SUPPLEMENTAL BOARD BOOK OF DECEMBER 15, 2016

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
BOARD MEETING

A G E N D A
9:00 AM
December 15, 2016

John H. Reagan Building
JHR 140, 105 W 15th Street
Austin, Texas

CALL TO ORDER
ROLL CALL — **J. Paul Oxer, Chairman**
CERTIFICATION OF QUORUM

Pledge of Allegiance - ***I pledge allegiance to the flag of the United States of America, and to the republic for which it stands, one nation under God, indivisible, with liberty and justice for all.***

Texas Allegiance - ***Honor the Texas flag; I pledge allegiance to thee, Texas, one state under God, one and indivisible.***

Resolution Commemorating and Recognizing December 15, 2016, as *Homeless Persons' Memorial Day in Texas*

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. Action may be taken on any item on this agenda, regardless of how designated.

ITEM 1: APPROVAL OF THE FOLLOWING ITEMS PRESENTED IN THE BOARD MATERIALS:

LEGAL

a) Presentation, Discussion, and Possible Action regarding the adoption of an Agreed Final Order concerning Gateway Apartments (HTC 94094 / CMTS 1246) — **Jeff Pender**, Deputy General Counsel

COMMUNITY AFFAIRS — **Michael DeYoung**, Director

b) Presentation, Discussion, and Possible Action regarding Program Year ("PY") 2017 allocations for Community Services Block Grant Awards
c) Presentation, Discussion, and Possible Action regarding approval to Authorize 2017 CEAP and WAP Contracts, and Approve as a new CSBG Eligible Entity to Brazos Valley Community Action Programs
d) Presentation, Discussion, and Possible Action on Revised 2017 Section 8 Payment Standards for the Housing Choice Voucher Program ("HCVP") for Certain Counties

HOUSING RESOURCE CENTER

e) Presentation, Discussion, and Possible Action on the draft 2017 State of Texas Low Income Housing Plan and Annual Report, to be published in the *Texas Register* for public comment — **Elizabeth Yevich**, Director

SINGLE FAMILY OPERATIONS AND SERVICES

f) Presentation, Discussion, and Possible Action on a Memorandum of Understanding ("MOU") between the Texas Department of Housing and Community Affairs ("TDHCA") and the Texas Department of Agriculture ("TDA") regarding the management of Community Development Block Grant ("CDBG") funds for the Colonia Self-Help Center ("CSHC") Program — **Homero Cabello**, Director

g) Presentation, Discussion, and Possible Action on Colonia Self-Help Center ("Colonia SHC") Program Award to Cameron County in accordance with Tex. Gov't Code §2306.582 through Community Development Block Grant ("CDBG") Funding

ASSET MANAGEMENT

Raquel Morales
Director

h) Presentation, Discussion and Possible Action regarding Material Amendments to the Housing Tax Credit Land Use Restriction Agreement

95120	Park Yellowstone Townhomes	Houston
97139	Bent Oaks Apartments	Hitchcock
99003	Fairmont Oaks Apartments	La Porte
99029	Rancho del Cielo, Phase II	Brownsville
99086	Park Vista Townhomes	Watauga
00022	Almeda Park Apartments	Houston
02011	Live Oak Village	Aransas Pass
04101	Pleasant Hill Apartments	Austin
04107	Whitefield Place Apartments	San Antonio
04108	Tamarac Pines Apartments	The Woodlands
05044	Copperwood Apartments	The Woodlands
08200	Ingram Square Apartments	San Antonio
060040	San Jose Apartments	San Antonio

i) Presentation, Discussion and Possible Action regarding Material Amendments to the Housing Tax Credit Application

12152	Eastside Crossings	El Paso
14036	La Esperanza De Alton	Alton
15028	Lometa Pointe	Lampasas

j) Presentation, Discussion and Possible Action regarding Placed in Service Deadline Extensions

14054	Whispering Oaks	West Orange
14070	Lakeline Station	Austin
14088	Mariposa at Spring Hollow	Saginaw

MULTIFAMILY FINANCE

Marni Holloway
Director

k) Presentation, Discussion, and Possible Action on the Re-issuance of Determination Notice for Housing Tax Credits with another Issuer

15409	Pleasant Hill Village Apartments	Houston

l) Presentation, Discussion, and Possible Action on Determination Notices for Housing Tax Credits with another Issuer

16429	The Pointe at Crestmont	Houston
16442	Independence Heights	Houston
16433	Housing First Oak Springs	Austin
16444	Alton Park	Fort Worth

m) Presentation, Discussion, and Possible Action on Inducement Resolution No. 17-009 for Multifamily Housing Revenue Bonds Regarding Authorization for Filing Applications for Private Activity Bond Authority on the 2016 Waiting List for Washington Avenue Apartments

BOND FINANCE

Monica Galuski
Director

n) Presentation, Discussion, and Possible Action regarding Resolution No. 17-010 authorizing the filing of an application for allocation with the Texas Bond Review Board with respect to qualified mortgage bonds; authorizing the implementation of Texas Department of Housing and Community Affairs Mortgage Credit Certificate Program 86; approving the form and substance of the program manual and the program summary; authorizing the execution of documents and instruments necessary or convenient to carry out Mortgage Credit Certificate Program 86; and containing other provisions relating to the subject

RULES

o) Presentation, Discussion, and Possible Action on proposed amendments to 10 TAC Chapter 1, Subchapter A, General Policies and Procedures §1.23 concerning State of Texas Low Income Housing Plan and Annual Report and directing their publication for public comment in the *Texas Register* — **Elizabeth Yevich**, Director, Housing Resource Center

p) Presentation, Discussion, and Possible Action on: first, an order adopting the repeal of 10 TAC Chapter 21, Minimum Energy Efficiency Requirements for Single Family Construction Activities; and, second, an order adopting new 10 TAC Chapter 21, Minimum Energy Efficiency Requirements for Single Family Construction Activities and directing that these be published in the *Texas Register* — **Homero Cabello**, Director, SF Operations and Services

q) Presentation, Discussion, and Possible Action on an order adopting the repeal of 10 TAC Chapter 12, concerning the Multifamily Housing Revenue Bond Rules, and an order adopting new 10 TAC Chapter 12, concerning the Multifamily Housing Revenue Bond Rules, and directing its publication in the *Texas Register* — **Marni Holloway**, Director, MF Finance

r) Presentation, Discussion, and Possible Actions on: first, an order adopting amendments to 10 TAC Chapter 1 Administration, Subchapter B, §1.201 (concerning Purpose), §1.202 (concerning Definitions), §1.203 (concerning General Certifications and Effect of Non Compliance, §1.204 (concerning Reasonable Accommodations), §1.205 (concerning Compliance with the Fair Housing Act), and §1.206 (concerning Applicability of the Construction Standards for Compliance with §504 of the Rehabilitation Act of 1978); and, second, an order adopting the repeal of §1.208 (concerning Public and Common Use Areas in Multifamily Developments) and §1.211 (concerning Additions of Units to Existing Multifamily Housing Developments), and directing that these be published in the *Texas Register* — **Stephanie Naquin**, Director, MF Compliance

CONSENT AGENDA REPORT ITEMS

ITEM 2: THE BOARD ACCEPTS THE FOLLOWING REPORTS:

a) TDHCA Outreach Activities, October-November 2016 — **Michael Lyttle**, Chief, External Affairs

b) Report on Department's Fair Housing Activities — **Suzanne Hemphill**, Fair Housing Project Mgr

c) Report on the Draft Computation of Housing Finance Division Total and Unencumbered Fund Balances and Transfers to the Housing Trust Fund — **Ernie Palacios**, Director, Financial Administration

d) Report Regarding Status of Placement in Service for Competitive Housing Tax Credit ("HTC") Application #14130, Tays — **Raquel Morales**, Director, Asset Mgmt

e) Report on status of Application #16049, Bishop Courts — **Marni Holloway**, Director, MF Finance

ACTION ITEMS

ITEM 3: REPORTS

a) Report and discussion regarding recent developments in the Tax Credit Investment Market — **Timothy K. Irvine**, Executive Director

b) Report regarding submission to the Texas Legislature of the legislatively required reports on Homelessness among Veterans in Texas and Youth Homelessness in Texas — **Michael Lyttle**, Chief, External Affairs

ITEM 4: BOND FINANCE

a) Presentation, Discussion, and Possible Action on Resolution No. 17-011 approving increase in authorization for Taxable Mortgage Purchase Program; authorizing the execution of documents and instruments relating to the foregoing; and containing other provisions relating to the subject — **Monica Galuski**, Director

b) Presentation, Discussion, and Possible Action on Resolution No. 17-012 approving increases in the maximum amount of outstanding advances under Advances and Security Agreement with Federal Home Loan Bank of Dallas and maximum amount on deposit in escrow to secure such advances; authorizing the execution of documents and instruments relating thereto; making certain findings and determinations in connection therewith; and containing other provisions relating to the subject

ITEM 5: HOME AND HOMELESS PROGRAMS

a) Presentation, Discussion, and Possible Action on Conditional Emergency Solutions Grants ("ESG") Awards for Continuum of Care ("CoC") Lead Agencies to Perform an ESG Local Competition Program — **Jennifer Molinari**, Director

b) Presentation, Discussion, and Possible Action Regarding Authorization to Release a Notice of Funding Availability ("NOFA") for Fiscal Year ("FY") 2017 and 2018 Emergency Solutions Grants ("ESG") Program

ITEM 6: RULES

a) Presentation, Discussion and Possible Action on order adopting the repeal of 10 TAC Chapter 10 Subchapter E concerning Post Award and Asset Management Requirements and an order adopting new 10 TAC Chapter 10 Subchapter E concerning Post Award and Asset Management Requirements and directing its publication in the *Texas Register* — **Raquel Morales**, Director, Asset Mgmt

b) Presentation, Discussion and Possible Action on order adopting the new 10 TAC Chapter 13 concerning Multifamily Direct Loan Program and directing its publication in the *Texas Register* — **Marni Holloway**, Director, MF Finance

Item 7: MULTIFAMILY FINANCE

a) Presentation, Discussion, and Possible Action on appeal of denial of carryover for Housing Tax Credit ("HTC") application for Abbington Place (HTC #16018) — **Marni Holloway**, Director

b) Presentation, Discussion, and Possible Action regarding a material amendment to the Housing Tax Credit ("HTC") Application for Abbington Place (HTC #16018)

c) Presentation, Discussion and Possible Action on the 2017-1 Multifamily Direct Loan Program Notice of Funding Availability and directing its publication in the *Texas Register*

PUBLIC COMMENT ON MATTERS OTHER THAN ITEMS FOR WHICH THERE WERE POSTED AGENDA ITEMS

EXECUTIVE SESSION

The Board may go into Executive Session (close its meeting to the public): — **J. Paul Oxer**, 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 §551.071(1) to seek the advice of its attorney about pending or contemplated litigation or a settlement offer;
3. 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 Tex. Gov't Code Chapter 551; including seeking legal advice in connection with a posted agenda item;
4. 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; and/or
5. Pursuant to Tex. Gov't Code §2306.039(c) the Department's internal auditor, fraud prevention coordinator or ethics advisor may meet in an executive session of the Board to discuss issues related to fraud, waste or abuse.

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.

ADJOURN

To access this agenda and details on each agenda item in the board book, please visit our website at www.tdhca.state.tx.us or contact Michael Lyttle, 512-475-4542, TDHCA, 221 East 11th Street, Austin, Texas 78701, and request the information.

If you would like to follow actions taken by the Governing Board during this meeting, please follow TDHCA account (@tdhca) on Twitter.

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 three (3) days before the meeting so that appropriate arrangements can be made.

Non-English speaking individuals who require interpreters for this meeting should contact Elena Peinado, 512-475-3814, at least three (3) days before the meeting so that appropriate arrangements can be made.

Personas que hablan español y requieren un intérprete, favor de llamar a Elena Peinado al siguiente número 512-475-3814 por lo menos tres días antes de la junta para hacer los preparativos apropiados.

NOTICE AS TO HANDGUN PROHIBITION DURING THE OPEN MEETING OF A GOVERNMENTAL ENTITY IN THIS ROOM ON THIS DATE:

Pursuant to Section 30.06, Penal Code (trespass by license holder with a concealed handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a concealed handgun.

De acuerdo con la sección 30.06 del código penal (ingreso sin autorización de un titular de una licencia con una pistola oculta), una persona con licencia según el subcapítulo h, capítulo 411, código del gobierno (ley sobre licencias para portar pistolas), no puede ingresar a esta propiedad con una pistola oculta.

Pursuant to Section 30.07, Penal Code (trespass by license holder with an openly carried handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a handgun that is carried openly.

De acuerdo con la sección 30.07 del código penal (ingreso sin autorización de un titular de una licencia con una pistola a la vista), una persona con licencia según el subcapítulo h, capítulo 411, código del gobierno (ley sobre licencias para portar pistolas), no puede ingresar a esta propiedad con una pistola a la vista.

NONE OF THESE RESTRICTIONS EXTEND BEYOND THIS ROOM ON THIS DATE AND DURING THE MEETING OF THE GOVERNING BOARD OF THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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BOARD ACTION REQUEST MULTIFAMILY FINANCE DIVISION DECEMBER 15, 2016

Presentation, Discussion, and Possible Action on Determination Notices for Housing Tax Credits with another Issuer (#16429 The Pointe at Crestmont, Houston)

RECOMMENDED ACTION

WHEREAS, a 4% Housing Tax Credit application for The Pointe at Crestmont, sponsored by LDG Multifamily, LLC, was submitted to the Department on June 24, 2016;

WHEREAS, the Certification of Reservation from the Texas Bond Review Board was issued on November 15, 2016, and will expire on April 14, 2017;

WHEREAS, the proposed issuer of the bonds is the Houston Housing Finance Corporation;

WHEREAS, there are undesirable neighborhood characteristics associated with the proposed development site that include the following: the site is located in a census tract and within 1,000 feet of a census tract in an urban area where the Part I violent crime rate exceeds 18 per 1,000 persons annually according to NeighborhoodScout; the middle and high school located in the attendance zone of the proposed development did not achieve a 2015 Met Standard rating by the Texas Education Agency ("TEA"); and the development site is within 1,000 feet of blight;

WHEREAS, in light of significant evidence and testimony presented Board action on November 10, 2016, rendered the development site eligible despite the presence of these undesirable neighborhood characteristics; and

WHEREAS, in accordance with 10 TAC §1.301(d)(1), the compliance history is designated as a Category 3 Portfolio and deemed acceptable by Executive Award and Review Advisory Committee ("EARAC") after review and discussion;

NOW, therefore, it is hereby

RESOLVED, that the issuance of a Determination Notice of $1,102,799 in 4% Housing Tax Credits, subject to underwriting conditions that may be applicable as found in the Real Estate Analysis report posted to the Department's website for The Pointe at Crestmont is hereby approved as presented to this meeting.

BACKGROUND

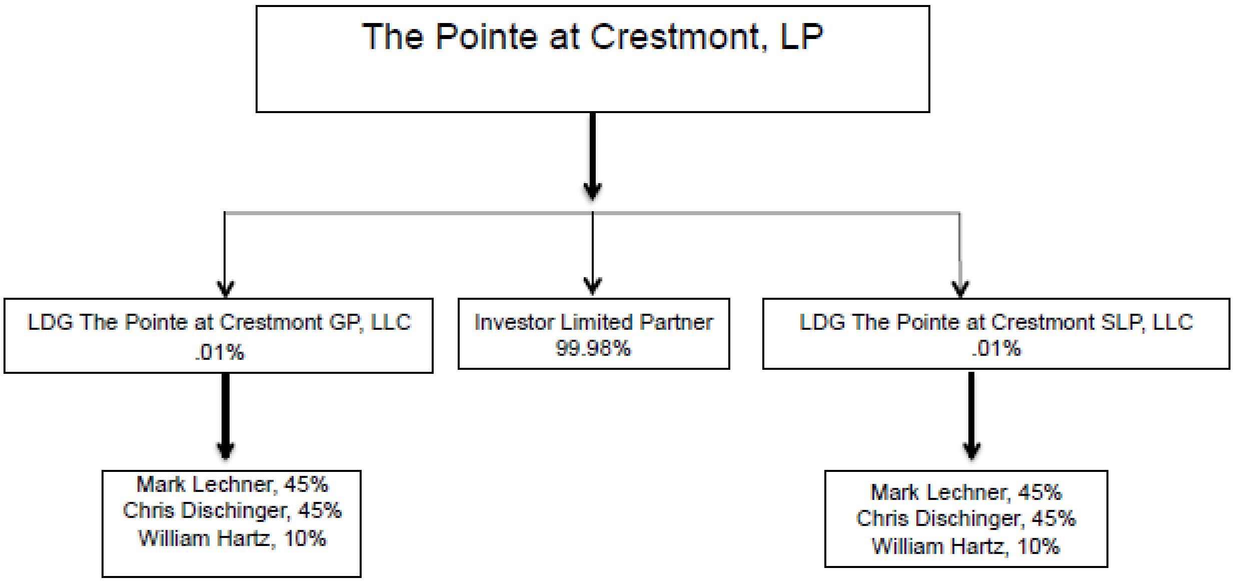
General Information: The Pointe at Crestmont, proposed to be located at 5602 Selinsky Road, Houston, Harris County, proposes the new construction of 192 units, of which 10 will be rent and income restricted at 50% of Area Median Family Income ("AMFI") and the remaining 182 will be rent and income restricted at 60%

of AMFI. The development is located in an area that does not have a zoning ordinance and will serve the general population. Currently, the development location is the site of an abandoned 308-unit multifamily complex that, according to the applicant, was damaged by Hurricane Ike in 2008 and will be demolished as part of the proposed development plan. The census tract (3316.02) has a median household income of $22,416, is in the fourth quartile, and has a poverty rate of 31%.

Organizational Structure: The Borrower is The Point at Crestmont, LP, and includes the entities and principals as illustrated in Exhibit A. The applicant's portfolio is considered a Category 3 and the previous participation was deemed acceptable by EARAC on December 7, 2016, after review and discussion. EARAC also reviewed the proposed financing and the underwriting report and recommends issuance of a Determination Notice.

Public Comment: The Department received a letter of support from Bethel Missionary Baptist Church and from the Crestmont Park Civic Association. No letters of opposition have been received.

EXHIBIT A


The Pointe at Crestmont, LP
LDG The Pointe at Crestmont GP, LLC
.01%
Investor Limited Partner
99.98%
LDG The Pointe at Crestmont SLP, LLC
.01%
Mark Lechner, 45%
Chris Dischinger, 45%
William Hartz, 10%
Mark Lechner, 45%
Chris Dischinger, 45%
William Hartz, 10%

APPLICATION SUMMARY

REAL ESTATE ANALYSIS DIVISION
December 8, 2016

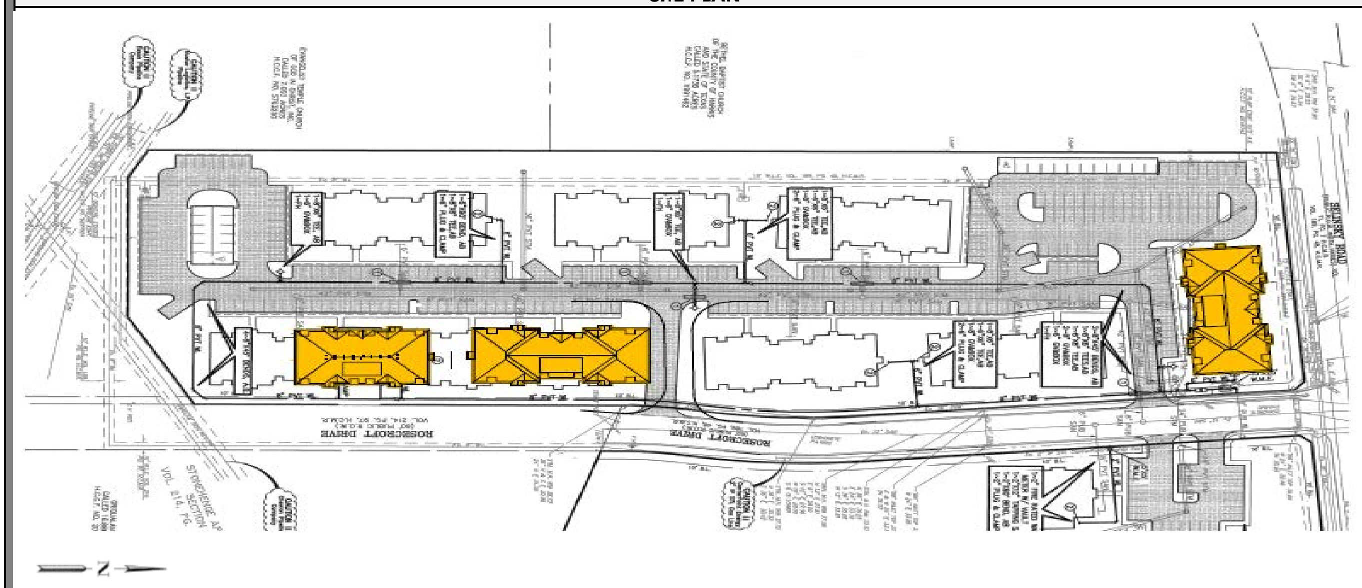
PROPERTY IDENTIFICATION	
Application #	16429
Development	Pointe at Crestmont
City / County	Houston / Harris
Region/Area	6 / Urban
Population	General
Set-Aside	General
Activity	New Construction

RECOMMENDATION				
TDHCA Program	**Request**	**Approved**		
LIHTC (4% Credit)	$1,102,799	$1,102,799	$5,744/Unit	$1.07
	Amount	**Rate**	**Amort**	**Term** / **Lien**
Private Activity Bonds				
MDLP (Repayable)				
MDLP (Non-Repayable)				
CHDO Expenses				

KEY PRINCIPAL / SPONSOR		
General Partner(s)		
LDG The Pointe at Crestmont, GP,LLC		
Mark Lechner, Chris Dischinger, William Hartz		
Developer(s)		
LDG Multifamily, LLC		
Mark Lechner, Chris Dischinger, William Hartz		
Related-Parties	Contractor - Yes	Seller - No

TYPICAL BUILDING ELEVATION/PHOTO

SITE PLAN



UNIT DISTRIBUTION			INCOME DISTRIBUTION		
# Beds	**# Units**	**% Total**	**Income**	**# Units**	**% Total**
Eff	-	0%	30%	-	0%
1	24	13%	40%	-	0%
2	84	44%	50%	10	5%
3	84	44%	60%	182	95%
4	-	0%	MR	-	
TOTAL	192	100%	TOTAL	192	100%

PRO FORMA FEASIBILITY INDICATORS

Pro Forma Underwritten		Applicant's Pro Forma	
Debt Coverage	1.18	**Expense Ratio**	48.9%
Breakeven Occ.	85.2%	**Breakeven Rent**	$774
Average Rent	$842	**B/E Rent Margin**	$68
Property Taxes	$850/unit	**Exemption/PILOT**	0%
Total Expense	$4,682/unit	**Controllable**	$2,666/unit

MARKET FEASIBILITY INDICATORS

Gross Capture Rate (10% Maximum)	6.5%		
Highest Unit Capture Rate	28%	3 BR/60%	81
Dominant Unit Cap. Rate	22%	2 BR/60%	81
Premiums (↑60% Rents)			
Rent Assisted Units	N/A		

DEVELOPMENT COST SUMMARY

Costs Underwritten	Applicant's Costs		
Avg. Unit Size	1,079 SF	**Density**	18.4/acre
Acquisition		$10K/unit	$1,872K
Building Cost	$71.32/SF	$77K/unit	$14,774K
Hard Cost		$101K/unit	$19,360K
Total Cost		$171K/unit	$32,797K
Developer Fee	$3,799K	(75% Deferred)	Paid Year: 14
Contractor Fee	$2,712K	**30% Boost**	Yes

DEBT (Must Pay)				
Source	Term	Rate	Amount	DCR
Citibank, N.A.	15/35	4.62%	$13,167,160	1.18
TOTAL DEBT (Must Pay)			$13,167,160	

CASH FLOW DEBT / GRANT FUNDS				
Source	Term	Rate	Amount	DCR
City of Houston - CDBG Funds	30/0	0.00%	$3,404,932	1.18
City of Houston - TIRZ Funds	30/0	0.00%	$1,595,068	1.18
CASH FLOW DEBT / GRANTS			$5,000,000	

EQUITY / DEFERRED FEES	
Source	Amount
Enterprise	$11,797,585
TOTAL EQUITY SOURCES	$14,630,032
TOTAL DEBT SOURCES	$18,167,160
TOTAL CAPITALIZATION	$32,797,192

CONDITIONS

- Receipt and acceptance by Cost Certification:
  - a: Certification from a "qualified pipeline compliance consultant" that the property has been designed and constructed in accordance with the best practices for development of residential property that is near or on pipelines as is recommended by the Pipelines and Informed Planning Alliance ("PIPA").
  - b: Documentation that an asbestos survey and lead based paint survey has been completed prior to demolition of the existing apartment development located on the site, and that testing for lead in the drinking water has been conducted if any portion of the existing plumbing is to be used in the new development.
  - c: Documentation that appropriate noise mitigation has been incorporated into the development to bring the calculated noise value within an acceptable level of HUD guidelines.
  - d: Attorney opinion which confirms that the CDBG funds are considered to be valid debt that will be repaid in full and should not be deducted from eligible basis.

Should any terms of the proposed capital structure change or if there are material changes to the overall development plan or costs, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds may be warranted.

BOND RESERVATION / ISSUER	
Issuer	Houston HFC
Expiration Date	4/14/2017
Bond Amount	$20,000,000
BRB Priority	Priority 3
Expected Close	12/22/2016
Bond Structure	Private Placement

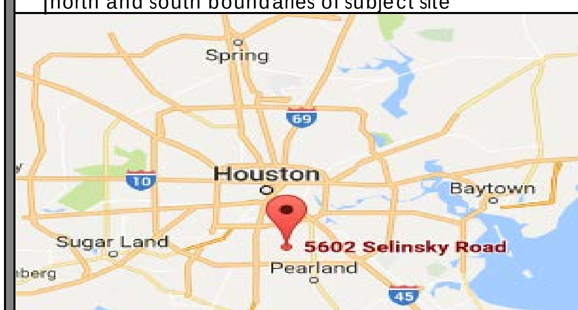
RISK PROFILE

STRENGTHS/MITIGATING FACTORS

- Experienced Developer
- Low Gross Capture Rate
- Good overall feasibility indicators

WEAKNESSES/RISKS

- Several pipelines including two transporting Highly Volatile Liquids (HVL) are located adjacent to the north and south boundaries of subject site



AERIAL PHOTOGRAPH(s)

Bethel
INSTITUTIONAL MISSIONARY BAPTIST CHURCH
"A Place of Salvation, Restoration, and Rejuvenation"

**O` come, let us worship and bow down,
Let us kneel before the Lord Our God.
For He is our God and we are the people of
His pasture and the sheep of His hand,
O` that today you would listen to His Voice.
Psalm 95:7 & 8a**

Mayor Sylvester Turner
City of Houston
901 Bagby St.
Houston, TX 77002

Re: Pointe at Crestmont Apartments (5602 Selinsky Rd, Houston, TX)

Mayor Turner,

I am writing this letter to express my support for the proposed Pointe at Crestmont Apartments, a multifamily development that will be located on a tract of land immediately adjacent to the church campus of Bethel Institutional Missionary Baptist Church. The site is currently occupied by the West Crestmont Apartments, and this development will tear-down the existing dilapidated structures, and replace it with new apartments to be financed utilizing housing tax credits and private financing. Demolition of the West Crestmont Apartments will be a welcome relief for a property that has fallen into significant disrepair and become a blight in the community. Reconstruction of the property as new apartments will provide much needed quality housing for residents in the surrounding areas, will offer a modern affordable living option for eligible residents, and will bring significant financial investment to the South Acres community.

Sincerely,

Dr. Murphy D. Simon, Jr.

Reverend Murphy D. Simon, Jr.
Bethel Institutional Missionary Baptist Church

****

Rev. Dr. Murphy D. Simon, Jr., DMin.

5530 Selinsky RD - Houston, TX 77048

Ph: 713-738-1890 - www.bethelworship.org - Fax: 713-738-6826

UNITY

SERVICE COMMUNITY

CRESTMONT PARK CIVIC ASSOCIATION

P. O. BOX 331742
HOUSTON, TEXAS 77233-1742
713-239-4505

September 27, 2016

Tim Irvine, Executive Director
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, TX 78711-3941

Re: Letter of Support - Pointe at Crestmont Project

Dear Mr. Irvine:

The Crestmont Park Civic Association supports the proposed affordable housing development planned by LDG Multifamily, LLC ("LDG") at 5602 Selinsky. The Pointe at Crestmont ("PAC") will provide much needed new quality housing for families in our area. In the last few years we have seen numerous new public and private developments such as new single family housing developments, new small businesses, and rebuild schools transform our community. The new proposed PAC unit will connect via walkable sidewalks to the newly rebuilt Sterling Aviation High School, and the soon to be renovated Codwell Elementary school. Additional, the City of Houston has started several ReBuild Houston projects to rebuild and improve drainage and street infrastructure in our area.

PAC will also be conveniently located on the city's METRO bus line, which will provide the residents safe clean affordable transportation throughout the region. Two years ago we partnered with the Houston Police department and created a neighborhood crime prevention watch group (Citizens on Patrol) in an effort to reduce crime. Our community redevelopment efforts have largely been successful due to the support and the close working relationship we have developed with our district councilmember, Dwight Boykins,. We strongly believe PAC will be a positive catalyst in advancing revitalization of our community for many years to come.

Sincerely,

Charles Cave

Charles Cave, President
Crestmont Park Civic Association

BOARD ACTION REQUEST

MULTIFAMILY FINANCE DIVISION

DECEMBER 15, 2016

Presentation, Discussion, and Possible Action on a Determination Notice for Housing Tax Credits with another Issuer (#16442 Independence Heights Apartments, Houston)

RECOMMENDED ACTION

WHEREAS, a 4% Housing Tax Credit application for Independence Heights Apartments, sponsored by the Houston Housing Authority, was submitted to the Department on August 26, 2016;

WHEREAS, in lieu of a Certification of Reservation, a Carryforward Designation Certificate was issued by the Texas Bond Review Board on January 16, 2015, and will expire on December 31, 2017;

WHEREAS, the proposed issuer of the bonds is the Victory Street Public Facility Corporation;

WHEREAS, the applicant has requested and staff recommends a waiver under 10 Texas Administrative Code ("TAC") §10.207 relating to whether one and one-half bath units constitute a different unit type from that of one bath units under the definition of Unit Type in 10 TAC §10.3(139);

WHEREAS, in accordance with 10 TAC §1.301(d)(1), the compliance history is designated as an Extra Large Portfolio Category 3 and deemed acceptable by the Executive Award and Review Advisory Committee ("EARAC") after review and discussion; and

WHEREAS, EARAC recommends the issuance of the Determination Notice with the condition that closing occur within 120 days (on or before April 15, 2017).

NOW, therefore, it is hereby

RESOLVED, that the issuance of a Determination Notice of $1,223,581 in 4% Housing Tax Credits, subject to underwriting conditions that may be applicable as found in the Real Estate Analysis report posted to the Department's website for Independence Heights Apartments is hereby approved as presented to this meeting; and

FURTHER RESOLVED, that provided in the event the Applicant has not closed on the bond financing on or before April 15, 2017, the Board authorizes EARAC to approve or deny extension of the Determination Notice date subject to an updated previous participation review, if necessary.

BACKGROUND

General Information: Independence Heights Apartments, proposed to be located at 302 Crosstimbers Street in Houston, Harris County, involves the new construction of 154 units, 118 of which will be rent and income restricted at 60% of Area Median Family Income ("AMFI") and the remaining 36 units will be rent and income restricted at 30% AMFI. The proposed development will serve a general population in the City of Houston. There is no zoning ordinance in the City of Houston. The census tract (5304.00) has a median household income of $22,199, is in the fourth quartile, and has a poverty rate of 35%.

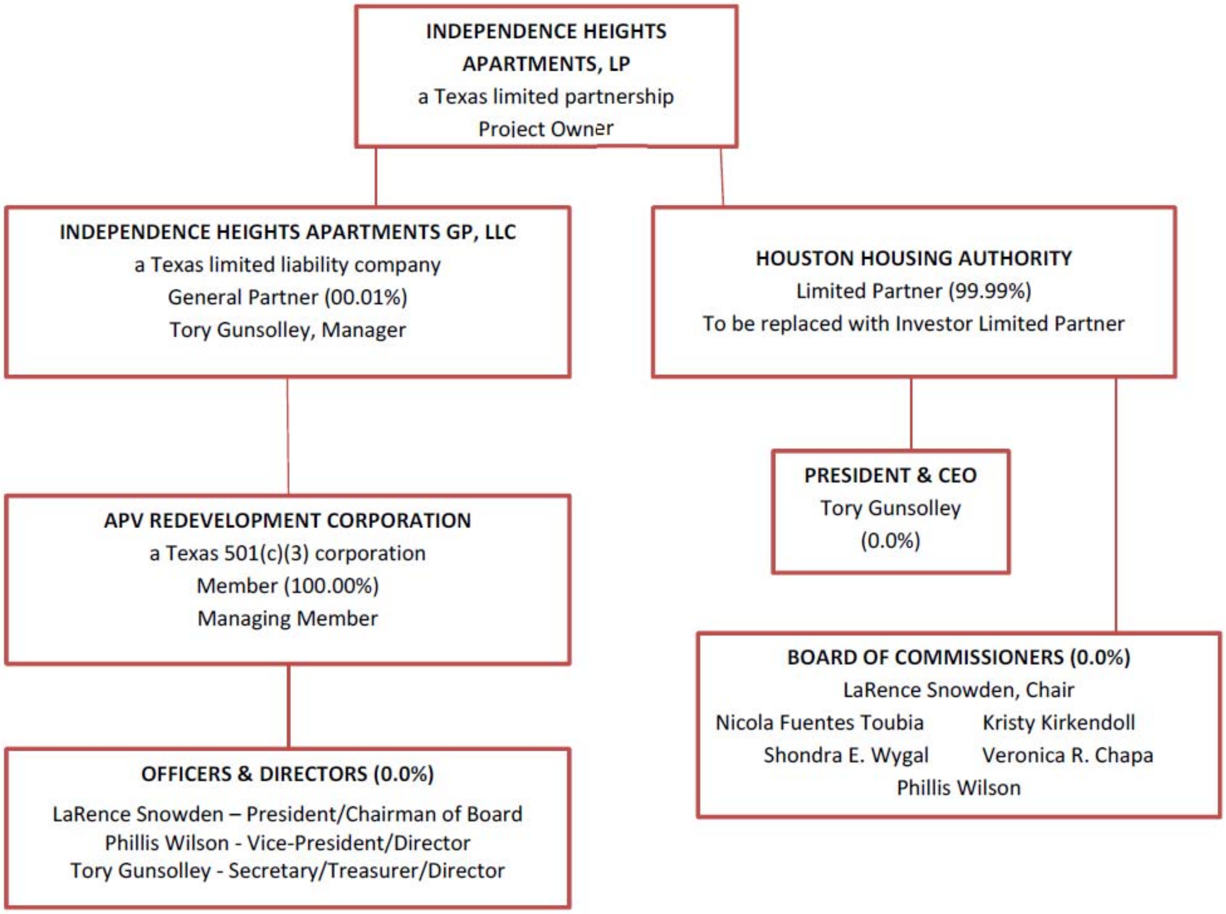
Conditions to Award: EARAC recommended that closing occur no later than April 15, 2017. This 120-day closing condition is generally consistent with the requirements of a bond transaction utilizing non-traditional carryforward. For non-traditional carryforward reservations, a statutory 150-day deadline from the date of the reservation is imposed and the Determination Notice for any associated 4% award expires if closing does not occur within this timeframe or if the financing structure or terms change.

Waiver Request: The waiver relates to the treatment of townhome-style one and one-half bath units under the definition of Unit Type. During staff's review of the application, it was observed that the proportion of the distribution of accessible units across the Unit Types did not meet the Department's accessibility requirements. The applicant is requesting a waiver of the definition of Unit Type, as defined in §10.3(139) in the 2016 Uniform Multifamily Rules, which describes a variation in the number of bathrooms as creating a different unit type. While the language in the definition may imply that one and one-half bathroom units constitute a different Unit Type from a one bathroom, there has been discussion before the Board this year over this concept where the Board expressed for a prior application that half-baths do not constitute a "bathroom" for the purpose of determining unit type. In response to prior discussions and Board action, staff proposed in the 2017 Uniform Multifamily Rules (adopted by the Board on November 10, 2016) a modification to the definition for Unit Type that clarifies that an additional half-bath does not constitute a different unit type. It is for this reason that staff recommends this waiver be granted.

Organizational Structure and Previous Participation: The Borrower is Independence Heights Apartments, L.P. and includes the entities and principals as illustrated in Exhibit A. The applicant's portfolio is considered an Extra Large Category 3 and the previous participation was deemed acceptable by the EARAC on December 12, 2016 after review and discussion. EARAC also reviewed the proposed financing and the underwriting report, and recommends issuance of a Determination Notice.

Public Comment: A letter of support was submitted by Yale Street Baptist Church. A letter to the U.S Department of Housing and Urban Development was forwarded to the Department by Texas Appleseed and the Texas Low Income Housing Information Service. The letter and corresponding attachments, included herein for reference, expressed opposition to the process used by the City of Houston to site affordable developments. As a clarifying note, staff has reviewed some of the information contained in the letter relating to poverty rate and school performance as it relates to the Independence Heights site in the context of the Undesirable Neighborhood Characteristics under 10 TAC §10.101(a)(4). The poverty rate for the census tract containing the proposed development is below the threshold in the rule and the schools within the attendance zone of the proposed development site achieved a Met Standard rating according to the 2015 Texas Education Agency Accountability Ratings.

EXHIBIT A


INDEPENDENCE HEIGHTS APARTMENTS, LP
a Texas limited partnership
Project Owner
INDEPENDENCE HEIGHTS APARTMENTS GP, LLC
a Texas limited liability company
General Partner (00.01%)
Tory Gunsolley, Manager
HOUSTON HOUSING AUTHORITY
Limited Partner (99.99%)
To be replaced with Investor Limited Partner
PRESIDENT & CEO
Tory Gunsolley
(0.0%)
APV REDEVELOPMENT CORPORATION
a Texas 501(c)(3) corporation
Member (100.00%)
Managing Member
BOARD OF COMMISSIONERS (0.0%)
LaRence Snowden, Chair
Nicola Fuentes Toubia
Kristy Kirkendoll
Shondra E. Wygal
Veronica R. Chapa
Phillis Wilson
OFFICERS & DIRECTORS (0.0%)
LaRence Snowden – President/Chairman of Board
Phillis Wilson - Vice-President/Director
Tory Gunsolley - Secretary/Treasurer/Director

APPLICATION SUMMARY

REAL ESTATE ANALYSIS DIVISION
December 8, 2016

PROPERTY IDENTIFICATION	
Application #	16442
Development	Independence Heights
City / County	Houston / Harris
Region/Area	6 / Urban
Population	General
Set-Aside	General
Activity	New Construction

RECOMMENDATION					
TDHCA Program	**Request**	**Approved**			
LIHTC (4% Credit)	$1,275,016	$1,223,581	$7,945/Unit		$1.14
	Amount	**Rate**	**Amort**	**Term**	**Lien**
Private Activity Bonds					
MDLP (Repayable)					
MDLP (Non-Repayable)					
CHDO Expenses					

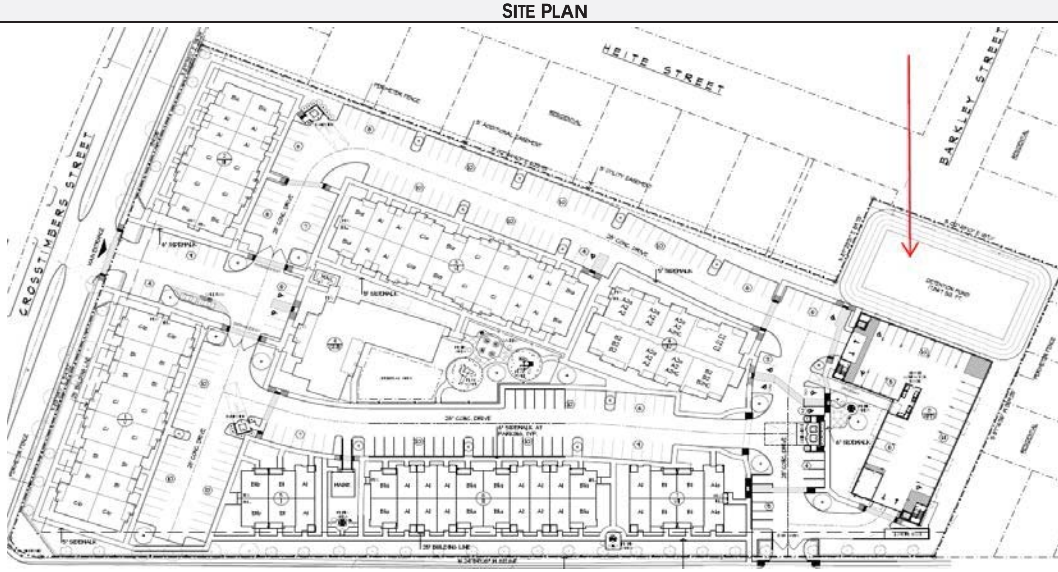
KEY PRINCIPAL(S) / SPONSOR(S)		
ARV Redevelopment Corporation (HHA)		
Tamea Dula (Consultant and Counsel)		
Related-Parties	Contractor - TBD	Seller - Yes

TYPICAL BUILDING ELEVATION/PHOTO

UNIT DISTRIBUTION			INCOME DISTRIBUTION		
# Beds	**# Units**	**% Total**	**Income**	**# Units**	**% Total**
Eff	-	0%	**30%**	36	23%
1	73	47%	**40%**	-	0%
2	56	36%	**50%**	-	0%
3	25	16%	**60%**	118	77%
4	-	0%	**MR**	-	
TOTAL	154	100%	**TOTAL**	154	100%

PRO FORMA FEASIBILITY INDICATORS			
Pro Forma Underwritten		TDHCA's Pro Forma	
Debt Coverage	1.28	**Expense Ratio**	53.3%
Breakeven Occ.	82.0%	**Breakeven Rent**	$566
Average Rent	$641	**B/E Rent Margin**	$75
Property Taxes	Exempt	**Exemption/PILOT**	100%
Total Expense	$4,295/unit	**Controllable**	$3,183/unit

SITE PLAN



MARKET FEASIBILITY INDICATORS			
Gross Capture Rate (10% Maximum)			5.0%
Highest Unit Capture Rate	28%	1 BR/60%	55
Dominant Unit Cap. Rate	28%	1 BR/60%	55
Premiums (↑60% Rents)	N/A		N/A
Rent Assisted Units	36	23% Total Units	

DEVELOPMENT COST SUMMARY			
Costs Underwritten		Applicant's Costs	
Avg. Unit Size	1,080 SF	**Density**	20.7/acre
Acquisition		$00K/unit	$K
Building Cost	$102.29/SF	$110K/unit	$17,010K
Hard Cost		$136K/unit	$20,867K
Total Cost		$213K/unit	$32,748K
Developer Fee	$4,023K	(0% Deferred)	Paid Year: 1
Contractor Fee	$2,986K	**30% Boost**	Yes

DEBT (Must Pay)				
Source	Term	Rate	Amount	DCR
Cap One - Series A Bond	15/30	3.96%	$7,800,000	1.28
TOTAL DEBT (Must Pay)			$7,800,000	

CASH FLOW DEBT / GRANT FUNDS				
Source	Term	Rate	Amount	DCR
HHA Loan (CDBG Funds)	50/0	0.00%	$11,000,000	1.28
GP Equity	0/0	0.00%	$100	1.28
CASH FLOW DEBT / GRANTS			$11,000,100	

EQUITY / DEFERRED FEES	
Source	Amount
Hudson Housing Capital	$13,947,426
TOTAL EQUITY SOURCES	$13,947,426
TOTAL DEBT SOURCES	$18,800,100
TOTAL CAPITALIZATION	$32,747,526

CONDITIONS

1 Receipt and acceptance before Determination Notice:

- An Ammendment to the site control documents that expired on November 30th 2016.

2 Receipt and acceptance by Cost Certification:

- Executed Annual Contributions Contract from HUD for the project's proposed public housing units.

Should any terms of the proposed capital structure change or if there are material changes to the overall development plan or costs, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds may be warranted.

BOND RESERVATION / ISSUER	
Issuer	Victory Street Public Facility Corp.
Expiration Date	12/31/2017
Bond Amount	$24,300,000
BRB Priority	N/A
Expected Close	12/29/2016
Bond Structure	Private Placement

RISK PROFILE

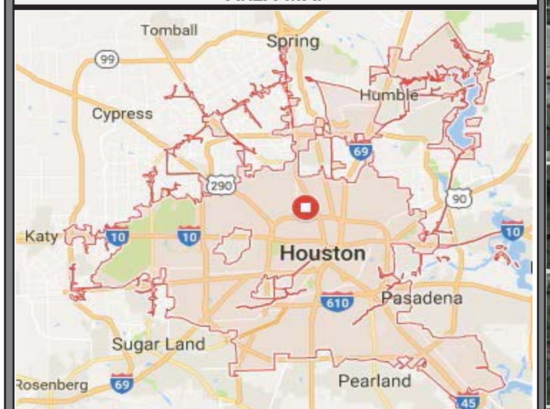
STRENGTHS/MITIGATING FACTORS

- DCR Growth Through Amortization Period
- Long Term Cash Flow
- Low Gross Capture Rate
- Experienced Developer

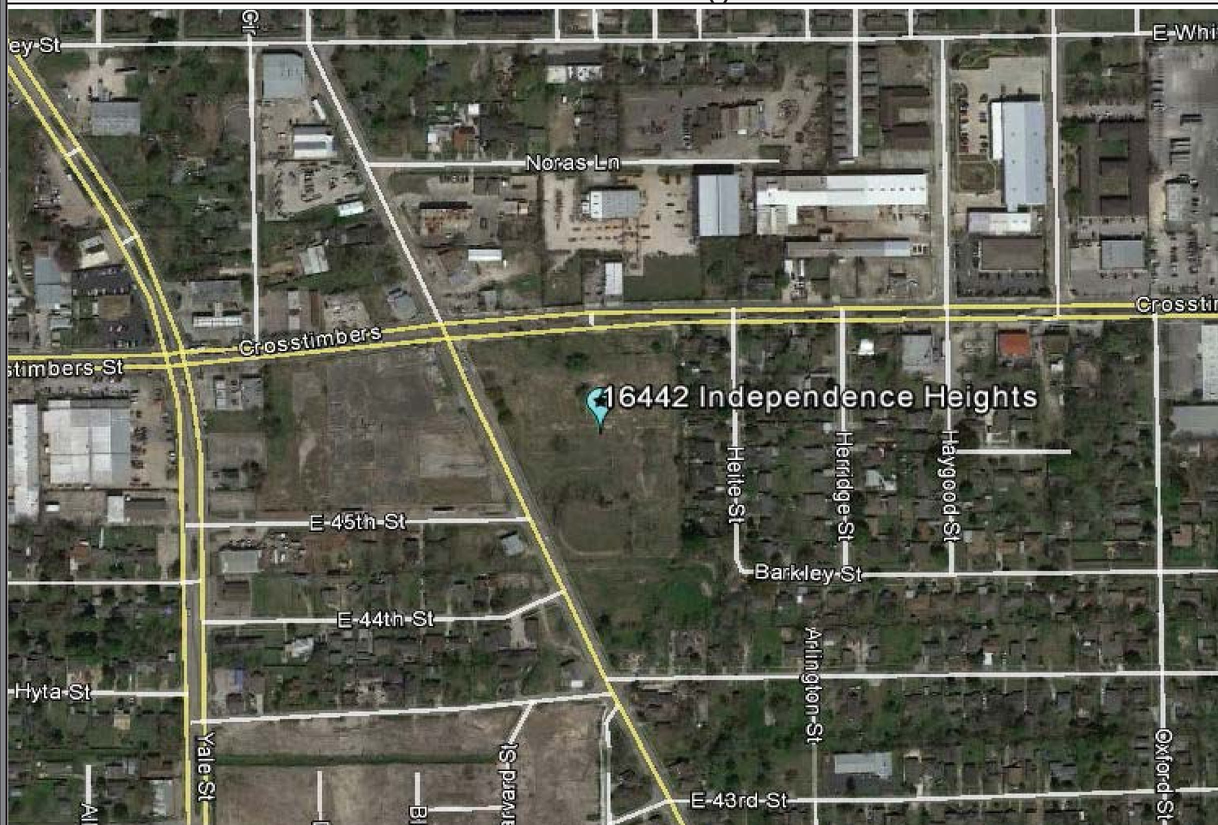
WEAKNESSES/RISKS

- Feasibility Dependent on Tax Exemption

AREA MAP



AERIAL PHOTOGRAPH(s)



16442

YALE STREET BAPTIST CHURCH

May 18, 2015

Tory Gunsolley
Independence Heights Apartments, LP
2640 Fountain View
Houston, Texas 77067

Re: Proposed Redevelopement of Independence Heights Apartments:
Notification Of Neighborhood Organization of Record

Dear Tory Gunsolley,

In reference to your letter dated May 8, 2015 to identify The Yale Street Baptist Church as a neighborhood organization of record, we do hereby verify that we are and that we are located within the boundaries of the proposed site.

We do support community redevelopment and do request to be notified in accordance with TDHCA's rules. We pray for the success of this endeavor and that it will benefit the residents and citizens of this great community maintaining an awareness of its historical past..

With Blessings,

THE YALE STREET BAPTIST CHURCH

Rev. T. Leon Preston, II, Senior Pastor

"Committed to Communicating the Excellency of Knowledge"

4315 Yale Street Houston, Texas 77018 Church:713-697-9858 e-mail: yalestreetbaptist@att.net
WWW.YALESTREETBC.ORG

Texas
APPLESEED

Texas Low Income Housing
Information Service

December 5, 2016

Bryan Greene
General Deputy Assistant Secretary
Fair Housing and Equal Opportunity
U.S. Department of Housing and Urban Development
451 7th Street S.W.
Washington, DC 20410

Garry L. Sweeney
Regional Director, FHEO
801 Cherry Street, Unit #45
Suite 2500
Fort Worth, TX 76102

SUBJECT: Civil Rights Investigation of the City of Houston, Case No. 06-15-R001-6 (Title VI)

Dear Mr. Greene and Mr. Sweeney:

We write regarding HUD's investigation of the City of Houston for possible Title VI and Fair Housing Act violations related to the siting of public and affordable housing in the City. In the face of that investigation, on November 30, 2016, the City of Houston made an additional housing siting decision that continues its pattern and practice of locating affordable housing exclusively in high poverty and racially concentrated areas occupied by people of color, passing a Resolution of No Objection for the Independence Heights Apartments (previously referred to by the Houston Housing Authority and in this letter as "Crosstimbers.") This action is in striking contrast to the City's refusal to bring a similar resolution to City Council for a vote, when the development at issue (Fountainview) was located in a low-poverty primarily White area with good schools.

In the 4% Low-Income Housing Tax Credit (LIHTC) program, under the Texas Qualified Allocation Plan (QAP) and Multifamily Rules, a resolution of non-objection from the local governing jurisdiction is a condition of eligibility for tax credits. We have reattached the map sent as an attachment to our September 28, 2016 letter showing that 4% LIHTC applications that have received a Resolution of No Objection from the Houston City Council from 2014-2016 are located overwhelmingly in areas with minority concentration greater than 50% and poverty rates greater than 20%. (Attachment 1)

The Houston Housing Authority (HHA) initially proposed the Crosstimbers development in 2013 as a proposed use of Community Development Block Grant funds for Disaster Recovery (CDBG-DR). Not only do those funds carry the statutory obligation to comply with civil rights requirements and affirmatively further fair housing attached to all federal housing and community development funds, the City of Houston is specifically obligated under the May 25, 2010 Conciliation Agreement between Texas Appleseed and Texas Low-Income Housing Information Service, the State of Texas, and HUD to rebuild hurricane damaged or destroyed public housing in a manner that affirmatively furthers fair housing.[1]

As HUD's July 3, 2014 Site and Neighborhood review of the site points out, it is in an area of minority concentration, spanning two census tracts with minority populations of 95% and 84% respectively, as well as poverty rates of 40.3% and 37.4%. Census Tract 5304 qualifies as a Racially/Ethnically Concentrated Area of Poverty under HUD's Affirmatively Furthering Fair Housing regulation. (ACS 2007-2011) The current proposal involves only one of these census tracts, Census Tract 5304.

	Poverty	MFI	White	Black	Hispanic
Crosstimbers	38.8%	$23,115	4.7%	46.6%	48.2%
Fountainview	7.0%	$136,012	85.9%	4.2%	6.6%
Houston, City	22.9%	$66,600*	25.6%**	23.7%**	43.8%**

Source: ACS 2010-2014 except: *HUD, Houston Metro MFI 2016 **Census 2010
Fountainview (Census Tract 4313.02)

According to the 2015 Housing Sponsor Report, the average LIHTC development in Houston has a tenant population that is 37.2% Hispanic or Latino and 58.7% Black. Locating this development in a Census Tract that is already minority concentrated further perpetuates segregation in the City of Houston, as opposed to the Fountainview site, which would further integration and deconcentrate poverty.

The contrast between the Crosstimbers and Fountainview sites is also striking in terms of the quality of schools available to neighborhood children:

Crosstimbers	Economically Disadvantaged	Rating
Kennedy Elementary	87%	F
Williams Middle	79%	F
Washington High	69%	F

[1] The City of Houston specifically agreed to the terms of the Conciliation Agreement in its subrecipient contracts with the State of Texas, and in the FHAST form it filled out and submitted as a condition of eligibility for Round 2.2 CDBG-DR funds.

Source: Children at Risk 2016 (http://childrenatrisk.org/content/?page_id=8074)

Fountainview	Economically Disadvantaged	Rating
Briargrove Elementary	27%	A
Grady Middle	49%	A-
Lee High	61%	F

Source: Children at Risk 2016 (http://childrenatrisk.org/content/?page_id=8074)

Overall, children who live in HHA housing have extraordinarily limited access to quality public schools. (Attachment 2) The average poverty rate of census tracts in which HHA public housing is located is 31.5% and these tracts are, on average, 32.4% Black and 45.8% Hispanic or Latino. (2010-2014 ACS) Lower income families in Houston do not have other housing choices.

HHA has repeatedly asserted that Independence Heights "was evaluated and recommended as a development site by the City of Houston's CDBG-DR2 planning study". HUD's Site and Neighborhood review appears to rely on these assertions in determining that the Crosstimbers site met the "overriding need" standard of 24 CFR 909.602(d)(3)(ii). However, City's May 2013 Market Analysis did **not** find that Independence Heights was in this position and did not recommend the area as a site of investment. (Attachment 3)

> *The Independence Heights study area is an aging area of modest structures, many of which are in deteriorated condition, unimpressive commercial development or industrial uses, and vacant lots.* ***Little or no market-rate investment appears to be occurring within the neighborhood itself.*** *While major investment targeting affluent residents is occurring in adjacent areas to the south and west,* ***the City will have to find ways to overcome freeway and land use barriers along with visual deterrents (dilapidated structures, poor visible public infrastructure) if this upward market activity is to leach into the Independence Heights neighborhood. Shepherd and 610 create physical boundaries that are difficult to jump and maintain appraisal value arguments.*** *The reality of what truly is "in the Heights" or "in Garden Oaks" when said to a colleague or friend does matter to owners. Finally, there is a perceived lessening of safety when on the wrong side of these boundaries that will discourage single women or couples from taking a chance on housing in the core area in the foreseeable future.*
>
> *There is very little new apartment construction in the vicinity of the core study area. The Reserve at Garden Oaks is a complete reconstruction of an older apartment property and is asking by far the highest rents in the area. It is still in the lease-up process. Other 1960s-1970s era properties renovated during the 2000's but still offer rents well below $1.00 per square foot.* ***In general, occupancies are not as consistently strong as in other parts of Houston****. (*May 2013 Market Analysis at 154*, emphasis added)*

The City failed to bring forward a Resolution of No Objection on the Fountainview development, on the grounds that the costs were too high. The projected per unit cost of the Fountainview project was $240,000 per unit, while the projected cost of the Crosstimbers project is $226,000 per unit, in an area of the City where land is significantly less expensive. In addition, the City of Houston gave HHA $750,000 of City funds in April 2015 to help acquire the Crosstimbers site; HHA did not request City funds for Fountainview. The assertion that the City of Houston could not support the Fountainview project because of its cost was clearly pretextual.

HUD's July 3, 2014 Site and Neighborhood review also concludes that HHA could not show "comparable [housing] opportunities exist outside areas of minority concentration." A conclusion affirmed not only by data but by the City's own 2015 Analysis of Impediments to Fair Housing Choice. Whether or not the Crosstimbers site, taken in isolation, meets federal civil rights and fair housing standards is at this point irrelevant. Two and a half years ago HUD explicitly warned the City that the development of Crosstimbers must be accompanied by a plan to deconcentrate poverty and "concerted efforts to develop housing in high opportunity neighborhoods that are not impacted" and that the agency must "**moderate their pursuit of housing in high poverty and high minority neighborhoods until the agency achieves a more balanced housing distribution that offers its clients greater choice**." (emphasis added) The City of Houston has blocked HHA's attempt to do so and frustrated HHA's efforts to comply with its own fair housing and civil rights obligations.

The City's ongoing decisions about the siting of public and affordable housing, as well as its continued investment in affordable housing projects in impacted neighborhoods, are inconsistent with the actions it committed to in its Analysis of Impediments and its ongoing fair housing and civil rights obligations. The City cannot simply continue to perpetuate segregation and deny its citizens housing choice with vague and unconvincing statement that it doesn't "rule out" building housing in non-impacted areas and that it "probably" will build housing in high opportunity areas at some point in the future while it explicitly commits to continue to build housing in high-poverty impacted neighborhoods. (*See,* "City OK's first new housing authority apartment project in a decade," *Houston Chronicle* November 20, 2016)

This historical discriminatory siting pattern of concentrating affordable housing in low-income neighborhoods occupied primarily by people of color - and how the City's decisions on the proposed Crosstimbers and Fountainview developments fit that pattern - can be clearly seen on the attached maps. These maps show the location of both public and LIHTC housing and Housing Choice Voucher holders by poverty level, race, and ethnicity. (Attachments 4, 5, and 6)

We would like to emphasize again that the fair housing issue we see is not the Crosstimbers decisions in a vacuum, but the City's failure to balance this investment and those like it with integrative developments in low-poverty areas. Because of its history and the resulting segregated pattern of affordable housing, "balance" means a balancing of the City's overall housing portfolio, not merely balancing one development in an impacted area with one in a low-poverty area.

We appreciate HUD's commitment to compliance with Title VI and the Fair Housing Act, and to ensuring that all Americans have equal access to opportunity. If there is any further information that would be helpful to the investigation, please let us know.

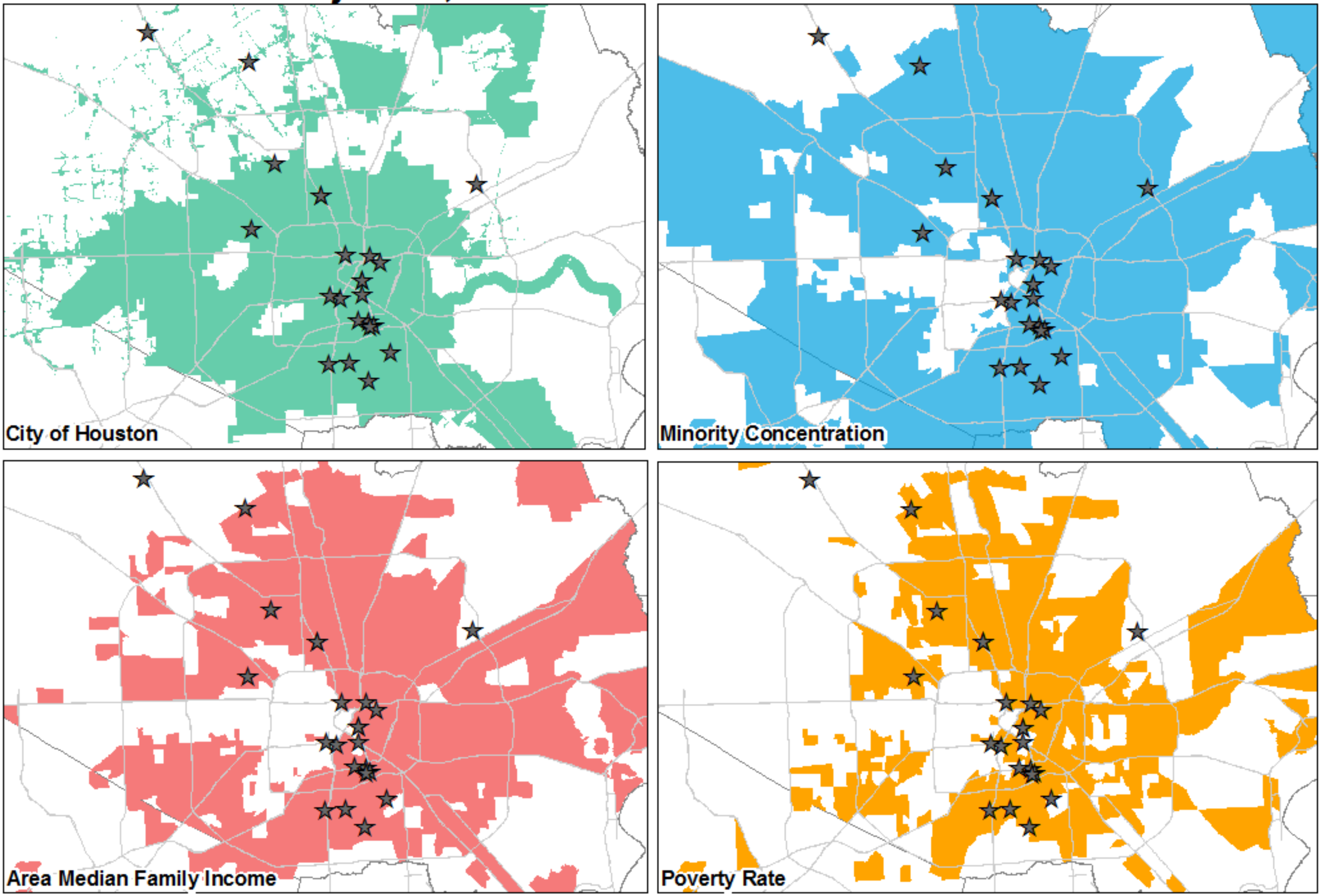
Sincerely,

John Henneberger, Co-Director
Texas Low Income Housing Information Service

Madison Sloan
Texas Appleseed

CC: Timothy Smyth
Hugh McGlincy
Avery Jackson

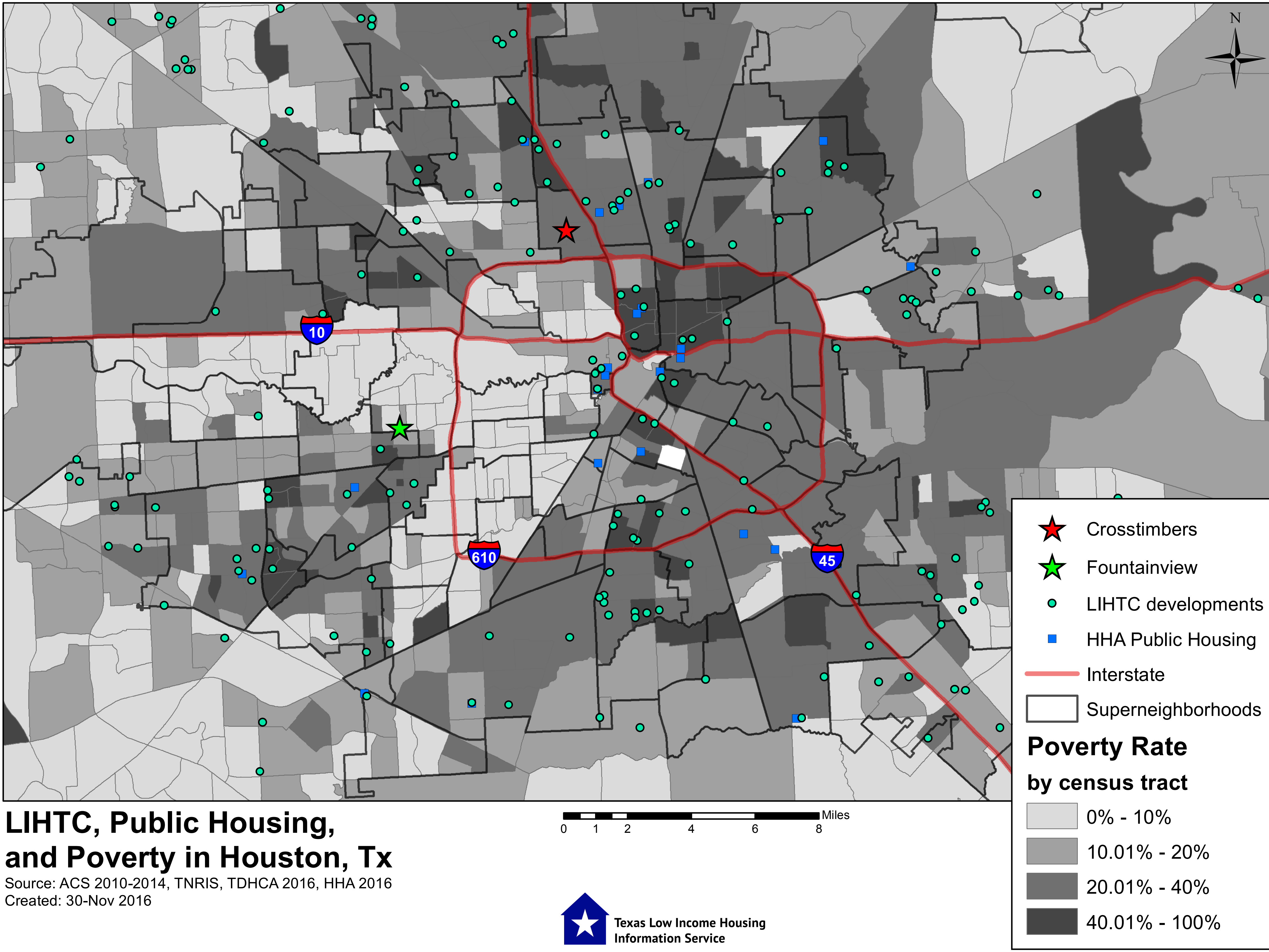
4% LIHTC Applications with a Resolution of No Objection, 2014-2016



Texas Low Income Housing Information Service

Source: TDHCA 2015, TNRIS, ACS 2009-2013

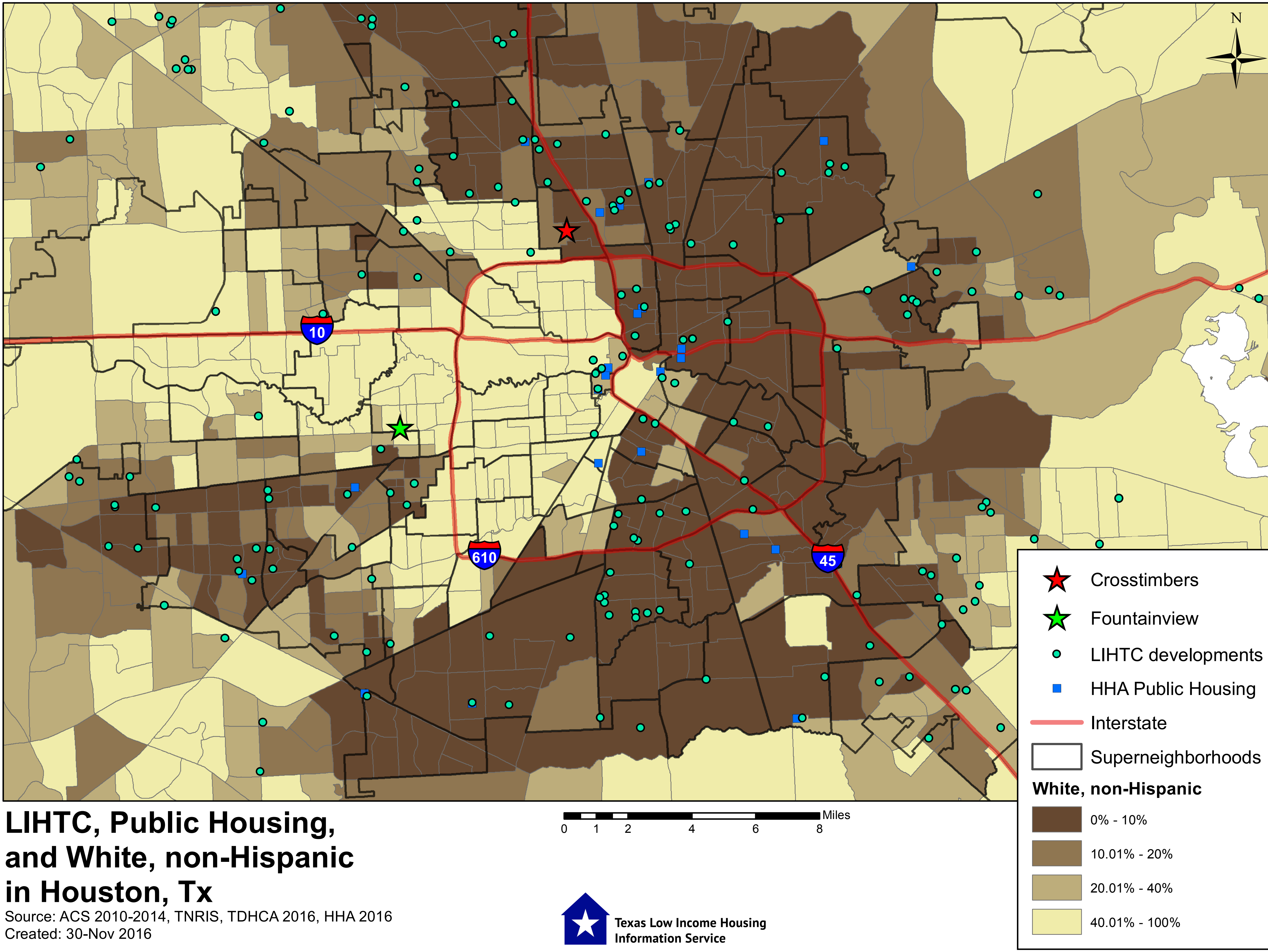
Development	Number of Units	Nearest Elementary School	Children at Risk Grade
Clayton Homes	296	Bruce	F
Cuney Homes	564	Lockhart	C-
Ewing Apartments	40	Poe	A+
Forest Green Townhomes	100	Hiliard	F
Fulton Village	108	Looscan	F
Heatherbrook Apartments	176	Garcia	D
Historic Oaks of Allen Parkway Village	500	Gregory-Lincoln	F
Irvinton Village	318	Martinez C	F
Kelly Village	333	Bruce	F
Kennedy Place	108	Bruce	F
Lincoln Park	250	Wesley	F
Long Drive Townhomes	100	Seguin	A-
Mansions at Turkey Creek	252	Magrill (Aldine ISD)	C-
Oxford Place	250	Burbank	C
The Peninsula	280	Reagan	F
Sweetwaterr Point	260	Mitchell	D-
Uvalde Ranch	244	Oates	D
Victory Place	100	Gregory-Lincoln	F
Willow Park Apartments	260	E.A. Jones (Fort Bend ISD)	F



LIHTC, Public Housing, and Poverty in Houston, Tx

Source: ACS 2010-2014, TNRIS, TDHCA 2016, HHA 2016
Created: 30-Nov 2016

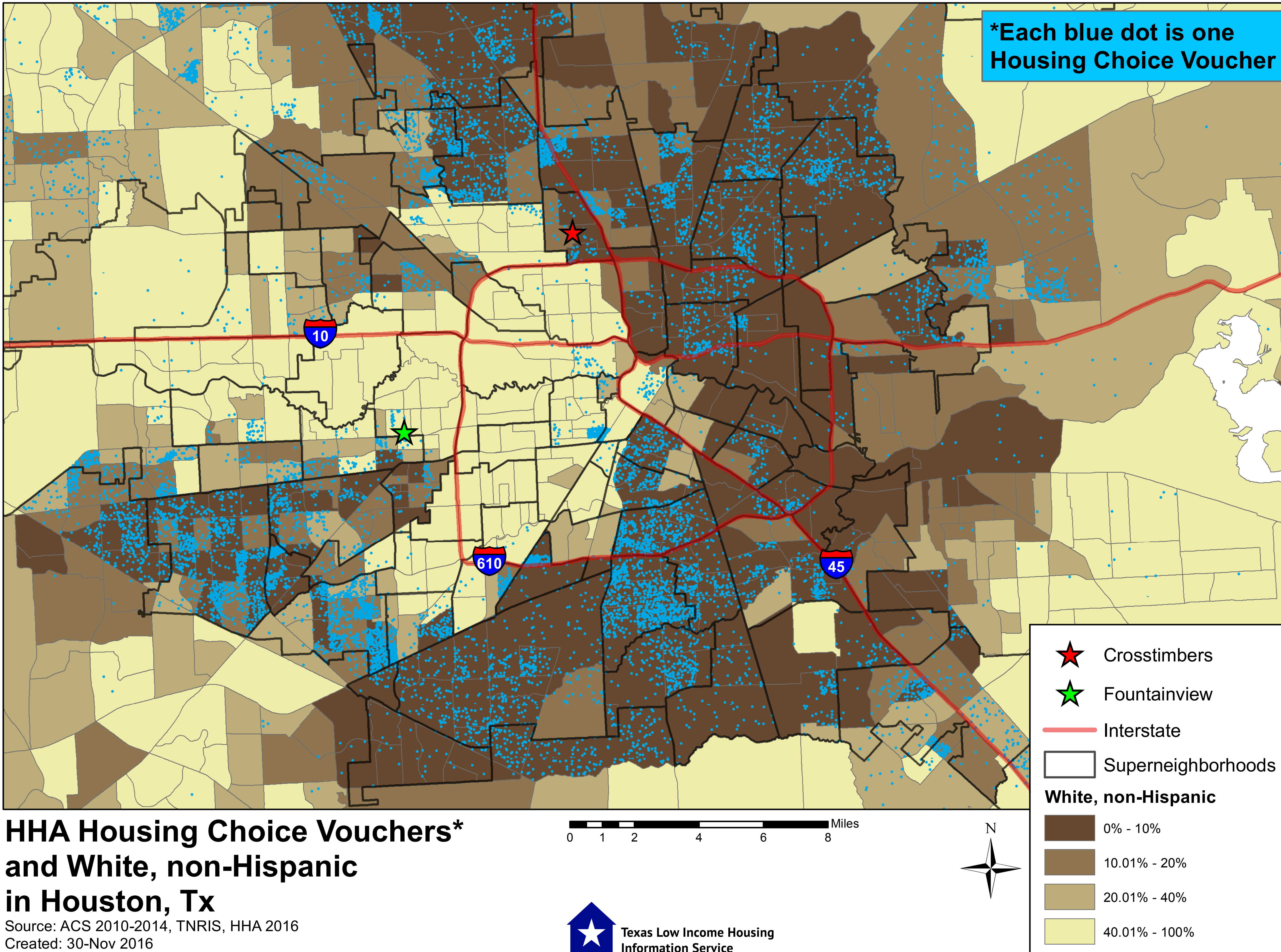
Texas Low Income Housing Information Service



LIHTC, Public Housing, and White, non-Hispanic in Houston, Tx

Source: ACS 2010-2014, TNRIS, TDHCA 2016, HHA 2016
Created: 30-Nov 2016

Texas Low Income Housing Information Service



HHA Housing Choice Vouchers* and White, non-Hispanic in Houston, Tx

Source: ACS 2010-2014, TNRIS, HHA 2016
Created: 30-Nov 2016

Texas Low Income Housing Information Service

BOARD ACTION REQUEST

MULTIFAMILY FINANCE DIVISION

DECEMBER 15, 2016

Presentation, Discussion, and Possible Action on Determination Notices for Housing Tax Credits with another Issuer (#16433 Housing First Oak Springs, Austin)

RECOMMENDED ACTION

WHEREAS, a 4% Housing Tax Credit application for Housing First Oak Springs, sponsored by the Austin Travis County Integral Care ("ATCIC"), was submitted to the Department on July 29, 2016;

WHEREAS, the Certification of Reservation from the Texas Bond Review Board was issued on November 9, 2016, and will expire on April 8, 2017;

WHEREAS, the proposed issuer of the bonds is the Austin Housing Finance Corporation;

WHEREAS, pursuant to 10 TAC §10.101(a)(4) of the Uniform Multifamily Rules related to Undesirable Neighborhood Characteristics, applicants are required to disclose to the Department the existence of certain undesirable characteristics of a proposed development site;

WHEREAS, the applicant has disclosed the presence of an undesirable neighborhood characteristic, specifically relating to the proposed site being located in a census tract that has a 46.80% poverty rate; and

WHEREAS, staff has conducted a further review of the proposed development site and surrounding neighborhood and based on the mitigation provided recommends the proposed site be found eligible under 10 TAC §10.101(a)(4) of the Uniform Multifamily Rules;

NOW, therefore, it is hereby

RESOLVED, that the issuance of a Determination Notice of $596,746 in 4% Housing Tax Credits, subject to underwriting conditions that may be applicable as found in the Real Estate Analysis report posted to the Department's website for Housing First Oak Springs is hereby approved as presented to this meeting.

BACKGROUND

General Information: Housing First Oak Springs is located at 3000 Oak Springs, Austin, Travis County, involves the new construction of 50 efficiency units. Of those units, 10 will be rent and income restricted at 30% of Area Median Family Income ("AMFI") and the remaining 40 units will be equally split between 50% and 60% AMFI. The four-story supportive housing development will assist the chronically homeless in achieving housing stability. The development is proposed to include approximately 2,400 square feet of ground level leasable retail space and an on-site parking garage with 62 parking spaces. The second level will have a mix of efficiency units and approximately 5,300 square feet of commercial space. The commercial space will be operated as a health clinic by ATCIC and the retail space will be utilized by Goodwill Industries for the benefit of the Oak Springs residents as well as others in need of job skills training and supported employment. The proposed site conforms to current zoning. The census tract (0008.02) has a median household income of $26,830, is in the fourth quartile and has a poverty rate of 46.80%.

Site Analysis: The applicant disclosed the presence of an undesirable site characteristic under §10.101(a)(4)(B) of the Uniform Multifamily Rules which requires additional site analysis; specifically the development site is located in a census tract (0008.02) that has a 46.8% poverty rate; which exceeds the acceptable threshold in the rule of 40%. The poverty rate for the subject tract was 51.7% in 2015, demonstrating a decrease of 4.9%, with slight increases in those upper income bands over the prior year, with a steady increase in population by 105 households over the past five years.

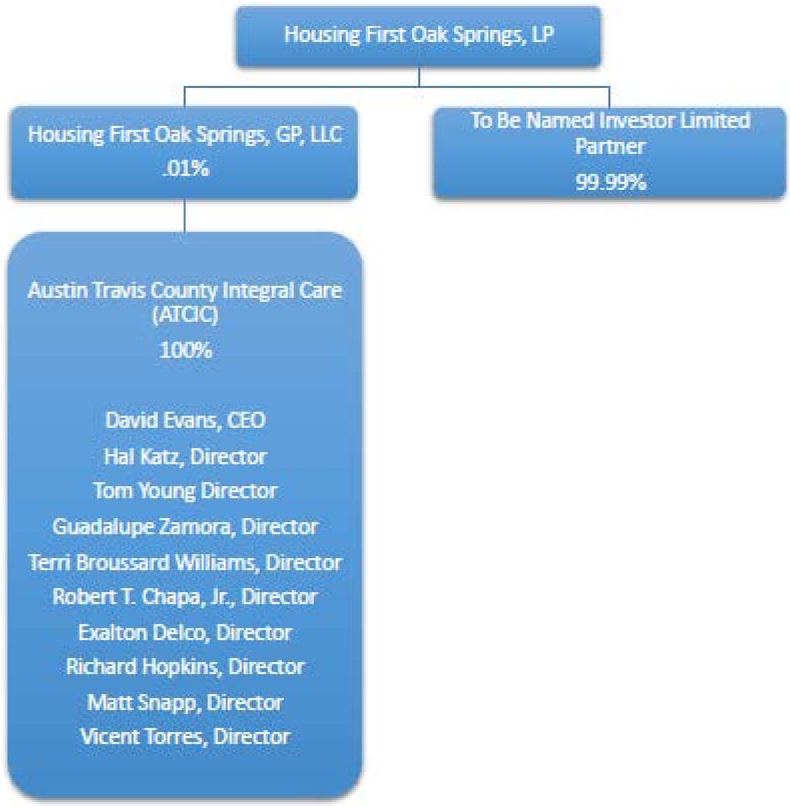
The proposed development is to be located in Central East Austin, in an area known as Rosewood Neighborhood, under the City of Austin's designated Neighborhood Planning Area. Current land use in the neighborhood consists of a variety of commercial and residential subdivisions, multifamily, retail and service developments. The majority of the existing housing was constructed in the 1970's and the census tract also includes a few multifamily developments owned by the Austin Housing Authority and serving some 30% households, which the Applicant presented as a factor affecting the poverty rate. The applicant has indicated the area is gentrifying and provided documentation reflecting increases in property values, as much as 39%, over prior years. Also worth noting is the census tract (8.01) directly across the street and conceivably considered to be part of the neighborhood, has a poverty rate of 13.9% and a median income of $40,536.

As a demonstration of the City of Austin's willingness to invest in the Rosewood Neighborhood, the submitted Plan outlines multiple Capital Improvement Projects that are planned, with at least 15 infrastructure projects having already been completed and several more in the planning stages. Some of the improvements include landscaping, improved and updated traffic and street lighting, new crosswalk and sidewalk installations and repairs, an extension to the Boggy Creek Hike and Bike Trail and multiple traffic studies.

Organizational Structure: The Borrower is Housing First Oak Springs, LP, and includes the entities and principals as illustrated in Exhibit A. The applicant's portfolio is considered a Small Category 1 and the previous participation was deemed acceptable by EARAC on December 5, 2016, without further review or discussion.

Public Comment: The Department received letters of support from State Senator Kirk Watson and State Representative Dawnna Dukes. There have been no opposition letters received.

EXHIBIT A


Housing First Oak Springs, LP
Housing First Oak Springs, GP, LLC
.01%
To Be Named Investor Limited Partner
99.99%
Austin Travis County Integral Care (ATCIC)
100%
David Evans, CEO
Hal Katz, Director
Tom Young Director
Guadalupe Zamora, Director
Terri Broussard Williams, Director
Robert T. Chapa, Jr., Director
Exalton Delco, Director
Richard Hopkins, Director
Matt Snapp, Director
Vicent Torres, Director

APPLICATION SUMMARY

REAL ESTATE ANALYSIS DIVISION
December 7, 2016

PROPERTY IDENTIFICATION

Application #	16433
Development	Housing First Oak Springs
City / County	Austin / Travis
Region/Area	7 / Urban
Population	Supportive Housing
Set-Aside	General
Activity	New Construction

RECOMMENDATION

TDHCA Program	Request	Approved		
LIHTC (4% Credit)	$602,594	$596,746	$11,935/Unit	$1.02
	Amount	**Rate**	**Amort**	**Term**	**Lien**
Private Activity Bonds					
MDLP (Repayable)					
MDLP (Non-Repayable)					
CHDO Expenses					

KEY PRINCIPAL / SPONSOR

General Partner(s)

Austin Travis County Integral Care - David Evans

Developer(s)

Austin Travis County Integral Care - David Evans

Related-Parties	Contractor - TBD	Seller - Yes

TYPICAL BUILDING ELEVATION/PHOTO

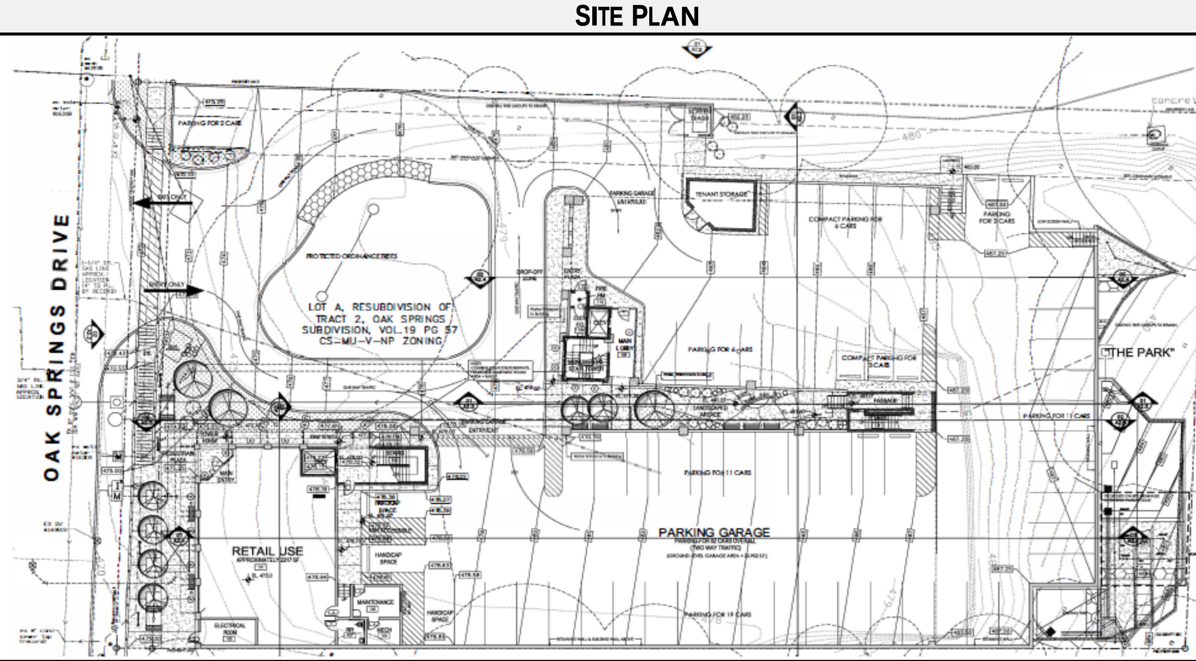
UNIT DISTRIBUTION / INCOME DISTRIBUTION

# Beds	# Units	% Total	Income	# Units	% Total
Eff	50	100%	30%	10	20%
1	-	0%	40%	-	0%
2	-	0%	50%	20	40%
3	-	0%	60%	20	40%
4	-	0%	MR	-	
TOTAL	50	100%	TOTAL	50	100%

PRO FORMA FEASIBILITY INDICATORS

Pro Forma Underwritten	Applicant's Pro Forma		
Debt Coverage	N/A	**Expense Ratio**	84.7%
Breakeven Occ.	80.4%	**Breakeven Rent**	$626
Average Rent	$740	**B/E Rent Margin**	$114
Property Taxes	Exempt	**Exemption/PILOT**	100%
Total Expense	$7,182/unit	**Controllable**	$4,079/unit

SITE PLAN



MARKET FEASIBILITY INDICATORS

Gross Capture Rate (30% Maximum)			1.5%
Highest Unit Capture Rate	2%	0 BR/50%	20
Dominant Unit Cap. Rate	2%	0 BR/50%	20
Premiums (↑60% Rents)	N/A		N/A
Rent Assisted Units	50	100% Total Units	

DEVELOPMENT COST SUMMARY

Costs Underwritten	Applicant's Costs		
Avg. Unit Size	556 SF	**Density**	46.3/acre
Acquisition		$11K/unit	$570K
Building Cost	$363.15/SF	$202K/unit	$10,096K
Hard Cost		$235K/unit	$11,735K
Total Cost		$381K/unit	$19,054K
Developer Fee	$1,896K	(0% Deferred)	N/A
Contractor Fee	$1,273K	**30% Boost**	Yes

DEBT (Must Pay)				
Source	**Term**	**Rate**	**Amount**	**DCR**
City of Austin GO Bond Funds	40/40	0.00%	$3,000,000	N/A
TOTAL DEBT (Must Pay)			**$3,000,000**	

CASH FLOW DEBT / GRANT FUNDS				
Source	**Term**	**Rate**	**Amount**	**DCR**
ATCIC Loan to Project/Fundraising	0/40	0.00%	$4,159,119	N/A
Dept of State Health Services	0/0	0.00%	$3,246,579	N/A
CASH FLOW DEBT / GRANTS			**$9,967,673**	

EQUITY / DEFERRED FEES	
Source	**Amount**
Enterprise	$6,086,809
TOTAL EQUITY SOURCES	$6,086,809
TOTAL DEBT SOURCES	$12,967,673
TOTAL CAPITALIZATION	$19,054,482

CONDITIONS

1 Receipt and acceptance before Board Approval:

- Updated term sheets with substantially final terms from Enterprise, acknowledgement of the current market issues, and verification of the capacity of the fund.

2 Receipt and acceptance by Cost Certification:

a: Certification from Appraisal District that the property qualifies for 100% property tax exemption.

b: Fully executed agreement for 50 Project-Based Vouchers with the Austin Housing Authority.

3 Documentation at Cost Certification clearing environmental issues identified in the ESA report, specifically:

- All testing and recommendations for noise, lead based paint and radon were completed and implemented.

Should any terms of the proposed capital structure change or if there are material changes to the overall development plan or costs, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds may be warranted.

BOND RESERVATION / ISSUER	
Issuer	Austin HFC
Expiration Date	4/5/2017
Bond Amount	$13,000,000
BRB Priority	Priority 3
Expected Close	2/15/2017
Bond Structure	Private Placement

RISK PROFILE

STRENGTHS/MITIGATING FACTORS

- Very low capture rates

WEAKNESSES/RISKS

- $800K Section 8 voucher "overhang" requirement
- Tenant base highly dependant on available rent
- Expense ratio of 85%

AERIAL PHOTOGRAPH(s)

KIRK WATSON
STATE SENATOR
DISTRICT 14

COMMITTEES:
BUSINESS & COMMERCE
FINANCE
HIGHER EDUCATION
NOMINATIONS
JOINT OVERSIGHT ON
GOVERNMENT FACILITIES

CAPITOL ADDRESS
P.O. BOX 12068
ROOM E1.804
AUSTIN, TEXAS 78711
512/463-0114
FAX 512/463-5949

September 1, 2016

Ms. Sharon Gamble
Texas Department of Housing and Community Affairs
P.O. Box 13941
221 East 11th Street
Austin, TX 78711-3941

Dear Ms. Gamble,

I am pleased to lend my support to the Austin Travis County Integral Care (ATCIC) Oak Springs Housing First development. Aside from the positive social impacts of caring for individuals experiencing chronic homelessness and mental illness, cities across the country are also seeing positive economic impacts, including increased annual savings in public funds.

The whole-health treatment approach of the Housing First model allows individuals to recover from homelessness through the support of a healthcare team and available employment services. The results could show a potential savings of $1 million dollars in reduced public costs for our community each year, which is just yet another reason to support such a wonderful initiative.

Sincerely,

Kirk Watson

Kirk Watson

Dawnna Dukes
HOUSE OF REPRESENTATIVES

P.O. Box 2910
Austin, Texas 78768-2910
(512) 463-0506

District 46
Travis County

September 17, 2016

Ms. Sharon Gamble
Texas Department of Housing and Community Affairs
P.O. Box 13941
221 East 11th Street
Austin, TX 78711-3941

Re: Oak Springs Housing First # 16433
3000 Oak Springs Drive, Austin, Texas 78702

Dear Ms. Gamble:

I received the Public Notification for Oak Springs Housing First, located at the above address in Austin and in Texas State House District 46, which I represent. I am pleased to express my support for Housing First Oak Springs, a proposed affordable community development. The purpose of this planned community is to offer a continuum of service and care to some of our most vulnerable and underserved Travis County residents, those recovering from mental illness, those continuing substance abuse treatment, and those suffering chronic homelessness.

The Oak Springs Housing First development will allow Austin Travis County Integral Care (ATCIC) to continue its mission of improving lives by providing the opportunity for those in recovery to reside in close proximity to essential services. Thank you for your consideration of this application. I am pleased to lend my support to this development which will serve the constituents in my District. Should you have any questions regarding my support, please contact me at (512) 463-0506.

Sincerely,

Dawnna Dukes

Representative Dawnna Dukes
District 46
Texas House of Representatives
1400 Congress Avenue, 1W.2
Austin, TX 78701

BOARD ACTION REQUEST

MULTIFAMILY FINANCE DIVISION

DECEMBER 15, 2016

Presentation, Discussion, and Possible Action on a Determination Notice for Housing Tax Credits with another Issuer (#16444 Alton Park, Fort Worth)

RECOMMENDED ACTION

WHEREAS, an application for 4% Housing Tax Credits for Alton Park, sponsored by Fort Worth Affordability, Inc., was submitted to the Department on September 30, 2016;

WHEREAS, the Certification of Reservation from the Texas Bond Review Board ("BRB") was issued on October 21, 2016, and will expire on March 20, 2017;

WHEREAS, the proposed issuer of the bonds is the Trinity River Public Facility Corporation;

WHEREAS, pursuant to 10 TAC §10.101(a)(4) of the Uniform Multifamily Rules related to Undesirable Neighborhood Characteristics, applicants are required to disclose to the Department the presence of certain characteristics of a proposed development site;

WHEREAS, the elementary school for the attendance zone of the proposed development did not achieve a Met Standard rating based on the 2015 Accountability Ratings by the Texas Education Agency ("TEA") but did achieve Met Standard based on the recently released 2016 Accountability Ratings and; therefore the site should not be considered ineligible under 10 TAC §10.101(a)(4) of the Uniform Multifamily Rules; and

WHEREAS, in accordance with 10 TAC §1.301(d)(1), the compliance history is designated as a Category 3 and deemed acceptable by the Executive Award and Review Advisory Committee ("EARAC") after review and discussion;

NOW, therefore, it is hereby

RESOLVED, that the issuance of a Determination Notice of $1,194,837 in 4% Housing Tax Credits subject to underwriting conditions that may be applicable as found in the Real Estate Analysis report posted to the Department's website for Alton Park is hereby approved as presented to this meeting.

BACKGROUND

General Information: Alton Park, proposed to be located at 5608 and 5650 Azle Avenue in Fort Worth, Tarrant County, involves the new construction of 195 units of which 28 will be rent and income restricted at 30% of Area Median Family Income ("AMFI") and 157 will be rent and income restricted at 60% of AMFI. The remaining 10 units will be market rate with no rent and income restrictions. The development will serve the general population and is currently zoned appropriately. The census tract (1005.01) has a median household income of $31,021, is in the fourth quartile, and has a poverty rate of 21%.

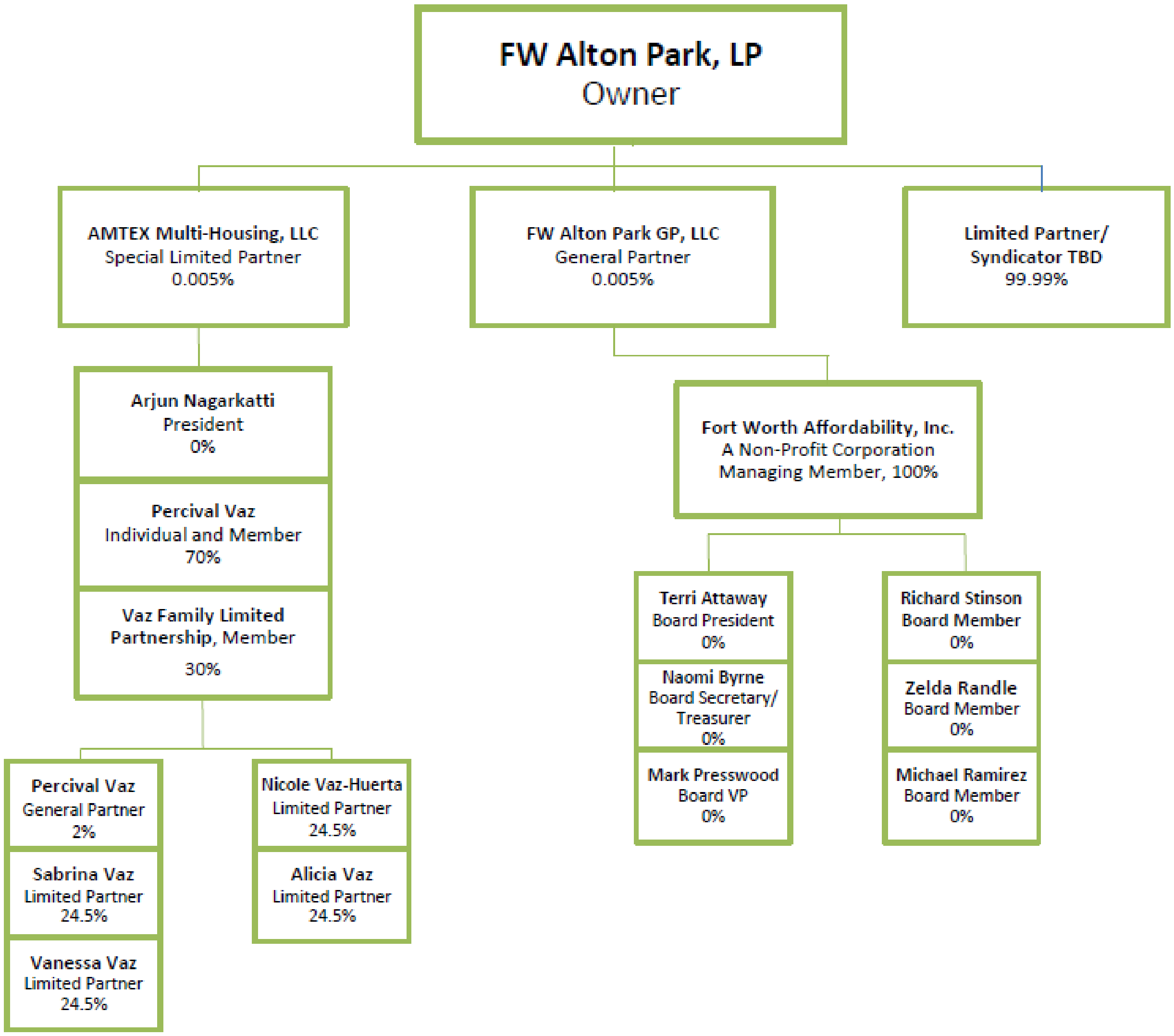
Site Analysis: Alton Park is proposed to be located within the Lake Worth Independent School District ("ISD") and the Marilyn Miller Elementary School ("Miller") failed to achieve the 2015 Met Standard rating. From a historical perspective, Miller was Improvement Required in 2013 (missed Met Standard by five points on Index 2 relating to Student Progress); Met Standard in 2014 (exceeded target score on all four Performance Indices and earned one distinction); and was Improvement Required in 2015 (missed Met Standard by three points on index 3 relating to Closing Performance Gaps). On August 15, 2016, the TEA released the 2016 Accountability Ratings and Miller did achieve Met Standard.

Under §10.101(a)(4) of the Uniform Multifamily Rules, there is a consideration for the Board to find a development site eligible despite the presence of undesirable neighborhood characteristics on the basis that there is a factual determination that such characteristic is not of such a nature or severity that it should render the development site ineligible. Staff believes the recently released 2016 Accountability Ratings by TEA reflecting a Met Standard rating, leads to a supported conclusion that the development site should be considered eligible under §10.101(a)(4) of the Uniform Multifamily Rules.

Organizational Structure and Previous Participation: The Borrower is FW Alton Park, LP, and includes the entities and principals as indicated in Exhibit A. The applicant's portfolio is considered a Category 3 and the previous participation was deemed acceptable by EARAC on December 5, 2016, after review and discussion. EARAC also reviewed the proposed financing and the underwriting report, and recommends issuance of a Determination Notice.

Public Comment: There have been no letters of support or opposition received by the Department.

EXHIBIT A


FW Alton Park, LP
Owner
AMTEX Multi-Housing, LLC
Special Limited Partner
0.005%
FW Alton Park GP, LLC
General Partner
0.005%
Limited Partner/
Syndicator TBD
99.99%
Arjun Nagarkatti
President
0%
Percival Vaz
Individual and Member
70%
Vaz Family Limited
Partnership, Member
30%
Fort Worth Affordability, Inc.
A Non-Profit Corporation
Managing Member, 100%
Terri Attaway
Board President
0%
Naomi Byrne
Board Secretary/
Treasurer
0%
Mark Presswood
Board VP
0%
Richard Stinson
Board Member
0%
Zelda Randle
Board Member
0%
Michael Ramirez
Board Member
0%
Percival Vaz
General Partner
2%
Sabrina Vaz
Limited Partner
24.5%
Vanessa Vaz
Limited Partner
24.5%
Nicole Vaz-Huerta
Limited Partner
24.5%
Alicia Vaz
Limited Partner
24.5%

APPLICATION SUMMARY

REAL ESTATE ANALYSIS DIVISION
December 6, 2016

PROPERTY IDENTIFICATION

Application #	16444
Development	Alton Park
City / County	Fort Worth / Tarrant
Region/Area	3 / Urban
Population	General
Set-Aside	General
Activity	New Construction

RECOMMENDATION

TDHCA Program	Request	Approved			
LIHTC (4% Credit)	$1,194,837	$1,194,837	$6,127/Unit	$1.07	
	Amount	Rate	Amort	Term	Lien
Private Activity Bonds					
MDLP (Repayable)					
MDLP (Non-Repayable)					
CHDO Expenses					

KEY PRINCIPAL / SPONSOR

General Partner(s)

AMTEX Multi-Housing LLC
David Yarden
Lisa Davis

Related-Parties	Contractor - No	Seller - No

TYPICAL BUILDING ELEVATION/PHOTO

UNIT DISTRIBUTION

# Beds	# Units	% Total
Eff	-	0%
1	12	6%
2	105	54%
3	78	40%
4	-	0%
TOTAL	195	100%

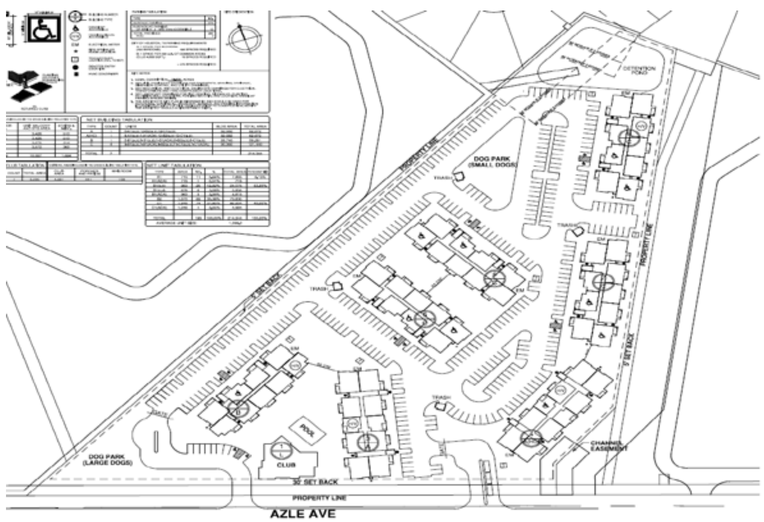
INCOME DISTRIBUTION

Income	# Units	% Total
30%	28	14%
50%	-	0%
60%	157	0%
MR	9	81%
EO	1	5%
TOTAL	195	100%

PRO FORMA FEASIBILITY INDICATORS

Pro Forma Underwritten		Applicant's Pro Forma	
Debt Coverage	1.15	**Expense Ratio**	40.5%
Breakeven Occ.	85.2%	**Breakeven Rent**	$750
Average Rent	$824	**B/E Rent Margin**	$75
Property Taxes	Exempt	**Exemption/PILOT**	100%
Total Expense	$4,287/unit	**Controllable**	$3,201/unit

SITE PLAN



MARKET FEASIBILITY INDICATORS

Gross Capture Rate (10% Maximum)			9.1%
Highest Unit Capture Rate	66%	3 BR/60%	46
Dominant Unit Cap. Rate	64%	2 BR/60%	84
Premiums (↑60% Rents)	Yes		$65/Avg.
Rent Assisted Units	47	24% Total Units	

DEVELOPMENT COST SUMMARY

Costs Underwritten		Applicant's Costs	
Avg. Unit Size	1,099 SF	**Density**	17.9/acre
Acquisition		$16K/unit	$3,118K
Building Cost	$70.26/SF	$77K/unit	$15,060K
Hard Cost		$98K/unit	$19,019K
Total Cost		$176K/unit	$34,412K
Developer Fee	$3,833K	(44% Deferred)	Paid Year: 8
Contractor Fee	$2,491K	**30% Boost**	Yes

DEBT (Must Pay)				
Source	Term	Rate	Amount	DCR
Citi Community Capital	15/35	4.48%	$18,808,034	1.15
TOTAL DEBT (Must Pay)			##########	

CASH FLOW DEBT / GRANT FUNDS				
Source	Term	Rate	Amount	DCR
Fort Worth Housing Solutions	30/0	1.00%	$1,146,505	1.15
CASH FLOW DEBT / GRANTS			$1,146,505	

EQUITY / DEFERRED FEES	
Source	Amount
Hudson Housing Capital LLC	$12,784,754
AMTEX Development LLC	$1,672,530
TOTAL EQUITY SOURCES	$14,457,284
TOTAL DEBT SOURCES	$19,954,539
TOTAL CAPITALIZATION	$34,411,823

CONDITIONS

1 Receipt and acceptance before Determination Notice:

a: Pursuant to §10.402(d)(7), a letter from Applicant's Attorney, "...identifying the statutory basis for the exemption and indicating that the exemption is reasonably achievable, subject to appraisal district review.

b: Updated CHAP Agreement.

2 Receipt and acceptance by Cost Certification:

a: Fully executed HAP Contract.

b: Documentation clearing environmental issues contained in the ESA report, specifically:

i: Documentation that an Environmental Site Investigation was completed to determine the soil and groundwater impacts for environmental contaminants as a result of potential release associated with the on-site abandoned pipeline and off-site automobile repair/gasoline station facilities.

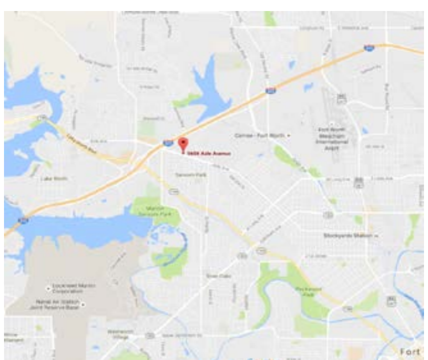
ii: Documentation that a noise study was completed and all noise assessment recommendations were implemented.

Should any terms of the proposed capital structure change or if there are material changes to the overall development plan or costs, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds may be warranted.

BOND RESERVATION / ISSUER	
Issuer	rinity River Public Facility Corporation
Expiration Date	3/19/2017
Bond Amount	$30,000,000
BRB Priority	Priority 3
Expected Close	N/A
Bond Structure	Private Placement

RISK PROFILE	
STRENGTHS/MITIGATING FACTORS	
▫	Partnership with Fort Worth Housing Authority
▫	Will receive 18 RAD vouchers from FWHA
▫	28 units will have a HAP contract
WEAKNESSES/RISKS	
▫	High unit and gross capture rates

AREA MAP



AERIAL PHOTOGRAPH(s)

2e

BOARD ACTION REPORT

MULTIFAMILY FINANCE DIVISION

DECEMBER 15, 2016

Report on the status of Application #16049, Bishop Courts

Bishop Courts received a 9% Housing Tax Credit award in 2016 for the construction of 60 new multifamily units in the City of Bishop. The Applicant has requested approval of changes that constitute a material Amendment under 10 TAC §10.405(a)(3)(D) related to a reduction in the square footage of units and waiver of a portion of 10 TAC §10.101(b)(8)(B) related to requirements for otherwise exempt units. Staff was not able to timely process the amendment request for posting 15 days prior to this meeting, in order for it to be considered. This report is presented to inform the Board of the Material Amendment request staff plans to present at the next Board meeting.

The Applicant originally proposed the new construction of 15 fourplexes containing 60 multifamily two-story (townhouse) units in the City of Bishop, Nueces County. The Applicant submitted floorplans they have used successfully in other markets for on-TDHCA developments composed entirely of three-bedroom, two and one-half bath townhouses. Through the review and underwriting process, staff identified a problem with lack of accessibility with the floorplans. Prior Board meeting of July 28 at which credits were awarded, the Applicant provided revised floor plans that included pneumatic lifts in three units, in order to meet the requirement that 5% of the units be fully accessible.

The Applicant requests to substitute 12 one-story units for 12 two-story (i.e., townhouse or "otherwise exempt") units of similar size and the same bedroom and bathroom count, thereby eliminating the lifts that were needed to fulfill the requirements for mobility accessibility under 10 TAC §1.207 imposed on this development's visitability of "otherwise exempt" units by 10 TAC §10.101(b)(8)(B). Regarding other effects on the development, the size of the site would remain the same; the number and type of residential buildings would remain the same (15 fourplexes); the common area, number of units, unit mix, and site amenities would not change; and the site plan would change only insofar as the sizes of the building footprints change. However, the net rentable area would decrease from 86,907 square feet to 83,175 square feet (±4.3%). According to the Applicant, these changes, because of the elimination of the lifts, would result in more conveniently usable accessible units.

Staff anticipates bringing this amendment and waiver request to the January Board meeting. This item is intended to make the Board aware of staff's action to move forward with the execution of Carryover, prior to Board approval of the proposed Amendment

3a

BOARD REPORT ITEM

December 15, 2016

Presentation and discussion of recent developments in the syndication of tax credit investment

Background

Over the past year the pricing of limited partnership interests in tax credit assisted developments has strengthened significantly, with pricing in the range of $.95 commonplace and in some places, especially in connection with private activity bond transactions with 4% credits, pricing as high as $1.10 or even higher. The competitive 2016 round awards and the bond deals in house right now generally reflect such robust pricing. However very recently there has been both heightened uncertainty and downward pressure on pricing.

Investing as a limited partner in a tax credit development involves (at least) three distinct elements:

- Accessing the tax credits;
- Accessing the other tax benefits that flow thought the partnership, and
- Accessing any potential value realized through the disposition of the property.

The value of a dollar of tax credits is the net present value ("NPV") reducing federal income tax liability by a dollar each year for ten years. Assuming the investor is confident it will have tax liability to shield, this is a fairly constant and easy calculation made on a consistent basis.

The value of other tax benefits, such as losses and depreciation, are more complicated because they are subject to change as the Internal Revenue Code changes and they are impacted by the investor's tax rate. If their rate is high, the value of such items is high. If the rates are reduced sharply, the potential value is also adjusted downward.

Potential value of the property upon ultimate disposition is highly speculative. A lot of things can change in 15-30 or even 40 years including need for significant deferred maintenance; changes in demand and rents; changes in tax rates, utility costs, insurance costs, and other major costs associated with ownership; and changes in neighborhood and community characteristics.

Right now the syndication of these limited partnership investments is experiencing uncertainty over the second item – other tax benefits – in particular. Following the election there has been significant discussion of possible changes to federal tax laws including both adjustments to marginal tax rates and broad-based reform of the Internal Revenue Code. Not knowing exactly how or when such changes might play out makes it difficult for investors to perform the calculations to value those benefits.

In addition to these elements of uncertainty, some current development activity indicates that it is having to contend with increasing building costs and, for those who have not rate-locked any related loans, the risk of possible increasing interest rates. So 2016 awardees that have not closed and bond deals that are in process are now having to deal with a fluid situation.

All financial markets undergo changes, and the present is no exception. Hopefully things will stabilize but until they do developers are considering how to proceed. If they determine that they cannot move forward with their deals without making changes they may need additional time, something that might, under certain circumstances, be addressed via *force majeure*. They could make other changes either to the deals themselves, to make them feasible with reduced investor equity, or they could seek other types of financial assistance, such as loans from the Department. Given the statutory specificity of the qualified allocation plan ("QAP") and the limited amount of available 9% credits, the ability to come back for additional has significant, perhaps insurmountable, constraints, unless they return now and apply successfully for future credits. If there are returns this year, it might make sense to consider building point incentives into the 2018 QAP to help those deals proceed.

6b

BOARD ACTION REQUEST

MULTIFAMILY FINANCE DIVISION

DECEMBER 15, 2016

Presentation, Discussion, and Possible Action on orders adopting 10 TAC Chapter 13, concerning Multifamily Direct Loan Rule, and directing its publication in the *Texas Register*

RECOMMENDED ACTION

WHEREAS, the Department will be administering at least three sources from which it plans to award Multifamily Direct Loan funds in 2017; and

WHEREAS, in an effort to make commitment and expenditure of these funds efficient and enhance their effectiveness in achieving policy objectives, the Department has proposed this Multifamily Direct Loan Rule;

NOW, therefore, it is hereby

RESOLVED, that the final order adopting the proposed 10 TAC Chapter 13, concerning the Multifamily Direct Loan Rule, together with the preamble presented to this meeting, is approved for publication in the *Texas Register*; and

FURTHER RESOLVED, that the Executive Director and his designees be and each of them are hereby authorized, empowered, and directed, for and on behalf of the Department, to cause the proposed Multifamily Direct Loan Rule together with the preamble in the form presented to this meeting, to be published in the *Texas Register* and, in connection therewith, make such non-substantive technical corrections as they may deem necessary to effectuate the foregoing.

BACKGROUND

The Board approved the proposed draft of the new Chapter 13 regarding the Multifamily Direct Loan Rule at the Board meeting of October 13, 2016, that was published in the *Texas Register* for public comment. In keeping with the requirements of the Administrative Procedures Act, staff has reviewed all comments received and provided a reasoned response to each comment.

Preamble, Reasoned Response, and Amended Rule

The Texas Department of Housing and Community Affairs (the "Department") adopts new 10 TAC Chapter 13, concerning the Multifamily Direct Loan Rule. Sections 13.5, 13.6, 13.8, 13.10, are adopted with changes to text as published in the October 28, 2016 issue of the *Texas Register* (41 TexReg 8343). Sections 13.1, 13.2, 13.3, 13.4, 13.7, 13.9, 13.11, and 13.12 are adopted without change and will not be republished.

REASONED JUSTIFICATION. The Department finds that the adoption of the rule will result in a more consistent approach to governing multifamily activity financed with the Department's loans, determining how applications are prioritized, how applications may score points, the post-award process including loan closing and disbursement requests, and the type of amendments that can be requested under the Multifamily Direct Loan program. The comments and responses include both administrative clarifications and revisions to the Multifamily Direct Loan Rule based on the comments received. After each comment title, numbers are shown in parentheses. These numbers refer to the person or entity that made the comment as reflected at the end of the reasoned response. If comment resulted in recommended language changes to the Draft Multifamily Direct Loan Rule as presented to the Board in October, such changes are indicated.

SUMMARY OF PUBLIC COMMENT AND STAFF RECOMMENDATIONS

Public comments were accepted through November 28, 2016, and are included in the following pages.

STATUTORY AUTHORITY. The new sections are adopted pursuant to Texas Government Code §2306.053, which authorizes the Department to adopt rules.

The new sections affect no other statutes, articles or codes.

13.1 Purpose.
13.2 Definitions.
13.3 General Loan Requirements.
13.4 Set-asides, Regional Allocation, and Priorities
13.5 Award Process
13.6 Scoring Criteria
13.7 Maximum Funding Requests
13.8 Loan Structure and Underwriting Requirements
13.9 Construction Standards
13.10 Development and Unit Requirements
13.11 Post-Award Requirements
13.12 Amendments to Direct Loan Terms

Commenter 1: *Accessible Housing Austin et. al*

Commenter 2: *Anderson Development & Construction, LLC*

Commenter 3: Churchill Residential, Inc

Commenter 4: *Texas Coalition of Affordable Developers*

Commenter 5: *Foundation Communities*

Commenter 6: *New Hope Housing*

2017 Multifamily Direct Loan Rule Public Comment Summary and Reasoned Responses

Once the posting for the Draft 2017 Multifamily Direct Loan Rule (10 TAC Chapter 13) was submitted to the *Texas Register*, the Public Comment period was open from October 28, 2016, through November 28, 2016, and a public hearing was held on November 10, 2016, in Austin, TX. The State received comments from the following six organizations and individuals: (1) Accessible Housing Austin, (2) Anderson Development & Construction, LLC, (3) Churchill Residential, Inc., (4) Texas Coalition of Affordable Developers, (5) Foundation Communities, and (6) New Hope Housing. The letter submitted by Accessible Housing Austin had several co-signers: ADAPT of Texas, Lifeworks, Coastal Bend Center for Independent Living, Personal Attendants Coalition, and the Texas State Independent Living Council. A summary of the comments received and reasoned responses are provided below.

1. **10 TAC §13.2 COMMENT SUMMARY:** Commenter (2) requested that the definitions of Community Housing Development Organization ("CHDO") and Choice Limiting Activities in 10 TAC §13.2 be removed from the rule.

    Staff response: Regarding the definition of CHDO, staff believes – after consultation with HUD – that an independent board with no board members acting in both a paid employee or paid consultant capacity is the intent of the CHDO definition in 24 CFR 92.2. Staff believes that a clearer CHDO definition in Chapter 13 will benefit both the Department and the development community.

    Regarding the definition of Choice Limiting Activities, the definition in Chapter 13 is based on the federal rule at 24 CFR 58.22, CPD Notice 01-11, and guidance that the Department has received from HUD. This is another area where staff believes that a clearer definition will benefit both the Department and the development community.

    No changes were made to Chapter 13 as a result of this comment.

2. **10 TAC §13.5(b) COMMENT SUMMARY:** Commenter (1) would like to see the rule allow for applicants to forego providing some of the required third party reports required in 10 TAC §10.4(5) to be delivered later than date of application submission in order to achieve a received date in accordance with 10 TAC §13.5(b) until applicants have some level of certainty that the application will be awarded.

    Staff Response: Staff believes that submission of the required third party reports is necessary for an applicant to exhibit some level of readiness to proceed, as well as an applicant's financial capacity.

    No changes were made to Chapter 13 as a result of this comment.

3. **10 TAC §13.5(d)(1) COMMENT SUMMARY:** Commenter (1) requested that the rule be more creative in encouraging smaller mission-driven nonprofits to utilize Direct Loan funds in a way that results in more accessible and integrated housing. Specifically, commenter (1) requested that the experience requirement for Direct Loan-only applications in 10 TAC §13.5(d)(1) be reduced from having experience developing twice as many units as what is proposed in the application and make it proportional to the project described in the application. Commenter (1) also requested that the experience requirement be modified to: count board members, staff, and consultants experience cumulatively; rely on letters from previous funders attesting to the applicant's ability to perform; and rely on commercial or office development as relevant experience. Commenter (2) stated that the alternative experience requirement for Direct Loan-only applicants be removed altogether since it seemed like a more stringent requirement than what exists in 10 TAC §10.204(6).

    Staff response: Staff believes the alternative experience requirement provided in 10 TAC §13.5(d)(1) – "evidence of the successful development, and operation for at least 5 years, of at least twice as many affordability restricted units as requested in the Application" – is a reasonable compromise for smaller mission-driven nonprofits. An applicant may still meet the experience requirement in 10 TAC §10.204(6). In other words, there are now two ways an applicant may meet the experience requirement when Direct Loan funds are the only source of Department funds.

    Staff also believes that submission of the required third party reports is necessary for an applicant to exhibit some level of readiness to proceed, as well as an applicant's financial capacity.

    No changes were made to Chapter 13 as a result of this comment.

4. **10 TAC §13.5(d)(2) COMMENT SUMMARY:** Commenter (5) and (6) requested that the requirement in §13.5(d)(2) for previously funded developments to be brought before the Board to be found eligible prior to application acceptance and the prohibition on funding costs that were incurred more than 24 months prior to the effective date of the contract be eliminated.

    Staff response: Staff agrees that requesting eligibility certification from the Board prior to the Department accepting the Application is not ideal from a timing perspective for developments that have previously been funded by the Department. Therefore, staff has revised this section of the rule. Staff also modified 10 TAC §13.3 to make additional costs allowable if the source of the funding allows it.

5. **10 TAC §13.6(f) COMMENT SUMMARY:** Commenter (5) and (6) requested that the 15% AMI tiebreaker in Scoring Criteria in §13.6(f) be eliminated.

Staff Response: Staff believes that this is a good way to incentivize a small amount of 15% AMI units for which many low-income housing advocates believe there is a great need. While staff did not eliminate this as a tiebreaker, the language was modified to make clear that the amount of 15% AMI units that an applicant could potentially certify to providing would be limited to the total number of 30% AMI units within a Development.

6. **10 TAC §13.8(a) COMMENT SUMMARY:** Commenter (3) requested that the interest rate on Direct Loans be flexible for 4% housing tax credit layered transactions. Commenter (2), (3), and (4) requested that the amortization of a Direct Loan, as required in 10 TAC §13.8(a), should be greater than or equal to the loan term and match the first lien loan's amortization not to exceed 40 years and 6 months, but not less than 30 years.

    Staff response: Staff believes the interest rate for repayable loans stated in §13.8(a) is appropriate for a range of applications. If an applicant can demonstrate that flexibility on the interest rate prescribed in Chapter 13 is needed, the Board may evaluate that need, except as limited by §13.8(c). The Department has clarified this requirement.

    In terms of the Direct Loan amortization, staff has been able to work successfully with other lenders in which the first lien loan amortization is greater than 30 years to ensure that the Direct Loan amortization remained fixed at 30 years. No comment was received from lenders regarding this section of Chapter 13. *No changes were made to Chapter 13 as a result of this comment.*

7. **10 TAC §13.8(b) COMMENT SUMMARY:** Commenter (2) requested that the Department's ability to resize or alter the repayment terms of a Direct Loan after publication of the initial Underwriting Report be restricted to cases in which the debt service coverage ratio falls outside the parameters of 10 TAC §10.302(d)(4)(D).

    Staff Response: In terms of the Department's ability to resize or alter the repayment terms of a Direct Loan after publication of the initial Underwriting Report, while staff hopes that such cases will be infrequent, staff believes it is important to mitigate risk when necessary, which may include instances where the debt service coverage ratio remains within the parameters of 10 TAC §10.302(d)(4)(D).

    No changes were made to Chapter 13 as a result of this comment.

8. **10 TAC §13.8(c)(1) COMMENT SUMMARY:** Commenter (2) and (3) requested that the letter of credit requirement be removed or altered so that it does not extend beyond the construction period or that the requirement only be applicable to non-housing tax credit layered transactions;.

Staff Response: Staff believes the certification of the applicant's ability to provide a letter of credit is an important tool for reducing risk to the Department in some transactions. It is important to note that the requirement is that the Applicant provide only a certification; provision of a guaranty or letter of credit is a condition of award that may be imposed by the Board. However, staff believes this topic would benefit from some more robust discussion with the development community so the letter of credit/repayment guarantee in 10 TAC §13.8(c) has been deleted.

9. **10 TAC §13.8(c)(6) COMMENT SUMMARY:** Commenter (2) requested that the 20 percent equity requirement in 10 TAC §13.8(c)(6) for applications proposing to use Direct Loan funds as the only source of Department funds be removed.

   Staff Response: Staff believes the 20 percent owner equity requirement for applications in which a Direct Loan is the only source of Department funding is useful to evidence an Applicant's financial capacity and mitigate the Department's risk.

   No changes were made to Chapter 13 as a result of this comment.

10. **10 TAC §13.10 COMMENT SUMMARY:** Commenter (2) noticed that a correction to the exhibit in section 13.10 needed to be made.

    Staff Response: The correction has been made.

11. **10 TAC §13.10(a) COMMENT SUMMARY:** Commenter (5) and (6) requested that square footages not be taken into account for comparability of Direct Loan units to total units within a development.

    Staff Response: Regarding the unit square footages being taken into account in terms of the comparability of units, CPD Notice 16-15 requires Participating Jurisdictions to factor square footages of units into the allocation of eligible costs and identification of HOME-assisted units in multi-unit HOME rental projects. Similarly, the Interim NHTF Rule at 24 CFR §93.200(c) states: "If the assisted and non-assisted units are comparable in terms of size, features, and number of bedrooms, the actual cost of the HTF-assisted units can be determined by prorating the total HTF eligible development costs of the project so that the proportion of the total development costs charged to the HTF program does not exceed the proportion of the HTF-assisted units in the project." While staff understands that for some developments this may result in a semi-fixed unit arrangement, this guidance from HUD must be adhered to and is being used for TCAP RF so that the Department may count this source of funds as Match under the HOME program.

    No changes were made to Chapter 13 as a result of this comment.

12. **10 TAC §13.11(b) COMMENT SUMMARY:** Commenter (3) requested that the penalty listed in 13.11(b) be relaxed for 4% housing tax credit layered transactions.

Staff Response: In terms of the penalty for an applicant not being able to meet federal commitment or expenditure deadlines or returning an award, this section of the rule is a reflection of the new reality in which the Department's federal funds (HOME and NHTF) must be committed and expended under a strict grant based accounting methodology. Failure to meet commitment or expenditure requirements will result in the funds being lost to the State of Texas, and may require repayment to HUD for partial expenditures.

No changes were made to Chapter 13 as a result of this comment.

13. **10 TAC §13.11(n)(5)(F) COMMENT SUMMARY:** Commenter 4 requested that material changes to a transaction after having received an award be limited to those in Subchapter E of the Uniform Multifamily Rules;

    Staff response: The material changes language in 10 TAC §13.11(n)(5)(F) is the result of multiple transactions that have been resubmitted for underwriting prior to closing, with dramatically different financing structures than what was previously approved by the Board. Staff believes it is necessary that the Board evaluate such changes to ensure that the risk profile of a proposed development remains constant, or if the risk profile has increased, that the need for affordable housing in that community outweighs the increased risk profile. When the risk profile has changed from the original Board presentation that resulted in award, the new transaction structure must be similarly evaluated. The 10 percent threshold provides Applicants with a threshold measurement that creates greater assurance regarding the Application review process. Clarifications were made to §13.11 and §13.12 as a result of this comment.

14. Commenter (2) and (4) requested that deferred developer fee not be allowed to exceed 50 percent of total developer fee.

    Staff Response: Regarding deferred developer fee, Chapter 13 is silent on the amount of deferred developer fee allowable. Therefore, the addition of maximum deferred developer fee allowable in the rule is too significant to address at this time.

    No changes were made to Chapter 13 as a result of this comment.

15. Commenter (1) made several comments related to accessible and integrated housing, requesting a blanket 25% cap on the number of units within a multifamily development to be restricted to people with disabilities and an increase in the minimum number of accessible units within a development from 5% mobility and 2% hearing and visually impaired to 10% and 4%, respectively.

    Staff Response: Staff sees some merit in the request to increase the minimum number of accessible and hearing and visually impaired units, especially in developments funded with National Housing Trust Fund, but Chapter 13 would not be an appropriate place to make that change. A more appropriate place for that change would be §1.207.

No changes were made to Chapter 13 as a result of this comment.

Public Comments Submitted

Accessible Housing Austin

Anderson Development & Construction, LLC

Churchill Residential, Inc.

Texas Coalition of Affordable Developers

Foundation Communities

New Hope Housing

Public Hearing conducted 11/10/16

November 28, 2016

Andrew Sinnott
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, TX 78701

Dear Mr Sinnott:

Thank you for taking comments on TDHCA's proposed changes to 10 TAC Chapter 13, concerning the Multifamily Direct Loan (MFDL) Rule and the National Housing Trust Fund (NHTF).

We are a group of people representing disability advocates and smaller, non-profit housing developers whose mission is to serve extremely low-income Texans. Our recommendations pertain to accessibility of the housing units created by the MFDL funds, integration of people with disabilities, and removal of barriers faced by smaller, mission-driven non-profits who are seeking, or are currently shut out from, TDHCA funding.

Accessibility
We urge the Department to go above and beyond minimum requirements of the law. As the letter from TXLIHIS stated, extra points should be given to projects that lower physical and systemic barriers to housing. By physical barriers, we recommend that all MFDL-funded, but particularly NHTF-funded projects GO ABOVE AND BEYOND FAIR HOUSING ACCESSIBILITY REQUIREMENTS TO *ACCESSIBLE, AFFORDABLE, INTEGRATED PROJECTS*, NAMELY:

- In addition to complying with the Fair Housing Act, Section 504, and other applicable laws, 10% of the units in the entire project should be accessible for people with mobility disabilities and 4% for people with vision & sensory disabilities. This is double the minimum federal requirement.

Integration

- In accordance with federal integration standards, no more than 25% of units within each multi-family (4+ units) project should be set aside for people with disabilities with no exceptions for supportive housing projects which risk segregating people with disabilities.
- Single family (1-3 units) scattered-site projects should be considered integrated as long as they are not in a segregated subdivision or development.

Removing Barriers for Smaller, Mission-Driven Organizations
We support removing the barriers for smaller, mission-driven non-profit housing organizations to access MFDL funds to serve the most deeply low-income with affordable, accessible, integrated housing opportunities. As the draft rule itself states, "The average cost of filing an application is between $15,000 and $30,000." This is unnecessarily prohibitive to smaller non-profit developers, particularly if they do not know whether they have a reasonable chance of being funded.

Allowing smaller organizations to participate in TDHCA programs helps to build badly needed organizational capacity throughout the state of Texas for housing developers and providers that don't fit the tax credit model. Furthermore, smaller organizations are more likely to use funding for scattered-site and infill development, which is frequently less expensive per unit than larger, multi-family projects.

- Small-scale, scattered-site projects should have access to MFDL funding.
- The number of units required to satisfy the experience requirement should be proportional to the project at hand and should take the size and complexity of the project into account. We don't see the

rationale for having the experience to develop *twice* as many units in every case, especially in cases of rehabilitations or acquisitions of projects with small unit numbers.

- Experience of board members, staff and consultants should count cumulatively.
- Evidence of experience should include letters from previous funders, including participating jurisdictions, banks, and other organizations that have previously referred clients to applicant.
- Evidence of commercial or office development should count toward development experience.
- In order to reduce upfront application costs to smaller organizations associated with expensive third-party reports and site plan development, the TDHCA staff and board should modify the process for applying for funding non-LIHTC projects:
  - Allow submission of applications without requiring the third party report and site plan to be part of the initial application. We recommend that the submission due date be October 1 of the prior year.
  - List the “self-scoring” of the application in the applicant log
  - Require these reports 60 - 90 days later as you do with the Tax Credit program.
  - With the first-come, first-serve nature of the MFDL program, the resulting applicant log would then allow applicants to decide, based on their order and the self-scores, to proceed with incurring the cost of these third party reports or to not incur these costs if the applicant determines they may not be competitive.

We appreciate the changes that staff has made so far that have incorporated many of this group’s suggestions. We hope that TDHCA seizes this vital opportunity to be creative and to leverage the strengths and ingenuity of smaller organizations in order to serve the greatest number of extremely low-income Texans with accessible, affordable, integrated housing.

Sincerely,

Belinda Carlton
Bob Kafka, ADAPT of Texas
Cathy Cranston, Personal Attendants Coalition of Texas
David Wittie, ADAPT of Texas
Dennis Borel, Coalition of Texans with Disabilities
Heiwa Salowitz, ADAPT of Texas
Isabelle Headrick, Accessible Housing Austin!
Jean Langendorf, Accessible Housing Austin!
Jennifer McPhail, ADAPT of Texas and Accessible Housing Austin!
Judy Telge, Coastal Bend Center for Independent Living and Accessible Housing Resources, Inc.
Mitch Weynand, Lifeworks
Nancy Crowther, ADAPT of Texas
Regina Blye, Texas State Independent Living Council
Renee Lopez, ADAPT of Texas and Accessible Housing Austin!
Stephanie Thomas, ADAPT of Texas and Accessible Housing Austin!

cc: Tim Irvine, Executive Director
Marni Holloway, Director of Multifamily Finance

Andrew Sinnott

From: TERRI ANDERSON [terri_l_anderson@msn.com]
Sent: Monday, November 28, 2016 4:52 PM
To: Andrew Sinnott; Brent Stewart; Marni Holloway
Subject: Re: Comments to the 2017 Proposed Rules - 10 TAC Chapter 13

An additional comment is TDHCA should not change the definition of Choice Limiting Activities. These are federal programs with federal definitions that TDHCA is entrusted to administer, not change the intended uses.

-Terri L. Anderson
Sent from my iPhone (972) 567-4630

GENESIS 50:20
PSALMS 21:11
ISAIAH 54:17

On Nov 28, 2016, at 4:34 PM, TERRI ANDERSON <Terri_L_Anderson@msn.com> wrote:

> Good afternoon,
>
> Please disregard the prior submission and see my comments below regarding 10 TAC Chapter 13:
>
> 13.2 Definitions (a): Community Housing Development Organization (CHDO) – the definition is clearly defined federally and by statute. The additional proposed restrictions are over-reaching and broad without federal or statutory basis.
>
> 13.5(d)(1) – Eligibility Criteria – The applicant's experience for Multifamily Direct Loans as the only source of TDHCA funds should not be greater than that of any other applicant for multifamily programs (ie, requiring two times as many units being developed and operating for 5 years as minimum experience). This new rule will explicitly target smaller developers and prevent fair, open access to capital.
>
> 13.8(a) – The amortization should not be restricted to 30 years and must be at least as long as the loan term.

13.8(b) – The reevaluation of the loan sizing shall only occur if the debt service coverage ratio falls outside of the standing underwriting parameters and drops below a 1.15x or exceeds a 1.50x DCR

13.8(c) –

1. The ability to provide a letter of credit equivalent to the loan amount is unduly burdensome and explicitly targets small developers denying access to capital. Any provision of a letter of credit or bond should be required only during construction from a qualified general contractor.
2. The amortization schedule shall be greater than or equal to the loan term, but no less than 30 years. Setting the 30 year amortization exposes the Department to refinance risk at the end of a 15 or 20 year balloon note, while unduly penalizing a 40 year fully amortizing senior lien financing structure.

6. Requiring 20% private equity from a developer for an affordable housing development is unprecedented and should be stricken in its entirety. This provision is again explicitly targeting small developers denying access to capital. This provision further minimizes the ability to efficiently create affordable housing that does not include the use of other Department funding sources.

Terri L. Anderson, President
Anderson Development & Construction, LLC
347 Walnut Grove Ln
Coppell, TX 75019
Phone: (972) 567-4630
Fax: (972) 462-8715

From: Andrew Sinnott <andrew.sinnott@tdhca.state.tx.us>
Sent: Friday, November 4, 2016 2:23 PM
To: TERRI ANDERSON; Brent Stewart; Marni Holloway
Subject: RE: Comments to the 2017 Proposed Rules

Hi Terri,

I wanted to make sure you saw REA staff's responses to a couple of your comments. Please see below and provide these comments, as well as any other comments you have regarding the proposed Chapter 13 (Multifamily Direct Loan Rule) prior to 5:00pm Austin local time November 28, 2016.

1. §10.302(d)(4)(D)(i)(I) Acceptable Debt Coverage Ratio Range (10)

COMMENT SUMMARY: Commenter (10) suggests that REA should not decrease the Direct Loan below an amount that would require more than 50% of the developer fee be deferred, but instead adjust the interest rate and amortization term of the Direct Loan to achieve a 1.15 DCR minimum. Commenter suggests that 100% deferred developer fee makes a transaction more risky.

STAFF RESPONSE:

Staff agrees that limiting the amount of developer fee that can be deferred warrants discussion, but the commenter's proposed change is too significant to address at this time as it is not a natural outgrowth of the proposed changes. Given that the comment is related to the sizing and terms of a Direct Loan, the limitation on the amount of deferred fee might better be considered in developing a Direct Loan NOFA.

The Direct Loan Requirements have been moved from Subchapter D to Chapter 13. Commenter's suggestions have been forwarded to the Multifamily Loan Program. The Multifamily Direct Loan Rule 10 TAC Chapter 13 is out for public comment from October 28, 2016 to November 28, 2016.

2. **§10.307(a)(2) Direct Loan Requirements (10)**

COMMENT SUMMARY: Commenter (10) states that Direct Loan terms should not exceed the loan amortizations and both the term and amortization must be greater than the first lien debt term not to exceed 40 years and 6 months.

STAFF RESPONSE:

The Direct Loan Requirements have been moved from Subchapter D to Chapter 13. Commenter's suggestions have been forwarded to the Multifamily Loan Program. The Multifamily Direct Loan Rule 10 TAC Chapter 13 is out for public comment from October 28, 2016 to November 28, 2016

Thanks,

Andrew Sinnott
Multifamily Loan Programs Administrator
512.475.0538

Any person receiving guidance from TDHCA staff should be mindful that, as set forth in 10 TAC Section 11.1(b), there are important limitations and caveats (Also see 10 TAC §10.2(b)).

From: TERRI ANDERSON [mailto:Terri_L_Anderson@msn.com]
Sent: Friday, October 14, 2016 4:57 PM
To: Brent Stewart; Tim Irvine; Marni Holloway; Sharon Gamble; Andrew Sinnott
Subject: Comments to the 2017 Proposed Rules

Good evening,

Please see the attached document containing my public comments to the proposed rules. It is my hope the Department will consider modification to the proposed rules to ensure fair and equitable distribution of our affordable housing resources, and not engage in policies that perpetuate racial inequality across the State of Texas.

Have a great weekend!

Sincerely,

Terri

Terri L. Anderson, President
Anderson Development & Construction, LLC
347 Walnut Grove Ln
Coppell, TX 75019
Phone: (972) 567-4630
Fax: (972) 462-8715

Disclaimer: The sender is not an attorney. Nothing contained herein is intended to be legal advise, and is provided strictly for informational purposes.

Andrew Sinnott

From: Brad Forslund [bforslund@cri.bz]
Sent: Monday, November 07, 2016 8:31 AM
To: Andrew Sinnott
Cc: Tony Sisk; Becky Villanueva
Subject: Multifamily Direct Loan Rule Public Comment

Andrew,

As part of the public comment period on the Multifamily Direct Loan Rules I have the following comments:

1. Par. 13.8(a)- For 4% transactions allow for some interest rate flexibility (i.e. lower than 3%) if the applicant can show need. These deals are large transactions and carry more debt than 9% transactions. A lower interest rate would improve DCR and make the transactions financially sounder over the 15 year compliance period.
2. Par. 13.8(c)(1) – if the direct loan is part of a capital structure that includes tax credits the direct loan should be considered permanent debt and be 100% non-recourse. In other words this paragraph should only apply where the direct loan is in essence the "equity".
3. Par. 13.8(c)(2) – amortization should mirror the amortization of the first lien note (as in the past).
4. Par. 13.11(b) –bond deals are extremely complicated and a lot occurs after the initial award of the direct loan. I would ask there be no penalties until after environmental review is approved by HUD.

I would like to suggest the following ideas for your consideration as they relate to bond deals.

1. Increase the maximum available for a 4% bond deal to $3,000,000.
2. Increase the amount available in the 4% set -aside to allow for at least 3 bond deals.

Thanks

Brad

Brad Forslund
Partner
Churchill Residential. Inc.
5605 N. MacArthur Blvd. Suite 580
Irving, Texas 75038
Office: (972)550-7800
Facsimile (972)550-7900

TX-CAD– Multifamily Direct Loan Rule

The Texas Coalition of Affordable Developers (TX-CAD) is pleased to submit our comments for Multifamily Direct Loan Rules. TX-CAD is a coalition of Developers and consultants who have come together for the purpose of focusing on the improvement of affordable housing policy in Texas. The members of this group represent over 200 years of affordable housing development/policy and approximately 35,000 units of affordable housing in Texas

Below is our comment with regard to the rules:

Section 13.11(n)(5)(F) Documentation for Loan Closing

> *(F) If the changes to the budget or sources of funds reflect material changes to the transaction approved by the Board, documentation to ensure that the Development continues to meet the requirements of this chapter must be provided and material changes to the application must be approved by the Board. Material changes include but are not limited to any increase in debt payment for superior liens and a greater than a 10 percent change in any of the following:*
>
> *(i) Total Housing Development Costs*
> *(iI) deferred developer fee amount*
> *(iii) superior loan amount*

While we agree that material changes should go back to the Board, we do not agree that these items should be considered Material. Material changes are considered at length in Subchapter E of the Multifamily Rules and should be consistent within TDHCA multifamily programs. We certainly don't believe these changes should rise to the level of needing Board approval. We suggest removing this section entirely, rewriting to be consistent with Subchapter E, or only required Underwriting approval. For any development that is HTC/Direct Loan the lead time needed to go to the Board, along with how late in the process this may come to light could very well kill many deals, and imposes an administrative burden on both staff and the Developer.

Additional Comments

REA should not decrease the Direct Loan below an amount that would require more than 50% of the developer fee be deferred, but instead adjust the interest rate and amortization term of the Direct Loan to achieve a 1.15 DCR minimum. Commenter suggests that 100% deferred developer fee makes a transaction more risky.

Additionally, Direct Loan terms should not exceed the loan amortizations and both the term and amortization must be greater than the first lien debt term not to exceed 40 years and 6 months.

FOUNDATION COMMUNITIES
creating housing where families succeed

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November 18, 2016

Marni Holloway
Texas Department of Housing and Community Affairs
P.O. Box 13941
Austin, TX 78711-3941

Dear Marni,

Thank you for the opportunity to comment on the DRAFT 2017 Multifamily Direct Loan Rules. We want to thank the staff for their time and effort made to engage the development community in this process. The roundtables provided a comfortable arena to discuss concerns, ideas, and solutions. This draft is evidence that this year's roundtables were effective and fruitful. As a whole, we think these rules were very well-crafted based on experience from prior years.

Please see below for comments.

<u>13.4 Set-asides, Regional Allocation, and Priorities</u>

(1) Fixed Set-Asides. (A)Soft repayment loans may be provided with deferred payable, deferred forgivable or cash flow terms.

Allowing the option of deferred payable, deferred forgivable, and cash flow contingent loans provides a much needed menu of options for Supportive Housing developments with complicated and diverse ownership structures.

(2) Flexible Set-Asides

We strongly support the department's efforts to write in some flexibility to the rules so that staff may have the space to respond to and support innovative ideas and complicated projects.

<u>13.5 Award Process</u>

(d) (2) Applications for Developments previously awarded Department funds under any program, or where construction has already started, regardless of fund source and are not proposing acquisition and rehabilitation, except distressed Developments under §13.3(a), must be found eligible by the Board prior to the Department accepting the Application or providing the Applicant with an Application acceptance date. A finding of eligibility under this section does not guarantee an award.

The majority of projects that are requesting MF direct loan funds have also applied for and received other funding such as tax credits and bond financing. MF direct loan funds are the critical gap funding needed for projects that are providing deeper affordability. All projects otherwise eligible that have been awarded other Department funds should be eligible and then evaluated and ranked to the extent that other applications were received on the same date *and* within the same set-aside and prioritization. We urge the Department to eliminate this section.

<u>13.6 Scoring Criteria.</u>

(f) Tiebreaker. In the event that one or more applications receives the same number of points based on the scoring criteria above, staff will recommend for award the Application that proposes the greatest percentage of MFDL units available to households at 15% AMGI in the event of a tie in the Tiebreaker Certification.

Although we support efforts to provide affordable housing to tenants at 15% MFI, we are concerned that this particular strategy could have some unintended consequences. Supportive Housing developments competing for tax credits are already required to set-aside 20% of their units for 30% MFI and below. This is 10% more than a General Family or Elderly tax credit project. It would be very difficult to set-aside 15% units in addition to or instead of the existing 30% units without going into the red. Typically, all units are already below 50% MFI in Supportive Housing, so there is no way to cross-subsidize lower rents with market units. With construction costs so high, it only makes sense to maximize credits rather than set-aside market units. As such, this would disadvantage supportive housing developments against other tax credit developments that are able to cross subsidize with market units and higher rents.

We have also learned from developers working in other states that projects with units set aside at 15% MFI have run into long-term operational and financial hardships. As such, we suggest awarding points for 15% units, rather than making it a tie breaker, and using the first 3 tiebreakers in the draft 2017 QAP. Please see our suggestion below.

(e) Rent Levels of Tenants. An Application may qualify to receive up to thirteen (13) points for placing the following rent and income restrictions on the proposed Development for the entire Affordability Period. These Units may not be restricted to 30 percent or less of AMGI by another fund source.

(1) At least 20 percent of all low-income Units at 30 percent or less of AMGI (13 points);
(2) At least 10 percent of all low-income Units at 15 percent or less of AMGI (13 points)

(3) At least 10 percent of all low-income Units at 30 percent or less of AMGI or, for a Development located in a Rural Area, 7.5 percent of all low-income Units at 30 percent or less of AMGI (12 points); or
(4) At least 5 percent of all low-income Units at 30 percent or less of AMGI (7 points).

(f) Tiebreaker. In the event that one or more applications receives the same number of points based on the scoring criteria above, the Department will utilize the factors in this section, in the order they are presented, to determine which Development will receive preference in consideration for an award.

(1) Applications having achieved a score on Proximity to the Urban Core
(2) Applications scoring higher on the Opportunity Index under §11.9(c)(4) of this chapter (relating to Competitive HTC Selection Criteria) as compared to another Application with the same score.
(3) Applications having achieved the maximum Opportunity Index Score and the highest number of point items on the Opportunity Index menu that they were unable to claim because of the 7 point cap on that item.

13.10 Development and Unit Requirements

(a) The bedroom/bathroom/amenities and square footages for Direct Loan Units must be comparable to the bedroom/bathroom/amenities and square footages for the total number of Units in the Development based on the amount of Direct Loan funds requested, inclusive of Match, as a percentage of total Direct Loan eligible costs.

In our projects funded with 2016 Direct Loan funds, the contract called for the average SF of the Direct Loan units to match the average SF of the total number of Units in the Development. Although this seems reasonable and simple to achieve, we discovered some complications which could be avoided. As an example, our project has 1-bedroom, 2- bedroom, and 3-bedroom units, each with minor variations in SF size depending on location. In order to achieve the required average SF, we were required to pick a very specific unit mix, which essentially creates fixed Direct Loan units. Fixing these units adds unnecessary complications to the management and compliance of initial lease-up and ongoing leasing. In our experience managing developments with several layers of funding, we have found that it is easier to float all units. Additionally, we believe that this unintentionally contradicts item 13.10(b) All Direct Loan Units must float throughout the Development. We suggest clarifying the rules to prevent this unnecessary layer of complication. Please see proposed language below.

(a) The bedroom/bathroom/amenities ~~and square footages~~ for Direct Loan Units must be comparable to the bedroom/bathroom/amenities ~~and square footages~~ for the total number of Units in the Development

13.5 Award Process

(d) (2) Applications for Developments previously awarded Department funds under any program, or where construction has already started, regardless of fund source and are not proposing acquisition and rehabilitation, except distressed Developments under §13.3(a), must be found eligible by the Board prior to the Department accepting the Application or

providing the Applicant with an Application acceptance date. A finding of eligibility under this section does not guarantee an award.

The majority of projects that are requesting MF direct loan funds are layered with other Department funds such as tax credits and bond financing. MF direct loan funds are the critical gap funding needed for projects that are providing deeper affordability. Supportive housing is especially dependent on soft funding, and a gap can happen when some soft funding that is expected doesn't happen (not just from higher construction costs or force majeure events). All projects otherwise eligible that have been awarded other Department funds should be eligible and then evaluated and ranked to the extent that other applications were received on the same date *and* within the same set-aside and prioritization.

Thank you for the review and acceptance of these comments.

Sincerely,
Jennifer Hicks
Director of Housing Finance
Foundation Communities

New Hope Housing

November 28, 2016

Mr. Andrew Sinnott
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701
Delivered via email

Dear Andrew,

This letter brings with it our appreciation to you and the Department for your commitment to collaboration with the development community in refining the Multifamily Direct Loan Rules. We fully support the comments and proposed changes submitted by Foundation Communities on 11/18/2016, particularly those related to the Award Process, Tiebreaker rules, and Unit Requirements.

Regarding previously awarded projects, in Sec 13.5(d)(2)), developments should not be required to seek Board approval prior to placing an application. This could severely impact otherwise eligible projects from funding. A thorough underwriting and application review would naturally eliminate any ineligible developments. Requiring this approval prior to application could be a “deal killer.”

We *strongly* disagree with the language relating to 15% AMI restrictions. New Hope Housing already serves the lowest income tiers, but we rely on the vast majority of units actually being restricted at 50% and 60% AMI to achieve critical True Debt threshold tests in both TDHCA underwriting and that of investors. Even the addition of 30% units poses a significant underwriting challenge, in addition to an added financial burden. To handicap these developments with deeper rent restrictions would create an insurmountable challenge to the projects. It is simply not best practices to further to suppress a project’s ability to remain financially feasible. We recommend the language as proposed by Foundation Communities.

Finally, for ease of implementation and not inadvertently creating “fixed” units, please revise the 13.10 Development and Unit Requirement rules to reflect the following: (*a) The bedroom/bathroom/amenities ~~and square footages~~ for Direct Loan Units must be comparable to the bedroom/bathroom/amenities ~~and square footages~~ for the total number of Units in the Development.*

The changes we are requesting here would increase the feasibility of Supportive Housing across the State of Texas. Should you wish to speak with me personally, I welcome hearing from you at any time.

Sincerely,

Joy Horak-Brown

Joy Horak-Brown
President and CEO

CC: Tim Irvine, Marni Holloway, Teresa Morales

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

PUBLIC HEARING

FOR COMMENT ON

MULTIFAMILY DIRECT LOAN PROGRAM RULES

Room JHR 140
John H. Reagan Building
105 West 15th St.
Austin, Texas

3:51 p.m

Thursday,
November 10, 2016

PRESIDING: ANDREW SINNOTT, TDHCA Multifamily Finance

I N D E X

P R O C E E D I N G S

MR. SINNOTT: Good afternoon. Let the record show it is about 3:51 p.m. My name is Andrew Sinnott. I am here to conduct a hearing for the Texas Department of Housing and Community Affairs.

The department's mission is to administer its assigned programs efficiently, transparently, and lawfully, and to invest its resources strategically and develop high-quality affordable housing which allows Texas communities to thrive.

Through our rental-housing programs, the department encourages the new construction or rehabilitation of high-quality housing, primarily through private developers. These developments benefit Texans by providing qualified families and individuals with safe, affordable, quality housing.

The department is conducting this hearing in order to receive comment on the proposed multifamily direct loan rule to be located in Title 10 Part 1 of the Texas Administrative Code Chapter 13.

This public hearing is being held in Austin at Room 140 of the John H. Reagan Building. All comment that you provide today will be recorded, and a transcript of that comment will be presented to the department's board prior to action on the final version of the multifamily direct loan rule.

If you wish to speak but haven't completed a witness affirmation form, please be sure and complete one and hand it to me during this meeting. Also, if you do not wish to speak but would like to provide comment, your witness affirmation form may also serve as comment and will be included in the public comment summary to the department's board.

If you have not signed in, please do so -- I think the sign-in sheet is up here on the podium -- so the department will have a record of attendance for this hearing.

If there are any elected public officials here, we would ask that they be given the courtesy of coming to the podium first. We will organize the remaining witness affirmations in the order received.

When you come to the podium, please state your name clearly for the record. You must come to the microphone to speak. Each person will be given three minutes to make their comments. Please take this into account when providing your comments, so as to provide everyone the opportunity to speak if they would like.

Are there any questions before I begin?

(No response.)

MR. SINNOTT: All right. Our first speaker is

Renee Lopez.

Ms. Lopez.

MS. LOPEZ: My name is Renee Lopez. I'm on the board of AHA, which stands for Accessible Housing Austin, and I'm here to just make some points about the National Housing Trust Fund.

We find that there are many people with disabilities have a difficult time finding housing that is accessible and affordable, especially to those who are on SSI or SSDI incomes.

The National Housing Trust Fund is a unique and flexible funding source. It's designed to provide additional unduplicated housing units for extremely low income people. Most of those are renters.

And we know that the greatest housing need is for this income group. People with disabilities often fall below that level, closer to $750 a month, or 15 percent of median family income.

This is a great funding source for accessible, affordable integrated housing. We need housing that's low barriers for people with disabilities, as well as the homeless. This is a chance to be creative with this funding source and to make it more accessible to smaller, mission-driven organizations.

One of the things we definitely want to implore is that this be considered to ensure that we have affordable accessible housing in Austin.

Thank you.

MR. SINNOTT: Thank you.

All right. Next speaker is Nancy Crowther.

MS. CROWTHER: Good afternoon. Thank you for your time here. My name is Nancy Crowther. I've been a resident of Austin for over 35 years, and I wanted to kind of stress the importance of accessible affordable housing in relation to how I grew up here in Austin.

If it weren't for affordable housing, I probably wouldn't have gotten my first job. Finding accessible housing was very difficult.

But once I started looking and adapting my housing needs, I found out that there wasn't a lot of accessible housing at all, so you kind of had to make it up as you went along.

Now, fast-forward 35 years. I found a duplex that was adaptable. I lived in it for 20 years. I was not about to give up that accessibility and adaptability and integration and the fact that it was multifamily. And I really found it to be a prototype of what is needed all over the place.

Just recently I bought a house. I grew up and bought a house, and then I got to design it the way I wanted it. And the first time in my life have I ever been able to reach and see and adjust a thermostat, ever.

We need more accessible housing. We need more integrated housing. It is so sad to see the number of units that go to waste, and the poor folks who cannot find the accessible housing.

You know, in the private industry it's kind of like the disabled units go first to the first people who can put down a deposit, and it's not fair. So having the funding available for the population that needs it -- we need the integration, we need the accessibility to our transit, our housing, and jobs.

It's the first step, really, to employment, that I see. And integration defeats institutionalization, so that's real important.

And with these standards we're asking that no more than 25 percent of the units within each multifamily use -- oh, I'm sorry. I skipped a line here.

We recommend the funded projects go above and beyond the fair housing accessibility requirements to accessible, affordable, integrated projects, namely. And in complying with the fair housing Section 504 and other laws, 10 percent of the units and entire projects should be accessible to people with disabilities, and 4 percent for people with vision and sensory disabilities.

And when we talk about integration, we don't mean that we want Building D, as in disabled, to have the units -- the only units available to people with disabilities, but we want it scattered throughout the building.

Now, we've had a lot of accessibility standards. We have people who now have families that need those accessibility standards, and unfortunately we're not getting any richer, so the affordability is key to the integration and the use of these places to live.

So I highly recommend and appreciate the increases in all the funding for the source. Thank you.

MR. SINNOTT: Thank you. I apologize for the mispronunciation of your last name.

MS. CROWTHER: It's really okay.

MR. SINNOTT: Okay. Next is Terri Andersen.

MS. ANDERSEN: Good afternoon. Terri Andersen, Andersen Development and Construction.

I have a few comments which I will also follow up in writing. One is regarding the CHDO definition, and the more heavily prescribed definition that's shown in the current set of rules I believe should be reversed, and you should use the actual HUD requirements as well as the other criteria that are in statute and not go above and beyond that. I believe it's quite overreaching, certainly given the fact it's more difficult to fund CHDO developments in the direct loan program and otherwise.

And under the experience for direct loan only transactions, it appears to be more difficult to achieve the experience criteria for a direct loan only transaction than other multifamily programs, so I would suggest that all programs should have the same experience criteria.

Also, most importantly, I believe the amortization period should follow the loan term of the direct loan and should be as long as a first lien if the direct loan is not the only form of financing and is in a second-lien position plus six months.

And the other major concern I have is allowing for 100 percent deferred developer fees truly create a significant risk to the overall capital structure of the development and your direct loan, so I would advise that any developer fee -- that any development that has a developer fee shown in excess of 50 percent should be considered for a reduction in interest rate and an increase in the amortization rate in order to get that developer fee back in line with something less than 50 percent of deferred.

And then also there's a correction to the exhibit in Section 13.10. Thank you.

MR. SINNOTT: Thank you.

All right. Next is Isabelle Headrick.

MS. HEADRICK: Good afternoon. My name's Isabelle Headrick. I'm with Accessible Housing Austin, and I also serve on the board of the National Low Income Housing Coalition, which has been very involved with the development of the National Housing Trust Fund.

I'm going to reiterate and reinforce some of the points that Renee and Nancy made, and then also add on more about small nonprofits. And I will also be following up in writing.

We want to -- in terms of accessibility, we wanted to see if, you know, TDHCA would be willing to go above and beyond what current requirements are and say that within NHTF-funded projects that they would actually have a higher standard of accessibility, so 10 percent being accessible for people with mobility and 4 for vision and sensory, which is a doubling, I believe, of fair housing.

Integration is another point that we wanted to really stress. And by the way, I also wanted to say I really appreciate how much the staff has already done to incorporate some of our concerns, so I just think that a few things could be gone a little farther.

In terms of -- I want to talk about what it's like for smaller, mission-driven nonprofit organizations to try to access this funding, because I feel like lumping it in with all of the same tax credit stuff, it's still pretty prohibitive the way it's written.

And it's still very expensive to even get in the door to fill in an application, so I want to put some ideas out there. I think that smaller-scale scattered-site projects should have access to National Housing Trust Fund, and that some of those are lower cost per unit to do acquisition and rehab than to do like a brand-new, shiny new construction, and I think that should be encouraged and not discouraged.

We don't really see the rationale for having the experience being twice as many units. We had asked for the experience to be commensurate with the size of the project, and I think that in some cases twice as many makes sense, but in other cases, if you're talking about like, you know, a small number of scattered-site houses or if you're talking about a huge number, then maybe twice as many isn't the right number.

So I think that somehow twice is a little arbitrary and we could tweak that to be more -- so that's really about proportionality to the size of the project.

And in terms of experience, we also think that the experience of board members and staff and consultants should also count towards the project. So if, you know, you hire a firm that has a lot of experience with developing projects and they are accountable to you for doing this development, I think that that should count, and that should be counted, with noting that experience of project development is not necessarily the same as evidence of operation, so those are two things that maybe should be sifted out a little bit.

Also, if nonprofits have experience developing commercial or office space, I think that that should count as experience. For example, I know my colleague at LifeWorks, they've developed, you know, new buildings and with classrooms and stuff like that, so that is development experience, and I think that somehow that should be accounted for as well.

And maybe proof of experience could include letters from previous funders, like banks or lenders; it could include letters from staff at PJs and other referring organizations; for example, if some social service agency had referred tenants to a housing organization and those tenants had stayed there a really long time and been doing well and all of that and been treated right, then maybe that could be a source of experience documentation.

One last thing is we were talking about maybe there could be a way of having a preapplication process so that organizations could know if they had a fighting chance of getting funded before they spend tons of money on like a market study and, you know, all of the site plan stuff that was required to even get in the door. I mean, for me that probably cost $25,000 just to be able to have an application to submit.

And so I know that timing is an issue for you guys, so we were tossing around the idea of like what if there was a preapplication process whereby those who are only applying for direct loan funding and not applying for tax credits would be -- that funding would -- those preapplications could be due October 1 of the year before, and then once it's clear whether or not they have a chance of getting funded, then full applications would be due December 1, so that gives a little bit of time.

And one thing that might -- is an added benefit to that is like all the vendors you use for things like market studies and the site planning and all of our engineers, they're just crunched at the end of December; you know, they're crunched in December, but here it just shifts the time frame a little bit away from the tax credit projects, because they're all working for the same people anyway, and they're super-crunched, so it might be easier to manage that.

I know that you guys don't necessarily know exactly how much funding you have as of October 1, but at least it gives a way to get a sense of like who got in in what order and if there even a possibility of being funded.

So I just wanted to throw those things out, and I will be following up with written comments as well. Thank you so much.

MR. SINNOTT: Thank you.

All right. Next is Belinda Carlton.

MS. CARLTON: Good afternoon. My name is Belinda Carlton, and I am a community advocate with ADAPT of Texas. So I want to first say that ADAPT of Texas supports the comments made by our colleagues Nancy and Renee and Isabelle with regard to accessibility, integration, and lowering barriers for smaller mission-driven nonprofit organizations to be able to access the National Housing Trust Fund.

You know, we must remember on the fair housing standards that they are minimum standards. And I don't know the year that we came up with the standards for the Fair Housing Act, but I do know the incidence of mobility disabilities continues to grow, especially because of individuals like myself. We have the silver tsunami, as Texas Chief Justice of the Supreme Court Nathan Hecht has called it, of aging Texans.

And with that aging they found that over 50 percent of the aging have disabilities of the spine, mobility, arthritis, those things that are going to impair mobility and increase the need for accessible housing.

And I want to also -- before I retired in June, I was with the Texas Council for Developmental Disabilities, so I know a lot about individuals with intellectual and developmental disabilities, and along with that, developmental disability is often a mobility issue and a need for accessible housing.

And we must not forget that the National Housing Trust Fund is about increasing housing options for extremely low income individuals, and individuals with intellectual and developmental disabilities are individuals who rely usually solely on Social Security income -- and I forget what it is -- somewhere around 750 now per month.

So for individuals with disabilities like -- developmental disabilities like my daughter -- she was fortunate enough seven years ago to get a housing choice voucher. Well, that -- there's no waiting list. That's been closed for years. So she has lots of friends who are stuck away in institutional settings because, you know, there's not any access to housing for extremely low income individuals.

And it's an issue for our state services, long-term services and support. You know, providers talk about where do we put you? We can give you the services and supports, but we can't find the housing. So we really must increase the availability of housing -- accessible affordable housing, affordable to people who are at extremely low income.

And integrated housing: I mean, as folks said, you know, no more than 25 percent of the units should be set aside for people with disabilities.

And I believe that's it.

MR. SINNOTT: Thank you.

All right. So as long as there are no more speakers, the proposed multifamily direct loan rule is posted to the department's website. Written and emailed comments outside of this meeting are also encouraged. Such comments must be submitted prior to 5:00 p.m., Austin local time on November 28, 2016.

Thank you for your participation. Public input is very important to the department. All comment that you provided today has been recorded, and a transcript of the comment will be presented to the department's board prior to action on the final version of the multifamily direct loan rule.

The board will make final decisions regarding the multifamily direct loan rule at the December 15, 2016, meeting.

For additional information you may contact me at andrew.sinnott@tdhca.state.tx.us or at 512-475-0538, or visit the program's website at tdhca.state.tx.us. This concludes public hearing. Let the record show it is 4:15 p.m., and this hearing is now adjourned. Thank you.

(Whereupon, at 4:15 p.m., the hearing was concluded.)

C E R T I F I C A T E

IN RE: Public Hearing for Multifamily Direct Loan Program Rules

LOCATION: Austin, Texas

DATE: November 10, 2016

I do hereby certify that the foregoing pages, numbers 1 through 18, inclusive, are the true, accurate, and complete transcript prepared from the verbal recording made by electronic recording by Nancy H. King before the Texas Department of Housing and Community Affairs.

/s/ Laurel H. Stoddard 11/17/2016
(Transcriber) (Date)

On the Record Reporting
3636 Executive Cntr Dr., G22
Austin, Texas 78731

Multifamily Direct Loan Rule

13.1 Purpose

(a) Authority. The rules in this Chapter apply to the funds provided to Multifamily Developments through the Multifamily Direct Loan Program ("MFDL" or "Direct Loan Program") by the Texas Department of Housing and Community Affairs ("Department"). Notwithstanding anything in this Chapter to the contrary, loans and grants issued to finance the Development of multifamily rental housing are subject to the requirements of the laws of the State of Texas, including but not limited to Tex. Gov't Code, Chapter 2306, and federal law pursuant to the requirements of Title II of the Cranston-Gonzalez National Affordable Housing Act and the implementing regulations 24 CFR Part 91, Part 92, and Part 93, as they may be applicable to a specific fund source. The Department is authorized to administer HOME funds pursuant to Tex Gov't Code, §2306.111. Tex Gov't Code Chapter 2306, Subchapter I, Housing Finance Division: This Chapter is not applicable to the State Housing Trust Fund or Section 811.

(b) General. This Chapter applies to an award of MFDL funds by the Department and establishes the general requirements associated with the application and award process for such funds. Applicants pursuing MFDL assistance from the Department are required to certify, among other things, that they have familiarized themselves with all applicable rules that govern that specific program including, but not limited to this Chapter, Chapter 1 (relating to Administration), Chapter 2 (relating to Enforcement), and Chapter 10 of this Title (relating to Uniform Multifamily Rules). Chapter 11 of this Title (relating to Housing Tax Credit Program Qualified Allocation Plan ("QAP")) and Chapter 12 of this Title (relating to Multifamily Housing Revenue Bond Rules) will apply if MFDL funds are layered with those other Department programs. Any conflict with rule of other programs or with federal regulations will be resolved on a case by case basis, that allows for compliance with all requirements. Conflicts that cannot be resolved may result in Application ineligibility.

(c) Waivers. Requests for waivers of any program rules or requirements must be made in accordance with §10.207 of this title (relating to Waiver of Rules for Applications) and as limited by the rules in this Chapter. In no instance will the Department consider a waiver request that would violate federal program requirements or state or federal statute.

13.2 Definitions

The following words and terms, when used in this Chapter, shall have the following meanings, unless the context clearly indicates otherwise. Any capitalized terms not specifically mentioned in this section shall have the meaning as defined in ~~Texas~~ Tex. ~~Government~~ Gov't Code, Chapter

2306, §§141, 142, and 145 of the Internal Revenue Code, 24 CFR Part 91, Part 92, Part 93 and 2 CFR Part 200, and Chapter 10 of this Title (relating to Uniform Multifamily Rules).

(a) *Choice limiting activity*: any transfer of title that occurs prior to a Development obtaining environmental clearance after an application for federal funds (HOME and NHTF) has been submitted. Choice limiting activities may also include closing on loans including loans for interim financing, signing of a contract, and commencing construction. All applicants for MFDL funds, regardless of whether or not the Development Site is in a Participating Jurisdiction, must include the following language in the purchase contract or site control agreement:

"Notwithstanding any other provision of this Contract, Purchaser shall have no obligation to purchase the Property, and no transfer of title to the Purchaser may occur, unless and until the Department has provided Purchaser and/or Seller with a written notification that: (1) it has completed a federally required environmental review and its request for release of federal funds has been approved and, subject to any other Contingencies in this Contract, (a) the purchase may proceed, or (b) the purchase may proceed only if certain conditions to address issues in the environmental review shall be satisfied before or after the purchase of the property; or (2) it has determined that the purchase is exempt from federal environmental review and a request for release of funds is not required. The Department shall use its best efforts to conclude the environmental review of the property expeditiously."

(b) *Community Housing Development Organization (CHDO)*: a private nonprofit organization that has experience developing and/or owning affordable rental housing and that meets the requirements in 24 CFR Part 92 for purposes of receiving HOME funds under the CHDO set-aside. In addition, a member of a CHDO's board cannot be a Principal of the development beyond his/her role as a board member of the CHDO or be an employee of the development team, and may not receive financial benefit other than reimbursement of expenses from the CHDO (*e.g*. a voting board member cannot also be the paid executive director of the CHDO).

(~~b~~c) *Encumbered Funds or Revenue:* funding or revenue that has a state or federal program designation and must be allocated in accordance with such statute or regulation. (*e.g*. HOME Program income must be re-allocated as HOME funding and therefore would be encumbered as such.)

~~(c) *Choice limiting activity*: any transfer of title that occurs prior to a Development obtaining environmental clearance after an application for federal funds (HOME and NHTF) has been submitted. Choice limiting activities may also include closing on loans including loans for interim financing, signing of a contract, and commencing construction. All applicants for MFDL funds, regardless of whether or not the Development Site is in a Participating Jurisdiction, must include the following language in the purchase contract or site control agreement:~~

~~"Notwithstanding any other provision of this Contract, Purchaser shall have no obligation to purchase the Property, and no transfer of title to the Purchaser may occur, unless and until TDHCA has provided Purchaser and/or Seller with a written notification that: (1) it has~~

~~completed a federally required environmental review and its request for release of federal funds has been approved and, subject to any other Contingencies in this Contract, (a) the purchase may proceed, or (b) the purchase may proceed only if certain conditions to address issues in the environmental review shall be satisfied before or after the purchase of the property; or (2) it has determined that the purchase is exempt from federal environmental review and a request for release of funds is not required. TDHCA shall use its best efforts to conclude the environmental review of the property expeditiously."~~

(d) *Matching contribution (Match)*: a contribution to a proposed Development from nonfederal sources that may be in the form of one or more of the following:

(1) Cash contribution (grant), except for cash contributions made by investor limited partner in a tax credit transaction or owner equity (including deferred developer fee)

(2) Reduced fees or donated labor from certain eligible contractors, subcontractors, architects, attorneys, engineers, excluding any contributions from a party related to the Developer or Owner

(3) Net present value of yield foregone from a below market interest rate loan

(4) Waived or reduced fees from cities or counties not related to the Applicant in connection with the proposed development

(5) Donated land or land sold below market value, as evidenced by a third party appraisal, from an unrelated party

(e) *Section 234 Condominium Housing basic mortgage limits ("234 Condo Limits")*: the per-unit subsidy limits for all MFDL funding. These limits take into account whether or not a Development is elevator served and any local conditions that may make development of multifamily housing more or less expensive in a given metropolitan statistical area. Currently, the high cost percentage adjustment applicable to the 234 Condo Limits for HUD's Fort Worth Multifamily Hub is applicable for all Developments that TDHCA finances through the MFDL Program.

13.3 General Loan Requirements

(a) Direct Loan funds may be made available through a Notice of Funding Availability ("NOFA") or other similar governing document that includes the basic Application and funding requirements. MFDL funds may be used to directly assist distressed developments previously funded by the Department when approved by specific action of the Department's Governing Board ("Board").

(b) Direct Loan funds are composed of annual HOME and National Housing Trust Fund allocations from HUD, repayment of TCAP loans, HOME Program Income and any other similarly encumbered funding that may become available, except as otherwise noted in this Chapter. Similar funds include any funds that are required to be to be loaned or granted for the development of multifamily property and are not governed by another Chapter in this Title.

(c) Direct Loan funds may be used for the acquisition, new construction, reconstruction, or rehabilitation of affordable housing with suitable amenities, including real property acquisition, site improvements, conversion, demolition, or operating cost reserves, all subject to HUD guidance. Other expenses, such as financing costs, relocation expenses of any displaced persons, families, businesses, or organizations may be included.

(d) While all costs associated with the Development and known by the sponsor must be disclosed as part of the Application, costs ineligible for reimbursement with Direct Loan funds in accordance with 24 CFR Part 91, Part 92, Part 93, and 2 CFR Part 200, as federally required or identified in the NOFA include but are not limited to:

(1) Offsite costs

(2) Stored Materials

(3) Site Amenities

(4) Detached Community Buildings

(5) Carports and/or garages

(6) Parking garages

(7) Commercial Space costs

(8) Reserve accounts not related to NHTF

(9) TDHCA fees

(10) Delinquent fees, taxes, or charges

(11) Costs incurred more than 24 months prior to the effective date of the Direct Loan Contract~~,~~, unless the Application is awarded TCAP Loan Repayment funds.

~~except for TCAP Loan Repayments.~~

(12) Other costs limited by Award or NOFA, or as established by the Board

13.4 Set-asides, Regional Allocation, and Priorities

(a) *Set-asides:* Specific types of ~~a~~Applications or Developments for which a portion of MFDL funds may be reserved in a NOFA will be grouped in set-asides. The Supportive Housing/Soft Repayment set-aside, CHDO set-aside, and General set-aside, as described below, are fixed set-asides that will be included in the annual NOFA. The remaining set-asides described below are flexible set-asides and are applicable only when identified in the NOFA. The amount of a single award may be credited to multiple set-asides, in which case the depleted portion of funds may be repositioned into an oversubscribed set-aside prior to a defined collapse deadline. Applications under any and all set-asides may or may not be layered with other Department Multifamily programs except as provided in this section or as determined by the Board to address unique circumstances not addressed by these rules.

(1) Fixed Set-Asides:

(A) Supportive Housing/Soft Repayment Set-Aside. The Supportive Housing/Soft Repayment ("SH/SR") Set-aside will be limited by the unencumbered interest revenue generated by multifamily loan payments and any amount under the NHTF allocation received by the Department and not otherwise programmed. The SH/SR set-aside is reserved for developments that are not able to support amortizing debt due to higher costs for supportive services or extremely low income and rent restrictions. Soft repayment loans may be provided with deferred payable, deferred forgivable or cash flow terms. Applicants seeking to qualify under this set-aside must propose Developments that meet either:

(i) the Supportive Housing requirements in 10 TAC §10.3(a) in the Uniform Multifamily Rules including the other underwriting consideration for Supportive Housing Developments ~~Section~~ , 10 TAC §10.302(g)(3) of the Underwriting and Loan Policy; or

(ii) the requirements in ~~subparagraphs~~ subclauses (~~i~~I) through (~~iii~~III), funding exclusively units targeting 30% Area Median Income (AMI) households;

(I) All units assisted with MFDL funds must be available for and have rents no higher than households earning 30% ~~Area Median Income (AMI)~~ AMI or less.

(II) Any units assisted with MFDL funds may not also be receiving project-based rental assistance, other than MFDL funds.

(III) Any units assisted with MFDL funds may not also be receiving tenant-based voucher or rental assistance to the extent that there are other available units within the Development that the voucher-holder may occupy.

(B) CHDO Set-aside. A portion of the Department's annual HOME allocation, equal to at least 15%, will be set aside for eligible Community Housing Development Organizations ("CHDO") meeting the requirements of the definition of Community Housing Development Organization found in 24 CFR §92.2 and above. Applicants under the CHDO Set-Aside must be proposing to develop housing in Development Sites located outside Participating Jurisdictions unless the award is made within ~~the~~ a Persons with Disabilities ("PWD") set-aside. CHDO funds are typically available as fully-repayable amortizing debt consistent with §13.4 of this Chapter relating to debt structure policy. In instances where an application submitted under the CHDO Set-Aside also qualifies under the SH/SR Set-Aside, CHDO funds may be structured in accordance with the SH/SR Set-Aside requirements. A CHDO operating expenses grant may be awarded in conjunction with an award of MFDL funds under the CHDO set-aside.

(C) General. The General set-aside is for all other applications that do not meet the requirements of the SH/SR or CHDO set-asides or flexible set-asides, if any. A portion of the General set-aside may be repositioned into the CHDO set-aside in order to fully fund a CHDO award that meets or exceeds the set-aside amount.

(2) Flexible Set-Asides:

(A) 4% and Bond Layered. The 4% and Bond Layered set-aside is reserved for applications meeting all MFDL requirements that are layered with 4% Housing Tax Credits and Private Bond funds that do not meet the definition of CHDO.

(B) Persons with Disabilities ("PWD"). The PWD set-aside is reserved for developments restricting units for tenants who meet the requirements of Tex. Gov't Code §2306.111(c)(2). MFDL funds will be awarded in a NOFA for the PWD set-aside only to the extent sufficient funds are available to award to at least one Application within a P~~p~~articipating J~~j~~urisdiction under Tex. Gov't Code §2306.111(c)(1).

(C) 9% Layered. The 9% Layered set-aside is reserved for applications meeting all MFDL requirements that are layered with 9% Housing Tax Credits, and do not meet the definition of CHDO. Awards under this set-aside are dependent on the concurrent award of a 9% HTC allocation.

(D) Additional set-asides may be developed, subject to Board approval, to meet the requirements of specific funds sources, or to address Department priorities.

~~(3)~~

(b) *Regional Allocation.* All funds in the annual NOFA will be initially allocated to regions and potentially subregions based on a Regional Allocation Formula ("RAF") within the set-asides. The RAF methodology may differ by fund source. HOME funds will be allocated in accordance with Tex. Gov't Code Chapter 2306. The end date for the RAF will be identified in the NOFA, but in no instance shall it be less than 30 days from the date ~~the~~ a link to the NOFA is published in the *Texas Register*.

(1) After expiration of the RAF, funds collapse but may still be available within set-asides as identified in the NOFA but for an additional period not less than 15 days. All Applications received prior to these first two collapse period deadlines will continue to hold their priority unless they are withdrawn, terminated, or funded.

(2) Funds remaining after expiration of set-asides, which have not been requested in the form of a complete application, will be available statewide on a first-come first-served basis to Applications submitted after the collapse dates.

(3) In instances where the RAF would result in regional or subregional allocations insufficient to fund an application, the Department may use an alternative method of distribution, including an early collapse, revised formula or other methods as approved by the Board.

(c) *Priorities for the Annual NOFA.* Complete Applications received during the period of the RAF will be prioritized for review and recommendation to the Board, to the extent that funds are available both in the region and in the set-aside under which the application is received. If insufficient funds are available in a region to fund all Applications then the oversubscribed Applications will be evaluated only after the RAF and/or set-aside collapse and in accordance with the additional priority levels below. If insufficient funds are available with a region or set-aside, the Applicant may request to be considered under another set-aside if they qualify, prior to the collapse. Applications will be reviewed and recommended to the Board to the extent funds are available in accordance with the order of prioritization described in (1) ~~through~~ - (3) below of this subsection.

(1) Priority 1: Applications not layered with 2017 9% HTC that are received prior to the 2017 9% HTC Application deadline as described in 10 TAC §11.2 Program Calendar for Competitive Housing Tax Credits. Priority 1 applications will be prioritized on a first come first served basis within their respective set-aside and subregion or region. If the RAF has collapsed, applications will be reviewed on a first-come first served basis within their set-aside.

(2) Priority 2: Applications layered with 2017 9% HTC will be prioritized based on their recommendation status for an HTC allocation. All Priority 2 applications will be deemed received on the Market Analysis Delivery Date as described in 10 TAC §11.2 Program Calendar. In order for an MFDL application ~~with~~ layered with 2017 9% HTC to be considered complete, Applications for both programs must be timely received. Priority 2 applications will be recommended for approval at the same meeting when the Board approves the 2017 9% HTC allocations. Applications that will be recommended for 2017 9% HTC and are tied for MFDL under the scoring criteria will be further prioritized for funding based upon the scoring, tiebreaker and award criteria in 10 TAC Chapter 11 (the "QAP").

(3) Priority 3: Applications that are received after the 2017 9% HTC Application deadline on a first come first served basis for any remaining funds until the final deadline identified in the annual NOFA.

(d) Other Priorities. The Board may set additional priorities for the annual NOFA, and for one time or special purpose NOFAs.

13.5 Award Process

(a) Notice of Funding Availability ("NOFA"). All MFDL funds from the annual allocation will be distributed through a NOFA that provides the specific collapse dates and deadlines as well as set-aside and RAF amounts applicable to the MFDL program, along with Application information. Other funds may be distributed by NOFA or through other method approved by the Board. Set-aside, RAF, and total funding amounts may increase or decrease in accordance with the provisions herein without further Board action as long as the NOFA itself did not require Board action.

(b) Date of Receipt. Applications will be considered received on the business day of receipt. If an application is received after 5pm Austin Local Time, it will be determined to have been received on the following business day. Applications received on a non-business day will be considered received on the next day the Department is open. Applications will be considered complete at the time all required third party reports and application fee(s), in addition to the application, are received by the Department. Within certain set-asides, the date of receipt may be fixed, regardless of the earlier actual date a complete application is received. If multiple applications are received on the same date, in the same region, and within the same set-aside, then score, as described in §13.6 for MFDL or §11.9 for Applications layered with 9% HTC, will be used as the determining factor affecting the ranking of the application.

(c) Applications. MFDL Applicants must follow the applicable requirements in 10 TAC Chapter 10, Subchapter C, Application Submission Requirements, Ineligibility Criteria, Board Decisions and Waiver of Rules for Applications. Failure to timely respond to any notice of Administrative Deficiency will result in a reestablishment of the date of receipt of the Application to the final date at which the cure to the notice was received by the Department. If the date of receipt of the Application is reestablished, an Application could be de-prioritized in favor of another application received prior to the new application submission date.

(d) Eligibility Criteria. The Department will evaluate the Application for eligibility and threshold at the time of full Application pursuant to the requirements of this Chapter and Chapter 10 of this title (relating to Uniform Multifamily Rules). If there are changes to the Application at any point prior to MFDL loan closing that have an adverse effect on the score and ranking order and that would have resulted in the application being ranked below another application in the ranking, the Department may terminate the Application.

(1) Applicants requesting MFDL as the only source of Department funds may meet the Experience Requirement under §10.204(6) of this Chapter or by providing evidence of the successful development, and operation for at least 5 years, of at least twice as many affordability restricted units as requested in the Application.

(2) Applications for Developments previously awarded Department funds under any program, or where construction has already started or been completed, regardless of fund source and are not proposing acquisition and rehabilitation, except distressed Developments under §13.3(a), must be found eligible by the Board. The Board may find other applicants eligible for good cause such as Developments assisted by the Department that have encountered adverse factors beyond their control that could materially impair their ability to provide the affordable housing. An application that requires a finding of eligibility by the Board must identify that fact in their application so that the staff may present the matter to the Board for an eligibility determination. ~~prior to the Department accepting the Application or providing the Applicant with an Application acceptance date.~~ A finding of eligibility under this section does not guarantee an award. In general, these applications will not be funded with HOME or NHTF funds.

(A) Requests for eligibility determinations under this paragraph must be received ~~no later than 21 calendar days prior to the Board meeting in which the Applicant requests Board consideration~~with the Application, so that staff may present the matter to the Board for an eligibility determination, and will not be considered more than 30 calendar days prior to the first Application acceptance date published in the NOFA. ~~Applications will be considered received on the date that the Board renders its decision or the first day of the Application acceptance period.~~

(B) Criteria for the Board to consider would include (i) ~~or (ii) and~~ (iii) of this subparagraph:

(i) evidence of circumstances beyond the Applicant's control which could not have been prevented by timely start of construction; or

(ii) Force Majeure events; and

(iii) evidence that no further exceptional conditions exist that will delay or cause further cost increases

13.6 Scoring Criteria.

The criteria identified in subsections (a) - (e) of this section will be used in the evaluation and ranking of applications to the extent that other applications were received on the same date *and* within the same set-aside and prioritization. There is no rounding of numbers in this section, unless rounding is explicitly indicated for that particular calculation or criteria. The scoring items used to calculate the score for a 9% HTC layered application will be utilized for scoring for an MFDL Application, and evaluated in the same manner except as specified below. All scoring items derived from the QAP will have the same value for MFDL scoring:

(a) Applicants eligible for points under 10 TAC §11.9(c)(4) related to the Opportunity Index (7 points)
(b) Tenant Services. Applicants eligible for points under 10 TAC §11.9(c)(3)(A) related to Tenant Services (9 points) Applicants eligible for points under 10 TAC §11.9(c)(3)(B) related to Tenant Services (1 point)
(c) Underserved Area. Applicants eligible for points under 10 TAC §11.9(c)(6) related to Underserved Area (up to 5 points)
(d) Subsidy per Unit. An application that caps the per unit subsidy limit (inclusive of match) for all Direct Loan units regardless of unit size at:

(1) $100,000 per MFDL unit (4 points).
(2) $80,000 per MFDL unit (8 points).

(3) $60,000 per MFDL unit (10 points).

(e) Rent Levels of Tenants. An Application may qualify to receive up to thirteen (13) points for placing the following rent and income restrictions on the proposed Development for the entire Affordability Period. These Units may not be restricted to 30 percent or less of AMGI by another fund source.

(1) At least 20 percent of all low-income Units at 30 percent or less of AMGI (13 points);

(2) At least 10 percent of all low-income Units at 30 percent or less of AMGI or, for a Development located in a Rural Area, 7.5 percent of all low-income Units at 30 percent or less of AMGI (12 points); or

(3) At least 5 percent of all low-income Units at 30 percent or less of AMGI (7 points).

(f) Tiebreaker. In the event that one or more applications receives the same number of points based on the scoring criteria above, staff will recommend for award the Application that proposes the greatest percentage of 30% AMGI MFDL units within the Development ~~available to~~that would convert to households at 15% AMGI in the event of a tie in the Tiebreaker Certification.

13.7 Maximum Funding Requests

(a) The maximum funding request for all applications will be identified in the NOFA, and may vary by development type and/or set-aside.

(b) Maximum Per-Unit Subsidy Limits. The 234 Condo limits with the applicable high cost percentage adjustment in effect at the time of application are the maximum per-unit subsidy limits (inclusive of Match) that an applicant may use to determine the amount of MFDL funds or other federal funds that may subsidize a unit. Stricter per-unit subsidy limits are allowable and incentivized as point scoring items in §13.6 Scoring Criteria. Per-unit subsidy limits as well as subsidy layering analysis – ensuring that the amount of MFDL units as a percentage of total units is greater than the percentage of MFDL funds requested as a percentage of total development costs – will determine the amount of MFDL units required.

13.8 Loan Structure and Underwriting Requirements

(a) Except for awards made under the SR/SH set-aside, all Multifamily Direct Loans awarded will be underwritten as fully repayable (must pay) at not less than the Discount window primary credit rate published by the Federal Reserve (https://www.federalreserve.gov/releases/h15/#fn2), on the date of publication of the NOFA, plus 200 basis points and a 30 year amortization with a term that matches the term of any superior loans (within 6 months) at the time of application. If the Department determines that the Development does not support this structure, the ~~Board may approve~~Department may recommend an alternative that makes the development feasible under all applicable sections of 10 TAC §10.300 related to Underwriting Policy, and §13.8(c). The interest rate, amortization period, and term for the loan will be fixed by the Board at Award.

(b) Any material changes to the total development cost and/or other sources of funds from the publication of the initial Underwriting Report to the time of loan closing must be reevaluated by Real Estate Analysis staff and may cause changes to principal amount and/or repayment structure for the Multifamily Direct Loan such that the Department is able to mitigate any increased risk. Where such risk is not adequately mitigated, the award may be terminated or reconsidered as amended by the Board.

(c) Direct Loans through the Department must adhere to the following criteria as identified in paragraphs (1) - (~~7~~6) of this subsection:

> ~~(1) The Applicant and/or controlling Principals must certify to their capacity to provide a letter of credit to support repayment of any direct loan that has an expectation of repayment. They must be able and willing to execute a repayment guarantee for the full amount of the direct loan, should they be required to do so as a condition of approval.~~

> (~~2~~1) The term for permanent loans shall be no less than fifteen (15) years and no greater than forty (40) years and the amortization schedule shall be thirty (30) years. The Department's loan must mature at the same time or within six (6) months of the shortest term of any senior debt so long as neither exceeds forty (40) years and six (6) months.

> (~~3~~2) Amortized loans shall be structured with a regular monthly payment beginning on the first day of the 25th full month following the actual date of loan closing and continuing for the loan term. If the first lien mortgage is a federally insured HUD or FHA mortgage or if a surplus cash flow structure is required for a loan from the SH/SR set-aside, the Department may approve a loan structure with annual payments payable from surplus cash flow provided that the debt coverage ratio, inclusive of the loan, continues to meet the requirements in this subchapter.

> (~~4~~3) Loans shall be secured with a deed of trust with a permanent lien position that is superior to any other sources for financing including hard repayment debt that is less than or equal to the Direct Loan amount and superior to any other sources that have soft

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(~~5~~4) If the Direct Loan amounts to more than 50 percent of the Total Housing Development Cost, except for Developments also financed through the USDA §515 program, the Application must include the documents as identified in subparagraphs (A) - (B) of this paragraph:

(A) a letter from a Third Party CPA verifying the capacity of the Applicant, Developer, or Development Owner to provide at least 10 percent of the Total Housing Development Cost as a short term loan for the Development; or

(B) evidence of a line of credit or equivalent tool equal to at least 10 percent of the Total Housing Development Cost from a financial institution that is available for use during the proposed Development activities.

(~~6~~5) If the Direct Loan is the only source of Department funding for the Development, the Development Owner must provide equity in an amount not less than 20 percent of Total Housing Development Costs and must provide an "as completed" appraisal pursuant to 10 TAC §10.304 which results in total repayable loan to value of not greater than 80%.

(~~7~~6) All Direct Loan applicants where other third-party financing entities are part of the sources of funding must submit a *proforma* and lender approval letter evidencing review of the Development and the Principals in accordance with 10 TAC §11.9(e)(1). Where no third-party financing exists, the Department reserves the right to procure a third-party evaluation which will be required to be prepaid by the applicant.

13.9 Construction Standards

All Developments financed with Direct Loans will be required to meet at a minimum all applicable state and local codes, ordinances, and standards; the 2012 International Existing Building Code ("IEBC") or International Building Code ("IBC") as applicable. Rehabilitation Developments must meet the requirements in clauses (a) – (e) of this subparagraph.

(a) recommendations made in the Environmental Assessment and any Physical Conditions Assessment with respect to health and safety issues, life expectancy of major systems (structural support; roofing; cladding and weatherproofing; plumbing; electrical; and heating, ventilation, and air conditioning) must be implemented;

(b) for properties originally constructed prior to 1978, the Physical Conditions Assessment and rehabilitation scope of work must be provided to the party conducting the lead-based paint and/or asbestos testing, and the rehabilitation must implement the mitigation recommendations of the testing report

(c) all accessibility requirements pursuant to 10 TAC Subchapter B must be met;

(d) properties located in the designated catastrophe areas specified in 28 TAC §5.4008 must comply with 28 TAC §5.4011(relating to Applicable Building Code Standards in Designated Catastrophe Areas for Structures Constructed, Repaired or to Which Additions Are Made On and After January 1, 2008); and

(e) should IEBC be more restrictive than local codes, or should local codes not exist, then the Development must meet the requirements imposed by IEBC.

13.10 Development and Unit Requirements

(a) The bedroom/bathroom/amenities and square footages for Direct Loan Units must be comparable to the bedroom/bathroom/amenities and square footages for the total number of Units in the Development based on the amount of Direct Loan funds requested, inclusive of Match, as a percentage of total Direct Loan eligible costs. As a result of this requirement, the Department will always use the Proration Method as the Cost Allocation Method in accordance with CPD Notice 16-15 except as described in (b) of this section~~-~~. Additionally, the amount of Direct Loan funds requested inclusive of Match cannot exceed the per-unit subsidy limit. For example, in a 20 Unit Development composed of 6 1-bedroom, 10 2-bedroom, and 4 3-bedroom units, where the Direct Loan funds requested is $1,000,000, the Match being provided is $100,000, and the total Direct Loan-eligible project costs are $4,400,000, 25 percent of each unit type must be a Direct Loan Unit ($1,100,000 Direct divided by $4,400,000). In the example below, the square footages are the same for each unit that has the same number of bedrooms and all fractional units are rounded up to require the next whole number of MFDL Units.

Bedrooms	Total Units	Direct Loan Percentage	Minimum # of Direct Loan Units	Number of Direct Loan Units After Rounding Up
1br	6	25%	1.5	2
2br	10	25%	2.5	3
3br	4	25%	1	1
TOTAL	20	~~100%~~		7

In this example, even though the amount of Direct Loan funds (inclusive of Match) as a percentage of total Direct Loan-eligible costs (25 percent) would result in a minimum 5 units if the percentage was applied on a total unit basis, the 25 percent must be applied to each unit type with partial Units rounded up to the next whole number, resulting in 2 additional units for a total of 7 Direct Loan Units. Please see CPD Notice 16-15 for further guidance.

(b) All Direct Loan Units must float throughout the Development unless the Development also contains public housing units that will receive Operating Fund or Capital Fund assistance under Section 9 of the 1937 Act as defined in 24 CFR §5.100. Floating Direct Loan units may only float among the Units as described in the Direct Loan Contract and Direct Loan Land Use Restriction Agreement ("LURA"), or as specifically approved in writing by the Department.

(c) The minimum affordability period for all Direct Loan Units awarded under a NOFA will match the greater of the term of the loan or 30 years unless a lesser period is approved by the Board and when assisting distressed developments.

(d) If the Department is the only source of funding for the Development, all Units must be restricted.

13.11 Post-Award Requirements

(a) Direct Loan awardees must execute an Award Letter and Loan Term Sheet provided by the Department within thirty (30) days after receipt of the letter. The Award Letter and Loan Term Sheet will be conditional in nature and provide a basic outline of the terms and conditions currently being contemplated for the Development.

(b) If a Direct Loan award is returned after Board approval, or if the Applicant or Affiliates fail to meet federal commitment or expenditure requirements, penalties may apply under 10 TAC § 11.9(f) or the Department may prohibit the Applicant and all Affiliates from applying for MFDL funds for a period of 2 years if they have returned their funds or have failed to take necessary action specified in one or more agreement with the Department where the failure resulted in the Department's failure to meet federal commitment and expenditure requirements.

(c) Direct Loan awardees must obtain environmental clearance (if applicable) and meet all requirements for commitment of funds within 180 days after award. Direct Loan awardees that commit any choice limiting activities prior to obtaining environmental clearance may lead to termination of the Direct Loan award.

(d) Direct Loan awardees must execute a Contract within nine (9) months of the Board approval date.

(e) Loan closing must occur and construction must begin no later than six (6) months from the effective date of a Contract.

(f) In addition to any other requirements as the result of any other Department funding sources, the Development Owner must submit a mid-construction development inspection request once the development has met or exceeded 25% construction completion as indicated on the G703 Continuation Sheet. Inspection staff will issue a mid-construction development inspection letter that confirms that work is being done in accordance with the applicable codes, the construction contract, and construction documents. Up to 50 percent of the Direct Loan award will be released prior to issuance of the mid-construction development inspection letter.

(g) Construction must be completed, as reflected by the development's certificate(s) of occupancy and Certificate of Substantial Completion (AIA Form G704), and a final development inspection request must be submitted to the Department within 18 months of the actual loan closing date, with the repayment period beginning on the first day of the 25th month following the actual date of loan closing. The final development inspection letter will verify committed amenities have been provided and confirm compliance with all applicable accessibility requirements

(h) Receipt of a Closed Final Development Inspection Letter, indicating that all deficiencies identified in the Final Inspection Letter have been corrected, must occur within 24 months of the actual date of loan closing. The Final Development Inspection may be conducted concurrently with a Uniform Physical Condition Standards ("UPCS") inspection. However, any letters associated with a UPCS inspection will not satisfy the Closed Final Development Inspection Letter requirement.

(i) Extensions to any of the above benchmarks may only be made for good cause and approved by the Department if construction is timely started;

(j) Initial occupancy of all MFDL assisted Units by eligible tenants shall occur within six (6) months of the final Direct Loan draw. Requests to extend the initial occupancy period must be accompanied by documentation of marketing efforts and a marketing plan. The marketing plan may be submitted to HUD for final approval, if required for the MFDL fund source;

(k) Repayment will be required on a per Unit basis for Units that have not been rented to eligible households within eighteen (18) months of the final Direct Loan draw; and

(l) Termination of the Direct Loan award and repayment of all disbursed funds will be required for any Development that is not completed within four (4) years of the effective date of a Direct Loan Contract.

(m) Closing Deadline:

Awards will be made subject to hard closing deadlines established at the time of award by the ~~Department's Governing~~ Board subject to the conditions in §13.8(a), which may only be extended by additional Board action on the basis of delays caused by circumstances outside the control of the applicant. An extension will not be available ~~I~~if an Applicant has:

(1) failed to timely begin or complete processes required to close; including

(A) finalizing all equity and debt financing or

(B) the environmental review process; or

(2) made changes to the Development that require additional underwriting by the Department without sufficient time to complete the review.

(n) Loan Closing:

In preparation for closing any Direct Loan, the Development Owner must submit the items described in paragraphs (1) - (7~~8~~) of this subsection:

(1) Documentation of the prior closing or concurrent closing with all sources of funds necessary for the long-term financial feasibility of the Development.

(2) Due diligence determined by the Department to be prudent and necessary to meet the Department's rules and to secure the interests of the Department.

(3) Where the Department will have a first lien position and the Applicant provides personal guarantees from all principals and documentation that closing on other sources is reasonably expected to occur within three (3) months, the Executive Director or authorized designee may approve a closing to move forward without the closing on other sources. The Executive Director as the authorized designee of the Department must require a personal guarantee, in form and substance acceptable to the Department, from a Principal of the Development Owner for the interim period;

(4) When Department funds have a first lien position, assurance of completion of the Development in the form of payment and performance bonds in the full amount of the construction contract or equivalent guarantee in the sole determination of the Department is required. Such assurance of completion will run to the Department as obligee. Development Owners utilizing the USDA §515 program are exempt from this requirement but must meet the alternative requirements set forth by USDA;

(5) Documentation required for closing includes, but is not limited to:

(A) Draft Owner/General Contractor agreement and draft Owner/Architect agreement prior to closing with final executed copies required by the day of closing;

(B) survey of the Property that includes a certification to the Department, Development Owner, Title Company, and other lenders;

(C) plans and specifications for review by the Department's inspection staff. Inspection staff will issue a plan review letter that will assist in preparation for the development's final inspection~~.~~;

(D) if layered with Housing Tax Credits, a fully executed limited partnership agreement between the General Partner and the tax credit investor entity (may be provided concurrent with closing);

(E) final Development information, including but not limited to a final development cost schedule, sources and uses, operating *proforma*, annual operating expenses, cost categories for the Direct Loan funds, updated written financial commitments or term sheets and any additional financing exhibits that have changed since the time of application.

(F) If the changes to the budget or sources of funds reflect material changes to the transaction approved by the Board, documentation to ensure that the Development continues to meet the requirements of this chapter must be provided and material changes to the application must be approved by the Board. Material changes include but are not limited to any increase in debt payment for superior lien loans and a greater than a 10 percent change in any of the following:

(i) Total Housing Development Costs

(ii) deferred developer fee amount

(iii) superior loan amount(s);

(6) if required by the fund source, prior to Contract Execution, the Development Owner must provide verification of:

(A) environmental clearance;

(B) Site and Neighborhood clearance;

(C) documentation necessary to show compliance with the Uniform Relocation Assistance and Property Act and any other relocation requirements that may apply; and

(D) any other documentation that is necessary or prudent to meet program requirements or state or federal law in the sole determination of the Department.

(7) The Direct Loan Contract as executed, which will be drafted by counsel for the Department. No changes proposed by the Developer or Developer's counsel will be accepted unless approved by the Department's Legal Division.

(o) Loan Documents. The Development Owner is required to execute all loan closing documents required by and in form and substance acceptable to the Department's Legal Division

(1) Loan closing documents include but are not limited to a promissory note, deed of trust, construction loan agreement (if the proceeds of the loan are to be used for construction), LURA, Architect and/or licensed engineer certification of understanding to complete environmental mitigation if such mitigation is identified in HUD's environmental clearance ~~and by~~or the Real Estate Analysis Division (REA) and assignment and security instruments whereby the Developer, the Development Owner, and/or any Affiliates (if applicable) grants the Department their respective right, title, and interest in and to other collateral, including without limitation the Owner/Architect agreement and the Owner/General Contractor agreement, to secure the payment and performance of the Development Owner's obligations under the loan documents.

(2) Repayment provisions will require repayment on a per unit basis for units that have not been rented to eligible households within eighteen (18) months of the final Direct Loan draw; termination and repayment of the Direct Loan award in full will be required for any development that is not completed within four (4) years of the date of Direct Loan Contract execution.

(3) Loan terms and conditions may vary based on the type of Development, and the set-aside under which the award was made.

(p) Disbursement of Funds . The Borrower must comply with the requirements in paragraphs (1) - (9) of this subsection in order to receive a disbursement of funds to reimburse eligible costs incurred. Submission of documentation related to the Borrower's compliance with these requirements may be required with a request for disbursement:

(1) All requests for disbursement must be submitted through the Department's Housing Contract System, using the MFDL draw workbook or such other format as the Department may require.

(2) Documentation of the total construction costs incurred and costs incurred since the last disbursement of funds must be submitted. Such documentation must be signed by the General Contractor and certified by the Development architect and is generally in the form of an AIA Form G702 or G703; (3) Disbursement requests must include a down-date endorsement to the Direct Loan (mortgagee) title policy or Nothing Further Certificate that includes a title search through the date of the Architect's signature on AIA form G702. For release of retainage the down-date endorsement to the Direct Loan title policy or Nothing Further Certificate must be dated at least thirty (30) calendar days after the date

of the construction completion as certified on the Certificate of Substantial Completion (AIA Form G704) with $0 as the work remaining to be completed. Disbursement requests for acquisition and closing costs, or requests for soft costs only, are exempt from this requirement;

(4) At least 50 percent of the funds will be withheld from the initial disbursement of loan funds to allow for periodic disbursements

(4) The initial draw request for the development must be entered into the Department's Housing Contract System no later than ten business days prior to the one year anniversary of the effective date of the Direct Loan Contract;

(4) Up to 75 percent of Direct Loan funds may be drawn before providing evidence of Match. Thereafter, the Borrower must provide evidence of Match being credited to the Development prior to release of the final 25 percent of funds.

(5) Developer fee disbursement shall be conditioned upon:

(A) for Developments in which the loan is secured by a first lien deed of trust against the Property, 75 percent shall be disbursed in accordance with percent of construction completed. 75 percent of the total allowable fee will be multiplied by the percent completion, as documented by the construction contract and as may be verified by an inspection by the Department. The remaining 25 percent shall be disbursed at the time of release of retainage; or

(B) for Developments in which the loan is not secured by a first lien deed of trust or the Development is also utilizing Housing Tax Credits, developer fees will not be reimbursed by the Department except as follows. If all other lenders and syndicator in a Housing Tax Credit development (if applicable) provide written confirmation that they do not have an existing or planned agreement to govern the disbursement of developer fees and expect that Department funds shall be used to fund developer fees developer fees shall be reimbursed in the same manner as described in subparagraph (A) of this paragraph; and

(C) the Department may reasonably withhold any disbursement if it is determined that the Development is not progressing as necessary to meet the benchmarks for the timely completion of construction of the Development as set forth in the loan documents, or that cost overruns have put the Development Owner's ability to repay its Direct Loan or complete the construction at risk in accordance with the terms of the loan documents and within budget. If disbursement has been withheld under this subsection, the Development Owner must provide evidence to the satisfaction of the Department that the Development will be timely completed and occupied in order to continue receiving funds. If Disbursement is withheld for any reason, disbursement of any remaining developer fee will be made only after construction of the Development has been completed, and all requirements for expenditure and occupancy have been met;

(6) expenditures must be allowable and reasonable in accordance with federal and state rules and regulations. The Department shall determine the reasonableness of each expenditure requested. The Department may request the Development Owner make modifications to the disbursement request and is authorized to modify the disbursement procedures set forth herein and to establish such additional requirements for payment of Department funds to Development Owner as may be necessary or advisable for compliance with all program requirements;

(7) table funding requests will not be considered unless the Direct Loan Contract has been executed and all necessary documentation has been completed and submitted to the Department at least ten (10) days prior to anticipated closing;

(8) Following fifty percent construction completion, any funds will be released in accordance with the percentage of construction completion, not to exceed ninety percent of award, at which point funds will be held as retainage until the final draw request. Retainage will be held until all of the items described in subparagraphs (A) - (G) of this paragraph are received:

(A) Certificate of Substantial Completion (AIA Form G704) with $0 as the cost estimate of work that is incomplete;

(B) A down date endorsement to the Direct Loan title policy or Nothing Further Certificate dated at least 30 calendar days after the date of completion as certified on the Certificate of Substantial Completion (AIA Form G704);

(C) For developments not layered with Housing Tax Credits, a Closed Final Development Inspection Letter from the Department;

(D) For developments subject to the Davis-Bacon Act, evidence from the Senior Labor Standards Specialist that the final wage compliance report was received and approved;

(E) Receipt of Certificates of Occupancy;

(F) Development completion reports which includes but is not limited to documentation of full compliance with the Uniform Relocation Act/104(d), Davis-Bacon Act, and Section 3 of the Housing and Urban Development Act of 1968, as applicable to the Development, and any other applicable requirement; and

(G) If applicable to the Development, certification from Architect or a licensed engineer that all HUD and REA environmental mitigation conditions have been met.

13.12 Amendments to Direct Loan Terms.

The Executive Director or authorized designee may approve amendments to loan terms prior to closing as described in paragraphs (~~a~~1) - (~~g~~7) of this subsection. Board approval is necessary for any other changes prior to closing.

(~~a~~1) extensions of up to 6 months to the loan closing date specified in §13.8(a)(4) of this Chapter. An Applicant must document good cause, which may include constraints in arranging a multiple-source closing;

(~~b~~2) changes to the loan maturity date to accommodate the requirements of other lenders or to maintain parity of term;

(~~c~~3) extensions of up to 12 months for the construction completion or loan conversion date based on documentation that the extension is necessary to complete construction and that there is good cause for the extension. Such a request will generally not be approved prior to initial loan closing;

(~~d~~4) changes to the loan amortization or interest rate that cause the annual repayment amount to decrease less than 20 percent or any changes to the amortization or interest rate that increases the annual repayment amount;

(~~e~~5) decreases in the Direct Loan amount, provided the decrease does not jeopardize the financial viability of the Development. Increases will generally not be approved unless the Applicant competes for the additional funding under an open NOFA; and

(~~f~~6) changes to other loan terms or requirements as necessary to facilitate the loan closing without exposing the Department to undue financial risk.

(~~g~~7) An Applicant may request a change to the terms of a loan. Except for an award of funds to a Development that has had a *Force Maj~~o~~eure* event (and such an event ~~necessitiates~~necessitates an immediate change to the loan)~~-~~, such changes for federal awards will only be processed after the Development is reported to the federal oversight entity as completed. Requests for changes to the loan post closing will be processed as loan modifications and may require additional approval by the Department's Asset Management Division. Post closing loan modifications requiring changes in the Department's loan terms, lien priority, or amounts (other than in the event of a payoff) will generally only be considered as part of a Department or Asset Management Division work out arrangement or other condition intended to mitigate financial risk to the Department, and will not require additional Executive Director or Board approval except where the amendment request was not allowed under the NOFA, or where the post closing change could have been anticipated prior to closing as determined by staff.

7a

BOARD ACTION REQUEST
ASSET MANAGEMENT DIVISION
DECEMBER 15, 2016

Presentation, Discussion, and Possible Action on appeal of denial of carryover gfor Housing Tax Credit ("HTC") application for Abbington Place (HTC#16018)

RECOMMENDED ACTION

WHEREAS, Abbington Place (the "Development") received an award of 9% Housing Tax Credits in 2016 for the construction of 60 units in four, two-story garden style buildings for which a zoning change was pending;

WHEREAS, at the time of Commitment, the Applicant informed staff that the City of Whitehouse denied the requested zoning change and the Applicant included with the commitment package a request for a material amendment to the Application that would change the development plan and architectural design to meet the zoning requirements already in place;

WHEREAS, The Commitment Notice was terminated due to the Applicant's failure to meet the requirement of 10 TAC §10.402(d)(4) that they provide evidence of final zoning to construct the Development as proposed and awarded no later than the expiration date of the Commitment; and

WHEREAS, the applicant has timely filed an appeal of the Commitment Notice Termination and Denial of Amendment request;

NOW, therefore, it is hereby

RESOLVED, that the appeal of the Termination of Commitment Notice and Denial of Amendment Request as presented at this Meeting is denied, and the Executive Director and his designees are each authorized, empowered, and directed to take all necessary action to effectuate the foregoing.

BACKGROUND

The expiration date of the Commitment issued for Abbington Place was September 28, 2016. The development plan presented in the Application and approved by the Governing Board at the meeting of July 28, 2016, indicated that the garden-style Development would include ground floor units. The Application included documentation of a request to have the Development Site rezoned from the existing Commercial-High Intensity ("C-H"), which requires that residential apartments must be on the second floor or higher, to Residential-High Intensity ("R-H"), which would allow for development to proceed as presented in the Application.

10 TAC §10.402(d) related to Commitment Notices requires that no later than the expiration date of the Commitment or Determination Notice, certain documentation must be provided, and Failure to provide these documents may cause the Commitment or Determination Notice to be rescinded. One of the documents required to be provided with the Commitment included "evidence of final zoning that was proposed or needed to be changed pursuant to the development plan."

The Applicant submitted the commitment package on September 28, 2016. Documents submitted with the commitment did not include evidence of the zoning that was needed to carry out the development plan and instead included a request to amend the application by changing the development plan to meet the existing zoning requirements.

On October 12, 2016, staff issued a Deficiency Notice for the Commitment Notice Package Submission, requesting the Owner describe how they have met the requirement in Rule.

On October 21, 2016, the owner responded that "unexpected political circumstances outside of our control made it impossible for us to provide zoning proof for the architectural design submitted in the application." In this letter, the owner indicates that they were aware of community concerns regarding the zoning change as far back as March 15, 2016.

On October 26, 2016, staff issued a Commitment Notice Termination because the owner had failed to meet the requirement at 10 TAC §10.402(d)(4) evidence of final zoning that was propsed or needed to be changed pursuant to the Development plan.

On November 3, 2016, counsel for the Applicant submitted an appeal of the Termination, stating that the Development can still be constructed with a change to the Development plan, as submitted with the Commitment. Such an amendment would not have been allowed prior to the award, though it was clearly anticipated to be necessary prior to the award of credits. The basis of the allocation of credits was that the zoning change would occur to allow the Application as presented and approved by the Board to move forward as designed. The material Application amendment to utilize existing zoning is the subject of a separate action item but may be addressed concurrently with the action considered herein.

Staff recommends denial of the appeal, because the owner failed to provide the required evidence of zoning "pursuant to the Development plan" at Commitment.

December 15, 2016

Item 7a

16018

Abbington Place

Correspondence related to the appeal

Documentation of the Amendment Request may be found at Item 7b

From:	Ben Sheppard
To:	"Sean Brady"; "Bill Rea"; "Robbye"; "Ginger McGuire"
Cc:	Marni Holloway; Sharon Gamble
Subject:	16018 Deficiency Notice Regarding the Commitment Notice Package Submission
Date:	Wednesday, October 12, 2016 1:55:00 PM
Importance:	High

Pages 48 through 290 of the Acrobat file that was your Commitment Notice Package constitute an amendment request described in a letter to Ms. Holloway that is page 51 of the file. The first paragraph of the letter states that the request for the zoning change that was needed to build the development proposed by your application was denied. Submission of the foregoing documentation was listed in the "Conditions" section of the Commitment Notice on page three as item (A)(4)(d):

> (A) No later than September 28, 2016, which is the expiration date of this Commitment, the Development Owner must provide in form and substance satisfactory to the Department in its reasonable judgment all of the following items. . . .
>
> > (4) In accordance with §10.402(d) of the Uniform Multifamily Rules, all of following documents must be submitted by the Development Owner: . . .
> >
> > > (d) Evidence of final approval of any zoning that is required or was proposed or needed to be changed pursuant to the Development plan[.]"

As noted, this condition derives from §10.402(d), stating, "No later than the expiration date of the Commitment . . . the documentation described in paragraphs (1) – (6) of this subsection must be provided. Failure to provide these documents may cause the Commitment . . . Notice to be rescinded: . . . (4) evidence of final zoning that was proposed or needed to be changed pursuant to the Development plan[.]"

In addition, §10.204(11)(C) of the Multifamily Rules, titled, "Requesting a Zoning Change," also states, "Documentation of final approval of appropriate zoning must be submitted to the Department with the Commitment or Determination Notice."

Please reply.

Thanks,

Ben Sheppard
Specialist, Multifamily Finance
Texas Department of Housing and Community Affairs
Ph. 512.475.2122

Whitehouse Abbington Place, LP

c/o Rea Ventures Group, LLC - 2964 Peachtree Road NW, Suite 200 - Atlanta, GA 30305
office (404) 250-4093 - fax (404) 250-4091

October 21, 2016

Texas Department of Housing and Community Affairs
Attention: Ben Sheppard
P O Box 13941
Austin, Texas 78711-3941

RE: Abbington Place in Whitehouse, TX (HTC # 16018) – Response to Oct 12 Deficiency Notice

Dear Mr. Sheppard:

While our commitment submittal was submitted on time and did provide proof of zoning appropriate to provide the units, amenities, and features proposed in the original application, unexpected political circumstances outside of our control made it impossible for us to provide zoning proof for the architectural design submitted in the application. We respectfully request the Department allow us to amend our architectural design such that the zoning contemplated in the application is no longer necessary to meet our commitments to provide needed affordable housing in Whitehouse.

Pursuant to §10.405(a) of the Uniform Multifamily Asset Management Rules, once a Development receives a Commitment Notice, the owner is required to notify the Department of any amendments to the Application. In accordance with the forgoing requirement, we notified the Department of the amendment change as soon as we had confirmation that the City was not going to approve the final zoning. The rules do not state that the conditions of the Commitment must be met prior to the consideration of an amendment request. We understand the magnitude of the request before you; however, the rules do allow the Department to take extenuating circumstances into account if the situation was not reasonably foreseeable or preventable by the Applicant at the time the Application was submitted. This situation certainly fits those parameters. Had we had any hint that there was going to be an issue with this site, we would not have submitted the full application or at least submitted a different design.

We've worked closely with the City of Whitehouse for three years (with support all three years) to secure this housing investment, even through the awkward resident concerns that suddenly came up two weeks after this year's submittal, and it would be a setback for the City and all the local groups that have supported us all this time to lose the opportunity after finally securing a funding commitment. Further, the adjusted architectural design we developed <u>with the City</u> actually improves upon the amenities and features in every way while making the fewest changes possible to the original design. We hope that staff allows us to move forward with this enhanced design.

The unexpected attendance by residents and the initial concerns brought up by the Planning Board, on March 15 caught us and the City staff off guard. In fact, the interim City Manager called Sean Brady after the meeting to apologize and convey they did not expect that response to the development. Council deferred action on our rezoning the following week to

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allow us time to respond to the concerns raised by residents and the Planning Board members at that meeting. Council also sent our case back to Planning for further consideration.

We spent months researching the response and building the case to support our rezoning. That response was included in full in Appendix F to our September 27 amendment request. We also met with many local officials, including the school superintendent, mayor, city manager, and local non-profit heads with political influence to try and understand what led to the unexpected concerns and help identify misconceptions. One issue we discovered was that the school superintendent had thought Whitehouse might receive seven low-income housing developments, a large increase from previous years brought about by last year's rules, and made his opposition known to board members. That perception affected residents in the area who were also concerned a large number of new low-income housing units would harm the school district. Of course, by the time we understood the root of the misinformation and met with the superintendent to help alleviate his concern we had already submitted our application and fears about the perceived harms of affordable housing had already taken root among some residents.

It eventually became apparent that we might not be able to alter the political problem for Council with fears having taken hold among some residents. The data we compiled was very positive and disproved each of the general fears being raised but politics often operates more off of perception than reality. As a result, we met with the Mayor and new City Manager to discuss our next steps. They expressed continued support for the development but did not know how to overcome the political challenges brought about by our need for rezoning. During the discussion, however, we came to the realization that the current zoning already allowed the construction of apartments and that with minimal design adjustments we could still develop Abbington Place and solve the Council's political problem. The Mayor indicated this new "Plan B" mixed-use design was the direction they wanted us to pursue. We took this guidance back to our architect and, after several iterations, arrived at a design that conformed to the current zoning while minimizing changes from the application submission.

As outlined in the September 27 amendment request, we had received numerous indications from City staff that there were no concerns with our rezoning request prior to the March 15 Planning Board hearing. Had we known the rezoning would present a problem, we would have submitted a mixed-use design in our application. At the time we became aware of problems with our rezoning application, school board concerns had raised public concerns and it was too late to have an effect. In previous years we had never experienced any public concern or school board concern, but last year's rules drove so many developers to seek out sites in Whitehouse (and all within a quarter mile of each other) that some in the community became alarmed. Our rezoning request was not officially denied by Council until September 27, 2016 – literally the day before our commitment package was due to the Department.

We feel the rules expressly allow consideration of the design amendment. This is an unusual situation but it is also a situation brought about by the unintended consequences of the 2016 tie-break rules. Whitehouse is not the only community in Texas where previous support (and long standing support) turned to concern as developers were forced to concentrate in a

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handful of communities with low poverty rates to remain competitive. Examples include Denison, Sanger, Iowa Park, Celina, Melissa, Nash, and Georgetown. In some of these other communities, support resolutions were withdrawn and applications not submitted. In Whitehouse, support for our development remains but rezoning became untenable for Council at the worst possible time – after our application had already been submitted to the Department. We believe we have done the best we could to preserve the development in a bizarre year and in very unusual circumstances. We greatly appreciate the Department's efforts to correct these unintended consequences in the draft 2017 rules.

The September 27 amendment request represents a continued partnership with the City of Whitehouse to keep Abbington Place, and its needed affordable housing, alive with minimal changes to the design and without a negative impact to the development. Although we cannot provide a zoning letter for our original application design, since the rezoning request was denied, we did provide a zoning letter proving we can still meet or exceed every commitment made in our original application with minimal design changes. We sincerely hope staff will support approval of this amendment request. There is significant need for new affordable housing units in Whitehouse and Abbington Place was finally able to score competitively high enough in 2016 to qualify for the tax credit funding necessary to meet that need after two previous years of unsuccessful scoring.

Sincerely,

William J. Rea, Jr.
Manager

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
www.tdhca.state.tx.us

October 26, 2016

Writer's direct phone # 512/4751676
Email: marni.holloway@tdhca.state.tx.us

William J. Rea, Jr
Manager
Whitehouse Abbington Place, LP
REA Ventures Group, LLC
2964 Peachtree Road, NW, Suite 200
Atlanta, GA 30305

RE: COMMITMENT NOTICE TERMINATION AND DENIAL OF AMENDMENT REQUEST: 16018, ABBINGTON PLACE, WHITEHOUSE

Dear Mr. Rea:

The Texas Department of Housing and Community Affairs (the "Department") is in receipt of your letter, dated October 21, 2016, in response to the Deficiency Notice related to the Commitment for the above referenced Application. The Deficiency Notice requested information regarding compliance with item (A)(4)(d) of the Commitment Notice, specifically:

> (A) No later than September 28, 2016, which is the expiration date of this Commitment, the Development Owner must provide in form and substance satisfactory to the Department in its reasonable judgment all of the following items. . . .
> (4) In accordance with §10.402(d) of the Uniform Multifamily Rules, all of following documents must be submitted by the Development Owner: . . .
> (d) Evidence of final approval of any zoning that is required or was proposed or needed to be changed pursuant to the Development plan[.]"

This item in the Commitment Notice is derived from 10 TAC §10.402(d) regarding Documentation Submission Requirements at Commitment of Funds, which requires:

> (d) No later than the expiration date of the Commitment (or no later than December 31 for Competitive HTC Applications, whichever is earlier) or Determination Notice, the documentation described in paragraphs (1) - (6) of this subsection must be provided. Failure to provide these documents may cause the Commitment or Determination Notice to be rescinded:
> (4) evidence of final zoning that was proposed or needed to be changed pursuant to the Development plan;

Further, 10 TAC §10.204(11)(C) regarding Requesting a Zoning Change, requires, "Documentation of final approval of appropriate zoning must be submitted to the Department with the Commitment or Determination Notice."

The Department received a request to amend the Application, specifically the Development design, with the Commitment package. The request is a response to the City of Whitehouse denial of the zoning change necessary to construct the development as originally proposed. Staff finds that the proposed Amendment cannot be approved, as the evidence of final zoning that was proposed or needed to be changed pursuant to the Development plan was not provided, pursuant to 10 TAC §10.402(d). Because the Applicant is not able to provide evidence of the required zoning, the Commitment Notice will be rescinded.

An appeals process exists for the Housing Tax Credit Program. The restrictions and requirements related to the filing of an appeal can be found in §10.902 of the 2016 Uniform Multifamily Rules. Should you choose to appeal this decision to the Executive Director, you must file your appeal, in writing, with the Department not later than seven (7) calendar days after the date of this letter. If you are not satisfied with the decision of the Executive Director or the Executive Director does not respond, you may file a further appeal with the Board of Directors of the Texas Department of Housing and Community Affairs. Please review §10.902 of the 2016 Uniform Multifamily Rules for full instruction on the appeals process.

Please contact me if you should have any questions.

Sincerely,

Marni Holloway
Multifamily Finance Director

MH

Locke Lord LLP
Attorneys & Counselors

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Cynthia L. Bast
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November 3, 2016

Timothy K. Irvine
Executive Director
Texas Department of Housing and Community Affairs
221 East 11th Street
P.O. Box 13941
Austin, TX 78711-3941

Re: Abbington Place (Whitehouse) – Termination of Commitment Notice and Denial of Amendment Request
TDHCA No. 16018

Dear Tim:

Our firm represents Whitehouse Abbington Place, LP ("**Owner**") with respect to the above-referenced Development and is filing this letter on Owner's behalf to appeal the termination of an LIHTC commitment notice and the denial of an amendment request. We respectfully request that you reinstate the commitment notice and ask staff to review the amendment request as presented.

Background

Owner received a Commitment Notice for LIHTCs and returned a signed copy, with all conditions addressed, on September 28, 2016. A copy of the cover letter for Owner's Commitment Notice package is attached as Exhibit A. The Commitment Notice required Owner to deliver:

> Evidence of final approval of any zoning that is required or was proposed or needed to be changed pursuant to the Development plan. (the "**Zoning Condition**")

At all times since the application was filed, the property has been zoned in a manner that would permit the development of multifamily housing. However, the zoning requires the residential units to be constructed on the second floor and higher, with the ground floor being reserved for non-residential common space or garage units. This zoning is not consistent with the Development plans set forth in the application, so Owner sought to change the zoning. Unfortunately, due to the large number of LIHTC applications in Whitehouse this year, unexpected opposition arose (from 34 persons out of a population exceeding 7000), and the zoning change was denied.

Despite the denial of a zoning change, Abbington Place can still be constructed on this site, with a change to the Development plan. Owner can still produce the same number of units, the same unit mix, and the same level of affordability for residents. It must simply change the site plan so that the units are all on the second floor or higher. Thus, when Owner delivered its Commitment Notice package to TDHCA, it included an Amendment Request (herein so called) to change the configuration of the Development so that it would comply with the current, available zoning. A copy of the Amendment Request is attached as Exhibit B. It very thoroughly describes all of the circumstances surrounding the zoning issues and we incorporate all of that information herein.

TDHCA declined to review the Amendment Request and terminated the Commitment Notice based on Owner's failure to satisfy the Zoning Condition. Owner believes the Commitment Notice should be reinstated and the Amendment Request should be reviewed, for the various reasons set forth below.

Considerations

- TDHCA's rules allow the staff to review an amendment request at any time. 10 TAC § 10.405(a) states:

  The Department must receive notification of any amendments to the Application. Regardless of development stage, the Board shall re-evaluate a Development that undergoes a material change . . . at any time after the initial Board approval of the Development.

  Owner is not required to satisfy the Commitment Notice prior to TDHCA's consideration of the Amendment Request.

- Per TDHCA's rules, Owner was required to submit "evidence of final approval of any zoning that is required . . . ." Owner did just that. Owner submitted evidence that the site has zoning to permit multifamily development in accordance with the plan reflected in the Amendment Request.

- As noted above, the Development can be constructed with its current zoning designation. It simply needs some reconfiguration. This is no different than applicants who come back to TDHCA for site plan amendments, in order to comply with City requirements as they go through the permitting process.

- Equitable considerations abound:

    - As noted in the Amendment Request, Owner has been pursuing this Development for three years, with continuous City support. Opposition to the re-zoning arose only at the last minute and only as a result of QAP scoring that encouraged an extraordinary number of applications in Whitehouse. There had been no opposition prior to application submittal.
    - They key issue here is timing, and the timing was out of Owner's control. Had Owner been able to submit the Amendment Request on August 1, the amendment could have been approved prior to the submission of the Commitment Notice package, and this result would have been avoided. Obviously, no third part seller of real property will permit a final zoning decision until after it is certain that the proposed development has the financing to move forward. In that context, Owner made every attempt to tie down the zoning issue promptly. The Planning and Zoning Commission in Whitehouse meets only monthly. The requested zoning change was on the August 16, 2016 agenda, as reflected on Exhibit C, attached. Unfortunately, the Planning and Zoning Commission failed to take action at that meeting. Owner had expected action to be taken at that August meeting. The matter was placed on the agenda again on September 20, 2016 and was denied at that time. With only eight days left until the Commitment Notice package was due, Owner worked quickly with City staff to derive a plan that would allow the Development to be constructed, as promised to TDHCA, within the current zoning. Owner did not have final zoning denial from the City Council until September 27, 2016, the day before the Commitment Notice package was due. Owner notified TDHCA at the earliest possible time once a final decision was known.
    - The proposed changes in the Amendment Request do not change the application's competitive position and likely would be approved in any other context, but for this timing issue.
    - Despite minor public opposition, Owner has worked closely with the Mayor and City Manager to create a plan by which the Development can move forward. The proposal reflected in the Amendment Request has the support of these city officials.

For all these reasons, Owner requests that you look favorably upon this appeal, reinstate the Commitment Notice, and submit the Amendment Request for Board approval.

Sincerely,

Cynthia L Bast

Cynthia L. Bast

cc: Rea Ventures, Ltd.
Austin Stone, LLC
ARX Advantage, LLC

Exhibit A - Cover Letter for Commitment Notice Package
Exhibit B - Amendment Request
Exhibit C - City of Whitehouse Planning & Zoning Agenda

7b

BOARD ACTION REQUEST

ASSET MANAGEMENT DIVISION

DECEMBER 15, 2016

Presentation, Discussion, and Possible Action regarding a material amendment to the Housing Tax Credit ("HTC") Application for Abbington Place (HTC #16018)

RECOMMENDED ACTION

WHEREAS, Abbington Place (the "Development") received an award of 9% Housing Tax Credits in 2016 for the construction of 60 units in four, two-story garden style buildings for which a zoning change was pending;

WHEREAS, at the time of Commitment, the Applicant informed staff that the City of Whitehouse denied the requested zoning change and the Applicant included with the commitment package a request for a material amendment to the Application that would change the development plan and architectural design to meet the zoning requirements already in place;

WHEREAS, the Applicant was unable to meet the requirement of 10 TAC §10.402(d)(4) that the Applicant provide evidence of final zoning to construct the Development as proposed and awarded no later than the expiration date of the Commitment, and, pursuant to 10 TAC §10.402(d)(4),

WHEREAS, even though the Applicant requested an amendment, staff lacked authority to grant the amendment and without the amendment the only option left to staff was to rescind the Commitment Notice for failure to address the zoning requirement;

WHEREAS, the Applicant has appealed staff's determination regarding rescission of the Commitment Notice and seeks to have the Board take action on its amendment request; and

WHEREAS, in order for the Board to consider the appeal, the Board must also consider the amendment request, which proposes changes that materially alter the Development;

NOW, therefore, it is hereby

RESOLVED, that the request to reinstate the Commitment Notice and the material application amendment for Abbington Place are denied and the Executive Director and his designees are each authorized, empowered, and directed to take all necessary action to effectuate the foregoing.

BACKGROUND

Pursuant to 10 TAC §10.402(d) of the 2016 Uniform Multifamily Rules, no later than the expiration date of the Commitment (or no later than December 31 for Competitive HTC Applications, whichever is earlier) or Determination Notice, the documentation described in paragraphs (1) - (6) of this subsection must be provided. Failure to provide these documents may cause the Commitment or Determination Notice to be rescinded. The expiration date of the Commitment issued for Abbington Place was September 28, 2016.

The documents required to be provided with the Commitment included "evidence of final zoning that was proposed or needed to be changed pursuant to the development plan." The development plan presented in the Application and approved by the Governing Board at the meeting of July 28, 2016, indicated that the garden-style Development would include ground floor units. The Application included documentation of a request to have the Development Site rezoned from the existing Commercial-High Intensity ("C-H"), which requires that residential apartments must be on the second floor or higher, to Residential-High Intensity ("R-H"), which would allow for development to proceed as presented in the Application.

The Applicant submitted the commitment package on September 28, 2016. Documents submitted with the commitment did not include evidence of the zoning that was needed to carry out the development plan and instead included a request to amend the application by changing the development plan to meet the existing zoning requirements. Because the Applicant failed to meet the requirements of the Commitment Notice, the Commitment Notice was rescinded. The Applicant is appealing the rescission of the Commitment Notice to the Board and seeking to have the Board take action on its amendment request. As any approval of the appeal would necessitate approval of the material amendment, staff has included that action as well.

Because an amendment such as is sought must be posted fifteen days prior to the meeting at which it will be considered this amendment must be posted on November 29, 2016. At that time, however, Real Estate Analysis has not had an opportunity to complete its review of the amendment for financial feasibility. Because of that critical piece, staff is unable, with current information to make an affirmative recommendation.

Because the Applicant was unable to meet the requirements of the Commitment Notice by the due date, staff recommends that the appeal to reinstate the commitment be denied. Because the requested amendment constitutes a significant modification of the site plan, a significant modification of the architectural design of the Development, and significant increases in development costs which have not yet been fully underwritten, staff recommends that the request for amendment is denied.

All correspondence including amendment requests are in date order with the newest information first.

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Attorneys & Counselors

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November 3, 2016

Timothy K. Irvine
Executive Director
Texas Department of Housing and Community Affairs
221 East 11th Street
P.O. Box 13941
Austin, TX 78711-3941

Re: Abbington Place (Whitehouse) – Termination of Commitment Notice and Denial of Amendment Request
TDHCA No. 16018

Dear Tim:

Our firm represents Whitehouse Abbington Place, LP ("**Owner**") with respect to the above-referenced Development and is filing this letter on Owner's behalf to appeal the termination of an LIHTC commitment notice and the denial of an amendment request. We respectfully request that you reinstate the commitment notice and ask staff to review the amendment request as presented.

Background

Owner received a Commitment Notice for LIHTCs and returned a signed copy, with all conditions addressed, on September 28, 2016. A copy of the cover letter for Owner's Commitment Notice package is attached as Exhibit A. The Commitment Notice required Owner to deliver:

> Evidence of final approval of any zoning that is required or was proposed or needed to be changed pursuant to the Development plan. (the "**Zoning Condition**")

At all times since the application was filed, the property has been zoned in a manner that would permit the development of multifamily housing. However, the zoning requires the residential units to be constructed on the second floor and higher, with the ground floor being reserved for non-residential common space or garage units. This zoning is not consistent with the Development plans set forth in the application, so Owner sought to change the zoning. Unfortunately, due to the large number of LIHTC applications in Whitehouse this year, unexpected opposition arose (from 34 persons out of a population exceeding 7000), and the zoning change was denied.

Despite the denial of a zoning change, Abbington Place can still be constructed on this site, with a change to the Development plan. Owner can still produce the same number of units, the same unit mix, and the same level of affordability for residents. It must simply change the site plan so that the units are all on the second floor or higher. Thus, when Owner delivered its Commitment Notice package to TDHCA, it included an Amendment Request (herein so called) to change the configuration of the Development so that it would comply with the current, available zoning. A copy of the Amendment Request is attached as Exhibit B. It very thoroughly describes all of the circumstances surrounding the zoning issues and we incorporate all of that information herein.

TDHCA declined to review the Amendment Request and terminated the Commitment Notice based on Owner's failure to satisfy the Zoning Condition. Owner believes the Commitment Notice should be reinstated and the Amendment Request should be reviewed, for the various reasons set forth below.

Considerations

- TDHCA's rules allow the staff to review an amendment request at any time. 10 TAC § 10.405(a) states:

  The Department must receive notification of any amendments to the Application. Regardless of development stage, the Board shall re-evaluate a Development that undergoes a material change . . . at any time after the initial Board approval of the Development.

  Owner is not required to satisfy the Commitment Notice prior to TDHCA's consideration of the Amendment Request.

- Per TDHCA's rules, Owner was required to submit "evidence of final approval of any zoning that is required . . . ." Owner did just that. Owner submitted evidence that the site has zoning to permit multifamily development in accordance with the plan reflected in the Amendment Request.

- As noted above, the Development can be constructed with its current zoning designation. It simply needs some reconfiguration. This is no different than applicants who come back to TDHCA for site plan amendments, in order to comply with City requirements as they go through the permitting process.

- Equitable considerations abound:

    - As noted in the Amendment Request, Owner has been pursuing this Development for three years, with continuous City support. Opposition to the re-zoning arose only at the last minute and only as a result of QAP scoring that encouraged an extraordinary number of applications in Whitehouse. There had been no opposition prior to application submittal.
    - They key issue here is timing, and the timing was out of Owner's control. Had Owner been able to submit the Amendment Request on August 1, the amendment could have been approved prior to the submission of the Commitment Notice package, and this result would have been avoided. Obviously, no third part seller of real property will permit a final zoning decision until after it is certain that the proposed development has the financing to move forward. In that context, Owner made every attempt to tie down the zoning issue promptly. The Planning and Zoning Commission in Whitehouse meets only monthly. The requested zoning change was on the August 16, 2016 agenda, as reflected on Exhibit C, attached. Unfortunately, the Planning and Zoning Commission failed to take action at that meeting. Owner had expected action to be taken at that August meeting. The matter was placed on the agenda again on September 20, 2016 and was denied at that time. With only eight days left until the Commitment Notice package was due, Owner worked quickly with City staff to derive a plan that would allow the Development to be constructed, as promised to TDHCA, within the current zoning. Owner did not have final zoning denial from the City Council until September 27, 2016, the day before the Commitment Notice package was due. Owner notified TDHCA at the earliest possible time once a final decision was known.
    - The proposed changes in the Amendment Request do not change the application's competitive position and likely would be approved in any other context, but for this timing issue.
    - Despite minor public opposition, Owner has worked closely with the Mayor and City Manager to create a plan by which the Development can move forward. The proposal reflected in the Amendment Request has the support of these city officials.

For all these reasons, Owner requests that you look favorably upon this appeal, reinstate the Commitment Notice, and submit the Amendment Request for Board approval.

Sincerely,

Cynthia L Bast

Cynthia L. Bast

cc: Rea Ventures, Ltd.
Austin Stone, LLC
ARX Advantage, LLC

Exhibit A - Cover Letter for Commitment Notice Package
Exhibit B - Amendment Request
Exhibit C - City of Whitehouse Planning & Zoning Agenda

Exhibit A

Cover Letter for Commitment Notice Package

September 28, 2016

Marni Holloway
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, TX 78701

Dear Ms. Holloway,

Rea Ventures is pleased to submit the following requested materials in association with the award and commitment of 2016 Housing Tax Credits for Abbington Place in Whitehouse, Texas (TDHCA # 16018):

1. **Item A.1.** Signed commitment from the duly authorized individual (William J. Rea, Jr.) for the Development Owner (Whitehouse Abbington Place, LP);
2. **Item A.2.** A check and delivery receipt for the Commitment Fee in the amount of $34,400.00;
3. **Item A.3.** A check and delivery receipt for the Building Inspection Fee in the amount of $750;
4. **Item A.4(a).** A Certificate of Application for foreign qualification in Texas and a Certificate of Fact for the development owner, Whitehouse Abbington Place, LP, and its general partner, Abbington Place Partner, LLC;
5. **Item A.4(b).** Whitehouse Abbington Place, LP is a newly formed entity. Therefore, no status of account from the Texas Comptroller of Public Accounts is available at this time;
6. **Item A.4(c).** The partnership agreement for Whitehouse Abbington Place, LP; the operating agreement for Abbington Place Partner, LLC; and the Written Consent of the Managers are provided, along with the formation certificates for both entities, to provide evidence that William J. Rea, Jr. has the authority to sign on behalf of the Applicant, Whitehouse Abbington Place, LP;
7. **Item A.4(d).** The site is located in an area that, at the time of application, was appropriately zoned to allow for apartments on the 2nd floor or higher. A copy of the zoning confirmation letter is included with this submittal.
8. **Item A.4(e) and Item F.** The Credit Underwriting Analysis Report did not identify any conditions to be met at the time of Commitment Notice.
9. **Item A.4(f).** A different elevation, showing garden style apartments and a non-residential clubhouse, was submitted at application with the understanding from the City that there was no known opposition to our requested down-zoning to build an apartment-only rather than a limited mixed-use apartment development as the current zoning allowed. Neighborhood opposition arose to this down-zoning subsequent to our application submittal, primarily due to the large number of applications in Whitehouse this year, causing the City to work with our design team to reconfigure the development to fit within the current zoning requirements. An amendment request is enclosed to detail this necessary adjustment to the development site plan and elevations. This amendment does not change any item that received points, reduce/remove any development feature or amenity, change the financial feasibility, or materially alter the Development in a negative manner.
10. **Item A.4(g).** Not applicable, since Abbington Place did not receive a property tax exemption.
11. **Item I.** Signed and initialed Application Verification and Compliance Review form for this project.

The enclosed information, itemized above, should represent all of the requested materials due to the Department by September 28, 2016. However, if you need any additional information please do not hesitate to contact me at (404) 250-4093, extension 704 or seanbrady@reaventures.com.

Sincerely,

Sean M Brady

Sean M. Brady, LEED AP
Vice President of Development

2964 Peachtree Road NW, Suite 640 ▪ Atlanta, Georgia 30305
Phone: (800) 605-7608 ▪ Fax: (404) 745-0530

Exhibit B

Amendment Request

Whitehouse Abbington Place, LP

c/o Rea Ventures Group, LLC - 2964 Peachtree Road NW, Suite 200 - Atlanta, GA 30305
office (404) 250-4093 - fax (404) 250-4091

September 27, 2016

Texas Department of Housing and Community Affairs
Attention: Marni Holloway
P O Box 13941
Austin, Texas 78711-3941

RE: Abbington Place in Whitehouse, TX (HTC # 16018) – Request for Amendment

Dear Ms. Holloway:

We respectfully request the Department's approval to revise the project design. Despite three consecutive years of Council support for this development and widespread community organization support (**see Attachment A**), which included support for its proposed location, the large number of applicants in Whitehouse this year, brought about by new tie breaker criteria in the 2016 Qualified Allocation Plan (QAP), created alarm among residents and an ultimate denial of the rezoning request that was necessary to build the development as originally proposed. However, the City remains in support of the development and has worked with us to develop the enclosed alternative configuration to still provide the same development features but in a mixed-use configuration allowed under the current zoning. Representative Matt Schaeffer has also been apprised of the situation and remains in support of Abbington Place.

The proposed new design would provide the same number of units, unit mix, buildings, amenities, and site acreage/dimensions as originally proposed. The principal difference in the requirements of the existing C-H zoning (Commercial-High Intensity) and requested R-H zoning (Residential-High Intensity) is that residential apartment units must be on the second floor or higher with C-H zoning. Therefore, in order to fit within the current zoning, Abbington Place was minimally redesigned to simply add one story in height in order to elevate the residential units. Common areas are allowed ground floor uses. We added individual structured parking garages on the ground floor to provide an additional revenue stream and development feature. Limited third-party office space is also included at the request of the City to fit the intent of the Vision 2020 future land use plan for mixed-use development at this location. The buildings containing this office space and common areas were moved to the entrance in order to maximize their highway visibility as well as shield interior amenities from highway noise. Elevators are also included to ensure full handicap accessibility. Confirmation from the City that the site is appropriately zoned for this use is provided in **Attachment B**.

We believe the proposed design amendment would result in an improved development from what was proposed at application for the same tax credit investment. The same affordable and market-rate units can now be provided with rentable garages in a mixed-use environment that will be unique in Whitehouse. Balcony views will also be enhanced with the higher elevation. Further, unit amenities have not only been retained but enlarged (larger fitness center and larger computer center) and new amenities have been added (media room).

The original site plan, elevations, unit floor plans, and clubhouse floor plan are included in **Attachment C**. The original design called for four buildings on 4.1666 acres, consisting of a non-residential clubhouse and three residential garden style walk-up apartments. The revised site plan, elevations, unit floor plans, and building floor plans are included in **Attachment D**. This design also consists of four buildings on 4.1666 acres. Site amenities are the same in both designs but have been expanded and added to in the revised design.

Each building includes ground floor garages and several include non-residential common areas or third-party office space. Three buildings are elevator served with the fourth connected to an elevator-served building by breezeways. Site amenities consist of a playground, enlarged fitness center, expanded computer center, laundry room, gazebo, mail kiosk, media room, and community sun porch. Unit amenities are unchanged, although small increases in unit sizes did occur to all bedroom types. The exterior design is also consistent with the original proposed design, with the same windows/doors on all levels and an increased coverage ratio of brick (more than 34% brick) than at application.

The overall cost increase is substantial but higher than projected equity pricing, lower than projected interest rates on the USDA 538 loan, and the added revenue from the garages are sufficient to ensure financial feasibility without including any revenue from the office space. No additional developer fee from application is included in these revised numbers. The revised narratives, underwriting tabs, and revised financing commitment letters are included in **Appendix E**.

The additional costs associated with the office space and individual garages are not included in basis. Costs associated with the common areas and elevators are included in basis and the total qualified basis is now higher and more than sufficient to support the $860,000 annual credit allocation. The architect has advised that the garages are appropriately classified now as structured parking, given their integration into a four-story elevator-served building, and the contractor has reallocated some structural costs to the garages due to their integration within each building. The overall effect of these adjustments, along with larger unit sizes, is a vertical cost per square foot ($67.30/sf) that is now actually less than the vertical cost per square foot ($69.75/sf) calculated in the original application under Section 11.9(e)(2) of the 2016 QAP. The contractor's letter estimating the cost of the structured garages and the office space is included in **Appendix E**.

We did make every effort to address community and planning board concerns over their generalized fears of affordable housing and preference on the planning board for market rate apartment housing (see **Appendix F** for detailed response submitted to Planning Board concerns). However, Planning ultimately determined that the mixed-use configuration of Abbington Place was more appropriate and in keeping with the future land use plan and therefore denied our down-zoning request for an apartment-only development. Council's policy is to follow the recommendations of the Planning Board.

The mixed-use configuration is financially feasible and would preserve and enhance the original development concept at no additional cost to the Department. This amended design

c/o Rea Ventures Group, LLC - 2964 Peachtree Road NW, Suite 200 - Atlanta, GA 30305
office (404) 250-4093 - fax (404) 250-4091

would also provide new features that would further benefit residents at Abbington Place. The proposed design would also create a unique mixed-use development in the City of Whitehouse that would allow the City to achieve its Vision 2020 long term plan on the under-developed south side of town.

As stated previously, this development has been supported for the last three consecutive years; however, due to the scoring tie break in the rules, Whitehouse had the lowest poverty rate and therefore drew more attention in the 2016 application round. Originally, there were seven developers completing for sites in Whitehouse this year. Only five actually pursued the city for resolutions of support and submitted an application. Those original seven had contacted the city and the school district which set off some uneasiness that we were made aware of after the applications had submitted.

We had no way of knowing there were issues until after we submitted our final application. The rezoning application was submitted before the funding application, but meetings with City staff (zoning administrator, city secretary, city manager) indicated staff supported the rezoning request and did not anticipate any concerns except from one vocal neighbor. Our realtor, a high school friend of the neighbor, met with the individual who told our realtor that he did not have a problem with our proposed development so long as we included a screening fence along our north side which we did. We remained in touch with the city manager prior to the Planning Board hearing and were told we had no problems and he had heard of no concerns on our development. Our development had been covered in local papers from prior meetings in previous years and generated no public comment so City staff and we both assumed our rezoning request would move forward without incident.

The Planning Board hearing occurred on March 15 and was unexpectedly attended by residents, who were vocally opposed to all of the low-income housing developments planned in the area. We attempted to narrow the concerns to our specific development but were met by a long list of concerns and fears over property value impact, crime, school deterioration, traffic, storm water runoff, and the assumption that we would not properly vet or manage the development once built. We requested, and ultimately received, the time necessary to prepare the detailed response to these questions that is enclosed in **Appendix F**. Planning Board acknowledged we had addressed all of their concerns but still voted to recommend denial on September 20. Afterwards, a planning board member approached a member of our staff, Sean Brady, and told him the feeling on the Planning Board was that the mixed-use design we had developed with the City was a more appropriate development for the site and more in keeping with the comprehensive plan. He did not indicate opposition to the development itself.

We recognize this amendment request is a material change from application, involving a modification of the site plan, modification of the architectural design, and an increase in the development cost. However, we made every effort to minimize the cost and design changes and this amendment will not result in a change to any item that received points, will not affect the financial viability of the development, will not materially alter the Development in a negative manner, and would not have otherwise adversely affected the selection of the Application in the Application Round. Although not our intended configuration, the amended

c/o Rea Ventures Group, LLC - 2964 Peachtree Road NW, Suite 200 - Atlanta, GA 30305
office (404) 250-4093 - fax (404) 250-4091

design will offer the residents of Whitehouse improved development features with the same credit allocation investment.

We had no way of knowing there were concerns with our rezoning prior to application submittal and there was nothing we could do to control the City's response to changing public opinion once it occurred. However, we did meet with the mayor and City manager and together were able to work out the enclosed alternative design to mitigate their political problem with the rezoning while allowing the development that they still supported to move forward. We feel that we have preserved the original architectural and site plan design, as well as the original development budget, as much as possible while working within the constraints of the existing zoning requirements.

We appreciate the opportunity to submit this design change request and trust that the Department will concur with these necessary adjustments for the Abbington Place development.

Sincerely,

William J. Rea, Jr.
Manager

Appendix A
Council Resolutions of Support: Previous Three Years
Letters of Support from Community Non-Profit Organizations

City of Whitehouse

RESOLUTION NO. #R15-1208-01

WHEREAS, Rea Ventures Group has proposed a development for affordable rental housing located on Highway 110 at Sherry Drive, Whitehouse, Texas 75791 named Abbington Place of Whitehouse in the City of Whitehouse; and

WHEREAS, Rea Ventures Group intends to submit an application to the Texas Department of Housing and Community Affairs (TDHCA) for 2016 Housing Tax Credits for Abbington Place; and

WHEREAS, in accordance with Section 11.9(d)(1)(A) of the 2016 Qualified Allocation Plan, an application may qualify for points for a resolution voted on and adopted from the governing body expressly setting forth that the City of Whitehouse supports the Application or Development; and

WHEREAS, Rea Ventures Group has requested a partial waiver of City development fees in the amount of $500.00 for Abbington Place as a commitment of Development funding from the City of Whitehouse, Texas; and

WHEREAS, the City Council of the City of Whitehouse, Texas has the authority to defer City development fees on property located within the City limits of Whitehouse; and

WHEREAS, the property located on Highway 110 at Sherry Drive, Whitehouse, Texas 75791 is located within the City limits of the City of Whitehouse, Texas;

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Whitehouse, Texas that:

Section 1. The City Council of the City of Whitehouse, Texas hereby supports the proposed development of Abbington Place and confirms that its governing body has voted specifically to approved the development and authorize an allocation of Housing Tax Credits for the development pursuant to Texas Government Code 2306.6710(b)(1)(B).

Section 2. The City Council of the City of Whitehouse, Texas hereby grants the Rea Ventures Group's request for a partial waiver of City development fees due and arising from the proposed development of the Abbington Place in the amount of $500.00.

PASSED AND APPROVED this the 8th day of December, 2015.

Charles Parker, Mayor

Stefani Wright

Stefani Wright, City Secretary

City of Whitehouse

RESOLUTION # R14-1118-02

WHEREAS, Rea Ventures Group has proposed a development for affordable rental housing located on West Main Street approximately 270 feet west of Shahan Ranch Boulevard, Whitehouse, Texas 75791 named Abbington Place of Whitehouse in the City of Whitehouse; and

WHEREAS, Rea Ventures Group intends to submit an application to the Texas Department of Housing and Community Affairs (TDHCA) for 2015 Housing Tax Credits for Abbington Place; and

WHEREAS, in accordance with Section 11.9(d)(1)(A) of the 2015 Qualified Allocation Plan, an application may qualify for points for a resolution voted on and adopted from the governing body expressly setting forth that the City of Whitehouse supports the Application or Development; and

WHEREAS, Rea Ventures Group has requested a partial deferral of City development, tap, and impact fees in the amount of $82,500 for Abbington Place as a commitment of Development funding from the City of Whitehouse, Texas; and

WHEREAS, the City Council of the City of Whitehouse, Texas has the authority to defer City development, water and sewer tap, and impact fees on property located within the City limits of Whitehouse; and

WHEREAS, the property located on West Main Street approximately 270 feet west of Shahan Ranch Boulevard, Whitehouse, Texas 75791 is located within the City limits of the City of Whitehouse, Texas;

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Whitehouse, Texas that:

Section 1. The City Council of the City of Whitehouse, Texas hereby supports the proposed development of Abbington Place and confirms that its governing body has voted specifically to approved the development and authorize an allocation of Housing Tax Credits for the development pursuant to Texas Government Code 2306.6710(b)(1)(B).

Section 2. Development, tap, and impact fees for the proposed project are estimated at $120,610.00. The City Council of the City of Whitehouse, Texas hereby grants the Rea Ventures Group's request for a partial deferral of City development, water and sewer tap and impact fees due and arising from the proposed development of the Abbington Place in the amount of $82,500.00. This fee deferral will be repaid to the City of Whitehouse by Rea Ventures Group in the form of a fully amortizing loan at 3.0 percent interest with a term of 15 years and an amortization period of 30 years with no prepayment penalties.

PASSED AND APPROVED this the 18th day of November 2014.

Charles, Parker, Mayor

Stefani Wright

Stefani Wright, City Secretary

City of Whitehouse

RESOLUTION # R13-1119-01

WHEREAS, Rea Ventures Group has proposed a development for affordable rental housing located approximately 500 feet north of the intersection of Texas Highway 110 and Dews Drive, Whitehouse, Texas 75791 named Abbington Place in the City of Whitehouse; and

WHEREAS, Rea Ventures Group intends to submit an application to the Texas Department of Housing and Community Affairs (TDHCA) for 2014 Housing Tax Credits for Abbington Place; and

WHEREAS, in accordance with Section 11.9(d)(1)(A) of the 2014 Qualified Allocation Plan, an application may qualify for points for a resolution voted on and adopted from the governing body expressly setting forth that the City of Whitehouse supports the Application or Development; and

WHEREAS, Rea Ventures Group has requested a partial deferral of City tap fees and impact fees in the amount of $72,144.00 for Abbington Place as a commitment of Development funding from the City of Whitehouse, Texas; and

WHEREAS, the City Council of the City of Whitehouse, Texas has the authority to defer City water and sewer tap and impact fees on property located within the City limits of Whitehouse; and

WHEREAS, the property located approximately 500 feet north of the intersection of Texas Highway 110 and Dews Drive, Whitehouse, Texas 75791 is located within the City limits of the City of Whitehouse, Texas;

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Whitehouse, Texas that:

Section 1. The City Council of the City of Whitehouse, Texas hereby supports the proposed development of Abbington Place as well as an allocation of Housing Tax Credits for the development.

Section 2. Tap and impact fees for the proposed project are estimated at $82,358.00. The City Council of the City of Whitehouse, Texas hereby grants Rea Ventures Group's request for a partial deferral of City water and sewer tap fees due and arising from the proposed development of Abbington Place in the amount of $72,144.00. This fee deferral will be repaid to the City of Whitehouse by Rea Ventures Group in the form of a fully amortizing loan at 3.0 percent interest with a term of 15 years and an amortization period of 30 years with no prepayment penalties.

PASSED AND APPROVED this the 19th day of November 2013.

John D. Hogden Jr.

John D. Hogden Jr., Mayor

Stefani Wright

Stefani Wright, City Secretary

PHILADELPHIA BLESSING

February 16, 2016

Sean Brady
Rea Ventures Group, LLC
2964 Peachtree Road NW, Suite 640
Atlanta, GA 30305

Re: Letter of Support for Abbington Place of Whitehouse
Highway 110 at Sherry Drive, Whitehouse, Smith County, TX 75791

Dear Mr. Brady,

Philadelphia Blessing (Whitehouse Food Pantry) supports the proposed Abbington Place Apartments and its proposed location on Highway 110 at Sherry Drive in Whitehouse, Texas. Our organization is a tax-exempt organization whose primary purpose is the overall betterment of the community in which this development would be located.

Sincerely,

Anthony Johnson
Director

411 Highway 110 North ~ Whitehouse, Texas
PHONE: 903.839.6769

FOR YOUTH DEVELOPMENT
FOR HEALTHY LIVING
FOR SOCIAL RESPONSIBILITY

February 17, 2016

Sean Brady

Rea Ventures Group, LLC

2964 Peachtree Road NW, Suite 640

Atlanta, GA 30305

RE: Letter of Support for Abbington Place of Whitehouse

Highway 110 at Sherry Drive, Whitehouse, Smith County, TX 75791

Dear Mr. Brady,

The Whitehouse Community YMCA supports the proposed Abbington Place Apartments and its proposed location on Highway 110 at Sherry Drive in Whitehouse, Texas. Our organization is a tax-exempt organization whose primary purpose is the overall betterment of the community in which this development would be located.

Sincerely,

Renee Quackenbush

Renee Quackenbush
Branch Executive Director

WHITEHOUSE YMCA
301 Terry Street, Whitehouse TX 75791
P: (903) 839-9622 **F:** (903) 839-9620 **E:** tylerymca.org

Meals on Wheels Ministry, Inc.
Serving the Seniors of East Texas

February 23, 2016

Sean Brady
Rea Ventures Group, LLC
2964 Peachtree Road NW, Suite 640
Atlanta, GA 30305

Re: Letter of Support for Abbington Place of Whitehouse
Highway 110 at Sherry Drive, Whitehouse, Smith County, TX 75791

Dear Mr. Brady,

Meals on Wheels Ministry supports the proposed Abbington Place Apartments and its proposed location on Highway 110 at Sherry Drive in Whitehouse, Texas. Our organization is a tax-exempt organization whose primary purpose is the overall betterment of the community in which this development would be located.

Sincerely,

Zoe Lawhorn
Vice President of Development and Public Relations

PO Box 5475 ♦ Tyler ♦ Texas ♦ 75712
800-451-2912 ♦ 903-593-7385 ♦ Fax: 903-595-6350
www.mowmet.org

lit·er·a·cy

LITERACY COUNCIL of TYLER

Opening Doors For Adults

February 16, 2016

Sean Brady
Rea Ventures Group, LLC
2964 Peachtree Road NW, Suite 640
Atlanta, GA 30305

Dear Mr. Brady,

I enjoyed our recent conversation, and I am happy to lend my support to your new Whitehouse development. Having Abbington Place Apartments located on Highway 110 at Sherry Drive will meet many needs of the Whitehouse Community. Likewise a future partnership between Abbington Place and Literacy Council of Tyler (LCOT) will be beneficial for all those involved.

Many people do not know that we have a high illiteracy rate in Smith County. It is estimated that 45-50% of the Smith County adult population does not read well enough to succeed in postsecondary academics or postsecondary vocational training. In fact, only 35% of the current Smith County adult workforce has a college certification or degree of any kind. LCOT has joined with Tyler Area Partners 4 Education to "move the needle" on this distressing fact. Therefore, LCOT supports all efforts to help those with low incomes, including literacy training so that low income residents can move toward self-sufficiency.

I wish you the best in this endeavor, and let me know if I can be of help in any other way.

Sincerely,

Nancy Crawford

Nancy Crawford
Executive Director

Officing at TJC/RTDC • 1530 SSW Loop 323 • Room 120
P.O. Box 6662 • Tyler, Texas 75711-6662
tel 903.533.0330 • fax 903.533.1801 • info@lcotyler.org • www.lcotyler.org

United Way
United Way of Tyler/Smith County

December 16, 2014

William J. Rea, Jr.
Rea Ventures Group, LLC
2964 Peachtree Road NW, Suite 640
Atlanta, GA 30305

Re: Letter of Support for Abbington Place of Whitehouse
West Main Street, Whitehouse, Smith County, TX 75791

Dear Mr. Rea,

On behalf of the Whitehouse Area Chamber of Commerce, we fully support the proposed Abbington Place Apartments and its proposed location on West Main Street approximately 270 feet west of Shahan Ranch Road in Whitehouse, Texas. Our organization is a tax-exempt organization whose primary purpose is to serve the businesses & organizations of this area and to help ensure the prosperity and general well-being of all citizens of the community in which this development would be located.

Thank you,
Don Green

Don Green
President – Whitehouse Area Chamber of Commerce
"A great place to grow"

December 17, 2014

William J. Rea, Jr.
Rea Ventures Group, LLC
2964 Peachtree Road NW, Suite 640
Atlanta, GA 30305

Re: Letter of Support for Abbington Place of Whitehouse
West Main Street, Whitehouse, Smith County, TX 75791

Dear Mr. Rea,

The **Whitehouse Lions Club** supports the proposed Abbington Place Apartments and its proposed location on West Main Street approximately 270 feet west of Shahan Ranch Road in Whitehouse, Texas. Our organization is a tax-exempt organization whose primary purpose is the overall betterment of the community in which this development would be located.

Sincerely,

Madison Johnson

Madison Johnson
President, Whitehouse Lions Club

Whitehouse Abbington Place, LP

c/o Rea Ventures Group, LLC - 2964 Peachtree Road NW, Suite 200 - Atlanta, GA 30305
office (404) 250-4093 - fax (404) 250-4091

Appendix B
Confirmation of Zoning Letter from City

City of Whitehouse P.O. Box 776 Whitehouse, Texas 75791-0776

Office (903) 839-4914
Fax (903) 839-4915

August 11, 2016

Sean Brady
Rea Ventures Group, LLC
2964 Peachtree Road NW, Suite 640
Atlanta, GA 30305

Re: Confirmation of Receipt of Zoning Application
Abbington Place Apartments, Highway 110 at Sherry Drive, Whitehouse, Smith County, TX 75791
60 Apartment Units, Smith County, HTC #16018, Parcel R096550

Dear Mr. Brady,

The proposed location for Abbington Place Apartments, located on Parcel R096550, is currently zoned C-H (Retail/Office High Intensity). This zoning allows for the construction of multi-family apartments on the 2nd floor or higher. Office, non-residential common space, and individual garage units such as proposed are allowed ground floor uses. This zoning is appropriate for your intended use of a mixed-use development containing 60 residential apartment units on the second floor or higher in addition to office and other non-residential uses on the ground floor. A table of permitted uses is attached for your reference.

Kindest regards,

Aaron Smith
City Manager

Whitehouse Abbington Place, LP

c/o Rea Ventures Group, LLC - 2964 Peachtree Road NW, Suite 200 - Atlanta, GA 30305
office (404) 250-4093 - fax (404) 250-4091

Appendix C
Original Site Plan, Elevations, Unit Floor Plans, and Building Floor Plans at Application

ABBINGTON PLACE
WHITEHOUSE, TEXAS

4.1666 ACRES
60 APARTMENT HOMES
14.4 UNITS / ACRE
120 PARKING SPACES REQUIRED
120 PARKING SPACES PROVIDED

5% OF UNITS SHALL BE FULLY ACCESSIBLE UNITS
2% OF UNITS SHALL BE EQUIPPED FOR THE SENSORY / HEARING IMPAIRED

(1) FREE STANDING ONE STORY CLUBHOUSE (#100)
(3) THREE STORY APARTMENT BUILDING (#200, #300 & #400)

NO FLOOD PLAIN BOUNDARIES CURRENTLY EXIST ON SITE

BUILDING TYPE	USE	ONE BDRM	TWO BDRM	THREE BDRM	TOTAL
#100 CLUBHOUSE	COMMON	0	0	0	0
#200	RESIDENTIAL	12	0	0	12
#300	RESIDENTIAL	0	12	12	24
#400	RESIDENTIAL	0	12	12	24
TOTAL		12	24	24	60

SITE PLAN NOTES

1. COMMUNITY LAUNDRY ROOM
2. GAZEBO WITH SITTING AREA
3. FURNISHED FITNESS CENTER
4. EQUIPPED COMPUTER CENTER
5. FURNISHED COMMUNITY ROOM
6. COMMUNITY SUN PORCH
7. FENCED TRASH DUMPSTER AREA
8. DETENTION POND AREA
9. COMMUNITY SIGN
10. PLAYGROUND
11. SCREEN FENCE
12. MAIL KIOSK

1 ARCHITECTURAL SITE PLAN
1"=60'

PROJECT 2014-091
DATE 2-23-16
DRAWN BY / CHECKED BY CFC

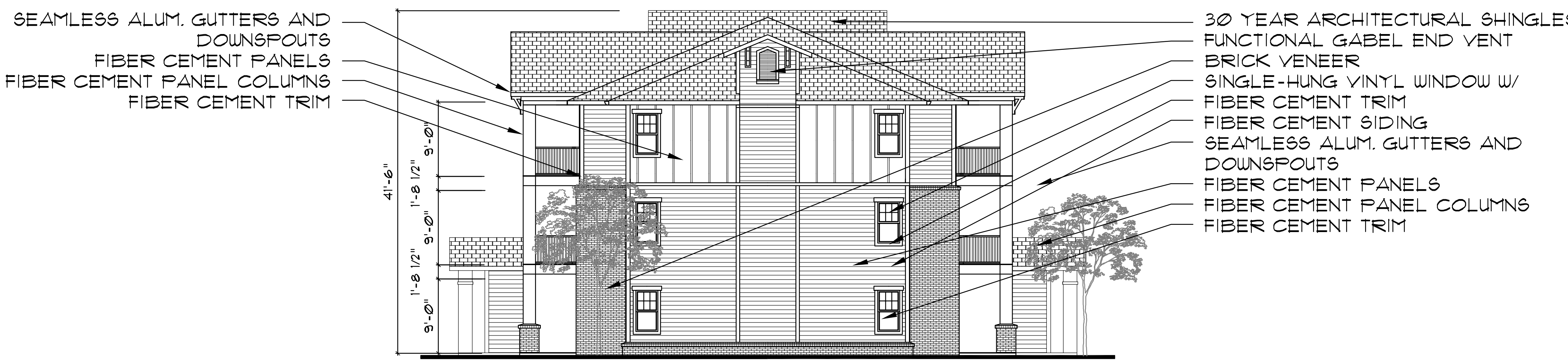
MARTIN RILEY ASSOCIATES - ARCHITECTS, P.C.
215 CHURCH STREET SUITE 200 DECATUR GEORGIA 30030-3329 404-373-2800

ABBINGTON PLACE
WHITEHOUSE, TEXAS

NOT RELEASED FOR CONSTRUCTION

A1.1

34% BRICK
66% FIBER CEMENT SIDING



2 BUILDING #200 SIDE ELEVATIONS
1/16"=1'-0" BOTH SIDES SIMILAR

1 BUILDING #200 FRONT & REAR ELEVATION
1/16"=1'-0"

0 8' 16' 32'
SCALE: 1/16" = 1'-0"

PROJECT 2014-005
DATE 2/21/14
DRAWN BY / CHECKED BY DET
REVISIONS

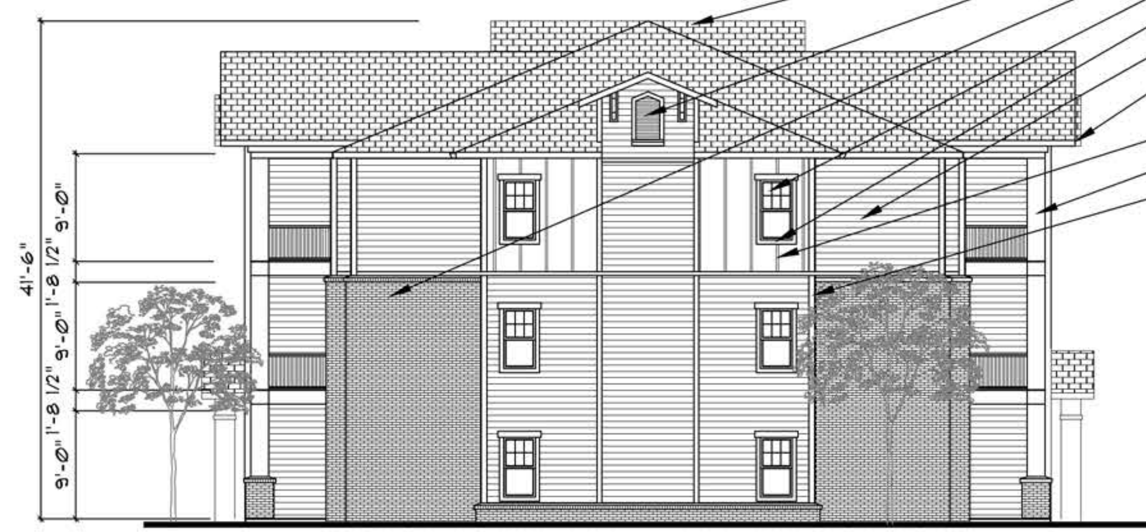
MARTIN RILEY ASSOCIATES - ARCHITECTS, P.C.
215 CHURCH STREET SUITE 200 DECATUR GEORGIA 30030-3329 404-373-2800

ABBINGTON WALK
EMORY, TEXAS

NOT RELEASED FOR CONSTRUCTION

A3.1

53% BRICK
47% FIBER CEMENT SIDING



2 BUILDINGS #300 & 400 SIDE ELEVATION
1/16"=1'-0" BOTH SIDES SIMILAR

1 BUILDINGS #300 & 400 FRONT & REAR ELEVATION
1/16"=1'-0"

0 8' 16' 32'
SCALE: 1/16" = 1'-0"

REVISIONS

PROJECT 2014-005
DATE 2/21/14
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215 CHURCH STREET SUITE 200 DECATUR GEORGIA 30030-3329 404-373-2800

ABBINGTON WALK
EMORY, TEXAS

MRA

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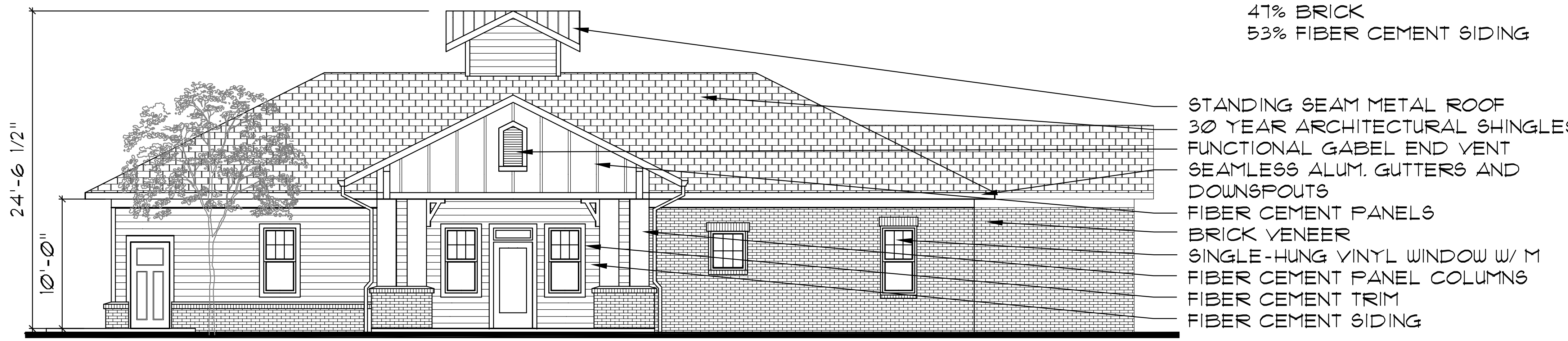
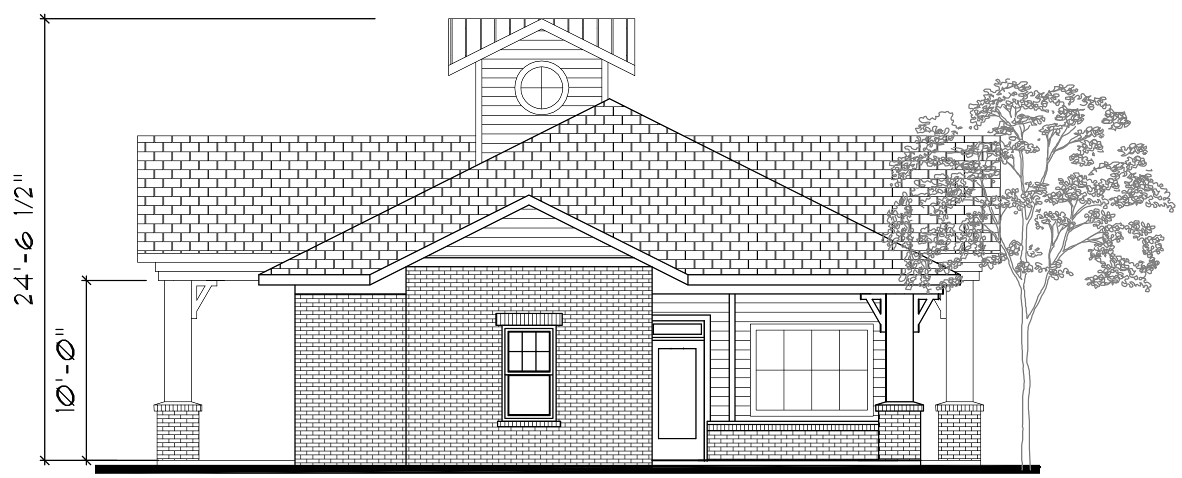
A3.2

47% BRICK
53% FIBER CEMENT SIDING



4 CLUBHOUSE REAR ELEVATION
3/32"=1'-0" BUILDING #100



2 CLUBHOUSE SIDE ELEVATION
3/32"=1'-0" BUILDING #100

3 CLUBHOUSE SIDE ELEVATION
3/32"=1'-0" BUILDING #100

1 CLUBHOUSE FRONT ELEVATION
3/32"=1'-0" BUILDING #100

0 5'-4" 10'-8" 21'-4"
SCALE: 3/32" = 1'-0"

REVISIONS

PROJECT 2014-091
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ABBINGTON PLACE
WHITEHOUSE, TEXAS

MRA

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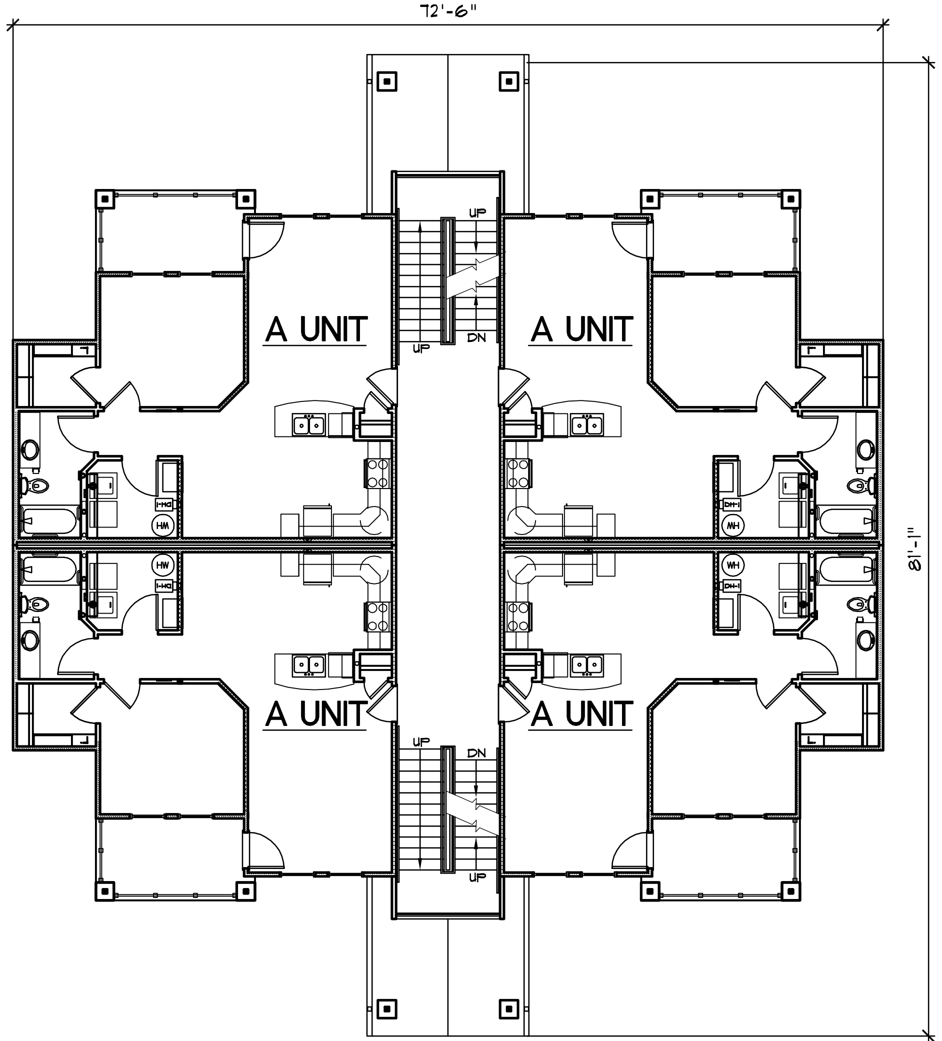
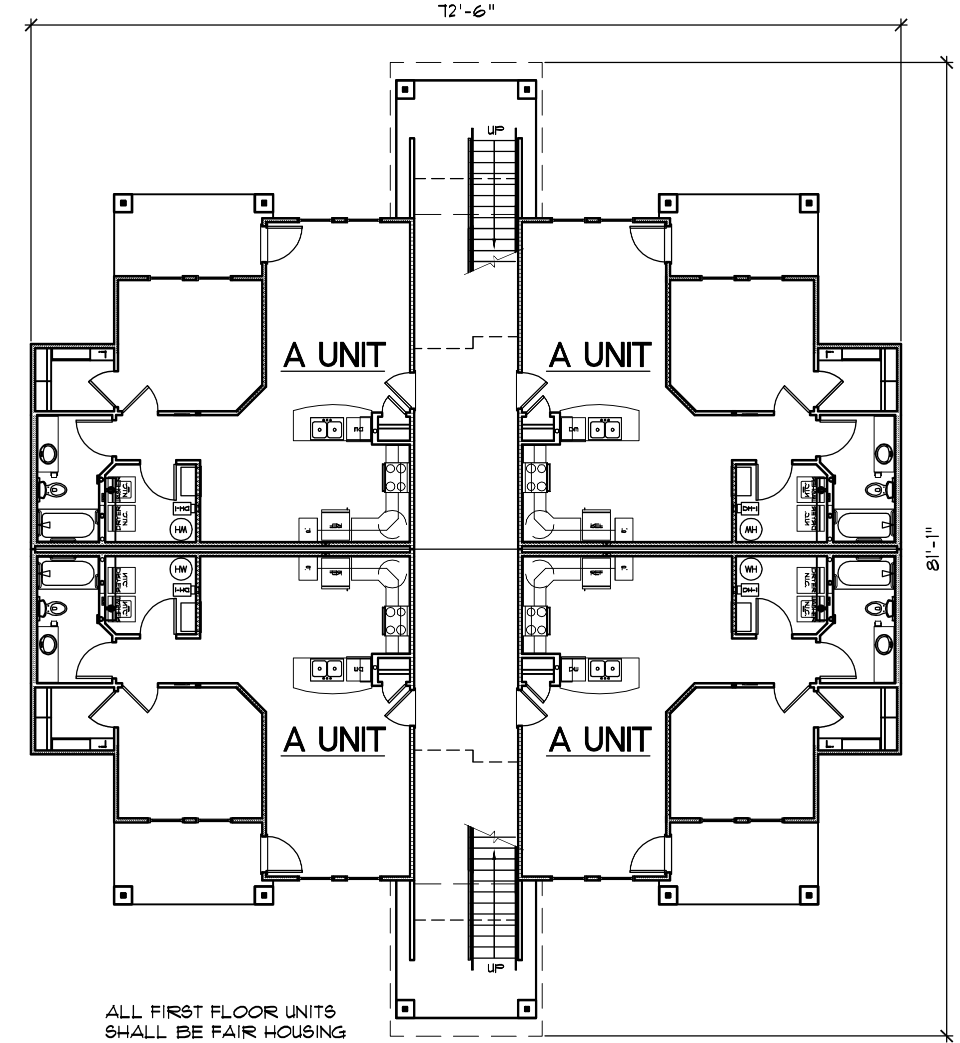
A3.3

BUILDING #200								
	(A) ONE BDRM. N.R.A.	(B) TWO BDRM. N.R.A.	(C) THREE BDRM. N.R.A.	(A) ONE BDRM. BALC.	(B) TWO BDRM. BALC.	(C) THREE BDRM. BALC.	BREEZEWAY	TOTAL
1ST FLOOR	2880	0	0	86	0	0	746	3712
2ND FLOOR	2880	0	0	86	0	0	540	3506
3RD FLOOR	2880	0	0	86	0	0	294	3260
TOTAL	8640	0	0	258	0	0	1580	10478



2 BUILDING #200 SECOND FLOOR FLOOR PLAN
1/16"=1'-0"
(THIRD FLOOR SIMILAR)



ALL FIRST FLOOR UNITS SHALL BE FAIR HOUSING OR HC UNITS

1 BUILDING #200 FIRST FLOOR FLOOR PLAN
1/16"=1'-0"

0 8' 16' 32'
SCALE: 1/16" = 1'-0"

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PROJECT 2014-005
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ABBINGTON WALK
EMORY, TEXAS

MRA

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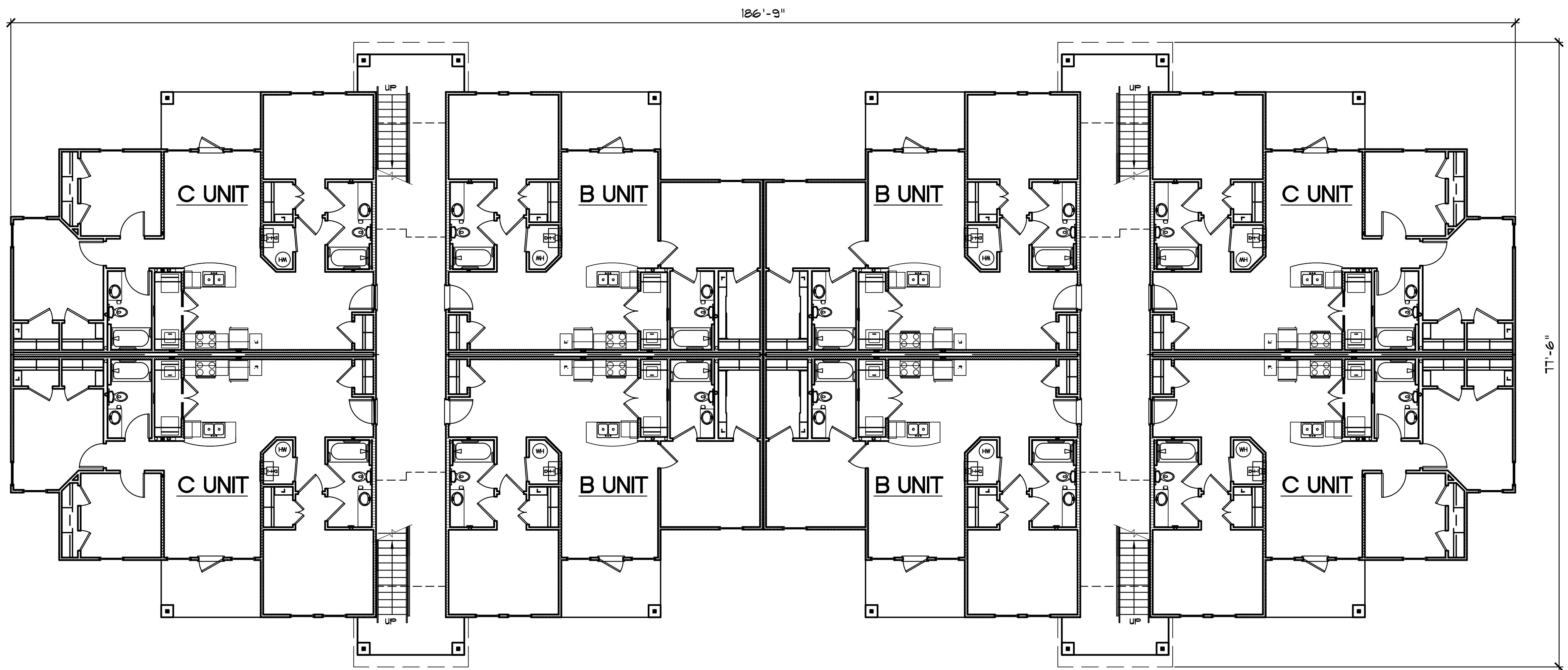
A2.1

BUILDING #300 & 400								
	(A) ONE BDRM. N.R.A.	(B) TWO BDRM. N.R.A.	(C) THREE BDRM. N.R.A.	(A) ONE BDRM. BALC.	(B) TWO BDRM. BALC.	(C) THREE BDRM. BALC.	BREEZEWAY	TOTAL
1ST FLOOR	0	4080	4672	0	348	348	1377	10825
2ND FLOOR	0	4080	4672	0	348	348	1005	10453
3RD FLOOR	0	4080	4672	0	348	348	514	9962
TOTAL	0	12240	14016	0	1044	1044	2896	31240



1 BUILDINGS #300 & 400 FIRST FLOOR FLOOR PLAN
1/16"=1'-0"

0 8' 16' 32'

SCALE: 1/16" = 1'-0"

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ABBINGTON PLACE
WHITEHOUSE, TEXAS

REVISIONS

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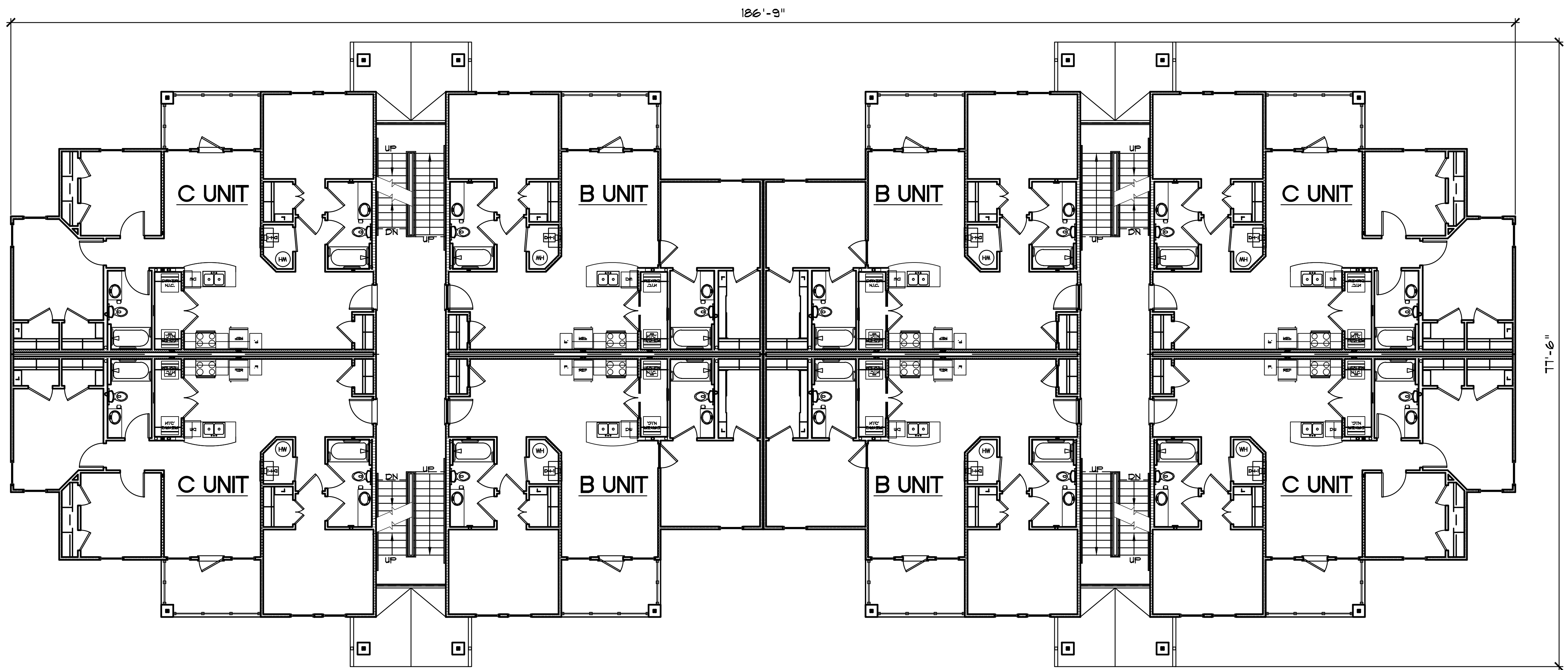
A2.2

BUILDING #300 & 400								
	(A) ONE BDRM. N.R.A.	(B) TWO BDRM. N.R.A.	(C) THREE BDRM. N.R.A.	(A) ONE BDRM. BALC.	(B) TWO BDRM. BALC.	(C) THREE BDRM. BALC.	BREEZEWAY	TOTAL
1ST FLOOR	0	4080	4672	0	348	348	1377	10825
2ND FLOOR	0	4080	4672	0	348	348	1005	10453
3RD FLOOR	0	4080	4672	0	348	348	514	9962
TOTAL	0	12240	14016	0	1044	1044	2896	31240



1 BUILDINGS #300 & 400 SECOND FLOOR FLOOR PLAN
1/16"=1'-0"
(THIRD FLOOR SIMILAR)

0 8' 16' 32'
SCALE: 1/16" = 1'-0"

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ABBINGTON PLACE
WHITEHOUSE, TEXAS

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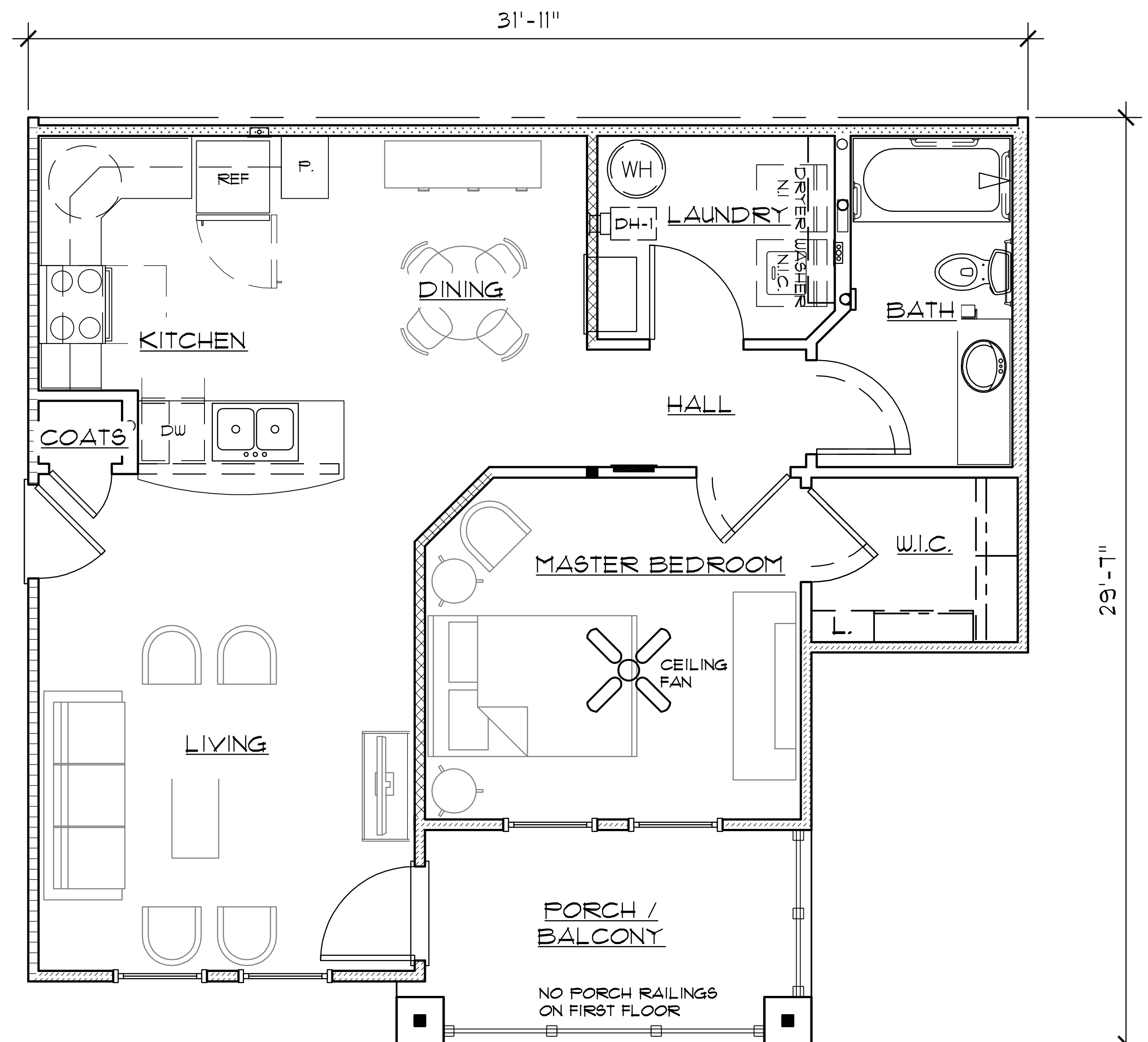
A2.3

UNIT AREA	(A) ONE BDRM.	(B) TWO BDRM.	(C) THREE BDRM.
N.R.A.	720	1020	1168
BALCONY	86	87	87
TOTAL	806	1107	1255



1 (A) ONE BEDROOM UNIT
3/16"=1'-0"

0 2'-8" 5'-4" 10'-8"
SCALE: 3/16" = 1'-0"

PROJECT 2014-091
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ABBINGTON PLACE
WHITEHOUSE, TEXAS

MRA

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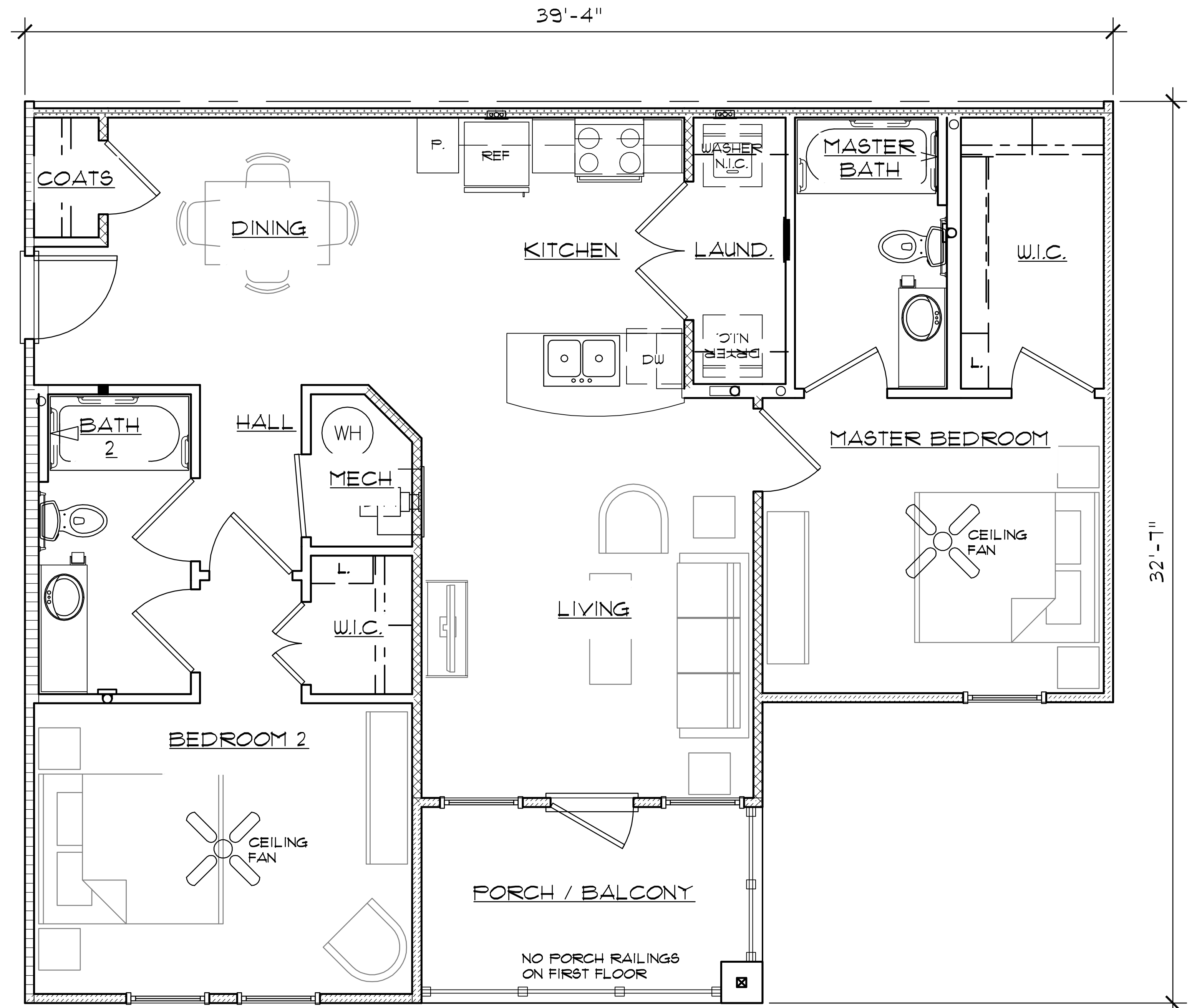
A4.1

UNIT AREA	(A) ONE BDRM.	(B) TWO BDRM.	(C) THREE BDRM.
N.R.A.	720	1020	1168
BALCONY	86	87	87
TOTAL	806	1107	1255



1 (B) TWO BEDROOM UNIT
3/16"=1'-0"

0 2'-8" 5'-4" 10'-8"
SCALE: 3/16" = 1'-0"

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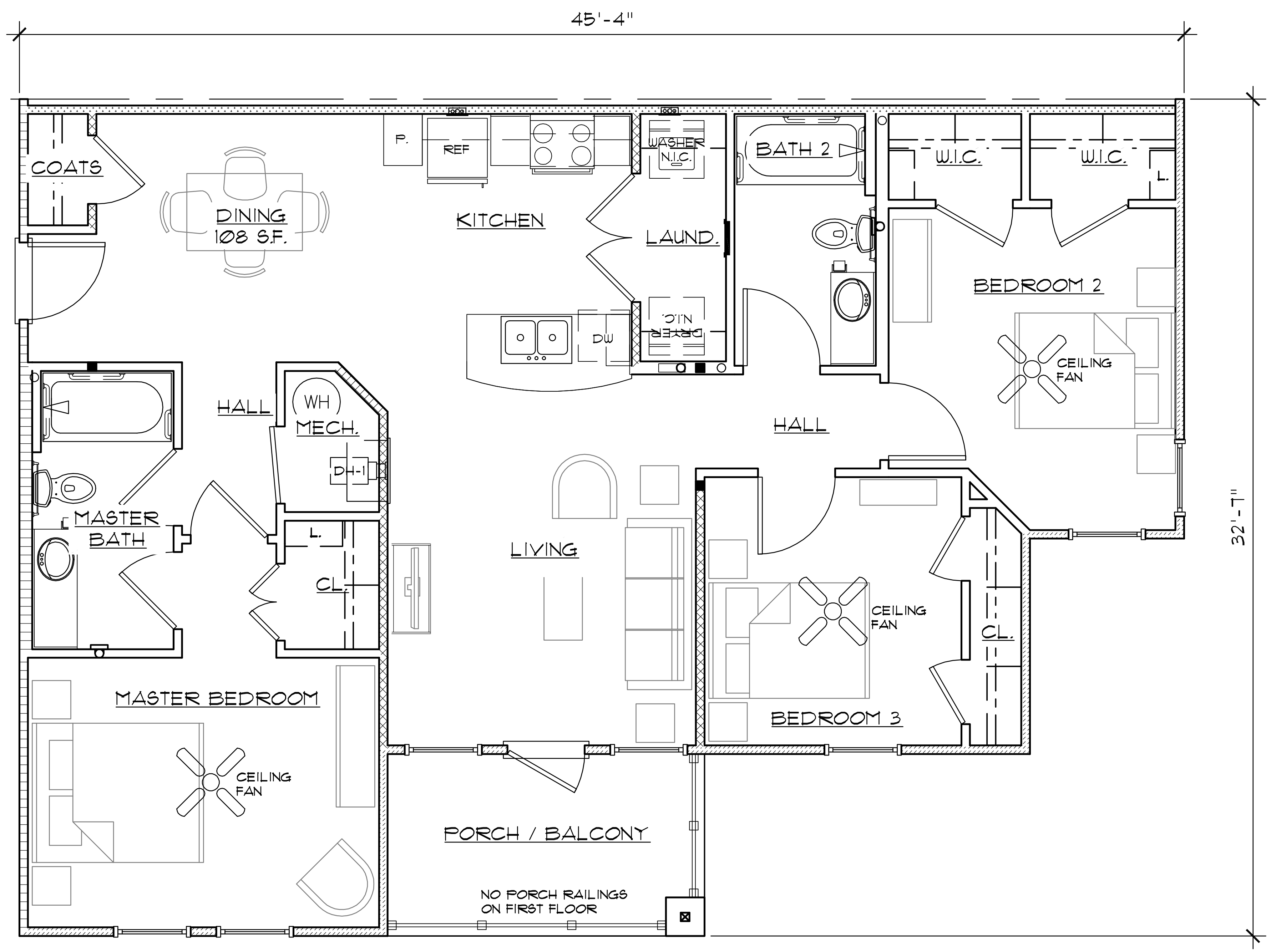
ABBINGTON PLACE
WHITEHOUSE, TEXAS

NOT RELEASED FOR CONSTRUCTION

A4.2

UNIT AREA	(A) ONE BDRM.	(B) TWO BDRM.	(C) THREE BDRM.
N.R.A.	720	1020	1168
BALCONY	86	87	87
TOTAL	806	1107	1255



1 (C) THREE BEDROOM UNIT
3/16"=1'-0"

0 2'-8" 5'-4" 10'-8"
SCALE: 3/16" = 1'-0"

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ABBINGTON PLACE
WHITEHOUSE, TEXAS

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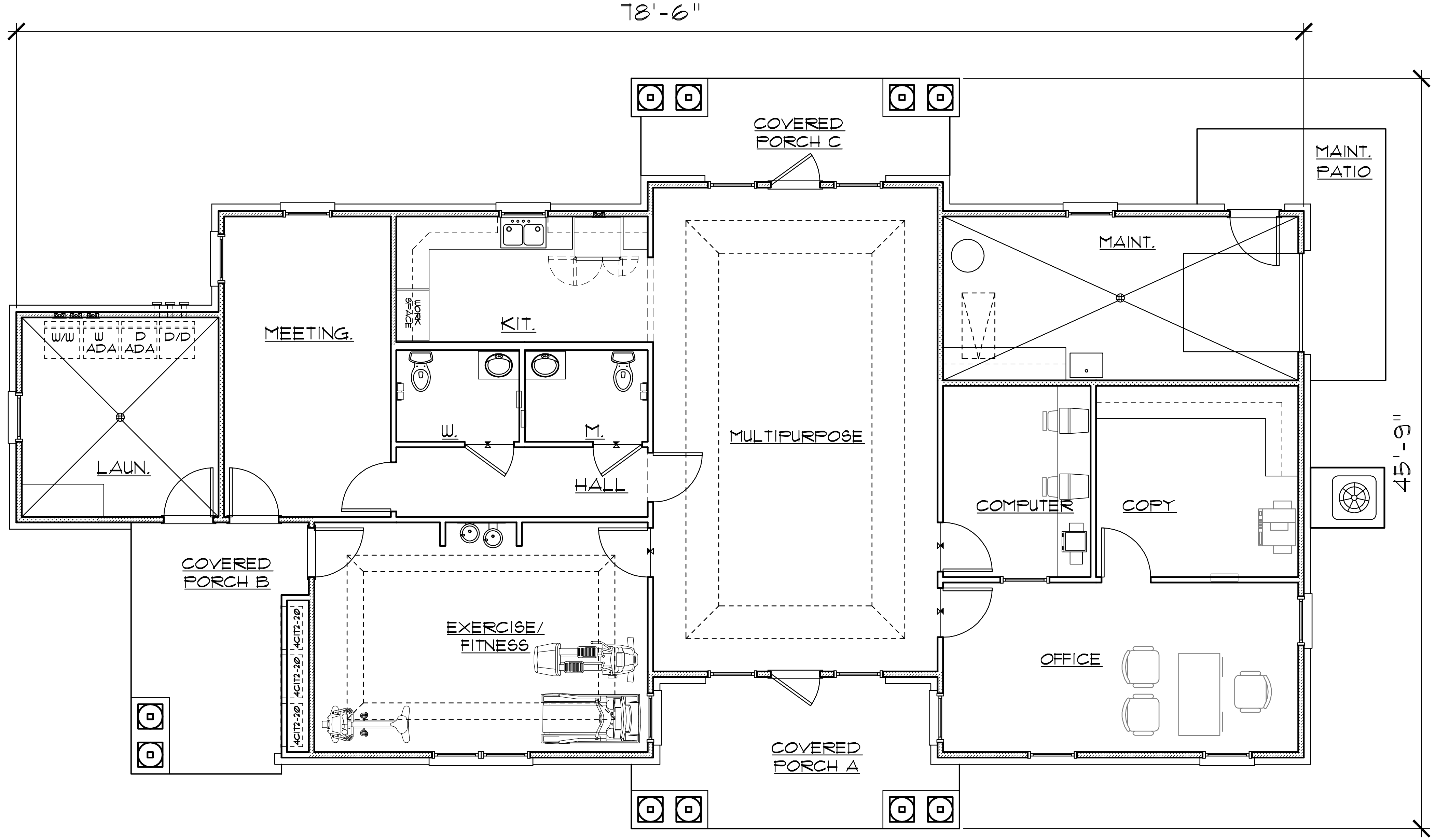
A4.3

CLUB AREA	AREA (S.F.)
NET HEATED AREA.	2168
COVERED PORCH A	160
COVERED PORCH B	148
COVERED PORCH C	114
TOTAL	2590



1 CLUBHOUSE FLOOR PLAN
1/8"=1'-0"

0 4' 8' 16'
SCALE: 1/8" = 1'-0"

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ABBINGTON PLACE
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A4.4

Appendix D
Revised Site Plan, Elevations, Unit Floor Plans, and Building Floor Plans

ABBINGTON PLACE
WHITEHOUSE, TEXAS

BUILDING TYPE	USE	ONE BDRM	TWO BDRM	THREE BDRM	TOTAL
#100	RESIDENTIAL/ OFFICE	12	0	0	12
#200	RESIDENTIAL/ COMMUNITY	0	6	12	18
#300	RESIDENTIAL	0	6	12	18
#400	RESIDENTIAL	0	12	0	12
TOTAL		12	24	24	60

ZONED C-H
4.1666 ACRES
60 APARTMENT HOMES
14.4 UNITS / ACRE
135 PARKING SPACES REQUIRED
153 PARKING SPACES PROVIDED (INCLUDES 43 STRUCTURED PARKING GARAGES)

5% OF UNITS SHALL BE FULLY ACCESSIBLE UNITS
2% OF UNITS SHALL BE EQUIPPED FOR THE SENSORY / HEARING IMPAIRED

(4) FOUR STORY BUILDINGS
NO FLOOD PLAIN BOUNDARIES CURRENTLY EXIST ON SITE

SITE PLAN NOTES
1. COMMUNITY LAUNDRY ROOM
2. GAZEBO WITH SITTING AREA
3. FURNISHED FITNESS CENTER
4. EQUIPPED COMPUTER CENTER
5. FURNISHED COMMUNITY ROOM
6. COMMUNITY SUN PORCH
7. FENCED TRASH DUMPSTER AREA
8. DETENTION POND AREA
9. COMMUNITY SIGN
10. PLAYGROUND
11. SCREEN FENCE
12. MAIL CENTER
13. MEDIA ROOM

1 ARCHITECTURAL SITE PLAN
1"=60'

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ABBINGTON PLACE
WHITEHOUSE, TEXAS

PROJECT 2014-091
DATE 2-23-16
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REVISIONS 9/26/16

MRA

A1.1

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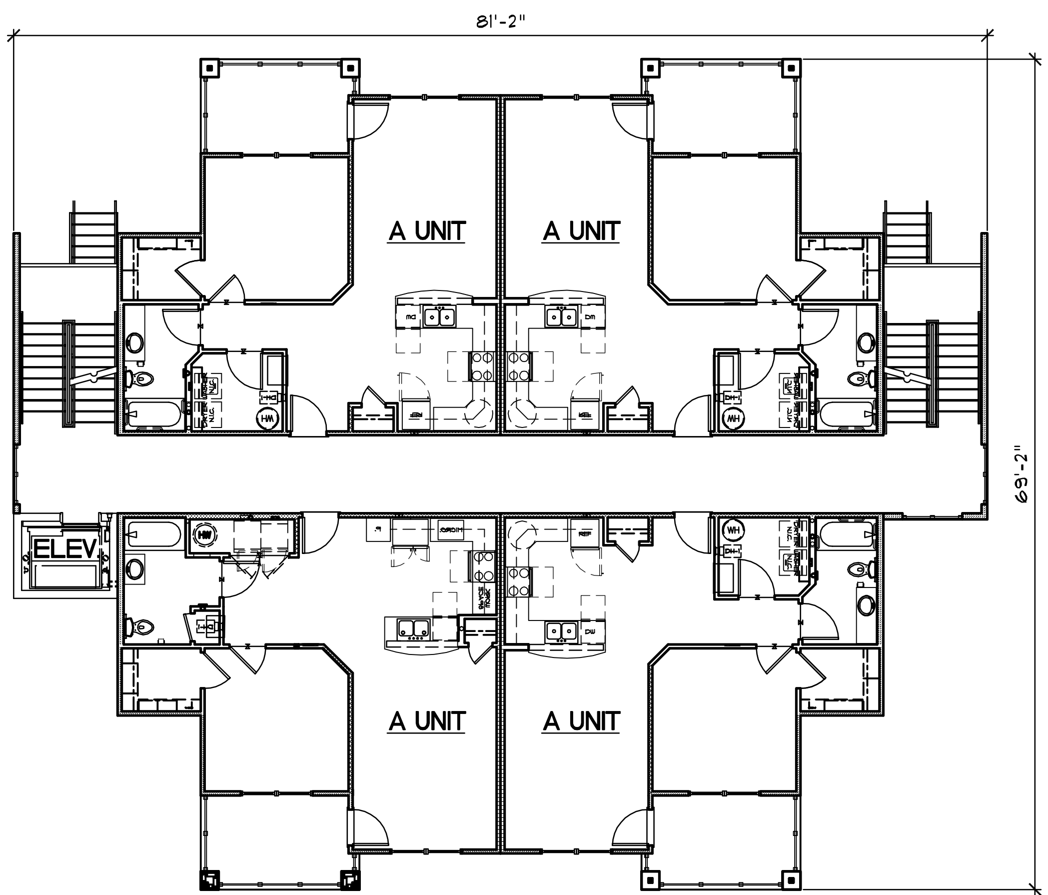
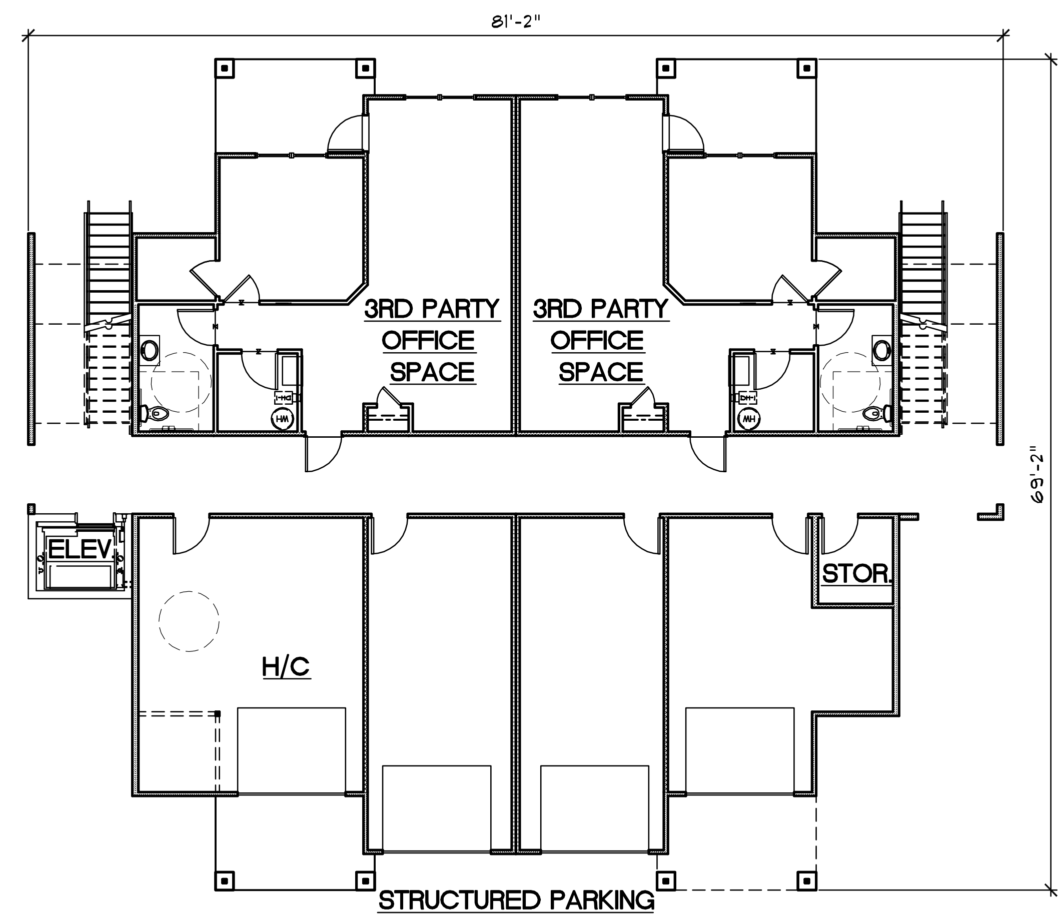
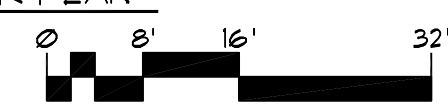
BUILDING #100											
	(A) ONE BDRM. N.R.A.	(B) TWO BDRM. N.R.A.	(C) THREE BDRM. N.R.A.	(A) ONE BDRM. BALC.	(B) TWO BDRM. BALC.	(C) THREE BDRM. BALC.	GARAGES AND STORAGE	COMMUNITY SPACE	3RD PARTY OFFICE SPACE	BREEZEWAY	TOTAL
1ST FLOOR	0	0	0	0	0	0	1509	0	1480	849	3838
2ND FLOOR	2884	0	0	396	0	0	0	0	0	849	4129
3RD FLOOR	2884	0	0	396	0	0	0	0	0	849	4129
4TH FLOOR	2884	0	0	396	0	0	0	0	0	849	4129
TOTAL	8652	0	0	1188	0	0	1509	0	1480	3396	16225



2 BUILDING #100 SECOND FLOOR FLOOR PLAN
1/16"=1'-0"
(THIRD & FOURTH FLOORS SIMILAR)



1 BUILDING #100 FIRST FLOOR FLOOR PLAN
1/16"=1'-0"



SCALE: 1/16" = 1'-0"

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ABBINGTON PLACE
WHITEHOUSE, TEXAS

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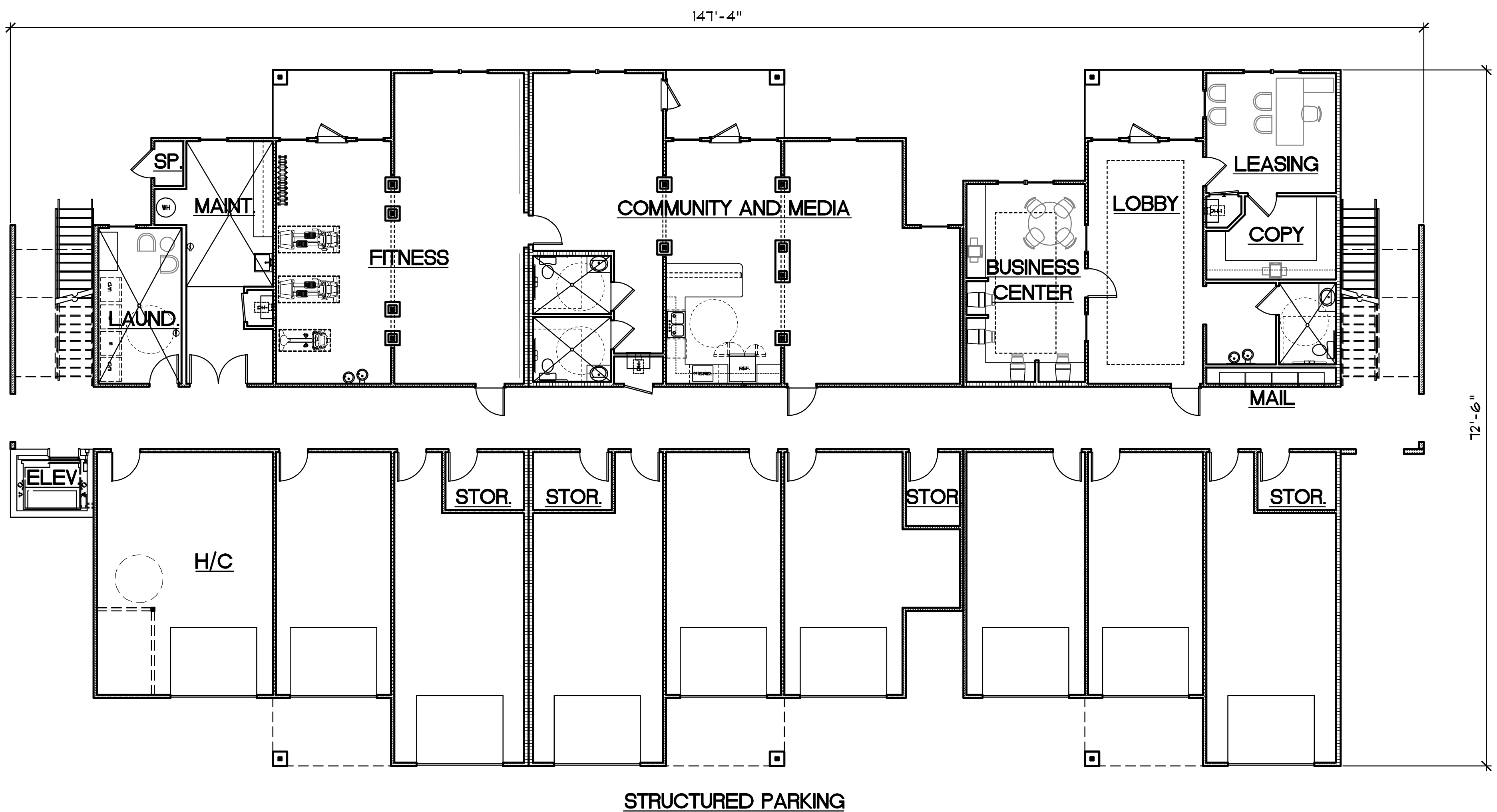
A2.1

BUILDING #200											
	(A) ONE BDRM. N.R.A.	(B) TWO BDRM. N.R.A.	(C) THREE BDRM. N.R.A.	(A) ONE BDRM. BALC.	(B) TWO BDRM. BALC.	(C) THREE BDRM. BALC.	GARAGES AND STORAGE	COMMUNITY SPACE	OFFICE / COMMERCIAL	BREEZEWAY	TOTAL
1ST FLOOR	0	0	0	0	0	0	3495	3436	0	1279	8210
2ND FLOOR	0	2084	4788	0	174	348	0	0	0	1279	8673
3RD FLOOR	0	2084	4788	0	174	348	0	0	0	1279	8673
4TH FLOOR	0	2084	4788	0	174	348	0	0	0	1279	8673
TOTAL	0	6252	14364	0	522	1044	3495	3436	0	5116	34229



1 BUILDING #200 FIRST FLOOR FLOOR PLAN
1/16"=1'-0"

0 8' 16' 32'
SCALE: 1/16" = 1'-0"

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ABBINGTON PLACE
WHITEHOUSE, TEXAS

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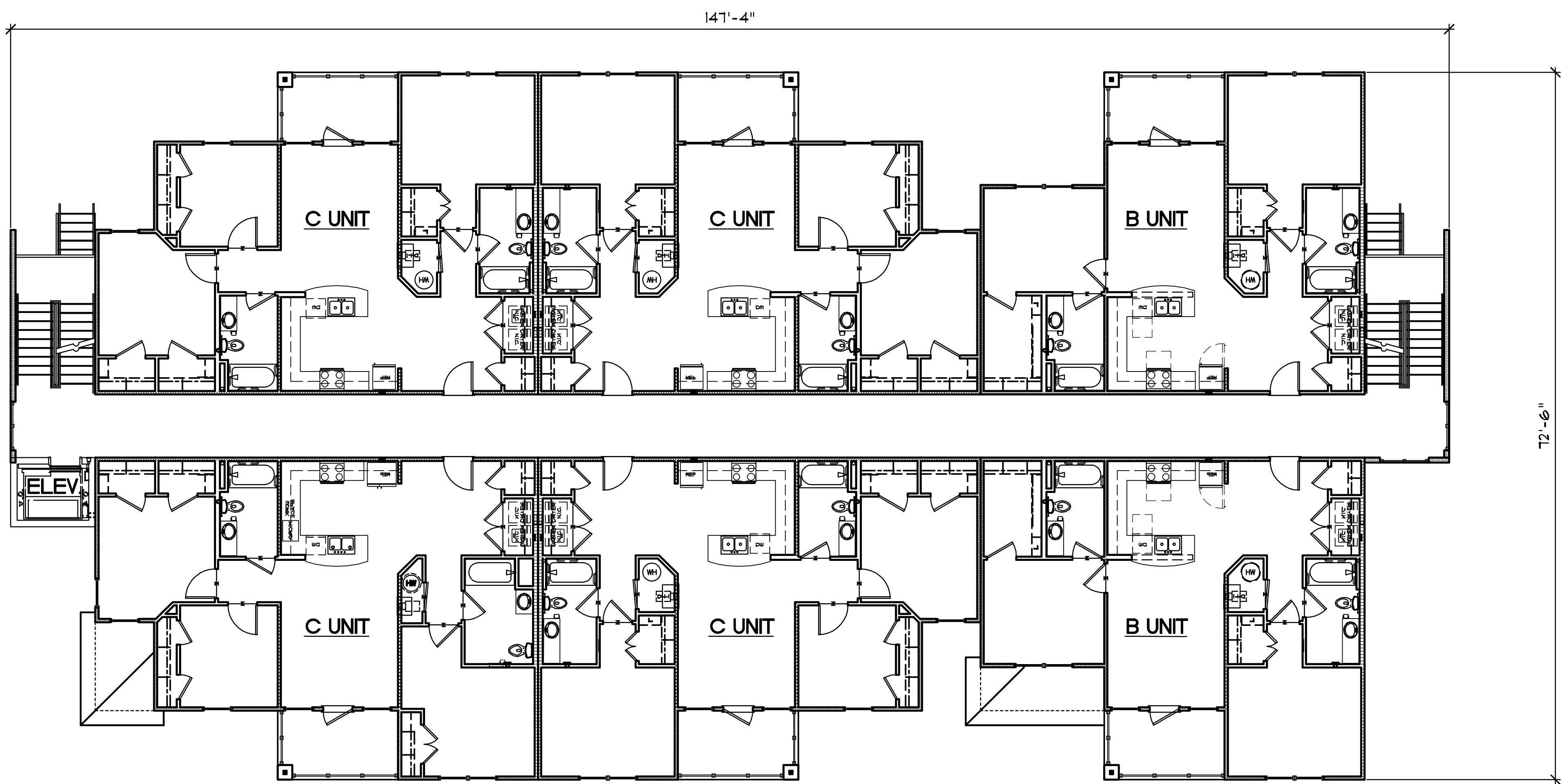
A2.2

BUILDING #200

	(A) ONE BDRM. N.R.A.	(B) TWO BDRM. N.R.A.	(C) THREE BDRM. N.R.A.	(A) ONE BDRM. BALC.	(B) TWO BDRM. BALC.	(C) THREE BDRM. BALC.	GARAGES AND STORAGE	COMMUNITY SPACE	OFFICE / COMMERCIAL	BREEZEWAY	TOTAL
1ST FLOOR	0	0	0	0	0	0	3495	3436	0	1279	8210
2ND FLOOR	0	2084	4788	0	174	348	0	0	0	1279	8673
3RD FLOOR	0	2084	4788	0	174	348	0	0	0	1279	8673
4TH FLOOR	0	2084	4788	0	174	348	0	0	0	1279	8673
TOTAL	0	6252	14364	0	522	1044	3495	3436	0	5116	34229



2 BUILDING #200 SECOND FLOOR FLOOR PLAN
1/16"=1'-0"
(THIRD & FOURTH FLOORS SIMILAR)

0 8' 16' 32'
SCALE: 1/16" = 1'-0"

PROJECT 2014-091
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ABBINGTON PLACE
WHITEHOUSE, TEXAS

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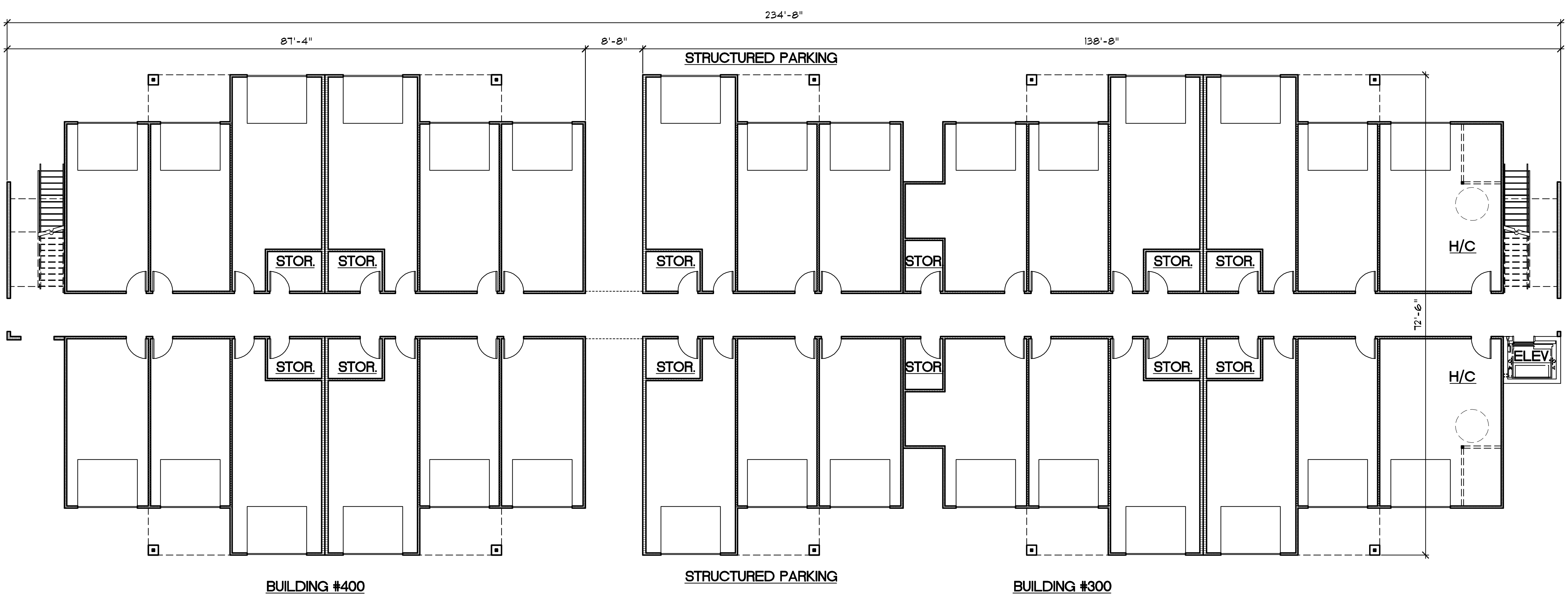
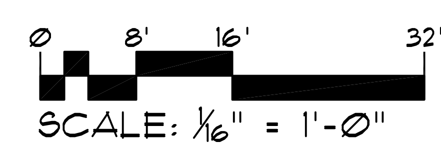
A2.3

BUILDING #300 AND #400											
	(A) ONE BDRM. N.R.A.	(B) TWO BDRM. N.R.A.	(C) THREE BDRM. N.R.A.	(A) ONE BDRM. BALC.	(B) TWO BDRM. BALC.	(C) THREE BDRM. BALC.	GARAGES AND STORAGE	COMMUNITY SPACE	OFFICE / COMMERCIAL	BREEZEWAY	TOTAL
1ST FLOOR	0	0	0	0	0	0	11326	0	0	1846	13172
2ND FLOOR	0	6252	4788	0	522	348	0	0	0	1846	13756
3RD FLOOR	0	6252	4788	0	522	348	0	0	0	1846	13756
4TH FLOOR	0	6252	4788	0	522	348	0	0	0	1846	13756
TOTAL	0	18756	14364	0	1566	1044	11326	0	0	7384	54440



1 BUILDING #300 & #400 FIRST FLOOR FLOOR PLAN
1/16"=1'-0"



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ABBINGTON PLACE
WHITEHOUSE, TEXAS

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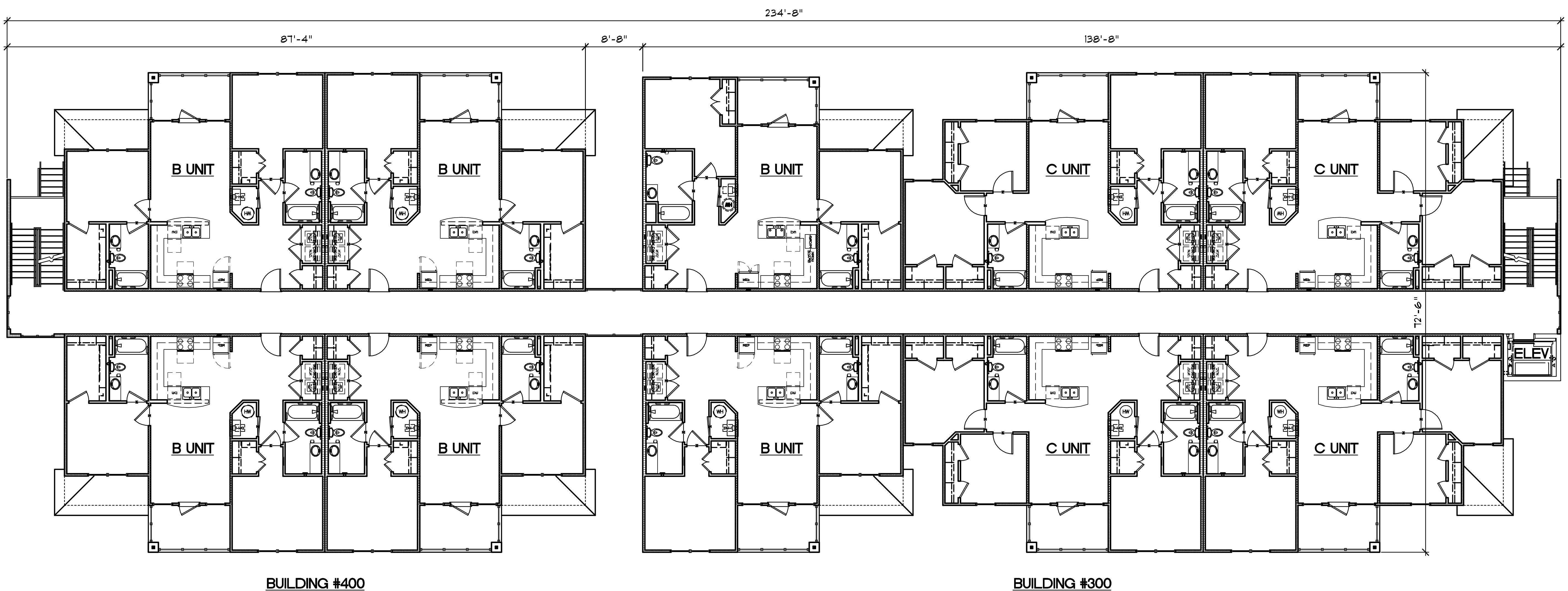
A2.4

BUILDING #300 AND #400											
	(A) ONE BDRM. N.R.A.	(B) TWO BDRM. N.R.A.	(C) THREE BDRM. N.R.A.	(A) ONE BDRM. BALC.	(B) TWO BDRM. BALC.	(C) THREE BDRM. BALC.	GARAGES AND STORAGE	COMMUNITY SPACE	OFFICE / COMMERCIAL	BREEZEWAY	TOTAL
1ST FLOOR	0	0	0	0	0	0	11326	0	0	1846	13172
2ND FLOOR	0	6252	4788	0	522	348	0	0	0	1846	13756
3RD FLOOR	0	6252	4788	0	522	348	0	0	0	1846	13756
4TH FLOOR	0	6252	4788	0	522	348	0	0	0	1846	13756
TOTAL	0	18756	14364	0	1566	1044	11326	0	0	7384	54440



1 BUILDING #300 & #400 SECOND FLOOR FLOOR PLAN
1/16"=1'-0" (THIRD & FOURTH FLOORS SIMILAR)

0 8' 16' 32'
SCALE: 1/16" = 1'-0"

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ABINGTON PLACE
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A2.5

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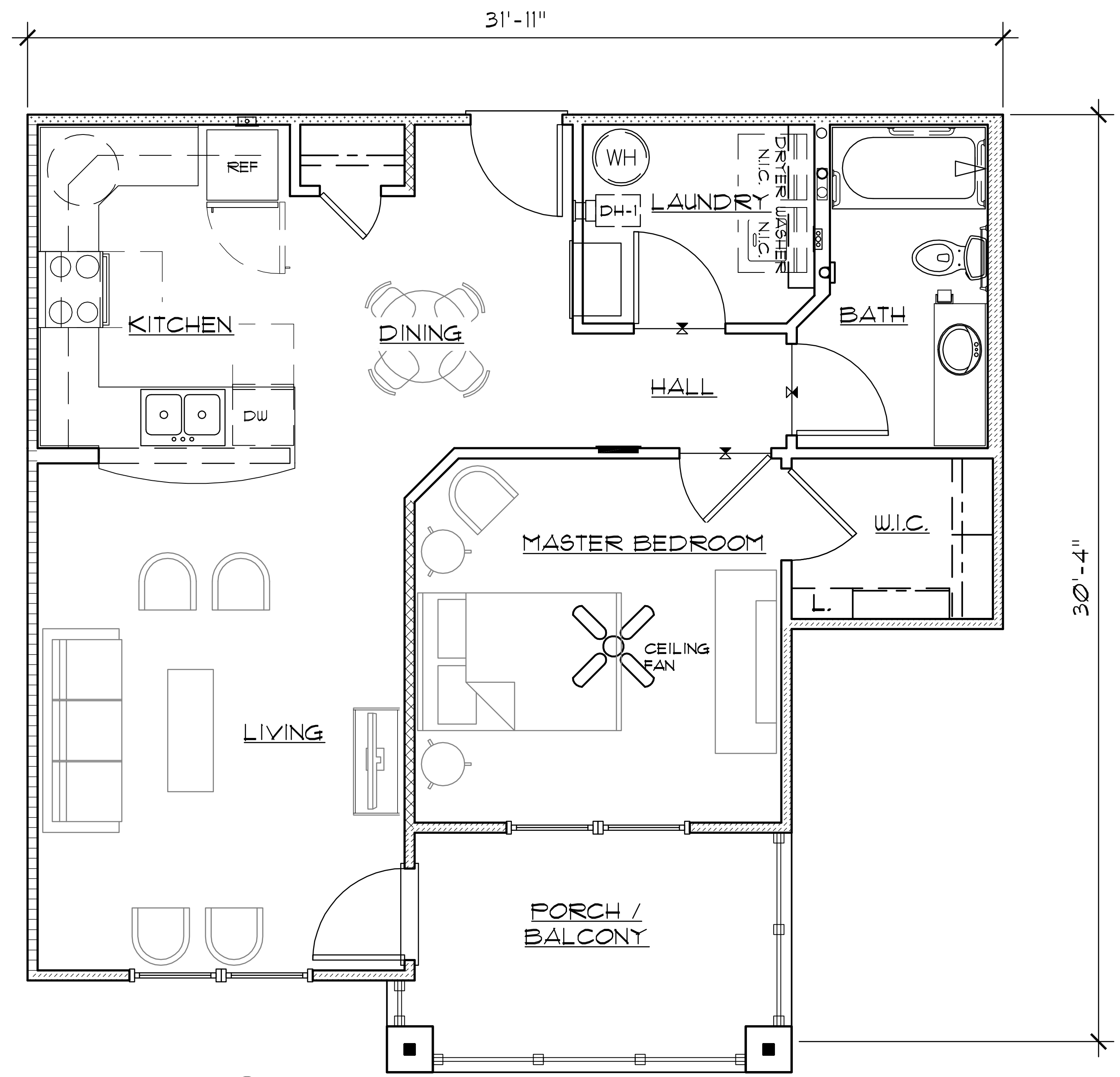
UNIT AREA	(A) ONE BDRM.	(B) TWO BDRM.	(C) THREE BDRM.
N.R.A.	721	1042	1197
BALCONY	99	87	87
TOTAL	820	1129	1284



1 (A) ONE BEDROOM UNIT
3/16"=1'-0"

0 2'-8" 5'-4" 10'-8"
SCALE: 3/16" = 1'-0"

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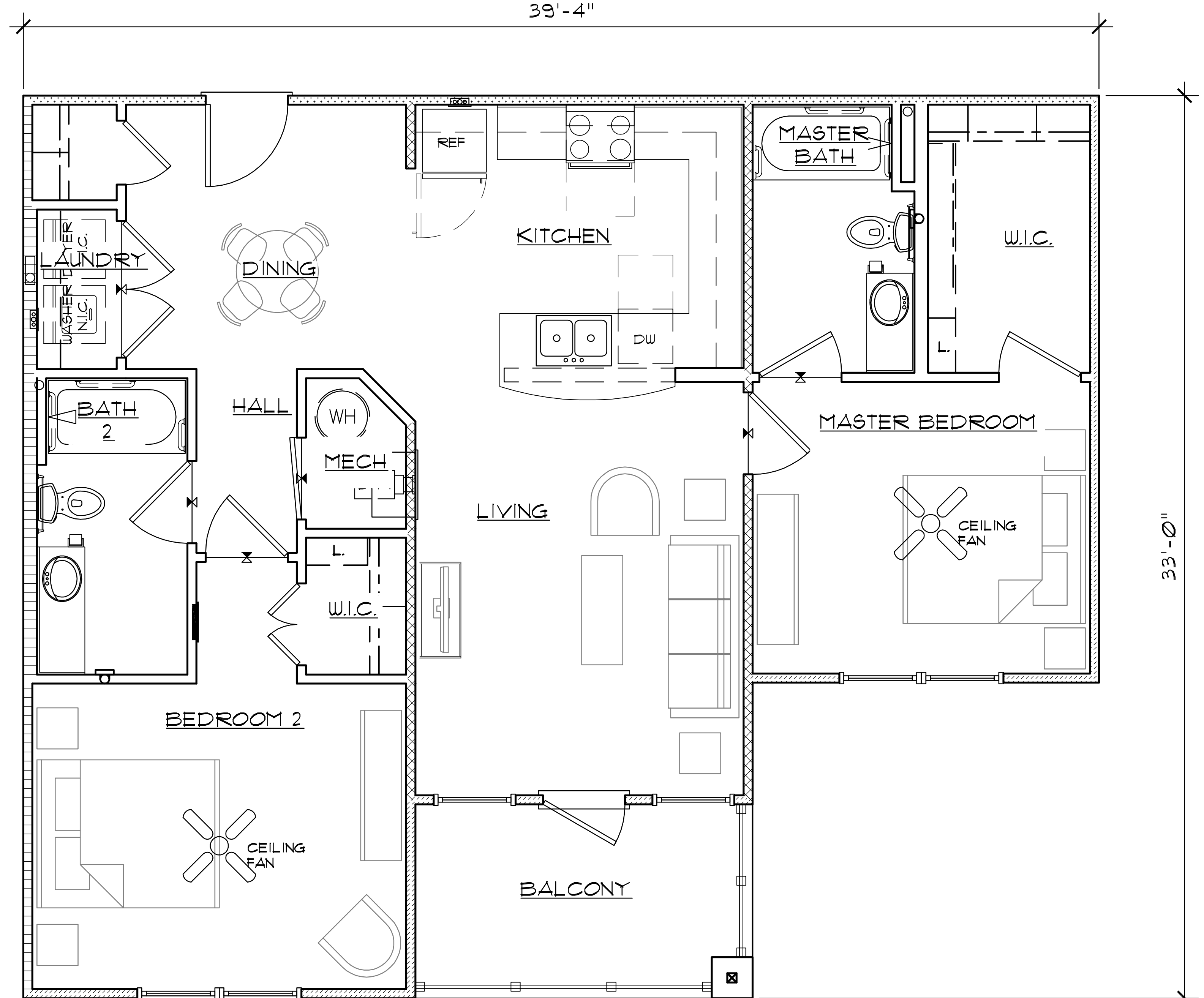
ABBINGTON PLACE
WHITEHOUSE, TEXAS

NOT RELEASED FOR CONSTRUCTION

A4.1

UNIT AREA	(A) ONE BDRM.	(B) TWO BDRM.	(C) THREE BDRM.
N.R.A.	721	1042	1197
BALCONY	99	87	87
TOTAL	820	1129	1284



1 (B) TWO BEDROOM UNIT
3/16"=1'-0"

0 2'-8" 5'-4" 10'-8"
SCALE: 3/16" = 1'-0"

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REVISIONS 9/26/16

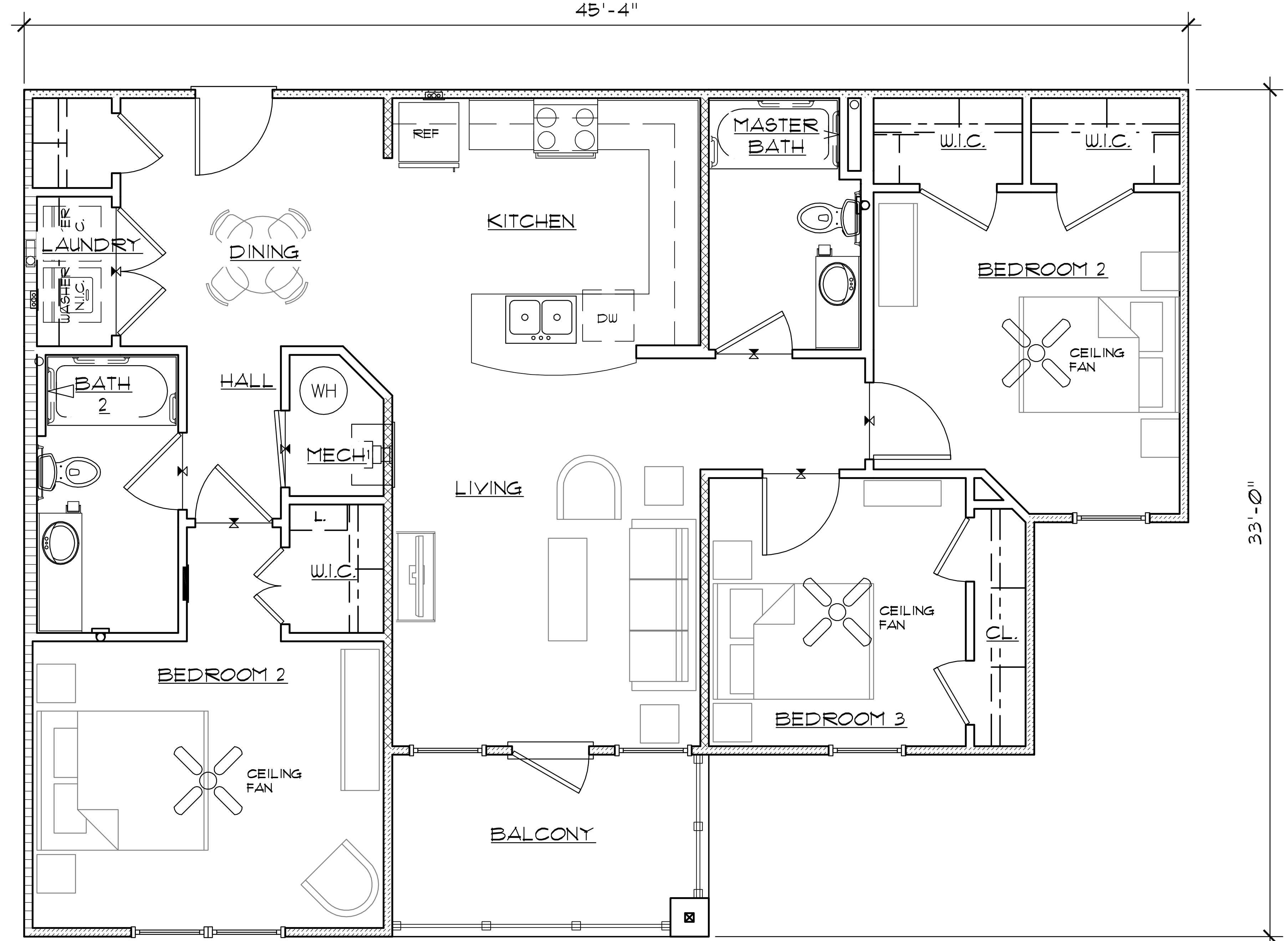
MARTIN RILEY ASSOCIATES - ARCHITECTS, P.C.
215 CHURCH STREET SUITE 200 DECATUR GEORGIA 30030-3329 404-373-2800

ABBINGTON PLACE
WHITEHOUSE, TEXAS

NOT RELEASED FOR CONSTRUCTION

A4.2

UNIT AREA	(A) ONE BDRM.	(B) TWO BDRM.	(C) THREE BDRM.
N.R.A.	721	1042	1197
BALCONY	99	87	87
TOTAL	820	1129	1284



1 (C) THREE BEDROOM UNIT
3/16"=1'-0"

0 2'-8" 5'-4" 10'-8"
SCALE: 3/16" = 1'-0"

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215 CHURCH STREET SUITE 200 DECATUR GEORGIA 30030-3329 404-373-2800

ABBINGTON PLACE
WHITEHOUSE, TEXAS

NOT RELEASED FOR CONSTRUCTION

PROJECT 2014-091
DATE 2-23-16
DRAWN BY / CHECKED BY DET
REVISIONS 9/26/16

A4.3

PLOTTED Sep 26, 2016 - 12:53pm LOCATION: P:\REA\2014-091-Abbington Place, Whitehouse, TX\Prelim\2016\SHEETS\ 2014-091 A43.dwg Plotted By: lgomez - Copyright 2016

40% BRICK
60% FIBER CEMENT SIDING

4 BUILDING #100 RIGHT ELEVATION
1/16"=1'-0"

3 BUILDING #100 REAR ELEVATION
1/16"=1'-0"

2 BUILDING #100 LEFT ELEVATION
1/16"=1'-0"

30 YEAR ARCHITECTURAL SHINGLES
FUNCTIONAL GABEL END VENT
BRICK VENEER
SINGLE-HUNG VINYL WINDOW W/ FIBER CEMENT TRIM
FIBER CEMENT SIDING
SEAMLESS ALUM. GUTTERS AND DOWNSPOUTS
FIBER CEMENT PANELS
FIBER CEMENT PANEL COLUMNS
FIBER CEMENT TRIM

1 BUILDING #100 FRONT ELEVATION
1/16"=1'-0"

0 8' 16' 32'
SCALE: 1/16" = 1'-0"

REVISIONS	9/26/16
PROJECT	2014-091
DATE	2-23-16
DRAWN BY / CHECKED BY	DET

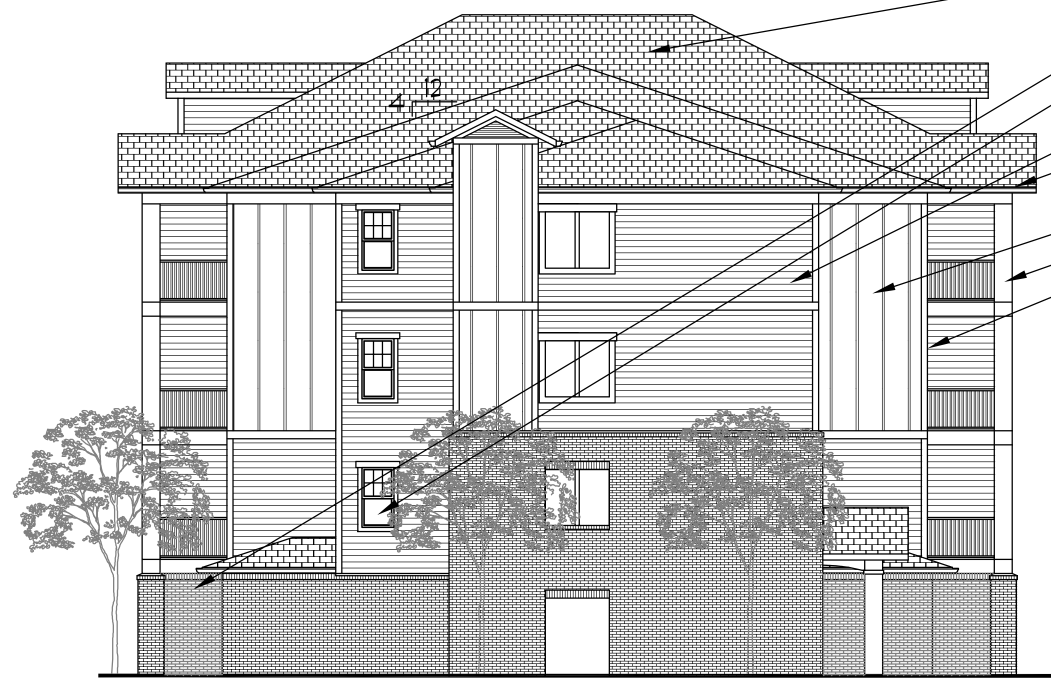
MARTIN RILEY ASSOCIATES - ARCHITECTS, P.C.
215 CHURCH STREET SUITE 200 DECATUR GEORGIA 30030-3329 404-373-2800

ABINGTON PLACE
WHITEHOUSE, TEXAS

MRA

NOT RELEASED FOR CONSTRUCTION

A3.1



38% BRICK
62% FIBER CEMENT SIDING

2 BUILDING #200 LEFT ELEVATION
1/16"=1'-0"

1 BUILDING #200 FRONT ELEVATION
1/16"=1'-0"

0 8' 16' 32'
SCALE: 1/16" = 1'-0"

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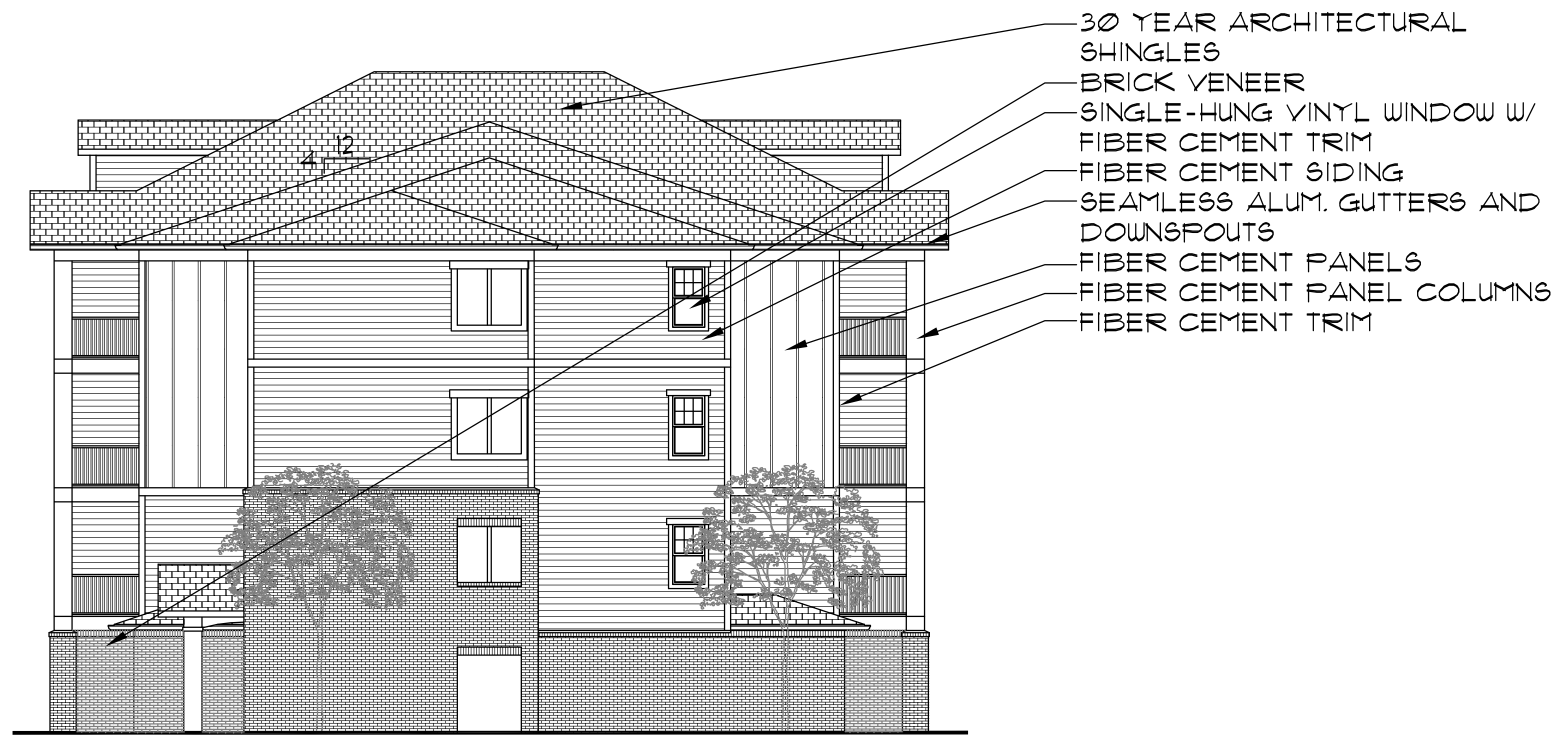
ABBINGTON PLACE
WHITEHOUSE, TEXAS

NOT RELEASED FOR CONSTRUCTION

A3.2

38% BRICK
62% FIBER CEMENT SIDING



2 BUILDING #200 RIGHT ELEVATION
1/16"=1'-0"

1 BUILDING #200 REAR ELEVATION
1/16"=1'-0"

0 8' 16' 32'
SCALE: 1/16" = 1'-0"

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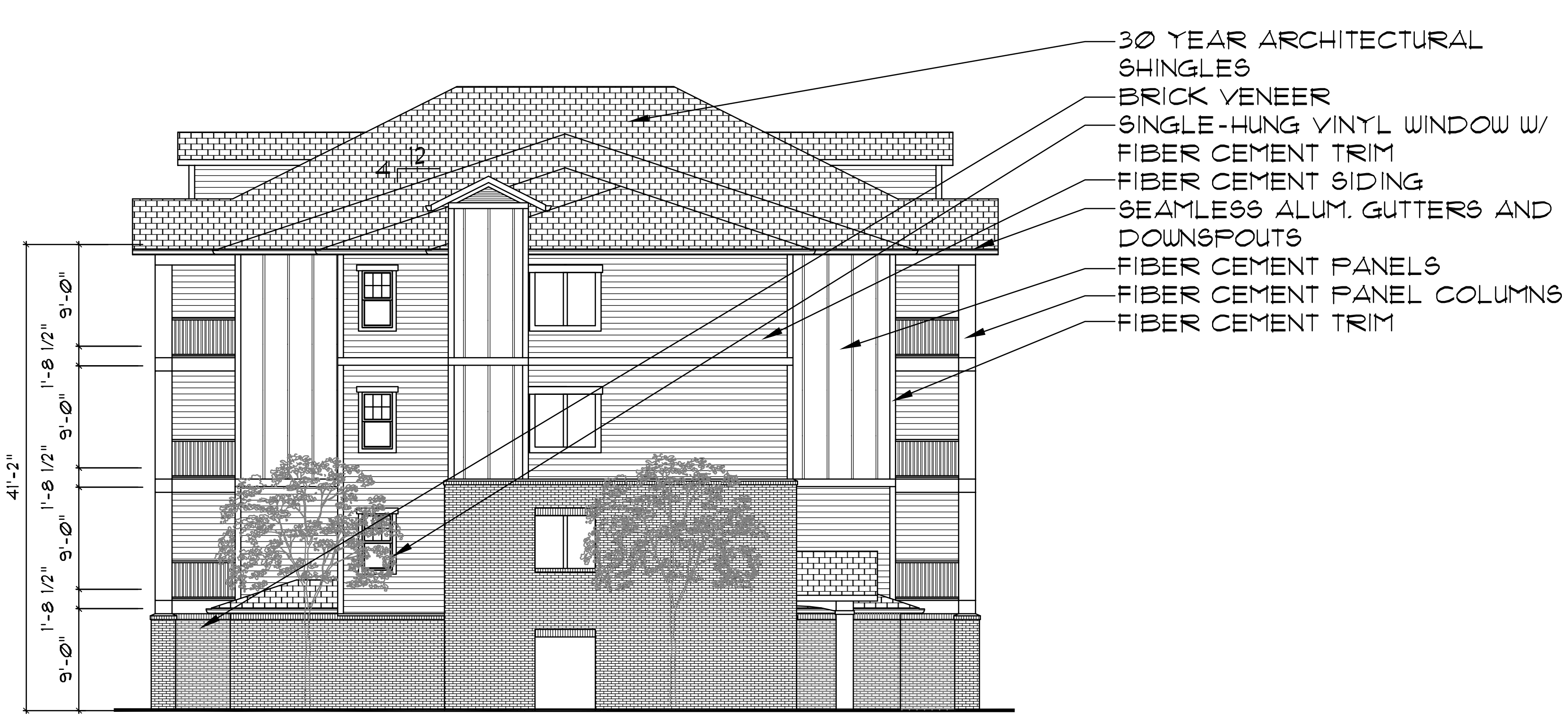
MARTIN RILEY ASSOCIATES - ARCHITECTS, P.C.
215 CHURCH STREET SUITE 200 DECATUR GEORGIA 30030-3329 404-373-2800

ABBINGTON PLACE
WHITEHOUSE, TEXAS

NOT RELEASED FOR CONSTRUCTION

A3.3

38% BRICK
62% FIBER CEMENT SIDING



2 BUILDING #300 & #400 LEFT ELEVATION
1/16"=1'-0"

BUILDING #300

BUILDING #400

1 BUILDING #300 & #400 FRONT ELEVATION
1/16"=1'-0"

0 8' 16' 32'
SCALE: 1/16" = 1'-0"

PROJECT 2014-091
DATE 2-23-16
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MARTIN RILEY ASSOCIATES - ARCHITECTS, P.C.
215 CHURCH STREET SUITE 200 DECATUR GEORGIA 30030-3329 404-373-2800

ABBINGTON PLACE
WHITEHOUSE, TEXAS

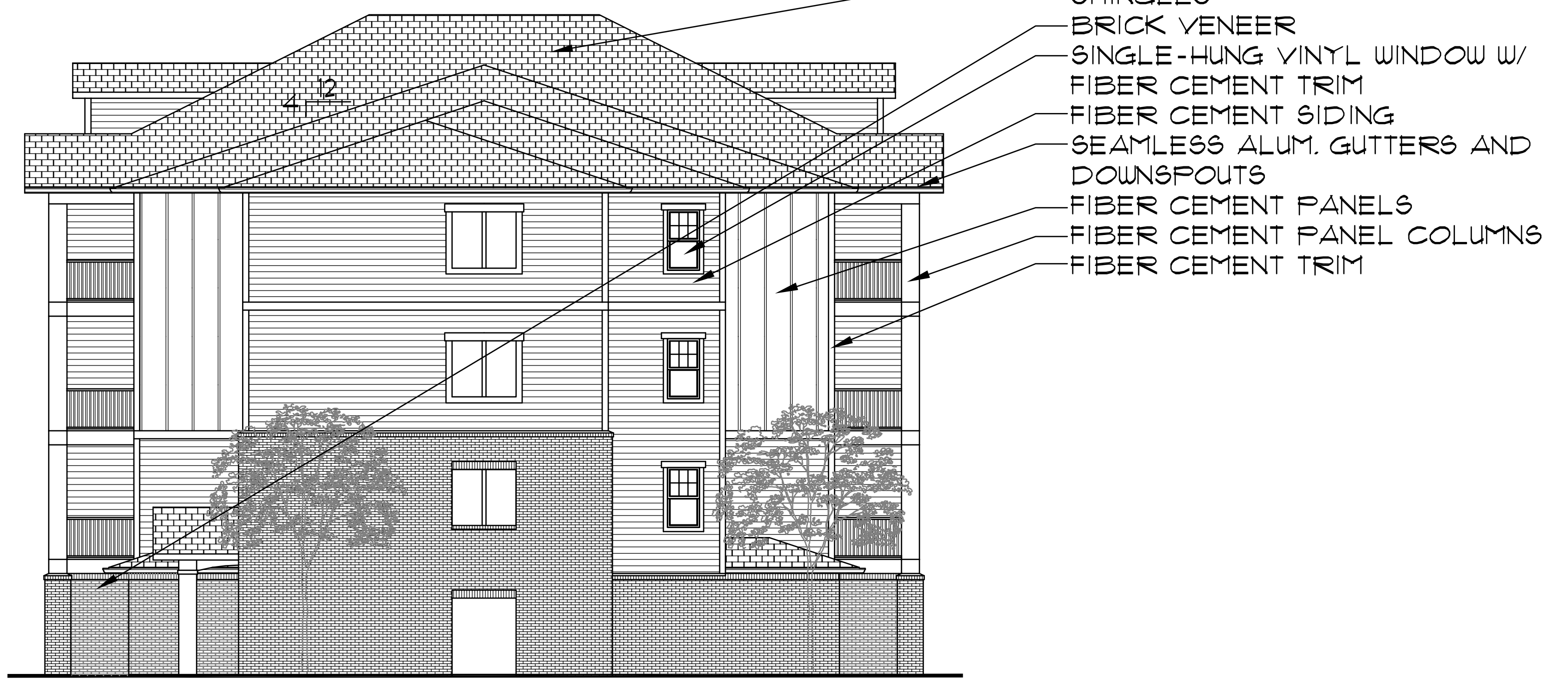
MRA

NOT RELEASED FOR CONSTRUCTION

A3.4

PLOTTED Sep 26, 2016 - 9:09am LOCATION: P:\AREA\2014-091-Abbington Place, Whitehouse, TX\Prelim\2016\SHEETS\ 2014-091 A3.4.dwg Plotted By: dthompson - Copyright 2016

38% BRICK
62% FIBER CEMENT SIDING



2 BUILDING #300 & #400 RIGHT ELEVATION
1/16"=1'-0"

BUILDING #400

BUILDING #300

1 BUILDING #300 & #400 REAR ELEVATION
1/16"=1'-0"

0 8' 16' 32'
SCALE: 1/16" = 1'-0"

REVISIONS 9/26/16
PROJECT 2014-091
DATE 2-23-16
DRAWN BY / CHECKED BY DET

MARTIN RILEY ASSOCIATES - ARCHITECTS, P.C.
215 CHURCH STREET SUITE 200 DECATUR GEORGIA 30030-3329 404-373-2800

ABBINGTON PLACE
WHITEHOUSE, TEXAS

NOT RELEASED FOR CONSTRUCTION

A3.5

Whitehouse Abbington Place, LP

c/o Rea Ventures Group, LLC - 2964 Peachtree Road NW, Suite 200 - Atlanta, GA 30305
office (404) 250-4093 - fax (404) 250-4091

Appendix E
Revised Application Underwriting Exhibits
Revised Financing Commitment Letters
Revised Narratives

Development Narrative

1. The proposed Development is: (*Check all that apply*)

New Construction and/or:

Previous TDHCA # *If applicable* If Acquisition/Rehab or Rehab, original construction year:

If Reconstruction, Units Demolished Units Reconstructed

If Adaptive Reuse, Additional Phase, or Scattered Site, include detailed information in the Narrative (4.) below.

2. The Target Population will be:

General

§10.3(47) If Elderly Preference, complete the statement below and submit supporting documentation behind this tab.

My property receives funding from:

program that requires an Elderly Preference.

3. Staff Determinations regarding definitions of development activity obtained?

☐ If a determination under §10.3(b) of the Uniform Multifamily Rules was made prior to Application submission, provide a copy of such determination behind this tab.

4. Narrative

Briefly describe the proposed Development, including any relevant information not already identified above.

See attached narrative.

5. Funding Request:

Complete the table below to describe this Application's funding request.

Department Funds applying for with this Application	Requested Amount	If funds will be in the form of a Direct Loan by the Department or for Private Activity Bonds, the terms will be:		
		Interest Rate (%)	Amortization (Years)	Term (Years)
TDHCA Multifamily Direct Loan (Repayable)			30	
TDHCA Multifamily Direct Loan (Deferred Forgivable)		0.00%		
CHDO Operating Expense				
Housing Tax Credits	$ 860,000			
Private Activity Mortgage Revenue				

6. §11.5 - Set-Aside *(For Competitive HTC & Multifamily Direct Loan Applications Only)*

Identify any and all set-asides the application will be applying under.
Set-Asides can not be added or dropped from pre-application to full Application for Competitive HTC Applications.

Competitive HTC Only			Multifamily Direct Loan Only	
At-Risk	Nonprofit	USDA	CHDO	Deferred Forgivable

By selecting the set-aside above, I, individually or as the general partner(s) or officers of the Applicant entity, confirm that I (we) are applying for the above-stated Set-Aside(s) and Allocations. To the best of my (our) knowledge and belief, the Applicant entity has met the requirements that make this Application eligible for this (these) Set-Aside(s) and Allocations and will adhere to all requirements and eligibility standards for the selected Set-Aside(s) and Allocations.

7. Previously Awarded State and Federal Funding

Has this site/activity previously received or applied for TDHCA funds?

If "Yes" Enter Project Number: and TDHCA funding source:

Has this site/activity previously received non-TDHCA federal funding?

Will this site/activity receive non-TDHCA federal funding for costs described in this Application?

8. Qualified Low Income Housing Development Election (*HTC Applications only*)

Pursuant to §42(g)(1)(A) & (B), the term "qualified low income housing development" means any project or residential rental property, if the Development meets one of the requirements below, whichever is elected by the taxpayer." Once an election is made, it is irrevocable. Select only one:

[ ] At least 20% or more of the residential units in such development are both rent restricted and occupied by individuals whose income is 50% or less of the area median gross income, adjusted for family size.

[X] At least 40% or more of the residential units in such development are both rent restricted and occupied by individuals whose income is 60% or less of the median gross income, adjusted for family size.

Abbington Place Apartments (Whitehouse, Texas)
TDHCA # 16018
2016 TDHCA LIHTC Funding Application

Development Narrative

The City of Whitehouse is a growing, affluent community located on the outskirts of southeast Tyler. The community recognized in its Vision 2020 plan the need to diversify its housing stock and specifically targeted the creation of new multi-family housing stock. Rea Ventures Group has worked with the City for the past three years, with the City providing a new resolution of support and fee deferral each time, in an effort to secure housing tax credits to build new workforce housing apartments in Whitehouse. As the community has continued to grow during this time, so has the need for additional multi-family housing.

Abbington Place Apartments would create sixty (60) multifamily garden-style apartments in a mixed income and mixed-use community located on the west side of Highway 10 South at Sherry Lane, Whitehouse, Texas 75791. Of the total 60 units, 80 percent will target families with incomes less than 60 percent of the area median income and 20 percent will be unrestricted market-rate units. Unit mix consists of:

- Twelve (12) x 1-bedroom; 1-bathroom units (721 square feet – net rentable area)
- Twenty-Four (24) x 2-bedroom; 2-bathroom units (1,042 square feet – net rentable area)
- Twenty-Four (24) x 3-bedroom; 2-bathroom units (1,197 square feet – net rentable area)

The development will include 4 residential buildings (elevator served) with three floors of apartments over a ground floor level of structured parking garages and common area amenity spaces or 3rd party office space. The development's total site acreage is approximately 4.166 acres. The preliminary Market Study data indicates sufficient demand in the market area, with an overall capture rate about 1%.

The development site is located within the city limits of the City of Whitehouse and eligible for rural designation. The property is appropriately zoned for its intended use. The property will have access to Highway 110, a major north-south public road with direct access into Tyler. All utilities are in place at the site. The Phase 1 Environmental Site Assessment did not identify any environmental concerns regarding the site, although it did recommend further noise testing to determine the need for mitigation.

Located off of Highway 110, the main north-south corridor connecting Whitehouse with Tyler, and in close proximity to numerous services, residents of Abbington Place would be within 2 miles of numerous city amenities including a full-service grocery store, convenience stores, retail merchandise store, banks, restaurants, park, medical office, churches, licensed child-care centers, city hall, fire station, pharmacies, a senior center, and police station.

The development is located in a High Opportunity Area, as defined for rural areas, whereby the site is in a census tract (Tract 22) that is First Quartile and the poverty rate is also below 15 percent. Several high performing schools, two licensed child-care centers, a senior center, and a medical facility are located within 1.5 miles of the development site.

The project would also be located within the attendance zone of the Whitehouse Independent School District (ISD). Gus Winston Cain Elementary School, J.W. Holloway Sixth Grade School, Whitehouse Junior High School, and Whitehouse High School all were designated as "Met Standard" by the Texas Education Agency in 2015 and also achieved a score equal to or greater than 77 on Criteria One. Cain Elementary School also achieved four distinctions (Reading/ELA, Science, Closing Performance Gaps, and Postsecondary Readiness).

According to TDHCA's existing inventory database, no tax credit allocations are active in the Census tract within which the project (Tract 22) is located. However, Pecanwood Apartments I and II are active tax credit developments located in Tract 20.09 within the city limits of Whitehouse. The Development Site would be located approximately 1.4 miles southeast of Pecanwood Apartments.

The City Council of the City of Whitehouse has adopted a resolution of support for this project as well as approved a partial fee waiver in the amount of $500. Representative Matt Schaefer has written a letter of support for this project. Numerous non-profit organizations that serve the Whitehouse Community, including Philadelphia Blessing Food Pantry, Whitehouse Community YMCA, Meals on Wheels Ministry, and Literacy Council of Tyler, have also provided their written support for this project and its intended location.

Due to its prime location on Highway 110, residents at Abbingon Place will not experience an excessive travel time and cost to places of employment. Rather, numerous places of employment and shopping are located near the site and can be safely reached by walking or driving. Further, residents would be located within 10 miles of downtown Tyler and can additionally take advantage of the wealth of employment opportunities and services provided in the larger Tyler community via multi-lane highway access.

SPECIFICATIONS AND BUILDING/UNIT TYPE CONFIGURATION

Unit types should be entered from smallest to largest based on "# of Bedrooms" and "Sq. Ft. Per Unit." "Unit Label" should correspond to the unit label or name used on the unit floor plan. "Building Label" should conform to the building label or name on the building floor plan. The total number of units per unit type and totals for "Total # of Units" and "Total Sq Ft. for Unit Type" should match the rent schedule and site plan. If additional building types are needed, they are available by un-hiding columns Q through AA, and rows 51 through 79.

Specifications and Amenities (check all that apply)

Building Configuration (Check all that apply):		Single Family Construction		SRO		Transitional (per §42(i)(3)(B))		Duplex
		Scattered Site		Fourplex	X	> 4 Units Per Building		Townhome

Development will have:	X	Fire Sprinklers	X	Elevators	3	# of Elevators	3000	Wt. Capacity

	Free	Paid		Free	Paid	
Number of Parking Spaces(consistent with Architectural Drawings):			Shed or Flat Roof Carport Spaces			Detached Garage Spaces
			Attached Garage Spaces	110		Uncovered Spaces
		43	Structured Parking Garage Spaces			

Floor Composition & Wall Height:	100	% Carpet/Vinyl/Resilient Flooring	9 ft	Ceiling Height
		% Ceramic Tile		Upper Floor(s) Ceiling Height (Townhome Only)
		% Other	*Describe:*	

				Building Label	**100**	**200**	**300**	**400**							**Total # of Residential Buildings**	
				Number of Stories	4	4	4	4								
Unit Type				**Number of Buildings**	1	1	1	1							4	
Unit Label	**# of Bed-rooms**	**# of Baths**	**Sq. Ft. Per Unit**		**Number of Units Per Building**										**Total # of Units**	**Total Sq Ft for Unit Type**
	1	1	721		12										12	8,652
	2	2	1,042			6	6	12							24	25,008
	3	2	1,197			12	12								24	28,728
															-	-
															-	-
															-	-
															-	-
				Totals	12	18	18	12	-	-	-	-	-	-	60	62,388

Net Rentable Square Footage from Rent Schedule 62,388

Interior Corridors												
Total Interior Corridor Per Building Label	0	0	0	0	0	0	0	0	0	0		-
Common Area												
Total Common Area Per Building Label	0	0	0	0	0	0	0	0	0	0		-
Breezeways	3,290	5,002	3,988	3,290								
Total Breezeways Per Building Label	3,290	5,002	3,988	3,290	0	0	0	0	0	0		15,570

Rent Schedule

Self Score Total: **125**

Private Activity Bond Priority (For Tax-Exempt Bond Developments ONLY):

Unit types must be entered from smallest to largest based on “# of Bedrooms” and “Unit Size”, then within the same “# of Bedrooms” and “Unit Size” from lowest to highest “Rent Collected/Unit”.

Rent Designations (select from Drop down menu)													
HTC Units	MF Direct Loan Units (HOME Rent/Inc)	HTF Units	MRB Units	Other/ Subsidy	# of Units	# of Bed-rooms	# of Baths	Unit Size (Net Rentable Sq. Ft.)	Total Net Rentable Sq. Ft.	Program Rent Limit	Tenant Paid Utility Allow.	Rent Collected /Unit	Total Monthly Rent
					(A)			(B)	(A) x (B)			(E)	(A) x (E)
MR					3	1	1.0	721	2,163			657	1,971
TC 60%					6	1	1.0	721	4,326	657	134	523	3,138
TC 50%					2	1	1.0	721	1,442	548	134	414	828
TC 30%					1	1	1.0	721	721	328	134	194	194
									0				-
MR					5	2	2.0	1042	5,210			789	3,945
TC 60%					13	2	2.0	1042	13,546	789	178	611	7,947
TC 50%					4	2	2.0	1042	4,168	657	178	479	1,917
TC 30%					2	2	2.0	1042	2,084	394	178	216	433
									0				-
MR					4	3	2.0	1197	4,788			911	3,644
TC 60%					15	3	2.0	1197	17,955	911	236	675	10,125
TC 50%					4	3	2.0	1197	4,788	759	236	523	2,092
TC 30%					1	3	2.0	1197	1,197	455	236	219	219
									0				-
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			TOTAL		60				62,388				36,452

Non Rental Income	$10.00	per unit/month for:	*Cleaning/Damages, Vending, Late/NSF, App Fees*	600
Non Rental Income	35.83	per unit/month for:	*Garage Rental Income (43 garages @ $50/mo)*	2,150
Non Rental Income	0.00	per unit/month for:		
+ TOTAL NONRENTAL INCOME	**$45.83**	per unit/month		2,750
= POTENTIAL GROSS MONTHLY INCOME				39,202
- Provision for Vacancy & Collection Loss			% of Potential Gross Income: 7.50%	(2,940)
- Rental Concessions ***(enter as a negative number)***			**Enter as a negative value**	
= EFFECTIVE GROSS MONTHLY INCOME				36,262
x 12 = EFFECTIVE GROSS ANNUAL INCOME				435,145

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Rent Schedule (Continued)

		% of LI	% of Total	
HOUSING TAX CREDITS	TC30%	8.33%	7%	4
	TC40%			0
	TC50%	20.83%	17%	10
	TC60%	71%	57%	34
	HTC LI Total			48
	EO			0
	MR			12
	MR Total			12
	Total Units			60
MORTGAGE REVENUE BOND	MRB30%			0
	MRB40%			0
	MRB50%			0
	MRB60%			0
	MRB LI Total			0
	MRBMR			0
	MRBMR Total			0
	MRB Total			0

		% of LI	% of Total	
HOUSING TRUST FUND	HTF30%			0
	HTF40%			0
	HTF50%			0
	HTF60%			0
	HTF80%			0
	HTF LI Total			0
	MR			0
	MR Total			0
	HTF Total			0
HOME	30%			0
	LH/50%			0
	HH/60%			0
	HH/80%			0
	HOME LI Total			0
	EO			0
	MR			0
	MR Total			0
	HOME Total			0
OTHER	Total OT Units			0

BEDROOMS	0	0
	1	12
	2	24
	3	24
	4	0
	5	0

ACQUISITION + HARD		
Cost Per Sq Ft	$ 124.76	
HARD		
Cost Per Sq Ft	$ 124.76	
BUILDING		Total Points claimed:
Cost Per Sq Ft	$ 67.30	12

Applicants are advised to ensure that figure is not rounding down to the maximum dollar figure to support the elected points.

Utility Allowances [§10.614]

Applicant must attach to this form documentation from the source of the "Utility Allowance" estimate used in completing the Rent Schedule provided in the Application Packet. <u>Where the Applicant uses any method that requires Department review, such review must have been requested prior to submission of the Application.</u> This exhibit must clearly indicate which utility costs are included in the estimate.

Note: If more than one entity (Sec. 8 administrator, public housing authority) is responsible for setting the utility allowance(s) in the area of the development location, then the selected utility allowance must be the one which most closely reflects the actual expenses.

If an independent utility cost evaluation is conducted it must include confirming documentation from all the relevant utility providers.

If other reductions to the tenant rent is required such as the cost of flood insurance for the tenant's contents, documentation for these reductions to gross rent should also be attached.

Utility	Who Pays	*Energy Source*	0BR	1BR	2BR	3BR	4BR	Date
Heating	Tenant			$ 13	$ 15	$ 17		TDHCA Utility Allowance Model
Cooking	Tenant			$ 4	$ 5	$ 7		TDHCA Utility Allowance Model
Other Electric	Tenant			$ 14	$ 20	$ 25		TDHCA Utility Allowance Model
Air Conditioning	Tenant			$ 9	$ 12	$ 15		TDHCA Utility Allowance Model
Water Heater	Tenant			$ 9	$ 11	$ 13		TDHCA Utility Allowance Model
Water	Tenant			$ 57	$ 80	$ 124		TDHCA Utility Allowance Model
Sewer	Tenant			$ 24	$ 30	$ 30		TDHCA Utility Allowance Model
Trash	Landlord							
Flat Fee								
Other	Tenant			$ 5	$ 5	$ 5		TDHCA Utility Allowance Model
Total Paid by Tenant			$ -	$ 134	$ 178	$ 236	$ -	

Other (Describe)

Source: TDHCA Adjusted Utility Allowance Model

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Greg Abbott
GOVERNOR

June 14, 2016

Writer's direct phone # (512) 475 -2330
Email: stephanie.naquin@tdhca.state.tx.us

Sean Brady
Whitehouse Abbington Place, LP
Atlanta, GA
seanbrady@reaventures.com

RE: 2016 9% HTC Application – Abbington Place (16108)

Dear Mr. Brady:

The Texas Department of Housing and Community Affairs has received a request submitted for Abbington Place, a 2016 Housing Tax Credit ("HTC"), located in Whitehouse, to calculate the utility allowance using the HUD Utility Schedule Model in accordance with the 10TAC§10.614. This allowance is calculated based on the following representations:

1. That the residents are financially responsible for electricity, water and sewer that the utilities are not paid to or through the owner of the building based on an allocation formula or RUBS;
2. That the building type is Apartments 5+
3. The unit types are one bedroom and two bedroom

Please note that, in accordance with Treasury Regulation §1.42-10, the utility allowance for those units occupied by Section 8 voucher holders remains the applicable Public Housing Authority utility allowance established from where the resident receives the assistance.

This allowance can be used for underwriting purposes. The Owner has requested that the allowance be adjusted with the "Green Discount" as the buildings are intended to be Energy Star Certified. Both the standard and "Green Discount" schedules are attached and the Department's Real Estate Analysis Division will determine the appropriate way to underwrite the deal. Please note, to continue the use of the "Green Discount" allowance, prior to the commencement of leasing activities, the Owner will be required to submit documentation to evidence that the Energy Star Certification has been achieved for each building; otherwise, the standard allowance will be issued.

If you are successful in obtaining an allocation, to utilize the HUD Utility Schedule Model to establish the initial utility allowance for the Development, prior to the commencement of leasing activities, the Owner must submit utility allowance documentation for Department approval. The Department is currently revising rules related to utility allowances, please remain abreast of ongoing changes to 10TAC§10.614 to ensure ongoing compliance with Department rules.

If you have any further questions, please contact Stephanie Naquin toll free in Texas at (800) 643-8204, directly at (512) 475-2330, or email: stephanie.naquin@tdhca.state.tx.us.

Sincerely

Stephanie Naquin
2016.06.14 15:09:59 -05'00'

Stephanie Naquin
Director, Multifamily Compliance

Allowances for Tenant-Furnished Utilities and Other Services			**U.S. Department of Housing and Urban Development** Office of Public and Indian Housing				
Locality		Green Discount		Unit Type			Date (mm/dd/yyyy)
16018		**None**		**Larger Apartment Bldgs. (5+ units)**			**6/13/2016**
Utility or Service		Monthly Dollar Allowances					
		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Space Heating	Natural Gas						
	Bottled Gas						
	Electric Resistance		$13.10	$15.06	$17.03		
	Electric Heat Pump						
	Fuel Oil						
Cooking	Natural Gas						
	Bottled Gas						
	Electric		$3.73	$5.39	$7.06		
	Other						
Other Electric			$14.07	$19.58	$25.08		
Air Conditioning			$8.60	$11.93	$15.25		
Water Heating	Natural Gas						
	Bottled Gas						
	Electric		$8.57	$10.94	$13.30		
	Fuel Oil						
Water			$56.99	$80.24	$123.70		
Sewer			$23.95	$29.57	$29.57		
Trash Collection							
Range/Microwave							
Refrigerator							
Other - Street Maintenance Fee			$5.00	$5.00	$5.00		
TOTAL			**$134.00**	**$177.71**	**$236.00**		
TOTAL ALLOWANCE (rounded up to whole dollar)			**$135.00**	**$178.00**	**$237.00**		

Spreadsheet (ver13) based on form HUD-52667 (12/97).

Previous editions are obsolete

ref. Handbook 7420.8

Allowances for Tenant-Furnished Utilities and Other Services

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

Locality		Green Discount		Unit Type			Date (mm/dd/yyyy)
16018		**ENERGY STAR**		**Larger Apartment Bldgs. (5+ units)**			**6/13/2016**
Utility or Service		Monthly Dollar Allowances					
		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Space Heating	Natural Gas						
	Bottled Gas						
	Electric Resistance		$11.68	$13.30	$14.91		
	Electric Heat Pump						
	Fuel Oil						
Cooking	Natural Gas						
	Bottled Gas						
	Electric		$3.06	$4.42	$5.79		
	Other						
Other Electric			$11.54	$16.05	$20.57		
Air Conditioning			$7.06	$9.78	$12.51		
Water Heating	Natural Gas						
	Bottled Gas						
	Electric		$7.03	$8.97	$10.91		
	Fuel Oil						
Water			$56.99	$80.24	$123.70		
Sewer			$23.95	$29.57	$29.57		
Trash Collection							
Range/Microwave							
Refrigerator							
Other - Street Maintenance Fee			$5.00	$5.00	$5.00		
TOTAL			**$126.29**	**$167.33**	**$222.96**		
TOTAL ALLOWANCE (rounded up to whole dollar)			**$127.00**	**$168.00**	**$223.00**		

Spreadsheet (ver13) based on form HUD-52667 (12/97).

Previous editions are obsolete

ref. Handbook 7420.8

ANNUAL OPERATING EXPENSES

General & Administrative Expenses				
Accounting		$	8,000	
Advertising		$	3,000	
Legal fees		$	1,200	
Leased equipment		$		
Postage & office supplies		$	4,000	
Telephone		$	2,200	
Other	***Leasing Software***	$	2,232	
Other		$		
Total General & Administrative Expenses:				$ 20,632
Management Fee:	Percent of Effective Gross Income:		5.00%	$ 21,749
Payroll, Payroll Tax & Employee Benefits				
Management		$	28,080	
Maintenance		$	28,080	
Other	***Payroll Tax and Employee Benefits***	$	21,460	
Other	***describe***			
Total Payroll, Payroll Tax & Employee Benefits:				$ 77,620
Repairs & Maintenance				
Elevator		$	10,000	
Exterminating		$	3,200	
Grounds		$	11,800	
Make-ready		$	6,400	
Repairs		$	8,000	
Pool		$		
Other	***Supplies***	$	1,000	
Other	***describe***	$		
Total Repairs & Maintenance:				$ 40,400
Utilities (Enter Only Property Paid Expense)				
Electric	***Alpha Barnes comps (management company)***	$	9,500	
Natural gas		$		
Trash	***Alpha Barnes comps (management company)***	$	4,800	
Water/Sewer	***Alpha Barnes comps (management company)***	$	4,980	
Other	***describe***	$		
Other	***describe***	$		
Total Utilities:				$ 19,280
Annual Property Insurance:	Rate per net rentable square foot:	$	0.26	$ 16,500
Property Taxes:				
Published Capitalization Rate: 11.00%	Source:		Property Tax Advisors	
Annual Property Taxes		$	37,100	
Payments in Lieu of Taxes		$		
Total Property Taxes:				$ 37,100
Reserve for Replacements:	Annual reserves per unit:	$	$ 250	$ 15,000
Other Expenses				
Cable TV		$		
Supportive Services (Staffing/Contracted Services)		$		
TDHCA Compliance fees		$	1,920	
TDHCA Bond Administration Fees (TDHCA as Bond Issuer Only)		$		
Security		$		
Other	***describe***	$		
Other	***describe***	$		
Total Other Expenses:				$ 1,920
TOTAL ANNUAL EXPENSES	Expense per unit:	$	4170	$ 250,201
	Expense to Income Ratio:		**57.50%**	
NET OPERATING INCOME (before debt service)				$ 184,944
Annual Debt Service				
USDA 538 Permanent Loan		$	161,266	
		$		
		$		
		$		
TOTAL ANNUAL DEBT SERVICE	Debt Coverage Ratio:		1.15	$ 161,266
NET CASH FLOW				$ 23,678

15 Year Rental Housing Operating Pro Forma

All Programs Must Complete the following:

The pro forma should be based on the operating income and expense information for the base year (first year of stabilized occupancy using today's best estimates of market rents, restricted rents, rental income and expenses), and principal and interest debt service. The Department uses an annual growth rate of 2% for income and 3% for expenses. Written explanation for any deviations from these growth rates or for assumptions other than straight-line growth made during the proforma period should be attached to this exhibit.

INCOME	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15
POTENTIAL GROSS ANNUAL RENTAL INCOME	$437,427	$446,175	$455,099	$464,201	$473,485	$522,766	$577,175
Secondary Income	$ 33,000	$ 33,660	$ 34,333	$ 35,020	$ 35,720	$ 39,438	$ 43,543
POTENTIAL GROSS ANNUAL INCOME	$470,427	$479,835	$489,432	$499,221	$509,205	$562,204	$620,718
Provision for Vacancy & Collection Loss	($35,282)	($35,988)	($36,707)	($37,442)	($38,190)	($42,165)	($46,554)
Rental Concessions	$0						
EFFECTIVE GROSS ANNUAL INCOME	$435,145	$443,848	$452,725	$461,779	$471,015	$520,038	$574,164
EXPENSES							
General & Administrative Expenses	$20,632	$21,251	$21,888	$22,545	$23,221	$26,920	$31,208
Management Fee	$ 21,749	$ 22,184	$ 22,628	$ 23,080	$ 23,542	$ 25,992	$ 28,697
Payroll, Payroll Tax & Employee Benefits	$ 77,620	$ 79,949	$ 82,347	$ 84,817	$ 87,362	$ 101,276	$ 117,407
Repairs & Maintenance	$ 40,400	$ 41,612	$ 42,860	$ 44,146	$ 45,471	$ 52,713	$ 61,109
Electric & Gas Utilities	$ 9,500	$ 9,785	$ 10,079	$ 10,381	$ 10,692	$ 12,395	$ 14,370
Water, Sewer & Trash Utilities	$ 9,780	$ 10,073	$ 10,376	$ 10,687	$ 11,007	$ 12,761	$ 14,793
Annual Property Insurance Premiums	$ 16,500	$ 16,995	$ 17,505	$ 18,030	$ 18,571	$ 21,529	$ 24,958
Property Tax	$ 37,100	$ 38,213	$ 39,359	$ 40,540	$ 41,756	$ 48,407	$ 56,117
Reserve for Replacements	$ 15,000	$ 15,450	$ 15,914	$ 16,391	$ 16,883	$ 19,572	$ 22,689
Other Expenses	$ 1,920	$ 1,978	$ 2,037	$ 2,098	$ 2,161	$ 2,505	$ 2,904
TOTAL ANNUAL EXPENSES	$250,201	$257,490	$264,992	$272,716	$280,667	$324,070	$374,251
NET OPERATING INCOME	$184,944	$186,358	$187,732	$189,063	$190,348	$195,968	$199,913
DEBT SERVICE							
First Deed of Trust Annual Loan Payment	$161,266	$161,266	$161,266	$161,266	$161,266	$161,266	$161,266
Second Deed of Trust Annual Loan Payment							
Third Deed of Trust Annual Loan Payment							
Other Annual Required Payment							
Other Annual Required Payment							
ANNUAL NET CASH FLOW	$23,678	$25,092	$26,467	$27,797	$29,082	$34,702	$38,647
CUMULATIVE NET CASH FLOW	$23,678	$48,770	$75,237	$103,034	$132,117	$291,579	$474,953
Debt Coverage Ratio	1.15	1.16	1.16	1.17	1.18	1.22	1.24
Other (Describe)							
Other (Describe)							

By signing below I (we) are certifying that the above 15 Year pro forma, is consisstent with the unit rental rate assumptions, total operating expenses, net operating income, and debt service coverage based on the bank's current underwriting parameters and consistent with the loan terms indicated in the term sheet and preliminarily considered feasible pending further diligence review. The debt service for each year maintains no less than a 1.15 debt coverage ratio. (Signature only required if using this pro forma for points under §11.9(e)(1) relating to Financial Feasibility)

Phone: 727-233-0568

Email: rtilley@csgfirst.com

Signature, Authorized Representative, Construction or Permanent Lender

Rex N. Tilley
Printed Name

9/26/2016
Date

Offsite Cost Breakdown

Abbington Place of Whitehouse

This form must be submitted with the Development Cost Schedule if the development has offsite costs, whether those costs are included in the budget as a line item, embedded in the acquisition costs, or referenced in utility provider letters. Therefore, the total costs listed on this worksheet may or may not exactly correspond with those off-site costs indicated on the Development Costs Schedule. However, all costs listed here should be able to be justified in another place in the application.

Column A: The offsite activity reflected here should correspond to the offsite activity reflected in the Development Cost Schedule or other supporting documentation.

Columns B and C: In determining actual construction cost, two different methods may be used:

The construction costs may be broken into labor (Column B) and materials (Column C) for the activity;

OR The other method involves the use of unit price (Column B) and the number of units (Column C) data for the activity.

Column D: To arrive at total construction costs in Column D:

If based on labor and materials, add Column B and Column C together to arrive at total construction costs.

If based on unit price measures, Column B is multiplied by Column C to arrive at total construction costs.

Column E: Any proposed activity involving the acquisition of real property, easements, rights-of-way, etc., must have the projected costs of this acquisition for the activity.

Column F: Engineering/architectural costs must be broken out by the offsite work activity.

Column G: Figures for Column G, Total Activity Cost, are obtained by adding together Columns D, E, and F to get the total costs.

This form must be completed by a professional engineer licensed to practice in the State of Texas. His or her signature and registration seal must be on the form.

A.	B.	C.	D.	E.	F.	G.
Activity	Labor or Unit Price	Materials or # of Units	Total Construction Costs	Acquisition Costs	Engineering / Architectural Costs	Total Activity Costs
Off-Site Concrete	$ -	$ -	$ -	See Note 1	See Note 2	$ -
Storm drains & devices	$ -	$ -	$ -	See Note 1	See Note 2	$ -
Water & fire hydrants	$ -	$ -	$ -	See Note 1	See Note 2	$ -
Off-site utilities	$ 4,500.00	$ 10,500.00	$ 15,000.00	See Note 1	See Note 2	$ 15,000.00
Sewer Lateral(s)	$ -	$ -	$ -	See Note 1	See Note 2	$ -
Off-Site Paving	$ 25,000.00	$ 25,000.00	$ 50,000.00	See Note 1	See Note 2	$ 50,000.00
Off-site Electrical	$ -	$ -	$ -	See Note 1	See Note 2	$ -
Other	$ -	$ -	$ -	See Note 1	See Note 2	$ -
Other (striping)	$ 200.00	$ 200.00	$ 400.00	See Note 1	See Note 2	$ 400.00
Total						$ 65,400

Notes:

1. Cost included in Development Cost Schedule, Acquisition Costs section
2. Cost included in Development Cost Schedule , Indirect Construction Costs Section

STATE OF TEXAS
SANDY H. STEPHENS
89483
LICENSED
PROFESSIONAL ENGINEER

Sandy Stephens

Signature of Registered Engineer responsible for Budget Justification

Sandy Stephens

Printed Name of Registered Engineer

9/16/16

Date

Site Work Cost Breakdown

Abbington Place of Whitehouse

This form must be submitted with the Development Cost Schedule as justification of Site Work costs.
Column A: The Site Work activity reflected here must match the Site Work activity reflected in the Development Cost Schedule.
Columns B and C: In determining actual construction cost, two different methods may be used:
The construction costs may be broken into labor (Column B) and materials (Column C) for the activity; *OR*
The use of unit price (Column B) and the number of units (Column C) data for the activity.
Column D: To arrive at total construction costs in Column D:
If based on labor and materials, add Column B and Column C together to arrive at total construction costs.
If based on unit price measures, Column B is multiplied by Column C to arrive at total construction costs.
Column E: Any proposed activity involving the acquisition of real property, easements, rights-of-way, etc., must have the projected costs of this acquisition for the activity.
Column F: Engineering/architectural costs must be broken out by the Site Work activity.
Column G: Figures for Column G, Total Activity Cost, are obtained by adding together Columns D, E, and F to get the total costs.

This form must be completed by a Third-Party engineer licensed to practice in the State of Texas. His or her signature and registration seal must be on the form.
For Site Work costs that exceed $15,000 per Unit and are included in Eligible Basis, a CPA letter allocating which portions of those site costs should be included in Eligible Basis and which ones may be ineligible must be submitted behind this tab.

A.	B.	C.	D.	E.	F.	G.
Activity	Labor or Unit Price	Materials or # of Units	Total Construction Costs	Acquisition Costs	Engineering / Architectural Costs	Total Activity Costs
Demolition	$ 30,000.00	$ -	$ 30,000.00	See Note 1	See Note 2	$ 30,000
Rough grading	$ 171,710.00	$ 73,590.00	$ 245,300.00	See Note 1	See Note 2	$ 245,300
Fine grading	$ 17,500.00	$ 7,500.00	$ 25,000.00	See Note 1	See Note 2	$ 25,000
On-site concrete (sidewalks)	$ 12,060.00	$ 28,140.00	$ 40,200.00	See Note 1	See Note 2	$ 40,200
On-site electrical	$ 18,000.00	$ 42,000.00	$ 60,000.00	See Note 1	See Note 2	$ 60,000
On-site paving (asphalt & concrete)	$ 195,390.00	$ 455,910.00	$ 651,300.00	See Note 1	See Note 2	$ 651,300
On-site utilities	$ 92,430.00	$ 215,670.00	$ 308,100.00	See Note 1	See Note 2	$ 308,100
Bumper stops, striping & signs	$ 3,510.00	$ 8,190.00	$ 11,700.00	See Note 1	See Note 2	$ 11,700
Other (retaining wall, landscape, wall)	$ 99,250.00	$ 99,250.00	$ 198,500.00	See Note 1	See Note 2	$ 198,500
Total						$ 1,570,100

Notes:

1. Cost included in Development Cost Schedule, Acquisition Costs section
2. Cost included in Development Cost Schedule , Indirect Construction Costs Section

Sandy Stephens

Signature of Registered Engineer responsible for Budget Justification

Sandy H. Stephens

Printed Name of Registered Engineer

9/22/16

Date

Development Cost Schedule

Self Score Total: **125**

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:

	TOTAL DEVELOPMENT SUMMARY			Scratch Paper/Notes
	Total Cost	Eligible Basis (If Applicable) Acquisition	New/Rehab.	
ACQUISITION				
Site acquisition cost	326,871			Source: Purchase Agreement
Existing building acquisition cost				(adjusted by TDHCA underwriting report)
Closing costs & acq. legal fees				
Other (specify) - see footnote 1				
Other (specify) - see footnote 1				
Subtotal Acquisition Cost	$326,871	$0	$0	
OFF-SITES[2]				
Off-site concrete				
Storm drains & devices				
Water & fire hydrants				
Off-site utilities	15,000			
Sewer lateral(s)				
Off-site paving	50,000			Source: Cole Engineering
Off-site electrical				
Other (specify) - see footnote 1				
Striping	400			
Subtotal Off-Sites Cost	$65,400	$0	$0	
SITE WORK[3]				
Demolition	30,000			
Asbestos Abatement (Demolition Only)				
Detention				
Rough grading	245,300		205,300	Source: Cole Engineering
Fine grading	25,000		25,000	
On-site concrete	40,200		40,200	
On-site electrical	60,000		60,000	
On-site paving	651,300		651,300	
On-site utilities	308,100		308,100	
Decorative masonry				
Bumper stops, striping & signs	11,700		11,700	
Fence and Landscaping, Retaining Wall	198,500		198,500	
Subtotal Site Work Cost	$1,570,100	$0	$1,500,100	
SITE AMENITIES				
Landscaping	60,000		60,000	
Pool and decking				
Athletic court(s), playground(s)	10,000		10,000	Source: Great Southern, LLC
Fencing				
Other (specify) - see footnote 1				
Subtotal Site Amenities Cost	$70,000	$0	$70,000	

BUILDING COSTS*:						
Concrete		425,000		425,000		Source: Great Southern, LLC
Masonry		200,000		200,000		
Metals		92,000		92,000		
Woods and Plastics		928,800		928,800		
Thermal and Moisture Protection		379,000		379,000		
Roof Covering		60,000		60,000		
Doors and Windows		200,200		200,200		
BUILDING COSTS (Continued):						
Finishes		520,000		520,000		Source: Great Southern, LLC
Specialties		83,000		83,000		
Equipment		120,000		120,000		
Furnishings		21,000		21,000		
Special Construction		67,000		67,000		
Conveying Systems (Elevators)		210,000		210,000		
Mechanical (HVAC; Plumbing)		520,000		520,000		
Electrical		373,000		373,000		
Individually itemize costs below:						
Detached Community Facilities/Building						
Carports and/or Garages						
Lead-Based Paint Abatement						
Asbestos Abatement (Rehabilitation Only)						Source for Allocations - Great Southern, LLC
Structured Parking		472,500				Structured garages on the ground floor
Commercial Space Costs		108,336				Office and flex space
Other (specify) - see footnote 1						
Subtotal Building Costs		$4,779,836	$0	$4,199,000		
TOTAL BUILDING COSTS & SITE WORK (including site amenities)		$6,419,936	$0	$5,769,100		
Contingency	5.08%	$329,500		305,000		
TOTAL HARD COSTS		$6,814,836	$0	$6,074,100		
OTHER CONSTRUCTION COSTS						
General requirements (<6%)	6.09%	415,000		365,500	6.02%	
Field supervision (within GR limit)						
Contractor overhead (<2%)	2.03%	138,500		122,000	2.01%	
G & A Field (within overhead limit)						
Contractor profit (<6%)	6.09%	415,000		365,500	6.02%	
TOTAL CONTRACTOR FEES		$968,500	$0	$853,000		
TOTAL CONSTRUCTION CONTRACT		*$7,783,336*	*$0*	*$6,927,100*		

SOFT COSTS[3]				
Architectural - Design fees	120,000		120,000	Source: Martin Riley Associates
Architectural - Supervision fees	40,000		40,000	
Engineering fees	120,000		120,000	Source: Cole Engineering
Real estate attorney/other legal fees	124,500		124,500	
Accounting fees	30,000		30,000	
Impact Fees	583,678		583,678	Source: Feasibility Study
Building permits & related costs	8,560		8,560	Source: Feasibility Study
Appraisal	7,500		7,500	
Market analysis	6,750		6,750	Source: Novogradac
Environmental assessment	2,450		2,450	Source: Phase Engineering
Soils report	6,400		6,400	
Survey	38,500		38,500	Source: Cole Engineering
Marketing	25,000			
Hazard & liability insurance	48,000		48,000	Source: CJ Thomas
Real property taxes	15,000		15,000	
Personal property taxes				
Other (specify) - see footnote 1				
Furniture, Fixtures, Equipment	110,000		110,000	
PLEASE SPECIFY - see footnote 1	Total			
Subtotal Soft Cost	$1,286,338	$0	$1,261,338	
FINANCING:				
CONSTRUCTION LOAN(S)[3]				
Interest	362,250		181,125	
Loan origination fees	69,000		69,000	Source: Churchill Stateside
Title & recording fees	65,000		65,000	
Closing costs & legal fees				
Inspection fees				
Credit Report				
Discount Points				
Other (specify) - see footnote 1				
Other (specify) - see footnote 1				
PERMANENT LOAN(S)				
Loan origination fees	41,805			Source: Churchill Stateside
Title & recording fees				
Closing costs & legal				
Bond premium				
Credit report				
Discount points				
Credit enhancement fees				
Prepaid MIP				
Lease Review Fee ($30/unit)	1,800			Source: City Real Estate Advisors
USDA Guarantee Fee (1.0%)	27,870			Source: Churchill Stateside
BRIDGE LOAN(S)				
Interest				
Loan origination fees				
Title & recording fees				
Closing costs & legal fees				
Other (specify) - see footnote 1				
Other (specify) - see footnote 1				

OTHER FINANCING COSTS[3]						
Tax credit fees		41,850				
Tax and/or bond counsel						
Payment bonds						
Performance bonds		57,191		57,191		
Credit enhancement fees						
Mortgage insurance premiums						
Cost of underwriting & issuance						
Syndication organizational cost		45,000				Source: City Real Estate Advisors
Tax opinion						
Syndicator Const. Rev. Fee (3 installments)		2,250		2,250		Source: City Real Estate Advisors
Other (specify) - see footnote 1						
Subtotal Financing Cost		$714,016	$0	$374,566		
DEVELOPER FEES[3]						
Housing consultant fees[4]		20,000		20,000		Source: Arx Advantage
General & administrative						
Profit or fee		1,230,000		1,210,000		
Subtotal Developer Fees	13.44%	$1,250,000	$0	$1,230,000	14.36%	
RESERVES						
Rent-up		62,564				3 months operating exp
Operating		205,762				6 months operating exp + 6 mos debt svc
Replacement		60,000				USDA Replacement Reserve ($1000/unit)
Escrows						
Subtotal Reserves		$328,326	$0	$0		

TOTAL HOUSING DEVELOPMENT COSTS[5]	$11,688,887	$0	$9,793,004

The following calculations are for HTC Applications only.

Deduct From Basis:			
Federal grants used to finance costs in Eligible Basis			
Non-qualified non-recourse financing			
Non-qualified portion of higher quality units §42(d)(5)			
Historic Credits (residential portion only)			
Total Eligible Basis		$0	$9,793,004
**High Cost Area Adjustment (100% or 130%)			130%
Total Adjusted Basis		$0	$12,730,905
Applicable Fraction			80%
Total Qualified Basis	$10,184,724	$0	$10,184,724
Applicable Percentage[6]			9.00%
Credits Supported by Eligible Basis	$916,625	$0	$916,625
(May be greater than actual request)			

Name of contact for Cost Estimate: **Sean Brady**

Phone Number for Contact: **(404) 250-4093, ext. 704**

Footnotes:

[1] An itemized description of all "other" costs must be included at the end of this exhibit.

[2] All Off-Site costs must be justified by a Third Party engineer in accordance with the Department's format provided in the Offsite Cost Breakdown form.

[3] (HTC Only) Site Work expenses, indirect construction costs, developer fees, construction loan financing and other financing costs may or may not be included in Eligible Basis. Site Work costs must be justified by a Third Party engineer in accordance with the Department's format provided in the Site Work Cost Breakdown form.

[4] *(HTC Only)* Only fees paid to a consultant for duties which are not ordinarily the responsibility of the developer, can be included in Eligible Basis. Otherwise, consulting fees are included in the calculation of maximum developer fees.

[5] *(HTC Only)* Provide **all** costs & Eligible Basis associated with the Development.

[6] (HTC Only) Use the appropriate Applicable Percentages as defined in §10.3 of the Uniform Mutifamily Rules.

September 26, 2016

William J. Rea, Jr.
Rea Ventures Group, LLC
2964 Peachtree Road NW, Suite 640
Atlanta, GA 30305

Re: Cost Estimate on Structured Garages and Commercial Space
Abbington Place Apartments, Highway 110 at Sherry Drive, Whitehouse, TX 75791
60 Apartment units, Smith County, HTC # 16018

Dear Mr. Rea,

The revised conceptual design for the proposed Abbington Place Apartments in Whitehouse, Texas includes forty five (43) intergraded garages on the ground floors of the residential buildings. We estimate the construction cost of these garages to be $10,988 per garage or a total construction cost of $472,500. The cost of these garage spaces are slightly higher than the cost of a stand-alone garage building due to the extra structural requirements for the 3 stories of units built over the spaces.

The development concept also includes 1,480 square feet of finished office space, finished to include stubbed-out utilities and interior demising walls suitable for future tenant build out at their cost. We estimate the construction cost of this office space to be $108,336.

If you have any additional questions, please feel free to call me at (404) 382-9626.

Sincerely,

Tom Cook

Tom Cook
Regional Project Manager

2009 Springhill Drive * Valdosta, GA 31602 * Phone: (229) 506-6876 * Fax: (229) 506-6879

Financing Narrative and Summary of Sources and Uses

Describe all sources of funds. Information must be consistent with the information provided throughout the Application (i.e. Financing Narrative, Term Sheets and Development Cost Schedule).

Financing Participants	Funding Description	Construction Period		Lien Position	Permanent Period					Lien Position
		Loan/Equity Amount	Interest Rate (%)		Loan/Equity Amount	Interest Rate (%)	Amort - ization	Term (Yrs)	Syndication Rate	
Debt										
TDHCA	Multifamily Direct Loan (Repayable)	$0	0.00%		$ -	0.00%	30	0		
TDHCA	Multifamily Direct Loan (Deferred Forgivable)	$0	0.00%		$ -	0.00%	0	0		
TDHCA	Mortgage Revenue Bond	$0	0.00%		$ -	0.00%	0	0		
Churchill Stateside (Conventional)	Conventional Loan	$6,785,000	5.25%	1						
Churchill Stateside (USDA 538 Perm)	USDA/TXRD Loan(s)				$ 2,787,000	5.00%	40	40		1
City of Whitehouse, Texas waiver	Local Government Loan	$500			$ 500					
Third Party Equity										
City Real Estate Advisors	HTC $ 860,000	$ 3,508,449			$ 8,771,123				1.02	
Grant										
Deferred Developer Fee										
Whitehouse Abbington Place, LP					$ 130,264					
Other										
	Total Sources of Funds	$ 10,293,949			$ 11,688,887					
	Total Uses of Funds				$ 11,688,887					

Briefly describe the complete financing plan for the Development, including a discussion of the sources of funds. The information must be consistent with all other documentation in this section. Provide sufficient detail so that the reader can understand all terms related to each source that are not readily apparent above or in the term sheets.

See attached financing narrative.

Abbington Place Apartments (Whitehouse, Texas)
TDHCA # 16018
2016 TDHCA LIHTC Funding Application

Financing Narrative

The total development cost for Abbington Place of Whitehouse is **$11,688,887**.

Sources of Funds

1) **Tax Credit Equity**

We are requesting **$860,000** in annual tax credits for 10 years, an amount that does not exceed the 2016 credit allocation for Region 4 (Rural) of **$1,461,914**. City Real Estate Advisors (CREA) has submitted a conditional offer to purchase the tax credits for approximately **$1.02** per tax credit. The total capital contributions would total **$8,771,123**.

Commitment Status: The partnership (Whitehouse Abbington Place, LP) has received a conditional commitment from CREA. A firm commitment will be executed after tax credits have been awarded.

2) **Construction Lender**

The partnership has received a conditional commitment from Churchill Stateside Group to provide a construction loan in the amount of **$6,785,000** at **5.25%** interest with an **18**-month term.

Commitment Status: The partnership has received a conditional commitment from Churchill Stateside. Churchill Stateside will provide a firm commitment after tax credits have been awarded.

3) **Permanent Lender (First Loan)**

The partnership has received a conditional commitment from Churchill Stateside to provide a permanent loan guaranteed by the Section 538 USDA-RD Guaranteed Rural Rental Housing Loan Program in the amount of **$2,787,000** at **5.00%** interest with a **40**-year term and a **40**-year amortization period. This interest rate includes the annual 0.50% guarantee fee charged by USDA.

Commitment Status: The partnership has received a conditional commitment from Churchill Stateside. Churchill and USDA will provide a firm commitment after tax credits have been awarded.

4) **Equity Contribution (Community)**

Rea Ventures Group has received a firm commitment from the City of Whitehouse in the form of a resolution to partially waive City development fees in the amount of **$500.00**.

Commitment Status: The partnership has received a firm commitment from City of Whitehouse in the form of an adopted resolution.

5) **Deferred Developer Fee**

The partnership (Whitehouse Abbington Place, LP) has issued an acknowledgement that **$130,264** of the developer fee shall be deferred. The terms of the deferral are a **15-year** term loaned at zero percent (0%) interest. Payments shall be repaid from available cash flow with the balance of any outstanding principal due at the end of the term. The amount of the deferred developer fee does not exceed **50%** of the total amount and can be repaid within **15** years from projected cash flow.

Commitment Status: The partnership has issued an acknowledgement of the deferred developer fee.

The total funding available is **$11,688,887**. No other funding sources are required for this project.

Uses of Funds

The total **$11,688,887** in available funding will be used in the following manner:

- Construction costs (onsite) will be paid with a combination of tax credit equity and conventional construction loan funds.
- Construction costs (offsite) will be paid from the conventional construction loan.
- Soft costs will be paid with a combination of tax credit equity and construction loan funds.
- Land costs will be paid from the conventional construction loans.
- Reserves and all other non-basis items will be paid from the USDA 538 permanent loan.

After the construction period ends the outstanding balance of the construction loan will be paid with proceeds from the low income housing tax credit equity and permanent loan proceeds. Rental income is the source that will repay the permanent loans.

Site work costs do exceed $15,000 per unit. A CPA letter from Tidwell Group, dated February 26, 2016, is included to identify which site work costs are eligible for basis and which costs are ineligible.

Land Costs - An affiliate of the 87% co-developer, Rea Ventures Group LLC, holds site control through a purchase agreement dated **October 27, 2015** on **6.5 acres** in Whitehouse located on Highway 110 at Sherry Drive. The affiliate, RVLH Acquisitions, assigned a **4.166-acre** +/- portion to the partnership, Whitehouse Abbington Place, LP, to serve as the Development Site for the proposed development. The remainder will be held for future development. The Texas Department of Housing and Community Affairs determined that **$326,871** of the total **$510,000** purchase price should be assigned to the Development Site for Abbington Place and the remaining **$183,129** will be paid out of pocket by Rea Ventures Group LLC at land closing.

Reserves

The project construction period budget includes an Operating Reserve of **$205,762** (an amount representing at least 6 months of operating expenses plus at least 6 months of debt service) to cover ongoing operating expenses in unusual and unforeseen circumstances. An additional Rent-Up reserve of **$62,564** is also included to cover operating expenses during the initial lease-up period.

The Operating Reserve required by TDHCA exceeds the similar reserve amounts required by the USDA 538 program for an O&M Reserve. Duplicate funds are not required by the USDA 538 program. Therefore no additional reserve funds are needed in the development budget to cover the O&M Reserve outlined in the conditional commitment letter from Churchill Stateside.

The USDA 538 program will, however, require a $1,000/unit Replacement Reserve by the end of Year 3, totaling **$60,000** for this project. This reserve is included as a separate item in the development budget.

On an ongoing basis the management company will begin by collecting **$250** per unit per year for replacement reserves. This amount will be increased each year at the same rate as other operational expenses.

Supporting Documents Should be Included Behind this Tab

- **X** Executed Pro Forma from Permanent or Construction Lender
- **X** Letter from lender regarding approval of Principals
- **X** Evidence of Permanent and Construction Financing (term sheets, loan agreements)
- **X** Evidence of any Gap Financing
- **X** Evidence of any Owner Contributions
- **X** Evidence of Equity Financing (HTC applications only)
- **n/a** Letter from Texas Historical Commission (THC) indicating preliminary eligibility for historic (rehabilitation) tax credits and documentation of Certified Historic Structure status as detailed in QAP §11.9(e)(6) was submitted behind TAB 19.
- **X** Letter from Local Political Subdivision evidencing a loan, grant, reduced fees or contribution of other value to benefit the Development. [QAP §11.9(d)(2)]
- **n/a** Evidence of Rental Assistance/Subsidy

15 Year Rental Housing Operating Pro Forma

All Programs Must Complete the following:

The pro forma should be based on the operating income and expense information for the base year (first year of stabilized occupancy using today's best estimates of market rents, restricted rents, rental income and expenses), and principal and interest debt service. The Department uses an annual growth rate of 2% for income and 3% for expenses. Written explanation for any deviations from these growth rates or for assumptions other than straight-line growth made during the proforma period should be attached to this exhibit.

INCOME	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15
POTENTIAL GROSS ANNUAL RENTAL INCOME	$437,427	$446,175	$455,099	$464,201	$473,485	$522,766	$577,175
Secondary Income	$ 33,000	$ 33,660	$ 34,333	$ 35,020	$ 35,720	$ 39,438	$ 43,543
POTENTIAL GROSS ANNUAL INCOME	$470,427	$479,835	$489,432	$499,221	$509,205	$562,204	$620,718
Provision for Vacancy & Collection Loss	($35,282)	($35,988)	($36,707)	($37,442)	($38,190)	($42,165)	($46,554)
Rental Concessions	$0						
EFFECTIVE GROSS ANNUAL INCOME	$435,145	$443,848	$452,725	$461,779	$471,015	$520,038	$574,164
EXPENSES							
General & Administrative Expenses	$20,632	$21,251	$21,888	$22,545	$23,221	$26,920	$31,208
Management Fee	$ 21,749	$ 22,184	$ 22,628	$ 23,080	$ 23,542	$ 25,992	$ 28,697
Payroll, Payroll Tax & Employee Benefits	$ 77,620	$ 79,949	$ 82,347	$ 84,817	$ 87,362	$ 101,276	$ 117,407
Repairs & Maintenance	$ 40,400	$ 41,612	$ 42,860	$ 44,146	$ 45,471	$ 52,713	$ 61,109
Electric & Gas Utilities	$ 9,500	$ 9,785	$ 10,079	$ 10,381	$ 10,692	$ 12,395	$ 14,370
Water, Sewer & Trash Utilities	$ 9,780	$ 10,073	$ 10,376	$ 10,687	$ 11,007	$ 12,761	$ 14,793
Annual Property Insurance Premiums	$ 16,500	$ 16,995	$ 17,505	$ 18,030	$ 18,571	$ 21,529	$ 24,958
Property Tax	$ 37,100	$ 38,213	$ 39,359	$ 40,540	$ 41,756	$ 48,407	$ 56,117
Reserve for Replacements	$ 15,000	$ 15,450	$ 15,914	$ 16,391	$ 16,883	$ 19,572	$ 22,689
Other Expenses	$ 1,920	$ 1,978	$ 2,037	$ 2,098	$ 2,161	$ 2,505	$ 2,904
TOTAL ANNUAL EXPENSES	$250,201	$257,490	$264,992	$272,716	$280,667	$324,070	$374,251
NET OPERATING INCOME	$184,944	$186,358	$187,732	$189,063	$190,348	$195,968	$199,913
DEBT SERVICE							
First Deed of Trust Annual Loan Payment	$161,266	$161,266	$161,266	$161,266	$161,266	$161,266	$161,266
Second Deed of Trust Annual Loan Payment							
Third Deed of Trust Annual Loan Payment							
Other Annual Required Payment							
Other Annual Required Payment							
ANNUAL NET CASH FLOW	$23,678	$25,092	$26,467	$27,797	$29,082	$34,702	$38,647
CUMULATIVE NET CASH FLOW	$23,678	$48,770	$75,237	$103,034	$132,117	$291,579	$474,953
Debt Coverage Ratio	1.15	1.16	1.16	1.17	1.18	1.22	1.24
Other (Describe)							
Other (Describe)							

By signing below I (we) are certifying that the above 15 Year pro forma, is consisstent with the unit rental rate assumptions, total operating expenses, net operating income, and debt service coverage based on the bank's current underwriting parameters and consistent with the loan terms indicated in the term sheet and preliminarily considered feasible pending further diligence review. The debt service for each year maintains no less than a 1.15 debt coverage ratio. (Signature only required if using this pro forma for points under §11.9(e)(1) relating to Financial Feasibility)

Phone: 727-233-0568

Email: rtilley@csgfirst.com

Signature, Authorized Representative, Construction or Permanent Lender

Rex N. Tilley

Printed Name

9/26/2016

Date

Churchill Stateside Group
Experience & Integrity. Since 1984.

September 26, 2016

Whitehouse Abbington Place, LP
2964 Peachtree Road NW, Suite 200
Atlanta, GA 30305

Attn: William J. Rea, Jr.

Re: Abbington Place of Whitehouse

Dear Mr. Rea,

I have received and reviewed the 15 year pro forma for Abbington Place of Whitehouse, located in Whitehouse, TX. The attached pro forma, which has been reviewed by an authorized representative of Churchill Stateside Group projects total operating expenses, net operating income, and debt service for the first year of stabilized operation based on preliminary information provided by the borrower.

The attached pro forma indicates that the development would maintain no less than a 1.15 debt coverage ratio throughout the initial fifteen years. These projections, which indicate that the Development is expected to be feasible for fifteen years, are made based upon the preliminary information provided by the borrower to this point, and are subject to Churchill Stateside Group due diligence review.

Additionally, Churchill Stateside Group has performed a preliminary review of the credit worthiness of Whitehouse Abbington Place, LP, Rea Ventures Group, LLC, William J. Rea, Jr., Eric Buffenbarger, and George Coogle as the guarantors and principals of Whitehouse Abbington Place, LP. At this time, Churchill Stateside Group has no reservations with any of the Principals of the borrower.

Sincerely,

CHURCHILL STATESIDE GROUP

By:

Rex N. Tilley
Senior Vice President / Chief Underwriter

September 27, 2016

Whitehouse Abbington Place, LP
2964 Peachtree Road NW, Suite 200
Atlanta, GA 30305

Attn: William J. Rea, Jr.

Re: Abbington Place of Whitehouse - Construction and Permanent Financing Letter

Churchill Mortgage Investment LLC, a subsidiary of Churchill Stateside Group, LLC (collectively defined as the "Lender"), is pleased to provide this Conditional Commitment for construction financing and permanent financing for the aforementioned proposed affordable housing development. The permanent loan shall be guaranteed by the Section 538 USDA-RD Guaranteed Rural Rental Housing Loan Program. The terms and conditions of the proposed financing are as follows:

Subject Property:	Abbington Place of Whitehouse Whitehouse, TX
Borrower:	Whitehouse Abbington Place, LP

<u>Construction Loan Terms</u>

Construction Loan Amount:	$6,785,000
Construction Term Loan:	18 months; interest only
Interest Rate:	5.25% fixed
Financing Fee:	1% of loan amount
Guarantors:	Rea Ventures Group, LLC, William J. Rea, Jr., Eric Buffenbarger, and George Coogle
Security:	First Deed of Trust with assignment of rents on the subject property and improvements to be constructed thereon; legal description to govern. Assignment of low income housing tax credits.

<u>Permanent Loan Terms</u>

Permanent Loan Amount:	$2,787,000 (subject to LTV and DSCR constraints described below)
USDA Guarantee:	Up to 90% of the Loan Amount
Guarantors:	same as above (non-recourse except for standard carve-outs)
Security:	First Deed of Trust with assignment of rents on the subject property and improvements to be constructed thereon; legal description to govern.
Interest Rate:	5.00%; includes 50bps RD 538 ongoing guarantee fee
Term/Amortization:	40/40
Loan-to-Value:	90% maximum on 538 debt; 100% on all mandatory-pay debt

Debt Service Coverage Ratio:	1.15 minimum; based on mandatory-pay debt service and Lender's underwritten Net Operating Income.
Lender Financing Fee:	Greater of $25,000 or 1.5% of loan amount. For USDA permanent conditional commitments, 50% of the fee is due at initial closing; remainder due at permanent loan closing.
Lender Application Fee:	$3,500 due at acceptance of application by Borrower; credited to Lender Financing Fee upon successful closing.
Other Fees:	The Borrower shall be responsible for the Lender's reasonable legal fees, all third party reports, and any other reasonable fees incurred during the processing of the Borrower's application with USDA and the loan closing.
USDA Guarantee Fee:	Initial- 1% of the loan amount due at closing Ongoing- 0.50% on UPB per annum thereafter
O&M Reserve:	Two Percent (2%) of the Loan Amount; must be funded at, or prior to, the Permanent Loan closing. To be released as surplus cash distribution as defined by USDA.
Contingency Reserve:	Minimum of 2% of the Construction Contract; released upon achievement of 90% occupancy for 90 days; funded at loan closing.
Replacement Reserve:	USDA standard replacement reserve of $1,000 per/unit to have accumulated by the end of the third year.

Funding of the Permanent Loan is conditioned upon, but not limited to, the following:

1. Receipt and review by Lender of all due diligence items and applicable third party reports;
2. Approval of the proposed transaction by Lender's Investment Committee;
3. Approval of the USDA Conditional Commitment application by USDA;
4. Lien-free completion of the proposed improvements acceptable to Lender and USDA;
5. 90% occupancy for 90 consecutive days prior to issuance of Permanent Loan Note Guarantee;
6. Resolution of all conditions set forth in the USDA and Lender Conditional Commitments; and,
7. Payment of all fees, escrows and reserve deposits required by the Lender and USDA.

This conditional commitment shall expire if all conditions set forth above are not met within one-hundred eighty (180) days from acceptance of the terms and conditions set forth herein, or it is mutually agreed by the Lender and Borrower to terminate this agreement. The Borrower can request up to three (3), one month extensions beyond the initial one-hundred eighty (180) day period. Said extensions shall be at the sole discretion of the Lender.

Thank you for the opportunity to provide financing for this project. Please let me know if you have any questions related to this matter.

Sincerely,
CHURCHILL MORTGAGE INVESTMENT, LLC

By:

Daniel Duda
Vice President

The foregoing is hereby agreed to and confirmed:

Whitehouse Abbington Place, LP
By: Abbington Place Partner, LLC, its General Partner

By: ______________________________ Date: 9/27/16, 2016

Name: William J. Rea, Jr.
Title: Managing Member

Whitehouse Abbington Place, LP

c/o Rea Ventures Group, LLC - 2964 Peachtree Road NW, Suite 200 - Atlanta, GA 30305
office (404) 273-1892 - fax (404) 506-9081

September 26, 2016

Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701

RE: Abbington Place of Whitehouse (HTC # 16018) – Deferred Developer Fee

To Whom It May Concern:

The Purpose of this letter is to state that the undersigned is aware of and hereby acknowledges that **$130,264.00** of the Developer Fee on the above-referenced project shall be deferred.

The terms of the deferral shall be as follows: a 15-year term and loaned at zero percent (0%) interest. Payments shall be repaid from available cash flow with the balance of any outstanding principal due at the end of the term.

Sincerely,

William J. Rea, Jr.
Manager of the General Partner

CREA
City Real Estate Advisors

30 South Meridian Street, Suite 400
Indianapolis, Indiana 46204

Telephone: 317.634.4400
Toll-Free: 1.800.800.CITY (2489)

Whitehouse Abbington Place, LP
c/o William J. Rea, Jr.
Rea Ventures Group, LLC
2964 Peachtree Road NW, Suite 640
Atlanta, GA 30305

Re: Abbington Place (the "Project")

Dear Mr. Rea:

This letter of intent (this "Letter of Intent") summarizes the principal business terms under which a City Real Estate Advisors, Inc. ("CREA") fund (sometimes referred to herein as the "Limited Partner") will acquire an interest in the Partnership that will develop, own and operate the Project. The terms and conditions of the Limited Partner's investment in the Project are subject to the execution of a mutually agreed upon limited partnership agreement (the "Partnership Agreement") and CREA's Capital Committee approval. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Partnership Agreement.

1) Project Information and Assumptions

The Limited Partner's willingness to acquire an interest in the Partnership is based upon the following information and assumptions provided by you. CREA reserves the right to update and adjust this Letter of Intent to reflect any changes in the following information and assumptions discovered during the due diligence and underwriting review.

a) The Project, located in the City of Whitehouse, County of Smith, State of Texas, will consist of 3 free standing buildings having 60 apartment units for rent to families. Within the Project, 48 units will be occupied in compliance with the low-income housing tax credit ("LIHTC") requirements of Section 42 of the Internal Revenue Code (the "Code").

b) Participants

1) Partnership Name:	Whitehouse Abbington Place, LP (the "Partnership")
2) General Partner with a 0.010% interest in the Partnership:	Abbington Place Partner, LLC, which is owned by Rea GP Holdings Group II, LLC and EJB Companies, LLC.
3) Limited Partner with a 99.989% interest in the Partnership:	CREA Abbington Place, LLC
4) Special Limited Partner with a 0.001% interest in the Partnership:	CREA SLP, LLC
5) Developer:	Rea Ventures Group, LLC
6) General Contractor:	Great Southern, LLC
7) Property Manager:	Alpha-Barnes Real Estate Services

8) Guarantors shall include the General Partner and Developer.

c) Project Timeframe

1)	Closing Date:	January 1, 2017
2)	Construction Completion Date:	January 1, 2018
3)	Qualified Occupancy Date:	July 1, 2018
4)	Stabilized Operations Date:	October 1, 2018

d) Tax Credit Delivery and Pricing ("Tax Credits")

The terms and conditions set forth in this Letter of Intent are based upon a financial model initially submitted by the Developer to CREA. Prior to closing, CREA shall underwrite the assumptions contained in the financial model and prepare a final financial model which, if acceptable to the General Partner, shall be attached to the fully executed Partnership Agreement (the "Financial Forecasts").

The Projected Tax Credits to be generated by the Partnership and allocated to the Limited Partner are as follows:

1) $645,000 (75.00%) in 2018;
2) $860,000 (100%) in 2019 through 2027; and
3) $215,000 (25.00%) in 2028

The Financial Forecasts will reflect equity amounts calculated as follows:

LIHTC Equity

2016 Federal LIHTC Reservation:	$860,000
Limited Partner Interest:	99.99%
Credit Price:	$1.02
Total Federal LIHTC Equity:	$8,771,123
Total Limited Partner Equity	**$8,771,123**
CREA SLP, LLC equity:	**$100**

2) Limited Partner's Capital Contribution

a) Based upon the Financial Forecasts, the Limited Partner will make its capital contributions ("Capital Contributions") to the Partnership in installments (each, an "Installment"), pursuant to the terms and conditions of the Partnership Agreement. Each Installment is subject to the Limited Partner's receipt of: (i) a satisfactory AIA form (during construction), (ii) a current date down endorsement or title update, (iii) satisfactory evidence that the Project is In Balance, (iv) evidence that the conditions of all prior Installments have been satisfied, and (iv) the General Partner's certification that the representations and warranties contained in the Partnership Agreement are true and correct as of the date of the Installment. Each Installment will be made within ten (10) business days of the receipt and satisfaction of all items listed below. Installments shall be made as follows:

1) $1,754,225 (20.00%), (the "First Installment"), will be funded upon the later to occur of the execution of the Partnership Agreement and satisfaction of the following conditions, as determined by the Limited Partner:

a) the Limited Partner's admission to the Partnership;

b) receipt by the Limited Partner of due diligence documentation customary to closing the Partnership Agreement;

c) closing of all Project sources and funding of those sources as required pursuant to the Financial Forecasts;

d) receipt of a fixed rate commitment for the Permanent Loan(s); and

e) receipt of any necessary building permits.

2) $877,112 (10.00%), (the "Second Installment"), will be funded upon the later to occur of July 1, 2017 and satisfaction of the following conditions, as determined by the Limited Partner:

a) 50.00% lien-free completion of construction of the Project as certified by the architect.

3) $877,112 (10.00%), (the "Third Installment"), will be funded upon the later to occur of January 1, 2018 and satisfaction of the following conditions, as determined by the Limited Partner:

a) lien-free (up to $100,000 of liens may be bonded over) completion of construction of the Project sufficient for all residential rental units to be "placed in service" within the meaning of Section 42 of the Code;

b) the issuance of all required permanent certificates of occupancy permitting immediate occupancy of all residential rental units;

c) architect's substantial completion certification that the Project is completed in accordance with the plans and specifications;

d) receipt of the Accountant's draft Cost Certification supporting the Projected Tax Credits and evidence that the "10% Test" has been met; and

e) receipt by the SLP of satisfactory evidence that all environmental requirements have been met (if applicable).

4) $5,043,396 (57.50%), (the "Fourth Installment"), will be funded upon the later to occur of October 1, 2018 and satisfaction of the following conditions, as determined by the Limited Partner:

a) the achievement of Stabilized Operations (as defined below);

b) receipt and approval of the Limited Partner's third-party review of all of the first year's tenant files for compliance with the Code and State requirements in accordance with Section 8(c) hereof;

c) receipt of the Accountant's final Cost Certification as evidence of Eligible Basis to support the Projected Tax Credits;

d) payment in full of the Construction Loan and closing and funding of the Permanent Loans (which may occur simultaneously with the payment of this Third Installment); and

e) receipt of the final as-built ALTA survey of the Project.

"Stabilized Operations" means a 90 consecutive day period following Construction Completion upon which: (i) the Project has achieved Qualified Occupancy, (ii) the Project has achieved physical occupancy of 90%, (iii) closing and funding of the Permanent Loan has occurred, and (iv) the Project has satisfied the Debt Coverage Ratio requirement.

5) $219,278 (2.50%), (the "Fifth Installment"), will be funded upon the later to occur of January 1, 2019 and satisfaction of the following conditions, as determined by the Limited Partner:

a) the IRS Form 8609 for all buildings;

b) receipt of the approved and recorded Extended Use Agreement; and

c) an executed copy of the Deferred Developer Fee Note.

3) Developer Fee

Projected total developer fees are $1,250,000 of which approximately $312,500 will be paid during construction.

4) CREA Fees

a) The Partnership will pay an annual Asset Management Fee of $6,000, increasing by 3.00% per annum (the “AMF”), which AMF will be earned by the Asset Manager beginning on the first day of the first month after the Project is Placed in Service (with a pro-rata share of such fee earned for any partial calendar year). The AMF is payable pursuant to Section 5 herein and will accrue without interest until there is sufficient cash available to pay any current and accrued AMF.

b) The Partnership will pay CREA a Due Diligence Reimbursement of $45,000 from the proceeds of the First Installment.

c) The Partnership will pay CREA a one-time initial lease review fee of $30/unit upon achievement of Qualified Occupancy.

d) The Limited Partner will select an inspecting representative for the Project to perform inspections for the sole benefit of the Limited Partner (the “Inspecting SLP Representative”). The Inspecting SLP Representative will perform a site inspection for the funding of each Installment during the construction period, and the Partnership will pay CREA a construction review fee of $750 per inspection. Furthermore, the SLP will be invited by the General Partner to all monthly construction progress meetings and the SLP may reasonably require the Inspecting SLP Representative to attend such meetings.

[Signature Pages Follow]

Thank you for your consideration and we sincerely appreciate the opportunity to work with you.

Very truly yours,

CITY REAL ESTATE ADVISORS, INC.

By: ______________________________

Name: Rachel M. Thomas
Title: Vice President, Acquisitions

City of Whitehouse

RESOLUTION NO. #R15-1208-01

WHEREAS, Rea Ventures Group has proposed a development for affordable rental housing located on Highway 110 at Sherry Drive, Whitehouse, Texas 75791 named Abbington Place of Whitehouse in the City of Whitehouse; and

WHEREAS, Rea Ventures Group intends to submit an application to the Texas Department of Housing and Community Affairs (TDHCA) for 2016 Housing Tax Credits for Abbington Place; and

WHEREAS, in accordance with Section 11.9(d)(1)(A) of the 2016 Qualified Allocation Plan, an application may qualify for points for a resolution voted on and adopted from the governing body expressly setting forth that the City of Whitehouse supports the Application or Development; and

WHEREAS, Rea Ventures Group has requested a partial waiver of City development fees in the amount of $500.00 for Abbington Place as a commitment of Development funding from the City of Whitehouse, Texas; and

WHEREAS, the City Council of the City of Whitehouse, Texas has the authority to defer City development fees on property located within the City limits of Whitehouse; and

WHEREAS, the property located on Highway 110 at Sherry Drive, Whitehouse, Texas 75791 is located within the City limits of the City of Whitehouse, Texas;

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Whitehouse, Texas that:

Section 1. The City Council of the City of Whitehouse, Texas hereby supports the proposed development of Abbington Place and confirms that its governing body has voted specifically to approved the development and authorize an allocation of Housing Tax Credits for the development pursuant to Texas Government Code 2306.6710(b)(1)(B).

Section 2. The City Council of the City of Whitehouse, Texas hereby grants the Rea Ventures Group's request for a partial waiver of City development fees due and arising from the proposed development of the Abbington Place in the amount of $500.00.

PASSED AND APPROVED this the 8th day of December, 2015.

Charles Parker, Mayor

Stefani Wright

Stefani Wright, City Secretary

Whitehouse Abbington Place, LP

c/o Rea Ventures Group, LLC - 2964 Peachtree Road NW, Suite 200 - Atlanta, GA 30305
office (404) 250-4093 - fax (404) 250-4091

Appendix F
Response to Planning Board Concerns

July 6, 2016

City of Whitehouse
Planning and Zoning Commission
Attention: Zack Briscoe, Chair
P.O. Box 776
Whitehouse, TX 75791

RE: Response to Questions Raised by Planning Board
Rezoning Application for Abbington Place Apartments, Highway 110 South at Sherry Drive, Whitehouse, TX 75791

Dear Mr. Briscoe:

The Planning and Zoning Commission raised a number of questions about our proposed Abbington Place Apartments at its March 15, 2016 meeting that we were unable to fully address without gathering additional information. At its March 22, 2016 meeting, City Council directed us to report back to Planning and Zoning with our complete response to those questions for reconsideration. We appreciate being given this opportunity.

As confirmed by City Manager Aaron Smith our development site is already zoned to permit apartments in a mixed-use development provided the apartments are located on the second floor or higher (Appendix **A**). Further, based on the current funding application log from the Texas Department of Housing and Community Affairs (TDHCA) (**Appendix B**) there are sufficient funds to award two housing developments in Region 4 Rural and the top three applications are located in south Whitehouse. Currently, our development (60 units) and an age-restricted senior development (Whitehouse Senior Village) are ranked by TDHCA to receive those funding awards. Were our development not to move forward, a larger 72-unit workforce housing development (Reserve at Hagan) would take its place.

Most of the questioning and concerns raised by both Planning Commission and residents on March 15 centered around the differences in perceived effects between affordable workforce housing apartments and market-rate apartments rather than the appropriateness of apartments in the proposed location. We frequently encounter these generalized concerns and have responded to each one in detail below. This data demonstrates that our requested down zoning from C-H (Commercial High Intensity) to R-H (Residential High Intensity) represents the least impactful approach to develop workforce housing in Whitehouse, Texas.

1) Economic Impact – Planning member James Andrew Carter made the motion to recommend denial of our rezoning application based on his determination of insufficient economic impact. While we had provided preliminary information on our economic benefits at the March 15 meeting, a more complete analysis is provided in the table below.

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Table 1
Economic Impact of Abbington Place Apartments

	Current Use (Pasture)	Proposed Use (60 Apartments)
Tax Revenue		
- City	$60.83	$10,993.00
- Whitehouse ISD	$107.97	$19,512.00
- County	$29.87	$5,291.00
- Other	$-	$105.00
Net Present Value (15 Years @ 6.5% discount rate)	**$2,798.17**	**$505,647.89**
City Fees		
- Impact Fee	$-	$583,678.00
- Permitting Fee	$-	$8,560.00
- Sales Tax on Materials (1.5% on $4.2 million construction materials)	$-	$63,000.00
Total City Revenue (Year 1)	**$-**	**$655,238.00**
Jobs Created		
- Full-Time Jobs	-	2
- Salary & Benefits (Full Time Jobs) - 15+ Years	-	$80,428.00
- Temporary Construction Jobs (4-6 months duration)	-	170
- Salary & Benefits (Part Time Jobs, $14/hr, 40 hrs/wk, 20 weeks)	-	$2,475,200.00
Net Present Value (15 Years @ 6.5% discount rate)	-	**$3,387,782.85**
Household Income Recovered from Reduced Rent Burden		
Existing Residents that are Renters	2,760	2,760
Median Income of Renters	$42,996.00	$42,996.00
Existing Renters that are Rent Burdened		
- 30%-34.9% Income to Rent	259	235
- 35%+ Income to Rent	1,126	1,102
- Total Existing Rent Burdened Renters	**1,385**	**1,337**
Lost Potential Revenue from Rent Burdening	$3,238,888.68	$3,146,017.32
Recovered Renter Household Annual Income to Local Economy		**$92,871.36**
Net Present Value (15 Years @ 6.5% discount rate)	**-$1,308,047.32**	**$1,308,047.32**
Total Economic Impact Over 15 Years	**-$1,305,249.15**	**$5,856,716.06**

Sources: Projected tax revenue assumes income approach valuation with 11% cap rate and $179,914 net operating income. Rent burdened data from 2014 Census “Selected Housing Characteristics” tables for defined market area of Census Tracts 20.06; 20.07; 20.08; 20.09; and 22.00. Other assumptions as shown. Projected revenue is based on best available data at this time but is subject to change.

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The site is currently undeveloped pasture surrounded by woods that is zoned C-H for Commercial High Intensity. It currently generates $60.83 in City taxes each year but does not provide any jobs, city fees, or reduce the high rent burden in the Whitehouse area (defined approximately as the Whitehouse ISD attendance zone). Currently, half of all existing renters are rent burdened (paying more than 30% of their total income just for rent) and most of those rent burdened households are paying 35% or more of their total income towards rent. Taking into account the loss of that revenue to the local economy, the economic impact of the "do nothing" alternative to Abbington Place Apartments is a loss of $1.3 million over the initial 15-year initial rent affordability period.

In contrast, Abbington Place would create numerous direct and substantial financial benefits to the City. Annual taxes would increase almost $36,000/year or a value of more than $505,000 over 15 years. At the start and during construction, the project would also generate over $655,000 in City impact fees, permitting fees, and sales tax revenue. Full-time and part-time jobs would also be created by Abbington Place, the value of whose wages and benefits are almost $3.4 million over 15 years. Finally, although the development size is small and would only provide 48 rent-restricted units, those reduced rent units would recover an estimate $1.3 million in annual household income over a 15 year period that would otherwise be tied up paying rent. Just considering the limited factors of taxes, fees, jobs, and recovered income for existing residents, we estimate the total economic benefit of Abbington Place at over $5.8 million over a 15-year period. While Mr. Carter never specified what level of economic benefit the Planning Commission must realize in order to recommend a rezoning application for approval, we believe that the economic benefits from Abbington Place to the City of Whitehouse are significant and substantially more than other rezoning applications which were recommended for approval, such as the used car lot, at the March 15 meeting and which also were not asked to justify their economic benefit to the community.

For more information, the calculations of projected city taxes, city fees, defined market area by Census tract, and Census data by tract for rent burdening are included in **Appendix C**.

2) Property Values – Another concern raised by both Planning Commission and residents at the March 15 hearing was that because Abbington Place would include subsidized rental housing units it would result in a decrease in property values. To correct the record, Abbington Place would actually not include any subsidized housing units (where residents would receive payment vouchers to cover the rent) but is instead using an alternative financing structure to secure and sell housing tax credits to raise capital. The credit award carries a 35-year cap on rent levels on 48 of our 60 rental units but there are no subsidies to cover the rent if a resident is unable to pay.

If Abbington Place would result in a drop in property values for surrounding land owners, there would certainly be cause for concern. The generalized fear about a drop in property values is a common one we encounter, and given the concerns raised about property values at the March 15 hearing we decided to do additional research to see if other workforce housing developments we own resulted in a drop in property values. Using Zillow, a free internet resource, we catalogued property values at similar affordable housing developments we own in Texas and Georgia. The results are outlined in Table 2.

Table 2
Analysis of Property Values Before and After Affordable Housing Development

Address	Prior Sales Price	Date	Post Sales Price	Date	Value Change	Distance
Shoal Creek Manor Apartments (120 L G Griffin Road, Locust Grove, GA 30248) - Completed 11/14/11 - Affordable Senior Housing						
1139 Saint Phillips Ct, Locust Grove, GA 30248	$95,500.00	12/29/10	$100,000.00	8/2/13	$4,500.00	0.5 mile
1365 Saint Isabella Ct, Locust Grove, GA 30248	$77,000.00	8/8/11	$125,000.00	10/11/13	$48,000.00	0.4 mile
102 Massey Ln, Locust Grove, GA 30248	$70,250.00	5/4/10	$132,900.00	Listed For Sale 4/12/16	$62,650.00	0.3 mile
Fern Point Apartments (280 Fern Point Drive, Toccoa, GA 30577) - Completed 9/14/2012 - Workforce Housing						
1613 Fernside Drive, Toccoa, GA 30577	$128,000.00	9/7/11	$187,500.00	1/21/16	$59,500.00	0.1 mile
73 Crabapple Court, Toccoa, GA 30577	$280,000.00	9/28/11	$327,000.00	9/12/14	$47,000.00	0.3 mile
189 Foxdale Drive, Toccoa, GA 30577	$105,000.00	4/1/99	$159,000.00	11/26/14	$54,000.00	0.5 mile
Goshen Crossing Apartments (121 Goshen Commercial Park Drive, Rincon, GA 31326) - Complete 6/5/2012 - Workforce Housing						
108 Huger Street, Rincon, GA 31326	$71,000.00	4/19/93	$117,000.00	5/1/13	$46,000.00	0.7 mile
103 Crystal Drive, Rincon, GA 31326	$180,000.00	6/8/10	$285,000.00	Listed For Sale 4/14/16	$105,000.00	0.7 mile
114 Hope Lane, Rincon, GA 31326	$126,000.00	7/12/11	$145,000.00	10/18/14	$19,000.00	0.9 mile
146 Palmetto Drive, Rincon, GA 31326	$227,000.00	6/14/11	$294,000.00	Listed For Sale 4/1/16	$67,000.00	0.8 mile
Playa del Pueblo Apartments (611 E Interstate Highway 20, Midland, TX 79701) - Completed 11/1/14 - Workforce Housing						
1521 S Mineola St, Midland, TX 79701	$160,000.00	Listed For Sale 11/26/09	$226,900.00	Listed For Sale 4/2/16	$66,900.00	0.4 mile
1513 S Mineola St, Midland, TX 79701	$184,900.00	Listed For Sale 8/15/12	$235,000.00	Listed For Sale 4/11/16	$50,100.00	0.4 mile
706 S Calhoun St, Midland, TX 79701	$24,239.00	Foreclosed to Lender 8/7/07	$115,000.00	Listed For Sale 4/13/16	$90,761.00	1.25 mile

Source: sales prices taken from www.zillow.com. Accessed on April 22, 2016. All apartments shown are owned by Rea Ventures Group, LLC.

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In all the cases we examined, property values increased after our affordable apartment developments was completed. These valuations were taken before and after the housing market drop of 2008-2009, consider low-priced and high-priced houses, and are located in diverse settings from the Georgia mountains (Toccoa) to the Georgia coast (Rincon) to south of Atlanta (Locust Grove) as well as west Texas (Midland). Although we are not appraisers or commercial brokers, it does not appear that affordable housing has any negative negative effect on property values given that values went up everywhere we looked once our developments were completed.

We also include for consideration the independent analyses performed in other states as a part of other developments we've pursued. The perception that affordable housing lowers property values is, in fact, a common fear that we've been asked to prove up before. We hired a commercial broker to review the effect of workforce housing on property values in Goldsboro, North Carolina. We also hired an appraiser to review the effect of workforce housing on property values in Gwinnett County, Georgia (part of metro Atlanta). They both concluded affordable housing had no negative effect, and more than likely a positive effect, on property values. We are confident a Tyler appraiser would reach the same conclusion. Further, numerous national studies have examined property value impacts of affordable housing across the country – finding no effect to positive effect on property values. The findings of the broker and appraiser are both included in **Appendix D** for your review, along with documentation of the national research done on the subject.

3) Crime – Planning board members as well as the public raised concerns that Abbington Place would lead to increased crime in Whitehouse. While national research has shown affordable housing to decrease violent crimes and have no effect on property crime, we also hear this concern often enough that after the March 15 hearing we decided to do some additional research.

For consistency, we evaluated the crime rates at our same four affordable housing apartment developments for which we'd researched property value impact. We used Neighborhood Scout, an internet resource that charges a minimal monthly fee to access crime statistics at the neighborhood level within a given community. The results are summarized below in Table 3.

Table 3
Crime Rate Comparison for Affordable Housing Developments

Shoal Creek Manor Apartments (120 L G Griffin Road, Locust Grove, GA 30248) Completed 11/14/11 Affordable Senior Housing				
Shoal Creek Manor	Property*	Neighborhood (Greenwood)**	Town (Locust Grove)**	State (Georgia)**
Violent Crime	0	2.61	3.33	3.77
Property Crime	0	49.51	63.31	32.81
Fern Point Apartments (280 Fern Point Drive, Toccoa, GA 30577) Completed 9/14/2012 Workforce Housing				
Fern Point Apartments	Property*	Neighborhood (Toccoa Falls)**	Town (Toccoa)**	State (Georgia)**
Violent Crime	0	3.42	5.45	3.77
Property Crime	0	38.42	55.35	32.81
Goshen Crossing Apartments (121 Goshen Commercial Park Drive, Rincon, GA 31326) Completed 6/5/2012 Workforce Housing				
Goshen Crossing Apartments	Property*	Neighborhood (Exley)**	Town (Rincon)**	State (Georgia)**
Violent Crime	0	1.59	2.49	3.77
Property Crime	0	19.84	26.56	32.81
Playa del Pueblo Apartments (611 E Interstate Highway 20, Midland, TX 79701) Completed 11/1/14 Workforce Housing				
	Property*	Neighborhood (W Francis Ave)**	Town (Midland)**	State (Texas)**
Violent Crime	0	3.58	3.27	4.06
Property Crime	0	19.23	25.89	30.19

Source: * Property crime data from property management records. ** Crime data for Neighborhood, Town, and State taken from Neighborhood Scout (www.neighborhoodscout.com), accessed April 24, 2016, and represent crime rates per 1,000 persons.

Not only were no crimes reported at our affordable housing developments, but the crime rates in the neighborhoods where our developments are located were lower in almost all cases from the larger town. These findings are in line with national research. A 2010 Cornell study by Matthew Freedman and Emily Owns found that affordable/low-income housing caused a significant reduction in violent crime and no effect on property crime. The National Crime Prevention Council determined in 2014 that affordable housing reduces crime rates by increasing neighborhood cohesion and economic stability for residents at all levels. Documentation of national research on affordable housing and crime is included in **Appendix E**.

The presence of trained on-site staff, rigorous background screening, eviction of delinquent or nuisance residents, and partnerships with local police tend to have a positive and stabilizing effect on local crime rates. While crimes may, and can, occur at any residential or commercial location there is no evidence that our developments or any workforce housing developments will increase crime rates in Whitehouse.

4) School Impact – Another concern raised was that Abbington Place, in conjunction with all the other developments proposed in Whitehouse this year, would overwhelm the Whitehouse school district. At one point we were told there were seven possible developments looking in Whitehouse. Two developments will be funded in Region 4 Rural and the top three applications are all located in Whitehouse, based on the most recent funding application log from TDHCA (**Appendix B**). However, our development is the smallest workforce housing proposal and the second application in line for funding is an age-restricted senior development.

Along with concerns about school impact, tax revenues were of concern with Planning Commission because of the perception that tax revenue from single family houses are higher than tax revenue from apartments. In reality the opposite is true, as shown by national research. Estimated students and a comparison of educational cost versus tax revenue is shown in Table 4.

Breck Kean with Rea Ventures spoke with Superintendent Dr. Christopher Moran on June 28 about our development and calculation of potential school impacts. Dr. Moran agreed that our 0.3 student per apartment ratio was reasonable and that some of our students, if not all, likely were already living in the Whitehouse Independent School District (ISD) attendance zone. Dr. Moran felt the Whitehouse ISD had ample capacity to absorb the projected 15-20 new students and offered to verify this capacity to city or planning board officials.

Table 4
School Impact Comparison

Land Use	Rate	Unit	60 Units	72 Units	
Apartments	0.3	students per dwelling unit	18	21.6	Students
Single Family	0.94	students per dwelling unit	56.4	67.7	Students
Apartments	-$665	Educational Cost Per Unit	-$39,900	-$47,880	Educational Cost
Single Family	-$3,140	Educational Cost Per Unit	-$188,372	-$226,046	Educational Cost
Apartments	$1,669	Tax Revenue Per Unit	$100,114	$120,136	Tax Revenue
Single Family	$3,088	Tax Revenue Per Unit	$185,298	$222,358	Tax Revenue
Apartments	$1,004	Gain/Loss Per Unit	$60,214	$72,256	Gain/Loss Per Unit
Single Family	-$51	Gain/Loss Per Unit	-$3,074	-$3,689	Gain/Loss Per Unit

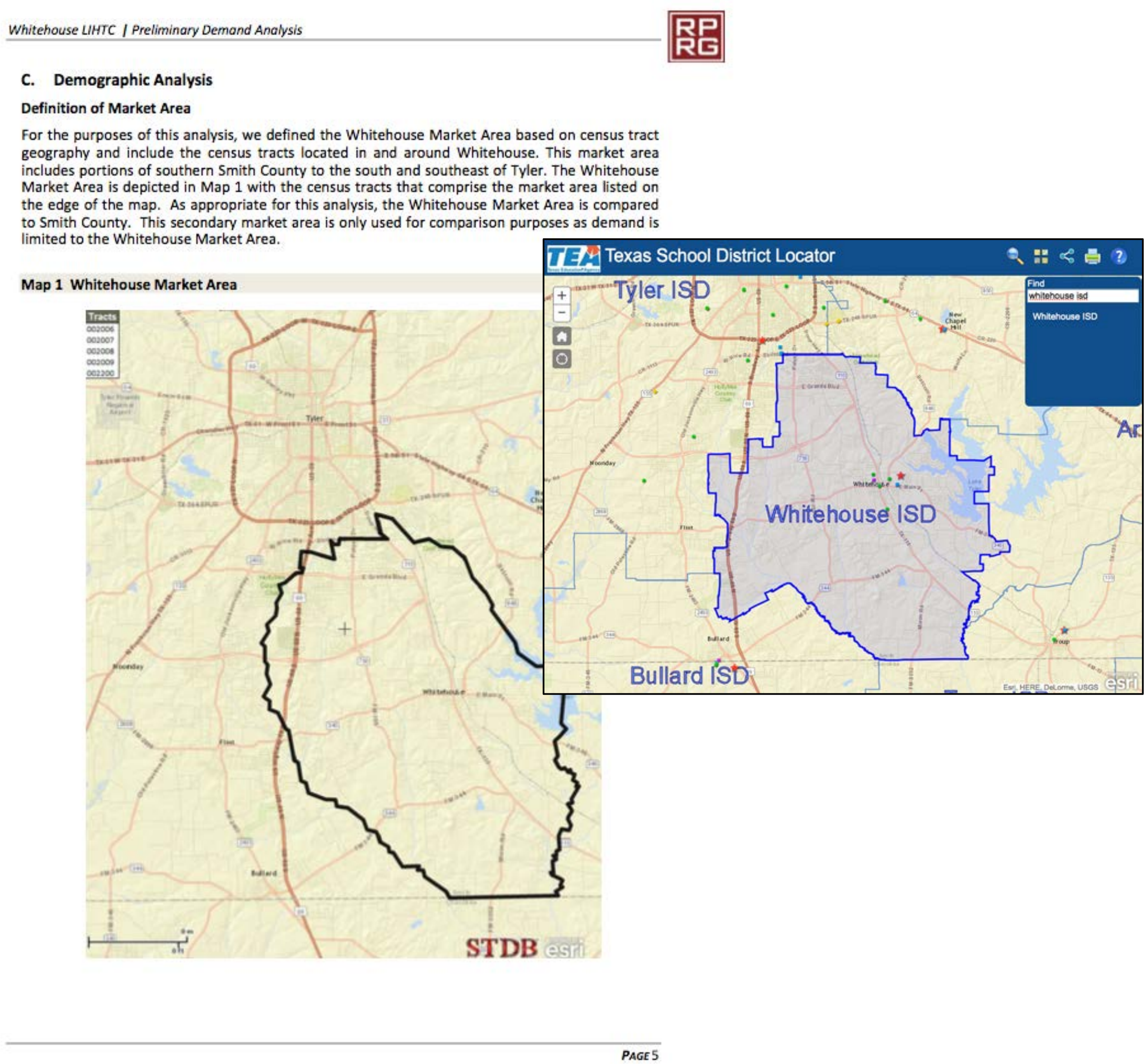
Source: School Enrollment by Housing Type. American Society of Planning Officials. 1966. Tables 3 and 4. Dollars have been adjusted for inflation to 2016 dollars.

The calculations above show that Abbington Place (60 units) would generate fewer students than alternative workforce housing applications and far fewer students than a comparable number of new single family homes. The net financial effect of Abbington Place to City finances would be positive while the same number of single family homes would create a small loss to the City.

Due to larger numbers of bedrooms in single-family homes (which support larger families), greater density of taxable revenue per acre, and less required infrastructure per unit, apartments typically generate a third the number of students per unit as single-family homes. Apartments also represent a financial gain for communities (educational cost versus tax revenue gained) whereas single family homes are actually a financial loss. The above factors are based upon research conducted by the American Society of Planning Officials.

Another important factor to consider is the projected market draw area. Typically, the size of the area needed to support a new apartment development is a good indication of the effect it would have in either drawing significant new residents or simply meeting a high existing demand in a community. We have been working with the City to fund Abbington Place for three years and during that time have conducted three different market studies. Two of the three market analysts determined there was more than enough existing demand within the Whitehouse school district to support 1-2 new apartment developments while the fourth saw strong demand for Abbington Place within Whitehouse but that it would also have a draw of residents from south and southwest Tyler. The market analyses referenced are provided or summarized in **Appendix F**.

For means of comparison, the average market draw area for Abbington Place (as determined by Real Property Research Group) is shown below alongside the existing attendance zone for the Whitehouse Independent School District (Whitehouse ISD).


Whitehouse LIHTC | Preliminary Demand Analysis

RP RG

C. Demographic Analysis

Definition of Market Area

For the purposes of this analysis, we defined the Whitehouse Market Area based on census tract geography and include the census tracts located in and around Whitehouse. This market area includes portions of southern Smith County to the south and southeast of Tyler. The Whitehouse Market Area is depicted in Map 1 with the census tracts that comprise the market area listed on the edge of the map. As appropriate for this analysis, the Whitehouse Market Area is compared to Smith County. This secondary market area is only used for comparison purposes as demand is limited to the Whitehouse Market Area.

Map 1 Whitehouse Market Area

PAGE 5

Although not an exact match, the market draw area for Abbington Place is effectively the same as the existing school attendance zone for Whitehouse ISD. That correlation means the 18 students projected in Table 4 above are most likely not new students but rather children already in the school system. Demand for affordable rental housing is very high within the immediate Whitehouse area so the impact on schools would be none to minimal. It is our opinion, and Dr. Christopher Moran concurs, that residents at Abbington Place would most likely not be new persons moving to Whitehouse but rather rent-burdened existing residents in Whitehouse who would be provided an opportunity to upgrade to better housing at a lower monthly cost.

5) Traffic – Both Planning Commission and residents raised concerns that Abbington Place would create excessive and burdensome traffic on Highway 110, a major north-south 4-lane connector highway. Any development on any site will add to existing traffic, but the proposed down-zoning from C-H (Commercial High Intensity) to R-H (Residential High Intensity) to build 60 apartments would represent one of the lowest traffic generators possible on that site. Traffic generation comparisons are shown below in Table 5 for proposed and existing possible uses.

Table 5
Traffic Comparison of Apartments and Existing Permitted Commercial Uses

Land Use	Rate	Unit	60 Units	78 units	
Apartments	0.41	per dwelling unit	25	30	AM Peak Hour
Single Family (max 12/ac)	0.75	per dwelling unit	45	54	AM Peak Hour
Land Use	Rate	Unt	Traffic Estimate		
Shopping Strip Center (20,000 SF)	1.03	per 1,000 GLA	21	AM Peak Hour	
Grocery Store (40,000 SF)	1.03	per 1,000 GLA	41	AM Peak Hour	
Gas Station (5,000 SF)	65.3	per 1,000 GFA	327	AM Peak Hour	
Fast Food Restaurant (5,000 SF)	9.27	per 1,000 GFA	46	AM Peak Hour	
Movie Theater (6 screen)	89.48	per movie screen	537	AM Peak Hour	
Mixed Use Development					
- 60 apartments	0.41	per dwelling unit	25	AM Peak Hour	
- Retail Component (22,944 SF)	1.03	per 1,000 GLA	24	AM Peak Hour	
		Total (Mixed Use)	48	AM Peak Hour	

ReaVentures
GROUP, LLC

Land Use	Rate	Unit	60 Units	72 units	
Apartments	6.63	per dwelling unit	398	477	Average Daily Traffic
Single Family (max 12/ac)	9.55	per dwelling unit	573	688	Average Daily Traffic
Land Use	Rate	Unt	Traffic Estimate		
Shopping Strip Center (20,000 SF)	42.92	per 1,000 GLA	858	Average Daily Traffic	
Grocery Store (40,000 SF)	42.92	per 1,000 GLA	1,717	Average Daily Traffic	
Gas Station (5,000 SF)	737.99	per 1,000 GFA	3,690	Average Daily Traffic	
Fast Food Restaurant (5,000 SF)	130.34	per 1,000 GFA	652	Average Daily Traffic	
Movie Theater (6 screen)	529.47	per movie screen	3,177	Average Daily Traffic	
Mixed Use Development					
- 60 apartments	6.63	per dwelling unit	398	Average Daily Traffic	
- Retail Component (22,944 SF)	42.92	per 1,000 GLA	985	Average Daily Traffic	
		Total (Mixed Use)	1,383	Average Daily Traffic	

Source: Community Guide to Development Impact Analysis. Mary Edwards. University of Wisconsin. March 2000.

The development site is already zoned to allow by right the development of a grocery store, shopping center, gas station, movie theater, or fast food restaurant – all of which would generate much more traffic than the proposed 60 apartment units. Apartments themselves are also allowed by right under present zoning if part of a mixed commercial/residential development. Our current development concept that complies with the existing C-H zoning has 22,944 square feet of commercial space on the ground floor and is reflected in the calculations in Table 5 above. It would also require moving from 3-story buildings to a 4-story building – more visually intrusive on our neighbors but permitted under the current 60-foot height allowed under the current zoning.

Traffic is one of the biggest impacts resulting from developing Abbington Place under the current C-H zoning rather than the requested R-H zoning. Any of the existing permitted commercial uses would generate considerably more vehicle trips than a pure apartment development, but a mixed-use Abbington Place would generate 247 percent more trips per day than the proposed apartments only development concept. Even with a comparable number of single family homes the traffic would be almost double that of the proposed apartments. Building Abbington Place as an apartment-only development represents a significant improvement to local traffic from what is already possible under the current zoning.

The site plan incorporates numerous traffic control features, such as a multi-lane entrance and acceleration/deceleration lanes on Highway 110. There are also good lines of site in both directions from the proposed development site. While any development of the site would create more traffic on Highway 110, Abbinton Place represents one of the least impactful traffic options available to the City if built as a stand-alone apartment development.

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6) Flooding and Runoff - although not a Planning Commission comment, numerous residents raised concerns that Abbington Place would lead to increased run off and would impact the flood plain associated with Black Hawk Creek. Our development site would utilize on-site detention to contain and control the release of all storm water on site during and after a storm water event. There is currently no storm water control on site, so all down-stream residents would be much better off following development of Abbington Place. Further, our development site was surveyed and the floodplain and floodway for Black Hawk Creek were accurately located to ensure that no portion of our site is located within the floodplain or flood way. The preliminary civil site plan, showing our storm water control design, as well as the survey showing the floodplain location relative to our development site, are included in **Appendix G**.

7) Resident Screening Process – Finally, concerns were raised by the Planning Commission that residents would not be properly vetted or that nuisance tenants could not be removed once a lease is signed. Alpha-Barnes Real Estate Services, headquartered in Dallas, would provide daily property management services to Rea Ventures Group as the owner. Alpha-Barnes manages over 13,000 units of similar workforce housing developments in Texas and surrounding states. A summary of their resident screening criteria is provided in **Appendix H** along with a list of nearby comparable properties that can be visited to ascertain tenant quality, property upkeep, and staff procedures.

Applicants would need to pass a criminal, reference, financial, and background check similar to or greater than that encountered at most conventional apartment developments. Alpha-Barnes uses the AmRent rating system which incorporates a credit score along with rental and payment history. References from employers and past landlords are checked. A minimum monthly income of 2.5 times the rent is required. Occupancy limits of two people per bedroom are also monitored and enforced on an ongoing basis.

In addition to daily management of residents by Alpha-Barnes, TDHCA conducts on site inspections every two years. Our investor's asset management team would provide annual on site inspections. Finally, Rea Ventures has in-house asset management staff to monitor and adjust the property management efforts as needed to help ensure no problems are encountered by our investor or TDHCA when their inspectors arrive.

Summary – Abbington Place does not need to be rezoned in order to move forward, but doing so would create a development with much less impact on our neighbors that what current zoning would require. Abbington Place is also in first place for funding by TDHCA, who has completed their scoring and financial review of our application. Were Abbington Place to not move forward, a larger workforce housing development (already zoned R-H) would simply take its place.

As demonstrated with the information provided above, the actual impacts of workforce housing and our specific proposal would be greatly beneficial to Whitehouse and a dramatic improvement over other potential uses under current zoning. The generalized fears expressed by residents and Planning

Commission members are understandable but not true when considered in light of the facts. Granting the requested rezoning, or allowing a variance to the current zoning, would represent the least impactful alternative to the City of Whitehouse in meeting a clear need for new rental housing with the least effects on the community.

Thank you again for this opportunity to respond. If you have any questions or would like additional information, feel free to contact me at seanbrady@reaventures.com or (404) 250-4093, ext. 704.

Sincerely,

Sean M Brady

Sean M. Brady, LEED AP
Vice President of Development

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Appendix A
Existing Zoning

Subject: Fwd: Whitehouse, Rea Ventures Project
Date: Thursday, June 23, 2016 at 9:50:06 AM Eastern Daylight Time
From: Breck Kean
To: Bill Rea, Sean Brady, Robbye Meyer, Eric Buffenbarger, emily.macheski-preston@colemantalley.com

See below from Whitehouse City Manager which affirms our current zoning and plan B use.

Breck Kean
Rea Ventures Group LLC
breckkean@reaventures.com
404-226-2591
Sent from my iPhone

Begin forwarded message:

> **From:** Ron Stutes <ronstutes@potterminton.com>
> **Date:** June 23, 2016 at 8:32:18 AM CDT
> **To:** Breck Kean <breckkean@reaventures.com>
> **Cc:** Linda Slayter <lindaslayter@potterminton.com>
> **Subject: FW: Whitehouse, Rea Ventures Project**
>
> Breck – I got this on Monday and I thought I'd forwarded it. But I don't see it in the outbox, so here it is.
>
> If I've sent it before, I apologize for the repeat.
>
> Let me know if you need anything more.
>
> Ron
>
> ---
>
> **From:** Aaron Smith [mailto:asmith@whitehousetx.org]
> **Sent:** Monday, June 20, 2016 3:24 PM
> **To:** Ron Stutes
> **Cc:** Blake Armstrong; Susan Hargis
> **Subject:** Whitehouse, Rea Ventures Project
>
> Dear Mr. Ronald Stutes:
>
> I am responding to your letter dated June 9, 2016.
>
> Your understanding of allowable uses in areas zoned C-H in the City of Whitehouse is

correct.

Please refer to page 27 of the pdf. link below.
http://whitehousetx.org/src/files/assets/filemanager/force_download.php?file_id=594&key=9e96a1a48a193cbe8fb1f37725a5c856af3f6f42

In addition, the link below will guide you through the rezoning process.
http://whitehousetx.org/src/files/assets/filemanager/force_download.php?file_id=799&key=2e47e53a6a0ecdfc06ae00d4ad445122ecf2d45e

Please let me know if I can get you any other information or can be of assistance through this process.

Kind Regards,
Aaron Smith

Aaron M. Smith
City Manager
City of Whitehouse
(W) 903-839-4914 *225
(F) 903-839-4915

Commercial	AO	R-E	R-L	R-M	R-H	MH-P	MH-SF	RV	C-L	C-M	C-H	TC-MS	TC-110	GI	LI-BP
Auction Sales	sales directly related to agricultural products	-	-	-	-	-	-	-	-	P	P	-	P	P	P
Automotive Related Services	-	-	-	-	-	-		-	-	P	P	P	P	P	P
Car Wash	-	-	-	-	-	-	-	-	-	P	P	accessory use to a fueling station, in rear	accessory use to a fueling station, in rear	-	
Cemetery/Mausoleum	Section 20.3	Section 20.3	Section 20.3	-	-	-	-	-	-	Section 20.3	Section 20.3	-	-	-	-
Commercial Garden/Greenhouse	P	-	-	-	-	-	-	-	-	-	P	-	-	P	P
Commercial Amusements, Indoor and less than 2,000 square feet	-	-	-	-	-	-	-	-	-	P	P	P	P	-	-
Commercial Amusements, Other	-	-	-	-	-	-	-	-	-	P	P	-	-	-	-
Conference Center	-	-	-	-	-	-	-	-	-	P	P	P	P	-	-
Drive Through	-	-	-	-	-	-	-	-	-	P	P	accessed from side or rear of site	accessed from side or rear of site	-	-
Dry Cleaning, Major	-	-	-	-	-	-	-	-	-	-	P	P	P	P	P
Dry Cleaning, Minor	-	-	-	-	P	-	-	-	P	P	P	P	P	P	P
Fueling Station	-	-	-	-	-	-	-	-	-	P	P	permitted only within 350 feet of 110 or Bascom Road, maximum of four pumps, behind building	permitted only within 350 feet of 110 or Bascom Road, maximum of four pumps, behind building	-	-
Health and Fitness Club	-	-	-	-	P	-	-	-	-	P	P	P	P	-	-
Country Club, Golf Course	-	Country Club with residential	Country Club with residential	P	-	-	-	-	P	-	-	-	-	-	-
Medical, Hospital or Offices	-	-	-	-	-	-	-	-	less than four (4) beds	P	P	P	P	-	-
Neighborhood Retail and Services	-	-	-	-	-	-	-	-	P	P	P	P	P	-	-
Night Club/Bar	-	-	-	-	-	-	-	-	-	P	P	P	P	-	-
Office (single use)	-	-	-	-	-	-	-	-	P	P	P	P	P	as an accessory to industrial uses	P
Office (live/work unit)	-	-	-	-	P	-	-	-	P	-	-	P	P	-	-
Pet Store, Kennel or Veterinary Clinic	kennel, large animal vet/clinic	-	-	-	-	-	-	-	no outside kennels, or other similar, runs permitted with screening	P	P	no outside kennels, or other similar, runs permitted with screening	no outside kennels, or other similar, runs permitted with screening	-	-
Restaurant	-	-	-	-	-	-	-	-	P	P	P	P	P	-	-
Retail Sales	-	-	-	-	-	-	-	-	P	P	P	P	P	-	P
Theater	-	-	-	-	-	-	-	-	-	P	P	P	P	-	-
Self Storage	-	-	-	-	-	-	-	-	-	-	-	-	-	P	P
Sexually Oriented Business	-	-	-	-	-	-	-	-	-	-	-	-	-	P	P
Vehicular and Equipment Rentals	-	-	-	-	-	-	-	-	-	consumer vehicles	consumer vehicles	-	-	P	P
Residential															
Single-Unit Detached	as an accessory use to agriculture	P	P	P	-	-	-	-	-	-	-	access by minor	access by minor	-	-
Single-Unit Attached	-	-	-	P	-	-	-	-	-	-	-	2nd floor and higher	2nd floor and higher	-	-
Row house	-	-	less than or equal to 5 DU/acre, each DU on individual lots	P	P	-	-	-	-	-	-	access by minor	access by minor	-	-
Duplex Dwelling	-	-	-	P	-	-	-	-	-	-	-	-	-	-	-
Triplex Dwelling	-	-	-	-	P	-	-	-	-	-	-	-	-	-	-
Fourplex Dwelling	-	-	-	-	P	-	-	-	-	-	-	-	-	-	-
Multiple-Unit	-	-	-	less than or equal to 12 DU/acre	P	-	-	-	2nd floor and higher	2nd floor and higher	2nd floor and higher	2nd floor and higher	2nd floor and higher	-	-
Townhouse/Condominium	-	-	-	less than or equal to 12 DU/acre	P	-	-	-	2nd floor and higher	2nd floor and higher	2nd floor and higher	2nd floor or higher	2nd floor or higher	-	-
Manufactured Home	-	-	-	-	-	P	P	-	-	-	-	-	-	-	-
Mobile Home	-	-	-	-	-	P	P	-	-	-	-	-	-	-	-
Recreational Vehicle Parking/Living	-	-	-	-	-	P	-	P	-	-	-	-	-	-	-
Leasing or renting of rooms	-	non-related tenants per dwelling not to exceed two (2)	non-related tenants per dwelling not to exceed two (2)	non-related tenants per dwelling not to exceed two (2)	-	-	-	-	-	-	-	-	-	-	-
Accessory/On-Site Housing	-	-	-	on-site management or leasing office	on-site management or leasing office	on-site management or leasing office	-	on-site management or leasing office	on-site management, leasing, or security	on-site management, leasing, or security	on-site management, leasing, or security	on-site management, leasing, or security	on-site management, leasing, or security	on-site management or security	on-site management or security
Lodging															
Extended Care/Nursing	-	-	-	-	P	-	-	-	-	P	P	P	P	-	-
Hotels/Extended Stay Lodging	-	-	-	-	P	-	-	-	B&B	P	P	P	P	-	-
Civic & Institutional															
Daycare/Nursery	-	-	Section 20.4	-	P	-	-	-	P	P	-	-	-	-	-
Educational, elementary or intermediate	-	access from a collector or arterial	access from a collector or arterial	access from a collector or arterial	P	-	-	-	P	P	P	access from a collector or arterial	access from a collector or arterial	-	-
Educational, high school or trade school	-	access from a collector or arterial	access from a collector or arterial	access from a collector or arterial	access from a collector or arterial	-	-	-	-	P	P	access from a collector or arterial	access from a collector or arterial	-	-
Educational, college or university	-	-	-	-	access from a collector or arterial	-	-	-	-	P	P	-	-	-	-
Parkland	-	P	P	P	P	P	P	P	P	P	P	P	P	-	-
Government, General	Section 20.11	-	-	P	P	P	P	P	P	P	P	P	P	-	-
Parking Structure	-		-	P	P	-	-	-	-	P	P	P	P	P	P
Place of Worship	-	access from a collector or arterial	access from a collector or arterial	access from a collector or arterial	access from a collector or arterial	access from a collector or arterial	access from a collector or arterial	access from a collector or arterial	access from a collector or arterial	P	P	access from a collector or arterial	access from a collector or arterial	-	-
Industrial															
Heavy Industrial	-	-	-	-	-	-	-	-	-	-	-	-	-	P	-
Light Industrial	-	-	-	-	-	-	-	-	-	-	-	-	-	P	P
Recycling Facility, Salvage Yard	-	-	-	-	-	-	-	-	-	-	-	-	-	P	-
Utility	Section 20.11	Section 20.11	Section 20.11	Section 20.11	Section 20.11	Section 20.11	Section 20.11	Section 20.11	-	-	-	-	-	P	P
Warehouse/Distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	P	P
Wireless Communications Tower	P	-	-	stealth	stealth	stealth	stealth	stealth	stealth	stealth	stealth	stealth	stealth	P	P

MICHAEL E. JONES
JOHN F. BUFE
JAMES L. HEDRICK
E. GLENN THAMES, JR.
D. TIMOTHY SIMPSON
RONALD D. STUTES
J. MATT ROWAN
PATRICK C. CLUTTER, IV
DANIEL A. NOTEWARE, JR.
PATRICK C. BELL

OF COUNSEL:
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RANDALL L. ROBERTS
HON. DIANE V. DeVASTO
DOUGLAS R. McSWANE, JR.

CHARLES F. POTTER
1909-1999

POTTER MINTON
A Professional Corporation

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110 N. COLLEGE AVENUE
TYLER, TEXAS
75702

TELEPHONE
903.597.8311

FACSIMILE
903.593.0846

WWW.POTTERMINTON.COM

June 9, 2016

Mr. Aaron Smith, City Manager
City of Whitehouse
P. O. Box 776
Whitehouse, TX 75791

Re: Rea Ventures project

Dear Mr. Smith:

I represent Rea Ventures Group LLC, the purchaser of a tract of land on the south side of the City of Whitehouse. As you know, Rea has applied for a zoning change to permit the construction and operation of a multi-family development. That application is currently on hold at the request of the applicant.

In order that Rea may be certain of its options, we request a zoning letter confirming exactly what development is currently permitted on the tract.

The tract is currently zoned C-H, which as we understand it would permit a mixed-use development with commercial uses on the first floor and multiple-unit residential use on the 2nd floor and higher. We have visited with city staff and consulted with the City Attorney to reach this understanding.

Attached is a preliminary site plan that has been prepared as a contingency in case the City of Whitehouse chooses not to grant Rea's zoning change application. While this plan would result in more intensive development of the tract, and probably place significantly more burden on the other uses in the vicinity, it is our opinion that this use is permitted as a matter of right under the current zoning. Please confirm whether our interpretation of the zoning ordinance is correct.

To be clear, the attached plan is <u>not</u> the preferred plan for Rea Ventures Group. We believe that the original plan would be more consistent with the surrounding uses, and place a lesser burden on the public infrastructure in the area. Nevertheless, it is crucial that Rea fully understand what its options are with regard to developing its property.

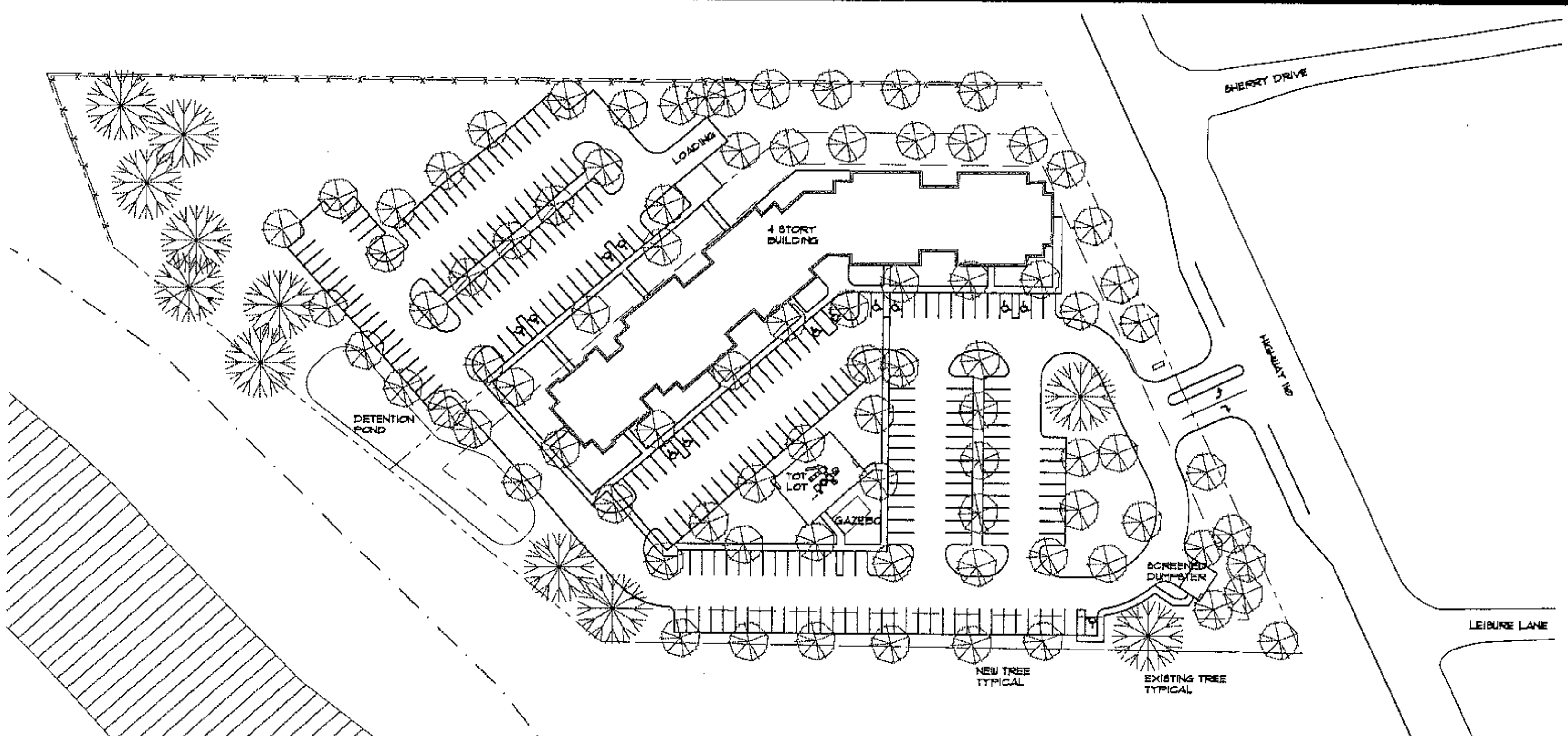
If you have any other questions, please feel free to contact me.

Very truly yours,

Ronald D. Stutes

:ljs

cc: Blake Armstrong, City Attorney



SITE INFO

C-H ZONING

FRONT PARCEL = 4.1 +/- ACRES
BACK PARCEL = 2.4 +/- ACRES

25,344 S.F. 1ST FLOOR
3,000 OFFICE SPACE
22,344 COMMERCIAL SPACE

10 OFFICE PARKING SPACES @ 1SP/300 S.F.
115 COMMERCIAL PARKING SPACES @ 1SP/200 S.F.

2ND, 3RD & 4TH FLOOR TOTAL
12 ONE BEDROOM UNITS
24 TWO BEDROOM UNITS
24 THREE BEDROOM UNITS
60 TOTAL UNITS

120 PARKING SPACES @ 2SP/UNIT

245 TOTAL PARKING SPACES REQUIRED
245 TOTAL PARKING SPACES PROVIDED

1 ARCHITECTURAL SITE PLAN
1"=40'

SCALE: 1:40

MARTIN RILEY ASSOCIATES - ARCHITECTS, P.C.
215 CHURCH STREET SUITE 200 DECATUR GEORGIA 30030-3029 404-373-2800

ABBINGTON PLACE
WHITEHOUSE, TEXAS

NOT RELEASED FOR CONSTRUCTION

SA.1

City of Whitehouse P.O. Box 776 Whitehouse, Texas 75791-0776

Office (903) 839-4914
Fax (903) 839-4915

February 23, 2016

Sean Brady
Rea Ventures Group, LLC
2964 Peachtree Road NW, Suite 640
Atlanta, GA 30305

Re: Confirmation of Receipt of Zoning Application
Abbington Place Apartments, Highway 110 at Sherry Drive, Whitehouse, Smith County, TX 75791
60 Apartment Units, Smith County, HTC #16018, Parcel R096550

Dear Mr. Brady,

The proposed location for Abbington Place Apartments, located on Parcel R096550, is currently zoned C-H (Retail/Office High Intensity). This zoning does not allow for the construction of multi-family garden-style apartments and the number and density of development proposed.

However, the City of Whitehouse has received your zoning application to rezone the property from C-H to R-H (Residential High Density). The R-H zoning would allow for your intended use, design, and development density. We are currently processing your rezoning request. I am not aware of any City opposition to your rezoning request at this time.

Sincerely,

Madison Johnson

Madison Johnson
Interim City Manager
Fire Chief

Appendix B
Current TDHCA Funding Application Log

2964 Peachtree Road NW, Suite 640 ▪ Atlanta, Georgia 30305
Phone: (800) 605-7608 ▪ Fax: (404) 745-0530

Texas Department of Housing and Community Affairs
2016 Competitive 9% Housing Tax Credit Program
Application Submission Log

Summary of Scoring Information:

Several columns of the log relate to the scoring of the applications, beginning with "Points Requested/Awarded" and ending with "Review Status." For the applications that have received a complete program review the review status column reflects a "C" and for these applications the "Best Possible Score" column reflects the staff determined final score. The log indicates where these final scores are subject to appeal and adjustments pursuant to the rules as provided for in the scoring notices sent to each of these applicants.

The remaining applications do not have final scores. For these remaining applications, the review status is either reflected as "UR" for under review or "N" for currently not under or prioritized for review. Additionally, the "Best Possible Score" column reflects the maximum number of points staff believes an application could achieve. However, an appeal or staff review may ultimately increase or decrease any of the scores listed. The applications with a review status of "N" or "UR" may have final scores for Local Government Support (§11.9(d)(1)), Quantifiable Community Participation (§11.9(d)(4)) and Community Support from State Representative (§11.9(d)(5)). Logs with more information regarding these specific scoring items are available on the HTC section of the website.

The log has been organized based on the "Best Possible Score" column for each subregion or At-Risk Set-Aside . Where applications appear to be tied, final tie breaker information is provided herein. This information is provided solely to allow applicants to understand what may occur in the event that the final decisions in late-July must involve tie breakers.

Several issues may still affect the ranking of applications, such as testing for the $3 million cap (§11.4(a)) or the impact of requests for administrative deficiency. Applicants are encouraged to exercise caution in drawing conclusions from the log.

Version date: May 20, 2016

*Construction Type: NC = New Construction, Recon = Reconstruction, Acq/Rehab = Acquisition/Rehabilitation, ADR = Adaptive Reuse

Note that some selection information presented has not yet been verified.

Application Number	Development name	Address	City	County	Zip Code	Region	Rural/Urban	At-Risk Set-Aside	USDA Set-Aside	Non-Profit Set-Aside	Construction Type*	LI Units	Market Rate Units	Total Units	Target Population (Supp. Hsg. = Supportive Housing)	HTC request	MF Direct Loan	Section 811	Applicant contact name	Second contact name	(1) Points Requested/Awarded	(2) Gov't Support (§11.9(d)(1))	(3) QCP (§11.9(d)(4))	(4) State Rep (§11.9(d)(5))	(5) Community Orgs (§11.9(d)(6))	(6) Adjustments	Best Possible Score	Review Status	Notes	Census Tract	Quartile of median HH Income	Opportunity Index	Poverty Rate %	Schools Average	Linear distance from nearest HTC assisted development
Region 4/Rural																																			
16018	Abbington Place	Highway 110 at Sherry Di	Whitehouse	Smith	75791	4	Rural				NC	48	12	60	General	$860,000			Sean Brady	William J. Rea, Jr.	125	17	4	8	4		158	**C**		48423002200	1st Q	7	3.9	86.00	~1.33 mi from 502 W Main St.
16170	Whitehouse Senior Village	W-end Leamington Spa (	Whitehouse	Smith	75791	4	Rural				NC	56	16	72	Elderly Limitation	$750,000			Leslie Holleman	Jeremy Mears	125	17	4	8	4		158	**C**		48423002200	1st Q	7	3.9	86.00	~.79 mi from Pecanwood
16184	Reserve at Hagan	606 Highway 110 S	Whitehouse	Smith	75791	4	Rural				NC	66	6	72	General	$903,201	x		Brian McGeady	Chris Applequist	125	17	4	8	4		158	**N**		48423002200	1st Q	7	3.9	86.00	~.53 mi from Pecanwood.
16165	Stonebridge of Paris	4800 Lamar Ave	Paris	Lamar	75462	4	Rural				NC	60	20	80	General	$917,500			Chaz Garrett	Kelly Garrett	125	17	4	8	4		158	**N**		48277000402	1st Q	7	4.4	82.33	
16167	Havens of Reno	NW corner of Highway 8.	Reno	Lamar	75462	4	Rural				NC	60	20	80	Elderly Limitation	$880,000			Chaz Garrett	Kelly Garrett	125	17	4	8	4		158	**N**		48277000402	1st Q	7	4.4	82.33	
16024	The Estates of Lindale	County Rd 463, Across fr	Lindale	Smith	75771	4	Rural				NC	48	0	48	Elderly Limitation	$724,695			David R. Rhodes	Suzanne Rhodes	125	17	4	8	4		158	**N**		48423001403	2nd Q	7	13	88.00	
16020	Cedar Creek Villas	SE Corner of W. Ragley S	Henderson	Rusk	75654	4	Rural				NC	80	0	80	Elderly Limitation	$872,166			Clifton E. Phillips	Bob Colvard	125	17	4	8	4		158	**N**		48401950800	3rd Q	7	17	79.33	
16168	Stonebridge of Whitehouse	Northwest of Highway 11	Whitehouse	Smith	75791	4	Rural				NC	59	21	80	General	$910,000			Chaz Garrett	Kelly Garrett	123	17	4	8	4		156	**N**		48423002200	1st Q	7	3.9	86.00	
Estimated Amount Available to Allocate		**$1,461,914**													**Total HTCs Requested**	**$5,907,562**																			
Region 4/Urban																																			
16160	Nash Senior Village	S side New Boston Rd B/	Nash	Bowie	75569	4	Urban				NC	78	22	100	Elderly Limitation	$1,012,000			Leslie Holleman	Jeremy Mears	125	17	4	8	4		158	**C**		48037010902	1st Q	7	14	80.00	
16214	Heritage Pines	SWC of New Boston Roa	Texarkana	Bowie	75501	4	Urban				NC	106	0	106	Elderly Limitation	$1,056,152			Dan Allgeier	Len Vilicic	124	17	4	8	4		157	**C**		48037010902	1st Q	7	14	80.00	
Estimated Amount Available to Allocate		**$1,056,152**													**Total HTCs Requested**	**$2,068,152**																			

Appendix C
Calculation of Fees and Market Characteristics

2964 Peachtree Road NW, Suite 640 ▪ Atlanta, Georgia 30305
Phone: (800) 605-7608 ▪ Fax: (404) 745-0530

Amount	Tax Calculation	
$ 10,993.25	0.672130	City Rate - Whitehouse
$ 5,291.60	0.323530	County Rate - Smith County
$ 19,512.52	1.193000	Other Rate - Whitehouse ISD
$ 105.43	0.0064460	Other Rate - Adjustment to Match Prop Tax Advisors' Letter
$ -		Other Rate
		Other Rate
		Other Rate
		Other Rate
	2.19511	**Total Tax Rate**
	$ 179,914.24	Net Operating Income
		Add Back In RE Tax Expense
	$ 179,914.24	Total Annual Value
	11.00%	Cap Rate
	$ 1,635,584.00	Market Value
	$ -	Business Personal Property ($3,000/unit)
	$ 1,635,584.00	Total Current Value
	$ 16,355.84	Assessed Value per $100
	$ 35,902.80	**Estimate Annual Property Tax Payment**

Site Design and Development Feasibility Report

Abbington Place

US Highway 110
Whitehouse, TX

TDHCA Application#: 16054
Cole Project #: 16-0018
February 25, 2016

CIVIL ENGINEERING / SURVEYING / PLANNING / LANDSCAPE ARCHITECTURE

cole

6175 Main Street, Suite 367
Frisco, TX 75034
972.624.6000 *tel*

It is estimated that subdivision plat, and building permit approval will take a combined 60-90 days.

XIII. Impact, Site Development Permit, Building Permit and Other Fees

Per City officials, impact fees are assessed on a case-by-case basis. This section presents a summary of the applicable fees that will affect the proposed project:

FEE TYPE	RATE	AMOUNT
Preliminary Plat Review Fee	Current Engineering Rates	$500[1]
Final Plat Review Fee	Current Engineering Rates	$1,000[1]
Engineering Review Fees	Current Engineering Rates	$1,000[1]
Site Plan Review Fees	Current Engineering Rates	$500[1]
Building Permit Fees	$10	$10
Electric Permit Fees	$10	$10
Plumbing Permit Fees	$10	$10
Cooling and Heating Systems Fees	$10	$10
Demolition Fees	$10	$10
Engineer Oversight of New Development	Current Engineering Rates	$5,000[1]
New Construction Inspection Fee	$200	$200
Signs Inspection Fee	$35	$35
Certificate of Occupancy	$25	$25
New Fencing	$10	$10
Driveway Fee	$10	$10
Sign Permit Fee	$50	$50
Inspection Fee for which no fee specifically indicated	$30	$30
Sewer Activation Fee	$50	$50
Sewer Tap Fees	$10,000*	$10,000[1]
Water Tap Fees	$10,000*	$10,000[1]
Development Fee for Water Resources	-	$165,384[2]
Development Fee for Water System Impacts	-	$137,466[3]
Development Fee for Wastewater System Impacts	-	$260,778[4]
Zoning Amendment Request	$150	$150
		$592,238

[1] Estimated Fee
[2] calculated using $4,594 x 60 x 0.60
[3] calculated using $6,209 x 235gpd x (12*0.7LUE) x (24*0.7LUE) x (24*7LUE) / 235gpd
[4] calculated using $3,273 x 235gpd x (12*0.7LUE) x (24*0.7LUE) x (24*7LUE) / 235gpd

12-1 bedroom units 24-2 bedroom units 24-3 bedroom units
LUE =Living Unit Equivalent = typical flow that would be produced by a small family residence

Although Impact fees are assessed on a case-by-case basis, they are included on this report per the City's Development Fee Ordinance 08-1027-03. It is understood that only one larger meter may be necessary. The Preliminary Site Plan shows a 6-inch master meter.

The City's Development Fee Ordinance gives calculation criteria for meters larger than 2-inch:

- The development fee for water resources shall be the "fee for 5/8" X 3/4" meter X (number of residential units) X 60%".
- The development fee for water and wastewater system impacts shall be the "fee for 5/8" X 3/4" meter X (applicant's projected gallons per day [GPD] water use/residential equivalent unit water use of 235 GPD).

Based on meetings with City officials, it is likely that impact fees will be much less than what is indicated by the ordinance.

Permit fees shown above are per Chapter 50 of the City of Whitehouse, Texas Code of Ordinances, per Building Permit Fees on the City of Whitehouse website, and per Development Fee Ordinance 08-1027-03 provided by the City.

http://library.amlegal.com/nxt/gateway.dll/Texas/whitehousetx/titlevpublicworks/chapter50publicutilityservices?f=templates$fn=default.htm$3.0$vid=amlegal:whitehouse_tx$anc=JD_50.61

http://www.whitehousetx.org/city-services/permitsbuilding-inspection/

REFERENCES

"Permits/Building Inspection." *Permits/Building Inspection*. City of Whitehouse, 2016. Web. 05 Feb. 2016. <http://www.whitehousetx.org/city-services/permitsbuilding-inspection/>.

"City of Whitehouse, Texas Code of Ordinances." City of Whitehouse. American Legal Publishing Corporation, 2015. Web. 05 Feb. 2016. <http://library.amlegal.com/nxt/gateway.dll/Texas/whitehousetx/cityofwhitehousetexascodeofordinances?f=templates%24fn>.

City of Whitehouse Zoning Ordinance 09-0428-02, Updated October 2013 v3

Access Management Manual; Texas Department of Transportation, July, 2014

Hydraulic Design Manual; Texas Department of Transportation, May, 2014

City of Whitehouse Land Use – Platting Guidelines – Ordinance 486, 2004

City of Whitehouse Building Permit Fees – Ordinance 15-0428-01, 2015

City of Whitehouse Subdivision Design Standards, 2004

City of Whitehouse Development Fee Ordinance 08-1027-03, 2008

City of Whitehouse International Code Ordinance 12-0529-02, 2012

Individuals Contacted:

City of Whitehouse, 903-839-4914
- Stefani Wright, City Secretary
- Jeff Tomin, Public Works Director
- Jennifer Lusk, Water Department
- Susan Hargis, Administrative Secretary

Whitehouse Fire Department, Madison Johnson, Fire Chief, 903-839-4914
Whitehouse Fire Department, Sonny Ybarra, Assistant Fire Chief, 903-839-4914

Texas Department of Transportation, Preston Friend, Development Engineer, 903-509-9066

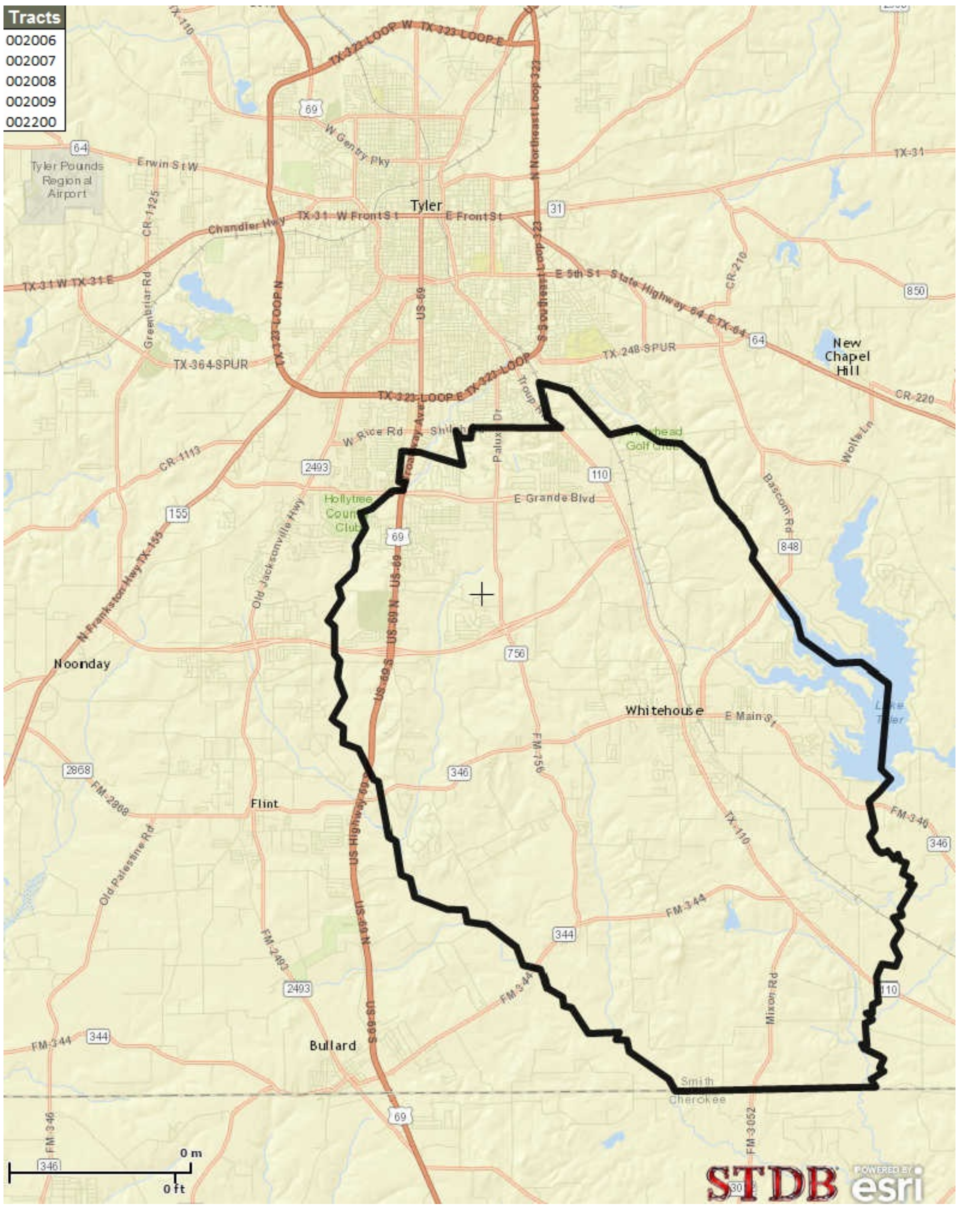
Oncor, Kenneth McKnight, Construction Manager, 903-535-4901

C. Demographic Analysis

Definition of Market Area

For the purposes of this analysis, we defined the Whitehouse Market Area based on census tract geography and include the census tracts located in and around Whitehouse. This market area includes portions of southern Smith County to the south and southeast of Tyler. The Whitehouse Market Area is depicted in Map 1 with the census tracts that comprise the market area listed on the edge of the map. As appropriate for this analysis, the Whitehouse Market Area is compared to Smith County. This secondary market area is only used for comparison purposes as demand is limited to the Whitehouse Market Area.

Map 1 Whitehouse Market Area



DP04

SELECTED HOUSING CHARACTERISTICS
2010-2014 American Community Survey 5-Year Estimates

Although the American Community Survey (ACS) produces population, demographic and housing unit estimates, it is the Census Bureau's Population Estimates Program that produces and disseminates the official estimates of the population for the nation, states, counties, cities and towns and estimates of housing units for states and counties.

Supporting documentation on code lists, subject definitions, data accuracy, and statistical testing can be found on the American Community Survey website in the Data and Documentation section.

Sample size and data quality measures (including coverage rates, allocation rates, and response rates) can be found on the American Community Survey website in the Methodology section.

Versions of this table are available for the following years:

2014
2013
2012
2011
2010

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	Census Tract 20.06, Smith County, Texas			
Subject	**Estimate**	**Margin of Error**	**Percent**	**Percent Margin of Error**
HOUSING OCCUPANCY				
Total housing units	1,392	+/-51	1,392	(X)
Occupied housing units	1,354	+/-65	97.3%	+/-3.3
Vacant housing units	38	+/-46	2.7%	+/-3.3
Homeowner vacancy rate	0.0	+/-3.2	(X)	(X)
Rental vacancy rate	0.0	+/-17.4	(X)	(X)
UNITS IN STRUCTURE				
Total housing units	1,392	+/-51	1,392	(X)
1-unit, detached	1,273	+/-73	91.5%	+/-5.2
1-unit, attached	52	+/-50	3.7%	+/-3.5
2 units	55	+/-60	4.0%	+/-4.3
3 or 4 units	0	+/-13	0.0%	+/-2.7
5 to 9 units	0	+/-13	0.0%	+/-2.7
10 to 19 units	0	+/-13	0.0%	+/-2.7
20 or more units	12	+/-19	0.9%	+/-1.4
Mobile home	0	+/-13	0.0%	+/-2.7
Boat, RV, van, etc.	0	+/-13	0.0%	+/-2.7
YEAR STRUCTURE BUILT				
Total housing units	1,392	+/-51	1,392	(X)
Built 2010 or later	0	+/-13	0.0%	+/-2.7
Built 2000 to 2009	8	+/-15	0.6%	+/-1.1
Built 1990 to 1999	100	+/-53	7.2%	+/-3.8
Built 1980 to 1989	244	+/-74	17.5%	+/-5.3
Built 1970 to 1979	877	+/-112	63.0%	+/-7.2
Built 1960 to 1969	119	+/-56	8.5%	+/-4.1
Built 1950 to 1959	44	+/-46	3.2%	+/-3.3
Built 1940 to 1949	0	+/-13	0.0%	+/-2.7
Built 1939 or earlier	0	+/-13	0.0%	+/-2.7
ROOMS				

Total housing units	1,392	+/-51	1,392	(X)
1 room	0	+/-13	0.0%	+/-2.7
2 rooms	0	+/-13	0.0%	+/-2.7
3 rooms	0	+/-13	0.0%	+/-2.7
4 rooms	107	+/-71	7.7%	+/-5.1
5 rooms	313	+/-84	22.5%	+/-5.9
6 rooms	317	+/-90	22.8%	+/-6.3
7 rooms	214	+/-80	15.4%	+/-5.7
8 rooms	178	+/-64	12.8%	+/-4.7
9 rooms or more	263	+/-71	18.9%	+/-5.2
Median rooms	6.4	+/-0.3	(X)	(X)
BEDROOMS				
Total housing units	1,392	+/-51	1,392	(X)
No bedroom	0	+/-13	0.0%	+/-2.7
1 bedroom	0	+/-13	0.0%	+/-2.7
2 bedrooms	102	+/-71	7.3%	+/-5.1
3 bedrooms	813	+/-104	58.4%	+/-7.0
4 bedrooms	429	+/-89	30.8%	+/-6.4
5 or more bedrooms	48	+/-41	3.4%	+/-3.0
HOUSING TENURE				
Occupied housing units	1,354	+/-65	1,354	(X)
Owner-occupied	1,159	+/-89	85.6%	+/-6.2
Renter-occupied	195	+/-86	14.4%	+/-6.2
Average household size of owner-occupied unit	2.35	+/-0.18	(X)	(X)
Average household size of renter-occupied unit	3.27	+/-0.92	(X)	(X)
YEAR HOUSEHOLDER MOVED INTO UNIT				
Occupied housing units	1,354	+/-65	1,354	(X)
Moved in 2010 or later	242	+/-94	17.9%	+/-6.7
Moved in 2000 to 2009	527	+/-99	38.9%	+/-7.5
Moved in 1990 to 1999	257	+/-64	19.0%	+/-4.6
Moved in 1980 to 1989	172	+/-61	12.7%	+/-4.5
Moved in 1970 to 1979	156	+/-52	11.5%	+/-3.8
Moved in 1969 or earlier	0	+/-13	0.0%	+/-2.7
VEHICLES AVAILABLE				
Occupied housing units	1,354	+/-65	1,354	(X)
No vehicles available	10	+/-16	0.7%	+/-1.2
1 vehicle available	400	+/-98	29.5%	+/-6.9
2 vehicles available	619	+/-97	45.7%	+/-6.8
3 or more vehicles available	325	+/-78	24.0%	+/-6.0
HOUSE HEATING FUEL				
Occupied housing units	1,354	+/-65	1,354	(X)
Utility gas	1,110	+/-95	82.0%	+/-6.2
Bottled, tank, or LP gas	0	+/-13	0.0%	+/-2.7
Electricity	244	+/-86	18.0%	+/-6.2
Fuel oil, kerosene, etc.	0	+/-13	0.0%	+/-2.7
Coal or coke	0	+/-13	0.0%	+/-2.7

Wood	0	+/-13	0.0%	+/-2.7
Solar energy	0	+/-13	0.0%	+/-2.7
Other fuel	0	+/-13	0.0%	+/-2.7
No fuel used	0	+/-13	0.0%	+/-2.7
SELECTED CHARACTERISTICS				
Occupied housing units	1,354	+/-65	1,354	(X)
Lacking complete plumbing facilities	0	+/-13	0.0%	+/-2.7
Lacking complete kitchen facilities	0	+/-13	0.0%	+/-2.7
No telephone service available	0	+/-13	0.0%	+/-2.7
OCCUPANTS PER ROOM				
Occupied housing units	1,354	+/-65	1,354	(X)
1.00 or less	1,342	+/-72	99.1%	+/-1.6
1.01 to 1.50	12	+/-21	0.9%	+/-1.6
1.51 or more	0	+/-13	0.0%	+/-2.7
VALUE				
Owner-occupied units	1,159	+/-89	1,159	(X)
Less than $50,000	37	+/-29	3.2%	+/-2.5
$50,000 to $99,999	43	+/-27	3.7%	+/-2.3
$100,000 to $149,999	434	+/-90	37.4%	+/-7.3
$150,000 to $199,999	276	+/-74	23.8%	+/-6.0
$200,000 to $299,999	285	+/-68	24.6%	+/-5.3
$300,000 to $499,999	34	+/-29	2.9%	+/-2.5
$500,000 to $999,999	50	+/-39	4.3%	+/-3.4
$1,000,000 or more	0	+/-13	0.0%	+/-3.2
Median (dollars)	158,400	+/-9,521	(X)	(X)
MORTGAGE STATUS				
Owner-occupied units	1,159	+/-89	1,159	(X)
Housing units with a mortgage	638	+/-100	55.0%	+/-7.4
Housing units without a mortgage	521	+/-92	45.0%	+/-7.4
SELECTED MONTHLY OWNER COSTS (SMOC)				
Housing units with a mortgage	638	+/-100	638	(X)
Less than $300	0	+/-13	0.0%	+/-5.7
$300 to $499	0	+/-13	0.0%	+/-5.7
$500 to $699	18	+/-20	2.8%	+/-3.2
$700 to $999	32	+/-28	5.0%	+/-4.4
$1,000 to $1,499	305	+/-92	47.8%	+/-10.9
$1,500 to $1,999	140	+/-61	21.9%	+/-8.8
$2,000 or more	143	+/-59	22.4%	+/-8.9
Median (dollars)	1,438	+/-104	(X)	(X)
Housing units without a mortgage	521	+/-92	521	(X)
Less than $100	0	+/-13	0.0%	+/-6.9
$100 to $199	11	+/-16	2.1%	+/-3.2
$200 to $299	17	+/-20	3.3%	+/-3.7
$300 to $399	75	+/-40	14.4%	+/-7.5
$400 or more	418	+/-93	80.2%	+/-9.0
Median (dollars)	548	+/-49	(X)	(X)

SELECTED MONTHLY OWNER COSTS AS A PERCENTAGE OF HOUSEHOLD INCOME (SMOCAPI)				
Housing units with a mortgage (excluding units where SMOCAPI cannot be computed)	638	+/-100	638	(X)
Less than 20.0 percent	257	+/-69	40.3%	+/-10.0
20.0 to 24.9 percent	166	+/-61	26.0%	+/-9.3
25.0 to 29.9 percent	32	+/-38	5.0%	+/-5.7
30.0 to 34.9 percent	21	+/-23	3.3%	+/-3.6
35.0 percent or more	162	+/-79	25.4%	+/-11.0
Not computed	0	+/-13	(X)	(X)
Housing unit without a mortgage (excluding units where SMOCAPI cannot be computed)	512	+/-90	512	(X)
Less than 10.0 percent	226	+/-64	44.1%	+/-9.5
10.0 to 14.9 percent	120	+/-47	23.4%	+/-8.7
15.0 to 19.9 percent	86	+/-51	16.8%	+/-9.3
20.0 to 24.9 percent	42	+/-32	8.2%	+/-6.1
25.0 to 29.9 percent	19	+/-20	3.7%	+/-3.8
30.0 to 34.9 percent	0	+/-13	0.0%	+/-7.1
35.0 percent or more	19	+/-21	3.7%	+/-4.2
Not computed	9	+/-15	(X)	(X)
GROSS RENT				
Occupied units paying rent	195	+/-86	195	(X)
Less than $200	0	+/-13	0.0%	+/-17.4
$200 to $299	0	+/-13	0.0%	+/-17.4
$300 to $499	0	+/-13	0.0%	+/-17.4
$500 to $749	29	+/-41	14.9%	+/-22.0
$750 to $999	26	+/-42	13.3%	+/-19.8
$1,000 to $1,499	75	+/-54	38.5%	+/-24.2
$1,500 or more	65	+/-51	33.3%	+/-23.2
Median (dollars)	1,197	+/-269	(X)	(X)
No rent paid	0	+/-13	(X)	(X)
GROSS RENT AS A PERCENTAGE OF HOUSEHOLD INCOME (GRAPI)				
Occupied units paying rent (excluding units where GRAPI cannot be computed)	195	+/-86	195	(X)
Less than 15.0 percent	40	+/-50	20.5%	+/-24.2
15.0 to 19.9 percent	36	+/-26	18.5%	+/-14.2
20.0 to 24.9 percent	47	+/-55	24.1%	+/-24.6
25.0 to 29.9 percent	0	+/-13	0.0%	+/-17.4
30.0 to 34.9 percent	32	+/-45	16.4%	+/-22.2
35.0 percent or more	40	+/-44	20.5%	+/-23.6
Not computed	0	+/-13	(X)	(X)

Source: U.S. Census Bureau, 2010-2014 American Community Survey 5-Year Estimates

Explanation of Symbols:
An '**' entry in the margin of error column indicates that either no sample observations or too few sample observations were available to compute a standard error and thus the margin of error. A statistical test is not appropriate.
An '-' entry in the estimate column indicates that either no sample observations or too few sample observations were available to compute an estimate, or a ratio of medians cannot be calculated because one or both of the median estimates falls in the lowest interval or upper interval of an open-ended distribution.
An '-' following a median estimate means the median falls in the lowest interval of an open-ended distribution.
An '+' following a median estimate means the median falls in the upper interval of an open-ended distribution.
An '***' entry in the margin of error column indicates that the median falls in the lowest interval or upper interval of an open-ended distribution. A statistical test is not appropriate.
An '*****' entry in the margin of error column indicates that the estimate is controlled. A statistical test for sampling variability is not appropriate.
An 'N' entry in the estimate and margin of error columns indicates that data for this geographic area cannot be displayed because the number of sample cases is too small.
An '(X)' means that the estimate is not applicable or not available.

Data are based on a sample and are subject to sampling variability. The degree of uncertainty for an estimate arising from sampling variability is represented through the use of a margin of error. The value shown here is the 90 percent margin of error. The margin of error can be interpreted roughly as providing a 90 percent probability that the interval defined by the estimate minus the margin of error and the estimate plus the margin of error (the lower and upper confidence bounds) contains the true value. In addition to sampling variability, the ACS estimates are subject to nonsampling error (for a discussion of nonsampling variability, see Accuracy of the Data). The effect of nonsampling error is not represented in these tables.

Households not paying cash rent are excluded from the calculation of median gross rent.

Telephone service data are not available for certain geographic areas due to problems with data collection. See Errata Note #93 for details.

While the 2010-2014 American Community Survey (ACS) data generally reflect the February 2013 Office of Management and Budget (OMB) definitions of metropolitan and micropolitan statistical areas; in certain instances the names, codes, and boundaries of the principal cities shown in ACS tables may differ from the OMB definitions due to differences in the effective dates of the geographic entities.

Estimates of urban and rural population, housing units, and characteristics reflect boundaries of urban areas defined based on Census 2010 data. As a result, data for urban and rural areas from the ACS do not necessarily reflect the results of ongoing urbanization.

DP04

SELECTED HOUSING CHARACTERISTICS
2010-2014 American Community Survey 5-Year Estimates

Although the American Community Survey (ACS) produces population, demographic and housing unit estimates, it is the Census Bureau's Population Estimates Program that produces and disseminates the official estimates of the population for the nation, states, counties, cities and towns and estimates of housing units for states and counties.

Supporting documentation on code lists, subject definitions, data accuracy, and statistical testing can be found on the American Community Survey website in the Data and Documentation section.

Sample size and data quality measures (including coverage rates, allocation rates, and response rates) can be found on the American Community Survey website in the Methodology section.

Versions of this table are available for the following years:

2014
2013
2012
2011
2010

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	Census Tract 20.07, Smith County, Texas			
Subject	**Estimate**	**Margin of Error**	**Percent**	**Percent Margin of Error**
HOUSING OCCUPANCY				
Total housing units	3,222	+/-170	3,222	(X)
Occupied housing units	2,983	+/-191	92.6%	+/-4.0
Vacant housing units	239	+/-130	7.4%	+/-4.0
Homeowner vacancy rate	3.4	+/-2.9	(X)	(X)
Rental vacancy rate	10.4	+/-9.1	(X)	(X)
UNITS IN STRUCTURE				
Total housing units	3,222	+/-170	3,222	(X)
1-unit, detached	1,689	+/-181	52.4%	+/-5.1
1-unit, attached	148	+/-109	4.6%	+/-3.4
2 units	62	+/-67	1.9%	+/-2.1
3 or 4 units	119	+/-76	3.7%	+/-2.4
5 to 9 units	202	+/-149	6.3%	+/-4.5
10 to 19 units	61	+/-67	1.9%	+/-2.1
20 or more units	209	+/-129	6.5%	+/-4.0
Mobile home	653	+/-188	20.3%	+/-5.8
Boat, RV, van, etc.	79	+/-89	2.5%	+/-2.8
YEAR STRUCTURE BUILT				
Total housing units	3,222	+/-170	3,222	(X)
Built 2010 or later	85	+/-64	2.6%	+/-2.0
Built 2000 to 2009	1,275	+/-219	39.6%	+/-6.9
Built 1990 to 1999	646	+/-179	20.0%	+/-5.1
Built 1980 to 1989	553	+/-154	17.2%	+/-4.7
Built 1970 to 1979	301	+/-145	9.3%	+/-4.5
Built 1960 to 1969	188	+/-98	5.8%	+/-3.0
Built 1950 to 1959	41	+/-46	1.3%	+/-1.4
Built 1940 to 1949	84	+/-73	2.6%	+/-2.3
Built 1939 or earlier	49	+/-51	1.5%	+/-1.6
ROOMS				

Total housing units	3,222	+/-170	3,222	(X)
1 room	110	+/-97	3.4%	+/-3.0
2 rooms	96	+/-93	3.0%	+/-2.8
3 rooms	354	+/-135	11.0%	+/-4.2
4 rooms	575	+/-196	17.8%	+/-5.9
5 rooms	702	+/-190	21.8%	+/-5.8
6 rooms	464	+/-140	14.4%	+/-4.4
7 rooms	435	+/-130	13.5%	+/-3.9
8 rooms	211	+/-93	6.5%	+/-3.0
9 rooms or more	275	+/-89	8.5%	+/-2.7
Median rooms	5.2	+/-0.3	(X)	(X)
BEDROOMS				
Total housing units	3,222	+/-170	3,222	(X)
No bedroom	110	+/-97	3.4%	+/-3.0
1 bedroom	252	+/-114	7.8%	+/-3.5
2 bedrooms	691	+/-182	21.4%	+/-5.4
3 bedrooms	1,521	+/-245	47.2%	+/-7.3
4 bedrooms	634	+/-173	19.7%	+/-5.3
5 or more bedrooms	14	+/-23	0.4%	+/-0.7
HOUSING TENURE				
Occupied housing units	2,983	+/-191	2,983	(X)
Owner-occupied	1,966	+/-231	65.9%	+/-6.2
Renter-occupied	1,017	+/-189	34.1%	+/-6.2
Average household size of owner-occupied unit	2.60	+/-0.23	(X)	(X)
Average household size of renter-occupied unit	2.56	+/-0.35	(X)	(X)
YEAR HOUSEHOLDER MOVED INTO UNIT				
Occupied housing units	2,983	+/-191	2,983	(X)
Moved in 2010 or later	1,013	+/-212	34.0%	+/-6.4
Moved in 2000 to 2009	1,345	+/-212	45.1%	+/-6.8
Moved in 1990 to 1999	285	+/-119	9.6%	+/-4.0
Moved in 1980 to 1989	162	+/-85	5.4%	+/-2.9
Moved in 1970 to 1979	56	+/-56	1.9%	+/-1.9
Moved in 1969 or earlier	122	+/-78	4.1%	+/-2.6
VEHICLES AVAILABLE				
Occupied housing units	2,983	+/-191	2,983	(X)
No vehicles available	119	+/-89	4.0%	+/-3.0
1 vehicle available	1,181	+/-221	39.6%	+/-6.4
2 vehicles available	1,184	+/-215	39.7%	+/-7.1
3 or more vehicles available	499	+/-166	16.7%	+/-5.6
HOUSE HEATING FUEL				
Occupied housing units	2,983	+/-191	2,983	(X)
Utility gas	869	+/-155	29.1%	+/-5.1
Bottled, tank, or LP gas	68	+/-76	2.3%	+/-2.5
Electricity	2,008	+/-227	67.3%	+/-5.9
Fuel oil, kerosene, etc.	0	+/-18	0.0%	+/-1.2
Coal or coke	0	+/-18	0.0%	+/-1.2

Wood	0	+/-18	0.0%	+/-1.2
Solar energy	0	+/-18	0.0%	+/-1.2
Other fuel	38	+/-43	1.3%	+/-1.4
No fuel used	0	+/-18	0.0%	+/-1.2
SELECTED CHARACTERISTICS				
Occupied housing units	2,983	+/-191	2,983	(X)
Lacking complete plumbing facilities	0	+/-18	0.0%	+/-1.2
Lacking complete kitchen facilities	56	+/-70	1.9%	+/-2.3
No telephone service available	24	+/-27	0.8%	+/-0.9
OCCUPANTS PER ROOM				
Occupied housing units	2,983	+/-191	2,983	(X)
1.00 or less	2,869	+/-198	96.2%	+/-3.2
1.01 to 1.50	75	+/-72	2.5%	+/-2.4
1.51 or more	39	+/-63	1.3%	+/-2.1
VALUE				
Owner-occupied units	1,966	+/-231	1,966	(X)
Less than $50,000	503	+/-178	25.6%	+/-7.9
$50,000 to $99,999	195	+/-89	9.9%	+/-4.5
$100,000 to $149,999	522	+/-135	26.6%	+/-6.3
$150,000 to $199,999	286	+/-118	14.5%	+/-6.1
$200,000 to $299,999	209	+/-93	10.6%	+/-4.6
$300,000 to $499,999	76	+/-55	3.9%	+/-2.7
$500,000 to $999,999	161	+/-83	8.2%	+/-4.0
$1,000,000 or more	14	+/-26	0.7%	+/-1.3
Median (dollars)	134,400	+/-9,383	(X)	(X)
MORTGAGE STATUS				
Owner-occupied units	1,966	+/-231	1,966	(X)
Housing units with a mortgage	1,174	+/-212	59.7%	+/-8.2
Housing units without a mortgage	792	+/-181	40.3%	+/-8.2
SELECTED MONTHLY OWNER COSTS (SMOC)				
Housing units with a mortgage	1,174	+/-212	1,174	(X)
Less than $300	0	+/-18	0.0%	+/-3.1
$300 to $499	40	+/-64	3.4%	+/-5.3
$500 to $699	129	+/-80	11.0%	+/-6.5
$700 to $999	212	+/-87	18.1%	+/-7.0
$1,000 to $1,499	448	+/-128	38.2%	+/-9.8
$1,500 to $1,999	124	+/-76	10.6%	+/-5.9
$2,000 or more	221	+/-96	18.8%	+/-7.2
Median (dollars)	1,273	+/-117	(X)	(X)
Housing units without a mortgage	792	+/-181	792	(X)
Less than $100	0	+/-18	0.0%	+/-4.6
$100 to $199	70	+/-85	8.8%	+/-9.9
$200 to $299	77	+/-63	9.7%	+/-8.2
$300 to $399	103	+/-80	13.0%	+/-9.3
$400 or more	542	+/-155	68.4%	+/-14.9
Median (dollars)	462	+/-48	(X)	(X)

SELECTED MONTHLY OWNER COSTS AS A PERCENTAGE OF HOUSEHOLD INCOME (SMOCAPI)				
Housing units with a mortgage (excluding units where SMOCAPI cannot be computed)	1,174	+/-212	1,174	(X)
Less than 20.0 percent	418	+/-151	35.6%	+/-11.4
20.0 to 24.9 percent	223	+/-113	19.0%	+/-9.0
25.0 to 29.9 percent	163	+/-79	13.9%	+/-6.3
30.0 to 34.9 percent	68	+/-53	5.8%	+/-4.3
35.0 percent or more	302	+/-115	25.7%	+/-8.7
Not computed	0	+/-18	(X)	(X)
Housing unit without a mortgage (excluding units where SMOCAPI cannot be computed)	750	+/-187	750	(X)
Less than 10.0 percent	327	+/-128	43.6%	+/-14.3
10.0 to 14.9 percent	116	+/-87	15.5%	+/-11.0
15.0 to 19.9 percent	112	+/-94	14.9%	+/-11.5
20.0 to 24.9 percent	35	+/-48	4.7%	+/-6.3
25.0 to 29.9 percent	32	+/-38	4.3%	+/-5.3
30.0 to 34.9 percent	60	+/-71	8.0%	+/-9.2
35.0 percent or more	68	+/-59	9.1%	+/-7.9
Not computed	42	+/-52	(X)	(X)
GROSS RENT				
Occupied units paying rent	1,003	+/-190	1,003	(X)
Less than $200	0	+/-18	0.0%	+/-3.7
$200 to $299	0	+/-18	0.0%	+/-3.7
$300 to $499	110	+/-91	11.0%	+/-8.6
$500 to $749	173	+/-90	17.2%	+/-8.8
$750 to $999	381	+/-147	38.0%	+/-12.3
$1,000 to $1,499	294	+/-137	29.3%	+/-12.5
$1,500 or more	45	+/-60	4.5%	+/-6.0
Median (dollars)	820	+/-75	(X)	(X)
No rent paid	14	+/-22	(X)	(X)
GROSS RENT AS A PERCENTAGE OF HOUSEHOLD INCOME (GRAPI)				
Occupied units paying rent (excluding units where GRAPI cannot be computed)	933	+/-189	933	(X)
Less than 15.0 percent	62	+/-51	6.6%	+/-5.4
15.0 to 19.9 percent	148	+/-116	15.9%	+/-11.9
20.0 to 24.9 percent	72	+/-83	7.7%	+/-8.7
25.0 to 29.9 percent	118	+/-92	12.6%	+/-9.8
30.0 to 34.9 percent	66	+/-58	7.1%	+/-6.3
35.0 percent or more	467	+/-177	50.1%	+/-14.2
Not computed	84	+/-81	(X)	(X)

Source: U.S. Census Bureau, 2010-2014 American Community Survey 5-Year Estimates

Explanation of Symbols:
An '**' entry in the margin of error column indicates that either no sample observations or too few sample observations were available to compute a standard error and thus the margin of error. A statistical test is not appropriate.
An '-' entry in the estimate column indicates that either no sample observations or too few sample observations were available to compute an estimate, or a ratio of medians cannot be calculated because one or both of the median estimates falls in the lowest interval or upper interval of an open-ended distribution.
An '-' following a median estimate means the median falls in the lowest interval of an open-ended distribution.
An '+' following a median estimate means the median falls in the upper interval of an open-ended distribution.
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An '*****' entry in the margin of error column indicates that the estimate is controlled. A statistical test for sampling variability is not appropriate.
An 'N' entry in the estimate and margin of error columns indicates that data for this geographic area cannot be displayed because the number of sample cases is too small.
An '(X)' means that the estimate is not applicable or not available.

Data are based on a sample and are subject to sampling variability. The degree of uncertainty for an estimate arising from sampling variability is represented through the use of a margin of error. The value shown here is the 90 percent margin of error. The margin of error can be interpreted roughly as providing a 90 percent probability that the interval defined by the estimate minus the margin of error and the estimate plus the margin of error (the lower and upper confidence bounds) contains the true value. In addition to sampling variability, the ACS estimates are subject to nonsampling error (for a discussion of nonsampling variability, see Accuracy of the Data). The effect of nonsampling error is not represented in these tables.

Households not paying cash rent are excluded from the calculation of median gross rent.

Telephone service data are not available for certain geographic areas due to problems with data collection. See Errata Note #93 for details.

While the 2010-2014 American Community Survey (ACS) data generally reflect the February 2013 Office of Management and Budget (OMB) definitions of metropolitan and micropolitan statistical areas; in certain instances the names, codes, and boundaries of the principal cities shown in ACS tables may differ from the OMB definitions due to differences in the effective dates of the geographic entities.

Estimates of urban and rural population, housing units, and characteristics reflect boundaries of urban areas defined based on Census 2010 data. As a result, data for urban and rural areas from the ACS do not necessarily reflect the results of ongoing urbanization.

DP04

SELECTED HOUSING CHARACTERISTICS
2010-2014 American Community Survey 5-Year Estimates

Although the American Community Survey (ACS) produces population, demographic and housing unit estimates, it is the Census Bureau's Population Estimates Program that produces and disseminates the official estimates of the population for the nation, states, counties, cities and towns and estimates of housing units for states and counties.

Supporting documentation on code lists, subject definitions, data accuracy, and statistical testing can be found on the American Community Survey website in the Data and Documentation section.

Sample size and data quality measures (including coverage rates, allocation rates, and response rates) can be found on the American Community Survey website in the Methodology section.

1 - 141 of 141

Subject	Census Tract 20.08, Smith County, Texas			
	Estimate	Margin of Error	Percent	Percent Margin of Error
HOUSING OCCUPANCY				
Total housing units	2,354	+/-136	2,354	(X)
Occupied housing units	2,236	+/-158	95.0%	+/-4.6
Vacant housing units	118	+/-108	5.0%	+/-4.6
Homeowner vacancy rate	3.2	+/-5.1	(X)	(X)
Rental vacancy rate	6.1	+/-8.7	(X)	(X)
UNITS IN STRUCTURE				
Total housing units	2,354	+/-136	2,354	(X)
1-unit, detached	1,452	+/-162	61.7%	+/-6.3
1-unit, attached	225	+/-128	9.6%	+/-5.3
2 units	175	+/-91	7.4%	+/-3.9
3 or 4 units	101	+/-80	4.3%	+/-3.4
5 to 9 units	194	+/-99	8.2%	+/-4.2
10 to 19 units	106	+/-81	4.5%	+/-3.5
20 or more units	88	+/-63	3.7%	+/-2.7
Mobile home	13	+/-21	0.6%	+/-0.9
Boat, RV, van, etc.	0	+/-18	0.0%	+/-1.6
YEAR STRUCTURE BUILT				
Total housing units	2,354	+/-136	2,354	(X)
Built 2010 or later	115	+/-73	4.9%	+/-3.0
Built 2000 to 2009	650	+/-198	27.6%	+/-8.1
Built 1990 to 1999	454	+/-147	19.3%	+/-6.3
Built 1980 to 1989	817	+/-172	34.7%	+/-7.4
Built 1970 to 1979	278	+/-135	11.8%	+/-5.7
Built 1960 to 1969	17	+/-27	0.7%	+/-1.2
Built 1950 to 1959	23	+/-26	1.0%	+/-1.1
Built 1940 to 1949	0	+/-18	0.0%	+/-1.6
Built 1939 or earlier	0	+/-18	0.0%	+/-1.6
ROOMS				

Versions of this table are available for the following years:

2014
2013
2012
2011
2010

Total housing units	2,354	+/-136	2,354	(X)
1 room	0	+/-18	0.0%	+/-1.6
2 rooms	37	+/-45	1.6%	+/-1.9
3 rooms	206	+/-108	8.8%	+/-4.6
4 rooms	564	+/-172	24.0%	+/-6.9
5 rooms	299	+/-129	12.7%	+/-5.5
6 rooms	367	+/-115	15.6%	+/-5.2
7 rooms	241	+/-88	10.2%	+/-3.8
8 rooms	338	+/-124	14.4%	+/-5.2
9 rooms or more	302	+/-104	12.8%	+/-4.3
Median rooms	5.7	+/-0.4	(X)	(X)
BEDROOMS				
Total housing units	2,354	+/-136	2,354	(X)
No bedroom	18	+/-30	0.8%	+/-1.3
1 bedroom	214	+/-99	9.1%	+/-4.2
2 bedrooms	480	+/-127	20.4%	+/-5.4
3 bedrooms	1,154	+/-191	49.0%	+/-7.0
4 bedrooms	398	+/-123	16.9%	+/-5.3
5 or more bedrooms	90	+/-64	3.8%	+/-2.7
HOUSING TENURE				
Occupied housing units	2,236	+/-158	2,236	(X)
Owner-occupied	1,382	+/-155	61.8%	+/-6.5
Renter-occupied	854	+/-170	38.2%	+/-6.5
Average household size of owner-occupied unit	2.65	+/-0.19	(X)	(X)
Average household size of renter-occupied unit	2.15	+/-0.32	(X)	(X)
YEAR HOUSEHOLDER MOVED INTO UNIT				
Occupied housing units	2,236	+/-158	2,236	(X)
Moved in 2010 or later	690	+/-165	30.9%	+/-6.7
Moved in 2000 to 2009	1,075	+/-196	48.1%	+/-7.5
Moved in 1990 to 1999	326	+/-133	14.6%	+/-6.2
Moved in 1980 to 1989	134	+/-71	6.0%	+/-3.3
Moved in 1970 to 1979	11	+/-18	0.5%	+/-0.8
Moved in 1969 or earlier	0	+/-18	0.0%	+/-1.7
VEHICLES AVAILABLE				
Occupied housing units	2,236	+/-158	2,236	(X)
No vehicles available	58	+/-57	2.6%	+/-2.6
1 vehicle available	764	+/-177	34.2%	+/-7.3
2 vehicles available	1,029	+/-208	46.0%	+/-8.3
3 or more vehicles available	385	+/-106	17.2%	+/-5.1
HOUSE HEATING FUEL				
Occupied housing units	2,236	+/-158	2,236	(X)
Utility gas	1,188	+/-159	53.1%	+/-6.4
Bottled, tank, or LP gas	13	+/-22	0.6%	+/-1.0
Electricity	1,025	+/-160	45.8%	+/-6.1
Fuel oil, kerosene, etc.	0	+/-18	0.0%	+/-1.7
Coal or coke	0	+/-18	0.0%	+/-1.7

Wood	0	+/-18	0.0%	+/-1.7
Solar energy	0	+/-18	0.0%	+/-1.7
Other fuel	10	+/-17	0.4%	+/-0.7
No fuel used	0	+/-18	0.0%	+/-1.7
SELECTED CHARACTERISTICS				
Occupied housing units	2,236	+/-158	2,236	(X)
Lacking complete plumbing facilities	0	+/-18	0.0%	+/-1.7
Lacking complete kitchen facilities	0	+/-18	0.0%	+/-1.7
No telephone service available	28	+/-33	1.3%	+/-1.5
OCCUPANTS PER ROOM				
Occupied housing units	2,236	+/-158	2,236	(X)
1.00 or less	2,221	+/-160	99.3%	+/-1.2
1.01 to 1.50	15	+/-26	0.7%	+/-1.2
1.51 or more	0	+/-18	0.0%	+/-1.7
VALUE				
Owner-occupied units	1,382	+/-155	1,382	(X)
Less than $50,000	36	+/-41	2.6%	+/-2.9
$50,000 to $99,999	40	+/-37	2.9%	+/-2.7
$100,000 to $149,999	179	+/-104	13.0%	+/-7.9
$150,000 to $199,999	470	+/-185	34.0%	+/-11.4
$200,000 to $299,999	406	+/-87	29.4%	+/-7.3
$300,000 to $499,999	162	+/-64	11.7%	+/-4.4
$500,000 to $999,999	62	+/-42	4.5%	+/-3.1
$1,000,000 or more	27	+/-32	2.0%	+/-2.3
Median (dollars)	196,800	+/-11,858	(X)	(X)
MORTGAGE STATUS				
Owner-occupied units	1,382	+/-155	1,382	(X)
Housing units with a mortgage	913	+/-150	66.1%	+/-7.3
Housing units without a mortgage	469	+/-109	33.9%	+/-7.3
SELECTED MONTHLY OWNER COSTS (SMOC)				
Housing units with a mortgage	913	+/-150	913	(X)
Less than $300	0	+/-18	0.0%	+/-4.0
$300 to $499	0	+/-18	0.0%	+/-4.0
$500 to $699	12	+/-20	1.3%	+/-2.2
$700 to $999	65	+/-41	7.1%	+/-4.4
$1,000 to $1,499	197	+/-88	21.6%	+/-9.5
$1,500 to $1,999	301	+/-93	33.0%	+/-9.8
$2,000 or more	338	+/-131	37.0%	+/-11.1
Median (dollars)	1,685	+/-97	(X)	(X)
Housing units without a mortgage	469	+/-109	469	(X)
Less than $100	0	+/-18	0.0%	+/-7.7
$100 to $199	0	+/-18	0.0%	+/-7.7
$200 to $299	35	+/-41	7.5%	+/-8.5
$300 to $399	47	+/-44	10.0%	+/-9.3
$400 or more	387	+/-103	82.5%	+/-11.6
Median (dollars)	641	+/-146	(X)	(X)

SELECTED MONTHLY OWNER COSTS AS A PERCENTAGE OF HOUSEHOLD INCOME (SMOCAPI)				
Housing units with a mortgage (excluding units where SMOCAPI cannot be computed)	913	+/-150	913	(X)
Less than 20.0 percent	432	+/-121	47.3%	+/-11.0
20.0 to 24.9 percent	198	+/-98	21.7%	+/-9.8
25.0 to 29.9 percent	65	+/-53	7.1%	+/-5.6
30.0 to 34.9 percent	58	+/-48	6.4%	+/-5.2
35.0 percent or more	160	+/-70	17.5%	+/-7.6
Not computed	0	+/-18	(X)	(X)
Housing unit without a mortgage (excluding units where SMOCAPI cannot be computed)	469	+/-109	469	(X)
Less than 10.0 percent	182	+/-81	38.8%	+/-14.5
10.0 to 14.9 percent	120	+/-81	25.6%	+/-16.3
15.0 to 19.9 percent	93	+/-59	19.8%	+/-12.2
20.0 to 24.9 percent	16	+/-25	3.4%	+/-5.4
25.0 to 29.9 percent	15	+/-24	3.2%	+/-5.1
30.0 to 34.9 percent	0	+/-18	0.0%	+/-7.7
35.0 percent or more	43	+/-40	9.2%	+/-8.6
Not computed	0	+/-18	(X)	(X)
GROSS RENT				
Occupied units paying rent	837	+/-164	837	(X)
Less than $200	0	+/-18	0.0%	+/-4.4
$200 to $299	0	+/-18	0.0%	+/-4.4
$300 to $499	0	+/-18	0.0%	+/-4.4
$500 to $749	256	+/-120	30.6%	+/-13.3
$750 to $999	296	+/-132	35.4%	+/-14.9
$1,000 to $1,499	218	+/-125	26.0%	+/-13.4
$1,500 or more	67	+/-64	8.0%	+/-7.6
Median (dollars)	879	+/-99	(X)	(X)
No rent paid	17	+/-26	(X)	(X)
GROSS RENT AS A PERCENTAGE OF HOUSEHOLD INCOME (GRAPI)				
Occupied units paying rent (excluding units where GRAPI cannot be computed)	837	+/-164	837	(X)
Less than 15.0 percent	50	+/-60	6.0%	+/-7.3
15.0 to 19.9 percent	161	+/-80	19.2%	+/-8.8
20.0 to 24.9 percent	123	+/-90	14.7%	+/-10.3
25.0 to 29.9 percent	66	+/-71	7.9%	+/-8.2
30.0 to 34.9 percent	103	+/-70	12.3%	+/-8.2
35.0 percent or more	334	+/-139	39.9%	+/-15.3
Not computed	17	+/-26	(X)	(X)

Source: U.S. Census Bureau, 2010-2014 American Community Survey 5-Year Estimates

Explanation of Symbols:
An '**' entry in the margin of error column indicates that either no sample observations or too few sample observations were available to compute a standard error and thus the margin of error. A statistical test is not appropriate.
An '-' entry in the estimate column indicates that either no sample observations or too few sample observations were available to compute an estimate, or a ratio of medians cannot be calculated because one or both of the median estimates falls in the lowest interval or upper interval of an open-ended distribution.
An '-' following a median estimate means the median falls in the lowest interval of an open-ended distribution.
An '+' following a median estimate means the median falls in the upper interval of an open-ended distribution.
An '***' entry in the margin of error column indicates that the median falls in the lowest interval or upper interval of an open-ended distribution. A statistical test is not appropriate.
An '*****' entry in the margin of error column indicates that the estimate is controlled. A statistical test for sampling variability is not appropriate.
An 'N' entry in the estimate and margin of error columns indicates that data for this geographic area cannot be displayed because the number of sample cases is too small.
An '(X)' means that the estimate is not applicable or not available.

Data are based on a sample and are subject to sampling variability. The degree of uncertainty for an estimate arising from sampling variability is represented through the use of a margin of error. The value shown here is the 90 percent margin of error. The margin of error can be interpreted roughly as providing a 90 percent probability that the interval defined by the estimate minus the margin of error and the estimate plus the margin of error (the lower and upper confidence bounds) contains the true value. In addition to sampling variability, the ACS estimates are subject to nonsampling error (for a discussion of nonsampling variability, see Accuracy of the Data). The effect of nonsampling error is not represented in these tables.

Households not paying cash rent are excluded from the calculation of median gross rent.

Telephone service data are not available for certain geographic areas due to problems with data collection. See Errata Note #93 for details.

While the 2010-2014 American Community Survey (ACS) data generally reflect the February 2013 Office of Management and Budget (OMB) definitions of metropolitan and micropolitan statistical areas; in certain instances the names, codes, and boundaries of the principal cities shown in ACS tables may differ from the OMB definitions due to differences in the effective dates of the geographic entities.

Estimates of urban and rural population, housing units, and characteristics reflect boundaries of urban areas defined based on Census 2010 data. As a result, data for urban and rural areas from the ACS do not necessarily reflect the results of ongoing urbanization.

DP04

SELECTED HOUSING CHARACTERISTICS
2010-2014 American Community Survey 5-Year Estimates

Although the American Community Survey (ACS) produces population, demographic and housing unit estimates, it is the Census Bureau's Population Estimates Program that produces and disseminates the official estimates of the population for the nation, states, counties, cities and towns and estimates of housing units for states and counties.

Supporting documentation on code lists, subject definitions, data accuracy, and statistical testing can be found on the American Community Survey website in the Data and Documentation section.

Sample size and data quality measures (including coverage rates, allocation rates, and response rates) can be found on the American Community Survey website in the Methodology section.

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Subject	Census Tract 20.09, Smith County, Texas			
	Estimate	Margin of Error	Percent	Percent Margin of Error
HOUSING OCCUPANCY				
Total housing units	2,804	+/-261	2,804	(X)
Occupied housing units	2,535	+/-233	90.4%	+/-4.5
Vacant housing units	269	+/-136	9.6%	+/-4.5
Homeowner vacancy rate	2.1	+/-3.1	(X)	(X)
Rental vacancy rate	4.9	+/-7.7	(X)	(X)
UNITS IN STRUCTURE				
Total housing units	2,804	+/-261	2,804	(X)
1-unit, detached	2,295	+/-240	81.8%	+/-5.4
1-unit, attached	53	+/-60	1.9%	+/-2.1
2 units	0	+/-18	0.0%	+/-1.3
3 or 4 units	48	+/-58	1.7%	+/-2.0
5 to 9 units	30	+/-37	1.1%	+/-1.3
10 to 19 units	0	+/-18	0.0%	+/-1.3
20 or more units	0	+/-18	0.0%	+/-1.3
Mobile home	378	+/-143	13.5%	+/-5.0
Boat, RV, van, etc.	0	+/-18	0.0%	+/-1.3
YEAR STRUCTURE BUILT				
Total housing units	2,804	+/-261	2,804	(X)
Built 2010 or later	43	+/-50	1.5%	+/-1.7
Built 2000 to 2009	737	+/-202	26.3%	+/-7.1
Built 1990 to 1999	715	+/-189	25.5%	+/-6.2
Built 1980 to 1989	723	+/-189	25.8%	+/-6.0
Built 1970 to 1979	342	+/-156	12.2%	+/-5.4
Built 1960 to 1969	139	+/-85	5.0%	+/-3.0
Built 1950 to 1959	80	+/-70	2.9%	+/-2.5
Built 1940 to 1949	0	+/-18	0.0%	+/-1.3
Built 1939 or earlier	25	+/-38	0.9%	+/-1.4
ROOMS				

Versions of this table are available for the following years:

2014
2013
2012
2011
2010

Total housing units	2,804	+/-261	2,804	(X)
1 room	13	+/-20	0.5%	+/-0.7
2 rooms	0	+/-18	0.0%	+/-1.3
3 rooms	116	+/-81	4.1%	+/-2.7
4 rooms	694	+/-177	24.8%	+/-6.1
5 rooms	454	+/-164	16.2%	+/-5.6
6 rooms	758	+/-184	27.0%	+/-6.7
7 rooms	314	+/-124	11.2%	+/-4.4
8 rooms	225	+/-102	8.0%	+/-3.4
9 rooms or more	230	+/-122	8.2%	+/-4.0
Median rooms	5.7	+/-0.3	(X)	(X)
BEDROOMS				
Total housing units	2,804	+/-261	2,804	(X)
No bedroom	13	+/-20	0.5%	+/-0.7
1 bedroom	10	+/-17	0.4%	+/-0.6
2 bedrooms	494	+/-156	17.6%	+/-4.7
3 bedrooms	1,593	+/-237	56.8%	+/-7.1
4 bedrooms	676	+/-172	24.1%	+/-6.1
5 or more bedrooms	18	+/-29	0.6%	+/-1.0
HOUSING TENURE				
Occupied housing units	2,535	+/-233	2,535	(X)
Owner-occupied	1,888	+/-259	74.5%	+/-7.3
Renter-occupied	647	+/-195	25.5%	+/-7.3
Average household size of owner-occupied unit	2.89	+/-0.21	(X)	(X)
Average household size of renter-occupied unit	3.33	+/-0.44	(X)	(X)
YEAR HOUSEHOLDER MOVED INTO UNIT				
Occupied housing units	2,535	+/-233	2,535	(X)
Moved in 2010 or later	757	+/-197	29.9%	+/-7.4
Moved in 2000 to 2009	1,099	+/-194	43.4%	+/-6.6
Moved in 1990 to 1999	419	+/-142	16.5%	+/-5.4
Moved in 1980 to 1989	164	+/-77	6.5%	+/-3.0
Moved in 1970 to 1979	32	+/-51	1.3%	+/-2.0
Moved in 1969 or earlier	64	+/-70	2.5%	+/-2.7
VEHICLES AVAILABLE				
Occupied housing units	2,535	+/-233	2,535	(X)
No vehicles available	88	+/-76	3.5%	+/-2.9
1 vehicle available	717	+/-184	28.3%	+/-6.7
2 vehicles available	1,233	+/-220	48.6%	+/-8.0
3 or more vehicles available	497	+/-172	19.6%	+/-6.5
HOUSE HEATING FUEL				
Occupied housing units	2,535	+/-233	2,535	(X)
Utility gas	466	+/-163	18.4%	+/-5.9
Bottled, tank, or LP gas	72	+/-63	2.8%	+/-2.5
Electricity	1,997	+/-229	78.8%	+/-6.1
Fuel oil, kerosene, etc.	0	+/-18	0.0%	+/-1.5
Coal or coke	0	+/-18	0.0%	+/-1.5

Wood	0	+/-18	0.0%	+/-1.5
Solar energy	0	+/-18	0.0%	+/-1.5
Other fuel	0	+/-18	0.0%	+/-1.5
No fuel used	0	+/-18	0.0%	+/-1.5
SELECTED CHARACTERISTICS				
Occupied housing units	2,535	+/-233	2,535	(X)
Lacking complete plumbing facilities	0	+/-18	0.0%	+/-1.5
Lacking complete kitchen facilities	0	+/-18	0.0%	+/-1.5
No telephone service available	76	+/-56	3.0%	+/-2.1
OCCUPANTS PER ROOM				
Occupied housing units	2,535	+/-233	2,535	(X)
1.00 or less	2,452	+/-235	96.7%	+/-3.0
1.01 to 1.50	47	+/-51	1.9%	+/-2.0
1.51 or more	36	+/-55	1.4%	+/-2.2
VALUE				
Owner-occupied units	1,888	+/-259	1,888	(X)
Less than $50,000	175	+/-117	9.3%	+/-5.7
$50,000 to $99,999	159	+/-76	8.4%	+/-4.0
$100,000 to $149,999	547	+/-146	29.0%	+/-6.8
$150,000 to $199,999	432	+/-151	22.9%	+/-7.1
$200,000 to $299,999	450	+/-133	23.8%	+/-7.2
$300,000 to $499,999	72	+/-68	3.8%	+/-3.4
$500,000 to $999,999	53	+/-45	2.8%	+/-2.3
$1,000,000 or more	0	+/-18	0.0%	+/-2.0
Median (dollars)	155,700	+/-13,492	(X)	(X)
MORTGAGE STATUS				
Owner-occupied units	1,888	+/-259	1,888	(X)
Housing units with a mortgage	1,207	+/-199	63.9%	+/-7.5
Housing units without a mortgage	681	+/-184	36.1%	+/-7.5
SELECTED MONTHLY OWNER COSTS (SMOC)				
Housing units with a mortgage	1,207	+/-199	1,207	(X)
Less than $300	0	+/-18	0.0%	+/-3.1
$300 to $499	17	+/-30	1.4%	+/-2.4
$500 to $699	88	+/-84	7.3%	+/-6.9
$700 to $999	147	+/-83	12.2%	+/-6.5
$1,000 to $1,499	336	+/-128	27.8%	+/-10.6
$1,500 to $1,999	480	+/-184	39.8%	+/-12.3
$2,000 or more	139	+/-80	11.5%	+/-6.9
Median (dollars)	1,511	+/-107	(X)	(X)
Housing units without a mortgage	681	+/-184	681	(X)
Less than $100	0	+/-18	0.0%	+/-5.4
$100 to $199	11	+/-18	1.6%	+/-2.6
$200 to $299	37	+/-32	5.4%	+/-4.6
$300 to $399	103	+/-58	15.1%	+/-8.4
$400 or more	530	+/-172	77.8%	+/-9.7
Median (dollars)	540	+/-49	(X)	(X)

SELECTED MONTHLY OWNER COSTS AS A PERCENTAGE OF HOUSEHOLD INCOME (SMOCAPI)				
Housing units with a mortgage (excluding units where SMOCAPI cannot be computed)	1,207	+/-199	1,207	(X)
Less than 20.0 percent	503	+/-162	41.7%	+/-11.2
20.0 to 24.9 percent	309	+/-150	25.6%	+/-11.6
25.0 to 29.9 percent	151	+/-94	12.5%	+/-7.5
30.0 to 34.9 percent	104	+/-71	8.6%	+/-6.0
35.0 percent or more	140	+/-62	11.6%	+/-4.9
Not computed	0	+/-18	(X)	(X)
Housing unit without a mortgage (excluding units where SMOCAPI cannot be computed)	668	+/-182	668	(X)
Less than 10.0 percent	198	+/-86	29.6%	+/-12.3
10.0 to 14.9 percent	98	+/-70	14.7%	+/-9.6
15.0 to 19.9 percent	46	+/-45	6.9%	+/-6.8
20.0 to 24.9 percent	60	+/-57	9.0%	+/-8.4
25.0 to 29.9 percent	90	+/-73	13.5%	+/-10.0
30.0 to 34.9 percent	83	+/-78	12.4%	+/-10.6
35.0 percent or more	93	+/-75	13.9%	+/-10.4
Not computed	13	+/-21	(X)	(X)
GROSS RENT				
Occupied units paying rent	627	+/-190	627	(X)
Less than $200	0	+/-18	0.0%	+/-5.8
$200 to $299	0	+/-18	0.0%	+/-5.8
$300 to $499	36	+/-37	5.7%	+/-5.8
$500 to $749	15	+/-24	2.4%	+/-3.9
$750 to $999	173	+/-117	27.6%	+/-15.1
$1,000 to $1,499	295	+/-135	47.0%	+/-18.0
$1,500 or more	108	+/-72	17.2%	+/-10.9
Median (dollars)	1,190	+/-170	(X)	(X)
No rent paid	20	+/-33	(X)	(X)
GROSS RENT AS A PERCENTAGE OF HOUSEHOLD INCOME (GRAPI)				
Occupied units paying rent (excluding units where GRAPI cannot be computed)	612	+/-187	612	(X)
Less than 15.0 percent	40	+/-48	6.5%	+/-7.8
15.0 to 19.9 percent	131	+/-71	21.4%	+/-11.6
20.0 to 24.9 percent	75	+/-77	12.3%	+/-12.0
25.0 to 29.9 percent	58	+/-66	9.5%	+/-10.3
30.0 to 34.9 percent	45	+/-45	7.4%	+/-7.9
35.0 percent or more	263	+/-149	43.0%	+/-17.8
Not computed	35	+/-40	(X)	(X)

Source: U.S. Census Bureau, 2010-2014 American Community Survey 5-Year Estimates

Explanation of Symbols:
An '**' entry in the margin of error column indicates that either no sample observations or too few sample observations were available to compute a standard error and thus the margin of error. A statistical test is not appropriate.
An '-' entry in the estimate column indicates that either no sample observations or too few sample observations were available to compute an estimate, or a ratio of medians cannot be calculated because one or both of the median estimates falls in the lowest interval or upper interval of an open-ended distribution.
An '-' following a median estimate means the median falls in the lowest interval of an open-ended distribution.
An '+' following a median estimate means the median falls in the upper interval of an open-ended distribution.
An '***' entry in the margin of error column indicates that the median falls in the lowest interval or upper interval of an open-ended distribution. A statistical test is not appropriate.
An '*****' entry in the margin of error column indicates that the estimate is controlled. A statistical test for sampling variability is not appropriate.
An 'N' entry in the estimate and margin of error columns indicates that data for this geographic area cannot be displayed because the number of sample cases is too small.
An '(X)' means that the estimate is not applicable or not available.

Data are based on a sample and are subject to sampling variability. The degree of uncertainty for an estimate arising from sampling variability is represented through the use of a margin of error. The value shown here is the 90 percent margin of error. The margin of error can be interpreted roughly as providing a 90 percent probability that the interval defined by the estimate minus the margin of error and the estimate plus the margin of error (the lower and upper confidence bounds) contains the true value. In addition to sampling variability, the ACS estimates are subject to nonsampling error (for a discussion of nonsampling variability, see Accuracy of the Data). The effect of nonsampling error is not represented in these tables.

Households not paying cash rent are excluded from the calculation of median gross rent.

Telephone service data are not available for certain geographic areas due to problems with data collection. See Errata Note #93 for details.

While the 2010-2014 American Community Survey (ACS) data generally reflect the February 2013 Office of Management and Budget (OMB) definitions of metropolitan and micropolitan statistical areas; in certain instances the names, codes, and boundaries of the principal cities shown in ACS tables may differ from the OMB definitions due to differences in the effective dates of the geographic entities.

Estimates of urban and rural population, housing units, and characteristics reflect boundaries of urban areas defined based on Census 2010 data. As a result, data for urban and rural areas from the ACS do not necessarily reflect the results of ongoing urbanization.

DP04

SELECTED HOUSING CHARACTERISTICS
2010-2014 American Community Survey 5-Year Estimates

Although the American Community Survey (ACS) produces population, demographic and housing unit estimates, it is the Census Bureau's Population Estimates Program that produces and disseminates the official estimates of the population for the nation, states, counties, cities and towns and estimates of housing units for states and counties.

Supporting documentation on code lists, subject definitions, data accuracy, and statistical testing can be found on the American Community Survey website in the Data and Documentation section.

Sample size and data quality measures (including coverage rates, allocation rates, and response rates) can be found on the American Community Survey website in the Methodology section.

1 - 141 of 141

	Census Tract 22, Smith County, Texas			
Subject	**Estimate**	**Margin of Error**	**Percent**	**Percent Margin of Error**
HOUSING OCCUPANCY				
Total housing units	2,331	+/-77	2,331	(X)
Occupied housing units	2,184	+/-117	93.7%	+/-4.7
Vacant housing units	147	+/-111	6.3%	+/-4.7
Homeowner vacancy rate	1.5	+/-2.4	(X)	(X)
Rental vacancy rate	0.0	+/-18.2	(X)	(X)
UNITS IN STRUCTURE				
Total housing units	2,331	+/-77	2,331	(X)
1-unit, detached	1,974	+/-161	84.7%	+/-6.2
1-unit, attached	0	+/-18	0.0%	+/-1.6
2 units	10	+/-18	0.4%	+/-0.8
3 or 4 units	13	+/-21	0.6%	+/-0.9
5 to 9 units	0	+/-18	0.0%	+/-1.6
10 to 19 units	0	+/-18	0.0%	+/-1.6
20 or more units	0	+/-18	0.0%	+/-1.6
Mobile home	334	+/-144	14.3%	+/-6.2
Boat, RV, van, etc.	0	+/-18	0.0%	+/-1.6
YEAR STRUCTURE BUILT				
Total housing units	2,331	+/-77	2,331	(X)
Built 2010 or later	30	+/-36	1.3%	+/-1.5
Built 2000 to 2009	475	+/-141	20.4%	+/-5.9
Built 1990 to 1999	500	+/-163	21.5%	+/-7.0
Built 1980 to 1989	651	+/-203	27.9%	+/-8.5
Built 1970 to 1979	356	+/-157	15.3%	+/-6.8
Built 1960 to 1969	124	+/-97	5.3%	+/-4.2
Built 1950 to 1959	95	+/-66	4.1%	+/-2.8
Built 1940 to 1949	11	+/-19	0.5%	+/-0.8
Built 1939 or earlier	89	+/-66	3.8%	+/-2.8
ROOMS				
Total housing units	2,331	+/-77	2,331	(X)

Versions of this table are available for the following years:

2014
2013
2012
2011
2010

1 room	17	+/-27	0.7%	+/-1.1
2 rooms	11	+/-19	0.5%	+/-0.8
3 rooms	9	+/-14	0.4%	+/-0.6
4 rooms	326	+/-157	14.0%	+/-6.7
5 rooms	700	+/-176	30.0%	+/-7.3
6 rooms	395	+/-156	16.9%	+/-6.7
7 rooms	292	+/-103	12.5%	+/-4.5
8 rooms	329	+/-119	14.1%	+/-5.2
9 rooms or more	252	+/-100	10.8%	+/-4.2
Median rooms	5.8	+/-0.5	(X)	(X)
BEDROOMS				
Total housing units	2,331	+/-77	2,331	(X)
No bedroom	17	+/-27	0.7%	+/-1.1
1 bedroom	20	+/-23	0.9%	+/-1.0
2 bedrooms	354	+/-114	15.2%	+/-4.9
3 bedrooms	1,347	+/-169	57.8%	+/-6.7
4 bedrooms	521	+/-130	22.4%	+/-5.7
5 or more bedrooms	72	+/-57	3.1%	+/-2.4
HOUSING TENURE				
Occupied housing units	2,184	+/-117	2,184	(X)
Owner-occupied	1,998	+/-162	91.5%	+/-5.8
Renter-occupied	186	+/-128	8.5%	+/-5.8
Average household size of owner-occupied unit	2.96	+/-0.28	(X)	(X)
Average household size of renter-occupied unit	3.94	+/-0.96	(X)	(X)
YEAR HOUSEHOLDER MOVED INTO UNIT				
Occupied housing units	2,184	+/-117	2,184	(X)
Moved in 2010 or later	255	+/-138	11.7%	+/-6.2
Moved in 2000 to 2009	978	+/-202	44.8%	+/-9.1
Moved in 1990 to 1999	480	+/-151	22.0%	+/-6.8
Moved in 1980 to 1989	288	+/-139	13.2%	+/-6.4
Moved in 1970 to 1979	139	+/-99	6.4%	+/-4.5
Moved in 1969 or earlier	44	+/-50	2.0%	+/-2.3
VEHICLES AVAILABLE				
Occupied housing units	2,184	+/-117	2,184	(X)
No vehicles available	62	+/-76	2.8%	+/-3.5
1 vehicle available	542	+/-138	24.8%	+/-6.3
2 vehicles available	773	+/-195	35.4%	+/-8.6
3 or more vehicles available	807	+/-195	37.0%	+/-8.6
HOUSE HEATING FUEL				
Occupied housing units	2,184	+/-117	2,184	(X)
Utility gas	119	+/-60	5.4%	+/-2.7
Bottled, tank, or LP gas	271	+/-133	12.4%	+/-6.1
Electricity	1,752	+/-171	80.2%	+/-6.3
Fuel oil, kerosene, etc.	0	+/-18	0.0%	+/-1.7
Coal or coke	0	+/-18	0.0%	+/-1.7

Wood	42	+/-43	1.9%	+/-1.9
Solar energy	0	+/-18	0.0%	+/-1.7
Other fuel	0	+/-18	0.0%	+/-1.7
No fuel used	0	+/-18	0.0%	+/-1.7
SELECTED CHARACTERISTICS				
Occupied housing units	2,184	+/-117	2,184	(X)
Lacking complete plumbing facilities	0	+/-18	0.0%	+/-1.7
Lacking complete kitchen facilities	0	+/-18	0.0%	+/-1.7
No telephone service available	41	+/-42	1.9%	+/-1.9
OCCUPANTS PER ROOM				
Occupied housing units	2,184	+/-117	2,184	(X)
1.00 or less	2,093	+/-147	95.8%	+/-5.1
1.01 to 1.50	91	+/-112	4.2%	+/-5.1
1.51 or more	0	+/-18	0.0%	+/-1.7
VALUE				
Owner-occupied units	1,998	+/-162	1,998	(X)
Less than $50,000	178	+/-109	8.9%	+/-5.4
$50,000 to $99,999	477	+/-168	23.9%	+/-8.1
$100,000 to $149,999	534	+/-155	26.7%	+/-7.4
$150,000 to $199,999	278	+/-103	13.9%	+/-4.9
$200,000 to $299,999	338	+/-106	16.9%	+/-5.3
$300,000 to $499,999	127	+/-72	6.4%	+/-3.7
$500,000 to $999,999	57	+/-48	2.9%	+/-2.4
$1,000,000 or more	9	+/-16	0.5%	+/-0.8
Median (dollars)	125,500	+/-15,242	(X)	(X)
MORTGAGE STATUS				
Owner-occupied units	1,998	+/-162	1,998	(X)
Housing units with a mortgage	1,057	+/-211	52.9%	+/-9.0
Housing units without a mortgage	941	+/-182	47.1%	+/-9.0
SELECTED MONTHLY OWNER COSTS (SMOC)				
Housing units with a mortgage	1,057	+/-211	1,057	(X)
Less than $300	0	+/-18	0.0%	+/-3.5
$300 to $499	0	+/-18	0.0%	+/-3.5
$500 to $699	95	+/-88	9.0%	+/-7.9
$700 to $999	151	+/-98	14.3%	+/-9.1
$1,000 to $1,499	424	+/-145	40.1%	+/-10.3
$1,500 to $1,999	171	+/-85	16.2%	+/-7.6
$2,000 or more	216	+/-101	20.4%	+/-9.0
Median (dollars)	1,312	+/-135	(X)	(X)
Housing units without a mortgage	941	+/-182	941	(X)
Less than $100	0	+/-18	0.0%	+/-3.9
$100 to $199	99	+/-87	10.5%	+/-9.2
$200 to $299	50	+/-46	5.3%	+/-5.1
$300 to $399	174	+/-88	18.5%	+/-9.4
$400 or more	618	+/-182	65.7%	+/-12.5
Median (dollars)	502	+/-61	(X)	(X)

SELECTED MONTHLY OWNER COSTS AS A PERCENTAGE OF HOUSEHOLD INCOME (SMOCAPI)				
Housing units with a mortgage (excluding units where SMOCAPI cannot be computed)	1,057	+/-211	1,057	(X)
Less than 20.0 percent	355	+/-144	33.6%	+/-11.7
20.0 to 24.9 percent	229	+/-102	21.7%	+/-8.8
25.0 to 29.9 percent	190	+/-132	18.0%	+/-11.6
30.0 to 34.9 percent	54	+/-54	5.1%	+/-4.9
35.0 percent or more	229	+/-100	21.7%	+/-9.1
Not computed	0	+/-18	(X)	(X)
Housing unit without a mortgage (excluding units where SMOCAPI cannot be computed)	941	+/-182	941	(X)
Less than 10.0 percent	477	+/-171	50.7%	+/-14.1
10.0 to 14.9 percent	141	+/-108	15.0%	+/-11.0
15.0 to 19.9 percent	91	+/-60	9.7%	+/-6.6
20.0 to 24.9 percent	108	+/-92	11.5%	+/-9.7
25.0 to 29.9 percent	24	+/-26	2.6%	+/-2.8
30.0 to 34.9 percent	46	+/-56	4.9%	+/-6.0
35.0 percent or more	54	+/-45	5.7%	+/-4.7
Not computed	0	+/-18	(X)	(X)
GROSS RENT				
Occupied units paying rent	186	+/-128	186	(X)
Less than $200	0	+/-18	0.0%	+/-18.2
$200 to $299	0	+/-18	0.0%	+/-18.2
$300 to $499	25	+/-39	13.4%	+/-21.9
$500 to $749	19	+/-31	10.2%	+/-19.2
$750 to $999	13	+/-21	7.0%	+/-12.2
$1,000 to $1,499	25	+/-30	13.4%	+/-18.6
$1,500 or more	104	+/-118	55.9%	+/-37.3
Median (dollars)	1,553	+/-898	(X)	(X)
No rent paid	0	+/-18	(X)	(X)
GROSS RENT AS A PERCENTAGE OF HOUSEHOLD INCOME (GRAPI)				
Occupied units paying rent (excluding units where GRAPI cannot be computed)	186	+/-128	186	(X)
Less than 15.0 percent	19	+/-26	10.2%	+/-14.8
15.0 to 19.9 percent	54	+/-53	29.0%	+/-30.7
20.0 to 24.9 percent	78	+/-112	41.9%	+/-41.9
25.0 to 29.9 percent	0	+/-18	0.0%	+/-18.2
30.0 to 34.9 percent	13	+/-21	7.0%	+/-12.2
35.0 percent or more	22	+/-23	11.8%	+/-14.1
Not computed	0	+/-18	(X)	(X)

Source: U.S. Census Bureau, 2010-2014 American Community Survey 5-Year Estimates

Explanation of Symbols:
An '**' entry in the margin of error column indicates that either no sample observations or too few sample observations were available to compute a standard error and thus the margin of error. A statistical test is not appropriate.
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Appendix D
Assessments of Property Value Impacts

2964 Peachtree Road NW, Suite 640 ▪ Atlanta, Georgia 30305
Phone: (800) 605-7608 ▪ Fax: (404) 745-0530

Adamson
REAL ESTATE ADVISORS
Appraisal • Consultation • Expert Witness
4315 S. Lee St., Unit 400, Buford, GA 30518 (p) 770.867.9488
www.aREadvisors.com

April 27, 2016

Sean Brady
Rea Ventures Group, LLC
2964 Peachtree Rd. NW, Suite 200
Atlanta, GA 30305

Re: Proposed Abbington Estates Town Homes

Mr. Brady:

At you request, I researched Gwinnett County properties in close proximity to LIHTC Properties. As part of this research I identified five developments in the Lawrenceville and Loganville areas and compared the surrounding land and improved values to areas in the same school districts with no LIHTC Property nearby. The improved properties were compared with the remaining dissimilar feature being the proximity to the LIHTC property. The results of this research was that the proximity of homes to the LIHTC project had zero negative impact. Additional observations of the surrounding areas of these properties were that the surrounding communities had fewer vacancies and the up keep and appearance of the surrounding roads and entrances appeared to be superior.

I have been a real property appraiser for 13 years with offices in Winder and in Buford. I have experience with appraising LIHTC properties in other markets and it is my professional opinion that this property type has no negative impact on the surrounding properties. As a resident of Gwinnett County, familiar with the property in question on Zoar Church Rd., I would welcome such development. The management required to successfully implement the program can be superior to that if an unseasoned investor or property manager, increasing the aesthetic appeal of the property and screening potential residents. In addition to the added appeal in the area, the addition of this property to the area will provided a needed affordable housing alternative for workers and tax payers for the area. Overall the Snellville area and more specifically the Centerville area of southwestern Gwinnet County will receive positive impacts form this development.

Sincerely,

Patrick Adamson, MAI, SRA, RW-AC
CEO – Principal – Adamson Real Estate Advisors, Inc.

Qualifications

Patrick H. Adamson, MAI, SRA, R/W-AC
Adamson Real Estate Advisors, Inc.
4315 S. Lee St., Unit 400
Buford, GA 30518
770-867-9488

Designations/Certifications/Approvals

- SRA Designation – Appraisal Institute
- MAI Designation – Appraisal Institute
- GA State Certified General Real Property Appraiser #272570
- Georgia DOT Approved Appraiser
- GA State Licensed Real Estate Agent - #360064
- R/W-AC – Right of Way Appraisal Certification - IRWA

Professional Development Programs

- Valuation of the Components of a Business Enterprise (Appraisal Institute)
- SBA Going Concern (Appraisal Institute)
- Litigation Registry (Appraisal Institute)

Education

- University of Georgia
    - Bachelor of Arts - Economics

Real Estate Appraisal Education

- Valuation of Partial Interests
    - International Right of Way Association
- Condemnation Appraising: Principles & Applications
    - Appraisal Institute
- Separating Real, Personal Property, & Intangible Assets Business Assets
    - Appraisal Institute
- Litigation Appraising: Specialized Topics and Applications
    - Appraisal Institute
- The Appraiser as an Expert Witness
    - Appraisal Institute
- Advanced Applications
    - Appraisal Institute
- Report Writing & Valuation Analysis
    - Appraisal Institute
- Advanced Sales & Cost Approaches
    - Appraisal Institute
- Highest & Best Use/ Market Analysis
    - Appraisal Institute
- Advance Income Capitalization

    - Appraisal Institute
- Site Valuation & Cost Approach
    - McKissock Data Systems
- General Applications
    - Appraisal Institute
- Basic Income Capitalization
    - Appraisal Institute
- Appraising FHA Properties
    - The Real Estate Management School
- Business Ethics
    - Appraisal Institute
- 90 Hr Pre Licensing
    - The Knoblock School

Appraisal Experience

- Adamson Real Estate Advisors
    - 08/2013-Present Principal/Owner
- Adamson & Perkins Appraisal Services, Inc.
    - 02/2006-08/2013 Appraiser/Co-Owner
- The Wilson Group
    - 03/2004 – 02/2006 Assistant Appraiser

Other Relevant Memberships

- International Right of Way Association (IRWA)
- American Bar Association (ABA) – Associate Member

Leadership Roles

- Appraisal Institute – Candidate Guidance Committee – Chair Person
    - 01/2014-01/2015
- Appraisal Institute – General Admissions Committee – Chair Person
    - 01/2012-01/2013
- Appraisal Institute – Leadership Development Council
    - 2012, 2013, & 2014
- Appraisal Institute – Regional Representative
    - 2014-2015
- Appraisal Institute – Board of Directors – Atlanta Chapter
    - 2015-present

Jurisdictions Qualified as an Expert Witness

GA Superior Courts
Banks, Barrow, Cherokee, Clarke, Fannin, Gilmer, Gwinnett, Hall, Habersham, Jackson, Oconee, Pickens, Rabun, Walton
Federal District Courts
GA Northern & GA Central Districts

**Specific Case references and client references available upon request.*

Subject: Re: Appraisal Letter - Workforce Housing on Zoar Church Rd, Snellville
Date: Thursday, April 28, 2016 at 8:15:58 PM Eastern Daylight Time
From: Patrick Adamson
To: Sean Brady
Attachments: 19488DB5-7A5A-4FF5-B899-B0E832AFDEDA[46].png, image002.jpg, image003.jpg, image004.jpg, image005.gif, image006.jpg

Increases were more common in all cases. It's tough for an appraiser to say that these developments increase property values. The truth is nicer areas attract nicer development and most of these developments do not appear to have any government housing component so no one would know without looking further into it. Good luck, those were my sincere opinions so I hope you get the approval. Have a good evening.

Patrick Adamson, MAI, SRA, R/W-AC
Adamson Real Estate Advisors, Inc.
www.areadvisors.com
770-867-9488
678-324-4300(Direct)

On Apr 28, 2016, at 6:13 PM, Sean Brady <seanbrady@reaventures.com> wrote:

Great. Thank you, Patrick. I forwarded your invoice on for payment. I did a little bit of my own research on some of our properties just using Zillow and everywhere I looked the values went up, not down. Certainly lots of factors there but it seems pretty hard to say the data shows LIHTC lowers property values.

<19488DB5-7A5A-4FF5-B899-B0E832AFDEDA[46].png>

Sean M. Brady
Rea Ventures Group, LLC
We have moved
Please note our new Suite #
2964 Peachtree Road NW, Suite 200
Atlanta, GA 30305
E-mail: seanbrady@reaventures.com
Direct: (404) 250-4093, ext. 704
Cell: (678) 591-7002
Fax: (404) 250-4091
www.reaventures.com

From: Patrick Adamson <patrick@areadvisors.com>
Date: Wednesday, April 27, 2016 at 9:29 PM
To: Sean Brady <seanbrady@reaventures.com>

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April 7, 2016

Sean Brady
Rea Ventures Group, LLC
2964 Peachtree Road NW, Suite 200
Atlanta, GA 30305

Re: Proposed Abbington Court Apartments – 180 Bay Valley Road Kenly, NC

Sean,

Enjoyed talking with you recently about your proposed Abbington Court Apartment complex in Kenly and I know it will be very beneficial to the growth of that community. As we discussed there are presently three of those similar apartment projects underway here in the Goldsboro/Wayne County market area. With one development actually completed presently taking applications from prospective tenants, one under construction and a third is in the process of rezoning which was approved last Monday night and will now move forward to the construction phase.

As a commercial broker and appraiser in the Goldsboro/Wayne County area for over 30 years, I am encouraged to see the development of these type apartment complexes to facilitate the need for affordable housing in our community. I know it will definitely help the workforce level income folks such as school teachers, police and firefighters, nurses and many others of those providing support services within the Goldsboro area.

Each of these complexes that I mentioned above is located strategically throughout Wayne County among mixed residential and commercial areas that will likely improve values by contributing to that diversity with affordable housing. The complexes here in Goldsboro appear very similar to the proposed project you are considering in Kenly having an emphasis on quality construction and attractive landscaping with a strong property management program to maintain the integrity of the development and ultimately its value to the landlord as well and the surrounding community.

I know the Kenly community will benefit from your project in providing affordable housing for the workforce level citizens in the area, ultimately improving property values as the community grows. Hopefully using Goldsboro as an example of that effort will encourage Kenly to do the same.

Best regards,

Bob Logan, GRI
President – Principal Broker
NC Broker License 72422

THE CENTER FOR HOUSING POLICY
INSIGHTS from Housing Policy Research

"Don't Put it Here!"

Does Affordable Housing Cause Nearby Property Values to Decline?

It's a common scene at a community hearing: local residents lined up behind the microphone waiting to testify about a proposed affordable rental housing development. Some are voicing concerns that the development will decrease property values in their neighborhood. Their concerns are understandable – they want to protect their investment in their homes. On the other side, housing advocates and prospective residents argue with equal passion. They want to live in affordable homes with access to jobs, schools, and other amenities for themselves and their children. Affordable housing, they argue, will not affect the home values of residents already in the community.

Which side is right? This policy brief summarizes the conclusions of several reviews and critiques of the growing body of research on this topic. It also highlights some of the most recent work in this area carried out by researchers at the Furman Center of New York University and funded by the John D. and Catherine T. MacArthur Foundation.

Is There Consensus in the Research?

Numerous studies have been conducted to examine the impacts of affordable housing on property values in a wide variety of circumstances. Fortunately, several researchers have surveyed the landscape, inventorying and taking a critical look at the body of work that has accumulated over the past several decades. This policy brief distills the conclusions of four of these literature surveys: two produced by civic groups and two carried out by academics and published in peer-reviewed academic journals.

To "summarize the summaries" – the vast majority of studies have found that affordable housing does not depress neighboring property values, and may even raise them in some cases. Overall, the research suggests that neighbors should have little to fear from the type of attractive and modestly sized developments that constitute the bulk of newly produced affordable housing today. That said, the research shows that

Courtesy of LHB, Inc.

This policy brief was produced with the support of the John D. and Catherine T. MacArthur Foundation.

negative effects can occur in certain circumstances, and suggests ways to protect nearby property values.

The following are brief snapshots of the scope and findings of each literature review:

1 Jeff Leary's 1999 literature survey for the California Redevelopment Association examined 31 separate studies. Seven studies documented positive effects of affordable housing on surrounding property values while 19 found no effects. Negative effects were found in one study while three studies were inconclusive.

2 The North Carolina Coalition, a state civic group, compiled a catalog (circa 2002) of 36 studies, most dating from the mid-1990s to the early 2000s. The vast majority found no impact on surrounding property values. Several found positive effects and only one found possible negative effects.

3 George Galster, a professor of urban affairs at Wayne State University, describes in his 2002 literature review an emerging consensus among researchers that subsidized housing of various types does not have negative effects — and sometimes has positive effects — on property values, particularly in higher value neighborhoods. However, Galster also notes that affordable housing can have a negative effect on property values when highly concentrated, particularly when located in vulnerable neighborhoods that have high poverty rates and low home values.

4 Mai Thi Nguyen of San Francisco State University reviewed 17 studies produced over several decades. According to her 2005 analysis, 11 studies found that affordable housing had either a neutral or positive effect on property values, five found mixed effects, and one documented negative effects. However, Nguyen argues that this tally oversimplifies results, and that as data sets and analytical techniques have become more sophisticated, a more nuanced set of conclusions is emerging. She suggests these techniques will allow us to learn more about the circumstances under which affordable housing developments may have negative effects.

How do researchers ascertain the effect of affordable housing on nearby property values?

The ideal measure of the impact of affordable housing on surrounding home prices would compare the actual changes in property values to the changes that would have occurred in the absence of the affordable development. Unfortunately, it is impossible to measure this directly. Nguyen describes two "waves" of housing studies that have taken different approaches to addressing this issue. The first wave of studies, conducted in the early 1990s, used a "matching" methodology that compares the performance of two otherwise comparable neighborhoods — one with affordable housing and one without. All of the studies using this methodology found either no difference in property values between the two areas or positive effects on nearby property values in the areas with affordable housing.

A second wave of studies from the mid-1990s on evaluates the effects of nearby affordable housing development on property values using multivariate statistical analysis, which explains a home's price as a function of both structural characteristics (age, square footage, etc.) and neighborhood characteristics (poverty rate, distance to central business district, etc.). These studies also compare the prices of homes near affordable developments and homes farther away but, unlike previous research, control for the influence of structural and neighborhood variables. Most of these studies also show that affordable housing has no effect or positive effects on nearby property values. But, as detailed below, they also reveal circumstances in which negative effects are possible.

These research methods are not without their problems. Some problems are definitional — most importantly, what constitutes a neighborhood, and how close is "nearby?" For example, a 1998 study by the Innovative Housing Institute of homes in Montgomery County, Maryland defined housing within 500 feet

Why Do Property Values Matter?

Generally, rising property values indicate positive trends for a neighborhood. They signal that a neighborhood has become a desirable place to live and to locate a business, and influence developers' decisions to make long-term investments in its future. For individual homeowners, who depend on home equity to provide resources for retirement or finance a child's education, home values are extremely important. Property values also may be a proxy for quality of life factors that can be hard to measure and often reflect access to good schools, jobs, shops, parks, and other amenities.

In distressed neighborhoods, rising property values are a sign of hope that the stage is being set for economic renewal. Measurable rises in home prices and rents as well as a general increase in real estate activity represent important benchmarks for successful neighborhood revitalization. In this sense, affordable housing that stabilizes or increases nearby property values may also contribute more broadly to stronger neighborhoods.

Generally, price increases are a positive development, but when rising rapidly, teachers, nurses, firefighters, and other working families can be priced out of their neighborhoods. Certain strategies may need to be put in place to ensure the long-term affordability of a portion of the housing stock.

Much of the research suggests that the type of affordable housing matters less than the quality of the properties' design, management, and maintenance.

of subsidized housing as "near," meaning that a home 501 feet away from subsidized housing would not be considered near. Another problem, noted by Galster in his literature review, is that many studies are susceptible to the criticism that they fail to indicate whether home prices were rising or falling before the analyses were conducted. It is possible that these studies may just be measuring pre-existing trends in home prices rather than the effects of affordable housing — an issue Galster seeks to overcome in his own research. Finally, since most of the studies were conducted at the local level, findings in one neighborhood may or may not apply elsewhere.

Does the type of affordable housing matter?

Just as there is no single definition of affordable housing, the types of affordable housing examined in the property values research reflect great diversity. Studies have covered the impact of public housing in Portland, Oregon and Memphis, Tennessee; non-profit housing developments in New York and Minneapolis; Low Income Housing Tax Credit projects in Cleveland and Seattle; affordable homeownership programs in San Mateo, California and Philadelphia; and Section 8 voucher programs in Baltimore — just to name a few.

Much of the research suggests that the type of affordable housing matters less than the quality of the properties' design, management, and maintenance. Nguyen cites a 1996 study by Edward Goetz and his colleagues at the University of Minnesota in which a comparison of subsidized units in Minneapolis — some public housing, some privately owned subsidized units and some developed by a local nonprofit — found that the quality of management influenced whether or not a development had negative effects on nearby property values. Similarly, a 1993 study by Paul Cummings and John Landis at Berkeley, found no negative impact on property values of affordable homeownership condo developments in San Francisco and San Mateo County in California. The authors attribute this finding to the care taken by the developers to deliver designs that suited the scale and character of the surrounding neighborhood.

Courtesy of Trinity Housing

In some circumstances, however, the type of housing does appear to matter. In a series of studies conducted by Ingrid Ellen and her colleagues at the Furman Center of NYU on the impact of affordable housing on property values in New York City, developments financed through the Low Income Housing Tax Credit (which serve a low- to moderate-income population) were somewhat more likely than developments financed through other federal programs to increase surrounding home prices. By contrast, they found that public housing (which serves the lowest income population) was somewhat more likely to produce negative effects than developments funded through other federal programs.

Do impacts differ by neighborhood type?

Some evidence suggests that affordable housing is more likely to have either no impact or a positive impact on surrounding home prices when located in strong neighborhoods — that is, higher value, lower poverty neighborhoods. For example, in some of his own research, Galster studied scattered-site public housing units in 2001 in Denver and the residences of families assisted through Section 8 housing vouchers in the late 1990s in Baltimore. He found that the impact on nearby property values tended to be positive when these subsidized households were located in wealthier neighborhoods that were generally appreciating in value. By contrast, subsidized households and developments located in more vulnerable neighborhoods where lower priced homes were already depreciating were more likely to result in continued negative effects on property values.

At the same time, several researchers have found evidence of positive effects on property values in vulnerable neighborhoods related to the rehabilitation of abandoned or distressed properties as affordable housing. Researcher Ingrid Ellen and her colleagues at NYU carried out one of the most recent, detailed examinations of the impacts on neighboring property values of city-supported rehabilitation of rental housing. The redevelopment projects included in the study were undertaken by both nonprofit and for-profit developers, and researchers used data on New York City from the 1980s through 1990s. The results, published in 2006, found significant, positive spillover effects on neighboring property values stemming from this rehabilitation, although these positive effects were slightly lower in the more distressed and disadvantaged areas where nonprofits tended to work, particularly for smaller-scale projects.

See **PROPERTY VALUES** page 5

A Conversation with Ingrid Ellen

In 2005, the John D. and Catherine T. MacArthur Foundation provided support to Ingrid Ellen, Co-Director of the Furman Center and Associate Professor of Public Policy and Urban Planning at the Wagner School of New York University (NYU), along with her colleagues Ioan Voicu and Amy Ellen Schwartz, also of NYU, and Michael Schill of UCLA's School of Law, to continue their research on the impact of New York City's investments in affordable housing. Center for Housing Policy staff spoke with Professor Ellen about the team's research.

What would you say was innovative about the MacArthur-funded work?

New York City has built 70,000 units [of affordable housing] and renovated another 120,000 during our study period – far more than any other city. Although many of these are concentrated in low-income areas, they are, in fact, located all over the city. Our data were quite extensive, including 30 years of data on housing prices. That gave us the statistical power of a research design that had not been used before. Most of the existing research uses cross-sectional data comparing an area with subsidized housing to an area without subsidized housing. This is limited because you are comparing different neighborhoods with many different factors at work. There [are] a few [other] longitudinal studies but usually just for a few selected developments, a few neighborhoods, or one program.

So we had a unique opportunity. [Our] study was more precise, and looked at differences in impacts [of] rehab units vs. new construction, one area vs. another, owner-occupied vs. renter-occupied and non-profit developer vs. for-profit developer, as well as several different housing programs, federal vs. city subsidized. We were able to look at all these comparisons over a period of 15 years.

What does your most recent research show?

In one study, we compared sales prices of New York City homes located near federally subsidized rental housing to sales prices of similar homes located in the same neighborhood, but farther from subsidized housing. We found that on average, subsidized housing is associated with a small increase in neighboring property values. Benefits are larger for average-sized or larger developments in more distressed neighborhoods.

The other study looked at how city-supported rental housing rehabilitation projects undertaken by nonprofit and for-profit developers affected nearby property values and whether these effects differed between the two sectors. We found that rehabilitation of rental housing by both for-profit and nonprofit organizations raises surrounding property values. The "spillover" benefits of nonprofit housing last longer than those of for-profit housing. Furthermore, the magnitude of the benefits does not differ between sectors for large projects, although in the case of smaller projects, the for-profit developers generated greater benefits.

A typical critique of your work is that it's for New York City – so the findings have limited application elsewhere. How do you respond?

We look at units located in all five boroughs, including Staten Island, Queens, for example. So we were able to look at the impacts in low-density neighborhoods with single-family homes as well as high-density areas in Manhattan. Our studies cover a diversity of neighborhoods. We think our results should provide reassurance to community residents about the neighborhood effects of federally subsidized housing.

What would you say is the "bottom line" for practitioners on the impacts of affordable housing on surrounding property values?

We can say generally that there is very little evidence – no evidence – of the significant reductions in property values that communities fear. What almost all the research is showing is that there is a range from no impact to a positive impact.

Aren't there some exceptions? Doesn't it also depend upon the concentration of units and attractive design, as Galster and others have shown?

Yes, you can't completely generalize. For example, it's hard to compare a greenfields development with an infill development. Often in existing communities, the [affordable] housing replaces abandoned buildings or vacant lots or they are renovating buildings, which brings stability to the neighborhood. Overall, though, the evidence clearly fails to support the notion that subsidized rental housing, as a general matter, will depress neighborhood property values or otherwise undermine communities.

PROPERTY VALUES from page 3

Do impacts vary with the size of the affordable housing development or number of households?

Yes. Several researchers found that larger, more concentrated affordable housing developments were more likely than smaller developments to have a negative impact on nearby property values. For example, a 1993 study by Robert Lyons and Scott Loveridge of subsidized housing in Ramsey County, Minnesota, found substantial reductions in property values when the housing was clustered, as opposed to negligible effects when subsidized units were scattered throughout a neighborhood. In a 2007 study, Ingrid Ellen and her colleagues found that federally subsidized rental housing in New York City did not generally lead to reductions in nearby property values. They did, however, suggest that larger more concentrated developments may be an exception, decreasing nearby property values within the first three years of completion.

Galster, in his literature review, suggests there is a widespread pattern of threshold effects whereby the effects on surrounding property values are neutral or positive when affordable housing is relatively dispersed, but become negative once a critical mass of assisted housing sites or units are located in a neighborhood. The effects are most acute in lower value neighborhoods, he maintains, but even in higher value neighborhoods, the concentration of sites or units can lead to negative effects on property values.

In distressed areas, however, larger-scale affordable projects may in fact be desirable when they result in an upgrading of the housing stock at a scale sufficient to change the neighborhood trajectory. In the same 2007 analysis noted above that looked at the large-scale rehabilitation of dilapidated homes to create affordable housing opportunities in New York City, Ingrid Ellen and colleagues found that this activity led to significant increases in neighboring property values. By contrast, a 2001 study by Jean Cummings and colleagues looked at smaller-scale efforts to boost neighborhood homeownership in Philadelphia and found no impact on neighboring property values. These studies suggest that deliberate attempts to revitalize a neighborhood by rehabilitating or otherwise upgrading the housing stock through affordable housing activity may have positive impacts, if done at sufficient scale and as part of a broader community revitalization strategy.

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MACARTHUR
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Policy briefs in this series are prepared by the Center for Housing Policy for the John D. and Catherine T. MacArthur Foundation. The Foundation's grantmaking is intended to raise the priority and profile of affordable housing policy by investing in the creation of new knowledge about the supply and demand for rental housing and affordable housing's connection to other social policy issues. This series presents key findings from affordable housing research supported by the Foundation.

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Accentuate the Positive, Minimize the Negative — Lessons for Practitioners

Many Americans, even those who support the development of affordable housing, may nonetheless object when such a development is proposed in their own neighborhood. Fears about property values are often — although not always — misplaced. Taken together, the body of research on this subject suggests concrete ways to minimize both the negative effects and neighborhood opposition to such developments:

- **Design —** Affordable housing that is attractively designed and blends with the surrounding neighborhood may be more likely to have no effect or even a positive effect on nearby property values. An attractive design also may be helpful in allaying community concerns about the aesthetics of a proposed development.

- **Management —** Not surprisingly, poorly maintained housing — whether privately owned or subsidized — has been shown to depress nearby property values. Affordable housing that is well-managed and well-maintained is more likely to have a neutral or even positive effect on surrounding properties.

- **Revitalization —** Rehabilitation of distressed properties for affordable housing has proven beneficial to neighboring home values. Neighbors are likely to view quality, affordable housing as preferable to vacant lots or dilapidated buildings.

- **Strong Neighborhoods —** As long as it is not overly concentrated, locating affordable housing developments in strong neighborhoods with high home values and low poverty rates is unlikely to have adverse effects on nearby property values. These findings provide support for the emerging trend toward mixed-income housing and communities.

- **Concentration —** Research suggests that distressed areas may benefit from new affordable housing developments that are large enough to overcome surrounding blight. In other neighborhoods, large concentrations of affordable units are best avoided in favor of more moderately sized developments that may limit the negative effects associated with concentrations of poverty. What exactly constitutes a large concentration of affordable housing? Unfortunately the answer so far seems to be "it depends." This, researchers agree, is an important outstanding question.

Clearly, more work needs to be done. However, a greater understanding and appreciation of the evidence to-date could prove helpful in increasing community support for affordable homes.

Appendix E
Assessments of Crime Effects

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Low-Income Housing Development and Crime

Matthew Freedman[a], Emily Owens[b]

ABSTRACT

This paper examines the effect of rental housing development subsidized by the government's Low-Income Housing Tax Credit program on local crime. We take advantage of changes in the formula used to determine the eligibility of census tracts for Qualified Census Tract (QCT) status, which affects the size of the tax credits developers receive for building low-income housing. QCT status attracts real estate development from other parts of the county, differentially improving the housing stock in the poorest census tracts. Low-income housing development, and the associated revitalization of neighborhoods, brings with it significant reductions in violent crime that are measurable at the county level. There are no detectable effects on property crime, perhaps because of changes in reporting behavior among residents.

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Myths & Facts

Myths & Facts (/content/myths-facts)

FAQs (/resources/faqs)

Affordable Housing Links (/resources/affordable-housing-links)

Fact Sheet (English) (https://www.princetoncommunityho Sheet%20ENGLISH%201-5-16.pdf)

Fact Sheet (Spanish) (https://www.princetoncommunityho sheet-spanish-1-5-16pdf)

MYTH: Affordable housing will drive down property values.

REALITY: Repeated research has shown that affordable housing has no negative impact on the price or frequency of sales of neighboring homes. A recent study of four very-low-income family housing developments in suburban Chicago – Victorian Park in Streamwood, Liberty Lakes Apartments in Lake Zurich, Waterford Park Apartments in Zion, and Brookhaven Apartments in Gurnee - revealed that affordable housing can have a positive impact on surrounding property values. A Wisconsin study of housing constructed under the Low Income Housing Tax Credit program concluded that property values surrounding these developments rose, even in relatively affluent areas. In addition, mixed-income buildings can boost the residential real estate market in many areas by replacing the blighted buildings that keep real estate values low. Numerous studies over time from around the country support the general notion that affordable housing has no negative impact on surrounding property values— especially if it is thoroughly integrated into the neighborhood.1

MYTH: Affordable housing will look like “cheap housing.”

REALITY: Affordable housing must comply with the same building restrictions and design standards as market-rate housing. Builders know that it makes sense to use the same construction techniques and materials for all units in a development. Furthermore, because affordable housing is often funded in part with public money, sometimes it needs to comply with additional restrictions and higher standards than market-rate housing. Groups like the Franciscan Ministries, the Community Housing Association of DuPage, the Lake County Residential Development Corporation (LCRDC) and a number of for-profit housing developers provide strong examples of high-quality affordable housing that blends in with market-rate housing here in the Chicago region. Many developments incorporating affordable units are built as low-rise garden apartments at a scale similar to large houses. Affordable housing is not affordable because it’s built with “sub-quality” materials; it is affordable in the sense that it is less costly to live in because it is supported by additional public and private funds.

MYTH: Affordable housing will bring lots of large families to the community, thereby increasing the burden on schools and roads.

REALITY: According to the U.S. Census Bureau, rental apartments have fewer children per unit on average than owner-occupied, single-family housing; rental apartments contain a lower percent of units with one or more school aged children; and rental units have a lower average number of motor vehicles per unit.2 A Massachusetts study found that multi-family housing developments did not increase school costs.3 Although not all multi-family rental units are affordable, they make up the bulk of affordable housing.

Affordable housing helps reduce the number of cars on the road by allowing working people to live near their jobs. In addition, studies show that affordable housing residents own fewer cars and drive less often than residents of market-rate homes.4

MYTH: Affordable housing will reduce the quality of local schools and hurt standardized test scores.

REALITY: Without affordable housing, many families are forced to move frequently, and their children are unable to remain in the same school for long. A Minneapolis study found that children whose families moved during the course of the school year attended school less often and scored significantly lower on standardized tests than those who stayed in one place.5 Research on Chicago-area residents reveals that students forced to move around are much more prone to drop out of school.6 Affordable housing minimizes such disruptions to children's education.

Economic integration of neighborhoods is necessary to create regional school systems in which all schools—not just a few—are excellent. Montgomery County, Maryland, has one of the most extensive ordinances setting aside affordable units in any new residential development, and consequently its population is economically integrated. The county also has one of the nation's best school systems, proving that affordable housing may even contribute to school quality.7

Affordable housing also helps schools attract and retain the best teachers. School districts across the country have developed innovative affordable housing programs that recognize that it is important for teachers to put down roots in the communities where they teach, and the federal government's “Teacher Next Door” program also helps teachers live in the school districts where they teach at a price they can afford.8

MYTH: Affordable housing doesn’t contribute to the local tax base and overburdens the local property tax system.

REALITY: Nationwide, the effective tax rate (property tax paid relative to the market value) for multi-family complexes is significantly higher than single-family homes.9 Thus, multi-family developments pay their “fair share” in local property taxes. A Massachusetts study of 41 towns found that multi-family complexes often generated a profit for local governments.10 Most cities that have enacted inclusionary zoning ordinances have found that they spur more than enough economic development to keep public finances on a sound footing.11 Furthermore, as stated above, multi-family housing offers greater efficiency in use of public services and infrastructure.

Across the country, municipalities with volunteer fire and ambulance crews have been facing pressure to hire salaried personnel as high housing costs force volunteers to move away. Affordable housing can help these communities retain their volunteers and thus keep public safety expenses down.12

MYTH: Affordable housing will increase crime in the community and bring in undesirable residents.

REALITY: Affordable housing can help a community maintain a stable population by making it easier to retain people who already live and work there. There is no evidence that affordable housing brings crime to a neighborhood. In fact, affordable housing, as a tool of economic development, can often help to lower crime rates. The National Crime Prevention Council calls for the construction of affordable housing to reduce crime because “neighborhood cohesion and economic stability are enhanced in areas where the continuing supply of dispersed, affordable housing is assured.”13

Whether a development will be an asset or a detriment to a community more often turns on basic management practices: careful screening, prudent security measures, and regular upkeep. Most affordable housing residents are seeking safe and decent housing that will allow them to live self-sufficient lives in a good community.

MYTH: Affordable housing represents just another government welfare hand-out.

REALITY: Wealthy homeowners benefit the most from federal housing subsidies. They receive a federal income tax deduction for mortgage interest paid, which is the largest housing subsidy program in the U.S., and a similar deduction for property taxes paid. In 2003, these subsidies cost the federal government $87.8 billion, much of which went to the wealthiest 10% of U.S. taxpayers. Meanwhile, the federal government spent less than half as much ($41.5 billion) to preserve, maintain, and build affordable rental housing through the entirety of the Department of Housing and Urban Development (HUD) budget ($38 billion) and the low-income housing tax credit program ($3.5 billion).14

MYTH: Affordable housing is not fair; only the very poor benefit.

REALITY: A lack of affordable housing negatively affects employers, seniors, poor people, immigrants, entry-level and service sector workers, and public sector professionals such as teachers, firefighters, and police officers. It also impinges on broader quality of life issues such as the economic development of the region, traffic congestion, commute times, and air quality. In short, it affects us all. Effectively solving the affordable housing crisis does not mean addressing the needs of just the poor; it also means addressing the needs of the business community, working- and middle-class families, and the broader population.

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Appendix F
Market Analyses of Project

To: Sean Brady and Bill Rea, Rea Ventures Group

From: Tad Scepaniak; Real Property Research Group, Inc.

Date: October 28, 2014

Re: Whitehouse Texas LIHTC

A. Introduction and Overview

Overview of Assignment

Rea Ventures is currently exploring markets for the upcoming competitive round for Low Income Housing Tax Credits in Texas through the Texas Department of Housing and Community Affairs. Before moving forward with a formal application, Rea Ventures has engaged Real Property Research Group (RPRG) to conduct a preliminary analysis of the proposed development and market area. This preliminary analysis was conducted as a desktop analysis and did not include a specific site visit. The scope of work includes an economic overview, demographic analysis, and affordability estimate.

It is important to note that the completion of a full analysis including site visit may yield different results and conclusions. Reference is made to the statement of Underlying Assumptions and Limiting Conditions attached as Appendix I and incorporated in this report.

Project Description

The table below details the preliminary unit mix and rents supplied by Rea Ventures Group, LLC. The project will be located in Whitehouse, Smith County, Texas. Whitehouse is a small city in southern Smith County with a 2010 population of 29,854 persons.

Unit Type	AMI	Units	Bed	Net Rent	Utility Allowance	Gross Rent	Max. Gross Rent	Max. Income	Min. Income
LIHTC	30%	2	1	$221	$109	$330	$330	$13,200	$11,314
LIHTC	50%	3	1	$441	$109	$550	$550	$22,000	$18,857
LIHTC	60%	13	1	$551	$109	$660	$660	$26,400	$22,629
Market	80%	2	1	$551	$109	$660	$880	$35,200	$22,629
LIHTC	30%	2	2	$258	$138	$396	$396	$15,840	$13,577
LIHTC	50%	6	2	$522	$138	$660	$660	$26,400	$22,629
LIHTC	60%	18	2	$654	$138	$792	$792	$31,680	$27,154
Market	80%	2	2	$654	$138	$792	$1,056	$42,240	$27,154
LIHTC	30%	1	3	$291	$166	$457	$457	$18,285	$15,669
LIHTC	50%	3	3	$595	$166	$761	$762	$30,475	$26,091
LIHTC	60%	10	3	$748	$166	$914	$914	$36,570	$31,337
Market	80%	2	3	$748	$166	$914	$1,219	$48,760	$31,337
LIHTC	30%	1	4	$308	$202	$510	$510	$20,400	$17,486
LIHTC	50%	2	4	$648	$202	$850	$850	$34,000	$29,143
LIHTC	60%	3	4	$818	$202	$1,020	$1,020	$40,800	$34,971
Market	80%	2	4	$818	$202	$1,020	$1,360	$54,400	$34,971
Total		**72**							

Rents include: Trash Removal

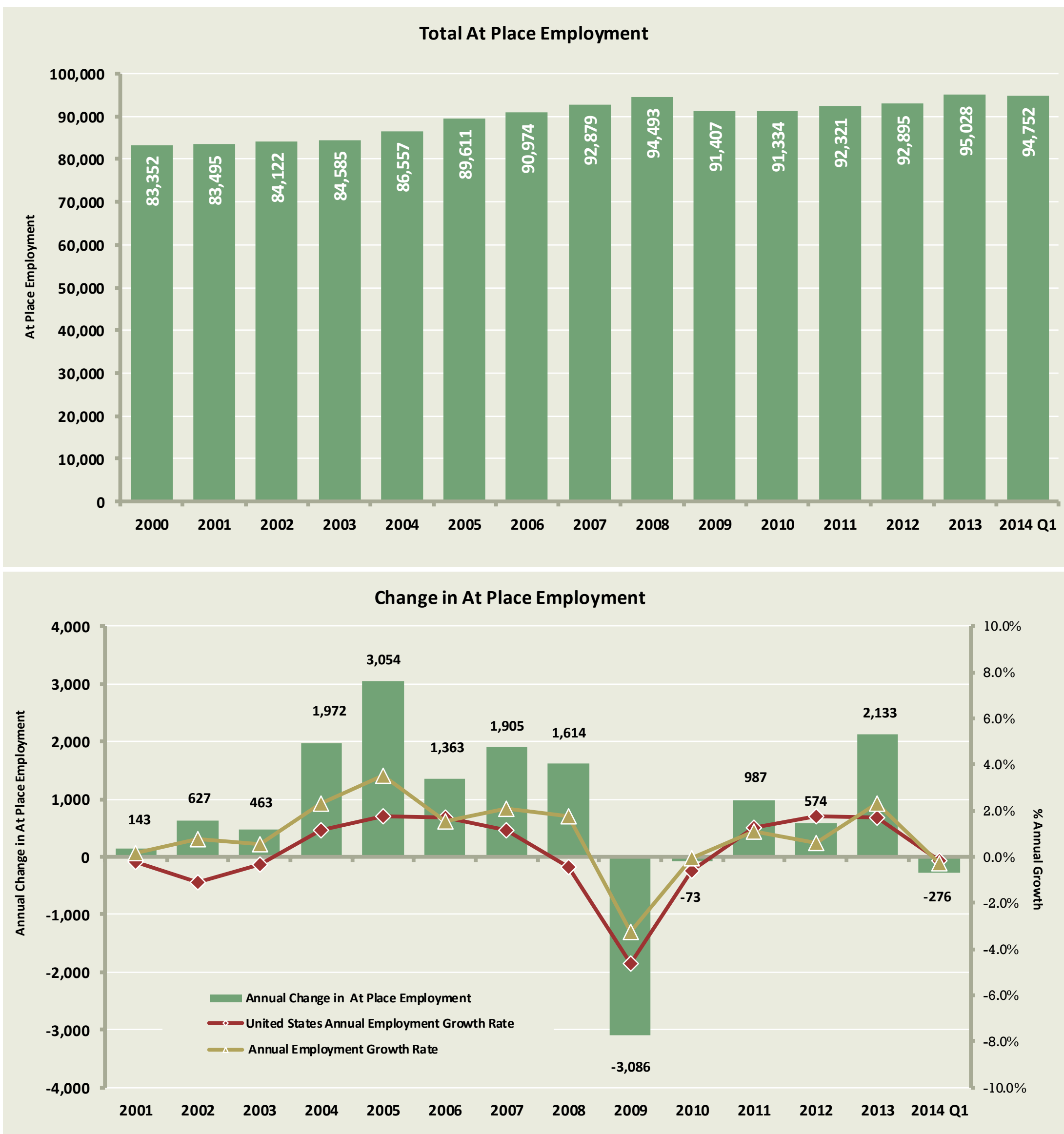
B. Economic Context

Whitehouse is located in Smith County and the HUD income limits are based on the Tyler MSA. Tyler is the largest city in Smith County and is located approximately five miles to the northwest of Whitehouse.

Trends in Total At-Place Employment

At-Place Employment in Smith County experienced steady growth from 2001 to 2008, gaining 11,141 jobs or 13.4 percent. Following 2008, Smith County lost 3,159 jobs between 2009 and 2010 during the national recession and prolonged economic downtown. These losses have been recouped with job growth in each of the past three years with a net addition of 3,694 jobs (Figure 1).

Figure 1 At-Place Employment



Source: U.S. Department of Labor, Bureau of Labor Statistics, Quarterly Census of Employment and Wages

Labor Force and Unemployment

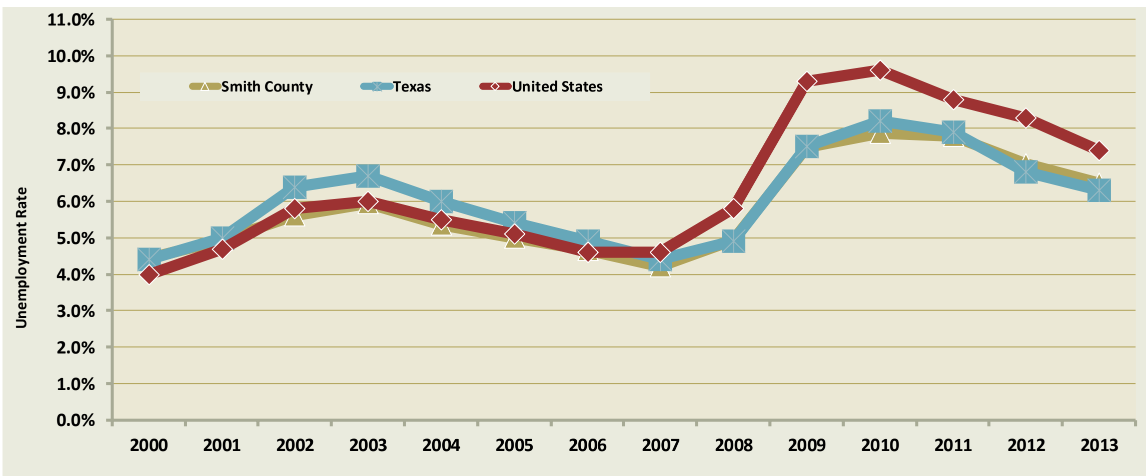
Smith County's labor force increased steadily between 2000 and 2011 and has held steady at approximately 103,000 people since 2011(Table 1). The county's unemployment rate peaked at 7.9 percent in 2010 during the national recession, which was lower than the state high of 8.2 percent and the national peak of 9.6 percent. The unemployment rates in all three areas have decreased significantly with July 2014 unemployment rates of 5.5 percent in the county, 5.6 percent in the state, and 6.5 percent in the nation.

Table 1 Labor Force and Unemployment Rates, Smith County

Annual Unemployment Rates - Not Seasonally Adjusted

Annual Unemployment	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014 - July
Labor Force	86,261	87,230	90,382	92,743	94,871	95,590	96,133	96,561	98,539	100,913	102,863	103,778	103,157	103,495	103,429
Employment	82,429	82,928	85,306	87,222	89,792	90,804	91,647	92,487	93,662	93,351	94,753	95,687	95,914	96,766	97,725
Unemployment	3,832	4,302	5,076	5,521	5,079	4,786	4,486	4,074	4,877	7,562	8,110	8,091	7,243	6,729	5,704
Unemployment Rate															
Smith County	4.4%	4.9%	5.6%	6.0%	5.4%	5.0%	4.7%	4.2%	4.9%	7.5%	7.9%	7.8%	7.0%	6.5%	5.5%
Texas	4.4%	5.0%	6.4%	6.7%	6.0%	5.4%	4.9%	4.4%	4.9%	7.5%	8.2%	7.9%	6.8%	6.3%	5.6%
United States	4.0%	4.7%	5.8%	6.0%	5.5%	5.1%	4.6%	4.6%	5.8%	9.3%	9.6%	8.8%	8.3%	7.4%	6.5%

Source: U.S. Department of Labor, Bureau of Labor Statistics



Commutation Patterns

To understand local commutation patterns, RPRG examined data prepared by The U.S. Census Bureau and Center of Economic Studies and presented via OnTheMap. OnTheMap presents commutation data in two scenarios: based on those working within a specific geography and those living within a specific geography. For the purposes of this analysis, we looked at both scenarios for the city of Whitehouse.

As shown in Figure 2, only 1,348 jobs are located within the city of Whitehouse. Approximately 42 percent of these jobs are filled by workers residing within 10 miles of Whitehouse. Thirty-eight percent of those working in Whitehouse live 10 to 50 miles away. Only 20.3 percent live more than 50 miles away. Most of those commuting to Whitehouse for work travel from the city of Tyler and surrounding areas to the north and northwest.

Approximately 40 percent of the 4,114 employed workers living in Whitehouse work within 10 miles of home (Figure 3). Roughly 15 percent work 10 to 24 miles from Whitehouse and 39.6 work more than 50 miles away. The most common destination for Whitehouse residents is Tyler to the northwest. Dallas and its surrounding suburbs is a popular destination for those traveling more than 50 miles to work.

Figure 2 Commutation Data, Whitehouse Jobs

Jobs by Distance - Work Census Block to Home Census Block

	2011 Count	2011 Share
Total Primary Jobs	1,348	100.0%
Less than 10 miles	562	41.7%
10 to 24 miles	295	21.9%
25 to 50 miles	217	16.1%
Greater than 50 miles	274	20.3%

Source: U.S. Census Bureau, Center for Economic Studies, LEHD

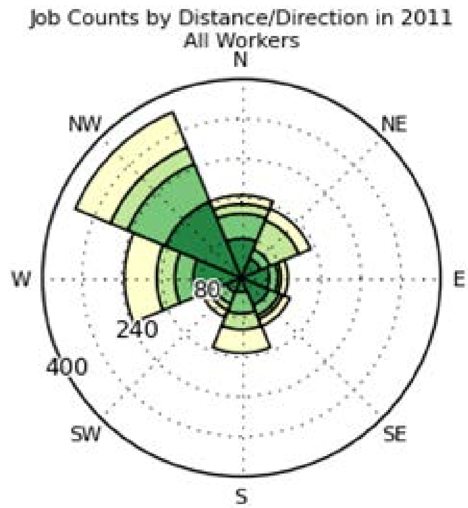
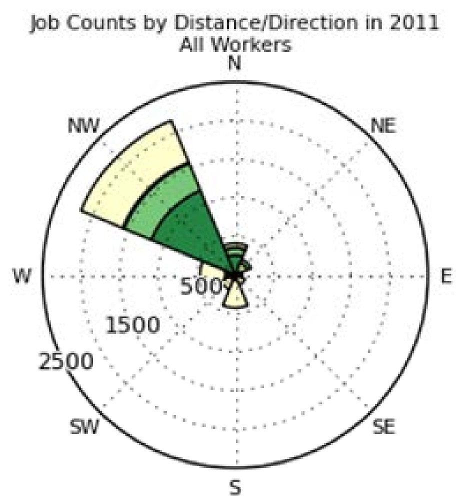


Figure 3 Commutation Data, Whitehouse Residents

Jobs by Distance - Home Census Block to Work Census Block

	2011 Count	2011 Share
Total Primary Jobs	4,114	100.0%
Less than 10 miles	1,637	39.8%
10 to 24 miles	634	15.4%
25 to 50 miles	214	5.2%
Greater than 50 miles	1,629	39.6%

Source: U.S. Census Bureau, Center for Economic Studies, LEHD

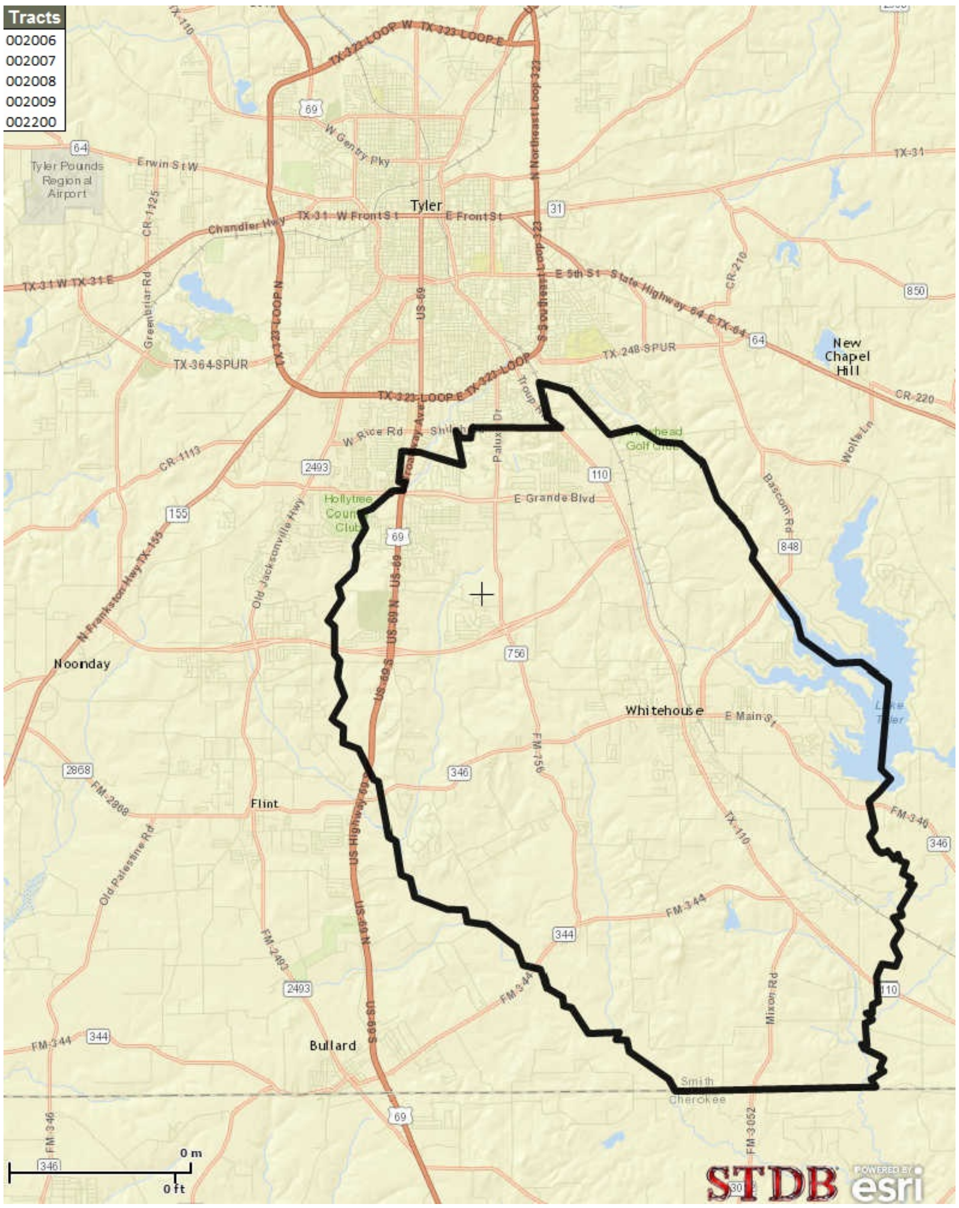


C. Demographic Analysis

Definition of Market Area

For the purposes of this analysis, we defined the Whitehouse Market Area based on census tract geography and include the census tracts located in and around Whitehouse. This market area includes portions of southern Smith County to the south and southeast of Tyler. The Whitehouse Market Area is depicted in Map 1 with the census tracts that comprise the market area listed on the edge of the map. As appropriate for this analysis, the Whitehouse Market Area is compared to Smith County. This secondary market area is only used for comparison purposes as demand is limited to the Whitehouse Market Area.

Map 1 Whitehouse Market Area



Population and Household Projections

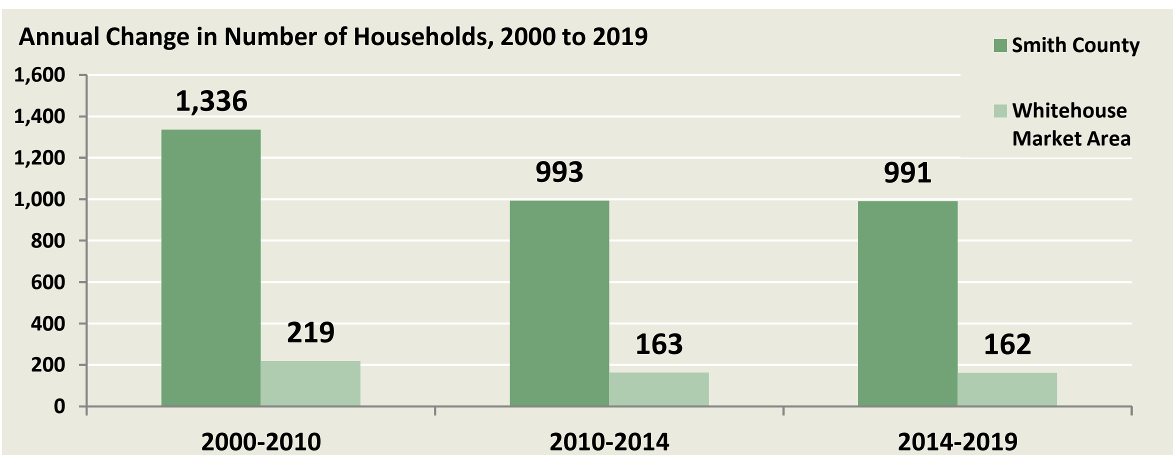
According to U.S. Census figures from 2000 and 2010, the Whitehouse Market Area increased from 8,990 households to 11,179 households, representing net growth of 2,189 households or 24.3 percent (Table 2). The annual rate of household change in the market area was 219 households or 2.2 percent. By comparison, Smith County increased by 1,336 households or 1.9 percent per year.

Growth rates are projected to slow in both areas with the market area continuing to outpace Smith County on a percentage basis. Between 2014 and 2019, annual household growth is projected at 162 households or 1.3 percent in the Whitehouse Market Area and 991 households or 1.2 percent in Smith County.

Table 2 Population and Household Projections

	Smith County					Whitehouse Market Area				
		Total Change		Annual Change			Total Change		Annual Change	
Population	**Count**	**#**	**%**	**#**	**%**	**Count**	**#**	**%**	**#**	**%**
2000	**174,706**					**24,331**				
2010	**209,714**	35,008	20.0%	3,501	1.8%	**29,854**	5,523	22.7%	552	2.1%
2014	**220,231**	10,517	5.0%	2,629	1.2%	**31,519**	1,665	5.6%	416	1.4%
2019	**233,326**	13,095	5.9%	2,619	1.2%	**33,597**	2,078	6.6%	416	1.3%
		Total Change		**Annual Change**			**Total Change**		**Annual Change**	
Households	**Count**	**#**	**%**	**#**	**%**	**Count**	**#**	**%**	**#**	**%**
2000	**65,692**					**8,990**				
2010	**79,055**	13,363	20.3%	1,336	1.9%	**11,179**	2,189	24.3%	219	2.2%
2014	**83,029**	3,974	5.0%	993	1.2%	**11,830**	651	5.8%	163	1.4%
2019	**87,983**	4,954	6.0%	991	1.2%	**12,639**	809	6.8%	162	1.3%

Source: 2000 Census; 2010 Census; Esri; and Real Property Research Group, Inc.



Renter Household Trends

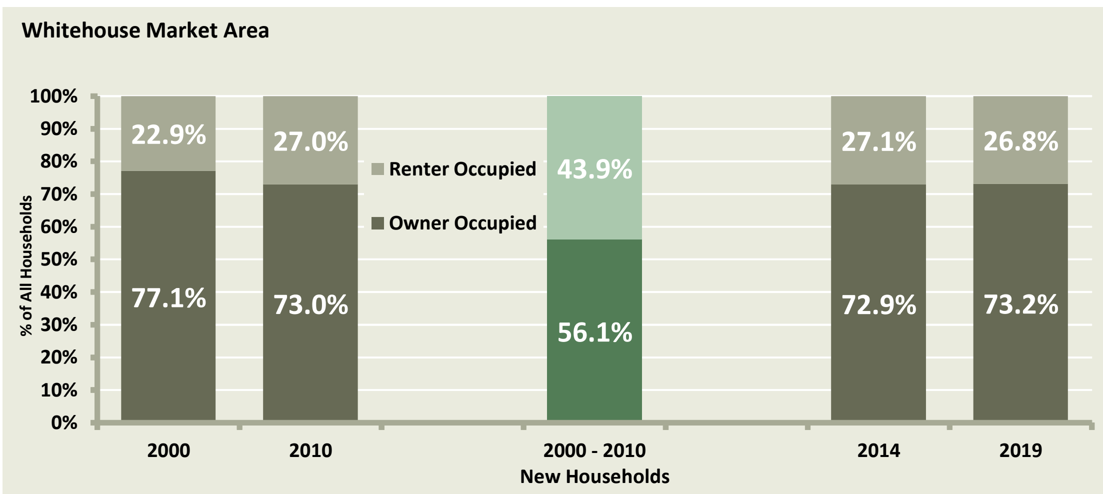
As of the 2010 census, renter percentages were 27 percent in the Whitehouse Market Area and 33.5 percent in Smith County (Table 3). Between the 2000 and 2010 census counts, renter households contributed a disproportionate share of net household growth at 43.9 percent in the market area and 49.2 percent in the county. Renter percentages for 2019 are projected at 26.8 percent in the market area and 33.3 percent in the county.

Table 3 Households by Occupancy Status 2000-2019

Smith County Housing Units	2000 #	2000 %	2010 #	2010 %	Change 2000-2010 #	Change 2000-2010 %	2014 #	2014 %	2019 #	2019 %
Owner Occupied	45,785	69.7%	52,569	66.5%	6,784	50.8%	55,141	66.4%	58,676	66.7%
Renter Occupied	19,907	30.3%	26,486	33.5%	6,579	49.2%	27,887	33.6%	29,307	33.3%
Total Occupied	**65,692**	**100%**	**79,055**	**100%**	**13,363**	**100%**	**83,029**	**100%**	**87,983**	**100%**
Total Vacant	6,009		8,254				8,669		9,186	
TOTAL UNITS	**71,701**		**87,309**				**91,698**		**97,169**	

Whitehouse Market Area Housing Units	2000 #	2000 %	2010 #	2010 %	Change 2000-2010 #	Change 2000-2010 %	2014 #	2014 %	2019 #	2019 %
Owner Occupied	6,935	77.1%	8,162	73.0%	1,227	56.1%	8,626	72.9%	9,250	73.2%
Renter Occupied	2,055	22.9%	3,017	27.0%	962	43.9%	3,204	27.1%	3,389	26.8%
Total Occupied	**8,990**	**100%**	**11,179**	**100%**	**2,189**	**100%**	**11,830**	**100%**	**12,639**	**100%**
Total Vacant	494		789				835		892	
TOTAL UNITS	**9,484**		**11,968**				**12,665**		**13,531**	

Source: U.S. Census of Population and Housing, 2000, 2010; Esri, RPRG, Inc.

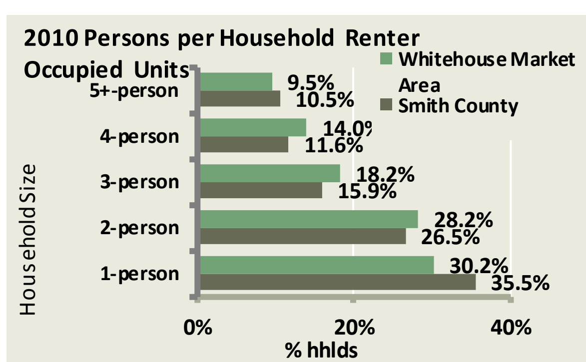


As of the 2010 census, 58.4 percent of renter households in the market area had one or two people including 30.2 percent with one person (Table 5). Roughly 32 percent of households in the market area have three or four persons and 9.5 percent have five or more households. By comparison, Smith County had a higher percentage of one person and 5+ person households.

Table 4 Renter Households by Size of Household

Renter Occupied	Smith County #	Smith County %	Whitehouse Market Area #	Whitehouse Market Area %
1-person hhld	9,390	35.5%	910	30.2%
2-person hhld	7,026	26.5%	851	28.2%
3-person hhld	4,209	15.9%	549	18.2%
4-person hhld	3,080	11.6%	421	14.0%
5+-person hhld	2,781	10.5%	286	9.5%
TOTAL	**26,486**	**100%**	**3,017**	**100%**

Source: 2010 Census



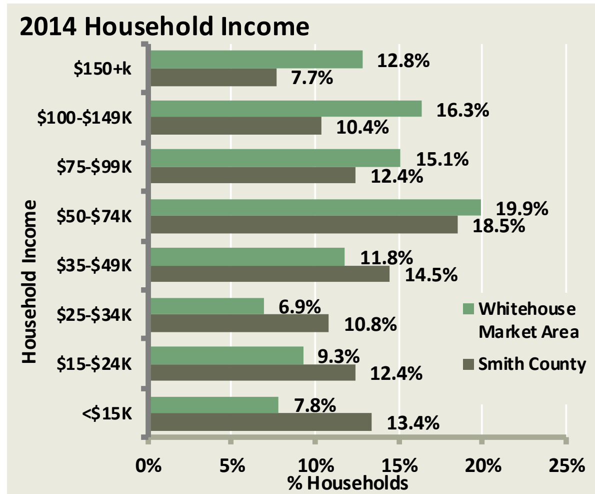
Income Characteristics

According to income distributions provided by ESRI, households in the Whitehouse Market Area have a 2014 median household income of $67,795 per year, $18,895 or 38.6 percent higher than the Smith County median of $48,900 (Table 5). Only 24 percent of the households in the market area earn less than $35,000 and 31.7 percent earn $35,000 to $74,999.

Table 5 2014 Household Income

Estimated 2014 Household Income		Smith County		Whitehouse Market Area	
		#	%	#	%
less than	$15,000	11,114	13.4%	928	7.8%
$15,000	$24,999	10,276	12.4%	1,096	9.3%
$25,000	$34,999	8,996	10.8%	820	6.9%
$35,000	$49,999	12,009	14.5%	1,396	11.8%
$50,000	$74,999	15,361	18.5%	2,353	19.9%
$75,000	$99,999	10,309	12.4%	1,789	15.1%
$100,000	$149,999	8,598	10.4%	1,934	16.3%
$150,000	Over	6,366	7.7%	1,513	12.8%
Total		83,029	100%	11,830	100%
Median Income		$48,900		$67,795	

Source: Esri; Real Property Research Group, Inc.

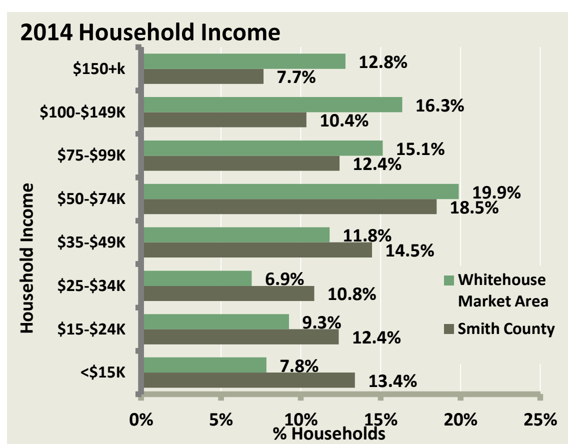


The 2014 median income by tenure in the Whitehouse Market Area is $42,996 among renter households and $79,781 among owner households (Table 6). Approximately 42 percent of renter households earn less than $35,000, 37.5 percent earn $35,000 to $74,999, and 20.0 percent earn $75,000 or more.

Table 6 2014 Household Income by Tenure

Estimated 2014 Household Income		Smith County		Whitehouse Market Area	
		#	%	#	%
less than	$15,000	11,114	13.4%	928	7.8%
$15,000	$24,999	10,276	12.4%	1,096	9.3%
$25,000	$34,999	8,996	10.8%	820	6.9%
$35,000	$49,999	12,009	14.5%	1,396	11.8%
$50,000	$74,999	15,361	18.5%	2,353	19.9%
$75,000	$99,999	10,309	12.4%	1,789	15.1%
$100,000	$149,999	8,598	10.4%	1,934	16.3%
$150,000	Over	6,366	7.7%	1,513	12.8%
Total		83,029	100%	11,830	100%
Median Income		$48,900		$67,795	

Source: Esri; Real Property Research Group, Inc.



D. Affordability Analysis

Affordability Analysis

Using 2016 as our target year for this analysis, RPRG calculated the income distribution for both total households and renter households based on the relationship between owner and renter household incomes by income cohort from the 2008-2012 American Community Survey with estimates and projected income growth since the Census (Table 7).

Table 7 2016 Total and Renter Household Distribution

Whitehouse Market Area		Total Households		Renter Households	
		#	%	#	%
less than	$15,000	909	7.5%	448	13.7%
$15,000	$24,999	971	8.0%	478	14.6%
$25,000	$34,999	708	5.8%	368	11.2%
$35,000	$49,999	1,236	10.2%	423	12.9%
$50,000	$74,999	2,343	19.3%	779	23.8%
$75,000	$99,999	2,146	17.7%	395	12.1%
$100,000	$149,999	2,203	18.1%	288	8.8%
$150,000	Over	1,637	13.5%	98	3.0%
Total		**12,153**	**100%**	**3,278**	**100%**
Median Income		**$74,030**		**$47,217**	

Source: American Community Survey 2008-2012 Projections, RPRG, Inc.

We conducted a 2016 affordability analysis for the subject property, assuming a 35 percent rent burden standard per TDHCA. Maximum income limits were based on an average household size of 1.5 persons per bedroom. The steps in the affordability analysis are as follows:

- The overall shelter cost for a one-bedroom unit at 30 percent AMI would be $330 ($221 street rent plus a $109 utility allowance) (Table 8).
- By applying a 35 percent rent burden to this gross rent, we determined that the one-bedroom units at 30 percent AMI would be affordable to households earning at least $11,314 per year. A projected 11,467 household will earn at least this amount in 2016.
- A household occupying a one-bedroom unit and earning up to 30 percent AMI will have a maximum income of $13,200. According to the interpolated income distribution for 2016, 11,353 households in the market area will have incomes exceeding this income limit.
- Subtracting the 11,353 households with incomes above the maximum income limit from the 11,467 households that could afford to rent this unit, RPRG computes that 114 households in the Whitehouse Market Area will fall within the band of affordability for the subject's one-bedroom units at 30 percent AMI.
- The subject project would need to capture 1.7 percent of these income-qualified households to absorb the two proposed one-bedroom units at 30 percent AMI.
- RPRG next tested the range of qualified households that are currently renters and determined that 56 renter households are qualified. To absorb the two units in this

floorplan, the subject would need to capture 3.6 percent of income-qualified renter households.

Table 8 Affordability Analysis

30% Units	One Bedroom		Two Bedroom		Three Bedroom		Four Bedroom	
	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.
Number of Units	2		2		1		1	
Net Rent	$221		$258		$291		$308	
Gross Rent	$330		$396		$457		$510	
% Income for Shelter	35%		35%		35%		35%	
Income Range (Min, Max)	$11,314	$13,200	$13,577	$15,840	$15,669	$18,285	$17,486	$20,400
Total Households								
Range of Qualified Hslds	11,467	11,353	11,330	11,162	11,179	10,925	11,002	10,719
# Qualified Households		114		168		254		283
Total HH Capture Rate		**1.7%**		**1.2%**		**0.4%**		**0.4%**
Renter Households								
Range of Qualified Hhdls	2,941	2,884	2,873	2,790	2,799	2,674	2,712	2,572
# Qualified Hhlds		56		83		125		139
Renter HH Capture Rate		**3.6%**		**2.4%**		**0.8%**		**0.7%**

50% Units	One Bedroom		Two Bedroom		Three Bedroom		Four Bedroom	
Number of Units	3		6		3		2	
Net Rent	$441		$522		$595		$648	
Gross Rent	$550		$660		$761		$850	
% Income for Shelter	35%		35%		35%		35%	
Income Range (Min, Max)	$18,857	$22,000	$22,629	$26,400	$26,091	$30,475	$29,143	$34,000
Total Households								
Range of Qualified Hslds	10,869	10,564	10,503	10,173	10,195	9,885	9,979	9,635
# Qualified Households		305		329		310		344
Unit Total HH Capture Rate		**1.0%**		**1.8%**		**1.0%**		**0.6%**
Renter Households								
Range of Qualified Hhdls	2,646	2,496	2,466	2,301	2,312	2,151	2,200	2,021
# Qualified Hhlds		150		165		161		179
Renter HH Capture Rate		**2.0%**		**3.6%**		**1.9%**		**1.1%**

60% Units	One Bedroom		Two Bedroom		Three Bedroom		Four Bedroom	
Number of Units	13		18		10		3	
Net Rent	$551		$654		$748		$818	
Gross Rent	$660		$792		$914		$1,020	
% Income for Shelter	35%		35%		35%		35%	
Income Range (Min, Max)	$22,629	$26,400	$27,154	$31,680	$31,337	$36,570	$34,971	$40,800
Total Households								
Range of Qualified Hslds	10,503	10,173	10,120	9,800	9,824	9,435	9,567	9,087
# Qualified Households		329		320		389		480
Unit Total HH Capture Rate		**3.9%**		**5.6%**		**2.6%**		**0.6%**
Renter Households								
Range of Qualified Hhdls	2,466	2,301	2,273	2,106	2,119	1,940	1,985	1,820
# Qualified Renter		165		167		179		165
Renter HH Capture Rate		**7.9%**		**10.8%**		**5.6%**		**1.8%**

80% Units	One Bedroom		Two Bedroom		Three Bedroom		Four Bedroom	
Number of Units	2		2		2		2	
Net Rent	$551		$654		$748		$818	
Gross Rent	$660		$792		$914		$1,020	
% Income for Shelter	35%		35%		35%		35%	
Income Range (Min, Max)	$22,629	$35,200	$27,154	$42,240	$31,337	$48,760	$34,971	$54,400
Total Households								
Range of Qualified Hslds	10,503	9,548	10,120	8,968	9,824	8,431	9,567	7,916
# Qualified Households		955		1,152		1,393		1,650
Total HH Capture Rate		**0.2%**		**0.2%**		**0.1%**		**0.1%**
Renter Households								
Range of Qualified Hhdls	2,466	1,978	2,273	1,780	2,119	1,596	1,985	1,424
# Qualified Renter		487		493		523		562
Renter HH Capture Rate		**0.4%**		**0.4%**		**0.4%**		**0.4%**

Income Target	Units	All Households = 12,153					Renter Households = 3,278			
			Band of Qualified Hhlds		# Qualified HHs	Capture Rate	Band of Qualified Hhlds		# Qualified HHs	Capture Rate
		Income	$11,314	$20,400			$11,314	$20,400		
30% Units	6	*Households*	11,467	10,719	725	**0.8%**	2,941	2,572	357	**1.7%**
		Income	$18,857	$34,000			$18,857	$34,000		
50% Units	14	*Households*	10,869	9,635	1,173	**1.2%**	2,646	2,021	595	**2.4%**
		Income	$22,629	$40,800			$22,629	$40,800		
60% Units	44	*Households*	10,503	9,087	1,363	**3.2%**	2,466	1,820	618	**7.1%**
		Income	$11,314	$40,800			$11,314	$40,800		
LIHTC Units	64	*Households*	11,467	9,087	2,380	**2.7%**	2,941	1,820	1,120	**5.7%**
		Income	$22,629	$54,400			$22,629	$54,400		
80% Units	8	*Households*	10,503	7,916	2,586	**0.3%**	2,466	1,424	1,042	**0.8%**
		Income	$11,314	$54,400			$11,314	$54,400		
Total Units	72	*Households*	11,467	7,916	3,551	**2.0%**	2,941	1,424	1,517	**4.7%**

Source: 2010 U.S. Census,Esri, Estimates, RPRG, Inc.

- Renter capture rates for the remaining 30 percent units are 2.4 percent for two bedroom units, 0.8 percent for three bedroom units, and 0.7 percent for four bedroom units.
- Renter capture rates for the 50 percent AMI units range from 1.1 percent to 3.6 percent.
- Renter capture rates for the 60 percent units range from 1.8 percent to 10.8 percent.
- Market rate capture rates are below one-half percent for all bedrooms.
- The overall renter capture rate for the LIHTC units was 5.7 percent with 1,120 income qualified households.

E. Conclusion

The market area defined for the proposed development is based on a desktop review of census geography and commutation patterns. Without a detailed site analysis, we do not have reason to believe a new rental community in Whitehouse would be able to attract renter households from beyond this market area.

The affordability analysis shows sufficient income qualified households to support the proposed project. The only capture rate above 10 percent is the two bedroom units at 60 percent AMI, which could be lower by reducing the rents.

Appendix 1 Underlying Assumptions and Limiting Conditions

The conclusions expressed in this report are as of the date of this report, and an analysis conducted as of another date may require different conclusions. The actual results achieved will depend on a variety of factors including the performance of management, the impact of changes in general and local economic conditions and the absence of material changes in the regulatory or competitive environment.

In conducting the analysis, we will make the following assumptions, except as otherwise noted in our report:

1. There are no zoning, building, safety, environmental or other federal, state or local laws, regulations or codes which would prohibit or impair the development, marketing or operation of the subject project in the manner contemplated in our report, and the subject project will be developed, marketed and operated in compliance with all applicable laws, regulations and codes.
2. No material changes will occur in (a) any federal, state or local law, regulation or code (including, without limitation, the Internal Revenue Code) affecting the subject project, or (b) any federal, state or local grant, financing or other program which is to be utilized in connection with the subject project.
3. The local, national and international economies will not deteriorate, and there will be no significant changes in interest rates or in rates of inflation or deflation.
4. The subject project will be served by adequate transportation, utilities and governmental facilities.
5. The subject project will not be subjected to any war, energy crisis, embargo, strike, earthquake, flood, fire or other casualty or act of God.
6. The subject project will be on the market at the time and with the product anticipated in our report, and at the price position specified in our report.
7. The subject project will be developed, marketed and operated in a highly professional manner.
8. No projects will be developed which will be in competition with the subject project, except as set forth in our report.
9. There are neither existing judgments nor any pending or threatened litigation, which could hinder the development, marketing or operation of the subject project.

The analysis will be subject to the following limiting conditions, except as otherwise noted in our report:

1. The analysis contained in this report necessarily incorporates numerous estimates and assumptions with respect to property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates and the variations may be material.
2. Our absorption estimates are based on the assumption that the product recommendations set forth in our report will be followed without material deviation.
3. All estimates of future dollar amounts are based on the current value of the dollar, without any allowance for inflation or deflation.
4. We have no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal matters, environmental matters, architectural matters, geologic considerations, such as soils and seismic stability, and civil, mechanical, electrical, structural and other engineering matters.
5. Information, estimates and opinions contained in or referred to in our report, which we have obtained from sources Outside of this office, are assumed to be reliable and have not been independently verified.
6. The conclusions and recommendations in our report are subject to these Underlying Assumptions and Limiting Conditions and to any additional assumptions or conditions set forth in the body of our report.

From: **Kirt Shell** kirt02@hotmail.com
Subject: RE: Additional TX Sites for Review
Date: September 5, 2014 at 2:30 PM
To: Sean Brady seanbrady@reaventures.com
Cc: darrell jack djack@stic.net

Whitehouse looks fine for 2 80 unit deals. I didn't even pick up the census tracts outside and adjacent to the loop in Tyler, only 5.5 miles north of the site.

Here are the capture rates for the proforma you sent, which was just 72 units, 67 affordable. Only affordable units are included in the capture rate for TDHCA. Add in another subject and the rates should still be fine, and we can always go bigger on the PMA, as I kept it pretty small for a rural deal.

Methodology	Subject's # of Units	Other L/I Units	Total Demand	Capture Rate
HISTA	67	0	1,408	4.8%
1 Bdrm @ 30%	2	0	112	1.8%
1 Bdrm @ 50%	3	0	156	1.9%
1 Bdrm @ 60%	14	0	175	8.0%
2 Bdrm @ 30%	2	0	49	4.1%
2 Bdrm @ 50%	6	0	88	6.8%
2 Bdrm @ 60%	18	0	94	19.2%
3 Bdrm @ 30%	2	0	49	4.1%
3 Bdrm @ 50%	10	0	85	11.8%
3 Bdrm @ 60%	3	0	92	3.2%
4 Bdrm @ 30%	1	0	20	5.0%
4 Bdrm @ 50%	2	0	53	3.8%
4 Bdrm @ 60%	4	0	56	7.2%

Kirt Shell
Apartment MarketData
Office Phone: (512) 312-4238
Cell Phone: (512) 635-7199

Subject: Re: Additional TX Sites for Review
From: seanbrady@reaventures.com
Date: Fri, 5 Sep 2014 13:35:13 -0400
CC: djack@stic.net
To: kirt02@hotmail.com

Thanks, Kurt. By the way, what is your take on whether or not Whitehouse, TX could support two 80

MARKET STUDY REPORT

ABBINGTON PLACE
1008 HIGHWAY 110 SOUTH
WHITEHOUSE, SMITH COUNTY, TEXAS 75791

Effective Date: February 8, 2016
Report Date: March 9, 2016

Prepared For

Mr. Sean Brady
Rea Ventures Group, LLC
2964 Peachtree Road NW, Suite 200
Atlanta, Georgia 30305
seanbrady@reaventures.com

Job Code: REA606V-002

Prepared By

Novogradac & Company LLP
11044 Research Boulevard
Building C, Suite 400
Austin, TX 78759
512.340.0420

March 9, 2016

Mr. Sean Brady
Rea Ventures Group, LLC
2964 Peachtree Road NW, Suite 200
Atlanta, Georgia 30305
seanbrady@reaventures.com

Re: Market Study of Abbington Place
1008 Highway 110 South
Whitehouse, Smith County, Texas 75791

Dear Mr. Brady:

At the request of Rea Ventures Group, LLC, Novogradac & Company LLP has performed a study of the multifamily rental market in Whitehouse, Texas relative to the above-referenced proposed LIHTC project.

The purpose of this market study is to assess the feasibility of Abbington Place, a proposed 60-unit LIHTC property. Abbington Place will be restricted to households earning 30, 50, and 60 percent of the area median income (AMI) or less, as well as market rate units. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions. The scope of this report meets the Texas Department of Housing and Community Affairs (TDHCA) 2016 Real Estate Analysis Rules and Guidelines, including the following:

- Inspection of the Subject, Comparable Properties and Neighborhood
- Project Description
- Delineation of the Market Area(s)
- Market Area Economy and Demographic Summary
- A Competitive Rental Market Analysis
- Demand Analysis
- Effective Gross Income Analysis
- Recommendations/Conclusions
- Photographs
- Market Analyst Qualifications

This report contains, to the fullest extent possible and practical, explanations of the data, reasoning, and analyses that were used to develop the opinions contained herein. The depth of discussion contained in the report is specific to the needs of the client and the requirements of the TDHCA. The report and the conclusions are subject to the *Assumptions and Limiting Conditions* attached.

The National Council of Housing Market Analysts (NCHMA) is a professional organization chartered to promote the development of high quality market analysis for the affordable housing industry. Novogradac is a charter member of this organization. NCHMA has compiled model content standards for market studies. This report generally conforms to those standards. Any slight modifications or departures from those standards are considered incidental and result from client specific needs.

The authors of this report certify that we are not part of the development team, owner of the Subject property, general contractor, nor are we affiliated with any member of the development team engaged in the development of the Subject property or the development's partners or intended partners.

Please do not hesitate to contact us if there are any questions regarding the report or if Novogradac & Company LLP can be of further assistance. It has been our pleasure to assist you with this assignment.

Respectfully submitted,
Novogradac and Company LLP

John Cole
Partner

Katherine Metcalf
Real Estate Junior Analyst

Lilli Valdez
Real Estate Analyst
Lilli.Valdez@novoco.com
325-515-7024

TABLE OF CONTENTS

MARKET ANALYSIS SUMMARY

Provider:	Novogradac & Company, LLC	Date:	3/1/2016
Contact:	Lilli Valdez	Phone:	325-515-7024
Development	Abbington Place	Target Population	general
Site Location	1008 Hwy 110 South	City: Whitehouse	County: Smith

Primary Market Area (PMA) page _17____

X census tracts ☐ zip codes ☐ census place

48423001102	48423001906	48423002007	48423002200		
48423001802	48423001908	48423002008			
48423001803	48423002003	48423002009			
48423001901	48423002004	48423002101			
48423001905	48423002006	48423002102			

ELIGIBLE HOUSEHOLDS BY INCOME page _55____

HH	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
size	min	max	min	max	min	max	min	max
1	$11,246	$12,270	N/A	N/A	$18,789	$20,450	$22,526	$24,540
2	$13,509	$14,040	N/A	N/A	$22,526	$23,400	$27,051	$28,080
3	$13,509	$15,780	N/A	N/A	$22,526	$26,300	$27,051	$31,560
4	$15,600	$17,520	N/A	N/A	$26,023	$29,200	$31,234	$35,040
5	$15,600	$18,930	N/A	N/A	$26,023	$29,200	$31,234	$37,860
6	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

MULTIFAMILY HOUSING in PMA page __35___

	# Developments	Total Units	Avg Occupancy
All Multifamily Housing	16	1,598	95%
All Placed-in-Service after 2006	4	764	97%
All LIHTC Developments	2	296	99%
Unstabilized Comparable LIHTC	0	0	N/A
Other Subsidized / Affordable	7	186	N/A

AFFORDABLE HOUSING INVENTORY in PMA page _35____

Proposed, Under Construction, and Unstabilized Comparable Developments in PMA

TDHCA #	Development	Status	Type	Target Population	Comp Units	Total Units	Occupancy
02420	Park at Shiloh	in service	new const	general	176	176	98%
10198	Pinnacle at North Chase	in service	new const	general	120	120	99%
16168	Stonebridge of Whitehouse	proposed	new const	general	62	18	N/A
16184	Reserve at Hagan	proposed	new const	general	72	72	N/A
16212	Mission Village of Whitehouse	proposed	new const	general	49	49	N/A

Other Affordable Developments in PMA

TDHCA #	Development	Status	Type	Target Population	Comp Units	Total Units	Occupancy
01044	Pecanwood Apts Housing II	in service	rehab	general	n/a	32	N/A
01048	Pecanwood Apts Housing I	in service	rehab	general	n/a	32	N/A
					n/a		
					n/a		

PMA DEMOGRAPHIC DATA

Note: For developments targeting Seniors, fill in Population and Household data for <u>both</u> the General population <u>and</u> the Senior population

	GENERAL			SENIORS		
	current year	place-in-service	five year	current year	place-in-service	five year
	2015	**11/2017**	**2020**	**2015**		**2020**
Population p. 23	95,740	97,899	100,366			
Households p. 23						
Total HH	38,363	39,254	40,272			
Renter HH	14,184	14,578	15,028			
Homeowner HH	24,179	24,676	25,244			

DEMAND CALCULATION p. 53

		Total Households	14,578
Subject Units	48	Potential Demand	6,594
Unstabilized Comparable Units	183	Other Demand	0
RELEVANT SUPPLY	**231**	**GROSS DEMAND**	**6,594**

RELEVANT SUPPLY / GROSS DEMAND = GROSS CAPTURE RATE **3.5%**

SUBJECT UNIT MIX				PROPOSED RENT		p. 51	DEMAND by UNIT TYPE p.			
AMI Level	Beds	Baths	Size (sqft)	Gross	Net	**MARKET RENT**	Demand	Subject Units	Comp Units	Unit Capture Rate
30%	1	1	719	$328	$220	$715	91	1	0	1.1%
30%	2	2	1,023	$394	$257	$850	140	2	0	1.4%
30%	3	2	1,168	$455	$288	$1,050	129	1	0	0.8%
50%	1	1	719	$548	$440	$715	149	2	0	1.3%
50%	2	2	1,023	$657	$520	$850	236	4	0	1.7%
50%	3	2	1,168	$759	$592	$1,050	342	4	0	1.2%
60%	1	1	719	$657	$549	$715	125	6	0	4.8%
60%	2	2	1,023	$789	$652	$850	269	13	0	4.8%
60%	3	2	1,168	$911	$744	$1,050	327	15	0	4.6%

ASSUMPTIONS AND LIMITING CONDITIONS

1. In the event that the client provided a legal description, building plans, title policy and/or survey, etc., the consultant has relied extensively upon such data in the formulation of all analyses.

2. The legal description as supplied by the client is assumed to be correct and the author assumes no responsibility for legal matters, and renders no opinion of property title, which is assumed to be good and merchantable.

3. All encumbrances, including mortgages, liens, leases, and servitudes, were disregarded in this valuation unless specified in the report. It was recognized, however, that the typical purchaser would likely take advantage of the best available financing, and the effects of such financing on property value were considered.

4. All information contained in the report which others furnished was assumed to be true, correct, and reliable. A reasonable effort was made to verify such information, but the author assumes no responsibility for its accuracy.

5. The report was made assuming responsible ownership and capable management of the property.

6. The sketches, photographs, and other exhibits in this report are solely for the purpose of assisting the reader in visualizing the property. The author made no property survey, and assumes no liability in connection with such matters. It was also assumed there is no property encroachment or trespass unless noted in the report.

7. The author of this report assumes no responsibility for hidden or unapparent conditions of the property, subsoil or structures, or the correction of any defects now existing or that may develop in the future. Equipment components were assumed in good working condition unless otherwise stated in this report.

8. It is assumed that there are no hidden or unapparent conditions for the property, subsoil, or structures, which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering, which may be required to discover such factors.

9. The investigation made it reasonable to assume, for report purposes, that no insulation or other product banned by the Consumer Product Safety Commission has been introduced into the Subject premises. Visual inspection by the consultant did not indicate the presence of any hazardous waste. It is suggested the client obtain a professional environmental hazard survey to further define the condition of the Subject soil if they deem necessary.

10. A valuation estimate for a property is made as of a certain day. Due to the principles of change and anticipation the value estimate is only valid as of the date of valuation. The real estate market is non-static and change and market anticipation is analyzed as of a specific date in time and is only valid as of the specified date.

11. Possession of the report, or a copy thereof, does not carry with it the right of publication, nor may it be reproduced in whole or in part, in any manner, by any person, without the

prior written consent of the author particularly as to value conclusions, the identity of the author or the firm with which he or she is connected. Neither all nor any part of the report, or copy thereof shall be disseminated to the general public by the use of advertising, public relations, news, sales, or other media for public communication without the prior written consent and approval of the consultant. Nor shall the consultant, firm, or professional organizations of which the consultant is a member be identified without written consent of the consultant.

12. Disclosure of the contents of this report is governed by the Bylaws and Regulations of the professional appraisal organization with which the consultant is affiliated: specifically, the Appraisal Institute.

13. The author of this report is not required to give testimony or attendance in legal or other proceedings relative to this report or to the Subject unless satisfactory additional arrangements are made prior to the need for such services.

14. The opinions contained in this report are those of the author and no responsibility is accepted by the author for the results of actions taken by others based on information contained herein.

16. All applicable zoning and use regulations and restrictions are assumed to have been complied with, unless nonconformity has been stated, defined, and considered in the appraisal report.

17. It is assumed that all required licenses, permits, covenants or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

18. On all appraisals, subject to satisfactory completion, repairs, or alterations, the appraisal report and value conclusions are contingent upon completion of the improvements in a workmanlike manner and in a reasonable period of time. A final inspection and value estimate upon the completion of said improvements should be required.

19. All general codes, ordinances, regulations or statutes affecting the property have been and will be enforced and the property is not subject to flood plain or utility restrictions or moratoriums, except as reported to the consultant and contained in this report.

20. The party for whom this report is prepared has reported to the consultant there are no original existing condition or development plans that would subject this property to the regulations of the Securities and Exchange Commission or similar agencies on the state or local level.

21. Unless stated otherwise, no percolation tests have been performed on this property. In making the appraisal, it has been assumed the property is capable of passing such tests so as to be developable to its highest and best use, as detailed in this report.

22. No in-depth inspection was made of existing plumbing (including well and septic),

electrical, or heating systems. The consultant does not warrant the condition or adequacy of such systems.

23. No in-depth inspection of existing insulation was made. It is specifically assumed no Urea Formaldehyde Foam Insulation (UFFI), or any other product banned or discouraged by the Consumer Product Safety Commission has been introduced into the appraised property. The consultant reserves the right to review and/or modify this appraisal if said insulation exists on the Subject.

24. Acceptance of and/or use of this report constitute acceptance of all assumptions and the above conditions. Estimates presented in this report are not valid for syndication purposes.

A. PROJECT DESCRIPTION

DESCRIPTION OF THE SITE

The location of an apartment community can have a substantial negative or positive impact upon the performance, safety, and appeal of the project. The following site description will discuss the physical features of the site, as well as the layout, access issues, and traffic flow.

Site Map

Identification: The Subject site is located at the west side of 1008 Highway 110 South in Whitehouse, Texas. The Smith County Appraisal District identifies the Subject as property ID number: R096550, account number 1-00000-0364-01-029020. The Subject is located in Census Tract: 48423002200, which is not a qualified census tract.

Shape/Size: The Subject site is irregular in shape and is approximately 178,596 square feet, or 4.1 acres, according to information provided by the client. This area is depicted by the site plan provided by the developer included at the end of this report.

Zoning: According to a letter from the City of Whitehouse dated February 23, 2016, the Subject is zoned C-H (Retail/Office High Density). This zoning does not allow for the proposed use. However, according to the City of Whitehouse, a rezoning application is pending for the R-H zoning district (Residential High Density). The R-H zoning district permits up to 20 units per acre. According to site plans provided by the client, the Subject will offer 60 units at 15 units per acre. Based on the City of Whitehouse Zoning Ordinance, the Subject will be required to offer 120 parking spaces. According to the City of Whitehouse, the proposed Subject use conforms to the proposed rezoning application. Based on the extraordinary assumption that the Subject will receive its rezoning approval for R-H, the Subject will be a legal, conforming use, as currently proposed.

Environmental, Soil and Subsoil Conditions and Drainage: We requested but were not provided with environmental reports, engineering reports or soil surveys. During our site inspection, we walked the Subject's grounds, including the rear of the buildings and the parking lot, and did not observe any obvious indicators of environmental contamination or adverse property condition issues. However, Novogradac & Company LLP does not offer expertise in this field and cannot opine as to the adequacy of the soil conditions, drainage, or existence of adverse environmental conditions. Further analysis is beyond the scope of this report.

Flood Plain: According to www.floodinsights.com, community map number 480572-0505C dated September 26, 2008; the Subject is located in Zone X, an area outside of the 100- and 500-year flooding. Further analysis by Novogradac is beyond the scope of this report.

Topography: The topography is generally level.

Utilities: According to the developer, all major utilities are available at the site, including water, sewer, electricity, telephone, and cable.

Visibility: The site offers good visibility on Highway 110 South.

Access/Traffic Flow: The Subject will be accessible from Highway 110 South, which is a moderately trafficked two lane roadway. Overall, access and traffic flow are considered average.

Detrimental Influences: Based on our site inspection, we did not identify any detrimental influences that would impact the marketability of the Subject.

Ownership History: According to the assessor, the Subject property is currently owned by Kirby Oil Company, Inc. According to a Purchase and Sale Agreement dated October 27, 2015 provided by the client, RVLH Acquisitions, LLC intends to purchase the Subject for a purchase price of $510,000. However, this is for a larger 6.5 acre parcel, and the Subject site, which consists of 4.1 acres, will be subdivided from this larger parcel. There have been no other known transfers of ownership in the past three years and the property is not currently listed for sale.

Conclusion: The Subject is physically capable of supporting a variety of legally permissible uses, and is considered a desirable building site based on the proposed use. We have made an extraordinary assumption that the Subject will be receive approval to be rezoned.

DESCRIPTION OF THE IMPROVEMENTS

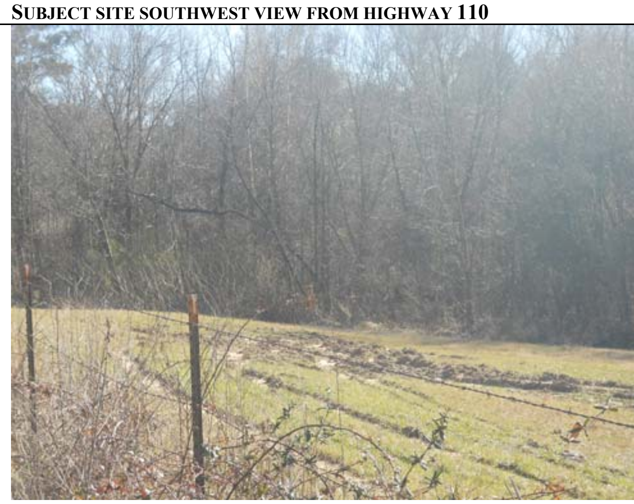
Property Improvements: The Subject property is a proposed LIHTC development that will target households earning 30, 50, and 60 percent of AMI or less, as well as market rate units. The Subject will consist of 12 one-bedroom, 24 two-bedroom, and 24 three-bedroom units for a total of 60 units. The Subject will be comprised of four three-story garden-style residential buildings. The Subject will also offer a clubhouse, business center, exercise facility, central laundry, on-site manager, off-street parking, picnic area, and playground.

Pictures of the Subject site are illustrated below.

SUBJECT SITE WEST VIEW FROM HIGHWAY 110

SUBJECT SITE SOUTHWEST VIEW FROM HIGHWAY 110

SUBJECT SITE NORTHWEST VIEW FROM HIGHWAY 110



SUBJECT SITE SOUTH VIEW FROM HIGHWAY 110

Date of Construction: Construction is anticipated to begin in early 2017 and be completed by November 2017.

Proposed Unit Mix: The following table details the proposed unit mix for the Subject's units.

UNIT MIX AND SQUARE FOOTAGE

Unit Type	Number of Units	Unit Size (SF)	Net Leasable Area
1BR/1BA	12	719	8,628
2BR/2BA	24	1,023	24,552
3BR/2BA	24	1,168	28,032
Total	**60**		**61,212**

Proposed Rents: The following table details the proposed LIHTC rents for the Subject's units. It should be noted that we have used the 2015 LIHTC maximum allowable levels as the 2016 AMI has not been released as of the date of this report.

PROPOSED RENTS

Unit Type	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2015 LIHTC Maximum Allowable Gross Rent	HUD Fair Market Rents
			30% AMI			
1BR	1	$220	$108	$328	$328	$698
2BR	2	$257	$137	$394	$394	$828
3BR	1	$288	$167	$455	$455	$1,099
			50% AMI			
1BR	2	$440	$108	$548	$548	$698
2BR	4	$520	$137	$657	$657	$828
3BR	4	$592	$167	$759	$759	$1,099
			60% AMI			
1BR	6	$549	$108	$657	$657	$698
2BR	13	$652	$137	$789	$789	$828
3BR	15	$744	$167	$911	$911	$1,099
			Market Rate			
1BR	3	$657	N/A	N/A	N/A	$698
2BR	5	$789	N/A	N/A	N/A	$828
3BR	4	$911	N/A	N/A	N/A	$1,099
Total	**60**					

Notes (1) Source of Utility Allowance provided by the City of Tyler HA, Eff. 10/1/2015

The rent table presented above illustrates the targeted rent levels for the Subject's units. The Subject's proposed LIHTC rents for its units at 30, 50 and 60 percent AMI are set at the 2015 LIHTC maximum allowable levels.

Number of Stories: The residential buildings will be three stories. It should be noted we have not received floor plans for the Subject.

Layout/Curb Appeal: We were provided with the Subject's site plan, and we anticipate that the Subject will provide excellent curb appeal.

Community Amenities: The Subject will also offer a clubhouse, business center, exercise facility, central laundry, on-site manager, picnic area, and playground.

Unit Amenities: The Subject's unit amenities will include balcony/patios, blinds, carpet, central air conditioning, ceiling fans, walk-in closets, cable/internet wiring, dishwashers, garbage disposals, microwaves, ovens, refrigerators, icemakers, and washer/dryer connections.

Utility Structure: Tenants will be responsible for electric heating and water heating, electric cooking, air conditioning, and other general electric expenses. The landlord will be responsible for cold water, sewer, and trash services. The following table depicts the utility allowance calculations. The utility allowance information was provided by the City of Tyler Housing Authority, effective date of October 1, 2015, which is the most recent available. These utility allowances match the developer's calculations as well, and we have used these utility allowances to adjust the comparables in this analysis.

UTILITY ALLOWANCE

UTILITY AND SOURCE	Paid By	1BR	2BR	3BR
Heating- Electric	Tenant	$8	$10	$12
Cooking-Electric	Tenant	$6	$7	$8
Other Electric	Tenant	$42	$50	$59
Air Conditioning	Tenant	$8	$13	$18
Water Heating- Electric	Tenant	$11	$16	$20
Water	Tenant	$16	$21	$26
Sewer	Tenant	$17	$20	$24
Trash	Landlord	$14	$14	$14
Total Paid by Tenant		**$108**	**$137**	**$167**
Total Paid by Subject		**$14**	**$14**	**$14**
Total Utility Allowances		**$122**	**$151**	**$181**

Source: City of Tyler Neighborhood Services, eff. 10/1/15

Resident Services: The Subject will not offer resident services.

Americans with Disabilities Act of 1990: We assume that the Subject will not have any violations of the Americans with Disabilities Act of 1990.

Quality of Construction & Deferred Maintenance: We assume the property will be constructed in a timely manner consistent with information provided, using good quality materials in a workmanlike manner. Since the property will be new construction, it will not suffer from any deferred maintenance.

Condition: We anticipate the Subject will be in excellent condition upon completion, since it will be a newly constructed property.

Current Occupancy Levels, Rents, Tenant Incomes, Operating Expenses: As proposed new construction, there is no historical or current occupancy, rents, or operating expenses to report.

Conclusion: Upon completion the Subject will be a newly constructed 60-unit LIHTC and market-rate development comprised in four three-story garden-style residential buildings. The Subject will not suffer from functional or physical obsolescence and will provide good utility for its intended use.

B. PRIMARY & SECONDARY MARKET INFORMATION

REGIONAL AND LOCAL AREA SUMMARY

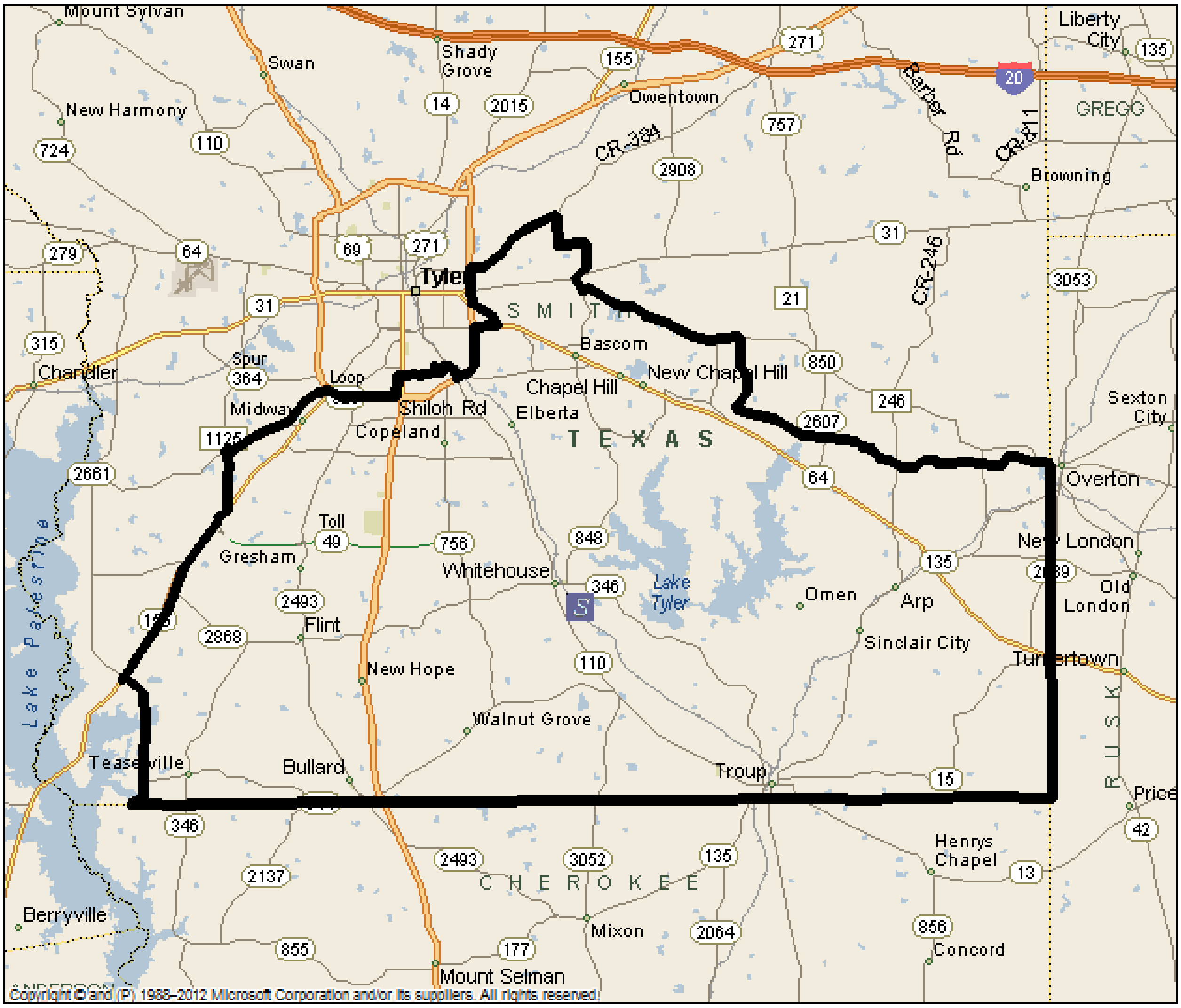
The Subject is located in the city of Whitehouse, Texas in Smith County. The 2010 U.S. Census data estimated the population of the city of Whitehouse to be 7,660.

Based on TDHCA guidelines, the boundaries of the PMA were defined by census tracts. Thus, for the purposes of this study, the Subject's Primary Market Area (PMA) is comprised of the following census tracts:

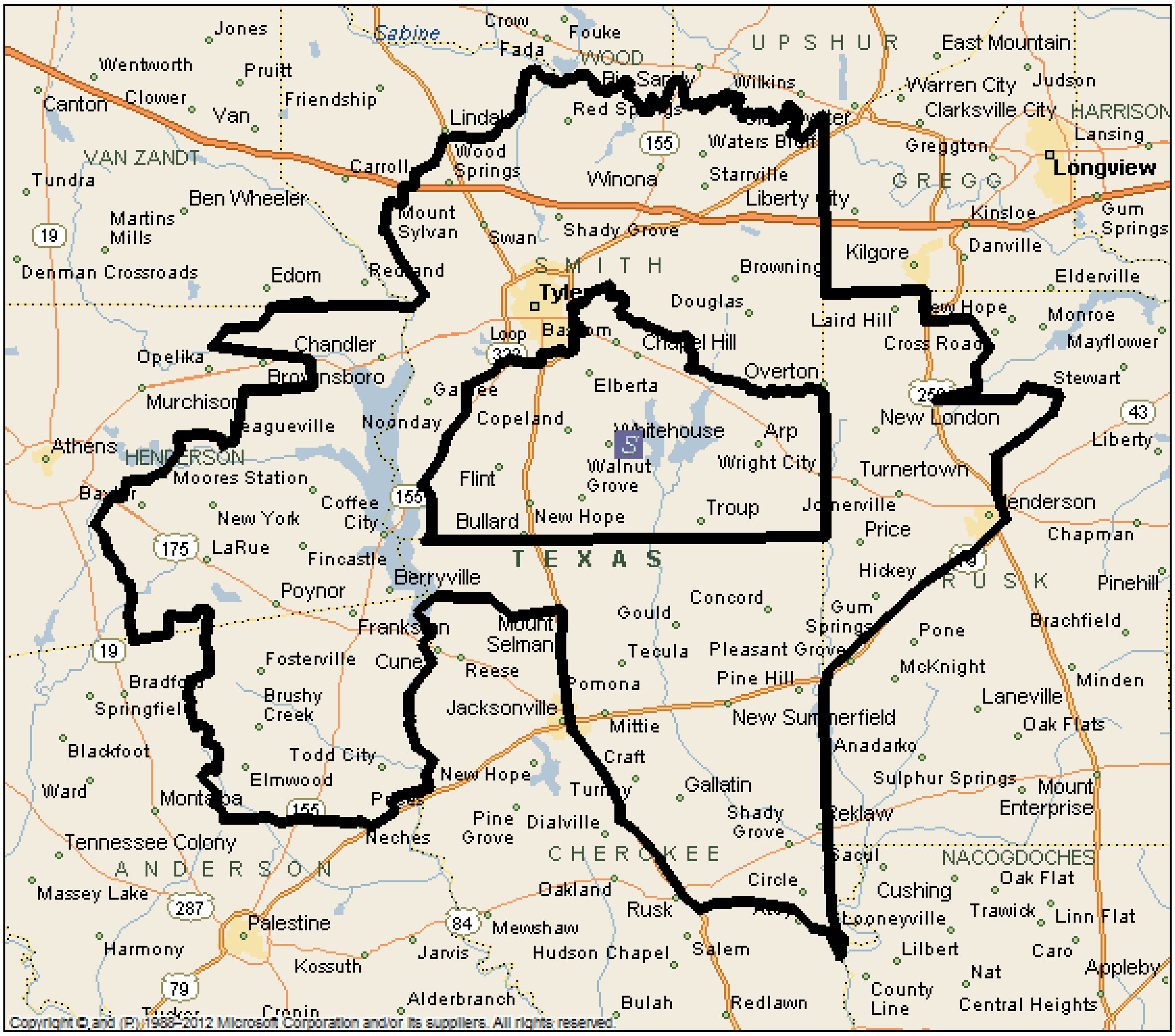
PMA Census Tracts			
484230011.02	484230019.05	484230020.04	484230020.09
484230018.02	484230019.06	484230020.06	484230021.01
484230018.03	484230019.08	484230020.07	484230021.02
484230019.01	484230020.03	484230020.08	484230022.00

This area comprises a portion of the City of Whitehouse as well as surrounding areas and towns and was defined based on conversations with local property managers, city officials, natural physical barriers and overall similarities in market characteristics observed during the field investigation. Based on TDHCA guidelines, it is assumed 100 percent of the income qualified demand for the Subject will be generated from within the PMA. Per TDHCA guidelines, the base year population of the PMA does not exceed 100,000 persons.

PMA Map
The PMA encompasses approximately 297 square miles.



SMA Map



Similarly, the boundaries of the Subject's Secondary Market Area were defined by census tracts. Per TDHCA guidelines, the base year population of the SMA does not exceed 250,000 persons. For the purposes of this market study, the Subject's Secondary Market Area (SMA) is comprised of the following whole census tracts:

SMA Census Tracts				
480739501.00	484230005.00	484230014.03	484230019.05	484230021.02
480739502.00	484230006.00	484230015.00	484230019.06	484230022.00
484019503.00	484230007.00	484230016.01	484230019.08	484239800.00
484019504.00	484230008.00	484230016.02	484230020.03	480019501.00
484019510.00	484230009.00	484230016.04	484230020.04	482139501.00
484230001.00	484230010.00	484230017.00	484230020.06	482139514.00
484230002.01	484230011.01	484230018.01	484230020.07	484230019.07
484230002.02	484230011.02	484230018.02	484230020.08	
484230003.00	484230012.00	484230018.03	484230020.09	
484230004.00	484230013.00	484230019.01	484230021.01	

ECONOMIC ANALYSIS

Employment Growth

The following table details historical employment and unemployment figures for the SMA from 2005 to November 2015.

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

	Smith County				USA			
Year	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2005	90,560	-	5.0%	-	141,730,000	-	5.1%	-
2006	91,791	1.4%	4.6%	-0.4%	144,427,000	1.9%	4.6%	-0.5%
2007	92,718	1.0%	4.2%	-0.5%	146,047,000	1.1%	4.6%	0.0%
2008	93,896	1.3%	4.8%	0.7%	145,363,000	-0.5%	5.8%	1.2%
2009	92,806	-1.2%	7.5%	2.7%	139,878,000	-3.8%	9.3%	3.5%
2010	93,110	0.3%	8.0%	0.4%	139,064,000	-0.6%	9.6%	0.3%
2011	94,123	1.1%	7.8%	-0.2%	139,869,000	0.6%	9.0%	-0.7%
2012	94,684	0.6%	7.0%	-0.7%	142,469,000	1.9%	8.1%	-0.9%
2013	95,403	0.8%	6.5%	-0.5%	143,929,000	1.0%	7.4%	-0.7%
2014	97,622	2.3%	5.2%	-1.3%	146,305,000	1.7%	6.2%	-1.2%
2015 YTD Average*	97,367	-0.3%	4.5%	-0.7%	148,754,364	1.7%	5.3%	-0.8%
Nov-2014	98,789	-	4.6%	-	147,666,000	-	5.5%	-
Nov-2015	96,795	-2.0%	4.6%	0.0%	149,766,000	1.4%	4.8%	-0.7%

Source: U.S. Bureau of Labor Statistics February 2016

*2015 data is through Nov

Despite the recent economic recession, total employment levels in Smith County have increased eight of the past ten years. At the onset of the economic recession, in 2008, total employment increased by 1.3 percent in the Smith County, while national employment levels decreased by 0.5 percent. However, from November 2014 through November 2015 total employment decreased by 2.0 percent in Smith County, while in the national total employment has increased by 1.4 percent over the same time period. Overall, the recent economic recession had little impact on the total employment levels in the Smith County.

While the total employment levels in Smith County were not significantly affected by the recent economic recession, the area was also less affected in terms of the unemployment rate. Smith County experienced decreases in the unemployment rate from 2011 to present and was below the national unemployment levels throughout those years. However, in 2009 and 2010, the unemployment rate increased in the county, peaking at 8.0 percent in 2010. From November 2014 through November 2015 the unemployment rate remained unchanged at 4.6 percent, 0.2 percentage points lower than the national levels as of November 2015. It should be noted, Smith County has had historically lower unemployment levels compared to the nation over the last decade. Overall, the health of the county's economy has improved and recent trends in employment growth and unemployment rates indicate that the county is an area of growth. Additionally, the current employment levels are above pre-recessionary levels.

Employment by Industry

The following table illustrates employment by industry for the PMA and the nation in 2015, which is the most recent data available.

ECONOMIC ANALYSIS

Employment Growth

The following table details historical employment and unemployment figures for the SMA from 2005 to November 2015.

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

	Smith County				USA			
Year	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
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Source: U.S. Bureau of Labor Statistics February 2016

*2015 data is through Nov

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Employment by Industry

The following table illustrates employment by industry for the PMA and the nation in 2015, which is the most recent data available.

2015 EMPLOYMENT BY INDUSTRY

	PMA		USA	
Industry	Number Employed	Percent Employed	Number Employed	Percent Employed
Health Care/Social Assistance	8,966	19.5%	20,205,674	13.7%
Retail Trade	6,373	13.9%	17,089,319	11.6%
Educational Services	4,144	9.0%	13,529,510	9.2%
Manufacturing	3,519	7.7%	15,651,841	10.6%
Accommodation/Food Services	3,168	6.9%	10,915,815	7.4%
Construction	2,439	5.3%	9,392,204	6.4%
Prof/Scientific/Tech Services	2,363	5.2%	9,981,082	6.8%
Finance/Insurance	2,225	4.8%	7,026,905	4.8%
Other Services (excl Publ Adm)	2,147	4.7%	7,548,482	5.1%
Mining	1,649	3.6%	997,794	0.7%
Public Administration	1,615	3.5%	7,099,307	4.8%
Wholesale Trade	1,579	3.4%	3,742,526	2.5%
Admin/Support/Waste Mgmt Srvcs	1,531	3.3%	6,242,568	4.2%
Transportation/Warehousing	1,341	2.9%	6,200,837	4.2%
Information	892	1.9%	2,965,498	2.0%
Real Estate/Rental/Leasing	826	1.8%	2,759,067	1.9%
Arts/Entertainment/Recreation	619	1.3%	3,193,724	2.2%
Utilities	269	0.6%	1,190,608	0.8%
Agric/Forestry/Fishing/Hunting	131	0.3%	1,941,156	1.3%
Mgmt of Companies/Enterprises	83	0.2%	115,436	0.1%
Total Employment	**45,879**	**100.0%**	**147,789,353**	**100.0%**

Source: ESRI Demographics 2014, Novogradac & Company LLP, February 2016

The previous table reflects the workforce for the PMA and the nation. Employment in the PMA is greatest in the health care/social assistance, retail trade, educational services, and manufacturing sectors; which together represent 50.1 percent of the total PMA employment compared to 45.0 percent of the total employment for the nation. Relative to the nation, the PMA appears to have a higher percentage of employment in industries such as health care/social assistance, retail trade, and mining sectors. Conversely, the manufacturing, professional/scientific/technical services, and public administration sectors are underrepresented compared to the nation. Although the healthcare/social assistance and educational services sectors are typically stable, the strong presence of volatile industries such as the retail trade and manufacturing sectors will likely increase the cyclical nature of employment in the PMA. Many of the employment sectors represented in the PMA tend to provide lower paying jobs, which is a positive indicator of the demand for affordable housing in the area.

Major Employers

The largest private and public employers in the Tyler area are summarized in the following table.

MAJOR EMPLOYERS - TYLER TX

Company	Industry	Number Employed
Trinity Mother Francis	Medical	4,300
East Texas Medical Center	Medical	3,194
Brookshires Grocery Store	Grocery Distribution	2,565
Tyler ISD	Education	2,115
UT Tyler	Education	1,765
Wal-Mart	Retail	1,600
Trane	Commercial Air Conditioners	1,538
Suddenlink	Telecommunications	1,500
UT Health Science Center	Medical	1130
City of Tyler	Public Admin.	853
Tyler Junior College	Education	841

Data provided by Tyler Economic Development, February 2016

The largest employers in the area are in the health care/social assistance services, distribution, education, and retail sectors. Trinity Mother Francis and East Texas Medical Center are the largest employers in the area, employing approximately 7,500 workers. These employers represent 35 percent of the workforce on the above list.

Expansions/Contractions

According to the Worker Adjustment and Retraining Notification (WARN) filings provided by the Texas Workforce Commission filed in 2013 to 2016, there have been two layoffs listed for Smith County, occurring in 2013 and 2015:

Amega West, a drilling manufacturer, announced February 2015 that 58 employees would be laid off in April 2015, due to business conditions. Carrier Corporation, an HVAC manufacturer, announced in July 2013 that 102 employees would be laid off in September 2013. These jobs were outsourced to Mexico.

We reached out to the Tyler Economic Development and were referred to information on recent expansions maintained on the website:

In November 2015, Trane announced a $22 million expansion in Tyler that will create 1,187 manufacturing jobs over the next five years. In August 2015, Fresenius Medical Care North America announced an $11 million expansion in Tyler that relocate 140 existing jobs and create 305 new jobs. This relocation and expansion will deliver in early 2017. In March 2015, Tyler Junior College’s Energy Center opened a $7.5 million workforce training center that will support energy sector job development.

POPULATION, HOUSEHOLD, AND INCOME TRENDS – PMA, SMA, AND THE NATION.

The following section provides an analysis of the demographic characteristics within the Subject's market area. Data such as population, households, and growth patterns are studied, to determine if the PMA and the SMA are areas of growth or contraction. Per TDHCA guidelines, the current base year (2015, the most recent available from ESRI and Ribbon Demographics) is requested to be shown. We have utilized the most recent demographic estimates and projections (2015) and five-year projections (2020). We have also illustrated data for the Subject's estimated placed in service date, November 2017.

Population

The tables below illustrate population in the PMA and SMA from 2000 through 2020.

TOTAL POPULATION				
Year	PMA		SMA	
	Number	Annual Change	Number	Annual Change
2000	72,081	-	199,727	-
2010	90,760	2.6%	237,576	1.9%
2015	95,740	1.0%	248,935	0.9%
Projected Mkt Entry November 2017	97,899	1.0%	253,791	0.8%
2020	100,366	1.0%	259,340	0.8%

Source: ESRI Demographics 2015, Novogradac & Company LLP, January 2016

As illustrated above, the population growth in the PMA is anticipated to continue through 2020, at a slightly faster annual rate relative to the SMA.

Households

The following tables are a summary of the total households in the PMA and SMA from 2000 to 2020.

TOTAL NUMBER OF HOUSEHOLDS				
Year	PMA		SMA	
	Number	Annual Change	Number	Annual Change
2000	28,565	-	75,505	-
2010	36,265	2.7%	89,546	1.9%
2015	38,363	1.1%	93,773	0.9%
Projected Mkt Entry November 2017	39,254	1.0%	95,623	0.8%
2020	40,272	1.0%	97,737	0.8%

Source: ESRI Demographics 2015, Novogradac & Company LLP, January 2016

Similar to population growth, household growth in the PMA is anticipated to continue through 2020, at a slightly faster annual rate relative to the SMA.

Average Household Size

The following table illustrates the average household size for the PMA and SMA from 2000 to 2020.

AVERAGE HOUSEHOLD SIZE				
Year	PMA		SMA	
	Number	Annual Change	Number	Annual Change
2000	2.50	-	2.59	-
2010	2.48	-0.1%	2.60	0.1%
2015	2.47	-	2.60	-
Projected Mkt Entry November 2017	2.47	0.0%	2.60	0.0%
2020	2.47	0.0%	2.60	0.0%

Source: ESRI Demographics 2015, Novogradac & Company LLP, January 2016

The average household size in the PMA is relatively similar to the SMA, and the national average size of 2.60 (not shown). The average household size is anticipated to remain unchanged through the market entry date and 2020. This household size in the PMA bodes well for demand and should attract a range of household sizes based on the Subject's proposed unit mix.

Median Household Income Levels

The table below illustrates median household income in the PMA, SMA, and nation.

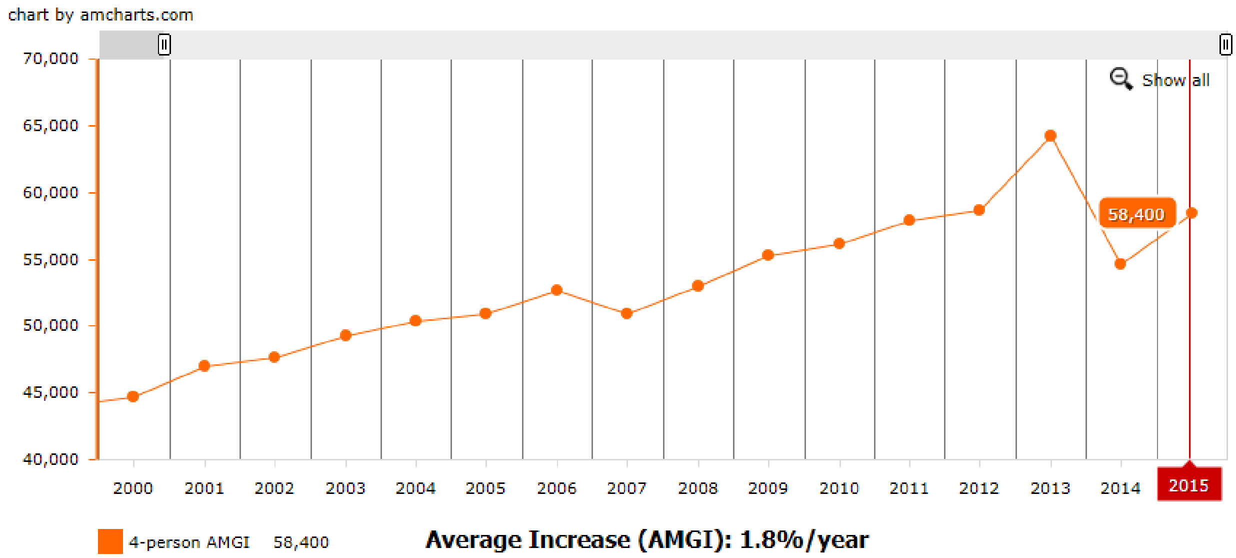
MEDIAN HOUSEHOLD INCOME						
Year	PMA		SMA		USA	
	Amount	Annual Change	Amount	Annual Change	Amount	Annual Change
2000	$44,117	-	$36,419	-	$42,164	-
2010	$51,665	1.7%	$45,320	2.4%	$54,442	2.9%
2015	$55,377	1.4%	$46,117	0.3%	$53,217	-0.4%
2020	$65,162	3.5%	$53,193	3.1%	$60,683	2.8%

Source: ESRI Demographics 2015, Novogradac & Company LLP, January 2016

The median household income in the PMA was higher than the median household income in the SMA and the nation in 2015. The median household income in the PMA increased 1.4 percent annually from 2000 to 2015, outperforming the SMA and the nation through the same time period. The median household income in the PMA is anticipated to grow by 3.5 percent annually through 2020, faster than the SMA's anticipated annual growth rate of 3.1 percent and the nation's growth rate of 2.8 percent for the same period. The PMA's median household income will remain above the SMA and the nation through 2020.

Area Median Gross Income (AMGI)

The following chart illustrates the AMI level for a four-person household in Smith County, TX:



Source: Novogradac & Company LLP, 2/2016

Overall, the AMI has increased by an average 1.8 percent annually between 2000 and 2015. The overall rise in AMI levels indicates a healthy market where lower income households may be priced out by more affluent households. It also indicates that affordable housing properties should prosper in the future as incomes and, therefore, achievable rents rise. Between 2012 and 2013, the AMI increased by 9.4 percent in Smith County. Nationally, 84 percent of counties experienced a decrease in the 2013 AMI level due to decreased income limits in approximately 50 percent of counties nationwide. In 2014, the county experienced a significant decrease in AMI level and has yet to fully recover. Developments placed in service on or before 2013 will be held harmless at the 2013 maximum allowable levels. The Subject will be restricted by the 2015 maximum allowable rents once it is placed in service, which is below the 2013 held harmless maximum allowable rents. The Subject's proposed rents for its units at 30, 50, and 60 percent of AMI are set at the 2015 maximum allowable levels; therefore, future rental increases will be limited by changes in AMI, as well as market conditions.

Renter Household Income

HISTA is a custom four-way cross tabulation of household data designed specifically for affordable housing analysis that has been built by Nielsen (formerly Claritas), a leading provider of demographic data worldwide. It is based on actual cross tabulation of Census (ACS) Data. HISTA provides the most accurate counts of households eligible for income-restricted housing, such the LIHTC program. By breaking down households by income, household size, tenure (renter/owner) and age groups for every Census Tract in the nation, HISTA allows for a precise calculation of the number of renter households that qualify for LIHTC and market rate housing in specific areas. The following tables illustrate renter household income distribution by household size in the PMA.

Renter Households
All Ages
Census 2000

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-10,000	925	364	120	57	11	**1,476**
$10,000-20,000	1,078	457	260	176	75	**2,047**
$20,000-30,000	818	513	137	152	97	**1,716**
$30,000-40,000	570	459	237	144	76	**1,486**
$40,000-50,000	227	362	212	105	72	**978**
$50,000-60,000	72	244	136	120	74	**646**
$60,000+	173	402	210	152	131	**1,067**
Total	**3,863**	**2,801**	**1,311**	**904**	**538**	**9,417**

Renter Households
All Ages
Current Year Estimates - 2013

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-9,999	768	405	185	51	30	**1,438**
$10,000-19,999	1,602	545	300	255	128	**2,831**
$20,000-29,999	1,057	565	381	219	90	**2,313**
$30,000-39,999	754	651	323	118	254	**2,100**
$40,000-49,999	360	577	355	86	21	**1,399**
$50,000-59,999	383	376	145	119	40	**1,063**
$60,000-74,999	244	303	204	128	178	**1,057**
$75,000-99,999	136	399	109	240	98	**983**
$100,000-124,999	122	106	97	33	18	**376**
$125,000-149,999	85	39	46	21	28	**218**
$150,000-199,999	33	17	8	85	14	**157**
$200,000+	128	85	11	14	13	**250**
Total	**5,671**	**4,069**	**2,165**	**1,368**	**912**	**14,184**

Renter Households
All Ages
Five Year Projections - 2018

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-9,999	812	431	186	58	30	**1,516**
$10,000-19,999	1,678	548	305	264	141	**2,936**
$20,000-29,999	1,126	608	406	225	102	**2,467**
$30,000-39,999	807	653	342	125	275	**2,202**
$40,000-49,999	408	590	370	86	15	**1,470**
$50,000-59,999	418	411	159	122	50	**1,158**
$60,000-74,999	264	325	221	132	186	**1,127**
$75,000-99,999	153	413	114	254	111	**1,045**
$100,000-124,999	131	113	100	40	19	**403**
$125,000-149,999	100	50	57	23	29	**258**
$150,000-199,999	34	23	12	89	9	**167**
$200,000+	150	93	18	8	9	**277**
Total	**6,080**	**4,256**	**2,291**	**1,424**	**977**	**15,028**

As illustrated, approximately 61.2 percent of the renter population in the PMA earned below $40,000 in 2013. By 2018, the renter population earning below $40,000 in the PMA is expected to decrease slightly to approximately 60.7 percent. This data illustrates that a significant portion of the population is projected to earn less than $40,000. This data provides strong support for affordable rental housing in the Subject's PMA.

Conclusion

The PMA and SMA have demonstrated that they are both areas of growth in terms of population, number of households and household size and income levels. The PMA and SMA population and the number of households are both expected to increase from 2015 to 2020 for all areas. The PMA has a smaller household size relative to the national average of 2.60, and a significant portion of its households are earning below the AMI. Furthermore, approximately 61.2 percent of the renter population in the PMA earned below $40,000 in 2013. These factors demonstrate a need for creating new affordable rental housing options such as the Subject.

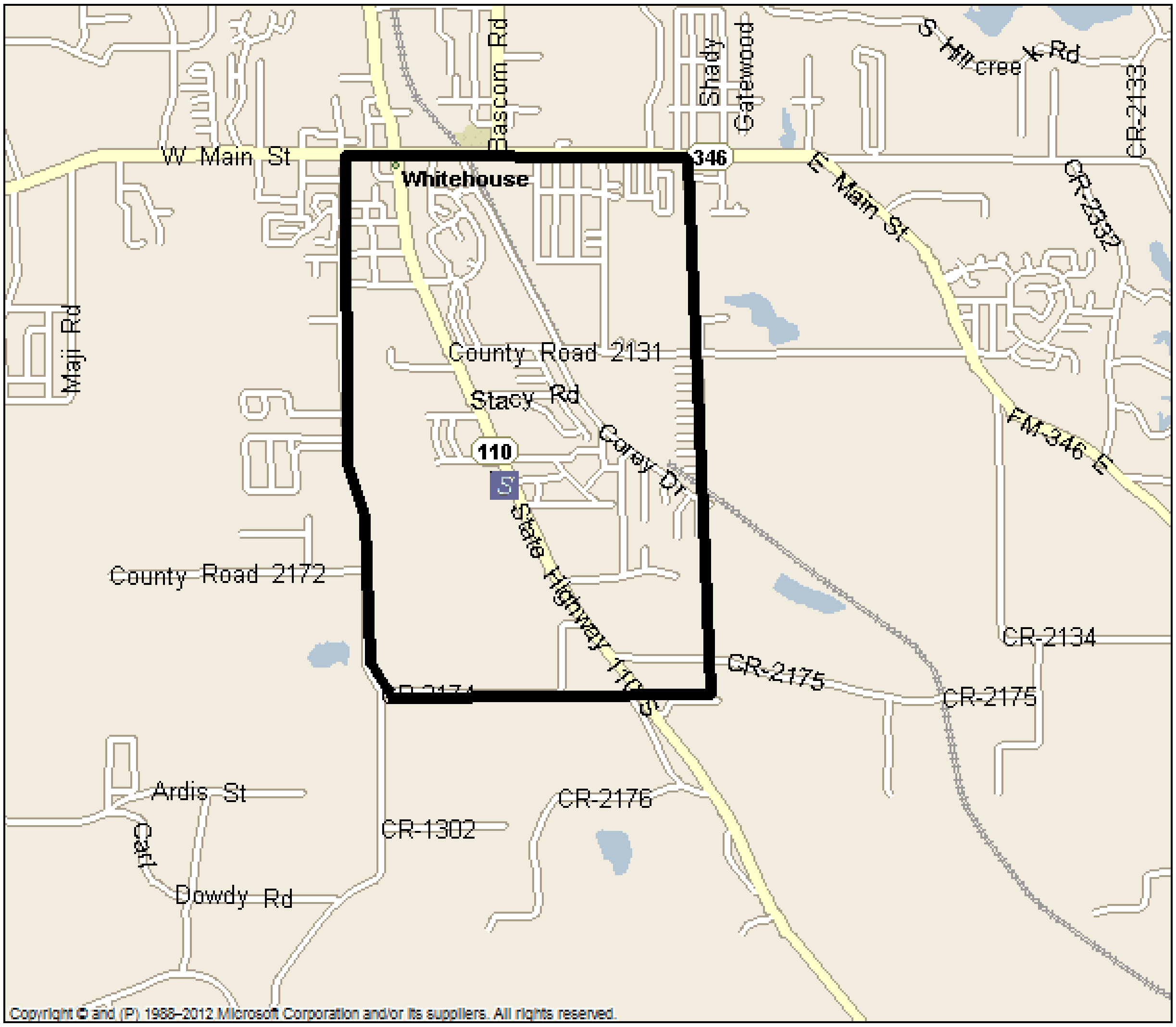
NEIGHBORHOOD DESCRIPTION

The neighborhood surrounding an apartment property often impacts the property's status, image, class, and style of operation, and sometimes its ability to attract and properly serve a particular market segment. This section investigates the Subject's neighborhood and evaluates any pertinent location factors that could affect its rent, its occupancy, and overall profitability.

The neighborhood analysis provides a bridge between the area analysis and the study of the Subject. The goal of the neighborhood analysis is to determine how the operation of social, economic, governmental and environmental factors influences the marketability of real estate. In the neighborhood analysis, we focus on how these factors interact in the immediate vicinity of the Subject. Our analysis will focus on the neighborhood as a whole with individual focus on the location in the community and the demographic characteristics in the community.

Location and Boundaries

The Subject property is located in the southern section of Whitehouse. The site is located on the west side of Highway 110 South, near the intersection of Highway 110 South and Sherry Drive. This area is depicted on the neighborhood map included on the last page of this section, along with the relative location of the proximate services. The neighborhood boundaries and the Subject site are depicted on the neighborhood map below.



Predominant Land Uses

The neighborhood is characterized predominantly by single-family homes, followed by public uses, vacant land, agricultural uses, and houses of worship. Adjacent to the north of the Subject site are agricultural uses. Further north, across Highway 110 South, are single-family homes in good condition. West of the Subject is vacant undeveloped land, and further west are single-family homes in average to good condition. East of the Subject, across Highway 110 South, is a house of worship and single-family homes in average to good condition. Northeast of the Subject are public uses including Cain Elementary School and Oak Brook Health Care Center, followed by retail uses and a house of worship. South of the subject, along Highway 110 South, is predominantly vacant land and single-family homes. Most of the retail in the area is concentrated to the north along Highway 110 and Main Street and exhibits average to good condition. Additionally, retail in the immediate area appeared approximately 85 percent occupied.

Accessibility

The Subject site is accessible via Highway 110 South, which is a moderately trafficked two lane roadway. Highway 110 runs through Whitehouse north to south, and provides access to downtown Tyler. Southbound, Highway 110 intersects with US Route 69, which provides access to Lufkin and southeast Texas. Access and traffic flow to the Subject property are considered average.

QCT
According to HUDuser.gov, the Subject is located in Census Tract: 48423002200, which is not a qualified census tract

Crime Statistics
The following table illustrates crime risk indices in the PMA and SMA. An index of 100 equates to the national average. A number above 100 indicates a crime rate higher than the nation, while a number below 100 reflects a lower crime rate than the nation.

2015 CRIME RISK INDICES

	PMA	SMA
Total Crime*	116	135
Personal Crime*	95	114
Murder	86	96
Rape	172	159
Robbery	59	67
Assault	104	133
Property Crime*	119	138
Burglary	113	128
Larceny	129	150
Motor Vehicle Theft	58	70

Source: ESRI Demographics 2015, Novogradac & Company LLP, January 2016
*Unweighted aggregations

As the above table indicates, all crime indices in the Subject's PMA and SMA are higher than that of the nation, with the exception of motor vehicle theft, murder and robbery. The highest crime indices in the PMA are larceny and rape. Observations of the PMA as well as the Subject's neighborhood, and interviews with market participants reflect that crime is not a concern in the area.

Public Transportation
Public transportation is not available in Whitehouse, which is common in relatively small rural markets.

Education
The Whitehouse Independent School District serves the city of Whitehouse. The district consists of four elementary schools, two middle schools, one high school, and one alternative school. Children of tenants at the Subject would attend Cain Elementary School, Whitehouse Junior High School, and Whitehouse High School, all of which are located within 1.2 miles of the Subject.

Tyler is home to University of Texas Tyler, which enrolls more than 8,000 students. Texas Tech is a four-year state university offering more than 15 undergraduate majors, five graduate programs, and two PhD programs.

Healthcare

The hospital closest to the Subject is Mother Frances Hospital Trinity Clinic, a clinic that includes family medicine, lab services, rehabilitation, and imaging, located approximately .6 miles north of the Subject site. Approximately 10 miles north of the Subject is Mother Francis Hospital Tyler, a 404-bed acute care facility that offers emergency medicine, cardiology, cancer services, neurosurgery, and more.

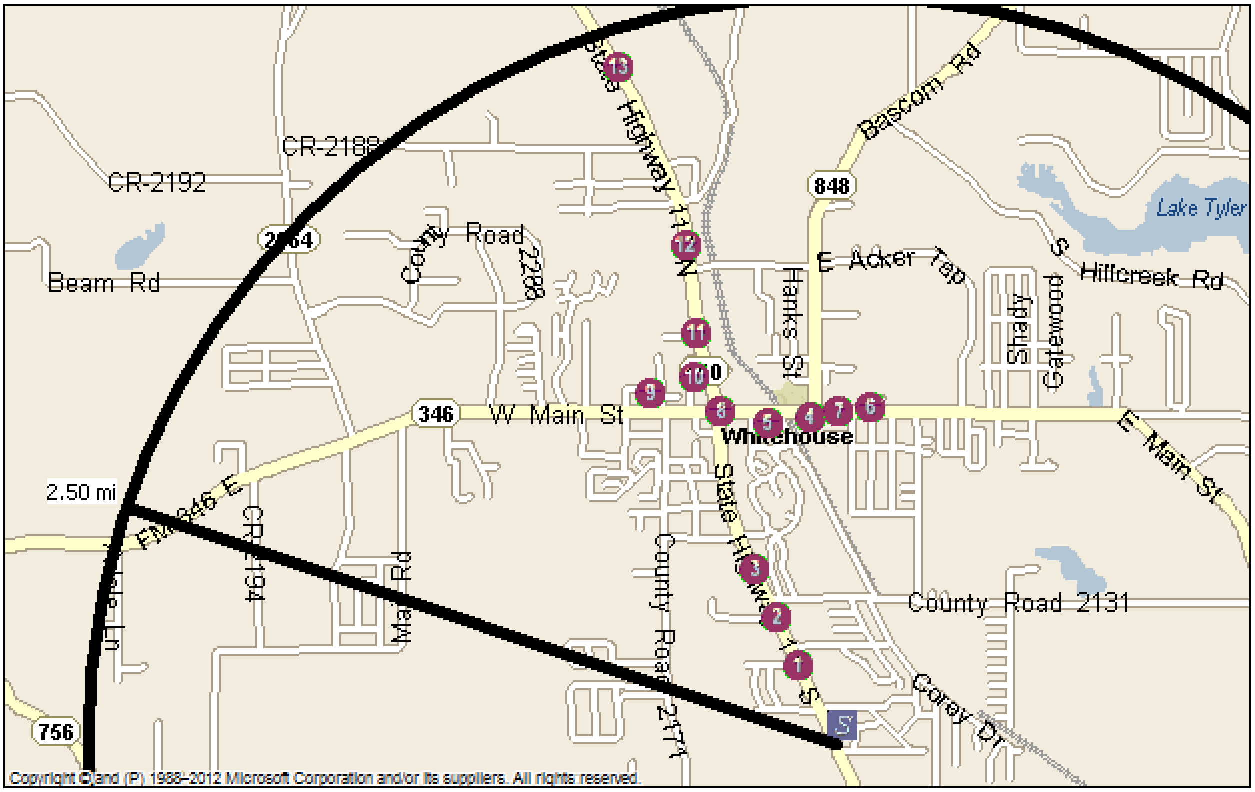
Proximity to Local Services

The Subject is close to important local services as shown in the table below. Most of the major amenities and services are located proximate to the Subject site.

LOCATIONAL AMENITIES

Map Number	Service or Amenity	Distance from Subject
1	Cain Elementary School	0.2 mile
2	Dollar Store	0.3 mile
3	Mother Francis Hospital Trinity Clinic	0.6 mile
4	Police Station	1.0 mile
5	Fire Department	1.0 mile
6	Whitehouse High School	1.1 miles
7	Whitehouse Community Library	1.1 miles
8	CVS Pharmacy	1.1 miles
9	Whitehouse Junior High	1.2 miles
10	Austin Bank	1.3 miles
11	Gas Station	1.4 miles
12	Brookshires Grocery	1.7 miles
13	Post Office	2.3 miles

Locational Amenities Map



Conclusion

Upon completion of construction, the Subject will provide good quality, affordable housing units that are in strong demand in the area. The Subject property is located in southern section of Whitehouse and surrounding land uses consist of single-family homes in average to good condition, followed by public uses, vacant land, agricultural uses, and houses of worship. Most of the retail in the area is concentrated to the north along Highway 110 and Main Street and exhibits average to good condition. Additionally, retail in the immediate area appeared approximately 85 percent occupied. The Subject site has a walkscore of 25, which indicates that most errands require a car. The neighborhood is considered an average overall location based on the proposed use.

SUPPLY ANALYSIS

HOUSING STOCK OVERVIEW

We consulted REIS Performance Monitor Futures report for Whitehouse, however no data is available. We examined Tyler, which is in the Southwest region, to gather information about the local apartment rental market. According to the report, asking rents in Tyler experienced no growth in the fourth quarter of 2015, with a year-to-date asking rent growth of 0.5 percent. As of the fourth quarter 2015, the vacancy rate in Tyler is 3.3 percent, outperforming the Southwest region's 5.6 percent over the same time period. Overall, the rental market in Tyler appears stable, with very low vacancy.

Tenure

The following table is a summary of the housing stock in the PMA.

TENURE PATTERNS PMA

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	19,148	67.0%	9,417	33.0%
2010	23,527	64.9%	12,738	35.1%
2015	24,179	63.0%	14,184	37.0%
2020	25,244	62.7%	15,028	37.3%

Source: ESRI Demographics 2015, Novogradac & Company LLP, January 2016

Renter occupied units made up approximately 37.0 percent of the total occupied units in the PMA in 2015 for the general population. The percentage of renters is higher than the national average of approximately 33 percent (not shown). This percentage is expected to increase slightly through 2020 and the actual number of renter households in the PMA will increase by approximately 844 households between 2015 and 2020, which will increase demand for all types of multifamily housing.

INTERVIEWS

Provided below is a summary of interviews conducted to discern the current and potential future demand for affordable housing in the PMA.

City of Tyler Neighborhood Services

According to Krystal Duran, clerk with the City of Tyler Neighborhood Services, there are currently 999 Housing Choice Vouchers issued in Tyler. The waiting list is currently closed, at 355 households, and the approximate length of wait is 24 months. Preferences are given to Smith County residents, seniors, disabled, and veterans. The payment standards are $698, $828, and $1,099 for the one-, two-, and three-bedroom units, set at HUD fair market rents. All of the Subject's proposed LIHTC and market-rate rents are less than the City of Tyler payment standards.

Affordable Properties in the PMA

The following table details all known Section 8, Public Housing, and LIHTC developments in the PMA.

AFFORDABLE PROPERTIES IN PMA								
Property Name	Address	Zip Code	Year Built/ Allocated	Tenancy	Program	Number of Units	LIHTC Units	Number of Family Non-Subsidized LIHTC Units
Bullard Elderly	417 E Main St	75757	N/a	Senior	USDA	24	0	0
Bullard Family	417 E Main St	75757	N/a	Family	USDA	24	0	0
Troup Apartments	305 E Paschal	75789	N/a	Family	USDA	6	0	0
Troup Seniors	815 Athena	75789	N/a	Senior	USDA	36	0	0
Pecanwood Apts 3	502 W Main	75791	2001	Family	USDA	32	0	0
Pecanwood Apts 1	502 W Main	75791	2001	Family	USDA	32	0	0
Pecanwood Apts 2	502 W Main	75791	2001	Family	USDA	32	0	0
Park at Shiloh	2911 Shiloh Rd	75703	2002	Family	LIHTC	176	176	176
Pinnacle at North Chase	3651 N Broadway	75701	2012	Family	LIHTC	120	120	120

LIHTC/ Recent and Proposed Construction

According to the Texas Department of Housing and Community Affairs' tax credit allocation lists for 2013, 2014, and 2015, there has been one recently allocated or constructed LIHTC property within the Subject's PMA. Troup Senior Elderly Apartments, in Troup, received an allocation in 2015. As an age-restricted rehabilitation project, this development is not expected to compete directly with the Subject due to its targeted tenancy. Furthermore, as a rehabilitation project, it will not add new LIHTC housing stock to the PMA.

City of Whitehouse Planning

We spoke with Susan, City of Whitehouse administrator, to obtain information about new multifamily developments in the Whitehouse area. According to the contact, there are no multifamily developments in the planning stages. The contact reported that there are currently no developments under construction. Also, based on our site inspection, there were no other multifamily developments currently under construction.

Housing Units in PMA

The tables below summarize the composition of the housing stock in the Subject's PMA, per TDHCA's guidelines.

HOUSING UNITS IN PMA	
	Number of Units
Total Housing Units	38,363
Total Owner-Occupied Household Units	24,179
Total Renter-Occupied Household Units	***14,184***
Number of Existing Affordable Units Excluding Subject (LIHTC, Section 8, Public Housing)	482
Number of Market Rate Housing Units	13,702

It appears that the majority of the rental housing in the Subject's PMA is market rate and only approximately three percent of the rental housing in the Subject's PMA is affordable. This suggests strong need for creating affordable rental housing options in the PMA.

SURVEY OF COMPARABLE PROPERTIES

Comparable properties are examined on the basis of proximity to the Subject site as well as similarities in target population, physical characteristics (i.e. building type, age/quality, and level of common amenities), rents and utility structure. We attempted to compare the Subject to the best available "true" comparables from the PMA to provide an accurate picture of the health and available supply in the market.

To evaluate the competitive position of the Subject, a multitude of potentially comparable affordable and market-rate properties were screened to ascertain whether these properties would compete with the Subject for prospective low-income tenants. Properties that were deemed comparable were also surveyed in depth for information on unit mix, size, absorption (if new), unit features and project/unit amenities tenant profiles, rental and utility structure, construction information and market trends in general. We excluded all government subsidized developments from the comparable property analysis because the income qualifications and rent structures at these properties is not similar to the Subject as a LIHTC property.

A map of the selected comparables as well as a summary matrix and complete profiles of the comparable properties are provided later in the report.

Excluded Properties

In this section, we have provided a list of properties located in the PMA that were excluded from the supply analysis for a variety of reasons including limited comparability, or the property manager could not be contacted. However, basic profile information is provided for these properties when available in order to ascertain general market conditions for the PMA.

We excluded all government subsidized developments from the comparable property analysis because the income qualifications and rent structure at these properties is not similar to the Subject as a LIHTC property. The following table lists excluded properties in the PMA based on income and rent restrictions as well as management availability. Excluded properties include, but are not limited to the properties in the following table.

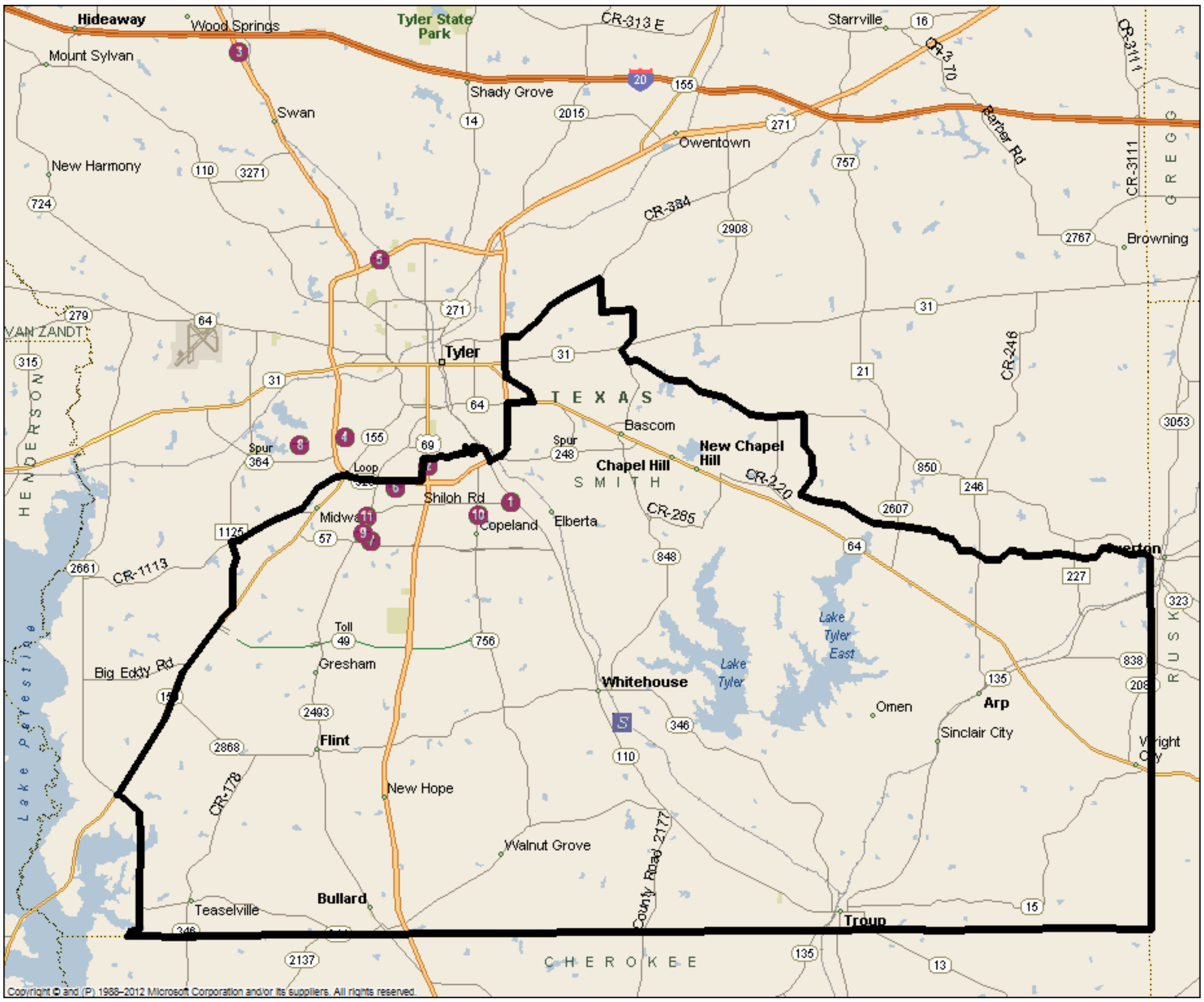
EXCLUDED PROPERTIES

Property Name	Program	Tenancy	Reasons Excluded
Bullard Elderly	USDA	Senior	Subsidized rents/incomparable tenancy
Bullard Family	USDA	Family	Subsidized rents
Troup Apartments	USDA	Family	Subsidized rents
Troup Seniors	USDA	Senior	Subsidized rents/incomparable tenancy
Pecanwood Apts 3	USDA	Family	Subsidized rents
Pecanwood Apts 1	USDA	Family	Subsidized rents
Pecanwood Apts 2	USDA	Family	Subsidized rents
Cumberland Place	Market	Family	Unable to contact
Stone County Apartments	Market	Family	Unable to contact

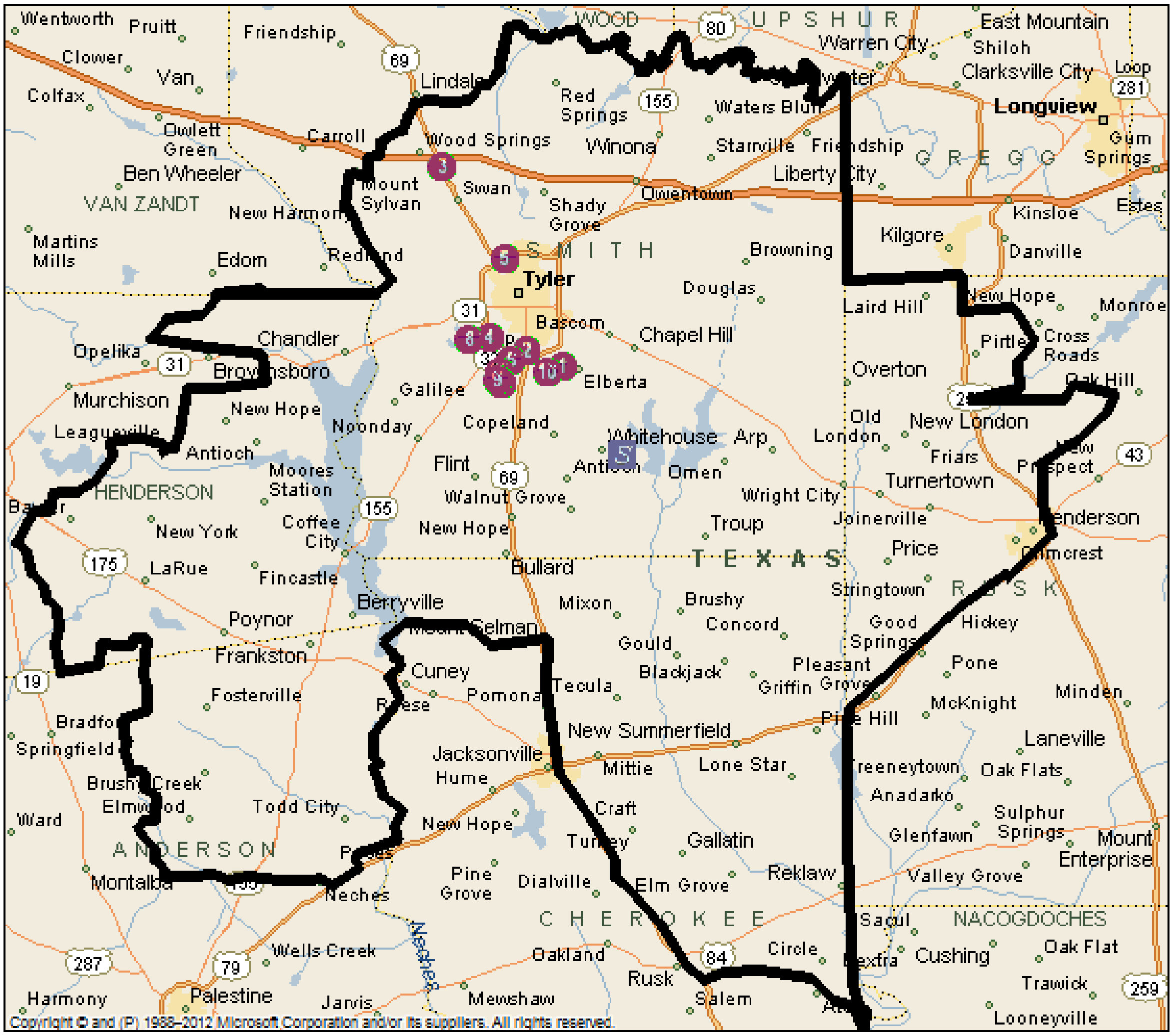
Description of Property Types Surveyed

There is a limited supply of non-subsidized LIHTC multifamily developments within the Subject's PMA. Due to the limited amount of LIHTC properties in the area, which is common in rural markets, we had to expand our search of comparables outside the PMA. Thus, we have utilized two LIHTC comparables within the PMA, while the remaining three LIHTC comparables are just outside the PMA but within 19 miles of the Subject. We also utilized five market rate properties within the PMA, while one market rate property is just outside the PMA. Market rate properties were screened to identify potential competition for the Subject. The group of market rate properties most likely to compete with the Subject was obtained by interviewing local property managers, reviewing local apartment guides, site inspections, and conducting searches on the Internet.

Whitehouse Comparable Properties Map – PMA



Whitehouse Comparable Properties Map – SMA



COMPARABLE PROPERTIES

#	Property Name	City	Type	Distance
1	Park At Shiloh Apartments	Tyler	LIHTC	6.1 miles
2	Pinnacle At North Chase	Tyler	LIHTC	8.0 miles
3	Saige Meadows*	Tyler	LIHTC	19.0 miles
4	Southwest Pines Apartments*	Tyler	LIHTC	10.0 miles
5	Town Parc At Tyler*	Tyler	LIHTC	13.0 miles
6	Bridges On Kinsey Apartments	Tyler	Market	8.2 miles
7	Grande Hill Estates	Tyler	Market	7.7 miles
8	Orion At Cascades I & II*	Tyler	Market	10.5 miles
9	Palomar Apartments	Tyler	Market	8.0 miles
10	Stonebrook Apartments	Tyler	Market	6.2 miles
11	The Madison Of Tyler Apartments	Tyler	Market	8.3 miles

*Located outside of PMA

SUMMARY MATRIX

Comp #	Project	Distance	Type / Built / Renovated	Market / Subsidy	Units	#	%	Restriction	Rent (Adj.)	Size (SF)	Max Rent?	Wait List?	Units Vacant	Vacancy Rate
Subject	Abbington Place	n/a	Garden	@30%,	1BR / 1BA	1	1.70%	@30%	$220	719	yes	N/A	N/A	N/A
	1008 Highway 110 South		(3 stories)	@50%,	1BR / 1BA	2	3.30%	@50%	$440	719	yes	N/A	N/A	N/A
	Whitehouse, TX 75791		2017 / n/a	@60%,	1BR / 1BA	6	10.00%	@60%	$549	719	yes	N/A	N/A	N/A
	Smith County County			Market	1BR / 1BA	3	5.00%	Market	$657	719	N/A	N/A	N/A	N/A
					2BR / 2BA	2	3.30%	@30%	$257	1,023	yes	N/A	N/A	N/A
					2BR / 2BA	4	6.70%	@50%	$520	1,023	yes	N/A	N/A	N/A
					2BR / 2BA	13	21.70%	@60%	$652	1,023	yes	N/A	N/A	N/A
					2BR / 2BA	5	8.30%	Market	$789	1,023	N/A	N/A	N/A	N/A
					3BR / 2BA	1	3.30%	@30%	$288	1,168	yes	N/A	N/A	N/A
					3BR / 2BA	4	6.70%	@50%	$592	1,168	yes	N/A	N/A	N/A
					3BR / 2BA	15	23.30%	@60%	$744	1,168	yes	N/A	N/A	N/A
					3BR / 2BA	4	6.70%	Market	$911	1,168	N/A	N/A	N/A	N/A
						60	100%					N/A	N/A	N/A
1	Park At Shiloh Apartments	6.1 miles	Garden	@60%	1BR / 1BA	24	13.60%	@60%	$605	894	no	Yes	0	0.00%
	2911 Shiloh Road		(2 stories)		2BR / 2BA	104	59.10%	@60%	$725	1,093	no	Yes	3	2.90%
	Tyler, TX 75703		2003 / n/a		3BR / 2BA	48	27.30%	@60%	$799	1,280	no	Yes	0	0.00%
	Smith County													
						176	100%						3	1.70%
2	Pinnacle At North Chase	8 miles	Garden	@30%,	1BR / 1BA	3	2.50%	@30%	$257	764	yes	Yes	0	0.00%
	3651 N. Broadway Avenue		(3 stories)	@50%,	1BR / 1BA	17	14.20%	@50%	$489	764	yes	Yes	0	0.00%
	Tyler, TX 75701		2012 / n/a	@60%, Non-	1BR / 1BA	12	10.00%	@60%	$604	775	yes	No	0	0.00%
	Smith County			Rental	2BR / 2BA	3	2.50%	@30%	$304	1,023	yes	Yes	0	0.00%
					2BR / 2BA	35	29.20%	@50%	$581	1,023	yes	Yes	0	0.00%
					2BR / 2BA	25	20.80%	@60%	$720	1,023	yes	No	0	0.00%
					2BR / 2BA	1	0.80%	Non-Rental	($41)	1,023	n/a	No	0	0.00%
					3BR / 2BA	2	1.70%	@50%	$668	1,231	yes	Yes	0	0.00%
					3BR / 2BA	18	15.00%	@60%	$828	1,231	yes	No	1	5.60%
					4BR / 3BA	4	3.30%	@60%	$919	1,483	yes	Yes	0	0.00%
						120	100%						1	0.80%
3	Saige Meadows	19 miles	Various	@30%,	1BR / 1BA (Garden)	N/A	N/A	@30%	$260	706	yes	Yes	0	N/A
	13488 Hwy 69 N		2015 / n/a	@50%,	1BR / 1BA (Garden)	N/A	N/A	@50%	$492	706	yes	Yes	0	N/A
	Tyler, TX 75706			@60%,	1BR / 1BA (Garden)	N/A	N/A	@60%	$607	706	yes	No	0	N/A
	Smith County County			Market	2BR / 2BA (Garden)	N/A	N/A	@30%	$312	919	yes	Yes	0	N/A
					2BR / 2BA (Garden)	N/A	N/A	@50%	$589	919	yes	Yes	0	N/A
					2BR / 2BA (Garden)	N/A	N/A	@60%	$728	919	yes	No	2	N/A
					2BR / 2BA (Garden)	N/A	N/A	Market	$814	919	n/a	Yes	0	N/A
					2BR / 2.5BA (Townhouse)	N/A	N/A	@30%	$312	1,156	yes	Yes	0	N/A
					2BR / 2.5BA (Townhouse)	N/A	N/A	@50%	$589	1,156	yes	Yes	0	N/A
					2BR / 2.5BA (Townhouse)	N/A	N/A	@60%	$728	1,156	yes	No	0	N/A
					2BR / 2.5BA (Townhouse)	N/A	N/A	Market	$814	1,156	n/a	Yes	0	N/A
					3BR / 2BA (Garden)	N/A	N/A	@30%	$359	1,085	yes	Yes	0	N/A
					3BR / 2BA (Garden)	N/A	N/A	@50%	$680	1,085	yes	Yes	0	N/A
					3BR / 2BA (Garden)	N/A	N/A	@60%	$840	1,085	yes	No	0	N/A
					3BR / 2BA (Garden)	N/A	N/A	Market	$930	1,085	n/a	Yes	0	N/A
					3BR / 2.5BA (Townhouse)	N/A	N/A	@30%	$359	1,440	yes	Yes	0	N/A
					3BR / 2.5BA (Townhouse)	N/A	N/A	@50%	$680	1,440	yes	Yes	0	N/A
					3BR / 2.5BA (Townhouse)	N/A	N/A	@60%	$840	1,440	yes	No	0	N/A
					3BR / 2.5BA (Townhouse)	N/A	N/A	Market	$930	1,440	n/a	Yes	0	N/A
						92	100%						2	2.20%
4	Southwest Pines Apartments	10 miles	Garden	@60%, Non-	1BR / 1BA	54	21.80%	@60%	$610	757	no	No	1	1.90%
	3220 Walton Road		(3 stories)	Rental	2BR / 2BA	70	28.20%	@60%	$719	1,039	no	No	6	8.60%
	Tyler, TX 75701		2006 / n/a		3BR / 2BA	122	49.20%	@60%	$800	1,159	no	No	8	6.60%
	Smith County				3BR / 2BA	2	0.80%	Non-Rental	($50)	1,159	n/a	No	0	0.00%
						248	100%						15	6.00%
5	Town Parc At Tyler	13 miles	Garden	@40%,	2BR / 2BA	5	5.20%	@40%	$431	1,017	no	No	0	0.00%
	2202 West Northwest Loop 323		(2 stories)	@50%,	2BR / 2BA	19	19.80%	@50%	$575	1,017	no	No	0	0.00%
	Tyler, TX 75702		2003 / n/a	@60%, Non-	2BR / 2BA	23	24.00%	@60%	$723	1,017	no	No	0	0.00%
	Smith County			Rental	2BR / 2BA	1	1.00%	Non-Rental	($41)	1,017	n/a	No	0	0.00%
					3BR / 2BA	5	5.20%	@40%	$494	1,217	no	No	0	0.00%
					3BR / 2BA	20	20.80%	@50%	$661	1,217	no	No	0	0.00%
					3BR / 2BA	23	24.00%	@60%	$828	1,217	no	No	2	8.70%
						96	100%						2	2.10%

6	Bridges On Kinsey Apartments	8.2 miles	Garden	Market	1BR / 1BA	56	24.10%	Market	$863	680	n/a	No	N/A	N/A
	4411 Kinsey Drive		(3 stories)		1BR / 1BA	56	24.10%	Market	$913	759	n/a	No	N/A	N/A
	Tyler, TX 75703		2005 / n/a		2BR / 2BA	56	24.10%	Market	$1,011	1,015	n/a	No	N/A	N/A
	Smith County				2BR / 2BA	56	24.10%	Market	$1,113	1,108	n/a	No	N/A	N/A
					3BR / 2BA	8	3.40%	Market	$1,313	1,302	n/a	No	N/A	N/A
						232	100%						30	12.90%
7	Grande Hill Estates	7.7 miles	Garden	Market	1BR / 1BA	48	20.00%	Market	$756	740	n/a	Yes	2	4.20%
	1505 Grande Boulevard		(2 stories)		1BR / 1.5BA	32	13.30%	Market	$766	740	n/a	No	1	3.10%
	Tyler, TX 75703		1997 / n/a		2BR / 2BA	160	66.70%	Market	$908	1,010	n/a	No	16	10.00%
	Smith County													
						240	100%						19	7.90%
8	Orion At Cascades I & II	10.5 miles	Various	Market	Studio / 1BA (Garden)	N/A	N/A	Market	$824	480	n/a	No	N/A	N/A
	4055 Hogan Drive		2007/2010 / n/a		1BR / 1BA (Garden)	N/A	N/A	Market	$1,022	743	n/a	No	N/A	N/A
	Tyler, TX 75709				1BR / 1BA (Garden)	N/A	N/A	Market	$1,214	896	n/a	No	N/A	N/A
	Smith County				1BR / 1BA (Garden)	N/A	N/A	Market	$829	600	n/a	No	N/A	N/A
					2BR / 1BA (Townhouse)	N/A	N/A	Market	$1,522	1,200	n/a	No	N/A	N/A
					2BR / 1BA (Townhouse)	N/A	N/A	Market	$1,254	1,098	n/a	No	N/A	N/A
					2BR / 2BA (Garden)	N/A	N/A	Market	$1,467	1,341	n/a	No	N/A	N/A
					2BR / 2BA (Garden)	N/A	N/A	Market	$1,267	1,248	n/a	No	N/A	N/A
					2BR / 2BA (Townhouse)	N/A	N/A	Market	$1,476	1,246	n/a	No	N/A	N/A
					2.5BR / 2BA (Duplex)	N/A	N/A	Market	$1,521	1,453	n/a	No	N/A	N/A
					3BR / 2BA (Townhouse)	N/A	N/A	Market	$1,564	1,592	n/a	No	N/A	N/A
					4BR / 3BA (Townhouse)	N/A	N/A	Market	$1,895	1,954	n/a	No	N/A	N/A
					4BR / 4BA (Lake cottage)	N/A	N/A	Market	$3,614	3,096	n/a	No	N/A	N/A
						582	100%						17	2.90%
9	Palomar Apartments	8 miles	Garden	Market	1BR / 1BA	N/A	N/A	Market	$911	774	n/a	No	N/A	N/A
	5872 Old Jacksonville Highway		2013 / n/a		1BR / 1BA	N/A	N/A	Market	$905	829	n/a	No	N/A	N/A
	Tyler, TX 75703				1BR / 1BA	N/A	N/A	Market	$849	730	n/a	No	N/A	N/A
	Smith County				2BR / 2BA	N/A	N/A	Market	$1,122	1,138	n/a	No	N/A	N/A
					2BR / 2BA	N/A	N/A	Market	$1,020	1,075	n/a	No	N/A	N/A
					3BR / 2BA	N/A	N/A	Market	$1,203	1,253	n/a	No	N/A	N/A
						216	100%						12	5.60%
10	Stonebrook Apartments	6.2 miles	Garden	Market	1BR / 1BA	N/A	N/A	Market	$867	705	n/a	No	1	N/A
	5058 Paluxy Drive		(3 stories)		1BR / 1BA	N/A	N/A	Market	$885	748	n/a	No	0	N/A
	Tyler, TX 75703		2007 / n/a		2BR / 1BA	N/A	N/A	Market	$927	909	n/a	No	0	N/A
	Smith County				2BR / 1BA	N/A	N/A	Market	$927	977	n/a	No	0	N/A
					2BR / 1BA	N/A	N/A	Market	$919	1,025	n/a	No	3	N/A
					2BR / 2BA	N/A	N/A	Market	$1,004	966	n/a	No	0	N/A
					2BR / 2BA	N/A	N/A	Market	$991	1,023	n/a	No	1	N/A
					2BR / 2BA	N/A	N/A	Market	$996	1,063	n/a	No	1	N/A
					3BR / 2BA	N/A	N/A	Market	$1,181	1,225	n/a	1 HH	0	N/A
						172	100%						6	3.50%
11	The Madison Of Tyler Apartments	8.3 miles	Garden	Market	1.5BR / 1BA	148	57.80%	Market	$938	863	n/a	No	4	2.70%
	5348 Old Jacksonville Highway		2008 / n/a		2BR / 2BA	76	29.70%	Market	$1,128	1,192	n/a	No	1	1.30%
	Tyler, TX 75703				3BR / 2BA	32	12.50%	Market	$1,328	1,396	n/a	No	2	6.20%
	Smith County													
						256	100%						7	2.70%

UNIT MATRIX REPORT

	Abbington Place	Park At Shiloh	Pinnacle At North Chase	Saige Meadows	Southwest Pines	Town Parc At Tyler	Bridges On Kinsey	Grande Hill Estates	Orion At Cascades	Palomar Apartments	Stonebrook Apartments	The Madison Of Tyler
Comp #	Subject	1	2	3	4	5	6	7	8	9	10	11
Property Information												
Property Type	Garden	Garden	Garden	Various	Garden	Garden	Garden	Garden	Various	Garden	Garden	Garden
Year Built / Renovated	2017 / n/a	2003 / n/a	2012 / n/a	2015 / n/a	2006 / n/a	2003 / n/a	2005 / n/a	1997 / n/a	2007/2010 /n/a	2013 / n/a	2007 / n/a	2008 / n/a
Market (Conv.)/Subsidy Type	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market	Market
Utility Adjusments												
Cooking	no	no	no	no	no	no	no	no	no	no	no	no
Water Heat	no	no	no	no	no	no	no	no	no	no	no	no
Heat	no	no	no	no	no	no	no	no	no	no	no	no
Other Electric	no	no	no	no	no	no	no	no	no	no	no	no
Water	no	no	yes	yes	yes	yes	no	yes	no	no	no	no
Sewer	no	no	yes	yes	yes	yes	no	yes	no	no	no	no
Trash Collection	yes	yes	yes	yes	yes	yes	no	yes	no	yes	no	no
In-Unit Amenities												
Balcony/Patio	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Cable/Satellite/Internet	no	no	no	no	no	no	no	no	no	no	no	no
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Coat Closet	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Dishwasher	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	no	yes	no	no	no	yes	yes	no	yes	yes	no	no
Ceiling Fan	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Fireplace	no	no	no	no	no	no	no	yes	no	no	no	no
Garbage Disposal	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Microwave	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Walk-In Closet	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	yes
Washer/Dryer	no	no	yes	yes	yes	no	no	yes	yes	yes	no	no
Washer/Dryer hookup	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Property Amenities												
Basketball Court	no	no	no	no	yes	no	no	no	no	no	no	no
Business Center/Computer Lab	yes	no	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Carport	no	no	no	no	no	no	yes	no	no	no	yes	no
Clubhouse/Community Room	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	yes
Exercise Facility	yes	no	yes	yes	no	yes	yes	yes	yes	yes	yes	yes
Garage	no	no	no	no	no	no	yes	yes	yes	yes	yes	no
Jacuzzi	no	no	no	no	no	no	yes	no	no	no	no	yes
Central Laundry	yes	yes	no	no	no	yes	yes	no	no	no	yes	yes
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
On-Site Management	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Picnic Area	yes	no	no	yes	yes	no	yes	no	yes	yes	no	no
Playground	yes	yes	no	yes	no	yes	no	no	no	yes	no	yes
Recreation Areas	no	no	no	no	no	no	no	no	yes	no	no	no
Sport Court	no	no	no	no	no	no	no	no	yes	no	no	no
Swimming Pool	no	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Tennis Court	no	no	no	no	no	no	no	yes	yes	no	no	yes
Theatre	no	no	no	no	no	no	no	no	yes	no	no	no
Volleyball Court	no	no	no	no	no	yes	no	no	no	no	no	no
Carport Fee	N/A	N/A	N/A	N/A	N/A	N/A	$35.00	N/A	N/A	N/A	$25.00	N/A
Garage Fee	N/A	N/A	N/A	N/A	N/A	N/A	$75.00	$65.00	$65.00	$65.00	$75.00	N/A
Services												
Security												
Limited Access	no	yes	no	no	yes	yes	yes	yes	no	yes	no	no
Patrol	no	no	no	no	yes	no	no	no	no	no	no	no
Perimeter Fencing	no	yes	no	yes	yes	yes	yes	yes	no	yes	no	no
Premium Amenities												
Other Amenities												
Other	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Housing and Urban Development Office of Housing
Rent Comparability Grid **Unit Type**: 1BR / 1BA

OMB Approval # 2502-0507 (exp. 01/31/2018)

	Subject		Comp #6		Comp #7		Comp #8		Comp #9		Comp #10		Comp #11	
	Abbington Place	Data	Bridges On Kinsey Apartments		Grande Hill Estates		Orion At Cascades I & II		Palomar Apartments		Stonebrook Apartments		The Madison Of Tyler	
	1008 Highway 110 South	on	4411 Kinsey Drive		1505 Grande Boulevard		4055 Hogan Drive		5872 Old Jacksonville		5058 Paluxy Drive		5348 Old Jacksonville	
	Whitehouse, Smith County	Subject	Tyler, Smith		Tyler, Smith		Tyler, Smith		Tyler, Smith		Tyler, Smith		Tyler, Smith	
A. Rents Charged			Data	$ Adj	Data	$ Adj	Data	$ Adj	Data	$ Adj	Data	$ Adj	Data	$ Adj
1	$ Last Rent / Restricted?		$849	N	$789	N	$1,008	N	$911	N	$866	N	$924	N
2	Date Last Leased (mo/yr)		Jan-16		Feb-16		Jan-16		Feb-16		Jan-16		Feb-16	
3	Rent Concessions		N		N		N		N		Y	($13)	N	
4	Occupancy for Unit Type		87%		95%		97%		94%		96%		97%	
5	Effective Rent & Rent / sq. ft		$849	$1.25	$789	$1.07	$1,008	$1.36	$911	$1.18	$853	$1.21	$924	$1.07
	In Parts B thru E, adjust only for differences the subject's market values.													
B. Design, Location, Condition			Data	$ Adj	Data	$ Adj	Data	$ Adj	Data	$ Adj	Data	$ Adj	Data	$ Adj
6	Structure / Stories	G	G		G		G		G		G		G	
7	Yr. Built / Yr. Renovated	2017	2005		1997		2007/2010		2013		2007		2008	
8	Condition / Street Appeal	Excellent	Excellent		Good	$100	Excellent		Excellent		Excellent		Excellent	
9	Neighborhood	Average	Good	($150)	Good	($150)	Good	($150)	Good	($150)	Good	($150)	Good	($150)
10	Same Market? Miles to Subj.		Yes/8.2		Yes/7.7		Yes/10.5		Yes/8		Yes/6.2		Yes/8.3	
C. Unit Equipment / Amenities			Data	$ Adj	Data	$ Adj	Data	$ Adj	Data	$ Adj	Data	$ Adj	Data	$ Adj
11	# Bedrooms	1	1		1		1		1		1		1	
12	# Bathrooms	1	1		1		1		1		1		1	
13	Unit Interior Sq. Ft.	719	680	$10	740	($5)	743	($10)	774	($15)	705		863	($40)
14	Balcony / Patio	Y	Y		Y		Y		Y		Y		Y	
15	AC: Central / Wall	C	C		C		C		C		C		C	
16	Range / Refrigerator	R/F	R/F		R/F		R/F		R/F		R/F		R/F	
17	Microwave / Dishwasher	M/D	M/D		M/D		M/D		M/D		M/D		M/D	
18	Washer / Dryer	L/HU	L/HU		WD	($15)	WD	($15)	WD	($15)	L/HU		L/HU	
19	Floor Coverings	Y	Y		Y		Y		Y		Y		Y	
20	Window Coverings	B	B		B		B		B		B		B	
21	Cable / Satellite / Internet	N	N		N		N		N		N		N	
22	Special Features	N	N		N		Sport Courts, Theatre, Retail, Spa	($50)	N		N		N	
23														
D. Site Equipment / Amenities			Data	$ Adj	Data	$ Adj	Data	$ Adj	Data	$ Adj	Data	$ Adj	Data	$ Adj
24	Parking ($ Fee)	L	L CP/$35 G/$75		L G/$65		L G/$65		L G/$65		L CP/$25 G/$75		L	
25	Extra Storage	N	Y	($10)	N		Y	($10)	Y	($10)	N		N	
26	Security	N	Y	($5)	Y	($5)	N		Y	($5)	N		N	
27	Clubhouse / Meeting Rooms	C	C		C		C		C		C		C	
28	Pool / Recreation Areas	E/R	P/E	($5)	P/E/R	($10)	P/E/R	($10)	P/E/R	($10)	P/E	($5)	P/E/R	($10)
29	Business Ctr / Nbhd Network	BC	BC		BC		BC		BC		BC		BC	
30	Service Coordination	N	N		N		N		N		N		N	
31	Non-shelter Services	N	N		N		N		N		N		N	
32	Neighborhood Networks	N	N		N		N		N		N		N	
E. Utilities			Data	$ Adj	Data	$ Adj	Data	$ Adj	Data	$ Adj	Data	$ Adj	Data	$ Adj
33	Heat (in rent? / type)	N/E	N/E		N/E		N/E		N/E		N/E		N/E	
34	Cooling (in rent? / type)	N/E	N/E		N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent? / type)	N/E	N/E		N/E		N/E		N/E		N/E		N/E	
36	Hot water (in rent? / type)	N/E	N/E		N/E		N/E		N/E		N/E		N/E	
37	Other Electric	N	N		N		N		N		N		N	
38	Cold Water / Sewer	N/N	N/N		Y/Y	($33)	N/N		N/N		N/N		N/N	
39	Trash / Recycling	Y	N	$14	Y		N	$14	Y		N	$14	N	$14
F. Adjustments Recap			Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D		1	(4)	1	(5)		(6)		(6)		(2)		(3)
41	Sum Adjustments B to D		$10	($170)	$100	($185)		($245)		($205)		($155)		($200)
42	Sum Utility Adjustments		$14			($33)	$14				$14		$14	
			Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net / Gross Adjustments B to E		($146)	$194	($118)	$318	($231)	$259	($205)	$205	($141)	$169	($186)	$214
G. Adjusted & Market Rents			Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5 + 43)		$703		$671		$777		$706		$712		$738	
45	Adj Rent / Last rent			83%		85%		77%		77%		82%		80%
46	Estimated Market Rent	$715	$0.99 Estimated Market Rent / Sq. Ft.											

2/8/2016
Date

Attached are explanations of:

a. why & how each adjustment was made
b. how market rent was derived from adjusted rents
c. how this analysis was used for a similar unit type

Grid was prepared: [ ] Manually [X] Using HUD's Excel form

form HUD-92273-S8 (04/2002)

Housing and Urban Development Office of Housing
Rent Comparability Grid

Unit Type: 2BR / 2BA

OMB Approval # 2502-0507 (exp. 01/31/2018)

	Subject		Comp #6		Comp #7		Comp #8		Comp #9		Comp #10		Comp #11	
	Abbington Place	Data	Bridges On Kinsey Apartments		Grande Hill Estates		Orion At Cascades I & II		Palomar Apartments		Stonebrook Apartments		The Madison Of Tyler	
	1008 Highway 110 South	on	4411 Kinsey Drive		1505 Grande Boulevard		4055 Hogan Drive		5872 Old Jacksonville		5058 Paluxy Drive		5348 Old Jacksonville	
	Whitehouse, Smith County	Subject	Tyler, Smith		Tyler, Smith		Tyler, Smith		Tyler, Smith		Tyler, Smith		Tyler, Smith	
	A. Rents Charged		**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**
1	**$ Last Rent / Restricted?**		**$997**	N	**$949**	N	**$1,453**	N	**$1,020**	N	**$990**	N	**$1,114**	N
2	**Date Last Leased (mo/yr)**		Jan-16		Feb-16		Jan-16		Feb-16		Jan-16		Feb-16	
3	**Rent Concessions**		N		N		N		N		Y	($13)	N	
4	**Occupancy for Unit Type**		87%		90%		97%		94%		96%		98%	
5	**Effective Rent & Rent / sq. ft**		**$997**	$0.98	**$949**	$0.94	**$1,453**	$1.08	**$1,020**	$0.95	**$977**	$0.96	**$1,114**	$0.93
	In Parts B thru E, adjust only for differences the subject's market values.													
	B. Design, Location, Condition		**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**
6	**Structure / Stories**	G	G		G		G		G		G		G	
7	**Yr. Built / Yr. Renovated**	2017	2005		1997		2007/2010		2013		2007		2008	
8	**Condition / Street Appeal**	Excellent	Excellent		Good	$100	Excellent		Excellent		Excellent		Excellent	
9	**Neighborhood**	Average	Good	($150)	Good	($150)	Good	($150)	Good	($150)	Good	($150)	Good	($150)
10	**Same Market? Miles to Subj.**		Yes/8.2		Yes/7.7		Yes/10.5		Yes/8		Yes/6.2		Yes/8.3	
	C. Unit Equipment / Amenities		**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**
11	**# Bedrooms**	2	2		2		2		2		2		2	
12	**# Bathrooms**	2	2		2		2		2		2		2	
13	**Unit Interior Sq. Ft.**	1023	1015		1010		1341	($85)	1075	($10)	1023		1192	($40)
14	**Balcony / Patio**	Y	Y		Y		Y		Y		Y		Y	
15	**AC: Central / Wall**	C	C		C		C		C		C		C	
16	**Range / Refrigerator**	R/F	R/F		R/F		R/F		R/F		R/F		R/F	
17	**Microwave / Dishwasher**	M/D	M/D		M/D		M/D		M/D		M/D		M/D	
18	**Washer / Dryer**	L/HU	L/HU		WD	($15)	WD	($15)	WD	($15)	L/HU		L/HU	
19	**Floor Coverings**	Y	Y		Y		Y		Y		Y		Y	
20	**Window Coverings**	B	B		B		B		B		B		B	
21	**Cable / Satellite / Internet**	N	N		N		N		N		N		N	
22	**Special Features**	N	N		N		Sport Courts, Theatre, Retail, Spa	($50)	N		N		N	
23														
	D. Site Equipment / Amenities		**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**
24	**Parking ($ Fee)**	L	L CP/$35 G/$75		L G/$65		L G/$65		L G/$65		L CP/$25 G/$75		L	
25	**Extra Storage**	N	Y	($10)	N		Y	($10)	Y	($10)	N		N	
26	**Security**	N	Y	($5)	Y	($5)	N		Y	($5)	N		N	
27	**Clubhouse / Meeting Rooms**	C	C		C		C		C		C		C	
28	**Pool / Recreation Areas**	E/R	P/E	($5)	P/E/R	($10)	P/E/R	($10)	P/E/R	($10)	P/E	($5)	P/E/R	($10)
29	**Business Ctr / Nbhd Network**	BC	BC		BC		BC		BC		BC		BC	
30	**Service Coordination**	N	N		N		N		N		N		N	
31	**Non-shelter Services**	N	N		N		N		N		N		N	
32	**Neighborhood Networks**	N	N		N		N		N		N		N	
	E. Utilities		**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**
33	**Heat (in rent? / type)**	N/E	N/E		N/E		N/E		N/E		N/E		N/E	
34	**Cooling (in rent? / type)**	N/E	N/E		N/E		N/E		N/E		N/E		N/E	
35	**Cooking (in rent? / type)**	N/E	N/E		N/E		N/E		N/E		N/E		N/E	
36	**Hot water (in rent? / type)**	N/E	N/E		N/E		N/E		N/E		N/E		N/E	
37	**Other Electric**	N	N		N		N		N		N		N	
38	**Cold Water / Sewer**	N/N	N/N		Y/Y	($41)	N/N		N/N		N/N		N/N	
39	**Trash / Recycling**	Y	N	$14	Y		N	$14	Y		N	$14	N	$14
	F. Adjustments Recap		**Pos**	**Neg**	**Pos**	**Neg**	**Pos**	**Neg**	**Pos**	**Neg**	**Pos**	**Neg**	**Pos**	**Neg**
40	**# Adjustments B to D**			(4)	1	(4)		(6)		(6)		(2)		(3)
41	**Sum Adjustments B to D**			($170)	$100	($180)		($320)		($200)		($155)		($200)
42	**Sum Utility Adjustments**		$14			($41)	$14				$14		$14	
			Net	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**	**Gross**
43	**Net / Gross Adjustments B to E**		($156)	$184	($121)	$321	($306)	$334	($200)	$200	($141)	$169	($186)	$214
	G. Adjusted & Market Rents		**Adj. Rent**		**Adj. Rent**		**Adj. Rent**		**Adj. Rent**		**Adj. Rent**		**Adj. Rent**	
44	**Adjusted Rent (5 + 43)**		**$841**		**$828**		**$1,147**		**$820**		**$836**		**$928**	
45	**Adj Rent / Last rent**			84%		87%		79%		80%		84%		83%
46	**Estimated Market Rent**	$850	$0.83 Estimated Market Rent / Sq. Ft.											

2/8/2016
Date

Attached are explanations of:

a. why & how each adjustment was made
b. how market rent was derived from adjusted rents
c. how this analysis was used for a similar unit type

Grid was prepared: [ ] Manually [X] Using HUD's Excel form

form HUD-92273-S8 (04/2002)

Housing and Urban Development Office of Housing
Rent Comparability Grid

Unit Type: 3BR / 2BA

OMB Approval # 2502-0507 (exp. 01/31/2018)

	Subject		Comp #6		Comp #8		Comp #9		Comp #10		Comp #11	
	Abbington Place	Data	Bridges On Kinsey Apartments		Orion At Cascades I & II		Palomar Apartments		Stonebrook Apartments		The Madison Of Tyler	
	1008 Highway 110 South	on	4411 Kinsey Drive		4055 Hogan Drive		5872 Old Jacksonville		5058 Paluxy Drive		5348 Old Jacksonville	
	Whitehouse, Smith County	Subject	Tyler, Smith		Tyler, Smith		Tyler, Smith		Tyler, Smith		Tyler, Smith	
A. Rents Charged			**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**
1	**$ Last Rent / Restricted?**		**$1,299**	N	**$1,550**	N	**$1,203**	N	**$1,167**	N	**$1,314**	N
2	**Date Last Leased (mo/yr)**		Jan-16		Jan-16		Feb-16		Jan-16		Feb-16	
3	**Rent Concessions**		N		N		N		N		N	
4	**Occupancy for Unit Type**		87%		97%		94%		96%		93%	
5	**Effective Rent & Rent / sq. ft**		**$1,299**	$1.00	**$1,550**	$0.97	**$1,203**	$0.96	**$1,167**	$0.95	**$1,314**	$0.94
	In Parts B thru E, adjust only for differences the subject's market values.											
B. Design, Location, Condition			**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**
6	**Structure / Stories**	G	G		T	($25)	G		G		G	
7	**Yr. Built / Yr. Renovated**	2017	2005		2007/2010		2013		2007		2008	
8	**Condition / Street Appeal**	Excellent	Excellent		Excellent		Excellent		Excellent		Excellent	
9	**Neighborhood**	Average	Good	($150)	Good	($150)	Good	($150)	Good	($150)	Good	($150)
10	**Same Market? Miles to Subj.**		Yes/8.2		Yes/10.5		Yes/8		Yes/6.2		Yes/8.3	
C. Unit Equipment / Amenities			**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**
11	**# Bedrooms**	3	3		3		3		3		3	
12	**# Bathrooms**	2	2		2		2		2		2	
13	**Unit Interior Sq. Ft.**	1168	1302	($35)	1592	($100)	1253	($20)	1225	($15)	1396	($55)
14	**Balcony / Patio**	Y	Y		Y		Y		Y		Y	
15	**AC: Central / Wall**	C	C		C		C		C		C	
16	**Range / Refrigerator**	R/F	R/F		R/F		R/F		R/F		R/F	
17	**Microwave / Dishwasher**	M/D	M/D		M/D		M/D		M/D		M/D	
18	**Washer / Dryer**	L/HU	L/HU		WD	($15)	WD	($15)	L/HU		L/HU	
19	**Floor Coverings**	Y	Y		Y		Y		Y		Y	
20	**Window Coverings**	B	B		B		B		B		B	
21	**Cable / Satellite / Internet**	N	N		N		N		N		N	
22	**Special Features**	N	N		Sport Courts, Theatre, Retail, Spa	($50)	N		N		N	
23												
D. Site Equipment / Amenities			**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**
24	**Parking ($ Fee)**	L	L CP/$35 G/$75		L G/$65		L G/$65		L CP/$25 G/$75		L	
25	**Extra Storage**	N	Y	($10)	Y	($10)	Y	($10)	N		N	
26	**Security**	N	Y	($5)	N		Y	($5)	N		N	
27	**Clubhouse / Meeting Rooms**	C	C		C		C		C		C	
28	**Pool / Recreation Areas**	E/R	P/E	($5)	P/E/R	($10)	P/E/R	($10)	P/E	($5)	P/E/R	($10)
29	**Business Ctr / Nbhd Network**	BC	BC		BC		BC		BC		BC	
30	**Service Coordination**	N	N		N		N		N		N	
31	**Non-shelter Services**	N	N		N		N		N		N	
32	**Neighborhood Networks**	N	N		N		N		N		N	
E. Utilities			**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**
33	**Heat (in rent? / type)**	N/E	N/E		N/E		N/E		N/E		N/E	
34	**Cooling (in rent? / type)**	N/E	N/E		N/E		N/E		N/E		N/E	
35	**Cooking (in rent? / type)**	N/E	N/E		N/E		N/E		N/E		N/E	
36	**Hot water (in rent? / type)**	N/E	N/E		N/E		N/E		N/E		N/E	
37	**Other Electric**	N	N		N		N		N		N	
38	**Cold Water / Sewer**	N/N	N/N		N/N		N/N		N/N		N/N	
39	**Trash / Recycling**	Y	N	$14	N	$14	Y		N	$14	N	$14
F. Adjustments Recap			**Pos**	**Neg**	**Pos**	**Neg**	**Pos**	**Neg**	**Pos**	**Neg**	**Pos**	**Neg**
40	**# Adjustments B to D**			(5)		(7)		(6)		(3)		(3)
41	**Sum Adjustments B to D**			($205)		($360)		($210)		($170)		($215)
42	**Sum Utility Adjustments**		$14		$14				$14		$14	
			Net	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**	**Gross**
43	**Net / Gross Adjustments B to E**		($191)	$219	($346)	$374	($210)	$210	($156)	$184	($201)	$229
G. Adjusted & Market Rents			**Adj. Rent**		**Adj. Rent**		**Adj. Rent**		**Adj. Rent**		**Adj. Rent**	
44	**Adjusted Rent (5 + 43)**		**$1,108**		**$1,204**		**$993**		**$1,011**		**$1,113**	
45	**Adj Rent / Last rent**			85%		78%		83%		87%		85%
46	**Estimated Market Rent**	$1,050	$0.90 Estimated Market Rent / Sq. Ft.									

2/8/2016
Date

Attached are explanations of:

a. why & how each adjustment was made
b. how market rent was derived from adjusted rents
c. how this analysis was used for a similar unit type

Grid was prepared: [ ] Manually [X] Using HUD's Excel form

form HUD-92273-S8 (04/2002)

EXPLANATION OF ADJUSTMENTS

Per TDHCA guidelines, Novogradac has prepared separate rent matrices to support the estimate of achievable unrestricted market rents. The following details the adjustments made in the Rent Comparability Matrices for the market rate properties.

Occupancy/Concessions

Only one of the comparables, Stonebrook Apartments, is currently offering concessions for its one- and two-bedroom units. Thus, we applied a negative adjustment in the amount of the concession for these two unit types. No additional adjustments are warranted.

Number of Stories/Elevator

The Subject's units will be located in three-story garden-style residential buildings. The majority of the comparables offer a garden-style design, similar to the Subject. Only one comparable, Orion at Cascades, offers a townhome design for its three-bedroom units; thus, we applied a negative $25 adjustment to this unit type. No further adjustments were necessary for design.

Age/Condition (Built or Last Renovated)

The comparable properties offer between 92 and 582 units, with an average size of 221 units. The Subject, with 60 units, will be below the range of the developments. However, this appears reasonable based on the Subject's rural location in Whitehouse when compared to the comparable properties, all of which are located in Tyler.

The Subject will be a newly constructed development. The comparable market rate properties were constructed between 1997 and 2013 and range in condition from good to excellent. The Subject will be new construction and will exhibit excellent condition. Thus, we applied a positive adjustment of $100 to the comparable that is in good condition. This adjustment is based on feedback from local managers. The remaining comparables in excellent condition were not adjusted.

Location/Neighborhood

We have included six market rate developments that are within 10.5 miles of the Subject and are located in Tyler. All of the comparables are located proximate to Tyler, with superior access to employment opportunities, amenities, and services. Thus, all of the comparables offer superior locations relative to the Subject, and we applied a negative $150 adjustment to each comparable based on location.

Unit Type

The Subject offers one-, two-, and three-bedroom units. Only comparable unit types were used in the rental analysis. Thus, no adjustments were required for unit type.

Number of Bathrooms

The Subject will offer one bathroom in its one-bedroom units and two bathrooms in its two- and three-bedroom units. All of the comparables utilized in the rent grids offer a similar bedroom to bathroom configuration, and no adjustments were warranted. Overall, the Subject is similar to most of the comparable properties based on number of bathrooms.

Unit Size Adjustment

Unit sizes are reported on a net basis for comparable properties, which is the typical basis reported within the apartment industry. Additionally, unit size may not be reflective of the appeal of the unit; an example being two apartments with differing floor plans wherein the smaller size unit may appear to be larger to the observer due to floor plan layout and lighting. In some cases property managers estimated the unit sizes to the best of their ability. The following table illustrates the unit sizes of the comparable properties that reported unit sizes.

UNIT SIZE COMPARISON

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Advantage/ Disadvantage
1 BR	719	600	896	756	-5%
2 BR	1,023	909	1,453	1,074	-5%
3 BR	1,168	1,085	1,592	1,266	-8%

As the table illustrates, the Subject's proposed unit sizes are five to eight percent below the surveyed average unit size at the comparables, but all unit sizes are well within the surveyed range and will be competitive.

Most market observers agree that with all other variables being equal, a larger unit is more desirable than a smaller unit. However, the value of the additional square footage is mitigated to some degree by the similarity in perceived unit function (i.e. a 600 square foot one-bedroom unit functions similarly to a 700 square foot one-bedroom unit) reflective of economies of scale. In other words, there is a diminishing return of value for additional square footage, as each additional square foot does not necessarily equal additional functional utility. Matched pairs are the preferred method to use for derivation of an adjustment, particularly in the case of differences in square footage. However, no matched pairs were available in the market. Therefore, we have applied a market standard that has been observed in similar markets as follows: the square foot difference between the Comparable and the Subject is divided by four and then multiplied by the rent per square foot of the Comparable. In other words, we are estimating that the additional square footage is worth approximately 25 percent of the rent per square foot in comparison to the base square footage.

Utilities Paid by Tenant

The tenants at the Subject will be responsible all electric utilities including cooking, water heating, heat, and air conditioning expenses. Additionally, the tenants will be responsible for cold water and sewer expenses. The landlord will provide trash. The comparable properties' utility structures are illustrated in the respective property summaries and are adjusted appropriately in the rental adjustment grids to account for differences relative to the Subject, based on utility allowances from the housing authority.

Unit Amenities

The Subject's unit amenities will include balcony/patios, blinds, carpet, central air conditioning, ceiling fans, walk-in closets, cable/internet wiring, dishwashers, garbage disposals, microwaves, ovens, refrigerators, icemakers, and washer/dryer connections. Several comparables offer exterior storage or in-unit washer/dryer appliances, amenities the Subject does not offer.

Overall, the Subject will offer a similar to slightly inferior in-unit amenity package. No changes to this component of the development are necessary.

Parking/Transportation
The Subject will offer off-street uncovered parking spaces, similar to all of the comparables. Several of the comparables offer garage or carport parking for an additional fee as well. However, since these properties charge a fee, the Subject is competitive in terms of parking. No changes to this component of the development are necessary.

Property Amenities
The Subject will also offer a clubhouse, business center, exercise facility, central laundry, on-site manager, picnic area, and playground. All of the comparables offer a swimming pool, which the Subject does not offer. However, the Subject will offer a picnic area and playground, which several comparables do not offer. All things considered, the Subject's amenity package is similar to the competition, and we recommend no changes to this component of the development scheme.

Security
The Subject will not offer any security features, similar to four of the comparables. The comparables that do not offer any security features are performing well, and crime did not appear to be an issue in the area based on our site inspection. All things considered, the Subject's lack of security should not be a significant marketing disadvantage, and we recommend no changes to this component of the development scheme.

Overall Adjustments
It should be noted that adjustments as a result of utility structure are not considered true rental adjustments, as they are simply a way to equalize the asking rents of the comparables for utilities, so there is a true apples to apples comparison with the Subject in terms of total shelter cost. Further, there is limited subjectivity when making these adjustments, given that they are based on a published utility allowance schedule, local to the Subject's market. Based on this information, we believe that the adjustments made to these comparables in the rent matrices are reasonable.

It should be noted that several of the comparables were adjusted by more than 15 percent in the matrices. However, these adjustments are negative rather than positive and are primarily due to the superior location of the comparable properties compared to the Subject's rural location. For the purposes of our final reconciliation and estimate of achievable market rent for each unit type, we placed greater weight on the comparables requiring the least overall adjustments.

MARKET CHARACTERISTICS

Following are relevant market characteristics of the all of the comparable properties surveyed.

Unit Mix

The following table displays the unit mix of the surveyed comparable properties. It should be noted that we have excluded the properties that did not provide a breakdown of their unit mixes.

UNIT MIX

Unit Type	Total Units (Subject)	Percent (Subject)	Total Units (Comps)	Percent (Comps)
1 BR	12	20%	190	19%
2 BR	24	40%	522	53%
3 BR	24	40%	272	28%

The Subject will offer fewer two-bedroom units but slightly more one- and three-bedroom units relative to the market. Due to the limited supply of units in the market, specifically in Whitehouse, coupled with the average household size in the area, we anticipate the Subject's unit mix to be received well in the market. It should also be noted that the *Demand Analysis,* which is presented later in this report, indicates ample demand for the Subject's units.

Turnover

The following table depicts the reported turnover at each of the comparables properties. It should be noted that Orion at Cascades I & II unable to report turnover and have been excluded from the following analysis.

TURNOVER

Property name	Rent Structure	Turnover
Park At Shiloh Apartments	LIHTC	24%
Pinnacle At North Chase	LIHTC	39%
Saige Meadows	LIHTC	50%
Southwest Pines Apartments	LIHTC	29%
Town Parc At Tyler	LIHTC	40%
Bridges On Kinsey Apartments	Market	25%
Grande Hill Estates	Market	50%
Orion At Cascades I & II	Market	N/A
Palomar Apartments	Market	50%
Stonebrook Apartments	Market	35%
The Madison Of Tyler Apartments	Market	40%
Average Turnover		**38%**

Reported turnover ranges from 24 to 50 percent. The overall average turnover rate is 38 percent, with a slightly lower average of 36 percent for the LIHTC comparables only. Based on this information, we anticipate the Subject will have a turnover rate at approximately 40 percent or less based on turnover at the LIHTC comparables.

Rental Rate Increases

The following table illustrates the reported rent growth at each of the comparables properties.

RENT GROWTH

Comparable Property	Rent Structure	Rent Growth
Park At Shiloh Apartments	LIHTC	Increase on 2 & 3BR units only
Pinnacle At North Chase	LIHTC	Increase of 3%
Saige Meadows	LIHTC	Increase of 2% to 7%
Southwest Pines Apartments	LIHTC	Increase 3% to 4%
Town Parc At Tyler	LIHTC	Increase of 2% to 4%
Bridges On Kinsey Apartments	Market	Increase of 2% to 6%
Grande Hill Estates	Market	None
Orion At Cascades I & II	Market	Increase on all
Palomar Apartments	Market	Fluctuate frequently
Stonebrook Apartments	Market	Fluctuate frequently
The Madison Of Tyler Apartments	Market	Increase of 3%

As illustrated, the majority of the comparables reported rent increases in the past year. The AMI in Smith County decreased significantly from 2013 to 2014 but increased in 2015. The two newest LIHTC comparables, Pinnacle at North Chase and Saige Meadows, both reported maximum allowable rents, while none of the remaining LIHTC properties reported maximum allowable rents. The Subject's proposed rents are at the 2015 maximum allowable levels; thus, future rent increases will be constrained by increases in AMI, as well as market conditions.

Absorption

The following table illustrates absorption data at several of the comparables LIHTC comparables properties.

ABSORPTION

Property name	Type	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Pinnacle At North Chase	LIHTC	Family	2012	120	13
Saige Meadows	LIHTC	Family	2015	92	12
Town Parc At Tyler	LIHTC	Family	2003	96	30

As illustrated, absorption rates range from 12 to 30 units per month, with the two most recently constructed properties reporting the absorption rates at the lower end of the range. Given the absorption reported by the comparables, coupled with waiting lists at several of the LIHTC properties and the large number of new renter households entering the market through the date of market entry, we believe that the Subject would reach a stabilized occupancy of 95 percent within five months of construction completion. This equates to an absorption rate of 12 units per month.

Concessions
Only one of the LIHTC comparables, Town Parc at Tyler, is currently offering concessions. Based on this information, concessions at the Subject will likely not be necessary to maintain stabilized occupancy.

Waiting Lists
The following table summarizes the waiting lists at the comparable properties.

WAITING LISTS

Comparable Property	Rent Structure	Waiting List
Park At Shiloh Apartments	LIHTC	Yes
Pinnacle At North Chase	LIHTC	Yes for lower set asides only
Saige Meadows	LIHTC	Yes for lower set asides only
Southwest Pines Apartments	LIHTC	No
Town Parc At Tyler	LIHTC	No
Bridges On Kinsey Apartments	Market	No
Grande Hill Estates	Market	No
Orion At Cascades I & II	Market	No
Palomar Apartments	Market	No
Stonebrook Apartments	Market	No
The Madison Of Tyler Apartments	Market	No

As shown, three of the LIHTC comparables currently maintain waiting lists for at least some of their affordable units. It should be noted that Pinnacle at North Chase and Saige Meadows are the newest constructed LIHTC comparables. Thus, we anticipate the Subject will maintain a waiting list similar to these properties upon stabilization, particularly at the 30 and 50 percent AMI levels.

Vacancy Rates
The following analysis summarizes overall weighted vacancy levels at the surveyed properties.

OVERALL VACANCY

Property name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Park At Shiloh Apartments	LIHTC	176	3	1.70%
Pinnacle At North Chase	LIHTC	120	1	0.80%
Saige Meadows	LIHTC	92	2	2.20%
Southwest Pines Apartments	LIHTC	248	15	6.00%
Town Parc At Tyler	LIHTC	96	2	2.10%
Bridges On Kinsey Apartments	Market	232	30	12.90%
Grande Hill Estates	Market	240	19	7.90%
Orion At Cascades I & II	Market	582	17	2.90%
Palomar Apartments	Market	216	12	5.60%
Stonebrook Apartments	Market	172	6	3.50%
The Madison Of Tyler Apartments	Market	256	7	2.70%
Total		**2430**	**114**	**4.70%**

The vacancy rates among the comparables range from 0.8 to 12.9 percent, with an overall weighted average vacancy rate of 4.7 percent. The LIHTC comparables reported a weighted average vacancy rate of 3.1 percent. Only one comparable, Bridges on Kinsey, reported a vacancy rate above 10 percent. Management at Bridges on Kinsey could not comment on the elevated vacancy rate. However, based on previous surveys of this property, vacancy is typically above 10 percent; thus, this appears to be a property specific issue as the other market rate comparables are performing well. Excluding this property, the market rate comparables reported a weighted average vacancy rate of 4.2 percent.

Overall, the comparables illustrate low vacancy rates. Further, the Subject will offer a significant number of units at 30 and 50 percent of AMI, which are in strong demand. The relatively small size of the Subject relative to the comparables should also help maintain stabilized occupancy. Therefore, we believe the Subject will maintain a stabilized vacancy rate of 3.0 percent or less after the initial lease-up phase has been completed due to the fact that it is new construction and will offer a competitive rental product. Further, since the Subject will target households and there is limited direct competition in the Subject's market area. We believe this vacancy rate is reasonable given the performance of comparables in the same market and the Subject's competitive advantages.

Historical Vacancy

The following table illustrates historical vacancy rates for the comparables, where available.

CHANGE IN VACANCY RATES

Comparable Property	Type	Total Units	2QTR 2011	2QTR 2012	2QTR 2014	1QTR 2016
Abbington Place	LIHTC	60	N/A	N/A	N/A	N/A
Park At Shiloh Apartments	LIHTC	176	4.50%	5.10%	1.70%	1.70%
Pinnacle At North Chase	LIHTC	120	N/A	N/A	4.20%	0.80%
Saige Meadows	LIHTC	92	N/A	N/A	N/A	2.20%
Southwest Pines Apartments	LIHTC	248	14.10%	25.40%	8.90%	6.00%
Town Parc At Tyler	LIHTC	96	2.10%	6.20%	2.10%	2.10%
Bridges On Kinsey Apartments	Market	232	4.70%	10.80%	11.20%	12.90%
Grande Hill Estates	Market	240	9.20%	N/A	N/A	7.90%
Orion At Cascades I & II	Market	582	N/A	N/A	N/A	2.90%
Palomar Apartments	Market	216	N/A	N/A	N/A	5.60%
Stonebrook Apartments	Market	172	9.90%	N/A	8.10%	3.50%
The Madison Of Tyler	Market	256	3.90%	N/A	9.80%	2.70%

As indicated, there is relatively limited historical performance data available for the selected comparables. However, the majority of the properties have reported stable or decreasing vacancy rates over the past several years.

Per TDHCA guidelines, we have provided the following occupancy table by age, quality, and bedroom type. It should be noted that not all of the comparables were able to provide a breakdown of occupancy by unit type.

OCCUPANCY BY AGE, QUALITY, BEDROOM TYPE

Property Name	Rent Structure	Tenancy	# of Comparable Units	Year Built	Quality of Construction	1BR	2BR	3BR	Overall Rate
Park At Shiloh Apartments	LIHTC	Family	176	2003	Good	100.0%	97.1%	100.0%	98.3%
Pinnacle At North Chase	LIHTC	Family	120	2012	Excellent	100.0%	100.0%	95.0%	99.2%
Saige Meadows	LIHTC	Family	92	2015	Excellent	100.0%	N/Av	100.0%	97.8%
Southwest Pines Apartments	LIHTC	Family	248	2006	Excellent	98.1%	91.4%	93.4%	94.0%
Town Parc At Tyler	LIHTC	Family	96	2003	Good	100.0%	100.0%	95.8%	97.9%
Bridges On Kinsey	Market	Family	0	2005	Excellent	N/Av	N/Av	N/Av	87.1%
Grande Hill Estates	Market	Family	0	1997	Good	95.8%	90.0%	N/Av	92.1%
Orion At Cascades I & II	Market	Family	0	2007/2010	Excellent	N/Av	N/Av	N/Av	97.1%
Palomar Apartments	Market	Family	0	2013	Excellent	N/Av	N/Av	N/Av	94.4%
Stonebrook Apartments	Market	Family	0	2007	Excellent	N/Av	N/Av	100.0%	96.5%
The Madison Of Tyler	Market	Family	0	2008	Excellent	97.3%	98.7%	93.8%	97.3%

REASONABILITY OF RENTS

The following is a discussion about the Subject's and comparable properties' LIHTC rents. "Net rents" are rents adjusted for the cost of utilities (adjusted to the Subject's convention) and are used to compensate for the differing utility structures of the Subject and the comparable properties. Net rents represent the actual costs of residing at a property, and help to provide an "apples-to-apples" comparison of rents. It should be noted that Saige Meadows is restricted at the 2015 maximum allowable levels, similar to the Subject, while the remaining LIHTC properties are held harmless at the higher 2013 LIHTC maximum allowable levels.

Achievable LIHTC Rents

Provided on the following table is a summary of the 30 percent AMI rental analysis.

LIHTC Rent Comparison - @30%

Property Name	1BR	2BR	3BR
Abbington Place (Subject)	$220	$257	$288
2015 LIHTC Maximum (Net)	**$220**	**$257**	**$288**
2013 LIHTC Maximum (Net)	**$238**	**$279**	**$313**
Pinnacle At North Chase	$257	$304	N/A
Saige Meadows	$260	$312	$359
Average (excluding Subject)	**$259**	**$309**	**$359**

The Subject will offer units at 30 percent of AMI, which will be set at the 2015 maximum allowable levels. The two newest comparables in the area offer units at this set aside, and both reported maximum allowable rents. It should be noted that these comparables appear to have rents above the maximum allowable levels; however, this is likely attributed to differing utility allowances. The Subject's proposed rents are below the rents reported by both of these properties. These comparables offer superior locations when compared to the Subject but are otherwise similar to the Subject. Further, both of these comparables reported very low vacancy rates and waiting lists for their units at this set aside, indicating their rents are well-accepted in the market. Thus, based on the relatively low set aside and the strong performance of the comparables, we anticipate that the Subject's proposed rents at 30 percent of AMI are achievable at the 2015 maximum allowable levels.

Provided on the following table is a summary of the 50 percent AMI rental analysis.

LIHTC Rent Comparison - @50%

Property Name	1BR	2BR	3BR
Abbington Place (Subject)	$440	$520	$592
2015 LIHTC Maximum (Net)	**$440**	**$520**	**$592**
2013 LIHTC Maximum (Net)	**$470**	**$556**	**$634**
Pinnacle At North Chase	$489	$581	$668
Saige Meadows	$492	$589	$680
Town Parc At Tyler	N/A	$575	$661
Average (excluding Subject)	**$491**	**$584**	**$672**

The Subject will offer units at 50 percent of AMI, which will be set at the 2015 maximum allowable levels. Three of the comparables also offer units at this set aside. It should be noted that these comparables appear to have rents above the maximum allowable levels; however, this is likely attributed to differing utility allowances. The Subject's proposed rents are below the rents reported by these properties. The Subject will be most similar to Saige Meadows and Pinnacle at North Chase, which are the newest LIHTC comparables in the area. These comparables offer superior locations when compared to the Subject but are otherwise similar to the Subject. Further, both of these comparables reported very low vacancy rates and waiting lists for their units at this set aside, indicating their rents are well-accepted in the market. Thus, we would anticipate that the Subject would be able to achieve 2015 maximum allowable rents for its units at 50 percent of AMI.

Provided below is a summary of the 60 percent AMI rental analysis.

LIHTC Rent Comparison - @60%

Property Name	1BR	2BR	3BR
Abbington Place (Subject)	$549	$652	$744
2015 LIHTC Maximum (Net)	**$549**	**$652**	**$744**
2013 LIHTC Maximum (Net)	**$585**	**$695**	**$794**
Park At Shiloh Apartments	$605	$725	$799
Pinnacle At North Chase	$604	$720	$828
Saige Meadows	$607	$728	$840
Southwest Pines Apartments	$610	$719	$800
Town Parc At Tyler	N/A	$723	$828
Average (excluding Subject)	**$607**	**$724**	**$823**

The Subject will offer units at 60 percent of AMI, which will be set at the 2015 maximum allowable levels. All of the comparables also offer units at this set aside. It should be noted that these comparables appear to have rents above the maximum allowable levels; however, this is likely attributed to differing utility allowances. The Subject's proposed rents are below the rents reported by these properties. The Subject will be most similar to Saige Meadows and Pinnacle at North Chase, which are the newest LIHTC comparables in the area. These comparables offer superior locations when compared to the Subject but are otherwise similar to the Subject. Further, both of these comparables reported very low vacancy rates and waiting lists for their units at this set aside, indicating their rents are well-accepted in the market. The overall weighted vacancy rate at all of the LIHTC properties is very low at 3.1 percent. Further, the Subject will be the only LIHTC property located in the town of Whitehouse. Thus, we would anticipate that the Subject would be able to achieve 2015 maximum allowable rents for its units at 60 percent of AMI.

Achievable Market Rents

Based on the proposed rents, the Subject's restricted rental rates are below the achievable market rates. The following table shows the rent comparison for achievable market rents at comparable properties and the proposed rents the Subject. These conclusions are based upon the rent grids, which were previously presented and discussed.

Subject Comparison to Market Rents

@30%

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Achievable Market Rents	Subject Rent Advantage
1 BR	$220	$671	$777	$718	$715	69%
2 BR	$257	$820	$1,147	$900	$850	70%
3 BR	$288	$993	$1,204	$1,086	$1,050	73%

@50%

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Achievable Market Rents	Subject Rent Advantage
1 BR	$440	$671	$777	$718	$715	38%
2 BR	$520	$820	$1,147	$900	$850	39%
3 BR	$592	$993	$1,204	$1,086	$1,050	44%

@60%

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Achievable Market Rents	Subject Rent Advantage
1 BR	$549	$671	$777	$718	$715	23%
2 BR	$652	$820	$1,147	$900	$850	23%
3 BR	$744	$993	$1,204	$1,086	$1,050	29%

Market

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Achievable Market Rents	Subject Rent Advantage
1 BR	$657	$671	$777	$718	$715	8%
2 BR	$789	$820	$1,147	$900	$850	7%
3 BR	$911	$993	$1,204	$1,086	$1,050	13%

The Subject will be in excellent condition as a newly constructed property but will be slightly inferior to all of the market rate comparables in terms of location. We have relied on all of the comparables to determine market achievable rents for the Subject, but have put the most weight on the comparables with the least amount of adjustments. The achievable market rents for each unit type was presented in the rent grids and discussed previously. Overall, the Subject's proposed LIHTC rents will offer a market rent advantage ranging from 23 to 73 percent.

Impact on Existing Affordable Housing

The average vacancy rate among the LIHTC comparables is very low at 3.1 percent. Additionally, the two newest comparable properties, Pinnacle at North Chase and Saige Meadows, reported maximum allowable rents for their units at lower set asides and waiting lists for at least some of their LIHTC units. The Subject will be slightly inferior to these two properties in terms of location but otherwise similar to these properties. The Subject will be the only LIHTC property in the town of Whitehouse. Thus, in addition to these factors and the fact that the Subject will be relatively small in terms of number of units, we do not believe the construction of the Subject will adversely impact the LIHTC comparables.

Appendix G
Survey and Civil Site Plan/Draining Plan

2964 Peachtree Road NW, Suite 640 ▪ Atlanta, Georgia 30305
Phone: (800) 605-7608 ▪ Fax: (404) 745-0530

Appendix A

Boundary Survey

TITLE COMMITMENT:

TITLE COMMITMENT ISSUED BY: OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY
G.F. NO. OR FILE NO. 5141002280
COMMITMENT NO. ____________
EFFECTIVE DATE: OCTOBER 26, 2015, 5:00 PM
ISSUED: NOVEMBER 13, 2015, 8:00 AM

SCHEDULE B, EXCEPTION OF COVERAGE

ITEMS 1 THRU 9: STANDARD AND SPECIAL EXCEPTIONS NOT OF A SURVEY NATURE

10. THE FOLLOWING MATTERS AND ALL TERMS OF THE DOCUMENTS CREATING OR OFFERING EVIDENCE OF THE MATTERS (WE MUST INSERT MATTERS OR DELETE THIS EXCEPTION):

a. RIGHTS OF PARTIES IN POSSESSION. (OWNER'S POLICY ONLY)

b. RIGHTS OF TENANTS IN POSSESSION UNDER ANY UNRECORDED AND/OR VERBAL LEASE OR RENTAL AGREEMENT.

c. VISIBLE AND APPARENT EASEMENTS.

d. PORTION OF THE PROPERTY WITHIN ANY ROADWAY.

e. ANY ENCROACHMENT, ENCUMBRANCE, VIOLATION, VARIATION, OR ADVERSE CIRCUMSTANCE AFFECTING THE TITLE THAT WOULD BE DISCLOSED BY AN ACCURATE AND COMPLETE LAND SURVEY OF THE LAND. (NOTE: UPON RECEIPT OF A SURVEY ACCEPTABLE TO THE COMPANY, THIS EXCEPTION WILL BE DELETED. COMPANY RESERVES THE RIGHT TO ADD ADDITIONAL EXCEPTIONS PER ITS EXAMINATION OF SAID SURVEY

f. ALL, LEASES, GRANTS, EXCEPTIONS OR RESERVATIONS OF COAL, LIGNITE, OIL, GAS AND OTHER MINERALS, TOGETHER WITH ALL RIGHTS, PRIVILEGES, AND IMMUNITIES RELATING THERETO, APPEARING IN THE PUBLIC RECORDS WHETHER LISTED IN SCHEDULE B OR NOT. THERE MAY BE LEASES, GRANTS, EXCEPTIONS OR RESERVATIONS OF MINERAL INTEREST THAT ARE NOT LISTED.

g. TITLE COMPANY IS AWAITING A PROPERTY SURVEY WITH METES AND BOUNDS DESCRIPTION OF SUBJECT PROPERTY.

h. SATISFACTORY EVIDENCE OF LEGAL RIGHT OF ACCESS TO AND FROM THE LAND. IF SATISFACTORY EVIDENCE IS NOT FURNISHED TO THE COMPANY, THE POLICY TO BE ISSUED WILL EXCEPT TO LACK OF A RIGHT OF ACCESS TO AND FROM THE LAND. (ACCESS TO BE CONFIRMED UPON RECEIPT OF SURVEY.)

i. EASEMENT / RIGHT OF WAY TO LAKESIDE TELEPHONE COMPANY, INC. RECORDED IN VOLUME 1530, PAGE 479, DEED RECORDS, SMITH COUNTY, TEXAS. (NO DESCRIPTION PROVIDED WITHIN THE RECORDED DOCUMENT)

j. SEWER LINE EASEMENT TO CITY OF WHITEHOUSE RECORDED IN VOLUME 3198, PAGE 857, LAND RECORDS, SMITH COUNTY, TEXAS. (AS SHOWN HEREON)

k. SEWER LINE EASEMENT TO CITY OF WHITEHOUSE RECORDED IN VOLUME 3198, PAGE 859, LAND RECORDS, SMITH COUNTY, TEXAS. (AS SHOWN HEREON)

l. ANY EASEMENTS NOT SHOWN ON SCHEDULE "B" OF THIS COMMITMENT WILL BE ADDED TO SCHEDULE "B" OF THE TITLE POLICY, PROVIDED THAT THEY ARE SHOWN ON A CURRENT SURVEY OF SUBJECT PROPERTY.

TITLE COMMITMENT DESCRIPTION:

EXHIBIT A –

APPROXIMATELY 6.5 ACRES OUT OF TWO TRACTS; A 17.111 ACRE TRACT AND A 18.5235 ACRE TRACT, SITUATED IN THE M. GUITTERIEZ SURVEY, A–364, SMITH COUNTY, TEXAS. (OOC – MAP) VESTING DEEDS VOLUME 1534, PAGE 293; VOLUME 1544, PAGE 230.

LEGAL DESCRIPTION TO BE PROVIDED UPON RECEIPT OF SURVEY

GENERAL NOTES:

1. ALL BEARINGS & DISTANCES ARE RECORDED (R) AND SURVEYED (S), UNLESS OTHERWISE NOTED.
2. BASIS OF BEARINGS BEING THE NORTH LINE OF LAND CONVEYED TO KIRBY OIL COMPANY AS REFERENCED IN VOLUME 1534, PAGE 293 OF THE DEED RECORDS OF SMITH COUNTY, TEXAS, SAID LINE BEARS SOUTH 88 DEGREES 33 MINUTES EAST.
3. TOTAL AREA OF BOUNDARY = 181,495 SQUARE FEET OR 4.1666 ACRES
4. CORNER OF RECORD: FOUND CONCRETE MONUMENT AT THE INTERSECTION OF THE NORTH LINE OF LAND CONVEYED TO KIRBY OIL COMPANY, AS REFERENCED BY VOLUME 1534, PAGE 293 OF THE DEED RECORDS OF SMITH COUNTY, TEXAS WITH THE WEST RIGHT OF WAY LINE OF STATE HIGHWAY 110.
5. SELLING A PORTION OF THIS ADDITION BY METES AND BOUNDS IS A VIOLATION OF CITY ORDINANCE AND STATE LAW AND IS SUBJECT TO FINES AND WITHHOLDING OF UTILITIES AND BUILDING PERMITS
6. AS DETERMINED THROUGH GRAPHIC PLOTTING ONLY, SUBJECT TRACT FALLS IN ZONE "X"; AREAS DETERMINED TO BE OUTSIDE THE 0.2% ANNUAL CHANCE FLOODPLAIN PER THE FEDERAL EMERGENCY MANAGEMENT AGENCY FLOOD INSURANCE RATE MAP FOR SMITH COUNTY, TEXAS, INCORPORATED AREAS, MAP NUMBER 48423C0505C, PANEL 505 OF 575, SUFFIX C, EFFECTIVE DATE OF SEPTEMBER 26, 2008.
7. THE UNDERGROUND UTILITIES SHOWN HAVE BEEN LOCATED FROM FIELD SURVEY INFORMATION. THE SURVEYOR MAKES NO GUARANTEES THAT THE UNDERGROUND UTILITIES SHOWN COMPRISE ALL SUCH UTILITIES IN THE AREA, EITHER IN-SERVICE OR ABANDONED. THE SURVEYOR FURTHER DOES NOT WARRANT THE UNDERGROUND UTILITIES SHOWN ARE IN THE EXACT LOCATION INDICATED ALTHOUGH THE SURVEYOR DOES CERTIFY THAT THEY ARE LOCATED AS ACCURATELY AS POSSIBLE FROM INFORMATION AVAILABLE. THE SURVEYOR HAS NOT PHYSICALLY LOCATED THE UNDERGROUND UTILITIES.

LOCATION MAP
NOT TO SCALE

SURVEYOR'S DESCRIPTION:

A 4.1666 ACRES TRACT OF LAND BEING PART OF A CALLED FOR 17.111 ACRE TRACT OF LAND SITUATED IN THE MANUEL GUITTEREZ SURVEY, ABSTRACT NO. 364, SMITH COUNTY, TEXAS CONVEYED TO KIRBY OIL COMPANY AS RECORDED IN VOLUME 1534, PAGE 293 OF THE DEED RECORDS OF SMITH COUNTY, TEXAS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A 4 INCH CONCRETE MONUMENT FOUND AT THE INTERSECTION OF THE SOUTH LINE OF LAND CONVEYED TO BILLIE RUTH AND J.O. PHILLIPS, AS RECORDED BY VOLUME 2141, PAGE 512 OF THE DEED RECORDS OF SMITH COUNTY, TEXAS WITH THE WEST RIGHT OF WAY LINE OF STATE HIGHWAY 110 (VARIABLE WIDTH PUBLIC RIGHT OF WAY);

THENCE ALONG SAID WEST RIGHT OF WAY LINE, SOUTH 18 DEGREES 53 MINUTES 05 SECONDS EAST, A DISTANCE OF 40.53 FEET TO AN IRON ROD SET WITH PLASTIC CAP STAMPED "COLE" TO THE TRUE POINT OF BEGINNING OF THE HEREINAFTER DESCRIBED 4.1666 ACRE TRACT;

THENCE CONTINUING ALONG SAID WEST RIGHT OF WAY LINE, THE FOLLOWING COURSES AND DISTANCES: SOUTH 18 DEGREES 53 MINUTES 05 SECONDS EAST, A DISTANCE OF 85.21 FEET TO AN IRON ROD SET WITH PLASTIC CAP STAMPED "COLE"; AND SOUTH 23 DEGREES 24 MINUTES 18 SECONDS EAST, A DISTANCE OF 338.45 FEET TO AN IRON ROD SET WITH PLASTIC CAP STAMPED "COLE" TO THE SOUTH LINE OF THE HEREINAFTER DESCRIBED 4.1666 ACRE TRACT OF LAND;

THENCE ALONG SAID SOUTH LINE AND WEST LINES OF SAID 4.1666 ACRE TRACT OF LAND THE FOLLOWING COURSES AND DISTANCES: NORTH 88 DEGREES 33 MINUTES 00 SECONDS WEST, A DISTANCE OF 522.98 FEET TO AN IRON ROD SET WITH PLASTIC CAP STAMPED "COLE"; NORTH 49 DEGREES 46 MINUTES 51 SECONDS WEST, A DISTANCE OF 202.34 FEET TO AN IRON ROD SET WITH PLASTIC CAP STAMPED "COLE"; NORTH 49 DEGREES 24 MINUTES 11 SECONDS EAST, A DISTANCE OF 388.66 FEET TO AN IRON ROD SET WITH PLASTIC CAP STAMPED "COLE"; AND SOUTH 88 DEGREES 33 MINUTES 00 SECONDS EAST, A DISTANCE OF 220.26 FEET TO THE TRUE POINT OF BEGINNING.

THE ABOVE DESCRIBED TRACT OF LAND CONTAINS 181,495 SQUARE FEET OR 4.1666 ACRES.

SURVEYOR'S CERTIFICATION:

TO: WHITEHOUSE ABBINGTON PLACE, LP
OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

THIS IS TO CERTIFY THAT THIS MAP OR PLAT AND THE SURVEY ON WHICH IT IS BASED WERE MADE IN ACCORDANCE WITH THE MANUAL OF PRACTICE FOR LAND SURVEYING IN THE STATE OF TEXAS AND THIS SURVEY SUBSTANTIALLY COMPLIES WITH THE CURRENT TEXAS SOCIETY OF PROFESSIONAL SURVEYORS STANDARDS AND SPECIFICATIONS FOR A CATEGORY 1A LAND TITLE SURVEY.

COLE AND ASSOCIATES, INC.
REGISTRATION NUMBER 10193871
PROJECT NO. 16–0018

TERRY D. WESTERMAN, RPLS
REGISTERED PROFESSIONAL LAND SURVEYOR
STATE OF TEXAS NO. 6381

STATE OF TEXAS
REGISTERED
TERRY WESTERMAN
6381
PROFESSIONAL
LAND SURVEYOR

DATE OF PLAT OR MAP: FEB 25, 2016

LAND TITLE SURVEY

4.1666 ACRE TRACT
BEING PART OF A CALLED FOR 17.111 ACRE TRACT
SITUATED IN THE M GUITTERIEZ TRACT
Abstract No. 364
City of WHITEHOUSE
SMITH COUNTY, TEXAS

DATE	NO	REVISION DESCRIPTION

DEVELOPER:
WHITEHOUSE ABBINGTON PLACE LP
2964 PEACHTREE RD. NW, 640
ATLANTA, GA 30305
(404) 250-4093

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ABBINGTON PLACE
TDHCA PROJECT NO. 16054
US HIGHWAY 110
WHITEHOUSE, TEXAS 75791

LAND TITLE SURVEY

cole®
+ DALLAS
Frisco Square
6175 Main Street
Suite 367
Frisco, TX 75034
972.624.6000 tel

CIVIL ENGINEERING / SURVEYING / PLANNING / LANDSCAPE ARCHITECTURE
Texas Registered Engineering Firm, F-10253
Texas Board of Professional Land Surveying Corporate Registration #10193871
Cole & Associates, Inc. is a Missouri Corporation d.b.a. Cole Design Group, Inc. in Arizona & Texas herein referred to as "Cole"

DESIGN/CALC BY	
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CHECKED BY	TDW
DRAWING SCALE	
DATE	02/08/2016
Job Number	16-0018
Sheet Number	1 OF 2

USER: Terry Westerman TAB: 4ACRE BOUNDARY 1 OF 2)
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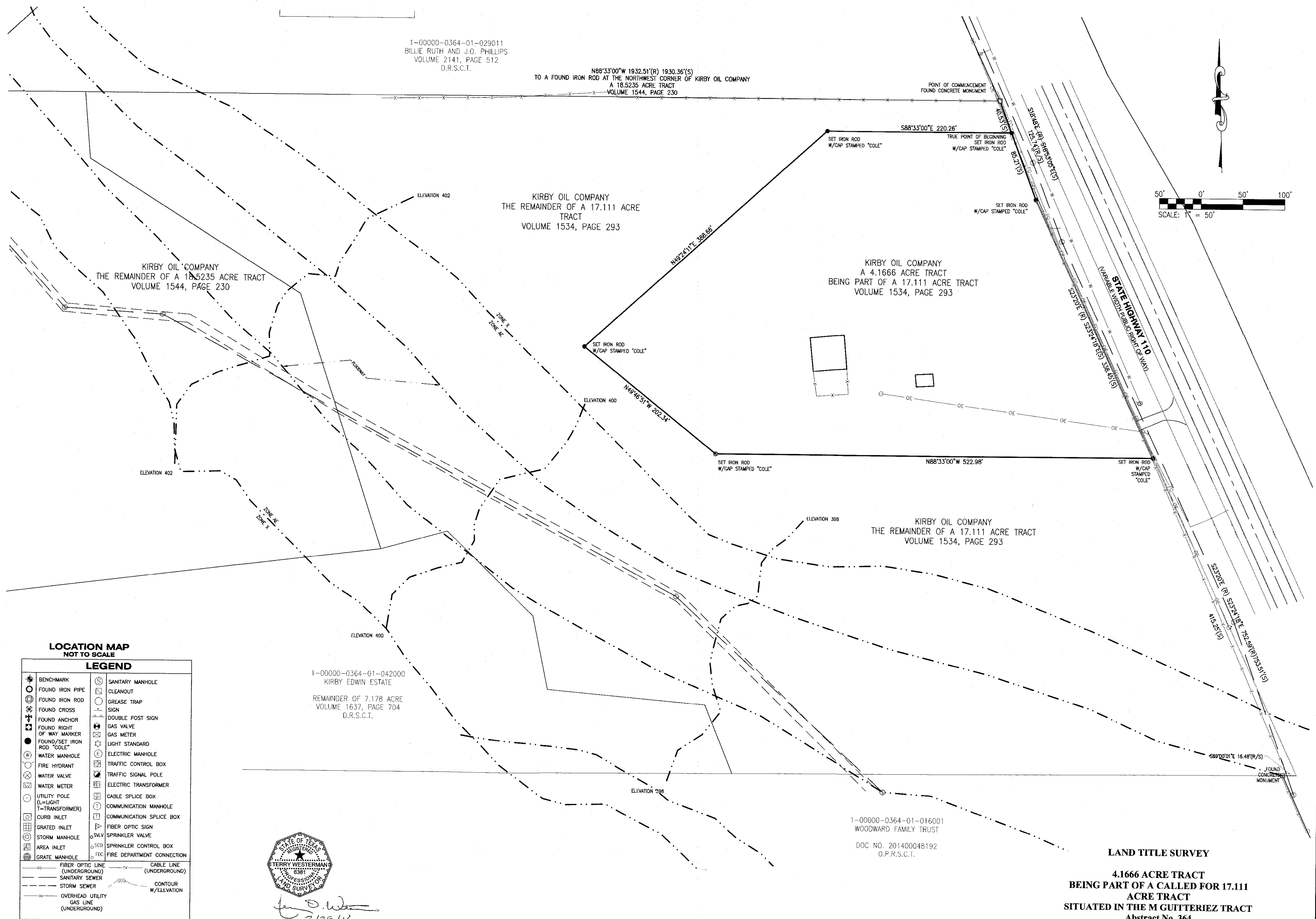


LAND TITLE SURVEY

4.1666 ACRE TRACT
BEING PART OF A CALLED FOR 17.111 ACRE TRACT
SITUATED IN THE M GUITTERIEZ TRACT
Abstract No. 364
City of WHITEHOUSE
SMITH COUNTY, TEXAS

DEVELOPER:
WHITEHOUSE ABBINGTON PLACE LP
2964 PEACHTREE RD. NW, 640
ATLANTA, GA 30305
(404) 250-4093

ABBINGTON PLACE
TDHCA PROJECT NO. 16054
US HIGHWAY 110
WHITEHOUSE, TEXAS 75791

LAND TITLE SURVEY

cole + DALLAS

CIVIL ENGINEERING / SURVEYING / PLANNING / LANDSCAPE ARCHITECTURE

DESIGN/CALC BY
DRAWN BY TDW
CHECKED BY TDW
DRAWING SCALE
DATE 02/08/2016
Job Number 16-0018
Sheet Number 2 OF 2

USER: Terry Westerman TAB: 4 ACRE BOUNDARY 2 (OF 2)
DATE: February 25, 2016 – 4:24:13 PM

Appendix B

Preliminary Site Plan

SITE SUMMARY

SITE DATA

CURRENT ZONING DISTRICT	C-H RETAIL / OFFICE HIGH DENSITY
PROPOSED ZONING DISTRICT	R-H RESIDENTIAL / RESIDENTIAL HIGH DENSITY
PROPOSED LOT AREA	4.166 ACRES

BUILDING SETBACK DATA

FRONT	25'
REAR	15'
SIDE	10'

PARKING DATA

PROPOSED PARKING PER ZONING VARIANCE	2.0 SPACE/UNIT 60 UNITS
TOTAL PARKING REQUIRED	**120 SPACES**
SPACES PROVIDED - STANDARD	111 SPACES
SPACES PROVIDED - ACCESSIBLE	9 SPACES
TOTAL SPACES PROVIDED	**120 SPACES**

DRAINAGE DATA

1. REFER TO PRELIMINARY DRAINAGE PLAN FOR ADDITIONAL INFORMATION.

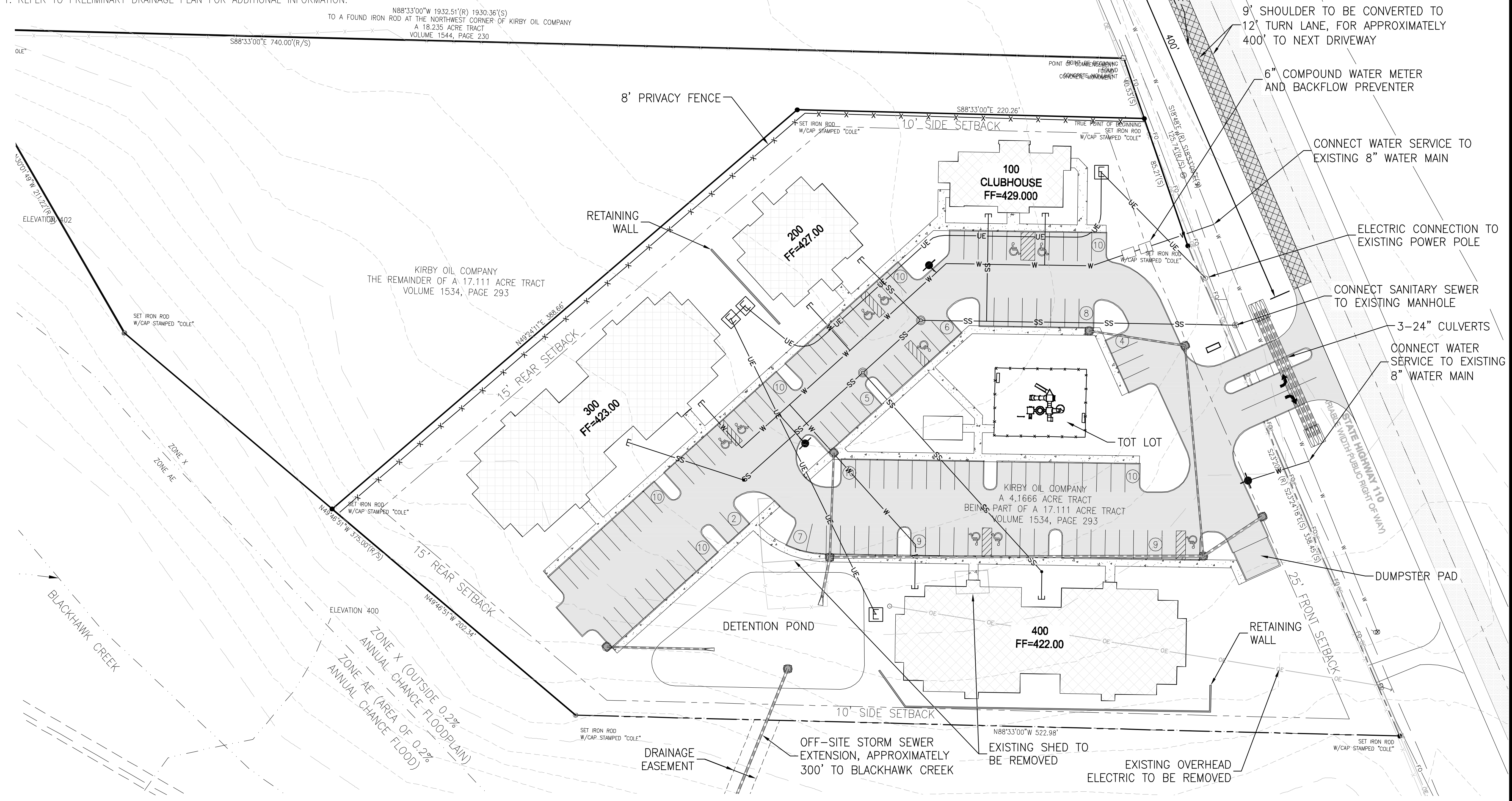
NOTES

1. THIS DRAWING IS NOT INTENDED FOR CONSTRUCTION, BIDDING OR PERMITTING.
2. THIS DRAWING MATERIALLY ADHERES TO ALL APPLICABLE ZONING, SITE DEVELOPMENT, AND BUILDING CODE ORDINANCES TO THE BEST OF OUR KNOWLEDGE.
3. EXISTING UTILITIES SHOWN ARE BASED ON DESIGN DRAWINGS, RECORDS OF THE VARIOUS UTILITY COMPANIES AND INFORMATION FROM CITY OFFICIALS AND CITY CONSULTANTS.
4. EXISTING CONTOURS ARE BASED ON USGS MAP AND GOOGLE EARTH TOPOGRAPHIC DATA.
5. THE SUBJECT SITE IS LOCATED IN FLOOD HAZARD ZONE "X" (AREAS DETERMINED TO BE OUTSIDE 0.2% ANNUAL CHANCE FLOODPLAIN FLOODPLAIN) AS DETERMINED BY FEMA FLOOD INSURANCE RATE MAP PANEL NUMBER 48423C0505C, EFFECTIVE DATE SEPTEMBER 26, 2008.

40' 0' 40' 80'
SCALE: 1" = 40'

LEGEND

EXISTING		PROPOSED
460 459	CONTOURS	460 459
	STORM MANHOLE	
	AREA INLET	
	CURB INLET	
	GRATED INLET	
	FLARED END SECTION	
12" RCP	STORM SEWER	
	SANITARY MANHOLE	
SS	SANITARY SEWER	SS
W	WATER LINE	W
	FIRE HYDRANT	
	ELECTRIC TRANSFORMER	E
	RETAINING WALL	



DATE	NO	REVISION DESCRIPTION

DEVELOPER: ABBINGTON PLACE, LLC
2964 PEACHTREE ROAD NW, SUITE 640
ATLANTA, GA 30305
404-250-4093

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STATE OF TEXAS
SANDY H. STEPHENS
89483
LICENSED PROFESSIONAL ENGINEER

TEXAS BOARD OF PROFESSIONAL ENGINEERS FIRM REGISTRATION NUMBER F-10253

DATE: FEBRUARY 25, 2016

ABBINGTON PLACE OF WHITEHOUSE
TDHCA: 16054
US HIGHWAY 110
WHITEHOUSE, TX

PRELIMINARY SITE PLAN

cole®
+ DALLAS
Frisco Square
6175 Main Street
Suite 367
Frisco, TX 75034
972.624.6000 tel

CIVIL ENGINEERING / SURVEYING / PLANNING / LANDSCAPE ARCHITECTURE
Texas Registered Engineering Firm, F-10253
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Cole & Associates, Inc. is a Missouri Corporation d.b.a. Cole Design Group, Inc. in Arizona & Texas herein referred to as "Cole"

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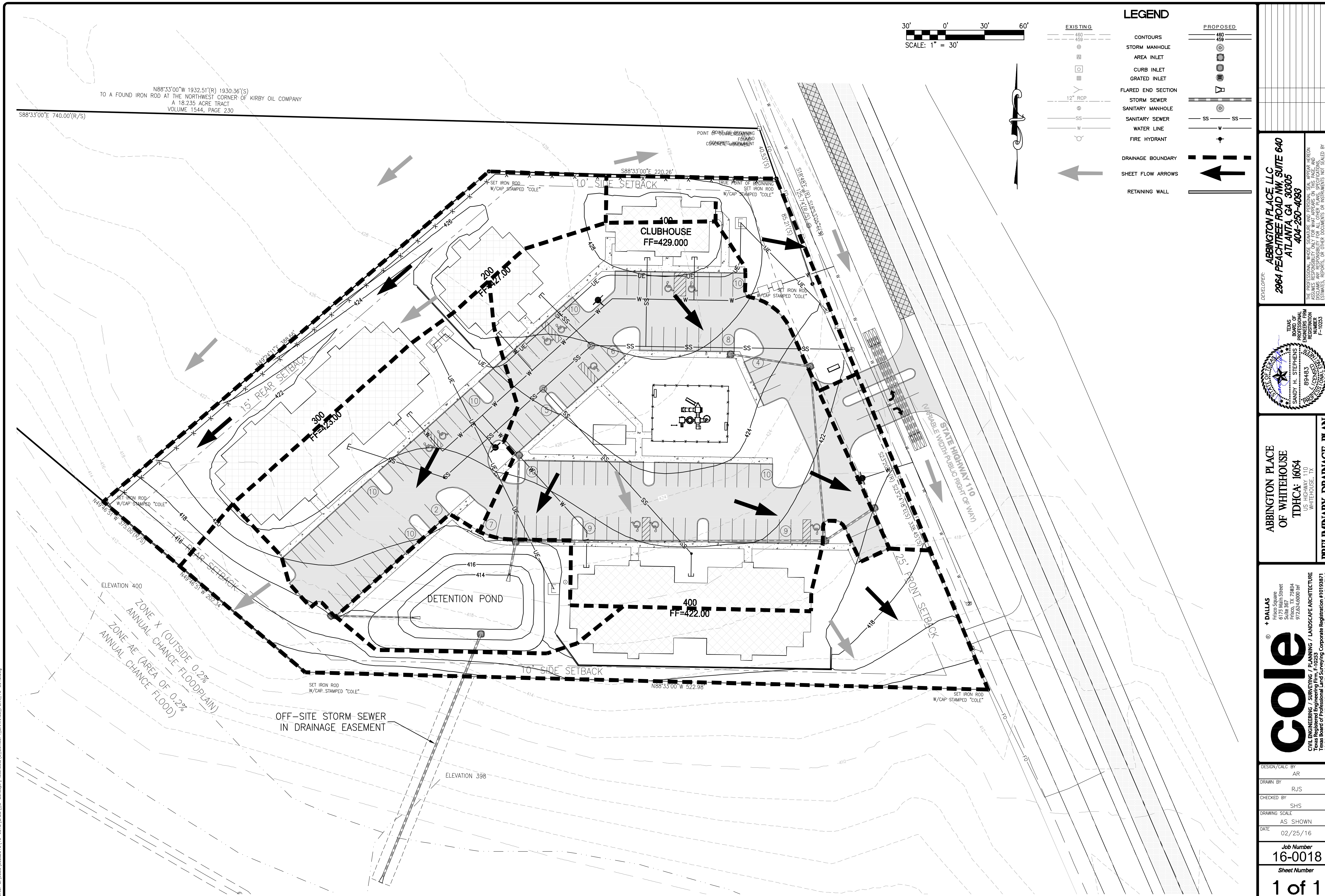
DATE	02/25/16

Job Number
16-0018

Sheet Number
1 of 1

Appendix C

Preliminary Drainage Plan


LEGEND
EXISTING
PROPOSED
CONTOURS
STORM MANHOLE
AREA INLET
CURB INLET
GRATED INLET
FLARED END SECTION
STORM SEWER
SANITARY MANHOLE
SANITARY SEWER
WATER LINE
FIRE HYDRANT
DRAINAGE BOUNDARY
SHEET FLOW ARROWS
RETAINING WALL
SCALE: 1" = 30'
N88°33'00"W 1932.51'(R) 1930.36'(S)
TO A FOUND IRON ROD AT THE NORTHWEST CORNER OF KIRBY OIL COMPANY
A 18.235 ACRE TRACT
VOLUME 1544, PAGE 230
S88°33'00"E 740.00'(R/S)
S88°33'00"E 220.26'
10' SIDE SETBACK
15' REAR SETBACK
25' FRONT SETBACK
CLUBHOUSE
FF=429.000
200
FF=427.00
300
FF=423.00
400
FF=422.00
DETENTION POND
STATE HIGHWAY 110
(VARIABLE WIDTH PUBLIC RIGHT OF WAY)
ELEVATION 400
ELEVATION 398
ZONE X (OUTSIDE 0.2% ANNUAL CHANCE FLOODPLAIN)
ZONE AE (AREA OF 0.2% ANNUAL CHANCE FLOOD)
OFF-SITE STORM SEWER
IN DRAINAGE EASEMENT
N88°33'00"W 522.98'
SET IRON ROD W/CAP STAMPED "COLE"
DEVELOPER:
ABBINGTON PLACE LLC
2964 PEACHTREE ROAD NW, SUITE 640
ATLANTA, GA 30305
404-250-4093
SANDY H. STEPHENS
89483
DATE: FEBRUARY 25, 2016
ABBINGTON PLACE
OF WHITEHOUSE
TDHCA: 1605A
US HIGHWAY 110
WHITEHOUSE, TX
PRELIMINARY DRAINAGE PLAN
cole + DALLAS
CIVIL ENGINEERING / SURVEYING / PLANNING / LANDSCAPE ARCHITECTURE
DESIGN/CALC BY AR
DRAWN BY RJS
CHECKED BY SHS
DRAWING SCALE AS SHOWN
DATE 02/25/16
Job Number
16-0018
Sheet Number
1 of 1

Appendix H
Resident Screening Process and Nearby Comparable Properties

Resident Screening Criteria

Alpha Barnes Real Estate Services
www.alpha-barnes.com

- Resident Interview and Screening
  - Ability to Pay Bills on Time
  - References (landlords and employers)
    - Stable Job History (number of years at same job)
    - Stable Rent History (number of years at same development)
  - Credit Reports and Credit References (using AmRent report)
    - Credit Score (570+ FICO score)
    - Overall Risk Rating (707+ AmRent RentWise Score)
  - Police/Court Reports
- Application Acceptance
  - Meet Income Requirements (2.5 times rent)
  - Not Exceed Occupancy Limits (2 people/bedroom)
  - Acceptable Landlord References
    - Timely Payment, no money owed, proper notice given
    - No lease violations or repeat disturbances of peace
    - No damage beyond normal wear and tear
  - Pass Credit and Risk Review
  - Pass Criminal Screening
    - No Felonies, Illegal Substance Activities, Sex Offenses, Gang Activity
    - No evictions for illegal actions
    - No misdemeanors in past 3 years
    - No pending court cases involving felony or misdemeanor
    - No history of criminal activity that would threaten health, safety of residents or property staff

LBJ Gardens – opened 2008
(Mesquite, TX)

Mill Stone – opened 2011
(Fort Worth, TX)

ALPHA-BARNES
REAL ESTATE SERVICES

(972) 643-3200

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Community Search

Reset

Communities

- [x] Texas
- [x] Oklahoma
- [x] Arkansas

Reserve at Towne Crossing

3401 US Hwy 259 North, Longview, TX 75605

Pioneer Crossing Burkburnett Seniors

1406 Shady, Burkburnett, TX 76354

Highland Villas

2900 Wildflower Drive, Bryan, TX 77802

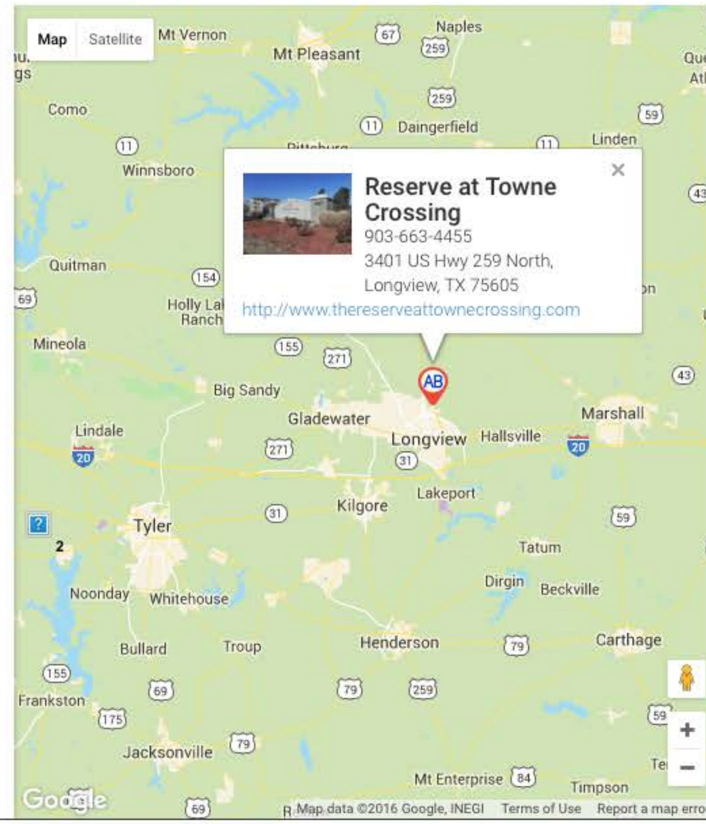
Abbington Glen

275 E New Boston Rd, Nash, TX 75569

Pioneer Crossing Lufkin Family

1805 North John Redditt Drive, Lufkin, TX 75904

Pioneer Crossing Lufkin



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Community Search

Reset

Communities

- [x] Texas
- [x] Oklahoma
- [x] Arkansas

Silverleaf at Chandler
801 FM 2010, Chandler, TX 75758

Park Gardens North
320 Stone Avenue, Paris, TX 75462

Golden Acres Retirement Center
3414 Clarksville Street, Paris, TX 75460

Stoneleaf at Fairfield
113 W. Reunion Street, Fairfield, TX 75840

The Landing
2509 E. Lakeshore, Waco, TX 76705

Riverwalk Townhomes
1001 East Washington Street, Stephenville, TX 76401

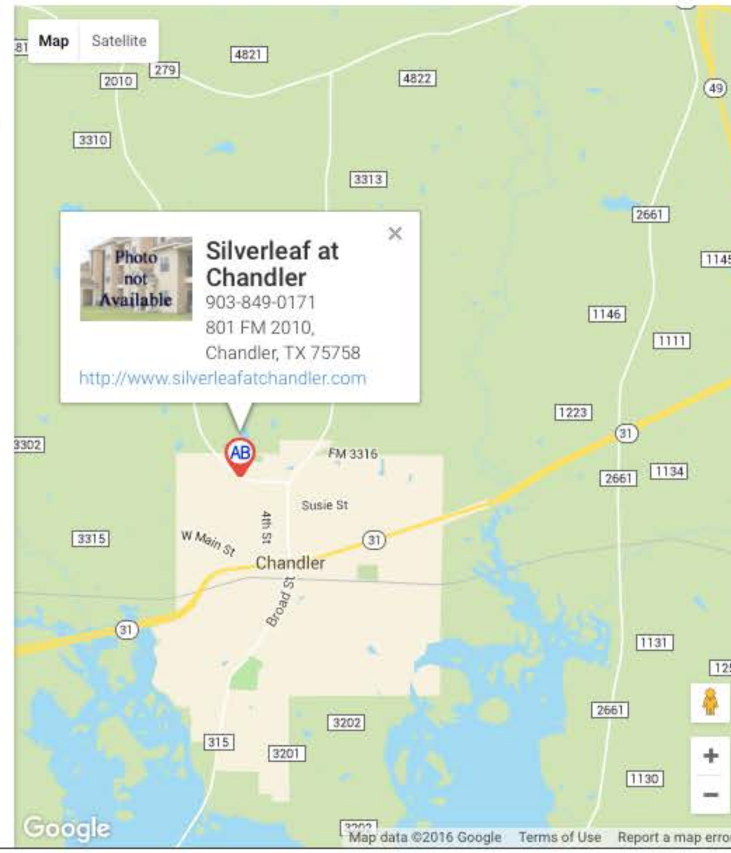

Exhibit C

City of Whitehouse Planning & Zoning Agenda

PLANNING AND ZONING COMMISSION MEETING MINUTES

August 16, 2016 – 6:00 p.m.
Whitehouse City Council Chambers
311 East Main Street
Whitehouse, Texas 75791

Citizens may address the Commission regarding any posted agenda item by filling out a speakers' card prior to the item being called. These presentations shall be limited to three minutes. The Chairperson, at his/her discretion, may reasonably extend the time limit.

6:00:04 PM

A. CALL TO ORDER AND ROLL CALL

6:00:37 PM

Present: Zack Briscoe, Johnny Lathrop, James A Carter, Jeremy Black and Chad Cleckler.
Absent: David Wright and Lisa Gardiner.
A quorum was present.

B. PRAYER –Chairman Briscoe

Johnny Lathrop gave the invocation.

C. PLEDGE OF ALLEGIANCE –Chairman Briscoe

Jeremy Black led the Pledge of Allegiance

D. PUBLIC FORUM

Citizens have an opportunity to address the Commission, which has no obligation to respond in any manner to comments or questions asked of them by the speaker. Any response by a member of the Commission is limited by Texas Law to a statement of specific factual information, a recitation of existing policy, or a proposal to place the subject on the agenda for a future Commission meeting.

No one spoke

E. CONSIDERATION OF MINUTES – July 19, 2016 meeting

6:01:27 PM

Johnny Lathrop made a motion to approve the previous minutes. Jeremy Black seconded the motion.

6:01:39 PM

Ayes: Zack Briscoe, Johnny Lathrop, James A Carter, Jeremy Black and Chad Cleckler
Noes: None
MOTION PASSED.

F. OTHER ACTION ITEMS / PUBLIC HEARING

1. 212 Crepe Myrtle; Variance Request – Public Hearing and Approval/Denial
   Chairman Briscoe opened the public hearing at 6:02 p.m.
   No one spoke
   Chairman Briscoe closed the public hearing.
   A brief synopsis of the request was given.

6:02:14 PM

Jeremy Black made a motion to approve the variance. Johnny Lathrop seconded the motion.
Ayes: Zack Briscoe, Johnny Lathrop, James A Carter, Jeremy Black, and Chad Cleckler
Noes: None

MOTION PASSED.

2. Abbington Place Proposed Project – Highway 110 S at Sherry Drive
   Breck King and Sean Brady with Rea Ventures addressed the Commission regarding the proposed apartment complex. Their funding was request was approved by the TDHC. They requested re-zoning from C-H to R-H and they want to continue pursuing that request. Rea Venture believes the R-H zoning would be a better fit for the community

David Wright joined the meeting.

   The current zoning of C-H does allow for housing on the second floor and higher; the new proposed plan has ground floor is commercial use. The height of the proposed building is 54 feet and C-H does allow for a 60 foot building. The original proposal is not as high as the new proposal which meets the C-H requirement. Mr. Brady addressed the Commission regarding the questions raised from the meeting in March.

3. September meeting – possible change of meeting time, place and/or date
   Meeting date will remain the same.

G. COMMUNITY INTEREST

This section of the agenda shall allow any member of the Commission, or the City Manager the opportunity to discuss minor, non-action items such as recognitions, scheduling, and upcoming civic events that are not listed on this agenda and which require no action by the Commission.

H. ADJOURN

Johnny Lathrop made a motion to adjourn. James A Carter seconded the motion.

7:04:15 PM

Ayes: Zack Briscoe, Johnny Lathrop, James A Carter, Jeremy Black and Chad Cleckler
Noes: None
MOTION PASSED.

Zack Briscoe, Chairperson

ATTEST:

Susan Hargis, City Secretary

PLANNING AND ZONING COMMISSION MEETING AGENDA

August 16, 2016 – 6:00 p.m.
Whitehouse City Council Chambers
311 East Main Street
Whitehouse, Texas 75791

Citizens may address the Commission regarding any posted agenda item by filling out a speakers' card prior to the item being called. These presentations shall be limited to three minutes. The Chairperson, at his/her discretion, may reasonably extend the time limit.

A. CALL TO ORDER AND ROLL CALL

B. PRAYER –Chairman Briscoe

C. PLEDGE OF ALLEGIANCE –Chairman Briscoe

D. PUBLIC FORUM

Citizens have an opportunity to address the Commission, which has no obligation to respond in any manner to comments or questions asked of them by the speaker. Any response by a member of the Commission is limited by Texas Law to a statement of specific factual information, a recitation of existing policy, or a proposal to place the subject on the agenda for a future Commission meeting.

E. CONSIDERATION OF MINUTES – July 19, 2016 meeting

F. OTHER ACTION ITEMS / PUBLIC HEARING

1. 212 Crepe Myrtle; Variance Request – Public Hearing and Approval/Denial
2. Abbington Place Proposed Project – Highway 110 S at Sherry Drive
3. September meeting – possible change of meeting time, place and/or date

G. COMMUNITY INTEREST

This section of the agenda shall allow any member of the Commission, or the City Manager the opportunity to discuss minor, non-action items such as recognitions, scheduling, and upcoming civic events that are not listed on this agenda and which require no action by the Commission.

H. ADJOURN

Posted City Hall Bulletin Board:

Date: 8.12.16

Susan Hargis

Susan Hargis - City Secretary

In compliance with the Americans with Disabilities Act, the City of Whitehouse will provide for reasonable accommodations for person attending public meetings. To better serve attendees, requests should be received 48 hours prior to this meeting. Please contact the City Secretary's office at 903-839-4914 x *224 or email shargis@whitehousetx.org for further assistance.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Greg Abbott
GOVERNOR

October 26, 2016

Writer's direct phone # 512/4751676
Email: marni.holloway@tdhca.state.tx.us

William J. Rea, Jr
Manager
Whitehouse Abbington Place, LP
REA Ventures Group, LLC
2964 Peachtree Road, NW, Suite 200
Atlanta, GA 30305

RE: COMMITMENT NOTICE TERMINATION AND DENIAL OF AMENDMENT REQUEST: 16018, ABBINGTON PLACE, WHITEHOUSE

Dear Mr. Rea:

The Texas Department of Housing and Community Affairs (the "Department") is in receipt of your letter, dated October 21, 2016, in response to the Deficiency Notice related to the Commitment for the above referenced Application. The Deficiency Notice requested information regarding compliance with item (A)(4)(d) of the Commitment Notice, specifically:

> (A) No later than September 28, 2016, which is the expiration date of this Commitment, the Development Owner must provide in form and substance satisfactory to the Department in its reasonable judgment all of the following items. . . .
> (4) In accordance with §10.402(d) of the Uniform Multifamily Rules, all of following documents must be submitted by the Development Owner: . . .
> (d) Evidence of final approval of any zoning that is required or was proposed or needed to be changed pursuant to the Development plan[.]"

This item in the Commitment Notice is derived from 10 TAC §10.402(d) regarding Documentation Submission Requirements at Commitment of Funds, which requires:

> (d) No later than the expiration date of the Commitment (or no later than December 31 for Competitive HTC Applications, whichever is earlier) or Determination Notice, the documentation described in paragraphs (1) - (6) of this subsection must be provided. Failure to provide these documents may cause the Commitment or Determination Notice to be rescinded:
> (4) evidence of final zoning that was proposed or needed to be changed pursuant to the Development plan;

Further, 10 TAC §10.204(11)(C) regarding Requesting a Zoning Change, requires, "Documentation of final approval of appropriate zoning must be submitted to the Department with the Commitment or Determination Notice."

The Department received a request to amend the Application, specifically the Development design, with the Commitment package. The request is a response to the City of Whitehouse denial of the zoning change necessary to construct the development as originally proposed. Staff finds that the proposed Amendment cannot be approved, as the evidence of final zoning that was proposed or needed to be changed pursuant to the Development plan was not provided, pursuant to 10 TAC §10.402(d). Because the Applicant is not able to provide evidence of the required zoning, the Commitment Notice will be rescinded.

An appeals process exists for the Housing Tax Credit Program. The restrictions and requirements related to the filing of an appeal can be found in §10.902 of the 2016 Uniform Multifamily Rules. Should you choose to appeal this decision to the Executive Director, you must file your appeal, in writing, with the Department not later than seven (7) calendar days after the date of this letter. If you are not satisfied with the decision of the Executive Director or the Executive Director does not respond, you may file a further appeal with the Board of Directors of the Texas Department of Housing and Community Affairs. Please review §10.902 of the 2016 Uniform Multifamily Rules for full instruction on the appeals process.

Please contact me if you should have any questions.

Sincerely,

Marni Holloway
Multifamily Finance Director

MH

September 28, 2016

Marni Holloway
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, TX 78701

Dear Ms. Holloway,

Rea Ventures is pleased to submit the following requested materials in association with the award and commitment of 2016 Housing Tax Credits for Abbington Place in Whitehouse, Texas (TDHCA # 16018):

1. **Item A.1.** Signed commitment from the duly authorized individual (William J. Rea, Jr.) for the Development Owner (Whitehouse Abbington Place, LP);
2. **Item A.2.** A check and delivery receipt for the Commitment Fee in the amount of $34,400.00;
3. **Item A.3.** A check and delivery receipt for the Building Inspection Fee in the amount of $750;
4. **Item A.4(a).** A Certificate of Application for foreign qualification in Texas and a Certificate of Fact for the development owner, Whitehouse Abbington Place, LP, and its general partner, Abbington Place Partner, LLC;
5. **Item A.4(b).** Whitehouse Abbington Place, LP is a newly formed entity. Therefore, no status of account from the Texas Comptroller of Public Accounts is available at this time;
6. **Item A.4(c).** The partnership agreement for Whitehouse Abbington Place, LP; the operating agreement for Abbington Place Partner, LLC; and the Written Consent of the Managers are provided, along with the formation certificates for both entities, to provide evidence that William J. Rea, Jr. has the authority to sign on behalf of the Applicant, Whitehouse Abbington Place, LP;
7. **Item A.4(d).** The site is located in an area that, at the time of application, was appropriately zoned to allow for apartments on the 2nd floor or higher. A copy of the zoning confirmation letter is included with this submittal.
8. **Item A.4(e) and Item F.** The Credit Underwriting Analysis Report did not identify any conditions to be met at the time of Commitment Notice.
9. **Item A.4(f).** A different elevation, showing garden style apartments and a non-residential clubhouse, was submitted at application with the understanding from the City that there was no known opposition to our requested down-zoning to build an apartment-only rather than a limited mixed-use apartment development as the current zoning allowed. Neighborhood opposition arose to this down-zoning subsequent to our application submittal, primarily due to the large number of applications in Whitehouse this year, causing the City to work with our design team to reconfigure the development to fit within the current zoning requirements. An amendment request is enclosed to detail this necessary adjustment to the development site plan and elevations. This amendment does not change any item that received points, reduce/remove any development feature or amenity, change the financial feasibility, or materially alter the Development in a negative manner.
10. **Item A.4(g).** Not applicable, since Abbington Place did not receive a property tax exemption.
11. **Item I.** Signed and initialed Application Verification and Compliance Review form for this project.

The enclosed information, itemized above, should represent all of the requested materials due to the Department by September 28, 2016. However, if you need any additional information please do not hesitate to contact me at (404) 250-4093, extension 704 or seanbrady@reaventures.com.

Sincerely,

Sean M Brady

Sean M. Brady, LEED AP
Vice President of Development

2964 Peachtree Road NW, Suite 640 ▪ Atlanta, Georgia 30305
Phone: (800) 605-7608 ▪ Fax: (404) 745-0530

Item A.1. Signed commitment

2964 Peachtree Road NW, Suite 640 ▪ Atlanta, Georgia 30305
Phone: (800) 605-7608 ▪ Fax: (404) 745-0530

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
HOUSING TAX CREDIT PROGRAM
COMMITMENT

This Housing Tax Credit Commitment (the "**Commitment**") in connection with an award of Housing Tax Credits from the 2016 State Housing Credit Ceiling, as defined in 10 TAC §10.3(a)(123), is made and entered into by and between the **TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**, a public and official agency of the State of Texas (the "**Department**"), and **WHITEHOUSE ABBINGTON PLACE, LP**, (the "**Development Owner**"), herein collectively referred to as the "**Parties**." This Commitment does not constitute an "allocation" for purposes of Section 42 of the Internal Revenue Code.

RECITALS

WHEREAS, Development Owner agrees to carry out the new construction, rehabilitation, and/or reconstruction of the Development as more fully described in TDHCA application number **16018** (the "Application") and in accordance with all representations made in the Application, as may be amended from time to time in accordance with the Department's rules, and as required to adhere to Chapter 2306 of the Texas Government Code ("Chapter 2306"), Title 10 of the Texas Administrative Code ("10 TAC") Chapter 1 ("Administration"), Chapter 10 ("Uniform Multifamily Rules"), and Chapter 11 ("Qualified Allocation Plan"), Section 42 of the Internal Revenue Code ("Section 42"), all applicable Internal Revenue Service ("IRS") notices and revenue rulings, all applicable Regulations and Decisions of the United States Department of the Treasury, and all other applicable state and federal laws, rules, regulations, and other requirements, all collectively referred to herein as the "Legal Authorities" and

WHEREAS, Department has reviewed the Application and the Governing Board of the Department approved an award of Housing Tax Credits on **July 28, 2016,** in accordance with the Legal Authorities;

NOW, THEREFORE, for and in consideration of the promises herein made, and the mutual benefits derived and to be derived, the Parties hereto, each intending to be legally bound, do by their execution hereof agree as follows:

TERMS

Development	**ABBINGTON PLACE**
Development Owner	**Whitehouse Abbington Place, LP**
Development Address	**HIGHWAY 110 AT SHERRY DRIVE WHITEHOUSE, TX 75791**
Building Identification Numbers	**TX 16-01801 - 16-01899**
Set-Asides	
Allocation Category	**NEW CONSTRUCTION**
Annual Tax Credit Commitment Amount	**$860,000**
Contact Person	**SEAN BRADY**
Contact Address	**2964 PEACHTREE ROAD NW, SUITE 200 ATLANTA, GA 30305-**
Contact Phone/Email	**(404) 250-4093 SEANBRADY@REAVENTURES.COM**
Issuance Date of Commitment	**August 29, 2016**
Expiration Date of Commitment	**September 28, 2016**

CONDITIONS

The Annual Tax Credit Commitment Amount reflected in the Commitment is the maximum amount of tax credits awarded by the Board. It is subject to downward (but not upward) adjustment in accordance with applicable laws, rules, and regulations concerning the issuance of IRS Form 8609 for each building so as to ensure, among other things, that no more credits than necessary are provided and ultimately allocated. In issuing this Commitment, the Department has relied upon the information submitted by the Development Owner to be accurate and complete in all material respects. The Department reserves the right to revoke, modify, or terminate this Commitment if the Department determines, in accordance with any applicable Legal Authorities, that the Development Owner has provided erroneous, misleading, incomplete, or fraudulent information to the Department or other parties for which the Legal Authorities require notification in connection with the Application for Housing Tax Credits or has in a material manner failed to comply with a state or federal requirement applicable to the Application for and awarding of tax credits, and such failure cannot be cured or waived.

Pursuant to §10.402(a) of the Uniform Multifamily Rules, unless sooner terminated in accordance with applicable Legal Authorities, this Commitment shall expire on the date specified herein below in paragraph A unless the Development Owner indicates acceptance by executing the Commitment, paying the required fees specified in §10.901 of the Uniform Multifamily Rules, and timely and fully satisfying any other conditions set forth herein, imposed by the Department's Board in the making of the award, or in the Uniform Multifamily Rules. Without limitation, failure to submit the documentation in sections A.I-V below, by the specified submission dates may result in the termination of the award documented in this Commitment:

A. No later than **September 28, 2016**, which is the expiration date of this Commitment, the Development Owner must provide in form and substance satisfactory to the Department in its reasonable judgment all of the following items.(if not already provided):

1. This Commitment, accepted and agreed to by the Development Owner as evidenced by the original signature of an individual duly authorized to act on behalf of the Development Owner without need of joinder or approval by anyone else;

2. In accordance with §10.901(8) of the Uniform Multifamily Rules, a check for the Commitment Fee in the amount of **$34,400**;

3. In accordance with §10.901(10) of the Uniform Multifamily Rules, a check for the Building Inspection Fee in the amount of **$750**;

4. In accordance with §10.402(d) of the Uniform Multifamily Rules, all of the following documents must be submitted by the Development Owner:

   a. For Texas entities, a copy of the Certificate of Filing for the Certificate of Formation and a Certificate of Fact from the Office of the Secretary of State. If formed outside the state of Texas, a Certificate of Application for foreign qualification in Texas and a Certificate of Fact from the Texas Secretary of State. If the entity is newly formed and a Certificate of Fact is not available, a statement is provided to that effect;

   b. Franchise Tax Account Status from the Texas Comptroller of Public Accounts. If the entity is newly formed and no status is available, a statement is provided to that effect;

   c. Evidence that the signer(s) of the Commitment has (have) the authority to sign on behalf of the Applicant in the form of a corporate resolution which indicates the sub-entity in Control consistent with the entity contemplated and described in the Application; and that those Person(s) signing the Commitment constitute all Persons required to sign or submit such documents; if intervening entities are involved in any such execution, certified resolutions as to the authority of any persons executing on their behalf must also be provided;

   d. Evidence of final approval of any zoning that is required or was proposed or needed to be changed pursuant to the Development plan;

   e. Evidence of satisfaction of any conditions identified in the Credit Underwriting Analysis Report or any other conditions of the award required to be met at the time of Commitment;

   f. Documentation of any changes to representations made in the Application subject to §10.405 of the Uniform Multifamily Rules (relating to Amendments and Extensions); and

   g. For Applications underwritten with a property tax exemption, documentation must be submitted in the form of a letter from an attorney identifying the statutory basis for the exemption and indicating that the exemption is reasonably achievable subject to appraisal district review. Additionally, any Development with a proposed Payment in Lieu of taxes ("PILOT") agreement must provide evidence regarding the statutory basis for the PILOT and its terms.

5. If the Applicant proposes to relocate existing units in an otherwise qualifying At-Risk Development, provide evidence that the affordability restrictions and any At-Risk eligible subsidies are approved to be transferred to the Development Site.

B. In accordance with §10.402(f) of the Uniform Multifamily Rules, all documents outlined in the Carryover Manual, including for USDA-funded developments, documentation of the submission of a complete Preliminary Assessment Tool to the USDA, relating to the execution of a **Carryover Allocation Agreement** pursuant to §42(h)(1) of Section 42 and Treasury Regulations §1.42-6 must be submitted to the Department no later than 5:00 p.m. Austin local time on **November 1, 2016**, unless such date is extended in writing by Department.

C. In accordance with §10.402(g) of the Uniform Multifamily Rules and pursuant to §42(h)(1)(E)(i) and (ii) of Section 42, all documents outlined in the Post Carryover Activities Manual relating to the 10% Test must be submitted to the Department no later than 5:00 p.m. Austin local time on **July 3, 2017**, unless extended in writing by Department.

D. In accordance with §42(h)(1)(E)(i) of Section 42, all Buildings in the Development must be placed in service no later than **December 31, 2018**.

E. Extensions to the deadlines itemized in paragraphs B, C, and D, to the extent permitted under the Legal Authorities, must be requested in accordance with §10.405(d) of the Uniform Multifamily Rules and must be submitted prior to the date for which an extension is being requested. The Department may require documentation relating to the need for any extension and may assess point deductions on other current or future applications in accordance with Tex. Gov't Code §2306.6710(b)(2).

F. **Should any terms of the proposed capital structure change, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds may be warranted.** This Commitment is subject to the following development-specific conditions as reflected in the Department's published Credit Underwriting Analysis Report. Unless otherwise stated within the specific condition (which may not conflict with any of the Legal Authorities), the documentation required to demonstrate satisfaction of each condition must be submitted to the Department no later than 5:00 p.m. Austin local time on **September 28, 2016.**

1. Receipt and acceptance by 10% test:

a. Certification from the Architect that all recommendations from the noise study are incorporated into the development plans.

2. Should any terms of the proposed capital structure change or if there are material changes to the overall development plan or costs, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds may be warranted.

G. This Commitment is also subject to the following development-specific conditions. Unless otherwise stated within the specific condition (which may not conflict with any of the Legal Authorities), the documentation required to demonstrate satisfaction of each condition must be submitted to the Department no later than 5:00 p.m. Austin local time on **September 28, 2016.**

NA

H. Development Owner acknowledges that this Commitment does not represent a commitment of any funds awarded under the HOME program or any other loan or grant program. However, those Development Owners expecting a commitment of Federal or non-federal funds, including but not limited to HOME funds and Tax Credit Assistance Program Loan Repayment funds, from the Department are cautioned against taking any choice-limiting action as discussed in CPD Notice 01-11, including but not limited to any transfers and assignments of the property, in anticipation of the Federal commitment but prior to receiving Federal environmental clearance from the Department. Development Owners expecting ultimately to receive a commitment of any such funds from the Department are encouraged to familiarize themselves in detail with the HUD environmental review process and submit their request for Federal environmental clearance as soon as possible.

I. Included with this Commitment is the "Application Verification and Compliance Review" form. This review form contains representations from the Application, changes during the Application process, and the Application as underwritten and approved by the Board. Please review the attachment for accuracy and identify any errors by marking the corrected information in red. The Application Verification and Compliance Review form, initialed and signed by a person with full authority to act on behalf of the Development Owner, must be submitted with this Commitment.

J. In addition to the requirements of the Legal Authorities, Development Owner hereby agrees and acknowledges that all assurances, pledges, conditions, restrictions, representations, or obligations, however designated, which the Development Owner (including any of its affiliates) undertook in applying for Housing Tax Credits will be incorporated into a Land Use Restriction Agreement ("LURA") or other applicable document with respect to the Development. Such LURA or document will also incorporate provisions requiring compliance with Section 42 and with Chapter 2306, including but not limited to requirements for: annual reporting and periodic inspections; payment of the fees, charges, and expenses of the Department in connection with monitoring and compliance activities; management, operating, maintenance, and repair standards; tenant selection and income certification; limitations on rents, charges, and fees payable by tenants; cost controls and management selection; and a minimum thirty-year affordability period, or such longer period as elected and set forth in the Application. If any liens (other than mechanics' or materialmen's liens for which construction bonds are in place or other provisions made to ensure discharge) have been recorded against the Development prior to the recording of the LURA, the Development Owner shall also obtain and submit to the Department the subordination of the rights of any such lienholder, or other effective consent, to the survival of certain obligations contained in the LURA following the foreclosure of any such lien.

Margaret Holloway, Multifamily Finance Director

8/29/16
Date

I (We), Development Owner, hereby acknowledge and agree to abide by all terms and conditions stated in this Commitment and any referenced documentation contained herein.

I (We), on behalf of the Development Owner, hereby acknowledge and agree that pursuant to §10.406 of the Rules, the transfer of an allocation of Housing Tax Credits or ownership of a Development supported with an allocation of Housing Tax Credits to any person including an Affiliate of the Development Owner shall not occur unless the Development Owner obtains the Department's prior, written approval of the transfer.

I (We) hereby acknowledge that failure to comply with this Commitment, the Legal Authorities, as applicable, and any referenced documentation contained therein may result in a refusal of the Department to issue IRS Form(s) 8609 for purposes of Housing Tax Credits as well as its exercise of other remedies, including revocation of this Commitment.

I (we) hereby acknowledge that the Development will be constructed in compliance with the 2010 ADA Standards with the exceptions listed in "Nondiscrimination on the Basis of Disability in Federally Assisted Programs and Activities" *Federal Register 79 FR 29671,* and as further amended by 10 TAC Chapter 1, Subchapter B.

Whitehouse Abbington Place, LP
Development Owner

81-3941681
Employee Identification Number

Authorized Representative

9/26/16
Date

William J. Rea, Jr., Manager of the General Partner
Authorized Representative (Printed Name, Title)

Item A.2. Commitment Fee
Item A.3. Building Inspection Fee

2964 Peachtree Road NW, Suite 640 ▪ Atlanta, Georgia 30305
Phone: (800) 605-7608 ▪ Fax: (404) 745-0530

REA VENTURES GROUP, LLC
2964 PEACHTREE RD NW, SUITE 640
ATLANTA, GA 30305

STATE BANK AND TRUST COMPANY
64-412/611

2561

09/26/16

PAY TO THE ORDER OF Texas Dept of Housing & Community Affairs $ **34,400.00

Thirty-Four Thousand Four Hundred and 00/100***... DOLLARS

Texas Dept of Housing & Community Affairs

MEMO Abbington Place 16018

AUTHORIZED SIGNATURE

SECURITY FEATURES INCLUDED. DETAILS ON BACK

⑈002561⑈ ⑆061104123⑆ 000182281⑈

WWW.COMPUCHECKS.COM 888.356.5581

REA VENTURES GROUP, LLC 2561

Texas Dept of Housing & Com...		09/26/16	
	commitment fee		34,400.00

State Bank Checking	Abbington Place 16018	34,400.00

REA VENTURES GROUP, LLC
2964 PEACHTREE RD NW, SUITE 640
ATLANTA, GA 30305

STATE BANK AND TRUST COMPANY
64-412/611

2562

09/26/16

PAY TO THE ORDER OF Texas Dept of Housing & Community Affairs $ **750.00

Seven Hundred Fifty and 00/100*** DOLLARS

Texas Dept of Housing & Community Affairs

MEMO Abbington Place 16018

AUTHORIZED SIGNATURE

SECURITY FEATURES INCLUDED. DETAILS ON BACK

⑈002562⑈ ⑆061104123⑆ 000182281⑈

REA VENTURES GROUP, LLC 2562

Texas Dept of Housing & Com...		09/26/16	
	inspection fee		750.00

State Bank Checking	Abbington Place 16018	750.00

MULTIFAMILY DOCUMENT & PAYMENT RECEIPT

TDHCA | Deliver to: 221 E. 11th St., Austin, TX 78701 | Mail to: PO Box 13941, Austin, TX 78711-3941

(This receipt does not attest to the sufficiency of documentation to fulfill Program requirements.)

Development: [illegible] Owner: [illegible]

Contact: Sean Brady Email: [illegible] Tel: (404)250-4093

TDHCA Application Number	TDHCA Date/Time Stamp
16018	RECEIVED SEP 27 2016 TDHCA Multifamily Finance Dept.

Select Program of Documents/Payments Submitted (note: HTC = Housing Tax Credits)

[X] 9% HTC (Competitive) [ ] 4% HTC - Tax Exempt Bond Issuer: ________ [ ] HOME

Indicate All Documents Submitted

[ ] Pre-Application [ ] Market Study [ ] Phase I ESA [ ] Site Design & Dev. Feasibility Report

[ ] Application [ ] Appraisal [ ] PCA/CNA [ ] Primary Market Area Map

[ ] Waiver Request [ ] Community Revitalization Plan [ ] Community Input [X] Other: HTC Commitment

Describe Payment

Check Amount: $ 34,400.00 ✓ HTC Application Fee: ______ X ______ = $ -

Check Number: 2561 (full app only) # of Units Per unit fee App. Fee

Check Amount: $ 750.00 ✓ [ ] Non-Profit or CHDO ______

Check Number: 2562 NP Discounted Fee

Describe any special circumstances:

NOTE: Housing Tax Credit Program Applicants that are CHDOs or Qualified Nonprofit Organizations and requesting a fee reduction, must attach a copy of their CHDO certificate or evidence of 501(c)(3) or (4) status to this receipt.

9/27/2016 ________________________ NF

Date Applicant Consultant Staff Initials

[X] Check this box to request a copy of the staff-initialed receipt.

Attach Check Here

Item A.4(a). A Certificate of Application for Foreign Qualification in Texas

Corporations Section
P.O.Box 13697
Austin, Texas 78711-3697

Carlos H. Cascos
Secretary of State

Office of the Secretary of State

Certificate of Fact

The undersigned, as Secretary of State of Texas, does hereby certify that the document, Application for Registration for Whitehouse Abbington Place, LP (file number 802550371), a GEORGIA, USA, Foreign Limited Partnership, was filed in this office on September 27, 2016.

It is further certified that the entity status in Texas is in existence.

In testimony whereof, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in Austin, Texas on September 28, 2016.

Carlos H. Cascos
Secretary of State

Corporations Section
P.O.Box 13697
Austin, Texas 78711-3697

Carlos H. Cascos
Secretary of State

Office of the Secretary of State

CERTIFICATE OF FILING
OF

Whitehouse Abbington Place, LP
File Number: 802550371

The undersigned, as Secretary of State of Texas, hereby certifies that an Application for Registration for the above named limited partnership to transact business in this State has been received in this office and has been found to conform to the applicable provisions of law.

ACCORDINGLY, the undersigned, as Secretary of State, and by virtue of the authority vested in the secretary by law, hereby issues this certificate evidencing the authority of the entity to transact business in this State from and after the effective date shown below under the name of

Whitehouse Abbington Place, LP

The issuance of this certificate does not authorize the use of a name in this state in violation of the rights of another under the federal Trademark Act of 1946, the Texas trademark law, the Assumed Business or Professional Name Act, or the common law.

Dated: 09/27/2016

Effective: 09/27/2016

Carlos H. Cascos
Secretary of State

Corporations Section
P.O.Box 13697
Austin, Texas 78711-3697

Carlos H. Cascos
Secretary of State

Office of the Secretary of State

Certificate of Fact

The undersigned, as Secretary of State of Texas, does hereby certify that the document, Application for Registration for Abbington Place Partner, LLC (file number 802550383), a GEORGIA, USA, Foreign Limited Liability Company (LLC), was filed in this office on September 27, 2016.

It is further certified that the entity status in Texas is in existence.

In testimony whereof, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in Austin, Texas on September 28, 2016.

Carlos H. Cascos
Secretary of State

Corporations Section
P.O.Box 13697
Austin, Texas 78711-3697

Carlos H. Cascos
Secretary of State

Office of the Secretary of State

CERTIFICATE OF FILING
OF

Abbington Place Partner, LLC
File Number: 802550383

The undersigned, as Secretary of State of Texas, hereby certifies that an Application for Registration for the above named Foreign Limited Liability Company (LLC) to transact business in this State has been received in this office and has been found to conform to the applicable provisions of law.

ACCORDINGLY, the undersigned, as Secretary of State, and by virtue of the authority vested in the secretary by law, hereby issues this certificate evidencing the authority of the entity to transact business in this State from and after the effective date shown below for the purpose or purposes set forth in the application under the name of

Abbington Place Partner, LLC

The issuance of this certificate does not authorize the use of a name in this state in violation of the rights of another under the federal Trademark Act of 1946, the Texas trademark law, the Assumed Business or Professional Name Act, or the common law.

Dated: 09/27/2016

Effective: 09/27/2016

Carlos H. Cascos
Secretary of State

Item A.4(c). Partnership Organizational Documents

WRITTEN CONSENT/RESOLUTION OF THE MANAGERS OF ABBINGTON PLACE PARTNER, LLC

September 27, 2016

Pursuant to the Georgia Limited Liability Company Act and the Operating Agreement of ABBINGTON PLACE PARTNER, LLC, a Georgia limited liability company, (the "Company") the undersigned, being the Managers of the Company, do hereby adopt, approve and authorize the following actions as of the date hereinbefore written with the same force and effect as if they were adopted, approved and authorized at a special meeting of the Managers of the Company duly called and held in accordance with the provisions of the Company's Operating Agreement.

RECITALS:

A. The Company is the sole general partner of WHITEHOUSE ABBINGTON PLACE, LP, a Georgia limited partnership (the "Partnership").

B. RVLH ACQUISITIONS, LLC, a Georgia limited liability company ("RVLH"), entered into that certain Purchase and Sale Agreement with Kirby Oil Company, Inc., dated October 27, 2015, (as amended and assigned, the "Purchase and Sale Agreement") for the purchase of that certain tract or parcel of land located in Whitehouse, Smith County, Texas, containing 6.5 acres, more or less (the "Property").

C. RVLH assigned its interests and rights in the Purchase and Sale Agreement with respect to that certain 4.166-acre portion of the Property to the Partnership, and the Partnership assumed said interests and rights pursuant to that certain Assignment and Assumption of Purchaser's Interest in Purchase and Sale Agreement dated as of February 24, 2016.

D. The Partnership intends to develop a low-income housing community for families to be located on the Property (the "Project").

E. The Project received an Annual Tax Credit Commitment of $860,000 in federal low-income housing tax credits from the Texas Department of Housing and Community Affairs in 2016 (the "Credits") as set forth in the Housing Tax Credit Program Commitment dated August 29, 2016 (the "Commitment Notice").

F. In order to claim the Credits, the Partnership must execute the Commitment Notice, pay the Commitment Fee of $34,400.00 (the "Commitment Fee") and a Building Inspection Fee in the amount of $750.00, and provide other documentation as set forth in the Commitment Notice.

M. The Managers of the Company have determined that it is in the best interest of the Company and the Partnership to accomplish the foregoing.

NOW THEREFORE, be it resolved that:

1. Authorized Actions of the Company. The Company is hereby authorized to (i) execute the Commitment Notice, (ii) pay the Commitment Fee and Building Inspection Fee, (iii) deliver to TDHCA all documentation requested in the Commitment Notice, and (iv) execute and deliver to the necessary parties such other instruments, agreements, or certificates of any kind or nature whatsoever, as may be required to accomplish the foregoing.

2. Authorized Actions of the Partnership. The Partnership is hereby authorized to to (i) execute the Commitment Notice, (ii) pay the Commitment Fee, (iii) deliver to TDHCA all documentation requested in the Commitment Notice, and (iv) execute and deliver to the necessary parties such other instruments, agreements, or certificates of any kind or nature whatsoever, as may be required to accomplish the foregoing.

3. Authorization of Managers: WILLIAM J. REA, JR. in his capacity as a Manager of the Company, is hereby authorized, acting alone, for and on behalf of, and in the name of the Company, to cause the Company to execute and deliver the above referenced documents and such other documents and instruments in connection therewith as may be necessary and desirable, with such changes and modifications thereto as shall be approved by executing the same, such execution and delivery to be conclusive evidence of such approvals.

4. Further Resolved. The Managers are authorized, acting alone, to do or perform or cause to be done or performed, in the name and behalf of the Company, or otherwise, to execute and deliver such other notices, requests, demands, directions, certificates, consents, approvals, orders, undertakings, amendments, further assurances, or other instruments or communications as may be necessary or appropriate in order to cause the Company to carry into effect the intent of the foregoing resolutions.

5. Further Resolved. All actions taken by the Managers to carry out the intent of the foregoing resolutions, and his execution and delivery of such instruments and documents as he/she believes is necessary for that purpose, are hereby approved, ratified and confirmed in all respects.

6. Further Resolved. Any and all actions taken by the Managers or any other party so authorized by the Company to accomplish the purposes of the foregoing resolutions prior to the date this written consent is executed and delivered are hereby ratified, confirmed, approved, and adopted in all respects.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned, being all of the Managers of the Company, hereby consent to the above resolutions and acknowledges their concurrence with the actions authorized herein. This action shall be effective the day and year first above written.

William J. Rea, Jr., Manager

Eric J. Buffenbarger, Manager

Virginia B. McGuire

The undersigned, constituting all of the Members of the Members of the Company, hereby consent to the above resolutions and acknowledge their concurrence with the actions authorized herein. This action shall be effective the day and year first above written.

REA GP HOLDINGS GROUP II, LLC
a Georgia limited liability company

By: ______________________
William J. Rea, Jr., Manager

AUSTIN STONE L.L.C.
a Texas limited liability company

By: ______________________
Virginia B. McGuire, Manager/President

BRADY COMMUNITIES, LLC
a Georgia limited liability company

By: ______________________
Sean Brady, Manager

IN WITNESS WHEREOF, the undersigned, being all of the Managers of the Company, hereby consent to the above resolutions and acknowledges their concurrence with the actions authorized herein. This action shall be effective the day and year first above written.

____
William J. Rea, Jr., Manager

____
Eric J. Buffenbarger, Manager

Virginia B McGuire
Virginia B. McGuire

The undersigned, constituting all of the Members of the Members of the Company, hereby consent to the above resolutions and acknowledge their concurrence with the actions authorized herein. This action shall be effective the day and year first above written.

REA GP HOLDINGS GROUP II, LLC
a Georgia limited liability company

By: ______________________________
William J. Rea, Jr., Manager

AUSTIN STONE L.L.C.
a Texas limited liability company

By: Virginia B McGuire
Virginia B. McGuire, Manager/President

BRADY COMMUNITIES, LLC
a Georgia limited liability company

LIMITED PARTNERSHIP AGREEMENT
OF
WHITEHOUSE ABBINGTON PLACE, LP

THIS LIMITED PARTNERSHIP AGREEMENT (this "Agreement") of **WHITEHOUSE ABBINGTON PLACE, LP**, a Georgia limited partnership (the "Partnership") is entered into effective as of **February 23, 2016**, by and between **ABBINGTON PLACE PARTNER, LLC**, a Georgia limited liability company, (the "General Partner") and **WILLIAM J. REA, JR.** (the "Limited Partner") under and pursuant to the provisions of the Georgia Revised Uniform Limited Partnership Act (the "Uniform Act") upon the following terms and provisions. The General Partner and Limited Partner are collectively referred to as the "Partners".

RECITALS

A. The General Partner filed a Certificate of Limited Partnership in the Office of the Secretary of State, State of Georgia for the Partnership on **February 23, 2016**.

B. The Partners desire to continue the Partnership for the purposes of acquiring, owning, developing, rehabilitating, constructing and operating a low-cost rental housing development in **Whitehouse, Smith County, Texas** known as **Abbington Place** (the "Development"), for low to moderate income persons and families, and to acquire and own such personal property as may be necessary to effectuate the foregoing purposes, and to engage in any and all activities related or incidental thereto.

C. It is the intent of the Partners to enter into an amended and restated agreement of Limited Partnership with for the purpose of acquiring the additional capital needed for the Development.

NOW THEREFORE, in consideration of the premises and the terms and conditions hereinafter set forth, the parties agree as follows:

ARTICLE I
NAME, BUSINESS AND CONTINUATION OF LIMITED PARTNERSHIP

1.01 Name; Continuation. The name of the Partnership is **WHITEHOUSE ABBINGTON PLACE, LP**. The Partners agree to continue the Partnership, which was formed pursuant to the provisions of the Uniform Act.

1.02 Office and Resident Agent.

1.02.1 The principal office of the Partnership is **2964 Peachtree Road NW, Suite 200, Atlanta, GA 30305** at which office there shall be maintained those records required by the Uniform Act to be kept by the Partnership. The Partnership may have such other or additional offices as the General Partner shall deem desirable. The General Partner may at any time change the location of the Partnership offices and shall give notice thereof to the Limited

Partner. The General Partner shall at all times maintain the principal office in the State of Georgia.

1.02.2 The registered agent in the State of Georgia for the Partnership for service of process is **Eric J. Buffenbarger, 2964 Peachtree Road NW, Suite 200, Atlanta, GA 30305**. The General Partner may at any time change the registered agent or registered office of the Partnership and shall give notice thereof to the Limited Partner.

1.03 Term. The term of the Partnership shall commence on the date of the filing of the Certificate of Limited Partnership in the Office of the Secretary of State, State of Georgia and shall continue until dissolved in accordance with Georgia law.

ARTICLE II
PARTNERSHIP INTERESTS

2.01 Allocation of Profit, Loss and Credits.

2.01.1 Except as otherwise provided herein, (i) the profits, losses and tax credits from operations of the Partnership for each calendar year shall be allocated 0.01% to the General Partner and 99.99% to Limited Partner.

2.01.2 Gain arising from a capital transaction shall be allocated in the following order of priority:

2.01.2.1 First, to Partners with negative adjusted capital account balances, an amount of gain equal to the sum of such Partners' negative adjusted capital account balances, in proportion to their respective negative balances; and

2.01.2.2 Next, to the General Partner and the Limited Partner as required, an amount of gain necessary to cause the ratio of the capital account of the General Partner to the capital account of the Limited Partner, to equal 0.01% to the General Partner and 99.99% to the Limited Partner; and

2.01.2.3 Losses of the Partnership arising from a capital transaction shall be allocated as follows:

2.01.2.3.1 First to the Partners with positive capital account balances, and amount of loss equal to the sum of such Partners' positive capital account balances, and in accordance with their respective positive balances; and

2.01.2.3.2 Second 0.01% of such loss to the General Partner and 99.99% of such loss to the Limited Partner.

2.02 Distribution of Cash Flow. The cash flow of the Partnership shall be distributed by the General Partner at periodic intervals, not less often than annually, and shall be divided 75% to the General Partner and 25% to the Limited Partner.

2.03 Distributions of Cash from Capital Transaction. Cash from capital transaction (other than a sale or other disposition of the property of the Partnership in connection with a liquidation and dissolution of the Partnership) or a refinancing of debt, shall be applied or distributed in the following order of priority: 75% to the General Partner and 25% to the Limited Partner.

2.04 Special Allocation. Notwithstanding any other provision of this Agreement, before any other allocation of income or gain is made under this Agreement, in the event that any unanticipated gross income to the Partnership arises from a subsequent re-characterization of a tax reporting position of the Partnership or in the event any unanticipated item of income is received by the Partnership, it is the intent of the Partners that all such gross income and items of income shall be allocated to the General Partner.

2.05 Full Disclosure of and Right to Receive Information. All Limited Partners shall have the right to review information pertaining to the Partnership which is possessed by the General Partner, and the right to receive promptly upon request timely and accurate reports, schedules and accountings to the Partnership's financial performance, in each case as may be required pursuant to this Agreement or as requested by any such Limited Partner.

ARTICLE III
POWERS AND DUTIES OF GENERAL PARTNER

3.01 Authorized Acts. The General Partner shall have the sole and exclusive right to manage, control and conduct the business and affairs of the Partnership, subject to restrictions set out in this Agreement. Without limiting the generality of the foregoing, the Partnership and General Partner are authorized to:

3.01.1 Submit and sign such application(s) for an allocation of low income housing tax credits for the Development from the Texas Department of Housing and Community Affairs together with all necessary or convenient documents in connection therewith.

3.01.2 Upon an award of low income housing tax credits for the Development from the Texas Department of Housing and Community Affairs, sign such tax credit commitments, carryover allocations and any other tax credit documents together with all necessary or convenient documents in connection therewith.

3.01.3 Undertake the development, construction and operation of the Development and to execute all necessary contracts in connection therewith.

3.01.4 Borrow loan funds for the Development in such amounts and from such sources as the General Partner shall decide.

3.01.5 Borrow money on the general credit of the Partnership for use in the Partnership business.

3.01.6 Purchase the Development and finance such purchases, on whole or in part, by giving the seller or any other person a security interest in the property purchased.

3.01.7 Execute all agreements, commitments, assignment, pledges, indemnities, certificates, statements, applications, notices, affidavits and/or other instruments as may be required by any investors or lenders in connection with the Development and any tax credits.

3.01.8 Execute such other instruments, agreements, or certificates of any kind or nature whatsoever, as may be required to accomplish the foregoing.

3.02 Restrictions on Authority. Notwithstanding anything provided to the contrary in this Agreement, the General Partner shall have no authority to perform any act in violation of applicable law, agency or other governmental regulations, and in the event of any conflict between the terms of this Agreement and any applicable agency or other governmental regulations or requirements, the terms of such regulations or requirements shall govern.

3.03 Assignment to Partnership. General Partner hereby transfers and assigns to the Partnership all of its right, title and interest in and to the Development and in and to all of the project documents, including, but not limited to, the following: (i) all contracts with architects, supervising architects, engineers and contractors with respect to the development of the Development; (ii) all plans, specifications and working drawings heretofore prepared or obtained in connection with the Development; (iii) all governmental commitments and approvals obtained, and applications therefor, including, but not limited to, those relating to planning, zoning, building permits, tax credits; (iv) any and all commitments with respect to the financing for the Development; (v) any and all contracts or rights with respect to any agreements with lenders for the Development; and (vi) any other work product related to the Development and/or the Partnership, all of which shall have an agreed to value of $1.00 for purposes of determining the opening capital account of the General Partner.

3.04 Transferability of General Partner Interest. The General Partner shall not withdraw from the Partnership or sell, assign or encumber its interest in the Partnership without the consent of the Limited Partner. The General Partner shall not delegate any of its duties or obligations under this Agreement without the consent of the Limited Partner. No new general partner may be admitted to the Partnership without the consent of the Limited Partner.

ARTICLE IV
GENERAL PROVISIONS

4.01 Burden and Benefit. The covenant and agreements contained herein shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and permitted assigns of the respective parties hereto.

4.02 Applicable Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Georgia.

4.03 Amendment and Restatement. The parties hereto agree to amend and restate this Agreement upon agreement to revised terms relating to the tax credits and compliance issues relating thereto or to other matters relating to the funding required for the Development.

-The remainder of this page has been left blank intentionally-

IN WITNESS WHEREOF, the parties hereto have affixed their signatures and seals as of the date first above written.

GENERAL PARTNER:

ABBINGTON PLACE PARTNER, LLC
a Georgia limited liability company

By: ______________________________
William J. Rea, Jr., Manager

LIMITED PARTNER:

____
William J. Rea, Jr.

Control Number : 16016839

STATE OF GEORGIA

Secretary of State

Corporations Division
313 West Tower
2 Martin Luther King, Jr. Dr.
Atlanta, Georgia 30334-1530

CERTIFICATE OF LIMITED PARTNERSHIP

I, Brian P. Kemp, the Secretary of State and the Corporation Commissioner of the State of Georgia, do hereby certify under the seal of my office that

WHITEHOUSE ABBINGTON PLACE, LP

a **Domestic Limited Partnership**

has been duly formed , as of the effective date **02/23/2016**, by the filing of a certificate of limited partnership in the Office of the Secretary of State and by the paying of fees as provided by Title 14 of the Official Code of Georgia Annotated.

WITNESS my hand and official seal in the City of Atlanta
and the State of Georgia on 02/25/2016

Brian P. Kemp
Secretary of State

CERTIFICATE OF LIMITED PARTNERSHIP

Electronically Filed
Secretary of State
Filing Date: 2/23/2016 11:28:00 AM

BUSINESS INFORMATION	
CONTROL NUMBER	16016839
BUSINESS NAME	WHITEHOUSE ABBINGTON PLACE, LP
BUSINESS TYPE	Domestic Limited Partnership
EFFECTIVE DATE	02/23/2016

PRINCIPAL OFFICE ADDRESS	
ADDRESS	2964 Peachtree Road NW, Suite 200, Atlanta, GA, 30305, USA

REGISTERED AGENT'S NAME AND ADDRESS

NAME	ADDRESS
Eric Buffenbarger, J.	2964 Peachtree Road NW, Suite 200, Fulton, Atlanta, GA, 30305, USA

GENERAL PARTNER(S)

NAME	TITLE	ADDRESS
Abbington Place Partner, LLC	GENERAL PARTNER	2964 Peachtree Road NW, Suite 200, Atlanta, GA, 30305, USA

OPTIONAL PROVISIONS

N/A

AUTHORIZER INFORMATION

Authorizer Signature	Title
Linda C. Pitts	Attorney In Fact

OPERATING AGREEMENT
OF
ABBINGTON PLACE PARTNER, LLC

THIS OPERATING AGREEMENT (this "Agreement") is entered into effective as of **February 23, 2016** by, between and among the undersigned and each other person who becomes a Member in accordance with the terms of this Agreement.

WHEREAS, pursuant to the State of Georgia Limited Liability Company Act (the "Act"), the Company (as defined below) was formed pursuant to a Articles of Organization filed with the Georgia Secretary of State on **February 23, 2016** ("Articles");

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned hereby continues the Company and agrees as follows:

1. Name. The name of the Company is:

   ABBINGTON PLACE PARTNER, LLC (the "Company").

2. Purpose. The purpose of the Company is to serve as the sole general partner of **WHITEHOUSE ABBINGTON PLACE, LP**, a Georgia limited partnership ("Borrower") which will acquire, own, construct and operate an affordable housing development in **Whitehouse, Smith County, Texas** known as **Abbington Place** (the "Development") and any lawful business in connection therewith as determined by the Company. The Company and Borrower are expressly authorized to:

   (a) Undertake development, construction and operation of the Development and to execute all necessary contracts in connection therewith.
   (b) Borrow loan funds for the Development.
   (c) Borrow money on the general credit of the Borrower for use in the Borrower business.
   (d) Purchase the Development and finance such purchases, on whole or in part, by giving the seller or any other person a security interest in the property purchased.

3. Place of Business and Registered Agent.

   (a) The principal office of the Company is **2964 Peachtree Road NW, Suite 200, Atlanta, GA 30305**. The Member(s) by amendment to this Agreement may at any time change the principal office of the Company.

   (b) The registered agent for service of process is **Eric J. Buffenbarger, 2964 Peachtree Road NW, Suite 200, Atlanta, GA 30305**.

4. Name, Address and Membership Interest of Members. The name and business address and membership interest of the Members of the Company (the "Members") are as follows:

Name and Address	Membership Interest
REA GP HOLDINGS GROUP II, LLC ("Rea Member") **2964 Peachtree Road NW, Suite 200** **Atlanta, GA 30305**	**51%**
AUSTIN STONE L.L.C. ("HUB Member") **7607 Creekbluff Drive** **Austin, Texas 78750**	**47%**
BRADY COMMUNITIES, LLC ("Brady Member") **4625 Jefferson Lane SW** **Lilburn, GA 30047**	**2%**

Any Member may change its address in the records of the Company by notice to the other Member and the Managers.

All items of Company income, gain, loss, deduction and credit for any fiscal year shall be allocated among the Members for federal and state income tax purposes in such manner as the Rea Manager determines in its sole but reasonable judgment (in consultation with the Company's accountants) to be in accordance with the Members' interest in the Company within the meaning of Section 1.704-1(b)(3) of the Treasury Regulations.

5. Management.

(a) Managers. The powers of the Company shall be exercised by or under the authority of, and the business and affairs of the Company shall be managed under the direction of, one or more Managers, who shall act jointly as provided in this Agreement if more than one. Any person dealing with the Company, other than a Member, may rely on the authority of the Managers in taking any action in the name of the Company without inquiry into the provisions or compliance herewith, regardless of whether that action is actually taken in accordance with the provisions of this Agreement.

(b) Compensation. The Managers shall serve without compensation but may be reimbursed for out-of-pocket expenses incurred in furtherance of the business of the Company.

(c) Action by Managers. The act of a Majority of the Managers shall be the act of the Company. In any valid action by the Managers, they may appoint any Manager, individually, to act on behalf of the Company or the Borrower. Managers may act on behalf of the Company to undertake activities including but not limited to the following:

i. Submit and sign such application(s) for an allocation of low income housing tax credits for the Development from the Texas Department of Housing and Community Affairs together with all necessary or convenient documents in connection therewith.

ii. Upon an award of low income housing tax credits for the Development from the Texas Department of Housing and Community Affairs, sign such tax credit commitments, carryover allocations and any other tax credit documents together with all necessary or convenient documents in connection therewith.

iii. Cause the Borrower to undertake the development, construction and operation of the Development and to execute all necessary or convenient contracts in connection therewith.

iv. Cause the Borrower to borrow loan funds for the Development.

v. Cause the Borrower to borrow money on the general credit of the Borrower for use in the Borrower business.

vi. Cause the Borrower to purchase the Development and finance such purchases, on whole or in part, by giving the seller or any other person a security interest in the property purchased.

vii. Execute all agreements, commitments, assignment, pledges, indemnities, certificates, statements, applications, notices, affidavits and/or other instruments as may be required by any investors or lenders in connection with the Development and any tax credits.

viii. Execute such other instruments, agreements, or certificates of any kind or nature whatsoever, as may be required to accomplish the foregoing. Notwithstanding the foregoing, the Managers may not take any action that would have a material adverse effect upon the Members without consent of the Members.

(d) Number; Tenure. The number of Managers of the Company shall be three. The following individuals shall serve as the Company's Managers until resignation or removal, as provided below:

i. **William J. Rea, Jr.;**

ii. **Eric J. Buffenbarger;**

iii. **Virginia B. McGuire;**

A Manager may resign at any time. Such resignation shall be made in writing and shall take effect at the time specified therein, or if no time be specified, at the time of its receipt by the other Managers. Any and all Managers may be removed, either for or without cause, by the affirmative vote of all of the Members. Any vacancy in the Manager position held by Ginger McGuire shall be appointed by the HUB Member. Any vacancy in the Manager positions held by William J. Rea, Jr. or Eric J. Buffenbarger shall be appointed by the Rea Member.

6. Capital Contributions; Liability of the Members.

   (a) The Members have contributed or agreed to contribute as their capital contribution ("Capital Contribution") to the Company cash in the amount of $100.00.

   (b) The debts, obligations, losses and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and neither the Members nor Managers shall be obligated personally for any such debt, obligation, loss or liability of the Company solely by reason of being a Member or Manager of the Company.

7. Additional Contributions. No Member shall be required to make additional contributions. Notwithstanding the foregoing, to the extent the Company is required to contribute to the Borrower in satisfaction of development fee pursuant to the Development Agreement dated as of **February 23, 2016**, the Rea Member shall be responsible therefor.

8. Rights of Member(s). Except as set forth on Exhibit A hereto, (a) a Member has no right to substitute an assignee as a substitute Member in its place and (b) a Member shall not withdraw from the Company or sell, assign or encumber its interest in the Company. No new Member may be admitted to the Company without the consent of all Members and no admission of a new Member shall cause the HUB Member to have an ownership interest less than 47% during the compliance period for any low income housing tax credits associated with the Development.

9. HUB Member. The HUB Member hereby represents that it is certified as a historically-underutilized business (a "HUB") by the Texas Comptroller of Public Accounts (or any successor agency thereto) and that is shall maintain such certification for so long as required under the rules and regulations of the Texas Department of Housing and Community Affairs regarding material participation by a HUB. In its capacity as HUB Member, it shall materially participate in the Development by causing the Company, as the general partner of the Borrower, to carry out the development, construction, and operation of the Development. The activities by which the HUB Member shall materially participate are identified on Exhibit B hereto.

10. Withdrawals. No time has been agreed upon for the withdrawal or termination of the interest of any Member in the Company.

11. Distributions. Distributions of cash or other assets of the Company shall be made at such times and in such amounts as determined by the Managers. Distributions shall be paid 22% to the HUB Member 76% to the Rea Member and 2% to the Brady Member.

12. Term and Dissolution. The duration of the Company shall be perpetual. The Company shall continue into force and effect until:

(a) the sale or other disposition of all or substantially all of the assets of the Company;

(b) the election to dissolve the Company made by the Members; or

(c) the entry of a final decree of dissolution of the Company by a court of competent jurisdiction.

Upon the dissolution of the Company, the Managers of (or, for purposes of this paragraph, its trustees, receivers or successors), shall cause the cancellation of the Company's Articles, liquidate the Company assets and apply and distribute the proceeds thereof first to the Company's creditors and then to the Member(s).

13. Power of Attorney. The Company may act through one or more persons to whom a majority of the Managers of the Company has granted a Power of Attorney, duly executed and notarized.

14. Books and Records.

(a) All of the records and books of account of the Company, together with an executed copy of this Agreement and any amendments thereto, shall at all times be maintained at the principal office of the Company and shall be open to the inspection and examination of the Members or their representatives, which may include delivery of copies of such records and books by electronic transmission or mail upon request of a Member. Any Member may, at any time and from time to time, at its own expense, cause an audit of the books of the Company to be made by a certified public accountant or other person designated by such Member.

(b) To the extent not otherwise directly available to the other Members, each Member shall provide all other Members with copies of all documentation, correspondence, and other information relating to the development, construction, and operation of the Development, including but not limited to construction draws, plans and specifications, compliance audits and reports, development and operational budgets, rent rolls, tenant income certifications, correspondence with the Texas Department of Housing and Community Affairs, and any other information requested by that Member.

(c) The Rea Member is hereby designated as the "Tax Matters Partner" of the Company within the meaning of Section 6231(a)(7) of the Internal Revenue Code and shall have the power to manage and control, on behalf of the Company, any administrative proceeding at the Company level with the Internal Revenue Service relating to the determination of any item of Company income, gain, loss, deduction, or credit for federal income-tax purposes; provided that, the Rea Member shall obtain the consent of the other Members if a decision to be made by the Rea Member in any proceeding would have a material adverse impact on the other Members. The Tax

Matters Partner shall comply with all statutory provisions of the Internal Revenue Code applicable to a "tax matters partner" and shall, without limitation, within thirty calendar days of the receipt of any notice from the Internal Revenue Service in any administrative proceeding at the Company level relating to the determination of any Company item of income, gain, loss, deduction, or credit, mail a copy of such notice to each Member.

15. Applicable Law. This Agreement and the rights and obligations of the parties hereunder shall be governed by and interpreted, construed and enforced in accordance with the laws of the State of Georgia.

16. Word Meanings. The words, majority interest means ownership of more than 50% of the membership interest in the Company. The words such as "herein," "hereinafter," "hereof," and "hereunder" refer to this Agreement as a whole and not merely to a subdivision in which such words appear unless the context otherwise requires. The singular shall include the plural and the masculine gender shall include the feminine and neuter, and vice versa, unless the context otherwise requires. Any references to "Sections" are to Sections of this Agreement, unless reference is expressly made to a different document.

17. Binding Provisions. The covenants and agreements contained herein shall be binding upon, and inure to the benefit of, the heirs, legal representatives, successors and assignees of the respective parties hereto, except in each case as expressly provided to the contrary in this Agreement.

18. Counterparts. This Agreement may be executed in several counterparts and all so executed shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties have not signed the original or the same counterpart.

19. Paragraph Titles. Paragraph titles and any table of contents herein are for descriptive purposes only, and shall not control or alter the meaning of this Agreement as set forth in the text.

20. Organizer. All acts and things heretofore done for and on behalf of the Company by its organizer, William J. Rea, Jr., shall be, and the same hereby are, ratified and affirmed in each and every respect, and said law firm and the organizer are herein indemnified and held harmless for such acts.

21. Amendment. This Agreement may not be amended in whole or in part without the prior written consent of all of the Members.

22. Entire Agreement. This Agreement contains the entire, full and complete agreement of the parties hereto with respect to the subject matter hereof, and supersedes all prior or written agreements, commitments, or understandings with respect to the matters provided for herein and therein.

IN WITNESS WHEREOF, the undersigned Members have entered into this Agreement effective the day and year first above stated.

MEMBERS:

REA GP HOLDINGS GROUP II, LLC
a Georgia limited liability company

By: ______________________________
William J. Rea, Jr., Manager

AUSTIN STONE L.L.C.
a Texas limited liability company

By: ______________________________
Virginia B. McGuire,
Member and Manager/President

BRADY COMMUNITIES, LLC
a Georgia limited liability company

By: Sean M Brady
Sean M. Brady, Manager

IN WITNESS WHEREOF, the undersigned Members have entered into this Agreement effective the day and year first above stated.

MEMBERS:

REA GP HOLDINGS GROUP II, LLC
a Georgia limited liability company

By: ______________________________
William J. Rea, Jr., Manager

AUSTIN STONE L.L.C.
a Texas limited liability company

By: Virginia B McGuire
Virginia B. McGuire,
Member and Manager/President

BRADY COMMUNITIES, LLC
a Georgia limited liability company

By: ______________________________
Sean M. Brady, Manager

EXHIBIT A

Restrictions on Transferability

1. Restriction on Transfers. Except as otherwise permitted by this Agreement, no Member shall transfer all or any portion of its interest in the Company (each, an "Interest") without the consent of the other Members.

2. Permitted Transfers. Subject to the conditions and restrictions set forth in Section 3 hereof, a Member may at any time transfer all or any portion of its Interest to:

A. any other Member; or

B. any Purchaser in accordance with Section 4 hereof.

Any such Transfer shall be deemed a "Permitted Transfer".

3. Conditions to Permitted Transfers. A transfer shall not be treated as a Permitted Transfer under Section 2 hereof unless and until the following conditions are satisfied:

A. The transferor and transferee shall execute and deliver to the Company such documents and instruments of conveyance as may be necessary or appropriate in the opinion of the non-transferring Member or Members to effect such transfer and to confirm the agreement of the transferee to be bound by the provisions of this Agreement.

B. The transferor and transferee shall furnish the Company with and any information reasonably necessary to permit the Company to file all required federal and state tax returns and other legally required information statements or returns.

4. Right of First Refusal. In addition to the other limitations and restrictions set forth in this Exhibit A, except as permitted by Section 2 hereof, no Member shall transfer all or any portion of its Interest (the "Offered Interest") unless such Member (the "Seller") first offers to sell the Offered Interest pursuant to the terms of this Section 4.

A. Limitation on Transfers. No transfer may be made under this Section 4 unless the Seller has received a bona fide written offer (the "Purchase Offer") from a Person (the "Purchaser") to purchase the Offered Interest for a purchase price (the "Offer Price") denominated and payable in United States dollars at closing or according to specified terms, with or without interest, which offer shall be in writing signed by the Purchaser and shall be irrevocable for a period ending no sooner than the day following the end of the Offer Period, as hereinafter defined.

B. Offer Notice. Prior to making any transfer that is subject to the terms of this Section 4, the Seller shall give to the Company and each Member written notice (the "Offer Notice") which shall include a copy of the Purchase Offer and an offer (the "Firm Offer") to sell the Offered Interests to the other Members (the "Offerees") for the Offer Price, payable according to the same terms as (or more favorable terms than) those contained in the Purchase Offer, provided that the Firm Offer shall be made without regard to the requirement of any earnest money or similar deposit required of the Purchaser prior to closing, and without regard to any security (other than the Offered Interest) to be provided by the Purchaser for any deferred portion of the Offer Price.

C. Offer Period. The Firm Offer shall be irrevocable for a period (the "Offer Period") ending at 11:59 p.m., local time at the Company's principal place of business, on the sixtieth (60th) day following the day of the Offer Notice.

D. Acceptance of Firm Offer. At any time during the Offer Period, any Offeree may accept the Firm Offer as to all or any portion of the Offered Interest, by giving written notice of such acceptance to the Seller and the Company, which notice shall indicate the maximum Interest that such Offeree is willing to purchase. In the event that within the Offer Period, Offerees who are Members ("Accepting Offerees"), in the aggregate, accept the Firm Offer with respect to all of the Offered Interests, the Firm Offer shall be deemed to be accepted and each such Accepting Offeree shall be deemed to have accepted that portion of the Offered Interest that corresponds to the Ownership Percentage of the Accepting Offeree, divided by the Ownership Percentage of all Members, excluding the Seller. If Offerees do not accept the Firm Offer as to all of the Offered Interest during the Offer Period, the Firm Offer shall be deemed to be rejected in its entirety.

E. Closing of Purchase Pursuant to Firm Offer. In the event that the Firm Offer is accepted, the closing of the sale of the Offered Interest shall take place within thirty (30) days after the Firm Offer is accepted or, if later, the date of closing set forth in the Purchase Offer. The Seller and all Accepting Offerees shall execute such documents and instruments as may be necessary or appropriate to effect the sale of the Offered Interest pursuant to the terms of the Firm Offer and this Exhibit A.

F. Sale Pursuant to Purchase Offer if Firm Offer Rejected. If the Firm Offer is not accepted in the manner hereinabove provided, the Seller may sell the Offered Interest to the Purchaser at any time within sixty (60) days after the last day of the Offer Period, provided that such sale shall be made on terms no more favorable to the Purchaser than the terms contained in the Purchase Offer and provided further that such sale complies with other terms, conditions, and restrictions of this Agreement that are applicable to sales of Interests and are not expressly made inapplicable to sales occurring under this Section 4. In the event that the Offered Interest is not sold in accordance with the terms of the preceding sentence, the Offered Interest shall again become subject to all of the conditions and restrictions of this Section 4.

G. Change in Control of Member. A change in control of a Member shall also be subject to the provisions of this Section 4, notwithstanding that such situation may not necessarily involve a Purchase Offer or a Purchase Price. In lieu of the Purchase Offer and Purchase Price, the event giving rise to the change of Control shall act as the trigger for the implementation of the provisions of this Section 4.

5. Participation by Historically Underutilized Business. The following provisions shall apply with regard to the interest of the HUB Member.

A. If the HUB Member ceases to be certified as a HUB, the Rea Member have the right to remove the HUB Member upon written notice to the HUB Member. Upon the removal of the HUB Member, the Company shall redeem the HUB Member's Interest for $100. The HUB Member shall also be reimbursed or repaid for any loans made to, or costs and expenses paid or advanced on behalf of, the Company. Upon payment of the foregoing amounts, the HUB Member shall thereafter cease to have any interest in the capital, profits, losses, distributions, or any other economic incidents arising from its interest in the Company.

B. The HUB Member shall be liable for all costs, expenses, and damages incurred by the Company as a result of such removal, which may be offset against amounts payable to the HUB Member under subsection B.

D. Notwithstanding anything herein to the contrary, at the end of the Compliance Period (as defined in Section 42 of the Code) and in the event of a sale of the Development, immediately prior to such sale, the Rea Member shall have the unconditional right to acquire all of the interest of the HUB Member in the Company. The price of the acquisition of the HUB Member's interest shall be $100, plus the amount of cash distribution due to the HUB Member through the date of such acquisition, plus reimbursement or repayment for any loans made by the HUB Member to the Company or for costs and expenses paid or advanced by the HUB Member on behalf of the Company.

E. In the event the Borrower or the Company is found to be in non-compliance with the rules of the Texas Department of Housing and Community Affairs, such non-compliance is not cured within any applicable corrective action period, such non-compliance is not a result of the negligence or misconduct of the HUB Member, and the HUB Member believes such non-compliance could have a material adverse impact on the HUB Member, including its ability to do future business with the Texas Department of Housing and Community Affairs, the HUB Member shall be permitted to withdraw from the Company upon written notice to the Rea Member. Upon such withdrawal, the HUB Member shall thereafter ceases to have any interest in the capital, profits, losses, distributions, or any other economic incidents arising from its interest in the Company.

EXHIBIT B

HUB Material Participation

(1) reviewing development sites and locations;

(2) providing input and review of development and operating proformas;

(3) providing input on (but not selection of) debt and equity structures for Borrower;

(4) reviewing and providing input on finance documents for Borrower;

(5) conducting periodic site inspections during construction of the Development;

(6) providing comments to closing documents and processes;

(7) reviewing and providing comments (when appropriate) to monthly operating and leasing data;

(8) participating in asset and management review;

(9) participating in and review of TDHCA compliance, equity partner compliance and inspections of the Development;

(10) providing input and review of annual budgets and audits;

(11) reviewing agenda for and participating in partner meetings for Borrower or member meetings for the Company;

(12) conducting periodic site visits and providing input regarding operations of the Development;

(13) assisting in identifying and responding to structural, community and operational issues;

(14) troubleshooting and participating in strategy resolution (when necessary); and

(15) participating in general asset oversight.

Control Number : 16016740

STATE OF GEORGIA

Secretary of State

Corporations Division
313 West Tower
2 Martin Luther King, Jr. Dr.
Atlanta, Georgia 30334-1530

CERTIFICATE OF ORGANIZATION

I, Brian P. Kemp, the Secretary of State and the Corporation Commissioner of the State of Georgia, hereby certify under the seal of my office that

ABBINGTON PLACE PARTNER, LLC

a **Domestic Limited Liability Company**

has been duly organized under the laws of the State of Georgia on **02/23/2016** by the filing of articles of organization in the Office of the Secretary of State and by the paying of fees as provided by Title 14 of the Official Code of Georgia Annotated.

WITNESS my hand and official seal in the City of Atlanta
and the State of Georgia on 02/25/2016

Brian P. Kemp
Secretary of State

ARTICLES OF ORGANIZATION

Electronically Filed
Secretary of State
Filing Date: 2/23/2016 11:15:10 AM

BUSINESS INFORMATION	
CONTROL NUMBER	16016740
BUSINESS NAME	ABBINGTON PLACE PARTNER, LLC
BUSINESS TYPE	Domestic Limited Liability Company
EFFECTIVE DATE	02/23/2016

PRINCIPAL OFFICE ADDRESS	
ADDRESS	2964 Peachtree Road NW, Suite 200, Atlanta, GA, 30305, USA

REGISTERED AGENT'S NAME AND ADDRESS

NAME	ADDRESS
Eric Buffenbarger, J	2964 Peachtree Road NW, Suite 200, Fulton, Atlanta, GA, 30305, USA

ORGANIZER(S)

NAME	TITLE	ADDRESS
William J. Rea Jr.	ORGANIZER	2964 Peachtree Road NW, Suite 200, Atlanta, GA, 30305, USA

OPTIONAL PROVISIONS

N/A

AUTHORIZER INFORMATION	
AUTHORIZER SIGNATURE	Linda C. Pitts
AUTHORIZER TITLE	Attorney In Fact

Item A.4(d). Zoning Confirmation Letter

City of Whitehouse P.O. Box 776 Whitehouse, Texas 75791-0776

Office (903) 839-4914
Fax (903) 839-4915

August 11, 2016

Sean Brady
Rea Ventures Group, LLC
2964 Peachtree Road NW, Suite 640
Atlanta, GA 30305

Re: Confirmation of Receipt of Zoning Application
Abbington Place Apartments, Highway 110 at Sherry Drive, Whitehouse, Smith County, TX 75791
60 Apartment Units, Smith County, HTC #16018, Parcel R096550

Dear Mr. Brady,

The proposed location for Abbington Place Apartments, located on Parcel R096550, is currently zoned C-H (Retail/Office High Intensity). This zoning allows for the construction of multi-family apartments on the 2nd floor or higher. Office, non-residential common space, and individual garage units such as proposed are allowed ground floor uses. This zoning is appropriate for your intended use of a mixed-use development containing 60 residential apartment units on the second floor or higher in addition to office and other non-residential uses on the ground floor. A table of permitted uses is attached for your reference.

Kindest regards,

Aaron Smith
City Manager

Commercial	AO	R-E	R-L	R-M	R-H	MH-P	MH-SF	RV	C-L	C-M	C-H	TC-MS	TC-110	GI	LI-BP
Auction Sales	sales directly related to agricultural products	-	-	-	-	-	-	-	-	P	P	-	P	P	P
Automotive Related Services	-	-	-	-	-	-		-	-	P	P	P	P	P	P
Car Wash	-	-	-	-	-	-	-	-	-	P	P	accessory use to a fueling station, in rear	accessory use to a fueling station, in rear	-	
Cemetery/Mausoleum	Section 20.3	Section 20.3	Section 20.3	-	-	-	-	-	-	Section 20.3	Section 20.3	-	-	-	-
Commercial Garden/Greenhouse	P	-	-	-	-	-	-	-	-	-	P	-	-	P	P
Commercial Amusements, Indoor and less than 2,000 square feet	-	-	-	-	-	-	-	-	-	P	P	P	P	-	-
Commercial Amusements, Other	-	-	-	-	-	-	-	-	-	P	P	-	-	-	-
Conference Center	-	-	-	-	-	-	-	-	-	P	P	P	P	-	-
Drive Through	-	-	-	-	-	-	-	-	-	P	P	accessed from side or rear of site	accessed from side or rear of site	-	-
Dry Cleaning, Major	-	-	-	-	-	-	-	-	-	-	P	P	P	P	P
Dry Cleaning, Minor	-	-	-	-	P	-	-	-	P	P	P	P	P	P	P
Fueling Station	-	-	-	-	-	-	-	-	-	P	P	permitted only within 350 feet of 110 or Bascom Road, maximum of four pumps, behind building	permitted only within 350 feet of 110 or Bascom Road, maximum of four pumps, behind building	-	-
Health and Fitness Club	-	-	-	-	P	-	-	-	-	P	P	P	P	-	-
Country Club, Golf Course	-	Country Club with residential	Country Club with residential	P	-	-	-	-	P	-	-	-	-	-	-
Medical, Hospital or Offices	-	-	-	-	-	-	-	-	less than four (4) beds	P	P	P	P	-	-
Neighborhood Retail and Services	-	-	-	-	-	-	-	-	P	P	P	P	P	-	-
Night Club/Bar	-	-	-	-	-	-	-	-	-	P	P	P	P	-	-
Office (single use)	-	-	-	-	-	-	-	-	P	P	P	P	P	as an accessory to industrial uses	P
Office (live/work unit)	-	-	-	-	P	-	-	-	P	-	-	P	P	-	-
Pet Store, Kennel or Veterinary Clinic	kennel, large animal vet/clinic	-	-	-	-	-	-	-	no outside kennels, or other similar, runs permitted with screening	P	P	no outside kennels, or other similar, runs permitted with screening	no outside kennels, or other similar, runs permitted with screening	-	-
Restaurant	-	-	-	-	-	-	-	-	P	P	P	P	P	-	-
Retail Sales	-	-	-	-	-	-	-	-	P	P	P	P	P	-	P
Theater	-	-	-	-	-	-	-	-	-	P	P	P	P	-	-
Self Storage	-	-	-	-	-	-	-	-	-	-	-	-	-	P	P
Sexually Oriented Business	-	-	-	-	-	-	-	-	-	-	-	-	-	P	P
Vehicular and Equipment Rentals	-	-	-	-	-	-	-	-	-	consumer vehicles	consumer vehicles	-	-	P	P
Residential															
Single-Unit Detached	as an accessory use to agriculture	P	P	P	-	-	-	-	-	-	-	access by minor	access by minor	-	-
Single-Unit Attached	-	-	-	P	-	-	-	-	-	-	-	2nd floor and higher	2nd floor and higher	-	-
Row house	-	-	less than or equal to 5 DU/acre, each DU on individual lots	P	P	-	-	-	-	-	-	access by minor	access by minor	-	-
Duplex Dwelling	-	-	-	P	-	-	-	-	-	-	-	-	-	-	-
Triplex Dwelling	-	-	-	-	P	-	-	-	-	-	-	-	-	-	-
Fourplex Dwelling	-	-	-	-	P	-	-	-	-	-	-	-	-	-	-
Multiple-Unit	-	-	-	less than or equal to 12 DU/acre	P	-	-	-	2nd floor and higher	2nd floor and higher	2nd floor and higher	2nd floor and higher	2nd floor and higher	-	-
Townhouse/Condominium	-	-	-	less than or equal to 12 DU/acre	P	-	-	-	2nd floor and higher	2nd floor and higher	2nd floor and higher	2nd floor or higher	2nd floor or higher	-	-
Manufactured Home	-	-	-	-	-	P	P	-	-	-	-	-	-	-	-
Mobile Home	-	-	-	-	-	P	P	-	-	-	-	-	-	-	-
Recreational Vehicle Parking/Living	-	-	-	-	-	P	-	P	-	-	-	-	-	-	-
Leasing or renting of rooms	-	non-related tenants per dwelling not to exceed two (2)	non-related tenants per dwelling not to exceed two (2)	non-related tenants per dwelling not to exceed two (2)	-	-	-	-	-	-	-	-	-	-	-
Accessory/On-Site Housing	-	-	-	on-site management or leasing office	on-site management or leasing office	on-site management or leasing office	-	on-site management or leasing office	on-site management, leasing, or security	on-site management, leasing, or security	on-site management, leasing, or security	on-site management, leasing, or security	on-site management, leasing, or security	on-site management or security	on-site management or security
Lodging															
Extended Care/Nursing	-	-	-	-	P	-	-	-	-	P	P	P	P	-	-
Hotels/Extended Stay Lodging	-	-	-	-	P	-	-	-	B&B	P	P	P	P	-	-
Civic & Institutional															
Daycare/Nursery	-	-	Section 20.4	-	P	-	-	-	P	P	-	-	-	-	-
Educational, elementary or intermediate	-	access from a collector or arterial	access from a collector or arterial	access from a collector or arterial	P	-	-	-	P	P	P	access from a collector or arterial	access from a collector or arterial	-	-
Educational, high school or trade school	-	access from a collector or arterial	access from a collector or arterial	access from a collector or arterial	access from a collector or arterial	-	-	-	-	P	P	access from a collector or arterial	access from a collector or arterial	-	-
Educational, college or university	-	-	-	-	access from a collector or arterial	-	-	-	-	P	P	-	-	-	-
Parkland	-	P	P	P	P	P	P	P	P	P	P	P	P	-	-
Government, General	Section 20.11	-	-	P	P	P	P	P	P	P	P	P	P	-	-
Parking Structure	-	-	-	P	P	-	-	-	-	P	P	P	P	P	P
Place of Worship	-	access from a collector or arterial	access from a collector or arterial	access from a collector or arterial	access from a collector or arterial	access from a collector or arterial	access from a collector or arterial	access from a collector or arterial	access from a collector or arterial	P	P	access from a collector or arterial	access from a collector or arterial	-	-
Industrial															
Heavy Industrial	-	-	-	-	-	-	-	-	-	-	-	-	-	P	-
Light Industrial	-	-	-	-	-	-	-	-	-	-	-	-	-	P	P
Recycling Facility, Salvage Yard	-	-	-	-	-	-	-	-	-	-	-	-	-	P	-
Utility	Section 20.11	Section 20.11	Section 20.11	Section 20.11	Section 20.11	Section 20.11	Section 20.11	Section 20.11	-	-	-	-	-	P	P
Warehouse/Distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	P	P
Wireless Communications Tower	P	-	-	stealth	stealth	stealth	stealth	stealth	stealth	stealth	stealth	stealth	stealth	P	P

Item A.4(f). Amendment Request

2964 Peachtree Road NW, Suite 640 ▪ Atlanta, Georgia 30305
Phone: (800) 605-7608 ▪ Fax: (404) 745-0530

REA VENTURES GROUP, LLC
2964 PEACHTREE RD NW, SUITE 640
ATLANTA, GA 30305

STATE BANK AND TRUST COMPANY
64-412/611

2560

09/26/16

PAY TO THE ORDER OF Texas Dept of Housing & Community Affairs $ **2,500.00

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

Texas Dept of Housing & Community Affairs

MEMO Abbington Place 16018

AUTHORIZED SIGNATURE

SECURITY FEATURES INCLUDED. DETAILS ON BACK

⑈002560⑈ ⑆061104123⑆ 000182281⑈

REA VENTURES GROUP, LLC 2560

WWW.COMPUCHECKS.COM 888 356 5581

Texas Dept of Housing & Com...		09/26/16	
	amendment fee		2,500.00

State Bank Checking	Abbington Place 16018	2,500.00

MULTIFAMILY DOCUMENT & PAYMENT RECEIPT

TDHCA | Deliver to: 221 E. 11th St., Austin, TX 78701 | Mail to: PO Box 13941, Austin, TX 78711-3941

(This receipt does not attest to the sufficiency of documentation to fulfill Program requirements.)

Development: Abbington Place of Whitehouse Owner: Whitehouse Abbington Place, L.P.

Contact: Sean Brady Email: seanbrady@reaventures.com Tel: (404)250-4093

TDHCA Application Number	TDHCA Date/Time Stamp
16018	RECEIVED SEP 27 2016 TDHCA Multifamily Finance Dept.

Select Program of Documents/Payments Submitted (note: HTC = Housing Tax Credits)

[X] 9% HTC (Competitive) [ ] 4% HTC - Tax Exempt Bond Issuer: ______ [ ] HOME

Indicate All Documents Submitted

[ ] Pre-Application [ ] Market Study [ ] Phase I ESA [ ] Site Design & Dev. Feasibility Report

[ ] Application [ ] Appraisal [ ] PCA/CNA [ ] Primary Market Area Map

[ ] Waiver Request [ ] Community Revitalization Plan [ ] Community Input [X] Other: HYC Amendment Request

Describe Payment

Check Amount: $ 2,500.00 HTC Application Fee: ______ X ______ = $ -

Check Number: 2560 (full app only) # of Units Per unit fee App. Fee

Check Amount: ______ [ ] Non-Profit or CHDO ______

Check Number: NP Discounted Fee

Describe any special circumstances:

NOTE: Housing Tax Credit Program Applicants that are CHDOs or Qualified Nonprofit Organizations and requesting a fee reduction, must attach a copy of their CHDO certificate or evidence of 501(c)(3) or (4) status to this receipt.

9/27/2016 ______ NP

Date Applicant Consultant Staff Initials

[X] Check this box to request a copy of the staff-initialed receipt.

Attach Check Here

For the sake of brevity, the amendment request is included only once in this posting.

7c

BOARD ACTION REQUEST

MULTIFAMILY FINANCE DIVISION

DECEMBER 15, 2016

Presentation, Discussion, and Possible Action regarding approval for publication in the *Texas Register* of the 2017-1 Multifamily Direct Loan Notice of Funding Availability.

RECOMMENDED ACTION

WHEREAS, the Department has approximately $12.5 million in undedicated Tax Credit Assistance Program loan repayments ("TCAP Repayment Funds or TCAP RF") available as of December 1, 2016;

WHEREAS, the Department has approximately $20,049,905 available in HOME funds as a result of HOME program income, de-obligated HOME awards and 2015 and 2016 Grant Year funds programmed through the Annual Plan for multifamily development including $4,723,589 in HOME Community Housing Development Organization ("CHDO") funds;

WHEREAS, the staff recommends prioritizing all of these available funds in this 2017-1 NOFA in a manner that will allow the Department to meet various commitment and expenditure deadlines;

NOW, therefore, it is hereby

RESOLVED, that $12,500,000 in TCAP Repayment Funds, $15,326,316 in HOME general funds and $4,723,589 in CHDO funds, for a total of $32,549,905, along with any additional returned awards from the 2016-1 NOFA be made available for Applicants through this 2017-1 NOFA;

FURTHER RESOLVED, that funds made available through this 2017-1 NOFA will ensure that the Department awards an appropriate amount of HOME funds to CHDOs in order to satisfy its obligation to HUD and will prioritize applications that both meet all 2016-1 NOFA requirements and are in the best position to move forward swiftly and prudently; and

FURTHER RESOLVED, the Executive Director and staff as designated by the Executive Director are authorized, empowered, and directed, for and on behalf of the Department to execute such documents, instruments and writings and perform such acts and deeds as may be necessary to effectuate the foregoing.

BACKGROUND

On December 25, 2015, the 2016-1 Multifamily Direct Loan Notice of Funding Availability (2015-1 NOFA) was published in the *Texas Register*, announcing the availability of up to $23,109,096 – $11,859,096 in HOME funds and $11.25 million in TCAP RF – for the development of affordable multifamily rental housing. From those amounts, $6,296,436 in HOME funds and $5,932,698 in TCAP RF was awarded, leaving $5,562,660 in HOME funds and $5,317,302 in TCAP RF available for the 2017-1 Multifamily Direct Loan Notice of Funding Availability. In addition to these funds, staff also plans on programming a portion of the 2016 HOME Grant Allocation, as well as additional TCAP RF received through November 2016 into the 2017-1 NOFA.

Maximum funding requests under the CHDO and General Set-Asides have increased from the maximum funding requests in the 2016-1 NOFA to reflect both the increased total amount of funds available under this NOFA as well as the increased demand that staff expects to see given the current volatility in equity and debt markets.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
MULTIFAMILY DIRECT LOAN
2017-1 NOTICE OF FUNDING AVAILABILITY (NOFA)

1) **Summary.** The Texas Department of Housing and Community Affairs (the "Department") announces the availability of up to **$32,549,905** in Multifamily Direct Loan funding for the development of affordable multifamily rental housing for low-income Texans. The availability and use of these funds are subject to 10 TAC Chapters 1 ("Administration"), 2 ("Enforcement"), 10 ("Uniform Multifamily Rules"), 13 ("Multifamily Direct Loan Rule"), and Chapters 11 ("Qualified Allocation Plan") and 12 ("Multifamily Housing Revenue Bonds") as applicable, as well as Chapter 2306 of the Texas Government Code. Applications proposing development of affordable multifamily rental housing will be subject to the Department of Housing and Urban Development ("HUD'') HOME regulations governing the HOME program found at 24 CFR Part 92 ("HOME Final Rule") Other Federal regulations that apply to HOME include, but are not limited to fair housing (42 U.S.C. 3601-3619), environmental requirements (42 U.S.C. 4321; and 24 CFR part 50 or part 58 depending on the type of activity), Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and HUD Handbook 1378, Section 104(d) of Housing and Community Development Act of 1974. HOME funds are further regulated by Davis-Bacon and Related Labor Acts for labor standards (40 U.S.C. §3141-3144 and 3146-3148, 24 CFR §92.354, and HUD Handbook Federal Labor Standards Compliance in Housing and Community Development Programs). HOME-funded developments must comply with HUD Section 3 requirements (24 CFR Part 135). Section 3 requires HOME housing and community development activities to give, to the greatest extent feasible (and consistent with existing Federal, State and local laws and regulations) job training, employment, contracting and other economic opportunities to Section 3 residents and business concerns.

   Except as otherwise noted in this NOFA, Applicants proposing development of affordable multifamily rental housing should assume that HOME funds will be awarded and should likewise be prepared to comply with the applicable regulations. Applicants are encouraged to familiarize themselves with all of the applicable state and federal rules that govern the program. If HOME funds are used and Federal regulations or subsequent guidance imposes additional requirements, such Federal regulations or guidance shall govern.

   All Applicants proposing refinance *without* rehabilitation, or supplemental funds for Applications that have received funding or allocation in a previous year, generally will only receive Tax Credit Assistance Program Repayment Funds ("TCAP RF"), but, except as otherwise noted in this NOFA, may receive HOME funds if it is an eligible activity.

2) **Sources of Multifamily Direct Loan Funds.** Multifamily Direct Loan funds are made available through program income generated from prior year HOME allocations, de-obligated funds from prior HOME allocations, the 2015 and 2016 Grant Year HOME allocations, and loan repayments from the Tax Credit Assistance Program ("TCAP Repayment funds" or "TCAP RF"). The Department may amend this NOFA or the Department may release a new NOFA upon receiving its 2017 HOME, or 2016 or 2017 NHTF allocation from HUD, or additional TCAP loan repayments

3) **Set-Asides.** All funds will be subject to the Regional Allocation Formula ("RAF", located in Attachment A) until February 9, 2017, and then available on a statewide basis within each set-aside. Applications under any and all set-asides ma**y** or may not be layered with 9% or 4% Housing Tax Credits ("HTC"). The funds made available under this NOFA are available under three set-asides:

Set-Aside	**Amount Available**	**Maximum Request**[1]
CHDO (HOME only)	$4,723,589	$3,000,000
Supportive Housing/ Soft Repayment (TCAP RF only)	$4,000,000	$800,000
General	$23,826,316	
	New Construction	$3,000,000
	Rehabilitation	$2,000,000

a. **CHDO Set-Aside.** At least **$4,723,589** in HOME funds are set aside for eligible Community Housing Development Organizations ("CHDO").
b. **Supportive Housing/ Soft Repayment Set-Aside.** Up to **$4,000,000 of TCAP RF funds** is available in this set-aside.
c. **General Set-Aside.** All remaining TCAP RF and HOME funds available (currently anticipated to be approximately **$23,826,316**).

4) **Timelines for Awards**
Awards for the development of affordable multifamily rental housing will be made subject to the requirements in 10 TAC §13.11. Applications that are unable to progress on the timelines described herein due to incomplete information or lack of responsiveness will be given notice and a five day period to cure the incomplete information or non-responsiveness. Failure to cure the notice will result in a reestablishment of the application submission date to the date at which the cure to the notice was provided. As such, an applicant could be de-prioritized in favor of another application received prior to the new application submission date. Applications will be prioritized for an award as described in §13.4(c). **The application submission deadline for applications not layered with 2017 9% Housing Tax Credits is August 31, 2017.**

[1] The maximum request is inclusive of any prior awarded TDHCA Direct Loan funds that have not yet closed or that are outstanding loans.

5) **Scoring Criteria.** Applications will be scored based on the scoring criteria listed in 10 TAC §13.6.

6) **Maximum Funding Requests**
   a. CHDO Set-Aside: The maximum funding request for all applications received under this set-aside, regardless of whether the application is proposing new construction or rehabilitation, shall be $3,000,000. In the event that the CHDO Set-Aside amount is subscribed by two or more eligible applications, the Department will award excess requested funds from the General Set-Aside with HOME funds until all eligible CHDO applications that fully deplete the CHDO Set-Aside are funded.
   b. Supportive Housing/ Soft Repayment Set-Aside: The maximum funding request for applications received under this sub-set-aside is $800,000. It is anticipated that all awarded applications under this set-aside will receive TCAP RF funds.
   c. General: The maximum funding request for applications proposing new construction under this set-aside is $3,000,000. The maximum funding request for applications proposing rehabilitation under this set-aside is $2,000,000.

7) **Maximum Per Unit Subsidy Limits.** The maximum per unit subsidy limits that an applicant may use to determine the amount of Direct Loan funds they may request are listed in the table below:

Bedrooms	**Non-elevator property**	**Elevator-served property**
0 bedroom	$118,563	$124,770
1 bedroom	$136,703	$143,031
2 bedroom	$164,869	$173,924
3 bedroom	$211,037	$225,002
4 bedroom or more	$235,104	$246,983

Smaller per unit subsidies are allowable and incentivized as point scoring items in the 10 TAC §13.6.

8) **Application Submission Requirements**
   a. **Applications under this NOFA will be accepted starting January 9, 2016.**
   b. All Application materials including manuals, NOFAs, program guidelines, and rules will be available on the Department's website at www.tdhca.state.tx.us. Applications will be required to adhere to the requirements in effect at the time of the Application submission including any requirements of federal rules that may apply and subsequent guidance provided by HUD.
   c. An Applicant may have only one active Application per Development at a time and may only apply under one set-aside at a time.
   d. Applications must be on forms provided by the Department, and cannot be altered or modified and must be in final form before submitting them to the Department. Applicants must submit the Application materials as detailed in the Multifamily Programs Procedures Manual ("MPPM") in effect at the time the Application is submitted. All scanned copies must be scanned in accordance with the guidance provided in the MPPM in effect at the time the Application is submitted.

e. The 2017 CHDO Certification Packet must be submitted with the 2017 Uniform Multifamily Application for Applicants applying under the CHDO Set-Aside.

f. All 4% HTC-layered applications must have a certificate of reservation at the time of Multifamily Direct Loan application submission.

g. Based on the availability of funds, Applications may be accepted until 5pm Austin Local Time on August 31, 2017.

h. The request for project funds may not be less than $300,000, unless during the RAF period the amount available in the applicable region or subregion is less than $300,000, regardless of the set-aside under which an application is being submitted.

i. All Applicants must provide Match in the amount of at least 5 percent of the Direct Loan funds requested. Match must be documented with a letter from the anticipated provider of Match indicating the provider's willingness and ability to make a financial commitment should the Development receive an award of Direct Loan funds.

j. Each CHDO that is awarded HOME funds may also be eligible to receive a grant of up to $50,000 for CHDO Operating Expenses, which are defined in 24 CFR §92.208 as including salaries, wages, and other employee compensation and benefits; employee education, training, and travel; rent; utilities; communication costs; taxes; insurance; and equipment, materials, and supplies.

k. Applicants who are not also applying for 2017 9% or 4% Housing Tax Credits are required to remit a non-refundable Application fee payable to the Texas Department of Housing and Community Affairs in the amount of $1,000.00 per Application. Payment must be in the form of a check, cashier's check or money order. Do not send cash. Section 2306.147(b) of the Texas Government Code requires the Department to waive Application fees for private nonprofit organizations that offer expanded services such as child care, nutrition programs, job training assistance, health services, or human services. These organizations must include proof of their exempt status and a description of their supportive services in lieu of the Application fee. The Application fee is not a reimbursable cost under the Multifamily Direct Loan Program.

l. Applications must be uploaded to the Department's secure web transfer server in accordance with 10 TAC §10.201(1)(C).

9) Post Award Requirements. Applicants are strongly encouraged to review the applicable Post Award requirements in 10 TAC §10, Subchapter E, Post Award and Asset Management Requirements and 10 TAC §13, as well as the Compliance Monitoring requirements in 10 TAC §10, Subchapter F.

a. Awarded applicants may, at the Department's discretion, be charged fees for underwriting, asset management, and ongoing monitoring.

b. All Applicants will be required to record a Land Use Restriction Agreement limiting residents' income and rent for the amount of units required by the Direct Loan Unit Calculation Tool for the term of the loan.

c. Applicants must provide documentation of compliance with the Affirmative Marketing requirements in the Fair Housing Act and will be required to comply with 10 TAC §10.617.

d. All applicants must be registered in the federal System for Award Management (SAM) prior to execution of a HOME/TCAP RF contract and have a current Data Universal

Numbering System (DUNS) number. Applicants may apply for a DUNS number (dnb.com). Once you have the DUNS number, you can register with the SAM.

10) Miscellaneous

a. This NOFA does not include text of the various applicable regulatory provisions pertinent to the HOME Program. For proper completion of the application, the Department strongly encourages potential applicants to review the State and Federal regulations.

b. All Applicants must comply with public notification requirements in 10 TAC §10.203.

c. The Board may on a case by case basis, or in whole, waive procedural provisions of this NOFA where such waiver or exception to the provision(s) are warranted and documented and where such exception is not in violation with any state or federal requirement(s).

d. For questions regarding this NOFA, please contact Andrew Sinnott, Multifamily Loan Program Administrator, at andrew.sinnott@tdhca.state.tx.us.

Attachment A

Regional Allocation Formula Amounts – Combined General and CHDO Set-Asides Available Until 5pm Austin Local Time on February 9, 2017

Urban Sub-Regions	HOME	TCAP RF	Total Sub-Region Amounts
Region 1	$ 239,741	$ 194,212	$ 433,953
Region 2	$ 71,484	$ 71,759	$ 143,243
Region 3	$ 3,358,573	$ 1,972,917	$ 5,331,490
Region 4	$ 772,687	$ 163,793	$ 936,480
Region 5	$ 356,205	$ 108,536	$ 464,741
Region 6	$ 784,812	$ 1,700,279	$ 2,485,091
Region 7	$ 1,955,847	$ 634,341	$ 2,590,188
Region 8	$ 343,055	$ 197,373	$ 540,428
Region 9	$ 638,192	$ 720,433	$ 1,358,625
Region 10	$ 543,829	$ 197,120	$ 740,949
Region 11	$ 622,869	$ 839,841	$ 1,462,710
Region 12	$ 426,527	$ 131,610	$ 558,137
Region 13	$ 748,830	$ 382,639	$ 1,131,469
TOTAL URBAN	**$ 10,862,651**	**$ 7,314,853**	**$ 18,177,504**

Rural Sub-Regions	HOME	TCAP RF	Total Sub-Region Amounts
Region 1	$ 789,566	$ 103,005	$ 892,571
Region 2	$ 615,742	$ 81,403	$ 697,145
Region 3	$ 727,104	$ 92,431	$ 819,535
Region 4	$1,752,985	$ 224,650	$ 1,977,635
Region 5	$1,071,140	$ 138,658	$ 1,209,798
Region 6	$ 420,425	$ 56,884	$ 477,309
Region 7	$ 383,162	$ 51,147	$ 434,309
Region 8	$ 596,366	$ 80,337	$ 676,703
Region 9	$ 550,127	$ 69,564	$ 619,691
Region 10	$ 713,616	$ 90,024	$ 803,640
Region 11	$1,029,507	$ 129,865	$ 1,159,372
Region 12	$ 468,779	$ 58,076	$ 526,855
Region 13	$ 68,736	$ 9,102	$ 77,838
TOTAL RURAL	**$9,187,255**	**$ 1,185,146**	**$ 10,372,401**

Attachment B

Supportive Housing/Soft Repayment Set-Aside
Available Until 5pm Austin Local Time on February 9, 2017

Regions	**TCAP RF**
Region 1	$ 290,885
Region 2	$ 303,415
Region 3	$ 256,199
Region 4	$ 338,697
Region 5	$ 393,447
Region 6	$ 272,344
Region 7	$ 240,605
Region 8	$ 278,926
Region 9	$ 280,384
Region 10	$ 279,068
Region 11	$ 485,226
Region 12	$ 268,909
Region 13	$ 311,895
TOTAL	$ 4,000,000