BOARD BOOK
OF
January 12, 2023

Leo Vasquez III, Chair

Kenny Marchant, Vice-Chair

Ajay Thomas, Member

Brandon Batch, Member

Anna Maria Farias, Member

Holland Harper, Member

Texas Department of Housing and Community Affairs

PROGRAMMATIC IMPACT

Fiscal Year 2023 Reporting Period (9/1/2022 – 11/30/2022)

Owner Financing and Down Payment

- 30-year, fixed interest rate mortgage loans
- Mortgage credit certificates
- Down payment, closing cost assistance
- Homebuyer education

Programs:

- Single Family Homeownership

Expended Funds: $337,639,846
Total Households Served: 1,455

Energy Related Assistance

- Utility bill payment assistance
- Energy consumption education
- Weatherization for energy efficiency

Programs:

- Comprehensive Energy Assistance Program (CEAP)
- Weatherization Assistance Program (WAP)

Expended CEAP Funds: $52,136,543
Total Households Served: 31,376

Multifamily New Construction

- Affordable rental units financed and developed

Programs:

- 9% Housing Tax Credits (HTC)
- 4% Housing Tax Credits (HTC)
- Multifamily Bonds
- Multifamily Direct Loan Program*

Expended Funds: $10,872,713
Total Households Served: 827

Homelessness Services

- Shelter building rehabilitation, conversion, operations
- Essential services e.g., health services, transportation, job training, employment services

Programs:

- Emergency Solutions Grant Program (ESG)
- Homeless Housing and Services Program (HHSP)

Expended Funds: $2,315,441
Total Individuals Served: 3,349

Multifamily Rehab Construction

- Affordable rental units financed and rehabilitated

Programs:

- 9% Housing Tax Credits (HTC)
- 4% Housing Tax Credits (HTC)
- Multifamily Bonds

Expended Funds: $20,279,931
Total Households Served: 3,425

Supportive Services

Provides administrative support for essential services for low income individuals through Community Action Agencies

Program:

- Community Services Block Grant Program (CSBG)

Expended Funds: $9,453,900
Total Individuals Served: 53,238

Owner Rehabilitation Assistance

- Home rehabilitation, reconstruction
- Manufactured housing unit replacement
- Accessibility modifications e.g., ramp, grab bar installation

Programs:

- Homeowner Reconstruction Assistance Program (HRA)*
- Amy Young Barrier Removal Program

Expended Funds: $4,417,305
Total Households Served: 50

Rental Assistance

- Short, long term rent payment help
- Assistance linked with services, Transitional assistance
- Security, utility deposits

Programs:

- Tenant-Based Rental Assistance (TBRA)*
- Section 8 Housing Choice Vouchers
- Section 811

Expended Funds: $2,636,395
Total Households Served: 1,940

Single Family Development

- Single family development, reconstruction, rehabilitation
- NSP, Do-it-yourself, “sweat equity” construction (bootstrap), rehabilitation, Contract for Deed refinance

Programs:

- Single Family Development Program (SFD)*
- Contract for Deed (CFD)

Expended Funds: $495,000
Total Households Served: 10

Total Expended Funds: $444,714,326
Total Households Served: 95,670

All FY2023 data as reported in TDHCA's 2023 performance measures.

Note: Some households may have been served by more than one TDHCA program. For some programs, allocation is used as a proxy for expenditures. Because of timing of funds request, the funds expended for the quarter may be readjusted substantially by year end.

* Administered through the federally funded HOME Investment Partnerships Program

**TBRA Funds are reported on an annual basis and are not included in the rental assistance total

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
GOVERNING BOARD MEETING

A G E N D A
10:00 AM
January 12, 2023

Greer Bldg., Williamson Board Room
125 East 11th Street
Austin, Texas 78701

CALL TO ORDER
ROLL CALL — **Leo Vasquez, 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.***

CONSENT AGENDA

Items on the Consent Agenda may be removed at the request of any Board member and considered at another appropriate time on this agenda. Placement on the Consent Agenda does not limit the possibility of any presentation, discussion or approval at this meeting. Under no circumstances does the Consent Agenda alter any requirements under Chapter 551 of the Tex. Gov't Code, Texas Open Meetings Act. Action may be taken on any item on this agenda, regardless of how designated.

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

EXECUTIVE

a) Presentation, discussion, and possible action on the Board meeting minutes summary for December 8, 2022 — **Beau Eccles**, Board Secretary

ASSET MANAGEMENT

b) Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application — **Rosalio Banuelos**, Director of Asset Management

19133	Legacy at Alazan	San Antonio
19286	Hartwood at West Little York	Houston
20115	Avenue at Sycamore Park	Fort Worth

c) Presentation, discussion, and possible action regarding a Material Amendment to the National Housing Trust Fund Application for Burnet Place Apartments (NHTF #82900020504)

FINANCIAL ADMINISTRATION

d) Presentation, discussion, and possible action to adopt a resolution regarding designating signature authority and superseding previous resolutions — **Joe Guevara**, Director of Financial Administration

This will be an open, public meeting conducted under Tex. Gov't Code, chapter 551, without COVID-19 emergency waivers. There will not be a remote online or telephone option for public participation. The meeting, however, will be streamed online for public viewing. Masks will be available for members of the public who wish to attend this public meeting.

MULTIFAMILY BOND FINANCE

e) Presentation, discussion, and possible action on Inducement Resolution No. 23-014 for Multifamily Revenue Bonds regarding authorization for filing applications for private activity bond authority for Palladium Old FM 471 (#22624) — **Teresa Morales**, Director of Multifamily Bond

RULES

f) Presentation, discussion, and possible action on an order proposing repeal of 10 TAC Chapter 10, Uniform Multifamily Rules, Subchapter H, Income and Rent Limits, and order proposing new Subchapter H, Income and Rent Limits, and directing their publication for public comment in the *Texas Register* — **Amy Hammond**, Manager of Compliance Monitoring

g) Presentation, discussion, and possible action on the statutory four-year rule review and order of proposed readoption for 10 TAC Chapter 10, Uniform Multifamily Rules, Subchapter F, Compliance Monitoring, §10.603, Notices to the Internal Revenue Service (HTC Developments during the Compliance Period), and §10.620, Monitoring for Non-Profit Participation, HUB, or CHDO Participation, and directing their publication for public comment in the *Texas Register* — **Brooke Boston**, Deputy Director of Programs

h) Presentation, discussion, and possible action on the statutory four-year rule review and order of proposed readoption for 10 TAC Chapter 29, Texas Single Family Neighborhood Stabilization Program Rule, and directing its publication for public comment in the *Texas Register*

i) Presentation, discussion, and possible action on the proposed repeal of 10 TAC Chapter 1, Subchapter B, Accessibility and Reasonable Accommodations; proposed new 10 TAC Chapter 1, Subchapter B, Accessibility and Reasonable Accommodations; and directing publication for public comment in the *Texas Register*

LEGAL

j) Presentation, discussion, and possible action regarding the adoption of an Agreed Final Order concerning Dale Meadows (HOME 530200 / CMTS 4001) — **Nina Wiggins**, Associate General Counsel

k) Presentation, discussion, and possible action regarding the adoption of an Agreed Final Order concerning Plainview Triplex (HOME 532315 / CMTS 2658)

CONSENT AGENDA REPORT ITEMS

ITEM 2: THE BOARD ACCEPTS THE FOLLOWING REPORTS:

a) Media Analysis and Outreach Report, November 2022 — **Michael Lyttle**, Director of External Affairs

b) Report on TDHCA One-Time or Temporary Allocations – Pandemic Response and Other Initiatives — **Brooke Boston**, Deputy Director of Programs

c) Report regarding a Request for Proposal for Financial Advisor issued by the Texas Department of Housing and Community Affairs. — **Scott Fletcher**, Director of Bond Finance

ACTION ITEMS

Executive Session: the Chair may call an Executive Session at this point in the agenda in accordance with the below-cited provisions[1] — **Leo Vasquez**, Chair

ITEM 3: EXECUTIVE

a) Executive Director's Report — **Bobby Wilkinson**, Executive Director, TDHCA

b) Presentation, discussion, and possible action authorizing amendments to vendor contracts as required by Texas Government Code, Chapter 2155 — **Brooke Boston**, Deputy Director of Programs

[1] Note: the Chair is not restricted by this item, and may call for an Executive Session at any time during the posted meeting.

ITEM 4: ASSET MANAGEMENT

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application

Rosalio Banuelos
Director of Asset Management

20406 Gala at Central Park Hurst

ITEM 5: RULES

a) Presentation, discussion, and possible action on an order adopting the amended 10 TAC Chapter 10 Subchapter E, Post Award and Asset Management Requirements, and directing its publication for adoption in the *Texas Register*

Rosalio Banuelos
Director of Asset Management

b) Presentation, discussion, and possible action on amendments to §10.606 Construction Inspections; §10.613 Lease Requirements; §10.626 Liability; and §10.627 Temporary Suspension of Sections of this Subchapter and directing their publication for public comment in the *Texas Register*

Amy Hammond
Manager of Compliance Monitoring

ITEM 6: HOME AMERICAN RESCUE PLAN

Presentation, discussion, and possible action regarding an award to Burnet Place Apartments Application Number 22722 from the special purpose HOME American Rescue Plan National Housing Trust Fund set-aside, as described

Naomi Cantu
HOME American Rescue Plan Director

ITEM 7: BOND FINANCE

Report on the closing of the Department's Single Family Mortgage Revenue Bonds, Series 2022B (Tax-Exempt)

Scott Fletcher
Director of Bond Finance

ITEM 8: MULTIFAMILY BOND FINANCE

Presentation, discussion, and possible action regarding the issuance of a Determination Notice for 4% Housing Tax Credits for Coppertree Village (#22474) in Houston.

Teresa Morales
Director of Multifamily Bond

ITEM 9: COMMUNITY AFFAIRS

Presentation, discussion, and possible action regarding nonrenewal of Big Bend Community Action Committee, Inc.'s Comprehensive Energy Assistance Program and Low Income Household Water Assistance Program contracts and future funding and the authorization of staff to identify a permanent provider(s), through release and subsequent award of a Request for Applications, to administer the Comprehensive Energy Assistance Program and potentially the Low Income Household Water Assistance Program in Brewster, Culberson, Hudspeth, Jeff Davis, and Presidio counties (the area served by Big Bend Community Action Committee, Inc.)

Michael De Young
Director of Community Affairs

ITEM 10: MULTIFAMILY FINANCE

Presentation, discussion, and possible action regarding an award from the Multifamily Direct Loan (MFDL) 2022-1 Notice of Funding Availability (NOFA) to Fiesta Trails in San Antonio

Connor Jones
MFDL
Program Manager

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

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;

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;

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;

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

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 Nancy Dennis, at 512-475-3959 or Relay Texas at 1-800-735-2989, at least five days before the meeting so that appropriate arrangements can be made. Non-English speaking individuals who require interpreters for this meeting should contact Danielle Leath, 512-475-4606, at least five days before the meeting so that appropriate arrangements can be made.

Personas que hablan español y requieren un intérprete, favor de llamar a Danielle Leath, al siguiente número 512-475-4606 por lo menos cinco días antes de la junta para hacer los preparativos apropiados.

1a

BOARD ACTION REQUEST

BOARD SECRETARY

JANUARY 12, 2023

Presentation, discussion, and possible action on the Board meeting minutes summary for December 8, 2022

RECOMMENDED ACTION

Approve the Board meeting minutes summary for December 8, 2022

RESOLVED, that the Board meeting minutes summary for December 8, 2022, is hereby approved as presented.

Texas Department of Housing and Community Affairs Governing Board
Board Meeting Minutes Summary
December 8, 2022

On Thursday, the eighth day of December 2022, at 10:00 a.m., the regular meeting of the Governing Board (Board) of the Texas Department of Housing and Community Affairs (TDHCA or the Department) was held in Capitol Extension Hearing Room E2.030 of the Texas Capitol, 1100 Congress Avenue, Austin, Texas.

The following members, constituting a quorum, were present and voting:

- Leo Vasquez, III, Chair
- Kenny Marchant, Vice Chair
- Brandon Batch
- Anna Maria Farias
- Holland Harper
- Ajay Thomas

Mr. Vasquez served as Chair, and James "Beau" Eccles, TDHCA General Counsel, served as Secretary.

1) The Board unanimously adopted a resolution commemorating December 21, 2022, as Homeless Persons' Memorial Day in Texas

2) The Board unanimously approved the Consent Agenda and Consent Agenda Report Items as presented with the exception of these items which were moved to the Action Item Agenda:

> 1(d) Presentation, discussion, and possible action regarding the Issuance of Multifamily Housing Revenue Bonds (Palladium Oak Grove) Series 2022 Resolution No. 23-012, and a Determination Notice of Housing Tax Credits
>
> 1(h) Presentation, discussion, and possible action on multiple requests for return and reallocation of tax credits under 10 TAC §11.6(5) related to Credit Returns Resulting from Force Majeure Events for Applications awarded in the 2021 competitive 9% tax credit round

3) Action Item 1(d) – Presentation, discussion, and possible action regarding the Issuance of Multifamily Housing Revenue Bonds (Palladium Oak Grove) Series 2022 Resolution No. 23-012, and a Determination Notice of Housing Tax Credits – was presented by Teresa Morales, TDHCA Director of Multifamily Bonds, with additional information from Bobby Wilkinson, TDHCA Executive Director. The Board unanimously approved staff recommendation that the Board approve Bond Resolution Number 23-012 in the amount of $25,600,000, and a determination notice for 4 percent housing tax credits in the amount of $2,607,449; and that it extend

flexibility to staff to clear the first condition of the underwriting report associated with the determination notice, specifically relating to the amount of funding from the City of Fort Worth, based on other documentation that has been provided, including but not limited to changes in construction pricing, lower interest rate, and additional taxable financing.

4) The Chairman exercised his authority to change the order in which agenda items were taken up and Action Item 8, a quarterly report relating to staff-issued Determination Notices for 2022 Noncompetitive 4% Housing Tax Credit applications, was presented by Ms. Morales with additional information from Mr. Wilkinson. The Board heard the report and took no further action.

5) Action Item 3 – the Executive Director's Report – was presented by Mr. Wilkinson. The Board heard the report and took no further action.

6) Action Item 4(a) – Report on the Meeting of the Audit and Finance Committee and Action on recommendations of that committee – was presented by Mr. Thomas, Chair of the Board's Audit and Finance Committee. The Board heard the report and took no further action.

7) Action Item 4(b) – Presentation, discussion, and possible approval of the Annual Internal Audit Plan for Fiscal Year 2023 – was presented by Mark Scott, TDHCA Director of Internal Audit. The Board unanimously adopted staff recommendation to approve the Annual Internal Audit work plan as presented in the item.

8) Action Item 5 – Presentation, discussion, and possible action to authorize the issuance of the 2023-2 HOME American Rescue Plan Rental Development Notice of Funding Availability and publication in the *Texas Register* – was presented by Naomi Cantu, TDHCA HOME American Rescue Plan Director, with additional information from Mr. Wilkinson and Megan Sylvester, TDHCA Federal Compliance Counsel.

Following public comment (listed below), the Board unanimously adopted staff recommendation to authorize the Executive Director and his designees to add funds to the 2023-2 HOME-ARP NOFA from the HOME-ARP NHTF set-aside, and to publish a 2023-2 HOME-ARP rental development NOFA, all subject to the conditions and as presented in the Board Action Request and resolutions on this item.

- Sally Gascon, SCI Ventures, provided comment on the item
- Joy Horak-Brown, New Hope Housing, provided comment on the item
- Barry Palmer, Coats Rose Law Firm, provided comment on the item

9) Action Item 6 – Presentation, discussion, and possible action on the draft 2023 State of Texas Low Income Housing Plan and Annual Report; proposed repeal of 10 TAC Chapter 1, Subchapter A, General Policies and Procedures, §1.23 concerning State of Texas Low Income Housing Plan and Annual Report; proposed new 10 TAC Chapter 1, Subchapter A, General Policies and Procedures, §1.23 concerning State of Texas Low Income Housing Plan and Annual

Report; and directing their publication for public comment in the *Texas Register* – was presented by Elizabeth Yevich, TDHCA Director of the Housing Resource Center.

The Board unanimously adopted staff recommendation to approve and publish for public comment the draft 2023 State of Texas Low Income Housing Plan and Annual Report, which by statute, requires publication for public comment and repeal and replacement of the earlier version of this plan, and report at 10 TAC Section 1.23, all subject to the conditions and as expressed in the item.

10) Action Item 7 – Report on the allocation of Program Year 2023 Community Services Block Grant awards – was presented by Gavin Reid, TDHCA Manager of Planning in the Community Affairs Division, with additional information from Mr. Wilkinson. The Board heard the report and took no further action.

11) The Chairman exercised his discretion to take up agenda items out of order and Action Item 1(h) – Presentation, discussion, and possible action on multiple requests for return and reallocation of tax credits under 10 TAC §11.6(5) related to Credit Returns Resulting from Force Majeure Events for Applications awarded in the 2021 competitive 9% tax credit round – was presented by Cody Campbell, TDHCA Director of Multifamily Finance, with additional information from Mr. Wilkinson and Mr. Eccles. Following public comment (listed below), the Board by a 4-2 vote (Mr. Marchant and Mr. Thomas voted "nay") approved staff recommendation to approve the requests made by applicants in the item except for #21175 Wells Manor which was withdrawn by the applicant.

- Michelle Stend, attorney representing Generation Housing Partners, provided comment in opposition to staff recommendation
- Chris Applequist, Generation Housing Partners, provided comment in opposition to staff recommendation
- Zachary Krochtengel, developer for one (#21139 Cypress Creek Apartment Homes at Forest Lane) of the four requests being considered in the item, provided comment in support of staff recommendation

12) Action Item 9(a) – Presentation, discussion, and possible action on an order adopting the repeal of 10 TAC Chapter 13, Multifamily Direct Loan Rule, and an order adopting the new 10 TAC Chapter 13, Multifamily Direct Loan Rule, and directing its publication in the Texas Register for adoption – was presented by Mr. Campbell. The Board unanimously adopted staff recommendation to approve and adopt the repeal of 10 TAC Chapter 13, multifamily direct loan rule, and adopt the new 10 TAC Chapter 13, including the preambles presented at the meeting and authorized any technical changes, all subject to the conditions and as expressed in the item.

13) Action Item 9(b) – Presentation, discussion, and possible action regarding the approval for publication in the *Texas Register* of the 2023-1 Multifamily Direct Loan Notice of Funding Availability – was presented by Mr. Campbell with additional information from Ms. Sylvester.

Following public comment (listed below), the Board did unanimously adopt an amended version of staff recommendation as presented in the item; it approved and authorized the 2023-1 NOFA as expressed in the item, including second acceptance date of second applications which were prior applications withdrawn or terminated, along with any conforming changes as necessary to match the final new 10 TAC Chapter 13 rule.

- Andrew Sinnott, Zimmerman Properties, provided comment in opposition to staff recommendation
- Robbye Meyer, Arx Advantage, provided comment in opposition to staff recommendation

14) Action Item 9(c) – Presentation, discussion, and possible action on the adoption of the 2023 Multifamily Programs Application Procedures Manual – was presented by Mr. Campbell. The Board unanimously adopted staff recommendation to approve the Multifamily Programs Application Procedures Manual as described and subject to provisions as expressed in the item and requested resolutions on the item and include any conforming changes as deemed necessary to match to the final new 10 TAC Chapter 13.

15) In the general public comment portion of the meeting, the following persons provided comments:

- Roger Arriaga, Texas Affiliation of Affordable Housing Providers, provided comment congratulating TDHCA on a "successful 2023 QAP" and shared that his organization is celebrating its 25th anniversary and it appreciates its working relationship with the Board and staff.

Except as noted otherwise, all materials presented to and reports made to the Board were approved, adopted, and accepted. These minutes constitute a summary of actions taken. The full transcript of the meeting, reflecting who made motions, offered seconds, etc., questions and responses, and details of comments, is retained by TDHCA as an official record of the meeting.

There being no further business to come before the Board, the meeting adjourned at 12:09 p.m. The next meeting is set for Thursday, January 12, 2023.

____
Secretary

Approved:

____
Chair

1b

BOARD ACTION REQUEST

ASSET MANAGEMENT DIVISION

JANUARY 12, 2023

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application for Legacy at Alazan (HTC #19133)

RECOMMENDED ACTION

WHEREAS, Legacy at Alazan (the Development) received an award of 9% Housing Tax Credits (HTCs) in 2019 for the construction of 88 units, of which 80 are designated as low-income, of multifamily housing in the City of San Antonio, Bexar County;

WHEREAS, Alazan Lofts Ltd. (the Owner) is now requesting approval for a change in the Development site acreage from 2.858 acres to 2.69 acres, which results in a 6.25% change in residential density, from 30.79 units per acre to 32.714 units per acre;

WHEREAS, Board approval is required for a modification of the residential density of at least 5% as directed in Tex. Gov't Code §2306.6712(d)(6) and 10 TAC §10.405(a)(4)(F), and the Owner has complied with the amendment requirements therein; and

WHEREAS, the requested change does not materially alter the Development in a negative manner, affect the HTC recommendation, and would not have adversely affected the selection of the Application in the Application Round;

NOW, therefore, it is hereby

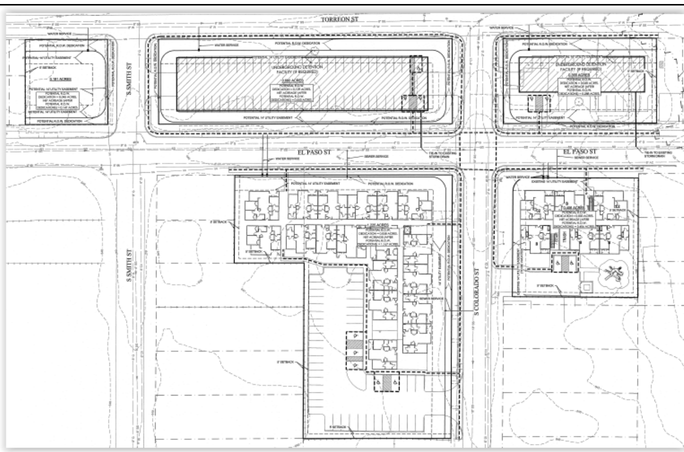
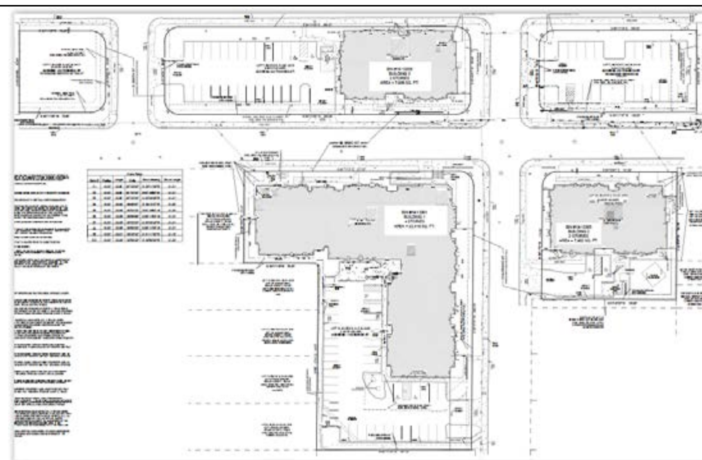
RESOLVED, that the requested material amendment to the Application for Legacy at Alazan is approved as presented at this meeting, and the Executive Director and his designees are each authorized, directed, and empowered to take all necessary action to effectuate the Board's determination.

BACKGROUND

Legacy at Alazan received an award of 9% Housing Tax Credits in 2019 for the new construction of 88 units of multifamily housing in San Antonio, Bexar County. The Development is owned by Alazan Lofts Ltd., with Alazan Lofts GP LLC as the general partner owned by the San Antonio Housing Facility Corporation. An affiliate of The NRP Group is a special limited partner in the ownership structure.

Based on a review of the cost certification, it was determined that a greater than 5% change in residential density had occurred from the time of initial Application to the time of the Cost Certification, and in a letter dated November 3, 2022, Andrew N. Tanner, the representative for the Development Owner, requested approval to modify the total acreage to represent the actual size of the Development site due to previously approved design changes required by the City of San Antonio. The acreage change was not included in the Amendment request for changes to the site plan heard before the Board on February 27, 2020, but was noted during the review of the 10% Test documentation submitted December 21, 2020.

At the time of application, the original development site included 2.858 acres, which was reaffirmed in the prior amendment request. However, the final recorded plat identified 2.856 acres, with 0.167 acres dedicated as right-of-way, and a review of the Cost Certification identified total site acreage of 2.69 acres spread across five non-contiguous parcels. As a result, the residential density changed from 30.79 to 32.714 units per acre (an increase of 6.25%), requiring approval by the Board under Tex. Gov't Code §2306.6712(d)(6) and 10 TAC §10.405(a)(4)(F).

Material Alterations as defined in Tex. Gov't Code §2306.6712(d)(6) and 10 TAC §10.405(a)(4)(F)	
Original Site Plan at Application	**Site Plan at Amendment**
Original site – 2.858 acres	**Amended site – 2.69 acres.**
	

The requested change does not materially alter the Development in a negative manner, affect the HTC recommendation, and would not have adversely affected the selection of the Application in the Application Round.

Staff recommends approval of the requested material amendment to the Application.

1228 Euclid Avenue, 4th Floor
Cleveland, Ohio 44115
Phone (216) 475-8900
Fax (216) 475-6102
www.nrpgroup.com

November 3, 2022

Ms. Karen Treadwell
Asset Manager | Regions 9 & 13
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, TX 78701

Re: Alazan Lofts (Legacy at Alazan) – HTC #19133
Amendment Request Form – Material Application Amendment

Dear Ms. Treadwell:

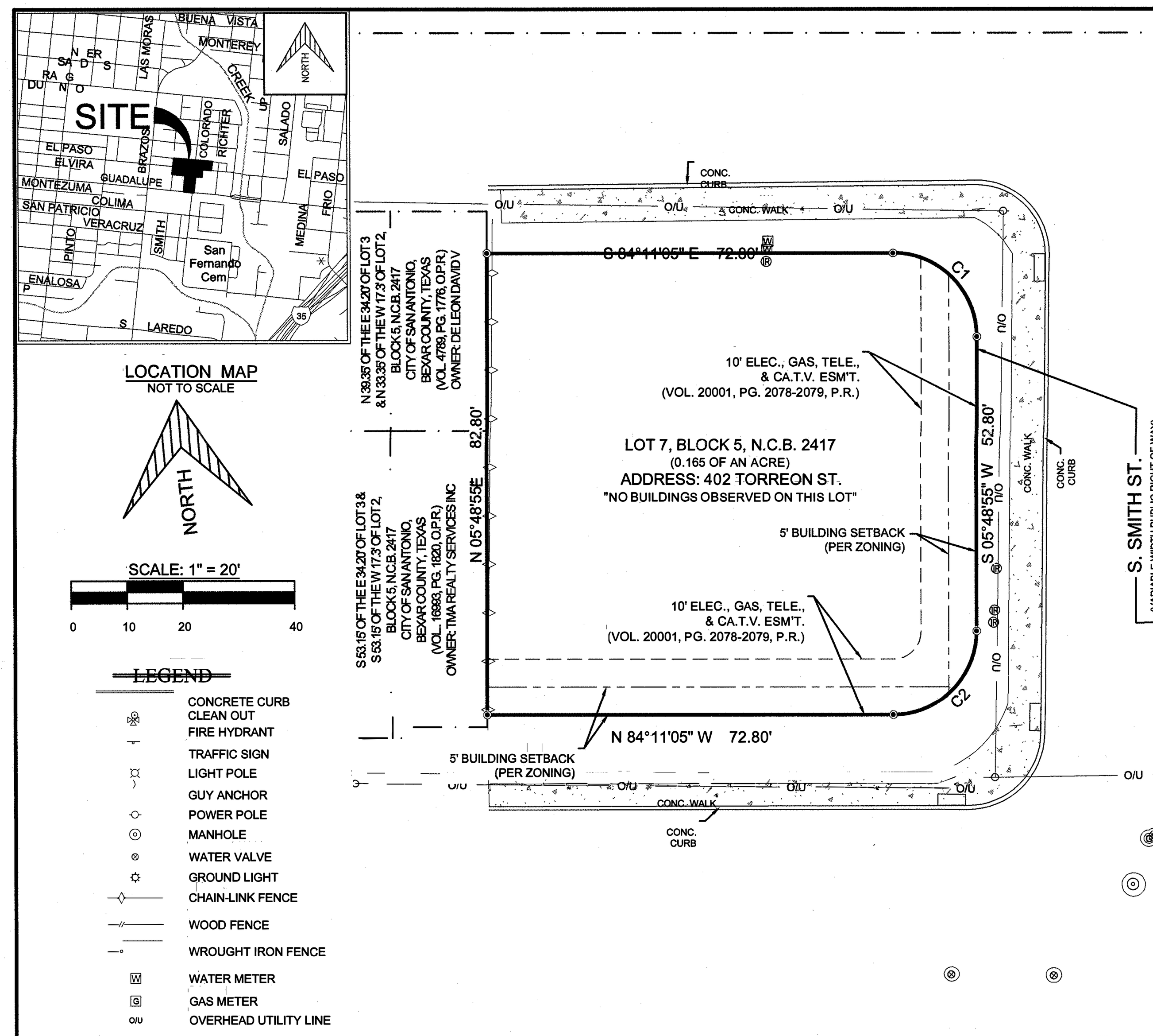
Please see the attached Amendment Request Form for Alazan Lofts, requesting the acceptance of a change in site acreage. The development was underwritten with an acreage of 2.858 acres, however, the actual size of the site is 2.692 acres as detailed in the attached survey. The reduction in acreage is due to design changes required by the City of San Antonio. These changes were brought to TDHCA's attention in February of 2020 but acreage was not discussed as part of NRP's initial amendment to the Application. The notice of board decision documentation is attached.

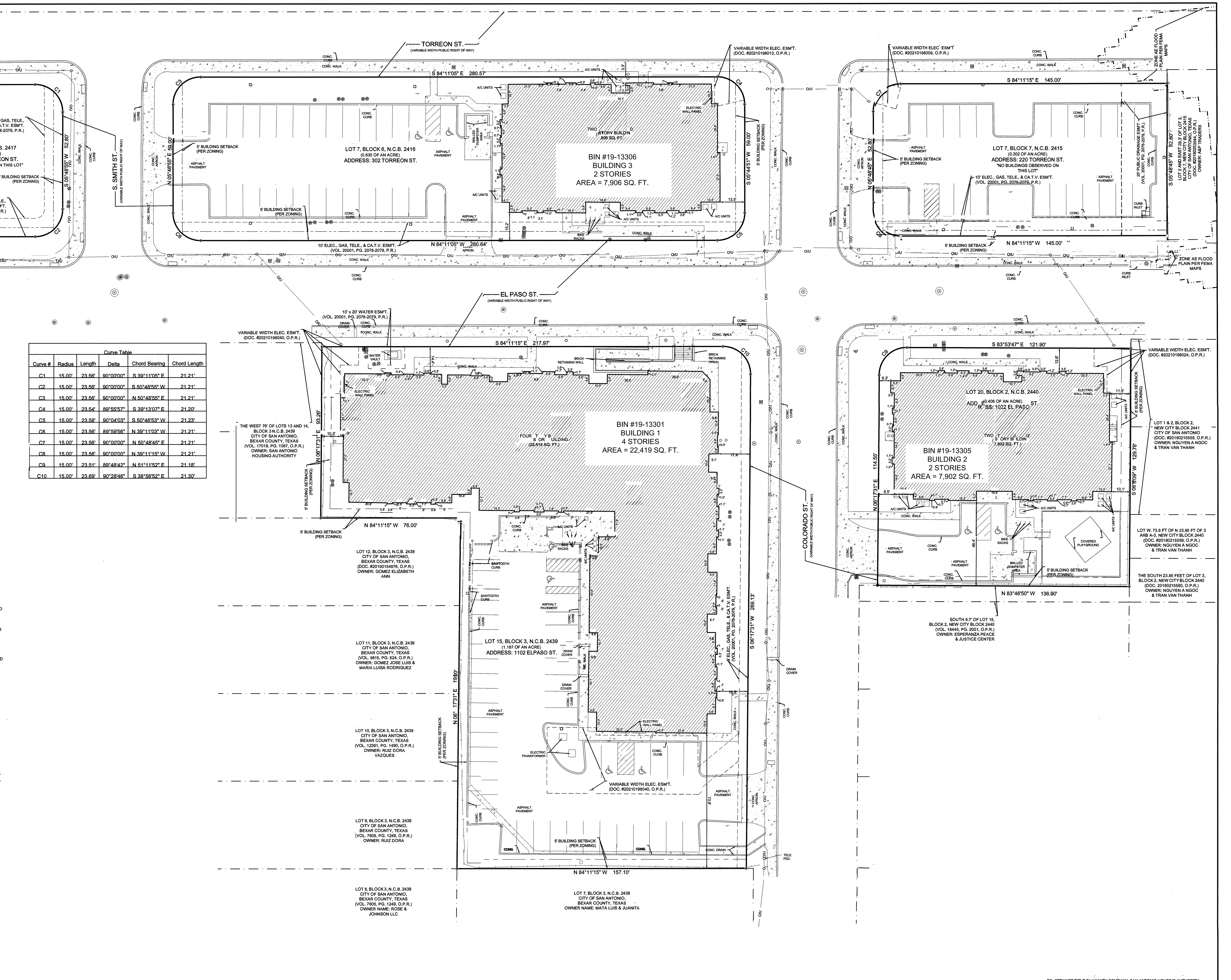
Thank you for your review. Please contact Nicholas Muha (nmuha@nrpgroup.com) if you have any further questions.

Sincerely,

DocuSigned by:
Andrew N. Tanner
0A0C277CF67F4A6...

Andy Tanner
Authorized Representative





SURVEYOR NOTES:

1) BASED ON A MAP TO MAP TRANSFER (BY VISUAL INSPECTION OR SCALING ONLY) THE SUBJECT PROPERTY HEREON IS SHOWN TO BE LOCATED IN FLOOD ZONE "X" (UNSHADED) AND ON ZONE AE ON COMMUNITY PANEL NUMBER 48029C0395 G DATED SEPTEMBER 29, 2010, OF THE FEDERAL EMERGENCY MANAGEMENT AGENCY'S FLOOD INSURANCE RATE MAP.
FLOOD ZONE DEFINITION:
ZONE X (UNSHADED): AREAS DETERMINED TO BE OUTSIDE THE 0.2% ANNUAL CHANCE FLOODPLAIN.

FOR MORE INFORMATION PLEASE CONSULT FLOOD MAP(S).

2) REGARDING ENCROACHMENTS; ALL VISIBLE IMPROVEMENTS ARE SHOWN HEREON RELATIVE TO PROPERTY BOUNDARY LINES.

3) BEARINGS ARE BASED ON TEXAS STATE PLANE COORDINATE SYSTEM GRID SOUTH CENTRAL ZONE ESTABLISHED BY GPS.

4) THE UNDERGOUND UTILITIES SHOWN HEREON HAVE BEEN LOCATED FROM FIELD SURVEY INFORMATION AND UTILITY MAPS AS MADE AVAILABLE FROM MUNICIPALITIES OR UTILITY COMPANIES, THE SURVEYOR MAKES NO GUARANTEE THAT THE UNDERGROUND UTILITIES SHOWN COMPRISE ALL SUCH UTILITIES IN THE AREA, EITHER IN SERVICE OR ABANDONED. THE SURVEYOR FURTHER DOES NOT WARRANT THAT THE UNDERGROUND UTILITIES SHOWN ARE IN THE LOCATION INDICATED ALTHOUGH HE DOES STATE THAT THEY ARE LOCATED AND/OR SCALED AS ACCURATELY AS POSSIBLE FROM INFORMATION AVAILABLE. THE SURVEYOR HAS NOT PHYSICALLY LOCATED THE UNDERGROUND UTILITIES.

5) THERE IS NO OBSERVED EVIDENCE OF CURRENT EARTH MOVING WORK, BUILDING CONSTRUCTION OR BUILDING ADDITIONS.

6) THERE WERE NO WETLAND MARKERS OBSERVED ON THE SUBJECT TRACT, THE SURVEYOR IS UNAWARE IF A QUALIFIED SPECIALIST WAS HIRED TO DELINEATE ANY OBSERVED EVIDENCE OF WETLANDS ON THE SUBJECT TRACT. SURVEYOR IS NOT QUALIFIED TO DELINEATE WETLANDS, SO IF WETLANDS EXIST, THEY ARE NOT DELINEATED HEREON.

7) THERE WAS NO OBSERVED EVIDENCE OF RECENT STREET OR SIDEWALK CONSTRUCTION OR REPAIRS.

8) ONLY VISIBLE UTILITY FEATURES SHOWN HEREON. CALL 811 FOR UTILITY LOCATES PRIOR TO CONSTRUCTION.

9) NO VISIBLE EVIDENCE OF CEMETERIES OBSERVED AT THE TIME OF THIS SURVEY.

10) THE SUBJECT PROPERTIES HAVE DIRECT ACCESS TO THE PUBLIC RIGHT-OF-WAYS AS SHOWN HEREON. EXISTING DRIVEWAY APPROACHES ARE SHOWN HEREON. PROPOSED DRIVEWAYS WILL BE ACCORDING TO CONSTRUCTION DOCUMENTS AS APPROVED AND PERMITTED BY THE CITY OF SAN ANTONIO.

11) MACINA, BOSE, COPELAND AND ASSOCIATES, INC (MBC) AND/OR THEIR EMPLOYEES HAVE NOT MADE AN INDEPENDENT ABSTRACT OF TITLE IN REFERENCE TO THE PROPERTY SHOWN ON THIS SURVEY OR THE PROPERTY ADJACENT TO THIS SURVEY. MBC HAS RELIED ON A TITLE COMMITMENT FURNISHED BY STEWART TITLE GUARANTY COMPANY AND MBC OFFERS NO GUARANTEES, EXPRESSED OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF THE HEREIN REFERENCED TITLE COMMITMENT:
FILE NO. 19000230021A
EFFECTIVE DATE: MARCH 20, 2022
ISSUED DATE: MARCH 25, 2022

SCHEDULE B ITEMS:

1. RESTRICTIVE COVENANTS:
A. THOSE RECORDED IN/UNDER VOLUME 20001, PAGES 2078-2079 OF THE DEED AND PLAT RECORDS OF BEXAR COUNTY, TEXAS. (SHOWN HEREON)

B. DECLARATION OF RESTRICTIVE COVENANTS BY AND BETWEEN SAN ANTONIO HOUSING AUTHORITY AND ALAZAN LOFTS LTD., A TEXAS LIMITED PARTNERSHIP, DATED OCTOBER 27, 2020 AND RECORDED OCTOBER 28, 2020 IN/UNDER DOCUMENT NO. 20200258950 OF THE OFFICIAL PUBLIC RECORDS OF BEXAR COUNTY, TEXAS. (NOT PLOTTABLE)

C. REGULATORY AND OPERATING AGREEMENT BY AND BETWEEN SAN ANTONIO HOUSING AUTHORITY, A TEXAS PUBLIC HOUSING AUTHORITY, AND ALAZAN LOFTS LTD., A TEXAS LIMITED PARTNERSHIP, DATED OCTOBER 27, 2020 AND RECORDED OCTOBER 28, 2020 IN/UNDER DOCUMENT NO. 20200258951 OF THE OFFICIAL PUBLIC RECORDS OF BEXAR COUNTY, TEXAS. (NOT PLOTTABLE)

D. DECLARATION OF RESTRICTIVE COVENANTS OF AFFORDABILITY MADE BY ALAZAN LOFTS LTD., A TEXAS LIMITED PARTNERSHIP IN FAVOR OF THE CITY OF SAN ANTONIO, RECORDED OCTOBER 28, 2020 UNDER DOCUMENT NO. 20200259621 OFFICIAL PUBLIC RECORDS, BEXAR COUNTY, TEXAS. AMENDMENT HAVING BEEN RECORDED UNDER DOCUMENT NO. 20210265549 OFFICIAL PUBLIC RECORDS, BEXAR COUNTY, TEXAS. (NOT PLOTTABLE)

10B. ALL TERMS, CONDITIONS AND PROVISIONS OF THE TEMPORARY ELECTRIC LINE RIGHT-OF-WAY AGREEMENT BY AND BETWEEN SAN ANTONIO HOUSING AUTHORITY AND THE CITY OF SAN ANTONIO, RECORDED IN/UNDER DOCUMENT NO. 20200029824 OF THE OFFICIAL PUBLIC RECORDS OF BEXAR COUNTY, TEXAS. (EASEMENT HAS TERMINATED DUE TO OVERHEAD ELECTIRC TRANSMISSION AND DISTRIBUTIONS LINES FOR WHICH THIS EASEMENT IS GRANTED BEING REMOVED PER NOTE ON AGREEMENT DOCUMENT)

10C. ELECTRIC, GAS, TELEPHONE AND CABLE T.V. EASEMENT 10 FEET WIDE ALONG THE SOUTHERLY AND EASTERLY PROPERTY LINES, AS SET FORTH BY PLAT RECORDED IN/UNDER VOLUME 20001, PAGES 2078-2079 OF THE DEED AND PLAT RECORDS OF BEXAR COUNTY, TEXAS. (SHOWN HEREON)

10D. ELECTRIC, GAS, TELEPHONE AND CABLE T.V. EASEMENT 10 FEET WIDE ALONG THE SOUTHERLY PROPERTY LINE, AS SET FORTH BY PLAT RECORDED IN/UNDER VOLUME 20001, PAGES 2078-2079 OF THE DEED AND PLAT RECORDS OF BEXAR COUNTY, TEXAS. (SHOWN HEREON)

10E. ELECTRIC, GAS, TELEPHONE AND CABLE T.V. EASEMENT 10 FEET WIDE ALONG THE SOUTHERLY PROPERTY LINE, AS SET FORTH BY PLAT RECORDED IN/UNDER VOLUME 20001, PAGES 2078-2079 OF THE DEED AND PLAT RECORDS OF BEXAR COUNTY, TEXAS. (SHOWN HEREON)

10F. DRAINAGE EASEMENT 25 FEET WIDE ALONG THE EASTERLY PROPERTY LINE, AS SET FORTH BY PLAT RECORDED IN/UNDER VOLUME 20001, PAGES 2078-2079 OF THE DEED AND PLAT RECORDS OF BEXAR COUNTY, TEXAS. (SHOWN HEREON)

10G. ELECTRIC, GAS, TELEPHONE AND CABLE T.V. EASEMENT 5 FEET WIDE ALONG THE EASTERLY PROPERTY LINE, AS SET FORTH BY PLAT RECORDED IN/UNDER VOLUME 20001, PAGES 2078-2079 OF THE DEED AND PLAT RECORDS OF BEXAR COUNTY, TEXAS. (SHOWN HEREON)

10H. WATER EASEMENT 10 FEET BY 20 FEET (10' X 20') ALONG THE NORTHERLY PROPERTY LINE, AS SET FORTH BY PLAT RECORDED IN/UNDER VOLUME 20001, PAGES 2078-2079 OF THE DEED AND PLAT RECORDS OF BEXAR COUNTY, TEXAS. (SHOWN HEREON)

10I. ALL TERMS, CONDITIONS, AND PROVISIONS OF THAT GROUND LEASE DATED OCTOBER 1, 2020, EVIDENCED BY MEMORANDUM THEREOF EXECUTED BETWEEN SAN ANTONIO HOUSING AUTHORITY, A TEXAS PUBLIC HOUSING AUTHORITY (LANDLORD), AND ALAZAN LOFTS LTD., A TEXAS LIMITED PARTNERSHIP (TENANT), EVIDENCED BY MEMORANDUM THEREOF, RECORDED OCTOBER 28, 2020 IN/UNDER DOCUMENT NO. 20200258949 OF THE OFFICIAL PUBLIC RECORDS OF BEXAR COUNTY, TEXAS. (NOT PLOTTABLE)

10J. MEMORANDUM OF RIGHT OF FIRST REFUSAL AGREEMENT BY AND BETWEEN ALAZAN LOFTS LTD., A TEXAS LIMITED PARTNERSHIP AS OWNER, AND SAN ANTONIO HOUSING AUTHORITY, AS GRANTEE, AND CONSENTED TO BY ALAZAN LOFTS GP LLC, AS GENERAL PARTNER, NRP ALAZAN LOFTS SLP LLC, AS CLASS B LIMITED PARTNER, BANK OF AMERICA, N.A., AS INVESTOR LIMITED PARTNER, AND BANC OF AMERICA CDC SPECIAL HOLDING COMPANY, INC., AS SPECIAL LIMITED PARTNER, DATED OCTOBER 27, 2020 AND RECORDED OCTOBER 28, 2020 IN/UNDER DOCUMENT NO. 20200259629 OF THE OFFICIAL PUBLIC RECORDS OF BEXAR COUNTY, TEXAS. COMPANY INSURES THE INSURED AGAINST LOSS, IF ANY, SUSTAINED BY THE INSURED UNDER THE TERMS OF THIS POLICY IF THIS ITEM IS NOT SUBORDINATE TO THE FIRST LIEN INSURED MORTGAGE. (NOT PLOTTABLE)

10M. ELECTRIC LINE RIGHT-OF-WAY AGREEMENTS, AS SET FORTH AND MORE FULLY DESCRIBED IN THOSE AGREEMENTS RECORDED IN/UNDER COUNTY CLERK'S FILE NO(S). 20210198013, 20210198009, 20210198040 AND 20210198024 OF THE OFFICIAL PUBLIC RECORDS OF BEXAR COUNTY, TEXAS. (SHOWN HEREON)

Curve Table

Curve #	Radius	Length	Delta	Chord Bearing	Chord Length
C1	15.00'	23.56'	90°00'00"	S 39°11'05" E	21.21'
C2	15.00'	23.56'	90°00'00"	S 50°48'55" W	21.21'
C3	15.00'	23.56'	90°00'00"	N 50°48'55" E	21.21'
C4	15.00'	23.54'	89°55'57"	S 39°13'07" E	21.20'
C5	15.00'	23.58'	90°04'03"	S 50°46'53" W	21.23'
C6	15.00'	23.56'	89°59'56"	N 39°11'03" W	21.21'
C7	15.00'	23.56'	90°00'00"	N 50°48'45" E	21.21'
C8	15.00'	23.56'	90°00'00"	N 39°11'15" W	21.21'
C9	15.00'	23.51'	89°48'42"	N 51°11'52" E	21.18'
C10	15.00'	23.69'	90°28'46"	S 38°56'52" E	21.30'

ZONING RESTRICTIONS TABLE

CURRENT ZONING	IDZ-3 MLOD-2 MLR-2 AHOD
MAXIMUM BUILDING HEIGHT	NONE PER ZONING
BUILDING SIZE LIMITS	NONE PER ZONING
SETBACK REQUIREMENTS:	SHOWN HEREON PER SITE PLAN ATTACHED TO CITY ORDINANCE
PARKING REQUIREMENTS	MINIMUM 0.75 SPACES PER DWELLING UNIT MAXIMUM 2 SPACES PER DWELLING UNIT

NOTES:
1) THE ABOVE TABLE IS BASED ON INFORMATION OBTAINED FROM CITY OF SAN ANTONIO UNIFIED DEVELOPMENT CODE ORDINANCE NUMBER 2019-08-22-0683. A ZONING REPORT WAS NOT PROVIDED TO THE SURVEYOR.

ALTA/NSPS TITLE SURVEY OF

LOT 7, BLOCK 5, IN NEW CITY BLOCK 2417; LOT 7, BLOCK 6, IN NEW CITY BLOCK 2416; LOT 7, BLOCK 7, IN NEW CITY BLOCK 2415; LOT 15, BLOCK 3, IN NEW CITY BLOCK 2439 AND LOT 20, BLOCK 2, IN NEW CITY BLOCK 2440, ALL OUT OF ALAZAN LOFTS - IDZ, A SUBDIVISION IN SAN ANTONIO, BEXAR COUNTY, TEXAS, ACCORDING TO THE MAP OR PLAT THEREOF RECORDED IN/UNDER VOLUME 20001, PAGES 2078-2079 OF THE DEED AND PLAT RECORDS OF BEXAR COUNTY, TEXAS.

TO: STEWART TITLE GUARANTY COMPANY; SAN ANTONIO HOUSING AUTHORITY

THIS IS TO CERTIFY THAT THIS MAP OR PLAT AND THE SURVEY ON WHICH IT IS BASED WERE MADE IN ACCORDANCE WITH THE 2016 MINIMUM STANDARD DETAIL REQUIREMENTS FOR ALTA/NSPS LAND TITLE SURVEYS, JOINTLY ESTABLISHED AND ADOPTED BY ALTA AND NSPS, AND INCLUDES ITEMS 1, 2, 3, 4, 6(A), 6(B), 7(A), 7(B)(1), 8, 9, 10(A), 11, 13, 14, 16, 17, 18, 19, AND 20 OF TABLE A THEREOF.

THE FIELDWORK WAS COMPLETED ON MARCH 11, 2022.

STATE OF TEXAS REGISTERED JOEL CHRISTIAN JOHNSON 5578 PROFESSIONAL LAND SURVEYOR

JOEL CHRISTIAN JOHNSON
EMAIL: JJOHNSON@MBCENGINEERS.COM

R.P.L.S. NO. 5578

REVISIONS:			
DATE	No.	DESCRIPTION	BY

MACINA • BOSE • COPELAND & ASSOC., INC.
CONSULTING ENGINEERS AND LAND SURVEYORS
1035 Central Parkway North, San Antonio, Texas 78232
(210) 545-1122 Fax (210) 545-9302 www.mbcengineers.com
FIRM REGISTRATION NUMBER: T.B.P.E. F-784 & T.B.P.L.S. 10011700

DESIGN	
DRAWN	JC
CHECKED	JCJ
DATE	04-14-2022
JOB NO.	32300-1270
SHT.	1 OF 1

Date: Apr 14, 2022, 9:04am User ID: JChavez Layout: Layout1
File: P:\1270\32300-NRP Alazan Lofts 2019\Survey\ALTA Surve y-2022-3

Texas Department of Housing and Community Affairs
Housing Tax Credit Program
U.S. Mailing Address: P.O. Box 13941, Austin, Texas 78711-3941
Private Carrier Delivery: 221 East 11th Street, Austin, Texas 78701
Telephone: (512) 475-3340

To: Sarah H. Andre on behalf of Alazan Lofts Ltd. (the Owner)

NOTICE OF BOARD DECISION REGARDING AMENDMENT REQUEST HEARD ON FEBRUARY 27, 2020

HTC 19133, CMTS ID 5500, Alazan Lofts (the Development)

Sarah H. Andre on behalf of Alazan Lofts Ltd. (the Development Owner), In a letter dated December 30, 2019, requested approval for a material amendment to the Application for changes to the site plan based on community input, which was required by the City of San Antonio. The request sought approval for a reduction in the common area from 3,358 square feet at application (consisting of the community center and two laundry rooms) to 2,650 square feet, representing a reduction of 21% or 708 square feet from the original square footage of the Common Area. These changes also impacted the unit distribution and sizes as well as number of parking spaces. Originally, the parking was designed with 142 spaces, of which 12 spaces dedicated as accessible. With the revised design, the Owner will eliminate 43 spaces, bringing the total to 99, with 11 spaces dedicated as accessible. The reduction of the parking spaces was due to the addition of the third building. Staff has reviewed the revised plan and confirmed that the accessible parking spaces were adequately distributed throughout the site and the plans for the accessible walking path meets requirements.

The requested changes, do not materially alter the Development in a negative manner, were not reasonably foreseeable or preventable by the Development Owner at the time of Application, and would not have affected the selection of the Application in the Application Round.

Development Name:	Alazan Lofts
City:	San Antonio
County:	Bexar County
Owner:	Alazan Lofts Ltd.
Region:	9
Units:	88 of which 80 units are designated as rent and income restricted
Year of Allocation:	2019

Staff recommended approval of the amendment request.

THE REQUEST ABOVE WAS APPROVED, WITHOUT PENALTIES, AT THE BOARD MEETING OF FEBRUARY 27, 2020. THE APPROVAL WILL BE CONFIRMED BY THE MINUTES AS APPROVED AND RECORDED IN A SUBSEQUENT BOARD MEETING.

Dee C Patience

Dee Copeland Patience
Asset Manager, Regions 9&12

BOARD ACTION REQUEST

ASSET MANAGEMENT DIVISION

JANUARY 12, 2023

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application for Hartwood at West Little York (HTC #19286)

RECOMMENDED ACTION

WHEREAS, Hartwood at West Little York (Development) received an award of 9% Housing Tax Credits (HTCs) in 2019 for the new construction of 150 multifamily units, of which 105 are low-income units, in Houston, Harris County;

WHEREAS, NH WLY LP (the Development Owner or Owner) requests approval for a modification to the site plan and architectural design, which reduces the number of residential buildings from six to five buildings and results in a modification of the building configuration, a slight change in the square footage of the units that increases the net rentable area by 663 square feet (0.51%), a reduction in the Common Area from 6,710 to 6,670 square feet (a reduction of 0.60% or 40 square feet), and a change in the bedroom mix, resulting in the reduction in the number of one-bedroom units from 88 to 87 units and the increase of the three-bedroom units from eight to nine units, while maintaining the total number of units at 150;

WHEREAS, Board approval is required for a significant modification of the site plan, a significant modification of the architectural design of the Development, and for a modification of the bedroom mix of units, as directed in Tex. Gov't Code §2306.6712(d)(1), (2), and (5) and in 10 TAC §10.405(a)(4)(A), (B), and (E), and the Development Owner has complied with the amendment requirements in 10 TAC §10.405(a); and

WHEREAS, the requested changes do not negatively affect the Development, impact the viability of the transaction, impact the scoring of the Application, or negatively affect the amount of funding awarded;

NOW, therefore, it is hereby

RESOLVED, that the requested amendment for Hartwood at West Little York is approved as presented at this meeting, and the Executive Director and his designees are each hereby authorized, directed, and empowered to take all necessary action to effectuate the foregoing.

BACKGROUND

Hartwood at West Little York received a 9% HTC award in 2019 for the new construction of 150 units, of which 105 units are designated as low income, in Houston, Harris County. Construction of the Development has been completed, and the Owner has submitted the cost certification documentation. Upon review of the cost certification, staff identified a change in the site plan and architectural design from what was represented in the Application. In a letter dated December 6, 2022, Nathan Kelley, representative for the Development Owner, requested approval for a material amendment to the Application to modify the site plan and architectural design, reducing the number of residential buildings from six to five buildings. This change resulted in a modification of the building configuration, a slight change in the square footage within the units that increases the total net rentable area by 663 square feet (from 130,409 square feet to 131,072 square feet), a reduction in the Common Area from 6,710 to 6,670 square feet (a reduction of 0.60% or 40 square feet), and a change in the bedroom mix, resulting in the reduction in the number of one-bedroom units from 88 to 87 units and the increase of the three-bedroom units from eight to nine units, while maintaining the total number of units at 150. The slight change in the net rentable area and the reduction in the square footage of the Common Area of less than 3% are not considered material alterations.

The Development Owner states the reason for the requested changes is that, during the civil engineering phase of design development, it was noted that the detention capacity needed to be significantly increased to the point where the site plan presented in the Application was unworkable. The Application assumed a regular sloped sided detention pond, but an underground detention system alongside a more complex pond with vertical retaining walls had to be provided. To accommodate the larger detention pond footprint, the architect consolidated the number of buildings from six down to five, utilized some new floorplan sizes, and traded out one one-bedroom unit for one three-bedroom unit. These changes resulted in an increase of 663 square feet to the net rentable area. The reduction in the Common Area was needed because the site plan presented in the Application included four units over an amenity area that was part of one of the six buildings. The updated site plan includes four three-story residential buildings and a stand-alone clubhouse building. The table below compares the changes between the original and amended site plans:

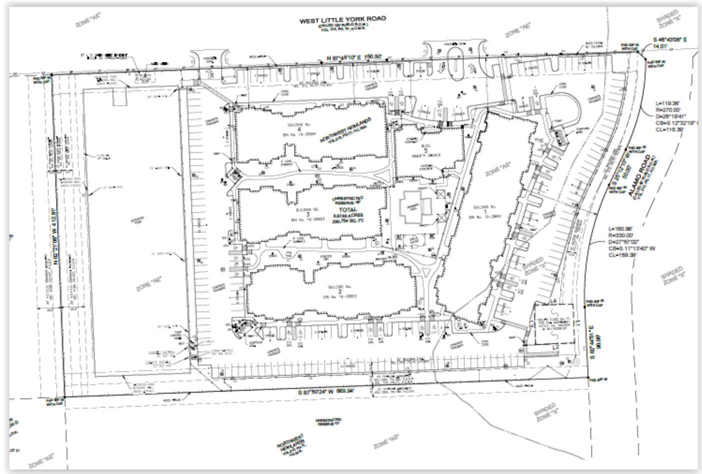
<table>
<tr><th colspan="2">Material Alterations as defined in Tex. Gov't Code §2306.6712(d)(1), (2), and (5)
and 10 TAC §10.405(a)(4)(A), (B), and (E)</th></tr>
<tr><td>Application</td><td>Amendment</td></tr>
<tr><td>Buildings: 6

Unit Mix:
1BR/1BA – 88 units
2BR/2BA – 54 units
3BR/2BA – 8 units
Total: 150 units

Total NRA: 130,409 s.f.</td><td>Buildings: 5

Unit Mix:
1BR/1BA – 87 units
2BR/2BA – 54 units
3BR/2BA – 9 units
Total: 150 units

Total NRA: 131,072 s.f.</td></tr>
</table>

Material Alterations as defined in Tex. Gov’t Code §2306.6712(d)(1), (2), and (5) and 10 TAC §10.405(a)(4)(A), (B), and (E)	
Original Site Plan	**Revised Site Plan**
	

A significant modification to the site plan, a significant modification of the architectural design, and a modification of the bedroom mix of units requires Board approval in accordance with Tex. Gov’t Code §2306.6712(d)(1), (2), and (5) and 10 TAC §10.405(a)(4)(A), (B), and (E).

The Owner indicated that the requested changes were not reasonably foreseeable at the time of application because of the limited scope of the feasibility report with respect to the detention calculations.

Accessibility issues identified during the final construction inspection conducted March 8, 2022, were addressed, and the final clearance was issued November 2, 2022.

In terms of cost impact, the Owner spent approximately $1 million on the detention pond, retaining walls, and underground detention system. The cost for the underground detention system and retaining walls was approximately $600,000 and the digging of the pond and related work was approximately $400,000. Staff noted during the cost certification review an increase to the first lien debt and a slight increase in syndication proceeds to accommodate the costs.

Staff has determined that the proposed changes noted above would not have impacted the scoring of the Application. Staff has conducted an analysis of the cost certification and has determined that the Development remains feasible.

Staff recommends approval of the amendment request as presented herein. The final recommended HTC amount will be determined upon finalization of the cost certification review process.

NH WLY LP

Hartwood at West Little York

December 6, 2022

REVISED

Texas Dept. of Housing & Community Affairs
Attn: Jessica Perez
221 E. 11th Street
Austin, TX 78701

Re: Hartwood at West Little York – TDHCA# 19286
Amendment Request - Change in Unit Mix & Common Area Sq. Ft.

Dear Jessica,

Please accept this letter as our request to amend the application for NH WLY LP (TDHCA 19286).

At application, the development was presented as a six-building garden-style development with 88 one-bedroom units, 54 two-bedroom units and 8 three-bedroom units. The buildings were to be flanked by a detention pond that ran along the entire western boundary of the site.

Once the development received its commitment notice in late-November 2019, we turned our attention to the ultimate design of the site. During the civil engineering phase of design development, it was noted that the detention capacity needed to be significantly increased to the point where the site plan presented in the application was unworkable. The application assumed a regular sloped sided detention pond while we ultimately had to provide both an underground detention system alongside a more complex pond with vertical retaining walls. In terms of a cost impact, we spent roughly $1 million on the pond, retaining walls and underground detention system. The underground detention system and retaining walls alone were roughly $600,000, which means the digging the pond and the related work was roughly $400,000. The latter is consistent with our initial estimates for that scope of work.

To accommodate the larger detention pond footprint, our architect (i) consolidated the number of buildings from six down to five, (ii) utilized some new floorplan sizes not stated in the application and (iii) traded out one (1) one-bedroom 60% HTC unit for one (1) three-bedroom 60% HTC unit. These changes resulted in an increase of 663 sq. ft. or 0.51% of the net rentable area. The last change noted was required because the site plan presented in the application included four units over an amenity area that was a part of one of the six buildings. The updated design included a stand-alone clubhouse building flanked by four (4) 3-story residential buildings, which changed the stacking plan/count of the units within the buildings. Because of the limited number of 3-bedroom units and the family-oriented nature of the project, we believed the most appropriate course of action was to increase the number of three-bedroom units rather than the one-bedroom units. The final unit mix that was ultimately built included 87 one-bedroom units, 54 two-bedroom units and 9 three-bedroom units.

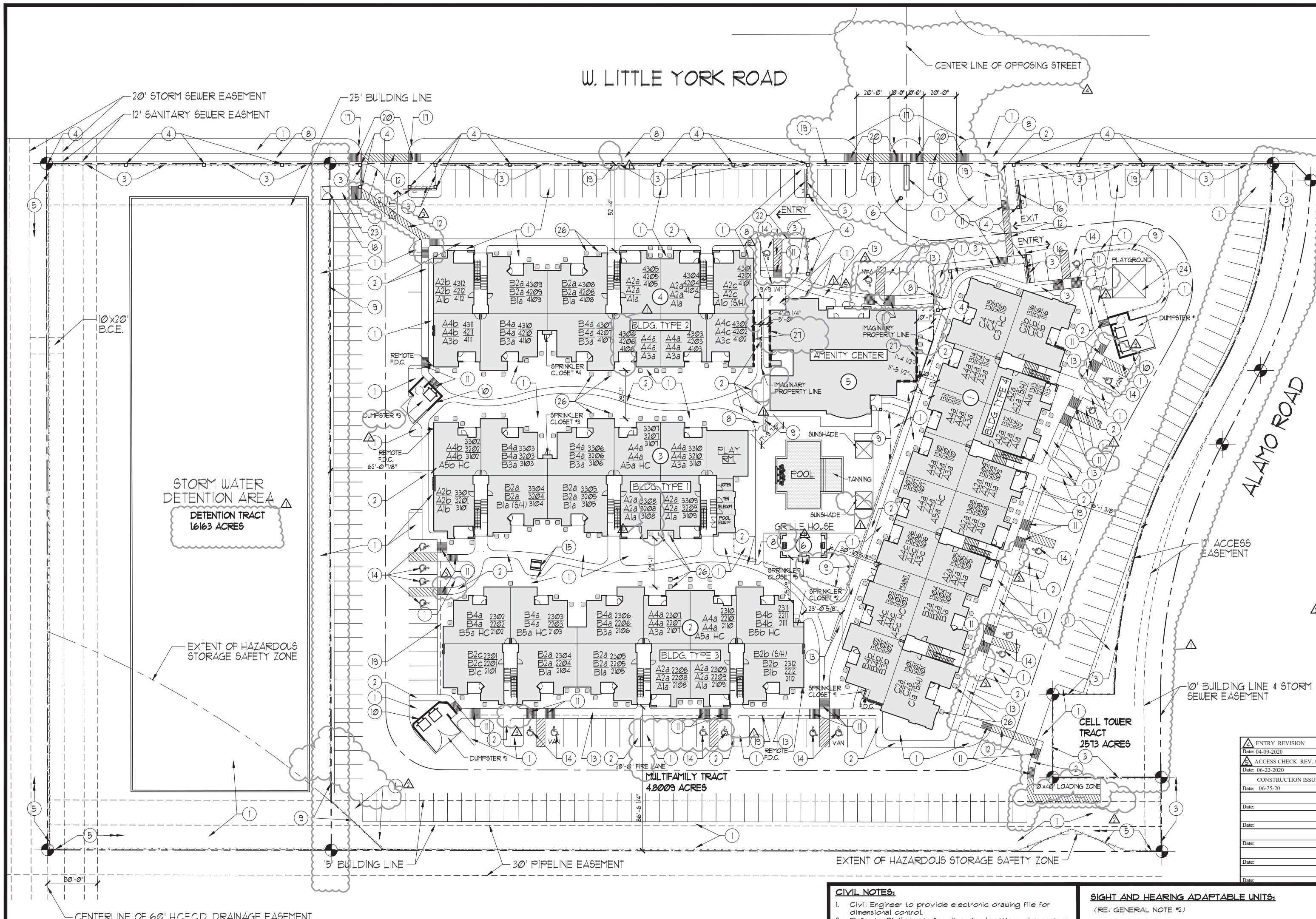
Additionally, the change to the standalone clubhouse design reduced the Common Area from 6,710 to 6,670 sq. ft., or 0.60% less than what was shown at application. It's important to note that there was no loss of amenities from application to what was ultimately completed. The lone difference being a recharacterized of a 'Multi-purpose Room' shown in the amenity center at application to a 'Play Room' situated within Building 3 rather than the 'Amenity Center' building.

The necessity of this amendment request was not reasonably foreseeable at the time of Application because of the limited scope of the feasibility report with respect to the detention calculations. Although we neglected to request this change at an appropriate time prior to construction, we kindly ask the Board to consider approving the amendment to the application. I would like to note that the property has been well received in the community. We were able to complete construction in November 2021 without the need for any sort of Placed-In-Service extension and have been over 95% occupancy since early 2022.

An amendment fee of $2,500 was sent via FedEx and delivered on November 14, 2022. A copy of the updated site plan included here. Please contact me with any questions.

Best regards,

Nathan Kelley
Nantucket Housing, LLC
nkelley@blazerbuilding.com



SITE PLAN

1/A1.1 — 1" = 30'-0"

NOTE:
ANY OPENINGS IN FLOOR OR GROUND SURFACES SHALL NOT ALLOW PASSAGE OF A 1/2" DIAMETER SPHERE. ANY ELONGATED OPENING SHALL BE PLACED SO THAT THE LONG DIMENSION IS PERPENDICULAR TO THE DOMINANT DIRECTION OF TRAVEL.

PROJECT SUMMARY:

Apartments:

Type	Description	Qty.	Area
A1	One Bedroom, 1 Bath (1st flr.)	14	751 s.f.
A2	One Bedroom, 1 Bath (2nd, 3rd flr.)	28	751 s.f.
A3	One Bedroom, 1 Bath (1st flr.)	10	760 s.f.
A4	One Bedroom, 1 Bath (2nd, 3rd flr.)	30	760 s.f.
A5	One Bedroom, 1 Bath (1st fl., H.C.)	5	768 s.f.
Total One Bedroom Units		87 Units	
B1	Two Bedroom, 2 Bath (1st flr.)	9	1,009 s.f.
B2	Two Bedroom, 2 Bath (2nd, 3rd flr.)	18	1,009 s.f.
B3	Two Bedroom, 2 Bath (1st flr.)	6	1,016 s.f.
B4	Two Bedroom, 2 Bath (2nd, 3rd flr.)	18	1,016 s.f.
B5	Two Bedroom, 2 Bath (1st flr. H.C.)	3	1,042 s.f.
Total Two Bedroom Units		54 Units	
C1	Three Bedroom, 2 Bath (1st flr.)	2	1,168 s.f.
C2	Three Bedroom, 2 Bath (2nd flr.)	4	1,168 s.f.
C3	Three Bedroom, 2 Bath (1st flr. H.C.)	1	1,179 s.f.
C4	Three Bedroom, 2 Bath (2nd flr.)	2	1,175 s.f.
Total Three Bedroom Units		9 Units	
Apartments Total		150 Units	131,072 s.f.
	Amenity Center		4,735 s.f.
	Grille House		427 s.f.
	Play Room		668 s.f.
	Restrooms, Tel-Com, Pool Equip.		329 s.f.
	Maintenance		361 s.f.
Project Total			137,592 s.f.

Parking:

Parking Required:

87 One Bedroom units @ 1.33 cars per unit =	116 cars
54 Two Bedroom units @ 1.67 cars per unit =	91 cars
9 Three Bedroom units @ 2.00 cars per unit =	18 cars
Total Parking Required =	225 cars

Parking Provided:

	VAN Access.	H.C. Access.	Standard	Total
Open Parking (secured)	3	14	205	222 cars
Amenity Parking (non-secured)	1	0	9	10 cars
Total Provided Parking	4	14	214	232 cars

GENERAL NOTES:

1. "H.C." indicates an ADA/UFAS fully accessible apartment or garage.
2. "S/H" indicates a Sight & Hearing impaired apartment w/ visual and audible devices per ADA requirements. (4 units required and provided at Unit #1103, #2208, #3403 & #4202).
3. Coordinate locations of transformers, electrical meters & panels, water meters, gas meters, cable T.V. & telephone with MEP drawings.
4. Address numbers at least 8" high must be visible from the street or Fire Dept. access lanes.
5. Exterior louvers, fans, exhaust vents & downspouts etc. for roof and wall shall be painted to match adjacent surface.
6. Exterior electrical panels, switchgear, gutters, conduit, etc. shall be painted to match the building.
7. All Project Entry gates to have 911 Knox box for emergency vehicle access.
8. Handrail gripping surfaces and any surfaces adjacent to them shall be free of sharp or abrasive surfaces and shall have rounded edges (circular section).

NOTES TO SHEET A1.1: (Shown with round targets)

1. Landscaping with 6" concrete curbing @ all edges.
2. 4'-0" W. concrete sidewalk.
3. 6'-0" H. metal painted picket fence per 1/A1.2, with 3'-0" W. pedestrian gate per 5/A1.2.
4. 1'-4" x 1'-4" x 7'-4 1/2" H. brick column per 9/A1.2.
5. 7'-0" H. wood fence, 1x6 cedar pickets, 2x6 treated cap, 4x4 treated posts set in concrete, 2x10 treated rot board at base. (Re: 6/A1.2)
6. Guest telephone (w/ voice & TTY communication) at island to operate entry gate.
7. Monument Signage (Re: 8/A1.2)
8. 5'-0" W. concrete sidewalk.
9. Painted metal picket fence: 4'-7" at Pool & 4'-0" at Storm water detention area and playground, with 3'-0" W. gate per 4/A1.2.
10. Dumpster enclosure per 10 thru 13/A1.2.
11. 6'-0" L. 1:12 slope private handicap access concrete curb-ramp. Entire surface of ramp to have pea gravel topping. 1:50 max. side slope.
12. Handicap access crosswalk, 1:20 max. slope, 1:50 max. side slope.
13. 6'-0" W. concrete sidewalk, (w/ 2'-0" car overhang, dashed where required at parking).
14. Handicap accessible parking space 8'-0" W., with 5'-0" W. access aisle, 11'-0" W. space at Van Accessible cars, provide signage on pole at head of stall per T.A.S. details.
15. Concrete patio slab with accessible picnic table & adjacent accessible charcoal grille.
16. Horizontal sliding painted metal picket limited access Entry & Exit gates, 17'-6" wide each (14'-0" total opening) x 6'-0" high. "ENTRY" to be operated by remote control and guest telephone. "EXIT" to be activated by exit loop under pavement. Provide 911 Knox lock box for Fire Dept. (Re: 1/A1.2).
17. New Concrete curb cut per C.O.H. standards, RE: CIVIL.
18. Maintenance access gate. 8'-0" W. x 4'-0" H. painted metal to match pool fence details. Provide concrete apron to Detention Area.
19. 2'-0" car overhang, shown dashed.
20. 1:15 slope public handicap access curb-ramp w/ truncated dome warning across surface of ramp for 24" in the direction of travel, 1:50 max. side slope, Re: COH detail DWG. #02775-02 (Re: Civil set for detail). Field verify length (max. 7'-6")
21. Horizontal sliding painted metal picket limited access Exit only gate, 17'-6" wide (14'-0" drivelane) x 6'-0" high, with Swing Panel, 14'-0" w. X 6'-0" High "EXIT" to be activated by exit loop under pavement. Provide 911 Knox lock box for Fire Dept. (Re: 1/A1.2).
22. Horizontal sliding painted metal picket limited access entry only gate, 12'-6" w x 6'-0" high. "ENTRY" to be operated by remote control and guest telephone. (Re: 1/A1.2).
23. Concrete +-8'-0" concrete drive to service detention area.
24. ~~Sunshade~~ @ playground per 16/A1.2.
25. Not used.
26. ~~ACCU typical.~~
27. Dashed line represents UL #305 1-Hour rated wall (rated both sides). Re: 1/A10.3.

CIVIL NOTES:

1. Civil Engineer to provide electronic drawing file for dimensional control.
2. Refer to Civil sheets for dimension locations, slopes and elevations of all buildings, sidewalks, ramps, driveways, parking spaces, and curbs.
3. Maintain Accessible Route typical throughout as required by Fair Housing and The Texas Accessibility Standards. Handicapped Parking stalls and access aisles to have maximum 1:50 slope. Provide flush transition from parking to sidewalks to entry porch slabs, maximum 1:20 slope in direction of travel along accessible route (max. 1:50 cross-slope). Maximum 1:50 slope within 60" of entry doors. Provide accessible level change at thresholds. Provide striped crosswalks at driveways as shown.

MEP NOTES:

1. Locations of all appliances and fixtures to be governed by Architectural drawings.
2. Provide underground electrical & telephone conduits & supplies to all vehicular gates shown on 1/A1.1.
3. MEP drawings to show locations of transformers, electrical meters & panels, water meters, gas meters, cable T.V., & telephone. Electrical meters and Condensers shown on Architectural Site Plan are for design purpose only and are subject to coordination with MEP Engineer.

SIGHT AND HEARING ADAPTABLE UNITS:

(RE: GENERAL NOTE #2)

1. Visual smoke alarm. A hardwired smoke alarm system consisting of interconnected signaling devices with an audible and visual alarm signal in each sleeping room, and an audible and visual alarm signal outside of the sleeping rooms. Locations of other audible alarms comply with Texas Property Code (see Section 3A). If a door separates an interior living space (not including bathrooms) from the visual signal source, an additional visual signal device serves that area. Multiple visual signal ranges do not overlap. Local or state fire code requirements are observed regarding visual alarm height from floor, distance from the ceiling, light pulse characteristics, and alarm locations.
2. Telephone. A telephone jack with system interface wiring capable of supporting voice and TTY communication with public use system, electric outlet next to the telephone jack as needed to power messaging devices.
3. Doorbell. A hardwired electric doorbell system with an activation button at the primary entrance, initiating a strobe light & an audible signal centrally located within the living space, approximately 80" above the floor. If strobes are located in a bedroom, provide a deactivation switch.
4. Switch and outlet cover plates. Electric switch, receptacle and cover plate color and shade for contrast to stand out from the color and shade of the surrounding wall surface.
5. Provide a 180° peephole viewer on the unit entry door, 48" AFF.

Revision	Date
4 ENTRY REVISION	04-09-2020
5 ACCESS CHECK REV. #2	06-22-2020
CONSTRUCTION ISSUE	06-25-20

REGISTERED ARCHITECT
MARK E. MUCASEY
09420
STATE OF TEXAS

MUCASEY & Associates
Architects
4808 Gibson, Suite 200
Houston, Texas 77007
Tel. (713) 521-1233
Fax (713) 520-1904
Email: office@mucaseyarchitects.com

WEST LITTLE YORK APARTMENTS

A Multi-Family Community
7925 West Little York Road, Houston, TX 77040
Job No. 1814

Issue	Date
ISSUE TO ENGINEERS	12-18-19, 01-14-2020
ISSUE TO ENGINEERS	01-23-2020
TAS REVIEW	01-31-2020
ISSUE FOR PERMIT	01-31-2020
DELETION OF DOG PARK	02-14-2020
2 PERMIT REVISION	03-11-2020
1 FENCE REVISION	03-13-2020
3 ACCESS CHECK REV. #1	04-17-2020

A1.1

P:\2018 Jobs\1814_West Little York Apartments\1814_A101.dwg, 6/26/2020 10:53:23 AM, DWG To PDF.pc3, Frank Chung

BOARD ACTION REQUEST

ASSET MANAGEMENT DIVISION

JANUARY 12, 2023

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application for Avenue at Sycamore Park (HTC #20115)

RECOMMENDED ACTION

WHEREAS, Avenue at Sycamore Park (the Development) received an award of 9% Housing Tax Credits (HTCs) in 2020 for the construction of 108 units of multifamily housing in Fort Worth, Tarrant County;

WHEREAS, CSH Avenue at Sycamore Park, Ltd. (the Development Owner or Owner) is requesting approval for a change in the Development site acreage from 3.77 to 3.47 acres, a reduction of 0.30 acre due to dedication of this land for right-of-way, which results in a 8.65% change in residential density, going from 28.647 to 31.124 units per acre;

WHEREAS, Board approval is required for a modification of the residential density of at least 5% as directed in Tex. Gov't Code §2306.6712(d)(6) and 10 TAC §10.405(a)(4)(F), and the Owner has complied with the amendment requirements therein; and

WHEREAS, the requested change does not materially alter the Development in a negative manner, affect the HTC recommendation, was not reasonably foreseeable or preventable by the Owner at the time of Application, and would not have adversely affected the selection of the Application;

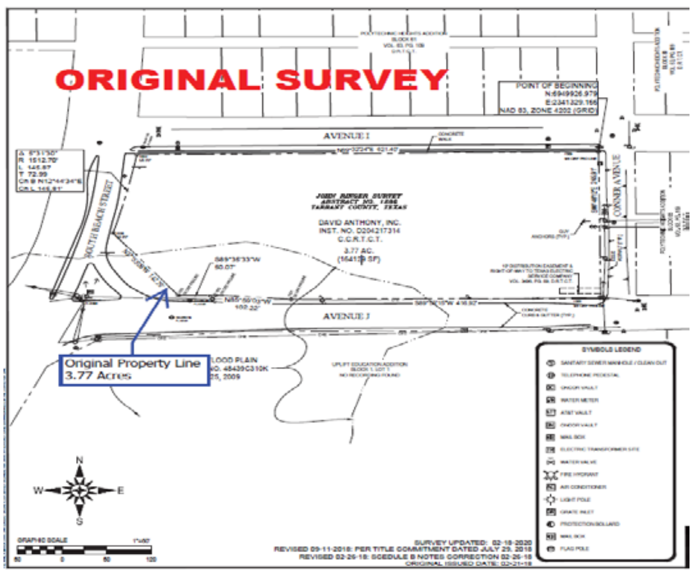
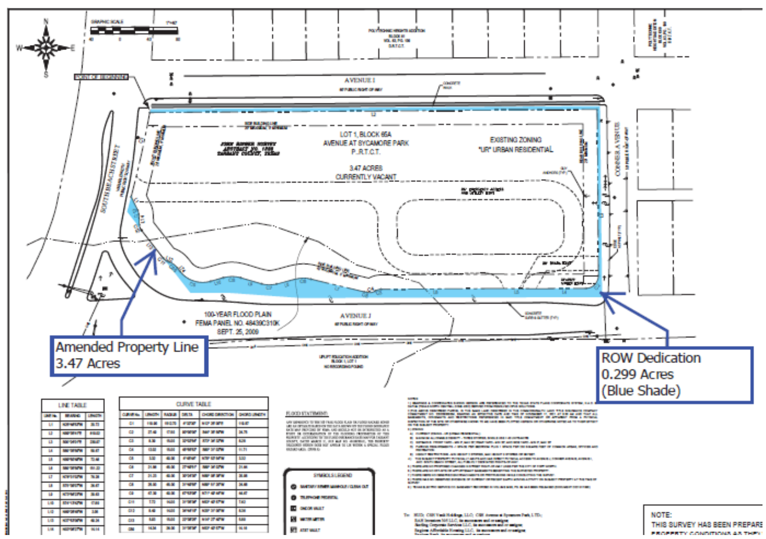
NOW, therefore, it is hereby

RESOLVED, that the requested material amendment to the Application for Avenue at Sycamore Park is approved as presented at this meeting, and the Executive Director and his designees are each authorized, directed, and empowered to take all necessary action to effectuate the Board's determination.

BACKGROUND

Avenue at Sycamore Park received an award of 9% Housing Tax Credits in 2020 for the new construction of 108 multifamily units, of which 91 are low-income units, in Fort Worth, Tarrant County. In a letter as of November 21, 2022, Matt Higgins, the representative for the

Development Owner, submitted a request for a material amendment to the Application. The amendment is for a 8.65% increase in the residential density from 28.647 to 31.124 units per acre, which requires Board approval under Tex. Gov’t Code §2306.6712(d)(6) and 10 TAC §10.405(a)(4)(F). The change is a result of a decrease in the Development site acreage from 3.47 to 3.77 acres, a reduction of 0.30 acres being dedicated for right-of-way. The City of Fort Worth required the dedication of a right-of-way strip along the perimeter of the Development Site that encompasses the new streetscape elements (i.e. sidewalks, street lights and landscaping) to be constructed as part of the Development. The table below compares the survey at Application to the amended survey, which depicts the right-of-way dedication shaded in blue.

Material Alterations as defined in Texas Gov’t Code §2306.6712(d)(6) and 10 TAC §10.405(a)(4)(F)	
Application	**Amendment**
Density: 28.647 units per acre (108 units constructed on 3.47 acres before a 0.30-acre dedication to the City of Fort Worth) 	Density: 31.124 units per acre (108 units on 3.77 acres) AMENDED SURVEY - DEPICTING RO DEDICATION 

The Owner indicated that there have been no changes to the building layout, amenities, landscaping, streetscape elements, and points of ingress/egress from what was represented in the Application.

The Owner also stated that there was no financial impact as a result of this amendment. Additionally, this amendment was not foreseeable, as up until late in the permitting process, it was the Owner’s understanding that the streetscape elements would be encompassed by a public sidewalk easement which would not have affected the net acreage of the Development Site.

The requested amendment does not materially alter the Development in a negative manner, affect the HTC recommendation, and would not have adversely affected the selection of the Application in the Application Round.

Staff recommends approval of the requested material amendment to the Application.

CSH AVENUE AT SYCAMORE PARK, LTD.

3701 Kirby Drive, Suite 860
Houston, Texas 77098
MHiggins@MSH-ICServices.com
817-683-1571

November 21, 2022

Ms. Lucy Weber
Asset Manager (Region 3)
Texas Department of Housing and Community Affairs
P.O. Box 13941
Austin, Texas 78711-3941

Re: #20115 Avenue at Sycamore Park / Property Line & Density Change Amendment Request

Dear Ms. Weber:

The purpose of this letter and its attachments is to provide the Department a discussion and Material Application Amendment request regarding a change to the Development Site's property line, resulting in a change to the acreage of the site and an increase in the density of more than 5%. The change is due to the City of Fort Worth requiring the dedication of a right-of-way strip along the perimeter of the Development Site that encompasses the new streetscape elements (i.e. sidewalks, street lights and landscaping) to be constructed as part of the Development.

Attached to this letter you will find the Original Survey for the Development Site as submitted with the Application. For comparison, you will also find the Amended Survey with the new proposed property line depicted, and the area representing the right-of-way dedication shaded blue for reference. The area now being dedicated as right-of-way (blue shaded area) represents 13,055 SF, or 0.299 acres. Based on the 108-unit plan on 3.47 acres, the resulting density is 31.12 units per acre compared to the original density of 28.64 units per acre, representing an increase of 8.66%. Due to the density increasing by more than 5% as a result of the change, we understand that this change constitutes a Material Application Amendment.

Until very late in the permitting process, it was our understanding that the streetscape elements would be encompassed by a public sidewalk easement which would not have affected the net acreage of the Development Site and therefore was unforeseeable. But it is important to note that the City-required right-of-way dedication does not alter the Development in a negative manner, does not financially impact the development, would not have adversely affected the selection of 2020 awards, and has no adverse implications on future residents. For reference of this fact, we have also included the Original site plan submitted with the Application, along with the Current Site Plan for comparison, depicting the same building layout, amenities, landscaping, streetscape elements, and points of ingress/egress.

In conclusion, our kind request is that this matter be placed on the upcoming December board agenda, as we are submitting a material amendment fee to the agency at this time.

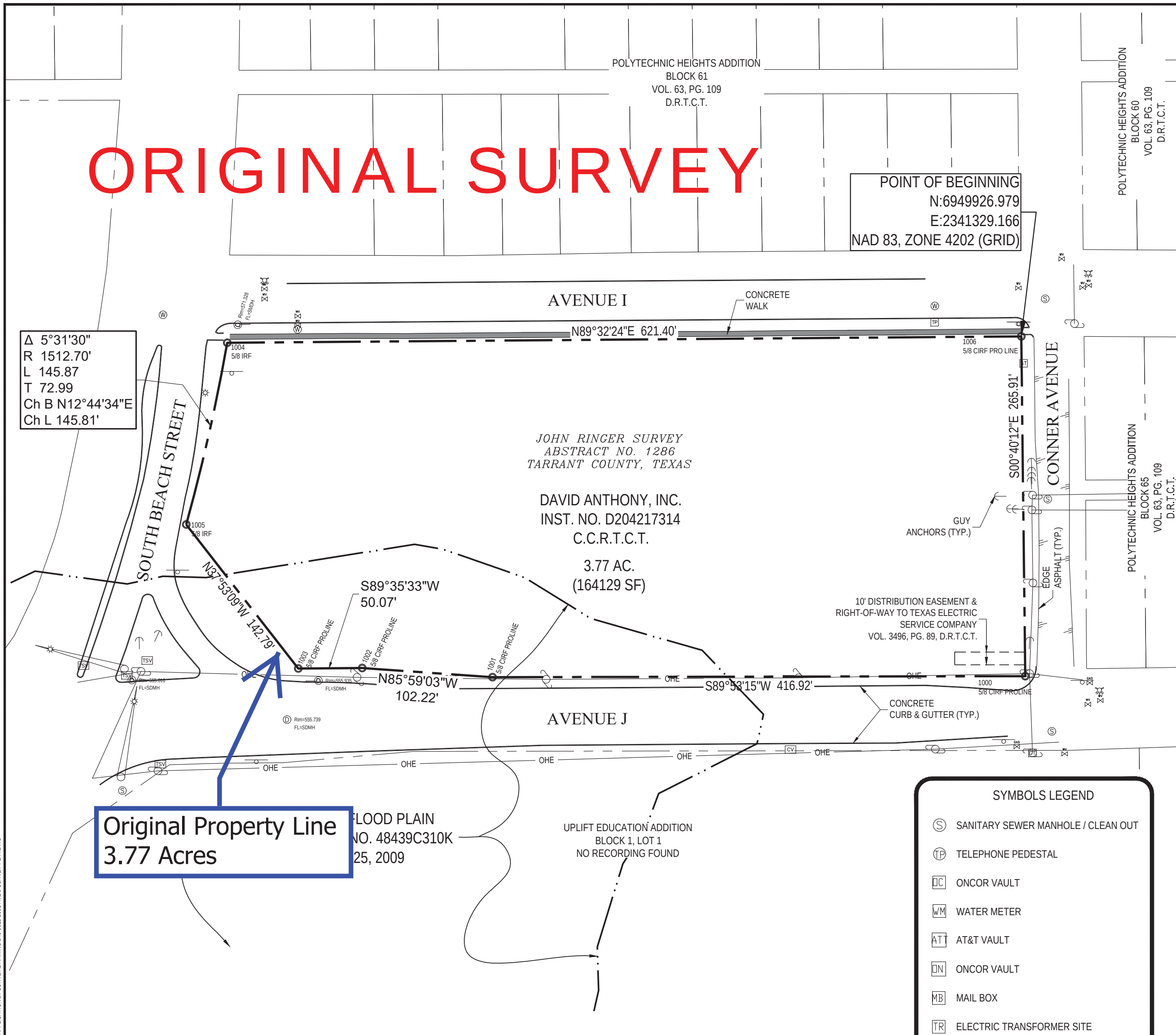
Please feel free to contact me at (817) 683-1571 should you have any questions upon review. We look forward to our continued work with the Department

Sincerely,

Matt Higgins

Matt Higgins
MSH IC, LLC

Enclosure (4)



LEGAL DESCRIPTION

BEING 3.77 acres situated in the JOHN RINGER SURVEY, Abstract No. 1286, City of Fort Worth, Tarrant County, Texas, being all of that certain tract of land described in deed as Tract III, recorded in Instrument Number D204217314, County Clerk's Records, Tarrant County, Texas, said 3.77 acres being more particularly described as follows:

BEGINNING at a 5/8 inch capped iron rod found stamped "Proline" at the northeast corner of former Block 64, now vacated, of Polytechnic Heights Addition, to the City of Fort Worth, as recorded in Volume 63, Page 109, Plat Records, Tarrant County, Texas and being the intersection of the south line of Avenue I and the west line of Conner Avenue;

THENCE South 00 degrees 40 minutes 12 seconds East, along the west line of said Conner Avenue, a distance of 265.91 feet to a set 5/8 inch capped iron rod found stamped "Proline" at the southeast corner of said Tract III and being the intersection of the west line of said Conner Avenue and the north line of Avenue J;

THENCE South 89 degrees 53 minutes 15 seconds West, along the north line of said Avenue J, a distance of 416.92 feet to a set 5/8 inch capped iron rod found stamped "Proline";

THENCE North 85 degrees 59 minutes 03 West continuing along said north line, a distance to a set 5/8 inch capped iron rod for corner; seconds West, of 102.22 feet to a 5/8 inch capped iron rod found stamped "Proline"

THENCE South 89 degrees 35 minutes 33 seconds West, continuing along said north line, a distance of 50.07 feet to a 5/8 inch capped iron rod found stamped "Proline" at the most southerly southwest corner of the herein described 3.77 acre tract;

THENCE North 37 degrees 53 minutes 09 seconds West, a distance of 142.79 feet to a 5/8 inch iron rod found in the east line of South Beach Street, being the beginning of a curve to the left, whose radius is 1512.70 feet and whose long chord bears North 12 degrees 44 minutes 34 seconds E, a chord distance of 145.81 feet;

THENCE along the east line of said South Beach Street and along said curve, through a central angle of 05 degrees 31 minutes 30 seconds, an arc distance of 145.87 feet to a 5/8 inch iron rod found at the northwest corner of said Tract III and being in the south line of Avenue J;

THENCE North 89 degrees 32 minutes 24 seconds East, along the south line of Avenue J, a distance of 621.40 feet to the POINT OF BEGINNING and containing 3.77 acres (164,129 square feet) of land, more or less.

NOTES:

1.) BEARINGS & COORDINATES SHOWN HEREON ARE REFERENCED TO THE TEXAS STATE PLANE COORDINATE SYSTEM, N.A.D. 83 DATUM (TEXAS NORTH CENTRAL ZONE 4202) DERIVED FROM RESOLVED OPUS SOLUTIONS.

2.) ANY REFERENCE TO THE 100 YEAR FLOOD PLAIN OR FLOOD HAZARD ZONES ARE AN ESTIMATE BASED ON THE DATA SHOWN ON THE FLOOD INSURANCE RATE MAP PROVIDED BY FEMA AND SHOULD NOT BE INTERPRETED AS A STUDY OR DETERMINATION OF THE FLOODING PROPENSITIES OF THIS PROPERTY. ACCORDING TO THE FLOOD INSURANCE RATE MAP FOR TPARKER COUNTY, TEXAS, DATED SEPT. 25, 2009 MAP NO. 48439C310K, THE PROPERTY DESCRIBED HEREIN DOES APPEAR TO LIE WITHIN A SPECIAL FLOOD HAZARD AREA.

SCHEDULE B ITEMS

Commonwealth Land Title Insurance Company
Commitment No. 2200282000004
Effective Date December 26, 2019

10e.) THE EASEMENT RECORDED IN VOL. 2057, PG. 354, R.P.R.T.C.T. DOES NOT AFFECT THIS SITE.

10f.) THE EASEMENT RECORDED IN VOL. 3496, PG. 89, D.R.T.C.T., DOES AFFECT THIS SITE AS SHOWN ON SURVEY.

10g.) NO EVIDENCE OF GUY ANCHOR FOUND AT TIME OF SURVEY.

STATE OF TEXAS
REGISTERED
CHARLES F. STARK
5084
PROFESSIONAL
LAND SURVEYOR

Charles F Stark
02/18/2020

USE OF THIS ELECTRONIC SEAL/SIGNATURE
AUTHORIZED BY CHARLES F. STARK, R.P.L.S.
TEXAS REGISTRATION NO. 5084

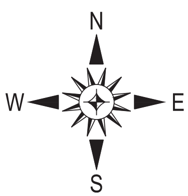
To: CSH Vault Holdings, LLC, CSH Avenue at Sycamore Park, Ltd., and Commonwealth Land Title Company

. The undersigned does hereby certify that the field notes hereon represent the results of a survey made on the ground under my direction and supervision and that the property legally described hereon is correct and that there are no visible discrepancies, conflicts, encroachments, overlapping of improvements, easements or right-of-way, except as shown hereon, the lines and dimensions of said property being as indicated. This survey is based on deeds, easements and/or recorded plats and other records when furnished by the client or the clients representative, as well as significant and visible monuments found on the subject property and adjacent properties, field measurements and evidence of boundaries found on the ground. However, this certification is not a representation of warranty of title or guarantee of ownership. This survey was performed exclusively for the above mentioned parties. USE OF THIS SURVEY FOR ANY OTHER PURPOSE OR BY OTHER PARTIES SHALL BE AT THEIR RISK AND THE UNDERSIGNED IS NOT RESPONSIBLE FOR ANY LOSS RESULTING THEREFROM.

THIS SURVEY HAS BEEN PREPARED IN CONFORMANCE WITH THE "TEXAS SOCIETY OF PROFESSIONAL SURVEYORS MANUAL OF PRACTICE AND MEETS THE REQUIREMENTS OF A CATEGORY IA, CONDITION 2 TITLE SURVEY.

SYMBOLS LEGEND

- SANITARY SEWER MANHOLE / CLEAN OUT
- TELEPHONE PEDESTAL
- ONCOR VAULT
- WATER METER
- AT&T VAULT
- ONCOR VAULT
- MAIL BOX
- ELECTRIC TRANSFORMER SITE
- WATER VALVE
- FIRE HYDRANT
- AIR CONDITIONER
- LIGHT POLE
- GRATE INLET
- PROTECTION BOLLARD
- MAIL BOX
- FLAG POLE



GRAPHIC SCALE 1"=60'
60 0 60 120

SURVEY UPDATED: 02-18-2020
REVISED 09-11-2018: PER TITLE COMMITMENT DATED JULY 29, 2018
REVISED 02-26-18: SCEDULE B NOTES CORRECTION 02-26-18
ORIGINAL ISSUED DATE: 02-21-18

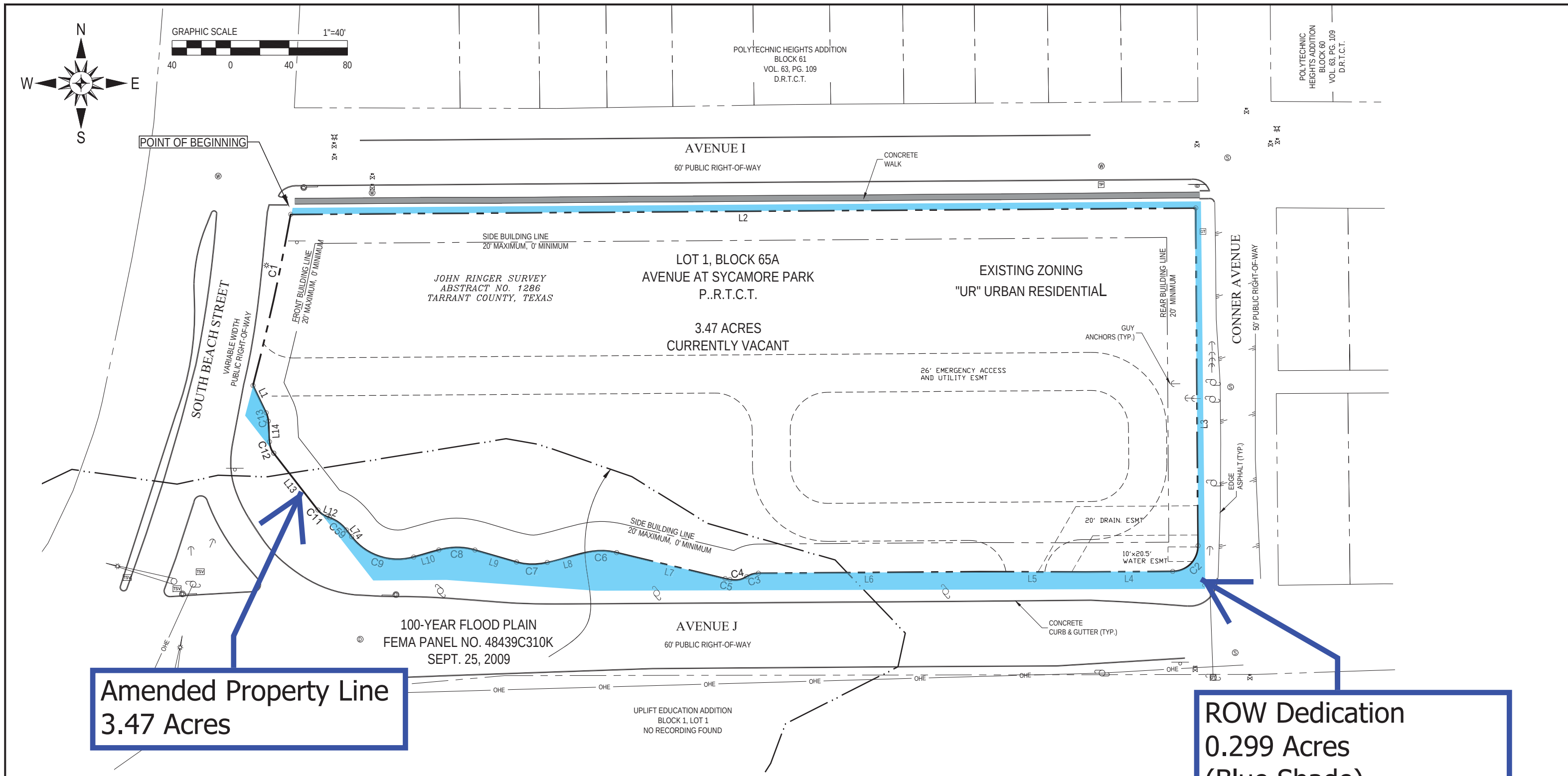
Title Survey
2601 Avenue J
3.77 Acres Situated in the
JOHN RINGER SURVEY, Abstract No. 1286
City of Fort Worth
Tarrant County, Texas

Barron•Stark Engineers

6221 Southwest Boulevard, Suite 100
Fort Worth, Texas 76132
(O) 817.231.8100 (F) 817.231.8144
Texas Registered Engineering Firm F-10998
Texas Registered Survey Firm F-10158800
www.barronstark.com

JOB No.	346-9463
DATE	FEB 2020
SHEET 1 of 1	

AMENDED SURVEY - **DEPICTING ROW DEDICATION**



LINE TABLE		
LINE No.	BEARING	LENGTH
L1	N25°46'53"W	20.72
L2	N89°35'41"E	619.02
L3	S00°24'01"E	230.97
L4	S89°35'59"W	59.67
L5	N89°50'48"W	72.46
L6	S89°35'59"W	151.22
L7	N76°31'02"W	76.28
L8	S75°39'07"W	26.67
L9	N73°56'23"W	29.63
L10	S74°13'42"W	17.89
L12	N69°28'45"W	2.05
L13	N37°53'09"W	49.24
L14	N03°08'27"W	14.14
L74	N37°53'09"W	5.84

CURVE TABLE					
CURVE No.	LENGTH	RADIUS	DELTA	CHORD DIRECTION	CHORD LENGTH
C1	119.90	1512.70	4°32'30"	N12° 25' 00"E	119.87
C2	27.49	17.50	90°00'00"	S44° 35' 59"W	24.75
C3	8.39	15.00	32°02'54"	S73° 34' 32"W	8.28
C4	12.02	15.00	45°55'52"	S80° 31' 02"W	11.71
C5	3.32	40.00	4°45'44"	N78° 53' 54"W	3.32
C6	21.86	45.00	27°49'51"	S89° 34' 02"W	21.64
C7	21.23	40.00	30°24'30"	N89° 08' 38"W	20.98
C8	25.00	45.00	31°49'55"	N89° 51' 20"W	24.68
C9	47.39	40.00	67°53'08"	N71° 49' 44"W	44.67
C11	7.72	14.00	31°35'36"	N53° 40' 57"W	7.62
C12	8.49	14.00	34°44'19"	N20° 31' 00"W	8.36
C13	5.93	15.00	22°38'25"	N14° 27' 40"W	5.89
C59	14.34	26.00	31°35'36"	N53° 40' 57"W	14.16

LOCATION MAP
N.T.S.

SCHEDULE B ITEMS
Commonwealth Land Title Insurance Company
Commitment No. 2200282000004
Effective Date November 17, 2021

10e.) THE LOCATION OF THE EASEMENT RECORDED IN VOL. 2057, PG. 354, R.P.R.T.C.T. IS BASED ON THE AS-BUILT LOCATION OF A PHYSICAL OBJECT THAT NO LONGER EXISTS. THE DOCUMENT ONLY PROVIDES FOR AN AERIAL EASEMENT WITH NO SURFACE RIGHTS GRANTED. VISUAL INSPECTION OF THE LOCATION INDICATE NO OVERHEAD POWER LINE EXISTS AS OF THE DATE OF SURVEY, NOR DOES THE POWER POLE REFERENCED IN THE DOCUMENT EXIST. THE LOCATION OF THIS EASEMENT IS INDETERMINATE.

10f.) DELETED

10g.) SURVEYOR AGREES THERE ARE EXISTING GUY ANCHORS ALONG THE EAST PROPERTY LINE OF SUBJECT PROPERTY WHICH ARE SHOWN ON THIS SURVEY. A REFERENCE TO A PRIOR SURVEY IS NOT A DEFINABLE INSTRUMENT.

FLOOD STATEMENT:

ANY REFERENCE TO THE 100 YEAR FLOOD PLAIN OR FLOOD HAZARD ZONES ARE AN ESTIMATE BASED ON THE DATA SHOWN ON THE FLOOD INSURANCE RATE MAP PROVIDED BY FEMA AND SHOULD NOT BE INTERPRETED AS A STUDY OR DETERMINATION OF THE FLOODING PROPENSITIES OF THIS PROPERTY. ACCORDING TO THE FLOOD INSURANCE RATE MAP FOR TARRANT COUNTY, DATED MARCH 21, 2019 MAP NO. 48439C0310L, THE PROPERTY DESCRIBED HEREIN DOES NOT APPEAR TO LIE WITHIN A SPECIAL FLOOD HAZARD AREA. (ZONE A)

SYMBOLS LEGEND

- (S) SANITARY SEWER MANHOLE / CLEAN OUT
- (TP) TELEPHONE PEDESTAL
- [OC] ONCOR VAULT
- [WM] WATER METER
- [ATT] AT&T VAULT
- [ON] ONCOR VAULT
- [MB] MAIL BOX
- [TR] ELECTRIC TRANSFORMER SITE
- WV WATER VALVE
- FIRE HYDRANT
- AC AIR CONDITIONER
- LIGHT POLE
- [GR] GRATE INLET
- (BL) PROTECTION BOLLARD
- [MB] MAIL BOX
- (FP) FLAG POLE

NOTES:

1.) BEARINGS & COORDINATES SHOWN HEREON ARE REFERENCED TO THE TEXAS STATE PLANE COORDINATE SYSTEM, N.A.D. 83 DATUM (TEXAS NORTH CENTRAL ZONE 4202) DERIVED FROM RESOLVED OPUS SOLUTIONS.

2.)THE ABOVE DESCRIBED PARCEL IS THE SAME LAND DESCRIBED IN THE COMMONWEALTH LAND TITLE INSURANCE COMPANY COMMITMENT NO. 220028000004, BEARING AN EFFECTIVE DATE AND TIME OF NOVEMBER 17, 2021 AT 8:00 AM AND THAT ALL EASEMENTS, COVENANTS AND RESTRICTIONS REFERENCED IN SAID TITLE COMMITMENT OR APPARENT FROM A PHYSICAL INSPECTION OF THE SITE OR OTHERWISE KNOWN TO ME HAVE BEEN PLOTTED HEREON OR OTHERWISE NOTED AS TO THEIR EFFECT ON THE SUBJECT PROPERTY.

3.) ZONING:
- A) CURRENT ZONING - UR (URBAN RESIDENTIAL)
- B) MAXIMUM ALLOWABLE DENSITY - THREE STORIES, SINGLE USE = 40 UNITS/ACRE
- C) SETBACKS: FRONT YARD - MIN 0', MAX 20'; REAR YARD - MIN 20'; AND SIDE YARD - MIN 0', MAX 20'
- D) PARKING REQUIREMENTS -1 SPACE PER BEDROOM PLUS 1 SPACE PER 250 SQUARE FEET OF COMMON AREAS, OFFICES AND RECREATION.
- E) HEIGHT RESTRICTIONS - MIN HEIGHT 2 STORIES, MAX HEIGHT 3 STORIES OR 38 FEET.

4.) THE SUBJECT PROPERTY PHYSICALLY ABUTS AND HAS DIRECT PHYSICAL ACCESS TO AVENUE J, CONNER AVENUE, AVENUE I, AND SOUTH BEACH STREET, ALL PUBLICLY DEDICATED RIGHTS-OF-WAY.

5.) THERE ARE NO PROPOSED CHANGES IN STREET RIGHT-OF-WAY LINES PER THE CITY OF FORT WORTH.

6.) THERE ARE NO OFF-SITE OR APPURTENANT EASEMENTS BENEFITING THE SURVEYED PROPERTY.

7.) THERE WERE NO OBSERVED ENCROACHMENTS OR PROTRUSIONS WHILE CONDUCTING THE SURVEY.

8.) THERE WAS NO OBSERVED EVIDENCE OF CURRENT OR RECENT EARTH MOVING ACTIVITY ON SUBJECT PROPERTY AT THE TIME OF SURVEY

9.) TEXAS ELECTRIC SERVICE CO. EASEMENT RECORDED IN VOLUME 3496, PG. 89 HAS BEEN RELEASED (DOCUMENT D221317330)

To: HUD; CSH Vault Holdings, LLC; CSH Avenue at Sycamore Park, LTD.;
RAH Investors 305 LLC, its successors and or assigns;
Sterling Corporate Services LLC, its successors and or assigns;
Regions Affordable Housing LLC, its successors and or assigns;
Regions Bank, its successors and or assigns;
Colliers Mortgage, LLC', and Commonwealth Land Title Insurance Co.

This is to certify this map or plat and the survey on which it is based were made in accordance with the 2021 Minimum Standard Detail Requirements for ALTA/NSPS Land Title Survey, jointly established and adopted by ALTA and NSPS, and includes Items 1, 2, 3, 4, 6(a)(b), 7(a)(b)(1), 8, 9, 10, 11(a), 12, 13, 16, 17, 18 and 19, of Table A thereof. The fieldwork was completed on November 22, 2021.

Charles F Stark 04-12-2022

Charles F. Stark, RPLS
Texas Registration No. 5084
Original Issue Date: 04-15-2020

STATE OF TEXAS
REGISTERED
CHARLES F. STARK
5084
PROFESSIONAL
LAND SURVEYOR

USE OF THIS ELECTRONIC SEAL/SIGNATURE AUTHORIZED BY CHARLES F. STARK, R.P.L.S. TEXAS REGISTRATION NO. 5084

5. REVISE TO REFLECT PENDING FINAL PLAT RECORDING 04-12-22
4. UPDATE PER FINAL COMMITMENT 12-03-21
3. ADDED GENERAL NOTE #9 ELEC. EASE. RELEASE 11-17-21
2. ADDED GENERAL NOTE #8 09-01-21
1. ADDRESSED COMMENTS 08-16-2021

NOTE:
THIS SURVEY HAS BEEN PREPARED TO REFLECT PROPERTY CONDITIONS AS THEY WILL APPEAR SUBSEQUENT TO THE FILING OF THE FINAL PLAT. THE FINAL PLAT IS CURRENTLY UNDER REVIEW BY THE CITY OF FORT WORTH WITH RECORDATION PENDING

LEGAL DESCRIPTION

Being a 3.47 acre tract of land situated in the John Ringer Survey, Abstract No. 1286, City of Fort Worth, Tarrant County, Texas and being all of Lot 1, Block 65A, Avenue at Sycamore Park, an addition to the City of Fort Worth, Texas as recorded in Document No. _______________, Plat Records Tarrant County, Texas and being more particularly described as follows:

Beginning at a found 1/2 inch iron rod for the intersection of the east line of South Beach Street and the south line of Avenue I;

Thence North 89°35'41" East with the south line of Avenue I a distance of 619.02 feet to a found 1/2 inch iron rod for the intersection of the south line of Avenue I and the west line of Conner Avenue;

Thence South 00°24'01" East with the west line of Conner Avenue a distance of 230.97 feet to a found 1/2 inch iron rod for a beginning of a curve to the right having a radius of 17.50 feet, a central angle of 90°00'00", and a long chord that bears South 44°35'59" West a distance of 24.75 feet;

Thence along said curve to the right an arc distance of 27.49 feet to a found 1/2 inch iron rod in the north line of Avenue J;

Thence with the north line of Avenue J the following courses and distances:

South 89°35'59" West a distance of 59.67 feet to a found 1/2 inch iron rod;

North 89°50'48" West a distance of 72.46 feet to a found 1/2 inch iron rod;

South 89°35'59" West a distance of 151.22 feet to a found 1/2 inch iron rod for the beginning of a curve to the left;

Along said curve to the left having a radius of 15.00 feet, a central angle of 32°02'54", and a long chord that bears South 73°34'32" West a distance of 8.28 feet, an arc distance of 8.39 feet to a found 1/2 inch iron rod for the beginning of a reverse curve to the right;

Along said curve to the right having a radius of 15.00 feet, a central angle of 45°55'52", and a long chord that bears South 80°31'02" West a distance of 11.71 feet, an arc distance of 12.02 feet to a found 1/2 inch iron rod for a point of compound curvature;

Along said compound curve to the right having a radius of 40.00 feet, a central angle of 04°45'44", and a long chord that bears North 78°53'54" West a distance of 3.32 feet, an arc distance of 3.32 feet to a found 1/2 inch iron rod;

North 76°31'02" West a distance of 76.28 feet to a found 1/2 inch iron rod for the beginning of a curve to the left;

Along said curve to the left having a radius of 45.00 feet, a central angle of 27°49'51', and a long chord that bears South 89°34'02" West a distance of 21.64, an arc distance of 21.86 feet to a found 1/2 inch iron rod;

South 75°39'07" West a distance of 26.67 feet to a found 1/2 inch iron rod for the beginning of a curve to the right;

Along said curve to the right having a radius of 40.00 feet, a central angle of 30°24'30", and a long chord that bears North 89°08'38" West a distance of 20.98 feet, an arc distance of 21.23 feet to a found 1/2 inch iron rod;

North 73°56'23' West a distance of 29.63 feet to a found 1/2 inch iron rod for the beginning of a curve to the left;

Along said curve to the left having a radius of 45.00 feet, a central angle of 31°49'55", and a long chord that bears North 89°51'20" West a distance of 24.68 feet, an arc distance of 25.00 feet to a found 1/2 inch iron rod;

South 74°13'42" West a distance of 17.89 feet to a found 1/2 inch iron rod for the beginning of a curve to the right;

Along said curve to the right having a radius of 40.00 feet, a central angle of 67°53'08", and a long chord that bears North 71°49'44" West a distance of 44.67 feet, an arc distance of 47.39 feet to a found 1/2 inch iron rod;

North 37°53'09" West a distance of 5.84 feet to a found 1/2 inch iron rod for the beginning of a curve to the left;

Along said curve to the left having a radius of 26.00 feet, a central angle of 31°35'36", and a long chord that bears North 53°40'57" West a distance of 14.16 feet, an arc distance of 14.34 feet to a found 1/2 inch iron rod;

North 69°28'45" West a distance of 2.05 feet to a found 1/2 inch iron rod for the beginning of a curve to the right;

Along said curve to the right having a radius of 14.00 feet, a central angle of 31°35'36", and a long chord that bears North 53°40'57" West a distance of 7.62 feet, an arc distance of 7.72 feet to a found 1/2 inch iron rod;

North 37°53'09" West a distance of 49.24 feet to a found 1/2 inch iron rod for the beginning of a curve to the right;

Along said curve to the right having a radius of 14.00 feet, a central angle of 34°44'19", and a long chord that bears North 20°31'00" West a distance of 8.36 feet, an arc distance of 8.49 feet to a found 1/2 inch iron rod;

North 03°08'27" West a distance of 14.14 feet to a found 1/2 inch iron rod for the beginning of a curve to the left;

Along said curve to the left having a radius of 15.00 feet, a central angle of 22°38'25", and a long chord that bears North 14°27'40" West a distance of 5.89 feet, an arc distance of 5.93 feet to a found 1/2 inch iron rod;

North 25°46'53" West a distance of 20.72 feet to a found 1/2 inch iron rod in the east line of South Beach Street, said point being the beginning of a curve to the left having a radius of 1512.70 feet, a central angle of 04°32'30", and a long chord that bears North 12°25'00" East a distance of 119.87 feet;

Thence along said curve to the left and east line of South Beach Street an arc distance of 119.90 feet to the Point of Beginning and Containing 151,074 square feet, 3.47 acres of land, more or less.

ALTA/NSPS Land Title Survey
Lot 1, Block 65A
Avenue at Sycamore Park
An Addition To The City of Fort Worth, Texas
Document No. ______, P.R.T.C.T.
FHA project No.: 113-35925
2601 Avenue J
3.47 Acres Situated in the
JOHN RINGER SURVEY, Abstract No. 1286
City of Fort Worth, Tarrant County, Texas

Barron•Stark Engineers
6221 Southwest Boulevard, Suite 100
Fort Worth, Texas 76132
(O) 817.231.8100 (F) 817.231.8144
Texas Registered Engineering Firm F-10998
Texas Registered Survey Firm F-10158800
www.barronstark.com

JOB No. 346-9463
DATE DEC 2021
SHEET 1 of 1

ORIGINAL **SITE PLAN**

BUILDING KEY

1 A — BUILDING NUMBER / BUILDING TYPE

SITE LEGEND

HANDICAP

HEARING & VISUAL

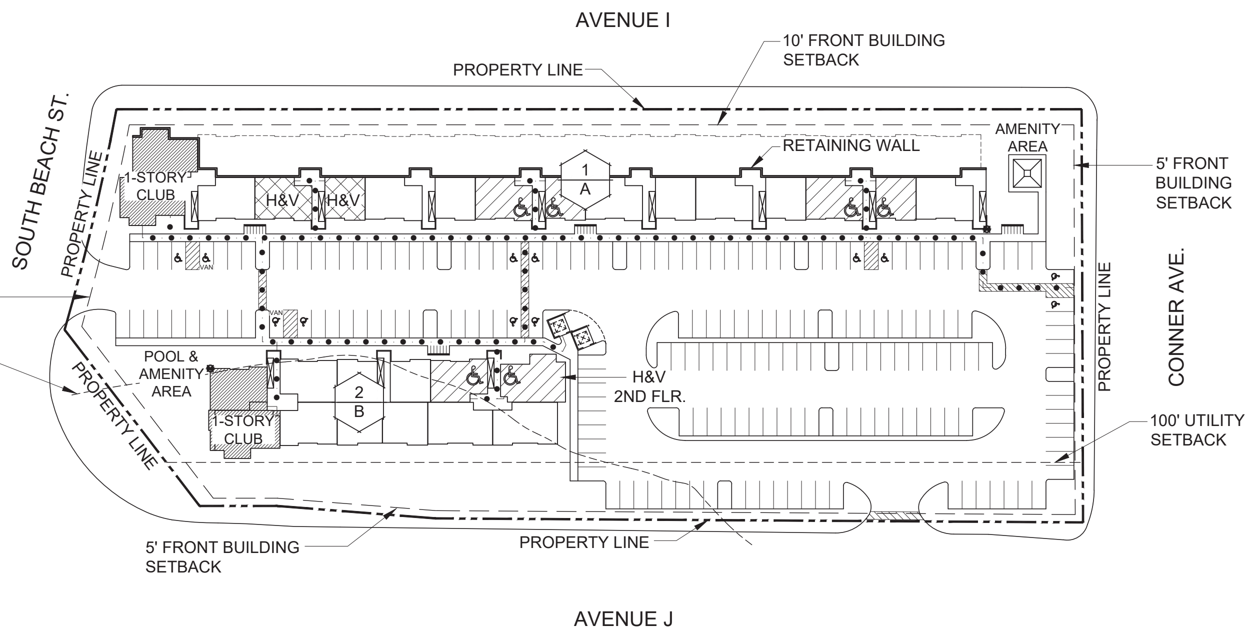
ACCESSIBLE ROUTE

SITE DATA

TRACK 1 ACRES	3.77
UNITS	108
UNITS/ACRE	28.65

KNOWN FLOODPLAIN SHOW
KNOWN EASEMENTS SHOWN
NO DETENTION NEEDED

SITE AMENITIES
- CLUBHOUSE
- POOL
- FITNESS CENTER
- GAZEBO
- BUSINESS CENTER
- FURNISHED COMMUNITY ROOM
- BICYCLE PARKING



UNIT TABULATION

TYPE		# UNITS	UNIT S.F.	TOTAL SQ. FT.
A1	ONE BEDROOM, ONE BATH	22	695 S.F.	15,290 S.F.
A1-HC	ONE BEDROOM, ONE BATH	2	695 S.F.	1,390 S.F.
A2	ONE BEDROOM, ONE BATH	18	779 S.F.	14,022 S.F.
B1	TWO BEDROOM, TWO BATH	34	928 S.F.	31,552 S.F.
B1-HC	TWO BEDROOM, TWO BATH	3	928 S.F.	2,784 S.F.
B2	TWO BEDROOM, TWO BATH	20	1,055 S.F.	21,100 S.F.
C1	THREE BEDROOM, TWO BATH	8	1,125 S.F.	9,000 S.F.
C1-HC	THREE BEDROOM, TWO BATH	1	1,125 S.F.	1,125 S.F.
TOTAL		108		96,263 S.F.

BUILDING TABULATION

TYPE	# BLDGS.	UNITS/BLDG.	UNIT TYPES	BLDG. S.F	TOTAL SQ. FT.
A	1	74	A1-18, A2-12 B1-26, B2-14 & C1-4	65,256	65,256
B	1	34	A1-6, A2-6 B1-11, B2-6 & C1-5	31,007	31,007
TOTAL	2	108			96,263

TOTAL NRA S.F.	96,263 S.F.
TOTAL COMMON AREA	4,561 S.F.
TOTAL BREEZEWAYS & CORRIDORS	
BUILDING TYPE 'A'	6,339 S.F.
BUILDING TYPE 'B'	2,434 S.F.
TOTAL GROSS AREA	109,597 S.F.

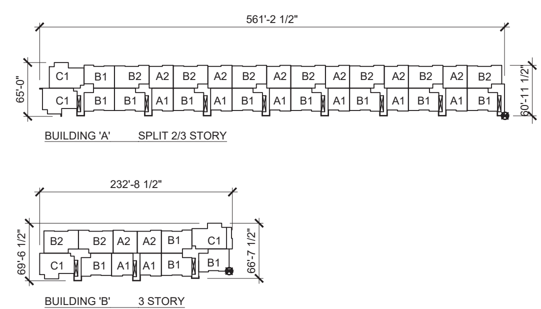
PARKING TABULATION

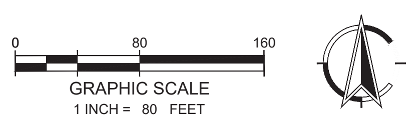
PARKING REQUIRED	
1 PER 1 BEDROOM UNIT (1X42)	42
2 PER 2 BEDROOM UNIT (2X57)	114
3 PER 3 BEDROOM UNIT (3X9)	27
CLUBHOUSE	10
TOTAL	193

PARKING PROVIDED	
UNIT SPACES	183
ACCESSIBLE (10)	
CLUBHOUSE	10
VAN ACCESSIBLE (2)	
TOTAL	193

ACCESSIBLE UNITS

TOTAL UNITS	108
ADA (5%)	6
A (2)	
B (3)	
C (1)	
H+V (2%)	3
A (1)	
B (1)	
C (1)	





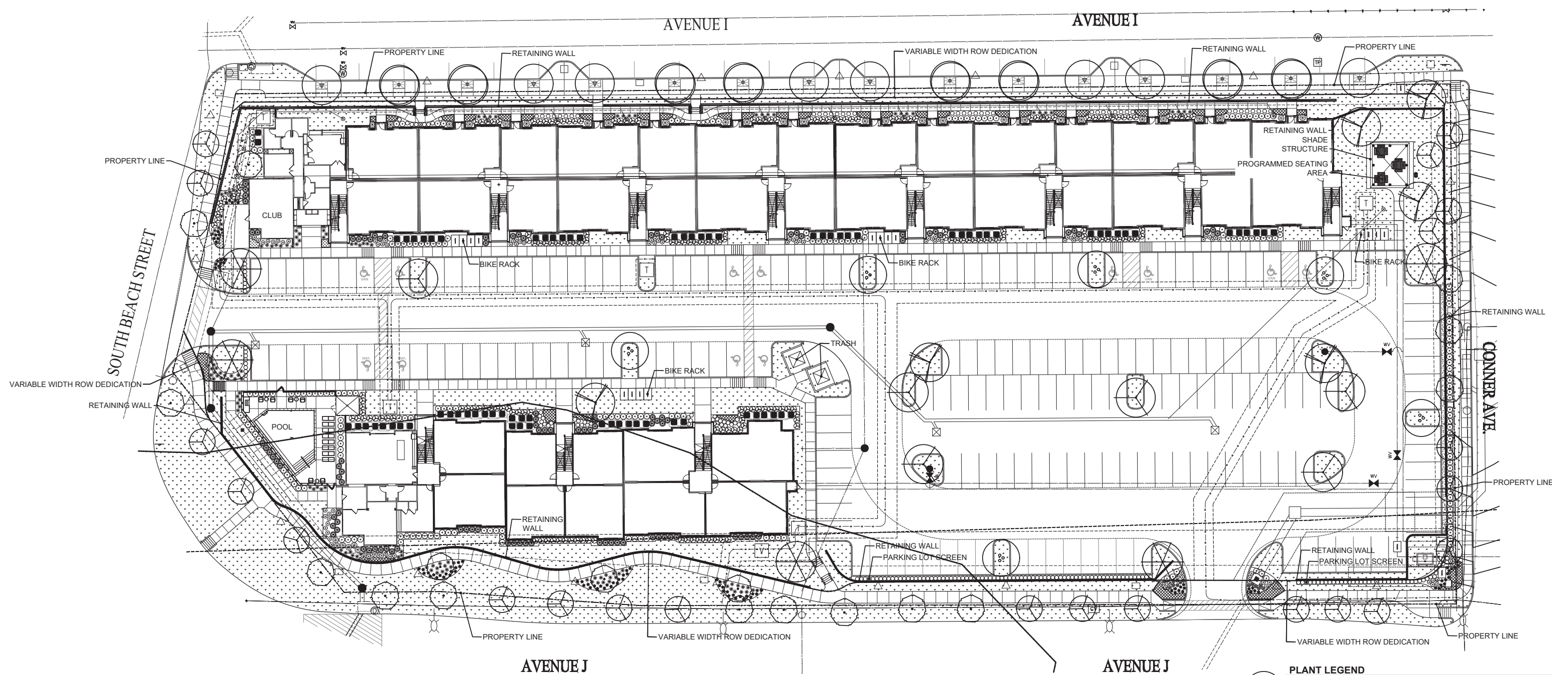
SITE PLAN
SCALE 1" = 80' - 0"

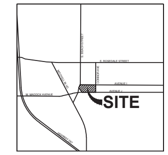
Cross architects

AVENUE AT SYCAMORE PARK
FORT WORTH, TEXAS

A1.0
SITE PLAN

FINAL SITE PLAN - NO CHANGES DUE TO ROW





VICINITY MAP
(NOT TO SCALE)

LEGEND

- PROPOSED TREES (PLEASE SEE BELOW PLANT LEGEND FOR TREE SPECIES)
- PEDESTRIAN LIGHTS
- (2) BIKE RACK
- PARKING SCREEN

LANDSCAPE REQUIREMENTS

LANDSCAPE COVERAGE:

REQUIRED: 10% OF NET SITE AREA
10% OF 164,129 S.F. = 16,413 S.F.
PROVIDED: 34,321 S.F.

TREE REQUIREMENTS:

REQUIRED: (1) 3" CAL. TREE PER 500 S.F. OF REQ. LANDSCAPE AREA
16,413 S.F. / 500 = 33 TREES
PROVIDED: (33+) 3" CAL. TREES

SHRUB REQUIREMENTS:

REQUIRED: (1) 5 GAL. SHRUB PER 50 S.F. OF REQ. LANDSCAPE AREA
16,413 S.F. / 50 = (329) 5 GAL. SHRUBS
PROVIDED: (329+) 5 GAL. SHRUBS TO BE PROVIDED WITHIN FOUNDATION PLANTING

ENHANCED LANDSCAPING POINT SYSTEM (4.713.6):

REQUIRED: 30 POINTS

PROVIDED: STREET TREES (10 POINTS)
(17) CANOPY TREES PLACED ALONG STREET
(33) SMALL TREES PLACED ALONG STREET

PROGRAMMED SEATING AREA (5 POINTS)

SUSTAINABLE LANDSCAPING (5 POINTS)

PEDESTRIAN SCALED LIGHTING (10 POINTS)
(29) PEDESTRIAN LIGHTS

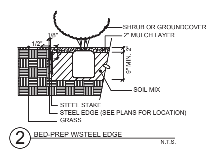
ROW - PLANT LEGEND

SYM	BOTANICAL NAME	COMMON NAME	QUAN	SIZE	SPECIFICATIONS
	SHADE TREES				
CO	Quercus muehlenbergii	Chinkapin Oak	8	Minimum 3" Cal.	Min. 12'- 14' ht. w/ 6-8' min. spread
LE	Ulmus parvifolia	Lacebark Elm	8	Minimum 3" Cal.	Min. 12'- 14' ht. w/ 6-8' min. spread
	ORNAMENTAL TREES				
CM	Lagerstroemia indica 'Dynamite'	Crepe Myrtle 'Dynamite'	16	Minimum 2.5" - 3" Cal.	Min. 10'-12' Ht. w/ 4'-5' spread
YH	Ilex vomitoria	Yaupon Holly	20	Minimum 8'-10' Clear Trunk (CT)	Balled and Burlapped

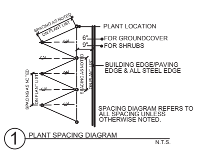
*ROOT FLARES SHALL BE VISIBLE ON ALL ROW TREES.
*ALL NON-BIODEGRADABLE STAKING MATERIALS SHALL BE REMOVED WITHIN 1-YEAR ON ALL ROW TREES

PLANT LEGEND

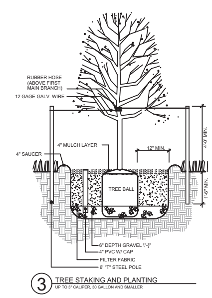
SYM	BOTANICAL NAME	COMMON NAME	QUAN	SIZE	SPECIFICATIONS
	SHADE TREES				
CE	Ulmus crassifolia	Cedar Elm	6	Minimum 3" Cal.	Min. 12'- 14' ht. w/ 6-8' min. spread
CO	Quercus muehlenbergii	Chinkapin Oak	8	Minimum 3" Cal.	Min. 12'- 14' ht. w/ 6-8' min. spread
CP	Pistacia chinesnsis	Chinese Pistache	6	Minimum 3" Cal.	Min. 12'- 14' ht. w/ 6-8' min. spread
LE	Ulmus parvifolia	Lacebark Elm	8	Minimum 3" Cal.	Min. 12'- 14' ht. w/ 6-8' min. spread
LO	Quercus virginiana	Live Oak	5	Minimum 3" Cal.	Min. 12'- 14' ht. w/ 6-8' min. spread
RO	Quercus shumardii	Shumard Red Oak	6	Minimum 3" Cal.	Min. 12'- 14' ht. w/ 6-8' min. spread
	ORNAMENTAL TREES				
CM	Lagerstroemia indica 'Dynamite'	Crepe Myrtle 'Dynamite'	17	Minimum 2.5" - 3" Cal.	Min. 10'-12' Ht. w/ 4'-5' spread
YH	Ilex vomitoria	Yaupon Holly	22	Minimum 8'-10' Clear Trunk (CT)	Balled and Burlapped
	SHRUBS				
DWM	Abelia × grandiflora	Dwarf Wax Myrtle	186	3 gal.	Min. 24" ht., 18" min. spread, Plant 36" O.C., Container Only
AS	Salvia greggii	Autumn Sage	95	1 gal.	Full, Min. 14"-16" spread Plant 24" O.C., Container Only
DY	Ilex vomitoria 'Nana'	Dwarf Yaupon Holly	225	1 gal.	Full, Min. 14"-16" spread Plant 24" O.C., Container Only
GC	Muhlenbergia capillaris 'Regal Mist'	Gulf Coast Muhly Grass	129	3 gal.	Full, Min. 18" spread Plant 24" O.C., Container Only
LM	Muhlenbergia lindheimeri	Lindheimer Muhly	100	3 gal.	Full, Min. 24" spread Plant 36" O.C., Container Only
RY	Hesperaloe parviflora	Red Yucca	34	3 gal.	Full, Min. 24" spread Plant 36" O.C., Container Only
MBS	Salvia leucantha	Mexican Bush Sage	13	3 gal.	Min. 24" ht., 18" min. spread, Plant 36" O.C., Container Only
TS	Leucophyllum frutescens 'Green Cloud'	Texas Sage 'Green Cloud'	202	3 gal.	Min. 24" ht., 24" min. spread, Plant 36" O.C., Container Only
BB	Andropogon gerardii	Big Bluestem	100	1 gal.	Min. 12" ht., 8" min. spread, Plant 24" O.C., Container Only
	GROUNDCOVERS				
VC	Parthenocissus quinquefolia	Virginia Creeper	811	4" pots	Plant 12" o.c.
SC		Seasonal Color	46	4" pots	Plant 12" o.c.
SE		Steel Edge	1,200 lf	14 guage	Install 1" above adjacent grade with stakes. Green color
SS		Tiff 419 Bermuda	33,128 sf		Solid sod



2 BED-PREP W/STEEL EDGE
N.T.S.



1 PLANT SPACING DIAGRAM
N.T.S.



3 TREE STAKING AND PLANTING
UP TO 3" CALIPER, 30 GALLON AND SMALLER

UFC-21-0008

LANDSCAPE PLAN

SCALE: 1" = 30'-0"

0 30 60
GRAPHIC SCALE IN FEET

N

ISSUES:
① 05-19-21 ISSUE FOR PERMIT

REVISIONS:
△1 01-28-22 REVISIONS
△2 04-22-22 REVISIONS

CLIENT:
Cross Architects
879 Junction Dr.
Allen, TX 75013

SYCAMORE PARK
FORT WORTH, TEXAS

mdg landscape architects
MEEKS DESIGN GROUP, INC.
1755 N. COLLINS BLVD., SUITE 300
RICHARDSON, TX 75080
PH (972) 690-7474
F (972) 690-7878

REGISTERED LANDSCAPE ARCHITECT
BRANDON H. BOCK
2485
STATE OF TEXAS
10-12-21

ISSUE FOR PERMIT

SYCAMORE PARK

FORT WORTH, TEXAS

JOB NUMBER: CRO-2014

CITY-
LANDSCAPE PLAN

LP0.01

1c

BOARD ACTION REQUEST

ASSET MANAGEMENT DIVISION

JANUARY 12, 2023

Presentation, discussion, and possible action regarding a Material Amendment to the National Housing Trust Fund Application for Burnet Place Apartments (NHTF #82900020504)

RECOMMENDED ACTION

WHEREAS, Burnet Place Apartments (Development) received a National Housing Trust Fund (NHTF) award in 2020 for the new construction of 61 multifamily units, of which 34 are set-aside as NHTF units, that are designed as single room occupancy and designated for supportive housing in Austin, Travis County;

WHEREAS, Project Transitions, Inc. (Development Owner or Owner) requests an amendment to the Application for a significant modification of the architectural design and a material reduction to the Common Area from 5,687 to 5,247 square feet, a reduction of 7.74% or 440 square feet;

WHEREAS, Board approval is required for these changes as directed in Tex. Gov't Code §2306.6712(d)(4) and (5), and in 10 TAC §10.405(a)(4)(D) and (E), and the Development Owner has complied with the amendment requirements in 10 TAC §10.405(a); and

WHEREAS, the requested changes do not negatively affect the Development, impact the viability of the transaction, impact the scoring of the Application, or negatively affect the amount of funding awarded;

NOW, therefore, it is hereby

RESOLVED, that the requested amendment for Burnet Place Apartments is approved as presented at this meeting, and the Executive Director and his designees are each hereby authorized, directed, and empowered to take all necessary action to effectuate the foregoing.

BACKGROUND

Burnet Place Apartments (Development) received a National Housing Trust Fund (NHTF) award in 2020 for the new construction of 61 multifamily units, of which 34 are set-aside as NHTF units, that are designed as single room occupancy and designated for supportive housing in Austin, Travis County. In a letter dated August 7, 2022, Jennifer Hicks, representative for the Development Owner, requested approval for material amendments to the Application. The

Owner requests to revise the design plans to remove the fourth floor of the single building. The revised plans also include various other changes including a reduction of the unit types from 11 to nine, minor adjustments to the façade, relocation of the laundry room, changing the exit stairs from interior to exterior unconditioned stairs, and reducing the Net Rentable Area by 161 square feet, from 24,863 to 24,702 square feet. Additionally, the Owner states the 5,687 square foot Common Area identified by the architect at Application needs to be corrected to identify 5,247 square feet, resulting in an overall 7.74% or 440 square feet reduction to the Common Area. The most significant change is due to a typo in the Application that identified the size of the Break Room as 1,091 square feet instead of 191 square feet. These changes will not affect the number of units, unit mix, income restrictions, or the number of designated NHTF units.

Board approval is required for a significant modification of the architectural design and a reduction of 3% or more to the Common Area in accordance with Tex. Gov't Code §2306.6712(d)(4) and (5) and 10 TAC §10.405(a)(4)(D) and (E).

The following is a comparison between the original and the revised design plans:

Material Alterations as defined in Tex. Gov't Code §2306.6712(d)(4)and (5) and 10 TAC §10.405(a)(4)(D) and (E)	
Application	**Amendment**
 	 

Material Alterations as defined in Tex. Gov’t Code §2306.6712(d)(4)and (5) and 10 TAC §10.405(a)(4)(D) and (E)	
	

Common Area:		**Common Area:**	
Offices Resident Services	408 s.f.	**Offices Resident Services**	**571 s.f.**
Lounge/Computer Lab	1,091 s.f.	**Lounge/Computer Lab**	**1,108 s.f.**
Community Kitchen	310 s.f.	**Community Kitchen**	**270 s.f.**
Community Restroom	179 s.f.	**Community Restroom**	**154 s.f.**
Laundry	184 s.f.	**Laundry**	**504 s.f.**
Mailbox Area	84 s.f.	**Mailbox Area**	**120 s.f.**
Food Pantry	210 s.f.	**Food Pantry**	**267 s.f.**
Meeting Rooms	141 s.f.	**Meeting Rooms**	**106 s.f.**
Break Room	1,091 s.f.	**Break Room**	**191 s.f.**
Offices (Administrative)	261 s.f.	**Offices (Leasing)**	**318 s.f.**
24-Hour Front Desk Office (Security)	123 s.f.	**24-Hour Front Desk Office (Security)**	**171 s.f.**
Conference Room	228 s.f.	**Conference Room**	**315 s.f.**
Interior Corridors (Vestibule, Entry)	1,377 s.f.	**Interior Corridors (Vestibule, Entry)**	**1,152 s.f.**
	5,687 s.f.		**5,247 s.f.***
		***Reduction of 7.74% or 440 square feet**	

The Owner submitted this amendment in conjunction with an Application for a HOME ARP award that will be presented separately to the Board for approval. The Owner applied for the additional funds due to the unanticipated and significant increases in the costs for this project. The Real Estate Analysis (REA) Division analyzed the updated financial information submitted with the Owner’s Application and identified that there has been an approximate $5M increase in the building costs and $7.9M increase to the total development costs since the submission of the 2020 NHTF Application. The results of their analysis indicates the Development is expected to be feasible with the HOME ARP allocation, and there will be no change to the number of units, the unit types, or the number of designated NHTF identified in the original Application.

Staff has determined that the proposed changes noted above would not have impacted the scoring of the Application or the original NHTF award.

Staff recommends approval of the amendment request as presented herein.

Real Estate Analysis Division
December 20, 2022

Addendum to Underwriting Report

TDHCA Application #: **22722_20504** Program(s): **MDL/HOME ARP**

Burnet Place Apartments

Address/Location: 8007 Burnet Road

City: Austin County: Travis Zip: 78757

	APPLICATION HISTORY
Report Date	**PURPOSE**
12/20/22	**HOME ARP Award/Amendment**
12/03/20	Original Underwriting

ALLOCATION

	Previous Allocation				RECOMMENDATION				
TDHCA Program	Amount	Rate	Amort	Term	Amount	Rate	Amort	Term	Lien
HOME ARP Const. to Perm (Deferred Forgivable	$0	0.00%	0	0	**$6,318,646**	**0.00%**	**0**	**40**	**2**
Multifamily Direct Loan (Soft Repayable)	$3,000,000	0.00%	NA	40	**$3,000,000**	**0.00%**	**0**	**40**	**1**

* Multifamily Direct Loan and HOME ARP Loan Terms:

* Multifamily Direct Loan and/or HOME ARP Loan should match the term of any superior loan (within 6 months).

* Lien position after conversion to permanent. The Department's lien position during construction may vary.

CONDITIONS STATUS

1 **Receipt and acceptance before HOME ARP Contract**

a: Project Transitions (the Developer) must submit the tenant selection process for TDHCA review and approval (to be cleared by ARP Program Staff)

b: Final approval of the $300k increase to the COA loan with all terms specified.

2 **Receipt and acceptance before HOME ARP and Direct Loan Closing**

a: Substantially final construction contract with Schedule of Values.

b: Updated term sheets with substantially final terms from all lenders

c: Updated application exhibits: Rent Schedule, Utility Allowance, Operating Expenses, Long-Term Pro Forma, Development Cost Schedule, Schedule of Sources; and documentation necessary to support any changes from previous underwriting.

d: Current documentation confirming ongoing HOPWA funding from the City, and a statement from Project Transitions committing to provide a break-even operating subsidy throughout the compliance period.

e: Certification that any appropriate abatement procedures for asbestos and lead based paint were incorporated into the development plans.

f: Certification that subsurface environmental investigation was performed and that any recommended mitigation measures were incorporated into the development plans.

g: Certification that subsurface environmental investigation was performed and that any recommended mitigation measures were incorporated into the development plans.

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

SET-ASIDES

TDHCA SET-ASIDES for DIRECT LOAN LURA		
Income Limit	Rent Limit	Number of Units
30% of AMFI	30% of AMFI	34

TDHCA SET-ASIDES for HOME ARP LURA			
Federal Affordability Period		Remaining State Affordability Period	
Income Limit	Number of Units	Income Limit	Number of Units
QP	31	NHTF 30%	21
High HOME (60% AMFI)	0	Low HOME	10

ANALYSIS

Burnet Place Apartments received a $3M NHTF deferred forgivable Multifamily Direct Loan (MDL) award from the Department in December of 2020. Due to increasing costs and drawn out timelines, the Applicant has value engineered the design of the building which caused a material reduction to the common area. The Applicant is requesting a material amendment and over $6M in HOME ARP funds from the Department to bridge the gap caused by increasing construction costs.

Amendment changes include:
- eliminating the fourth level of the single building and stretching the building footprint;
- reducing the number of unit types from 11 to 9;
- reducing NRA by 161 sf;
- reducing common area by 440 sf which is over a 3% change, therefore triggering a material amendment.

While there are small changes to the site plan and overall design, they are not significant and the overall unit count, mix and program restrictions have remained unchanged.

Operating Pro Forma

All 61 units will receive Housing Opportunities for Persons With AIDS (HOPWA) assistance through a facilities based contract awarded through Austin Public Health from HUD. HOPWA pays the difference between the rent received based on 30% of resident income and the expenses and supportive services for the property based on budget.

34 units are restricted to 30% AMI by the previously awarded NHTF loan; 31 units are now restricted as HOME ARP Qualified Population units (QP units) HOME ARP units are not subject to federal subsidy layering restrictions. All rents are 2022 program rent levels.

As at original underwriting, pro forma assumes rents at 30% of the max program rents due to the HOPWA subsidy. QP rents are assumed at $0 for the first 15 years. In year 16, 21 QP units will be restricted to 30% NHTF rents per the MDL LURA, and 10 QP units will become Low HOME units per the HOME ARP program. Layering only allowed as reflected in the unit mix.

The property will operate at $0 NOI due to the breakeven HOPWA operating subsidy.

Expense assumptions have not changed from original underwriting. Landlord pays all utilities. 100% tax exemption assumed.

Development Cost

Current development costs based on November 1, 2022 schedule of values that take into account the site and building changes requested in the material amendment.

Total development cost has increased $7.9M (75%) and building cost has increased $5M (115%) since original underwriting in 2020. While these are large cost increases, they are consistent with increases seen in the industry due to Covid-19 cost increases, supply chain issues, and labor shortages.

Developer fee did not increase from previous underwriting.

Sources of Funds

The Department's HOME ARP loan of $6.32M fills most of the $7.6M funding gap from increased costs. The remaining $1.3M is filled in with $500k FHLB Atlanta grant, $750k FHLB Dallas grant, and COA Brownsfiled program grant of $39k.

Applicant has applied for an additional $300k from the COA; this will not be awarded until March 2023.

Total owner contribution decreased $1,441.

Current underwriting supports the award of $3M Deferred Forgivable MDL with 0% and a 40 year term; and also the award of $6,318,646 Deferred Forgivable HOME ARP loan at 0% and a 40 year term.

Director of Real Estate Analysis: *Jeanna Adams*

UNIT MIX/RENT SCHEDULE

Burnet Place Apartments, Austin, MDL/HOME ARP #22722_20504

LOCATION DATA	
CITY:	Austin
COUNTY:	Travis
Area Median Income	$110,300
PROGRAM REGION:	7
PROGRAM RENT YEAR:	2022

UNIT DISTRIBUTION					
# Beds	# Units	% Total	Assisted	MDL	QP
Eff	61	100.0%	61	34	31
1	-	0.0%	0	0	0
2	-	0.0%	0	0	0
3	-	0.0%	0	0	0
4	-	0.0%	0	0	0
5	-	0.0%	0	0	0
TOTAL	**61**	**100.0%**	**61**	**34**	**31**

Pro Forma ASSUMPTIONS	
Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	130%
Applicable Fraction	100%
APP % Acquisition	NA
APP % Construction	NA
Average Unit Size	405 sf

UNIT MIX / MONTHLY RENT SCHEDULE

	TDHCA Direct Loan Program		TDHCA HOME ARP		COA		UNIT MIX				APPLICABLE PROGRAM RENT			APPLICANT'S PRO FORMA RENTS				TDHCA PRO FORMA RENTS				MARKET RENTS		
Type	Type	Gross Rent	Type	Gross Rent	Type	Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Utility Allow	Max Net Program Rent	Delta to Max	Rent psf	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent psf	Delta to Max	Underwritten		Mrkt Analyst
	30%/30%	$580	QP		COA 30%	$580	4	0	1	426	$580	$0	$580		$0.00	$0	**$0**	**$0**	$0	$0.00	($580)	$1,040	$2.44	$1,040
	30%/30%	$580			COA 30% HOME	$580	3	0	1	426	$580	$0	$580	($406)	$0.41	$174	**$522**	**$522**	$174	$0.41	($406)	$1,040	$2.44	$1,040
	30%/30%	$580	QP		COA 40%	$773	4	0	1	426	$580	$0	$580		$0.00	$0	**$0**	**$0**	$0	$0.00	($580)	$1,040	$2.44	$1,040
	30%/30%	$580			COA 40%	$773	3	0	1	426	$580	$0	$580	($406)	$0.41	$174	**$522**	**$522**	$174	$0.41	($406)	$1,040	$2.44	$1,040
	30%/30%	$580	QP		COA 50%	$866	4	0	1	426	$580	$0	$580		$0.00	$0	**$0**	**$0**	$0	$0.00	($580)	$1,040	$2.44	$1,040
	30%/30%	$580			COA 50% HOME	$866	2	0	1	426	$580	$0	$580	($406)	$0.41	$174	**$348**	**$348**	$174	$0.41	($406)	$1,040	$2.44	$1,040
			QP		COA 50%	$866	6	0	1	426	$866	$0	$866		$0.00	$0	**$0**	**$0**	$0	$0.00	($866)	$1,040	$2.44	$1,040
Match					COA 50%	$866	1	0	1	426	$866	$0	$866	($606)	$0.61	$260	**$260**	**$260**	$260	$0.61	($606)	$1,040	$2.44	$1,040
					COA 50% HOME	$866	8	0	1	426	$866	$0	$866	($606)	$0.61	$260	**$2,080**	**$2,080**	$260	$0.61	($606)	$1,040	$2.44	$1,040
	30%/30%	$580	QP		COA 30%	$580	1	0	1	405	$580	$0	$580		$0.00	$0	**$0**	**$0**	$0	$0.00	($580)	$1,040	$2.57	$1,040
	30%/30%	$580	QP		COA 40%	$773	1	0	1	405	$580	$0	$580		$0.00	$0	**$0**	**$0**	$0	$0.00	($580)	$1,040	$2.57	$1,040
	30%/30%	$580			COA 50%	$866	1	0	1	405	$580	$0	$580	($406)	$0.43	$174	**$174**	**$174**	$174	$0.43	($406)	$1,040	$2.57	$1,040
			QP		COA 50%	$866	1	0	1	405	$866	$0	$866		$0.00	$0	**$0**	**$0**	$0	$0.00	($866)	$1,040	$2.57	$1,040
					COA 50% HOME	$866	1	0	1	405	$866	$0	$866	($606)	$0.64	$260	**$260**	**$260**	$260	$0.64	($606)	$1,040	$2.57	$1,040
	30%/30%	$580	QP		COA 30%	$580	1	0	1	468	$580	$0	$580		$0.00	$0	**$0**	**$0**	$0	$0.00	($580)	$1,040	$2.22	$1,040
	30%/30%	$580			COA 40%	$773	1	0	1	468	$580	$0	$580	($406)	$0.37	$174	**$174**	**$174**	$174	$0.37	($406)	$1,040	$2.22	$1,040
			QP		COA 50%	$866	1	0	1	468	$866	$0	$866		$0.00	$0	**$0**	**$0**	$0	$0.00	($866)	$1,040	$2.22	$1,040
Match					COA 50%	$866	1	0	1	468	$866	$0	$866	($606)	$0.56	$260	**$260**	**$260**	$260	$0.56	($606)	$1,040	$2.22	$1,040
	30%/30%	$580	QP		COA 50%	$866	1	0	1	437	$580	$0	$580		$0.00	$0	**$0**	**$0**	$0	$0.00	($580)	$1,040	$2.38	$1,040
					COA 50% HOME	$866	1	0	1	437	$866	$0	$866	($606)	$0.59	$260	**$260**	**$260**	$260	$0.59	($606)	$1,040	$2.38	$1,040
	30%/30%	$580	QP		COA 50%	$866	1	0	1	399	$580	$0	$580		$0.00	$0	**$0**	**$0**	$0	$0.00	($580)	$1,040	$2.61	$1,040
			QP		COA 50%	$866	1	0	1	399	$866	$0	$866		$0.00	$0	**$0**	**$0**	$0	$0.00	($866)	$1,040	$2.61	$1,040
	30%/30%	$580			COA 50%HOME	$866	1	0	1	489	$580	$0	$580	($406)	$0.36	$174	**$174**	**$174**	$174	$0.36	($406)	$1,040	$2.13	$1,040
					COA 50%HOME	$866	1	0	1	489	$866	$0	$866	($606)	$0.53	$260	**$260**	**$260**	$260	$0.53	($606)	$1,040	$2.13	$1,040
					COA 40%HOME	$773	1	0	1	402	$773	$0	$773	($513)	$0.65	$260	**$260**	**$260**	$260	$0.65	($513)	$1,040	$2.59	$1,040
	30%/30%	$580	QP		COA 30%	$580	1	0	1	404	$580	$0	$580		$0.00	$0	**$0**	**$0**	$0	$0.00	($580)	$1,040	$2.57	$1,040
	30%/30%	$580	QP		COA 30%	$580	1	0	1	271	$580	$0	$580		$0.00	$0	**$0**	**$0**	$0	$0.00	($580)	$1,040	$3.84	$1,040
	30%/30%	$580			COA 30%	$580	1	0	1	271	$580	$0	$580	($406)	$0.64	$174	**$174**	**$174**	$174	$0.64	($406)	$1,040	$3.84	$1,040
	30%/30%	$580	QP		COA 40%	$773	1	0	1	271	$580	$0	$580		$0.00	$0	**$0**	**$0**	$0	$0.00	($580)	$1,040	$3.84	$1,040
	30%/30%	$580			COA 40%	$773	1	0	1	271	$580	$0	$580	($406)	$0.64	$174	**$174**	**$174**	$174	$0.64	($406)	$1,040	$3.84	$1,040
	30%/30%	$580	QP		COA 50%	$866	1	0	1	271	$580	$0	$580		$0.00	$0	**$0**	**$0**	$0	$0.00	($580)	$1,040	$3.84	$1,040
			QP		COA 50%	$773	1	0	1	271	$773	$0	$773		$0.00	$0	**$0**	**$0**	$0	$0.00	($773)	$1,040	$3.84	$1,040
Match					COA 50%	$866	1	0	1	271	$866	$0	$866	($606)	$0.96	$260	**$260**	**$260**	$260	$0.96	($606)	$1,040	$3.84	$1,040
					COA 50%	$773	1	0	1	271	$773	$0	$773	($513)	$0.96	$260	**$260**	**$260**	$260	$0.96	($513)	$1,040	$3.84	$1,040
					COA 50%HOME	$866	1	0	1	271	$866	$0	$866	($606)	$0.96	$260	**$260**	**$260**	$260	$0.96	($606)	$1,040	$3.84	$1,040
TOTALS/AVERAGES:							**61**			**24,702**				**($252)**	**$0.27**	**$110**	**$6,682**	**$6,682**	**$110**	**$0.27**	**($592)**	**$1,040**	**$2.57**	**$1,040**

ANNUAL POTENTIAL GROSS RENT:	**$80,184**	**$80,184**	

*MDL units float amongst unit type

STABILIZED PRO FORMA

Burnet Place Apartments, Austin, MDL/HOME ARP #22722_20504

STABILIZED FIRST YEAR PRO FORMA

	COMPARABLES				APPLICANT				PRIOR REPORT		TDHCA				VARIANCE	
	Database		SRO Comps		% EGI	Per SF	Per Unit	Amount	Applicant	TDHCA	Amount	Per Unit	Per SF	% EGI	%	$
POTENTIAL GROSS RENT						$0.27	$110	$80,184	$141,404	$141,404	$80,184	$110	$0.27		0.0%	$0
Laundry, Damages, Lease Term Fees							$10.87	$7,956	7,956							
Late Charges, App Fees, NSF Fees							$2.05	$1,500	1,500							
HOPWA Operating Subsidy							$0.00			150,884	$212,105					
Total Secondary Income							$12.92			9,456	$9,456	$12.92			0.0%	$0
POTENTIAL GROSS INCOME								$89,640	$150,860	$301,744	$301,745				-70.3%	($212,105)
Vacancy & Collection Loss							5.0% PGI	(4,482)	(7,543)	(15,087)	(15,087)	5.0% PGI			-70.3%	10,605
EFFECTIVE GROSS INCOME								$85,158	$143,317	$286,657	$286,657				-70.3%	($201,499)

#19508 I

General & Administrative	$24,423	$400/Unit	$23,672	$388	41.79%	$1.44	$583	$35,585	$35,585	$35,585	$35,585	$583	$1.44	12.41%	0.0%	-
Management	$24,483	5.4% EGI	$26,187	$429	18.03%	$0.62	$252	$15,355	$15,355	$15,355	$15,355	$252	$0.62	5.36%	0.0%	-
Payroll & Payroll Tax	$72,665	$1,191/Unit	$138,902	$2,277	99.95%	$3.45	$1,395	$85,112	$85,112	$85,112	$85,112	$1,395	$3.45	29.69%	0.0%	-
Repairs & Maintenance	$59,346	$973/Unit	$35,900	$589	61.29%	$2.11	$856	$52,195	$52,195	$36,600	$36,600	$600	$1.48	12.77%	42.6%	15,595
Electric/Gas	$9,411	$154/Unit	$38,649	$634	45.39%	$1.56	$634	$38,649	$31,880	$38,649	$38,649	$634	$1.56	13.48%	0.0%	(0)
Water, Sewer, & Trash	$48,584	$796/Unit	$25,068	$411	31.20%	$1.08	$436	$26,570	$26,570	$26,570	$26,570	$436	$1.08	9.27%	0.0%	-
Property Insurance	$21,202	$0.86 /sf	$20,389	$334	38.02%	$1.31	$531	$32,380	$32,380	$32,380	$32,380	$531	$1.31	11.30%	0.0%	-
Property Tax (@ 0%) 2.1385	$30,411	$499/Unit	$15,668	$257	0.00%	$0.00	$0	$0	$0	$0	$0	$0	$0.00	0.00%	0.0%	-
Reserve for Replacements				$0	17.91%	$0.62	$250	$15,250	$15,250	$15,250	$15,250	$250	$0.62	5.32%	0.0%	-
Supportive Services				$0	0.00%	$0.00	$0	$0	$0	$0	$0	$0	$0.00	0.00%	0.0%	-
TDHCA MDL Compliance ($34/MDL unit)				$0	1.60%	$0.06	$22	$1,360	$714	$1,156	$1,156	$19	$0.05	0.40%	17.6%	204
TOTAL EXPENSES					**355.17%**	**$12.24**	**$4,958**	**$ 302,456**	$295,041	$286,657	**$286,657**	**$4,699**	**$11.60**	**100.00%**	**5.5%**	**$ 15,799**
NET OPERATING INCOME ("NOI")					**-255.17%**	**-$8.80**	**-$3,562**	**($217,298)**	($151,724)	$0	**$0**	**$0**	**$0.00**	**0.00%**		**$ (217,298)**

CONTROLLABLE EXPENSES	$3,903/Unit		$3,648/Unit		

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Burnet Place Apartments, Austin, MDL/HOME ARP #22722_20504

DEBT / GRANT SOURCES

DEBT	Fee	APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE: Cumulative DCR UW	Cumulative DCR App	Pmt	Rate	Amort	Term	Principal	Prior Underwriting Applicant	Prior Underwriting TDHCA	AS UNDERWRITTEN DEBT/GRANT STRUCTURE: Principal	Term	Amort	Rate	Pmt	Cumulative DCR	Cumulative LTC
CASH FLOW DEBT / GRANTS																	
TDHCA MDL					0.00%	0	40	$3,000,000	$3,000,000	$3,000,000	$3,000,000	40	0	0.00%			
TDHCA HOME ARP					0.00%	0	40	$6,318,646	$0	$0	$6,318,646	40	0	0.00%			
City of Austin Local Gov Loan					0.00%	0	40	$6,300,000	$6,000,000	$6,000,000	$6,300,000	40	0	0.00%			
FHLB Atlanta					0.00%	0	0	$500,000	$0	$0	$500,000	0	0	0.00%			
FHLB Dallas					0.00%	0	0	$750,000			$750,000	0	0	0.00%			
City of Austin Brownsfield Prgm					0.00%	0	0	$39,230			$39,230	0	0	0.00%			
City of Austin Fee Waivers					0.00%	0	0	$233,736	$233,735	$233,735	$233,736	0	0	0.00%			
				$0	**TOTAL DEBT / GRANT SOURCES**			**$17,141,612**	$9,233,735	$9,233,735	**$17,141,612**	**TOTAL DEBT SERVICE**			**$0**		
NET CASH FLOW		$0	($217,298)								**TDHCA**	**NET OPERATING INCOME**			$0	**NET CASH FLOW**	

EQUITY SOURCES

EQUITY / DEFERRED FEES	APPLICANT'S PROPOSED EQUITY STRUCTURE: DESCRIPTION	% Cost	Annual Credit	Credit Price	Amount	Prior Underwriting Applicant	Prior Underwriting TDHCA	AS UNDERWRITTEN EQUITY STRUCTURE: Amount	Credit Price	Annual Credit	% Cost	Annual Credits per Unit	Allocation Method
Owner Contribution/Fundraising		6.0%			$1,105,407	$502,048	$502,048	$1,105,405			6.0%		
Pledge of Real Estate Sale		0.0%			$0	$604,800	$604,800				0.0%		
Project Transitions, Inc.	Deferred Developer Fee	0.8%	(41% Deferred)		$148,500	$148,500	$148,501	$148,501	(41% Deferred)		0.8%	**Total Developer Fee:**	**$363,908**
Additional (Excess) Funds Req'd		0.0%					$0	$0			0.0%		
TOTAL EQUITY SOURCES		6.8%			$1,253,907	$1,255,348	$1,255,348	$1,253,906			6.8%		
TOTAL CAPITALIZATION					**$18,395,519**	$10,489,083	$10,489,083	**$18,395,518**				**15-Yr Cash Flow after Deferred Fee:**	**$0**

DEVELOPMENT COST / ITEMIZED BASIS

	APPLICANT COST / BASIS ITEMS: Eligible Basis Acquisition	Eligible Basis New Const. Rehab	Total Costs			Prior Underwriting Applicant	Prior Underwriting TDHCA	TDHCA COST / BASIS ITEMS: Total Costs			Eligible Basis New Const. Rehab	Eligible Basis Acquisition	COST VARIANCE %	COST VARIANCE $
Land Acquisition				$47,541 / Unit	$2,900,000	$2,900,000	$2,900,000	$2,900,000	$47,541 / Unit				0.0%	$0
Closing costs & acq. legal fees					$5,592	$5,592	$5,592	$5,592						$0
Off-Sites				$ / Unit	$0	$0	$0	$0	$ / Unit				0.0%	$0
Site Work		$0		$12,671 / Unit	$772,913	$241,550	$241,550	$562,740	$9,225 / Unit		$0		37.3%	$210,173
Site Amenities		$0		$8,096 / Unit	$493,868	$185,196	$185,196	$459,297	$7,529 / Unit		$0		7.5%	$34,571
Demolition				$1,025 / Unit	$62,500	$100,000	$100,000	$62,500	$1,025 / Unit		$0		0.0%	$0
Building Cost		$0	$383.33 /sf	$155,229/Unit	$9,468,955	$4,403,526	$4,400,398	$9,789,109	$160,477/Unit	$396.29 /sf	$0		0.0%	$0
Contingency		$0		7.00%	$755,877	$276,514	$276,514	$755,877	6.95%		$0		0.0%	$0
Contractor Fees		$0		8.43%	$974,402	$723,197	$723,197	$974,402	8.38%		$0		0.0%	$0
Soft Costs	0	$0		$30,352 / Unit	$1,851,472	$1,134,839	$1,134,839	$1,851,472	$30,352 / Unit		$0	$0	0.0%	$0
Financing	0	$0		$11,439 / Unit	$697,759	$83,558	$83,558	$697,759	$11,439 / Unit		$0	$0	0.0%	$0
Developer Fee	$0	$0		3.15%	$363,908	$387,525	$387,525	$363,908	3.13%		$0	$0	0.0%	$0
Reserves				2 Months	$48,273	$47,587	$47,776	$48,273	2 Months				0.0%	$0
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)	**$0**	**$0**		$301,566 / Unit	**$18,395,519**	$10,489,083	$10,486,145	**$18,470,929**	$302,802 / Unit		**$0**	**$0**	**-0.4%**	**($75,410)**
Acquisition Cost					$0	$0								
Contingency					($0)	$0								
Contractor's Fee					$0	$0								
Financing Cost														
Developer Fee					$0	$0								
Reserves					$0	$0								
ADJUSTED BASIS / COST				$301,566/unit	**$18,395,518**	$10,489,083	$10,486,145	**$18,470,929**	$302,802/unit		**$0**	**$0**	**-0.4%**	**($75,411)**
TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):					**$18,395,518**									

Long-Term Pro Forma

Burnet Place Apartments, Austin, MDL/HOME ARP #22722_20504

	Growth Rate	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30	Year 35	Year 40
EFFECTIVE GROSS INCOME	2.00%	$286,657	$295,257	$304,115	$313,238	$322,635	$374,023	$433,595	$502,655	$582,715	$675,526	$783,120	$907,851
TOTAL EXPENSES	3.00%	$286,657	$295,257	$304,115	$313,238	$322,635	$374,023	$433,595	$502,655	$582,715	$675,526	$783,120	$907,851
NET OPERATING INCOME ("NOI")		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
EXPENSE/INCOME RATIO		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Burnet Place Apartments (TDHCA #TDHCA HOME ARP/21523/20504) – Notification/Amendment Request

August 7, 2022

Ms. Savannah Haney
Ms. LaTisha Turner
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, TX 78701-2410

DELIVERY BY EMAIL: savannah.haney@tdhca.state.tx.us, latisha.turner@tdhca.state.tx.us and asset.management@tdhca.state.tx.us

Re: Burnet Place Apartments, TDHCA #TDHCA HOME ARP/21523/20504
Notification/Amendment Request Items

Dear Ms. Haney and Ms. Turner:

Burnet Place Apartments is a 61 supportive housing development located in Austin (Region 7 Urban) that received an award of $3,000,000 in MFDL NHTF funding with a contract signed on May 28, 2021. ~~The Development submitted an additional application for $2,825,932 in NHTF funding under the 2021-3 NOFA on October 25, 2021, but this application is still pending due to a construction cost increase and has not yet received an award.~~ The Development is submitting a final application to TDHCA for approximately ~~$3.5~~M under the HOME ARP NHTC set-aside. Per the Post-Award Activity Manual updated July 2021, please accept this letter describing items that are notification/amendment request items from the original application and award (not in consideration of the pending NHTF app as there was no award made). The details of each change are outlined below:

1) Modifications to the Site Plan and Design – **AMENDMENT**

Change Requested: The fourth level of the single building was eliminated and the building was stretched to the east on the lower levels to accommodate the same number of units and comparable square footage in a more efficient site plan. Minor façade adjustments have been made in terms of articulation, window layout and screened-in porch design. Stucco was added as an exterior material. The number of unit types was changed from 11 to 9. The laundry room location was changed and is now larger to accommodate the needs of the building. The exit stairs were changed to exterior unconditioned stairs. The level 1 common areas were reconfigured with the floor plate widening. This expansion allowed for another supportive service staff office. The trash room was consolidated to one location on level 1. The wall on the community dining room was moved in to allow for better waterproofing capabilities as the metal decking above was changed to wood in an additional cost savings effort. While there are many small tweaks to the site plan and overall design, they are not "significant" alone or even when added together as the overall unit count, mix and program have remained unchanged.

Reason for Change is Necessary: The majority of the changes were made in an effort to value engineer cost savings. The Building Cost budget at the original application to TDHCA for MFDL funds in July 202 was $4.4M. The Building Cost budget is now $12.2M and this is after an intensive value engineering process. The value engineering changes noted above resulted in an $900k cost savings which was critical to minimizing the fundraising gap on the project.

Good Cause for Change: The changes were necessary in order to reduce the construction cost for the project.

Financial Impact: The changes noted below resulted in a cost savings to the project which was critical in minimizing the fundraising gap and bringing the project closer to staring construction. These changes have no bearing on scoring or set-asides.

Change Reasonably Foreseeable: The construction cost spikes experienced across the industry due to Covid could never have been anticipated. While value engineering is a normal part of the development process for any building, the VE process and cost savings achieved on the Burnet Place project have been significant and were definitely not foreseeable at the onset of the project.

2) Decrease in net rentable square footage and common areas – **NOTIFICATION AND AMENDMENT ITEM**

Change Requested: Both the net rentable square footage and common area square footages have decreased since the time of Application, but both are less than 3% and therefore do not trigger a material amendment.

Units:
At original application (underwriting): 24,863 sf
Current application: 24,702 sf
Change: .6% decrease **NOTIFICATION ITEM AS IT IS <3%**

Common Areas:
At application (underwriting): 5,687 sf (NOTE: There was a mistake in the Architectural Drawings noting the square footage of the Break Room as 1,091 sf instead of 191 sf. This was not caught until at this moment. The 5,687 sf contains 900 sf of common area space that was not in the drawings. If you include the correct sf of the Break Room on these plans at 191 sq, the total Common Area would have been 4,787 sf,(
Current application: 5,247 sf (NOTE: The 2020 Architect Certification did not include "common porches and patios" or "interior courtyards" in the definition of Common Area while the 2022 Architect Certification does include these areas resulting in a total reported sf of 11,039 sf. The 5,247 sf is the total reported Common Area minus the "common porches and patios" and "interior courtyards.")
Change: 8.3% decrease **AMENDMENT ITEM, BUT THE REAL SF IS ACTUALLY A CURRENT INCREASE TO THE COMMON AREA. THIS REALLY SHOULD BE A NOTIFICATION ITEM SINCE IT IS AN INCREASE.**

Reason for Change is Necessary: In an effort to streamline the variety of unit types from 11 to 9, there were some units trimmed. This trimming was also a result of the building becoming more uniform in shape to create a better efficiency. This building efficiency had the same result in common areas; however, there was a balance of areas getting bigger and other areas getting smaller.

Good Cause for Change: The changes resulted from value engineering in an effort to reduce the fundraising gap on the project and bring it closer to start of construction.

Financial Impact: The very small decrease in square footage has been absorbed into the current development cost schedule with no adverse financial impact. In fact, the financial impact is a cost savings beneficial to the overall project.

Change Reasonably Foreseeable: At the time of original Application, there was no way to predict the value engineering effort or scale and that unit sizes would need to be modified.

I appreciate your consideration in this matter and request that you contact me should you need additional information.

Sincerely,

Jennifer Hicks

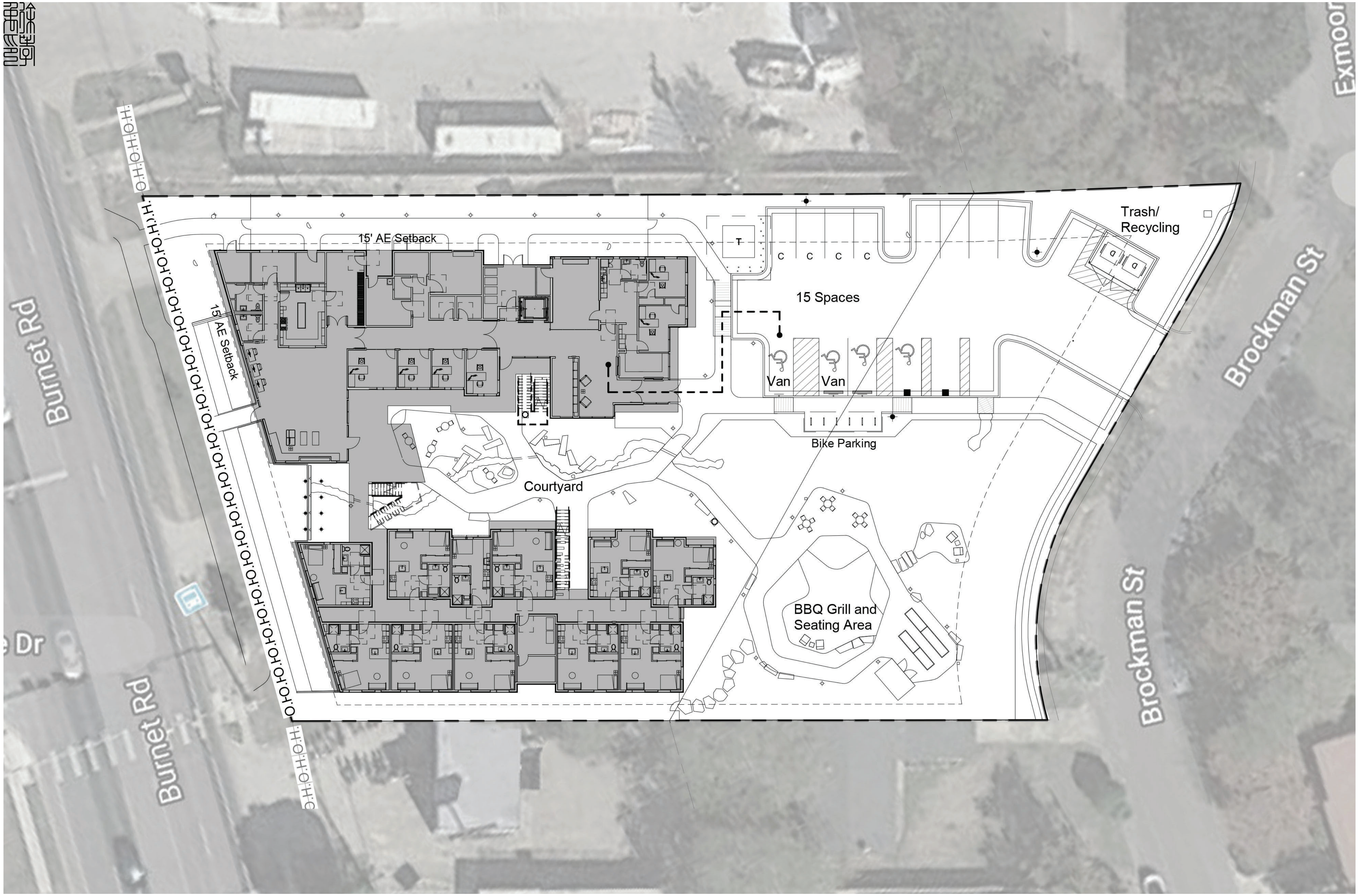
Jennifer Hicks
True Casa Consulting, LLC – Consultant to Project Transitions, Inc. (Applicant)

Burnet Place Apartments

Housing Tax Credit Package
Austin, TX

Michael Hsu
Office Of Architecture

PROJECT
TRANSITIONS



PROJECT TOTALS
Studio: 61 units

Level 1: 11 units
Level 2: 25 units
Level 3: 25 units

PARKING
Surface parking lot
4 ADA (Including 1 Van)
15 total spaces provided

Minimum parking requirements waived by "Affordability Unlocked" ordinance.

SITE ACREAGE
1.055 Acre

Property is not within a floodplain.
Rain garden to meet COA water quality requirements.
No detention pond.

Legend

- - - - Accessible Route

Michael Hsu
Office Of Architecture

PROJECT TRANSITIONS

Burnet Place Apartments
Housing Tax Credit Package
Austin, TX | July 2022

Site Plan
1/32"=1'-0"

Non-Unit Area Calculations					
Type	Room	SF per Level per Use Level 1	Level 2	Level 3	SF Total By Use
Tenant Common Areas					
	Offices (Resident Service)	571			571
	Lounge/Computer Lab	1,108			1,108
	Community Kitchen	270			270
	Community Restroom	154			154
	Laundry		252	252	504
	Mailbox Area	120			120
	Food Pantry	267			267
	Meeting Rooms	106			106
	Break Room	191			191
	Offices (Leasing)	318			318
	24-Hour Front Desk Office (Security)	171			171
	Conference Room	315			315
	Interior Corridors (Vestibule, Entry)	1,152			1,152
	Common Porches (Unconditioned, Covered Areas)	943	618	357	1,918
	Interior Courtyard (Unconditioned)	3,874			3,874
	Subtotals by Level	9,560	870	609	**11,039**
Employee-Only Areas					
	Break Room	191			191
	Restroom	50			50
	Trash	388			388
	FDC	99			99
	Maintenance	169	56	56	281
	Storage Closets	240	74	74	388
	Electrical	87			87
	Mechanical	84			84
	Furniture Storage	210			210
	IDF	103	76	76	255
	Subtotals by Level	1,621	206	206	**2,033**
Totals					**13,072**

Unit Net Leasable Area Calculations										
Unit Type / Name	SF per Unit	Unit Count Level 1	Level 2	Level 3	Total	Accessible Units (5%)	Hearing/Visual Accessible (2%)	% of Units	SF Total
Studio Units									
1A	426	6	13	13	32			52.5%	13632
1A-HC	426	1	1	1	3	1	1	4.9%	1278
1B	405	1	2	2	5			8.2%	2025
3A	468		2	2	4			6.6%	1872
3B	437		1	1	2			3.3%	874
3C	399		1	1	2			3.3%	798
3D-HC	489		1	1	2	2		3.3%	978
3E	402	1			1			1.6%	402
3F	404	1			1			1.6%	404
4A	271	1	3	3	7			11.5%	1897
4A-HC	271		1	1	2	1	1	3.3%	542
Totals		**11**	**25**	**25**	**61**	**4**	**2**	**100.0%**	**24,702**

Non-Unit Unconditioned Circulation Calculations					
	Room	SF per Level per Use Level 1	Level 2	Level 3	SF Total
	Breezeways (Unconditioned Corridors)	928	2,068	2,068	5,064
	Elevator	83	83	83	249
	Unrated Stairs	317	350	350	1,017
	Subtotals	1,328	2,501	2,501	
Totals					**6,330**

Gross Area Calculations	
Total	**44,104**

Notes:
Building is fully sprinklered.
Unit finishes are 100% Carpet/Vinyl/Resilient Flooring.
Unit ceiling heights vary, minimum height 8'-0".
Building has one 3,500 lb elevator.

Unit Count
11 Units Total

LEGEND

- Studio
- Common Area
- Employee Only
- Circulation
- Mobility Accessible Units
- Hearing & Visual Accessible Units

Michael Hsu
Office Of Architecture

PROJECT TRANSITIONS

Burnet Place Apartments
Housing Tax Credit Package
Austin, TX | July 2022

Level 1 Plan
1/16"=1'-0"

Unit Count
25 Units Total

LEGEND

- Studio
- Common Area
- Employee Only
- Circulation
- Mobility Accessible Units
- Hearing & Visual Accessible Units

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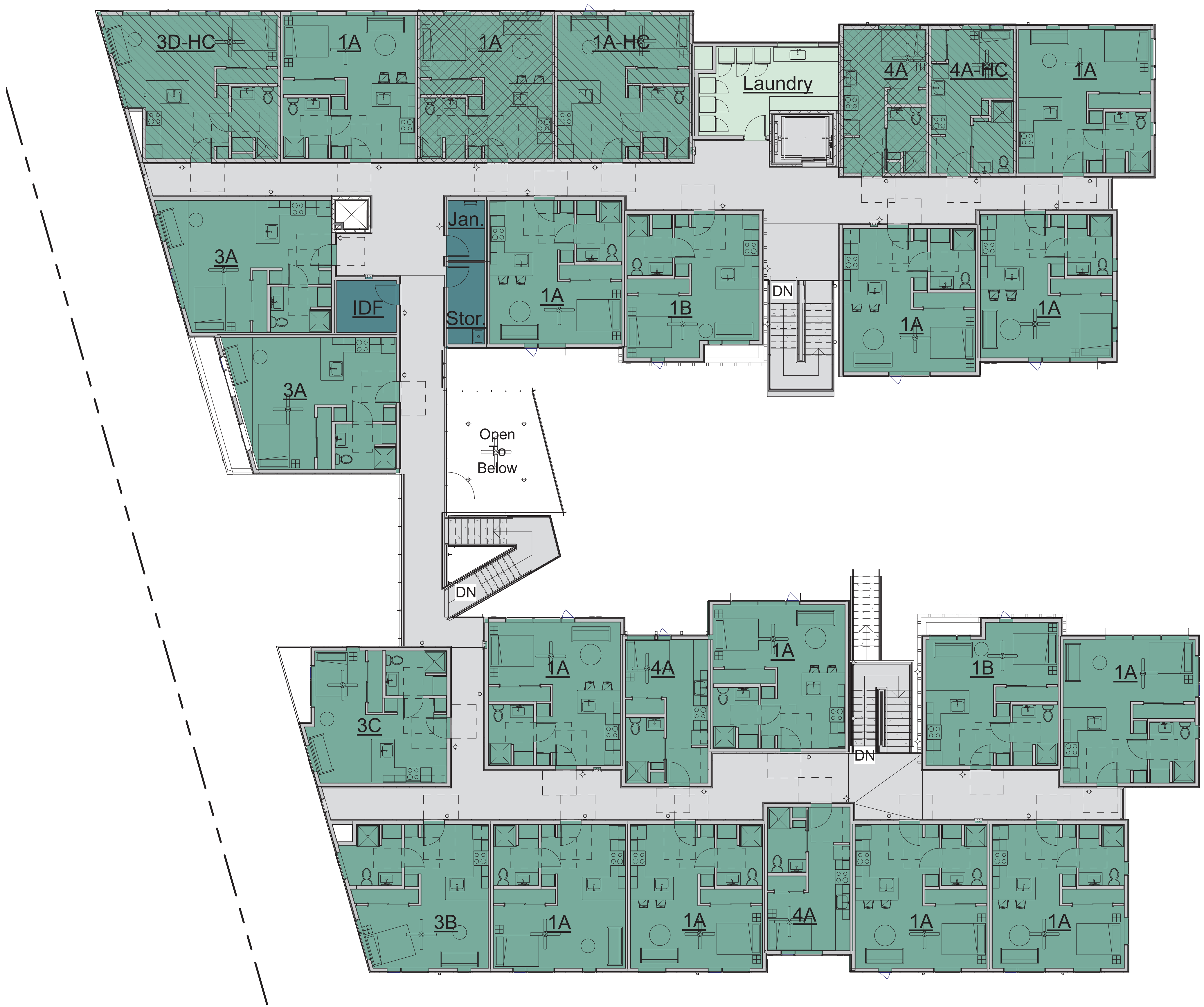
PROJECT TRANSITIONS

Burnet Place Apartments
Housing Tax Credit Package
Austin, TX | July 2022

Level 2 Plan
1/16"=1'-0"



Unit Count
25 Units Total

LEGEND

- Studio
- Common Area
- Employee Only
- Circulation
- Mobility Accessible Units
- Hearing & Visual Accessible Units

Michael Hsu
Office Of Architecture

PROJECT TRANSITIONS

Burnet Place Apartments
Housing Tax Credit Package
Austin, TX | July 2022

Level 3 Plan
1/16"=1'-0"

1d

BOARD ACTION REQUEST

FINANCIAL ADMINISTRATION DIVISION

JANUARY 12, 2023

Presentation, discussion, and possible action to adopt a resolution regarding designating signature authority and superseding previous resolutions

RECOMMENDED ACTION

WHEREAS, the Texas Department of Housing and Community Affairs (the Department), a public and official governmental agency of the State of Texas, was created and organized pursuant to and in accordance with the provisions of Tex. Gov't Code, Chapter 2306 (the Code), as amended;

WHEREAS, the Code authorizes the Department, among other things: (a) to make and acquire and finance, and to enter into advance commitments to make and acquire and finance, mortgage loans and finance, participating interests therein, secured by mortgages on residential housing in the State of Texas (the State); (b) to issue its bonds, for the purpose of, among other things, obtaining funds to acquire or finance such mortgage loans, to establish necessary reserve funds and to pay administrative and other costs incurred in connection with the issuance of such bonds; and (c) to pledge all or any part of the revenues receipts or resources of the Department, including the revenues and receipts to be received by the Department from such single family mortgage loans of participating interests, and to mortgage, pledge or grant security interests in such mortgages of participating interests, mortgage loans or other property of the Department, to secure the payment of the principal or redemption price of and interest on such bonds;

WHEREAS, on September 1, 2022, the Governing Board adopted a resolution designating signature authority to reflect the structure of the Department; and

WHEREAS, organizational changes have occurred to include Homero V. Cabello, Jr. as Deputy Executive Director, David Cervantes as Director of Administration, Rosalio Banuelos as Director of Multifamily Asset Management, and Lisa Johnson as Director of Texas Homeownership Program, such that the Governing Board has now determined that its resolution adopted September 1, 2022, designating signature authority, should be superseded by a new resolution designating signature authority in order to conform to the Department's current organizational structure, working titles, and operations;

NOW, THEREFORE, it is hereby

RESOLVED that the Governing Board makes changes to its resolution adopted September 1, 2022, as shown below.

SECTION 1 – Supersession of the Prior Signature Authority. The Governing Board hereby supersedes its prior resolution, adopted September 1, 2022, designating signature authority by adopting this new resolution.

SECTION 2 – Designation of Signature Authority for Bond and Indenture-Related Transactions. The Governing Board hereby authorizes and designates the Board Secretary, the Assistant Board Secretary, the Executive Director, the Director of Administration, the Director of Financial Administration, the Director of Bond Finance, the Director of Multifamily Bonds, the Manager of Single Family Finance, and each of them as signatories for single family and multifamily bond and indenture-related transactions as well as transactions under the Department's "to be announced" or TBA program including, but not limited to letters of instruction, officer's certificates, bond transactional documents and all other documents and certificates executed in connection with such transactions. In addition, the Governing Board authorizes and designates the Manager of Single Family Finance and Senior Bond Financial Analysts within the Bond Finance division as signatories for day-to-day operations activities related to advances taken through the Federal Home Loan Bank of Dallas (FHLB) for the purchase of loan participations from the Idaho Housing and Finance Association (IHFA), the Department's Master Servicer, including directing the wiring of such advances from FHLB to IHFA.

SECTION 3 – Designation of Signatory Authority for Real Estate Transactions. The Governing Board hereby authorizes and designates the following persons holding the positions described and each of them to execute and deliver, as specified, earnest money contracts, deeds or conveyances of title, leases of real property, settlement statements on purchase or sale of real property, deposits and disbursements on agency bank accounts, real estate transactional documents and all other documents executed in connection with real estate or real estate-related transactions. Every reference to a signatory office or title herein includes any person serving in an acting or interim capacity:

(a) Executive Director, Deputy Executive Director, Deputy Executive Director of Programs, Director of Administration, Board Secretary, and Assistant Board Secretary: All real estate or real estate related transactions;
(b) Director of Financial Administration: All real estate or real estate-related transactions administered by the Financial Administration Division;
(c) Director of Multifamily Programs: All real estate or real estate-related transactions administered by the Multifamily Programs Division;
(d) Director of Multifamily Asset Management: All real estate or real estate-related transactions administered by the Multifamily Asset Management Division;
(e) Director of Bond Finance and Manager of Single Family Finance: All real estate or real estate-related transactions administered by the Bond Finance Division;
(f) Director of Multifamily Bonds: All real estate or real estate-related transactions administered by the Multifamily Bonds, and Texas Homeownership Divisions, and 4% Housing Tax Credit transactions;
(g) Director of Texas Homeownership Program: All real estate or real estate-related transactions administered by the Texas Home Ownership Division;
(h) Director of Single Family and Homeless Programs: All real estate or real estate-related transactions administered by the Single Family and Homeless Programs, which includes

HOME, Housing Trust Fund (HTF); Office of Colonia Initiatives (OCI); and Neighborhood Specialization Program (NSP);

(i) Director of Section 811 Program: All transactions administered by the Section 811 Program;

(j) Director of CDBG CARES: All transactions administered by the Community Development Block Grant CARES Program;

(k) Director of Texas Rent Relief Program: All transactions administered by the Texas Rent Relief Program;

(l) Director of Housing Stability Services: All transactions administered by the Housing Stability Services Program;

(m) Director of the HOME-ARP Program: All transactions administered by the HOME-ARP Program;

(n) Director of Texas Homeowner Assistance Fund: All transactions administered by the Texas Homeowner Assistance Fund Program;

(o) Signatory authority on deposits and disbursements on agency bank accounts is limited to those persons designated on the applicable signature cards, as specified by the Executive Director; provided however, that no person may be so designated other than the Executive Director or a Director.

SECTION 4 – Designation of Signatory Authority for Fund Transfers. The Governing Board hereby authorizes and designates the following persons and each of them to execute and deliver any necessary fund transfer documents, including letters of instruction, in the manner prescribed below.

Fund transfers require dual signatures, consisting of one signatory from each of the following two groups:

(a) Director of Administration, or Director of Financial Administration; and

(b) Executive Director, Deputy Executive Director, or Deputy Executive Director of Programs.

SECTION 5 – Execution of Documents. The Governing Board hereby authorizes the Executive Director, or in his absence the Deputy Executive Director of Programs, or the Deputy Executive Director, to execute, on behalf of the Department, any and all documents, instruments reasonably deemed necessary to effectuate this resolution.

SECTION 6 – Effective Date. This Resolution shall be in full force and effect from and upon its adoption until and unless it is revoked or superseded.

BACKGROUND

This Resolution updates and designates signature authority to reflect the current organizational structure of the Department and the current working titles for the positions designated. The update allows for the Director of Administration to sign documents related to the Financial Administration Division, Director of Multifamily Asset Management to sign documents related to the Multifamily Asset Management Division, Director of Texas Homeownership Program to sign documents related to the Texas Homeownership Division and the Deputy Executive Director to execute any and all documents on behalf of the Department, and keeping previous authorizations the same.

Incumbency Certificate

I, James "Beau" Eccles, the duly appointed and serving Secretary of the Governing Board of the Texas Department of Housing and Community Affairs (the Department), do hereby certify that Robert “Bobby” Wilkinson is the duly appointed Executive Director of the Department, appointed by its governing board and approved by the Governor effective August 15, 2019, and set forth below opposite his name is his true and correct signature:

Bobby Wilkinson ________________________________

Executed and seal of the Department affixed this ____ day of ________, 2023 at Austin, Texas.

____

James "Beau" Eccles

(S E A L)

Certificate

I, Robert "Bobby" Wilkinson, the duly appointed Executive Director of the Texas Department of Housing and Community Affairs (the Department), do hereby certify that set forth below is a true and correct listing setting forth specific positions within the Department, the name of the person currently designated by me to hold each such position, and, opposite their name, their true and correct signature. Each person listed currently holds the position indicated:

Board Secretary	______________________ James "Beau" Eccles
Assistant Board Secretary	______________________ Michael Lyttle
Director of Administration	______________________ David Cervantes
Director of Financial Administration	______________________ Jose Guevara
Director of Bond Finance	______________________ Scott Fletcher
Manager of Single Family Finance	______________________ Heather Hodnett
Director of Multifamily Bonds	______________________ Teresa W. Morales
Director of Multifamily Programs	______________________ Cody Campbell
Director of Texas Homeownership Program	______________________ Lisa Johnson
Deputy Executive Director of Programs	______________________ Brooke Boston
Director of Multifamily Asset Management	______________________ Rosalio Banuelos
Director of Single Family and Homeless Programs	______________________ Abigail Versyp
Director of Section 811 Program	______________________ Spencer Duran
Director of CDBG CARES	______________________ Rudy Bentancourt
Director of Texas Rent Relief Program	______________________ Mariana Salazar
Director of Housing Stability Services	______________________ Cate Tracz
Director of the HOME-ARP Program	______________________ Naomi Cantu
Director of Texas Homeowner Assistance Fund	______________________ Tanya Birks
Deputy Executive Director	______________________ Homero V. Cabello, Jr.

Executed this _12_ day of __January_, 2023 at Austin, Texas.

____

Bobby Wilkinson, Executive Director
Texas Department of Housing and Community Affairs

1e

TO BE POSTED NOT LATER THAN THE THIRD DAY BEFORE THE DATE OF THE MEETING

1f

BOARD ACTION REQUEST

COMPLIANCE DIVISION

JANUARY 12, 2023

Presentation, discussion, and possible action on an order proposing repeal of 10 TAC Chapter 10, Uniform Multifamily Rules, Subchapter H, Income and Rent Limits, and order proposing new Subchapter H, Income and Rent Limits, and directing their publication for public comment in the *Texas Register*

RECOMMENDED ACTION

WHEREAS, pursuant to Tex. Gov't Code §2306.053, the Texas Department of Housing and Community Affairs (the Department) is authorized to adopt rules governing the administration of the Department and its programs;

WHEREAS, pursuant to Tex. Gov't Code §2001.039, requires state agencies to review a rule every four years to assess whether the reasons for initially adopting the rule continue to exist;

WHEREAS, 10 TAC Chapter 10 Subchapter H codifies the income and rent limits applicable to the multifamily programs administered by the Department, and this rule was last acted upon in 2019;

WHEREAS, the Department recommends to the Board that there is a continuing need for the rule to exist, and that it is in need of changes to add two new programs, the HOME American Rescue Plan (HOME-ARP) and Emergency Rental Assistance (ERA); and

WHEREAS, such proposed rulemaking will be published in the *Texas Register* for public comment from January 27, 2023, to February 27, 2023, and subsequently returned to the Board for final adoption;

NOW, therefore, it is hereby

RESOLVED, that the Executive Director and his designees, be and each of them hereby are authorized, empowered, and directed, for and on behalf of the Department to cause the proposed repeal of 10 TAC Chapter 10, Uniform Multifamily Rules, Subchapter H, Income and Rent Limits, and propose new Subchapter H, Income and Rent Limits in the form presented to this meeting, to be published in the *Texas Register* and in connection therewith, make such non-substantive technical corrections as they may deem necessary to effectuate the foregoing, including the preparation of the subchapter specific preambles.

BACKGROUND

Tex. Gov't Code §2001.039 requires that state agencies review a rule every four years to assess whether the reasons for initially adopting the rule continue to exist. This rule, 10 TAC Chapter 10, Uniform Multifamily Rules, Subchapter H, Income and Rent Limits, is within its four-year period. In the case of this rule, staff has determined that there are significant enough revisions to warrant repeal and proposal of a new rule to add two new programs, HOME American Rescue Plan (HOME-ARP) and Emergency Rental Assistance (ERA).

The Department needs to update the rule regarding income and rent limits to incorporate the limits for HOME-ARP and ERA. The proposed repeal and new rule will address which income and rent limits apply to Developments with these funds. Specific changes are listed below:

Amendment to 10 TAC §10.1005 proposes to add the reference to HOME-ARP program, which uses the same income and rent limits as the HOME program, that are calculated annually by HUD's Office of Policy Development and Research.

A new section – 10 TAC §10.1007 – is added to address the income and rent limits for the new ERA program from Treasury authorized under the American Rescue Plan Act (ARPA), as some of the funds are going to be used to fund multifamily rental developments serving households with up to 50% of Area Median Income (AMI). The rent limits will mirror either the Low-Income Housing Tax Credit (LIHTC) or Multifamily Direct Loan limits (MFDL), depending on the sources of funds awarded or allocated to the Development. For instance, if ERA is awarded funds in conjunction with an allocation of LIHTC, then the LIHTC 50% rent limit would be applicable. If ERA is awarded funds in conjunction with an award of HOME funds, the HOME Low rent limits would be applicable. Emergency Rental Assistance rents will be capped at either the applicable Housing Tax Credit 50% AMGI rent limits as published annually in the Multifamily Tax Subsidy Program (MTSP) released annually by HUD. Alternatively, the ERA rent limits will be capped at the HOME Low rent limits as published annually by HUD's Office of Policy Development and Research. However, the ERA program income limits in accordance with 42 U.S.C 1437a(b)(2) published annually by the Department of Housing and Urban Development (HUD) will use the same dataset that is used to determine eligibility for other federal programs such as the Section 8 Housing Choice Voucher and the Section 811 programs found on the HUD website located at this link: https://www.huduser.gov/portal/datasets/il.html These income limits are often referred by the industry as the "Section 8 income limits" which are a different set of income limits from the Housing Tax Credit and MFDL programs.

Upon Board approval, the proposed new Subchapter H, Income and Rent Limits, will be published in the *Texas Register* and released for public comment from January 27, 2023, through February 27, 2023. It is anticipated that the final new rule would be presented for approval at the Board meeting of April 13, 2023.

Attachment 1: Preamble, including required analysis, for proposed repeal of 10 TAC Chapter 10, Uniform Multifamily Rules, Subchapter H, Income and Rent Limits §§10.1001 -10.1006

The Texas Department of Housing and Community Affairs (the Department) proposes the repeal of 10 TAC Chapter 10, Uniform Multifamily Rules, Subchapter H, Income and Rent Limits. The purpose of the proposed repeal is to eliminate an outdated rule while adopting a new updated rule under separate action.

The Department has analyzed this proposed rulemaking and the analysis is described below for each category of analysis performed.

a. GOVERNMENT GROWTH IMPACT STATEMENT REQUIRED BY TEX. GOV'T CODE §2001.0221.

1. Mr. Bobby Wilkinson, Executive Director, has determined that, for the first five years the proposed repeal would be in effect, the proposed repeal does not create or eliminate a government program, but relates to the repeal, and simultaneous readoption making changes to an existing activity, adding new multifamily programs to the Income and Rent limits rule.

2. The proposed repeal does not require a change in work that would require the creation of new employee positions, nor is the proposed repeal significant enough to reduce workload to a degree that any existing employee positions are eliminated.

3. The proposed repeal does not require additional future legislative appropriations.

4. The proposed repeal does not result in an increase in fees paid to the Department or in a decrease in fees paid to the Department.

5. The proposed repeal is not creating a new regulation, except that it is being replaced by a new rule simultaneously to provide for revisions.

6. The proposed action will repeal an existing regulation, but is associated with a simultaneous readoption making changes to an existing activity, including the addition of new programs to the Income and Rent limits rule.

7. The proposed repeal will not increase or decrease the number of individuals subject to the rule's applicability.

8. The proposed repeal will not negatively or positively affect this state's economy.

b. ADVERSE ECONOMIC IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES AND REGULATORY FLEXIBILITY REQUIRED BY TEX. GOV'T CODE §2006.002.

The Department has evaluated this proposed repeal and determined that the proposed repeal will not create an economic effect on small or micro-businesses or rural communities.

c. TAKINGS IMPACT ASSESSMENT REQUIRED BY TEX. GOV'T CODE §2007.043. The proposed repeal does not contemplate nor authorize a taking by the Department; therefore, no Takings Impact Assessment is required.

d. LOCAL EMPLOYMENT IMPACT STATEMENTS REQUIRED BY TEX. GOV'T CODE §2001.024(a)(6).

The Department has evaluated the proposed repeal as to its possible effects on local economies and has determined that for the first five years the proposed repeal would be in effect there would be no economic effect on local employment; therefore, no local employment impact statement is required to be prepared for the rule.

e. PUBLIC BENEFIT/COST NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(5). Mr. Wilkinson has determined that, for each year of the first five years the proposed repeal is in effect, the public benefit anticipated as a result of the repealed section would be the addition of new multifamily programs to the Income and Rent limits rule. There will not be economic costs to individuals required to comply with the repealed section.

f. FISCAL NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(4). Mr. Wilkinson also has determined that for each year of the first five years the proposed repeal is in effect, enforcing or administering the repeal does not have any foreseeable implications related to costs or revenues of the state or local governments.

REQUEST FOR PUBLIC COMMENT. The public comment period will be held January 27, 2023, to February 27, 2023, to receive input on the proposed repealed section. Written comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Wendy Quackenbush, Rule Comments, P.O. Box 13941, Austin, Texas 78711-3941 or emailed to wendy.quackenbush@tdhca.state.tx.us. ALL COMMENTS MUST BE RECEIVED BY 5:00 p.m., Austin local time, FEBRUARY 27, 2023.

STATUTORY AUTHORITY. The proposed repeal is made pursuant to Tex. Gov't Code, §2306.053, which authorizes the Department to adopt rules. Except as described herein the proposed repealed sections affect no other code, article, or statute.

10 TAC Chapter 10, Uniform Multifamily Rules

§10.1001. Purpose.
§10.1002. Definitions.
§10.1003. Tax Exempt Bond Developments.
§10.1004. Housing Tax Credit Properties, TCAP, Exchange and SHTF.
§10.1005. HOME, TCAP RF, and NSP.
§10.1006. National Housing Trust Fund (NHTF).

Attachment 2: Preamble for proposed new 10 TAC Chapter 10, Uniform Multifamily Rules, Subchapter H, Income and Rent Limits §§10.1001 -10.1007

The Texas Department of Housing and Community Affairs (the Department) proposes new 10 TAC Chapter 10, Uniform Multifamily Rules, Subchapter H, Income and Rent Limits. The purpose of the proposed new rule is to provide compliance with Tex. Gov't Code §2306.053 and is to make changes to add two new programs - the HOME American Rescue Plan (HOME-ARP) and Emergency Rental Assistance (ERA) as well as make other non-substantive administrative corrections.

Tex. Gov't Code §2001.0045(b) does not apply to the new rule proposed for action because it was determined that no cost are associated with this action, and therefore no cost warrant being offset.

The Department has analyzed this proposed rulemaking and the analysis is described below for each category of analysis performed.

a. GOVERNMENT GROWTH IMPACT STATEMENT REQUIRED BY TEX. GOV'T CODE §2001.0221.

Mr. Bobby Wilkinson, Executive Director, has determined that, for the first five years the proposed new rule would be in effect:

The proposed new rule does not create or eliminate a government program, but relates to the readoption of this rule, which makes changes to an existing activity, to ensure all applicable federal requirements relating to income and rent limits are specified.

2. The proposed new rule does not require a change in work that would require the creation of new employee positions, nor are the rule changes significant enough to reduce workload to a degree that eliminates any existing employee positions.

3. The proposed new rule does not require additional future legislative appropriations.

4. The proposed new rule will not result in an increase in fees paid to the Department, nor in a decrease in fees paid to the Department.

5. The proposed new rule is not creating a new regulation, except that it is replacing a rule being repealed simultaneously to provide for revisions.

6. The proposed new rule will not expand, limit, or repeal an existing regulation.

7. The proposed new rule will not increase or decrease the number of individuals subject to the rule's applicability;

8. The proposed new rule will not negatively or positively affect the state's economy.

b. ADVERSE ECONOMIC IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES AND REGULATORY FLEXIBILITY REQUIRED BY TEX. GOV'T CODE §2006.002. The Department, in drafting this proposed new rule, has attempted to reduce any adverse economic effect on small or micro-business or rural communities while remaining consistent with the statutory requirements of Tex. Gov't Code, §2306.053.

1. The Department has evaluated this new rule and determined that none of the adverse effect strategies outlined in Tex. Gov't Code §2006.002(b) are applicable.

3. The Department has determined that this rule provides specific detail on how income and rent limits will be applied for a variety of federal and state programs. Other than, in a case of small or micro-businesses or rural communities that participates in one of these programs, it is anticipated there will be no economic effect on small or micro-businesses or rural communities. If a small or micro-business or rural community does participate in the program, the rule provides a clear set of regulations for the handling of income and rent limits.

c. TAKINGS IMPACT ASSESSMENT REQUIRED BY TEX. GOV'T CODE §2007.043. The proposed new rule does not contemplate nor authorize a taking by the Department; therefore, no Takings Impact Assessment is required.

d. LOCAL EMPLOYMENT IMPACT STATEMENTS REQUIRED BY TEX. GOV'T CODE §2001.024(a)(6).

The Department has evaluated the new rule as to its possible effects on local economies and has determined that for the first five years the new rule will be in effect the proposed new rule has no economic effect on local employment because the rule relates only to the establishment of income and rent limits; therefore, no local employment impact statement is required to be prepared for the new rule.

Tex. Gov't Code §2001.022(a) states that this "impact statement must describe in detail the probable effect of the new rule on employment in each geographic region affected by this new rule…" Considering that the rule is applicable to all properties statewide, there are no "probable" effects of the new rule on particular geographic regions.

e. PUBLIC BENEFIT/COST NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(5). Mr. Bobby Wilkinson, Executive Director, has determined that, for each year of the first five years the new rule is in effect, the public benefit anticipated as a result of the new rule will be a clearer rule for properties and assurance that the rules include income and rent limits for all applicable federal and state programs. There will not be any economic cost to any individuals required to comply with the new rule because the activities described by the rule have already been in existence.

f. FISCAL NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(4). Mr. Wilkinson also has determined that for each year of the first five years the new rule is in effect, enforcing or administering the new rule does not have any foreseeable implications related to costs or revenues of the state or local governments because the rule relates to a process that already exists and is not being significantly revised.

REQUEST FOR PUBLIC COMMENT. The public comment period will be held January 27, 2023, to February 27, 2023, to receive input on the newly proposed rule. Written comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Wendy Quackenbush, Rule Comments, P.O. Box 13941, Austin, Texas 8711-3941, by fax to (512) 475-0220, or by email to wendy.quackenbush@tdhca.state.tx.us. ALL COMMENTS MUST BE RECEIVED BY 5:00 p.m., Austin local time, February 27, 2023.

STATUTORY AUTHORITY. The new rule(s) is/are proposed pursuant to Tex. Gov't Code §2306.053, which authorizes the Department to adopt rules. Except as described herein the proposed new rules affect no other code, article, or statute.

10 TAC Subchapter H Income and Rent Limits

§10.1001 Purpose

The purpose of this subchapter is to codify the income and rent limits applicable to the multifamily programs administered by the Texas Department of Housing and Community Affairs (the Department). The Department may, but is not required to, calculate and provide income and rent limits for programs administered by the Department. Income and rent limits will be derived from data released by Federal agencies including the U.S. Department of Housing and Urban Development (HUD).

§10.1002 Definitions

(a) Unless otherwise defined here, terms have the meaning in §11.1 of this title (relating to Definitions), or federal or state law.
(b) Multifamily Tax Subsidy Program Imputed Income Limit--Using the income limits provided by HUD pursuant to §142(d), the imputed income limit is the income limitation which would apply to individuals occupying the unit if the number of individuals occupying the unit were as described in paragraphs (1) and (2) of this subsection:
 (1) in the case of a unit which does not have a separate bedroom, 1 individual; or
 (2) in the case of a unit which has 1 or more separate bedrooms, 1.5 individuals for each separate bedroom.
(c) Tax Credit Assistance Program (TCAP)--Funds awarded as part of the American Recovery and Reinvestment Act to assist Low Income Housing Tax Credit projects funded during 2007, 2008, and 2009.
(d) Tax Credit Assistance Program Repayment Funds (TCAP RF)--Multifamily Direct Loan funds made available through income generated from loan repayments from the Tax Credit Assistance Program.

§10.1003 Tax Exempt Bond Developments

(a) Tax Exempt Bond Developments must use the Multifamily Tax Subsidy Program (MTSP) income limits released by HUD, generally, on an annual basis. The MTSP limit tables include:
 (1) The 50% and 60% Area Median Gross Income (AMGI) by household size.
 (2) In areas where the income limits did not decrease in 2007 and 2008 because of HUD's hold harmless policy, a HERA Special 50% and HERA Special 60% income limit by household size. These higher limits can only be used if at least one building in the Project was placed in service on or before December 31, 2008.
(b) If HUD releases a 20%, 30%, 40%, 60%, 70% or 80% income limit in the MTSP charts the Department will make that data available without any calculations. Otherwise, the following methodology will be used, without rounding, to determine additional income limits:
 (1) To calculate the 20% AMGI, the 50% AMGI limit will be multiplied by .40 or 40%.
 (2) To calculate the 30% AMGI, the 50% AMGI limit will be multiplied by .60 or 60%.
 (3) To calculate the 40% AMGI, the 50% AMGI limit will be multiplied by .80 or 80%.
 (4) To calculate the 60% AMGI, the 50% AMGI limit will be multiplied by 1.2 or 120%.
 (5) To calculate the 70% AMGI, the 50% AMGI limit will be multiplied by 1.4 or 140%.
 (6) To calculate the 80% AMGI, the 50% AMGI limit will be multiplied by 1.6 or 160%.
(c) The Land Use Restriction Agreement (LURA) for some, but not all, Tax Exempt Bond properties restricts the amount of rent the Development Owner is permitted to charge. If the LURA restricts rents, rent limits will be calculated in accordance with §10.1004(d) of this subchapter (relating to Housing Tax Credit Properties, TCAP, Exchange and HTF).
(d) Tax Exempt Bond LURAs are hereby amended to be consistent with this section.
(e) The Department will make available a memorandum in a recordable form reflecting the applicable rent limits in accordance with this section and the legal description of the affected property. The owner of the

property will bear any costs associated with recording such memorandum in the real property records for the county in which the property is located.
(f) Nothing in this section prevents a Development Owner from pursuing a Material Amendment to their LURA in accordance with the procedures found in §10.405 of this chapter (relating to Amendments and Extensions).

§10.1004 Housing Tax Credit Properties, TCAP, Exchange and SHTF

(a) Except for certain rural properties, Housing Tax Credit, TCAP, Exchange, and SHTF Developments must use the Multifamily Tax Subsidy Program (MTSP) income limits released by HUD, generally, on an annual basis. The MTSP limit tables include:
(1) The 50% and 60% Area Median Gross Income (AMGI) by household size.
(2) In areas where the income limits did not decrease in 2007 and 2008 because of HUD's hold harmless policy, a HERA Special 50% and HERA Special 60% income limit by household size. These higher limits can only be used if at least one building in the Project (as defined on line 8b on Form 8609) was placed in service on or before December 31, 2008.
(b) If HUD releases a 20%, 30%, 40%, 60%, 70% or 80% income limit in the MTSP charts, the Department will use that data. Otherwise, the following calculation will be used, without rounding, to determine additional income limits:
(1) To calculate the 20% AMGI, the 50% AMGI limit will be multiplied by .40 or 40%.
(2) To calculate the 30% AMGI, the 50% AMGI limit will be multiplied by .60 or 60%.
(3) To calculate the 40% AMGI, the 50% AMGI limit will be multiplied by .80 or 80%.
(4) To calculate the 60% AMGI, the 50% AMGI limit will be multiplied by 1.2 or 120%.
(5) To calculate the 70% AMGI, the 50% AMGI limit will be multiplied by 1.4 or 140%.
(6) To calculate the 80% AMGI, the 50% AMGI limit will be multiplied by 1.6 or 160%.
(c) Treatment of Rural Properties. Section 42(i)(8) of the Code permits certain Housing Tax Credit, Exchange, and Tax Credit Assistance properties to use the national non-metropolitan median income limit when the area median gross income limit for a place is less than the national non-metropolitan median income.
(1) The Department will identify rural eligible places in accordance with:
(A) Section 520 of the Housing Act of 1949, as amended from time to time; and
(B) Chapter 2306 of the Texas Government Code, as amended from time to time.
(2) The Department allows the use of rural income limits for SHTF multifamily rental Developments that are considered rural using the process described in this subsection.
(d) Rent limits are a calculation of income limits and cannot exceed 30% of the applicable Imputed Income Limit. Rent limits are published by number of bedrooms and will be rounded down to the nearest dollar.
(1) Example 1004(1): To calculate the 30% 1 bedroom rent limit:
(A) Determine the imputed income limited by multiplying the number of bedrooms by 1.5: 1 bedroom x 1.5 persons = 1.5.
(B) To calculate the 1.5 person income limit, average the 1 person and 2 person income limits: If the 1 person 30% income limit is $12,000 and the 2 person 30% income limit is $19,000, the imputed income limit would be $15,500 ($12,000 + $19,000 = $31,000/2 = $15,500).
(C) To calculate the 30% 1 bedroom rent limit, multiply the imputed income limit of $15,500 by 30%, then divide by 12 months and round down. In this example, the 30% 1 bedroom limit is $387 ($15,500 times 30% divided by 12 = $387.50 per month. Rounded down the limit is $387).
(2) Example 1004(2): to calculate the 50% 2 bedroom rent limit:
(A) Determine the imputed income limited to be calculated by multiplying the number of bedrooms by 1.5: 2 bedrooms x 1.5 persons = 3.
(B) The 3 person income limit is already published; for this example the applicable 3 person 50% income limit is $27,000.

(C) To calculate the 50% 2 bedroom rent limit, multiply $27,000 by 30%, then divide by 12. In this example, the 50% 2 bedroom limit is $675 ($27,000 times 30% divided by 12 = $675. No rounding is needed since the calculation yields a whole number).

(e) The Department releases rent limits assuming that the gross rent floor is set by the date the Housing Tax Credits were allocated.

(1) For a 9% Housing Tax Credit, the allocation date is the date the Carryover Agreement is signed by the Department.

(2) For a 4% Housing Tax Credit, the allocation date is the date of the Determination Notice.

(3) For TCAP, the allocation date is the date the accompanied credit was allocated.

(4) For Exchange, the allocation date is the effective date of the Subaward agreement.

(f) Revenue Procedure 94-57 permits, but does not require, owners to set the gross rent floor to the limits that are in effect at the time the Project (as defined on line 8b on Form 8609) places in service. However, this election must be made prior to the Placed in Service Date. A Gross Rent Floor Election form is available on the Department's website. Unless otherwise elected, the initial date of allocation described in subsection (e) of this section will be used.

(1) In the event an owner elects to set the gross rent floor based on the income limits that are in effect at the time the Project places in service and wishes to revoke such election, prior approval from the Department is required. The request will be treated as non-material amendment, subject to the fee described in §11.901of this title (relating to Fee Schedule) and the process described in §10.405 of this chapter (relating to Amendments and Extensions).

(2) An owner may request to change the election only once during the Compliance Period.

(g) For the SHTF program, the date the LURA is executed is the date that sets the gross rent floor.

(h) Held Harmless Policy.

(1) In accordance with Section 3009 of the Housing and Economic Recovery Act of 2008, once a Project (as defined on line 8b on Form 8609) places in service, the income limits shall not be less than those in effect in the preceding year.

(2) Unless other guidance is received from the U.S. Treasury Department, in the event that a place no longer qualifies as rural, a Project that was placed in service prior to loss of rural designation can continue to use the rural income limits that were in effect before the place lost such designation for the purposes of determining the applicable income and rent limit. However, if in any subsequent year the rural income limits increase, the existing project cannot use the increased rural limits. Example 1004(3): Project A was placed in service in 2010. At that time, the place was classified as Rural. In 2012 that place lost its rural designation. The rural income limits increased in 2013. Project A can continue to use the rural income limits in effect in 2012 but cannot use the higher 2013 rural income limits. For owners that execute a carryover for a Project located in a rural place that loses such designation prior to the placed in service date, unless other guidance is received from the U.S. Treasury Department, the Department will monitor using the rent limits calculated from the rural limits that were in effect at the time of the carryover. However, for the purposes of determining household eligibility, such Project must use the applicable MTSP income limits published by HUD.

§10.1005 HOME, HOME-ARP, TCAP RF, and NSP

(a) HOME, HOME-ARP and TCAP RF Developments must use the HOME Program Income and Rent Limits that are calculated annually by HUD's Office of Policy Development and Research (PDR). The limits are made available for each Metropolitan Statistical Areas (MSA), Primary Metropolitan Statistical Areas (PMSA) and Area, District or County by State.

(1) Upon publication, the Department will determine which counties are in each MSA, PMSA, Area or District.

(2) Generally, PDR publishes income limits in tables identifying the following Area Median Gross Income (AMGI) by household size:

(A) Extremely Low-Income Limits which are generally 30% of median income, which will be shown as the 30% limit in the Department's income limits;

(B) Very Low-Income Limits which are generally 50% of median income, which will be shown as the 50% limit in the Department's income limits;

(C) 60% Limits;

(D) Low-Income Limits which are generally 80% of the median income, but capped at the national median income with some exceptions which will be shown as the 80% limits in the Department's income limits.

(3) If not published, the Department will use the following methodology to calculate, without rounding, additional income limits from the HOME Program income limits released by PDR:

(A) To calculate the 30% AMGI, the 50% AMGI limit will be multiplied by .60 or 60%.

(B) To calculate the 40% AMGI, the 50% AMGI limit will be multiplied by .80 or 80%.

(C) To calculate the 60% AMGI, the 50% AMGI limit will be multiplied by 1.2 or 120%.

(b) PDR publishes High and Low HOME rent limits by bedroom size.

(c) PDR does not publish a 30% or 40% rent limits that certain HOME, HOME-ARP and TCAP RF Developments are required to use. These limits will be calculated using the same formulas described in §10.1004 of this subchapter (relating to Housing Tax Credit Properties, TCAP, Exchange and SHTF).

(d) In the event that PDR publishes rent limits after the HOME program income limits, the Department permits HOME, HOME-ARP and TCAP RF Developments to delay the implementation of the 30% and 40% rent limits until the High and Low HOME rent limits must be used.

(e) NSP income limits are published annually by HUD for each county with tables identifying the 50% AMGI and 120% AMGI for household size. If not published, the Department will use the following methodology to calculate, without rounding, additional income limits from the HOME Program income limits released by HUD:

(1) To calculate the 30% AMGI, the 50% AMGI limit will be multiplied by .60 or 60%.

(2) To calculate the 40% AMGI, the 50% AMGI limit will be multiplied by .80 or 80%.

(3) To calculate the 60% AMGI, the 50% AMGI limit will be multiplied by 1.2 or 120%.

(4) To calculate the 80% AMGI, the 50% AMGI limit will be multiplied by 1.6 or 160%.

(f) If the LURA for an NSP Development restricts rents, the amount of rent the Development Owner is permitted to charge will be the High or Low HOME rent published by PDR or calculated in the same manner described in §10.1004 of this subchapter using the HOME income limits.

(g) The LURA for HOME-ARP may require the rent and income limit to follow a different Department program during the state affordability period. In that case, rent will be calculated in the manner of the program identified in the LURA and described in this subchapter.

§10.1006 National Housing Trust Fund (NHTF)

(a) The 30% National Housing Trust Fund Income and Rent Limits are calculated annually by HUD's Office of Policy Development and Research (PDR). The limits are made available for each Metropolitan Statistical Areas (MSA), Primary Metropolitan Statistical Areas (PMSA) and Area, District or County by State. Generally, PDR publishes income limits in tables identifying the Area Median Gross Income (AMGI) by household size. The 30% NHTF income limit is the greater of the 30% limit and the federal poverty line. The 15% NHTF income limit will be half of the 30% NHTF income limit.

(b) PDR publishes 30% NHTF Rent Limits by bedroom size. The 30% NHTF rent limit is calculated based on the greater of the 30% AMGI or the federal poverty line. The 15% NHTF rent limit will be half of the 30% NHTF rent limit.

§10.1007 Emergency Rental Assistance (ERA)

(a)The Emergency Rental Assistance Developments (ERA) must use the Section 8 income limits released by HUD, generally, on an annual basis. The Section 8 limit tables include the 30% and 50% by household size.

(b) The Land Use Restriction Agreement (LURA), for Emergency Rental Assistance Developments restricts the amount of rent the Development Owner is permitted to charge.

(1) If ERA is layered with Housing Tax Credit Properties, TCAP, Exchange and SHTF, the LURA restricted rent limits will be calculated in accordance with §10.1004(d) of this subchapter (relating to Housing Tax Credit properties, TCAP, Exchange and SHTF)

(2) If ERA is layered with HOME, HOME-ARP, TCAP RF, and NSP, the LURA restricted rent limits will be calculated in accordance with §10.1005(b) of this subchapter (relating to HOME, HOME-ARP, TCAP RF, and NSP)

(3) If ERA is layered with NHTF, the LURA restricted rent limits will be calculated in accordance with §10.1006(b) of this subchapter (relating to NHTF).

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BOARD ACTION REQUEST

PROGRAMS DIVISION

JANUARY 12, 2023

Presentation, discussion, and possible action on the statutory four-year rule review and order of proposed readoption for 10 TAC Chapter 10, Uniform Multifamily Rules, Subchapter F, Compliance Monitoring, §10.603, Notices to the Internal Revenue Service (HTC Developments during the Compliance Period), and §10.620, Monitoring for Non-Profit Participation, HUB, or CHDO Participation, and directing their publication for public comment in the *Texas Register*

RECOMMENDED ACTION

WHEREAS, pursuant to Tex. Gov't Code §2306.053, the Texas Department of Housing and Community Affairs (the Department) is authorized to adopt rules governing the administration of the Department and its programs;

WHEREAS, Tex. Gov't Code §2001.039 requires state agencies to review a rule every four years to assess whether the reasons for initially adopting the rule continue to exist;

WHEREAS, staff has assessed 10 TAC Chapter 10, Uniform Multifamily Rules, Subchapter F, Compliance Monitoring, §10.603, Notices to the Internal Revenue Service (HTC Developments during the Compliance Period), and confirms that the reasons for the initial adoption of this rule continue to exist, which is to have a rule in effect that provides how and when notice to the Internal Revenue Service on IRS Form 8823 will occur;

WHEREAS, staff has assessed 10 TAC Chapter 10, Uniform Multifamily Rules, Subchapter F, Compliance Monitoring, §10.620, Monitoring for Non-Profit Participation, HUB, or CHDO Participation, and confirms that the reasons for the initial adoption of this rule continue to exist, which is to have rules in effect that provide notice and clarity around the monitoring process used for non-profit, Historically Underutilized Businesses (HUB) and Community Housing Development Organizations (CHDOs);

WHEREAS, staff has evaluated these rules and recommends that no changes to the rules as currently in effect are necessary, and as such staff is requesting Board approval to submit the proposed readoption of the rules as required by Tex. Gov't Code §2001.039 for a public comment period as part of the four-year rule review process; and

WHEREAS, such proposed action will be published in the *Texas Register* for public comment from January 27, 2023, through February 27, 2023, and subsequently returned to the Board for final adoption;

NOW, therefore, it is hereby

RESOLVED, that the Executive Director and his designees be and each of them hereby are authorized, empowered, and directed, for and on behalf of the Department, to cause the proposed action herein in the form presented to this meeting, to be published in the *Texas Register* for public comment, and in connection therewith, make such non-substantive technical corrections as they may deem necessary to effectuate the foregoing including any requested revisions to the preambles.

BACKGROUND

The Department last amended 10 TAC Chapter 10, Uniform Multifamily Rules, Subchapter F, Compliance Monitoring, §10.603, Notices to the Internal Revenue Service (HTC Developments during the Compliance Period), and §10.620, Monitoring for Non-Profit Participation, HUB, or CHDO Participation, in February 2019. Therefore, under Tex. Gov't Code §2001.039, which requires that state agencies review a rule every four years to assess whether the reasons for initially adopting the rule continue to exist, the rule are now required to be evaluated. Staff has determined that there is a continuing need for these rules to exist and that no revisions are currently warranted. The Secretary of State requires that even when no revisions are proposed, the rule be released for a public comment period. Therefore, the rule will be made available for public comment from January 27, 2023, through February 27, 2023, and returned to the Board for final approval.

Note that while the submission to the *Texas Register* does not require the text of the rule be included in the submission or publication, staff has included the text of the rule for the Board's convenience.

Attachment 1: Notice of Proposed Rule Review for 10 TAC Chapter 10, Uniform Multifamily Rules, Subchapter F, Compliance Monitoring, §10.603, Notices to the Internal Revenue Service (HTC Developments during the Compliance Period)

The Texas Department of Housing and Community Affairs (the Department) files this notice of rule review for 10 TAC Chapter 10, Uniform Multifamily Rules, Subchapter F, Compliance Monitoring, §10.603, Notices to the Internal Revenue Service (HTC Developments during the Compliance Period). The purpose of the proposed action is to conduct a rule review in accordance with Tex. Gov't Code §2001.039, which requires a state agency to review its rules every four years.

At this time, the Department has determined that there continues to be a need for this rule, which is to have a rule in effect that provides how and when notice to the Internal Revenue Service on IRS Form 8823 will occur. The Department has also determined that no changes to this rule as currently in effect are necessary. This rule proposed for readoption will be noted in the Texas Register's Review of Agency Rules section without publication of the text.

REQUEST FOR PUBLIC COMMENT. All comments or questions in response to this notice of rule review may be submitted in writing from January 27, 2023, through February 27, 2023. Written comments may be submitted to Brooke Boston, Texas Department of Housing and Community Affairs, P.O. Box 13941, Austin, Texas 78711-3941, or by email to bboston@tdhca.state.tx.us. ALL COMMENTS MUST BE RECEIVED BY 5:00 p.m. Austin local time, February 27, 2023.

Attachment 2: Notice of Proposed Rule Review for 10 TAC Chapter 10, Uniform Multifamily Rules, Subchapter F, Compliance Monitoring, §10.620, Monitoring for Non-Profit Participation, HUB, or CHDO Participation

The Texas Department of Housing and Community Affairs (the Department) files this notice of rule review for 10 TAC Chapter 10, Uniform Multifamily Rules, Subchapter F, Compliance Monitoring, §10.620, Monitoring for Non-Profit Participation, HUB, or CHDO Participation. The purpose of the proposed action is to conduct a rule review in accordance with Tex. Gov't Code §2001.039, which requires a state agency to review its rules every four years.

At this time, the Department has determined that there continues to be a need for this rule, which is have rules in effect that provide notice and clarity around the monitoring process used for non-profit, Historically Underutilized Businesses (HUB) and Community Housing Development Organizations (CHDOs). The Department has also determined that no changes to this rule as currently in effect are necessary. This rule proposed for readoption will be noted in the Texas Register's Review of Agency Rules section without publication of the text.

REQUEST FOR PUBLIC COMMENT. All comments or questions in response to this notice of rule review may be submitted in writing from January 27, 2023, through February 27, 2023. Written comments may be submitted to Brooke Boston, Texas Department of Housing and Community Affairs, P.O. Box 13941, Austin, Texas 78711-3941, or by email to bboston@tdhca.state.tx.us. ALL COMMENTS MUST BE RECEIVED BY 5:00 p.m. Austin local time, February 27, 2023.

Attachment 3: Text of Rule as Currently in Effect for 10 TAC Chapter 10, Uniform Multifamily Rules, Subchapter F, Compliance Monitoring, §10.603, Notices to the Internal Revenue Service (HTC Developments during the Compliance Period), and §10.620, Monitoring for Non-Profit Participation, HUB, or CHDO Participation

§10.603, Notices to the Internal Revenue Service (HTC Developments during the Compliance Period)
(a) Even when an Event of Noncompliance is corrected, the Department is required to file IRS Form 8823 with the IRS. When required, IRS Form 8823 generally will be filed not later than 45 days after the end of the correction period specified in the Notice to Owner (including any extensions permitted by the Department) but will not be filed before the end of the correction period. The Department will indicate on IRS Form 8823 the nature of the noncompliance and will indicate whether the Development Owner has corrected the noncompliance.
(b) The Department will retain records of noncompliance or failure to certify for six years beyond the Department's filing of the respective IRS Form 8823.
(c) The Department will send the Owner of record copies of any IRS Forms 8823 submitted to the IRS.

§10.620, Monitoring for Non-Profit Participation, HUB, or CHDO Participation
(a) If a Development's LURA requires the material participation of a non-profit or Historically Underutilized Business (HUB), the Department will confirm whether this requirement is being met. Owners are required to maintain sufficient documentation to evidence that a non-profit or HUB so participating is in good standing with the Texas Comptroller of Public Accounts, Texas Secretary of State and/or IRS as applicable and that it is actually materially participating in a manner that meets the requirements of the IRS. Documentation may be reviewed during onsite visits or must be submitted to the Department upon request.
(b) If the HOME funds were awarded from the Community Housing and Development Organization (CHDO) set aside on or after August 23, 2013, the Department will monitor that the Development remains controlled by a CHDO throughout the federal affordability period.
(c) If an Owner wishes to change the participating non-profit, HUB, or CHDO, prior written approval from the Department is necessary. In addition, the IRS will be notified if the non-profit is not materially participating on an HTC Development during the Compliance Period.
(d) The Department does not enforce partnership agreements or other agreements between third parties or determine fund distributions of partnerships. These disputes are matters for a court of competent jurisdiction or other agreed resolution among the parties.

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BOARD ACTION REQUEST

PROGRAMS DIVISION

JANUARY 12, 2023

Presentation, discussion, and possible action on the statutory four-year rule review and order of proposed readoption for 10 TAC Chapter 29, Texas Single Family Neighborhood Stabilization Program Rule, and directing its publication for public comment in the *Texas Register*

RECOMMENDED ACTION

WHEREAS, pursuant to Tex. Gov't Code §2306.053, the Texas Department of Housing and Community Affairs (the Department) is authorized to adopt rules governing the administration of the Department and its programs;

WHEREAS, Tex. Gov't Code §2001.039 requires state agencies to review a rule every four years to assess whether the reasons for initially adopting the rule continue to exist;

WHEREAS, staff has assessed 10 TAC Chapter 29, Texas Single Family Neighborhood Stabilization Program Rule, and confirms that the reasons for the initial adoption of this rule continue to exist, which is to have rules in effect that govern the activities of the Neighborhood Stabilization Program (NSP) single family activities;

WHEREAS, staff has evaluated the rule and recommends that no changes to the rule as currently in effect are necessary, and as such staff is requesting Board approval to submit the proposed readoption of the rule as required by Tex. Gov't Code, §2001.039 for a public comment period as part of the four-year rule review process; and

WHEREAS, such proposed action will be published in the *Texas Register* for public comment from January 27, 2023, through February 27, 2023, and subsequently returned to the Board for final adoption;

NOW, therefore, it is hereby

RESOLVED, that the Executive Director and his designees be and each of them hereby are authorized, empowered, and directed, for and on behalf of the Department, to cause the proposed action herein in the form presented to this meeting, to be published in the *Texas Register* for public comment, and in connection therewith, make such non-substantive technical corrections as they may deem necessary to effectuate the foregoing including any requested revisions to the preambles.

BACKGROUND

The Department last amended 10 TAC Chapter 29, Texas Single Family Neighborhood Stabilization Program Rule, in December 2018. Therefore, under Tex. Gov't Code §2001.039, which requires that state agencies review a rule every four years to assess whether the reasons for initially adopting the rule continue to exist, the rule is past due to be evaluated. Staff has determined that there is a continuing need for this rule to exist and that no revisions are currently warranted. The Secretary of State requires that even when no revisions are proposed, the rule be released for a public comment period. Therefore, the rule will be made available for public comment from January 27, 2023, through February 27, 2023, and returned to the Board for final approval.

Note that while the submission to the *Texas Register* does not require the text of the rule be included in the submission or publication, staff has included the text of the rule for the Board's convenience.

Attachment 1: Notice of Proposed Rule Review for 10 TAC Chapter 29, Texas Single Family Neighborhood Stabilization Program Rule

The Texas Department of Housing and Community Affairs (the Department) files this notice of rule review for 10 TAC Chapter 29, Texas Single Family Neighborhood Stabilization Program Rule. The purpose of the proposed action is to conduct a rule review in accordance with Tex. Gov't Code §2001.039, which requires a state agency to review its rules every four years.

At this time, the Department has determined that there continues to be a need for this rule, which is to have rules in effect that govern the activities of the Neighborhood Stabilization Program (NSP) single family activities. The Department has also determined that no changes to this rule as currently in effect are necessary. This rule proposed for readoption will be noted in the Texas Register's Review of Agency Rules section without publication of the text.

REQUEST FOR PUBLIC COMMENT. All comments or questions in response to this notice of rule review may be submitted in writing from January 27, 2023, through February 27, 2023. Written comments may be submitted to Brooke Boston, Texas Department of Housing and Community Affairs, P.O. Box 13941, Austin, Texas 78711-3941, or by email to bboston@tdhca.state.tx.us. ALL COMMENTS MUST BE RECEIVED BY 5:00 p.m. Austin local time, February 27, 2023.

Attachment 2: Text of Rule as Currently in Effect for 10 TAC Chapter 29, Texas Single Family Neighborhood Stabilization Program Rule

§29.1 Purpose

This chapter clarifies the administration of the Texas Single Family Neighborhood Stabilization Program ("Texas SFNSP"). Texas SFNSP funds are administered by the Department. The Texas SFNSP awards funding to Subgrantees to acquire foreclosed, abandoned, or vacant property in order to redevelop it and prevent it from becoming a source of blight which could contribute to declining property values.

§29.2 Definitions

The following words and terms, when used in this chapter, shall have the following meanings unless the context or the Notice of Funding Availability ("NOFA") indicates otherwise. Lack of capitalization of a term or word in this chapter does not indicate that the term is undefined. Other definitions may be found in Tex. Gov't Code, Chapter 2306; Chapter 1 of this title (relating to Administration); and Chapter 20 of this title (relating to Single Family Programs Umbrella Rule).

(1) Developer--A nonprofit entity that receives Texas SFNSP assistance for the purpose of:

(A) Acquiring homes and residential properties to rehabilitate for residential purposes; and

(B) Constructing new housing in connection with the redevelopment of demolished or vacant properties.

(2) Expended--For the purposes of contract milestones and thresholds, "Expended" means that a complete draw request is submitted with adequate back-up documentation; it is not necessary for staff to have processed a draw to meet a benchmark. For all other purposes, "Expended" means that an eligible cost was incurred and staff has processed a draw to reimburse the expense with Texas SFNSP funds.

(3) Land Bank--A governmental or nongovernmental nonprofit organization established, at least in part, to assemble, temporarily manage and dispose of vacant land for the purposes of stabilizing neighborhoods and encouraging re-use or redevelopment of urban property.

(4) Obligated--When Texas SFNSP funding has been encumbered through contracts for goods, services or acquisition of property, or other forms of similar transactions requiring payment that have been determined by the Department to meet Texas SFNSP requirements.

(5) Subgrantee--A Subrecipient or a Developer.

(6) Subrecipient--Units of General Local Government and nonprofit organizations with whom the Department contracts and provides funding in order to undertake activities eligible for such assistance.

(7) Texas SFNSP--Texas Single Family Neighborhood Stabilization Program.

§29.3 General Provisions

(a) All assisted properties must be located in eligible areas as defined by HUD and by the applicable NOFA.

(b) The Contract term is based upon varying types of activities included in the Contract between the Department and the Department's Subgrantee. Exhibit C, Project Implementation Schedule, of the Contract, provides an outline of specific timelines, milestones and thresholds. Performance under the Contract will be evaluated according to the benchmarks described in each Contract.

(c) Administrative Threshold. Administrative draw requests are funded from the administration or developer fee line item in Exhibit B, Budget, of the Contract. Reimbursement of eligible administrative expenses is regulated as described in paragraphs (1) - (3) of this subsection:

(1) Threshold 1. Cumulative administrative draw requests may allow up to 10 percent of the administration or developer fee line item to be drawn prior to the start of any project activity included in the performance statement of the Contract (provided that all pre-draw requirements, as described in the Contract, for administration have been met). This draw may be limited by NOFA, underwriting report, or by Contract. Subsequent administrative expenditures will be reimbursed in the percentage amounts indicated, provided that all Contract benchmark requirements have been met, as identified in Exhibit C, Project Implementation Schedule, described in subsection (b) of this section;

(2) Threshold 2. Subsequent administrative draw requests are allowed in proportion to the direct project funds drawn on the Contract, up to 90 percent of the total administration or developer fee line item. The cumulative total percentage of administrative funds requested may not exceed the cumulative total percentage of project funds expended for hard and/or soft costs directly attributable to activities under the Contract;

(3) Threshold 3. The final 10 percent of the administration or developer fee line item is the administrative retainage. The final 10 percent may be drawn after the final loan closing or upon Contract close-out.

(d) Forbearances. Contract expenditure thresholds and milestones are included in Exhibit C, Project Implementation Schedule, of the Contract; violations of which will subject the Subgrantee to the requirements found in this chapter. At the Department's discretion, forbearances of thresholds and milestones may be granted upon request and documentation of extenuating circumstances.

(e) Waivers. Program administrative regulations set forth in any Texas SFNSP NOFA by the Department's Governing Board or terms in the Contract may be waived by the Department, acting by and through its Executive Director or his/her designee, up to the limits of Texas SFNSP regulations and guidance as previously established, periodically updated, or updated in the future by HUD. The Executive Director or his/her designee may waive the Texas SFNSP purchase discount to the limits of the purchase discount as allowed by the NSP Bridge Notice. The Texas NSP NOFA and the NSP *Federal Register* Notice (Docket No. FR-5255-N-01) published in the *Federal Register* (73 FR 58330), require a minimum discount of five percent for any individual property and 15 percent for a portfolio of properties to be acquired utilizing Texas SFNSP funds. (If only acquiring one property, the one property constitutes a portfolio.) The NSP Bridge Notice allows for up to a one percent discount for individual properties and portfolios.

§29.4 Reassignment of Funds

Deobligated funds may either be reassigned utilizing the amendment process described 10 TAC §20.14 of this title (relating to Single Family Programs Umbrella Rule), or be subject to redistribution through a methodology to be approved by the Board.

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BOARD ACTION REQUEST

EXECUTIVE DIVISION

JANUARY 12, 2023

Presentation, discussion, and possible action on the proposed repeal of 10 TAC Chapter 1, Subchapter B, Accessibility and Reasonable Accommodations; proposed new 10 TAC Chapter 1, Subchapter B, Accessibility and Reasonable Accommodations; and directing publication for public comment in the *Texas Register*

RECOMMENDED ACTION

WHEREAS, pursuant to Tex. Gov't Code §2306.053, the Texas Department of Housing and Community Affairs (the "Department") is authorized to adopt rules governing the administration of the Department and its programs;

WHEREAS, 10 TAC Chapter 1, Subchapter B, Accessibility and Reasonable Accommodations, requires changes to update the rule for federal guidance that has been released since the last rulemaking, to add several new programs to the rule that were not previously programs overseen by the Department, to bring the rule up to date and to streamline requirements;

WHEREAS, Department staff met with the Disability Advisory Workgroup on December 13, 2022, to garner feedback on these rules, such feedback having been taken into consideration in the draft proposed rule; and

WHEREAS, such proposed rulemaking will be published in the *Texas Register* for public comment to be received and returned to the Board for final adoption;

NOW, therefore, it is hereby

RESOLVED, that the Executive Director and his designees, be and each of them hereby are authorized, empowered, and directed, for and on behalf of the Department, to cause the proposed repeal of 10 TAC Chapter 1, Subchapter B, Accessibility and Reasonable Accommodations, and the proposed new 10 TAC Chapter 1, Subchapter B, Accessibility and Reasonable Accommodations, are approved for publication in the *Texas Register* for public comment, and in connection therewith, make such non-substantive technical corrections as they may deem necessary to effectuate the foregoing, including the preparation of the subchapter specific preambles and any requested changes to the preambles.

BACKGROUND

Tex. Gov't Code §2306.053, authorizes the Department to adopt rules governing the administration of the Department and its programs. The authority for this rule is also provided by Tex. Gov't Code §2306.066(e), which requires the Executive Director to prepare a written plan to provide persons with disabilities an opportunity to participate in the Department's programs. This rule also provides for compliance with the Fair Housing Act and other federal and state civil rights laws. One type of disability discrimination is the refusal to make reasonable accommodations in rules, policies, practices, or services when such accommodations are necessary to afford a person with a disability the equal opportunity to use and enjoy a dwelling or program/activity. This rule provides for how Subrecipients and Development Owners of properties in the Department's portfolio should handle requests from individuals who are seeking reasonable accommodations. It also identifies the Construction Standards that Developments must use for accessible units and common areas and amenities.

Staff recommends that this rule be retained but done so through repeal and proposal of a new rule. This action allows the Department to continue to ensure compliance with the applicable state and federal requirements and provide guidance to Subrecipients/Development Owners on what is expected in the handling of an applicant/program participant/tenant wanting to make a reasonable accommodation request. The new rule being proposed reflects changes that include updating the rule for federal guidance that has been released since the last rulemaking, adding several new programs to the rule that were not previously programs overseen by the Department, bringing the rule up to date and streamlining requirements.

Upon Board approval, the proposed rule actions will be published in the *Texas Register* and released for public comment from January 27, 2023, to February 27, 2023. Behind the preamble is a copy of the rule in blackline form reflecting the changes being proposed from the current version of the rule.

Attachment 1: Preamble, including required analysis, for the proposed repeal of 10 TAC Chapter 1, Subchapter B, Accessibility and Reasonable Accommodations

The Texas Department of Housing and Community Affairs (the "Department") proposes the repeal of 10 TAC Chapter 1, Subchapter B, Accessibility and Reasonable Accommodations. The purpose of the proposed repeal is to eliminate an outdated rule while adopting a new updated rule under separate action.

The Department has analyzed this rulemaking and the analysis is described below for each category of analysis performed.

a. GOVERNMENT GROWTH IMPACT STATEMENT REQUIRED BY TEX. GOV'T CODE §2001.0221.

1. Bobby Wilkinson, Executive Director, has determined that, for the first five years the repeal will be in effect, the repeal does not create or eliminate a government program, but relates to the repeal, and simultaneous adoption making changes to the rule governing Accessibility and Reasonable Accommodations.

2. The repeal does not require a change in work that will require the creation of new employee positions, nor will the repeal reduce work load to a degree that any existing employee positions are eliminated.

3. The repeal does not require additional future legislative appropriations.

4. The repeal does not result in an increase in fees paid to the Department nor in a decrease in fees paid to the Department.

5. The repeal is not creating a new regulation, except that it is being replaced by a new rule simultaneously to provide for revisions.

6. The action will repeal an existing regulation, but is associated with a simultaneous readoption making changes to the existing procedures for accessibility and accommodation activity.

7. The repeal will not increase or decrease the number of individuals subject to the rule's applicability.

8. The repeal will not negatively or positively affect this state's economy.

b. ADVERSE ECONOMIC IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES AND REGULATORY FLEXIBILITY REQUIRED BY TEX. GOV'T CODE §2006.002.
The Department has evaluated this repeal and determined that the repeal will not create an economic effect on small or micro-businesses or rural communities.

c. TAKINGS IMPACT ASSESSMENT REQUIRED BY TEX. GOV'T CODE §2007.043. The repeal does not contemplate or authorize a taking by the Department, therefore no Takings Impact Assessment is required.

d. LOCAL EMPLOYMENT IMPACT STATEMENTS REQUIRED BY TEX. GOV'T CODE §2001.024(a)(6).
The Department has evaluated the repeal as to its possible effects on local economies and has determined that for the first five years the repeal will be in effect there will be no economic effect on local employment; therefore no local employment impact statement is required to be prepared for the rule.

e. PUBLIC BENEFIT/COST NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(5). Mr. Wilkinson has determined that, for each year of the first five years the repeal is in effect, the public benefit anticipated as a result of the repealed section would be an elimination of an outdated rule while adopting a new updated rule under separate action. There will be no economic costs to individuals required to comply with the repealed section.

f. FISCAL NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(4). Mr. Wilkinson also has determined that for each year of the first five years the repeal is in effect, enforcing or administering the repeal does not have any foreseeable implications related to costs or revenues of the state or local governments.

REQUEST FOR PUBLIC COMMENT. The public comment period will be held January 27, 2023, to February 27, 2023, to receive input on the repealed section. Written comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Brooke Boston, Rule Comments, P.O. Box 13941, Austin, Texas 78711-3941 or email brooke.boston@tdhca.state.tx.us. ALL COMMENTS MUST BE RECEIVED BY 5:00 P.M. Austin local time February 27, 2023.

STATUTORY AUTHORITY. The repeal is proposed pursuant to TEX. GOV'T CODE §2306.053, which authorizes the Department to adopt rules. Except as described herein the proposed repealed sections affect no other code, article, or statute.

10 TAC Chapter 1, Subchapter B, Accessibility and Reasonable Accommodations

§1.201. Purpose
§1.202. Definitions
§1.203. General Requirements and Effect of Non Compliance
§1.204. Reasonable Accommodations
§1.205. Compliance with the Fair Housing Act
§1.206. Applicability of the Construction Standards for Compliance with §504 of the Rehabilitation Act of 1973
§1.207. General Requirements for Multifamily Housing Developments

Attachment B: Preamble, including required analysis, for proposed new 10 TAC Chapter 1, Subchapter B, Accessibility and Reasonable Accommodations

The Texas Department of Housing and Community Affairs (the "Department") proposes new 10 TAC Chapter 1, Subchapter B, Accessibility and Reasonable Accommodations. The purpose of the proposed new section is to make changes updating the rule for federal guidance that has been released since the last rulemaking, adding several new programs to the rule that were not previously programs overseen by the Department, bringing the rule up to date and streamlining requirements.

Tex. Gov't Code §2001.0045(b) does not apply to the rule being adopted under items (4) and (9) of that section. The rule ensures Department compliance with the Fair Housing Act and other federal civil rights laws. In spite of these exceptions, it should be noted that no costs are associated with this action that would have prompted a need to be offset.

The Department has analyzed this rulemaking and the analysis is described below for each category of analysis performed.

a. GOVERNMENT GROWTH IMPACT STATEMENT REQUIRED BY TEX. GOV'T CODE §2001.0221.

Bobby Wilkinson, Executive Director, has determined that, for the first five years the proposed new rule will be in effect:

1. The new rule does not create or eliminate a government program, but relates to the readoption of this rule, which makes changes to the rules that govern accessibility and reasonable accommodations.

2. The new rule does not require a change in work that would require the creation of new employee positions, nor will it reduce work load to a degree that eliminates any existing employee positions.

3. The new rule changes do not require additional future legislative appropriations.

4. The proposed new rule will not result in an increase in fees paid to the Department, nor in a decrease in fees paid to the Department.

5. The new rule is not creating a new regulation, except that it is replacing a rule being repealed simultaneously to provide for revisions.

6. The rule will not limit, expand or repeal an existing regulation but merely revises a rule.

7. The new rule does not increase or decrease the number of individuals to whom this rule applies; and

8. The new rule will not negatively or positively affect the state's economy.

b. ADVERSE ECONOMIC IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES AND REGULATORY FLEXIBILITY REQUIRED BY TEX. GOV'T CODE §2006.002.

1. The Department has evaluated this rule and determined that none of the adverse effect strategies outlined in Tex. Gov't Code §2006.002(b) are applicable.

2. This rule relates to the procedures in place for properties and subrecipients that have been funded by the Department. Other than in the case of a small or micro-business that participate in such programs, no small or micro-businesses are subject to the rule. If a small or micro-business does participate in the

program, the rule provides a clear set of regulations for the handling of reasonable accommodations and accessibility.

3. The Department has determined that because this rule relates only to a revision to a rule subrecipients/owners and tenants of an existing program, there will be no economic effect on small or micro-businesses or rural communities.

c. TAKINGS IMPACT ASSESSMENT REQUIRED BY TEX. GOV'T CODE §2007.043. The new rule does not contemplate nor authorize a taking by the Department, therefore no Takings Impact Assessment is required.

d. LOCAL EMPLOYMENT IMPACT STATEMENTS REQUIRED BY TEX. GOV'T CODE §2001.024(a)(6).
The Department has evaluated the rule as to its possible effects on local economies and has determined that for the first five years the rule will be in effect the new rule has no economic effect on local employment because this rule relates only to the processes used in existing multifamily properties and other portfolio subrecipients; therefore no local employment impact statement is required to be prepared for the rule.

Texas Gov't Code §2001.022(a) states that this "impact statement must describe in detail the probable effect of the rule on employment in each geographic region affected by this rule…" Considering that the rule relates only to the continuation of the rules in place there are no "probable" effects of the new rule on particular geographic regions.

e. PUBLIC BENEFIT/COST NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(5). Mr. Wilkinson has determined that, for each year of the first five years the new sections are in effect, the public benefit anticipated as a result of the proposed new rule will be a clearer rule for Recipients and assurance of the program having transparent compliant regulations. There will be no economic cost to any individuals required to comply with the proposed new rule because the activities described by the rule has already been in existence.

f. FISCAL NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(4). Mr. Wilkinson also has determined that for each year of the first five years the new sections are in effect, enforcing or administering the new section does not have any foreseeable implications related to costs or revenues of the state or local governments as this rule relates only to a process that already exists and is not being significantly revised.

REQUEST FOR PUBLIC COMMENT. The Department will accept public comment from January 27, 2023, through February 27, 2023. Written comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Brooke Boston, Rule Comments, P.O. Box 13941, Austin, Texas 78711-3941, or by email to brooke.boston@tdhca.state.tx.us. ALL COMMENTS MUST BE RECEIVED BY 5:00 pm Austin local time, February 27, 2023.

STATUTORY AUTHORITY. The rule action is proposed pursuant to Tex. Gov't Code §2306.053, which authorizes the Department to adopt rules. Except as described herein the proposed new sections affect no other code, article, or statute.

10 TAC Chapter 1, Subchapter B, Accessibility and Reasonable Accommodations

§1.201 Purpose

(a) The purpose of this subchapter is to establish a framework for informing compliance with the requirements of Tex. Gov't Code §§2306.6722, 2306.6725, and 2306.6730, and the requirements of the Americans with Disabilities Act, Section 504 of the 1973 Rehabilitation Act (Section 504) and the Fair Housing Act for Recipients of awards from the Texas Department of Housing and Community Affairs (the Department) including but not limited to:

(1) Community Services Block Grant;

(2) Low Income Home Energy Assistance Program (LIHEAP) (including the two programs utilizing this funding source: the LIHEAP Weatherization Assistance Program and the Comprehensive Energy Assistance Program);

(3) Emergency Solutions Grant (ESG);

(4) ~~State~~ Texas Housing Trust Fund;

(5) Low Income Housing Tax Credit, including Exchange;

(6) Multifamily Bond Programs (Bond);

(7) National Housing Trust Fund (NHTF);

(8) Neighborhood Stabilization Program (NSP);

(9) HOME;

(10) TCAP;

(11) TCAP- Returned Funds (TCAP-RF);

(12) Section 8;

(13) Department of Energy Weatherization Assistance Program;

(14) Homeless Housing and Services Program (HHSP); ~~and~~

(15) Ending Homelessness Fund (EH);

(16) Community Development Block Grant (CDBG);

(17) Community Development Block Grant – CARES Act (CDBG-CV);

(18) 811 Project Rental Assistance (811 PRA);

(19) Emergency Rental Assistance (ERA);

(20) Department of Energy Weatherization Program (DOE WAP); and

(21) HOME American Rescue Plan (HOME-ARP).

(b) Unless otherwise indicated in the applicable notice of funding availability or required by contract, this subchapter does not apply to contracts for the procurement of goods or services by the Department.

§1.202 Definitions

Capitalized words in this subchapter have the meaning assigned in the specific chapter and rules of the title that govern the program associated with the matter or assigned by federal or state law. In addition, the following terms are used for the purposes of this subchapter:

(1) 2010 ADA Standards--The term 2010 ADA Standards refers to the 2010 ADA Standards for Accessible Design implementing Title II of the Americans with Disabilities Act of 1990, including the ADA Amendments of 2008, found at 28 CFR Part 35. This term includes both the Title II (28 CFR §35.151) and 2004 ADAAG (36 CFR Part 1991). If there is a conflict between 2004 ADAAG and Title II the requirements of Title II prevail.

(2) Accessible Route--A continuous unobstructed path connecting accessible elements and spaces in a facility or building that complies with the space and reach requirements of the applicable accessibility standard.

(3) Alteration--Any physical change in a facility or its permanent fixtures or equipment. It includes, but is not limited to, remodeling, renovation, rehabilitation, reconstruction, changes or rearrangements in structural parts and extraordinary repairs. It does not include normal maintenance or repairs, reroofing, interior decoration, or changes to mechanical systems.

(4) Disability--A physical or mental impairment that substantially limits one or more major life activities; or having a record of such an impairment; or being regarded as having such an impairment. Nothing in this definition requires that a dwelling be made available to an individual whose tenancy would constitute a direct threat to the health or safety of other individuals or whose tenancy would result in substantial physical damage to the property of others. Included in this meaning is the term handicap as defined in the Fair Housing Act, and the term disability as defined in the Americans with Disabilities Act.

(5) Multifamily Housing Development--A project that includes five or more dwelling units. A project may consist of five single family homes, a single building with five or more units, or five or more units in multiple buildings each with one or more units. A project includes the whole of one or more residential structures and appurtenant structures, equipment, roads, walks, and parking lots which are covered by a single contract or application, or which are treated as a whole for processing purposes, whether or not located on a common site.

(6) Reasonable Accommodation--An accommodation and/or modification that is an alteration, change, exception, or adjustment to a program, policy, service, building, or dwelling unit, that will allow a qualified person with a Disability to:

(A) Participate fully in a program;

(B) Take advantage of a service;

(C) Live in a dwelling; or

(D) Use and enjoy a dwelling.

(7) Recipient--Includes a Subrecipient or Administrator and means any State or its political subdivision, any instrumentality of a State or its political subdivision, any public or private agency, institution, organization, or other entity, or any person to whom assistance or an award is extended for any program or activity directly or through another Recipient, including any successor, assignee, or transferee of a Recipient, but excluding the ultimate beneficiary of the assistance. Recipients include private entities in partnership with Recipients to own or operate a program or service. This term includes Development Owner.

§1.203 General Requirements and Effect of Non Compliance

(a) No individual with a Disability shall, by reason of their Disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any Department awarded program or activity.

(b) There are additional requirements for compliance with Section 504 of the 1973 Rehabilitation Act; Title VI of the Civil Rights Act of 1964; the Fair Housing Act; the Americans with Disabilities Act; and other civil rights laws, regulations and Executive Orders by Recipients of Department program or activities. This subchapter addresses only the requirements relating to physical accessibility, and reasonable accommodations under Section 504, the American with Disabilities Act, and the Fair Housing Act. Other disability-related requirements include, but are not limited to:

(1) Operating housing that is not segregated based upon disability or type of disability, unless authorized by federal statute or executive order;

(2) Providing auxiliary aids and services necessary for effective communication with persons with disabilities; and

(3) Operating programs in the most integrated setting appropriate to the needs of qualified individuals with disabilities.

(c) Compliance with accessibility requirements, as applicable, including compliance with the Fair Housing Act, the Americans with Disabilities Act, and Section 504 of the Rehabilitation Act of 1973, other civil rights laws, regulations and Executive Orders; and Chapters 2105 and 2306 of the Tex. Gov't Code is the sole responsibility of the Recipient. By providing guidance and monitoring for compliance, the Department in no way assumes any liability whatsoever for any action or failure to act by the Recipient.

(d) Failure to comply with the provisions of this subchapter may result in the assessment of administrative penalties and/or debarment, as further outlined in this title.

§1.204 Reasonable Accommodations

(a) Applicability. This policy relates to a request for Reasonable Accommodations made by an applicant or participant of a Department program to a Recipient, or made by an applicant or occupant to a property funded by the Department to the property. The policy regarding a request for Reasonable Accommodation by the Department is found at 10 TAC §1.1 of this chapter.

(b) General Considerations in Handling of Reasonable Accommodations. An applicant, participant, or occupant who has a disability may request an accommodation and, depending on the program funding the property or activity and whether the accommodation requested is a reasonable accommodation, their request must be timely addressed.

(1) When the Department monitors a property or activity for how reasonable accommodation requests have been handled, it will consider such things as whether the person working on behalf of the program or property which the Department is monitoring:

(A) Timely received the request and recorded it;

(B) Took into consideration how action on the request would impact the person making the request; and

(C) Engaged in communication with the requestor to understand the nature of their request and whether there was a reasonable way to make an accommodation.

(2) If the person responsible for responding to a request for an accommodation needs assistance or clarification as to how the requirement may apply to their program or property they should contact the Compliance Division immediately to discuss the matter. The Compliance Division cannot provide legal advice or direct the person to respond in any specific manner, but they can, in some instances, point to appropriate federal guidance or other resources such as the Texas Workforce Commission Civil Rights Division. A person who contacts the Compliance Division or anyone else for such reasons should document such contact in their files because the process of obtaining guidance may impact the timeliness of their response.

(3) Unless there is a clear documented need for a lengthier process or there is a controlling federal statute or regulation specifying a different deadline, when a person requests an accommodation they should be given a response as soon as possible but not later than 14 calendar days.

(c) To show that a requested Reasonable Accommodation may be necessary, there must be an identifiable relationship between the requested accommodation and the individual's Disability.

(d) Responses to Reasonable Accommodation requests must be provided within a reasonable amount of time, not to exceed 14 calendar days. The response must either be to grant the request, deny the request, offer alternatives to the request, or request additional information to clarify the Reasonable Accommodation request. Examples when it would not be reasonable to wait 14 calendar days to provide a response include but are not limited to: moving the due date for rent to coincide with the date the requestor receives their social security disability check; allowing a service animal in an emergency shelter in spite of a no pets policy; or assisting an applicant with a Disability that prevents them from writing legibly when they request help filling out an program or project application. Should additional information be required and an interactive process be necessary, this process must also be completed within a reasonable amount of time. An undue delay in responding to a Reasonable Accommodation request may be deemed by the Department to be a failure to provide a Reasonable Accommodation.

(e) When a participant, applicant, or occupant requires an accessible unit, feature, space or element, or a policy modification, or other Reasonable Accommodation to accommodate a Disability, the Recipient must provide and pay for the requested accommodation, unless doing so would result in a fundamental alteration in the nature of the program or an undue financial and administrative burden. A fundamental alteration is an accommodation that is so significant that it alters the essential nature of the Recipient's operations. A Recipient that owns a tax credit or Multifamily Bond Development with no federal or state funds awarded before September 1, 2001, must allow but may not need to pay for the Reasonable Accommodation, except if the accommodation requested should have been made as part of the original design and construction requirements under the Fair Housing Act, or is a Reasonable Accommodation identified by the U.S. Department of Justice or the U.S. Department of Housing and Urban Development with a de minimis cost (e.g., assigned existing parking spot and no deposit for service/assistance animals).

(f) A Recipient may not charge a fee, deposit, or place conditions on a participant, occupant, or applicant in exchange for making the accommodation.

(g) A Reasonable Accommodation request of an individual with a Disability that amounts to an Alteration should be made to meet the needs of the individual with a Disability, rather than being limited to compliance with a particular accessible code specification. However, the Recipient must still follow accessible code specifications, as identified in its Contract or LURA.

(1) Recipients are not required to make structural changes where other methods, which may not cost as much, are effective in making programs or activities readily accessible to and usable by persons with Disabilities.

(2) In choosing among available methods for meeting the requirements of this section, the Recipient must give priority to those methods that offer programs and activities to qualified individuals with Disabilities in the most integrated setting appropriate.

(3) Undue burden.

(A) The determination of undue financial and administrative burden will be made by the Department on a case-by-case basis, involving various factors, such as the cost of the Reasonable Accommodation, the financial resources of the Development, the benefits the accommodation would provide to the requester, and the availability of alternative accommodations that would adequately meet the requester's Disability-related needs.

(B) In considering whether an expense would constitute an undue burden the Department may, as applicable, consider the following items (though it may consider factors not on this list):

(i) payment for Alteration from operating funds, residual receipts accounts, or reserve replacement accounts must be sought using appropriate approval procedures.

(ii) the approved amount must generally be able to be replenished through property rental income within one year without a corresponding raise in rental rates.

(iii) a projected inability to replenish an operating fund account or the reserve for replacement account within one year for funds spent in providing Alterations under this subsection is some evidence that the Alteration would be an undue financial and administrative burden.

(C) If providing accessibility would result in an undue financial and administrative burden, the Recipient must still take other reasonable steps to achieve accessibility.

(D) If a structural change would constitute an undue financial and administrative burden, and the tenant/requestor still wants that particular change to be made, the tenant/requestor must be allowed to make and pay for the accommodation.

(4) Recipients are not required to install an elevator solely for the purpose of making units accessible as a Reasonable Accommodation.

(5) Recipients do not have to make mechanical rooms and similar spaces accessible when, because of their intended use, they do not require accessibility by the public, by tenants, or by employees with physical disabilities.

(6) Recipients are not required to make building alterations that have little likelihood of being accomplished without removing or altering a load-bearing structural member, as a Reasonable Accommodation.

(h) If a Recipient refuses to provide a requested accommodation because it is either an undue financial and administrative burden or would result in a fundamental alteration to the nature of the program, the Recipient must make a reasonable attempt to engage in an interactive dialogue with the requester to determine if there is an alternative accommodation that would adequately address the requester's Disability-related needs. If an alternative accommodation would meet the individual's needs and is reasonable, the Recipient must provide it.

(i) Examples of reasonable accommodations, while not exhaustive, include moving the due date for rent to coincide with the date the requestor receives their social security disability check; providing a designated accessible parking space from existing parking spaces; creating an accessible parking space to accommodate a wheelchair-equipped van; allowing a service or support animal or animals in spite of a no pets policy; modifying door knobs to levers; providing assistance in filling out a program application for the activity or unit; in the case of a service provider providing computer lab classes with laptops, providing a loan of the laptop computer with the training software; in the case of a weatherization provider serving a family with a child with asthma, seeing if an alternative sealant could be used when the sealant typically used may trigger an asthma attack; installing grab bars; providing an accessible entrance to a resident's current unit, unless it would be an undue financial and administrative hardship or a fundamental alteration of the program to do so; and providing a ramp in excess of usual specifications for such alternations to accommodate a scooter type wheelchair, unless it would be an undue financial and administrative hardship or a fundamental alteration of the program to do so.

(j) Recipients must follow federal and state regulations regarding service/assistance animals. A housing provider may not require an applicant, participant, or occupant to pay a pet deposit if the animal is a service/assistance animal.

§1.205 Compliance with the Fair Housing Act

(a) Generally, housing designed and constructed for first occupancy after March 13, 1991, must comply with the Fair Housing Act. This includes Units, common areas, and amenities added to existing buildings, or on land under common ownership and contiguous with housing otherwise exempt from the Fair Housing Act.

(b) Compliance with the Fair Housing Act makes it unlawful to discriminate based on a person's disability, race, color, religion, sex, familial status, or national origin unless there is an exception in federal law.

(c) The Department requires compliance with HUD's Fair Housing Act Design Manual, including the ability to claim exemptions or exceptions provided for therein.

§1.206 Applicability of the Construction Standards for Compliance with §504 of the Rehabilitation Act of 1973

(a) The following types of Multifamily Housing Developments must comply with the construction standards of §504 of the Rehabilitation Act of 1973, as further defined through the Uniform Federal Accessibility Standards (UFAS):

(1) New construction and reconstruction HOME and NSP Multifamily Housing Developments that began construction before March 12, 2012;

(2) Rehabilitation HOME and NSP Multifamily Housing Developments that submitted a full application for funding before January 1, 2014; and

(3) All Housing Tax Credit and Tax Exempt Bond Developments that were awarded after September 1, 2001, and submitted a full application before January 1, 2014.

(b) The following types of Multifamily Housing Developments must comply with the construction requirements of 2010 ADA standards with the exceptions listed in "Nondiscrimination on the Basis of Disability in Federally Assisted Programs and Activities" 79 *Federal Register* 29671 and not otherwise modified in this subchapter:

(1) New construction and reconstruction HOME and NSP Multifamily Housing Developments that began construction after March 12, 2012; and

(2) All Multifamily Housing Developments that submit a full application for funding after January 1, 2014.

(c) Recipients of CDBG, CDBG-CV, ESG, EH, ~~and~~ HHSP, and HOME-ARP (for Non-Congregate Shelter) funds must comply with the 2010 ADA Standards with the exceptions listed in "Nondiscrimination on the Basis of Disability in Federally Assisted Programs and Activities" 79 *Federal Register* 29671 and not otherwise modified in this subchapter.

(d) Effect on LURAs. These rules do not serve to amend contractual undertakings memorialized in a recorded LURA but may, by operation of law, place requirements on a property owner beyond those contained in the LURA.

§1.207 General Requirements for Multifamily Housing Developments

(a) All Units that are accessible to persons with mobility impairments must be on an Accessible Route.
(b) Recipients must give priority to methods that offer housing in the most integrated setting possible (i.e., a setting that enables qualified persons with Disabilities and persons without Disabilities to interact to the fullest extent possible). This means the distribution will provide individuals requiring accessible units with a choice of location, layout, and price that is substantially equivalent to the choice available to others. Distribution of accessible units may be further described in federal law, regulation, or governing Rules in this Title. To the maximum extent feasible and subject to reasonable health and safety requirements, accessible units must be:

(1) Distributed throughout the Development and site; and

(2) Made available in a sufficient range of sizes and amenities so that the choice of living arrangements of qualified persons with Disabilities is, as a whole, comparable to that of other persons eligible for housing assistance under the same program.

(c) All Multifamily Housing Developments that submit full applications after January 1, 2014, must have a minimum of 5 percent of Units that are accessible to persons with mobility impairments, and a minimum of 2 percent of the Units must be accessible to persons with visual and hearing impairments. In addition, common areas and amenities must also be accessible as identified in the 2010 ADA standards with the exceptions listed in "Nondiscrimination on the Basis of Disability in Federally Assisted Programs and Activities" 79 *Federal Register* 29671.

1j

BOARD ACTION REQUEST

LEGAL DIVISION

JANUARY 12, 2023

Presentation, discussion, and possible action regarding the adoption of an Agreed Final Order concerning Dale Meadows (HOME 530200 / CMTS 4001)

RECOMMENDED ACTION

WHEREAS, Dale Meadows f/k/a St. John Colony, owned by Peter Huu Le and Diana Thi Nguyen (Owner), has uncorrected compliance findings relating to the applicable land use restriction agreement and the associated statutory and rule requirements;

WHEREAS, Owner has attended multiple Enforcement Committee informal conferences on April 29, 2016, and October 20, 2022;

WHEREAS, in 2015, the TDHCA conducted an onsite monitoring review which resulted in signing a prior Agreed Final Order in 2016;

WHEREAS, final corrections under the 2016 Agreed Final Order were received a month late and a $1,000 administrative penalty was paid as a result;

WHEREAS, TDHCA identified new findings of noncompliance during its regularly scheduled 2021 desk file monitoring review and referred Owner for an administrative penalty when they were not timely corrected;

WHEREAS, an Enforcement Committee informal conference was held on October 20, 2022, and Owner agreed, subject to Board approval, to enter into an Agreed Final Order assessing an administrative penalty of $2,250, subject to full probation and forgiveness if Owner submits full corrections and attends training by March 31, 2023; and

WHEREAS, staff has based its recommendations for an Agreed Final Order on the TDHCA's rules for administrative penalties and an assessment of each and all of the statutory factors to be considered in assessing such penalties, applied specifically to the facts and circumstances present in this case.

NOW, therefore, it is hereby

RESOLVED that an Agreed Final Order assessing an administrative penalty of $2,250, subject to partial forgiveness as outlined above, for noncompliance at Dale Meadows (HOME 530200 / CMTS 4001), substantially in the form presented at this meeting, and authorizing any non-substantive technical corrections, is hereby adopted as the order of this Board.

BACKGROUND

Peter Huu Le and Diana Thi Nguyen, husband and wife (Owner) are the owners of Dale Meadows f/k/a St. John Colony (Property), an apartment complex composed of four mobile home units, located in Dale, Caldwell County. The property is owned personally, and is managed by the family.

The Property is subject to a Land Use Restriction Agreement ("LURA") signed by a prior owner in 2004, in consideration for an interest-free loan in the amount of $324,000 to establish and operate the Property under the HOME program. Current owner purchased the Property in 2013, with TDHCA approval. The Property was formerly known as St. Johns Colony and has a long history of noncompliance under prior owners for failure to provide required reports, file monitoring violations, and Uniform Physical Condition Standards (UPCS) violations. The HOME loan was eliminated by a county tax foreclosure conducted in 2010, however, the HOME LURA remains in place and the affordability period was extended through September 26, 2031.

Current Owner was first referred for an administrative penalty relating to file monitoring noncompliance identified during a file monitoring review performed by the TDHCA on May 18, 2015. An Agreed Final Order was signed on October 3, 2016, but final corrective documentation was submitted a month late, violating the order and requiring payment of a $1,000 administrative penalty. Owner was later referred for an administrative penalty for UPCS noncompliance identified during a physical inspection conducted on November 8, 2021. The UPCS noncompliance was minor, and that administrative penalty referral was closed informally when full corrections were received within two weeks.

New findings of noncompliance were identified during a desk file monitoring review conducted between February 8, 2021, and September 23, 2021. The following findings were referred to the Enforcement Committee for an administrative penalty on August 8, 2022, and were considered during an informal conference conducted with Owner on October 20, 2022:

1. Household income findings for units 108 and 307. For both units, tenant eligibility could not be determined due to Owner's failure to provide a complete tenant file verifying income and assets and failure to include all adult household members on forms.
2. Tenant income certification finding for unit 201. The checking account was not fully verified at initial occupancy in 2018, and the file did not include self-certifications for the years 2019 or 2020. The unit is now occupied by a new household and complete documentation providing eligibility at initial occupancy has not been provided.

Owner is responsive and repeatedly submits corrective documentation when requested by TDHCA, however, the submissions are incomplete, demonstrating confusion about basic TDHCA requirements for screening households and compiling a full tenant file. At the time of the monitoring review, 75% of households had not been adequately screened for income and assets.

However, there are a number of complications for this property. Dale, Texas is in a rural area with a population of 8,472. The property is a mobile home park, an unusual property type for this program. Enforcement Committee members learned that part of the file problem was because many tenants at the property pay their rent in cash or other forms of payment, and either do not have bank accounts or are uncooperative with providing documentation. Owner did not know how to verify cash payments and was allowing unit occupancy before compiling a full tenant file, after which, households would refuse to cooperate going forward. Owner’s adult daughter is now handling tenant files, and participated in the Enforcement Committee informal conference on October 20, 2022. Committee members were optimistic about her involvement; she understood the requirements and suggestions made by the Committee regarding how to correct the findings and make management improvements, including implementing a checklist for tenant files, not allowing occupancy prior to collecting a complete tenant file, and not re-leasing units to tenants who are refusing to cooperate with annual income certification requirements. She attended Income Determination Training as recommended on November 9, 2022.

Owner has agreed to sign an Agreed Final Order with the following terms:

1. A $2,250.00 administrative penalty, the maximum potential amount, subject to forgiveness as indicated below;
2. Owner must correct the file monitoring violations as indicated in the Agreed Final Order, and submit full documentation of the corrections to TDHCA on or before March 31, 2023;
3. Anyone who handles tenant files for the Property must attend Thursday Income Determination Training on or before March 31, 2023;
4. If Owner complies with all requirements and addresses all violations as required, the administrative penalty will be fully forgiven; and
5. If Owner violates any provision of the Agreed Final Order, the full administrative penalty will immediately come due and payable.

Consistent with direction from the TDHCA’s Enforcement Committee, a probated and, upon successful completion of probation, partially forgivable administrative penalty in the amount of $2,250.00 is recommended. This will be a reportable item of consideration under previous participation for any new award to the principals of the Owner.

ENFORCEMENT ACTION AGAINST PETER HUU LE AND DIANA THI NGUYEN WITH RESPECT TO DALE MEADOWS F/K/A ST. JOHN COLONY (HOME FILE # 530200001 / CMTS # 4001)	§ § § § § § §	BEFORE THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

AGREED FINAL ORDER

General Remarks and official action taken:

On this 12th day of January 2023, the Governing Board (Board) of the Texas Department of Housing and Community Affairs (TDHCA or Department) considered the matter of whether enforcement action should be taken against **PETER HUU LE AND DIANA THI NGUYEN,** husband and wife (Respondent).

This Agreed Order is executed pursuant to the authority of the Administrative Procedure Act (APA), Tex. Gov't Code §2001.056, which authorizes the informal disposition of contested cases. In a desire to conclude this matter without further delay and expense, the Board and Respondent agree to resolve this matter by this Agreed Final Order. The Respondent agrees to this Order for the purpose of resolving this proceeding only and without admitting or denying the findings of fact and conclusions of law set out in this Order.

Upon recommendation of the Enforcement Committee, the Board makes the following findings of fact and conclusions of law and enters this Order:

WAIVER

Respondent acknowledges the existence of their right to request a hearing as provided by Tex. Gov't Code §2306.044, and to seek judicial review, in the District Court of Travis County, Texas, of any order as provided by Tex. Gov't Code §2306.047. Pursuant to this compromise and settlement, the Respondent waives those rights and acknowledges the jurisdiction of the Board over Respondent.

FINDINGS OF FACT (FOF)

Jurisdiction:

1. During 2002, Saint John Colony Neighborhood Association ("Original Owner") was awarded HOME funds by the Board, in an annual amount of $324,000 to build and operate Dale Meadows f/k/a St. John Colony ("Property") (HOME File # 530200001 / CMTS # 4001).

2. Original Owner signed a Land Use Restriction Agreement ("LURA") regarding the Property. The LURA was effective March 26, 2004, and filed of record at Volume 356, Page 200 of the Official Public Records of Real Property of Caldwell County, Texas ("Records"). The property was sold and the purchaser, Dale Meadows, LLC, signed an Amended and Restated Land Use Restriction Agreement ("Amended LURA") on September 27, 2011, filed in the Records at Document Number 120785. In accordance with Section 7.7 of the LURA, as amended, the LURA is a restrictive covenant/deed restriction encumbering the property and binding on all successors and assigns for the full term of the LURA.

3. Respondent purchased the Property and signed an Agreement to Comply and Amendment to Amended and Restated Land Use Restriction Agreement, effective February 18, 2014, and filed in the Records at Document Number 140660, thereby acknowledging that Respondent is bound to the terms of the LURA.

4. Respondent is subject to the regulatory authority of TDHCA.

Compliance Violations[1]*:*

5. Respondent has a violation history and previously signed an Agreed Final Order in 2016, agreeing to pay a $1,000 administrative penalty, which was to be fully forgivable provided that Respondent submitted complete and timely file monitoring corrective documentation. Corrections were late, and the full administrative penalty was paid.

6. An on-site monitoring review was conducted on September 23, 2021, to determine whether Respondent was in compliance with LURA requirements to lease units to low income households and maintain records demonstrating eligibility. The monitoring review found violations of the LURA and TDHCA rules. Notifications of noncompliance were sent, and a final extension deadline of August 1, 2022, was ultimately set after multiple submissions and reviews, however, the following violations were not resolved before the extended corrective action deadline and remain uncorrected to date:
   a. Respondent failed to provide documentation that household incomes were within prescribed limits upon initial occupancy for units 108 and 307, violations of 10 TAC §10.611 (Determination, Documentation and Certification of Annual Income), and violations of Sections 2.4 and 4.3 of the LURA, all of which require certification and documentation of tenant household income prior to unit occupancy in order to ensure qualification for the program.
   b. Respondent failed to provide complete asset certification documentation at initial occupancy during 2018, and failed to provide annual self-certifications in 2019 or 2020 for unit 201, a violation of 10 TAC §10.612 (Tenant File Requirements), which requires developments to verify assets at initial occupancy and annually collect an Annual Eligibility Certification form from each household.

[1] Within this Agreed Final Order, all references to violations of TDHCA Compliance Monitoring rules at 10 TAC Chapter 10 refers to the versions of the code in effect at the time of the compliance monitoring reviews and/or inspections that resulted in recording each violation. All past violations remain violations under the current code and all interim amendments.

7. All violations listed above remain unresolved at the time of this order.

CONCLUSIONS OF LAW

1. The Department has jurisdiction over this matter pursuant to Tex. Gov't Code §§2306.041-.0503 and 10 TAC Chapter 2.

2. Respondent is a "housing sponsor" as that term is defined in Tex. Gov't Code §2306.004(14).

3. Respondent violated 10 TAC §10.611 and Sections 2.4 and 4.3 of the LURA in 2022, by failing to provide documentation that household income was within prescribed limits upon initial occupancy for units: 108 and 307;

4. Respondent violated 10 TAC §10.612 in 2018, 2019, and 2020, by failing to provide asset certification documentation at initial occupancy, and by failing to provide annual self-certifications in 2019 or 2020;

5. Because Respondent is a housing sponsor with respect to the Property, and has violated TDHCA rules, the Board has personal and subject matter jurisdiction over Respondent pursuant to Tex. Gov't Code §2306.041 and §2306.267.

6. Because Respondent is a housing sponsor, TDHCA may order Respondent to perform or refrain from performing certain acts in order to comply with the law, TDHCA rules, or the terms of a contract or agreement to which Respondent and TDHCA are parties, pursuant to Tex. Gov't Code §2306.267.

7. Because Respondent has violated rules promulgated pursuant to Tex. Gov't Code §2306.053 and has violated agreements with the Agency to which Respondent is a party, the Agency may impose an administrative penalty pursuant to Tex. Gov't Code §2306.041.

8. An administrative penalty of $2,250.00 is an appropriate penalty in accordance with 10 TAC Chapter 2

Based upon the foregoing findings of fact and conclusions of law, and an assessment of the factors set forth in Tex. Gov't Code §2306.042 to be considered in assessing such penalties as applied specifically to the facts and circumstances present in this case, the Governing Board of the Texas Department of Housing and Community Affairs orders the following:

IT IS HEREBY ORDERED that Respondent is assessed an administrative penalty in the amount of $2,250.00, subject to deferral as further ordered below.

IT IS FURTHER ORDERED that all property staff at Dale Meadows f/k/a St. John Colony that handle tenant files shall attend at least 8 hours of income eligibility training offered by TDHCA and submit a completion certificate or other proof of training in a form acceptable to the Department on or before March 31, 2023.

IT IS FURTHER ORDERED that Respondent shall fully correct the file monitoring violations as indicated in the exhibits and submit full documentation of the corrections to TDHCA on or before March 31, 2023.

IT IS FURTHER ORDERED that if Respondent timely and fully complies with the terms and conditions of this Agreed Final Order, correcting all violations as required, the satisfactory performance under this order will be accepted in lieu of the assessed administrative penalty and the full amount of the administrative penalty will be deferred and forgiven.

IT IS FURTHER ORDERED that if Respondent fails to satisfy any conditions or otherwise violates any provision of this order, or the property is sold before the terms and conditions of this Agreed Final Order have been fully satisfied, then the full administrative penalty in the amount of $2,250.00 shall be immediately due and payable to the Department. Such payment shall be made by cashier's check payable to the "Texas Department of Housing and Community Affairs" upon the earlier of (1) within thirty days of the date the Department sends written notice to Respondent that it has violated a provision of this Order, or (2) the property closing date if sold before the terms and conditions of this Agreed Final Order have been fully satisfied.

IT IS FURTHER ORDERED that corrective documentation must be uploaded to the Compliance Monitoring and Tracking System (CMTS) by following the instructions at this link: http://www.tdhca.state.tx.us/pmcdocs/CMTSUserGuide-AttachingDocs.pdf. After the upload is complete, an email must be sent to Ysella Kaseman at ysella.kaseman@tdhca.state.tx.us to inform her that the documentation is ready for review. If it comes due and payable, the penalty payment must be submitted to the following address:

If via overnight mail (FedEx, UPS):	**If via USPS:**
TDHCA Attn: Ysella Kaseman 221 E 11th St Austin, Texas 78701	TDHCA Attn: Ysella Kaseman P.O. Box 13941 Austin, Texas 78711

IT IS FURTHER ORDERED that Respondent shall follow the requirements of 10 TAC §10.406, a copy of which is included at Exhibit 3, and obtain approval from the Department prior to consummating a sale of the property, if contemplated.

IT IS FURTHER ORDERED that the terms of this Agreed Final Order shall be published on the TDHCA website.

[Remainder of page intentionally blank]

Approved by the Governing Board of TDHCA on ____________________, 2023.

By: ______________________________
Name: Leo Vasquez
Title: Chair of the Board of TDHCA

By: ______________________________
Name: James "Beau" Eccles
Title: Secretary of the Board of TDHCA

THE STATE OF TEXAS §
§
COUNTY OF TRAVIS §

Before me, the undersigned notary public, on this _____ day of January, 2023, personally appeared Leo Vasquez, proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

(Seal)

____
Notary Public, State of Texas

THE STATE OF TEXAS §
§
COUNTY OF TRAVIS §

Before me, the undersigned notary public, on this _____ day of January, 2023, personally appeared James "Beau" Eccles, proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

(Seal)

____
Notary Public, State of Texas

STATE OF TEXAS §
§
COUNTY OF ____________________§

BEFORE ME,_____________*(notary name)*, a notary public in and for the State of ___________, on this day personally appeared _______________________________*(person signing document)*, known to me or proven to me through *circle one: personally known / driver's license / passport* to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that (he/she) executed the same for the purposes and consideration therein expressed, who being by me duly sworn, deposed as follows:

1. "My name is ________________________, I am of sound mind, capable of making this statement, and personally acquainted with the facts herein stated.
2. I am an authorized representative of Respondent, owner of the Property, which is subject to a Land Use Restriction Agreement monitored by the TDHCA in the State of Texas, and I am duly authorized to execute this document.
5. Respondent knowingly and voluntarily enters into this Agreed Final Order, and agrees with and consents to the issuance and service of the foregoing Agreed Order by the Governing Board of the Texas Department of Housing and Community Affairs."

RESPONDENT:

PETER HUU LE, husband

By: ________________________________

Name: ________________________________

Title: ________________________________

By: ________________________________

Name: ________________________________

Title: ________________________________

Given under my hand and seal of office this ________ day of _______, 2023.

____
Signature of Notary Public

____
Printed Name of Notary Public

NOTARY PUBLIC IN AND FOR THE STATE OF ____________
My Commission Expires: ___________

DIANA THI NGUYEN, wife

By: ______________________________

Name: ______________________________

Title: ______________________________

Given under my hand and seal of office this _______ day of _____________, 2023.

____
Signature of Notary Public

____
Printed Name of Notary Public

NOTARY PUBLIC IN AND FOR THE STATE OF ____________
My Commission Expires:________________

Exhibit 1

File Monitoring Violation Resources and Instructions

Resources:

1. Refer to the following link for all references to the rules at 10 TAC §10 that are referenced below:

   http://texreg.sos.state.tx.us/public/readtac$ext.ViewTAC?tac_view=5&ti=10&pt=1&ch=10&sch=F&rl=Y

2. Refer to the following link for copies of forms that are referenced below:

   http://www.tdhca.state.tx.us/pmcomp/forms.htm

3. Technical support and training presentations are available at the following links:

   Income and Rent Limits: http://www.tdhca.state.tx.us/pmcomp/irl/index.htm

   FAQ's: http://www.tdhca.state.tx.us/pmcomp/compFaqs.htm

4. **All corrections must be submitted via CMTS:** See link for steps to upload documents http://www.tdhca.state.tx.us/pmcdocs/CMTSUserGuide-AttachingDocs.pdf.

5. **Important notes -**

   a. Attend Income Determination Training before working on corrective documentation.

   b. Do not backdate any documents listed below.

   c. Transferring a qualified household from another unit is not sufficient to correct any findings. Doing so will simply cause the finding to transfer to the other unit.

   d. Technical support regarding how to compile a complete tenant file is at Exhibit 2.

6. **Submit the following for units 108, 201, and 307.** Follow the instructions in the following table at pages 9-10 for units 108, 201, and 307, and upload documentation to CMTS by 3/31/2023.

Circumstance with respect to units listed above	**Instruction**
I. If unit is occupied by a qualified household	To correct, certify using current circumstances, and upload for each unit by 3/31/2023: A. New application using current circumstances. B. New verifications of each source of income and asset disclosed in the application and elsewhere in the tenant file. C. New Income Certification. D. Lease and lease addendum. E. Tenant Rights and Resources Guide Acknowledgment. If the unit is vacant or the tenant does not qualify, follow alternate instructions below.
II. If unit is occupied by a new qualified household	Upload the full tenant file* by 3/31/2023.
III. If unit is occupied by a nonqualified household on a month-to-month lease	A. Follow your normal procedures for terminating residency and upload copy of documentation to TDHCA.** B. Once the unit becomes available, occupy the unit by a qualified household, and submit the full new tenant file within 30 days of occupancy*. Receipt of the full tenant file after 3/31/2023 is acceptable for this circumstance provided that Requirement A above is fulfilled.
IV. If unit is occupied by a nonqualified household with a non-expired lease	A. Issue a nonrenewal notice** to tenant and upload a copy to TDHCA by 3/31/2023, along with a letter committing to occupying the unit with a new qualified household and submitting a full tenant file* as soon as the unit becomes available. If the tenant is protected by another program such as Section 8 or USDA-RD and the property cannot issue a nonrenewal notice as a result, submit a letter stating which program protects the household and committing to occupying the unit with a new qualified household and submitting a full tenant file* as soon as the unit becomes available; B. Once the unit becomes available, occupy the unit by a qualified household, and submit the full new tenant file within 30 days of occupancy*. Receipt of the full tenant file after 3/31/2023 is acceptable for this circumstance provided that Requirement A above is fulfilled.

V. If unit is vacant	A. A letter certifying that the unit is ready for occupancy must be uploaded to TDHCA by 3/31/2023. B. Occupy the unit by a qualified household, and submit the full new tenant file within 30 days of occupancy*. Receipt of the full tenant file after 3/31/2023 is acceptable for this circumstance provided that Requirement A above is fulfilled by that deadline.

**A full tenant file must include:*

A. *Tenant application;*
B. *Verifications of all sources of income and assets;*
C. *Tenant income certification;*
D. *Lease and lease addendum;*
E. *Tenant Rights and Resources Guide Acknowledgment; and*
F. *A copy of the tenant selection criteria under which the household was screened.*

Remember that items A-C above must be dated within 120 days of one another.

*** If a notice of nonrenewal or notice of termination is sent to tenant, ensure that it complies with requirements of the rule at [10 TAC 10.802(g)]()*

Exhibit 2

Tenant File Guidelines

The following technical support does not represent a complete list of all file requirements and is intended only as a guide. Forms discussed below are available at: http://www.tdhca.state.tx.us/pmcomp/forms.htm. A suggested tenant file checklist is available at this link: https://www.tdhca.state.tx.us/pmcdocs/Suggested-File-Checklist.docx.

**Important Note* The application, verifications of income and assets, and Tenant Income Certification (1 – 6 below) must be signed within 120 days of one another. If one component is outside of that 120-day time frame, all of the items in 1-6 must be done again in order to meet the 120-day requirement.*

1. **Intake Application:** Each adult household member must complete their own application in order to be properly screened at initial certification. A married couple can complete a joint application. The Department does not have a required form to screen households, but we make a sample form available for that purpose. All households must be screened for household composition, income and assets, and student status. Applicants must complete all blanks on the application and answer all questions. Any lines left intentionally blank should be marked with "none" or "n/a." Applications must be signed and dated using the date that the form is actually completed. If you use the Texas Apartment Association (TAA) Rental Application, be aware that it does not include all requirements, but they have a "Supplemental Rental Application for Units Under Government Regulated Affordable Housing Programs" that includes the additional requirements. TDHCA also has an application form that you can use; using our form is not required for the application, but it does screen for all requirements.
2. **Release and Consent**: Have tenant sign TDHCA's Release and Consent form so that verifications may be collected by the property.
3. **Verify Income:** Each source of income and asset must be documented for every adult household member based upon the information disclosed on the application. Examples:
   a. **First hand verifications are required:** Paystubs or payroll print-outs must show gross income for at least a two month period.
   b. **Verification of non-employment income is required:** You must obtain verifications for all other income sources, such as child support, social security, and/or unemployment benefits. Self-certification by the household is not acceptable. Examples: benefit verification letter(s) are acceptable for social security and/or unemployment benefits. Acceptable verifications for child support could include documents such as divorce decree(s), court order(s), or a written statement from the court or attorney general regarding the monthly award amount.
   c. **Telephone Verifications**: These are acceptable *only* for clarifying discrepancies and cannot be used as primary form of verification. Include your name, the date, the name of the person with whom you spoke, and your signature. These are appropriate if there is an unusual circumstance relating to the tenant file.
   d. **Certification of Zero Income:** If an adult household member does not report any sources of income on the application, this form can be used to document thorough

screening and to document the source of funds used to pay for rent, utilities, and/or other necessities.

4. **Verify Assets:** Regardless of their balances, applicants must report all assets, including assets such as checking or savings accounts, and verification is required. Accounts are typically disclosed on the application form, but you must review all documentation from the tenant to ensure proper documentation of the household's income and assets. For instance, review the credit report (if you pull one), application, pay stubs, and other documents to ensure that all information is consistent. Examples of ways to find assets that are frequently overlooked: Review pay stubs for assets such as checking and retirement accounts that the household may have forgotten to include in the application. These accounts must also be verified. Examples of how to verify assets:
   a. Six months of statements are required for verification of checking accounts.
   b. Two months of statements are required for verification of savings account balances.
5. **Verify Student Status**: Must screen for student status; can be collected on the Annual Eligibility Certification, the Certification of Student Eligibility Form, or the income Certification Form. If the household indicates they are students, there are two forms that *must* be used: the Certification of Student Eligibility form must be completed by the household, and the Student Verification form is used to verify and document their student status.
6. **Income Certification Form:** Must use TDHCA form. Upon verification of all income and asset sources disclosed on the application and any additional information found in the documentation submitted by the tenant, the next step is to annualize the sources on the Income Certification Form, add them together, and compare to the applicable income limit for household size which can be found at http://www.tdhca.state.tx.us/pmcomp/irl/index.htm. Be sure to include any income derived from assets. The form must include all household members, and be signed by each adult household member.
7. **Lease:** Must conform with your LURA and TDHCA requirements and indicate a rent below the maximum rent limits, which can be found at http://www.tdhca.state.tx.us/pmcomp/irl/index.htm Generally speaking, you must ensure that the tenant-paid rent, plus the utility allowance, plus any housing subsidies, plus any mandatory fees, are below the maximum limit set by TDHCA. 10 TAC §10.613(a) prohibits the eviction or termination of tenancy of low income households for reasons other than good cause throughout the affordability period in accordance with Revenue Ruling 2004-82. In addition, 10 TAC §10.613(e) prohibits HTC developments from locking out or threatening to lock out any development resident, or seizing or threatening to seize personal property of a resident, except by judicial process, for purposes of performing necessary repairs or construction work, or in case of emergency. The prohibitions must be included in the lease or lease addendum. Additionally, certain programs must include a Lead Warning Statement and the TDHCA VAWA lease addendum, per 10 TAC 10.613(f) - (h). TAA has an affordable housing lease addendum that has incorporated this required language. If you are not a TAA member, you can draft a lease addendum using the requirements outlined above.

8. **Written Policies and Procedures / Tenant Selection Criteria:** Written policies and procedures requirements are at 10 TAC §10.802.

9. **Violence Against Women Act of 2013 (VAWA):** The property is required to provide all prospective tenants the VAWA forms 5380 and 5382 at the time of application, at the time they are approved, at the time of denial, and at the time the household is given a notice to vacate or non-renewal. Forms are available at the Forms link above.

10. **Tenant Rights and Resources Guide:** In accordance with 10 TAC §10.613(l), you must customize the Guide for your property and post a laminated copy in a common area of the leasing office. Development must also provide a copy of the guide to each household during the application process and upon any subsequent changes to the items described at paragraph b) below. The guide includes:

    a. Information about Fair Housing and tenant choice; and

    b. Information regarding common amenities, unit amenities, and services.

    Additionally, a representative of each household must receive a copy of the guide and sign an acknowledgment of receipt of the brochure prior to, but no more than 120 days prior to, the initial lease execution date.

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Exhibit 3:
Texas Administrative Code

TITLE 10	COMMUNITY DEVELOPMENT
PART 1	TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
CHAPTER 10	UNIFORM MULTIFAMILY RULES
SUBCHAPTER E	POST AWARD AND ASSET MANAGEMENT REQUIREMENTS
RULE §10.406	Ownership Transfers (§2306.6713)

(a) Ownership Transfer Notification. All multifamily Development Owners must provide written notice and a completed Ownership Transfer packet, if applicable, to the Department at least 45 calendar days prior to any sale, transfer, or exchange of the Development or any portion of or Controlling interest in the Development. Except as otherwise provided herein, the Executive Director's prior written approval of any such transfer is required. The Executive Director may not unreasonably withhold approval of the transfer requested in compliance with this section.

(b) Exceptions. The exceptions to the ownership transfer process in this subsection are applicable.

(1) A Development Owner shall be required to notify the Department but shall not be required to obtain Executive Director approval when the transferee is an Affiliate of the Development Owner with no new Principals or the transferee is a Related Party who does not Control the Development and the transfer is being made for estate planning purposes.

(2) Transfers that are the result of an involuntary removal of the general partner by the investment limited partner do not require advance approval but must be reported to the Department as soon as possible due to the sensitive timing and nature of this decision. In the event the investment limited partner has proposed a new general partner or will permanently replace the general partner, a full Ownership Transfer packet must be submitted.

(3) Changes to the investment limited partner, non-Controlling limited partner, or other non-Controlling partners affiliated with the investment limited partner do not require Executive Director approval. A General Partner's acquisition of the interest of the investment limited partner does not require Executive Director approval, unless some other change in ownership is occurring as part of the same overall transaction.

(4) Changes resulting from foreclosure do not require advance approval but acquiring parties must notify the Department as soon as possible of the revised ownership structure and ownership contact information.

(c) General Requirements.

(1) Any new Principal in the ownership of a Development must be eligible under §11.202 of Subchapter C (relating to Ineligible Applicants and Applications). In addition, Persons and Principals will be reviewed in accordance with Chapter 1, Subchapter C of this title (relating to Previous Participation and Executive Award Review and Advisory Committee).

(2) Changes in Developers or Guarantors must be addressed as non-material amendments to the application under §10.405 of this subchapter (relating to Amendments and Extensions).

(3) To the extent an investment limited partner or its Affiliate assumes a Controlling interest in a Development Owner, such acquisition shall be subject to the Ownership Transfer requirements set forth herein. Principals of the investment limited partner or Affiliate will be considered new Principals and will be reviewed as stated under paragraph (1) of this subsection.

(4) Simultaneous transfer or concurrent offering for sale of the General Partner's and Limited Partner's control and interest will be subject to the Ownership Transfer requirements set forth herein and will trigger a Right of First Refusal, if applicable.

(d) Transfer Actions Warranting Debarment. If the Department determines that the transfer, involuntary removal, or replacement was due to a default by the General Partner under the Limited Partnership Agreement, or other detrimental action that put the Development at risk of failure or the Department at risk for financial exposure as a result of non-compliance, staff will refer the matter to the Enforcement Committee for debarment consideration pursuant to §2.401 of this title (relating to Enforcement, Debarment from Participation in Programs Administered by the Department). In addition, a record of transfer involving

Principals in new proposed awards will be reported and may be taken into consideration in accordance with Chapter 1, Subchapter C of this title (relating to Previous Participation and Executive Award Review and Advisory Committee), prior to recommending any new financing or allocation of credits.

(e) Transfers Prior to 8609 Issuance or Construction Completion. Prior to the issuance of IRS Form(s) 8609 (for Housing Tax Credits) or the completion of construction (for all Developments funded through other Department programs), an Applicant may request an amendment to its ownership structure to add Principals. The party(ies) reflected in the Application as having Control must remain in the ownership structure and retain Control, unless approved otherwise by the Executive Director. A development sponsor, General Partner or Development Owner may not sell the Development in whole or voluntarily end their Control prior to the issuance of 8609s.

(f) Nonprofit Organizations. If the ownership transfer request is to replace a nonprofit organization within the Development ownership entity, the replacement nonprofit entity must adhere to the requirements in paragraph (1) or (2) of this subsection.

(1) If the LURA requires ownership or material participation in ownership by a Qualified Nonprofit Organization, and the Development received Tax Credits pursuant to §42(h)(5) of the Code, the transferee must be a Qualified Nonprofit Organization that meets the requirements of §42(h)(5) of the Code and Tex. Gov't Code §2306.6706, if applicable, and can demonstrate planned participation in the operation of the Development on a regular, continuous, and substantial basis.

(2) If the LURA requires ownership or material participation in ownership by a nonprofit organization or CHDO, the Development Owner must show that the transferee is a nonprofit organization or CHDO, as applicable, that complies with the LURA. If the transferee has been certified as a CHDO by TDHCA prior to 2016 or has not previously been certified as a CHDO by TDHCA, a new CHDO certification package must be submitted for review. If the transferee was certified as a CHDO by TDHCA after 2016, provided no new federal guidance or rules concerning CHDO have been released and the proposed ownership structure at the time of review meets the requirements in 24 CFR Part 92, the CHDO may instead submit a CHDO Self-Certification form with the Ownership Transfer package.

(3) Exceptions to paragraphs (1) and (2) of this subsection may be made on a case by case basis if the Development (for MFDL) is past its Federal Affordability Period or (for HTC Developments) is past its Compliance Period, was not reported to the IRS as part of the Department's Nonprofit Set Aside in any HTC Award year, and follows the procedures outlined in §10.405(b)(1) - (5) of this subchapter. The Board must find that:

(A) The selling nonprofit is acting of its own volition or is being removed as the result of a default under the organizational documents of the Development Owner;

(B) The participation by the nonprofit was substantive and meaningful during the full term of the Compliance Period but is no longer substantive or meaningful to the operations of the Development; and

(C) The proposed purchaser is an affiliate of the current Owner or otherwise meets the Department's standards for ownership transfers.

(g) Historically Underutilized Business (HUB) Organizations. If a HUB is the general partner or special limited partner of a Development Owner and it determines to sell its ownership interest, after the issuance of IRS Form(s) 8609, the purchaser of that partnership interest or the general or special limited partner is not required to be a HUB as long as the LURA does not require it or the procedure described in §10.405(b)(1) of this subchapter has been followed and approved. The removal of a HUB requirement prior to filing of IRS Form(s) 8609 is subject to the procedure described in §10.405(b)(2) of this subchapter.

(h) Documentation Required. A Development Owner must submit documentation requested by the Department to enable the Department to understand fully the facts and circumstances pertaining to the transfer and the effects of approval or denial. Documentation must be submitted as directed in the Post Award Activities Manual, which includes but is not limited to:

(1) A written explanation outlining the reason for the request;

(2) Ownership transfer information, including but not limited to the type of sale, terms of any new financing introduced as a result of the transfer, amount of Development reserves to transfer in the event of a property sale, and the prospective closing date;

(3) Pre and post transfer organizational charts with TINs of each organization down to the level of natural persons in the ownership structure as described in §11.204(13)(B) of Subchapter C of this title (relating to Required Documentation for Application Submission);

(4) A list of the names and contact information for transferees and Related Parties;

(5) Previous Participation information for any new Principal as described in §11.204(13)(C) of this title (relating to Required Documentation for Application Submission);

(6) Agreements among parties associated with the transfer;

(7) Owners Certifications with regard to materials submitted as further described in the Post Award Activities Manual;

(8) Detailed information describing the organizational structure, experience, and financial capacity of any party holding a controlling interest in any Principal or Controlling entity of the prospective Development Owner;

(9) Evidence and certification that the tenants in the Development have been notified in writing of the proposed transfer at least 30 calendar days prior to the date the transfer is approved by the Department. The ownership transfer approval letter will not be issued until this 30-day period has expired; and

(10) Any required exhibits and the list of exhibits related to specific circumstances of transfer or Ownership as detailed in the Post Award Activities Manual.

(i) Once the Department receives all necessary information under this section and as required under the Post Award Activities Manual, staff shall initiate a qualifications review of a transferee, in accordance with Chapter 1, Subchapter C of this title (relating to Previous Participation and Executive Award Review and Advisory Committee), to determine the transferee's past compliance with all aspects of the Department's programs, LURAs and eligibility under this chapter and §11.202 of this title (relating to Ineligible Applicants and Applications).

(j) Credit Limitation. As it relates to the Housing Tax Credit amount further described in §11.4(a) of this title (relating to Tax Credit Request and Award Limits), the credit amount will not be applied in circumstances described in paragraphs (1) and (2) of this subsection:

(1) In cases of transfers in which the syndicator, investor or limited partner is taking over ownership of the Development and not merely replacing the general partner; or

(2) In cases where the general partner is being replaced if the award of credits was made at least five years prior to the transfer request date.

(k) Penalties, Past Due Fees and Underfunded Reserves. The Development Owner must comply with any additional documentation requirements as stated in Subchapter F of this chapter (relating to Compliance Monitoring) and Subchapter G of this chapter (relating to Affirmative Marketing Requirements and Written Policies and Procedures). The Development Owner on record with the Department will be liable for any penalties or fees imposed by the Department (even if such penalty can be attributable to the new Development Owner) unless an ownership transfer has been approved by the Department. In the event a transferring Development has a history of uncorrected UPCS violations, ongoing issues related to keeping housing sanitary, safe, and decent, an account balance below the annual reserve deposit amount as specified in §10.404(a) of this subchapter (relating to Replacement Reserve Accounts), or that appears insufficient to meet capital expenditure needs as indicated by the number or cost of repairs included in a PNA or SCR, the prospective Development Owner may be required to establish and maintain a replacement reserve account or increase the amount of regular deposits to the replacement reserve account by entering into a Reserve Agreement with the Department. The Department may also request a plan and timeline relating to needed repairs or renovations that will be completed by the departing and/or incoming Owner as a condition to approving the Transfer. A PNA or SCR may be requested if one has not already been received under §10.404 of this subchapter.

(l) Ownership Transfer Processing Fee. The ownership transfer request must be accompanied by the corresponding ownership transfer fee as outlined in §11.901 of this title (relating to Fee Schedule).

Source Note: The provisions of this §10.406 adopted to be effective February 3, 2022, 47 TexReg 266

1k

BOARD ACTION REQUEST

LEGAL DIVISION

JANUARY 12, 2023

Presentation, discussion, and possible action regarding the adoption of an Agreed Final Order concerning Plainview II (Triplex) (HOME 532315 / CMTS 2658)

RECOMMENDED ACTION

WHEREAS, Plainview II (Triplex), owned by Hale Center Housing Authority (Owner), has uncorrected compliance findings relating to the applicable land use restriction agreement and the associated statutory and rule requirements;

WHEREAS, an Owner representative has attended multiple Enforcement Committee informal conferences on October 24, 2017, December 17, 2019, and November 8, 2022;

WHEREAS, in 2016, the TDHCA conducted an onsite file monitoring review which resulted in signing a prior Agreed Final Order in 2017;

WHEREAS, in 2019, the TDHCA conducted an onsite file monitoring review which resulted in signing a prior Agreed Final Order in 2020;

WHEREAS, the terms of the 2017 and 2020 Agreed Final Orders were violated, and Owner paid administrative penalties of $1,000 and $6,500, respectively;

WHEREAS, TDHCA identified the following new findings of noncompliance during its 2022 file monitoring review, and referred them for an administrative penalty when they were not fully and timely corrected: (1) failure to implement updated utility allowance; (2) program unit not leased to Low-Income household / household income above limit upon initial occupancy for units 302 and 306; and (3) failure to implement required lease language for units 302 and 304;

WHEREAS, an Enforcement Committee informal conference was held on November 8, 2022, and Owner agreed, subject to Board approval, to enter into an Agreed Final Order assessing an administrative penalty of $5,300, with a $2,000 portion due by February 13, 2023, and the remainder subject to probation and forgiveness if Owner submits full corrections and attends training by February 13, 2023; and

WHEREAS, staff has based its recommendations for an Agreed Final Order on TDHCA's rules for administrative penalties and an assessment of each and all of the statutory factors to be considered in assessing such penalties, applied specifically to the facts and circumstances present in this case.

NOW, therefore, it is hereby

RESOLVED that an Agreed Final Order assessing an administrative penalty of $5,300 subject to partial forgiveness as outlined above, for noncompliance at Plainview II (Triplex) (HOME 532315 / CMTS 2658), substantially in the form presented at this meeting, and authorizing any non-substantive technical corrections, is hereby adopted as the order of this Board.

BACKGROUND

Hale Center Housing Authority (Owner) is the Owner of Plainview II (Triplex) (Property), an apartment complex composed of three units, located in Plainview, Hale County. All units contain four bedrooms. Cindy Carthel is the executive director for the housing authority and until this year, was the only full-time employee. CMTS lists Ms. Carthel as the primary contact for Owner. Ms. Carthel and a new employee manage the property.

The Property is subject to a Land Use Restriction Agreement ("LURA") signed by a prior owner in 1994 in consideration for an interest-free loan in the amount of $204,460 to build and operate the Property under the HOME program. Owner acquired the Property in 2014, and signed an Assumption Agreement, assuming the TDHCA loan and all duties imposed, including operating the Property under the requirements of the LURA. LURA will expire August 19, 2024.

Owner was previously referred for an administrative penalty for reporting violations and file monitoring violations, with Agreed Final Orders signed in 2017 and 2020 for noncompliance identified by TDHCA during 2016 and 2019 file monitoring reviews, respectively. Respondent violated the 2017 Agreed Final Order and paid a $1,000 administrative penalty as required. Respondent also violated the 2020 Agreed Final Order and paid a $6,500 administrative penalty as required.

Ms. Carthel has asked on numerous occasions whether the LURA can be released in exchange for paying off the HOME loan. The current principal balance is $38,548, with monthly-amortized payments of $502. TDHCA staff considered the request in December 2019, and again in November 2022, but rejected it both times because the financing structure for this loan at 0% interest provided a significant benefit for the Owner, and TDHCA does not have the authority to release the LURA before it expires. In 2019, the Enforcement Committee recommended that Ms. Carthel instead consider submitting a non-material LURA amendment request to decrease the minimum household size because of persistent long-term occupancy problems. The Property consists of four-bedroom units, and the LURA required occupancy by households of at least five individuals, which caused occupancy problems because there is not enough demand by households of such a large size in the area. TDHCA approved the LURA amendment during 2020, making large family size an occupancy preference, but not a requirement.

New findings of noncompliance were identified during a file monitoring review conducted on March 1, 2022. The following findings were referred to the Enforcement Committee on

September 27, 2022, and considered during an informal conference conducted with the Owner on November 8, 2022:

1. Failure to implement updated utility allowance;
2. Program unit not leased to Low-Income household / household income above limit upon initial occupancy for units 302 and 306; and
3. Failure to implement required lease language for units 302 and 304.

Owner participated in an informal conference with the Enforcement Committee on November 8, 2022, and agreed to sign an Agreed Final Order with the following terms:

1. A $5,300 administrative penalty, the maximum potential amount, subject to partial forgiveness as indicated below;
2. Owner must submit a $2,000 portion of the administrative penalty by February 13, 2023;
3. Owner must correct the file monitoring violations as indicated in the Agreed Final Order, and submit full documentation of the corrections to TDHCA on or before by February 13, 2023;
4. Cindy Carthel and property manager must attend Income Determination Training on or before February 13, 2023;
5. If Owner complies with all requirements and addresses all violations as required, the remaining administrative penalty in the amount of $3,300 will be forgiven as incentive to comply; and
6. If Owner violates any provision of the Agreed Final Order, the full administrative penalty will immediately come due and payable.

During the informal conference with the Enforcement Committee on November 8, 2022, Ms. Carthel stated that vacancy problems have continued despite the 2020 LURA amendment, which she felt justified accepting and renewing leases for unit 306, a household that she knew exceeded TDHCA income limits, both at initial occupancy in 2021, and when she renewed the lease in 2022. She also accepted the household in unit 302 without verifying income; this household likely did comply given the income listed on the application, but Ms. Carthel did not verify it. Ms. Carthel states that she is the executive director for four housing authorities but is unfamiliar with the HOME program requirements, including income qualification.

The Enforcement Committee considered the required statutory factors in determining an appropriate administrative penalty for the referred noncompliance under 10 TAC §2.302(k). The maximum potential administrative penalty that they could consider under that section is $5,300. The Committee found the noncompliance – particularly the lease renewal for unit 306 – to be egregious; vacancies do not excuse the potential economic impact caused by accepting over-income households. They also noted that this is a repeated issue, previously penalized by TDHCA in 2017 and 2020. However, they recognized that the Property is still experiencing difficulty occupying large units, and that Ms. Carthel is renting to the population that predominately exists in the area.

The Enforcement Committee was initially concerned that foreclosure might be their only option given Owner's past performance and lack of improvement, however, Ms. Carthel was cooperative during the informal conference and stated her intent to comply. She has been the only employee for the housing authority since 2014, but admits that she needs help, so she recently hired a new property manager who will be handling file monitoring with her going forward. Both attended training on December, 6, 2022, as required by the Enforcement Committee.

At this time, foreclosure is an inefficient option because of the size and location of the Property. However, TDHCA staff will continue to monitor whether Owner makes improvements in accordance with the recommended Agreed Final Order, then re-evaluate whether foreclosure is appropriate.

The maximum potential administrative penalty is $5,300; the Enforcement Committee recommends that maximum amount, but with a probated and forgivable $3,300 portion as incentive to comply.

Consistent with direction from TDHCA's Enforcement Committee, a probated and, upon successful completion of probation, partially forgivable administrative penalty in the amount of $5,300 is recommended. This will be a reportable item of consideration under previous participation for any new award to the principals of the Owner.

ENFORCEMENT ACTION AGAINST	§	BEFORE THE
HALE CENTER HOUSING	§ §	TEXAS DEPARTMENT OF
AUTHORITY WITH RESPECT TO	§	HOUSING AND
PLAINVIEW II (TRIPLEX) (HOME	§ §	COMMUNITY AFFAIRS
FILE # 532315 / CMTS # 2658)	§	

<u>AGREED FINAL ORDER</u>

General Remarks and official action taken:

On this 12th day of January 2023, the Governing Board (Board) of the Texas Department of Housing and Community Affairs (TDHCA or Department) considered the matter of whether enforcement action should be taken against **HALE CENTER HOUSING AUTHORITY,** a public housing authority (Respondent).

This Agreed Order is executed pursuant to the authority of the Administrative Procedure Act (APA), Tex. Gov't Code §2001.056, which authorizes the informal disposition of contested cases. In a desire to conclude this matter without further delay and expense, the Board and Respondent agree to resolve this matter by this Agreed Final Order. The Respondent agrees to this Order for the purpose of resolving this proceeding only and without admitting or denying the findings of fact and conclusions of law set out in this Order.

Upon recommendation of the Enforcement Committee, the Board makes the following findings of fact and conclusions of law and enters this Order:

<u>WAIVER</u>

Respondent acknowledges the existence of their right to request a hearing as provided by Tex. Gov't Code §2306.044, and to seek judicial review, in the District Court of Travis County, Texas, of any order as provided by Tex. Gov't Code §2306.047. Pursuant to this compromise and settlement, the Respondent waives those rights and acknowledges the jurisdiction of the Board over Respondent.

<u>FINDINGS OF FACT (FOF)</u>

<u>Jurisdiction:</u>

1. During 1994, Caprock Community Action Association, Inc. ("Prior Owner") received a HOME loan in the amount of $204,460 to build and operate Plainview II (Triplex) ("Property") (HOME file No. 532315 / CMTS No. 2658).

2. Prior Owner signed a Land Use Restriction Agreement (“LURA”) regarding the Property. The LURA was effective August 19, 1994, and filed of record on August 22, 1994, at Volume 851, Page 397 of the Official Public Records of Real Property of Hale County, Texas (“Records”), and amended via a First Amendment to Land Use Restriction Agreement (Multifamily Properties) (HOME Program) effective May 27, 2020, and filed of record on September 16, 2020, at Document Number 2020-002690 of the Records. In accordance with Section 7.8 of the LURA, the LURA is a restrictive covenant/deed restriction encumbering the property and binding on all successors and assigns for the full term of the LURA.

3. Respondent purchased the Property and signed an Assumption Agreement with TDHCA to assume the loan, LURA, and all duties imposed, effective March 17, 2014, and filed of record on March 24, 2014, at Document Number 2014-001000 of the Records.

4. Respondent is subject to the regulatory authority of TDHCA.

Compliance Violations[1]:

5. Respondent has a history of violations, and previously signed Agreed Final Orders on January 11, 2018 and March 27, 2020. Respondent violated both Agreed Final Orders, and was required to pay a $1,000 administrative penalty in 2018, and a $6,500 administrative penalty in 2020.

6. A file monitoring review was conducted on March 1, 2022, to determine whether Respondent was in compliance with LURA requirements to lease units to low income households and maintain records demonstrating eligibility. The monitoring review found violations of the LURA and TDHCA rules. Notifications of noncompliance were sent and a June 8, 2022, corrective action deadline was set, then extended to a final deadline of September 16, 2022, however, the following violations were not resolved before the extended corrective action deadline and were referred for an administrative penalty:

    a. Respondent failed to timely implement the utility allowance schedule provided by the Department on October 4, 2021, requiring implementation by November 3, 2021. Another utility allowance was then issued by the Department on October 4, 2022, for implementation by November 3, 2022. Failure to timely implement the 2021 and 2022 utility allowances is a violation of 10 TAC §10.607 (Utility Allowances), which requires all developments to update their utility allowance annually. Respondent has not yet submitted a Unit Status Report to correct the finding, showing implementation of the 2022 utility allowance. Respondent submitted the last Unit Status Report via CMTS on April 29, 2022.

    b. Respondent failed to provide documentation that household income was within prescribed limits upon initial occupancy for unit 302 on March 1, 2021, a violation of 10 TAC §10.611 (Determination, Documentation and Certification of Annual Income), and violations of Sections 2.4 and 4.3 of the LURA, all of which

[1] Within this Agreed Final Order, all references to violations of TDHCA Compliance Monitoring rules at 10 TAC Chapter 10 refers to the versions of the code in effect at the time of the compliance monitoring reviews and/or inspections that resulted in recording each violation. All past violations remain violations under the current code and all interim amendments.

require certification and documentation of tenant household income prior to unit occupancy in order to ensure qualification for the program. The finding is unresolved.

c. Respondent leased unit 306 to a household with income that exceeded prescribed limits at initial occupancy on June 1, 2021, and then renewed the lease on June 1, 2022, violating 10 TAC §10.611 (Determination, Documentation and Certification of Annual Income) and Sections 2.4 and 4.3 of the LURA, which require certification and documentation of tenant household income prior to unit occupancy in order to ensure qualification for the program. The finding is unresolved, but Respondent indicates that the lease for this nonqualified household will not be renewed upon expiration.

d. Respondent failed to execute required lease provisions or exclude prohibited lease language for units 302 and 304 in 2021, violations of 10 TAC §10.613 (Lease Requirements), which requires leases to include specific language preventing evictions or refusal to renew except for good cause. Leases were also missing language to require households to report changes in student status. The finding is unresolved.

7. All violations listed above remain unresolved at the time of this order.

CONCLUSIONS OF LAW

1. The Department has jurisdiction over this matter pursuant to Tex. Gov't Code §§2306.041-.0503 and 10 TAC Chapter 2.

2. Respondent is a "housing sponsor" as that term is defined in Tex. Gov't Code §2306.004(14).

3. Pursuant to Tex. Gov't Code Chapter 2306, Subchapter DD and Tex. Gov't Code §2306.185, TDHCA is authorized to make Housing Tax Credit Allocations for the State of Texas and is required to monitor to ensure compliance.

4. Respondent violated 10 TAC §10.607 in 2021 by failing to timely implement an updated utility allowance.

5. Respondent violated 10 TAC §10.611 and Sections 2.4 and 4.3 of the LURA in 2021 and 2022, by failing to provide documentation that household income was within prescribed limits upon initial occupancy for units 302 and 306.

6. Respondent violated leasing requirements in 10 TAC §10.613 in 2021, by failing to execute required lease language for units 302 and 304.

7. Because Respondent is a housing sponsor with respect to the Property, and has violated TDHCA rules, the Board has personal and subject matter jurisdiction over Respondent pursuant to Tex. Gov't Code §2306.041 and §2306.267.

8. Because Respondent is a housing sponsor, TDHCA may order Respondent to perform or refrain from performing certain acts in order to comply with the law, TDHCA rules, or the terms of a contract or agreement to which Respondent and TDHCA are parties, pursuant to Tex. Gov't Code §2306.267.

9. Because Respondent has violated rules promulgated pursuant to Tex. Gov't Code §2306.053 and has violated agreements with the Agency to which Respondent is a party, the Agency may impose an administrative penalty pursuant to Tex. Gov't Code §2306.041.

10. An administrative penalty of $5,300 is an appropriate penalty in accordance with 10 TAC Chapter 2.

Based upon the foregoing findings of fact and conclusions of law, and an assessment of the factors set forth in Tex. Gov't Code §2306.042 to be considered in assessing such penalties as applied specifically to the facts and circumstances present in this case, the Governing Board of the Texas Department of Housing and Community Affairs orders the following:

IT IS HEREBY ORDERED that Respondent is assessed an administrative penalty in the amount of $5,300, subject to partial deferral as further ordered below.

IT IS FURTHER ORDERED that Respondent shall pay and is hereby directed to pay a $2,000 portion of the assessed administrative penalty by cashier's check payable to the "Texas Department of Housing and Community Affairs" on or before February 13, 2023.

IT IS FURTHER ORDERED that Cindy Carthel (executive director) and Mary Hernandez (property manager) shall attend Income Determination Training on or before February 13, 2023.

IT IS FURTHER ORDERED that Respondent shall fully correct the file monitoring violations as indicated in the exhibits and submit full documentation of the corrections to TDHCA on or before February 13, 2023.

IT IS FURTHER ORDERED that if Respondent timely and fully complies with the terms and conditions of this Agreed Final Order, correcting all violations as required, the satisfactory performance under this order will be accepted in lieu of the assessed administrative penalty and the full amount of the administrative penalty will be deferred and forgiven.

IT IS FURTHER ORDERED that if Respondent fails to satisfy any conditions or otherwise violates any provision of this order, or the property is sold before the terms and conditions of this Agreed Final Order have been fully satisfied, then the remaining administrative penalty in the amount of $3,300 shall be immediately due and payable to the Department. Such payment shall be made by cashier's check payable to the "Texas Department of Housing and Community Affairs" upon the earlier of (1) within thirty days of the date the Department sends written notice to Respondent that it has violated a provision of this Order, or (2) the property closing date if sold before the terms and conditions of this Agreed Final Order have been fully satisfied.

IT IS FURTHER ORDERED that corrective documentation must be uploaded to the Compliance Monitoring and Tracking System (CMTS) by following the instructions at this link: http://www.tdhca.state.tx.us/pmcdocs/CMTSUserGuide-AttachingDocs.pdf. After the upload is complete, an email must be sent to Ysella Kaseman at ysella.kaseman@tdhca.state.tx.us to inform her that the documentation is ready for review. If it comes due and payable, the penalty payment must be submitted to the following address:

If via overnight mail (FedEx, UPS):	**If via USPS:**
TDHCA Attn: Ysella Kaseman 221 E 11th St Austin, Texas 78701	TDHCA Attn: Ysella Kaseman P.O. Box 13941 Austin, Texas 78711

IT IS FURTHER ORDERED that Respondent shall follow the requirements of 10 TAC §10.406, a copy of which is included at Exhibit 3, and obtain approval from the Department prior to consummating a sale of the property, if contemplated.

IT IS FURTHER ORDERED that the terms of this Agreed Final Order shall be published on the TDHCA website.

[Remainder of page intentionally blank]

Approved by the Governing Board of TDHCA on ____________________, 2023.

By: ____________________________________
Name: Leo Vasquez
Title: Chair of the Board of TDHCA

By: ____________________________________
Name: James "Beau" Eccles
Title: Secretary of the Board of TDHCA

THE STATE OF TEXAS §
§
COUNTY OF TRAVIS §

Before me, the undersigned notary public, on this _____ day of January, 2023, personally appeared Leo Vasquez, proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

(Seal)

____
Notary Public, State of Texas

THE STATE OF TEXAS §
§
COUNTY OF TRAVIS §

Before me, the undersigned notary public, on this _____ day of January, 2023, personally appeared James "Beau" Eccles, proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

(Seal)

____
Notary Public, State of Texas

STATE OF TEXAS §
§
COUNTY OF ___________________§

BEFORE ME,_____________*(notary name)*, a notary public in and for the State of ___________, on this day personally appeared Cindy Carthel, known to me or proven to me through *circle one: personally known / driver's license / passport* to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed, who being by me duly sworn, deposed as follows:

1. "My name is Cindy Carthel, I am of sound mind, capable of making this statement, and personally acquainted with the facts herein stated.
2. I hold the office of Executive Director for Respondent. I am the authorized representative of Respondent, owner of the Property, which is subject to a Land Use Restriction Agreement monitored by the TDHCA in the State of Texas, and I am duly authorized by Respondent to execute this document.
3. The Taxpayer ID for Respondent is ________________________.
4. The mailing address for Respondent is ____.
5. Respondent knowingly and voluntarily enters into this Agreed Final Order, and agrees with and consents to the issuance and service of the foregoing Agreed Order by the Governing Board of the Texas Department of Housing and Community Affairs."

RESPONDENT:

HALE CENTER HOUSING AUTHORITY, a public housing authority

By: ________________________________

Name: Cindy Carthel

Title: Executive Director

Given under my hand and seal of office this _______ day of _____________, 2023.

____
Signature of Notary Public

____
Printed Name of Notary Public

NOTARY PUBLIC IN AND FOR THE STATE OF ____________
My Commission Expires:________________

Exhibit 1

File Monitoring Violation Resources and Instructions

Resources:

1. Refer to the following link for all references to the rules at 10 TAC §10 that are referenced below:

   http://texreg.sos.state.tx.us/public/readtac$ext.ViewTAC?tac_view=5&ti=10&pt=1&ch=10&sch=F&rl=Y

2. Refer to the following link for copies of forms that are referenced below:

   http://www.tdhca.state.tx.us/pmcomp/forms.htm

3. Technical support and training presentations are available at the following links:

   Income and Rent Limits: http://www.tdhca.state.tx.us/pmcomp/irl/index.htm

   FAQ's: http://www.tdhca.state.tx.us/pmcomp/compFaqs.htm

4. **All corrections must be submitted via CMTS:** See link for steps to upload documents http://www.tdhca.state.tx.us/pmcdocs/CMTSUserGuide-AttachingDocs.pdf.

5. **Important notes -**

   a. Attend Income Determination Training before working on corrective documentation.

   b. Do not backdate any documents listed below.

   c. Transferring a qualified household from another unit is not sufficient to correct any findings. Doing so will simply cause the finding to transfer to the other unit.

   d. Technical support regarding how to compile a complete tenant file is at Exhibit 2.

6. **Lease violations for units 302 and 304:**

   i. **Unit 302:** The Unit Status Report shows that a new household moved in on August 1, 2022. Correct the lease violation by uploading the Texas Apartment Association (TAA) lease and TAA Lease Contract Addendum for Units Participating in Government Regulated Affordable Housing Programs for this current household.

   ii. **Unit 304:** Respondent submitted a signed TAA Lease Contract Addendum for Units Participating in Government Regulated Affordable Housing Programs, however, it was not dated and the top of the page that identified the household name and address was cut off. To correct the lease violation, upload via CMTS no later than 2/13/2023 a complete version of the lease addendum. Ensure that it is dated and includes the entire page.

   (See Exhibit 2 for technical support about leases.)

7. **Utility Allowance**: Respondent has not implemented the 2022 Utility Allowance, which was provided by TDHCA on October 4, 2022, for implementation by November 3, 2022. To correct this finding, update CMTS to show the correct utility allowance for each unit as indicated in the table below, and then submit a Unit Status Report via CMTS.

   Remember, a utility allowance is not an amount that you will charge to tenants; it is an estimate of how much the households pay toward utilities, to ensure that their total housing expenses are appropriately restricted.

   Rent will be tested by TDHCA development-wide once the proper utility allowance is implemented. Any resulting noncompliance will be cited at that time and provided a separate corrective action period of 90 days. For more information, see http://www.tdhca.state.tx.us/pmcomp/utility-allowance.htm

Allowances for Tenant-Furnished Utilities and Other Services

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

Locality	Green Discount	Unit Type	Date (mm/dd/yyyy)
Plainview II (Triplex)	None	Single Family Attached	10/4/2022

Utility or Service		Monthly Dollar Allowances					
		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Space Heating	Natural Gas	$42.94	$47.30	$51.07	$54.84	$58.61	$62.38
	Bottled Gas						
	Electric Resistance						
	Electric Heat Pump						
	Fuel Oil						
Cooking	Natural Gas						
	Bottled Gas						
	Electric	$18.67	$19.62	$22.43	$25.24	$28.05	$30.86
	Other						
Other Electric		$25.51	$30.02	$41.76	$53.51	$65.25	$77.00
Air Conditioning		$7.65	$9.00	$15.39	$21.44	$27.30	$33.49
Water Heating	Natural Gas	$8.16	$9.60	$13.86	$18.13	$22.40	$26.67
	Bottled Gas						
	Electric						
	Fuel Oil						
Water							
Sewer							
Trash Collection							
Range/Microwave							
Refrigerator							
Other - specify							
Total		$102.94	$115.52	$144.51	$173.16	$201.61	$230.39
Total Allowance (Rounded Up)		**$103.00**	**$116.00**	**$145.00**	**$174.00**	**$202.00**	**$231.00**

8. **Household income violation for unit 302**. Perform the following:

   A. The Unit Status report shows that a new household moved in August 1, 2022. Submit a full tenant file* for that new household, establishing that they qualify for occupancy.

9. **Household income violation for unit 306.** Perform the following:

   A. Issue a nonrenewal notice to current tenant and upload a copy to CMTS by 2/13/2023, along with a letter committing to occupying the unit with a new qualified household and submitting a full tenant file* as soon as the unit becomes available. Ensure that the nonrenewal notice complies with requirements of the rule at 10 TAC 10.802(g). If the tenant is protected by another program such as Section 8 or USDA-RD and the property cannot issue a nonrenewal notice as a result, submit a letter stating which program protects the household and committing to occupying the unit with a new qualified household and submitting a full tenant file* as soon as the unit becomes available;

   B. Once the unit becomes available, occupy the unit by a qualified household, and submit the full new tenant file* within 30 days of occupancy. Receipt of the full tenant file* after February 13, 2023, is acceptable for this circumstance, provided that Requirement A above is fulfilled.

***A full tenant file must prove eligibility and include all of the following information:**

A. Tenant application;
B. Verifications of all sources of income and assets;
C. Income certification;
D. Lease and lease addendum;
E. Tenant Rights and Resources Guide Acknowledgment; and
F. A copy of the tenant selection criteria under which the household was screened.

Remember that items A-C above must be dated within 120 days of one another.

Technical support regarding how to compile a complete tenant file is at Exhibit 2.

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Exhibit 2

Tenant File Guidelines

The following technical support does not represent a complete list of all file requirements and is intended only as a guide. Forms discussed below are available at: http://www.tdhca.state.tx.us/pmcomp/forms.htm. A suggested tenant file checklist is available at this link: https://www.tdhca.state.tx.us/pmcdocs/Suggested-File-Checklist.docx.

**Important Note* The application, verifications of income and assets, and Tenant Income Certification (1 – 6 below) must be signed within 120 days of one another. If one component is outside of that 120-day time frame, all of the items in 1-6 must be done again in order to meet the 120-day requirement.*

1. **Intake Application:** Each adult household member must complete their own application in order to be properly screened at initial certification. A married couple can complete a joint application. The Department does not have a required form to screen households, but we make a sample form available for that purpose. All households must be screened for household composition, income and assets, and student status. Applicants must complete all blanks on the application and answer all questions. Any lines left intentionally blank should be marked with "none" or "n/a." Applications must be signed and dated using the date that the form is actually completed. If you use the Texas Apartment Association (TAA) Rental Application, be aware that it does not include all requirements, but they have a "Supplemental Rental Application for Units Under Government Regulated Affordable Housing Programs" that includes the additional requirements. TDHCA also has an application form that you can use; using our form is not required for the application, but it does screen for all requirements.
2. **Release and Consent**: Have tenant sign TDHCA's Release and Consent form so that verifications may be collected by the property.
3. **Verify Income:** Each source of income and asset must be documented for every adult household member based upon the information disclosed on the application. Examples:
   a. **First hand verifications are required:** Paystubs or payroll print-outs must show gross income for at least a two month period.
   b. **Verification of non-employment income is required:** You must obtain verifications for all other income sources, such as child support, social security, and/or unemployment benefits. Self-certification by the household is not acceptable. Examples: benefit verification letter(s) are acceptable for social security and/or unemployment benefits. Acceptable verifications for child support could include documents such as divorce decree(s), court order(s), or a written statement from the court or attorney general regarding the monthly award amount.
   c. **Telephone Verifications**: These are acceptable *only* for clarifying discrepancies and cannot be used as primary form of verification. Include your name, the date, the name of the person with whom you spoke, and your signature. These are appropriate if there is an unusual circumstance relating to the tenant file.
   d. **Certification of Zero Income:** If an adult household member does not report any sources of income on the application, this form can be used to document thorough

screening and to document the source of funds used to pay for rent, utilities, and/or other necessities.

4. **Verify Assets:** Regardless of their balances, applicants must report all assets, including assets such as checking or savings accounts, and verification is required. Accounts are typically disclosed on the application form, but you must review all documentation from the tenant to ensure proper documentation of the household's income and assets. For instance, review the credit report (if you pull one), application, pay stubs, and other documents to ensure that all information is consistent. Examples of ways to find assets that are frequently overlooked: Review pay stubs for assets such as checking and retirement accounts that the household may have forgotten to include in the application. These accounts must also be verified. Examples of how to verify assets:
    a. Six months of statements are required for verification of checking accounts.
    b. Two months of statements are required for verification of savings account balances.
5. **Verify Student Status**: Must screen for student status; can be collected on the Annual Eligibility Certification, the Certification of Student Eligibility Form, or the income Certification Form. If the household indicates they are students, there are two forms that *must* be used: the Certification of Student Eligibility form must be completed by the household, and the Student Verification form is used to verify and document their student status.
6. **Income Certification Form:** Must use TDHCA form. Upon verification of all income and asset sources disclosed on the application and any additional information found in the documentation submitted by the tenant, the next step is to annualize the sources on the Income Certification Form, add them together, and compare to the applicable income limit for household size which can be found at http://www.tdhca.state.tx.us/pmcomp/irl/index.htm. Be sure to include any income derived from assets. The form must include all household members, and be signed by each adult household member.
7. **Lease:** Must conform with your LURA and TDHCA requirements and indicate a rent below the maximum rent limits, which can be found at http://www.tdhca.state.tx.us/pmcomp/irl/index.htm Generally speaking, you must ensure that the tenant-paid rent, plus the utility allowance, plus any housing subsidies, plus any mandatory fees, are below the maximum limit set by TDHCA. 10 TAC §10.613(a) prohibits the eviction or termination of tenancy of low income households for reasons other than good cause throughout the affordability period in accordance with Revenue Ruling 2004-82. In addition, 10 TAC §10.613(e) prohibits HTC developments from locking out or threatening to lock out any development resident, or seizing or threatening to seize personal property of a resident, except by judicial process, for purposes of performing necessary repairs or construction work, or in case of emergency. The prohibitions must be included in the lease or lease addendum. Additionally, certain programs must include a Lead Warning Statement and the TDHCA VAWA lease addendum, per 10 TAC 10.613(f) - (h). TAA has an affordable housing lease addendum that has incorporated this required language. If you are not a TAA member, you can draft a lease addendum using the requirements outlined above.

8. **Written Policies and Procedures / Tenant Selection Criteria:** Written policies and procedures requirements are at 10 TAC §10.802.

9. **Violence Against Women Act of 2013 (VAWA):** The property is required to provide all prospective tenants the VAWA forms 5380 and 5382 at the time of application, at the time they are approved, at the time of denial, and at the time the household is given a notice to vacate or non-renewal. Forms are available at the Forms link above.

10. **Tenant Rights and Resources Guide:** In accordance with 10 TAC §10.613(l), you must customize the Guide for your property and post a laminated copy in a common area of the leasing office. Development must also provide a copy of the guide to each household during the application process and upon any subsequent changes to the items described at paragraph b) below. The guide includes:

    a. Information about Fair Housing and tenant choice; and

    b. Information regarding common amenities, unit amenities, and services.

    Additionally, a representative of each household must receive a copy of the guide and sign an acknowledgment of receipt of the brochure prior to, but no more than 120 days prior to, the initial lease execution date.

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Exhibit 3:
Texas Administrative Code

TITLE 10	COMMUNITY DEVELOPMENT
PART 1	TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
CHAPTER 10	UNIFORM MULTIFAMILY RULES
SUBCHAPTER E	POST AWARD AND ASSET MANAGEMENT REQUIREMENTS
RULE §10.406	Ownership Transfers (§2306.6713)

(a) Ownership Transfer Notification. All multifamily Development Owners must provide written notice and a completed Ownership Transfer packet, if applicable, to the Department at least 45 calendar days prior to any sale, transfer, or exchange of the Development or any portion of or Controlling interest in the Development. Except as otherwise provided herein, the Executive Director's prior written approval of any such transfer is required. The Executive Director may not unreasonably withhold approval of the transfer requested in compliance with this section.

(b) Exceptions. The exceptions to the ownership transfer process in this subsection are applicable.

(1) A Development Owner shall be required to notify the Department but shall not be required to obtain Executive Director approval when the transferee is an Affiliate of the Development Owner with no new Principals or the transferee is a Related Party who does not Control the Development and the transfer is being made for estate planning purposes.

(2) Transfers that are the result of an involuntary removal of the general partner by the investment limited partner do not require advance approval but must be reported to the Department as soon as possible due to the sensitive timing and nature of this decision. In the event the investment limited partner has proposed a new general partner or will permanently replace the general partner, a full Ownership Transfer packet must be submitted.

(3) Changes to the investment limited partner, non-Controlling limited partner, or other non-Controlling partners affiliated with the investment limited partner do not require Executive Director approval. A General Partner's acquisition of the interest of the investment limited partner does not require Executive Director approval, unless some other change in ownership is occurring as part of the same overall transaction.

(4) Changes resulting from foreclosure do not require advance approval but acquiring parties must notify the Department as soon as possible of the revised ownership structure and ownership contact information.

(c) General Requirements.

(1) Any new Principal in the ownership of a Development must be eligible under §11.202 of Subchapter C (relating to Ineligible Applicants and Applications). In addition, Persons and Principals will be reviewed in accordance with Chapter 1, Subchapter C of this title (relating to Previous Participation and Executive Award Review and Advisory Committee).

(2) Changes in Developers or Guarantors must be addressed as non-material amendments to the application under §10.405 of this subchapter (relating to Amendments and Extensions).

(3) To the extent an investment limited partner or its Affiliate assumes a Controlling interest in a Development Owner, such acquisition shall be subject to the Ownership Transfer requirements set forth herein. Principals of the investment limited partner or Affiliate will be considered new Principals and will be reviewed as stated under paragraph (1) of this subsection.

(4) Simultaneous transfer or concurrent offering for sale of the General Partner's and Limited Partner's control and interest will be subject to the Ownership Transfer requirements set forth herein and will trigger a Right of First Refusal, if applicable.

(d) Transfer Actions Warranting Debarment. If the Department determines that the transfer, involuntary removal, or replacement was due to a default by the General Partner under the Limited Partnership Agreement, or other detrimental action that put the Development at risk of failure or the Department at risk for financial exposure as a result of non-compliance, staff will refer the matter to the Enforcement Committee for debarment consideration pursuant to §2.401 of this title (relating to Enforcement, Debarment from Participation in Programs Administered by the Department). In addition, a record of transfer involving Principals in new proposed awards will be reported and may be taken into consideration in accordance with

Chapter 1, Subchapter C of this title (relating to Previous Participation and Executive Award Review and Advisory Committee), prior to recommending any new financing or allocation of credits.
(e) Transfers Prior to 8609 Issuance or Construction Completion. Prior to the issuance of IRS Form(s) 8609 (for Housing Tax Credits) or the completion of construction (for all Developments funded through other Department programs), an Applicant may request an amendment to its ownership structure to add Principals. The party(ies) reflected in the Application as having Control must remain in the ownership structure and retain Control, unless approved otherwise by the Executive Director. A development sponsor, General Partner or Development Owner may not sell the Development in whole or voluntarily end their Control prior to the issuance of 8609s.
(f) Nonprofit Organizations. If the ownership transfer request is to replace a nonprofit organization within the Development ownership entity, the replacement nonprofit entity must adhere to the requirements in paragraph (1) or (2) of this subsection.
(1) If the LURA requires ownership or material participation in ownership by a Qualified Nonprofit Organization, and the Development received Tax Credits pursuant to §42(h)(5) of the Code, the transferee must be a Qualified Nonprofit Organization that meets the requirements of §42(h)(5) of the Code and Tex. Gov't Code §2306.6706, if applicable, and can demonstrate planned participation in the operation of the Development on a regular, continuous, and substantial basis.
(2) If the LURA requires ownership or material participation in ownership by a nonprofit organization or CHDO, the Development Owner must show that the transferee is a nonprofit organization or CHDO, as applicable, that complies with the LURA. If the transferee has been certified as a CHDO by TDHCA prior to 2016 or has not previously been certified as a CHDO by TDHCA, a new CHDO certification package must be submitted for review. If the transferee was certified as a CHDO by TDHCA after 2016, provided no new federal guidance or rules concerning CHDO have been released and the proposed ownership structure at the time of review meets the requirements in 24 CFR Part 92, the CHDO may instead submit a CHDO Self-Certification form with the Ownership Transfer package.
(3) Exceptions to paragraphs (1) and (2) of this subsection may be made on a case by case basis if the Development (for MFDL) is past its Federal Affordability Period or (for HTC Developments) is past its Compliance Period, was not reported to the IRS as part of the Department's Nonprofit Set Aside in any HTC Award year, and follows the procedures outlined in §10.405(b)(1) - (5) of this subchapter. The Board must find that:
(A) The selling nonprofit is acting of its own volition or is being removed as the result of a default under the organizational documents of the Development Owner;
(B) The participation by the nonprofit was substantive and meaningful during the full term of the Compliance Period but is no longer substantive or meaningful to the operations of the Development; and
(C) The proposed purchaser is an affiliate of the current Owner or otherwise meets the Department's standards for ownership transfers.
(g) Historically Underutilized Business (HUB) Organizations. If a HUB is the general partner or special limited partner of a Development Owner and it determines to sell its ownership interest, after the issuance of IRS Form(s) 8609, the purchaser of that partnership interest or the general or special limited partner is not required to be a HUB as long as the LURA does not require it or the procedure described in §10.405(b)(1) of this subchapter has been followed and approved. The removal of a HUB requirement prior to filing of IRS Form(s) 8609 is subject to the procedure described in §10.405(b)(2) of this subchapter.
(h) Documentation Required. A Development Owner must submit documentation requested by the Department to enable the Department to understand fully the facts and circumstances pertaining to the transfer and the effects of approval or denial. Documentation must be submitted as directed in the Post Award Activities Manual, which includes but is not limited to:
(1) A written explanation outlining the reason for the request;
(2) Ownership transfer information, including but not limited to the type of sale, terms of any new financing introduced as a result of the transfer, amount of Development reserves to transfer in the event of a property sale, and the prospective closing date;
(3) Pre and post transfer organizational charts with TINs of each organization down to the level of natural persons in the ownership structure as described in §11.204(13)(B) of Subchapter C of this title (relating to Required Documentation for Application Submission);

(4) A list of the names and contact information for transferees and Related Parties;

(5) Previous Participation information for any new Principal as described in §11.204(13)(C) of this title (relating to Required Documentation for Application Submission);

(6) Agreements among parties associated with the transfer;

(7) Owners Certifications with regard to materials submitted as further described in the Post Award Activities Manual;

(8) Detailed information describing the organizational structure, experience, and financial capacity of any party holding a controlling interest in any Principal or Controlling entity of the prospective Development Owner;

(9) Evidence and certification that the tenants in the Development have been notified in writing of the proposed transfer at least 30 calendar days prior to the date the transfer is approved by the Department. The ownership transfer approval letter will not be issued until this 30-day period has expired; and

(10) Any required exhibits and the list of exhibits related to specific circumstances of transfer or Ownership as detailed in the Post Award Activities Manual.

(i) Once the Department receives all necessary information under this section and as required under the Post Award Activities Manual, staff shall initiate a qualifications review of a transferee, in accordance with Chapter 1, Subchapter C of this title (relating to Previous Participation and Executive Award Review and Advisory Committee), to determine the transferee's past compliance with all aspects of the Department's programs, LURAs and eligibility under this chapter and §11.202 of this title (relating to Ineligible Applicants and Applications).

(j) Credit Limitation. As it relates to the Housing Tax Credit amount further described in §11.4(a) of this title (relating to Tax Credit Request and Award Limits), the credit amount will not be applied in circumstances described in paragraphs (1) and (2) of this subsection:

(1) In cases of transfers in which the syndicator, investor or limited partner is taking over ownership of the Development and not merely replacing the general partner; or

(2) In cases where the general partner is being replaced if the award of credits was made at least five years prior to the transfer request date.

(k) Penalties, Past Due Fees and Underfunded Reserves. The Development Owner must comply with any additional documentation requirements as stated in Subchapter F of this chapter (relating to Compliance Monitoring) and Subchapter G of this chapter (relating to Affirmative Marketing Requirements and Written Policies and Procedures). The Development Owner on record with the Department will be liable for any penalties or fees imposed by the Department (even if such penalty can be attributable to the new Development Owner) unless an ownership transfer has been approved by the Department. In the event a transferring Development has a history of uncorrected UPCS violations, ongoing issues related to keeping housing sanitary, safe, and decent, an account balance below the annual reserve deposit amount as specified in §10.404(a) of this subchapter (relating to Replacement Reserve Accounts), or that appears insufficient to meet capital expenditure needs as indicated by the number or cost of repairs included in a PNA or SCR, the prospective Development Owner may be required to establish and maintain a replacement reserve account or increase the amount of regular deposits to the replacement reserve account by entering into a Reserve Agreement with the Department. The Department may also request a plan and timeline relating to needed repairs or renovations that will be completed by the departing and/or incoming Owner as a condition to approving the Transfer. A PNA or SCR may be requested if one has not already been received under §10.404 of this subchapter.

(l) Ownership Transfer Processing Fee. The ownership transfer request must be accompanied by the corresponding ownership transfer fee as outlined in §11.901 of this title (relating to Fee Schedule).

Source Note: The provisions of this §10.406 adopted to be effective February 3, 2022, 47 TexReg 266

2a

TDHCA Outreach and Media Analysis, November 2022

A compilation of TDHCA media analysis designed to enhance the awareness of TDHCA programs and services among key stakeholder groups and the general public, and outreach activities, such as trainings and webinars. The following is an analysis of print and broadcast news, and social media reporting for the time period of November 1 through November 30, 2022 (news articles that specifically mentioned the Department, Texas Rent Relief Program, Texas Homeowner Assistance and/or Texas Utility Help).

Total number of articles referencing TDHCA, TRR, TXHAF, TUH: 267
Breakdown by Medium:[1]

- Print: 9 (Editorials/Columnists = 2)
- Broadcast: 16
- Trade, Government or Internet-Based Publications: 242

Figure 1 News Tone

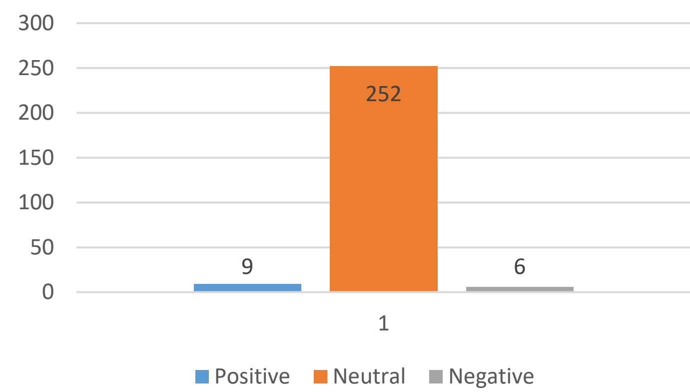
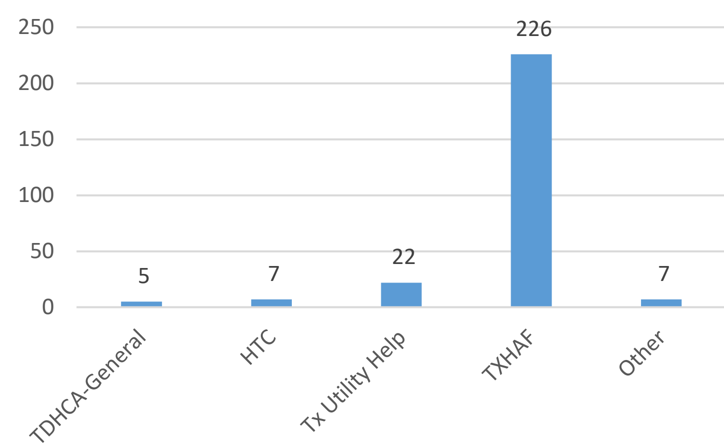
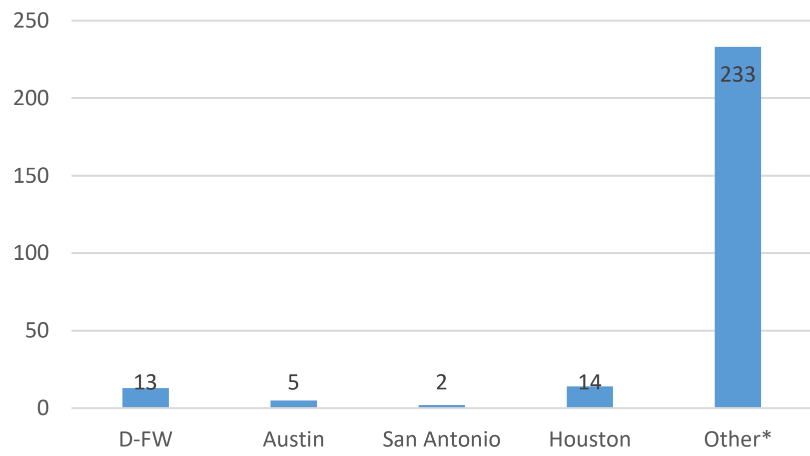


Figure 2 News Topic



[1] *Broadcast numbers may represent instances in which TDHCA was referenced on a television or radio station's website, rather than in a specific broadcast news segment*

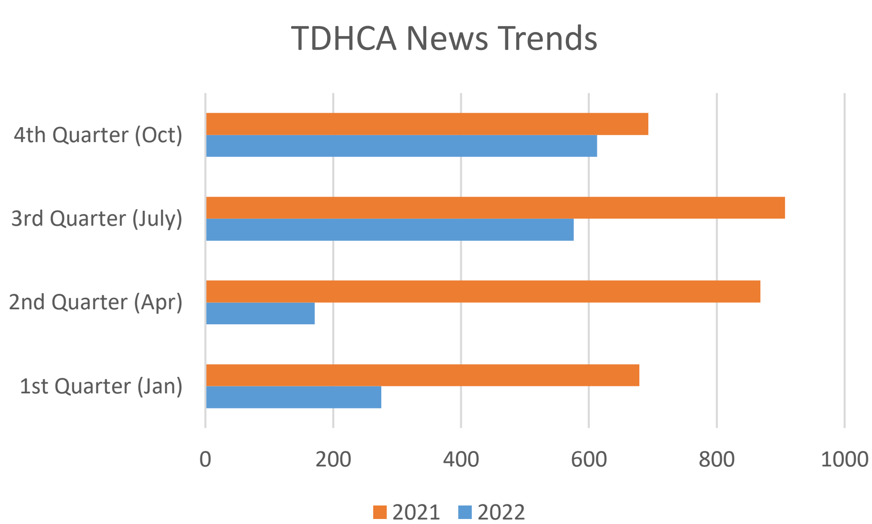
Figure 3 Media Market



Summary:
Reporting on activities by the news media totaled 267 references in November 2022. The Texas Homeowner Assistance Fund dominated the news cycle after the Department announced program changes related to the addition of utility assistance and forward paying mortgage assistance. The Texas Utility Help program received positive news mention after the portal reopened for utility assistance.

For comparison purposes, the November 2022 news mentions were lower than in November 2021 (451 total; 423 related to TRR).

The following table illustrates the number of news mentions during each month or quarter of 2022 compared to 2021. There were 613 news articles mentioning TDHCA and/or related programs reported for the two months of the fourth quarter of 2022 (October-November), whereas the total news mentions for the fourth quarter in 2021 totaled 693 news mentions.



Social media:
Through November 2022, TDHCA has nearly 3,400 followers to its Twitter account and 6,800 followers to its Facebook account. TDHCA's YouTube channel had more than 4,100 views in November. The following is a summary analysis of TDHCA's efforts to engage stakeholders and the public on federal and state resources, initiatives, and programs.

Month/Yr	Posts	Clicks	Engagements	Shared posts	Liked posts
January 2022	35	14	118	12	46
February 2022	47	70	42	2	16
March 2022	66	43	131	47	48
April 2022	62	0	51	8	27
May 2022	66	905	198	71	50
June 2022	52	8	110	31	31
July 2022	43	3	53	9	31
August 2022	13	0	73	14	37
Sept. 2022	37	13	66	3	54
Oct. 2022	53	13	81	19	34
Nov. 2022	44	60	53	8	33

* Clicks = number of times an individual clicked on a link provided in a post. Engagements = any action a person takes on our post

Month/Yr	Tweets	Clicks	Engagements	Retweets	Liked posts
January 2022	35	128	20	7	13
February 2022	47	186	14	7	4
March 2022	67	318	39	12	21
April 2022	61	171	29	6	17
May 2022	75	288	31	7	15
June 2022	55	44	30	6	20
July 2022	71	23	43	12	21
August 2022	15	75	24	10	8
Sept. 2022	36	26	12	3	6
Oct. 2022	59	75	33	9	15
Nov. 2022	45	73	16	7	7

* Clicks = number of times an individual clicked on a link provided in a post. Engagements = any action a person takes on our post

YouTube

Month	Views	Watch time (hours)	Avg. view duration	Impressions	Impressions click-through rate
January 2022	3,478	176.9	3:03	19,871	4.0%
February 2022	1,839	125.2	4:05	15,141	3.4%
March 2022	1,890	143.2	4:32	16,764	3.5%
April 2022	3,154	205.1	3:54	18,194	4.0%
May 2022	3,043	180.1	3:33	14,734	3.9%
June 2022	3,273	193.7	3:33	14,114	3.9%
July 2022	5,136	268.0	3:07	15,927	4.2%
August 2022	5,249	299.6	3:25	14,8858	3.9%
Sept. 2022	4,559	217.5	2:51	14,181	3.6%
Oct. 2022	4,481	190.1	2:32	15,855	3.4%
Nov. 2022	4,131	205.3	2:58	11,355	3.6%

Top 50 videos for November 2022

Content	Views		Watch time (hours)		Subscribers		Impressions	Impressions click-through rate
Total	**3,721**		**211.4**		**49**		**10,620**	**3.6%**
Help For Texans tutorial	1,483	39.9%	45.9	21.7%	2	4.1%	89	4.5%
How to apply: Texas Homeowners Assistance Fund	500	13.4%	7.5	3.6%	8	16.3%	389	11.1%
Texas Homebuyer Program introduction	241	6.5%	3.1	1.5%	2	4.1%	180	2.8%
Texas Rent Relief Program Tutorial – Setting Up Bill.com Account f...	191	5.1%	3.5	1.7%	6	12.2%	349	3.2%
Texas Rent Relief Program Registration Tutorial	177	4.8%	1.2	0.6%	2	4.1%	213	6.1%
Texas Rent Relief Program Completing Application Tutorial	138	3.7%	1.3	0.6%	4	8.2%	533	4.9%
Help for Texans in Spanish	111	3.0%	3.0	1.4%	0	0.0%	80	2.5%
TDHCA HAF Subrecipient Training One 1	90	2.4%	18.6	8.8%	3	6.1%	446	3.8%
Entrance Interview Questionnaire	70	1.9%	31.3	14.8%	0	0.0%	402	3.2%
TDHCA HAF Subrecipient Training Two 2	53	1.4%	8.6	4.1%	1	2.0%	416	3.6%
TDHCA Training: Section 811 Project Rental Assistance Program	46	1.2%	10.7	5.1%	3	6.1%	873	2.9%
Housing Tax Credit Properties After the Compliance Period	35	0.9%	7.5	3.5%	1	2.0%	413	3.4%
TXHAF Subrecipient Activities Virtual Forum 20221019 102642 Me...	33	0.9%	6.7	3.2%	2	4.1%	296	3.4%
Texas Eviction Diversion Program Overview – September 9, 2021	31	0.8%	2.9	1.4%	1	2.0%	196	4.6%
TDHCA HAF Subrecipient Fraud Training	29	0.8%	8.1	3.8%	0	0.0%	341	4.1%
Monitoring Reviews: Beginning to End	29	0.8%	6.4	3.0%	0	0.0%	172	4.1%
Fair Housing 101: The Basics of Fair Housing in Texas	27	0.7%	3.7	1.7%	1	2.0%	137	9.5%
Utility Allowance Training 2022	23	0.6%	5.4	2.6%	1	2.0%	222	3.2%
Utility Allowance Training - May 5, 2021	22	0.6%	0.3	0.1%	0	0.0%	70	3.0%
20 IncomeDeterminationTraining	21	0.6%	0.7	0.3%	0	0.0%	53	11.3%
Texas Utility Help Vendor Webinar	18	0.5%	1.6	0.8%	0	0.0%	328	4.6%
Texas Rent Relief Program Landlord Tips	18	0.5%	0.4	0.2%	0	0.0%	280	2.1%
Average Income Webinar - Sept. 2, 2020	16	0.4%	2.9	1.4%	1	2.0%	58	6.9%

CEAP-LIHWAP Quarterly Webinar – September 2022	15	0.4%	0.8	0.4%	0	0.0%	133	3.0%
Fair Housing Special Topics: How to Create an Affirmative Marketin...	14	0.4%	4.7	2.2%	1	2.0%	75	5.3%
Como Completar Su Aplicación para el Programa de Asistencia de ...	13	0.4%	0.1	0.1%	0	0.0%	82	2.4%
Frequently Asked Questions about Utility Allowances	13	0.4%	1.2	0.6%	0	0.0%	199	2.5%
Virtual Income Determination Training	12	0.3%	0.5	0.2%	0	0.0%	220	2.7%
How to Apply: Texas Homeowners Assistance Fund	12	0.3%	0.2	0.1%	0	0.0%	191	1.1%
TERAP Application Workshop	11	0.3%	0.4	0.2%	0	0.0%	71	2.8%
Compliance Monitoring & Tracking System (CMTS) Training	11	0.3%	1.0	0.5%	0	0.0%	78	2.6%
Fair Housing Special Topics: Reasonable Accommodations, Modifi...	10	0.3%	2.2	1.0%	0	0.0%	93	5.4%
Texas Emergency Mortgage Assistance Program TEMAP Webinar -...	10	0.3%	0.9	0.4%	0	0.0%	115	5.2%
Overview of Updates to Compliance, Affirmative Marketing and Writ...	10	0.3%	0.3	0.2%	0	0.0%	78	0%
Section 811 PRA Peer-to-Peer, Session 1	9	0.2%	0.2	0.1%	0	0.0%	235	1.3%
TERAP Implementation Workshop	9	0.2%	0.2	0.1%	0	0.0%	30	6.7%
Supportive Services for Affordable Developments	7	0.2%	0.7	0.3%	0	0.0%	148	1.4%
Housing Stability Services Contract Implementation Webinar	7	0.2%	0.5	0.3%	0	0.0%	103	4.9%
Low Income Water/Wastewater Assistance Program (LIHWAP) Ove...	7	0.2%	0.9	0.4%	0	0.0%	74	5.4%
Como Registrarse Para el Programa de Asistencia de Pago de Rent...	7	0.2%	0.1	0.0%	0	0.0%	48	6.3%
ERA2 Housing Stability Services Contract Implementation Webinar ...	6	0.2%	1.4	0.7%	0	0.0%	109	0.9%
CEAP/LIHWAP Quarterly Webinar - March 2022	6	0.2%	1.6	0.8%	0	0.0%	26	3.9%
TDHCA's Multifamily Direct Loan Training - Sept. 24, 2020	6	0.2%	0.3	0.2%	0	0.0%	81	1.2%
ERA2 Housing Stability Services Contract Implementation Webinar ...	6	0.2%	0.4	0.2%	0	0.0%	30	3.3%
Digital Outreach Webinar	5	0.1%	1.0	0.5%	0	0.0%	19	0%
Cost Certification Roundtable - November 18, 2020	4	0.1%	0.7	0.3%	0	0.0%	18	0%
ERA2 Housing Stability Services Contract Implementation Webinar ...	4	0.1%	3.8	1.8%	0	0.0%	20	5.0%
Community Partner Onboarding: Program Overview	4	0.1%	0.3	0.1%	0	0.0%	3	33.3%
Community Partner Onboarding: Housing Contract System	4	0.1%	1.0	0.5%	0	0.0%	1	100%

TDHCA Outreach November 2022

A compilation of outreach activities such as meetings, trainings and webinars.

Department	Meeting Date	Meeting Title	Attendees (includes organizer)
Homeowner Assistance Fund (TXHAF)	Nov 02, 2022	Subrecipient Activities Virtual Forum	72
Housing Stability Services (HSS)	Nov 08, 2022	Monthly HSS office hours	43
Housing Resource Center (HRC)	Nov 08, 2022	Affirmative Marketing and the HOME-ARP Program	29

TXHAF	Nov 09, 2022	Subrecipient Activities Virtual Forum	64
Compliance	Nov 09, 2022	Virtual LIVE Training with Texas Apartment Association (TAA) Income Determination Training	93
Compliance	Nov 15, 2022	Virtual LIVE Training with TAA Housing Tax Credit Training	152
TXHAF	Nov 17, 2022	Subrecipient Training Two	23
TXHAF	Nov 18, 2022	Subrecipient Fraud training	24
TXHAF	Nov 30, 2022	Subrecipient Activities Virtual Forum	68
Community Affairs (CA)-CEAP/CSBG/LIHWAP/WAP	Nov 30, 2022	Texas Workforce Conference Presentation	100
SF and Homeless-ESG	Nov 29, 2022	2022 ESG Annual Orientation	52
SF and Homeless-ESG	Nov 30, 2022	2022 ESG Annual Orientation	47

2b

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

TDHCA One-Time or Temporary Allocations – Pandemic Response and Other Initiatives
Report for January 12, 2023

This report reflects one-time or temporary federally awarded allocations of funds, in addition to those funds focused specifically on the programs TDHCA has targeted to assist with Texas' response to COVID-19. Programs reflected include those that were reprogramming of existing funds and those awarded through the administration of federal bills. All completed programs are reported at the end of the report.

PERFORMANCE TO DATE ACROSS ALL OPEN AND CLOSED PROGRAMS

Cumulative Performance to Date Across All Programs Reported			
Total of All Funding	**Total Funds Obligated[1,2]**	**Total Funds Spent[1]**	**Total Served to Date[3,4,5]**
$4,434,213,119	**$3,351,517,630 (76%)**	**$3,095,971,480 (70%)**	**406,240 households & 4,192,894 persons**

1. May include administrative funds obligated and expended. 2. For TRR and HAF, funds are only considered 'Obligated' when they are expended.3. Based on reporting requirements, some programs report households and some report persons. Persons reported above do not comprise the members of the households reported, but are separate persons assisted. 4. For comparability purposes, if the average Texas household size of 2.83 is applied to the number of households served and converted to an estimate of individuals, that estimate would be 1,149,659; when combined with the 4,192,894 of individuals reported that would result in an estimated 5,342,553 individuals assisted with these programs. 5. An additional 583,247 meals were served through the HSS Program that are not otherwise reflected in either the count of households or persons served.

OPEN PROGRAMS

Program	Timelines / Contract Periods	Planned Activities	Waivers and Initial Approvals Needed	Program Status	Staffing Admin Funds	Served to Date	Total Program Funding Obligated (%) Expended (%)	Other Notes
CARES ACT FUNDS								
CDBG CARES – Phases I, II and III	Board approved general use of the funds for CDBG Phase I in April 2020 and Plan Amendments in October 2020, January 2021, and July 2021 80% of funds must be expended by November 3, 2023; remaining 20% by November 3, 2026 90-day closeout period	Planned Usage: rental assistance in 40 cities/counties (completed); mortgage payment assistance in 40 counties; legal services; assistance for providers of persons with disabilities (completed); food expenses; and community resiliency activities. *See Also Attached Report.* *Geography:* Varies by activity type.	HUD agreement executed November 3, 2020. All Plan Amendments approved.	*See Attached Report.* Staff has been working closely with all Community Resiliency Program awardees on environmental and other activities which must occur prior to contract execution.	CDBG Director position filled. 7 other positions filled. All FTES are Art. IX Up to 7% admin and TA budget ($9,929,238)	3,533,842 persons	1st allocation: $40,000,886 2nd Allocation: $63,546,200 3rd Allocation: $38,299,172 Total: $141,846,258 118,216,557* 83.34% $86,273,978* 60.82%	*Income Eligibility:* For persons at or below 80% of AMI. * Figure includes TDHCA admin funds.
ESG CARES – Phase I & 2	• ESG1 awards made July 23, 2020 and ESG2 awards made January 14, 2021 • Deadline to expend 80% by March 31, 2022 was removed by HUD; new benchmark for June 2022 has been met • Expend original allocation by September 30, 2023 • Expend any reallocated funds by June 30, 2024	• ESG1: Existing subs were offered funds. ESG Coordinators decided via local process for their CoC, in three areas without ESG Coordinators awards offered to CoC awardees. Also used for Legal/ HMIS. • ESG2: Funding provided for Homelessness Prevention, Rapid Rehousing, HMIS, Street Outreach & Emergency Shelter • *Geography:* Locations of all funded grantees • *Income Eligibility*: 50% AMI for homeless prevention	TDHCA received a grant agreement for an additional $5,854,004 in reallocated funds; these funds must be obligated by May 20, 2023 and will expire June 30, 2024.	• 152 contracts executed: 34 active, 12 expired, 106 closed. • Obligation updates ongoing due to reallocation of funds. • Deobligated funds offered to other subrecipients; contract amendments being routed.	3 Art. IX FTE (1 FTE has left and will not be replaced) Up to 5 % admin ($5,187,681.20)	86,242 persons	$103,646,620* $96,077,407** 93% $87,070,757** 84%	*Figure includes reallocated funds received September 2022. **Figure includes TDHCA admin funds.

Program	Timelines / Contract Periods	Planned Activities	Waivers and Initial Approvals Needed	Program Status	Staffing Admin Funds	Served to Date	Total Program Funding Obligated (%) Expended (%)	Other Notes
CORONAVIRUS RELIEF BILL – PART OF THE CONSOLIDATED APPROPRIATIONS ACT OF 2021								
Texas Rent Relief (TRR) Program (Funded with ERA1 and ERA2)	The program dedicates funds through Treasury specifically for rental and utility assistance. The first allocation (Consolidated Appropriations Act) is ERA1. The second allocation (American Rescue Plan Act) Section 3201, is ERA2. ERA1: Required to obligate original allocation by September 30, 2022 and reallocated funds by December 29, 2022. ERA2: Required to obligate all funds by September 30, 2025.	Program provides up to 18 months of rental and utility assistance including arrears. Households must reapply every 3 months. 10% of funds are for Housing Stability Services (see following row). $11.5M of ERA2 funds were designated by the Board for other affordable rental housing which is being administered by TDHCA's Multifamily Direct Loans (MFDL) program after 10/01/22. Established a 10% set-aside for eviction diversion; households facing eviction and utility disconnections are prioritized for processing. Treasury has provided periodic updated FAQs as informal guidance – most recently July 27, 2022. *Geography:* Statewide. *Income Eligibility:* For households at or <80% AMI.	*Treasury Reallocation*: To date, TRR has received $251.6M in reallocated funds from the Treasury and local/county programs in Texas.	With reallocated funds still available, TRR staff is reviewing previously unfunded applications that had been submitted before the application portal was closed in November 2021. Staff is conducting outreach to applicants to confirm they still need assistance and provide applicants the opportunity to update their applications. TRR has met the expenditure deadline of 9/30/22 for the program's initial ERA1 allocation. The program will continue expending reallocated ERA1 funds through the 12/29/22 obligation deadline.	TRR Positions filled include Director and 16 positions. Staffing also includes a separate team for the Housing Stability Services activity. All FTES are Art. IX *Admin Allowed (All ERA)*: 10% ERA1 15% ERA2 $323,770,220	314,803 house-holds served (As of 12/29/22)	Allocations Initial ERA1: $1,308,110,630 Initial ERA2: $1,079,786,857 Reallocated ERA1 and ERA2: $251,643,878 Interest ERA1 and ERA2: $3,526,018 TRR available for Rent/Utility Payments* $2,209,247,022 TRR Rent/Utility Expended** $2,098,286,034 94.98% TRR Admin. Expended*** $197,056,084 60.86%	* Amount is total allocation less funds for HSS, MFDL and Admin ** Per Internal Report 12/19/22 *** Per Internal Report as of 11/23/22.

Program	Timelines / Contract Periods	Planned Activities	Waivers and Initial Approvals Needed	Program Status	Staffing Admin Funds	Served to Date	Total Program Funding Obligated (%) Expended (%)	Other Notes
Housing Stability Services (HSS) Program (funded by ERA1 and 2)	These funds are a subset of the ERA funds in the row above. Up to 10% of the funds from ERA1 and ERA2 are authorized for housing stability. ERA1: Originally allocated funds must expend funds by September 30, 2022, and reallocated funds by December 29, 2022 ERA2: Must expend funds by September 30, 2025	Program provides funds to local communities or nonprofits for them to provide eligible Texans with a variety of services that help household maintain or obtain stable housing including legal services, outreach services, shelter services, community services, and services offered at permanent supportive housing properties. *Geography:* Available where Subrecipients are located. *Income Eligibility:* For households at or below 80% AMI. Any ERA1 funds reallocated by Treasury (as noted by TRR above) and allocated to HSS will be reflected in this report.	Treasury has provided periodic updated FAQs as informal program guidance. Closeout guidance for ERA1 funds was posted September 19, 2022. As guidance is released, HSS policies are adjusted.	ERA1: 28 contracts executed with TAJF, 1 COG and 26 non-profits; MOU executed with TVC. Only the TAJF contract remains open through 12/29/2022. All other ERA1 HSS contracts are closed-out. ERA2: 46 contracts executed with TAJF, THN, 2 cities, 2 MHMRs, 1 PHA, and 37 other non-profits; MOU with TVC executed for SFY 2023-24. 18 Subrecipients have both ERA1 and ERA2 contracts.	See above	ERA 1 583,247 meals served ERA 1* 49,459 hh served ERA 2* 11,610 hh served	Total $167,252,381 HSS ERA1 Obligated: $62,502,381.77 100% Expended: $62,159,638.90 99.45% HSS ERA2 Obligated: $104,750,000 100% Expended: $17,169,418.03 16.39%	27 of the 28 ERA1 HSS contracts ended on August 31, 2022, and are now in the close-out phase. Final ERA1 HSS Program summaries will be made available on the HSS webpage at https://www.tdhca.state.tx.us/HSS.htm hh=households
Low-Income Household Water Assistance Program (LIHWAP1)	Part of the appropriation bill; provides dedicated funds through HHS for the Low-Income Household Drinking Water and Wastewater Emergency Assistance Program Must obligate and expend funds by: September 30, 2023	Program provides funds to assist low-income households by providing funds to owners/operators of public water and treatment systems to reduce arrearages charged. Funds are directed through the LIHEAP network of subs and a statewide web-based vendor. *Geography:* Statewide *Income Eligibility:* 150% federal poverty level	Executed agreement for funds on April 22, 2021. HHS approved TDHCA's LIHWAP Plan on October 22, 2021.	33 contracts have been executed. Lubbock declined funds. Statewide availability of these funds through a web-based platform also began in July 2022.	3 Art. IX FTEs Admin 15% Any FTES will be Art. IX	43,421 persons	$51,801,876 $44,031,595 85%* $8,513,121 19.3%	$638M Nationally *Remaining 15% is for admin. All program funds are obligated.

Program	Timelines / Contract Periods	Planned Activities	Waivers and Initial Approvals Needed	Program Status	Staffing Admin Funds	Served to Date	Total Program Funding Obligated (%) Expended (%)	Other Notes
AMERICAN RESCUE PLAN (ARPA) – Public Law 117-2								
HOME ARP Program	Section 3205 of the American Rescue Plan. Dedicates funds through HUD allowing flexible uses that can include typical HOME activities as well as homeless services and non-congregate shelter Must expend funds by September 30, 2030	Funds are programmed for development of rental housing, development of non-congregate shelter, and operating costs/capacity building for eligible nonprofit organizations. *Geography:* Available where Subrecipients/developers are located *Households Eligibility: (See Other Notes)*	The existing waiver from the Governor relating to limits on using the funds in rural areas will be utilized to allow the funds to assist homeless persons in urban and rural areas.	Request received for $8.1M out of $10M HOME-ARP National Housing Trust Fund Set-Aside. The HOME-ARP Rental Development NOFA is accepting applications until March 1, 2023.	A HOME-ARP Division has been established, with six FTE. All FTES are Art. IX 10% for admin/planning ($13,296,915)	0	*$119,672,232 $0 0% $0 0%	*Excludes admin. Eligibility: homeless, at risk of homelessness, those fleeing Domestic Violence, populations with housing instability
LIHEAP ARP	Passed as Section 2911 of the American Rescue Plan, dedicates funds through HHS for home energy costs. Must expend funds by: September 30, 2023	99% of funds were programmed in April 2021 to CEAP subs using a modified formula; 1% for state admin. Some funds also being directed to a statewide web-based vendor. *Geography*: Available statewide *Income Eligibility*: 150% of federal poverty level	None needed.	On March 1, 2022, flexibilities were granted. A statewide provider to provide CEAP ARP was selected in May 2022 and made funds available in July 2022.	FTEs noted under CARES LIHEAP will be utilized for both allocations. 1% admin (TBD)	184,714 persons	$134,407,308 $134,407,308 100% $132,487,976 98.6%	$4.5B nationally.
LIHWAP2	Passed as Section 2912 of the American Rescue Plan, dedicates funds through HHS for home water costs Must obligate and expend funds by: September 30, 2023	See LIHWAP1 above. HHS will administer LIHWAP1 and 2 under one LIHWAP Plan. Because of the different funding sources, separate contracts will be required. *Geography:* Statewide *Income Eligibility:* TBD	Executed agreement for funds on April 22, 2021. HHS approved TDHCA's LIHWAP Plan on October 22, 2021	This allocation of funds was directed to the statewide provider.	FTEs noted under Appropriation Act LIHWAP will be utilized for both allocations. Admin % not yet determined	4,841 Persons	$40,597,082 $40,597,082 100% $3,667,181 9%	$500M Nationally

Program	Timelines / Contract Periods	Planned Activities	Waivers and Initial Approvals Needed	Program Status	Staffing Admin Funds	Served to Date	Total Program Funding Obligated (%) Expended (%)	Other Notes
Homeowner Assistance Fund (HAF)	Passed as section 3206 of the American Rescue Plan, dedicates funds through Treasury specifically for preventing mortgage delinquencies, defaults, foreclosures, loss of utilities and displacement. Must expend funds by September 30, 2026	The HAF Plan includes: 1) a Mortgage Reinstatement Program that provides up to $65,000 per qualified household to eliminate or reduce past-due payments and other delinquent amounts, including payments under a forbearance plan, forward mortgages, reverse mortgages, loans secured by manufactured homes, or contracts for deed; 2) a Property Charge Default Resolution Program that provides up to $25,000 per qualified household to resolve delinquent property charges, including past due property taxes, insurance premiums, condo and homeowner association fees, and cooperative maintenance or common charges, including up to 90 days of upcoming property charges; and 3) a Monthly... *(cont. under Other Notes)*	Treasury approved the HAF Plan on January 28, 2022. Subsequent plan amendments have been submitted and approval received. *Geography:* Statewide *Income Eligibility:* Household income at or below greater of 100% AMI or 100% of national median income.	All funding has been received. The program became available statewide on March 2, 2022.	The HAF Division includes 15 FTEs. All FTES are Art. IX Up to 15% ($126,332,101) for admin	25,887 hholds	$842,214,006 <u>Expended</u> $271,153,601 32.19%	$9.9B nationally. *(cont. from Planned Activities)* … Payment Assistance Program (in addition to the Reinstatement Assistance) that provides up to three months of full monthly payment assistance to qualified homeowners that are past due on their mortgage and are facing a continuing hardship (total household assistance may still not exceed $65,000).
HAF Subrecipient Activities	These funds are a subset of the HAF funds in the row above. $30.5 million was programmed in the HAF Plan for Subrecipient Activities. Must expend funds by September 30, 2026	Program provides funds to local communities or nonprofits for them to provide one or more of three eligible types of assistance: 1) serve as an Intake Center to assist households in applying for HAF funds, 2) provide Housing Counseling Services, and/or 3) provide Legal Services related to Homeownership. *Geography:* Available where Subrecipients are located. *Income Eligibility:* Household income at or below greater of 100% AMI or 100% of national median income.	See above for HAF	Board has approved 26 awards to subrecipients 26 agreements have been executed to date. Round 3 NOFA closed on December 15. There were 17 applications received; team is currently reviewing applications and contacting applicants for corrections and clarifications. *(cont.)*	HAF Subrecipient Activity Division has 7 FTEs and 1 vacant position in recruitment; additional hires may be made	<u>Intake</u> 1385 <u>Legal Services.</u> 16 <u>Housing Counsel</u> 151 <u>Forecl. Prevent.</u> 12	Total $30,500,000 Obligated: $18,492,754 61% Expended: $1,576,218.34 8% of obligations	*(cont. from Program Status)* Staff will request board approval for final subrecipient awards in February.

Program	Timelines / Contract Periods	Planned Activities	Waivers and Initial Approvals Needed	Program Status	Staffing Admin Funds	Served to Date	Total Program Funding Obligated (%) Expended (%)	Other Notes
Emergency Housing Vouchers (EHV)	Passed as Section 3202 of the American Rescue Plan, dedicates vouchers through HUD for emergency rental assistance. HUD Authority to Recapture May Occur as Early As: 1 Year from Funding (if vouchers are unissued) Can Reissue EHV until: Sept. 30, 2023 Renewal Funds Available for 'Occupied Units' through: Sept. 30, 2030	TDHCA was allocated 798 vouchers by HUD. The award includes funds for the vouchers ($7,933,560) plus funds to provide services ($2,793,000) and funds for admin ($763,788). Vouchers are for households who are: (1) homeless, (2) at risk of homelessness, (3) fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking, or (4) recently homeless. *Geography*: Balance of State Continuum of Care counties underserved by an EHV-awarded PHA, Heart of Texas Homeless Coalition service area and Tarrant County Homeless Coalition (TCHC) service area *Income Eligibility*: Not to exceed 50% of AMI	Significant waivers have been authorized by HUD, with most expiring 6/30/2022. TDHCA will seek to maximize its use of these waivers, potentially requesting extensions to the extent that households will not be offered a voucher if they would be ineligible at renewal. TDHCA updated its PHA Admin Plan to reflect our plan for the service fee (see last column) and other program elements.	Executed contracts with CoC partners: the Heart of Texas Homeless Coalition and Texas Homeless Network (the Balance of State CoC). Draft contract proposed between TDHCA and TCHC Referrals to TDHCA: 416 Vouchers Issued: 104 Declined: 92 Housed: 131 Note that with rental assistance programs, funds expend fairly slowly as they are only drawn and expended as rent for the eligible household is paid each month. This is an expected level of financial activity for the number housed.	Program is being administered jointly by the Section 8 and Section 811 areas due to the unique nature of the program. 3 new positions are now in place, one additional posted. All paid for by EHV Admin and CSBG Admin. FTES are Art. IX	131	Total $11,490,348 Rent Payments Avail: $7,933,560 HAP Obligated: $438,250 5.52% HAP Expended: $433,356 5.46% Service Contracts Avail: $2,793,000 Obligated: $1,504,868 53.88% Expended: $445,924 16%	$5 billion Nationally A service fee of $3,500 per unit is authorized separate from the rental assistance payment. The fee total is not tied to each voucher, but is a combined total of funds for services. Services may include: housing search assistance; deposits, holding fees, and application fees; owner-related uses; and other eligible uses.

Program	Timelines / Contract Periods	Planned Activities	Waivers and Initial Approvals Needed	Program Status	Staffing Admin Funds	Served to Date	Total Program Funding Obligated (%) Expended (%)	Other Notes
INFRASTRUCTURE INVESTMENT AND JOBS ACT – Public Law 117-58								
LIHEAP IIJA*	Passed as Section 501 of the Infrastructure Investment and Jobs Act (PL 117-58), dedicates funds through HHS for home energy costs. Must expend funds by: September 30, 2026	Funds nationally to be released in annual increments of $100 million each year for the next 5 years. These funds will be made available to each state as part of its annual LIHEAP allocation; the Department therefore will handle these as part of our annual allocation. *Geography*: Available statewide *Income Eligibility*: 150% of poverty	None needed.	On March 1, 2022, flexibilities were granted. The statewide provider has been the recipient of these funds to date. To date, two annual allocations have been received in the amounts of $7,532,384 and $9,627,413	FTEs noted under CARES LIHEAP will be utilized for both allocations.	2,227 hhs	Estimated 5-Year Total*: $37,661,920 Received by TDHCA: $17,159,797 Obligated: $9,627,413 Of Rcvd: 56% Of 5–Year: 26% Expended: $4,971,475 Of Rcvd: 51.6% Of 5-Year: 13.2%	$500 million nationally *Note that the funds will only become available annually, therefore expenditure will be reflected slowly over 5 Years.
BIL WAP (Bipartisan Infrastructure Law Weatherization Assistance Program)	Passed as Section 40551 of the Infrastructure Investment and Jobs Act (Public Law 117-58), dedicates funds through Department of Energy for home weatherization. Law has no date by which funds must be expended; DOE strongly recommends activities be completed within 5 years of receipt of the funds.	Single family and multifamily weatherization of units. Additional restrictions added to the program through the bill beyond typical DOE WAP include Davis-Bacon, Buy American, NEPA, etc. In addition, DOE has applied several Administration priorities, including a focus on workforce development and diversity, and inclusion and equity on delivering funds. Because this award amount is more than 20 times the typical annual DOE award, Board granted authority in December 2021 to procure a statewide DOE WAP vendor to augment the work of the network. *Geography*: Available statewide *Income Eligibility*: 200% of poverty	Not yet known.	In September 2022 DOE directed TDHCA to proceed with release of its 5-Year Plan for public comment. Staff had obtained Board authority to do so in May 2022. The public comment period was held from Sept. 18 to 28, and the Plan was submitted to DOE on September 30. The Plan has not yet been approved. Statewide provider procurement is in drafting.	FTEs will be added once further guidance and information is available from DOE. Admin. TBD	0	$173,162,598 ($142,944,233 for Program and $30,218,365 for Training and TA)	15% of grant made available initially.

Program	Timelines / Contract Periods	Planned Activities	Waivers and Initial Approvals Needed	Program Status	Staffing Admin Funds	Served to Date	Total Program Funding Obligated (%) Expended (%)	Other Notes
CONTINUING APPROPRIATIONS ACT, 2023 – Public Law 117-180								
LIHEAP (23CR) Supplemental Funding	Passed as an additional contribution to the 2023 LIHEAP allocation through the *Continuing Appropriations Act (CR), 2023* (Public Law 117-180), dedicates funds through HHS for home energy costs. Must expend funds by: September 30, 2024	Funds nationally of an additional $1 billion added to the annual 2023 allocation. *Geography*: Available statewide *Income Eligibility*: 150% of poverty	None needed.	On March 1, 2022, flexibilities were granted. A statewide provider to provide LIHEAP was selected in May 2022 and made funds available in July 2022. That statewide provider will be used for these funds as well.	FTEs noted under CARES LIHEAP, and regular non-temporary LIHEAP, will be utilized.	0	Total $84,732,886 $0 0% $0 0%	$1 billion nationally

CLOSED / COMPLETED PROGRAMS

Program	Timelines / Contract Periods	Planned Activities	Waivers and Initial Approvals Needed	Program Status	Staffing Admin Funds	Served to Date	Total Program Funding Obligated (%) Drawn (%)	Other Notes
EARLY REPROGRAMMING OF EXISTING TDHCA PROGRAM FUNDS								
HOME Program Tenant Based Rental Assistance (TBRA) for COVID-19 DR	NA: Reservation Agreements	Program provided 3-6 months of rental assistance through existing or new HOME subrecipients. *Geography:* Was available where subrecipients applied. 23 administrators covered 120 counties *Income Eligibility:* Households at or below 80% AMFI based on current circumstances	All necessary waivers for this activity were authorized by the OOG and HUD via HUD's mega-waiver of April 10, 2020. HUD waivers were extended by HUD in December 2020 to expire September 30, 2021.	**COMPLETED**	No added TDHCA staffing No added admin funds	2,612 house-holds	$11,026,701* $11,026,701 100% $11,026,701 100%	* Total Program Funding was originally authorized up to $11,290,076. Ultimately 97.7% of that ($11,026,701) was obligated and utilized.
Reprogram 2019 and 2020 CSBG Discretionary and Admin. Funds	• Board approval March 2020 • Recipients contracts were effective March 26, 2020 • Expenditure Deadline was August 31, 2020	Used the existing network of Community Action Agencies to provide direct client assistance to low income households economically impacted by COVID-19 *Geography*: Available statewide (excluding CWCCP and CSI) *Income Eligibility*: 200% poverty (normally is 125%)	None	**COMPLETED** 100% expended	No added TDHCA staffing No added admin funds	9,468 persons	$1,434,352 1,434,352 100% $1,434,352 100%	38 CAA subs
Recaptured 2018/2019 HHSP	• Board approval March 2020 • 2018 had to be spent by August 31, 2020; 2019 had to be spent by December 31, 2020	Allow subrecipients to perform HHSP eligible activities in addressing homelessness and those at risk of homelessness *Geography*: Available 9 largest metro areas *Income Eligibility*: Generally 30% AMFI if applicable	Approval from Comptroller granted	**COMPLETED** 100% expended	No added TDHCA staffing No added admin funds	462 persons	$191,939.53 $191,939.53 100% $191,939.53 100%	9 subs

Program	Timelines / Contract Periods	Planned Activities	Waivers and Initial Approvals Needed	Program Status	Staffing Admin Funds	Served to Date	Total Program Funding Obligated (%) Drawn (%)	Other Notes
CARES ACT FUNDS								
LIHEAP CARES	• Board approved April 2020 • Expend deadline was Sept. 30, 2021 • 45 day closeout period	99% to CEAP subs for households affected by COVID-19; 1% for state admin (no weatherization) *Geography*: Available statewide *Income Eligibility*: 150% of poverty	The flexibilities allowed by USHHS were accepted	**COMPLETED**	1 Art. IX FTE for CEAP TA/capacity (1 Filled) 1% admin ($892,670)	181,215 persons	$94,023,896 $93,483,658 99% $63,898,418 68%	An estimated $29,676,554 was not expended by subrecipients by the deadline. Unused funds were returned to HHS.
Housing Choice Voucher Program Admin	Expend deadline was Dec. 31, 2021 • 1st Award: $117,268 • 2nd Award: $140,871	• Software upgrades with Housing Pro to allow more efficient remote interface • Landlord incentive payments • Ordered 3 tablets for inspections • October 2020 Board approved use of funds for retention payments to existing owners to ensure their ongoing participation in the program	Received HUD interpretation that using funds for software upgrades are acceptable. $11,620 was paid for the system purchase.	**COMPLETED***	No added TDHCA staffing.	142 Land-lord renewals 17 new landlords added	$258,139 $83,700 32.42% $83,700 32.42%	* $174,439 of admin was returned to HUD. Funds were not allowed to be used for direct household assistance nor were there higher admin expenses.
Housing Choice Voucher Program MVP	Had to issue vouchers by December 31, 2021. Orig. Allocation: $105,034*	15 additional MVP vouchers consistent with our award of MVP, which for TDHCA is for Project Access households. Received award from HUD. Issued the 15 vouchers on May 22, 2020. All 15 were leased.	None needed.	**COMPLETED** 100% of vouchers utilized	No added TDHCA staffing. No added admin funds.	15 families	$110,302 HAP Paid* $53,664 48.65%	Effective Dec. 31, 2021, the funding authority for the 15 housed families was rolled into TDHCA's regular yearly HAP authority.

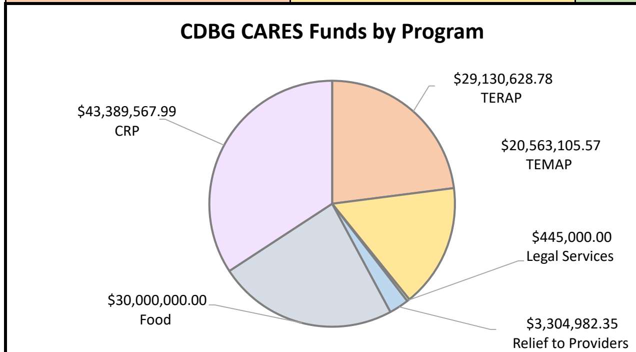
Program	Timelines / Contract Periods	Planned Activities	Waivers and Initial Approvals Needed	Program Status	Staffing Admin Funds	Served to Date	Total Program Funding Obligated (%) Drawn (%)	Other Notes
CSBG CARES	• Board approved April 2020 • Must expend 90% by August 31, 2022 • 45 day closeout period	90% to CAAs using regular CSBG formula for households affected by COVID-19; 2% ($949,120) to Texas Homeless Network (THN); 7% for an eviction diversion pilot program; 1% for state admin *Geography*: Available statewide *Income Eligibility*: 200% of poverty (normally is 125%)	The flexibilities allowed by USHHS have been accepted.	**COMPLETED** (still working on final reporting to reflect 100% expenditure)	1 Art. IX FTE for CSBG reporting 1% admin ($474,560)	146,462 persons	$48,102,282 $48,102,282 **100%** $48,017,945 99%	40 CAA subs

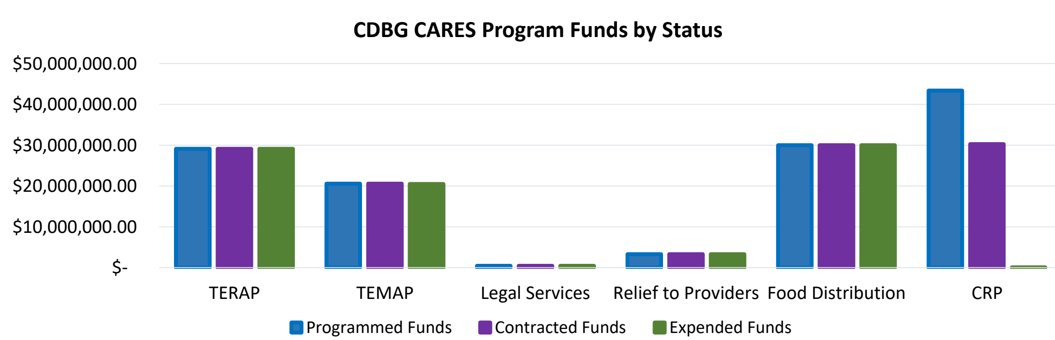
As of December 22 2022

Texas Department of Housing and Community Affairs

CDBG CARES (Coronavirus Aid, Relief, and Economic Security) Act Programs

Texas Emergency Rental Assistance Program (TERAP)	Texas Emergency Mortgage Assistance Program (TEMAP)	Legal Services to Persons with Disabilities	Relief to Service Providers for Persons with Disabilities	Food Distribution	Community Resiliency Program
COMPLETED Rental assistance (up to six months, including arrears) to income-eligible households impacted by COVID-19 to help provide housing stability during the pandemic. Funds can also be used for eviction diversion, which provides rental assistance to tenants who have been sued for eviction. TERAP was initially funded for $33,981,073.89, however small amounts of funds have been unused or deobligated*.	**COMPLETED** Mortgage assistance (up to six months, including arrears) to income-eligible homeowners who have been economically impacted by COVID-19 to help provide housing stability during the pandemic.	**COMPLETED** Legal services assistance for persons with disabilities to obtain or retain housing as a result of COVID-19. Legal services include legal advice and legal representation by licensed attorneys in good standing with the State Bar of Texas.	**COMPLETED** Assistance to help providers continue serving residential persons with disabilities during the pandemic by reimbursing for allowable expenses undertaken to prevent, prepare for, or respond to COVID-19. Assistance was initially programmed for $5,000,000, but $1,695,017.65 was unused and deobligated by the administrator*.	**COMPLETED** Assistance to eligible food bank providers that have been economically impacted by COVID-19. Funds will be utilized to reimburse food banks for bulk food purchases to be distributed statewide.	Assistance to low- and moderate-income persons, and rural and small metro communities, to create, expand or enhance public facilities that provide medical care, social services, and/or emergency housing to prevent the transmission of COVID-19 and allow for adequate social distancing or remote access.
Start Date: January 15, 2021 **Persons Assisted:** 16,606	**Start Date:** June 15, 2021 **Persons Assisted to Date:** 11,777	**Start Date:** April 1, 2021 **Persons Assisted:** 750	**Start Date:** April 15, 2021 **Persons Assisted:** 3,592 **Providers Assisted:** 50	**Start Date:** October 1, 2021 **Persons Assisted:** 3,501,117	**Start Date:** May 2022
Program Administrators: 41 entitlement city and county governments throughout Texas	**Program Administrators:** 48 cities, counties and other local and regional service providers	**Program Administrator:** Disability Rights Texas	**Program Administrator:** My Health My Resources of Tarrant County	**Program Administrator:** Feeding Texas, a network of 21 member food banks	**Program Administrators:** 15 Non-Entitlement Communities throughout Texas
Service Area: 41 entitlement cities and counties	**Service area:** Statewide - All 254 counties in Texas	**Service area:** Statewide - All 254 counties in Texas	**Service area:** Statewide - All 254 counties in Texas	**Service area:** Statewide - All 254 counties in Texas	**Service Area:** Non-Entitlement communities in Texas
Programmed Funds: **$29,130,628.78**	**Programmed Funds:** **$20,563,105.57**	**Programmed Funds:** **$445,000.00**	**Programmed Funds:** **$3,304,982.35**	**Programmed Funds:** **$30,000,000.00**	**Programmed Funds:** **$43,389,567.99**
Contracted Funds: **$29,130,628.78**	**Contracted Funds:** **$20,563,105.57**	**Contracted Funds:** **$445,000.00**	**Contracted Funds:** **$3,304,982.35**	**Contracted Funds:** **$30,000,000.00**	**Contracted Funds:** **$30,288,602.24**
Expended Funds: **$29,130,628.78**	**Expended Funds:** **$20,499,084.67**	**Expended Funds:** **$445,000.00**	**Expended Funds:** **$3,304,982.35**	**Expended Funds:** **$30,000,000.00**	**Expended Funds:** **$42,536.58**





* In the case of funds unused by administrators or deobligated, funds will be reprogrammed and used for awards under the Community Resiliency Program or another existing program.

2c

TO BE POSTED NOT LATER THAN THE THIRD DAY BEFORE THE DATE OF THE MEETING

3a

ORAL PRESENTATION

3b

TO BE POSTED NOT LATER THAN THE THIRD DAY BEFORE THE DATE OF THE MEETING

4

BOARD ACTION REQUEST

ASSET MANAGEMENT DIVISION

JANUARY 12, 2023

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application for Gala at Central Park (HTC #20406)

RECOMMENDED ACTION

WHEREAS, Gala at Central Park (the Development) received an award of 4% Housing Tax Credits (HTCs) and a National Housing Trust Fund (NHTF) loan in 2020 for the new construction of 94 units for the elderly population in Hurst, Tarrant County;

WHEREAS, Gala at Central Park, LP (the Development Owner or Owner) requests approval for a reduction in the Common Area from 35,602 to 19,656 square feet, representing a reduction of 15,946 square feet or 44.79% from the Common Area represented at in the Architect Certification Application;

WHEREAS, Board approval is required for a reduction of three percent or more in the square footage of the Common Area as directed in Tex. Gov't Code §2306.6712(d)(4) and 10 TAC §10.405(a)(4)(D), and the Owner has complied with the amendment requirements therein; and

WHEREAS, the requested change does not negatively affect the Development, impact the viability of the transaction, impact the scoring of the Application, or affect the amount of funding awarded;

NOW, therefore, it is hereby

RESOLVED, that the requested amendment for Gala at Central Park is approved as presented at this meeting, and the Executive Director and his designees are each hereby authorized, directed, and empowered to take all necessary action to effectuate the foregoing.

BACKGROUND

Gala at Central Park received an award of 4% Housing Tax Credits and a National Housing Trust Fund (NHTF) loan in 2020 for the new construction of 94 units for the elderly population in Hurst, Tarrant County. Construction of the Development has been completed, and the Owner has submitted the cost certification documentation. Upon review of the cost certification, staff identified a change in the square footage of the Common Area from what was represented in the Application. In a letter dated September 9, 2022, Amy Dosen, the Owner representative, requested approval for a reduction in the Common Area, and in an email as of November 30, 2022, Sara Reidy, another representative for the Owner, clarified that the final Common Area is 19,656 square feet, representing a reduction of 15,946 square feet or 44.79% from the 35,602 square feet of Common Area represented in the Engineer/Architect Certification in the Application.

According to the amendment request, the Common Area represented in the Architect Certification was inadvertently pulled from a gross market area of an entire floor. The Owner representative also pointed out that the building plans in the Application supported 32,602 square feet of Common Area, but due to subsequent changes to the design, the final Common Area is 19,656 square feet, representing a 39.71% reduction from the square footage in the plans at Application. This change is a material amendment under Tex. Gov't Code §2306.6712(d)(4) and 10 TAC §10.405(a)(4)(D) and requires Board approval.

The change to the Common Area square footage does not materially alter the Development in a negative manner, and was not reasonably foreseeable or preventable by the Development Owner at the time of Application. The Owner has indicated that there was no net financial impact on the Development as a result of the proposed changes. Staff has determined that this change does not affect the scoring of the Application or the funding award, and the Development will continue to meet the accessibility requirements. The final recommended HTC amount will be determined upon finalization of the cost certification review process.

Staff recommends approval of the amendment request as presented herein.

Received from Sara Reidy on 9.14.2022 by email lw

Gala at Central Park, LP

8000 Maryland Ave., Suite 1300
St. Louis, Missouri 63105
Phone: 314-561-5900

September 9, 2022

Ms. Lucy Weber
Texas Department of Housing and Community Affairs
221 E. 11th Street
Austin, Texas 78707

Re: Gala at Central Park #22406 – CMTS #5581 – Cost Certification

Dear Ms. Weber,

Gala at Central Park, LP (the "Applicant") is submitting this letter to the Texas Department of Housing and Community Affairs ("TDHCA") requesting approval of certain proposed Material Changes in our application (the "Application"), as provided in the 2020 Qualified Allocation Plan ("QAP"), for the Gala at Central Park affordable housing project (the "Project"). The $2,500 Administration Fee is included with this letter (the "Material Change Letter").

We appreciate the opportunity to work with TDHCA on these proposed Material Changes to our Application for this Project.

Change to Architect Certification

On Tab 43 in the Original Application submission, the Architect certified to 35,602 square feet of Common Area square footage. This number was inadvertently pulled from a gross market area of an entire floor. The correct total for common area square footage is 17,969 sq. ft. – see attached certification from Cross Architects.

Please contact me directly for any additional information as you review our letter (Phone 314-561-5900, Email: adosen@gardnercapital.com). Thank you for your consideration.

Very truly yours,

Gala at Central Park, LP,
a Texas limited partnership

By; Gala at Central Park GP, LLC

By: ______________________________
Amy Dosen, Authorized Signer

From:	Sara Reidy
To:	Rosalio Banuelos
Cc:	Lee Ann Chance; Lucy Weber; Amy Dosen; Andrew Thompson
Subject:	RE: Gala at Central Park #20406 - CMTS #5581: Material Application Amendment
Date:	Wednesday, November 30, 2022 10:52:29 AM
Attachments:	image001.png image002.jpg image003.png 20406 Gala at Central Park Architectural Changes - Application to As Built.pdf

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Rosalio,

This email is a follow up to our conversation related to the Material Application Amendment for Gala at Central Park. After our conversation, our Architect provided the attached drawings for your review.

The drawings include the following information related to the Common Area which includes stairways, breezeways and corridors:

- Breakdown of Common Area SF in original Application
- Common Area changes reflected in the As Built Plans.

The original Application estimated Common Area including stairways, breezeways, and corridors to be 32,602 SF. In the As Built Plans and Exhibit 5A the total Common Area is 19,656 SF.
This represents a 39.7% decrease. The drawings provide detail on the reduction of common area SF.

I have also provided a revised 5A to reflect the correct Common Area SF of 19,656.

Please confirm receipt and let me know if you have any questions or need additional documentation.

Thank you.

Sara Reidy
Casa Linda Development Corporation
214-941-0089
sreidy@cldctx.co-m

From: Rosalio Banuelos <rosalio.banuelos@tdhca.state.tx.us>
Sent: Monday, November 21, 2022 9:39 AM
To: Sara Reidy <sreidy@cldctx.com>; Lucy Weber <lucy.weber@tdhca.state.tx.us>; Amy Dosen <ADosen@gardnercapital.com>; Andrew Thompson <dthompson@gardnercapital.com>
Cc: Lee Ann Chance <leeann.chance@tdhca.state.tx.us>
Subject: RE: Gala at Central Park #20406 - CMTS #5581: Material Application Amendment - Check Request

Sara,

Let’s have a call at 9:00 am. I will call you, if that works for you.

Gala at Central Park Common Area Breakdown

COMMON AREAS	
WAITING/LOBBY	761
WORK ROOM	126
MULTIPURPOSE ROOM	681
KITCHEN	226
HALLWAYS	814
FITNESS CENTER	450
MAIL ROOM	149
WOMENS RR	91
MENS RR	76
CLOSING OFFICE	223
BUSINESS CENTER	246
CONFERENCE ROOM	234
LIBRARY	252
LAUNDRY	528
ARTS AND CRAFTS ROOM	252
MOVIE ROOM	268
SALON	252
GAME ROOM	268
Total	5897

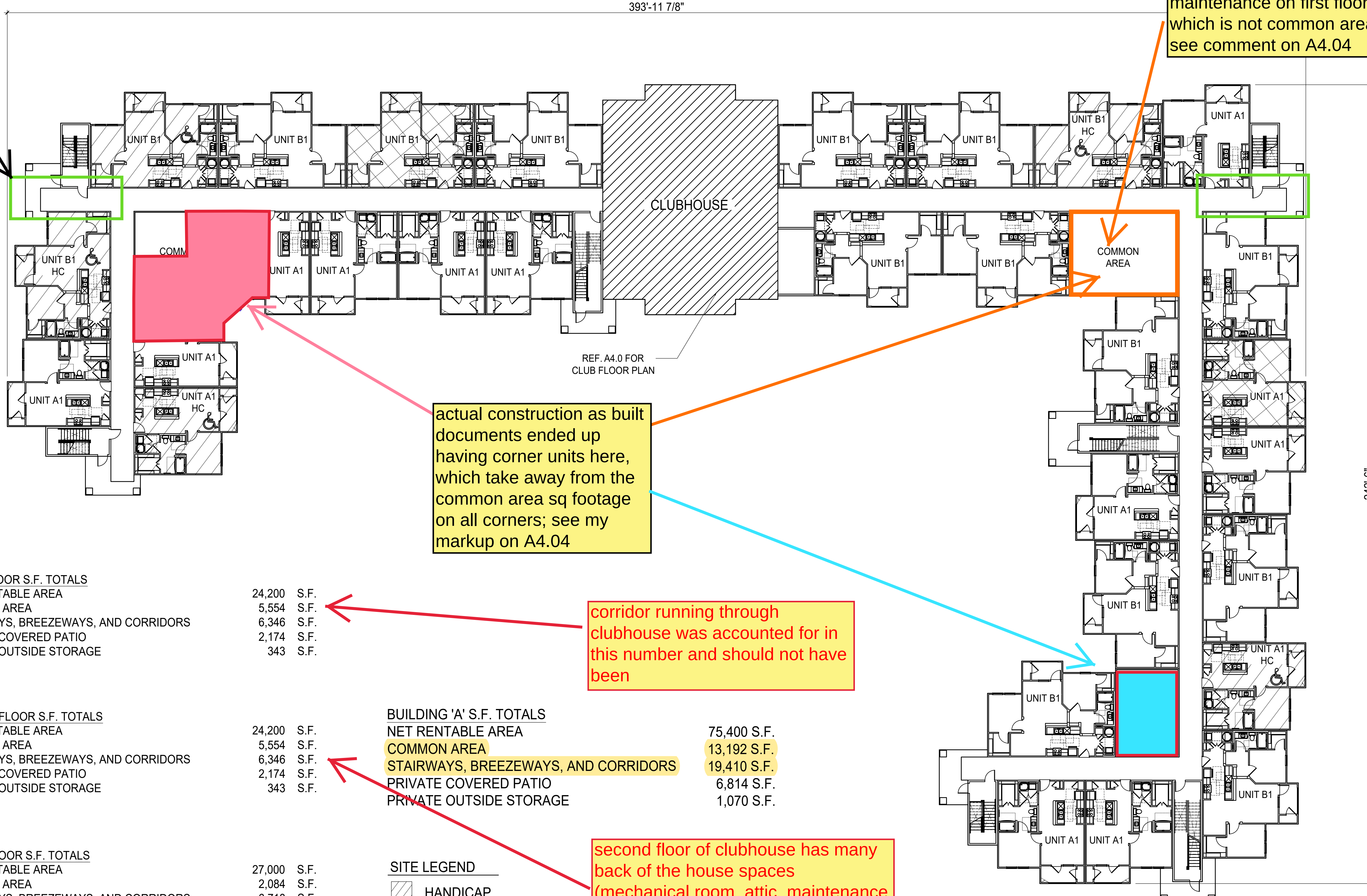
STAIRWAYS, BREEZEWAYS AND CORRIDORS	
CORRIDORS/BREEZEWAYS (1ST FLOOR)	4006
STAIRWAYS (1ST FLOOR)	1236
CORRDIORS/BREEZEWAYS (2ND FLOOR)	3856
STAIRWAYS (2ND FLOOR)	485
CORRDIORS/BREEZEWAYS (3RD FLOOR)	3856
STAIRWAYS (3RD FLOOR)	320
Total	13759

TOTAL COMMON AREA	19656

Original drawings submitted with application

these corridors got removed

this entire corner ended up being elevator and maintenance on first floor; which is not common area. see comment on A4.04



actual construction as built documents ended up having corner units here, which take away from the common area sq footage on all corners; see my markup on A4.04

corridor running through clubhouse was accounted for in this number and should not have been

second floor of clubhouse has many back of the house spaces (mechanical room, attic, maintenance room) that were accounted for in this total that should not have been

FIRST FLOOR S.F. TOTALS

NET RENTABLE AREA	24,200	S.F.
COMMON AREA	5,554	S.F.
STAIRWAYS, BREEZEWAYS, AND CORRIDORS	6,346	S.F.
PRIVATE COVERED PATIO	2,174	S.F.
PRIVATE OUTSIDE STORAGE	343	S.F.

SECOND FLOOR S.F. TOTALS

NET RENTABLE AREA	24,200	S.F.
COMMON AREA	5,554	S.F.
STAIRWAYS, BREEZEWAYS, AND CORRIDORS	6,346	S.F.
PRIVATE COVERED PATIO	2,174	S.F.
PRIVATE OUTSIDE STORAGE	343	S.F.

THIRD FLOOR S.F. TOTALS

NET RENTABLE AREA	27,000	S.F.
COMMON AREA	2,084	S.F.
STAIRWAYS, BREEZEWAYS, AND CORRIDORS	6,718	S.F.
PRIVATE COVERED PATIO	2,466	S.F.
PRIVATE OUTSIDE STORAGE	383	S.F.

BUILDING 'A' S.F. TOTALS

NET RENTABLE AREA	75,400 S.F.
COMMON AREA	13,192 S.F.
STAIRWAYS, BREEZEWAYS, AND CORRIDORS	19,410 S.F.
PRIVATE COVERED PATIO	6,814 S.F.
PRIVATE OUTSIDE STORAGE	1,070 S.F.

SITE LEGEND

HANDICAP

HEARING & VISUAL

BUILDING TYPE 'A' - FIRST FLOOR PLAN

1/32"=1'-0"

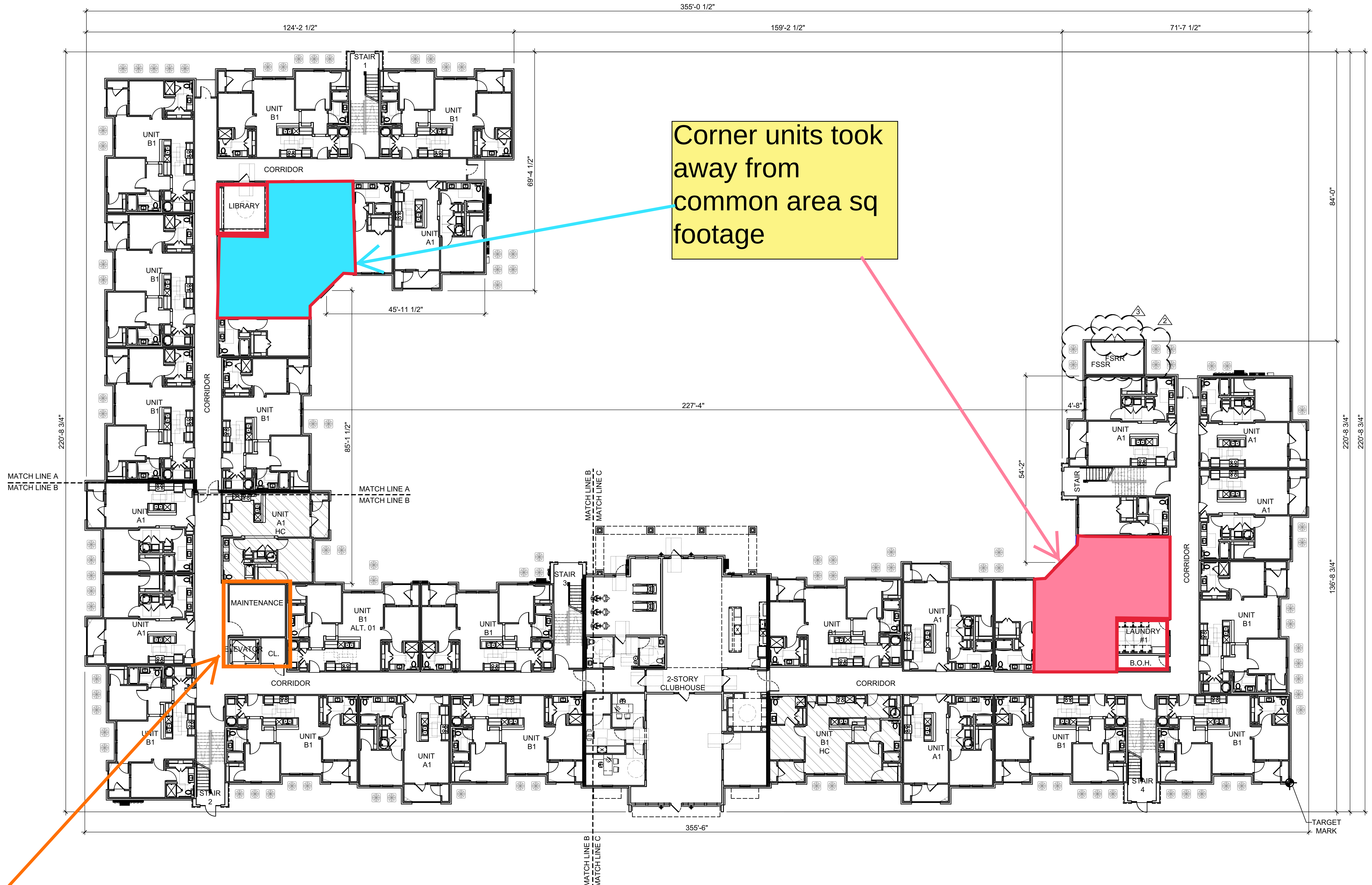
Cross architects

GALA AT CENTRAL PARK
HURST, TEXAS

A3.0

BUILDING 'A'

As built plans



Corner units took away from common area sq footage

this was being proposed as common area in original application; ended up not being "common area" but rather back of the house space (not tenant accessible)

01 BUILDING TYPE 'A' - 1ST FLOOR PLAN

SCALE: 1/16" = 1'-0" 1 BLDG.

MASONRY VENEER
HC UNIT
TRAVEL DISTANCE TO EXIT

MAXIMUM EGRESS TRAVEL DISTANCE TO AN EXIT IS 250' MAX. PER IBC 1016.2. REFER TO PLAN FOR DISTANCES.

REFERENCE MEP SITE PLAN FOR ELECTRICAL METER LOCATIONS.

A 2A10BC OR LARGER FIRE EXTINGUISHER MUST BE INSTALLED IN THE BREEZEWAYS MEETING ALL CODE REQUIREMENTS.

BUILDING 'A' CODE DATA

NET MARKET AREA (A/C SPACE)	101,745 SQ. FT.
GROSS MARKET AREA:	
GROUND FLOOR	36,822 SQ. FT.
2ND FLOOR	35,785 SQ. FT.
3RD FLOOR	36,306 SQ. FT.
TOTAL GROSS AREA:	108,913 SQ. FT.
CONSTRUCTION TYPE:	V-A
OCCUPANCY TYPE:	R-2
FIRE SPRINKLER:	YES (NFPA 13R) NFPA 13 @ CLUB & UNITS ABOVE
FIRE ALARMS:	YES
EMERGENCY LIGHTING:	YES
2-HR FIRE WALL:	YES
AGE OF BUILDING:	NEW

02/08/2021

REGISTERED ARCHITECT STATE OF TEXAS

Cross architects

ARCHITECT:
CROSS ARCHITECTS, PLLC
879 JUNCTION DRIVE
ALLEN, TEXAS 75013
P: 972.398.6644
WWW.CROSSARCHITECTS.COM

GALA AT CENTRAL PARK, SENIOR LIVING HURST, TEXAS

DATE: 09/28/2020

PROJECT NUMBER: 19021

REVISIONS

NO	DATE
2	11/20/2020
3	02/08/2021

ISSUED FOR: PERMIT

SHEET NUMBER

A4.04

BLDG. TYPE 'A' FIRST FLOOR PLAN

5a

BOARD ACTION REQUEST

ASSET MANAGEMENT DIVISION

JANUARY 12, 2023

Presentation, discussion, and possible action on an order adopting the amended 10 TAC Chapter 10 Subchapter E, Post Award and Asset Management Requirements, and directing its publication for adoption in the *Texas Register*

RECOMMENDED ACTION

WHEREAS, at its meeting of October 13, 2022, the Board approved for publication and public comment in the *Texas Register* the proposed amendments of 10 TAC Chapter 10 Subchapter E concerning the Post Award and Asset Management Requirements;

WHEREAS, the proposed amendments were published in the October 28, 2022, issue of the *Texas Register* for public comment between October 28, 2022, and November 18, 2022; and

WHEREAS, public comment was received from two commenters, and staff has prepared a reasoned response to the comments and incorporated a further revision in response to a comment into the final rule for adoption;

NOW, therefore, it is hereby

RESOLVED, that the final order adopting the amendments to 10 TAC Chapter 10 Subchapter E, together with the preambles presented to the meeting, is hereby ordered and approved for publication in the *Texas Register*;

FURTHER RESOLVED, that the Executive Director and his designees be and each them hereby are authorized, empowered, and directed, for and on behalf of the Department, to cause the amended 10 TAC Chapter 10 Subchapter E concerning Post Award and Asset Management Requirements in the form presented to this meeting, to be published in the *Texas Register* for final adoption, and in connection therewith, make such non-substantive technical corrections, or preamble-related corrections, as they may deem necessary to effectuate the foregoing, including the preparation and requested revisions to the subchapter specific preambles.

BACKGROUND

Tex. Gov't Code §2306.053 provides for the Department to administer federal housing, community affairs, or community development programs, including the low income housing tax credit program. The Asset Management Division and its Rules, as a whole, are an integral part of administering the Department's federal housing programs, assisting in reviewing and ensuring the long-term affordability and safety of multifamily rental housing Developments in the Department's portfolio as required under Tex. Gov't Code §§2306.185 and 2306.186, performing the functions of processing amendments and ownership transfers as required under §§2306.6712 and 2306.6713, and performing essential functions required under various federal program (HOME, HOME-ARP, NSP, NHTF, Exchange, TCAP, and ERA) rules and under Section 42 of the Internal Revenue Code.

While Tex. Gov't Code provides for direction and authority for certain specific activities for the Division, it does not provide the administrative specificity necessary to address all of the asset management activities that are necessary to ensure all state and federal program requirements are met. As such, these rules set Department policy to the extent necessary to provide for the administrative implementation of federal and state directives and requirements.

Staff recommends that these rules be retained and that this be accomplished through the adopted amendment of the existing rules. The amendments correct references to establish consistency with rules in 10 TAC Chapter 11 Subchapter D, add an update to the 10% Test requirements in order to agree with requirements specified in in §10.607(a) of this title (relating to Reporting Requirements), add a requirement to identify the construction start date with the Construction Status Report submission, add HOME-ARP to the list of developments that must submit an annual rent review in order to comply with federal rules, add a requirement to the ownership transfer section to require notification to the Department and the tenants of a deed in lieu of foreclosure and clarification that Special Reserves must remain with the development. The amendments also add clarification to the Right of First Refusal requirements to agree with statutory requirements and clarification that a CHDO or CHDO affiliate is not required to be the sole controlling entity in a Development Owner's structure, unless the Development is in the federal affordability period and funded under the HOME Program CHDO set-aside.

The Board approved the publication of the proposed amendments to 10 TAC Subchapter E, concerning Post Award and Asset Management Requirements at the meeting on October 13, 2022, to be published in the *Texas Register* for public comment. The proposed amendments were published in the October 28, 2022, issue of the *Texas Register* and made available for public comment from October 28, 2022, through November 18, 2022. Staff has reviewed all comments received and provided a reasoned response to these comments in the attached preamble. Also attached is a black-line version of the amended 10 TAC Subchapter E that reflects the change proposed by the Department after consideration of public comment.

Attachment 1: Preamble, including required analysis, for adopting the amendment of 10 TAC Chapter 10, Subchapter E, §§10.400-10.408, Post Award and Asset Management Requirements

The Texas Department of Housing and Community Affairs (the "Department") adopts the amendment to 10 TAC Chapter 10, Subchapter E, §§10.400 – 10.408, Post Award and Asset Management Requirements to the proposed text as published in the October 28, 2022, issue of the *Texas Register*. The purpose of the amendment is to make corrections to gain consistency across other sections of rule, correct references, clarify existing language and processes that will ensure accurate processing of post award activities, and to communicate more effectively with multifamily Development Owners regarding their responsibilities after funding or award by the Department.

Tex. Gov't Code §2001.0045(b) does not apply to the amended rule because it was determined that no costs are associated with this action, and therefore no costs warrant being offset. In general, most changes were corrective in nature, intended to gain consistency across other sections of rule, correct rule references, and clarify language or processes to more adequately communicate the language or process. The only substantial change, located in §10.406 Ownership Transfers (§2306.6713), added clarification under §10.406(a) that a transfer involving a deed-in-lieu of foreclosure does not require approval from Executive, and added a requirement that advance notice must be provided to the Department and the tenants prior to finalizing a deed-in-lieu transfer.

The Department has analyzed this proposed rulemaking and the analysis is described below for each category of analysis performed.

a. GOVERNMENT GROWTH IMPACT STATEMENT REQUIRED BY TEX. GOV'T CODE §2001.0221.

1. Mr. Bobby Wilkinson, Executive Director, has determined that, for the first five years the amended rule would be in effect, the amendment does not create or eliminate a government program, but relates to changes to an existing activity, concerning the post award activities of Low Income Housing Tax Credit (LIHTC) and other Department-funded multifamily Developments.

2. The amendment does not require a change in work that would require the creation of new employee positions, nor are the amendments significant enough to reduce work load to a degree that any existing employee positions are eliminated.

3. The amendment does not require additional future legislative appropriations.

4. The amendment does not result in an increase in fees paid to the Department or in a substantial decrease in fees paid to the Department.

5. The amendment is not creating a new regulation, but are revisions to provide additional clarification.

6. The amendment will not repeal an existing regulation.

7. The amendment will not increase or decrease the number of individuals subject to the rule's applicability.

8. The amendment will not negatively or positively affect this state's economy.

b. ADVERSE ECONOMIC IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES AND REGULATORY FLEXIBILITY REQUIRED BY TEX. GOV'T CODE §2006.002.

1. The Department has evaluated this amended rule and determined that none of the adverse effect strategies outlined in Tex. Gov't Code §2006.002(b) are applicable.

2. This amended rule relates to the procedures for the handling of post award and asset management activities of multifamily developments awarded funds through various Department programs. Other than in the case of a small or micro-business that is an owner or a party to one of the Department's properties, no small or micro-businesses are subject to the amended rule. If a small or micro-business is such an owner or participant, the amended rule provides for a more clear, transparent process for doing

so and do not result in a negative impact for those small or micro-businesses. There are not likely to be any rural communities subject to the amended rule because this amended rule is applicable only to the owners or operators of properties in the Department's portfolio, not municipalities.

3. The Department has determined that because this amended rule relates only to the process in use for the post award and asset management activities of the Department's portfolio, there will be no economic effect on small or micro-businesses or rural communities.

c. TAKINGS IMPACT ASSESSMENT REQUIRED BY TEX. GOV'T CODE §2007.043. The amendment does not contemplate or authorize a taking by the Department, therefore no Takings Impact Assessment is required.

d. LOCAL EMPLOYMENT IMPACT STATEMENTS REQUIRED BY TEX. GOV'T CODE §2001.024(a)(6).

The Department has evaluated the amended rule as to its possible effects on local economies and has determined that for the first five years the amended rule will be in effect, there will be no economic effect on local employment, because the amended rule only provides for administrative processes required of properties in the Department's portfolio. No program funds are channeled through this amended rule, so no activities under this amended rule would support additional local employment opportunities. Alternatively, the amended rule would also not cause any negative impact on employment. Therefore no local employment impact statement is required to be prepared for the amended rule.

Texas Gov't Code §2001.022(a) states that this "impact statement must describe in detail the probable effect of the rule on employment in each geographic region affected by this rule…" Considering that no impact is expected on a statewide basis, there are also no "probable" effects of the amended rule on particular geographic regions.

e. PUBLIC BENEFIT/COST NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(5). Mr. Wilkinson has determined that, for each year of the first five years the amended rule is in effect, the benefit anticipated as a result of the amended sections would be increased clarity and consistency across rule sections. There will not be economic costs to individuals required to comply with the amendment.

f. FISCAL NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(4). Mr. Wilkinson also has determined that for each year of the first five years the amended rule is in effect, enforcing or administering the amended rule does not have any foreseeable implications related to costs or revenues of the state or local governments.

SUMMARY OF PUBLIC COMMENTS AND STAFF REASONED RESPONSE. The Department accepted public comment between October 28, 2022, and November 18, 2022. Comments regarding the amended rule were accepted in writing and e-mail with comments received from: (1) Sally Gaskin, President of SGI Ventures, and (2) Roger Arriaga, Executive Director of Texas Affiliation of Affordable Housing Providers (TAAHP). Comments were received on §10.401(a)(6) – 10% Test (Competitive HTC Only) and §10.401(b)(5) – Construction Status Report (All Multifamily Developments).

§10.401 Housing Tax Credit and Tax Exempt Bond Developments

COMMENT SUMMARY: Commenters (1) and (2) recommended that the Fair Housing Training requirement in §10.401(a)(6), that specifies training certificates cannot be older than two years from the date of the submission of the 10% Test documentation, be changed to every five years unless there is a change in the Fair Housing Rule. Commenter (1) stated that the two-year requirement is extremely repetitive and burdensome. Commenter (2) stated that there have been no changes to the Fair Housing Act. The trainings have been the same from year to year, and therefore no significant value is provided by limiting the applicability of a certification earned to two years from the date of submission of the 10% Test documentation. Therefore, they propose to require the certification to be no older than five years from the submission of the 10% Test documentation to eliminate the administrative burden for all applicable parties by creating a more practically applicable parameter.

STAFF RESPONSE: Staff determined that the change cannot be made to the rule because it will create a conflict with 10 TAC Chapter 11 Subchapter D §11.906(d)(1) and (2) concerning Post Bond Closing Documentation Requirements that specifies Fair Housing training certificates must not be older than two years from the date of the submission. Staff also consulted with the Fair Housing Division of the Department and confirmed that no change is recommended to the current requirement in the rules because certified fair housing training providers must include the most up-to-date guidance from HUD. Therefore, new guidance might be missed in some cases if the training is only required in five-year cycles.

COMMENT SUMMARY: Commenter (2) states they disagree with the revision in §10.401(b)(5) regarding the identification of the construction start date on all Third Party construction inspection reports. They state that, due to the limited control they have over what information the third party includes in the reports, they are concerned that requiring this data point after the initial report will create an administrative burden for the owner in navigating the change with the third party construction inspectors and the Department in having to cite inconsequential deficiencies. Therefore, Commenter suggests inserting "(initial submission only)" to the language in §10.401(b)(5) in order to avoid requiring the construction start date to be identified on all subsequent Third Party construction inspection reports.

STAFF RESPONSE: Staff agrees with the Commenter and recommends adoption of the suggested change.

The Board adopted the final order adopting the proposed amendment on January 12, 2023.

STATUTORY AUTHORITY. The amendment is adopted pursuant to Tex. Gov't Code §2306.053, which authorizes the Department to adopt rules. Except as described herein, the amended sections affect no other code, article, or statute. The amendment has been reviewed by legal counsel and found to be a valid exercise of the Department's legal authority.

§10.401 Housing Tax Credit and Tax Exempt Bond Developments

(a) 10% Test (Competitive HTC Only). No later than July 1 of the year following the submission of the Carryover Allocation Agreement or as otherwise specified in the applicable year's Qualified Allocation Plan, documentation must be submitted to the Department verifying that the Development Owner has expended more than 10% of the Development Owner's reasonably expected basis, pursuant to §42(h)(1)(E)(i) and (ii) of the Code and Treasury Regulations, 26 CFR §1.42-6. The Development Owner must submit, in the form prescribed by the Department, documentation evidencing paragraphs (1) - (7) of this subsection, along with all information outlined in the Post Award Activities Manual. Satisfaction of the 10% Test will be contingent upon the submission of the items described in paragraphs (1) - (7) of this subsection as well as all other conditions placed upon the Application in the Commitment. Requests for an extension will be reviewed on a case by case basis as addressed in §10.405(c) of this subchapter and §11.2 of this title, as applicable, and a point deduction evaluation will be completed in accordance with Tex. Gov't Code §2306.6710(b)(2) and §11.9(g) of this title. Documentation to be submitted for the 10% Test includes:

(1) An Independent Accountant's Report and Taxpayer's Basis Schedule form. The report must be prepared on the accounting firm's letterhead and addressed to the Development Owner or an Affiliate of the Development Owner. The Independent Accountant's Report and Taxpayers Basis Schedule form must be signed by the Development Owner. If, at the time the accountant is reviewing and preparing their report, the accountant has concluded that the taxpayer's reasonably expected basis is different from the amount reflected in the Carryover Allocation agreement, then the accountant's report should reflect the taxpayer's reasonably expected basis as of the time the report is being prepared;

(2) Any conditions of the Commitment or Real Estate Analysis underwriting report due at the time of 10% Test submission;

(3) Evidence that the Development Owner has purchased, transferred, leased, or otherwise has ownership of the Development Site and a current title policy. The Development Site must be identical to the Development Site that was submitted at the time of Application submission. For purposes of this paragraph, any changes to the Development Site acreage between Application and 10% Test must be addressed by written explanation or, as appropriate, in accordance with §10.405 of this subchapter (relating to Amendments and Extensions);

(4) A current survey or plat of the Development Site, prepared and certified by a duly licensed Texas Registered Professional Land Surveyor. The survey or plat must clearly delineate the flood plain boundary lines and show all easements and encroachments;

(5) For New Construction, Reconstruction, and Adaptive Reuse Developments, a certification from a Third Party civil engineer or architect stating that all necessary utilities will be available at the Development Site and that there are no easements, licenses, royalties, or other conditions on or affecting the Development that would materially or adversely impact the ability to acquire, develop, and operate as set forth in the Application. Copies of supporting documents may be required by the Department;

(6) For the Development Owner and on-site or regional property manager, training certificate(s) from a Department approved "property owner and manager Fair Housing trainer" showing that the Development Owner and on-site or regional property manager attended and passed at least five hours of Fair Housing training. For architects and engineers, training certificate(s) from a Department approved "architect and engineer Fair Housing trainer" showing that the lead architect or engineer responsible for certifying compliance with the Department's accessibility and construction standards has attended and passed at least five hours of Fair Housing training. Certifications required under this paragraph must not be older than two years from the date of submission of the 10% Test Documentation, and must verify that all parts or phases of the offered training have been completed; two certificates supplied for the same part or phase of an offered training will not be counted towards the five hour required minimum, even if they were attended on different dates; and

(7) A Certification from the lender and syndicator identifying all known Guarantors. If identified Guarantors have changed from the Guarantors or Principals identified at the time of Application, a non-material amendment may be required in accordance with §10.405 of this subchapter (relating to Amendments and Extensions), and the new Guarantors or Principals must be reviewed in accordance with Chapter 1, Subchapter C of this title (relating to Previous Participation and Executive Award Review and Advisory Committee).

(8) Evidence of submission of the CMTS Filing Agreement pursuant to §10.607(a) of this title (relating to Reporting Requirements).

(b) Construction Status Report (All Multifamily Developments). All multifamily Developments must submit a construction status report. Construction status reports shall be due by the tenth day of the month following each reporting quarter's end (January, April, July, and October) and continue on a quarterly basis until the entire Development is complete as evidenced by one of the following: Certificates of occupancy for each building, the Architect's Certificate(s) of Substantial Completion (AIA Document G704 or equivalent form) for the entire Development, the final Application and Certificate for Payment (AIA Document G702 and G703), or an equivalent form approved for submission by the construction lender and/or investor. For Competitive Housing Tax Credit Developments, the initial report must be submitted no later than October 10th following the year of award (this includes Developments funded with HTC and TDHCA Multifamily Direct Loans), and for Developments awarded under the Department's Multifamily Direct Loan programs only, the initial report must be submitted 90 calendar days after loan closing. For Tax Exempt Bond Developments, the initial construction status report must be submitted as part of the Post Bond Closing Documentation due no later than 60 calendar days following closing on the bonds. The initial report for all multifamily Developments shall consist of the items identified in paragraphs (1) - (6) of this subsection, unless stated otherwise. All subsequent reports shall contain items identified in paragraphs (4) - (6) of this paragraph and must include any changes or amendments to items in paragraphs (1) - (3) if applicable:

(1) The executed partnership agreement with the investor or, for Developments receiving an award only from the Department's Direct Loan Program, other documents setting forth the legal structure and ownership. If identified Guarantors or Principals of a Guarantor entity were not already identified as a Principal of the Owner, Developer, or Guarantor at the time of Application, a non-material amendment must be requested in accordance with §10.405 of this subchapter, and the new Guarantors and all of its Principals, as applicable, must be reviewed in accordance with

Chapter 1, Subchapter C of this title (relating to Previous Participation and Executive Award Review and Advisory Committee);

(2) The executed construction contract for the General Contractor, prime subcontractor(s) and Affiliates or Related Party subcontractor(s);

(3) The construction loan agreement. If the loan has not closed, the anticipated closing date must be provided and, upon closing, the agreement must be provided to the Department;

(4) The most recent Application and Certificate for Payment (AIA Document G702 and G703) certified by the Architect of Record (or equivalent form approved for submission by the construction lender and/or investor) for the General Contractor, prime subcontractor(s) and Affiliates or Related Party subcontractor(s);

(5) All Third Party construction inspection reports not previously submitted. If the lender and/or investor does not require third party construction inspection reports, the Development Owner must hire a third party inspector to perform these inspections on a quarterly basis and submit the reports to the Department. Third Party construction inspection reports must include, at a minimum, the date construction started (initial submission only), a discussion of site conditions as of the date of the site visit, current photographs of the construction site and exterior and interior of buildings, an estimated percentage of construction completion as of the date of the site visit, identification of construction delays and other relevant progress issues, if any, and the anticipated construction completion date; and

(6) Minority Owned Business Report (HTC only) showing the attempt to ensure that at least 30% of the construction and management businesses with which the Applicant contracts in connection with the Development are Minority Owned Businesses as required and further described in Tex. Gov't Code §2306.6734.

(c) LURA Origination.

(1) The Development Owner must request origination of the HTC LURA as directed in the Post Award Activities Manual. The Department will draft a LURA for the Development Owner that will impose the income and rent restrictions identified in the Development's final underwriting report and other representations made in the Application, including but not limited to specific commitments to provide tenant services, to lease to Persons with Disabilities, and/or to provide specific amenities. After origination, the Department executed LURA and all exhibits and addendums will be sent to the Development Owner to execute and record in the real property records for the county in which the Development is located. A copy of the fully executed, recorded LURA must be returned to the Department no later than the end of the first year of the Credit Period. In general, no Housing Tax Credits are allowed to be issued for a building unless there is a properly executed and recorded LURA in effect at the end of the first year of the Credit Period. Nothing in this section negates a Development Owner's responsibility for full compliance with §42(h)(6) of the Code. The Department will not issue IRS Form(s) 8609 until it receives a copy of the fully executed, recorded LURA.

(2) LURAs for Direct Loan awardees will be prepared by the Department's Legal Division and executed at loan closing.

(d) Cost Certification (Competitive and Non-Competitive HTC, and related activities only). The Department conducts a feasibility analysis in accordance with §42(m)(2)(C)(i)(III) of the Code and Chapter 11, Subchapter D of this title (relating to Underwriting and Loan Policy) to make a final determination on the allocation of Housing Tax Credits. For Non-Competitive HTC Developments, the amount of tax credits reflected in the IRS Form(s) 8609 may be greater or less than the amount set forth in the Determination Notice based upon the Department's determination as of each building's placement in service. Any increase of tax credits will only be permitted if it is determined necessary by the Department, as required by §42(m)(2)(D) of the Code through the submission of the Cost Certification package. Increases to the amount of tax credits that exceed 120% of the amount of credits reflected in the Determination Notice must be approved by the Board. Increases to the amount of tax credits that do not exceed 120% of the amount of credits reflected in the Determination Notice may be approved administratively by the Executive Director or designee. All credit increases are subject to the Tax-Exempt Bond Credit Increase Request Fee as described in Chapter 11, Subchapter E of this Part (relating to Fee Schedule, Appeals, and other Provisions). The requirements for cost certification include those identified in paragraphs (1) - (3) of this subsection.

(1) Development Owners must file cost certification documentation no later than January 15 following the first year of the Credit Period, as defined in §42(f)(1) of the Code.

(2) The Department will evaluate the cost certification documentation and notify the Development Owner of any additional required documentation needed to complete the review. The Department reserves the right to request additional documents or certifications as it deems necessary or useful in the determination of the Development's eligibility for a final Housing Tax Credit allocation amount. Any communication issued to the Development Owner pertaining to the cost certification documentation may also be sent to the syndicator.

(3) IRS Form(s) 8609 will not be issued until the conditions as stated in subparagraphs (A) - (G) of this paragraph have been met. The Development Owner has:

(A) Provided evidence that all buildings in the Development have been placed in service by:

(i) December 31 of the year the Commitment was issued;

(ii) December 31 of the second year following the year the Carryover Allocation Agreement was executed; or

(iii) the approved Placed in Service deadline;

(B) Provided a complete final cost certification package in the format prescribed by the Department. As used herein, a complete final cost certification package means a package that meets all of the Department's criteria with all required information and exhibits listed in clauses (i) - (xxxiv) of this subparagraph, and pursuant to the Post Award Activities Manual. If any item on this list is determined to be unclear, deficient, or inconsistent with the cost certification review completed by the Department, a Request for Information (RFI) will be sent to the Development Owner. Requirements include:

(i) Owner's signed and notarized Statement of Certification verifying the CPA firm's licenses and validity, including any restrictions;

(ii) Owner Summary & Organization Charts for the Owner, Developer, and Guarantors;

(iii) Evidence of Qualified Nonprofit or CHDO Participation;

(iv) Certification and evidence of Historically Underutilized Business (HUB) Participation;

(v) Development Team List;

(vi) Development Summary with Architect's Certification;

(vii) Development Change Documentation;

(viii) As Built Survey;

(ix) A copy of the fully executed Closing Statement for each parcel of land and/or buildings purchased and included in the Development;

(x) Development Owner's Title Policy for the Development;

(xi) Title Policy Update;

(xii) Placement in Service;

(xiii) Evidence of Placement in Service;

(xiv) Architect's Certification of Completion Date and Date Ready for Occupancy (for Developments located in areas where Certificates of Occupancy (COs) are not issued by a local government or rehabilitation Developments that cannot provide COs);

(xv) Auditor's Certification of Acquisition/Rehabilitation Placement in Service Election;

(xvi) Independent Auditor's Report;

(xvii) Independent Auditor's Report of Bond Financing;

(xviii) Development Cost Schedule;

(xix) Contractor's Application for Final Payment (G702/G703) for the General Contractor, all prime subcontractors, Affiliated Contractors, and Related Party Contractors;

(xx) Additional Documentation of Offsite Costs;

(xxi) Rent Schedule;

(xxii) Utility Allowances;

(xxiii) Annual Operating Expenses;

(xxiv) 30 Year Rental Housing Operating Pro Forma;

(xxv) Current Operating Statement in the form of a trailing twelve month statement;

(xxvi) Current Rent Roll;

(xxvii) Summary of Sources and Uses of Funds;

(xxviii) Final Limited Partnership Agreement with all amendments and exhibits;

(xxix) All Loan Agreements and Promissory Notes (except for Agreements and Notes issued directly by the Department);

(xxx) Architect's Certification of Accessibility Requirements;

(xxxi) Development Owner Assignment of Individual to Compliance Training;

(xxxii) TDHCA Compliance Training Certificate (not older than two years from the date of cost certification submission);

(xxxiii) TDHCA Final Inspection Clearance Letter or evidence of submitted final inspection request to the Compliance Division (IRS Form(s) 8609 will not be issued without a TDHCA Final Inspection Clearance Letter); and

(xxxiv) Other Documentation as Required, including but not limited to conditions to be satisfied at cost certification as reflected in the Development's latest Underwriting Report;

(C) Informed the Department of and received written approval for all amendments, extensions, and changes in ownership relating to the Development in accordance with §10.405 of this subchapter (relating to Amendments and Extensions) and §10.406 of this subchapter (relating to Ownership Transfers (§2306.6713));

(D) Paid all applicable Department fees, including any past due fees;

(E) Met all conditions noted in the Department underwriting report, Determination Notice, and Commitment;

(F) Corrected all issues of noncompliance, including but not limited to noncompliance status with the LURA (or any other document containing an Extended Low-income Housing Commitment) or the program rules in effect for the subject Development, as described in this chapter. Developments in the corrective action period and/or with any uncorrected issues of noncompliance outside of the corrective action period will not be issued IRS Form(s) 8609s until all events of noncompliance are corrected or otherwise approved by the Executive Director or designee; and

(G) Completed an updated underwriting evaluation in accordance with Chapter 11, Subchapter D of this Part based on the most current information at the time of the review.

§10.403 Review of Annual HOME, HOME-ARP, NSP, TCAP-RF, and National Housing Trust Fund Rents

(a) Applicability. For participants of the Department's Multifamily HOME, HOME American Rescue Plan (HOME-ARP), and NSP Direct Loan program, where Commitment of Funds occurred on or after August 23, 2013, the Department is required by 24 CFR §92.252(f) and for all National Housing Trust Fund (NHTF) recipients by 24 CFR §93.302(c)(2), to review and approve or disapprove HOME/HOME-ARP/NSP/NHTF rents on an annual basis. The Department is also required by 24 CFR §92.219 and §92.252(d)(2) to approve rents where Multifamily Direct Loan funds (including TCAP-RF) are used as HOME match. Development Owners must submit documentation for the review of HOME/HOME-ARP/NSP/NHTF/TCAP-RF rents by no later than August 1st of each year as further described in the Post Award Activities Manual.

(b) Documentation for Review. The Department will furnish a rent approval request packet for this purpose that will include a request for Development information and an Owner's proposed rent schedule and will require submission of a current rent roll, the most recent 12-month operating statement for the Development, and utility allowance information. The Department may request additional documentation to perform a determination, as needed, including but not limited to annual operating statements, market surveys, or other information related to determining whether rents are sufficient to maintain the financial viability of a project or are in compliance with maximum rent limits.

(c) Review Process. Rents will be approved or disapproved within 30 days of receipt of all items required to be submitted by the Development Owner, and will be issued in the form of a signed letter from the Asset Management Division. Development Owners must keep copies of all approval letters on file at the Development site to be reviewed at the time of Compliance Monitoring reviews.

(d) Compliance. Development Owners for whom this section is applicable are subject to compliance under §10.622 of this chapter (relating to Special Rules Regarding Rents and Limit Violations) and may be subject to penalties under §10.625 of this chapter (relating to Events of Noncompliance). Approval of rents by the Asset Management Division will be limited to a review of the documentation submitted and will not guarantee compliance with the Department's rules or otherwise absolve an Owner of any past, current, or future non-compliance related to Department rules, guidance, Compliance Monitoring visits, or any other rules or guidance to which the Development or its Owner may be subject.

§10.405 Amendments and Extensions

(a) Amendments to Housing Tax Credit (HTC) Application or Award Prior to Land Use Restriction Agreement (LURA) recording or amendments that do not result in a change to the LURA (§2306.6712). The Department expects the Development Owner to construct or rehabilitate, operate, and own the Development consistent with the representations in the Application. The Department must receive notification of any amendments to the Application. Regardless of development stage, the Board shall re-evaluate a Development that undergoes a material change, as identified in paragraph (3) of this subsection at any time after the initial Board approval of the Development (§2306.6731(b)). The Board may deny an amendment request and subsequently may rescind any Commitment or Determination Notice issued for an Application, and may reallocate the credits to other Applicants on the waiting list.

(1) Requesting an amendment. The Department shall require the Applicant to file a formal, written

request for an amendment to the Application. Such request must include a detailed explanation of the amendment request and other information as determined to be necessary by the Department, and the applicable fee as identified in Chapter 11, Subchapter E of this title (relating to Fee Schedule, Appeals, and other Provisions) in order to be received and processed by the Department. Department staff will evaluate the amendment request to determine if the change would affect an allocation of Housing Tax Credits by changing any item that received points, by significantly affecting the most recent underwriting analysis, or by materially altering the Development as further described in this subsection.

(2) Notification Items. The Department must be notified of the changes described in subparagraphs (A) - (F) of this paragraph. The changes identified are subject to staff agreement based on a review of the amendment request and any additional information or documentation requested. Notification items will be considered satisfied when an acknowledgment of the specific change(s) is received from the Department and include:

(A) Changes to Development Site acreage required by the City or other local governmental authority, or changes resulting from survey discrepancies, as long as such change does not also result in a modification to the residential density of more than 5%;

(B) Minor modifications to the site plan that will not significantly impact development costs, including, but not limited to, relocation or rearrangement of buildings on the site (as long as the number of residential and non-residential buildings remains the same), and movement, addition, or deletion of ingress/egress to the site;

(C) Increases or decreases in net rentable square footage or common areas that do not result in a material amendment under paragraph (4) of this subsection;

(D) Changes in amenities that do not require a change to the recorded LURA and do not negatively impact scoring, including changes to outdated amenities that could be replaced by an amenity with equal benefit to the resident community;

(E) Changes in Developers or Guarantors (notifications for changes in Guarantors that are also the General Contractor or are only providing guaranties during the construction period are not required) with no new Principals (who were not previously checked by Previous Participation review that retain the natural person(s) used to meet the experience requirement in Chapter 11 of this title (relating to Qualified Allocation Plan)); and

(F) Any other amendment not identified in paragraphs (3) and (4) of this subsection.

(3) Non-material amendments. The Executive Director or designee may administratively approve all non-material amendments, including, but not limited to:

(A) Any amendment that is determined by staff to exceed the scope of notification acknowledgement, as identified in paragraph (2) of this subsection but not to rise to a material alteration, as identified in paragraph (4) of this subsection;

(B) Changes in the natural person(s) used to meet the experience requirement in Chapter 11, §11.204(6) of this title provided that an appropriate substitute has been approved by the

Multifamily Division prior to receipt of the amendment request (relating to Required Documentation for Application Submission);

(C) Changes in Developers or Guarantors (excluding changes in Guarantors that are also the General Contractor or are only providing guaranties during the construction period) not addressed in §10.405(a)(2)(E). Changes in Developers or Guarantors will be subject to Previous Participation requirements as further described in Chapter 11 of this title and the credit limitation described in §11.4(a) of this title; and

(D) For Exchange Developments only, requests to change elections made on line 8(b) of the IRS Form(s) 8609 to group buildings together into one or more multiple building projects. The request must include an attached statement identifying the buildings in the project. The change to the election may only be made once during the Compliance Period.

(4) Material amendments. Amendments considered material pursuant to this paragraph must be approved by the Board. When an amendment request requires Board approval, the Development Owner must submit the request and all required documentation necessary for staff's review of the request to the Department at least 45 calendar days prior to the Board meeting in which the amendment is anticipated to be considered. Before the 15th day preceding the date of Board action on the amendment, notice of an amendment and the recommendation of the Executive Director and Department staff regarding the amendment will be posted to the Department's website and the Applicant will be notified of the posting (§2306.6717(a)(4)). Material Amendment requests may be denied if the Board determines that the modification proposed in the amendment would materially alter the Development in a negative manner or would have adversely affected the selection of the Application in the Application Round. Material alteration of a Development includes, but is not limited to:

(A) A significant modification of the site plan;

(B) A modification of the number of Units or bedroom mix of Units;

(C) A substantive modification of the scope of tenant services;

(D) A reduction of 3% or more in the square footage of the Units or common areas;

(E) A significant modification of the architectural design of the Development;

(F) A modification of the residential density of at least 5%;

(G) A request to implement a revised election under §42(g) of the Code prior to filing of IRS Form(s) 8609;

(H) Exclusion of any requirements as identified in Chapter 11, Subchapter B of this title (relating to Site and Development Requirements and Restrictions) and Chapter 11, Subchapter C of this title (relating to Application Submission Requirements, Ineligibility Criteria, Board Decisions and Waiver of Rules); or

(I) Any other modification considered material by the staff and therefore required to be presented to the Board as such.

(5) Amendment requests will be denied if the Department finds that the request would have changed the scoring of an Application in the competitive process such that the Application would not have received a funding award or if the need for the proposed modification was reasonably foreseeable or preventable by the Applicant at the time the Application was submitted, unless good cause is found for the approval of the amendment.

(6) This section shall be administered in a manner that is consistent with §42 of the Code. If a Development has any uncorrected issues of noncompliance outside of the corrective action period (other than the provision being amended) or otherwise owes fees to the Department, such non-compliance or outstanding payment must be resolved to the satisfaction of the Department before a request for amendment will be acted upon.

(7) In the event that an Applicant or Developer seeks to be released from the commitment to serve the income level of tenants identified in the Application and Credit Underwriting Analysis Report at the time of award and as approved by the Board, the procedure described in subparagraphs (A) and (B) of this paragraph will apply to the extent such request is not prohibited based on statutory and/or regulatory provisions:

(A) For amendments that involve a reduction in the total number of Low-Income Units, or a reduction in the number of Low-Income Units at any rent or income level, as approved by the Board, evidence noted in either clause (i) or (ii) of this subparagraph must be presented to the Department to support the amendment:

(i) In the event of a request to implement (rent to a household at an income or rent level that exceeds the approved AMI limits established by the minimum election within the Development's Application or LURA) a revised election under §42(g) of the Code prior to an Owner's submission of IRS Form(s) 8609 to the IRS, Owners must submit updated information and exhibits to the Application as required by the Department and all lenders and the syndicator must submit written acknowledgement that they are aware of the changes being requested and confirm any changes in terms as a result of the new election; or

(ii) For all other requests for reductions in the total number of Low-Income Units or reductions in the number of Low-Income Units at any rent or income level, prior to issuance of IRS Form(s) 8609 by the Department, the lender and syndicator must submit written confirmation that the Development is infeasible without the adjustment in Units. The Board may or may not approve the amendment request; however, any affirmative recommendation to the Board is contingent upon concurrence from Department staff that the Unit adjustment is necessary for the continued financial feasibility of the Development; and

(B) If it is determined by the Department that the loss of low-income targeting points would have resulted in the Application not receiving an award in the year of allocation, and the amendment is approved by the Board, the approved amendment will carry a penalty that prohibits the Applicant and all Persons or entities with any ownership interest in the Application (excluding any tax credit purchaser/syndicator), from participation in the Housing Tax Credit Program (for both the Competitive Housing Tax Credit Developments and Tax-Exempt Bond Developments) for 24 months from the time that the amendment is approved.

(b) Amendments to the LURA. Department approval shall be required for any amendment to a LURA in accordance with this section. An amendment request shall be submitted in writing, containing a detailed explanation of the request, the reason the change is necessary, the good cause for the change, financial information related to any financial impact on the Development, information related to whether the necessity of the amendment was reasonably foreseeable at the time of application, and other information as determined to be necessary by the Department, along with any applicable fee as identified in Chapter 11, Subchapter E of this title (relating to Fee Schedule, Appeals, and other Provisions). The Department may order or require the Development Owner to order a Market Study or appraisal at the Development Owner's expense. If a Development has any uncorrected issues of noncompliance outside of the corrective action period (other than the provision being amended) or otherwise owes fees to the Department, such non-compliance or outstanding payment must be resolved to the satisfaction of the Department, before a request for amendment will be acted upon. The Department will not approve changes that would violate state or federal laws including the requirements of §42 of the Code, 24 CFR Part 92 (HOME Final Rule), 24 CFR Part 93 (NHTF Interim Rule), Chapter 1 of this title (relating to Administrative Requirements), Chapter 11 of this title (relating to Qualified Allocation Plan), Chapter 12 of this title (relating to Multifamily Housing Revenue Bond Rules), Chapter 13 of this title (relating to Multifamily Direct Loan Rule), Tex. Gov't Code, Chapter 2306, and the Fair Housing Act. For Tax-Exempt Bond Developments, compliance with their Regulatory Agreement and corresponding bond financing documents. Prior to staff taking a recommendation to the Board for consideration, the procedures described in paragraph (3) of this subsection must be followed.

(1) Non-Material LURA Amendments. The Executive Director or designee may administratively approve all LURA amendments not defined as Material LURA Amendments pursuant to paragraph (2) of this subsection. A non-material LURA amendment may include but is not limited to:

(A) HUB participation removal. Removal of a HUB participation requirement will only be processed as a non-material LURA amendment after the issuance of IRS Form(s) 8609 and requires that the Department find that:

(i) the HUB is requesting removal of its own volition or is being removed as the result of a default under the organizational documents of the Development Owner;

(ii) the participation by the HUB has been substantive and meaningful, or would have been substantive or meaningful had the HUB not defaulted under the organizational documents of the Development Owner, enabling it to realize not only financial benefit but to acquire skills relating to the ownership and operating of affordable housing; and

(iii) where the HUB will be replaced as a general partner or special limited partner that is not a HUB and will sell its ownership interest, an ownership transfer request must be submitted as described in §10.406 of this subchapter;

(B) A change resulting from a Department work out arrangement as recommended by the Department's Asset Management Division;

(C) A change in the Right of First Refusal period as described in amended §2306.6726 of the Tex. Gov't Code;

(D) Where the Board has approved a de minimis modification of the Unit Mix or bedroom mix of Units to increase the Development's accessibility; or

(E) A correction of error.

(2) Material LURA Amendments. Development Owners seeking LURA amendment requests that require Board approval must submit the request and all required documentation necessary for staff's review of the request to the Department at least 45 calendar days prior to the Board meeting at which the amendment is anticipated to be considered. Before the 15th day preceding the date of Board action on the amendment, notice of an amendment and the recommendation of the Executive Director and Department staff regarding the amendment will be posted to the Department's website and the Applicant will be notified of the posting. (§2306.6717(a)(4)). The Board must consider the following material LURA amendments:

(A) Reductions to the number of Low-Income Units;

(B) Changes to the income or rent restrictions;

(C) Changes to the Target Population;

(D) The removal of material participation by a Nonprofit Organization as further described in §10.406 of this subchapter;

(E) The removal of material participation by a HUB prior to filing of IRS Form(s) 8609;

(F) Any amendment that affects a right enforceable by a tenant or other third party under the LURA; or

(G) Any LURA amendment deemed material by the Executive Director.

(3) Prior to staff taking a recommendation to the Board for consideration, the Development Owner must provide notice and hold a public hearing regarding the requested amendment(s) at least 20 business days prior to the scheduled Board meeting where the request will be considered. Development Owners will be required to submit a copy of the notification with the amendment request. If a LURA amendment is requested prior to issuance of IRS Form(s) 8609 by the Department, notification must be provided to the recipients described in subparagraphs (A) - (E) of this paragraph. If an amendment is requested after issuance of IRS Form(s) 8609 by the Department, notification must be provided to the recipients described in subparagraph (A) - (B) of this paragraph. Notifications include:

(A) Each tenant of the Development;

(B) The current lender(s) and investor(s);

(C) The State Senator and State Representative of the districts whose boundaries include the Development Site;

(D) The chief elected official for the municipality (if the Development Site is within a municipality or its extraterritorial jurisdiction); and

(E) The county commissioners of the county in which the Development Site is located (if the Development Site is located outside of a municipality).

(4) Contents of Notification. The notification must include, at a minimum, all of the information described in subparagraphs (A) - (D) of this paragraph:

(A) The Development Owner's name, address and an individual contact name and phone number;

(B) The Development's name, address, and city;

(C) The change(s) requested; and

(D) The date, time and location of the public hearing where the change(s) will be discussed.

(5) Verification of public hearing. Minutes of the public hearing and attendance sheet must be submitted to the Department within three business days after the date of the public hearing.

(6) Approval. Once the LURA Amendment has been approved administratively or by the Board, as applicable, Department staff will provide the Development Owner with a LURA amendment for execution and recording in the county where the Development is located.

(c) HTC Extensions. Extensions must be requested if the original deadline associated with Carryover, the 10% Test (including submission and expenditure deadlines), construction status reports, or cost certification requirements will not be met. Extension requests submitted at least 30 calendar days in advance of the applicable deadline will not be required to submit an extension fee as described in §11.901 of this title. Any extension request submitted fewer than 30 days in advance of the applicable deadline or after the applicable deadline will not be processed unless accompanied by the applicable fee. Extension requests will be approved by the Executive Director or designee, unless, at staff's discretion it warrants Board approval due to extenuating circumstances stated in the request. The extension request must specify a requested extension date and the reason why such an extension is required. If the Development Owner is requesting an extension to the Carryover submission or 10% Test deadline(s), a point deduction evaluation will be completed in accordance with Tex. Gov't Code, §2306.6710(b)(2), and §11.9(g) of this title (relating to Factors Affecting Scoring and Eligibility in current and future Application Rounds). Therefore, the Development Owner must clearly describe in their request for an extension how the need for the extension was beyond the reasonable control of the Applicant/Development Owner and could not have been reasonably anticipated. Carryover extension requests will not be granted an extended deadline later than December 1st of the year the Commitment was issued.

§10.406 Ownership Transfers (§2306.6713)

(a) Ownership Transfer Notification. All multifamily Development Owners must provide written notice and a completed Ownership Transfer packet, if applicable, to the Department at least 45 calendar days prior to any sale, transfer, or exchange of the Development or any portion of or Controlling interest in the Development. Except as otherwise provided herein, the Executive Director's prior written approval of any such transfer is required. The Executive Director may not unreasonably withhold approval of the transfer requested in compliance with this section.

(b) Exceptions. The exceptions to the ownership transfer process in this subsection are applicable.

(1) A Development Owner shall be required to notify the Department but shall not be required to obtain Executive Director approval when the transferee is an Affiliate of the Development Owner with no new Principals or the transferee is a Related Party who does not Control the Development and the transfer is being made for estate planning purposes.

(2) Transfers that are the result of an involuntary removal of the general partner by the investment limited partner do not require advance approval but must be reported to the Department as soon as possible due to the sensitive timing and nature of this decision. In the event the investment limited partner has proposed a new general partner or will permanently replace the general partner, a full Ownership Transfer packet must be submitted.

(3) Changes to the investment limited partner, non-Controlling limited partner, or other non-Controlling partners affiliated with the investment limited partner do not require Executive Director approval. A General Partner's acquisition of the interest of the investment limited partner does not require Executive Director approval, unless some other change in ownership is occurring as part of the same overall transaction.

(4) Changes resulting from foreclosure do not require advance approval but acquiring parties must notify the Department as soon as possible of the revised ownership structure and ownership contact information.

(5) Changes resulting from a deed-in-lieu of foreclosure do not require Executive Director approval. However, advance notification must be provided to both the Department and to the tenants at least 30 days prior to finalizing the transfer. This notification must include information regarding the applicable rent/income requirements post deed in lieu of foreclosure.

(c) General Requirements.

(1) Any new Principal in the ownership of a Development must be eligible under §11.202 of Subchapter C (relating to Ineligible Applicants and Applications). In addition, Persons and Principals will be reviewed in accordance with Chapter 1, Subchapter C of this title (relating to Previous Participation and Executive Award Review and Advisory Committee).

(2) Changes in Developers or Guarantors must be addressed as non-material amendments to the application under §10.405 of this Subchapter.

(3) To the extent an investment limited partner or its Affiliate assumes a Controlling interest in a Development Owner, such acquisition shall be subject to the Ownership Transfer requirements set forth herein. Principals of the investment limited partner or Affiliate will be considered new Principals and will be reviewed as stated under paragraph (1) of this subsection.

(4) Simultaneous transfer or concurrent offering for sale of the General Partner's and Limited Partner's control and interest will be subject to the Ownership Transfer requirements set forth herein and will trigger a Right of First Refusal, if applicable.

(5) Any initial operating, capitalized operating, or replacement reserves funded with an allocation from the HOME American Rescue Plan (HOME-ARP) and Special Reserves required by the Department must remain with the Development.

(d) Transfer Actions Warranting Debarment. If the Department determines that the transfer, involuntary removal, or replacement was due to a default by the General Partner under the Limited Partnership Agreement, or other detrimental action that put the Development at risk of failure or the Department at risk for financial exposure as a result of non-compliance, staff will refer the matter to the Enforcement Committee for debarment consideration pursuant to §2.401 of this title (relating to Enforcement, Debarment from Participation in Programs Administered by the Department). In addition, a record of transfer involving Principals in new proposed awards will be reported and may be taken into consideration in accordance with Chapter 1, Subchapter C of this title (relating to Previous Participation and Executive Award Review and Advisory Committee), prior to recommending any new financing or allocation of credits.

(e) Transfers Prior to 8609 Issuance or Construction Completion. Prior to the issuance of IRS Form(s) 8609 (for Housing Tax Credits) or the completion of construction (for all Developments funded through other Department programs), an Applicant may request an amendment to its ownership structure to add Principals. The party(ies) reflected in the Application as having Control must remain in the ownership structure and retain Control, unless approved otherwise by the Executive Director. A development sponsor, General Partner or Development Owner may not sell the Development in whole or voluntarily end their Control prior to the issuance of 8609s.

(f) Nonprofit Organizations. If the ownership transfer request is to replace a nonprofit organization within the Development ownership entity, the replacement nonprofit entity must adhere to the requirements in paragraph (1) or (2) of this subsection.

(1) If the LURA requires ownership or material participation in ownership by a Qualified Nonprofit Organization, and the Development received Tax Credits pursuant to §42(h)(5) of the Code, the transferee must be a Qualified Nonprofit Organization that meets the requirements of §42(h)(5) of the Code and Tex. Gov't Code §2306.6706, if applicable, and can demonstrate planned participation in the operation of the Development on a regular, continuous, and substantial basis.

(2) If the LURA requires ownership or material participation in ownership by a nonprofit organization or CHDO, the Development Owner must show that the transferee is a nonprofit organization or CHDO, as applicable, that complies with the LURA. If the transferee has been certified as a CHDO by TDHCA prior to 2016 or has not previously been certified as a CHDO by TDHCA, a new CHDO certification package must be submitted for review. If the transferee was certified as a CHDO by TDHCA after 2016, provided no new federal guidance or rules concerning CHDO have been released and the proposed ownership structure at the time of review meets the requirements in 24 CFR Part 92, the CHDO may instead submit a CHDO Self-Certification form with the Ownership Transfer package.

(3) Exceptions to paragraphs (1) and (2) of this subsection may be made on a case by case basis if the Development (for MFDL) is past its Federal Affordability Period or (for HTC Developments) is past its Compliance Period, was not reported to the IRS as part of the Department's Nonprofit Set Aside in any HTC Award year, and follows the procedures outlined in §10.405(b)(1) - (5) of this subchapter. The Board must find that:

(A) The selling nonprofit is acting of its own volition or is being removed as the result of a default under the organizational documents of the Development Owner;

(B) The participation by the nonprofit was substantive and meaningful during the full term of the Compliance Period but is no longer substantive or meaningful to the operations of the Development; and

(C) The proposed purchaser is an affiliate of the current Owner or otherwise meets the Department's standards for ownership transfers.

(g) Historically Underutilized Business (HUB) Organizations. If a HUB is the general partner or special limited partner of a Development Owner and it determines to sell its ownership interest, after the issuance of IRS Form(s) 8609, the purchaser of that partnership interest or the general or special limited partner is not required to be a HUB as long as the LURA does not require it or the procedure described in §10.405(b)(1) of this chapter (relating to Non-Material LURA Amendments) has been followed and approved. The removal of a HUB requirement prior to filing of IRS Form(s) 8609 is subject to the procedure described in §10.405(b)(2) of this Chapter (relating to Material LURA Amendments).

(h) Documentation Required. A Development Owner must submit documentation requested by the Department to enable the Department to understand fully the facts and circumstances pertaining to the transfer and the effects of approval or denial. Documentation must be submitted as directed in the Post Award Activities Manual, which includes but is not limited to:

(1) A written explanation outlining the reason for the request;

(2) Ownership transfer information, including but not limited to the type of sale, terms of any new financing introduced as a result of the transfer, amount of Development reserves to transfer in the event of a property sale, and the prospective closing date;

(3) Pre and post transfer organizational charts with TINs of each organization down to the level of natural persons in the ownership structure as described in §11.204(13)(B) of Subchapter C of this title (relating to Required Documentation for Application Submission);

(4) A list of the names and contact information for transferees and Related Parties;

(5) Previous Participation information for any new Principal as described in §11.204(13)(C) of this title (relating to Required Documentation for Application Submission);

(6) Agreements among parties associated with the transfer;

(7) Owners Certifications with regard to materials submitted as further described in the Post Award Activities Manual;

(8) Detailed information describing the organizational structure, experience, and financial capacity of any party holding a controlling interest in any Principal or Controlling entity of the prospective Development Owner;

(9) Evidence and certification that the tenants in the Development have been notified in writing of the proposed transfer at least 30 calendar days prior to the date the transfer is approved by the Department. The ownership transfer approval letter will not be issued until this 30-day period has expired; and

(10) Any required exhibits and the list of exhibits related to specific circumstances of transfer or Ownership as detailed in the Post Award Activities Manual.

(i) Once the Department receives all necessary information under this section and as required under the Post Award Activities Manual, staff shall initiate a qualifications review of a transferee, in accordance with Chapter 1, Subchapter C of this title (relating to Previous Participation and Executive Award Review and Advisory Committee), to determine the transferee's past compliance with all aspects of the Department's programs, LURAs and eligibility under this chapter and §11.202 of this title (relating to Ineligible Applicants and Applications).

(j) Credit Limitation. As it relates to the Housing Tax Credit amount further described in §11.4(a) of this title (relating to Tax Credit Request and Award Limits), the credit amount will not be applied in circumstances described in paragraphs (1) and (2) of this subsection:

(1) In cases of transfers in which the syndicator, investor or limited partner is taking over ownership of the Development and not merely replacing the general partner; or

(2) In cases where the general partner is being replaced if the award of credits was made at least five years prior to the transfer request date.

(k) Penalties, Past Due Fees and Underfunded Reserves. The Development Owner must comply with any additional documentation requirements as stated in Subchapter F of this chapter (relating to Compliance Monitoring) and Subchapter G of this chapter (relating to Affirmative Marketing Requirements and Written Policies and Procedures). The Development Owner on record with the Department will be liable for any penalties or fees imposed by the Department (even if such penalty can be attributable to the new Development Owner) unless an ownership transfer has been approved by the Department. In the event a transferring Development has a history of uncorrected UPCS violations, ongoing issues related to keeping housing sanitary, safe, and decent, an account balance below the annual reserve deposit amount as specified in §10.404(a) (relating to Replacement Reserve Accounts), or that appears insufficient to meet capital expenditure needs as indicated by the number or cost of repairs included in a PNA or SCR, the prospective Development Owner may be required to establish and maintain a replacement reserve account or increase the amount of regular deposits to the replacement reserve account by entering into a Reserve Agreement with the Department. The Department may also request a plan and timeline relating to needed repairs or renovations that will be completed by the departing and/or incoming Owner as a condition to approving the Transfer. A PNA or SCR may be requested if one has not already been received under §10.404 of this section (relating to Reserve Accounts).

(l) Ownership Transfer Processing Fee. The ownership transfer request must be accompanied by the corresponding ownership transfer fee as outlined in §11.901 of this title (relating to Fee Schedule).

§10.407 Right of First Refusal

(a) General. This section applies to Development Owners that agreed to offer a Right of First Refusal (ROFR) to a Qualified Entity or as applicable a Qualified Nonprofit Organization, as memorialized in the applicable LURA. For the purposes of this section, a Qualified Nonprofit Organization also includes an entity 100% owned by a Qualified Nonprofit Organization pursuant to §42(h)(5)(C) of the Code and operated in a similar manner. The purpose of this section is to provide administrative procedures and guidance on the process and valuation of properties under the LURA. All requests for ROFR submitted to the Department, regardless of existing regulations, must adhere to this process.

(1) The Development Owner may market the Property for sale and enter into an agreement to sell the Property to a Qualified Entity, or as applicable a Qualified Nonprofit Organization without going through the ROFR process outlined in this section, unless otherwise restricted or prohibited and only in the following circumstances:

(A) The LURA includes a 90-day ROFR and the Development Owner is selling to a Qualified Nonprofit Organization;

(B) The LURA includes a two-year ROFR and the Development Owner is selling to a Qualified Nonprofit Organization that meets the definition of a Community Housing Development Organization (CHDO) under 24 CFR Part 92, as approved by the Department; or

(C) The LURA includes a 180-day ROFR, and the Development Owner is selling to a Qualified Entity that meets the definition of a CHDO under 24 CFR Part 92, or to an entity that includes a CHDO as one of its controlling members, as approved by the Department, or to the public housing authority or public facility corporation that owns the fee title to the Development Owner's leasehold estate.

(2) A ROFR request must be made in accordance with the LURA for the Development. If there is a conflict between the Development's LURA and this subchapter, every effort will be made to harmonize the provisions. If the conflict cannot be resolved, requirements in the LURA will supersede this subchapter. If there is a conflict between the Development's LURA and Tex. Gov't Code Chapter 2306, every effort will be made to harmonize the provisions. A Development Owner may request a LURA amendment to make the ROFR provisions in the LURA consistent with Tex. Gov't Code Chapter 2306 at any time.

(3) If a LURA includes the ROFR provision, the Development Owner may not request a Preliminary Qualified Contract (if such opportunity is available under the applicable LURA and §10.408 of this Subchapter) until the requirements outlined in this section have been satisfied.

(4) The Department reviews and approves all ownership transfers pursuant to §10.406 of this subchapter. Thus, if a proposed purchaser is identified by the Owner in accordance with paragraph (1) of this subsection or in the ROFR process, the Development Owner and proposed purchaser must complete the ownership transfer process. A Development Owner may not transfer a Development to a Qualified Nonprofit Organization or Qualified Entity that is considered an ineligible entity under the Department's rules. In addition, ownership transfers to a Qualified Entity or as applicable a Qualified Nonprofit Organization pursuant to the ROFR process are subject to Chapter 1, Subchapter C of this title (relating to Previous Participation and Executive Award Review and Advisory Committee).

(5) Satisfying the ROFR requirement does not terminate the LURA or the ongoing application of the ROFR requirement to any subsequent Development Owner.

(6) If there are multiple buildings in the Development, the end of the 15th year of the Compliance Period will be based upon the date the last building(s) began their credit period(s). For example, if five buildings in the Development began their credit periods in 2007 and one in 2008, the 15th year would be 2022. The ROFR process is triggered upon:

(A) The Development Owner's determination to sell the Development to an entity other than as permitted in paragraph (1) of this subsection; or

(B) The simultaneous transfer or concurrent offering for sale of a General Partner's and limited partner's interest in the Development Owner's ownership structure.

(7) The ROFR process is not triggered if a Development Owner seeks to transfer the Development to a newly formed entity:

(A) That is under common control with the Development Owner; and

(B) The primary purpose of the formation of which is to facilitate the financing of the rehabilitation of the Development using assistance administered through a state financing program.

(8) This section applies only to a Right of First Refusal memorialized in the Department's LURA. This section does not authorize a modification of any other agreement between the Development Owner and a Qualified Nonprofit Organization or Qualified Entity. The enforceability of a contractual agreement between the Development Owner and a Qualified Nonprofit Organization or Qualified Entity may be impacted by the Development Owner's commitments at Application and recorded LURA.

(b) Right of First Refusal Offer Price. There are two general expectations of the ROFR offer price identified in the outstanding LURAs. The descriptions in paragraphs (1) and (2) of this subsection do not alter the requirements or definitions included in the LURA but provide further clarification as applicable:

(1) Fair Market Value is established using either a current appraisal (completed within three months prior to the ROFR request and in accordance with §11.304 of this title (relating to Appraisal Rules and Guidelines)) of the Property or an executed purchase offer that the Development Owner would like to accept. In either case the documentation used to establish Fair Market Value will be part of the ROFR property listing on the Department's website. The purchase offer must contain specific language that the offer is conditioned upon satisfaction of the ROFR requirement. If a subsequent ROFR request is made within six months of the previously approved ROFR posting, the lesser of the prior ROFR posted value or new appraisal/purchase contract amount must be used in establishing Fair Market Value;

(2) Minimum Purchase Price, pursuant to §42(i)(7)(B) of the Code, is the sum of the categories listed in subparagraphs (A) and (B) of this paragraph:

(A) The principal amount of outstanding indebtedness secured by the project (other than indebtedness incurred within the five year period immediately preceding the date of said notice); and

(B) All federal, state, and local taxes incurred or payable by the Development Owner as a consequence of such sale. If the Property has a minimum Applicable Fraction of less than one, the offer must take this into account by multiplying the purchase price by the applicable fraction and the fair market value of the non-Low-Income Units. Documentation submitted to verify the Minimum Purchase Price calculation will be part of the ROFR property listing on the Department's website.

(c) Required Documentation. Upon establishing the ROFR offer price, the ROFR process is the same for all types of LURAs. To proceed with the ROFR request, documentation must be submitted as directed in the Post Award Activities Manual, which includes:

(1) ROFR fee as identified in §11.901 of this title (relating to Fee Schedule);

(2) A notice of intent to the Department;

(3) Certification that the Development Owner has provided, to the best of their knowledge and ability, a notice of intent to all additional required persons and entities in subparagraph (A) of this paragraph and that such notice includes, at a minimum the information in subparagraph (B) of this paragraph;

(A) Copies of the letters or emailed notices provided to all persons and entities listed in clauses (i) to (vi) of this subparagraph as required by this paragraph and applicable to the Development at the time of the submission of the ROFR documentation must be attached to the Certification:

(i) All tenants and tenant organizations, if any, of the Development;

(ii) Mayor of the municipality (if the Development is within a municipality or its extraterritorial jurisdiction);

(iii) All elected members of the Governing Body of the municipality (if the Development Site is within a municipality or its extraterritorial jurisdiction);

(iv) Presiding officer of the Governing Body of the county in which the Development is located;

(v) The local housing authority, if any; and

(vi) All prospective buyers maintained on the Department's list of prospective buyers.

(B) Letters must include, at a minimum, all of the information required in clauses (i) to (vii) of this subparagraph and must not contain any statement that violates Department rules, statute, Code, or federal requirements:

(i) The Development's name, address, city, and county;

(ii) The Development Owner's name, address, individual contact name, phone number, and email address;

(iii) Information about tenants' rights to purchase the Development through the ROFR;

(iv) The length of the ROFR posting period;

(v) The ROFR offer price;

(vi) A physical description of the Development, including the total number of Units and total number of Low-Income Units; and

(vii) Contact information for the Department staff overseeing the Development's ROFR application.

(4) Documentation evidencing any contractual ROFR between the Development Owner and a Qualified Nonprofit Organization or Qualified Entity, along with evidence that such Qualified Nonprofit Organization or Qualified Entity is in good standing in the state of its organization;

(5) Documentation verifying the ROFR offer price of the Property:

(A) If the Development Owner receives an offer to purchase the Property from any buyer other than a Qualified Entity or Qualified Nonprofit Organization that the Development Owner would like to accept, the Development Owner may execute a sales contract, conditioned upon satisfaction of the ROFR requirement, and submit the executed sales contract to establish fair market value; or

(B) If the Development Owner chooses to establish fair market value using an appraisal, the Development Owner must submit an appraisal of the Property completed during the last three months prior to the date of submission of the ROFR request, establishing a value for the Property in compliance with Chapter 11, Subchapter D of this title (relating to Underwriting and Loan Policy) in effect at the time of the request. The appraisal should take into account the existing and continuing requirements to operate the Property under the LURA and any other restrictions that may exist. Department staff will review all materials within 30 calendar days of receipt. If, after the review, the Department does not agree with the fair market value proposed in the Development Owner's appraisal, the Department may order another appraisal at the Development Owner's expense; or

(C) If the LURA requires valuation through the Minimum Purchase Price calculation, submit documentation verifying the calculation of the Minimum Purchase Price as described in subsection (b)(2) of this section regardless of any existing offer or appraised value;

(6) Description of the Property, including all amenities;

(7) Copies of all documents imposing income, rental and other restrictions (non-TDHCA), if any, applicable to the operation of the Property;

(8) A current title commitment or policy not older than six months prior to the date of submission of the ROFR request or the most recent title policy along with a title endorsement or nothing further certificate not older than six months prior to the date of submission of the ROFR request;

(9) The most recent Physical Needs Assessment, pursuant to Tex. Gov't Code §2306.186(e)

conducted by a Third-Party. If the PNA/SCR identifies the need for critical repairs that significantly impact habitability and tenant safety, the identified repairs and replacements must be resolved to the satisfaction of the Department before the Development will be considered eligible to proceed with a Right of First Refusal Request;

(10) Copy of the monthly operating statements, including income statements and balance sheets for the Property for the most recent 12 consecutive months (financial statements should identify amounts held in reserves);

(11) The three most recent consecutive annual operating statements (audited would be preferred);

(12) Detailed set of photographs of the Property, including interior and exterior of representative units and buildings, and the Property's grounds;

(13) Current and complete rent roll for the Property; and

(14) If any portion of the land or improvements is leased for other than residential purposes, copies of the commercial leases.

(d) Posting and offers. Within 30 business days of receipt of all required documentation, the Department will review the submitted documents and notify the Development Owner of any deficiencies. During that time, the Department will notify any Qualified Entity or as applicable any Qualified Nonprofit Organization identified by the Development Owner as having a contractual ROFR of the Development Owner's intent to sell. Once any deficiencies are resolved and the Development Owner and Department come to an agreement on the ROFR offer price of the Property, the Department will list the Property for sale on the Department's website and notify entities registered to the email list maintained by the Department of the availability of the Property at a price as determined under this section. The Department will notify the Development Owner when the Property has been listed. The ROFR posting period commences on the date the Property is posted for sale on the Department's website. During the ROFR posting period, a Qualified Nonprofit Organization or Qualified Entity can submit an offer to purchase as follows:

(1) if the LURA requires a 90 day ROFR posting period with no priority for any particular kind of Qualified Nonprofit Organization or tenant organization, any Qualified Nonprofit Organization or tenant organization may submit an offer to purchase the property; or

(2) If the LURA requires a two year ROFR posting period, a Qualified Nonprofit Organization may submit an offer to purchase the Property as follows:

(A) During the first six months of the ROFR posting period, only a Qualified Nonprofit Organization that is a Community Housing Development Organization (CHDO) under 24 CFR Part 92, or that is 100% owned by a CHDO, as approved by the Department, may submit an offer;

(B) During the next six months of the ROFR posting period, only a Qualified Nonprofit Organization as described by Tex. Gov't Code §2306.6706, or that is 100% owned by Qualified Nonprofit Organization as described by Tex. Gov't Code §2306.6706, or a tenant organization may submit an offer; and

(C) During the final 12 months of the ROFR posting period, any Qualified Nonprofit Organization may submit an offer; or

(3) If the LURA requires a 180-day ROFR posting period, a Qualified Entity may submit an offer to purchase the Property consistent with the subparagraphs of this paragraph.

(A) During the first 60 days of the ROFR posting period, only a Qualified Entity that is:

(i) a CHDO under 24 CFR Part 92, or to an entity that includes a CHDO as one of its controlling members or general partners, as approved by the Department, may submit an offer. In accordance with 24 CFR Part 92, Developments committed HOME CHDO funding on or after August 23, 2013, and still within the Federal Affordability Period must have a CHDO or its wholly owned entity (as applicable) as its only controlling entities and no other entities are eligible;

(ii) if the public housing authority or public facility corporation owns the fee title to the Development Owner's leasehold estate:

(I) a public housing authority; or

(II) a public facility corporation created by a public housing authority under Chapter 303, Local Government Code; or

(iii) controlled by an entity described by either clause (i) or (ii) of this subparagraph.

(B) During the second 60 days of the ROFR posting period, only a Qualified Entity as described by Tex. Gov't Code §2306.6706, or that is controlled by Qualified Entity as described by Tex. Gov't Code §2306.6706, or a tenant organization such may submit an offer.

(C) During the final 60 days of the ROFR posting period, any Qualified Entity may submit an offer.

(4) If the LURA does not specify a required ROFR posting timeframe or is unclear on the required ROFR posting timeframe and the required ROFR value is determined by the Minimum Purchase Price method, any Development that received a tax credit allocation prior to September 1, 1997, is required to post for a 90-day ROFR period, and any Development that received a tax credit allocation on or after September 1, 1997, and until September 1, 2015, is required to post for a two year ROFR, unless the LURA is amended under §10.405(b), or after September 1, 2015, is required to post for a 180-day ROFR period as described in Tex. Gov't Code, §2306.6726.

(e) Acceptance of offers. A Development Owner may accept or reject any offer received during the ROFR posting period; provided however, that to the extent the LURA gives priority to certain classifications of Qualified Nonprofit Organizations or Qualified Entities to make offers during certain portions of the ROFR posting period, the Development Owner can only negotiate a purchase contract with such classifications of entities during their respective periods. For example, during the CHDO priority period, the Development Owner may only accept an offer from and enter into negotiations with a Qualified Nonprofit Organization or Qualified Entity in that classification. A property may not be transferred under the ROFR process for less than the Minimum Purchase Price, but if the sequential negotiation created by statute yields a higher price, the higher price is permitted.

(f) Satisfaction of ROFR.

(1) A Development Owner that has posted a Property under the ROFR process is deemed to have satisfied the ROFR requirements in the following circumstances:

(A) The Development Owner does not receive any bona fide offers at or above the posted ROFR offer price (or, in the case of a posted minimum purchase price, at the price yielded by the sequential negotiation) from a Qualified Nonprofit Organization or Qualified Entity during the required ROFR posting period;

(B) A bona fide offer from a Qualified Nonprofit Organization or Qualified Entity is received at or above the posted ROFR offer price (or, in the case of a posted minimum purchase price, at the price yielded by the sequential negotiation), the Development Owner accepts the offer, the Qualified Nonprofit Organization or Qualified Entity fails to close the purchase, the failure is determined to not be the fault of the Development Owner, and the Development Owner received no other bona fide offers from a Qualified Nonprofit Organization or Qualified Entity during the required ROFR posting period;

(C) A bona fide offer from a Qualified Nonprofit Organization or Qualified Entity is received at or above the posted ROFR offer price (or, in the case of a posted minimum purchase price, at the price yielded by the sequential negotiation), the Qualified Nonprofit Organization or Qualified Entity is not approved by the Department during the ownership transfer review due to issues identified during the Previous Participation Review process pursuant to Chapter 1, Subchapter C of this title (relating to Previous Participation and Executive Award Review and Advisory Committee), and the Development Owner received no other bona fide offers at or above the posted ROFR offer price (or, in the case of a posted minimum purchase price, at the price yielded by the sequential negotiation) from a Qualified Nonprofit Organization or Qualified Entity during the required ROFR posting period; or

(D) An offer from a Qualified Nonprofit Organization or Qualified Entity is received at a price below the posted ROFR offer price, and the Development Owner received no other bona fide offers from a Qualified Nonprofit Organization or Qualified Entity during the required ROFR posting period at or above the posted ROFR offer price; or

(2) A Development Owner with a LURA that identifies a specific Qualified Nonprofit Organization or Qualified Entity to be the beneficiary of the ROFR will satisfy the ROFR if:

(A) The identified beneficiary is in existence and conducting business;

(B) The Development Owner offers the Development to the identified beneficiary pursuant to the terms of the ROFR;

(C) If the ROFR includes a priority for a certain type of Qualified Entity (such as a CHDO) to have the first opportunity make an offer to acquire the Development, the identified beneficiary meets such classification; and

(D) The identified entity declines to purchase the Development in writing, and such evidence is submitted to and approved by the Department.

(g) Non-Satisfaction of ROFR. A Development Owner that has posted a Property under the ROFR process does not satisfy the ROFR requirements in the following circumstances:

(1) A bona fide offer from a Qualified Nonprofit Organization or Qualified Entity is received at or above the posted ROFR offer price (or, in the case of a posted minimum purchase price, at the price yielded by the sequential negotiation), and the Development Owner does not accept the offer;

(2) The LURA identifies a specific Qualified Nonprofit Organization or Qualified Entity to be the beneficiary of the ROFR, and such entity no longer exists or is no longer conducting business and the Development Owner received other bona fide offers at or above the posted ROFR offer price (or, in the case of a posted minimum purchase price, at the price yielded by the sequential negotiation) from a Qualified Nonprofit Organization or Qualified Entity during the ROFR posting period and fails to accept any of such other offers;

(3) A bona fide offer from a Qualified Nonprofit Organization or Qualified Entity is received at or above the posted ROFR offer price (or, in the case of a posted minimum purchase price, at the price yielded by the sequential negotiation), the Development Owner accepts the offer, the Qualified Nonprofit Organization or Qualified Entity fails to close the purchase, the failure is determined to not be the fault of the Development Owner, the Development Owner received other bona fide offers from a Qualified Nonprofit Organization or Qualified Entity during the ROFR posting period and then fails to accept any of such other offers;

(4) A bona fide offer from a Qualified Nonprofit Organization or Qualified Entity is received at or above the posted ROFR offer price (or, in the case of a posted minimum purchase price, at the price yielded by the sequential negotiation), the Development Owner accepts the offer, the Qualified Nonprofit Organization or Qualified Entity fails to close the purchase, and such failure is determined to be the fault of the Development Owner;

(5) A bona fide offer from a Qualified Nonprofit Organization or Qualified Entity is received at or above the posted ROFR offer price (or, in the case of a posted minimum purchase price, at the price yielded by the sequential negotiation), the Qualified Nonprofit Organization or Qualified Entity is not approved by the Department during the ownership transfer review due to issues identified during the Previous Participation Review process pursuant to Chapter 1, Subchapter C of this title (relating to Previous Participation and Executive Award Review and Advisory Committee), the Development Owner received other bona fide offers from a Qualified Nonprofit Organization or Qualified Entity during the ROFR posting period and fails to accept any of such other offers; or

(6) An offer from a Qualified Nonprofit Organization or Qualified Entity is received at a price below the posted ROFR offer price, the Development Owner received other bona fide offers from a Qualified Nonprofit Organization or Qualified Entity during the ROFR posting period at or above the posted ROFR offer price (or, in the case of a posted minimum purchase price, at the price yielded by the sequential negotiation), and the Development Owner fails to accept any of such offers.

(h) Activities Following ROFR.

(1) If a Development Owner satisfies the ROFR requirement pursuant to subsection (f)(1) - (2) of this section, it may request a Preliminary Qualified Contract (if such opportunity is available under §10.408 of this Subchapter) or proceed with the sale to an entity that is not a Qualified Nonprofit

Organization or Qualified Entity at or above the ROFR offer price (or, in the case of a posted minimum purchase price, at the price yielded by the sequential negotiation).

(2) Following notice that the ROFR requirement has been met, if the Development Owner does not post the Property for Qualified Contract in accordance with §10.408 of this Subchapter or sell the Property to an entity that is not a Qualified Nonprofit Organization or Qualified Entity within 24 months of the Department's written indication that the ROFR has been satisfied, the Development Owner must follow the ROFR process for any subsequent transfer.

(3) If the Department determines that the ROFR requirement has not been met during the ROFR posting period, the Owner may not re-post under this provision at a ROFR offer price that is higher than the originally posted ROFR offer price until 24 months has expired from the Department's written indication that the ROFR has not been satisfied. The Development Owner may market the Property for sale and sell the Property to a Qualified Nonprofit Organization or Qualified Entity during this 24 month period in accordance with subsection (a)(1) of this section.

(i) Sale and closing.

(1) Prior to closing a sale of the Property, the Development Owner must obtain Department approval of the transfer through the ownership transfer process in accordance with §10.406 of this Subchapter (relating to Ownership Transfers (§2306.6713)). The request should include, among other required transfer documents outlined in the Post Award Activities Manual, the final sales contract with all amendments.

(2) If the closing price is materially less than the ROFR offering price or the terms and conditions of the sale change materially from what was submitted in the ROFR posting, in the Department's sole determination, the Development Owner must go through the ROFR process again with a revised ROFR offering price equal to the reduced closing price or adjusted terms and conditions based upon the revised terms, before disposing of the Property.

(j) Appeals. A Development Owner may appeal a staff decision in accordance with §11.902 of this title (relating to Appeals Process).

5b

Pulled From the Agenda

6

BOARD ACTION REQUEST

HOME AMERICAN RESCUE PLAN DIVISION

JANUARY 12, 2023

Presentation, discussion, and possible action regarding an award to Burnet Place Apartments Application Number 22722 from the special purpose HOME American Rescue Plan National Housing Trust Fund set-aside, as described

App. ID	Application Name	Recommended Award	Fund Source	City
22722_20504	Burnet Place Apartments	$6,318,646	HOME-ARP	Austin

RECOMMENDED ACTION

WHEREAS, the Department programmed $10,000,000 of the HOME American Rescue Plan (HOME-ARP) funding into a set-aside to preserve existing Department investments in National Housing Trust Fund (NHTF) Developments from 2020 and 2021 that may otherwise be at risk of not being financially feasible;

WHEREAS, the Department sent notices of eligibility to qualifying NHTF Applicants in July 2022, with the due date of December 31, 2022, or the first date that Applications are accepted for the HOME-ARP Rental Development NOFA (whichever was earlier);

WHEREAS, Project Transitions, Inc., received a $3,000,000 deferred forgivable NHTF award to fund Burnet Place Apartments under application #20504 from the Department in December 2020 and committed 34 units for NHTF;

WHEREAS, Project Transitions, Inc. subsequently applied for HOME-ARP funds under Application #22722 to fund Burnet Place Apartments in the amount of $6,318,646 due to increased construction costs, and agreed to commit 31 units for HOME-ARP;

WHEREAS, the existing NHTF LURA is requested to be amended at the January 12, 2022 Board meeting by Asset Management to allow for changes in the architectural plans and the addition of HOME-ARP requirements;

WHEREAS, due to the multiple funding sources on the property, the potential contract is conditioned on the final approval of a pending $300,000 City of Austin award and submission of its tenant selection process for Department review and approval;

WHEREAS, in accordance with 10 TAC §1.301(f)(2), the compliance history is designated as a Category 1 and deemed acceptable without further review or discussion, and the award was approved by the Executive Award and Review Advisory Committee (EARAC) after review on January 3, 2023; and

WHEREAS, staff recommends the Board approve the award of $6,318,646 in HOME-ARP funds for gap financing of Burnet Place Apartments under Application #22722;

NOW, therefore, it is hereby

RESOLVED, that an award of $6,318,646 in HOME-ARP funds from the HOME-ARP NHTF set-aside is hereby approved in the form presented at this meeting, subject to conditions that may be applicable as found in the Real Estate Analysis report posted to the Department's website and as described within this Board Action Request; and

FURTHER RESOLVED, that the Board's approval is conditioned upon satisfaction of all conditions of underwriting, and completion of any other reviews required to assure compliance with the applicable rules and requirements.

BACKGROUND

Project Transitions, Inc. is the owner of Burnet Place Apartments which received a $3,000,000 NHTF deferred forgivable NHTF award from the Department in December 2020. Since that time, they submitted an application for HOME-ARP funds to assist in filling a financing gap. The Application for HOME-ARP demonstrated a significant total development cost increase, with the largest increase in total development cost of $7.9 million (a 75% increase) since the original underwriting was performed on the NHTF application in 2020. The new underwriting report states that while the cost increases are large, "they are consistent with increases seen in the industry due to COVID-19 cost increases, supply chain issues, and labor shortages." As required per the set-aside application, the developer fee did not increase and the deferred developer fee did not decrease from the previous underwriting.

The Department's HOME-ARP award would fill most of the $7.6 million funding gap from increased costs. The remaining $1.3 million will be filled with funds from the Federal Home Loan Banks of Dallas and Atlanta and City of Austin brownfields grants, with one additional award pending from the City of Austin (to be approved in March 2023), and as detailed in the underwriting report. The Department will amend its NHTF Contract of $3,000,000 and LURA to reflect HOME-ARP requirements as a result of the pending award of $6,318,646 in HOME-ARP gap financing.

Description: Burnet Place Apartments will include the new construction of 61 units of affordable, multifamily rental supportive housing. All units are anticipated to receive Housing Opportunities for Persons with AIDS/HIV (HOPWA) assistance through a facilities-based contract awarded to Austin Public Health from HUD; therefore, all units will have a preference for Persons Living with HIV/AIDS and offer deeply affordable housing paired with intensive wrap-around services. HOPWA pays the difference between the rent received based on 30% of resident income (which is minimal) and the expenses and supportive services for the property based on their budget.

As for Department sources, 34 units are restricted to the NHTF income and rent limits for the 40-year affordability period. Thirty-one units are restricted to HOME-ARP Qualified Population (QP) eligibility terms, which include persons experiencing homelessness and other vulnerable populations. QPs pay only 30% of their income toward rent for the federal compliance period of 15 years. During the remaining state affordability period from years 16 through 40, 21 of the HOME-ARP units will be at rents that equal NHTF 30% units and 10 of the units will be at rents that equal low HOME rent. The HOME-ARP rents for QP, NHTF and low HOME will be reflected in its own HOME-ARP LURA. The referral method for the QP units will be a project-based waitlist. The Applicant has selected a preference for persons experiencing chronic homelessness for nine of its QP units.

Financing and Regulatory Terms: Subject to final underwriting as further set forth in the following Real Estate Analysis (REA) Report, the $6,318,646 HOME-ARP Loan will be in second lien position with a 40-year term at 0% interest, no amortization, and structured as a Deferred Forgivable loan. The HOME-ARP loan is in addition to the NHTF TDHCA Multifamily Direct Loan in a first lien position with a 40-year term at 0% interest, no amortization, and structured as a Deferred Forgivable loan. Further, the NHTF and HOME-ARP loans are in addition to loans from the City of Austin, Community Impact Partners, Texas State Affordable Housing Corporation, and grants from the Atlanta and Dallas Federal Home Loan Banks, City of Austin Resource Recovery Brownfield Program, and City of Austin Fee Waivers.

Conditions: Due to the multiple funding layers on a majority of the units and different preferences and limitations on some but not all of the units, the potential HOME-ARP Contract has two conditions to be met prior to execution. The first condition is confirmation that the final source of funding of $300,000 through the City of Austin has been secured, to satisfy the requirements of 24 CFR §92.504(c)(3). The Applicant is anticipating confirmation of this funding in March 2023. The second condition is submission of its tenant selection process for Department review and approval.

Organizational Structure: The proposed borrower is Project Transitions, Inc., includes principals as indicated in the organization chart below.

BURNET PLACE APARTMENTS - AUSTIN, TEXAS

Ownership Chart

Attachment A

Real Estate Analysis Division
December 20, 2022

Addendum to Underwriting Report

TDHCA Application #: **22722_20504** Program(s): **MDL/HOME ARP**

Burnet Place Apartments

Address/Location: 8007 Burnet Road

City: Austin County: Travis Zip: 78757

	APPLICATION HISTORY
Report Date	PURPOSE
12/20/22	**HOME ARP Award/Amendment**
12/03/20	Original Underwriting

ALLOCATION

	Previous Allocation				RECOMMENDATION				
TDHCA Program	Amount	Rate	Amort	Term	Amount	Rate	Amort	Term	Lien
HOME ARP Const. to Perm (Deferred Forgivable	$0	0.00%	0	0	**$6,318,646**	**0.00%**	**0**	**40**	**2**
Multifamily Direct Loan (Soft Repayable)	$3,000,000	0.00%	NA	40	**$3,000,000**	**0.00%**	**0**	**40**	**1**

* Multifamily Direct Loan and HOME ARP Loan Terms:

* Multifamily Direct Loan and/or HOME ARP Loan should match the term of any superior loan (within 6 months).

* Lien position after conversion to permanent. The Department's lien position during construction may vary.

CONDITIONS STATUS

1 **Receipt and acceptance before HOME ARP Contract**

a: Project Transitions (the Developer) must submit the tenant selection process for TDHCA review and approval (to be cleared by ARP Program Staff)

b: Final approval of the $300k increase to the COA loan with all terms specified.

2 **Receipt and acceptance before HOME ARP and Direct Loan Closing**

a: Substantially final construction contract with Schedule of Values.

b: Updated term sheets with substantially final terms from all lenders

c: Updated application exhibits: Rent Schedule, Utility Allowance, Operating Expenses, Long-Term Pro Forma, Development Cost Schedule, Schedule of Sources; and documentation necessary to support any changes from previous underwriting.

d: Current documentation confirming ongoing HOPWA funding from the City, and a statement from Project Transitions committing to provide a break-even operating subsidy throughout the compliance period.

e: Certification that any appropriate abatement procedures for asbestos and lead based paint were incorporated into the development plans.

f: Certification that subsurface environmental investigation was performed and that any recommended mitigation measures were incorporated into the development plans.

g: Certification that subsurface environmental investigation was performed and that any recommended mitigation measures were incorporated into the development plans.

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

SET-ASIDES

TDHCA SET-ASIDES for DIRECT LOAN LURA		
Income Limit	Rent Limit	Number of Units
30% of AMFI	30% of AMFI	34

TDHCA SET-ASIDES for HOME ARP LURA			
Federal Affordability Period		Remaining State Affordability Period	
Income Limit	Number of Units	Income Limit	Number of Units
QP	31	NHTF 30%	21
High HOME (60% AMFI)	0	Low HOME	10

ANALYSIS

Burnet Place Apartments received a $3M NHTF deferred forgivable Multifamily Direct Loan (MDL) award from the Department in December of 2020. Due to increasing costs and drawn out timelines, the Applicant has value engineered the design of the building which caused a material reduction to the common area. The Applicant is requesting a material amendment and over $6M in HOME ARP funds from the Department to bridge the gap caused by increasing construction costs.

Amendment changes include:
- eliminating the fourth level of the single building and stretching the building footprint;
- reducing the number of unit types from 11 to 9;
- reducing NRA by 161 sf;
- reducing common area by 440 sf which is over a 3% change, therefore triggering a material amendment.

While there are small changes to the site plan and overall design, they are not significant and the overall unit count, mix and program restrictions have remained unchanged.

Operating Pro Forma

All 61 units will receive Housing Opportunities for Persons With AIDS (HOPWA) assistance through a facilities based contract awarded through Austin Public Health from HUD. HOPWA pays the difference between the rent received based on 30% of resident income and the expenses and supportive services for the property based on budget.

34 units are restricted to 30% AMI by the previously awarded NHTF loan; 31 units are now restricted as HOME ARP Qualified Population units (QP units) HOME ARP units are not subject to federal subsidy layering restrictions. All rents are 2022 program rent levels.

As at original underwriting, pro forma assumes rents at 30% of the max program rents due to the HOPWA subsidy. QP rents are assumed at $0 for the first 15 years. In year 16, 21 QP units will be restricted to 30% NHTF rents per the MDL LURA, and 10 QP units will become Low HOME units per the HOME ARP program. Layering only allowed as reflected in the unit mix.

The property will operate at $0 NOI due to the breakeven HOPWA operating subsidy.

Expense assumptions have not changed from original underwriting. Landlord pays all utilities. 100% tax exemption assumed.

Development Cost

Current development costs based on November 1, 2022 schedule of values that take into account the site and building changes requested in the material amendment.

Total development cost has increased $7.9M (75%) and building cost has increased $5M (115%) since original underwriting in 2020. While these are large cost increases, they are consistent with increases seen in the industry due to Covid-19 cost increases, supply chain issues, and labor shortages.

Developer fee did not increase from previous underwriting.

Sources of Funds

The Department's HOME ARP loan of $6.32M fills most of the $7.6M funding gap from increased costs. The remaining $1.3M is filled in with $500k FHLB Atlanta grant, $750k FHLB Dallas grant, and COA Brownsfiled program grant of $39k.

Applicant has applied for an additional $300k from the COA; this will not be awarded until March 2023.

Total owner contribution decreased $1,441.

Current underwriting supports the award of $3M Deferred Forgivable MDL with 0% and a 40 year term; and also the award of $6,318,646 Deferred Forgivable HOME ARP loan at 0% and a 40 year term.

Director of Real Estate Analysis: *Jeanna Adams*

UNIT MIX/RENT SCHEDULE

Burnet Place Apartments, Austin, MDL/HOME ARP #22722_20504

LOCATION DATA	
CITY:	Austin
COUNTY:	Travis
Area Median Income	$110,300
PROGRAM REGION:	7
PROGRAM RENT YEAR:	2022

UNIT DISTRIBUTION					
# Beds	# Units	% Total	Assisted	MDL	QP
Eff	61	100.0%	61	34	31
1	-	0.0%	0	0	0
2	-	0.0%	0	0	0
3	-	0.0%	0	0	0
4	-	0.0%	0	0	0
5	-	0.0%	0	0	0
TOTAL	**61**	**100.0%**	**61**	**34**	**31**

Pro Forma ASSUMPTIONS	
Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	130%
Applicable Fraction	100%
APP % Acquisition	NA
APP % Construction	NA
Average Unit Size	405 sf

UNIT MIX / MONTHLY RENT SCHEDULE

	TDHCA Direct Loan Program		TDHCA HOME ARP		COA		UNIT MIX				APPLICABLE PROGRAM RENT			APPLICANT'S PRO FORMA RENTS				TDHCA PRO FORMA RENTS				MARKET RENTS		
Type	Type	Gross Rent	Type	Gross Rent	Type	Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Utility Allow	Max Net Program Rent	Delta to Max	Rent psf	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent psf	Delta to Max	Underwritten		Mrkt Analyst
	30%/30%	$580	QP		COA 30%	$580	4	0	1	426	$580	$0	$580		$0.00	$0	**$0**	**$0**	$0	$0.00	($580)	$1,040	$2.44	$1,040
	30%/30%	$580			COA 30% HOME	$580	3	0	1	426	$580	$0	$580	($406)	$0.41	$174	**$522**	**$522**	$174	$0.41	($406)	$1,040	$2.44	$1,040
	30%/30%	$580	QP		COA 40%	$773	4	0	1	426	$580	$0	$580		$0.00	$0	**$0**	**$0**	$0	$0.00	($580)	$1,040	$2.44	$1,040
	30%/30%	$580			COA 40%	$773	3	0	1	426	$580	$0	$580	($406)	$0.41	$174	**$522**	**$522**	$174	$0.41	($406)	$1,040	$2.44	$1,040
	30%/30%	$580	QP		COA 50%	$866	4	0	1	426	$580	$0	$580		$0.00	$0	**$0**	**$0**	$0	$0.00	($580)	$1,040	$2.44	$1,040
	30%/30%	$580			COA 50% HOME	$866	2	0	1	426	$580	$0	$580	($406)	$0.41	$174	**$348**	**$348**	$174	$0.41	($406)	$1,040	$2.44	$1,040
			QP		COA 50%	$866	6	0	1	426	$866	$0	$866		$0.00	$0	**$0**	**$0**	$0	$0.00	($866)	$1,040	$2.44	$1,040
Match					COA 50%	$866	1	0	1	426	$866	$0	$866	($606)	$0.61	$260	**$260**	**$260**	$260	$0.61	($606)	$1,040	$2.44	$1,040
					COA 50% HOME	$866	8	0	1	426	$866	$0	$866	($606)	$0.61	$260	**$2,080**	**$2,080**	$260	$0.61	($606)	$1,040	$2.44	$1,040
	30%/30%	$580	QP		COA 30%	$580	1	0	1	405	$580	$0	$580		$0.00	$0	**$0**	**$0**	$0	$0.00	($580)	$1,040	$2.57	$1,040
	30%/30%	$580	QP		COA 40%	$773	1	0	1	405	$580	$0	$580		$0.00	$0	**$0**	**$0**	$0	$0.00	($580)	$1,040	$2.57	$1,040
	30%/30%	$580			COA 50%	$866	1	0	1	405	$580	$0	$580	($406)	$0.43	$174	**$174**	**$174**	$174	$0.43	($406)	$1,040	$2.57	$1,040
			QP		COA 50%	$866	1	0	1	405	$866	$0	$866		$0.00	$0	**$0**	**$0**	$0	$0.00	($866)	$1,040	$2.57	$1,040
					COA 50% HOME	$866	1	0	1	405	$866	$0	$866	($606)	$0.64	$260	**$260**	**$260**	$260	$0.64	($606)	$1,040	$2.57	$1,040
	30%/30%	$580	QP		COA 30%	$580	1	0	1	468	$580	$0	$580		$0.00	$0	**$0**	**$0**	$0	$0.00	($580)	$1,040	$2.22	$1,040
	30%/30%	$580			COA 40%	$773	1	0	1	468	$580	$0	$580	($406)	$0.37	$174	**$174**	**$174**	$174	$0.37	($406)	$1,040	$2.22	$1,040
			QP		COA 50%	$866	1	0	1	468	$866	$0	$866		$0.00	$0	**$0**	**$0**	$0	$0.00	($866)	$1,040	$2.22	$1,040
Match					COA 50%	$866	1	0	1	468	$866	$0	$866	($606)	$0.56	$260	**$260**	**$260**	$260	$0.56	($606)	$1,040	$2.22	$1,040
	30%/30%	$580	QP		COA 50%	$866	1	0	1	437	$580	$0	$580		$0.00	$0	**$0**	**$0**	$0	$0.00	($580)	$1,040	$2.38	$1,040
					COA 50% HOME	$866	1	0	1	437	$866	$0	$866	($606)	$0.59	$260	**$260**	**$260**	$260	$0.59	($606)	$1,040	$2.38	$1,040
	30%/30%	$580	QP		COA 50%	$866	1	0	1	399	$580	$0	$580		$0.00	$0	**$0**	**$0**	$0	$0.00	($580)	$1,040	$2.61	$1,040
			QP		COA 50%	$866	1	0	1	399	$866	$0	$866		$0.00	$0	**$0**	**$0**	$0	$0.00	($866)	$1,040	$2.61	$1,040
	30%/30%	$580			COA 50%HOME	$866	1	0	1	489	$580	$0	$580	($406)	$0.36	$174	**$174**	**$174**	$174	$0.36	($406)	$1,040	$2.13	$1,040
					COA 50%HOME	$866	1	0	1	489	$866	$0	$866	($606)	$0.53	$260	**$260**	**$260**	$260	$0.53	($606)	$1,040	$2.13	$1,040
					COA 40%HOME	$773	1	0	1	402	$773	$0	$773	($513)	$0.65	$260	**$260**	**$260**	$260	$0.65	($513)	$1,040	$2.59	$1,040
	30%/30%	$580	QP		COA 30%	$580	1	0	1	404	$580	$0	$580		$0.00	$0	**$0**	**$0**	$0	$0.00	($580)	$1,040	$2.57	$1,040
	30%/30%	$580	QP		COA 30%	$580	1	0	1	271	$580	$0	$580		$0.00	$0	**$0**	**$0**	$0	$0.00	($580)	$1,040	$3.84	$1,040
	30%/30%	$580			COA 30%	$580	1	0	1	271	$580	$0	$580	($406)	$0.64	$174	**$174**	**$174**	$174	$0.64	($406)	$1,040	$3.84	$1,040
	30%/30%	$580	QP		COA 40%	$773	1	0	1	271	$580	$0	$580		$0.00	$0	**$0**	**$0**	$0	$0.00	($580)	$1,040	$3.84	$1,040
	30%/30%	$580			COA 40%	$773	1	0	1	271	$580	$0	$580	($406)	$0.64	$174	**$174**	**$174**	$174	$0.64	($406)	$1,040	$3.84	$1,040
	30%/30%	$580	QP		COA 50%	$866	1	0	1	271	$580	$0	$580		$0.00	$0	**$0**	**$0**	$0	$0.00	($580)	$1,040	$3.84	$1,040
			QP		COA 50%	$773	1	0	1	271	$773	$0	$773		$0.00	$0	**$0**	**$0**	$0	$0.00	($773)	$1,040	$3.84	$1,040
Match					COA 50%	$866	1	0	1	271	$866	$0	$866	($606)	$0.96	$260	**$260**	**$260**	$260	$0.96	($606)	$1,040	$3.84	$1,040
					COA 50%	$773	1	0	1	271	$773	$0	$773	($513)	$0.96	$260	**$260**	**$260**	$260	$0.96	($513)	$1,040	$3.84	$1,040
					COA 50%HOME	$866	1	0	1	271	$866	$0	$866	($606)	$0.96	$260	**$260**	**$260**	$260	$0.96	($606)	$1,040	$3.84	$1,040
TOTALS/AVERAGES:							**61**			**24,702**				**($252)**	**$0.27**	**$110**	**$6,682**	**$6,682**	**$110**	**$0.27**	**($592)**	**$1,040**	**$2.57**	**$1,040**

ANNUAL POTENTIAL GROSS RENT:	**$80,184**	**$80,184**

*MDL units float amongst unit type

STABILIZED PRO FORMA

Burnet Place Apartments, Austin, MDL/HOME ARP #22722_20504

	STABILIZED FIRST YEAR PRO FORMA															
	COMPARABLES				APPLICANT				PRIOR REPORT		TDHCA				VARIANCE	
	Database		SRO Comps		% EGI	Per SF	Per Unit	Amount	Applicant	TDHCA	Amount	Per Unit	Per SF	% EGI	%	$
POTENTIAL GROSS RENT						$0.27	$110	$80,184	$141,404	$141,404	$80,184	$110	$0.27		0.0%	$0
Laundry, Damages, Lease Term Fees							$10.87	$7,956	7,956							
Late Charges, App Fees, NSF Fees							$2.05	$1,500	1,500							
HOPWA Operating Subsidy							$0.00			150,884	$212,105					
Total Secondary Income							$12.92			9,456	$9,456	$12.92			0.0%	$0
POTENTIAL GROSS INCOME								$89,640	$150,860	$301,744	$301,745				-70.3%	($212,105)
Vacancy & Collection Loss							5.0% PGI	(4,482)	(7,543)	(15,087)	(15,087)	5.0% PGI			-70.3%	10,605
EFFECTIVE GROSS INCOME								$85,158	$143,317	$286,657	$286,657				-70.3%	($201,499)

#19508 I

General & Administrative	$24,423	$400/Unit	$23,672	$388	41.79%	$1.44	$583	$35,585	$35,585	$35,585	$35,585	$583	$1.44	12.41%	0.0%	-
Management	$24,483	5.4% EGI	$26,187	$429	18.03%	$0.62	$252	$15,355	$15,355	$15,355	$15,355	$252	$0.62	5.36%	0.0%	-
Payroll & Payroll Tax	$72,665	$1,191/Unit	$138,902	$2,277	99.95%	$3.45	$1,395	$85,112	$85,112	$85,112	$85,112	$1,395	$3.45	29.69%	0.0%	-
Repairs & Maintenance	$59,346	$973/Unit	$35,900	$589	61.29%	$2.11	$856	$52,195	$52,195	$36,600	$36,600	$600	$1.48	12.77%	42.6%	15,595
Electric/Gas	$9,411	$154/Unit	$38,649	$634	45.39%	$1.56	$634	$38,649	$31,880	$38,649	$38,649	$634	$1.56	13.48%	0.0%	(0)
Water, Sewer, & Trash	$48,584	$796/Unit	$25,068	$411	31.20%	$1.08	$436	$26,570	$26,570	$26,570	$26,570	$436	$1.08	9.27%	0.0%	-
Property Insurance	$21,202	$0.86 /sf	$20,389	$334	38.02%	$1.31	$531	$32,380	$32,380	$32,380	$32,380	$531	$1.31	11.30%	0.0%	-
Property Tax (@ 0%) 2.1385	$30,411	$499/Unit	$15,668	$257	0.00%	$0.00	$0	$0	$0	$0	$0	$0	$0.00	0.00%	0.0%	-
Reserve for Replacements				$0	17.91%	$0.62	$250	$15,250	$15,250	$15,250	$15,250	$250	$0.62	5.32%	0.0%	-
Supportive Services				$0	0.00%	$0.00	$0	$0	$0	$0	$0	$0	$0.00	0.00%	0.0%	-
TDHCA MDL Compliance ($34/MDL unit)				$0	1.60%	$0.06	$22	$1,360	$714	$1,156	$1,156	$19	$0.05	0.40%	17.6%	204
TOTAL EXPENSES					**355.17%**	**$12.24**	**$4,958**	**$ 302,456**	$295,041	$286,657	**$286,657**	**$4,699**	**$11.60**	**100.00%**	**5.5%**	**$ 15,799**
NET OPERATING INCOME ("NOI")					**-255.17%**	**-$8.80**	**-$3,562**	**($217,298)**	($151,724)	$0	**$0**	**$0**	**$0.00**	**0.00%**		**$ (217,298)**

CONTROLLABLE EXPENSES	$3,903/Unit		$3,648/Unit

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Burnet Place Apartments, Austin, MDL/HOME ARP #22722_20504

DEBT / GRANT SOURCES

		APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE									AS UNDERWRITTEN DEBT/GRANT STRUCTURE						
		Cumulative DCR							Prior Underwriting							Cumulative	
DEBT	**Fee**	UW	App	Pmt	Rate	Amort	Term	Principal	Applicant	TDHCA	Principal	Term	Amort	Rate	Pmt	DCR	LTC
CASH FLOW DEBT / GRANTS																	
TDHCA MDL					0.00%	0	40	$3,000,000	$3,000,000	$3,000,000	$3,000,000	40	0	0.00%			
TDHCA HOME ARP					0.00%	0	40	$6,318,646	$0	$0	$6,318,646	40	0	0.00%			
City of Austin Local Gov Loan					0.00%	0	40	$6,300,000	$6,000,000	$6,000,000	$6,300,000	40	0	0.00%			
FHLB Atlanta					0.00%	0	0	$500,000	$0	$0	$500,000	0	0	0.00%			
FHLB Dallas					0.00%	0	0	$750,000			$750,000	0	0	0.00%			
City of Austin Brownsfield Prgm					0.00%	0	0	$39,230			$39,230	0	0	0.00%			
City of Austin Fee Waivers					0.00%	0	0	$233,736	$233,735	$233,735	$233,736	0	0	0.00%			
				$0	**TOTAL DEBT / GRANT SOURCES**			**$17,141,612**	$9,233,735	$9,233,735	**$17,141,612**	**TOTAL DEBT SERVICE**			**$0**		
NET CASH FLOW		$0	($217,298)									**TDHCA**	**NET OPERATING INCOME**		**$0**	**NET CASH FLOW**	

EQUITY SOURCES

	APPLICANT'S PROPOSED EQUITY STRUCTURE							AS UNDERWRITTEN EQUITY STRUCTURE					
						Prior Underwriting							
EQUITY / DEFERRED FEES	**DESCRIPTION**	**% Cost**	**Annual Credit**	**Credit Price**	**Amount**	Applicant	TDHCA	**Amount**	**Credit Price**	**Annual Credit**	**% Cost**	**Annual Credits per Unit**	**Allocation Method**
Owner Contribution/Fundraising		6.0%			$1,105,407	$502,048	$502,048	$1,105,405			6.0%		
Pledge of Real Estate Sale		0.0%			$0	$604,800	$604,800				0.0%		
Project Transitions, Inc.	Deferred Developer Fee	0.8%	(41% Deferred)		$148,500	$148,500	$148,501	$148,501	(41% Deferred)		0.8%	**Total Developer Fee:**	**$363,908**
Additional (Excess) Funds Req'd		0.0%					$0	$0			0.0%		
TOTAL EQUITY SOURCES		6.8%			$1,253,907	$1,255,348	$1,255,348	$1,253,906			6.8%		
TOTAL CAPITALIZATION					**$18,395,519**	$10,489,083	$10,489,083	**$18,395,518**				**15-Yr Cash Flow after Deferred Fee:**	**$0**

DEVELOPMENT COST / ITEMIZED BASIS

	APPLICANT COST / BASIS ITEMS							TDHCA COST / BASIS ITEMS					COST VARIANCE	
	Eligible Basis					Prior Underwriting					Eligible Basis			
	Acquisition	**New Const. Rehab**			**Total Costs**	Applicant	TDHCA	**Total Costs**			**New Const. Rehab**	**Acquisition**	%	$
Land Acquisition				$47,541 / Unit	$2,900,000	$2,900,000	$2,900,000	$2,900,000	$47,541 / Unit				0.0%	$0
Closing costs & acq. legal fees					$5,592	$5,592	$5,592	$5,592						$0
Off-Sites				$ / Unit	$0	$0	$0	$0	$ / Unit				0.0%	$0
Site Work		$0		$12,671 / Unit	$772,913	$241,550	$241,550	$562,740	$9,225 / Unit		$0		37.3%	$210,173
Site Amenities		$0		$8,096 / Unit	$493,868	$185,196	$185,196	$459,297	$7,529 / Unit		$0		7.5%	$34,571
Demolition				$1,025 / Unit	$62,500	$100,000	$100,000	$62,500	$1,025 / Unit		$0		0.0%	$0
Building Cost		$0	$383.33 /sf	$155,229/Unit	$9,468,955	$4,403,526	$4,400,398	$9,789,109	$160,477/Unit	$396.29 /sf	$0		0.0%	$0
Contingency		$0		7.00%	$755,877	$276,514	$276,514	$755,877	6.95%		$0		0.0%	$0
Contractor Fees		$0		8.43%	$974,402	$723,197	$723,197	$974,402	8.38%		$0		0.0%	$0
Soft Costs	0	$0		$30,352 / Unit	$1,851,472	$1,134,839	$1,134,839	$1,851,472	$30,352 / Unit		$0	$0	0.0%	$0
Financing	0	$0		$11,439 / Unit	$697,759	$83,558	$83,558	$697,759	$11,439 / Unit		$0	$0	0.0%	$0
Developer Fee	$0	$0		3.15%	$363,908	$387,525	$387,525	$363,908	3.13%		$0	$0	0.0%	$0
Reserves				2 Months	$48,273	$47,587	$47,776	$48,273	2 Months				0.0%	$0
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)	**$0**	**$0**		$301,566 / Unit	**$18,395,519**	$10,489,083	$10,486,145	**$18,470,929**	$302,802 / Unit		**$0**	**$0**	**-0.4%**	**($75,410)**
Acquisition Cost					$0	$0								
Contingency					($0)	$0								
Contractor's Fee					$0	$0								
Financing Cost														
Developer Fee					$0	$0								
Reserves					$0	$0								
ADJUSTED BASIS / COST				$301,566/unit	**$18,395,518**	$10,489,083	$10,486,145	**$18,470,929**	$302,802/unit		**$0**	**$0**	**-0.4%**	**($75,411)**

TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):	**$18,395,518**

Long-Term Pro Forma

Burnet Place Apartments, Austin, MDL/HOME ARP #22722_20504

	Growth Rate	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30	Year 35	Year 40
EFFECTIVE GROSS INCOME	2.00%	$286,657	$295,257	$304,115	$313,238	$322,635	$374,023	$433,595	$502,655	$582,715	$675,526	$783,120	$907,851
TOTAL EXPENSES	3.00%	$286,657	$295,257	$304,115	$313,238	$322,635	$374,023	$433,595	$502,655	$582,715	$675,526	$783,120	$907,851
NET OPERATING INCOME ("NOI")		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
EXPENSE/INCOME RATIO		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

20504 Burnet Place Apartments - Application Summary

REAL ESTATE ANALYSIS DIVISION
December 3, 2020

PROPERTY IDENTIFICATION	
Application #	**20504**
Development	**Burnet Place Apartments**
City / County	**Austin / Travis**
Region/Area	**7 / Urban**
Population	**Supportive Housing**
Set-Aside	**General**
Activity	**New Construction**

RECOMMENDATION

	Amount	Rate	Amort	Term	Lien
Multifamily Direct Loan (Soft Repayable)	**$3,000,000**	**0.00%**	**0**	**40**	**1**

KEY PRINCIPALS / SPONSOR

Project Transitions, Inc.
Owner/Guarantor/90% Developer

AGC Development, LLC/10% Developer

True Casa/Jennifer Hicks-Consultant

Related Parties	Contractor - TBD	Seller - No

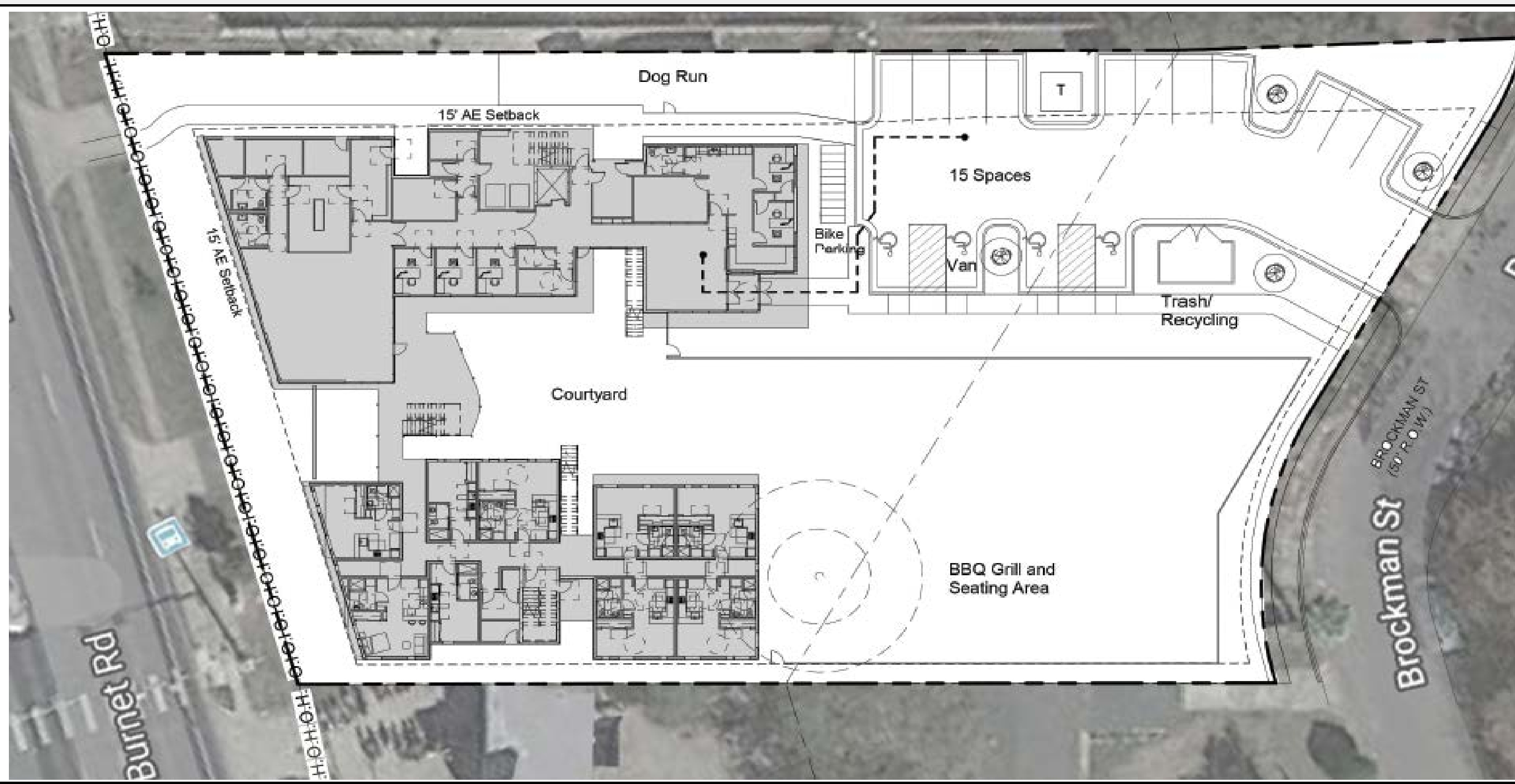
TYPICAL BUILDING ELEVATION/PHOTO

UNIT DISTRIBUTION			INCOME DISTRIBUTION		
# Beds	# Units	% Total	Income	# Units	% Total
Eff	61	100%	30%	-	0%
1	-	0%	40%	-	0%
2	-	0%	50%	-	0%
3	-	0%	60%	-	0%
4	-	0%	MR	-	
TOTAL	61	100%	TOTAL	0	0%

PRO FORMA FEASIBILITY INDICATORS

Pro Forma Underwritten	TDHCA's Pro Forma		
Debt Coverage	NA	Expense Ratio	100.0%
Breakeven Occ.	95.0%	Breakeven Rent	$193
Average Rent	$193	B/E Rent Margin	$0
Property Taxes	Exempt	Exemption/PILOT	100%
Total Expense	$4,699/unit	Controllable	$4,699/unit

SITE PLAN



MARKET FEASIBILITY INDICATORS

Gross Capture Rate (30% Maximum)			2.0%
Highest Unit Capture Rate	6%	0 BR/50%	37
Dominant Unit Cap. Rate	6%	0 BR/50%	37
Premiums (↑60% Rents)	#DIV/0!		#DIV/0!
Rent Assisted Units	61	100% Total Units	

DEVELOPMENT COST SUMMARY

Costs Underwritten	Applicant's Costs		
Avg. Unit Size	408 SF	Density	59.0/acre
Acquisition		$48K/unit	$2,906K
Building Cost	$177.11/SF	$72K/unit	$4,404K
Hard Cost		$84K/unit	$5,107K
Total Cost		$172K/unit	$10,489K
Developer Fee	$388K	(38% Deferred)	Paid Year: 41
Contractor Fee	$723K	30% Boost	Yes

DEBT (Must Pay)				
Source	Term	Rate	Amount	DCR
TOTAL DEBT (Must Pay)			$0	

CASH FLOW DEBT / GRANT FUNDS				
Source	Term	Rate	Amount	DCR
Multifamily Direct Loan (Soft Repayable)	40/0	0.00%	$3,000,000	0.00
City of Austin Local Gov Loan	40/0	0.00%	$6,000,000	0.00
City of Austin Fee Waivers	0/0	0.00%	$8,735	0.00
City of Austin Fee Waivers/MDL Match	0/0	0.00%	$225,000	0.00
CASH FLOW DEBT / GRANTS			$9,233,735	

EQUITY / DEFERRED FEES	
Source	Amount
Owner Equity	$502,048
Fundraising/Pledge of Real Estate Sale	$604,800
Project Transitions, Inc.	$148,501
TOTAL EQUITY SOURCES	$1,255,348
TOTAL DEBT SOURCES	$9,233,735
TOTAL CAPITALIZATION	$10,489,083

CONDITIONS

- Receipt and acceptance before Direct Loan Closing
  - a: Substantially final construction contract with Schedule of Values.
  - b: Updated term sheets with substantially final terms from all lenders
  - c: Current documentation confirming ongoing HOPWA funding from the City, and a statement from Project Transitions committing to provide a break-even operating subsidy throughout the compliance period.
  - d: Updated application exhibits: Rent Schedule, Utility Allowance, Operating Expenses, Long-Term Pro Forma, Development Cost Schedule, Schedule of Sources; and documentation necessary to support any changes from previous underwriting.
  - e: Documentation identifying any required matching funds, and confirming that the source is eligible to be counted as matching funds under HUD and TDHCA requirements.
  - f: Certification that any appropriate abatement procedures for asbestos and lead based paint were incorporated into the development plans.
  - g: Certification that subsurface environmental investigation was performed and that any recommended mitigation measures were incorporated into the development plans.

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

RISK PROFILE

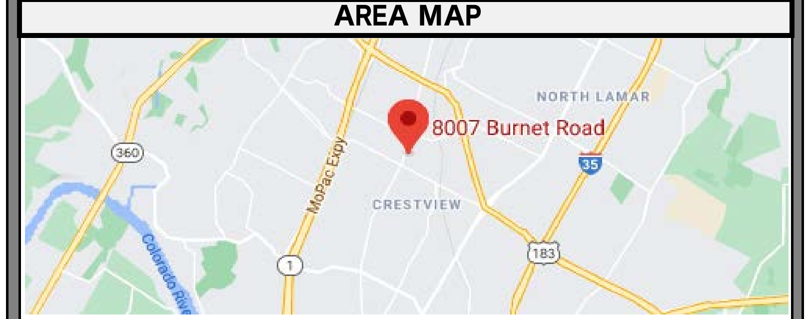
STRENGTHS/MITIGATING FACTORS

- 100% HOPWA vouchers
- Central location
- Sponsor experience/supportive services

WEAKNESSES/RISKS

- Dependent on HOPWA assistance
- Fundraising still in progress
- 0.25 parking space to unit ratio

AREA MAP



AERIAL PHOTOGRAPH(s)

Real Estate Analysis Division
Underwriting Report
December 3, 2020

DEVELOPMENT IDENTIFICATION

TDHCA Application #: **20504** Program(s): **MDL**

Burnet Place Apartments

Address/Location:	8007 Burnet Road				
City:	Austin	County:	Travis	Zip:	78757
Population:	Supportive Housing	Program Set-Aside:	General	Area:	Urban
Activity:	New Construction	Building Type:	Single-Room Occupancy	Region:	7
Analysis Purpose:	New Application - Initial Underwriting				

ALLOCATION

	REQUEST				RECOMMENDATION				
TDHCA Program	**Amount**	**Interest Rate**	**Amort**	**Term**	**Amount**	**Interest Rate**	**Amort**	**Term**	**Lien**
Multifamily Direct Loan (Soft Repayable)	$3,000,000	0.00%		40	**$3,000,000**			**40**	

CONDITIONS

- Receipt and acceptance before Direct Loan Closing
  - a: Substantially final construction contract with Schedule of Values.
  - b: Updated term sheets with substantially final terms from all lenders
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Should any terms of the proposed capital structure change or if there are material changes to the overall development plan or costs, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds may be warranted.

SET-ASIDES

TDHCA SET-ASIDES for DIRECT LOAN LURA		
Income Limit	Rent Limit	Number of Units
30% of AMFI	30% of AMFI	34

DEVELOPMENT SUMMARY

Burnet Place Apartments will be the new construction of 61 single room occupancy units in central Austin. All units will receive Housing Opportunities for Persons With AIDS (HOPWA) assistance through a facilities based contract awarded through Austin Public Health from HUD; therefore, all units will have a preference for persons living with HIV/AIDS and offer deeply affordable housing paired with intensive wrap around services. HOPWA pays the difference between the rent received based on 30% of resident income and the expenses and supportive services for the property based on budget.

Supportive housing developments typically have significantly higher operating expenses than traditional housing and rely heavily on fundraising and federal funding to remain operational. Because of this, Supportive Housing is exempt from §11.302(g)(4)(A) expense to income ratio, §11.302(g)(4)(B) first year debt coverage ratio, and §11.302(g)(5)(A) fifteen year DCR per §11.302(g)(6)(B)(iv).

Project Transitions has a long fundraising history to support their communities.

The existing site contains a vacant licensed care facility that will be demolished. Project Transitions has had site control since September 2019. The new four story, elevator served development will include thoughtfully planned common area spaces such as community kitchen, supportive staff offices, central courtyard, food pantry and computer lab. Proper nutrition is an important part of living with HIV/AIDS; there will be a commercial kitchen in the clubhouse where breakfast will be served 5 days a week to the residents and nutrition education will take place.

RISK PROFILE

	STRENGTHS/MITIGATING FACTORS
▫	100% HOPWA vouchers
▫	Central location
▫	Sponsor experience/supportive services
▫	City support/funding

	WEAKNESSES/RISKS
▫	Dependent on HOPWA assistance
▫	Fundraising still in progress
▫	0.25 parking space to unit ratio
▫	

DEVELOPMENT TEAM

PRIMARY CONTACTS

Name:	Cynthia Herrera	Name:	Jennifer Hicks
Phone:	-	Phone:	(512) 203-4417
Relationship:	Owner	Relationship:	Consultant

OWNERSHIP STRUCTURE

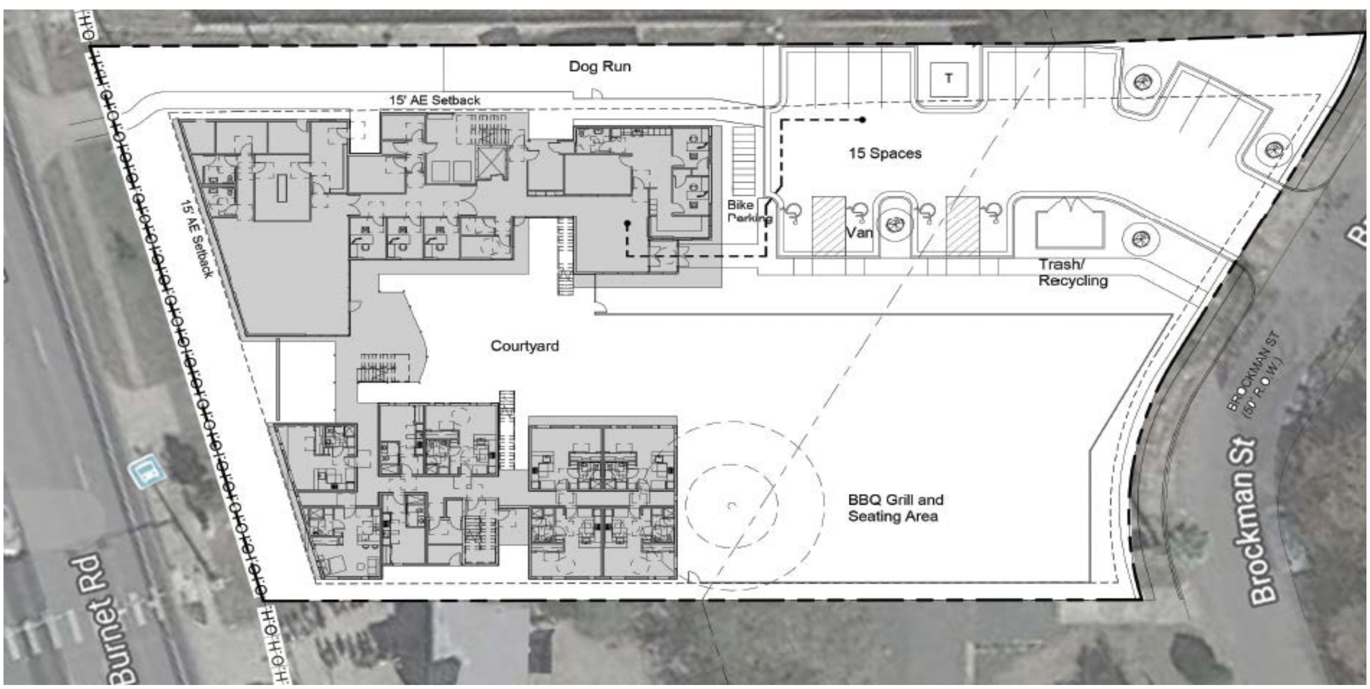
Ownership Chart

Owner:
Project Transitions, Inc.
100%

- Project Transitions, Inc. is the only direct provider of supportive affordable housing for people living with HIV/AIDS in Central Texas. They were incorporated in 1988 and operate two affordable, transitional housing programs for people living with HIV and AIDS and their families. Experienced social workers provide supportive services, help residents apply for permanent housing and achieve their personal goals of independent lives.
  Project Transitions, Inc. will be the 100% owner of Burnet Place Apartments, 90% developer, the property manager and supportive service provider and coordinator.

DEVELOPMENT SUMMARY

SITE PLAN



Comments:

The 1.03 acre flat site drains generally from east to west. There will be no additional impervious cover with the new construction; there is no detention on site, but rain gardens will slow and filter water before it flows into the city storm water. The proposed site will contain a large courtyard, BBQ grill/seating area, and dog run.

Affordability Unlocked (amendment to the City of Austin's Land Development Code) removes requirements for minimum parking standards. Accessible parking standards required by Section 504 and FHA still apply and are met. 15 spaces will be provided; this is 0.25 spaces/ per unit.

BUILDING PLAN (Typical)

Comments:

The modern building has two "wings" connected via an open metal and glass common area porch on each floor. There is one elevator that serves all four floors and five sets of open air stairs. Plumbing lines are not efficient; average unit size is 408 sf; due to the design of the building, there are 10 different floor plans.

BUILDING ELEVATION

Comments:

The four story building is approximately 25% glazed ceramic tile and 75% various painted fiber cement board and batten of various widths for interest. TPO roof. There are awnings and "cut outs" for visual interest; there are no unit balconies, only the center open air metal/glass common area that connects the two wings.

BUILDING CONFIGURATION

Building Type	1												**Total Buildings**
Floors/Stories	4												
Number of Bldgs	1												**1**
Units per Bldg	61												
Total Units	61												**61**

Avg. Unit Size (SF)	**408 sf**	**Total NRA (SF)**	**24,863**	**Common Area (SF)***	**5,687**

*Common Area Square Footage as specified on Architect Certification

SITE CONTROL INFO

Site Acreage: Development Site: 1.03 acres Density: 59.0 units/acre

Site Control: 1.094 **Site Plan:** 1.055 **Appraisal:** n/a **ESA:** n/a

Control Type: Special Warranty Deed Contract Executed 9/27/2019

Development Site: 1.03 acres Cost: $2,900,000 $47,541 per unit

Seller: 8007 Burnet Holdings, LLC

Buyer: Project Transitions, Inc.

Related-Party Seller/Identity of Interest: No

Comments:

9/27/19 Project Transitions, Inc. purchased the property from unrelated seller; settlement statement shows $2.9M price paid for land.

0.021 acres will be dedicated as a 5-foot ROW along Brockman Street. Per Applicant, the TDHCA LURA will restrict 1.034 acres after the right-of-way dedication.

SITE INFORMATION

Flood Zone:	Zone X	Scattered Site?	No
Zoning:	GR-MU, SF-3	Within 100-yr floodplain?	No
Re-Zoning Required?	No	Utilities at Site?	Yes
Year Constructed:	0	Title Issues?	No

Current Uses of Subject Site:

The subject site is currently developed with a 20,000 square foot single story building, built in 1966. The building has previously been used as a nursing home facility and is now vacant.

Surrounding Uses:

North – Bao'd Up Chinese Comfort Food restaurant, a commercial property;
South – a residential property and Milestone Motorcycles, a historical auto shop and commercial property;
West – Burnet Road and Austin Subaru; and
East – Brockman Street and residential properties.

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Baer Engineering and Environmental Consulting, Inc. Date: 7/10/2020

Recognized Environmental Conditions (RECs) and Other Concerns:

- Baer Engineering considers the Tip Top Cleaners, located up gradient at 8315 Burnet Road to be a potential source of vapor intrusion and a REC because of its proximity to the Site, the potential for long-distance migration of PERC, and the deed recordation of remediation case.

  Applicant is contacting Baer Engineering for proposal to provide passive soil sampling for the vapor encroachment.

- Lead based paint and asbestos was detected in the building.

Comments:

The new construction includes all new plumbing, therefore lead in water is not an issue.

MARKET ANALYSIS

Provider: Affordable Housing Analysts Date: 7/23/2020

Primary Market Area (PMA): 18 sq. miles 2 mile equivalent radius

It should be noted that the PMA is significantly smaller than the drawing area for the subject. Project Transitions (PT) services Travis County and surrounding counties (Williamson, Bastrop, Caldwell, Hays). The total population of the service area is over 2.2 million persons.

AFFORDABLE HOUSING INVENTORY						
Competitive Supply (Proposed, Under Construction, and Unstabilized)						
File #	Development	In PMA?	Type	Target Population	Comp Units	Total Units
19508	Roosevelt Gardens	Yes	Reconst	Supp Hsg	4	40
Other Affordable Developments in PMA since 2015						
16420	Pathways at North Loop		A/R	Elderly	n/a	130
18602	Oaks on Lamar		A/R	General	n/a	176
19436	Granada		New	General	n/a	258
Stabilized Affordable Developments in PMA					Total Units	
					Total Developments	

Proposed, Under Construction, and Unstabilized Competitive Supply:

Roosevelt Gardens is a reconstruction of supportive housing by the same owner as Subject. There will be 12 new units at the property that will compete with Subject.

OVERALL DEMAND ANALYSIS				
	Market Analyst			
	HTC			
Total Households in the Primary Market Area	49,887			
Potential Demand from the Primary Market Area	3,249			
10% External Demand	325			
Potential Demand from Other Sources	0			
GROSS DEMAND	3,574			
Subject Affordable Units	61			
Unstabilized Competitive Units	12			
RELEVANT SUPPLY	73			
Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE	**2.0%**			

Population:	**Supportive Housing**	**Market Area:**	**Urban**	**Maximum Gross Capture Rate:**	**30%**

Demand Analysis:

The capture rates stated above are based off demographic data. Minimum eligible income is calculated at 50% rent to income for Supportive Housing and includes both renter and owner households. 1 person per SRO is assumed. The maximum Gross Capture Rate for supportive housing developments is 30%.

Per REA rules, Supportive Housing demand can be generated based upon data quantifying qualified households to be served by the development. These statistics may include households beyond the defined PMA, but not outside the historical service area of the Applicant. Demand reported is not limited to demographically calculated demand numbers.

In this case, Market Analyst provided data from Texas HIV Surveillance Report, 2017 Annual Report (Latest available) published by the Texas Department of State Health on July 27, 2018. There were an estimated total of 9,358 persons living with HIV in the 5 counties served by Project Transitions. Using this data, the resulting capture rate would be 0.77%, which is well below the TDHCA maximum for Supportive Housing.

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE												
	Market Analyst											
Unit Type	Demand	10% Ext	Subject Units	Comp Units	Unit Capture Rate							
0 BR/30%	988	99	12	4	1%							
0 BR/40%	889	89	12	0	1%							
0 BR/50%	733	73	37	8	6%							

Market Analyst Comments:

±41.24% of the households living in the primary market area earn less than $50,000 per year, with ±31.48% earning less than $35,000 per year, and ±24.24% earning less than $25,000 per year. Approximately 16.55%% of the primary market area households earn less than $15,000 per year. (p. 42)

The overall occupancy rate for all operating apartment projects in this market area was 93.92%. (p. 46)

There is currently no Supportive Housing HTC complexes within the subject PMA. (p. 47)

Revisions to Market Study:	0

OPERATING PRO FORMA

SUMMARY- AS UNDERWRITTEN (TDHCA Pro Forma)					
NOI:	$0	Avg. Rent:	$193	Expense Ratio:	100.0%
Debt Service:	$0	B/E Rent:	$193	Controllable Expenses:	$4,699
Net Cash Flow:	$0	UW Occupancy:	95.0%	Property Taxes/Unit:	$0
Aggregate DCR:	NA	B/E Occupancy:	95.0%	Program Rent Year:	2020

The HOPWA funding covers the budgeted expenses for the property less the rents earned for the property (which are no more than 30% of the resident's income.) This funding structure delivers an operating budget that breaks even and strictly limits any cash flow over breakeven. Applicant has stated that the HOPWA contract is renewed annually with a budget of what is expected to be required monthly to run the Project. The HOPWA subsidies for Project Transitions are shown as funded for all five years of the City's 2019-2024 Consolidated Plan.

The Owner operates a thrift store and has fundraisers to help cover any operation shortages beyond the HOPWA subsidies. Owner has received HOPWA funds for approximately 25 years.

Pro forma assumes rents at 30% of the max program rents and produces a negative NOI of $150,884, which is assumed as the HOPWA subsidy to breakeven.

Landlord pays all utilities. 100% tax exemption assumed.

Staffing plan shows manager at 56% time and a lead and assistant maintenance worker at 37% time. The employees are shared between Project Transitions' other 48 units within two miles of the Subject. Supportive services are paid from other grants and fundraising.

Applicant's operating expenses of $4,837/unit are within 3% of REA's estimate of $4,699/unit. This amount is consistent with other SRO communities.

In the event that HOPWA subsidies are no longer available, the property can still operate as an SRO by leasing it at max program rents which are substantially lower than market rents in the Austin area.

Related-Party Property Management Company: Yes

Revisions to Rent Schedule:	1	Revisions to Annual Operating Expenses:	1

DEVELOPMENT COST EVALUATION

SUMMARY- AS UNDERWRITTEN (Applicant's Costs)

Acquisition	$2,804,642/ac	$47,633/unit	**$2,905,592**	Contractor Fee	**$723,197**
Off-site + Site Work		$6,996/unit	**$426,746**	Soft Cost + Financing	**$1,218,397**
Building Cost	$177.11/sf	$72,189/unit	**$4,403,526**	Developer Fee	**$387,525**
Contingency	5.61%	$4,533/unit	**$276,514**	Reserves	**$47,587**
Total Development Cost	$171,952/unit	**$10,489,083**		**Rehabilitation Cost**	**N/A**

Acquisition:

Acquisition cost of $2.8M/acre is quite high, but comparable to other infill locations in central Austin. The small number of units (61) contribute to the high per door cost of $48k.

Site Work:

Site work is $4k/unit and includes usual paving, grading, and utilities. $22k for rain gardens.
Site amenities are $3k/unit and include landscaping, fencing, courtyard, bbq grills/seating, and dog run.

Building Cost:

Applicant's building cost is estimated at $177.11/sf. Underwriter's estimated building cost of $176.99/sf is based on Marshall & Swift's "good" base cost adjusted for a four story build, small unit sizes, and Applicant's contractor's estimates: $213k exterior glazed tile, $225k glass/metal screen at community porch areas, $55k storefront glass on the first floor and $144k for the commercial community kitchen.

With only 61 units, much of the total cost is for non-rentable area (corridors, community area, commercial community kitchen, office/leasing space, etc). In this case net rentable area is only 52% of gross building area.

Ineligible Costs:

$100k demolition of existing building and parking lot; includes asbestos/lead based paint remediation.

Developer Fee:

Developer fee is 7.44%.

Reserves:

Reserves equal 2 months operating expenses.

Credit Allocation Supported by Costs:

Total Development Cost	Adjusted Eligible Cost	Credit Allocation Supported by Eligible Basis
$10,489,083	**$0**	**$0**

Related-Party Contractor: No

Related-Party Cost Estimator: No

Revisions to Development Cost Schedule:	0

UNDERWRITTEN CAPITALIZATION

INTERIM SOURCES

Funding Source	Description	Amount	Rate	LTC
TDHCA	(Soft Repayable)	$3,000,000	0.00%	29%
TSAHC	Conventional Loan	$856,848	3.00%	8%
City of Austin Local Gov Loan	Local Government Loan	$6,000,000	0.00%	57%
City of Austin Fee Waivers	Fee Waivers	$8,735	0.00%	0%
Project Transitions, Inc.	Deferred Fee	$148,500	0.00%	1%
City of Austin Fee Waivers	Direct Loan Match	$225,000	0.00%	2%
Owner Equity	Cash Contribution	$250,000	0.00%	2%
		$10,489,083	**Total Sources**	

Comments:

The construction loan from Texas State Affordable Housing Corporation (TSAHC) will carry an interest rate of 3.00% and will require interest-only payments during the construction period. Construction loan interest, assuming the loan is fully drawn in one year, will be approximately $25,705 and is included in the construction budget.

$148,500 developer fee will be deferred and owner will contribute $250k to bridge the gap.

PERMANENT SOURCES

	PROPOSED				UNDERWRITTEN				
Debt Source	Amount	Interest Rate	Amort	Term	Amount	Interest Rate	Amort	Term	LTC
Multifamily Direct Loan (Soft Repayable)	$3,000,000	0.00%	0	40	$3,000,000	0.00%	0	40	29%
City of Austin Local Gov Loan	$6,000,000	0.00%	0	40	$6,000,000	0.00%	0	40	57%
City of Austin Fee Waivers	$8,735	0.00%	0	0	$8,735	0.00%	0	0	0%
City of Austin Fee Waivers/MDL Match	$225,000	0.00%	0	0	$225,000	0.00%	0	0	2%
Total	**$9,233,735**				**$9,233,735**				

Comments:

$3M TDHCA Multifamily Direct Loan construction to perm funding under the Supportive Housing/Soft Repayable Set-Aside. The funds are requested as a deferred, forgivable loan sourced from National Housing Trust Fund.

Project Transitions, Inc. was awarded $6M in funding from the Austin Housing Finance Corporation (City of Austin): $1,900,000 in HOME funding, $3,642,917 in General Obligation Bond Funding, and $457,083 in local Housing Trust Fund. The loans have already closed; when TDHCA MFDL funds are awarded, the AHFC loan can be subordinated at that time. Repayment of the loan will be deferred on a yearly basis and forgiven at the end of the loan period contingent upon compliance with the loan agreement.

The City of Austin is awarding impact and permit fee waivers through the SMART Housing program in the amount of $233,735.74. $225k in waived fees will be used to meet the 7.5% match requirements for the MFDL program.

	PROPOSED			UNDERWRITTEN			
Equity & Deferred Fees	Amount	Rate	% Def	Amount	Rate	% TC	% Def
Owner Equity	$502,048			$502,048		5%	
Fundraising/Pledge of Real Estate Sale	$604,800			$604,800		6%	
Project Transitions, Inc.	$148,500		38%	$148,501		1%	38%
Total	**$1,255,348**			**$1,255,348**			
				$10,489,083	**Total Sources**		

Comments:

Project Transitions, Inc. is making a permanent commitment of $502,048 as an Owner's Cash Contribution to Burnet Place Apartments as a bridge for fundraising. As private funds are raised, Project Transitions, Inc. will be reimbursed.

Project Transitions, Inc. is pledging the proceeds of the sale of an 8-unit property owned by Project Transitions located at 7107 Guadalupe Street, Austin, TX 78752; the property is valued at $604,800. Private fundraising will replace this pledge as funds become available. They have launched a $3M capital campaign that will be used to fund the gap on this development.

Project Transitions, Inc. will permanently defer $148,500 of the developer fee in order to complete the development of Burnet Place Apartments.

Revisions to Sources Schedule:	0

CONCLUSIONS

Recommended Financing Structure:

Gap Analysis:	
Total Development Cost	$10,489,083
Permanent Sources (debt + non-HTC equity)	$10,489,083
Gap in Permanent Financing	$0

	RECOMMENDATION				
	Amount	**Interest Rate**	**Amort**	**Term**	**Lien**
TDHCA Multifamily Direct Loan	**$3,000,000**	**0.00%**	**0**	**40**	**1**

Deferred Developer Fee	**$148,501**	**(38% deferred)**
Repayable in	**41 years**	

Comments:

Underwriter recommends $3M deferred forgivable Multifamily Direct Loan with a term of 40 years and 0% interest rate.

Underwriter:	*Jeanna Adams*
Manager of Real Estate Analysis:	*Thomas Cavanagh*
Director of Real Estate Analysis:	*Brent Stewart*

UNIT MIX/RENT SCHEDULE

Burnet Place Apartments, Austin, MDL #20504

LOCATION DATA	
CITY:	Austin
COUNTY:	Travis
Area Median Income	$95,900
PROGRAM REGION:	7
PROGRAM RENT YEAR:	2020

UNIT DISTRIBUTION				
# Beds	# Units	% Total	Assisted	MDL
Eff	61	100.0%	61	34
1	-	0.0%	0	0
2	-	0.0%	0	0
3	-	0.0%	0	0
4	-	0.0%	0	0
5	-	0.0%	0	0
TOTAL	61	100.0%	61	34

Pro Forma ASSUMPTIONS	
Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	130%
Applicable Fraction	100%
APP % Acquisition	NA
APP % Construction	NA
Average Unit Size	408 sf

UNIT MIX / MONTHLY RENT SCHEDULE

TDHCA Direct Loan Program		RENT ASSISTED UNIT		UNIT MIX				APPLICABLE PROGRAM RENT			APPLICANT'S PRO FORMA RENTS					TDHCA PRO FORMA RENTS				MARKET RENTS		
Type	Gross Rent	Type	Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Utility Allow	Max Net Program Rent	Delta to Max	Rent psf	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent psf	Delta to Max	Underwritten		Mrkt Analyst
30%/30%	$513	COA 30%	$497	6	0	1	420	$497	$0	$497	($348)	$0.36	$149	**$895**	**$895**	$149	$0.36	($348)	$1,040	$2.48	$1,040
30%/30%	$513	COA 40%	$663	6	0	1	420	$513	$0	$513	($359)	$0.37	$154	**$923**	**$923**	$154	$0.37	($359)	$1,040	$2.48	$1,040
30%/30%	$513	COA 50%	$828	6	0	1	420	$513	$0	$513	($359)	$0.37	$154	**$924**	**$924**	$154	$0.37	($359)	$1,040	$2.48	$1,040
		COA 50%	$828	5	0	1	420	$828	$0	$828	($580)	$0.59	$248	**$1,240**	**$1,240**	$248	$0.59	($580)	$1,040	$2.48	$1,040
30%/30%	$513	COA 30%	$497	1	0	1	398	$497	$0	$497	($348)	$0.37	$149	**$149**	**$149**	$149	$0.37	($348)	$1,040	$2.61	$1,040
30%/30%	$513	COA 40%	$663	1	0	1	398	$513	$0	$513	($359)	$0.39	$154	**$154**	**$154**	$154	$0.39	($359)	$1,040	$2.61	$1,040
30%/30%	$513	COA 50%	$828	1	0	1	398	$513	$0	$513	($359)	$0.39	$154	**$154**	**$154**	$154	$0.39	($359)	$1,040	$2.61	$1,040
		COA 50%	$828	2	0	1	398	$828	$0	$828	($580)	$0.62	$248	**$496**	**$496**	$248	$0.62	($580)	$1,040	$2.61	$1,040
		COA 50%	$828	2	0	1	377	$828	$0	$828	($580)	$0.66	$248	**$496**	**$496**	$248	$0.66	($580)	$1,040	$2.76	$1,040
30%/30%	$513	COA 30%	$497	1	0	1	454	$497	$0	$497	($348)	$0.33	$149	**$149**	**$149**	$149	$0.33	($348)	$1,040	$2.29	$1,040
30%/30%	$513	COA 40%	$663	1	0	1	454	$513	$0	$513	($359)	$0.34	$154	**$154**	**$154**	$154	$0.34	($359)	$1,040	$2.29	$1,040
30%/30%	$513	COA 50%	$828	1	0	1	454	$513	$0	$513	($359)	$0.34	$154	**$154**	**$154**	$154	$0.34	($359)	$1,040	$2.29	$1,040
		COA 50%	$828	3	0	1	454	$828	$0	$828	($580)	$0.55	$248	**$745**	**$745**	$248	$0.55	($580)	$1,040	$2.29	$1,040
30%/30%	$513	COA 30%	$497	1	0	1	414	$497	$0	$497	($348)	$0.36	$149	**$149**	**$149**	$149	$0.36	($348)	$1,040	$2.51	$1,040
30%/30%	$513	COA 40%	$663	1	0	1	414	$513	$0	$513	($359)	$0.37	$154	**$154**	**$154**	$154	$0.37	($359)	$1,040	$2.51	$1,040
		COA 50%	$828	1	0	1	414	$828	$0	$828	($580)	$0.60	$248	**$248**	**$248**	$248	$0.60	($580)	$1,040	$2.51	$1,040
30%/30%	$513	COA 30%	$497	1	0	1	376	$497	$0	$497	($348)	$0.40	$149	**$149**	**$149**	$149	$0.40	($348)	$1,040	$2.77	$1,040
30%/30%	$513	COA 40%	$663	1	0	1	376	$513	$0	$513	($359)	$0.41	$154	**$154**	**$154**	$154	$0.41	($359)	$1,040	$2.77	$1,040
		COA 50%	$828	1	0	1	376	$828	$0	$828	($580)	$0.66	$248	**$248**	**$248**	$248	$0.66	($580)	$1,040	$2.77	$1,040
30%/30%	$513	COA 30%	$497	1	0	1	508	$497	$0	$497	($348)	$0.29	$149	**$149**	**$149**	$149	$0.29	($348)	$1,040	$2.05	$1,040
30%/30%	$513	COA 40%	$663	1	0	1	508	$513	$0	$513	($359)	$0.30	$154	**$154**	**$154**	$154	$0.30	($359)	$1,040	$2.05	$1,040
		COA 50%	$828	1	0	1	508	$828	$0	$828	($580)	$0.49	$248	**$248**	**$248**	$248	$0.49	($580)	$1,040	$2.05	$1,040
30%/30%	$513	COA 50%	$828	1	0	1	375	$513	$0	$513	($359)	$0.41	$154	**$154**	**$154**	$154	$0.41	($359)	$1,040	$2.77	$1,040
		COA 50%	$828	1	0	1	391	$828	$0	$828	($674)	$0.39	$154	**$154**	**$154**	$154	$0.39	($674)	$1,040	$2.66	$1,040
		COA 50%	$828	9	0	1	420	$828	$0	$828	($580)	$0.59	$248	**$2,236**	**$2,236**	$248	$0.59	($580)	$1,040	$2.48	$1,040
30%/30%	$513	COA 30%	$497	1	0	1	259	$497	$0	$497	($348)	$0.58	$149	**$149**	**$149**	$149	$0.58	($348)	$1,040	$4.02	$1,040
30%/30%	$513	COA 40%	$663	1	0	1	259	$513	$0	$513	($359)	$0.59	$154	**$154**	**$154**	$154	$0.59	($359)	$1,040	$4.02	$1,040
30%/30%	$513	COA 50%	$828	1	0	1	259	$513	$0	$513	($359)	$0.59	$154	**$154**	**$154**	$154	$0.59	($359)	$1,040	$4.02	$1,040
		COA 50%	$828	2	0	1	259	$828	$0	$828	($580)	$0.96	$248	**$496**	**$496**	$248	$0.96	($580)	$1,040	$4.02	$1,040
TOTALS/AVERAGES:				**61**			**24,863**				**($456)**	**$0.47**	**$193**	**$11,784**	**$11,784**	**$193**	**$0.47**	**($456)**	**$1,040**	**$2.55**	**$1,040**

ANNUAL POTENTIAL GROSS RENT:	$141,404	$141,404

STABILIZED PRO FORMA

Burnet Place Apartments, Austin, MDL #20504

STABILIZED FIRST YEAR PRO FORMA

	COMPARABLES				APPLICANT				TDHCA				VARIANCE	
	Database		SRO Comps		% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	$
POTENTIAL GROSS RENT						$0.47	$193	$141,404	$141,404	$193	$0.47		0.0%	$0
Laundry, Damages, Lease Term Fees							$10.87	$7,956						
Late Charges, App Fees, NSF Fees							$2.05	$1,500						
HOPWA Operating Subsidy							$0.00		$150,884					
Total Secondary Income							$12.92		$9,456	$12.92			0.0%	$0
POTENTIAL GROSS INCOME								$150,860	$301,744				-50.0%	($150,884)
Vacancy & Collection Loss							5.0% PGI	(7,543)	(15,087)	5.0% PGI			-50.0%	7,544
Rental Concessions								-	-				0.0%	-
EFFECTIVE GROSS INCOME								$143,317	$286,657				-50.0%	($143,340)
General & Administrative	$24,484	$401/Unit	$23,672	$388	24.83%	$1.43	$583	$35,585	$35,585	$583	$1.43	12.41%	0.0%	-
Management	$24,545	5.4% EGI	$26,187	$429	10.71%	$0.62	$252	$15,355	$15,355	$252	$0.62	5.36%	0.0%	-
Payroll & Payroll Tax	$72,665	$1,191/Unit	$138,902	$2,277	59.39%	$3.42	$1,395	$85,112	$85,112	$1,395	$3.42	29.69%	0.0%	-
Repairs & Maintenance	$59,346	$973/Unit	$35,900	$589	36.42%	$2.10	$856	$52,195	$36,600	$600	$1.47	12.77%	42.6%	15,595
Electric/Gas	$9,433	$155/Unit	$38,649	$634	22.24%	$1.28	$523	$31,880	$38,649	$634	$1.55	13.48%	-17.5%	(6,769)
Water, Sewer, & Trash	$48,584	$796/Unit	$25,068	$411	18.54%	$1.07	$436	$26,570	$26,570	$436	$1.07	9.27%	0.0%	-
Property Insurance	$21,202	$0.85 /sf	$20,389	$334	22.59%	$1.30	$531	$32,380	$32,380	$531	$1.30	11.30%	0.0%	-
Property Tax (@ 0%) 2.1385	$30,502	$500/Unit	$15,668	$257	0.00%	$0.00	$0	$0	$0	$0	$0.00	0.00%	0.0%	-
Reserve for Replacements				$0	10.64%	$0.61	$250	$15,250	$15,250	$250	$0.61	5.32%	0.0%	-
Supportive Services				$0	0.00%	$0.00	$0	$0	$0	$0	$0.00	0.00%	0.0%	-
TDHCA MDL Compliance ($34/MDL unit)				$0	0.50%	$0.03	$12	$714	$1,156	$19	$0.05	0.40%	-38.2%	(442)
TOTAL EXPENSES					**205.87%**	**$11.87**	**$4,837**	**$ 295,041**	**$286,657**	**$4,699**	**$11.53**	**100.00%**	**2.9%**	**$ 8,384**
NET OPERATING INCOME ("NOI")					**-105.87%**	**-$6.10**	**-$2,487**	**($151,724)**	**$0**	**$0**	**$0.00**	**0.00%**		**$ (151,724)**
CONTROLLABLE EXPENSES							$3,792/Unit			$3,648/Unit				

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Burnet Place Apartments, Austin, MDL #20504

DEBT / GRANT SOURCES

		APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE							AS UNDERWRITTEN DEBT/GRANT STRUCTURE						
		Cumulative DCR												Cumulative	
DEBT	Fee	UW	App	Pmt	Rate	Amort	Term	Principal	Principal	Term	Amort	Rate	Pmt	DCR	LTC
CASH FLOW DEBT / GRANTS															
Multifamily Direct Loan (Soft Repayable)					0.00%	0	40	$3,000,000	$3,000,000	40	0	0.00%			
City of Austin Local Gov Loan					0.00%	0	40	$6,000,000	$6,000,000	40	0	0.00%			
City of Austin Fee Waivers					0.00%	0	0	$8,735	$8,735	0	0	0.00%			
City of Austin Fee Waivers/MDL Match					0.00%	0	0	$225,000	$225,000	0	0	0.00%			
				$0	TOTAL DEBT / GRANT SOURCES			$9,233,735	$9,233,735		TOTAL DEBT SERVICE		$0		
NET CASH FLOW		$0	($151,724)						TDHCA	NET OPERATING INCOME			$0	NET CASH FLOW	

EQUITY SOURCES

	APPLICANT'S PROPOSED EQUITY STRUCTURE					AS UNDERWRITTEN EQUITY STRUCTURE					
EQUITY / DEFERRED FEES	DESCRIPTION	% Cost	Annual Credit	Credit Price	Amount	Amount	Credit Price	Annual Credit	% Cost	Annual Credits per Unit	Allocation Method
Owner Equity		4.8%			$502,048	$502,048			4.8%		
Fundraising/Pledge of Real Estate Sale		5.8%			$604,800	$604,800			5.8%		
Project Transitions, Inc.	Deferred Developer Fees	1.4%	(38% Deferred)		$148,500	$148,501	(38% Deferred)		1.4%	Total Developer Fee:	$387,525
TOTAL EQUITY SOURCES		12.0%			$1,255,348	$1,255,348			12.0%		
TOTAL CAPITALIZATION					$10,489,083	$10,489,083			15-Yr Cash Flow after Deferred Fee:		$0

DEVELOPMENT COST / ITEMIZED BASIS

	APPLICANT COST / BASIS ITEMS					TDHCA COST / BASIS ITEMS					COST VARIANCE	
	Eligible Basis								Eligible Basis			
	Acquisition	New Const. Rehab			Total Costs	Total Costs			New Const. Rehab	Acquisition	%	$
Land Acquisition				$47,541 / Unit	$2,900,000	$2,900,000	$47,541 / Unit				0.0%	$0
Closing costs & acq. legal fees					$5,592	$5,592						$0
Off-Sites				$ / Unit	$0	$0	$ / Unit				0.0%	$0
Site Work		$0		$3,960 / Unit	$241,550	$241,550	$3,960 / Unit		$0		0.0%	$0
Site Amenities		$0		$3,036 / Unit	$185,196	$185,196	$3,036 / Unit		$0		0.0%	$0
Demolition				$1,639 / Unit	$100,000	$100,000	$1,639 / Unit		$0		0.0%	$0
Building Cost		$0	$177.11 /sf	$72,189/Unit	$4,403,526	$4,400,398	$72,138/Unit	$176.99 /sf	$0		0.0%	$0
Contingency		$0		5.61%	$276,514	$276,514	5.61%		$0		0.0%	$0
Contractor Fees		$0		13.89%	$723,197	$723,197	13.90%		$0		0.0%	$0
Soft Costs	0	$0		$18,604 / Unit	$1,134,839	$1,134,839	$18,604 / Unit		$0	$0	0.0%	$0
Financing	0	$0		$1,370 / Unit	$83,558	$83,558	$1,370 / Unit		$0	$0	0.0%	$0
Developer Fee	$0	$0		7.44%	$387,525	$387,525	7.45%		$0	$0	0.0%	$0
Reserves				2 Months	$47,587	$47,776	2 Months				-0.4%	($189)
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)	$0	$0		$171,952 / Unit	$10,489,083	$10,486,145	$171,904 / Unit		$0	$0	0.0%	$2,938
Acquisition Cost					$0							
Contingency					$0							
Contractor's Fee					$0							
Financing Cost												
Developer Fee					$0							
Reserves					$0							
ADJUSTED BASIS / COST				$171,952/unit	$10,489,083	$10,486,145	$171,904/unit		$0	$0	0.0%	$2,938
TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):					$10,489,083							

CAPITALIZATION / DEVELOPMENT COST BUDGET / ITEMIZED BASIS ITEMS

Burnet Place Apartments, Austin, MDL #20504

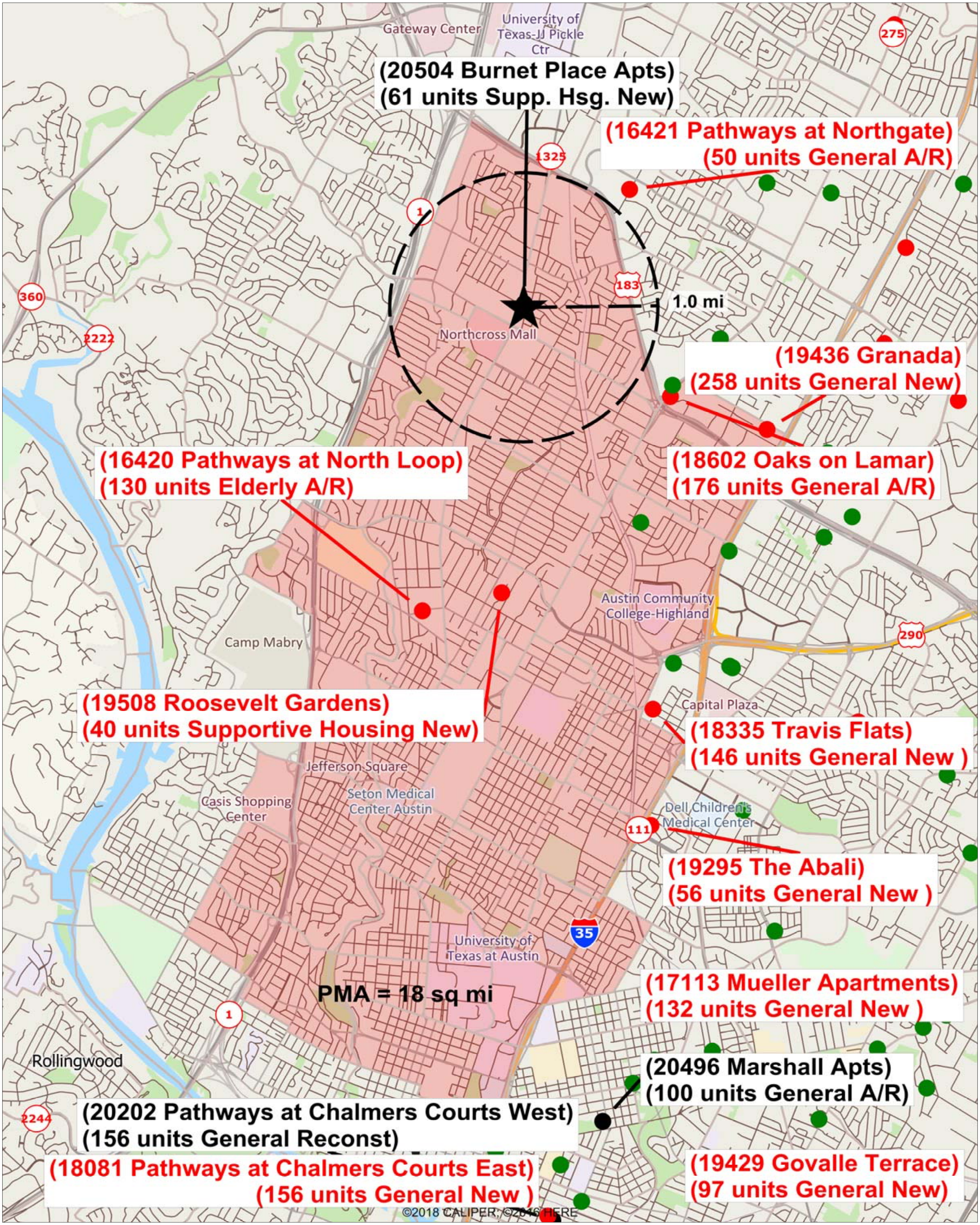
BUILDING COST ESTIMATE					
CATEGORY		**FACTOR**	**UNITS/SF**	**PER SF**	
Base Cost:	Single-Room Occupancy		24,863 SF	$131.44	3,268,116
Adjustments					
Exterior Wall Finish		2.00%		2.63	$65,362
Elderly		0.00%		0.00	0
9-Ft. Ceilings		3.25%		4.27	106,214
Roof Adjustment(s)				5.37	133,529
Subfloor				0.22	5,532
Floor Cover				2.56	63,649
Breezeways		$30.98	9,897	12.33	306,633
Balconies		$27.47	6,200	6.85	170,314
Plumbing Fixtures		$1,080	0	0.00	0
Rough-ins		$530	61	1.30	32,330
Built-In Appliances		$1,830	61	4.49	111,630
Exterior Stairs		$2,460	15	1.48	36,900
Heating/Cooling				2.34	58,179
Storage Space		$30.98	0	0.00	0
Carports		$12.25	0	0.00	0
Garages			0	0.00	0
Common/Support Area		$123.21	5,915	29.31	728,782
Commercial Kitchen				5.80	144,215
Elevators		$106,800	1	4.30	106,800
Exterior: glazed tile, metal screen, storefront glass				19.83	493,003
Fire Sprinklers		$2.59	40,675	4.24	105,348
SUBTOTAL				**238.77**	**5,936,536**
Current Cost Multiplier		1.00		0.00	0
Local Multiplier		0.87		(31.04)	(771,750)
Reserved					0
TOTAL BUILDING COSTS				**207.73**	**$5,164,787**
Plans, specs, survey, bldg permits		3.30%		(6.86)	($170,438)
Contractor's OH & Profit		11.50%		(23.89)	($593,950)
NET BUILDING COSTS			$72,138/unit	$176.99/sf	$4,400,398

Long-Term Pro Forma

Burnet Place Apartments, Austin, MDL #20504

	Growth Rate	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30	Year 35	Year 40
EFFECTIVE GROSS INCOME	2.00%	$286,657	$295,257	$304,115	$313,238	$322,635	$374,023	$433,595	$502,655	$582,715	$675,527	$783,120	$907,851
TOTAL EXPENSES	3.00%	$286,657	$295,257	$304,115	$313,238	$322,635	$374,023	$433,595	$502,655	$582,715	$675,527	$783,120	$907,851
NET OPERATING INCOME ("NOI")		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
EXPENSE/INCOME RATIO		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

20504 Burnet Place Apts PMA Map



Disclaimer: This map is not a survey. Boundaries, distance and scale are approximate only.

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BOARD REPORT ITEM

BOND FINANCE DIVISION

JANUARY 12, 2023

Report on the closing of the Department's 2022 Series B Single Family Mortgage Revenue Bonds (Tax-Exempt)

BACKGROUND

On November 10, 2022, the Board approved the issuance of 2022 Series B Single Family Mortgage Revenue Bonds (2022B Bonds) (the Bonds). The Preliminary Official Statement (POS) was published November 28, 2022. The Retail Order Period and Institutional Order Period were December 1, 2022, and closed December 21, 2022.

The financing team included Bracewell LLP, Bond Counsel; McCall, Parkhurst & Horton, L.L.P., Disclosure Counsel; Stifel, Nicolaus & Co., Inc., Financial Advisor; and an underwriting team led by Barclays as Book Running Senior Manager, Jefferies, and RBC Capital Markets, as co-senior managers, and Morgan Stanley, Piper Sandler & Co., and Ramirez & Co., Inc. as co-managers.

The 2022B Bonds, issued to provide funds for new loan origination, were structured to maximize premium received while keeping mortgage rates as low as possible. Fixed rate and tax-exempt, the bond structure included par and premium serial bonds, par and premium term bonds, and a premium PAC (Planned Amortization Class) bond. The par amount of 2022B Bonds sold was $190,000,000, and the premium received was $11.862.351.70 for total 2022B Bond proceeds of $201,862,351.70 The premium will fund down payment and closing cost assistance for loans originated through this bond issue, as well as a portion of the lender compensation. Issuer Contribution was $1,541,175.11

This series made $190,000,000 available for assisted loans, providing 3 and 4 points of down payment assistance (DPA) and closing cost assistance in the form of 30-year, non-amortizing, 0% interest second lien loans that are due on sale or refinance of the first mortgage. This series also provided up to $30,000,000 available for unassisted loans, providing Zero Points in DPA at a lower rate than the assisted loans. Eligible loan types are FHA, VA, and USDA-RD loans. Mortgage rates are currently 5.375% for unassisted loans, 5.75% for 3 point repayable DPA and 6.25% for 4 point repayable DPA.

As of December 23, 2022, the issue is 60% is reserved.

Attached is a detailed summary of the pricing that was prepared by Barclays Capital Markets.

$190,000,000

Texas Department of Housing and Community Affairs

Single Family Mortgage Revenue Bonds

2022 Series B (Non-AMT)

Final Pricing Book

Pricing: December 1, 2022
Closing: December 21, 2022

Prepared By

BARCLAYS

$190,000,000
Texas Department of Housing and Community Affairs
Single Family Mortgage Revenue Bonds
2022 Series B

TABLE OF CONTENTS

1. Overview of Financing

1.a. Executive Summary

EXECUTIVE SUMMARY

Timing and Underwriting	Pricing:	December 1, 2022
	Closing Date:	December 21, 2022
	Method of Sale:	Negotiated
Underwriters	Senior Manager:	Barclays
	Co-Senior Managers:	Jefferies RBC Capital Markets
	Co-Managers:	Morgan Stanley Piper Sandler Ramirez & Co

Use of Proceeds

The Series 2022B Bonds are being issued for the primary purpose of providing funds for the purchase of mortgage-backed, pass-through certificates, funding loans for down payment and closing cost assistance, and paying lender compensation related to the Mortgage Loans.

Bond Structure

The Series 2022B bond structure included $13.04 million premium serial bonds, $33.68 million par serial and term bonds, $54.35 million premium term bonds, and $88.93 million premium PAC bonds.

Ratings

Moody's: Aaa   Standard & Poor's: AA+

Bondholder Security

The Bonds, including the Series 2022B Bonds, the Prior Bonds and, unless subordinated, all bonds subsequently issued pursuant to the Trust Indenture, are equally and ratably secured by the Trust Indenture for the equal benefit, protection and security of the owners of the Bonds, each of which, regardless of time of issuance or maturity, is to be of equal rank without preference, priority or distinction, except as otherwise provided in the Trust Indenture.

Principal or Redemption Price of and interest on all Bonds are payable solely from and are secured by a pledge of and lien on the Trust Estate, which consists generally of the Revenues, Mortgages, Mortgage Loans (including Mortgage Certificates), money, and Investment Securities held in the Funds (excluding the Rebate Account, the Swap Agreement Termination Payment Subaccount and the Swap Agreement Termination Receipt Subaccount of the Surplus Revenues Account of the Revenue Fund and the Policy Payments Account), and other property pledged under the Trust Indenture and any Supplemental Indenture. Revenues include all payments with respect to the Mortgage Loans (net of servicing, accounting and collection fees) which include Mortgage Certificates (net of servicing and guaranty fees) and the earnings on investments of amounts held under the Trust Indenture and any supplemental indenture. Revenues do not include Swap Agreement Periodic Receipts or Swap Agreement Termination Receipts, payments made in order to obtain or maintain mortgage insurance and fire and other hazard insurance with respect to Mortgage Loans (including Mortgage Certificates), and any payments required to be made with respect to Mortgage Loans (including Mortgage Certificates) for taxes, other governmental charges, and other similar charges customarily required to be escrowed on mortgage loans or commitment fees or other financing charges paid by a Mortgage Lender or the Master Servicer to the Department in connection with a commitment to sell and deliver Mortgage Loans (including Mortgage Certificates) to the Department.

Investment of Proceeds

Moneys in all Funds will be invested pursuant to the Depository Agreement with the Texas Treasury Safekeeping Trust Company in Investment Securities. Moneys held or invested in all Funds and Accounts under the Trust Indenture (other than the Rebate Account, the Swap Agreement Termination Payment Subaccount and the Swap Agreement Termination Receipt Subaccount of the Surplus Revenues Account of the Revenue Fund and the Policy Payments Account) are for the equal and ratable benefit of all owners of the Bonds.

Results of Sale

Series 2022B

Bond Issue Component	**Buyer Profile**	
$7,885,000 2024-3/12027, 2034 Serial Bonds	Retail: Institutional:	100% -%
$13,040,000 9/1/2027-2033 Premium Serial Bonds	Retail: Institutional:	100% -%
$8,360,000 2037 Term Bonds	Retail: Institutional:	100% -%
$17,440,000 2042 Term Bonds	Retail: Institutional:	57% 43%
$23,180,000 2047 Premium Term Bonds	Retail: Institutional:	24% 76%
$31,170,000 2052 Premium Term Bonds	Retail: Institutional:	34% 66%
$88,925,000 2053 Premium PAC	Retail: Institutional:	100% -%

Market Conditions

- Flurry of key economic data indicated that the U.S. economy continues to expand despite the Fed's efforts to bring down inflation and tighten financial conditions. The November minutes depicted FOMC plans to proceed with ongoing fed funds rate hikes, albeit a slower pace.
- Ahead of pricing, MMD rallied 9-15 basis points on the short end and 7-9 basis points on the long end of the curve. On the day of pricing, MMD rallied an additional 10 basis points on the short end and 4 basis points on the long end.
- US Treasury yields also decreased 18-23 basis points in 2-10 years and 12-18 basis points in 10-30 years.
- Municipal mutual funds that report weekly and monthly recorded inflows of about $916 million compared with the outflows of $438 million in the previous week. Net year-to-date net flows for funds reporting weekly and monthly totaled about -$112 billion.

Commentary

- The Series 2022B Bonds was structured to generate premium for TDHCA's DPA programs through the offering of $13.04 million in premium lockout serial bonds at 5.50% coupon, $54.35 million in premium term bonds, and $88.925 million in premium PAC Bonds with a 6.0-year average life at a 6.00% coupon, generating a total of $11.9 million in premium proceeds
- A strong marketing campaign, which included the Department's roadshow (with 21 unique investor views), led to a robust order book even with a compressed pricing timeline
- The transaction generated $915 million of orders from 30 distinct institutions with several new investors to TDHCA
- Barclays was able to tighten spreads on the serial bonds 5-8 basis points, as much as 4-10 basis points on the term bonds and 7 basis points on the PAC Bonds

PARTICIPANTS

Issuer	Texas Department of Housing and Community Affairs
Bond Counsel	Bracewell LLP
Disclosure Counsel	McCall, Parkhurst & Horton, LLP
Financial Advisor	Stifel, Nicolaus & Company
Senior Manager	Barclays
Co-Senior Managers	Jefferies RBC Capital Markets
Co-Manager	Morgan Stanley Piper Sandler Ramirez & Co
Underwriters' Counsel	Chapman and Cutler, LLP
Trustee	The Bank of New York Mellon Trust Company, N.A
Trustee's Counsel	McGuire, Craddlock & Strother, P.C.
Rating Agencies	Moody's Investor Services Standard & Poor's Rating Services
Printer	ImageMaster, Inc.

UNDERWRITERS' FEE

	Total	($)/Bond
Takedown:	$1,057,718.75	$5.56694
Management Fee:	190,000.00	1.00000
Underwriting Expenses:	77,958.06	0.41031
Underwriters' Fee:	**$1,325,676.81**	**$6.97725**

Ipreo Syndicate/SG Wires:	180.00	0.00095
Ipreo News Services Wires:	45.00	0.00024
Ipreo Bookrunning System:	11,742.00	0.06180
Ipreo Sales Tax:	1,567.95	0.00825
Interest on Day Loan:	4,261.54	0.02243
DTC Eligibility Fees:	800.00	0.00421
CUSIP Fees:	1,341.00	0.00706
CUSIP Disclosure Fees:	35.00	0.00018
Out-of-Pocket Expenses:	2,285.57	0.01203
Underwriters' Counsel:	50,000.00	0.26316
Ipreo Issuer Order Monitor:	5,700.00	0.03000
Total Underwriting Expenses:	**77,958.06**	**0.41031**

SOURCES AND USES OF FUNDS

	Total
Bond Proceeds (including Original Issue Premium)	201,862,351.70
Issuer Contribution	1,541,175.11
Total Sources	**203,403,526.81**

	Total
2022 B Mortgage Loan Account	200,816,750.00
Underwriter Compensation	1,325,676.81
Costs of Issuance	1,261,100.00
Total Uses	**203,403,526.81**

1.b. Official Statement Cover

OFFICIAL STATEMENT DATED DECEMBER 1, 2022

NEW ISSUE - BOOK-ENTRY ONLY

RATINGS
S&P: "AA+"
Moody's: "Aaa"
(See "RATINGS" herein)

In the opinion of Bracewell LLP, Bond Counsel, under existing law, interest on the Series 2022B Bonds (i) is excludable from gross income for federal income tax purposes under section 103 of the Internal Revenue Code of 1986, as amended, and (ii) is not an item of tax preference for purposes of the alternative minimum tax on individuals. See "TAX MATTERS" herein, including information regarding potential alternative minimum tax consequences for corporations.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

$190,000,000
Single Family Mortgage
Revenue Bonds
2022 Series B (Non-AMT)

Dated Date/Delivery Date:	December 21, 2022
Due:	March 1 and September 1, as shown on the inside cover.
Interest Payment Dates:	Interest accrued on the Texas Department of Housing and Community Affairs Single Family Mortgage Revenue Bonds 2022 Series B (the "Series 2022B Bonds") will be payable on each March 1 and September 1, commencing March 1, 2023, as described herein.
Interest Rates:	Payable at the rates as shown on the inside cover.
Redemption:	The Series 2022B Bonds are subject to redemption on the dates and at the Redemption Prices more fully described herein. See "THE SERIES 2022B BONDS – Redemption Provisions."
Denominations:	The Series 2022B Bonds will be available to purchasers in book-entry form only in $5,000 or any integral multiple thereof as described herein.
Tax Matters:	In the opinion of Bracewell LLP, Bond Counsel under existing law, interest on the Series 2022B Bonds (i) is excludable from gross income for federal income tax purposes under section 103 of the Internal Revenue Code of 1986, as amended, and (ii) is not an item of tax preference for purposes of the alternative minimum tax on individuals. See "TAX MATTERS" herein, including information regarding potential alternative minimum tax consequences for corporations.
Purpose:	The Series 2022B Bonds are being issued for the primary purpose of providing funds for the purchase of mortgage-backed, pass-through certificates (the "Mortgage Certificates"), funding loans for down payment and closing cost assistance, and paying lender compensation related to the Mortgage Loans (as defined herein). The Mortgage Certificates purchased with the proceeds of the Series 2022B Bonds will be guaranteed as to timely payment of principal and interest by the Government National Mortgage Association ("Ginnie Mae") ("Ginnie Mae Certificates" or "GNMA Certificates"). See "APPENDIX B-1 – GNMA AND THE GNMA CERTIFICATES."
Security:	The Series 2022B Bonds, the Prior Bonds (as defined herein) and, unless subordinated, all Bonds subsequently issued under the Trust Indenture (as defined herein) are equally and ratably secured by the Trust Estate (as defined herein) held by the Trustee under the Trust Indenture. The Series 2022B Bonds are limited obligations of the Department and are payable solely from the revenues and funds pledged for the payment thereof as more fully described herein. Neither the State of Texas (the "State") nor any agency of the State, other than the Department, nor the United States of America or any agency, department or other instrumentality thereof, including Ginnie Mae, Freddie Mac, and Fannie Mae, is obligated to pay the principal or Redemption Price of or interest on the Series 2022B Bonds. Neither the faith and credit nor the taxing power of the State or the United States of America is pledged, given or loaned to such payment. The Department has no taxing power. Ginnie Mae, Freddie Mac, and Fannie Mae guarantee only the payment of the principal of and interest on the Ginnie Mae Certificates, Freddie Mac Certificates, and Fannie Mae Certificates, respectively, when due and do not guarantee the payment of the Series 2022B Bonds or any other obligations issued by the Department. See "SECURITY FOR THE BONDS" and "APPENDIX E – SUMMARY OF INFORMATION REGARDING THE TRUST INDENTURE."
Book-Entry Only System:	The Series 2022B Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). See "APPENDIX F – SUMMARY OF INFORMATION REGARDING THE PROGRAM AND MORTGAGE LOANS, PRIOR SWAP AGREEMENTS, PRIOR LIQUIDITY FACILITIES AND OTHER MATTERS – DTC and Book-Entry."
Trustee:	The Bank of New York Mellon Trust Company, N.A.
Bond Counsel:	Bracewell LLP
Disclosure Counsel:	McCall, Parkhurst & Horton L.L.P.
Underwriters' Counsel:	Chapman and Cutler LLP
Financial Advisor:	Stifel, Nicolaus & Co., Inc.

Barclays

Jefferies **RBC Capital Markets**

Morgan Stanley **Piper Sandler & Co.** **Ramirez & Co., Inc.**

2. Pricing Information

2.a. Pre-Pricing: Market Data

Texas Department of Housing and Community Affairs

Single Family Mortgage Revenue Bonds, 2022 Series B
Pre-Pricing Materials

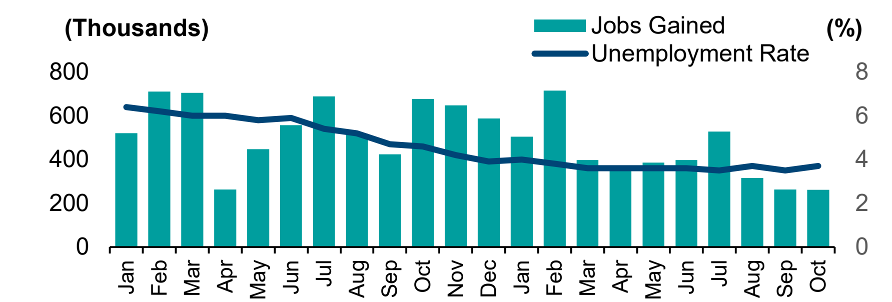
November 29, 2022

BARCLAYS

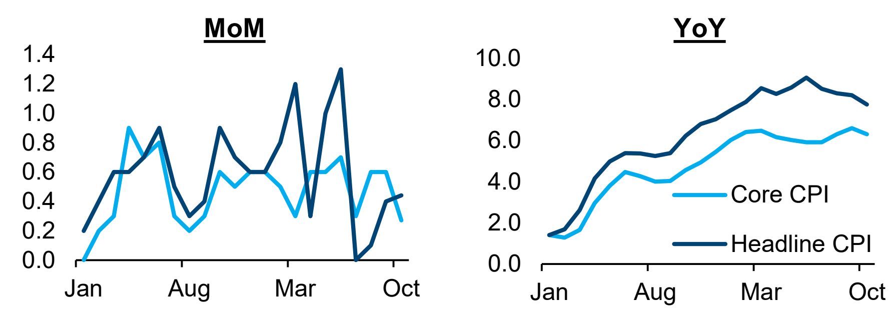
Recent Economic News

- October estimates continue to point to resilient domestic demand
- New durable goods orders accelerated to 1.0% MoM from 0.3% MoM in September, led by strength in the volatile non-defense aircraft category
- New home sales rebounded 7.5% to a seasonally adjusted annual rate of 632k units despite rising mortgage rates
- Jobless claims rose to a three-month high last week amid rising layoffs in the technology sector
- Consumer sentiment fell to 56.8 in November from 59.9 in October, its lowest level since July
- The November minutes depict FOMC is still intending to proceed with ongoing fed funds rate hikes, albeit a slower pace
  - Only various participants remarked that their assessment of the peak rate was higher than what they had penciled in the September SEP
  - The minutes also revealed that the Fed's assessment of the risks of a recession had grown to almost 50%

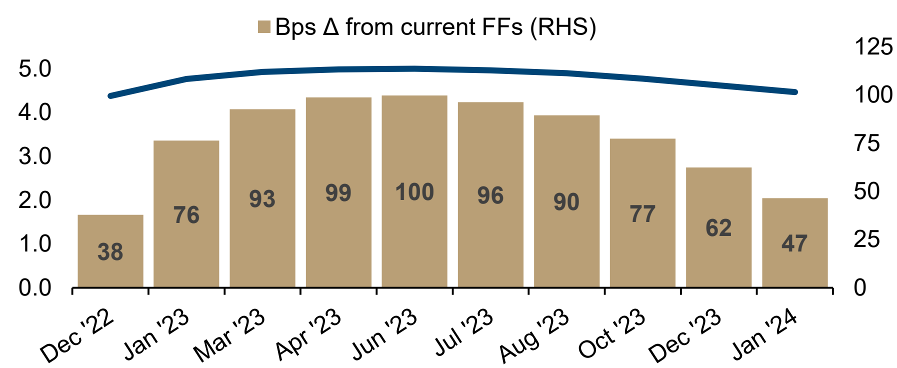
Nonfarm Payrolls



Headline and Core CPI



Market Implied Fed Funds Rate Expectations



Sources: Bureau of Labor Statistics, Bloomberg and Barclays. Data as of November 28, 2022.

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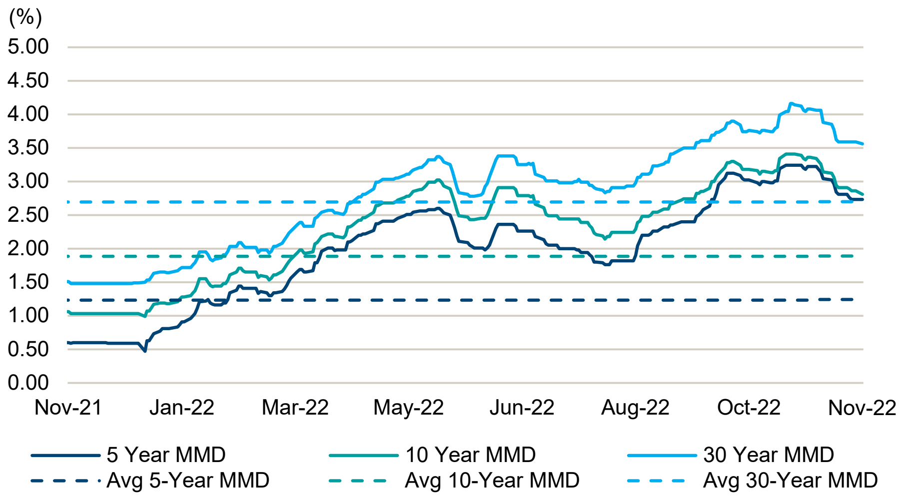
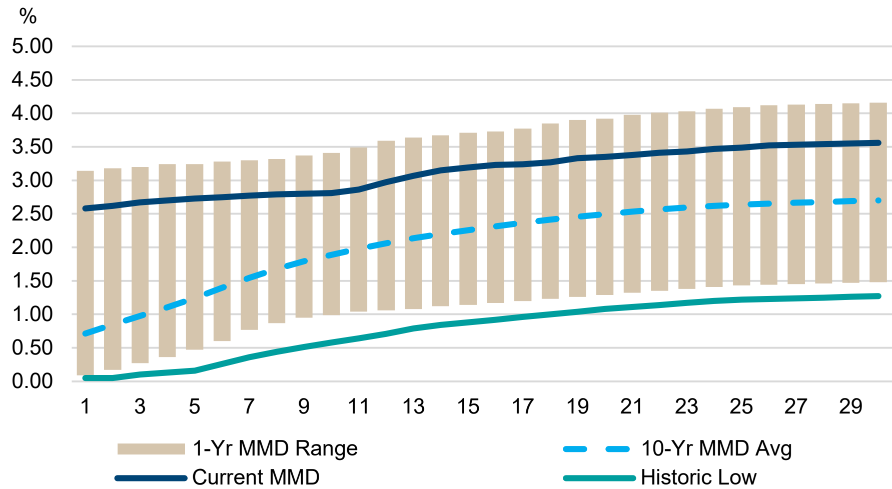
Tax-Exempt and Taxable Market Themes

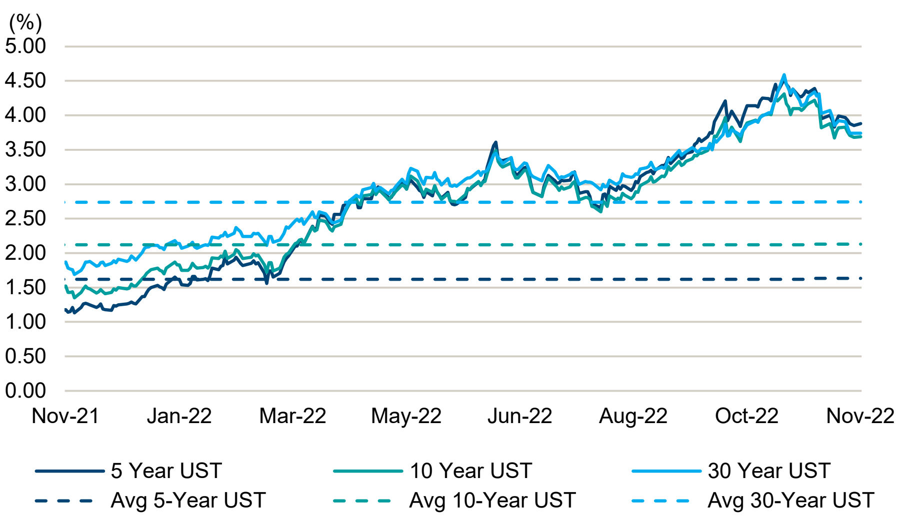
MMD Yields Are Above 10 Year Averages



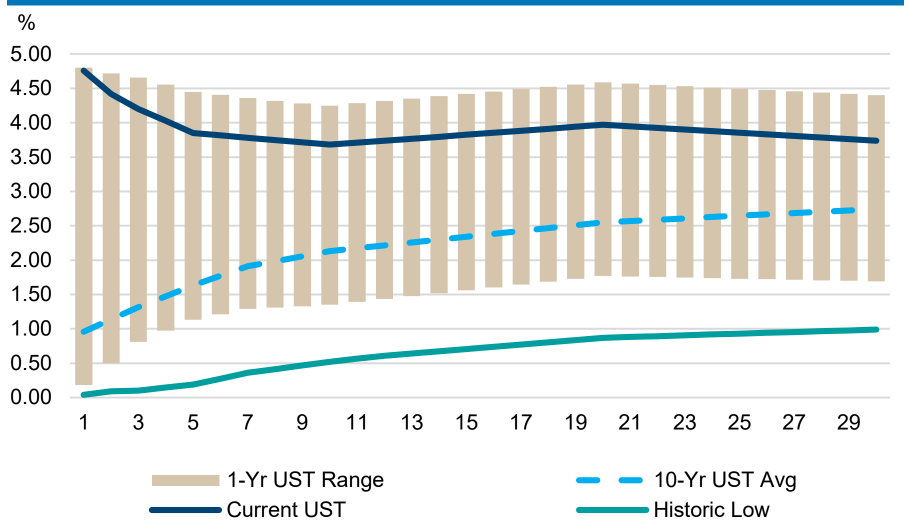
Muni Curve Near One-Year Highs



UST Yields Are Above 10 Year Averages



Treasury Curve Near One-Year Highs

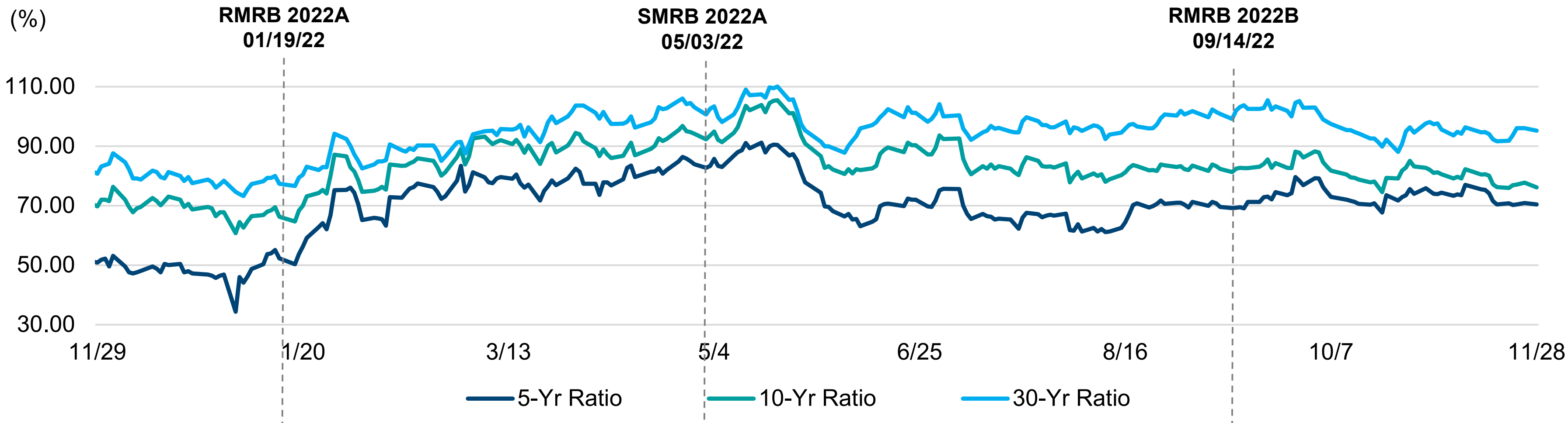


Sources: Refinitiv and Bloomberg. Data as of November 28, 2022.

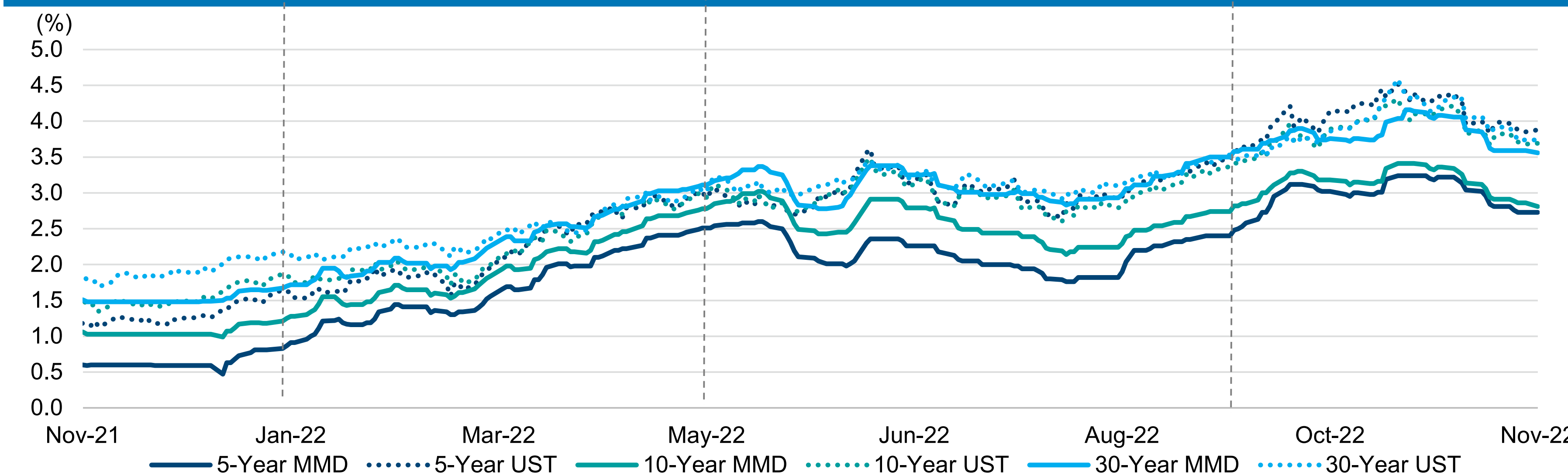
BARCLAYS

MMD and US Treasury Ratios

5-Year, 10-Year, and 30-Year Ratios – 11/29/2021 - Present



5, 10 and 30-Year MMD and US Treasury Yield Curves – 11/29/2021 - Present



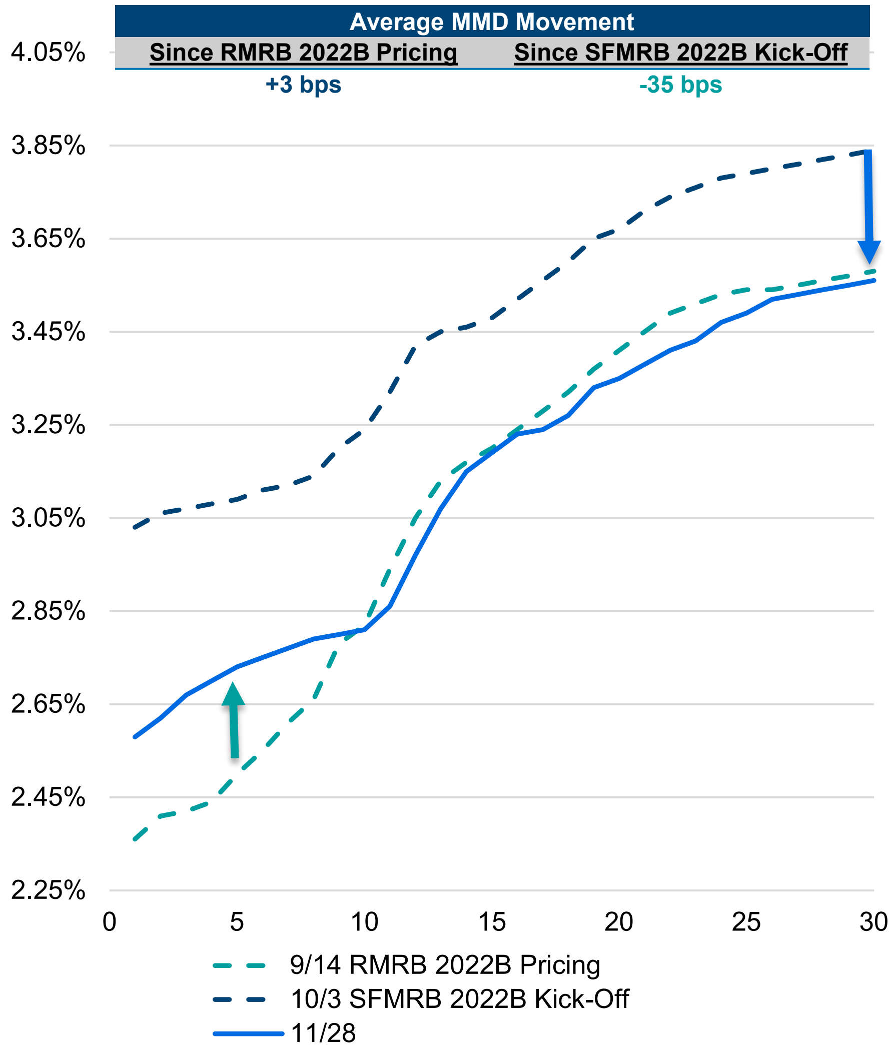
Sources: Refinitiv and US Department of Treasury. Data as of November 28, 2022.

MMD Curve Movement Since RMRB 2022B Pricing

MMD

Year	9/14 RMRB 22B Pricing	10/3 SFMRB 22B Kick-Off	11/28	∆ Since 9/14 (bps)	∆ Since 10/3 (bps)
1	2.36%	3.03%	2.58%	+22	-45
2	2.41%	3.06%	2.62%	+21	-44
3	2.42%	3.07%	2.67%	+25	-40
4	2.44%	3.08%	2.70%	+26	-38
5	2.50%	3.09%	2.73%	+23	-36
6	2.55%	3.11%	2.75%	+20	-36
7	2.61%	3.12%	2.77%	+16	-35
8	2.66%	3.14%	2.79%	+13	-35
9	2.78%	3.20%	2.80%	+2	-40
10	2.82%	3.24%	2.81%	-1	-43
11	2.94%	3.32%	2.86%	-8	-46
12	3.05%	3.42%	2.97%	-8	-45
13	3.13%	3.45%	3.07%	-6	-38
14	3.17%	3.46%	3.15%	-2	-31
15	3.20%	3.48%	3.19%	-1	-29
16	3.24%	3.52%	3.23%	-1	-29
17	3.28%	3.56%	3.24%	-4	-32
18	3.32%	3.60%	3.27%	-5	-33
19	3.37%	3.65%	3.33%	-4	-32
20	3.41%	3.67%	3.35%	-6	-32
21	3.45%	3.71%	3.38%	-7	-33
22	3.49%	3.74%	3.41%	-8	-33
23	3.51%	3.76%	3.43%	-8	-33
24	3.53%	3.78%	3.47%	-6	-31
25	3.54%	3.79%	3.49%	-5	-30
26	3.54%	3.80%	3.52%	-2	-28
27	3.55%	3.81%	3.53%	-2	-28
28	3.56%	3.82%	3.54%	-2	-28
29	3.57%	3.83%	3.55%	-2	-28
30	3.58%	3.84%	3.56%	-2	-28

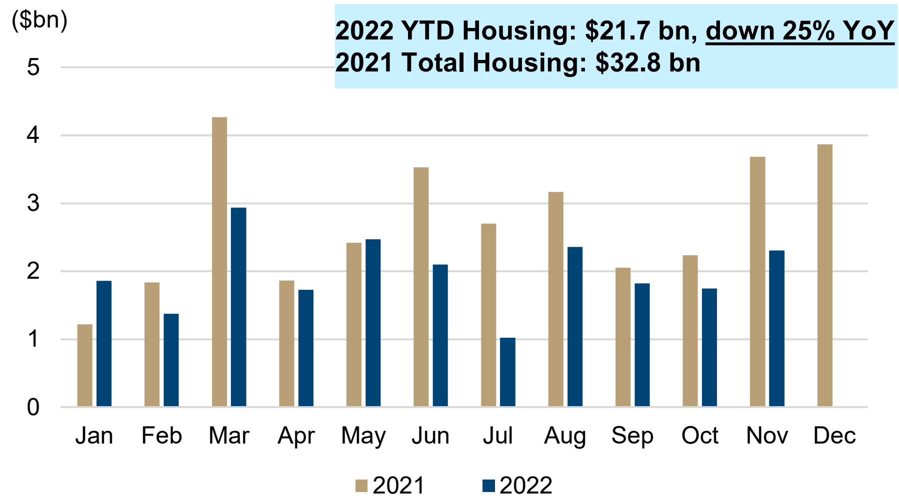
MMD Curve Movements Since RMRB 2022B Pricing



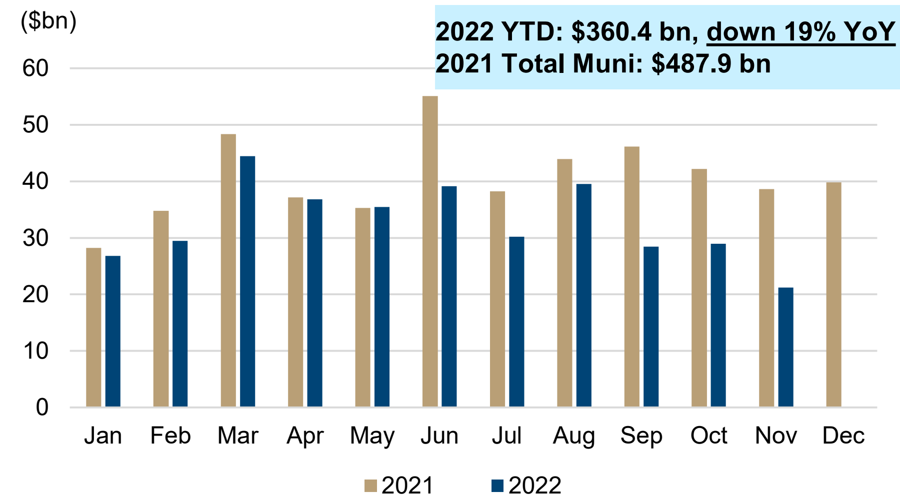
Source: Refinitiv as of November 28, 2022.

Municipal Supply and Demand

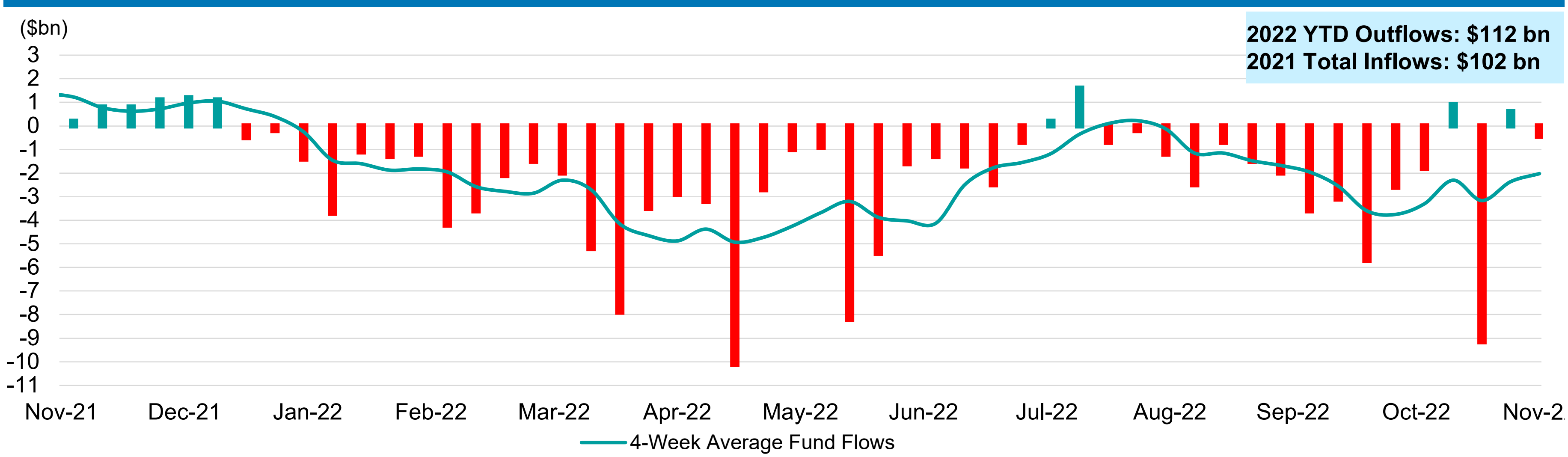
Total Housing Supply



Total Municipal Supply



Municipal Fund Flows – 11/29/2021 - Present



Sources: Refinitiv and Bloomberg. Data as of November 28, 2022.

Economic Indicators - Week of November 28, 2022

Forthcoming Economic Indicators				
Date[1]	Economic Indicator	Prior	Survey	Actual
Monday, November 28				
10:30 AM	Dallas Fed Manufacturing Activity	-19.4	-21	-14.4
Tuesday, November 29				
9:00 AM	FHFA House Price Index MoM	-0.70%	-1.20%	0.10%
9:00 AM	Conf. Board Consumer Confidence	102.5	100	100.2
9:00 AM	House Price Purchase Index	3.70%	-	0.10%
Wednesday, November 30				
7:00 AM	MBA Mortgage Applications	2.20%	-	-
8:15 AM	GDP Annualized QoQ	2.60%	2.80%	-
8:30 AM	GDP Price Index	4.10%	4.10%	-
8:30 AM	Personal Consumption	1.40%	1.60%	-
8:30 AM	Core PCE QoQ	4.50%	4.50%	-
8:30 AM	Whole Inventories MoM	0.60%	0.50%	-
8:30 AM	Retail Inventories MoM	0.40%	0.50%	-
9:45 AM	Chicago PMI	45.2	47.0	-
10:00 AM	Pending Home Sales MoM	-10.20%	-5.30%	-
10:00 AM	JOLTS Job Openings	-30.40%	-35.00%	-
2:00 PM	U.S. Fed Reserve Releases Beige Book	-	-	-
Thursday, December 1				
7:30 AM	Challenger Job Cuts YoY	48.30%	-	-
8:30 AM	Personal Spending	0.80%	0.60%	-
8:30 AM	PCE Deflator MoM	0.30%	0.40%	-
8:30 AM	Initial Jobless Claims	240k	235k	-
8:30 AM	Continuing Claims	1551k	1569k	-
9:45 AM	S&P Global US Manufacturing PMI	47.6	47.6	-
10:00 AM	Construction Spending MoM	0.20%	-0.20%	-
10:00 AM	Ism Manufacturing	50.2	49.7	-
Friday, December 2				
8:30 AM	Unemployment Rate	3.70%	3.70%	-
8:30 AM	Labor Force Participation	62.20%	62.30%	-
10:00 AM	Durable Goods Orders	1.00%	-	-

Source: Bloomberg as of November 28, 2022.
1. All times EST.

BARCLAYS

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Negotiated Calendar for the Week of November 28, 2022

Upcoming Notable Transactions					
Sale Date	**Issue Type**	**Issuer**	**TE Par ($000s)**	**TX Par ($000s)**	**Ratings (M/S/F)**
11/29	COP	School Board of Sarasota County, FL	123,465	-	Aa2/NR/NR
11/29	Tax	City of Seguin, TX	117,070	-	NR/AA/NR
11/29	Transportation	New Jersey Turnpike Authority	115,035	-	A1/AA-/A+
11/29	Cert of Obligation	Harris County, TX	30,315	-	NR/AAA/AAA
11/29	Tax	Clear Creek Independent School District	30,000	-	Aaa/NR/NR
11/29	Single Family	West Virginia Housing Development Fund	45,000	-	Aaa/AAA/NR
11/30	GO	State of Connecticut	900,000	-	Aa3/AA-/AA-
11/30	Special Tax	The Aurora Highlands Community Authority Board	166,788	-	NR/NR/NR
11/30	GO	School District Number 58, DuPage County Illinois	130,920	-	NR/AA/NR
11/30	Higher Ed	Arlington Higher Education Finance Corporation	45,815	-	Ba2/NR/NR
11/30	Single Family (TEMS)	Utah Housing Corporation	24,000	-	NR/AA+/NR
11/30-12/1	Multi-Family	New York State Housing Finance Agency	117,745	-	Aa2/NR/NR
12/1	**Single Family**	**Texas Department of Housing & Community Affairs**	**190,000**	**-**	**Aaa/AA+/NR**
12/1	Water	City of San Jose Financing Authority	275,575	-	NR/AAA/AAA
Total			**2,311,728**	**-**	

SF Housing

Sources: Bloomberg, IPREO, and TM3. Includes muni deals over $100 million in par, and all housing and Texas deals.

Recent Non-AMT Single Family Housing Deal Comparisons

Issuer	North Carolina Housing Finance Agency		Housing Authority of Pinellas County, Florida		Illinois Housing Development Authority		Montana Board of Housing	
Series	Series 49		2022 Series A		2022 Series G		2022 Series C	
Par	$180,000,000		$15,000,000		$150,000,000		$40,000,000	
Ratings	Aa1/AA+/NR		Aaa/NR/NR		Aaa/NR/NR		Aa1/AA+/NR	
Pricing Date	11/16/2022		11/16/2022		11/16/2022		11/15/2022	
Period	Cpn/Yield (%)[1]	Spread (bps)[2]	Yield (%)	Spread (bps)[2]	Cpn/Yield (%)[1]	Spread (bps)[2]	Yield (%)	Spread (bps)[2]
1.0	3.00	21	-	-	(5.50)/2.93	15	3.00	9
1.5	3.10	31	-	-	(5.50)/3.02	23	3.15	24
2.0	3.20	40	3.25	45	(5.50)/3.06	26	3.20	28
2.5	3.30	50	3.40	60	(5.50)/3.19	39	3.35	43
3.0	3.45	61	3.45	64	(5.50)/3.22	40	3.40	46
3.5	3.50	66	3.55	71	(5.50)/3.34	50	3.50	54
4.0	3.55	71	3.60	76	(5.50)/3.37	53	3.55	59
4.5	3.60	76	3.65	81	(5.50)/3.39	55	3.60	64
5.0	3.70	86	3.70	86	(5.50)/3.43	59	3.63	66.5
5.5	3.75	91	3.80	96	(5.50)/3.53	69	3.70	74
6.0	3.80	94	3.85	100	(5.50)/3.58	73	3.75	78
6.5	3.85	99	3.90	104	(5.50)/3.64	78	3.85	87
7.0	3.90	103	3.95	108	(5.50)/3.69	82	3.88	88.5
7.5	3.95	107	4.05	118	(5.50)/3.75	87	3.95	95
8.0	4.05	116	4.10	121	(5.50)/3.80	91	4.00	99
8.5	4.10	121	4.20	131	(5.50)/3.89	100	4.10	109
9.0	4.125	120.5	4.25	135	(5.50)/3.94	104	4.15	113
9.5	4.15	122	4.35	143	(5.50)/4.03	110	4.25	120
10.0	4.25	130	4.40	146	4.25	131	4.25	119
10.5	4.30	133	4.45	150	4.35	139	4.30	122
11.0	4.35	128	4.45	147	4.40	142	4.35	124
11.5	4.40	132	-	-	4.45	137	4.45	125
12.0	-	-	-	-	4.50	141	4.45	124
15-Yr Term	4.60	136	4.75	151	4.65	141	4.70	134
20-Yr Term	(4.875)/4.83	142	4.95	154	4.85	144	4.90	134
25-Yr Term	(5.00)/4.95	140	-	-	5.00	147	-	-
30-Yr Term	-	-	5.20	158	-	-	5.10	133
PAC	**4.30[3]**	**146**	**4.45[4]**	**161**	**4.32[5]**	**148**	**4.36[4]**	**140**

1. *Premium serial bonds highlighted.*
2. *Spread to EOD MMD.*
3. *6.00% Coupon, 5.0-Yr WAL from 100%-500% PSA.*
4. *6.00% Coupon, 5.0-Yr WAL from 100%-400% PSA.*

Recent TDHCA Deals

Series	RMRB 2022 Series B		SFMRB 2022 Series A		RMRB 2022 Series A	
Par	$150,000,000		$190,000,000		$190,000,000	
Ratings	Aaa/AA+/NR		Aaa/AA+/NR		Aaa/AA+/NR	
Pricing Date	9/14/2022		5/3/2022		1/19/2022	
Period	Cpn/Yield (%)[1]	Spread (bps)[2]	Cpn/Yield (%)[1]	Spread (bps)[2]	Cpn/Yield (%)[1]	Spread (bps)[2]
1.0	-	-	2.05	12	0.50	13
1.5	2.65	25	2.30	23	0.60	18
2.0	2.70	30	2.50	27	0.75	23
2.5	2.80	38	2.70	42	0.85	28
3.0	2.85	43	2.85	45	0.90	24
3.5	2.95	51	3.00	56	1.00	28
4.0	3.00	56	3.10	65	1.10	33
4.5	3.15	65	3.15	69	1.20	36
5.0	(5.50)/3.06	56	(5.50)/3.19	69	(5.00)/1.15	28
5.5	(5.50)/3.16	63	(5.50)/3.23	72	(5.00)/1.25	29
6.0	(5.50)/3.21	67	(5.50)/3.29	74	(5.00)/1.35	34
6.5	(5.50)/3.31	72	(5.50)/3.33	76	(5.00)/1.45	38
7.0	(5.50)/3.36	76	(5.50)/3.40	78	(5.00)/1.50	40
7.5	(5.50)/3.41	78	(5.50)/3.44	80	(5.00)/1.60	46
8.0	(5.50)/3.46	80	(5.50)/3.49	82	(5.00)/1.65	48
8.5	(5.50)/3.56	82	(5.50)/3.53	84	(5.00)/1.70	51
9.0	(5.50)/3.61	84	(5.50)/3.58	86	-	-
9.5	(5.50)/3.71	90	(5.50)/3.63	88	2.00	77
10.0	(5.50)/3.74	92	3.85	107	2.10	85
10.5	(5.50)/3.84	94	3.90	111	2.15	89
11.0	4.15	122	3.95	113	2.20	93
11.5	4.25	121	4.00	117	2.20	92
12.0	4.25	120	-	-	-	-
15-Yr Term	4.40	120	4.05	115	2.15	77
18.5-Yr Term	-	-	4.10	115	-	-
20-Yr Term	4.70	129	-	-	(3.125)/2.60	107
25-Yr Term	(5.00)/4.78	124	4.30	124	-	-
30-Yr Term	(5.125)/4.88	1.30	4.35	124	(3.125)/2.85	115
PAC	**3.96[3]**	**140**	**3.90[4]**	**141**	**1.61[5]**	**65**

1. *Premium serial bonds highlighted.*
2. *Spread to EOD MMD.*

3. 5.75% Coupon, 6.0-Yr WAL from 100%-400% PSA.
4. 5.50% Coupon, 5.5-Yr WAL from 100%-400% PSA.
5. 3.50% Coupon, 5.5-Yr WAL from 100%-400% PSA.

BARCLAYS

2.b. Pricing Wires

PRE-MARKETING WIRE

RE: $ 190,000,000*
Texas Department of Housing and Community Affairs
Single Family Mortgage Revenue Bonds 2022 Series B (Non-AMT)

POS / Roadshow: https://www.munios.com/munios-notice.aspx?i=3UA6NFBsZcg5
EXPECTED SCHEDULE AND STRUCTURE:
PRICE VIEWS: TUESDAY, NOVEMBER 29, 2022
PREMARKETING: WEDNESDAY, NOVEMBER 30, 2022
PRICING: THURSDAY, DECEMBER 1, 2022

MOODY'S: Aaa (Stable)   S&P: AA+ (Stable)

FITCH: NR   KROLL: NR

DATED:12/21/2022 FIRST COUPON:03/01/2023
DUE: 03/01 & 09/01

MATURITY	I-MMD SPREAD	AMOUNT*	COUPON	PRICE	ADD'L TAKEDOWN (Pts)
03/01/2024	+21	780M	2.75%	100.00	1/4
09/01/2024	+30	725M	2.85%	100.00	1/4
03/01/2025	+38	740M	2.95%	100.00	1/4
09/01/2025	+51	760M	3.10%	100.00	3/8
03/01/2026	+59	775M	3.20%	100.00	3/8
09/01/2026	+63	795M	3.25%	100.00	1/2
03/01/2027	+72	815M	3.35%	100.00	1/2
09/01/2027	+55	830M	5.50%	3.20	1/2
			(Approx. $ Price 109.946)		
03/01/2028	+65	860M	5.50%	3.31	1/2
			(Approx. $ Price 110.367)		
09/01/2028	+68	885M	5.50%	3.35	1/2
			(Approx. $ Price 111.056)		
03/01/2029	+73	910M	5.50%	3.42	1/2
			(Approx. $ Price 111.517)		
09/01/2029	+77	940M	5.50%	3.47	5/8
			(Approx. $ Price 112.028)		
03/01/2030	+82	965M	5.50%	3.52	5/8
			(Approx. $ Price 112.482)		
09/01/2030	+86	995M	5.50%	3.58	5/8
			(Approx. $ Price 112.808)		
03/01/2031	+95	1,025M	5.50%	3.67	5/8
			(Approx. $ Price 112.844)		
09/01/2031	+99	1,060M	5.50%	3.72	5/8
			(Approx. $ Price 113.113)		
03/01/2032	+105	1,090M	5.50%	3.78	5/8
			(Approx. $ Price 113.248)		
09/01/2032	+110	1,125M	5.50%	3.84	5/8
		(Approx. $ Price PTC 03/01/2032 112.751)			
03/01/2033	+112	1,160M	5.50%	3.87	5/8
		(Approx. $ Price PTC 03/01/2032 112.503)			
09/01/2033	+127	1,195M	4.05%	100.00	5/8
03/01/2034	+128	1,230M	4.15%	100.00	5/8
09/01/2034	+130	1,265M	4.20%	100.00	5/8
09/01/2037	+135	8,360M	4.50%	100.00	5/8
09/01/2042	+139	17,440M	4.70%	100.00	5/8
09/01/2047	+140	23,180M	5.125%	4.85	5/8
		(Approx. $ Price PTC 03/01/2032 102.013)			
09/01/2052	+140	31,170M	5.25%	4.92	5/8
		(Approx. $ Price PTC 03/01/2032 102.409)			
03/01/2053	+148	88,925M	6.00%	4.16	1/2
		(Approx. $ Price 109.331)			

(PAC)
(Avg. Life: 6.00 years over a range of 100.00 to 400.00% of PSA experience)

CALL FEATURES: Optional call in 03/01/2032 @ 100.00

THE PREMIUM SERIAL BONDS MATURING ON SEPTEMBER 1, 2027 THROUGH
SEPTEMBER 1, 2033 ARE NOT SUBJECT TO REDEMPTION EXCEPT
AS REQUIRED BY LAW TO MAINTAIN THE FEDERAL TAX
EXEMPTION OF INTEREST.

EXCEPT: The PAC Term bonds are subject to redemption prior to maturity, in whole or in part at any time and from time to time, on and after March 1, 2032, at the option of the Department, at the redemption prices set forth below (expressed as a percentage of the principal amount to be redeemed):

Redemption Date	Redemption Price
March 1, 2032	___%
September 1, 2032	___%
March 1, 2033	___%
September 1, 2033	___%
March 1, 2034	___%
September 1, 2034	___%
March 1, 2035	___%
September 1, 2035	___%
March 1, 2036	___%
September 1, 2036	___%
March 1, 2037	___%
September 1, 2037	___%
March 1, 2038	___%
November 1, 2038 and thereafter	100%

The Series 2022 B bonds are subject to special redemption from mortgage loan principal payments, unexpended proceeds, excess revenues and mandatory sinking fund redemption as more fully described in the Preliminary Official Statement beginning on page 5.
The Series 2022 B premium serial bonds are not subject to special redemption from mortgage
loan principal payments, excess revenues or mandatory sinking fund redemption as described in the Preliminary Official Statement on pages 5 to 13.

TABLE OF PROJECTED WEIGHTED AVERAGE LIFE DATA AT VARIOUS PREPAYMENT SPEEDS

SIFMA Prepayment Model		Term 2037	Term 2042	Premium Term 2047	Premium Term 2052	Premium PAC Term Due 3/1/2053 Opt Call NOT Exercised	Premium PAC Term Due 3/1/2053 Opt Call Exercised
0%	Avg Life	13.5	17.6	22.6	27.5	18.6	8.6
	Avg Mty Date	06/15/2036	07/12/2040	07/15/2045	07/01/2050	08/13/2041	07/09/2031
	1st Redemption	03/01/2035	03/01/2038	03/01/2043	03/01/2048	04/01/2023	04/01/2023
	Last Redemption	09/01/2037	09/01/2042	09/01/2047	07/01/2052	03/01/2052	03/01/2032
50%	Avg Life	13.5	17.6	22.1	24.6	9.0	7.0
	Avg Mty Date	06/15/2036	07/12/2040	02/09/2045	08/08/2047	01/01/2032	12/11/2029
	1st Redemption	03/01/2035	03/01/2038	12/01/2041	12/01/2041	04/01/2023	04/01/2023
	Last Redemption	09/01/2037	09/01/2042	09/01/2047	08/01/2050	12/01/2041	03/01/2032
75%	Avg Life	13.2	17.1	20.3	21.4	6.9	6.2
	Avg Mty Date	03/18/2036	02/07/2040	04/18/2043	05/23/2044	11/30/2029	03/17/2029
	1st Redemption	03/01/2035	02/01/2037	01/01/2037	01/01/2037	04/01/2023	04/01/2023
	Last Redemption	01/01/2037	09/01/2042	09/01/2047	04/01/2049	11/01/2038	03/01/2032
100%	Avg Life	9.6	16.2	18.3	18.8	6.0	5.6
	Avg Mty Date	08/13/2032	02/21/2039	04/26/2041	10/07/2041	12/26/2028	07/13/2028
	1st Redemption	03/01/2031	02/1/2034	02/01/2034	02/01/2034	04/01/2023	04/01/2023
	Last Redemption	02/01/2034	09/01/2042	09/01/2047	04/01/2048	11/01/2038	03/01/2032
125%	Avg Life	3.5	14.9	16.5	16.7	6.0	5.5
	Avg Mty Date	06/19/2026	11/23/2037	06/22/2039	09/07/2039	12/13/2028	06/30/2028
	1st Redemption	09/01/2023	02/01/2029	02/01/2029	02/01/2029	04/01/2023	04/01/2023
	Last Redemption	02/01/2029	9/01/2042	09/01/2047	10/01/2047	11/01/2038	03/01/2032
150%	Avg Life	2.3	13.3	14.4	14.5	6.0	5.5
	Avg Mty Date	04/04/2025	04/15/2036	05/23/2037	06/26/2037	12/13/2028	06/30/2028
	1st Redemption	07/01/2023	05/01/2026	05/01/2026	05/01/2026	04/01/2023	04/01/2023
	Last Redemption	05/01/2026	09/01/2042	03/01/2047	03/01/2047	11/01/2038	03/01/2032
175%	Avg Life	1.9	11.8	12.6	12.6	6.0	5.5
	Avg Mty Date	11/14/2024	10/20/2034	08/05/2035	08/04/2035	12/13/2028	06/30/2028
	1st Redemption	07/01/2023	09/01/2025	09/01/2025	09/01/2025	04/01/2023	04/01/2023
	Last Redemption	09/01/2025	09/01/2042	09/01/2046	09/01/2046	11/01/2038	03/01/2032
200%	Avg Life	1.7	10.5	11.1	11.1	6.0	5.5
	Avg Mty Date	08/24/2024	06/25/2033	01/10/2034	01/11/2034	12/13/2028	06/30/2028
	1st Redemption	06/01/2023	05/01/2025	05/01/2025	05/01/2025	04/01/2023	04/01/2023
	Last Redemption	05/01/2025	09/01/2042	04/01/2046	04/01/2046	11/01/2038	03/01/2032
300%	Avg Life	1.3	6.6	6.7	6.7	6.0	5.5
	Avg Mty Date	03/27/2024	07/15/2029	09/18/2029	08/30/2029	12/13/2028	06/30/2028
	1st Redemption	06/01/2023	09/01/2024	09/01/2024	09/01/2024	04/01/2023	04/01/2023
	Last Redemption	09/01/2024	09/01/2042	02/01/2046	02/01/2046	11/01/2038	03/01/2032
400%	Avg Life	1.1	3.9	3.9	3.9	6.0	5.5
	Avg Mty Date	01/24/2024	11/17/2026	11/30/2026	11/25/2026	12/13/2028	06/30/2028
	1st Redemption	05/01/2023	06/01/2024	06/01/2024	06/01/2024	04/01/2023	04/01/2023
	Last Redemption	06/01/2024	09/01/2042	09/01/2044	08/01/2044	01/01/2039	03/01/2032
500%	Avg Life	1.0	4.4	4.4	4.4	4.1	3.9

Avg Mty Date	12/16/2023	04/27/2027	04/28/2027	04/27/2027	01/14/2027	11/28/2026
1st Redemption	05/01/2023	04/01/2024	04/01/2024	04/01/2024	04/01/2023	04/01/2023
Last Redemption	04/01/2024	04/01/2041	05/01/2041	06/01/2041	06/01/2039	03/01/2032

By Lot Sinking Fund Schedule
2037 Term Bond

03/01/2035	1,300M
09/01/2035	1,335M
03/01/2036	1,375M
09/01/2036	1,410M
03/01/2037	1,450M
09/01/2037	1,490M

By Lot Sinking Fund Schedule
2042 Term Bond

03/01/2038	1,530M
09/01/2038	1,575M
03/01/2039	1,620M
09/01/2039	1,665M
03/01/2040	1,710M
09/01/2040	1,760M
03/01/2041	1,815M
09/01/2041	1,870M
03/01/2042	1,920M
09/01/2042	1,975M

By Lot Sinking Fund Schedule
2047 Term Bond

03/01/2043	2,030M
09/01/2043	2,090M
03/01/2044	2,150M
09/01/2044	2,215M
03/01/2045	2,275M
09/01/2045	2,345M
03/01/2046	2,410M
09/01/2046	2,480M
03/01/2047	2,555M
09/01/2047	2,630M

Sinking Fund Schedule
2052 Term Bond

03/01/2048	2,705M
09/01/2048	2,790M
03/01/2049	2,870M
09/01/2049	2,960M
03/01/2050	3,055M
09/01/2050	3,150M
03/01/2051	3,255M
09/01/2051	3,355M
03/01/2052	3,460M
09/01/2052	3,570M

Sinking Fund Schedule
2053 Term Bond

03/01/2024	500M
09/01/2024	585M
03/01/2025	600M
09/01/2025	615M
03/01/2026	630M
09/01/2026	645M
03/01/2027	660M
09/01/2027	680M
03/01/2028	700M
09/01/2028	720M
03/01/2029	745M
09/01/2029	765M
03/01/2030	790M
09/01/2030	815M
03/01/2031	840M
09/01/2031	865M
03/01/2032	890M
09/01/2032	920M
03/01/2033	945M
09/01/2033	975M
03/01/2034	1,000M
09/01/2034	1,025M
03/01/2035	1,055M
09/01/2035	1,085M
03/01/2036	1,115M
09/01/2036	1,150M
03/01/2037	1,180M
09/01/2037	1,215M
03/01/2038	1,250M
09/01/2038	1,285M
03/01/2039	1,320M
09/01/2039	1,360M
03/01/2040	1,400M
09/01/2040	1,440M
03/01/2041	1,480M
09/01/2041	1,520M

03/01/2042	1,565M
09/01/2042	1,610M
03/01/2043	1,655M
09/01/2043	1,705M
03/01/2044	1,755M
09/01/2044	1,805M
03/01/2045	1,860M
09/01/2045	1,910M
03/01/2046	1,970M
09/01/2046	2,025M
03/01/2047	2,085M
09/01/2047	2,145M
03/01/2048	2,210M
09/01/2048	2,280M
03/01/2049	2,355M
09/01/2049	2,430M
03/01/2050	2,505M
09/01/2050	2,585M
03/01/2051	2,665M
09/01/2051	2,750M
03/01/2052	2,835M
09/01/2052	2,925M
03/01/2053	6,530M

* - APPROXIMATE SUBJECT TO CHANGE
PRIORITY OF ORDERS AS FOLLOWS:

1. Texas Retail
2. National Retail

3. Net Designated (Exception: if an investor is affiliated with a syndicate member and that syndicate member may not be compensated for the investor's order, the investor will not be required to designate that syndicate member.)

4. Member

PRIORITY POLICY:
At least 3 firm(s) must be designated.

No firm may receive more than 55.00% of any designation.
Each designee must receive a minimum of 5.00% for each priority order.
The Senior Manager requests the identification of all priority orders at the time the orders are entered.
The Senior Manager will pay out all designations.

DEFINITION OF RETAIL ORDER:
A "Retail" order is defined as an order placed for the account of an individual, bank trust, or investment advisor acting on behalf of an individual, with a maximum of $1,000,000 per account, or at the discretion of the Department, some larger amount.
Retail
orders do not include bank portfolios, insurance companies, bond funds or municipalities.
Zip Codes are required with all Retail Orders.
The Manager will assume that orders for the serial maturities with the same coupon on either side can be filled in 3/1 or 9/1.
Pursuant to MSRB Rule G-11, syndicate members and other brokers, dealers, and municipal securities dealers ("Dealers"), when submitting an order for the syndicate member or Dealer's own account or for a "related account" as defined in Rule G-11 (which includes, without limitation, proprietary orders for affiliates of the syndicate member or Dealer), must so inform Barclays Capital at the time any such order is submitted.
STATE BLUE SKY ELIGIBILITY: May not be distributed to retail investors in State of New York.

The compliance addendum MSRB Rule G-11 will apply.
The Award is expected on Thursday, December 1, 2022.
Delivery is expected on Wednesday, December 21, 2022.
This issue is book entry only. This issue is clearing through DTC.

Barclays Capital Inc.
Jefferies LLC
RBC Capital Markets
Morgan Stanley & Co. LLC
Piper Sandler & Co
Ramirez & Co., Inc.

By: Barclays Capital Inc. New York, NY

Preliminary Pricing Wire

RE: $ 190,000,000*
Texas Department of Housing and Community Affairs
Single Family Mortgage Revenue Bonds 2022 Series B (Non-AMT)

POS / Roadshow: https://www.munios.com/munios-notice.aspx?i=3UA6NFBsZcq5

MOODY'S: Aaa (Stable) S&P: AA+ (Stable)
FITCH: NR KROLL: NR

DATED:12/21/2022 FIRST COUPON:03/01/2023
DUE: 03/01 & 09/01

MATURITY	I-MMD SPREAD	AMOUNT*	COUPON	PRICE	ADD'L TAKEDOWN (Pts)
03/01/2024	+18	780M	2.70%	100.00	1/4
09/01/2024	+27	725M	2.80%	100.00	1/4
03/01/2025	+35	740M	2.90%	100.00	1/4
09/01/2025	+48	760M	3.05%	100.00	3/8
03/01/2026	+56	775M	3.15%	100.00	3/8
09/01/2026	+60	795M	3.20%	100.00	1/2
03/01/2027	+69	815M	3.30%	100.00	1/2
09/01/2027	+53	830M	5.50%	3.15	1/2
			(Approx. $ Price 110.175)		
03/01/2028	+63	860M	5.50%	3.26	1/2
			(Approx. $ Price 110.619)		
09/01/2028	+66	885M	5.50%	3.30	1/2
			(Approx. $ Price 111.330)		
03/01/2029	+71	910M	5.50%	3.37	1/2
			(Approx. $ Price 111.813)		
09/01/2029	+75	940M	5.50%	3.42	5/8
			(Approx. $ Price 112.346)		
03/01/2030	+80	965M	5.50%	3.47	5/8
			(Approx. $ Price 112.821)		
09/01/2030	+84	995M	5.50%	3.53	5/8
			(Approx. $ Price 113.167)		
03/01/2031	+93	1,025M	5.50%	3.62	5/8
			(Approx. $ Price 113.222)		
09/01/2031	+97	1,060M	5.50%	3.67	5/8
			(Approx. $ Price 113.511)		
03/01/2032	+103	1,090M	5.50%	3.73	5/8
			(Approx. $ Price 113.664)		
09/01/2032	+108	1,125M	5.50%	3.79	5/8
		(Approx. $ Price PTC 03/01/2032 113.165)			
03/01/2033	+110	1,160M	5.50%	3.82	5/8
		(Approx. $ Price PTC 03/01/2032 112.916)			
09/01/2033	+125	1,195M	4.00%	100.00	5/8
03/01/2034	+126	1,230M	4.10%	100.00	5/8
09/01/2034	+128	1,265M	4.15%	100.00	5/8
09/01/2037	+135	8,360M	4.50%	100.00	5/8
09/01/2042	+139	17,440M	4.70%	100.00	5/8
09/01/2047	+140	23,180M	5.125%	4.85	5/8
		(Approx. $ Price PTC 03/01/2032 102.013)			
09/01/2052	+140	31,170M	5.25%	4.92	5/8
		(Approx. $ Price PTC 03/01/2032 102.409)			
03/01/2053	+145	88,925M	6.00%	4.10	1/2
		(Approx. $ Price 109.656)			

(PAC)
(Avg. Life: 6.00 years over a range of 100.00 to 400.00% of PSA experience)

CALL FEATURES: Optional call in 03/01/2032 @ 100.00

THE PREMIUM SERIAL BONDS MATURING ON SEPTEMBER 1, 2027 THROUGH SEPTEMBER 1, 2033 ARE NOT SUBJECT TO REDEMPTION EXCEPT AS REQUIRED BY LAW TO MAINTAIN THE FEDERAL TAX EXEMPTION OF INTEREST.

EXCEPT: The PAC Term bonds are subject to redemption prior to maturity, in whole or in part at any time and from time to time, on and after March 1, 2032, at the option of the Department, at the redemption prices set forth below (expressed as a percentage of the principal amount to be redeemed):

Redemption Date	Redemption Price
March 1, 2032	___%
September 1, 2032	___%
March 1, 2033	___%
September 1, 2033	___%
March 1, 2034	___%
September 1, 2034	___%
March 1, 2035	___%
September 1, 2035	___%
March 1, 2036	___%
September 1, 2036	___%
March 1, 2037	___%
September 1, 2037	___%
March 1, 2038	___%
November 1, 2038 and thereafter	100%

The Series 2022 B bonds are subject to special redemption from mortgage loan principal payments, unexpended proceeds, excess revenues and mandatory sinking fund redemption as more fully described in the Preliminary Official Statement beginning on page 5.
The Series 2022 B premium serial bonds are not subject to special redemption from mortgage
loan principal payments, excess revenues or mandatory sinking fund redemption as described in the Preliminary Official Statement on pages 5 to 13.

TABLE OF PROJECTED WEIGHTED AVERAGE LIFE DATA AT VARIOUS PREPAYMENT SPEEDS

SIFMA Prepayment Model		Term 2037	Term 2042	Premium Term 2047	Premium Term 2052	Premium PAC Term Due 3/1/2053 Opt Call NOT Exercised	Opt Call Exercised
0%	Avg Life	13.5	17.6	22.6	27.5	18.6	8.6
	Avg Mty Date	06/15/2036	07/12/2040	07/15/2045	07/01/2050	08/13/2041	07/09/2031
	1st Redemption	03/01/2035	03/01/2038	03/01/2043	03/01/2048	04/01/2023	04/01/2023
	Last Redemption	09/01/2037	09/01/2042	09/01/2047	07/01/2052	03/01/2052	03/01/2032
50%	Avg Life	13.5	17.6	22.1	24.6	9.0	7.0
	Avg Mty Date	06/15/2036	07/12/2040	02/09/2045	08/08/2047	01/01/2032	12/11/2029
	1st Redemption	03/01/2035	03/01/2038	12/01/2041	12/01/2041	04/01/2023	04/01/2023
	Last Redemption	09/01/2037	09/01/2042	09/01/2047	08/01/2050	12/01/2041	03/01/2032
75%	Avg Life	13.2	17.1	20.3	21.4	6.9	6.2
	Avg Mty Date	03/18/2036	02/07/2040	04/18/2043	05/23/2044	11/30/2029	03/17/2029
	1st Redemption	03/01/2035	02/01/2037	01/01/2037	01/01/2037	04/01/2023	04/01/2023
	Last Redemption	01/01/2037	09/01/2042	09/01/2047	04/01/2049	11/01/2038	03/01/2032
100%	Avg Life	9.6	16.2	18.3	18.8	6.0	5.6
	Avg Mty Date	08/13/2032	02/21/2039	04/26/2041	10/07/2041	12/26/2028	07/13/2028
	1st Redemption	03/01/2031	02/1/2034	02/01/2034	02/01/2034	04/01/2023	04/01/2023
	Last Redemption	02/01/2034	09/01/2042	09/01/2047	04/01/2048	11/01/2038	03/01/2032
125%	Avg Life	3.5	14.9	16.5	16.7	6.0	5.5
	Avg Mty Date	06/19/2026	11/23/2037	06/22/2039	09/07/2039	12/13/2028	06/30/2028
	1st Redemption	09/01/2023	02/01/2029	02/01/2029	02/01/2029	04/01/2023	04/01/2023
	Last Redemption	02/01/2029	9/01/2042	09/01/2047	10/01/2047	11/01/2038	03/01/2032
150%	Avg Life	2.3	13.3	14.4	14.5	6.0	5.5
	Avg Mty Date	04/04/2025	04/15/2036	05/23/2037	06/26/2037	12/13/2028	06/30/2028
	1st Redemption	07/01/2023	05/01/2026	05/01/2026	05/01/2026	04/01/2023	04/01/2023
	Last Redemption	05/01/2026	09/01/2042	03/01/2047	03/01/2047	11/01/2038	03/01/2032
175%	Avg Life	1.9	11.8	12.6	12.6	6.0	5.5
	Avg Mty Date	11/14/2024	10/20/2034	08/05/2035	08/04/2035	12/13/2028	06/30/2028
	1st Redemption	07/01/2023	09/01/2025	09/01/2025	09/01/2025	04/01/2023	04/01/2023
	Last Redemption	09/01/2025	09/01/2042	09/01/2046	09/01/2046	11/01/2038	03/01/2032
200%	Avg Life	1.7	10.5	11.1	11.1	6.0	5.5
	Avg Mty Date	08/24/2024	06/25/2033	01/10/2034	01/11/2034	12/13/2028	06/30/2028
	1st Redemption	06/01/2023	05/01/2025	05/01/2025	05/01/2025	04/01/2023	04/01/2023
	Last Redemption	05/01/2025	09/01/2042	04/01/2046	04/01/2046	11/01/2038	03/01/2032
300%	Avg Life	1.3	6.6	6.7	6.7	6.0	5.5
	Avg Mty Date	03/27/2024	07/15/2029	09/18/2029	08/30/2029	12/13/2028	06/30/2028
	1st Redemption	06/01/2023	09/01/2024	09/01/2024	09/01/2024	04/01/2023	04/01/2023
	Last Redemption	09/01/2024	09/01/2042	02/01/2046	02/01/2046	11/01/2038	03/01/2032
400%	Avg Life	1.1	3.9	3.9	3.9	6.0	5.5
	Avg Mty Date	01/24/2024	11/17/2026	11/30/2026	11/25/2026	12/13/2028	06/30/2028
	1st Redemption	05/01/2023	06/01/2024	06/01/2024	06/01/2024	04/01/2023	04/01/2023
	Last Redemption	06/01/2024	09/01/2042	09/01/2044	08/01/2044	01/01/2039	03/01/2032
500%	Avg Life	1.0	4.4	4.4	4.4	4.1	3.9
	Avg Mty Date	12/16/2023	04/27/2027	04/28/2027	04/27/2027	01/14/2027	11/28/2026
	1st Redemption	05/01/2023	04/01/2024	04/01/2024	04/01/2024	04/01/2023	04/01/2023
	Last Redemption	04/01/2024	04/01/2041	05/01/2041	06/01/2041	06/01/2039	03/01/2032

By Lot Sinking Fund Schedule
2037 Term Bond

03/01/2035	1,300M
09/01/2035	1,335M
03/01/2036	1,375M
09/01/2036	1,410M
03/01/2037	1,450M
09/01/2037	1,490M

By Lot Sinking Fund Schedule
2042 Term Bond

03/01/2038	1,530M
09/01/2038	1,575M
03/01/2039	1,620M
09/01/2039	1,665M
03/01/2040	1,710M
09/01/2040	1,760M
03/01/2041	1,815M
09/01/2041	1,870M
03/01/2042	1,920M
09/01/2042	1,975M

By Lot Sinking Fund Schedule
2047 Term Bond

03/01/2043	2,030M
09/01/2043	2,090M
03/01/2044	2,150M
09/01/2044	2,215M
03/01/2045	2,275M
09/01/2045	2,345M
03/01/2046	2,410M
09/01/2046	2,480M
03/01/2047	2,555M
09/01/2047	2,630M

Sinking Fund Schedule
2052 Term Bond

03/01/2048	2,705M
09/01/2048	2,790M
03/01/2049	2,870M
09/01/2049	2,960M
03/01/2050	3,055M
09/01/2050	3,150M
03/01/2051	3,255M
09/01/2051	3,355M
03/01/2052	3,460M
09/01/2052	3,570M

Sinking Fund Schedule
2053 Term Bond

03/01/2024	500M
09/01/2024	585M
03/01/2025	600M
09/01/2025	615M
03/01/2026	630M
09/01/2026	645M
03/01/2027	660M
09/01/2027	680M
03/01/2028	700M
09/01/2028	720M
03/01/2029	745M
09/01/2029	765M
03/01/2030	790M
09/01/2030	815M
03/01/2031	840M
09/01/2031	865M
03/01/2032	890M
09/01/2032	920M
03/01/2033	945M
09/01/2033	975M
03/01/2034	1,000M
09/01/2034	1,025M
03/01/2035	1,055M
09/01/2035	1,085M
03/01/2036	1,115M
09/01/2036	1,150M
03/01/2037	1,180M
09/01/2037	1,215M
03/01/2038	1,250M
09/01/2038	1,285M
03/01/2039	1,320M
09/01/2039	1,360M
03/01/2040	1,400M
09/01/2040	1,440M
03/01/2041	1,480M
09/01/2041	1,520M
03/01/2042	1,565M
09/01/2042	1,610M
03/01/2043	1,655M
09/01/2043	1,705M

03/01/2044	1,755M
09/01/2044	1,805M
03/01/2045	1,860M
09/01/2045	1,910M
03/01/2046	1,970M
09/01/2046	2,025M
03/01/2047	2,085M
09/01/2047	2,145M
03/01/2048	2,210M
09/01/2048	2,280M
03/01/2049	2,355M
09/01/2049	2,430M
03/01/2050	2,505M
09/01/2050	2,585M
03/01/2051	2,665M
09/01/2051	2,750M
03/01/2052	2,835M
09/01/2052	2,925M
03/01/2053	6,530M

* - APPROXIMATE SUBJECT TO CHANGE

Order period until today 11:30 AM, Eastern, Thursday, 12/01/22.
Please use Electronic Order Entry to enter orders or call (212) 528-1061.
The managers reserve the right to terminate or extend the order period prior to or later than the above-mentioned time and date and to confirm bonds at their discretion.
PRIORITY OF ORDERS AS FOLLOWS:

1. Texas Retail
2. National Retail

3. Net Designated (Exception: if an investor is affiliated with a syndicate member and that syndicate member may not be compensated for the investor's order, the investor will not be required to designate that syndicate member.)

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PRIORITY POLICY:
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DEFINITION OF RETAIL ORDER:
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Retail
orders do not include bank portfolios, insurance companies, bond funds or municipalities.
Zip Codes are required with all Retail Orders.
The Manager will assume that orders for the serial maturities with the same coupon on either side can be filled in 3/1 or 9/1.
Pursuant to MSRB Rule G-11, syndicate members and other brokers, dealers, and municipal securities dealers ("Dealers"), when submitting an order for the syndicate member or Dealer's own account or for a "related account" as defined in Rule G-11 (which includes, without limitation, proprietary orders for affiliates of the syndicate member or Dealer), must so inform Barclays Capital at the time any such order is submitted.
STATE BLUE SKY ELIGIBILITY: May not be distributed to retail investors in State of New York.

The compliance addendum MSRB Rule G-11 will apply.

The Award is expected on Thursday, December 1, 2022.
Delivery is expected on Wednesday, December 21, 2022.
This issue is book entry only. This issue is clearing through DTC.

Barclays Capital Inc.
Jefferies LLC
RBC Capital Markets
Morgan Stanley & Co. LLC
Piper Sandler & Co
Ramirez & Co., Inc.

By: Barclays Capital Inc. New York, NY

Repricing Wire

RE: $ 190,000,000*
Texas Department of Housing and Community Affairs
Single Family Mortgage Revenue Bonds 2022 Series B (Non-AMT)

POS / Roadshow: https://www.munios.com/munios-notice.aspx?i=3UA6NFBsZcq5
We have received the verbal award.
All orders will be considered good at the new levels unless we hear to the contrary by 1:30PM.

MOODY'S: Aaa (Stable) S&P: AA+ (Stable)
FITCH: NR KROLL: NR

DATED:12/21/2022 FIRST COUPON:03/01/2023
DUE: 03/01 & 09/01

MATURITY	I-MMD SPREAD	AMOUNT*	COUPON	PRICE	ADD'L TAKEDOWN (Pts)
03/01/2024	+18	780M	2.70%	100.00	1/4
09/01/2024	+27	725M	2.80%	100.00	1/4
03/01/2025	+35	740M	2.90%	100.00	1/4
09/01/2025	+43	760M	3.00%	100.00	3/8
03/01/2026	+51	775M	3.10%	100.00	3/8
09/01/2026	+55	795M	3.15%	100.00	1/2
03/01/2027	+64	815M	3.25%	100.00	1/2
09/01/2027	+48	830M	5.50%	3.10	1/2
			(Approx. $ Price 110.405)		
03/01/2028	+58	860M	5.50%	3.21	1/2
			(Approx. $ Price 110.871)		
09/01/2028	+61	885M	5.50%	3.25	1/2
			(Approx. $ Price 111.605)		
03/01/2029	+66	910M	5.50%	3.32	1/2
			(Approx. $ Price 112.110)		
09/01/2029	+70	940M	5.50%	3.37	5/8
			(Approx. $ Price 112.664)		
03/01/2030	+75	965M	5.50%	3.42	5/8
			(Approx. $ Price 113.161)		
09/01/2030	+79	995M	5.50%	3.48	5/8
			(Approx. $ Price 113.527)		
03/01/2031	+88	1,025M	5.50%	3.57	5/8
			(Approx. $ Price 113.601)		
09/01/2031	+92	1,060M	5.50%	3.62	5/8
			(Approx. $ Price 113.910)		
03/01/2032	+96	1,090M	5.50%	3.66	5/8
			(Approx. $ Price 114.250)		
09/01/2032	+100	1,125M	5.50%	3.71	5/8
		(Approx. $ Price PTC 03/01/2032 113.831)			
03/01/2033	+102	1,160M	5.50%	3.74	5/8
		(Approx. $ Price PTC 03/01/2032 113.581)			
09/01/2033	+120	1,195M	4.00%	3.95	5/8
		(Approx. $ Price PTC 03/01/2032 100.377)			
03/01/2034	+121	1,230M	4.05%	100.00	5/8
09/01/2034	+123	1,265M	4.10%	100.00	5/8
09/01/2037	+125	8,360M	4.40%	100.00	5/8
09/01/2042	+134	17,440M	4.65%	100.00	5/8
09/01/2047	+136	23,180M	5.125%	4.81	5/8
		(Approx. $ Price PTC 03/01/2032 102.311)			
09/01/2052	+135	31,170M	5.25%	4.87	5/8
		(Approx. $ Price PTC 03/01/2032 102.782)			
03/01/2053	+138	88,925M	6.00%	4.03	1/2
		(Approx. $ Price 110.038)			

(PAC)
(Avg. Life: 6.00 years over a range of 100.00 to 400.00% of PSA experience)

(PAC Not offered to retail)

CALL FEATURES: Optional call in 03/01/2032 @ 100.00

THE PREMIUM SERIAL BONDS MATURING ON SEPTEMBER 1, 2027 THROUGH
SEPTEMBER 1, 2033 ARE NOT SUBJECT TO REDEMPTION EXCEPT
AS REQUIRED BY LAW TO MAINTAIN THE FEDERAL TAX
EXEMPTION OF INTEREST.

EXCEPT: The PAC Term bonds are subject to redemption prior to maturity, in whole or in part at any time and from time to time, on and after March 1, 2032, at the option of the Department, at the redemption prices set forth below (expressed as a percentage of the principal amount to be redeemed):

Redemption Date	Redemption Price
March 1, 2032	___%
September 1, 2032	___%
March 1, 2033	___%
September 1, 2033	___%
March 1, 2034	___%
September 1, 2034	___%
March 1, 2035	___%
September 1, 2035	___%
March 1, 2036	___%
September 1, 2036	___%
March 1, 2037	___%
September 1, 2037	___%
March 1, 2038	___%
November 1, 2038 and thereafter	100%

The Series 2022 B bonds are subject to special redemption from mortgage loan principal payments, unexpended proceeds, excess revenues and mandatory sinking fund redemption as more fully described in the Preliminary Official Statement beginning on page 5.
The Series 2022 B premium serial bonds are not subject to special redemption from mortgage
loan principal payments, excess revenues or mandatory sinking fund redemption as described in the Preliminary Official Statement on pages 5 to 13.

TABLE OF PROJECTED WEIGHTED AVERAGE LIFE DATA AT VARIOUS PREPAYMENT SPEEDS

SIFMA Prepayment Model		Term 2037	Term 2042	Premium Term 2047	Premium Term 2052	Premium PAC Term Due 3/1/2053 Opt Call NOT Exercised	Premium PAC Term Due 3/1/2053 Opt Call Exercised
0%	Avg Life	13.5	17.6	22.6	27.5	18.6	8.6
	Avg Mty Date	06/15/2036	07/12/2040	07/15/2045	07/01/2050	08/13/2041	07/09/2031
	1st Redemption	03/01/2035	03/01/2038	03/01/2043	03/01/2048	04/01/2023	04/01/2023
	Last Redemption	09/01/2037	09/01/2042	09/01/2047	07/01/2052	03/01/2052	03/01/2032
50%	Avg Life	13.5	17.6	22.1	24.6	9.0	7.0
	Avg Mty Date	06/15/2036	07/12/2040	02/09/2045	08/08/2047	01/01/2032	12/11/2029
	1st Redemption	03/01/2035	03/01/2038	12/01/2041	12/01/2041	04/01/2023	04/01/2023
	Last Redemption	09/01/2037	09/01/2042	09/01/2047	08/01/2050	12/01/2041	03/01/2032
75%	Avg Life	13.2	17.1	20.3	21.4	6.9	6.2
	Avg Mty Date	03/18/2036	02/07/2040	04/18/2043	05/23/2044	11/30/2029	03/17/2029
	1st Redemption	03/01/2035	02/01/2037	01/01/2037	01/01/2037	04/01/2023	04/01/2023
	Last Redemption	01/01/2037	09/01/2042	09/01/2047	04/01/2049	11/01/2038	03/01/2032
100%	Avg Life	9.6	16.2	18.3	18.8	6.0	5.6
	Avg Mty Date	08/13/2032	02/21/2039	04/26/2041	10/07/2041	12/26/2028	07/13/2028
	1st Redemption	03/01/2031	02/1/2034	02/01/2034	02/01/2034	04/01/2023	04/01/2023
	Last Redemption	02/01/2034	09/01/2042	09/01/2047	04/01/2048	11/01/2038	03/01/2032
125%	Avg Life	3.5	14.9	16.5	16.7	6.0	5.5
	Avg Mty Date	06/19/2026	11/23/2037	06/22/2039	09/07/2039	12/13/2028	06/30/2028
	1st Redemption	09/01/2023	02/01/2029	02/01/2029	02/01/2029	04/01/2023	04/01/2023
	Last Redemption	02/01/2029	9/01/2042	09/01/2047	10/01/2047	11/01/2038	03/01/2032
150%	Avg Life	2.3	13.3	14.4	14.5	6.0	5.5
	Avg Mty Date	04/04/2025	04/15/2036	05/23/2037	06/26/2037	12/13/2028	06/30/2028
	1st Redemption	07/01/2023	05/01/2026	05/01/2026	05/01/2026	04/01/2023	04/01/2023
	Last Redemption	05/01/2026	09/01/2042	03/01/2047	03/01/2047	11/01/2038	03/01/2032
175%	Avg Life	1.9	11.8	12.6	12.6	6.0	5.5
	Avg Mty Date	11/14/2024	10/20/2034	08/05/2035	08/04/2035	12/13/2028	06/30/2028
	1st Redemption	07/01/2023	09/01/2025	09/01/2025	09/01/2025	04/01/2023	04/01/2023
	Last Redemption	09/01/2025	09/01/2042	09/01/2046	09/01/2046	11/01/2038	03/01/2032
200%	Avg Life	1.7	10.5	11.1	11.1	6.0	5.5
	Avg Mty Date	08/24/2024	06/25/2033	01/10/2034	01/11/2034	12/13/2028	06/30/2028
	1st Redemption	06/01/2023	05/01/2025	05/01/2025	05/01/2025	04/01/2023	04/01/2023
	Last Redemption	05/01/2025	09/01/2042	04/01/2046	04/01/2046	11/01/2038	03/01/2032
300%	Avg Life	1.3	6.6	6.7	6.7	6.0	5.5
	Avg Mty Date	03/27/2024	07/15/2029	09/18/2029	08/30/2029	12/13/2028	06/30/2028
	1st Redemption	06/01/2023	09/01/2024	09/01/2024	09/01/2024	04/01/2023	04/01/2023
	Last Redemption	09/01/2024	09/01/2042	02/01/2046	02/01/2046	11/01/2038	03/01/2032
400%	Avg Life	1.1	3.9	3.9	3.9	6.0	5.5
	Avg Mty Date	01/24/2024	11/17/2026	11/30/2026	11/25/2026	12/13/2028	06/30/2028
	1st Redemption	05/01/2023	06/01/2024	06/01/2024	06/01/2024	04/01/2023	04/01/2023
	Last Redemption	06/01/2024	09/01/2042	09/01/2044	08/01/2044	01/01/2039	03/01/2032

500%	Avg Life	1.0	4.4	4.4	4.4	4.1	3.9
	Avg Mty Date	12/16/2023	04/27/2027	04/28/2027	04/27/2027	01/14/2027	11/28/2026
	1st Redemption	05/01/2023	04/01/2024	04/01/2024	04/01/2024	04/01/2023	04/01/2023
	Last Redemption	04/01/2024	04/01/2041	05/01/2041	06/01/2041	06/01/2039	03/01/2032

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Barclays Capital Inc.
Jefferies LLC
RBC Capital Markets
Morgan Stanley & Co. LLC
Piper Sandler & Co
Ramirez & Co., Inc.

By: Barclays Capital Inc. New York, NY

FINAL PRICING WIRE

RE: $ 190,000,000
Texas Department of Housing and Community Affairs
Single Family Mortgage Revenue Bonds 2022 Series B (Non-AMT)
We have received the written award.

MOODY'S: Aaa (Stable)   S&P: AA+ (Stable)
FITCH: NR   KROLL: NR

DATED:12/21/2022   FIRST COUPON:03/01/2023
DUE: 03/01 & 09/01

INITIAL TRADE DATE: 12/02/2022 @ 11:00AM Eastern

MATURITY	AMOUNT	COUPON	PRICE	ADD'L TAKEDOWN (Pts)	CUSIP
03/01/2024	780M	2.70%	100.00	1/4	88275FUU1
09/01/2024	725M	2.80%	100.00	1/4	88275FUV9
03/01/2025	740M	2.90%	100.00	1/4	88275FUW7
09/01/2025	760M	3.00%	100.00	3/8	88275FUX5
03/01/2026	775M	3.10%	100.00	3/8	88275FUY3
09/01/2026	795M	3.15%	100.00	1/2	88275FUZ0
03/01/2027	815M	3.25%	100.00	1/2	88275FVA4
09/01/2027	830M	5.50%	3.10	1/2	88275FVB2
		(Approx. $ Price 110.405)			
03/01/2028	860M	5.50%	3.21	1/2	88275FVC0
		(Approx. $ Price 110.871)			
09/01/2028	885M	5.50%	3.25	1/2	88275FVD8
		(Approx. $ Price 111.605)			
03/01/2029	910M	5.50%	3.32	1/2	88275FVE6
		(Approx. $ Price 112.110)			
09/01/2029	940M	5.50%	3.37	5/8	88275FVF3
		(Approx. $ Price 112.664)			
03/01/2030	965M	5.50%	3.42	5/8	88275FVG1
		(Approx. $ Price 113.161)			
09/01/2030	995M	5.50%	3.48	5/8	88275FVH9
		(Approx. $ Price 113.527)			
03/01/2031	1,025M	5.50%	3.57	5/8	88275FVJ5
		(Approx. $ Price 113.601)			
09/01/2031	1,060M	5.50%	3.62	5/8	88275FVK2
		(Approx. $ Price 113.910)			
03/01/2032	1,090M	5.50%	3.66	5/8	88275FVL0
		(Approx. $ Price 114.250)			
09/01/2032	1,125M	5.50%	3.71	5/8	88275FVM8
	(Approx. $ Price PTC 03/01/2032 113.831)				
03/01/2033	1,160M	5.50%	3.74	5/8	88275FVN6
	(Approx. $ Price PTC 03/01/2032 113.581)				
09/01/2033	1,195M	4.00%	3.95	5/8	88275FVP1
	(Approx. $ Price PTC 03/01/2032 100.377)				
03/01/2034	1,230M	4.05%	100.00	5/8	88275FVQ9
09/01/2034	1,265M	4.10%	100.00	5/8	88275FVR7
09/01/2037	8,360M	4.40%	100.00	5/8	88275FVS5
09/01/2042	17,440M	4.65%	100.00	5/8	88275FVT3
09/01/2047	23,180M	5.125%	4.81	5/8	88275FVU0
	(Approx. $ Price PTC 03/01/2032 102.311)				
09/01/2052	31,170M	5.25%	4.87	5/8	88275FVV8
	(Approx. $ Price PTC 03/01/2032 102.782)				
03/01/2053	88,925M	6.00%	4.03	1/2	88275FVW6
	(Approx. $ Price 110.038)				

(PAC)
(Avg. Life: 6.00 years over a range of 100.00 to 400.00% of PSA experience)
(PAC Not offered to retail)

CALL FEATURES: Optional call in 03/01/2032 @ 100.00

THE PREMIUM SERIAL BONDS MATURING ON SEPTEMBER 1, 2027 THROUGH
MARCH 1, 2033 ARE NOT SUBJECT TO REDEMPTION EXCEPT
AS REQUIRED BY LAW TO MAINTAIN THE FEDERAL TAX
EXEMPTION OF INTEREST.

EXCEPT: The PAC Term bonds are subject to redemption prior to maturity, in whole or in part at any time and from time to time, on and after March 1, 2032, at the option of the Department, at the redemption prices set forth below (expressed as a percentage of the principal amount to be redeemed):

PAC Redemption Price

Redemption Date	Redemption Price
March 1, 2032	104.755%
September 1, 2032	104.395%
March 1, 2033	103.902%
September 1, 2033	103.675%
March 1, 2034	103.424%
September 1, 2034	103.143%
March 1, 2035	102.853%
September 1, 2035	102.543%
March 1, 2036	102.208%
September 1, 2036	101.846%
March 1, 2037	101.467%
September 1, 2037	101.063%
March 1, 2038	100.560%
September 1, 2038 and thereafter	100.000%

The Series 2022 B bonds are subject to special redemption from mortgage loan principal payments, unexpended proceeds, excess revenues and mandatory sinking fund redemption as more fully described in the Preliminary Official Statement beginning on page 5.
The Series 2022 B premium serial bonds are not subject to special redemption from mortgage loan principal payments, excess revenues or mandatory sinking fund redemption as described in the Preliminary Official Statement on pages 5 to 13.

TABLE OF PROJECTED WEIGHTED AVERAGE LIFE DATA AT VARIOUS PREPAYMENT SPEEDS

SIFMA Prepayment Model		Term 2037	Term 2042	Premium Term 2047	Premium Term 2052	Premium PAC Term Due 3/1/2053 Opt Call Exercised	NOT Opt Call Exercised
0%	Avg Life	13.5	17.6	22.6	27.5	18.6	8.6
	Avg Mty Date	6/15/2036	7/12/2040	7/15/2045	7/1/2050	8/13/2041	7/9/2031
	1st Redemption	3/1/2035	3/1/2038	3/1/2043	3/1/2048	4/1/2023	4/1/2023
	Last Redemption	9/1/2037	9/1/2042	9/1/2047	7/1/2052	3/1/2052	3/1/2032
50%	Avg Life	13.5	17.6	22.1	24.6	9.0	7.0
	Avg Mty Date	6/15/2036	7/12/2040	2/9/2045	8/8/2047	1/1/2032	12/11/2029
	1st Redemption	3/1/2035	3/1/2038	12/1/2041	12/1/2041	4/1/2023	4/1/2023
	Last Redemption	9/1/2037	9/1/2042	9/1/2047	8/1/2050	12/1/2041	3/1/2032
75%	Avg Life	13.2	17.1	20.3	21.4	6.9	6.2
	Avg Mty Date	3/18/2036	2/7/2040	4/18/2043	5/23/2044	11/30/2029	3/17/2029
	1st Redemption	3/1/2035	2/1/2037	1/1/2037	1/1/2037	4/1/2023	4/1/2023
	Last Redemption	1/1/2037	9/1/2042	9/1/2047	4/1/2049	11/1/2038	3/1/2032
100%	Avg Life	9.6	16.2	18.3	18.8	6.0	5.6
	Avg Mty Date	8/13/2032	2/21/2039	4/26/2041	10/7/2041	12/26/2028	7/13/2028
	1st Redemption	3/1/2031	2/1/2034	2/1/2034	2/1/2034	4/1/2023	4/1/2023
	Last Redemption	2/1/2034	9/1/2042	9/1/2047	4/1/2048	11/1/2038	3/1/2032
125%	Avg Life	3.5	14.9	16.5	16.7	6.0	5.5
	Avg Mty Date	6/19/2026	11/23/2037	6/22/2039	9/7/2039	12/13/2028	6/30/2028
	1st Redemption	9/1/2023	2/1/2029	2/1/2029	2/1/2029	4/1/2023	4/1/2023
	Last Redemption	2/1/2029	9/1/2042	9/1/2047	10/1/2047	11/1/2038	3/1/2032
150%	Avg Life	2.3	13.3	14.4	14.5	6.0	5.5
	Avg Mty Date	4/4/2025	4/15/2036	5/23/2037	6/26/2037	12/13/2028	6/30/2028
	1st Redemption	7/1/2023	5/1/2026	5/1/2026	5/1/2026	4/1/2023	4/1/2023
	Last Redemption	5/1/2026	9/1/2042	3/1/2047	3/1/2047	11/1/2038	3/1/2032
175%	Avg Life	1.9	11.8	12.6	12.6	6.0	5.5
	Avg Mty Date	11/14/2024	10/20/2034	8/5/2035	8/4/2035	12/13/2028	6/30/2028
	1st Redemption	7/1/2023	9/1/2025	9/1/2025	9/1/2025	4/1/2023	4/1/2023
	Last Redemption	9/1/2025	9/1/2042	9/1/2046	9/1/2046	11/1/2038	3/1/2032
200%	Avg Life	1.7	10.5	11.1	11.1	6.0	5.5
	Avg Mty Date	8/24/2024	6/25/2033	1/10/2034	1/11/2034	12/13/2028	6/30/2028
	1st Redemption	6/1/2023	5/1/2025	5/1/2025	5/1/2025	4/1/2023	4/1/2023
	Last Redemption	5/1/2025	9/1/2042	4/1/2046	4/1/2046	11/1/2038	3/1/2032
300%	Avg Life	1.3	6.6	6.7	6.7	6.0	5.5
	Avg Mty Date	3/27/2024	7/15/2029	9/18/2029	8/30/2029	12/13/2028	6/30/2028
	1st Redemption	6/1/2023	9/1/2024	9/1/2024	9/1/2024	4/1/2023	4/1/2023
	Last Redemption	9/1/2024	9/1/2042	2/1/2046	2/1/2046	11/1/2038	3/1/2032
400%	Avg Life	1.1	3.9	3.9	3.9	6.0	5.5
	Avg Mty Date	1/24/2024	11/17/2026	11/30/2026	11/25/2026	12/13/2028	6/30/2028
	1st Redemption	5/1/2023	6/1/2024	6/1/2024	6/1/2024	4/1/2023	4/1/2023
	Last Redemption	6/1/2024	9/1/2042	9/1/2044	8/1/2044	1/1/2039	3/1/2032
500%	Avg Life	1.0	4.4	4.4	4.4	4.1	3.9
	Avg Mty Date	12/16/2023	4/27/2027	4/28/2027	4/27/2027	1/14/2027	11/28/2026
	1st Redemption	5/1/2023	4/1/2024	4/1/2024	4/1/2024	4/1/2023	4/1/2023
	Last Redemption	4/1/2024	4/1/2041	5/1/2041	6/1/2041	6/1/2039	3/1/2032

By Lot Sinking Fund Schedule
2037 Term Bond

03/01/2035	1,300M
09/01/2035	1,335M
03/01/2036	1,375M
09/01/2036	1,410M
03/01/2037	1,450M
09/01/2037	1,490M

By Lot Sinking Fund Schedule
2042 Term Bond

03/01/2038	1,530M
09/01/2038	1,575M
03/01/2039	1,620M
09/01/2039	1,665M
03/01/2040	1,710M
09/01/2040	1,760M
03/01/2041	1,815M
09/01/2041	1,870M
03/01/2042	1,920M
09/01/2042	1,975M

By Lot Sinking Fund Schedule
2047 Term Bond

03/01/2043	2,030M
09/01/2043	2,090M
03/01/2044	2,150M
09/01/2044	2,215M
03/01/2045	2,275M
09/01/2045	2,345M
03/01/2046	2,410M
09/01/2046	2,480M
03/01/2047	2,555M
09/01/2047	2,630M

Sinking Fund Schedule
2052 Term Bond

03/01/2048	2,705M
09/01/2048	2,790M
03/01/2049	2,870M
09/01/2049	2,960M
03/01/2050	3,055M
09/01/2050	3,150M
03/01/2051	3,255M
09/01/2051	3,355M
03/01/2052	3,460M
09/01/2052	3,570M

Sinking Fund Schedule
2053 Term Bond

03/01/2024	500M
09/01/2024	585M
03/01/2025	600M
09/01/2025	615M
03/01/2026	630M
09/01/2026	645M
03/01/2027	660M
09/01/2027	680M
03/01/2028	700M
09/01/2028	720M
03/01/2029	745M
09/01/2029	765M
03/01/2030	790M
09/01/2030	815M
03/01/2031	840M
09/01/2031	865M
03/01/2032	890M
09/01/2032	920M
03/01/2033	945M
09/01/2033	975M
03/01/2034	1,000M
09/01/2034	1,025M
03/01/2035	1,055M
09/01/2035	1,085M
03/01/2036	1,115M
09/01/2036	1,150M
03/01/2037	1,180M
09/01/2037	1,215M
03/01/2038	1,250M
09/01/2038	1,285M
03/01/2039	1,320M
09/01/2039	1,360M
03/01/2040	1,400M
09/01/2040	1,440M
03/01/2041	1,480M
09/01/2041	1,520M
03/01/2042	1,565M
09/01/2042	1,610M
03/01/2043	1,655M
09/01/2043	1,705M
03/01/2044	1,755M
09/01/2044	1,805M
03/01/2045	1,860M
09/01/2045	1,910M
03/01/2046	1,970M
09/01/2046	2,025M
03/01/2047	2,085M
09/01/2047	2,145M

03/01/2048	2,210M
09/01/2048	2,280M
03/01/2049	2,355M
09/01/2049	2,430M
03/01/2050	2,505M
09/01/2050	2,585M
03/01/2051	2,665M
09/01/2051	2,750M
03/01/2052	2,835M
09/01/2052	2,925M
03/01/2053	6,530M

PRIORITY OF ORDERS AS FOLLOWS:

1. Texas Retail
2. National Retail

3. Net Designated (Exception: if an investor is affiliated with a syndicate member and that syndicate member may not be compensated for the investor's order, the investor will not be required to designate that syndicate member.)

4. Member

PRIORITY POLICY:
At least 3 firm(s) must be designated.

No firm may receive more than 55.00% of any designation.
Each designee must receive a minimum of 5.00% for each priority order.
The Senior Manager requests the identification of all priority orders at the time the orders are entered.
The Senior Manager will pay out all designations.

DEFINITION OF RETAIL ORDER:
A "Retail" order is defined as an order placed for the account of an individual, bank trust, or investment advisor acting on behalf of an individual, with a maximum of $1,000,000 per account, or at the discretion of the Department, some larger amount. Retail
orders do not include bank portfolios, insurance companies, bond funds or municipalities.
Zip Codes are required with all Retail Orders.
The Manager will assume that orders for the serial maturities with the same coupon on either side can be filled in 3/1 or 9/1.
Pursuant to MSRB Rule G-11, syndicate members and other brokers, dealers, and municipal securities dealers ("Dealers"), when submitting an order for the syndicate member or Dealer's own account or for a "related account" as defined in Rule G-11 (which includes,
without limitation, proprietary orders for affiliates of the syndicate member or Dealer),
must so inform Barclays Capital at the time any such order is submitted.
STATE BLUE SKY ELIGIBILITY: May not be distributed to retail investors in State of New York.

The compliance addendum MSRB Rule G-11 will apply.

The Award is final for Thursday, December 1, 2022 at 4:35PM Eastern.
Delivery is firm for Wednesday, December 21, 2022.
This issue is book entry only. This issue is clearing through DTC.

Award:	12/01/2022
Award Time:	4:35PM Eastern
Delivery:	12/21/2022 (Firm)
Initial trade:	12/02/2022
Date of Execution:	12/02/2022
Time of Execution:	11:00AM Eastern

Barclays Capital Inc.
Jefferies LLC
RBC Capital Markets
Morgan Stanley & Co. LLC
Piper Sandler & Co
Ramirez & Co., Inc.

By: Barclays Capital Inc. New York, NY

3. Financing Results

3.a. Summary of Results

Texas Department of Housing and Community Affairs
Single Family Mortgage Revenue Bonds, 2022 Series B
Summary of Results

Market Bonds	190,000,000
Bond Pricing Date	12/1/2022
Sign BPA	12/1/2022
Delivery Date	12/21/2022
Ratings	Aaa (Moody's)/AA+ (S&P)

Serial Bonds

Maturity	Principal	Coupon	Price	Premium	Yield
3/1/2024	780,000	2.70%	100.000%	-	2.70%
9/1/2024	725,000	2.80%	100.000%	-	2.80%
3/1/2025	740,000	2.90%	100.000%	-	2.90%
9/1/2025	760,000	3.00%	100.000%	-	3.00%
3/1/2026	775,000	3.10%	100.000%	-	3.10%
9/1/2026	795,000	3.15%	100.000%	-	3.15%
3/1/2027	815,000	3.25%	100.000%	-	3.25%
3/1/2034	1,230,000	4.05%	100.000%	-	4.05%
9/1/2034	1,265,000	4.10%	100.000%	-	4.10%

Premium Serial Bonds

Maturity	Principal	Coupon	Price	Premium	Yield
9/1/2027	830,000	5.50%	110.405%	86,361.50	3.10%
3/1/2028	860,000	5.50%	110.871%	93,490.60	3.21%
9/1/2028	885,000	5.50%	111.605%	102,704.25	3.25%
3/1/2029	910,000	5.50%	112.110%	110,201.00	3.32%
9/1/2029	940,000	5.50%	112.664%	119,041.60	3.37%
3/1/2030	965,000	5.50%	113.161%	127,003.65	3.42%
9/1/2030	995,000	5.50%	113.527%	134,593.65	3.48%
3/1/2031	1,025,000	5.50%	113.601%	139,410.25	3.57%
9/1/2031	1,060,000	5.50%	113.910%	147,446.00	3.62%
3/1/2032	1,090,000	5.50%	114.250%	155,325.00	3.66%
9/1/2032	1,125,000	5.50%	113.831%	155,598.75	3.71%
3/1/2033	1,160,000	5.50%	113.581%	157,539.60	3.74%
9/1/2033	1,195,000	4.00%	100.377%	4,505.15	3.95%

Term Bonds

Maturity	Principal	Coupon	Price	Premium	Yield
9/1/2037	8,360,000	4.40%	100.000%	-	4.40%
9/1/2042	17,440,000	4.65%	100.000%	-	4.65%
9/1/2047	23,180,000	5.125%	102.311%	535,689.80	4.81%
9/1/2052	31,170,000	5.25%	102.782%	867,149.40	4.87%
3/1/2053	88,925,000	6.00%	110.038%	8,926,291.50	4.03%
Total	**190,000,000**			**11,862,351.70**	

3.b. Pricing Progression

Texas Department of Housing and Community Affairs
Single Family Mortgage Revenue Bonds, 2022 Series B
Pricing Progression

Serial Bonds

		Pre-Marketing			Preliminary Pricing			Final Pricing		
Maturity	Principal	Yield	11/30 MMD	Spread	Yield	12/1 MMD	Spread	Yield	12/1 MMD	Spread
3/1/2024	780,000	2.75%	2.52%	23	2.70%	2.42%	28	2.70%	2.42%	28
9/1/2024	725,000	2.85%	2.53%	32	2.80%	2.43%	37	2.80%	2.43%	37
3/1/2025	740,000	2.95%	2.55%	40	2.90%	2.45%	45	2.90%	2.45%	45
9/1/2025	760,000	3.10%	2.57%	53	3.05%	2.47%	58	3.00%	2.47%	53
3/1/2026	775,000	3.20%	2.59%	61	3.15%	2.49%	66	3.10%	2.49%	61
9/1/2026	795,000	3.25%	2.60%	65	3.20%	2.50%	70	3.15%	2.50%	65
3/1/2027	815,000	3.35%	2.61%	74	3.30%	2.51%	79	3.25%	2.51%	74
3/1/2034	1,230,000	4.15%	2.84%	131	4.10%	2.74%	136	4.05%	2.74%	131
9/1/2034	1,265,000	4.20%	2.87%	133	4.15%	2.77%	138	4.10%	2.77%	133

Premium Serial Bonds

Maturity	Principal	Yield	11/30 MMD	Spread	Yield	12/1 MMD	Spread	Yield	12/1 MMD	Spread
9/1/2027	830,000	3.20%	2.62%	58	3.15%	2.52%	63	3.10%	2.52%	58
3/1/2028	860,000	3.31%	2.63%	68	3.26%	2.53%	73	3.21%	2.53%	68
9/1/2028	885,000	3.35%	2.64%	71	3.30%	2.54%	76	3.25%	2.54%	71
3/1/2029	910,000	3.42%	2.66%	76	3.37%	2.56%	81	3.32%	2.56%	76
9/1/2029	940,000	3.47%	2.67%	80	3.42%	2.57%	85	3.37%	2.57%	80
3/1/2030	965,000	3.52%	2.67%	85	3.47%	2.57%	90	3.42%	2.57%	85
9/1/2030	995,000	3.58%	2.69%	89	3.53%	2.59%	94	3.48%	2.59%	89
3/1/2031	1,025,000	3.67%	2.69%	98	3.62%	2.59%	103	3.57%	2.59%	98
9/1/2031	1,060,000	3.72%	2.70%	102	3.67%	2.60%	107	3.62%	2.60%	102
3/1/2032	1,090,000	3.78%	2.70%	108	3.73%	2.60%	113	3.66%	2.60%	106
9/1/2032	1,125,000	3.84%	2.71%	113	3.79%	2.61%	118	3.71%	2.61%	110
3/1/2033	1,160,000	3.87%	2.72%	115	3.82%	2.62%	120	3.74%	2.62%	112
9/1/2033	1,195,000	4.05%	2.75%	130	4.00%	2.65%	135	3.95%	2.65%	130

Term Bonds

Maturity	Principal	Yield	11/30 MMD	Spread	Yield	12/1 MMD	Spread	Yield	12/1 MMD	Spread
9/1/2037	8,360,000	4.50%	3.15%	135	4.50%	3.05%	145	4.40%	3.05%	135
9/1/2042	17,440,000	4.70%	3.31%	139	4.70%	3.27%	143	4.65%	3.27%	138
9/1/2047	23,180,000	4.85%	3.45%	140	4.85%	3.41%	144	4.81%	3.41%	140
9/1/2052	31,170,000	4.92%	3.52%	140	4.92%	3.48%	144	4.87%	3.48%	139
3/1/2053	88,925,000	4.16%	2.65%	151	4.10%	2.55%	155	4.03%	2.55%	148
Total	**190,000,000**									

3.c. Pricing Comparisons

Non-AMT SF Housing Transactions Priced During Week of November 28

Texas Department of Housing and Community Affairs
Single Family Mortgage Revenue Bonds
2022 Series B
12/1/2022
Aaa/AA+
$190,000,000

Maturity	Par (000s)	Coupon[1]	Yield	Spread[2]	MMD
3/1/2024	780	2.700	2.700	28	2.42
9/1/2024	725	2.800	2.800	37	2.43
3/1/2025	740	2.900	2.900	45	2.45
9/1/2025	760	3.000	3.000	53	2.47
3/1/2026	775	3.100	3.100	61	2.49
9/1/2026	795	3.150	3.150	65	2.50
3/1/2027	815	3.250	3.250	74	2.51
9/1/2027	830	5.500	3.100	58	2.52
3/1/2028	860	5.500	3.210	68	2.53
9/1/2028	885	5.500	3.250	71	2.54
3/1/2029	910	5.500	3.320	76	2.56
9/1/2029	940	5.500	3.370	80	2.57
3/1/2030	965	5.500	3.420	85	2.57
9/1/2030	995	5.500	3.480	89	2.59
3/1/2031	1,025	5.500	3.570	98	2.59
9/1/2031	1,060	5.500	3.620	102	2.60
3/1/2032	1,090	5.500	3.660	106	2.60
9/1/2032	1,125	5.500	3.710	110	2.61
3/1/2033	1,160	5.500	3.740	112	2.62
9/1/2033	1,195	4.000	3.950	130	2.65
3/1/2034	1,230	4.050	4.050	131	2.74
9/1/2034	1,265	4.100	4.100	133	2.77
9/1/2037	8,360	4.400	4.400	135	3.05
9/1/2042	17,440	4.650	4.650	138	3.27
9/1/2047	23,180	5.125	4.810	140	3.41
9/1/2052	31,170	5.250	4.870	139	3.48
3/1/2053	88,925	6.000	4.030	148	2.55

PAC Avg. Life: 6.0 years over range of 100-400% PSA

West Virginia Housing Development Fund
Housing Finance Bonds
2022 Series C (Social Bonds)
11/29/2022
Aaa/AAA
$45,000,000

Maturity	Par (000s)	Coupon[1]	Yield	Spread[2]	MMD
11/1/2023	355	2.650	2.650	14	2.51
5/1/2024	650	2.700	2.700	16	2.54
11/1/2024	775	2.800	2.800	25	2.55
5/1/2025	890	2.950	2.950	37	2.58
11/1/2025	1,000	3.050	3.050	45	2.60
5/1/2026	1,035	3.125	3.125	51.5	2.61
11/1/2026	1,020	3.200	3.200	57	2.63
5/1/2027	1,000	3.300	3.300	66	2.64
11/1/2027	990	3.350	3.350	69	2.66
5/1/2028	970	3.500	3.500	84	2.66
11/1/2028	960	3.550	3.550	87	2.68
5/1/2029	940	3.600	3.600	91	2.69
11/1/2029	930	3.650	3.650	95	2.70
5/1/2030	915	3.700	3.700	99	2.71
11/1/2030	905	3.750	3.750	103	2.72
5/1/2031	890	3.800	3.800	108	2.72
11/1/2031	880	3.850	3.850	112	2.73
5/1/2032	865	3.900	3.900	117	2.73
11/1/2032	855	3.950	3.950	121	2.74
5/1/2033	840	4.000	4.000	124	2.76
11/1/2033	835	4.000	4.000	121	2.79
5/1/2034	820	4.050	4.050	117	2.88
11/1/2034	815	4.100	4.100	120	2.90
11/1/2037	4,685	4.450	4.450	130	3.15
11/1/2042	7,230	4.625	4.625	131.5	3.31
11/1/2047	6,680	4.800	4.800	135	3.45
11/1/2052	6,270	4.800	4.800	133	3.52

1. Premium Bonds Highlighted.
2. Spread to EOD MMD.

4. Order Book

4.a. Allotments per Syndicate Member

Texas Department of Housing and Community Affairs
Single Family Mortgage Revenue Bonds, 2022 Series B
Allotments per Syndicate Member ($000s)

		Barclays		Jefferies		RBC Capital Markets		Morgan Stanley		Piper Sandler		Ramirez & Co.		Total Allotments
Maturity	**Par Amount**	**Allotments**	**%**	**Allotments**	**%**	**Allotments**	**%**	**Allotments**	**%**	**Allotments**	**%**	**Allotments**	**%**	
3/1/2024	780	735	94.2%	-	-	45	5.8%	-	-	-	-	-	-	780
9/1/2024	725	725	100.0%	-	-	-	-	-	-	-	-	-	-	725
3/1/2025	740	550	74.3%	-	-	-	-	190	25.7%	-	-	-	-	740
9/1/2025	760	565	74.3%	-	-	50	6.6%	145	19.1%	-	-	-	-	760
3/1/2026	775	725	93.5%	-	-	50	6.5%	-	-	-	-	-	-	775
9/1/2026	795	735	92.5%	-	-	-	-	60	7.5%	-	-	-	-	795
3/1/2027	815	-	-	-	-	-	-	815	100.0%	-	-	-	-	815
9/1/2027	830	830	100.0%	-	-	-	-	-	-	-	-	-	-	830
3/1/2028	860	860	100.0%	-	-	-	-	-	-	-	-	-	-	860
9/1/2028	885	885	100.0%	-	-	-	-	-	-	-	-	-	-	885
3/1/2029	910	910	100.0%	-	-	-	-	-	-	-	-	-	-	910
9/1/2029	940	940	100.0%	-	-	-	-	-	-	-	-	-	-	940
3/1/2030	965	965	100.0%	-	-	-	-	-	-	-	-	-	-	965
9/1/2030	995	995	100.0%	-	-	-	-	-	-	-	-	-	-	995
3/1/2031	1,025	1,025	100.0%	-	-	-	-	-	-	-	-	-	-	1,025
9/1/2031	1,060	1,060	100.0%	-	-	-	-	-	-	-	-	-	-	1,060
3/1/2032	1,090	1,090	100.0%	-	-	-	-	-	-	-	-	-	-	1,090
9/1/2032	1,125	1,125	100.0%	-	-	-	-	-	-	-	-	-	-	1,125
3/1/2033	1,160	1,145	98.7%	-	-	-	-	15	1.3%	-	-	-	-	1,160
9/1/2033	1,195	1,195	100.0%	-	-	-	-	-	-	-	-	-	-	1,195
3/1/2034	1,230	1,230	100.0%	-	-	-	-	-	-	-	-	-	-	1,230
9/1/2034	1,265	1,265	100.0%	-	-	-	-	-	-	-	-	-	-	1,265
9/1/2037	8,360	6,665	79.7%	-	-	50	0.6%	1,645	19.7%	-	-	-	-	8,360
9/1/2042	17,440	11,285	64.7%	1,250	-	2,300	13.2%	2,580	14.8%	-	-	25	0.1%	17,440
9/1/2047	23,180	18,305	79.0%	3,250	-	-	-	175	0.8%	-	-	1,450	6.3%	23,180
9/1/2052	31,170	23,995	77.0%	2,000	-	1,000	3.2%	2,575	8.3%	600	1.9%	1,000	3.2%	31,170
3/1/2053	88,925	88,925	100.0%	-	-	-	-	-	-	-	-	-	-	88,925
Total	**190,000**	**168,730**	**88.8%**	**6,500**	**3.4%**	**3,495**	**1.8%**	**8,200**	**4.3%**	**600**	**0.3%**	**2,475**	**1.3%**	**190,000**

4.b. Orders and Allotments by Maturity

Texas Department of Housing and Community Affairs Single Family Mortgage Revenue Bonds, 2022 Series B Orders and Allotments by Maturity ($000s)									
		Retail		Institutional		Member		Total	
Maturity	**Par Amount**	**Orders**	**Allotments**	**Orders**	**Allotments**	**Orders**	**Allotments**	**Orders**	**Allotments**
3/1/2024	780	825	780	-	-	-	-	825	780
9/1/2024	725	725	725	-	-	-	-	725	725
3/1/2025	740	1,340	740	-	-	-	-	1,340	740
9/1/2025	760	1,560	760	-	-	-	-	1,560	760
3/1/2026	775	1,600	775	-	-	-	-	1,600	775
9/1/2026	795	2,325	795	-	-	-	-	2,325	795
3/1/2027	815	1,915	815	-	-	-	-	1,915	815
9/1/2027	830	1,600	830	830	-	-	-	2,430	830
3/1/2028	860	1,720	860	860	-	-	-	2,580	860
9/1/2028	885	1,770	885	885	-	-	-	2,655	885
3/1/2029	910	1,820	910	910	-	-	-	2,730	910
9/1/2029	940	2,180	940	940	-	-	-	3,120	940
3/1/2030	965	3,045	965	965	-	-	-	4,010	965
9/1/2030	995	3,285	995	995	-	-	-	4,280	995
3/1/2031	1,025	3,075	1,025	2,050	-	-	-	5,125	1,025
9/1/2031	1,060	3,180	1,060	2,120	-	-	-	5,300	1,060
3/1/2032	1,090	5,500	1,090	3,270	-	-	-	8,770	1,090
9/1/2032	1,125	6,750	1,125	3,375	-	-	-	10,125	1,125
3/1/2033	1,160	5,255	1,160	4,640	-	-	-	9,895	1,160
9/1/2033	1,195	5,780	1,195	2,390	-	1,000	-	9,170	1,195
3/1/2034	1,230	4,920	1,230	2,460	-	1,000	-	8,380	1,230
9/1/2034	1,265	5,260	1,265	2,530	-	1,000	-	8,790	1,265
9/1/2037	8,360	27,395	8,360	33,440	-	3,500	-	64,335	8,360
9/1/2042	17,440	9,880	9,880	54,940	7,560	19,500	-	84,320	17,440
9/1/2047	23,180	5,525	5,525	53,400	17,655	12,500	-	71,425	23,180
9/1/2052	31,170	10,575	10,575	107,470	20,595	8,500	-	126,545	31,170
3/1/2053	88,925	-	-	517,700	88,925	43,000	-	560,700	88,925
Total	**190,000**	**118,805**	**55,265**	**796,170**	**134,735**	**90,000**	**-**	**1,004,975**	**190,000**

4.c. Designations Summary

Texas Department of Housing and Community Affairs Single Family Mortgage Revenue Bonds, 2022 Series B Orders and Allotments by Manager ($000s)										
	Texas Retail		National Retail		Institutional		Member		Total	
Syndicate Member	**Orders**	**Allotments**	**Orders**	**Allotments**	**Orders**	**Allotments**	**Orders**	**Allotments**	**Orders**	**Allotments**
Barclays	25,845	18,325	74,185	23,745	741,045	126,660	-	-	841,075	168,730
Jefferies	-	-	-	-	30,000	6,500	25,000	-	55,000	6,500
RBC Capital Markets	60		2,935	2,870	21,425	625	30,000	-	54,420	3,495
Morgan Stanley	1,115	815	12,540	7,385	-	-	10,000	-	23,655	8,200
Piper Sandler	-	-	-	-	2,300	600	10,000	-	12,300	600
Ramirez & Co	25	25	2,100	2,100	1,400	350	15,000	-	18,525	2,475
Total	**27,045**	**19,165**	**91,760**	**36,100**	**796,170**	**134,735**	**90,000**	**-**	**1,004,975**	**190,000**

Texas Department of Housing and Community Affairs Single Family Mortgage Revenue Bonds, 2022 Series B Designations by Syndicate Member			
Syndicate Member	**Member Order Revenue**	**Net Designations**	**Total Revenue**
Barclays	246,900.00	385,110.97	632,010.97
Jefferies	-	88,692.83	88,692.83
RBC Capital Markets	17,518.75	107,729.71	125,248.46
Morgan Stanley	49,081.25	85,262.82	134,344.07
Piper Sandler	-	43,398.77	43,398.77
Ramirez & Co	13,281.25	20,742.51	34,023.76
Total	**326,781.25**	**730,937.61**	**1,057,718.86**

4.d. Investor Roadshow

Texas Department of Housing and Community Affairs

$190,000,000*
Single Family Mortgage Revenue Bonds

Consisting of:

$190,000,000* 2022 Series B (Non-AMT)

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Investor Presentation

November 28, 2022

*Preliminary, subject to change

Disclaimer

This document and any other materials accompanying this document (collectively, the "Materials") are provided for your information. By accepting any Materials, the recipient acknowledges and agrees to the matters set forth below.

This electronic Investor Presentation you are about to view is provided as of November 28, 2022 for a proposed offering by the Texas Department of Housing and Community Affairs of its proposed Single Family Mortgage Revenue Bonds, 2022 Series B (the "Series 2022B Bonds"). If you are viewing this presentation after November 28, 2022, there may have been events that occurred subsequent to such date that would have a material adverse effect on the financial information that is presented herein, and the Texas Department of Housing and Community Affairs has not undertaken any obligation to update this electronic presentation. All market prices, financial data and other information provided herein are not warranted as to completeness or accuracy and are subject to change without notice.

The Materials are not part of the Preliminary Official Statement (the "POS") or the final official statement as those terms are defined in SEC rule 15c2-12, and are qualified in all respects by reference to the POS with respect to the Series 2022B Bonds dated as of November 28, 2022. Prospective purchasers of the Bonds should rely only on the POS, and not the Materials, in making an investment decision. The Materials and statements contained in this presentation do not constitute an offer to sell or a solicitation of any offer to buy any securities of the Texas Department of Housing and Community Affairs to any person in any jurisdiction; nor shall there be any sale of securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. To the extent there are conflicts between statements made in the POS and this presentation, the information contained in the should be deemed more reliable.

Any opinions or estimates contained in the Materials represent the judgment of Texas Department of Housing and Community Affairs as of the date specified above, and are subject to change without notice.

This presentation may contain statements that, to the extent they are not recitations of historical fact, may constitute "forward-looking statements." In this respect, the words "estimate," "project," "anticipate," "expect," "intend," "believe," and similar expressions are intended to identify forward-looking statements. Any forward-looking statements made herein are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those that have been projected. Such forward-looking statements speak only as of the date of the POS. The Texas Department of Housing and Community Affairs disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any changes in the Texas Department of Housing and Community Affairs expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. Given these uncertainties, readers are cautioned not to rely on forward-looking statements.

Definitions

TDHCA or the Department	Texas Department of Housing and Community Affairs
The State	State of Texas
SFMRB	Single Family Mortgage Revenue Bonds
Series 2022B Bonds or the Bonds	SFMRB 2022 Series B Bonds

Transaction Overview*

Issuer	**Texas Department of Housing and Community Affairs**
Bond Program	**Single Family Mortgage Revenue Bonds**
Bond Series	**Series 2022B Bonds**
Par Amount	$190,000,000*
Use of Proceeds	Proceeds will be used to provide funds for the (i) purchase of 2022B Mortgage Certificates and pay related costs, (b) fund DPA Loans originated in conjunction with 2022B Mortgage Loans and (c) pay a portion of the costs of issuance of the Series 2022B Bonds
Tax Status	Non-AMT (Potential alternative minimum tax consequences for certain corporations described in the POS beginning on page 26, see "TAX MATTERS - Collateral Tax Consequences")
Interest Payment Dates	Payable on March 1 and September 1 of each year, commencing March 1, 2023
Security	The Series 2022B Bonds and all Bonds issued under the Indenture are limited obligations of the Department and are payable solely from the revenues and funds pledged for the payment thereof as more fully described in the POS
Ratings	**Aaa/Stable** (Moody's) and **AA+/Stable** (S&P)
Redemption Features	The Series 2022B Bonds are subject to optional redemption on or after March 1, 2032. The Series 2022B Bonds are subject to special redemptions from unexpended proceeds, mortgage loan principal payments, excess revenues and mandatory sinking fund redemption as more fully described in the POS. The Premium Serial Bonds are not subject to special redemption from mortgage loan principal payments or excess revenues.
Pricing Date	Thursday, December 1, 2022
Closing Date	Wednesday, December 21, 2022

Source: POS
*Preliminary, subject to change

Preliminary Bond Structure*

Maturity	Par Amount and Description	
3/1/2024	$780,000	Par Serials
9/1/2024	725,000	
3/1/2025	740,000	
9/1/2025	760,000	
3/1/2026	775,000	
9/1/2026	795,000	
3/1/2027	815,000	
9/1/2027	830,000	Premium Serials
3/1/2028	860,000	
9/1/2028	885,000	
3/1/2029	910,000	
9/1/2029	940,000	
3/1/2030	965,000	
9/1/2030	995,000	
3/1/2031	1,025,000	
9/1/2031	1,060,000	
3/1/2032	1,090,000	
9/1/2032	1,125,000	
3/1/2033	1,160,000	
9/1/2033	1,195,000	Par Serials
3/1/2034	1,230,000	
9/1/2034	1,265,000	
9/1/2037	8,360,000	Par Terms
9/1/2042	17,440,000	
9/1/2047	23,180,000	Premium Terms
9/1/2052	31,170,000	
3/1/2053	88,925,000	Premium PAC
Total	**$190,000,000**	

- Redemption provisions of the Series 2022B Bonds are described in the POS beginning on page 5
- **Optional Redemption** at par on or after March 1, 2032 (except for the Premium PAC Term Bond)
  - The Premium PAC Term Bond is subject to optional redemption at various Redemption Prices from March 1, 2032 to October 31, 2038 and at par thereafter
- The Bonds are subject to special redemptions from Unexpended Proceeds, Mortgage Loan Principal Payments, Excess Revenues and Mandatory Sinking Fund Redemptions
- The **Premium Serial Bonds** are not subject to Special Redemption from Mortgage Loan Principal Payments or Excess Revenues
- The **Term Bond maturing in 2037** is subject to redemption prior to maturity on a priority basis after meeting the Premium PAC Term Bond Outstanding Applicable Amounts as of such date and prior to the redemption of other bonds as described on page 7 of the POS
- 6.0 year average life Premium PAC Term Bond (100%-400% PSA)

Source: POS
*Preliminary, subject to change

Projected Weighted Average Life Data*

SIFMA Prepayment Model	Term Bond due 9/1/2037	Term Bond due 9/1/2042	Premium Term Bond due 9/1/2047	Premium Term Bond due 9/1/2052	PAC Term Bonds Due 3/1/2053	
					(Optional Call not Exercised)	(Optional Call Exercised)
0%	13.5	17.6	22.6	27.4	18.1	8.5
50%	13.5	17.6	22.0	24.1	8.9	6.9
75%	13.1	17.1	20.1	21.0	6.9	6.2
100%	9.4	16.1	18.1	18.5	6.0	5.5
125%	3.3	14.8	16.3	16.4	6.0	5.5
150%	2.2	13.2	14.2	14.2	6.0	5.5
175%	1.8	11.7	12.4	12.3	6.0	5.5
200%	1.6	10.4	10.8	10.8	6.0	5.5
300%	1.2	6.5	6.6	6.6	6.0	5.5
400%	1.1	3.8	3.9	3.8	6.0	5.5
500%	1.0	4.3	4.3	4.3	4.0	3.9

The weighted average life of a bond is determined by (i) multiplying the amount of each principal payment by the number of years from the date of issuance of the bonds to the related principal payment date, (ii) adding the results and (iii) dividing the sum by the total principal paid on the bond

- In addition to the above table, see Appendix G of the POS for additional average-life data for the Bonds at various prepayment speeds

Source: POS
*Preliminary, subject to change

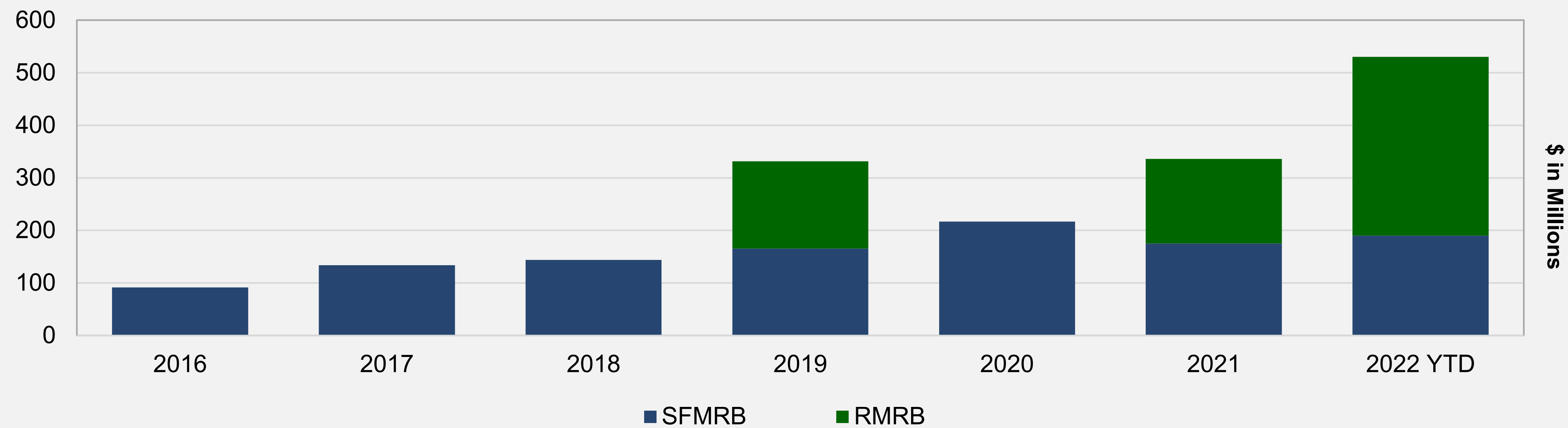
Issuer Overview

Mission – Purpose and Impact

- Public and official agency of the State of Texas created on September 1, 1991; the Department is the successor agency to the Texas Housing Agency and the Texas Department of Community Affairs
- Mission of the TDHCA is to administer its assigned programs efficiently, transparently, and lawfully and to invest its resources strategically and develop high quality affordable housing which allows Texas communities to thrive
- State agency responsible for affordable housing, community and energy assistance programs, colonia activities, and regulation of the state's manufactured housing industry
- Currently administers $2 billion through for-profit, nonprofit, and local government partnerships to deliver local housing and community based opportunities and assistance to Texans in need
- Overwhelming majority of resources are derived from mortgage revenue bond financing and refinancing, federal grants, and federal tax credits
- Single family program loans are financed through the Department's SFMRB, Residential Mortgage Revenue Bond ("RMRB"), and Mortgage Credit Certificate ("MCC") programs and the sale of MBS

Single Family Bond Issuance by Year

- Since 2016, the Department has issued $1.8 billion of single family bonds, including $1.1 billion of SFMRB Bonds
  - **The SFMRB Program is rated Aaa (Moody's) and AA+ (S&P)**



Source: POS, TDHCA Audited Financials

The Single Family Mortgage Revenue Bond Program (the "Program")

The Department has established a single family mortgage revenue bond program for the purpose of assisting in financing the costs of acquisition of residences within the State of Texas by Eligible Borrowers

Program Guidelines

- The guidelines adopted by the Department from time to time in connection with the Program establish:
  - Eligibility of lenders to participate in the Program
  - Time limits for commitments and originations of Mortgage Loans
  - Types of Mortgage Loans eligible for purchase by the Servicer
  - Eligibility of mortgagors
  - Requirements for dwellings which secure Mortgage Loans
  - Mortgage Lender origination fees & servicing fees
- The Department anticipates that it may revise its procedures from time to time to conform with changes in the procedures followed by Fannie Mae, RHS, Ginnie Mae, VA, or other major secondary mortgage market institutions

Down Payment Assistance and Low Rate Option

- Series 2022B Bond proceeds are expected to be used to originate and pool Mortgage Loans accompanied by a DPA Loan ("Assisted Option") and without an accompanying DPA Loan ("Low Rate Option")
  - Borrowers choosing the Low Rate Option do not receive down payment or closing cost assistance
- Assisted Option Mortgage Loans are expected to receive up to five points of down payment and closing cost assistance
- Down payment and closing cost assistance in form of 0%, non-amortizing, 30-year second loan that is due on sale or refinance

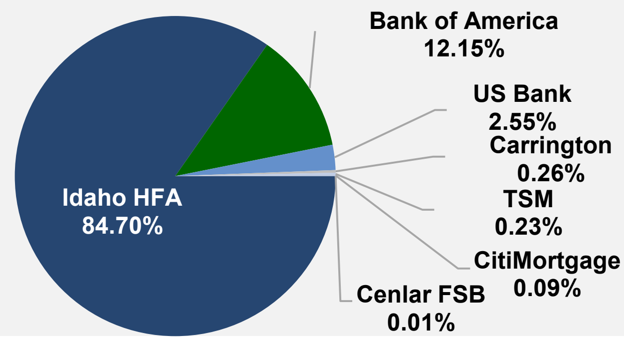
Homebuyer Education

- Homebuyer education classes required for all My First Texas Home borrowers
- Classes provide critical education about interest rates, borrowers' rights, role of a lender, and tools to make informed home buying decisions

Servicing and Master Servicers

- Idaho Housing and Finance Association ("Idaho HFA") will serve as Master Servicer of Mortgage Loans related to Series 2022B Bonds
- Idaho HFA, Bank of America, CitiMortgage, Texas Star Mortgage and US Bank are the five Master Servicers for loans under the Program
  - CitiMortgage recently sold servicing rights to Cenlar FSB for 8 Mortgage Loans
  - Bank of America recently sold servicing rights to Carrington Mortgage Services for 121 Mortgage Loans

Outstanding Principal Balance Serviced by Master Servicers



Source: POS

TDHCA Borrower Profile

Use of Proceeds of the Series 2022B Bonds

- Aligning with the Department's mission, proceeds of the Series 2022B Bonds will be primarily used to purchase Mortgage Certificates secured by qualified Mortgage Loans and fund down payment and closing cost assistance.
- The Series 2022B Mortgage Loans will primarily include loans under the "My First Texas Home" program offering financing to low- and moderate-income households—including 1st time home buyers, qualified veterans or borrowers purchasing residences in targeted areas. Benefits include:

  - **DPA Loans**
  - **Low Rate Option**
  - **Homebuyer education**

Income Bands of Loans Financed by the Department's Single Family Mortgage Programs (1/1/2020-11/10/2022)

	$ Amount of 1st Liens		$ Amount of 2nd Liens		Number of Loans	
AMI Band	**$ of Loans**	**% of Proceeds**	**$ of Loans**	**% of Proceeds**	**# of Loans**	**% of Loans**
<50.0%	$108,837,177	13%	$4,703,589	13%	697	17%
50.00%-59.9%	120,358,722	15%	5,126,793	15%	643	16%
60.0%-69.9%	165,232,382	20%	7,075,814	20%	808	20%
70.0%-79.9%	163,033,739	20%	6,877,064	20%	743	18%
80.0%-89.9%	151,071,195	18%	6,326,747	18%	663	16%
90.00%-100%	113,618,890	14%	4,762,410	14%	483	12%
>100%	658,729	0.1%	32,937	0.1%	3	0.1%
Total	**$822,810,834**	**100%**	**$34,905,624**	**100%**	**4,040**	**100%**

Down Payment Assistance and Closing Cost Assistance (1/1/2020-11/10/2022)

Percent of Borrowers Receiving DPA	Average DPA Provided per Borrower	Average DPA Provided (% of Purchase Price)
100.00%	**$8,642**	**4.26%**

- Approximately 68% of the Mortgage Loans were made to families with less than 80% AMFI.
- Distribution of income bands for the 2022B Mortgage Loans is expected to be similar to previously financed loans in the Program.

Voluntary Reporting

- The Department intends to prepare a voluntary report after proceeds of the Series 2022B Bonds have been fully disbursed and post this report to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("EMMA") system. The voluntary report is expected to include information regarding the 2022B Mortgage Loans and take the form presented in Appendix J of the POS.

Source: POS

SFMRB Indenture Overview

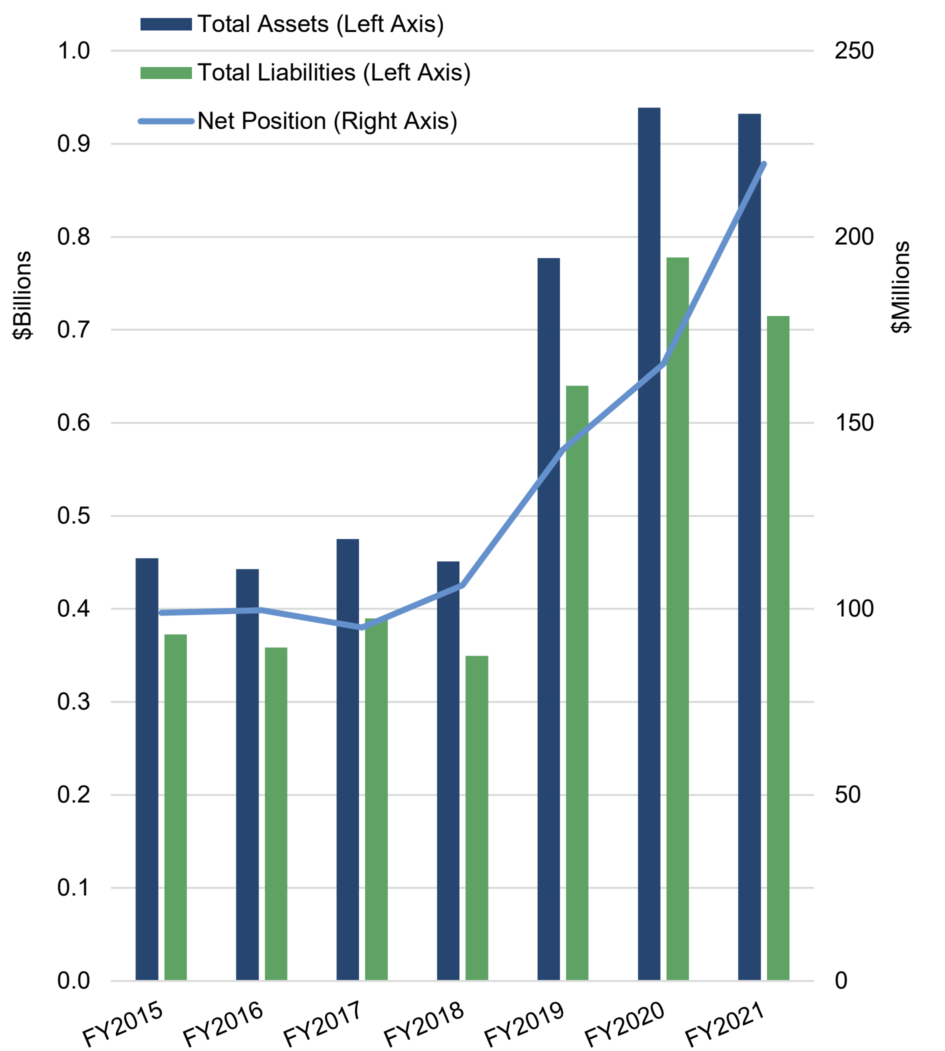
SFMRB History	The SFMRB Indenture was established in 1980 and amended and restated in 2017
Ratings	**Aaa/Stable** by Moody's and **AA+/Stable** by S&P
Bonds Outstanding	$886.7 million as of July 31, 2022
Security	The Bonds, including the Series 2022B Bonds, are equally and ratably secured by the Trust Indenture for the equal benefit, protection and security of the owners of the Bonds, each of which, regardless of time of issuance or maturity, is to be of equal rank without preference, priority or distinction, except as otherwise provided in the Trust Indenture. The Series 2022B Bonds are limited obligations of the Department and are payable solely from the revenues and funds pledged for the payment thereof. Neither the State nor any agency of the State, other than the Department, nor the United States of America or any agency, department or other instrumentality thereof, including Ginnie Mae, Freddie Mac, and Fannie Mae, is obligated to pay the principal or redemption price of or interest on the Series 2022B Bonds. Neither the faith and credit nor the taxing power of the State or the United States of America is pledged, given or loaned to such payment. The Department has no taxing power. Ginnie Mae, Freddie Mac, and Fannie Mae guarantee only the payment of the principal of and interest on the Ginnie Mae Certificates, Freddie Mac Certificates, and Fannie Mae certificates, respectively, when due and do not guarantee the payment of the Series 2022B Bonds or any other obligations issued by the Department. For further detail, please refer to the POS "SECURITY FOR THE BONDS" and "APPENDIX E – SUMMARY OF INFORMATION REGARDING THE TRUST INDENTURE."
MBS Guarantee	A substantial amount of the mortgage loans in the SFMRB Indenture have been pooled into Mortgage Certificates guaranteed by Ginnie Mae, Fannie Mae or Freddie Mac

Source: POS

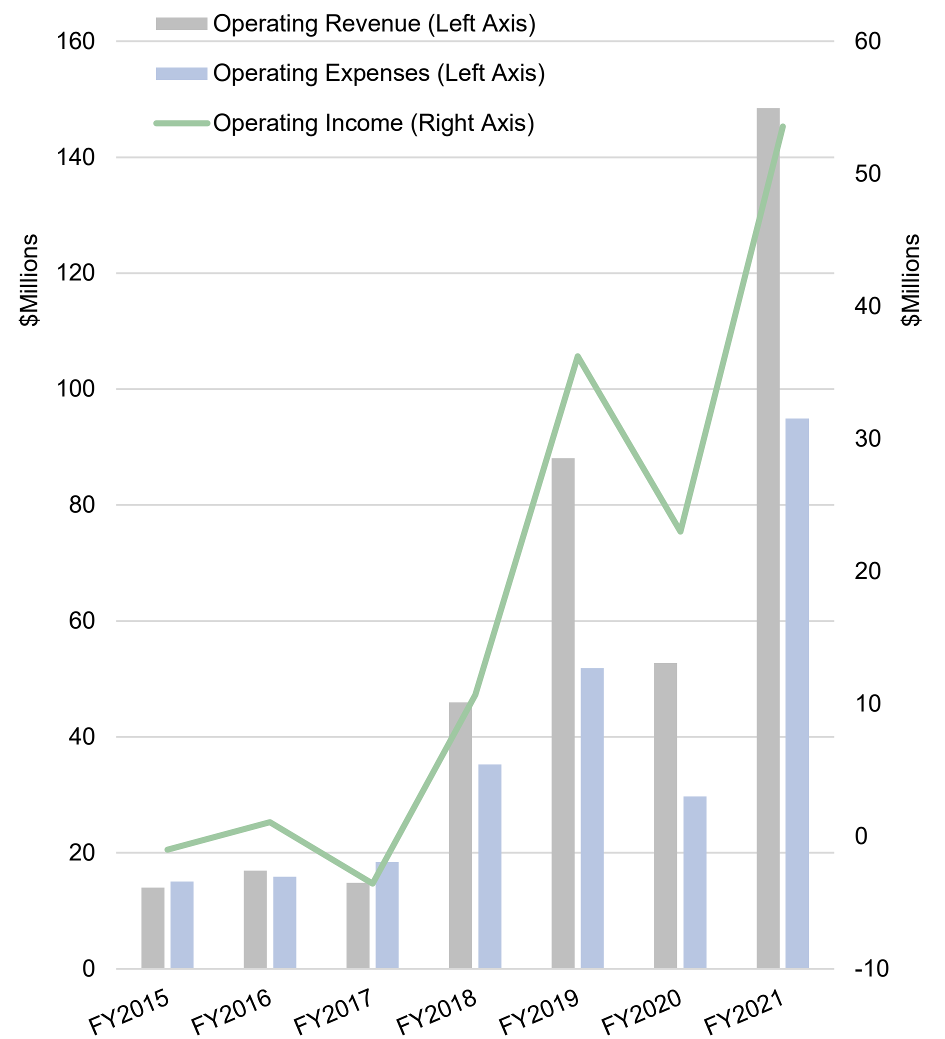
SFMRB Financial History

Select Single Family Mortgage Revenue Bond financial data from TDHCA's audited fiscal year 2021 and prior years' financial statements. Please refer to TDHCA's Financial Statements at www.tdhca.state.tx.us.

Total Assets, Liabilities and Net Position



Operating Revenue, Expenses and Income



Source: TDHCA Financial Statements
Note: Fiscal Years Ending August 31

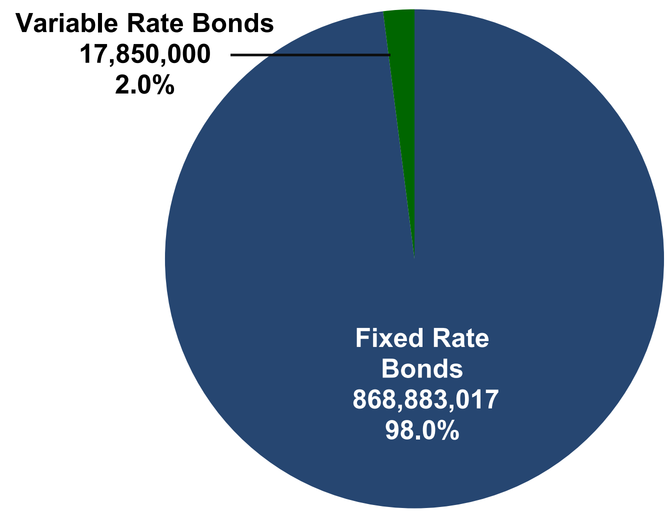
SFMRB Bonds Outstanding

- **As of July 31, 2022, $886.7 million of SFMRB Bonds were outstanding**

SFMRB Bonds Outstanding

Bond Series	Amount Outstanding
2005 A	$9,515,000
2007 A	8,335,000
2015 A/B	16,820,000
2016 A/B	25,465,000
2017 A/B/C	74,586,468
2018 A	89,005,000
2019 A	132,635,000
2020 A/B	170,624,498
2021 A/B	169,747,051
2022 A	190,000,000
Total	**$886,733,017**

Bonds Outstanding By Rate



Liquidity Facilities and Swap Agreements as of July 31, 2022

Bond Series	Amount Outstanding	Liquidity Provider	Agreement Expiration[1]	Swap Provider	Swap Notional Amount	Fixed Rate
2005A	$9,515,000	Texas Comptroller	8/31/2023	JPMorgan Chase	$9,515,000	4.01%
2007A	8,335,000	Texas Comptroller	8/31/2023	JPMorgan Chase	8,335,000	4.01%
Total	**$17,850,000**				**$17,850,000**	

As of July 31, 2022, in addition to the SFMRB Bonds, $30 million of the Department's 2020 Series A Junior Lien Bonds were outstanding

- *Junior Lien Bonds are secured on an equal and ratable basis with each other and on a subordinated basis to SFMRB Bonds held under the SFMRB Indenture, as more fully described in the POS under "Appendix E – Summary Of Information Regarding The Trust Indenture"*

Source: POS

[1] Effective September 1, 2021, the termination dates under the Prior Liquidity Facilities was extended to August 31, 2023

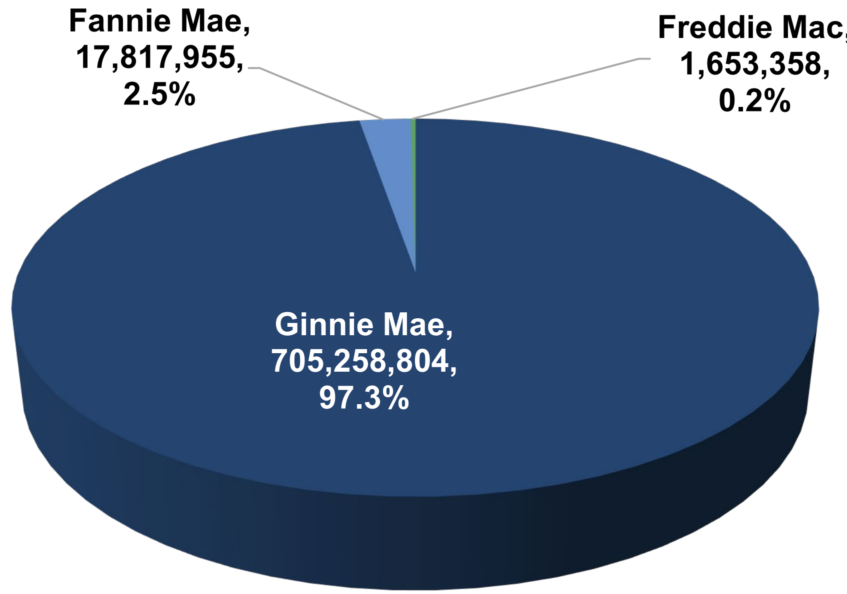
SFMRB Assets

- **As of July 31, 2022, the SFMRB Program had $724.7 million of Mortgage Loans and Mortgage Certificates outstanding**

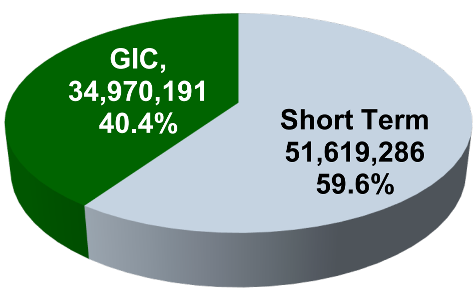
SFMRB Prior Mortgage Certificates as of July 31, 2022

Bond Series	Mortgage Certificates Outstanding	Avg. Weighted Mortgage Rates	DPA and Special Loans[1]
Surplus	$5,491,120	3.29%	$202,000,478
2005 A	9,908,315	4.99%	-
2007 A	12,945,265	5.83%	-
2015 A/B	16,301,667	5.43%	-
2016 A/B	24,497,745	5.47%	-
2017 A/B/C	74,735,269	4.59%	-
2018 A	84,018,195	5.11%	-
2019 A	127,207,477	4.31%	-
2020 A/B	166,708,883	3.76%	-
2021 A/B	167,982,759	3.41%	-
2022 A	34,933,422	4.30%	-
Total	**$724,730,117**		**$202,000,478**

Mortgage Certificates as of July 31, 2022



Investment of Funds as of July 31, 2022



Provider	Par Value	Rate	Maturity Date
NWMSI	51,619,286	2.20%	Short-Term
FGIC	32,075,441	6.08%	9/30/2029
Transamerica Life	1,800,810	4.32%	9/1/2038
Transamerica Life	1,093,940	3.37%	9/1/2036
Total	**$86,589,477**		

Source: POS
[1] Not included for cash flow purposes

COVID-19

Department Activities

- As part of the State's response to the COVID-19 pandemic, the Department has expended approximately $268.7 million of the State's CARES Act funds for use in rent and mortgage payments assistance including eviction diversion. These funds are designed to provide short term relief to income eligible renters and homeowners who are behind in their rent or mortgage payments and may be at risk of eviction or foreclosure
- The Department will administer, on behalf of the State of Texas, $842,214,006 of Homeowner Assistance Funds made available through the American Rescue Plan Act, and expects those funds to be used for a Reinstatement Program to reduce or eliminate mortgage loan delinquencies and prevent foreclosure and homeowner displacement for homeowners at or below the greater of 100% AMFI or 100% of the U.S. Median Income

Loan Forbearance Requests

- On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") was singed into law to address the crisis created by the COVID-19 pandemic. Among other things, the CARES Act provides that:

  a) lenders are prohibited from foreclosing all mortgage loans which are FHA insured, VA, HUD or Rural Housing guaranteed, or purchased or securitized by Fannie Mae or Freddie Mac (collectively, "Federal Single Family Loans") for a period of 60-days commencing March 18, 2020, and;

  b) until the sooner of the termination of the pandemic or December 31, 2020, Federal Single Family Loan borrowers directly or indirectly facing economic difficulties as a result of the coronavirus can seek up to 360 days of payment forbearance
- The CARES Act does not allow fees, penalties or additional interest to be charged due to delayed payments
- Separately, Ginnie Mae has announced a program to assist Ginnie Mae seller/servicers which experience financial hardships in meeting their obligations to advance funds and/or repurchase loans due to the forbearance provisions of the CARES Act. Ginnie Mae stated it will implement a "pass-through assistance program" through which Ginnie Mae seller/servicers with payment shortfalls may request that Ginnie Mae advance (subject to Ginnie Mae approval) the difference between available funds and the scheduled payments to investors. Ginnie Mae stated that the program would apply initially to seller/services of single family loans and that it anticipated the program subsequently applying to multifamily loans, as well

Additional Disclosures

- Additional COVID-19 disclosures regarding the CARES Act, American Rescue Plan Act, FHFA Orders, HUD/FHA, USDA, VA, Ginnie Mae Orders, and Gubernatorial Orders are discussed in further detail in the POS

Conclusion and Financing Schedule

Program Highlights	▪ The Bonds have ratings of **Aaa/Stable** and **AA+/Stable** by Moody's and S&P, respectively ▪ A substantial amount of the mortgage loans in the SFMRB Indenture have been pooled into Mortgage Certificates guaranteed by Ginnie Mae, Fannie Mae or Freddie Mac		
Anticipated Financing Schedule*	▪ **POS Posting:** Monday, November 28, 2022 ▪ **Pricing Date:** Thursday, December 1, 2022 ▪ **Closing Date:** Wednesday, December 21, 2022		
Contact Information			
TDHCA	**Scott Fletcher** *Director of Bond Finance* (512) 936-9268 scott.fletcher@tdhca.state.tx.us	**Heather Hodnett** *Manager of Single Family Finance* (512) 475-1899 heather.hodnett@tdhca.state.tx.us	
Financial Advisor	**Gary Machak** *Managing Director* (469) 676-5348 machakg@stifel.com	**Barton Withrow** *Director* (469) 676-5345 withrowb@stifel.com	
Senior Manager (Barclays)	**Vikram Shah** *Director* (212) 526-6146 vikram.shah@barclays.com	**Albert Luong** *Director* (212) 526-1393 albert.luong@barclays.com	**Damian Busch** *Director* (212) 526-7612 damian.busch@barclays.com

*Preliminary subject to change

4.e. Investor Roadshow Log

Texas Department of Housing and Community Affairs Single Family Mortgage Revenue Bonds 2022 Series B (Non-AMT) Final Investor Roadshow Log - ImageMaster				
Name	**Primary Role**	**Company**	**Email**	**Last Viewed**
Duane McAllister	Investor - Institutional	Robert W. Baird & Co. Incorporated.	dmcallister@rwbaird.com	12/1/2022 9:57:35 AM
Alex Petrone	Investor - Institutional	Rockefeller & Co.	apetrone@rockco.com	12/1/2022 9:41:53 AM
Hank Marks	Trading	First National Bankers Bank	hmarks@bankers-bank.com	12/1/2022 9:39:54 AM
Raymond Murphy	Analyst / Research	Morgan Stanley	raymond.murphy@morganstanley.com	11/30/2022 8:23:30 AM
Paul Ko	Analyst / Research	The Capital Group Companies, Inc.	pwk@capgroup.com	11/30/2022 7:14:25 PM
Joyce W. Rubin	Other - Assistant	Deutsche Asset Management	joyce.rubin@db.com	11/30/2022 6:42:46 PM
Andy Rosemore	Investor - Individual	Rosemore Investments	andy@rosemore.net	11/30/2022 2:31:25 PM
George Wong	Analyst / Research	Robert W. Baird & Co. Incorporated.	gkwong@rwbaird.com	11/30/2022 11:59:14 AM
Jamie Brooke Forseth	Investor - Institutional	Good Hill Partners LP	jbforseth@towerbayassetmanagement.com	11/29/2022 9:47:04 AM
Jennah Haque	Media	Bloomberg L.P.	jhaque5@bloomberg.net	11/29/2022 9:46:47 AM
Chue Vang	Analyst / Research	Sit Investment Associates, Inc.	cyv@sitinvest.com	11/29/2022 9:42:28 AM
Kurt van Kuller	Investor - Institutional	Sit Investment Associates, Inc.	kvk@sitinvest.com	11/29/2022 9:36:38 AM
Justin Ferrera	Analyst / Research	The Vanguard Group, Inc.	justin_ferrera@vanguard.com	11/29/2022 9:14:23 AM
Roy Edwards	Analyst / Research	Brown Brothers Harriman	leroy.edwards@bbh.com	11/29/2022 9:13:07 AM
Bryan Wilson	Investor - Institutional	BMO Capital Markets	bryan.wilson@bmo.com	11/29/2022 8:56:19 AM
Katie Floyd	Analyst / Research	T. Rowe Price	katie.floyd@troweprice.com	11/29/2022 8:28:08 AM
Benjamin Hollister	Analyst / Research	Offit Capital	bhollister@offitcapital.com	11/29/2022 8:19:39 AM
Christina Sgobbo	Analyst / Research	Citigroup Inc	christina.sgobbo@citi.com	11/29/2022 7:54:59 AM
Bedford Lydon	Analyst / Research	McDonnell Investment Management, LLC	lydonb@mcdmgmt.com	11/29/2022 3:41:38 PM
Aaron Cook	Analyst / Research	First Trust Advisors	acook@ftadvisors.com	11/29/2022 2:47:58 PM
George Wong	Analyst / Research	Robert W. Baird & Co. Incorporated.	gkwong@rwbaird.com	11/29/2022 2:42:53 PM
David Nies	Analyst / Research	Erie Indemnity Co.	david.niesjr@erieinsurance.com	11/29/2022 12:35:09 PM
Allen Choi	Investor - Institutional	PNC Financial Services Group, Inc.	allen.choi@pnc.com	11/29/2022 11:43:18 AM
Christopher Fornal	Analyst / Research	BlackRock Inc	chris.fornal@blackrock.com	11/29/2022 11:35:02 AM
Kevin O'Brien	Trading	Sit Investment Associates, Inc.	kpo@sitinvest.com	11/29/2022 11:08:50 AM
Rockfleet Sales Dept	Sales - Institutional	Rockfleet Financial Services, Inc.	sales@rockfleetfinancial.com	11/29/2022 10:58:39 PM
Benjamin Hollister	Analyst / Research	Offit Capital	bhollister@offitcapital.com	11/29/2022 10:43:19 AM
John Goetz	Investor - Institutional	Fort Washington Investmetn Advisors	john.goetz@fortwashington.com	11/29/2022 10:24:20 AM
Joseph Lepinski	Analyst / Research	Sit Investment Associates, Inc.	jhl@sitinvest.com	11/29/2022 10:21:10 AM
Rick Lataille	Analyst / Research	Verition	rick.lataille@alumni.upenn.edu	11/29/2022 10:19:23 AM
Paul Ko	Analyst / Research	The Capital Group Companies, Inc.	pwk@capgroup.com	11/29/2022 1:57:49 PM
Ashish Bordia	Investor - Institutional	Progressive	ashish_bordia@progressive.com	11/29/2022 1:20:02 PM

Texas Department of Housing and Community Affairs Single Family Mortgage Revenue Bonds 2022 Series B (Non-AMT) Final Investor Roadshow Log - BondLink			
Name	**Primary Role**	**Company**	**Last Activity**
Dustin Martelo	Investor	Groverton	12/1/2022
Shantoya Cohens	Investor	Abraham Missionary Baptist Church	11/29/2022

5. Rating Reports

5.a. Moody's

Moody's

Rating Action: Moody's assigns Aaa to Texas Dept. of Housing and Community Affairs' Single Family Mortgage Revenue Bonds, 2022 Series B; outlook stable

03 Nov 2022

New York, November 03, 2022 -- Moody's Investors Service, ("Moody's") has assigned a rating of Aaa to the proposed Texas Department of Housing and Community Affairs' ("TDHCA") approximately $190 million Single Family Mortgage Revenue Bonds, 2022 Series B (Non-AMT). Moody's maintains existing Aaa ratings on all outstanding Single Family Mortgage Revenue Senior Lien Bonds and Aa1 ratings on all outstanding Single Family Mortgage Revenue Junior Lien Bonds. The outlook is stable.

RATINGS RATIONALE

The Aaa rating reflects the strong program portfolio which consists of 100% GNMA, Freddie Mac and FNMA mortgage-backed securities ("MBS") and a program asset-to-debt ratio (PADR) of 1.30x (1.06x excluding all second lien loans) as of August 31, 2021. The rating also reflects that variable rate bonds comprise 2.6% of program debt as of December 31, 2021 and that 100% of the liquidity on the variable rate bonds is provided by the Texas Comptroller of Public Accounts (State of Texas general obligation rating of Aaa with a stable outlook).

RATING OUTLOOK

The stable outlook is based on the solid financial position, strong mortgage portfolio, and variable rate debt position.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATING

- Not applicable.

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATING

- Replacement of the State Comptroller-provided liquidity with agreements containing terms that are too onerous to withstand Moody's cash flow tests.

- A severe decline in PADR or margins and/or weakness in our stress case cashflow projections.

- A significant increase in program variable rate debt.

LEGAL SECURITY

The Bonds are special obligations of TDHCA and are secured by GNMA, FNMA, and Freddie Mac MBS, mortgage loans, and all reserves and other assets under the indenture. Payment of senior lien debt is on parity with approximately $761 million (as of December 31, 2021) in Single Family Mortgage Revenue Bonds. There is also $30 million (as of December 31, 2021) of junior lien

Single Family Mortgage Revenue Bonds. The junior lien bonds are payable solely from surplus revenues of the indenture subordinate to the payment of senior lien bonds and departmental expenses.

USE OF PROCEEDS

Proceeds of the 2022 Series B bonds will be used to purchase GNMA MBS backed by pools of qualifying mortgages, to fund loans for down payment and closing cost assistance, and to pay a portion of the cost of issuance of the 2022 Series B Bonds.

PROFILE

The Single Family Mortgage Revenue Bond Program was established in 1980. This indenture was TDHCA's initial single family financing program. The proceeds of bonds issued under this indenture are used to finance affordable residential housing to low and moderate income persons in the State of Texas. All bonds under the indenture are secured equally by all of the mortgages.

METHODOLOGY

The principal methodology used in this rating was US Housing Finance Agency Single-Family Housing Methodology published in October 2019 and available at https://ratings.moodys.com/api/rmc-documents/62560. Alternatively, please see the Rating Methodologies page on https://ratings.moodys.com for a copy of this methodology.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on https://ratings.moodys.com/rating-definitions.

For ratings issued on a program, series, category/class of debt or security this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series, category/class of debt, security or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the credit rating action on the support provider and in relation to each particular credit rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the issuer/deal page for the respective issuer on https://ratings.moodys.com.

The rating has been disclosed to the rated entity or its designated agent(s) and issued with no amendment resulting from that disclosure.

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Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

Moody's general principles for assessing environmental, social and governance (ESG) risks in our credit analysis can be found at https://ratings.moodys.com/documents/PBC_1288235.

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5.b. Standard & Poor's

S&P Global
Ratings

RatingsDirect®

Texas Department Of Housing & Community Affairs; Single Family Multiple MBS; Single Family Whole Loan

Primary Credit Analyst:
Sam Krouse, Houston (1) 214-871-1409; sam.krouse@spglobal.com

Secondary Contact:
Joan H Monaghan, Denver + 1 (303) 721 4401; Joan.Monaghan@spglobal.com

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Texas Department Of Housing & Community Affairs; Single Family Multiple MBS; Single Family Whole Loan

Credit Profile		
US$190.0 mil sin fam mtg rev bnds ser 2022B due 03/01/2053		
Long Term Rating	AA+/Stable	New
Texas Dept of Hsg & Comnty Affairs sin fam mtg rev bnds (1980 Trust Indenture)		
Long Term Rating	AA+/Stable	Affirmed

Credit Highlights

- S&P Global Ratings assigned its 'AA+' long-term rating to Texas Department of Housing & Community Affairs' (TDHCA) roughly $190 million series 2022B single-family mortgage-revenue-bond-indenture bonds.
- At the same time, S&P Global Ratings affirmed its 'AA+' long-term rating and underlying rating (SPUR) on TDHCA's parity tier 1 debt and subordinate tier 2 debt, issued under the single-family mortgage-revenue-bond indenture.
- S&P Global Ratings also affirmed its 'AA+/A-1+' rating on TDHCA's variable-rate bonds. The short-term rating reflects liquidity support provided by Texas.
- The outlook, where applicable, is stable.
- The rating reflects the application of our criteria, "Methodology For Rating U.S. Public Finance Mortgage Revenue Bond Programs," published Oct. 10, 2022, on RatingsDirect.

Security

Bonds issued under the single-family mortgage-revenue-bond indenture are limited obligations of TDHCA, payable solely from revenue, assets, and money pledged under the master indenture.

According to preliminary transaction documents, TDHCA is issuing the bonds to purchase Ginnie Mae mortgage-backed pass-through certificates to fund loans for downpayment and closing-cost assistance and issuance costs.

Credit overview

The ratings reflect our view of the program's:

- Legal framework that links duties of key transaction parties with the proper execution of the program in alignment with our criteria, coupled with no bankruptcy or other legal risks identified;
- Program management and operational-risk assessment, which we consider neutral;
- Overcollateralization and cash flows capable of withstanding our projected loss assumptions based on the asset pool's credit quality, in all provided cash-flow stress scenarios, with a minimum projected asset-to-liability parity ratio of 103.3% when including subordinate-lien debt;

- Sufficient liquidity to cover short-term disruptions in asset cash flows; and
- Market position characteristics in-line with the national housing market.

Environmental, social, and governance

We have analyzed the program's environmental, social, and governance (ESG) risks and opportunities relative to the legal framework, program management and operational risk, asset pool's credit quality, cash-flow analysis, liquidity, and market position. In our opinion, the program exhibits social opportunities related to social capital. The program's purpose to invest in affordable housing for the state's low- to moderate-income residents through mortgage lending and the development of affordable rental housing aims to address socioeconomic inequities, having an effect on demographic and income trends considered in our market-position assessment. We view ESG risks for the program as neutral in our credit analysis.

Outlook

The stable outlook reflects S&P Global Ratings' opinion of the credit quality of the underlying mortgage-backed securities (MBS) assets supported by Ginnie Mae and Fannie Mae and our assessment of program management and operational risk. In addition, we expect our market-position-modifier assessment to remain neutral during the two-year outlook.

Downside scenario

We could lower the rating or revise the outlook to negative if we were to identify negative attributes in our assessment of program management and operational risk; if the underlying assets' credit quality were to worsen; or if the credit quality of the underlying MBS assets, via the rating on the guarantee provided by Ginnie Mae and Fannie Mae, were to weaken.

Upside scenario

We could raise the rating or revise the outlook to positive if the underlying assets' credit quality were to improve or if the underlying MBS assets' credit quality, via the rating on the guarantee provided by Ginnie Mae and Fannie Mae, were to strengthen. We could also raise the rating if cash-flow analysis were to meet our stress scenarios for ratings above the sovereign.

Credit Opinion

Legal-Framework Analysis

We have analyzed the program's legal framework, which links the duties of key transaction parties with the program's proper execution. One of the resolution's events of default include TDHCA filing for bankruptcy. We think the likelihood of such an event is sufficiently remote and does not cap the bond rating. This indenture and TDHCA's residential-mortgage-revenue-bonds indenture are TDHCA's main vehicle for financing affordable single-family homeownership. We think TDHCA has an incentive not to file for bankruptcy due to the necessity of the service it provides and its continued need to access financial markets on favorable terms.

Program Management And Operational Risk

Our program-management and operational-risk analysis considers five factors, which we assess as neutral or negative:

- Program strategy and governance,
- Loan origination and monitoring,
- Asset and liability management,
- Liquidity risk management, and
- Counterparty risk management.

In our view, TDHCA has an active role in the general oversight of the housing-bond resolution, as well as the ongoing management of these risks. Our assessment of TDHCA's program management and operational risk is neutral, resulting in no anchor cap.

Program strategy and governance

We think TDHCA's program strategy and governance is a neutral credit factor in our analysis. TDHCA has a five-year strategic plan with multiyear financial and capital projections. It maintains detailed organizational charts and written workforce planning goals and objectives. TDHCA updates this plan annually, most recently for fiscal years 2023-2027. TDHCA also provides an annual Texas low-income-housing plan and annual report that provides an overview of statewide housing needs; it also reports on the administration, funding, performance measures, and distribution of TDHCA's resources from the previous fiscal year. The state agency is transparent with disclosures with timely information statements throughout the fiscal year for each of the three bond programs.

We view TDHCA staff as highly competent, well trained, and proactive in addressing key issues. A seven-member board, appointed by the governor and confirmed by the Texas Senate, governs TDHCA. Members hold office for staggered terms with the terms of two members or three members expiring on Jan. 31 of each odd-numbered year. TDHCA oversees the executive director, as well as the deputy executive directors of administration, program controls and oversight, bond finance, external affairs, programs, and general counsel. TDHCA has approximately 361 employees with 73 temporarily funded from federal Article IX.

Loan origination and monitoring

We view TDHCA's loan-origination and monitoring practices, supported by formal policies, to be neutral without negative attributes. TDHCA posts its loan closing standards, insurance requirements, and additional documents on its website. Origination standards are in-line with MBS resolution peers, complying with the Federal Housing Administration (FHA), Veterans' Administration, U.S. Department of Agriculture, and Fannie Mae housing-finance-agency preferred guidelines.

Delinquencies in TDHCA's single-family programs have been higher on average than the state's FHA delinquency rates since the start of COVID-19 due partially to TDHCA's strategic mission to provide affordable homeownership to borrowers and COVID-19 forbearance. We think this risk is mitigated because of the Ginnie Mae and Fannie Mae guarantee on principal and interest.

Asset/liability management

We view asset-and-liability management as neutral with no negative attributes. TDHCA has demonstrated a long history of limited asset-to-liability ratio volatility, leading to stable overall parity. Cash flows, with a basis date of Sept. 1, 2022, demonstrate an opening parity of 105.1% when considering subordinate debt, decreasing to 103.3% at its low point in September 2023 at its most stressed scenario.

We do not think there is signification interest-rate risk beyond what is already captured in cash flows. The program contains variable-rate debt at 1.7% of all current debt outstanding, all of which is hedged, as of Sept. 1, 2022). TDHCA has implemented a strategy to unwind its variable-rate exposure. December 2020 balances showed a materially higher 12% of total debt as variable-rate debt.

Liquidity-risk management

We assess TDHCA's liquidity-risk management of the single-family mortgage-revenue-bonds program to be neutral. Program assets mainly include Ginnie Mae and Fannie Mae mortgage pass-thru certificates that require the master servicer to transfer to the paying agent the monthly mortgage loan payment and prepayments, regardless of whether it receives such payment. Ginnie Mae and Fannie Mae guarantee timely principal-and-interest payments on each of the certificates.

Collateral posting requirements for swaps do not introduce any additional liquidity risk due to the small size of the exposure and remote posting triggers linked to the program rating.

Counterparty-risk management

We view TDHCA's counterparty risk management as currently neutral. The program's two variable-rate issuances are hedged via one swap provider, JPMorgan Chase Bank N.A. While there is concentration in the program's swap providers, the total hedged variable-rate debt is less than 2% of total debt outstanding and nonmaterial. TDHCA maintains a formal interest-rate-swap policy to establish guidelines for the use and management of all interest-rate-management agreements; it also provides for security-and-payment provisions, risk considerations, and certain other relevant provisions.

Credit Quality Of The Asset Pool

The resolution is solely backed by single-family loans guaranteed by a U.S. federal agency, such as Ginnie Mae, and a U.S. government-sponsored enterprise, such as Fannie Mae and Freddie Mac. A summary of the loan portfolio is shown in Table 2.

Cash-Flow Analysis

We have reviewed program cash flows, including stress scenarios, and have determined overcollateralization, measured by the minimum asset-to-liability parity ratio, is sufficient to cover credit losses and cash-flow stress scenarios up to an anchor of 'aa+' based on overcollateralization and interest-rate stresses in provided cash flows. In addition, we applied a hedging risk cap of 'aa+'. In determining the cap, we considered the program's total variable-rate exposure of 0.64x net assets at the lowest parity scenario and TDHCA's credit quality as a whole. A summary of our cash-flow analysis is shown in table 3.

Anchor, Modifiers, And Holistic Analysis

Our analysis of the program's legal framework, program management and operational risk, credit quality, and cash flow results in an anchor of 'aa+'.

We note the indenture does not establish a debt-service-reserve requirement. Because we consider liquidity risk mitigated for MBS, we have applied no modifier based on our assessment of the availability of liquid reserves to cover debt service through short-term cash-flow disruptions. Reserves totaled $175 million as of Sept. 1, 2022.

Applying our holistic analysis, after applicable modifiers and caps, results in no effect on the rating.

Other Applicable Criteria And Final Rating

We did not use any other applicable criteria to derive the final program rating of 'AA+'.

Table 1

Mortgage Revenue Bonds Program Rating Summary	
Legal framework	No Cap
Program management and operational risk	No Cap
Overcollateralization	aaa
Cash flow analysis	aa+
Hedging risk	aa+
HFA general obligation pledge	N/A
Anchor	
Anchor rating	aa+
Modifiers and holistic analysis	
Liquidity reserves	No adjustment
Market position	No adjustment
Holistic analysis	No adjustment
Standalone credit profile (SACP)	
SACP	aa+
Other applicable criteria	N/A
Final	
Final rating	AA+

N/A--Not applicable.

Table 2

Program Summary And Assumptions

	Aug. 31, 2022
Program assets (% of balance)	
Single-family mortgage-backed securities	100.0
Debt and derivative (summary % of balance)	
Fixed-rate debt (% of balance)	98.04
Hedged variable-rate debt (% of balance)	1.96
Unhedged variable-rate debt (% of balance)	--
Total variable-rate debt (% of balance)	1.96
Single-family program assumptions	
No. of loans in portfolio	6,299
Total loan balance ($000s)	760,247
Weighted average mortgage rate (%)	4.29
Insurance/guarantees	
Ginnie Mae (% of balance)	97.48
Fannie Mae (% of balance)	2.31
Freddie Mac (% of balance)	0.22

Table 3

Cash Flow Analysis

	Sept. 1, 2022	Sept. 1,2023
	Opening asset/liability parity (%)	Minimum asset/liability parity (%)
Texas Department Of Housing & Community Affairs (TDHCA) single-family mortgage revenue bonds (SFMRB) Tier 1 debt	108.73	107.05
TDHCA SFMRB Tier 2 Debt	105.07	103.27

Related Research

- Housing Overvaluation May Be Peaking: How It Affects U.S. Housing RMBS, Oct 17, 2022
- Through The ESG Lens 3.0: The Intersection Of ESG Credit Factors And U.S. Public Finance Credit Factors, March 2, 2022

Ratings Detail (As Of November 7, 2022)

Texas Dept of Hsg & Comnty Affairs jr lien single fam rev & rfdg bnds (taxable) ser 2020 due 09/01/2045		
Long Term Rating	AA+/Stable	Affirmed
Texas Dept of Hsg & Comnty Affairs single fam mtg rev bnds		
Long Term Rating	AA+/Stable	Affirmed
Texas Dept of Hsg & Comnty Affairs single fam mtg rev bnds ser 2017A (non-AMT) dtd 06/22/2017 due 09/01/2047		
Long Term Rating	AA+/Stable	Affirmed

Ratings Detail (As Of November 7, 2022) (cont.)		
Texas Dept of Hsg & Comnty Affairs single fam mtg rev bnds ser 2017B taxable dtd 06/22/2017 due 09/01/2037		
Long Term Rating	AA+/Stable	Affirmed
Texas Dept of Hsg & Comnty Affairs single fam mtg rev bnds ser 2017C taxable dtd 06/22/2017 due 09/01/2047		
Long Term Rating	AA+/Stable	Affirmed
Texas Dept of Hsg & Comnty Affairs single-fam mtg rev rfdg bnds ser 2015 A		
Long Term Rating	AA+/Stable	Affirmed
Texas Dept of Hsg & Comnty Affairs single-fam mtg rev bnds ser 2015 B		
Long Term Rating	AA+/Stable	Affirmed
Texas Dept of Hsg & Comnty Affairs sin fam mtg		
Unenhanced Rating	AA+(SPUR)/Stable	Affirmed
Texas Dept of Hsg & Comnty Affairs SFMULTMBS		
Long Term Rating	AA+/A-1+/Stable	Affirmed
Texas Dept of Hsg & Comnty Affairs SFMULTMBS (AGM)		
Long Term Rating	AA+/A-1+/Stable	Affirmed
Unenhanced Rating	AA+(SPUR)/Stable	Affirmed

Many issues are enhanced by bond insurance.

8

BOARD ACTION REQUEST

MULTIFAMILY BOND DIVISION

JANUARY 12, 2023

Presentation, discussion, and possible action regarding the issuance of a Determination Notice for 4% Housing Tax Credits for Coppertree Village (#22474) in Houston.

RECOMMENDED ACTION

WHEREAS, an application for Coppertree Village, sponsored by the Houston Housing Finance Corporation and Fairstead Affordable Development, requesting 4% Housing Tax Credits was submitted to the Department on August 18, 2022;

WHEREAS, the current Certificate of Reservation from the Texas Bond Review Board was issued on August 24, 2022, with a bond delivery deadline of February 20, 2023; and

WHEREAS, staff recommends the application for an award of 4% Housing Tax Credits, in the specific amount noted herein, and subject to any underwriting conditions as noted in the Real Estate Analysis Report;

NOW, therefore, it is hereby

RESOLVED, that the issuance of a Determination Notice in the amount of $3,114,681 for Coppertree Village, subject to underwriting conditions as found in the Real Estate Analysis report posted to the Department's website, is hereby approved in the form presented at this meeting; and

BACKGROUND

The 4% Housing Tax Credit (HTC) program is considered a non-competitive program in that there is not a specific ceiling amount of HTCs that can be issued each year. Rather, the ceiling amount of HTCs to be issued is limited by the amount of Private Activity Bond volume cap available. The Texas Bond Review Board (BRB) administers the Private Activity Bond program for the State of Texas, and for the 2022 calendar year, the state received approximately $3.2 billion in Private Activity Bond authority, of which approximately $855 million is reserved for multifamily housing until August 15th of each year. After such date, there may be more Private Activity Bond volume cap that goes towards multifamily housing.

Individual projects receive a Certification of Reservation (Reservation) from the BRB that allows for a statutory 180-day closing timeline. For those projects seeking 4% HTCs (as the majority of them do), they must complete the Department's review process, the bond issuer's process, and the Attorney General's process in order to close within the prescribed timeframe. The Department accepts applications on a monthly basis throughout the year. The year from which the Reservation is issued is what determines the QAP to which the application must adhere.

General Information: Coppertree Village is located at 1415 W Gulf Bank Road in Houston, Harris County, and involves the rehabilitation of 324 units that will continue to serve the general population. The project was previously awarded Competitive 9% Housing Tax Credits in 1990, and there is a current HTC LURA encumbering the property that restricts 100% of the units to 60% of AMI, until December 31, 2023. However, the Reservation from the BRB was issued under the Priority 1A designation, which requires 50% of the units be rent and income restricted at 50% of Area Median Family Income (AMFI), and 50% of the units be rent and income restricted at 60% of AMFI. The application submitted reflects that 162 units will be rent and income restricted at 50% of AMFI, and 162 of the units will be rent and income restricted at 60% of AMFI. The existing LURA and new, forthcoming LURA will run simultaneously, but the Development will be required to comply with the more restrictive of the two.

The funding for the acquisition and rehabilitation of the property will include a Freddie Mac Tax-Exempt Loan (TEL) (through Berkadia Commercial Mortgage) in the amount of $44,196,000 during both the construction and permanent period, equity proceeds will be provided by Boston Financial at a credit price of $0.87, and deferred developer fee (55% of the developer fee is being deferred).

Undesirable Site Feature and Neighborhood Risk Factors: The applicant disclosed the presence of an undesirable site feature relating to the existence of an underground pipeline traversing the site that carries highly volatile liquids. Along with this disclosure, the applicant requested an exemption in accordance with 10 TAC §11.101(a)(2) based on the fact that the proposed development is a rehabilitation with ongoing and existing federal assistance from HUD; that assistance coming in the form of a project-based Section 8 HAP contract. Given the information provided by the applicant, staff determined that the development qualifies for the exemption.

The applicant disclosed Neighborhood Risk Factors (NRF) relating to the poverty rate and violent crime rate of the census tract containing the existing development. More specifically, the development is located within a census tract that has a poverty rate above 40% for individuals, and a rate of Part I violent crimes greater than 18 per 1,000 persons. The actual poverty rate for the census tract is 42%. As mitigation, the applicant provided information that documented an increase in the number of jobs and corresponding decrease in the unemployment rate, and descriptive information on the overall land use of the neighborhood. In reviewing the income trends for the census tract, there has been a 50% increase in the percentage of households with a median income that exceeds the median income of the metropolitan statistical area, from 7% to 14% over the last five-year period. Moreover, in reviewing the draft 2023 Site Demographics Report, the poverty rate for the census tract decreased to 34%. Staff believes this NRF meets the requirement for mitigation based on all of the aforementioned information.

For the NRF related to the Part I violent crime rate, the applicant provided mitigation in accordance with §11.101(a)(3)(D)(ii). Specifically, applicant provided data and information from the city's police department showing that the level of Part I violent crime within the police beat and census tract containing the development is actually below the 18 per 1,000 persons threshold. Additionally, since acquiring the property in September 2021, the Owner has implemented the following in an effort to mitigate crime onsite: security gate, contracting with a private security company, updated site fencing, maintaining surveillance camera system, and improved site lighting. As a result of the aforementioned efforts, the average number of calls for service to the property for violent offenses decreased by 50% over the course of 2021. Based on the information provided by the applicant, staff considers the Part I violent crime rate NRF mitigated.

Physical Condition of the Property: Conditions at Coppertree Village historically have been below standard; six Department inspections conducted since 2017 yielded an average score of 62 out of 100. As a result, the Development was placed on an accelerated inspection schedule beginning in 2017. The Department's compliance staff presented a report item to the Board at its meeting of October 13, 2022, providing additional details regarding the scores affiliated with each of the inspections and the work that was being performed to address the issues raised. Staff also informed the Board that a 4% HTC Application was under review by staff to rehabilitate the property and is bringing the decision to issue the Determination Notice before the Board for consideration.

The application included a complete Scope and Cost Report that identified the planned work at the property. The complete list is identified in the underwriting report included in this presentation, but to highlight a few of the items: remediation/removal of all asbestos-containing materials, all mold and mildew, all lead-based paint, effects of termite infestation, install new rooftop systems, replace boilers, replace all metal stairs, column posts and pre-cast concrete treads for stairs, upgrade mechanical systems, new cabinets and countertops in all kitchens and bathrooms, repair walls and ceilings, replace bedroom and bathroom doors, replace flooring, new appliances, and new plumbing fixtures and bathroom accessories.

Staff believes the scope of work addresses the issues identified with the property. In addition, there are conditions placed on the award, to be evidenced at the time of cost certification, including but not limited to, confirming the abatement measures for mold and implementation of a Mold and Moisture Minimization Plan along with documentation relating to testing of water lines for potential calcium build-up, along with any necessary de-scaling.

Recommended HTC Amount: $3,114,681

22474 Coppertree Village - Application Summary

REAL ESTATE ANALYSIS DIVISION
December 21, 2022

PROPERTY IDENTIFICATION	
Application #	**22474**
Development	**Coppertree Village**
City / County	**Houston / Harris**
Region/Area	**6 / Urban**
Population	**General**
Set-Aside	**General**
Activity	**Acquisition/Rehab** (Built in 1972)

RECOMMENDATION

TDHCA Program	Request	Recommended		
LIHTC (4% Credit)	$3,114,681	$3,114,681	$9,613/Unit	$0.87

KEY PRINCIPALS / SPONSOR

Jeffrey Goldberg, CEO
of Fairstead

&

Redick Edwards, President
of Houston Housing Finance Corp.

Related Parties	Contractor - Yes	Seller - Yes

TYPICAL BUILDING ELEVATION/PHOTO

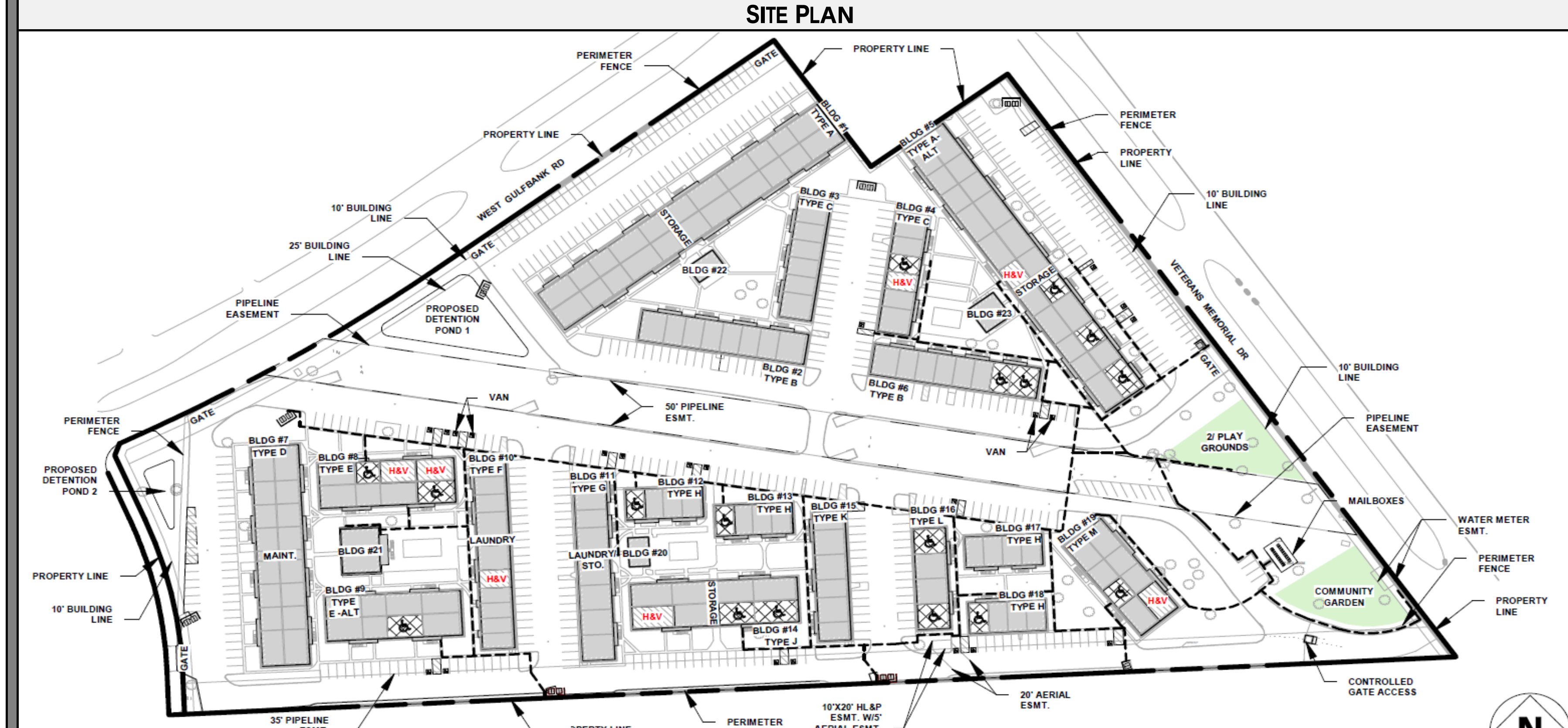
UNIT DISTRIBUTION / **INCOME DISTRIBUTION**

# Beds	# Units	% Total	Income	# Units	% Total
Eff	-	0%	20%	-	0%
1	180	56%	30%	-	0%
2	136	42%	40%	-	0%
3	8	2%	50%	162	50%
4	-	0%	60%	162	50%
			70%	-	0%
			80%	-	0%
			MR	-	0%
TOTAL	324	100%	TOTAL	324	100%

PRO FORMA FEASIBILITY INDICATORS

Pro Forma Underwritten		Applicant's Pro Forma	
Debt Coverage	1.16	Expense Ratio	39.4%
Breakeven Occ.	84.9%	Breakeven Rent	$1,207
Average Rent	$1,317	B/E Rent Margin	$111
Property Taxes	Exempt	Exemption/PILOT	100%
Total Expense	$5,887/unit	Controllable	$3,432/unit

SITE PLAN



MARKET FEASIBILITY INDICATORS

Gross Capture Rate (10% Maximum)			1.4%
Highest Unit Capture Rate	6%	2 BR/60%	34
Dominant Unit Cap. Rate	6%	2 BR/60%	34
Premiums (↑60% Rents)	N/A		N/A
Rent Assisted Units	263	81% Total Units	

DEVELOPMENT COST SUMMARY

Costs Underwritten		Applicant's Costs	
Avg. Unit Size	812 SF	Density	21.7/acre
Acquisition		$102K/unit	$33,150K
Building Cost	$66.71/SF	$54K/unit	$17,544K
Hard Cost		$66K/unit	$21,355K
Total Cost		$238K/unit	$77,198K
Developer Fee	$8,850K	(55% Deferred)	Paid Year: 9
Contractor Fee	$2,990K	30% Boost	Yes

DEBT (Must Pay)				
Source	Term	Rate	Amount	DCR
Berkadia Commercial Mortgage	16/40	4.95%	$44,196,000	1.16
TOTAL DEBT (Must Pay)			$44,196,000	

CASH FLOW DEBT / GRANT FUNDS				
Source	Term	Rate	Amount	DCR
Income from Operations	0/0	0.00%	$1,020,273	1.16
CASH FLOW DEBT / GRANTS			$1,020,273	

EQUITY / DEFERRED FEES	
Source	Amount
Boston Financial	$27,095,000
Fairstead Affordable	$4,886,578
TOTAL EQUITY SOURCES	$31,981,578
TOTAL DEBT SOURCES	$45,216,273
TOTAL CAPITALIZATION	$77,197,851

CONDITIONS

1 Receipt and acceptance before Determination Notice:

a: Documentation of approval of proposed HAP Rent increase.

2 Receipt and acceptance by Cost Certification:

a: Certification of comprehensive testing for asbestos and lead-based paint; that any appropriate abatement procedures were implemented; and that any remaining asbestos-containing materials and lead-based paint are being managed in accordance with an acceptable Operations and Maintenance (O&M) program.

b: Architect certification that buildings were tested for the presence of radon and any recommended mitigation measures were implemented.

c: Certification of implementation of all recommended abatement measures for mold, and implementation of a Mold and Moisture Minimization Plan.

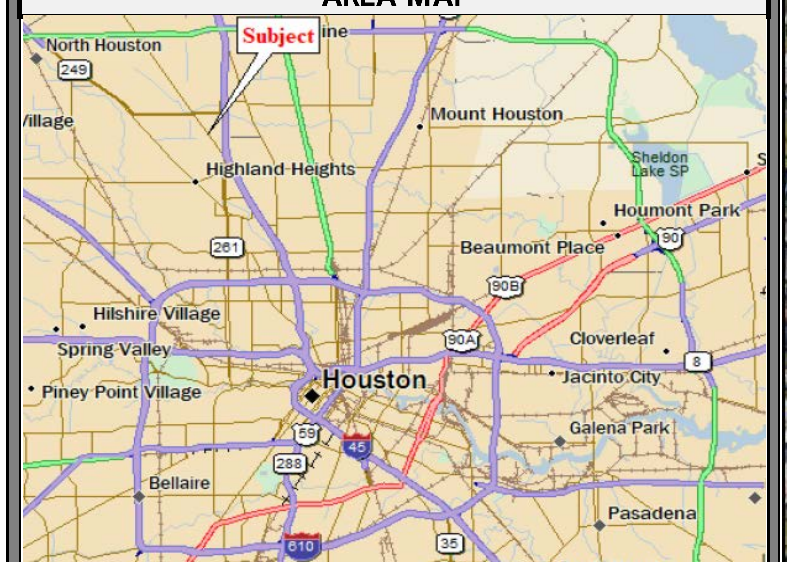
d: Architect certification that mitigation measures for HUD ASD guidelines were successfully implemented in the completion of the Development.

e: Documentation relating to testing of water lines for potential calcium build-up, along with any necessary de-scaling.

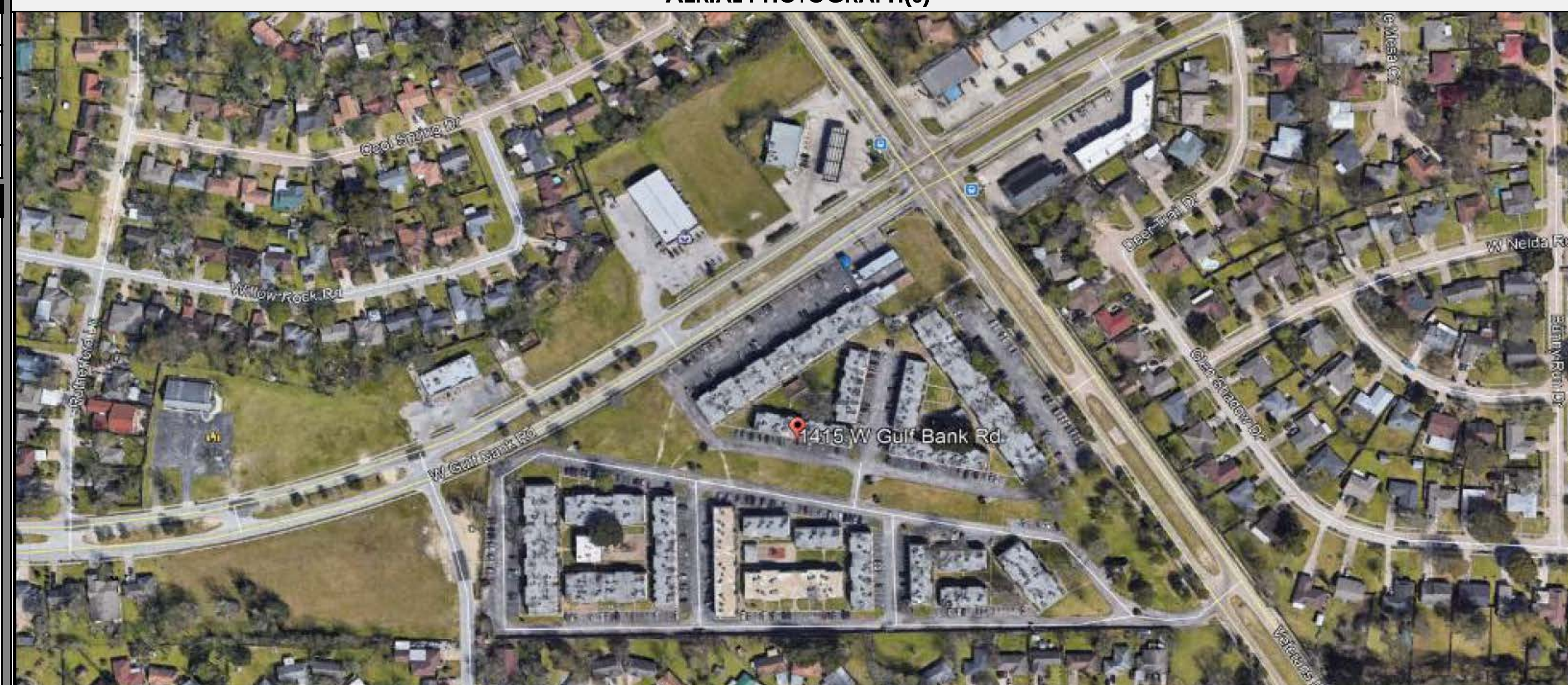
Should any terms of the proposed capital structure change or if there are material changes to the overall development plan or costs, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds may be warranted.

BOND RESERVATION / ISSUER	
Issuer	Houston HFC
Expiration Date	2/20/2023
Bond Amount	$40,000,000
BRB Priority	Priority 1a
% Financed with Tax-Exempt Bonds	56.9%

AREA MAP



AERIAL PHOTOGRAPH(s)



Real Estate Analysis Division
Underwriting Report
December 21, 2022

DEVELOPMENT IDENTIFICATION

TDHCA Application #: **22474** Program(s): **4% HTC**

Coppertree Village

Address/Location: 1415 W. Gulf Bank Rd.

City: Houston County: Harris Zip: 77088

Population: General Program Set-Aside: General Area: Urban

Activity: Acquisition/Rehab Building Type: Garden (Up to 4-story) Region: 6

Analysis Purpose: New Application - Initial Underwriting

ALLOCATION

	REQUEST				RECOMMENDATION				
TDHCA Program	**Amount**	**Interest Rate**	**Amort**	**Term**	**Amount**	**Interest Rate**	**Amort**	**Term**	**Lien**
LIHTC (4% Credit)	$3,114,681				**$3,114,681**				

CONDITIONS

1 Receipt and acceptance before Determination Notice:

a: Documentation of approval of proposed HAP Rent increase.

2 Receipt and acceptance by Cost Certification:

a: Certification of comprehensive testing for asbestos and lead-based paint; that any appropriate abatement procedures were implemented; and that any remaining asbestos-containing materials and lead-based paint are being managed in accordance with an acceptable Operations and Maintenance (O&M) program.

b: Architect certification that buildings were tested for the presence of radon and any recommended mitigation measures were implemented.

c: Certification of implementation of all recommended abatement measures for mold, and implementation of a Mold and Moisture Minimization Plan.

d: Architect certification that mitigation measures for HUD ASD guidelines were successfully implemented in the completion of the Development.

e: Documentation relating to testing of water lines for potential calcium build-up, along with any necessary de-scaling.

SET-ASIDES

TDHCA SET-ASIDES for HTC LURA

Income Limit	Rent Limit	Number of Units
50% of AMI	50% of AMI	162
60% of AMI	60% of AMI	162

DEVELOPMENT SUMMARY

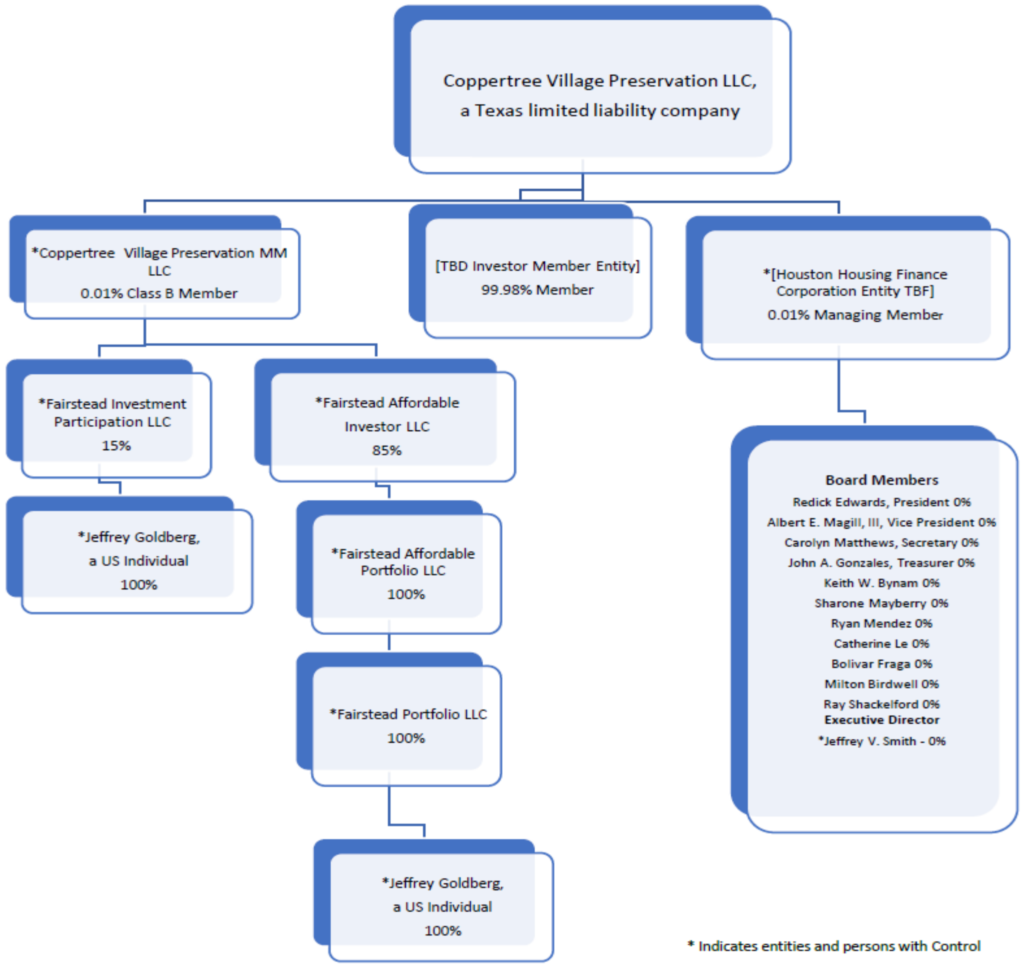
Coppertree Village is the acquisition and rehabilitation of 324 units on 14.9234 acres in Houston. 263 of the 324 units will continue to benefit from a project based Section 8 HAP Contract. Coppertree Village was previously awarded LIHTC in 1990, and as such is currently subject to a LIHTC LURA for 100% of the units at 60% AMI. At closing, the existing HAP contract will be renewed for 20 years. The property consists of 180 one bedroom units, 136 two bedroom units, and 8 three bedroom units. The proposed income mix is 50% at 50% AMI and 50% at 60% AMI.

RISK PROFILE

STRENGTHS/MITIGATING FACTORS	WEAKNESSES/RISKS
▫ Existing Section 8 HAP Contract	▫ Pre-rehab rents well below market
▫ Gradual increases to full HTC rents post-rehab.	▫ Significant remediation of asbestos, mold/mildew, lead-in-water and lead based paint necessary.

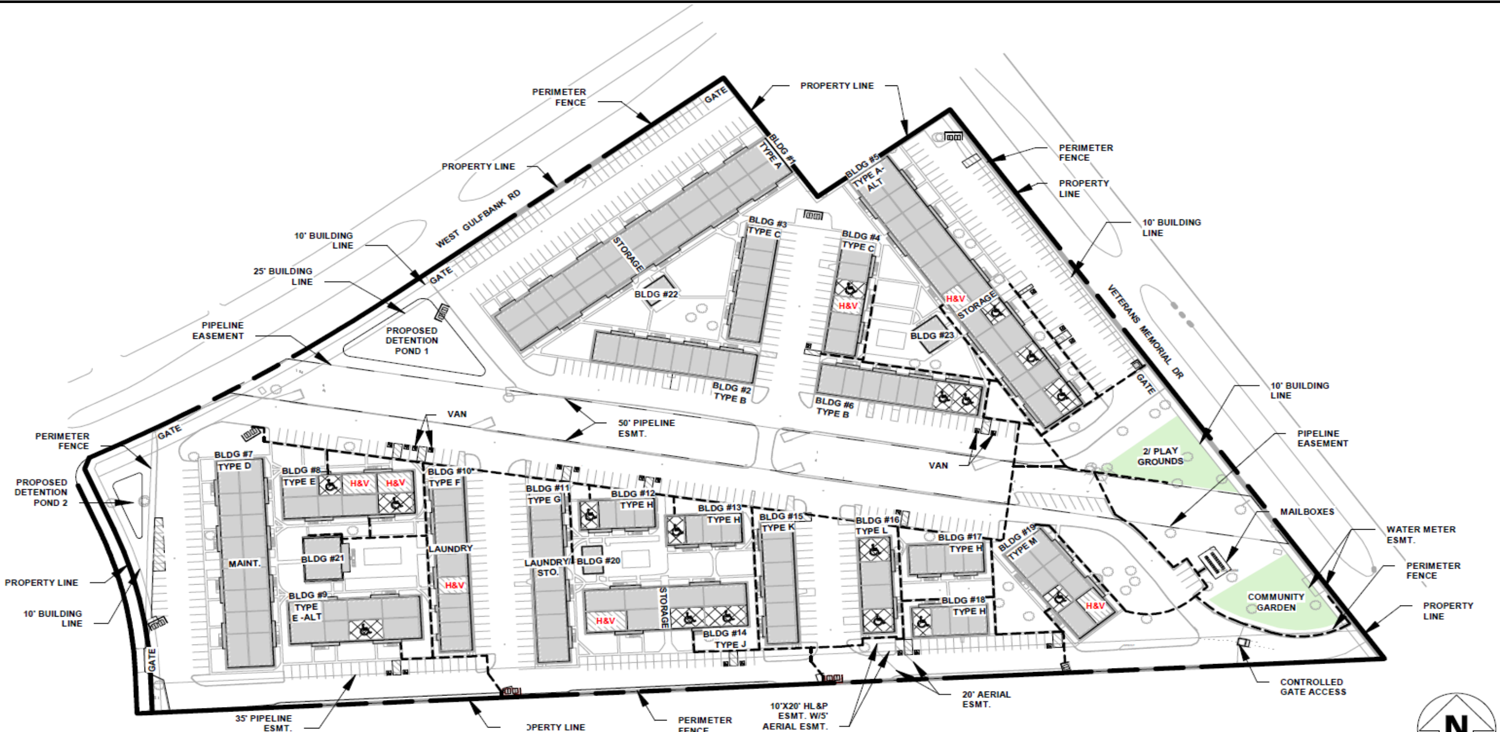
DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



DEVELOPMENT SUMMARY

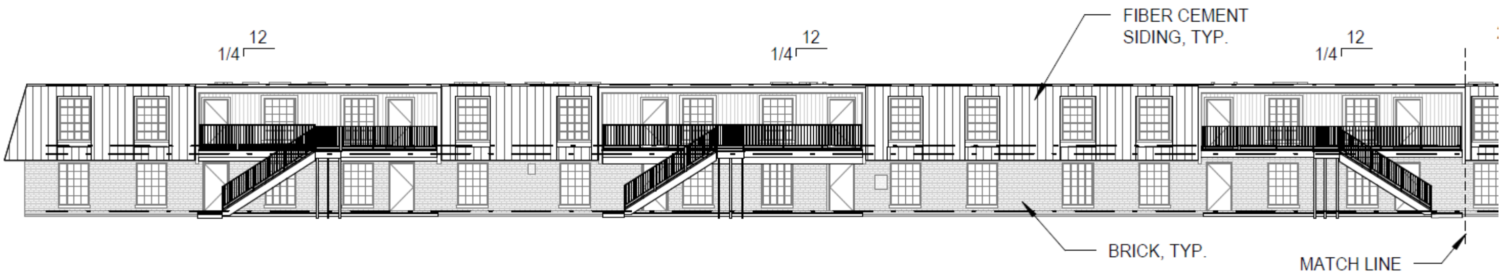
SITE PLAN



Comments:

The rehabilitation will included 474 free open space parking spaces to meet updated parking requirements.

BUILDING ELEVATION



BUILDING CONFIGURATION

Building Type	A/A-Alt	B	C	D	E/E-Alt	F	G	H	J	K	L	M	Total Buildings
Floors/Stories	2	2	2	2	2	2	2	2	2	2	2	2	
Number of Bldgs	2	2	2	1	2	1	1	4	1	1	1	1	**19**
Units per Bldg	44	16	12	32	16	16	16	8	16	12	8	16	
Total Units	88	32	24	32	32	16	16	32	16	12	8	16	**324**

Avg. Unit Size (SF) **812 sf**	**Total NRA (SF)** **263,004**	**Common Area (SF)*** **4,987**

*Common Area Square Footage as specified on Architect Certification

SITE CONTROL INFO

Site Acreage: Development Site: 14.92 acres Density: 21.7 units/acre

Site Control: 14.92 **Site Plan:** 14.92 **Appraisal:** 14.92 **ESA:** 14.92

Feasibility Report Survey: na **Feasibility Report Engineer's Plan:** na

Comments:

This is an Identity of Interest transaction with Eligible Acquisition costs validated by a 3rd party appraisal.

The applicant will enter into a partnership and ground lease with an affiliate of the Houston Housing Finance Corporation, in order to obtain a statutory property tax exemption.

APPRAISED VALUE

Appraiser:	AFFORDABLE HOUSING ANALYSTS		Date:	8/9/2022
Land as Vacant: 14.92 acres	$2,440,000	Per Unit:	$7,531	
Existing Buildings: (as-is)	$29,970,000	Per Unit:	$92,500	
Total Development: (as-is)	**$32,410,000**	Per Unit:	**$100,031**	

SITE INFORMATION

Flood Zone:	X	Scattered Site?	No
Zoning:	No zoning in Houston	Within 100-yr floodplain?	No
Re-Zoning Required?	No	Utilities at Site?	Yes
Year Constructed:	1972	Title Issues?	No

Current Uses of Subject Site:

The Subject is the current use of this site.

TENANT RELOCATION PLAN

This Relocation Plan ("Plan") will ensure a safe rehabilitation process for the households being temporarily relocated. All residents registered as tenants at Coppertree Village Apartments will be eligible for temporary off site relocation, unless temporary or permanent on site relocation is preferred and is available. Depending on current site vacancy, they will use a combination of vacant units and off site hotel units to house residents as their units are getting renovated. At a minimum, the applicant will hold some units vacant during the construction process so that they can accommodate necessary requests from tenants. No residents are expected to be permanently displaced from the Relocation Plan for Coppertree Village Apartments the project.

In order to further facilitate a smooth relocation process, temporarily displaced tenants will be supported by relocation staff to whom they can ask relocation related inquiries. Relocation staff is located onsite, and can be contacted at from 9:00 AM to 5:00 PM, Monday through Friday.

Temporary Relocation – 324 Households	
Moving Assistance – 324 households	$76,000
Hotel Cost & Stipend Cost	$305,000
Per Diem Contingency	$74,500
On Site Hospitality Costs	$44,500
Total	$500,000

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: AEI Consultants Date: 9/1/2022

Recognized Environmental Conditions (RECs) and Other Concerns:

- AEI recommends the property owner adhere to the 2021 Asbestos Operations & Maintenance (O&M) Plan, which has been prepared under a separate report cover, to manage the identified and/or observed suspect ACMs in-place at the subject property.
- AEI recommends completing radon gas sampling in accordance with ANSI/AARST MAMF-2017 after the completion of rehabilitation work for compliance with the HUD MAP Guide.
- Removal and remediation of the areas of mold as well as the replacement of any affected drywall is recommended.
- Due to the age of the on-site structures (constructed in 1972) there may be a chance that on-site plumbing materials contain lead.
- Due to the age of the subject property buildings, which were constructed in 1972, there is a potential that Lead Based Paint is present.

MARKET ANALYSIS

Provider: Affordable Housing Analysts Date: 9/2/2022

Primary Market Area (PMA): 22.46 sq. miles 3 mile equivalent radius

Market Analyst Comments:

Market Analyst calculates Gross Capture Rates of 1.35% (HTC) & 3.7% (Assisted), which are below the 10% maximum. Underwriter reviewed the market study for compliance.

Capture rate limits do not apply to existing affordable housing that is at least 50% occupied and that provides a leasing preference to existing tenants.

Subject is currently 94.4% occupied.

OPERATING PRO FORMA

SUMMARY- AS UNDERWRITTEN (Applicant's Pro Forma)					
NOI:	$2,937,330	Avg. Rent:	$1,317	Expense Ratio:	39.4%
Debt Service:	$2,539,801	B/E Rent:	$1,207	Controllable Expenses:	$3,432
Net Cash Flow:	$397,529	UW Occupancy:	92.5%	Property Taxes/Unit:	$0
Aggregate DCR:	1.16	B/E Occupancy:	84.9%	Program Rent Year:	2022

263 units (81%) have an existing Section 8 HAP contract. The applicant has requested a 46% rent increase for approval by HUD, but has also submitted an approved Rent Comparability Study to justify the rent request.

The previous owner had struggled with full occupancy, and the applicant does not expect to raise HTC Rents the full 12% allowable by the 2022 Houston Rent Limits.

The applicant will enter into a partnership and ground lease with an affiliate of the Houston Housing Finance Corporation, in order to obtain a statutory property tax exemption.

The existing LURA limits 100% of the units to below TC 60% rents.

DEVELOPMENT COST EVALUATION

SUMMARY - AS UNDERWRITTEN (Applicant's Costs)					
Acquisition	$163,502/ac	$102,315/unit	**$33,150,000**	Contractor Fee	**$2,989,740**
Off-site + Site Work		$5,772/unit	**$1,870,025**	Soft Cost + Financing	**$8,610,156**
Building Cost	$66.71/sf	$54,148/unit	**$17,543,874**	Developer Fee	**$8,849,821**
Contingency	10.00%	$5,992/unit	**$1,941,390**	Reserves	**$2,242,845**
Total Development Cost	$238,265/unit	**$77,197,851**		**Rehabilitation Cost**	**$59,919/unit**

Qualified for 30% Basis Boost?	Located in QCT with < 20% HTC units/HH

SCOPE & COST REVIEW

Provider: AEI Consultants Date: 9/9/2022

Scope of Work:

Major unit conversions
a. Convert existing leasing office back to a residential unit.
b. Convert existing laundry facility back to a residential unit.
c. Convert existing 1 bedroom, 1.5 bath + den units to 1-bedroom, 1 bath + den unit type.

Remediation
1. Remediate all Asbestos Containing Materials
2. Remediate or Remove all Mold & Mildew
3. Remdiate all Lead Based Paint
4. Remediate effects of Termite Infestation.
5. Probe each wet wall, with a minimum 4' x 4' drywall probe (including patching of all drywall after).
6. Remediate Mold, Mildew, & Lead Based Paint from existing Clubhouse Building.
7. Remediate Mold, Mildew, & Lead Based Paint from the Back of House (Laundry, Storage, Maintenance).
8. Replace (4) Gas-fired boilers with new higher efficiency condensing boilers with controls.
9. Clean & Insulate ductwork as needed (includes Aeroseal).
10. Install New Rooftop systems.
11. Install Misc Steel for RTUs

12. Replace exterior disconnect and interior panel & circuit breakers for utility meters (Residential Buildings)
13. Replace domestic water piping with new piping back to the building main water entry locations.
14. Replace all metal stairs, column posts, and precast concrete treads for stairs.
15. Comprehensive replacement of all balcones, guardrails, and 3" Concrete Topping 3000 PSI.
16. New exterior of units roofing system & pavers.

Site Work
1. Parking Lot – Seal and restripe parking lot and add required accessible parking spaces.
2. Grading –Revise grading as necessary to improve site drainage and provide accessible paths.
3. Site lighting – Upgraded fixtures and locations.
4. Detention – New detention areas as required by local jurisdiction.
5. Dumpster enclosures – New enclosures relocated outside existing utility easement.
6. Perimeter fence – Repair fence panels as necessary. Repair/replace gates and operators.
7. Concrete sidewalks —Repair/replace/new as required to provide accessible path to buildings, amenities, parking, and to the public street.
8. New Site Amenities
a. (2) Children's Playgrounds
b. Community Garden

Exterior Building Improvements
9. Roofing – Repair and seal existing low slope roof membrane.
10. Masonry – Repair existing brick veneer as necessary.
11. Windows—Replace existing windows. Windows to be Energy Star rated.
12. Balconies/Stairs – Repair/replace existing balcony structure, stairs, and rails.
13. Gutters/Downspouts – Replace existing gutters, downspouts, and splash blocks.
14. Building Envelope – Replace existing mansard shingles with cementitious siding. Replace weather barrier throughout. Replace sheathing as necessary.
15. Signage – New signage package with braille.

Interior Building Improvements – Throughout
16. Remediation - Remediate hazardous materials as required.
17. Structural – Isolated Repair of building structural components as required by structural engineer.
18. Fire Extinguishers – Addition and replacement of fire extinguishers as required
19. Energy Monitoring – new live utility monitoring system.
20. Low Voltage—
a. Wi-Fi—Provide Wi-Fi connection in clubhouse building only.
21. Mechanical – Upgrade mechanical systems as needed.
22. Electrical – Replace existing fixtures & infrastructure components / circuit breakers as needed.
23. Plumbing – Replace existing fixtures. Selective repair/replacement of water supply and sewer lines as necessary.
24. Security System – Replace/add new cameras and access control points as needed.

Interior Building Improvements – Standard Units
25. Cabinets – New cabinets and stone or quartz countertops in all unit kitchens and bathrooms.
26. Walls and Ceilings - Patch and repair walls and ceilings as required.
27. Doors – bedroom and bathroom door replacements (with associated hardware)
28. Window Treatments
29. Painting – Paint walls, ceilings, trim and doors throughout unit.
30. Flooring – Remove existing flooring and replace with LVT throughout. Repair/Replace existing wood base as necessary to match.
31. Tub & Tile – Repair/replace existing wall tile. Grout and seal. Repair/replace existing tubs as necessary.
32. New Appliances - Energy Star electric range with self-cleaning oven, Energy Star refrigerator, Garbage disposal, Energy Star rated dishwasher, Micro-hood (recirculating), Bathroom exhaust fan replacements
33. New Plumbing Fixtures - Watersense toilets, Bathroom sink with Watersense faucet, Kitchen sink with Watersense faucet
34. New Bathroom Accessories – Towel bar, Shower curtain rod, Grab bars as needed, Mirror
35. HVAC - Repair/replace RTU units as needed, or repair/replace fans, thermostat, wiring, ducts, grills, and diffusers as necessary
36. Electrical - Replace light fixtures with LED fixtures, New alumicon connectors at aluminum wiring connections, New Ceiling fans (one Energy Star) in livingrooms, New GFCI receptacles, switches, outlets, and covers for bathroom and kitchen as required, Wiring and receptacle upgrades as required, New smoke alarms.

Interior Building Improvements – Fully Accessible Units/Site & Hearing Units
1. Demolition/Reconstruction – Modify unit walls as necessary to provide required clearances and accessible path throughout unit.
2. Cabinets – New cabinets and stone or quartz countertops in all unit kitchens and accessible heights with required workstation clearance. New vanity cabinets and stone or quartz tops in bathrooms.
3. Walls and Ceilings – Patch/replace and repair walls and ceilings as required.
4. Painting – Paint walls, ceilings, trim and doors throughout unit.
5. Flooring – Remove existing flooring and replace with LVT throughout. Repair/Replace existing wood base where necessary to match.
5. Tub & Tile – Repair/replace existing wall tile. Grout and seal. Repair/replace existing tubs as necessary.
6. Doors – Replace doors and hardware as necessary to provide accessibility.
7. New Appliances - Energy Star electric range with self-cleaning oven, Energy Star refrigerator, Garbage disposal, Energy Star rated dishwasher, Range hood (recirculating), Counter microwave
8. New Plumbing Fixtures - Watersense toilets, Wall-hung bathroom sink with Watersense faucet, Kitchen sink with Watersense faucet
9. Accessories – New grab bars and blocking at tub/shower and toilet.
10. HVAC - Repair/replace fans, thermostat, wiring, ducts, grills, and diffusers as necessary
11. Electrical - Replace light fixtures with LED fixtures, New Ceiling fans (one Energy Star) in living and bedrooms, New GFCI receptacles, switches, outlets, and covers for bathroom and kitchen, Wiring and receptacle upgrades as required, New smoke alarms, Modify switch heights as required to meet accessible heights.
12. Site and Hearing-Impaired devices (in designated units) – (strobe system) including hardwired visual alarm smoke detectors, doorbell/intercom, telephone, and additional FA devices tied to building system.

Building Improvements - Clubhouse
1. Interior Finishes — New paint, LVT flooring (replace existing baseboard), light fixtures (LED), and drywall ceiling.
2. Structural – Repair existing structure as required by structural engineer. Replace existing balcony, exterior stairs, and railing. New interior stair with support for inclined lift.
3. Accessibility – New Inclined stair lift.
4. Doors and Windows – New doors and windows throughout.
5. Common Area Bathroom – New finishes (walls, light fixtures stalls, vanities, tops, plumbing and bathroom fixtures (Watersense), and accessories.
6. Common Area Kitchen and Dining Area– New finishes and warming kitchen appliances. New cabinets, tops, and plumbing fixtures.
7. Library – New fixtures and finishes.
8. Theater room – New fixtures and finishes with hook-ups for wall-mounted TV.
9. Leasing Offices – New fixtures, finishes and millwork.
10. Activity Room – New fixtures and finishes. New storage closet per TDHCA amenity requirements.
11. Business Center- New fixtures and finishes. New workstation desk for 2 workstations and location for printer/scanner.
Other Improvements
12. Laundry Room – Convert 2 existing storage closets to be satellite laundry rooms.
13. Boiler Buildings – New cementitious exterior finishes. Repair/seal existing roof membrane.

Credit Allocation Supported by Costs:

Total Development Cost	Adjusted Eligible Cost	Credit Allocation Supported by Eligible Basis
$77,197,851	**$67,848,628**	**$3,114,681**

APPLICANT'S CAPITALIZATION

BOND RESERVATION			
Issuer	**Amount**	**Reservation Date**	**Priority**
Houston HFC	$40,000,000	8/24/2022	Priority 1a
Closing Deadline			
2/20/2023			

Percent of Cost Financed by Tax-Exempt Bonds	**56.9%**

CONCLUSIONS

Gap Analysis:	
Total Development Cost	$77,197,851
Permanent Sources (debt + non-HTC equity)	$45,216,273
Gap in Permanent Financing	$31,981,578

Possible Tax Credit Allocations:	Equity Proceeds	Annual Credits
Determined by Eligible Basis	$27,095,000	$3,114,681
Needed to Balance Sources & Uses	$31,981,578	$3,676,413
Requested by Applicant	$27,095,000	$3,114,681

	RECOMMENDATION	
	Equity Proceeds	Annual Credits
Tax Credit Allocation	**$27,095,000**	**$3,114,681**

Deferred Developer Fee	**$4,886,578**	**(55% deferred)**
Repayable in	**9 years**	

Recommendation:

Underwriter recommends $3,114,681 in Annual Credits as requested by applicant.

Underwriter: *Greg Stoll*

Manager of Real Estate Analysis: *Diamond Unique Thompson*

Director of Real Estate Analysis: *Jeanna Adams*

UNIT MIX/RENT SCHEDULE

Coppertree Village, Houston, 4% HTC #22474

LOCATION DATA	
CITY:	Houston
COUNTY:	Harris
Area Median Income	$90,100
PROGRAM REGION:	6
PROGRAM RENT YEAR:	2022

UNIT DISTRIBUTION

# Beds	# Units	% Total	Assisted	MDL
Eff	-	0.0%	0	0
1	180	55.6%	156	0
2	136	42.0%	102	0
3	8	2.5%	5	0
4	-	0.0%	0	0
5	-	0.0%	0	0
TOTAL	324	100.0%	263	-

Pro Forma ASSUMPTIONS

Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	130%
Applicable Fraction	100.00%
APP % Acquisition	4.00%
APP % Construction	4.00%
Average Unit Size	812 sf

55%	Income	20%	30%	40%	50%	60%	70%	80%	EO / MR	TOTAL
Average Income	# Units	-	-	-	162	162	-	-	-	324
	% Total	0.0%	0.0%	0.0%	50.0%	50.0%	0.0%	0.0%	0.0%	100.0%

UNIT MIX / MONTHLY RENT SCHEDULE

HTC		RENT ASSISTED UNIT		UNIT MIX				APPLICABLE PROGRAM RENT			APPLICANT'S PRO FORMA RENTS				MARKET RENTS	
Type	Gross Rent	Type	Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Utility Allow	Max Net Program Rent	Delta to Max	Rent psf	Net Rent per Unit	Total Monthly Rent		Mrkt Analyst
TC 50%	$831	HAP	$1,381	72	1	1	655	$1,381	$81	$1,300	$0	$1.98	$1,300	**$93,600**		$1,200
TC 60%	$997			10	1	1	655	$997	$81	$916	($153)	$1.16	$763	**$7,630**		$1,200
TC 60%	$997			14	1	1	686	$997	$81	$916	($153)	$1.11	$763	**$10,682**		$1,216
TC 60%	$997	HAP	$1,391	78	1	1	686	$1,391	$81	$1,310	$0	$1.91	$1,310	**$102,180**		$1,216
TC 50%	$831	HAP	$1,491	6	1	1	939	$1,491	$81	$1,410	$0	$1.50	$1,410	**$8,460**		$1,342
TC 60%	$1,197			8	2	1.5	939	$1,197	$125	$1,072	($216)	$0.91	$856	**$6,848**		$1,477
TC 60%	$1,197	HAP	$1,670	8	2	1.5	939	$1,670	$125	$1,545	$0	$1.65	$1,545	**$12,360**		$1,477
TC 50%	$997	HAP	$1,725	16	2	1.5	945	$1,725	$125	$1,600	$0	$1.69	$1,600	**$25,600**		$1,490
TC 60%	$1,197			24	2	1.5	945	$1,197	$125	$1,072	($216)	$0.91	$856	**$20,544**		$1,490
TC 50%	$997	HAP	$1,725	68	2	2	966	$1,725	$125	$1,600	$0	$1.66	$1,600	**$108,800**		$1,490
TC 60%	$1,197	HAP	$1,765	3	2	2	1,059	$1,765	$125	$1,640	$0	$1.55	$1,640	**$4,920**		$1,547
TC 60%	$1,197			1	2	2	1,059	$1,197	$125	$1,072	($216)	$0.81	$856	**$856**		$1,547
TC 60%	$1,197	HAP	$1,765	4	2	1.5	1,084	$1,765	$125	$1,640	$0	$1.51	$1,640	**$6,560**		$1,595
TC 60%	$1,197			1	2	1.5	1,176	$1,197	$125	$1,072	($216)	$0.73	$856	**$856**		$1,595
TC 60%	$1,197	HAP	$1,790	3	2	1.5	1,176	$1,790	$125	$1,665	$0	$1.42	$1,665	**$4,995**		$1,595
TC 60%	$1,382			3	3	2	1,095	$1,382	$157	$1,225	($278)	$0.86	$947	**$2,841**		$1,700
TC 60%	$1,382	HAP	$1,957	5	3	2	1,095	$1,957	$157	$1,800	$0	$1.64	$1,800	**$9,000**		$1,700
TOTALS/AVERAGES:				**324**			**263,004**				**($37)**	**$1.62**	**$1,317**	**$426,732**		**$1,344**

ANNUAL POTENTIAL GROSS RENT:	$5,120,784

*MFDL units float among Unit Types

STABILIZED PRO FORMA

Coppertree Village, Houston, 4% HTC #22474

	STABILIZED FIRST YEAR PRO FORMA							
	COMPARABLES			APPLICANT				
	Database				% EGI	Per SF	Per Unit	Amount
POTENTIAL GROSS RENT						$1.62	$1,317	$5,120,784
late fees, application fees, forfeit deposits							$30.00	$116,640
Total Secondary Income							$30.00	
POTENTIAL GROSS INCOME								$5,237,424
Vacancy & Collection Loss							7.5% PGI	(392,807)
Rental Concessions								-
EFFECTIVE GROSS INCOME								$4,844,617
General & Administrative	$125,575	$388/Unit			1.58%	$0.29	$237	$76,699
Management	$128,856	3.6% EGI			4.09%	$0.75	$612	$198,155
Payroll & Payroll Tax	$366,283	$1,131/Unit			11.17%	$2.06	$1,670	$541,065
Repairs & Maintenance	$186,946	$577/Unit			2.85%	$0.52	$426	$138,015
Electric/Gas	$99,328	$307/Unit			1.58%	$0.29	$236	$76,355
Water, Sewer, & Trash **Tenant Pays: WS**	$195,138	$602/Unit			5.78%	$1.06	$864	$279,837
Property Insurance	$138,168	$0.53 /sf			5.02%	$0.92	$750	$243,000
Property Tax (@ 0%)	$293,480	$906/Unit			0.00%	$0.00	$0	$0
Reserve for Replacements					2.01%	$0.37	$300	$97,200
TDHCA Compliance fees ($40/HTC unit)					0.27%	$0.05	$40	$12,960
Bond Trustee Fees					0.08%	$0.02	$12	$4,000
Security					4.13%	$0.76	$617	$200,000
TOTAL EXPENSES					**39.37%**	**$7.25**	**$5,887**	**$1,907,287**
NET OPERATING INCOME ("NOI")					**60.63%**	**$11.17**	**$9,066**	**$2,937,330**

CONTROLLABLE EXPENSES	$3,432/Unit	

TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Coppertree Village, Houston, 4% HTC #22474

DEVELOPMENT COST / ITEMIZED BASIS

		APPLICANT COST / BASIS ITEMS				
		Eligible Basis		Total Costs		
		Acquisition	New Const. Rehab			
Land Acquisition					$7,531 / Unit	$2,440,000
Building Acquisition		$29,960,000			$92,469 / Unit	$29,960,000
Pre-development repair costs						$750,000
Site Work			$1,654,825		$5,107 / Unit	$1,654,825
Site Amenities			$215,200		$664 / Unit	$215,200
Building Cost			$17,543,874	$66.71 /sf	$54,148/Unit	$17,543,874
Contingency			$1,941,390	10.00%	10.00%	$1,941,390
Contractor Fees			$2,989,740	14.00%	14.00%	$2,989,740
Soft Costs		$0	$2,171,257		$9,012 / Unit	$2,920,007
Financing		$0	$2,522,521		$17,562 / Unit	$5,690,149
Developer Fee	15.00%	$4,494,000	$4,355,821	15.00%	15.00%	$8,849,821
Reserves					6 Months	$2,242,845
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)		**$34,454,000**	**$33,394,628**		$238,265 / Unit	**$77,197,851**
Acquisition Cost		$0				$0
Contingency			($0)			($0)
Contractor's Fee			($0)			($0)
Financing Cost			$0			
Developer Fee	0.00%	$0	($0)	15.00%		$0
Reserves						$0
ADJUSTED BASIS / COST		**$34,454,000**	**$33,394,628**		$238,265/unit	**$77,197,851**
TOTAL HOUSING DEVELOPMENT COSTS Applicant's Uses						**$77,197,851**

TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Coppertree Village, Houston, 4% HTC #22474

CREDIT CALCULATION ON QUALIFIED BASIS

	Applicant	
	Acquisition	Construction Rehabilitation
ADJUSTED BASIS	$34,454,000	$33,394,628
Deduction of Federal Grants	$0	$0
TOTAL ELIGIBLE BASIS	$34,454,000	$33,394,628
High Cost Area Adjustment		130%
TOTAL ADJUSTED BASIS	$34,454,000	$43,413,016
Applicable Fraction	100.00%	100.00%
TOTAL QUALIFIED BASIS	$34,454,000	$43,413,016
Applicable Percentage	4.00%	4.00%
ANNUAL CREDIT ON BASIS	$1,378,160	$1,736,521
CREDITS ON QUALIFIED BASIS	$3,114,681	

	ANNUAL CREDIT CALCULATION BASED ON TDHCA BASIS		**FINAL ANNUAL LIHTC ALLOCATION**		
			Credit Price **$0.8699**	**Variance to Request**	
Method	Annual Credits	Proceeds	**Credit Allocation**	**Credits**	**Proceeds**
Eligible Basis	$3,114,681	$27,095,000	----	----	----
Needed to Fill Gap	$3,676,413	$31,981,578	----	----	----
Applicant Request	$3,114,681	$27,095,000	**$3,114,681**	**$0**	**$0**

50% Test for Bond Financing for 4% Tax Credits			
Tax-Exempt Bond Amount	$	40,000,000	
			Applicant
Land Cost	$	2,440,000	$2,440,000
Depreciable Bldg Cost **	$	67,848,628	$67,848,628
Aggregate Basis for 50% Test	**$**	**70,288,628**	$70,288,628
Percent Financed by Tax-Exempt Bonds	**56.91%**		**56.91%**

**Depreciable building cost includes: Total construction contract, total building acquisition, total developer fee, plus eligible financing and soft costs.

PROPOSED SOURCES OF FINANCING

Coppertree Village, Houston, 4% HTC #22474

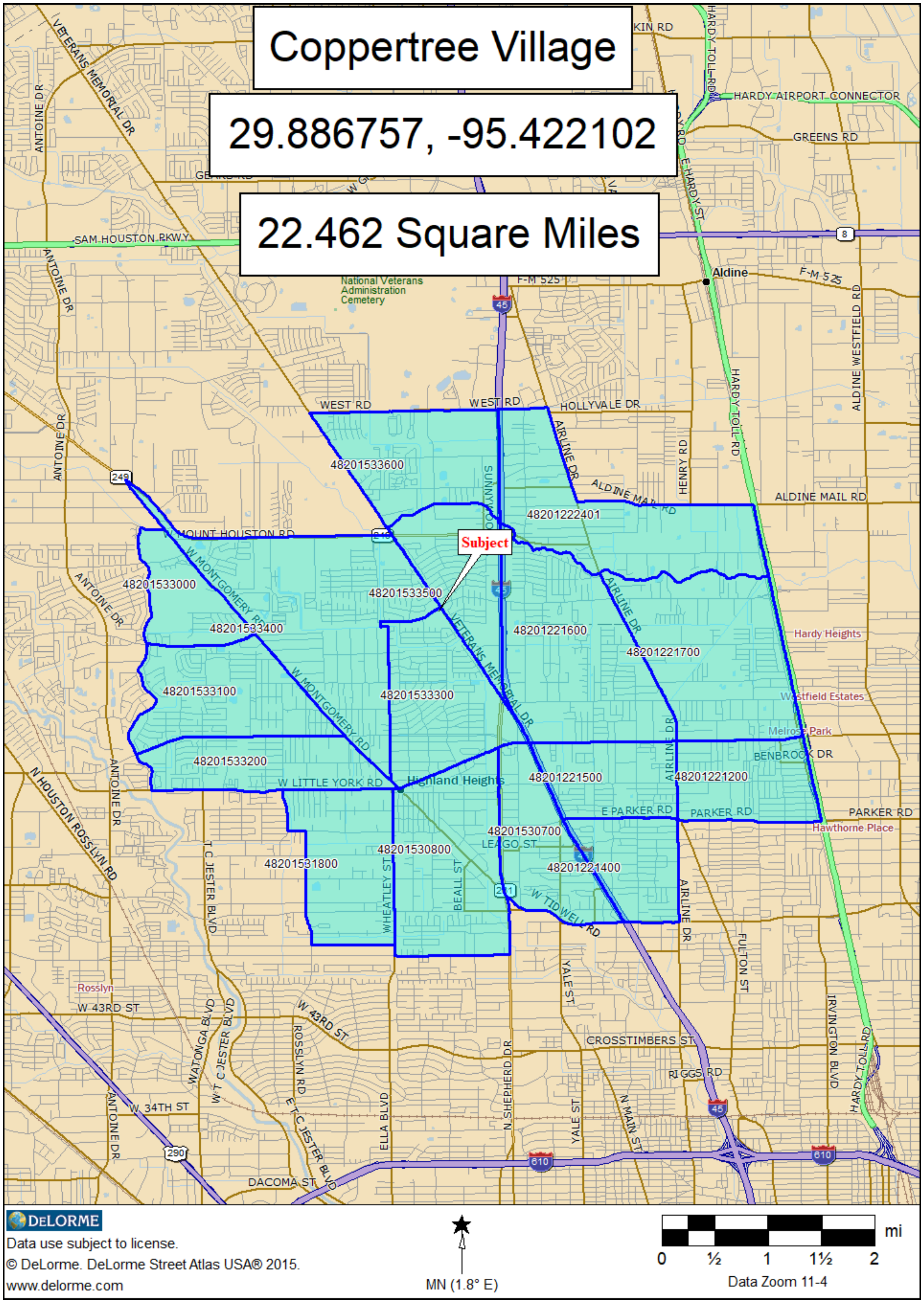
		Interim		Permanent Period				Debt Service	
DEBT	**Type**	**Principal**	**Rate**	**Principal**	**Term**	**Amort**	**Rate**	**DCR**	**Payment**
Berkadia Commercial Mortgage	Freddie Mac TEL	$44,196,000	4.95%	$44,196,000	16	40	4.95%	**1.16**	$2,539,801
TOTAL		**$44,196,000**		**$44,196,000**				**1.16**	**Cumulative**
EQUITY					**credit price**	**annual credits**			
Boston Financial	$3,114,681 HTC Equity	$23,030,969		$27,095,000	$0.87	$3,114,681			
TOTAL		**$23,030,969**		**$27,095,000**					
PARTNERSHIP DEBT									
Fairstead Affordable	Deferred Fee	$6,456,241		$4,886,578					
TOTAL		**$6,456,241**		**$4,886,578**					
OTHER									
Income from Operations	Interim Income	$1,020,273		$1,020,273					
TOTAL		**$1,020,273**		**$1,020,273**					
TOTAL		**$74,703,483**		**$77,197,851**					

Long-Term Pro Forma

Coppertree Village, Houston, 4% HTC #22474

	Growth Rate	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30	Year 35	Year 40
EFFECTIVE GROSS INCOME	2.00%	$4,844,617	$4,941,510	$5,040,340	$5,141,147	$5,243,969	$5,789,766	$6,392,370	$7,057,692	$7,792,263	$8,603,288	$9,498,725	$10,487,360
TOTAL EXPENSES	3.00%	$1,907,287	$1,962,524	$2,019,378	$2,077,898	$2,138,132	$2,466,843	$2,846,677	$3,285,647	$3,793,033	$4,379,574	$5,057,704	$5,841,822
NET OPERATING INCOME ("NOI")		**$2,937,330**	**$2,978,986**	**$3,020,961**	**$3,063,248**	**$3,105,837**	**$3,322,923**	**$3,545,693**	**$3,772,045**	**$3,999,230**	**$4,223,714**	**$4,441,021**	**$4,645,538**
EXPENSE/INCOME RATIO		39.4%	39.7%	40.1%	40.4%	40.8%	42.6%	44.5%	46.6%	48.7%	50.9%	53.2%	55.7%
MUST -PAY DEBT SERVICE													
Berkadia Commercial Mortgage		$2,539,801	$2,539,801	$2,539,801	$2,539,801	$2,539,801	$2,539,801	$2,539,801	$2,539,801	$2,539,801	$2,539,801	$2,539,801	$2,539,801
TOTAL DEBT SERVICE		$2,539,801	$2,539,801	$2,539,801	$2,539,801	$2,539,801	$2,539,801	$2,539,801	$2,539,801	$2,539,801	$2,539,801	$2,539,801	$2,539,801
DEBT COVERAGE RATIO		1.16	1.17	1.19	1.21	1.22	1.31	1.40	1.49	1.57	1.66	1.75	1.83
ANNUAL CASH FLOW		**$397,529**	**$439,184**	**$481,160**	**$523,447**	**$566,036**	**$783,122**	**$1,005,892**	**$1,232,244**	**$1,459,428**	**$1,683,913**	**$1,901,219**	**$2,105,737**
Deferred Developer Fee Balance		$4,489,049	$4,049,864	$3,568,705	$3,045,258	$2,479,222	$0	$0	$0	$0	$0	$0	$0
CUMULATIVE NET CASH FLOW		$0	$0	$0	$0	$0	$999,592	$5,581,613	$11,289,192	$18,132,274	$26,104,769	$35,180,155	$45,306,204

PRIMARY MARKET AREA MAP



9

BOARD ACTION REQUEST

COMPLIANCE DIVISION

JANUARY 12, 2023

Presentation, discussion, and possible action regarding nonrenewal of Big Bend Community Action Committee, Inc.'s Comprehensive Energy Assistance Program and Low Income Household Water Assistance Program contracts and future funding and the authorization of staff to identify a permanent provider(s), through release and subsequent award of a Request for Applications, to administer the Comprehensive Energy Assistance Program and potentially the Low Income Household Water Assistance Program in Brewster, Culberson, Hudspeth, Jeff Davis, and Presidio counties (the area served by Big Bend Community Action Committee, Inc.)

RECOMMENDED ACTION

WHEREAS, Big Bend Community Action Committee, Inc. (BBCAC) is the designated utility assistance provider that administers the Low Income Home Energy Assistance Program (LIHEAP) Comprehensive Energy Assistance Program (CEAP) and the Low Income Household Water Assistance Program (LIHWAP) for Brewster, Culberson, Hudspeth, Jeff Davis, and Presidio counties;

WHEREAS, in a letter dated December 23, 2022, the Texas Department of Housing and Community Affairs (the Department) sent BBCAC a single audit deficiency notice notifying them that their single audits for 2019, 2020, and 2021 are delinquent for submission to the Federal Audit Clearinghouse in violation of 2 CFR Part 200 and requested that corrective action be taken to resolve the deficiencies;

WHEREAS, on January 4, 2023, the Department followed up with a letter to BBCAC notifying them of the Department's intent, under 10 TAC §1.403(k), to not execute the Board awarded 2023 CEAP Contract, not enter into any new CEAP contracts, and not extend the LIHWAP Contract unless BBCAC resolves the single audit deficiencies as described in the December 23, 2022, letter, and informed BBCAC of the option to request a hearing under Texas Government Code Chapter 2105 and 10 TAC §1.411(f)(2) by February 3, 2023, or voluntarily relinquish the CEAP and LIHWAP programs altogether;

WHEREAS, in order to withhold future funding for CEAP and to identify one or more permanent providers to provide CEAP in the counties covered by the area, Tex. Gov't Code Chapter 2105 requires that BBCAC be given 30 days' notice, which occurred on January 4, 2023; and

WHEREAS, if BBCAC fails to resolve the single audit deficiencies as described in the December 23, 2022, letter, and does not request a hearing by February 3, 2023, or does not relinquish their CEAP program, BBCAC is ineligible to contract with TDHCA by operation of 10 TAC §1.302(h) and the Department requests authorization to immediately issue a Request for Applications to identify one or more temporary or permanent providers to provide CEAP, and potentially LIHWAP, services in the five-county service area;

NOW, therefore, it is hereby

RESOLVED, that the Board instructs Department staff to not extend BBCAC's LIHWAP Contract ending on March 31, 2023;

FURTHER RESOLVED, that the Board instructs Department staff to immediately terminate for good cause BBCAC's eligibility to receive a 2023 CEAP Contract;

FURTHER RESOLVED, that the Board instructs Department staff to extend BBCAC's 2022 CEAP Contract through March 31, 2023, to ensure that energy assistance continues to be provided to eligible low income residents in BBCAC's service area;

FURTHER RESOLVED, that if BBCAC has failed to resolve the single audit deficiencies as described in the December 23, 2022, letter, the Department is authorized to release an RFA to identify permanent provider(s) to administer CEAP, and potentially LIHWAP, services, and to be designated as the permanent CEAP, and potentially LIHWAP, provider(s) for the benefit of eligible low-income households in the service area if BBCAC is removed as the permanent provider; and

FURTHER RESOLVED, that the Executive Director and his staff be and each of them are hereby authorized, empowered, and directed for and on behalf of the Department, to take all actions necessary to execute such documents that they or any of them may deem necessary to effectuate the foregoing.

BACKGROUND

Big Bend Community Action Committee, Inc. is the designated utility assistance provider for Brewster, Culberson, Hudspeth, Jeff Davis, and Presidio counties. Department records indicate that BBCAC has received unaddressed Single Audit Overdue notices from the Department for the Fiscal Year (FY) 2019, 2020, and 2021 single audits which are delinquent for submission to the Federal Audit Clearinghouse. Consequently, on December 23, 2022, the Department sent BBCAC a Single Audit Deficiency Notice requesting that corrective action be taken to resolve the single audit delinquencies by submitting completed Audit Certification Forms for FY 2020 and 2021 by January 7, 2023, and to upload the FY 2019, 2020, and 2021 single audits to the Federal Audit Clearinghouse by January 23, 2023.

As a follow-up to the December 23, 2022, letter, Department staff also sent a letter to BBCAC on January 4, 2023, notifying BBCAC of the Department's intention to not execute the TDHCA Board awarded 2023 CEAP Contract #58230003819, not enter into any new CEAP contracts, nor extend the LIHWAP Contract #34210003667 beyond its Contract Term end date of March 31, 2023, unless the single audit deficiencies are resolved as requested in the Department's letter of December 23, 2022. The Department also notified BBCAC in the January 4th letter that they are entitled to request a hearing for the CEAP funding, as long as the request and notification are made as required and conditioned under 10 TAC §1.411(f)(2) by February 3, 2023.

If BBCAC fails to resolve the single audit deficiencies as requested, and does not request a hearing by February 3, 2023, or does not relinquish the CEAP program, BBCAC is ineligible to contract with TDHCA by operation of 10 TAC §1.302(h). Staff requests authorization from the Board to immediately issue a Request for Applications to identify one or more temporary or permanent providers to provide CEAP, and potentially LIHWAP, services in the five-county service area. In order to ameliorate concern over the provision of utility assistance to the low income households in the service area of BBCAC while the administrative process is underway, staff believes that BBCAC has enough CEAP and LIHWAP funding from its 2022 CEAP Contract as well as its LIHWAP Contract to continue to provide utility assistance in the five-county service area. Therefore, staff requests authorization to extend BBCAC's 2022 CEAP Contract through March 31, 2023, and allow BBCAC its continued use of its LIHWAP Contract until the Contract expires on March 31, 2023.

In summary, staff recommends that the Board grant the Department authority to withhold from BBCAC any future CEAP and LIHWAP contracts and funding and remove BBCAC as a permanent provider of CEAP and LIHWAP assistance. To do so, Department staff will not execute BBCAC's 2023 CEAP Contract nor enter into any new CEAP or LIHWAP contracts with BBCAC. If authorized, Department staff will also extend BBCAC's 2022 CEAP Contract through March 31, 2023, and allow BBCAC to continue to use its LIHWAP Contract until it expires on March 31, 2023. Finally, if authorized by the Board, Department staff will proceed with the release of an RFA for a temporary or permanent CEAP, and potentially LIHWAP, provider(s) for BBCAC's current service area if BBCAC does not correct its single audit deficiencies. Staff will present a subsequent agenda item to permanently award the funds to another provider.

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BOARD ACTION REQUEST

MULTIFAMILY FINANCE DIVISION

JANUARY 12, 2023

Presentation, discussion, and possible action regarding an award from the Multifamily Direct Loan (MFDL) 2022-1 Notice of Funding Availability (NOFA) to Fiesta Trails in San Antonio

RECOMMENDED ACTION

WHEREAS, the Governing Board approved publication of the MFDL 2022-1 on December 9, 2021, which made available $16,802,481 for the National Housing Trust Fund;

WHEREAS, one 2022-1 NOFA Application, Fiesta Trails, is being recommended for an award of $3,700,000;

WHEREAS, in accordance with 10 TAC §1.301(d)(1), the compliance history for the Application is designated as a Category 2, and has been deemed acceptable by the Executive Award Review Advisory Committee (EARAC); and

WHEREAS, staff recommends approval of the award.

NOW, therefore, it is hereby

RESOLVED, that the award of $3,700,000 in National Housing Trust Fund to Fiesta Tails is approved, subject to conditions that may be applicable as found in the Real Estate Analysis Underwriting Report posted to the Department's website and as described within this Board Action Request; and

FURTHER RESOLVED, that the Board's approval is conditioned upon satisfaction of all conditions of EARAC, underwriting, and completion of any other reviews required to assure compliance with the applicable rules and requirements.

BACKGROUND

Description: Fiesta Trails proposes the new construction of 60 one-, two-, and three-bedroom units that will serve the general population of San Antonio, Bexar County. Of the 60 units, 18 will be restricted at the 30% Area Median Income limit for the National Housing Trust Fund (NHTF). All 60 units are restricted at or below the 60% limit through other funding sources, including a 2021 allocation of 9% Housing Tax Credits from the Department.

Financing and Regulatory Terms: Subject to final underwriting as further set forth in the following Real Estate Analysis (REA) Report, the $3,700,000 MFDL NHTF loan will be in first lien position with a 15-year term at 0.50% interest, 35-year amortization, and structured as a fully amortizing loan. Annual debt service on the loan will be $115,256. The affordability period will be 30 years.

The Development previously received an award of $1,500,000 in competitive 9% Housing Tax Credits during the 2021 round. For the current award of funding, total development costs were underwritten at $20,670,480. In additional to the LIHTC and NHTF funding, the Development has received a loan from Chase Bank in the amount of $1,271,789, and $1,350,000 in HOME funds from the City of San Antonio. Approximately $600,000 of the Developer Fee has been deferred.

Organizational Structure: The proposed owner is Fiesta Trails Ltd., and includes principals with the ability to exercise control as indicated in the organizational chart below.

FIESTA TRAILS

Entities/Individuals in yellow have the ability to exercise control

PROJECT PARTNERSHIP
Fiesta Trails Ltd.
a Texas limited partnership formed on: 2/4/2020
EIN: 86-1247251

GENERAL PARTNER
Fiesta Trails GP LLC
a Texas limited liability company
formed on: 8/11/2021
EIN: 87-2207654
0.0051%

Sole Member
San Antonio Housing Facility Corporation
a Texas nonprofit corporation
formed on 12/21/1982
EIN: 74-2255915
100%

Officers/Directors
Dr. Ana M. "Cha" Guzman- President and Director
Olga Kauffman- Director
Gilbert Casillas- Director
Gabriel "Gabe" Lopez- Director
Ignacio Perez- Director
Dalia Contreras- Director
Loren D. Dantzler- Director
Ed Hinojosa, Jr.- Secretary/ Treasurer
Diana Fiedler- Assistant Secretary/ Treasurer
Timothy E. Alcott- Asst Secretary/ Treasurer
Muriel Rhoder- Asst Secretary/ Treasurer
Brandee Perez- Asst Secretary/ Treasurer
Michael Reyes- Asst Secretary/ Treasurer
Richard Milk- Assistant Secretary/ Treasurer

CLASS B SPECIAL LIMITED PARTNER
NRP Fiesta Trails LLC
a Texas limited liability company
Formed on: 8/18/2021
EIN: 87-2357996
0.0049%

NON-MANAGING MEMBER
NRP Affordable Subsidiary II LLC
an Ohio limited liability company
formed on 7/1/2016
EIN: 81-3165490
Greater than 90%

Sole Member
NRP Enterprises LLC
a Delaware limited liability company
formed on 6/15/2015
EIN: 35-2538440
100%
(see pg. 4 for ownership)

NON-MEMBER MANAGER
NRP Manager LLC
a Florida limited liability company
formed on 12/5/2012
EIN: 46-2054606

Sole Member
NRP Enterprises LLC
a Delaware limited liability company
formed on 6/15/2015
EIN: 35-2538440
100%
(see pg. 4 for ownership)

INVESTOR LIMITED PARTNER
TBD
EIN: (TBD)
99.99%

Underwriting Report

Real Estate Analysis Division
January 4, 2022

Addendum to Underwriting Report

TDHCA Application #: 22506_21064 Program(s): 9% HTC/MDL

Fiesta Trails

Address/Location: 12485 W Interstate 10

City: San Antonio County: Bexar Zip: 78230

	APPLICATION HISTORY
Report Date	**PURPOSE**
01/04/22	**MDL Memo**
07/14/21	Original Underwriting Report

ALLOCATION

	Previous Allocation				RECOMMENDATION				
TDHCA Program	**Amount**	**Interest Rate**	**Amort**	**Term**	**Amount**	**Interest Rate**	**Amort**	**Term**	**Lien**
Multifamily Direct Loan (Soft Repayable)					**$3,700,000**	**0.50%**	**35**	**15**	**1**
LIHTC (9% Credit)	$1,500,000				**$1,500,000**				

* Multifamily Direct Loan Terms:

* Lien position after conversion to permanent. The Department's lien position during construction may vary.

CONDITIONS STATUS

1 Receipt and acceptance prior to Direct Loan Contract

- Updated organizational chart for the Department to draft a special condition regarding 2 CFR Part 180 and 2 CFR Part 2424.

2 Receipt and acceptance before Direct Loan Closing

a: Updated application exhibits: Rent Schedule, Utility Allowance, Operating Expenses, Long-Term Pro Forma, Development Cost Schedule, Schedule of Sources; and documentation necessary to support any changes from previous underwriting.

b: Substantially final construction contract with Schedule of Values.

c: Updated term sheets with substantially final terms from all lenders.

d: Substantially final draft of limited partnership agreement.

e: Documentation that a noise study has been completed, and certification from the Architect that all recommendations from the noise study are incorporated into the development plans.

3 Receipt and acceptance by Cost Certification:

- Architect certification that a noise assessment was completed, and that all recommendations were implemented and the Development is compliant with HUD noise guidelines.

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

SET-ASIDES

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	6
50% of AMI	50% of AMI	24
60% of AMI	60% of AMI	30

TDHCA SET-ASIDES for DIRECT LOAN LURA		
Income Limit	Rent Limit	Number of Units
30% of AMFI	30% of AMFI	18

ANALYSIS

The Development was awarded $1.5M in 9% Housing Tax Credits in 2021. The Development has applied for $3.7M in NHTF funding (General/Soft Repayment) under the 2022-1 Direct Loan NOFA,.

Operating Pro Forma

Underwriter adjusted Applicant's Rent Schedule to reflect the correct rent limits applicable to this deal, including those attributable to the HOME unit restrictions associated with the $1.35M in HOME funds from the City of San Antonio.

Furthermore, Underwriter utilized 2022 HTC and NHTF rents; the increased income allowed full amortization of the requested $3.7M Multifamily Direct Loan.

MDL units float among unit types.

Development Cost

Building Cost increased by $2,042,912 and total Development Cost increased by $2,421,902.

Total Developer Fee did not increase as required by Rule.

Sources of Funds

If the Direct Loan funds are not awarded, the deal would be infeasible. Cash flow is insufficient to service replacement conventional debt at current interest rates. Alternatively, there is not enough Developer Fee that could be deferred to fill the gap, nor would the increased Deferred Developer Fee be repayable within the first 15 years without additional non-amortizing debt sources.

Conclusion

Underwriter recommends a first lien construction to permanent Multifamily Direct Loan in the amount of $3,700,000 at a 0.50% interest rate with a 15 year term and 35 year amortization. Under those terms, the annual debt service payment would be $115,256.

Underwriter:	*Mario Castellanos*
Manager of Real Estate Analysis:	*Gregg Kazak*
Director of Real Estate Analysis:	*Jeanna Adams*

UNIT MIX/RENT SCHEDULE

Fiesta Trails, San Antonio, 9% HTC #21064

LOCATION DATA	
CITY:	San Antonio
COUNTY:	Bexar
Area Median Income	$83,500
PROGRAM REGION:	9
PROGRAM RENT YEAR:	2022

UNIT DISTRIBUTION				
# Beds	# Units	% Total	Assisted	MDL
Eff	-	0.0%	0	0
1	6	10.0%	0	2
2	42	70.0%	0	13
3	12	20.0%	0	3
4	-	0.0%	0	0
5	-	0.0%	0	0
TOTAL	**60**	**100.0%**	**-**	**18**

Pro Forma ASSUMPTIONS	
Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	130%
Applicable Fraction	100.00%
APP % Acquisition	4.00%
APP % Construction	9.00%
Average Unit Size	923 sf

53% Average Income	Income	20%	30%	40%	50%	60%	70%	80%	MR	TOTAL
	# Units	-	6	-	24	30	-	-	-	60
	% Total	0.0%	10.0%	0.0%	40.0%	50.0%	0.0%	0.0%	0.0%	100.0%

UNIT MIX / MONTHLY RENT SCHEDULE

HTC		TDHCA Direct Loan Program		SA HOME		UNIT MIX				APPLICABLE PROGRAM RENT			APPLICANT'S PRO FORMA RENTS				TDHCA PRO FORMA RENTS				MARKET RENTS		
Type	Gross Rent	Type	Gross Rent	Type	Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Utility Allow	Max Net Program Rent	Delta to Max	Rent psf	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent psf	Delta to Max	Underwritten		Mrkt Analyst
TC 30%	$466	30%/30%	$466	0		1	1	1	656	$466	$82	$384	$0	$0.59	$384	**$384**	**$384**	$384	**$0.59**	**$0**	$933	$1.42	$1,066
TC 50%	$778	30%/30%	$466	0		1	1	1	656	$466	$82	$384	$0	$0.59	$384	**$384**	**$384**	$384	**$0.59**	**$0**	$933	$1.42	$1,066
TC 50%	$778			LH/50%	$695	1	1	1	656	$695	$82	$613	$0	$0.93	$613	**$613**	**$613**	$613	**$0.93**	**$0**	$933	$1.42	$1,066
TC 60%	$933			Match		1	1	1	656	$933	$82	$851	$0	$1.30	$851	**$851**	**$851**	$851	**$1.30**	**$0**	$933	$1.42	$1,066
TC 60%	$933			0		2	1	1	656	$933	$82	$851	$0	$1.30	$851	**$1,702**	**$1,702**	$851	**$1.30**	**$0**	$933	$1.42	$1,066
TC 30%	$560	30%/30%	$575	0		4	2	2	923	$560	$102	$458	$0	$0.50	$458	**$1,832**	**$1,832**	$458	**$0.50**	**$0**	$1,120	$1.21	$1,349
TC 50%	$933	30%/30%	$575	0		9	2	2	923	$575	$102	$473	$0	$0.51	$473	**$4,257**	**$4,257**	$473	**$0.51**	**$0**	$1,120	$1.21	$1,349
TC 50%	$933			LH/50%	$833	1	2	2	923	$833	$102	$731	$0	$0.79	$731	**$731**	**$731**	$731	**$0.79**	**$0**	$1,120	$1.21	$1,349
TC 50%	$933			HH/60%	$1,062	4	2	2	923	$933	$102	$831	$0	$0.90	$831	**$3,324**	**$3,324**	$831	**$0.90**	**$0**	$1,120	$1.21	$1,349
TC 50%	$933			0		3	2	2	923	$933	$102	$831	$0	$0.90	$831	**$2,493**	**$2,493**	$831	**$0.90**	**$0**	$1,120	$1.21	$1,349
TC 60%	$1,120			Match		1	2	2	923	$1,120	$102	$1,018	$0	$1.10	$1,018	**$1,018**	**$1,018**	$1,018	**$1.10**	**$0**	$1,120	$1.21	$1,349
TC 60%	$1,120			0		20	2	2	923	$1,120	$102	$1,018	$0	$1.10	$1,018	**$20,360**	**$20,360**	$1,018	**$1.10**	**$0**	$1,120	$1.21	$1,349
TC 30%	$646	30%/30%	$752	0		1	3	2	1,055	$646	$115	$531	$0	$0.50	$531	**$531**	**$531**	$531	**$0.50**	**$0**	$1,293	$1.23	$1,423
TC 50%	$1,078	30%/30%	$752	0		2	3	2	1,055	$752	$115	$637	$0	$0.60	$637	**$1,274**	**$1,274**	$637	**$0.60**	**$0**	$1,293	$1.23	$1,423
TC 50%	$1,078			0		2	3	2	1,055	$1,078	$115	$963	$0	$0.91	$963	**$1,926**	**$1,926**	$963	**$0.91**	**$0**	$1,293	$1.23	$1,423
TC 50%	$1,078			HH/60%	$1,219	1	3	2	1,055	$1,078	$115	$963	$0	$0.91	$963	**$963**	**$963**	$963	**$0.91**	**$0**	$1,293	$1.23	$1,423
TC 60%	$1,293			0		6	3	2	1,055	$1,293	$115	$1,178	$0	$1.12	$1,178	**$7,068**	**$7,068**	$1,178	**$1.12**	**$0**	$1,293	$1.23	$1,423
TOTALS/AVERAGES:						**60**			**55,362**				**$0**	**$0.90**	**$829**	**$49,711**	**$49,711**	**$829**	**$0.90**	**$0**	**$1,136**	**$1.23**	**$1,336**
ANNUAL POTENTIAL GROSS RENT:																**$596,532**	**$596,532**						

*MDL units float amongst unit type.

STABILIZED PRO FORMA

Fiesta Trails, San Antonio, 9% HTC #21064

STABILIZED FIRST YEAR PRO FORMA

	COMPARABLES				APPLICANT				PRIOR REPORT		TDHCA				VARIANCE	
	Database		NRP Comps		% EGI	Per SF	Per Unit	Amount	Applicant	TDHCA	Amount	Per Unit	Per SF	% EGI	%	$
POTENTIAL GROSS RENT						$0.90	$829	$596,532	**$558,864**	**$558,864**	$596,532	$829	$0.90		0.0%	$0
late fees, laundry rooms							$20.00	$14,400	14,400							
Total Secondary Income							$20.00			14,400	$14,400	$20.00			0.0%	$0
POTENTIAL GROSS INCOME								$610,932	$573,264	$573,264	$610,932				0.0%	$0
Vacancy & Collection Loss							7.5% PGI	(45,820)	(42,995)	(42,995)	(45,820)	7.5% PGI			0.0%	-
Rental Concessions								-			-				0.0%	-
EFFECTIVE GROSS INCOME								$565,112	$530,269	$530,269	$565,112				0.0%	$0
General & Administrative	$34,359	$573/Unit	$32,595	$543	3.98%	$0.41	$375	$22,500	$25,500	$33,708	$32,595	$543	$0.59	5.77%	-31.0%	(10,095)
Management	$36,411	5.7% EGI	$27,512	$459	7.42%	$0.76	$699	$41,940	$41,940	$31,816	$41,762	$696	$0.75	7.39%	0.4%	178
Payroll & Payroll Tax	$67,674	$1,128/Unit	$94,601	$1,577	19.47%	$1.99	$1,833	$110,000	$102,000	$102,000	$110,000	$1,833	$1.99	19.47%	0.0%	-
Repairs & Maintenance	$49,428	$824/Unit	$62,177	$1,036	7.43%	$0.76	$700	$42,000	$45,000	$39,000	$39,000	$650	$0.70	6.90%	7.7%	3,000
Electric/Gas	$15,619	$260/Unit	$8,881	$148	1.39%	$0.14	$131	$7,860	$9,360	$10,957	$8,881	$148	$0.16	1.57%	-11.5%	(1,021)
Water, Sewer, & Trash **Tenant Pays: WS**	$32,287	$538/Unit	$27,637	$461	2.86%	$0.29	$269	$16,140	$16,140	$18,642	$16,140	$269	$0.29	2.86%	0.0%	-
Property Insurance	$23,548	$0.43 /sf	$21,378	$356	4.25%	$0.43	$400	$24,000	$19,800	$19,520	$23,548	$392	$0.43	4.17%	1.9%	452
Property Tax (@ 100%)	$48,441	$807/Unit	$31,384	$523	0.00%	$0.00	$0	$0	$0	$0	$0	$0	$0.00	0.00%	0.0%	-
Reserve for Replacements					3.19%	$0.33	$300	$18,000	$15,000	$15,000	$18,000	$300	$0.33	3.19%	0.0%	-
Supportive Services					2.83%	$0.29	$267	$16,000	$15,000	$15,000	$16,000	$267	$0.29	2.83%	0.0%	-
TDHCA Compliance fees ($40/HTC unit)					0.42%	$0.04	$40	$2,400	$2,400	$2,400	$2,400	$40	$0.04	0.42%	0.0%	-
TOTAL EXPENSES					**53.34%**	**$5.45**	**$5,024**	**$301,452**	$292,140	$288,042	**$308,937**	**$5,149**	**$5.58**	**54.67%**	**-2.4%**	**$ (7,485)**
NET OPERATING INCOME ("NOI")					**46.66%**	**$4.76**	**$4,394**	**$263,660**	$238,129	$242,227	**$256,175**	**$4,270**	**$4.63**	**45.33%**	**2.9%**	**$ 7,485**

CONTROLLABLE EXPENSES	$3,308/Unit	$3,444/Unit

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Fiesta Trails, San Antonio, 9% HTC #21064

DEBT / GRANT SOURCES

		APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE							Prior Underwriting		AS UNDERWRITTEN DEBT/GRANT STRUCTURE						
		Cumulative DCR														Cumulative	
DEBT (Must Pay)	**Fee**	UW	App	Pmt	Rate	Amort	Term	Principal	Applicant	TDHCA	Principal	Term	Amort	Rate	Pmt	DCR	LTC
TDHCA		2.22	2.29	115,256	0.50%	35	15	$3,700,000	**$3,750,000**	**$3,750,000**	$3,700,000	15	35	0.50%	$115,256	2.29	17.9%
Chase Bank		1.28	1.32	$84,472	5.75%	35	15	$1,271,789			$1,271,789	15	35	5.75%	$84,472	1.32	6.2%
CASH FLOW DEBT / GRANTS																	
City of San Antonio		1.28	1.32		0.00%	0	0	$500	**$500**	**$500**	$500	0	0	0.00%		1.32	0.0%
City of San Antonio HOME Funds		1.28	1.32		0.00%	0	20	$1,350,000			$1,350,000	20	0	0.00%		1.32	6.5%
				$199,728	**TOTAL DEBT / GRANT SOURCES**			**$6,322,289**	**$3,750,500**	**$3,750,500**	**$6,322,289**			**TOTAL DEBT SERVICE**	**$199,728**	**1.32**	30.6%
NET CASH FLOW		$56,447	$63,932								**APPLICANT**	**NET OPERATING INCOME**		**$263,660**	**$63,932**	**NET CASH FLOW**	

EQUITY SOURCES

	APPLICANT'S PROPOSED EQUITY STRUCTURE					Prior Underwriting		AS UNDERWRITTEN EQUITY STRUCTURE					
EQUITY / DEFERRED FEES	DESCRIPTION	% Cost	Annual Credit	Credit Price	Amount	Applicant	TDHCA	Amount	Credit Price	Annual Credit	% Cost	Annual Credits per Unit	Allocation Method
Hudson	LIHTC Equity	66.8%	$1,500,000	0.92	$13,798,620	$13,948,605	$13,948,605	$13,798,620	$0.92	$1,500,000	66.8%	$25,000	Previous Allocation
GP Equity		0.0%			$100	$0		$100			0.0%		
Deferred Developer Fee	Deferred Developer Fees	2.9%	(35% Deferred)		$599,472	$599,472	$599,472	$549,471	(32% Deferred)		2.7%	**Total Developer Fee:**	**$1,716,000**
Additional (Excess) Funds Req'd		0.0%						$0			0.0%		
TOTAL EQUITY SOURCES		69.7%			$14,398,192	$14,548,077	$14,548,077	$14,348,191			69.4%		
TOTAL CAPITALIZATION					**$20,720,481**	$18,298,577	$18,298,577	**$20,670,480**			**15-Yr Cash Flow after Deferred Fee:**		**$675,397**

DEVELOPMENT COST / ITEMIZED BASIS

	APPLICANT COST / BASIS ITEMS					Prior Underwriting		TDHCA COST / BASIS ITEMS					COST VARIANCE	
	Eligible Basis										Eligible Basis			
	Acquisition	New Const. Rehab			**Total Costs**	Applicant	TDHCA	**Total Costs**			New Const. Rehab	Acquisition	%	$
Land Acquisition				$60,833 / Unit	$3,650,000	$4,000,000	$4,000,000	$3,650,000	$60,833 / Unit				0.0%	$0
Site Work		$1,642,934		$29,313 / Unit	$1,758,800	$1,473,800	$1,473,800	$1,758,800	$29,313 / Unit		$1,642,934		0.0%	$0
Site Amenities		$700,500		$11,675 / Unit	$700,500	$492,100	$492,100	$700,500	$11,675 / Unit		$700,500		0.0%	$0
Building Cost		$7,132,018	$128.83 /sf	$118,867/Unit	$7,132,018	$5,089,106	$5,379,776	$7,132,018	$118,867/Unit	$128.83 /sf	$7,132,018		0.0%	($0)
Contingency		$126,367	1.33%	7.52%	$721,393	$402,750	$402,750	$671,392	7.00%	1.33%	$126,367		7.4%	$50,001
Contractor Fees		$1,342,705	13.98%	13.02%	$1,342,705	$959,301	$959,301	$1,342,705	13.08%	13.98%	$1,342,705		0.0%	$0
Soft Costs	$0	$2,315,622		$41,599 / Unit	$2,495,956	$2,547,500	$2,547,500	$2,495,956	$41,599 / Unit		$2,315,622	$0	0.0%	$0
Financing	$0	$446,804		$14,533 / Unit	$871,959	$1,301,424	$1,301,424	$871,959	$14,533 / Unit		$446,804	$0	0.0%	$0
Developer Fee	$0	$1,696,000	12.37%	11.90%	$1,716,000	$1,716,000	$1,716,000	$1,716,000	11.94%	12.37%	$1,696,000	$0	0.0%	$0
Reserves				8 Months	$331,150	$316,596	$316,596	$331,150	8 Months				0.0%	$0
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)	**$0**	**$15,402,950**		$345,341 / Unit	**$20,720,481**	$18,298,577	$18,589,247	**$20,670,481**	$344,508 / Unit		**$15,402,950**	**$0**	**0.2%**	**$50,000**
Acquisition Cost	$0				$0	$0								
Contingency		$0			($50,001)	$0								
Contractor's Fee		$0			$0	$0								
Financing Cost		$0												
Developer Fee	$0	$0			$0	$0								
Reserves					$0	$0								
ADJUSTED BASIS / COST	**$0**	**$15,402,950**		$344,508/unit	**$20,670,480**	$18,298,577	$18,589,247	**$20,670,481**	$344,508/unit		**$15,402,950**	**$0**	**0.0%**	($0)
TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):						**$20,670,480**								

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Fiesta Trails, San Antonio, 9% HTC #21064

	CREDIT CALCULATION ON QUALIFIED BASIS			
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction
ADJUSTED BASIS	$0	$15,402,950	$0	$15,402,950
Deduction of Federal Grants	$0	$0	$0	$0
TOTAL ELIGIBLE BASIS	$0	$15,402,950	$0	$15,402,950
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	$0	$20,023,835	$0	$20,023,835
Applicable Fraction	100.00%	100.00%	100%	100%
TOTAL QUALIFIED BASIS	$0	$20,023,835	$0	$20,023,835
Applicable Percentage	4.00%	9.00%	4.00%	9.00%
ANNUAL CREDIT ON BASIS	0	$1,802,145	$0	$1,802,145
CREDITS ON QUALIFIED BASIS	$1,802,145		$1,802,145	

	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		FINAL ANNUAL LIHTC ALLOCATION		
			Credit Price $0.9199	Variance to Request	
Method	Annual Credits	Proceeds	Credit Allocation	Credits	Proceeds
Eligible Basis	$1,802,145	$16,578,077	----	----	----
Needed to Fill Gap	$1,559,731	$14,348,091	----	----	----
Previous Allocation	$1,500,000	$13,798,620	**$1,500,000**	**$0**	**$0**

Long-Term Pro Forma

Fiesta Trails, San Antonio, 9% HTC #21064

	Growth Rate	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30	Year 35
EFFECTIVE GROSS INCOME	2.00%	$565,112	$576,414	$587,943	$599,701	$611,696	$675,361	$745,653	$823,262	$908,947	$1,003,551	$1,108,002
TOTAL EXPENSES	3.00%	$301,452	$310,076	$318,951	$328,083	$337,480	$388,726	$447,874	$516,155	$594,992	$686,036	$791,193
NET OPERATING INCOME ("NOI")		**$263,660**	**$266,338**	**$268,992**	**$271,619**	**$274,215**	**$286,635**	**$297,779**	**$307,107**	**$313,955**	**$317,515**	**$316,809**
EXPENSE/INCOME RATIO		53.3%	53.8%	54.2%	54.7%	55.2%	57.6%	60.1%	62.7%	65.5%	68.4%	71.4%
MUST -PAY DEBT SERVICE												
TOTAL DEBT SERVICE		$199,728	$199,728	$199,728	$199,728	$199,728	$199,728	$199,728	$199,728	$199,728	$199,728	$199,728
DEBT COVERAGE RATIO		1.32	1.33	1.35	1.36	1.37	1.44	1.49	1.54	1.57	1.59	1.59
ANNUAL CASH FLOW		**$63,932**	**$66,610**	**$69,264**	**$71,890**	**$74,487**	**$86,907**	**$98,051**	**$107,379**	**$114,227**	**$117,787**	**$117,081**
Deferred Developer Fee Balance		$485,539	$418,929	$349,666	$277,775	$203,288	$0	$0	$0	$0	$0	$0
CUMULATIVE NET CASH FLOW		$0	$0	$0	$0	$0	$206,821	$675,397	$1,194,485	$1,753,065	$2,336,377	$2,925,120

21064 Fiesta Trails - Application Summary

REAL ESTATE ANALYSIS DIVISION
July 14, 2021

PROPERTY IDENTIFICATION

Application #	**21064**
Development	**Fiesta Trails**
City / County	**San Antonio / Bexar**
Region/Area	**9 / Urban**
Population	**General**
Set-Aside	**Non-Profit**
Activity	**New Construction**

RECOMMENDATION

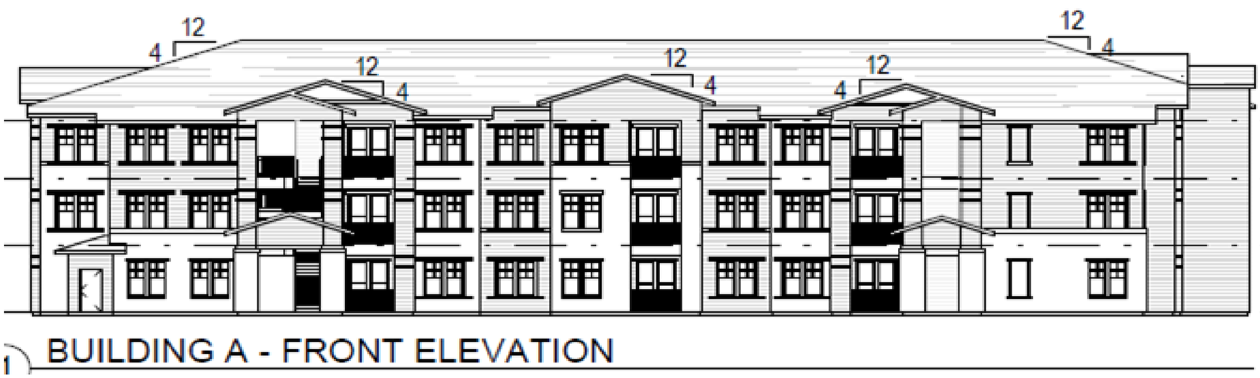
TDHCA Program	Request	Recommended		
LIHTC (9% Credit)	$1,500,000	**$1,500,000**	**$25,000/Unit**	**$0.93**

KEY PRINCIPALS / SPONSOR

Jason Arechiga / NRP Lone Star Development, LLC
&
San Antonio Housing Authority

Related Parties	Contractor - Yes	Seller - No

TYPICAL BUILDING ELEVATION/PHOTO



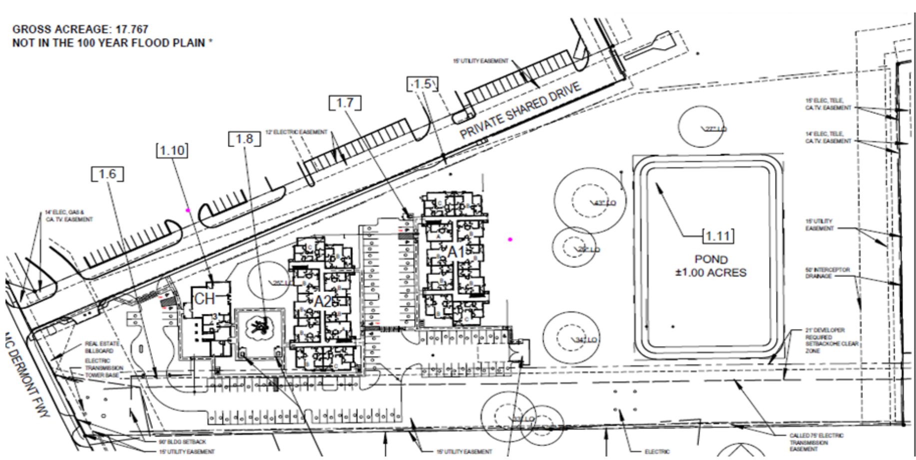
UNIT DISTRIBUTION / INCOME DISTRIBUTION

# Beds	# Units	% Total	Income	# Units	% Total
Eff	-	0%	**20%**	-	0%
1	6	10%	**30%**	6	10%
2	42	70%	**40%**	-	0%
3	12	20%	**50%**	24	40%
4	-	0%	**60%**	30	50%
			70%	-	0%
			80%	-	0%
			MR	-	0%
TOTAL	60	100%	**TOTAL**	60	100%

PRO FORMA FEASIBILITY INDICATORS

Pro Forma Underwritten		Applicant's Pro Forma	
Debt Coverage	1.16	**Expense Ratio**	55.1%
Breakeven Occ.	86.9%	**Breakeven Rent**	$728
Average Rent	$776	**B/E Rent Margin**	$48
Property Taxes	Exempt	**Exemption/PILOT**	0%
Total Expense	$4,869/unit	**Controllable**	$3,300/unit

SITE PLAN



MARKET FEASIBILITY INDICATORS

Gross Capture Rate (10% Maximum)			0.6%
Highest Unit Capture Rate	4%	2 BR/50%	17
Dominant Unit Cap. Rate	2%	2 BR/60%	18
Premiums (↑60% Rents)	#DIV/0!		#DIV/0!
Rent Assisted Units	N/A		

DEVELOPMENT COST SUMMARY

Costs Underwritten		Applicant's Costs	
Avg. Unit Size	923 SF	**Density**	3.4/acre
Acquisition		$67K/unit	$4,000K
Building Cost	$91.92/SF	$85K/unit	$5,089K
Hard Cost		$124K/unit	$7,458K
Total Cost		$305K/unit	$18,299K
Developer Fee	$1,716K	(35% Deferred)	Paid Year: 14
Contractor Fee	$959K	**30% Boost**	Yes

DEBT (Must Pay)				
Source	Term	Rate	Amount	DCR
Community Bank of Texas	15/35	4.25%	$3,750,000	1.16
TOTAL DEBT (Must Pay)			$3,750,000	

CASH FLOW DEBT / GRANT FUNDS				
Source	Term	Rate	Amount	DCR
City of San Antonio	0/0	0.00%	$500	1.16
CASH FLOW DEBT / GRANTS			$500	

EQUITY / DEFERRED FEES	
Source	Amount
Hudson Housing	$13,948,605
Deferred Developer Fee	$599,472
TOTAL EQUITY SOURCES	**$14,548,077**
TOTAL DEBT SOURCES	**$3,750,500**
TOTAL CAPITALIZATION	**$18,298,577**

CONDITIONS

- Receipt and acceptance by Cost Certification:
  - Architect certification that a noise assessment was completed, and that all recommendations were implemented and the Development is compliant with HUD noise guidelines.

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

RISK PROFILE

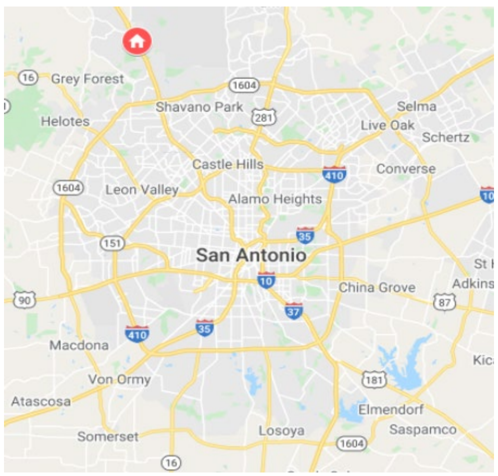
STRENGTHS/MITIGATING FACTORS

- Developer experience
- Low gross capture rate

WEAKNESSES/RISKS

- High expense-to-income ratio even with property tax exemption.

AREA MAP



AERIAL PHOTOGRAPH

Real Estate Analysis Division
Underwriting Report
July 14, 2021

DEVELOPMENT IDENTIFICATION

TDHCA Application #: **21064** Program(s): **9% HTC**

Fiesta Trails

Address/Location: 12485 W Interstate 10

City: San Antonio County: Bexar Zip: 78230

Population: General Program Set-Aside: Non-Profit Area: Urban

Activity: New Construction Building Type: Garden (Up to 4-story) Region: 9

Analysis Purpose: New Application - Initial Underwriting

ALLOCATION

	REQUEST				RECOMMENDATION				
TDHCA Program	**Amount**	**Interest Rate**	**Amort**	**Term**	**Amount**	**Interest Rate**	**Amort**	**Term**	**Lien**
LIHTC (9% Credit)	$1,500,000				**$1,500,000**				

CONDITIONS

- Receipt and acceptance by Cost Certification:
  - Architect certification that a noise assessment was completed, and that all recommendations were implemented and the Development is compliant with HUD noise guidelines.

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

SET-ASIDES

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	6
50% of AMI	50% of AMI	24
60% of AMI	60% of AMI	30

DEVELOPMENT SUMMARY

New construction of 60 general population units. Two 3-story buildings with 30 units each will have a mix of 1, 2, and 3-bedroom units. A separate community building will have a conference room, business center, a children's activity center, laundry facilities and a fitness room. Outdoor amenities include a playground and gazebo/grill area.

RISK PROFILE

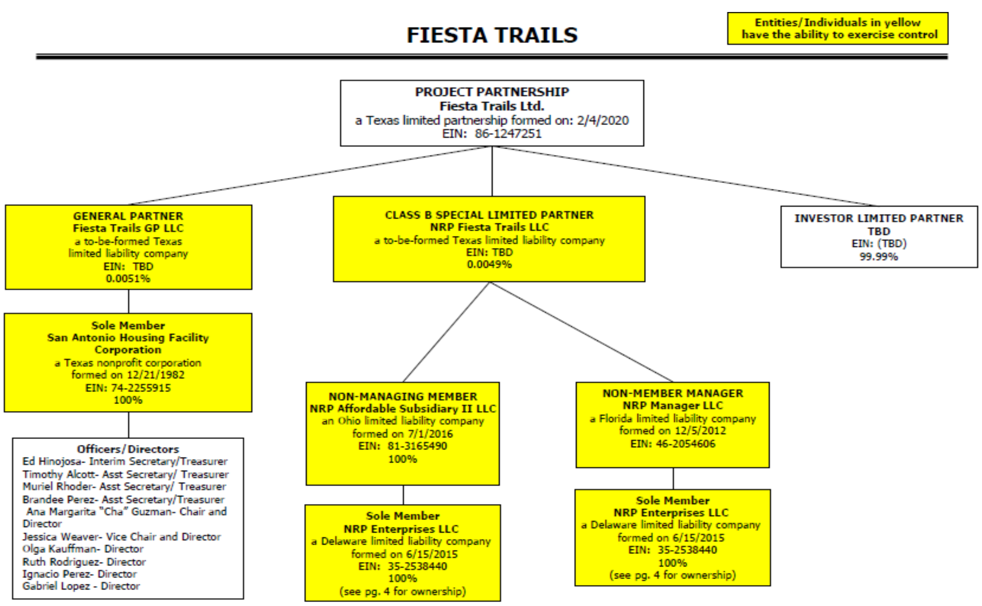
STRENGTHS/MITIGATING FACTORS	WEAKNESSES/RISKS
▫ Developer experience	▫ High expense-to-income ratio even with property tax exemption.
▫ Low gross capture rate	▫

DEVELOPMENT TEAM

PRIMARY CONTACTS

Name:	Jason Arechiga	Name:	Nick Walsh
Phone:	(210) 216-4600	Phone:	(210) 487-7878
Relationship:	Deveoper	Relationship:	Developer

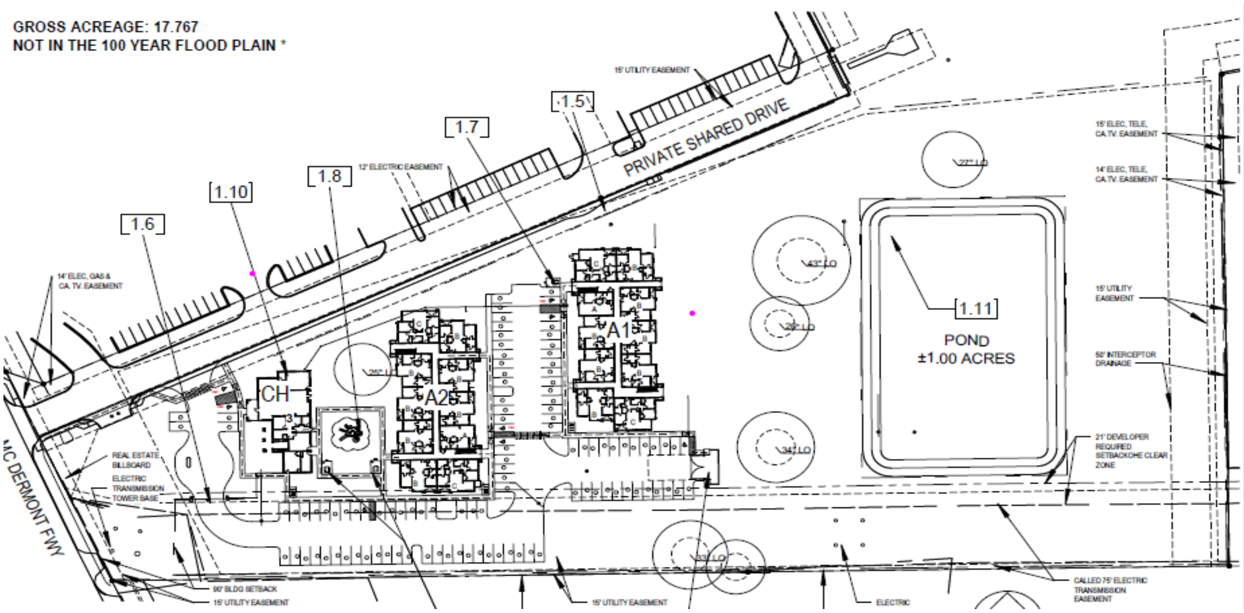
OWNERSHIP STRUCTURE



- NRP has developed over 922 multifamily projects in 15 states with 98 projects located in Texas. NRP is partnering with San Antonio Housing Facility Corporation (SAHFC), a non-profit organization. SAHFC is an affiliate of the San Antonio Housing Authority (SAHA) created for the purpose of developing affordable housing. Founded in 1937, SAHA is an experienced developer, owner and operator of affordable housing. SAHA has more than 6,000 units in more than 50 affordable housing developments across San Antonio. Partnering with SAHFC provides the housing authority to own the land and lease-back the land to NRP, which in turn provides a property tax exemption.

DEVELOPMENT SUMMARY

SITE PLAN

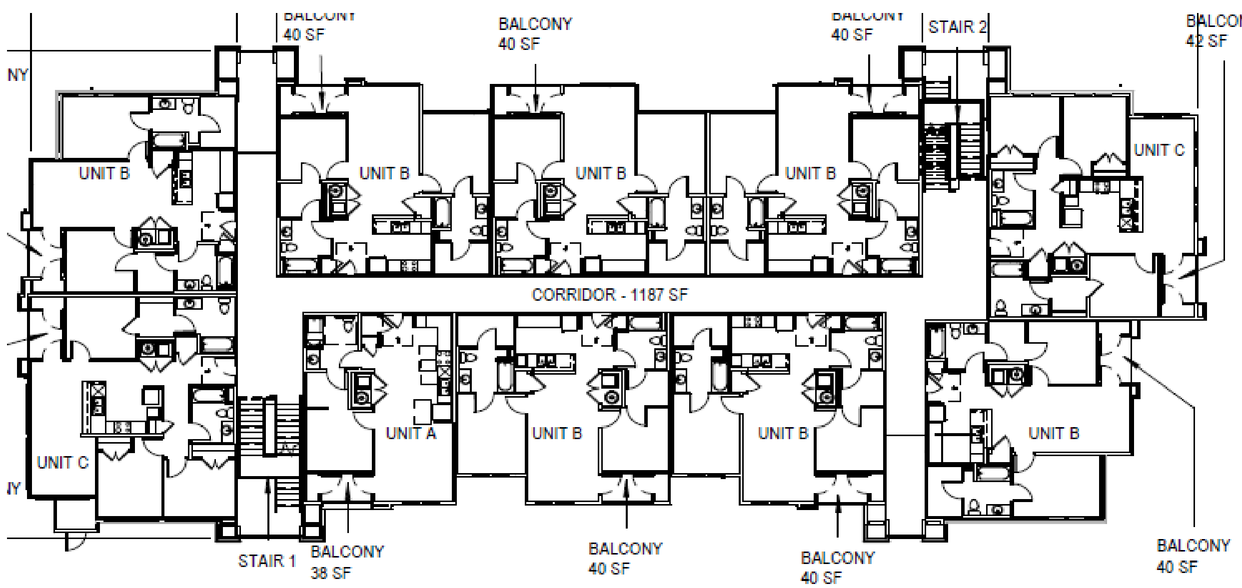


Comments:

The site is 17.8 acres. Approximately 6 acres +/- will be utilized for the development of the apartments units and associated parking. Approximately 1 acres +/- will be utilized for the on-site detention pond. The balance of the property will be used for extension of utilities and preservation area. 17.8 acres will be restricted by the LURA.
The topography along the northern boundary is steep and does not lend itself to development or outdoor amenities. There is a 75-foot electrical transmission easement along the southern boundary. CPS Energy will need to determine if there would be any "blow-out' of the lines in windy conditions. The current site plan provides sufficient room if the current easement needs to be expanded.

City of San Antonio parking requirement is 1.5 spaces per unit or 90 spaces. The site plan has an additional 18 spaces equating to 1.8 spaces/unit.

BUILDING PLAN (Typical)



Comments:

Building shape provides for unit and plumbing efficiencies. Each floor has the same layout which creates additional efficiencies.

BUILDING ELEVATION

1 BUILDING A - FRONT ELEVATION

Comments:
Two typical 3-story walk-up garden style buildings with 4/12 roof pitch and standard articulation.

BUILDING CONFIGURATION

Building Type	A												**Total Buildings**
Floors/Stories	3												
Number of Bldgs	2												**2**
Units per Bldg	30												
Total Units	60												**60**

Avg. Unit Size (SF)	**923 sf**	**Total NRA (SF)**	**55,362**	**Common Area (SF)***	**3,620**

*Common Area Square Footage as specified on Architect Certification

SITE CONTROL INFO

Site Acreage: Development Site: 17.77 acres | Density: 3.4 units/acre

Site Control: .767 acı **Site Plan:** 17.77 **Appraisal:** na **ESA:** 17.77

Feasibility Report Survey: .767 acı **Feasibility Report Engineer's Plan:** .767 acı

Control Type: Contract for Sale

Development Site: 17.77 acres Cost: $4,000,000 $66,667 per unit

Seller: Fiesta Trails Hilltop Limited Partnership

Buyer: NRP Properties LLC

Assignee: Fiesta Trails, Ltd

Related-Party Seller/Identity of Interest: No

Comments:

San Antonio Housing Finance Corporation (SAHFC) will take title and ground lease the property to Fiesta Trails, Ltd. Terms of the lease are anticipated to be 75 years with one upfront capitalized payment equal to the purchase price.

SITE INFORMATION

Flood Zone:	Zone X	Scattered Site?	No
Zoning:	C-3	Within 100-yr floodplain?	No
Re-Zoning Required?	yes	Utilities at Site?	Yes
Year Constructed:	N/A	Title Issues?	No

Current Uses of Subject Site:

Undeveloped land

Surrounding Uses:

North: Retail / HEB
South: Northside ISD Transportation Facility / Irene L. Chavez Excel Academy
East: Single family residential
West: Retail

Other Observations:

The site is currently zoned C-3, C-3R and is within Urban Corridor District 1. Rezoning to MF-25 will allow the desired number of units.

The site is currently unplatted. An additional fire access easement will be required. Therefore, an irrevocable ingress/egress easement will need to be platted along the private drive,

The site has several utility easements including a 75-foot electric transmission easement, containing transmission lines, and a 15-foot utility easement along the majority of the perimeter The existing electric transmission line will need to be analyzed by CPS Energy to determine the "blow-out" of the lines in windy conditions. The design of the site has taken into account to ensure that vertical improvements are outside of the easement which will access by allow CPS Energy and compliance with safety requirements.

The City of San Antonio has a Rough Proportionality Ordinance (RPO). The RPO requires a development to construct roadway improvements based on their impact to the system. In the case for the Subject, the fee is estimated to be $127,866.

The site appears to have many protected trees (diameters greater than 6" measured at breast height) and heritage trees (diameters greater than or equal to 24"). A tree survey will be required to identify the trees that need preservation. It is recommended to work closely with a landscape architect to ensure preservation and mitigation.

On-site detention is not required, but may be the more cost effective solution compared to an extensive hydrology study and payment of a Fee-In-Lieu to participate in the City's Regional Stormwater Management Program. Site plan shows on-site detention.

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Phase Engineering, Inc. Date: 2/5/2021

Recognized Environmental Conditions (RECs) and Other Concerns:

- None

Comments:

The property adjoining to the south, Northside Maintenance Facility, previously known as Northside ISD Transportation Facility, is a fleet maintenance and refueling facility. Older Underground Storage Tanks (USTs) have been removed from the site and new USTs installed. A petroleum product release occurred, but the appropriate actions have been taken to remedy the impact. A "No Further Action" letter was issued. Compliance investigations done in 2005, 2011, 2014, 2017 and 2020 have had no violations issued as a result at any inspections. The use is not considered a REC.

The Subject is located within 1,000 ft. of three major roads, IH-10 and two frontage roads; and two airports are located within 15 miles. Therefore, a noise study is recommended.

MARKET ANALYSIS

Provider: Apartment MarketData, LLC Date: 3/11/2021
Contact: Darrell G. Jack Phone: 210-530-0040

Primary Market Area (PMA): 27 sq. miles 3 mile equivalent radius

ELIGIBLE HOUSEHOLDS BY INCOME								
Bexar County Income Limits								
30% AMGI	Min	$12,150	$12,150	$14,580	$14,580	$16,830	$16,830	---
	Max	$15,120	$17,280	$19,440	$21,600	$23,340	$25,080	---
50% AMGI	Min	$20,250	$20,250	$24,300	$24,300	$28,080	$28,080	---
	Max	$25,200	$28,800	$32,400	$36,000	$38,900	$41,800	---
60% AMGI	Min	$24,300	$24,300	$29,160	$29,160	$33,690	$33,690	---
	Max	$30,240	$34,560	$38,880	$43,200	$46,680	$50,160	---

AFFORDABLE HOUSING INVENTORY						
Competitive Supply (Proposed, Under Construction, and Unstabilized)						
File #	Development	In PMA?	Type	Target Population	Comp Units	Total Units
N/A	None	N/A			N/A	
Other Affordable Developments in PMA since 2016						
N/A	None					
Stabilized Affordable Developments in PMA					Total Units	822
					Total Developments	5
					Average Occupancy	94%

OVERALL DEMAND ANALYSIS				
	Market Analyst			
	HTC	Assisted		
Total Households in the Primary Market Area	42,985			
Potential Demand from the Primary Market Area	8,536			
10% External Demand	854			
Potential Demand from Other Sources	0			
GROSS DEMAND	9,390			
Subject Affordable Units	60		60	
Unstabilized Competitive Units	0		0	
RELEVANT SUPPLY	60			
Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE	**0.6%**			

Population:	**General**	**Market Area:**	**Urban**	**Maximum Gross Capture Rate:**	**10%**

UNDERWRITING ANALYSIS of PMA DEMAND by AMGI BAND											
	Market Analyst										
AMGI Band	Demand	10% Ext	Subject Units	Comp Units	AMGI Band Capture Rate						
30% AMGI	1,981	198	7	0	0%						
50% AMGI	2,116	212	24	0	1%						
60% AMGI	4,439	444	29	0	1%						

Demand Analysis:

The Market Analyst did not include Park at 38Thirty (20418) or Hamilton Wolfe Lofts (20089) located south of the PMA because the PMA's did not overlap the Subject PMA.

The capture rate calculation determines the percentage of the qualified demand that is needed to absorb the proposed units. All capture rates reported are below the maximum thresholds.

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE											
	Market Analyst										
Unit Type	Demand	10% Ext	Subject Units	Comp Units	Unit Capture Rate						
1 BR/30%	434	43	1	0	0.2%						
1 BR/50%	564	56	2	0	0.3%						
1 BR/60%	899	90	2	0	0.2%						
2 BR/30%	430	43	4	0	0.8%						
2 BR/50%	410	41	17	0	3.8%						
2 BR/60%	869	87	18	0	1.9%						
3 BR/30%	210	21	2	0	0.9%						
3 BR/50%	173	17	5	0	2.6%						
3 BR/60%	328	33	9	0	2.5%						

Market Analyst Comments:

At the same time, the PMA was limited to a population of 98,876 and may not be inclusive of the entire area that the analyst expects the subject to draw the majority of its residents. (p. 36)

From the preceding comparison of rents by individual unit types, one can see that the subject's affordable tax credit rents on a Total Rent Basis are between 18% and 65% below market rents currently offered in the marketplace. (p. 119)

OPERATING PRO FORMA

SUMMARY- AS UNDERWRITTEN (Applicant's Pro Forma)					
NOI:	$238,129	Avg. Rent:	$776	Expense Ratio:	55.1%
Debt Service:	$206,052	B/E Rent:	$728	Controllable Expenses:	$3,300
Net Cash Flow:	$32,077	UW Occupancy:	92.5%	Property Taxes/Unit:	$0
Aggregate DCR:	1.16	B/E Occupancy:	86.9%	Program Rent Year:	2020

All units underwritten at maximum HTC Program Rents

The Applicant's proposed management fee is unusually high at 7.9%. The Underwriter used a more typical 6.0%. Underwriter's estimates for other operating expenses are mainly based on the Developer's comparable properties. Overall Total Operating Expenses and Net Operatiing Income are within 2%.

100% property tax exemption anticipated due to ownership of the land by San Antonio Housing Public Facility Corp, the sole member of the General Partner.

Applicant has a history of providing supportive services in their developments and understands that at Cost Certification supportive services of $15K will be included in the DCR calculation regardless if actual incurred. Supportive services will be provided through the San Antonio Housing Authority (SAHA).

Deferred Developer Fee pays off in year 10; 15-year residual cash flow is $101K.

Project is underwritten with 5 units vacant; breakeven vacancy is 8 units. Average rent is $48 above break-even.

DEVELOPMENT COST EVALUATION

SUMMARY- AS UNDERWRITTEN (Applicant's Costs)					
Acquisition	$225,136/ac	$66,667/unit	**$4,000,000**	Contractor Fee	**$959,301**
Off-site + Site Work		$32,765/unit	**$1,965,900**	Soft Cost + Financing	**$3,848,924**
Building Cost	$91.92/sf	$84,818/unit	**$5,089,106**	Developer Fee	**$1,716,000**
Contingency	5.71%	$6,713/unit	**$402,750**	Reserves	**$316,596**
Total Development Cost	$304,976/unit	**$18,298,577**		**Rehabilitation Cost**	**N/A**

Qualified for 30% Basis Boost?	High Opportunity Index [9% only]

Off-site:

None

Site Work:

Total Site Work Cost certified by the Engineer equaled $1,473,800 ($24,563/unit). CPA certified all costs to be included in eligible basis. Costs include grading, detention pond, on-site utilities and paving.

Building Cost:

Three-story, typical walk-up garden development is comprised of 2 buildings with standard articulation. Floor plans have walk-in closets. All residential buildings have 14% masonry, 66% siding, 19% shakes, 1% panel and 4/12 roof pitches. The community center is one-story, 3,505 square foot with 23% brick, 52% siding, 16% panel, and 9% shake and 4/12 roof pitches.

Applicant's buildings cost is estimated at $91.92/square foot. Underwriter estimated building costs to be $97.17/square foot based on Marshall & Swift's ("M&S") 'Average" Quality costing model adjusted for the small number of units.

Applicant limited eligible building cost by $419K to $84.35/sf for scoring purposes.

Contingency:

Underwriter re-classified $50K soft cost contingency and combined with total contingency, which remains understated at less than 7%.

Reserves:

Reserves of $316K include 6 months of operating expenses and debt service and rent-up funds.

Comments:

Applicant's total development costs are 1.6% less than the Underwriter's estimate. The recommended capital structure is being determined by Applicant's cost schedule.

Credit Allocation Supported by Costs:

Total Development Cost	Adjusted Eligible Cost	Credit Allocation Supported by Eligible Basis
$18,298,577	**$13,169,986**	**$1,540,888**

UNDERWRITTEN CAPITALIZATION

INTERIM SOURCES				
Funding Source	**Description**	**Amount**	**Rate**	**LTC**
Community Bank of Texas	Conventional Loan	$14,825,000	4.00%	88%
Hudson Housing	HTC	$2,092,291	$0.93	12%
City of San Antonio	§11.9(d)(2)LPS Contribution	$500	0.00%	0%
		$16,917,791	**Total Sources**	

PERMANENT SOURCES

Debt Source	PROPOSED Amount	Interest Rate	Amort	Term	UNDERWRITTEN Amount	Interest Rate	Amort	Term	LTC
Community Bank of Texas	$3,750,000	4.25%	35	15	$3,750,000	4.25%	35	15	20%
City of San Antonio	$500	0.00%	0	0	$500	0.00%	0	0	0%
Total	**$3,750,500**				**$3,750,500**				

Equity & Deferred Fees	PROPOSED Amount	Rate	% Def	UNDERWRITTEN Amount	Rate	% TC	% Def
Hudson Housing	$13,948,605	$0.93		$13,948,605	$0.93	76%	
Deferred Developer Fee	$599,472		35%	$599,472		3%	35%
Total	**$14,548,077**			**$14,548,077**			
				$18,298,577	**Total Sources**		

Credit Price Sensitivity based on current capital structure	
$0.970	Maximum Credit Price before the Development is oversourced and allocation is limited
$0.923	Minimum Credit Price below which the Development would be characterized as infeasible

CONCLUSIONS

Recommended Financing Structure:

Gap Analysis:	
Total Development Cost	$18,298,577
Permanent Sources (debt + non-HTC equity)	$3,750,500
Gap in Permanent Financing	$14,548,077

Possible Tax Credit Allocations:	**Equity Proceeds**	**Annual Credits**
Determined by Eligible Basis	$14,328,828	$1,540,888
Needed to Balance Sources & Uses	$14,548,077	$1,564,466
Requested by Applicant	$13,948,605	$1,500,000

	RECOMMENDATION	
	Equity Proceeds	**Annual Credits**
Tax Credit Allocation	**$13,948,605**	**$1,500,000**

Deferred Developer Fee	**$599,472**	**(35% deferred)**
Repayable in	**14 years**	

Comments:

Underwriter recommends $1,500,000 in annual tax credits as requested by Applicant.

Underwriter: *Laura Rogers*

Manager of Real Estate Analysis: *Jeanna Adams*

Director of Real Estate Analysis: *Thomas Cavanagh*

UNIT MIX/RENT SCHEDULE

Fiesta Trails, San Antonio, 9% HTC #21064

LOCATION DATA	
CITY:	San Antonio
COUNTY:	Bexar
Area Median Income	$72,000
PROGRAM REGION:	9
PROGRAM RENT YEAR:	2020

UNIT DISTRIBUTION				
# Beds	# Units	% Total	Assisted	MDL
Eff	-	0.0%	0	0
1	6	10.0%	0	0
2	42	70.0%	0	0
3	12	20.0%	0	0
4	-	0.0%	0	0
5	-	0.0%	0	0
TOTAL	60	100.0%	-	-

Pro Forma ASSUMPTIONS	
Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	130%
Applicable Fraction	100.00%
APP % Acquisition	4.00%
APP % Construction	9.00%
Average Unit Size	923 sf

53% Average Income	Income	20%	30%	40%	50%	60%	70%	80%	MR	TOTAL
	# Units	-	6	-	24	30	-	-	-	60
	% Total	0.0%	10.0%	0.0%	40.0%	50.0%	0.0%	0.0%	0.0%	100.0%

UNIT MIX / MONTHLY RENT SCHEDULE

HTC		UNIT MIX				APPLICABLE PROGRAM RENT			APPLICANT'S PRO FORMA RENTS				TDHCA PRO FORMA RENTS				MARKET RENTS		
Type	Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Utility Allow	Max Net Program Rent	Delta to Max	Rent psf	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent psf	Delta to Max	Underwritten		Mrkt Analyst
TC 30%	$405	1	1	1	656	$405	$81	$324	$0	$0.49	$324	**$324**	**$324**	$324	**$0**	**$0**	$892	$1.36	$892
TC 50%	$675	2	1	1	656	$675	$81	$594	$0	$0.91	$594	**$1,188**	**$1,188**	$594	**$1**	**$0**	$892	$1.36	$892
TC 60%	$810	3	1	1	656	$810	$81	$729	$0	$1.11	$729	**$2,187**	**$2,187**	$729	**$1**	**$0**	$892	$1.36	$892
TC 30%	$486	4	2	2	923	$486	$94	$392	$0	$0.42	$392	**$1,568**	**$1,568**	$392	**$0**	**$0**	$1,133	$1.23	$1,133
TC 50%	$810	17	2	2	923	$810	$94	$716	$0	$0.78	$716	**$12,172**	**$12,172**	$716	**$1**	**$0**	$1,133	$1.23	$1,133
TC 60%	$972	21	2	2	923	$972	$94	$878	$0	$0.95	$878	**$18,438**	**$18,438**	$878	**$1**	**$0**	$1,133	$1.23	$1,133
TC 30%	$561	1	3	2	1,055	$561	$107	$454	$0	$0.43	$454	**$454**	**$454**	$454	**$0**	**$0**	$1,235	$1.17	$1,235
TC 50%	$936	5	3	2	1,055	$936	$107	$829	$0	$0.79	$829	**$4,145**	**$4,145**	$829	**$1**	**$0**	$1,235	$1.17	$1,235
TC 60%	$1,123	6	3	2	1,055	$1,123	$107	$1,016	$0	$0.96	$1,016	**$6,096**	**$6,096**	$1,016	**$1**	**$0**	$1,235	$1.17	$1,235
TOTALS/AVERAGES:		**60**			**55,362**				**$0**	**$0.84**	**$776**	**$46,572**	**$46,572**	**$776**	**$0.84**	**$0**	**$1,129**	**$1.22**	**$1,129**

ANNUAL POTENTIAL GROSS RENT:	$558,864	$558,864	

STABILIZED PRO FORMA

Fiesta Trails, San Antonio, 9% HTC #21064

	STABILIZED FIRST YEAR PRO FORMA													
	COMPARABLES				APPLICANT				TDHCA				VARIANCE	
	Database		NRP Comps		% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	$
POTENTIAL GROSS RENT						$0.84	$776	$558,864	$558,864	$776	$0.84		0.0%	$0
late fees, laundry rooms							$20.00	$14,400						
Total Secondary Income							$20.00		$14,400	$20.00			0.0%	$0
POTENTIAL GROSS INCOME								$573,264	$573,264				0.0%	$0
Vacancy & Collection Loss							7.5% PGI	(42,995)	(42,995)	7.5% PGI			0.0%	-
Rental Concessions								-	-				0.0%	-
EFFECTIVE GROSS INCOME								$530,269	$530,269				0.0%	$0
General & Administrative	$34,359	$573/Unit	$33,708	$562	4.81%	$0.46	$425	$25,500	$33,708	$562	$0.61	6.36%	-24.3%	(8,208)
Management	$36,411	5.7% EGI	$23,935	$399	7.91%	$0.76	$699	$41,940	$31,816	$530	$0.57	6.00%	31.8%	10,124
Payroll & Payroll Tax	$67,674	$1,128/Unit	$86,927	$1,449	19.24%	$1.84	$1,700	$102,000	$102,000	$1,700	$1.84	19.24%	0.0%	-
Repairs & Maintenance	$49,428	$824/Unit	$60,205	$1,003	8.49%	$0.81	$750	$45,000	$39,000	$650	$0.70	7.35%	15.4%	6,000
Electric/Gas	$15,619	$260/Unit	$10,957	$183	1.77%	$0.17	$156	$9,360	$10,957	$183	$0.20	2.07%	-14.6%	(1,597)
Water, Sewer, & Trash **Tenant Pays: WS**	$32,287	$538/Unit	$18,642	$311	3.04%	$0.29	$269	$16,140	$18,642	$311	$0.34	3.52%	-13.4%	(2,502)
Property Insurance	$23,548	$0.43 /sf	$19,520	$325	3.73%	$0.36	$330	$19,800	$19,520	$325	$0.35	3.68%	1.4%	280
Property Tax (@ 100%)	$48,441	$807/Unit	$31,566	$526	0.00%	$0.00	$0	$0	$0	$0	$0.00	0.00%	0.0%	-
Reserve for Replacements					2.83%	$0.27	$250	$15,000	$15,000	$250	$0.27	2.83%	0.0%	-
Supportive Services					2.83%	$0.27	$250	$15,000	$15,000	$250	$0.27	2.83%	0.0%	-
TDHCA Compliance fees ($40/HTC unit)					0.45%	$0.04	$40	$2,400	$2,400	$40	$0.04	0.45%	0.0%	-
TOTAL EXPENSES					**55.09%**	**$5.28**	**$4,869**	**$292,140**	**$288,042**	**$4,801**	**$5.20**	**54.32%**	**1.4%**	**$ 4,098**
NET OPERATING INCOME ("NOI")					**44.91%**	**$4.30**	**$3,969**	**$238,129**	**$242,227**	**$4,037**	**$4.38**	**45.68%**	**-1.7%**	**$ (4,098)**
CONTROLLABLE EXPENSES							$3,300/Unit			$3,405/Unit				

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Fiesta Trails, San Antonio, 9% HTC #21064

DEBT / GRANT SOURCES

		APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE							AS UNDERWRITTEN DEBT/GRANT STRUCTURE						
		Cumulative DCR												Cumulative	
DEBT (Must Pay)	**Fee**	UW	App	Pmt	Rate	Amort	Term	Principal	Principal	Term	Amort	Rate	Pmt	DCR	LTC
Community Bank of Texas		1.18	1.16	206,052	4.25%	35	15	$3,750,000	$3,750,000	15	35	4.25%	$206,052	1.16	20.5%
CASH FLOW DEBT / GRANTS															
City of San Antonio		1.18	1.16		0.00%	0	0	$500	$500	0	0	0.00%		1.16	0.0%
				$206,052	**TOTAL DEBT / GRANT SOURCES**			**$3,750,500**	**$3,750,500**			**TOTAL DEBT SERVICE**	**$206,052**	**1.16**	20.5%
NET CASH FLOW		$36,175	$32,077						**APPLICANT**	**NET OPERATING INCOME**		**$238,129**	**$32,077**	**NET CASH FLOW**	

EQUITY SOURCES

	APPLICANT'S PROPOSED EQUITY STRUCTURE					AS UNDERWRITTEN EQUITY STRUCTURE					
EQUITY / DEFERRED FEES	DESCRIPTION	% Cost	Annual Credit	Credit Price	Amount	Amount	Credit Price	Annual Credit	% Cost	Annual Credits per Unit	Allocation Method
Hudson Housing	LIHTC Equity	76.2%	$1,500,000	0.93	$13,948,605	$13,948,605	$0.93	$1,500,000	76.2%	$25,000	Applicant Request
Deferred Developer Fee	Deferred Developer Fees	3.3%	(35% Deferred)		$599,472	$599,472	(35% Deferred)		3.3%	**Total Developer Fee:**	**$1,716,000**
Additional (Excess) Funds Req'd		0.0%				$0			0.0%		
TOTAL EQUITY SOURCES		79.5%			$14,548,077	$14,548,077			79.5%		
TOTAL CAPITALIZATION					**$18,298,577**	**$18,298,577**			**15-Yr Cash Flow after Deferred Fee:**		**$101,176**

DEVELOPMENT COST / ITEMIZED BASIS

	APPLICANT COST / BASIS ITEMS					TDHCA COST / BASIS ITEMS					COST VARIANCE	
	Eligible Basis								Eligible Basis			
	Acquisition	New Const. Rehab			Total Costs	Total Costs			New Const. Rehab	Acquisition	%	$
Land Acquisition				$66,667 / Unit	$4,000,000	$4,000,000	$66,667 / Unit				0.0%	$0
Off-Sites				$ / Unit	$0	$0	$ / Unit				0.0%	$0
Site Work		$1,473,800		$24,563 / Unit	$1,473,800	$1,473,800	$24,563 / Unit		$1,473,800		0.0%	$0
Site Amenities		$492,100		$8,202 / Unit	$492,100	$492,100	$8,202 / Unit		$492,100		0.0%	$0
Building Cost		$4,669,785	$91.92 /sf	$84,818/Unit	$5,089,106	$5,379,776	$89,663/Unit	$97.17 /sf	$4,669,785		-5.4%	($290,670)
Contingency		$402,750	6.07%	5.71%	$402,750	$402,750	5.48%	6.07%	$402,750		0.0%	$0
Contractor Fees		$959,301	13.63%	12.86%	$959,301	$959,301	12.38%	13.63%	$959,301		0.0%	$0
Soft Costs	$0	$2,525,000		$42,458 / Unit	$2,547,500	$2,547,500	$42,458 / Unit		$2,525,000	$0	0.0%	$0
Financing	$0	$931,250		$21,690 / Unit	$1,301,424	$1,301,424	$21,690 / Unit		$931,250	$0	0.0%	$0
Developer Fee	$0	$1,716,000	14.98%	14.45%	$1,716,000	$1,716,000	14.11%	14.98%	$1,716,000	$0	0.0%	$0
Reserves				8 Months	$316,596	$316,596	8 Months				0.0%	$0
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)	**$0**	**$13,169,986**		$304,976 / Unit	**$18,298,577**	**$18,589,247**	$309,821 / Unit		**$13,169,986**	**$0**	**-1.6%**	**($290,670)**
Acquisition Cost	$0				$0							
Contingency		$0			$0							
Contractor's Fee		$0			$0							
Financing Cost		$0										
Developer Fee	$0	$0			$0							
Reserves					$0							
ADJUSTED BASIS / COST	**$0**	**$13,169,986**		$304,976/unit	**$18,298,577**	**$18,589,247**	$309,821/unit		**$13,169,986**	**$0**	**-1.6%**	**($290,670)**
TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):					**$18,298,577**							

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Fiesta Trails, San Antonio, 9% HTC #21064

CREDIT CALCULATION ON QUALIFIED BASIS

	Applicant		TDHCA	
	Acquisition	**Construction Rehabilitation**	**Acquisition**	**Construction**
ADJUSTED BASIS	$0	$13,169,986	$0	$13,169,986
Deduction of Federal Grants	$0	$0	$0	$0
TOTAL ELIGIBLE BASIS	$0	$13,169,986	$0	$13,169,986
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	$0	$17,120,981	$0	$17,120,981
Applicable Fraction	100.00%	100.00%	100%	100%
TOTAL QUALIFIED BASIS	$0	$17,120,981	$0	$17,120,981
Applicable Percentage	4.00%	9.00%	4.00%	9.00%
ANNUAL CREDIT ON BASIS	0	$1,540,888	$0	$1,540,888
CREDITS ON QUALIFIED BASIS	$1,540,888		$1,540,888	

	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		FINAL ANNUAL LIHTC ALLOCATION		
			Credit Price $0.9299	**Variance to Request**	
Method	Annual Credits	Proceeds	**Credit Allocation**	**Credits**	**Proceeds**
Eligible Basis	$1,540,888	$14,328,828	----	----	----
Needed to Fill Gap	$1,564,466	$14,548,077	----	----	----
Applicant Request	$1,500,000	$13,948,605	**$1,500,000**	**$0**	**$0**

BUILDING COST ESTIMATE

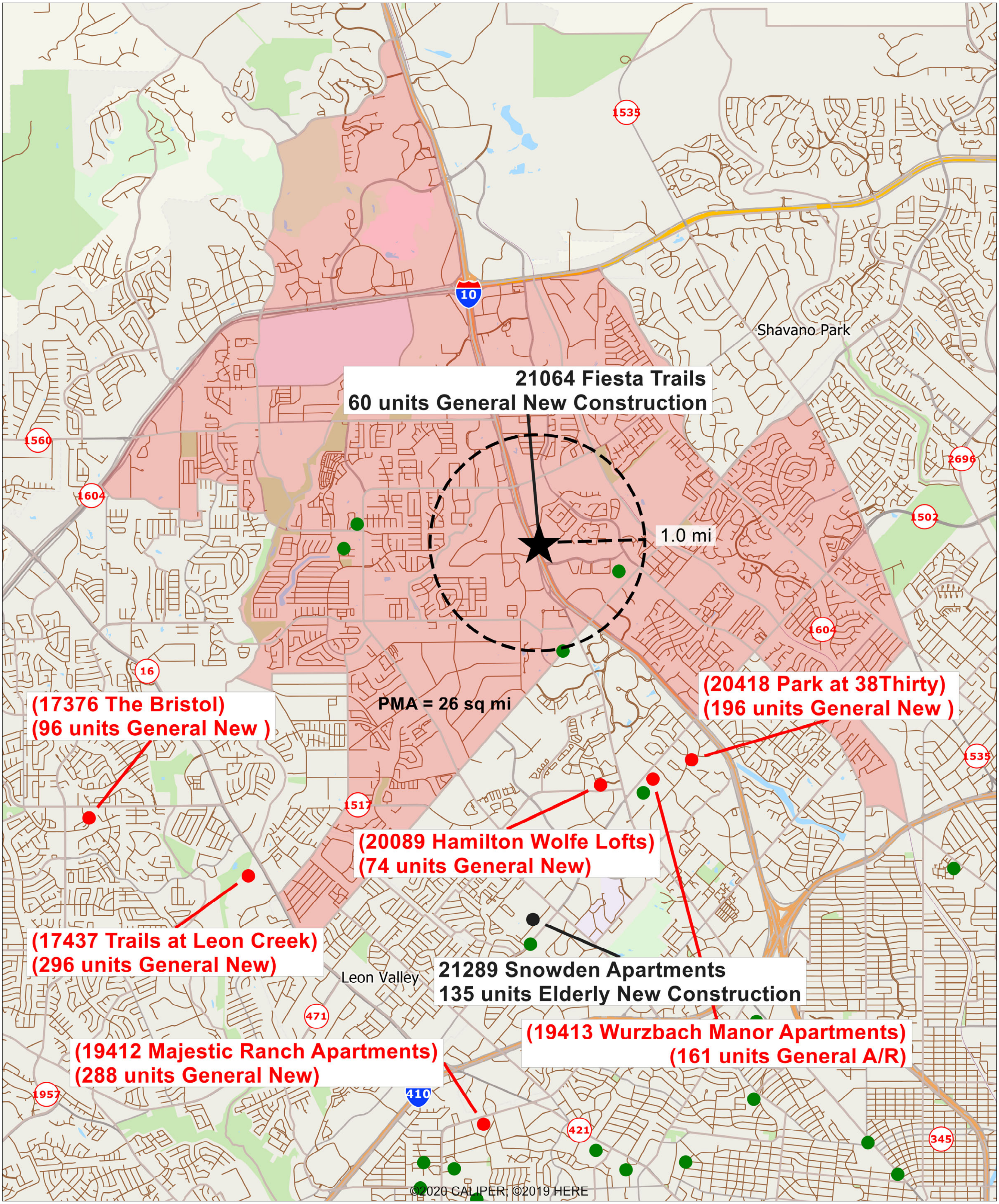
CATEGORY	FACTOR	UNITS/SF	PER SF	
Base Cost: Garden (Up to 4-story)		55,362 SF	$84.39	4,672,077
Adjustments				
Exterior Wall Finish	1.12%		0.95	$52,327
Elderly	0.00%		0.00	0
9-Ft. Ceilings	0.00%		0.00	0
Roof Adjustment(s)			(0.25)	(13,841)
Subfloor			(0.16)	(8,858)
Floor Cover			2.56	141,727
Enclosed Corridors	$75.94	12,188	16.72	925,574
Balconies	$29.86	2,774	1.50	82,843
Plumbing Fixtures	$1,080	-300	-5.85	(324,000)
Rough-ins	$530	60	0.57	31,800
Built-In Appliances	$1,830	60	1.98	109,800
Exterior Stairs	$2,460	8	0.36	19,680
Heating/Cooling			2.34	129,547
Storage Space	$75.94	0	0.00	0
Carports	$12.25	0	0.00	0
Garages		0	0.00	0
Common/Support Area	$101.01	2,898	5.29	292,725
Elevators		0	0.00	0
Other:			0.00	0
Fire Sprinklers	$2.88	70,448	3.66	202,890
SUBTOTAL			**114.05**	**6,314,291**
Current Cost Multiplier	1.00		0.00	0
Local Multiplier	1.00		0.00	0
Reserved				0
TOTAL BUILDING COSTS			**114.05**	**$6,314,291**
Plans, specs, survey, bldg permits	3.30%		(3.76)	($208,372)
Contractor's OH & Profit	11.50%		(13.12)	(726,143)
NET BUILDING COSTS		$89,663/unit	$97.17/sf	$5,379,776

Long-Term Pro Forma

Fiesta Trails, San Antonio, 9% HTC #21064

	Growth Rate	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30	Year 35
EFFECTIVE GROSS INCOME	2.00%	$530,269	$540,875	$551,692	$562,726	$573,980	$633,721	$699,679	$772,502	$852,905	$941,676	$1,039,686
TOTAL EXPENSES	3.00%	$292,140	$300,485	$309,072	$317,907	$327,000	$376,576	$433,789	$499,826	$576,063	$664,092	$765,753
NET OPERATING INCOME ("NOI")		**$238,129**	**$240,390**	**$242,621**	**$244,819**	**$246,981**	**$257,144**	**$265,890**	**$272,676**	**$276,842**	**$277,584**	**$273,933**
EXPENSE/INCOME RATIO		55.1%	55.6%	56.0%	56.5%	57.0%	59.4%	62.0%	64.7%	67.5%	70.5%	73.7%
MUST -PAY DEBT SERVICE												
TOTAL DEBT SERVICE		$206,052	$206,052	$206,052	$206,052	$206,052	$206,052	$206,052	$206,052	$206,052	$206,052	$206,052
DEBT COVERAGE RATIO		1.16	1.17	1.18	1.19	1.20	1.25	1.29	1.32	1.34	1.35	1.33
ANNUAL CASH FLOW		**$32,077**	**$34,337**	**$36,568**	**$38,766**	**$40,929**	**$51,092**	**$59,838**	**$66,624**	**$70,789**	**$71,532**	**$67,880**
Deferred Developer Fee Balance		$567,395	$533,058	$496,489	$457,723	$416,795	$181,189	$0	$0	$0	$0	$0
CUMULATIVE NET CASH FLOW		$0	$0	$0	$0	$0	$0	$101,176	$421,629	$768,443	$1,126,168	$1,474,848

21064 Fiesta Gardens PMA Map



Disclaimer: This map is not a survey. Boundaries, distance and scale are approximate only.