

**SUPPLEMENTAL
BOARD BOOK OF MARCH 22, 2018**



J. B. Goodwin, Chair

Leslie Bingham Escareño, Vice-Chair

Paul Braden, Member

Asusena Reséndiz, Member

Sharon Thomason, Member

Leo Vasquez, III, Member

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
GOVERNING BOARD MEETING**

**A G E N D A
8:00 AM
March 22, 2018**

**John H. Reagan Building
JHR 140, 105 W 15th Street
Austin, Texas 78701**

CALL TO ORDER

ROLL CALL

J.B. Goodwin, Chair

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 recognizing April as *Fair Housing Month*

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 Tex. Gov't Code Chapter 551. 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 Agreed Final Orders concerning related properties Redbud Trail Apartments (HTF 92041B / CMTS 2515), Waters at Sunrise (HTC 14417 / HOME 1002231 / CMTS 5046), and Stonebriar Village of Plainview (HTC 99102 / CMTS 2174)

Jeffrey T Pender
Deputy General Counsel

SINGLE FAMILY OPERATIONS & SERVICES

- b) Presentation, discussion, and possible action on a proposed amendment to a Colonia Self-Help Center ("Colonia SHC") Program Contract with Cameron County in accordance with 10 TAC Chapter 25, the Colonia Self-Help Center Program Rule

Homero Cabello
Director
Single Family Operations
& Services

MULTIFAMILY FINANCE

- c) Presentation, discussion, and possible action on a Determination Notice for Housing Tax Credits with another Issuer
18407 Sphinx at Sierra Vista Senior Villas Fort Worth
- d) Presentation, discussion, and possible action on Inducement Resolution No. 18-017 for Multifamily Housing Revenue Bonds Regarding Authorization for Filing Applications for Private Activity Bond Authority on the 2018 Waiting List

Marni Holloway
Director, MF Finance

ASSET MANAGEMENT

- e) Presentation, discussion and possible action regarding a Material Amendment to Housing Tax Credit Application
94052 Sea Greens Apartment Homes Port Lavaca

Raquel Morales
Director
Asset Management

CONSENT AGENDA REPORT ITEMS

ITEM 2: THE BOARD ACCEPTS THE FOLLOWING REPORTS:

- a) TDHCA Outreach Activities, (February - March)
- b) Report on the Department's Balance Sheet/Statement of Net Position for the period ended January 31, 2018

Michael Lyttle
Chief of External Affairs

David Cervantes
Chief Financial Officer

ACTION ITEMS

ITEM 3: REPORTS

- a) Report on Department's Fair Housing Activities
- b) Resident Survey and 2019 QAP Project Plan Report
- c) Internal Audit of TDHCA Bond Program's Processes and Controls
- d) Report on the meeting of the Audit and Finance Committee

Suzanne Hemphill
Fair Housing Project Mgr

Marni Holloway
Director, MF Finance

Mark Scott
Director, Internal Audit

ITEM 4: INTERNAL AUDIT

Review and possible acceptance of State Auditor's Office audit of the TDHCA financial statements

Mark Scott
Director, Internal Audit

ITEM 5: MULTIFAMILY FINANCE

- a) Presentation, discussion, and possible action regarding the Issuance of a Governmental Lender Note (The Preserve at Hunters Crossing) Resolution No. 18-015 and a Determination Notice of Housing Tax Credits
- b) Presentation, discussion, and possible action regarding the Issuance of Multifamily Housing Revenue Bonds (Springs Apartments) Series 2018 Resolution No. 18-016 and a Determination Notice of Housing Tax Credits
- c) Presentation, discussion, and possible action regarding site eligibility under 10 TAC §10.101(a)(3) related to Undesirable Neighborhood Characteristics and 10 TAC §10.101(a)(2) of the Uniform Multifamily Rules related to Undesirable Site Features for Anna Dupree Terrace in Houston
- d) Presentation, discussion, and possible action on a timely filed appeal of Application termination under the Department's Multifamily Program Rules
18106 Hallsville Estates Hallsville
18109 The Trails at San Angelo San Angelo
- e) Presentation, discussion, and possible action on an Amendment to the 2018-1 Multifamily Direct Loan Notice of Funding Availability
- f) Presentation, discussion, and possible action on a request for waiver of rules for Brook Haven Supportive Housing (17510)

Marni Holloway
Director, MF Finance

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):

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

J.B. Goodwin
Chair

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 Terri Roeber, ADA Responsible Employee, at 512-475-3959 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 ITEM

MULTIFAMILY FINANCE DIVISION

MARCH 22, 2018

Presentation, discussion, and possible action on a timely filed appeal of application termination under the Department's Multifamily Program Rules

**RECOMMENDED
ACTION**

WHEREAS, the appeals relate to Competitive Housing Tax Credit ("HTC") applications 18106 Hallsville Estates (#18106) and Trails at San Angelo (#18109), which were submitted to the Department by the Full Application Delivery Date;

WHEREAS, notices of termination were provided to the Applicant for failure to meet the requirements of 10 TAC §10.201(1)(C) of the 2018 Uniform Multifamily Rules;

WHEREAS, the Applicant timely filed appeals; and

WHEREAS, the Executive Director denied the appeals;

NOW, therefore, it is hereby

RESOLVED, that the appeals of termination for Hallsville Estates (#18106) and Trails at San Angelo (#18109), are hereby denied.

BACKGROUND

Pursuant to 10 TAC §10.201 Procedural Requirements for Application Submission, subparagraph (1)(C):

(C) The Applicant must upload a PDF copy and Excel copy of the complete Application to the Department's secure web transfer server. Each copy must be in a single file and individually bookmarked as further described in the Multifamily Programs Procedures Manual.

The Applicant for the above mentioned Applications failed to upload the Excel copy of the Applications to the Department's secure web transfer server by the Application Deadline. The appeal mentions the fact that several applications were terminated during the 2017 application cycle for failing to submit the Excel version of the application. The appeal asserts that this was due to staff removing the direction to applicants that the Excel copy should be submitted from the Multifamily Application Procedures Manual, and further contends that staff had failed to place the direction back into the manual as directed by the Board. In fact,

staff did replace the direction that the Excel copy of the application be submitted. Page 49 of the manual (attached) includes the following statement:

“The Application submitted should be the pdf file created from converting the Excel file (into which additional application documentation has been inserted), as well as the Excel file itself.” (emphasis added)

This language notwithstanding, the rules themselves address the issue at 10 TAC §10.201 related to Procedural Requirements for Application Submission, subparagraph (1)(C):

(C) The Applicant must timely upload a PDF copy and Excel copy of the complete Application to the Department’s secure web transfer server. Each copy must be in a single file and individually bookmarked as further described in the Multifamily Programs Procedures Manual. . . It is the responsibility of the Applicant to confirm the upload to the Department’s secure web transfer server was successful and to do so in advance of the deadline.

The appeal also asserts that the staff of the Applicant did not assemble a tax credit application in 2017 and is facing this issue for the first time. While that may be true, the Application lists Audrey Martin as the consultant for the Application. Ms. Martin was the consultant on three applications in 2017, none of which were terminated for the same reason. It is also worth noting that the files were uploaded to the Department’s secure web transfer server on March 2, 2018, giving the impression that someone on the Applicant’s team was aware that the files had been omitted from the uploads the previous day.

The appeal argues that the removal of these Applications from the competitive process would leave their regions underserved and the Department would fail to meet its “statutory mandate for regional dispersion of the credits.” Such a mandate does not exist in statute. In fact, statute speaks directly to instances where regions might go underserved due to the lack of eligible applications. Tex. Gov’t Code §2306.111(d) includes the following direction for the Department:

(d) The department shall allocate housing funds provided to the state under the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. Section 12701 et seq.), housing trust funds administered by the department under Sections 2306.201- 2306.206, and commitments issued under the federal low income housing tax credit program administered by the department under Subchapter DD to all urban areas and rural areas of each uniform state service region based on a formula developed by the department under Section 2306.1115. **If the department determines under the formula that an insufficient number of eligible applications for assistance out of funds or credits allocable under this subsection are submitted to the department from a particular uniform state service region, the department shall use the unused funds or credits allocated to that region for all urban areas and rural areas in other uniform state service regions based on identified need and financial feasibility.** (Emphasis added)

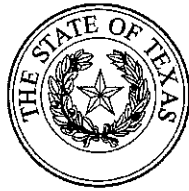
The appeal states that the Excel spreadsheet contains duplicative information and is therefore not material and the omission should be treated as an Administrative Deficiency. This required item is not an alternative depiction of the same information but, in fact, includes functionality that is critically important.

That is why the rule expressly requires the submission of both the PDF and the Excel copy. It enables the staff engaged in reviewing the application to perform certain essential functions, and without its inclusion staff would be greatly disadvantaged, having to undergo the re-creation of this functionality, a process that inherently entails the risk of data entry error. Because this item was expressly required by rule and is essential to the full and efficient review of the application, it is viewed by staff as a material element, and the lack of this material element constitutes, in staff's assessment, cause for termination on the basis of an incomplete application: a material deficiency.

Staff recommends denial of the appeal.

Termination Letter

18106 Hallsville Estates
18109 Trails at San Angelo



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Greg Abbott
GOVERNOR

BOARD MEMBERS
J.B. Goodwin, *Chair*
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Sharon Thomason, Member
Leo Vasquez, Member

March 6, 2018

Writer's direct phone # (512) 475-1676
Email: marni.holloway@tdhca.state.tx.us

Mr. Adrian Iglesias
TX Hallsville Estates 2018, Ltd
8641 5th Street, W-5
Frisco, Texas 75034

RE: TERMINATION OF 2018 COMPETITIVE HOUSING TAX CREDIT APPLICATIONS 18106
HALLSVILLE ESTATES AND 18109 THE TRAILS AT SAN ANGELO

Dear Mr. Iglesias:

The Texas Department of Housing and Community Affairs ("the Department") is in receipt of the applications indicated above. Pursuant to 10 TAC §10.201(1)(C), the Applicant must upload a PDF copy and Excel copy of the complete Application to the Department's secure web transfer server. It is the responsibility of the Applicant to confirm the upload to the Department's secure web transfer server was successful and to do so in advance of the March 1, 2018 deadline. The Excel copies of the Applications were not uploaded to the Department's secure web transfer server in advance of the deadline, but were instead uploaded on March 2, 2018, at 9:04 a.m. and 9:06 a.m., respectively in violation of §11.2 of the Qualified Action Plan. Therefore, the Applications were untimely and are, hereby terminated.

An appeal process exists for the Housing Tax Credit Program. The restrictions and requirements related to the filing of an appeal can be found in 10 TAC §902 of the 2018 Uniform Multifamily Rules, Subchapter C. 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 if 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 2018 Uniform Multifamily Rules for full instruction on the appeals process.

If you have any questions or concerns, please contact me at 512-475-1676 or by email at marni.holloway@tdhca.state.tx.us.

Sincerely,

A handwritten signature in black ink, appearing to read "Marni Holloway", written over a horizontal line.

Marni Holloway
Director of Multifamily Finance



Appeal Documents

18106 Hallsville Estates
18109 Trails at San Angelo



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March 12, 2018

Via Electronic Mail

Tim Irvine
Executive Director
Texas Department of Housing and Community Affairs
221 West 11th Street
Austin, Texas 78701

Re: #18106 Hallsville Estates
#18109 The Trails at San Angelo
Appeal of Termination for Omission of Excel Spreadsheet

Dear Mr. Irvine:

We represent Generation Housing Development, LLC (the "**Applicant**"), which filed the above-referenced applications (the "**Applications**") for low-income housing tax credits. This letter constitutes an appeal of the termination of the Applications by staff of the Texas Department of Housing and Community Affairs (the "**Department**").

A termination notification was issued by the Department based on the grounds that the Applications did not include the Excel files used to create the full applications. We respectfully request reconsideration of this decision because the instructions for electronic submission of the full applications did not state that the Excel spreadsheets were required to be included. Additionally, we contest that the Excel spreadsheets are material to the Applications because they contained information identical to the information provided in the PDF documents. Therefore, the Applicant should be allowed to provide the Excel files through the Administrative Deficiency process

HISTORICAL INFORMATION

In the 2017 application cycle, 12 applications were terminated for failure to include the Excel files with the application submission. This massive error among the applicant community occurred because the Department changed the Multifamily Application Procedures Manual between 2016 and 2017. In 2016, the Manual reminded applicants to upload the active Microsoft Excel files. A copy of the applicable page from the "Application Assembly Instructions" in the 2016 Manual is attached as **Exhibit A**. In 2017, the Department removed this language from the Application Assembly Instructions. A copy of the applicable page from the 2017 Manual is attached as **Exhibit B**.

The applicants whose applications were terminated in 2017 vigorously argued appeals before the Board on March 23, 2017. After hearing those appeals, one of the Board members specifically asked staff to restore the language for the 2018 Manual. Staff indicated that they would do so. A copy of the applicable pages from the Board transcript is attached as **Exhibit C**. However, when the 2018 Manual was prepared, the language was not changed as requested and was identical to the language in 2017 Manual. A copy of the applicable page from the 2018 Manual is attached as **Exhibit D**.

The staff of our client, the Applicant, did not assemble a tax credit application in 2017. Thus, it is facing this issue, regarding the change in the Manual, for the first time.

MERITS OF ARGUMENT

In addition to the legal arguments presented below, the Applicant believes that its Applications should be reinstated for the meritorious reasons listed below.

TDHCA Failure to Modify the Manual as Requested by the Board. Based upon the number of applications that were negatively impacted by the change in the 2017 Manual, it was patently clear that the 2018 Manual was unclear. At the March 23, 2017 Board meeting, applicants testified that they "relied heavily, if not solely, on the procedures manual."¹ In response, staff asserted that "The application manual cannot be considered a substitute for the 271 pages of rules that govern the Multifamily programs."² Herein lies the problem. When a competitive process is so complex that it requires almost 300 pages of rules for the participants, and when an applicant has no more than three months to assemble this complex application, a manual is an essential tool for the applicants. The Department regularly modifies its rules, manuals, and procedures from one application cycle to the next because of flaws that are identified in the course of the cycle. If the Department knew that the omission in its 2017 Manual was problematic, it should have been a simple matter to restore the language when the 2018 Manual was prepared, as Dr. Muñoz requested.

Regional Allocation of Tax Credits. When appeals were argued in 2017, staff noted that all of the applications filing appeals were in regions that were oversubscribed.³ The implication was that the termination of these applications would not have a material adverse effect on the availability of affordable housing in their respective regions, because there were plenty of other applications that would be available for award. That is not the case this year. Application #18106 is in Rural Region 4. There is only one active application in that region, for \$680,462 of credits. There are \$1,437,000 of credits estimated for allocation in that region. If the active application receives an award, Rural Region 4 will be 53% underserved. This fails to meet the Department's statutory mandate for regional dispersion of the credits. Similarly, Application #18109 is in Urban Region 12. There is only one active application for that region, for \$778,700 of credits. There are \$844,595 of credits estimated for

¹ TDHCA Board Transcript dated March 23, 2017, page 39, lines 12-14.

² TDHCA Board Transcript dated March 23, 2017, page 36, lines 9-11.

³ TDHCA Board Transcript dated March 23, 2017, page 36, lines 23-24.

allocation in that region. The score for Application #18109 is less than the score for the current active application. However, if the current application fails to proceed for any reason, Urban Region 12 would not receive any tax credits in 2018. Reinstated Application #18109 would provide a backup to ensure the credits are not lost from this region.

EXCEL SPREADSHEETS DUPLICATIVE: NOT MATERIAL INFORMATION

Additionally, it continues to be our position that the PDFs submitted contain all the material information to the Applications and that the Excel files are supplemental to the PDF—therefore they could properly be added through the Administrative Deficiency process.

An “Administrative Deficiency” is defined in 10 TAC § 10.3 as “**information** requested by Department staff that is required to clarify or correct one or more inconsistencies or to provide non-material missing information in the original Application or **to assist staff in evaluating the Application** that . . . may be cured by supplemental information or explanation which will not necessitate a substantial reassessment or re-evaluation of the Application.” (emphasis added)

A “Material Deficiency” is defined in 10 TAC § 10.3 as “[a]ny deficiency in an Application or other documentation that exceeds the scope of an Administrative Deficiency.” The Multifamily Rules clearly and explicitly conclude that if a deficiency is within the scope of the definition of an Administrative Deficiency, then it cannot be defined as a Material Deficiency.

In this case, the information provided in the Excel files is identical to the information provided in the PDF files. The only distinction is that the Excel files assist staff in more easily manipulating and working with the same data included in the PDF files. Therefore, the information omitted by Applicant was precisely the kind of data described in the definition of Administrative Deficiency that “assists staff in evaluating the Application.”

Additionally, because the Excel file information duplicated that in the PDF file, it cannot be argued that any “material” information was omitted. What was omitted was “non-material” but helpful information that assists staff in evaluating the Applications.

Finally, because the Excel file data was duplicative of that in the PDF files, supplementation of the Applications with such information would not “necessitate a substantial reassessment or re-evaluation of the Application.” The Department may simply compare the data in the Excel files to the PDF files presently in its possession to verify that such supplementation is identical.

Therefore, because the Excel files constitute information that is clearly within the scope of the definition of Administrative Deficiency, based upon the express language of the Multifamily Rules, their omission cannot be characterized as a Material Deficiency.

REQUEST FOR ACTION

The Applicant has already supplied the Department with the Excel files for the Applications. We note that § 10.201(1)(C) of the Multifamily Rules says:

Where there are instances of computer problems, mystery glitches, etc. that prevent the Application from being received by the Department prior to the deadline, the Application may be terminated.

Termination of the Applications is permissive. Given the totality of the circumstances, we believe equity dictates that the Applications not be terminated in this instance, for all of the reasons described above.

Alternatively, since the omission of the Excel files may be handled as an easily correctible Administrative Deficiency, we respectfully request the Department acknowledge that it has now received the Excel files to satisfy the Administrative Deficiency, and reinstate the Applications.

Sincerely,



Cynthia L. Bast


cc: Chris Applequist
Adrian Iglesias

2016 Multifamily Application Procedures Manual

The Department shall not be responsible for internet connectivity problems on the part of the Applicant and shall not be responsible for any delivery failure on the part of the Applicant; it is their responsibility to ensure timely delivery. If the Applicant chooses to use a postal or courier service to deliver the payment to TDHCA and such service fails to make the delivery by the deadline, then the Application will be considered untimely and will not be accepted. Pursuant to §10.201(1)(A) of the Uniform Multifamily Rules, if an Application, including the corresponding Application fee is not submitted to the Department on or before the applicable deadline, the Applicant will be deemed not to have made an Application.

Application Assembly Instructions

For each Application the Applicant must ensure execution of all necessary forms and supporting documentation, and place them in the appropriate order according to this manual. The submitted Application should be the electronic copy created from the Excel file, **not** a scanned copy of the Excel or PDF file. Scanned copies of the Application are difficult to read, and slow down the process for staff and applicants.

 **NEW!** All Application materials must be uploaded to the Serv-UHTTPs account in electronic format only, unless specifically noted otherwise. The Applicant must upload:

1. **An active Microsoft Excel based 2016 Multifamily Uniform Application; and**
2. The completed, executed PDF copy of the 2016 Multifamily Uniform Application with all attachments;
3. a complete, searchable PDF copy of the following Third Party reports:
 - Phase I Environmental Site Assessment,
 - Property Condition Assessment (where applicable),
 - Appraisal (where applicable)
 - Feasibility Study
 - If the Market Study is available, it may be uploaded with all other Third Party reports.

Staff appreciates that third party reports may come directly from the report provider and will also accept one third party report per PDF file. Tabs within the Application should not be separated into separate files.

Label the PDF and Excel files with the development name and application number (if assigned at Pre-Application). If an application number has not previously been assigned or a Pre-Application was not submitted, then as stated above, a hard copy of the *Electronic Filing Agreement* must be submitted by February 1, 2016 in order to ensure enough time for the Department to create the Serv-UHTTPs account and for you to set-up the password. The *Electronic Filing Agreement* is posted on the Department's website at <http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm>. Please email the form to Liz.Cline@tdhca.state.tx.us.

4. Completed hard copy of the 2016 Payment Receipt must be delivered to the Department. Attach check for the correct Application Fee made payable to "Texas Department of Housing and Community Affairs"; and
5. Payment – the Housing Tax Credit Application fee is \$30 per unit as represented in the Application. For competitive Housing Tax Credit applications, if a pre-application was submitted, the fee is \$20 per unit as represented in the full application (regardless of any change in the

EXHIBIT B

2017 Multifamily Application Procedures Manual

TDHCA and such service fails to deliver the payment by the deadline, then the Application will be considered untimely and will not be accepted. **Likewise, the Department shall not be responsible for transmission failures whether caused by malware, internet connectivity problems or equipment failures on the part of the Applicant.**

Applicants are advised to take any steps necessary to ensure timely delivery of all application materials. Applicants should not expect to have the opportunity to complete the application materials at TDHCA offices on the final day of the submission period.

Application Assembly Instructions

For each Application the Applicant must ensure execution of all necessary forms and supporting documentation, and place them in the appropriate order according to this manual. The submitted Application should be the electronic copy created from the Excel file, ***not*** a scanned copy of the Excel or PDF file. Scanned copies of the Application are difficult to read, raise questions regarding accuracy and will not be accepted.

All Application materials must be submitted via the Department's secure web transfer server. The Applicant must physically deliver the following:

1. Completed hard copy of the 2017 Payment Receipt. Attach evidence of nonprofit status (as applicable) and a check for the correct Application Fee made out to "Texas Department of Housing and Community Affairs"; and
2. Completed and fully executed 2017 Electronic Application Filing Agreement (**Only required if no pre-app submitted**).
3. Payment – the fee for competitive Housing Tax Credit Applications is \$30 per unit as represented in the Application. If a Pre-application was submitted, the fee is \$20 per unit as represented in the full application (regardless of any change in the number of units from Pre-application to application). A 10% discount applies to some fees pursuant to §10.901(3) of the Uniform Multifamily Rules. *Please do not submit checks for more than the applicable fee.*

Required Forms and Exhibits for the Application

The 2017 Multifamily Housing Application form consists of seven (7) parts. Complete all applicable parts. Those cells which require entry are highlighted yellow. Some of the required information for this form has been entered in a previous tab and will auto fill here as applicable. Please review and ensure all information is accurate. Remember to include any supporting documentation.

Applicants are cautioned that some parts of the Application are specific to fund sources and programs. Applicants to the Multifamily Direct Loan Program must complete all applicable parts, regardless of the fund source they wish to access.

REMEMBER – Pursuant to §11.9(a) of the QAP, Applicants that elect points where supporting documentation is required but fail to provide any supporting documentation will not be allowed to cure the issue through an Administrative Deficiency.

1 MS. HOLLOWAY: Marni Holloway, Multifamily
2 Finance.

3 I wanted to inform the Board that one of our
4 colleagues and dear friends at HUD will be retiring soon,
5 Steven Eberlein is the manager of a big chunk of the
6 programs out of the Fort Worth office. We deal with him
7 through our HOME funds, we've dealt with him through NSP,
8 a little bit through National Housing Trust Fund. He has
9 proven himself over and over again to be a reasonable,
10 reliable, thoughtful colleague, and I for one will very
11 much miss having that guidance and that just huge body of
12 knowledge, also one that he applies with a sense of what
13 we as a state are capable of doing.

14 So I wanted to let you know that Steve is
15 retiring. Staff will be sending him a small appreciation,
16 but I also wanted it to be on the record and to let you
17 all know.

18 MS. BINGHAM ESCAREÑO: Thank you, thanks for
19 doing that.

20 DR. MUÑOZ: Hey, Marni, just one final thought
21 before you sit down. Has the manual for next year been
22 created?

23 MS. HOLLOWAY: For next year, no.

24 DR. MUÑOZ: Is it going to have a sentence
25 about -- are we going to restore that statement about the

1 Excel sheet?

2 MS. HOLLOWAY: Probably. We'll probably make a
3 big swing at some other changes too. And I would point
4 out that our application workshop completely covered all
5 of these issues and several of the people sitting here
6 were in that workshop.

7 DR. MUÑOZ: I get it. I guess what I'm saying
8 is it should be more than just probably, if for no other
9 reason than to avoid ten, twelve. I mean, it's a
10 sentence. Right?

11 MS. HOLLOWAY: Actually, it was a whole section
12 that we took out, but we certainly will put that back in.

13 DR. MUÑOZ: If you could put a sentence back
14 in.

15 MR. ECCLES: Respectfully, this beyond the call
16 of the Public Meetings Act.

17 MS. BINGHAM ESCAREÑO: Just general public
18 comment.

19 MR. ECCLES: This is really a public comment
20 section.

21 MS. BINGHAM ESCAREÑO: Good observation.

22 DR. MUÑOZ: Okay.

23 MS. BINGHAM ESCAREÑO: Thanks, Marni.

24 And I hope that whoever your new contact is at
25 HUD had Steve as a role model.

EXHIBIT D

2018 Multifamily Application Procedures Manual

- ✓ Files must be readable with free PDF file viewers including Adobe Reader and be compatible with Adobe Reader 5.0 and above
- ✓ Files should be saved so that “Fast Web View” (or page at a time downloading) is enabled
- ✓ Text within the PDF file should be searchable using the “Find” command in the PDF viewer

If you have any questions on using or experience difficulties with the Microsoft Excel based Application, contact Multifamily Finance Division staff via email. Contact information may be found at <http://www.tdhca.state.tx.us/multifamily/contacts.htm> . In some instances a file may have small variations in bookmarks, file sizes, or readability that are not explicitly cited as requirements in the rule. Staff will use a reasonableness standard in determining when such deviations rise to the level of necessitating termination or other remedy.

Application Assembly Instructions

For each Application the Applicant must ensure execution of all necessary forms and supporting documentation, and place them in the appropriate order according to this manual. The submitted Application should be the electronic copy created from the Excel file. Do not print and scan the Excel file. Do not print and scan the PDF file. Convert the Excel form to a PDF, and then insert scanned pages only as indicated below. Scanned copies of the Application are difficult to read, are not searchable, raise questions regarding accuracy and will not be accepted.

All Application materials must be submitted via the Department’s secure web transfer server. The Applicant must physically deliver the following:

1. Completed hard copy of the 2018 Payment Receipt. Attach evidence of nonprofit status (as applicable) and a check for the correct Application Fee made out to “Texas Department of Housing and Community Affairs”; and
2. Completed and fully executed 2018 Electronic Application Filing Agreement (**Only required if no pre-app submitted**).
3. Payment – the fee for competitive Housing Tax Credit Applications is \$30 per unit as represented in the Application. If a pre-application was submitted, the fee is \$20 per unit as represented in the full Application (regardless of any change in the number of units from pre-application to Application). A 10% discount applies to some fees pursuant to §10.901(3) of the Uniform Multifamily Rules. *Please do not submit checks for more than the applicable fee.*

Application Delivery Instructions

Applications are accepted only through the Serv-U portal. Physical delivery of Applications will not be accepted. For guidance on using Serv-U, refer to the [Electronic Document Upload User Guide \(MF Serv-U FTP\)](#) posted on the Department’s “Apply for Funds” page.

Application payments are accepted during regular business hours:

Deliver To: Multifamily Finance Division
(overnights) Texas Department of Housing and Community Affairs

Executive Director's Response

18106 Hallsville Estates

18109 Trails at San Angelo



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdca.state.tx.us

Greg Abbott
GOVERNOR

BOARD MEMBERS
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Sharon Thomason, Member
Leo Vasquez, Member

March 13, 2018

Writer's direct phone # (512) 475-3296
Email: tim.irvine@tdca.state.tx.us

Ms. Cynthia Bast
Locke Lord, LLP
600 Congress, Ste. 2200
Austin, Texas 78701

RE: RESPONSE TO APPEAL OF TERMINATION OF 2018 COMPETITIVE HOUSING TAX CREDIT APPLICATIONS 18106 HALLSVILLE ESTATES AND 18109 THE TRAILS AT SAN ANGELO

Dear Ms. Bast:

The Texas Department of Housing and Community Affairs ("the Department") is in receipt of the appeal dated March 12, 2018, related to the applications indicated above. The Excel copies of the Applications were not uploaded to the Department's secure web transfer server in advance of the deadline. As such, staff determined that the Applications were incomplete and the Applications were terminated, subject to the Applicant's appeal rights.

The appeal mentions the fact that several applications were terminated during the 2017 application cycle for failing to submit the Excel version of the application. The appeal asserts that this was due to staff removing the direction to applicants that the Excel copy should be submitted from the Multifamily Application Procedures Manual, and further contends that staff had failed to place the direction back into the manual as directed by the Board. In fact, staff did replace the direction that the Excel copy of the application be submitted. Page 49 of the manual (attached) includes the following statement:

"The Application submitted should be the pdf file created from converting the Excel file (into which additional application documentation has been inserted), as well as the Excel file itself." (emphasis added)

This language notwithstanding, the rules themselves address the issue at 10 TAC §10.201 related to Procedural Requirements for Application Submission, subparagraph (1)(C):

(C) The Applicant must timely upload a PDF copy and Excel copy of the complete Application to the Department's secure web transfer server. Each copy must be in a single file and individually bookmarked as further described in the Multifamily Programs Procedures Manual. . . It is the responsibility of the Applicant to confirm the upload to the Department's secure web transfer server was successful and to do so in advance of the deadline.

The appeal also asserts that the staff of the Applicant did not assemble a tax credit application in 2017 and is facing this issue for the first time. While that may be true, the Application lists Audrey Martin as the consultant for the Application. Ms. Martin was the consultant on three applications in 2017, none of which were terminated for the same reason. It is also worth noting that the files were uploaded to the Department's secure



web transfer server on March 2, 2018, giving the impression that someone on the Applicant's team was aware that the files had been omitted from the uploads the previous day.

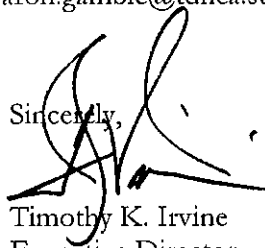
The appeal argues that the removal of these Applications from the competitive process would leave their regions underserved and the Department would fail to meet its "statutory mandate for regional dispersion of the credits." Such a mandate does not exist in statute. In fact, statute speaks directly to instances where regions might go underserved due to the lack of eligible applications. Tex. Gov't Code §2306.111(d) includes the following direction for the Department:

(d) The department shall allocate housing funds provided to the state under the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. Section 12701 et seq.), housing trust funds administered by the department under Sections 2306.201- 2306.206, and commitments issued under the federal low income housing tax credit program administered by the department under Subchapter DD to all urban areas and rural areas of each uniform state service region based on a formula developed by the department under Section 2306.1115. **If the department determines under the formula that an insufficient number of eligible applications for assistance out of funds or credits allocable under this subsection are submitted to the department from a particular uniform state service region, the department shall use the unused funds or credits allocated to that region for all urban areas and rural areas in other uniform state service regions based on identified need and financial feasibility.** (Emphasis added)

The appeal states that the Excel spreadsheet contains duplicative information and is therefore not material and the omission should be treated as an Administrative Deficiency. This required item is not an alternative depiction of the same information but, in fact, includes functionality that is critically important. That is why the rule expressly requires the submission of both the PDF and the Excel copy. It enables the staff engaged in reviewing the application to perform certain essential functions, and without its inclusion staff would be greatly disadvantaged, having to undergo the re-creation of this functionality, a process that inherently entails the risk of data entry error. Because this item was expressly required by rule and is essential to the full and efficient review of the application, it is viewed by staff as a material element, and the lack of this material element constitutes, in staff's assessment, cause for termination on the basis of an incomplete application: a material deficiency.

I do not find that the points raised in your appeal clearly demonstrate that the Applications should not have been terminated, and accordingly I must deny the appeal. If you are not satisfied with this decision, 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 2017 Uniform Multifamily Rules for full instruction on the appeals process. If you wish to have this appeal heard at the March 22, 2018, Board meeting, any additional materials must be received by noon on Monday, March 19. Should you have any questions, please contact Sharon Gamble, Competitive Tax Credit Program Administrator, at sharon.gamble@tdhca.state.tx.us or by phone at 512-936-7834.

Sincerely,



Timothy K. Irvine
Executive Director

Attachment: p. 49 of the 2018 Multifamily Application Procedures Manual

2018 Multifamily Application Procedures Manual

Select “Insert from File”, navigate to document to be inserted and select it. In the dialog box, selected appropriate page number and indicate whether the document is to be inserted before or after that page. Click okay.

Do not submit a scanned copy of the Excel or PDF file.

The Application submitted should be the pdf file created from converting the Excel file (into which additional application documentation has been inserted), as well as the Excel file itself. **A fully scanned Application is difficult to read, is not searchable, and creates question regarding accuracy.**

Creating Bookmarks

Once the file has been converted to PDF and all executed forms have been inserted into their appropriate location within the file, you will need to create Bookmarks. Bookmarks may or may not have already been created as part of the conversion process. You will need to designate or re-set the locations. To correctly set the Bookmark locations you must have the PDF file open in Adobe Acrobat. Click on the Bookmark icon located on the left-hand side of the Adobe Acrobat screen, or go to the task bar and select these options in the following order: **View** → **Navigation Panels** → **Bookmarks**.

If a Bookmark has already been created for each tab within the Excel file, simply re-set the bookmarks to the correct locations. To re-set the location for the Bookmarks, go to the first page of each separately labeled form/exhibit. You will then right-click on the corresponding Bookmark for the form/exhibit you are currently viewing. Select **Set Destination** and a pop-up box will appear asking you the following: "Are you sure you want to set the destination of the selected bookmark to the current location?" Select **Yes**.

If Bookmarks were not already created within the Excel file, then you will need to create these Bookmarks. Go to **Document** → **Add Bookmark**. Right-click on the first Bookmark and re-name it for the appropriate form or exhibit. You will then need to set the location of the Bookmark by going to the first page of each form or exhibit, right click on the corresponding Bookmark and select **Set Destination**. A pop-up box will appear asking you the following: "Are you sure you want to set the destination of the selected bookmark to the current location?" Select **Yes**.

Tabs within the Excel Application workbook have been color coded to distinguish between “Parts” of the Application consistent with this manual. Additionally, beside each bulleted item a label to use for purposes of bookmarking the final PDF Application file is included in parentheses.

If you have extra blank pages of any exhibit after conversion of the Excel file to PDF, you can delete those pages in order to limit the size of the file. To delete any extra, unnecessary pages identify the page number(s) you want deleted. On the Adobe Acrobat Task Bar click on Document and select Delete Pages from the drop down list. A box will appear prompting you to select which page(s) you would like to delete. Enter the page numbers to be deleted and hit OK. If you delete anything YOU are responsible for ensuring you did it correctly and did not inadvertently delete something you should have kept.

The PDF formatted file must be checked for the following prior to submission:

- ✓ All tabs and/or volumes must be correctly bookmarked
- ✓ Files should average less than 100 kilobytes per page

5f

Supplemental Materials

Item 5 f) Presentation, discussion, and possible action
on a request for waiver of rules for Brook
Haven Supportive Housing (17510)

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

TEXAS DIRECT LOAN PROGRAM

Form 25
Sweat Equity Affidavit

In accordance with Chapter 2306, Subchapter FF of the Texas Government Code and the Texas Direct Loan Program Rules and Manual, the Owner-Builder Applicant(s) have executed a Self-Help Agreement and have provided 50% of the labor necessary to build the proposed housing and/or other housing units through a state-certified owner-builder housing program.

I, the Owner-Builder Applicant and/or Owner-Builder Co-Applicant, have provided through personal labor at least 50 percent of the labor necessary to build or rehabilitate the proposed housing by working through a state-certified owner-builder housing program;

I, the Owner-Builder Applicant and/or Owner-Builder Co-Applicant, have provided personal labor at least 50 percent of the labor necessary through building or rehabilitating housing for others through a state-certified owner-builder housing program;

I, the Owner-Builder Applicant and/or Owner-Builder Co-Applicant, have provided through the non-contract labor of friends, family, or volunteers and through personal labor at least 50 percent of the labor necessary to build or rehabilitate the proposed housing by working through a state-certified owner-builder housing program;

I, the Owner-Builder Applicant and/or Owner-Builder Co-Applicant, cannot provide the amount of personal labor required due to a documented disability or other limiting circumstances; however, at least 50% of the labor necessary to build or rehabilitate the proposed housing has been provided through the non-contract labor of friends, family, or volunteers by working through a state-certified owner-builder housing program.

Signature of Owner-Builder Applicant _____ Printed Name _____

Signature of Owner-Builder Co-Applicant _____ Printed Name _____

Signature of NOHP's Authorized Agent _____ Printed Name _____

ACKNOWLEDGEMENT

STATE OF TEXAS)
COUNTY OF _____)

Before me, this instrument was signed and acknowledged on _____, 20____.

Notary Public, State of Texas

Typed / Printed Name

(SEAL)

My Commission Expires

Marni Holloway

Subject: FW: 2016 and 2017 Bank Statements
Attachments: SCOPE OF THE WORK ROCKDALE.docx; FUTA Exemption.pdf; 96-122.pdf; Sales tax calculator for Texas, United States in 2018.pdf; Davis-Bacon and HOME Course Manual.pdf; tx246 Miliam County Exemption.pdf; tx311 Miliam.pdf

From: willman [<mailto:rrsims90@aol.com>]
Sent: Friday, March 16, 2018 5:21 PM
To: Andrew Sinnott; Marni Holloway
Subject: Re: 2016 and 2017 Bank Statements

Marni and Andrew

In continuation for the request for the waiver. Not only do I bring the property tax exemption as equity to the project, Which have excluded from the development cost schedule That is equal to \$80,000 in equity, In addition I have attached the scope of the work for the Rockdale development it breakdown the material and labor per 6 units, The labor cost for the 30 units is \$812,585, the FUTA Tax is \$52,493.00, I excluded it from the Development cost, The Non Profit is exempt from the contribution (see Attachment). The non profit is exempt from sales tax with purchases (see Attachement) The material cost based upon the scope of the work per 6 units for the entire projects is \$908,775, the tax exemption for the purchase is \$56,798.00 this was excluded from the development cost. The total development fee for the project is \$665,000. We excluded \$150,000 from the development cost and forgiven 286,735 on the sources and uses the foregone development fees (sweat equity whether HOME or NHTF) is \$436,730.00, And finally equity that cannot be be calculated is no matter whether it HOME assistance or NHTF assistance the project is exempt from Davis Bacon prevailing wages for two reason number one the request from TDHCA can only assist 12 units, and because as the developer I was intelligent enough to do the single family design Davis Bacon does not apply so the owner Equity as a non profit is \$626,021 and this does not include quid pro quo or donated labor during construction.

So can you please include this above info for the board meeting on Thursday

Rick

-----Original Message-----

From: Andrew Sinnott <andrew.sinnott@tdhca.state.tx.us>
To: willman <rrsims90@aol.com>
Sent: Wed, Mar 14, 2018 10:59 am
Subject: RE: 2016 and 2017 Bank Statements

Thanks, Rick. We are in receipt of all of the documentation you have sent today.

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)).

ROCKDALE

PER 6 UNIT

SCOPE OF THE WORK

Direct Cost Items				
Item Name	Materials	Labor	Equipment	Total
Excavation	----	3,234	1,122	4,356
Foundation, Piers, Flatwork	12,327	14,466	3,075	29,868
Insulation	4,899	2,444	----	7,343
Rough Hardware	918	1,078	232	2,228
Masonry Frame	32,492	42,431	2,629	77,552
Exterior Finish	17,183	7,760	3,286	28,229
Exterior Trim	1,225	1,688	309	3,222
Doors	4,707	2,407	----	7,114
Windows	4,745	1,725	----	6,470
Roofing, Soffit, Fascia	17,431	8,941	----	26,372
Finish Carpentry	2,143	6,826	----	8,969
Interior Wall Finish	8,113	9,269	----	17,382
Lighting Fixtures	3,674	862	----	4,536
Painting	4,823	8,407	----	13,230
Carpet, Flooring	10,716	5,857	----	16,573
Bath Accessories	1,760	826	----	2,586
Shower & Tub Enclosures	1,149	719	----	1,868
Plumbing Fixtures	10,333	3,772	----	14,105
Plumbing Rough-in	5,128	9,593	----	14,721
Wiring	4,975	6,898	----	11,873
Built In Appliances	5,512	575	----	6,087
Cabinets	11,328	2,659	----	13,987
Countertops	3,445	2,156	----	5,601
Central Heating and Cooling	12,729	17,924	----	30,653
Subtotal direct job cost	\$181,755	\$162,517	\$10,653	\$354,925

Indirect Cost Items				
Item Name	Materials	Labor	Equipment	Total
Final Cleanup	----	2,733	----	2,733
Insurance	13,700	----	----	13,700
Permits & Utilities	9,689	----	----	9,689
Design & Engineering	4,508	----	----	4,508
Subtotal indirect job cost	\$27,897	\$2,733	----	\$30,630

Grand Total				
Item Name	Materials	Labor	Equipment	Total
Contractor Markup	\$49,690	----	----	\$49,690
Total cost	\$259,342	\$165,250	\$10,653	\$435,245

Characteristics of this home include the following.

The perimeter of the building has 4 corners.

The living area is 6,600 square feet.

The number of stories is 2.

This home was built in 2017 (average age considering all additions).

Carport: 300 square feet under the roof.

Central ducted heating and cooling.

The quality of this home could be summarized as "Class 6, Minimum Standard."

Homes of this quality commonly have the following characteristics:

Class 6 foundation and floor. Thickened edge slab on grade. No elevation changes.

Class 6 masonry exterior walls. Painted block or brick. No offsets, decorative details or changes in wall height.

Class 6 exterior finish. Painted.

Class 6 windows and doors. Minimum grade flush doors. Vinyl or aluminum windows

Class 6 roof and soffit. Simple roof plan with minimum composition shingle or built-up roof cover. Small open soffit.

Class 6 interior finish. Smooth 3/8 inch gypboard. Few decorative details. Drop ceiling in kitchen.

Class 6 floor finish. Composition tile, minimum grade sheet vinyl or utility grade nylon carpet.

Class 6 bathrooms. Low cost fixtures. Less bathrooms than bedrooms. Small window in master bath.

Class 6 plumbing and electrical. 3 minimum cost plumbing fixtures per bathroom. 10 light fixtures. 4 built-in minimum cost appliances.

Class 6 kitchen. Under 10 LF of low cost wall and base cabinets. Laminated plastic counter top.

Sales Tax States

%

Home | Sales Tax Calculator 2018

Reverse Sales Tax Calculator 2018

Other states sales taxes

Previous Years Sales Tax Calculators

Michigan

Idaho

Zip code, State name or City Name

GO

District of Columbia

Minnesota



Virgin Islands

Mississippi

OPEN A RETIREMENT ACCOUNT AND GET UP TO \$600.

OPEN AN ACCOUNT

E*TRADE Securities LLC

Texas Region & zip code

Texas

Sales Tax Calculator of Texas for 2018

Pick a Texas city

Pick a Texas ▼

Calculation of the general sales taxes of Texas State for 2018

10 largest cities of Texas

(by zip code qty)

Amarillo

Arlington

Austin

Corpus Christi

Dallas

El Paso

Fort Worth

Houston

Lubbock

San Antonio

Full list of Texas cities

Amount before taxes	Sales tax rate(s)	Amount of taxes
908775	6.25% ▼	56798.44

Amount after taxes
965573.44

Hertz **Hertz® Car Rental** Get Peace of Mind With Our Best Rate Guaranteed. Visit Hertz.com Today!

Special Offers And Discounts

How 2018 Sales taxes are calculated in Texas

The state general sales tax rate of Texas is 6.25%. Cities and/or municipalities of Texas are allowed to collect their own rate that can get up to 2% in city sales tax.

Every 2018 combined rates mentioned above are the results of Texas state rate (6.25%), the county rate (0% to 1.5%), the Texas cities rate (0% to 2%), and in some case, special rate (0% to 2%).

The Texas's tax rate may change depending of the type of purchase. Some of the Texas tax type are: Consumers use, rental tax, sales tax, sellers use, lodgings tax and more.

Please refer to the [Texas website](#) for more sales taxes information.

Texas state rate(s) for 2018

6.25% is the smallest possible tax rate (, Texas)
 6.3%, 6.5%, 6.75%, 7%, 7.25%, 7.5%, 7.75%, 8%, 8.125% are all the other possible sales tax rates of Texas cities.
 8.25% is the highest possible tax rate (, Texas)

The average combined rate of every zip code in Texas is 7.566%

Rates changes

Some changes has been made in Texas for county, city and/or special rates in 2018 compared to 2017 Q3.

List of 5 Texas cities and their changes

City Name	County Rate	City Rate	Special Rate
Cedar Hill	0%	1.875% (-0.0050000000000001%)	0.125% (-0.005%)
Kerens	0.5%	1.5% (+1.5%)	0%
Big Sandy	0.5%	1.25% (-0.25%)	0.25% (+0.25%)
Southlake	0%	1.875% (-0.0050000000000001%)	0.125% (-0.005%)
Fort Worth	0%	1.125% (-0.005%)	0.875% (-0.005%)

Other 2018 sales tax fact for Texas

As of 2018, there is 578 out of 1492 cities in Texas that charge city sales tax for a ratio of 38.74%.

There is also 1556 out of 2743 zip codes in Texas that are being charged city sales tax for a ratio of 56.726%.

Last sales taxes rates update

The last rates update has been made on January 2018.

Other states sales taxes

Michigan	Idaho
District of Columbia	Minnesota
Iowa	Puerto Rico
Virgin Islands	Mississippi

No warranty is made as to the accuracy of information provided. Sales Tax States shall in no case be held responsible for problems related to the use of data and calculators provided on this website.

For questions, comments or suggestions, or if you notice a problem with one of our sales tax calculator or rates, please contact info@salestaxstates.com.

General Decision Number: TX180311 01/05/2018 TX311

Superseded General Decision Number: TX20170311

State: Texas

Construction Type: Building

County: Midland County in Texas.

BUILDING CONSTRUCTION PROJECTS (does not include single family homes or apartments up to and including 4 stories).

Note: Under Executive Order (EO) 13658, an hourly minimum wage of \$10.35 for calendar year 2018 applies to all contracts subject to the Davis-Bacon Act for which the contract is awarded (and any solicitation was issued) on or after January 1, 2015. If this contract is covered by the EO, the contractor must pay all workers in any classification listed on this wage determination at least \$10.35 per hour (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on the contract in calendar year 2018. The EO minimum wage rate will be adjusted annually. Please note that this EO applies to the above-mentioned types of contracts entered into by the federal government that are subject to the Davis-Bacon Act itself, but it does not apply to contracts subject only to the Davis-Bacon Related Acts, including those set forth at 29 CFR 5.1(a)(2)-(60). Additional information on contractor requirements and worker protections under the EO is available at www.dol.gov/whd/govcontracts.

Modification Number 0 Publication Date 01/05/2018

BOIL0074-003 01/01/2017

	Rates	Fringes
BOILERMAKER.....	\$ 28.00	22.35

ENGI0178-005 06/01/2014

	Rates	Fringes
POWER EQUIPMENT OPERATOR		
(1) Tower Crane.....	\$ 29.00	10.60
(2) Cranes with Pile Driving or Caisson Attachment and Hydraulic Crane 60 tons and above.....	\$ 28.75	10.60
(3) Hydraulic cranes 59 Tons and under.....	\$ 27.50	10.60

* IRON0084-011 06/01/2017

	Rates	Fringes
IRONWORKER, ORNAMENTAL.....	\$ 23.27	7.12

PLUM0404-001 07/01/2016

Rates Fringes

PLUMBER.....\$ 25.91 9.40

 SUTX2014-037 07/21/2014

	Rates	Fringes
BRICKLAYER.....	\$ 20.00	0.00
CARPENTER.....	\$ 13.82	0.00
CEMENT MASON/CONCRETE FINISHER...	\$ 13.76	0.00
ELECTRICIAN.....	\$ 23.18	6.31
INSULATOR - MECHANICAL (Duct, Pipe & Mechanical System Insulation).....	\$ 19.77	7.13
IRONWORKER, REINFORCING.....	\$ 12.27	0.00
IRONWORKER, STRUCTURAL.....	\$ 22.16	5.26
LABORER: Common or General.....	\$ 11.80	0.00
LABORER: Mason Tender - Brick...	\$ 11.38	0.00
LABORER: Mason Tender - Cement/Concrete.....	\$ 10.58	0.00
LABORER: Pipelayer.....	\$ 12.49	2.13
LABORER: Roof Tearoff.....	\$ 11.28	0.00
OPERATOR: Backhoe/Excavator/Trackhoe.....	\$ 14.25	0.00
OPERATOR: Bobcat/Skid Steer/Skid Loader.....	\$ 13.93	0.00
OPERATOR: Bulldozer.....	\$ 18.29	1.31
OPERATOR: Drill.....	\$ 16.22	0.34
OPERATOR: Forklift.....	\$ 14.83	0.00
OPERATOR: Grader/Blade.....	\$ 13.37	0.00
OPERATOR: Loader.....	\$ 13.55	0.94
OPERATOR: Mechanic.....	\$ 17.52	3.33
OPERATOR: Paver (Asphalt, Aggregate, and Concrete).....	\$ 16.03	0.00
OPERATOR: Roller.....	\$ 12.70	0.00
PAINTER (Brush, Roller, and Spray).....	\$ 15.00	0.73
PIPEFITTER.....	\$ 25.80	8.55
ROOFER.....	\$ 14.75	0.00
SHEET METAL WORKER (HVAC Duct		

Installation Only).....	\$ 22.73	7.52
SHEET METAL WORKER, Excludes HVAC Duct Installation.....	\$ 19.50	0.00
TILE FINISHER.....	\$ 11.22	0.00
TILE SETTER.....	\$ 14.74	0.00
TRUCK DRIVER: Dump Truck.....	\$ 12.39	1.18
TRUCK DRIVER: Flatbed Truck.....	\$ 19.65	8.57
TRUCK DRIVER: Semi-Trailer Truck.....	\$ 12.50	0.00
TRUCK DRIVER: Water Truck.....	\$ 12.00	4.11

WELDERS - Receive rate prescribed for craft performing operation to which welding is incidental.

=====

Note: Executive Order (EO) 13706, Establishing Paid Sick Leave for Federal Contractors applies to all contracts subject to the Davis-Bacon Act for which the contract is awarded (and any solicitation was issued) on or after January 1, 2017. If this contract is covered by the EO, the contractor must provide employees with 1 hour of paid sick leave for every 30 hours they work, up to 56 hours of paid sick leave each year. Employees must be permitted to use paid sick leave for their own illness, injury or other health-related needs, including preventive care; to assist a family member (or person who is like family to the employee) who is ill, injured, or has other health-related needs, including preventive care; or for reasons resulting from, or to assist a family member (or person who is like family to the employee) who is a victim of, domestic violence, sexual assault, or stalking. Additional information on contractor requirements and worker protections under the EO is available at www.dol.gov/whd/govcontracts.

Unlisted classifications needed for work not included within the scope of the classifications listed may be added after award only as provided in the labor standards contract clauses (29CFR 5.5 (a) (1) (ii)).

The body of each wage determination lists the classification and wage rates that have been found to be prevailing for the cited type(s) of construction in the area covered by the wage determination. The classifications are listed in alphabetical order of "identifiers" that indicate whether the particular rate is a union rate (current union negotiated rate for local), a survey rate (weighted average rate) or a union average rate (weighted union average rate).

Union Rate Identifiers

A four letter classification abbreviation identifier enclosed in dotted lines beginning with characters other than "SU" or "UAVG" denotes that the union classification and rate were

prevailing for that classification in the survey. Example: PLUM0198-005 07/01/2014. PLUM is an abbreviation identifier of the union which prevailed in the survey for this classification, which in this example would be Plumbers. 0198 indicates the local union number or district council number where applicable, i.e., Plumbers Local 0198. The next number, 005 in the example, is an internal number used in processing the wage determination. 07/01/2014 is the effective date of the most current negotiated rate, which in this example is July 1, 2014.

Union prevailing wage rates are updated to reflect all rate changes in the collective bargaining agreement (CBA) governing this classification and rate.

Survey Rate Identifiers

Classifications listed under the "SU" identifier indicate that no one rate prevailed for this classification in the survey and the published rate is derived by computing a weighted average rate based on all the rates reported in the survey for that classification. As this weighted average rate includes all rates reported in the survey, it may include both union and non-union rates. Example: SULA2012-007 5/13/2014. SU indicates the rates are survey rates based on a weighted average calculation of rates and are not majority rates. LA indicates the State of Louisiana. 2012 is the year of survey on which these classifications and rates are based. The next number, 007 in the example, is an internal number used in producing the wage determination. 5/13/2014 indicates the survey completion date for the classifications and rates under that identifier.

Survey wage rates are not updated and remain in effect until a new survey is conducted.

Union Average Rate Identifiers

Classification(s) listed under the UAVG identifier indicate that no single majority rate prevailed for those classifications; however, 100% of the data reported for the classifications was union data. EXAMPLE: UAVG-OH-0010 08/29/2014. UAVG indicates that the rate is a weighted union average rate. OH indicates the state. The next number, 0010 in the example, is an internal number used in producing the wage determination. 08/29/2014 indicates the survey completion date for the classifications and rates under that identifier.

A UAVG rate will be updated once a year, usually in January of each year, to reflect a weighted average of the current negotiated/CBA rate of the union locals from which the rate is based.

WAGE DETERMINATION APPEALS PROCESS

1.) Has there been an initial decision in the matter? This can be:

- * an existing published wage determination
- * a survey underlying a wage determination
- * a Wage and Hour Division letter setting forth a position on a wage determination matter

* a conformance (additional classification and rate) ruling

On survey related matters, initial contact, including requests for summaries of surveys, should be with the Wage and Hour Regional Office for the area in which the survey was conducted because those Regional Offices have responsibility for the Davis-Bacon survey program. If the response from this initial contact is not satisfactory, then the process described in 2.) and 3.) should be followed.

With regard to any other matter not yet ripe for the formal process described here, initial contact should be with the Branch of Construction Wage Determinations. Write to:

Branch of Construction Wage Determinations
Wage and Hour Division
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

2.) If the answer to the question in 1.) is yes, then an interested party (those affected by the action) can request review and reconsideration from the Wage and Hour Administrator (See 29 CFR Part 1.8 and 29 CFR Part 7). Write to:

Wage and Hour Administrator
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

The request should be accompanied by a full statement of the interested party's position and by any information (wage payment data, project description, area practice material, etc.) that the requestor considers relevant to the issue.

3.) If the decision of the Administrator is not favorable, an interested party may appeal directly to the Administrative Review Board (formerly the Wage Appeals Board). Write to:

Administrative Review Board
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

4.) All decisions by the Administrative Review Board are final.

=====

END OF GENERAL DECISION

The Texas Unemployment Compensation Act (TUCOA) defines which employers must pay unemployment taxes. We refer to them as "[liable employers](#)." Liable Texas employers include sole proprietorships, partnerships, Limited Liability Companies (LLC), Professional Limited Liability Company (PLLC), Limited Partnership (LP), Limited Liability Partnerships (LLP), Professional Corporations (PC), Professional Associations (PA), corporations and foundations, associations, trusts, estates, banking institutions, political subdivisions, and governmental agencies.

Liable employers report employee wages and pay the unemployment tax based on state law under the Texas Unemployment Tax Act (TUCOA). Liability for the tax is determined by several different criteria.

Once wages are paid, employers should register with the Texas Workforce Commission (TWC) within 10 days of becoming liable for Texas unemployment tax.

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Who is a Liable Employer

Employers who are subject to rules outlined in TUCOA are liable to pay unemployment taxes and include any of the following:

- An employing unit that is liable under the Federal Unemployment Tax Act (FUTA) and has Texas employees.
- An employing unit that pays \$1,500 or more in total gross wages in a calendar quarter, or has at least one employee during twenty different weeks in a calendar year regardless of the wages. The employee does not have to be the same person for twenty weeks. It is not relevant if the employee is full time or part time.
- An individual or employing unit that acquires or otherwise receives, through any means, all or part of the organization, trade, business, or workforce of another that was a liable employer at the time of the acquisition.
- ~~An employing unit that is a non-profit organization as described under section 501(c)(3) of the IRS code and has four or more employees during 20 different weeks in a calendar year.~~
- ~~An employing unit that volunteers to become liable even though they do not currently meet the required criteria.~~
- All political subdivisions of the state of Texas, including municipalities, counties, utility districts, public education institutions, etc.
- An employing unit that paid cash wages of \$1,000 or more in a calendar quarter for [domestic services](#).
- An employing unit engaged in farm and ranch labor if:
 - It employs three or more employees for twenty weeks or more in a calendar year, or pays at least \$6,250 in total gross wages in a calendar quarter.
 - The service is performed on a truck farm, orchard or vineyard and is performed by a seasonal worker.
 - The worker is a migrant or a seasonal workers who works for a farmer, ranch operator, or labor agent who employs migrant workers.

See [Definition & Types of Employment](#) for examples of services exempt from the definition of employment, and therefore not subject to unemployment tax.

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Who is Not a Liable Employer

Those Who Hire Independent Contractors

✓ **HOME Program.** The applicability of labor standard provisions under the HOME program is very different than under CDBG. Labor standards provisions apply to any contract for the construction of 12 or more HOME-assisted units. (Section 286, National Affordable Housing Act of 1990, as amended.) Specifically:

- **“...affordable housing with 12 or more units assisted with funds made available under this subtitle...”**: Unlike CDBG, the standard for coverage is “assisted” not “financed” – which provides for much broader application. This means that the Davis-Bacon requirements are operable without regard to whether the HOME funds are used for construction or non-construction activities. Non-construction activities include real property acquisition, architectural and engineering fees, and other professional services. In some cases, Davis-Bacon requirements may be triggered when HOME funds are used to provide down payment assistance to individual homebuyers. (See also HUD Regulations at 24 CFR 92.354(a)(2).)

This also recognizes that HOME projects can contain units that are not assisted by HOME. The threshold applies only to the number of units assisted by HOME. For unit threshold purposes, HUD uses the number of units identified as “HOME” units under the program definition whether determined on a pro-rata basis, specific designation or other means permitted by HUD’s Office of Community Planning and Development (CPD).

Note also that once Davis-Bacon requirements are triggered, the labor standards are applicable to the construction of the entire project – including the portions of the project that **are not** assisted with HOME funds.

- **“Any contract for the construction of affordable housing with 12 or more units assisted with funds...”**: Davis-Bacon requirements are applicable to *contracts for construction* covering 12 or more HOME-assisted units. Davis-Bacon requirements do not follow “construction work” or “projects”. This factor has **two** implications:
 - First, a HOME project with 12 or more assisted units that is constructed under multiple contracts each containing less than 12 HOME units is not covered. (Note: HOME regulations prohibit breaking a single project into multiple contracts for the purpose of avoiding Davis-Bacon.)
 - Second, if multiple HOME projects each containing less than 12 assisted units are grouped into a contract(s) for construction that covers a total of 12 or more assisted units, the contract is covered.
- **Sweat Equity**: HOME provides for a sweat equity program (see NAHA Section 255) that permits members of an eligible family to provide labor in exchange for acquisition of property for homeownership or to provide labor in lieu of, or as a supplement to, rent payments. Such sweat equity participants are exempt from Davis-Bacon prevailing wage requirements.

✓ Two circumstances that may arise under the HOME Program require further clarification:

- **Group Homes:** Under certain conditions (See - CPD Notice 94-01 concerns risk analysis, not group homes.), a group home may be counted as a single unit for HOME assistance purposes.
- **Homeownership:** If a pre-construction agreement is made with the owner/developer of a housing project with 12 or more units where HOME funds will be used to assist homebuyers with buying the housing, **and** the construction contract covers 12 or more HOME-assisted units, Davis-Bacon requirements apply.

Volunteer Labor & Employees of the Grantee/PJ/PJ

- ✓ Most HUD program statutes contain an exclusion from Davis-Bacon requirements when using bona-fide volunteers. HUD Regulations at 24 CFR, Part 70 provide definitions and additional guidance concerning the use of volunteers. Generally, volunteers are defined as individuals who:
 - Perform services for a public or private entity for a civic, charitable, or humanitarian reason, without promise, expectation, or receipt of compensation for services rendered;
 - May be paid expenses, reasonable benefits, or a nominal fee for such services for which the individual volunteered; and
 - Are not otherwise employed at any time in the construction work.
- ✓ Generally, labor standards do **NOT** apply to employees of state or local government (“force account workers”) that may be engaged on an otherwise covered project under CDBG or HOME.

Definitions

The following terms are important to know when understanding the statutory and regulatory provisions of the Davis-Bacon and Related Acts:

Apprentice. An apprentice is a person employed and individually registered in a bona fide apprenticeship program, including Step-Up apprenticeship programs designed for Davis-Bacon - covered construction work. Bona fide programs are those that have been registered with the DOL Bureau of Apprenticeship and Training (BAT) or with a BAT-recognized State Apprenticeship Agency (SAC).

- **Probationary apprentice.** A person in the first 90 days of probationary employment as an apprentice in a bona fide apprenticeship program but who has not yet been formally registered in such program may be considered an “apprentice” provided that the BAT or SAC has certified that such person is eligible for probationary employment as an apprentice.
- **Pre-apprentice.** A person who is employed as a “pre-apprentice,” that is, in a preparatory position, which may result in registration in an apprenticeship program, is not considered to be an “apprentice.”



Texas Comptroller of
Public Accounts

EXEMPT ORGANIZATIONS: SALES AND PURCHASES

EXEMPT STATUS OVERVIEW

The Texas Tax Code provides tax exemptions for certain qualifying organizations for sales tax, hotel occupancy tax and franchise tax. The exemptions for which an organization might qualify are determined by the organization's purpose, activities and its formation.

EXEMPTION CRITERIA

Exemption from these state taxes are based largely on an organization's affiliation with its parent entity, assuming the following criteria:

- the organization is a recognized subordinate under the parent organization's group exemption;
- the parent organization's group exemption meets the requirements for exemption from one or more of these state taxes; and
- the parent organization's group exemption has been established on the Comptroller's records.

The parent organization's group exemption may be classified as a federal group exemption under one of the following 501(c) sections of the Internal Revenue Code (IRC): 501(c)(2), (3), (4), (5), (6), (7), (8), (10), (16), (19) and (25).

The group exemption may also be under another category of exemption, such as the religious, educational or charitable exemption provisions within the state statutes.

EXEMPTION APPLICATION

For an organization to be exempt from these state taxes based on its recognition as a subordinate under the parent organization's group exemption, the organization must complete the appropriate exemption application, and include:



- a letter from the parent organization that states the organization is a recognized subordinate under the group exemption
- the basis of the group exemption [i.e. 501(c)(3), 501(c)(6), religious, etc.]
- the date the organization was first recognized as a subordinate under that group exemption.

Exemption applications are available online at comptroller.texas.gov/taxes/exempt/forms/.

Guidelines to Texas Tax Exemptions (96-1045) can be found online at comptroller.texas.gov/taxes/publications/96-1045.php.

This publication is intended as a general guide and not as a comprehensive resource on the subjects covered. It is not a substitute for legal advice.

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SEARCH OUR WEBSITE AT
Comptroller.Texas.Gov

EXEMPT ORGANIZATIONS: SALES AND PURCHASES

If the parent organization's 501(c) federal group exemption has not yet been established, the parent organization must submit to the Comptroller:

- a copy of the parent organization's Internal Revenue Service (IRS) 501(c) group exemption ruling letter and
 - the IRS four-digit group exemption number.
- The IRS website is www.irs.gov.

EXAMPLES OF NON-TAXABLE ENTITIES

Entities that are exempt by law do not need to apply for exemption. Examples of legally exempt entities include:

- the U.S. government, its political subdivisions, agencies and departments, and all branches of its military;
- Texas state and local governments, their agencies, departments, cities, school districts and other political subdivisions;
- Federal Credit Unions organized under 12 United States Code, §1768

Texas public schools, colleges and universities are exempt from sales tax under Section 151.309 of the Texas Tax Code. Texas colleges, universities and all public and private elementary and secondary schools are exempt from state hotel tax under Section 156.102.

Parent-teacher associations and booster clubs must apply for exemption as they are generally not covered by the school's exempt status.

The **Tax-Exempt Entity Search** lists entities with a current exemption from franchise, sales and/or hotel tax. Entities that are exempt by law will not normally be listed on the search. View the search online at comptroller.texas.gov/taxes/exempt/search.php.

SALES TAX

TAX-EXEMPT PURCHASES

Organizations that have received a letter of sales tax exemption from the Texas Comptroller do not have to pay sales and use tax on taxable items they buy, lease or rent if the items are necessary to the organization's exempt function.

Exempt organizations should claim an exemption at the time of purchase by providing a properly completed **exemption certificate** in lieu of paying tax to the retailer. A government entity's purchase voucher is sufficient proof of exempt status and an exemption certificate is not required on its purchases. Foreign governments and government agencies from other states are not exempt from Texas sales and use tax.

RETAILERS

Retailers must collect tax from an exempt organization unless a valid exemption certificate or government purchase voucher is provided. Retailers are not required under Texas law to accept a claim for exemption, but may choose to do so by accepting, in good faith, a properly completed exemption certificate.

If a retailer chooses not to honor an exemption certificate, the exempt organization can ask the seller to provide a properly completed **Assignment of Right to Refund** so the purchaser can **request a refund** of the tax directly from the Comptroller.



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INDIVIDUALS

An authorized agent or employee can make tax-free purchases for an exempt organization by giving the vendor a completed exemption certificate. Items purchased tax free by an exempt organization cannot be used for the personal benefit of an individual or other private party.

When buying an item to be donated to an exempt organization, an individual can give the seller an exemption certificate in lieu of paying tax. If the individual uses the item before donating it, however, the exemption is lost and tax is due.

An employee of an exempt organization cannot claim an exemption when buying taxable items of a personal nature, even if the organization gives an allowance or reimbursement for such items. For example, meals, toiletries, clothing and laundry services are for personal use and are taxable.

Anyone traveling on official business for an exempt organization must pay sales tax on taxable purchases such as parking, whether reimbursed per diem or for actual expenses incurred.

A sales tax exemption does not include taxes on the purchase, rental or use of motor vehicles. Motor vehicle tax information is provided below.

REFUNDS

An exempt nonprofit organization is not eligible to receive refunds for purchases made on or after Sept. 1, 2009, if the purchase was made prior to the postmark date of the organization's application for exemption, or the date of the sales tax liability assessment as a result of a Comptroller audit, whichever is earlier.

If the Comptroller determines the organization met exemption requirements for a period prior to Sept. 1, 2009, based on the laws in effect during that period, purchases made by the organization within that period will be eligible for a sales tax refund, subject to the four-year statute of limitations.

These provisions apply to sales and use taxes paid by an organization directly to the Comptroller's office or to vendors and to refund claims filed with the Comptroller's office or with vendors. These provisions do not apply to governmental entities exempted under Tax Code Section 151.309.

The **Tax-Exempt Entity Search** can be used to verify the effective date of an organization's exemption qualification. Contact our office to confirm the organization's exempt status and eligibility for a refund of sales tax paid prior to Sept. 1, 2009, by calling 1-800-252-5555, or email us at exempt.orgs@cpa.texas.gov.

SHOULD AN EXEMPT ORGANIZATION COLLECT SALES TAX?

Exempt organizations must get a sales tax permit comptroller.texas.gov/taxes/permit/ and collect and remit sales tax for all taxable items it sells. Exemptions are for purchases, not sales, though some exceptions are detailed below.

EXAMPLES OF TAX-FREE SALES

FUNDRAISERS

An organization does not have to register for a sales tax permit if all its sales are of exempt items, or sales made through tax-free fundraisers.

MEALS AND FOOD PRODUCTS

Exempt organizations do not have to collect sales tax on meals and food products, including candy and soft drinks, if the items are:

- sold by churches or at church functions conducted under the authority of a church;
- sold or served by a public or private school, school district, student organization or parent-teacher association in an elementary or secondary school during the regular school day by agreement with proper school authorities, including vending machine sales; or

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EXEMPT ORGANIZATIONS: SALES AND PURCHASES

- sold by a member or a volunteer of a nonprofit organization devoted exclusively to education or to physical or religious training, or by a group associated with private or public elementary and secondary schools as part of an organization's fund-raising drive, when all net proceeds from the sale go to the organization for its exclusive use.

Note: Alcoholic beverages are taxable. Sales of alcoholic beverages made by the holder of a mixed beverage permit are subject to the 14 percent mixed beverage gross receipts tax. Sales of beer and wine made by the holder of a beer and wine only permit are subject to sales tax.

ANNUAL BANQUETS AND SUPPERS

All volunteer, organizations can hold a tax-free annual banquet or other food sale provided the event:

- is not professionally catered;
- is not held in a restaurant, hotel or similar place of business;
- is not in competition with a retailer required to collect tax; and
- the food is prepared, served and sold by members of the organization.

Note: The exemption does not apply to the sale of alcoholic beverages.

AUCTIONS, RUMMAGE SALES AND OTHER FUNDRAISERS

Each chapter of an exempt organization under the religious, educational or charitable categories, and organizations exempted from sales tax based on their IRS Section 501 (c)(3), (4), (8), (10) or (19) status, can hold two one-day, tax-free sales or auctions each calendar year (January – December).

Youth athletic organizations, volunteer fire departments, chambers of commerce and governmental entities may not hold tax-free sales or auctions.

ONE-DAY SALES

For one-day sales, exempt organizations are not required to collect sales tax. This exemption does not apply to items sold for more than \$5,000, unless the item is manufactured by the organization or the item is donated to the organization and not sold back to the donor.

For purposes of the exemption, “one day” is counted as 24 consecutive hours. These days should be pre-designated so purchasers are aware of the tax exemptions. Organizations are prohibited from collecting and keeping taxes on these transactions.

The designated one-day, tax-free sale day is either the day the vendor delivers the items to the exempt organization or the day the organization delivers the items to its customers. Persons buying from surplus inventory on the designated date do not owe tax. For example, a church group selling cookbooks may accept pre-orders without collecting tax if the day the cookbooks will be delivered to customers is designated as one of the group's tax-free fundraisers. Surplus cookbooks sold during the same day also qualify for the exemption. Surplus cookbooks sold on other days are taxable unless sold at the group's other tax-free fundraiser.

If two or more groups together hold a one-day, tax-free sale, the event counts as one tax-free sale for each participating organization.



If an exempt organization is purchasing taxable items for resale during its designated tax-free sale days, and it holds a sales tax permit, the organization may either give the retailer a resale certificate, Form 01-339 (front), or an exemption certificate, **Form 01-339 (back)**, to purchase the items tax free.

A non-permitted exempt organization, however, may purchase items for resale tax free by issuing an exemption certificate to the vendor for items sold during its two one-day, tax-free sales.

STUDENT ORGANIZATIONS (HIGHER EDUCATION)

College or university student organizations affiliated with an institution of higher education can hold a one-day, tax-free sale each month. The organization must have a primary purpose other than engaging in business or performing an activity designed to make a profit, and the purpose of the sale must be to raise funds for the organization. This exemption does not apply to items sold for more than \$5,000, unless the item is manufactured by the organization or the item is donated to the organization and not sold back to the donor.

NON-QUALIFYING FUNDRAISERS: ACTING AS AN AGENT OR SALES REPRESENTATIVE

When engaging in fundraising activities, an exempt organization needs to identify the seller of the taxable items in order to determine responsibility for collecting tax.

In some fundraising activities, an exempt organization will enter into a contract with a private, for-profit entity to sell taxable items. For example, a group may receive a commission for holding a book fair or for selling candy, gift wrap, or similar items, or the group will be provided with sales brochures and take orders for fulfillment by the for-profit entity. The exempt entity may collect the funds and remit an agreed portion to the for-profit entity. In these cases, the fundraising firm is considered the seller and is responsible

for collection of applicable sales and use taxes. Exempt organizations are not responsible for sales taxes and does not use one of the organization's tax-free sales days for the fundraiser.

Many fundraising companies include sales tax due in the selling price of items. This practice is acceptable when the for-profit company discloses on the invoices or order brochures that Texas sales tax is included in the sales price. This allows the company to remit to the state any due sales taxes. In this instance, the exempt organization is not required to collect any tax amount over the sales price.

SENIOR CITIZENS GROUPS

Nonprofit senior citizen groups do not have to collect or remit sales tax on items they make and sell, provided they do not have more than four fundraising events per calendar year for a total of not more than 20 days per calendar year.

AMUSEMENT SERVICES

The sale of an amusement service provided exclusively by an exempt organization, other than an IRS Section 501(c)(7) organization, is exempt from sales tax as long as the proceeds do not benefit an individual except of a purely public charity See Rule 3.298, Amusement Services. For example, the sale of a ticket to a school carnival, dance, athletic event or musical concert is exempt.

For an event to qualify for exemption, the organization must distinguish itself as the sole provider in advertising (for example, billboards, radio, television and other media promoting the event), as well as on the face of the physical tickets. Tickets should reflect that the exempt organization is the provider, and that the event is exempt from Texas sales and use tax.

CAN A NONPROFIT ORGANIZATION HIRE A FOR-PROFIT ENTITY?

A nonprofit organization is allowed to hire a for-profit entity to supply expertise required to produce an event as long as the for-profit entity is not also considered a provider of the amusement service.

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SEARCH OUR WEBSITE AT
Comptroller.Texas.Gov**

EXEMPT ORGANIZATIONS: SALES AND PURCHASES

MEMBERSHIP DUES AND FEES

Nonprofit groups' membership dues and fees are tax exempt. Country clubs and similar organizations that provide amusement services do not qualify for this exemption.

PUBLICATIONS

Periodicals and writings are tax exempt if published and distributed by a religious, philanthropic, charitable, historical, scientific or IRS 501(c)(3) organization. Materials published by educational organizations do not qualify for this exemption.

HOTEL OCCUPANCY TAX

CHARITABLE, EDUCATIONAL OR RELIGIOUS ORGANIZATIONS

Charitable, educational or religious organizations that have received a letter of tax exemption from the Comptroller may claim exemption from the 6 percent state hotel occupancy tax. Local hotel tax must be paid, with some exceptions.

An organization can **apply for exemption** by using the appropriate application form.

Guidelines to Texas Tax Exemptions (96-1045) provides more details on the exemption process.

ENTITIES EXEMPT FROM STATE AND LOCAL HOTEL OCCUPANCY TAX

Entities exempt from both state and local hotel occupancy tax include:

- the U.S. government and its agencies, departments and all branches of the U.S. military. Government contractors are not exempt;
- foreign diplomatic personnel issued a hotel tax exemption card by the U.S. Department of State Office of Foreign Missions.
- designated Texas state officials who are issued a hotel tax exemption photo ID or card.
- nonprofit entities exempt from tax by law, other than the hotel tax, and who have received a letter of tax exemption from the Texas Comptroller.



Texas state agencies are not exempt, but may apply for a refund of hotel tax paid by employees to a hotel.

TRAVELING EMPLOYEES

An employee of an exempt organization traveling on official business is exempt. The manner of payment does not affect the exemption. For a representative who is not an employee, the exempt organization must pay the hotel directly with its funds (e.g., organization check, organization credit card or direct billing by the hotel).

HOW TO CLAIM HOTEL TAX EXEMPTION

A completed **Texas Hotel Occupancy Tax Exemption Certificate**, must be presented to the hotel to claim the exemption.

An exemption certificate may be accepted, in good faith, when presented with the supporting documentation described in **Rule 3.161(c)(2)**.

The **Tax-Exempt Entity Search** lists organizations that are exempt from sales, franchise and/or hotel occupancy taxes. Note: Entities that are exempt by law will not be normally listed on this search.

MOTOR VEHICLE SALES AND USE TAX

Motor vehicle sales tax exemptions are in very limited. The following qualifying organizations may claim an exemption from motor vehicle tax at the time of purchase on the **Application for Certificate of Title**.

Some nonprofit emergency medical service providers and volunteer fire departments can

buy fire trucks and emergency medical response vehicles tax free.

Churches do not have to pay tax when they purchase, rent or lease vans and buses designed to carry more than six passengers, as long as the vehicle is used at least 80 percent of the time to transport people to and from church services or religious meetings. Tax is due, however, on vehicles purchased for a minister's personal use.

Licensed childcare facilities that provide 24-hour residential care in a single residential group, both to children who do not require specialized services or treatment and children who are emotionally disturbed, may claim an exemption on the purchase, rental or lease of a vehicle that will be used primarily in transporting children residing at the facility.

MOTOR VEHICLE GIFTS AND NONPROFIT ORGANIZATIONS

A vehicle that is donated to, or given by, a nonprofit service organization qualifying under the Internal Revenue Code, Sec. 501(c)(3) is eligible for the \$10 gift tax.

To document a gift, both the donor and person receiving the vehicle must complete a joint notarized Affidavit of Motor Vehicle Gift Transfer (Form 14-317) describing the transaction and the relationship between the parties. This document should be provided to the county tax assessor-collector along with the **Application for Certificate of Title**.

MOTOR VEHICLES RENTALS

The following organizations may claim a tax exemption when renting a motor vehicle:

- **public agency** – a public agency is an instrumentality of the U.S. government or a department, commission, board, office, institution or other agency of this state or of a county, city, town, school district, hospital district, water district or other special district or authority or political subdivision created by or under the Texas Constitution or statutes.

- **churches or religious societies** – no tax is due if the vehicle is designed to carry more than six passengers and at least 80 percent of the vehicle's operating time is used to provide transportation to and from church or religious services or meetings. A vehicle rented for the official or personal use of a minister or other church or organizational members is not exempt, even if the vehicle will be used for a church sponsored activity.
- **certain childcare facilities** – no tax is due when renting a vehicle to a qualified residential childcare facility to be used primarily to transport children residing in the facility. A qualified residential child-care facility means one licensed under Chapter 42 Human Resources Code to provide residential care 24 hours a day in a single residential group to children who do not require specialized services or treatment and children who are emotionally disturbed.

HOW TO CLAIM RENTAL VEHICLE EXEMPTION

To claim an exemption when renting a qualifying motor vehicle, the organization must include a **Motor Vehicle Rental Exemption Certificate** to the rental contract.

The certificate must be signed by an authorized representative of the group or organization that is renting the vehicle.

Vehicle rentals to other nonprofit or public service organizations, even if the organization is funded by a public agency, are not eligible for exemption.



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EXEMPT ORGANIZATIONS: SALES AND PURCHASES

Form No. 01-339 (Back)
SALES AND USE TAX
CERTIFICATE
(Rev. 4-13/8)

SAVE A COPY

CLEAR SIDE

Texas Sales and Use Tax Exemption Certification

This certificate does not require a number to be valid.

Name of purchaser, firm or agency	
Address (Street & number, P.O. Box or Route number)	Phone (Area code and number)
City, State, ZIP code	

I, the purchaser named above, claim an exemption from payment of sales and use taxes (for the purchase of taxable items described below or on the attached order or invoice) from:

Seller: _____


Street address: _____ City, State, ZIP code: _____

Description of items to be purchased or on the attached order or invoice:

Purchaser claims this exemption for the following reason:

I understand that I will be liable for payment of all state and local sales or use taxes which may become due for failure to comply with the provisions of the Tax Code and/or all applicable law.

I understand that it is a criminal offense to give an exemption certificate to the seller for taxable items that I know, at the time of purchase, will be used in a manner other than that expressed in this certificate, and depending on the amount of tax evaded, the offense may range from a Class C misdemeanor to a felony of the second degree.

 Purchaser	Title	Date
---	-------	------

NOTE: This certificate cannot be issued for the purchase, lease, or rental of a motor vehicle.

THIS CERTIFICATE DOES NOT REQUIRE A NUMBER TO BE VALID.

Sales and Use Tax "Exemption Numbers" or "Tax Exempt" Numbers do not exist.

**This certificate should be furnished to the supplier.
Do not send the completed certificate to the Comptroller of Public Accounts.**

FOR MORE INFORMATION,
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Texas Comptroller of Public Accounts

This publication is intended as a general guide and not as a comprehensive resource on the subjects covered. It is not a substitute for legal advice.

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Act, this document may be requested in alternative
formats by calling the appropriate toll-free number
listed or by sending a fax to 512-475-0900.

1-800-252-5555

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Mixed Beverage Taxes
Off-Road, Heavy-Duty Diesel
Equipment Surcharge
Oyster Fee
Sales and Use Taxes

1-800-531-5441

Cement Tax
Inheritance Tax
Local Revenue
Miscellaneous Gross
Receipts Taxes
Oil Well Servicing Tax
Sulphur Tax

1-800-442-3453
WebFile Help

1-800-252-1381
Bank Franchise
Franchise Tax

1-800-252-7875

Spanish

1-800-531-1441

Fax on Demand (Most frequently requested
Sales and Franchise tax forms)

1-800-252-1382

Clean Vehicle Incentive Program
Manufactured Housing Tax
Motor Vehicle Sales Surcharge,
Rental and Seller Financed Sales Tax
Motor Vehicle Registration Surcharge

1-800-252-1383

Fuels Tax
IFTA
LG Decals
Petroleum Products Delivery Fee
School Fund Benefit Fee

1-800-252-1384

Coastal Protection
Crude Oil Production Tax
Natural Gas Production Tax

1-800-252-1387
Insurance Tax

1-800-252-1385

Coin-Operated Machines Tax
Hotel Occupancy Tax

1-800-252-1386

Account Status
Officer and Director Information

1-800-862-2260

Cigarette and Tobacco

1-888-4-FILING (1-888-434-5464)

TELEFILE: To File by Phone

1-800-252-1389

GETPUB: To Order Forms and Publications

1-800-654-FIND (1-800-654-3463)

Treasury Find

1-800-321-2274

Unclaimed Property Claimants
Unclaimed Property Holders
Unclaimed Property Name Searches
512-463-3120 in Austin

1-877-44RATE4 (1-877-447-2834)

Interest Rate

General Decision Number: TX180246 01/05/2018 TX246

Superseded General Decision Number: TX20170246

State: Texas

Construction Type: Building

Counties: Leon and Milam Counties in Texas.

BUILDING CONSTRUCTION PROJECTS (does not include single family homes or apartments up to and including 4 stories).

Note: Under Executive Order (EO) 13658, an hourly minimum wage of \$10.35 for calendar year 2018 applies to all contracts subject to the Davis-Bacon Act for which the contract is awarded (and any solicitation was issued) on or after January 1, 2015. If this contract is covered by the EO, the contractor must pay all workers in any classification listed on this wage determination at least \$10.35 per hour (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on the contract in calendar year 2018. The EO minimum wage rate will be adjusted annually. Please note that this EO applies to the above-mentioned types of contracts entered into by the federal government that are subject to the Davis-Bacon Act itself, but it does not apply to contracts subject only to the Davis-Bacon Related Acts, including those set forth at 29 CFR 5.1(a)(2)-(60). Additional information on contractor requirements and worker protections under the EO is available at www.dol.gov/whd/govcontracts.

Modification Number 0 Publication Date 01/05/2018

ASBE0021-006 06/01/2016

LEON COUNTY

	Rates	Fringes
Heat and Frost Insulator/Asbestos Worker.....	\$ 24.32	7.52

ASBE0087-003 01/01/2017

MILAM COUNTY

	Rates	Fringes
ASBESTOS WORKER/HEAT & FROST INSULATOR.....	\$ 22.22	10.02

BOIL0074-003 01/01/2017

	Rates	Fringes
BOILERMAKER.....	\$ 28.00	22.35

CARP0551-007 04/01/2016

Rates Fringes

CARPENTER (Form Work Only).....\$ 23.05 8.78

IRON0263-009 06/01/2017

Leon County

Rates Fringes

Ironworkers:

Reinforcing & structural....\$ 23.25 7.32

IRON0482-009 06/01/2017

Milam County

Rates Fringes

IRONWORKER, STRUCTURAL AND
REINFORCING.....\$ 22.15 6.68

LAB00154-002 05/01/2008

Milam County

Rates Fringes

Laborers: (Mason Tender -
Cement/Concrete).....\$ 12.98 3.49

LAB00154-018 05/01/2008

Leon County

Rates Fringes

Laborers: (Mason Tender -
Cement/Concrete).....\$ 14.53 3.49

* PLUM0068-002 10/01/2017

Rates Fringes

PLUMBER.....\$ 34.90 10.54

SUTX2009-101 04/20/2009

Rates Fringes

BRICKLAYER.....\$ 18.00 0.00

CARPENTER, Includes
Acoustical Ceiling
Installation, Batt
Insulation, and Metal Stud
Installation (Excludes
Drywall Hanging, and Form
Work).....\$ 15.13 2.63

CEMENT MASON/CONCRETE FINISHER...\$ 12.09 0.00

DRYWALL HANGER.....\$ 13.89 1.00

ELECTRICIAN.....\$ 18.06 4.87

LABORER: Common or General.....\$ 9.24 0.00

LABORER: Landscape & Irrigation.....	\$ 8.50	0.22
LABORER: Mason Tender - Brick...	\$ 12.02	0.00
LABORER: Mortar Mixer.....	\$ 12.00	0.00
OPERATOR: Backhoe/Excavator/Trackhoe.....	\$ 14.67	0.47
OPERATOR: Bulldozer.....	\$ 13.00	0.35
OPERATOR: Crane.....	\$ 21.33	0.00
OPERATOR: Forklift.....	\$ 14.58	0.00
OPERATOR: Loader (Front End)....	\$ 10.54	0.00
PAINTER: Brush, Roller and Spray.....	\$ 11.75	0.00
ROOFER.....	\$ 13.64	1.80
SHEET METAL WORKER.....	\$ 17.00	0.00
TILE SETTER.....	\$ 15.00	0.00
TRUCK DRIVER.....	\$ 10.68	0.34

WELDERS - Receive rate prescribed for craft performing operation to which welding is incidental.

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Note: Executive Order (EO) 13706, Establishing Paid Sick Leave for Federal Contractors applies to all contracts subject to the Davis-Bacon Act for which the contract is awarded (and any solicitation was issued) on or after January 1, 2017. If this contract is covered by the EO, the contractor must provide employees with 1 hour of paid sick leave for every 30 hours they work, up to 56 hours of paid sick leave each year. Employees must be permitted to use paid sick leave for their own illness, injury or other health-related needs, including preventive care; to assist a family member (or person who is like family to the employee) who is ill, injured, or has other health-related needs, including preventive care; or for reasons resulting from, or to assist a family member (or person who is like family to the employee) who is a victim of, domestic violence, sexual assault, or stalking. Additional information on contractor requirements and worker protections under the EO is available at www.dol.gov/whd/govcontracts.

Unlisted classifications needed for work not included within the scope of the classifications listed may be added after award only as provided in the labor standards contract clauses (29CFR 5.5 (a) (1) (ii)).

The body of each wage determination lists the classification and wage rates that have been found to be prevailing for the

cited type(s) of construction in the area covered by the wage determination. The classifications are listed in alphabetical order of "identifiers" that indicate whether the particular rate is a union rate (current union negotiated rate for local), a survey rate (weighted average rate) or a union average rate (weighted union average rate).

Union Rate Identifiers

A four letter classification abbreviation identifier enclosed in dotted lines beginning with characters other than "SU" or "UAVG" denotes that the union classification and rate were prevailing for that classification in the survey. Example: PLUM0198-005 07/01/2014. PLUM is an abbreviation identifier of the union which prevailed in the survey for this classification, which in this example would be Plumbers. 0198 indicates the local union number or district council number where applicable, i.e., Plumbers Local 0198. The next number, 005 in the example, is an internal number used in processing the wage determination. 07/01/2014 is the effective date of the most current negotiated rate, which in this example is July 1, 2014.

Union prevailing wage rates are updated to reflect all rate changes in the collective bargaining agreement (CBA) governing this classification and rate.

Survey Rate Identifiers

Classifications listed under the "SU" identifier indicate that no one rate prevailed for this classification in the survey and the published rate is derived by computing a weighted average rate based on all the rates reported in the survey for that classification. As this weighted average rate includes all rates reported in the survey, it may include both union and non-union rates. Example: SULA2012-007 5/13/2014. SU indicates the rates are survey rates based on a weighted average calculation of rates and are not majority rates. LA indicates the State of Louisiana. 2012 is the year of survey on which these classifications and rates are based. The next number, 007 in the example, is an internal number used in producing the wage determination. 5/13/2014 indicates the survey completion date for the classifications and rates under that identifier.

Survey wage rates are not updated and remain in effect until a new survey is conducted.

Union Average Rate Identifiers

Classification(s) listed under the UAVG identifier indicate that no single majority rate prevailed for those classifications; however, 100% of the data reported for the classifications was union data. EXAMPLE: UAVG-OH-0010 08/29/2014. UAVG indicates that the rate is a weighted union average rate. OH indicates the state. The next number, 0010 in the example, is an internal number used in producing the wage determination. 08/29/2014 indicates the survey completion date for the classifications and rates under that identifier.

A UAVG rate will be updated once a year, usually in January of each year, to reflect a weighted average of the current negotiated/CBA rate of the union locals from which the rate is based.

WAGE DETERMINATION APPEALS PROCESS

1.) Has there been an initial decision in the matter? This can be:

- * an existing published wage determination
- * a survey underlying a wage determination
- * a Wage and Hour Division letter setting forth a position on a wage determination matter
- * a conformance (additional classification and rate) ruling

On survey related matters, initial contact, including requests for summaries of surveys, should be with the Wage and Hour Regional Office for the area in which the survey was conducted because those Regional Offices have responsibility for the Davis-Bacon survey program. If the response from this initial contact is not satisfactory, then the process described in 2.) and 3.) should be followed.

With regard to any other matter not yet ripe for the formal process described here, initial contact should be with the Branch of Construction Wage Determinations. Write to:

Branch of Construction Wage Determinations
Wage and Hour Division
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

2.) If the answer to the question in 1.) is yes, then an interested party (those affected by the action) can request review and reconsideration from the Wage and Hour Administrator (See 29 CFR Part 1.8 and 29 CFR Part 7). Write to:

Wage and Hour Administrator
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

The request should be accompanied by a full statement of the interested party's position and by any information (wage payment data, project description, area practice material, etc.) that the requestor considers relevant to the issue.

3.) If the decision of the Administrator is not favorable, an interested party may appeal directly to the Administrative Review Board (formerly the Wage Appeals Board). Write to:

Administrative Review Board
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

4.) All decisions by the Administrative Review Board are final.

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END OF GENERAL DECISION

Marni Holloway

Subject: FW: Request for Waiver
Attachments: Equity Email.pdf

From: willman [<mailto:rrsims90@aol.com>]
Sent: Friday, March 16, 2018 8:37 PM
To: rrsims90@aol.com; Andrew Sinnott; Marni Holloway
Cc: vanguardconsultantsinc@gmail.com
Subject: Request for Waiver

Here is the final document to be included for the Request for Waiver. The attached email is evidence that I had included the owner equity on the sources and uses, the issue had to do with our equity was based upon the items discussed below as you can see our equity is governed by rules and laws so the waiver has more to do with the fact that the State of Texas and the United States Treasury allows us the non profit to earn the revenue and keep it for our purpose as compared to the for profit whom are mandated by law to pay the Revenue from their earnings, Therefore the issue before the board is the inclusion of our sweat equity and retention of our earning from sales taxes and unemployment contributions as well as our property tax exemption as our Equity in the project. We took these items out because of Andrew.

Rick

request would have to stay at \$2.5 million or less and be structured as a repayable loan with the income and rent limits that are currently contemplated in the Application.

4) ~~Tab 22: Architectural Drawings~~

~~a) Site Plan—No acreage is listed for Site Plan for the 4 lots or the Site Plan for the 26 lots. Please revise the Site Plans to include the acreages. Also, a table showing the building/unit type mix consistent with Tab 24 (Rent Schedule) and Tab 23 (Building & Unit Type Configuration) was not provided on either Site Plan.~~

5) Tab 24: Rent Schedule – As stated above, if you wish to pursue a \$1.5 million loan under the Supportive Housing/ Soft Repayment set-aside as the sole request for Direct Loan funds, all Direct Loan units must be available to 30% AMI households with corresponding NHTF rent limits.

~~6) Tab 26: Annual Operating Expenses—The Annual Debt Service on this tab will need to be changed depending on whether \$1.5 million under the SH/SR set-aside or \$2.5 million from the CHDO set-aside is requested.~~

~~7) Tab 27: 15 Year Pro Forma—The Debt Service on this tab will need to be changed depending on whether \$1.5 million under the SH/SR set-aside or \$2.5 million from the CHDO set-aside is requested.~~

8) ~~Tab 28: Off Site Cost Breakdown—~~10 TAC 10.204(8)(E)(ii) states: “If costs for Off-Site Construction are included in the budget as a line item, or embedded in the site acquisition contract, or referenced in the utility provider letters, then the Off-Site Cost Breakdown prepared by a Third Party engineer must be provided. The certification from a Third Party engineer must describe the necessity of the off-site improvements, including the relevant requirements of the local jurisdiction with authority over building codes.” ~~The Off-Site Cost Breakdown is not signed and sealed by a Third Party Engineer, but rather the General Contractor. Please provide an Off-Site Cost Breakdown signed and sealed by a Third Party Engineer along with a description from the Engineer of the need for off-site improvements, including the requirements of the local jurisdiction with authority over building codes.~~ ***A revised Site Work Cost Breakdown, reflecting a significant increase in costs, that was signed and sealed by an engineer was provided. Is the Off Site Cost Breakdown provided on 10/11/17 still valid? If so, please have it sealed by a Third Party Engineer and provide a description from the Engineer of the need for off site improvements, including the requirements of the local jurisdiction with authority over building codes. Also, please provide an updated Development Cost Schedule that reflects these changes.***

9) ~~Tab 31: Financing Narrative and Summary of S&U—The lien position for TDHCA’s loan must be superior to the Rockhall loan’s lien position given the fact that TDHCA’s loan amount (whether \$1.5 million or \$2.5 million) is larger than Rockhall’s loan amount. Please see 10 TAC 13.8(e)(3) and please revise the Financing Narrative and Summary of S&U to reflect the correct lien positions and have Rockhall provide an updated term sheet reflecting a second lien position.~~

10) ~~Tab 32: Financial Capacity—In accordance with 10 TAC 13.8(e)(5), owner equity in an amount not less than 20 percent of Total Housing Development Costs must be provided when the Direct Loan is the only source of Department funding. Also, an "as completed" appraisal pursuant to 10 TAC §10.304 must be provided, which results in total repayable loan to value of not greater than 80%. No owner equity is listed, while \$860,400 is required to meet the 20 percent requirement. Please provide owner equity in an amount not less than \$860,400 and an “as completed” appraisal. Furthermore, should you continue to pursue \$2.5 million in Direct Loan funds, the Direct Loan would amount to more than 50% of the Total Housing Development Cost, which would require you to provide a letter from a Third Party CPA verifying the capacity of the Applicant, Developer, or Development Owner to provide at least 10% of the Total Housing Development Cost as a short term loan for the Development *or* evidence of a line of credit or equivalent tool equal to at least 10% of the Total Housing Development Cost from a financial institution that is available for use during the proposed development activities.~~ ***No owner equity is being provided during the construction period on the Sources and Uses tab, which is leading to an imbalance of construction sources and permanent sources and making the deal oversourced since there are only \$4,061,735 in uses and***

\$4,916,735 in sources. Moreover, if the \$830,000 in owner equity provided is part of \$4,961,735 total development costs, that would equate to 16.9% owner equity, which is less than the 20% threshold. 10 TAC §10.204(7)(C) requires a letter from a Third Party CPA verifying the capacity of the contributor to provide the capital from funds that are not otherwise committed or pledged. Additionally, a letter from the contributor's bank(s) or depository(ies) must be submitted confirming sufficient funds are readily available to the contributor. The contributor must certify that funds are and will remain readily available at Commitment and until the required investment is completed.

Andrew Sinnott

Multifamily Loan Programs Administrator

[512.475.0538](tel: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: Andrew Sinnott

Sent: Thursday, December 07, 2017 5:32 PM

To: 'Vanguard Consultants Inc.'

Cc: Rick Sims

Subject: RE: 17510 - Direct Loan Application Deficiency Notice - TIME SENSITIVE

Received.

Thanks,

Andrew Sinnott

Multifamily Loan Programs Administrator

[512.475.0538](tel: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)).

Marni Holloway

Subject: FW: Addition to Waiver for Board
Attachments: HAC Loan.pdf; Funding Per Six Unit.pdf; Sweat Equity.pdf; Timeline.pdf

From: willman [<mailto:rrsims90@aol.com>]
Sent: Saturday, March 17, 2018 4:59 PM
To: Andrew Sinnott; Marni Holloway
Subject: Addition to Waiver for Board

Dear Andrew and Marni

I have attached the additional documents to clarify our equity position on the Rockdale Projects. To help you better understand this type of financing let me explain what transpired in both Louisiana and Texas from the disasters of 2016 and the CDBG-DR assistance from HUD to both States. The disaster assistance had two multi family housing assistance in both states. There was rehab and new constructions both Non Profits and For Profits were eligible to do rehab, but on Non Profits could do Acquisition Rehab, and ONLY Non Profit were qualified to do new construction. The Non Profit new construction project qualified for up to \$ 500,000 per site. No site or lot could have no than 7 units on the lot, and no Non Profit could receive no than \$1,500,000 in a forgivable loan. This was designed to by HUD so there would be no Davis Bacon requirements for these Neighborhood Landlord Program, basically HUD created a Boot Strap Program for Non Profit in Rental Housing. So we Non Profits who were awarded CDBG-DR knew the NHTF and CDBG did not have to pay prevailing wages if our project we developed had less than 7 units per lot. My Lenders for these projects are Rural LISC and HAC (Housing Assistance Council. Both CDFI have lending programs that prefer the development be constructed on stages. Although the scorces and uses reflect a perm of 2+ million, Our lender program would want to project done in 4 or 5 stages, We would never need no more than \$500,000 at a time from HAC and \$300,000 from TDHCA, so our 20 percent that is being discussed does not apply because we do not have that type of exposure. The problem is that the rules says if the direct loan is the only source of department funding I need to meet certain condition, but here is the problem for this type of design we only need \$1,500,000 in gap financing we do not need both we need either a forgivable loan or equity of 1,5 million from tax credits to do 30 units single family type. So I have attached HAC Lending program, The second attachment is where we would only needs \$500,000 for phase one from HAC and \$300,000 from TDHCA, The third form is the sweat equity worksheet from the loan application in which there is no different for TDHCA Bootstrap Program for single family ownership, but now we can do Non Profit Ownership Rental Bootstrap, and finally a sample timeline.

Rick



The **Housing Assistance Council** is a national nonprofit organization that helps build homes and communities across rural America



[About HAC](#) [What We Do](#) [Initiatives](#) [Information](#) [What's New](#) [Events](#)

What We Do

Loan Products

[Submit a Loan Inquiry](#)

RURAL SEED MONEY LOAN PRODUCTS

The Housing Assistance Council (HAC) operates several loan funds that provide vital seed money to rural housing developers: community-based, nonprofit organizations, housing development corporations, self help housing sponsors, farm worker organizations, cooperatives, Indian tribes, public agencies, units of local government, public utility districts, and small business and minority contractors. HAC funds help these organizations and individuals take the steps necessary to improve housing and living standards for rural, low- and very-low-income households, such as creation of subdivisions and new single- or multifamily housing units, rehabilitation of existing units, and improved water and waste water disposal systems in rural communities.

The Housing Assistance Council's loan fund provides low-cost financing to developers of affordable housing in rural communities nationwide. Funds are currently available at 5.0% interest with a discounted 1.0% service fee; borrowers are responsible for closing costs. Current interest rate for for-profit developers is 8%. The standard loan term is three years. There is no maximum loan amount, although loans may not exceed available collateral. Loans must be recoverable from the permanent financing for the project.

Loans must be for projects, which include provisions for serving low-income people as defined by federal guidelines. Projects serving low- and very-low income persons will receive priority. At least 51% of the resulting housing units must be affordable to low- or very-low income people. The proposed projects must be located in areas that are rural in character and have populations of less than 25,000. Each of HAC's loan products is briefly described below.

PRE-DEVELOPMENT

Loan funds are available for predevelopment expenses associated with the development of affordable housing. Eligible uses are: land options, down payments, architectural and engineering fees, site surveys, soil test borings, market studies, appraisals, environmental engineering studies, archeological clearances, and legal expenses related to site acquisition.

SITE ACQUISITION

Loan funds are available for acquisition and related costs for the development of affordable housing. Eligible uses are: land options, escrow payments, land purchase, legal expenses associated with site acquisition, and other reasonable closing costs.

WHAT IS HAC?

What is HAC?



Lending

[Loan Products](#)
[SHOP Program](#)

Technical Assistance

Training

Research and Information

Policy

< MARCH 2018						
SU	MO	TU	WE	TH	FR	
				1	2	
4	5	6	7	8	9	
11	12	13	14	15	16	
18	19	20	21	22	23	
25	26	27	28	29	30	

SITE DEVELOPMENT

HAC loan funds may finance site development expenses associated with affordable single-family and multifamily development including self-help housing. Eligible expenses are: impact and permit fees, engineering surveys/fees, clearing and grading, wells, septic/water, sewer installation, utility hook-ups, streets, curbs, sidewalks, and legal expenses for site development.

CONSTRUCTION

Loan funds may finance unit construction costs of affordable housing developments. Eligible expenses are: construction materials and labor, construction bonds, construction inspection fees, legal costs, and title and recording fees. The maximum loan amount for construction loans is currently \$750,000 and limited to single-family development. All fees incurred by HAC, including legal costs, hiring of a local construction inspector, title, and recording fees, will be charged to the borrower and, if necessary, financed by the HAC loan. The term of the loan will be determined by the needs of the project, pending underwriting review.

HAC's SELF-HELP HOMEOWNERSHIP OPPORTUNITY PROGRAM (SHOP)

HAC provides loan funds through the HUD Self-Help Homeownership Opportunity Program (SHOP) to self-help housing providers for land acquisition and infrastructure improvement for the development of self-help units. The homebuyer family must contribute a significant amount of sweat-equity towards the construction of the dwelling. Loan funds are made available through a competitive application process and cannot exceed \$15,000 per lot. SHOP loans are at 0% interest. Up to 90% of the SHOP loan may be forgiven when the borrower has satisfied the conditions of the loan agreement. The forgivable portion may become a grant for the group to establish its own revolving loan fund for future site acquisition and development of self-help housing or to provide direct subsidies to participating homebuyer families. SHOP funds are subject to HUD Environmental Review regulations.

PRESERVATION LOAN

PRLF proceeds are for short- or long-term costs of preservation, repayment and rehabilitation of USDA RHS Section 515 properties. Loans may be used for refinancing and costs incorporated into long-term financing such as options; downpayments; purchase; site development; architectural and engineering fees; construction financing; working capital and construction bonds; costs associated with USDA RHS required Capital Needs Assessments; preliminary easement and water rights purchase; legal expenses to establish utility districts; bonding; interim financing of local share costs; acquisition of existing private systems for rehabilitation; and emergency repair; and rehabilitation and repair.

If you are interested in applying for HAC loan funds, please contact HAC at (202) 842-8600, for information regarding application criteria and to request an application packet.

Applications should be submitted to HAC's National Office at 1025 Vermont Avenue, N.W., Suite 606, Washington, D. C. 20005, Attention: Loan Fund Division. Telephone (202) 842-8600. Information about HAC and state and federal loan programs may be obtained from the same address or from the [HAC Regional Offices](#).

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[RURAL DATA PORTAL](#)

[VETERANS DATA CENTRAL](#)

FEATURED CONTENT



Housing Assistance Council
1025 Vermont Ave. NW, Suite 606
Washington, D.C. 20005

 (202) 842-8600

 (202) 347-3441

hac@ruralhome.org



**RHLF APPLICATION NARRATIVE
(FORM 3)**

1) What stage will the lot/property be in when RHLF funds first touch the project?

Predevelopment
 Acquisition- undeveloped Acquisition- developed
 Infrastructure development- start Infrastructure development- partially complete
 Construction/Rehab- start Construction/Rehab- complete
 Takeout Source only

2) What is the proposed security/collateral source for the RHLF loan?

Project Related:
 Subject Lots Subdivision- identify acres: 6.80 Property

Non-Project Related:
 Subject Lots Subdivision- identify acres: Property Other:

Provide description of non-project related source of collateral:

3) What is the as-is value of the security/collateral for the loan?
\$

4) What method of valuation was used to determine the value of the collateral identified above?

<input checked="" type="checkbox"/>	As-is appraisal (attach copy)
<input type="checkbox"/>	Tax assessment (attach copy)
<input type="checkbox"/>	Comparables (attach three)
<input type="checkbox"/>	Other:

5) What lien position is being offered to HAC on security/collateral source? Please identify lien structure of the deal:

LIEN PRIORITY POSITION	FUNDER NAME	FUNDER AMOUNT
1 ST	HAC-	\$ 500,000
2 ND	TDHCA	\$ 300,000
3 RD		\$
4 TH		\$
5 TH		\$
Other:		\$

6) What additional security/collateral can the organization offer if HAC's loan-to-value (LTV) is greater than 100%?

Repayment Source/Timing

1) What is the source of repayment for the quarterly interest payments? **NHTF**

2) What is/are the source(s) of the repayment for the loan?
Rents

3) What is the proposed repayment structure for the principal?

Sweat Equity Per 6 Units

RHLF APPLICATION NARRATIVE (FORM 3)

SWEAT EQUITY TASKS			
<input checked="" type="checkbox"/>	Site clearing/cleaning	<input checked="" type="checkbox"/>	Installing windows and doors
<input checked="" type="checkbox"/>	Infrastructure landscaping	<input checked="" type="checkbox"/>	Installing drywall
<input checked="" type="checkbox"/>	Framing and subfloor construction	<input type="checkbox"/>	Installing exterior decks and stairs
<input type="checkbox"/>	Sheathing roof	<input type="checkbox"/>	Installing trim
<input type="checkbox"/>	Sheathing exterior walls	<input checked="" type="checkbox"/>	Installing cabinets
<input type="checkbox"/>	Installing siding	<input checked="" type="checkbox"/>	Installing fixtures
<input type="checkbox"/>	Installing roofing finishes	<input checked="" type="checkbox"/>	Interior painting
<input type="checkbox"/>	Installing gutters and downspouts	<input type="checkbox"/>	Exterior painting
<input checked="" type="checkbox"/>	Other: Developers and Builder		

- 3) Describe the method (e.g., local labor rate x sweat equity hours, contractor quotes) your organization uses to determine the dollar value of the sweat equity per household:
Non Profit Bulider 10% Labor Donation
- 4) How does your organization track the sweat equity hours per self-help household:
- 5) How does your program meet the volunteer labor requirements of the self-help program (check all that apply):

VOLUNTEER LABOR ACTIVITIES			
<input type="checkbox"/>	None	<input type="checkbox"/>	Job Training Placement Sites
<input type="checkbox"/>	Group Members work on each others' home	<input checked="" type="checkbox"/>	Mission Service groups
<input checked="" type="checkbox"/>	Other: 0		

- 6) What construction tasks are provided by volunteers other than group homebuyers? (check all that apply):

VOLUNTEER LABOR TASKS			
	Task	Average hours per unit	Dollar value assessed, if any
<input type="checkbox"/>	Not Applicable		
<input checked="" type="checkbox"/>	Site clearing/cleaning	128	\$1,280
<input checked="" type="checkbox"/>	Infrastructure landscaping	128	\$1,280
<input checked="" type="checkbox"/>	Framing and subfloor construction	128	\$1,280
<input type="checkbox"/>	Sheathing roof		\$
<input type="checkbox"/>	Sheathing exterior walls		\$
<input checked="" type="checkbox"/>	Installing siding	128	\$1,280
<input type="checkbox"/>	Installing roofing finishes		\$
<input type="checkbox"/>	Installing gutters and downspouts		\$
<input checked="" type="checkbox"/>	Installing windows and doors	128	\$1,280
<input checked="" type="checkbox"/>	Installing drywall	128	\$1,280
<input type="checkbox"/>	Installing exterior decks and stairs		\$
<input type="checkbox"/>	Installing trim		\$
<input checked="" type="checkbox"/>	Installing cabinets	128	\$1,280
<input checked="" type="checkbox"/>	Installing fixtures	128	\$1,280
<input checked="" type="checkbox"/>	Interior painting	128	\$1,280
<input checked="" type="checkbox"/>	Exterior painting	128	\$1,280

**RHLF APPLICATION NARRATIVE
(FORM 3)**

<input checked="" type="checkbox"/>	Other: Developer		\$54,000
<input checked="" type="checkbox"/>	Other: Builder	1500	\$20,000
TOTAL PER HOUSEHOLD (AVERAGE):			\$

7) What professional or licensed services are donated to your self-help program? (Check all that apply)

PROFESSIONAL/LICENSED SERVICES			
	Type of service	Average Hours per unit	Average Dollar value per unit
<input type="checkbox"/>	None		\$
<input type="checkbox"/>	Plumbing	128	\$1,280
<input type="checkbox"/>	Electrical	128	\$1,280
<input type="checkbox"/>	HVAC	128	\$1,280
<input type="checkbox"/>	Foundations		\$
<input type="checkbox"/>	HERS inspection		\$
<input type="checkbox"/>	Other:		\$
TOTAL PER HOUSEHOLD			\$

8) What pre- and post- housing counseling are offered to your SHOP assisted self-help homebuyers?

Type of Counseling	# of Hours Required	Description
Pre-Counseling		
Post- Counseling		
Other		

Recruitment Strategies

1) Describe what methods your organization uses to identify income eligibility of applicants and qualify homeowners/tenants to project:

2) What methods does your organization use to encourage homeowners/tenants to participate in your programs?

<input type="checkbox"/>	Brochures	<input type="checkbox"/>	Word of mouth from homebuyers
<input type="checkbox"/>	Press releases	<input type="checkbox"/>	Realtor networking
<input type="checkbox"/>	TV/radio stories	<input type="checkbox"/>	Community presentations
<input type="checkbox"/>	Community builds	<input type="checkbox"/>	Referral Networks
<input type="checkbox"/>	Other:		

3) What methods or alternative formats does your organization have available to effectively reach persons with disabilities or persons with limited English proficiency?

<input type="checkbox"/>	Audible program information	<input type="checkbox"/>	Multi-language brochures
<input type="checkbox"/>	Braille-based program info.	<input type="checkbox"/>	Bilingual staff
<input type="checkbox"/>	Access to TDD services	<input type="checkbox"/>	Accessible meeting space
<input type="checkbox"/>	Other:		

4) In what languages are your recruitment materials produced?

Security/Collateral:

**RHLF APPLICATION NARRATIVE
(FORM 3)**

Predevelopment	\$
Acquisition	\$
Site development (Hard)	\$
Site development (Soft)	\$
Unit construction/Rehab	\$
TOTAL	\$

- 2) How were these costs determined? (Check all that apply)
 Contractor Bid Applicant Estimate on recently completed project
 Other:
- 3) What costs, if any, will not be passed to homebuyers or renters and how will these costs be paid for?
- 4) How will the RHLF funds be used in the project?

Project Timeline

1) What is the development timeline for your RHLF project?

DEVELOPMENT TIMELINE	MONTH/YEAR
Site control:	
Zoning permits approved:	
ER complete: (if applicable)	
Subdivision approval (if applicable):	
Site development start:	
Site development complete:	
Unit construction/Rehab start:	Oct-18
Unit construction/Rehab complete:	Oct-18

2) Will the development be done in phases (or in building groups)? Yes No
 If Yes:

PHASE TIMELIN	MONTH/YEAR
# of Phases planned:	4
Phase One:	
Acquisition Start:	
Acquisition End:	
Site Development Start:	
Site Development End:	
Unit construction start:	Oct-18
Units completed and occupied:	Apr-18
Unit Occupant determined:	
Phase Two:	
Lot Acquisition Start:	
Lot Acquisition End:	
Site Development Start:	

**RHLF APPLICATION NARRATIVE
(FORM 3)**

	Site Development End:	
	Unit construction start:	May-18
	Units completed and occupied:	Nov-18
	Unit Occupant determined:	

3) What are your anticipated first draw and repayment dates for your RHLF project?

LOAN TIMELINE	MONTH/YEAR
Anticipated first draw:	Nov-18
Anticipated final repayment date:	Apr-19

4) Will relocation of tenants be required under project construction plan?
 No Yes, please describe relocation plan and budget for relocation:

5) What factors may impede the timeline of this project?

Market Demand

- 1) Describe who this project will serve:

- 2) How many households are currently on your eligible waitlist for this project?

- 3) How does your organization define "eligible" waitlist participant?

- 4) Is this waitlist specific to this project site? Yes No
 If No, how many households are interested in this project specifically?

- 5) How many participants of each category are represented on your waitlist? (*Identify all that apply- a participant may represent more than one category*):

ETHNIC/RACIAL COMPOSITION	# OF PARTICIPANTS
African American/Black	
Asian/Pacific Islander	
Caucasian- non Hispanic	
Hispanic/Latina	
Native Alaskan	
Native American	
Unknown	
SOCIAL COMPOSITION	# OF PARTICIPANTS
Disabled	
Elderly	
Families with Children	
Farmworker	
Non-English Speakers	
Single Female-Headed Households	
Single Male-Headed Households	