College, Buckner Children and Family Services, Inc., and the Women's Shelter of East Texas, Inc.

Mary Jo Gorden Child Development Center, licensed for 124 children, is the laboratory school for Angelina College's Child Development program. Although the center gives preference to Buckner Family Place residents, its charges for care are the same as other CCMS designated vendor childcare facilities. Buckner Family Place residents and Angelina College students who enroll their children at the center can often get assistance with child care fees by applying to East Texas Support Services (CCMS), or the Special Student Support Services office of Angelina College.

Buckner Family Place maintains a 'zero tolerance' policy for illegal substances, alcohol and tobacco on the grounds. In addition, to comply with housing regulations and depending on funding sources, a criminal background check may be required at the time of application.

S
[Stamp]



February 18, 2010

Director of Multifamily Finance
TDHCA
221 E. 11th Street
Austin, TX 78701

RE: LETTER OF SUPPORT FOR TIMBERLAND TRAILS I, L.P. APPLICATION 10241:
TIMBERLAND TRAILS APARTMENTS TO BE BUILT AT 2205 N. TIMBERLAND DRIVE, LUFKIN 75901

Dear Director of Multifamily Finance:

On behalf of the Rotary Club of Lufkin, Texas, I am pleased to offer this letter of support from the Rotary Club, a local civic organization. The proposed Timberland Trails Apartment project is located within the Rotary Club's service area here in Lufkin.

It is our understanding that the proposed Timberland Trails Apartments will consist of 80 affordable multifamily units which will serve the needs of families and individuals who earn 60% or less of the median income in Angelina County. Furthermore, it is our understanding that 10% of all units will be offered to disabled persons.

We have read the scope of tenant services being provided to this proposed development and feel that it will serve the needs of our community, which needs more affordable housing.

The Lufkin Rotary Club offers a wide array of services which could also benefit households that could reside at this development.

Thank you for your consideration.

Sincerely,

Mark Dunn
President, Lufkin Rotary Club

PO Box 54 Lufkin, TX 75902

Office 936-699-3866

Fax: 936-699-3944

02-25-10P01:44 8072

S
[Stamp]



February 23, 2010

Ms. Robbye Meyer, Director
TDHCA Multifamily Finance Production
221 E. 11th Street
Austin, TX 78701

RE: LETTER OF SUPPORT FOR THE TIMBERLAND TRAILS I, L.P. APPLICATION NO.
10241 TIMBERLAND TRAILS APARTMENTS, 2205 N.
TIMBERLAND DRIVE, LUFKIN, TX 75901

Dear Ms. Meyer:

As Administrator of Buckner Children & Family Services in Lufkin, Texas, I wish to lend our support to the application for funding being submitted by Timberland Trails I, L.P. I have reviewed the scope of tenant services and noted that a comprehensive list of services as well as project-based Section 8 Vouchers are being offered by the nonprofit applicant, which will be of significant benefit to our clients here in the City of Lufkin.

In turn, our program can offer badly-needed services to the residents of this proposed development, including our Parents as Teachers curriculum and our Early Head Start program. I am familiar with the proposed project location, which is directly across from the Head Start facility here in Lufkin. The ability to transition infants and toddlers from our Early Head Start program will provide continuity to parents who want a good educational foundation provided to their children.

We can certainly refer clients to this proposed affordable housing development on an ongoing basis when it has been constructed. There is a real shortage of decent, safe and affordable housing in the City of Lufkin for our clients and this project can help to relieve that housing problem.

Thank you for your consideration of our letter of support.

Sincerely,

Judy Morgan
Administrator

Buckner Children and
Family Services

3402 Daniel McCall Dr.
Suite 21
Lufkin, Texas 75904

Phone (936) 637-3300
Fax (936) 634-3384

www.buckner.org

03-01-10P01:50 RCYD

S

Neighborhood Leadership Council of North Lufkin
P.O. Box 153313
Lufkin, Tx. 75901
936-591-5844 or 936-635-8195

ENTERED

February 16, 2010

03-01-10A09:50 RCVD

Ms. Robbye Meyer, Director
TDHCA Multifamily Finance Production
9% Multifamily Tax Credit Program
221 E. 11th Street
Austin, TX 78701

03-01-10A09:50 PAID

RE: Letter of Support for Timberland Trails Apartments, Application No. 10241
2205 N. Timberland Drive, Lufkin, TX 75901

Dear Ms. Meyer:

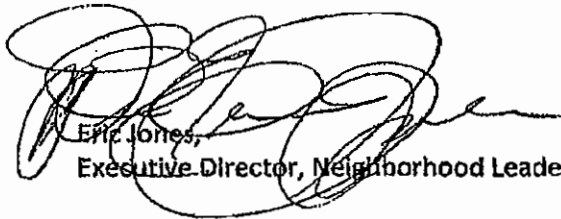
On behalf of the nonprofit Neighborhood Leadership Council of North Lufkin, I am pleased to provide you with this letter of support for the proposed tax credit development—Timberland Trails Apartments. This project is located within the North Lufkin boundaries served by our nonprofit, which is actively engaged in the development of affordable homes for first-time homebuyers. We believe that our nonprofit could offer potential homeownership opportunities for residents of Timberland Trails Apartments.

Our goal is to develop affordable homes on donated land which we will offer to income-eligible, first-time homebuyers. Our first project will consist of 29 acres of donated land on which we plan to construct 46 homes. The site is located at Kurth Drive and Sellers Street, here in Lufkin. It will offer hiking trails and two man-made lakes as amenities. We will be planning additional projects which will benefit income-eligible residents who are striving to achieve homeownership.

It is our understanding that DETCOG will be providing homebuyer counseling and other tenant services to residents of Timberland Trails Apartments to empower them to become first-time homebuyers and to achieve economic stability. We strongly support these efforts by this proposed project on behalf of the community.

Thank you for your consideration.

Sincerely,

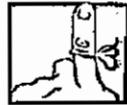


Eric Jones,
Executive Director, Neighborhood Leadership Council of North Lufkin

2009-09-08 10:15:00

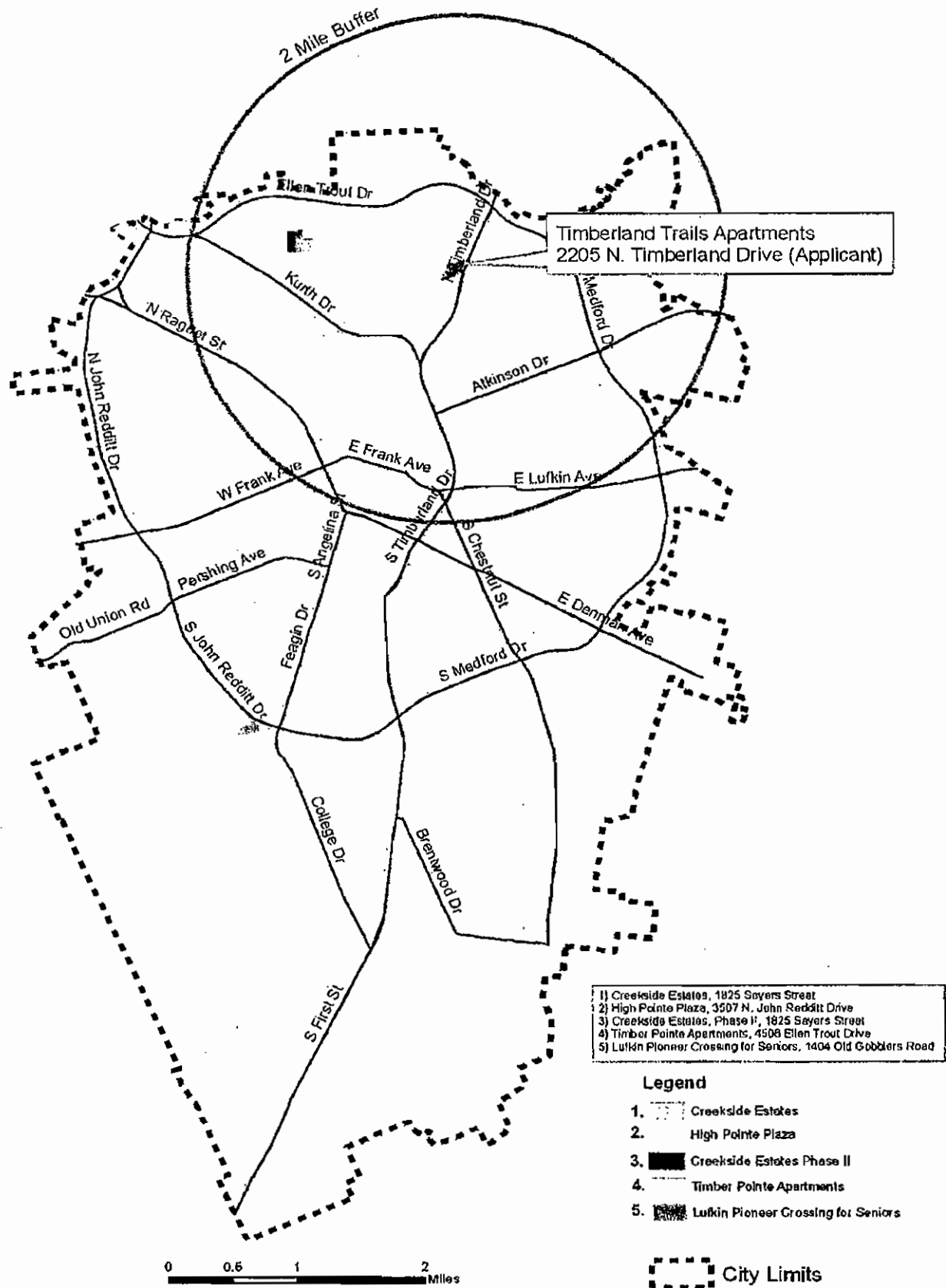
Volume 4, Tab 18

**DEVELOPMENTS IN CENSUS TRACTS WITH NO OTHER EXISTING DEVELOPMENTS SUPPORTED
BY TAX CREDITS (§50.9(i)(19))**



REMEMBER TO SUBMIT YOUR EVIDENCE BEHIND THIS FORM

Existing 9% HTC Inventory, Lufkin





MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2010 Application Round
Scoring Notice - Competitive Housing Tax Credit Application

Timberland Trails I, LP
 John D. Mathews
 214 W. Beltline Rd, Suite C
 Cedar Hill, TX 75104
 Phone #: (972) 291-6200
 Fax #: (972) 291-6280
 Email: dunlopid@aol.com

Date Issued: June 02, 2010

**THIS NOTICE WILL ONLY BE
 TRANSMITTED VIA EMAIL**

Second Email: lorri_jordau@yahoo.com

**RE: 2010 Competitive Housing Tax Credit (HTC) Application for Timberland Trails Apts, TDHCA
 Number: 10241**

Attention: John D. Mathews

The Texas Department of Housing and Community Affairs (the "Department") has completed its Eligibility and Selection Criteria Review of the Application referenced above as further described in §50.9(d)(1) of the 2010 Qualified Allocation Plan and Rules ("QAP"). Below, a summary is provided of the score requested, as calculated by the Applicant, followed by the score requested, as calculated by the Department. The two numbers differ if the Applicant's calculation was incorrect. The next score shown is the score awarded to the Application by the Department, followed by the difference between the score requested (as calculated by the Department) and the score awarded. An explanation of the reason(s) for any differences, including points denied, is provided at the top of the second page of this notice. The next scoring items show the number of points awarded for each of the three categories for which points could not be requested by the applicant: §50.9(i)(2) Quantifiable Community Participation (QCP); §50.9(i)(6) Level of Community Support from State Representative or State Senator; §50.9(i)(18) Demonstration of Community Input other than QCP. This is followed, in bold, by the final cumulative number of points awarded by the Department to the Application.

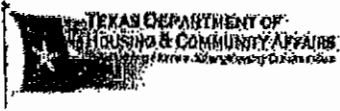
Please note that if you were awarded points under §50.9(i)(5), or (28) of the 2010 QAP this notice only provides an explanation of any point deductions for those items. In addition, note that should this application receive an award of tax credits, at the time the executed Commitment Notice is required to be submitted, the Applicant or Development Owner must provide evidence of a commitment approved by the governing body of a local political subdivision for the sufficient local funding and a commitment approved by a qualifying private, state, or federal source to the Department. Qualifying sources other than those submitted in the Application may be submitted to the Department at the time the executed Commitment Notice is required to be submitted pursuant to §50.9(i)(5) and (28) of the 2010 QAP.

To the extent that a threshold review is not yet completed for this application, pursuant to §50.9(d)(3), the final score may still change, in which case you will be notified.

Allocation: Rural

Set Asides: USDA Non Profit At Risk

Score Requested by Applicant (Does not include points for §§50.9(i)(2), (6) or (18) of the 2010 QAP):	171
Score Requested as Calculated by Department (Does not include points for §§50.9(i)(2), (6) or (18) of the 2010 QAP):	171
Score Awarded by Department (Does not include points for §§50.9(i)(2), (6) or (18) of the 2010 QAP):	166
Difference between Requested and Awarded (Does not include points for §§50.9(i)(2), (6) or (18) of the 2010 QAP):	5
Points Awarded for §50.9(i)(2), Quantifiable Community Participation:	12
Points Awarded for §50.9(i)(6), Input from State Senator or Representative:	14
Points Awarded for §50.9(i)(18), Community Input Other than QCP:	0
Final Score Awarded to Application by Department:	192



MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2010 Application Round
Scoring Notice - Competitive Housing Tax Credit Application

Page 2 of Final Scoring Notice: 10241, Timberland Tralls Apts

Explanation for Difference between Points Requested and Points Awarded by the Department
(explanation does not include points for §§50.9(i)(2), (6) and (18)):

50.9(d)(4) - Administrative Deficiencies: If Administrative Deficiencies are not clarified or corrected to the satisfaction of the Department by 5:00pm on the fifth business day following the date of the deficiency notice, then for Competitive Applications under the State Housing Credit Ceiling, five points shall be deducted from the Selection Criteria score for each additional day the deficiency remains unresolved. (-5 pts)

A formal appeals policy exists for the Competitive HTC Program. If you wish to appeal this scoring notice (including Set-Aside eligibility), you must file your appeal with the Department no later than 5:00 p.m. (CST), Wednesday, June 9, 2010. If an appeal is denied by the Executive Director, an Applicant may appeal to the Department's Board.

In an effort to increase the likelihood that Board appeals related to scoring and Set-Asides are heard at the Board meeting, the Department has provided an Appeal Election Form for all appeals submitted to the Executive Director. In the event an appeal is denied by the Executive Director, the form requests that the appeal automatically be added to the Board agenda.

If you have any concerns regarding potential miscalculations or errors made by the Department, please contact Raquel Morales by facsimile at (512) 475-0764 or by email at raquel.morales@tdhca.state.tx.us.

Sincerely,

Robbye Meyer

Robbye Meyer
Director of Multifamily Finance

10241

Executive Director's
Response



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdbca.state.tx.us

Rick Perry
GOVERNOR

Michael Gerber
EXECUTIVE DIRECTOR

BOARD MEMBERS
C. Kent Conine, *Chair*
Gloria Ray, *Vice Chair*
Leslie Bingham Escareño
Tom H. Gann
Lowell A. Keig
Juan S. Muñoz, Ph.D.

June 18, 2010

John D. Matthews
Spectrum Housing Corp.
214 W. Beltline, Suite C
Cedar Hill, Texas 75104

Re: Appeal of Scoring Notice for #10241, Timberland Trails Apts.

Dear Mr. Matthews:

Appeal Review

I have carefully reviewed the appeal received on June 8, 2010, by the Texas Department of Housing and Community Affairs (the "Department"), regarding your request to reinstate the six (6) points for Community Input other than QCP pursuant to §50.9(i)(18) of the 2010 Qualified Allocation Plan and Rules (QAP), and reinstatement of the five (5) points that were deducted from the final score for untimely submission of an Administrative Deficiency.

Your appeal states that the letters of support from three civic and community organizations were all sent to the Department directly by the organizations on or before the March 1, 2010 deadline. The appeal further states that there was a processing problem within the application when it was uploaded to the Department's File Transfer Protocol (FTP) server which caused the pages identifying the civic and community organizations to scan incorrectly.

Additionally, you appeal that the five-point penalty assessed to the final score for untimely submission of an Administrative Deficiency should be reconsidered because the information requested was compiled in every way possible in order to submit by the deadline. Your appeal makes reference to only one outstanding deficiency item that was not provided by the 5:00 p.m. deadline. At 3:41 p.m. on the deficiency deadline date, the Applicant emailed staff notifying of the deficiency response having been uploaded to the FTP server. After staff reviewed the response provided, an email was sent to the Applicant at 4:58 p.m. that all items had been resolved except for two: the legal opinion letter which is reference in the Applicant's appeal and an affidavit of no removal by the Applicant. The affidavit was submitted to the Department at 6:26 p.m. and the legal opinion was submitted at 9:51 p.m. Therefore, the five point penalty was assessed appropriately in accordance with the 2010 QAP.

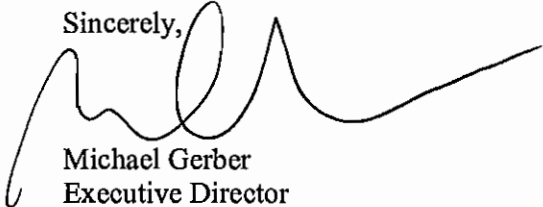
Appeal Determination

Your appeal regarding reinstatement of the six points for Community Input Other than QCP is granted since staff has been able to confirm that the community and civic organization letters were submitted under separate cover directly to the Department by the March 1, 2010 deadline. Attached is a revised scoring notice, reflecting reinstatement of the six points to the final score.

Your appeal regarding the five-point penalty assessed for untimely submission of Administrative Deficiencies is denied.

Per your request your appeal has been placed on the next Board meeting agenda. Pursuant to §50.17(b)(4) of the 2010 Qualified Allocation Plan and Rules, if you wish to submit any further documentation for your Board appeal, the documentation **must** be received by 5:00 p.m. CST on **June 28, 2010** to be placed with the July 2010 Board materials. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Gerber", with a long horizontal flourish extending to the right.

Michael Gerber
Executive Director

MFF/rbm



MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2010 Application Round
Revised Scoring Notice - Competitive Housing Tax Credit Application

Page 2 of Final Scoring Notice: 10241, Timberland Trails Apts

Explanation for Difference between Points Requested and Points Awarded by the Department (explanation does not include points for §§50.9(i)(2), (6) and (18)):

50.9(d)(4) - Administrative Deficiencies: If Administrative Deficiencies are not clarified or corrected to the satisfaction of the Department by 5:00pm on the fifth business day following the date of the deficiency notice, then for Competitive Applications under the State Housing Credit Ceiling, five points shall be deducted from the Selection Criteria score for each additional day the deficiency remains unresolved. (-5 pts)

A formal appeals policy exists for the Competitive HTC Program. If you wish to appeal this scoring notice (including Set-Aside eligibility), you must file your appeal with the Department no later than 5:00 p.m. (CST), Wednesday, June 22, 2010. If an appeal is denied by the Executive Director, an Applicant may appeal to the Department's Board.

In an effort to increase the likelihood that Board appeals related to scoring and Set-Asides are heard at the Board meeting, the Department has provided an Appeal Election Form for all appeals submitted to the Executive Director. In the event an appeal is denied by the Executive Director, the form requests that the appeal automatically be added to the Board agenda.

If you have any concerns regarding potential miscalculations or errors made by the Department, please contact Raquel Morales by facsimile at (512) 475-0764 or by email at raquel.morales@tdhca.state.tx.us.

Sincerely,

Robbye Meyer

Robbye Meyer
Director of Multifamily Finance



MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2010 Application Round
Revised Scoring Notice - Competitive Housing Tax Credit Application

Appeal Election Form: 10241, Timberland Trails Apts

I am in receipt of my 2010 scoring notice and am filing a formal appeal to the Executive Director on or before Wednesday, June 22, 2010.

If my appeal is denied by the Executive Director,:

I do wish to appeal to the Board of Directors and request that my application be added to the Department Board of Directors meeting agenda. My appeal documentation, which identifies my specific grounds for appeal, is attached. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.

I do not wish to appeal to the Board of Directors.

Note: If you do not wish to appeal this notice, you do not need to submit this form.

Signed _____

Title _____

Date _____

Please fax or email to the attention of Raquel Morales:

Fax: (512) 475-0764 or (512) 475-1895

Email: <mailto:raquel.morales@tdhca.state.tx.us>

10284

Atmos Lofts

**MULTIFAMILY FINANCE DIVISION
BOARD ACTION REQUEST
July 8, 2010**

Recommended Action

Deny the appeal to reinstate a cumulative ten points for Application #10284, Atmos Lofts.

WHEREAS, an application for tax credits was submitted for Atmos Lofts on March 1, 2010; and

WHEREAS, the Applicant was not awarded six points for §50.9(i)(13)- Historic Preservation because they did not provide evidence that the building in which the development is proposed has been state or federally designated as a historic structure; and

WHEREAS, the Applicant was not awarded four points for §50.9(i)(15)- Economic Development Initiatives because they did not provide evidence from the funding entity of the defined area in which the award funds must be utilized; therefore

BE IT RESOLVED, that the appeal of Atmos Lofts, #10284 is hereby denied.

Background

Atmos Lofts is a proposed 107-unit adaptive reuse development located in Dallas. The application is proposing the Adaptive Reuse of an existing twelve-story office building by converting the it into multifamily residential housing units. The Atmos building itself is one of three existing office buildings located within a city block that the developer is proposing to convert to into a mixture of housing and commercial/retail. The subject application represents the affordable housing component of the overall development plan for the city block.

The Applicant requested six points for Historic Preservation under §50.9(i)(13) of the QAP. Points were not awarded because the Applicant failed to provide evidence that the building that is being utilized for the Atmos Lofts development is either state or federally designated as a historic structure. The application did document the historic designation for two specific addresses located within the city complex to be developed; however, neither address includes the Atmos building. Additionally, the Department has confirmed via discussions with the State Historical Commission staff that the address for the proposed tax credit application (1900 Jackson Street) is not a structure that has a historic designation. The Applicant is appealing the loss of points on the basis that the amenities for the Atmos Lofts tenants will be housed within the historic structures in the city complex. The Applicant did not deny that the Atmos building itself was not designated as historic. Instead, the Applicant believes that the points should be awarded for amenities that will be built within historic structures. Staff did not award the points for §50.9(i)(13) as it does not meet the specific requirement of the QAP that the “Development itself must

have the designation; points in this subparagraph are not available for Developments simply located within historic districts or areas that do not have a designation on the building.”

The Applicant also requested four points for Economic Development Initiatives under §50.9(i)(15) and provided evidence of an award of ARRA economic stimulus funds through the Texas Transportation Commission. While the award may be eligible, the Applicant failed to provide evidence that the “area” in which the funds awarded must be used to be specific to the zip code of the proposed development. Meeting minutes from the Texas Transportation Commission and attached exhibits reflect awards made to specific regions of the state, but not to specific zip codes. Given the information provided, staff conducted the test of determining whether more than three tax credit developments had been awarded in the applicable area in the past seven years using Dallas as the defined area. As a result, more than three tax credit developments have been funded in Dallas in the last seven years, which renders the application ineligible for the points requested.

Staff requested the Applicant to provide a letter from the funding entity stating that the funds awarded must be used in the designated area identified by the Applicant. The Applicant’s response was timely but duplicative of information previously submitted in the original application submission. Staff proceeded with issuing the scoring notice without awarding these points. Subsequent to the scoring notice, the Applicant received a letter from the Texas Department of Transportation further clarifying that these funds are to be used in the 75201 zip code, and has now included that letter with the appeal. However, staff is not recommending the award of these points on the basis that this information was requested previously through the Administrative Deficiency process and ultimately not provided within the five day deficiency period but only after.

10284

Scoring Notice



MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2010 Application Round
Scoring Notice - Competitive Housing Tax Credit Application

Page 2 of Final Scoring Notice: 10284, Atmos Lofts

Explanation for Difference between Points Requested and Points Awarded by the Department (explanation does not include points for §§50.9(i)(2), (6) and (18)):

50.9(i)(13)- Community Revitalization or Historic Preservation: the documentation provided reflects that two buildings have been certified as historic structures by the US Department of Interior, neither of which include the proposed development itself. The letter from the US Department of Interior dated June 17, 2009 references two specific addresses: 301 S. Harwood Street and 1915 Wood Street. The address for the proposed housing tax credit development is 1900 Jackson Street, therefore, this building has not been designated as historic. The application is ineligible for the points requested. (6 pts requested, 0 awarded)

50.9(i)(15)- Economic Development Initiatives: evidence of ARRA economic stimulus funds through the Texas Transportation Commission was provided. However, while the Applicant has defined the boundaries of the area in which the funds must be used to be based on a specific zip code, the documentation provided from the Texas Transportation Commission does not reflect this defined area. (4 pts requested, 0 awarded)

A formal appeals policy exists for the Competitive HTC Program. If you wish to appeal this scoring notice (including Set-Aside eligibility), you must file your appeal with the Department no later than 5:00 p.m. (CST), Wednesday, June 9, 2010. If an appeal is denied by the Executive Director, an Applicant may appeal to the Department's Board.

In an effort to increase the likelihood that Board appeals related to scoring and Set-Asides are heard at the Board meeting, the Department has provided an Appeal Election Form for all appeals submitted to the Executive Director. In the event an appeal is denied by the Executive Director, the form requests that the appeal automatically be added to the Board agenda.

If you have any concerns regarding potential miscalculations or errors made by the Department, please contact Raquel Morales by facsimile at (512) 475-0764 or by email at raquel.morales@tdhca.state.tx.us.

Sincerely,

Robbye Meyer 

Robbye Meyer
Director of Multifamily Finance



MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2010 Application Round
Scoring Notice - Competitive Housing Tax Credit Application

Appeal Election Form: 10284, Atmos Lofts

I am in receipt of my 2010 scoring notice and am filing a formal appeal to the Executive Director on or before Wednesday, June 9, 2010.

If my appeal is denied by the Executive Director,:

I do wish to appeal to the Board of Directors and request that my application be added to the Department Board of Directors meeting agenda. My appeal documentation, which identifies my specific grounds for appeal, is attached. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.

I do not wish to appeal to the Board of Directors.

Note: If you do not wish to appeal this notice, you do not need to submit this form.

Signed _____

Title _____

Date _____

Please fax or email to the attention of Raquel Morales:
Fax: (512) 475-0764 or (512) 475-1895
Email: <mailto:raquel.morales@tdhca.state.tx.us>

10284

Appeal Documents

Raquel Morales

6/23/2010

From: Ted Hamilton [ted@hamiltonproperties.com]
Sent: Wednesday, June 09, 2010 2:36 PM
To: 'Misael Arroyo'; jgreenan@centraldallascdc.org
Cc: 'Robbye Meyer'; 'Raquel Morales'; 'Jeffrey Spicer'
Subject: RE: Emailing: 10284 Atmos Lofts.pdf
Attachments: appeal elec form 10284.pdf; 100608 - scoring appeal letter for app 10284.pdf

Ms. Meyer:

Attached is the Appeal Election Form along with supporting documentation for the appeal. Please let me know if you need any additional information.

Sincerely yours,

Ted Hamilton
214.741.5100 X 5

-----Original Message-----

From: Misael Arroyo [mailto:misael.arroyo@tdhca.state.tx.us]
Sent: Wednesday, June 02, 2010 4:38 PM
To: ted@hamiltonproperties.com; jgreenan@centraldallascdc.org
Cc: Robbye Meyer; Raquel Morales
Subject: Emailing: 10284 Atmos Lofts.pdf

<<10284 Atmos Lofts.pdf>>

The message is ready to be sent with the following file or link attachments:

10284 Atmos Lofts.pdf

Note: To protect against computer viruses, e-mail programs may prevent sending or receiving certain types of file attachments. Check your e-mail security settings to determine how attachments are handled.



MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2010 Application Round
Scoring Notice - Competitive Housing Tax Credit Application

Appeal Election Form: 10284, Atmos Lofts

I am in receipt of my 2010 scoring notice and am filing a formal appeal to the Executive Director on or before Wednesday, June 9, 2010.

If my appeal is denied by the Executive Director,:

I do wish to appeal to the Board of Directors and request that my application be added to the Department Board of Directors meeting agenda. My appeal documentation, which identifies my specific grounds for appeal, is attached. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.

I do not wish to appeal to the Board of Directors.

Note: If you do not wish to appeal this notice, you do not need to submit this form.

Signed *[Signature]*
Title Authorized Signature
Date 6/9/10

Please fax or email to the attention of Raquel Morales:
Fax: (512) 475-0764 or (512) 475-1895
Email: <mailto:raquel.morales@tdhca.state.tx.us>

State Street Housing Advisors, L.P.

Affordable Housing Consulting Services

June 8, 2010

Via email to: robbye.meyer@tdhca.state.tx.us

Ms. Robbye Meyer
Director of Multifamily Finance
Texas Department of Housing and Community Affairs
221 East 11TH
Austin, TX 78701

Re: Atmos Lofts – TDHCA #10284

Dear Ms. Meyer,

I would to respond to the 2010 application scoring notice letter that is dated June 6, 2010. Appeals for both of the scoring deductions noted in your letter are as follows:

The first deduction states the loss of six (6) points under section 50.9(i)(13) – Community Revitalization or Historic Preservation. This section states:

**(13) Community Revitalization (Development
Characteristics) (§42(m)(1)(C)(iii)) or Historic Preservation.**
Applications may qualify to receive 6 points for either subparagraph (A) or (B) of this paragraph.

(A) The Development includes the use of an Existing Residential Development and proposes any Rehabilitation or any Reconstruction that is part of a Community Revitalization Plan. Evidence of the Community Revitalization Plan (such evidence must include an ordinance, resolution, or otherwise recorded documentation of a vote taken by the local elected Governing Body specifically adopting the Community Revitalization Plan) and a letter from the chief executive officer or other local official with appropriate jurisdiction of the local Governing Body stating that the Development Site is located within the targeted development areas outlined in the Community Revitalization Plan must be submitted; or

(B) The Development includes the use of an existing building that is designated as historic by a federal or state Entity and proposes Rehabilitation (including reconstruction) or Adaptive Reuse. The

Development itself must have the designation; points in this subparagraph are not available for Developments simply located within historic districts or areas that do not have a designation on the building. The Development must include the historic building. Evidence will include proof of the historic designation from the appropriate Governmental Entity.

Per part B, "The Development includes the use of an existing building that is designated as historic by a federal or state Entity and proposes Rehabilitation (including reconstruction) or Adaptive Reuse." This is an adaptive reuse development. Staff acknowledges that the buildings at 301 South Harwood Street and 1915 Wood Street meet the definition and requirements for the Historic Designation. Amenities for the development are being developed in the historic structure. A site plan evidencing the amenities in the 1915 Wood Street building is attached. This provides clear evidence that the development meets all the criteria for points under this section of the QAP.

The second scoring deduction states the loss of four (4) points under section 50.9(i)(15) - Economic Development Initiatives. Evidence has been provided which confirms that on March 26, 2009 ARRA funds were awarded to the Woodall Rodgers Deck Park located in zip code 75201 of Dallas, TX. This is the same zip code as the proposed development. No other developments have been awarded tax credits in this zip code. The minutes of the March 26, 2009 Texas Transportation Commission meeting clearly show the award to this economic development initiative. At the time of the deficiency, TDHCA staff requested no further clarification or evidence. Since receiving the scoring notice, we have received a letter from the Texas Department of Transportation further clarifying that these funds are to be used for this specific project and for use in this specific zip code. The letter and minutes referenced above are attached.

Please let me know if you require any further information.

Sincerely,

Jeffrey S. Spicer

Attachments



Texas Department of Transportation

P.O. BOX 133067 • DALLAS, TEXAS 75313-3067 • (214) 320-6100

June 7, 2010

Robbye Meyer
Director of Multifamily Finance
Texas Department of Housing & Community Affairs
221 East 11th Avenue
Austin, Texas 78701

Dear Ms. Meyer:

This letter is to clarify that on March 26, 2009 the Texas Transportation Commission awarded \$16,700,000 in ARRA funds for the Woodall Rodgers Deck Plaza. The Woodall Rodgers Deck Plaza is located in zip code 75201, and the funds are to be use for this project in this zip code.

If you have any question, please contact me.

Thank you.

Sincerely,

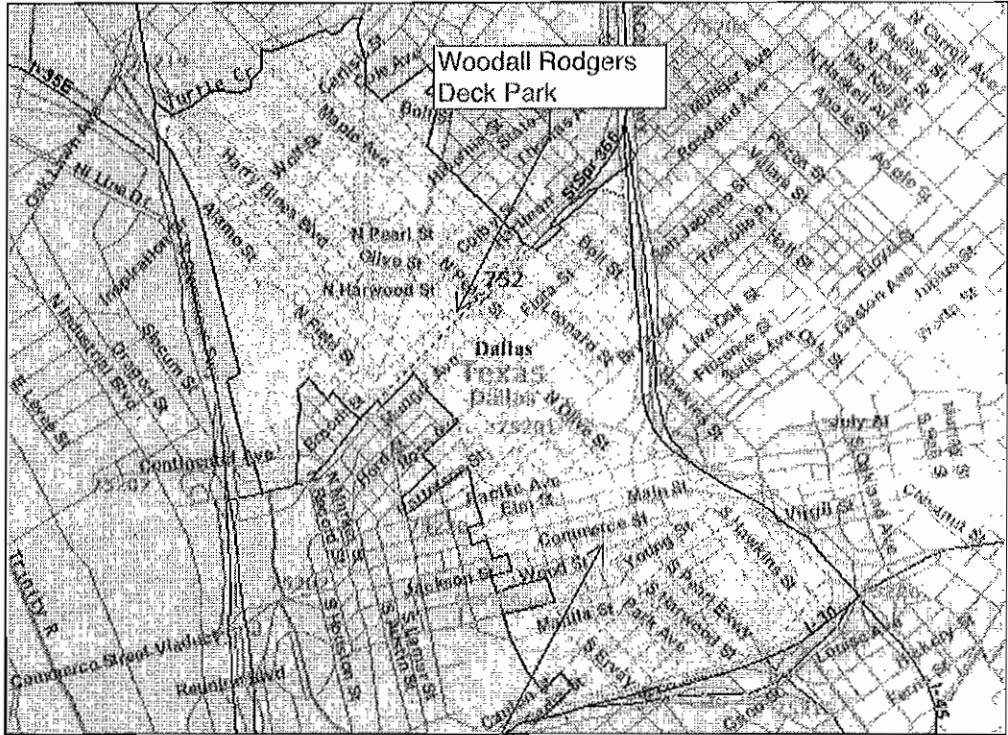
William L. Hale, P.E.
Dallas District Engineer

cc: Ted Hamilton, Hamilton Properties

THE TEXAS PLAN
REDUCE CONGESTION • ENHANCE SAFETY • EXPAND ECONOMIC OPPORTUNITY • IMPROVE AIR QUALITY
INCREASE THE VALUE OF OUR TRANSPORTATION ASSETS

An Equal Opportunity Employer

- Boundaries**
- State
 - '00 County
 - '00 Co Sub
 - '00 Place
 - '00 Urban Area
 - '00 ZCTA-3
 - '00 ZCTA-5
- Features**
- Major Road
 - Street
 - Stream/Waterbody
 - Stream/Waterbody



2.8 miles across

Atmos Lofts Site

Close

TEXAS TRANSPORTATION COMMISSION

ALL Counties

MINUTE ORDER

Page 1 of 2

ALL Districts

On February 17, 2009, President Obama signed into law the American Recovery and Reinvestment Act (ARRA). Texas' share of the funding for highway and bridge construction is expected to be approximately \$2.25 billion, based on the existing apportionment formula. Of that amount, 3 percent of the funds are set aside for the purposes described in Title 23, United States Code, §133(d)(2) (transportation enhancement activities).

Pursuant to Title 43, Texas Administrative Code, Chapter 11, Subchapter E, the Texas Transportation Commission (commission) may allocate funds to the Texas Department of Transportation (department) for use on the state highway system for transportation enhancement activities that provide a safe, effective, and efficient movement of people and goods. The commission will also make funds available in a statewide competitive program that enhances the surface transportation systems and facilities within the state for the benefit of all users of those systems.

The department has identified a list of transportation enhancement projects, set forth in Exhibit A, that are eligible for funding under the ARRA. The majority of the projects are sponsor projects from previous transportation enhancement program calls. These projects meet all federal requirements and have been approved for funding by the commission. Two safety rest area projects selected by the Maintenance Division have also been included on the list. The Federal Highway Administration (FHWA) has previously determined that these projects are eligible for funding under the transportation enhancement program. The list also includes a project identified in Rider 31 to the department's appropriations for Fiscal Years 2008-2009 (p. VII-28, General Appropriations Act, 2007) that has been deemed eligible for funding by FHWA.

FHWA recently issued a guidance document on funding, project selection, eligible activities, and other specific requirements to assist states in implementing the ARRA. The transportation enhancement projects set forth in Exhibit A meet the project selection requirements established by the ARRA and the corresponding FHWA guidelines. These projects will be ready to proceed to contract within the time requirements stipulated in the ARRA, meaning that all environmental requirements, design work, and right of way acquisition are sufficiently complete or underway to allow projects to proceed to construction or a development agreement to be executed.

All projects are subject to federal and state laws, including the provisions of the ARRA.

IT IS THEREFORE ORDERED by the commission that the transportation enhancement projects set forth in Exhibit A are hereby approved for funding under the provisions of the ARRA.

IT IS FURTHER ORDERED that the executive director or the director's designee is authorized to proceed with project development and contract awards for the transportation enhancement projects described in Exhibit A, and to enter into any necessary agreements associated with these projects and activities.

TEXAS TRANSPORTATION COMMISSION

All Counties

MINUTE ORDER

Page 2 of 2

All Districts

IT IS FURTHER ORDERED that the department shall track the progress of the transportation enhancement projects set forth in Exhibit A separately from other ongoing projects and place information regarding the status of these projects on the department's website.

IT IS FURTHER ORDERED that the department shall issue a new program call for candidate transportation enhancement projects under Title 43, Texas Administrative Code, Chapter 11, Subchapter E.

Submitted and reviewed by:


Assistant Executive Director for
Engineering Operations

Recommended by:



Executive Director
111735 MAR 26 09
111735 MAR 26 09
Number Passed

EXHIBIT A

AMERICAN RECOVERY AND REINVESTMENT ACT
TRANSPORTATION ENHANCEMENT PROJECTS

CSJ	District	County	ARRA Funds	Construction Value	Project Description	Region
0608-03-075	BMT	Chambers	15,500,000	15,500,000	Safety Rest Area	East
0912-71-545	HOU	Harris	1,802,304	3,755,662	West White Oak Bayou Trail	East
0912-71-802	HOU	Harris	1,158,972	1,250,135	OST & Griggs Road Landscaping	East
0166-01-041	DAL	Navarro	15,501,351	15,501,351	Safety Rest Area	North
0918-45-354	DAL	Dallas	4,075,114	7,329,299	Santa Fe Trestle Bridge Trail	North
0918-45-393	DAL	Dallas	470,832	520,000	Lanester Historic District	North
0918-45-640	DAL	Dallas	1,324,690	1,357,355	LBJSkillman Ped. Bridge	North
0918-45-642	DAL	Dallas	582,240	653,789	Spring Valley/Cot Amenities	North
0918-24-040	DAL	Collin	975,650	1,350,000	Richardson Trail	North
0918-45-851	DAL	Dallas	1,700,000	2,550,000	McKinney Ave. Trolley Ext.	North
0196-07-027	DAL	Dallas	16,700,000	43,000,000	Additional funds for Woodall Rodgers Deck Plaza	North
0902-38-049	FTW	Parker	3,225,832	4,032,415	Town Creek Hike and Bike Trail	North
0902-48-339	FTW	Tarrant	475,315	594,338	N. Richland Hills Multi-Use Trail	North
0902-49-032	FTW	Erath	1,773,134	1,773,135	Bocque River Trail	North
0902-49-033	FTW	Erath	874,877	1,053,596	Dublin Pedestrian Parkway	North
0902-49-034	FTW	Erath	165,542	205,928	Historic Grist Mill	North
0914-04-191	AUS	Travis	1,966,261	3,257,787	Northern Walnut Creek Trail	South
0914-05-122	AUS	Williamson	545,478	630,000	Cottonwood Trail, Phase 2	South
0904-40-010	AMA	Sherman	1,934,274	2,600,000	Stratford Main Street Project	West
2552-04-035	ELP	El Paso	1,457,143	1,871,429	Stanton St. Bridge/Piedra Park Land.	West
0907-24-028	SJT	Tom Green	1,200,000	1,200,000	Lone Wolf Historic Bridge/Ped. Bridge	West
			573,437,249	\$107,375,829		

WOODALL
RODGERS
PARK

MEDIA CONTACT:
Joanna Singleton
Jackson Spalding
(214) 206-5963
jingleton@jacksonspalding.com

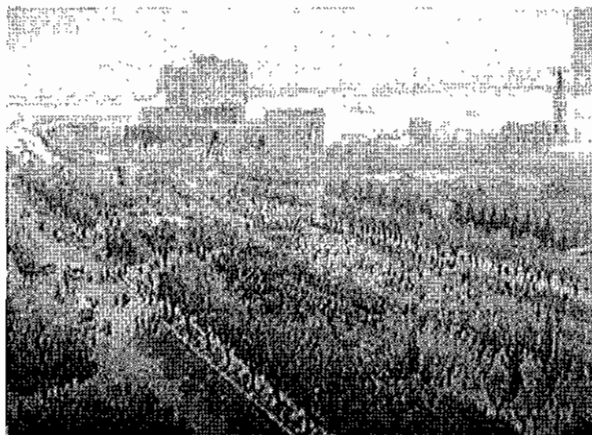
Transportation Enhancement Stimulus Funds Awarded to Woodall Rodgers Freeway Deck Plaza

Landmark Dallas Project Moves Forward

DALLAS (March 26, 2009) — The Woodall Rodgers Park Foundation will receive \$16.7 million in federal stimulus funds toward constructing a deck plaza over the Woodall Rodgers Freeway in downtown Dallas. The Woodall Rodgers deck plaza is a “shovel-ready” transportation enhancement project that will create approximately 1,000 immediate jobs and will stimulate additional economic development and job growth in the future.

The project will provide a vital pedestrian and bicycle connection between both sides of the existing freeway, connecting Downtown Dallas, the Arts District, and the Uptown and Victory residential districts. The Woodall Rodgers Park will be a 5-acre urban park built on top of the deck plaza structure.

“The stimulus money will go towards a project that will be central to the Dallas’ identity for generations to come,” said Linda Owen, president of the Woodall Rodgers Park Foundation. “We are excited and grateful for the boost in funding that will help us achieve even more of our goals for the Park.”



The stimulus funds were awarded by the Texas Department of Transportation Commission with a vote to approve a list of projects selected for transportation enhancement funds. The funding for highway and bridge construction under the American Recovery and Reinvestment Act stipulated that three percent of those funds be set aside for transportation enhancement projects.

Since its completion, the Woodall Rodgers Freeway has served as a barrier between Uptown and Downtown Dallas. The deck plaza mitigates the harsh environment and will re-knit the urban fabric to enable safe, useful pedestrian connections across and along the freeway. A bridge structure will be constructed across the freeway between existing bridges on St. Paul and Pearl Street.

"The pedestrian and bicycle enhancements will serve as a major catalyst for improved mobility, safety and economic development," said Owen. "The project will transform our city's geography and quality of life."

The Woodall Rodgers Freeway Deck Plaza is funded and developed through a public, private partnership including the Texas Department of Transportation, the City of Dallas, the North Central Texas Council Of Governments and the private sector's Woodall Rodgers Park Foundation. It has been in the planning stages since 2004.

Utility construction began last month providing the infrastructure necessary to begin work on the deck plaza. The additional stimulus funding is expected to accelerate the deck construction which is slated for late summer or early fall 2009.

About Woodall Rodgers Park

The Woodall Rodgers Park is a 5.2-acre, \$80 million deck park that will create an urban green space over the existing Woodall Rodgers Freeway between Pearl and St. Paul streets. Like the Washington Mall in D.C., the park will provide connectivity to the city's flourishing Arts District, bringing world-class cultural offerings together as a central gathering space for Dallas and its visitors to enjoy.

Plans for the park include jogging trails, a dog park, a children's playground, a restaurant, a performance pavilion, a water sculpture, an area for games and much more.

The park is being designed by The Office of James Burnett in conjunction with the engineering firm of Jacobs Carter Burgess. Bjerke Management Solutions is the project manager.

For more information, please visit www.woodallrogerspark.org.

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10284

Executive Director's
Response



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

Michael Gerber
EXECUTIVE DIRECTOR

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June 18, 2010

Jeffrey Spicer
State Street Housing Advisors, L.P.
7110 Baxtershire Dr.
Dallas, Texas 75230

Re: Appeal of Scoring Notice for #10284, Atmos Lofts

Dear Mr. Spicer:

Appeal Review

I have carefully reviewed the appeal received on June 8, 2010, by the Texas Department of Housing and Community Affairs (the "Department"), regarding your request to reinstate the six (6) points for Community Revitalization or Historic Preservation and the four (4) points for Economic Development Initiatives, pursuant to §§50.9(i)(13) and 50.9(i)(15) of the 2010 Qualified Allocation Plan and Rules (QAP).

The Applicant requested points for Historic Preservation under §50.9(i)(13) of the QAP. However, points were not awarded because the Applicant failed to provide evidence that the building that will encompass the development itself was either state or federally designated as a historic structure. The Atmos Lofts (Atmos) application is proposing the Adaptive Reuse of an existing twelve-story office building by converting the it into multifamily residential housing units. The Atmos building itself is one of three existing office buildings located within a city block that the developer is proposing to convert to into a mixture of housing and commercial/retail. The subject application represents the affordable housing component of the overall development plan for the city block. The application documented the historic designation for two specific addresses located within the area to be developed; however, neither address includes the Atmos building. Additionally, the Department has confirmed via discussions with the State Historical Commission staff that the address for the proposed tax credit application (1900 Jackson Street) is not a structure that has a historic designation. The Applicant is appealing that some of the amenities for the proposed tax credit development are being developed in the historic structures and thereby should qualify the application for these points because common amenity elements will be constructed within the historic structures. However, the QAP is specific that the development must include the historic building and cannot simply be located within a historic district or area to qualify for these points. The development, for the purposes of the application, is the Atmos building. The Atmos building is not a historic building.

The Applicant also requested points under Economic Development Initiatives §50.9(i)(15) and provided evidence of an award of ARRA economic stimulus funds through the Texas Transportation Commission. While the award may be eligible, the Applicant failed to provide evidence that the "area" in which the funds awarded must be used to be specific to the zip code of the proposed development. Meeting minutes from the Texas Transportation Commission and attached exhibits reflect awards made to specific regions of the state, but not to specific zip codes. Given the information provided, staff conducted the test of determining whether more than three tax credit

developments had been awarded in the applicable area in the past seven years using Dallas as the defined area. As a result, more than three tax credit developments have been funded in Dallas in the last seven years, which renders the application ineligible for these points.

Staff requested the specific documentation through an Administrative Deficiency during the review process in the form of a letter from the funding entity stating "that the funds awarded must be used in the designated area identified by the Applicant" in order to qualify for the points. The Applicant's response was duplicative of information previously submitted in the original application submission. Subsequent to the scoring notice, the Applicant has received a letter from the Texas Department of Transportation further clarifying that these funds are to be used in the 75201 zip code and included the letter with the appeal.

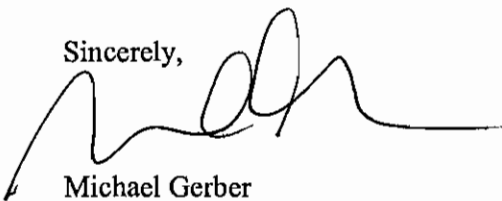
Appeal Determination

Your appeal regarding reinstatement of the six points for Historic Preservation is denied due to the lack of evidence that the building in which the proposed development is to be located has been designated as historic.

Your appeal regarding reinstatement of the four points for Economic Development Initiatives is denied due to the untimely submission of the requested letter. The letter that was included with the appeal from the Texas Department of Transportation was previously requested in an Administrative Deficiency notice and should have been provided within the five-day deficiency response period.

Per your request your appeal has been placed on the next Board meeting agenda. Pursuant to §50.17(b)(4) of the 2010 Qualified Allocation Plan and Rules, if you wish to submit any further documentation for your Board appeal, the documentation **must** be received by 5:00 p.m. CST on **June 28, 2010** to be placed with the July 2010 Board materials. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.

Sincerely,



Michael Gerber
Executive Director

MFF/rbm

cc: Ted Hamilton

None at this time

None at this time

REPORT ITEMS



Rebuilding Texas: Disaster Recovery from Hurricanes Rita and Katrina

Hurricane Rita First Supplemental (\$74.5 million) - Public Law 109-148

Referred to as Rita Round I, these funds represent the first of two awards to help restore and rebuild in areas of the State most directly impacted by Hurricane Rita. These funds are administered by regional Councils of Governments.

Construction Activities as of June 29, 2010

- 519 single family homes rehabilitated or reconstructed
- 12 single family homes remain to be reconstructed, which will be completed by September 2010.

Financial Summary

	Current Budget	Admin \$ Drawn To Date	Project \$ Drawn To Date	Total Drawn	% of Funds Drawn
DETCOG	\$6,674,546.00	\$674,361.00	\$6,000,185.00	\$6,674,546.00	100.00%
H-GAC	\$7,015,706.00	\$928,253.75	\$5,314,868.64	\$6,243,122.39	88.99%
SETRPC	\$27,198,536.00	\$3,161,691.28	\$22,393,136.38	\$25,554,827.66	93.96%
Totals	\$40,888,788.00	\$4,764,306.03	\$33,708,190.02	\$38,472,496.05	94.09%

Hurricanes Rita and Katrina 2nd Supplemental (\$428.6 million) - Public Law 109-234

The 2nd Supplemental is referred to as Rita Round II and is the second allocation of CDBG funding to help restore and rebuild in areas of the State most directly impacted by Hurricane Rita. These funds also address needs of Katrina evacuees in Houston and Harris County.

Construction Activities as of June 29, 2010

Homeowner Program

- 1612 homes rehabilitated or reconstructed
- 237 homes currently under construction

Rental Program

- 1,180 rental units have been rehabilitated or reconstructed
- 958 rental units are currently under construction

Financial Summary

	Current Budget	Cumulative Expenditures	Balance Remaining	Percentage Expended
Homeowner Assistance Program (HAP)	\$210,371,273.00	\$140,874,218.01	\$69,497,054.99	66.96%
Sabine Pass Restoration Program (SPRP)	\$12,000,000.00	\$8,322,748.17	\$3,677,251.83	69.36%
Rental Housing Stock Restoration Program (RHSRP)	\$82,779,333.00	\$68,457,546.29	\$14,321,786.71	82.70%
City of Houston	\$41,500,000.00	\$32,134,398.28	\$9,365,601.72	77.43%
Harris County	\$20,000,000.00	\$11,335,929.89	\$8,664,070.11	56.68%
Restoration of Critical Infrastructure Program (TDRA)	\$42,000,000.00	\$29,893,815.76	\$12,106,184.24	71.30%
State Administrative Funds (Admin Funds)	\$19,933,592.00	\$11,196,134.13	\$8,737,457.87	56.34%
	\$428,584,198.00	\$302,300,127.21	\$126,284,070.79	70.53%

Rebuilding Texas: Disaster Recovery from Hurricanes Ike and Dolly

Hurricane Ike and Dolly First Supplemental Appropriation - Public Law 110-329

This appropriation was made available to the State of Texas in two rounds. Under the first round, \$621 million was allocated to housing activities. The Texas Department of Housing and Community Affairs (Department/TDHCA) has awarded \$621,448,377 for housing activities related to CDBG Disaster Recovery Funding in the hurricane impacted areas with reported housing damage. This funding is comprised of \$562,613,464 that has been awarded to 18 Subrecipients and \$58,834,914 for rental set-aside. Under the second round, \$979,495,139 will be the minimum allocated to housing activities. Of second round funds, \$174 million has been approved by HUD for a state-run affordable rental housing set-aside. The balance has been allocated to the four most impacted COGs to determine methods of distribution. The bulk of these funds will not be distributed until the State's analysis of impediments to fair housing choice is updated and the distribution of funds will be informed by that updated analysis.

Summary of Activities as of June 29, 2010

Rental Program

- Over \$59 million has been awarded to 13 multifamily developments in the hurricane impacted area.
- 1,733 rental units are anticipated to be rehabilitated or reconstructed by the Ike awardees; no rental activities were proposed in the Dolly area.

Subrecipient Program

- Subrecipients continue to administer the different activities within the program.
- Subrecipients continue to submit project set-up and draws.

Financial Summary

Subrecipient Awards	Current Budget	Cumulative Expenditures	Balance Remaining	Percentage Expended
City of Galveston	\$160,432,233.00	\$960,890.69	\$159,471,342.31	0.60%
Galveston County	\$99,503,498.00	\$123,809.01	\$99,379,688.99	0.12%
South East Texas Regional Planning Commission	\$95,000,000.00	\$311,202.78	\$94,688,797.22	0.33%
City of Houston	\$87,256,565.00	\$8,678,187.48	\$78,578,377.52	9.95%
Harris County	\$56,277,229.00	\$3,621,310.68	\$52,655,918.32	6.43%
Houston-Galveston Area Council of Governments	\$11,076,980.00	\$0.00	\$11,076,980	0.00%
Liberty County	\$8,878,923.00	\$0.00	\$8,878,923	0.00%
Montgomery County	\$6,909,237.00	\$79,622.05	\$6,829,614.95	1.15%
Deep East Texas Council of Governments	\$5,931,070.00	\$33,539.33	\$5,897,530.67	0.57%
Cameron County	\$3,093,750.00	\$0.00	\$3,093,750	0.00%
Hidalgo County	\$2,000,000.00	\$47,951.58	\$1,952,048.42	2.40%
City of Brownsville	\$1,635,318.00	\$0.00	\$1,635,318	0.00%
Fort Bend County	\$1,582,107.00	\$9,069.65	\$1,573,037.35	0.57%
Brazos Valley Affordable Housing Corporation	\$948,930.00	\$0.00	\$948,930	0.00%
Willacy County	\$541,287.00	\$0.00	\$541,287	0.00%
East Texas Council of Governments (ETCOG)	\$415,117.00	\$9,597.64	\$405,519.36	2.31%
City of Mission	\$209,638.00	\$812.80	\$208,825.20	0.39%
Chambers County	\$20,921,582.00	\$0.00	\$20,921,582	0.00%
Total:	\$562,613,464.00	\$13,875,993.69	\$548,737,470.31	2.89%

Emergency Housing Programs

FEMA Alternative Housing Pilot Program

The Disaster Recovery Division is responsible for administration of the Federal Emergency Management Agency (FEMA) award of \$16,471,725 for the Alternative Housing Pilot Program (AHPP). The purpose of the AHPP is multi-faceted, including testing alternative housing types that can be quickly constructed in areas of disaster, exploring housing types that are readily accepted in communities, and testing the energy efficiency components. The AHPP program provides assistance to those with on-going housing needs due to Hurricane Katrina or Rita. A one-time exemption to the Stafford Act, AHPP permits the use of FEMA funding to study alternatives 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.

On July 31, 2009, TDHCA issued a notice of contract termination to the Heston Group for failure to provide sufficient responses to the requests outlined in the default notices issued on May 12, 2009 and June 25, 2009. The Department is currently working with the Heston Group as well as with their legal representation to build a transition to close out the contract. As a result of the contract termination, the Department has posted a Request for Proposal (RFP) for a contractor to complete the remaining portion of the program. The response deadline for the RFP was March 1, 2010 in order to allow more time to coordinate with the City of Houston (the City) with regard to the logistics of the group site.

Following an extended negotiation and planning period with the City, the City and TDHCA have decided not to pursue the group site application of AHPP any further due to the difficulty the City has encountered with locating the funding necessary for the currently approved group site.

Due to the difficulty encountered with the City's group site and the decision to remove the City from the program, the previously posted Request for Proposals (RFP) to solicit the participation of a replacement contractor for the Heston Group to install the AHPP units on the group site has been cancelled.

TDHCA staff held a conference call with FEMA HQ on Tuesday, June 8, 2010 to discuss next steps for the program in light of the decision made regarding the Houston group site. FEMA and TDHCA both agreed that it would be appropriate at this point to begin grant close out activities, bringing to an end the Houston group site planning and the Texas AHPP as a whole.

ORAL PRESENTATION