BOARD MEETING OF JULY 12, 2006

Beth Anderson, Chair
C. Kent Conine, Vice-Chair

TEXAS
DEPARTMENT OF HOUSING
AND COMMUNITY AFFAIRS

Shadrick Bogany, Member
Sonny Flores, Member
Norberto Salinas, Member
Vidal Gonzalez, Member

MISSION

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

TO HELP TEXANS ACHIEVE AN IMPROVED QUALITY OF LIFE THROUGH THE DEVELOPMENT OF BETTER COMMUNITIES

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

BOARD MEETING
July 12th, 2006

ROLL CALL

	Present	Absent
Anderson, Beth, Chair	___________	___________
Conine, C. Kent, Vice-Chair	___________	___________
Bogany, Shadrick, Member	___________	___________
Gonzalez, Vidal, Member	___________	___________
Flores, Sonny, Member	___________	___________
Salinas, Norberto, Member	___________	___________
Number Present	___________	
Number Absent		___________

_______________________, Presiding Officer

BOARD MEETING

Wednesday, July 12, 2006
9:30 AM

A G E N D A
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
Capitol Extension, E2.036
Austin, Texas 78701

A G E N D A

CALL TO ORDER, ROLL CALL — **Elizabeth Anderson**
CERTIFICATION OF QUORUM — Chair of Board

PUBLIC COMMENT
The Board will solicit Public Comment at the beginning of the meeting and will also provide for Public Comment on each agenda item after the presentation made by the department staff and motions made by the Board.

The Board of the Texas Department of Housing and Community Affairs will meet to consider and possibly act on the following:

CONSENT AGENDA
Items on the Consent Agenda may be removed at the request of any Board member and considered at another appropriate time on this agenda. Placement on the Consent Agenda does not limit the possibility of any presentation, discussion or approval at this meeting. Under no circumstances does the consent agenda alter any requirements provided under Texas Government Code Chapter 551, the Texas Open Meetings Act.

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

General Administration Items:
a) Minutes of the Audit Committee Minutes of January 18, 2006
b) Minutes of the Finance Committee of March 20, 2006
c) Minutes of the Board Meeting of June 9, 2006

Housing Program Items:
d) Presentation, Discussion and Possible Approval of a Rate Reduction for the Lancaster Ash Creek (formerly known as Primrose Houston School) a 2003 Mortgage Revenue Bond transaction. Resolution No. 06-025.

e) Inducement Resolution No.06-022 Declaring Intent to Issue Multifamily Housing Mortgage Revenue Bonds for Developments Throughout the State of Texas and Authorizing the Filing of Related Applications for the Allocation of Private Activity Bonds with the Texas Bond Review Board for Program Year 2006:

060626	Phoenix Place Apartments, Dallas
060627	Family Tree Apartments, Houston

Legal Services:
f) Presentation, Discussion and Possible Approval of RFP for Tax Credit Counsel

Financial Administration:
g) 3RD Quarter Investment Report

ACTION ITEMS

Item 2: Presentation, Discussion and Possible Approval of Community Development Block Grant (CDBG) Disaster Recovery Related Items:

a) Presentation, Discussion and Approval of Disaster Relief Conditional Awards in the Amount of $74,523,000 in Accordance with the State of Texas Action Plan for CDBG Disaster Recovery Grantees

b) Memorandum of Understanding between TDHCA and the Office of Rural Community Affairs (ORCA) for the administration of the CDBG Disaster Recovery and Associated CDBG Administrative Operating Budgets for TDHCA and ORCA

Item 3: Presentation, Discussion and Possible Approval of Portfolio Management & Compliance Division Items:

a) HOME Amendments:
1000277 City of Jonestown
1000541 Midland Habitat for Humanity

b) HTF Single Family Rehabilitation Award
Deep East Texas Council of Governments

c) Discussion on the development of a compliance system for affiliated parties and vendors for potential debarment for non-performance

Item 4: Presentation, Discussion and Approval of Governmental Affairs Items:

a) Presentation, Discussion and Possible Approval of the Draft Agency Strategic Plan for the Fiscal Years 2007-2011

Item 5: Presentation, Discussion and Possible Approval of Housing Programmatic Items:

a) Presentation, Discussion and Possible Approval of a Notice of Funding Availability (NOFA) in the Amount of Approximately $1,000,000 for the Housing Trust Fund Multifamily Portfolio Uninsured Hurricane Damage Program

b) Presentation, Discussion and Possible Approval of an Extension of the Termination Date for the Hacienda Santa Barbara Apartments, LP. Commitment.

Item 6: Presentation, Discussion and Possible Approval of Multifamily Division Items – Specifically Housing Tax Credit Items:

a) Presentation, Discussion and Possible Action on 2006 Housing Tax Credit Appeals (timely filed)

060144	Centerpoint Home Ownership	Weslaco
060143	Sun Valley Homes	Mercedes
060147	Orchard Valley Homes	Mercedes

Any other Appeals Timely Filed

b) Presentation, Discussion and Possible Action Regarding Report of Housing Tax Credit Challenges Pursuant §50.17(c) of the 2006 QAP.

c) Presentation, Discussion and Possible Approval of a Commitment of 2007 Housing Tax Credit Ceiling to #060002, Fairway Crossing

d) Presentation, Discussion and Possible Issuance of Determination Notices for Housing Tax Credits Associated with Mortgage Revenue Bond Transactions with Other Issuers:

060412 Piedmont Apartments, Baytown, Texas
Southeast Texas HFC is the Issuer
Recommended Credit Amount of $1,069,209

Item 7: Presentation, Discussion and Possible Approval of Multifamily Division Items – Specifically Multifamily Private Activity Bond Program Items:

a) Presentation, Discussion and Possible Issuance of Multi-Family Mortgage Revenue Bonds and Housing Tax Credits with TDHCA as the issuer For:

060611 Parkwest Apartments, Houston, Texas for a Bond Amount Not to Exceed $15,000,000 and the Issuance of a Determination Notice Recommended Credit Amount of $875,000. Board Resolution No. 06-023.

060615 Hillcrest Apartments, Mesquite, Texas for a Bond Amount Not to Exceed $12,700,000 and the Issuance of a Determination Notice Requested Credit Amount of $417,987. Board Resolution No. 09-024.

EXECUTIVE SESSION **Elizabeth Anderson**

a) The Board may go into executive session (close its meeting to the public) on any agenda item if appropriate and authorized by the Open Meetings Act, Texas Government Code, Chapter 551.

b) The Board may go into executive session Pursuant to Texas Government Code §551.074 for the purposes of discussing personnel matters including to deliberate the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee.

c) Consultation with Attorney Pursuant to §551.071, Texas Government Code:

1. With Respect to pending litigation styled *TP SENIORS II, LTD. V. TDHCA* Filed in State Court

2. With Respect to pending litigation styled Gary Traylor, et al v. TDHCA, Filed in Travis County District Court

3. With Respect to pending litigation styled Dever v. TDHCA Filed in Federal Court

4. With Respect to pending litigation styled Ballard v. TDHCA and the State of Texas Filed in Federal Court

5. With Respect to a pending appeal regarding HYPERION, et al v. TDHCA, et al Filed in 3rd Court of Appeals

6. With Respect to Any Other Pending Litigation Filed Since the Last Board Meeting

OPEN SESSION **Elizabeth Anderson**

Action in Open Session on Items Discussed in Executive Session

REPORT ITEMS
Executive Director's Report

1. TDHCA Outreach Activities, June, 2006
2. Report on Status of previously approved HOME Program Amendments
3. Report on Quarterly Housing Tax Credit Ownership Transfers

ADJOURN **Elizabeth Anderson**

To access this agenda & details on each agenda item in the board book, please visit our website at www.tdhca.state.tx.us or contact Nidia Hiroms, TDHCA, 221 East 11th Street, Austin, Texas 78701, 512-475-3934 and request the information.
Individuals who require auxiliary aids, services or sign language interpreters for this meeting should contact Gina Esteves, ADA Responsible Employee, at 512-475-3943 or Relay Texas at 1-800-735-2989 at least two days before the meeting so that appropriate arrangements can be made.
Non-English speaking individuals who require interpreters for this meeting should contact Nidia Hiroms, 512-475-3934 at least three days before the meeting so that appropriate arrangements can be made.
Personas que hablan español y requieren un intérprete, favor de llamar a Jorge Reyes al siguiente número (512) 475-4577 por lo menos tres días antes de la junta para hacer los preparativos apropiados.

EXECUTIVE OFFICE – BOARD

BOARD ACTION REQUEST
July 12, 2006

Action Item

Summary of Audit Committee Minutes for January 18, 2006.

Required Action

Review minutes of the January 18, 2006 Audit Committee Meeting and make any necessary corrections.

Background

The Board is required to keep minutes of each of their meetings.

Recommendation

Staff recommends approval of minutes with any requested corrections.

AUDIT COMMITTEE MEETING
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
1100 Congress Avenue
Capitol Extension Room E1.012
Austin, Texas 78701

Wednesday, January 18, 2006; 8:30 AM

SUMMARY OF MINUTES

CALL TO ORDER, ROLL CALL CERTIFICATION OF QUORUM

CALL TO ORDER, ROLL CALL CERTIFICATION OF QUORUM

The Audit Committee Meeting of the Texas Department of Housing and Community Affairs of January 18, 2006 was called to order by the Chair, Mr. Shadrick Bogany at 8:35 a.m. It was held at 1100 Congress Avenue, Capitol Extension Room E1.012, Austin, Texas 78701. Roll call certified a quorum was present.

Members Present:
Shadrick Bogany, Chair
Patrick Gordon, Member
Member Absent:
The Honorable Norberto Salinas, Member

PUBLIC COMMENT

Mr. Bogany called for public comment and the following either gave comments at this time or preferred to wait until the agenda item was presented:

The Audit Committee of the Texas Department of Housing and Community Affairs will meet to consider and possibly act on the following:

Presentation, Discussion and Possible Approval of Minutes of the Board Meeting of October 13, 2005

Motion made by Mr. Gordon for approval of minutes as presented; Mr. Bogany seconded the motion. Motion passed unanimously.

REPORT ITEMS

AGENDA ITEM 1

Current Year's Goals and Prior Year's Acheivements for RP36 (TDHCA Risk Management Program)

David Gaines provided report to the board. No action taken.

Agenda Item 2

Presentation and Discussion of Audit Results from the Deloitte, CPAs, FYE 8/31/05 Reports:

- **Communications with Audit Committee Letter**
- **Opinion Audit on FY 2005 Basic Financial Statements**
- **Opinion Audit on FY 2005 Revenue Bond Program Financial Statements**
- **Opinion Audit on FY 2005 Computation of Unencumbered Fund Balances**
- **Report to Management (Management Letter)**

  George Scott, Manager and Partner, Deloitte & Touche, provided report. No action taken.

AGENDA ITEM 3

Status of Central Database

David Gaines provided report, with a suggestion that the make-up of the Steering Committee be revisited. Mr. Bogany requested a specific deadline be settled upon for multi-family, such as September 15th or 30th. No action taken.

AGENDA ITEM 4

Status of Prior Audit Issues

David Gaines provided a report on the 21 prior audit issues, reporting that 10 issues have been fully implemented, 10 in the process of being implemented, and 1 partially implemented. No action taken.

AGENDA ITEM 5

Status of Internal/External Audits

David Gaines provided report. No action taken.

EXECUTIVE SESSION

At 9:15 a.m. Mr. Bogany convened the Executive Session. The Executive Session concluded at 10:00 a.m.

a) **The Board may go into executive session (close its meeting to the public) on any agenda item if appropriate and authorized by the Open Meetings Act, Texas Government Code, Chapter 551.**
b) **The Board may go into executive session Pursuant to Texas Government Code §551.074 for the purposes of discussing personnel matters including to deliberate the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee.**
c) **Consultation with Attorney Pursuant to §551.071, Texas Government Code:** With respect to the evaluation of David Gaines, Internal Auditor.

OPEN SESSION

Action in Open Session on Items Discussed in Executive Session

Motion made by Mr. Gordon to approve the evaluation as well as pay increase as stated therein, seconded by Mr. Bogany. Passed unanimously.

ADJOURN

Since there was no other business to come before the Audit Committee, the meeting was adjourned at 10:15 a.m.

Respectfully Submitted,

____

Mr. Kevin Hamby
Board Secretary

NOTE:

For a full transcript of this meeting, please see the TDHCA website at: www.TDHCA.state.tx.us

EXECUTIVE OFFICE – BOARD

BOARD ACTION REQUEST
July 12, 2006

Action Item

Summary of Finance Committee Minutes for March 20, 2006.

Required Action

Review minutes of the March 20, 2006 Finance Committee Meeting and make any necessary corrections.

Background

The Board is required to keep minutes of each of their meetings.

Recommendation

Staff recommends approval of minutes with any requested corrections.

FINANCE COMMITTEE MEETING

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
1100 Congress Avenue
Capitol Extension Room E1.026
Austin, Texas 78701

Monday, March 20, 2006; 9:00am

SUMMARY OF MINUTES

CALL TO ORDER, ROLL CALL
CERTIFICATION OF QUORUM

The Programs Committee Meeting of the Texas Department of Housing and Community Affairs of February 15, 2006 was called to order by the Chair, Mr. Vidal Gonzales at 9:00 a.m. It was held at 1100 Congress Avenue, Capitol Extension Room E1.026, Austin, Texas 78701. Roll call certified a quorum was present.

Members Present:
Vidal Gonzales, Chair
Shadrick Bogany, Member

Member Absent:
Kent Conine, Member

PUBLIC COMMENT

Mr. Gonzales called for public comment and the following either gave comments at this time or preferred to wait until the agenda item was presented:

ACTION ITEMS

ACTION ITEM A

Approval of Prospective Single Family Mortgage Revenue Bond Issues and Programs for 2006

Amy Bartoletti from CitiGroup Global Markets, provided Market Study presentation.
Motion made by Mr. Bogany to approve, seconded by Mr. Gonzales. Passed unanimously.

ACTION ITEM B

Preliminary Approval of Single Family Mortgage Revenue Bonds, 2006 Series A, and 2006 Series B

Motion made by Mr. Bogany to approve scenario #3 staff recommendation, seconded by Mr. Gonzales. Passed unanimously.

ACTION ITEM C

Approval of Resolution Amendment for Single Family Mortgage Revenue Bonds, 2004 Series A and 2004 Series B

Motion made by Mr. Bogany to approve, seconded by Mr. Gonzales. Passed unanimously.

ACTION ITEM D

Approval of Investment Policy

Motion made by Mr. Bogany to approve, seconded by Mr. Gonzales. Passed unanimously.

ACTION ITEM E

Approval of Loan Star Mortgage Program Interest Rate Reset

Craig Ferguson with CitiMortgage, provided testimony.

Motion made by Mr. Bogany to approve, seconded by Mr. Gonzales. Passed unanimously.

ACTION ITEM F

Approval of 2006 Mortgage Credit Certificate Program

Motion made by Mr. Bogany to approve, seconded by Mr. Gonzales. Passed unanimously.

ACTION ITEM G

Approval of Asset Management Oversight Agreement with Texas State Affordable Housing Corporation (TSAHC)

Motion made by Mr. Bogany to approve staffs recommendation for the authorization of the executive director to enter into and complete negotiations, finalize and execute an agreement to provide asset oversight services, seconded by Mr. Gonzales. Passed unanimously.

ADJOURN

Since there was no other business to come before the Finance Committee, the meeting was adjourned at 9:49 a.m.

Mr. Kevin Hamby
Board Secretary

NOTE:
For a full transcript of this meeting, please see the TDHCA website at:
www.TDHCA.state.tx.us

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EXECUTIVE OFFICE – BOARD

BOARD ACTION REQUEST
July 12, 2006

Action Item

Summary of Board Meeting Minutes for June 9, 2006.

Required Action

Review minutes of the June 9, 2006 Board Meeting and make any necessary corrections.

Background

The Board is required to keep minutes of each of their meetings.

Recommendation

Staff recommends approval of minutes with any requested corrections.

BOARD MEETING

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
1100 Congress Avenue
Capitol Extension Room E2.036
Austin, Texas 78701

Friday, June 9, 2006; 9:45 am

SUMMARY OF MINUTES

CALL TO ORDER, ROLL CALL
CERTIFICATION OF QUORUM

The Board Meeting of the Texas Department of Housing and Community Affairs of June 9, 2006 was called to order by the Chair, Ms. Elizabeth Anderson at 9:58 am. It was held at 1100 Congress Avenue, Capitol Extension Room E2.036, Austin, Texas 78701. Roll call certified a quorum was present.

Members present:

Elizabeth Anderson – Chair (departed during Agenda Item 6a)
C. Kent Conine -- Vice Chair
Vidal Gonzalez – Member
Shadrick Bogany – Member (arrived during Agenda Item 5)
Sonny Flores, Member

Member absent:

The Honorable Norberto Salinas – Member

The board welcomed Mr. Gerber to the Department and thanked him for taking the Executive Director position.

The board offered their thanks to Ruth Cedillo for her many years of State service and wished her well upon her retirement.

Bill Dally reported to the board that the Departments largest Single Family Bond deal closed successfully. He also reported that S&P raised the Department to a AAA rating for the Departments single-family indenture, which was $282,430,000 in bonds. Mr. Dally introduced Matt Pogar, Acting Director of Bond Finance who introduced Heather Hodnett and Marita Holtman.

PUBLIC COMMENT

Ms. Anderson called for public comment and the following either gave comments at this time or preferred to wait until the agenda item was presented:
Honorable Angela Hunt, Councilwoman Dallas City Council, provided testimony.
Larry James, President/CEO, Central Dallas Ministries, provided testimony.
Michael Lyttle read for the record, a letter from the Honorable Royce West, Senator of District 23.
John Greenan, Executive Director, Central Dallas CDC, provided testimony.
Sarah André, read for the record, a letter from the Honorable Margaret Kelliher, Dallas County Judge and provided testimony.
Granger MacDonald, Developer, provided testimony.
Steven Mack, CEO of Texas Heritage Bank, representing Citizens of Cross Plains, Texas, provided testimony.
Steven A. Carriker, Executive Director, Texas Association of Community Development Corporations, provided testimony.
Gary M. Driggers, Legacy Renewal Developments, provided testimony.

Ian Randolph, on behalf of the Honorable Senator Lucio, delivered letters on behalf of the appeals for Sunset Haven in Brownsville and Mesquite Terrace in Pharr.
Andrew Blifford, on behalf of the Honorable Representative Jim Pitts, read letter from Representative Pitts into the record.
James Cade, on behalf of Representative Deshotel, provided testimony.

PRESENTATION BY UNITED STATES DEPARTMENT OF AGRICULTURE – RURAL DEVELOPMENT

Presentation by Brian Daniels, State Director of the USDA Texas Rural Development Office to discuss TDHCA/USDA relations and overlapping programmatic policies that may include but not be limited to the USDA 515 Program, timing-related issues and other topics determined by the Board.
Withdrawn from agenda.

The Board of the Texas Department of Housing and Community Affairs will meet to consider and possibly act on the following:

CONSENT AGENDA

Items on the Consent Agenda may be removed at the request of any Board member and considered at another appropriate time on this agenda. Placement on the Consent Agenda does not limit the possibility of any presentation, discussion or approval at this meeting. Under no circumstances does the consent agenda alter any requirements provided under Texas Government Code Chapter 551, the Texas Open Meetings Act.

AGENDA ITEM 1:

Approval of the following items presented in the Board materials:

General Administration Items:

a) Minutes of the Board Meeting of April 13, 2006
b) Minutes of the Board Meeting of May 4, 2006

Bond Finance Division Items:

c) Approval of a Resolution 06-018 Authorizing Positions Authorized to Sign Documents Related to Bond Transactions

Housing Program Items:

d) Approval of Changes to the Loan Terms for FDI-University Place, Ltd. – HOME Loan Award #1000431
e) Recommendation to the Board for the selection of an independent auditor

Motion by Mr. Flores to approve Consent Agenda; seconded by Mr. Gonzalez; passed unanimously.

ACTION ITEMS

AGENDA ITEM 2:

Presentation, Discussion and Possible Approval of Portfolio Management & Compliance Division Items:

HOME Program Amendments:

1000186 Brewster County
1000486 City of Nash

Lucy Trevino, Manager, Portfolio Analysis, provided report to the Board.
Honorable Val Clark Beard, Brewster County Judge, provided testimony.
Tres Davis, Grant Works, Inc, provided testimony.
Jake Brisban, Executive Director, Rio Grande Council of Governments, provided testimony.
Elizabeth Lea, City Administrator, City of Nash, provided testimony.
Motion made by Mr. Conine to approve amendments; seconded by Mr. Gonzalez; passed unanimously.

AGENDA ITEM 3:

Presentation, Discussion and Possible Approval of Community Affairs Division Items:

Presentation, Discussion and Approval of Draft 2007 State Low Income Housing Energy Assistance Program (LIHEAP) Plan

Eddie Fariss, Director, Community Affairs Division, provided report.
Motion made by Mr. Conine to approve; seconded by Mr. Gonzalez; passed unanimously.

AGENDA ITEM 4:

Presentation, Discussion and Possible Approval of Housing Programmatic Items:

Presentation, Discussion and Possible Approval of the Draft Agency Strategic Plan for the Fiscal Years 2007-2011

Steve Schottman, Policy and Public Affairs Division, provided report.

Postponed to June 26 Board Meeting for consideration.

Ms. Anderson read into the record letters from Senator Troy Frasier and Representative Harvey Hilderbran regarding Cross Plain Senior Village development project.

At this point, Mr. Bogany arrived.

AGENDA ITEM 5:

Presentation, Discussion and Possible Approval of Multifamily Division Items – Specifically Housing Tax Credit Items:

a) **Discussion and Possible Action Regarding Housing Tax Credit Appeals and any other Appeals Timely Filed:**

Jen Joyce, Interim Manager of the Multifamily Finance Production Division, provided report.

060042 Country Lane Seniors – Waxahachie Community — Waxahachie

Kenneth H. Mitchell, Developer, provided testimony.

Motion made by Mr. Bogany to deny appeal; seconded by Mr. Conine; passed unanimously.

060244 Waco River Park Apartments — Waco

Lee Seals, President, Carver Neighborhood Association, provided testimony.

Councilman Wilbert Austin, Sr., City Council, District 1, City of Waco, provided testimony.

Margaret Mills, Director, Downtown Waco, Inc., provided testimony.

George Johnson, Jr., Assistant City Manager, City of Waco, provided testimony.

Cynthia Bast, Locke Liddell and Sapp, provided testimony.

Mike Langford, applicant, provided testimony.

Mellett Harrison, City of Waco, provided testimony.

Kenneth H. Mitchell, Developer, provided testimony.

Motion made by Mr. Conine to deny appeal; seconded by Mr. Bogany; passed unanimously.

060224 Notting Hill Gate Apartments — Missouri City

Barry Palmer, provided testimony.

Sarah André, Affordable Housing Consultant, on behalf of developer Joe Lopez, provided testimony.

Betty Keller, Gessport Subdivision, provided testimony.

Michael Lankford, provided testimony.

Motion made by Mr. Bogany to deny appeal; seconded by Mr. Flores; passed unanimously.

EXECUTIVE SESSION

At 12:41 p.m. Ms. Anderson convened the Executive Session. The Executive Session concluded at 1:35 p.m.

a) **The Board may go into executive session (close its meeting to the public) on any agenda item if appropriate and authorized by the Open Meetings Act, Texas Government Code, Chapter 551.**

b) **The Board may go into executive session Pursuant to Texas Government Code §551.074 for the purposes of discussing personnel matters including to deliberate the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee.**

c) **Consultation with Attorney Pursuant to §551.071, Texas Government Code:**

1. With Respect to pending litigation styled *Hyperion, et al v. TDHCA,* Filed in State Court
2. With Respect to pending litigation styled *TP SENIORS II, LTD. V. TDHCA,* Filed in State Court
3. With Respect to pending litigation styled Gary *Traylor, et al v. TDHCA*, Filed in Travis County District Court
4. With Respect to pending litigation styled *Dever v. TDHCA* Filed in Federal Court
5. With Respect to pending litigation styled *Ballard v. TDHCA* and the State of Texas, Filed in Federal Court
6. With Respect to the administrative hearing styled as *Public Utility Commission v. The Low Income Energy Efficient Program* SOAH Docket No. 473-06-0862
7. With Respect to Any Other Pending Litigation Filed Since the Last Board Meeting

No Action Taken during Executive Session.

OPEN SESSION

Ms. Anderson reconvened Open Session at 1:40 p.m. and announced that no action had been taken during the Executive Session and certified that the posted agenda was followed.

AGENDA ITEM 5 *CONTINUED*:

b) **Discussion and Possible Action Regarding Housing Tax Credit Appeals and any other Appeals Timely Filed:**

060143 Sun Valley Homes — **Mercedes**
Postponed for consideration to June 26, 2006.

060147 Orchard Valley Homes — **Mercedes**
Postponed for consideration to June 26, 2006.

060117 Mesquite Terrace — **Pharr**
Ruben Longoria, on behalf of Representative Kino Flores, asked that the letter from Representative Flores be entered into the record (all Board members received a copy of letter).
Barry Palmer, Coats Rose, provided testimony.
Roy Navarro, Executive Director, Pharr Housing Authority, provided testimony.
Apoloneo Flores, Pharr Housing Authority, provided testimony.
Cynthia Bast, Locke Liddell & Sapp, provided testimony.
Bill Walter, Coats Rose, read a statement from Mr. Hollis Rutledge, consultant, into the record.
Motion made by Mr. Bogany to deny appeal; seconded by Mr. Gonzalez; passed unanimously.

060118 Sunset Haven — **Brownsville**
Remberto G. Arteaga, Director, Brownsville Housing Authority, provided testimony.
Barry Palmer, Coats Rose, provided testimony.
Robert Voelker, Attorney, provided testimony.
Robert Joy, The Encinas Group, provided testimony.
Cynthia Bast, Locke Liddell & Sapp, provided testimony.
Motion made by Mr. Flores to grant appeal; seconded by Mr. Conine; passed unanimously.

060144 Centerpoint Home Ownership — **Weslaco**
Motion made by Mr. Conine to table; seconded by Ms. Anderson, motion to table passed unanimously.

060110 Evergreen at Farmers Branch — **Farmers Branch**
Brad Forslund, representing Churchill Residential on behalf of the applicant, provided testimony.
Tamea Dula, Housing Authorities, Developers, provided testimony.
Motion made by Mr. Conine to deny appeal; seconded by Mr. Gonzalez; passed unanimously.

060170 Orchard Park at Willowbrook — **Houston**
Stephan Fairfield, Orchard Communities, provided testimony.
Motion made by Mr. Conine to deny appeal; seconded by Mr. Gonzalez; Mr. Bogany voted no; motion carried.

060219 Providence Estates — **Rosenberg**
Motion made by Mr. Conine to grant appeal; seconded by Mr. Gonzalez; Ms. Anderson voted no; motion carried.

060138 Residences at Eastland — **Fort Worth**
Cynthia Bast, Locke Liddell provided testimony.
Motion made by Mr. Gonzalez to deny appeal; seconded by Mr. Bogany; passed unanimously.

060234 Alamito Place — **El Paso**
Antoinette Jackson, Coats Rose, provided testimony.
Councilman Beto O'Rourke, El Paso City Council, District 8, read a letter from Senator Shapleigh into the record and provided testimony.
Gary Sanchez, El Paso Housing Authority, provided testimony.
Pablo Salcido, President, El Paso Housing Authority, provided testimony.
Barry Palmer, Coats Rose, provided testimony.
Motion made by Ms. Anderson to deny appeal; seconded by Mr. Gonzalez; passed unanimously.

060242 Pear Orchard Apartments — **Beaumont**
Brian T. McCabe, Attorney, Cantey & Hanger, provided testimony.
Jorge Newberry, managing member of Maple Glen Partners, provided testimony.
Verria Kelly, Pear Orchard Plaza Apts. Management Co., provided testimony.
John Lewis, Pear Orchard Plaza Apts, provided testimony.
Shawn Jones, Pear Orchard Plaza Apts. Site Manager, provided testimony.
Vicki Schexnayder, Pear Orchard Plaza Apts, provided testimony.
Motion made by Mr. Conine to deny appeal; seconded by Mr. Bogany; passed unanimously.

060088 Red Oak II **Waco**

Cynthia Bast, Locke Liddell, & Sapp, provided testimony.
Gayle Rolland, V.P. New Life Housing Foundation, provided testimony.
Ronette Hodges, Board Member, New Life Housing Foundation, provided testimony.
Motion made by Mr. Conine to deny appeal; seconded by Mr. Gonzalez; passed unanimously.

c) **Discussion and Possible Action Regarding Report of Housing Tax Credit Challenges Pursuant §50.17(c) of the 2006 QAP**
No action taken.

d) **Presentation, Discussion and Possible Approval of remaining applications for Hurricane Rita Housing Tax Credit Awards and Possible Use of 2006 National Pool, 2006 Recaptured Credits or 2007 Forward Commitment out of the possible list of Applications:**

App#	Development Name	City	Credit Amount Request
060241	Sienna Trails Townhomes	Beaumont	$413,807
060240	Briarbend Village at Sienna Trails	Beaumont	$477,947
060239	Timber Creek at Sienna Trails	Beaumont	$493,376
060065	Stone Hurst II	Beaumont	$850,000
060018	The Fairgrounds at Concord	Beaumont	$1,200,000
060242	Pear Orchard Apartments	Beaumont	$641,822
060199	Legacy Senior Housing of Port Arthur	Port Arthur	$1,031,125
060148	Pineywoods Orange Development	Orange	$564,049
060092	Twelve Oaks Apartments	Vidor	$626,000
060105	Cypresswood Crossing	Orange	$689,500
060149	The Women's Shelter of East Texas	Lufkin	$354,139

Honorable W. Brown Claybar, Mayor, City of Orange, provided testimony.
George Shackelford, City of Texarkana, provided testimony.
K.T. "Ike" Akbari, Itex Developers, LLC, provided testimony.
Honorable Carl A. Parker, Former State Senator, provided testimony.
Motion made by Mr. Conine to approve staff recommendation; seconded by Mr. Bogany; passed unanimously.

e) **Presentation, Discussion, and possible action on release of LURA regarding property on Fitzhugh Avenue in Dallas Texas where the property was condemned and destroyed.**
Postponed to June 26 Board Meeting.

f) **Issuance of Determination Notices on Tax-Exempt Bond Transactions with Other Issuers:**
060408 Amberwood Apartments, El Paso, Texas; El Paso HFC is the Issuer; Recommended Credit Amount of $489,934
Motion made by Mr. Conine to approve recommendation; seconded by Mr. Bogany; passed unanimously.

At this point, Chair Anderson departed the meeting and did not return.

AGENDA ITEM 6

Presentation, Discussion and Possible Approval of Multifamily Division Items – Specifically Multifamily Private Activity Bond Program Items:

a) **Resolution #06-019, Proposed Issuance of Multi-Family Mortgage Revenue Bonds and Four Percent (4%) Housing Tax Credits with TDHCA, as the Issuer For:**
060609 Sunset Pointe Apartments, Ft Worth, Texas for a bond Amount Not to Exceed $15,000,000 and Issuance of a Determination Notice; Recommended Credit Amount of $670,194.
Councilman Jungus Jordan, Fort Worth City Council, District 6, provided testimony.
Cynthia Bast, Locke Liddell, Sapp, provided testimony.
Robert Hoskins, the principal of the New Rock companies, provided testimony.
Motion made by Mr. Bogany to approve issuance; seconded by Mr. Flores; passed unanimously.

b) **Inducement Resolution #06-020 Declaring Intent to Issue Multifamily Housing Mortgage Revenue Bonds for Developments Throughout the State of Texas and Authorizing the Filing of Related Applications for the Allocation of Private Activity Bonds with the Texas Bond Review Board for Program Year 2006:**
060619 Rolling Creek, Houston
Motion made by Mr. Bogany to approve; seconded by Mr. Gonzalez; passed unanimously.

AGENDA ITEM 7

Presentation, Discussion and Possible Approval of Community Development Block Grant (CDBG) Disaster Recovery Related Items:

a) **Presentation and Discussion of the State of Texas Action Plan for CDBG Disaster Recovery Grantees as Approved by the U.S. Department of Housing and Urban Development**

b) **Memorandum of Understanding between TDHCA and the Office of Rural Community Affairs (ORCA) for the administration of the CDBG Disaster Recovery and Associated CDBG Administrative Operating Budgets for TDHCA and ORCA**

Kristin Carlisle, Texas Low Income Housing Information Service, provided testimony.

No action taken.

REPORT ITEMS

Executive Director's Report

1. TDHCA Outreach Activities, April, 2006
2. Department Organizational Chart Changes
3. Report on Bond Pricing and Structure
4. Homeownership Month Activity

ADJOURN

Since there was no other business to come before the Board, the meeting was adjourned at 4:39 p.m.

____

Mr. Kevin Hamby
Board Secretary

NOTE:
For a full transcript of this meeting, please see the TDHCA website at:
www.TDHCA.state.tx.us

MULTIFAMILY FINANCE PRODUCTION DIVISION
BOARD ACTION REQUEST
July 12, 2006

Action Items

Presentation, Discussion and Possible Approval of a Resolution for a Rate Reduction for Lancaster Ash Creek (formerly known as Primrose Houston School) a 2003 Mortgage Revenue Bond transaction.

Required Action

Approve, Deny or Approve with Amendments the Rate Reduction for Lancaster Ash Creek.

Background

At the May 13, 2003 TDHCA Board meeting, the Board approved the Lancaster Ash Creek bond transaction with an anticipated interest rate of 6.75%. The Applicant has requested a rate reduction from the bond purchaser to assist in the conversion of the permanent loan. The bond purchaser has agreed to the rate reduction and the Applicant is requesting the bond documents be amended to indicate the reduction in rate from 6.75% to 6.50%. TDHCA is a conduit issuer for the Bonds and this reduction does not affect TDHCA financially. The housing tax credits will be adjusted when the development completes the cost certification process.

Recommendation

Staff recommends the approval of the resolution (#06-025) for a rate reduction from 6.75% to 6.50%.

-----Original Message-----
From: Jerry Wright - TX [mailto:jwright@capmarksecurities.com]
Sent: Sunday, June 18, 2006 8:32 PM
To: robbye.meyer@tdhca.state.tx.us; vozimek@velaw.com
Subject: Re: Primrose Rate Reductions

We're just reducing the mortgage rate by 25 bps, it's not considered a refunding by either State or Federal law. This will help them convert their mortgage and the bondholder (us) has already approved the rate reduction. We did this earlier this month on another deal in Harris Countywith Harris County HFC as the issuer.

Jerry L. Wright
Capmark Securities Inc.
20333 State Highway 249, Suite 200
Houston, Texas 77070
(281) 378-1524 voice
(281) 378-1523 facsimile
(713) 825-2060 mobile phone

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

WWW.TDHCA.STATE.TX.US

REQUEST FOR BOARD ACTION
Multifamily Finance Production

Private Activity Bond Program – Waiting List

2 Priority 3 Applications for 2006 Waiting List

TABLE OF EXHIBITS

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

July 12, 2006

Action Item

Presentation, Discussion and Possible Approval of an Inducement Resolution for Multifamily Housing Revenue Bonds and Authorization for Filing the Listed Applications for Private Activity Bond Authority – 2006 Waiting List.

Requested Action

Approve, Deny or Approve with Amendments the List of Application on the Inducement Resolution to proceed with submission to the Texas Bond Review Board for possible receipt of a Reservation to Issue Bonds from the 2006 Private Activity Bond Program for two (2) applications.

Background

Each year, the State of Texas is notified of the cap on the amount of private activity tax-exempt revenue bonds that may be issued within the state. Approximately $402.3 million is set aside for multifamily until August 15th for the 2006 bond program year. TDHCA has a set aside of approximately $80.5 million and approximately $39.4 million of 2005 Non-traditional CarryForward for a total of $120 million available for new 2006 applications. There is currently no allocation available. If the Board approves these applications they will be submitted to the Bond Review Board after the sub-ceiling collapse on August 15.

Inducement Resolution 06-022 includes two (2) applications that were received on or before June 15, 2006. These applications will reserve approximately $14.7 million in 2006 state volume cap. Upon Board approval to proceed, the application will be submitted to the Texas Bond Review Board for placement on the 2006 Waiting List. The Board currently has approved twenty-one (21) applications for the 2006 program year. Eight applications have been submitted to the Bond Review Board.

Phoenix Place Apartments – The proposed acquisition/rehabilitation development will be located at 2601 Arroyo Avenue, Dallas, Dallas County. Demographics for the census tract (4.05) include AMFI of $18,356; the total population is 2,958; the percent of the population that is minority is 82.12%; the number of owner occupied units is 51; number of renter occupied units is 1,158; and the number of vacant units is 98. (Census Information from FFIEC Geocoding for 2005)

Family Tree Apartments – The proposed acquisition/rehabilitation development will be located at 8811 Boone Road, Houston, Harris County. Demographics for the census tract (4536.00) include AMFI of $42,785; the total population is 9,833; the percent of the population that is minority is 85.37%; the number of owner occupied units is 1,604; number of renter occupied units is 1,270; and the number of vacant units is 100. (Census Information from FFIEC Geocoding for 2005)

Recommendation

Approve the Inducement Resolution (#06-022) as presented by staff. Staff will present all appropriate information to the Board for a final determination for the issuance of the bonds and housing tax credits during the full application process for the bond issuance.

Texas Department of Housing and Community Affairs

2006 Multifamily Private Activity Bond Program - Waiting List

Application #	Development Information	Units	Bond Amount		Developer Information	Comments
060626 Priority 3	Phoenix Place Apartments 2601 Arroyo Avenue City: Dallas County: Dallas *Acquisition/Rehabilitation*	120 General	$	5,000,000 Score - 88	Summit Phoenix Place Apartments, Ltd. Hunter McKenzie 105 Tallapoosa Street, Suite 300 Montgomery, AL 36104 334-954-4458	Recommend
060627 Priority 3	Family Tree Apartments 8811 Boone Road City: Houston County: Harris *Acquisition/Rehabilitation*	256 General	$	10,000,000 Score - 96	Summit Family Tree Apartments, Ltd. Hunter McKenzie 105 Tallapoosa Street, Suite 300 Montgomery, AL 36104 334-954-4458	Recommend
Totals for Recommended Applications		**376**	**$**	**15,000,000**		

RESOLUTION NO. 06-022

RESOLUTION DECLARING INTENT TO ISSUE MULTIFAMILY REVENUE BONDS WITH RESPECT TO RESIDENTIAL RENTAL DEVELOPMENTS; AUTHORIZING THE FILING OF APPLICATIONS FOR ALLOCATIONS OF PRIVATE ACTIVITY BONDS WITH THE TEXAS BOND REVIEW BOARD; AND AUTHORIZING OTHER ACTION RELATED THERETO

WHEREAS, the Texas Department of Housing and Community Affairs (the "Department") has been duly created and organized pursuant to and in accordance with the provisions of Chapter 2306, Texas Government Code, as amended, (the "Act") for the purpose, among others, of providing a means of financing the costs of residential ownership, development and rehabilitation that will provide decent, safe, and affordable living environments for persons and families of low, very low and extremely low income and families of moderate income (all as defined in the Act); and

WHEREAS, the Act authorizes the Department: (a) to make mortgage loans to housing sponsors to provide financing for multifamily residential rental housing in the State of Texas (the "State") intended to be occupied by persons and families of low, very low and extremely low income and families of moderate income, as determined by the Department; (b) to issue its revenue bonds, for the purpose, among others, of obtaining funds to make such loans and provide financing, to establish necessary reserve funds and to pay administrative and other costs incurred in connection with the issuance of such bonds; and (c) to pledge all or any part of the revenues, receipts or resources of the Department, including the revenues and receipts to be received by the Department from such multifamily residential rental development loans, and to mortgage, pledge or grant security interests in such loans or other property of the Department in order to secure the payment of the principal or redemption price of and interest on such bonds; and

WHEREAS, it is proposed that the Department issue its revenue bonds for the purpose of providing financing for multifamily residential rental developments (each a "Development" and collectively, the "Developments") as more fully described in Exhibit A attached hereto. The ownership of each Development as more fully described in Exhibit A will consist of the ownership entity and its principals or a related person (each an "Owner" and collectively, the "Owners") within the meaning of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, each Owner has made not more than 60 days prior to the date hereof, payments with respect to its respective Development and expects to make additional payments in the future and desires that it be reimbursed for such payments and other costs associated with each respective Development from the proceeds of tax-exempt and taxable obligations to be issued by the Department subsequent to the date hereof; and

WHEREAS, each Owner has indicated its willingness to enter into contractual arrangements with the Department providing assurance satisfactory to the Department that 100 percent of the units of its Development will be occupied at all times by eligible tenants, as determined by the Governing Board of the Department (the "Board") pursuant to the Act ("Eligible Tenants"), that the other requirements of the Act and the Department will be satisfied and that its Development will satisfy State law, Section 142(d) and other applicable Sections of the Code and Treasury Regulations; and

WHEREAS, the Department desires to reimburse each Owner for the costs associated with its Development listed on Exhibit A attached hereto, but solely from and to the extent, if any, of the proceeds of tax-exempt and taxable obligations to be issued in one or more series to be issued subsequent to the date hereof; and

WHEREAS, at the request of each Owner, the Department reasonably expects to incur debt in the form of tax-exempt and taxable obligations for purposes of paying the costs of each respective Development described on Exhibit A attached hereto; and

WHEREAS, in connection with the proposed issuance of the Bonds (defined below), the Department, as issuer of the Bonds, is required to submit for each Development an Application for Allocation of Private Activity Bonds (the "Application") with the Texas Bond Review Board (the "Bond Review Board") with respect to the tax-exempt Bonds to qualify for the Bond Review Board's Allocation Program in connection with the Bond Review Board's authority to administer the allocation of the authority of the state to issue private activity bonds; and

WHEREAS, the Board intends that the issuance of Bonds for any particular Development is not dependent or related to the issuance of Bonds (as defined below) for any other Development and that a separate Application shall be filed with respect to each Development; and

WHEREAS, the Board has determined to declare its intent to issue its multifamily revenue bonds for the purpose of providing funds to each Owner to finance its Development on the terms and conditions hereinafter set forth; NOW, THEREFORE,

BE IT RESOLVED BY THE BOARD THAT:

Section 1--Certain Findings. The Board finds that:

(a) each Development is necessary to provide decent, safe and sanitary housing at rentals that individuals or families of low and very low income and families of moderate income can afford;

(b) each Owner will supply, in its Development, well-planned and well-designed housing for individuals or families of low and very low income and families of moderate income;

(c) the financing of each Development is a public purpose and will provide a public benefit;

(d) each Owner is financially responsible; and

(e) each Development will be undertaken within the authority granted by the Act to the Department and each Owner.

Section 2--Authorization of Issue. The Department declares its intent to issue its Multifamily Housing Revenue Bonds (the "Bonds") in amounts estimated to be sufficient to (a) fund a loan or loans to each Owner to provide financing for its Development in an aggregate principal amount not to exceed those amounts, corresponding to each respective Development, set forth in Exhibit A; (b) fund a reserve fund with respect to the Bonds if needed; and (c) pay certain costs incurred in connection with the issuance of the Bonds. Such Bonds will be issued as qualified residential rental development bonds. Final approval of the Department to issue the Bonds shall be subject to: (i) the review by the Department's credit underwriters for financial feasibility; (ii) review by the Department's staff and legal counsel of compliance with federal income tax regulations and state law requirements regarding tenancy in each Development; (iii) approval by the Bond Review Board, if required; (iv) approval by the Attorney General of the State of Texas (the "Attorney General"); (v) satisfaction of the Board that each Development meets the Department's public policy criteria; and (vi) the ability of the Department to issue such Bonds in compliance with all federal and state laws applicable to the issuance of such Bonds.

Section 3--Terms of Bonds. The proposed Bonds shall be issuable only as fully registered bonds in authorized denominations to be determined by the Department; shall bear interest at a rate or rates to be determined by the Department; shall mature at a time to be determined by the Department but in no event later than 40 years after the date of issuance; and shall be subject to prior redemption upon such terms and conditions as may be determined by the Department.

Section 4--Reimbursement. The Department reasonably expects to reimburse each Owner for all costs that have been or will be paid subsequent to the date that is 60 days prior to the date hereof in connection with the acquisition of real property and construction of its Development and listed on Exhibit A attached hereto ("Costs of each respective Development") from the proceeds of the Bonds, in an amount which is reasonably estimated to be sufficient: (a) to fund a loan to provide financing for the acquisition and construction or rehabilitation of its Development, including reimbursing each Owner for all costs that have been or will be paid subsequent to the date that is 60 days prior to the date hereof in connection with the acquisition and construction or rehabilitation of its Development; (b) to fund any reserves that may be required for the benefit of the holders of the Bonds; and (c) to pay certain costs incurred in connection with the issuance of the Bonds.

Section 5--Principal Amount. Based on representations of each Owner, the Department reasonably expects that the maximum principal amount of debt issued to reimburse each Owner for the costs of its respective Development will not exceed the amount set forth in Exhibit A which corresponds to its Development.

Section 6--Limited Obligations. The Owner may commence with the acquisition and construction or rehabilitation of its Development, which Development will be in furtherance of the public purposes of the Department as aforesaid. On or prior to the issuance of the Bonds, each Owner will enter into a loan agreement on an installment payment basis with the Department under which the Department will make a loan to the Owner for the purpose of reimbursing each Owner for the costs of its Development and each Owner will make installment payments sufficient to pay the principal of and any premium and interest on the applicable Bonds. The proposed Bonds shall be special, limited obligations of the Department payable solely by the Department from or in connection with its loan or loans to each Owner to provide financing for the Owner's Development, and from such other revenues, receipts and resources of the Department as may be expressly pledged by the Department to secure the payment of the Bonds.

Section 7--The Development. Substantially all of the proceeds of the Bonds shall be used to finance the Developments, each of which is to be occupied entirely by Eligible Tenants, as determined by the Department, and each of which is to be occupied partially by persons and families of low income such that the requirements of Section 142(d) of the Code are met for the period required by the Code.

Section 8--Payment of Bonds. The payment of the principal of and any premium and interest on the Bonds shall be made solely from moneys realized from the loan of the proceeds of the Bonds to reimburse each Owner for costs of its Development.

Section 9--Costs of Development. The Costs of each respective Development may include any cost of acquiring, constructing, reconstructing, improving, installing and expanding the Development. Without limiting the generality of the foregoing, the Costs of each respective Development shall specifically include the cost of the acquisition of all land, rights-of-way, property rights, easements and interests, the cost of all machinery and equipment, financing charges, inventory, raw materials and other supplies, research and development costs, interest prior to and during construction and for one year after completion of construction whether or not capitalized, necessary reserve funds, the cost of estimates and of engineering and legal services, plans, specifications, surveys, estimates of cost and of revenue, other expenses necessary or incident to determining the feasibility and practicability of acquiring, constructing, reconstructing, improving and expanding the Development, administrative expenses and such other expenses as may be necessary or incident to the acquisition, construction, reconstruction, improvement and expansion of the Development, the placing of the Development in operation and that satisfy the Code and the Act. Each Owner shall be responsible for and pay any costs of its Development incurred by it prior to issuance of the Bonds and will pay all costs of its Development which are not or cannot be paid or reimbursed from the proceeds of the Bonds.

Section 10--No Commitment to Issue Bonds. Neither the Owners nor any other party is entitled to rely on this Resolution as a commitment to issue the Bonds and to loan funds, and the Department reserves the right not to issue the Bonds either with or without cause and with or without notice, and in such event the Department shall not be subject to any liability or damages of any nature. Neither the Owners nor any one claiming by, through or under each Owner shall have any claim against the Department whatsoever as a result of any decision by the Department not to issue the Bonds.

Section 11--No Indebtedness of Certain Entities. The Board hereby finds, determines, recites and declares that the Bonds shall not constitute an indebtedness, liability, general, special or moral obligation or pledge or loan of the faith or credit or taxing power of the State, the Department or any other political subdivision or municipal or political corporation or governmental unit, nor shall the Bonds ever be deemed to be an obligation or agreement of any officer, director, agent or employee of the Department in his or her individual capacity, and none of such persons shall be subject to any personal liability by reason of the issuance of the Bonds.

Section 12--Conditions Precedent. The issuance of the Bonds following final approval by the Board shall be further subject to, among other things: (a) the execution by each Owner and the Department of contractual arrangements providing assurance satisfactory to the Department that 100 percent of the units for each Development will be occupied at all times by Eligible Tenants, that all other requirements of the Act will be satisfied and that each Development will satisfy the requirements of Section 142(d) of the Code (except for portions to be financed with taxable bonds); (b) the receipt of an opinion from Vinson & Elkins L.L.P. or other nationally recognized bond counsel acceptable to the Department, substantially to the effect that the interest on the tax-exempt Bonds is excludable from gross income for federal income tax purposes under existing law; and (c) receipt of the approval of the Bond Review Board, if required, and the Attorney General.

Section 13--Certain Findings. The Board hereby finds, determines, recites and declares that the issuance of the Bonds to provide financing for each Development will promote the public purposes set forth in the Act, including, without limitation, assisting persons and families of low and very low income and families of moderate income to obtain decent, safe and sanitary housing at rentals they can afford.

Section 14--Authorization to Proceed. The Board hereby authorizes staff, Bond Counsel and other consultants to proceed with preparation of each Development's necessary review and legal documentation for the filing of an Application for the 2006 program year and the issuance of the Bonds, subject to satisfaction of the conditions specified in Section 2(i) and (ii) hereof. The Board further authorizes staff, Bond Counsel and other consultants to re-submit an Application that was withdrawn by an Owner so long as the Application is re-submitted within the current or following program year.

Section 15--Related Persons. The Department acknowledges that financing of all or any part of each Development may be undertaken by any company or partnership that is a "related person" to the respective Owner within the meaning of the Code and applicable regulations promulgated pursuant thereto, including any entity controlled by or affiliated with the respective Owner.

Section 16--Declaration of Official Intent. This Resolution constitutes the Department's official intent for expenditures on Costs of each respective Development which will be reimbursed out of the issuance of the Bonds within the meaning of Sections 1.142-4(b) and 1.150-2, Title 26, Code of Federal Regulations, as amended, and applicable rulings of the Internal Revenue Service thereunder, to the end that the Bonds issued to reimburse Costs of each respective Development may qualify for the exemption provisions of Section 142 of the Code, and that the interest on the Bonds (except for any taxable Bonds) will therefore be excludable from the gross incomes of the holders thereof under the provisions of Section 103(a)(1) of the Code.

Section 17--Authorization of Certain Actions. The Department hereby authorizes the filing of and directs the filing of each Application in such form presented to the Board with the Bond Review Board and each director of the Board are hereby severally authorized and directed to execute each Application on behalf of the Department and to cause the same to be filed with the Bond Review Board.

Section 18--Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

Section 19--Books and Records. The Board hereby directs this Resolution to be made a part of the Department's books and records that are available for inspection by the general public.

Section 20--Notice of Meeting. Written notice of the date, hour and place of the meeting of the Board at which this Resolution was considered and of the subject of this Resolution was furnished to the Secretary of State of the State of Texas (the "Secretary of State") and posted on the Internet for at least seven (7) days preceding the convening of such meeting; that during regular office hours a computer terminal located in a place convenient to the public in the office of the Secretary of State was provided such that the general public could view such posting; that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof was discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended; and that written notice of the date, hour and place of the meeting of the Board and of the subject of this Resolution was published in the Texas Register at least seven (7) days preceding the convening of such meeting, as required by the Administrative Procedure and Texas Register Act, Chapters 2001 and 2002, Texas Government Code, as amended. Additionally, all of the materials in the possession of the Department relevant to the subject of this Resolution were sent to interested persons and organizations, posted on the Department's website, made available in hard-copy at the Department, and filed with the Secretary of State for publication by reference in the Texas Register not later than seven (7) days before the meeting of the Board as required by Section 2306.032, Texas Government Code, as amended.

PASSED AND APPROVED this 12th day of July, 2006.

[SEAL]

By: /s/ Elizabeth Anderson
Elizabeth Anderson, Chair

Attest: /s/ Kevin Hamby
Kevin Hamby, Secretary

EXHIBIT "A"

Description of each Owner and its Development

<table>
<tr><th>Project Name</th><th>Owner</th><th>Principals</th><th>Amount Not to Exceed</th></tr>
<tr><td>Family Tree Apartments</td><td>Summit Family Tree Apartments, Ltd.</td><td>Summit America Properties XXIX, Inc., to be formed, or other entity, the manager of which will be Summit America Properties, Inc.</td><td>$10,000,000</td></tr>
<tr><td colspan="4">Costs: (i) acquisition of real property located at 8811 Boone Road, Houston, Harris County, Texas; and (ii) the rehabilitation thereon of an approximately 256 -unit multifamily residential rental housing project, in the amount not to exceed $10,000,000.</td></tr>
<tr><th>Development Name</th><th>Owner</th><th>Principals</th><th>Amount Not to Exceed</th></tr>
<tr><td>Phoenix Place Apartments</td><td>Summit Phoenix Place Apartments, Ltd.</td><td>Summit America Properties XXIX, Inc., to be formed, or other entity, the manager of which will be Summit America Properties, Inc.</td><td>$5,000,000</td></tr>
<tr><td colspan="4">Costs: (i) acquisition of real property located at 2601 Arroyo Avenue, Dallas, Dallas County, Texas; and (ii) the rehabilitation thereon of an approximately 120-unit multifamily residential rental housing development, in the amount not to exceed $5,000,000.</td></tr>
</table>

TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS
MULTIFAMILY FINANCE DIVISION
PREQUALIFICATION ANALYSIS

Family Tree Apartments, Houston (#060627) Priority 3

Unit Mix and Rent Schedule

Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	1BD/1BA	29	$ 555	816	0.68
60% AMI	2BD/1BA	29	$ 585	850	0.69
60% AMI	2BD/2BA	36	$ 630	970	0.65
60% AMI	2BD/2BA	51	$ 625	980	0.64
60% AMI	2BD/2BA	14	$ 705	1,160	0.61
60% AMI	2BD/2BA	7	$ 705	1,178	0.60
60% AMI	3BD/2BA	65	$ 728	1,200	0.61
					0.00
MR	1BD/1BA	3	$ 555	816	0.68
MR	2BD/1BA	3	$ 585	850	0.69
MR	2BD/2BA	4	$ 630	970	0.65
MR	2BD/2BA	5	$ 625	980	0.64
MR	2BD/2BA	2	$ 705	1,160	0.61
MR	2BD/2BA	1	$ 705	1,178	0.60
MR	3BD/2BA	7	$ 728	1,200	0.61
Totals		256	$ 1,992,192	261,376	$ 0.64
Averages			$ 649	1,021	

Uses of Funds/Project Costs

	Costs	Per Unit	Per S.F.	Percent
Acquisition	$ 8,850,000	$ 34,570	$ 33.86	0.60
Off-sites	0	0	0.00	0.00
Subtotal Site Costs	$ 8,850,000	$ 34,570	$ 33.86	0.60
Sitework	234,500	916	0.90	0.02
Hard Construction Costs	2,471,501	9,654	9.46	0.17
General Requirements (6%)	162,360	634	0.62	0.01
Contractor's Overhead (2%)	54,120	211	0.21	0.00
Contractor's Profit (6%)	162,360	634	0.62	0.01
Construction Contingency	92,160	360	0.35	0.01
Subtotal Construction	$ 3,177,001	$ 12,410	$ 12.15	0.22
Indirect Construction	210,100	821	0.80	0.01
Developer's Fee	1,475,059	5,762	5.64	0.10
Financing	978,576	3,823	3.74	0.07
Reserves	50,000	195	0.19	0.00
Subtotal Other Costs	$ 2,713,735	$ 10,601	$ 10	$ 0
Total Uses	$ 14,740,736	$ 57,581	$ 56.40	1.00

Applicant - Sources of Funds

Source I	**Net Proceeds**	**Sale Price**	**Applicable Percentage**	
Tax Credits	$ 4,063,432	$0.80	3.55%	
Source II	**Proceeds**	**Rate**	**Amort**	**Annual D/S**
Bond Proceeds	$ 9,959,000	6.00%	30	$ 716,511
Source III	**Proceeds**	**% Deferred**	**Remaining**	
Deferred Developer Fee	$ 706,080	47.9%	$768,979	
Source IV	**Proceeds**	**Description**		**Annual D/S**
Other				$ -
Total Sources	$14,728,512			$ 716,511

TDHCA - Sources of Funds

Source I	**Net Proceeds**	**Sale Price**	**Applicable Percentage**	
Tax Credits	$ 4,063,432	$0.80	3.55%	
Source II	**Proceeds**	**Rate**	**Amort**	**Annual D/S**
Bond Proceeds	$ 9,959,000	6.00%	30	$ 716,511
Source III	**Proceeds**	**% Deferred**	**Remaining**	
Deferred Developer Fee	$ 706,080	47.9%	$ 768,979	
Source IV	**Proceeds**	**Description**		**Annual D/S**
Other	$ -			$ -
Total Sources	$ 14,740,736			$ 716,511

Applicant - Operating Proforma/Debt Coverage

			Per S.F.	Per Unit
Potential Gross Income		$1,992,192	$7.62	
Other Income & Loss		46,080	0.18	180
Vacancy & Collection	9.79%	199,632	0.76	780
Effective Gross Income		$2,237,904	8.56	8,742
Total Operating Expenses		$1,059,480	$4.05	$4,139
Net Operating Income		$1,178,424	$4.51	$4,603
Debt Service		716,511	2.74	2,799
Net Cash Flow		$461,913	$1.77	$1,804
Debt Coverage Ratio		1.64		
TDHCA/TSAHC Fees		$0	$0.00	$0
Net Cash Flow		$461,913	$1.77	$1,804
DCR after TDHCA Fees		1.64		
Break-even Rents/S.F.		0.57		
Break-even Occupancy		89.15%		

TDHCA - Operating Proforma/Debt Coverage

			Per S.F.	Per Unit
Potential Gross Income		$1,992,192	$7.62	
Other Income & Loss		46,080	0.18	180
Vacancy & Collection	7.50%	(152,870)	-0.58	-597
Effective Gross Income		1,885,402	7.21	7,365
Total Operating Expenses	56.2%	$1,059,480	$4.05	$4,139
Net Operating Income		$825,922	$3.16	$3,226
Debt Service		716,511	2.74	2,799
Net Cash Flow		$109,411	$0.42	$427
Debt Coverage Ratio		1.15		
TDHCA/TSAHC Fees			$0.00	$0
Net Cash Flow		$109,411	$0.42	$427
DCR after TDHCA Fees		1.15		
Break-even Rents/S.F.		0.57		
Break-even Occupancy		89.15%		

Applicant - Annual Operating Expenses

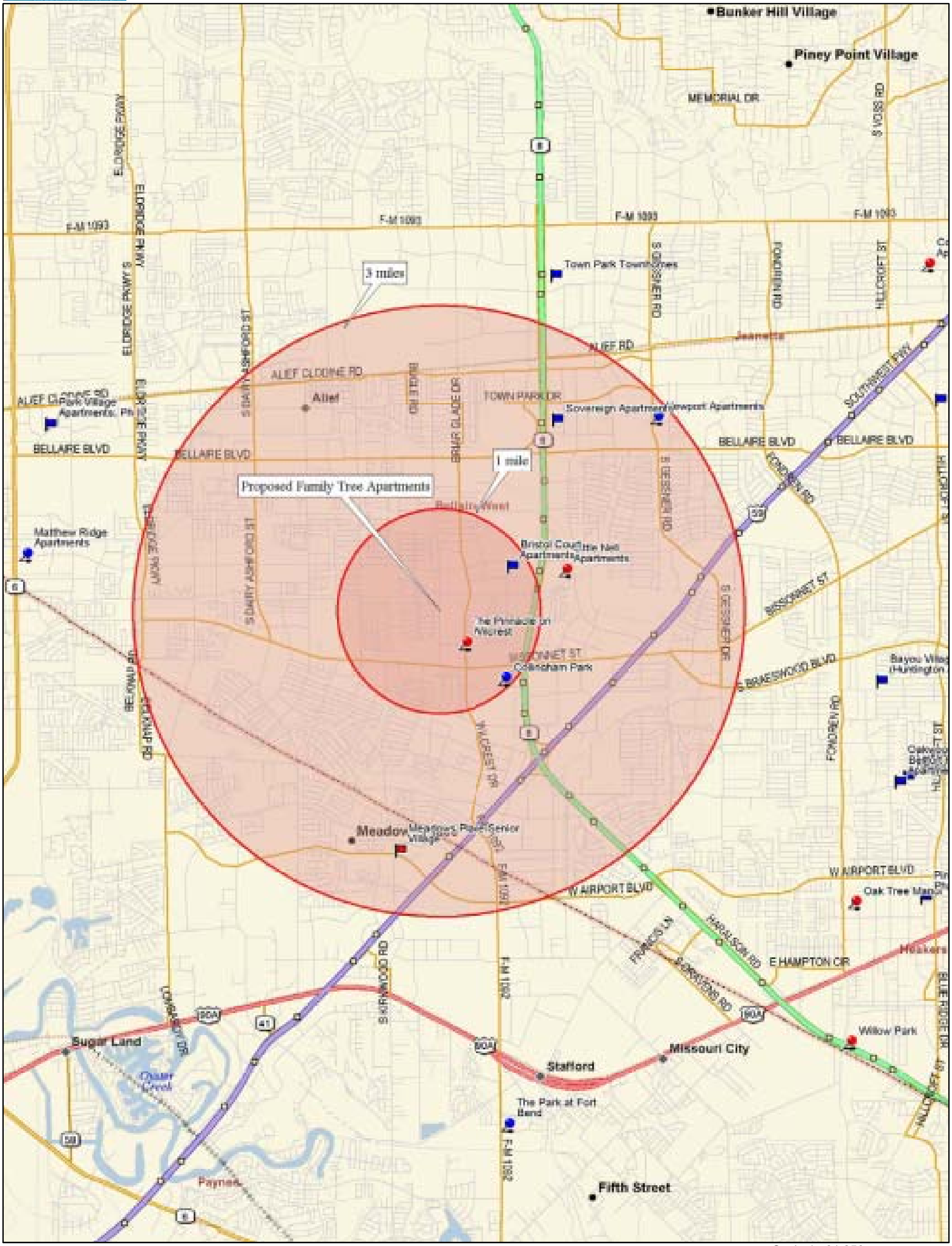
		Per S.F.	Per Unit
General & Administrative Expenses	$65,450	0.25	256
Management Fees	78,000	0.30	305
Payroll, Payroll Tax & Employee Exp	214,440	0.82	838
Maintenance/Repairs	122,750	0.47	479
Utilities	189,836	0.73	742
Property Insurance	115,200	0.44	450
Property Taxes	160,000	0.61	625
Replacement Reserves	76,800	0.29	300
Other Expenses	37,004	0.14	145
Total Expenses	$1,059,480	$4.05	$4,139

Staff Notes/Comments

Other expenses include:

Supportive Services - $22,004

Security - $15,000


Bunker Hill Village
Piney Point Village
MEMORIAL DR
S VOSS RD
ELDRIDGE PKWY
F-M 1093
Town Park Townhomes
S GESSNER RD
FONDREN RD
HILLCROFT ST
3 miles
ALIEF RD
Jeanetta
SOUTHWEST FWY
ALIEF CLODINE RD
Alief
TOWN PARK DR
BRIAR GLADE DR
Park Village Apartments
Sovereign Apartments
Newport Apartments
BELLAIRE BLVD
1 mile
Proposed Family Tree Apartments
Bellaire West
Matthew Ridge Apartments
S DAIRY ASHFORD ST
Bristol Court Apartments
Little Nell Apartments
BISSONNET ST
The Pinnacle on Wilcrest
Cunningham Park
BRAESWOOD BLVD
Bayou Village (Huntington)
WILCREST DR
Meadows Place
Meadows Place Senior Village
W AIRPORT BLVD
Oak Tree Manor
HARALSON RD
E HAMPTON CIR
KIRKWOOD RD
F-M 1092
Sugar Land
Stafford
Missouri City
Willow Park
The Park at Fort Bend
Fifth Street
Oyster Creek
Dulles
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TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS
MULTIFAMILY FINANCE DIVISION
PREQUALIFICATION ANALYSIS

Phoenix Place Apartments, Dallas (#060626) Priority 3

Unit Mix and Rent Schedule

Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	1BD/1BA	15	$ 475	510	0.93
60% AMI	1BD/1BA	11	$ 500	537	0.93
60% AMI	1BD/1BA	34	$ 550	620	0.89
60% AMI	1BD/1BA	8	$ 575	659	0.87
60% AMI	1BD/1BA	8	$ 625	762	0.82
60% AMI	1BD/1BA	1	$ 725	860	0.84
60% AMI	2BD/1BA	22	$ 700	850	0.82
60% AMI	2BD/1.5BA	11	$ 725	1,074	0.68
60% AMI	2BD/2BA	4	$ 750	1,118	0.67
					0.00
MR	1BD/1BA	1	$ 475	510	0.93
MR	1BD/1BA	1	$ 500	537	0.93
MR	1BD/1BA	2	$ 550	620	0.89
MR	2BD/1BA	1	$ 700	850	0.82
MR	2BD/1.5BA	1	$ 725	1,074	0.68
Totals		120	$ 858,300	86,062	$ 0.83
Averages			$ 596	717	

Uses of Funds/Project Costs

	Costs	Per Unit	Per S.F.	Percent
Acquisition	$ 3,900,000	$ 32,500	$ 45.32	0.57
Off-sites	0	0	0.00	0.00
Subtotal Site Costs	$ 3,900,000	$ 32,500	$ 45.32	0.57
Sitework	200,000	1,667	2.32	0.03
Hard Construction Costs	1,063,400	8,862	12.36	0.16
General Requirements (6%)	75,804	632	0.88	0.01
Contractor's Overhead (2%)	25,268	211	0.29	0.00
Contractor's Profit (6%)	75,804	632	0.88	0.01
Construction Contingency	36,000	300	0.42	0.01
Subtotal Construction	$ 1,476,276	$ 12,302	$ 17.15	0.22
Indirect Construction	156,200	1,302	1.81	0.02
Developer's Fee	695,047	5,792	8.08	0.10
Financing	583,743	4,865	6.78	0.09
Reserves	0	0	0.00	0.00
Subtotal Other Costs	$ 1,434,990	$ 11,958	$ 17	$ 0
Total Uses	$ 6,811,266	$ 56,761	$ 79.14	1.00

Applicant - Sources of Funds

Source I	**Net Proceeds**	**Sale Price**	**Applicable Percentage**	
Tax Credits	$ 2,025,477	$0.80	3.55%	
Source II	**Proceeds**	**Rate**	**Amort**	**Annual D/S**
Bond Proceeds	$ 4,535,000	6.00%	30	$ 326,275
Source III	**Proceeds**	**% Deferred**	**Remaining**	
Deferred Developer Fee	$ 248,236	35.7%	$446,811	
Source IV	**Proceeds**	**Description**		**Annual D/S**
Other				$ -
Total Sources	$ 6,808,713			$ 326,275

TDHCA - Sources of Funds

Source I	**Net Proceeds**	**Sale Price**	**Applicable Percentage**	
Tax Credits	$ 2,025,477	$0.80	3.55%	
Source II	**Proceeds**	**Rate**	**Amort**	**Annual D/S**
Bond Proceeds	$ 3,829,475	6.00%	30	$ 275,516
Source III	**Proceeds**	**% Deferred**	**Remaining**	
Deferred Developer Fee	$ 550,000	79.1%	$ 145,047	
Source IV	**Proceeds**	**Description**		**Annual D/S**
Other	$ -			$ -
Total Sources	$ 6,811,266			$ 275,516

TDHCA - Operating Proforma/Debt Coverage

			Per S.F.	Per Unit
Potential Gross Income		$858,300	$9.97	
Other Income & Loss		21,600	0.25	180
Vacancy & Collection	7.50%	(65,993)	-0.77	-550
Effective Gross Income		813,908	9.46	6,783
Total Operating Expenses	62.8%	$510,996	$5.94	$4,258
Net Operating Income		$302,912	$3.52	$2,524
Debt Service		275,516	3.20	2,296
Net Cash Flow		$27,396	$0.32	$228
Debt Coverage Ratio		1.10		
TDHCA/TSAHC Fees			$0.00	$0
Net Cash Flow		$27,396	$0.32	$228
DCR after TDHCA Fees		1.10		
Break-even Rents/S.F.		0.76		
Break-even Occupancy		91.64%		

Applicant - Operating Proforma/Debt Coverage

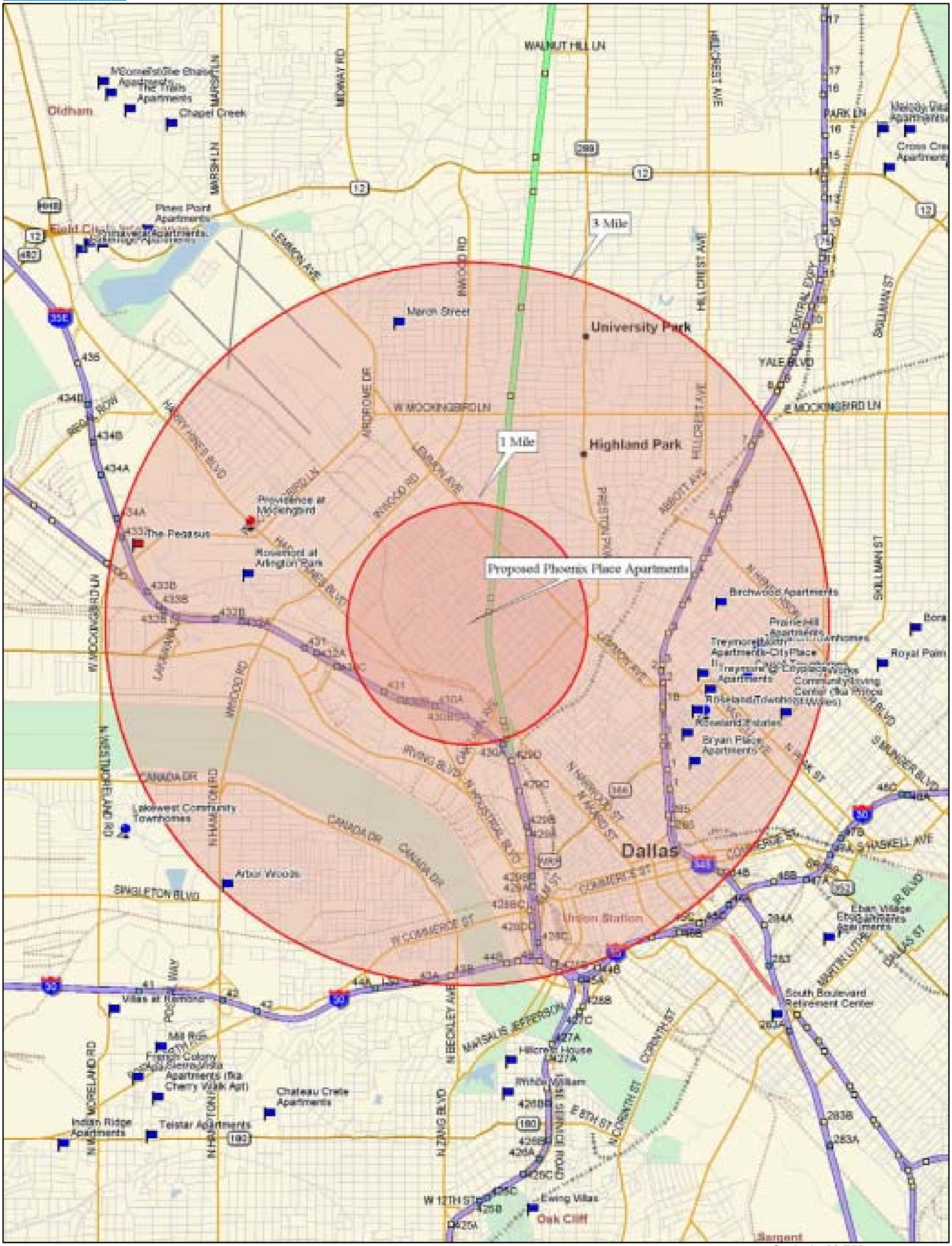
			Per S.F.	Per Unit
Potential Gross Income		$858,300	$9.97	
Other Income & Loss		21,600	0.25	180
Vacancy & Collection	9.14%	80,388	0.93	670
Effective Gross Income		$960,288	11.16	8,002
Total Operating Expenses		$510,996	$5.94	$4,258
Net Operating Income		$449,292	$5.22	$3,744
Debt Service		326,275	3.79	2,719
Net Cash Flow		$123,017	$1.43	$1,025
Debt Coverage Ratio		1.38		
TDHCA/TSAHC Fees		$0	$0.00	$0
Net Cash Flow		$123,017	$1.43	$1,025
DCR after TDHCA Fees		1.38		
Break-even Rents/S.F.		0.81		
Break-even Occupancy		97.55%		

Staff Notes/Comments

Other expenses include:
Supportive Services - $40,000

Applicant - Annual Operating Expenses

		Per S.F.	Per Unit
General & Administrative Expenses	$15,000	0.17	125
Management Fees	37,449	0.44	312
Payroll, Payroll Tax & Employee Exp	115,000	1.34	958
Maintenance/Repairs	34,000	0.40	283
Utilities	153,547	1.78	1280
Property Insurance	33,000	0.38	275
Property Taxes	47,000	0.55	392
Replacement Reserves	36,000	0.42	300
Other Expenses	40,000	0.46	333
Total Expenses	$510,996	$5.94	$4,258



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LEGAL SERVICES DIVISION
BOARD ACTION REQUEST
July 12, 2006

Action Item

Presentation, Discussion, and possible action on Request for Proposals for tax credit counsel.

Requested Action

Approve the RFP for outside counsel for legal guidance on complex tax credit questions.

Background and Recommendations

The Department utilizes outside counsel to answer complex tax credit program questions based on the Internal Revenue Service code, letter rulings and other technical advisory opinions. The one-year extension previously granted to our existing counsel, Hawkins Delafield & Wood, expires on August 31, 2006. We will be posting this information in the Texas Register and bringing back to the Board a recommendation for outside counsel.

The Office of the Attorney General governs the employment of outside counsel including the requirement to procure services exceeding $25,000 by RFP. The outside counsel contracts are reviewed and approved by the Office of the Attorney General and expenses are paid only after approval by our liaison.

Staff Recommendation: Staff recommends approval of the RFP for posting.

REQUEST FOR PROPOSALS

FOR

LOW INCOME HOUSING TAX CREDIT COUNSEL

I. BACKGROUND ON THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

A. PURPOSE

The Texas Department of Housing and Community Affairs ("TDHCA"), is a public and official governmental agency of the state, pursuant to Chapter 2306, Texas Government Code (the "Act"). One of the purposes of TDHCA is to provide for the housing needs of individuals and families of low and very low income and families of moderate income. Pursuant to the Act, TDHCA may allocate low income housing tax credits in accordance with Section 42 of the Internal Revenue Code of 1986, as amended (the "Code") and the rules promulgated thereunder.

B. ORGANIZATION

TDHCA is governed by a seven-member board appointed by the Governor and managed by an Executive Director hired by the Board. The members of the board are appointed by the Governor upon the advice and consent of the Texas Senate for staggered six-year terms, with the terms of two or three members expiring on January 31 of each odd-numbered year. The board is responsible for authorizing the allocation of tax credits by TDHCA and all other acts in connection therewith specified in the Act. The executive director is responsible for the overall administration of TDHCA and its programs and for employing its staff.

C. LOW INCOME HOUSING TAX CREDIT PROGRAM

TDHCA is responsible for administering the low income housing tax credit program ("tax credit") of this State. The tax credit was created under federal law as a provision of the Internal Revenue Code of 1986, as amended. The tax credit is designed to provide tax incentives in the form of a nonrefundable federal income tax credit to the owner of a newly constructed or substantially rehabilitated qualified low income housing project.

II. SCOPE OF SERVICES

A. NATURE OF SERVICES REQUIRED

TDHCA anticipates the need for legal services in connection with the administration of the low income housing tax credit program at any time and from time to time during the term of the contract at the request of TDHCA. The specific functions for which the TDHCA is seeking tax credit counsel are as follows:

1. Provide advice to TDHCA on its administration of the tax credit allocation process, including but not limited to, counsel's analysis of TDHCA's application process and rules promulgated for such purpose;
2. Provide advice to TDHCA on its compliance and monitoring processes, including but not limited to, counsel's analysis of manuals promulgated for such purpose;
3. Provide TDHCA with information concerning programmatic changes along with interpretation of provisions of the federal tax code and related regulations and other matters pertaining to the tax credit program in a timely manner;
4. Advise TDHCA with regard to formal ruling requests to be made on behalf of TDHCA to the Internal Revenue Service (the "IRS") and to prepare and submit any such requests to the IRS;
5. Answer questions from specified TDHCA staff regarding the tax credit program and applicable law;
6. Handle any other service as may be required by TDHCA with regard to the tax credit program and relevant law.

B. Special Requirements for Tax Credit Counsel

Due to the requirement that TDHCA be represented before the IRS, selected counsel must at all times during the term of the contract with TDHCA be qualified to appear before the IRS on behalf of TDHCA. Further, selected tax credit counsel is expected to assign those attorneys and professionals employed by the firm who are best suited to appropriately respond to such requests.

C. Terms of Agreement

Subject to the approval of tax credit counsel by the governing board of TDHCA and the Executive Director, and negotiation of an acceptable contract by TDHCA and such outside counsel, TDHCA will execute an agreement with tax credit counsel for a one year term with optional extensions as required based on performance and on such other terms and conditions as may be acceptable to the parties subject to required approval of the Attorney General of Texas. Any such agreement shall provide that TDHCA will retain the right to terminate the contract for any reason and at any time upon the payment of fees and expenses then due and payable.

III. RFP Instructions

A. Proposal Form and Format

Five (5) copies of the proposal are requested and should be sent by registered mail or delivered in person to the attention of Mr. Kevin Hamby, General Counsel, Texas Department of Housing and Community Affairs, 221 East 11th Street, Austin, Texas 78701, no later than the deadline for submission of proposals specified below. The proposals must include each question or request for information, as specified herein, followed by the narrative answer in the standard format for interrogatories, limited to one side of a single 8 1/2" x 11" page. Supplemental information (such as firm brochure, annual reports or background material), if any, must be restricted to Appendices following the responses. The pages of the proposal should be numbered sequentially with the name of the firm on each page. The proposal should be submitted in a loose-leaf binder.

B. Deadline for Submission

The deadline for submission in response to the Request for Proposals is 4:00 p.m., Central Daylight Savings Time, **<<insert date here>>**. No proposal will be accepted after the deadline.

C. General Information

TDHCA reserves the right to accept or reject any (or all) proposals submitted. The information contained in this proposal request is intended to serve only as a general description of the services desired by TDHCA, and TDHCA intends to use responses as a basis for further negotiation of specific project details with offerors. This request does not commit TDHCA to pay for any costs incurred prior to the execution of a contract and is subject to availability of funds. Issuance of this request for proposal in no way obligates TDHCA to award a contract or to pay any costs incurred in the preparation of a response.

D. Release of Information

Information submitted relative to this request for proposals shall not be released by TDHCA during the proposed evaluation process or prior to contract award. All information submitted to and retained by TDHCA becomes subject to disclosure under the Texas Public Information Act, unless an exception under such Act is applicable.

E. Proprietary Information

If a firm does not desire proprietary information in the proposal to be disclosed under the Texas Public Information Act or otherwise, it is required to clearly identify (and segregate, if possible) all proprietary information in the proposal, which identification shall be submitted concurrently with the proposal. If such information is requested under the Texas Public Information Act, the firm will be notified and in accordance with the law, if appropriate, present their objection to the Attorney General who shall make the final determination. If the firm fails to clearly identify proprietary information, it agrees, by the submission of a proposal, that those sections shall be deemed non-proprietary and made available upon public request after the contract is awarded.

IV. Requested Information

Respondent must:

A. Provide a general description of your law firm, including historical background, number and location of firm offices, number of attorneys and major areas of practice;

B. Provide a general description of your firm's practice in the field of tax credit law, including the size and scope of the practice, the number of attorneys active in the practice and other resources of the firm relevant to the practice;

C. Provide information concerning your firm's experience in preparing and submitting ruling requests to the IRS in connection with the tax credit program and your firm's corresponding success rate;

D. Provide a list of major clients your firm has served including any tax credit counsel relationships between your firm and any housing agencies or departments of any other state or local government;

E. As required by the outside counsel contract provided by the Office of the Attorney General of Texas, your firm shall represent that it does not and shall not during the term of the proposed contract hereof, represent a plaintiff in a proceeding seeking monetary damages from the State of Texas or any of its agencies. Also, your firm shall conduct a conflicts analysis on any subcontractor and disclose any, actual or potential conflict to the Agency and the Attorney General. For these purposes, proceedings seeking money damages do not include actions for tax refunds or compensation for exercise of eminent domain authority or reimbursement of costs of litigation and attorneys' fees or for payments due for patient care or actions brought pro bono.

F. Identify the individuals who will be assigned to the TDHCA account if your firm is selected as tax credit counsel. Provide information regarding the background and the experience of each individual, noting in particular his or her experience, if any, with other state or local government housing agencies or departments in advising them as to their tax credit program and designating the percentage of work for which each individual will be responsible, along with representative rate structures for each;

G. Describe in detail the services that your firm normally provides as tax credit counsel for a transaction or client and other matters not directly related to tax credit transactions in which your firm anticipates its services may be necessary. Explain the reasons why and the extent to which additional involvement may be necessary;

H. Discuss in detail your firm's views as to the major problems, including potential legislative changes, to be faced by TDHCA as a tax credit allocating agency during the next three years. Discuss the role of tax credit counsel in helping to find solutions to those problems;

I. Additional consideration will be given to those respondent firms that employ individuals with knowledge of the legislative history of the tax credit program and involvement in its continued evolution; and

J. Compensation. As required by the outside counsel contract provided by the Office of the Attorney General of Texas, your firm's proposed method of charging for legal services shall be submitted to the Agency on a monthly basis and shall provide a detailed accounting of the time charged and the respective charge for each increment of time and contain detail of specific expenses allowed by the Attorney General of Texas and set by the State of Texas Comptroller of Public Accounts. All proposals must include a statement that they are valid for the duration of the contract.

V. Review

In accordance with law, TDHCA will make its selection based on its identified needs for tax credit counsel, the demonstrated competence, experience, knowledge, and qualifications of applicants, and on the reasonableness of the proposed fee for the services to be performed. By this Request for Proposals, however, TDHCA has not committed itself to employ tax credit counsel for any or all of the above-described matters, nor does the suggested scope of services or term of agreement require that tax credit counsel be employed for any of those purposes. TDHCA reserves the right to make those decisions after receipt of responses, and TDHCA's decision of these matters is final.

TDHCA reserves the right to negotiate all elements which comprise the proposal of the firm(s) to ensure that the best possible consideration is afforded to all concerned. TDHCA reserves the right to reject any and all proposals and to resolicit proposals in such event. TDHCA permits proposals utilizing joint ventures of any two or more firms, if appropriate.

IV. Additional Information

For additional information concerning the requirements of this request for proposals, please contact Kevin Hamby, General Counsel, at 512.475.3948. Communication with any member of the board, the executive director, or TDHCA staff other than Mr. Hamby, concerning any matter related to this request for proposals is grounds for immediate disqualification.

Issued in Austin, Texas on ______________________________

_/s/____________________________
Michael Gerber, Executive Director

FINANCIAL ADMINISTRATION DIVISION

BOARD ACTION REQUEST
July 12, 2006

Report Item

3rd Quarter Investment Report

Required Action

Presentation of the Department's 3rd Quarter Investment Report

Background

- This report is in the prescribed format and detail as required by the Public Funds Investment Act. It shows in detail the types of investments, their maturity, their carrying (face amount) value and market value at the beginning and end of the quarter.

- Overall, the portfolio decreased by $12.90 million for a total of $1.3 billion. There were 4 new Multi-Family bond issuances issued during the 3rd quarter for a total of $50.1M. The Single Family Mortgage Revenue Bond indenture paid $16.3M in principal and $13.3M in interest and the multi-family issues paid $29.6 in principal. The remaining difference is accounted by construction draws made by multi-family projects currently under construction.

The portfolio consists of:

	Beginning Quarter	Ending Quarter
Mortgage Back Securities (MBS)	**61%**	**65%**
Guaranteed Investment Contract/ Investment Agreement (GIC/IA)	**23%**	**22%**
Repurchase Agreements	**10%**	**6%**
Other	**6%**	**7%**

The portfolio activity for the quarter:

- $71.2 million of MBS purchases during the quarter represent portfolio activity for new loans originated.

- The maturities in MBS this quarter were $18.3 million which represents loan payoffs. The table below shows a strong trend in new loans and decreasing amounts of loan payoffs.

	3rd Qtr FY 05	4th Qtr FY 05	1st Qtr FY 06	2nd Qtr FY 06	3rd Qtr FY 06	Total
Purchases	51,851,991	56,567,014	57,279,673	93,337,220	71,241,317	381,878,910
Sales						
Maturities	23,188,479	21,744,647	24,134,919	52,202,521	18,345,860	176,570,210

- The market value decreased $27.97M increasing the difference between fair value and par value with market value being less. The national average for a 30-year fixed mortgage as reported by HSH was 6.75% for the end of May up from 6.40% at the end of February. The spread between the market rate and our below-market rates is increasing which will make the Department's funds more attractive relative to the market rate; therefore, they should originate faster and thus reduce negative arbitrage costs to the indenture.

- This change in market value is to be expected. It is reflective of the overall change in the bond market as a whole.

- Since we typically hold our investments to maturity, this is referred to as an unrealized loss.

- The fact that our investments provide the appropriate cash flow to pay debt service and eventually retire the related bond debt is more important than their relative value in the bond market as a whole.

- The more relevant measures of indenture parity, projected future cash flows, and the comparison of current interest income to interest expense are not part of a public funds investment report. The attached page is an additional analysis prepared as of April 30, 2006 by the Bond Finance group (it is not part of the PFIA report). This report shows parity by indentures with assets greater than liabilities in a range from 102% to 111%. This is considered strong by rating agencies. The interest comparison shows interest income less interest expense by indenture and indicates a current positive cash flow for three of the indentures while two indentures are negative. In total, there is a small overall negative of $78,815 in more interest expense than interest income for the quarter.

Texas Department of Housing and Community Affairs
Bond Finance Division
Executive Summary
As of April 30, 2006

	Single Family Program Funds	Residential Mortgage Revenue Bond Funds	Collateralized Home Mortgage Revenue Funds	Single Family CHMRB 1994 Funds	Multi-Family Program Funds	Combined Totals
PARITY COMPARISON:						
PARITY ASSETS						
Cash	$ 101,151	$ 4	$ -	$ -	$ 4,721,094	$ 4,822,249
Investments	$ 105,808,637	$ 27,995,518	$ 2,370,055	$ 3,621,562	$ 178,351,214	$ 318,146,985
Mortgage Backed Securities	$ 485,402,374	$ 345,167,134	$ 16,214,691	$ -	$ -	$ 846,784,200
Loans Receivable	$ 49,452,492	$ 1,579,521	$ -	$ -	$ 1,036,953,399	$ 1,087,985,412
Accrued Interest Receivable	$ 2,878,712	$ 2,348,838	$ 104,421	$ 29,116	$ 13,710,791	$ 19,071,878
TOTAL PARITY ASSETS	$ 643,643,366	$ 377,091,015	$ 18,689,167	$ 3,650,678	$ 1,233,736,498	$ 2,276,810,724
PARITY LIABILITIES						
Bonds Payable	$ 606,875,000	$ 361,440,000	$ 17,200,000	$ 3,500,000	$ 1,089,260,341	$ 2,078,275,341
Accrued Interest Payable	$ 4,760,568	$ 6,511,509	$ 22,759	$ 18,229	$ 14,604,941	$ 25,918,006
TOTAL PARITY LIABILITIES	$ 611,635,568	$ 367,951,509	$ 17,222,759	$ 3,518,229	$ 1,103,865,282	$ 2,104,193,347
PARITY DIFFERENCE	$ 32,007,798	$ 9,139,506	$ 1,466,408	$ 132,449	$ 129,871,216	$ 172,617,377
PARITY	**105.23%**	**102.48%**	**108.51%**	**103.76%**	**111.77%**	**108.20%**
INTEREST COMPARISON (Through the Eighth Fiscal Month) :						
INTEREST INCOME						
Loans	$205,758.00	$11,582.00	$0.00	$0.00	$5,127,636.00	$5,344,976.00
Investments	$2,035,808.00	$1,724,087.00	$105,742.00	$17,573.00	$3,030.00	$3,886,269.00
Real Estate Owned	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
TOTAL INTEREST INCOME	$2,241,566.00	$1,735,669.00	$105,742.00	$17,573.00	$5,130,666.00	$9,231,245.00
INTEREST EXPENSE						
Interest on Bonds	$2,438,035.00	$1,622,743.00	$96,040.00	$18,229.00	$5,127,638.00	$9,310,060.00
TOTAL INTEREST EXPENSE	$2,438,035.00	$1,622,743.00	$96,040.00	$18,229.00	$5,127,638.00	$9,310,060.00
NET INTEREST	($196,469.00)	$112,926.00	$9,702.00	($656.00)	$3,028.00	($78,815.00)
INTEREST RATIO	**91.94%**	**106.96%**	**110.10%**	**96.40%**	**100.06%**	**99.15%**

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
HOUSING FINANCE DIVISION

PUBLIC FUNDS INVESTMENT ACT
INTERNAL MANAGEMENT REPORT (SEC. 2256.023)
QUARTER ENDING MAY 31, 2006

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
HOUSING FINANCE DIVISION
PUBLIC FUNDS INVESTMENT ACT
Internal Management Report (Sec. 2256.023)
Quarter Ending May 31, 2006

(b) (4) Summary statement of each pooled fund group:

INDENTURE	FAIR VALUE (MARKET) @ 02/28/06	CARRYING VALUE @ 02/28/06	CHANGE IN CARRYING VALUE				CARRYING VALUE @ 05/31/06	FAIR VALUE (MARKET) @ 05/31/06	CHANGE IN FAIR VALUE (MARKET)	ACCRUED INT RECVBL @ 05/31/06	RECOGNIZED GAIN
			ACCRETION/ PURCHASES	AMORTIZATION/ SALES	MATURITIES	TRANSFERS					
Single Family	615,504,204.90	623,583,162.90	69,415,050.40	(85,461,556.14)	(8,344,444.18)	0.00	599,192,212.98	572,708,858.10	(18,404,396.88)	2,751,361.00	16,316.41
RMRB	372,549,038.17	371,649,423.11	19,404,786.12	(5,951,677.30)	(9,205,091.30)	0.00	375,897,442.63	367,464,641.20	(9,332,416.49)	2,437,033.00	0.00
CHMRB	19,322,054.69	18,613,193.62	746,564.97	0.00	(763,655.98)	0.00	18,596,102.61	19,071,761.05	(233,202.63)	103,039.00	0.00
Multi Family	165,343,864.18	165,343,864.18	54,982,825.01	(48,705,750.17)	(32,668.04)	0.00	171,588,270.98	171,588,270.98	-	3,828.00	0.00
SF CHMRB 1993	7,802.47	7,802.47	94.63	0.00	0.00	0.00	7,897.10	7,897.10	-	2.00	0.00
SF CHMRB 1994/1995	3,621,852.77	3,621,852.77	3,203.13	(1,824.32)	0.00	0.00	3,623,231.58	3,623,231.58	-	27,905.00	0.00
Commercial Paper	135,575,978.82	135,575,978.82	0.00	(125,961.24)	0.00	0.00	135,450,017.58	135,450,017.58	-	1,784,681.00	0.00
General Fund	10,974,333.53	10,974,333.53	1,710,123.96	(171,147.01)	0.00	0.00	12,513,310.48	12,513,310.48	-	1,741.00	0.00
Housing Trust Fund	16,487,657.34	16,487,657.34	4,916,088.86	(5,068,904.55)	0.00	0.00	16,334,841.65	16,334,841.65	-	880.00	0.00
Administration	142,067.27	142,067.27	1,685.58	0.00	0.00	0.00	143,752.85	143,752.85	-	20.00	0.00
Compliance	1,846,373.82	1,846,373.82	426,109.95	0.00	0.00	0.00	2,272,483.77	2,272,483.77	-	316.00	0.00
Housing Initiatives	3,989,920.84	3,989,920.84	57,233.53	(745,739.16)	0.00	0.00	3,301,415.21	3,301,415.21	-	460.00	0.00
TOTAL	1,345,365,148.80	1,351,835,630.67	151,663,768.14	(146,232,559.89)	(18,345,859.50)	0.00	1,338,920,979.42	1,304,480,481.55	(27,970,016.00)	7,111,266.00	16,316.41

* No relationship can be drawn between the "ACCRUED INT RECVBL @ 05/31/06" figures and the corresponding investment values, because of various factors (e.g. purchase date of investment; interest payment terms-daily, monthly & semi-annual; etc..).
In addition to the aforementioned factors with regards to the Multi Family Indenture, the Department is carrying $ 184,531,775 of investments pledged as reserves by participating entities. The Department is carrying these investments with their corresponding liability purely for tracking the flow of funds.

(b) (8) The Department is in compliance with regards to investing its funds in a manner which will provide by priority the following objectives: (1) safety of principal, (2) sufficient liquidity to meet Department cash flow needs, (3) a market rate of return for the risk assumed, and (4) conformation to all applicable state statutes governing the investment of public funds including Section 2306 of the Department's enabling legislation and specifically, Section 2256 of the Texas Government Code, the Public Funds Investment Act.

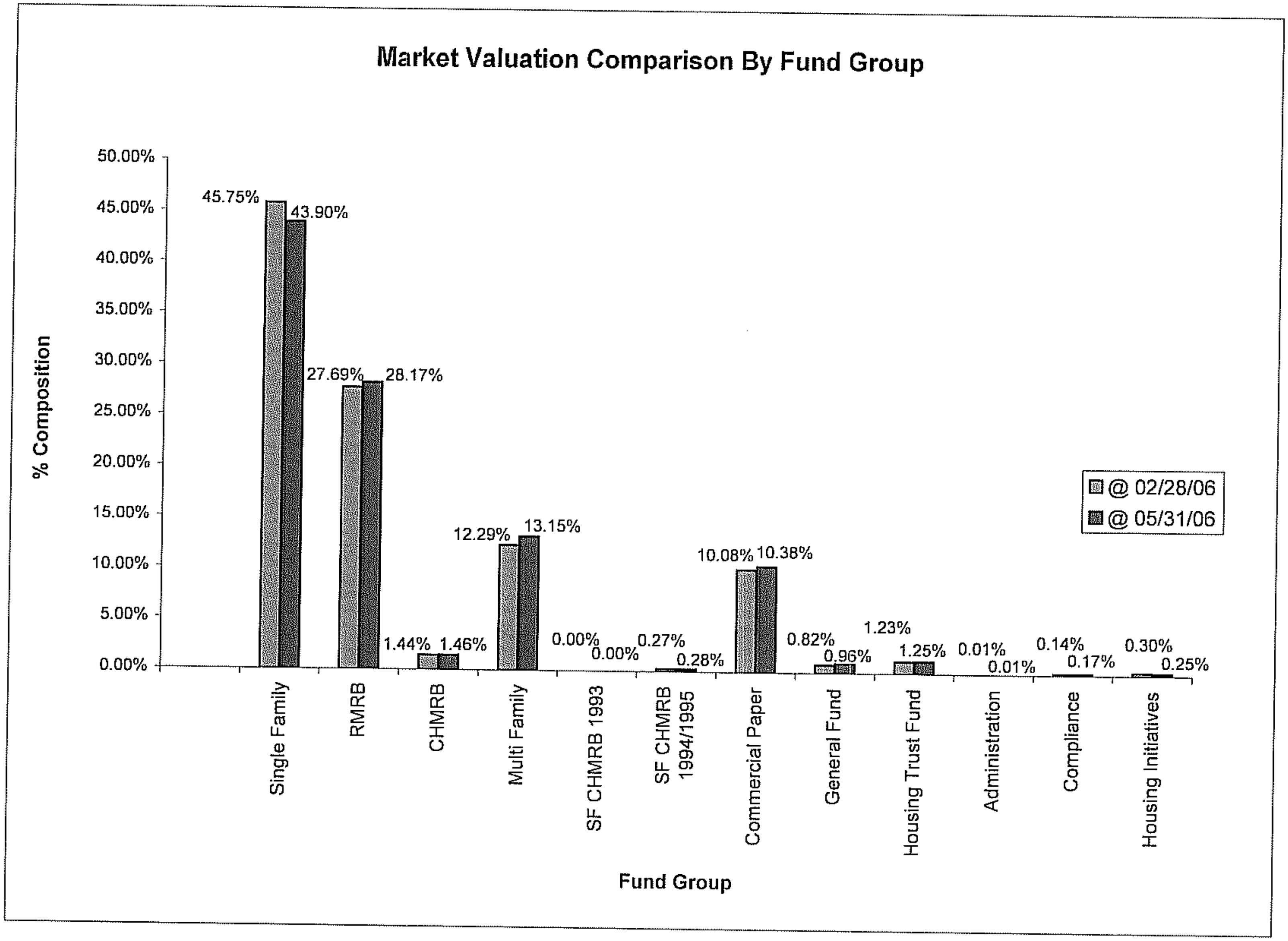
David Cervantes, Director of Financial Administration — Date 6/27/06

Matt Pogor, Acting Director of Bond Finance — Date 6/27/06

PUBLIC FUNDS INVESTMENT ACT
INTERNAL MANAGEMENT REPORT (SEC. 2256.023)
QUARTER ENDING May 31, 2006

Supplemental Information:

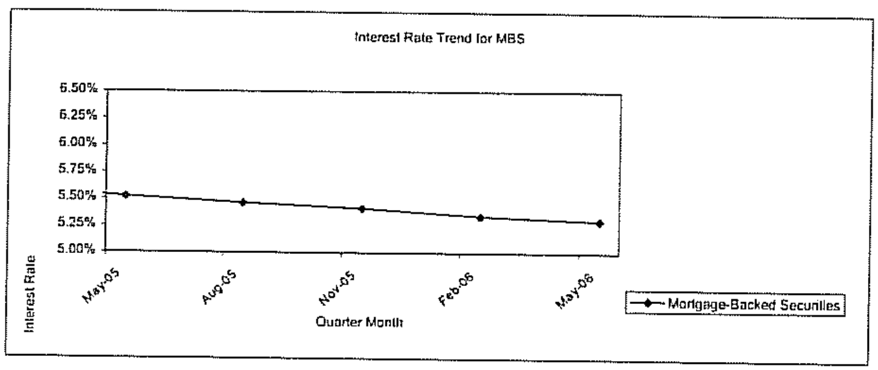
1) Bar Graph - Comparison of Market by Fund Group between Quarters
2) Analysis of Portfolio Interest Rate Trends and Maturities
3) Bar Graph - Comparison of Market Valuation by Investment Type between Quarters
4) Supplemental Public Funds Investment Act Report by Investment Type
5) Detail of Investments including maturity dates by Fund Group

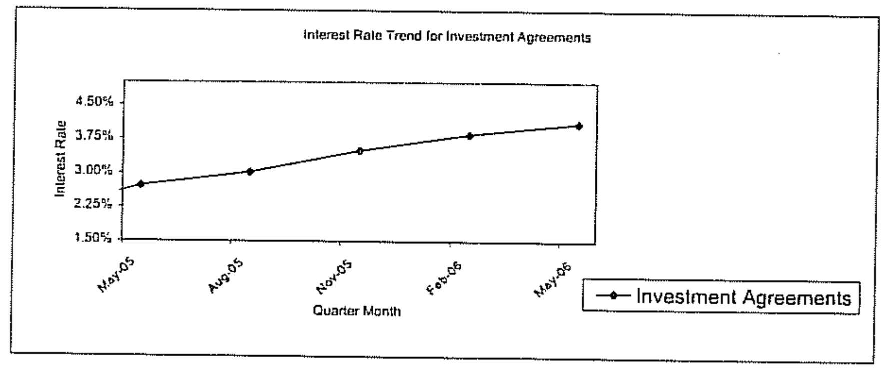


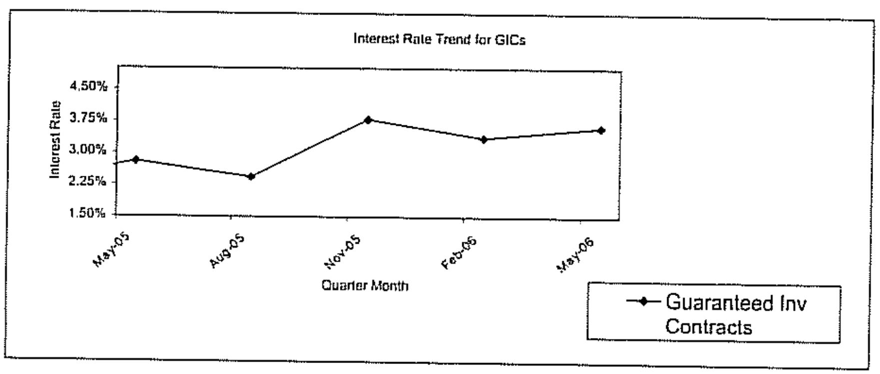
Market Valuation Comparison By Fund Group
% Composition
50.00%
45.00%
40.00%
35.00%
30.00%
25.00%
20.00%
15.00%
10.00%
5.00%
0.00%
45.75%
43.90%
27.69%
28.17%
1.44%
1.46%
12.29%
13.15%
0.00%
0.00%
0.27%
0.28%
10.08%
10.38%
0.82%
0.96%
1.23%
1.25%
0.01%
0.01%
0.14%
0.17%
0.30%
0.25%
@ 02/28/06
@ 05/31/06
Single Family
RMRB
CHMRB
Multi Family
SF CHMRB 1993
SF CHMRB 1994/1995
Commercial Paper
General Fund
Housing Trust Fund
Administration
Compliance
Housing Initiatives
Fund Group

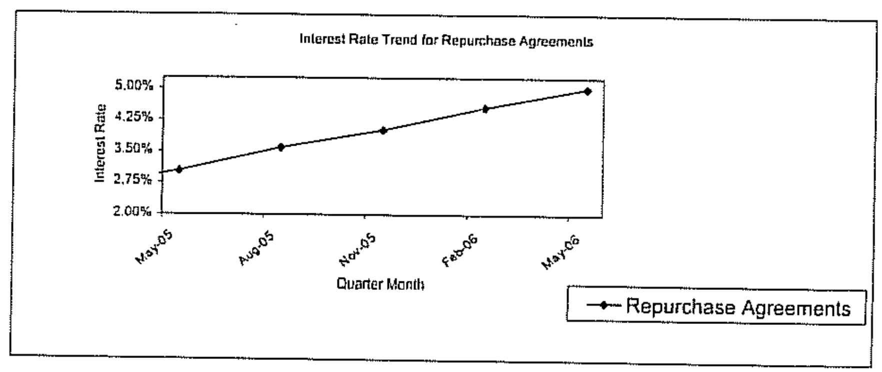
TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS
HOUSING FINANCE DIVISION
PUBLIC FUNDS INVESTMENT ACT
Supplemental Schedule of Portfolio Interest Rate Trends and Maturities
Quarter May 31, 2006

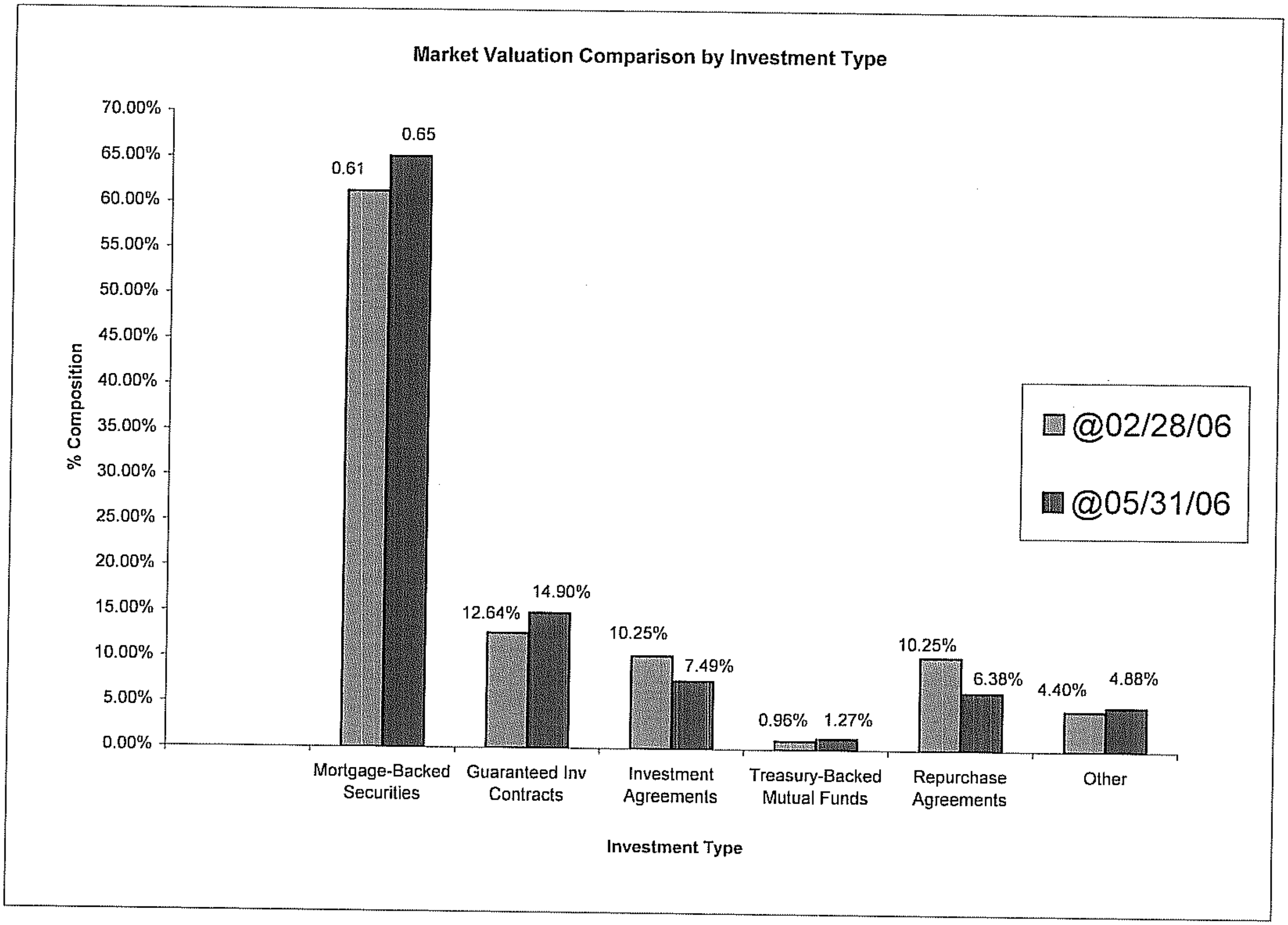
INVESTMENT TYPE	Range of Interest for Current Quarter HI	LOW	Portfolio % Composition	Weighted Avg Rate Beg Carrying Value @ 02/28/06	Weighted Avg Rate Beg Market Value @ 02/28/06	Weighted Avg Rate End Carrying Value @ 05/31/06	Weighted Avg Rate End Market Value @ 05/31/06	Weighted Avg Maturity Beg Carrying Value @ 02/28/06		Weighted Avg Maturity Beg Market Value @ 02/28/06		Weighted Avg Maturity End Carrying Value @ 05/31/06		Weighted Avg Maturity End Market Value @ 05/31/06	
								Months	Days	Months	Days	Months	Days	Months	Days
Mortgage-Backed Securities	6.75%	4.49%	65.07%	5.32%	5.34%	5.27%	5.30%	320	15	319	13	321	27	320	17
Commercial Paper	4.85%	4.85%	0.25%	4.41%	4.41%	4.85%	4.85%	0	13	0	13	0	15	0	15
Guaranteed Inv Contracts	6.51%	1.49%	14.90%	3.36%	3.36%	3.61%	3.61%	35	14	35	14	65	21	65	21
Investment Agreements	6.70%	1.81%	7.49%	3.85%	3.85%	4.10%	4.10%	36	16	36	16	54	19	54	19
Money Markets	4.58%	3.95%	2.61%	3.72%	3.72%	4.21%	4.21%	0	1	0	1	0	1	0	1
Treasury-Backed Mutual Funds	4.58%	3.95%	1.27%	3.76%	3.76%	4.30%	4.30%	0	1	0	1	0	1	0	1
Repurchase Agreements	5.01%	5.01%	6.38%	4.55%	4.55%	5.01%	5.01%	0	1	0	1	0	1	0	1
Treasury Bills	5.81%	5.81%	0.01%	5.81%	5.81%	5.81%	5.81%	0	9	0	9	0	15	0	15
Treasury Bonds/Notes	13.25%	2.07%	2.02%	3.88%	3.98%	2.96%	3.05%	17	11	18	5	10	7	10	29










Market Valuation Comparison by Investment Type
70.00%
65.00%
60.00%
55.00%
50.00%
45.00%
40.00%
35.00%
30.00%
25.00%
20.00%
15.00%
10.00%
5.00%
0.00%
% Composition
0.61
0.65
12.64%
14.90%
10.25%
7.49%
0.96%
1.27%
10.25%
6.38%
4.40%
4.88%
Mortgage-Backed Securities
Guaranteed Inv Contracts
Investment Agreements
Treasury-Backed Mutual Funds
Repurchase Agreements
Other
Investment Type
@02/28/06
@05/31/06

TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS
HOUSING FINANCE DIVISION
PUBLIC FUNDS INVESTMENT ACT
Supplemental Schedule
Quarter Ending May 31, 2006

(b) (4) Summary statement of each pooled investment group:

INVESTMENT TYPE	FAIR VALUE (MARKET) @ 02/28/06	CARRYING VALUE @ 02/28/06	CHANGE IN CARRYING VALUE				CARRYING VALUE @ 05/31/06	FAIR VALUE (MARKET) @ 05/31/06	CHANGE IN FAIR VALUE (MARKET)	RECOGNIZED GAIN
			ACCRETION/ PURCHASES	AMORTIZATION/ SALES	MATURITIES	TRANSFERS				
Mortgage-Backed Securities	823,790,038.48	830,567,533.37	71,241,316.96	0.00	(18,345,859.50)	0.00	883,462,990.83	848,806,532.12	(27,878,963.82)	0.00
Guaranteed Inv Contracts	170,067,266.58	170,067,266.58	30,072,309.80	(5,708,882.58)	0.00	0.00	194,430,693.80	194,430,693.80	-	0.00
Investment Agreements	137,906,658.28	137,906,658.28	17,527,190.85	(57,679,061.80)	0.00	0.00	97,754,787.33	97,754,787.33	-	0.00
Treasury-Backed Mutual Funds	12,941,697.26	12,941,697.26	6,542,244.98	(2,892,597.86)	0.00	0.00	16,591,344.38	16,591,344.38	-	0.00
Repurchase Agreements	137,952,197.87	137,952,197.87	12,516,209.63	(67,210,547.47)	0.00	0.00	83,257,860.03	83,257,860.03	-	0.00
Money Markets	27,785,627.92	27,785,627.92	13,764,337.51	(7,527,675.49)	0.00	0.00	34,022,289.94	34,022,289.94	-	0.00
Treasury Bills	82,809.44	82,809.44	0.00	(2,155.02)	0.00	0.00	80,654.42	80,654.42	-	0.00
Treasury Bonds/Notes	28,866,852.97	28,559,839.95	158.41	(2,559,996.67)	0.00	0.00	26,000,001.69	26,215,062.53	(91,052.18)	16,316.41
Commercial Paper	5,972,000.00	5,972,000.00		(2,651,643.00)			3,320,357.00	3,320,357.00	-	
TOTAL	1,345,365,148.80	1,351,835,630.67	151,663,768.14	(146,232,559.89)	(18,345,859.50)	0.00	1,338,920,979.42	1,304,480,481.55	(27,970,016.00)	16,316.41

(b) (8) The Department is in compliance with regards to investing its funds in a manner which will provide by priority the following objectives: (1) safety of principal, (2) sufficient liquidity to meet Department cash flow needs, (3) a market rate of return for the risk assumed, and (4) conformation to all applicable state statutes governing the investment of public funds including Section 2306 of the Department's enabling legislation and specifically, Section 2256 of the Texas Government Code, the Public Funds Investment Act.

David Cervantes, Director of Financial Administration	Date 6/27/06
Matt Pogor, Acting Director of Bond Finance	Date 6/27/06

Detail of Investments including maturity dates by Fund Group

Texas Department of Housing and Community Affairs
Single Family Investment Summary
For Period Ending May 31, 2006

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/06	Beginning Market Value 02/28/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/06	Ending Market Value 05/31/06	Change In In Market Value	Recognized Gain
Repo Agmt	1980 Single Family Surplus Rev	5.01	05/31/06	06/01/06	35,808.44	35,808.44		(16,534.87)			19,273.57	19,273.57	-	0.00
Repo Agmt	1980 Single Family Surplus Rev	5.01	05/31/06	06/01/06	1,280,919.47	1,280,919.47	1,309,685.89				2,590,605.36	2,590,605.36	-	0.00
T-Bond	1980 Single Family Surplus Rev				550,866.22	568,403.92		(550,886.22)					(17,517.70)	16,347.02
GIC's	1980 Single Family Surplus Rev	6.08	11/14/96	09/30/29	17,425.90	17,425.90	703,516.42				720,942.32	720,942.32	-	0.00
Repo Agmt	1980 Single Family Surplus Rev	5.01	05/31/06	06/01/06	5.97	5.97	0.00				5.97	5.97	-	0.00
Repo Agmt	1980 Single Family Surplus Rev	5.01	05/31/06	06/01/06	7,187.93	7,187.93	473.17				7,661.10	7,661.10	-	0.00
Repo Agmt	1980 Single Family Surplus Rev	5.01	05/31/06	06/01/06	43,813.47	43,813.47	531.28				44,344.75	44,344.75	-	0.00
Repo Agmt	1980 Single Family Surplus Rev	5.01	05/31/06	06/01/06	514,073.51	514,073.51	57,188.06				571,261.57	571,261.57	-	0.00
	1980 Single Family Surplus Rev Total				2,450,120.91	2,467,638.61	2,071,594.82	(567,421.09)	0.00	0.00	3,954,294.64	3,954,294.64	(17,517.70)	16,347.02
Repo Agmt	1982 A Single Family				1,339.19	1,339.19		(1,339.19)					-	0.00
GIC's	1982 A Single Family	6.08	11/14/96	09/30/29	45,521.62	45,521.62	1,192.61				46,714.23	46,714.23	-	0.00
	1982 A Single Family Total				46,860.81	46,860.81	1,192.61	(1,339.19)	0.00	0.00	46,714.23	46,714.23	0.00	0.00
Repo Agmt	1983 A&B Single Family	5.01	05/31/06	06/01/06	13,693.26	13,693.26	2,176.01				15,869.27	15,869.27	-	0.00
GIC's	1983 A&B Single Family	6.08	11/14/96	09/30/29	470,850.65	470,850.65	333,414.96				804,265.61	804,265.61	-	0.00
T-Note	1983 A&B Single Family	13.25	08/05/85	05/15/14	715.89	902.33	0.12				716.01	881.07	(21.38)	0.00
	1983 A&B Single Family Total				485,259.80	485,446.24	335,591.09	0.00	0.00	0.00	820,850.89	821,015.95	(21.38)	0.00
Repo Agmt	1984 A&B Single Family	5.01	05/31/06	06/01/06	4,784.35	4,784.35		(4,774.22)			10.13	10.13	-	0.00
T-Bond	1984 A&B Single Family	13.25	08/05/85	05/15/14	407.58	513.83	0.07				407.65	501.72	(12.16)	0.00
GIC's	1984 A&B Single Family	6.08	11/14/96	09/30/29			113,134.40				113,134.40	113,134.40	-	0.00
	1984 A&B Single Family Total				5,191.93	5,298.18	113,134.47	(4,774.22)	0.00	0.00	113,552.18	113,646.25	(12.16)	0.00
Repo Agmt	1985 A Single Family	5.01	05/31/06	06/01/06	3,863.44	3,863.44		(3,847.14)			16.30	16.30	-	0.00
GIC's	1985 A Single Family	6.08	11/14/96	09/30/29			159,333.75				159,333.75	159,333.75	-	0.00
	1985 A Single Family Total				3,863.44	3,863.44	159,333.75	(3,847.14)	0.00	0.00	159,350.05	159,350.05	0.00	0.00
Repo Agmt	1985 B&C Single Family	5.01	05/31/06	06/01/06	951.09	951.09		(946.99)			4.10	4.10	-	0.00
GIC's	1985 B&C Single Family	6.08	11/14/96	09/30/29			28,259.29				28,259.29	28,259.29	-	0.00
	1985 B&C Single Family Total				951.09	951.09	28,259.29	(946.99)	0.00	0.00	28,263.39	28,263.39	0.00	0.00
Repo Agmt	1987 B Single Family	5.01	05/31/06	06/01/06	28,199.03	28,199.03		(28,176.29)			22.74	22.74	-	0.00
GIC's	1987 B Single Family	6.08	11/14/96	09/30/29	951,338.62	951,338.62		(440,712.04)			510,626.58	510,626.58	-	0.00
T-Bond	1987 B Single Family				496,959.51	510,199.68		(496,959.51)					(13,240.17)	(0.60)
Repo Agmt	1987 B Single Family	5.01	05/31/06	06/01/06			496,958.91				496,958.91	496,958.91	-	0.00
	1987 B Single Family Total				1,476,497.16	1,489,737.33	496,958.91	(965,847.84)	0.00	0.00	1,007,608.23	1,007,608.23	(13,240.17)	(0.60)
Repo Agmt	1995 A&B Single Family	5.01	05/31/06	06/01/06	22,567.23	22,567.23		(20,115.84)			2,451.39	2,451.39	-	0.00
GIC's	1995 A&B Single Family	6.08	11/14/96	09/30/29	39,233.26	39,233.26	7,523.63				46,756.89	46,756.89	-	0.00
GIC's	1995 A&B Single Family	6.08	11/14/96	09/30/29			1.17				1.17	1.17	-	0.00
Repo Agmt	1995 A&B Single Family				1.17	1.17		(1.17)					-	0.00
FNMA	1995 A&B Single Family	6.15	07/30/96	06/01/26	229,391.74	236,156.08			(1,369.44)		228,022.30	230,697.61	(4,089.03)	0.00
GNMA	1995 A&B Single Family	6.15	11/26/96	11/20/26	774,521.43	793,826.65			(4,948.52)		769,572.91	773,089.70	(15,788.43)	0.00
GNMA	1995 A&B Single Family	6.15	05/29/97	05/20/27	314,830.58	321,624.63			(3,667.88)		311,162.70	311,595.23	(6,361.52)	0.00
	1995 A&B Single Family Total				1,380,545.41	1,413,409.02	7,524.80	(20,117.01)	(9,985.84)	0.00	1,357,967.36	1,364,591.99	(26,238.98)	0.00
Repo Agmt	1996 A-C Single Family	5.01	05/31/06	06/01/06	1,323,400.75	1,323,400.75		(920,453.10)			402,947.65	402,947.65	-	0.00
Inv Agmt	1996 A-C Single Family	6.13	11/15/96	09/01/28			85,360.14				85,360.14	85,360.14	-	0.00
GNMA	1996 A-C Single Family	6.45	04/29/97	04/20/27	372,474.37	384,739.91			(2,013.96)		370,460.41	375,424.54	(7,301.41)	0.00
GNMA	1996 A-C Single Family	6.45	05/29/97	05/20/27	131,417.19	135,744.78			(739.25)		130,677.94	132,429.05	(2,576.48)	0.00
GNMA	1996 A-C Single Family	6.45	07/15/97	05/20/27	353,801.55	365,452.29			(3,948.91)		349,852.64	354,540.72	(6,962.66)	0.00
GNMA	1996 A-C Single Family	6.45	08/28/97	08/20/27	303,399.85	313,390.79			(1,596.71)		301,803.14	305,847.29	(5,946.79)	0.00
GNMA	1996 A-C Single Family	6.45	10/15/97	08/20/27	143,974.75	148,715.82			(76,899.01)		67,075.74	67,974.54	(3,842.27)	0.00
GNMA	1996 A-C Single Family	6.45	11/25/97	10/20/27	370,694.64	382,901.60			(1,965.60)		368,729.04	373,669.99	(7,266.01)	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/06	Beginning Market Value 02/28/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/06	Ending Market Value 05/31/06	Change in In Market Value	Recognized Gain
GNMA	1996 A-C Single Family	6.45	02/12/98	12/20/27	313,943.04	324,281.22			(1,669.55)		312,273.49	316,457.98	(6,153.69)	0.00
GNMA	1996 A-C Single Family	6.45	04/16/98	02/20/28	536,193.49	554,156.25			(53,591.04)		482,602.45	489,195.07	(11,370.14)	0.00
GNMA	1996 A-C Single Family	6.45	08/13/98	06/20/28	259,711.48	268,411.82			(49,615.59)		210,095.89	212,965.80	(5,830.43)	0.00
GNMA	1996 A-C Single Family	6.45	12/15/98	09/20/28	295,033.32	304,916.92			(6,466.93)		288,566.39	292,508.19	(5,941.80)	0.00
GNMA	1996 A-C Single Family	6.45	01/28/99	11/20/28	39,621.12	40,948.43			(180.46)		39,440.66	39,979.42	(788.55)	0.00
GNMA	1996 A-C Single Family	5.45	03/18/99	02/20/29	473,726.35	472,840.49			(3,062.12)		470,664.23	455,781.83	(13,996.54)	0.00
GNMA	1996 A-C Single Family	5.45	06/24/99	05/20/29	475,881.24	474,991.33			(4,423.60)		471,457.64	456,550.14	(14,017.59)	0.00
GNMA	1996 A-C Single Family	5.45	07/29/99	06/20/29	613,276.96	612,130.13			(3,466.91)		609,810.05	590,527.86	(18,135.36)	0.00
GNMA	1996 A-C Single Family	5.45	10/14/99	08/20/29	236,602.01	236,159.53			(1,824.51)		234,777.50	227,353.81	(6,981.21)	0.00
GNMA	1996 A-C Single Family	5.45	08/26/99	07/20/29	407,000.65	406,239.54			(2,115.09)		404,885.56	392,083.06	(12,041.39)	0.00
GNMA	1996 A-C Single Family	5.45	12/01/99	10/20/29	160,836.80	160,536.05			(1,127.21)		159,709.59	154,659.59	(4,749.25)	0.00
GNMA	1996 A-C Single Family	5.45	01/27/00	12/20/29	1,044,159.06	1,042,206.48			(5,754.20)		1,038,404.86	1,005,570.49	(30,881.79)	0.00
FNMA	1996 A-C Single Family	5.45	01/28/00	07/01/29	191,004.86	190,424.21			(1,325.49)		189,679.37	184,106.58	(4,992.14)	0.00
T-Bond	1996 A-C Single Family				440,976.49	452,725.14		(440,976.49)					(11,748.65)	(0.56)
Repo Agmt	1996 A-C Single Family	5.01	05/31/06	06/01/06			441,947.62				441,947.62	441,947.62	-	0.00
Repo Agmt	1996 A-C Single Family	5.01	05/31/06	06/01/06	101,190.98	101,190.98		(84,476.59)			16,714.39	16,714.39	-	0.00
Inv Agmt	1996 A-C Single Family	6.13	02/26/97	09/01/28	637,194.31	637,194.31	105,675.21				742,869.52	742,869.52	-	0.00
GNMA	1996 A-C Single Family	5.45	03/18/99	02/20/29	97,565.19	97,382.72			(630.65)		96,934.54	93,869.45	(2,882.62)	0.00
GNMA	1996 A-C Single Family	5.45	06/24/99	05/20/29	98,008.97	97,825.70			(911.05)		97,097.92	94,027.69	(2,886.96)	0.00
GNMA	1996 A-C Single Family	5.45	07/29/99	06/20/29	126,305.96	126,069.78			(714.02)		125,591.94	121,620.74	(3,735.02)	0.00
GNMA	1996 A-C Single Family	5.45	10/14/99	08/20/29	48,728.75	48,637.67			(375.76)		48,352.99	46,824.10	(1,437.81)	0.00
GNMA	1996 A-C Single Family	5.45	08/26/99	07/20/29	83,822.79	83,666.08			(435.60)		83,387.19	80,750.52	(2,479.96)	0.00
GNMA	1996 A-C Single Family	5.45	12/01/99	10/20/29	33,124.78	33,062.81			(232.15)		32,892.63	31,852.54	(978.12)	0.00
GNMA	1996 A-C Single Family	5.45	01/27/00	12/20/29	215,047.24	214,645.11			(1,185.09)		213,862.15	207,099.84	(6,360.18)	0.00
GNMA	1996 A-C Single Family	6.15	01/07/03	12/20/32	5,869.21	6,036.09			(20.19)		5,849.02	5,896.24	(119.66)	0.00
GNMA	1996 A-C Single Family	6.15	11/12/02	11/20/32	13,188.11	13,562.45			(44.48)		13,143.63	13,249.10	(268.87)	0.00
GNMA	1996 A-C Single Family	5.40	11/12/02	10/20/32	13,758.93	13,821.20			(52.70)		13,706.23	13,337.44	(431.06)	0.00
GNMA	1996 A-C Single Family	6.15	01/10/03	09/20/32	9,344.31	9,609.61			(37.60)		9,306.71	9,381.46	(190.55)	0.00
GNMA	1996 A-C Single Family	5.40	09/26/02	09/20/32	11,922.10	11,975.57			(45.96)		11,876.14	11,556.12	(373.49)	0.00
GNMA	1996 A-C Single Family	6.15	10/10/02	09/20/32	16,612.53	17,083.55			(60.36)		16,552.17	16,684.50	(338.69)	0.00
GNMA	1996 A-C Single Family	5.40	10/10/02	09/20/32	8,161.50	8,198.18			(4,614.40)		3,547.10	3,451.55	(132.23)	0.00
GNMA	1996 A-C Single Family	6.15	10/21/02	10/20/32	11,082.34	11,397.07			(39.04)		11,043.30	11,132.08	(225.95)	0.00
GNMA	1996 A-C Single Family	6.15	10/29/02	10/20/32	6,498.75	6,683.14			(25.83)		6,472.92	6,524.79	(132.52)	0.00
GNMA	1996 A-C Single Family	5.40	10/29/02	09/20/32	2,887.97	2,900.99			(17.34)		2,870.63	2,793.35	(90.30)	0.00
GNMA	1996 A-C Single Family	6.15	11/05/02	10/20/32	3,134.59	3,223.57			(10.59)		3,124.00	3,149.07	(63.91)	0.00
GNMA	1996 A-C Single Family	5.40	11/05/02	09/20/32	7,075.24	7,107.19			(31.51)		7,043.73	6,854.14	(221.54)	0.00
GNMA	1996 A-C Single Family	6.15	11/19/02	11/20/32	4,128.46	4,245.68			(13.77)		4,114.69	4,147.76	(84.15)	0.00
GNMA	1996 A-C Single Family	5.40	11/19/02	11/20/32	5,056.51	5,079.45			(19.17)		5,037.34	4,901.65	(158.43)	0.00
GNMA	1996 A-C Single Family	6.15	11/26/02	11/20/32	21,468.98	22,078.63			(88.97)		21,380.01	21,551.85	(437.81)	0.00
GNMA	1996 A-C Single Family	5.40	11/26/02	11/20/32	13,713.82	13,776.10			(53.02)		13,660.80	13,293.42	(429.66)	0.00
GNMA	1996 A-C Single Family	6.15	11/26/02	11/20/32	5,184.45	5,331.68			(18.72)		5,165.73	5,207.25	(105.71)	0.00
GNMA	1996 A-C Single Family	5.40	11/26/02	11/20/32	7,358.54	7,391.96			(29.13)		7,329.41	7,132.31	(230.52)	0.00
GNMA	1996 A-C Single Family	6.15	12/12/02	12/20/32	3,196.21	3,287.03			(10.59)		3,185.62	3,211.29	(65.15)	0.00
GNMA	1996 A-C Single Family	5.40	12/12/02	12/20/32	5,510.34	5,535.47			(21.26)		5,489.08	5,341.56	(172.65)	0.00
GNMA	1996 A-C Single Family	6.15	12/30/02	12/20/32	6,078.75	6,251.54			(35.83)		6,042.92	6,091.67	(124.04)	0.00
GNMA	1996 A-C Single Family	5.40	12/30/02	12/20/32	10,432.51	10,480.17			(39.46)		10,393.05	10,113.85	(326.86)	0.00
GNMA	1996 A-C Single Family	6.15	12/30/02	12/20/32	8,858.87	9,110.71			(31.97)		8,826.90	8,898.13	(180.61)	0.00
GNMA	1996 A-C Single Family	5.40	12/30/02	12/20/32	5,153.64	5,177.19			(19.42)		5,134.22	4,996.30	(161.47)	0.00
GNMA	1996 A-C Single Family	6.15	01/23/03	01/20/33	24,780.95	25,491.56			(88.44)		24,692.51	24,881.64	(521.48)	0.00
GNMA	1996 A-C Single Family	5.40	01/23/03	01/20/33	9,053.23	9,093.63			(34.25)		9,018.98	8,773.71	(285.67)	0.00
GNMA	1996 A-C Single Family	6.15	01/23/03	01/20/33	5,527.49	5,685.99			(18.42)		5,509.07	5,551.27	(116.30)	0.00
GNMA	1996 A-C Single Family	5.40	01/23/03	01/20/33	5,211.28	5,234.57			(19.50)		5,191.78	5,050.62	(164.45)	0.00
GNMA	1996 A-C Single Family	6.15	01/30/03	01/20/33	18,145.30	18,665.67			(67.85)		18,077.45	18,215.96	(381.86)	0.00
GNMA	1996 A-C Single Family	5.40	01/30/03	01/20/33	17,415.53	17,493.32			(85.68)		17,329.85	16,858.65	(548.99)	0.00
GNMA	1996 A-C Single Family	6.15	02/12/03	02/20/33	21,516.04	22,133.39			(84.81)		21,431.23	21,595.76	(452.82)	0.00
GNMA	1996 A-C Single Family	6.15	02/20/03	02/20/33	8,736.66	8,987.40			(29.29)		8,707.37	8,774.26	(183.85)	0.00
GNMA	1996 A-C Single Family	5.40	03/03/03	03/20/33	5,965.37	5,992.21			(22.06)		5,943.31	5,781.90	(188.25)	0.00
GNMA	1996 A-C Single Family	6.15	02/27/03	02/20/33	22,164.73	22,800.99			(74.77)		22,089.96	22,259.80	(466.42)	0.00
GNMA	1996 A-C Single Family	5.40	02/27/03	01/20/33	5,415.19	5,439.49			(20.26)		5,394.93	5,248.35	(170.88)	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/06	Beginning Market Value 02/28/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/06	Ending Market Value 05/31/06	Change in In Market Value	Recognized Gain
GNMA	1996 A-C Single Family	6.15	03/12/03	02/20/33	21,163.74	21,771.50			(73.03)		21,090.71	21,253.11	(445.36)	0.00
GNMA	1996 A-C Single Family	6.15	03/24/03	03/20/33	7,982.96	8,212.35			(26.40)		7,956.56	8,017.95	(168.00)	0.00
GNMA	1996 A-C Single Family	5.40	03/24/03	02/20/33	5,559.52	5,584.61			(29.69)		5,529.83	5,379.74	(175.18)	0.00
GNMA	1996 A-C Single Family	6.15	04/02/03	04/20/33	10,146.43	10,438.05			(34.42)		10,112.01	10,190.11	(213.52)	0.00
GNMA	1996 A-C Single Family	6.15	04/02/03	03/20/33	8,110.24	8,343.30			(26.41)		8,083.83	8,146.23	(170.66)	0.00
GNMA	1996 A-C Single Family	6.15	04/10/03	03/20/33	16,118.35	16,581.63			(61.83)		16,056.52	16,180.55	(339.25)	0.00
GNMA	1996 A-C Single Family	6.15	04/10/03	03/20/33	3,586.99	3,690.08			(11.66)		3,575.33	3,602.94	(75.48)	0.00
GNMA	1996 A-C Single Family	5.40	04/10/03	01/20/33	4,611.47	4,632.35			(17.26)		4,594.21	4,469.57	(145.52)	0.00
GNMA	1996 A-C Single Family	6.15	04/17/03	04/20/33	8,293.59	8,532.07			(27.01)		8,266.58	8,330.54	(174.52)	0.00
GNMA	1996 A-C Single Family	6.15	04/24/03	04/20/33	8,582.78	8,829.59			(32.74)		8,550.04	8,616.21	(180.64)	0.00
GNMA	1996 A-C Single Family	6.15	04/29/03	03/20/33	4,458.22	4,586.45			(14.88)		4,443.34	4,477.76	(93.81)	0.00
GNMA	1996 A-C Single Family	6.15	05/08/03	04/20/33	2,608.69	2,683.73			(8.97)		2,599.72	2,619.86	(54.90)	0.00
GNMA	1996 A-C Single Family	6.15	05/08/03	04/20/33	4,265.31	4,388.03			(14.19)		4,251.12	4,284.08	(89.76)	0.00
GNMA	1996 A-C Single Family	6.15	05/15/03	04/20/33	9,075.08	9,336.26			(31.29)		9,043.79	9,113.98	(190.99)	0.00
GNMA	1996 A-C Single Family	6.15	05/22/03	05/20/33	3,241.47	3,334.79			(10.47)		3,231.00	3,256.12	(68.20)	0.00
GNMA	1996 A-C Single Family	6.15	06/10/03	06/20/33	3,215.25	3,307.88			(10.47)		3,204.78	3,229.74	(67.67)	0.00
GNMA	1996 A-C Single Family	6.15	06/19/03	05/20/33	4,148.29	4,267.79			(13.29)		4,135.00	4,167.22	(87.28)	0.00
GNMA	1996 A-C Single Family	6.15	07/17/03	07/20/33	2,629.44	2,705.28			(8.58)		2,620.86	2,641.36	(55.34)	0.00
GNMA	1996 A-C Single Family	6.15	07/17/03	07/20/33	4,771.56	4,909.17			(25.95)		4,745.61	4,782.71	(100.51)	0.00
GNMA	1996 A-C Single Family	6.15	07/24/03	07/20/33	4,431.27	4,559.07			(14.69)		4,416.58	4,451.12	(93.26)	0.00
GNMA	1996 A-C Single Family	6.15	07/30/03	07/30/33	2,453.85	2,524.63			(7.78)		2,446.07	2,465.20	(51.65)	0.00
GNMA	1996 A-C Single Family	6.15	09/04/03	08/20/33	2,802.55	2,883.48			(8.79)		2,793.76	2,815.71	(58.98)	0.00
GNMA	1996 A-C Single Family	6.15	09/29/03	09/20/33	8,408.67	8,651.71			(26.75)		8,381.92	8,448.00	(176.96)	0.00
GNMA	1996 A-C Single Family	6.15	10/09/03	08/20/33	7,752.95	7,977.10			(24.36)		7,728.59	7,789.55	(163.19)	0.00
GNMA	1996 A-C Single Family	6.15	01/15/04	12/20/33	3,318.54	3,414.79			(10.22)		3,308.32	3,334.72	(69.85)	0.00
GNMA	1996 A-C Single Family				2,435.72	2,505.17			(2,435.72)				(69.45)	0.00
GNMA	1996 A-C Single Family	6.15	03/11/04	03/20/34	5,260.86	5,410.95			(15.76)		5,245.10	5,285.08	(110.11)	0.00
GNMA	1996 A-C Single Family	5.40	07/08/04	06/20/34	23,910.42	24,004.93			(82.82)		23,827.60	23,206.80	(715.31)	0.00
GNMA	1996 A-C Single Family	6.15	04/08/04	04/20/34	2,023.90	2,081.68			(6.03)		2,017.87	2,033.30	(42.35)	0.00
GNMA	1996 A-C Single Family	5.40	06/17/04	06/20/34	42,810.87	42,979.30			(148.91)		42,661.96	41,549.70	(1,280.69)	0.00
GNMA	1996 A-C Single Family	5.40	09/02/04	09/20/34	37,475.05	37,625.12			(126.57)		37,348.48	36,377.30	(1,121.25)	0.00
GNMA	1996 A-C Single Family	5.40	09/09/04	09/20/34	53,128.52	53,241.85			(180.55)		52,947.97	51,472.57	(1,588.73)	0.00
GNMA	1996 A-C Single Family	5.40	09/16/04	09/20/34	48,078.71	48,271.79			(159.38)		47,919.33	46,673.79	(1,438.62)	0.00
GNMA	1996 A-C Single Family	5.40	07/15/04	07/20/34	18,089.08	18,160.70			(67.65)		18,021.43	17,552.04	(541.01)	0.00
GNMA	1996 A-C Single Family	5.40	07/22/04	07/20/34	18,307.68	18,380.28			(97.24)		18,210.44	17,736.25	(546.79)	0.00
GNMA	1996 A-C Single Family	5.40	07/29/04	07/20/34	24,511.87	24,609.18			(249.24)		24,262.63	23,630.90	(729.04)	0.00
GNMA	1996 A-C Single Family	5.40	08/05/04	08/20/34	19,597.44	19,675.41			(72.10)		19,525.34	19,017.13	(586.18)	0.00
GNMA	1996 A-C Single Family	5.40	08/12/04	08/20/34	40,063.98	40,223.64			(134.33)		39,929.65	38,890.59	(1,198.72)	0.00
GNMA	1996 A-C Single Family	5.40	08/20/04	08/20/34	10,538.14	10,580.20			(37.89)		10,500.25	10,227.07	(315.24)	0.00
GNMA	1996 A-C Single Family	5.40	08/26/04	08/20/34	6,846.28	6,873.65			(27.22)		6,819.06	6,641.69	(204.74)	0.00
GNMA	1996 A-C Single Family	5.40	12/02/04	12/20/34	21,052.68	21,138.69			(82.43)		20,970.25	20,426.60	(629.66)	0.00
GNMA	1996 A-C Single Family	5.40	10/14/04	10/20/34	47,726.23	47,829.52			(188.58)		47,537.65	46,214.46	(1,426.48)	0.00
GNMA	1996 A-C Single Family	4.49	10/14/04	09/20/34	7,901.06	7,585.41			(31.31)		7,869.75	7,235.03	(319.07)	0.00
GNMA	1996 A-C Single Family	5.40	10/21/04	10/20/34	84,940.88	85,284.61			(288.83)		84,652.05	82,454.35	(2,541.43)	0.00
GNMA	1996 A-C Single Family	4.49	10/21/04	10/20/34	16,453.21	15,796.00			(65.43)		16,387.78	15,066.14	(664.43)	0.00
GNMA	1996 A-C Single Family	5.40	10/28/04	10/20/34	19,611.11	19,653.76			(90.60)		19,520.51	18,977.39	(585.77)	0.00
GNMA	1996 A-C Single Family	4.49	10/29/04	10/20/34	29,641.18	28,381.15			(117.59)		29,523.59	27,069.51	(1,194.05)	0.00
GNMA	1996 A-C Single Family	4.49	11/04/04	10/20/34	129,304.91	123,808.79			(565.02)		128,739.89	118,039.17	(5,204.60)	0.00
GNMA	1996 A-C Single Family	5.40	11/04/04	11/20/34	23,195.84	23,290.04			(77.63)		23,118.21	22,518.33	(694.08)	0.00
GNMA	1996 A-C Single Family	4.49	11/10/04	11/20/34	27,722.38	26,544.21			(234.66)		27,487.72	25,203.14	(1,106.41)	0.00
GNMA	1996 A-C Single Family	5.40	11/10/04	11/20/34	7,444.37	7,474.64			(25.95)		7,418.42	7,225.95	(222.74)	0.00
GNMA	1996 A-C Single Family	4.49	11/18/04	11/20/34	40,052.17	38,350.28			(163.45)		39,888.72	36,573.72	(1,613.11)	0.00
GNMA	1996 A-C Single Family	5.40	12/23/04	12/20/34	13,960.63	14,017.92			(46.30)		13,914.33	13,553.88	(417.74)	0.00
GNMA	1996 A-C Single Family	5.40	09/08/05	08/20/35	3,019.86	3,033.02			(19.15)		3,000.71	2,922.36	(91.51)	0.00
FNMA	1996 A-C Single Family	5.40	08/14/03	09/01/32	5,799.61	5,753.62			(2,864.59)		2,935.02	2,835.20	(53.83)	0.00
FNMA	1996 A-C Single Family	6.15	08/14/03	12/01/31	3,269.28	3,332.42			(28.41)		3,240.87	3,247.38	(56.63)	0.00
FNMA	1996 A-C Single Family	5.45	03/01/04	02/01/34	7,163.53	7,120.10			(22.47)		7,141.06	6,907.40	(190.23)	0.00
FNMA	1996 A-C Single Family	6.15	04/15/04	02/01/34	5,220.60	5,310.34			(15.94)		5,204.66	5,199.45	(94.95)	0.00
FNMA	1996 A-C Single Family	5.40	10/28/04	10/01/34	15,396.04	15,265.03			(52.51)		15,343.53	14,802.99	(409.53)	0.00

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FNMA	1996 A-C Single Family	4.49	11/04/04	10/01/34	15,628.77	14,807.21			(61.45)		15,567.32	14,244.86	(500.90)	0.00
	1996 A-C Single Family Total				11,317,047.44	11,425,897.38	632,982.97	(1,445,906.18)	(241,651.94)	0.00	10,262,472.29	10,128,474.75	(242,847.48)	(0.56)
Repo Agmt	1996 D&E Single Family	5.01	05/31/06	06/01/06	411,099.81	411,099.81	4,984.74				416,084.55	416,084.55	-	0.00
Repo Agmt	1996 D&E Single Family	5.01	05/31/06	06/01/06	4,978,771.66	4,978,771.66		(3,868,052.31)			1,110,719.35	1,110,719.35	-	0.00
GIC's	1996 D&E Single Family	6.08	11/14/96	09/30/29			890,372.38				890,372.38	890,372.38	-	0.00
T-Bond	1996 D&E Single Family	13.25	08/05/85	05/15/14	936,715.81	1,180,389.16	158.22				936,874.03	1,152,575.74	(27,971.64)	0.00
FNMA	1996 D&E Single Family	6.25	04/15/97	03/01/27	419,951.01	428,631.40			(106,474.67)		313,476.34	314,736.52	(7,420.21)	0.00
FNMA	1996 D&E Single Family	6.25	05/29/97	05/01/27	342,257.01	349,331.48			(6,403.57)		335,853.44	337,203.59	(5,724.32)	0.00
FNMA	1996 D&E Single Family	6.25	06/26/97	05/01/27	317,818.01	324,387.29			(2,147.70)		315,670.31	316,939.29	(5,300.30)	0.00
FNMA	1996 D&E Single Family	6.25	08/18/97	06/01/27	214,559.49	220,060.81			(2,421.54)		212,137.95	214,038.72	(3,600.55)	0.00
FNMA	1996 D&E Single Family	6.25	09/29/97	08/01/27	307,148.75	315,024.03			(38,574.94)		268,573.81	270,980.21	(5,468.88)	0.00
FNMA	1996 D&E Single Family	6.25	01/29/98	11/01/27	318,086.29	326,242.02			(47,691.84)		270,394.45	272,817.18	(5,733.00)	0.00
GNMA	1996 D&E Single Family	6.25	03/18/97	02/20/27	2,697,379.11	2,765,784.65			(84,734.02)		2,612,645.09	2,626,701.12	(54,349.51)	0.00
GNMA	1996 D&E Single Family	6.25	04/15/97	04/20/27	1,167,245.04	1,196,846.37			(123,250.03)		1,043,995.01	1,049,611.71	(23,984.63)	0.00
GNMA	1996 D&E Single Family	6.25	04/29/97	04/20/27	768,077.27	787,555.64			(5,970.29)		762,106.98	766,207.04	(15,378.31)	0.00
GNMA	1996 D&E Single Family	6.25	05/15/97	05/20/27	1,243,460.71	1,274,994.82			(8,597.76)		1,234,862.95	1,241,506.46	(24,890.60)	0.00
GNMA	1996 D&E Single Family	6.25	06/17/97	06/20/27	1,916,679.99	1,965,286.95			(120,674.52)		1,796,005.47	1,805,667.94	(38,944.49)	0.00
GNMA	1996 D&E Single Family	6.25	06/26/97	06/20/27	527,225.25	540,595.75			(3,486.06)		523,739.19	526,556.97	(10,552.72)	0.00
GNMA	1996 D&E Single Family	6.25	07/15/97	06/20/27	604,448.31	619,777.13			(4,855.27)		599,593.04	602,818.66	(12,103.00)	0.00
GNMA	1996 D&E Single Family	6.25	07/30/97	07/20/27	688,531.10	705,992.25			(3,988.25)		684,542.85	688,225.69	(13,778.31)	0.00
GNMA	1996 D&E Single Family	6.25	08/18/97	07/20/27	1,480,844.55	1,518,398.80			(11,984.29)		1,468,860.26	1,476,762.76	(29,651.75)	0.00
GNMA	1996 D&E Single Family	6.25	08/28/97	08/20/27	1,608,495.65	1,649,287.06			(63,865.72)		1,544,629.93	1,552,940.01	(32,481.33)	0.00
GNMA	1996 D&E Single Family	6.25	09/18/97	09/20/27	563,857.74	578,157.16			(74,717.93)		489,139.81	491,771.37	(11,667.86)	0.00
GNMA	1996 D&E Single Family	6.25	09/29/97	09/20/27	584,014.77	598,825.40			(75,079.88)		508,934.89	511,672.97	(12,072.55)	0.00
GNMA	1996 D&E Single Family	6.25	10/15/97	09/20/27	612,702.15	628,240.32			(73,889.68)		538,812.47	541,711.32	(12,639.32)	0.00
GNMA	1996 D&E Single Family	6.25	10/30/97	10/20/27	553,837.36	567,882.67			(10,670.40)		543,166.96	546,089.20	(11,123.07)	0.00
GNMA	1996 D&E Single Family	6.25	11/17/97	10/20/27	462,589.11	474,320.37			(2,508.23)		460,080.88	462,556.12	(9,256.02)	0.00
GNMA	1996 D&E Single Family	6.25	11/25/97	11/20/27	587,444.89	602,342.46			(52,627.79)		534,817.10	537,694.38	(12,020.29)	0.00
GNMA	1996 D&E Single Family	6.25	12/17/97	11/20/27	806,725.95	827,184.52			(5,778.05)		800,947.90	805,257.01	(16,149.46)	0.00
GNMA	1996 D&E Single Family	6.25	01/29/98	01/20/28	1,132,500.42	1,161,764.23			(7,363.99)		1,125,136.43	1,131,369.68	(23,030.56)	0.00
GNMA	1996 D&E Single Family	6.25	04/29/98	04/20/28	771,389.58	791,322.31			(5,781.67)		765,607.91	769,649.41	(15,691.23)	0.00
GNMA	1996 D&E Single Family	6.25	07/06/98	05/20/28	214,030.90	219,561.26			(1,118.32)		212,912.58	214,091.92	(4,351.02)	0.00
GNMA	1996 D&E Single Family	6.25	08/27/98	07/20/28	350,128.02	359,175.33			(2,907.33)		347,220.69	349,144.29	(7,123.71)	0.00
GNMA	1996 D&E Single Family	6.25	09/24/98	08/20/28	194,985.60	200,024.00			(957.33)		194,028.27	195,103.16	(3,963.51)	0.00
GNMA	1996 D&E Single Family	6.25	10/01/98	08/20/28	163,952.57	168,189.08			(1,075.21)		162,877.36	163,779.68	(3,334.19)	0.00
GNMA	1996 D&E Single Family	6.25	10/29/98	09/20/28	237,056.82	243,182.39			(46,889.79)		190,167.03	191,220.57	(5,072.03)	0.00
GNMA	1996 D&E Single Family	6.25	12/29/98	10/20/28	1,226,811.49	1,258,512.33			(97,715.77)		1,129,095.72	1,135,350.94	(25,445.62)	0.00
GNMA	1996 D&E Single Family	6.25	10/20/99	07/20/29	195,891.13	200,747.28			(1,063.62)		194,827.51	195,877.64	(3,806.02)	0.00
GNMA	1996 D&E Single Family	6.25	11/23/99	10/20/29	47,257.04	48,428.54			(207.29)		47,049.75	47,303.35	(917.90)	0.00
GNMA	1996 D&E Single Family	6.25	01/27/00	12/20/29	338,796.35	347,195.13			(72,036.79)		266,759.56	268,197.42	(6,960.92)	0.00
FNMA	1996 D&E Single Family	6.25	01/28/00	09/01/29	259,827.21	266,413.83			(55,765.01)		204,062.20	205,831.42	(4,817.40)	0.00
T-Bond	1996 D&E Single Family				562,094.30	577,069.81		(562,094.30)					(14,975.51)	(29.40)
Repo Agmt	1996 D&E Single Family	5.01	05/31/06	06/01/06			563,303.41				563,303.41	563,303.41	-	0.00
Repo Agmt	1996 D&E Single Family	5.01	05/31/06	06/01/06	69.79	69.79	62.58				132.37	132.37	-	0.00
GIC's	1996 D&E Single Family	6.08	04/06/98	09/30/29	247,874.80	247,874.80	212.34				248,087.14	248,087.14	-	0.00
FNMA	1996 D&E Single Family	5.45	01/28/00	07/01/29	39,337.96	39,218.36			(272.99)		39,064.97	37,917.23	(1,028.14)	0.00
GNMA	1996 D&E Single Family	5.40	08/29/02	08/20/32	11,158.91	11,208.46			(43.57)		11,115.34	10,708.50	(456.39)	0.00
GNMA	1996 D&E Single Family	6.15	09/12/02	08/20/32	3,176.89	3,266.93			(13.45)		3,163.44	3,188.70	(64.78)	0.00
GNMA	1996 D&E Single Family	6.15	09/19/02	09/20/32	7,567.84	7,782.30			(28.87)		7,538.97	7,599.14	(154.29)	0.00
GNMA	1996 D&E Single Family	5.40	09/19/02	09/20/32	17,471.61	17,549.69			(72.36)		17,399.25	16,930.31	(547.22)	0.00
GNMA	1996 D&E Single Family	4.49	12/09/04	12/20/34	99,173.14	94,960.94			(406.45)		98,766.69	90,560.34	(3,994.15)	0.00
GNMA	1996 D&E Single Family	4.49	12/16/04	12/20/34	92,438.02	88,512.43			(357.97)		92,080.05	84,429.79	(3,724.67)	0.00
GNMA	1996 D&E Single Family	4.49	11/23/04	11/20/34	102,490.93	98,136.30			(407.52)		102,083.41	93,600.03	(4,128.75)	0.00
GNMA	1996 D&E Single Family	4.49	12/02/04	12/20/34	166,067.40	159,013.02			(698.27)		165,369.13	151,627.97	(6,686.78)	0.00
GNMA	1996 D&E Single Family	4.49	12/23/04	12/20/34	97,685.21	93,537.25			(376.32)		97,308.89	89,224.74	(3,936.19)	0.00
GNMA	1996 D&E Single Family	4.49	12/29/04	12/20/34	112,864.82	108,072.93			(440.97)		112,423.85	103,084.49	(4,547.47)	0.00
GNMA	1996 D&E Single Family	4.49	01/06/05	01/20/35	202,147.11	193,496.77			(824.89)		201,322.22	184,416.46	(8,255.42)	0.00
GNMA	1996 D&E Single Family	5.40	01/06/05	01/20/35	22,501.75	22,594.85			(73.06)		22,428.69	21,838.18	(683.61)	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/06	Beginning Market Value 02/28/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/06	Ending Market Value 05/31/06	Change in In Market Value	Recognized Gain
GNMA	1996 D&E Single Family	4.49	01/13/05	01/20/35	111,035.03	106,284.22			(466.69)		110,568.34	101,284.11	(4,533.42)	0.00
GNMA	1996 D&E Single Family	5.40	01/13/05	01/20/35	9,586.51	9,626.22			(30.89)		9,555.62	9,304.08	(291.25)	0.00
GNMA	1996 D&E Single Family	4.49	01/19/05	01/20/35	134,167.89	128,427.94			(551.95)		133,615.94	122,397.07	(5,478.92)	0.00
GNMA	1996 D&E Single Family	5.40	01/19/05	01/20/35	13,246.87	13,301.85			(42.70)		13,204.17	12,856.70	(402.45)	0.00
GNMA	1996 D&E Single Family	4.49	01/27/05	01/20/35	152,705.44	146,173.46			(705.24)		152,000.20	139,238.71	(6,229.51)	0.00
GNMA	1996 D&E Single Family	4.49	02/03/05	02/20/35	229,940.07	220,105.74			(9,781.98)		220,158.09	201,675.70	(8,648.06)	0.00
GNMA	1996 D&E Single Family	4.49	02/10/05	02/20/35	73,927.20	70,765.88			(286.10)		73,641.10	67,459.28	(3,020.50)	0.00
GNMA	1996 D&E Single Family	4.49	02/10/05	02/20/35	161,185.54	154,292.86			(662.68)		160,522.86	147,047.76	(6,582.42)	0.00
GNMA	1996 D&E Single Family	5.40	02/17/05	11/20/34	9,760.01	9,800.54			(32.31)		9,727.70	9,476.14	(292.09)	0.00
GNMA	1996 D&E Single Family	4.49	02/17/05	02/20/35	106,670.69	102,109.83			(415.20)		106,255.49	97,336.48	(4,358.15)	0.00
GNMA	1996 D&E Single Family	4.49	02/24/05	02/20/35	98,573.36	94,359.28			(444.23)		98,129.13	89,892.78	(4,022.27)	0.00
GNMA	1996 D&E Single Family	4.49	03/03/05	03/20/35	95,337.39	91,262.20			(405.97)		94,931.42	86,964.07	(3,892.16)	0.00
GNMA	1996 D&E Single Family	4.49	03/11/05	03/20/35	39,617.57	37,924.39			(151.67)		39,465.90	36,153.84	(1,618.88)	0.00
GNMA	1996 D&E Single Family	5.40	03/17/05	02/20/35	6,397.09	6,423.96			(20.80)		6,376.29	6,208.79	(194.37)	0.00
GNMA	1996 D&E Single Family	4.49	03/17/05	03/20/35	60,422.78	57,840.73			(237.37)		60,185.41	55,134.88	(2,468.48)	0.00
GNMA	1996 D&E Single Family	4.49	03/24/05	03/20/35	59,758.95	57,205.61			(229.05)		59,529.90	54,534.71	(2,441.85)	0.00
GNMA	1996 D&E Single Family	4.49	04/07/05	04/20/35	92,542.37	88,589.40			(361.80)		92,180.57	84,446.72	(3,780.88)	0.00
GNMA	1996 D&E Single Family	4.49	04/14/05	04/20/35	58,865.81	56,505.61			(227.89)		58,637.92	53,865.98	(2,411.74)	0.00
GNMA	1996 D&E Single Family	5.40	04/21/05	04/20/35	11,630.05	11,657.44			(37.67)		11,592.38	11,266.60	(353.17)	0.00
GNMA	1996 D&E Single Family	4.49	04/21/05	04/20/35	83,261.90	79,706.35			(315.25)		82,946.65	75,988.48	(3,402.62)	0.00
GNMA	1996 D&E Single Family	4.49	04/28/05	04/20/35	74,171.02	71,004.17			(280.79)		73,890.23	67,692.17	(3,031.21)	0.00
GNMA	1996 D&E Single Family	5.40	04/28/05	04/20/35	6,679.71	6,708.02			(23.11)		6,656.60	6,481.98	(202.93)	0.00
GNMA	1996 D&E Single Family	4.49	05/05/05	05/20/35	130,368.80	124,803.24			(653.46)		129,715.34	118,835.37	(5,314.41)	0.00
GNMA	1996 D&E Single Family	5.40	05/05/05	04/20/35	11,721.52	11,749.27			(38.24)		11,683.28	11,355.08	(355.95)	0.00
GNMA	1996 D&E Single Family	5.40	07/07/05	07/20/35	5,974.26	5,999.96			(28.83)		5,945.43	5,789.84	(181.29)	0.00
GNMA	1996 D&E Single Family	5.40	05/26/05	05/20/35	8,112.18	8,146.77			(25.75)		8,086.43	7,874.53	(246.49)	0.00
GNMA	1996 D&E Single Family	4.49	05/26/05	05/20/35	35,850.37	34,320.52			(135.82)		35,714.55	32,719.57	(1,465.13)	0.00
GNMA	1996 D&E Single Family	5.40	06/09/05	05/20/35	8,573.48	8,610.15			(27.03)		8,546.45	8,322.59	(260.53)	0.00
GNMA	1996 D&E Single Family	5.40	06/11/05	07/20/35	3,236.84	3,250.86			(10.06)		3,226.78	3,142.44	(98.36)	0.00
FNMA	1996 D&E Single Family	4.49	12/23/04	12/01/34	16,376.39	15,515.86			(132.88)		16,243.51	14,863.92	(519.06)	0.00
FNMA	1996 D&E Single Family	4.49	01/19/05	01/01/35	21,851.44	20,703.46			(92.35)		21,759.09	19,911.30	(699.81)	0.00
FNMA	1996 D&E Single Family	4.49	01/27/05	01/01/35	22,297.04	21,080.43			(99.96)		22,197.08	20,269.33	(711.14)	0.00
FNMA	1996 D&E Single Family	4.49	03/14/05	12/01/34	17,635.92	16,709.76			(68.70)		17,567.22	16,075.76	(565.30)	0.00
FNMA	1996 D&E Single Family	5.40	03/24/05	02/01/35	12,152.32	12,049.67			(53.79)		12,098.53	11,673.05	(322.83)	0.00
FNMA	1996 D&E Single Family	4.49	04/07/05	02/01/35	15,306.16	14,471.44			(58.60)		15,247.56	13,923.76	(489.08)	0.00
FNMA	1996 D&E Single Family	5.40	07/14/05	04/01/35	5,690.36	5,637.51			(18.25)		5,672.11	5,463.01	(156.25)	0.00
	1996 D&E Single Family Total				34,041,344.73	34,785,415.12	1,459,093.67	(4,430,146.61)	(1,244,446.30)	0.00	29,825,845.49	29,930,913.32	(639,002.56)	(29.40)
Repo Agmt	1997 A-C Single Family	5.01	05/31/06	06/01/06	27.42	27.42	0.00				27.42	27.42	-	0.00
Repo Agmt	1997 A-C Single Family	5.01	05/31/06	06/01/06	4,187,664.70	4,187,664.70		(4,163,339.43)			24,325.27	24,325.27	-	0.00
GIC's	1997 A-C Single Family	6.14	09/17/97	08/31/29	266,770.11	266,770.11	1,517,315.03				1,784,085.14	1,784,085.14	-	0.00
FNMA	1997 A-C Single Family	6.25	02/20/98	01/01/28	301,984.08	308,226.15			(2,862.09)		299,121.99	300,324.53	(5,039.53)	0.00
FNMA	1997 A-C Single Family	6.25	03/27/98	03/01/28	328,005.21	334,689.99			(2,177.01)		325,828.20	327,043.57	(5,469.41)	0.00
FNMA	1997 A-C Single Family	6.25	06/29/98	05/01/28	222,941.04	227,484.59			(2,399.83)		220,541.21	221,363.85	(3,720.91)	0.00
GNMA	1997 A-C Single Family	6.25	02/20/98	01/20/28	1,862,895.54	1,911,032.74			(12,084.56)		1,850,810.98	1,861,064.46	(37,883.72)	0.00
FNMA	1997 A-C Single Family	6.25	11/30/98	09/01/28	351,500.17	356,663.77			(1,972.75)		349,527.42	350,831.19	(5,859.83)	0.00
GNMA	1997 A-C Single Family	6.25	03/27/98	03/20/28	3,386,820.08	3,474,335.55			(186,754.20)		3,200,065.88	3,217,794.29	(69,787.06)	0.00
GNMA	1997 A-C Single Family	6.25	05/19/98	05/20/28	2,423,939.65	2,486,574.22			(181,057.43)		2,242,882.22	2,255,307.76	(50,209.03)	0.00
GNMA	1997 A-C Single Family	5.45	07/28/00	06/20/30	1,316,958.10	1,314,864.12			(8,707.84)		1,308,250.26	1,266,373.16	(39,783.12)	0.00
GNMA	1997 A-C Single Family	6.25	08/14/98	07/20/28	1,448,052.43	1,485,470.10			(205,780.51)		1,242,271.92	1,249,154.11	(30,535.48)	0.00
GNMA	1997 A-C Single Family	6.25	06/29/98	06/20/28	587,939.57	603,131.96			(38,046.75)		549,892.82	552,939.26	(12,145.95)	0.00
GNMA	1997 A-C Single Family	6.25	09/18/98	09/20/28	912,754.72	936,340.28			(68,100.04)		844,654.68	849,334.05	(18,906.19)	0.00
FNMA	1997 A-C Single Family	6.25	03/31/99	11/01/28	142,315.58	145,215.91			(2,170.63)		140,144.95	140,667.63	(2,377.65)	0.00
GNMA	1997 A-C Single Family	6.25	11/30/98	11/20/28	863,693.25	886,011.10			(56,841.99)		806,851.26	811,321.23	(17,847.88)	0.00
GNMA	1997 A-C Single Family	6.25	11/30/98	10/20/28	539,865.21	553,815.30			(3,150.50)		536,714.71	539,688.09	(10,976.71)	0.00
GNMA	1997 A-C Single Family	6.25	11/30/98	10/20/28	166,143.78	170,436.97			(831.06)		165,312.72	166,228.59	(3,377.32)	0.00
FNMA	1997 A-C Single Family	6.25	05/27/99	11/01/28	153,468.36	156,640.53			(2,727.86)		150,740.50	151,346.46	(2,566.21)	0.00
GNMA	1997 A-C Single Family	6.25	02/16/99	02/20/29	1,271,033.80	1,302,542.73			(9,421.74)		1,261,612.06	1,268,412.16	(24,708.83)	0.00
GNMA	1997 A-C Single Family	6.25	03/31/99	02/20/29	70,213.10	71,953.71			(920.16)		69,292.94	69,666.45	(1,367.10)	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/06	Beginning Market Value 02/28/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/06	Ending Market Value 05/31/06	Change in In Market Value	Recognized Gain
GNMA	1997 A-C Single Family	6.25	05/27/99	05/20/29	360,928.43	369,875.84			(1,824.48)		359,103.95	361,039.53	(7,011.63)	0.00
GNMA	1997 A-C Single Family	5.45	07/30/99	07/20/29	956,745.07	954,955.96			(5,544.06)		951,201.01	921,124.04	(28,287.86)	0.00
GNMA	1997 A-C Single Family	5.45	08/26/99	08/20/29	840,435.06	838,863.43			(4,828.72)		835,606.34	809,184.44	(24,850.27)	0.00
FNMA	1997 A-C Single Family	5.45	09/20/99	08/01/29	108,190.16	107,319.85			(538.18)		107,651.98	103,954.73	(2,826.94)	0.00
GNMA	1997 A-C Single Family	5.45	09/20/99	09/20/29	458,536.78	457,679.34			(2,486.12)		456,050.66	441,630.36	(13,562.86)	0.00
FNMA	1997 A-C Single Family	5.45	12/20/99	12/01/29	451,759.76	448,123.12			(2,866.81)		448,892.95	433,473.50	(11,782.81)	0.00
FNMA	1997 A-C Single Family	5.45	01/19/00	12/01/29	311,846.45	309,336.07			(3,087.13)		308,759.32	298,153.42	(8,095.52)	0.00
GNMA	1997 A-C Single Family	5.45	10/28/99	10/20/29	1,582,154.21	1,579,195.53			(9,542.36)		1,572,611.85	1,522,885.81	(46,767.36)	0.00
GNMA	1997 A-C Single Family	5.45	11/18/99	11/20/29	190,863.22	190,526.27			(1,367.77)		189,495.45	183,503.60	(5,634.90)	0.00
GNMA	1997 A-C Single Family	5.45	12/30/99	12/20/29	3,052,368.94	3,046,660.98			(16,958.39)		3,035,410.55	2,939,430.85	(90,271.74)	0.00
GNMA	1997 A-C Single Family	5.45	01/28/00	01/20/30	839,901.64	838,566.21			(73,562.97)		766,338.67	741,808.16	(23,195.06)	0.00
GNMA	1997 A-C Single Family	5.45	02/22/00	01/20/30	325,771.19	325,253.18			(1,799.17)		323,972.02	313,601.65	(9,852.36)	0.00
GNMA	1997 A-C Single Family	5.45	03/27/00	02/20/30	570,346.35	569,439.53			(72,158.44)		498,187.91	482,240.95	(15,040.14)	0.00
FNMA	1997 A-C Single Family	5.45	04/27/00	03/01/30	313,360.21	310,731.10			(2,228.77)		311,131.44	300,291.60	(8,210.73)	0.00
GNMA	1997 A-C Single Family	5.45	04/27/00	04/20/30	589,046.04	588,109.46			(54,019.12)		535,026.92	517,900.71	(16,189.63)	0.00
GNMA	1997 A-C Single Family	5.45	05/30/00	04/20/30	146,786.69	146,553.33			(720.05)		146,066.64	141,391.07	(4,442.21)	0.00
GNMA	1997 A-C Single Family	5.45	06/21/00	05/20/30	746,722.35	745,535.01			(3,667.22)		743,055.13	719,269.90	(22,597.89)	0.00
GNMA	1997 A-C Single Family	5.45	09/18/00	09/20/30	1,255,925.03	1,253,928.10			(5,913.43)		1,250,011.60	1,209,998.72	(38,015.95)	0.00
FNMA	1997 A-C Single Family	5.45	07/24/00	06/01/30	298,016.03	295,515.66			(2,196.60)		295,819.43	285,513.06	(7,806.00)	0.00
	1997 A-C Single Family Total				34,204,709.51	34,558,059.92	1,517,315.03	(4,163,339.43)	(1,051,336.74)	0.00	30,507,348.37	30,133,694.79	(727,003.99)	0.00
Repo Agmt	1997 D-F Single Family	5.01	05/31/06	06/01/06	16,956.49	16,956.49	205.60				17,162.09	17,162.09	-	0.00
Repo Agmt	1997 D-F Single Family	5.01	05/31/06	06/01/06	3,435,769.94	3,435,769.94		(3,408,586.09)			27,183.85	27,183.85	-	0.00
GIC's	1997 D-F Single Family	5.91	12/04/97	03/01/30	649,958.96	649,958.96	630,643.75				1,280,602.71	1,280,602.71	-	0.00
FNMA	1997 D-F Single Family	6.25	06/29/98	06/01/28	404,736.08	412,985.29			(5,161.81)		399,574.27	401,065.36	(6,758.12)	0.00
FNMA	1997 D-F Single Family	6.25	11/30/98	10/01/28	233,348.22	238,103.82			(1,262.19)		232,086.03	232,951.68	(3,889.95)	0.00
GNMA	1997 D-F Single Family	6.25	05/19/98	05/20/28	749,349.16	768,712.39			(77,462.57)		671,886.59	675,608.89	(15,640.93)	0.00
GNMA	1997 D-F Single Family	5.45	07/24/00	06/20/30	1,507,795.82	1,505,398.42			(8,811.05)		1,498,984.77	1,451,002.26	(45,585.11)	0.00
GNMA	1997 D-F Single Family	6.25	08/14/98	07/20/28	326,717.52	335,159.90			(1,862.75)		324,854.77	326,654.47	(6,642.68)	0.00
GNMA	1997 D-F Single Family	5.45	08/28/00	08/20/30	289,192.50	288,732.67			(1,389.92)		287,802.58	278,590.01	(8,752.74)	0.00
GNMA	1997 D-F Single Family	6.25	06/30/98	06/20/28	660,813.94	677,889.39			(64,173.61)		596,640.33	599,945.73	(13,770.05)	0.00
GNMA	1997 D-F Single Family	6.25	09/18/98	08/20/28	1,250,744.72	1,283,064.02			(8,096.87)		1,242,647.85	1,249,532.19	(25,434.96)	0.00
FNMA	1997 D-F Single Family	6.25	03/31/99	11/01/28	159,826.68	163,083.95			(768.86)		159,057.82	159,651.11	(2,663.98)	0.00
GNMA	1997 D-F Single Family	6.25	11/30/98	11/20/28	957,767.42	982,516.08			(6,108.13)		951,659.29	956,931.43	(19,476.52)	0.00
GNMA	1997 D-F Single Family	6.25	11/30/98	10/20/28	539,558.91	553,501.11			(3,144.09)		536,414.82	539,386.57	(10,970.45)	0.00
GNMA	1997 D-F Single Family	6.25	11/30/98	10/20/28	129,796.48	133,150.41			(1,604.49)		128,191.99	128,902.17	(2,643.75)	0.00
FNMA	1997 D-F Single Family	6.25	05/27/99	04/01/29	217,678.13	222,025.16			(1,397.79)		216,280.34	217,041.65	(3,585.72)	0.00
GNMA	1997 D-F Single Family	6.25	02/16/99	02/20/29	1,795,212.69	1,839,716.04			(12,239.40)		1,782,973.29	1,792,583.56	(34,893.08)	0.00
GNMA	1997 D-F Single Family	6.25	03/31/99	03/20/29	831,596.33	852,211.64			(6,528.00)		825,068.33	829,515.48	(16,168.16)	0.00
GNMA	1997 D-F Single Family	6.25	05/27/99	04/20/29	580,980.82	595,383.34			(5,140.33)		575,840.49	578,944.27	(11,298.74)	0.00
GNMA	1997 D-F Single Family	5.45	06/22/99	06/20/29	904,170.47	902,479.66			(5,676.99)		898,493.48	870,083.11	(26,719.56)	0.00
GNMA	1997 D-F Single Family	5.45	07/30/99	07/20/29	1,189,291.82	1,187,067.79			(7,189.44)		1,182,102.38	1,144,724.24	(35,154.11)	0.00
GNMA	1997 D-F Single Family	5.45	08/26/99	08/20/29	694,132.91	692,834.87			(4,081.09)		690,051.82	668,232.36	(20,521.42)	0.00
GNMA	1997 D-F Single Family	5.45	09/30/99	09/20/29	583,333.88	582,243.05			(60,116.07)		523,217.81	506,673.65	(15,453.33)	0.00
FNMA	1997 D-F Single Family	5.45	12/21/99	11/01/29	464,290.27	460,552.72			(5,113.10)		459,177.17	443,404.42	(12,035.20)	0.00
GNMA	1997 D-F Single Family	5.45	10/29/99	10/20/29	1,307,490.34	1,305,045.35			(128,964.31)		1,178,526.03	1,141,261.05	(34,819.99)	0.00
GNMA	1997 D-F Single Family	5.45	11/18/99	11/20/29	1,463,911.98	1,461,174.49			(8,723.37)		1,455,188.61	1,409,175.58	(43,275.54)	0.00
GNMA	1997 D-F Single Family	5.45	12/30/99	12/20/29	1,780,974.77	1,777,644.39			(65,296.03)		1,715,678.74	1,661,429.02	(50,919.34)	0.00
GNMA	1997 D-F Single Family	5.45	01/28/00	01/20/30	1,742,303.60	1,739,533.35			(9,432.18)		1,732,871.42	1,677,402.21	(52,698.96)	0.00
GNMA	1997 D-F Single Family	5.45	02/22/00	01/20/30	846,945.55	845,598.91			(48,527.28)		798,418.27	772,860.90	(24,210.73)	0.00
GNMA	1997 D-F Single Family	5.45	03/27/00	02/20/30	533,650.48	532,801.97			(3,123.37)		530,527.11	513,544.93	(16,133.67)	0.00
FNMA	1997 D-F Single Family	5.45	02/23/00	01/01/30	189,250.62	187,727.14			(932.48)		188,318.14	181,849.40	(4,945.26)	0.00
GNMA	1997 D-F Single Family	5.45	04/27/00	03/20/30	642,212.71	641,191.59			(3,298.41)		638,914.30	618,462.65	(19,430.53)	0.00
GNMA	1997 D-F Single Family	5.45	05/30/00	05/20/30	639,246.04	638,229.65			(6,478.50)		632,767.54	612,512.67	(19,238.48)	0.00
GNMA	1997 D-F Single Family	5.45	06/21/00	06/20/30	1,194,647.21	1,192,747.72			(5,792.72)		1,188,854.49	1,150,799.25	(36,155.75)	0.00
FNMA	1997 D-F Single Family	5.45	05/30/00	05/01/30	284,493.85	282,106.92			(1,477.70)		283,016.15	273,155.84	(7,473.38)	0.00
GNMA	1997 D-F Single Family	5.45	10/23/00	09/20/30	109,391.21	109,217.30			(501.51)		108,889.70	105,404.16	(3,311.63)	0.00
GNMA	1997 D-F Single Family	5.45	10/30/00	10/20/30	338,016.10	337,478.66			(1,884.52)		336,131.58	325,372.00	(10,222.14)	0.00
FNMA	1997 D-F Single Family	5.45	07/24/00	06/01/30	574,463.72	569,643.93			(10,631.50)		563,832.22	544,188.26	(14,824.17)	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/06	Beginning Market Value 02/28/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/06	Ending Market Value 05/31/06	Change In In Market Value	Recognized Gain
GNMA	1997 D-F Single Family	5.45	12/21/00	05/20/30	117,025.59	116,839.50			(570.46)		116,455.13	112,727.38	(3,541.66)	0.00
FNMA	1997 D-F Single Family	5.45	10/06/00	09/01/30	324,931.05	322,204.85			(1,621.40)		323,309.65	312,045.52	(8,537.93)	0.00
FNMA	1997 D-F Single Family	5.45	10/30/00	08/01/30	354,121.94	351,150.87			(2,336.82)		351,785.12	339,528.93	(9,285.12)	0.00
FNMA	1997 D-F Single Family	5.45	02/12/01	02/01/30	121,427.09	120,449.59			(612.75)		120,814.34	116,664.36	(3,172.48)	0.00
Repo Agmt	1997 D-F Single Family	5.01	05/31/06	06/01/06	149,102.70	149,102.70	0.00				149,102.70	149,102.70	-	0.00
GNMA	1997 D-F Single Family	4.49	05/12/05	05/20/35	82,949.51	79,438.67			(327.76)		82,621.75	75,729.89	(3,381.02)	0.00
GNMA	1997 D-F Single Family	4.49	07/14/05	07/20/35	47,458.47	45,448.53			(181.49)		47,276.98	43,332.12	(1,934.92)	0.00
GNMA	1997 D-F Single Family	4.49	05/26/05	05/20/35	70,997.80	68,179.34			(295.74)		70,702.06	64,983.19	(2,900.41)	0.00
GNMA	1997 D-F Single Family	4.49	06/02/05	06/20/35	65,051.38	62,468.41			(358.24)		64,693.14	59,460.56	(2,649.61)	0.00
GNMA	1997 D-F Single Family	4.49	06/09/05	06/20/35	78,548.75	75,223.33			(306.10)		78,242.65	71,715.22	(3,202.01)	0.00
GNMA	1997 D-F Single Family	4.49	06/15/05	06/20/35	70,598.71	67,794.45			(296.63)		70,302.08	64,614.01	(2,883.81)	0.00
GNMA	1997 D-F Single Family	4.49	06/23/05	06/20/35	148,436.60	142,152.99			(719.07)		147,717.53	135,395.93	(6,037.99)	0.00
GNMA	1997 D-F Single Family	4.49	06/29/05	06/20/35	72,728.15	69,648.97			(280.10)		72,448.05	66,403.83	(2,965.04)	0.00
GNMA	1997 D-F Single Family	4.49	09/08/05	09/20/35	12,777.17	12,269.49			(61.59)		12,715.58	11,686.70	(521.20)	0.00
GNMA	1997 D-F Single Family	4.49	07/21/05	07/20/35	30,932.22	29,792.79			(118.53)		30,813.69	28,405.89	(1,268.37)	0.00
GNMA	1997 D-F Single Family	4.49	07/28/05	07/20/35	23,882.95	22,871.62			(96.20)		23,786.75	21,802.13	(973.29)	0.00
GNMA	1997 D-F Single Family	4.49	08/04/05	08/20/35	13,990.34	13,434.25			(55.99)		13,934.35	12,806.54	(571.72)	0.00
GNMA	1997 D-F Single Family	5.40	10/20/05	09/20/35	2,196.13	2,206.31			(7.30)		2,188.83	2,132.50	(66.51)	0.00
FNMA	1997 D-F Single Family	4.49	07/28/05	07/01/35	30,702.67	29,033.86			(150.73)		30,551.94	27,906.54	(976.59)	0.00
FNMA	1997 D-F Single Family	4.49	10/20/05	09/01/35	6,543.47	6,187.66			(24.49)		6,518.98	5,954.34	(208.83)	0.00
	1997 D-F Single Family Total				32,044,421.03	32,185,536.66	630,849.35	(3,408,586.09)	(590,813.82)	0.00	28,675,870.47	28,086,189.46	(730,796.64)	0.00
Repo Agmt	2002A Single Family (JR Lien)	5.01	05/31/06	06/01/06	191,617.86	191,617.86		(131,395.22)			60,222.64	60,222.64	-	0.00
Repo Agmt	2002A Single Family (JR Lien)	5.01	05/31/06	06/01/06	9,059.20	9,059.20	0.00				9,059.20	9,059.20	-	0.00
Repo Agmt	2002A Single Family (JR Lien)	5.01	05/31/06	06/01/06	688,213.81	688,213.81		(61,869.91)			626,343.90	626,343.90	-	0.00
Repo Agmt	2002A Single Family (JR Lien)	5.01	05/31/06	06/01/06			299,999.95				299,999.95	299,999.95	-	0.00
T-Bond	2002A Single Family (JR Lien)				300,000.00	305,564.95		(300,000.00)					(5,564.95)	(0.05)
Repo Agmt	2002A Single Family (JR Lien)	5.01	05/31/06	06/01/06	71,975.95	71,975.95	9,724.29				81,700.24	81,700.24	-	0.00
Repo Agmt	2002A Single Family (JR Lien)	5.01	05/31/06	06/01/06	68,266.51	68,266.51	0.00				68,266.51	68,266.51	-	0.00
	2002A Single Family (JR Lien) Total				1,329,133.33	1,334,698.28	309,724.24	(493,265.13)	0.00	0.00	1,145,592.44	1,145,592.44	(5,564.95)	(0.05)
Repo Agmt	2004 A/B Single Family	5.01	05/31/06	06/01/06	812,240.64	812,240.64	243,428.13				1,055,668.77	1,055,668.77	-	0.00
Repo Agmt	2004 A/B Single Family	5.01	05/31/06	06/01/06	4,422,867.36	4,422,867.36		(4,281,053.83)			141,813.53	141,813.53	-	0.00
GIC's	2004 A/B Single Family	3.96	04/25/05	03/01/36	294,230.00	294,230.00	2,556,448.46				2,850,678.46	2,850,678.46	-	0.00
Repo Agmt	2004 A/B Single Family	5.01	05/31/06	06/01/06	67.97	67.97	0.92				68.89	68.89	-	0.00
GIC's	2004 A/B Single Family	1.49	04/28/04	09/01/06	166,379.11	166,379.11	0.00				166,379.11	166,379.11	-	0.00
GNMA	2004 A/B Single Family	4.49	07/08/04	06/20/34	1,488,988.29	1,425,546.03			(6,156.89)		1,482,831.40	1,359,434.58	(59,954.56)	0.00
GNMA	2004 A/B Single Family	4.49	07/08/04	07/20/34	1,124,595.91	1,076,681.71			(5,257.70)		1,119,338.21	1,026,192.28	(45,231.73)	0.00
GNMA	2004 A/B Single Family	4.49	06/29/04	06/20/34	952,987.62	912,376.67			(4,509.55)		948,478.07	869,542.45	(38,324.67)	0.00
GNMA	2004 A/B Single Family	4.49	09/02/04	08/20/34	1,536,273.07	1,470,890.35			(6,029.55)		1,530,243.52	1,402,972.01	(61,888.79)	0.00
GNMA	2004 A/B Single Family	4.49	09/09/04	09/20/34	2,049,065.15	1,961,874.19			(9,352.66)		2,039,712.49	1,870,083.16	(82,438.37)	0.00
GNMA	2004 A/B Single Family	4.49	09/16/04	08/20/34	3,024,311.73	2,895,634.18			(13,177.22)		3,011,134.51	2,760,729.61	(121,727.35)	0.00
GNMA	2004 A/B Single Family	4.49	09/23/04	09/20/34	962,543.76	921,596.25			(3,858.22)		958,685.54	878,968.70	(38,769.33)	0.00
GNMA	2004 A/B Single Family	4.49	09/29/04	09/20/34	1,636,399.50	1,566,795.00			(6,771.56)		1,629,627.94	1,494,128.24	(65,895.20)	0.00
GNMA	2004 A/B Single Family	4.49	10/07/04	10/20/34	2,634,467.50	2,522,430.40			(11,139.95)		2,623,327.55	2,405,223.52	(106,066.93)	0.00
GNMA	2004 A/B Single Family	4.49	07/15/04	07/20/34	2,370,255.51	2,269,282.89			(129,853.15)		2,240,402.36	2,053,979.35	(85,450.39)	0.00
GNMA	2004 A/B Single Family	4.49	07/22/04	07/20/34	2,113,007.30	2,023,003.61			(8,538.64)		2,104,468.66	1,929,368.31	(85,096.66)	0.00
GNMA	2004 A/B Single Family	4.49	07/29/04	07/20/34	2,630,713.01	2,518,672.86			(11,960.86)		2,618,752.15	2,400,873.42	(105,838.58)	0.00
GNMA	2004 A/B Single Family	4.49	08/05/04	08/20/34	3,466,390.85	3,318,786.60			(17,196.29)		3,449,194.56	3,162,249.04	(139,341.27)	0.00
GNMA	2004 A/B Single Family	4.49	08/12/04	08/20/34	3,994,074.50	3,824,023.83			(15,999.86)		3,978,074.64	3,647,152.60	(160,871.37)	0.00
GNMA	2004 A/B Single Family	4.49	08/19/04	08/20/34	3,831,040.55	3,667,953.39			(148,282.79)		3,682,757.76	3,376,422.53	(143,248.07)	0.00
GNMA	2004 A/B Single Family	5.00	08/19/04	08/20/34	273,502.19	270,770.33			(982.79)		272,519.40	260,335.59	(9,451.95)	0.00
GNMA	2004 A/B Single Family	4.49	08/26/04	08/20/34	1,859,341.09	1,760,198.04			(7,461.59)		1,851,879.50	1,697,848.72	(74,887.73)	0.00
GNMA	2004 A/B Single Family	5.00	08/26/04	08/20/34	85,790.02	84,933.55			(306.71)		85,483.31	81,662.02	(2,964.82)	0.00
GNMA	2004 A/B Single Family	4.49	12/02/04	12/20/34	1,083,575.24	1,037,545.94			(4,246.26)		1,079,328.98	989,643.27	(43,656.41)	0.00
GNMA	2004 A/B Single Family	5.00	12/09/04	10/20/34	297,021.19	293,336.65			(1,321.63)		295,699.56	281,769.86	(10,245.16)	0.00
GNMA	2004 A/B Single Family	4.49	12/09/04	12/20/34	374,934.68	359,009.97			(1,474.80)		373,459.88	342,429.70	(15,105.47)	0.00
GNMA	2004 A/B Single Family	5.00	12/09/04	11/20/34	214,577.87	212,455.59			(769.45)		213,808.42	204,269.66	(7,416.48)	0.00
GNMA	2004 A/B Single Family	5.00	12/16/04	12/20/34	340,518.38	336,297.31			(1,196.84)		339,321.54	323,339.84	(11,760.63)	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/06	Beginning Market Value 02/28/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/06	Ending Market Value 05/31/06	Change In In Market Value	Recognized Gain
GNMA	2004 A/B Single Family	4.49	12/16/04	12/20/34	1,036,925.66	992,890.01			(5,714.97)		1,031,210.69	945,534.77	(41,640.27)	0.00
GNMA	2004 A/B Single Family	4.49	10/14/04	10/20/34	1,604,006.38	1,535,801.42			(6,604.60)		1,597,401.78	1,464,602.31	(64,594.51)	0.00
GNMA	2004 A/B Single Family	5.00	10/14/04	10/20/34	1,008,453.59	995,896.49			(4,420.06)		1,004,033.53	956,690.52	(34,785.91)	0.00
GNMA	2004 A/B Single Family	5.00	10/21/04	10/20/34	1,228,981.60	1,213,684.63			(124,821.51)		1,104,160.09	1,052,102.17	(36,760.95)	0.00
GNMA	2004 A/B Single Family	4.49	10/21/04	10/20/34	1,453,811.85	1,392,000.45			(6,128.62)		1,447,683.23	1,327,338.61	(58,533.22)	0.00
GNMA	2004 A/B Single Family	5.00	10/28/04	10/20/34	349,599.16	345,249.84			(1,269.45)		348,329.71	331,909.00	(12,071.39)	0.00
GNMA	2004 A/B Single Family	4.49	10/28/04	10/20/34	768,288.94	735,628.24			(3,053.82)		765,235.12	701,626.06	(30,948.36)	0.00
GNMA	2004 A/B Single Family	4.49	11/04/04	11/20/34	1,843,448.74	1,765,096.17			(7,242.41)		1,836,206.33	1,683,586.22	(74,267.54)	0.00
GNMA	2004 A/B Single Family	4.49	11/10/04	11/20/34	1,163,586.75	1,114,136.13			(4,574.33)		1,159,012.42	1,062,684.04	(46,877.76)	0.00
GNMA	2004 A/B Single Family	5.00	11/10/04	10/20/34	530,874.31	524,276.12			(1,942.97)		528,931.34	504,001.92	(18,331.23)	0.00
GNMA	2004 A/B Single Family	4.49	11/18/04	11/20/34	964,565.83	923,579.84			(3,908.40)		960,657.43	880,821.06	(38,850.38)	0.00
GNMA	2004 A/B Single Family	5.00	11/23/04	11/20/34	403,651.26	399,653.71			(1,444.25)		402,207.01	384,258.08	(13,951.38)	0.00
GNMA	2004 A/B Single Family	4.49	11/23/04	11/20/34	1,894,195.99	1,813,715.77			(7,831.24)		1,886,364.75	1,729,603.53	(76,281.00)	0.00
GNMA	2004 A/B Single Family	5.00	12/23/04	12/20/34	409,444.90	404,371.46			(1,655.67)		407,789.23	388,585.13	(14,130.66)	0.00
GNMA	2004 A/B Single Family	4.49	12/23/04	12/20/34	513,485.79	491,681.81			(1,978.24)		511,507.55	469,012.88	(20,690.69)	0.00
GNMA	2004 A/B Single Family	5.00	12/29/04	12/20/34	553,700.89	546,843.27			(1,941.99)		551,758.90	525,777.46	(19,123.82)	0.00
GNMA	2004 A/B Single Family	4.49	12/29/04	12/20/34	379,470.19	364,335.89			(1,452.85)		378,017.34	347,553.08	(15,329.96)	0.00
GNMA	2004 A/B Single Family	4.49	01/06/05	01/20/35	740,916.09	709,210.58			(5,671.72)		735,244.37	673,503.20	(30,035.66)	0.00
GNMA	2004 A/B Single Family	4.49	01/13/05	01/20/35	886,825.58	848,881.36			(3,556.47)		883,269.11	809,102.63	(36,222.26)	0.00
GNMA	2004 A/B Single Family	4.49	01/19/05	01/20/35	637,314.41	610,048.99			(2,502.96)		634,811.45	581,510.43	(26,035.60)	0.00
GNMA	2004 A/B Single Family	4.49	01/28/05	01/20/35	500,519.35	479,109.66			(1,933.43)		498,585.92	456,726.11	(20,450.12)	0.00
GNMA	2004 A/B Single Family	4.49	02/03/05	02/20/35	2,042,143.70	1,954,802.95			(7,867.23)		2,034,276.47	1,863,497.77	(83,437.95)	0.00
GNMA	2004 A/B Single Family	4.49	02/10/05	02/20/35	1,433,630.90	1,376,073.79			(6,840.29)		1,426,790.61	1,310,604.78	(58,628.72)	0.00
GNMA	2004 A/B Single Family	5.00	02/10/05	02/20/35	1,956,225.19	1,931,184.64			(7,705.49)		1,948,519.70	1,855,187.97	(68,291.18)	0.00
GNMA	2004 A/B Single Family	4.49	02/17/05	02/20/35	563,022.56	538,949.64			(2,183.41)		560,839.15	513,762.60	(23,003.63)	0.00
GNMA	2004 A/B Single Family	5.00	02/17/05	01/20/35	596,028.05	588,401.60			(2,106.22)		593,921.83	565,475.98	(20,819.40)	0.00
GNMA	2004 A/B Single Family	4.49	02/24/05	02/20/35	375,042.84	359,009.46			(2,783.76)		372,259.08	341,013.92	(15,211.78)	0.00
GNMA	2004 A/B Single Family	5.00	03/03/05	02/20/35	420,310.93	414,938.30			(1,905.38)		418,405.55	398,371.66	(14,661.26)	0.00
GNMA	2004 A/B Single Family	4.49	03/03/05	03/20/35	376,283.49	361,183.11			(1,684.00)		374,599.49	344,101.86	(15,397.25)	0.00
GNMA	2004 A/B Single Family	5.00	03/10/05	03/20/35	279,161.73	276,296.75			(966.33)		278,195.40	265,567.68	(9,762.74)	0.00
GNMA	2004 A/B Single Family	4.49	03/17/05	03/20/35	589,333.24	564,149.03			(2,286.16)		587,047.08	537,784.22	(24,078.65)	0.00
GNMA	2004 A/B Single Family	5.00	03/24/05	03/20/35	429,757.60	424,271.94			(120,733.38)		309,024.22	294,233.33	(9,305.23)	0.00
GNMA	2004 A/B Single Family	4.49	03/24/05	03/20/35	109,485.22	105,093.45			(1,043.94)		108,441.28	99,614.46	(4,435.05)	0.00
GNMA	2004 A/B Single Family	5.00	03/30/05	03/20/35	186,867.55	184,953.13			(1,012.49)		185,855.06	177,421.86	(6,516.78)	0.00
GNMA	2004 A/B Single Family	5.00	04/07/05	04/20/35	252,445.67	249,861.18			(865.87)		251,579.80	240,166.27	(8,829.04)	0.00
GNMA	2004 A/B Single Family	4.49	04/07/05	04/20/35	802,457.76	768,180.74			(3,311.61)		799,146.15	732,098.74	(32,770.39)	0.00
GNMA	2004 A/B Single Family	5.00	04/21/05	04/20/35	535,244.69	528,425.86			(2,238.88)		533,005.81	507,507.24	(18,679.74)	0.00
GNMA	2004 A/B Single Family	4.49	04/21/05	04/20/35	328,352.10	314,330.34			(1,249.13)		327,102.97	299,663.06	(13,418.15)	0.00
GNMA	2004 A/B Single Family	5.00	04/28/05	04/20/35	392,989.79	388,973.88			(1,437.42)		391,552.37	373,795.44	(13,741.02)	0.00
GNMA	2004 A/B Single Family	5.00	05/05/05	05/20/35	198,899.31	196,667.99			(741.71)		198,157.60	189,172.47	(6,953.81)	0.00
GNMA	2004 A/B Single Family	4.49	05/05/05	04/20/35	1,074,821.61	1,028,936.52			(4,084.53)		1,070,737.08	980,927.28	(43,924.71)	0.00
GNMA	2004 A/B Single Family	5.00	05/12/05	04/20/35	222,934.95	220,659.49			(830.57)		222,104.38	212,034.50	(7,794.42)	0.00
GNMA	2004 A/B Single Family	4.49	05/12/05	04/20/35	658,218.32	631,843.34			(2,485.41)		655,732.91	602,384.19	(26,973.74)	0.00
GNMA	2004 A/B Single Family	5.00	06/03/05	05/20/35	130,696.70	129,365.18			(445.91)		130,250.79	124,347.79	(4,571.48)	0.00
GNMA	2004 A/B Single Family	5.00	07/07/05	06/20/35	336,673.40	333,253.85			(1,141.25)		335,532.15	320,335.78	(11,776.82)	0.00
GNMA	2004 A/B Single Family	4.49	07/07/05	06/20/35	342,401.01	328,697.51			(1,283.68)		341,117.33	313,380.73	(14,033.10)	0.00
GNMA	2004 A/B Single Family	5.00	05/26/05	05/20/35	130,217.34	128,889.80			(442.66)		129,774.68	123,892.52	(4,554.62)	0.00
GNMA	2004 A/B Single Family	4.49	05/26/05	05/20/35	285,955.20	274,500.23			(1,181.73)		284,773.47	261,608.47	(11,710.03)	0.00
GNMA	2004 A/B Single Family	5.00	06/02/05	05/20/35	265,603.65	262,897.72			(950.46)		264,653.19	252,659.05	(9,288.21)	0.00
GNMA	2004 A/B Single Family	4.49	06/02/05	05/20/35	237,421.67	227,912.50			(1,061.87)		236,359.80	217,134.35	(9,716.28)	0.00
GNMA	2004 A/B Single Family	4.49	06/10/05	04/20/35	226,484.75	216,822.71			(856.01)		225,628.74	206,710.24	(9,256.46)	0.00
GNMA	2004 A/B Single Family	5.00	06/15/05	06/20/35	307,752.94	304,621.29			(1,350.49)		306,402.45	292,519.77	(10,751.03)	0.00
GNMA	2004 A/B Single Family	4.49	06/23/05	06/20/35	270,154.36	259,338.89			(1,000.75)		269,153.61	247,265.46	(11,072.68)	0.00
GNMA	2004 A/B Single Family	4.49	09/08/05	09/20/35	158,845.60	152,496.94			(578.59)		158,267.01	145,406.38	(6,511.97)	0.00
GNMA	2004 A/B Single Family	5.00	09/15/05	09/20/35	736,858.97	727,567.86			(3,527.65)		733,331.32	698,341.69	(25,698.52)	0.00
GNMA	2004 A/B Single Family	5.00	09/22/05	09/20/35	198,724.73	196,719.82			(658.21)		198,066.52	189,109.19	(6,952.42)	0.00
GNMA	2004 A/B Single Family	4.49	07/21/05	07/20/35	356,114.26	341,866.07			(1,331.81)		354,782.45	325,939.00	(14,595.26)	0.00
GNMA	2004 A/B Single Family	5.00	07/21/05	07/20/35	109,445.86	108,335.54			(375.66)		109,070.20	104,131.75	(3,828.13)	0.00
GNMA	2004 A/B Single Family	4.49	07/28/05	07/20/35	3,828,440.26	3,665,278.32			(15,652.40)		3,812,787.86	3,493,248.65	(156,377.27)	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/06	Beginning Market Value 02/28/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/06	Ending Market Value 05/31/06	Change In In Market Value	Recognized Gain
GNMA	2004 A/B Single Family	5.00	08/04/05	08/20/35	197,797.93	195,793.86			(670.78)		197,127.15	188,203.95	(6,919.13)	0.00
GNMA	2004 A/B Single Family	4.49	08/11/05	07/20/35	288,085.57	276,564.53			(1,070.02)		287,015.55	263,686.28	(11,808.23)	0.00
GNMA	2004 A/B Single Family	5.00	08/11/05	08/20/35	982,198.12	969,763.16			(3,433.55)		978,764.57	932,034.40	(34,315.21)	0.00
GNMA	2004 A/B Single Family	4.49	08/30/05	08/20/35	448,783.78	429,669.92			(2,053.56)		446,730.22	409,302.98	(18,313.38)	0.00
GNMA	2004 A/B Single Family	5.00	08/30/05	08/20/35	206,224.34	204,139.64			(82,717.88)		123,506.46	117,918.53	(3,503.23)	0.00
GNMA	2004 A/B Single Family	5.00	08/30/05	08/20/35	216,010.75	213,827.12			(3,835.90)		212,174.85	202,575.20	(7,416.02)	0.00
GNMA	2004 A/B Single Family	5.00	10/27/05	10/20/35	659,936.32	653,299.38			(2,275.35)		657,660.97	627,938.67	(23,085.36)	0.00
GNMA	2004 A/B Single Family	4.49	10/27/05	09/20/35	219,132.18	210,383.15			(800.27)		218,331.91	200,599.17	(8,983.71)	0.00
GNMA	2004 A/B Single Family	5.00	09/29/05	09/20/35	152,271.84	150,736.65			(835.22)		151,436.62	144,588.96	(5,312.47)	0.00
GNMA	2004 A/B Single Family	5.00	09/29/05	09/20/35	172,346.99	170,609.40			(575.53)		171,771.46	164,004.29	(6,029.58)	0.00
GNMA	2004 A/B Single Family	4.49	09/29/05	09/20/35	209,420.31	201,054.16			(796.05)		208,624.26	191,675.32	(8,582.79)	0.00
GNMA	2004 A/B Single Family	5.00	12/08/05	12/20/35	633,060.34	625,125.38			(2,428.42)		630,631.92	600,587.28	(22,109.68)	0.00
GNMA	2004 A/B Single Family	5.00	12/15/05	12/20/35	1,623,189.31	1,602,853.49			(5,905.08)		1,617,284.23	1,540,242.71	(56,705.70)	0.00
GNMA	2004 A/B Single Family	5.00	11/03/05	11/20/35	560,469.72	554,836.47			(1,856.16)		558,613.56	533,370.84	(19,609.47)	0.00
GNMA	2004 A/B Single Family	5.00	11/10/05	11/20/35	241,381.05	238,956.39			(793.98)		240,587.07	229,716.77	(8,445.64)	0.00
GNMA	2004 A/B Single Family	4.49	11/17/05	10/20/35	249,032.04	239,093.82			(902.14)		248,129.90	227,981.36	(10,210.32)	0.00
GNMA	2004 A/B Single Family	5.00	11/17/05	11/20/35	1,099,879.43	1,088,837.79			(3,663.20)		1,096,216.23	1,046,693.95	(38,480.64)	0.00
GNMA	2004 A/B Single Family	5.00	11/22/05	11/20/35	282,876.85	280,038.48			(1,026.18)		281,850.67	269,118.98	(9,893.32)	0.00
GNMA	2004 A/B Single Family	4.49	11/29/05	10/20/35	231,553.60	222,315.37			(841.38)		230,712.22	211,980.38	(9,493.61)	0.00
GNMA	2004 A/B Single Family	5.00	11/29/05	11/20/35	1,516,224.28	1,501,019.64			(5,625.73)		1,510,598.55	1,442,370.85	(53,023.06)	0.00
GNMA	2004 A/B Single Family	5.00	12/22/05	12/20/35	1,590,641.67	1,570,723.14			(6,305.17)		1,584,336.50	1,508,875.15	(55,542.82)	0.00
GNMA	2004 A/B Single Family	5.00	12/29/05	12/20/35	1,709,287.08	1,687,894.76			(7,131.43)		1,702,155.65	1,621,092.44	(59,670.89)	0.00
GNMA	2004 A/B Single Family	4.49	12/29/05	11/20/35	217,911.88	208,653.70			(795.51)		217,116.37	198,947.76	(8,910.43)	0.00
GNMA	2004 A/B Single Family	5.00	01/05/06	01/20/36	1,422,617.06	1,408,398.05			(6,353.74)		1,416,263.32	1,351,926.72	(50,117.59)	0.00
GNMA	2004 A/B Single Family	5.00	01/12/06	01/20/36	345,875.15	335,670.16			(1,289.15)		344,586.00	322,504.42	(11,876.59)	0.00
GNMA	2004 A/B Single Family	5.00	01/12/06	01/20/36	865,589.36	856,943.01			(2,837.18)		862,752.18	823,564.93	(30,540.90)	0.00
GNMA	2004 A/B Single Family	4.49	01/12/06	12/20/35	95,697.37	91,882.98			(1,257.10)		94,440.27	86,775.95	(3,849.93)	0.00
GNMA	2004 A/B Single Family	5.00	03/09/06	03/20/36			4,047,056.89				4,047,056.89	3,853,335.76	(193,721.13)	0.00
GNMA	2004 A/B Single Family	5.00	03/02/06	03/20/36			1,136,196.48				1,136,196.48	1,081,803.43	(54,393.05)	0.00
GNMA	2004 A/B Single Family	5.00	03/02/06	01/20/36			199,881.71				199,881.71	187,064.66	(12,817.05)	0.00
GNMA	2004 A/B Single Family	5.00	01/19/06	01/20/36	1,744,965.06	1,727,545.12			(9,979.85)		1,734,985.21	1,656,191.77	(61,373.50)	0.00
GNMA	2004 A/B Single Family	5.00	01/26/06	01/20/36	1,589,154.86	1,569,289.62			(6,079.30)		1,583,075.56	1,507,241.92	(55,968.40)	0.00
GNMA	2004 A/B Single Family	5.00	01/26/06	01/20/36	214,966.20	208,620.97			(733.48)		214,232.72	200,501.79	(7,385.70)	0.00
GNMA	2004 A/B Single Family	5.00	02/09/06	01/20/36	3,654,397.06	3,563,912.54	18,791.72				3,673,188.78	3,421,192.75	(161,511.51)	0.00
GNMA	2004 A/B Single Family	4.49	02/09/06	01/20/36	183,803.91	178,219.15	515.78				184,319.69	169,285.25	(9,449.68)	0.00
GNMA	2004 A/B Single Family	5.00	02/09/06	02/20/36	1,646,994.01	1,646,797.49	10,324.04				1,657,318.05	1,582,080.58	(75,040.95)	0.00
GNMA	2004 A/B Single Family	5.00	02/09/06	01/20/36	120,802.00	117,205.84			(835.83)		119,966.17	112,275.67	(4,094.34)	0.00
GNMA	2004 A/B Single Family	5.00	02/16/06	02/20/36	3,922,755.84	3,912,309.96	21,159.77				3,943,915.61	3,755,059.52	(178,410.21)	0.00
GNMA	2004 A/B Single Family	5.00	02/23/06	02/20/36	2,654,301.78	2,654,020.25	14,868.84				2,669,170.62	2,548,031.39	(120,857.70)	0.00
GNMA	2004 A/B Single Family	5.00	02/23/06	02/20/36	1,828,853.70	1,828,659.73	10,246.71				1,839,100.41	1,755,633.59	(83,272.85)	0.00
GNMA	2004 A/B Single Family	5.00	05/11/06	05/20/36			474,268.70				474,268.70	456,082.86	(18,165.84)	0.00
GNMA	2004 A/B Single Family	5.00	05/11/06	05/20/36			657,523.60				657,523.60	633,967.19	(23,556.41)	0.00
GNMA	2004 A/B Single Family	5.00	05/18/06	05/20/36			977,121.39				977,121.39	939,659.38	(37,462.01)	0.00
GNMA	2004 A/B Single Family	5.00	03/16/06	03/20/36			1,575,018.73				1,575,018.73	1,499,636.15	(75,382.58)	0.00
GNMA	2004 A/B Single Family	4.49	03/23/06	02/20/36			299,668.04				299,668.04	275,211.34	(24,456.70)	0.00
GNMA	2004 A/B Single Family	5.00	03/23/06	03/20/36			1,631,789.07				1,631,789.07	1,557,770.32	(74,018.75)	0.00
GNMA	2004 A/B Single Family	5.00	03/30/06	03/20/36			183,965.47				183,965.47	172,164.42	(11,801.05)	0.00
GNMA	2004 A/B Single Family	5.00	03/30/06	03/20/36			1,325,958.94				1,325,958.94	1,265,820.46	(60,138.48)	0.00
GNMA	2004 A/B Single Family	5.00	04/06/06	04/20/36			1,496,897.29				1,496,897.29	1,425,281.05	(71,616.24)	0.00
GNMA	2004 A/B Single Family	5.00	04/13/06	04/20/36			819,526.29				819,526.29	782,366.39	(37,159.90)	0.00
GNMA	2004 A/B Single Family	5.00	04/20/06	04/20/36			24,385.20				24,385.20	220,842.53	196,457.33	0.00
GNMA	2004 A/B Single Family	5.00	04/20/06	04/20/36			1,825,541.82				1,825,541.82	1,742,778.34	(82,763.48)	0.00
GNMA	2004 A/B Single Family	5.00	04/27/06	04/20/36			1,633,577.80				1,633,577.80	1,555,452.17	(78,125.63)	0.00
GNMA	2004 A/B Single Family	5.00	05/05/06	05/20/36			1,537,131.59				1,537,131.59	1,482,054.81	(55,076.78)	0.00
GNMA	2004 A/B Single Family	5.00	05/05/06	05/20/36			196,587.55				196,587.55	182,122.77	(14,464.78)	0.00
GNMA	2004 A/B Single Family	4.49	05/25/06	04/20/36			62,475.81				62,475.81	57,950.88	(4,524.93)	0.00
GNMA	2004 A/B Single Family	5.00	05/25/06	05/20/36			884,814.57				884,814.57	850,897.61	(33,916.96)	0.00
GNMA	2004 A/B Single Family	5.00	05/25/06	05/20/36			150,005.47				150,005.47	138,965.71	(11,039.76)	0.00
FNMA	2004 A/B Single Family	4.49	08/05/04	07/01/34	466,902.55	442,340.79			(3,474.81)		463,427.74	424,041.86	(14,824.10)	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/06	Beginning Market Value 02/28/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/06	Ending Market Value 05/31/06	Change in In Market Value	Recognized Gain
FNMA	2004 A/B Single Family	4.49	08/12/04	08/01/34	363,264.92	344,156.47			(2,469.13)		360,795.79	330,133.76	(11,553.58)	0.00
FNMA	2004 A/B Single Family	4.49	08/26/04	08/01/34	343,088.14	325,042.99			(1,692.06)		341,396.08	312,384.60	(10,966.33)	0.00
FNMA	2004 A/B Single Family	4.49	09/02/04	08/01/34	246,262.04	233,310.05			(974.56)		245,287.48	224,443.67	(7,891.82)	0.00
FNMA	2004 A/B Single Family	4.49	10/28/04	10/01/34	297,566.62	281,923.38			(1,169.77)		296,396.85	271,216.72	(9,536.89)	0.00
FNMA	2004 A/B Single Family	5.00	10/28/04	10/01/34	254,480.16	248,873.46			(913.69)		253,566.47	239,651.04	(8,308.73)	0.00
FNMA	2004 A/B Single Family	4.49	11/10/04	10/01/34	374,661.43	354,967.05			(1,991.94)		372,669.49	341,011.40	(11,963.71)	0.00
FNMA	2004 A/B Single Family	5.00	11/23/04	11/01/34	278,307.57	272,178.91			(992.73)		277,314.84	262,099.02	(9,087.16)	0.00
FNMA	2004 A/B Single Family	4.49	02/10/05	01/01/35	269,726.94	255,011.44			(1,135.65)		268,591.29	245,266.42	(8,609.37)	0.00
FNMA	2004 A/B Single Family	5.00	02/10/05	02/01/35	458,472.46	448,392.13			(1,851.82)		456,620.64	431,581.78	(14,958.53)	0.00
FNMA	2004 A/B Single Family	5.00	03/29/05	04/01/35	248,467.14	242,564.72			(1,057.76)		247,409.38	233,298.30	(8,208.66)	0.00
FNMA	2004 A/B Single Family	4.49	04/21/05	04/01/35	352,288.83	333,079.37			(1,490.69)		350,798.14	320,344.28	(11,244.40)	0.00
FNMA	2004 A/B Single Family	4.49	06/10/05	05/01/35	284,688.85	269,171.41			(1,154.85)		283,534.00	258,925.26	(9,091.30)	0.00
FNMA	2004 A/B Single Family	5.00	06/29/05	06/01/35	296,845.93	289,805.90			(1,135.71)		295,710.22	278,855.21	(9,814.98)	0.00
FNMA	2004 A/B Single Family	4.49	07/14/05	04/01/35	163,692.97	154,772.79			(619.92)		163,073.05	148,921.56	(5,231.31)	0.00
FNMA	2004 A/B Single Family	5.00	07/14/05	07/01/35	75,503.36	73,713.23			(256.15)		75,247.21	70,958.74	(2,498.34)	0.00
FNMA	2004 A/B Single Family	5.00	09/22/05	09/01/35	363,248.24	354,646.59			(1,223.63)		362,024.61	341,402.48	(12,020.48)	0.00
FNMA	2004 A/B Single Family	4.49	10/06/05	09/01/35	401,545.10	379,677.66			(1,597.52)		399,947.58	365,253.69	(12,826.45)	0.00
FNMA	2004 A/B Single Family	5.00	10/20/05	09/01/35	329,457.17	321,659.56			(1,104.91)		328,352.26	309,651.95	(10,902.70)	0.00
FNMA	2004 A/B Single Family	5.00	11/17/05	10/01/35	323,535.65	315,682.00			(2,080.50)		321,455.15	303,151.29	(10,650.21)	0.00
FNMA	2004 A/B Single Family	5.00	12/15/05	12/01/35	306,452.09	299,206.18			(1,202.94)		305,249.15	287,871.83	(10,131.41)	0.00
FNMA	2004 A/B Single Family	4.49	12/29/05	12/01/35	417,792.55	395,054.59			(1,526.46)		416,266.09	380,170.76	(13,357.37)	0.00
FNMA	2004 A/B Single Family	5.00	12/29/05	12/01/35	1,001,904.11	978,220.45			(4,852.56)		997,051.55	940,296.76	(33,071.13)	0.00
FNMA	2004 A/B Single Family	5.00	01/12/06	01/01/36	364,374.08	355,763.28			(2,245.86)		362,128.22	341,516.99	(12,000.43)	0.00
FNMA	2004 A/B Single Family	5.00	01/12/06	12/01/35	128,189.64	122,705.14			(443.80)		127,745.84	118,131.33	(4,130.01)	0.00
FNMA	2004 A/B Single Family	5.00	01/26/06	01/01/36	492,547.38	480,910.52			(1,752.67)		490,794.71	462,862.97	(16,294.88)	0.00
FNMA	2004 A/B Single Family	5.00	02/09/06	01/01/36	401,866.92	394,232.12	257.11				402,124.03	378,998.52	(15,490.71)	0.00
FNMA	2004 A/B Single Family	5.00	02/16/06	02/01/36	546,216.95	535,841.37	643.54				546,860.49	515,412.98	(21,071.93)	0.00
FNMA	2004 A/B Single Family	5.00	02/23/06	02/01/36	1,141,426.76	1,119,748.35			(50.40)		1,141,376.36	1,075,744.11	(43,953.84)	0.00
FNMA	2004 A/B Single Family	5.00	03/09/06	02/01/36			663,091.51				663,091.51	625,365.45	(37,726.06)	0.00
FNMA	2004 A/B Single Family	5.00	03/16/06	03/01/36			1,004,845.24				1,004,845.24	947,072.47	(57,772.77)	0.00
FNMA	2004 A/B Single Family	5.00	03/23/06	03/01/36			500,769.23				500,769.23	471,979.33	(28,789.90)	0.00
FNMA	2004 A/B Single Family	5.00	03/30/06	03/01/36			645,797.39				645,797.39	608,671.46	(37,125.93)	0.00
FNMA	2004 A/B Single Family	5.00	04/13/06	03/01/36			351,049.10				351,049.10	330,869.80	(20,179.30)	0.00
FNMA	2004 A/B Single Family	5.00	04/20/06	04/01/36			314,580.94				314,580.94	296,498.83	(18,082.11)	0.00
FNMA	2004 A/B Single Family	5.00	04/27/06	03/01/36			32,525.31				32,525.31	292,452.56	259,927.25	0.00
FNMA	2004 A/B Single Family	5.00	05/05/06	04/01/36			287,241.25				287,241.25	272,030.83	(15,210.42)	0.00
FNMA	2004 A/B Single Family	5.00	05/11/06	05/01/36			262,495.78				262,495.78	248,596.22	(13,899.56)	0.00
Repo Agmt	2004 A/B Single Family	5.01	05/31/06	06/01/06	47,466,197.86	47,466,197.86		(26,026,551.00)			21,439,646.86	21,439,646.86	-	0.00
	2004 A/B Single Family Total				177,115,138.30	173,402,657.65	28,078,473.18	(30,307,604.83)	(1,029,863.67)	0.00	173,856,142.78	164,603,958.34	(5,539,703.79)	0.00
Repo Agmt	2004 CDEF Single Family	5.01	05/31/06	06/01/06	144,357.95	144,357.95		(143,920.93)			437.02	437.02	-	0.00
Repo Agmt	2004 CDEF Single Family	5.01	05/31/06	06/01/06	635,022.65	635,022.65	65,257.15				700,279.80	700,279.80	-	0.00
Repo Agmt	2004 CDEF Single Family	5.01	05/31/06	06/01/06	3,270,980.39	3,270,980.39		(3,230,898.95)			40,081.44	40,081.44	-	0.00
Repo Agmt	2004 CDEF Single Family	5.01	05/31/06	06/01/06	378.44	378.44		(378.10)			0.34	0.34	-	0.00
GIC's	2004 CDEF Single Family	3.80	12/16/04	03/01/36	612,813.14	612,813.14	788,982.01				1,401,795.15	1,401,795.15	-	0.00
GNMA	2004 CDEF Single Family	4.49	08/11/05	07/20/35	27,252.09	26,136.31			(105.30)		27,146.79	24,914.83	(1,116.18)	0.00
GNMA	2004 CDEF Single Family	4.49	08/30/05	08/20/35	17,733.48	17,007.76			(65.49)		17,667.99	16,215.68	(726.59)	0.00
GNMA	2004 CDEF Single Family	4.49	10/27/05	10/20/35	41,321.12	39,632.56			(187.19)		41,133.93	37,755.07	(1,690.30)	0.00
GNMA	2004 CDEF Single Family	4.49	10/27/05	10/20/35	27,633.91	26,504.67			(102.98)		27,530.93	25,269.46	(1,132.23)	0.00
GNMA	2004 CDEF Single Family	4.49	09/29/05	09/20/35	153,239.25	146,972.73			(635.13)		152,604.12	140,064.66	(6,272.94)	0.00
GNMA	2004 CDEF Single Family	4.49	10/06/05	09/20/35	48,664.31	46,674.63			(184.12)		48,480.19	44,496.89	(1,993.62)	0.00
GNMA	2004 CDEF Single Family	4.49	10/20/05	10/20/35	36,433.61	34,944.52			(164.31)		36,269.30	33,289.80	(1,490.41)	0.00
GNMA	2004 CDEF Single Family	4.49	12/08/05	12/20/35	25,287.20	24,254.93			(91.83)		25,195.37	23,126.81	(1,036.29)	0.00
GNMA	2004 CDEF Single Family	4.49	12/15/05	12/20/35	37,746.96	36,305.21			(139.68)		37,607.28	34,614.64	(1,550.89)	0.00
GNMA	2004 CDEF Single Family	4.49	11/03/05	11/20/35	8,629.67	8,396.62	66.83				8,696.50	8,004.12	(459.33)	0.00
GNMA	2004 CDEF Single Family	4.49	11/10/05	11/20/35	47,229.29	45,423.71			(211.18)		47,018.11	43,274.98	(1,937.55)	0.00
GNMA	2004 CDEF Single Family	4.49	11/17/05	11/20/35	31,046.10	29,778.08			(121.96)		30,924.14	28,384.58	(1,271.54)	0.00
GNMA	2004 CDEF Single Family	4.49	11/22/05	11/20/35	24,100.07	23,115.86			(110.29)		23,989.78	22,019.81	(985.76)	0.00
GNMA	2004 CDEF Single Family	4.49	11/29/05	11/20/35	27,018.18	25,985.77			(99.92)		26,918.26	24,775.79	(1,110.06)	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/06	Beginning Market Value 02/28/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/06	Ending Market Value 05/31/06	Change in Market Value	Recognized Gain
GNMA	2004 CDEF Single Family	4.49	12/22/05	12/20/35	36,529.29	35,134.33			(151.07)		36,378.22	33,483.62	(1,499.64)	0.00
GNMA	2004 CDEF Single Family	4.49	12/29/05	12/20/35	60,816.01	58,334.69			(243.24)		60,572.77	55,600.86	(2,490.59)	0.00
GNMA	2004 CDEF Single Family	4.49	01/05/06	01/20/36	39,107.69	37,507.59			(165.09)		38,942.60	35,725.94	(1,616.56)	0.00
GNMA	2004 CDEF Single Family	4.49	01/12/06	01/20/36	41,671.08	40,076.03			(153.05)		41,518.03	38,193.89	(1,729.09)	0.00
GNMA	2004 CDEF Single Family	4.49	03/09/06	02/20/36			33,428.31				33,428.31	30,669.17	(2,759.14)	0.00
GNMA	2004 CDEF Single Family	4.49	03/02/06	02/20/36			40,960.10				40,960.10	37,578.99	(3,381.11)	0.00
GNMA	2004 CDEF Single Family	4.49	01/19/06	01/20/36	21,972.10	21,073.43			(87.19)		21,884.91	20,077.49	(908.75)	0.00
GNMA	2004 CDEF Single Family	4.49	01/26/06	01/20/36	29,832.62	28,612.65			(108.42)		29,724.20	27,269.59	(1,234.64)	0.00
GNMA	2004 CDEF Single Family	4.49	02/02/06	02/20/36	61,707.95	59,861.59	484.27				62,192.22	57,056.79	(3,309.07)	0.00
GNMA	2004 CDEF Single Family	4.49	02/09/06	02/20/36	28,721.21	27,871.35	212.19				28,933.40	26,544.51	(1,539.03)	0.00
GNMA	2004 CDEF Single Family	4.49	02/16/06	02/20/36	37,111.68	36,013.82	258.20				37,369.88	34,284.66	(1,987.36)	0.00
GNMA	2004 CDEF Single Family	4.49	02/23/06	02/20/36	40,376.84	39,182.69	304.23				40,681.07	37,322.73	(2,164.19)	0.00
GNMA	2004 CDEF Single Family	4.49	05/11/06	04/20/36			19,410.64				19,410.64	18,019.32	(1,391.32)	0.00
GNMA	2004 CDEF Single Family	4.49	05/11/06	05/20/36			8,805.70				8,805.70	8,197.06	(608.64)	0.00
GNMA	2004 CDEF Single Family	4.49	05/18/06	05/20/36			26,628.32				26,628.32	24,719.83	(1,908.49)	0.00
GNMA	2004 CDEF Single Family	4.49	05/18/06	05/20/36			9,533.71				9,533.71	8,874.82	(658.89)	0.00
GNMA	2004 CDEF Single Family	4.49	03/16/06	03/20/36			19,245.01				19,245.01	17,705.34	(1,539.67)	0.00
GNMA	2004 CDEF Single Family	4.49	03/23/06	03/20/36			49,582.26				49,582.26	45,490.48	(4,091.78)	0.00
GNMA	2004 CDEF Single Family	4.49	03/30/06	03/20/36			27,185.93				27,185.93	24,942.59	(2,243.34)	0.00
GNMA	2004 CDEF Single Family	4.49	04/06/06	03/20/36			40,789.81				40,789.81	37,424.15	(3,365.66)	0.00
GNMA	2004 CDEF Single Family	4.49	04/13/06	03/20/36			24,326.61				24,326.61	22,319.56	(2,007.05)	0.00
GNMA	2004 CDEF Single Family	4.49	04/20/06	04/20/36			46,279.87				46,279.87	42,461.87	(3,818.00)	0.00
GNMA	2004 CDEF Single Family	4.49	04/27/06	04/20/36			19,438.67				19,438.67	17,835.14	(1,603.53)	0.00
GNMA	2004 CDEF Single Family	4.49	05/05/06	04/20/36			38,681.93				38,681.93	36,008.05	(2,673.88)	0.00
GNMA	2004 CDEF Single Family	4.49	05/25/06	05/20/36			25,102.18				25,102.18	23,303.27	(1,798.91)	0.00
FNMA	2004 CDEF Single Family	4.49	10/20/05	10/01/35	5,774.65	5,461.57			(32.77)		5,741.88	5,245.13	(183.67)	0.00
FNMA	2004 CDEF Single Family	4.49	11/10/05	11/01/35	5,589.52	5,286.53			(24.74)		5,564.78	5,083.40	(178.39)	0.00
FNMA	2004 CDEF Single Family	4.49	12/15/05	12/01/35	6,705.33	6,341.95			(24.35)		6,680.98	6,103.14	(214.46)	0.00
FNMA	2004 CDEF Single Family	4.49	01/05/06	12/01/35	7,845.76	7,420.64			(31.14)		7,814.62	7,138.80	(250.70)	0.00
FNMA	2004 CDEF Single Family	4.49	02/09/06	02/01/36	4,919.10	4,675.29			(209.91)		4,709.19	4,299.25	(166.13)	0.00
FNMA	2004 CDEF Single Family	4.49	02/23/06	01/01/36	5,482.41	5,210.72	7.84				5,490.25	5,012.36	(206.20)	0.00
FNMA	2004 CDEF Single Family	4.49	03/16/06	03/01/36			8,709.90				8,709.90	7,951.83	(758.07)	0.00
FNMA	2004 CDEF Single Family	4.49	04/06/06	03/01/36			5,945.69				5,945.69	5,428.25	(517.44)	0.00
FNMA	2004 CDEF Single Family	4.49	04/20/06	04/01/36			8,431.47				8,431.47	7,697.75	(733.72)	0.00
FNMA	2004 CDEF Single Family	4.49	05/11/06	04/01/36			9,806.13				9,806.13	8,998.09	(808.04)	0.00
Inv Agmt	2004 CDEF Single Family	3.80	10/28/04	03/01/36	1,562,432.42	1,562,432.42	0.00				1,562,432.42	1,562,432.42	-	0.00
FNMA	2004 CDEF Single Family	6.10	06/30/94	06/01/24	168,947.85	173,541.62			(1,685.52)		167,262.33	168,674.17	(3,181.93)	0.00
FNMA	2004 CDEF Single Family	6.90	08/17/94	08/01/24	281,516.00	292,880.38			(3,671.09)		277,844.91	286,049.74	(3,159.55)	0.00
FNMA	2004 CDEF Single Family	6.97	08/17/94	07/01/24	428,872.15	447,056.03			(37,989.21)		390,882.94	403,357.17	(5,709.65)	0.00
FNMA	2004 CDEF Single Family	7.06	08/17/94	07/01/24	184,795.73	192,514.07			(1,229.05)		183,566.68	188,714.79	(2,570.23)	0.00
FNMA	2004 CDEF Single Family	6.90	05/26/95	01/01/25	70,997.84	74,139.67			(457.40)		70,540.44	72,898.83	(783.44)	0.00
FNMA	2004 CDEF Single Family	7.10	08/15/95	05/01/25	97,020.68	101,800.53			(2,025.72)		94,994.96	98,413.59	(1,361.22)	0.00
GNMA	2004 CDEF Single Family	6.10	06/30/94	06/20/24	1,999,281.12	2,049,299.63			(72,616.74)		1,926,664.38	1,934,077.31	(42,605.58)	0.00
GNMA	2004 CDEF Single Family	6.90	08/17/94	08/20/24	1,270,222.91	1,322,389.15			(49,997.87)		1,220,225.04	1,254,180.34	(18,210.94)	0.00
GNMA	2004 CDEF Single Family	6.97	08/17/94	08/20/24	1,002,274.09	1,045,623.11			(16,602.73)		985,671.36	1,015,418.86	(13,601.52)	0.00
GNMA	2004 CDEF Single Family	7.06	08/17/94	08/20/24	394,004.39	409,436.78			(46,646.11)		347,358.28	358,683.27	(4,107.40)	0.00
GNMA	2004 CDEF Single Family	6.10	01/27/95	10/20/24	348,101.83	357,082.37			(2,755.18)		345,346.65	346,936.15	(7,391.04)	0.00
GNMA	2004 CDEF Single Family	6.97	02/16/95	12/20/24	533,671.29	557,179.87			(3,956.93)		529,714.36	546,114.61	(7,108.33)	0.00
GNMA	2004 CDEF Single Family	6.90	03/30/95	02/20/25	132,467.43	138,006.16			(869.94)		131,597.49	135,334.49	(1,801.73)	0.00
GNMA	2004 CDEF Single Family	7.06	03/30/95	12/20/24	86,553.90	89,957.91			(1,152.89)		85,401.01	88,198.95	(606.07)	0.00
GNMA	2004 CDEF Single Family	6.97	06/01/95	05/20/25	37,789.16	39,480.65			(375.52)		37,413.64	38,592.53	(512.60)	0.00
GNMA	2004 CDEF Single Family	6.90	08/15/95	02/20/25	51,209.00	53,388.61			(331.24)		50,877.76	52,359.78	(697.59)	0.00
GNMA	2004 CDEF Single Family	7.10	06/29/95	05/20/25	144,295.48	150,103.53			(859.84)		143,435.64	148,384.04	(859.65)	0.00
GNMA	2004 CDEF Single Family	7.06	08/15/95	06/20/25	34,319.12	35,663.41			(197.22)		34,121.90	35,258.41	(207.78)	0.00
GNMA	2004 CDEF Single Family	7.10	08/15/95	08/20/25	124,745.71	129,858.31			(718.69)		124,027.02	128,395.22	(744.40)	0.00
GNMA	2004 CDEF Single Family	4.49	02/24/05	02/20/35	2,637,012.58	2,528,594.71			(10,245.35)		2,626,767.23	2,410,370.17	(107,979.19)	0.00
GNMA	2004 CDEF Single Family	4.49	03/17/05	03/20/35	6,741,519.13	6,464,492.81			(27,836.37)		6,713,682.76	6,160,736.45	(275,919.99)	0.00
GNMA	2004 CDEF Single Family	4.49	03/24/05	03/20/35	2,439,407.48	2,339,182.52			(10,843.61)		2,428,563.87	2,228,560.44	(99,778.47)	0.00
GNMA	2004 CDEF Single Family	4.49	03/29/05	02/20/35	420,813.13	404,627.53			(1,597.95)		419,215.18	385,747.94	(17,281.64)	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/06	Beginning Market Value 02/28/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/06	Ending Market Value 05/31/06	Change In In Market Value	Recognized Gain
GNMA	2004 CDEF Single Family	4.49	04/07/05	04/20/35	2,635,679.67	2,527,429.06			(10,677.74)		2,625,001.93	2,408,859.91	(107,891.41)	0.00
GNMA	2004 CDEF Single Family	4.49	04/14/05	04/20/35	1,193,345.93	1,144,341.86			(5,303.56)		1,188,042.37	1,090,226.98	(48,811.32)	0.00
GNMA	2004 CDEF Single Family	4.49	04/21/05	04/20/35	1,097,464.74	1,055,279.95			(4,119.73)		1,093,345.01	1,006,086.37	(45,073.65)	0.00
GNMA	2004 CDEF Single Family	4.49	04/28/05	04/20/35	1,829,609.57	1,754,504.29			(7,829.73)		1,821,779.84	1,671,810.43	(74,864.13)	0.00
GNMA	2004 CDEF Single Family	4.49	05/05/05	05/20/35	1,259,574.59	1,207,878.95			(4,939.58)		1,254,635.01	1,151,362.43	(51,576.94)	0.00
GNMA	2004 CDEF Single Family	4.49	05/12/05	05/20/35	229,513.95	220,696.94			(856.18)		228,657.77	210,413.53	(9,427.23)	0.00
GNMA	2004 CDEF Single Family	4.49	05/19/05	05/20/35	313,929.64	301,871.85			(1,274.76)		312,654.88	287,710.69	(12,886.40)	0.00
GNMA	2004 CDEF Single Family	4.49	07/14/05	07/20/35	2,242,699.44	2,156,687.79			(8,467.50)		2,234,231.94	2,056,103.34	(92,116.95)	0.00
GNMA	2004 CDEF Single Family	4.49	05/26/05	05/20/35	1,081,530.76	1,037,164.45			(4,044.74)		1,077,486.02	988,816.08	(44,303.63)	0.00
GNMA	2004 CDEF Single Family	4.49	06/02/05	06/20/35	1,102,258.62	1,057,050.58			(4,544.33)		1,097,714.29	1,007,388.87	(45,117.38)	0.00
GNMA	2004 CDEF Single Family	4.49	09/08/05	09/20/35	432,061.48	415,515.93			(1,609.45)		430,452.03	396,157.02	(17,749.46)	0.00
GNMA	2004 CDEF Single Family	4.49	09/15/05	09/20/35	335,398.62	322,557.00			(1,369.52)		334,029.10	307,418.48	(13,769.00)	0.00
GNMA	2004 CDEF Single Family	4.49	09/22/05	09/20/35	418,589.13	401,468.61			(1,523.30)		417,065.83	382,792.86	(17,152.45)	0.00
GNMA	2004 CDEF Single Family	4.49	07/21/05	07/20/35	541,900.13	519,701.45			(1,996.64)		539,903.49	495,502.59	(22,202.22)	0.00
GNMA	2004 CDEF Single Family	4.49	07/28/05	07/20/35	1,150,780.48	1,106,661.61			(7,657.24)		1,143,123.24	1,052,001.42	(47,002.95)	0.00
GNMA	2004 CDEF Single Family	4.49	08/04/05	07/20/35	506,045.12	486,647.70			(2,264.61)		503,780.51	463,625.93	(20,757.16)	0.00
GNMA	2004 CDEF Single Family	4.49	08/04/05	08/20/35	3,812,069.51	3,655,965.27			(14,371.20)		3,797,698.31	3,485,437.30	(156,156.77)	0.00
GNMA	2004 CDEF Single Family	4.49	08/11/05	08/20/35	1,152,100.93	1,104,930.23			(4,859.00)		1,147,241.93	1,052,918.85	(47,152.38)	0.00
GNMA	2004 CDEF Single Family	4.49	08/11/05	08/20/35	327,134.49	313,740.56			(1,793.63)		325,340.86	298,592.23	(13,354.70)	0.00
GNMA	2004 CDEF Single Family	4.49	08/30/05	08/20/35	603,331.77	578,641.14			(2,810.04)		600,521.73	551,159.07	(24,672.03)	0.00
GNMA	2004 CDEF Single Family	4.49	10/27/05	10/20/35	1,095,383.69	1,050,621.24			(4,329.26)		1,091,054.43	1,001,431.95	(44,860.03)	0.00
GNMA	2004 CDEF Single Family	4.49	10/27/05	10/20/35	347,423.87	333,226.52			(1,258.85)		346,165.02	317,729.99	(14,237.68)	0.00
GNMA	2004 CDEF Single Family	4.49	09/29/05	09/20/35	404,381.57	388,904.26			(2,076.60)		402,304.97	370,260.74	(16,566.92)	0.00
GNMA	2004 CDEF Single Family	4.49	10/06/05	10/20/35	413,836.41	398,000.45			(1,503.43)		412,332.98	379,493.07	(17,003.95)	0.00
GNMA	2004 CDEF Single Family	4.49	10/20/05	10/20/35	1,115,602.76	1,072,929.13			(4,138.89)		1,111,463.87	1,022,956.76	(45,833.48)	0.00
GNMA	2004 CDEF Single Family	4.49	12/08/05	11/20/35	1,315,921.98	1,262,203.50			(5,890.90)		1,310,031.08	1,202,474.73	(53,837.87)	0.00
GNMA	2004 CDEF Single Family	4.49	12/15/05	12/20/35	647,083.36	620,672.56			(2,343.16)		644,740.20	591,610.45	(26,518.95)	0.00
GNMA	2004 CDEF Single Family	4.49	11/03/05	11/20/35	1,062,176.83	1,018,778.59			(4,166.83)		1,058,010.00	971,109.75	(43,502.01)	0.00
GNMA	2004 CDEF Single Family	4.49	11/10/05	10/20/35	1,205,846.45	1,156,586.35			(4,546.70)		1,201,299.75	1,102,638.10	(49,401.55)	0.00
GNMA	2004 CDEF Single Family	4.49	11/17/05	11/20/35	761,583.94	730,476.35			(3,172.63)		758,411.31	696,128.62	(31,177.10)	0.00
GNMA	2004 CDEF Single Family	4.49	11/22/05	11/20/35	1,114,299.20	1,068,792.97			(4,878.18)		1,109,421.02	1,018,318.70	(45,596.09)	0.00
GNMA	2004 CDEF Single Family	4.49	11/29/05	11/20/35	680,141.04	652,369.77			(2,457.52)		677,683.52	622,038.58	(27,873.67)	0.00
GNMA	2004 CDEF Single Family	4.49	12/22/05	12/20/35	929,407.37	891,480.64			(3,997.65)		925,409.72	849,444.44	(38,036.55)	0.00
GNMA	2004 CDEF Single Family	4.49	12/29/05	12/20/35	932,375.00	894,333.55			(4,952.22)		927,422.78	851,298.33	(38,083.00)	0.00
GNMA	2004 CDEF Single Family	4.49	01/05/06	01/20/36	590,572.37	566,408.99			(2,106.34)		588,466.03	539,858.59	(24,444.06)	0.00
GNMA	2004 CDEF Single Family	4.49	01/12/06	01/20/36	540,237.27	518,137.55			(2,633.49)		537,603.78	493,201.07	(22,302.99)	0.00
GNMA	2004 CDEF Single Family	4.49	03/09/06	02/20/36			748,327.07				748,327.07	688,453.31	(59,873.76)	0.00
GNMA	2004 CDEF Single Family	4.49	03/02/06	02/20/36			448,997.83				448,997.83	413,070.11	(35,927.72)	0.00
GNMA	2004 CDEF Single Family	4.49	01/19/06	01/20/36	566,819.79	543,636.50			(2,040.28)		564,779.51	518,135.92	(23,460.30)	0.00
GNMA	2004 CDEF Single Family	4.49	01/26/06	01/20/36	729,544.52	699,710.64			(3,944.89)		725,599.63	665,679.72	(30,086.03)	0.00
GNMA	2004 CDEF Single Family	4.49	02/02/06	01/20/36	1,145,681.40	1,111,772.75	9,173.18				1,154,854.58	1,059,494.36	(61,451.57)	0.00
GNMA	2004 CDEF Single Family	4.49	02/09/06	02/20/36	1,238,880.90	1,202,222.44	7,208.31				1,246,089.21	1,143,204.70	(66,226.05)	0.00
GNMA	2004 CDEF Single Family	4.49	02/16/06	02/20/36	429,132.44	416,437.41	3,507.09				432,639.53	396,921.06	(23,023.44)	0.00
GNMA	2004 CDEF Single Family	4.49	02/23/06	02/20/36	397,154.48	386,465.52	3,251.37				400,405.85	368,363.73	(21,353.16)	0.00
GNMA	2004 CDEF Single Family	4.49	05/11/06	05/20/36			854,141.07				854,141.07	792,917.87	(61,223.20)	0.00
GNMA	2004 CDEF Single Family	4.49	05/18/06	04/20/36			154,641.77				154,641.77	143,954.08	(10,687.69)	0.00
GNMA	2004 CDEF Single Family	4.49	05/18/06	04/20/36			252,639.21				252,639.21	235,178.65	(17,460.56)	0.00
GNMA	2004 CDEF Single Family	4.49	03/23/06	03/20/36			499,101.31				499,101.31	459,175.11	(39,926.20)	0.00
GNMA	2004 CDEF Single Family	4.49	04/06/06	03/20/36			208,378.37				208,378.37	191,711.61	(16,666.76)	0.00
GNMA	2004 CDEF Single Family	4.49	04/20/06	04/20/36			202,992.87				202,992.87	186,759.70	(16,233.17)	0.00
GNMA	2004 CDEF Single Family	4.49	04/27/06	04/20/36			592,062.16				592,062.16	544,719.28	(47,342.88)	0.00
GNMA	2004 CDEF Single Family	4.49	05/05/06	04/20/36			596,634.24				596,634.24	555,391.89	(41,242.35)	0.00
GNMA	2004 CDEF Single Family	4.49	05/25/06	05/20/36			124,952.22				124,952.22	116,317.40	(8,634.82)	0.00
FNMA	2004 CDEF Single Family	4.49	04/07/05	02/01/35	190,150.16	179,824.37			(1,248.48)		188,901.68	172,543.11	(6,032.78)	0.00
FNMA	2004 CDEF Single Family	4.49	05/27/05	04/01/35	272,510.35	257,718.08			(1,417.69)		271,092.66	247,622.21	(8,678.18)	0.00
FNMA	2004 CDEF Single Family	4.49	07/14/05	11/01/33	87,542.39	83,137.52			(1,431.05)		86,111.34	78,955.70	(2,750.77)	0.00
FNMA	2004 CDEF Single Family	4.49	12/08/05	11/01/35	365,808.84	345,983.13			(1,766.66)		364,042.18	332,554.16	(11,662.31)	0.00
FNMA	2004 CDEF Single Family	4.49	01/05/06	12/01/35	314,166.72	297,143.74			(1,798.69)		312,368.03	285,353.32	(9,991.73)	0.00
FNMA	2004 CDEF Single Family	4.49	01/12/06	11/01/35	114,012.54	107,835.15			(428.41)		113,584.13	103,761.28	(3,645.46)	0.00

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FNMA	2004 CDEF Single Family	4.49	02/02/06	01/01/36	165,533.96	157,357.36			(19.30)		165,514.66	151,202.33	(6,135.73)	0.00
Repo Agmt	2004 CDEF Single Family				18,008.96	18,008.96		(18,008.96)					-	0.00
FNMA	2004 CDEF Single Family	4.49	04/20/06	04/01/36			259,039.17				259,039.17	236,496.95	(22,542.22)	0.00
FNMA	2004 CDEF Single Family	4.49	05/25/06	04/01/36			211,975.48				211,975.48	194,509.40	(17,466.08)	0.00
GIC's	2004 CDEF Single Family	2.43	10/28/04	07/01/06	16,735,855.00	16,735,855.00		(5,225,276.85)			11,510,578.15	11,510,578.15	-	0.00
Repo Agmt	2004 CDEF Single Family	5.01	05/31/06	06/01/06	2,506,320.43	2,506,320.43		(442,585.99)			2,063,734.44	2,063,734.44	-	0.00
	2004 CDEF Single Family Total				87,541,736.03	85,613,591.22	6,494,887.68	(9,061,069.78)	(458,973.10)	0.00	84,516,580.83	79,772,096.06	(2,816,339.96)	0.00
Repo Agmt	2005 BCD Single Family	5.01	05/31/06	06/01/06	401,117.55	401,117.55		(355,450.10)			45,667.45	45,667.45	-	0.00
Repo Agmt	2005 BCD Single Family	5.01	05/31/06	06/01/06	1,746,963.42	1,746,963.42		(134,357.14)			1,612,606.28	1,612,606.28	-	0.00
FNMA	2005 BCD Single Family	6.15	05/01/96	04/01/26	310,209.31	318,839.98			(1,960.16)		308,249.15	311,367.00	(5,512.82)	0.00
FNMA	2005 BCD Single Family	6.15	06/01/96	05/01/26	208,475.14	213,981.96			(1,884.38)		206,590.76	208,398.43	(3,699.15)	0.00
FNMA	2005 BCD Single Family	6.15	07/01/96	06/01/26	297,979.21	306,588.27			(62,182.63)		235,796.58	238,426.53	(5,979.11)	0.00
FNMA	2005 BCD Single Family	6.15	08/01/96	07/01/26	259,396.75	266,951.55			(3,572.00)		255,824.75	258,736.13	(4,643.42)	0.00
FNMA	2005 BCD Single Family	6.15	08/01/96	08/01/26	269,780.12	274,971.27			(44,611.06)		225,169.06	225,547.75	(4,812.46)	0.00
FNMA	2005 BCD Single Family	6.15	09/01/96	08/01/26	228,871.67	232,994.88			(3,475.62)		225,396.05	225,506.76	(4,012.50)	0.00
FNMA	2005 BCD Single Family	6.15	10/01/96	10/01/26	530,219.32	539,663.46			(5,505.80)		524,713.52	524,867.83	(9,289.83)	0.00
FNMA	2005 BCD Single Family	6.15	12/01/96	11/01/26	367,630.29	374,343.94			(36,775.75)		330,854.54	331,096.24	(6,471.95)	0.00
FNMA	2005 BCD Single Family	6.15	03/01/97	01/01/27	253,323.69	257,766.99			(2,828.51)		250,495.18	250,502.71	(4,435.77)	0.00
FNMA	2005 BCD Single Family	6.15	07/01/97	03/01/27	40,156.28	40,882.30			(1,782.22)		38,374.06	38,395.30	(704.78)	0.00
FNMA	2005 BCD Single Family	6.15	09/01/97	07/01/27	257,547.75	263,314.24			(1,475.90)		256,071.85	257,334.28	(4,504.06)	0.00
GNMA	2005 BCD Single Family	6.15	07/01/96	07/20/26	1,515,339.99	1,557,998.62			(89,327.61)		1,426,012.38	1,436,893.19	(31,777.82)	0.00
GNMA	2005 BCD Single Family	6.15	03/01/96	03/20/26	558,195.81	573,964.57			(43,345.13)		514,850.68	518,827.68	(11,791.76)	0.00
GNMA	2005 BCD Single Family	6.15	08/01/96	07/20/26	1,201,169.34	1,234,932.73			(49,494.76)		1,151,674.58	1,160,415.41	(25,022.56)	0.00
GNMA	2005 BCD Single Family	6.15	04/01/96	04/20/26	538,464.17	553,570.78			(4,803.40)		533,660.77	537,682.96	(11,084.42)	0.00
GNMA	2005 BCD Single Family	6.15	05/01/96	05/20/26	1,093,715.07	1,124,413.93			(9,606.61)		1,084,108.46	1,092,292.53	(22,514.79)	0.00
GNMA	2005 BCD Single Family	6.15	05/01/96	05/20/26	745,836.75	766,950.02			(116,526.37)		629,310.38	634,205.35	(16,216.30)	0.00
GNMA	2005 BCD Single Family	6.15	06/01/96	06/20/26	1,852,675.44	1,904,895.65			(107,916.35)		1,744,759.09	1,758,130.40	(38,846.90)	0.00
GNMA	2005 BCD Single Family	6.15	06/01/96	06/20/26	526,346.49	541,067.38			(3,271.47)		523,075.02	526,972.86	(10,823.05)	0.00
GNMA	2005 BCD Single Family	6.15	07/01/96	06/20/26	1,632,536.06	1,677,999.09			(42,641.12)		1,589,894.94	1,601,558.81	(33,799.16)	0.00
GNMA	2005 BCD Single Family	6.15	08/01/96	08/20/26	1,062,519.76	1,087,666.94			(10,377.54)		1,052,142.22	1,055,603.40	(21,686.00)	0.00
GNMA	2005 BCD Single Family	6.15	09/01/96	09/20/26	491,319.16	502,578.82			(4,493.02)		486,826.14	488,074.53	(10,011.27)	0.00
GNMA	2005 BCD Single Family	6.15	09/01/96	09/20/26	409,276.51	418,831.69			(5,029.45)		404,247.06	405,451.77	(8,350.47)	0.00
GNMA	2005 BCD Single Family	6.15	10/01/96	10/20/26	1,274,026.71	1,303,342.58			(66,338.53)		1,207,688.18	1,210,894.23	(26,109.82)	0.00
GNMA	2005 BCD Single Family	6.15	12/01/96	12/20/26	486,120.19	497,146.20			(3,428.96)		482,691.23	483,819.05	(9,898.19)	0.00
GNMA	2005 BCD Single Family	6.15	01/01/97	12/20/26	974,546.52	996,673.79			(6,308.74)		968,237.78	970,522.41	(19,842.64)	0.00
GNMA	2005 BCD Single Family	6.15	01/01/97	01/20/27	742,434.98	760,466.65			(60,029.69)		682,405.29	685,142.75	(15,294.21)	0.00
GNMA	2005 BCD Single Family	6.15	02/01/97	02/20/27	570,886.89	584,734.24			(58,512.35)		512,376.54	514,414.39	(11,807.50)	0.00
GNMA	2005 BCD Single Family	6.15	02/01/97	02/20/27	223,803.79	228,975.79			(1,380.72)		222,423.07	223,061.70	(4,533.37)	0.00
GNMA	2005 BCD Single Family	6.15	03/01/97	03/20/27	623,637.38	637,560.26			(4,309.72)		619,327.66	620,635.39	(12,615.15)	0.00
GNMA	2005 BCD Single Family	6.15	04/01/97	04/20/27	231,225.36	236,215.20			(1,350.41)		229,874.95	230,194.47	(4,670.32)	0.00
GNMA	2005 BCD Single Family	6.15	06/01/97	06/20/27	294,453.85	300,942.69			(2,196.46)		292,257.39	292,793.05	(5,953.18)	0.00
GNMA	2005 BCD Single Family	6.15	08/01/97	07/20/27	410,075.37	421,835.89			(54,964.57)		355,110.80	358,046.29	(8,825.03)	0.00
GNMA	2005 BCD Single Family	6.15	09/01/97	08/20/27	660,967.37	675,620.21			(3,913.81)		657,053.56	658,341.46	(13,364.94)	0.00
GNMA	2005 BCD Single Family	6.15	02/01/98	02/20/28	193,261.49	197,519.06			(1,003.18)		192,258.31	192,544.79	(3,971.09)	0.00
GNMA	2005 BCD Single Family	6.15	03/01/98	01/20/28	345,392.66	353,001.65			(3,262.43)		342,130.23	342,640.00	(7,099.22)	0.00
GNMA	2005 BCD Single Family	6.15	04/01/98	04/20/28	280,103.63	286,274.31			(1,585.46)		278,518.17	278,933.16	(5,755.69)	0.00
GNMA	2005 BCD Single Family	6.15	06/01/98	05/20/28	459,649.89	469,775.98			(2,766.19)		456,883.70	457,564.46	(9,445.33)	0.00
GNMA	2005 BCD Single Family	6.15	07/01/98	06/20/28	203,067.68	207,541.26			(2,184.31)		200,883.37	201,182.69	(4,174.26)	0.00
GNMA	2005 BCD Single Family	6.15	09/01/98	07/20/28	442,390.22	452,136.08			(3,810.67)		438,579.55	439,233.05	(9,092.36)	0.00
GNMA	2005 BCD Single Family	6.15	11/01/98	10/20/28	758,046.78	774,746.55			(4,077.56)		753,969.22	755,092.63	(15,576.36)	0.00
Repo Agmt	2005 BCD Single Family	5.01	05/31/06	06/01/06	2,850,000.00	2,850,000.00	0.00				2,850,000.00	2,850,000.00	-	0.00
Repo Agmt	2005 BCD Single Family				24,235.94	24,235.94		(24,235.94)					-	0.00
Repo Agmt	2005 BCD Single Family				9,222.64	9,222.64		(9,222.64)					-	0.00
	2005 BCD Single Family Total				28,856,618.39	29,451,217.00	0.00	(523,265.82)	(934,312.62)	0.00	27,399,039.95	27,509,617.55	(484,021.01)	0.00
GNMA	2002 A-D SF MRB	4.49	12/09/04	12/20/34	76,347.61	73,104.86			(312.90)		76,034.71	69,717.09	(3,074.87)	0.00
GNMA	2002 A-D SF MRB	4.49	12/16/04	12/20/34	71,162.61	68,140.52			(275.59)		70,887.02	64,997.54	(2,867.39)	0.00
GNMA	2002 A-D SF MRB	4.49	10/14/04	09/20/34	6,082.55	5,839.57			(24.10)		6,058.45	5,569.82	(245.65)	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/06	Beginning Market Value 02/28/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/06	Ending Market Value 05/31/06	Change in In Market Value	Recognized Gain
GNMA	2002 A-D SF MRB	4.49	10/01/04	10/20/34	12,666.56	12,160.42			(50.36)		12,616.20	11,598.55	(511.51)	0.00
GNMA	2002 A-D SF MRB	4.49	10/01/04	10/20/34	22,819.53	21,848.98			(90.52)		22,729.01	20,839.23	(919.23)	0.00
GNMA	2002 A-D SF MRB	4.49	11/04/04	10/20/34	99,544.24	95,313.12			(434.98)		99,109.26	90,871.42	(4,006.72)	0.00
GNMA	2002 A-D SF MRB	4.49	11/10/04	11/20/34	21,341.80	20,434.83			(180.65)		21,161.15	19,402.41	(851.77)	0.00
GNMA	2002 A-D SF MRB	4.49	11/18/04	11/20/34	30,833.82	29,523.63			(125.83)		30,707.99	28,155.96	(1,241.84)	0.00
GNMA	2002 A-D SF MRB	4.49	11/23/04	11/20/34	78,901.73	75,549.38			(313.73)		78,588.00	72,057.17	(3,178.48)	0.00
GNMA	2002 A-D SF MRB	4.49	12/02/04	12/20/34	127,845.55	122,414.78			(537.54)		127,308.01	116,729.47	(5,147.77)	0.00
GNMA	2002 A-D SF MRB	4.49	12/23/04	12/20/34	75,202.11	72,008.83			(289.71)		74,912.40	68,688.89	(3,030.23)	0.00
GNMA	2002 A-D SF MRB	4.49	12/29/04	12/20/34	86,887.98	83,198.99			(339.49)		86,548.49	79,358.69	(3,500.81)	0.00
GNMA	2002 A-D SF MRB	4.49	01/06/05	01/20/35	155,621.19	148,961.80			(635.03)		154,986.16	141,971.40	(6,355.37)	0.00
GNMA	2002 A-D SF MRB	4.49	01/13/05	01/20/35	85,479.34	81,821.98			(359.28)		85,120.06	77,972.69	(3,490.01)	0.00
GNMA	2002 A-D SF MRB	5.40	01/13/05	01/20/35	7,380.07	7,410.66			(23.79)		7,356.28	7,162.66	(224.21)	0.00
GNMA	2002 A-D SF MRB	4.49	01/19/05	01/20/35	103,287.96	98,869.13			(424.90)		102,863.06	94,226.31	(4,217.92)	0.00
GNMA	2002 A-D SF MRB	5.40	01/19/05	01/20/35	10,198.00	10,240.31			(32.87)		10,165.13	9,897.61	(309.83)	0.00
GNMA	2002 A-D SF MRB	4.49	01/27/05	01/20/35	117,558.91	112,530.36			(542.91)		117,016.00	107,191.70	(4,795.75)	0.00
GNMA	2002 A-D SF MRB	4.49	02/03/05	02/20/35	177,017.37	169,446.48			(7,530.57)		169,486.80	155,258.28	(6,657.63)	0.00
GNMA	2002 A-D SF MRB	4.49	02/10/05	02/20/35	56,912.17	54,478.49			(220.25)		56,691.92	51,932.94	(2,325.30)	0.00
GNMA	2002 A-D SF MRB	4.49	02/10/05	02/20/35	124,087.30	118,781.02			(510.16)		123,577.14	113,203.45	(5,067.41)	0.00
GNMA	2002 A-D SF MRB	4.49	02/17/05	02/20/35	82,119.50	78,608.36			(319.63)		81,799.87	74,933.64	(3,355.09)	0.00
GNMA	2002 A-D SF MRB	4.49	02/24/05	02/20/35	75,885.84	72,641.67			(341.99)		75,543.85	69,203.17	(3,096.51)	0.00
GNMA	2002 A-D SF MRB	4.49	03/03/05	03/20/35	73,394.64	70,257.40			(312.53)		73,082.11	66,948.52	(2,996.35)	0.00
GNMA	2002 A-D SF MRB	4.49	03/11/05	03/20/35	30,499.23	29,195.76			(116.76)		30,382.47	27,832.72	(1,246.28)	0.00
GNMA	2002 A-D SF MRB	4.49	03/17/05	03/20/35	46,515.94	44,528.18			(182.75)		46,333.19	42,445.11	(1,900.32)	0.00
GNMA	2002 A-D SF MRB	4.49	03/24/05	03/20/35	46,004.91	44,039.23			(176.34)		45,828.57	41,983.06	(1,879.83)	0.00
GNMA	2002 A-D SF MRB	4.49	04/07/05	04/20/35	71,242.92	68,199.78			(278.52)		70,964.40	65,010.57	(2,910.69)	0.00
GNMA	2002 A-D SF MRB	4.49	04/14/05	04/20/35	45,317.31	43,500.35			(175.44)		45,141.87	41,468.26	(1,856.65)	0.00
GNMA	2002 A-D SF MRB	4.49	04/21/05	04/20/35	64,098.46	61,361.25			(242.67)		63,855.79	58,499.07	(2,619.51)	0.00
GNMA	2002 A-D SF MRB	4.49	04/28/05	04/20/35	57,099.91	54,661.94			(216.16)		56,883.75	52,112.22	(2,333.56)	0.00
GNMA	2002 A-D SF MRB	4.49	05/05/05	05/20/35	100,363.29	96,078.68			(503.07)		99,860.22	91,484.36	(4,091.25)	0.00
GNMA	2002 A-D SF MRB	4.49	05/12/05	05/20/35	63,881.97	61,155.17			(244.73)		63,637.24	58,299.99	(2,610.45)	0.00
GNMA	2002 A-D SF MRB	4.49	07/07/05	07/20/35	221,553.64	212,107.31			(941.57)		220,612.07	202,119.31	(9,046.43)	0.00
GNMA	2002 A-D SF MRB	4.49	07/14/05	07/20/35	36,546.14	34,988.15			(135.40)		36,410.74	33,358.86	(1,493.89)	0.00
GNMA	2002 A-D SF MRB	4.49	05/26/05	05/20/35	54,677.57	52,487.27			(221.05)		54,456.52	50,026.74	(2,239.48)	0.00
GNMA	2002 A-D SF MRB	4.49	05/26/05	05/20/35	27,599.09	26,421.35			(104.55)		27,494.54	25,188.87	(1,127.93)	0.00
GNMA	2002 A-D SF MRB	4.49	06/02/05	06/20/35	50,097.25	48,090.76			(269.10)		49,828.15	45,775.19	(2,046.47)	0.00
GNMA	2002 A-D SF MRB	4.49	06/09/05	06/20/35	60,490.61	57,910.03			(228.47)		60,262.14	55,209.34	(2,472.22)	0.00
GNMA	2002 A-D SF MRB	4.49	06/15/05	06/20/35	54,367.86	52,190.97			(221.69)		54,146.17	49,742.53	(2,226.75)	0.00
GNMA	2002 A-D SF MRB	4.49	06/23/05	06/20/35	114,310.49	109,435.23			(538.99)		113,771.50	104,233.37	(4,662.87)	0.00
GNMA	2002 A-D SF MRB	4.49	06/29/05	06/20/35	56,006.97	53,618.65			(208.95)		55,798.02	51,120.41	(2,289.29)	0.00
GNMA	2002 A-D SF MRB	4.49	09/08/05	09/20/35	9,838.79	9,445.56			(46.16)		9,792.63	8,996.90	(402.50)	0.00
GNMA	2002 A-D SF MRB	4.49	09/15/05	09/20/35	16,980.18	16,257.23			(62.70)		16,917.48	15,500.37	(694.16)	0.00
GNMA	2002 A-D SF MRB	4.49	09/22/05	09/20/35	22,254.73	21,307.32			(92.79)		22,161.94	20,305.64	(908.69)	0.00
GNMA	2002 A-D SF MRB	4.49	07/21/05	07/20/35	23,891.61	22,935.71			(88.42)		23,803.19	21,868.02	(979.27)	0.00
GNMA	2002 A-D SF MRB	4.49	07/28/05	07/20/35	18,391.32	17,607.51			(71.84)		18,319.48	16,784.18	(751.49)	0.00
GNMA	2002 A-D SF MRB	4.49	08/04/05	08/20/35	10,773.13	10,342.23			(41.80)		10,731.33	9,859.00	(441.43)	0.00
GNMA	2002 A-D SF MRB	4.49	08/11/05	07/20/35	29,645.25	28,459.69			(112.28)		29,532.97	27,132.47	(1,214.94)	0.00
GNMA	2002 A-D SF MRB	4.49	08/18/05	08/20/35	82,315.16	78,808.45			(356.93)		81,958.23	75,090.98	(3,360.54)	0.00
GNMA	2002 A-D SF MRB	4.49	08/30/05	08/20/35	146,116.97	139,893.81			(625.01)		145,491.96	133,302.59	(5,966.21)	0.00
GNMA	2002 A-D SF MRB	4.49	09/29/05	07/20/35	12,052.62	11,571.12			(44.77)		12,007.85	11,032.30	(494.05)	0.00
GNMA	2002 A-D SF MRB	4.49	10/13/05	09/20/35	15,351.81	14,698.55			(57.12)		15,294.69	14,013.84	(627.59)	0.00
GNMA	2002 A-D SF MRB	4.49	10/27/05	10/20/35	101,455.27	97,139.35			(437.87)		101,017.40	92,558.98	(4,142.50)	0.00
GNMA	2002 A-D SF MRB	4.49	11/01/05	11/20/35	25,240.73	24,233.11			(93.05)		25,147.68	23,105.35	(1,034.71)	0.00
FNMA	2002 A-D SF MRB	4.49	11/04/04	10/01/34	12,031.69	11,399.21			(47.30)		11,984.39	10,966.29	(385.62)	0.00
FNMA	2002 A-D SF MRB	4.49	12/23/04	12/01/34	12,607.23	11,944.74			(102.31)		12,504.92	11,442.85	(399.58)	0.00
FNMA	2002 A-D SF MRB	4.49	01/19/05	01/01/35	16,822.15	15,938.37			(71.09)		16,751.06	15,328.54	(538.74)	0.00
FNMA	2002 A-D SF MRB	4.49	01/27/05	01/01/35	17,165.17	16,228.59			(76.95)		17,088.22	15,604.17	(547.47)	0.00
FNMA	2002 A-D SF MRB	4.49	03/14/05	12/01/34	13,576.85	12,863.86			(52.88)		13,523.97	12,375.77	(435.21)	0.00
FNMA	2002 A-D SF MRB	4.49	04/07/05	02/01/35	11,783.30	11,140.72			(45.12)		11,738.18	10,719.10	(376.50)	0.00
FNMA	2002 A-D SF MRB	4.49	07/28/05	07/01/35	23,639.49	22,351.46			(114.55)		23,524.94	21,483.60	(753.31)	0.00

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FNMA	2002 A-D SF MRB	4.49	09/08/05	08/01/35	18,208.74	17,216.92			(68.62)		18,140.12	16,566.35	(581.95)	0.00
FNMA	2002 A-D SF MRB	4.49	10/20/05	09/01/35	5,037.83	4,763.51			(18.57)		5,019.26	4,583.90	(161.04)	0.00
FNMA	2002 A-D SF MRB	4.49	11/01/05	10/01/35	10,406.66	9,840.05			(38.26)		10,368.40	9,469.10	(332.69)	0.00
Repo Agmt	2002 A-D SF MRB	5.01	05/31/06	06/01/06	35,577.34	35,577.34		(0.29)			35,577.05	35,577.05	-	0.00
GNMA	2002 A-D SF MRB	5.40	07/01/04	06/20/34	10,421.84	10,462.95			(36.10)		10,385.74	10,115.08	(311.77)	0.00
GNMA	2002 A-D SF MRB	5.40	06/01/04	06/20/34	18,660.09	18,733.25			(64.89)		18,595.20	18,110.14	(558.22)	0.00
GNMA	2002 A-D SF MRB	5.40	09/01/04	09/20/34	16,334.14	16,399.55			(55.17)		16,278.97	15,855.66	(488.72)	0.00
GNMA	2002 A-D SF MRB	5.40	09/01/04	09/20/34	23,157.13	23,206.36			(78.69)		23,078.44	22,435.19	(692.48)	0.00
GNMA	2002 A-D SF MRB	5.40	09/01/04	09/20/34	20,956.19	21,040.08			(69.47)		20,886.72	20,343.56	(627.05)	0.00
GNMA	2002 A-D SF MRB	5.40	07/01/04	07/20/34	7,884.53	7,915.65			(29.49)		7,855.04	7,650.35	(235.81)	0.00
GNMA	2002 A-D SF MRB	5.40	07/01/04	07/20/34	7,979.84	8,011.36			(42.37)		7,937.47	7,730.64	(238.35)	0.00
GNMA	2002 A-D SF MRB	5.40	07/01/04	07/20/34	10,684.15	10,726.33			(108.65)		10,575.50	10,299.93	(317.75)	0.00
GNMA	2002 A-D SF MRB	5.40	08/01/04	08/20/34	8,541.88	8,575.86			(31.43)		8,510.45	8,286.94	(255.49)	0.00
GNMA	2002 A-D SF MRB	5.40	08/01/04	08/20/34	17,462.73	17,532.15			(58.57)		17,404.16	16,951.12	(522.46)	0.00
GNMA	2002 A-D SF MRB	5.40	08/01/04	08/20/34	4,593.30	4,611.57			(16.52)		4,576.78	4,457.65	(137.40)	0.00
GNMA	2002 A-D SF MRB	5.40	08/01/04	08/20/34	2,984.13	2,995.99			(11.86)		2,972.27	2,894.89	(89.24)	0.00
GNMA	2002 A-D SF MRB	5.40	10/14/04	10/20/34	20,802.30	20,847.31			(82.19)		20,720.11	20,143.36	(621.76)	0.00
Repo Agmt	2002 A-D SF MRB	5.01	05/31/06	06/01/06	10,306.86	10,306.86	125.00				10,431.86	10,431.86	-	0.00
Repo Agmt	2002 A-D SF MRB	5.01	05/31/06	06/01/06	544,391.98	544,391.98	0.00				544,391.98	544,391.98	-	0.00
Repo Agmt	2002 A-D SF MRB	5.01	05/31/06	06/01/06	4,075,524.01	4,075,524.01		(4,052,277.25)			23,246.76	23,246.76	-	0.00
Repo Agmt	2002 A-D SF MRB	5.01	05/31/06	06/01/06	206,030.15	206,030.15		(206,012.89)			17.26	17.26	-	0.00
GIC's	2002 A-D SF MRB	5.01	06/26/02	03/01/34			1,917,764.97				1,917,764.97	1,917,764.97	-	0.00
GIC's	2002 A-D SF MRB	4.51	06/26/02	03/01/34	175,805.56	175,805.56	88,406.48				264,212.04	264,212.04	-	0.00
Repo Agmt	2002 A-D SF MRB	5.01	05/31/06	06/01/06	48,247.05	48,247.05	0.01				48,247.06	48,247.06	-	0.00
Repo Agmt	2002 A-D SF MRB	5.01	05/31/06	06/01/06	68.79	68.79	0.00				68.79	68.79	-	0.00
GNMA	2002 A-D SF MRB	6.15	01/07/03	12/20/32			116,515.13				116,515.13	117,455.98	940.85	0.00
GNMA	2002 A-D SF MRB	5.40	08/29/02	08/20/32	222,547.01	223,539.45			(868.85)		221,678.16	215,699.29	(6,971.31)	0.00
GNMA	2002 A-D SF MRB	6.15	11/12/02	11/20/32	262,713.31	270,170.81			(886.19)		261,827.12	263,928.82	(5,355.80)	0.00
GNMA	2002 A-D SF MRB	5.40	11/12/02	10/20/32	274,084.95	275,325.26			(1,049.97)		273,034.98	265,688.37	(8,586.92)	0.00
GNMA	2002 A-D SF MRB	6.15	09/12/02	08/20/32	63,940.74	65,751.96			(270.63)		63,670.11	64,177.44	(1,303.89)	0.00
GNMA	2002 A-D SF MRB	6.15	09/19/02	09/20/32	152,314.50	156,630.41			(580.87)		151,733.63	152,944.01	(3,105.53)	0.00
GNMA	2002 A-D SF MRB	5.40	09/19/02	09/20/32	351,642.29	353,217.53			(1,456.58)		350,185.71	340,747.72	(11,013.23)	0.00
GNMA	2002 A-D SF MRB	6.15	09/26/02	09/20/32	188,080.60	193,410.97			(756.79)		187,323.81	188,819.10	(3,835.08)	0.00
GNMA	2002 A-D SF MRB	5.40	09/26/02	09/20/32	239,949.87	241,025.99			(924.98)		239,024.89	232,584.02	(7,516.99)	0.00
GNMA	2002 A-D SF MRB	6.15	10/10/02	09/20/32	330,930.25	340,312.84			(1,202.29)		329,727.96	332,363.62	(6,746.93)	0.00
GNMA	2002 A-D SF MRB	5.40	10/10/02	09/20/32	162,580.82	163,311.77			(91,920.90)		70,659.92	68,756.65	(2,634.22)	0.00
GNMA	2002 A-D SF MRB	6.15	10/21/02	10/20/32	220,768.09	227,030.08			(777.82)		219,990.27	221,751.44	(4,500.82)	0.00
GNMA	2002 A-D SF MRB	6.15	10/29/02	10/20/32	129,458.62	133,131.47			(514.55)		128,944.07	129,977.13	(2,639.79)	0.00
GNMA	2002 A-D SF MRB	5.40	10/29/02	09/20/32	57,529.71	57,789.21			(345.31)		57,184.40	55,644.92	(1,798.98)	0.00
GNMA	2002 A-D SF MRB	6.15	11/05/02	10/20/32	62,443.16	64,215.09			(211.03)		62,232.13	62,731.08	(1,272.98)	0.00
GNMA	2002 A-D SF MRB	5.40	11/05/02	09/20/32	140,941.99	141,578.67			(627.62)		140,314.37	136,537.82	(4,413.23)	0.00
GNMA	2002 A-D SF MRB	6.15	11/19/02	11/20/32	82,241.23	84,576.19			(274.13)		81,967.10	82,625.46	(1,676.60)	0.00
GNMA	2002 A-D SF MRB	5.40	11/19/02	11/20/32	100,728.35	101,185.09			(381.95)		100,346.40	97,647.25	(3,155.89)	0.00
GNMA	2002 A-D SF MRB	6.15	11/26/02	11/20/32	427,672.56	439,817.51			(1,772.26)		425,900.30	429,323.76	(8,721.49)	0.00
GNMA	2002 A-D SF MRB	5.40	11/26/02	11/20/32	273,186.40	274,426.80			(1,056.54)		272,129.86	264,811.61	(8,558.65)	0.00
GNMA	2002 A-D SF MRB	6.15	11/26/02	11/20/32	103,276.85	106,209.67			(373.06)		102,903.79	103,730.95	(2,105.66)	0.00
GNMA	2002 A-D SF MRB	5.40	11/26/02	11/20/32	146,585.99	147,251.58			(580.37)		146,005.62	142,079.18	(4,592.03)	0.00
GNMA	2002 A-D SF MRB	6.15	12/12/02	12/20/32	63,670.25	65,479.36			(210.84)		63,459.41	63,970.50	(1,298.02)	0.00
GNMA	2002 A-D SF MRB	5.40	12/12/02	12/20/32	109,769.33	110,269.39			(423.69)		109,345.64	106,406.65	(3,439.05)	0.00
GNMA	2002 A-D SF MRB	6.15	12/30/02	12/20/32	121,091.52	124,533.89			(713.73)		120,377.79	121,349.08	(2,471.08)	0.00
GNMA	2002 A-D SF MRB	5.40	12/30/02	12/20/32	207,820.66	208,770.38			(786.09)		207,034.57	201,472.99	(6,511.30)	0.00
GNMA	2002 A-D SF MRB	6.15	12/30/02	12/20/32	176,473.16	181,489.93			(636.82)		175,836.34	177,255.11	(3,598.00)	0.00
GNMA	2002 A-D SF MRB	5.40	12/30/02	12/20/32	102,663.00	103,132.16			(386.76)		102,276.24	99,528.79	(3,216.61)	0.00
GNMA	2002 A-D SF MRB				116,917.43	120,242.01			(116,917.43)				(3,324.58)	0.00
GNMA	2002 A-D SF MRB	6.15	01/23/03	01/20/33	493,649.96	507,804.72			(1,761.70)		491,888.26	495,654.80	(10,388.22)	0.00
GNMA	2002 A-D SF MRB	5.40	01/23/03	01/20/33	180,345.05	181,149.76			(682.43)		179,662.62	174,776.79	(5,690.54)	0.00
GNMA	2002 A-D SF MRB	6.15	01/23/03	01/20/33	110,110.53	113,267.80			(366.87)		109,743.66	110,584.01	(2,316.92)	0.00
GNMA	2002 A-D SF MRB	5.40	01/23/03	01/20/33	103,812.05	104,275.23			(388.52)		103,423.53	100,610.94	(3,275.77)	0.00
GNMA	2002 A-D SF MRB	6.15	01/30/03	01/20/33	361,463.31	371,829.66			(1,351.54)		360,111.77	362,871.07	(7,607.05)	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/06	Beginning Market Value 02/28/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/06	Ending Market Value 05/31/06	Change in In Market Value	Recognized Gain
GNMA	2002 A-D SF MRB	5.40	01/30/03	01/20/33	346,925.90	348,475.67			(1,706.80)		345,219.10	335,832.75	(10,936.12)	0.00
GNMA	2002 A-D SF MRB	6.15	02/12/03	02/20/33	428,610.37	440,908.22			(1,689.32)		426,921.05	430,198.36	(9,020.54)	0.00
GNMA	2002 A-D SF MRB	6.15	02/20/03	02/20/33	174,038.59	179,033.42			(583.64)		173,454.95	174,787.55	(3,662.23)	0.00
GNMA	2002 A-D SF MRB	5.40	03/03/03	03/20/33	118,833.36	119,367.94			(439.49)		118,393.87	115,178.40	(3,750.05)	0.00
GNMA	2002 A-D SF MRB	6.15	02/27/03	02/20/33	441,533.00	454,207.14			(1,489.54)		440,043.46	443,426.44	(9,291.16)	0.00
GNMA	2002 A-D SF MRB	5.40	02/27/03	01/20/33	107,872.98	108,357.38			(403.60)		107,469.38	104,549.66	(3,404.12)	0.00
GNMA	2002 A-D SF MRB	6.15	03/12/03	02/20/33	421,592.65	433,699.20			(1,454.69)		420,137.96	423,372.59	(8,871.92)	0.00
GNMA	2002 A-D SF MRB	6.15	03/24/03	03/20/33	159,025.46	163,594.05			(526.07)		158,499.39	159,721.60	(3,346.38)	0.00
GNMA	2002 A-D SF MRB	5.40	03/24/03	02/20/33	110,748.56	111,248.35			(591.16)		110,157.40	107,167.14	(3,490.05)	0.00
GNMA	2002 A-D SF MRB	6.15	04/02/03	04/20/33	202,122.45	207,931.27			(685.76)		201,436.69	202,992.04	(4,253.47)	0.00
GNMA	2002 A-D SF MRB	6.15	04/02/03	03/20/33	161,560.06	166,202.66			(526.05)		161,034.01	162,276.93	(3,399.68)	0.00
GNMA	2002 A-D SF MRB	6.15	04/10/03	03/20/33	321,085.68	330,314.40			(1,231.74)		319,853.94	322,324.64	(6,758.02)	0.00
GNMA	2002 A-D SF MRB	6.15	04/10/03	03/20/33	71,454.45	73,508.23			(232.21)		71,222.24	71,772.41	(1,503.61)	0.00
GNMA	2002 A-D SF MRB	5.40	04/10/03	01/20/33	91,863.24	92,278.80			(343.82)		91,519.42	89,036.06	(2,898.92)	0.00
GNMA	2002 A-D SF MRB	6.15	04/17/03	04/20/33	165,212.88	169,963.00			(537.93)		164,674.95	165,948.47	(3,476.60)	0.00
GNMA	2002 A-D SF MRB	6.15	04/24/03	04/20/33	170,973.28	175,889.92			(652.30)		170,320.98	171,639.22	(3,598.40)	0.00
GNMA	2002 A-D SF MRB	6.15	04/29/03	03/20/33	88,810.25	91,364.33			(296.27)		88,513.98	89,199.15	(1,868.91)	0.00
GNMA	2002 A-D SF MRB	6.15	05/08/03	04/20/33	51,966.23	53,461.28			(178.77)		51,787.46	52,188.87	(1,093.64)	0.00
GNMA	2002 A-D SF MRB	6.15	05/08/03	04/20/33	84,967.31	87,411.74			(282.70)		84,684.61	85,340.98	(1,788.06)	0.00
GNMA	2002 A-D SF MRB	6.15	05/15/03	04/20/33	180,781.24	185,983.08			(623.34)		180,157.90	181,555.18	(3,804.56)	0.00
GNMA	2002 A-D SF MRB	6.15	05/22/03	05/20/33	64,572.09	66,430.68			(208.29)		64,363.80	64,863.54	(1,358.85)	0.00
GNMA	2002 A-D SF MRB	6.15	06/10/03	06/20/33	64,049.99	65,894.71			(208.89)		63,841.10	64,338.00	(1,347.82)	0.00
GNMA	2002 A-D SF MRB	6.15	06/19/03	05/20/33	82,636.08	85,016.54			(264.51)		82,371.57	83,013.03	(1,739.00)	0.00
GNMA	2002 A-D SF MRB	6.15	07/17/03	07/20/33	52,380.07	53,890.47			(170.91)		52,209.16	52,617.22	(1,102.34)	0.00
GNMA	2002 A-D SF MRB	6.15	07/17/03	07/20/33	95,052.24	97,793.12			(517.16)		94,535.08	95,273.96	(2,002.00)	0.00
GNMA	2002 A-D SF MRB	6.15	07/24/03	07/20/33	88,273.15	90,819.04			(292.73)		87,980.42	88,668.63	(1,857.68)	0.00
GNMA	2002 A-D SF MRB	6.15	07/30/03	07/20/33	48,881.93	50,292.00			(155.20)		48,726.73	49,108.09	(1,028.71)	0.00
GNMA	2002 A-D SF MRB	6.15	09/04/03	08/20/33	55,828.05	57,440.34			(175.08)		55,652.97	56,090.34	(1,174.92)	0.00
GNMA	2002 A-D SF MRB	6.15	09/30/03	09/20/33	167,504.87	172,346.47			(532.75)		166,972.12	168,268.38	(3,525.34)	0.00
GNMA	2002 A-D SF MRB	6.15	10/09/03	08/20/33	154,442.88	158,907.71			(485.41)		153,957.47	155,171.73	(3,250.57)	0.00
GNMA	2002 A-D SF MRB	6.15	01/15/04	12/20/33	66,107.08	68,024.29			(203.56)		65,903.52	66,429.33	(1,391.40)	0.00
GNMA	2002 A-D SF MRB				48,520.57	49,904.21			(48,520.57)				(1,383.64)	0.00
GNMA	2002 A-D SF MRB	6.15	03/11/04	03/20/34	104,798.89	107,788.91			(314.35)		104,484.54	105,281.55	(2,193.01)	0.00
GNMA	2002 A-D SF MRB	5.40	07/08/04	06/20/34	249,639.84	250,626.29			(864.67)		248,775.17	242,293.36	(7,468.26)	0.00
GNMA	2002 A-D SF MRB	6.15	04/01/04	04/20/34	40,317.07	41,468.18			(120.17)		40,196.90	40,504.32	(843.69)	0.00
GNMA	2002 A-D SF MRB	5.40	06/17/04	06/20/34	446,971.95	448,730.42			(1,554.64)		445,417.31	433,804.54	(13,371.24)	0.00
GNMA	2002 A-D SF MRB	5.40	09/02/04	09/20/34	391,262.77	392,829.44			(1,321.39)		389,941.38	379,801.41	(11,706.64)	0.00
GNMA	2002 A-D SF MRB	5.40	09/09/04	09/20/34	554,694.70	555,877.74			(1,885.16)		552,809.54	537,405.45	(16,587.13)	0.00
GNMA	2002 A-D SF MRB	5.40	09/16/04	09/20/34	501,971.26	503,987.32			(1,664.00)		500,307.26	487,303.26	(15,020.06)	0.00
GNMA	2002 A-D SF MRB	5.40	07/15/04	07/20/34	188,861.13	189,608.96			(706.18)		188,154.95	183,254.10	(5,648.68)	0.00
GNMA	2002 A-D SF MRB	5.40	07/22/04	07/20/34	191,143.70	191,901.54			(1,015.15)		190,128.55	185,177.41	(5,708.98)	0.00
GNMA	2002 A-D SF MRB	5.40	07/29/04	07/20/34	255,918.88	256,935.05			(2,602.23)		253,316.65	246,721.23	(7,611.59)	0.00
GNMA	2002 A-D SF MRB	5.40	08/05/04	08/20/34	204,609.36	205,423.46			(752.69)		203,856.67	198,550.62	(6,120.15)	0.00
GNMA	2002 A-D SF MRB	5.40	08/12/04	08/20/34	418,292.78	419,959.64			(1,402.52)		416,890.26	406,041.74	(12,515.38)	0.00
GNMA	2002 A-D SF MRB	5.40	08/20/04	08/20/34	110,024.80	110,463.91			(395.66)		109,629.14	106,776.97	(3,291.28)	0.00
GNMA	2002 A-D SF MRB	5.40	08/26/04	08/20/34	71,479.47	71,765.12			(284.32)		71,195.15	69,343.32	(2,137.48)	0.00
GNMA	2002 A-D SF MRB	5.40	12/02/04	12/20/34	419,379.61	421,093.30			(1,642.07)		417,737.54	406,908.03	(12,543.20)	0.00
GNMA	2002 A-D SF MRB	4.49	12/09/04	12/20/34	1,398,656.34	1,339,250.78			(5,732.24)		1,392,924.10	1,277,188.27	(56,330.27)	0.00
GNMA	2002 A-D SF MRB	4.49	12/16/04	12/20/34	1,303,669.85	1,248,306.26			(5,048.56)		1,298,621.29	1,190,728.15	(52,529.55)	0.00
GNMA	2002 A-D SF MRB	5.40	10/14/04	10/20/34	498,291.30	499,369.68			(1,968.89)		496,322.41	482,507.43	(14,893.36)	0.00
GNMA	2002 A-D SF MRB	4.49	10/14/04	09/20/34	111,430.05	106,978.46			(441.55)		110,988.50	102,036.87	(4,500.04)	0.00
GNMA	2002 A-D SF MRB	5.40	10/21/04	10/20/34	1,692,064.94	1,698,912.18			(5,753.61)		1,686,311.33	1,642,532.04	(50,626.53)	0.00
GNMA	2002 A-D SF MRB	4.49	10/21/04	10/20/34	232,042.28	222,773.86			(922.79)		231,119.49	212,480.59	(9,370.48)	0.00
GNMA	2002 A-D SF MRB	5.40	10/28/04	10/20/34	390,663.12	391,512.92			(1,804.65)		388,858.47	378,039.29	(11,668.98)	0.00
GNMA	2002 A-D SF MRB	4.49	10/29/04	10/20/34	418,035.02	400,264.36			(1,658.30)		416,376.72	381,766.02	(16,840.04)	0.00
GNMA	2002 A-D SF MRB	4.49	11/04/04	10/20/34	1,823,609.90	1,746,097.04			(7,968.78)		1,815,641.12	1,664,726.98	(73,401.28)	0.00
GNMA	2002 A-D SF MRB	5.40	11/04/04	11/20/34	462,072.74	463,949.16			(1,546.37)		460,526.37	448,576.27	(13,826.52)	0.00
GNMA	2002 A-D SF MRB	4.49	11/10/04	11/20/34	390,973.38	374,357.61			(3,309.45)		387,663.93	355,444.22	(15,603.94)	0.00
GNMA	2002 A-D SF MRB	5.40	11/10/04	11/20/34	148,295.51	148,698.48			(517.02)		147,778.49	143,944.56	(4,436.90)	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/06	Beginning Market Value 02/28/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/06	Ending Market Value 05/31/06	Change in In Market Value	Recognized Gain
GNMA	2002 A-D SF MRB	4.49	11/18/04	11/20/34	564,862.64	540,860.69			(2,305.21)		562,557.43	515,805.55	(22,749.93)	0.00
GNMA	2002 A-D SF MRB	4.49	11/23/04	11/20/34	1,445,447.30	1,384,033.44			(5,747.32)		1,439,699.98	1,320,057.63	(58,228.49)	0.00
GNMA	2002 A-D SF MRB	4.49	12/02/04	12/20/34	2,342,077.62	2,242,586.31			(9,847.76)		2,332,229.86	2,138,435.70	(94,304.85)	0.00
GNMA	2002 A-D SF MRB	5.40	12/23/04	12/20/34	278,102.91	279,244.09			(922.09)		277,180.82	270,000.03	(8,321.97)	0.00
GNMA	2002 A-D SF MRB	4.49	12/23/04	12/20/34	1,377,671.70	1,319,172.10			(5,307.27)		1,372,364.43	1,258,352.12	(55,512.71)	0.00
GNMA	2002 A-D SF MRB	4.49	12/29/04	12/20/34	1,591,752.14	1,524,171.36			(6,219.15)		1,585,532.99	1,453,818.56	(64,133.65)	0.00
GNMA	2002 A-D SF MRB	4.49	01/06/05	01/20/35	2,850,916.16	2,728,918.75			(11,633.53)		2,839,282.63	2,600,857.56	(116,427.66)	0.00
GNMA	2002 A-D SF MRB	5.40	01/06/05	01/20/35	448,246.06	450,100.83			(1,455.56)		446,790.50	435,027.52	(13,617.75)	0.00
GNMA	2002 A-D SF MRB	4.49	01/13/05	01/20/35	1,565,946.42	1,498,944.97			(6,581.89)		1,559,364.53	1,428,427.57	(63,935.51)	0.00
GNMA	2002 A-D SF MRB	5.40	01/13/05	01/20/35	135,200.01	135,760.28			(435.71)		134,764.30	131,217.07	(4,107.50)	0.00
GNMA	2002 A-D SF MRB	4.49	01/19/05	01/20/35	1,892,193.02	1,811,241.75			(7,784.15)		1,884,408.87	1,726,187.25	(77,270.35)	0.00
GNMA	2002 A-D SF MRB	5.40	01/19/05	01/20/35	186,823.08	187,598.21			(602.15)		186,220.93	181,320.18	(5,675.88)	0.00
GNMA	2002 A-D SF MRB	4.49	01/27/05	01/20/35	2,153,631.26	2,061,509.77			(9,946.00)		2,143,685.26	1,963,707.74	(87,856.03)	0.00
GNMA	2002 A-D SF MRB	4.49	02/03/05	02/20/35	3,242,885.07	3,104,189.62			(137,957.02)		3,104,928.05	2,844,267.53	(121,965.07)	0.00
GNMA	2002 A-D SF MRB	4.49	02/10/05	02/20/35	1,042,607.97	998,023.56			(4,034.91)		1,038,573.06	951,390.00	(42,598.65)	0.00
GNMA	2002 A-D SF MRB	4.49	02/10/05	02/20/35	2,273,228.01	2,176,019.32			(9,345.98)		2,263,882.03	2,073,840.36	(92,832.98)	0.00
GNMA	2002 A-D SF MRB	5.40	02/17/05	11/20/34	194,424.45	195,231.74			(643.64)		193,780.81	188,769.41	(5,818.69)	0.00
GNMA	2002 A-D SF MRB	4.49	02/17/05	02/20/35	1,504,395.53	1,440,072.70			(5,855.59)		1,498,539.94	1,372,753.27	(61,463.84)	0.00
GNMA	2002 A-D SF MRB	4.49	02/24/05	02/20/35	1,390,197.47	1,330,765.42			(6,265.07)		1,383,932.40	1,267,773.50	(56,726.85)	0.00
GNMA	2002 A-D SF MRB	4.49	03/03/05	03/20/35	1,344,559.88	1,287,086.68			(5,725.53)		1,338,834.35	1,226,469.37	(54,891.78)	0.00
GNMA	2002 A-D SF MRB	4.49	03/11/05	03/20/35	558,733.52	534,854.25			(2,139.10)		556,594.42	509,883.96	(22,831.19)	0.00
GNMA	2002 A-D SF MRB	5.40	03/17/05	02/20/35	127,433.20	127,968.38			(414.48)		127,018.72	123,682.23	(3,871.67)	0.00
GNMA	2002 A-D SF MRB	4.49	03/17/05	03/20/35	852,153.35	815,737.93			(3,347.82)		848,805.53	777,576.85	(34,813.26)	0.00
GNMA	2002 A-D SF MRB	4.49	03/24/05	03/20/35	842,791.04	806,760.60			(3,230.37)		839,560.67	769,112.45	(34,437.78)	0.00
GNMA	2002 A-D SF MRB	4.49	04/07/05	04/20/35	1,305,140.93	1,249,391.79			(5,102.44)		1,300,038.49	1,190,966.83	(53,322.52)	0.00
GNMA	2002 A-D SF MRB	4.49	04/14/05	04/20/35	830,194.67	796,908.43			(3,213.95)		826,980.72	759,681.31	(34,013.17)	0.00
GNMA	2002 A-D SF MRB	5.40	04/21/05	04/20/35	231,676.79	232,221.99			(750.54)		230,926.25	224,436.33	(7,035.12)	0.00
GNMA	2002 A-D SF MRB	4.49	04/21/05	04/20/35	1,174,257.50	1,124,112.66			(4,445.83)		1,169,811.67	1,071,676.85	(47,987.98)	0.00
GNMA	2002 A-D SF MRB	4.49	04/28/05	04/20/35	1,046,047.05	1,001,384.32			(3,960.02)		1,042,087.03	954,674.53	(42,749.77)	0.00
GNMA	2002 A-D SF MRB	5.40	04/28/05	04/20/35	133,063.17	133,627.13			(460.61)		132,602.56	129,124.35	(4,042.17)	0.00
GNMA	2002 A-D SF MRB	4.49	05/05/05	05/20/35	1,838,613.85	1,760,121.82			(9,215.97)		1,829,397.88	1,675,955.90	(74,949.95)	0.00
GNMA	2002 A-D SF MRB	5.40	05/05/05	04/20/35	233,498.83	234,051.39			(761.83)		232,737.00	226,198.93	(7,090.63)	0.00
GNMA	2002 A-D SF MRB	4.49	05/12/05	05/20/35	1,170,291.51	1,120,337.51			(4,483.16)		1,165,808.35	1,068,031.82	(47,822.53)	0.00
GNMA	2002 A-D SF MRB	4.49	07/07/05	07/20/35	4,058,771.30	3,885,718.48			(17,249.08)		4,041,522.22	3,702,742.37	(165,727.03)	0.00
GNMA	2002 A-D SF MRB	5.40	07/07/05	07/20/35	119,010.29	119,522.17			(574.39)		118,435.90	115,336.50	(3,611.28)	0.00
GNMA	2002 A-D SF MRB	4.49	07/14/05	07/20/35	669,510.38	640,968.53			(2,480.56)		667,029.82	611,120.52	(27,367.45)	0.00
GNMA	2002 A-D SF MRB	4.49	05/26/05	05/20/35	1,001,670.78	961,545.23			(4,049.59)		997,621.19	916,469.35	(41,026.29)	0.00
GNMA	2002 A-D SF MRB	5.40	05/26/05	05/20/35	161,599.08	162,287.89			(513.09)		161,085.99	156,864.59	(4,910.21)	0.00
GNMA	2002 A-D SF MRB	4.49	05/26/05	05/20/34	505,608.15	484,028.19			(1,913.40)		503,694.75	461,449.80	(20,664.99)	0.00
GNMA	2002 A-D SF MRB	4.49	06/02/05	06/20/35	917,760.96	881,002.93			(4,929.67)		912,831.29	838,582.63	(37,490.63)	0.00
GNMA	2002 A-D SF MRB	5.40	06/09/05	05/20/35	170,788.26	171,518.50			(538.58)		170,249.68	165,790.14	(5,189.78)	0.00
GNMA	2002 A-D SF MRB	4.49	06/09/05	06/20/35	1,108,163.03	1,060,887.79			(4,185.57)		1,103,977.46	1,011,412.26	(45,289.96)	0.00
GNMA	2002 A-D SF MRB	4.49	06/15/05	06/20/35	995,996.90	956,116.98			(4,061.43)		991,935.47	911,262.70	(40,792.85)	0.00
GNMA	2002 A-D SF MRB	4.49	06/23/05	06/20/35	2,094,121.24	2,004,808.40			(9,874.17)		2,084,247.07	1,909,512.32	(85,421.91)	0.00
GNMA	2002 A-D SF MRB	4.49	06/29/05	06/20/35	1,026,024.99	982,271.67			(3,828.02)		1,022,196.97	936,504.88	(41,938.77)	0.00
GNMA	2002 A-D SF MRB	4.49	09/08/05	09/20/35	180,242.59	173,038.74			(845.40)		179,397.19	164,819.52	(7,373.82)	0.00
GNMA	2002 A-D SF MRB	5.40	09/08/05	08/20/35	60,157.08	60,419.24			(381.34)		59,775.74	58,214.73	(1,823.17)	0.00
GNMA	2002 A-D SF MRB	4.49	09/15/05	09/20/35	311,070.07	297,825.70			(1,148.56)		309,921.51	283,960.46	(12,716.68)	0.00
GNMA	2002 A-D SF MRB	4.49	09/22/05	09/20/35	407,697.51	390,341.41			(1,699.67)		405,997.84	371,991.06	(16,650.68)	0.00
GNMA	2002 A-D SF MRB	4.49	07/21/05	07/20/35	437,684.73	420,172.91			(1,619.93)		436,064.80	400,613.19	(17,939.79)	0.00
GNMA	2002 A-D SF MRB	4.49	07/28/05	07/20/35	336,921.49	322,562.44			(1,316.04)		335,605.45	307,479.28	(13,767.12)	0.00
GNMA	2002 A-D SF MRB	4.49	08/04/05	08/20/35	197,359.37	189,465.49			(765.92)		196,593.45	180,612.81	(8,086.76)	0.00
GNMA	2002 A-D SF MRB	5.40	08/11/05	07/20/35	64,479.32	64,758.68			(200.31)		64,279.01	62,598.83	(1,959.54)	0.00
GNMA	2002 A-D SF MRB	4.49	08/11/05	07/20/35	543,088.84	521,369.76			(2,056.97)		541,031.87	497,055.56	(22,257.23)	0.00
GNMA	2002 A-D SF MRB	4.49	08/18/05	08/20/35	1,507,979.77	1,443,738.35			(6,538.76)		1,501,441.01	1,375,635.78	(61,563.81)	0.00
GNMA	2002 A-D SF MRB	4.49	08/30/05	08/20/35	2,676,802.79	2,562,796.81			(11,450.03)		2,665,352.76	2,442,048.41	(109,298.37)	0.00
GNMA	2002 A-D SF MRB	4.49	09/29/05	07/20/35	220,799.17	211,978.22			(820.23)		219,978.94	202,107.12	(9,050.87)	0.00
GNMA	2002 A-D SF MRB	4.49	10/13/05	09/20/35	281,238.77	269,271.31			(1,046.47)		280,192.30	256,727.78	(11,497.06)	0.00
GNMA	2002 A-D SF MRB	4.49	10/27/05	10/20/35	1,858,618.61	1,779,552.82			(8,021.57)		1,850,597.04	1,695,642.29	(75,888.96)	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/06	Beginning Market Value 02/28/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/06	Ending Market Value 05/31/06	Change in In Market Value	Recognized Gain
GNMA	2002 A-D SF MRB	5.40	10/20/05	09/20/35	43,758.41	43,950.75			(140.48)		43,617.93	42,480.47	(1,329.80)	0.00
GNMA	2002 A-D SF MRB	4.49	11/01/05	11/20/35	462,400.04	443,940.58			(1,704.80)		460,695.24	423,280.51	(18,955.27)	0.00
FNMA	2002 A-D SF MRB	6.40	07/24/03	11/01/32	77,362.75	79,114.24			(230.47)		77,132.28	77,708.46	(1,175.31)	0.00
FNMA	2002 A-D SF MRB	5.40	08/14/03	09/01/32	115,531.03	114,614.84			(57,063.80)		58,467.23	56,478.59	(1,072.45)	0.00
FNMA	2002 A-D SF MRB	6.15	08/14/03	12/01/31	65,126.15	66,383.49			(565.91)		64,560.24	64,689.32	(1,128.26)	0.00
FNMA	2002 A-D SF MRB	6.40	08/28/03	11/01/32	48,777.26	49,881.58			(145.29)		48,631.97	48,995.25	(741.04)	0.00
FNMA	2002 A-D SF MRB	5.45	03/25/04	02/01/34	83,656.04	82,780.16			(265.83)		83,390.21	80,307.28	(2,207.05)	0.00
FNMA	2002 A-D SF MRB	6.15	04/01/04	02/01/34	103,997.87	105,784.80			(317.55)		103,680.32	103,575.75	(1,891.50)	0.00
FNMA	2002 A-D SF MRB	5.40	10/28/04	10/01/34	306,697.21	304,087.01			(1,045.99)		305,651.22	294,882.97	(8,158.05)	0.00
FNMA	2002 A-D SF MRB	4.49	11/04/04	10/01/34	220,415.54	208,828.81			(866.67)		219,548.87	200,897.90	(7,064.24)	0.00
FNMA	2002 A-D SF MRB	4.49	12/23/04	12/01/34	230,959.22	218,622.83			(1,874.17)		229,085.05	209,628.37	(7,320.29)	0.00
FNMA	2002 A-D SF MRB	4.49	01/19/05	01/01/35	308,174.83	291,984.46			(1,302.41)		306,872.42	280,812.49	(9,869.56)	0.00
FNMA	2002 A-D SF MRB	4.49	01/27/05	01/01/35	314,458.81	297,301.08			(1,409.83)		313,048.98	285,861.90	(10,029.35)	0.00
FNMA	2002 A-D SF MRB	4.49	03/14/05	12/01/34	248,722.35	235,660.61			(968.74)		247,753.61	226,719.13	(7,972.74)	0.00
FNMA	2002 A-D SF MRB	5.40	03/24/05	02/01/35	242,080.55	240,035.50			(1,071.51)		241,009.04	232,532.91	(6,431.08)	0.00
FNMA	2002 A-D SF MRB	4.49	04/07/05	02/01/35	215,865.43	204,093.37			(826.45)		215,038.98	196,369.38	(6,897.54)	0.00
FNMA	2002 A-D SF MRB	4.49	07/28/05	07/01/35	433,065.94	409,469.59			(2,098.52)		430,967.42	393,570.81	(13,800.26)	0.00
FNMA	2002 A-D SF MRB	5.40	07/14/05	04/01/35	113,355.42	112,301.97			(363.47)		112,991.95	108,825.91	(3,112.59)	0.00
FNMA	2002 A-D SF MRB	4.49	09/08/05	08/01/35	333,576.59	315,406.80			(1,256.92)		332,319.67	303,488.57	(10,661.31)	0.00
FNMA	2002 A-D SF MRB	4.49	10/20/05	09/01/35	92,291.09	87,265.61			(340.11)		91,950.98	83,975.10	(2,950.40)	0.00
FNMA	2002 A-D SF MRB	4.49	11/01/05	10/01/35	190,645.84	180,265.60			(700.86)		189,944.98	173,469.91	(6,094.83)	0.00
Repo Agmt	2002 A-D SF MRB	5.01	05/31/06	06/01/06			11,524.43				11,524.43	11,524.43	-	0.00
GIC's	2002 A-D SF MRB				11,524.43	11,524.43		(11,524.43)					-	0.00
Repo Agmt	2002 A-D SF MRB	5.01	05/31/06	06/01/06	1,223,831.40	1,223,831.40	14,839.43				1,238,670.83	1,238,670.83	-	0.00
	2002 A-D SF MRB Total				98,518,557.51	95,796,525.16	2,149,175.45	(4,269,814.86)	(820,364.27)	0.00	95,577,553.83	89,451,921.58	(3,403,599.90)	0.00
Repo Agmt	2004A Single Family (JR Lien)	5.01	05/31/06	06/01/06	2,390.64	2,390.64		(1,609.93)			780.71	780.71	-	0.00
Repo Agmt	2004A Single Family (JR Lien)	5.01	05/31/06	06/01/06	124,205.19	124,205.19	0.00				124,205.19	124,205.19	-	0.00
Repo Agmt	2004A Single Family (JR Lien)	5.01	05/31/06	06/01/06	2,442,520.08	2,442,520.08		(978,755.17)			1,463,764.91	1,463,764.91	-	0.00
	2004A Single Family (JR Lien) Total				2,569,115.91	2,569,115.91	0.00	(980,365.10)	0.00	0.00	1,588,750.81	1,588,750.81	0.00	0.00
Repo Agmt	1991 A S/F (1980 A Refunding)	5.01	05/31/06	06/01/06	6,794.09	6,794.09		(5,328.24)			1,465.85	1,465.85	-	0.00
GIC's	1991 A S/F (1980 A Refunding)	6.08	11/14/96	09/30/29	115,931.42	115,931.42		(31,369.26)			84,562.16	84,562.16	-	0.00
Repo Agmt	1991 A S/F (1980 A Refunding)	5.01	05/31/06	06/01/06	2,698.59	2,698.59		(2,658.95)			39.64	39.64	-	0.00
GIC's	1991 A S/F (1980 A Refunding)	6.08	11/14/96	09/30/29	153,507.91	153,507.91	146,298.77				299,806.68	299,806.68	-	0.00
Repo Agmt	1991 A S/F (1980 A Refunding)				11,858.13	11,858.13		(11,858.13)					-	0.00
GIC's	1991 A S/F (1980 A Refunding)	4.51	06/26/02	03/01/34	542,009.34	542,009.34	11,893.72				553,903.06	553,903.06	-	0.00
Repo Agmt	1991 A S/F (1980 A Refunding)	5.01	05/31/06	06/01/06	0.08	0.08	0.00				0.08	0.08	-	0.00
Repo Agmt	1991 A S/F (1980 A Refunding)				0.30	0.30		(0.30)					-	0.00
GIC's	1991 A S/F (1980 A Refunding)	6.08	11/14/96	09/30/29	10.34	10.34	0.30				10.64	10.64	-	0.00
	1991 A S/F (1980 A Refunding) Total				832,810.20	832,810.20	158,192.79	(51,214.88)	0.00	0.00	939,788.11	939,788.11	0.00	0.00
Repo Agmt	1994 A&B SF (1983 Refunding)	5.01	05/31/06	06/01/06	309.93	309.93		(301.02)			8.91	8.91	-	0.00
Repo Agmt	1994 A&B SF (1983 Refunding)				27.19	27.19		(27.19)					-	0.00
GIC's	1994 A&B SF (1983 Refunding)	6.08	11/14/96	09/30/29	18,222.74	18,222.74	3,386.94				21,609.68	21,609.68	-	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	05/30/96	04/01/26	15,298.66	15,724.53			(96.66)		15,202.00	15,355.98	(271.89)	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	06/27/96	05/01/26	10,281.46	10,553.15			(92.92)		10,188.54	10,277.78	(182.45)	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	07/15/96	06/01/26	14,695.62	15,120.30			(3,066.68)		11,628.94	11,758.71	(294.91)	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	07/01/96	06/01/26	11,313.14	11,646.73			(67.54)		11,245.60	11,377.53	(201.66)	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	08/15/96	07/01/26	12,792.79	13,165.50			(176.16)		12,616.63	12,760.34	(229.00)	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	08/29/96	08/01/26	13,304.96	13,561.02			(2,200.13)		11,104.83	11,123.55	(237.34)	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	09/16/96	08/01/26	11,287.44	11,490.83			(171.40)		11,116.04	11,121.53	(197.90)	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	10/30/96	10/01/26	26,149.43	26,615.04			(271.54)		25,877.89	25,885.35	(458.15)	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	12/23/96	11/01/26	18,130.16	18,461.87			(1,813.67)		16,316.49	16,328.99	(319.21)	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	03/27/97	01/01/27	12,493.44	12,712.54			(139.49)		12,353.95	12,354.28	(218.77)	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	07/15/97	03/01/27	1,980.49	2,016.23			(87.89)		1,892.60	1,893.57	(34.77)	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	09/29/97	07/01/27	12,701.61	12,986.19			(72.78)		12,628.83	12,691.27	(222.14)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	07/30/96	07/20/26	74,716.76	76,837.30			(4,404.27)		70,312.49	70,864.63	(1,568.40)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	03/28/96	03/20/26	27,528.36	28,306.93			(2,137.64)		25,390.72	25,587.67	(581.62)	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/06	Beginning Market Value 02/28/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/06	Ending Market Value 05/31/06	Change In In Market Value	Recognized Gain
GNMA	1994 A&B SF (1983 Refunding)	6.15	08/15/96	07/20/26	59,238.66	60,904.34			(2,440.90)		56,797.76	57,229.30	(1,234.14)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	04/29/96	04/20/26	26,554.55	27,300.97			(236.87)		26,317.68	26,517.42	(546.68)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	05/15/96	05/20/26	53,939.32	55,453.81			(473.78)		53,465.54	53,669.64	(1,110.39)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	05/30/96	05/20/26	36,782.63	37,824.40			(5,746.85)		31,035.78	31,277.70	(799.85)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	06/17/96	06/20/26	91,369.18	93,945.54			(5,322.16)		86,047.02	86,707.38	(1,916.00)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	06/29/96	06/20/26	25,957.85	26,684.33			(161.34)		25,796.51	25,989.21	(533.78)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	07/15/96	06/20/26	80,512.67	82,755.47			(2,102.96)		78,409.71	78,985.59	(1,666.92)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	08/29/96	08/20/26	52,401.05	53,641.50			(511.84)		51,889.21	52,060.19	(1,069.47)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	09/16/96	09/20/26	24,230.81	24,786.15			(221.58)		24,009.23	24,070.83	(493.74)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	09/26/96	09/20/26	20,184.57	20,655.92			(248.03)		19,936.54	19,996.05	(411.84)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	10/30/96	10/20/26	61,556.85	62,973.42			(3,205.25)		58,351.60	58,506.60	(1,261.57)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	11/26/96	11/20/26	38,236.85	39,149.90			(242.43)		37,994.42	38,127.19	(780.28)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	12/23/96	12/20/26	23,974.43	24,518.23			(169.11)		23,805.32	23,860.96	(488.16)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	01/16/97	12/20/26	48,062.61	49,153.90			(311.13)		47,751.48	47,864.17	(978.60)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	01/30/97	01/20/27	36,615.09	37,504.65			(2,960.53)		33,654.56	33,789.83	(754.29)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	02/13/97	02/20/27	28,154.97	28,837.89			(2,885.69)		25,269.28	25,369.86	(582.34)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	02/27/97	02/20/27	11,037.56	11,292.61			(68.09)		10,969.47	11,000.94	(223.58)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	03/27/97	03/20/27	30,756.47	31,443.16			(212.58)		30,543.89	30,608.46	(622.12)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	04/29/97	04/20/27	11,403.60	11,649.65			(66.60)		11,337.00	11,352.72	(230.33)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	05/29/97	05/20/27	15,526.86	15,861.86			(180.90)		15,345.96	15,367.23	(313.73)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	06/26/97	06/20/27	14,521.80	14,841.87			(108.32)		14,413.48	14,439.95	(293.60)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	08/18/97	07/20/27	20,223.81	20,804.08			(2,710.68)		17,513.13	17,658.11	(435.29)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	09/29/97	08/20/27	32,598.44	33,318.73			(193.06)		32,405.38	32,466.61	(659.06)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	02/26/98	02/20/28	9,531.28	9,741.23			(49.47)		9,481.81	9,495.91	(195.85)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	03/26/98	01/20/28	17,034.04	17,409.32			(160.90)		16,873.14	16,898.30	(350.12)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	04/29/98	04/20/28	13,814.16	14,118.46			(78.18)		13,735.98	13,756.41	(283.87)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	06/25/98	05/20/28	22,668.99	23,168.38			(136.42)		22,532.57	22,566.14	(465.82)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	07/16/98	06/20/28	10,014.85	10,235.51			(107.73)		9,907.12	9,921.92	(205.86)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	09/10/98	07/20/28	21,817.78	22,298.42			(187.93)		21,629.85	21,662.07	(448.42)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	11/19/98	10/20/28	37,385.29	38,208.91			(201.10)		37,184.19	37,239.62	(768.19)	0.00
Repo Agmt	1994 A&B SF (1983 Refunding)	5.01	05/31/06	06/01/06	19,178.25	19,178.25	232.58				19,410.83	19,410.83	-	0.00
Repo Agmt	1994 A&B SF (1983 Refunding)	5.01	05/31/06	06/01/06	5,549.92	5,549.92	0.00				5,549.92	5,549.92	-	0.00
Repo Agmt	1994 A&B SF (1983 Refunding)	5.01	05/31/06	06/01/06	7.60	7.60	0.00				7.60	7.60	-	0.00
Repo Agmt	1994 A&B SF (1983 Refunding)	5.01	05/31/06	06/01/06	10,523.87	10,523.87	127.65				10,651.52	10,651.52	-	0.00
Repo Agmt	1994 A&B SF (1983 Refunding)	5.01	05/31/06	06/01/06	359,393.82	359,393.82		(188,751.59)			170,642.23	170,642.23	-	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.75	02/20/98	01/01/28	4,972.71	5,075.49			(47.13)		4,925.58	4,945.37	(82.99)	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.25	03/27/98	03/01/28	5,401.13	5,511.26			(35.85)		5,365.28	5,385.35	(90.06)	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.25	06/29/98	05/01/28	3,671.15	3,745.93			(39.52)		3,631.63	3,645.14	(61.27)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.75	02/20/98	01/20/28	30,675.84	31,468.52			(198.99)		30,476.85	30,645.70	(623.83)	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.25	11/30/98	09/01/28	5,788.00	5,906.03			(32.48)		5,755.52	5,777.05	(96.50)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	03/27/98	03/20/28	55,769.96	57,211.06			(3,075.24)		52,694.72	52,986.65	(1,149.17)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	05/19/98	05/20/28	39,914.43	40,945.83			(2,981.43)		36,933.00	37,137.62	(826.78)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	07/28/00	06/20/30	21,686.10	21,651.59			(143.39)		21,542.71	20,853.10	(655.10)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	08/14/98	07/20/28	23,844.73	24,460.88			(3,388.53)		20,456.20	20,569.52	(502.83)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	06/29/98	06/20/28	9,681.44	9,931.63			(626.50)		9,054.94	9,105.12	(200.01)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	09/18/98	09/20/28	15,030.15	15,418.49			(1,121.39)		13,908.76	13,985.78	(311.32)	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.25	03/31/99	11/01/28	2,343.45	2,391.23			(35.75)		2,307.70	2,316.34	(39.14)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	11/30/98	11/20/28	14,222.24	14,589.73			(936.00)		13,266.24	13,359.83	(293.90)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	11/30/98	11/20/28	8,689.82	9,119.54			(51.87)		8,837.95	8,886.91	(180.76)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	11/30/98	10/20/28	2,735.86	2,806.55			(13.69)		2,722.17	2,737.25	(55.61)	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.25	05/27/99	11/01/28	2,527.12	2,579.36			(44.92)		2,482.20	2,492.19	(42.25)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	02/16/99	02/20/29	20,929.81	21,448.66			(155.15)		20,774.66	20,886.64	(406.87)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	03/31/99	02/20/29	1,156.19	1,184.84			(15.15)		1,141.04	1,147.18	(22.51)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	05/27/99	05/20/29	5,943.31	6,090.66			(30.04)		5,913.27	5,945.15	(115.47)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	07/30/99	07/20/29	15,754.52	15,725.06			(91.30)		15,663.22	15,167.96	(465.80)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	08/26/99	08/20/29	13,839.29	13,813.39			(79.51)		13,759.78	13,324.67	(409.21)	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	09/20/99	08/01/29	1,781.74	1,767.06			(8.86)		1,772.88	1,711.65	(46.55)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	09/20/99	09/20/29	7,550.63	7,536.51			(40.94)		7,509.69	7,272.24	(223.33)	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	12/20/99	12/01/29	7,439.08	7,379.15			(47.21)		7,391.87	7,137.92	(194.02)	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/06	Beginning Market Value 02/28/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/06	Ending Market Value 05/31/06	Change In In Market Value	Recognized Gain
FNMA	1994 A&B SF (1983 Refunding)	5.45	01/19/00	12/01/29	5,135.08	5,093.77			(50.84)		5,084.24	4,909.63	(133.30)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	10/28/99	10/20/29	26,053.02	26,004.28			(157.13)		25,895.89	25,077.04	(770.11)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	11/18/99	11/20/29	3,143.21	3,137.36			(22.85)		3,120.36	3,021.71	(92.80)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	12/30/99	12/20/29	50,262.76	50,168.73			(279.25)		49,983.51	48,402.99	(1,486.49)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	01/28/00	01/20/30	13,830.43	13,808.49			(1,211.35)		12,619.08	12,215.20	(381.94)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	02/22/00	01/20/30	5,364.40	5,355.87			(29.63)		5,334.77	5,164.01	(162.23)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	03/27/00	02/20/30	9,391.80	9,376.84			(1,188.22)		8,203.58	7,940.96	(247.66)	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	04/27/00	03/01/30	5,160.00	5,116.74			(36.70)		5,123.30	4,944.84	(135.20)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	04/27/00	04/20/30	9,699.70	9,684.28			(889.52)		8,810.18	8,528.16	(266.60)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	05/30/00	04/20/30	2,417.13	2,413.26			(11.85)		2,405.28	2,328.26	(73.15)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	06/21/00	05/20/30	12,296.12	12,276.57			(60.39)		12,235.73	11,844.07	(372.11)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	09/18/00	09/20/30	20,681.05	20,648.17			(97.38)		20,583.67	19,924.79	(626.00)	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	07/24/00	06/01/30	4,907.43	4,866.19			(36.17)		4,871.26	4,701.48	(128.54)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	07/30/99	07/20/29	130,758.12	130,513.58			(757.71)		130,000.41	125,889.78	(3,866.09)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	08/26/99	08/20/29	114,861.99	114,647.24			(659.94)		114,202.05	110,591.03	(3,396.27)	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	09/20/99	08/01/29	14,786.51	14,667.24			(73.56)		14,712.95	14,207.33	(386.35)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	09/20/99	09/20/29	62,668.13	62,550.92			(339.78)		62,328.35	60,357.51	(1,853.63)	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	12/20/99	12/01/29	61,741.91	61,244.87			(391.80)		61,350.11	59,242.71	(1,610.36)	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	01/19/00	12/01/29	42,620.01	42,276.88			(421.91)		42,198.10	40,748.56	(1,106.41)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	10/28/99	10/20/29	216,232.61	215,828.25			(1,304.15)		214,928.46	208,132.41	(6,391.69)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	11/18/99	11/20/29	26,087.96	26,039.18			(189.67)		25,898.29	25,079.39	(770.12)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	12/30/99	12/30/29	417,166.52	416,386.37			(2,317.70)		414,848.82	401,731.26	(12,337.41)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	01/28/00	01/20/30	114,789.11	114,606.63			(10,053.83)		104,735.28	101,382.73	(3,170.07)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	02/22/00	01/20/30	44,523.06	44,452.27			(245.89)		44,277.17	42,859.86	(1,346.52)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	03/27/00	02/20/30	21,254.09	21,090.62			(2,802.46)		18,451.63	17,861.00	(427.16)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	06/22/99	06/20/29	121,570.84	121,343.52			(763.30)		120,807.54	116,987.62	(3,592.60)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	07/30/99	07/20/29	159,887.02	159,608.02			(946.64)		158,940.38	153,914.69	(4,746.69)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	08/26/99	08/20/29	93,330.10	93,155.59			(548.72)		92,781.38	89,847.64	(2,759.23)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	09/20/99	09/20/29	78,432.57	78,285.89			(8,082.94)		70,349.63	68,125.16	(2,077.79)	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	12/21/99	11/01/29	62,426.47	61,923.93			(687.49)		61,738.98	59,618.24	(1,618.20)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	10/29/99	10/20/29	175,799.53	175,470.77			(17,339.99)		158,459.54	153,449.04	(4,681.74)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	11/18/99	11/20/29	196,831.27	196,463.22			(1,172.91)		195,658.36	189,471.67	(5,818.64)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	12/30/99	12/20/29	239,462.18	239,014.40			(8,779.43)		230,682.75	223,388.58	(6,846.39)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	01/28/00	01/20/30	234,262.65	233,890.16			(1,268.21)		232,994.44	225,536.27	(7,085.68)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	02/22/00	01/20/30	113,876.65	113,695.59			(6,524.77)		107,351.88	103,915.55	(3,255.27)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	03/27/00	02/20/30	62,362.41	62,263.00			(365.00)		61,997.41	60,012.63	(1,885.37)	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	02/23/00	01/01/30	25,445.81	25,240.98			(125.37)		25,320.44	24,450.68	(664.93)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	07/28/00	06/20/30	179,988.32	179,702.14			(1,190.10)		178,798.22	173,074.89	(5,437.15)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	03/27/00	02/20/30	56,694.98	56,734.54			(7,059.40)		49,635.58	48,046.75	(1,628.39)	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	04/27/00	03/01/30	42,826.87	42,467.54			(304.61)		42,522.26	41,040.78	(1,122.15)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	04/27/00	04/20/30	80,504.77	80,376.77			(7,382.78)		73,121.99	70,781.36	(2,212.63)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	05/30/00	04/20/30	20,061.33	20,029.41			(98.41)		19,962.92	19,323.88	(607.12)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	06/21/00	05/20/30	102,054.38	101,892.08			(501.19)		101,553.19	98,302.43	(3,088.46)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	09/18/00	09/20/30	171,646.96	171,374.03			(808.19)		170,838.77	165,370.21	(5,195.63)	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	07/24/00	06/01/30	40,729.75	40,388.05			(300.20)		40,429.55	39,020.99	(1,066.86)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	07/24/00	06/20/30	202,731.69	202,409.38			(1,184.70)		201,546.99	195,095.51	(6,129.17)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	08/28/00	08/20/30	38,883.55	38,821.75			(186.88)		38,696.67	37,458.01	(1,176.86)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	03/27/00	02/20/30	9,389.97	9,375.25			(54.96)		9,335.01	9,036.40	(283.89)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	04/27/00	03/20/30	86,349.15	86,211.86			(443.49)		85,905.66	83,155.82	(2,612.55)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	05/30/00	05/20/30	85,950.25	85,813.61			(871.07)		85,079.18	82,355.81	(2,586.73)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	06/21/00	06/20/30	160,627.10	160,371.71			(778.86)		159,848.24	154,731.50	(4,861.35)	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	05/31/00	05/01/30	38,251.80	37,930.88			(198.68)		38,053.12	36,727.36	(1,004.84)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	10/23/00	09/20/30	14,708.27	14,684.89			(67.44)		14,640.83	14,172.19	(445.26)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	10/30/00	10/20/30	45,448.25	45,375.93			(253.39)		45,194.86	43,748.12	(1,374.42)	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	07/24/00	06/01/30	77,239.94	76,591.86			(1,429.46)		75,810.48	73,169.21	(1,993.19)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	12/21/00	05/20/30	15,734.73	15,709.73			(76.70)		15,658.03	15,156.84	(476.19)	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	10/06/00	09/01/30	43,688.80	43,322.27			(218.01)		43,470.79	41,956.29	(1,147.97)	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	10/30/00	08/01/30	47,613.72	47,214.24			(314.21)		47,299.51	45,651.60	(1,248.43)	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	02/12/01	02/01/30	16,326.54	16,195.13			(82.38)		16,244.16	15,686.19	(426.56)	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/06	Beginning Market Value 02/28/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/06	Ending Market Value 05/31/06	Change In In Market Value	Recognized Gain
GNMA	1994 A&B SF (1983 Refunding)	4.49	07/07/05	07/20/35	287,791.32	275,520.83			(1,223.07)		286,568.25	262,546.73	(11,751.03)	0.00
GNMA	1994 A&B SF (1983 Refunding)	4.49	09/15/05	09/20/35	22,056.73	21,117.64			(81.43)		21,975.30	20,134.51	(901.70)	0.00
GNMA	1994 A&B SF (1983 Refunding)	4.49	09/22/05	09/20/35	28,908.20	27,677.56			(120.51)		28,787.69	26,376.41	(1,180.64)	0.00
GNMA	1994 A&B SF (1983 Refunding)	4.49	08/11/05	07/20/35	38,508.27	36,968.26			(145.85)		38,362.42	35,244.24	(1,578.17)	0.00
GNMA	1994 A&B SF (1983 Refunding)	4.49	08/18/05	08/20/35	106,897.17	102,369.74			(476.91)		106,420.26	97,540.86	(4,351.97)	0.00
GNMA	1994 A&B SF (1983 Refunding)	4.49	08/30/05	08/20/35	189,801.44	181,717.72			(811.88)		188,989.56	173,155.93	(7,749.91)	0.00
GNMA	1994 A&B SF (1983 Refunding)	4.49	09/29/05	07/20/35	15,655.99	15,030.54			(58.16)		15,597.83	14,330.61	(641.77)	0.00
GNMA	1994 A&B SF (1983 Refunding)	4.49	10/13/05	09/20/35	19,941.50	19,092.95			(74.20)		19,867.30	18,203.54	(815.21)	0.00
GNMA	1994 A&B SF (1983 Refunding)	4.49	10/27/05	10/20/35	131,787.27	126,181.01			(568.77)		131,218.50	120,231.25	(5,380.99)	0.00
GNMA	1994 A&B SF (1983 Refunding)	4.49	11/01/05	11/20/35	32,786.95	31,478.07			(120.89)		32,666.06	30,013.14	(1,344.04)	0.00
FNMA	1994 A&B SF (1983 Refunding)	4.49	09/08/05	08/01/35	23,652.57	22,364.23			(89.12)		23,563.45	21,519.16	(755.95)	0.00
FNMA	1994 A&B SF (1983 Refunding)	4.49	11/01/05	10/01/35	13,517.93	12,781.91			(49.68)		13,468.25	12,300.06	(432.17)	0.00
	1994 A&B SF (1983 Refunding) Total				7,461,819.47	7,448,555.72	3,747.17	(189,079.80)	(157,602.05)	0.00	7,118,884.79	6,903,803.57	(201,817.47)	0.00
Repo Agmt	1995 C SF (1985 A&B Refunding)				2,357.00	2,357.00		(2,357.00)					-	0.00
Repo Agmt	1995 C SF (1985 A&B Refunding)				0.06	0.06		(0.06)					-	0.00
GIC's	1995 C SF (1985 A&B Refunding)	6.08	11/14/96	09/30/29			0.62				0.62	0.62	-	0.00
GIC's	1995 C SF (1985 A&B Refunding)	6.08	11/14/96	09/30/29	0.22	0.22	0.06				0.28	0.28	-	0.00
	1995 C SF (1985 A&B Refunding) Total				2,357.28	2,357.28	0.68	(2,357.06)	0.00	0.00	0.90	0.90	0.00	0.00
Repo Agmt	2005A Single Family	5.01	05/31/06	06/01/06	16,394.78	16,394.78	7,797.49				24,192.27	24,192.27	-	0.00
Repo Agmt	2005A Single Family	5.01	05/31/06	06/01/06	1,848,838.18	1,848,838.18		(1,805,335.75)			43,502.43	43,502.43	-	0.00
GIC's	2005A Single Family	3.37	09/22/05	09/01/36			751,920.42				751,920.42	751,920.42	-	0.00
Repo Agmt	2005A Single Family	5.01	05/31/06	06/01/06	355,521.10	355,521.10		(354,519.19)			1,001.91	1,001.91	-	0.00
Inv Agmt	2005A Single Family	3.50	05/13/05	09/01/06	395,878.80	395,878.80	0.00				395,878.80	395,878.80	-	0.00
GNMA	2005A Single Family	4.49	08/11/05	07/20/35	1,235,705.31	1,185,111.58			(4,774.98)		1,230,930.33	1,129,725.48	(50,611.12)	0.00
GNMA	2005A Single Family	4.49	08/30/05	08/20/35	804,098.04	771,191.29			(2,969.79)		801,128.25	735,275.81	(32,945.69)	0.00
GNMA	2005A Single Family	4.49	10/27/05	10/20/35	1,873,644.51	1,797,078.72			(8,487.86)		1,865,156.65	1,711,947.08	(76,643.78)	0.00
GNMA	2005A Single Family	4.49	10/27/05	10/20/35	1,253,018.57	1,201,814.44			(4,669.73)		1,248,348.84	1,145,805.72	(51,338.99)	0.00
GNMA	2005A Single Family	4.49	09/29/05	09/20/35	6,948,403.97	6,664,257.80			(28,798.90)		6,919,605.07	6,351,021.70	(284,437.20)	0.00
GNMA	2005A Single Family	4.49	10/06/05	09/20/35	2,206,610.30	2,116,390.89			(8,348.90)		2,198,261.40	2,017,644.73	(90,397.26)	0.00
GNMA	2005A Single Family	4.49	10/20/05	10/20/35	1,652,027.67	1,584,506.95			(7,450.35)		1,644,577.32	1,509,476.13	(67,580.47)	0.00
GNMA	2005A Single Family	4.49	12/08/05	12/20/35	1,146,610.21	1,099,803.36			(4,163.74)		1,142,446.47	1,048,650.23	(46,989.39)	0.00
GNMA	2005A Single Family	4.49	12/15/05	12/20/35	1,115,982.91	1,073,357.70			(4,129.64)		1,111,853.27	1,023,376.21	(45,851.85)	0.00
GNMA	2005A Single Family	4.49	11/03/05	11/20/35	395,869.23	380,731.98			(1,539.16)		394,330.07	362,934.64	(16,258.18)	0.00
GNMA	2005A Single Family	4.49	11/10/05	11/20/35	2,141,541.52	2,059,669.85			(9,575.56)		2,131,965.96	1,962,238.77	(87,855.52)	0.00
GNMA	2005A Single Family	4.49	11/17/05	11/20/35	1,407,739.32	1,350,242.63			(5,530.27)		1,402,209.05	1,287,056.04	(57,656.32)	0.00
GNMA	2005A Single Family	4.49	11/22/05	11/20/35	1,092,781.77	1,048,154.27			(5,001.15)		1,087,780.62	998,455.33	(44,697.79)	0.00
GNMA	2005A Single Family	4.49	11/29/05	11/20/35	1,225,098.55	1,178,285.38			(4,530.04)		1,220,568.51	1,123,420.99	(50,334.35)	0.00
GNMA	2005A Single Family	4.49	12/22/05	12/20/35			1,649,515.90				1,649,515.90	1,518,264.45	(131,251.45)	0.00
GNMA	2005A Single Family				1,656,365.66	1,593,113.30			(1,656,365.66)				63,252.36	0.00
GNMA	2005A Single Family	4.49	12/29/05	12/20/35	2,757,611.08	2,645,098.91			(11,029.23)		2,746,581.85	2,521,137.68	(112,932.00)	0.00
GNMA	2005A Single Family	4.49	01/05/06	01/20/36	1,773,279.10	1,700,725.05			(7,485.34)		1,765,793.76	1,619,938.73	(73,300.98)	0.00
GNMA	2005A Single Family	4.49	01/12/06	01/20/36	1,889,512.64	1,817,187.18			(6,939.85)		1,882,572.79	1,731,844.49	(78,402.84)	0.00
GNMA	2005A Single Family	4.49	03/09/06	02/20/36			1,515,756.88				1,515,756.88	1,390,647.79	(125,109.09)	0.00
GNMA	2005A Single Family	4.49	03/02/06	02/20/36			1,857,274.06				1,857,274.06	1,703,962.70	(153,311.36)	0.00
GNMA	2005A Single Family	4.49	01/19/06	01/20/36	996,292.40	955,543.41			(3,953.91)		992,338.49	910,383.97	(41,205.53)	0.00
GNMA	2005A Single Family	4.49	01/26/06	01/20/36	1,352,715.36	1,297,397.63			(4,915.74)		1,347,799.62	1,236,498.53	(55,983.36)	0.00
GNMA	2005A Single Family	4.49	02/02/06	02/20/36	2,798,054.95	2,715,241.12	21,957.64				2,820,012.59	2,587,154.71	(150,044.05)	0.00
GNMA	2005A Single Family	4.49	02/09/06	02/20/36	1,302,320.02	1,263,784.41	9,622.27				1,311,942.29	1,203,620.56	(69,786.12)	0.00
GNMA	2005A Single Family	4.49	02/16/06	02/20/36	1,682,774.12	1,632,992.57	11,707.72				1,694,481.84	1,554,586.39	(90,113.90)	0.00
GNMA	2005A Single Family	4.49	02/23/06	02/20/36	1,830,827.09	1,776,680.24	13,794.81				1,844,621.90	1,692,342.94	(98,132.11)	0.00
GNMA	2005A Single Family	4.49	05/11/06	04/20/36			880,146.26				880,146.26	817,059.07	(63,087.19)	0.00
GNMA	2005A Single Family	4.49	05/11/06	05/20/36			399,281.31				399,281.31	371,683.27	(27,598.04)	0.00
GNMA	2005A Single Family	4.49	05/18/06	05/20/36			1,207,421.45				1,207,421.45	1,120,883.82	(86,537.63)	0.00
GNMA	2005A Single Family	4.49	05/18/06	05/20/36			432,292.53				432,292.53	402,415.66	(29,876.87)	0.00
GNMA	2005A Single Family	4.49	03/16/06	03/20/36			872,635.91				872,635.91	802,821.86	(69,814.05)	0.00
GNMA	2005A Single Family	4.49	03/23/06	03/20/36			2,248,233.02				2,248,233.02	2,062,697.37	(185,535.65)	0.00
GNMA	2005A Single Family	4.49	03/30/06	03/20/36			1,232,705.44				1,232,705.44	1,130,984.31	(101,721.13)	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/06	Beginning Market Value 02/28/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/06	Ending Market Value 05/31/06	Change in In Market Value	Recognized Gain
GNMA	2005A Single Family	4.49	04/06/06	03/20/36			1,849,552.47				1,849,552.47	1,696,942.01	(152,610.46)	0.00
GNMA	2005A Single Family	4.49	04/13/06	03/20/36			1,103,053.79				1,103,053.79	1,012,046.70	(91,007.09)	0.00
GNMA	2005A Single Family	4.49	04/20/06	04/20/36			2,098,491.41				2,098,491.41	1,925,369.70	(173,121.71)	0.00
GNMA	2005A Single Family	4.49	04/27/06	04/20/36			881,417.34				881,417.34	808,707.75	(72,709.59)	0.00
GNMA	2005A Single Family	4.49	05/05/06	04/20/36			1,753,974.04				1,753,974.04	1,632,730.57	(121,243.47)	0.00
GNMA	2005A Single Family	4.49	05/25/06	05/20/36			1,138,220.81				1,138,220.81	1,056,651.54	(81,569.27)	0.00
FNMA	2005A Single Family	4.49	10/20/05	10/01/35	261,843.12	247,646.55			(1,485.94)		260,357.18	237,832.18	(8,328.43)	0.00
FNMA	2005A Single Family	4.49	11/10/05	11/01/35	253,448.75	239,709.72			(1,121.67)		252,327.08	230,499.13	(8,088.92)	0.00
FNMA	2005A Single Family	4.49	12/15/05	12/01/35	247,080.83	233,690.75			(897.16)		246,183.67	224,890.77	(7,902.82)	0.00
FNMA	2005A Single Family	4.49	01/05/06	12/01/35	355,754.32	336,477.93			(1,411.32)		354,343.00	323,698.13	(11,368.48)	0.00
FNMA	2005A Single Family	4.49	02/09/06	02/01/36	223,049.28	211,994.03			(9,517.74)		213,531.54	194,943.24	(7,533.05)	0.00
FNMA	2005A Single Family	4.49	02/23/06	01/01/36	248,591.70	236,272.12	355.80				248,947.50	227,277.76	(9,350.16)	0.00
FNMA	2005A Single Family	4.49	03/16/06	03/01/36			394,937.99				394,937.99	360,563.73	(34,374.26)	0.00
FNMA	2005A Single Family	4.49	04/06/06	03/01/36			269,598.49				269,598.49	246,135.88	(23,462.61)	0.00
FNMA	2005A Single Family	4.49	04/20/06	04/01/36			382,312.43				382,312.43	349,042.67	(33,269.76)	0.00
FNMA	2005A Single Family	4.49	05/11/06	04/01/36			444,644.63				444,644.63	408,004.89	(36,639.74)	0.00
Repo Agmt	2005A Single Family	5.01	05/31/06	06/01/06			1,338,396.14				1,338,396.14	1,338,396.14	-	0.00
Inv Agmt	2005A Single Family	3.35	05/13/05	09/01/06	55,153,778.06	55,153,778.06		(22,411,392.15)			32,742,385.91	32,742,385.91	-	0.00
	2005A Single Family Total				101,899,063.22	100,184,562.68	24,767,018.45	(24,571,247.09)	(1,805,093.63)	0.00	100,289,740.95	95,018,571.69	(3,556,668.72)	0.00
	Total Single Family Investment Summary				623,583,162.90	615,504,204.90	69,415,050.40	(85,461,556.14)	(8,344,444.18)	0.00	599,192,212.98	572,708,858.10	(18,404,396.88)	16,316.41

Texas Department of Housing and Community Affairs
Residential Mortgage Revenue Bonds Investment Summary
For Period Ending May 31, 2006

Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/06	Beginning Market Value 02/28/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/06	Ending Market Value 05/31/06	Change in Market Value	Recognized Gain
Repo Agmt	1989 A&B RMRB	5.01	05/31/06	06/01/06	52,155.73	52,155.73	7,325.69				59,481.42	59,481.42	-	0.00
Repo Agmt	1989 A&B RMRB	5.01	05/31/06	06/01/06	552,005.53	552,005.53	0.00				552,005.53	552,005.53	-	0.00
Repo Agmt	1989 A&B RMRB	5.01	05/31/06	06/01/06	20,511.34	20,511.34	248.74				20,760.08	20,760.08	-	0.00
	1989 A&B RMRB Total				624,672.60	624,672.60	7,574.43	0.00	0.00	0.00	632,247.03	632,247.03	0.00	0.00
Repo Agmt	1998 A/B RMRB	5.01	05/31/06	06/01/06	46,825.37	46,825.37	6,726.72				53,552.09	53,552.09	-	0.00
GIC's	1998 A/B RMRB	5.04	12/03/98	01/01/31	1,792,333.56	1,792,333.56	2,316,670.20				4,109,003.76	4,109,003.76	-	0.00
GIC's	1998 A/B RMRB	5.04	12/03/98	01/01/31	1,243,049.58	1,243,049.58	0.00				1,243,049.58	1,243,049.58	-	0.00
GNMA	1998 A/B RMRB	5.35	07/28/00	07/20/30	1,638,591.00	1,627,825.44			(9,141.16)		1,629,449.84	1,569,192.77	(49,491.51)	0.00
GNMA	1998 A/B RMRB	5.35	08/28/00	07/20/30	2,842,640.93	2,823,964.81			(113,091.94)		2,729,548.99	2,628,610.30	(82,262.57)	0.00
FNMA	1998 A/B RMRB	5.35	05/25/99	04/01/29	393,366.74	388,245.11			(2,546.71)		390,820.03	375,417.81	(10,260.59)	0.00
GNMA	1998 A/B RMRB	5.35	04/16/99	04/20/29	978,064.18	971,432.90			(5,598.68)		972,465.50	936,951.04	(28,883.18)	0.00
FNMA	1998 A/B RMRB	5.35	06/22/99	05/01/29	227,229.26	224,270.69			(1,851.07)		225,378.19	216,496.00	(5,923.62)	0.00
GNMA	1998 A/B RMRB	5.35	05/25/99	05/20/29	3,407,392.62	3,384,290.49			(56,457.10)		3,350,935.52	3,228,559.34	(99,274.05)	0.00
GNMA	1998 A/B RMRB	5.35	06/22/99	06/20/29	4,652,701.29	4,621,155.92			(33,863.54)		4,618,837.75	4,450,157.73	(137,134.65)	0.00
FNMA	1998 A/B RMRB	5.35	07/30/99	07/01/29	75,196.57	74,217.49			(423.46)		74,773.11	71,826.28	(1,967.75)	0.00
FNMA	1998 A/B RMRB	5.35	08/24/99	08/01/29	143,383.56	141,516.71			(1,021.57)		142,361.99	136,751.50	(3,743.64)	0.00
GNMA	1998 A/B RMRB	5.35	07/30/99	07/20/29	3,771,305.41	3,745,735.92			(26,012.44)		3,745,292.97	3,608,514.83	(111,208.65)	0.00
GNMA	1998 A/B RMRB	5.35	08/26/99	08/20/29	2,849,511.73	2,830,192.10			(16,373.36)		2,833,138.37	2,729,672.21	(84,146.53)	0.00
FNMA	1998 A/B RMRB	5.35	09/30/99	08/01/29	184,453.74	182,052.15			(938.31)		183,515.43	176,283.09	(4,830.75)	0.00
GNMA	1998 A/B RMRB	5.35	09/20/99	09/20/29	2,617,540.92	2,599,794.01			(163,583.28)		2,453,957.64	2,364,339.12	(71,871.61)	0.00
FNMA	1998 A/B RMRB	5.35	10/29/99	10/01/29	506,108.55	499,519.03			(5,352.28)		500,756.27	481,021.49	(13,145.26)	0.00
FNMA	1998 A/B RMRB	5.35	11/16/99	10/01/29	366,413.46	361,642.76			(5,012.59)		361,400.87	347,158.06	(9,472.11)	0.00
FNMA	1998 A/B RMRB	5.35	12/21/99	11/01/29	624,322.18	616,193.49			(4,473.50)		619,848.68	595,420.42	(16,299.57)	0.00
GNMA	1998 A/B RMRB	5.35	10/29/99	10/20/29	3,723,902.85	3,698,654.79			(96,513.31)		3,627,389.54	3,494,917.27	(107,224.21)	0.00
GNMA	1998 A/B RMRB	5.35	11/18/99	11/20/29	3,634,107.73	3,609,468.50			(176,530.22)		3,457,577.51	3,331,306.80	(101,631.48)	0.00
GNMA	1998 A/B RMRB	5.35	12/30/99	12/20/29	6,265,211.49	6,222,733.33			(99,134.47)		6,166,077.02	5,940,891.86	(182,707.00)	0.00
GNMA	1998 A/B RMRB	5.35	01/28/00	01/20/30	2,690,476.74	2,672,800.29			(21,981.11)		2,668,495.63	2,569,814.65	(81,004.53)	0.00
GNMA	1998 A/B RMRB	5.35	02/22/00	01/20/30	3,207,473.98	3,186,400.88			(108,757.33)		3,098,716.65	2,984,126.10	(93,517.45)	0.00
GNMA	1998 A/B RMRB	5.35	03/27/00	03/20/30	1,805,025.90	1,793,166.87			(10,939.95)		1,794,085.95	1,727,740.64	(54,486.28)	0.00
FNMA	1998 A/B RMRB	5.35	02/23/00	01/01/30	540,810.56	533,769.19			(4,323.44)		536,487.12	515,344.15	(14,101.60)	0.00
FNMA	1998 A/B RMRB	5.35	03/27/00	02/01/30	293,318.23	289,402.43			(2,874.11)		290,444.12	278,849.59	(7,678.73)	0.00
FNMA	1998 A/B RMRB	5.35	04/21/00	04/01/30	314,035.48	309,843.11			(1,771.66)		312,263.82	299,798.25	(8,273.20)	0.00
GNMA	1998 A/B RMRB	5.35	04/24/00	04/20/30	2,374,925.60	2,359,322.36			(126,859.74)		2,248,065.86	2,164,932.41	(67,530.21)	0.00
GNMA	1998 A/B RMRB	5.35	05/30/00	05/20/30	1,876,445.04	1,864,116.77			(14,574.74)		1,861,870.30	1,793,018.31	(56,523.72)	0.00
GNMA	1998 A/B RMRB	5.35	06/21/00	06/20/30	1,363,860.25	1,354,899.72			(65,097.44)		1,298,762.81	1,250,734.59	(39,067.69)	0.00
FNMA	1998 A/B RMRB	5.35	05/30/00	05/01/30	441,536.89	435,642.38			(8,170.41)		433,366.48	416,066.50	(11,405.47)	0.00
FNMA	1998 A/B RMRB	5.35	06/21/00	06/01/30	285,561.75	281,749.50			(10,178.59)		275,383.16	264,369.66	(7,181.05)	0.00
GNMA	1998 A/B RMRB	5.35	10/23/00	09/20/30	1,976,338.51	1,963,353.96			(89,861.38)		1,886,477.13	1,816,715.20	(56,777.38)	0.00
GNMA	1998 A/B RMRB	5.35	10/25/00	10/20/30	483,894.24	480,715.06			(6,266.21)		477,628.03	459,965.35	(14,463.50)	0.00
FNMA	1998 A/B RMRB	5.35	07/24/00	06/01/30	412,013.06	406,512.68			(2,392.33)		409,620.73	393,268.67	(10,851.68)	0.00
FNMA	1998 A/B RMRB	5.35	08/25/00	07/01/30	210,856.33	208,041.40			(1,604.12)		209,252.21	200,898.66	(5,538.42)	0.00
GNMA	1998 A/B RMRB	5.35	01/08/01	12/20/30	347,570.77	345,287.23			(4,221.33)		343,349.44	330,652.38	(10,413.52)	0.00
GNMA	1998 A/B RMRB	5.35	01/16/01	12/20/30	269,143.61	267,375.34			(1,911.71)		267,231.90	257,349.66	(8,113.97)	0.00
GNMA	1998 A/B RMRB	5.35	01/31/01	08/20/30	115,193.83	114,436.96			(553.13)		114,640.70	110,401.24	(3,482.59)	0.00
GNMA	1998 A/B RMRB	5.35	11/16/00	11/20/30	340,165.79	337,930.90			(3,731.74)		336,434.05	323,992.71	(10,206.45)	0.00
GNMA	1998 A/B RMRB	5.35	11/29/00	11/20/30	767,309.23	762,267.98			(3,734.01)		763,575.22	735,338.18	(23,195.79)	0.00
GNMA	1998 A/B RMRB	5.35	12/21/00	11/20/30	164,149.28	163,070.82			(4,054.65)		160,094.63	154,174.33	(4,841.84)	0.00
GNMA	1998 A/B RMRB	5.35	12/27/00	12/20/30	299,901.23	297,930.88			(1,381.81)		298,519.42	287,460.17	(9,068.90)	0.00
FNMA	1998 A/B RMRB	5.35	10/06/00	09/01/30	442,902.10	436,989.34			(3,358.21)		439,543.89	421,997.28	(11,633.85)	0.00
FNMA	1998 A/B RMRB	5.35	01/12/01	12/01/30	473,072.83	466,757.29			(2,818.90)		470,253.93	451,481.37	(12,457.02)	0.00
Repo Agmt	1998 A/B RMRB	5.01	05/31/06	06/01/06	1,227,215.87	1,227,215.87		(85,382.43)			1,141,833.44	1,141,833.44	-	0.00
Repo Agmt	1998 A/B RMRB				34,645.28	34,645.28		(34,645.28)					-	0.00
GNMA	1998 A/B RMRB	5.49	01/12/06	01/20/36	27,424.07	27,672.43			(80.89)		27,343.18	26,751.13	(640.41)	0.00

Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/06	Beginning Market Value 02/28/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/06	Ending Market Value 05/31/06	Change In In Market Value	Recognized Gain
GNMA	1998 A/B RMRB	5.49	03/09/06	03/20/36			33,884.41				33,884.41	33,152.41	(732.00)	0.00
GNMA	1998 A/B RMRB	5.49	03/02/06	03/20/36			19,174.13				19,174.13	18,759.80	(414.33)	0.00
GNMA	1998 A/B RMRB	5.49	02/23/06	02/20/36	40,091.66	40,858.58			(538.09)		39,553.57	38,698.62	(1,621.87)	0.00
GNMA	1998 A/B RMRB	5.49	03/16/06	03/20/36			30,006.71				30,006.71	29,358.65	(648.06)	0.00
GNMA	1998 A/B RMRB .	5.49	03/30/06	03/20/36			42,311.40				42,311.40	41,319.10	(992.30)	0.00
GNMA	1998 A/B RMRB	5.49	04/06/06	04/20/36			37,236.48				37,236.48	36,432.98	(803.50)	0.00
FNMA	1998 A/B RMRB	5.49	04/27/06	03/01/36			26,333.41				26,333.41	25,467.55	(865.86)	0.00
FNMA	1998 A/B RMRB	5.49	04/27/06	10/01/35			8,767.99				8,767.99	8,485.86	(282.13)	0.00
	1998 A/B RMRB Total				64,809,010.83	64,367,289.65	2,521,111.45	(120,027.71)	(1,319,956.02)	0.00	65,890,136.55	63,697,883.34	(1,750,534.03)	0.00
Repo Agmt	2000 BCDE RMRB	5.01	05/31/06	06/01/06	179,352.09	179,352.09	2,174.79				181,526.88	181,526.88	-	0.00
Repo Agmt	2000 BCDE RMRB	5.01	05/31/06	06/01/06	572,659.92	572,659.92	6,943.85				579,603.77	579,603.77	-	0.00
Repo Agmt	2000 BCDE RMRB	5.01	05/31/06	06/01/06	119,523.31	119,523.31		(69,990.27)			49,533.04	49,533.04	-	0.00
Inv Agmt	2000 BCDE RMRB	6.22	10/26/00	12/31/32	4,295,218.11	4,295,218.11	2,241,878.27				6,537,096.38	6,537,096.38	-	0.00
Repo Agmt	2000 BCDE RMRB	5.01	05/31/06	06/01/06	44.66	44.66	0.92				45.58	45.58	-	0.00
Repo Agmt	2000 BCDE RMRB	5.01	05/31/06	06/01/06	1,228.19	1,228.19	0.00				1,228.19	1,228.19	-	0.00
GNMA	2000 BCDE RMRB	6.10	02/22/01	02/20/31	1,136,934.82	1,161,117.62			(5,423.86)		1,131,510.96	1,133,539.82	(22,153.94)	0.00
GNMA	2000 BCDE RMRB	6.10	02/14/01	02/20/31	230,172.84	235,067.93			(1,084.77)		229,088.07	229,498.13	(4,485.03)	0.00
GNMA	2000 BCDE RMRB	6.10	02/14/01	01/20/31	119,290.60	121,827.32			(474.91)		118,815.69	119,028.14	(2,324.27)	0.00
GNMA	2000 BCDE RMRB	6.10	03/07/01	02/20/31	247,689.93	252,959.36			(1,026.46)		246,663.47	247,106.75	(4,826.15)	0.00
GNMA	2000 BCDE RMRB	6.10	03/07/01	02/20/31	1,368,863.18	1,397,984.74			(6,332.88)		1,362,530.30	1,364,978.66	(26,673.00)	0.00
GNMA	2000 BCDE RMRB	6.10	03/07/01	02/20/31	97,238.11	99,306.78			(416.22)		96,821.89	96,995.89	(1,894.67)	0.00
GNMA	2000 BCDE RMRB	6.10	03/15/01	03/20/31	361,817.81	369,517.06			(1,512.05)		360,305.76	360,955.06	(7,049.95)	0.00
GNMA	2000 BCDE RMRB	6.10	03/15/01	03/20/31	839,137.60	856,993.91			(3,927.56)		835,210.04	836,715.13	(16,351.22)	0.00
GNMA	2000 BCDE RMRB	6.10	03/29/01	03/20/31	73,171.00	74,728.41			(330.03)		72,840.97	72,972.61	(1,425.77)	0.00
GNMA	2000 BCDE RMRB	6.10	03/29/01	03/20/31	327,793.41	334,770.36			(1,880.59)		325,912.82	326,501.82	(6,367.95)	0.00
GNMA	2000 BCDE RMRB	6.10	04/16/01	03/20/31	184,727.66	188,660.85			(749.06)		183,978.60	184,312.39	(3,599.40)	0.00
GNMA	2000 BCDE RMRB	6.10	04/16/01	04/20/31	846,882.20	864,915.51			(3,501.46)		843,380.74	844,912.49	(16,501.56)	0.00
GNMA	2000 BCDE RMRB	6.10	04/30/01	04/20/31	560,046.59	571,974.92			(3,391.74)		556,654.85	557,668.59	(10,914.59)	0.00
GNMA	2000 BCDE RMRB	6.10	04/30/01	04/20/31	1,078,656.96	1,101,631.14			(58,912.93)		1,019,744.03	1,021,601.20	(21,117.01)	0.00
GNMA	2000 BCDE RMRB	6.10	04/30/01	04/20/31	97,718.95	99,800.26			(381.68)		97,337.27	97,514.55	(1,904.03)	0.00
GNMA	2000 BCDE RMRB	6.10	05/10/01	05/20/31	173,969.20	177,675.62			(740.97)		173,228.23	173,544.76	(3,389.89)	0.00
GNMA	2000 BCDE RMRB	6.10	05/10/01	05/20/31	457,803.36	467,556.89			(1,950.19)		455,853.17	456,686.14	(8,920.56)	0.00
GNMA	2000 BCDE RMRB	6.10	05/22/01	04/20/31	115,158.01	117,611.70			(624.51)		114,533.50	114,743.02	(2,244.17)	0.00
GNMA	2000 BCDE RMRB	6.10	05/22/01	04/20/31	1,272,722.46	1,299,840.43			(5,617.98)		1,267,104.48	1,269,422.30	(24,800.15)	0.00
GNMA	2000 BCDE RMRB	6.10	05/22/01	05/20/31	116,899.59	119,390.62			(463.43)		116,436.16	116,649.39	(2,277.80)	0.00
GNMA	2000 BCDE RMRB	6.10	05/30/01	05/20/31	164,934.09	168,449.20			(649.75)		164,284.34	164,585.68	(3,213.77)	0.00
GNMA	2000 BCDE RMRB	6.10	05/30/01	05/20/31	436,938.88	446,251.01			(2,232.73)		434,706.15	435,503.52	(8,514.76)	0.00
GNMA	2000 BCDE RMRB	6.10	05/30/01	05/20/31	48,735.78	49,774.45			(189.20)		48,546.58	48,635.64	(949.61)	0.00
GNMA	2000 BCDE RMRB	6.10	06/18/01	05/20/31	276,847.36	282,749.54			(69,922.27)		206,925.09	207,306.07	(5,521.20)	0.00
GNMA	2000 BCDE RMRB	6.10	06/18/01	05/20/31	1,446,251.21	1,477,084.37			(37,587.64)		1,408,663.57	1,411,257.36	(28,239.37)	0.00
GNMA	2000 BCDE RMRB	6.10	06/18/01	05/20/31	43,933.42	44,870.06			(182.75)		43,750.67	43,831.23	(856.08)	0.00
GNMA	2000 BCDE RMRB	6.10	06/29/01	06/20/31	252,815.01	258,206.42			(1,805.13)		251,009.88	251,473.60	(4,927.69)	0.00
GNMA	2000 BCDE RMRB	6.10	06/29/01	06/20/31	1,201,281.49	1,226,899.45			(4,906.05)		1,196,375.44	1,198,585.55	(23,407.85)	0.00
GNMA	2000 BCDE RMRB	6.10	06/29/01	06/20/31	268,662.73	274,392.12			(1,332.90)		267,329.83	267,823.69	(5,235.53)	0.00
GNMA	2000 BCDE RMRB	6.10	07/25/01	06/20/31	432,734.68	441,967.44			(1,871.89)		430,862.79	431,663.10	(8,432.45)	0.00
GNMA	2000 BCDE RMRB	6.10	07/25/01	07/20/31	939,646.68	959,696.71			(119,795.63)		819,851.05	821,375.49	(18,525.59)	0.00
GNMA	2000 BCDE RMRB	6.10	07/25/01	06/20/31	147,174.92	150,315.02			(1,042.23)		146,132.69	146,404.12	(2,868.67)	0.00
GNMA	2000 BCDE RMRB	6.10	08/08/01	07/20/31	233,225.07	238,202.78			(1,144.08)		232,080.99	232,513.70	(4,545.00)	0.00
GNMA	2000 BCDE RMRB	6.10	08/08/01	08/20/31	1,335,543.38	1,364,050.59			(6,391.28)		1,329,152.10	1,331,632.92	(26,026.39)	0.00
GNMA	2000 BCDE RMRB	6.10	08/08/01	07/20/31	229,923.46	234,830.71			(1,119.52)		228,803.94	229,230.54	(4,480.65)	0.00
GNMA	2000 BCDE RMRB	6.10	08/31/01	08/20/31	333,730.86	340,857.09			(1,355.50)		332,375.36	332,998.73	(6,502.86)	0.00
GNMA	2000 BCDE RMRB	6.10	08/31/01	08/20/31	993,224.95	1,014,433.49			(5,253.81)		987,971.14	989,824.08	(19,355.60)	0.00
GNMA	2000 BCDE RMRB	6.10	08/31/01	08/20/31	233,686.38	236,676.34			(2,093.89)		231,592.49	232,026.85	(4,555.60)	0.00
FNMA	2000 BCDE RMRB	6.10	02/14/01	02/01/31	300,803.32	306,004.02			(3,234.89)		297,568.43	297,440.29	(5,328.84)	0.00
GNMA	2000 BCDE RMRB	6.10	11/29/01	10/20/31	234,459.29	239,474.90			(978.86)		233,480.43	233,927.03	(4,569.01)	0.00
GNMA	2000 BCDE RMRB	6.10	11/29/01	10/20/31	276,711.37	282,630.84			(2,420.20)		274,291.17	274,815.81	(5,394.83)	0.00
GNMA	2000 BCDE RMRB	6.10	11/29/01	11/20/31	263,057.64	268,685.56			(1,127.07)		261,930.57	262,432.09	(5,126.40)	0.00
GNMA	2000 BCDE RMRB	6.10	09/25/01	08/20/31	327,872.56	334,877.06			(1,276.93)		326,595.63	327,211.12	(6,389.01)	0.00

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GNMA	2000 BCDE RMRB	6.10	09/25/01	09/20/31	1,194,134.79	1,219,648.07			(5,080.75)		1,189,054.04	1,191,297.26	(23,270.06)	0.00
GNMA	2000 BCDE RMRB	6.10	09/25/01	08/20/31	203,477.32	207,824.29			(3,259.88)		200,217.44	200,594.75	(3,969.66)	0.00
GNMA	2000 BCDE RMRB	6.10	10/17/01	09/20/31	201,587.86	205,896.53			(5,711.57)		195,876.29	196,247.38	(3,937.58)	0.00
GNMA	2000 BCDE RMRB	6.10	10/17/01	09/20/31	900,773.48	920,026.33			(4,519.72)		896,253.76	897,951.80	(17,554.81)	0.00
GNMA	2000 BCDE RMRB	6.10	10/17/01	09/20/31	203,058.54	207,398.66			(925.65)		202,132.89	202,515.86	(3,957.15)	0.00
GNMA	2000 BCDE RMRB	6.10	11/15/01	08/20/31	95,880.05	97,930.25			(361.27)		95,518.78	95,700.52	(1,868.46)	0.00
GNMA	2000 BCDE RMRB	6.10	11/15/01	10/20/31	209,598.65	214,081.35			(830.61)		208,768.04	209,166.30	(4,084.44)	0.00
FNMA	2000 BCDE RMRB	6.10	03/15/01	02/01/31	278,662.36	283,483.38			(1,158.22)		277,504.14	277,387.69	(4,937.47)	0.00
GNMA	2000 BCDE RMRB	6.10	01/22/02	12/20/31	206,461.95	210,883.71			(841.48)		205,620.47	206,018.73	(4,023.50)	0.00
FNMA	2000 BCDE RMRB	6.10	05/10/01	04/01/31	377,674.53	384,217.77			(2,465.70)		375,208.83	375,060.41	(6,691.66)	0.00
GNMA	2000 BCDE RMRB	6.10	02/25/02	02/20/32	395,376.51	403,957.87			(2,468.79)		392,907.72	393,450.17	(8,038.91)	0.00
FNMA	2000 BCDE RMRB	6.10	05/30/01	04/01/31	233,655.07	237,705.08			(3,974.38)		229,680.69	229,591.69	(4,139.01)	0.00
FNMA	2000 BCDE RMRB	6.10	07/12/01	05/01/31	312,947.37	318,377.52			(1,261.64)		311,685.73	311,570.26	(5,545.62)	0.00
GNMA	2000 BCDE RMRB	6.10	05/15/02	05/20/32	615,357.76	628,735.76			(2,537.92)		612,819.84	613,687.47	(12,510.37)	0.00
GNMA	2000 BCDE RMRB	6.10	05/24/02	05/20/32	112,783.59	115,235.89			(419.96)		112,363.63	112,523.06	(2,292.87)	0.00
GNMA	2000 BCDE RMRB	6.10	03/21/02	02/20/32	309,995.71	316,726.82			(2,698.50)		307,297.21	307,724.25	(6,304.07)	0.00
GNMA	2000 BCDE RMRB	6.10	04/17/02	04/20/32	266,062.22	271,843.19			(980.13)		265,082.09	265,454.18	(5,408.88)	0.00
GNMA	2000 BCDE RMRB	6.10	04/29/02	04/20/32	422,471.71	431,652.86			(1,700.91)		420,770.80	421,363.13	(8,588.82)	0.00
GNMA	2000 BCDE RMRB	6.10	05/15/02	05/20/32	77,193.19	78,871.37			(277.06)		76,916.13	77,025.01	(1,569.30)	0.00
GNMA	2000 BCDE RMRB	6.10	05/15/02	02/20/32	45,150.46	46,131.81			(165.63)		44,984.83	45,048.30	(917.88)	0.00
GNMA	2000 BCDE RMRB	6.10	08/29/02	08/20/32	1,193,260.28	1,219,257.13			(4,866.50)		1,188,393.78	1,190,130.11	(24,260.52)	0.00
GNMA	2000 BCDE RMRB	6.10	06/03/02	05/20/32	540,923.62	552,687.30			(2,249.90)		538,673.72	539,440.17	(10,997.23)	0.00
GNMA	2000 BCDE RMRB	6.10	06/10/02	06/20/32	614,697.89	628,068.47			(72,309.20)		542,388.69	543,163.13	(12,596.14)	0.00
GNMA	2000 BCDE RMRB	6.10	06/19/02	06/20/32	661,754.08	676,150.97			(2,953.16)		658,800.92	659,743.63	(13,454.18)	0.00
GNMA	2000 BCDE RMRB	6.10	06/25/02	06/20/32	452,508.59	462,354.13			(2,051.42)		450,457.17	451,102.66	(9,200.05)	0.00
GNMA	2000 BCDE RMRB	6.10	07/05/02	06/20/32	1,074,520.20	1,097,903.66			(65,806.96)		1,008,713.24	1,010,162.70	(21,934.00)	0.00
GNMA	2000 BCDE RMRB				57,280.65	58,527.48			(57,280.65)				(1,246.83)	0.00
GNMA	2000 BCDE RMRB	6.10	07/22/02	07/20/32	732,067.50	748,004.58			(2,829.72)		729,237.78	730,291.50	(14,883.36)	0.00
GNMA	2000 BCDE RMRB	6.10	07/29/02	07/20/32	259,198.79	264,842.36			(1,945.71)		257,253.08	257,625.60	(5,271.05)	0.00
GNMA	2000 BCDE RMRB	6.10	08/01/02	07/20/32	343,766.75	351,251.97			(146,632.49)		197,134.26	197,419.92	(7,199.56)	0.00
GNMA	2000 BCDE RMRB	6.10	08/12/02	08/20/32	1,500,966.97	1,533,658.38			(6,619.58)		1,494,347.39	1,496,521.70	(30,517.10)	0.00
GNMA	2000 BCDE RMRB	6.10	08/23/02	08/20/32	1,417,183.05	1,448,055.44			(52,536.06)		1,364,646.99	1,366,638.08	(28,881.30)	0.00
GNMA	2000 BCDE RMRB	6.10	11/12/02	10/20/32	499,877.41	510,784.38			(31,688.97)		468,188.44	468,887.59	(10,207.82)	0.00
GNMA	2000 BCDE RMRB	6.10	09/12/02	08/20/32	911,201.73	931,059.13			(3,396.87)		907,804.86	909,136.70	(18,525.56)	0.00
GNMA	2000 BCDE RMRB	6.10	09/19/02	09/20/32	407,338.12	416,216.76			(1,662.72)		405,675.40	406,272.23	(8,281.81)	0.00
GNMA	2000 BCDE RMRB	6.10	09/26/02	09/20/32	1,390,059.11	1,420,360.66			(7,292.58)		1,382,766.53	1,384,804.99	(28,263.09)	0.00
GNMA	2000 BCDE RMRB	6.10	10/10/02	10/20/32	1,295,683.07	1,323,936.61			(146,877.64)		1,148,805.43	1,150,505.89	(26,553.08)	0.00
GNMA	2000 BCDE RMRB	6.10	10/21/02	10/20/32	857,579.59	876,284.27			(3,520.13)		854,059.46	855,327.92	(17,436.22)	0.00
GNMA	2000 BCDE RMRB	6.10	10/29/02	11/20/32	570,803.67	583,255.82			(2,283.03)		568,520.64	569,367.31	(11,605.48)	0.00
FNMA	2000 BCDE RMRB	6.10	08/31/01	06/01/31	601,820.22	612,275.12			(2,531.39)		599,288.83	599,079.48	(10,664.25)	0.00
GNMA	2000 BCDE RMRB	6.10	11/05/02	10/20/32	477,195.38	487,605.93			(2,166.26)		475,029.12	475,737.01	(9,702.66)	0.00
GNMA	2000 BCDE RMRB	6.10	11/19/02	11/20/32	31,295.05	31,978.02			(110.72)		31,184.33	31,231.03	(636.27)	0.00
GNMA	2000 BCDE RMRB	6.10	11/26/02	11/20/32	179,113.69	183,023.12			(1,036.91)		178,076.78	178,343.96	(3,642.25)	0.00
GNMA	2000 BCDE RMRB	6.10	11/26/02	11/20/32	160,656.32	164,162.88			(610.48)		160,045.84	160,285.96	(3,266.44)	0.00
GNMA	2000 BCDE RMRB	6.10	12/12/02	11/20/32	122,452.98	125,126.45			(1,032.38)		121,420.60	121,603.50	(2,490.57)	0.00
GNMA	2000 BCDE RMRB	6.10	12/19/02	06/20/32	65,046.42	66,466.28			(242.23)		64,804.19	64,901.48	(1,322.57)	0.00
GNMA	2000 BCDE RMRB	6.10	12/30/02	09/20/32	88,693.45	90,630.22			(1,277.44)		87,416.01	87,548.04	(1,804.74)	0.00
GNMA	2000 BCDE RMRB	6.10	12/30/02	11/20/32	35,023.95	35,788.87			(130.18)		34,893.77	34,946.58	(712.11)	0.00
GNMA	2000 BCDE RMRB	6.10	01/07/03	12/20/32	127,162.95	129,940.81			(945.70)		126,217.25	126,408.90	(2,586.21)	0.00
GNMA	2000 BCDE RMRB	6.10	01/23/03	01/20/33	25,152.18	25,707.37			(3,206.92)		21,945.26	21,968.82	(531.63)	0.00
GNMA	2000 BCDE RMRB	6.10	01/23/03	01/20/33	337,735.53	345,190.37			(1,659.80)		336,075.73	336,436.53	(7,094.04)	0.00
GNMA	2000 BCDE RMRB	6.10	02/12/03	02/20/33	237,215.36	242,453.61			(54,425.21)		182,790.15	182,988.04	(5,040.36)	0.00
FNMA	2000 BCDE RMRB	6.10	10/17/01	09/01/31	342,652.26	348,919.43			(2,741.84)		339,910.42	340,072.88	(6,104.71)	0.00
GNMA	2000 BCDE RMRB	6.10	02/20/03	02/20/33	304,317.04	311,037.99			(44,235.79)		260,081.25	260,363.86	(6,438.34)	0.00
GNMA	2000 BCDE RMRB	6.10	02/27/03	02/20/33	104,191.12	106,492.54			(348.85)		103,842.27	103,955.32	(2,188.37)	0.00
GNMA	2000 BCDE RMRB	6.10	03/24/03	03/20/33	192,506.43	196,760.76			(692.86)		191,813.57	192,024.50	(4,043.40)	0.00
GNMA	2000 BCDE RMRB	6.10	04/02/03	03/20/33	151,015.10	154,353.11			(506.09)		150,509.01	150,675.13	(3,171.89)	0.00
GNMA	2000 BCDE RMRB	6.10	04/10/03	04/20/33	40,471.96	41,366.72			(144.66)		40,327.30	40,371.98	(850.08)	0.00
GNMA	2000 BCDE RMRB	6.10	04/17/03	04/20/33	149,957.24	153,272.95			(700.51)		149,256.73	149,422.52	(3,149.92)	0.00

Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/06	Beginning Market Value 02/28/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/06	Ending Market Value 05/31/06	Change In In Market Value	Recognized Gain
GNMA	2000 BCDE RMRB	6.10	04/24/03	04/20/33	27,546.49	28,155.66			(92.30)		27,454.19	27,484.77	(578.59)	0.00
GNMA	2000 BCDE RMRB	6.10	04/29/03	04/20/33	338,997.10	346,494.41			(1,135.21)		337,861.89	338,236.67	(7,120.33)	0.00
GNMA	2000 BCDE RMRB	6.10	05/08/03	04/20/33	83,653.94	85,504.31			(322.21)		83,331.73	83,424.96	(1,757.14)	0.00
GNMA	2000 BCDE RMRB	6.10	05/15/03	04/20/33	72,793.57	74,403.93			(239.69)		72,553.88	72,635.28	(1,528.96)	0.00
GNMA	2000 BCDE RMRB	6.10	05/22/03	05/20/33	149,252.55	152,554.98			(517.76)		148,734.79	148,902.25	(3,134.97)	0.00
GNMA	2000 BCDE RMRB	6.10	05/29/03	04/20/33	103,276.69	105,561.94			(342.35)		102,934.34	103,050.34	(2,169.25)	0.00
GNMA	2000 BCDE RMRB	6.10	06/10/03	05/20/33	136,087.95	139,100.07			(459.59)		135,628.36	135,782.02	(2,858.46)	0.00
GNMA	2000 BCDE RMRB	6.10	06/19/03	06/20/33	197,851.00	202,231.17			(791.34)		197,059.66	197,283.89	(4,155.94)	0.00
GNMA	2000 BCDE RMRB	6.10	06/19/03	06/20/33	61,156.09	62,510.01			(206.21)		60,949.88	61,019.24	(1,284.56)	0.00
GNMA	2000 BCDE RMRB	6.10	06/26/03	06/20/33	99,892.09	102,103.89			(324.56)		99,567.53	99,681.13	(2,098.20)	0.00
GNMA	2000 BCDE RMRB	6.10	07/03/03	07/20/33	73,301.84	74,925.18			(237.33)		73,064.51	73,148.17	(1,539.68)	0.00
GNMA	2000 BCDE RMRB	6.10	07/10/03	07/20/33	487,242.34	498,034.27			(1,842.61)		485,399.73	485,956.95	(10,234.71)	0.00
GNMA	2000 BCDE RMRB	6.10	07/17/03	07/20/33	241,362.10	246,708.53			(808.28)		240,553.82	240,830.45	(5,069.80)	0.00
GNMA	2000 BCDE RMRB	6.10	07/24/03	07/20/33	49,510.75	50,607.62			(159.79)		49,350.96	49,407.86	(1,039.97)	0.00
GNMA	2000 BCDE RMRB	6.10	07/30/03	07/20/33	268,750.63	274,705.12			(47,215.71)		221,534.92	221,791.01	(5,698.40)	0.00
GNMA	2000 BCDE RMRB	6.10	08/07/03	08/20/33	229,390.37	234,473.97			(781.74)		228,608.63	228,873.82	(4,818.41)	0.00
GNMA	2000 BCDE RMRB	6.10	08/14/03	08/20/33	237,563.63	242,829.08			(764.56)		236,799.07	237,074.48	(4,990.04)	0.00
FNMA	2000 BCDE RMRB	6.10	12/27/01	10/01/31	229,648.41	233,650.08			(1,094.37)		228,554.04	228,486.12	(4,069.59)	0.00
GNMA	2000 BCDE RMRB	6.10	08/21/03	08/20/33	210,721.67	215,392.62			(684.95)		210,036.72	210,281.42	(4,426.25)	0.00
GNMA	2000 BCDE RMRB	6.10	08/28/03	08/20/33	345,039.99	352,689.36			(1,253.08)		343,786.91	344,188.47	(7,247.81)	0.00
GNMA	2000 BCDE RMRB	6.10	09/04/03	08/20/33	160,159.91	163,711.07			(770.66)		159,389.25	159,575.91	(3,364.50)	0.00
GNMA	2000 BCDE RMRB	6.10	09/18/03	09/20/33	447,509.23	457,434.88			(1,470.86)		446,038.37	446,563.85	(9,400.17)	0.00
GNMA	2000 BCDE RMRB	6.10	09/18/03	08/20/33	82,372.18	84,199.01			(265.50)		82,106.68	82,203.25	(1,730.26)	0.00
GNMA	2000 BCDE RMRB	6.10	09/29/03	09/20/33	366,360.61	374,487.91			(1,194.02)		365,166.59	365,598.27	(7,695.62)	0.00
GNMA	2000 BCDE RMRB	6.10	10/09/03	09/20/33	291,570.22	298,039.58			(1,089.94)		290,480.28	290,824.84	(6,124.80)	0.00
GNMA	2000 BCDE RMRB	6.10	10/16/03	09/20/33	89,491.22	91,477.13			(286.31)		89,204.91	89,310.99	(1,879.83)	0.00
GNMA	2000 BCDE RMRB	5.40	10/23/03	10/20/33	238,976.80	238,990.73			(903.22)		238,073.58	230,593.72	(7,493.79)	0.00
GNMA	2000 BCDE RMRB	6.10	10/23/03	10/20/33	245,964.59	251,423.82			(821.44)		245,143.15	245,435.65	(5,166.73)	0.00
GNMA	2000 BCDE RMRB	5.40	10/30/03	10/20/33	153,313.89	153,323.15			(548.96)		152,764.93	147,965.63	(4,808.56)	0.00
GNMA	2000 BCDE RMRB	6.10	10/30/03	08/20/33	58,956.01	60,264.55			(206.12)		58,749.89	58,819.99	(1,238.44)	0.00
GNMA	2000 BCDE RMRB	5.40	11/13/03	11/20/33	535,005.40	535,041.40			(2,115.65)		532,889.75	516,151.92	(16,773.83)	0.00
GNMA	2000 BCDE RMRB	6.10	11/13/03	11/20/33	139,387.86	142,482.89			(484.71)		138,903.15	139,070.15	(2,928.03)	0.00
GNMA	2000 BCDE RMRB	5.40	11/20/03	11/20/33	504,727.18	504,762.68			(1,947.56)		502,779.62	486,989.02	(15,826.10)	0.00
GNMA	2000 BCDE RMRB	6.10	11/20/03	10/20/33	47,951.01	49,015.84			(152.02)		47,798.99	47,856.56	(1,007.26)	0.00
GNMA	2000 BCDE RMRB	5.40	11/26/03	11/20/33	330,066.18	330,090.05			(1,740.87)		328,325.31	318,014.37	(10,334.81)	0.00
GNMA	2000 BCDE RMRB	5.40	12/04/03	11/20/33	413,220.36	413,251.50			(1,505.15)		411,715.21	398,786.65	(12,959.70)	0.00
GNMA	2000 BCDE RMRB	5.40	12/11/03	12/20/33	360,372.98	360,401.59			(1,223.59)		359,149.39	347,872.89	(11,305.11)	0.00
GNMA	2000 BCDE RMRB	5.40	12/18/03	12/20/33	980,014.48	980,095.21			(4,699.68)		975,314.80	944,694.86	(30,700.67)	0.00
GNMA	2000 BCDE RMRB	5.40	12/23/03	12/20/33	869,947.86	870,021.28			(3,398.90)		866,548.96	839,345.41	(27,276.97)	0.00
GNMA	2000 BCDE RMRB	5.40	01/08/04	01/20/34	132,703.21	132,584.71			(676.49)		132,026.72	127,971.87	(3,936.35)	0.00
GNMA	2000 BCDE RMRB	5.40	01/15/04	01/20/34	1,237,337.34	1,236,236.22			(10,895.64)		1,226,441.70	1,188,777.29	(36,563.29)	0.00
GNMA	2000 BCDE RMRB	5.40	01/22/04	01/20/34	293,064.14	292,256.73			(1,039.94)		292,024.20	282,514.31	(8,702.48)	0.00
GNMA	2000 BCDE RMRB	5.40	01/29/04	01/20/34	50,420.90	50,376.34			(209.86)		50,211.04	48,669.35	(1,497.13)	0.00
GNMA	2000 BCDE RMRB	6.10	02/02/04	12/20/33	44,981.64	45,982.00			(166.88)		44,814.76	44,870.13	(944.99)	0.00
GNMA	2000 BCDE RMRB	5.75	03/25/04	03/20/34	39,912.48	40,352.87			(130.17)		39,782.31	39,312.18	(910.52)	0.00
GNMA	2000 BCDE RMRB	5.75	03/30/04	03/20/34	164,040.85	165,851.04			(581.44)		163,459.41	161,527.94	(3,741.66)	0.00
GNMA	2000 BCDE RMRB	5.75	07/08/04	07/20/34	749,919.41	758,228.34			(5,162.02)		744,757.39	735,989.82	(17,076.50)	0.00
GNMA	2000 BCDE RMRB	5.75	07/08/04	07/20/34	254,266.43	257,083.66			(1,591.47)		252,674.96	249,700.38	(5,791.81)	0.00
GNMA	2000 BCDE RMRB	5.75	04/08/04	04/20/34	165,423.10	167,249.42			(668.71)		164,754.39	162,808.48	(3,772.23)	0.00
GNMA	2000 BCDE RMRB	5.75	04/15/04	04/20/34	211,900.10	214,240.17			(1,450.68)		210,449.42	207,964.43	(4,825.06)	0.00
GNMA	2000 BCDE RMRB	5.75	04/22/04	04/20/34	130,286.02	131,725.06			(63,906.06)		66,379.96	65,596.35	(2,222.65)	0.00
GNMA	2000 BCDE RMRB	5.75	04/29/04	04/20/34	261,476.93	264,365.80			(945.38)		260,531.55	257,456.46	(5,963.96)	0.00
GNMA	2000 BCDE RMRB	5.75	05/06/04	05/20/34	191,120.71	193,233.04			(1,464.74)		189,655.97	187,418.18	(4,350.12)	0.00
GNMA	2000 BCDE RMRB	5.75	05/13/04	05/20/34	303,800.47	307,159.09			(988.21)		302,812.26	299,240.23	(6,930.65)	0.00
GNMA	2000 BCDE RMRB	5.75	05/20/04	05/20/34	556,974.81	563,134.07			(1,812.15)		555,162.66	548,615.50	(12,706.42)	0.00
GNMA	2000 BCDE RMRB	5.75	05/27/04	05/20/34	250,636.44	253,408.85			(837.18)		249,799.26	246,854.07	(5,717.60)	0.00
GNMA	2000 BCDE RMRB	5.75	06/03/04	06/20/34	407,306.76	411,813.41			(1,665.02)		405,641.74	400,860.33	(9,288.06)	0.00
GNMA	2000 BCDE RMRB	5.75	06/10/04	06/20/34	431,694.65	436,472.47			(1,527.17)		430,167.48	425,098.28	(9,847.02)	0.00
GNMA	2000 BCDE RMRB	5.75	06/17/04	06/20/34	183,270.51	185,299.43			(604.97)		182,665.54	180,513.50	(4,180.96)	0.00

Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/06	Beginning Market Value 02/28/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/06	Ending Market Value 05/31/06	Change In In Market Value	Recognized Gain
GNMA	2000 BCDE RMRB	5.75	06/24/04	06/20/34	486,527.38	491,915.02			(1,864.69)		484,662.69	478,954.17	(11,096.16)	0.00
GNMA	2000 BCDE RMRB	5.75	09/02/04	08/20/34	106,459.13	107,641.29			(340.90)		106,118.23	104,871.51	(2,428.88)	0.00
GNMA	2000 BCDE RMRB	5.75	09/09/04	08/20/34	106,028.74	107,206.41			(337.47)		105,691.27	104,449.66	(2,419.08)	0.00
GNMA	2000 BCDE RMRB	5.75	09/16/04	09/20/34	95,274.73	96,333.27			(301.25)		94,973.48	93,858.27	(2,173.75)	0.00
GNMA	2000 BCDE RMRB	5.75	09/23/04	08/20/34	97,085.86	98,164.81			(315.08)		96,770.78	95,634.74	(2,214.99)	0.00
GNMA	2000 BCDE RMRB	5.75	09/29/04	09/20/34	286,533.44	289,718.67			(930.11)		285,603.33	282,251.35	(6,537.21)	0.00
GNMA	2000 BCDE RMRB	5.75	10/07/04	10/20/34	144,476.44	146,083.07			(636.70)		143,839.74	142,152.11	(3,294.26)	0.00
GNMA	2000 BCDE RMRB	5.75	07/15/04	07/20/34	559,291.22	565,489.76			(1,943.31)		557,347.91	550,788.28	(12,758.17)	0.00
GNMA	2000 BCDE RMRB	5.75	07/22/04	07/20/34	617,476.84	624,322.11			(3,574.97)		613,901.87	606,678.46	(14,068.68)	0.00
GNMA	2000 BCDE RMRB	5.75	07/29/04	07/20/34	385,598.87	389,874.75			(1,225.91)		384,372.96	379,851.43	(8,797.41)	0.00
GNMA	2000 BCDE RMRB	5.75	08/05/04	08/20/34	496,890.23	502,401.70			(58,676.14)		438,214.09	433,060.91	(10,664.65)	0.00
GNMA	2000 BCDE RMRB	5.75	08/12/04	08/20/34	721,758.90	729,766.80			(2,427.52)		719,331.38	710,873.84	(16,465.44)	0.00
GNMA	2000 BCDE RMRB	5.75	08/19/04	08/20/34	245,516.74	247,876.49			(920.23)		244,596.51	241,360.23	(5,596.03)	0.00
GNMA	2000 BCDE RMRB	5.75	08/26/04	08/20/34	77,307.94	78,166.14			(249.85)		77,058.09	76,152.53	(1,763.76)	0.00
GNMA	2000 BCDE RMRB	5.75	12/02/04	11/20/34	89,882.58	90,884.23			(491.33)		89,391.25	88,344.52	(2,048.38)	0.00
GNMA	2000 BCDE RMRB	5.75	12/17/04	12/20/34	193,011.35	195,163.60			(710.08)		192,301.27	190,050.80	(4,402.72)	0.00
GNMA	2000 BCDE RMRB	5.75	10/14/04	10/20/34	58,582.58	59,234.16			(197.26)		58,385.32	57,700.47	(1,336.43)	0.00
GNMA	2000 BCDE RMRB	5.75	10/28/04	10/20/34	117,952.29	119,264.94			(369.06)		117,583.23	116,204.62	(2,691.26)	0.00
GNMA	2000 BCDE RMRB	5.75	11/04/04	10/20/34	62,860.81	63,560.55			(201.33)		62,659.48	61,924.99	(1,434.23)	0.00
GNMA	2000 BCDE RMRB	5.75	11/23/04	11/20/34	61,287.72	61,970.51			(189.97)		61,097.75	60,382.12	(1,398.42)	0.00
GNMA	2000 BCDE RMRB	5.75	12/23/04	12/20/34	302,477.85	305,851.66			(1,235.24)		301,242.61	297,718.11	(6,898.31)	0.00
GNMA	2000 BCDE RMRB	5.75	02/17/05	02/20/35	52,871.59	53,461.53			(160.81)		52,710.78	52,084.74	(1,215.98)	0.00
GNMA	2000 BCDE RMRB	5.75	05/05/05	04/20/35	140,130.56	141,698.88			(454.04)		139,676.52	138,022.19	(3,222.65)	0.00
FNMA	2000 BCDE RMRB	6.10	06/10/02	05/01/32	176,462.64	179,551.06			(807.82)		175,654.82	175,615.85	(3,127.39)	0.00
GNMA	2000 BCDE RMRB	5.75	09/08/05	08/20/35	63,605.50	64,640.51			(187.64)		63,417.86	62,978.91	(1,473.96)	0.00
GNMA	2000 BCDE RMRB	5.75	10/27/05	10/20/35	124,949.66	126,988.50			(358.08)		124,591.58	123,734.67	(2,895.75)	0.00
GNMA	2000 BCDE RMRB	5.75	09/29/05	09/20/35	138,759.08	141,019.71			(505.34)		138,253.74	137,299.42	(3,214.95)	0.00
GNMA	2000 BCDE RMRB	5.75	11/22/05	11/20/35	251,508.13	254,345.43			(728.86)		250,779.27	247,830.89	(5,785.68)	0.00
GNMA	2000 BCDE RMRB	5.75	12/29/05	12/20/35	123,792.45	125,190.99			(356.56)		123,435.89	121,986.64	(2,847.79)	0.00
FNMA	2000 BCDE RMRB	6.10	07/29/02	07/01/32	291,672.69	296,637.60			(2,095.68)		289,577.01	289,353.40	(5,188.52)	0.00
GNMA	2000 BCDE RMRB	5.75	02/02/06	01/20/36	159,525.65	162,100.74	302.21				159,827.86	157,932.83	(4,470.12)	0.00
FNMA	2000 BCDE RMRB	6.10	09/12/02	07/01/32	348,218.94	354,152.43			(1,362.69)		346,856.25	346,594.33	(6,195.41)	0.00
FNMA	2000 BCDE RMRB	6.10	10/29/02	10/01/32	246,107.28	250,306.62			(879.34)		245,227.94	245,048.43	(4,378.85)	0.00
FNMA	2000 BCDE RMRB	6.10	04/10/03	03/01/33	196,026.89	199,210.51			(1,390.47)		194,636.42	194,339.51	(3,480.53)	0.00
FNMA	2000 BCDE RMRB	6.10	07/03/03	05/01/33	268,598.05	272,970.14			(907.71)		267,690.34	267,291.65	(4,770.78)	0.00
FNMA	2000 BCDE RMRB	6.10	08/14/03	08/01/33	250,120.00	254,196.42			(836.09)		249,283.91	248,917.64	(4,442.69)	0.00
FNMA	2000 BCDE RMRB	6.10	09/04/03	08/01/33	210,311.41	213,740.76			(3,533.96)		206,777.45	206,475.29	(3,731.51)	0.00
FNMA	2000 BCDE RMRB	6.10	12/04/03	10/01/33	147,920.25	150,338.14			(530.16)		147,390.09	147,180.48	(2,627.50)	0.00
FNMA	2000 BCDE RMRB	5.40	12/11/03	11/01/33	254,827.66	252,815.35			(2,081.26)		252,746.40	244,079.36	(6,654.73)	0.00
FNMA	2000 BCDE RMRB	5.40	01/29/04	01/01/34	233,229.45	231,392.57			(1,275.47)		231,953.98	224,004.67	(6,112.43)	0.00
FNMA	2000 BCDE RMRB	5.75	05/13/04	05/01/34	261,721.89	262,856.30			(1,134.06)		260,587.83	256,003.36	(5,718.88)	0.00
FNMA	2000 BCDE RMRB	5.75	06/10/04	06/01/34	279,013.43	280,226.45			(2,037.99)		276,975.44	272,106.21	(6,082.25)	0.00
FNMA	2000 BCDE RMRB	5.75	07/15/04	07/01/34	299,720.93	301,028.49			(5,082.82)		294,638.11	289,462.73	(6,482.94)	0.00
FNMA	2000 BCDE RMRB	5.75	08/19/04	08/01/34	240,511.85	241,564.75			(770.87)		239,740.98	235,533.44	(5,260.44)	0.00
FNMA	2000 BCDE RMRB	5.75	09/23/04	08/01/34	74,741.34	75,069.60			(248.34)		74,493.00	73,186.66	(1,634.60)	0.00
FNMA	2000 BCDE RMRB	5.75	11/10/04	10/01/34	46,595.86	46,801.51			(145.32)		46,450.54	45,636.93	(1,019.26)	0.00
FNMA	2000 BCDE RMRB	5.75	02/03/05	02/01/35	234,586.35	235,604.68			(754.01)		233,832.34	229,529.24	(5,321.43)	0.00
FNMA	2000 BCDE RMRB	5.75	06/26/05	04/01/35	64,146.75	64,429.16			(192.71)		63,954.04	62,780.98	(1,455.47)	0.00
FNMA	2000 BCDE RMRB	5.75	10/27/05	10/01/35	268,259.15	269,454.75			(1,749.24)		266,509.91	261,635.67	(6,069.84)	0.00
FNMA	2000 BCDE RMRB	5.75	01/12/06	12/01/35	219,573.41	220,559.57			(654.72)		218,918.69	214,922.20	(4,982.65)	0.00
Repo Agmt	2000 BCDE RMRB	5.01	05/31/06	06/01/06			371,191.73				371,191.73	371,191.73	-	0.00
Inv Agmt	2000 BCDE RMRB				371,191.73	371,191.73		(371,191.73)					-	0.00
Repo Agmt	2000 BCDE RMRB	5.01	05/31/06	06/01/06	8.58	8.58	0.00				8.58	8.58	-	0.00
GNMA	2000 BCDE RMRB	5.40	10/30/03	10/20/33	19,871.75	19,872.96			(75.11)		19,796.64	19,174.72	(623.13)	0.00
GNMA	2000 BCDE RMRB	5.40	10/20/03	10/20/33	12,748.69	12,749.39			(45.65)		12,703.04	12,303.89	(399.85)	0.00
GNMA	2000 BCDE RMRB	5.40	11/19/03	10/20/33	44,487.60	44,490.66			(175.91)		44,311.69	42,919.95	(1,394.82)	0.00
GNMA	2000 BCDE RMRB	5.40	11/20/03	11/20/33	41,969.92	41,972.89			(161.94)		41,807.98	40,494.94	(1,316.01)	0.00
GNMA	2000 BCDE RMRB	5.40	11/26/03	11/20/33	27,446.20	27,448.21			(144.76)		27,301.44	26,444.08	(859.37)	0.00
GNMA	2000 BCDE RMRB	5.40	12/04/03	11/20/33	34,360.78	34,363.40			(125.15)		34,235.63	33,160.59	(1,077.66)	0.00

Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/06	Beginning Market Value 02/28/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/06	Ending Market Value 05/31/06	Change in In Market Value	Recognized Gain
GNMA	2000 BCDE RMRB	5.40	12/11/03	12/20/33	29,966.33	29,968.73			(101.73)		29,864.60	28,926.92	(940.08)	0.00
GNMA	2000 BCDE RMRB	5.40	12/18/03	12/20/33	81,491.81	81,498.56			(390.80)		81,101.01	78,554.89	(2,552.87)	0.00
GNMA	2000 BCDE RMRB	5.40	12/23/03	12/20/33	72,339.38	72,345.50			(282.63)		72,056.75	69,794.69	(2,268.18)	0.00
GNMA	2000 BCDE RMRB	5.40	01/01/04	01/20/34	11,034.77	11,024.91			(56.25)		10,978.52	10,641.34	(327.32)	0.00
GNMA	2000 BCDE RMRB	5.40	01/15/04	01/20/34	102,889.17	102,797.63			(906.01)		101,983.16	98,851.24	(3,040.38)	0.00
GNMA	2000 BCDE RMRB	5.40	01/22/04	01/20/34	24,369.39	24,302.23			(86.48)		24,282.91	23,492.11	(723.64)	0.00
GNMA	2000 BCDE RMRB	5.40	01/29/04	01/20/34	4,192.69	4,188.98			(17.45)		4,175.24	4,047.04	(124.49)	0.00
GNMA	2000 BCDE RMRB	5.75	03/25/04	03/20/34	1,544.70	1,561.73			(5.05)		1,539.65	1,521.46	(35.22)	0.00
GNMA	2000 BCDE RMRB	5.75	03/30/04	03/20/34	6,348.71	6,418.78			(22.50)		6,326.21	6,251.47	(144.81)	0.00
GNMA	2000 BCDE RMRB	5.75	07/08/04	07/20/34	29,023.42	29,344.98			(199.77)		28,823.65	28,484.31	(660.90)	0.00
GNMA	2000 BCDE RMRB	5.75	07/08/04	07/20/34	9,840.63	9,949.66			(61.60)		9,779.03	9,663.92	(224.14)	0.00
GNMA	2000 BCDE RMRB	4.75	04/08/04	04/20/34	6,402.21	6,472.89			(25.88)		6,376.33	6,301.02	(145.99)	0.00
GNMA	2000 BCDE RMRB	5.75	04/15/04	04/20/34	8,200.94	8,291.53			(56.14)		8,144.80	8,048.65	(186.74)	0.00
GNMA	2000 BCDE RMRB	5.75	04/22/04	04/20/34	5,042.34	5,098.03			(2,473.30)		2,569.04	2,538.71	(86.02)	0.00
GNMA	2000 BCDE RMRB	5.75	04/29/04	04/20/34	10,119.71	10,231.50			(36.59)		10,083.12	9,964.09	(230.82)	0.00
GNMA	2000 BCDE RMRB	5.75	05/06/04	05/20/34	7,396.76	7,478.51			(56.69)		7,340.07	7,253.47	(168.35)	0.00
GNMA	2000 BCDE RMRB	5.75	05/13/04	05/20/34	11,757.67	11,887.68			(38.25)		11,719.42	11,581.21	(268.22)	0.00
GNMA	2000 BCDE RMRB	5.75	05/20/04	05/20/34	21,556.06	21,794.43			(70.14)		21,485.92	21,232.53	(491.76)	0.00
GNMA	2000 BCDE RMRB	5.75	05/27/04	05/20/34	9,700.16	9,807.44			(32.39)		9,667.77	9,553.76	(221.29)	0.00
GNMA	2000 BCDE RMRB	5.75	06/03/04	06/20/34	15,763.60	15,938.02			(64.44)		15,699.16	15,514.11	(359.47)	0.00
GNMA	2000 BCDE RMRB	5.75	06/10/04	06/20/34	16,707.45	16,892.37			(59.10)		16,648.35	16,452.17	(381.10)	0.00
GNMA	2000 BCDE RMRB	5.75	06/17/04	06/20/34	7,092.96	7,171.47			(23.41)		7,069.55	6,986.24	(161.82)	0.00
GNMA	2000 BCDE RMRB	5.75	06/24/04	06/20/34	18,829.59	19,038.12			(72.16)		18,757.43	18,536.50	(429.46)	0.00
GNMA	2000 BCDE RMRB	5.75	09/02/04	08/20/34	4,120.19	4,165.93			(13.19)		4,107.00	4,058.74	(94.00)	0.00
GNMA	2000 BCDE RMRB	5.75	09/09/04	08/20/34	4,103.53	4,149.10			(13.07)		4,090.46	4,042.42	(93.61)	0.00
GNMA	2000 BCDE RMRB	5.75	09/16/04	09/20/34	3,687.34	3,728.30			(11.65)		3,675.69	3,632.51	(84.14)	0.00
GNMA	2000 BCDE RMRB	5.75	09/23/04	08/20/34	3,757.42	3,799.18			(12.19)		3,745.23	3,701.26	(85.73)	0.00
GNMA	2000 BCDE RMRB	5.75	09/29/04	09/20/34	11,089.44	11,212.70			(35.99)		11,053.45	10,923.70	(253.01)	0.00
GNMA	2000 BCDE RMRB	5.75	10/07/04	10/20/34	5,591.52	5,653.71			(24.64)		5,566.88	5,501.58	(127.49)	0.00
GNMA	2000 BCDE RMRB	5.75	07/15/04	07/20/34	21,645.71	21,885.60			(75.22)		21,570.49	21,316.63	(493.75)	0.00
GNMA	2000 BCDE RMRB	5.75	07/22/04	07/20/34	23,897.61	24,162.53			(138.36)		23,759.25	23,479.69	(544.48)	0.00
GNMA	2000 BCDE RMRB	5.75	07/29/04	07/20/34	14,923.47	15,088.94			(47.44)		14,876.03	14,701.02	(340.48)	0.00
GNMA	2000 BCDE RMRB	5.75	08/05/04	08/20/34	19,230.66	19,443.97			(2,270.90)		16,959.76	16,760.34	(412.73)	0.00
GNMA	2000 BCDE RMRB	5.75	08/12/04	08/20/34	27,933.54	28,243.47			(93.95)		27,839.59	27,512.27	(637.25)	0.00
GNMA	2000 BCDE RMRB	5.75	08/19/04	08/20/34	9,502.00	9,593.32			(35.62)		9,466.38	9,341.13	(216.57)	0.00
GNMA	2000 BCDE RMRB	5.75	08/26/04	08/20/34	2,991.97	3,025.19			(9.68)		2,982.29	2,947.26	(68.25)	0.00
GNMA	2000 BCDE RMRB	5.75	12/02/04	11/20/34	3,478.66	3,517.40			(19.01)		3,459.65	3,419.11	(79.28)	0.00
GNMA	2000 BCDE RMRB	5.75	12/17/04	12/20/34	7,469.94	7,553.23			(27.48)		7,442.46	7,355.35	(170.40)	0.00
GNMA	2000 BCDE RMRB	5.75	10/14/04	10/20/34	2,267.25	2,292.48			(7.63)		2,259.62	2,233.12	(51.73)	0.00
GNMA	2000 BCDE RMRB	5.75	10/28/04	10/20/34	4,565.02	4,615.80			(14.28)		4,550.74	4,497.35	(104.17)	0.00
GNMA	2000 BCDE RMRB	5.75	11/04/04	10/20/34	2,432.83	2,459.92			(7.80)		2,425.03	2,396.62	(55.50)	0.00
GNMA	2000 BCDE RMRB	5.75	11/23/04	11/20/34	2,371.95	2,398.39			(7.35)		2,364.60	2,336.91	(54.13)	0.00
GNMA	2000 BCDE RMRB	5.75	12/23/04	12/20/34	11,706.51	11,837.08			(47.81)		11,658.70	11,522.30	(266.97)	0.00
GNMA	2000 BCDE RMRB	5.75	02/17/05	02/20/35	2,046.23	2,069.07			(6.22)		2,040.01	2,015.79	(47.06)	0.00
GNMA	2000 BCDE RMRB	5.75	05/05/05	04/20/35	5,423.34	5,484.04			(17.56)		5,405.78	5,341.74	(124.74)	0.00
GNMA	2000 BCDE RMRB	5.75	09/08/05	08/20/35	2,461.66	2,501.72			(7.25)		2,454.41	2,437.41	(57.06)	0.00
GNMA	2000 BCDE RMRB	5.75	10/27/05	10/20/35	4,859.94	4,914.71			(14.13)		4,845.81	4,788.78	(111.80)	0.00
GNMA	2000 BCDE RMRB	5.75	09/29/05	09/20/35	5,370.27	5,457.75			(19.55)		5,350.72	5,313.77	(124.43)	0.00
GNMA	2000 BCDE RMRB	5.75	11/22/05	11/20/35	9,733.88	9,843.69			(28.20)		9,705.68	9,591.56	(223.93)	0.00
GNMA	2000 BCDE RMRB	5.75	12/29/05	12/20/35	4,791.01	4,845.15			(13.79)		4,777.22	4,721.13	(110.23)	0.00
GNMA	2000 BCDE RMRB	5.75	02/02/06	01/20/36	6,173.96	6,273.63	11.69				6,185.65	6,112.32	(173.00)	0.00
FNMA	2000 BCDE RMRB	5.40	12/11/03	11/01/33	21,189.86	21,022.54			(173.07)		21,016.79	20,296.11	(553.36)	0.00
FNMA	2000 BCDE RMRB	5.40	01/29/04	01/01/34	19,393.88	19,241.15			(106.07)		19,287.81	18,626.82	(508.26)	0.00
FNMA	2000 BCDE RMRB	5.75	05/13/04	05/01/34	10,129.18	10,173.08			(43.89)		10,085.29	9,907.85	(221.34)	0.00
FNMA	2000 BCDE RMRB	5.75	06/10/04	06/01/34	10,798.38	10,845.34			(78.87)		10,719.51	10,531.07	(235.40)	0.00
FNMA	2000 BCDE RMRB	5.75	07/15/04	07/01/34	11,599.79	11,650.42			(196.71)		11,403.08	11,202.80	(250.91)	0.00
FNMA	2000 BCDE RMRB	5.75	08/19/04	08/01/34	9,308.28	9,349.05			(29.83)		9,278.45	9,115.62	(203.60)	0.00
FNMA	2000 BCDE RMRB	5.75	09/23/04	08/01/34	2,892.65	2,905.35			(9.61)		2,883.04	2,832.48	(63.26)	0.00
FNMA	2000 BCDE RMRB	5.75	11/10/04	10/01/34	1,803.35	1,811.31			(5.63)		1,797.72	1,766.24	(39.44)	0.00

Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/06	Beginning Market Value 02/28/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/06	Ending Market Value 05/31/06	Change In In Market Value	Recognized Gain
FNMA	2000 BCDE RMRB	5.75	02/03/05	02/01/35	9,078.97	9,118.38			(29.19)		9,049.78	8,883.25	(205.94)	0.00
FNMA	2000 BCDE RMRB	5.75	05/26/05	04/01/35	2,482.64	2,493.54			(7.46)		2,475.18	2,429.75	(56.33)	0.00
FNMA	2000 BCDE RMRB	5.75	10/27/05	10/01/35	10,382.17	10,428.45			(67.70)		10,314.47	10,125.83	(234.92)	0.00
FNMA	2000 BCDE RMRB	5.75	01/12/06	12/01/35	8,497.94	8,536.11			(25.34)		8,472.60	8,317.93	(192.84)	0.00
	2000 BCDE RMRB Total				78,921,178.10	80,175,415.96	2,622,503.46	(441,182.00)	(1,440,290.81)	0.00	79,662,208.75	79,346,898.70	(1,569,547.91)	0.00
Repo Agmt	2001 A-E RMRB	5.01	05/31/06	06/01/06	4,486.27	4,486.27	54.47				4,540.74	4,540.74	-	0.00
Repo Agmt	2001 A-E RMRB	5.01	05/31/06	06/01/06	81,578.82	81,578.82	989.21				82,568.03	82,568.03	-	0.00
Repo Agmt	2001 A-E RMRB	5.01	05/31/06	06/01/06	3,126.82	3,126.82	38.00				3,164.82	3,164.82	-	0.00
Repo Agmt	2001 A-E RMRB	5.01	05/31/06	06/01/06	12,644.08	12,644.08	716.93				13,361.01	13,361.01	-	0.00
Repo Agmt	2001 A-E RMRB	5.01	05/31/06	06/01/06	0.07	0.07	0.11				0.18	0.18	-	0.00
Repo Agmt	2001 A-E RMRB	5.01	05/31/06	06/01/06	1.99	1.99	0.00				1.99	1.99	-	0.00
GIC's	2001 A-E RMRB	4.71	10/30/01	07/01/33	1,198,541.38	1,198,541.38	2,870,889.53				4,069,430.91	4,069,430.91	-	0.00
GIC's	2001 A-E RMRB	4.71	10/30/01	07/01/33	187,120.99	187,120.99	753.37				187,874.36	187,874.36	-	0.00
GIC's	2001 A-E RMRB	4.71	10/30/01	07/01/33	2,509,097.27	2,509,097.27	0.00				2,509,097.27	2,509,097.27	-	0.00
GNMA	2001 A-E RMRB	8.19	07/25/90	06/20/15	259,300.58	275,709.50			(5,280.03)		254,020.55	268,171.21	(2,258.26)	0.00
GNMA	2001 A-E RMRB	7.19	07/25/90	06/20/15	65,117.41	67,464.95			(1,811.62)		63,305.79	64,920.75	(732.58)	0.00
GNMA	2001 A-E RMRB	8.19	07/25/90	06/20/15	58,016.82	61,686.16			(1,600.44)		56,416.38	59,559.09	(526.63)	0.00
GNMA	2001 A-E RMRB	7.19	01/22/90	11/20/14	209,767.66	216,654.32			(5,055.81)		204,711.85	209,560.62	(2,237.89)	0.00
GNMA	2001 A-E RMRB	8.19	01/22/90	11/20/14	30,091.98	31,958.08			(711.31)		29,380.67	30,949.81	(296.96)	0.00
GNMA	2001 A-E RMRB	7.19	01/01/90	11/20/14	140,352.52	145,093.33			(20,187.39)		120,165.13	123,010.67	(1,895.27)	0.00
GNMA	2001 A-E RMRB	8.19	01/01/90	11/20/14	121,805.15	129,357.94			(33,675.45)		88,129.70	92,835.94	(2,846.55)	0.00
GNMA	2001 A-E RMRB	7.19	01/01/90	12/20/14	169,773.74	175,510.78			(4,797.27)		164,976.47	168,885.72	(1,827.79)	0.00
GNMA	2001 A-E RMRB	8.19	02/28/90	12/20/14	216,750.96	230,198.10			(6,091.54)		210,659.42	221,915.69	(2,190.87)	0.00
GNMA	2001 A-E RMRB	7.19	01/20/90	01/20/15	246,547.39	255,403.25			(5,646.51)		240,900.88	247,015.06	(2,741.68)	0.00
GNMA	2001 A-E RMRB	8.19	01/01/90	01/20/15	351,593.06	373,793.32			(7,737.60)		343,855.46	362,962.87	(3,092.85)	0.00
GNMA	2001 A-E RMRB	7.19	02/27/90	01/20/15	129,840.12	134,505.26			(2,668.84)		127,171.28	130,400.38	(1,436.04)	0.00
GNMA	2001 A-E RMRB	8.19	02/27/90	12/20/14	123,812.41	131,493.64			(2,513.31)		121,299.10	127,780.49	(1,199.84)	0.00
GNMA	2001 A-E RMRB	7.19	02/27/90	01/20/15	145,690.06	150,924.69			(3,267.69)		142,422.37	146,038.73	(1,618.27)	0.00
GNMA	2001 A-E RMRB	8.19	02/27/90	01/20/15	180,240.98	191,624.65			(30,498.02)		149,742.96	158,066.46	(3,060.17)	0.00
GNMA	2001 A-E RMRB	7.19	03/30/90	01/20/15	112,558.77	116,604.04			(26,492.39)		86,066.38	88,252.47	(1,859.18)	0.00
GNMA	2001 A-E RMRB	8.19	03/30/90	01/20/15	135,419.57	143,973.73			(2,696.43)		132,723.14	140,101.72	(1,175.58)	0.00
GNMA	2001 A-E RMRB	7.19	03/30/90	02/20/15	103,997.54	107,736.77			(3,106.28)		100,891.26	103,455.47	(1,175.02)	0.00
GNMA	2001 A-E RMRB	8.19	03/30/90	02/20/15	262,226.55	278,794.97			(7,149.66)		255,076.89	269,261.60	(2,383.71)	0.00
GNMA	2001 A-E RMRB	7.19	04/26/90	03/20/15	356,801.32	369,638.19			(29,051.49)		327,749.83	336,087.14	(4,499.56)	0.00
GNMA	2001 A-E RMRB	8.19	04/26/90	03/20/15	236,779.11	251,745.19			(6,325.92)		230,453.19	243,273.92	(2,145.35)	0.00
GNMA	2001 A-E RMRB	7.19	04/26/90	03/20/15	287,520.09	297,864.40			(14,988.99)		272,531.10	279,463.76	(3,411.65)	0.00
GNMA	2001 A-E RMRB	8.19	04/26/90	03/20/15	633,625.39	673,674.83			(64,744.94)		568,880.45	600,528.74	(8,401.15)	0.00
GNMA	2001 A-E RMRB	7.19	05/29/90	04/20/15	149,596.53	154,982.34			(29,586.54)		120,009.99	123,065.72	(2,330.08)	0.00
GNMA	2001 A-E RMRB	8.19	05/29/90	03/20/15	37,255.87	39,611.09			(707.17)		36,548.70	38,582.39	(321.53)	0.00
GNMA	2001 A-E RMRB	7.19	05/29/90	04/20/15	185,897.78	192,590.58			(4,640.09)		181,257.69	185,873.00	(2,077.49)	0.00
GNMA	2001 A-E RMRB	8.19	05/29/90	04/20/15	510,837.39	543,139.00			(45,831.94)		465,005.45	490,886.85	(6,420.21)	0.00
GNMA	2001 A-E RMRB	7.19	06/28/90	05/20/15	86,930.00	90,061.76			(1,741.15)		85,188.85	87,359.99	(960.62)	0.00
GNMA	2001 A-E RMRB	8.19	06/28/90	05/20/15	85,166.49	90,553.91			(1,755.35)		83,411.14	88,055.72	(742.84)	0.00
GNMA	2001 A-E RMRB	7.19	06/28/90	05/20/15	96,026.14	99,465.68			(1,910.72)		94,115.42	96,514.13	(1,060.83)	0.00
GNMA	2001 A-E RMRB	8.19	06/28/90	05/20/15	321,214.00	341,533.08			(26,170.76)		295,043.24	311,472.00	(3,890.32)	0.00
GNMA	2001 A-E RMRB	6.19	06/28/90	05/20/15	116,642.05	118,639.82			(2,474.48)		114,167.57	114,344.06	(1,821.28)	0.00
GNMA	2001 A-E RMRB	7.19	07/25/90	06/20/15	58,293.45	60,395.00			(1,162.84)		57,130.61	58,588.06	(644.10)	0.00
GNMA	2001 A-E RMRB	7.19	09/13/90	06/20/15	30,865.62	31,978.83			(597.61)		30,268.01	31,040.63	(340.59)	0.00
GNMA	2001 A-E RMRB	8.19	09/13/90	07/20/15	113,483.18	120,668.09			(2,021.86)		111,461.32	117,673.91	(972.32)	0.00
GNMA	2001 A-E RMRB	7.19	09/13/90	07/20/15	93,832.55	97,218.06			(1,748.38)		92,084.17	94,435.97	(1,033.71)	0.00
GNMA	2001 A-E RMRB	8.19	09/13/90	08/20/15	179,528.50	190,897.50			(3,286.45)		176,242.05	186,068.07	(1,542.98)	0.00
GNMA	2001 A-E RMRB	6.19	09/13/90	07/20/15	108,790.99	110,660.09			(2,480.16)		106,310.83	106,480.76	(1,699.17)	0.00
GNMA	2001 A-E RMRB	8.19	09/28/90	08/20/15	118,107.10	125,587.15			(3,568.68)		114,538.42	120,924.82	(1,093.65)	0.00
GNMA	2001 A-E RMRB	6.19	09/28/90	08/20/15	209,016.60	212,611.71			(8,225.89)		200,790.71	201,115.49	(3,270.33)	0.00
GNMA	2001 A-E RMRB	7.19	09/28/90	08/20/15	219,711.82	227,643.48			(5,228.30)		214,483.52	219,965.60	(2,449.58)	0.00
GNMA	2001 A-E RMRB	8.19	09/28/90	08/20/15	441,043.10	468,975.56			(9,369.22)		431,673.88	455,742.97	(3,863.37)	0.00
GNMA	2001 A-E RMRB	7.19	10/31/90	08/20/15	9,341.82	9,679.15			(170.20)		9,171.62	9,406.12	(102.83)	0.00
GNMA	2001 A-E RMRB	8.19	10/31/90	09/20/15	131,846.11	140,199.71			(3,066.22)		128,779.89	135,963.67	(1,169.82)	0.00

Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/06	Beginning Market Value 02/28/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/06	Ending Market Value 05/31/06	Change in In Market Value	Recognized Gain
GNMA	2001 A-E RMRB	6.19	10/31/90	09/20/15	166,619.62	169,489.56			(3,891.69)		162,727.93	162,995.05	(2,602.82)	0.00
GNMA	2001 A-E RMRB	7.19	10/31/90	09/20/15	48,162.54	49,902.42			(14,372.94)		33,789.60	34,654.07	(875.41)	0.00
GNMA	2001 A-E RMRB	8.19	10/31/90	09/20/15	302,854.87	322,043.27			(5,473.25)		297,381.62	313,970.47	(2,599.55)	0.00
GNMA	2001 A-E RMRB	6.19	11/28/90	10/20/15	149,288.15	151,863.03			(3,718.21)		145,569.94	145,812.22	(2,332.60)	0.00
GNMA	2001 A-E RMRB	8.19	11/28/90	10/20/15	514,412.11	547,017.05			(9,145.31)		505,266.80	533,464.44	(4,407.30)	0.00
GNMA	2001 A-E RMRB	7.19	12/21/90	10/20/15	77,981.36	80,800.91			(1,399.68)		76,581.68	78,543.32	(857.91)	0.00
GNMA	2001 A-E RMRB	8.19	12/21/90	11/20/15	155,150.08	164,987.40			(21,699.88)		133,450.20	140,900.79	(2,386.73)	0.00
GNMA	2001 A-E RMRB	8.19	02/25/91	10/20/15	42,690.83	45,397.96			(737.45)		41,953.38	44,295.88	(364.63)	0.00
GNMA	2001 A-E RMRB	6.19	01/25/91	11/20/15	155,514.76	158,202.14			(3,026.85)		152,487.91	152,746.62	(2,428.67)	0.00
GNMA	2001 A-E RMRB	8.19	01/28/91	11/20/15	43,847.29	46,628.02			(922.13)		42,925.16	45,322.22	(383.67)	0.00
GNMA	2001 A-E RMRB	8.19	02/25/90	01/20/16	140,966.45	150,294.16			(3,271.82)		137,694.63	145,761.81	(1,260.53)	0.00
GNMA	2001 A-E RMRB	8.19	03/28/91	02/20/16	109,246.79	116,490.99			(2,177.68)		107,069.11	113,356.63	(956.68)	0.00
GNMA	2001 A-E RMRB	8.75	04/29/91	02/20/20	129,213.37	139,605.95			(1,183.87)		128,029.50	137,027.25	(1,394.83)	0.00
GNMA	2001 A-E RMRB	8.19	04/29/91	04/20/16	182,821.60	194,951.97			(3,625.76)		179,195.84	189,726.14	(1,600.07)	0.00
GNMA	2001 A-E RMRB	7.19	04/29/91	02/20/16	294,428.95	305,641.51			(5,135.63)		289,293.32	297,149.85	(3,356.03)	0.00
GNMA	2001 A-E RMRB	6.19	04/29/91	04/20/16	334,422.06	340,754.63			(6,538.29)		327,883.77	328,660.09	(5,556.25)	0.00
GNMA	2001 A-E RMRB	8.19	04/26/91	04/20/16	22,573.13	24,070.91			(395.76)		22,177.37	23,480.67	(194.46)	0.00
GNMA	2001 A-E RMRB	7.19	04/26/91	04/20/16	89,167.83	92,566.00			(1,777.85)		87,389.98	89,765.85	(1,022.30)	0.00
GNMA	2001 A-E RMRB	6.19	10/23/92	09/20/17	478,860.62	488,624.96			(9,228.67)		469,652.15	471,196.55	(8,399.74)	0.00
GNMA	2001 A-E RMRB	8.19	11/23/92	01/20/17	18,265.37	19,530.72			(450.76)		17,814.61	18,912.07	(167.89)	0.00
GNMA	2001 A-E RMRB	7.19	10/30/92	08/20/17	390,972.85	406,650.00			(49,560.06)		341,412.79	351,268.81	(5,821.13)	0.00
GNMA	2001 A-E RMRB	6.00	10/30/92	09/20/17	372,683.72	379,986.41			(5,846.38)		366,837.34	366,778.51	(7,361.52)	0.00
GNMA	2001 A-E RMRB	5.45	02/25/02	01/20/32	527,119.93	530,720.51			(62,763.13)		464,356.80	452,950.16	(15,007.22)	0.00
GNMA	2001 A-E RMRB	4.95	02/25/02	02/20/32	1,235,081.78	1,218,237.49			(6,717.68)		1,228,364.10	1,168,874.29	(42,645.52)	0.00
GNMA	2001 A-E RMRB	5.45	05/15/02	05/20/32	315,772.65	317,953.63			(1,273.24)		314,499.41	306,797.13	(9,883.26)	0.00
GNMA	2001 A-E RMRB	4.95	05/15/02	05/20/32	1,150,010.03	1,134,407.15			(7,612.45)		1,142,397.58	1,087,148.92	(39,645.78)	0.00
GNMA	2001 A-E RMRB	4.95	05/24/02	05/20/32	849,942.92	838,417.21			(3,678.97)		846,263.95	805,342.67	(29,395.57)	0.00
GNMA	2001 A-E RMRB	5.45	05/24/02	05/20/32	338,043.87	340,361.09			(1,395.57)		336,648.30	328,405.90	(10,579.62)	0.00
GNMA	2001 A-E RMRB	5.45	03/21/02	02/20/32	1,100,761.74	1,108,305.31			(4,638.05)		1,096,123.69	1,069,221.84	(34,445.42)	0.00
GNMA	2001 A-E RMRB	5.45	03/21/02	02/20/32	103,966.60	104,679.09			(577.95)		103,388.65	100,851.21	(3,249.93)	0.00
GNMA	2001 A-E RMRB	4.95	03/21/02	02/20/32	882,225.87	870,209.67			(4,396.05)		877,829.82	835,331.57	(30,482.05)	0.00
GNMA	2001 A-E RMRB	5.45	04/17/02	04/20/32	1,743,817.49	1,755,817.45			(7,555.89)		1,736,261.60	1,693,696.76	(54,564.80)	0.00
GNMA	2001 A-E RMRB	5.45	04/17/02	03/20/32	156,693.87	157,771.68			(624.91)		156,068.96	152,242.29	(4,904.48)	0.00
GNMA	2001 A-E RMRB	4.95	04/17/02	04/20/32	1,652,815.59	1,630,349.60			(9,497.26)		1,643,318.33	1,563,804.78	(57,047.76)	0.00
GNMA	2001 A-E RMRB	5.45	04/29/02	04/20/32	62,886.75	63,320.08			(248.71)		62,638.04	61,103.02	(1,968.35)	0.00
GNMA	2001 A-E RMRB	4.95	04/29/02	04/20/32	2,269,264.96	2,238,440.44			(113,445.52)		2,155,819.44	2,051,526.64	(73,468.28)	0.00
GNMA	2001 A-E RMRB	5.45	04/29/02	04/20/32	646,036.92	650,488.49			(2,988.27)		643,048.65	627,289.87	(20,210.35)	0.00
GNMA	2001 A-E RMRB	4.95	04/29/02	04/20/32	81,357.78	80,252.66			(382.91)		80,974.87	77,057.52	(2,812.23)	0.00
GNMA	2001 A-E RMRB	5.45	05/15/02	05/20/32	406,610.46	409,418.86			(1,665.42)		404,945.04	395,027.69	(12,725.75)	0.00
GNMA	2001 A-E RMRB	4.95	05/15/02	04/20/32	327,359.40	322,916.96			(1,478.51)		325,880.89	310,119.71	(11,318.74)	0.00
GNMA	2001 A-E RMRB	5.45	05/15/02	04/20/32	129,004.93	129,895.56			(519.60)		128,485.33	125,338.28	(4,037.68)	0.00
GNMA	2001 A-E RMRB	5.45	08/29/02	08/20/32	464,899.53	468,154.41			(3,162.50)		461,737.03	450,471.05	(14,520.86)	0.00
GNMA	2001 A-E RMRB	4.95	08/29/02	08/20/32	539,059.28	531,795.44			(2,293.60)		536,765.68	510,854.54	(16,647.30)	0.00
GNMA	2001 A-E RMRB	5.45	06/03/02	05/20/32	385,439.46	388,107.51			(1,616.15)		383,823.31	374,428.91	(12,062.45)	0.00
GNMA	2001 A-E RMRB	4.95	06/03/02	05/20/32	1,007,470.42	993,816.50			(80,567.48)		926,902.94	882,089.38	(31,159.64)	0.00
GNMA	2001 A-E RMRB	4.95	06/10/02	05/20/32	415,898.15	410,263.70			(2,766.39)		413,131.76	393,159.83	(14,337.48)	0.00
GNMA	2001 A-E RMRB	5.45	06/19/02	06/20/32	99,789.45	100,481.82			(443.55)		99,345.90	96,915.89	(3,122.38)	0.00
GNMA	2001 A-E RMRB	4.95	06/19/02	06/20/32	284,169.41	280,322.69			(1,228.91)		282,940.50	269,265.36	(9,828.42)	0.00
GNMA	2001 A-E RMRB	5.45	06/25/02	05/20/32	204,836.85	206,258.28			(843.07)		203,993.78	199,004.28	(6,410.93)	0.00
GNMA	2001 A-E RMRB	4.95	06/25/02	06/20/32	194,155.76	191,528.50			(852.83)		193,302.93	183,961.10	(6,714.57)	0.00
GNMA	2001 A-E RMRB	5.45	07/05/02	06/20/32	505,836.84	509,352.67			(64,316.97)		441,519.87	430,725.47	(14,310.23)	0.00
GNMA	2001 A-E RMRB	4.95	07/05/02	06/20/32	1,041,851.02	1,027,760.20			(4,621.02)		1,037,230.00	987,110.30	(36,028.88)	0.00
GNMA	2001 A-E RMRB	5.45	07/15/02	06/20/32	120,190.91	121,027.28			(466.33)		119,724.58	116,798.47	(3,762.48)	0.00
GNMA	2001 A-E RMRB	4.95	07/15/02	06/20/32	297,504.36	293,483.05			(1,428.13)		296,076.23	281,771.89	(10,283.03)	0.00
GNMA	2001 A-E RMRB	5.45	07/22/02	06/20/32	169,077.68	170,255.27			(869.32)		168,208.36	164,098.28	(5,287.67)	0.00
GNMA	2001 A-E RMRB	4.95	07/22/02	07/20/32	728,131.12	718,295.60			(100,160.46)		627,970.66	597,636.90	(20,498.24)	0.00
GNMA	2001 A-E RMRB	5.45	07/29/02	06/20/32	102,898.42	74,225.70			(427.71)		102,470.71	71,612.28	(2,185.71)	0.00
GNMA	2001 A-E RMRB	5.45	07/29/02	06/20/32	73,711.93	103,615.61			(306.38)		73,405.55	99,967.40	(3,341.83)	0.00
GNMA	2001 A-E RMRB	4.95	07/29/02	07/20/32	440,155.67	434,212.30			(1,870.67)		438,285.00	417,116.44	(15,225.19)	0.00

Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/06	Beginning Market Value 02/28/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/06	Ending Market Value 05/31/06	Change in In Market Value	Recognized Gain
GNMA	2001 A-E RMRB	5.45	08/01/02	07/20/32	64,329.90	64,776.66			(251.54)		64,078.36	62,513.33	(2,013.79)	0.00
GNMA	2001 A-E RMRB	4.95	08/01/02	06/20/32	56,786.90	56,020.12			(258.00)		56,528.90	53,798.53	(1,963.59)	0.00
GNMA	2001 A-E RMRB	5.45	08/12/02	07/20/32	313,718.81	315,909.85			(96,765.49)		216,953.32	211,656.25	(7,488.11)	0.00
GNMA	2001 A-E RMRB	4.95	08/12/02	07/20/32	245,570.52	242,257.30			(1,069.92)		244,500.60	232,693.91	(8,493.47)	0.00
GNMA	2001 A-E RMRB	5.45	08/23/02	08/20/32	963,402.80	970,142.97			(99,266.06)		864,136.74	843,048.32	(27,828.59)	0.00
GNMA	2001 A-E RMRB	4.95	08/23/02	08/20/32	1,489,285.76	1,469,210.17			(104,841.63)		1,384,444.13	1,317,606.60	(46,761.94)	0.00
GNMA	2001 A-E RMRB	5.45	11/12/02	10/20/32	361,842.81	364,400.07			(2,035.08)		359,807.73	351,051.76	(11,313.23)	0.00
GNMA	2001 A-E RMRB	5.45	09/12/02	08/20/32	241,058.47	242,746.66			(998.16)		240,060.31	234,205.63	(7,545.07)	0.00
GNMA	2001 A-E RMRB	4.95	09/12/02	08/20/32	557,326.52	549,822.65			(2,367.96)		554,958.56	528,175.08	(19,279.61)	0.00
GNMA	2001 A-E RMRB	5.45	09/19/02	09/20/32	115,811.15	116,624.33			(440.80)		115,370.35	112,557.69	(3,625.84)	0.00
GNMA	2001 A-E RMRB	4.95	09/19/02	09/20/32	556,883.78	549,390.82			(2,891.50)		553,992.28	527,260.19	(19,239.13)	0.00
GNMA	2001 A-E RMRB	5.45	09/26/02	09/20/32	606,256.00	610,515.98			(2,388.68)		603,867.32	589,148.36	(18,978.94)	0.00
GNMA	2001 A-E RMRB	4.95	09/26/02	09/20/32	388,001.29	382,782.60			(1,671.23)		386,330.06	367,690.12	(13,421.25)	0.00
GNMA	2001 A-E RMRB	5.45	10/10/02	09/20/32	602,164.45	606,402.42			(2,334.43)		599,830.02	585,215.98	(18,852.01)	0.00
GNMA	2001 A-E RMRB	4.95	10/10/02	09/20/32	452,111.91	446,035.89			(2,125.70)		449,986.21	428,279.71	(15,630.48)	0.00
GNMA	2001 A-E RMRB	5.45	10/21/02	10/20/32	153,972.59	155,058.11			(588.01)		153,384.58	149,649.39	(4,820.71)	0.00
GNMA	2001 A-E RMRB	4.95	10/21/02	10/20/32	432,858.29	427,046.19			(1,805.26)		431,053.03	410,264.79	(14,976.14)	0.00
GNMA	2001 A-E RMRB	5.45	10/29/02	11/20/32	128,917.22	129,827.28			(491.34)		128,425.88	125,299.74	(4,036.20)	0.00
GNMA	2001 A-E RMRB	4.95	10/29/02	11/20/32	318,871.07	314,592.37			(1,344.98)		317,526.09	302,215.93	(11,031.46)	0.00
GNMA	2001 A-E RMRB	5.45	11/05/02	10/20/32	431,917.43	434,967.74			(1,809.09)		430,108.34	419,639.48	(13,519.17)	0.00
GNMA	2001 A-E RMRB	4.95	11/05/02	10/20/32	262,152.40	258,635.54			(1,088.28)		261,064.12	248,476.89	(9,070.37)	0.00
GNMA	2001 A-E RMRB	5.45	11/19/02	11/20/32	111,383.00	112,171.20			(424.81)		110,958.19	108,258.99	(3,487.40)	0.00
GNMA	2001 A-E RMRB	4.95	11/19/02	11/20/32	74,742.12	73,740.48			(309.42)		74,432.70	70,844.93	(2,586.13)	0.00
GNMA	2001 A-E RMRB	5.45	11/26/02	11/20/32	195,322.66	196,706.09			(769.89)		194,552.77	189,821.22	(6,114.98)	0.00
GNMA	2001 A-E RMRB	4.95	11/26/02	11/20/32	80,551.72	79,472.70			(335.58)		80,216.14	76,350.05	(2,787.07)	0.00
GNMA	2001 A-E RMRB	5.45	11/26/02	11/20/32	190,407.27	191,755.84			(1,752.42)		188,654.85	184,066.70	(5,936.72)	0.00
GNMA	2001 A-E RMRB	4.95	12/12/02	11/20/32	192,898.22	190,316.58			(115,544.10)		77,354.12	73,626.86	(1,145.62)	0.00
GNMA	2001 A-E RMRB	5.45	12/12/02	11/20/32	368,782.24	371,398.65			(1,917.18)		366,865.06	357,947.10	(11,534.37)	0.00
GNMA	2001 A-E RMRB	5.45	12/19/02	12/20/32	419,293.51	422,272.13			(10,465.08)		408,828.43	398,894.03	(12,913.02)	0.00
GNMA	2001 A-E RMRB	4.95	12/19/02	11/20/32	66,537.81	65,647.70			(271.97)		66,265.84	63,073.25	(2,302.48)	0.00
GNMA	2001 A-E RMRB	5.45	12/30/02	12/20/32	442,806.47	445,955.72			(1,868.94)		440,937.53	430,226.79	(13,859.99)	0.00
GNMA	2001 A-E RMRB	5.45	12/30/02	12/20/32	44,168.74	44,482.87			(168.26)		44,000.48	42,931.68	(1,382.93)	0.00
GNMA	2001 A-E RMRB	4.95	12/30/02	12/20/32	130,466.35	128,722.47			(544.17)		129,922.18	123,664.20	(4,514.10)	0.00
GNMA	2001 A-E RMRB	5.45	01/09/03	12/20/32	109,657.39	110,438.17			(742.32)		108,915.07	106,270.19	(3,425.66)	0.00
GNMA	2001 A-E RMRB	5.45	01/23/03	01/20/33	389,066.04	391,823.08			(1,766.13)		387,299.91	377,775.44	(12,261.51)	0.00
GNMA	2001 A-E RMRB	4.95	01/23/03	01/20/33	382,172.52	377,134.63			(2,082.44)		380,090.08	361,636.91	(13,415.28)	0.00
GNMA	2001 A-E RMRB	5.45	01/23/03	01/20/33	94,293.75	94,957.07			(352.80)		93,940.95	91,630.76	(2,973.51)	0.00
GNMA	2001 A-E RMRB	4.95	01/23/03	01/20/33	55,036.27	54,310.77			(728.88)		54,307.39	51,670.80	(1,911.09)	0.00
GNMA	2001 A-E RMRB	5.45	01/30/03	12/20/32	290,030.99	292,101.06			(1,225.98)		288,805.01	281,796.52	(9,078.56)	0.00
GNMA	2001 A-E RMRB	4.95	01/30/03	01/20/33	77,081.27	76,065.55			(475.25)		76,606.02	72,887.21	(2,703.09)	0.00
GNMA	2001 A-E RMRB	5.45	02/12/03	01/20/33	243,795.67	245,514.62			(1,399.85)		242,395.82	236,438.41	(7,676.36)	0.00
GNMA	2001 A-E RMRB	4.95	02/12/03	02/20/33	164,187.43	162,026.01			(673.54)		163,513.89	155,576.36	(5,774.11)	0.00
GNMA	2001 A-E RMRB	5.45	02/20/03	02/20/33	183,008.51	184,300.54			(701.77)		182,306.74	177,827.95	(5,770.82)	0.00
GNMA	2001 A-E RMRB	5.45	02/27/03	02/20/33	93,781.38	94,443.95			(346.53)		93,434.85	91,139.87	(2,957.55)	0.00
GNMA	2001 A-E RMRB	4.95	02/27/03	02/20/33	142,719.46	140,842.36			(595.02)		142,124.44	135,228.47	(5,018.87)	0.00
GNMA	2001 A-E RMRB	4.95	03/12/03	02/20/33	164,445.11	162,284.07			(668.03)		163,777.08	155,832.23	(5,783.81)	0.00
GNMA	2001 A-E RMRB	5.45	03/20/03	02/20/33	275,532.59	277,483.98			(1,316.22)		274,216.37	267,485.53	(8,682.23)	0.00
GNMA	2001 A-E RMRB	4.95	03/20/03	02/20/33	209,723.68	206,968.86			(1,697.10)		208,026.58	197,936.38	(7,335.38)	0.00
GNMA	2001 A-E RMRB	5.45	04/02/03	03/20/33	115,756.78	116,578.13			(444.08)		115,312.70	112,483.74	(3,650.31)	0.00
GNMA	2001 A-E RMRB	5.45	04/10/03	03/20/33	126,915.60	127,816.90			(616.31)		126,299.29	123,201.54	(3,999.05)	0.00
GNMA	2001 A-E RMRB	5.45	04/17/03	03/20/33	56,466.76	56,868.11			(783.78)		55,682.98	54,317.58	(1,766.75)	0.00
GNMA	2001 A-E RMRB	5.45	04/29/03	04/20/33	225,870.26	227,478.43			(850.14)		225,020.12	219,505.26	(7,123.03)	0.00
GNMA	2001 A-E RMRB	5.45	05/08/03	04/20/33	210,644.73	212,146.21			(795.29)		209,849.44	204,707.83	(6,643.09)	0.00
GNMA	2001 A-E RMRB	4.95	05/08/03	04/20/33	147,904.22	145,968.06			(603.21)		147,301.01	140,162.64	(5,202.21)	0.00
GNMA	2001 A-E RMRB	4.95	05/15/03	04/20/33	150,510.98	148,541.45			(605.01)		149,905.97	142,642.07	(5,294.37)	0.00
GNMA	2001 A-E RMRB	5.45	05/22/03	04/20/33	155,917.87	157,030.99			(592.77)		155,325.10	151,521.09	(4,917.13)	0.00
GNMA	2001 A-E RMRB	5.45	05/29/03	05/20/33	290,693.88	292,771.55			(1,111.13)		289,582.75	282,492.96	(9,167.46)	0.00
GNMA	2001 A-E RMRB	5.45	06/10/03	05/20/33	269,228.92	271,155.91			(1,037.60)		268,191.32	261,627.90	(8,490.41)	0.00
GNMA	2001 A-E RMRB	5.45	06/19/03	06/20/33	116,718.54	117,555.14			(440.38)		116,278.16	113,433.64	(3,681.12)	0.00

Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/06	Beginning Market Value 02/28/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/06	Ending Market Value 05/31/06	Change in in Market Value	Recognized Gain
GNMA	2001 A-E RMRB	5.45	06/19/03	06/20/33	226,766.17	228,391.55			(1,634.93)		225,131.24	219,623.84	(7,132.78)	0.00
GNMA	2001 A-E RMRB	5.45	06/26/03	06/20/33	107,096.80	107,864.98			(534.69)		106,562.11	103,955.80	(3,374.49)	0.00
GNMA	2001 A-E RMRB	5.45	07/10/03	06/20/33	50,664.60	51,028.62			(182.14)		50,482.46	49,248.36	(1,598.12)	0.00
GNMA	2001 A-E RMRB	5.45	07/17/03	07/20/33	54,212.01	54,601.96			(193.68)		54,018.33	52,698.21	(1,710.07)	0.00
GNMA	2001 A-E RMRB	5.45	07/24/03	07/20/33	50,601.48	50,965.72			(232.08)		50,369.40	49,138.75	(1,594.89)	0.00
GNMA	2001 A-E RMRB	5.45	07/30/03	07/20/33	53,320.81	53,704.89			(190.48)		53,130.33	51,832.43	(1,681.98)	0.00
GNMA	2001 A-E RMRB	5.45	08/07/03	07/20/33	103,787.92	104,536.26			(4,070.95)		99,716.97	97,281.72	(3,183.59)	0.00
GNMA	2001 A-E RMRB	5.45	08/28/03	08/20/33	56,918.94	57,330.45			(361.63)		56,557.31	55,177.15	(1,791.67)	0.00
GNMA	2001 A-E RMRB				104,527.08	105,284.37			(104,527.08)				(757.29)	0.00
GNMA	2001 A-E RMRB	5.45	09/29/03	09/20/33	55,107.15	55,507.18			(195.70)		54,911.45	53,573.02	(1,738.46)	0.00
GNMA	2001 A-E RMRB				125,655.53	124,025.79			(125,655.53)				1,629.74	0.00
GNMA	2001 A-E RMRB	5.45	10/23/03	10/20/33	50,803.78	51,173.66			(189.23)		50,614.55	49,381.95	(1,602.48)	0.00
GNMA	2001 A-E RMRB	5.45	11/20/03	10/20/33	54,242.83	54,639.07			(190.10)		54,052.73	52,737.57	(1,711.40)	0.00
GNMA	2001 A-E RMRB	5.45	11/26/03	06/20/33	65,163.82	65,639.57			(248.36)		64,915.46	63,335.74	(2,055.47)	0.00
GNMA	2001 A-E RMRB	5.45	12/04/03	11/20/33	251,582.36	253,423.46			(876.55)		250,705.81	244,609.30	(7,937.61)	0.00
GNMA	2001 A-E RMRB	4.95	12/04/03	11/20/33	103,923.50	102,582.43			(399.56)		103,523.94	98,525.64	(3,657.23)	0.00
GNMA	2001 A-E RMRB	5.45	12/11/03	12/20/33	61,585.57	62,036.76			(213.22)		61,372.35	59,880.42	(1,943.12)	0.00
GNMA	2001 A-E RMRB	4.95	01/15/04	01/20/34	125,344.62	123,710.49			(471.15)		124,873.47	118,922.14	(4,317.20)	0.00
GNMA	2001 A-E RMRB	4.95	01/22/04	01/20/34	507,139.39	499,256.45			(2,138.55)		505,000.84	479,682.39	(17,435.51)	0.00
GNMA	2001 A-E RMRB	5.45	01/22/04	12/20/33	53,109.36	53,500.35			(183.92)		52,925.44	51,640.62	(1,675.81)	0.00
GNMA	2001 A-E RMRB	5.45	01/29/04	11/20/33	52,508.88	52,895.66			(182.87)		52,326.01	51,055.95	(1,656.84)	0.00
GNMA	2001 A-E RMRB	5.45	02/12/04	11/20/33	53,007.95	53,399.00			(186.29)		52,821.66	51,540.20	(1,672.51)	0.00
GNMA	2001 A-E RMRB	5.45	03/11/04	02/20/34	53,550.82	53,895.02			(183.10)		53,367.72	52,108.46	(1,603.46)	0.00
GNMA	2001 A-E RMRB	4.95	03/11/04	02/20/34	131,109.66	129,406.64			(536.51)		130,573.15	124,356.21	(4,513.92)	0.00
GNMA	2001 A-E RMRB	4.95	04/08/04	02/20/34	103,251.20	101,652.94			(385.87)		102,865.33	97,714.54	(3,552.53)	0.00
GNMA	2001 A-E RMRB	5.49	04/16/04	04/20/34	98,422.65	99,262.20			(571.29)		97,851.36	95,747.18	(2,943.73)	0.00
FNMA	2001 A-E RMRB	5.45	04/17/02	03/01/32	293,959.19	292,313.56			(1,281.25)		292,677.94	283,433.91	(7,598.40)	0.00
FNMA	2001 A-E RMRB	4.95	05/15/02	04/01/32	210,204.84	205,281.82			(2,345.35)		207,859.49	196,078.90	(6,857.57)	0.00
FNMA	2001 A-E RMRB	4.95	06/10/02	06/01/32	90,112.63	88,003.33			(555.05)		89,557.58	84,483.03	(2,965.25)	0.00
FNMA	2001 A-E RMRB	4.95	07/22/02	06/01/32	245,424.03	239,683.15			(1,564.07)		243,859.96	230,045.71	(8,073.37)	0.00
FNMA	2001 A-E RMRB	5.45	09/19/02	08/01/32	243,558.60	242,211.43			(970.31)		242,588.29	234,942.11	(6,299.01)	0.00
FNMA	2001 A-E RMRB	4.95	09/26/02	09/01/32	88,756.38	86,682.83			(374.59)		88,381.79	83,377.71	(2,930.53)	0.00
FNMA	2001 A-E RMRB	5.45	01/23/03	11/01/32	311,984.05	310,275.22			(1,618.69)		310,365.36	300,598.90	(8,057.63)	0.00
FNMA	2001 A-E RMRB	4.95	07/24/03	09/01/32	231,002.93	225,633.38			(2,130.88)		228,872.05	215,938.93	(7,563.57)	0.00
FNMA	2001 A-E RMRB	5.45	09/18/03	01/01/33	67,402.75	67,042.81			(291.93)		67,110.82	64,984.44	(1,766.44)	0.00
FNMA	2001 A-E RMRB	5.45	12/04/03	11/01/33	95,652.42	95,145.63			(343.31)		95,309.11	92,293.27	(2,509.05)	0.00
FNMA	2001 A-E RMRB	4.95	02/26/04	09/01/33	135,082.37	131,931.40			(68,945.73)		66,136.64	62,391.83	(593.84)	0.00
FNMA	2001 A-E RMRB	5.45	04/08/04	01/01/32	26,360.90	26,221.00			(132.85)		26,228.05	25,407.01	(681.14)	0.00
Repo Agmt	2001 A-E RMRB	5.01	05/31/06	06/01/06	133,826.59	133,826.59	1,622.81				135,449.40	135,449.40	-	0.00
Repo Agmt	2001 A-E RMRB	5.01	05/31/06	06/01/06	30,304.62	30,304.62	77,675.73				107,980.35	107,980.35	-	0.00
Repo Agmt	2001 A-E RMRB	5.01	05/31/06	06/01/06	257,051.61	257,051.61		(254,425.80)			2,625.81	2,625.81	-	0.00
Repo Agmt	2001 A-E RMRB	5.01	05/31/06	06/01/06	1,098.47	1,098.47		(1,025.01)			73.46	73.46	-	0.00
GNMA	2001 A-E RMRB	5.49	03/12/03	03/20/33	4,952.35	4,997.67			(18.03)		4,934.32	4,823.47	(156.17)	0.00
GNMA	2001 A-E RMRB	5.49	03/20/03	02/20/33	11,994.24	12,104.01			(44.25)		11,949.99	11,681.52	(378.24)	0.00
GNMA	2001 A-E RMRB	5.49	04/02/03	03/20/33	32,799.42	33,099.98			(127.51)		32,671.91	31,938.28	(1,034.19)	0.00
GNMA	2001 A-E RMRB	4.80	04/02/03	03/20/33	11,421.87	11,174.51			(48.74)		11,373.13	10,727.68	(398.09)	0.00
GNMA	2001 A-E RMRB	5.49	04/10/03	03/20/33	5,484.78	5,535.10			(20.68)		5,464.10	5,341.46	(172.96)	0.00
GNMA	2001 A-E RMRB	4.80	04/10/03	04/20/33	70,964.76	69,428.47			(291.34)		70,673.42	66,663.04	(2,474.09)	0.00
GNMA	2001 A-E RMRB	5.49	04/17/03	04/20/33	69,287.57	69,923.55			(292.22)		68,995.35	67,447.08	(2,184.25)	0.00
GNMA	2001 A-E RMRB	4.80	04/17/03	03/20/33	9,705.44	9,495.35			(39.79)		9,665.65	9,117.18	(338.38)	0.00
GNMA	2001 A-E RMRB	4.80	04/24/03	04/20/33	23,890.06	23,373.13			(97.52)		23,792.54	22,442.69	(832.92)	0.00
GNMA	2001 A-E RMRB	5.49	04/29/03	04/20/33	13,217.69	13,339.15			(48.28)		13,169.41	12,874.03	(416.84)	0.00
GNMA	2001 A-E RMRB	4.80	04/29/03	03/20/33	9,881.94	9,668.13			(41.36)		9,840.58	9,282.29	(344.48)	0.00
GNMA	2001 A-E RMRB	5.49	05/08/03	05/20/33	40,640.04	41,013.87			(12,205.26)		28,434.78	27,797.25	(1,011.36)	0.00
GNMA	2001 A-E RMRB	5.49	05/15/03	05/20/33	15,364.81	15,506.24			(55.87)		15,308.94	14,965.79	(484.56)	0.00
GNMA	2001 A-E RMRB	4.80	05/15/03	04/20/33	24,615.10	24,082.90			(107.76)		24,507.34	23,117.33	(857.81)	0.00
GNMA	2001 A-E RMRB	5.49	05/22/03	05/20/33	38,072.14	38,422.83			(148.28)		37,923.86	37,074.03	(1,200.52)	0.00
GNMA	2001 A-E RMRB	4.80	05/22/03	04/20/33	26,676.98	26,100.36			(108.85)		26,568.13	25,061.37	(930.14)	0.00
GNMA	2001 A-E RMRB	5.49	05/29/03	05/20/33	21,346.60	21,543.33			(79.91)		21,266.69	20,790.24	(673.18)	0.00

Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/06	Beginning Market Value 02/28/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/06	Ending Market Value 05/31/06	Change in In Market Value	Recognized Gain
GNMA	2001 A-E RMRB	4.80	05/29/03	05/20/33	20,334.91	19,895.55			(83.05)		20,251.86	19,103.49	(709.01)	0.00
GNMA	2001 A-E RMRB	5.49	06/10/03	05/20/33	21,066.45	21,260.80			(9,642.58)		11,423.87	11,168.03	(450.19)	0.00
GNMA	2001 A-E RMRB	4.80	06/10/03	05/20/33	36,336.16	35,551.40			(149.96)		36,186.20	34,134.60	(1,266.84)	0.00
GNMA	2001 A-E RMRB	5.49	06/19/03	06/20/33	11,659.51	11,767.19			(45.32)		11,614.19	11,354.20	(367.67)	0.00
GNMA	2001 A-E RMRB	4.80	06/19/03	06/20/33	10,690.75	10,459.98			(42.99)		10,647.76	10,044.21	(372.78)	0.00
GNMA	2001 A-E RMRB	5.49	06/19/03	06/20/33	25,318.50	25,552.31			(92.34)		25,226.16	24,661.46	(798.51)	0.00
GNMA	2001 A-E RMRB	4.80	06/19/03	06/20/33	6,820.46	6,673.21			(27.91)		6,792.55	6,407.49	(237.81)	0.00
GNMA	2001 A-E RMRB	5.49	06/26/03	06/20/33	5,169.67	5,217.48			(24.32)		5,145.35	5,030.23	(162.93)	0.00
GNMA	2001 A-E RMRB	4.80	06/26/03	06/20/33	11,035.64	10,797.45			(44.92)		10,990.72	10,367.74	(384.79)	0.00
GNMA	2001 A-E RMRB	5.49	07/03/03	06/20/33	15,383.83	15,526.08			(55.27)		15,328.56	14,985.58	(485.23)	0.00
GNMA	2001 A-E RMRB	5.49	07/10/03	06/20/33	32,910.36	33,214.92			(119.43)		32,790.93	32,057.49	(1,038.00)	0.00
GNMA	2001 A-E RMRB	4.80	07/10/03	06/20/33	14,554.86	14,240.91			(58.89)		14,495.97	13,674.50	(507.52)	0.00
GNMA	2001 A-E RMRB	4.80	07/17/03	06/20/33	78,108.97	76,424.47			(384.07)		77,724.90	73,320.57	(2,719.83)	0.00
GNMA	2001 A-E RMRB	5.49	07/24/03	07/20/33	40,224.63	40,597.36			(158.35)		40,066.28	39,170.64	(1,268.39)	0.00
GNMA	2001 A-E RMRB	4.80	07/24/03	07/20/33	40,098.48	39,234.02			(164.43)		39,934.05	37,671.50	(1,398.09)	0.00
GNMA	2001 A-E RMRB	5.49	07/30/03	07/20/33	12,124.73	12,237.15			(43.67)		12,081.06	11,811.03	(382.45)	0.00
GNMA	2001 A-E RMRB	5.49	08/07/03	07/20/33	28,085.71	28,346.34			(104.02)		27,981.69	27,356.51	(885.81)	0.00
GNMA	2001 A-E RMRB	4.80	08/07/03	06/20/33	11,085.69	10,846.99			(44.56)		11,041.33	10,415.83	(386.60)	0.00
GNMA	2001 A-E RMRB	5.49	08/14/03	08/20/33	16,493.48	16,646.66			(59.02)		16,434.46	16,067.39	(520.25)	0.00
GNMA	2001 A-E RMRB	4.80	08/14/03	07/20/33	32,298.21	31,602.50			(129.13)		32,169.08	30,346.97	(1,126.40)	0.00
GNMA	2001 A-E RMRB	5.49	08/21/03	08/20/33	12,476.03	12,591.99			(45.02)		12,431.01	12,153.45	(393.52)	0.00
GNMA	2001 A-E RMRB	4.80	08/28/03	08/20/33	13,165.01	12,881.59			(53.60)		13,111.41	12,368.93	(459.06)	0.00
GNMA	2001 A-E RMRB	5.49	09/04/03	08/20/33	5,489.53	5,540.60			(32.47)		5,457.06	5,335.25	(172.88)	0.00
GNMA	2001 A-E RMRB				11,371.34	11,126.63			(11,371.34)				244.71	0.00
GNMA	2001 A-E RMRB	5.49	09/18/03	09/20/33	41,908.70	42,299.24			(160.06)		41,748.64	40,817.45	(1,321.73)	0.00
GNMA	2001 A-E RMRB	4.80	09/18/03	09/20/33	47,063.08	46,050.88			(187.30)		46,875.78	44,222.20	(1,641.38)	0.00
GNMA	2001 A-E RMRB	5.49	09/18/03	09/20/33	10,812.42	10,913.21			(39.81)		10,772.61	10,532.37	(341.03)	0.00
GNMA	2001 A-E RMRB	4.80	09/18/03	09/20/33	17,108.84	16,740.88			(68.00)		17,040.84	16,076.18	(596.70)	0.00
GNMA	2001 A-E RMRB	5.49	09/29/03	09/20/33	67,131.64	67,757.86			(246.96)		66,884.68	65,393.45	(2,117.45)	0.00
GNMA	2001 A-E RMRB	4.80	09/29/03	09/20/33	46,838.22	45,831.26			(11,592.61)		35,245.61	33,250.68	(987.97)	0.00
GNMA	2001 A-E RMRB	5.49	10/16/03	09/20/33	10,078.23	10,172.40			(35.47)		10,042.76	9,819.00	(317.93)	0.00
GNMA	2001 A-E RMRB	5.49	10/30/03	10/20/33	34,207.83	34,463.31			(124.15)		34,083.68	33,261.04	(1,078.12)	0.00
GNMA	2001 A-E RMRB	4.80	10/30/03	10/20/33	250,621.49	244,618.02			(1,049.09)		249,572.40	234,838.41	(8,730.52)	0.00
GNMA	2001 A-E RMRB	5.49	11/13/03	10/20/33	20,910.47	21,066.92			(116.55)		20,793.92	20,292.31	(658.06)	0.00
GNMA	2001 A-E RMRB	4.80	11/13/03	10/20/33	141,264.01	138,232.44			(13,078.46)		128,165.55	120,934.90	(4,219.08)	0.00
GNMA	2001 A-E RMRB	5.49	11/20/03	11/20/33	5,479.39	5,530.77			(45.50)		5,433.89	5,313.00	(172.27)	0.00
GNMA	2001 A-E RMRB	4.80	11/20/03	11/20/33	157,704.38	153,929.76			(650.34)		157,054.04	147,785.02	(5,494.40)	0.00
GNMA	2001 A-E RMRB	5.49	11/26/03	10/20/33	6,666.37	6,728.89			(23.31)		6,643.06	6,495.28	(210.30)	0.00
GNMA	2001 A-E RMRB	4.80	11/26/03	11/20/33	53,804.13	52,650.18			(223.63)		53,580.50	50,550.46	(1,876.09)	0.00
GNMA	2001 A-E RMRB	4.80	12/04/03	12/20/33	76,618.40	74,785.56			(399.29)		76,219.11	71,721.77	(2,664.50)	0.00
GNMA	2001 A-E RMRB	5.49	12/04/03	11/20/33	5,096.92	5,144.76			(18.10)		5,078.82	4,965.85	(160.81)	0.00
GNMA	2001 A-E RMRB	4.80	12/11/03	12/20/33	45,298.48	44,215.12			(205.76)		45,092.72	42,432.25	(1,577.11)	0.00
GNMA	2001 A-E RMRB	5.49	12/11/03	09/20/33	11,038.22	11,141.84			(38.66)		10,999.56	10,754.94	(348.24)	0.00
GNMA	2001 A-E RMRB	5.49	12/18/03	12/20/33	5,727.81	5,781.70			(26.55)		5,701.26	5,574.59	(180.56)	0.00
GNMA	2001 A-E RMRB	4.80	12/18/03	12/20/33	46,192.79	45,203.00			(191.81)		46,000.98	43,400.45	(1,610.74)	0.00
GNMA	2001 A-E RMRB	5.49	12/23/03	12/20/33	11,886.30	11,998.12			(42.35)		11,843.95	11,580.80	(374.97)	0.00
GNMA	2001 A-E RMRB	4.80	12/23/03	12/20/33	32,782.82	31,999.11			(127.60)		32,655.22	30,728.86	(1,142.65)	0.00
GNMA	2001 A-E RMRB	4.80	01/08/04	12/20/33	10,164.13	9,946.51			(39.45)		10,124.68	9,552.47	(354.59)	0.00
GNMA	2001 A-E RMRB	5.49	01/15/04	01/20/34	45,997.88	46,366.43			(236.07)		45,761.81	44,774.03	(1,376.33)	0.00
GNMA	2001 A-E RMRB	5.49	01/22/04	01/20/34	40,861.06	41,129.37			(199.13)		40,661.93	39,708.58	(1,221.66)	0.00
GNMA	2001 A-E RMRB	4.80	01/22/04	01/20/34	39,455.88	38,604.47			(154.79)		39,301.09	37,104.28	(1,345.40)	0.00
GNMA	2001 A-E RMRB	5.49	01/29/04	01/20/34	12,487.81	12,593.47			(46.40)		12,441.41	12,173.03	(374.04)	0.00
GNMA	2001 A-E RMRB	4.80	01/29/04	11/20/33	8,559.09	8,375.99			(34.38)		8,524.71	8,043.07	(298.54)	0.00
GNMA	2001 A-E RMRB	4.80	02/12/04	01/20/34	21,186.53	20,677.13			(94.86)		21,091.67	19,861.13	(721.14)	0.00
GNMA	2001 A-E RMRB	5.49	02/12/04	02/20/34	44,153.78	44,527.90			(168.42)		43,985.36	43,037.04	(1,322.44)	0.00
GNMA	2001 A-E RMRB	4.80	02/26/04	02/20/34	42,476.18	41,455.42			(14,908.16)		27,568.02	25,959.99	(587.27)	0.00
GNMA	2001 A-E RMRB	5.49	02/26/04	02/20/34	22,205.58	22,352.07			(78.26)		22,127.32	21,609.21	(664.60)	0.00
GNMA	2001 A-E RMRB	4.80	03/11/04	03/20/34	26,005.00	25,380.46			(100.53)		25,904.47	24,393.83	(886.10)	0.00
GNMA	2001 A-E RMRB	5.49	03/11/04	03/20/34	73,553.61	74,176.71			(353.64)		73,199.97	71,623.59	(2,201.48)	0.00

Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/06	Beginning Market Value 02/28/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/06	Ending Market Value 05/31/06	Change in In Market Value	Recognized Gain
GNMA	2001 A-E RMRB	5.49	03/25/04	03/20/34	29,263.35	29,457.14			(108.42)		29,154.93	28,472.95	(875.77)	0.00
GNMA	2001 A-E RMRB	4.80	03/30/04	03/20/34	11,276.23	11,033.56			(43.26)		11,232.97	10,605.70	(384.60)	0.00
GNMA	2001 A-E RMRB	5.49	07/09/04	07/20/34	15,669.21	15,804.08			(55.95)		15,613.26	15,276.67	(469.46)	0.00
GNMA	2001 A-E RMRB	4.80	07/08/04	06/20/34	9,978.83	9,740.18			(38.32)		9,940.51	9,361.79	(340.07)	0.00
GNMA	2001 A-E RMRB	5.49	04/01/04	04/20/34			28,251.80				28,251.80	36,430.79	8,178.99	0.00
GNMA	2001 A-E RMRB	4.80	04/22/04	04/20/34	31,795.92	31,112.34			(144.50)		31,651.42	29,884.65	(1,083.19)	0.00
GNMA	2001 A-E RMRB	5.49	04/22/04	04/20/34	19,341.47	19,506.55			(65.65)		19,275.82	18,861.41	(579.49)	0.00
GNMA	2001 A-E RMRB	4.80	04/29/04	04/20/34	23,057.24	22,504.41			(104.78)		22,952.46	21,614.84	(784.79)	0.00
GNMA	2001 A-E RMRB	5.49	04/29/04	04/20/34	10,878.90	10,971.82			(37.93)		10,840.97	10,607.95	(325.94)	0.00
GNMA	2001 A-E RMRB	4.80	05/06/04	04/20/34	17,924.33	17,539.19			(69.91)		17,854.42	16,857.99	(611.29)	0.00
GNMA	2001 A-E RMRB	5.49	05/06/04	04/20/34	7,114.92	7,175.71			(23.85)		7,091.07	6,938.67	(213.19)	0.00
GNMA	2001 A-E RMRB				11,059.08	11,153.68			(11,059.08)				(94.60)	0.00
GNMA	2001 A-E RMRB	4.80	05/13/04	04/20/34	11,230.60	10,989.35			(42.67)		11,187.93	10,563.61	(383.07)	0.00
GNMA	2001 A-E RMRB	5.49	05/27/04	05/20/34	19,235.83	19,400.62			(65.03)		19,170.80	18,759.21	(576.38)	0.00
GNMA	2001 A-E RMRB	5.49	06/03/04	05/20/34	17,674.74	17,826.26			(10,972.29)		6,702.45	6,558.59	(295.38)	0.00
GNMA	2001 A-E RMRB	5.49	06/24/04	06/20/34	13,976.13	14,096.23			(46.27)		13,929.86	13,631.16	(418.80)	0.00
GNMA	2001 A-E RMRB	5.49	09/09/04	09/20/34			29,261.11				29,261.11	28,635.65	(625.46)	0.00
GNMA	2001 A-E RMRB	5.49	09/02/04	08/20/34	27,583.65	27,770.32			(96.16)		27,487.49	26,848.38	(625.78)	0.00
GNMA	2001 A-E RMRB				29,362.43	29,616.81			(29,362.43)				(254.38)	0.00
GNMA	2001 A-E RMRB	5.49	09/16/04	09/20/34	25,663.11	25,885.57			(84.05)		25,579.06	25,032.42	(769.10)	0.00
GNMA	2001 A-E RMRB				11,810.53	11,912.99			(11,810.53)				(102.46)	0.00
GNMA	2001 A-E RMRB	4.80	09/29/04	09/20/34	14,159.50	13,857.07			(52.15)		14,107.35	13,321.78	(483.14)	0.00
GNMA	2001 A-E RMRB	5.49	09/29/04	09/20/34	16,985.68	17,133.12			(56.68)		16,929.00	16,567.43	(509.01)	0.00
GNMA	2001 A-E RMRB	5.49	10/07/04	09/20/34	19,854.57	20,027.03			(66.48)		19,788.09	19,365.55	(595.00)	0.00
GNMA	2001 A-E RMRB	4.80	10/07/04	09/20/34	14,000.37	13,701.43			(51.75)		13,948.62	13,171.97	(477.71)	0.00
GNMA	2001 A-E RMRB	5.49	07/15/04	04/20/34	12,074.85	12,178.81			(40.73)		12,034.12	11,776.24	(361.84)	0.00
GNMA	2001 A-E RMRB	5.49	07/22/04	07/20/34	11,716.81	11,817.79			(38.74)		11,678.07	11,427.96	(351.09)	0.00
GNMA	2001 A-E RMRB	5.49	07/29/04	07/20/34	6,669.86	6,727.38			(21.95)		6,647.91	6,505.56	(199.87)	0.00
GNMA	2001 A-E RMRB	5.49	08/05/04	08/20/34	26,669.57	26,899.78			(90.91)		26,578.66	26,009.74	(799.13)	0.00
GNMA	2001 A-E RMRB	5.49	08/19/04	08/20/34	22,879.32	23,077.09			(111.51)		22,767.81	22,280.71	(684.87)	0.00
GNMA	2001 A-E RMRB	5.49	08/26/04	08/20/34	13,652.51	13,770.57			(44.93)		13,607.58	13,316.52	(409.12)	0.00
GNMA	2001 A-E RMRB	5.49	12/02/04	11/20/34	38,414.24	38,749.88			(128.50)		38,285.74	37,470.16	(1,151.22)	0.00
GNMA	2001 A-E RMRB	4.80	12/02/04	11/20/34	26,202.48	25,644.30			(97.73)		26,104.75	24,652.55	(894.02)	0.00
GNMA	2001 A-E RMRB	4.80	10/14/04	09/20/34	3,361.64	3,289.65			(13.95)		3,347.69	3,161.28	(114.62)	0.00
GNMA	2001 A-E RMRB	5.49	10/21/04	06/20/34	10,481.39	10,552.74			(51.26)		10,430.13	10,188.02	(313.46)	0.00
GNMA	2001 A-E RMRB	4.80	10/28/04	09/20/34	10,581.82	10,329.79			(67.67)		10,514.15	9,903.04	(359.08)	0.00
GNMA	2001 A-E RMRB	5.49	10/28/04	10/20/34	15,004.71	15,135.33			(49.11)		14,955.60	14,636.53	(449.69)	0.00
GNMA	2001 A-E RMRB	5.49	11/04/04	10/20/34	7,227.61	7,290.60			(24.91)		7,202.70	7,049.10	(216.59)	0.00
GNMA	2001 A-E RMRB	5.49	12/29/04	12/20/34	47,769.38	48,187.99			(153.75)		47,615.63	46,602.43	(1,431.81)	0.00
GNMA	2001 A-E RMRB	4.80	12/29/04	12/20/34	15,225.29	14,901.30			(55.12)		15,170.17	14,326.58	(519.60)	0.00
GNMA	2001 A-E RMRB	5.49	01/06/05	01/20/35	11,304.27	11,404.03			(35.83)		11,268.44	11,024.24	(343.96)	0.00
GNMA	2001 A-E RMRB	5.49	01/13/05	12/20/34	18,137.25	18,296.41			(58.83)		18,078.42	17,693.94	(543.64)	0.00
GNMA	2001 A-E RMRB	5.49	01/27/05	01/20/35	58,842.52	59,252.20			(186.83)		58,655.69	57,275.86	(1,789.51)	0.00
GNMA	2001 A-E RMRB	5.49	03/10/05	12/20/34	12,000.05	12,105.96			(38.36)		11,961.69	11,707.88	(359.72)	0.00
GNMA	2001 A-E RMRB	5.49	04/21/05	04/20/35	7,262.83	7,327.60			(22.60)		7,240.23	7,083.98	(221.02)	0.00
GNMA	2001 A-E RMRB	5.49	05/05/05	03/20/35	6,721.62	6,781.64			(75.52)		6,646.10	6,502.74	(203.38)	0.00
GNMA	2001 A-E RMRB	5.49	07/07/05	06/20/35	14,418.96	14,548.53			(44.69)		14,374.27	14,065.00	(438.84)	0.00
GNMA	2001 A-E RMRB	4.80	07/07/05	06/20/35	8,800.52	8,443.82			(32.25)		8,768.27	8,115.28	(296.29)	0.00
GNMA	2001 A-E RMRB	4.80	06/02/05	04/20/35	35,582.53	34,054.43			(141.06)		35,441.47	32,717.53	(1,195.84)	0.00
GNMA	2001 A-E RMRB	5.49	09/08/05	08/20/35	14,342.09	14,444.86			(46.38)		14,295.71	13,962.24	(436.24)	0.00
GNMA	2001 A-E RMRB	5.49	09/15/05	09/20/35	26,810.88	27,003.14			(143.32)		26,667.56	26,045.64	(814.18)	0.00
GNMA	2001 A-E RMRB	5.49	08/04/05	08/20/35	35,521.47	35,841.57			(112.13)		35,409.34	34,648.37	(1,081.07)	0.00
GNMA	2001 A-E RMRB	4.80	10/13/05	09/20/35	13,546.58	12,996.32			(54.70)		13,491.88	12,485.99	(455.63)	0.00
GNMA	2001 A-E RMRB	5.49	10/13/05	10/20/35	27,805.10	28,057.42			(94.12)		27,710.98	27,117.16	(846.14)	0.00
GNMA	2001 A-E RMRB	5.49	12/19/05	12/20/35	26,784.30	27,028.99			(83.05)		26,701.25	26,130.65	(815.29)	0.00
GNMA	2001 A-E RMRB	5.49	11/17/05	11/20/35	33,789.08	34,096.77			(102.19)		33,686.89	32,966.07	(1,028.51)	0.00
GNMA	2001 A-E RMRB	4.80	11/22/05	10/20/35	25,795.75	24,394.02			(120.41)		25,675.34	23,424.10	(849.51)	0.00
GNMA	2001 A-E RMRB	4.80	12/22/05	12/20/35	22,851.32	21,921.70			(83.56)		22,767.76	21,068.91	(769.23)	0.00
GNMA	2001 A-E RMRB	5.49	12/29/05	11/20/35	19,744.41	19,924.97			(59.36)		19,685.05	19,264.53	(601.08)	0.00

Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/06	Beginning Market Value 02/28/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/06	Ending Market Value 05/31/06	Change In In Market Value	Recognized Gain
GNMA	2001 A-E RMRB	5.49	01/12/06	01/20/36	8,524.97	8,602.18			(25.15)		8,499.82	8,315.79	(261.24)	0.00
FNMA	2001 A-E RMRB	5.49	05/29/03	04/01/33	29,143.27	29,047.03			(106.70)		29,036.57	28,177.24	(763.09)	0.00
FNMA	2001 A-E RMRB	4.80	09/18/03	07/01/33	13,508.45	13,079.18			(4,794.81)		8,713.64	8,147.23	(137.14)	0.00
FNMA	2001 A-E RMRB	5.49	12/04/03	11/01/33	16,191.92	16,139.64			(61.95)		16,129.97	15,653.97	(423.92)	0.00
FNMA	2001 A-E RMRB	4.80	01/15/04	11/01/33	34,588.05	33,490.63			(416.01)		34,172.04	31,952.49	(1,122.13)	0.00
FNMA	2001 A-E RMRB	4.80	02/26/04	01/01/34	11,990.22	11,592.69			(60.51)		11,929.71	11,144.41	(387.77)	0.00
FNMA	2001 A-E RMRB	5.49	04/08/04	06/01/33	7,817.45	7,792.65			(28.98)		7,788.47	7,558.94	(204.73)	0.00
FNMA	2001 A-E RMRB	5.49	09/01/04	08/01/34	27,842.50	27,865.68			(135.79)		27,706.71	26,987.85	(742.04)	0.00
FNMA	2001 A-E RMRB	4.80	09/23/04	08/01/34	6,956.16	6,726.16			(57.19)		6,898.97	6,445.44	(223.53)	0.00
FNMA	2001 A-E RMRB	4.80	11/10/04	10/01/34	6,971.16	6,740.78			(25.88)		6,945.28	6,488.82	(226.08)	0.00
FNMA	2001 A-E RMRB	5.49	04/07/05	01/01/35	10,276.61	10,226.93			(33.00)		10,243.61	9,912.33	(281.60)	0.00
FNMA	2001 A-E RMRB	5.49	07/14/05	05/01/35	4,391.35	4,370.31			(13.76)		4,377.59	4,236.21	(120.34)	0.00
FNMA	2001 A-E RMRB	4.80	07/14/05	04/01/35	8,651.05	8,192.41			(34.04)		8,617.01	7,881.41	(276.96)	0.00
FNMA	2001 A-E RMRB	5.49	11/03/05	10/01/35	27,926.49	27,794.02			(138.65)		27,787.84	26,891.64	(763.73)	0.00
FNMA	2001 A-E RMRB	4.80	12/15/05	06/01/35	13,000.21	12,553.98			(46.01)		12,954.20	12,080.19	(427.78)	0.00
FNMA	2001 A-E RMRB	4.80	12/15/05	10/01/35	8,145.17	7,711.70			(29.63)		8,115.54	7,421.16	(260.91)	0.00
	2001 A-E RMRB Total				61,977,417.38	62,329,325.82	3,010,253.07	(255,450.81)	(2,059,140.33)	0.00	62,673,079.31	61,440,268.14	(1,584,719.61)	0.00
Repo Agmt	2002 A/B RMRB	5.01	05/31/06	06/01/06	6,216.40	6,216.40	10,491.38				16,707.78	16,707.78	-	0.00
Repo Agmt	2002 A/B RMRB	5.01	05/31/06	06/01/06	138,081.61	138,081.61		(118,974.32)			19,107.29	19,107.29	-	0.00
Repo Agmt	2002 A/B RMRB	5.01	05/31/06	06/01/06	10,430.12	10,430.12	2,210.62				12,640.74	12,640.74	-	0.00
Repo Agmt	2002 A/B RMRB	5.01	05/31/06	06/01/06	323.74	323.74	3.85				327.59	327.59	-	0.00
GIC's	2002 A/B RMRB	4.20	12/18/02	04/01/34	688,900.13	688,900.13	1,555,743.66				2,244,643.79	2,244,643.79	-	0.00
Mutual Fund	2002 A/B RMRB	4.58	05/01/06	06/01/06	1.46	1.46	0.00				1.46	1.46	-	0.00
Mutual Fund	2002 A/B RMRB	4.58	05/01/06	06/01/06			1,200,816.40				1,200,816.40	1,200,816.40	-	0.00
GNMA	2002 A/B RMRB	5.49	03/12/03	03/20/33	40,482.24	40,852.50			(147.31)		40,334.93	39,428.53	(1,276.66)	0.00
GNMA	2002 A/B RMRB	5.49	03/20/03	02/20/33	98,044.82	98,941.97			(361.66)		97,683.16	95,486.44	(3,091.87)	0.00
GNMA	2002 A/B RMRB	5.49	04/02/03	03/20/33	268,112.67	270,569.57			(1,042.24)		267,070.43	261,073.43	(8,453.90)	0.00
GNMA	2002 A/B RMRB	4.80	04/02/03	03/20/33	93,366.09	91,343.98			(398.34)		92,967.75	87,691.43	(3,254.21)	0.00
GNMA	2002 A/B RMRB	5.49	04/10/03	03/20/33	44,834.59	45,245.66			(169.05)		44,665.54	43,662.79	(1,413.82)	0.00
GNMA	2002 A/B RMRB	4.80	04/10/03	04/20/33	580,088.21	567,530.01			(2,381.50)		577,706.71	544,924.52	(20,223.99)	0.00
GNMA	2002 A/B RMRB	5.49	04/17/03	04/20/33	566,378.10	571,576.85			(2,388.71)		563,989.39	551,333.44	(17,854.70)	0.00
GNMA	2002 A/B RMRB	4.80	04/17/03	03/20/33	79,335.21	77,617.93			(325.35)		79,009.86	74,526.65	(2,765.93)	0.00
GNMA	2002 A/B RMRB	4.80	04/24/03	04/20/33	195,284.81	191,059.26			(797.19)		194,487.62	183,453.57	(6,808.50)	0.00
GNMA	2002 A/B RMRB	5.49	04/29/03	04/20/33	108,045.66	109,038.39			(394.68)		107,650.98	105,236.35	(3,407.36)	0.00
GNMA	2002 A/B RMRB	4.80	04/29/03	03/20/33	80,778.11	79,030.32			(338.12)		80,439.99	75,876.30	(2,815.90)	0.00
GNMA	2002 A/B RMRB	5.49	05/08/03	05/20/33	332,204.41	335,260.15			(99,769.60)		232,434.81	227,223.35	(8,267.20)	0.00
GNMA	2002 A/B RMRB	5.49	05/15/03	05/20/33	125,596.83	126,752.87			(456.73)		125,140.10	122,335.03	(3,961.11)	0.00
GNMA	2002 A/B RMRB	4.80	05/15/03	04/20/33	201,211.52	196,861.09			(880.77)		200,330.75	188,968.22	(7,012.10)	0.00
GNMA	2002 A/B RMRB	5.49	05/22/03	05/20/33	311,213.78	314,080.19			(1,212.06)		310,001.72	303,054.72	(9,813.41)	0.00
GNMA	2002 A/B RMRB	4.80	05/22/03	04/20/33	218,065.99	213,352.45			(889.83)		217,176.16	204,859.45	(7,603.17)	0.00
GNMA	2002 A/B RMRB	5.49	05/29/03	05/20/33	174,493.87	176,101.93			(653.12)		173,840.75	169,945.91	(5,502.90)	0.00
GNMA	2002 A/B RMRB	4.80	05/29/03	05/20/33	166,224.10	162,632.43			(678.86)		165,545.24	156,157.92	(5,795.65)	0.00
GNMA	2002 A/B RMRB	5.49	06/10/03	05/20/33	172,203.67	173,792.40			(78,821.45)		93,382.22	91,290.97	(3,679.98)	0.00
GNMA	2002 A/B RMRB	4.80	06/10/03	05/20/33	297,023.21	290,608.25			(1,225.79)		295,797.42	279,026.90	(10,355.56)	0.00
GNMA	2002 A/B RMRB	5.49	06/19/03	06/20/33	95,308.40	96,188.69			(370.48)		94,937.92	92,812.78	(3,005.43)	0.00
GNMA	2002 A/B RMRB	4.80	06/19/03	06/20/33	87,389.69	85,503.14			(351.32)		87,038.37	82,104.46	(3,047.36)	0.00
GNMA	2002 A/B RMRB	5.49	06/19/03	06/20/33	206,961.13	208,872.64			(754.77)		206,206.36	201,590.49	(6,527.38)	0.00
GNMA	2002 A/B RMRB	4.80	06/19/03	06/20/33	55,752.44	54,548.90			(228.17)		55,524.27	52,376.82	(1,943.91)	0.00
GNMA	2002 A/B RMRB	5.49	06/26/03	06/20/33	42,258.83	42,649.30			(198.86)		42,059.97	41,118.63	(1,331.81)	0.00
GNMA	2002 A/B RMRB	4.80	06/26/03	06/20/33	90,208.65	88,261.74			(367.17)		89,841.48	84,749.14	(3,145.43)	0.00
GNMA	2002 A/B RMRB	5.49	07/03/03	06/20/33	125,752.16	126,915.01			(451.85)		125,300.31	122,496.85	(3,966.31)	0.00
GNMA	2002 A/B RMRB	5.49	07/10/03	06/20/33	269,019.78	271,509.10			(976.30)		268,043.48	262,047.87	(8,484.93)	0.00
GNMA	2002 A/B RMRB	4.80	07/10/03	06/20/33	118,976.02	116,409.62			(481.31)		118,494.71	111,779.58	(4,146.73)	0.00
GNMA	2002 A/B RMRB	4.80	07/17/03	06/20/33	638,486.98	624,717.48			(3,139.57)		635,347.41	599,345.17	(22,232.74)	0.00
GNMA	2002 A/B RMRB	5.49	07/24/03	07/20/33	328,808.70	331,855.60			(1,294.36)		327,514.34	320,193.00	(10,368.24)	0.00
GNMA	2002 A/B RMRB	4.80	07/24/03	07/20/33	327,777.27	320,711.07			(1,344.04)		326,433.23	307,938.55	(11,428.48)	0.00
GNMA	2002 A/B RMRB	5.49	07/30/03	07/20/33	99,111.33	100,030.25			(357.07)		98,754.26	96,547.07	(3,126.11)	0.00
GNMA	2002 A/B RMRB	5.49	08/07/03	07/20/33	229,581.62	231,711.84			(850.30)		228,731.32	223,620.69	(7,240.65)	0.00

Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/06	Beginning Market Value 02/28/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/06	Ending Market Value 05/31/06	Change in In Market Value	Recognized Gain
GNMA	2002 A/B RMRB	4.80	08/07/03	06/20/33	90,619.36	88,666.72			(364.23)		90,255.13	85,142.28	(3,160.21)	0.00
GNMA	2002 A/B RMRB	5.49	08/14/03	08/20/33	134,822.91	136,075.00			(482.45)		134,340.46	131,339.90	(4,252.65)	0.00
GNMA	2002 A/B RMRB	4.80	08/14/03	07/20/33	264,015.57	258,328.65			(1,055.58)		262,959.99	248,065.52	(9,207.55)	0.00
GNMA	2002 A/B RMRB	5.49	08/21/03	08/20/33	101,983.09	102,930.82			(367.94)		101,615.15	99,346.12	(3,216.76)	0.00
GNMA	2002 A/B RMRB	4.80	08/28/03	08/20/33	107,614.79	105,298.14			(438.10)		107,176.69	101,107.47	(3,752.57)	0.00
GNMA	2002 A/B RMRB	5.49	09/04/03	08/20/33	44,873.10	45,290.62			(265.52)		44,607.58	43,612.01	(1,413.09)	0.00
GNMA	2002 A/B RMRB				92,952.79	90,952.51			(92,952.79)				2,000.28	0.00
GNMA	2002 A/B RMRB	5.49	09/18/03	09/20/33	342,574.88	345,767.17			(1,308.37)		341,266.51	333,654.62	(10,804.18)	0.00
GNMA	2002 A/B RMRB	4.80	09/18/03	09/20/33	384,708.43	376,434.29			(1,531.00)		383,177.43	361,486.04	(13,417.25)	0.00
GNMA	2002 A/B RMRB	5.49	09/18/03	09/20/33	88,384.40	89,207.99			(325.40)		88,059.00	86,094.84	(2,787.75)	0.00
GNMA	2002 A/B RMRB	4.80	09/18/03	09/20/33	139,853.08	136,845.19			(555.84)		139,297.24	131,411.72	(4,877.63)	0.00
GNMA	2002 A/B RMRB	5.49	09/29/03	09/20/33	548,755.31	553,873.88			(2,018.76)		546,736.55	534,546.49	(17,308.63)	0.00
GNMA	2002 A/B RMRB	4.80	09/29/03	09/20/33	382,870.22	374,639.02			(94,761.64)		288,108.58	271,801.45	(8,075.93)	0.00
GNMA	2002 A/B RMRB	5.49	10/16/03	09/20/33	82,382.77	83,152.38			(290.01)		82,092.76	80,263.56	(2,598.81)	0.00
GNMA	2002 A/B RMRB	5.49	10/30/03	10/20/33	279,625.60	281,713.86			(1,014.88)		278,610.72	271,886.14	(8,812.84)	0.00
GNMA	2002 A/B RMRB	4.80	10/30/03	10/20/33	2,048,658.30	1,999,583.97			(8,575.57)		2,040,082.73	1,919,642.45	(71,365.95)	0.00
GNMA	2002 A/B RMRB	5.49	11/13/03	10/20/33	170,929.01	172,207.59			(952.74)		169,976.27	165,875.69	(5,379.16)	0.00
GNMA	2002 A/B RMRB	4.80	11/13/03	10/20/33	1,154,735.91	1,129,955.05			(106,907.39)		1,047,828.52	988,559.57	(34,488.09)	0.00
GNMA	2002 A/B RMRB	5.49	11/20/03	11/20/33	44,790.34	45,210.28			(371.93)		44,418.41	43,430.13	(1,408.22)	0.00
GNMA	2002 A/B RMRB	4.80	11/20/03	11/20/33	1,289,124.68	1,258,269.89			(5,316.07)		1,283,808.61	1,208,040.83	(44,912.99)	0.00
GNMA	2002 A/B RMRB	5.49	11/26/03	10/20/33	54,493.08	55,004.11			(190.54)		54,302.54	53,094.44	(1,719.13)	0.00
GNMA	2002 A/B RMRB	4.80	11/26/03	11/20/33	439,811.77	430,378.97			(1,828.04)		437,983.73	413,215.23	(15,335.70)	0.00
GNMA	2002 A/B RMRB	4.80	12/04/03	12/20/33	626,302.77	611,320.48			(3,263.89)		623,038.88	586,276.12	(21,780.47)	0.00
GNMA	2002 A/B RMRB	5.49	12/04/03	11/20/33	41,663.78	42,054.88			(148.07)		41,515.71	40,592.48	(1,314.33)	0.00
GNMA	2002 A/B RMRB	4.80	12/11/03	12/20/33	370,283.85	361,428.17			(1,681.91)		368,601.94	346,854.46	(12,891.80)	0.00
GNMA	2002 A/B RMRB	5.49	12/11/03	09/20/33	90,229.77	91,076.93			(316.04)		89,913.73	87,914.27	(2,846.62)	0.00
GNMA	2002 A/B RMRB	5.49	12/18/03	12/20/33	46,821.24	47,261.37			(217.07)		46,604.17	45,568.37	(1,475.93)	0.00
GNMA	2002 A/B RMRB	4.80	12/18/03	12/20/33	377,594.38	369,503.43			(1,567.95)		376,026.43	354,768.84	(13,166.64)	0.00
GNMA	2002 A/B RMRB	5.49	12/23/03	12/20/33	97,162.59	98,076.39			(346.18)		96,816.41	94,665.02	(3,065.19)	0.00
GNMA	2002 A/B RMRB	4.80	12/23/03	12/20/33	267,977.02	261,570.77			(1,043.17)		266,933.85	251,187.34	(9,340.26)	0.00
GNMA	2002 A/B RMRB	4.80	01/08/04	12/20/33	83,084.72	81,305.81			(322.51)		82,762.21	78,084.84	(2,898.46)	0.00
GNMA	2002 A/B RMRB	5.49	01/15/04	01/20/34	376,000.87	379,177.16			(1,929.70)		374,071.17	365,996.91	(11,250.55)	0.00
GNMA	2002 A/B RMRB	5.49	01/22/04	01/20/34	334,010.99	336,204.29			(1,627.72)		332,383.27	324,590.34	(9,986.23)	0.00
GNMA	2002 A/B RMRB	4.80	01/22/04	01/20/34	322,524.69	315,565.04			(1,265.21)		321,259.48	303,301.96	(10,997.87)	0.00
GNMA	2002 A/B RMRB	5.49	01/29/04	01/20/34	102,079.45	102,942.91			(379.26)		101,700.19	99,506.11	(3,057.54)	0.00
GNMA	2002 A/B RMRB	4.80	01/29/04	11/20/33	69,964.92	68,468.00			(281.05)		69,683.87	65,746.59	(2,440.36)	0.00
GNMA	2002 A/B RMRB	4.80	02/12/04	01/20/34	173,185.43	169,021.31			(775.47)		172,409.96	162,351.05	(5,894.79)	0.00
GNMA	2002 A/B RMRB	5.49	02/12/04	02/20/34	360,926.81	363,984.95			(1,376.64)		359,550.17	351,798.23	(10,810.08)	0.00
GNMA	2002 A/B RMRB	4.80	02/26/04	02/20/34	347,213.60	338,869.51			(121,863.94)		225,349.66	212,205.05	(4,800.52)	0.00
GNMA	2002 A/B RMRB	5.49	02/26/04	02/20/34	181,515.27	182,712.73			(639.66)		180,875.61	176,640.39	(5,432.68)	0.00
GNMA	2002 A/B RMRB	4.80	03/11/04	03/20/34	212,573.33	207,467.77			(821.77)		211,751.56	199,402.72	(7,243.28)	0.00
GNMA	2002 A/B RMRB	5.49	03/11/04	03/20/34	601,250.22	606,359.90			(2,890.70)		598,359.52	585,473.59	(17,995.61)	0.00
GNMA	2002 A/B RMRB	5.49	03/25/04	03/20/34	239,207.65	240,791.79			(886.18)		238,321.47	232,746.78	(7,158.83)	0.00
GNMA	2002 A/B RMRB	4.80	03/30/04	03/20/34	92,175.26	90,191.73			(353.61)		91,821.65	86,694.34	(3,143.78)	0.00
GNMA	2002 A/B RMRB	5.49	07/09/04	07/20/34	128,085.03	129,187.51			(457.38)		127,627.65	124,892.62	(3,837.51)	0.00
GNMA	2002 A/B RMRB	4.80	07/08/04	06/20/34	81,570.07	79,619.30			(313.22)		81,256.85	76,526.18	(2,779.90)	0.00
GNMA	2002 A/B RMRB	5.49	04/01/04	04/20/34			230,939.12				230,939.12	297,796.63	66,857.51	0.00
GNMA	2002 A/B RMRB	4.80	04/22/04	04/20/34	259,909.91	254,321.94			(1,181.21)		258,728.70	244,286.45	(8,854.28)	0.00
GNMA	2002 A/B RMRB	5.49	04/22/04	04/20/34	158,103.21	159,452.65			(536.60)		157,566.61	154,179.11	(4,736.94)	0.00
GNMA	2002 A/B RMRB	4.80	04/29/04	04/20/34	188,477.05	183,958.06			(856.57)		187,620.48	176,686.42	(6,415.07)	0.00
GNMA	2002 A/B RMRB	5.49	04/29/04	04/20/34	88,927.55	89,687.10			(310.15)		88,617.40	86,712.67	(2,664.28)	0.00
GNMA	2002 A/B RMRB	4.80	05/06/04	04/20/34	146,519.21	143,370.83			(571.46)		145,947.75	137,802.47	(4,996.90)	0.00
GNMA	2002 A/B RMRB	5.49	05/06/04	04/20/34	58,159.37	58,656.50			(195.04)		57,964.33	56,718.83	(1,742.63)	0.00
GNMA	2002 A/B RMRB				90,400.37	91,173.61			(90,400.37)				(773.24)	0.00
GNMA	2002 A/B RMRB	4.80	05/13/04	04/20/34	91,802.51	89,830.43			(348.78)		91,453.73	86,350.26	(3,131.39)	0.00
GNMA	2002 A/B RMRB	5.49	05/27/04	05/20/34	157,239.67	158,586.71			(531.63)		156,708.04	153,343.66	(4,711.42)	0.00
GNMA	2002 A/B RMRB	5.49	06/03/04	05/20/34	144,478.83	145,717.42			(89,690.93)		54,787.90	53,611.98	(2,414.51)	0.00
GNMA	2002 A/B RMRB	5.49	06/24/04	06/20/34	114,245.40	115,227.00			(378.32)		113,867.08	111,425.36	(3,423.32)	0.00
GNMA	2002 A/B RMRB	5.49	09/02/04	08/20/34	225,477.31	227,003.30			(786.06)		224,691.25	219,467.09	(6,750.15)	0.00

Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/06	Beginning Market Value 02/28/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/06	Ending Market Value 05/31/06	Change in In Market Value	Recognized Gain
GNMA	2002 A/B RMRB	5.49	09/01/04	09/20/34	240,019.39	242,097.05			(828.20)		239,191.19	234,076.71	(7,192.14)	0.00
GNMA	2002 A/B RMRB	5.49	09/16/04	09/20/34	209,777.98	211,596.66			(687.05)		209,090.93	204,622.77	(6,286.84)	0.00
GNMA	2002 A/B RMRB				96,544.78	97,380.49			(96,544.78)				(835.71)	0.00
GNMA	2002 A/B RMRB	4.80	09/29/04	09/20/34	115,744.14	113,272.04			(426.36)		115,317.78	108,896.36	(3,949.32)	0.00
GNMA	2002 A/B RMRB	5.49	09/29/04	09/20/34	138,846.22	140,051.51			(463.23)		138,382.99	135,427.33	(4,160.95)	0.00
GNMA	2002 A/B RMRB	5.49	10/07/04	09/20/34	162,297.26	163,707.12			(543.37)		161,753.89	158,300.02	(4,863.73)	0.00
GNMA	2002 A/B RMRB	4.80	10/07/04	09/20/34	114,443.41	111,999.76			(423.10)		114,020.31	107,671.78	(3,904.88)	0.00
GNMA	2002 A/B RMRB	5.49	07/15/04	04/20/34	98,703.84	99,553.42			(333.10)		98,370.74	96,262.69	(2,957.63)	0.00
GNMA	2002 A/B RMRB	5.49	07/22/04	07/20/34	95,776.96	96,602.33			(316.64)		95,460.32	93,415.67	(2,870.02)	0.00
GNMA	2002 A/B RMRB	5.49	07/29/04	07/20/34	54,521.49	54,991.68			(179.38)		54,342.11	53,178.44	(1,633.86)	0.00
GNMA	2002 A/B RMRB	5.49	08/05/04	08/20/34	218,005.41	219,887.19			(743.03)		217,262.38	212,611.65	(6,532.51)	0.00
GNMA	2002 A/B RMRB	5.49	08/19/04	08/20/34	187,022.72	188,639.35			(911.51)		186,111.21	182,129.51	(5,598.33)	0.00
GNMA	2002 A/B RMRB	5.49	08/26/04	08/20/34	111,599.70	112,564.95			(367.31)		111,232.39	108,853.35	(3,344.29)	0.00
GNMA	2002 A/B RMRB	5.49	12/02/04	11/20/34	314,009.85	316,753.58			(1,050.35)		312,959.50	306,292.74	(9,410.49)	0.00
GNMA	2002 A/B RMRB	4.80	12/02/04	11/20/34	214,167.33	209,624.48			(798.78)		213,368.55	201,517.66	(7,308.04)	0.00
GNMA	2002 A/B RMRB	4.80	10/14/04	09/20/34	27,478.79	26,892.24			(114.12)		27,364.67	25,841.23	(936.89)	0.00
GNMA	2002 A/B RMRB	5.49	10/21/04	06/20/34	85,677.99	86,261.33			(418.95)		85,259.04	83,280.01	(2,562.37)	0.00
GNMA	2002 A/B RMRB	4.80	10/28/04	09/20/34	66,499.21	84,438.98			(553.08)		65,946.13	80,950.54	(2,935.36)	0.00
GNMA	2002 A/B RMRB	5.49	10/28/04	10/20/34	122,652.99	123,720.84			(401.47)		122,251.52	119,643.55	(3,675.82)	0.00
GNMA	2002 A/B RMRB	5.49	11/04/04	10/20/34	59,080.97	59,595.68			(203.67)		58,877.30	57,621.56	(1,770.45)	0.00
GNMA	2002 A/B RMRB	5.49	12/29/04	12/20/34	390,481.63	393,903.67			(1,256.86)		389,224.97	380,942.79	(11,704.02)	0.00
GNMA	2002 A/B RMRB	4.80	12/29/04	12/20/34	124,456.10	121,807.90			(450.56)		124,005.54	117,109.92	(4,247.42)	0.00
GNMA	2002 A/B RMRB	5.49	01/06/05	01/20/35	92,404.91	93,220.08			(292.87)		92,112.04	90,115.55	(2,811.66)	0.00
GNMA	2002 A/B RMRB	5.49	01/13/05	12/20/34	148,259.49	149,560.53			(480.93)		147,778.56	144,635.80	(4,443.80)	0.00
GNMA	2002 A/B RMRB	5.49	01/27/05	01/20/35	480,996.98	484,345.90			(1,527.17)		479,469.81	468,190.71	(14,628.02)	0.00
GNMA	2002 A/B RMRB	5.49	03/10/05	12/20/34	98,092.23	98,957.92			(313.58)		97,778.65	95,703.84	(2,940.50)	0.00
GNMA	2002 A/B RMRB	5.49	04/21/05	04/20/35	59,368.77	59,898.06			(184.75)		59,184.02	57,906.67	(1,806.64)	0.00
GNMA	2002 A/B RMRB	5.49	05/05/05	03/20/35	54,944.70	55,435.23			(617.35)		54,327.35	53,155.41	(1,662.47)	0.00
GNMA	2002 A/B RMRB	5.49	07/07/05	06/20/35	117,865.11	118,924.22			(365.35)		117,499.76	114,971.70	(3,587.17)	0.00
GNMA	2002 A/B RMRB	4.80	07/07/05	06/20/35	71,938.24	69,022.41			(263.65)		71,674.59	66,336.81	(2,421.95)	0.00
GNMA	2002 A/B RMRB	4.80	06/02/05	04/20/35	290,862.87	278,371.54			(1,153.22)		289,709.65	267,443.32	(9,775.00)	0.00
GNMA	2002 A/B RMRB	5.49	09/08/05	08/20/35	117,236.86	118,076.83			(379.09)		116,857.77	114,131.71	(3,566.03)	0.00
GNMA	2002 A/B RMRB	5.49	09/15/05	09/20/35	219,160.48	220,732.06			(1,171.59)		217,988.89	212,905.18	(6,655.29)	0.00
GNMA	2002 A/B RMRB	5.49	08/04/05	08/20/35	290,363.66	292,980.19			(916.62)		289,447.04	283,226.60	(8,836.97)	0.00
GNMA	2002 A/B RMRB	5.49	09/01/05	09/20/35			240,561.42				240,561.42	234,948.20	(5,613.22)	0.00
GNMA	2002 A/B RMRB	4.80	10/13/05	09/20/35	110,756.57	106,235.99			(433.20)		110,323.37	102,064.36	(3,738.43)	0.00
GNMA	2002 A/B RMRB	5.49	10/13/05	10/20/35	227,287.64	229,350.13			(769.33)		226,518.31	221,664.13	(6,916.67)	0.00
GNMA	2002 A/B RMRB	5.49	12/19/05	12/20/35	218,943.24	220,943.40			(678.79)		218,264.45	213,600.09	(6,664.52)	0.00
GNMA	2002 A/B RMRB	5.49	11/17/05	11/20/35	276,202.50	278,717.58			(835.29)		275,367.21	269,474.92	(8,407.37)	0.00
GNMA	2002 A/B RMRB	4.80	11/22/05	10/20/35	207,854.61	199,404.28			(945.23)		206,909.38	191,475.86	(6,983.19)	0.00
GNMA	2002 A/B RMRB	4.80	12/22/05	12/20/35	186,793.88	179,194.81			(683.11)		186,110.77	172,223.87	(6,287.83)	0.00
GNMA	2002 A/B RMRB	5.49	12/29/05	11/20/35	161,396.94	162,872.87			(485.24)		160,911.70	157,474.25	(4,913.38)	0.00
GNMA	2002 A/B RMRB	5.49	01/12/06	01/20/36	293,858.82	296,519.98			(866.90)		292,991.92	286,647.94	(9,005.14)	0.00
GNMA	2002 A/B RMRB	5.49	03/09/06	03/20/36			276,981.70				276,981.70	270,998.07	(5,983.63)	0.00
GNMA	2002 A/B RMRB	5.49	03/02/06	03/20/36			156,735.37				156,735.37	153,348.48	(3,386.89)	0.00
GNMA	2002 A/B RMRB	5.49	02/23/06	02/20/36	327,721.85	333,990.82			(4,398.64)		323,323.21	316,334.63	(13,257.55)	0.00
GNMA	2002 A/B RMRB	5.49	03/16/06	03/20/36			245,284.21				245,284.21	239,986.78	(5,297.43)	0.00
GNMA	2002 A/B RMRB	5.49	03/30/06	03/20/36			345,866.62				345,866.62	337,755.23	(8,111.39)	0.00
GNMA	2002 A/B RMRB	5.49	04/06/06	04/20/36			304,382.58				304,382.58	297,814.52	(6,568.06)	0.00
FNMA	2002 A/B RMRB	5.49	05/29/03	04/01/33	238,226.10	237,439.43			(872.27)		237,353.83	230,329.51	(6,237.65)	0.00
FNMA	2002 A/B RMRB	4.80	09/18/03	07/01/33	110,422.36	106,913.29			(39,194.37)		71,227.99	66,598.04	(1,120.88)	0.00
FNMA	2002 A/B RMRB	5.49	12/04/03	11/01/33	132,358.18	131,932.10			(506.36)		131,851.82	127,960.41	(3,465.33)	0.00
FNMA	2002 A/B RMRB	4.80	01/15/04	11/01/33	282,733.44	273,762.88			(3,400.60)		279,332.84	261,189.64	(9,172.64)	0.00
FNMA	2002 A/B RMRB	4.80	02/26/04	01/01/34	98,011.89	94,762.22			(494.66)		97,517.23	91,097.87	(3,169.69)	0.00
FNMA	2002 A/B RMRB	5.49	04/08/04	06/01/33	63,902.22	63,699.54			(236.96)		63,665.26	61,789.14	(1,673.44)	0.00
FNMA	2002 A/B RMRB	5.49	09/02/04	08/01/34	227,593.23	227,782.75			(1,109.73)		226,483.50	220,607.11	(6,065.91)	0.00
FNMA	2002 A/B RMRB	4.80	09/01/04	08/01/34	56,862.53	54,981.72			(467.46)		56,395.07	52,687.02	(1,827.24)	0.00
FNMA	2002 A/B RMRB	4.80	11/10/04	10/01/34	56,984.40	55,101.24			(211.52)		56,772.88	53,041.60	(1,848.12)	0.00
FNMA	2002 A/B RMRB	5.49	04/07/05	01/01/35	84,004.26	83,598.10			(269.79)		83,734.49	81,026.46	(2,301.85)	0.00

Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/06	Beginning Market Value 02/28/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/06	Ending Market Value 05/31/06	Change in In Market Value	Recognized Gain
FNMA	2002 A/B RMRB	5.49	07/14/05	05/01/35	35,896.35	35,724.32			(112.49)		35,783.86	34,628.08	(983.75)	0.00
FNMA	2002 A/B RMRB	4.80	07/14/05	04/01/35	70,716.44	66,967.30			(278.30)		70,438.14	64,425.15	(2,263.85)	0.00
FNMA	2002 A/B RMRB	5.49	11/03/05	10/01/35	228,279.82	227,197.04			(1,133.36)		227,146.46	219,820.70	(6,242.98)	0.00
FNMA	2002 A/B RMRB	4.80	12/15/05	06/01/35	106,267.82	102,620.20			(376.09)		105,891.73	98,747.27	(3,496.84)	0.00
FNMA	2002 A/B RMRB	4.80	12/15/05	10/01/35	66,581.25	63,037.87			(242.30)		66,338.95	60,662.91	(2,132.66)	0.00
FNMA	2002 A/B RMRB	5.49	04/27/06	03/01/36			215,257.50				215,257.50	208,179.69	(7,077.81)	0.00
FNMA	2002 A/B RMRB	5.49	04/27/06	10/01/35			71,672.33				71,672.33	69,366.11	(2,306.22)	0.00
Repo Agmt	2002 A/B RMRB	5.01	05/31/06	06/01/06	3,370,785.70	3,370,785.70		(3,366,613.44)			4,172.26	4,172.26	-	0.00
Repo Agmt	2002 A/B RMRB	5.01	05/31/06	06/01/06	120,541.37	120,541.37		(119,417.62)			1,123.75	1,123.75	-	0.00
	2002 A/B RMRB Total				36,018,363.93	35,765,963.97	4,856,946.76	(3,605,005.38)	(1,031,611.20)	0.00	36,238,694.11	35,012,939.73	(973,354.42)	0.00
Repo Agmt	1999 B-D RMRB	5.01	05/31/06	06/01/06	21,098.26	21,098.26		(577.24)			20,521.02	20,521.02	-	0.00
GIC's	1999 B-D RMRB	6.40	12/02/99	07/01/32	485,676.34	485,676.34	1,674,495.53				2,160,171.87	2,160,171.87	-	0.00
GIC's	1999 B-D RMRB	6.40	12/02/99	07/01/32	2,114,310.81	2,114,310.81	0.00				2,114,310.81	2,114,310.81	-	0.00
GNMA	1999 B-D RMRB	8.18	04/01/91	01/20/21	30,560.06	32,831.06			(260.14)		30,299.92	32,311.16	(259.76)	0.00
GNMA	1999 B-D RMRB	8.18	08/01/90	06/20/20	253,100.32	271,540.80			(3,719.88)		249,380.44	265,541.38	(2,279.54)	0.00
GNMA	1999 B-D RMRB	7.18	08/01/90	06/20/20	75,812.26	78,935.94			(944.20)		74,868.06	77,159.33	(832.41)	0.00
GNMA	1999 B-D RMRB	8.18	09/04/90	07/20/20	397,320.55	426,274.64			(86,661.93)		310,658.62	330,795.28	(8,817.43)	0.00
GNMA	1999 B-D RMRB	8.18	07/02/90	05/20/20	93,017.95	99,793.72			(1,441.39)		91,576.56	97,509.78	(842.55)	0.00
GNMA	1999 B-D RMRB	8.16	11/01/90	09/20/20	204,275.06	219,167.36			(2,820.01)		201,455.05	214,519.19	(1,828.16)	0.00
GNMA	1999 B-D RMRB	8.18	09/04/90	08/20/20	290,708.60	311,896.06			(52,415.99)		238,292.61	253,740.64	(5,739.43)	0.00
GNMA	1999 B-D RMRB	8.18	09/04/90	07/20/20	118,484.70	127,119.11			(1,378.74)		117,105.96	124,696.71	(1,043.66)	0.00
GNMA	1999 B-D RMRB	8.18	11/01/90	08/20/20	121,736.95	130,611.07			(1,068.33)		120,668.62	128,492.83	(1,049.91)	0.00
GNMA	1999 B-D RMRB	8.18	11/01/90	09/20/20	90,505.99	97,104.22			(4,271.32)		86,234.67	91,826.94	(1,005.96)	0.00
GNMA	1999 B-D RMRB	7.18	11/01/90	09/20/20	106,665.29	111,064.83			(1,094.66)		105,570.63	108,806.06	(1,164.11)	0.00
GNMA	1999 B-D RMRB	8.18	12/03/90	10/20/20	101,891.18	109,320.96			(1,091.69)		100,799.49	107,337.80	(891.47)	0.00
GNMA	1999 B-D RMRB	8.75	12/28/89	09/20/18	1,218,734.37	1,310,908.87			(16,879.95)		1,201,854.42	1,280,807.50	(13,221.42)	0.00
GNMA	1999 B-D RMRB	8.75	11/30/89	10/20/18	103,366.23	111,184.24			(1,191.08)		102,175.15	108,887.59	(1,105.57)	0.00
GNMA	1999 B-D RMRB	8.75	11/30/89	09/20/18	104,553.22	112,460.09			(1,253.09)		103,300.13	110,085.58	(1,121.42)	0.00
GNMA	1999 B-D RMRB	8.75	01/01/90	11/20/18	271,334.74	291,861.16			(4,411.99)		266,922.75	284,462.52	(2,986.65)	0.00
GNMA	1999 B-D RMRB	8.75	01/01/90	12/20/18	120,074.04	129,158.59			(1,716.95)		118,357.09	126,135.41	(1,306.23)	0.00
GNMA	1999 B-D RMRB	8.75	02/27/90	01/20/19	119,785.10	129,062.90			(1,756.22)		118,028.88	125,996.37	(1,310.31)	0.00
GNMA	1999 B-D RMRB	8.75	05/29/90	04/20/19	151,362.48	163,093.14			(2,210.72)		149,151.76	159,227.09	(1,655.33)	0.00
GNMA	1999 B-D RMRB	8.75	06/28/90	05/20/19	51,527.88	55,522.13			(528.76)		50,999.12	54,444.94	(548.43)	0.00
GNMA	1999 B-D RMRB	7.18	02/01/91	11/20/20	135,195.98	140,777.30			(6,254.53)		128,941.45	132,897.86	(1,624.91)	0.00
GNMA	1999 B-D RMRB	8.18	02/25/91	11/20/20	104,532.68	112,157.94			(1,042.08)		103,490.60	110,206.27	(909.59)	0.00
GNMA	1999 B-D RMRB	7.18	05/02/91	02/20/21	118,442.90	123,445.87			(1,577.03)		116,865.87	120,539.91	(1,328.93)	0.00
GNMA	1999 B-D RMRB	8.75	09/28/90	08/20/19	97,325.80	104,874.69			(1,074.45)		96,251.35	102,759.18	(1,041.06)	0.00
GNMA	1999 B-D RMRB	8.75	10/23/90	09/20/19	65,493.40	70,574.19			(9,403.22)		56,090.18	59,883.39	(1,287.58)	0.00
GNMA	1999 B-D RMRB	8.75	11/28/90	09/20/19	140,687.70	151,603.00			(1,332.43)		139,355.27	148,780.56	(1,490.01)	0.00
GNMA	1999 B-D RMRB	8.75	12/21/90	09/20/19	54,219.28	58,426.25			(519.50)		53,699.78	57,332.09	(574.66)	0.00
GNMA	1999 B-D RMRB	8.75	01/25/91	12/20/19	150,802.88	162,508.95			(3,997.17)		146,805.71	156,740.67	(1,771.11)	0.00
GNMA	1999 B-D RMRB	8.75	03/28/91	02/20/20	52,799.21	56,989.89			(520.85)		52,278.36	55,898.56	(570.48)	0.00
GNMA	1999 B-D RMRB	8.75	03/28/91	12/20/19	58,807.34	63,373.12			(546.54)		58,260.80	62,204.41	(622.17)	0.00
GNMA	1999 B-D RMRB	8.18	05/02/91	03/20/21	205,807.77	221,106.75			(2,681.84)		203,125.93	216,613.80	(1,811.11)	0.00
GNMA	1999 B-D RMRB	6.10	07/28/00	07/20/30	1,771,532.28	1,802,976.98			(41,485.62)		1,730,046.66	1,727,607.30	(33,884.06)	0.00
FNMA	1999 B-D RMRB	6.10	04/28/00	04/01/30	173,589.96	176,047.99			(5,883.51)		167,706.45	167,112.77	(3,051.71)	0.00
GNMA	1999 B-D RMRB	6.10	04/20/00	04/20/30	1,337,982.97	1,361,732.17			(222,714.77)		1,115,268.20	1,113,695.67	(25,321.73)	0.00
GNMA	1999 B-D RMRB	6.10	04/27/00	04/20/30	1,268,478.82	1,290,994.27			(57,494.61)		1,210,984.21	1,209,276.67	(24,222.99)	0.00
GNMA	1999 B-D RMRB	6.10	06/26/00	06/20/30	1,585,585.77	1,613,729.91			(89,495.85)		1,496,089.92	1,493,980.42	(30,253.64)	0.00
GNMA	1999 B-D RMRB	6.10	05/30/00	03/20/30	2,310,632.18	2,351,645.93			(100,072.87)		2,210,559.31	2,207,442.45	(44,130.61)	0.00
FNMA	1999 B-D RMRB	6.10	05/30/00	05/01/30	235,607.57	238,943.76			(2,617.74)		232,989.83	232,165.03	(4,160.99)	0.00
FNMA	1999 B-D RMRB	6.10	06/26/00	06/01/30	100,055.27	101,472.05			(949.87)		99,105.40	98,754.57	(1,767.61)	0.00
GNMA	1999 B-D RMRB	6.10	09/14/00	08/20/30	3,246,661.70	3,304,289.97			(86,333.95)		3,160,327.75	3,155,871.71	(62,084.31)	0.00
GNMA	1999 B-D RMRB	6.10	10/19/00	09/20/30	1,058,913.59	1,077,709.34			(4,507.70)		1,054,405.89	1,052,919.22	(20,282.42)	0.00
GNMA	1999 B-D RMRB	6.10	10/23/00	10/20/30	379,582.28	386,319.87			(1,659.83)		377,922.45	377,389.58	(7,270.46)	0.00
GNMA	1999 B-D RMRB	6.10	10/27/00	10/20/30	268,112.01	272,870.99			(1,318.30)		266,793.71	266,417.52	(5,135.17)	0.00
GNMA	1999 B-D RMRB	6.10	10/30/00	10/20/30	268,946.66	273,720.43			(1,164.40)		267,782.26	267,404.66	(5,151.37)	0.00
FNMA	1999 B-D RMRB	6.10	07/24/00	07/01/30	118,295.09	119,970.15			(69,550.49)		48,744.60	48,572.04	(1,847.62)	0.00

Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/06	Beginning Market Value 02/28/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/06	Ending Market Value 05/31/06	Change in In Market Value	Recognized Gain
GNMA	1999 B-D RMRB	6.10	01/16/01	12/20/30	111,948.92	113,936.01			(859.74)		111,089.18	110,932.54	(2,143.73)	0.00
GNMA	1999 B-D RMRB	6.10	01/29/01	12/20/30	59,077.21	60,125.83			(353.21)		58,724.00	58,641.20	(1,131.42)	0.00
GNMA	1999 B-D RMRB	6.10	12/21/00	11/20/30	554,617.06	564,461.48			(3,037.18)		551,579.88	550,802.12	(10,622.18)	0.00
GNMA	1999 B-D RMRB	6.10	12/27/00	12/20/30	266,335.18	271,062.63			(2,781.10)		263,554.08	263,182.47	(5,099.06)	0.00
GNMA	1999 B-D RMRB	6.10	02/20/01	01/20/31	115,375.05	117,362.94			(476.35)		114,898.70	114,653.94	(2,232.65)	0.00
GNMA	1999 B-D RMRB	6.10	03/15/01	03/20/31	212,002.86	215,655.68			(5,883.38)		206,119.48	205,680.45	(4,091.85)	0.00
GNMA	1999 B-D RMRB	6.10	03/29/01	03/20/31	107,709.33	109,565.16			(450.60)		107,258.73	107,030.27	(2,084.29)	0.00
GNMA	1999 B-D RMRB	6.10	05/10/01	04/20/31	801,395.25	815,203.28			(3,727.08)		797,668.17	795,969.13	(15,507.07)	0.00
FNMA	1999 B-D RMRB	6.10	09/11/00	08/01/30	978,944.30	992,806.16			(53,326.34)		925,617.96	922,341.28	(17,138.54)	0.00
FNMA	1999 B-D RMRB	6.10	10/06/00	10/01/30	116,220.96	117,866.65			(1,219.66)		115,001.30	114,594.20	(2,052.79)	0.00
GNMA	1999 B-D RMRB	6.10	05/30/01	05/20/31	357,718.19	363,881.68			(90,442.72)		267,275.47	266,706.17	(6,732.79)	0.00
GNMA	1999 B-D RMRB	6.10	06/18/01	04/20/31	220,427.14	224,225.10			(1,327.65)		219,099.49	218,632.81	(4,264.64)	0.00
GNMA	1999 B-D RMRB	6.10	07/25/01	06/20/31	545,987.16	555,394.53			(2,758.47)		543,228.69	542,071.63	(10,564.43)	0.00
GNMA	1999 B-D RMRB	6.10	08/31/01	08/20/31	656,813.61	668,130.52			(2,682.85)		654,130.76	652,737.47	(12,710.20)	0.00
FNMA	1999 B-D RMRB	6.10	12/27/00	11/01/30	155,323.97	157,523.35			(1,557.32)		153,766.65	153,222.31	(2,743.72)	0.00
FNMA	1999 B-D RMRB	6.10	01/12/01	12/01/30	113,522.10	115,129.57			(1,149.90)		112,372.20	111,974.40	(2,005.27)	0.00
FNMA	1999 B-D RMRB	6.10	02/05/01	01/01/31	265,316.01	269,072.89			(2,371.80)		262,944.21	262,013.39	(4,687.70)	0.00
GNMA	1999 B-D RMRB	6.10	12/27/01	10/20/31	66,351.63	67,494.87			(275.91)		66,075.72	65,934.98	(1,283.98)	0.00
GNMA	1999 B-D RMRB	6.10	09/20/01	08/20/31	339,740.58	345,594.29			(2,456.67)		337,283.91	336,565.47	(6,572.15)	0.00
GNMA	1999 B-D RMRB	6.10	09/28/01	09/20/31	73,603.95	74,872.15			(654.64)		72,949.31	72,793.93	(1,423.58)	0.00
GNMA	1999 B-D RMRB	6.10	10/17/01	09/20/31	183,007.22	186,160.43			(760.03)		182,247.19	181,859.00	(3,541.40)	0.00
GNMA	1999 B-D RMRB	6.10	10/30/01	05/20/31	42,984.26	43,724.88			(196.12)		42,788.14	42,697.00	(831.76)	0.00
FNMA	1999 B-D RMRB	6.10	03/15/01	02/01/31	355,145.67	360,174.53			(80,544.40)		274,601.27	273,629.18	(6,000.95)	0.00
GNMA	1999 B-D RMRB	6.10	01/22/02	12/20/31	178,914.26	181,996.95			(1,118.08)		177,796.18	177,417.47	(3,461.40)	0.00
GNMA	1999 B-D RMRB	6.10	02/25/02	02/20/32	963,358.72	980,217.50			(4,010.36)		959,348.36	956,758.13	(19,449.01)	0.00
GNMA	1999 B-D RMRB	6.10	05/24/02	05/20/32	242,377.56	246,619.17			(1,021.30)		241,356.26	240,704.60	(4,893.27)	0.00
GNMA	1999 B-D RMRB	6.10	03/21/02	03/20/32	626,225.84	637,184.84			(2,426.90)		623,798.94	622,114.72	(12,643.22)	0.00
GNMA	1999 B-D RMRB	6.10	04/17/02	03/20/32	753,812.22	767,003.91			(3,304.41)		750,507.81	748,481.42	(15,218.08)	0.00
GNMA	1999 B-D RMRB	6.10	04/29/02	04/20/32	597,817.19	608,278.99			(2,713.49)		595,103.70	593,496.92	(12,068.58)	0.00
GNMA	1999 B-D RMRB	6.10	05/15/02	04/20/32	97,360.38	99,064.19			(388.32)		96,972.06	96,710.24	(1,965.63)	0.00
GNMA	1999 B-D RMRB	6.10	06/03/02	05/20/32	315,160.78	320,676.09			(1,137.32)		314,023.46	313,175.60	(6,363.17)	0.00
GNMA	1999 B-D RMRB	6.10	06/19/02	04/20/32	214,052.63	217,798.55			(770.07)		213,282.56	212,706.70	(4,321.78)	0.00
GNMA	1999 B-D RMRB	6.10	06/28/02	06/20/32	149,221.67	151,833.05			(585.01)		148,636.66	148,235.34	(3,012.70)	0.00
GNMA	1999 B-D RMRB	6.10	09/26/02	09/20/32	84,235.91	85,710.04			(294.03)		83,941.88	83,715.24	(1,700.77)	0.00
GNMA	1999 B-D RMRB	6.10	10/21/02	09/20/32	98,018.52	99,733.84			(342.16)		97,676.36	97,412.63	(1,979.05)	0.00
GNMA	1999 B-D RMRB	6.10	11/12/02	10/20/32	93,232.62	94,864.19			(287.00)		92,945.62	92,694.67	(1,882.52)	0.00
GNMA	1999 B-D RMRB	6.10	01/30/03	01/20/33	108,741.74	110,668.64			(369.64)		108,372.10	108,030.73	(2,268.27)	0.00
FNMA	1999 B-D RMRB	6.10	10/17/01	09/01/31	81,126.49	82,203.04			(395.75)		80,730.74	80,380.37	(1,426.92)	0.00
FNMA	1999 B-D RMRB	6.10	01/28/02	11/01/31	208,303.49	211,067.68			(874.05)		207,429.44	206,529.20	(3,664.43)	0.00
FNMA	1999 B-D RMRB	6.10	04/17/02	02/01/32	35,679.20	36,134.82			(130.50)		35,548.70	35,374.16	(630.16)	0.00
Repo Agmt	1999 B-D RMRB	5.01	05/31/06	06/01/06	16,241.79	16,241.79		(15,796.37)			445.42	445.42	-	0.00
	1999 B-D RMRB Total				33,517,442.09	34,334,979.95	1,674,495.53	(16,373.61)	(1,180,777.70)	0.00	33,994,786.31	34,259,303.01	(553,021.16)	0.00
Repo Agmt	2000 A RMRB	5.01	05/31/06	06/01/06	71,539.09	71,539.09	867.51				72,406.60	72,406.60	-	0.00
Repo Agmt	2000 A RMRB	5.01	05/31/06	06/01/06	199,744.80	199,744.80		(184,285.48)			15,459.32	15,459.32	-	0.00
GIC's	2000 A RMRB	6.51	05/01/00	07/01/31	655,598.24	655,598.24	247,972.79				903,571.03	903,571.03	-	0.00
GIC's	2000 A RMRB	6.51	05/01/00	07/01/31	36,539.61	36,539.61	1,101,012.50				1,137,552.11	1,137,552.11	-	0.00
GNMA	2000 A RMRB	6.45	07/28/00	07/20/30	666,074.09	686,455.94			(46,672.22)		619,401.87	627,262.06	(12,521.66)	0.00
GNMA	2000 A RMRB	6.45	09/14/00	08/20/30	2,372,875.18	2,445,465.17			(151,575.47)		2,221,299.71	2,249,468.02	(44,421.68)	0.00
GNMA	2000 A RMRB	6.45	10/16/00	09/20/30	572,167.74	589,676.06			(81,399.16)		490,768.58	496,996.42	(11,280.48)	0.00
GNMA	2000 A RMRB	6.45	10/23/00	10/20/30	674,764.65	695,412.44			(2,723.90)		672,040.75	680,568.95	(12,119.59)	0.00
GNMA	2000 A RMRB	6.45	10/30/00	10/20/30	438,779.09	452,205.72			(2,125.94)		436,653.15	442,194.27	(7,885.51)	0.00
FNMA	2000 A RMRB	6.45	07/28/00	06/01/30	222,036.49	227,640.69			(941.36)		221,095.13	223,412.21	(3,287.12)	0.00
GNMA	2000 A RMRB	6.45	01/08/01	12/20/30	238,277.04	245,568.30			(72,589.43)		165,687.61	167,790.17	(5,188.70)	0.00
GNMA	2000 A RMRB	6.45	01/29/01	01/20/31	123,452.20	127,265.62			(1,549.04)		121,903.16	123,392.80	(2,323.78)	0.00
GNMA	2000 A RMRB	6.45	11/16/00	11/20/30	920,882.97	949,062.01			(98,522.98)		822,359.99	832,795.77	(17,743.26)	0.00
GNMA	2000 A RMRB	6.45	11/29/00	11/20/30	328,175.97	338,218.17			(1,518.99)		326,656.98	330,802.27	(5,896.91)	0.00
GNMA	2000 A RMRB	6.45	12/21/00	11/20/30	462,104.50	476,244.87			(2,177.01)		459,927.49	465,763.94	(8,303.92)	0.00
GNMA	2000 A RMRB	6.45	12/27/00	11/20/30	250,832.57	258,508.08			(39,383.38)		211,449.19	214,132.51	(4,992.19)	0.00

Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/06	Beginning Market Value 02/28/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/06	Ending Market Value 05/31/06	Change in In Market Value	Recognized Gain
GNMA	2000 A RMRB	6.45	02/20/01	01/20/31	226,352.61	233,344.63			(940.89)		225,411.72	228,166.25	(4,237.49)	0.00
GNMA	2000 A RMRB	6.45	02/28/01	02/20/31	371,232.80	382,700.17			(1,679.84)		369,552.96	374,068.89	(6,951.44)	0.00
GNMA	2000 A RMRB	6.45	03/15/01	06/20/31	398,156.41	410,455.45			(1,550.41)		396,606.00	401,452.52	(7,452.52)	0.00
GNMA	2000 A RMRB	6.45	03/29/01	02/20/31	175,565.78	180,989.01			(700.81)		174,864.97	177,001.82	(3,286.38)	0.00
GNMA	2000 A RMRB	6.45	04/30/01	04/20/31	286,032.14	294,867.70			(1,105.93)		284,926.21	288,408.03	(5,353.74)	0.00
FNMA	2000 A RMRB	6.45	09/11/00	08/01/30	452,664.82	464,090.07			(94,450.17)		358,214.65	361,968.73	(7,671.17)	0.00
FNMA	2000 A RMRB	6.45	10/06/00	09/01/30	29,194.89	29,931.77			(115.97)		29,078.92	29,383.67	(432.13)	0.00
FNMA	2000 A RMRB	6.45	11/16/00	10/01/30	282,278.86	289,403.58			(1,202.95)		281,075.91	284,021.58	(4,179.05)	0.00
GNMA	2000 A RMRB	6.45	05/30/01	05/30/31	511,620.28	527,424.43			(2,033.93)		509,586.35	515,813.69	(9,576.81)	0.00
GNMA	2000 A RMRB	6.45	06/18/01	03/20/31	223,837.68	230,752.03			(3,264.60)		220,573.08	223,268.48	(4,218.95)	0.00
GNMA	2000 A RMRB	6.45	07/16/01	06/20/31	130,786.79	134,826.79			(556.02)		130,230.77	131,822.19	(2,448.58)	0.00
GNMA	2000 A RMRB	6.45	08/08/01	07/20/31	233,019.81	240,217.79			(845.04)		232,174.77	235,011.95	(4,360.80)	0.00
GNMA	2000 A RMRB	6.45	08/31/01	08/20/31	208,693.20	215,139.72			(815.05)		207,878.15	210,418.41	(3,906.26)	0.00
FNMA	2000 A RMRB	6.45	12/27/00	11/01/30	211,613.92	216,955.07			(978.85)		210,635.07	212,842.54	(3,133.68)	0.00
FNMA	2000 A RMRB	6.45	02/05/01	01/01/31	90,565.67	92,851.55			(615.24)		89,950.43	90,893.11	(1,343.20)	0.00
GNMA	2000 A RMRB	6.45	11/29/01	11/20/31	410,246.48	422,918.95			(1,630.14)		408,616.34	413,609.59	(7,679.22)	0.00
GNMA	2000 A RMRB	6.45	12/17/01	11/20/31	223,589.78	230,496.46			(3,006.25)		220,583.53	223,279.05	(4,211.16)	0.00
GNMA	2000 A RMRB	6.45	12/27/01	12/20/31	604,530.74	623,204.69			(2,275.79)		602,254.95	609,614.51	(11,314.39)	0.00
GNMA	2000 A RMRB	6.45	09/25/01	09/20/31	337,489.00	347,914.02			(71,513.37)		265,975.63	269,225.84	(7,174.81)	0.00
GNMA	2000 A RMRB	6.45	09/28/01	09/20/31	658,602.32	678,946.54			(3,391.13)		655,211.19	663,217.86	(12,337.55)	0.00
GNMA	2000 A RMRB	6.45	10/17/01	10/20/31	304,589.86	313,998.62			(3,899.32)		300,690.54	304,364.95	(5,734.35)	0.00
GNMA	2000 A RMRB	6.45	10/30/01	10/20/31	311,879.90	321,513.89			(1,176.95)		310,702.95	314,499.76	(5,837.18)	0.00
GNMA	2000 A RMRB	6.45	11/15/01	11/20/31	206,627.11	213,009.83			(1,367.24)		205,259.87	207,768.16	(3,874.43)	0.00
FNMA	2000 A RMRB	6.45	03/29/01	02/01/31	218,496.73	224,011.59			(71,966.37)		146,530.36	148,066.00	(3,979.22)	0.00
GNMA	2000 A RMRB	6.45	01/22/02	01/20/32	581,194.62	599,362.73			(2,671.57)		578,523.05	585,314.88	(11,376.28)	0.00
GNMA	2000 A RMRB	6.45	01/30/02	12/20/31	133,432.54	137,554.27			(607.11)		132,825.43	134,448.56	(2,498.60)	0.00
GNMA	2000 A RMRB	6.45	02/25/02	02/20/32	1,585,923.79	1,635,499.75			(7,862.13)		1,578,061.66	1,596,588.09	(31,049.53)	0.00
FNMA	2000 A RMRB	6.45	07/12/01	06/01/31	140,256.93	143,725.48			(522.97)		139,733.96	141,145.27	(2,057.24)	0.00
GNMA	2000 A RMRB	6.45	05/15/02	04/20/32	90,541.63	93,371.96			(310.71)		90,230.92	91,290.23	(1,771.02)	0.00
GNMA	2000 A RMRB	6.45	05/24/02	05/20/32	213,867.01	220,552.49			(804.54)		213,062.47	215,563.62	(4,184.13)	0.00
GNMA	2000 A RMRB	6.45	03/21/02	02/20/32	428,992.21	442,402.53			(1,511.27)		427,480.94	432,499.59	(8,391.67)	0.00
GNMA	2000 A RMRB	6.45	04/17/02	03/20/32	413,840.28	426,776.93			(1,857.90)		411,982.38	416,819.05	(8,099.98)	0.00
GNMA	2000 A RMRB	6.45	04/29/02	04/20/32	138,136.90	142,455.06			(45,032.69)		93,104.21	94,197.25	(3,225.12)	0.00
GNMA	2000 A RMRB	6.45	05/15/02	03/20/32	67,410.84	69,518.10			(241.87)		67,168.97	67,957.53	(1,318.70)	0.00
GNMA	2000 A RMRB	6.45	08/29/02	08/20/32	64,812.19	66,838.22			(215.78)		64,596.41	65,354.77	(1,267.67)	0.00
GNMA	2000 A RMRB	6.45	06/03/02	05/20/32	66,936.51	69,028.94			(631.46)		66,305.05	67,083.47	(1,314.01)	0.00
GNMA	2000 A RMRB	6.45	07/05/02	03/20/32	43,213.40	44,564.25			(504.36)		42,709.04	43,210.44	(849.45)	0.00
GNMA	2000 A RMRB	6.45	08/01/02	05/20/32	61,898.19	63,833.13			(209.67)		61,688.52	62,412.74	(1,210.72)	0.00
GNMA	2000 A RMRB	6.45	11/12/02	11/20/32	133,512.85	137,686.46			(441.11)		133,071.74	134,634.00	(2,611.35)	0.00
GNMA	2000 A RMRB	6.45	10/21/02	10/20/32	74,441.80	76,768.85			(244.80)		74,197.00	75,068.07	(1,455.98)	0.00
GNMA	2000 A RMRB	6.45	10/29/02	10/20/32	64,863.83	66,891.47			(221.93)		64,641.90	65,400.80	(1,268.74)	0.00
GNMA	2000 A RMRB	6.45	11/26/02	11/20/32	40,652.73	41,923.53			(222.12)		40,430.61	40,905.27	(796.14)	0.00
GNMA	2000 A RMRB	6.45	12/30/02	12/20/32	67,382.79	69,489.18			(217.23)		67,165.56	67,954.08	(1,317.87)	0.00
GNMA	2000 A RMRB	6.45	01/23/03	01/20/33	79,015.36	81,506.71			(273.86)		78,741.50	79,643.88	(1,588.97)	0.00
GNMA	2000 A RMRB	6.45	01/23/03	01/20/33	52,791.62	54,456.14			(328.95)		52,462.67	53,063.89	(1,063.30)	0.00
FNMA	2000 A RMRB	6.45	09/28/01	09/01/31	162,402.56	166,418.78			(843.10)		161,559.46	163,191.21	(2,384.47)	0.00
FNMA	2000 A RMRB	6.45	10/17/01	09/01/31	162,579.56	166,600.15			(599.74)		161,979.82	163,615.82	(2,384.59)	0.00
GNMA	2000 A RMRB	6.45	02/20/03	02/20/33	71,137.49	73,380.46			(359.23)		70,778.26	71,589.38	(1,431.85)	0.00
FNMA	2000 A RMRB	6.45	12/27/01	11/01/31	86,819.56	88,966.61			(541.06)		86,278.50	87,149.91	(1,275.64)	0.00
FNMA	2000 A RMRB	6.45	04/17/02	03/01/32	121,625.33	124,579.61			(445.14)		121,180.19	122,336.25	(1,798.22)	0.00
Repo Agmt	2000 A RMRB	5.01	05/31/06	06/01/06	36,194.34	36,194.34		(35,792.41)			401.93	401.93	-	0.00
	2000 A RMRB Total				20,525,388.67	21,115,475.29	1,349,852.80	(220,077.89)	(839,983.44)	0.00	20,815,180.14	21,040,616.21	(364,650.55)	0.00
Repo Agmt	2003A RMRB	5.01	05/31/06	06/01/06	16,159.55	16,159.55	22,325.63				38,485.18	38,485.18	-	0.00
Repo Agmt	2003A RMRB	5.01	05/31/06	06/01/06	190,832.64	190,832.64		(47,621.47)			143,211.17	143,211.17	-	0.00
Repo Agmt	2003A RMRB	5.01	05/31/06	06/01/06	14,506.00	14,506.00	9,595.18				24,101.18	24,101.18	-	0.00
GIC's	2003A RMRB	4.13	08/20/03	06/28/34	923,803.72	923,803.72	1,601,660.84				2,525,464.56	2,525,464.56	-	0.00
Repo Agmt	2003A RMRB	5.01	05/31/06	06/01/06	1,990.91	1,990.91	24.23				2,015.14	2,015.14	-	0.00
GNMA	2003A RMRB	4.49	03/25/04	03/20/34	12,041,699.51	11,527,549.23			(57,170.27)		11,984,529.24	10,986,181.31	(464,197.65)	0.00

Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/06	Beginning Market Value 02/28/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/06	Ending Market Value 05/31/06	Change in In Market Value	Recognized Gain
GNMA	2003A RMRB	4.49	03/30/04	03/20/34	1,929,597.40	1,847,217.77			(8,152.45)		1,921,444.95	1,761,391.61	(77,673.71)	0.00
GNMA	2003A RMRB	4.49	07/08/04	07/20/34	1,437,008.18	1,375,783.45			(6,208.66)		1,430,799.52	1,311,735.30	(57,839.49)	0.00
GNMA	2003A RMRB	5.49	07/08/04	06/20/34	170,169.54	171,633.73			(570.44)		169,599.10	165,964.13	(5,099.16)	0.00
GNMA	2003A RMRB	4.49	07/08/04	07/20/34	183,452.29	176,108.33			(771.10)		182,681.19	167,932.88	(7,404.35)	0.00
GNMA	2003A RMRB	5.49	07/08/04	07/20/34	175,798.25	176,979.43			(615.05)		175,183.20	171,101.82	(5,262.56)	0.00
GNMA	2003A RMRB	4.49	04/08/04	04/20/34	1,936,961.15	1,859,268.74			(9,470.54)		1,927,490.61	1,771,734.64	(78,063.56)	0.00
GNMA	2003A RMRB				342,779.23	345,701.04			(342,779.23)				(2,921.81)	0.00
GNMA	2003A RMRB	4.49	04/15/04	04/20/34	1,302,916.97	1,250,663.98			(5,574.69)		1,297,342.28	1,192,514.35	(52,574.94)	0.00
GNMA	2003A RMRB	5.49	04/15/04	04/20/34	63,688.52	64,231.79			(216.46)		63,472.06	62,107.11	(1,908.22)	0.00
GNMA	2003A RMRB	4.49	04/22/04	04/20/34	1,360,092.21	1,305,552.80			(5,689.95)		1,354,402.26	1,244,971.31	(54,891.54)	0.00
GNMA	2003A RMRB				89,232.42	89,994.03			(89,232.42)				(761.61)	0.00
GNMA	2003A RMRB	4.49	04/29/04	04/20/34	1,083,439.49	1,037,211.80			(4,400.59)		1,079,038.90	989,182.61	(43,628.60)	0.00
GNMA	2003A RMRB	5.49	04/29/04	04/20/34	60,690.03	61,208.40			(203.64)		60,486.39	59,186.30	(1,818.46)	0.00
GNMA	2003A RMRB	4.49	05/06/04	05/20/34	673,384.83	644,658.36			(2,731.18)		670,653.65	614,810.34	(27,116.84)	0.00
GNMA	2003A RMRB	4.49	05/13/04	05/20/34	539,968.61	516,936.79			(2,213.03)		537,755.58	492,981.29	(21,742.47)	0.00
GNMA	2003A RMRB	5.49	05/01/04	04/20/34			100,065.99				100,065.99	97,915.38	(2,150.61)	0.00
GNMA	2003A RMRB	4.49	05/20/04	05/20/34	1,393,036.58	1,333,624.73			(6,666.31)		1,386,370.27	1,270,946.82	(56,011.60)	0.00
GNMA	2003A RMRB	4.49	05/27/04	05/20/34	658,412.76	630,335.83			(2,669.66)		655,743.10	601,151.70	(26,514.47)	0.00
GNMA	2003A RMRB	4.49	06/03/04	06/20/34	957,653.75	916,823.57			(3,833.84)		953,819.91	874,420.27	(38,569.46)	0.00
GNMA	2003A RMRB	4.49	06/10/04	06/20/34	558,360.75	534,557.92			(2,225.16)		556,135.59	509,843.82	(22,488.94)	0.00
GNMA	2003A RMRB	4.49	06/17/04	06/20/34	1,287,745.98	1,232,857.02			(95,011.70)		1,192,734.28	1,093,459.73	(44,385.59)	0.00
GNMA	2003A RMRB	4.49	06/24/04	06/20/34	1,446,688.49	1,385,031.73			(5,994.70)		1,440,693.79	1,320,788.87	(58,248.16)	0.00
GNMA	2003A RMRB	5.49	06/24/04	06/20/34	1,233,754.03	1,244,354.52			(66,605.95)		1,167,148.08	1,142,120.20	(35,628.37)	0.00
GNMA	2003A RMRB	4.49	09/02/04	08/20/34	253,912.99	243,106.63			(1,006.95)		252,906.04	231,871.66	(10,228.02)	0.00
GNMA	2003A RMRB	5.49	09/09/04	09/20/34	87,549.90	88,308.38			(2,287.70)		85,262.20	83,439.69	(2,580.99)	0.00
GNMA	2003A RMRB	4.49	09/09/04	09/20/34	312,240.83	298,954.49			(1,233.20)		311,007.63	285,143.19	(12,578.10)	0.00
GNMA	2003A RMRB	5.49	09/16/04	09/20/34	170,467.42	171,945.29			(553.92)		169,913.50	166,282.54	(5,108.83)	0.00
GNMA	2003A RMRB	4.49	09/16/04	09/20/34	1,240,532.82	1,187,753.41			(5,016.73)		1,235,516.09	1,132,773.30	(49,963.38)	0.00
GNMA	2003A RMRB	5.49	09/23/04	09/20/34	76,551.90	77,215.95			(252.25)		76,299.65	74,669.62	(2,294.08)	0.00
GNMA	2003A RMRB	4.49	09/23/04	09/20/34	200,763.51	192,739.59			(869.64)		199,893.87	183,768.56	(8,101.39)	0.00
GNMA	2003A RMRB	4.49	09/29/04	09/20/34	669,926.57	641,431.16			(2,779.42)		667,147.15	611,675.47	(26,976.27)	0.00
GNMA	2003A RMRB	5.49	09/29/04	09/20/34	207,118.33	208,525.31			(833.61)		206,284.72	201,493.59	(6,198.11)	0.00
GNMA	2003A RMRB	5.49	10/07/04	09/20/34	137,904.82	139,102.77			(448.10)		137,456.72	134,521.65	(4,133.02)	0.00
GNMA	2003A RMRB	4.49	10/07/04	10/20/34	455,694.71	436,315.19			(2,255.87)		453,438.84	415,739.84	(18,319.48)	0.00
GNMA	2003A RMRB	5.49	07/15/04	06/20/34	53,475.87	53,936.33			(177.07)		53,298.80	52,156.79	(1,602.47)	0.00
GNMA	2003A RMRB	4.49	07/15/04	07/20/34	499,581.98	478,299.84			(1,889.36)		497,692.62	456,279.81	(20,130.67)	0.00
GNMA	2003A RMRB	5.49	07/22/04	07/20/34	62,998.06	63,540.96			(207.51)		62,790.55	61,445.65	(1,887.80)	0.00
GNMA	2003A RMRB	4.49	07/22/04	07/20/34	587,508.16	562,483.22			(2,406.89)		585,101.27	536,418.48	(23,657.85)	0.00
GNMA	2003A RMRB	4.49	07/29/04	07/20/34	561,168.93	538,713.48			(2,760.36)		558,408.57	513,335.66	(22,617.46)	0.00
GNMA	2003A RMRB	5.49	07/29/04	07/20/34	257,926.87	260,151.14			(849.79)		257,077.08	251,572.05	(7,729.30)	0.00
GNMA	2003A RMRB	4.49	08/05/04	08/20/34	338,259.00	324,726.03			(1,649.62)		336,609.38	309,441.88	(13,634.53)	0.00
GNMA	2003A RMRB	5.49	08/05/04	07/20/34	109,882.16	110,830.42			(362.80)		109,519.36	107,174.77	(3,292.85)	0.00
GNMA	2003A RMRB	4.49	08/12/04	08/20/34	395,690.70	379,862.31			(2,167.01)		393,523.69	361,764.87	(15,930.43)	0.00
GNMA	2003A RMRB	5.49	08/12/04	07/20/34	66,232.64	86,977.33			(283.71)		85,948.93	84,109.45	(2,584.17)	0.00
GNMA	2003A RMRB	4.49	08/19/04	08/20/34	389,617.18	374,034.01			(1,620.71)		387,996.47	356,685.87	(15,727.43)	0.00
GNMA	2003A RMRB	5.49	08/19/04	08/20/34	363,716.62	366,860.59			(1,293.49)		362,423.13	354,669.37	(10,897.73)	0.00
GNMA	2003A RMRB	4.49	12/02/04	10/20/34	141,952.30	135,921.89			(552.28)		141,400.02	129,650.15	(5,719.46)	0.00
GNMA	2003A RMRB	4.49	12/09/04	11/20/34	286,234.41	274,076.54			(1,120.90)		285,113.51	261,423.37	(11,532.27)	0.00
GNMA	2003A RMRB	5.49	12/16/04	12/20/34	159,160.52	160,553.48			(545.20)		158,615.32	155,238.48	(4,769.80)	0.00
GNMA	2003A RMRB	4.49	12/16/04	12/20/34	310,818.85	297,619.16			(1,414.94)		309,403.91	283,697.76	(12,506.46)	0.00
GNMA	2003A RMRB	4.49	10/14/04	09/20/34	448,735.98	429,654.13			(2,056.31)		446,679.67	409,544.28	(18,053.54)	0.00
GNMA	2003A RMRB	5.49	10/14/04	09/20/34	41,461.12	41,821.54			(148.73)		41,312.39	40,430.51	(1,242.30)	0.00
GNMA	2003A RMRB	5.49	10/21/04	10/20/34	187,311.87	188,941.49			(704.12)		186,607.75	182,625.75	(5,611.62)	0.00
GNMA	2003A RMRB	4.49	10/21/04	10/20/34	195,264.05	187,464.66			(757.29)		194,506.76	178,820.53	(7,886.84)	0.00
GNMA	2003A RMRB	4.49	10/28/04	10/20/34	479,873.77	459,473.87			(1,916.95)		477,956.82	438,227.35	(19,329.57)	0.00
GNMA	2003A RMRB	5.49	10/28/04	10/20/34	54,909.26	55,387.31			(330.12)		54,579.14	53,414.81	(1,642.38)	0.00
GNMA	2003A RMRB	5.49	11/04/04	11/20/34	627,927.48	632,214.12			(2,223.64)		625,703.84	611,191.69	(18,796.79)	0.00
GNMA	2003A RMRB	4.49	11/04/04	10/20/34	592,705.39	567,512.34			(2,318.08)		590,387.31	541,314.95	(23,879.31)	0.00
GNMA	2003A RMRB	5.49	11/10/04	11/20/34	66,597.57	67,178.27			(227.89)		66,369.68	64,954.61	(1,995.77)	0.00

Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/06	Beginning Market Value 02/28/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/06	Ending Market Value 05/31/06	Change in In Market Value	Recognized Gain
GNMA	2003A RMRB	4.49	11/10/04	10/20/34	118,239.96	113,519.19			(1,065.78)		117,174.18	107,726.27	(4,727.14)	0.00
GNMA	2003A RMRB	5.49	11/18/04	11/20/34	107,783.00	108,723.57			(367.07)		107,415.93	105,126.45	(3,230.05)	0.00
GNMA	2003A RMRB	4.49	11/16/04	10/20/34	243,718.20	233,989.08			(947.97)		242,770.23	223,196.92	(9,844.19)	0.00
GNMA	2003A RMRB	5.49	11/23/04	11/20/34	269,554.97	271,908.33			(874.83)		268,680.14	262,954.50	(8,079.00)	0.00
GNMA	2003A RMRB	4.49	11/01/04	11/20/34	440,807.78	422,070.74			(1,867.71)		438,940.07	402,455.44	(17,747.59)	0.00
GNMA	2003A RMRB	5.49	12/29/04	12/20/34	332,522.11	335,436.05			(1,194.24)		331,327.87	324,277.67	(9,964.14)	0.00
GNMA	2003A RMRB	4.49	12/29/04	12/20/34	162,646.50	155,741.04			(1,164.19)		161,482.31	148,067.55	(6,509.30)	0.00
GNMA	2003A RMRB	5.49	01/06/05	01/20/35	150,455.41	151,782.70			(478.80)		149,976.61	146,725.94	(4,577.96)	0.00
GNMA	2003A RMRB	4.49	03/30/05	01/20/35	289,863.01	277,479.13			(1,134.61)		288,728.40	264,501.91	(11,842.61)	0.00
GNMA	2003A RMRB	5.49	01/13/05	01/20/35	225,030.17	227,016.71			(815.74)		224,214.43	219,356.03	(6,844.94)	0.00
GNMA	2003A RMRB	4.49	01/19/05	01/20/35	109,457.56	105,060.96			(425.14)		109,032.42	100,151.72	(4,484.10)	0.00
GNMA	2003A RMRB	4.49	01/27/05	01/20/35	797,909.33	763,778.80			(3,474.35)		794,434.98	727,736.56	(32,567.89)	0.00
GNMA	2003A RMRB	5.49	02/03/05	01/20/35	218,452.88	219,975.18			(715.96)		217,736.92	212,616.15	(6,643.07)	0.00
GNMA	2003A RMRB	4.49	02/03/05	02/20/35	775,955.61	744,797.44			(3,270.40)		772,685.21	709,759.91	(31,767.13)	0.00
GNMA	2003A RMRB	4.49	02/17/05	02/20/35	296,437.73	283,763.06			(1,136.62)		295,301.11	270,513.69	(12,112.75)	0.00
GNMA	2003A RMRB	5.49	02/17/05	01/20/35	56,041.22	56,537.66			(177.54)		55,863.68	54,654.80	(1,705.32)	0.00
GNMA	2003A RMRB	5.49	03/10/05	02/20/35	105,466.11	106,402.42			(332.75)		105,133.36	102,860.36	(3,209.31)	0.00
GNMA	2003A RMRB	4.49	03/17/05	01/20/35	28,002.21	26,878.78			(106.57)		27,895.64	25,624.78	(1,147.43)	0.00
GNMA	2003A RMRB	5.49	03/17/05	03/20/35	120,281.46	121,350.03			(377.88)		119,903.58	117,312.07	(3,660.08)	0.00
GNMA	2003A RMRB	5.49	04/07/05	04/20/35	318,415.62	321,250.55			(1,235.67)		317,179.95	310,330.61	(9,684.27)	0.00
GNMA	2003A RMRB	5.49	04/21/05	04/20/35	228,287.42	230,322.71			(831.21)		227,456.21	222,547.10	(6,944.40)	0.00
GNMA	2003A RMRB	4.49	04/28/05	03/20/35	62,877.48	60,357.18			(239.15)		62,638.33	57,541.48	(2,576.55)	0.00
GNMA	2003A RMRB	5.49	04/28/05	04/20/35	183,944.06	185,585.32			(590.70)		183,353.36	179,397.19	(5,597.43)	0.00
GNMA	2003A RMRB	5.49	05/12/05	05/20/35	186,292.88	187,957.37			(884.45)		185,408.43	181,410.30	(5,662.62)	0.00
GNMA	2003A RMRB	4.49	05/19/05	05/20/35	1,387,761.56	1,328,532.92			(5,756.19)		1,382,005.37	1,266,104.08	(56,672.65)	0.00
GNMA	2003A RMRB	5.49	07/07/05	07/20/35	680,750.25	686,867.29			(2,279.40)		678,470.85	663,873.21	(20,714.68)	0.00
GNMA	2003A RMRB	5.49	07/14/05	07/20/35	361,561.44	364,133.56			(1,104.46)		360,456.98	352,030.85	(10,998.25)	0.00
GNMA	2003A RMRB	4.49	05/26/05	04/20/35	128,265.37	123,127.23			(483.26)		127,782.11	117,387.52	(5,256.45)	0.00
GNMA	2003A RMRB	5.49	05/26/05	05/20/35	388,962.43	392,442.49			(1,220.66)		387,741.77	379,385.14	(11,836.69)	0.00
GNMA	2003A RMRB	5.49	06/09/05	05/20/35	287,217.22	289,790.77			(941.92)		286,275.30	280,108.88	(8,739.97)	0.00
GNMA	2003A RMRB	5.49	06/15/05	06/20/35	401,849.75	405,452.88			(78,801.41)		323,048.34	316,091.73	(10,559.74)	0.00
GNMA	2003A RMRB	5.49	06/23/05	06/20/35	301,936.94	304,079.07			(1,278.07)		300,658.87	293,624.96	(9,176.04)	0.00
GNMA	2003A RMRB	5.49	09/08/05	09/20/35	281,093.14	283,635.01			(1,233.75)		279,859.39	273,853.56	(8,547.70)	0.00
GNMA	2003A RMRB	5.49	09/15/05	09/20/35	711,945.38	718,387.70			(2,204.87)		709,740.51	694,514.27	(21,668.56)	0.00
GNMA	2003A RMRB	5.49	09/22/05	09/20/35	205,523.45	207,384.47			(739.15)		204,784.30	200,392.23	(6,253.09)	0.00
GNMA	2003A RMRB	4.49	07/28/05	07/20/35	88,436.87	84,899.10			(342.96)		88,093.91	80,932.46	(3,623.68)	0.00
GNMA	2003A RMRB	5.49	07/21/05	07/20/35	591,164.32	596,483.60			(1,973.98)		589,190.34	576,521.19	(17,988.43)	0.00
GNMA	2003A RMRB	5.49	07/28/05	07/20/35	230,567.74	232,644.02			(706.89)		229,860.85	224,919.60	(7,017.53)	0.00
GNMA	2003A RMRB	5.49	08/04/05	07/20/35	446,853.98	450,880.67			(2,699.11)		444,154.87	434,609.63	(13,571.93)	0.00
GNMA	2003A RMRB	5.49	08/11/05	08/20/35	262,134.92	264,498.67			(904.58)		261,230.34	255,617.85	(7,976.24)	0.00
GNMA	2003A RMRB	5.49	08/18/05	07/20/35	313,247.51	316,074.07			(972.95)		312,274.56	305,567.24	(9,533.88)	0.00
GNMA	2003A RMRB	5.49	08/30/05	08/20/35	945,762.49	954,307.11			(3,002.86)		942,759.63	922,520.41	(28,783.84)	0.00
GNMA	2003A RMRB	5.49	08/30/05	08/20/35	414,699.99	418,446.65			(1,289.07)		413,410.92	404,535.79	(12,621.79)	0.00
GNMA	2003A RMRB	5.49	10/27/05	10/20/35	413,789.91	417,550.28			(1,268.51)		412,521.40	403,686.55	(12,595.22)	0.00
GNMA	2003A RMRB				241,283.12	243,016.52			(241,283.12)				(1,733.40)	0.00
GNMA	2003A RMRB	5.49	09/29/05	09/20/35	623,299.59	628,948.01			(2,037.01)		621,262.58	607,941.84	(18,969.16)	0.00
GNMA	2003A RMRB	5.49	10/06/05	09/20/35	531,842.53	536,665.41			(1,608.84)		530,233.69	518,867.89	(16,188.68)	0.00
GNMA	2003A RMRB	5.49	10/13/05	10/20/35	387,240.31	390,754.28			(1,199.96)		386,040.35	377,767.68	(11,786.64)	0.00
GNMA	2003A RMRB	5.49	10/20/05	10/20/35	332,405.50	335,423.90			(1,017.43)		331,388.07	324,288.87	(10,117.60)	0.00
GNMA	2003A RMRB	5.49	10/20/05	10/20/35	387,694.55	391,215.00			(1,364.60)		386,329.95	378,053.75	(11,796.65)	0.00
GNMA	2003A RMRB	5.49	12/15/05	12/20/35	155,530.20	156,950.42			(563.91)		154,966.29	151,654.01	(4,732.50)	0.00
GNMA	2003A RMRB	5.49	11/03/05	09/20/35	207,371.65	209,257.22			(626.26)		206,745.39	202,318.61	(6,312.35)	0.00
GNMA	2003A RMRB	5.49	11/03/05	10/20/35	276,736.26	279,252.82			(832.71)		275,903.55	269,996.25	(8,423.86)	0.00
GNMA	2003A RMRB	5.49	11/10/05	11/20/35	162,661.47	164,141.66			(486.05)		162,175.42	158,704.09	(4,951.52)	0.00
GNMA	2003A RMRB	5.49	11/17/05	07/20/35	232,765.26	234,884.58			(710.87)		232,054.39	227,088.46	(7,085.25)	0.00
GNMA	2003A RMRB	5.49	11/17/05	10/20/35	435,972.31	439,942.26			(1,529.31)		434,443.00	425,146.39	(13,266.56)	0.00
GNMA	2003A RMRB	5.49	11/22/05	11/20/35	222,498.57	224,525.77			(706.12)		221,792.45	217,047.43	(6,772.22)	0.00
GNMA	2003A RMRB	5.49	12/29/05	12/20/35	614,456.54	618,921.47			(1,970.48)		612,486.06	598,258.43	(18,692.56)	0.00
GNMA	2003A RMRB	5.49	01/12/06	01/20/36	216,095.37	218,052.31			(638.98)		215,456.39	210,791.24	(6,622.09)	0.00

Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/06	Beginning Market Value 02/28/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/06	Ending Market Value 05/31/06	Change In In Market Value	Recognized Gain
GNMA	2003A RMRB	5.49	01/12/06	12/20/35	79,769.35	80,519.97			(236.26)		79,553.09	77,854.68	(2,429.03)	0.00
GNMA	2003A RMRB	5.49	03/09/06	02/20/36			321,336.06				321,336.06	313,793.95	(7,542.11)	0.00
GNMA	2003A RMRB	5.49	03/09/06	02/20/36			203,259.12				203,259.12	198,868.11	(4,391.01)	0.00
GNMA	2003A RMRB	5.49	02/09/06	01/20/36	207,733.31	211,704.22	1,448.75				209,182.06	204,657.93	(8,495.04)	0.00
GNMA	2003A RMRB	5.49	02/23/06	01/20/36	240,564.69	245,166.44	1,677.47				242,242.16	237,005.89	(9,838.02)	0.00
GNMA	2003A RMRB	5.49	03/09/06	02/20/36			368,950.78				368,950.78	360,980.33	(7,970.45)	0.00
GNMA	2003A RMRB	5.49	03/30/06	03/20/36			467,317.41				467,317.41	457,230.71	(10,086.70)	0.00
GNMA	2003A RMRB	5.49	04/27/06	03/20/36			141,706.18				141,706.18	138,651.06	(3,055.12)	0.00
GNMA	2003A RMRB	4.49	04/27/06	03/20/36			122,481.65				122,481.65	112,180.02	(10,301.63)	0.00
FNMA	2003A RMRB	4.49	03/25/04	02/01/34	303,692.40	287,699.67			(1,448.49)		302,243.91	276,540.66	(9,710.52)	0.00
FNMA	2003A RMRB	4.49	07/29/04	07/01/34	315,506.39	298,908.03			(2,325.22)		313,181.17	286,563.63	(10,019.18)	0.00
FNMA	2003A RMRB	4.49	08/26/04	08/01/34	274,996.31	260,532.53			(1,110.97)		273,885.34	250,610.86	(8,810.70)	0.00
FNMA	2003A RMRB	5.49	09/23/04	08/01/34	205,123.83	204,316.51			(687.84)		204,435.99	198,191.52	(5,437.15)	0.00
FNMA	2003A RMRB	4.49	09/29/04	09/01/34	333,886.68	316,329.94			(1,329.22)		332,557.46	304,301.36	(10,699.36)	0.00
FNMA	2003A RMRB	4.49	11/10/04	10/01/34	167,115.76	158,331.19			(657.89)		166,457.87	152,317.36	(5,355.94)	0.00
FNMA	2003A RMRB	4.49	03/29/05	01/20/35	232,339.32	219,667.99			(1,092.89)		231,246.43	211,168.89	(7,406.21)	0.00
FNMA	2003A RMRB	5.49	06/23/05	06/01/35	357,675.93	355,958.63			(1,296.35)		356,379.58	344,865.80	(9,796.48)	0.00
FNMA	2003A RMRB	5.49	08/18/05	06/01/35	324,426.16	322,876.29			(2,889.61)		321,536.55	311,155.97	(8,830.71)	0.00
FNMA	2003A RMRB	5.49	09/08/05	08/01/35	256,631.99	255,408.55			(804.20)		255,827.79	247,571.06	(7,033.29)	0.00
FNMA	2003A RMRB	5.49	10/06/05	10/01/35	272,727.88	271,430.99			(1,610.54)		271,117.34	262,370.31	(7,450.14)	0.00
FNMA	2003A RMRB	5.49	10/20/05	10/01/35	254,447.54	253,239.10			(1,057.33)		253,390.21	245,216.58	(6,965.19)	0.00
FNMA	2003A RMRB	4.49	12/15/05	06/01/35	91,441.77	86,464.62			(342.71)		91,099.06	83,199.00	(2,922.91)	0.00
FNMA	2003A RMRB	5.49	12/29/05	12/01/35	340,332.97	338,726.85			(1,032.92)		339,300.05	328,365.45	(9,328.48)	0.00
FNMA	2003A RMRB	4.49	01/12/06	12/01/35	75,458.02	71,351.80			(273.56)		75,184.46	68,665.47	(2,412.77)	0.00
FNMA	2003A RMRB	5.49	02/02/06	01/01/36	114,685.32	114,689.84	201.33				114,886.65	111,105.09	(3,786.08)	0.00
Repo Agmt	2003A RMRB				1,229,446.21	1,229,446.21		(1,229,446.21)					-	0.00
Repo Agmt	2003A RMRB	5.01	05/31/06	06/01/06	16,591.76	16,591.76		(16,492.22)			99.54	99.54	-	0.00
	2003A RMRB Total				68,579,932.49	66,881,824.76	3,362,050.62	(1,293,559.90)	(1,174,214.21)	0.00	69,474,209.00	65,327,265.74	(2,446,835.53)	0.00
GNMA	1999 A RMRB	7.50	08/31/89	07/20/18	380,805.96	398,709.91			(5,028.95)		375,777.01	389,793.29	(3,887.67)	0.00
GNMA	1999 A RMRB	7.50	10/31/89	09/20/18	786,257.85	823,248.42			(14,961.09)		771,296.76	800,086.96	(8,198.37)	0.00
GNMA	1999 A RMRB	8.75	10/31/89	09/20/18	160,879.78	173,045.33			(2,697.98)		158,181.80	168,571.25	(1,776.10)	0.00
GNMA	1999 A RMRB	7.50	11/30/89	10/20/18	788,089.42	827,619.53			(54,877.82)		733,211.60	763,170.11	(9,571.60)	0.00
GNMA	1999 A RMRB	8.75	11/30/89	09/20/18	116,209.37	125,369.16			(1,651.16)		114,558.21	122,460.40	(1,257.60)	0.00
GNMA	1999 A RMRB	7.50	01/01/90	11/20/18	467,089.41	489,078.44			(6,919.78)		460,169.63	477,361.40	(4,797.26)	0.00
GNMA	1999 A RMRB	8.75	01/01/90	11/20/18	130,027.67	139,864.25			(1,455.41)		128,572.26	137,020.88	(1,387.96)	0.00
GNMA	1999 A RMRB	7.50	01/01/90	12/20/18	256,446.52	268,521.37			(3,100.50)		253,346.02	262,813.09	(2,607.78)	0.00
GNMA	1999 A RMRB	7.50	02/27/90	12/20/18	99,614.83	104,306.54			(1,236.18)		98,378.65	102,056.17	(1,014.19)	0.00
GNMA	1999 A RMRB	8.75	05/29/90	02/20/19	183,585.62	197,810.49			(3,724.07)		179,861.55	192,008.53	(2,077.89)	0.00
GNMA	1999 A RMRB	7.50	03/30/90	01/20/19	298,849.11	313,335.95			(4,527.93)		294,321.18	305,672.75	(3,135.27)	0.00
GNMA	1999 A RMRB	8.75	03/30/90	01/20/19	74,828.64	80,624.92			(773.09)		74,055.55	79,055.23	(796.60)	0.00
GNMA	1999 A RMRB	7.50	04/26/90	03/20/19	312,382.21	327,532.42			(4,912.22)		307,469.99	319,335.53	(3,284.67)	0.00
GNMA	1999 A RMRB	8.75	04/26/90	03/20/19	179,134.96	193,015.12			(3,930.33)		175,204.63	187,037.06	(2,047.73)	0.00
GNMA	1999 A RMRB	7.50	05/29/90	04/20/19	425,369.04	446,005.58			(36,797.11)		388,571.93	403,573.22	(5,635.25)	0.00
GNMA	1999 A RMRB	7.50	06/28/90	04/20/19	9,805.54	10,281.37			(514.39)		9,291.15	9,649.98	(117.00)	0.00
GNMA	1999 A RMRB	8.75	06/28/90	04/20/19	96,270.41	103,732.03			(1,401.73)		94,868.68	101,277.85	(1,052.45)	0.00
GNMA	1999 A RMRB	7.50	10/31/90	07/20/19	57,249.91	60,030.82			(632.77)		56,617.14	58,806.31	(591.74)	0.00
GNMA	1999 A RMRB	7.50	12/21/90	08/20/19	49,810.22	52,230.71			(648.37)		49,161.85	51,063.69	(518.65)	0.00
GNMA	1999 A RMRB	8.75	12/21/90	08/20/19	20,830.16	22,446.24			(255.01)		20,575.15	21,966.72	(224.51)	0.00
GNMA	1999 A RMRB	7.50	03/28/91	11/20/19	41,958.64	43,999.58			(441.28)		41,517.36	43,125.41	(432.89)	0.00
GNMA	1999 A RMRB	8.75	04/26/91	01/20/20	165,369.37	176,494.58			(1,559.83)		163,809.54	175,152.96	(1,781.79)	0.00
GNMA	1999 A RMRB	8.75	04/29/91	02/20/20	35,137.92	37,927.12			(354.65)		34,783.27	37,192.31	(380.16)	0.00
GNMA	1999 A RMRB	7.50	04/29/91	12/20/19	117,453.59	123,168.63			(1,305.01)		116,148.58	120,649.14	(1,214.48)	0.00
GNMA	1999 A RMRB	5.35	01/31/01	08/20/30	42,765.91	42,504.84			(205.45)		42,560.46	41,005.87	(1,293.52)	0.00
GNMA	1999 A RMRB	5.35	01/31/01	01/20/31	397,658.38	395,089.51			(2,019.41)		395,638.97	380,838.12	(12,231.98)	0.00
GNMA	1999 A RMRB	5.35	05/10/01	04/20/31	63,994.25	63,580.85			(285.21)		63,709.04	61,325.69	(1,969.95)	0.00
GNMA	1999 A RMRB	5.35	06/22/01	05/20/31	55,239.46	54,882.61			(246.90)		54,992.56	52,935.29	(1,700.42)	0.00
GNMA	1999 A RMRB	5.35	06/29/01	05/20/31	100,943.65	100,291.55			(517.83)		100,425.82	96,668.89	(3,104.83)	0.00
FNMA	1999 A RMRB	5.35	03/15/01	10/01/30	251,361.72	248,006.04			(1,386.12)		249,975.60	239,996.57	(6,623.35)	0.00

Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/06	Beginning Market Value 02/28/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/06	Ending Market Value 05/31/06	Change in In Market Value	Recognized Gain
FNMA	1999 A RMRB	5.35	06/18/01	03/01/31	69,209.85	68,238.14			(582.89)		68,626.96	65,858.55	(1,796.70)	0.00
GNMA	1999 A RMRB	5.35	03/18/02	02/20/32	40,168.42	39,898.89			(167.12)		40,001.30	38,488.85	(1,242.92)	0.00
Repo Agmt	1999 A RMRB	5.01	05/31/06	06/01/06	401,199.23	401,199.23	0.00				401,199.23	401,199.23	-	0.00
	1999 A RMRB Total				6,676,017.02	6,954,090.17	0.00	0.00	(159,117.59)	0.00	6,516,899.43	6,707,219.30	(87,753.28)	0.00
Total Residential Mortgage Revenue Bonds Investment Summary					371,649,423.11	372,549,036.17	19,404,788.12	(5,951,677.30)	(9,205,091.30)	0.00	375,897,442.63	367,464,641.20	(9,332,416.49)	0.00

Texas Department of Housing and Community Affairs
Collatealized Home Mortgage Revenue Bonds Investment Summary
For Period Ending May 31, 2006

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/06	Beginning Market Value 02/28/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/06	Ending Market Value 05/31/06	Change in In Market Value	Recognized Gain
Repo Agmt	1990 A&B CHMRB	5.01	05/31/06	06/01/06	48,130.58	48,130.58	583.67				48,714.25	48,714.25	-	0.00
Repo Agmt	1990 A&B CHMRB	5.01	05/31/06	06/01/06	77,822.35	77,822.35	943.73				78,766.08	78,766.08	-	0.00
Mutual Fund	1990 A&B CHMRB	4.56	05/01/06	06/01/06	23.15	23.15	0.00				23.15	23.15	-	0.00
Repo Agmt	1990 A&B CHMRB	5.01	05/31/06	06/01/06	214,985.04	214,985.04	2,606.83				217,591.87	217,591.87	-	0.00
	1990 A&B CHMRB Total				340,961.12	340,961.12	4,134.23	0.00	0.00	0.00	345,095.35	345,095.35	0.00	0.00
Repo Agmt	1991 A CHMRB	5.01	05/31/06	06/01/06	101,561.62	101,561.62	1,231.51				102,793.13	102,793.13	-	0.00
Repo Agmt	1991 A CHMRB	5.01	05/31/06	06/01/06	6,770.48	6,770.48	82.05				6,852.53	6,852.53	-	0.00
	1991 A CHMRB Total				108,332.10	108,332.10	1,313.56	0.00	0.00	0.00	109,645.66	109,645.66	0.00	0.00
Repo Agmt	1992 A-C CHMRB	5.01	05/31/06	06/01/06	101,162.52	101,162.52	5,387.58				106,550.10	106,550.10	-	0.00
GIC's	1992 A-C CHMRB	6.09	06/29/92	07/02/24	558,730.62	558,730.62	735,588.90				1,294,319.52	1,294,319.52	-	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	12/01/23	31,322.51	32,655.22			(236.52)		31,085.99	32,106.32	(312.38)	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	05/01/23	157,263.11	163,946.94			(1,803.71)		155,459.40	160,554.54	(1,588.69)	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	06/01/23	340,564.57	355,256.60			(4,843.46)		335,721.11	346,895.06	(3,518.06)	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	02/01/25	1,223,741.73	1,277,131.51			(10,318.48)		1,213,423.25	1,253,320.87	(13,492.16)	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	03/01/25	857,334.05	894,742.53			(57,552.52)		799,781.53	826,082.63	(11,107.38)	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	03/01/25	267,633.75	279,311.56			(3,588.32)		264,045.43	272,728.69	(2,994.55)	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	05/01/25	815,554.47	851,149.34			(15,289.12)		800,265.35	826,592.30	(9,267.92)	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	05/01/25	1,117,052.07	1,166,388.79			(90,917.35)		1,026,134.72	1,059,892.30	(15,579.14)	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/96	12/20/22	330,192.31	343,462.55			(3,127.19)		327,065.12	335,991.21	(4,344.15)	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	01/20/23	303,344.31	315,648.11			(2,901.76)		300,442.55	308,710.23	(4,036.12)	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	04/20/23	222,715.34	231,755.82			(2,918.47)		219,796.87	225,852.41	(2,984.94)	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	07/20/23	395,684.69	411,758.73			(5,635.49)		390,049.20	400,807.73	(5,315.51)	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	08/20/23	201,476.75	209,663.57			(1,538.62)		199,938.13	205,455.03	(2,669.92)	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	09/20/23	44,075.77	45,867.19			(1,198.99)		42,876.78	44,060.32	(607.88)	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	12/20/23	334,189.05	347,782.03			(5,173.04)		329,016.01	338,108.04	(4,500.95)	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	05/20/23	64,030.18	66,629.96			(1,735.65)		62,294.53	64,011.42	(882.89)	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	04/20/25	656,608.15	684,208.76			(7,776.56)		648,831.59	667,416.58	(9,015.62)	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	05/20/25	731,040.79	761,776.40			(54,552.92)		676,487.87	695,871.41	(11,352.07)	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	06/20/25	470,046.28	489,813.16			(3,532.14)		466,514.14	479,885.59	(6,395.43)	0.00
GIC's	1992 A-C CHMRB	6.09	06/29/92	07/02/24	100,000.05	100,000.05	0.00				100,000.05	100,000.05	-	0.00
GIC's	1992 A-C CHMRB	6.09	06/29/92	07/02/24	608,301.15	608,301.15	0.00				608,301.15	608,301.15	-	0.00
FNMA	1992 A-C CHMRB	6.91	04/28/95	06/01/23	128,153.68	133,598.32			(2,073.63)		126,080.05	130,210.44	(1,314.25)	0.00
GNMA	1992 A-C CHMRB	6.91	04/28/95	03/20/23	968,271.93	1,007,532.39			(16,073.99)		952,197.94	978,389.10	(13,069.30)	0.00
GNMA	1992 A-C CHMRB	6.91	04/28/95	01/20/25	2,340,572.21	2,438,813.93			(199,539.68)		2,141,032.53	2,202,229.25	(37,045.00)	0.00
GNMA	1992 A-C CHMRB	6.91	04/28/95	02/20/25	2,200,805.78	2,293,201.78			(55,713.43)		2,145,092.35	2,206,425.08	(31,063.27)	0.00
GNMA	1992 A-C CHMRB	6.91	04/28/95	03/20/25	2,582,431.01	2,690,870.37			(215,614.94)		2,366,816.07	2,434,510.40	(40,745.03)	0.00
Repo Agmt	1992 A-C CHMRB	5.01	05/31/06	06/01/06	11,601.57	11,601.57	140.70				11,742.27	11,742.27	-	0.00
	1992 A-C CHMRB Total				18,163,900.40	18,872,761.47	741,117.18	0.00	(763,655.98)	0.00	18,141,361.60	18,617,020.04	(233,202.63)	0.00
	Total CHMRB Investment Summary				18,613,193.62	19,322,054.69	746,564.97	0.00	(763,655.98)	0.00	18,596,102.61	19,071,761.05	(233,202.63)	0.00

Texas Department of Housing and Community Affairs
Multi Family Investment Summary
For Period Ending May 31, 2006

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/06	Beginning Market Value 02/28/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/06	Ending Market Value 05/31/06	Change in Market Value	Recognized Gain
Mutual Fund	1996 A&B MF (Brighton/LasColi)				74.46	74.46		(74.46)					-	0.00
Mutual Fund	1996 A&B MF (Brighton/LasColi)	4.58	05/01/06	06/01/06	177.38	177.38		(177.37)			0.01	0.01	-	0.00
Mutual Fund	1996 A&B MF (Brighton/LasColi)	4.58	05/01/06	06/01/06	28,415.63	28,415.63	6,136.15				34,551.78	34,551.78	-	0.00
Mutual Fund	1996 A&B MF (Brighton/LasColi)	4.58	05/01/06	06/01/06	20,481.01	20,481.01	6,542.43				27,023.44	27,023.44	-	0.00
	1996 A&B MF (Brighton/LasColi) Total				49,146.48	49,146.48	12,678.58	(251.83)	0.00	0.00	61,575.23	61,575.23	0.00	0.00
Mutual Fund	1998 M/F (Dallas-Oxford Rfdg)	4.58	05/01/06	06/01/06	59,240.74	59,240.74	259,252.39				318,493.13	318,493.13	-	0.00
Mutual Fund	1998 M/F (Dallas-Oxford Rfdg)	4.58	05/01/06	06/01/06	20,893.93	20,893.93		(4,456.01)			16,437.92	16,437.92	-	0.00
Mutual Fund	1998 M/F (Dallas-Oxford Rfdg)	4.18	05/01/06	06/01/06	475.33	475.33	4.35				479.68	479.68	-	0.00
	1998 M/F (Dallas-Oxford Rfdg) Total				80,610.00	80,610.00	259,256.74	(4,456.01)	0.00	0.00	335,410.73	335,410.73	0.00	0.00
Mutual Fund	1996 A&B MF (Braxton's)				87.60	87.60		(87.60)					-	0.00
Mutual Fund	1996 A&B MF (Braxton's)	4.58	05/01/06	06/01/06			10,124.92				10,124.92	10,124.92	-	0.00
Mutual Fund	1996 A&B MF (Braxton's)	4.58	05/01/06	06/01/06	36,858.61	36,858.61	10,404.42				47,263.03	47,263.03	-	0.00
	1996 A&B MF (Braxton's) Total				36,946.21	36,946.21	20,529.34	(87.60)	0.00	0.00	57,387.95	57,387.95	0.00	0.00
T-Note	1993 A&B M/F(Reming. Hill/HP)				209,080.15	209,080.15		(209,080.15)					-	0.00
Repo Agmt	1993 A&B M/F(Reming. Hill/HP)	5.01	05/31/06	06/01/06	552.79	552.79	6.64				559.43	559.43	-	0.00
T-Bill	1993 A&B M/F(Reming. Hill/HP)	5.81	05/11/06	06/15/06	82,809.44	82,809.44		(2,155.02)			80,654.42	80,654.42	-	0.00
Repo Agmt	1993 A&B M/F(Reming. Hill/HP)	5.01	05/31/06	06/01/06	23,808.83	23,808.83	288.74				24,097.57	24,097.57	-	0.00
	1993 A&B M/F(Reming. Hill/HP) Total				316,251.21	316,251.21	295.38	(211,235.17)	0.00	0.00	105,311.42	105,311.42	0.00	0.00
Repo Agmt	1987 South Tx. Rental Housing	5.01	05/31/06	06/01/06	958,948.41	958,948.41		(156,753.32)			802,195.09	802,195.09	-	0.00
	1987 South Tx. Rental Housing Total				958,948.41	958,948.41	0.00	(156,753.32)	0.00	0.00	802,195.09	802,195.09	0.00	0.00
Mutual Fund	1996 A-D M/F(Dallas-Ft Worth)	4.58	05/01/06	06/01/06	4.26	4.26	0.00				4.26	4.26	-	0.00
Mutual Fund	1996 A-D M/F(Dallas-Ft Worth)	4.18	05/01/06	06/01/06	410,610.66	410,610.66	3,539.33				414,149.99	414,149.99	-	0.00
Mutual Fund	1996 A-D M/F(Dallas-Ft Worth)	4.18	05/01/06	06/01/06	8.55	8.55	0.00				8.55	8.55	-	0.00
	1996 A-D M/F(Dallas-Ft Worth) Total				410,623.47	410,623.47	3,539.33	0.00	0.00	0.00	414,162.80	414,162.80	0.00	0.00
Mutual Fund	1996 A-D M/F(Harbors/Plumtree)				28,119.94	28,119.94		(28,119.94)					-	0.00
Mutual Fund	1996 A-D M/F(Harbors/Plumtree)				14,418.98	14,418.98		(14,418.98)					-	0.00
Inv Agmt	1996 A-D M/F(Harbors/Plumtree)				50,336.41	50,336.41		(50,336.41)					-	0.00
Mutual Fund	1996 A-D M/F(Harbors/Plumtree)				114,789.71	114,789.71		(114,789.71)					-	0.00
Mutual Fund	1996 A-D M/F(Harbors/Plumtree)				21,203.81	21,203.81		(21,203.81)					-	0.00
Inv Agmt	1996 A-D M/F(Harbors/Plumtree)				86,743.95	86,743.95		(86,743.95)					-	0.00
Inv Agmt	1996 A-D M/F(Harbors/Plumtree)				777,671.25	777,671.25		(777,671.25)					-	0.00
Inv Agmt	1996 A-D M/F(Harbors/Plumtree)				177,500.00	177,500.00		(177,500.00)					-	0.00
Inv Agmt	1996 A-D M/F(Harbors/Plumtree)				128,465.47	128,465.47		(128,465.47)					-	0.00
Inv Agmt	1996 A-D M/F(Harbors/Plumtree)				13,720.24	13,720.24		(13,720.24)					-	0.00
Inv Agmt	1996 A-D M/F(Harbors/Plumtree)				16,167.36	16,167.36		(16,167.36)					-	0.00
	1996 A-D M/F(Harbors/Plumtree) Total				1,429,137.12	1,429,137.12	0.00	(1,429,137.12)	0.00	0.00	0.00	0.00	0.00	0.00
Mutual Fund	1996 A&B M/F(NHP Project)	4.18	05/01/06	06/01/06	0.02	0.02	0.00				0.02	0.02	-	0.00
Inv Agmt	1996 A&B M/F(NHP Project)	6.70	11/21/96	01/01/27	1.00	1.00	0.00				1.00	1.00	-	0.00
	1996 A&B M/F(NHP Project) Total				1.02	1.02	0.00	0.00	0.00	0.00	1.02	1.02	0.00	0.00
Mutual Fund	1997 M/F (Meadow Ridge)	4.18	05/01/06	06/01/06	3.38	3.38	0.00				3.38	3.38	-	0.00
	1997 M/F (Meadow Ridge) Total				3.38	3.38	0.00	0.00	0.00	0.00	3.38	3.38	0.00	0.00
Mutual Fund	1998 M/F (Pebble Brook)				2.23	2.23		(2.23)					-	0.00
Mutual Fund	1998 M/F (Pebble Brook)	4.58	05/01/06	06/01/06	61,142.48	61,142.48	303,690.02				364,832.50	364,832.50	-	0.00
Inv Agmt	1998 M/F (Pebble Brook)	5.20	04/30/98	12/01/30	130,525.23	130,525.23		(123,211.34)			7,313.89	7,313.89	-	0.00
Mutual Fund	1998 M/F (Pebble Brook)	4.18	05/01/06	06/01/06	35,637.20	35,637.20	327.86				35,965.06	35,965.06	-	0.00
	1998 M/F (Pebble Brook) Total				227,307.14	227,307.14	304,017.88	(123,213.57)	0.00	0.00	408,111.45	408,111.45	0.00	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/06	Beginning Market Value 02/28/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/06	Ending Market Value 05/31/06	Change in In Market Value	Recognized Gain
Mutual Fund	1998 M/F (Residence Oaks Proj)	4.58	05/01/06	06/01/06	268.89	268.89	2.35				271.24	271.24	-	0.00
Mutual Fund	1998 M/F (Residence Oaks Proj)	4.58	05/01/06	06/01/06	0.11	0.11	0.00				0.11	0.11	-	0.00
Mutual Fund	1998 M/F (Residence Oaks Proj)	4.58	05/01/06	06/01/06	47,132.57	47,132.57	17,579.95				64,712.52	64,712.52	-	0.00
Mutual Fund	1998 M/F (Residence Oaks Proj)	4.58	05/01/06	06/01/06	47,229.46	47,229.46	7,741.16				54,970.62	54,970.62	-	0.00
Mutual Fund	1998 M/F (Residence Oaks Proj)	4.58	05/01/06	06/01/06	23,388.65	23,388.65		(22,921.65)			467.00	467.00	-	0.00
Mutual Fund	1998 M/F (Residence Oaks Proj)	4.58	05/01/06	06/01/06	77,474.50	77,474.50		(75,847.77)			1,626.73	1,626.73	-	0.00
Mutual Fund	1998 M/F (Residence Oaks Proj)	4.58	05/01/06	06/01/06	13,427.31	13,427.31	12,617.02				26,044.33	26,044.33	-	0.00
	1998 M/F (Residence Oaks Proj) Total				208,921.69	208,921.69	37,940.48	(98,769.62)	0.00	0.00	148,092.55	148,092.55	0.00	0.00
Mutual Fund	1998 M/F (Volente Project)	4.18	05/01/06	06/01/06	971.21	971.21	0.00				971.21	971.21	-	0.00
Mutual Fund	1998 M/F (Volente Project)	4.18	05/01/06	06/01/06	131,487.94	131,487.94		(8,849.91)			122,638.03	122,638.03	-	0.00
Inv Agmt	1998 M/F (Volente Project)	5.22	05/14/98	01/01/31	61,113.55	61,113.55	159,385.87				220,499.42	220,499.42	-	0.00
Mutual Fund	1998 M/F (Volente Project)	4.18	05/01/06	06/01/06	4,034.40	4,034.40	38.16				4,072.56	4,072.56	-	0.00
Mutual Fund	1998 M/F (Volente Project)	4.18	05/01/06	06/01/06	1.24	1.24	0.00				1.24	1.24	-	0.00
Mutual Fund	1998 M/F (Volente Project)	4.18	05/01/06	06/01/06			23.36				23.36	23.36	-	0.00
	1998 M/F (Volente Project) Total				197,608.34	197,608.34	159,447.39	(8,849.91)	0.00	0.00	348,205.82	348,205.82	0.00	0.00
Mutual Fund	1998 M/F (Greens-Hickory Trail	4.58	05/01/06	06/01/06	9,583.26	9,583.26		(3,228.26)			6,355.00	6,355.00	-	0.00
Mutual Fund	1998 M/F (Greens-Hickory Trail	4.58	05/01/06	06/01/06	75,928.90	75,928.90	95,072.74				171,001.64	171,001.64	-	0.00
Mutual Fund	1998 M/F (Greens-Hickory Trail	4.58	05/01/06	06/01/06	3,068.32	3,068.32	117,228.91				120,297.23	120,297.23	-	0.00
Mutual Fund	1998 M/F (Greens-Hickory Trail	4.18	05/01/06	06/01/06	1,421.14	1,421.14	10.37				1,431.51	1,431.51	-	0.00
Inv Agmt	1998 M/F (Greens-Hickory Trail	4.94	03/22/01	09/01/30	1.53	1.53	54,999.99				55,001.52	55,001.52	-	0.00
Mutual Fund	1998 M/F (Greens-Hickory Trail	4.18	05/01/06	06/01/06			4,471.77				4,471.77	4,471.77	-	0.00
Inv Agmt	1998 M/F (Greens-Hickory Trail	4.94	09/10/98	09/01/30	5.72	5.72	167,755.89				167,761.61	167,761.61	-	0.00
Mutual Fund	1998 M/F (Greens-Hickory Trail				4,439.63	4,439.63		(4,439.63)					-	0.00
Inv Agmt	1998 M/F (Greens-Hickory Trail				11,423.48	11,423.48		(11,423.48)					-	0.00
Mutual Fund	1998 M/F (Greens-Hickory Trail	4.18	05/01/06	06/01/06	530.17	530.17		(85.97)			444.20	444.20	-	0.00
Inv Agmt	1998 M/F (Greens-Hickory Trail	4.94	03/22/01	09/01/30			24,750.35				24,750.35	24,750.35	-	0.00
	1998 M/F (Greens-Hickory Trail Total				106,402.15	106,402.15	464,290.02	(19,177.34)	0.00	0.00	551,514.83	551,514.83	0.00	0.00
Mutual Fund	1999 M/F (Mayfield Apts)	4.58	05/01/06	06/01/06	1,474.14	1,474.14	129,538.86				131,013.00	131,013.00	-	0.00
Mutual Fund	1999 M/F (Mayfield Apts)	4.58	05/01/06	06/01/06	1.78	1.78	0.00				1.78	1.78	-	0.00
Mutual Fund	1999 M/F (Mayfield Apts)	4.58	05/01/06	06/01/06	156,197.55	156,197.55		(156,197.54)			0.01	0.01	-	0.00
Mutual Fund	1999 M/F (Mayfield Apts)	4.58	05/01/06	06/01/06	55,282.70	55,282.70	15,929.12				71,211.82	71,211.82	-	0.00
Mutual Fund	1999 M/F (Mayfield Apts)	4.18	05/01/06	06/01/06	48,491.04	48,491.04		(32,096.10)			16,394.94	16,394.94	-	0.00
Mutual Fund	1999 M/F (Mayfield Apts)	4.58	05/01/06	06/01/06	155,649.42	155,649.42		(102,384.13)			53,265.29	53,265.29	-	0.00
Mutual Fund	1999 M/F (Mayfield Apts)	4.58	05/01/06	06/01/06	0.16	0.16	0.00				0.16	0.16	-	0.00
	1999 M/F (Mayfield Apts) Total				417,096.79	417,096.79	145,467.98	(290,677.77)	0.00	0.00	271,887.00	271,887.00	0.00	0.00
Mutual Fund	1999 M/F (Woodglen Village)	4.58	05/01/06	06/01/06	2,507.71	2,507.71	0.00				2,507.71	2,507.71	-	0.00
Mutual Fund	1999 M/F (Woodglen Village)	4.58	05/01/06	06/01/06	7,049.13	7,049.13	71.33				7,120.46	7,120.46	-	0.00
Mutual Fund	1999 M/F (Woodglen Village)	4.25	05/01/06	06/01/06	390.11	390.11	3.81				393.92	393.92	-	0.00
Mutual Fund	1999 M/F (Woodglen Village)	4.58	05/01/06	06/01/06	0.01	0.01	0.00				0.01	0.01	-	0.00
Mutual Fund	1999 M/F (Woodglen Village)	4.58	05/01/06	06/01/06	103,761.26	103,761.26	195,335.08				299,096.34	299,096.34	-	0.00
Mutual Fund	1999 M/F (Woodglen Village)	4.58	05/01/06	06/01/06	26,551.99	26,551.99	0.00				26,551.99	26,551.99	-	0.00
Mutual Fund	1999 M/F (Woodglen Village)	4.58	05/01/06	06/01/06	16,194.53	16,194.53	0.00				16,194.53	16,194.53	-	0.00
Mutual Fund	1999 M/F (Woodglen Village)	4.25	05/01/06	06/01/06	3,350.62	3,350.62	2,291.16				5,641.78	5,641.78	-	0.00
	1999 M/F (Woodglen Village) Total				159,805.36	159,805.36	197,701.38	0.00	0.00	0.00	357,506.74	357,506.74	0.00	0.00
Mutual Fund	2000 M/F (Timber Point Apts)	4.58	05/01/06	06/01/06	24,718.68	24,718.68		(13,255.35)			11,463.33	11,463.33	-	0.00
Mutual Fund	2000 M/F (Timber Point Apts)	4.18	05/01/06	06/01/06	3,599.17	3,599.17	32.28				3,631.45	3,631.45	-	0.00
Mutual Fund	2000 M/F (Timber Point Apts)	4.18	05/01/06	06/01/06	2.33	2.33	0.00				2.33	2.33	-	0.00
Mutual Fund	2000 M/F (Timber Point Apts)	4.18	05/01/06	06/01/06	3.53	3.53	0.00				3.53	3.53	-	0.00
Mutual Fund	2000 M/F (Timber Point Apts)	4.18	05/01/06	06/01/06	104,011.46	104,011.46		(73,534.72)			30,476.74	30,476.74	-	0.00
	2000 M/F (Timber Point Apts) Total				132,335.17	132,335.17	32.28	(86,790.07)	0.00	0.00	45,577.38	45,577.38	0.00	0.00
Mutual Fund	2000 A&B M/F (Oaks at Hampton)	4.18	05/01/06	06/01/06	61,040.52	61,040.52	62,809.30				123,849.82	123,849.82	-	0.00
Mutual Fund	2000 A&B M/F (Oaks at Hampton)	4.18	05/01/06	06/01/06	150,633.80	150,633.80	14,537.34				165,171.14	165,171.14	-	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/06	Beginning Market Value 02/28/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/06	Ending Market Value 05/31/06	Change in In Market Value	Recognized Gain
Mutual Fund	2000 A&B M/F (Oaks at Hampton)	4.18	05/01/06	06/01/06	0.04	0.04	0.00				0.04	0.04	-	0.00
Mutual Fund	2000 A&B M/F (Oaks at Hampton)	4.18	05/01/06	06/01/06	94,706.04	94,706.04	1,000.28				95,706.32	95,706.32	-	0.00
Mutual Fund	2000 A&B M/F (Oaks at Hampton)	4.18	05/01/06	06/01/06	28,127.71	28,127.71		(17,214.00)			10,913.71	10,913.71	-	0.00
	2000 A&B M/F (Oaks at Hampton) Total				334,508.11	334,508.11	78,346.92	(17,214.00)	0.00	0.00	395,641.03	395,641.03	0.00	0.00
Mutual Fund	2000 M/F (Deerwood Apts)	4.18	05/01/06	06/01/06	9,127.15	9,127.15		(4,823.15)			4,304.00	4,304.00	-	0.00
Mutual Fund	2000 M/F (Deerwood Apts)	4.18	05/01/06	06/01/06	0.02	0.02	0.00				0.02	0.02	-	0.00
Mutual Fund	2000 M/F (Deerwood Apts)				1,606.67	1,606.67		(1,606.67)					-	0.00
Inv Agmt	2000 M/F (Deerwood Apts)	6.15	05/23/00	06/01/32	91,587.21	91,587.21	122,020.10				213,607.31	213,607.31	-	0.00
	2000 M/F (Deerwood Apts) Total				102,321.05	102,321.05	122,020.10	(6,429.82)	0.00	0.00	217,911.33	217,911.33	0.00	0.00
Mutual Fund	2000 M/F (Creek Point Apts)	4.58	05/01/06	06/01/06	24,846.63	24,846.63		(9,796.23)			15,050.40	15,050.40	-	0.00
Mutual Fund	2000 M/F (Creek Point Apts)	4.58	05/01/06	06/01/06	10.18	10.18	1.47				11.65	11.65	-	0.00
Mutual Fund	2000 M/F (Creek Point Apts)	4.58	05/01/06	06/01/06	56,196.46	56,196.46	23,056.51				79,252.97	79,252.97	-	0.00
Mutual Fund	2000 M/F (Creek Point Apts)	4.58	05/01/06	06/01/06	231.63	231.63	2.59				234.22	234.22	-	0.00
	2000 M/F (Creek Point Apts) Total				81,284.90	81,284.90	23,060.57	(9,796.23)	0.00	0.00	94,549.24	94,549.24	0.00	0.00
Mutual Fund	2000 M/F (Parks @ Westmoreld)	4.18	05/01/06	06/01/06	17,769.92	17,769.92	7,704.44				25,474.36	25,474.36	-	0.00
Mutual Fund	2000 M/F (Parks @ Westmoreld)	4.18	05/01/06	06/01/06	130,051.06	130,051.06	11,069.07				141,120.13	141,120.13	-	0.00
Mutual Fund	2000 M/F (Parks @ Westmoreld)	4.18	05/01/06	06/01/06	11.24	11.24	0.11				11.35	11.35	-	0.00
Mutual Fund	2000 M/F (Parks @ Westmoreld)	4.18	05/01/06	06/01/06	268.97	268.97	2.55				271.52	271.52	-	0.00
Mutual Fund	2000 M/F (Parks @ Westmoreld)	4.18	05/01/06	06/01/06	91,427.30	91,427.30	787.51				92,214.81	92,214.81	-	0.00
Mutual Fund	2000 M/F (Parks @ Westmoreld)	4.18	05/01/06	06/01/06	53,766.02	53,766.02	58,327.20				112,093.22	112,093.22	-	0.00
	2000 M/F (Parks @ Westmoreld) Total				293,294.51	293,294.51	77,890.88	0.00	0.00	0.00	371,185.39	371,185.39	0.00	0.00
Mutual Fund	2000 M/F (Honey Creek)	4.58	05/01/06	06/01/06	10,443.05	10,443.05	105.73				10,548.78	10,548.78	-	0.00
Mutual Fund	2000 M/F (Honey Creek)	4.58	05/01/06	06/01/06	0.55	0.55	0.00				0.55	0.55	-	0.00
Mutual Fund	2000 M/F (Honey Creek)	4.58	05/01/06	06/01/06	0.06	0.06	0.00				0.06	0.06	-	0.00
Mutual Fund	2000 M/F (Honey Creek)	4.58	05/01/06	06/01/06	148.73	148.73		(127.23)			21.50	21.50	-	0.00
	2000 M/F (Honey Creek) Total				10,592.39	10,592.39	105.73	(127.23)	0.00	0.00	10,570.89	10,570.89	0.00	0.00
Mutual Fund	2000 A-C MF Highland Meadows	4.58	05/01/06	06/01/06	20,148.21	20,148.21	114,052.57				134,200.78	134,200.78	-	0.00
Mutual Fund	2000 A-C MF Highland Meadows	4.58	05/01/06	06/01/06	134,947.67	134,947.67		(120,724.94)			14,222.73	14,222.73	-	0.00
Mutual Fund	2000 A-C MF Highland Meadows	4.58	05/01/06	06/01/06	17,933.82	17,933.82	20,740.22				38,674.04	38,674.04	-	0.00
Mutual Fund	2000 A-C MF Highland Meadows	4.58	05/01/06	06/01/06	34,960.98	34,960.98		(23,234.84)			11,726.14	11,726.14	-	0.00
Mutual Fund	2000 A-C MF Highland Meadows	4.58	05/01/06	06/01/06	188,316.01	188,316.01		(125,547.49)			62,768.52	62,768.52	-	0.00
	2000 A-C MF Highland Meadows Total				396,306.69	396,306.69	134,792.79	(269,507.27)	0.00	0.00	261,592.21	261,592.21	0.00	0.00
Mutual Fund	2000 A/B MF Greenbridge	4.18	05/01/06	06/01/06	31,009.12	31,009.12	0.00				31,009.12	31,009.12	-	0.00
Mutual Fund	2000 A/B MF Greenbridge	4.18	05/01/06	06/01/06	672,250.70	672,250.70	337,559.38				1,009,810.08	1,009,810.08	-	0.00
Mutual Fund	2000 A/B MF Greenbridge	4.18	05/01/06	06/01/06	11,770.00	11,770.00	0.00				11,770.00	11,770.00	-	0.00
Inv Agmt	2000 A/B MF Greenbridge	6.15	11/09/00	11/01/40	5.45	5.45	0.00				5.45	5.45	-	0.00
	2000 A/B MF Greenbridge Total				715,035.27	715,035.27	337,559.38	0.00	0.00	0.00	1,052,594.65	1,052,594.65	0.00	0.00
Mutual Fund	2000 A-C MF Collingham Park	4.58	05/01/06	06/01/06	41,259.00	41,259.00	97,916.66				139,175.66	139,175.66	-	0.00
Mutual Fund	2000 A-C MF Collingham Park	4.58	05/01/06	06/01/06	22,007.48	22,007.48	4,060.90				26,068.38	26,068.38	-	0.00
Mutual Fund	2000 A-C MF Collingham Park				117,331.45	117,331.45		(117,331.45)					-	0.00
Mutual Fund	2000 A-C MF Collingham Park	4.58	05/01/06	06/01/06	40,900.11	40,900.11		(26,732.19)			14,167.92	14,167.92	-	0.00
Mutual Fund	2000 A-C MF Collingham Park	4.58	05/01/06	06/01/06	223,287.90	223,287.90		(149,538.55)			73,749.35	73,749.35	-	0.00
	2000 A-C MF Collingham Park Total				444,785.94	444,785.94	101,977.56	(293,602.19)	0.00	0.00	253,161.31	253,161.31	0.00	0.00
Mutual Fund	2000 A/B MF Willams Run	4.18	05/01/06	06/01/06	13,513.09	13,513.09	0.00				13,513.09	13,513.09	-	0.00
Mutual Fund	2000 A/B MF Willams Run	4.18	05/01/06	06/01/06	14.72	14.72	0.00				14.72	14.72	-	0.00
Mutual Fund	2000 A/B MF Willams Run	4.18	05/01/06	06/01/06	53,278.24	53,278.24	111,670.79				164,949.03	164,949.03	-	0.00
Mutual Fund	2000 A/B MF Willams Run	4.18	05/01/06	06/01/06	1,451.07	1,451.07	13.73				1,464.80	1,464.80	-	0.00
Mutual Fund	2000 A/B MF Willams Run	4.18	05/01/06	06/01/06	0.66	0.66	0.00				0.66	0.66	-	0.00
	2000 A/B MF Willams Run Total				68,257.78	68,257.78	111,684.52	0.00	0.00	0.00	179,942.30	179,942.30	0.00	0.00
Mutual Fund	2000 A/B MF Red Hills Villas	4.18	05/01/06	06/01/06	756,702.19	756,702.19	7,157.86				763,860.05	763,860.05	-	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/06	Beginning Market Value 02/28/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/06	Ending Market Value 05/31/06	Change in In Market Value	Recognized Gain
Mutual Fund	2000 A/B MF Red Hills Villas	4.18	05/01/06	06/01/06	8,070.39	8,070.39	6,870.71				14,941.10	14,941.10	-	0.00
Mutual Fund	2000 A/B MF Red Hills Villas	4.18	05/01/06	06/01/06	134,918.29	134,918.29	10,718.76				145,637.05	145,637.05	-	0.00
Mutual Fund	2000 A/B MF Red Hills Villas	4.18	05/01/06	06/01/06	83,122.46	83,122.46		(65.20)			83,057.26	83,057.26	-	0.00
Mutual Fund	2000 A/B MF Red Hills Villas	4.18	05/01/06	06/01/06	120,486.72	120,486.72	32,649.18				153,135.90	153,135.90	-	0.00
	2000 A/B MF Red Hills Villas Total				1,103,300.05	1,103,300.05	57,396.51	(65.20)	0.00	0.00	1,160,631.36	1,160,631.36	0.00	0.00
Mutual Fund	2001A MF Bluffview Sr. Apts.	4.18	05/01/06	06/01/06	30,479.35	30,479.35		(18,437.84)			12,041.51	12,041.51	-	0.00
Mutual Fund	2001A MF Bluffview Sr. Apts.	4.18	05/01/06	06/01/06	52,917.86	52,917.86	58,681.17				111,599.03	111,599.03	-	0.00
Mutual Fund	2001A MF Bluffview Sr. Apts.	4.18	05/01/06	06/01/06	88,201.92	88,201.92	11,200.23				99,402.15	99,402.15	-	0.00
Mutual Fund	2001A MF Bluffview Sr. Apts.	4.18	05/01/06	06/01/06	96,007.43	96,007.43	1,568.73				97,576.16	97,576.16	-	0.00
Mutual Fund	2001A MF Bluffview Sr. Apts.	4.18	05/01/06	06/01/06	38,296.80	38,296.80	362.26				38,659.06	38,659.06	-	0.00
	2001A MF Bluffview Sr. Apts. Total				305,903.36	305,903.36	71,812.39	(18,437.84)	0.00	0.00	359,277.91	359,277.91	0.00	0.00
Mutual Fund	2001A MF Knollwood Villas Apts	4.18	05/01/06	06/01/06	22,082.65	22,082.65		(21,526.74)			555.91	555.91	-	0.00
Mutual Fund	2001A MF Knollwood Villas Apts	4.18	05/01/06	06/01/06	52,787.51	52,787.51	61,876.26				114,663.77	114,663.77	-	0.00
Mutual Fund	2001A MF Knollwood Villas Apts	4.18	05/01/06	06/01/06	46,923.29	46,923.29		(1,330.23)			45,593.06	45,593.06	-	0.00
Mutual Fund	2001A MF Knollwood Villas Apts	4.18	05/01/06	06/01/06	119,385.25	119,385.25	29.94				119,415.19	119,415.19	-	0.00
	2001A MF Knollwood Villas Apts Total				241,178.70	241,178.70	61,906.20	(22,856.97)	0.00	0.00	280,227.93	280,227.93	0.00	0.00
Mutual Fund	2001A MF Skyway Villas	4.18	05/01/06	06/01/06	18,048.07	18,048.07	367.05				18,415.12	18,415.12	-	0.00
Mutual Fund	2001A MF Skyway Villas	4.18	05/01/06	06/01/06	101,499.97	101,499.97	14,499.99				115,999.96	115,999.96	-	0.00
Mutual Fund	2001A MF Skyway Villas	4.18	05/01/06	06/01/06	84,871.31	84,871.31	87,876.10				172,747.41	172,747.41	-	0.00
Mutual Fund	2001A MF Skyway Villas	4.18	05/01/06	06/01/06	47,925.81	47,925.81	47,925.81				95,851.62	95,851.62	-	0.00
Mutual Fund	2001A MF Skyway Villas	4.18	05/01/06	06/01/06	13,463.92	13,463.92	0.00				13,463.92	13,463.92	-	0.00
Inv Agmt	2001A MF Skyway Villas				53,855.67	53,855.67		(53,855.67)					-	0.00
Mutual Fund	2001A MF Skyway Villas	4.18	05/01/06	06/01/06	10,833.33	10,833.33	0.00				10,833.33	10,833.33	-	0.00
Inv Agmt	2001A MF Skyway Villas	5.00	08/30/04	12/01/34	32,499.99	32,499.99	32,499.99				64,999.98	64,999.98	-	0.00
Mutual Fund	2001A MF Skyway Villas	4.18	05/01/06	06/01/06	40,062.50	40,062.50	0.00				40,062.50	40,062.50	-	0.00
Inv Agmt	2001A MF Skyway Villas	5.00	04/17/03	12/01/34	120,187.50	120,187.50	120,187.50				240,375.00	240,375.00	-	0.00
	2001A MF Skyway Villas Total				523,248.07	523,248.07	303,356.44	(53,855.67)	0.00	0.00	772,748.84	772,748.84	0.00	0.00
Mutual Fund	2001AB Cobb Park Apts	4.18	05/01/06	06/01/06	10,408.06	10,408.06	6,048.26				16,456.32	16,456.32	-	0.00
Mutual Fund	2001AB Cobb Park Apts	4.18	05/01/06	06/01/06	91,795.62	91,795.62	51,101.16				142,896.78	142,896.78	-	0.00
Mutual Fund	2001AB Cobb Park Apts	4.18	05/01/06	06/01/06	86,820.91	86,820.91		(2,141.27)			84,679.64	84,679.64	-	0.00
Mutual Fund	2001AB Cobb Park Apts	4.18	05/01/06	06/01/06	64.12	64.12		(64.03)			0.09	0.09	-	0.00
Mutual Fund	2001AB Cobb Park Apts	4.18	05/01/06	06/01/06	53,120.87	53,120.87	502.48				53,623.35	53,623.35	-	0.00
	2001AB Cobb Park Apts Total				242,209.58	242,209.58	57,651.90	(2,205.30)	0.00	0.00	297,656.18	297,656.18	0.00	0.00
Mutual Fund	2001A MF Greens Road Apts	4.58	05/01/06	06/01/06	3,481.81	3,481.81	35.53				3,517.34	3,517.34	-	0.00
Mutual Fund	2001A MF Greens Road Apts	4.58	05/01/06	06/01/06	46,412.56	46,412.56	139,761.16				186,173.72	186,173.72	-	0.00
Inv Agmt	2001A MF Greens Road Apts	4.01	09/14/01	06/01/34	102,458.35	102,458.35		(89,153.78)			13,304.57	13,304.57	-	0.00
	2001A MF Greens Road Apts Total				152,352.72	152,352.72	139,796.69	(89,153.78)	0.00	0.00	202,995.63	202,995.63	0.00	0.00
Mutual Fund	2001AB MF Meridian Apts	4.58	05/01/06	06/01/06	149.85	149.85	1.62				151.47	151.47	-	0.00
Mutual Fund	2001AB MF Meridian Apts	4.58	05/01/06	06/01/06	2.38	2.38	0.40				2.78	2.78	-	0.00
Mutual Fund	2001AB MF Meridian Apts	4.58	05/01/06	06/01/06	0.01	0.01	0.00				0.01	0.01	-	0.00
Mutual Fund	2001AB MF Meridian Apts	4.58	05/01/06	06/01/06	9.11	9.11	0.00				9.11	9.11	-	0.00
Mutual Fund	2001AB MF Meridian Apts	4.58	05/01/06	06/01/06			330,457.50				330,457.50	330,457.50	-	0.00
	2001AB MF Meridian Apts Total				161.35	161.35	330,459.52	0.00	0.00	0.00	330,620.87	330,620.87	0.00	0.00
Mutual Fund	2001AB MF Wildwood Branch	4.58	05/01/06	06/01/06	2.62	2.62	0.00				2.62	2.62	-	0.00
Mutual Fund	2001AB MF Wildwood Branch				5.05	5.05		(5.05)					-	0.00
Mutual Fund	2001AB MF Wildwood Branch	4.58	05/01/06	06/01/06	0.02	0.02	0.00				0.02	0.02	-	0.00
Mutual Fund	2001AB MF Wildwood Branch	4.58	05/01/06	06/01/06	86.99	86.99	451.55				538.54	538.54	-	0.00
Mutual Fund	2001AB MF Wildwood Branch	4.58	05/01/06	06/01/06	14,106.84	14,106.84	0.00				14,106.84	14,106.84	-	0.00
Mutual Fund	2001AB MF Wildwood Branch	4.58	05/01/06	06/01/06	880.36	880.36	325,259.67				326,140.03	326,140.03	-	0.00
	2001AB MF Wildwood Branch Total				15,081.88	15,081.88	325,711.22	(5.05)	0.00	0.00	340,788.05	340,788.05	0.00	0.00
Mutual Fund	2001ABC MF Fallbrook Apts	3.95	05/01/06	06/01/06	80,634.34	80,634.34	59,844.46				140,478.80	140,478.80	-	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/06	Beginning Market Value 02/28/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/06	Ending Market Value 05/31/06	Change in In Market Value	Recognized Gain
Mutual Fund	2001ABC MF Fallbrook Apts	4.58	05/01/06	06/01/06	5,082.97	5,082.97	8,098.57				13,181.54	13,181.54	-	0.00
Mutual Fund	2001ABC MF Fallbrook Apts	4.58	05/01/06	06/01/06	774.73	774.73	36.61				811.34	811.34	-	0.00
Mutual Fund	2001ABC MF Fallbrook Apts	4.18	05/01/06	06/01/06	75,902.79	75,902.79	14,776.30				90,679.09	90,679.09	-	0.00
Mutual Fund	2001ABC MF Fallbrook Apts	4.58	05/01/06	06/01/06	46,154.58	46,154.58	45,989.28				92,143.86	92,143.86	-	0.00
Mutual Fund	2001ABC MF Fallbrook Apts	4.18	05/01/06	06/01/06	228,908.74	228,908.74	224,323.58				453,232.32	453,232.32	-	0.00
	2001ABC MF Fallbrook Apts Total				437,458.15	437,458.15	353,068.80	0.00	0.00	0.00	790,526.95	790,526.95	0.00	0.00
Mutual Fund	2001 MF Oak Hollow Apts	4.18	05/01/06	06/01/06	11,337.46	11,337.46	5,838.52				17,175.98	17,175.98	-	0.00
Mutual Fund	2001 MF Oak Hollow Apts	4.18	05/01/06	06/01/06	26,320.54	26,320.54	4,529.45				30,849.99	30,849.99	-	0.00
Mutual Fund	2001 MF Oak Hollow Apts	4.18	05/01/06	06/01/06	57,120.90	57,120.90	0.00				57,120.90	57,120.90	-	0.00
Mutual Fund	2001 MF Oak Hollow Apts	4.18	05/01/06	06/01/06	31,282.22	31,282.22	36,868.75				68,150.97	68,150.97	-	0.00
Mutual Fund	2001 MF Oak Hollow Apts	4.18	05/01/06	06/01/06	1,671.82	1,671.82	201.63				1,873.45	1,873.45	-	0.00
	2001 MF Oak Hollow Apts Total				127,732.94	127,732.94	47,438.35	0.00	0.00	0.00	175,171.29	175,171.29	0.00	0.00
Mutual Fund	2001AB MF Hillside Apts	4.18	05/01/06	06/01/06	100,000.00	100,000.00	662.48				100,662.48	100,662.48	-	0.00
Mutual Fund	2001AB MF Hillside Apts	4.18	05/01/06	06/01/06	22,002.61	22,002.61		(5,399.92)			16,602.69	16,602.69	-	0.00
Mutual Fund	2001AB MF Hillside Apts	4.18	05/01/06	06/01/06	90,374.08	90,374.08		(2,915.57)			87,458.51	87,458.51	-	0.00
Mutual Fund	2001AB MF Hillside Apts	4.18	05/01/06	06/01/06	108,167.22	108,167.22	537.36				108,704.58	108,704.58	-	0.00
Mutual Fund	2001AB MF Hillside Apts	4.18	05/01/06	06/01/06	54,486.55	54,486.55	66,091.01				120,577.56	120,577.56	-	0.00
Mutual Fund	2001AB MF Hillside Apts				295.55	295.55		(295.55)					-	0.00
	2001AB MF Hillside Apts Total				375,326.01	375,326.01	67,290.85	(8,611.04)	0.00	0.00	434,005.82	434,005.82	0.00	0.00
Mutual Fund	2002A MF Millstone Apts	3.95	05/01/06	06/01/06	21,247.45	21,247.45		(5,499.35)			15,748.10	15,748.10	-	0.00
Mutual Fund	2002A MF Millstone Apts	3.95	05/01/06	06/01/06	0.98	0.98	0.00				0.98	0.98	-	0.00
Mutual Fund	2002A MF Millstone Apts	3.95	05/01/06	06/01/06	12,932.78	12,932.78		(12,618.26)			314.52	314.52	-	0.00
Mutual Fund	2002A MF Millstone Apts	3.95	05/01/06	06/01/06	50,048.71	50,048.71		(37,415.43)			12,633.28	12,633.28	-	0.00
Mutual Fund	2002A MF Millstone Apts	4.58	05/01/06	06/01/06	51.48	51.48	70,000.71				70,052.19	70,052.19	-	0.00
Mutual Fund	2002A MF Millstone Apts	3.95	05/01/06	06/01/06	138,736.20	138,736.20	138,863.45				277,599.65	277,599.65	-	0.00
Mutual Fund	2002A MF Millstone Apts	3.95	05/01/06	06/01/06	36,058.97	36,058.97	53,067.11				89,126.08	69,126.08	-	0.00
Mutual Fund	2002A MF Millstone Apts	3.95	05/01/06	06/01/06	2.42	2.42	0.00				2.42	2.42	-	0.00
Mutual Fund	2002A MF Millstone Apts	3.95	05/01/06	06/01/06	13,367.79	13,367.79	120.21				13,488.00	13,488.00	-	0.00
	2002A MF Millstone Apts Total				272,446.78	272,446.78	262,051.48	(55,533.04)	0.00	0.00	478,965.22	478,965.22	0.00	0.00
Mutual Fund	2002 MF SugarCreek Apts				226.36	226.36		(226.36)					-	0.00
Mutual Fund	2002 MF SugarCreek Apts	3.95	05/01/06	06/01/06	8.67	8.67	0.00				8.67	8.67	-	0.00
Mutual Fund	2002 MF SugarCreek Apts	3.95	05/01/06	06/01/06	128,306.93	128,306.93	205,714.19				334,021.12	334,021.12	-	0.00
Mutual Fund	2002 MF SugarCreek Apts	3.95	05/01/06	06/01/06			228.12				228.12	228.12	-	0.00
Mutual Fund	2002 MF SugarCreek Apts	3.95	05/01/06	06/01/06	6.48	6.48	0.00				6.48	6.48	-	0.00
Mutual Fund	2002 MF SugarCreek Apts	3.95	05/01/06	06/01/06	74.60	74.60	1.21				75.81	75.81	-	0.00
Mutual Fund	2002 MF SugarCreek Apts	3.95	05/01/06	06/01/06	26.75	26.75	0.00				26.75	26.75	-	0.00
	2002 MF SugarCreek Apts Total				128,649.79	128,649.79	205,943.52	(226.36)	0.00	0.00	334,366.95	334,366.95	0.00	0.00
Mutual Fund	2002 MF West Oaks Apts	4.18	05/01/06	06/01/06	801.47	801.47	7.58				809.05	809.05	-	0.00
Mutual Fund	2002 MF West Oaks Apts	4.18	05/01/06	06/01/06	88,430.25	88,430.25	9,828.76				98,259.01	98,259.01	-	0.00
Mutual Fund	2002 MF West Oaks Apts	4.18	05/01/06	06/01/06	89.77	89.77		(80.04)			9.73	9.73	-	0.00
Mutual Fund	2002 MF West Oaks Apts	4.18	05/01/06	06/01/06	21,687.08	21,687.08		(14,726.94)			6,960.14	6,960.14	-	0.00
Mutual Fund	2002 MF West Oaks Apts	4.18	05/01/06	06/01/06	23,694.43	23,694.43	67,154.97				90,849.40	90,849.40	-	0.00
	2002 MF West Oaks Apts Total				134,703.00	134,703.00	76,991.31	(14,806.98)	0.00	0.00	196,887.33	196,887.33	0.00	0.00
Mutual Fund	2002 MF Park Meadows	4.58	05/01/06	06/01/06	203,600.00	203,600.00		(11,001.77)			192,598.23	192,598.23	-	0.00
Mutual Fund	2002 MF Park Meadows	4.58	05/01/06	06/01/05	15,158.65	15,158.65	158.75				15,317.40	15,317.40	-	0.00
Mutual Fund	2002 MF Park Meadows				12.78	12.78		(12.78)					-	0.00
	2002 MF Park Meadows Total				218,771.43	218,771.43	158.75	(11,014.55)	0.00	0.00	207,915.63	207,915.63	0.00	0.00
Mutual Fund	2002 MF Clarkridge Villas Apts	4.18	05/01/06	06/01/06	81,250.55	81,250.55	79,851.04				161,101.59	161,101.59	-	0.00
Mutual Fund	2002 MF Clarkridge Villas Apts	4.18	05/01/06	06/01/06	82,071.99	82,071.99	8,467.27				90,539.26	90,539.26	-	0.00
Mutual Fund	2002 MF Clarkridge Villas Apts	4.18	05/01/06	06/01/06	129,829.84	129,829.84		(7,375.05)			122,454.79	122,454.79	-	0.00
	2002 MF Clarkridge Villas Apts Total				293,152.38	293,152.38	88,318.31	(7,375.05)	0.00	0.00	374,095.64	374,095.64	0.00	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/06	Beginning Market Value 02/28/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/06	Ending Market Value 05/31/06	Change in In Market Value	Recognized Gain
Mutual Fund	2002 MF Hickory Trace Apts	4.18	05/01/06	06/01/06	7,530.45	7,530.45	4,010.37				11,540.82	11,540.82	-	0.00
Mutual Fund	2002 MF Hickory Trace Apts	4.18	05/01/06	06/01/06	51,696.52	51,696.52		(1,060.77)			50,635.75	50,635.75	-	0.00
Money Market	2002 MF Hickory Trace Apts	4.18	05/01/06	06/01/06	94,764.92	94,764.92		(1,074.74)			93,690.18	93,690.18	-	0.00
Mutual Fund	2002 MF Hickory Trace Apts				38.25	38.25		(38.25)					-	0.00
Mutual Fund	2002 MF Hickory Trace Apts	4.18	05/01/06	06/01/06	47,937.96	47,937.96	49,765.80				97,703.76	97,703.76	-	0.00
	2002 MF Hickory Trace Apts Total				201,968.10	201,968.10	53,776.17	(2,173.76)	0.00	0.00	253,570.51	253,570.51	0.00	0.00
Mutual Fund	2002 MF Green Crest Apts	4.18	05/01/06	06/01/06	26,117.14	26,117.14	83,082.24				109,199.38	109,199.38	-	0.00
Mutual Fund	2002 MF Green Crest Apts	4.18	05/01/06	06/01/06	62,212.43	62,212.43	10,497.65				72,710.08	72,710.08	-	0.00
Mutual Fund	2002 MF Green Crest Apts	4.18	05/01/06	06/01/06	65,276.67	65,276.67		(65,193.61)			83.06	83.06	-	0.00
Mutual Fund	2002 MF Green Crest Apts	4.18	05/01/06	06/01/06	2,976.87	2,976.87	6,309.35				9,286.22	9,286.22	-	0.00
	2002 MF Green Crest Apts Total				156,583.11	156,583.11	99,889.24	(65,193.61)	0.00	0.00	191,278.74	191,278.74	0.00	0.00
Mutual Fund	2002 M/Fironwood Crossing Apts	4.18	05/01/06	06/01/06	105,131.97	105,131.97	106,211.99				211,343.96	211,343.96	-	0.00
Mutual Fund	2002 M/Fironwood Crossing Apts	4.18	05/01/06	06/01/06	3,639.82	3,639.82	34.43				3,674.25	3,674.25	-	0.00
Mutual Fund	2002 M/Fironwood Crossing Apts	4.18	05/01/06	06/01/06	38,445.17	38,445.17	58,293.17				96,738.34	96,738.34	-	0.00
Mutual Fund	2002 M/Fironwood Crossing Apts	4.18	05/01/06	06/01/06	14,023.41	14,023.41	14,167.47				28,190.88	28,190.88	-	0.00
	2002 M/Fironwood Crossing Apts Total				161,240.37	161,240.37	178,707.06	0.00	0.00	0.00	339,947.43	339,947.43	0.00	0.00
Mutual Fund	2002 MF Woodway Village				58.28	58.28		(58.28)					-	0.00
Mutual Fund	2002 MF Woodway Village	4.18	05/01/06	06/01/06	8.20	8.20	0.00				8.20	8.20	-	0.00
Mutual Fund	2002 MF Woodway Village	4.18	05/01/06	06/01/06	96,831.63	96,831.63	127,391.36				224,222.99	224,222.99	-	0.00
Mutual Fund	2002 MF Woodway Village	4.18	05/01/06	06/01/06	54.74	54.74	0.73				55.47	55.47	-	0.00
Mutual Fund	2002 MF Woodway Village	4.18	05/01/06	06/01/06	40.69	40.69	0.55				41.24	41.24	-	0.00
	2002 MF Woodway Village Total				96,993.54	96,993.54	127,392.64	(58.28)	0.00	0.00	224,327.90	224,327.90	0.00	0.00
Mutual Fund	2003 AB MF Reading Road	4.58	05/01/06	06/01/06			0.16				0.16	0.16	-	0.00
	2003 AB MF Reading Road Total				0.00	0.00	0.16	0.00	0.00	0.00	0.16	0.16	0.00	0.00
Mutual Fund	2003 AB MF North Vista Apts	4.18	05/01/06	06/01/06	732,191.33	732,191.33	7,364.47				739,555.80	739,555.80	-	0.00
Mutual Fund	2003 AB MF North Vista Apts	4.58	05/01/06	06/01/06	18,232.99	18,232.99	256,727.70				274,960.69	274,960.69	-	0.00
Mutual Fund	2003 AB MF North Vista Apts	4.58	05/01/06	06/01/06			27.43				27.43	27.43	-	0.00
Mutual Fund	2003 AB MF North Vista Apts				158,246.11	158,246.11		(158,246.11)					-	0.00
Mutual Fund	2003 AB MF North Vista Apts	4.58	05/01/06	06/01/06	334.68	334.68	18,419.80				18,754.48	18,754.48	-	0.00
Mutual Fund	2003 AB MF North Vista Apts	4.58	05/01/06	06/01/06	26,603.66	26,603.66		(25,728.81)			874.85	874.85	-	0.00
	2003 AB MF North Vista Apts Total				935,608.77	935,608.77	282,539.40	(183,974.92)	0.00	0.00	1,034,173.25	1,034,173.25	0.00	0.00
Mutual Fund	2003 AB MF West Virginia Apts	4.58	05/01/06	06/01/06	55.57	55.57	0.00				55.57	55.57	-	0.00
Mutual Fund	2003 AB MF West Virginia Apts				1,100.35	1,100.35		(1,100.35)					-	0.00
Mutual Fund	2003 AB MF West Virginia Apts	4.58	05/01/06	06/01/06	218,188.11	218,188.11	118,176.37				336,364.48	336,364.48	-	0.00
Mutual Fund	2003 AB MF West Virginia Apts	4.58	05/01/06	06/01/06	41.45	41.45	20.10				61.55	61.55	-	0.00
Mutual Fund	2003 AB MF West Virginia Apts	4.58	05/01/06	06/01/06	1,432.34	1,432.34	1,127.41				2,559.75	2,559.75	-	0.00
	2003 AB MF West Virginia Apts Total				220,817.82	220,817.82	119,323.88	(1,100.35)	0.00	0.00	339,041.35	339,041.35	0.00	0.00
GNMA	2003AB MF Sphinx @ Murdeaux	5.10	12/30/04	12/15/42	14,938,583.75	14,938,583.75			(32,668.04)		14,905,915.71	14,905,915.71	-	0.00
Inv Agmt	2003AB MF Sphinx @ Murdeaux	2.51	05/13/03	12/01/42	179,528.68	179,528.68	223,196.62				402,725.30	402,725.30	-	0.00
	2003AB MF Sphinx @ Murdeaux Total				15,118,112.43	15,118,112.43	223,196.62	0.00	(32,668.04)	0.00	15,308,641.01	15,308,641.01	0.00	0.00
Mutual Fund	2003 AB MF Primrose Houston				0.12	0.12		(0.12)					-	0.00
Mutual Fund	2003 AB MF Primrose Houston	4.25	05/01/06	06/01/06	97,041.67	97,041.67		(96,926.75)			114.92	114.92	-	0.00
Mutual Fund	2003 AB MF Primrose Houston	4.18	05/01/06	06/01/06	1.20	1.20	0.00				1.20	1.20	-	0.00
Mutual Fund	2003 AB MF Primrose Houston	4.18	05/01/06	06/01/06	106,893.47	106,893.47	1,011.13				107,904.60	107,904.60	-	0.00
	2003 AB MF Primrose Houston Total				203,936.46	203,936.46	1,011.13	(96,926.87)	0.00	0.00	108,020.72	108,020.72	0.00	0.00
Mutual Fund	2003 AB MF Timber Oaks Apts	4.18	05/01/06	06/01/06	22,505.43	22,505.43	14,316.50				36,821.93	36,821.93	-	0.00
Mutual Fund	2003 AB MF Timber Oaks Apts				0.01	0.01		(0.01)					-	0.00
Mutual Fund	2003 AB MF Timber Oaks Apts	4.18	05/01/06	06/01/06	58,038.72	58,038.72	14,847.84				72,886.56	72,886.56	-	0.00
Mutual Fund	2003 AB MF Timber Oaks Apts	4.18	05/01/06	06/01/06	0.02	0.02	0.00				0.02	0.02	-	0.00
Mutual Fund	2003 AB MF Timber Oaks Apts	4.18	05/01/06	06/01/06	17.49	17.49	54.84				72.33	72.33	-	0.00

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Mutual Fund	2003 AB MF Timber Oaks Apts	4.18	05/01/06	06/01/06	14,992.78	14,992.78	7,884.19				22,876.97	22,876.97	-	0.00
	2003 AB MF Timber Oaks Apts Total				95,554.45	95,554.45	37,103.37	(0.01)	0.00	0.00	132,657.81	132,657.81	0.00	0.00
Mutual Fund	2003 AB MF Ash Creek	4.18	05/01/06	06/01/06	129.46	129.46	598.69				728.15	728.15	-	0.00
Mutual Fund	2003 AB MF Ash Creek	4.18	05/01/06	06/01/06	96,500.00	96,500.00		(91,671.52)			4,828.48	4,828.48	-	0.00
Mutual Fund	2003 AB MF Ash Creek	4.18	05/01/06	06/01/06	95,037.21	95,037.21	12,118.57				107,155.78	107,155.78	-	0.00
	2003 AB MF Ash Creek Total				191,666.67	191,666.67	12,717.26	(91,671.52)	0.00	0.00	112,712.41	112,712.41	0.00	0.00
Mutual Fund	2003 AB MF Peninsula	4.18	05/01/06	06/01/06	52.66	52.66	0.00				52.66	52.66	-	0.00
Mutual Fund	2003 AB MF Peninsula	4.18	05/01/06	06/01/06	375,608.20	375,608.20		(106,766.86)			268,841.34	268,841.34	-	0.00
Mutual Fund	2003 AB MF Peninsula				9,323.18	9,323.18		(9,323.18)					-	0.00
	2003 AB MF Peninsula Total				384,984.04	384,984.04	0.00	(116,090.04)	0.00	0.00	268,894.00	268,894.00	0.00	0.00
Mutual Fund	2003 A MF Evergreen @ Mesquite				1,512.59	1,512.59		(1,512.59)					-	0.00
Mutual Fund	2003 A MF Evergreen @ Mesquite	4.18	05/01/06	06/01/06	19.29	19.29		(9.93)			9.36	9.36	-	0.00
Mutual Fund	2003 A MF Evergreen @ Mesquite				7.82	7.82		(7.82)					-	0.00
Mutual Fund	2003 A MF Evergreen @ Mesquite	4.18	05/01/06	06/01/06	0.23	0.23	12.86				13.09	13.09	-	0.00
Mutual Fund	2003 A MF Evergreen @ Mesquite				2.02	2.02		(2.02)					-	0.00
Mutual Fund	2003 A MF Evergreen @ Mesquite	4.18	05/01/06	06/01/06	20,242.34	20,242.34		(19,065.00)			1,177.34	1,177.34	-	0.00
Mutual Fund	2003 A MF Evergreen @ Mesquite	4.18	05/01/06	06/01/06	26.38	26.38	50.76				77.14	77.14	-	0.00
Mutual Fund	2003 A MF Evergreen @ Mesquite	4.18	05/01/06	06/01/06	19,731.96	19,731.96	4,456.96				24,188.92	24,188.92	-	0.00
Mutual Fund	2003 A MF Evergreen @ Mesquite	4.18	05/01/06	06/01/06	88,098.91	88,098.91		(84,166.65)			3,932.26	3,932.26	-	0.00
	2003 A MF Evergreen @ Mesquite Total				129,641.54	129,641.54	4,520.58	(104,764.01)	0.00	0.00	29,398.11	29,398.11	0.00	0.00
Mutual Fund	2003 AB Arlington Villas	4.18	05/01/06	06/01/06	131,995.17	131,995.17	1,248.58				133,243.75	133,243.75	-	0.00
Mutual Fund	2003 AB Arlington Villas	4.18	05/01/06	06/01/06	268.02	268.02	2.53				270.55	270.55	-	0.00
Mutual Fund	2003 AB Arlington Villas				0.59	0.59		(0.59)					-	0.00
Mutual Fund	2003 AB Arlington Villas	4.18	05/01/06	06/01/06	273,271.56	273,271.56	2,584.96				275,856.52	275,856.52	-	0.00
Mutual Fund	2003 AB Arlington Villas	4.18	05/01/06	06/01/06	188,490.32	188,490.32		(84,051.31)			104,439.01	104,439.01	-	0.00
Mutual Fund	2003 AB Arlington Villas	4.18	05/01/06	06/01/06	3,938.79	3,938.79	5,956.42				9,895.21	9,895.21	-	0.00
	2003 AB Arlington Villas Total				597,964.45	597,964.45	9,792.49	(84,051.90)	0.00	0.00	523,705.04	523,705.04	0.00	0.00
Mutual Fund	2003 AB Parkview Twnhms	4.18	05/01/06	06/01/06	11,406.60	11,406.60	8,497.08				19,903.68	19,903.68	-	0.00
Mutual Fund	2003 AB Parkview Twnhms	4.18	05/01/06	06/01/06	33,373.33	33,373.33	12,742.82				46,116.15	46,116.15	-	0.00
Mutual Fund	2003 AB Parkview Twnhms	4.18	05/01/06	06/01/06	116.39	116.39		(70.52)			45.87	45.87	-	0.00
Mutual Fund	2003 AB Parkview Twnhms	4.18	05/01/06	06/01/06	59,907.05	59,907.05	31,418.52				91,325.57	91,325.57	-	0.00
Mutual Fund	2003 AB Parkview Twnhms	4.18	05/01/06	06/01/06	201,323.74	201,323.74	1,904.38				203,228.12	203,228.12	-	0.00
Mutual Fund	2003 AB Parkview Twnhms				0.04	0.04		(0.04)					-	0.00
	2003 AB Parkview Twnhms Total				306,127.15	306,127.15	54,562.80	(70.56)	0.00	0.00	360,619.39	360,619.39	0.00	0.00
Money Market	2003 MF NHP-Asmara-Refunding	4.18	05/01/06	06/01/06	63,573.11	63,573.11	19,124.66				82,697.77	82,697.77	-	0.00
Money Market	2003 MF NHP-Asmara-Refunding	4.18	05/01/06	06/01/06	63.47	63.47	0.62				64.09	64.09	-	0.00
T-Note	2003 MF NHP-Asmara-Refunding	2.07	12/15/03	07/01/06	712,029.00	712,029.00	0.00				712,029.00	712,029.00	-	0.00
T-Note	2003 MF NHP-Asmara-Refunding	2.59	12/15/03	01/01/07	24,349,975.00	24,349,975.00	0.00				24,349,975.00	24,349,975.00	-	0.00
Money Market	2003 MF NHP-Asmara-Refunding	4.25	05/01/06	06/01/06	4.64	4.64	87.81				92.45	92.45	-	0.00
Money Market	2003 MF NHP-Asmara-Refunding	4.18	05/01/06	06/01/06	5,161.94	5,161.94	37.74				5,199.68	5,199.68	-	0.00
Money Market	2003 MF NHP-Asmara-Refunding	4.18	05/01/06	06/01/06	112,182.09	112,182.09	1,074.13				113,256.22	113,256.22	-	0.00
	2003 MF NHP-Asmara-Refunding Total				25,242,989.25	25,242,989.25	20,324.96	0.00	0.00	0.00	25,263,314.21	25,263,314.21	0.00	0.00
Money Market	2004 A&B Timber Ridge	4.18	05/01/06	06/01/06	2,222.11	2,222.11	3,281.25				5,503.36	5,503.36	-	0.00
Money Market	2004 A&B Timber Ridge	4.18	05/01/06	06/01/06	101,866.38	101,866.38	963.58				102,829.96	102,829.96	-	0.00
Money Market	2004 A&B Timber Ridge	4.18	05/01/06	06/01/06	4.08	4.08	25.55				29.63	29.63	-	0.00
	2004 A&B Timber Ridge Total				104,092.57	104,092.57	4,270.38	0.00	0.00	0.00	108,362.95	108,362.95	0.00	0.00
Money Market	2004 A&B Century Park	4.18	05/01/06	06/01/06	15,189.28	15,189.28	7,750.05				22,939.33	22,939.33	-	0.00
Money Market	2004 A&B Century Park	4.18	05/01/06	06/01/06	49,833.48	49,833.48		(37,374.98)			12,458.50	12,458.50	-	0.00
Money Market	2004 A&B Century Park	4.18	05/01/06	06/01/06			55,578.10				55,578.10	55,578.10	-	0.00
Money Market	2004 A&B Century Park	4.18	05/01/06	06/01/06	7,031.59	7,031.59		(5,832.03)			1,199.56	1,199.56	-	0.00
Money Market	2004 A&B Century Park	4.18	05/01/06	06/01/06	183,733.49	183,733.49	137,800.02				321,533.51	321,533.51	-	0.00

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	2004 A&B Century Park Total				255,787.84	255,787.84	201,128.17	(43,207.01)	0.00	0.00	413,709.00	413,709.00	0.00	0.00
Money Market	2004 A Addison Park	4.18	05/01/06	06/01/06	534.80	534.80	5.82				540.62	540.62	-	0.00
Money Market	2004 A Addison Park	4.18	05/01/06	06/01/06	1,165.35	1,165.35	11.02				1,176.37	1,176.37	-	0.00
Money Market	2004 A Addison Park	4.18	05/01/06	06/01/06	15.93	15.93	0.17				16.10	16.10	-	0.00
Money Market	2004 A Addison Park	4.18	05/01/06	06/01/06	11.00	11.00	0.12				11.12	11.12	-	0.00
	2004 A Addison Park Total				1,727.08	1,727.08	17.13	0.00	0.00	0.00	1,744.21	1,744.21	0.00	0.00
Money Market	2004 A&B MF Veterans Memorial	4.18	05/01/06	06/01/06	115.54	115.54	1.10				116.64	116.64	-	0.00
Money Market	2004 A&B MF Veterans Memorial	4.18	05/01/06	06/01/06	47,983.32	47,983.32	35,818.31				83,801.63	83,801.63	-	0.00
Money Market	2004 A&B MF Veterans Memorial	4.18	05/01/06	06/01/06	30,311.70	30,311.70	12,214.17				42,525.87	42,525.87	-	0.00
Money Market	2004 A&B MF Veterans Memorial	4.18	05/01/06	06/01/06	7.89	7.89		(2.53)			5.36	5.36	-	0.00
Money Market	2004 A&B MF Veterans Memorial	4.18	05/01/06	06/01/06	2,038.13	2,038.13	8,784.64				10,822.77	10,822.77	-	0.00
	2004 A&B MF Veterans Memorial Total				80,456.58	80,456.58	56,818.22	(2.53)	0.00	0.00	137,272.27	137,272.27	0.00	0.00
Money Market	2004 MF Rush Creek Apts	4.25	05/01/06	06/01/06			4,800.00				4,800.00	4,800.00	-	0.00
Money Market	2004 MF Rush Creek Apts	4.18	05/01/06	06/01/06	357,784.75	357,784.75	3,628.47				361,413.22	361,413.22	-	0.00
Money Market	2004 MF Rush Creek Apts	4.18	05/01/06	06/01/06	36.83	36.83	0.37				37.20	37.20	-	0.00
Money Market	2004 MF Rush Creek Apts	4.18	05/01/06	06/01/06	64.88	64.88	0.66				65.54	65.54	-	0.00
Money Market	2004 MF Rush Creek Apts	4.18	05/01/06	06/01/06	46.52	46.52	77,420.33				77,466.85	77,466.85	-	0.00
Money Market	2004 MF Rush Creek Apts	4.18	05/01/06	06/01/06	2,687.04	2,687.04	5,595.78				8,282.82	8,282.82	-	0.00
Money Market	2004 MF Rush Creek Apts	4.18	05/01/06	06/01/06	65.80	65.80	0.66				66.46	66.46	-	0.00
Money Market	2004 MF Rush Creek Apts	4.18	05/01/06	06/01/06	18,219.01	18,219.01	184.78				18,403.79	18,403.79	-	0.00
Money Market	2004 MF Rush Creek Apts	4.25	05/01/06	06/01/06			101,541.35				101,541.35	101,541.35	-	0.00
Money Market	2004 MF Rush Creek Apts	4.18	05/01/06	06/01/06	81.22	81.22	0.83				82.05	82.05	-	0.00
	2004 MF Rush Creek Apts Total				378,986.05	378,986.05	193,173.23	0.00	0.00	0.00	572,159.28	572,159.28	0.00	0.00
Mutual Fund	2004 MF Humble Parkway				13,361.71	13,361.71		(13,361.71)					-	0.00
Inv Agmt	2004 MF Humble Parkway	3.65	11/16/05	02/01/10	135,196.90	135,196.90	193,331.01				328,527.91	328,527.91	-	0.00
Money Market	2004 MF Humble Parkway	4.18	05/01/06	06/01/06	8,116.76	8,116.76	8,125.02				16,241.78	16,241.78	-	0.00
	2004 MF Humble Parkway Total				156,675.37	156,675.37	201,456.03	(13,361.71)	0.00	0.00	344,769.69	344,769.69	0.00	0.00
Money Market	2004 MF Chisholm Trail Apts	4.58	05/01/06	06/01/06			2,753.61				2,753.61	2,753.61	-	0.00
Money Market	2004 MF Chisholm Trail Apts	4.58	05/01/06	06/01/06	801,575.59	801,575.59		(149,758.20)			651,817.39	651,817.39	-	0.00
Money Market	2004 MF Chisholm Trail Apts	4.27	05/01/06	06/01/06	735.63	735.63	0.00				735.63	735.63	-	0.00
Money Market	2004 MF Chisholm Trail Apts	4.58	05/01/06	06/01/06	9,613.05	9,613.05		(9,005.88)			607.17	607.17	-	0.00
	2004 MF Chisholm Trail Apts Total				811,924.27	811,924.27	2,753.61	(158,764.08)	0.00	0.00	655,913.80	655,913.80	0.00	0.00
Money Market	2004 MF Evergreen at Plano	4.25	05/01/06	06/01/06	20,283.31	20,283.31	198.19				20,481.50	20,481.50	-	0.00
Money Market	2004 MF Evergreen at Plano	4.58	05/01/06	06/01/06	5.44	5.44	7.43				12.87	12.87	-	0.00
Money Market	2004 MF Evergreen at Plano	4.25	05/01/06	06/01/06	503,429.73	503,429.73		(85,011.90)			418,417.83	418,417.83	-	0.00
Money Market	2004 MF Evergreen at Plano				2,004.66	2,004.66		(2,004.66)					-	0.00
Money Market	2004 MF Evergreen at Plano	4.25	05/01/06	06/01/06	78,505.76	78,505.76	4,659.01				83,164.77	83,164.77	-	0.00
	2004 MF Evergreen at Plano Total				604,228.90	604,228.90	4,864.63	(87,016.56)	0.00	0.00	522,076.97	522,076.97	0.00	0.00
Money Market	2004 MF Montgomery Pines Apts	4.58	05/01/06	06/01/06			5,970.90				5,970.90	5,970.90	-	0.00
Money Market	2004 MF Montgomery Pines Apts	4.58	05/01/06	06/01/06			4,531.82				4,531.82	4,531.82	-	0.00
Mutual Fund	2004 MF Montgomery Pines Apts				117.81	117.81		(117.81)					-	0.00
Mutual Fund	2004 MF Montgomery Pines Apts				26,778.21	26,778.21		(26,778.21)					-	0.00
Mutual Fund	2004 MF Montgomery Pines Apts				1.54	1.54		(1.54)					-	0.00
Mutual Fund	2004 MF Montgomery Pines Apts				5,912.96	5,912.96		(5,912.96)					-	0.00
	2004 MF Montgomery Pines Apts Total				32,810.52	32,810.52	10,502.72	(32,810.52)	0.00	0.00	10,502.72	10,502.72	0.00	0.00
Money Market	2004 MF Bristol Apts	4.58	05/01/06	06/01/06	96,524.98	96,524.98		(85,147.29)			11,377.69	11,377.69	-	0.00
Money Market	2004 MF Bristol Apts	4.58	05/01/06	06/01/06	25,595.11	25,595.11	19,159.45				44,754.56	44,754.56	-	0.00
Money Market	2004 MF Bristol Apts	4.58	05/01/06	06/01/06	21,887.76	21,887.76	214.51				22,102.27	22,102.27	-	0.00
Money Market	2004 MF Bristol Apts	4.27	05/01/06	06/01/06	95.56	95.56	0.94				96.50	96.50	-	0.00
	2004 MF Bristol Apts Total				144,103.41	144,103.41	19,374.90	(85,147.29)	0.00	0.00	78,331.02	78,331.02	0.00	0.00

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Mutual Fund	2004 MF Pinnacle Apts				54,061.92	54,061.92		(54,061.92)					-	0.00
Money Market	2004 MF Pinnacle Apts	4.58	05/01/06	06/01/06	1,118.55	1,118.55	21,293.54				22,412.09	22,412.09	-	0.00
Inv Agmt	2004 MF Pinnacle Apts	1.81	05/28/04	05/31/06	97,259.39	97,259.39	0.00				97,259.39	97,259.39	-	0.00
Money Market	2004 MF Pinnacle Apts	3.95	05/01/06	06/01/06	19,812.37	19,812.37	194.17				20,006.54	20,006.54	-	0.00
	2004 MF Pinnacle Apts Total				172,252.23	172,252.23	21,487.71	(54,061.92)	0.00	0.00	139,678.02	139,678.02	0.00	0.00
Mutual Fund	2004 MF Tranquility Bay Apts				2.00	2.00		(2.00)					-	0.00
Mutual Fund	2004 MF Tranquility Bay Apts				0.10	0.10		(0.10)					-	0.00
Mutual Fund	2004 MF Tranquility Bay Apts				256,573.00	256,573.00		(256,573.00)					-	0.00
Mutual Fund	2004 MF Tranquility Bay Apts				363,397.43	363,397.43		(363,397.43)					-	0.00
Mutual Fund	2004 MF Tranquility Bay Apts				1,866.83	1,866.83		(1,866.83)					-	0.00
Money Market	2004 MF Tranquility Bay Apts	4.25	05/01/06	06/01/06			1,497.81				1,497.81	1,497.81	-	0.00
Money Market	2004 MF Tranquility Bay Apts	4.25	05/01/06	06/01/06	5.25	5.25	0.00				5.25	5.25	-	0.00
	2004 MF Tranquility Bay Apts Total				621,844.61	621,844.61	1,497.81	(621,839.36)	0.00	0.00	1,503.06	1,503.06	0.00	0.00
Money Market	2004 MF Sphinx @ Delafield	4.18	05/01/06	06/01/06			1,265.34				1,265.34	1,265.34	-	0.00
GNMA	2004 MF Sphinx @ Delafield	5.42	03/01/06	01/15/44			11,351,426.31				11,351,426.31	11,351,426.31	-	0.00
Inv Agmt	2004 MF Sphinx @ Delafield	3.00	11/22/04	01/20/44	53,785.15	53,785.15	173,360.35				227,145.50	227,145.50	-	0.00
Money Market	2004 MF Sphinx @ Delafield	4.18	05/01/06	06/01/06	0.83	0.83	0.00				0.83	0.83	-	0.00
Money Market	2004 MF Sphinx @ Delafield	4.18	05/01/06	06/01/06	1,065.24	1,065.24	10.08				1,075.32	1,075.32	-	0.00
	2004 MF Sphinx @ Delafield Total				54,851.22	54,851.22	11,526,062.08	0.00	0.00	0.00	11,580,913.30	11,580,913.30	0.00	0.00
Money Market	2004 MF Churchill @ Pinnacle	4.25	05/01/06	06/01/06	618,000.00	618,000.00	6,029.22				624,029.22	624,029.22	-	0.00
Money Market	2004 MF Churchill @ Pinnacle	4.25	05/01/06	06/01/06	329,392.90	329,392.90		(78,213.61)			251,179.29	251,179.29	-	0.00
Mutual Fund	2004 MF Churchill @ Pinnacle				3,074.77	3,074.77		(3,074.77)					-	0.00
Money Market	2004 MF Churchill @ Pinnacle	4.18	05/01/06	06/01/06	6,832.72	6,832.72		(6,831.97)			0.75	0.75	-	0.00
Money Market	2004 MF Churchill @ Pinnacle	4.25	05/01/06	06/01/06	51,844.36	51,844.36	6,883.90				58,728.26	58,728.26	-	0.00
Money Market	2004 MF Churchill @ Pinnacle	4.18	05/01/06	06/01/06	13.37	13.37	0.01				13.38	13.38	-	0.00
	2004 MF Churchill @ Pinnacle Total				1,009,158.12	1,009,158.12	12,913.13	(88,120.35)	0.00	0.00	933,950.90	933,950.90	0.00	0.00
Mutual Fund	2004 A/B MF Post Oak East Apts				1,964.76	1,964.76		(1,964.76)					-	0.00
Mutual Fund	2004 A/B MF Post Oak East Apts				6,113.09	6,113.09		(6,113.09)					-	0.00
Inv Agmt	2004 A/B MF Post Oak East Apts	1.87	08/05/04	07/15/06	379,307.35	379,307.35		(365,057.42)			14,249.93	14,249.93	-	0.00
Mutual Fund	2004 A/B MF Post Oak East Apts				385.18	385.18		(385.18)					-	0.00
Inv Agmt	2004 A/B MF Post Oak East Apts				347,992.09	347,992.09		(347,992.09)					-	0.00
	2004 A/B MF Post Oak East Apts Total				735,762.47	735,762.47	0.00	(721,512.54)	0.00	0.00	14,249.93	14,249.93	0.00	0.00
Money Market	2004 MF Village Fair	4.18	05/01/06	06/01/06	240,753.20	240,753.20	192,529.36				433,282.56	433,282.56	-	0.00
Inv Agmt	2004 MF Village Fair	2.53	01/04/05	09/01/06	102,638.57	102,638.57		(102,638.40)			0.17	0.17	-	0.00
Money Market	2004 MF Village Fair	4.18	05/01/06	06/01/06	5.37	5.37	1,000.06				1,005.43	1,005.43	-	0.00
Inv Agmt	2004 MF Village Fair	2.53	01/04/05	09/01/06	15,728.20	15,728.20		(900.30)			14,827.90	14,827.90	-	0.00
Money Market	2004 MF Village Fair				3.04	3.04		(3.04)					-	0.00
Money Market	2004 MF Village Fair	4.18	05/01/06	06/01/06	237,379.97	237,379.97	2,245.44				239,625.41	239,625.41	-	0.00
Money Market	2004 MF Village Fair				0.12	0.12		(0.12)					-	0.00
Inv Agmt	2004 MF Village Fair				0.18	0.18		(0.18)					-	0.00
Money Market	2004 MF Village Fair	4.18	05/01/06	06/01/06	4,514.63	4,514.63		(4,482.19)			32.44	32.44	-	0.00
	2004 MF Village Fair Total				601,023.28	601,023.28	195,774.86	(108,024.23)	0.00	0.00	688,773.91	688,773.91	0.00	0.00
Money Market	2005 MF Pecan Grove	4.18	05/01/06	06/01/06	17,793.94	17,793.94	1,758,861.49				1,776,655.43	1,776,655.43	-	0.00
Inv Agmt	2005 MF Pecan Grove				490,331.62	490,331.62		(490,331.62)					-	0.00
Money Market	2005 MF Pecan Grove				17,562.04	17,562.04		(17,562.04)					-	0.00
Inv Agmt	2005 MF Pecan Grove				4,637,071.18	4,637,071.18		(4,637,071.18)					-	0.00
Money Market	2005 MF Pecan Grove	4.18	05/01/06	06/01/06	117,727.55	117,727.55		(110,692.59)			7,034.96	7,034.96	-	0.00
Money Market	2005 MF Pecan Grove	4.18	05/01/06	06/01/06			233,833.00				233,833.00	233,833.00	-	0.00
Inv Agmt	2005 MF Pecan Grove				36,157.01	36,157.01		(36,157.01)					-	0.00
	2005 MF Pecan Grove Total				5,316,643.34	5,316,643.34	1,992,694.49	(5,291,814.44)	0.00	0.00	2,017,523.39	2,017,523.39	0.00	0.00
Money Market	2005 MF Prairie Oaks	4.18	05/01/06	06/01/06	1,629,105.48	1,629,105.48		(1,295,588.23)			333,517.25	333,517.25	-	0.00
Inv Agmt	2005 MF Prairie Oaks	2.76	02/02/05	01/01/07	340,992.76	340,992.76		(153,604.13)			187,388.63	187,388.63	-	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/06	Beginning Market Value 02/28/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/06	Ending Market Value 05/31/06	Change in In Market Value	Recognized Gain
Money Market	2005 MF Prairie Oaks	4.18	05/01/06	06/01/06	1,110.23	1,110.23	10.55				1,120.78	1,120.78	-	0.00
Inv Agmt	2005 MF Prairie Oaks	2.76	02/02/05	01/01/07	23,027.65	23,027.65	0.00				23,027.65	23,027.65	-	0.00
Money Market	2005 MF Prairie Oaks	4.18	05/01/06	06/01/06	103.81	103.81		(103.79)			0.02	0.02	-	0.00
Inv Agmt	2005 MF Prairie Oaks	2.76	02/02/05	01/01/07	48,436.43	48,436.43		(48,386.83)			49.60	49.60	-	0.00
	2005 MF Prairie Oaks Total				2,042,776.36	2,042,776.36	10.55	(1,497,682.98)	0.00	0.00	545,103.93	545,103.93	0.00	0.00
Money Market	2005 MF Port Royal	4.18	05/01/06	06/01/06	525,244.90	525,244.90	350,043.04				875,287.94	875,287.94	-	0.00
Money Market	2005 MF Port Royal				3,414,488.28	3,414,488.28		(3,414,488.28)					-	0.00
Money Market	2005 MF Port Royal	4.18	05/01/06	06/01/06	107,482.44	107,482.44		(104,605.52)			2,876.92	2,876.92	-	0.00
Money Market	2005 MF Port Royal	4.18	05/01/06	06/01/06	14,992.20	14,992.20	623,027.27				638,019.47	638,019.47	-	0.00
	2005 MF Port Royal Total				4,062,207.82	4,062,207.82	973,070.31	(3,519,093.80)	0.00	0.00	1,516,184.33	1,516,184.33	0.00	0.00
Money Market	2005 MF Mission Del Rio	4.18	05/01/06	06/01/06	157,034.17	157,034.17	1,485.43				158,519.60	158,519.60	-	0.00
Money Market	2005 MF Mission Del Rio	4.18	05/01/06	06/01/06	8,251,285.71	8,251,285.71		(134,930.74)			8,116,354.97	8,116,354.97	-	0.00
Money Market	2005 MF Mission Del Rio	4.18	05/01/06	06/01/06	150,844.11	150,844.11		(63,856.91)			86,987.20	86,987.20	-	0.00
	2005 MF Mission Del Rio Total				8,559,163.99	8,559,163.99	1,485.43	(198,787.65)	0.00	0.00	8,361,861.77	8,361,861.77	0.00	0.00
Money Market	2005 MF Atascocita Apts	4.18	05/01/06	06/01/06	6,693.42	6,693.42		(3,001.54)			3,691.88	3,691.88	-	0.00
Money Market	2005 MF Atascocita Apts	4.18	05/01/06	06/01/06	11,343.65	11,343.65	112.53				11,456.18	11,456.18	-	0.00
Money Market	2005 MF Atascocita Apts	4.18	05/01/06	06/01/06			71.07				71.07	71.07	-	0.00
Inv Agmt	2005 MF Atascocita Apts	3.43	04/14/05	11/15/06	5,065,936.66	5,065,936.66		(2,351,982.39)			2,713,954.27	2,713,954.27	-	0.00
Money Market	2005 MF Atascocita Apts	4.18	05/01/06	06/01/06	190,394.87	190,394.87		(133,881.88)			56,512.99	56,512.99	-	0.00
	2005 MF Atascocita Apts Total				5,274,368.60	5,274,368.60	183.60	(2,488,865.81)	0.00	0.00	2,785,686.39	2,785,686.39	0.00	0.00
Money Market	2005 MF Tower Ridge				221.53	221.53		(221.53)					-	0.00
Commercial Pap	2005 MF Tower Ridge	4.85	05/12/06	06/15/06	5,972,000.00	5,972,000.00		(2,651,643.00)			3,320,357.00	3,320,357.00	-	0.00
Money Market	2005 MF Tower Ridge	4.18	05/01/06	06/01/06	346,709.31	346,709.31		(121,644.99)			225,064.32	225,064.32	-	0.00
Money Market	2005 MF Tower Ridge	4.18	05/01/06	06/01/06	29.19	29.19	0.00				29.19	29.19	-	0.00
	2005 MF Tower Ridge Total				6,318,960.03	6,318,960.03	0.00	(2,773,509.52)	0.00	0.00	3,545,450.51	3,545,450.51	0.00	0.00
Money Market	2005 MF Alta Cullen	4.18	05/01/06	06/01/06	692,942.03	692,942.03	486,600.33				1,179,542.36	1,179,542.36	-	0.00
Inv Agmt	2005 MF Alta Cullen				3,500,000.00	3,500,000.00		(3,500,000.00)					-	0.00
Money Market	2005 MF Alta Cullen	4.25	05/01/06	06/01/06	68,689.69	68,689.69		(68,626.99)			62.70	62.70	-	0.00
Money Market	2005 MF Alta Cullen	4.25	05/01/06	06/01/06	106,064.69	106,064.69		(88,584.96)			17,479.73	17,479.73	-	0.00
Money Market	2005 MF Alta Cullen	4.18	05/01/06	06/01/06	2.97	2.97	2,250.00				2,252.97	2,252.97	-	0.00
Money Market	2005 MF Alta Cullen	4.25	05/01/06	06/01/06	0.02	0.02	0.00				0.02	0.02	-	0.00
	2005 MF Alta Cullen Total				4,367,699.40	4,367,699.40	488,850.33	(3,657,211.95)	0.00	0.00	1,199,337.78	1,199,337.78	0.00	0.00
Money Market	2005 MF Lafayette Village				243.44	243.44		(243.44)					-	0.00
Inv Agmt	2005 MF Lafayette Village	3.44	06/23/05	07/01/07	7,702,845.12	7,702,845.12		(5,734,389.61)			1,968,455.51	1,968,455.51	-	0.00
Money Market	2005 MF Lafayette Village	4.18	05/01/06	06/01/06	23,708.81	23,708.81	232.36				23,941.17	23,941.17	-	0.00
Money Market	2005 MF Lafayette Village	4.27	05/01/06	06/01/06	243,854.87	243,854.87		(71,625.51)			172,229.36	172,229.36	-	0.00
Money Market	2005 MF Lafayette Village	4.27	05/01/06	06/01/06	55,146.67	55,146.67		(44,188.88)			10,957.79	10,957.79	-	0.00
Inv Agmt	2005 MF Lafayette Village	3.44	06/23/05	07/01/07	453,383.23	453,383.23		(43,427.85)			409,955.38	409,955.38	-	0.00
	2005 MF Lafayette Village Total				8,479,182.14	8,479,182.14	232.36	(5,893,875.29)	0.00	0.00	2,585,539.21	2,585,539.21	0.00	0.00
Money Market	2005 MF Prairie Ranch	3.95	05/01/06	06/01/06	63,314.60	63,314.60		(37,860.93)			25,453.67	25,453.67	-	0.00
Inv Agmt	2005 MF Prairie Ranch	3.25	12/06/05	01/20/45	198,738.33	198,738.33	44,555.41				243,293.74	243,293.74	-	0.00
GNMA	2005 MF Prairie Ranch	4.99	07/29/05	05/15/07	5,110,087.00	5,110,087.00	2,113,560.00				7,223,647.00	7,223,647.00	-	0.00
Inv Agmt	2005 MF Prairie Ranch	3.72	07/20/05	06/17/07	7,089,913.00	7,089,913.00		(2,113,560.00)			4,976,353.00	4,976,353.00	-	0.00
Money Market	2005 MF Prairie Ranch	4.27	05/01/06	06/01/06	106.43	106.43	4,432.85				4,539.28	4,539.28	-	0.00
Money Market	2005 MF Prairie Ranch	4.27	05/01/06	06/01/06	40,893.52	40,893.52		(7,897.93)			32,995.59	32,995.59	-	0.00
Money Market	2005 MF Prairie Ranch	4.18	05/01/06	06/01/06	9.69	9.69	0.09				9.78	9.78	-	0.00
	2005 MF Prairie Ranch Total				12,503,062.57	12,503,062.57	2,162,548.35	(2,159,318.86)	0.00	0.00	12,506,292.06	12,506,292.06	0.00	0.00
Money Market	2005 MF St. Augustine	4.27	05/01/06	06/01/06	389,428.98	389,428.98		(59,288.24)			330,140.74	330,140.74	-	0.00
Money Market	2005 MF St. Augustine	3.95	05/01/06	06/01/06	357,486.12	357,486.12	0.00				357,486.12	357,486.12	-	0.00
Money Market	2005 MF St. Augustine	4.27	05/01/06	06/01/06	4,312,535.16	4,312,535.16		(1,129,382.22)			3,183,152.94	3,183,152.94	-	0.00
Money Market	2005 MF St. Augustine	4.27	05/01/06	06/01/06	5,359.95	5,359.95	0.00				5,359.95	5,359.95	-	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/06	Beginning Market Value 02/28/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/06	Ending Market Value 05/31/06	Change In In Market Value	Recognized Gain
Money Market	2005 MF St. Augustine	4.18	05/01/06	06/01/06	20,148.74	20,148.74	197.47				20,346.21	20,346.21	-	0.00
Money Market	2005 MF St. Augustine	4.27	05/01/06	06/01/06	6,137.51	6,137.51	0.00				6,137.51	6,137.51	-	0.00
	2005 MF St. Augustine Total				5,091,096.46	5,091,096.46	197.47	(1,168,670.46)	0.00	0.00	3,902,623.47	3,902,623.47	0.00	0.00
Money Market	2005 MF Park Manor	4.27	05/01/06	06/01/06	43,359.84	43,359.84		(43,313.67)			46.17	46.17	-	0.00
Money Market	2005 MF Park Manor	4.25	05/01/06	06/01/06	10,431.81	10,431.81	1,445,397.13				1,455,828.94	1,455,828.94	-	0.00
Money Market	2005 MF Park Manor	4.25	05/01/06	06/01/06	1,766,346.81	1,766,346.81	90,939.08				1,857,285.89	1,857,285.89	-	0.00
Inv Agmt	2005 MF Park Manor	5.00	08/26/05	10/01/06	5,200,000.00	5,200,000.00		(2,600,000.00)			2,600,000.00	2,600,000.00	-	0.00
Money Market	2005 MF Park Manor	4.18	05/01/06	06/01/06	43,270.53	43,270.53		(43,269.38)			1.15	1.15	-	0.00
Money Market	2005 MF Park Manor				20.25	20.25		(20.25)					-	0.00
	2005 MF Park Manor Total				7,063,429.24	7,063,429.24	1,536,336.21	(2,686,603.30)	0.00	0.00	5,913,162.15	5,913,162.15	0.00	0.00
Money Market	2005 MF Pr Mockingbird	4.18	05/01/06	06/01/06	2,282.88	2,282.88	139.00				2,421.88	2,421.88	-	0.00
Inv Agmt	2005 MF Pr Mockingbird	3.66	09/01/05	09/01/07	474,853.00	474,853.00		(374,351.00)			100,502.00	100,502.00	-	0.00
Money Market	2005 MF Pr Mockingbird	4.18	05/01/06	06/01/06	7,524.88	7,524.88	35,767.72				43,292.60	43,292.60	-	0.00
Money Market	2005 MF Pr Mockingbird	4.27	05/01/06	06/01/06			6.35				6.35	6.35	-	0.00
Money Market	2005 MF Pr Mockingbird	4.18	05/01/06	06/01/06	24,218.18	24,218.18	42,210.94				66,429.12	66,429.12	-	0.00
Inv Agmt	2005 MF Pr Mockingbird	3.66	09/01/05	09/01/07	629,416.53	629,416.53		(206,173.34)			423,243.19	423,243.19	-	0.00
Money Market	2005 MF Pr Mockingbird	3.95	05/01/06	06/01/06	46,299.94	46,299.94	475.23				46,775.17	46,775.17	-	0.00
Inv Agmt	2005 MF Pr Mockingbird	3.66	09/01/05	09/01/07	7,230,114.32	7,230,114.32		(2,633,600.62)			4,596,513.70	4,596,513.70	-	0.00
Money Market	2005 MF Pr Mockingbird				475.25	475.25		(475.25)					-	0.00
Inv Agmt	2005 MF Pr Mockingbird				31,214.00	31,214.00		(31,214.00)					-	0.00
	2005 MF Pr Mockingbird Total				8,446,398.98	8,446,398.98	78,599.24	(3,245,814.21)	0.00	0.00	5,279,184.01	5,279,184.01	0.00	0.00
Money Market	2005 MF Pl @ Chase Oaks	4.27	05/01/06	06/01/06	267.26	267.26	60,192.54				60,459.80	60,459.80	-	0.00
Inv Agmt	2005 MF Pl @ Chase Oaks	4.05	08/31/05	03/01/07	11,164,134.14	11,164,134.14		(5,567,495.41)			5,596,638.73	5,596,638.73	-	0.00
Money Market	2005 MF Pl @ Chase Oaks	4.27	05/01/06	06/01/06	4,322.56	4,322.56		(2,550.53)			1,772.03	1,772.03	-	0.00
Inv Agmt	2005 MF Pl @ Chase Oaks	4.05	08/31/05	03/01/07	1,259,411.17	1,259,411.17		(233,179.05)			1,026,232.12	1,026,232.12	-	0.00
	2005 MF Pl @ Chase Oaks Total				12,428,135.13	12,428,135.13	60,192.54	(5,803,224.99)	0.00	0.00	6,685,102.68	6,685,102.68	0.00	0.00
Money Market	2005 MF Canal Place	4.18	05/01/06	06/01/06	2,092.82	2,092.82	2,105.90				4,198.72	4,198.72	-	0.00
Money Market	2005 MF Canal Place	4.18	05/01/06	06/01/06	99,685.41	99,685.41	70,139.89				169,825.30	169,825.30	-	0.00
Inv Agmt	2005 MF Canal Place	4.13	10/11/05	07/15/07	667,424.83	667,424.83	0.00				667,424.83	667,424.83	-	0.00
Money Market	2005 MF Canal Place	4.18	05/01/06	06/01/06	945.90	945.90		(588.64)			357.26	357.26	-	0.00
Money Market	2005 MF Canal Place	4.18	05/01/06	06/01/06	41,648.49	41,648.49	34,713.32				76,361.81	76,361.81	-	0.00
Inv Agmt	2005 MF Canal Place	4.13	10/11/05	07/15/07	233,776.21	233,776.21		(178,468.34)			55,307.87	55,307.87	-	0.00
Inv Agmt	2005 MF Canal Place	4.13	10/11/05	07/15/07	12,615,806.18	12,615,806.18		(1,987,615.61)			10,628,190.57	10,628,190.57	-	0.00
Money Market	2005 MF Canal Place				21,641.75	21,641.75		(21,641.75)					-	0.00
	2005 MF Canal Place Total				13,683,021.59	13,683,021.59	106,959.11	(2,188,314.34)	0.00	0.00	11,601,666.36	11,601,666.36	0.00	0.00
Money Market	2006 MF Coral Hills	4.58	05/01/06	06/01/06	105,841.35	105,841.35	70,393.77				176,235.12	176,235.12	-	0.00
Money Market	2006 MF Coral Hills				42,795.74	42,795.74		(42,795.74)					-	0.00
	2006 MF Coral Hills Total				148,637.09	148,637.09	70,393.77	(42,795.74)	0.00	0.00	176,235.12	176,235.12	0.00	0.00
Money Market	2006 MF Harris Branch	4.18	05/01/06	06/01/06			1.08				1.08	1.08	-	0.00
Inv Agmt	2006 MF Harris Branch	4.72	03/09/06	02/15/08			831,642.89				831,642.89	831,642.89	-	0.00
Money Market	2006 MF Harris Branch	4.18	05/01/06	06/01/06			27.71				27.71	27.71	-	0.00
Money Market	2006 MF Harris Branch	4.18	05/01/06	06/01/06			19.48				19.48	19.48	-	0.00
Money Market	2006 MF Harris Branch	4.18	05/01/06	06/01/06			216.75				216.75	216.75	-	0.00
Inv Agmt	2006 MF Harris Branch	4.72	03/02/06	02/15/08			12,202,873.53				12,202,873.53	12,202,873.53	-	0.00
Inv Agmt	2006 MF Harris Branch	4.72	03/09/06	02/15/08			743,717.73				743,717.73	743,717.73	-	0.00
Money Market	2006 MF Harris Branch	4.18	05/01/06	06/01/06			4.56				4.56	4.56	-	0.00
Money Market	2006 MF Harris Branch	4.18	05/01/06	06/01/06			8,664.35				8,664.35	8,664.35	-	0.00
	2006 MF Harris Branch Total				0.00	0.00	13,787,168.08	0.00	0.00	0.00	13,787,168.08	13,787,168.08	0.00	0.00
Money Market	2006 MF Bella Vista	4.18	05/01/06	06/01/06			553.07				553.07	553.07	-	0.00
Money Market	2006 MF Bella Vista	4.18	05/01/06	06/01/06			15,661.66				15,661.66	15,661.66	-	0.00
Money Market	2006 MF Bella Vista	4.18	05/01/06	06/01/06			761.39				761.39	761.39	-	0.00
	2006 MF Bella Vista Total				0.00	0.00	16,976.12	0.00	0.00	0.00	16,976.12	16,976.12	0.00	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/06	Beginning Market Value 02/28/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/06	Ending Market Value 05/31/06	Change in In Market Value	Recognized Gain
Money Market	2006 MF Village Park	3.95	05/01/06	06/01/06			128,631.27				128,631.27	128,631.27	-	0.00
Money Market	2006 MF Village Park	3.95	05/01/06	06/01/06			1,525,254.91				1,525,254.91	1,525,254.91	-	0.00
	2006 MF Village Park Total				0.00	0.00	1,653,886.18	0.00	0.00	0.00	1,653,886.18	1,653,886.18	0.00	0.00
Money Market	2006 MF Oakmoor	4.25	05/01/06	06/01/06			1,342,209.78				1,342,209.78	1,342,209.78	-	0.00
Money Market	2006 MF Oakmoor	4.25	05/01/06	06/01/06			452,743.55				452,743.55	452,743.55	-	0.00
Money Market	2006 MF Oakmoor	4.25	05/01/06	06/01/06			4,221,647.70				4,221,647.70	4,221,647.70	-	0.00
GIC's	2006 MF Oakmoor	4.19	04/26/06	11/01/07			7,317,500.00				7,317,500.00	7,317,500.00	-	0.00
	2006 MF Oakmoor Total				0.00	0.00	13,334,101.03	0.00	0.00	0.00	13,334,101.03	13,334,101.03	0.00	0.00
	Total Multi-Family Investment Summary				165,343,864.18	165,343,864.18	54,982,625.01	(48,705,750.17)	(32,668.04)	0.00	171,588,270.98	171,588,270.98	0.00	0.00

Texas Department of Housing and Community Affairs
Single Family Collateralized Home Mortgage Revenue Bonds Series 1993 Investment Summary
For Period Ending May 31, 2006

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/06	Beginning Market Value 02/28/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/06	Ending Market Value 05/31/06	Change in In Market Value	Recognized Gain
Repo Agmt	1993 SF MRB CHMRB	5.01	05/31/06	06/01/06	7,802.47	7,802.47	94.63				7,897.10	7,897.10	-	0.00
	1993 SF MRB CHMRB Total				7,802.47	7,802.47	94.63	0.00	0.00	0.00	7,897.10	7,897.10	0.00	0.00
	Total 1993 SF MRB CHMRB Investment Summary				7,802.47	7,802.47	94.63	0.00	0.00	0.00	7,897.10	7,897.10	0.00	0.00

Texas Department of Housing and Community Affairs
Single Family Collateralized Home Mortgage Revenue Bonds Series 1994 and 1995 Investment Summary
For Period Ending May 31, 2006

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/06	Beginning Market Value 02/28/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/06	Ending Market Value 05/31/06	Change in In Market Value	Recognized Gain
Repo Agmt	1994 SF MRB CHMRB	5.01	05/31/06	06/01/06	236.90	236.90	2.76				239.66	239.66	-	0.00
Repo Agmt	1994 SF MRB CHMRB	5.01	05/31/06	06/01/06	0.01	0.01	0.00				0.01	0.01	-	0.00
Repo Agmt	1994 SF MRB CHMRB	5.01	05/31/06	06/01/06	1,363.95	1,363.95	16.52				1,380.47	1,380.47	-	0.00
Repo Agmt	1994 SF MRB CHMRB	5.01	05/31/06	06/01/06	16,784.56	16,784.56	3,183.85				19,968.41	19,968.41	-	0.00
Inv Agmt	1994 SF MRB CHMRB	6.05	12/16/04	11/01/26	3,603,467.34	3,603,467.34		(1,824.32)			3,601,643.02	3,601,643.02	-	0.00
	1994 SF MRB CHMRB Total				3,621,852.76	3,621,852.76	3,203.13	(1,824.32)	0.00	0.00	3,623,231.57	3,623,231.57	0.00	0.00
Repo Agmt	1995 A/B SF MR Refunding Bonds	5.01	05/31/06	06/01/06	0.01	0.01	0.00				0.01	0.01	-	0.00
	1995 A/B SF MR Refunding Bonds Total				0.01	0.01	0.00	0.00	0.00	0.00	0.01	0.01	0.00	0.00
	Total 1994/1995 SF MRB CHMRB Investment Summary				3,621,852.77	3,621,852.77	3,203.13	(1,824.32)	0.00	0.00	3,623,231.58	3,623,231.58	0.00	0.00

Texas Department of Housing and Community Affairs
Commercial Paper Investment Summary
For Period Ending May 31, 2006

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/06	Beginning Market Value 02/28/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/06	Ending Market Value 05/31/06	Change in Market Value	Recognized Gain
Repo Agmt	Commercial Paper	5.01	05/31/06	06/01/06	125,978.82	125,978.82		(125,961.24)			17.58	17.58	-	0.00
GIC's	Commercial Paper	3.40	02/14/06	06/01/06	3,200,000.00	3,200,000.00	0.00				3,200,000.00	3,200,000.00	-	0.00
GIC's	Commercial Paper	3.25	12/12/05	06/01/06	57,250,000.00	57,250,000.00	0.00				57,250,000.00	57,250,000.00	-	0.00
GIC's	Commercial Paper	3.20	01/18/06	06/02/06	75,000,000.00	75,000,000.00	0.00				75,000,000.00	75,000,000.00	-	0.00
	Commercial Paper Total				135,575,978.82	135,575,978.82	0.00	(125,961.24)	0.00	0.00	135,450,017.58	135,450,017.58	0.00	0.00
	Total Commercial Paper Investment Summary				135,575,978.82	135,575,978.82	0.00	(125,961.24)	0.00	0.00	135,450,017.58	135,450,017.58	0.00	0.00

Texas Department of Housing and Community Affairs
General Fund Investment Summary
For Period Ending May 31, 2006

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/06	Beginning Market Value 02/28/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/06	Ending Market Value 05/31/06	Change in In Market Value	Recognized Gain
Repo Agmt	General Fund	5.01	05/31/06	06/01/06	2,654,588.80	2,654,588.80	32,187.57				2,686,776.37	2,686,776.37	-	0.00
Repo Agmt	General Fund	5.01	05/31/06	06/01/06	2,676,670.68	2,676,670.68	538,139.85				3,214,810.53	3,214,810.53	-	0.00
Repo Agmt	General Fund	5.01	05/31/06	06/01/06	783,000.15	783,000.15	9,494.22				792,494.37	792,494.37	-	0.00
Repo Agmt	General Fund	5.01	05/31/06	06/01/06	409,227.98	409,227.98	45,422.58				454,650.56	454,650.56	-	0.00
Repo Agmt	General Fund	5.01	05/31/06	06/01/06	704,639.45	704,639.45	201,605.20				906,244.65	906,244.65	-	0.00
Repo Agmt	General Fund	5.01	05/31/06	06/01/06	130,839.84	130,839.84	1,586.51				132,426.35	132,426.35	-	0.00
Repo Agmt	General Fund	5.01	05/31/06	06/01/06	324,801.83	324,801.83		(13,493.53)			311,308.30	311,308.30	-	0.00
Repo Agmt	General Fund	5.01	05/31/06	06/01/06	370,725.47	370,725.47	4,495.18				375,220.65	375,220.65	-	0.00
Repo Agmt	General Fund	5.01	05/31/06	06/01/06	272,628.32	272,628.32		(70,191.92)			202,436.40	202,436.40	-	0.00
Repo Agmt	General Fund	5.01	05/31/06	06/01/06	381,252.75	381,252.75	4,622.86				385,875.61	385,875.61	-	0.00
Repo Agmt	General Fund	5.01	05/31/06	06/01/06	147,075.33	147,075.33	9,516.53				156,591.86	156,591.86	-	0.00
Repo Agmt	General Fund	5.01	05/31/06	06/01/06	654,891.54	654,891.54	7,940.94				662,832.48	662,832.48	-	0.00
Repo Agmt	General Fund	5.01	05/31/06	06/01/06	946,072.72	946,072.72		(82,075.52)			863,997.20	863,997.20	-	0.00
Repo Agmt	General Fund	5.01	05/31/06	06/01/06	228,091.91	228,091.91	854,308.66				1,082,400.57	1,082,400.57	-	0.00
Repo Agmt	General Fund	5.01	05/31/06	06/01/06	66,291.86	66,291.86	803.86				67,095.72	67,095.72	-	0.00
Repo Agmt	General Fund	5.01	05/31/06	06/01/06	223,534.90	223,534.90		(5,386.04)			218,148.86	218,148.86	-	0.00
	General Fund Total				10,974,333.53	10,974,333.53	1,710,123.96	(171,147.01)	0.00	0.00	12,513,310.48	12,513,310.48	0.00	0.00
	Total General Fund Investment Summary				10,974,333.53	10,974,333.53	1,710,123.96	(171,147.01)	0.00	0.00	12,513,310.48	12,513,310.48	0.00	0.00

Texas Department of Housing and Community Affairs
Housing Trust Fund Investment Summary
For Period Ending May 31, 2006

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/06	Beginning Market Value 02/28/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/06	Ending Market Value 05/31/06	Change in In Market Value	Recognized Gain
Repo Agmt	Housing Assistance Fund	5.01	05/31/06	06/01/06	44,636.96	44,636.96	14,694.62				59,331.58	59,331.58	-	0.00
Repo Agmt	Housing Trust Fund	5.01	05/31/06	06/01/06	341,816.87	341,816.87	4,097.81				345,914.68	345,914.68	-	0.00
Repo Agmt	Housing Trust Fund	5.01	05/31/06	06/01/06	30,279.68	30,279.68	8,234.36				38,514.04	38,514.04	-	0.00
Repo Agmt	Housing Trust Fund	5.01	05/31/06	06/01/06	15,997.93	15,997.93	163.12				16,161.05	16,161.05	-	0.00
Repo Agmt	Housing Trust Fund	5.01	05/31/06	06/01/06	107,442.59	107,442.59		(3,519.49)			103,923.10	103,923.10	-	0.00
Repo Agmt	Housing Trust Fund	5.01	05/31/06	06/01/06	213,650.90	213,650.90	39,946.75				253,597.65	253,597.65	-	0.00
Repo Agmt	Housing Trust Fund	5.01	05/31/06	06/01/06	79,008.34	79,008.34	924.04				79,932.38	79,932.38	-	0.00
Repo Agmt	Housing Trust Fund	5.01	05/31/06	06/01/06	5,364,487.20	5,364,487.20	64,752.03				5,429,239.23	5,429,239.23	-	0.00
Repo Agmt	General Revenue Appn	5.01	05/31/06	06/01/06	124,660.64	124,660.64	183,974.60				308,635.24	308,635.24	-	0.00
Repo Agmt	General Revenue Appn	5.01	05/31/06	06/01/06	4,782,954.55	4,782,954.55		(4,559,922.66)			223,031.89	223,031.89	-	0.00
Repo Agmt	Capacity Building -GR	5.01	05/31/06	06/01/06	25,876.28	25,878.28		(5,762.40)			20,115.88	20,115.88	-	0.00
Repo Agmt	Capacity Building -GR	5.01	05/31/06	06/01/06			293,694.53				293,694.53	293,694.53	-	0.00
Repo Agmt	Pre-Development -GR	5.01	05/31/06	06/01/06	414,029.81	414,029.81	0.00				414,029.81	414,029.81	-	0.00
Repo Agmt	Pre-Development -GR	5.01	05/31/06	06/01/06			150,000.00				150,000.00	150,000.00	-	0.00
Repo Agmt	Housing Trust Fund-GR	5.01	05/31/06	06/01/06	140,400.00	140,400.00		(32,900.00)			107,500.00	107,500.00	-	0.00
Repo Agmt	Housing Trust Fund-GR	5.01	05/31/06	06/01/06			1,202,087.00				1,202,087.00	1,202,087.00	-	0.00
Repo Agmt	Boostrap -GR	5.01	05/31/06	06/01/06	761,400.00	761,400.00	0.00				761,400.00	761,400.00	-	0.00
Repo Agmt	Boostrap -GR	5.01	05/31/06	06/01/06	2,089,414.59	2,089,414.59		(132,000.00)			1,957,414.59	1,957,414.59	-	0.00
Repo Agmt	Boostrap -GR	5.01	05/31/06	06/01/06	1,951,599.00	1,951,599.00		(334,800.00)			1,616,799.00	1,616,799.00	-	0.00
Repo Agmt	Boostrap -GR	5.01	05/31/06	06/01/06			2,953,520.00				2,953,520.00	2,953,520.00	-	0.00
	Housing Trust Fund Total				16,487,657.34	16,487,657.34	4,916,088.86	(5,068,904.55)	0.00	0.00	16,334,841.65	16,334,841.65	0.00	0.00
	Total Housing Trust Fund Investment Summary				16,487,657.34	16,487,657.34	4,916,088.86	(5,068,904.55)	0.00	0.00	16,334,841.65	16,334,841.65	0.00	0.00

Texas Department of Housing and Community Affairs
Administration Investment Summary
For Period Ending May 31, 2006

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/06	Beginning Market Value 02/28/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/06	Ending Market Value 05/31/06	Change in In Market Value	Recognized Gain
Repo Agmt	Administration	5.01	05/31/06	06/01/06	142,067.27	142,067.27	1,685.58				143,752.85	143,752.85	-	0.00
	Administration Total				142,067.27	142,067.27	1,685.58	0.00	0.00	0.00	143,752.85	143,752.85	0.00	0.00
	Total Administration Investment Summary				142,067.27	142,067.27	1,685.58	0.00	0.00	0.00	143,752.85	143,752.85	0.00	0.00

Texas Department of Housing and Community Affairs
Compliance Investment Summary
For Period Ending May 31, 2006

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/06	Beginning Market Value 02/28/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/06	Ending Market Value 05/31/06	Change in Market Value	Recognized Gain
Repo Agmt	RTC	5.01	05/31/06	06/01/06	116,577.31	116,577.31	86,125.46				202,702.77	202,702.77	-	0.00
Repo Agmt	Multi Family	5.01	05/31/06	06/01/06	612,598.28	612,598.28	114,543.10				727,141.38	727,141.38	-	0.00
Repo Agmt	Multi Family	5.01	05/31/06	06/01/06	186,004.08	186,004.08	65,110.07				251,114.15	251,114.15	-	0.00
Repo Agmt	Low Income Tax Credit Prog.	5.01	05/31/06	06/01/06	931,194.15	931,194.15	160,331.32				1,091,525.47	1,091,525.47	-	0.00
	Compliance Total				1,846,373.82	1,846,373.82	426,109.95	0.00	0.00	0.00	2,272,483.77	2,272,483.77	0.00	0.00
	Total Compliance Investment Summary				1,846,373.82	1,846,373.82	426,109.95	0.00	0.00	0.00	2,272,483.77	2,272,483.77	0.00	0.00

Texas Department of Housing and Community Affairs
Housing Initiatives Investment Summary
For Period Ending May 31, 2006

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/06	Beginning Market Value 02/28/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/06	Ending Market Value 05/31/06	Change in In Market Value	Recognized Gain
Repo Agmt	S/F Interim Construction	5.01	05/31/06	06/01/06	458,521.54	458,521.54	5,507.12				464,028.66	464,028.66	-	0.00
Repo Agmt	S/F Interim Construction	5.01	05/31/06	06/01/06	175.46	175.46	1.90				177.36	177.36	-	0.00
Repo Agmt	S/F Interim Construction	5.01	05/31/06	06/01/06	7.25	7.25	0.00				7.25	7.25	-	0.00
Repo Agmt	Mtg. Credit Certificate	5.01	05/31/06	06/01/06	69,840.90	69,840.90	823.34				70,664.24	70,664.24	-	0.00
Repo Agmt	Low Income Tax Credit Prog.	5.01	05/31/06	06/01/06	923,917.65	923,917.65	50,901.17				974,818.82	974,818.82	-	0.00
Repo Agmt	Low Income Tax Credit Prog.	5.01	05/31/06	06/01/06	2,203,597.40	2,203,597.40		(725,048.01)			1,478,549.39	1,478,549.39	-	0.00
Repo Agmt	Low Income Tax Credit Prog.	5.01	05/31/06	06/01/06	333,860.64	333,860.64		(20,691.15)			313,169.49	313,169.49	-	0.00
	Housing Initiatives Total				3,989,920.84	3,989,920.84	57,233.53	(745,739.16)	0.00	0.00	3,301,415.21	3,301,415.21	0.00	0.00
	Total Housing Initiatives Investment Summary				3,989,920.84	3,989,920.84	57,233.53	(745,739.16)	0.00	0.00	3,301,415.21	3,301,415.21	0.00	0.00
	Total Investment Summary				1,351,835,630.67	1,345,365,148.80	151,663,768.14	(146,232,559.89)	(18,345,859.50)	0.00	1,338,920,979.42	1,304,480,481.55	(27,970,016.00)	16,316.41

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
SINGLE FAMILY FINANCE PRODUCTION DIVISION
PORTFOLIO MANAGEMENT & COMPLIANCE DIVISION

OFFICE OF RURAL COMMUNITY AFFAIRS
COMMUNITY DEVELOPMENT DIVISION

BOARD ACTION REQUEST
July 12th, 2006

Action Item

Approval of the Council of Governments method of distribution plan, their eligible housing activities and initial award allocation recommendations for housing and non-housing activities contingent upon resolution of identified application deficiencies. These awards are for the use of Texas CDBG Disaster Recovery Funds.

Required Action

Approval of staff award recommendations for housing and non-housing activities to the four Councils of Government located in the areas impacted by Hurricane Rita.

Background

The Texas Department of Housing and Community Affairs (TDHCA), at the direction of the Office of the Governor and in conjunction with the Office of Rural Community Affairs (ORCA) has worked with four affected Councils of Governments (COGs) to distribute funds under the *CDBG Disaster Recovery Funds to Areas Most Impacted and Distressed by Hurricane Rita.* The Department of Defense Appropriations Act, 2006 (Public Law 109-148, approved December 30, 2005) appropriated $74,523,000 in Community Development Block Grant funding to be used toward meeting unmet housing, infrastructure, public service, public facility and business needs in areas of concentrated distress. With the approval and working through the TDHCA Governing Board, TDHCA will provide the state administration for housing and ORCA, will provide the state administration for non-housing needs.

TDHCA and ORCA used FEMA data to determine the distribution of housing and non-housing related damage across the eligible counties. The table below shows the resulting funding allocation for each applicant as listed in the 2006 State of Texas Action Plan for CDBG Disaster Recovery Grantees. The eligible applicants per the State's Action Plan are four Councils of Government (COGs) – Deep East Texas Council of Governments (DETCOG), East Texas Council of Governments (ETCOG), Houston-Galveston Area Council (HGAC), and the South East Texas Regional Planning Commission (SETRPC). These COGs applied on behalf of the eligible entitlement communities, non-entitlement communities, and federally recognized Indian Tribes within their region. The U.S. Department of Housing and Urban Development (HUD) has mandated that a minimum of Fifty Five percent (55%) of the funds be allocated for housing.

Funding Allocation by COG	Minimum Housing Need Allocation*	Non-Housing Need Allocation	Total Allocation	
Deep East Texas Council of Governments	**$5,745,034**	**$13,278,209**	**$19,023,244**	**27%**
East Texas Council of Governments	**$ -0-**	**$2,099,997**	**$2,099,997**	**3%**
Houston-Galveston Area Council	**$6,694,697**	**$4,011,720**	**$10,706,418**	**15%**
South East TX Regional Planning Commission	**$26,498,536**	**$12,468,656**	**$38,967,192**	**55%**
Total	**$38,938,268**	**$31,858,583**	**$70,796,850**	**100%**

An application guide was jointly developed by TDHCA and ORCA staff after input was gathered from the COGs. The application was made available on May 12, 2006, and Application Workshops were conducted the week of May 15th – May 18th, 2006, at each of the COGs. The application deadline due date was June 23, 2006. The COGs have worked under a very short timeline to create a method of distribution for all of the jurisdictions in their respective areas. COG staff independently developed different methodologies basing their distribution on a variety of statistical information including FEMA, Texas Department of Insurance and Census poverty data. Each COG attempted to define unmet needs specific to households below 80% of the area median family income. Each COG met with their respective member jurisdictions and acquired public input to gain consensus. When possible, TDHCA and ORCA staff attended public hearings and method of distribution workshops hosted by the COGs. Throughout May and early June, TDHCA and ORCA staff attended COG organized workshops in Kilgore, Houston, Newton and Nacogdoches. At each of the workshops, it was stressed repeatedly that funding would be available to the areas most impacted by Hurricane Rita and to individuals and families with the greatest unmet need. Below is a summary of the applications received listed by housing and then by non-housing activities.

HOUSING ACTIVITIES

Based on data from damage reports, three of the four COGs are eligible for an allocation of housing funds. In general, these COGs will contract with construction contractors to perform the proposed housing activities such as emergency repair, rehabilitation, reconstruction, demolition etc. The Deep East Texas Council of Governments will use this method to administer all of their housing funds. The Southeast Texas Regional Planning Commission will also utilize this arrangement for the non entitlement areas of their service region but will make a direct allocation of funds to the entitlement cities of Beaumont, Port Arthur and Orange. The Houston Galveston Area Council on the other hand proposed to develop an application process to identify potential service providers in eligible areas to be responsible for publicizing, screening and selecting beneficiaries and awarding the housing funds. The application process will be open to local governments, housing and community development corporations and the private sector.

1.) Deep East Texas Council of Governments (DETCOG)

Method of Distribution:

The Deep East Texas Council of Governments developed a method of distribution for housing funds by utilizing FEMA housing assistance data by county, self-reported damage reports from each county, individual household unmet need requests and Texas Department of Insurance

Reports. From this data, an allocation was issued to each county based upon the percent of estimated loss by county to the total funds available for housing rehabilitation. DETCOG staff will carry out the administration of the housing portion of the program. Portions of the activities will be performed at the COG level by adding additional staff. Actual construction/rehabilitation will be contracted to experienced builders through a Request For Proposal (RFP) process who meet the criteria for subcontracted services. Clients receiving housing assistance will be tracked through an automated data base that will prevent duplication of services. In addition, before services are rendered the client's income will be verified through IRS and Social Security records to verify low to moderate income. FEMA database information and insurance verifications for covered losses will be made. Proof of property ownership will also be obtained through deeds and property records.

The availability of the funds will be publicized by the COG via press releases in local newspapers, through public service announcements, informational pamphlets, public notices and other forms of outreach throughout the service region. The program information including the application will be provided in English and Spanish. DETCOG will accept applications in person at several locations and by mail. For emergency repairs, they will use an existing waiting list in order to serve persons who have previously applied and proven they were eligible under other HUD Section 8 programs administered by the COG. All applicants who are on an existing waiting list must submit new application materials, updated income information, proof of ownership and, in general, be re-qualified as eligible for the CDBG Disaster Recovery Fund program. All applicants who exist on a current waiting list will be considered in the order in which they existed on that waiting list. For rehabilitation/reconstruction assistance, applicants will be screened for completeness and income verification. A review team will rate each completed and eligible application according to a predetermined ranking system. The review team will make recommendations to the DETCOG Executive Director for final approval.

Eligible Activities:
For housing assistance, the following activities are listed below with the maximum level of financial assistance:

Emergency Repair: $10,000
Rehabilitation: $25,000
Reconstruction: $65,000
Acquisition/Construction: $40,000

2.) Houston-Galveston Area Council (HGAC)

Method of Distribution:

The Houston-Galveston Area Council developed a method of distribution for housing funds based on a formula that integrates two-thirds of the amount of county level damage reported to FEMA under the Individuals and Households Program and a one-third allocation based on the per-capita damage. Entitlement city allocations were based on their percentage of county population. Based on these formulas, an allocation was assigned to each county with the Council's service region and to each entitlement community.

For the actual service delivery, HGAC will issue a Request For Applications. Eligible applicants will consist of units of local government, housing and community development corporations and for profit organizations. Contract awards will be based on cost effectiveness and the ability to meet identified priorities. Successful applicants will become housing services subcontractors under this program. HGAC and its Board of Directors will provide oversight for the contractor selection process and be responsible for ensuring compliance. Project beneficiaries will be identified by holding a series of local and regional workshops to inform citizens about the program procedures. In addition to addressing unmet need and individuals and families impacted by Hurricane Rita, additional priorities for assistance will be based on income, form of ownership and no delinquent property tax liabilities.

Eligible Activities:
For housing assistance, the following eligible activities are listed below with the level of financial assistance:

Emergency Repair: $10,000
Rehabilitation: $25,000
Reconstruction: $65,000
New Construction: $75,000

3.) Southeast Texas Regional Planning Commission (SETRPC)

Method of Distribution:

The Southeast Texas Regional Planning Commission developed a method of distribution for housing funds based on the number of households, unmet housing needs related to Hurricane Rita and severity of damage within each area. The funds were then divided into two separate allocations: Entitlement cities and non-entitlement cities. SETRPC will administer the housing funds for the non-entitlement areas of the region. The cities of Beaumont and Port Arthur will receive a direct allocation based on the criteria listed above and will be responsible for submitting a Plan for Distribution and Administration to SETRPC that will in turn be presented to the TDHCA Executive Director for approval. Once approved, the TDHCA Executive Director will provide an update to the TDCHA Board. The city of Orange's allocation will be included in the amount administered by SETRPC. Since Orange is the lead entity in the Orange HOME Consortium that is administered by SETRPC and since Orange County has chosen to have SETRPC administer their state disaster HOME funds, it was determined that this would help to alleviate confusion among residents of the community and would make administering the funds more consistent. Therefore, only the cities of Beaumont and Port Arthur will administer their own allocation of funds. Each city's allocation of funds and the non-entitlement allocations are listed below:

City of Beaumont - $4.9 million

City of Port Arthur - $5.3 million

City of Orange - $1.8 million*

Non-entitlement areas of Jefferson, Hardin and Orange counties - $12 million

*To be added to the $12 million non-entitlement allocation

All recipients must be 80% or below of the Area Median Family Income (AMFI). A pre-application is currently available that will establish income levels and amount of any other assistance that has been received or is pending. These applications are being time-stamped as they are received and will be addressed on a first-come, first-served basis. If the applicant is deemed “eligible” based on this initial information, then an assessment will be done on their home to determine the extent of their need and to obtain more extensive information. Priority will be given to elderly, disabled and families with small children or medically fragile family members. SETRPC will carry out the administration of the non entitlement allocation of housing funds by using their staff**.**

Eligible Activities:
For housing assistance, the following eligible activities are listed below with the level of financial assistance:

Emergency Repair: $25,000
Rehabilitation: $65,000
Downpayment Assistance: $20,000
Renter Occupied Rehabilitation: $23,000
Reconstruction: $135,000
Demolition: $5,000

NON-HOUSING ACTIVITIES

Due to condensed time constraints, none of the applicants were able to provide their recommended list of non-housing projects but will forward this information to ORCA within the next month or two for subsequent consideration and possible approval by the TDHCA Board. For non-housing activities, the COGs will recommend projects for award. Based on this recommendation ORCA will confirm eligibility and compliance with a national objective and enter into individual contracts with the cities and counties to perform the proposed activities. Although non-housing activities consisted primarily of FEMA Public Assistance match and FEMA Hazard Mitigation Grant Program match, other eligible activities such as flood and drainage projects, roads/bridges, water and wastewater facilities and other eligible CDBG activities were proposed. Initially the FEMA reimbursement was based on a 75%/25% split for public assistance. Subsequently, approval has been granted for a match reimbursement based on a 90%/10% split for all public assistance projects impacted by Hurricane Rita. All Hazard Mitigation Grant Program match requirements will remain 75%/25%. While Congress has issued this additional consideration for match on all public assistance projects, FEMA has not yet determined how or when these additional funds will be awarded. Once localities receive their additional reimbursement based on this decision, proposed non-housing projects may be revised to reflect this adjustment.

1.) Deep East Texas Council of Governments (DETCOG)

Method of Distribution:

For non-housing activities, the method of distribution considered by DETCOG included FEMA data used by TDHCA and ORCA in determining the allocation to each COG. Additionally, DETCOG factored in Texas Bureau of Insurance data, poverty rates derived from the U.S. Census and unemployment by county as compared to the state average unemployment rate and disaster funds received prior to these CDBG funds being available. They also used city and county population data to determine the amount of funds by city/county.

Eligible Activities:

For non-housing assistance, eligible activities are categorized into two priorities. Priority number one is reimbursement of costs to cities and counties for Hurricane Rita Disaster Recovery. This includes funds expended for FEMA Project Worksheets requiring match or match required by NCRS Project Agreements or Hazard Mitigation Grant Program funding from FEMA. Priority number two is for projects to secure public buildings, water and wastewater facilities, hospitals and medical facilities and public shelters against power outages or reimbursements for storm damages. Based on the method of distribution outlined above and a need assessment provided to each entity, a dollar value was assigned along with a proposed project to each city and county within the COG service region. The COG received applications June 16, 2006, and provided a recommendation for funding with a brief summary of each proposed project in the application. Additional information is needed to determine eligibility and compliance with a national objective. The information has been requested through the deficiency process.

2.) East Texas Council of Governments

Method of Distribution:

Based on FEMA and other damage reports, the East Texas Council of Governments did not receive an allocation of housing funds but did receive an allocation for non-housing activities. On March 31, 2006, ETCOG mailed a packet of program information to each city and county official within the eligible six county area. The packet contained information on the program, the proposed action plan, application guidelines, timelines and a project survey. The survey instrument was due back on April 17, 2006. Nine cities responded to the survey requesting over $4 million in funding although only $2 million was available. ETCOG staff evaluated each request utilizing a combination of three factors; including the number of low to moderate income individuals living within each city, survey results and regional priorities such as Public/Community Shelters, FEMA Infrastructure/Hazard Mitigation Grant Program match reimbursements and equipment. Based on this information, it was determined that two award methods could be utilized. All projects could be scored utilizing the criteria listed above or each project could receive a partial funding recommendation. The partial funding proposal was submitted at an April 27, 2006 workshop and an all cities agreed this would be the most equitable process.

Eligible Activities:

For non-housing assistance, eligible activities were categorized into three priorities. These include Public/Community Shelters, FEMA Infrastructure/Hazard Mitigation Grant Program match requirements and equipment. Although a list of cities and counties and award amounts were provided in the application, additional information and clarification is needed to determine eligibility and compliance with a national objective before contracts can be executed. The information has been requested through the deficiency process.

3.) Houston-Galveston Area Council (HGAC)

Method of Distribution:

For non-housing activities, the method of distribution will be based on a competitive pool of applicants that will compete against each other based on scoring criteria. A minimum of one project per affected county will be eligible to receive an award up to $350,000. Within 30 days of receiving a notice to proceed from TDHCA and ORCA, HGAC will finalize a Non-Housing Assistance Application Guidebook. Interested applicants will apply for projects and applications will be reviewed for completeness in the order in which they are received. A review team will rate each completed and eligible application according to a predetermined ranking system. Upon receipt of the recommendations from the review team, HGAC will prepare a prioritized list of projects to submit to ORCA for funding consideration. More information has been requested regarding the ranking system to be used via the deficiency process.

Eligible Activities:

Eligible activities for non-housing include local match for FEMA hazard mitigation grant program projects and critical infrastructure projects. Projects will be submitted as described under the method of distribution and will be scored on a competitive basis. HGAC will be responsible for advertising the availability of the non-housing program and for accepting applications from the counties and entitlement cities. Applications will be reviewed by HGAC staff for completeness and a prioritized list of projects will be submitted to ORCA for funding consideration.

4.) Southeast Texas Regional Planning Commission (SETRPC)

Method of Distribution:

For non-housing, the method of distribution was a multi-tier level of funding set by the Hurricane Rita Non-Housing Advisory Committee. No scoring of applications will be involved and each entity will submit an application for reimbursement for uncompensated losses.

Eligible Activities:

Eligible activities include FEMA Public Assistance, FEMA Hazard Mitigation Grant Program, NRCS-USDA flood and drainage projects and other CDBG eligible activities. Applications for non-housing activities will be accepted by SETRPC on June 30, 2006. Reviews will be completed by July 21, 2006 and forwarded to ORCA by August 11, 2006.

Summary and Other Information:

A joint review of the applications was completed by TDHCA and ORCA staff and a joint deficiency notice was issued on the method of distribution and allocation of funds. Programmatic deficiency responses are due to the Department no later than Friday July 7th. In order for the four Councils of Government to proceed with their recovery efforts, staff is recommending the following funding recommendations for housing and non-housing activities contingent upon satisfactory resolution of the identified deficiencies. Deficiencies consisted of a lack of environmental information, incomplete detailed budget information and questions relating to the method of distribution.

TDHCA and ORCA will continue to work with each COG to finalize administrative costs for housing and non-housing activities. Once non-housing applications from the COGs are submitted to ORCA, they will confirm eligibility and compliance with a national objective and will recommend the proposed projects to TDHCA staff who in turn will recommend to the TDHCA Board for subsequent approval.

- Due to a limited timeline, application workshops were conducted on May 15th -18th, 2006, and the application deadline due date was June 23, 2006. As a result, none of the applicants were able to identify their recommended list of non-housing projects but they will forward them to us within the next month or two for subsequent TDHCA Board approval. Although there were numerous deficiencies identified during the application review process, staff is continuing to work with each of the COGs to resolve them satisfactorily.
- A format for monthly status reports will also be created and distributed to each COG. A copy of the monthly report will be included in the TDHCA Board book as an Executive Director's report item.
- Also, HUD and the Office of the Inspector General will be conducting a joint technical assistance visit with TDHCA and COG staff.
- TDHCA and ORCA received approval of their grant agreement from the U.S. Department of Housing and Urban Development (HUD) on June 19, 2006.

Recommendation:

Staff recommends that the Board:

Approve the funding recommendations listed below based on the requested amount for housing vs. non-housing resulting in a proposed split is 56.76% for housing activities and 43.24% for non-housing activities.

Application Number	Applicant	Housing Project Funds Requested (56.76%)	Non-Housing Project Funds Requested (43.24%)	Total Funds Requested
2006-0001 CDBGDR	ETCOG	-0-	$2,099,997	$2,099,997
2006-0002 CDBGDR	DETCOG	*$6,745,034	$12,278,209	$19,023,243
2006-0003 CDBGDR	SETRPC	$26,498,536	$12,468,656	$38,967,192
2006-0004 CDBGDR	HGAC	$6,945,724	$3,760,694	$10,706,418
4 Applications	**TOTALS**			**$70,796,850**

Approve each COGs method of distribution and their proposed eligible housing activities.

Approve a temporary administrative office for TDHCA centrally located in the affected area to provide direct and ongoing oversight in the region.

Delegate authority to the TDHCA Executive Director to finalize negotiations for housing activity contracts including budgets for administration and project delivery costs.

Approve the Executive Director to create a format for monthly reports for inclusion as a report item to the Board.

Approve the Executive Director to develop contracts and/or Memorandums of Understating with ORCA to facilitate the administration of the state funds.

THIS ITEM HAS BEEN PULLED
FROM THE AGENDA

PORTFOLIO MANAGEMENT AND COMPLIANCE DIVISION

BOARD ACTION REQUEST
HOME AMENDMENTS
July 12, 2006

Action Item

Requests for amendments to HOME Investment Partnerships Program (HOME) contracts involving modifications that significantly decrease the benefits to be received by the Department.

Requested Action

Approve or deny the requests for amendments.

Background

The 2006 HOME Rules in the Texas Administrative Code, Title 10, Part 1, Chapter 53, Rule §53.62(b)(3) state that modifications and/or amendments that increase the dollar amount by more than 25% of the original award or $50,000, whichever is greater; or significantly decrease the benefits to be received by the Department, in the estimation of the Executive Director, will be presented to the Board for approval.

City of Jonestown Contract #1000277

Summary of Request
The City of Jonestown (City) is requesting to reduce the number of assisted households from eight (8) to three (3), or a reduction of sixty-two percent (62%). The City is also requesting to exceed the $55,000 cap per house in order to accommodate septic systems requirements for the three (3) homes. The reduction in the number of units and the increase in the limit per house to $63,951 for each of the three (3) homes will result in deobligated funds of $224,967. The City is also requesting a six month extension in order to replace the septic systems and allow adequate time to complete construction.

According to the City, the on-site septic systems for the three (3) homes do not meet the Lower Colorado River Authority requirements and must be replaced with Aerobic Septic Systems. This will result in a per project increase of $8,951 to allow for purchase and installation of the new septic systems.

The City is also requesting a reduction of assisted households from eight (8) to three (3) as no other eligible applicants were identified by the City.

	2006 Income Limits (4 Person)	Original	Requested	Change	Percent Reduction
30% AMFI	$21,350	8	3	(5)	62.5%
Budget		$424,494	$199,527	($224,967)	53.0%

Amendment Number:	1
Activity Type:	Owner Occupied Assistance (OCC) Contract (Reconstruction)
Contract Executor:	James Brown, Mayor
Contract Contact:	Paul Isham, City Administrator
Contract Consultant:	GrantWorks, Inc.
Contract Start Date:	October 1, 2004
Contract End Date:	September 30, 2006
Requested End Date:	March 30, 2007

Service Area:	Rural Areas of Jonestown, Travis County
Total Budget Amount:	$424,494
Project Amount:	$408,167
Administration Amount:	$16,327
Amount Committed:	$165,000
Amount Drawn:	$0.00
Households Required:	8
Households Committed:	3

Requested Action

Staff does not recommend the approval of the amendment because of the Department's current policy. If the board chooses to approve the amendment, staff recommends the City submit inspection reports from the LCRA to ensure that replacement of the septic systems is required. If the inspections confirm that replacement is necessary, staff recommends that the City re-bid the construction contract based on the corrected scope of work. The conditional approval would reduce the required beneficiaries from eight (8) to three (3), the limit per unit would be increased from $55,000 to $63,951 based on current cost estimates, the contract end date would be extended to March 30, 2007, and the total contract amount would be reduced to $199,527. Funds budgeted for administration will be reduced on a pro-rata basis.

The Administrator is in compliance with all monitoring and auditing requirements for Department programs.

The City has committed assistance to the three (3) households, has provided a program implementation timetable and has assured the Department that the contract will be completed by the extended contract end date.

In addition, if the amendment is approved and executed by the City, the City will be required to provide the Department with a Monthly Contract Progress Report. The report will specify all progress made towards meeting contract performance requirements by the end of the contract term. The Monthly Contract Progress Report will be due by the 10th day of each month until the end of the contract term.

<u>Midland Habitat for Humanity Contract #1000541</u>

Summary of Request

Midland Habitat for Humanity (Administrator) is requesting modifications to income targeting requirements as follows to allow them to assist households that they would otherwise not be able to assist.

	2006 Income Limits (4 Person)	Original	Requested	Variance
30% AMFI	$16,750	2	0	(2)
50% AMFI	$27,950	1	0	(1)
60% AMFI	$33,540	1	4	3
Total		4	4	

Since the majority of applicants to the program have incomes at or under the 60% area median family income (AMFI), the Administrator states that they will be able to comply with the amended income limits. If the amendment is not granted, the Administrator will not be able to assist two households who would otherwise be eligible and funds will be deobligated since no other eligible applicants at or below 30% AMFI have been identified.

Amendment Number:	1
Activity Type:	American Dream Downpayment Initiative (ADDI) Contract
Contract Executor:	Alynda Best, Executive Director
Contract Start Date:	October 3, 2005
Contract End Date:	September 28, 2007
Service Area:	Midland County
Total Budget Amount:	$41,600
Project Amount:	$40,000
Administration Amount:	$1,600
Amount Committed	$0.00
Amount Drawn:	$0.00
Households Required:	4
Households Committed:	0

Requested Action

Staff does not recommend the approval of the amendment because of the Department's current policy. If the board chooses to approve the amendment, the income targeting requirements would be modified according to the targets in the above table.

Support documentation submitted substantiates extenuating circumstances or compelling reasons for the request; rescoring the application with the changes to income targeting would still have resulted in an award of HOME funds; and the Administrator is in compliance with all monitoring and auditing requirements for Department programs.

In addition, if the amendment is approved and executed by the Administrator, the Administrator will be required to provide the Department with a Monthly Contract Progress Report. The report will specify all progress made towards meeting contract performance requirements by the end of the contract term. The Monthly Contract Progress Report will be due by the 10th day of each month until the end of the contract term.

GrantWorks

Planning, Housing, and Community Development Services For Rural Texas Since 1979

2201 Northland Dr.
Austin, Texas 78756

Voice (512) 420-0303
Fax (512) 459-8948
anthony@grantworks.net

To:	Lucy Trevino ~~Karin Parish~~ ~~Linda Hambrick~~	Date:	6/26/06
Subject:	Amendment Response	Contract:	100277
Phone:		Fax:	512-267-4572

Dear Ms. Hambrick:

In response to the email regarding the request for amendment:

1. A detailed explanation and justification/extenuating circumstances to validate this extension being granted.
   Letter from LCRA detailing the need for replacement. Please see attached.
2. A schedule of completion from the contractor. We need an estimated date for construction commencement and construction completion.
   Please see attached.
3. A detailed schedule of costs to substantiate the increase in costs - basically to substantiate the $12,880 increase/waiver of the $55,000 cap. Include as much information as possible, including detailed cost breakdowns, bids, fee schedules from LCRA, etc.
   Please see attached.
4. Detailed information on how the match will be provided and quantified.
   The City of Jonestown is providing equipment and manpower for assistance in demolition and clearance, hauling and tipping fees, post construction clean-up, landscaping, waiving inspections, and various fees. Please see attached application budget and resolution passed by the city.

If you need additional information, or have any questions, I can be reached at (512) 420-0303.

Best Regards,

K Mullane

Kelly Mullane
Director of Housing Services

RECEIVED
JUN 29 2006
COMPLIANCE

Lucy Trevino
Texas Department of Housing and Community Affairs
PO Box 13941
Austin, TX 78711-3941

June 19, 2006

RE: Waiver to exceed per project cap for City of Jonestown Contract #1000277

Dear Ms. Trevino:

Please consider this letter as a formal request on behalf of the City of Jonestown to increase the funds per house for the following homes:

- 18002 Lafayette (Project # 24118)
- 10810 Sunny Lane (Project # 24119)
- 11108 Third (Project # 24120)

The waiver we are requesting is to exceed the $55,000.00 cap per house in order to accommodate the Aerobic Septic Systems required for the following three homes:

Cost Breakdown per house	
Original	55,000
Septic	7,992
Soft Cost	959
Total	$63,951

The on-site sewage facilities do not meet the Lower Colorado River Authority requirements; please see the attached letter from LCRA explaining the background for each home.

We, the City of Jonestown, are very confident in our ability to complete the construction of these homes prior to the expiration of our contract. We humbly ask for approval of the waiver to exceed the cap per home so that the families being assisted can enjoy safe sanitary living conditions.

We anticipate a quick completion of the homes once the amendments have been granted. In case we are slowed by the installation of the new sewage facilities, inclement weather, or other unforeseen delays, we are requesting a six month extension ending March 31, 2007.

If you have any other questions or are in need of further information, please feel free to contact me at 512-267-3243.

Sincerely,

James M. Brown
Mayor
City of Jonestown

LCRA
ENERGY • WATER • COMMUNITY SERVICES

May 18, 2006

To: Marilee, City of Jonestown (512) 267-4572

From: James Maynard, LCRA

Re: OSSF information for 11108 3rd Street, 18002 Lafayette Park Road, and 19810 Sunny Lane, Jonestown Hills, Travis County TX.

We do not have current owner information for each of the three systems. Each on-site sewage facility (OSSF) is currently required to be inspected for transfer of ownership.

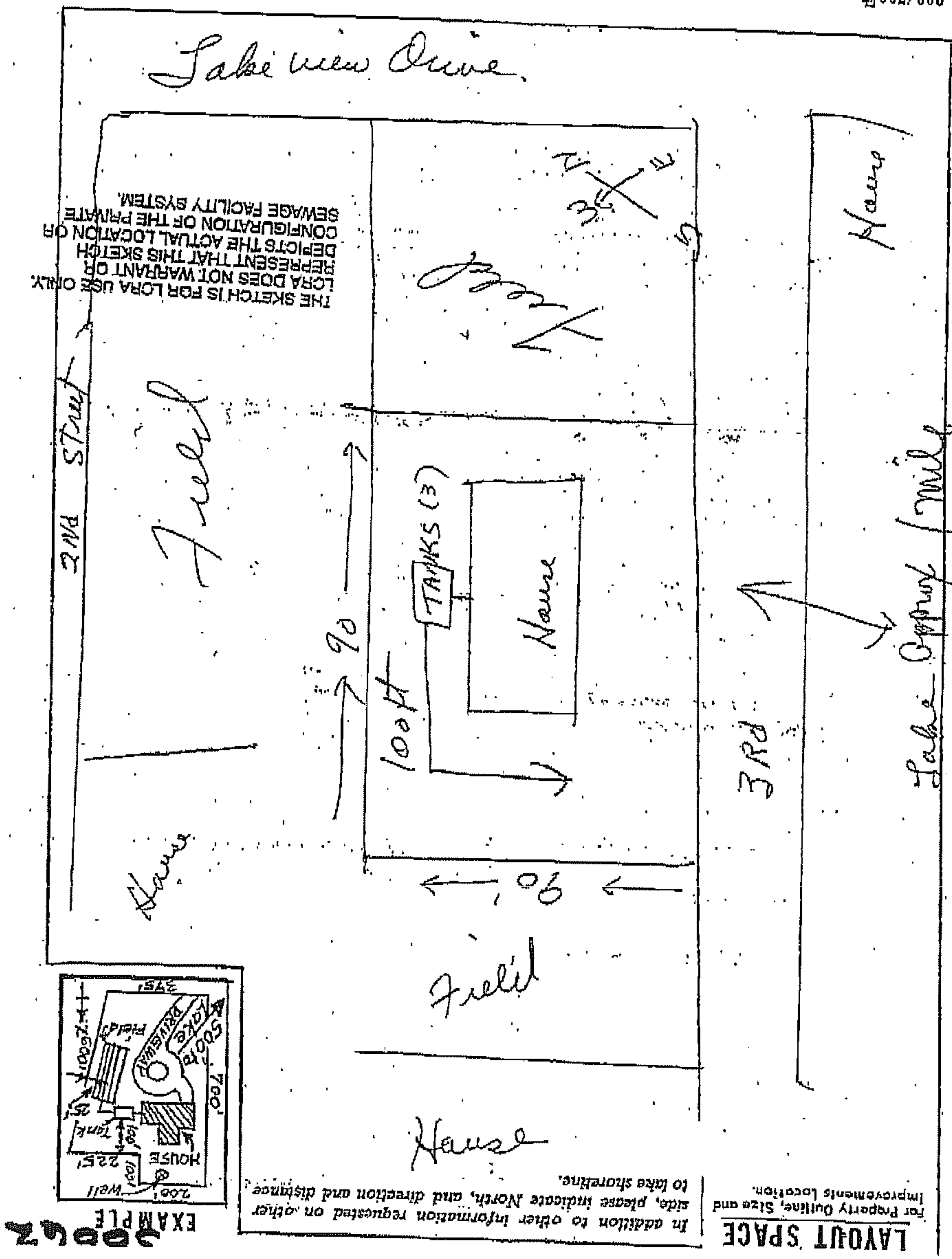
18002 Lafayette Park Road: I have been unable to locate a file for the OSSF at this address. It is recommended that you contact Travis County to see if they have an old file. (512) 854-9383. If no file is found the OSSF will be treated as a "grandfathered" system and will be required to meet construction and water-load requirements during inspection. Modification to current standards may be necessary.

11108 Third Street: File # 50062. This is a "grandfathered" OSSF installed in 1962. It is approved for a maximum 2-bedrooms and 1,500 square feet of HVAC. There have been numerous operational problems documented with this OSSF in the past. There may also be metal septic tanks. If the tanks are metal the entire OSSF must be modified to current standards. The system is believed to be 3 tanks, 55 gallons each, and approximately 100 square feet of drainfield. The OSSF will be required to meet construction and water-load requirements during inspection. Modification to current standards may be necessary. (Site plan attached)

10810 Sunny Lane: File # 15324. This is also a "grandfathered" OSSF. The tank was replaced and the drainfield repaired (replacement of pipe and gravel) in late 1987-early 1988. It appears that this OSSF is approved for a 1-bedroom house only. Anything larger will require the system to be modified to current standards. The tank is 750 gallons and there is a 150 square foot absorption bed. The OSSF will be required to meet construction and water-load requirements during inspection. Modification to current standards may be necessary. (Site plan attached)

If you have any questions you may contact me by phone at 473-3200, ext. 7585, or by email at james.maynard@lcra.org.

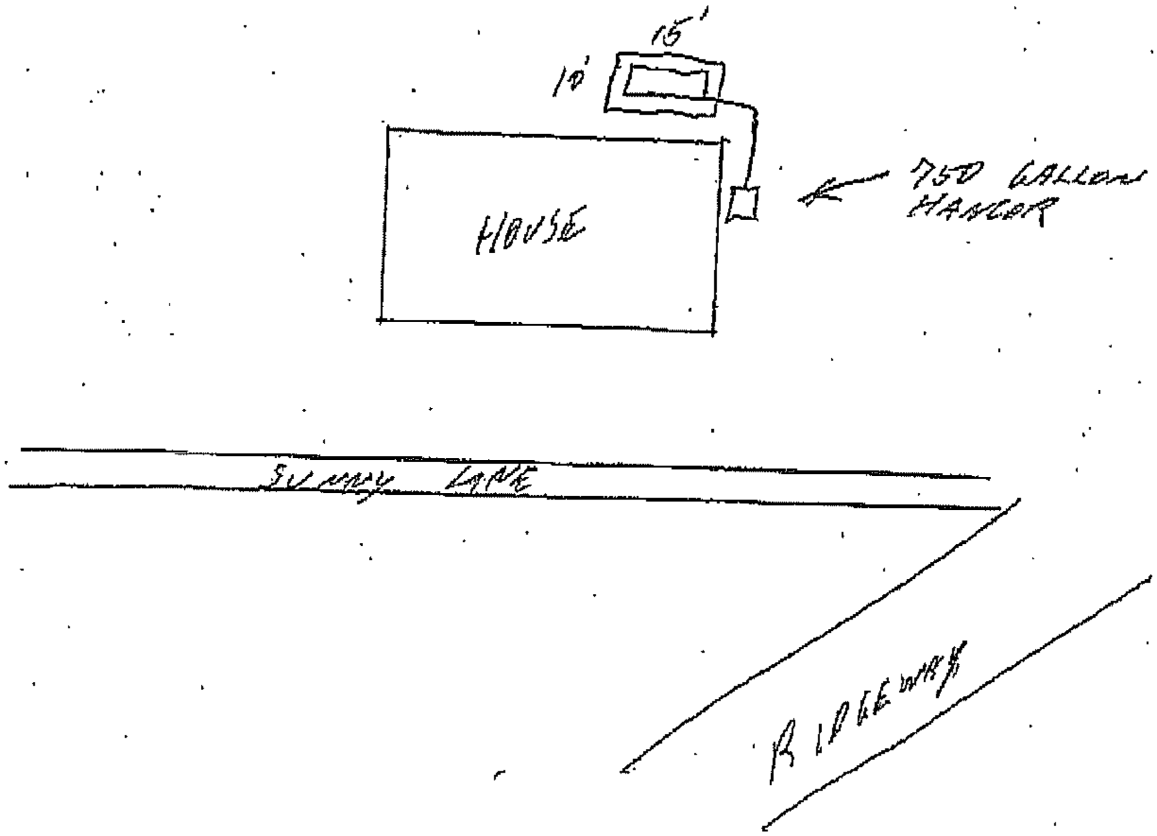
05/18/2006 THU 11:42 FAX 1 512 267 4572 City of Jonestown ☑002/003
05/18/2006 THU 11:31 FAX 512 473 3501 LCRA - OSSF ☑002/003



BARNES, GILBERT
82-5-78.

THIS SKETCH IS FOR LCRA USE ONLY. LCRA DOES NOT WARRANT OR REPRESENT THAT THIS SKETCH DEPICTS THE ACTUAL LOCATION OR CONFIGURATION OF THE PRIVATE SEWAGE FACILITY SYSTEM.

15324



TRAVIS COUNTY
Transportation And Natural Resources
411 West 13th Street
Executive Office Building, 11th Floor
P.O. Box 1748
Austin, TX 78767-1748

Facsimile Transmittal

To:	Jenny Ainsworth	**Fax:**	512-459-8948
From:	Andrea Harper	**Date:**	5/23/2006
Re:	Open Records Request	**Pages:**	1 page (including coversheet)

☐ **Urgent** ☐ **For Review** ☐ **Please Comment/Reply** √ **As Requested**

Notes: An extensive search was performed for the requested information. **No Records were found on** 18002 Lafayette Park Road. **This property is in the jurisdiction of the City of Jonestown. Try contacting the COJ Sewage Facility**

Sorry for any inconvenience.

Contact: Central Files: 512.854.7574 or fax: 512.854.9436

THANK YOU

JWTC
James W. Turner Construction, Ltd.
Mary Jane Lane Tomball, Texas 77377

6-10-06

Ms. Kelly Mullane
Director
GrantWorks

Re: Jonestown
Septic Systems

Kelly:

In response to your request for a cost breakdown of the installation of an aerobic septic system in the City of Jonestown we submit the following:

1. Soil survey as required by Lower Colorado River Authority. $ 350.00

2. Total permit fees $ 620.00

3. Digging and rock removal: layered jack hammering of site to adequate depth to allow for excavation and installation of subsurface three compartment concrete tank system and trenching of required ditches to install discharge lines and spray heads of system. $4180.00

4. Setting of tank system with discharge lines and spray heads with backfill and grading $6350.00

TOTAL COST $11500.00

Should you require further information please do not hesitate to call our offices.

Sincerely,

James W. Turner
James W. Turner Construction, Ltd.

Office 281.290.9011 Toll Free 800.483.9333 Fax 281.290.9511

LOWER COLORADO RIVER AUTHORITY
ON-SITE SEWAGE FACILITY FEE SCHEDULE

Facility Type	Fee
Conventional Systems Single Family Multiple Dwelling Commercial	**$260.00****
Professional Design Systems Single Family Multiple Dwelling Commercial (for the first 500 gallons/day)	**$410.00****
Each Additional 500 gallons/day	$45.00
Facility Reinspection (Single Family sales, Repairs, Refinance, etc.)	**$150.00**
Additional unit reinspection	$20.00
Facility Reinspection (Commercial and Multiple dwelling)	**$100.00**
Additional unit reinspection	$45.00
Two-Year License Renewal for Drip/Surface Irrigation Systems	**$50.00**
Subdivision Plan Review	**$200.00**
Subdivision Field Inspection	**$15.00 per lot**
Extra Trip to the Site	**$70.00**
Permit Revision	**$50.00**
Permit Renewal	**$50.00**
Special Requests and Reports	**$40.00**
Extra Permit Copies (beyond original)	**$10.00**
Faxing Information - Requests from Public	**$1.00/page**

Amount of refunds are based on when the refund is requested in the process.

**$10.00 has been added to the LCRA fee required to be paid to the Texas Natural Resource Conservation Commission on behalf of the On-site Wastewater Treatment Research Council fund.

Effective Date: September 5, 1997

JWTC

June 26, 2006

RE: Schedule of completion for grant homes under contract #1000277

City of Jonestown
18649 FM 1431, Ste. 4-A
Jonestown, TX 78645

Dear Mayor Brown:

In response to your request for a timeline of construction for the homes in Jonestown, I will not be able to begin construction until the $67,880 in reflected in each budget for each house that will be receiving a septic system. Once I am notified that the TDHCA Contract System reflects the amended budget I will be able to begin construction; once construction commences the duration will be less than 120 days.

If you have any questions please feel free to contact my office at 281-290-9011.

Regards,

J.W. Turner Construction, Ltd.
J.W. Turner
President

cc: Kelly Mullane
GrantWorks, Inc

Office 281.290.9011 Toll Free 800.483.9333 Fax 281.290.9511

City of Jonestown Match Breakdown

	Original Match	Contract Awarded	Based on 3 houses @ $55,000	**Based on 3 houses @ $67,880**
Grant:	$ 495,000.00	$ 408,167.00	$ 165,000.00	**$ 203,640.00**
Match:	$ 55,700.00	$ 48,980.00	$ 19,800.00	**$ 24,436.80**
	11.25%	12.00%	12.00%	**12.00%**
		Donated by Attorney and Architect		**$ 4,950.00**
			Match Balance	**$ 19,486.80**
			Balance per house	**$ 6,495.60**

RESOLUTION NO. 2004-R-244
BY THE
CITY OF JONESTOWN, TEXAS

WHEREAS, the Texas Department of Housing and Community Affairs (TDHCA) has notified the public of a funding availability to benefit lower income residents of Texas communities through the 2004 Texas HOME Investment Partnerships Program; and

WHEREAS, the Texas HOME Program has identified significant housing needs in the City, particularly for the rehabilitation and reconstruction of owner occupied housing; and

WHEREAS, the City wishes to assist our lower income special needs homeowners while simultaneously enhancing the health, economic, and aesthetic quality of the community:

NOW, THEREFORE, BE IT RESOLVED

ONE, the City Council authorizes that a 2004 Texas HOME Program – for Owner Occupied Housing Assistance application up to an amount of $520,000 be prepared by GrantWorks, Inc. and submitted to TDHCA.

TWO, the City Council commits $4,600 of in-kind match contribution to cover program-related costs for **demolition and clearance, hauling and tipping fees, post construction cleanup and landscaping, waiver of inspection and permit fees; utility reconnection fees,** and/or any other match eligible hard or soft costs for those households assisted through the 2004 Texas HOME Program – for Owner Occupied Housing Assistance, if funding is approved by TDHCA.

THREE, the City Council designates the Mayor as the person authorized to sign all forms related to the preparation of these applications and to execute any HOME agreements.

FOUR, the City Council commits funds in the amount of Fifty Percent (50%) of the total grant requests or amounts awarded to be extended as a cash reserves to pay program costs before reimbursements are received from the State of Texas HOME Program.

FIVE, the attached HOME Program statement, titled Owner Occupied Rehabilitation/ Reconstruction Assistance Program Design, shall be established as the official program policies; and, shall guide the implementation of the housing assistance activities of the HOME Program until such time as they may be amended by the City Council.

Adopted this 1st day of April 2004 by the City Council of Jonestown, Texas

David Deeds, Mayor
City of Jonestown, Texas

ATTEST:

~~Linda Hambrick~~, City Secretary
Asst

TDHCA Central Database

cons114356: Change Password | Logout | TDHCA Home

TDHCA Contract System

My Contracts |

Contract #1000277 > Match Funds

CSAS Number(s): 544395

Match Breakdown

Match Funds

MATCH FUNDS

Source	Match Type	Required Amount	Project % Drawn	Required per % Drawn	Actual Amount Reported	Over/Under MatchAmount	Comment
Administrator	Waived Taxes, Fees and Charges	$3,916.00	0	$0.00	$0.00	$0.00	Waived permit fees and utility line replacement fees
Other	Donated Labor, Materials, and Site	$31,837.00	0	$0.00	$0.00	$0.00	Demolition and Site Clearance
Other	Donated Professional Labor	$13,225.00	0	$0.00	$0.00	$0.00	Legal Services; Architect Services; Donated Inspection services
Total		$48,980.00		$0.00	$0.00	$0.00	

Midland Habitat for Humanity®

MIDLAND HABITAT FOR HUMANITY

904 West Florida
PO Box 2555
Midland, Texas 79702
432/686-8877
432/686-9994 fax
www.habitatmidland.org

June 30, 2006

Ms. Lucy Trevino
Manager – Contract Amendments
P.O. Box 13941
Austin, Texas 78711-3941

Re: HOME HBA Contract # 1000541

Dear Lucy:

Please allow this letter to serve as our request to amend the above referenced contract. Originally we applied for ADDI funds in the amount of $40,000.00 stating that two of our four assisted homebuyers would have incomes that are at thirty percent (30%) or less of the area median family income (AMFI) as defined by HUD. The remaining two assisted homebuyers would have incomes that are (one at) fifty percent (50%) or less of the AMFI, and (one at) sixty percent (60%) or less of the AMFI.

We will be unable to fulfill the requirement that two of the assisted homebuyers have AMFIs at or under 30% and are requesting that all four of our assisted homebuyers have AMFI's at or under 60%. Our program does not allow for families with AMFI's greater than 60% so we will have no problem fulfilling this requirement of our contract.

If this amendment cannot be granted, please advise me on the process to de-obligate from that portion of the contract, or the entire contract, if required to do so. We apologize for our error in this application and hope that you are successful in amending our contract.

I may be reached at (432) 686-8877 if you should have any questions.

Yours truly,

Alynda Best

Alynda Best
Executive Director

Attachment request to Contract Amendment #1000541

Families approved with AMFI's under 60%

Alfonso & Martha Subia (family size 7)	**AMFI 36.34%**
Jose & Maria Gomez (family size 5)	**AMFI 43.84%**
Andre & Gloria Bonilla (family size 2)	**AMFI 46.41%**
Mona Cruse (family size 4)	**AMFI 38.53%**

PORTFOLIO MANAGEMENT AND COMPLIANCE DIVISION

BOARD ACTION REQUEST
HOUSING TRUST FUND AWARD
July 12, 2006

Action Item

Request approval of a Housing Trust Fund (HTF) award to the Deep East Texas Council of Governments to complete construction of two homes left partially completed due to failure in administration of a HOME contract awarded to Lone Star Garden Development Corporation in Jasper, Texas.

Requested Action

Action 1: Approval of a HTF award recommendation of $53,000 to the Deep East Texas Council of Governments to complete two partially completed homes.

Action 2: Approval for the Executive Director to seek reimbursement and to refer this matter to the Office of the Attorney General and/or the local district attorney for their review.

Background

Lone Star Garden Development Corporation (Lone Star) was awarded a HOME Owner Occupied Contract on September 1, 2003. The contract period originally ended on August 30, 2005, but was extended until February 28, 2006. Lone Star was awarded $500,000 in project funds and $20,000 in administrative funds. These funds were designated to rehabilitate nine (9) homes in Jasper, Texas. Lone Star drew $384,095 of the contract funds. Five homes were completed and two additional homes were left partially completed.

The Department reviewed documentation that gave rise to concerns regarding the payment of funds. From our review it appears Lone Star inappropriately requested reimbursement and was paid for construction that was not yet completed. It appears that the original general contractor, Josef Arline Construction, and the contract consultant, F&M Consulting, misrepresented themselves by signing and submitting inaccurate reimbursement requests to substantiate probable false requests. In total, Josef Arline received $290,682 in contract funds, and FM Consulting received $37,500.

The reimbursements included payments for inadequate work and for work not yet completed. Seven (7) homes were in process at the time Josef Arline abandoned the project in August of 2004. Lone Star has unsuccessfully attempted to recover funds inappropriately dispersed to the original contractor. The Department fully expects Lone Star to continue their efforts to recapture these funds until fully recovered from the original contractor. The Department faces potential liability for disallowed construction and administrative costs totaling approximately $108,000.

A new general contractor, Andy Smith Construction, was hired in February of 2005. Andy Smith completed three (3) of the homes and left two (2) additional homes almost completed. Because Mr. Smith was correcting incomplete work, unsafe conditions, and poor workmanship, the construction costs exceeded the $55,000 per unit cap established by the Department. The Department allowed the $55,000 cap to be exceeded in three homes in the amounts of $66,232.35, $61,783.87 and $60,824.00. The two homes near completion were also eventually completed.

In March of 2005, PMC staff assessed the situation by reviewing all tenant files and accounting records and by inspecting all homes. Due to the Lone Star's inability to effectively administer the HOME program, the

Department temporarily suspended all payments. In May of 2005, the Department was notified that the consulting group had also abandoned the project

On September of 2005, Hurricane Rita devastated this area. Mr. Smith left Jasper to assume work in the Beaumont area. The two (2) remaining homeowners have been out of their homes since April of 2004 (27 months). Additionally, Lone Star has exhausted all funds and resources available to them at Lowe's, Meig's Hardware and a line of credit at First County Bank.

To assist the displaced homeowners, the Department has requested the assistance of the Deep East Texas Council of Governments (DETCOG) to assume responsibility for the completion of the two (2) remaining homes. The source of funding for this award will be $53,000 in HTF program income that has not yet been allocated. DETCOG has the capacity and prior experience to complete this project within four months. This activity and use is permissible under the current HTF rules.

The Department intends to aggressively pursue all options available to recover funds and to take legal action against the responsible parties. The Department will request the assistance of the State Auditor's Office and the Office of the Attorney General for investigation. The local district attorney's office and the HUD's Office of Inspector General will also be notified for assistance and possible investigation.

Staff Recommendation

Action 1: Staff recommends funding in the amount of $53,000 to Deep East Texas Council of Governments to complete homes already under construction.

Action 2: Staff recommends that the Board authorize the Executive Director to seek reimbursement of non-earned federal funds and to a refer this matter to the Office of the Attorney General and/or the local district attorney for their review.

DETCOG
Deep East Texas Council of Governments and Exonomic Development District
210 Premier Drive • Jasper, Texas 75951 • (409) 384-5704 • FAX (409) 384-6177 • TDD (409) 384-5975

RECEIVED
JUL 03 2006
EXECUTIVE

WALTER G. DIGGLES
Executive Director

June 29, 2006

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

Dear Mr. Gerber:

Re: Lone Star Gardens of Jasper, Texas

The Deep East Texas Council of Governments has tentatively approved our agency's acceptance of the construction oversight for two low-to-moderate income elderly housing units from the TDHCA.

DETCOG's acceptance of this award by TDHCA is contingent upon our review and approval of a contract between TDHCA and DETCOG that includes language indemnifying our agency of any and all liabilities for non-performance by all parties involved by prior contractors, agents, or others. DETCOG agrees to match funding for completion of this project, as necessary, based upon approval of certified construction bids by TDHCA.

If you need any additional information regarding this matter, feel free to contact me at 409-384-5704, ext. 257.

Sincerely,

Walter G. Diggles

Walter G. Diggles
Executive Director

PORTFOLIO MANAGEMENT AND COMPLIANCE DIVISION

BOARD ACTION REQUEST
DEBARMENT LIST
July 12, 2006

Action Item

Discussion on the development of Compliance system for affiliated parties and vendors for potential debarment for non-performance

Requested Action

Staff requests approval to research options for possible development of a Department Debarment List.

Background

In conjunction with the Board's stated goal to shorten the time between award and delivery of service to Texans, the Department is looking at ways to hold affiliated parties and vendors accountable in a manner similar to recipients and applicants. The Department's current policies provide a system to prevent additional funds from being delivered to a materially non-compliant applicant, however the same is not true for those who are also vital to the delivery of services like contractors and consultants. The Department is requesting approval to develop such a compliance system.

According to Government Code Chapter 2306, Section 2306.057, before the Board approves any project application, the Department has the responsibility to assess the compliance history of the applicant and any affiliate of the applicant with respect to all applicable requirements. Under Department programs, affiliates can include business partners, consulting firms, and contractors. PMC reviews the compliance history of all applicants, and documents and maintains a listing of developer and affiliate material noncompliance with mainly Housing Tax Credit developments within the Department's portfolio.

Awardees are required to access either HUD's Debarment List to identify contractors and entities precluded from participation in HUD programs or the Excluded Parties List System (EPLS) which identifies parties excluded throughout the U.S. Government from receiving Federal contracts, subcontracts, and certain types of Federal financial and non-financial assistance and benefits. While these resources serve to exclude persons or entities that have been reported because of noncompliance with Federal agencies, it is insufficient to exclude participation of affiliates that should not be granted access to Department funding sources for other reasons. As a result, the Department has identified a need to develop a Debarment List to enhance the compliance history reviews currently performed with a focus on an affiliate's historical performance in Department programs, especially when the performance has been less than desirable or contractual outcomes were not met.

The objective of a TDHCA Debarment List will be to document those persons or entities that have met the criteria of debarment as established by the Department. By implementing this process, TDHCA will allow awardees to do business only with responsible parties, and TDHCA's programs will be further protected from fraud, waste, and abuse by persons or entities with a history of irresponsible business behavior.

This is a necessary compliance component that will allow the Department to target known affiliates that have performed poorly in the past from gaining access to Department funds. If approved to develop this process, TDHCA will preclude awardees from contracting with affiliates that have repeatedly or deliberately failed to comply with contractual or regulatory guidelines, rules, or regulations, or if they have submitted false information to TDHCA awardees or TDHCA. This process will allow us to more effectively manage awards and ensure timely, positive outcomes for the families we serve.

If approval is obtained to research options for the development of a Debarment List, staff will:

- Develop a set of criteria that constitutes debarment
- Establish a schedule for the rule making process to allow for full participation and due process
- Stipulate the amount of time/span of the debarment based on the reason for debarment

The Department will then:

- Maintain the list internally in a Department database
- Provide external access to the system for guidance to applicants.

Staff Recommendation

Staff requests approval to research options for development of a TDHCA Debarment List for affiliated parties and vendors.

Division of Policy and Public Affairs

BOARD ACTION REQUEST
July 12, 2006

Action Item

AGENCY STRATEGIC PLAN FOR THE FISCAL YEARS 2007–11 PERIOD BY THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS.

Required Action

Review and approval of the document by the Board. By July 7, 2006, the document was to be submitted to the Governor, Lt. Governor, Speaker of the House, Comptroller of Public Accounts, State Auditor, Sunset Advisory Committee, House Appropriations Committee, Senate Finance Committee, Governor's Office of Budget, Planning and Policy, Legislative Budget Board (LBB), Texas State Library, and the Legislative Reference Library. The Executive Director requested a one week extension to the submission deadline to allow the Department additional time to work with the Board to ensure the document fully satisfies the plan requirements provided by the LBB. A copy of this extension request is provided as Attachment B. With Board approval, the document will be transmitted to the various parties prior to the requested submission deadline of July 14, 2006.

Background

The following sentence from the Legislative Budget Board's report preparation instructions sums up the purpose of this document well.

"A Strategic Plan is a formal document that communicates an agency's goals, directions, and outcomes to various audiences, including the Governor and the Legislature, client and constituency groups, the general public, and the agency's employees."[1]

The TDHCA Strategic Plan for Fiscal Years 2007–2011 (the Plan) outlines its approach to addressing the affordable housing and community service needs of lower income Texans. The Plan was developed within the context of the State's overall goals and budget to generate specific outcomes that tie directly to the Department's budget structure. TDHCA will use the Plan to help meet needs of the citizens of Texas through logical, transparent, accountable, and effective actions.

The Plan provides a high level overview of issues that may affect the ongoing accomplishment of TDHCA's mission over the next five years. Examples of internal issues the report considers include the Department's budget, workforce characteristics, technological assets and projects, organizational structure, and existing performance measures. External factors that may change over time are also studied. Such factors include TDHCA's available funding resources, service population

[1] From the "Introduction" to the Instructions for Preparing and Submitting Agency Strategic Plans Fiscal Years 2007-2011.

characteristics, service area boundaries, and the economic, legal, and environmental conditions in which it operates. Finally, the Plan provides TDHCA with an opportunity to describe some of its strengths, weaknesses, challenges, and opportunities for change.

Please note that while this is a "planning" document, it does not establish:

- future performance measure targets (This is done through the Legislative Appropriations Request process.); or
- program set asides or intended program activities (This is done through program rule making and the State Low Income Housing Plan and Rules).

Significant changes from the 2005-2009 Plan include:

- A concerted effort was made to ensure that the Plan directly followed the LBB reporting requirements. Text that was superfluous to the document's broad overview was removed. An example of this type of revision was the reduction of a detailed six page discussion of the Program Year 2005 regional allocation formula to a five paragraph general summary.
- Simultaneously, sections of the Plan that discuss issues that directly impact TDHCA's activities and services were supplemented or added. Examples of these types of updates include the affect of and Department's response to interest rate increases, higher energy costs, increasing foreclosure activity, rental submarket issues (such as concentration of affordable housing in certain neighborhoods), and community opposition to affordable housing. TDHCA's ongoing response to Hurricanes Katrina and Rita was also discussed.
- The 2007-2011 Plan places a greater emphasis on workforce issues. This includes more detailed discussions of Equal Employment and Opportunity Act data. The Plan also discusses pending efforts to enhance critical employee skills for future needs and ensure that vehicles are in place to maintain institutional knowledge. By so doing, TDHCA staff will be better able to transition into new roles when turnover in key management positions occurs. The TDHCA Philosophy was also modified to add the following item:
  "*Respect: The Department recognizes that its employees are the critical element in accomplishing its mission and goals. Therefore, it pledges to support their continued professional development and provide opportunities for reward based on their performance. In doing so, it also pledges to promote a collaborative and positive work environment for all employees.*
- A primary focus of the 2005-2009 Plan was the TDHCA reorganization that took place in 2002 and 2003 and the extension of the Department's lifespan by the Sunset Commission. In comparison, the 2007-2011 Plan focuses on current workforce issues such as: the effect on the TDHCA workforce and budget of the TDHCA headquarters move, the hiring of a new Executive Director, and the results of recently completed Customer Service and Organizational Excellence surveys.

ATTACHMENT A

AGENCY STRATEGIC PLAN FOR THE FISCAL YEARS 2007–11 PERIOD BY THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS.

ATTACHMENT B

REPORT FILING DEADLINE EXTENSION REQUEST LETTER

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

June 22, 2006

Mr. John O'Brien
Deputy Director
Legislative Budget Board
P.O. Box 12666
Austin, Texas 78711

Mr. Mike Morrissey
Governor's Office of Budget,
Planning and Policy
P.O. Box 12428
Austin, Texas 78701

Re: 2007-2011 Strategic Plan Submission Deadline Extension Request

Dear Gentlemen:

The Texas Department of Housing and Community Affairs (Department) respectively requests a one-week extension to the July 7, 2006 filing deadline for the 2007-2011 Strategic Plan (Plan). The Department is requesting the additional time to ensure that the requirements described in the Instructions for Preparing and Submitting Agency Strategic Plans Fiscal Years 2007-2011 are fulfilled in a manner that accurately and clearly represents the long term plans, goals, and objectives of the Department.

My service as Executive Director at TDHCA began on May 17, 2006, and over the course of the last month I have worked directly with TDHCA staff and the Board to review and develop the Plan. A one-week extension would allow me and the Board an opportunity continue our significant dialogue on the details of this important document at the Board's July 12, 2006 meeting and to be sure that the Plan fully meets your instructions.

Thank you for your consideration of this request. Please do not hesitate to contact me directly at (512) 475-3930 regarding this or any other issue. I look forward to working with you.

Sincerely,

Michael Gerber
Executive Director

WWW.TDHCA.STATE.TX.US
221 EAST 11th • P.O. BOX 13941 • AUSTIN, TEXAS 78711-3941 • (800) 525-0657 • (512) 475-3800

AGENCY STRATEGIC PLAN

FOR THE FISCAL YEARS 2007–11 PERIOD

BY

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

Board Chair	Term	Home Town
Ms. Elizabeth "Beth" Anderson	9/14/2001 – 1/31/2007	Dallas, Texas

Date of Submission
July 12, 2006

SIGNED: ______________________________
Michael Gerber, TDHCA Executive Director

APPROVED: ______________________________
Elizabeth Anderson, TDHCA Board Chair

Prepared by the TDHCA Division of Policy and Public Affairs
PO Box 13941, Austin, TX 78711-3941
Phone: (512) 475-3976 Fax: (512) 469-9606 email: info@tdhca.state.tx.us

TABLE OF CONTENTS

INTRODUCTION

"Beginning in 1991, Texas embarked on a comprehensive strategic planning process for all state agencies within the executive branch of government. House Bill 2009, Seventy-second Legislature, Regular Session, 1991, which inaugurated the process, established the requirements and time frame under which Texas completed its first planning cycle.

House Bill 2009 was subsequently codified as Chapter 2056 of the Government Code.

In 1993, Chapter 2056 of the Government Code was amended to consolidate certain planning requirements and to change the required planning horizon from six years to five years (i.e., the second year of the current biennium and the next two biennia). Formal plans must be completed and submitted every two years; however, agencies may engage in planning on a continual basis and may adjust plans internally as changing conditions dictate.

Strategic planning is a long-term, iterative, and future oriented process of assessment, goal setting, and decision-making that maps an explicit path between the present and a vision of the future. It includes a multiyear view of objectives and strategies for the accomplishment of agency goals. Clearly defined outcomes and outputs provide feedback that leads to program performance that influences future planning, resource allocation, and operating decisions. The strategic planning process incorporates and sets direction for all agency operations.

A Strategic Plan is a formal document that communicates an agency's goals, directions, and outcomes to various audiences, including the Governor and the Legislature, client and constituency groups, the general public, and the agency's employees." [1]

The Texas Department of Housing and Community Affairs (TDHCA or Department) Strategic Plan for Fiscal Years 2007–2011 (the Plan) outlines its approach to addressing the affordable housing and community service needs of lower income Texans. The Plan was developed within the context of the State's overall goals and budget to generate specific outcomes that tie directly to the Department's budget structure. TDHCA will use the Plan to help meet needs of the citizens of Texas through sound, transparent, accountable, and effective actions.

[1] From the "Introduction" to the Instructions for Preparing and Submitting Agency Strategic Plans Fiscal Years 2007-2011.

STATEWIDE VISION, MISSION, AND PHILOSOPHY

THE VISION FOR TEXAS STATE GOVERNMENT

"Working together, I know we can accomplish our mission and address the priorities of the people of Texas. My administration is dedicated to creating greater opportunity and prosperity for our citizens, and to accomplish that mission, I am focused on the following critical priorities:

- *Assuring open access to an educational system that not only guarantees the basic core knowledge necessary productive citizens but also emphasizes excellence and accountability in all academic and intellectual undertakings;*
- *Creating and retaining job opportunities and building a stronger economy that will lead to more prosperity our people and a stable source of funding for core priorities;*
- *Protecting and preserving the health, safety, and well-being of our citizens by ensuring healthcare is accessible and affordable and by safeguarding our neighborhoods and communities from those who intend us harm;*
- *Providing disciplined, principled government that invests public funds wisely and efficiently. I appreciate your commitment to excellence in public service."*

RICK PERRY
Governor of Texas[2]

THE MISSION OF TEXAS STATE GOVERNMENT

"Texas state government must be limited, efficient, and completely accountable. It should foster opportunity and economic prosperity, focus on critical priorities, and support the creation of strong family environments for our children. The stewards of the public trust must be men and women who administer state government in a fair, just, and responsible manner. To honor the public trust, state officials must seek new and innovative ways to meet state government priorities in a fiscally responsible manner.

Aim high...we are not here to achieve inconsequential things!" [3]

THE PHILOSOPHY OF TEXAS STATE GOVERNMENT

The task before all state public servants is to govern in a manner worthy of this great state. We are a great enterprise, and as an enterprise we will promote the following core principles:

- *First and foremost, Texas matters most. This is the overarching, guiding principle by which we will make decisions. Our state, and its future, is more important than party, politics, or individual recognition.*
- *Government should be limited in size and mission, but it must be highly effective in performing the tasks it undertakes.*
- *Decisions affecting individual Texans, in most instances, are best made by those individuals, their families, and the local government closest to their communities.*

[2] Instructions for Preparing and Submitting Agency Strategic Plans Fiscal Years 2007-2011.
[3] Instructions for Preparing and Submitting Agency Strategic Plans Fiscal Years 2007-2011.

- *Competition is the greatest incentive for achievement and excellence. It inspires ingenuity and requires individuals to set their sights high. Just as competition inspires excellence, a sense of personal responsibility drives individual citizens to do more for their future and the future of those they love.*
- *Public administration must be open and honest, pursuing the high road rather than the expedient course. We must be accountable to taxpayers for our actions.*
- *State government has a responsibility to safeguard taxpayer dollars by eliminating waste and abuse, and providing efficient and honest government. Finally, state government should be humble, recognizing that all its power and authority is granted to it by the people of Texas, and those who make decisions wielding the power of the state should exercise their authority cautiously and fairly.*[4]

Descriptions of ways TDHCA works to fulfill the Vision, Mission, and Philosophy of Texas State Government are provided in the following section which details TDHCA's impact on the corresponding statewide goals and benchmarks for Texas State Government.

[4] Instructions for Preparing and Submitting Agency Strategic Plans Fiscal Years 2007-2011.

RELEVANT STATEWIDE GOALS AND BENCHMARKS

TDHCA's strategies directly or peripherally impact the following statewide goals and associated benchmarks.

EDUCATION - PUBLIC SCHOOLS

Priority Goal

To ensure that all students in the public education system acquire the knowledge and skills to be responsible and independent Texans by:

- ensuring students graduate from high school and are ready for college, a two-year institution, other post-secondary training, or the workforce;
- continuing to develop reading, math, and science skills at appropriate grade level through graduation; and
- demonstrating exemplary performance in foundation subjects.

Benchmarks

- High school graduation rate
- Percent of students who demonstrate satisfactory performance on the Texas Assessment of Knowledge and Skills
- Percent of students from third grade and above who are able to read at or above grade level
- Percent of students from third grade and above who perform at or above grade level in math
- Percent of students who achieve mastery of the foundation subjects of reading, English language arts, math, social studies, and science

The provision of affordable and safe housing affects family stability and childhood outcomes. Residing in substandard housing exposes families to hazards such as lead paint that can limit lifelong educational and economic achievement.[5] The presence of dust, molds, and roach allergens in the home increases the incidence of asthma and allergies which leads to increased absences from school. The inability to make rent or mortgage payments on a consistent basis means families may frequently move in response to changes in the family's financial situation. Disruptive moves during childhood and adolescence negatively impact school performance.[6] When families struggle to satisfy their daily needs, school performance declines. Overcrowded housing conditions also adversely impact childhood development. Ensuring that students have stable living environments is crucial to their success at school.

TDHCA addresses the priority goals and benchmarks in the following ways.

- TDHCA activities result in lower rental and mortgage payments for families, repairs to and replacement of substandard housing, and reduced utility payments. This assistance helps

5 Centers for Disease Control, "Blood Lead Level in Young Children 1996-1999," Morbidity and Mortality Weekly (December 22, 2000).

6 Robert Haveman, Barbara Wolf, and James Spaulding, "Childhood Events and Circumstances Influencing High School Completion," Demography 28:1 (1991): 133-57. U.S. General Accounting Office, Elementary School Children: May Change Schools Frequently, Harming Their Education (Washington, D.C.: GAO/HEHS-94-45, 1994).

families provide a safe and stable home environment for their children – conditions that are conducive to promoting educational achievement.

- In addition to providing housing that is safe, decent, and affordable, TDHCA activities often provide supportive services and amenities that are geared towards helping educate children. Examples of this assistance include supportive services provided by rental housing developments and community action agencies that TDHCA has funded. Such services include class room space and equipment, nutrition, after school care, computer training, and health and human services care for children that help eliminate barriers to educational success.

HEALTH AND HUMAN SERVICES

Priority Goal

To promote the health, responsibility, and self-sufficiency of individuals and families by:

- providing public assistance for those most in need through an efficient and effective system; and
- creating partnerships with local communities, advocacy groups, and the private and not-for-profit sectors.

Benchmarks

- Percent of long-term care clients served in the community
- Percent of adult welfare participants in job training who enter employment
- Percent of Texas population receiving food stamps
- Incidence of confirmed cases of abuse, neglect, or death of children, the elderly, or spouses per 1,000 population
- Rate of substance abuse and alcoholism among Texans
- Percent of people completing vocational rehabilitation services and remaining employed

TDHCA addresses the priority goals and benchmarks in the following ways.

- Housing opportunities for people with disabilities are often restricted by low incomes. The 2000 census estimates that 553,934 disabled individuals over age five live below the poverty level in Texas. Many people with disabilities may be unable to work, and receive Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI) benefits as their principal source of income. TDHCA's rental assistance vouchers provided through the US Department of Housing and Urban Development's (HUD) HOME and Housing Choice Voucher (Section 8) programs can be used to help people live independently and remain in their own homes. To help persons with special needs own their own homes, TDHCA has allocated HOME Program funds for the Texas Home of Your Own Program (HOYO) since 2000. HOYO which provides assistance to help persons with disabilities purchase a home, homebuyer education, down payment and closing cost assistance, and architectural barrier removal.
- TDHCA's multifamily properties offer valuable services to tenants that range from job training programs, computer labs, and literacy programs, to matched savings plans that can be used to fund educational opportunities. Local community action agencies funded through TDHCA's Community Services Block Grant Program, Comprehensive Energy Assistance Program, and other community affairs programs provide essential services, including access to child care, transportation, job training and employment services, utility assistance, and

educational programs. These activities are of great value to persons trying to improve their chance of getting and keeping a job and help promote long term self sufficiency.

- Battered women who live in poverty are often forced to choose between staying in abusive relationships or homelessness. According to the National Coalition for the Homeless, half of women with children experiencing homelessness left their last place of residence because of domestic violence. In 2003, there were 185,299 reported family violence incidents in Texas. Furthermore, according to a Texas Council on Family Violence statewide poll, 47 percent of all Texans report having experienced some form of domestic violence. Through TDHCA's community services programs, many victims of domestic violence are able to access shelter and supportive services that help them become self sufficient.
- The US Conference of Mayors survey reports that 30 percent of homeless persons has an addiction disorder.[7] The Texas Commission on Alcohol and Drug Abuse (TCADA), now part of the Texas Department of State Health Services, reports that, of adult clients admitted to TCADA-funded programs in 2004, 11 percent were homeless.[8] Homeless persons with substance abuse problems may require supportive services. Through the Emergency Shelter Grants Program (ESGP), TDHCA funds organizations that provide shelter and related services for homeless persons, as well as intervention services to persons threatened with homelessness. Activities include renovating buildings for use as shelters; medical and psychological counseling; assistance in obtaining permanent housing; and homeless prevention services, such as rent and utility assistance.

ECONOMIC DEVELOPMENT

Priority Goal

To provide an attractive economic climate for current and emerging industries that fosters economic opportunity, job creation, capital investment, and infrastructure development by:

- promoting a favorable and fair system to fund necessary state services;
- addressing transportation and housing needs; and
- developing a well trained, educated, and productive workforce.

Benchmarks

- Number of employees in targeted industry sectors
- Number of new non-government, non-farm jobs created
- Per capita gross state product
- Texas unemployment rate
- Number of Texans receiving job training services

The provision of affordable housing also has an economic impact on communities. As is the case with market rate real estate production, an economic benefit accompanies the construction of affordable housing. Construction directly creates jobs, wages, and tax revenues. It also

[7] National Coalition for the Homeless, *Who is Homeless?*
[8] Texas Commission on Alcohol and Drug Abuse, "Texas Statewide Totals," http://www.tcada.state.tx.us/research/statistics/statetotals.shtml (accessed August 30, 2005).

provides indirect economic benefits as the construction creates demand for goods and services. According to a study by the National Association of Home Builders,[9] the construction of:

- 1,000 single-family homes generates 2,448 full-time jobs in construction and construction-related industries; $79.4 million in wages; and $42.5 million in combined federal, state, and local revenues and fees.
- 1,000 multifamily units generates 1,030 full-time jobs in construction and construction-related industries; $33.5 million in wages; and $17.8 million in combined federal, state, and local tax revenues and fees.

The economic growth of communities can be adversely impacted when job growth is not matched with corresponding growth in affordable housing opportunities. For businesses, the ability to attract and retain labor is partly dependent on the availability of decent and affordable housing.[10] As expressed at many TDHCA public hearings, affordable housing's affect on economic development is of particular concern to rural areas. The relative geographic isolation of some rural communities means they cannot rely on nearby communities for housing that can help support their growth opportunities.

A report from the Joint Center for Housing Studies of Harvard University[11] sums it up well:
"Housing is just as important to communities, because livability and competitiveness go hand in hand. Communities that can attract and retain investment and labor are more likely to succeed in the evolving global economy. Simply put, a suitable living environment is a precursor to economic vitality. So, too, is decent housing. Housing that is excessively costly for the local workforce undermines workers' ability to afford the basic necessities of food, clothing, childcare, health care, and education.

Communities that want to be competitive or regain their competitiveness must provide housing for the full range of workers, from middle-income households and high-end earners to those in the moderate- and lower income range. Achieving a jobs-housing balance that preserves economic diversity is key to success."

TDHCA addresses the priority goals and benchmarks in the following ways.

- The following table shows TDHCA funding allocated during fiscal year 2005 and the corresponding number of housing units to be built or rehabilitated. As described above, this activity has a significant economic impact in the communities where the construction will occur.

[9] National Association of Homebuilders, "Housing's Economic Impact," http://www.nahb.org/generic.aspx?sectionID=784&genericContentID=543 (Accessed 12/16/2004).
[10] Barbara J. Lipman, *Paycheck to Paycheck: Wages and the Cost of Housing in the Counties, 2004*, (Washington, DC: Center for Housing Policy, July 2004)
[11] Jack F. Kemp, Kent W. Colton, Henry G. Cisneros, Nicolas P. Retsinas, *Opportunity and Progress, A Bipartisan Platform For National Housing Policy, Special Preview Edition (*Cambridge, Massachusetts: Joint Center for Housing Studies of Harvard University, 2004), 3.

Household Type	Activity	Committed Funds	# of Units Constructed or Renovated
Renter	New Construction	$254,020,221	18,806
	Rehab. Construction	$34,243,285	4,798
Owner	Rehabilitation Assistance	$24,694,057	488

- In addition to the economic benefits derived from constructing housing units with the help of TDHCA resources, as described in the "Health and Human Services" goals and benchmarks section of this report, the rental development and community services programs help persons in need by providing essential employment related services. These services include access to computers, the internet, child care, transportation, job training and employment services, and education services.
- Local governments, organizations, and developers receiving TDHCA funds typically use local labor and companies to complete the work, thus supporting the local economy. For example, local community action agencies operating the Weatherization Assistance Program use local contractors to make energy efficient repairs and improvements, which reinvests $7 to $8 of every dollar spent back into the community.

REGULATORY

Priority Goal

To ensure Texans are effectively and efficiently served by high-quality professionals and businesses by:

- implementing clear standards;
- ensuring compliance;
- establishing market-based solutions; and
- reducing the regulatory burden on people and business.

Benchmarks

- Percent of state professional licensee population with no documented violations
- Percent of new professional licensees as compared to the existing population
- Percent of documented complaints to professional licensing agencies resolved within six months
- Percent of new and renewed professional licenses issued via internet
- Percent of state financial institutions and credit providers rated "safe and sound" and/or in compliance with state requirements
- Percent increase in utilization of the state business portal

TDHCA addresses the priority goals and benchmarks in the following ways.

- TDHCA's Portfolio Management and Compliance Division (PMC), in coordination with agency programs, ensures that compliance with federal and state programs is achieved. PMC focuses on maintaining required long term affordability standards, justifying tenant income certification records. PMC also works closely with the program areas to ensure that applicants for funding who have previously received assistance from TDHCA are in compliance with the terms and requirements of those contracts.

- The Manufactured Housing Division (MHD) licenses and regulates those who manufacture, sell, broker, and install manufactured homes. MHD issues and maintains records on manufactured home ownership and location, inspects manufactured home installations, and investigates and oversees the resolution of consumer complaints. It maintains offices in Austin, Dallas/Ft. Worth, Houston, San Antonio, Lubbock, Tyler, Waco, and Edinburg, as well as offers professional license renewals through Texas Online. The Manufactured Housing Division also licenses and inspects migrant farmworker housing facilities and assist the Compliance Division in inspecting TDHCA-monitored multifamily properties.
- Regarding the soundness of financial institutions and credit providers, the Financial Service, Bond Finance, and Single Family Finance Production divisions offer current and future first time home buyers the ability to purchase homes at below market rate with down payment assistance without affecting state debt. Standard & Poor's has awarded TDHCA with the highest bond rating as a result of efficient and effective accounting practices as well has having a low cost of issuance per bond.

General Government

Priority Goal

To provide citizens with greater access to government services while reducing service delivery costs and protecting the fiscal resources for current and future taxpayers by:

- supporting effective, efficient, and accountable state government operations;
- ensuring the state's bonds attain the highest possible bond rating; and
- conservatively managing the state's debt.

Benchmarks

- Total state spending per capita
- Percent change in state spending, adjusted for population and inflation
- Ratio of federal dollars received to federal tax dollars paid
- Number of state employees per 10,000 population
- Number of state services accessible by internet
- Savings realized in state spending by making reports/documents/processes available on the internet
- Texas housing affordability index

TDHCA addresses the priority goals and benchmarks in the following ways.

- TDHCA ensures that all programs follow the citizen participation and public hearing requirements as outlined in the Texas Government Code. Hearing locations are accessible to all who choose to attend and are held at times accessible to both working and non-working persons. A database has been developed that includes citizen and nonprofit organizations, local governments, state legislators, public housing authorities, and local public libraries so that, when a public hearing or public comment period is scheduled, all interested parties are notified. Additionally, pertinent information is posted in the Texas Register, in Breaking Ground (the TDHCA newsletter), on TDHCA's website, in several association newsletters, and in the newspapers that are local to the hearing location. Participation and comments are encouraged and can be submitted either at a public hearing or in writing via mail, fax, email, and, in some cases, directly at the TDHCA website.

- TDHCA values and relies on community input to direct resources to meet its goals and objectives. In an effort to provide the public with an opportunity to more effectively give input on TDHCA's policies, rules, planning documents, and programs, TDHCA has consolidated its many most of its public hearings related to policy and rule development. Each year, a hearing on all TDHCA programs will be held in each State Service Region the Department uses for planning and reporting purposes. After the regional hearings are held, a separate Board hearing is held specifically on the State Low Income Housing Plan, TDHCA's key annual planning and policy document, so comment may be provided directly to the Board. Staff is available at each hearing to answer questions and lend technical assistance to attendees.
- All TDHCA program funds are distributed and used with the intention of delivering the highest possible level of assistance. Before being recommended to the Board for approval, all multifamily housing production applications are thoroughly underwritten by the Real Estate Analysis Division to ensure the proposed activity is both financially feasible and uses the minimum required amount of assistance. All of the Department's internal operations are thoroughly scrutinized by funding source reporting requirements, internal and external audits, and the LBB budgeting and performance measurement system to provide for the most efficient and effective provision of services.
- In support of the agency mission, TDHCA has a strong commitment to providing the citizens of Texas open, online access to information about every agency program and service through detailed web pages, a posted library of agency publications, and customer search tools to find local assistance providers for buying homes, renting, home repair and weatherization, and utility bill payments. A notable example of how TDHCA's use of the internet directly helps citizens in need is its use in responding to Hurricanes Katrina. Within a week of Katrina's landfall, TDHCA created a searchable database of rental properties to aid individuals and relief organizations in locating available, affordable housing units. The agency continuously improves the website so that it is easier for all visitors—including industry professionals and individuals seeking assistance—to find information and so that it is accessible to persons with disabilities.
- The TDHCA Interactive page is the website's portal to online services. In addition to the services mentioned above, the Interactive page provides a link to the Manufactured Housing online database of ownership, license, installation, and inspections records. It also includes a Contractor Tools section, which provides both housing and community affairs program subrecipients access to systems for reporting and maintaining contract and compliance data.
- Virtually every report or document that TDHCA produces is available on the website. In the six months from November 2005 to April 2006, the public website averaged 36,628 visitors per month. During the same period visitors requested on average 595,200 pages per month including PDF document files. The Manufactured Housing online database garnered an average of 7,110 visitors per month and averaged 386,065 page requests by Web visitors for the period. In addition, the Division of Policy and Public Affairs' Information

Clearinghouse accommodated an average of 4,748 visitors and 26,872 page requests per month.

- Through the Central Database project, TDHCA automated the processes associated with contract management, draw requests, and compliance reporting. TDHCA housing program personnel administer 2,264 active contracts totaling $507,482,814 in the TDHCA Contract System, and over 1,700 accounts are in place for subrecipients who submit electronic contract activity setups and draw requests. Additionally, there are currently over 2,000 accounts in place for property owners and managers who submit online status reports on 1,800 active properties with over 185,000 units through the Compliance Monitoring and Tracking System.
- While TDHCA's activities do not directly impact the Texas housing affordability index, which is based on local area income levels and home prices, its single family loan products certainly allow many more people to buy their own home then would otherwise be possible.

TDHCA MISSION

To help Texans achieve an improved quality of life through the development of better communities.

TDHCA PHILOSOPHY

CUSTOMERS

- Advocacy: The Department will actively encourage, support, and promote an improved quality of life for extremely low, very low, low, and moderate income Texans.
- Service: The Department will be responsive to every constituent request and provide every customer with prompt, courteous service.
- Partnership: The Department will foster an atmosphere that is conducive to encouraging and forming public and private partnerships that are responsive to the needs of extremely low, very low, low, and moderate income Texans.
- Equity: The Department will establish processes for the public's full participation in programs and the fair allocation of resources.
- Respect: The Department believes in the worth of all persons and their need for decent, safe, and affordable housing.

OPERATIONS

- Integrity: The Department will conduct business openly, free of bias, and according to the highest ethical and professional standards.
- Accountability: The Department will be answerable and responsive to the Texas Legislature, external customers/consumers, and its various funding sources.
- Efficiency: The work of the Department will be accomplished in the most direct, cost-effective manner.
- Leveraging: Each program will encourage the public and private sector to contribute additional resources that maximize the economic impact of and expand the level of assistance provide by state and federal dollars.

STAFF

- Quality: Each employee will strive for excellence in the work performed.
- Creativity: Department staff will continually seek innovative methods for performing work in their respective fields.
- Respect: The Department recognizes that its employees are the critical element in accomplishing its mission and goals. Therefore, it pledges to support their continued professional development and provide opportunities for reward based on their performance. In doing so, it also pledges to promote a collaborative and positive work environment for all employees.

EXTERNAL/INTERNAL ASSESSMENT

I. OVERVIEW OF AGENCY SCOPE AND FUNCTIONS

A. Statutory Basis

Chapter 2306 of the Texas Government Code outlines the functions of TDHCA as follows:

Sec. 2306.001. Purposes. The purposes of the department are to:

1) *assist local governments in*
   A) *providing essential public services for their residents; and*
   B) *overcoming financial, social, and environmental problems;*
2) *provide for the housing needs of individuals and families of low and very low income and families of moderate income;*
3) *contribute to the preservation, development, and redevelopment of neighborhoods and communities, including cooperation in the preservation of government-assisted housing occupied by individuals and families of very low and extremely low income;*
4) *assist the governor and the legislature in coordinating federal and state programs affecting local government;*
5) *inform state officials and the public of the needs of local government;*
6) *serve as the lead agency for:*
   A) *addressing at the state level the problem of homelessness in this state;*
   B) *coordinating interagency efforts to address homelessness; and*
   C) *addressing at the state level and coordinating interagency efforts to address any problem associated with homelessness, including hunger.*
7) *serve as a source of information to the public regarding all affordable housing resources and community support services in the state.*

B. Historical Perspective

The following events have shaped TDHCA's current organizational structure and program responsibilities.

- In 1991, the 72nd Texas Legislature created TDHCA from the Texas Housing Agency, the Texas Department of Community Affairs, and the Community Development Block Grant (CDBG) Program from the Texas Department of Commerce.
- On September 1, 1992, two programs were transferred to TDHCA from the Texas Department of Human Services: the Low Income Home Energy Assistance Program (LIHEAP) and the Emergency Nutrition and Temporary Emergency Relief Program.
- On September 1, 1995, in accordance with House Bill 785, regulation of manufactured housing was transferred to the Department.
- On September 1, 2001, in accordance with House Bill 7, the CDBG and Local Government Services programs were transferred to the newly created Office of Rural Community Affairs (ORCA). However, TDHCA, through an interagency contract with ORCA, administers 2.5 percent of the CDBG funds used for the Self-Help Centers along the Texas-Mexico border.
- Also on September 1, 2001, in accordance with Senate Bill 322, the Manufactured Housing Division became an independent entity administratively attached to TDHCA.

- In 2002–2003, in an effort to improve efficiency and effectiveness, the Department implemented a significant reorganization of certain housing related activities and administrative structures. The resulting organizational structure helped to: improve the utilization of staff resources; increase the efficiency of service delivery, and foster better communication with customers; and create a focus on production with accountability.
- TDHCA's programs continue to evolve in response to statutory changes, federal program changes, and public participation.

C. Affected Populations

As established by §2306.001(2), TDHCA is to "provide for the housing needs of individuals and families of low, very low, and extremely low income and families of moderate income…" Per Section 2306.004, individuals and families of the following:

- "extremely low income" earn not more than 30 percent of the area median income or applicable federal poverty line, as determined under Section 2306.123 or Section 2306.1231.
- "very low income" earn not more than 60 percent of the area median income or applicable federal poverty line, as determined under Section 2306.123 or Section 2306.1231.
- "low income" earn not more than 80 percent of the area median income or applicable federal poverty line, as determined under Section 2306.123 or Section 2306.1231,

Section 2306.004 also defines “"Family of moderate income" to be a family:

"(A) that is determined by the board to require assistance, taking into account:

(i) the amount of the total income available for housing needs of the individuals and families;

(ii) the size of the family;

(iii) the cost and condition of available housing facilities;

(iv) the ability of the individuals and families to compete successfully in the private housing market and to pay the amounts required by private enterprise for sanitary, decent, and safe housing; and

(v) standards established for various federal programs determining eligibility based on income; and

(B) that does not qualify as a family of low income."

For the single family bond funded loans, moderate income would include homebuyers with household incomes up to 115 percent of the area median family income.

Within these income categories, there are households that have special needs which further complicate their ability to find housing. The US Department of Housing and Urban Development (HUD) has designated the homeless, persons with disabilities, the elderly, persons with alcohol and/or drug addictions, persons with HIV/AIDS, and public housing residents as special needs populations requiring special attention. TDHCA also considers colonia residents and migrant farmworkers to be special needs populations with unique needs.

The varying state and federal income categories can cause some confusion when TDHCA reports on the income levels of its assistance recipients in documents with different audiences such as the State Low Income Housing Plan, LBB Performance Measures, and the HUD Consolidated Planning documents.

D. Main Functions

To achieve its mission, TDHCA provides the following types of assistance.

Housing and Community Services Assistance

Types of housing and community services assistance include:

- housing assistance for individual households (homebuyer mortgage and down payment assistance, home repair, and rental payment assistance);
- funding for the development of apartments (new construction or rehabilitation of rental units);
- energy assistance (utility payments or home weatherization activities);
- assistance for homeless persons and emergency relief for individuals or families in crisis poverty (transitional housing, energy assistance, home weatherization, health and human services, child care, nutrition, job training and employment services, substance abuse counseling, medical services, and other emergency assistance); and
- capacity building assistance (training and technical assistance, assistance with operating costs, and predevelopment loans to help local housing organizations develop housing).

With the exception of most of its community services assistance, TDHCA's funding resources are awarded through formal, competitive processes. As such, funding is distributed to entities that, in turn, provide assistance to households in need. This distribution is done using a number of techniques.

- Almost all housing development, rehabilitation, and rental assistance related funding is awarded through formal competitive request for proposals and notices of funding availability.
- First time homebuyer mortgage and down payment assistance is allocated through a network of participating lenders.
- Community services funds are predominantly allocated through a network of community based organizations who receive their funding on an annual, ongoing basis.

Funding for the services listed above include the US Department of Housing and Urban Development (HUD), US Department of Treasury (DoT), US Department of Health and Human Services (DHHS), and US Department of Energy (DoE), and Texas general revenue funds.

Manufactured Housing Activities

TDHCA's Manufactured Housing Division (MHD)[12] administers the Texas Manufactured Housing Standards Act. The act ensures that manufactured homes are well-constructed and safe, are installed correctly, that consumers are provided fair and effective remedies, and that measures are taken to provide economic stability for the Texas manufactured housing industry. MHD's services include issuances of Statement of Ownership and Location (SOL) research; training and

[12] The Manufactured Housing Division is an independent entity within TDHCA that is administratively attached, but has its own Board of Directors and Executive Director.

license issuances to individuals for manufactured housing manufacturing, retailing, rebuilding, installations, broker, or sales; records and releases on tax and mortgage liens; installation inspections; consumer complaints; and federal oversight under a cooperative agreement with HUD.

Information Resources

TDHCA is a housing and community services informational resource for individuals, local governments, the Legislature, community organizations, advocacy groups, and members of the housing development community. Examples of information it provides include: general information on TDHCA activities, US Census data analysis, and consumer information on available housing and supportive service assistance statewide. A primary method by which this information is made available is TDHCA's interactive consumer assistance website at http://www.tdhca.state.tx.us/assist_main.htm.

In all of its activities, TDHCA strives to promote sound housing policies; promote leveraging of state and local resources; prevent discrimination; and ensure the stability and continuity of services through a fair, nondiscriminatory, and open process. *Table 1. Summary of TDHCA Functions* briefly describes the activities assisted by and households served by each TDHCA program.

E. Public Perception

TDHCA is seen as a financial and administrative resource that helps provide essential services and affordable housing opportunities to Texans who qualify for this assistance based on their income level. Additionally, the Department is seen as a resource for educational materials and technical assistance for housing, housing related, and community services matters. Table 1, on the following page, lists the major programmatic functions of the Department.

A common misperception is that TDHCA has regulatory authority over all aspects of housing throughout the state, from homeowners associations to the home building industry. As a result, requests are often made to intercede in issues that are not related to departmental business. There is also some confusion regarding the roles, duties, and jurisdictions of TDHCA and federal, state, and local housing agencies. TDHCA staff seeks to clarify the Department's role through its website and publications, and by directing inquiries to appropriate service providers.

TDHCA is perceived as an organization that focuses on providing affordable housing assistance to very low income and low income persons and families. The basic structures of its largest multifamily rental funding sources, HTC and MFB programs, mainly serve households at or above 50 and 60 percent of the area median income. Those developments that are able to utilize very limited funds from another affordable housing program, such as the HOME program, are often able to reach households with even lower incomes.

Table 1: Summary of TDHCA Functions

Activity	Program	Program Description	Eligible Households
Multifamily Development	HOME Investment Partnerships Program (HOME)	Loans or grants to develop or preserve affordable rental housing	<80% AMFI
	Housing Trust Fund (HTF)	Loans or grants for rental housing development, predevelopment, and other industry innovations	<80% AMFI
	Housing Tax Credit (HTC)	Tax credits to develop or preserve affordable rental housing	<60% AMFI
	Multifamily Bond (MFB)	Loans to develop or preserve affordable rental housing	<60% AMFI
Rental Assistance	HOME Program	Loans or grants for entities to provide tenant-based rental assistance for two years	<80% AMFI
	Section 8 Housing Choice Vouchers	Acts as a public housing authority to offer tenant-based rental assistance vouchers in certain areas	<50% AMFI
Single Family Development	HOME Program	Loans or grants for entities to construct single family housing and offer down payment assistance	<80% AMFI
	Colonia Model Subdivision	Loans for Community Housing Development Organizations (CHDOs) to develop residential subdivisions as an alternative to colonias	<60% AMFI
Home Purchase Assistance and Home Repair Assistance	Contract for Deed Conversion Initiative	Facilitates colonia-resident ownership by converting contracts for deed into traditional mortgages	<60% AMFI
	Grant Assistance	Grants in conjunction with the First Time Homebuyer Program for down payment and closing costs	<60% AMFI
	HOME Program	Loan and grants for entities to offer down payment and closing cost assistance	<80% AMFI
	HOME Program	Loans and grants for entities to provide home repair assistance	<80% AMFI
	Lone Star Loan	Market-rate loans with second liens for down payment assistance	<115% AMFI
	Mortgage Credit Certificate	Annual tax credit based on the interest paid on the homebuyer's mortgage loan	<115% AMFI
	Texas Bootstrap Loan	Funds entities to offer owner-builder loans programs	<60% AMFI
	Texas First Time Homebuyer	Low-interest loans for first time homebuyers	<115% AMFI
Homebuyer Education	Colonia Consumer Education Services	Homebuyer education offered through Colonia Self-Help Centers and Office of Colonia Initiatives (OCI) field offices	<115% AMFI (All)
	Texas Statewide Homebuyer Education	Training for nonprofits to provide homebuyer education	<115% AMFI (All)
Community Affairs Activities	Community Services Block Grant (CSBG)	Funds local agencies to provide essential services and poverty programs	<50% AMFI
	Emergency Shelter Grants (ESGP)	Funds entities to provide shelter and related services to the homeless	<30% AMFI (Homeless)
	Community Food and Nutrition (CFNP)	Distributes surplus food commodities and supports feedings	<80% AMFI
	Comprehensive Energy Assistance (CEAP)	Funds local agencies to offer energy education, financial assistance, and HVAC replacement	<50% AMFI
	Weatherization Assistance (WAP)	Funds local agencies to provide minor home repairs to increase energy efficiency	<50% AMFI
Manufactured Housing	Manufactured Housing Division	Regulates the manufactured housing industry. Licenses manufactured housing professionals, titles homes, inspects homes, and investigates manufactured housing complaints.	All

At times, a conflict exists between the actual characteristics of and the public perception of "affordable housing." This conflict is fed by some public perceptions as to the residents' income levels and employment status; construction quality, design, and density of the developments; and socio-economic impacts on the surrounding neighborhood. TDHCA is sometimes perceived as placing affordable rental housing in neighborhoods without adequately addressing the concerns of area residents. Because the development of any type of housing involves partnerships between the community, developers, and government, the Board and TDHCA staff go to great lengths to encourage developers to communicate and work with neighborhood groups to ensure their voice is heard throughout the process. TDHCA takes seriously its obligation to evaluate community input on funding decisions, including making neighborhood input a scoring criterion for the HTC Program. Public comment is solicited throughout the state as part of the housing application process, and public comment is taken before and during each Board meeting. This comment is balanced with the goal of ensuring that low income Texans have opportunities to live in desirable parts of their community with access to the area's employment, educational, health, and social amenities.

II. Organizational Aspects

A. Size and Composition of Workforce

As of May 1, 2006, TDHCA had a total headcount of 274 employees. The agency is authorized to have 298 total full-time equivalents (FTEs). The 24 employee difference FTE cap and the actual headcount is typically comprised of the following: 4.5 FTEs are reserved for a PMC contract with MDSI that gains TDHCA an additional $1.0 million in revenue; program activities utilize approximately 4 temporary workers who each stay at the Department longer than 130 days and therefore must be counted as employees; and the remaining 15 vacancies represent a normal variance caused by the timing between terminations and hiring activities.

The TDHCA workforce is comprised of 37 percent males and 63 percent females. As shown in Table 2, the TDHCA workforce has a higher representation of female workers than the state population and civilian workforce.

As shown in Table 3, TDHCA has a well balanced workforce in terms of the age of its employees. Approximately a third of its workforce falls into each of the following age categories 31-40, 41-50, and greater than 50 years of age (35 percent, 29 percent, and 27 percent respectively). The workforce also has a good level of overall work experience as indicated by having 65 percent of its employees in the mid-age groupings: 30 to 50 year olds. The average age of Department employees is 42.86 years. Its success in recruiting and retaining employees in this age group may prove to be one of the Department's strongest workforce characteristics.

As shown by Table 4, employee tenure shows a similarly balanced pattern with 25 percent of its employees having 1-5 years of experience, 23 percent with 5-10 years, 21 percent having 11-15 years of experience, and 23.7 percent having more than 15 years. This results in an average of 11 years of experience. TDHCA continually works to ensure that its employees are appropriately compensated, to improve internal communications through a variety of venues, and to use career development and employee service recognition activities to motivate employees and to improve employee retention.

Table 2: Comparison of TDHCA Workforce by Gender to State Population and Civilian Workforce

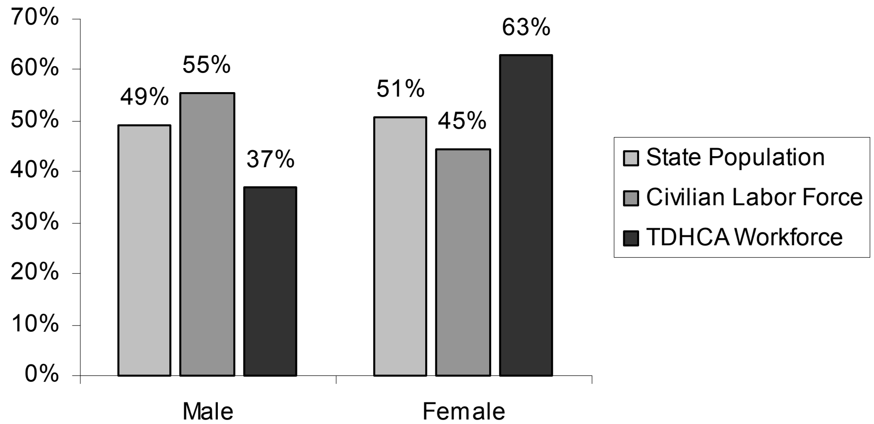


Table 3: Age (As of 5/18/2006)

Age Group	Population	Percentage
20 – 30	24	8.8%
31 – 40	96	35.0%
41 – 50	81	29.6%
51 – 60	64	23.4%
61 +	9	3.3%
Total	274	100.0%

Table 4: Employee Tenure (As of 5/18/06)

Tenure Range	# of Employees	% of Total
1 year	20	7.3%
1 – 5	69	25.2%
5 – 10	63	23.0%
11 – 15	57	20.8%
16 – 20	25	9.1%
21 – 25	24	8.8%
26 – 30	10	3.6%
30 +	6	2.2%
Totals	274	100.00%

TDHCA's Workforce Compared with the Statewide Civilian Workforce

The tables and charts below compare the percentage of African American, Hispanic, and Female TDHCA employees (as of May 5, 2006) to the statewide civilian workforce as reported by the Texas Workforce Commission. Overall, the race and ethnic composition of the TDHCA workforce exceeds the state percentages for all the non "White" categories except for "Other."

There are five areas where TDHCA's Equal Employment Opportunity (EEO) employment percentages are less than the state's percentages:

- Female Technicians (Until recently, TDHCA's representation of female technical staff as compared to the state was positive. However, due to turnover in Information Services Division (IS) staff, several female technical professionals left the Department.)
- Female Official/Administration
- African American Official Administration
- Hispanic Technicians

- Hispanic Administrative Support. (It is thought that the relatively low level of representation is related to successful internal promotion of employees into the paraprofessional category.)

As TDHCA has job openings, it will strive to extend outreach efforts to recruit applicants from these five categories. Otherwise, the Department believes it currently has a positive representation of all major diversity categories.

Table 5: Description of TDHCA Workforce by Ethnicity and Gender

	African American		Hispanic		White		Other		Total	
Equal Employment Opportunities (EEO) Categories*	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
A - Administrators and Officials	1	-	4	1	9	3	-	-	14	4
P - Professionals	5	20	24	51	34	52	2	8	65	131
T - Technician	2	1	1	2	11	3	-	-	14	6
Q - Para-professionals	1	6	-	15	3	4	-	-	4	25
C - Administrative Support	-	2	1	1	2	4	1	-	4	7
Total by Race/Ethnicity & Gender	9	29	30	70	59	66	3	8	101	173
% of Total by Race/Ethnicity & Gender	3%	11 %	11 %	26 %	22 %	24 %	1%	3%	37 %	63 %
Total by Race/Ethnicity	38		100		125		11		274	
% of Total by Race/Ethnicity	14%		36%		46%		4%			

*A – Administrators and Officials: directors, employees establishing broad policy and exercising responsibility for execution of those policies.

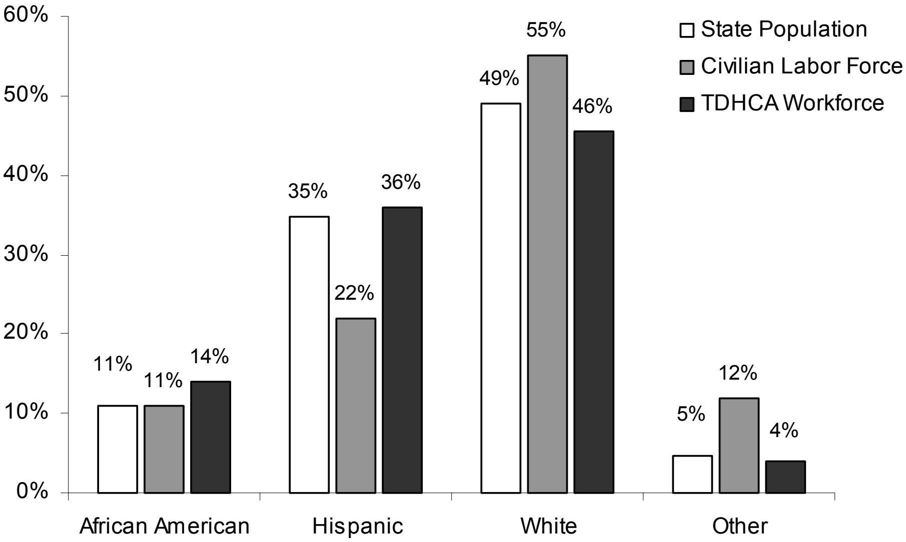
P – Professionals: accountants: systems analysts, attorneys, occupations requiring specialized training or education.

T – Technician: computer technicians, occupations requiring basic scientific or technical knowledge.

Q – Para-professionals: persons performing some of the duties of professionals in a supportive role.

C – Administrative Support: these include clerical payroll clerks, legal assistants, office machine operators, statistical clerks, and bookkeepers.

Table 6: Comparison of TDHCA Workforce by Race/Ethnicity to State Population and Civilian Workforce



Source: US Census, 2004 American Community Survey; TDHCA Human Resources Data; Uniform Statewide Payroll System (2002 data); and Texas Workforce Commission (2002 data)

Table 7: Comparison of TDHCA EEO and Statewide Employment Statistics

	% African American		% Hispanic		% Females	
Job Category	TDHCA	State	TDHCA	State	TDHCA	State
Officials/Administrators	**5.6**	7.1	27.8	15.2	**22.2**	44.1
Professionals	12.8	7.9	38.3	14.4	66.8	54.4
Technicians	15	10	**15**	19.8	**30**	47.5
Paraprofessionals	24.1	17.9	51.7	31.8	86.2	55.6
Administrative Support	18.2	9.9	**18.2**	23.2	63.6	61.5

Source: TDHCA Human Resources Data and Equal Employment Opportunity and Minority Hiring Practices Report, Texas Workforce Commission Civil Rights Division, February 2005

Agency Turnover

Percent of Workforce Eligible to Retire

Of the current 274 employees, TDHCA estimates that there are 17 employees or 6.2 percent who are eligible to retire within the next biennium. Ten of these employees are from the Manufactured Housing Division. Most of the Manufactured Housing employees eligible to retire are located in field offices. Management is aware of the impact they will have on the loss of knowledge and skill base and is looking at methods to replace this knowledge.

The following data on projected retirements through 2009 was provided by the Employees Retirement System. It shows that approximately 12 TDHCA employees will be eligible to retire each year over that time period.

Table 8a: Projected Employee Retirement Rate

	*FY 2006	FY 2007	FY 2008	FY 2009	Cumulative
Projected TDHCA Retirements	18	10	13	8	49

*The projected eligibles for FY 2006 include all those eligible at the beginning of the fiscal year, plus those projected to become newly eligible during this fiscal year.
Source: State of Texas Human Resources, Workforce Planning Tool Kit Webpage.

Projected Employee Turnover Rate over the Next Five Years

When reviewing the employee turnover rate for the past five years, the average annual turnover rate was approximately 13 percent. If TDHCA's budget structure and associated FTE cap remains constant during the next two Legislative sessions, it is expected that the turnover rate will remain close to this level over the next five years.

Table 8b: Historical Employee Turnover Rate

Entity	FY2001	FY2002	FY2003	FY2004	FY2005
Statewide Turnover	18.50%	15.30%	17.90%	14.80%	18.90%
TDHCA Turnover	13.70%	10.23%	16.10%	13.10%	14.30%
TDHCA Separations (including MH)	48	50	51	37	42

Source: Texas State Auditor's Office (SAO) E-Class as of 12/31/05. It should be noted that the FY 2002 number has been adjusted to reflect the transfer of 50 employees to the Office of Rural Community Affairs.

B. Organizational Structure and Process

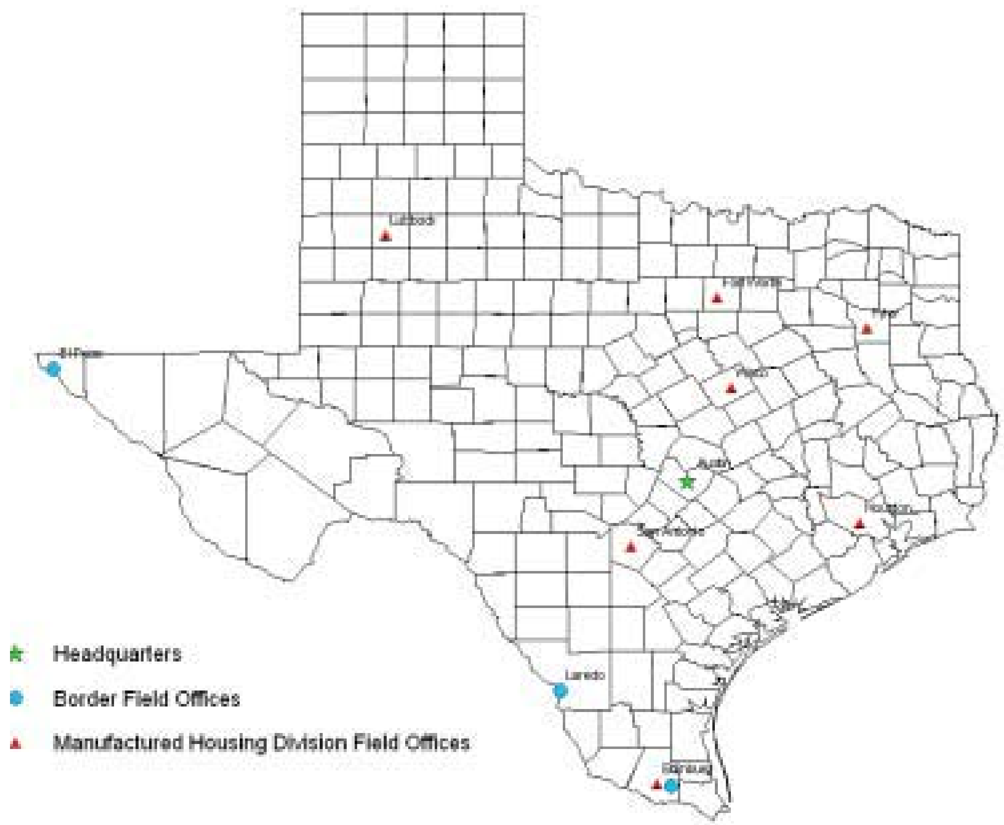
TDHCA is organized under four divisions that report to the Executive Director: Administration, Programs, Legal Services, and Policy and Public Affairs. Within the Programs Division, activities are organized under the following categories: Bond Finance, Community Affairs, Office of Colonia Initiatives, Multifamily Finance Production, Real Estate Analysis, and Single Family Finance Production. Within the Administration Division, activities are organized under the following categories: Administrative Support; Financial Administration, IS; and Portfolio Management and Compliance (PMC). The Internal Audit Division reports directly to the Board. The Manufactured Housing Division operates within TDHCA as an administratively attached but independent entity. An organizational chart of the Department is provided as Appendix B.

TDHCA's Executive Director is employed by the Board with the approval of the Governor. The Executive Director is responsible for administering the work of the Department. The seven-member Governing Board, appointed by the Governor with advice and consent of the Senate, works with the Executive Director to develop policies and programs to meet the needs of the mission and goals of the Department.

C. Geographical Location of Agency

TDHCA's headquarters is located in the state owned State Insurance Building Annex at 221 East 11th Street, Austin, TX 78701. OCI has Border Field Offices located in Edinburg, El Paso, and Laredo. The Manufactured Housing Division has field offices located throughout the state in Dallas-Ft. Worth, Edinburg, Houston, Lubbock, San Antonio, Tyler, and Waco.

Figure 1: TDHCA Locations



D. Location of Service Populations and Regions

TDHCA is committed to equitably and effectively serving citizens in all areas of the state. For its general planning and reporting purposes, a 13 region geographic configuration of the state's 254 counties is used. These state service regions, which were developed by the Texas Comptroller of Public Accounts, are referenced in §2306.111(d) which calls for the regional allocation of TDHCA's HOME, HTC, and HTF funding. A map of the regions are shown below in Figure 2.

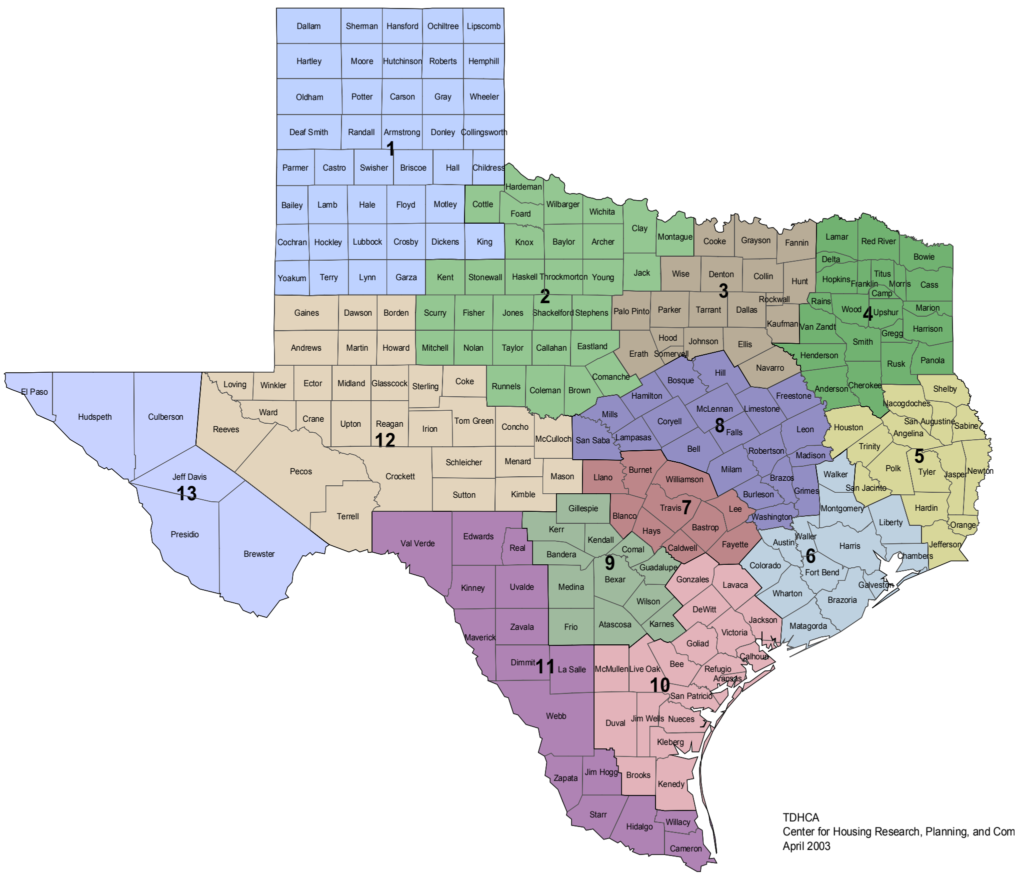
TDHCA funding is regionally allocated via the following mechanisms:

- HOME, HTC, and HTF funding is allocated by formula to be distributed within each region using a competitive award process. It should be noted that in some instances funding from these programs that is used to fulfill federal, state, or board mandated set-asides may be exempted from the regional distribution formula.
- MFB financing is allocated statewide based on a lottery method controlled by the Texas Bond Review Board.

- ESG, CSBG, CEAP, and WAP funding is allocated statewide through a network of subcontractors. Each subcontractor receives a funding allocation based on the level of need within the counties they serve. There may be multiple subcontractors within each region.
- A statewide network of participating lenders is used to distribute the single family bond financing. The final distribution of funding is based on consumer demand.
-

As described below, a wide variety of program regulations, market conditions, and legislative requirements affect TDHCA's statewide resource distribution.

Figure 2: TDHCA Service Regions



Colonias

TDHCA has specific policy goals, strategies, and programs designed to support the improvement of living conditions of colonia and border residents along the Texas-Mexico border region. A “colonia,” Spanish for “neighborhood” or “community,” is a geographic area located within 150 miles of the Texas-Mexico border that has a majority population comprised of individuals and families of low and very low income who lack safe, sanitary, and sound housing. This includes a lack of basic services such as potable water, adequate sewage systems, drainage, streets, utilities, paved roads, and plumbing. As discussed in detail in the “III. Fiscal Aspects” section of the Plan, there are a number of Legislative Riders that dedicate specific amounts of TDHCA funding to serve these communities.

Rural and Urban/Exurban Needs

As the migration of population and industries continues to urban and suburban areas, the less-populous areas of the state are faced with an aging housing stock and households with lower incomes than their urban or suburban counterparts. To address the income disparity and reduced access to housing and community services resources (e.g., larger communities and regions have greater access to bonds, a large tax base, and investment capital) in less-populous areas, TDHCA gives focused consideration of rural areas when developing its housing programs and the rules that govern these programs.

Specific examples of how TDHCA addresses rural needs include:

- It is legislatively required that 95 percent of the TDHCA HOME funding be allocated to non-participating jurisdiction areas. Because participating jurisdictions (PJs), which are larger metropolitan cities and more populous counties, receive HOME program funds directly from HUD, TDHCA directs its HOME program allocation to non-PJ areas of the state. The remaining 5 percent of HOME funds may be expended in a PJ, but only if it funds a multifamily activity that serves persons with disabilities, unless otherwise approved by the Board.
- §2306.111(d) requires that the regional allocation formula used to distribute HOME, HTC, and HTF funding, §2306.111(d) consider existing housing need and available resources to meet this need in rural and urban/exurban areas.
- TDHCA and ORCA jointly administer the HTC Program rural allocation. ORCA helps develop and approves all thresholds, scoring, and underwriting criteria for the rural allocation. The resulting joint outreach, training, and rural area capacity building efforts help increase participation in the rural set-aside.
- The TDHCA Section 8 Housing Choice Voucher Program specifically serves households in small cities and rural communities that are not served by similar local or regional housing voucher programs.

Regional Allocation Plans

As required by federal or state laws, TDHCA has developed regional allocation formulas for many of its programs. These formulas are based on objective measures of need and available resources that help ensure an equitable distribution of funding across the state.

2006 HOME, HTC, and HTF Regional Allocation Formula

Section 2306.111(d) of the Government Code requires that TDHCA use a Regional Allocation Formula (RAF) to allocate its HOME, HTC, and HTF funding. This RAF objectively measures the affordable housing need and available resources in 13 State Service Regions used for planning purposes. Within each region, the RAF further targets funding to rural and urban/exurban areas.

As a dynamic measure of need, the RAF is revised annually to reflect updated demographic and resource data; respond to public comment; and better assess regional housing needs and available resources. The RAF is submitted annually for public comment.

Slightly modified versions of the RAF are used for the HOME and HTF/HTC because the programs have different eligible activities, households, and geographical service areas. For example, because at least 95 percent of HOME funding must be set aside for non-PJs, the HOME RAF only uses need and available resource data for non-PJs.

In the 2006 fiscal year, the RAF used the following 2000 US Census data to calculate this regional need distribution.

- Poverty: Number of persons in the region who live in poverty.
- Cost Burden: Number of households with a monthly gross rent or mortgage payment to monthly household income ratio that exceeds 30 percent.
- Overcrowded Units: Number of occupied units with more than one person per room.
- Units with Incomplete Kitchen or Plumbing: Number of occupied units that do not have all of the following: sink with piped water; range or cook top and oven; refrigerator, hot and cold piped water, flush toilet, and bathtub or shower.

There are a number of local, state, and federal funding sources that can be used to address affordable housing needs. To mitigate any inherent inequities in the regional allocation of these funds, the RAF compares each region's level of need to its level of resources. In the 2006 fiscal year, resources from the following sources were used in the RAF: HTC, HTF, HUD (HOME, Housing Opportunities for Persons with AIDS (HOPWA), public housing authority (PHA) capital funding, and Section 8 funding), Bond Financing, and United States Department of Agriculture (USDA) housing programs.

2006 ESGP Allocation Formula

This program's funds are distributed annually based on a competitive application process. Funds are distributed utilizing the 13 State Service Regions based on the poverty population of the counties in each region.

2006 CSBG Allocation Formula

This program's funds are allocated to 47 CSBG contractors using a formula that evaluates each area's level of need based on its number of persons with incomes up to 125 percent of poverty (weighted at 98 percent) and the inverse ratio of its population density (weighted at

2 percent). The formula provides each contractor with a $150,000 minimum award that starts with a $50,000 base for all entities and adds a need based funding allocation based on the need data. The formula is updated upon the release of the Decennial Census. Once it is updated, changes to the distribution percentages are phased in so that no entity receives an increase or a decrease greater than 5 percent per year until the formula is fully implemented.

<u>2006 CEAP and WAP Allocation Formula</u>

The Energy Assistance Section allocates funds for these programs to an existing subrecipient network based on a formula which incorporates poverty population (80 percent), climate data (10 percent), relative size of service area (5 percent) and density of population in the service area (5 percent). The formula is updated with the release of each census. The subrecipient network consists of community action agencies, regional councils of governments, local government, and nonprofit entities which provide services to low income households in 254 counties.

Other Factors that Affect the Distribution of Funds

Under the 2006 Single Family HOME program, selection criteria consist of income targeting, previous HOME awards and past performance. If applicants have received awards previously, their potential score for this category is lower than for those applicants that have never been funded or have not been funded within the last several years. This helps to ensure that the limited available funding is distributed to a broader area of the state. Likewise, those applicants targeting a lower income population ensures that the neediest Texans receive program benefit.

For applications that involve HTCs, applicants must receive a resolution from the local governmental entity for approval to add new units if the proposed new development is within one mile of an existing tax credit property that has received an allocation within the last three years and serves the same population type (elderly/elderly or family/family). This applies to new construction and only in counties with over 1 million in population. Applicants must also receive a resolution from the local governmental entity for approval to develop in a city or county that has more than twice the state per capita of affordable housing units. This applies to both new construction and acquisition/rehabilitation

E. Human Resource Strengths and Weaknesses

TDHCA's greatest strength is the depth of institutional knowledge of housing finance, manufactured housing regulations, poverty-related and weatherization programs, and their targeted populations in the executive, senior, and mid-level staff. TDHCA staff has demonstrated a strong commitment to its clients and, in many cases, have worked with these programs for many years, forming strong ties within Texas communities and advocacy groups.

TDHCA's historical (adjusted) turnover rate has been 4 to 5 percent lower than the state rate. The FY 2005 turnover rate was 14.3 percent, as compared to the state's 18.9 percent rate.

A TDHCA human resource weakness is the turnover of executive directors. Since its inception in 1991, the Department has had eight executive directors. With these leadership changes, it has been difficult to maintain continuity of philosophy, vision, strategic direction, and leadership. It has also challenged the Department's ability to build strong relationships with state legislators, officials, and other state agencies.

F. Capital Assets

Strengths and Weaknesses

In December 2005, the TDHCA headquarters moved from leased facilities to the state owned State Insurance Building Annex. In part, this was done to comply with a legislative requirement to office employees in 135 square feet per person. The eliminated lease payment has resulted in a savings to the State of about $1,750,000 per year. Having the Texas Building and Procurement Commission install the required modular furniture saved $131,000 that had previously been budgeted for the move. Similarly, because the building is located in the Capital Complex, an additional $400,000 dollars of telephone system savings was realized.

While there was a significant cost savings involved with the move, there have been some employee morale challenges related to changing working conditions resulting from a substantial reduction in work area. With the move, the building size went from approximately 68,000 square feet to 37,000 square feet, while staffing remained constant.

Technological capital asset strengths include

- Secure, low cost, high performance, and highly available gigabit local area network and high speed wide area network (WAN). TDHCA's WAN, implemented in 2003, is part of the TEX-AN telecommunications service and allows seven Manufactured Housing and two OCI regional offices to connect to the TDHCA local area network (LAN) at just over $2,000 per month combined average savings, compared to slower dial-up connections that were used prior to 2003.
- Third party enterprise business applications, including Mitas Automated Accounting and Loan Administration software, HAPPY Section 8 software, and custom enterprise business applications, including contract systems for housing and community affairs programs and the Compliance Monitoring and Tracking System.
- Supported personal computer and laptop operating systems, office productivity software, and other specialized end user software installed as needed for each agency employee.
- A mixture of mid-range and low-end servers and commodity desktops that are properly sized and benchmarked according to the functions they provide.
- A small, well designed, server room facility that is shared with the Office of the Comptroller of Public Accounts (CPA).

Technological capital asset weaknesses include the

- current use of an unsupported version of PeopleSoft Financials (version 7.02). However, TDHCA is on schedule with its FY 2006-2007 PeopleSoft Financials 8.8 Implementation project. It is planned to go live with the Integrated Statewide Accounting System version of 8.8 in March 2007. CPA's Integrated Statewide Accounting System team has provided excellent customer service and support throughout the project.

Needs and Prioritization

TDHCA's information technology capital assets provide staff with critical tools needed to fulfill the agency's mission. A planned significant capital improvement that will be included in the FY LAR for the 2008-2009 biennium is an upgrade to the suite of systems that handle Manufactured Housing business functions. These functions support titling, installation and tracking, tax lien processing, licensing, and consumer complaint activities. Key manufactured housing systems upgrade goals are to:

- rebuild or purchase the systems on a platform and with a design that resolve current difficulties in maintaining the systems,
- web enable services such as submitting titling applications, tax liens, and notices of installations, and
- expand the use of Texas Online beyond manufactured housing license renewals to include providing customers the ability to pay for new licenses and pay titling fees online.

If this request is approved, the benefits to customers, the manufactured housing industry, and TDHCA will include:

- reduced data entry requirements;
- faster document processing (i.e. instant recording or releasing of tax liens vs. a wait of 1 to 4 weeks for processing);
- increased accuracy through elimination of Department staff data entry errors;
- enhanced accessibility and convenience for persons who will be utilizing the system;
- streamlined paper processing enabling a more productive and efficient operation; and
- reduced risk factors related to cash handing such as overage, shortage, theft, and fraud.

G. Agency Use of Historically Underutilized Businesses

It is TDHCA's policy to demonstrate a good faith effort to provide procurement and contracting opportunities for all minority owned and women owned businesses. TDHCA understands and recognizes the challenges that occur during the bid process for these businesses. Therefore it is committed to the recruitment and promotion of historically underutilized businesses (HUBs) in all procurement processes. TDHCA has adopted the Texas Building and Procurement Commission's policy, Texas Administrative Code, Chapter 111, Executive Administration Division, Subchapter B, Historically Underutilized Business Certification Program. A Department HUB Coordinator has also been designated, in accordance with Section 2161.062, Government Code.

TDHCA continues to achieve the state goals for procurement awards to HUBs and subcontracting of HUB vendors through staff education on procurement policy rules and procedures, and through aggressively recruiting and assisting HUB businesses. TDHCA also participates in vendor forums during the fiscal year, both exhibiting and co-hosting forums.

H. Key Organizational Events and Areas of Change and Impact on Organization

A significant organizational change was the resignation of the Department's Executive Director in March 2006. After serving as the Executive Director since March 2002, Edwina P. Carrington left the agency to pursue an employment opportunity in the private sector.

On April 13, 2006, the Board hired Michael Gerber as the new Executive Director and he began work at the Department on May 17, 2006. Prior to joining the Governor's staff, Mr. Gerber spent 16 years in Washington, DC, most recently with the US Department of Housing and Urban Development. From 2002 to 2004, he served as an advisor first, to the Assistant Secretary of Public and Indian Housing and then, to the Assistant Secretary for Policy Development and Research. He also served as Legislative Analyst in the office of Senator Phil Gramm from 1990 to 1997 and in the same capacity for Senator Kay Bailey Hutchison from 1997 to 2001. Mr. Gerber received his undergraduate degree from George Washington University and an MBA from Marymount University.

I. Use and Anticipated Use of Consultants and Contractors

To effectively achieve its mission, TDHCA will continue to use consultants and contract workers in areas where their unique skills and experience represents the most effective use of the State's resources. Three divisions that expect the greatest ongoing use of consultants are PMC, IS, and Bond Finance.

PMC

The monitoring of the Affordable Housing Program has been outsourced to Monitoring Data Systems, Inc. This entity completes all onsite monitoring and desk reviews. They also provide the day to day administration of the program. Although TDHCA staff has the expertise to effectively administer the program, it does not have the staff resources to give this portfolio the level of oversight that Monitoring Data Systems is able to provide.

The Internal Revenue Service requires State Housing Finance Agencies to use local health, safety, and building codes or the Uniform Physical Condition Standards to assess the physical condition of HTC developments. In Texas, building codes vary from city to city and many areas do not have code enforcement at all. To ensure a uniform inspection standard is used state wide, the Department has elected to use Uniform Physical Condition Standards inspections for tax credit developments. In March of 2005 TDHCA outsourced the Uniform Physical Condition Standards inspection to Onsite-Insight through a competitive process.

At the request of HUD, TDHCA began working in 2004 with ICF Consulting Inc., a national leader in housing and community development with more than ten years experience as a HUD approved technical assistance provider. Since that time, this partnership has increased

PMC staff and administrator capacity, helped leverage HUD funds, and improved HOME program administration. These consulting services are paid for using HOME funds.

IS

IS makes limited, targeted use of consultants for approved capital IT projects. In the current biennium, the agency is currently employing two contract consultants to assist in the PeopleSoft Financials 8.8 Implementation project and will be hiring two additional contract developers for the Community Services/Energy Assistance Contract System. Consultants are used for projects where specialized skills or additional staffing are needed for a specific timeframe.

Bond Finance

Bond Finance uses the following types of consultants:

- Bond Counsel – A nationally recognized law firm or firms experienced in the issuance of mortgage revenue bonds.
- Financial Advisor – Typically an investment banking firm experienced in issuance of mortgage revenue bonds.
- Master Servicer/Administrator – A financially sound bank or trust company experienced in tax compliance review and loan servicing for tax-exempt single family mortgage revenue bond programs.
- Disclosure Counsel – A law firm experienced in securities laws particularly as it relates to disclosure of information by securities issuers to the private markets.
- Rating Agencies – A national rating agency which analyzes bond issues and assigns a rating to them to indicate to prospective bondholders the investment quality of the issue.
- Interest Rate Swap Advisor – Primarily monitors interest rate swaps used to hedge single family mortgage revenue bonds.
- Guaranteed Investment Contract Broker – Provides reinvestment services for single family mortgage revenue bond issues, single family commercial paper issues, and/or multifamily mortgage revenue bond issues.

III. FISCAL ASPECTS

A. Size of Budget

The following chart provides historical funding levels by goal. Goal A: Affordable Housing includes appropriated and non-appropriated resources as below described. The non appropriated HTCs, single family, and multifamily non-appropriated amounts are estimates in fiscal years 2006–2007.

One significant change in the bill pattern was associated with Goal B. Over the 2002–03 biennium, ORCA was created with the passage of House Bill 7 (77th Legislative, Regular Session). With the creation of ORCA, CDBG funds, CDBG general revenue (GR) Match, and GR associated with Local Government Services were shifted from TDHCA to ORCA. This reduced TDHCA's federal funds by $167,090,099 and GR funds by $2,955,133 (Article IX, Section 10.95, and Contingency for House Bill 7). The funding amounts for 2006 and 2007 represents funding for TDHCA's OCI and DPPA divisions.

Table 9: Appropriated Funds

	2002	2003	2004	2005	2006	2007
Goal A: Affordable Housing	$53,778,093	$53,519,622	$63,200,684	$57,193,100	$60,085,072	$56,500,789
Goal B: Colonia Service Centers (Pre 79th Leg.)	$85,176,202	$85,208,651	$713,186	$680,177	$-	$-
Goal B: Info. & Tech. Assist. (Post 79th Leg.)	$-	$-	$-	$-	$1,354,939	$1,357,663
Goal C: Poor and Homeless	$64,738,164	$68,257,508	$79,457,061	$79,379,015	$83,059,961	$83,002,846
Goal D: Ensure Compliance	$3,289,881	$2,847,239	$3,072,650	$2,991,874	$4,240,709	$4,278,876
Goal E: Manufactured Housing	$4,732,787	$4,793,554	$4,804,136	$4,824,009	$3,840,814	$3,840,815
Goal F: Indirect Administration	$7,715,002	$7,680,776	$6,690,989	$6,700,482	$6,389,609	$6,317,595
Subtotal, Appropriated Funds	$219,430,129	$222,307,350	$157,938,706	$151,768,657	$158,971,104	$155,298,584
Less: ORCA Transfer	$(85,525,449)	$(85,549,775)	$-	$-	$-	$-
Appropriated Funds Adj.	$133,904,680	$136,757,575	$157,938,706	$151,768,657	$158,971,104	$155,298,584

Source: General Appropriation Bills 77th through 79th Legislative Sessions

Table 10: Non-Appropriated Funds for Goal A, Affordable Housing

	2002	2003	2004	2005	2006	2007
Funding Amount	$434,071,260	$414,434,795	$346,508,436	$371,173,689	$418,410,000	$170,000,000

Table 11: Total, All Funds

	2002	2003	2004	2005	2006	2007
Funding Amount	$567,975,940	$551,192,370	$504,447,142	$522,942,346	$577,381,104	$325,298,584

Table 12: Non-Appropriated Funding Detail

	2002	2003	2004	2005	2006	2007
HTCs	$37,961,260	$38,139,795	$61,000,000	$61,000,000	$63,000,000	63,000,000
MFB Funds	$112,675,000	$185,700,000	$130,000,000	$150,000,000	150,000,000	150,000,000
Single Family Bond Funds	$283,435,000	$190,595,000	$155,508,436	$160,173,689	$355,410,000[13]	$170,000,000
Non Appropriated Funds	$434,071,260	$414,434,795	$346,508,436	$371,173,689	$418,410,000	$170,000,000

[13] When mortgage rates are low as they have been over the past three years (2003-2005), home owners refinance their higher mortgage loans. This causes a large amount of prepayments that we can use under tax law to issue Commercial Paper (CP). Over the past three years, we have accumulated $135 million in CP that we used in 2006 along with $110 million in volume cap for latest bond deal. In conjunction with this bond deal, we refunded $47 million of our 1996 bond deal. We also allocated $60 million of our volume cap for our 2006 Mortgage Credit Certificate Program.

B. Method of Finance

The methods of finance for appropriated funds since the fiscal year (FY) 02–03 biennium are shown below.

Table 13: Methods of Finance

Method of Finance	2002	2003	2004	2005	2006	2007
Federal Funds	$185,125,588	$185,124,754	$131,040,487	$130,979,680	$135,505,609	$135,387,385
Less: CDBG (ORCA)	$(83,545,724)	$(83,544,375)	$-	$-	$-	$-
Federal Funds Adj.	$101,579,864	$101,580,379	$131,040,487	$130,979,680	$135,505,609	$135,387,385
Appropriated Receipts	$13,251,062	$12,475,376	$14,480,704	$14,353,145	$15,460,458	$15,418,498
General Revenue (GR)	$10,806,458	$10,944,312	$11,484,471	$5,485,384	$7,109,007	$3,596,671
GR (System Benefit Fund)	$7,178,000	$10,767,000	$-	$-	$-	$-
Less: GR CDBG Match	$(1,154,455)	$(1,180,838)	$-	$-	$-	$-
Less: LGS (ORCA)	$(310,274)	$(309,566)	$-	$-	$-	$-
Earned Federal Funds	$1,569,021	$1,495,908	$850,077	$867,481	$813,030	$813,030
Less: ORCA Transfer	$(514,996)	$(514,996)	$-	$-	$-	$-
General Revenue Adj.	$17,573,754	$21,201,820	$-	$-	$-	$-
Interagency Contracts	$1,500,000	$1,500,000	$82,967	$82,967	$83,000	$83,000
Ttl. Appropriated Funds	$133,904,680	$136,757,575	$157,938,706	$151,768,657	$158,971,104	$155,298,584

Source: General Appropriation Bills 77th through 79th Legislative Sessions

Federal Funds: These funds are the Department's primary appropriated funding source. Federal funds make up 87 percent of the total funds appropriated to the Department in the 2006–07 biennium. As such, these funding levels are subject to change to reflect priorities at the federal level. Short term expectations for each of the funding sources is described in "VII. Impact of Federal Statutes/ Regulations, Description of Current and Anticipated Federal Activities." HUD and DHHS are TDHCA's largest federal grantor agencies.

Appropriated Receipts: These funds represent approximately 10 percent of the total funds appropriated to the Department. The funds are comprised of fees collected to administer the Department's housing programs or from its regulation of the manufactured housing industry. Compliance and application fee revenues provide a method of finance to support and administer the HTC Program. Fees to issue Mortgage Revenue Bonds are used to support programs and other indirect administrative costs. The Manufactured Housing Division also generates revenue through fee collections. The majority of the fees collected are pursuant to the issuance of titles, licenses and from installation inspections. The Legislature allocates the fees to the Department as Appropriated Receipts and General Revenue.

General Revenue: These funds make up 2 percent of total funds appropriated to the Department. The HTF is the primary program receiving GR funds and is the only affordable housing program funded by State funds.

Earned Federal Funds: This source supports Goal F: Indirect Administration. They are indirect cost recoveries charged to federal programs and amount to approximately 1 percent of the Department's appropriations.

Interagency Contracts: This source, which is less than 1 percent of the Departments funding, currently supports Goal B: Colonia Service Centers and originate from ORCA.

The Department applies for new federal funding as it becomes available. Should it receive additional federal funds, FTE and travel waiver requests may be submitted, depending on the increased workload new federal programs require. Currently, the Department has complied with FTE and travel limitations as set forth in the appropriation bills.

C. Per Capita and Other States' Comparisons

The majority of funding for TDHCA comes either directly from the federal government or through federally authorized tax credits or bonds. In general, funding amounts for these programs are based on a state's population. For this reason Texas, the second most populous state in the nation, receives a relatively large amount of federal funds. In contrast, when comparing levels of state appropriations through trust funds or other designated sources, Texas falls far behind the rest of the country. For 2007, the State of Texas appropriated approximately $3.6 million to provide for the HTF. Using the 2007 Comptroller's state population estimate of 24,347,000, Texas' per capita spending on affordable housing is $.15. Table 14 provides some examples of state dedicated funds for housing from the other highest populated states in the nation.

Table 14: Comparison of State Per Capita (Sorted by State Funding Level)

State	2004 Population	2004 State Funding	Per Capita Spending
California	35,055,227	$57,730,761	$1.65
New York	18,634,337	$104,200,000	$5.59
Florida	16,990,183	$192,892,623	$11.35
Illinois	12,390,521	$56,978,000	$4.60
Pennsylvania	11,957,883	$5,000,000	$.42
Texas	**24,347,000**	**$3,596,671**	**$.15**

Sources: Non-Texas Data: US Census Bureau, 2004 American Community Survey; State 2004 Housing Finance Agency Factbook: 2004 National Council of State Housing Agencies Annual Survey Results. Texas Data: 79th Legislature General Appropriations Act; Instructions for Preparing and Submitting Agency Strategic Plans Fiscal Years 2007-2011

D. Budgetary Limitations

Statutory and Federal Restrictions

State and federal statutes and regulations place many restrictions on the use of TDHCA funds. These restrictions affect a wide variety of program characteristics including limitations on eligible household income levels and allowable rents, maximum loan sizes, and funding allocation scoring and distribution criteria. Additionally, these programs have complex portfolio management and compliance requirements. A few specific examples of budgetary directives found in federal and state statute and regulations that regulate the use of specific funding include:

- 24 Code of Federal Regulations, Section 92.300(a)(1), requires that 15 percent of total HOME Investment Partnerships Program funds be reserved for use by community housing development organizations (CHDOs). TDHCA has received a waiver of this requirement for 2004 and 2005 HOME funds to allow a commensurate amount of HOME funds be used to serve communities affected by Hurricane Rita.
- §2306.111(c) requires that 95 percent of the TDHCA HOME funding be allocated to non-participating jurisdiction areas. Because participating jurisdictions (PJs), which are larger metropolitan cities and more populous counties, receive HOME program funds directly from HUD, TDHCA directs its HOME program allocation to non-PJ areas of the state. The remaining 5 percent of HOME funds may be expended in a PJ, but only if it funds a multifamily activity that serves persons with disabilities, unless otherwise approved by the Board.
- §2306.111(d) requires that the regional allocation formula used to distribute HOME, HTC, and HTF funding, §2306.111(d) consider existing housing need and available resources to meet this need in rural and urban/exurban areas.
- Section 2306.7581(a-1), Texas Government Code, requires the Department to provide $3 million per year in Housing Trust Funds toward the Texas Bootstrap Home Loan ("Owner-Builder") Program.

Appropriations Riders

The Department will fully comply with all caps on funding and FTEs. The following Riders from the 2006-2007 Bill Pattern (Article VII, 3-7, General Appropriations Act, 79th Regular Session, and Senate Bill 1) directly and significantly impact the use of the TDHCA budget.[14]

"Rider 1: (Performance Measure Targets). It is the intent of the Legislature that appropriations made by this Act be utilized in the most efficient and effective manner possible to achieve the intended mission of the Department of Housing and Community Affairs. In order to achieve the objectives and service standards established by this Act, the Department of Housing and Community Affairs shall make every effort to attain the following designated key performance target levels associated with each item of appropriation.

	2006	2007
A. Goal: AFFORDABLE HOUSING		
Outcome (Results/Impact):		
% of Households/Individuals of Very Low, Low, and Moderate Income Needing Affordable Housing That Subsequently Receive Housing or Housing-related Assistance	*1.81%*	*1.81%*

[14] Riders 3 (reporting requirements), 5 (local site visits), and 12 (colonia annual assessment) do not significantly impact the use of funds contained in the budget.

	2006	2007
% of Households/Individuals of Very Low Income Needing Affordable Housing That Subsequently Receive Housing or Housing-related Assistance	1.46%	1.46%
% of Households/Individuals of Low Income Needing Affordable Housing That Subsequently Receive Housing or Housing-related Assistance	2.75%	2.75%
% of Households/Individuals of Moderate Income Needing Affordable Housing That Subsequently Receive Housing or Housing-related Assistance	.17%	.17%
A.1.1. Strategy: MRB PROGRAM - SINGLE FAMILY		
Output (Volume):		
# of Households Assisted with Single Family Mortgage Revenue Bond Funds	1,727	1,727
A.1.3. Strategy: HTF – SINGLE FAMILY		
Output (Volume):		
# of Households Assisted through the Single Family HTF Program	100	100
A.1.4. Strategy: SECTION 8 RENTAL ASSISTANCE		
Output (Volume):		
# of Households Assisted through Statewide Housing Assistance Payments Program	2,100	2,100
A.1.5. Strategy: FEDERAL TAX CREDITS		
Output (Volume):		
# of Households Assisted through the HTC Program	18,832	20,151
A.1.6. Strategy: HOME PROGRAM – MULTIFAMILY		
Output (Volume):		
# of Households Assisted with Multifamily HOME Funds	741	647
A.1.8. Strategy: MRB PROGRAM-MULTIFAMILY		
Output (Volume):		
# of Households Assisted through the Multifamily MRB Program	3,500	3,500
B. Goal: INFORMATION & TECHNICAL ASSISTANCE		
B.1.1. Strategy: HOUSING RESOURCE CENTER		
Output (Volume):		
# of Information and Technical Assistance Requests Completed	5,400	5,400
B.2.1. Strategy: COLONIA SERVICE CENTERS		
Output (Volume):		
# of On-site Technical Assistance Visits Conducted Annually from the Field Offices	600	600
C. Goal: POOR AND HOMELESS PROGRAMS		
Outcome (Results/Impact):		
% of Persons in Poverty That Received Homeless and Poverty-related Assistance	14.6%	14.6%
% of Very Low Income Households Receiving Energy Assistance	6%	6%
C.1.1. Strategy: POVERTY-RELATED FUNDS		
Output (Volume):		
# of Persons Assisted through Homeless and Poverty-related Funds	440,000	440,000
# of Persons Assisted That Achieve Incomes above Poverty Level	2,000	2,000
# of Shelters Assisted	70	70
C.2.1. Strategy: ENERGY ASSISTANCE PROGRAMS		
Output (Volume):		

	2006	2007
# of Households Assisted through the Comprehensive Energy Assistance Program	63,200	63,200
# of Dwelling Units Weatherized by the Department	4,800	4,800
D. Goal: ENSURE COMPLIANCE		
D.1.1. Strategy: MONITOR HOUSING REQUIREMENTS		
Output (Volume):		
Total # of Onsite Reviews Conducted	888	917
D.1.2. Strategy: MONITOR CONTRACT REQUIREMENTS		
Output (Volume):		
Total # of Monitoring Reviews Conducted	10,725	9,220
E. Goal: MANUFACTURED HOUSING		
Outcome (Results/Impact):		
% of Consumer Complaint Inspections Conducted within 30 Days of Request	100%	100%
% of Complaints Resulting in Disciplinary Action	22%	22%
E.1.1. Strategy: TITLING AND LICENSING		
Output (Volume):		
# of Manufactured Housing Statements of Ownership and Location Issued	89,000	89,000
# of Licenses Issued	4,435	4,435
E.1.2. Strategy: INSPECTIONS		
Output (Volume):		
# of Routine Installation Inspections Conducted	8,000	8,000
Explanatory:		
# of Installation Reports Received	20,000	20,000
E.1.3. Strategy: ENFORCEMENT		
Output (Volume):		
# of Complaints Resolved	1,700	1,700
Efficiencies:		
Average Time for Complaint Resolution (Days)	180	180
Explanatory:		
# of Jurisdictional Complaints Received	1,800	1,800”

“Rider 2: (Capital Budget). None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to Government Code § 1232.103. Upon approval from the Legislative Budget Board (LBB), capital budgeted funds listed below under Table 16. "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software versus the purchase of information resources hardware and/or software, if determined by agency management to be in the best interest of the State of Texas.

Item	*2006*	*2007*
(1) Normal Growth	*$140,000*	*$210,000*
(2) PeopleSoft 8.8 Implementation	*$400,000*	*$200,000*
(3) Community Services/Energy Assistance Contract System	*$100,000*	*$100,000*
(4) Section 8 System	*$65,000*	*$0*
Total, Acquisition of Information	*$705,000*	*$510,000*
Total, Capital Budget	*$705,000*	*$510,000*

Method of Financing (Capital Budget):

Community Affairs Federal Fund No. 127	*$407,000*	*$263,000*
Appropriated Receipts	*$298,000*	*$247,000*
Total, Method of Financing	*$705,000*	*$510,000"*

"Rider 4: (Housing Assistance). The housing finance division shall adopt an annual goal to apply no less than $30,000,000 of the division's total housing funds toward housing assistance for individuals and families in which the annual family income does not exceed the following amounts based on the number of persons in the family:

# of Persons in the Family	*Maximum Annual Income*
1 Person	*$13,000*
2 Persons	*$16,000*
3 Persons	*$17,000*
4 Persons	*$19,000*
5 Persons	*$21,000*

For each additional person add $1,500. No less than 20 percent of the division's total housing funds shall be spent for individuals and families earning between 31 percent and 60 percent of median family income. In those counties where the median family income is lower than the state average median family income, the Department shall use the average state median income in interpreting this rider. The Department shall provide a quarterly report to the LBB documenting its expenditures in each income category."

"Rider 6: (Low/Moderate Income Housing Construction). Out of the funds appropriated above, not less than $500,000 each year of the biennium shall be expended on low/moderate income housing construction in enterprise zone areas."

'Rider 7: (Low Income Assistance: Scoring Criteria). It is the intent of the Legislature that the Department add to its contract award scoring criteria for the construction, acquisition, or rehabilitation of single and multifamily housing, and for the operation of multifamily housing, a system that gives increased points for comprehensive services to low-income citizens, such as case management, homebuyer assistance, and family budgeting. The Department is also encouraged to develop a sliding scale fee schedule for the low-income tax credit program and the 501(c)(3) bond program to encourage increased participation by nonprofit entities such as community development housing organizations."

"Rider 8: (Limitation on Expenditure). Under Strategy A.1.5, Federal Tax Credits, no funds shall be used for processing or approving applications for allocations unless the Department adopts or amends administrative rules containing the following:

a. All representations made by an applicant for an allocation are enforceable by the Department, including enforcement by administrative penalties for failure to perform as stated in the representations and enforcement by inclusion in deed restrictions to which the Department is a party.

b. The Department will require inspections of all construction for quality during the construction process while defects can reasonably be corrected.

c. A general contractor hired by an applicant or an applicant, if the applicant serves as

1. general contractor, must demonstrate a history of constructing similar types of housing

2. without the use of federal tax credits.

d. The Department shall give notice of a proposed project to the state representative and senator representing the area where a project would be located. The state representative or senator may hold a community meeting at which the Department shall provide appropriate representation.

e. The Department shall allocate credits among as many different entities as practicable without diminishing the quality of the housing that is built."

"Rider 9: (Appropriations Limited to Revenue Collections). It is the intent of the Legislature that fees, fines, and other miscellaneous revenues as authorized and generated by the agency cover, at a minimum, the cost of the appropriations made above for the strategy items in Goal E, Manufactured Housing, the cost of the appropriations required for manufactured housing consumer claims payments according to the Occupations Code § 1201, Manufactured Housing Standards Act, as well as the "other direct and indirect costs" associated with this goal, appropriated elsewhere in this Act. "Other direct and indirect costs" for Goal E, Manufactured Housing, are estimated to be $721,523 for fiscal year 2006 and $750,699 for fiscal year 2007. In the event that actual and/or projected revenue collections are insufficient to offset the costs

identified by this provision, the LBB may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available."

"Rider 10: (Mortgage Revenue Bond Program). The Department of Housing and Community Affairs shall operate the First-Time Homebuyer Mortgage Revenue Bond Program in a manner that maximizes the creation of very low-income single family housing by ensuring that at least 30 percent of the lendable bond proceeds are set aside for a period of one year for individuals and families at 60 percent and below AMFI, while assuring the highest reasonable bond rating. In an effort to facilitate the origination of single family mortgage loans to individuals and families at 60 percent and below the AMFI, the Department shall utilize down payment and closing cost assistance or other assistance methods."

"Rider 11: (Conversions of Executory Contracts). Out of the funds appropriated above, the Department shall spend not less than $4,000,000 for the biennium for the sole purpose of contract for deed conversions for families that reside in a colonia and earn 60 percent or less of the applicable area median family income. It is the intent of the Legislature that the Department complete at least 400 contract for deed conversions by August 31, 2007."

"Rider 13: (Bond Refinancing). The Department shall transfer any funds acquired through refinancing of bonds to the HTF. The first $3 million each fiscal year in savings from the refinancing of any bonds shall be used to fund mortgage loans under the Bootstrap Self-Help Housing Loan Program."

"Rider 14: (Colonia Set-Aside Program Allocation). The Office of Rural Community Affairs shall allocate 2.5 percent of the yearly allocation of CDBG monies to support the operation of the Colonia Self-Help Centers and shall transfer such funds to the Department of Housing and Community Affairs on September 1 each year of the biennium. Consistent with federal rules and regulations, the funds provided from ORCA to the Colonia Self-Help Center in El Paso county shall be used to provide Internet access and training for parents and their children attending elementary schools in Colonias, to establish Technology Centers within those elementary school libraries, to purchase wireless devices and laptop computers to loan out from the Technology Centers, and improve Internet access for students and parents."

"Rider 15: (Appropriation: HTF Interest Earnings and Loan Repayments). Interest earnings and loan repayments received from loans made through the HTF program from the General Revenue Fund are included above in Strategy A.1.3, HTF - Single Family, estimated to be $600,000 each year."

"Rider 16: (Unexpended Balances, Grants, and Contracts). Unexpended general revenue balances remaining in Strategy A.1.1, HTF, General Appropriations Act, Seventy-eighth Legislature, as of August 31, 2005, are included above in Strategy A.1.3, HTF-Single Family, for the fiscal year beginning September 1, 2005 (estimated to be $3,500,000)."

"Rider 17: (Emergency Nutrition and Temporary Relief Program (ENTERP)). Out of the amounts appropriated above, $342,860 in fiscal year 2006 and $350,160 in fiscal year 2007 in Federal Funds shall be used for the Emergency Nutrition and Temporary Relief Program (ENTERP) to provide relief to needy low-income Texans if allowed under federal regulations."

"Rider 18: (Manufactured Homeowner Consumer Claims). Included above in Goal E, Manufactured Housing, the Manufactured Housing Division of the Department of Housing and Community Affairs is appropriated an amount, not to exceed $100,000 per year for the biennium, required for the purpose of paying manufactured housing consumer claims according to the Occupations Code § 1201, Manufactured Housing Standards Act, from Statement of Ownership and Location (SOL) issuance fees involving manufactured housing collected and deposited in the General Revenue Fund during the 2006-07 biennium."

"Rider 19: (HTF Deposits to the Texas Treasury Safekeeping Trust Company).

a. Out of funds appropriated above in Strategy A.1.3, HTF - Single Family, $5,555,482 in fiscal year 2006 and $2,381,576 in fiscal year 2007 shall be deposited in the HTF in the Texas Treasury Safekeeping Trust Company established under Government Code, Chapter 2306, at the beginning of each fiscal year. The amounts to be transferred in fiscal year 2006 include an estimated $3,500,000 from unexpended balances identified above in Rider 16, and amounts to be transferred in fiscal years 2006 and 2007 include an estimated $600,000 in each fiscal year from interest earnings and loan repayments received, identified above in Rider 15.

b. Out of funds appropriated above in Strategy A.1.7, HTF - Multifamily, $495,034 in fiscal year 2006 and $152,731 in fiscal year 2007 shall be deposited in the HTF in the Texas Treasury Safekeeping Trust Company established under Government Code, Chapter 2306, at the beginning of each fiscal year.

c. Interest earnings and loan repayments received from loans made through the HTF program from the General Revenue Fund shall be deposited in the HTF in the Texas Treasury Safekeeping Trust Company established under Government Code, Chapter 2306, for the same purpose."

E. Degree to which Current Budget Meets Current and Expected Needs

In FY 2005, TDHCA was able to assist 1.2 percent of the State's 2,298,318 VLI, LI, and moderate households in need. It served about 9.7 percent of the State's 4,172,890 persons whose income is less than 125 percent of the poverty level. As discussed in detail in "IV. Service Population Demographics", the state's level of housing need is only expected to increase in the future given current funding levels and economic conditions.

F. Capital and/or Leased Needs Due for Renewal

With the elimination of the facility lease associated with the old headquarters location, TDHCA's capital and leased equipment needs are relatively small. The 2007 budget shows

$76,567 a year in copier leases, $13,650 for an OCI field office, and $37,624 in Manufactured Housing regional office leases (an additional Tyler lease still in negotiation).

The agency's personal computers and laptops are composed of some hardware which will be replaced in future fiscal years in accordance with the agency's personal computer replacement schedule, which is described in the Information Resources Strategic Plan.

Projected capital improvement needs for the FY 2008–2009 biennium will be described on a project by project basis in the TDHCA Information Technology Detail, which will be submitted along with TDHCA's FY 2008–2009 Legislative Appropriations Request in August 2006.

IV. SERVICE POPULATION DEMOGRAPHICS

Overview

This section identifies how population groups TDHCA serves are expected to change within the timeframe of this Strategic Plan. The analysis includes information on historical population characteristics, current characteristics, and future trends.

Information in this section is primarily obtained from the US Census, Texas State Data Center (TSDC) reports and tabulations, and the Texas Office of the Comptroller Winter 2000-2001 economic and population forecasts. The TSDC prepares population projections according to four scenarios: the zero migration scenario, which assumes that growth occurs through natural (birth and death) increases; the one-half 1990-2000 (0.5) migration scenario, which assumes rates of migration equal one-half of the 1990s rate; the 1990-2000 (1.0) migration scenario, which assumes a migration rate equal to the 1990s; and the 2000-2002 migration scenario, which takes into account post-2000 growth.[15] Comparing projections, the TSDC 0.5 migration scenario most closely resembles the projections prepared by the US Census and the Office of the Comptroller, so TDHCA is using data from this TSDC scenario in the Strategic Plan. This is also the scenario most recommended by the TSDC for use in long-term planning.

Because of methodology differences between these sources, exact figures may vary between sources. For example, Texas population projections for 2010 are 24,330,643 from the TSDC 0.5 migration scenario, 24,648,888 from the US Census, and 24,395,179. However, the highest and lowest figures differ by only 318,245, or 1 percent of the total population projections.

Additionally, this section contains a significant amount of information from the Center for Demographic and Socioeconomic Research and Education (Center), which is the lead entity for the TSDC and Office of the State Demographer. The Center's *Texas Challenge in the*

[15] Texas State Data Center, Populations Estimates and Projections Program, "2004 Methodology for Texas Population Projections," (June 2004) http://txsdc.utsa.edu/tpepp/2004projections/2004_txpopprj_method.php (accessed May 17, 2006).

Twenty-First Century publication has projection data for a variety of subjects and scenarios, and is a comprehensive source for many factors affecting the state.

Overall Population Growth

Historically, Texas has been one of the fastest growing states in the nation. According to US Census data, the Texas population expanded by nearly a quarter (22.8 percent) between 1990 and 2000, far exceeding the national growth average of 13.2 percent for the same decade. The increase in state population by 3,865,310 persons was the largest of any decade in Texas history. More than one of every nine persons added to the population of the United States in the 1990s was added in Texas.

For 2000, the US Census reported that 20,851,820 individuals lived in Texas, second only to California in terms of total state population. According to July 2004 estimates compiled by the US Census, Texas's population has grown by 7.9 percent since April 2000 to 22,490,022 people, again exceeding the national growth rate of 4.3 percent for the same period.

For the 2007-2011 Strategic Plan period, all three sources estimate that the Texas population will increase by at least 1.39 percent each year. The US Census projects a 6.39 percent growth rate from 2007 to 2011, the Office of the Comptroller projects a 5.83 percent growth rate, and the TSDC 0.5 migration scenario projects a 6.16 percent growth rate.

Table 15: Texas Population Projections: 2005-2015

Year	US Census Projection	Annual Change		Comptroller Projection	Annual Change		TSDC 0.5 Projection	Annual Change	
		Number	Percent		Number	Percent		Number	Percent
2005	22,775,044			22,725,059			22,556,027		
2006	23,149,195	374,151	1.64%	23,065,097	340,038	1.50%	22,907,227	351,200	1.56%
2007	23,523,782	374,587	1.62%	23,386,278	321,181	1.39%	23,259,909	352,682	1.54%
2008	23,898,665	374,883	1.59%	23,711,019	324,741	1.39%	23,614,508	354,599	1.52%
2009	24,273,816	375,151	1.57%	24,047,797	336,778	1.42%	23,971,462	356,954	1.51%
2010	24,648,888	375,072	1.55%	24,395,179	347,382	1.44%	24,330,643	359,181	1.50%
2011	25,026,846	377,958	1.53%	24,749,360	354,181	1.45%	24,692,161	361,518	1.49%
2012	25,409,783	382,937	1.53%	25,107,039	357,679	1.45%	25,056,013	363,852	1.47%
2013	25,797,428	387,645	1.53%	25,464,943	357,904	1.43%	25,421,635	365,622	1.46%
2014	26,189,495	392,067	1.52%	25,825,181	360,238	1.41%	25,788,870	367,235	1.44%
2015	26,585,801	396,306	1.51%	26,185,643	360,462	1.40%	26,156,761	367,891	1.43%
2007-2011		1,503,064	6.39%		1,363,082	5.83%		1,432,252	6.16%

Sources: US Census, Texas Office of the Comptroller, TSDC

Future population trends point to continued rapid growth. The US Census projects that the population in Texas will reach 33,317,744 in 2030, which represents a 59.8 percent change from 2000 figures, and more than double the projected national growth rate of 29.2 percent.[16]

[16] US Census, "Interim Projections: Ranking of Census 2000 and Projected 2030 State Population and Change 2000 to 2030," http://www.census.gov/population/projections/PressTab1.xls (accessed May 17, 2006).

These population projections have a major effect on the need for housing. According to the 2000 US Census, Texas had a 90.6 percent housing occupancy rate. Without the construction of new units and/or the rehabilitation of existing substandard and future substandard units, the need for decent and affordable housing will be significant.

In terms of disability status, the 2000 US Census found 3.6 million people with some type of long lasting condition of disability in Texas, representing 19.2 percent of the total non-institutionalized population aged 5 and older. The Center projects that the total number of incidences involving disabilities will increase by 202.2 percent from 2000 to 2040.[17]

Aging Population

According to the 2000 US Census, 2,072,532 persons, or 9.9 percent of the total Texas population, are age 65 or older. The Census projects that, for 2005, individuals age 65 and older will total 2,268,604 and comprise 10.0 percent of the total Texas population.

There is an identified aging trend in Texas. In 1980, the median age was 28.0; in 1990, the median age was 30.8; and in 2000, the median age was 32.2.[18] Furthermore, it is assumed that this trend will continue, with nearly one-in-five individuals (nearly 20 percent) with an age of 65 or older by the middle of this century.

Population projections point to an increased aging population in Texas. Comparing age groups, individuals 65 and older are projected to be the population with the highest growth. For the 2005-2007 planning period, those age 65 and older are expected to grow by 12.12 percent—nearly double the growth rate of those age 25 to 64.

An increasingly older population leads to growth in owner-occupied housing because older households tend to have higher rates of homeownership.[19] Furthermore, with an increasingly elderly population over age 65, home repair programs, including those that include home modifications for accessibility may grow in demand.

A 2000 American Association of Retired Persons study found that 90 percent of elderly persons expressed a desire to stay in their own homes as long as possible.[20] Of all elderly

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[17] Center for Demographic and Socioeconomic Research and Education, *Texas Challenge in the Twenty-First Century: Implications of Population Change for the Future of Texas*, by Steve H. Murdock et. al. (Texas A&M University System, December 2002), 139, http://txsdc.utsa.edu/download/pdf/TxChall2002.pdf (accessed May 17, 2006).

[18] Center for Demographic and Socioeconomic Research and Education, *Texas Challenge in the Twenty-First Century*, 16.

[19] Center for Demographic and Socioeconomic Research and Education, *Texas Challenge in the Twenty-First Century*, 144.

[20] Texas Department on Aging, Office of Aging Policy and Information, *The State of Our State on Aging* (Austin, TX: Texas Department on Aging, December 2002), 19, http://www.dads.state.tx.us/news_info/publications/studies/SOSHighRez.pdf (accessed August 30, 2005).

households, 80 percent own their own homes.[21] However, elderly homeowners generally live in older homes than the majority of the population; in 2001, the median year of construction for homes owned by elderly households was 1963.[22] Due to their age, homes owned by the elderly are often in need of repair, weatherization, and energy assistance.

For those persons who cannot or do not wish to remain in their own homes, TDHCA multifamily development activities help provide affordable rental units. In many cases, these units are part of apartment developments specifically designed and occupied by older households. These developments will have design features, amenities, and supportive services geared to their specific needs and preferences.

Table 16: Texas Population by Age Group: 2005-2015

		Annual Change			Annual Change	
Year	0-17	Number	Percent	18-24	Number	Percent
2005	6,316,745			2,425,782		
2006	6,410,108	93,363	1.48%	2,437,327	11,545	0.48%
2007	6,504,322	94,214	1.47%	2,449,004	11,677	0.48%
2008	6,594,289	89,967	1.38%	2,465,998	16,994	0.69%
2009	6,687,664	93,375	1.42%	2,487,428	21,430	0.87%
2010	6,785,408	97,744	1.46%	2,504,460	17,032	0.68%
2011	6,889,979	104,571	1.54%	2,517,981	13,521	0.54%
2012	7,003,380	113,401	1.65%	2,528,448	10,467	0.42%
2013	7,123,330	119,950	1.71%	2,535,205	6,757	0.27%
2014	7,246,675	123,345	1.73%	2,540,266	5,061	0.20%
2015	7,376,218	129,543	1.79%	2,535,506	-4,760	-0.19%
2007-2011		385,657	5.93%		68,977	2.82%

		Annual Change			Annual Change	
Year	25-64	Number	Percent	65+	Number	Percent
2005	11,763,913			2,268,604		
2006	11,983,056	219,143	1.86%	2,318,704	50,100	2.21%
2007	12,194,224	211,168	1.76%	2,376,232	57,528	2.48%
2008	12,393,611	199,387	1.64%	2,444,767	68,535	2.88%
2009	12,582,055	188,444	1.52%	2,516,669	71,902	2.94%
2010	12,771,637	189,582	1.51%	2,587,383	70,714	2.81%
2011	12,954,759	183,122	1.43%	2,664,127	76,744	2.97%
2012	13,102,550	147,791	1.14%	2,775,405	111,278	4.18%
2013	13,252,187	149,637	1.14%	2,886,706	111,301	4.01%
2014	13,406,107	153,920	1.16%	2,996,447	109,741	3.80%
2015	13,561,194	155,087	1.16%	3,112,883	116,436	3.89%
2007-2011		760,535	6.24%		287,895	12.12%

Source: US Census

[21] US Department of Health and Human Services, Administration on Aging, *A Profile of Older Americans: 2003* (US Department of Health and Human Services), 11, http://www.aoa.dhhs.gov/prof/Statistics/profile/2003/2003profile.pdf (accessed May 17, 2006).
[22] US Department of Health and Human Services, *A Profile on Older Americans*: 2003, 11.

Race and Ethnicity

Texas is experiencing a shift toward racial and ethnic diversity. During the 1980s, the White population increased by 10.1 percent, but by only 7.6 percent during the 1990s; the Black population increased by 16.8 percent during the 1980s and 22.5 percent during the 1990s; the Hispanic population increased by 45.4 percent during the 1980s and 53.7 during the 1990s; and the Other racial/ethnic population increased by 88.8 percent during the 1980s and 81.2 percent during the 1990s.[23] The 2000 US Census found that the racial composition of the state was 52 percent White, 32 percent Hispanic, 12 percent Black, and 4 percent Other.

Future projections point to a shift from a majority White population to a majority of other racial and ethnic groups. According to TSDC projections using the 0.5 migration scenario, Whites are expected to comprise 49.1 percent of the total Texas population in 2007, and 46.9 percent of the total population in 2011. The White population is expected to grow by only 1.4 percent from 2007 to 2011, while the individuals of Other race and ethnicity are expected to grow by 13.2 percent. Persons of Hispanic ethnicity are projected to be the second fastest growing population for the period at 12.4 percent, and the Black population is expected to grow by 5.0 percent.

This racial shift is expected to have important implications on Texas households as a whole. Because of the rapid growth of Hispanic and Other populations, the expected result is a higher proportion of married-couple and married-couple-with-children households.[24] As for income, unless the wealth of non-White populations changes, the income distributions of households will shift towards lower income categories because of the rapid growth of Hispanic and Black populations, which tend to have lower incomes.[25] Furthermore, the growth of non-White populations, which tend to have higher rates of rentership, is projected to fuel the need for rental housing.[26]

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[23] Center for Demographic and Socioeconomic Research and Education, *Texas Challenge in the Twenty-First Century*, xxv.

[24] Center for Demographic and Socioeconomic Research and Education, *Texas Challenge in the Twenty-First Century*, 60.

[25] Center for Demographic and Socioeconomic Research and Education, *Texas Challenge in the Twenty-First Century*, 87.

[26] Center for Demographic and Socioeconomic Research and Education, *Texas Challenge in the Twenty-First Century*, 144.

Table 17: Texas Population by Race and Ethnicity: 2005-2015

Year	Total Population	White	Percent	Hispanic	Percent	Black	Percent	Other	Percent
2005	22,556,027	11,327,876	50.22%	7,820,842	34.67%	2,588,603	11.48%	818,706	3.63%
2006	22,907,227	11,373,044	49.65%	8,065,331	35.21%	2,622,178	11.45%	846,674	3.70%
2007	23,259,909	11,416,013	49.08%	8,313,377	35.74%	2,655,609	11.42%	874,910	3.76%
2008	23,614,508	11,457,068	48.52%	8,565,134	36.27%	2,688,835	11.39%	903,471	3.83%
2009	23,971,462	11,496,390	47.96%	8,820,843	36.80%	2,721,910	11.35%	932,319	3.89%
2010	24,330,643	11,533,980	47.41%	9,080,466	37.32%	2,754,737	11.32%	961,460	3.95%
2011	24,692,161	11,569,873	46.86%	9,344,000	37.84%	2,787,347	11.29%	990,941	4.01%
2012	25,056,013	11,604,032	46.31%	9,611,586	38.36%	2,819,614	11.25%	1,020,781	4.07%
2013	25,421,635	11,636,271	45.77%	9,882,974	38.88%	2,851,396	11.22%	1,050,994	4.13%
2014	25,788,870	11,666,584	45.24%	10,158,056	39.39%	2,882,621	11.18%	1,081,609	4.19%
2015	26,156,761	11,694,534	44.71%	10,436,556	39.90%	2,913,059	11.14%	1,112,612	4.25%

Population Change by Number and Percent

2007-2011		153,860	1.35%	1,030,623	12.40%	131,738	4.96%	116,031	13.26%

Source: TSDC

Income

According to the 2000 US Census, the median household income in 1999 was $39,927, which was less than the national median of $41,994. Historically, the median income in Texas has tended to grow. In 1999 dollars, the Census reports that, in 1969, the household median income in Texas was $29,535; in 1979, the median income was $35,744; and in 1989, the median income was $35,246.[27] The 2004 American Community Survey administered by the US Census reports that the 2004 median household income (in 2004 dollars) is $41,759.

The Center has computed projected incomes for 2000, 2010, 2020, 2030, and 2040. Projections based on the 0.5 migration scenario are provided for 2000, 2010, and 2020 below, and demonstrate an increasing proportion of the population with incomes below $40,000. The authors state that the median household income will actually decline by $5,061 between 2000 and 2040 (in 2000 constant dollars) based on the 0.5 migration scenario.[28] This decline is attributed to the rapid increase of Hispanic and Black populations and assumes that the socioeconomic gap between these groups and Whites will not change.

[27] US Census, "Table S1: Median Household Income by State: 1969,1979,1989, 1999, http://www.census.gov/hhes/www/income/histinc/state/state1.html (accessed May 18, 2006).
[28] Center for Demographic and Socioeconomic Research and Education, *Texas Challenge in the Twenty-First Century*, 95.

Table 18: Household Income in Texas by Income Category: 2000, 2010, 2020

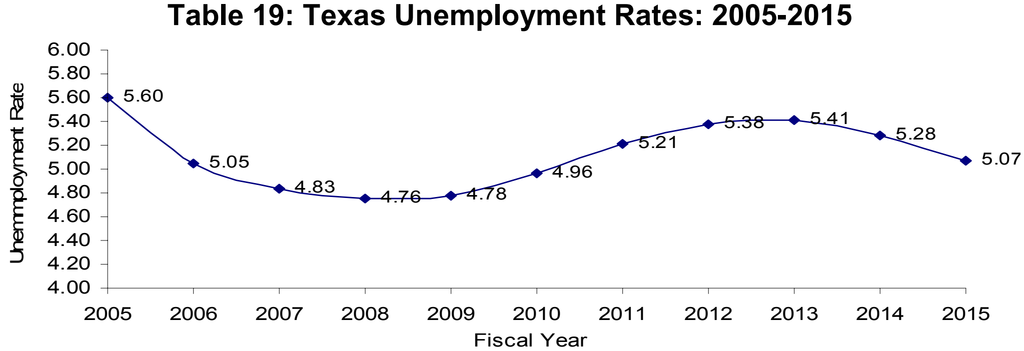
	2000		2010		2020	
Income Level	Households	Percent	Households	Percent	Households	Percent
$ < 10,000	766,818	10.37%	955,412	10.83%	1,218,416	11.70%
10,000 - 14,999	490,683	6.64%	609,119	6.91%	774,050	7.43%
15,000 - 19,999	486,167	6.58%	602,598	6.83%	753,896	7.24%
20,000 - 24,999	517,230	7.00%	635,750	7.21%	779,300	7.48%
25,000 - 29,999	502,547	6.80%	613,060	6.95%	741,510	7.12%
30,000 - 34,999	493,044	6.67%	595,664	6.75%	710,347	6.82%
35,000 - 39,999	445,211	6.02%	534,047	6.06%	631,032	6.06%
40,000 - 44,999	416,276	5.63%	496,321	5.63%	580,765	5.58%
45,000 - 49,999	357,312	4.83%	424,119	4.81%	493,081	4.73%
50,000 - 59,999	636,916	8.61%	748,513	8.49%	858,280	8.24%
60,000 - 74,999	722,043	9.77%	837,711	9.50%	942,578	9.05%
75,000 - 99,999	705,480	9.54%	805,588	9.13%	888,233	8.53%
100,000 - 124,999	362,413	4.90%	412,025	4.67%	450,347	4.32%
125,000 - 149,999	173,454	2.35%	194,563	2.21%	210,353	2.02%
150,000 - 199,999	153,444	2.08%	171,121	1.94%	184,276	1.77%
200,000+	164,316	2.22%	183,108	2.08%	198,719	1.91%
Total	7,393,354	100.00%	8,818,719	100.00%	10,415,183	100.00%

Source: Center for Demographic and Socioeconomic Research and Education, *Texas Challenge in the Twenty-First Century*, 106-107

If this projection towards lower incomes does indeed occur, then the need for housing and other assistance will be great. A higher proportion of households at the lowest levels will place an even higher demand on social services, energy assistance, and rental assistance programs. In terms of homeownership, the Office of the Comptroller predicts that the prime interest rate will generally increase from 5.7 percent in 2005 to 8 percent in 2010.[29] Lower incomes and the higher cost of borrowing money may push the dream of homeownership out of reach for many more households in the future.

A major factor influencing income is the unemployment rate. According to the Comptroller's Spring 2006 Fiscal Year Economic Forecast, the unemployment rate is projected to decrease and then increase during the 2007-2011 planning period. Unemployment affects the demand for services, including rental assistance, energy assistance, and emergency financial assistance.

Table 19: Texas Unemployment Rates: 2005-2015



Source: Texas Office of the Comptroller

[29]Texas Office of the Comptroller, "Spring 2006 Fiscal Year Economic Forecast," http://www.window.state.tx.us/ecodata/fcst06spr/ (accessed May 17, 2006).

Poverty

The 2000 US Census reported that 15.4 percent of persons in Texas were below the poverty level, which was significantly higher than the national rate of 12.4 percent. According to the 2004 American Community Survey, in 2004, the poverty rate for Texas has increased to 16.6 percent compared to the national rate of 13.1 percent. The US Census defined the 2004 poverty threshold as $19,157 in income for a family of four with two members under 18 years of age. Analyzing past Census data, Texas has historically had a poverty rate higher than that of the national average.

Based on Center for Demographic and Socioeconomic Research and Education projections for 2000, 2010, 2020, 2030, and 2040, the rate of families in poverty will increase. Projections based on the 0.5 migration scenario are provided for 2000, 2010, and 2020 below.

Table 20: Texas Families in Poverty: 2000, 2010, 2020

	2000		2010		2020	
Family Type	Number	Percent	Number	Percent	Number	Percent
Family households	598,325	11.4%	783,058	12.3%	983,798	13.1%
Married couples	300,238	7.5%	401,877	8.4%	516,708	9.2%
With own children	207,093	10.3%	283,781	11.5%	364,502	12.7%
No own children	93,145	4.7%	118,096	5.1%	152,206	5.5%
Other families	298,087	23.7%	381,181	24.5%	467,090	24.9%
Male householders, no spouse	47,931	15.0%	63,005	15.6%	79,359	16.0%
With own children	31,134	19.8%	40,696	20.8%	50,174	21.9%
No own children	16,797	10.3%	22,309	10.6%	29,185	10.9%
Female householders, no spouse	250,156	26.7%	318,176	27.7%	387,731	28.1%
With own children	201,475	35.7%	256,149	37.0%	306,053	38.3%
No own children	48,681	13.0%	62,027	13.6%	81,678	14.0%

Source: Center for Demographic and Socioeconomic Research and Education, *Texas Challenge in the Twenty-First Century*, 117

Increasing poverty populations will increase the demand for social services and emergency assistance, including rental assistance, energy assistance, and health and human services. In fact, the Center for Demographic and Socioeconomic Research and Education projects that the enrollment for Temporary Assistance for Needy Families, Food Stamps, and Medicaid will greatly increase between 2000 and 2040.[30]

Population Distribution

The US Office of Management and Budget classifies areas as metropolitan statistical areas (MSAs) based on US Census data. These MSAs are comprised of core counties that have a high population density and surrounding counties that have economic integration with the core counties. Non-MSA counties are primarily rural. There are 25 designated MSAs in Texas that cover 77 of the 254 total counties.

[30] Center for Demographic and Socioeconomic Research and Education, *Texas Challenge in the Twenty-First Century*, 329.

In 2000, of the 20,851,820 people residing in the state, 86.1 percent residing in MSAs and 13.9 percent resided in non-MSAs. For year 2005, the TSDC, using its 0.5 migration scenario, projected that 86.5 percent of the population would live in MSAs compared to 13.5 percent residing in non-MSAs. This trend of MSA growth is projected to occur in the long term. In 2015, it is projected that 87.3 percent of the population will reside in the current MSA counties, and only 12.7 percent of the population will reside in non-MSA counties. For the 2007-2011 planning period, the population in MSA areas is expected to increase by 1,316,209 or 6.5 percent, whereas the population in non-MSA areas is expected to increase by only 116,043, or 3.75 percent.

Figure 3: Texas MSA Counties

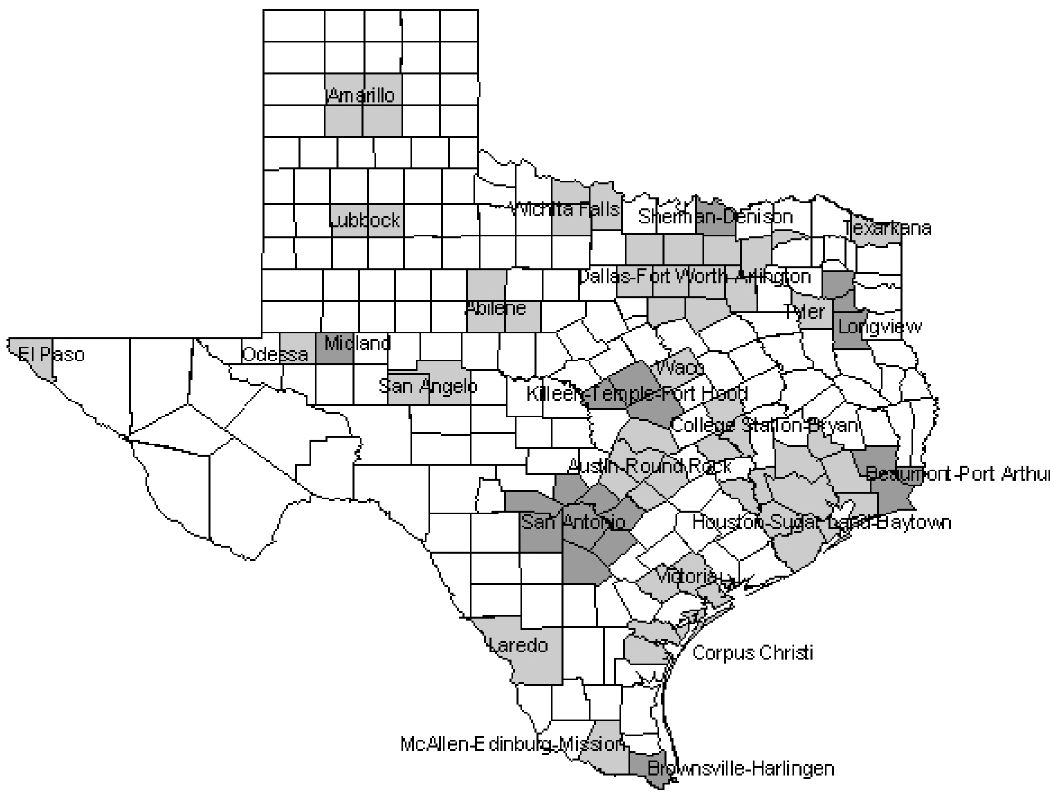


Table 21: Texas MSA and Non-MSA Population Projections: 2005-2009

MSA	2000	2005	2006	2007	2008	2009
Abilene	160,245	165,602	166,787	167,913	169,033	170,099
Amarillo	226,522	240,416	243,253	246,094	248,951	251,792
Austin-Round Rock	1,249,763	1,407,732	1,439,102	1,470,416	1,501,978	1,533,677
Beaumont-Port Arthur	385,090	395,275	397,272	399,245	401,324	403,471
Brownsville-Harlingen	335,227	374,529	382,615	390,794	399,097	407,212
College Station-Bryan	184,885	195,836	198,042	200,371	202,716	205,125
Corpus Christi	403,280	430,784	436,573	442,154	447,889	453,777
Dallas-Fort Worth-Arlington	5,161,544	5,668,679	5,772,996	5,878,313	5,983,434	6,089,460
El Paso	679,622	740,525	752,896	765,712	778,317	791,208
Houston-Sugar Land-Baytown	4,715,407	5,121,573	5,206,679	5,291,382	5,376,766	5,462,566
Killeen-Temple-Fort Hood	330,714	361,316	367,488	373,592	379,608	385,568
Laredo	193,117	226,847	233,782	240,821	248,087	255,354
Longview	194,042	200,411	201,871	203,310	204,776	206,211
Lubbock	249,700	263,147	265,155	267,125	269,231	271,247
McAllen-Edinburg-Mission	569,463	656,899	675,038	693,506	712,102	730,790
Midland	116,009	119,829	120,746	121,716	122,656	123,678
Odessa	121,123	126,658	127,911	129,141	130,402	131,657
San Angelo	105,781	109,731	110,560	111,381	112,190	112,984
San Antonio	1,711,703	1,830,229	1,853,729	1,877,150	1,900,717	1,924,663
Sherman-Denison	110,595	114,162	114,964	115,763	116,515	117,317
Texarkana	89,306	90,159	90,377	90,550	90,722	90,878
Tyler	174,706	181,254	182,700	184,107	185,602	187,152
Victoria	111,663	117,772	119,029	120,307	121,504	122,771
Waco	213,517	221,410	223,435	225,428	227,498	229,583
Wichita Falls	151,524	155,789	156,592	157,415	158,262	159,050

	2000	2005	2006	2007	2008	2009
Total MSA	17,944,548	19,516,564	19,839,592	20,163,706	20,489,377	20,817,290
Percent	86.06%	86.52%	86.61%	86.69%	86.77%	86.84%
Total Non-MSA	2,907,272	3,039,463	3,067,635	3,096,203	3,125,131	3,154,172
Percent	13.94%	13.48%	13.39%	13.31%	13.23%	13.16%
State of Texas	20,851,820	22,556,027	22,907,227	23,259,909	23,614,508	23,971,462

Source: TSDC

In addition to a greater share of the population, these metropolitan areas also generally have a greater share of industry and jobs, which leaves less-populous areas with dilapidated housing stock and households with lower incomes. According to the US Department of Housing and Urban Development, the FY 2005 median income for Texas Metropolitan areas is $55,500 compared to 42,400 for non-metropolitan areas.[31] The 2000 Census estimated this gap to be $47,961 for metro areas and $36,724 for non-metro areas.

[31]HUD, FY 2005 HUD Income Limits Briefing Materials, 26, http://www.huduser.org/datasets/il/il05/briefing-materials.pdf (accessed May 17, 2006).

Table 22: Texas MSA and Non-MSA Population Projections: 2010-2015

MSA	2010	2011	2012	2013	2014	2015
Abilene	171,132	172,130	173,089	173,993	174,821	175,621
Amarillo	254,636	257,455	260,282	263,093	265,864	268,653
Austin-Round Rock	1,565,466	1,597,777	1,630,412	1,663,329	1,696,447	1,729,970
Beaumont-Port Arthur	405,539	407,506	409,561	411,552	413,563	415,460
Brownsville-Harlingen	415,569	424,050	432,313	440,864	449,208	457,563
College Station-Bryan	207,519	209,895	212,211	214,517	216,811	219,130
Corpus Christi	459,482	465,287	471,112	476,754	482,551	488,183
Dallas-Fort Worth-Arlington	6,197,537	6,305,654	6,415,441	6,526,542	6,638,796	6,751,742
El Paso	803,967	816,863	829,469	842,162	854,897	867,435
Houston-Sugar Land-Baytown	5,548,714	5,636,463	5,724,714	5,813,112	5,903,156	5,993,067
Killeen-Temple-Fort Hood	391,552	397,441	403,346	409,176	414,919	420,718
Laredo	262,823	270,282	277,865	285,619	293,501	301,411
Longview	207,689	209,193	210,691	212,192	213,640	215,133
Lubbock	273,268	275,184	277,016	278,753	280,410	281,971
McAllen-Edinburg-Mission	749,868	769,405	789,145	808,871	829,083	849,980
Midland	124,658	125,669	126,666	127,660	128,625	129,574
Odessa	132,875	134,121	135,336	136,534	137,721	138,820
San Angelo	113,763	114,471	115,147	115,805	116,405	116,960
San Antonio	1,947,929	1,971,212	1,994,779	2,018,550	2,041,207	2,064,284
Sherman-Denison	118,083	118,860	119,657	120,430	121,163	121,919
Texarkana	91,017	91,181	91,281	91,385	91,468	91,549
Tyler	188,622	190,175	191,724	193,232	194,804	196,328
Victoria	124,036	125,306	126,590	127,966	129,218	130,496
Waco	231,711	233,794	235,878	237,924	239,910	241,913
Wichita Falls	159,822	160,541	161,322	162,027	162,765	163,411

	2010	2011	2012	2013	2014	2015
Total MSA	21,147,277	21,479,915	21,815,047	22,152,042	22,490,953	22,831,291
Percent	86.92%	86.99%	87.07%	87.14%	87.21%	87.29%
Total Non-MSA	3,183,366	3,212,246	3,240,966	3,269,593	3,297,917	3,325,470
Percent	13.08%	13.01%	12.93%	12.86%	12.79%	12.71%
State of Texas	24,330,643	24,692,161	25,056,013	25,421,635	25,788,870	26,156,761

Source: TSDC

V. TECHNOLOGICAL DEVELOPMENTS

A. Impact of Technology on Current Operations

The business of the Department continues to be enhanced by technology. Today, almost all agency services have a web component. By using the “TDHCA Interactive” link on the agency website, households in need can directly access systems that support housing, community service and manufactured housing information and services. A recent upgrade to the system resulted from the need to help people affected by Hurricanes Katrina and Rita. To quickly direct displaced households to affordable housing, TDHCA linked unit vacancy information maintained in the Central Database’s Compliance Monitoring and Tracking System to a unit locator function on the agency website to provide easy access to information on developments with available units. This ability to search for vacant apartments in real time is still available to anyone who visits the TDHCA website.

The Department's custom-designed applications are created using a combination of Oracle PL/SQL and Java. Both development languages are web-enabled; the latter is platform independent and license free. The database platform that backs new development work is Oracle. Agency operations are greatly impacted by new development work, which involves redesigning, integrating, and converting legacy applications to a web-based environment.

TDHCA's financial management systems are PeopleSoft Financials and the Mitas Automated Accounting and Loan Servicing systems. In cooperation with CPA, the Department is currently implementing a major PeopleSoft upgrade to the web-enabled version, 8.8. The Mitas Loan Servicing system was implemented on September 1, 2003, and replaced and integrated the functions of four systems on separate platforms: LSAMS, TMO, TPLS, and TCL.

The Department supports both its internal and external technology-based services through a combination of Sun Solaris, Linux, FreeBSD, and Windows NT/2000 servers and gigabit-per-second enabled Cisco networking equipment. TDHCA uses a distributed computing environment with multiple web, application, email, file, and database servers that work together to form the agency's Internet presence and to meet internal computing and network needs.

Workgroup collaboration is facilitated by file sharing; intranet pages and postings; shared databases; and MS Exchange features such as email, Outlook WebAccess, calendars, and scheduling. The Department participated in the statewide messaging RFO evaluation process and plans to make a decision on whether to convert to IBM's statewide solution in summer 2006.

B. Impact of Anticipated Technological Advances

Open source software continues to positively impact TDHCA's architecture. The quantity and variety of free, quality software available to the Unix/Linux community makes open source software an appealing option. Increasingly, free software options are available for Windows. Because of the rise in acceptance of open source and other freely licensed software as viable, reliable information technology solutions to business objectives, TDHCA's IS Division has made evaluation of this alternative a standard part of the process of selecting technical products to meet agency operational needs.

Some of the important agency servers and applications built on free and open source components include:

- The Central Database development language and web servers (Java, Tomcat, and Apache)
- Linux and FreeBSD
- Squid, the agency's proxy server

- Mailman
- Sendmail
- BIND (DNS)
- ISC's DHCP server

The main critique of open source software is lack of support from the manufacturer; however, because of the high skill level of IS staff and access to documentation on the Internet, lack of support does not pose a significant problem. The two most important benefits we receive from open source software are cost savings and the ability to easily adapt the software to our needs.

In the next few years, advances in technology will create new challenges and opportunities. Dual core processors will allow for more powerful servers at lower costs. Virtualization technologies built into CPUs will allow for better use of information technology hardware and more efficient server consolidation. Also, the use of GIS technologies to present agency data will increase over the next few years.

C. Degree of Agency Automation and Telecommunications

The Department's internet and intranet web servers continue to serve as front-ends used to disseminate information to the public and employees and as places to update and maintain the Department's data in a dynamic fashion. A number of applications have been converted from legacy systems into a web format, making these applications accessible using a web browser. They can be accessed from the network or remotely using any internet connection. The Central Database project has been the major component of the Department's web-enabled application development and integration. TDHCA is now upgrading the Community Services/Energy Assistance Contract System and PeopleSoft to browser-based technologies.

TDHCA's financial management system closely follows Comptroller's Office procedures to simplify interfaces and data exchange between the two agencies. Additionally, financial information is shared with other agency applications through interfaces and real-time DBlinks.

Using EPolicy Orchestrator and Symantec Ghost, IS can automatically deploy software applications, quickly rebuild PCs and laptops, and electronically obtain hardware and software inventory from individual workstations. These products allow staff to control personal computer configurations more effectively and provide better, faster support to agency employees.

Any agency employee can electronically submit a help desk request for a hardware or software problem. These requests are assigned according to the nature of the problem to be handled by appropriate IS staff. Project and software enhancement requests go through a formal change control process that requires originating division director and then steering committee approval.

As technology and TDHCA systems evolve, IS continuously aims to improve ease of data access, provide more transparent data exchanges, and increase cost effectiveness of information technology solutions. In these efforts, IS management works with senior management and the steering committee to ensure alignment with business objectives and proper IT governance.

D. Anticipated Need for Automation

The Department renews its software and hardware maintenance contracts and disaster recovery services on a yearly basis. The contracts that are in place for FY 2007 are listed in the agency's Planned Procurement Schedule.

The Department leases one T-1 circuit for Internet services and nine fractional T-1 circuits for TDHCA's regional offices through the Department of Information Resources.

Budgeted costs for IS renewals are detailed in the TDHCA Information Technology Detail and Legislative Appropriations Request. Actual costs are maintained in the agency's financial management system.

VI. ECONOMIC VARIABLES

This section identifies key economic variables affecting the Department's activities. This discussion includes: a brief description of each variable, the extent to which each variable affects service populations; potential changes to each variable; and possible responses to address these changes.

Credit Scores

Variables that are having an increasing impact on the lives of Texans are consumer credit reports and scores. The Brookings Institution reports that "both the access and terms of access to an increasing array of basic necessities, including jobs, housing, insurance, energy, and communications, are now influenced by an individual's consumer credit report and scores.[32]

Credit reports contain four general types of information:

- Identity—name, address, social security number, data of birth
- Use of credit products—information on mortgages, credit cards, auto loans, etc.
- Inquiry history—history of credit applications
- Financial health—public record information including bankruptcy

Consumer credit scores typically range from 350 to 850. Higher numbers represent lower levels of risk; lower numbers indicate a higher level of risk. Higher risk consumers typically pay higher interest rates. One important question that needs to be determined is the "price-

[32] The Brookings Institution, *Credit Scores, Reports, and Getting Ahead in America,* by Matt Fellowes, (Washington, DC: The Brookings Institution, May 2006) http://www.brookings.edu/metro/pubs/20060501_creditscores.htm (accessed May 22, 2006).

point where higher prices for mortgage borrowers with low credit scores becomes price-gouging."[33]

TDHCA works to improve financial education through its Texas State Homebuyer Education Program. TDHCA contracts with the Neighborhood Reinvestment Corporation to teach local nonprofit organizations the principles and applications of comprehensive pre- and post purchase homebuyer education, and to certify participants as providers. To date close to 400 individuals have been certified as homebuyer education providers by the Texas Statewide Homebuyer Education Program.

Down Payment Costs and Interest Rates

While nearly half of all home purchase loans in 2004 were standard 30-year, fixed rate mortgages, a number of new mortgage loan products have evolved over the past 15 years. Interest only, low or no documentation, adjustable rate, zero, and near-zero down payment mortgages are growing in availability. In 1990, only 3 percent of home loans had down payments of 5 percent or less. As of 2005, the percentage has grown to 16 to 17 percent. While the variety of mortgage products has expanded the opportunities to buy a home, the complexities of mortgages have increased, as well as the potential for predatory lending.[34] The households assisted through TDHCA's low-interest mortgages and down payment programs are verified for credit worthiness and to ensure that the household can comfortably afford the mortgage. Furthermore, all TDHCA mortgages are stable 30-year, fixed rate mortgages, so that households can budget and plan for their futures.

Changes in mortgage interest rates, financing terms, and underwriting criteria could slow the Texas and national housing boom. In 2006, the Federal Reserve is expected to continue raising the fed funds rate.[35] The Mortgage Bankers Association forecasts 30-year fixed rate mortgages to not exceed 6.9 through 2007.[36]

The Department's down payment assistance and low interest home mortgage loan programs help very low and low income Texans overcome obstacles to homeownership. As interest rates rise, TDHCA's loan products generally see an increase in demand over the next few years from individuals and families interested in homeownership. With this in mind, TDHCA continues to explore alternative funding options that will help defray the cost of homeownership.

[33] Fellowes, *Credit Scores, Reports, and Getting Ahead in America*, 3.
[34]The Joint Center for Housing Studies of Harvard University, *The State of the Nation's Housing 2005*, (Cambridge, MA: Harvard University, 2005) 16, http://www.jchs.harvard.edu/publications/markets/son2005/son2005.pdf (accessed May 22, 2006).
[35]"The State of Real Estate," *Tierra Grande* (Real Estate Center, Texas A&M University) January 2006, http://recenter.tamu.edu/tgrande/vol13-1/1755.html (accessed May 22, 2006).
[36]Mortgage Bankers Association, *MBA Mortgage Finance Forecast*, (Washington, DC: Mortgage Bankers Association, May 9, 2006), http://www.mbaa.org/files/Bulletin/InternalResource/41891_MortgageFinance_May06.pdf (accessed May 22, 2006)

Education

There is a close relationship between education and the cycle of poverty. Many teens drop out of school only to find out that without a good education, there is virtually no hope of escaping poverty in today's competitive job market.

There are a number of challenges facing the education of Texans.[37]

- Texas was the only state in the nation to cut average per pupil expenditures in fiscal year 2005.
- 46.2 percent of public elementary and secondary students are eligible for free or reduced-price meals in school year 2003.
- Texas is ranked 49th in verbal SAT scores in the nation and 46th in average math SAT scores.
- Texas ranks 36th in the nation in high school graduation rates (68 percent).

TDHCA's community services and housing-related services lend stability to individuals and families, allowing them to focus on other issues such as education. While it does not administer conventional educational support, TDHCA helps community organizations that manage Headstart, Job Training, GED, basic English, and other programs that are designed to improve the educational levels of disadvantaged persons.

TDHCA multifamily bond transactions are required to provide tenant services that range from after-school care programs, family activity centers, computer labs, and literacy programs, to matched savings plans that can be used to purchase a home or fund educational opportunities. Additionally, tenant services are a point items for 9 percent HTC and Private Activity Bond applications.

Energy

Energy and water costs are often the largest single housing expense after food and shelter for lower income families. Utility costs often represent 15 percent or more of lower income annual gross incomes and account for nearly one-fourth of total housing costs. Increases in cost of energy have increased the demand for energy-related assistance.

Residential electricity prices rose an estimated 5 percent nationally in 2005. Some additional increases in residential prices are likely in many regions in 2006 and 2007, but at a slower pace than in 2005. Concerns about potential future supply tightness and continuing pressure from high oil market prices will likely drive natural gas prices for the 2006-2007 heating season to previous highs.[38]

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[37] "Texas: Where We Stand—Education," Major Challenges Facing Texas Education, (Texas Comptroller of Public Accounts), February 2006.

[38] Energy Information Administration, *Short-Term Energy Outlook*, (Washington, DC: Energy Information Administration, May 2006) http://www.eia.doe.gov/emeu/steo/pub/contents.html (accessed May 22, 2006).

Through programs that encourage energy efficiency, help consumers control energy costs through education, and provide direct financial assistance for utilities or weatherization, TDHCA addresses this often overlooked expense of housing.

Transportation-related energy costs are also increasing. Between 2001 and 2006, expenditures for gasoline are expected to increase from $1,370 per household per year to $2,327 in 2006, up nearly $960 per household. In 2006, gasoline prices are expected to average $2.43 per gallon.[39] Lower income households are particularly burdened by higher transportation costs because these expenditures consume a higher percentage of their budgets, even if they are spending less.[40] Transportation is increasingly becoming a factor in creating truly affordable housing.

TDHCA will continue to effectively administer its LIHEAP and WAP programs to help with the needs created by changing energy costs. In 2005, these two items accounted for $49,419,221 in assistance provided and helped 89,434 households.

Source: US Department of Energy, US Department of Health and Human Services (and the State's Energy Conservation Office Oil Overcharge funds)
Statute: 42 USCA § 6861
Regulations: 10 CFR part 440
Purpose: The WAP program provides residential weatherization and other cost-effective energy-related home repair to increase the energy efficiency of dwellings owned or occupied by low income persons.
Status: The FY 2006 DOE award to the State of Texas is $6,607,385. Proposed funding for FY 2007 is approximately $4.4 million, which represents a 33 percent decrease in funding.

Foreclosure

The following information on foreclosure rates in the state of Texas comes from the Real Estate Center.[41]

- On a per-capita basis, Texas' rate of preforeclosures is more in line with the national average and is less than half the rate of some high-growth states.
- Texas' rate of 6.3 preforeclosure postings per 100,000 people is slightly greater than the US average of 57.6 postings, but less than one-quarter of the rates in Nevada, and significantly lower than those in California, Florida, and Arizona, the leading home appreciation states.

[39]Energy Information Administration, *Household Vehicles Energy Use: Latest Data & Trends*, (Washington, DC: Energy Information Administration, November 2005) http://www.eia.doe.gov/emeu/rtecs/nhts_survey/2001/ (accessed May 22, 2006).
[40]Center for Neighborhood Technology, *Driven To Spend: Pumping Dollars Out of Our Households and Communities*, (Chicago, IL: Center for Neighborhood Technology, June 2005), http://www.cnt.org/repository/Driven-to-Spend-2005.pdf (accessed May 22, 2006).
[41]James Gaines, "Texas: Do We Have a Foreclosure Problem?" *Tierra Grande*, (Real Estate Center, Texas A&M University) January 2006, http://recenter.tamu.edu/tgrande/vol13-1/1761.html (accessed May 22, 2006).

- In states with less appreciation, such as Texas, owners typically do not have the opportunity to sell the property at a high enough price to cure a default. (In high appreciation states, such as California, Florida, and Nevada, properties sold at foreclosure are significantly les than postings because an owner served a default notice and foreclosure posting can sell the property at a high enough price to cure a default.)
- Many homes are being purchased by first-time homebuyers who qualify for loans on the basis of initially lower interest rates and more liberal underwriting criteria applied by aggressive lenders. Many people are able to acquire a loan and buy a house but are unable to keep up with payments on the loan because of high property taxes, insurance costs, maintenance and other normal homeownership costs for which they are not prepared.
- Higher numbers of foreclosure in states such as Texas probably indicate easier home credit and the owner's inability to sell the property on default because of low rates of home price appreciation.

One of the major concerns surrounding foreclosures in Texas is the issue of predatory mortgage lending. Predatory lending involves abusive loan terms or practices that involve one or more of the following categories of loan origination problems:[42]

- loans structured to result in seriously disproportionate net harm to borrowers
- harmful rent seeking
- loans involving fraud or deceptive practices
- other forms of lack of transparency in loans that are not actionable as fraud
- loans that require borrowers to waive meaningful legal redress

To research the concerns surrounding this issue, TDHCA will examine mortgage foreclosure rates in Bexar, Cameron, Dallas, El Paso, Harris, and Travis counties in accordance with House Bill 1582. The report will be published in September 2006.

Market Factors

Housing Bubble

There is some concern nationally that a housing price bubble exists because of rapid housing appreciation. The Real Estate Center at Texas A&M reports the following indicators that Texas is not experiencing a price bubble.[43]

- Texas' home prices have appreciated at rates significantly less than the national rate.
- Texas' current rate of home price increase is about equal to the "normal" rate of the past 15 years.
- Residential construction in the state has maintained a reasonable balance between supply and demand, avoiding a shortage or excess supply situation.

[42] Elizabeth Renuart, "An Overview of the Predatory Mortgage Lending Process," *Housing Policy Debate,* (Fannie Mae Foundation) vol. 15, issue 3 (2004): 479.
[43] James Gaines, "Texas Housing Bubble: Truth or Scare?" *Tierra Grande*, (Real Estate Center, Texas A&M University) April 2006, http://recenter.tamu.edu/tgrande/vol13-2/1769.html (accessed May 22, 2006).

- The national housing bubble, to the extent it exists, appears to be localized to several state and specific metropolitan areas with extraordinarily high rates of home appreciation.

Rental Submarket Characteristics

TDHCA's rental development activities are directly affected by submarket rent levels and vacancy rates as these issues affect the feasibility of affordable and market rate rental housing developments. Therefore, changes in the rental market directly impact what types of development are feasible and where affordable units can be built. To address local concerns over concentration issues, local governments may create standards and regulations within their consolidated planning documents that limit the amount of affordable housing that may be constructed within their community and provide the local governing entity the ability to increase the quantity of affordable housing above the level approved in the plan through the passing of a resolution.

A specific example of how the Department's activities are affected by market characteristics can be found in the allocation of mortgage revenue bond funds. The Department issues tax-exempt and taxable multifamily mortgage revenue bonds to fund loans to for-profit and qualifying nonprofit 501(c)(3) organizations to finance the costs of acquiring, constructing and equipping of affordable rental housing units. As with all of the Department's rental activities, properties financed through this program are subject to income and rent restrictions for lower income tenants and persons with special needs, tenant service programs, quality and amenity threshold criteria and other requirements as determined by the Department and its governing Board. While these developments are similar to those funded by Housing Tax Credits (HTC) (and are eligible to receive tax credits along with the bonds), the bond programs and the HTC program are administered and allocated differently.

- The Private Activity Bond Program is administered by the Texas Bond Review Board utilizing local and state qualified bond issuers, initially through a non-competitive lottery process. Due to the participation of other bond issuers, the Department has less control over where developments are located. Because the Department is the only HTC allocating agency for the state, developers must also apply to the Department for the HTC portion of the bond transaction. Therefore the Department attempts to assist local governing entities with submarket concentration issues as a result of the allocation of the HTC portion of the bond truncation through the use of various controls including, but not limited to, a one mile statutory limitation that restricts the new construction of affordable housing within one mile of another affordable housing development; another statutory restriction that prohibits the new construction of affordable housing in cities or counties than currently contain two times the state average of affordable housing on a per capita basis without the approval of the local governing entity; and the Department's policy to not exceed a twenty-five percent capture rate related to market demand and available housing units.
- Unlike the HTC program, the use of these funds is not financially feasible statewide without additional financial support through other funding sources. As compared to HTCs, the bonds have higher administrative costs due to the complexity of the

transaction. The funding structure also requires higher rent levels in order to achieve a feasible cash flow. Because the higher rents are required, the bond transactions primarily occur in the state's four largest metropolitan areas (Dallas/Fort Worth, Austin, San Antonio, and Houston). Because the transactions are harder to structure, the desirability of sites in certain "qualified" census tracts that are designated by the Treasury to receive additional credits is increased. Again, this can add to submarket concentration concerns.

Natural Disasters

In August 2005, Texas received more than 500,000 evacuees from the Gulf Coast areas devastated by Katrina. Six months after the hurricane more than 400,000 evacuees still reside in Texas. In September 2005, the Texas Coast was directly hit by Hurricane Rita. More than 75,000 homes in the 29 affected counties suffered major damage or were destroyed.[44] While the long-term effects of these hurricanes is not yet clear, hurricanes remain a statewide concern because of the active hurricane season forecasted for 2006. The predicted 2006 activity strongly reflects an expected continuation of conditions that have favored above-normal Atlantic hurricane seasons since 1995.[45]

Unemployment[46]

After several years of a sluggish economy, Texas' economy is currently growing faster than the US average. 2005 saw the most robust job growth since 2000. Total employment grew by approximately 2 percent in 2005. For 2006, the forecasted job growth is 2.8 percent. Energy, technology, and manufacturing are the industries driving the improved economy. The state's seasonally adjusted unemployment rate fell from 6 percent in October 2004 to 5.2 percent in October 2005, a four-year low.[47]

An economic variable that impacts all programs of the Department is unemployment. High unemployment contributes to the growing number of persons living in poverty and places added demands on the Department's programs. In addition to the serious consequences for families and individuals, unemployment can severely impact a community. The ability to generate taxes and utility revenues and to incur debt is directly related to the resources that a community's citizens have. Cities located along the Texas-Mexico border typically experience unemployment rates that run almost double the unemployment rate for the state.

While not a primary focus of the Department, TDHCA programs provide assistance that helps people find, obtain, and maintain employment opportunities. Its multifamily properties offer valuable services to tenants that range from job training programs, computer labs, and literacy programs, to matched savings plans that can be used to fund educational

[44] Office of the Governor, *Texas Rebounds*, (Austin, TX: Office of the Governor, February 2006).
[45] NOAA, *NOAA: 2006 Atlantic Hurricane Outlook*, (Camp Springs, MD: National Oceanic & Atmospheric Administration, May 22, 2006), http://www.cpc.ncep.noaa.gov/products/outlooks/hurricane.shtml (accessed May 22, 2006).
[46] "Texas Economy Shifts into Higher Gear," *Southwest Economy* (Federal Reserve Bank of Dallas), January/February 2006.
[47] "The State of Real Estate."

opportunities. The CSBG program assists entities which provide essential services, including access to child care, transportation, job training and employment services, and education services. These types of activities are of great value to persons trying to improve their chance of getting and keeping a job.

VII. Impact of Federal Statutes/ Regulations

A. Role of Federal Involvement

Of TDHCA's program funding, 98 percent comes directly from the Federal Government. Since almost all of its funds are derived from federal sources, TDHCA activities and the corresponding beneficiaries have been and continue to be dictated by federal statutes. A brief description of each of those sources is below provided. A discussion of possible legislative changes to each of the programs is included as part of the summary.

B. Description of Current and Anticipated Federal Activities

During the first session of the 109th Congress, the most significant actions taken by the House and Senate with regard to housing programs were included in the FY 2006 HUD Appropriations Act (PL 109-115). Overall, Congress provided HUD with $34.3 billion in discretionary budget authority for numerous programs critical to the State of Texas.

Community Development Block Grant Program (CDBG)

Source: HUD

Statute: 42 USCA § 5301 *et seq*.

Regulations: 24 CFR part 570

Purpose: The primary purpose of CDBG is to develop viable communities by providing decent housing and a suitable living environment and by expanding economic opportunities, principally for low and moderate income persons. While ORCA administers the state's formula allocation of CDBG funds, TDHCA, as the lead agency, and ORCA are jointly administering CDBG funding provided for rebuilding after Hurricane Rita. ORCA also provides CDBG funds for the operation of seven Colonia Self-Help Centers.

Status: The FY 2006 Department of Defense Appropriations Act (PL 109-148) provided a total of $11.5 billion in CDBG funds to address the devastation of Hurricanes Katrina, Rita, and Wilma. Of this amount, Texas received approximately $74.5 million. Congress is expected to provide an additional $5.2 billion in CDBG disaster assistance (HR 4939), of which Texas would be likely to receive a minimum of $182 million. This activity may require the use of additional FTEs, which would be funded through federal administration dollars.

Community Services Block Grant Program (CSBG)

Source: US Department of Health and Human Services

Statute: 42 USCA § 9901 *et seq*.

Purpose: CSBG funds provide administrative support to the Community Action Network (Network) in Texas, organizations serving migrant seasonal farmworkers, and Native Americans. CSBG funds provide support which enables the Network to operate a comprehensive array of programs that address needs of low-income persons in the areas of education, nutrition, emergency services, employment, housing, health, income management, programs to assist persons obtain self-sufficiency, and information and referral services to link persons with other services available in the community. In many rural areas of the State, the Community Action Agency is one of a handful of organizations providing emergency services and services which help transition persons out of poverty into self-sufficiency.

Status: The FY 2006 Health and Human Services Appropriations Act (PL 109-149) provided $637 million for the CSBG, the same amount provided in FY 2005. The Administration's budget requests both for FY 2006 and for FY 2007 proposed elimination of the CSBG program. Texas will receive $30.2 million in CSBG funds in FY 2006. A cut or loss of funding of CSBG would have a devastating impact on estimated 450,000 low income persons in Texas who are served annually by the CSBG program. Due to the availability of CSBG funds in 2005, the Network in Texas was able to leverage approximately $45 million dollars of state, local, and private funds and resources.

Emergency Shelter Grants Program (ESGP)

Source: HUD

Statute: 42 USCA § 11371 *et seq.*

Regulations: 24 CFR part 576

Purpose: The purpose of the ESGP program is to rehabilitate or convert buildings for use as emergency shelters for the homeless, to pay certain operating expenses and essential services in connection with emergency shelters for the homeless, and to provide homeless prevention activities.

Status: The FY 2006 HUD Appropriations Act (PL 109-115) provides $1.3 billion for Homeless Assistance Grants, an $86 million increase over FY 2005. The Administration has requested a $209 million increase in homeless assistance for FY 2007. TDHCA will receive $5.1 million for FY 2006 ESGP activities.

Home Investment Partnerships Program (HOME)

Source: HUD

Statute: 42 USCA §§ 12701-12839

Regulations: 24 CFR part 92

Purpose: The HOME program provides housing assistance for LI, VLI, and ELI people through acquisition, new construction, rehabilitation, reconstruction, tenant-based rental assistance, and pre-development loans.

Status: The FY 2006 HUD Appropriations Act (PL 109-115) provides $1.7 billion for the HOME program, a $167 million decrease from FY 2005. The Administration has requested a $184 million increase in HOME for FY 2007. TDHCA will receive $41.3 million in HOME funding for FY 2006.

Housing Tax Credit Program (HTC)

Source: US Treasury Department

Statute: 26 USCA § 42 (Internal Revenue Code of 1986, as amended)

Purpose: The HTC program provides credits against federal income taxes for owners of qualified low income rental housing projects and the allocation of available tax credit amounts.
Status: It is projected based on the per capita allocation formula that the state will receive $63,000,000 in HTCs in 2007 ($43 million in 9 percent “competitive” HTCs and $20 million in 4 percent HTCs associated with tax exempt bond financing).

Low Income Home Energy Assistance Program (LIHEAP)
Source: US Department of Health and Human Services
Statute: 42 USCA § 8621
Purpose: The LIHEAP program provides direct financial assistance for energy needs of low income persons through the Comprehensive Energy Assistance Program (CEAP), and to partially fund the Weatherization Assistance Program (see below).

Status: The FY 2006 Health and Human Services (HHS) Appropriations Act (PL 109-149) provided $2.2 billion for LIHEAP, about the same amount as in FY 2005, but Congress later passed the "Snowe bill" (PL 109-204), providing an additional $1 billion to the program for FY 2006, for a total of $3.2 billion. The Administration has proposed reducing LIHEAP funding by nearly half to $1.8 billion in FY 2007. Texas will receive approximately $84 million in LIHEAP funding for FY 2006. If LIHEAP is cut to $1.8 billion for FY 2007, Texas' share is likely to drop to less than $40 million.

Mortgage Revenue Bond Programs (MRBs)
Source: US Treasury Department
Statute: 26 USCA § 143 (Internal Revenue Code of 1986, as amended)
Purpose: Under the MRB program, the Department issues mortgage revenue bonds to help lower income working families buy their first homes with low interest loans. It includes a multifamily bond program and several single family bond programs.
Status: It is projected that the MRB program will receive $150,000,000 in 2007. The actual part of this amount that will be utilized may change significantly based on market conditions in the parts of the state where the bonds are supported by income levels and allowable rents.

Section 8 Housing Assistance Program
Source: HUD
Statute: 42 USCA § 1437f
Regulations: 24 CFR 882.101 *et seq.*
Purpose: Section 8 provides rent subsidy vouchers to families and individuals, including the elderly and persons with disabilities, whose annual gross income does not exceed 50 percent of HUD’s median income guidelines. The statewide program is designed specifically for needy families in small cities and rural communities not served by similar local or regional programs.
Status: The FY 2006 HUD Appropriations Act (PL 109-115) provides $20.5 billion for the Section 8 program, an increase of $392 million over FY 2005. The Administration has

requested $21.6 billion for Section 8 in FY 2007. TDHCA, which administers roughly 1,540 vouchers out of 144,000 in the state, will receive approximately $8 million for FY 2006 activities.

Weatherization Assistance Program (WAP)
Source: US Department of Energy, US Department of Health and Human Services (and the State's Energy Conservation Office Oil Overcharge funds)
Statute: 42 USCA § 6861
Regulations: 10 CFR part 440
Purpose: WAP provides residential weatherization and other cost-effective energy-related home repair to increase the energy efficiency of dwellings owned or occupied by low income persons.
Status: The FY 2006 DOE award to the State of Texas is $6,607,385. Proposed funding for FY 2007 is approximately $4.4 million, which represents a 33 percent decrease in funding.

VIII. Other Legal Issues

A. Impact of Anticipated State Statutory Changes

Few bills were passed by the Texas Legislature in 2005 that directly impacted TDHCA. However, two major studies were undertaken as a result of legislation passed into law. House Bill 1582 (authored by Representative Norma Chavez) directed TDHCA to study residential mortgage foreclosure rates in five distinct counties and report back to the 80th Legislature on its findings. House Bill 1099 (also authored by Representative Chavez) transferred the responsibility for the licensing and inspection of migrant labor housing facilities from TDHCA of State Health Services to TDHCA.

B. Impact of Current and Outstanding Court Cases Involving TDHCA

TDHCA is currently involved in several court cases related to its administration of the HTC and HOME programs, employment discrimination, and ad valorem tax lien foreclosures. The current HTC cases, as well as a number of previous HTC court cases, have involved unsuccessful applicants filing suit over application scoring and funding award decisions. Granting injunctive relief can delay funding authorization as well as the award of credits to specific applicants. At this time, neither the outcome of the ongoing cases nor the impact on the Department, if any, can be predicted.

A recent decision by the Travis County District Court has determined that governmental immunity is not statutorily waived and therefore most future litigation would need legislative waivers. This decision is expected to be appealed.

C. Impact of Local Governmental Requirements

The Department works to ensure that local governments are aware of possible TDHCA funding awards in their community. With the provision of these notifications, local officials are encouraged to comment on the need for the development and other local issues that might not be evident in an application. Such comments are considered in the final approval of the Board of the application.

In some instances, local support for an application is part of the scoring process. Multifamily bond applications, with TDHCA as the issuer, include scoring criteria that provides "points" for public comment from local officials. HOME and HTC applications receive points by receiving a commitment for local funding or in-kind contributions (i.e., donations of land, waivers of fees such as building permits, water and sewer tap fees or similar contributions) that would benefit the development. Applicants may also receive points for developing in locations in city or county-sponsored zones or districts or rehabilitating an existing Residential Development that is part of a Community Revitalization Plan.

Local governments control each applicant's ability to provide evidence of proper zoning for the development site and consistency with local consolidated planning documents. In instances where the property is not currently zoned for housing, the local government may deny a requested zoning change which would make the development ineligible for consideration.

The Texas Legislature has given local governments significant discretion over applications in areas where a potential over concentration of HTC units may exist.

- For HTC applications, applicants must receive a resolution from the local governmental entity for approval to add new units if the proposed new development is within one mile of an existing tax credit property that has received an allocation within the last three years and serves the same population type (elderly/elderly or family/family). This applies to new construction and only in counties with over one million in population.
- Applicants must receive a resolution from the local governmental entity for approval to develop in a city or county that has more than twice the per capita of affordable housing units. This applies to both new construction and acquisition/ rehabilitation.

While they do not impact TDHCA directly, the following local government issues can be barriers to the provision of affordable housing.

- Zoning provisions: A municipality's zoning authority governs the type and direction of growth within their boundaries. Ordinances may be passed to encourage affordable housing through measures such as lowering minimum lot sizes, decreasing building set-back requirements, and lowering minimum square footages of homes. However, ordinances that prohibit these types of activities can drive land and construction costs up to the point that affordable housing cannot be built.
- Impact Fees and Development Fees: As a condition of permit approval, municipalities may assess fees to pay for infrastructure costs. These impact fees increase the cost of developing all types of housing including affordable housing.

IX. Self-Evaluation and Opportunities For Improvement

A. Effectiveness and Efficiency of the Department

Performance Measures

This section discusses TDHCA's performance with measures established by the 79th Legislature or by the Department. Goals one through five were established by the General Appropriations Act through interactions between TDHCA, the LBB, and the Legislature.

Note: Measures marked with an "*" were added to the 2006 Performance Measures by the 79th Legislature, therefore, there a 2005 measure does not exist.

GOAL 1: TDHCA WILL INCREASE AND PRESERVE THE AVAILABILITY OF SAFE, DECENT, AND AFFORDABLE HOUSING FOR VERY LOW, LOW, AND MODERATE INCOME PERSONS AND FAMILIES.

1.1 Strategy: Provide mortgage financing and homebuyer assistance through the Single Family Mortgage Revenue Bond Program. This is measured by the number of single family households assisted through the First Time Homebuyer Program.

2005 Measure	2005 Actual	% of Goal
1,770	1,898	107.23%

*1.2 Strategy: Provide funding through the HOME program for affordable single family housing. This is measured by the number of single family households assisted with HOME funds.

2005 Measure	2005 Actual	% of Goal
N/A	1,308	N/A

*1.3 Strategy: Provide funding through the HTF program for affordable single family housing. This is measured by the number of single family households assisted through the HTF.

2005 Measure	2005 Actual	% of Goal
N/A	128	N/A

1.4 Strategy: Provide tenant-based rental assistance through Section 8 certificates. This is measured by the number of multifamily households assisted with tenant-based rental assistance.

2005 Measure	2005 Actual	% of Goal
2,200	1,750	79.55%

[Explanation of Variance: Explanation of Variance: The targeted measure of 2,200 vouchers was developed when HUD provided Section 8 Housing Assistance Program (HAP) funds based on the number of Housing Choice vouchers available. The allocation of HAP funds changed for the Section 8 Program Year beginning January 1, 2005. TDHCA no longer receives HAP funds based on a specified number of vouchers. Instead, for PY 2005 and 2006, TDHCA receives funds from HUD based on the average number of active tenants during May, June, and July, 2004.

1.5 Strategy: Provide federal tax credits to develop rental housing. This is measured by the number of multifamily households assisted with HTCs.

2005 Measure	2005 Actual	% of Goal
10,763	18,350	170.49%

*1.6 Strategy: Provide funding through the HOME program for affordable multifamily housing. This is measured by the number of multifamily households assisted with HOME funds.

2005 Measure	2005 Actual	% of Goal
N/A	945	N/A

*1.7 Strategy: Provide funding through the HTF for affordable multifamily housing. This is measured by the number of multifamily households assisted through the HTF.

2005 Measure	2005 Actual	% of Goal
N/A	1,021	N/A

1.8 Strategy: Provide funding through the Multifamily Mortgage Revenue Bond program for affordable multifamily housing. This is measured by the number of households assisted through the Mortgage Revenue Bond program.

2005 Measure	2005 Actual	% of Goal
1,999	3,288	164.48%

GOAL 2: TDHCA WILL PROMOTE IMPROVED HOUSING CONDITIONS FOR EXTREMELY LI, VLI, AND LOW INCOME HOUSEHOLDS BY PROVIDING INFORMATION AND TECHNICAL ASSISTANCE.

*2.1 Strategy: Provide information and technical assistance to the public through the Division of Policy and Public Affairs. This is measured by the number of information and technical assistance requests completed.

2005 Measure	2005 Actual	% of Goal
N/A	3,082	N/A

2.2 Strategy: To provide technical assistance to colonias through field offices. This is measured by the number of:

(A) on-site technical assistance visits conducted annually from the field offices;

2005 Measure	2005 Actual	% of Goal
747	1,038	138.96%

*(B) colonia residents receiving assistance; and

2005 Measure	2005 Actual	% of Goal
N/A	550	N/A

*(C) entities and/or individuals receiving informational resources.

2005 Measure	2005 Actual	% of Goal
N/A	2,304	N/A

GOAL 3: TDHCA WILL IMPROVE LIVING CONDITIONS FOR THE POOR AND HOMELESS AND REDUCE THE COST OF HOME ENERGY FOR VERY LOW INCOME TEXANS.

3.1 Strategy: Administer homeless and poverty-related funds through a network of community action agencies and other local organizations so that poverty-related services are available to very low income persons throughout the state. This is measured by the number of:

(A) persons assisted through homeless and poverty related funds;

2005 Measure	2005 Actual	% of Goal
440,000	404,801	92.00%

[Explanation of Variance: Measure is impacted by the number of persons assisted through the CSBG and ESGP. The FY'04 ESGP program, which began in September 2004, has five fewer subrecipients as compared to the '03 program. The absence in 2004 of these five subrecipients, along with the organizations they subcontracted with, accounted for approximately 40,000 fewer persons being served annually.]

(B) persons assisted that achieve incomes above poverty level; and

2005 Measure	2005 Actual	% of Goal
1,314	1,929	146.80%

(C) shelters assisted through the Emergency Shelter Grant Program.

2005 Measure	2005 Actual	% of Goal
70	72	102.86%

3.2 Strategy: Administer the state energy assistance programs by providing grants to local organizations for energy related improvements to dwellings occupied by very low income persons and for assistance to very low income households for heating and cooling expenses and energy related emergencies. This is measured by the number of:

(A) households assisted through the Comprehensive Energy Assistance Program; and

2005 Measure	2005 Actual	% of Goal
69,736	84,018	120.48%

(B) dwelling units weatherized through the Weatherization Assistance Program.

2005 Measure	2005 Actual	% of Goal
3,734	5,416	145.05%

GOAL 4: TDHCA WILL ENSURE COMPLIANCE WITH TDHCA'S FEDERAL AND STATE PROGRAM MANDATES.

4.1 Strategy: The PMC Division will monitor and inspect for Federal and State housing program requirements. This is measured by the total number of:

*(A) monitoring reviews conducted; and

2005 Measure	2005 Actual	% of Goal
N/A	4,318	N/A

(B) units administered.

2005 Measure	2005 Actual	% of Goal
188,956	201,114	106.43%

4.2 Strategy: The PMC Division will administer and monitor federal and state subrecipient contracts for programmatic and fiscal requirements. This is measured by the total number of:

*(A) monitoring reviews conducted; and

2005 Measure	2005 Actual	% of Goal
N/A	12,113	N/A

(B) contracts administered.

2005 Measure	2005 Actual	% of Goal
624	751	120.35%

GOAL 5: TO PROTECT THE PUBLIC BY REGULATING THE MANUFACTURED HOUSING INDUSTRY IN ACCORDANCE WITH STATE AND FEDERAL LAWS.

5.1 Strategy: Provide titling and licensing services in a timely and efficient manner. This is measured by the number of:

(A) manufactured housing statements of ownership and location issued; and

2005 Measure	2005 Actual	% of Goal
115,000	93,499	81.30%

[Explanation of Variance: Performance is under the targeted projection due to receiving fewer applications resulting from a continued slowdown of activity in the manufactured housing industry.]

(B) licenses issued.

2005 Measure	2005 Actual	% of Goal
5,700	4,118	72.25%

[Explanation of Variance: Performance is under the targeted projection due to receiving fewer applications resulting from a continued slowdown of activity in the industry.]

5.2 Strategy: Conduct inspections of manufactured homes in a timely manner. This is measured by the number of:

(A) routine installation inspections conducted; and

2005 Measure	2005 Actual	% of Goal
13,500	5,488	40.65%

[Explanation of Variance: Although the measure is below the targeted number, the Department is meeting the program's statutory requirement to inspect at least 25 percent of installation reports received. The actual YTD inspection rate is 37.78 percent. In FY 2005, the overall workload of the inspection staff was increased by additional inspection duties associated with providing assistance to the Department's PMC Division.]

*(B) non-routine installation inspections conducted.

2005 Measure	2005 Actual	% of Goal
N/A	2,405	N/A

5.3 Strategy: To process consumer complaints, conduct investigations, and take administrative actions to protect the general public and consumers. This is measured by the number of complaints resolved.

2005 Measure	2005 Actual	% of Goal
1,620	1,502	92.72%

[Explanation of Variance: The Department has made an effort to encourage the informal resolution of customer concerns prior to their issues becoming official complaints. The effort has helped reduce the number of complaints officially received, which reduces the number of complaints resolved.]

Goals Six through Eight are established in legislation as riders to TDHCA's appropriations, as found in the General Appropriations Act.

GOAL 6: TDHCA WILL TARGET ITS HOUSING FINANCE PROGRAMS RESOURCES FOR ASSISTANCE TO ELI HOUSEHOLDS.

6.1 Strategy: The housing finance divisions shall adopt an annual goal to apply $30,000,000 of the division's total housing funds toward housing assistance for individuals and families earning less than 30 percent of median family income.

2005 Measure	2005 Actual	% of Goal
$30,000,000	$27,075,921	90.25%

[Explanation of Variance: Fewer ELI households were served by single family bond transactions, Section 8 vouchers, and HOME awards in FY 2005 as compared to FY 2004. The primary cause appears to be a decrease in the projected amount of HOME funding that will serve ELI households as the amount awarded for this income group dropped from $36 million in FY 2004 to $12 million in FY

2005. This decrease is related to the release of two program years' worth of HOME funds in FY 2004.]

Note: This item addresses Rider 4 of TDHCA's Appropriations as found in HB 1 (General Appropriations Act), 79th Legislature, Regular Session.

GOAL 7: TDHCA WILL TARGET ITS HOUSING FINANCE RESOURCES FOR ASSISTANCE TO VERY LOW INCOME HOUSEHOLDS.

7.1 Strategy: The housing finance divisions shall adopt an annual goal to apply no less than 20 percent of the division's total housing funds toward housing assistance for individuals and families earning between 31 percent and 60 percent of median family income.

2005 Measure	2005 Actual	% of Goal
20%	65.5%	352.44%

Note: This item addresses Rider 4 of TDHCA's Appropriations as found in HB 1 (General Appropriations Act), 79th Legislature, Regular Session.

GOAL 8: TDHCA WILL PROVIDE CONTRACT FOR DEED CONVERSIONS FOR FAMILIES WHO RESIDE IN A COLONIA AND EARN 60 PERCENT OR LESS OF THE APPLICABLE AREA MEDIAN FAMILY INCOME.

8.1 Strategy: Help colonia residents become property owners by converting their contracts for deed into traditional mortgages. This is measured by the amount of TDHCA funds applied towards contract for deed conversions for colonia families earning less than 60 percent of median family income.

FY 04-05 Measure	FY 04-05 Actual	% of Goal
$4,000,000	$3,889,600	97.24%

Note: The FY 2004-2005 Actual is comprised of $1,300,000 in FY 2004 and $2,589,600 in FY 2005. An additional $1,033,900 was approved at the September 2005 Board meeting. This funding award was postponed from the August 2005 Board meeting. It would have brought the FY 2004-2005 total to $4,923,500. This item addresses Rider 11 of TDHCA's Appropriations as found in HB 1 (General Appropriations Act), 79th Legislature, Regular Session.

The following TDHCA-designated goal addresses the housing needs of persons with special needs.

GOAL 9: TDHCA WILL WORK TO ADDRESS THE HOUSING NEEDS AND INCREASE THE AVAILABILITY OF AFFORDABLE AND ACCESSIBLE HOUSING FOR PERSONS WITH SPECIAL NEEDS THROUGH FUNDING, RESEARCH, AND POLICY DEVELOPMENT EFFORTS.

9.1 Strategy: Dedicate no less than 20 percent of the HOME project allocation for applicants that target persons with special needs.

2005 Measure	2005 Actual	% of Goal
≥20%	24.7%	123.6%

9.2 Strategy: Dedicate no less than 5 percent of the MFB Program units for persons with special needs.

2005 Measure	2005 Actual	% of Goal
≥5%	22.53%	450.73%

Serving Critical Populations

As shown in Figures 4 and 5, the distribution of TDHCA's housing resources in fiscal year 2005 showed a clear prioritization of assistance to individuals and households with the lowest incomes. The vast majority of households served by the Department were classified as extremely LI, VLI, and low income.

Figure 4: FY 2005 Total Funding by Income Level

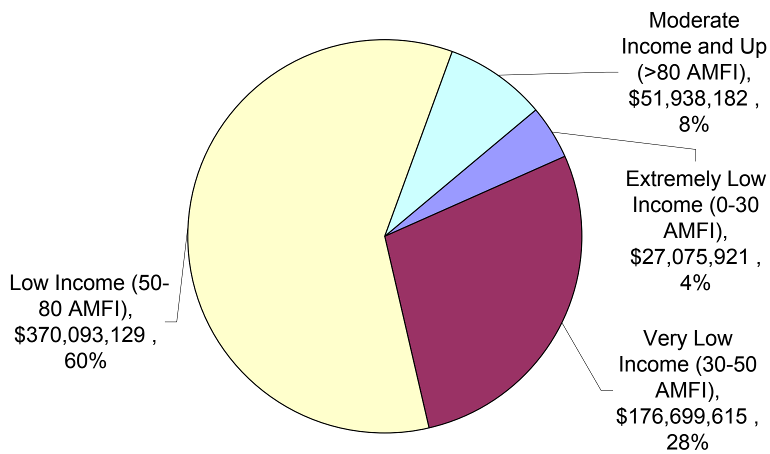


Figure 5: FY 2005 Total Households Served by Income Level

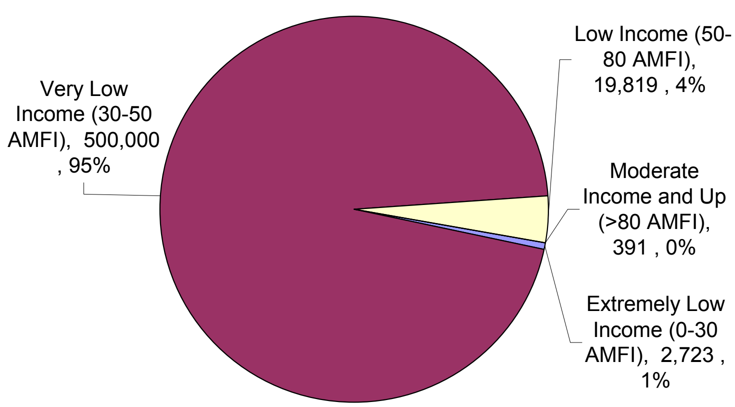


Table 23: TDHCA Funding and Households/Persons Served by Income Category FY 2005 - All Activities

Income Type	Committed Funds	# of Households or Individuals Served*	% of Committed Funds	% of Households or Individuals Served
ELI (0-30 AMFI)	$27,075,921	2,723	4.3%	.5%
Very Low Income (30-50 AMFI)	$176,699,615	500,000	28.2%	95.6%
Low Income (50-80 AMFI)	$370,093,129	19,819	59.1%	3.8%
Moderate Income and Up (>80 AMFI)	$51,938,182	391	8.3%	0.1%
Total for All Incomes	$625,806,847	522,933		

*Includes ESG and CSBG, which are allocated to individuals.

Also TDHCA's performance in meeting goals 6 through 9 described in the previous section indicates that it has made a concerted effort to address the needs of persons with special needs with the resources at its disposal.

Industry Best Practices

TDHCA is an active member of the following housing and community service industry groups.

- National Council of State Housing Agencies. This organization is comprised of housing finance agencies from of every state, the District of Columbia, Puerto Rico, and the Virgin Islands, and more than 350 profit and nonprofit firms in the affordable housing field. In addition to being a good source of research information on these agencies' activities, this organization holds a number of conferences and training sessions throughout the year where its members meet to discuss best practices and success stories.
- National Association for State Community Services Programs. Membership in this organization includes state administrators of both the CSBG and WAP. The organization was created to provide research, analysis, training and technical assistance to state CSBG and WAP offices, the Community Action Network, community action agencies and state associations, in order to increase their capacity to prevent and reduce poverty.
- National Energy Assistance Directors' Association. Membership in this organization consists of state administrators and tribal directors of the LIHEAP. The organization is the primary educational and policy organization for the state and tribal directors of the LIHEAP. The organization also works closely with the National Association for State Community Services Programs, representing the state weatherization program offices and the National Association of State Energy Officials to more effectively share ideas on the delivery of state energy services through the Energy Programs Consortium.

Insights Gained and Implemented Programmatic Changes

The Department undergoes regular audits and monitoring reviews including reviews by its Internal Auditing Division, its external certified independent auditors, its funding source agencies, and the SAO.

Independent audits of its financial statements are conducted on an annual basis, regular audits of its major federal programs in connection with Federal Single Audits coordinated by the SAO, various monitoring reviews of its federal programs by its Federal funding agencies, as well as reviews of particular functions or processes by its internal auditors.

Other periodic oversight reviews of TDHCA's activities include:

- State Office of Risk Management reviews of physical safety practices.
- Comptroller of Public Accounts reviews of compliance with state laws and rules concerning expenditures and processing requirements of the uniform statewide accounting system.
- State Energy Conservation Office reviews of the administration of these funds.
- Federal Deposit Insurance Corporation reviews of monitoring activities of properties sold under the Affordable Housing Disposition Program.

The results of these audits and reviews have improved TDHCA's controls designed to: achieve the objectives and goals of the agency, comply with program rules and regulations, and safeguard the Department's assets. Some specific examples include:

- Quality assurance and control procedures have been enhanced for the Section 8 program to better: assess participant eligibility, protect voucher holder rights, ensure that reasonable rents are charged, and calculate utility allowances. Processes and controls have been added to ensure the proper execution of property owner contracts, the satisfaction of housing quality standards, and timely deficiency correction. Additionally, access to computer systems has been improved to protect the quality of the Section 8 data, to ensure that transactions cannot be passed on for payment without proper approval, and to protect the systems against unauthorized changes to computer code and data.
- Enhancements have been made to the RAF to consider required available housing resources to address statutory requirements relating to the allocation of HOME, HTC, and HTF program dollars.
- The review and scoring process for HTF rental development applications have been changed to include consideration of cost effectiveness and leveraging of federal resources.
- The risk assessment process used to identify high-risk subrecipients for field monitoring visits has been enhanced to include a complete population of subrecipients to be considered, standard operating procedures and documentation standards.
- The review of Federal Single Audits performed on its subrecipients has been enhanced to better use the information for monitoring planning purposes. Controls have been improved to ensure audit findings are forwarded to and considered by staff responsible for performing risk assessments of subrecipients for identifying high-risk subrecipients

that warrant greater monitoring attention. Processes have been improved to ensure that corrective actions for audit findings are taken in a more timely fashion, when appropriate, and that management decisions are issued in a timely fashion. The Department has made its single audit review process more efficient by limiting the extent of its review to that which is required by the Federal Single Audit Act.

- The Department has improved its time accounting procedures to ensure employees salaries are properly allocated to federal programs.

TDHCA has also implemented a risk management program to accomplish similar objectives to its oversight audits and reviews. While the program was designed to ensure compliance with Executive Order RP36, July 2004, relating to preventing, detecting, and eliminating fraud, waste and abuse, it is also designed to identify, prioritize, assess, document, report, monitor and address other financial, operating, and legal risks of the Department.

HOME Contract Administration

Since 2003, the Department has made progress in the administration of the HOME Program.

- In December 2003, the TDHCA Contract System was rolled out. The system allows administrators to enter draw information, itemize costs, set up contract activities (project setups), enter match information, enter project completion report data, and view programmatic and financial information associated with their contracts in real time. The system gathered a substantial amount of contract information that was not previously captured, which provided an opportunity to run reports on contractual performance and real time program beneficiary information. This system has significantly helped the Department improve program efficiency and more effectively track and monitor contract performance.
- Procedures designed to further improve efficiency and accountability in HOME program administration have been implemented. These procedures include analyzing commitments and expenditures through data analysis and added incentives for administrators to perform according to contractual terms. Adoption of 2006 HOME rules strengthens these procedures to ensure timely expenditure of funds.
- A concerted effort has been made to update, add, and correct information previously entered in HUD's Integrated Disbursement and Information System. This system is the mechanism used by HUD to produce the HUD score card, which reports on performance in the areas of HOME commitment, expenditure, leveraging, low-income benefit, and rental assistance. Access to HUD's system has been appropriately restricted to preclude individuals from having the ability to both initiate and approve draw downs of HOME funds, which might result in disbursement of funds in error or without proper authorization.
- The Department has improved its environmental compliance and enforcement program over the HOME program to ensure compliance with HUD regulations.
- Controls have been added to ensure that LBB performance measurement information for the number of households the HOME program serves by income level is adequately supported and retained.

- TDHCA also analyzed the processes and mechanisms in place from a programmatic view point. From this review, it completed multiple projects designed to provide better guidance to Administrators and staff. The result is improved program compliance. Some of these projects include development of: new and updated manuals, a technical assistance function, and plans to address areas of program administration weakness.

The combination of these activities ensures that the Department satisfies HOME program requirements and ensures that funds are spent accountably.

B. Agency Characteristics Requiring Improvement

Communication Regarding the Need for Affordable Housing

While statistics and anecdotal evidence support the enormous need for affordable housing, the Department has determined that additional efforts need to be made to communicate that need to public officials and organizations that can help to address this need in their communities . To that end, staff has made a strong effort to meet with elected officials and neighborhood groups to help them understand TDHCA's programs and processes and how to participate in those processes effectively. The Department has also established general and specific program email distribution lists to announce funding opportunities, hearings, or other events within the Department.

Communication with Customers

From the 2006 Report of Customer Service, 66 percent of respondents stated that they can quickly and easily reach a TDHCA staff member and 64 percent states that their requests for information were answered in a timely manner. However, for each of these customer service elements, 16 percent of the respondents disagreed with the statements. Staff believes that a primary reason for the dissatisfaction rates for these two elements is caused by unfamiliarity with the new TDHCA main telephone line. Staffing limitations have also led to lengthy wait times experienced by some callers to the Manufactured Housing telephone line. TDHCA is constantly making changes to improve the telephone systems, and will work to increase satisfaction with the system in the future.

C. Key Obstacles

A number of macro issues that present obstacles to TDHCA's ongoing efforts are below provided in alphabetical order.

Environmental: The full impact of Hurricanes Katrina and Rita on the state in 2005 has yet to be fully realized. As evidenced by the state's ongoing efforts to recover from these storms, a dedicated, continued effort is necessary to ready the state for disasters of varying scale that will only add to the already high level of need for housing assistance.

Fiscal: The largest obstacle TDHCA faces is the limited amount of financial resources available for affordable housing. Even with all of its resources, TDHCA can serve only about 1 percent of those in need. The most apparent obstacle to meeting underserved housing needs in Texas is a severe shortage of affordable housing stock. There is a corresponding shortage of funding sources to maintain and increase this housing stock. With few exceptions, every housing program administered by TDHCA receives far more applications than could be funded from available resources. This is evidence that there is significant interest on the part of both the nonprofit and for-profit sectors to produce the housing that is needed. While layering, leveraging, and partnering helps to stretch available funds, there is no amount of innovation that will overcome this lack of funding.

Geographic: Only the Manufactured Housing Division has a somewhat statewide presence with its field office locations in Dallas-Ft. Worth, Edinburg, Houston, Lubbock, San Antonio, Tyler, and Waco. While OCI has field offices located in two of the state service regions along the Texas-Mexico border, there are no field offices for housing and community development activities in any of the state's other 11 regions. Due to fiscal and FTE constraints that make the provision of local field offices unfeasible, it is very difficult to establish and maintain a regional and local presence in a state as large as Texas.

Lack of Organizational Capacity: A lack of organizational capacity, in both experience and financial resources, often makes it difficult for smaller communities to address their affordable housing issues. As compared to larger metropolitan areas, these communities have fewer resources that can be used a matching funds, staff members (if any) to put together an application and oversee an application is funding is obtained.

Local Opposition to Affordable Housing: It is a common perception that affordable housing helps contribute to overcrowded schools, increased crime rates, traffic congestion, and general neighborhood deterioration that will lower the surrounding property values. As a result, developments requesting funding from TDHCA can experience significant opposition. TDHCA continues to work to educate the general public on affordable housing issues and encourages developers to interact directly with neighborhood organizations throughout the application process. This educational process is done with such tools as the public hearing process, TDHCA's website and publications, and the application scoring criteria for rental development funding.

Statutory: After 13 years of existence, TDHCA's statute is in need of review and cleanup to remove conflicting provisions and obsolete items.

Technological: Since TDHCA was created in 1991, its program data has tended to be stored and accessed in a number of separate databases. These separate data sources have been an obstacle to effective agency operations. Through the Central Database project, TDHCA has managed to consolidate much of this data into a single source. This has allowed for processes associated with contract management, draw requests, and compliance reporting to be automated. For example, TDHCA housing program personnel administer 2,264 active contracts totaling $507,482,814 in the TDHCA Contract System, and over 1,700 accounts are in place for subrecipients who submit electronic contract activity setups and draw requests. Additionally, there are currently over 2,000 accounts in place for property owners and managers who submit online status reports on 1,800 active properties with over

185,000 units through the Compliance Monitoring and Tracking System. Nevertheless, gaps still remain in unifying TDHCA's 15-plus programs' varying reporting requirements, report formats, and data storage methods have made performance reporting and analysis difficult. A Central Database project to consolidate many of the various databases is ongoing, but the project is not scheduled to be completed for several years.

To more clearly provide information on the geographical distribution of its resources and properties, TDHCA is working to upgrade its geographical information system abilities. Financial and staff time constraints for system design and software and data purchases have limited this effort.

D. Opportunities

Human Resources

Retention Programs

Over the last fiscal year, TDHCA has conducted numerous position classification studies to ensure that employees are compensated in line with Departmental, local, state, and national wage rates. This has been done through purchased wage surveys and Texas SAO Classification Studies to ensure that staff is classified correctly. Pay studies will continue to analyze, study, and identify areas of concern. Such studies help to ensure that employees are compensated at rates that are comparable with what they would earn elsewhere.

Internal Communications

The Department has strengthened internal efforts to ensure that communications to employees increase through the development of an agency-wide Intranet communication page called the TDHCA Electronic Water Cooler, a quarterly agency newsletter, quarterly *HR Herald* newsletter, increased division and section meetings, agency-wide communication memos as the need arises, and Departmental agency-wide communications meetings. An events planning committee has also been recently formed to help coordinate events that will work to build morale and to recognize employee achievements.

Organizational Training and Employee Development

In October of 2005, TDHCA participated in an Organizational Excellence Survey sponsored by the University of Texas. The survey helps TDHCA leadership by providing information about work force issues that impact the quality of service ultimately delivered its customers. The data provide information not only about employees' perceptions of the effectiveness of their own organization, but also about employees' satisfaction with their employer. This will help management work to address TDHCA's strengths and weaknesses as seen through the eyes of its employees. Results of this survey are described in Appendix F.

Technology

In the FY 2006-2007 biennium, the Department is undertaking three capital software development projects with the goals of better managing program and financial data, integrating and web enabling legacy systems, and improving reporting and system support capabilities. The three projects are the PeopleSoft Financials 8.8 Implementation, the Community Services/Energy Assistance Contract System, and the Section 8 Contract System, and the Department is on schedule to implement the three systems within the biennium.

A significant capital improvement need for the FY 2008-2009 biennium which would offer greater opportunities for improved customer service is a needed upgrade to the suite of systems that handle Manufactured Housing business functions. These functions support titling, installation and tracking, tax lien processing, licensing, and consumer complaint activities. Key manufactured housing systems upgrade goals are to:

- rebuild or purchase the systems on a platform and with a design that resolve current difficulties in maintaining the systems,
- web enable services such as submitting titling applications, tax liens, and notices of installations, and
- expand the use of Texas Online beyond manufactured housing license renewals to include providing customers the ability to pay for new licenses and pay titling fees online.

The internet, through the TDHCA list serve and website, continues to offer new opportunities to communicate directly with the department’s customers. A recent example of the use of new internet technology is the use of a low cost, efficient online surveying program from a company called Zoomerang. In Spring 2006, this survey instrument was used to conduct both the 2006 Customer Service Survey and the 2006 Community Needs Survey online for the first time.

Political

The Department welcomes the opportunity to engage in discussions with all members of the Texas Legislature regarding matters of affordable housing and community affairs. More specifically, the Department would like to increase the members' awareness of these matters as well as legislative district-specific information on funding totals and purposes within each district. Economic development in the state also relies heavily upon the existence and availability of affordable housing and the Department seeks to convey this idea to the Legislature. The increased dialogue between the Department and the state's policy-makers would provide more complete information for the Legislature as they deliberate on the important matters of affordable housing and community affairs.

E. Working with Federal, State, and Local Entities to Achieve Success

Because the efficiency of service provision and the capacity of available resources to create successful housing and housing-related endeavors can be greatly increased through partnerships with federal, state, regional, and local organizations, TDHCA strives to develop and maintain partnerships with a wide variety of groups.

Coordination with Federal Agencies

As discussed in detail in the “Description of Current and Anticipated Federal Activities” contained in Section VII, TDHCA works with a number of Federal organizations to allocate its funding. These organizations include HUD, DoT, DHHS, and the DoE. TDHCA works to establish effective working relationships with these organizations' personnel at both the national and regional level. In addition to ensuring that planning and oversight efforts are accomplished successfully, these partnerships leads to joint marketing of programs, cross program client referrals, and technical assistance with workshops and other training efforts.

As a provider of services to rural Texas communities, TDHCA has an ongoing relationship with USDA Rural Development. Collaborations have been achieved through several TDHCA programs (HTC, HTF, HOME) in the form of multifamily developments and single family homeownership initiatives.

Coordination with State Agencies

Below is a listing of state agencies that TDHCA works with on an ongoing basis.

- ORCA: TDHCA and ORCA have entered into an interagency contract to jointly administer the rural regional allocation of the HTC Program. TDHCA and ORCA jointly provide outreach and training to promote rural area capacity building, develop threshold requirements and scoring criteria for the rural applications, and score the applications. ORCA also participates in the site inspection of rural developments proposed under the rural allocation. TDHCA and ORCA coordinate services in seven Colonia Self-Help Centers to provide housing and technical assistance to improve the quality of life for colonia residents.
- Texas Interagency Council for the Homeless: TDHCA serves as a member of, and provides administrative support to, the Texas Interagency Council for the Homeless—a council comprised of six member state agencies.
- Texas Department of Aging and Disability Services (DADS): TDHCA, in cooperation with the DADS, the Texas Health and Human Services Commission, and local PHAs, administers a housing voucher pilot program developed by HUD, the DHHS, and the Institute on Disability at the University of New Hampshire. "Project Access" helps low income persons with disabilities transition from nursing facilities into the community by providing access to affordable housing.
- Texas State Affordable Housing Corporation (TSAHC): TDHCA has entered into a memorandum of understanding with TSAHC to share data and information in the development of the State of Texas Low Income Housing Plan and Annual Report. TSAHC also performs asset management activities, including on-site inspections and financial feasibility reviews, for TDHCA MFB properties, as well as manages the bank account for the TDHCA Texas Statewide Homebuyer Education Program.

Coordination with Local and Regional Governments and Other Organizations

In March and April of 2006, TDHCA conducted a major outreach effort to better understand local needs for specific types of funding and services. This outreach was in the form of a Community Needs Survey that was made available online to community leaders across the state. These leaders included state senators and representatives, city mayors and county judges, city managers, housing and community development departments, US Department of Agriculture regional offices, public housing authorities, councils of governments, community action agencies, and HOPWA administrative agencies.

This survey provided the respondents with opportunity to describe their community's specific housing, assistance, and community development issues. The survey findings will help determine how to most effectively use existing resources, help develop future assistance programs, and will be used as a description of local need in TDHCA planning documents. This data is particularly useful to the Department because it helps inform decisions on what activities will be particularly encouraged through the application process. For example, the survey results help determine whether or not a higher percentage of funding should be dedicated towards new versus rehab multifamily development or if more funding is needed for owner occupied rehabilitation than down payment assistance. Knowing what kind of assistance is in great demand allows set aside amounts and scoring priorities in the program rules to be adjusted accordingly.

Organizations that TDHCA continues to partner with across the state include the following.

- CHDO Capacity Building Project: TDHCA has committed to understanding the needs of CHDOs to ensure the success of single family and multifamily developments funded by TDHCA. To that end, TDHCA partnered with Training and Development Associates' Community Building Investment II Program. The program, implemented by Training and Development Associates, provides direct technical assistance, training, and/or operating grants (pass-through funds) to existing and potential CHDOs that were awarded funding under the program. TDHCA also commissioned a comprehensive plan to address technical assistance and capacity building needs of Texas CHDOs. Implementation of the plan will improve TDHCA's overall management and understanding of CHDOs, improve the capacity and performance of CHDOs, and establish effective systems to ensure long term quality housing production.
- Local Utility Companies: Partnerships with financial commitments between the Weatherization Assistance Program and Southwestern Electric Power Company, Southwestern Public Service Company, Entergy, and El Paso Electric, provide energy conservation measures to very low and extremely low income utility customers.
- NeighborWorks America. TDHCA continues to contract with NeighborWorks America to facilitate the Texas Statewide Homebuyer Education Program training. The program also collaborates with several other partners including TSAHC, JP Morgan Chase, Fannie Mae, the Texas Home of Your Own Coalition, and Texas C-BAR to implement the trainings.
- Texas Association of Realtors: In December 2004, the Department entered into a partnership with the Texas Association of Realtors and Fannie Mae to develop an educational outreach campaign to help first time homebuyers access low-cost mortgage financing.
- Texas Home of Your Own Coalition: TDHCA has partnered with the Home of Your Own Coalition, which is a nonprofit organization that assists persons with disabilities purchase homes, to set aside HOME funds to support homeownership for persons with disabilities.

- Texas Homeless Network: TDHCA collaborates with the Texas Homeless Network to build the capacity of homeless coalitions across the State of Texas, enabling them to become more effective in the communities they serve. The Department also provided funds through the network to support technical assistance workshops for the HUD Continuum of Care homeless application. The purpose of the workshops was to assist communities in creating a network of services to the homeless population.
- Texas Loan Star Program: Through a partnership between TDHCA and CitiMortgage, the Texas Loan Star Program provides financing for a market-rate, 30-year first lien mortgage loan for qualifying borrowers residing in the state of Texas. In addition, the program provides financing for closing costs up to 8 percent of the mortgage amount through a 20-year second lien mortgage loan. As little as $500 is required from the borrowers' own funds towards the transaction.

F. Access to Key Resources

Technological

Open source software will continue to have a positive impact on the Department's IT architecture. TDHCA's IS Division has made evaluation of this alternative, which is free of software licensing costs, a standard part of the process of selecting technical products to meet agency operational needs.

Community/Business Resources

There is an existing network of local service providers which represent a substantial community resource. TDHCA will continue to work closely to help support the ongoing efforts of the following types of organizations: community action agencies, community development corporations, PHAs, CHDOs, faith-based organizations, nonprofit and for-profit entities. The dedicated efforts of these organizations allow the State to make the most of limited funding.

G. Employees' Attitudes and Possibilities for Change

In October of 2005, TDHCA participated in the Survey of Organizational Excellence sponsored by the University of Texas. This survey forms the basis of the following observations concerning TDHCA's strengths and weaknesses in the eyes of its employees.

In reviewing the following sections, the following scoring categorizations are useful:

- Scores of 400 or higher indicate areas of substantial strength.
- Scores above 300 indicate employees perceive the issue more positively than negatively.
- Scores below 300 indicate employees perceive the issue more negatively than positively.
- Scores below 200 indicate areas of concern for the Department. They should receive immediate attention. No items in the TDHCA survey scored below the 200 range.

Strengths

The Department's strengths lie in the perception employees have about their Strategic, Physical Environment, Quality, External, and Availability. They are discussed below in the order of scores received, from highest to lowest.

- ***Strategic (384):*** This reflects employees' thinking about how the Department's Strategic Orientation culture responds to external influences that should a play a role in defining the mission, vision, services and products. This implies the ability of the Department to seek out and work with relevant external entities.
- ***Physical Environment (377):*** Describes the employees' perceptions of the total work atmosphere and the degree to which employees believe it is a "safe" working environment. The agency has continued to invest attention to the issues of office space, equipment, parking, and the security of the building and thus, security of the employees.

Note: The surveying effort occurred prior to the Department's move to a new building with substantially different working environment and parking situation.

- ***Quality (375):*** Describes the degree to which the quality principles, such as customer service and continuous improvement are a part of the organizational culture.
- ***External (373):*** This category looks at how information flows into the Department from external sources, and conversely, how information flows from inside the organization to external constituents. It addresses the ability of Department staff to synthesize and apply external information to work performed by the Department.
- ***Availability (369):*** This category addresses the extent to which employees feel that they know where to go to get needed information, and when they get it, that they know how to use and what to do with it

Weaknesses

Areas where TDHCA did not score as high were Fair Pay, Internal, Team Effectiveness, Supervisor Effectiveness, and Change Orientation issues as described below from lowest score to highest scores. Of these categories, only the issue of Fair Pay is perceived as a true weakness - viewed more negatively than positively by employees. The other four categories all received scores above 300 and employees view these categories as more positive than negative***.***

- ***Change Oriented (334)*****:** This category describes employees' perceptions of the Department's capability and readiness to change based on new information and ideas. It also addresses the Department's aptitude to process information timely and to act upon it effectively. Most importantly, it also examines the organization's capacity to draw upon, develop, and utilize the strengths of all in the Department for improvement.
- ***Supervisor Effectiveness (330):*** This category provides insight into the nature of supervisory relationships in the Department, including the quality of communications, leadership, thoroughness, and fairness that employees perceive exists between supervisors and them. This category helps organizational leaders determine the extent to which supervisory relationships are a positive element of the organization.

- ***Team Effectiveness (327):*** This describes employees' perceptions of the people within the Department with whom they work on a daily basis to accomplish their jobs (the work group or team). Also, it gathers data about how effective employees think their work group is as well as the extent to which the Department's environment supports cooperation among employees.
- ***Internal (326):*** This captures the flow of communication within the Department from the top down, bottom up, and across divisions. It addresses the extent to which communication exchanges are open and candid and move the Department toward goal achievement.
- ***Fair Pay (274)***: Fair Pay is a common negative perception across most, if not all, state agencies. This category addresses perceptions of the overall compensation package offered by the Department. It describes how well the compensation package "holds up" when employees compare it to similar jobs in other organizations.

Strategies for Improvement

The Department has undertaken many efforts to capitalize on the information derived from the 2005 Survey of Organizational Excellence and from prior years. Below are some of the initiatives that the Department has implemented to strengthen our weaknesses and enhance our strengths.

<u>Improving Weaknesses</u>

- Fair Pay: Over the last fiscal year, TDHCA has conducted numerous position classification studies to ensure that employees are compensated in line with Departmental, Austin, Texas, and national wage rates. This has been done through purchased wage surveys and Texas SAO Classification Studies to ensure that staff is classified correctly. Pay studies will continue to analyze, study, and identify areas of concern.
- Internal: The Department has strengthened internal efforts to ensure that communications to employees increase through the development of an agency-wide Intranet communication page called the TDHCA Electronic Water Cooler, a quarterly agency newsletter, quarterly *HR Herald* newsletter, increased division and section meetings, agency-wide communication memos as the need arises, and Departmental agency-wide communications meetings.

<u>Enhancing Strengths</u>

- TDHCA constantly works to provide a safe working environment for all employees. The Safety and Risk Management Program has been strengthened to provide a safe and risk free environment for employees. The results of the extra attention being paid to safety and risk have resulted in the agency being awarded the GOLD award for Safety last year and a near perfect inspection from the State Office of Risk Management this year. A security officer is located at the front doors of the headquarters building. Suite doors are accessible only through security access cards. The security officer's number has been placed on the agency's website and is readily accessible for all employees.

- The Department has instilled a culture of transparency, professionalism, and integrity. This requires open communications, the ability to handle and process external review, and acceptance of client suggestions.
- Efforts have been made to enhance employee skills by supporting training opportunities that enhances their knowledge in their current positions and making various classes/trainings available to staff.
- A year ago, an Internship Hiring Process standard operating procedure (SOP) was written and implemented to provide management with an additional tool to bring new talent into their program area. Using that SOP, a “grow our own” pilot program has brought interns into program divisions to through a summer rotational program.

TDHCA GOALS, OBJECTIVES, AND STRATEGIES AND THE ASSOCIATED OUTCOME, EFFICIENCY, EXPLANATORY, AND OUTPUT MEASURES

Goal 1.
To increase and preserve the availability of safe, decent, and affordable housing for very low, low, and moderate income persons and families.

Objective 1.
Make loans, grants, and incentives available to fund eligible housing activities and preserve/create single and multifamily units for very low, low, and moderate income households.

Outcome Measures
1. Percent of Households/Individuals of Very Low, Low, and Moderate Income Needing Affordable Housing That Subsequently Receive Housing or Housing-related Assistance
2. Percent of Households/Individuals of Very Low Income Needing Affordable Housing That Subsequently Receive Housing or Housing-related Assistance
3. Percent of Households/Individuals of Low Income Needing Affordable Housing That Subsequently Receive Housing or Housing-related Assistance
4. Percent of Households/Individuals of Moderate Income Needing Affordable Housing That Subsequently Receive Housing or Housing-related Assistance
5. Percent of Multifamily Rental Units Benefiting Very Low, Low and Moderate Income Households
6. Percent of Single Family Finance Division Funding for Affordable Housing Assistance that is Allocated within Established Time Frames
7. Percent of Multifamily Finance Division Funding for Affordable Housing Assistance that is Allocated within Established Time Frames

Strategy 1.
Provide federal mortgage loans, through the department's Mortgage Revenue Bond (MRB) Program, which are below the conventional market interest rates to very low, low, and moderate income homebuyers.

Efficiency Measures
1. Average Loan Amount per Household Assisted through the First Time Homebuyer Program
2. Average Loan Amount per Household Assisted through the Down Payment Assistance Program
3. Average Loan/Grant Amount per Household Assisted with New Construction Activities
4. Average Loan/Grant Amount per Household Assisted with Rehabilitation Activities

Explanatory Measures
1. Number of Households Assisted through the First Time Homebuyer Program
2. Number of Households Assisted through the Down Payment Assistance Program
3. Number of Households Assisted through New Construction Activities
4. Number of Households Assisted through Rehabilitation Activities

Output Measures
1. Number of Households Assisted with Single Family Mortgage Revenue Bond Funds

Strategy 2.
Provide federal housing loans and grants through the HOME Investment Partnership (HOME) Program for very low and low income families, focusing on the construction of single family housing in rural areas of the state through partnerships with the private sector.

Efficiency Measures
1. Average Amount per Household for New Construction Activities
2. Average Amount per Household for Rehabilitation Activities
3. Average Amount per Household Assisted with CHDO Mortgage Financing and Homebuyer Assistance Funds
4. Average Amount per Household Assisted with Non-CHDO Mortgage Financing and Homebuyer Assistance Funds
5. Average Amount per Household Receiving Tenant-based Rental Assistance

Explanatory Measures
1. Number of Households Assisted through New Construction Activities
2. Number of Households Assisted through Rehabilitation Activities
3. Number of Households Assisted through CHDO Mortgage Financing/Homebuyer Assistance
4. Number of Households Assisted through Non-CHDO Mortgage Financing/Homebuyer Assist
5. Number of Households Assisted through Tenant-based Rental Assistance

Output Measures
1. Number of Households Assisted with Single Family HOME Funds

Strategy 3.
Provide state housing loans and grants through the HTF for very low and low income households.

Efficiency Measures
1. Average Amount per Household for New Construction Activities
2. Average Amount per Household for Rehabilitation Activities

Explanatory Measures
1. Number of Households Assisted through New Construction Activities
2. Number of Households Assisted through Rehabilitation Activities

Output Measures
1. Number of Households Assisted through the Single Family HTF Program

Strategy 4.
Provide federal rental assistance through Section 8 certificates and vouchers for very low income households.

Efficiency Measures
1. Average Amount Tenant-based Rental Assistance per Household

Output Measures
1. Number of Households Assisted through Statewide Housing Assistance Payments Program

Strategy 5.
Provide federal tax credits to develop rental housing for very low and low income households.

Efficiency Measures
1. Average Amount of Credits per Household for New Construction Activities
2. Average Total Development Costs per Household for New Construction Activities
3. Average Amount of Credits per Household for Rehabilitation Activities
4. Average Total Development Costs per Household for Rehabilitation Activities

Explanatory Measures
1. Number of Households Assisted through New Construction Activities
2. Number of Households Assisted through Rehabilitation Activities

Output Measures
1. Number of Households Assisted through the HTC Program

Strategy 6.
Provide federal housing loans and grants through the HOME Investment Partnership (HOME) Program for very low and low income families, focusing on the construction of multifamily housing units in rural areas of the state through partnerships the private sector.

Efficiency Measures
1. Average Amount per Household for CHDO New Construction Activities
2. Average Total Development Costs per Household for CHDO New Construction Activities
3. Average Amount per Household for Non-CHDO New Construction Activities
4. Average Total Development Costs per Household for Non-CHDO New Construction Activities
5. Average Amount per Household for CHDO Rehabilitation/Acquisition Activities
6. Average Total Development Costs per Household for CHDO Rehabilitation/Acquisition Act
7. Average Amount per Household for Non-CHDO Rehabilitation/Acquisition Activities
8. Average Total Development Costs per Household for Non-CHDO Rehabilitation/Acquisition Activities

Explanatory Measures
1. Number of Households Assisted through CHDO New Construction Activities
2. Number of Households Assisted through Non-CHDO New Construction Activities
3. Number of Households Assisted through CHDO Rehabilitation/Acquisition Activities
4. Number of Households Assisted through Non-CHDO Rehabilitation/Acquisition Activities

Output Measures
1. Number of Households Assisted with Multifamily HOME Funds

Strategy 7.
Provide state housing loans and grants through the HTF for very low and low income households.

Efficiency Measures
1. Average Amount per Household for New Construction Activities
2. Average Total development Costs per Household for New Construction Activities
3. Average Amount per Household for Rehabilitation Activities
4. Average Total Development Costs per Household for Rehabilitation Activities

Explanatory Measures
1. Number of Households Assisted through New Construction Activities
2. Number of Households Assisted through Rehabilitation Activities

Output Measures
1. Number of Households Assisted through the Multifamily HTF Program

Strategy 8.
Provide federal mortgage loans through the department's Mortgage Revenue Bond (MRB) program for the acquisition, restoration, construction and preservation of multifamily rental units for very low, low and moderate income families.

Efficiency Measures
1. Average Amount per Household for New Construction Activities
2. Average Total Development Costs per Household for New Construction Activities
3. Average Amount per Household for Rehabilitation/Acquisition Activities
4. Average Total Development Costs per Household for Rehabilitation Activities

Explanatory Measures
1. Number of Households Assisted through New Construction Activities
2. Number of Households Assisted through Rehabilitation Activities

Output Measures
1. Number of Households Assisted through the Multifamily Mortgage Revenue Bond Program

Goal 2.
Promote improved housing conditions for extremely LI, VLI, and low income households by providing information and technical assistance.

Objective 1.
Provide information and technical assistance regarding affordable housing resources and community support services.

Outcome 1.
Percent of Short Term and Long Term Information and Technical Assistance Requests Fulfilled within Established Time Frames

Strategy 1.
Provide information and technical assistance to the public through the Center for Housing Research, Planning, and Communications.

Output Measures
1. Number of Information and Technical Assistance Requests Completed
2. Number of Short Term Information and Technical Assistance Requests Completed
3. Number of Long Term Information and Technical Assistance Requests Completed

Objective 2.
Promote and enhance homeownership opportunities along with the development of safe neighborhoods and effective community services for colonia residents and/or residents of LI, VLI, and ELI along the Texas-Mexico border.

Strategy 1.
Provide technical assistance to colonias through field offices.

Output Measures
1. Number of On-site Technical Assistance Visits Conducted Annually from the Field Offices
2. Number of Colonia Residents Receiving Technical Assistance Annually through the Colonia Field Offices
3. Number of Entities and/or Individuals Receiving Informational Resources

Goal 3.
Improve living conditions for the poor and homeless and reduce cost of home energy for very low income Texans.

Objective 1.
To ease hardships of poverty and homelessness for 16 percent of the population of very low income persons each year.

Outcome Measures
1. Percent of persons in Poverty That Received Homeless and Poverty-related Assistance
2. Percent of Emergency Shelters Assisted
3. Percent of persons Assisted That Achieve Incomes above Poverty Level

Strategy 1.
Administer homeless and poverty-related funds through a network of community action agencies and other local organizations so that poverty-related services are available to very low income persons throughout the state.

Efficiency Measures
1. Average Agency Administrative Cost per person Assisted

Explanatory Measures
1. Total Number of Emergency Shelters
2. Total Number of persons in Poverty

Output Measures
1. Number of persons Assisted through Homeless and Poverty-related Funds

2. Number of persons Assisted That Achieve Incomes above Poverty Level
3. Number of Shelters Assisted

Objective 2.
To reduce cost of home energy for 6 percent of very low income households each year at or below 125 percent of poverty

Outcome 1.
Percent of Very Low Income Households Receiving Energy Assistance

Strategy 1.
Administer state energy assistance programs by providing grants to local organizations for energy related improvements to dwellings occupied by very low income persons and general assistance to very low income households for heating and cooling expenses and energy-related emergencies.

Efficiency Measures
1. Average Cost per Household Served
2. Average Cost per Home Weatherized

Explanatory Measures
1. Number of Very Low Income Households Eligible for Energy Assistance

Output Measures
1. Number of Households Assisted through the Comprehensive Energy Assistance Program
2. Number of Dwelling Units Weatherized by the Department

Goal 4.
Ensure compliance with Department of Housing and Community Affairs federal and state program mandates.

Objective 1.
Administer and monitor housing developments and subrecipient contracts to determine compliance with federal and state program requirements.

Outcome Measures
1. Percent of Multifamily and/or Single Family Rental Properties Monitored Annually
2. Percent of Contracts Administered Annually by the PMC Division
3. Percent of Properties Monitored by the PMC Division that are in Material Non-compliance

Strategy 1.
Monitor and inspect for federal and state housing program requirements.

Efficiency Measures
1. Average Cost to Monitor a Rental Property

Explanatory Measures
1. Total Number of Developments in the Compliance Monitoring Portfolio
2. Total Number of Units Administered

Output Measures
1. Total Number of Monitoring Reviews Conducted
2. Total Number of Desk Reviews Conducted
3. Total Number of Onsite Reviews Conducted
4. Total Number of Information and Technical Assistance Requests Completed
5. Total Number of Application-related Instruments Processed

Strategy 2.
Administer and monitor federal and state subrecipient contracts for programmatic and fiscal requirements.

Efficiency Measures
1. Average Cost to Monitor a Contract

Explanatory Measures
1. Number of Contracts Administered

Output Measures
1. Total Number of Monitoring Reviews Conducted
2. Number of Single Audit Reviews Conducted
3. Total Number of Desk Reviews Conducted
4. Total Number of Onsite Reviews Conducted
5. Total Number of Information and Technical Assistance Requests Completed

Goal 5.
Protect the public by regulating the manufactured housing industry in accordance with state and federal laws.

Objective 1.
Operate a regulatory system to ensure responsive handling of Statement of Ownership and Location and license applications, inspection reports, and complaints as follows: 25 percent installation inspections; 97 percent of applications within established timeframes; and 99 percent of consumer complaint inspections within 30 calendar days of a request.

Outcome Measures
1. Percent of Applications Processed within Established Time Frames
2. Percent of Consumer Complaint Inspections Conducted within 30 Days of Request
3. Percent of Complaints Resulting in Disciplinary Action
4. Percent of Documented Complaints Resolved within Six Months
5. Recidivism Rate for Those Receiving Disciplinary Action

Strategy 1.
Provide services for Statement of Ownership and Location and licensing in a timely and efficient manner.

Efficiency Measures
1. Average Cost per Manufactured Housing Statement of Ownership and Location Issued

Explanatory Measures
1. Number of Manufactured Homes of Record in Texas

Output Measures
1. Number of Manufactured Housing Statements of Ownership and Location Issued
2. Number of Licenses Issued

Strategy 2.
Conduct inspections of manufactured homes in a timely and efficient manner.

Efficiency Measures
1. Average Cost per Inspection

Explanatory Measures
1. Number of Installation Reports Received
2. Number of Installation Inspections with Deviations

Output Measures
1. Number of Routine Installation Inspections Conducted
2. Number of Non-routine Inspections Conducted

Strategy 3.
Process consumer complaints, conduct investigations, and take administrative actions to protect general public and consumers.

Efficiency Measures
1. Average Cost per Complaint Resolved
2. Average Time for Complaint Resolution (Days)

Explanatory Measures
1. Number of Jurisdictional Complaints Received

Output Measures
1. Number of Complaints Resolved

Strategy 4.
Provide for the processing of occupational licenses, registrations, or permit fees through TexasOnline. Estimated and nontransferable.

Goal 6.
Indirect administrative and support costs.

Objective 1.
Indirect administrative and support costs.

Strategies
1. Central administration.
2. Information resource technologies.
3. Operating/support.

APPENDIX A. DESCRIPTION OF TDHCA'S PLANNING PROCESS

TDHCA's planning process involves a comprehensive approach that includes cooperation, assessment, analysis, and public input. The agency's planning process is used for activities such as developing or revising a rule, creating required state or federal reporting documents, and establishing long-term planning documents. This process centers around forming agency policies and programs on the basis of reliable data, staff expertise, and informed public input from consumers, advocates, housing providers, and legislative members.

In general, he planning process involves the following steps:

1. review of legislative and/or regulatory requirements,
2. development of a timeline,
3. data collection
4. analysis and policy development,
5. legal and executive review,
6. public comment acceptance and response
7. board review and approval (if appropriate), and
8. implementation.

The development of policy for a planning document is used as an example in the following discussion. The planning process begins with the review of the legislative and/or regulatory requirements by legal staff and the appropriate divisional staff. After the requirements are determined, divisional staff will establish a timeline for the planning process through implementation.

A focused effort is made to collect information required to develop the draft policy. Appropriate staff is consulted for their expertise and to request any required supporting TDHCA data. A round table discussion with members of the public may be held to insure that a variety of viewpoints on the relevant issues are obtained. Relevant demographic, economic, and subjective data is also typically assembled from outside sources. This data is obtained from a wide variety of appropriate sources, such as the US Census, TSDC, Real Estate Center, surveys, and interviews.

The assembled data are then analyzed and used to develop preliminary policies to address the identified need. These policies are developed to be consistent with the goals, objectives, and performance measures as outlined in the TDHCA Plan and reported to the LBB and the Governor's Office of Budget, Planning, and Policy. After the draft policy has been developed, a document is drafted to communicate it to all stakeholders. The draft is then reviewed by legal and executive staff, and is also approved by the TDHCA Board. Any outstanding issues are resolved, and the document (or a summary of the document) is published in the *Texas Register* for public comment. Announcements about the document and the public comment period are also sent out over the agency's list serve and by any legislatively required means.

While quantifying the housing needs of Texas is vital to the TDHCA planning process, it is also essential to reconcile the data with local needs to establish regional priorities. Because of this, the next phase of planning revolves around dialogue with consumers and interested parties. All data and resulting conclusions are made available to the public followed by public comment periods and public hearings.

In addition to the many special topic hearings held each year, TDHCA holds a set of 13 consolidated public hearings annually (Consolidated Hearings) to cover all aspects of the Department's services and the provision of those services. The Consolidated Hearings are held throughout the state—one per Uniform State Service Region. The hearings ensure that TDHCA customers have direct contact with agency staff. The discussion at the public hearings focus on the state's affordable housing and community service needs, agency programs, and agency policies as outlined in the draft *State of Texas Low Income Housing Plan and Annual Report* and the *State of Texas Consolidated Plan*. Approximately 293 organizations or members of the public attended the 2005 and 2006 program year Consolidated Hearings.

TDHCA strongly encourages public involvement in the agency's policy development process. In addition to public hearings, written comment is accepted by mail and email during the public comment periods. At the close of the public comment period, public input is reviewed and reasoned responses are developed. All public comment, both written comment and the hearing transcripts, is published on the agency website with the reasoned responses.

After all information is compiled, policies developed, and public comment is taken, the planning document is finalized. General agency policies are outlined in the *State of Texas Low Income Housing Plan*. Individual programs may have specific documents that govern their activities (i.e., the Qualified Allocation Plan for the HTC Program).

Where required by statute or the Board, documents are brought before the Department's Board for approval. The Department's Board meets once a month to review funding and policy recommendations and reports. All department policies are brought before the Board and are open for public comment at the meeting. The final document is posted for public review seven days before the meeting. Action is taken on the item by the Board. If approved, the policy will be implemented.

For the programs that are competitive and open to various nonprofit and for-profit entities, Department staff hold application and implementation workshops. These workshops are used to inform program customers of the services available from TDHCA, as well as train organizations on the implementation of the programs for which they have successfully applied. These workshops present the public the opportunity to address program policies.

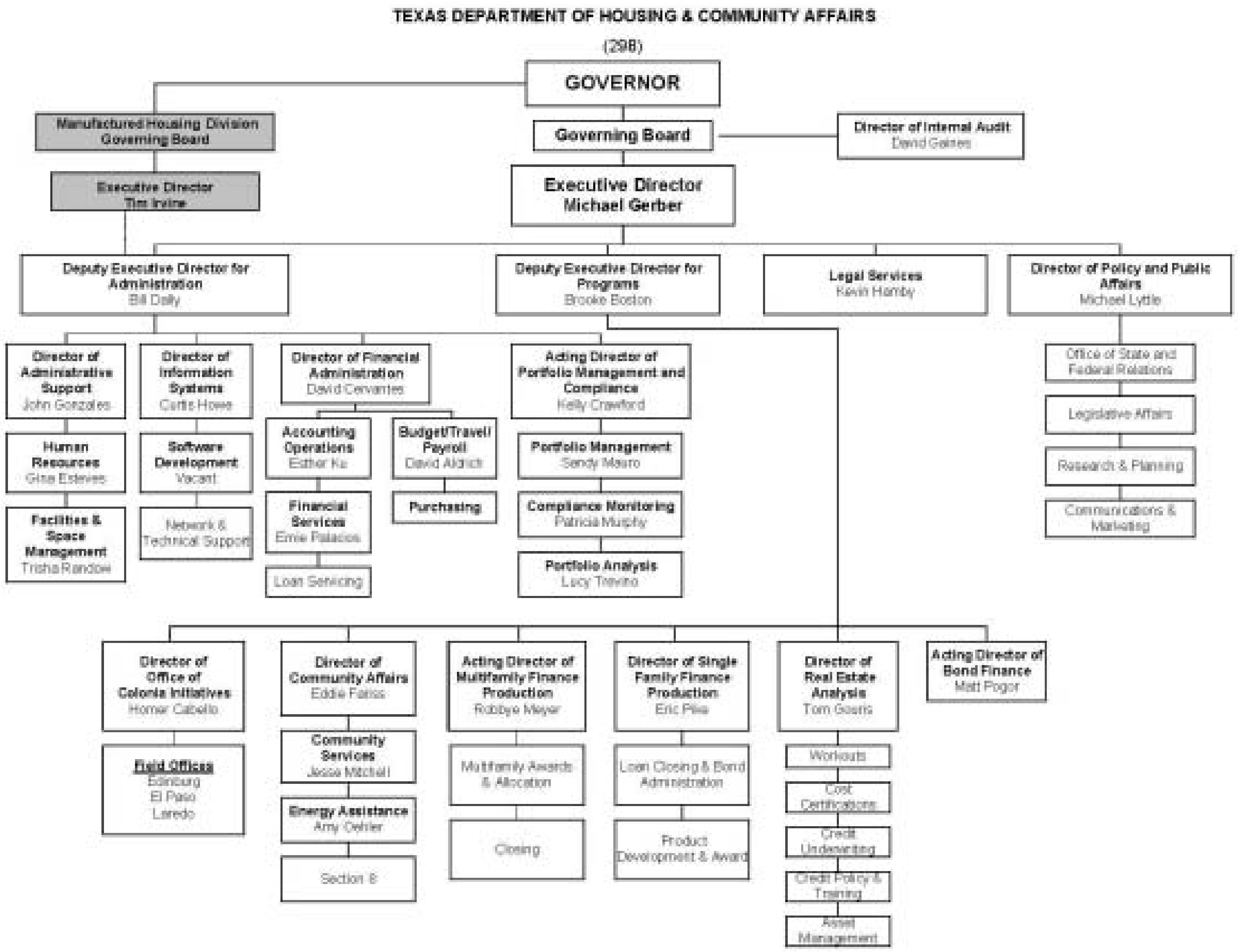
In addition to the planning process for rules, policies, and reports, TDHCA also has additional tools it uses for agency planning. One tool used is performance measurement. Performance measurement allows the agency to review its effectiveness. Agency and program effectiveness feeds into the strategic planning process by showing goals that have been met and by showing areas that need additional attention.

TDHCA also uses the Legislative Appropriations Request as a planning component. Funding by agency strategy allows the agency to express the priorities of the strategic plan in financial terms. Strategies, which are ways to accomplish key objectives, become the basic building blocks for the budgeting and expenditure of state funds. Objectives, strategies, and measures funded in the LAR relate specifically to the primary functions or areas of the agency.

Finally, TDHCA uses enterprise risk management as part of the agency's planning process. Risk management identifies and measures critical operational, strategic, and environmental risks. The process involves the following steps: identify key processes, identify risks that threaten key processes, rate severity and probability of each risk, and decide what internal controls can be used to avoid/reduce risk. The results of this assessment are then used to implement risk mitigation. This activity is an important component of strategic planning because it helps to clarify the agency's key processes and ensure that they are successfully maintained.

TDHCA continues to work toward a comprehensive approach to planning, focusing on its missions, goals, and objectives, and establishing meaningful performance measures to report its progress toward those goals and objectives.

APPENDIX B. CURRENT ORGANIZATIONAL CHART



APPENDIX C. FIVE-YEAR PROJECTIONS FOR OUTCOMES

Key Outcome Measures are shown in bold.

1 Increase Availability of Safe/Decent/Affordable Housing	2006	2007	2008	2009	2010	2011
1 Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing						
% of Households/Individuals of Very Low, Low, and Moderate Income Needing Affordable Housing that Subsequently Receive Housing or Housing-Related Assistance	0.98%	1.06%	1.07%	1.12%	1.18%	1.24%
% of Households/Individuals of Very Low Income Needing Affordable Housing that Subsequently Receive Housing or Housing-Related Assistance	0.26%	0.29%	0.26%	0.26%	0.26%	0.27%
% of Households/Individuals of Low Income Needing Affordable Housing that Subsequently Receive Housing or Housing-Related Assistance	3.51%	3.76%	3.90%	4.13%	4.37%	4.63%
% of Households/Individuals of Moderate Income Needing Affordable Housing that Subsequently Receive Housing or Housing-Related Assistance	0.07%	0.09%	0.07%	0.07%	0.07%	0.07%
% of Multi-family Rental Units Benefiting Very Low, Low and Moderate Income Households	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
% of Single Family Finance Division Funding for Affordable Housing Assistance that Is Allocated Within Established Time Frames	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
% of Multifamily Finance Division Funding for Affordable Housing Assistance that Is Allocated Within Established Time Frames	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
2 Provide Information and Technical Assistance						
1 Provide Info & Technical Assistance for Housing and Community Services						
% of Short Term and Long Term Information and Technical Assistance Requests Fulfilled Within Established Time Frames	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
3 Improve Poor/Homeless Living Conditions & Reduce VLI Energy Costs						
1 Ease Hardships for 16% of Homeless & Very Low Income Persons Each Year						
% of Persons in Poverty that Received Homeless and Poverty-related Assistance	11.10 %	12.32 %	12.28	12.28	12.28	12.28
% of Emergency Shelters Assisted	8.20%	7.90%	7.80%	7.80%	7.80%	7.80%
% of Persons Assisted that Achieve Incomes above Poverty Level	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%
2 Reduce Cost of Home Energy for 6% of Very Low Income Households						
% of Very Low Income Households Receiving Energy Assistance	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
4 Ensure Compliance with Program Mandates						
1 Monitor Developments and Subrecipient Contracts for Compliance						
% of Multifamily and/or Single Family Rental Properties Monitored Annually	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
% of Contracts Administered Annually by the PMC Division	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
% of Properties Monitored by the PMC Division that Are in Material Non-compliance	10.00 %	10.00 %	10.00 %	10.00 %	10.00 %	10.00 %

5 Regulate Manufactured Housing Industry	2006	2007	2008	2009	2010	2011
1 Operate a Regulatory System Ensure Responsive SOL/Licensing/Other						
% of Applications Processed within Established Time Frames	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
% of Consumer Complaint Inspections Conducted within 30 Days of Request	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
% of Complaints Resulting in Disciplinary Action	15.00 %	15.00 %	15.00 %	15.00 %	15.00 %	15.00 %
% of Documented Complaints Resolved within Six Months	75.00 %	75.00 %	75.00 %	75.00 %	75.00 %	75.00 %
Recidivism Rate for those Receiving Disciplinary Action	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%

APPENDIX D. LIST OF MEASURE DEFINITIONS

OUTCOME MEASURE DEFINITIONS

1.1.1 Outcome

Definition: The percentage of households/individuals of very low, low, and moderate income that need housing and subsequently receive housing or housing related assistance represents services provided by the Housing Trust program, the HOME program, the Section 8 program, the HTC program, the Single Family Bond program, and the MFB program.

Data Limitations: The Department contracts with local entities to administer it's various housing programs. The intake, eligibility review and actual service is provided at the local level. The reporting of households served is provided by the contracted entity. Reported performance is considered reliable.

Data Source: The number of households served is maintained by each housing program and reported quarterly. Data is entered by staff and maintained in the agency's computer system.

Methodology: The percent of households assisted is based on: (numerator) an actual count of households/individuals using TDHCA's housing programs and (denominator) the most recent census data of Texans who need affordable housing.

Purpose: This measure addresses the extent to which services are provided by all housing programs and calculates the level of service compared to the need. This measure is important because it identifies the total population in need and of that population identifies how many households/individuals the housing programs were able to serve.

1.1.2 Outcome

Definition: The percentage of very low income households receiving housing assistance represents services provided by the Housing Trust program, the HOME program, the Section 8 program, the HTC program, the Single Family Bond program, and the MFB program.

Data Limitations: The Department contracts with local entities to administer it's various housing programs. The intake, eligibility review and actual service is provided at the local level. The reporting of households served is provided by the contracted entity. Reported performance is considered reliable.

Data Source: The number of very low income households served is maintained by each housing program and reported quarterly. Data is entered by staff and maintained in the agency's computer system.

Methodology: The percent of households of very low income served with housing or housing related assistance is based on: (numerator) an actual count of households/individuals using TDHCA's housing programs and (denominator) the most recent census data of very low income Texans who need affordable housing.

Purpose: The measure addresses the extent to which services are provided by all housing programs for very low income and calculates the level of service provided to the very low income population.

1.1.3 Outcome

Definition: The percentage of low income households receiving housing assistance represents services provided by the Housing Trust program, the HOME program, the Section 8 program, the HTC program, the Single Family Bond program, and the MFB program.

Data Limitations: The Department contracts with local entities to administer it's various housing programs. The intake, eligibility review and actual service is provided at the local level. The reporting of households served is provided by the contracted entity. Reported performance is considered reliable.

Data Source: The number of low income households served is maintained by each housing program and reported quarterly. Data is entered by staff and maintained in the agency's computer system.

Methodology: The percent of households of low income served with housing or housing related assistance is based on: (numerator) an actual count of households/individuals using TDHCA's housing programs and (denominator) the most recent census data of low income Texans who need affordable housing.

Purpose: The measure addresses the extent to which services are provided by all housing programs for low income and calculates the level of service provided to the low income population. This measure is important because it identifies, of the number of low income, how many low income households/individuals the housing programs were able to serve.

1.1.4 Outcome

Definition: The percentage of moderate income households receiving housing assistance represents services provided by the Single Family Bond program.

Data Limitations: The Department contracts with a Master Servicer to maintain data of households served. The intake, eligibility review and actual service is provided at the local level. The reporting of households served is provided by the Master Servicer. Reported performance is considered reliable.

Data Source: The number of moderate income households served is maintained by the Single Family Bond program and reported quarterly. Data is provided by the Master Servicer, entered by staff and maintained in the agency's computer system.

Methodology: The percent of households of moderate income served with housing or housing related assistance is based on: (numerator) an actual count of moderate income households/individuals using TDHCA's housing programs and (denominator) the most recent census data of moderate income Texans who need affordable housing.

Purpose: The measure addresses the extent to which services are provided by the Single Family Bond program, which is the only housing program serving the moderate income population. This measure is important because it identifies, of the number of moderate income, how many moderate income households/individuals the Single Family Bond program was able to serve.

1.1.5 Outcome

Definition: Under the multifamily bond programs, developers/borrowers can designate either 20% of the units in each property at 50% area median family income or 40% of the units at

60% area median family income. It is not possible to determine on a projection basis the overall percentage of units within these categories that will be financed in a given year.
Data Limitations: The number of units available for very low and low income households is reported by the project developer. Performance depends on the allocation of volume cap by state lottery conducted by the Texas Bond Review Board.
Data Source: The number of very low and low income households served is maintained by the MFB program and reported quarterly. Data is entered by staff and maintained in the agency's computer system.
Methodology: To calculate the percentage of units financed at the end of the year for any category, divide the number of total units within each category by the number of total units financed.
Purpose: The measure addresses the number of units in a development that have been designated for very low and low income families. This measure is important because it measures how effectively the MFB program has been in providing rental units to very low and low income households/individuals.

1.1.6 Outcome
Definition: This measure tracks the percentage of funds allocated by the single family finance division within established time frames.
Data Limitations: No limitations.
Data Source: The allocation of funds is tracked by the division for each separate program. Data is entered by staff and maintained in the agency's computer system.
Methodology: The percent of funds allocated on time will be based on (numerator) total funds to be allocated by the deadline established for each program and (denominator) the total amount of funds allocated.
Purpose: To ensure that the agency is distributing housing funds from several sources in a timely manner.

1.1.7 Outcome
Definition: This measure that tracks the percentage of funds allocated by the multifamily finance division within established time frames.
Data Limitations: No limitations
Data Source: The allocation of funds is tracked by the division for each separate program. Data is entered by staff and maintained in the agency's computer system.
Methodology: The percent of funds allocated on time will be based on (numerator) total funds allocated by the deadline established for each program and (denominator) the total amount of funds allocated.
Purpose: To ensure that the agency is distributing housing funds from several sources in a timely manner.

2.1.1 Outcome
Definition: This measure tracks the percentage of information and technical assistance requests completed within established time frames by the Center for Housing Research, Planning, and Communications.

Data Limitations: No limitations
Data Source: The receipt and response to requests is tracked by the division. Data is entered by staff and maintained in the agency's computer system.
Methodology: The percent of requests completed on time will be based on (numerator) total requests completed by the deadline established and (denominator) the total amount of requests completed.
Purpose: To ensure that the Department is responding to consumer information and technical assistance requests in a timely manner.

3.1.1 Outcome
Definition: The percentage of very low income persons (persons at or below 125% of poverty) receiving assistance divided by the total number of persons at or below 125% of poverty in Texas. Information on the number of persons assisted is submitted to the Department by subrecipients.
Data Limitations: No limitations of data.
Data Source: The percent of very low income persons (at or below 125% of poverty) that received assistance through all Community Services programs as reported in the monthly performance reports submitted to the Department by subrecipients. Subrecipients track the data manually on a daily basis and submit it to the Department in a monthly performance report.
Methodology: Based on the monthly performance reports submitted by subrecipients, the Department determines the percent of very low income persons served by dividing the total number of low income persons (at or below 125% of poverty) by the total number of persons at or below 125% of poverty in Texas: 4,172,890 as per 2000 US Census. Monthly performance information is entered in the Department's database and maintained by the Department.
Purpose: The measure identifies the percent of the very low income population (persons at or below 125% of poverty) assisted by Community Services programs. This measure is important because it identifies the impact Community Services programs have had on the target population.

3.1.2 Outcome
Definition: The percent of emergency shelters assisted is based on the number of shelters/service providers assisted through ESGP funds during the fiscal year. Each project funded through ESGP subrecipients is counted as a shelter assisted.
Data Limitations: No limitations of data.
Data Source: The total number of shelters is determined by counting the number of shelters/services providers included in the ESGP mailing list maintained by the Community Services section. The Department counts each project funded through ESGP subrecipients as a shelter assisted. The Department tracks this information from contract records.
Methodology: The percent of emergency shelters assisted is based on the number of shelters/service providers assisted through ESGP funds during the fiscal year divided by the number of homeless shelters/service providers that exist in Texas.

Purpose: The measure identifies the percent of all homeless shelters/service providers in Texas that receive assistance in a fiscal year. This measure is important because it indicates how effective the program has been in providing assistance to emergency shelters in the State.

3.1.3 Outcome

Definition: The percent of persons assisted in the CSBG program that achieve incomes above 125% of poverty is the number of persons assisted that achieve incomes above 125% of poverty, and maintain that income level for a minimum of 90 days, divided by the total number of persons at or below 125% of poverty in Texas.

Data Limitations: No limitations.

Data Source: Subrecipients report this information in their monthly performance report The data is entered on the Department's database and maintained by the Department.

Methodology: The percentage of very low income persons (persons at or below 125% of poverty) maintaining that level of income for a minimum of 90 days divided by the total number of persons at or below 125% of poverty in Texas (4,172,890). Information on the number of persons assisted is submitted to the Department by subrecipients.

Purpose: Subrecipients are required to track the number of persons assisted that achieve incomes above 125% of poverty as a result of efforts by the subrecipients.

3.2.1 Outcome

Definition: The percentage of very low income households receiving energy assistance represents all Energy Assistance programs. Information on the number of households assisted is submitted to the Department by subrecipients.

Data Limitations: No limitations of data.

Data Source: The percent of very low income households that received energy assistance through all Energy Assistance programs is based on data reported in the Monthly Funding Financial Performance Reports and the Progress Expenditure/Monthly Fund Request Reports. According to the publication entitled "LIHEAP Home Energy Notebook for Fiscal Year 2001", issued April 7, 2003 to LIHEAP grantees by the Office of Community Services of the US Department of Health and Human Services, the number of income-eligible households for Texas is 1,324,059.

Methodology: The data is entered in an automated system and maintained by the Department. The percent of very low income households receiving energy assistance is calculated by dividing the number of very low income households receiving CEAP or WAP assistance by the most current census data representing the number of households at or below 125% of poverty in Texas (1,324,059 income-eligible households).

Purpose: The measure identifies the percent of the very low income population assisted by Energy Assistance programs. This measure indicates how effectively the Department has provided energy related services to the target population and the impact of the programs statewide.

4.1.1 Outcome
Definition: Measure represents the percentage of HTC (HTC), Affordable Housing Disposition, HOME, Tax-Exempt Bond, HTF, and other affordable housing rental projects monitored annually through on-site, in-depth, or desk reviews of tenant files. Onsite reviews also include a property and unit inspection.
Data Limitations: No limitations of data.
Data Source: Projects are monitored through on-site, in-depth, or desk reviews. Data is gathered from Departmental databases.
Methodology: The percent is derived by dividing the actual number of rental projects monitored by the total number of rental projects required to be monitored in the TDHCA Compliance portfolio.
Purpose: The Compliance section was formed to address long term compliance responsibilities of the various housing programs administered by TDHCA. The measure is important because it identifies the percent of projects monitored. Each program dictates the frequency and type of monitoring.

4.1.2 Outcome
Definition: The percent of contracts administered by PMC. Administration means ongoing contract administration activities and/or compliance monitoring reviews.
Data Limitations: No limitations
Data Source: Contracts are tracked through Department databases.
Methodology: The percent is derived by dividing the actual number of contracts administered by the number of contracts required to be administered in the contract portfolio.
Purpose: This measure identifies the percentage of contracts administered by PMC.

4.1.3 Outcome
Definition: Measure represents the percentage of HTC (HTC), Affordable Housing Disposition, HOME, Tax-Exempt Bond, HTF, and other affordable housing rental developments monitored that are determined to be in material non-compliance. Material non-compliance is identified through on-site monitoring reviews and in-depth desk reviews.
Data Limitations: No limitations.
Data Source: Information is tracked in Departmental databases.
Methodology: The percent is derived by dividing the total number of rental developments in material non-compliance by the number of rental developments monitored.
Purpose: This measure will report the developments that are in "material non-compliance" status.

5.1.1 Outcome
Definition: The percentage of Statement of Ownership & Location (SOL) and License applications processed within established time frames as opposed to those that are not.
Data Limitations: No limitations of data.

Data Source: Both the Statement of Ownership & Location and Licensing functional areas of the Manufactured Housing Division review a random selection of 25 or more applications (per month) within a reporting period.
Methodology: To obtain the percentage, divide the number of applications that are processed within the required time frame by the total number reviewed by random selection. The percentage is attained by combining the results of the SOL and Licensing functional areas. Information is manually prepared.
Purpose: Applications are processed within established time frames. The time frame for SOL applications is 10 working days; the time frame for Licensing applications is 7 working days. The importance is to measure the ability of the agency to process applications in a timely manner.

5.1.2 Outcome
Definition: The percentage of consumer complaint inspections conducted within 30 days is based on the number of consumer and industry requested inspections completed within 30 calendar days from the date that an inspection is requested.
Data Limitations: No limitations of data.
Data Source: Information is maintained in the Consumer Complaint Tracking System (CCTS).
Methodology: To obtain the percentage, divide the total number of inspections conducted within the required 30 calendar days by the total number of required inspections conducted within the reporting period.
Purpose: Consumer complaints must be addressed as required by the Act. The importance is to measure the ability of the agency to conduct consumer complaint inspections in a timely manner and to comply with the requirements set forth in the Act.

5.1.3 Outcome
Definition: The percentage of complaints that result in disciplinary action, including agreed orders, reprimands, warnings, suspensions, probation, revocation, restitution and/or penalties on which the board or executive director has acted when violations cannot be resolved informally.
Data Limitations: No limitations of data.
Data Source: Information is maintained in the Consumer Complaint Tracking System (CCTS).
Methodology: To obtain the percentage, divide the number of closed complaints with a disciplinary action by the total number of jurisdictional complaints closed.
Purpose: Efforts are made to informally resolve complaints. Violations of manufactured housing standards that cannot be resolved result in disciplinary actions. It is important that the consumers and the manufactured housing industry have an expectation that the agency will ensure fair and effective enforcement of the Act.

5.1.4 Outcome
Definition: The percentage of complaints resolved within a period of 6 months (183 days) or less from the date of receipt as opposed to complaints which take longer than six months to resolve.
Data Limitations: No limitations of data.
Data Source: Information is maintained in the Consumer Complaint Tracking System (CCTS).
Methodology: The number of jurisdictional complaints resolved within a period of six months (183 days) or less from the date of receipt divided by the total number of jurisdictional complaints resolved.
Purpose: Of the number of complaints resolved, the measure identifies those complaints that have been resolved within six months. It is important to ensure the timely enforcement of the Act, which is an agency goal.

5.1.5 Outcome
Definition: The recidivism rate for those receiving disciplinary action is the percentage of offenders who were repeat offenders during the most recent three-year period. A repeat offender is an individual or license holder with two or more disciplinary actions taken by the executive director or board within the current and preceding two fiscal years.
Data Limitations: No limitations of data.
Data Source: Information is maintained in the Consumer Complaint Tracking System (CCTS).
Methodology: To obtain the percentage, calculate the number of individuals or license holders against whom two or more disciplinary actions were taken by the executive director or board within the current and preceding two fiscal years divided by the total number of individuals or license holders receiving disciplinary actions within the current and preceding two fiscal years.
Purpose: The measure is intended to show how effectively the agency enforces its regulatory requirements and prohibitions. It is important that the agency enforce its act and rules strictly enough to ensure that consumers are protected from unsafe, incompetent and unethical practices by the license holder.

OUTCOME, EFFICIENCY, AND EXPLANATORY MEASURE DEFINITIONS

1.1.1.1 Efficiency
Definition: A measure that tracks the projected number of households assisted through the First Time Homebuyer Program.
Data Limitations: No limitations
Data Source: The number of households is tracked by the division. Data is entered by staff and maintained in the agency's computer system.
Methodology: The number will be a count of loans funded through the First Time Homebuyer Program.
Purpose: To track the amount of units financed through the First Time Homebuyer Program.

1.1.1.2 Efficiency
Definition: A measure that tracks the average loan amount per household assisted through the First Time Homebuyer Program.
Data Limitations: No limitations
Data Source: The number and amounts of the loans are tracked by the division. Data is entered by staff and maintained in the agency's computer system.
Methodology: The total dollar amount of financing will be summed and divided by the projected number of households assisted through the First Time Homebuyer Program.
Purpose: This measure identifies the costs associated with financing affordable housing and measures the efficiency of the First Time Homebuyer Program.

1.1.1.3 Efficiency
Definition: A measure that tracks the average amount of loans/grants for new construction utilizing single family bond funds.
Data Limitations: No limitations
Data Source: The numbers and amounts of the loans/grants are tracked by the division. Data is entered by staff and maintained in the agency's computer system.
Methodology: The total dollar amount of loans/grants for new construction utilizing single family bond funds will be summed and divided by the projected number of households assisted through new construction utilizing single family bond funds.
Purpose: This measure identifies the costs associated with new construction utilizing single family bond funds.

1.1.1.4 Efficiency
Definition: A measure that tracks the average amount of loans/grants for rehabilitation utilizing single family bond funds.
Data Limitations: No limitations
Data Source: The numbers and amounts of the loans/grants are tracked by the division. Data is entered by staff and maintained in the agency's computer system.
Methodology: The total dollar amount of loans/grants for rehabilitation utilizing single family bond funds will be summed and divided by the projected number of households assisted through rehabilitation utilizing single family bond funds.
Purpose: This measure identifies the costs associated with rehabilitation utilizing single family bond funds.

1.1.1.1 Explanatory
Definition: A measure that tracks the projected number of households assisted through the First Time Homebuyer Program.
Data Limitations: No Limitations
Data Source: The number of households is tracked by the division. Data is entered by staff and maintained in the agency's computer system.
Methodology: The number will be a count of loans funded through the First Time Homebuyer Program.
Purpose: To track the amount of units financed through the First Time Homebuyer Program.

1.1.1.2 Explanatory
Definition: A measure that tracks the projected number of households assisted through the Down Payment Assistance Program.
Data Limitations: No limitations
Data Source: The number of households is tracked by the division. Data is entered by staff and maintained in the agency's computer system.
Methodology: The number will be a count of households assisted through the Down Payment Assistance Program. Performance is measured when loans are funded.
Purpose: To track the amount of units assisted through the Down Payment Assistance Program.

1.1.1.3 Explanatory
Definition: A measure that tracks the projected number of households assisted utilizing single family bond program funds for new construction.
Data Limitations: No limitations
Data Source: The number of households is tracked by the division. Data is entered by staff and maintained in the agency's computer system.
Methodology: The number will be a count of projected households assisted through new construction utilizing single family bond funds. Performance is measured when loans are funded.
Purpose: To track the amount of households assisted through new construction activities utilizing single family bond funds.

1.1.1.4 Explanatory
Definition: A measure that tracks the projected number of households assisted through rehabilitation utilizing single family bond funds.
Data Limitations: No limitations
Data Source: The number of households is tracked by the division. Data is entered by staff and maintained in the agency's computer system.
Methodology: The number will be a count of projected households assisted through rehabilitation utilizing single family bond funds. Performance is measured when loans are funded.
Purpose: To track the number of households assisted through rehabilitation activities utilizing single family bond funds.

1.1.1.1 Output
Definition: A measure that tracks the projected number of households assisted with single family mortgage revenue bond funds.
Data Limitations: No limitations
Data Source: The number of households is tracked by the division. Data is entered by staff and maintained in the agency's computer system.
Methodology: The number will be a count of projected households assisted through the single family bond funds. Performance is measured when loans are funded.

Purpose: To track the total number of households assisted with single family mortgage revenue bond funds.

1.1.2.1 Efficiency
Definition: A measure that tracks the average amount per unit of single family HOME grants for new construction.
Data Limitations: No limitations
Data Source: The number and amounts of the grants are tracked by the division. Data is entered by staff and maintained in the agency's computer system.
Methodology: The total dollar amount of new construction activities utilizing HOME funds will be totaled and divided by the projected number of units assisted through new construction utilizing HOME funds.
Purpose: This measure identifies the costs associated with new construction activities utilizing HOME funds.

1.1.2.2 Efficiency
Definition: A measure that tracks the average amount per household of loans/grants for rehabilitation utilizing single family HOME funds.
Data Limitations: No limitations
Data Source: The numbers and amounts of the loans/grants are tracked by the division. Data is entered by staff and maintained in the agency's computer system.
Methodology: The total dollar amount of rehabilitation utilizing HOME funds will be summed and divided by the projected number of households assisted through rehabilitation utilizing HOME funds.
Purpose: This measure identifies the costs associated with rehabilitation utilizing HOME funds.

1.1.2.3 Efficiency
Definition: A measure that tracks the average amount per household of mortgage financing and homebuyer assistance grants utilizing single family HOME CHDO funds.
Data Limitations: No limitations
Data Source: The amounts of the financing and grants and number of units are tracked by the division. Data is entered by staff and maintained in the agency's computer system.
Methodology: The total dollar amount of mortgage financing and homebuyer assistance funds awarded utilizing HOME CHDO funds will be summed and divided by the projected number of units assisted through financing and homebuyer assistance activities.
Purpose: This measure identifies the costs associated with financing affordable housing utilizing HOME CHDO funds.

1.1.2.4 Efficiency
Definition: A measure that tracks the average amount per household of homebuyer assistance loans and/or grants utilizing single family HOME non-CHDO funds.
Data Limitations: No limitations

Data Source: The number and amounts of the loans/grants are tracked by the division. Data is entered by staff and maintained in the agency's computer system.
Methodology: The total dollar amount of homebuyer assistance loans/grants utilizing HOME non-CHDO funds will be summed and divided by the projected number of households assisted through homebuyer assistance activities.
Purpose: This measure identifies the costs associated with financing affordable housing and measures the efficiency of allocating HOME non-CHDO funds.

1.1.2.5 Efficiency
Definition: A measure that tracks the average amount per household of tenant based rental assistance utilizing HOME funds.
Data Limitations: No limitations
Data Source: The numbers and amounts are tracked by the division. Data is entered by staff and maintained in the agency's computer system.
Methodology: The total dollar amount of tenant based rental assistance utilizing HOME funds will be summed and divided by the projected number of households assisted through tenant based rental assistance utilizing HOME funds.
Purpose: This measure identifies the costs associated with tenant based rental assistance utilizing HOME funds.

1.1.2.1 Explanatory
Definition: A measure that tracks the projected number of households assisted utilizing single family HOME funds for new construction.
Data Limitations: No limitations
Data Source: The number of households is tracked by the division. Data is entered by staff and maintained in the agency's computer system.
Methodology: The number will be a count of projected households assisted utilizing HOME funds for new construction. Performance is measured when contracts are awarded.
Purpose: To track the number of households assisted utilizing HOME funds for new construction.

1.1.2.2 Explanatory
Definition: A measure that tracks the projected number of households assisted through single family HOME funds for rehabilitation.
Data Limitations: No limitations
Data Source: The number of households is tracked by the division. Data is entered by staff and maintained in the agency's computer system.
Methodology: The number will be a count of projected households assisted through HOME funds for rehabilitation. Performance is measured when contracts are awarded or loans are funded.
Purpose: To track the number of households assisted through HOME funds for rehabilitation.

1.1.2.3 Explanatory
Definition: A measure that tracks the projected number of households assisted through single family HOME CHDO funds for mortgage financing and homebuyer assistance.
Data Limitations: No limitations
Data Source: The number of households is tracked by the division. Data is entered by staff and maintained in the agency's computer system.
Methodology: The number will be a count of projected households assisted through HOME CHDO funds for mortgage financing and homebuyer assistance. Performance is measured when contracts are awarded.
Purpose: To track the number of households assisted through HOME CHDO funds for mortgage financing and homebuyer assistance.

1.1.2.4 Explanatory
Definition: A measure that tracks the projected number of households assisted through single family HOME non-Community Development Housing Organization (non-CHDO) funds for homebuyer assistance.
Data Limitations: No limitations
Data Source: The number of households is tracked by the division. Data is entered by staff and maintained in the agency's computer system.
Methodology: The number will be a count of projected households assisted through HOME non-CHDO funds for financing and homebuyer assistance. Performance is measured when contracts are awarded.
Purpose: To track the number of households assisted through HOME non-CHDO funds for homebuyer assistance.

1.1.2.5 Explanatory
Definition: A measure that tracks the projected number of households assisted through HOME tenant based rental assistance.
Data Limitations: No limitations
Data Source: The number of households is tracked by the division. Data is entered by staff and maintained in the agency's computer system.
Methodology: The number will be a count of projected households assisted through HOME tenant based rental assistance. Performance is measured when contracts are awarded.
Purpose: To track the number of households assisted through HOME tenant based rental assistance.

1.1.2.1 Output
Definition: A measure that tracks the projected number of households assisted through HOME funds in the single family finance division.
Data Limitations: No limitations
Data Source: The number of households is tracked by the division. Data is entered by staff and maintained in the agency's computer system.
Methodology: The number will be a count of projected households assisted through HOME funds. Performance is measured when contracts are awarded.

Purpose: To track the amount of households assisted through single family HOME funds.

1.1.3.1 Efficiency
Definition: A measure that tracks the average amount per unit of loans/grants for new construction utilizing the HTF.
Data Limitations: No limitations
Data Source: The numbers and amounts of the loans/grants are tracked by the division. Data is entered by staff and maintained in the agency's computer system.
Methodology: The total dollar amount of loans/grants for new construction utilizing the HTF will be summed and divided by the projected number of households assisted through new construction utilizing the HTF.
Purpose: This measure identifies the costs associated with new construction utilizing the HTF.

1.1.3.2 Efficiency
Definition: A measure that tracks the average amount per unit of loans/grants for rehabilitation utilizing the HTF.
Data Limitations: No limitations
Data Source: The numbers and amounts of the loans/grants are tracked by the division. Data is entered by staff and maintained in the agency's computer system.
Methodology: The total dollar amount of loans/grants for rehabilitation utilizing the HTF will be summed and divided by the projected number of households assisted through rehabilitation utilizing the HTF.
Purpose: This measure identifies the costs associated with rehabilitation utilizing the HTF.

1.1.3.1 Explanatory
Definition: A measure that tracks the projected number of households assisted through new construction utilizing the HTF.
Data Limitations: No limitations
Data Source: The number of households is tracked by the division. Data is entered by staff and maintained in the agency's computer system.
Methodology: The number will be a count of projected households assisted through new construction utilizing the HTF. Performance is measured when loans are funded.
Purpose: To track the number of households assisted through new construction utilizing the HTF.

1.1.3.2 Explanatory
Definition: A measure that tracks the projected number of households assisted through rehabilitation utilizing the HTF.
Data Limitations: No limitations
Data Source: The number of households is tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Methodology: The number will be a count of projected households assisted through rehabilitation utilizing the HTF. Performance is measured when loans are funded.
Purpose: To track the number of households assisted through rehabilitation utilizing the HTF.

1.1.3.1 Output
Definition: A measure that tracks the projected number of households assisted through the HTF in the single family finance division.
Data Limitations: No limitations
Data Source: The number of households is tracked by the division. Data is entered by staff and maintained in the agency's computer system.
Methodology: The number will be a count of projected households assisted through HTF funds. Performance is measured when loans are funded.
Purpose: To track the amount of households assisted through single family HTF funds.

1.1.4.1 Efficiency
Definition: The average cost per household served represents an average of the local operators payments and TDHCA administrative expenditures.
Data Limitations: No limitations
Data Source: Expenditures are tracked through the Department's financial automated system.
Methodology: The average cost per household served is the sum of local operators payments and TDHCA administrative expenditures divided by the total number of contracts executed and managed, i.e., total new and renewed contracts added to the number of contracts in place September 1.
Purpose: The measure identifies the efficiency in costs to provide Section 8 services to a very low income household.

1.1.4.1 Output
Definition: The number of very low income households receiving rent supplements represents the total number of households participating in the Section 8 certificate program and the Housing Choice Voucher program.
Data Limitations: No limitations
Data Source: The number of households is tracked by the division. Data is entered by staff and maintained in the agency's computer system.
Methodology: The number will be a count of projected households assisted through Section 8 tenant based rental assistance. The performance figure reported for the first quarter represents the total number of households receiving Section 8 assistance as of September 1. Subsequent quarters report only new contracts executed for the reporting period.
Purpose: To track the amount of households assisted through Section 8 tenant based rental assistance.

1.1.5.1 Efficiency

Definition: A measure that tracks the projected average amount of credits per low income unit of new construction utilizing the HTC program.
Data Limitations: Federal regulations establish the amount of tax credits available.
Data Source: The projected number of low income units and amount of credits for new construction is tracked by the division. Data is entered by staff and maintained in the agency's computer system.
Methodology: The total credits for new construction will be summed and divided by the projected number of new construction low income units assisted through the Tax Credit Program.
Purpose: This measure identifies the subsidy associated with developing affordable housing units and measures the efficiency of allocating tax credits.

1.1.5.2 Efficiency
Definition: A measure that tracks the average total development costs per unit of new construction utilizing the HTC program.
Data Limitations: Information is based on preliminary estimates by the applicants.
Data Source: The projected total number of units in the development and total development costs for new construction is tracked by the division. Data is entered by staff and maintained in the agency's computer system.
Methodology: The total development costs of new construction utilizing HTCs will be summed and divided by the projected number of total new construction units.
Purpose: This measure identifies the total development costs associated with developing affordable housing units. Although useful to track, this measure is outside of the Department's control.

1.1.5.3 Efficiency
Definition: A measure that tracks the projected average amount of credits per rehabilitated and acquired low income unit utilizing HTCs.
Data Limitations: Federal regulations establish the amount of tax credits available.
Data Source: The projected number of low income units and amount of credits for rehabilitation and acquisition is tracked by the division. Data is entered by staff and maintained in the agency's computer system.
Methodology: The total credits for rehabilitation and acquisition will be summed and divided by the projected number of Tax Credit rehabilitation and acquisition low income units.
Purpose: This measure identifies the subsidy associated with rehabilitating and acquiring affordable housing and measures the efficiency of allocating tax credits.

1.1.5.4 Efficiency
Definition: A measure that tracks the average total development costs per rehabilitated and acquired unit utilizing HTCs.
Data Limitations: Information is based on preliminary estimates by the applicants.
Data Source: The total development costs and the projected total number of units in the development is tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Methodology: The total development costs for rehabilitation and acquisition through the HTC program will be summed and divided by the projected total number of rehabilitation and acquisition units.
Purpose: This measure identifies the total development costs associated with rehabilitating and acquiring affordable housing.

1.1.5.1 Explanatory
Definition: A measure that tracks the projected number of low income new construction units assisted through the HTC program.
Data Limitations: Federal regulations establish the amount of tax credits available.
Data Source: The projected number of units is tracked by the division. Data is entered by staff and maintained in the agency's computer system.
Methodology: The number will be a count of projected new construction units assisted through the HTC program. Performance is measured when contracts are awarded.
Purpose: To track the number of new construction units assisted through the HTC program.

1.1.5.2 Explanatory
Definition: A measure that tracks the projected number of low income rehabilitation and acquisition units assisted through the HTC program.
Data Limitations: Federal regulations establish the amount of tax credits available.
Data Source: The projected number of units is tracked by the division. Data is entered by staff and maintained in the agency's computer system.
Methodology: The number will be a count of projected rehabilitation and acquisition units assisted through the HTC program. Performance is measured when contracts are awarded.

Purpose: To track the number of rehabilitation and acquisition units assisted through the HTC program.

1.1.5.1 Output
Definition: A measure that tracks the projected number of low income units financed through the multifamily division utilizing HTCs.
Data Limitations: No limitations
Data Source: The number of units is tracked by the division. Data is entered by staff and maintained in the agency's computer system.
Methodology: The number will be an unduplicated count of projected low income units assisted through the HTC program in the multifamily division. Performance is measured when contracts are awarded.
Purpose: To track the total amount of multifamily units assisted utilizing the HTC program.

1.1.6.1 Efficiency
Definition: A measure that tracks the projected average amount per low income unit of new construction loans/grants utilizing HOME CHDO funds.

Data Limitations: No limitations
Data Source: The projected number of low income units and amount of funds utilized for new construction is tracked by the division. Data is entered by staff and maintained in the agency’s computer system.
Methodology: The total dollar amount of new construction assistance utilizing HOME CHDO funds will be summed and divided by the projected number of new construction low income units assisted utilizing HOME CHDO funds.
Purpose: This measure identifies the loan/grant amount associated with developing housing units and measures the efficiency of utilizing HOME CHDO funds.

1.1.6.2 Efficiency
Definition: A measure that tracks the projected average total development costs of HOME CHDO new construction.
Data Limitations: Information is based on preliminary estimates by the applicants.
Data Source: The projected total number of units in the development and total development costs for new construction is tracked by the division. Data is entered by staff and maintained in the agency’s computer system.
Methodology: The total development costs associated with HOME CHDO new construction will be summed and divided by the projected number of total new construction units.
Purpose: This measure identifies the total development costs associated with developing affordable housing units.

1.1.6.3 Efficiency
Definition: A measure that tracks the projected average amount per low income unit of new construction utilizing HOME non-CHDO funds.
Data Limitations: No limitations
Data Source: The projected number of low income units and amount of funds utilized for new construction is tracked by the division. Data is entered by staff and maintained in the agency’s computer system.
Methodology: The total amount of new construction assistance utilizing HOME non-CHDO funds will be summed and divided by the projected number of HOME non-CHDO new construction low income units.
Purpose: This measure identifies the loan/grant amount associated with developing affordable housing units and measures the efficiency of utilizing HOME non-CHDO funds.

1.1.6.4 Efficiency
Definition: A measure that tracks the average total development costs per unit of HOME non-CHDO new construction.
Data Limitations: Information is based on preliminary estimates by the applicants.
Data Source: The projected total number of units in the development and total development costs for new construction is tracked by the division. Data is entered by staff and maintained in the agency’s computer system.

Methodology: The total development costs of new construction assistance utilizing HOME non-CHDO funds will be summed and divided by the projected total number of new construction units.
Purpose: This measure identifies the total development costs associated with developing affordable housing units.

1.1.6.5 Efficiency
Definition: A measure that tracks the projected average amount per low income unit of rehabilitation and acquisition utilizing HOME CHDO funds.
Data Limitations: No limitations
Data Source: The projected number of low income units and amount of funds utilized for rehabilitation and acquisition is tracked by the division. Data is entered by staff and maintained in the agency's computer system.
Methodology: The total dollar amount of rehabilitation and acquisition assistance utilizing HOME CHDO funds will be summed and divided by the projected number of rehabilitation and acquisition low income units assisted utilizing HOME CHDO funds.
Purpose: This measure identifies the amount associated with the rehabilitation and acquisition of affordable housing units and measures the efficiency of utilizing HOME CHDO funds.

1.1.6.6 Efficiency
Definition: A measure that tracks the projected average total development costs of HOME CHDO rehabilitation and acquisition.
Data Limitations: Information is based on preliminary estimates by the applicants.
Data Source: The projected total number of units in the development and total development costs for rehabilitation and acquisition is tracked by the division. Data is entered by staff and maintained in the agency's computer system.
Methodology: The total development costs associated with HOME CHDO rehabilitation and acquisition will be summed and divided by the projected total number of rehabilitation and acquisition units.
Purpose: This measure identifies the total development costs associated with the rehabilitation and acquisition of affordable housing units.

1.1.6.7 Efficiency
Definition: A non-key measure that tracks the projected average amount per low income unit of rehabilitation and acquisition utilizing HOME non-CHDO funds.
Data Limitations: No limitations
Data Source: The projected number of low income units and amount of funds utilized for rehabilitation and acquisition is tracked by the division. Data is entered by staff and maintained in the agency's computer system.
Methodology: The total of rehabilitation and acquisition assistance utilizing HOME non-CHDO funds will be summed and divided by the projected number of HOME non-CHDO rehabilitation and acquisition low income units.

Purpose: This measure identifies the amount associated with the rehabilitation and acquisition of affordable housing units and measures the efficiency of utilizing HOME non-CHDO funds.

1.1.6.8 Efficiency
Definition: A measure that tracks the average total development costs per unit of HOME non-CHDO rehabilitation and acquisition.
Data Limitations: Information is based on preliminary estimates by the applicants.
Data Source: The projected total number of units in the development and total development costs for rehabilitation and acquisition is tracked by the division. Data is entered by staff and maintained in the agency's computer system.
Methodology: The total development costs of rehabilitation and acquisition assistance utilizing HOME non-CHDO funds will be summed and divided by the projected total number of rehabilitation and acquisition units.
Purpose: This measure identifies the total development costs associated with the rehabilitation and acquisition of affordable housing units.

1.1.6.1 Explanatory
Definition: A measure that tracks the projected number of households assisted utilizing multifamily HOME CHDO funds for new construction.
Data Limitations: No limitations
Data Source: The projected number of households is tracked by the division. Data is entered by staff and maintained in the agency's computer system.
Methodology: The number will be a count of projected households assisted utilizing HOME CHDO funds for new construction. Performance is measured when contracts are awarded.

Purpose: To track the number of households assisted utilizing HOME CHDO funds for new construction.

1.1.6.2 Explanatory
Definition: A measure that tracks the projected number of households assisted utilizing multifamily HOME non-CHDO (non-CHDO) funds for new construction.
Data Limitations: No limitations
Data Source: The number of households is tracked by the division. Data is entered by staff and maintained in the agency's computer system.
Methodology: The projected number will be a count of projected households assisted with HOME non-CHDO new construction funds. Performance is measured when contracts are awarded.
Purpose: To track the number of households assisted through HOME non-CHDO funds for new construction.

1.1.6.3 Explanatory
Definition: A measure that tracks the projected number of households assisted utilizing multifamily HOME CHDO funds for rehabilitation and acquisition.

Data Limitations: No limitations
Data Source: The projected number of units is tracked by the division. Data is entered by staff and maintained in the agency's computer system.
Methodology: The number will be a count of projected households assisted utilizing HOME CHDO funds for rehabilitation and acquisition. Performance is measured when contracts are awarded.
Purpose: To track the number of households assisted utilizing HOME CHDO funds for rehabilitation and acquisition.

1.1.6.4 Explanatory
Definition: A measure that tracks the projected number of households assisted utilizing multifamily HOME non-CHDO (non-CHDO) funds for rehabilitation and acquisition.
Data Limitations: No limitations
Data Source: The projected number of households is tracked by the division. Data is entered by staff and maintained in the agency's computer system.
Methodology: The number will be a count of projected households assisted utilizing HOME non-CHDO funds for rehabilitation and acquisition. Performance is measured when contracts are awarded.
Purpose: To track the number of households assisted through HOME non-CHDO funds for rehabilitation and acquisition.

1.1.6.1 Output
Definition: A measure that tracks the projected number of households assisted through the multifamily division utilizing HOME funds.
Data Limitations: No limitations
Data Source: The number of households is tracked by the division. Data is entered by staff and maintained in the agency's computer system.
Methodology: The number will be an count of projected households assisted through the HOME program in the multifamily division. Performance is measured when contracts are awarded.
Purpose: To track the total amount of multifamily units assisted utilizing HOME funds.

1.1.7.1 Efficiency
Definition: A measure that tracks the projected average loan/grant amount per low income unit of HTF (HTF) new construction.
Data Limitations: No limitations
Data Source: The projected number of low income units and amount of funds is tracked by the division. Data is entered by staff and maintained in the agency's computer system.
Methodology: The total dollar amount of new construction assistance utilizing HTF funds will be summed and divided by the projected number of new construction low income units assisted through the HTF program.
Purpose: This measure identifies the average costs associated with developing affordable housing units and measures the efficiency of awarding HTF monies.

1.1.7.2 Efficiency
Definition: A measure that tracks the projected average total development costs per unit of HTF (HTF) new construction.
Data Limitations: Information is based on preliminary estimates by the applicants.
Data Source: The projected total number of units in the development and total development costs is tracked by the division. Data is entered by staff and maintained in the agency's computer system.
Methodology: The total development costs of HTF new construction will be summed and divided by the projected total number of new construction units.
Purpose: This measure identifies the total development costs associated with developing affordable housing units.

1.1.7.3 Efficiency
Definition: A measure that tracks the average loan/grant amount per low income unit of HTF (HTF) rehabilitation and acquisition.
Data Limitations: No limitations
Data Source: The projected number of low income units and amount of funds is tracked by the division. Data is entered by staff and maintained in the agency's computer system.
Methodology: The total dollar amount of rehabilitation and acquisition assistance utilizing HTF funds will be summed and divided by the projected number of rehabilitation and acquisition low income units assisted through the HTF program.
Purpose: This measure identifies the costs associated with rehabilitating and acquiring affordable housing units and measures the efficiency of awarding HTF monies.

1.1.7.4 Efficiency
Definition: A measure that tracks the average total development costs per unit of HTF (HTF) rehabilitation and acquisition activities.
Data Limitations: Information is based on preliminary estimates by the applicants.
Data Source: The projected total number of units in the development and total development costs is tracked by the division. Data is entered by staff and maintained in the agency's computer system.
Methodology: The total development costs of HTF rehabilitation and acquisition will be summed and divided by the projected total number of rehabilitation and acquisition units.
Purpose: This measure identifies the total development costs associated with rehabilitating and acquiring affordable housing units.

1.1.7.1 Explanatory
Definition: A measure that tracks the projected number of households assisted through new construction activities using the HTF (HTF) program.
Data Limitations: No limitations
Data Source: The projected number of households is tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Methodology: The number will be a count of projected households assisted through new construction activities using the HTF program. Performance is measured when contracts are awarded.
Purpose: To track the number of households assisted through new construction activities using the HTF program.

1.1.7.2 Explanatory
Definition: A measure that tracks the projected number of households assisted through rehabilitation and acquisition activities using the HTF (HTF) program.
Data Limitations: No limitations
Data Source: The number of households is tracked by the division. Data is entered by staff and maintained in the agency's computer system.
Methodology: The number will be a count of projected households assisted through rehabilitation and acquisition utilizing the HTF program. Performance is measured when contracts are awarded.
Purpose: To track the number of households assisted through rehabilitation and acquisition using the HTF program.

1.1.7.1 Output
Definition: A measure that tracks the projected number of households assisted through the multifamily division utilizing the HTF (HTF) program.
Data Limitations: No limitations
Data Source: The number of households is tracked by the division. Data is entered by staff and maintained in the agency's computer system.
Methodology: The number will be an unduplicated count of projected households assisted through the HTF program in the multifamily division. Performance is measured when contracts are awarded.
Purpose: To track the total amount of multifamily units assisted utilizing the HTF program.

1.1.8.1 Efficiency
Definition: A measure that tracks the projected average amount of bonds per low income unit of Mortgage Revenue Bond (MRB) new multifamily construction.
Data Limitations: No limitations
Data Source: The projected number of low income units and amount of bonds for new construction is tracked by the division. Data is entered by staff and maintained in the agency's computer system.
Methodology: The total amount of bonds for MRB new multifamily construction will be summed and divided by the projected number of MRB new construction low income units.

Purpose: This measure identifies the average amount of bonds associated with developing affordable housing and measures the efficiency of awarding multifamily MRB funds. Although useful to track, this measure is outside of the Department's control.

1.1.8.2 Efficiency
Definition: A measure that tracks the projected average total development costs per unit of Mortgage Revenue Bond (MRB) new multifamily construction.
Data Limitations: Information is based on preliminary estimates by the applicants.
Data Source: The projected total number of units in the development and total development costs for new construction is tracked by the division. Data is entered by staff and maintained in the agency's computer system.
Methodology: The total development costs of MRB new multifamily construction will be summed and divided by the projected number of new construction units.
Purpose: This measure identifies the costs associated with developing affordable housing units.

1.1.8.3 Efficiency
Definition: A measure that tracks the projected average bond amount per low income unit of multifamily Mortgage Revenue Bond (MRB) rehabilitation and acquisition.
Data Limitations: No limitations
Data Source: The projected number of low income units and amount of bonds is tracked by the division. Data is entered by staff and maintained in the agency's computer system.
Methodology: The total dollar amount of bonds for multifamily MRB rehabilitation and acquisition will be summed and divided by the projected number of multifamily MRB rehabilitation and acquisition low income units.
Purpose: This measure identifies the average amount of bonds associated with rehabilitating and acquiring affordable housing and measures the efficiency of awarding multifamily MRB funds.

1.1.8.4 Efficiency
Definition: A measure that tracks the projected average total development costs per unit of multifamily Mortgage Revenue Bond (MRB) rehabilitation and acquisition.
Data Limitations: Information is based on preliminary estimates from the applicants.
Data Source: The projected total number of units in the development and amount of total development costs is tracked by the division. Data is entered by staff and maintained in the agency's computer system.
Methodology: The total development costs of MRB rehabilitation and acquisition will be summed and divided by the projected total number of rehabilitation and acquisition units.
Purpose: This measure identifies the total development costs amount associated with rehabilitating and acquiring affordable housing units.

1.1.8.1 Explanatory
Definition: A measure that tracks the projected number of households assisted through new construction activities utilizing the multifamily Mortgage Revenue Bond (MRB) program.
Data Limitations: No limitations
Data Source: The projected number of households is tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Methodology: The number will be a count of projected households assisted through new construction units activities utilizing multifamily MRB program. Performance is measured when contracts are awarded.
Purpose: To track the number of households assisted through new construction units assisted utilizing multifamily MRB program.

1.1.8.2 Explanatory
Definition: A measure that tracks the projected number of households assisted through rehabilitation and acquisition activities utilizing the multifamily Mortgage Revenue Bond (MRB) program.
Data Limitations: No limitations
Data Source: The projected number of households is tracked by the division. Data is entered by staff and maintained in the agency's computer system.
Methodology: The number will be a count of projected households assisted through rehabilitation and acquisition activities utilizing the multifamily MRB program. Performance is measured when contracts are awarded.
Purpose: To track the number of households assisted through rehabilitation and acquisition activities utilizing the multifamily MRB program.

1.1.8.1 Output
Definition: A measure that tracks the projected number of low income units financed through the multifamily division utilizing mortgage revenue bond funds.
Data Limitations: No limitations
Data Source: The number of units is tracked by the division for each separate program. Data is entered by staff and maintained in the agency's computer system.
Methodology: The number will be an unduplicated count of projected low income units assisted through the mortgage revenue bond program in the multifamily division. Performance is measured when contracts are awarded.
Purpose: To track the total amount of low income multifamily units assisted utilizing mortgage revenue bond funds.

2.1.1.1 Output
Definition: A measure tracking the number of information and technical assistance requests completed by the Center for Housing Research, Planning, and Communications.
Data Limitations: No limitations
Data Source: The requests are tracked by the division. Data is entered by staff and maintained in the agency's computer system.
Methodology: The number of requests received is a total of the requests entered into the division database.
Purpose: To track the consumer information and technical assistance requests received and fulfilled.

2.1.1.2 Output
Definition: A measure tracking the number of short term (completed by phone) information and technical assistance requests completed by the Center for Housing Research, Planning, and Communications.
Data Limitations: No limitations
Data Source: The requests are tracked by the division. Data is entered by staff and maintained in the agency's computer system.
Methodology: The number of short term requests received is a total of the short term requests entered into the division database.
Purpose: To track the short term consumer information and technical assistance requests received.

2.1.1.3 Output
Definition: A measure tracking the number of long term (completed by email or mail) information and technical assistance requests completed by the Center for Housing Research, Planning, and Communications.
Data Limitations: No limitations
Data Source: The requests are tracked by the division. Data is entered by staff and maintained in the agency's computer system.
Methodology: The number of long term requests received is a total of the long term requests entered into the division database.
Purpose: To track the long term consumer information and technical assistance requests received.

2.2.1.1 Output
Definition: The number of technical assistance visits is based on actual on-site technical assistance visits conducted by the field offices' staff. Technical assistance visits includes: meeting with local governments (cities & counties) staff and nonprofits providing agency information on programs and services; follow-up on contract compliance measures with Colonia Self-Help Centers; and general interview sessions with individuals to provide referral services to other office and agencies available to address issues of concern.
Data Limitations: No limitations.
Data Source: Actual on-site visits are reported by staff.
Methodology: On-site visits are manually tracked by staff and maintained in the Department's database.
Purpose: The purpose of the measure is to identify the level technical assistance provided to Colonia residents as required by Senate Bill 1509. This measure is important because it identifies the effectiveness of the program and compliance with legislative mandates.

2.2.1.2 Output
Definition: The number of Colonia residents receiving technical assistance annually through the Colonia Field offices represents the number of Colonia residents participating in the consumer education workshops, including assistance provided to Colonia residents for submission of applications to participate in Department Programs.

Data Limitations: Deviation from targeted performance could occur if participation of Colonia residents is lower than expected.
Data Source: Actual assistance provided.
Methodology: Technical assistance provided is manually tracked by staff and data is maintained in the Department's database.
Purpose: This measure is important because it identifies the effectiveness of the program in providing assistance to Colonia residents with a wide array of services.

2.2.1.3 Output
Definition: The number of persons educated as a result of Senate Bill 336 is calculated by adding together the number of people: attending training/lectures, calling and/or receiving information; the number of publications distributed (newsletter, magazine, or paper), population viewing or hearing media public service spots (calculated by radio or TV station).

Data Limitations: Deviation from targeted performance could occur if participation of Colonia residents is lower than expected.
Data Source: Actual persons receiving services.
Methodology: Information is manually tracked by staff.
Purpose: The Office of Colonia Initiatives is responsible for developing and implementing the Contract For Deed Consumer Education Program (Senate Bill 336) for residents who purchase residential land under a contract for deed. This measure is important because it supports Senate Bill 336 and identifies the effectiveness of the program.

3.1.1.1 Efficiency
Definition: The average agency administrative cost per person assisted represents personnel costs, operating costs, capital expenditures and indirect expenditures as identified in the LAR. The Department's fiscal section calculates expenditures related to personnel, operations, capital items, and indirect costs.
Data Limitations: A possible limitation could be limitations on obtaining expenditure data for the reported period.
Data Source: The total number of persons served is gathered from the subrecipients' monthly performance reports.
Methodology: The efficiency measure is determined by dividing the total administrative expenditure of Community Service funds by the total number of clients served in Community Service programs.
Purpose: The purpose of the measure shows the efficiency in costs to administer the program.

3.1.1.1 Explanatory
Definition: Figure represents the estimated number of emergency shelters in Texas.
Data Limitations: There is no accurate way to count the actual number of emergency shelters in Texas.
Data Source: The estimated number of emergency shelters is based on the total number of entities on the ESGP mailing list less those entities that do not represent shelters.

Methodology: Number is estimated.
Purpose: The purpose of the measure is to identify the number of emergency shelters available to assist homeless individuals.

3.1.1.2 Explanatory
Definition: Figure represents the most recent census data.
Data Limitations: Information is collected every ten years.
Data Source: Information is obtained from the most recent census data.
Methodology: Number is actual.
Purpose: The purpose of the measure identifies the number of persons at or below 125% of poverty (4,172,890) and identifies the number of persons in need.

3.1.1.1 Output
Definition: This measure tracks the number of persons assisted through homeless and poverty related programs.
Data Limitations: A possible limitation could be subrecipients failing to submit required reports on a timely basis.
Data Source: Subrecipients track the data on a daily basis, incorporate it in a monthly performance report, and electronically submit the information to the Department. The monthly performance report information is entered in the Department database and maintained by the Department.
Methodology: Performance reported is actual number.
Purpose: The purpose of the measure is to identify the number of persons at or below 125% of poverty assisted by all Community Services programs.

3.1.1.2 Output
Definition: Measure relates to the number of persons assisted that achieve incomes above 125% of poverty level for a minimum of 90 days.
Data Limitations: A possible limitation could be subrecipients failing to submit required reports on a timely basis.
Data Source: The number of persons achieving incomes above 125% of poverty is reported in the subrecipients' monthly performance reports. Subrecipients are required to track the number of persons assisted that achieve incomes above the poverty level as a result of efforts by the subrecipients. Subrecipients report this information in their monthly performance report. The data is entered on the Department database and maintained by the Department.
Methodology: Performance reported is actual number.
Purpose: The purpose of the measure is to identify the number of persons the program has helped to achieve incomes above the poverty level.

3.1.1.3 Output
Definition: Measure relates to the number of shelters assisted through ESGP funds.
Data Limitations: No limitations on data.

Data Source: The Department tracks information from contract records. The Department tracks this information from contract records. Assistance to a shelter is reported only once a year during the quarter the contract is initiated.
Methodology: Performance reported is actual number. The Department counts each project funded through ESGP contractors as a shelter assisted.
Purpose: The purpose of the measure is to identify the effectiveness of the program and the number of shelters the program is able to fund.

3.2.1.1 Efficiency
Definition: The average cost per household served is calculated based on the number of households assisted by CEAP and WAP from the Monthly Funding Performance Report from subrecipients and the administrative expenditures report from TDHCA Budget and Accounting section.
Data Limitations: Performance reports received past the due date from subrecipients could result in incomplete data. Increase or decrease in funding could create a variance in the targeted goal.
Data Source: The average cost per household served is calculated based on the number of households assisted by CEAP and WAP from the subrecipient Monthly Funding Performance Report divided by the administrative expenditures as reported by TDHCA Budget and Accounting Section.
Methodology: Calculations are based on the total administrative expenditures including indirect cost for the Energy Assistance section divided by the total number of households served.
Purpose: The measure identifies the average administrative cost to provide service to a household.

3.2.1.2 Efficiency
Definition: The statewide average cost to weatherize a home includes the cumulative cost of labor, materials, and program support for all completed units in the state divided by the number of completed units.
Data Limitations: Increase or decrease in funding could create a variance in the targeted goal.
Data Source: Monthly expenditures and performance reports are entered by subrecipients through the Department's online reporting system.
Methodology: Calculations are based on the cumulative cost of labor, materials, and program support for all completed units in the state divided by the number of completed units.
Purpose: The measure identifies the average cost to perform weatherization on a home.

3.2.1.1 Explanatory
Definition: The number of very low income households income-eligible for energy assistance in Texas is determined based on the maximum eligibility limit of 125% of the Federal OMB poverty guidelines.
Data Limitations: No limitations.

Data Source: According to the publication entitled LIHEAP Home Energy Notebook for Fiscal Year 2001, issued on April 7, 2003 (via transmittal no. LIHEAP-IM-2003-7) to LIHEAP grantees by the Office of Community Services of the US Department of Health and Human Services, the number of very income-eligible households for LIHEAP grantees by the Office of Community Services of the US Department of Health and Human Services, the number of very income-eligible households for Survey (CPS) 1999-2001.
Methodology: Data represents an actual number.
Purpose: The purpose of the measure is to identify the eligibility population of the state. It is important because it identifies the level of need in the state.

3.2.1.1 Output
Definition: The number of households assisted through the Comprehensive Energy Assistance Program (CEAP) represents the number of unduplicated households receiving services under the four program components, consisting of co-pay, elderly/disabled Energy Crisis Program, and the heating and cooling systems components. Each of these program components provides stand-alone services. A household may be assisted by more than one component depending on needs.
Data Limitations: Targeted performance could be impacted by changes in funding levels, the price of energy and extremes in temperature.
Data Source: Monthly expenditures and performance reports are entered by subrecipients through the Department's online reporting system.
Methodology: Number is actual.
Purpose: The LIHEAP program provides direct financial assistance for energy needs of low income persons through the Comprehensive Energy Assistance Program (CEAP). The measure is important because it identifies the effectiveness of the CEAP program through the number of households receiving CEAP.

3.2.1.2 Output
Definition: The number of dwelling units weatherized is based on Monthly Progress Expenditure/Monthly Fund Request Reports submitted to the Department by the weatherization subrecipients.
Data Limitations: Targeted performance could be impacted by changes in funding levels.
Data Source: Monthly expenditures and performance reports are entered by subrecipients through the Department’s online reporting system. Performance data from these reports is entered in an automated system and maintained by the Department. Performance figures represent an unduplicated number of weatherization units from the Department’s DOE and LIHEAP Weatherization programs.
Methodology: The performance number reported represents the actual number of dwelling units weatherized.
Purpose: The WAP program provides residential weatherization and other cost-effective energy-related home repair to increase the energy efficiency of dwellings owned or occupied by low-income persons. The measure is important because it identifies the effectiveness of the program through the number of homes receiving weatherization services.

4.1.1.1 Efficiency
Definition: The average cost to monitor a rental development includes the resources needed to provide determination of program compliance and effectiveness of rental programs.
Data Limitations: No limitations.
Data Source: Expenditure data is maintained in the Department's automated information systems.
Methodology: The average cost is derived by dividing the total budgeted cost for rental development monitoring activities by the number of rental developments monitored.
Purpose: The measure identifies the average cost to monitor a rental development.

4.1.1.1 Explanatory
Definition: The total number of rental developments in the TDHCA compliance monitoring portfolio. This number represents the portfolio for which the PMC division is responsible. This includes developments monitored by on-site file review, desk review, a combination of onsite and desk reviews, or other compliance activities depending on program requirements. Program development totals vary throughout the year.
Data Limitations: No limitations.
Data Source: Program totals are maintained by the Department's databases.
Methodology: Figure represents actual number of developments in the compliance monitoring portfolio.
Purpose: The measure provides the total number of housing developments in the compliance monitoring portfolio.

4.1.1.2 Explanatory
Definition: Total number of housing units in the multi and single family rental developments monitored by the Department. The total number includes both restricted and unrestricted units. Units under construction as well as units available for lease are included in the total.

Data Limitations: No limitations.
Data Source: Unit totals are maintained by the Department's databases.
Methodology: Figure represents actual number of units constructed or rehabilitated.
Purpose: The measure provides information of the total rental units monitored by the Department.

4.1.1.1 Output
Definition: Measure represents the number of both onsite and desk reviews conducted under rental monitoring programs.
Data Limitations: No limitations.
Data Source: The data is gathered by program from Department data bases.
Methodology: Number is actual.
Purpose: The measure meets statutory and agency requirements.

4.1.1.2 Output
Definition: Measure represents the number of desk reviews conducted under rental programs. In addition to on-site reviews, monthly, quarterly, and-or annual compliance reporting is required. These reports are a vehicle for measuring overall and ongoing compliance with rent, income, and other controls and requirements. The frequency in the number of reports is determined by program requirement, and may vary depending on the level of compliance. Desk reviews conducted also include the review of Fair Housing Sponsor Reports, substantial construction certification reviews, construction inspection reviews, and other reviews.
Data Limitations: No limitations.
Data Source: The data is gathered by program from Department data bases.
Methodology: Number is actual.
Purpose: The measure meets statutory and agency requirements.

4.1.1.3 Output
Definition: Measure represents the number of on-site, in-depth desk reviews (done in lieu of on-site reviews for projects with 10 or less units), and 8609 inspections conducted under rental programs. The reviews provide the best measure of program compliance and effectiveness of affordable housing programs. The frequency of reviews is either statutorily or agency required, therefore the number meets or exceeds the specific program requirement.
Data Limitations: No limitations.
Data Source: The data is gathered by program from Department databases.
Methodology: The number reported is the actual number of reviews performed.
Purpose: The measure meets statutory and agency requirements.

4.1.1.4 Output
Definition: Measure represents the number of technical assistance calls, Open Records Requests, complaints and other public requests processed and the number of owners and property staff trained.
Data Limitations: No limitations.
Data Source: The data is gathered by program from Department databases.
Methodology: Number is actual.
Purpose: The measure meets statutory requirements and program objectives.

4.1.1.5 Output
Definition: Measure represents the number of application-related instruments processed, including Compliance Status Reports, Land Use Restriction Agreements, and application site inspections.
Data Limitations: No limitations.
Data Source: The data is gathered by program from Department databases.
Methodology: Number is actual.
Purpose: The measure meets statutory and agency requirements.

4.1.2.1 Efficiency
Definition: The average cost to administer a contract includes the resources needed for effective contract management.
Data Limitations: No limitations.
Data Source: Expenditure data is maintained in the Department's automated information systems.
Methodology: The average cost is derived by dividing the total budgeted cost for contract administration activities by the number of contracts administered.
Purpose: The measure identifies the average cost to administer a contract.

4.1.2.1 Explanatory
Definition: The total number of contracts administered by PMC. This number represents the portfolio of contract responsibility, whether or not a contract is processed and/or monitored through desk or onsite reviews, or other contract administration activities depending on program requirements. Measure includes contracts for all activities, including Single Family Rehabilitation; Tenant Based Rental Assistance, Rental Housing Development, Down-Payment Assistance, and other types of contract activity.
Data Limitations: No limitations
Data Source: Data on contracts administered is maintained in the Department's database.

Methodology: Figure represents actual number of contracts administered.
Purpose: The measure provides the total number of active contracts administered.

4.1.2.1 Output
Definition: Measure represents the number of onsite reviews, desk reviews, and single audit reviews conducted as part of contract administration in PMC.
Data Limitations: No limitations.
Data Source: The data is gathered from Department data bases.
Methodology: Number is actual.
Purpose: The measure meets statutory and program requirements.

4.1.2.2 Output
Definition: The number of desk reviews conducted of Federal and State grant sub-recipients. Single Audits are required annually if the federally mandated expenditure threshold is exceeded as defined by OMB Circular A-133. OMB Circular A-133 defines which single audit reports must be submitted to the pass-through agency. These reports are used to measure overall and ongoing compliance with program requirements, financial accountability of Federal and State grants and the overall internal controls of the sub-recipient.
Data Limitations: No limitations.
Data Source: The data is gathered from Department data bases.
Methodology: Number is actual.
Purpose: The measure meets statutory and program requirements.

4.1.2.3 Output
Definition: Measure represents the number of desk reviews conducted as part of contract administration in PMC. This measure includes setup, draw, desk, environmental, quality control, re-certification, amendment, revision and other desk reviews.
Data Limitations: No limitations.
Data Source: The data is gathered by program from Department data bases.
Methodology: Number is actual.
Purpose: The measure meets statutory and program requirements.

4.1.2.4 Output
Definition: Measure represents the number of financial and programmatic onsite monitoring reviews and the number of technical assistance onsite reviews conducted as part of contract administration in PMC.
Data Limitations: No limitations.
Data Source: The data is gathered by program from Department databases.
Methodology: The number reported is the actual number of onsite reviews conducted.
Purpose: The measure meets program requirements.

4.1.2.5 Output
Definition: Measure represents the number of technical assistance calls, Open Records Requests, complaints and other public requests processed and the number of administrator staff trained.
Data Limitations: No limitations.
Data Source: The data is gathered by program from Department data bases.
Methodology: Number is actual.
Purpose: The measure meets statutory and program objectives.

5.1.1.1 Efficiency
Definition: The average cost to the Department of the processing of an Statement of Ownership and Location (SOL) application based on total funds expended and encumbered during the reporting period for the issuance of manufactured housing SOLs. Cost includes department overhead, salaries (permanent and temporary personnel), supplies, travel, postage, and other costs directly related to SOLs , including document review, handling, proofing, and notification.
Data Limitations: No limitations of data.
Data Source: The data is maintained in the USAS system.
Methodology: To obtain the average, divide the total funds by the total number of SOLs issued in a reporting period.
Purpose: The measure shows the efficiency in costs to issue a SOL.

5.1.1.1 Explanatory
Definition: The number of Manufactured Homes of record in Texas represents the total number of manufactured homes with an existing record in the official manufactured housing database that is maintained by the department.

Data Limitations: No limitations of data.
Data Source: Automated compilation through the Department's Tracking System.
Methodology: Actual number.
Purpose: The measure represents the total number of manufactured homes in Texas for which the Department has an ownership and location record.

5.1.1.1 Output
Definition: The total number of manufactured housing Statements of Ownership and Location (SOL) issued for which a fee is charged (includes SOLs issued as a result of changes in ownership, location, lien information, election, and use).
Data Limitations: No limitations.
Data Source: Data is computer generated (Department's Tracking System) reports and accounting receipts.
Methodology: Number is actual.
Purpose: This measure identifies the total number of SOLs issued in a reporting period. It is important because it shows the workload associated with issuing SOLs.

5.1.1.2 Output
Definition: The total number of manufactured housing licenses issued to qualifying applicants (applicant types broker, installer, manufacturer, retailer, retailer/broker, retailer/broker/installer, retailer/installer, salvage rebuilder and salespersons). The number calculated includes reprints of and revisions to existing licenses.
Data Limitations: No limitations.
Data Source: Data is computer generated through the Licensing Tracking System.
Methodology: Number is actual.
Purpose: This measure identifies the total number of licenses issued in a reporting period. It is important because it shows the workload associated with issuing licenses.

5.1.2.1 Efficiency
Definition: The average cost to the Department of each inspection based on the total funds expended and encumbered during the reporting period to conduct or attempt inspections, including both installation and non-routine inspections. Cost includes department overhead, salaries (permanent and temporary personnel), supplies, travel; postage, and other costs directly related to the enforcement of the inspection function.
Data Limitations: No limitations.
Data Source: USAS, Installation Tracking System and Travel Database.
Methodology: To obtain the average, divide the total funds expended by the total number of routine and non-routine inspections (completed and/or attempted) within the reporting period.
Purpose: The measure identifies the cost efficiency to perform or attempt an inspection.

5.1.2.1 Explanatory
Definition: The total number of installation reports received within a reporting period. Installation reports are received from lenders, retailers, installers, consumers, and other sources.
Data Limitations: No limitations.
Data Source: Source: Installation Tracking System.
Methodology: Actual number.
Purpose: The measure provides information on the total number of installation reports received.

5.1.2.2 Explanatory
Definition: The total number of installation inspections with deviations documented. An inspector may list several violations on a single installation inspection, but it only accounts for one reported deviation.
Data Limitations: No limitations.
Data Source: Source: Installation Tracking System.
Methodology: Actual number.
Purpose: The measure provides information on the total number of installation inspections with deviations. The importance of this measure is to ensure that homes are installed in a safe manner to prevent injury to consumers and the general public.

5.1.2.1 Output
Definition: The total number of routine inspections conducted to inspect the anchoring and support systems of manufactured homes (includes reviewing installation report for completeness, inspecting stabilizing devices to confirm that the installer used approved materials, inspecting the home for proper installation, and verifying that the installer is licensed with TDHCA). Unsuccessful attempted inspections (identified as skirted, not accessible, unable to locate, or no unit at location) are not included in the number reported.

Data Limitations: No limitations.
Data Source: Collection of data is based on the Installation Tracking System.
Methodology: Number is actual.
Purpose: The measure identifies the total number of inspections performed (attempted inspections are not included) in a reporting period. It is important because it shows the workload for inspections.

5.1.2.2 Output
Definition: The total number of special/complex inspections performed upon request from the public, other regulated entities, or as part of a complaint investigation. Special inspections consist of, but are not limited to the following: consumer complaints, habitability, permanent foundations, SAA, and retailer monitoring.
Data Limitations: No limitations.
Data Source: Collection of data is based on the Inspector's Travel Voucher Database.

Methodology: The number is retrieved from the Travel Voucher Database by generating a report which lists the inspections conducted within the reporting period.
Purpose: The measure identifies the total number of inspections performed in a reporting period. It is important because it identifies inspections that result from unusual or special circumstances.
5.1.3.1 Efficiency
Definition: The average cost to the Department to resolve a complaint based on the total funds expended and encumbered during the reporting period for complaint processing, investigation, and resolution divided by the number of complaints resolved. Cost includes department overhead, salaries (permanent and temporary personnel), supplies, travel, postage, subpoena expenses, and other costs directly related to the agency's enforcement function, and may include charges of the State Office of Administrative Hearings (SOAH).

Data Limitations: No limitations.
Data Source: USAS, SOAH billing statements, and CCTS.
Methodology: To obtain the average, divide the total funds expended by the total number of resolved complaints within the reporting period. Non-jurisdictional complaints (closed as DISJ) are not included in this measure.
Purpose: The measure identifies the efficiency in costs for resolving a complaint.

5.1.3.2 Efficiency
Definition: The average length of time to resolve a jurisdictional complaint, for jurisdictional complaints resolved during the reporting period. The number of days to reach a resolution is calculated from the initial date of receipt of a consumer complaint to the date closed.
Data Limitations: No limitations.
Data Source: CCTS.
Methodology: The total number of calendar days per jurisdictional complaint resolved, summed for all complaints resolved during the reporting period, that elapsed from receipt of a request for agency intervention to the date upon which final action on the complaint was taken (numerator) is, divided by the number of complaints resolved during the reporting period (denominator). The calculation excludes complaints determined to be non-jurisdictional of the agency's statutory responsibilities.
Purpose: The measure tracks the average number of days spent to resolve a complaint. The measure is important because it shows how efficient the division has been in resolving complaints.

5.1.3.1 Explanatory
Definition: The total number of complaints received in a reporting period that are within the agency's jurisdiction of statutory responsibility.
Data Limitations: No limitations.
Data Source: The number is retrieved from the Consumer Complaint Tracking System.
Methodology: Actual number.
Purpose: The measure provides information on the total number of jurisdictional complaints. This measure is important to determine the division's workload.

5.1.3.1 Output
Definition: The total number of complaints resolved during the reporting period upon which final action was taken by the board or the Department through informal and formal means. Non-jurisdictional complaints (closed as DISJ) are not included in this measure.
Data Limitations: No limitations.
Data Source: Data is maintained in the Consumer Complaint Tracking System.
Methodology: Actual number.
Purpose: The measure shows the workload associated with resolving complaints. The measure is important because it also identifies consumer problems.

APPENDIX E. WORKFORCE PLAN

INTRODUCTION

Each state agency is required to conduct a strategic planning staffing analysis and develop a workforce plan that follows guidelines developed by the State Auditor. This workforce plan addresses the agency's critical staffing and training needs, including the need for experienced employees to impart knowledge to their potential successors pursuant to Section 2056.002, Government Code.

AGENCY OVERVIEW

This section describes the mission, strategic goals, objectives, and business functions of the agency. Potential changes to these items over the next five years is also discussed.

TDHCA Mission

To help Texans achieve an improved quality of life through the development of better communities.

TDHCA Philosophy

Customers

- Advocacy: The Department will actively encourage, support, and promote an improved quality of life for extremely low, very low, low, and moderate income Texans.
- Service: The Department will be responsive to every constituent request and provide every customer with prompt, courteous service.
- Partnership: The Department will foster an atmosphere that is conducive to encouraging and forming public and private partnerships that are responsive to the needs of extremely low, very low, low, and moderate income Texans.
- Equity: The Department will establish processes for the public's full participation in programs and the fair allocation of resources.
- Respect: The Department believes in the worth of all persons and their need for decent, safe, and affordable housing.

Operations

- Integrity: The Department will conduct business openly, free of bias, and according to the highest ethical and professional standards.
- Accountability: The Department will be answerable and responsive to the Texas Legislature, external customers/consumers, and its various funding sources.
- Efficiency: The work of the Department will be accomplished in the most direct, cost-effective manner.
- Leveraging: Each program will encourage public and private sector participation and the use of additional resources to maximize economic impact.

Staff

- Quality: Each employee will strive for excellence in the work performed.
- Creativity: Department staff will continually seek innovative methods for performing work in their respective fields.
- Respect: The Department recognizes that its employees are the critical element in accomplishing its mission and goals. Therefore, it pledges to support their continued professional development and provide opportunities for reward based on their performance. In doing so, it also pledges to promote a collaborative and positive work environment for all employees.

TDHCA's Goals, Objectives, and Strategies to Fulfill its Mission

Goal 1.

To increase and preserve the availability of safe, decent, and affordable housing for very low, low, and moderate income persons and families.

Objective 1. Make loans, grants, and incentives available to fund eligible housing activities and preserve/create single and multifamily units for very low, low, and moderate income households.

Strategy 1. Provide federal mortgage loans, through the department's Mortgage Revenue Bond (MRB) Program, which are below the conventional market interest rates to very low, low, and moderate income homebuyers.

Strategy 2. Provide federal housing loans and grants through the HOME Investment Partnership (HOME) Program for very low and low income families, focusing on the construction of single family housing in rural areas of the state through partnerships with the private sector.

Strategy 3. Provide state housing loans and grants through the HTF for very low and low income households.

Strategy 4. Provide federal rental assistance through Section 8 certificates and vouchers for very low income households.

Strategy 5. Provide federal tax credits to develop rental housing for very low and low income households.

Strategy 6. Provide federal housing loans and grants through the HOME Investment Partnership (HOME) Program for very low and low income families, focusing on the construction of multifamily housing units in rural areas of the state through partnerships the private sector.

Strategy 7. Provide state housing loans and grants through the HTF for very low and low income households.

Strategy 8. Provide federal mortgage loans through the department's Mortgage Revenue Bond (MRB) program for the acquisition, restoration, construction and preservation of multifamily rental units for very low, low and moderate income families.

Goal 2. Promote improved housing conditions for extremely LI, VLI, and low income households by providing information and technical assistance.

Objective 1. Provide information and technical assistance regarding affordable housing resources and community support services.

Strategy 1. Provide information and technical assistance to the public through the Center for Housing Research, Planning, and Communications.

Objective 2. Promote and enhance homeownership opportunities along with the development of safe neighborhoods and effective community services for colonia residents and/or residents of LI, VLI, and ELI along the Texas-Mexico border.

Strategy 1. Provide technical assistance to colonias through field offices.

Goal 3.

Improve living conditions for the poor and homeless and reduce cost of home energy for very low income Texans.

Objective 1. To ease hardships of poverty and homelessness for 16 percent of the population of very low income persons each year.

Strategy 1. Administer homeless and poverty-related funds through a network of community action agencies and other local organizations so that poverty-related services are available to very low income persons throughout the state.

Objective 2. To reduce cost of home energy for 6 percent of very low income households each year at or below 125 percent of poverty

Strategy 1. Administer state energy assistance programs by providing grants to local organizations for energy related improvements to dwellings occupied by very low income persons and general assistance to very low income households for heating and cooling expenses and energy-related emergencies.

Goal 4. Ensure compliance with Department of Housing and Community Affairs federal and state program mandates.

Objective 1. Administer and monitor housing developments and subrecipient contracts to determine compliance with federal and state program requirements.

Strategy 1. Monitor and inspect for federal and state housing program requirements.

Strategy 2. Administer and monitor federal and state subrecipient contracts for programmatic and fiscal requirements.

Goal 5. Protect the public by regulating the manufactured housing industry in accordance with state and federal laws.

Objective 1. Operate a regulatory system to ensure responsive handling of Statement of Ownership and Location and license applications, inspection reports, and complaints as follows: 25 percent installation inspections; 97 percent of applications within established timeframes; and 99 percent of consumer complaint inspections within 30 calendar days of a request.

Strategy 1. Provide services for Statement of Ownership and Location and licensing in a timely and efficient manner.

Strategy 2. Conduct inspections of manufactured homes in a timely and efficient manner.

Strategy 3. Process consumer complaints, conduct investigations, and take administrative actions to protect general public and consumers.

Strategy 4. Provide for the processing of occupational licenses, registrations, or permit fees through TexasOnline.

Core Business Functions

TDHCA business functions can be broadly grouped into three categories: providing housing and community services assistance, regulating the manufactured housing industry, serving as an informational resource. To ensure the success of the Department's efforts in these areas, a variety of supporting functions are required. These support areas include financial administration, human resources, information systems, portfolio management and compliance, policy and public affairs, purchasing, and real estate analysis.

Housing and Community Services Assistance

Types of housing and community services assistance include:

- housing assistance for individual households (homebuyer mortgage and down payment, home repair, and rental payment assistance);
- funding for the development of apartments (new construction or rehabilitation of rental units);
- energy assistance (utility payments or home weatherization activities);
- assistance for homeless persons and emergency relief for individuals or families in crisis poverty (transitional housing, energy assistance, home weatherization, health and human services, child care, nutrition, job training and employment services, substance abuse counseling, medical services, and other emergency assistance); and
- capacity building assistance (training and technical assistance, assistance with operating costs, and predevelopment loans to help local housing organizations develop housing).

Manufactured Housing Activities

TDHCA's Manufactured Housing Division is an independent entity within TDHCA. It is administratively attached, but it has its own Board of Directors. This division administers the Texas Manufactured Housing Standards Act. The act ensures that manufactured homes are well-constructed, safe, and installed correctly; that consumers are provided fair and effective remedies; and that measures are taken to provide economic stability for the Texas manufactured housing industry. Services of the Manufactured Housing Division include issuances of SOL research; training and license issuances to individuals for manufactured housing manufacturing, retailing, rebuilding, installations, broker, or sales; records and releases on tax and mortgage liens; installation inspections; consumer complaints; and federal oversight under a cooperative agreement with HUD.

Information Resources

TDHCA is an informational resource for individuals, federal, state, and local governments, the Legislature, community organizations, advocacy groups, housing developers, and supportive services providers. Examples of information provided includes: general information on TDHCA activities, application and implementation technical assistance, housing need data and analysis, and direct consumer information on available assistance statewide. This information is provided through a myriad of communication methods: a 1-800 phone line, publications and guidebooks, via email and the TDHCA website, public hearings, trainings and workshops, planning roundtables, field offices, mass mailings, television, radio, and print media, speaking engagements, and conferences.

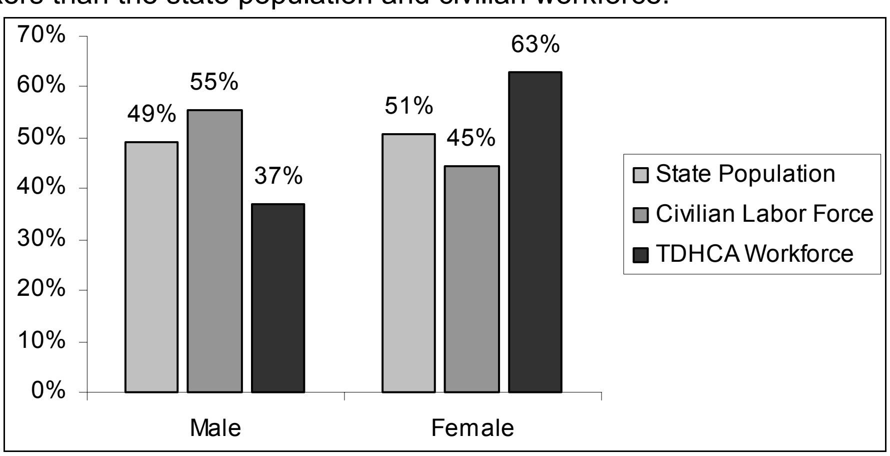
In all of its activities, TDHCA strives to promote sound housing policies; promote leveraging of state and local resources; prevent discrimination; and ensure the stability and continuity of services through a fair, nondiscriminatory, and open process.

Anticipated Changes to the Mission, Strategies, and Goals over the Next Five Years
A recent significant organizational change for TDHCA was the resignation of its Executive Director in March of 2006. After serving as the Executive Director since March 2002, Edwina P. Carrington left the agency to pursue an employment opportunity in the private sector. On April 13, 2006, the Board hired Michael Gerber as the new Executive Director and he began work at the Department on May 17, 2006. With any change in leadership, it is expected that the approaches by which the organization's mission will achieved will change, however; it is not expected that the core mission, strategies, and goals are likely to change substantially over the next five years.

CURRENT WORKFORCE PROFILE (SUPPLY ANALYSIS)
This section describe the agency's current workforce by assessing whether current employees have the knowledge, skills, and abilities needed to address critical business issues in the future.

Demographic Information
As of May 1, 2006, TDHCA had a total headcount of 274 employees. The agency is authorized to have 298 total full-time equivalents (FTEs). The 24 employee difference FTE cap and the actual headcount is typically comprised of the following: 4.5 FTEs are reserved for a PMC contract with MDSI that gains TDHCA an additional $1.0 million in revenue; program activities utilize approximately 4 temporary workers who each stay at the Department longer than 130 days and therefore must be counted as employees; and the remaining 15 vacancies represent a normal variance caused by the timing between terminations and hiring activities.

The following charts profile TDHCA's workforce and include both full-time and part-time employees. The TDHCA workforce is comprised of 37 percent males and 63 percent females As shown in the table below, the TDHCA workforce has a higher representation of female workers than the state population and civilian workforce.



As shown below, TDHCA has a well balanced workforce in terms of the age of its employees. Approximately a third of its workforce falls into each of the following age categories 31-40, 41-50, and greater than 50 years of age (35 percent, 29 percent, and 27 percent respectively). The workforce also has a good level of overall work experience as indicated by having 65 percent of its employees in the mid-age groupings – 30 to 50 year olds. The average age of Department employees is 43 years. Its success in recruiting and retaining employees in this age group may prove to be one of the Department's strongest demographic categories.

Employee tenure shows a similarly balanced pattern with 25 percent of its employees having 1-5 years of experience, 23 percent with 5-10 years, 21 percent having 11-15 years of experience, 23.7 more than 15 years. The average number of years of service for Department employees is 11 years. TDHCA continually works to ensure that its employees are appropriately compensated, to improve internal communications through a variety of venues, and to use career development and employee service recognition activities to motivate employees and to improve employee retention.

Age

Age Group	Population	Percentage
20 – 30	24	8.8%
31 – 40	96	35.0%
41 – 50	81	29.6%
51 – 60	64	23.4%
61 +	9	3.3%
Total	274	

As of 5/18/2006

Employee Tenure

Tenure Range	# of Employees	% of Total
<1 year	20	7.30%
1 – 5	69	25.20%
5 – 10	63	23%
11 – 15	57	20.80%
16 – 20	25	9.10%
21 – 25	24	8.80%
26 – 30	10	3.60%
30 +	6	2.20%
Totals	274	100.00%

As of 5/18/06

TDHCA's Workforce Compared with the Statewide Civilian Workforce

The tables and charts below compare the percentage of African American, Hispanic, and Female TDHCA employees (as of May 5, 2006) to the statewide civilian workforce as reported by the Texas Workforce Commission (formerly the Texas Commission on Human Rights). Overall, the race and ethnic composition of the TDHCA workforce exceeds the state percentages for all the non "White" categories except for "Other."

Until recently, TDHCA's representation of female technical staff as compared to the state was positive. However, due to turnover in IS Division staff, several female technical professionals left the Department. Another area where there is a noticeable under representation of female staff is in the Official/Administration category. This category also shows a slight under representation for African Americans as compared to the state. Hispanic employees are approximately 4 percent under represented relative to the state in the technicians and administrative support categories. It is thought that these categories' numbers are lower because the Department has successfully promoted females in other categories at higher levels.

As TDHCA has job openings, it will strive to extend its efforts to recruit applicants from these five categories. Otherwise, the Department believes it currently has a positive representation of all major diversity categories.

Description of TDHCA Workforce by Ethnicity and Gender

	African American		Hispanic		White		Other		Total	
Equal Employment Opportunities (EEO) Categories*	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
A - Administrators and Officials	1	-	4	1	9	3	-	-	14	4
P - Professionals	5	20	24	51	34	52	2	8	65	131
T - Technician	2	1	1	2	11	3	-	-	14	6
Q - Para-professionals	1	6	-	15	3	4	-	-	4	25
C - Administrative Support	-	2	1	1	2	4	1	-	4	7
Total by Race/Ethnicity & Gender	9	29	30	70	59	66	3	8	101	173
% of Total by Race/Ethnicity & Gender	3%	11 %	11 %	26 %	22 %	24 %	1%	3%	37 %	63 %
Total by Race/Ethnicity	38		100		125		11		274	
% of Total by Race/Ethnicity	14%		36%		46%		4%			

*A – Administrators and Officials: directors, employees establishing broad policy and exercising responsibility for execution of those policies.

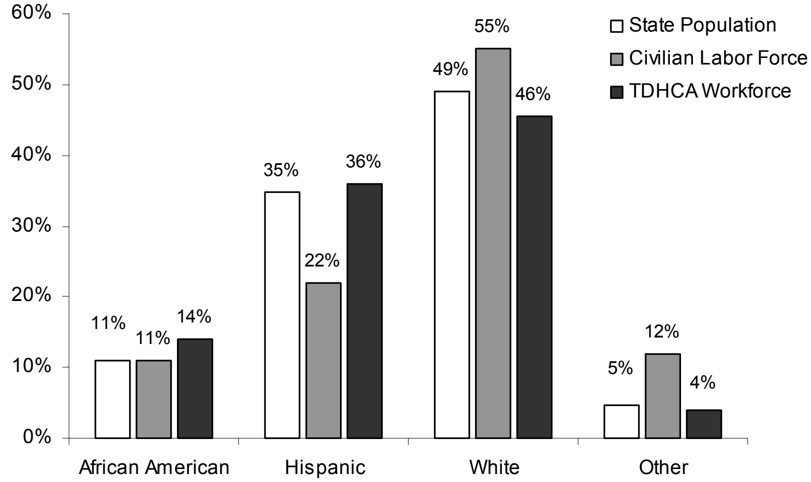
P – Professionals: accountants: systems analysts, attorneys, occupations requiring specialized training or education.

T – Technician: computer technicians, occupations requiring basic scientific or technical knowledge.

Q – Para-professionals: persons performing some of the duties of professionals in a supportive role.

C – Administrative Support: these include clerical payroll clerks, legal assistants, office machine operators, statistical clerks, and bookkeepers.

Comparison of TDHCA Workforce by Race/Ethnicity to State Population and Civilian Workforce



Source: US Census, 2004 American Community Survey; TDHCA Human Resources Data; Uniform Statewide Payroll System (2002 data); and Texas Workforce Commission (2002 data)

Comparison of TDHCA EEO and Statewide Employment Statistics

	% African American		% Hispanic		% Females	
Job Category	TDHCA	State	TDHCA	State	TDHCA	State
Officials/Administrators	5.6	7.1	27.8	15.2	22.2	44.1
Professionals	12.8	7.9	38.3	14.4	66.8	54.4
Technicians	15.0	10.0	15.0	19.8	30.0	47.5
Paraprofessionals	24.1	17.9	51.7	31.8	86.2	55.6
Administrative Support	18.2	9.9	18.2	23.2	63.6	61.5

Source: TDHCA Human Resources Data and Equal Employment Opportunity and Minority Hiring Practices Report, Texas Workforce Commission Civil Rights Division, February 2005

Agency Turnover

Percent of Workforce Eligible to Retire

Of the current 274 employees, TDHCA estimates that there are 17 employees or 6.2 percent who are eligible to retire within the next biennium. Ten of these employees are from the Manufactured Housing Division and most of these are in the field. Management is aware of the impact they will have on the loss of knowledge and skill base and is looking at methods to replace this knowledge.

The following data on projected retirements through 2009 was provided by the Employees Retirement System. It shows that approximately 12 TDHCA employees will be eligible to retire each year over that time period.

Projected Employee Retirement Rate

	*FY 2006	FY 2007	FY 2008	FY 2009	Cumulative
Projected TDHCA Retirements	18	10	13	8	49

*The projected eligibles for FY 2006 include all those eligible at the beginning of the fiscal year, plus those projected to become newly eligible during this fiscal year.
Source: State of Texas Human Resources, Workforce Planning Tool Kit Webpage.

Projected Employee Turnover Rate over the Next Five Years

When reviewing the employee turnover rate for the past five years, the average annual turnover rate was approximately 13 percent. If TDHCA's budget structure and associated FTE cap remains constant during the next two Legislative sessions, it is expected that the turnover rate will remain close to this level over the next five years.

Historical Employee Turnover Rate

Entity	FY2001	FY2002	FY2003	FY2004	FY2005
Statewide Turnover	18.50%	15.30%	17.90%	41.80%	18.90%
TDHCA Turnover	13.70%	10.23%	16.10%	13.10%	14.30%
TDHCA Separations (including MH)	48	50	51	37	42

Source: SAO E-Class as of 12/31/05. Note the FY 2002 number has been adjusted to reflect the transfer of 50 employees to the Office of Rural Community Affairs.

Workforce Skills Critical to the Mission and Goals of the Agency

Due to the complexity and shear volume of regulations associated with the many funding programs the Department oversees, a depth of experience and skills in managing housing finance, manufactured housing, poverty-related, and weatherization programs is required.

Additional areas of specialized expertise required to support the program activities include:

- Portfolio management and real estate analysis/project underwriting expertise is needed to ensure that activities funded by the Department are financially feasible and are well managed throughout their existence.
- Much of TDHCA's work involves the ongoing management and exchange of information through email, databases, contract administration software, internet, etc.). These activities require a great deal of support from information systems staff with database management, systems application, programming design and implementation, and network maintenance skills.

Other critical skills the Department's workforce needs in order to effectively accomplish its business functions and provide a high level of customer service include:

- analysis/research/problem solving,
- computer skills ranging from entry level data entry to highly skilled information systems programmers,
- customer service skills,
- investigative/inspection related knowledge, and

- oral and written communication skills.

Use of Consultants

To effectively achieve its mission, TDHCA will continue to use consultants and contract workers in areas where their unique skills and experience represents the most effective use of the State's resources. Three divisions that expect the greatest ongoing use of consultants are PMC, IS, and Bond Finance.

PMC

The monitoring of the Affordable Housing Program has been outsourced to Monitoring Data Systems, Inc. This entity completes all onsite monitoring and desk reviews. They also provide the day to day administration of the program. Although TDHCA staff has the expertise to effectively administer the program, it does not have the staff resources to give this portfolio the level of oversight that Monitoring Data Systems is able to provide.

The Internal Revenue Service requires State Housing Finance Agencies to use local health, safety, and building codes or the Uniform Physical Condition Standards to assess the physical condition of HTC developments. In Texas, building codes vary from city to city and many areas do not have code enforcement at all. To ensure a uniform inspection standard is used state wide, the Department has elected to use Uniform Physical Condition Standards inspections for tax credit developments. In March of 2005 TDHCA outsourced the Uniform Physical Condition Standards inspection to Onsite-Insight through a competitive process.
At the request of HUD, TDHCA began working in 2004 with ICF Consulting Inc., a national leader in housing and community development with more than ten years experience as a HUD approved technical assistance provider. Since that time, this partnership has increased PMC staff and administrator capacity, helped leverage HUD funds, improved HOME program administration, and enhanced HUD's perception of the TDHCA administration of the HOME program. These consulting services are paid for using HOME funds.

IS

IS makes limited, targeted use of consultants for approved capital IT projects. In the current biennium, the agency is currently employing two contract consultants to assist in the PeopleSoft Financials 8.8 Implementation project and will be hiring two additional contract developers for the Community Services/Energy Assistance Contract System. Consultants are used for projects where specialized skills or additional staffing are needed for a specific timeframe.

Bond Finance

Bond Finance uses the following types of consultants:

- Bond Counsel – A nationally recognized law firm or firms experienced in the issuance of mortgage revenue bonds.
- Financial Advisor – Typically an investment banking firm experienced in issuance of mortgage revenue bonds.

- Master Servicer/Administrator – A financially sound bank or trust company experienced in tax compliance review and loan servicing for tax-exempt single family mortgage revenue bond programs.
- Disclosure Counsel – A law firm experienced in securities laws particularly as it relates to disclosure of information by securities issuers to the private markets.
- Rating Agencies – A national rating agency which analyzes bond issues and assigns a rating to them to indicate to prospective bondholders the investment quality of the issue.
- Interest Rate Swap Advisor – Primarily monitors interest rate swaps used to hedge single family mortgage revenue bonds.
- Guaranteed Investment Contract Broker – Provides reinvestment services for single family mortgage revenue bond issues, single family commercial paper issues, and/or multifamily mortgage revenue bond issues.

FUTURE WORKFORCE PROFILE (DEMAND ANALYSIS)

This section describes the Department's future business and staffing outlook. This analysis helps to identify trends, future influences, and challenges for the agency's business functions, new and at-risk business, and workforce composition.

Expected Workforce Changes Driven by Factors such as Changing Missions, Goals, Strategies, Technology, Work, Workloads, and Work Processes

As stated above, no significant changes to the Department's core missions, goals, and strategies are expected. Some work efficiencies are likely to be gained through technological improvements to the central database and web functionality. The size of the Departments portfolio of multifamily housing units will continue to grow at a substantial rate (nearly 24,000 units were added to the portfolio in FY 2005).

Future Workforce Skills Needed

In addition to those skills described above in the "Workforce Skills Critical to the Mission and Goals of the Agency" section it is expected that an effort will have to be made to recruit employees with faculty in different languages, particularly Spanish, as this ethnic group continues to grow rapidly in the State. Having multilingual employees would be necessary to help answer information requests, translate documents into different languages, and conduct hearings and roundtables to gather public comment on TDHCA activities.

As TDHCA continues to use technology to streamline processes to meet the demands of customers and provide more efficient services, additional technological skills may be required for the future workforce. Examples of such skills might include more advanced computer-related skills (i.e., systems design and analysis, Web design and development, and the ability to acclimate to new or modified application systems.

Anticipated Increase or Decrease in the Number of Employees Needed to Do the Work

If TDHCA's budget structure and associated FTE cap remains constant during the next two Legislative sessions, then no substantial changes in its number of employees are expected.

However, there are two issues that will substantially increase the workload of current employees in the upcoming years:

- With increased funding for both the HTC and the MFB programs, increased size of portfolio and compliance monitoring requirements by the federal government, and added legislative requirements from both the state and federal levels, TDHCA has a great need for additional staff. Unfortunately, the number of FTEs has remained static, and has not taken into consideration the increased workload.
- In response to Hurricane Rita, the State received $74.5 million in CDBG funding from HUD in FY 2006. Compared to other TDHCA programs, this is a relatively large funding source. For example, it is approximately twice the size of TDHCA's annual HOME allocation. Up to five percent of the CDBG disaster recovery funding may be used for administrative oversight. If it is determined that additional staff is needed for this activity, then to the administrative funding could be used to support the hiring of additional staff. It is thought that existing PMC staff will also have to absorb some of the oversight requirements of this program which is expected to have a two to three year lifespan.

Anticipated Use of Consultants

It is anticipated that the PMC, IS, and Bond Finance divisions will continue to use consultants to complete their ongoing work in the roles above described in the Current Workforce profile section.

GAP ANALYSIS

This section identifies gaps (shortages) and surpluses (excesses) in staffing and skill levels needed to meet future functional requirements.

As a result of this workforce analysis, it is thought that a surplus or shortage in staffing levels or skills is unlikely in the near future. However, it is apparent that an effort will need to be made to enhance critical employee skills for future needs and to ensure that vehicles are in place to maintain institutional knowledge and increase the ability of staff to transition into new roles when turnover in key management positions occurs. To continue to develop staff and maintain a stable working environment, the following methods should be used to enhance internal skills.

- Develop program skill sets internally through an internal training program, internships with local universities, and an internal program rotational program.
- Identify key management positions that should be a part of a specialized succession planning program.
- Analyze our workforce and determine where and how retirements will affect key staff positions in five year time increments.

STRATEGY DEVELOPMENT

This section describes strategies for workforce transition.

Specific Goals to Address Workforce Competency Gaps or Surpluses

To plan for TDHCA's future workforce needs, three goals have been developed.

Objective 1. Develop and retain a stable, competent, well-trained workforce by improving skill sets through training programs, internships with local universities, and an internal staff rotational program.

Rationale. TDHCA believes that the training, development, and retention of the current staff are vital to the success of the Department. TDHCA will work to identify the gaps in its critical skills base and then use the following steps to accomplish the objective.

Action Steps

- Identify key critical skills through job study analysis and development of new job descriptions.
- Develop a formal internal training program from the bottom up.
- Establish intern relationships with university students in areas of study that reflect the activities of TDHCA functional areas. An example of this would be to find real estate program students who would participate in a Real Estate Analysis Training Program during the HTC cycle. In FY 2005, an Internship Hiring Process SOP was written and implemented to provide management with an additional tool to bring new talent into their program area. Using that SOP, a “grow our own” pilot program brought interns into program divisions through a summer rotational program.
- Establish an assignment rotational program for staff so they can learn the different program processes.
- Establish a rotational management program so that supervisors and managers can learn the different agency business processes.
- Establish a formal agency training program that will provide training for all staff to develop the skills critical to the Departments mission.

Objective 2. Identify and train staff who can replace retiring key staff. TDHCA should analyze its workforce to determine where and how retirements will affect key staff positions in five-year time increments.

Rationale. At the present, TDHCA does not have a formalized and communicated mechanism to replace retirees with existing staff.

Action Steps

- Use a Succession Planning Program to identify key staff and determine when these staff members will retire.
- Identify three or more peer staff that could be developed (at least one year before) to replace the retiree.
- Use a Management Training Program to provide specialized program training, key competency enhancement, and other training opportunities to identified staff.

Objective 3. Grow a management cadre of high potential candidates who have the right Departmental business skills and competencies to move into higher-level positions.

Rationale. The Department needs to establish a pool of applicants who can replace higher-level staff if the need arises.

Action Steps

- Develop a top-down management philosophy by which possible candidates will be measured.
- Develop criteria for identifying key staff and potential key staff.
- Identify the skills required to successfully fulfill the requirements of each key position.
- Identify key competencies required for all agency management staff.
- Establish a formal Management Training Program that will provide training for all key staff to develop the required skills and competencies.

APPENDIX F. SURVEY OF ORGANIZATIONAL EXCELLENCE RESULTS AND UTILIZATION PLANS

In October of 2005, TDHCA participated in an Organizational Excellence Survey sponsored by the University of Texas. The survey helps TDHCA leadership by providing information about work force issues that impact the quality of service ultimately delivered its customers. The data provide information not only about employees' perceptions of the effectiveness of their own organization, but also about employees' satisfaction with their employer. Understanding issues such as the perceived comparability of the pay and employment benefit package is vital to attracting and retaining a competitive workforce. This survey forms the basis of the following observations concerning TDHCA's strengths and weaknesses in the eyes of its employees.

In reviewing the following sections, the following scoring categorizations are useful:

- Scores of 400 or higher indicate areas of substantial strength.
- Scores above 300 indicate employees perceive the issue more positively than negatively.
- Scores below 300 indicate employees perceive the issue more negatively than positively.
- Scores below 200 indicate areas of concern for the Department. They should receive immediate attention. No items in the TDHCA survey scored below the 200 range.

Strengths

The Department's strengths lie in the perception employees have about their Strategic, Physical Environment, Quality, External, and Availability. They are discussed below in the order of scores received, from highest to lowest.

- ***Strategic (384):*** This reflects employees' thinking about how the Department's Strategic Orientation culture responds to external influences that should a play a role in defining the mission, vision, services and products. This implies the ability of the Department to seek out and work with relevant external entities.
- ***Physical Environment (377):*** Describes the employees' perceptions of the total work atmosphere and the degree to which employees believe it is a "safe" working environment. The agency has continued to invest attention to the issues of office space, equipment, parking, and the security of the building and thus, security of the employees.

Note: The surveying effort occurred prior to the Department's move to a new building with substantially different working environment and parking situation.

- ***Quality (375):*** Describes the degree to which the quality principles, such as customer service and continuous improvement are a part of the organizational culture.
- ***External (373):*** This category looks at how information flows into the Department from external sources, and conversely, how information flows from inside the organization to external constituents. It addresses the ability of Department staff to synthesize and apply external information to work performed by the Department.

- ***Availability (369):*** This category addresses the extent to which employees feel that they know where to go to get needed information, and when they get it, that they know how to use and what to do with it

Weaknesses

Areas where TDHCA did not score as high were Fair Pay, Internal, Team Effectiveness, Supervisor Effectiveness, and Change Orientation issues as described below from lowest score to highest scores. Of these categories, only the issue of Fair Pay is perceived as a true weakness - viewed more negatively than positively by employees. The other four categories all received scores above 300 and employees view these categories as more positive than negative.

- ***Change Oriented (334)***: This category describes employees' perceptions of the Department's capability and readiness to change based on new information and ideas. It also addresses the Department's aptitude to process information timely and to act upon it effectively. Most importantly, it also examines the organization's capacity to draw upon, develop, and utilize the strengths of all in the Department for improvement.
- ***Supervisor Effectiveness (330):*** This category provides insight into the nature of supervisory relationships in the Department, including the quality of communications, leadership, thoroughness, and fairness that employees perceive exists between supervisors and them. This category helps organizational leaders determine the extent to which supervisory relationships are a positive element of the organization.
- ***Team Effectiveness (327):*** This describes employees' perceptions of the people within the Department with whom they work on a daily basis to accomplish their jobs (the work group or team). Also, it gathers data about how effective employees think their work group is as well as the extent to which the Department's environment supports cooperation among employees.
- ***Internal (326):*** This captures the flow of communication within the Department from the top down, bottom up, and across divisions. It addresses the extent to which communication exchanges are open and candid and move the Department toward goal achievement.
- ***Fair Pay (274)***: Fair Pay is a common negative perception across most, if not all, state agencies. This category addresses perceptions of the overall compensation package offered by the Department. It describes how well the compensation package "holds up" when employees compare it to similar jobs in other organizations.

Strategies for Improvement

The Department has undertaken many efforts to capitalize on the information derived from the 2005 Survey of Organizational Excellence and from prior years. Below are some of the initiatives that the Department has implemented to strengthen our weaknesses and enhance our strengths.

Improving Weaknesses

- Fair Pay: Over the last fiscal year, TDHCA has conducted numerous position classification studies to ensure that employees are compensated in line with

Departmental, Austin, Texas, and national wage rates. This has been done through purchased wage surveys and Texas SAO Classification Studies to ensure that staff is classified correctly. Pay studies will continue to analyze, study, and identify areas of concern.

- Internal: The Department has strengthened internal efforts to ensure that communications to employees increase through the development of an agency-wide Intranet communication page called the TDHCA Electronic Water Cooler, a quarterly agency newsletter, quarterly *HR Herald* newsletter, increased division and section meetings, agency-wide communication memos as the need arises, and Departmental agency-wide communications meetings.

Enhancing Strengths

- TDHCA constantly works to provide a safe working environment for all employees. The Safety and Risk Management Program has been strengthened to provide a safe and risk free environment for employees. The results of the extra attention being paid to safety and risk have resulted in the agency being awarded the GOLD award for Safety last year and a near perfect inspection from the State Office of Risk Management this year. A security officer is located at the front doors of the headquarters building. Suite doors are accessible only through security access cards. The security officer’s number has been placed on the agency’s website and is readily accessible for all employees.
- The Department has instilled a culture of transparency, professionalism, and integrity. This requires open communications, the ability to handle and process external review, and acceptance of client suggestions.
- Efforts to enhance employee skills by supporting training opportunities that enhances their knowledge in their current positions and making various classes/trainings available to staff.
- A year ago, an Internship Hiring Process SOP was written and implemented to provide management with an additional tool to bring new talent into their program area. Using that SOP, a “grow our own” pilot program has brought interns into program divisions to through a summer rotational program.

APPENDIX G. LIST OF ABBREVIATIONS

AMFI	Area Median Family Income
CDBG	Community Development Block Grant
CEAP	Comprehensive Energy Assistance Program
CFNP	Community Food and Nutrition
CHDO	Community Housing Development Organization
CPA	Texas Comptroller of Public Accounts
CSBG	Community Services Block Grant
DADS	Texas Department of Aging and Disability Services
DHHS	US Department of Health and Human Services
DOE	US Department of Energy
DOT	US Department of Transportation
EEO	Equal Employment Opportunity
ELI	Extremely Low Income
FTE	Full-Time Employee
FY	Fiscal Year
GR	General Revenue
HOME	HOME Investment Partnerships Program
HOPWA	Housing Opportunities for Persons with AIDS
HTC	Housing Tax Credit
HTF	Housing Trust Fund
HUB	Historically Underutilized Business
HUD	US Department of Housing and Urban Development
IS	Information Systems
LAN	Local Area Network
LBB	Legislative Budget Board
LI	Low Income
LIHEAP	Low Income Home Energy Assistance Program
MFB	Multifamily Bond
MI	Moderate Income
MSA	Metropolitan Statistical Area
OCI	Office of Colonia Initiatives
ORCA	Office of Rural Community Affairs
PHA	Public Housing Authority
PJ	Participating Jurisdiction
PMC	Portfolio Management and Compliance
RAF	Regional Allocation Formula
SAO	State Auditor’s Office
SOL	Statement of Ownership and Location
SOP	Standard Operating Procedure
TDHCA	Texas Department of Housing and Community Affairs
TSAHC	Texas State Affordable Housing Corporation
TSDC	Texas State Data Center
USDA	US Department of Agriculture
VLI	Very Low Income
WAN	Wide Area Network
WAP	Weatherization Assistance Program

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

July 12, 2006

Action Items

Presentation, Discussion and Possible Approval of the Housing Trust Fund TDHCA Rental Portfolio Hurricane Relief Notice of Funding Availability (NOFA).

Required Action

Approve, Deny or Approve with Amendments the Housing Trust Fund TDHCA Rental Portfolio Hurricane Relief NOFA.

Background

On October 3, 2005, the Governor of the State of Texas declared twenty-two (22) Texas counties to have been impacted by Hurricane Rita. As part of the Department's response to affordable housing needs the Board approved the creation of the Hurricane Rental Relief Program at the May 4, 2006 Board meeting. The program is to be funded using $1 million from the Housing Trust Fund. Staff is now presenting the program policy and Notice of Funding Availability for the Board's approval.

Highlights of the program include:

1. Funds will be subject to the Department's Regional Allocation Formula, however will be limited to developments that were impacted by Hurricane Rita located one of the twenty-two (22) disaster declared counties and within regions five (5) and six (6).

2. Eligible Applicants include only owners of existing developments in the TDHCA's portfolio that were damaged by Hurricane Rita on September 24, 2005.

3. Applicants may apply for funding to rehabilitate housing units, community centers and amenities that were damaged within the development site by Hurricane Rita and were not covered or reimbursed by insurance or any other funding.

4. The maximum award amount will be limited to the lesser of $250,000, or an amount equal to a percentage of the total estimated damages that is equal to the percentage of units covered by the Department's Land Use Restriction Agreement (LURA).

5. Applicants may not add additional units, build new structures, or add amenities that were not in place prior to September 24, 2005.

6. All applications must be received by the Department by 5:00 p.m. on August 28, 2006, regardless of method of delivery.

7. The TDHCA Board agrees to waive the notification requirement for the applicant under 10 TAC §50.9(h)(8)(A) of the Qualified Allocation Plan and Rules. The Department staff will still make the required notifications.

Recommendation

Staff recommends that the Housing Trust Fund TDHCA Rental Portfolio Hurricane Relief Program Policy and NOFA be approved as presented.

TDHCA Rental Portfolio Hurricane Relief Program:

Program Policy and Notice of Funding Availability (NOFA)

1) Policy

On October 3, 2005, the Governor of the State of Texas declared twenty-two (22) Texas counties to have been impacted by Hurricane Rita. These areas were also federally designated as disaster areas. The Texas Department of Housing and Community Affairs (the Department) is pleased to announce the availability through its Housing Trust Fund (HTF) of approximately $1,000,000. These funds will be used to finance the rehabilitation of qualified affordable housing developments in the Department's existing rental portfolio that received damage from Hurricane Rita on September 24, 2005, and have not received sufficient reimbursement from insurance payments to complete all necessary repairs. The Housing Trust Funds available through this Notice of Funding Availability (NOFA) will be awarded as loans to eligible multifamily rental developments that are currently covered by a Land Use Restriction Agreement (LURA) with the Department.

2) Allocation of Funds

This allocation of Housing Trust Funds is not subject to the Department's Regional Allocation Formula, pursuant to §2306.111(d) of the Texas Government Code. That formula has been adjusted to reflect the multifamily housing needs for those state service regions affected by Hurricane Rita and based on the Federal Emergency Management Agency's (FEMA) household needs calculations. Based on the adjusted formula, the Department will allocate 83% or approximately $830,000 to state service region 5 and 17% or approximately $170,000 to state service region 6. The Department will allow funds to be transferred between regions 5 and 6 if there are unused funds in either region.

3) Eligible Applicants

a) Eligible Applicants include only owners of developments in the Department's rental portfolio that were damaged by Hurricane Rita on September 24, 2005, and which meet all of the following criteria:

1) The Applicant was the owner of the development on or before September 24, 2005;

2) The development was damaged by Hurricane Rita, as determined by an insurance settlement statement;

3) Is located within state service regions 5 or 6 and within one of the twenty-two disaster declared counties

4) The development has an active LURA in place with the Texas Department of Housing and Community Affairs;

5) The development must have already received an insurance settlement statement detailing the amount and covered expenses paid for by the settlement; and

6) The final payment of insurance proceeds does not have to be complete at the time of application.

b) Furthermore, the Owner and Applicant must be the same party, and meet all of the eligibility requirements of §51.2(8) and §51.7(a)(1) of the Housing Trust Fund Rule, and all of the following requirements:

1) The Applicant is able to meet all credit and financial guarantee requirements of §1.32(f) of the Real Estate Analysis Rules and Guidelines;

2) The Applicant is not considered an Ineligible Applicant under §51.5(d) of the Housing Trust Fund Rule, and does not meet any of the following criteria:

(A) Previously funded recipient(s) whose Housing Trust Funds have been partially or fully deobligated due to failure to meet contractual obligations during the 12 months prior to the current funding cycle;

(B) Applicants who have not satisfied all threshold requirements described in the HTF Rule and this NOFA, and for which Administrative Deficiencies were unresolved, pursuant to §51.6(d) of the Housing Trust Fund Rule;

(C) Applicants who have submitted incomplete applications;

(D) Applicants that have been otherwise barred by the Department;

(E) Applicant or Developer or their staff who violate the state revolving door policy (Chapter 572 of the Texas Government Code); or

(F) Any applicant who would otherwise be considered ineligible under §50.5 of the 2006 QAP, excluding those requirements at §§50.5(a)(5) – (8).

c) Pursuant to §51.5(e) of the Housing Trust Fund Rule, the Department will not recommend an application for funding if it includes a Principal who:

1) Is or has been barred, suspended, or terminated from procurement in a state or federal program and listed in the List of Parties Excluded from Federal Procurement of Non-procurement Programs;

2) Is or has been the subject of enforcement action under state or federal securities law or is the subject of an enforcement proceeding with a state or federal agency or another governmental entity;

3) Has unresolved compliance or audit findings related to previous or current funding agreements with the Department; or

4) Has breached a contract with a public agency.

4) Eligible Activities

Pursuant to §2306.202 of the Texas Government Code, the Department may use Housing Trust Funds to assist local units of government, public housing authorities, nonprofit organizations and for-profit entities to rehabilitate decent, safe and sanitary housing. Under this NOFA, owners that have an existing development in the Department’s rental portfolio may apply for funding to rehabilitate or repair damage to the development site caused by Hurricane Rita and were not covered or reimbursed by insurance or any other source of reimbursement. The maximum award amount will be limited to the lesser of $250,000, or an amount equal to a percentage of the total estimated damages that is equal to the percentage of units covered by the Department’s LURA. For example, if 20% of the units in the development are covered by the Department’s LURA and the total amount of damages from Hurricane Rita are $1,000,000, the maximum award would be $200,000. Applicants may not add additional units, build new structures, or add amenities that were not in place prior to September 24, 2005. No developer fees or soft costs, with the exception of engineering, property condition assessments, and third party reports required for threshold criteria or closing documents, will be considered eligible activities or costs under this NOFA. The Department reserves the right to determine additional activities not eligible for funding at its own discretion.

5) Additional Threshold Criteria

a) To ensure that each applicant is prepared to complete repairs to eligible developments, and has the financial resources to repay the Department's loan, Applicants will be required to complete the following threshold criteria:

1) *Approval of Permanent Lenders*. Applicants must submit approval letters from all participating lenders and lien holders stating that additional liens by the Department may be placed against the development.

2) *Status of Permanent Financing.* Applicants must submit Estoppel letters from all permanent financing entities that certify that no default exists under the note and the mortgage and no event has occurred that, with notice or the passage of time or both, would constitute a default under the note and/or the mortgage for the development.

3) *Ownership Agreements*. Applicants must submit evidence of approval from all Persons, Parties and/or Partnerships that hold an ownership stake in the development that the Applicant may add additional debt to the development. This includes all General Partners, Limited Partners, Members of Partnerships and Special Limited Partners.

4) *Credit Worthiness and Financial Statements.* Applicants will be required to submit an Authorization to Release Financial Information and Financial Statement certification forms, as provided for in the application materials.

5) *Previous Participation*. Applicants will be required to submit executed Previous Participation and Background Certification and National Previous Participation and Background Certification forms, pursuant to §50.9(h)(9) of the 2006 Qualified Allocation Plan (QAP).

6) *Projected Proformas and Operating Budgets*. Applicants will submit current and projected operating proformas, rent schedules and current rent rolls to be used in the Department's analysis of the development's financial feasibility. Additionally, Applicants will submit financial statements certifying to the development's past twelve months of operating income and expenses.

7) *Insurance Statement of Damage or PCA*. Applicants must submit all final Insurance Settlement Statements from the development's Insurers. Preliminary settlement statements, adjustment statements or unsigned settlement agreements will not be acceptable. Applicants must submit a Property Condition Assessment which meets all of the Department's requirements, pursuant to §1.36 of the 2006 Real Estate Analysis Rules and Guidelines, for developments that were uninsured.

8) *Construction/Rehab Budget*. Applicants must submit a complete development cost schedule that itemizes all necessary repairs since September 24, 2005, what repairs were completed using insurance proceeds, and all repairs that were or will not be not funded with insurance proceeds.

9) *Relocation*. Pursuant to §2306.203(4) of the Texas Government Code, funds may not be made available to a development that permanently and involuntarily displaces individuals and families of low income. Applicants will be required to certify that no low-income families will be displaced as a result of the Application.

10) *Length of Affordability*. Applicants will be required to submit a copy of their current LURA and identify the length of remaining affordability. Applicants may be required to accept an extended use agreement, extend the term of their existing LURA or accept a new LURA, pursuant to §§2306.185 and 203(6) of the Texas Government Code.

11) *Public Notifications*. Applicants will be required to submit contact information for public officials. The Department will be responsible for providing public officials notification of application

submission. For the purpose of this NOFA the Public Notification requirements of the Housing Trust Fund Rule, 10 TAC §51.6(j), have been waived by the Department's Board, pursuant to §51.11 of the Housing Trust Fund Rule.

12) *Resolution Requirements*. The Department requires that all applications submitted must include a resolution from the applicant's direct governing body (Board of Directors, Members of the General Partnership or Sole Proprietors) authorizing the submission of the application and detailing the correct signatory authority and title block for all contracts and commitments.

13) *Audit Requirements*. An applicant is not eligible to apply for funds or any other assistance from the Department unless audits are current or the Audit Certification Form has been submitted to the Department in a satisfactory format on or before the application submission date per 10 TAC §1.3(b). This is a threshold requirement outlined in the application, therefore, applications that have past due audits will be disqualified. Staff will not recommend applications for funding to the Department's Governing Board unless all unresolved audit findings, questioned or disallowed costs are resolved per 10 TAC §1.3(c).

14) *Employment Opportunities*. Pursuant to §51.8(a), in connection with the planning and carrying out of any project assisted under the Housing Trust Fund, to the greatest extent feasible, opportunities for training and employment shall be given to low, very low, and extremely low-income persons residing within the area in which the project is located. Applicants will certify to this in the application.

15) *Conflict of Interest*. Applicants will certify that no conflicts of interest are present or shall occur after the time of award, pursuant to §51.8(b) of the Housing Trust Fund Rule.

6) Selection Process

a) Pursuant to §2306.203 of the Texas Government Code, the criteria used to rank proposals will include:

1) *Priority Damage*. Applicants requesting funds to repair housing units that are not habitable at the time of Application submission will receive *10 points*. Applicants requesting funds to repair housing units that are habitable but in need of repair at the time of Application submission will receive *5 points*. Applicants will certify to this item.

2) *Priority Areas*. In an effort to focus more funding into areas impacted most by Hurricane Rita, developments located within the counties of Hardin, Jefferson and Orange will receive *10 points*.

3) *Developments located in High Needs Areas*. Pursuant to §2306.203(5)(B), of the Texas Government Code, consideration of the number and percentage of income-qualified families in different geographical areas will be taken in the allocation of funds. Under this NOFA, Applicants will receive up to *7 points* based on the Affordable Housing Needs Score (AHNS) for the place or location of the development site. The AHNS list will be provided in the application materials.

4) *Leveraging of Federal Resources*. Applicants will receive *5 points* for providing evidence that there development has received Federal Financial assistance through FEMA, the Small Business Administration or the Department of Homeland Security. Federal flood insurance is not to be considered federal financial assistance.

5) *Cost-Effectiveness of a Proposed development*. Applicants will receive *5 points* for submitting a request for funding that does not exceed 30% of the total value of damage to the development, as calculated in the insurance settlement statement.

6) *Very Low Income Targeting*. Applicants will receive *5 points* for developments that currently provide 50% or more of their housing to families or individuals earning 50% or less of the area medium income (AMI).

7) *Developments in Rural Areas*. Pursuant to §2306.203(5)(A) of the Texas Government Code, special emphasis will be placed on allocating funds to developments located in rural areas. Under this NOFA, developments located in rural areas, as defined by the Departments Housing Needs Characteristics list, will receive *5 points*.

b) The maximum score possible is *47 points*. Applicants with the greatest percentage of damage (i.e. total cost of damage divided by assessed value of the development) will be given priority over equally scored Applications if a tie breaker is necessary to determine awardees.

7) Review Process

a) All applications must be received by the Department by 5:00 p.m. on August 28, 2006, regardless of method of delivery. Applications will be accepted, reviewed, and recommended to the Department's Board in accordance with the process outlined in this NOFA and pursuant to §51.6 of the Housing Trust Fund Rule.

b) Applicants must submit a complete application to be considered for funding, along with an application fee of $500.00. Texas Government Code requires the Department to waive application fees for nonprofit organizations that offer expanded services such as child care, nutrition programs, job training assistance, health services, or human services. These organizations must include proof of their exempt status and a description of their supportive services in lieu of the application fee.

c) Applications containing false information will be disqualified. Applications must be on forms provided by the Department and cannot be altered or modified and must be in final form before submitting them to the Department.

d) Applications must comply with §§2306.201 - 203 of the Texas Government Code, the Housing Trust Fund Rules at 10 TAC Part 51, this NOFA and all other applicable regulations and statutes. Applications that satisfy the eligibility criteria and threshold criteria will then be evaluated for material noncompliance, and scored according to the selection criteria outlined in this NOFA. A brief analysis of the development's financial feasibility will be conducted only for those applications that will be recommended for an award.

e) The Department may decline to consider any application if the proposed activities do not, in the Department's sole determination, represent a prudent use of the Department's funds. The Department is not obligated to proceed with any action pertaining to any applications which are received and may decide that it is in the Department's best interest to refrain from pursuing any selection process. The Department strives, through its loan terms, to securitize its funding while ensuring the financial feasibility of a development. The Department reserves the right to negotiate individual elements of any application or award.

f) An Applicant may appeal decisions made by staff in accordance with 10 TAC §§1.7-1.8.

g) Applicants should contact the following staff persons for additional information on this program:

Audrey Martin, Housing Specialist
Phone: (512) 475-3872
Email: audrey.martin@tdhca.state.tx.us

Or

David Danenfelzer, Multifamily Housing Administrator
Phone: (512) 475-3865
Email: david.danenfelzer@tdhca.state.tx.us

8) Awards and Closing Process

a) Awards for the Hurricane Damage Program will be made by the Department's Board no later than September 30, 2006. Once awards have been made by the Board, the Department will issue loan commitments. Commitments will detail the rates and terms of loan agreements, and all due diligence materials required to complete loan closings. Applicants will be required to submit all due diligence materials prior to the preparation of closing documents and in accordance with §§51.8(c) – (f) and 51.10 of the Housing Trust Fund Rule. At a minimum, Applicants will be required to submit all of the following documentation to complete the Department's loan closing process:

1) Mortgagee Title Commitment;
2) Notes and Deeds of Trust;
3) Current Property Survey;
4) Evidence of Compliance with Local Zoning Ordinances;
5) Organizational Chart;
6) Bylaws, Articles of Incorporation, and Certificate of Filing Status with the Texas Secretary of State;
7) Texas Comptroller's Certificate of Good Standing;
8) Development Team Contact Information;
9) Proof of Corporate or Partnership Agreements filed with Texas Secretary of State;
10) Borrower Resolution naming the person and their title authorized to sign the TDHCA loan documents;
11) Borrower's Property and Casualty Insurance, General Public Liability Insurance, Builder's Risk Insurance (if applicable) and Worker's Compensation Insurance Certificate;
12) Texas Application for Payee ID#, Direct Deposit Form, and TDHCA Contract System Access Request Form;
13) Final Budget with Sources and Uses;
14) Supporting documentation proving fulfillment of all underwriting requirements noted in the Commitment Letter prior to TDHCA loan closing; and
15) Any other document the Department deems necessary to complete the closing process.

b) Furthermore, Applicants should note that all awardees must abide by the Housing Trust Fund Rules relating to records to be maintained and compliance review procedures detailed at §§51.10 and 60 of Title 10 Chapter 1 of the Texas Administrative Code.

9) Application Acceptance

Application materials must be organized and submitted in the manner detailed in the application manual. Applicants must submit one complete printed copy of all application materials and one complete scanned copy of the application materials. All scanned copies must be scanned in accordance with the guidance provided in the application manual.

Applications must be sent to:

Multifamily Finance Production Division
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, TX 78701-2410

Or via the U.S. Postal Service to:

Multifamily Finance Production Division
Texas Department of Housing and Community Affairs
Post Office Box 13941
Austin, TX 78711-3941

NOTE: This NOFA does not include the text of the various applicable regulatory provisions that may be important to the Housing Trust Fund. For proper completion of the application, the Department strongly encourages potential applicants to review 10 TAC §§50 & 51, and §2306 of the Texas Government Code. These regulatory provisions may be found on the TDHCA website at http://tdhca.state.tx.us/, under "TDHCA Governing Statute (PDF)" and "TDHCA Rules (TAC)."

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

July 12, 2006

Action Items

Presentation, Discussion and Possible Approval of an Extension of the Commitment Termination Date for Hacienda Santa Barbara Apartments.

Required Action

Approve, Deny or Approve with Amendments an Extension of the Commitment Termination Date for Hacienda Santa Barbara Apartments.

Background

The Department awarded HOME Community Housing Development Organization (CHDO) funds in June 2005 to Hacienda Santa Barbara Apartments. The Applicant requested (and was granted) a previous extension from April 1, 2006 to July 1, 2006 for this development due to a delay in the United States Department of Agriculture (USDA) Rural Development loan. The Applicant is still citing delays in the USDA-RD funding concerning the approval from USDA for the final design. According to the Applicant, the first and second reviews have been completed and states the USDA will complete the final review as soon as possible. The Applicant is requesting an extension of the Commitment Termination date to January 1, 2007.

Recommendation

Staff recommends extending the Commitment Termination Date to November 1, 2006 with the understanding that if the Applicant does not close by November 1, 2006, the commitment will expire and the funds will be deobligated and returned to the HOME CHDO pool.

HOUSING AND ECONOMIC RURAL OPPORTUNITY, INC.
P.O. BOX 129 SAN MIGUEL, NEW MEXICO 88058 (505) 233-2923 fax (505) 233-3613

June 2, 2006

David Danenfelzer
Texas Department of Housing and Community Affairs

Re: Hacienda Santa Barbara Apartments
HOME Loan Commitment #1000418

Dear Mr. Danenfelzer:

Housing and Economic Rural Opportunity, Inc. respectfully requests that we be given an extension on our HOME loan award for the above mentioned project from July 1, 2006 to January 1, 2007. We apologize for any inconvenience this is causing and appreciate your consideration on this request.

The reason for the extension is because Rural Development requested for the final design documents be submitted to them for a second review before proceeding with competitive bidding. The first review was done following approval of the funding from Rural Development and the second review was requested to ensure compliance with Rural Development regulations and local requirements.

The second review has been completed by Rural Development and the design professional completed all revisions and design documents were delivered back to Rural Development on June 2, 2006 to the El Paso office with Anita Sprankle. Rural Development has indicated that they will try to complete the final review as soon as possible.

Sincerely,

A Davalos

Alberto Davalos
President

CC: Carolyn Kelly
Rose Garcia
Tom Andrew
Tamara Richmond

MULTIFAMILY FINANCE PRODUCTION DIVISION
BOARD ACTION REQUEST
July 12, 2006

Action Item

Presentation, Discussion and Possible Decision for the applicant's appeal of scoring for a 2006 Housing Tax Credit (HTC) Application.

Requested Action

Approve, Deny or Approve with Amendments a determination on the appeal.

Background and Recommendations

I. Centerpoint Home Ownership- 060144

This appeal was previously included on the agenda for the June 9, 2006 Board Meeting; however, per Board direction, this appeal was postponed pending additional information. The Centerpoint Home Ownership appeal and two other appeals involving Centerpoint Resident Council were set to be heard by the Board after the information was gathered. Due to rulings made by the board at the June 9, 2006 meeting, the other two appeals have been withdrawn and this appeal for Centerpoint Home Ownership is the only active appeal of the three originally postponed.

On June 9, 2006 the Board requested staff to investigate how the relationship between the Centerpoint Resident Council and Shannon Pritchard their attorney was established based on the personal and professional relationship of the law firm representing the Council and the applicant.

On June 21, 2006, the Department issued a deficiency to the applicant requesting this information. On June 26, 2006, an Applicant representative, Bill Fisher, responded with the attached affidavit and evidence (see "Applicant Response"). Staff has reviewed the affidavit and evidence and has determined that the deficiency has been resolved within the legal boundaries of the QAP. The Applicant Response is attached behind this Action Item for the Board's information in response to the June 9, 2006 Board request from staff.

As a reminder, the 2006 QAP added new language which explicitly states a resident council is not a "neighborhood organization" unless the letter is relating to an application that is proposed for, "...Rehabilitation or demolition with New Construction applications in which the council is commenting on the rehabilitation or demolition/ New Construction of the **property** occupied by the residents [emphasis added]."

The applicant is appealing the Executive Director's denial of their appeal, which affirmed staff's 3
determination that the Quantifiable Community Participation (QCP) letter submitted for this application is ineligible because the letter is from a resident council and the proposed application

is new construction only. This was also the determination made by the Executive Director based on staff's interpretation of the QAP language at the time in his response to the applicant's appeal.

In the June 9, 2006 Board meeting, the Board heard and granted the appeal of Sunset Haven (060118). The Centerpoint Home Ownership appeal is similar to the issues raised in Sunset Haven Appeal. For the Board's Consideration, Staff has identified similarities and differences between the appeals for Centerpoint Home Ownership, 060144, and Sunset Haven, 060118, from the June 9, 2006 Board meeting decision on Sunset Haven.

The Board indicated at the June 9, 2006 meeting that in a single family format, the resident council could not occupy the site directly, but could be considered to have constructively occupied the site when the property in question was adjacent or having shared boundaries with the property occupied by the resident council. In that circumstance, a council could comment on new construction and be consistent with the QAP rule.

After this discussion, the Board voted to grant the Appeal for Sunset Haven (060118). The specific reason the Board gave for granting Sunset Haven (060118) was that the Sunset Terrace Resident Council in particular is comprised of single family homes in a residential development which is directly adjacent to the proposed development site. It was determined by the Board that, pursuant to the Board's reading of the QAP, the property was therefore occupied by the residents and the applicant presented sufficient evidence to substantiate that they "occupied" the property. Please see Exhibits A-C as evidence of this fact.

Exhibit A: Site map: Note that the homes are adjacent to the proposed development site.

Exhibit B: Sunset Terrace Bylaws: Note that pursuant to HUD Rules, this is a resident council which is restricted to the residents of Sunset Terrace

Exhibit C: May 10, 2006 Resident Council Response to the Department: Indicates that all residents of proposed development will be a part of the Sunset Terrace Resident Council because of proximity to site.

Regarding the appeal by the Applicant of the Centerpoint Resident Council's letter regarding Centerpoint Home Ownership (060144), Centerpoint Resident Council is also a resident council comprised of the residents of single family homes and is commenting on new construction (plus the demolition of playground facilities) adjacent to or having shared boundaries with existing property. The difference between the two development fact patterns is that Centerpoint Home Ownership application proposes to build 36 new single family homes within the existing sub-division (as opposed to an adjacent property).

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Please see Exhibits D-F as the evidence that further points to these similarities:

Exhibit D: Site map: Note that the homes are not adjacent to the proposed development site. Rather, they are within the existing subdivision.

Exhibit E:	Centerpoint Resident Council Bylaws: Note that pursuant to HUD Rules, this is a resident council which is restricted to the residents of the Centerpoint Development.
Exhibit F:	May 5, 2006 Centerpoint Resident Council Response to the Department: Indicates that all residents of proposed development will be a part of the Centerpoint Resident Council.

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

Applicant:	Riverdale, L.P.
Site Location:	Ruby Ave. and Mile 8 N.
City/County:	Weslaco/ Hidalgo County
Regional Allocation Category:	Urban/Exurban
Set-Aside:	None
Population Served:	Family
Region:	11
Type of Development:	New Construction/Acquisition
Units:	36
Credits Requested:	$538,018

Staff Recommendation: The Executive Director denied the original appeal consistent with prior interpretations of the QAP. Based on the cure of the deficiency issued regarding the attorney client relationship and the change of prior interpretation of the QAP, staff is recommending that the Board approve this appeal.

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060144

Centerpoint Home Ownership

(060143 and 060147 withdrawn)

<u>Resident Councils</u>

§50.9(i)(2) Quantifiable Community Participation from Neighborhood Organizations on Record with the State or County and Whose Boundaries Contain the Proposed Development Site.

(A) Basic Submission Requirements for Scoring...the letter (and enclosures) must be received by the Department no later than April 3, 2006...The organization's letter (and enclosures) must:

(i) state the name and location of the proposed Development...

(ii) be signed by...comparable head of the organization, and provide the street and/or mailing addresses, phone numbers, and e-mail addresses and/or facsimile numbers... and for one additional contact for the organization;

(iii) establish that the organization has boundaries, state what the boundaries are, and establish that the boundaries contain the proposed development site. A map must be provided with the geographic boundaries of the organization and the proposed Development site clearly marked within those boundaries;

(iv) establish that the organization is a "neighborhood organization." A "neighborhood organization" is defined as an organization of persons living near one another within the organization's defined boundaries that contain the proposed Development site and that has a primary purpose of working to maintain or improve the general welfare of the neighborhood. "Neighborhood organizations" include homeowners associations, property owners associations, and resident councils (only for Rehabilitation or demolition with New Construction applications in which the council is commenting on the rehabilitation or demolition/ New Construction of the property occupied by the residents). "Neighborhood organizations" do not include broader based "community" organizations; organizations that have no members other than board members; chambers of commerce; community development corporations; churches; school related organizations; Lions, Rotary, Kiwanis, and similar organizations; Habitat for Humanity; Boys and Girls Clubs; charities; public housing authorities; or any governmental entity. Organizations whose boundaries include an entire county or larger area are not "neighborhood organizations." Organizations whose boundaries include an entire city are generally not "neighborhood organizations."

(v) include documentation showing that the organization is on record as of March 1, 2006 with the state or county in which the Development is proposed to be located. ...If an organization's status with the Secretary of State is shown as "forfeited," "dissolved,"...the organization will not be considered on record with the state... As an option to be considered on record with the state...must be received by the Department no later than March 1, 2006...

(vi) accurately state that the neighborhood organization was not formed by any Applicant, Developer, or any employee or agent of any Applicant in the 2006 tax credit Application Round, that the organization and any member did not accept money or a gift to cause the neighborhood organization to take its position of support or opposition, and has not provided any assistance other than education and information sharing to the neighborhood organization to meet the requirements of this subparagraph for any application in the Application Round (i.e. hosting a public meeting, providing the "TDHCA Information Packet for Neighborhoods" to the neighborhood organization, or referring the neighborhood organization to TDHCA staff for guidance). Applicants may not provide any "production" assistance to meet these requirements for any application in the Application Round (i.e. use of fax machines owned by the Applicant, use of legal counsel related to the Applicant, or assistance drafting a letter for the purposes of this subparagraph).

(vii) state the total number of members of the organization and provide a brief description of the process used to determine the members' position of support or opposition...

(viii) include the organization's articles of incorporation and/or bylaws and/or organizational documents created on or before March 1, 2006, that, at a minimum, identify the boundaries of the organization, identify the officers of the organization and clearly indicate the purpose of the organization.

(ix) The boundaries in effect for the organization on March 1, 2006...Annexations occurring after that time to include a Development site will not be considered eligible. A Development site must be entirely contained within the boundaries of the organization...

(x) Letters...may not be provided via the Applicant which includes facsimile and email communication.

(B) Scoring of Letters (and Enclosures). The input must clearly and concisely state each reason for the organization's support for or opposition to the proposed Development.

(i) ...The Department may consider any relevant information specified in letters from other neighborhood organizations regarding a development in determining a score.

(ii) ... Input that evidences unlawful discrimination against classes of persons protected by Fair Housing law or the scoring of which the Department determines to be contrary to the Department's efforts to affirmatively further fair housing will not be considered.

(iii) In general, letters that meet the requirements of this paragraph and

(I) establish three or more reasons for support...(+24 points) or opposition (zero);

(II) establish two reasons...+18 points for support...

(III) establish one reason for support ... +13 points for support...;

(IV) that do not establish a reason...neutral (+12 points).

(iv) Applications for which no letters from neighborhood organizations... a neutral score of +12 points.

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Applicant Response Notice
Centerpoint Home Ownership,
TDHCA # 060144

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AFFIDAVIT OF BILL FISHER

THE STATE OF TEXAS §
§
COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, on this day personally appeared BILL FISHER, known to me to be the person whose name appears below, who upon being duly sworn, deposes and states the following:

1) That he is over eighteen (18) years of age, and of sound mind; that he has personal knowledge of the matters stated herein and that they are all true and correct.

2) That he has no personal or professional relationship with Shannon Pritchard, the legal counsel of record for the Centerpointe Resident's Council ("Council").

3) That he knows John Carney of John H. Carney & Associates through their attendance together at Southern Methodist University, as a Fraternity brother and friend, since 1973. He is not familiar with any other members of the Carney firm, if any, other than John Carney at this time. He has made no effort to discover all the members of Carney and Associates at this time, he is not aware of any others at this time. Mr. Fisher had a long--term business and personal relationship with Mr. Carney dating from 1984 to 2004. John H. Carney and Associates and John H. Carney does not represent the Applicant nor any of their affiliates to his best knowledge or belief. John H. Carney and Associates does not represent Mr. Fisher, nor any affiliates of Mr. Fisher, at this time, at the time of application nor at any time since at least 2004.

4) That he spoke to John Carney and informed him of the weblink on the TDHCA website that contains the Qualified Allocation Plan and Rules ("QAP").

5) That during his conversation with John Carney, he invited John H. Carney & Associates to attend the Quantifiable Community Participation ("QCP ") educational meeting between the Developer and the Council, pursuant to the rules for QCP and the attached e-mail from TAAHP. Mr. Carney did not attend any of the QCP meetings attended by Mr. Fisher. Mr. Carney did not attend any of the Council meetings and had no involvement in the QCP process for production assistance to the Council's letters to his best knowledge and belief. He met Shannon Pritchard, legal counsel of record for the Council, for the first time at the QCP educational meeting between the Developer and the Council.

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6) That neither he nor anyone else affiliated with him, paid any monies or other compensation nor agreed to pay any compensation including expenses to

Shannon Pritchard or John H. Carney & Associates regarding or in connection with Shannon Pritchard's representation of the Council. Ms. Pritchard's representation was strictly pro bono on behalf of the Council to his best knowledge and belief.

7) That Saleem Jafar, the Partnership and the Developer did not pay any monies or other compensation to Shannon Pritchard or John H. Carney & Associates regarding or in connection with Shannon Pritchard's representation of the Council to his best knowledge and belief

8) That neither he nor anyone else affiliated with him, have any agreements regarding compensation or any other benefits or anything of value with Shannon Pritchard or John H. Carney & Associates regarding or in connection with Shannon Pritchard's representation of the Council to his best knowledge and belief.

9) That Saleem Jafar, the Partnership and the Developer do not have any agreements regarding compensation or any other benefits or anything of value with Shannon Pritchard or John H. Carney & Associates regarding or in connection with Shannon Pritchard's representation of the Council, to his best knowledge and belief.

10) That he did not receive any advice or assistance from Shannon Pritchard or John H. Carney & Associates regarding or in connection with the Project.

11) That neither John H. Carney and Associates nor Shannon Pritchard represent, Bill Fisher nor the Applicant, Saleem Jafar or any of their affiliates in any matters and are therefore not affiliated with the legal counsel for the Council as defined in the QAP and QCP material to his best knowledge and belief.

FURTHER, AFFIANT SAITH NOT.

BILL FISHER

SUBSCRIBED AND SWORN TO BEFORE ME, the undersigned notary public, by the aforesaid BILL FISHER, on this the 27 day of June, 2006, to certify which witness my hand and seal of office.

8

BRENT YELDELL
Notary Public, State of Texas
My Commission Expires
November 29, 2006

Notary Public in and for the State of Texas

Bill Fisher

From: Bill Fisher [bfisher8@airmail.net] on behalf of Bill Fisher
Sent: Friday, June 16, 2006 1:39 PM
To: 'jshack@shacklaw.net'
Subject: FW. QCP Issues

From: Andrea Shaw [mailto:ashaw@taahp.org]
Sent: Monday, February 13, 2006 9:15 AM
To: Wendy Maceo Melton; Tim Nelson; Amay Inamdar; Andrew Johnson; Barry Beeson; Barry Kahn; Barry Palmer; Bert Magill; Bill Baker; Bill Wenson; Brad Forslund; Brian Potashnik; Bruce Hatton; Chip Triplett; Chris Diaz; Chris Finlay; Chris Richardson; Dale Cook; Dan Markson; David Long; David Martin; David Wood; Debbie Welchel; Deepak Sulakhe; Dennis Hoover; Dick Kilday; Don Sowell; Douglas Backes; Dwayne Henson; Ed Ipser; Elizabeth Rippy; Fassett, Ryan; Frank A. Baldasare; Frank Pollacia; Gary Gum; Gary Machak; George Littlejohn; Ginger McGuire; Ike Monty; Jana Teis; Janna Cormier; Jeanne B. Talerico; Jeff Adams; Jeff Burgher; Jeff Butcher; Jeffrey L. Rogers; Jeffrey Spicer; Jim Shaw; Joe Briganti; Joe Chamy; John Morgan; John Shackelford; Justin Ginsberg; K. Nicole Flores; Kathy Bergmann; Kevin Kilbane; Kirk Tate; Kurt Kehoe; Lana Peterson; Larry Mandel; Leia Sidwa; Leslie Hinkle; Linda McMahon; Lloyd Griffin; Margaret Shaw; Marie Keutmann; Mark Bower; Mark Foster; Mark Mayfield; Matt Lutz; Michael Hartman; Michael Murphy; Michael Ording; Mike Pruitt; Mike Robinson; Orlando Alfaro; Patrick O'Connor; Paul Holden; Phil Melton; Philip Porter; R.L. Buckalew; Randy Stevenson; Ray Head; Ray Landry; Richard Shaw; Rick Davis; Rick Deyoe; Robert Johnston; Robert Turner; Ron Hance; Ron Williams; Sandra Williams; Sherri Swope; Steve Ford; Tim McCann; Tom Dixon; Tom Scott; Vernon R. Young; Wendy Lamb; William Encinas; Williams, Valerie A; Paul Patierno; Chris Martiner; Mike Clark; Jon Skeele; Don Bethel; Paul Turney; William L Brown; Emanuel H Glockzin, Jr.; Elia Lopez; Terry Campbell; Glen Campbell; R. David Kelly; Don Pace; Toni Jackson; Diana Helms-Morreale; Diana McIver; Jim Beats; Bob Joy; Sarah Garland; Mike Sugrue; Sarah Hutchinson; K.T. "Ike" Akbari; Jeff Crozier; Jim Sari; Mike Lankford; Granger MacDonald; Sue Passacantilli; Bob Voelker; Jerry Wright; Bill Fisher; Suzanne Phillips; Gary Robinson; Tim Kemper; Sox Johnson; Monica Poss; Sara Newsom; Sarah Anderson; Sally Gaskin; Martha Brown; JOT Couch; Chris Bergmann; Davonne Lewis; Charlotte Bergdorf; Omar Chaudhry; Mark Wolcott; Jen Oscarson; Kelly Hunt; Stuart Shaw; Andrea Shaw; Vaughan Mitchell
Subject: FYI: QCP Issues

FYI-

We would like our TAAHP members to know about a resource available to neighborhood organizations in need of legal services. Texas Community Building With Attorney Resources (Texas CBAR) is an organization that provides pro bono legal assistance to non-profit organizations working in low-income communities. The services are provided through referrals to qualified, volunteer attorneys throughout the state. Cynthia Bast corresponded with Texas CBAR as to whether they would be willing to provide services to neighborhood organizations working with developers for QCP points. They have agreed to do so. [See their website at www.texascbar.org.] 9

This is a terrific alternative for the developers and the neighborhood organizations to obtain professional assistance. TAAHP has not checked w/TDHCA, however, to see if such a referral meets the test of "education" similar to the provision of the materials on the Department's website.

Andrea Shaw
www.taahp.org

Texas Department of Housing and Community Affairs
Housing Tax Credit Program
2006 Application Deficiency Notice

Deficiency Notice Date: 6/21/2006

THIS NOTICE WILL ONLY BE TRANSMITTED VIA FACSIMILE

Primary Contact:		Second Contact:	
Contact Name:	Saleem Jafar	Second Contact:	Bill Fisher
Contact Phone:	(972) 701-5550	Second Fax:	(972) 701-5562
Contact Fax:	(972) 701-5562	2nd E-Mail:	bfisher8@airmail.net
Contact E-Mail	sjafar@orhlp.com		

Regarding: TDHCA Number 060158, Alta Vista Senior Towers

In the course of the Department's review of the above referenced application documentation, an Administrative Deficiency, as defined in §50.3(1) of the 2006 Qualified Allocation Plan and Rules, has been identified. Per §50.3(1), an Administrative Deficiency is defined as: "The absence of information or a document from the Application as is required under §50.5, §50.6, §50.8(d) and §50.9(g), (h), (i) and (j) of this title." By this notice, the Department is requesting documentation to correct the following deficiency or deficiencies:

I. The following Administrative Deficiencies were found in your Threshold Criteria documentation. Threshold Administrative Deficiencies will be handled as described in Section II below.

Threshold: 1. Volume 3 Tab 6 Rehabilitations: Please note that the Department has accepted the full ACC contract for satisfaction of the subsidy description requirement; however, please confirm whether or not the development will continue as public housing. If so, provide a revised Rent Schedule that indicates public housing units in the "Other" column.

2. Please note that this item is not directly related to this particular application, but is requested from Bill Fisher: Please answer the following question: Are you aware of how the relationship between the Centerpoint Resident Council and Shannon Pritchard, their attorney was generated? You are not violating any section of the QAP if you obtain evidence necessary to fully answer this question directly from Ms. Pritchard, John H. Carney & Associates, or from the resident council itself.

3. Please note that this item is not directly related to this particular application, but is requested from Bill Fisher: Describe any professional or personal relationship you have with the Shannon Pritchard and/or any member of the firm, John H. Carney & Associates, or other related entity, with whom she practices. You are not violating any section of the QAP if you obtain evidence necessary to fully answer this question directly from Ms. Pritchard, John H. Carney & Associates, or from the resident council itself.

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II. The following Administrative Deficiencies were found in your Selection Criteria documentation. Selection Administrative Deficiencies will be handled as described in Section II below.

Selection:

Texas Department of Housing and Community Affairs
Housing Tax Credit Program
2006 Application Deficiency Notice

Per §50.9(d)(4), if Administrative Deficiencies are not clarified or corrected to the satisfaction of the Department within five business days of the deficiency notice date, then for competitive Applications under the State Housing Credit Ceiling five points shall be deducted from the Selection Criteria score for each additional day the deficiency remains unresolved. If deficiencies are not clarified or corrected within seven business days from the deficiency notice date, then the Application shall be terminated. The time period for responding to a deficiency notice begins at the start of the business day following the deficiency notice date. "Deficiency notices may be sent to an Applicant prior to or after the end of the Application Acceptance Period." The Department must receive the requested documentation by 5:00 p.m. CST or the documentation will be deemed to have been received the following day.

All documentation should be submitted as a whole and be directed to the attention of the staff member issuing this notice at:

Multifamily Finance Division
Via U.S. Mail: P.O. Box 13941, Austin, Texas 78711-3941.
Via express delivery/private courier: 221 East 11th, Austin, TX 78701.

Only documents less than 10 pages in length may be faxed to: 512.475.1895.
You may also e-mail your response to the staff member issuing this notice.

Sincerely,

Audrey Martin
Multifamily Housing Specialist

Phone Number: (512) 475-3872

Email: audrey.martin@tdhca.state.tx.us

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* * * Memory TX Result Report (Jun. 27. 2006 4:55PM) * * *

1)
2)

Date/Time: Jun. 27. 2006 4:53PM

File No.	Mode	Destination	Pg(s)	Result	Page Not Sent
7394	Memory TX	915124751895	P. 12	OK	

Reason for error
E. 1) Hang up or line fail
E. 2) Busy
E. 3) No answer
E. 4) No facsimile connection
E. 5) Exceeded max. E-mail size

ODYSSEY RESIDENTIAL HOLDINGS, LP
5420 LBJ Freeway, Suite 1235
DALLAS, TX 75240
(972) 701-5561
(972) 701-5587 FAX

facsimile transmittal

To:	Audrey Martin, TDHCA	Fax:	512-475-1895
From:	Saleem Jafar	Date:	June 27, 2006
Re:	Alta Vista # 06-0151	Pages:	12 with this cover
CC:	Bill Fisher		

☐ Urgent X For Review ☐ Please Comment ☐ Please Reply ☐ Please Recycle

Deficiency Response to your notice of June 21, 2006 to Alta Vista and the unrelated responses for Centerpoint per that same notice.

Thanks,

Saleem Jafar

972-701-5550
972-701-5562 FAX
214-280-6308 Cell

12

5420 LBJ Freeway, Suite 1235
DALLAS, TX 75240
(972) 701-5551
(972) 701-5562 FAX

facsimile transmittal

JUN 2 8 2006

To:	Audrey Martin, TDHCA	Fax:	512-475-1895
From:	Saleem Jafar	Date:	June 27, 2006
Re:	Alta Vista # 06-0158	Pages:	12 with this cover
CC:	Bill Fisher		

☐ Urgent X For Review ☐ Please Comment ☐ Please Reply ☐ Please Recycle

Deficiency Response to your notice of June 21, 2006 to Alta Vista and the unrelated responses for Centerpoint per that same notice.

Thanks,

Saleem Jafar

972-701-5550
972-701-5562 FAX
214-280-6308 Cell

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Same package received 6/27/06 via fax.
AM

ODYSSEY RESIDENTIAL HOLDINGS, L.P.
5420 LBJ FREEWAY, SUITE 1235
TWO LINCOLN CENTRE
DALLAS, TX 75240
972-701-5551
972-701-5562 FAX

JUN 2 8 2006

Ms. Audrey Martin, Multi Family Housing Specialist
TDHCA
221 E. 11th Street
Insurance Building Annex
Austin, TX 78711

June 27, 2006

RE: Alta Vista Apartments #060158; Deficiency Notice dated June 21, 2006

Dear Ms. Martin:

This response and supporting material is sent by e-mail and fax today with an original hard copy sent overnight by DHL to your attention. In response to the notice of administrative deficiency please find our responses including attachments:

Section I Administrative Deficiency:

Item 1. Please find attached a revised Rent Schedule per the instructions in the deficiency notice to show the proposed public housing units as both 30% of AMFI HTC units but also the "Other" designation due to the additional restrictions and subsidies coming with the continuation of the ACC contract for these public housing units. You have a copy of the ACC contract which covers these ten units at this time. Subject to HUD mixed finance approval these ten units will continue to be designated as public housing units and will benefit from the ACC contract including the payment of the resident's utilities. I included a copy of the financing narrative in the original application filing identifying these units as public housing units for the purposes of the financing and underwriting analysis. 14

Item 2. Not related to this application but to the Centerpoint Application #06-0144. Attached is the response to this question in the attached affidavit from Bill Fisher.

Item 3. Not related to this application but to the Centerpoint Application #06-0144. Attached is the response to this question in the attached affidavit from Bill Fisher.

If you need additional information please do not hesitate to contact us.

Sincerely,

Saleem Jafar
President of the GP

Attachments

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Exhibit A
Sunset Haven, TDHCA # 060118

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Windows Live Local [Use current map view]
Virtual Earth Beta What: Business name or category Where: Address, city, or other place

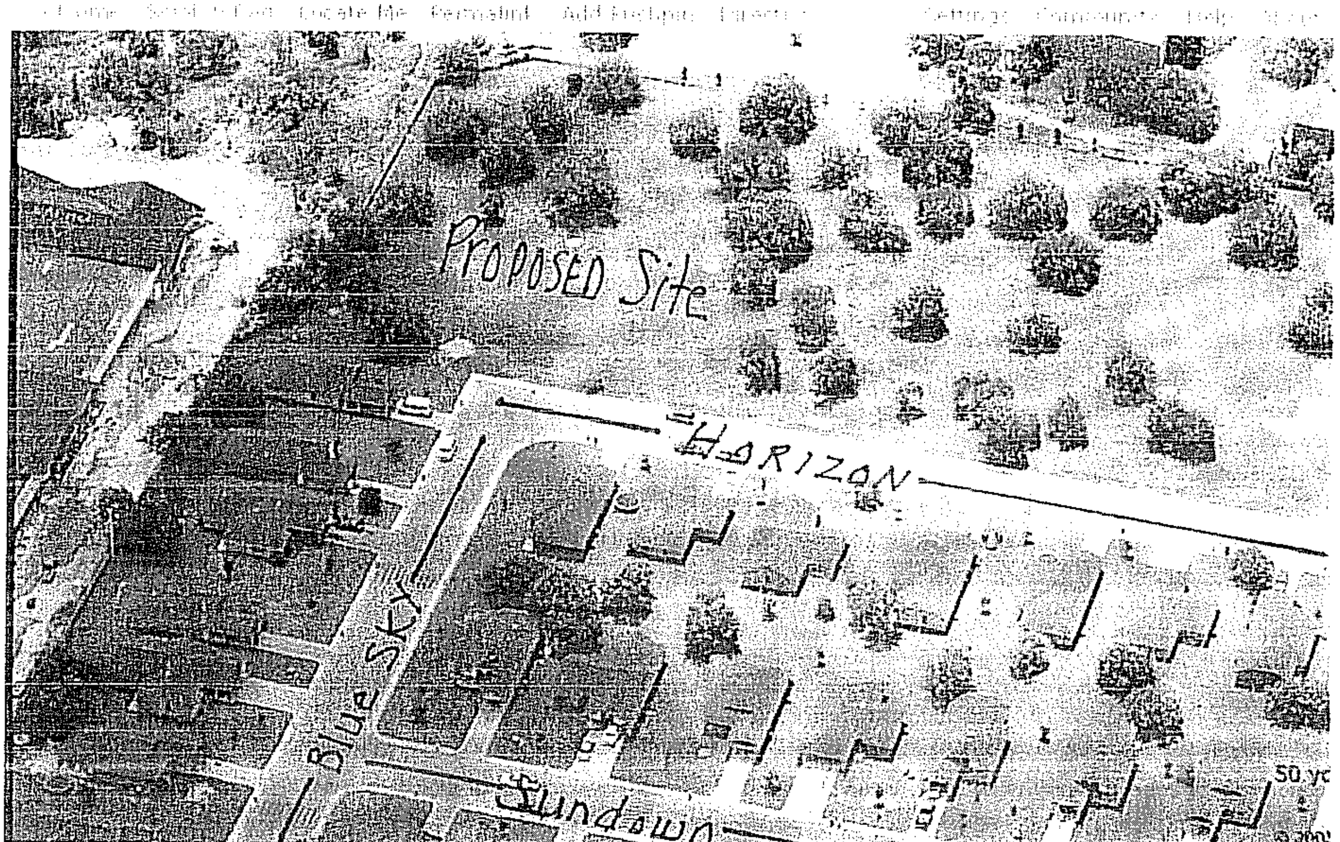

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Exhibit B
Sunset Haven, TDHCA # 060118

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SUNSET TERRACE RESIDENT ASSOCIATION BY-LAWS

ARTICLE I
NAME OF THE ASSOCIATION

The name of the Association is the SUNSET TERRACE RESIDENT ASSOCIATION, a non-profit organization.

ARTICLE II
PURPOSE

The purpose of this association is to provide opportunities for members to meet each other, exchange views and ideas, and plan social functions. Besides residents will engage in planning for innovative ideas to promote employment opportunities for residents; establish goals for improving housekeeping habits; improving community life and services; promoting self-sufficiency and upward mobility; work toward elimination of drugs and other substances; promote for home ownership in the private sector, and establish such other initiatives from time to time for the economic and welfare requirements of all residents.

ARTICLE III
MEMBERSHIP

Membership in the Sunset Terrace Resident Association shall be restricted to residents of Sunset Terrace. All residents are automatically members of this Association.

ARTICLE IV
MEETINGS

Regular meetings of the membership will be held the **third Thursday** of each month at **5:30 P.M.** in the Linda Vista Community Center. Unless otherwise designated the business at hand issues will take precedence at all meetings.

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ARTICLE V
OFFICERS AND DUTIES

Election of officers will be held each year the third thursday of October at the general membership meeting. The officers shall be elected by a majority vote (votes will be counted by a paper ballot) of the resident membership and shall consist of a president, vice-president, secretary, treasurer and secretary of social events. Nominees for all offices shall not be present or visible to the voting area at the time of election. The term of office shall be for one year.

Section 1. Powers and Duties of the President

The president shall preside at all regular or special meetings. He/She shall conduct these meetings in a fair and impartial manner. This title does not automatically vest or cause any absolute authority over any business or actions to be taken.

Section 2. Powers and Duties of the Vice-President
The vice-president shall, in the absence of the President, preside at all regular or special meetings. He/She shall conduct these meeting in a fair and impartial manner. This title does not automatically vest or cause any absolute authority over any business or actions to be taken.

Section 3. Powers and Duties of the Treasurer
The treasurer shall have custody of all the funds of the Association, and shall be responsible for keeping accurate records of all financial affairs of the association. The treasurer shall keep records of all receipts and disbursements of the association and shall at each regular monthly meeting make a report on the financial account of the association. This title does not vest upon him/her any absolute authority over any business transacted or actions to be taken. He/She shall give such bond for the faithful performance of his/her duties as the Association may determine.

Section 4. Powers and Duties of the Secretary
The secretary of the association shall be responsible for keeping and reading the minutes of the regular or special meetings.

Section 5. Powers and Duties of the Secretary of Social Events
The secretary of social events will be responsible for organizing major events such as Easter, Mothers Day, Thanksgiving and Christmas and other celebrations. Will be in charge of working closely with the social events committee.

Section 6. Right of Authority
No officer shall delegate his/her right or authority to any other party.

ARTICLE IV
FINANCES

20

No membership dues shall be charged. All bills shall be paid by check upon receipt of a check requisition form. Checks will be written by the treasurer, on a membership designated bank, and shall require two signatures. There shall be three authorized co-signors – treasurer and president of vice-president. The treasurer shall handle any petty cash. All withdrawals from the petty cash fund will require a voucher. All vouchers must be verified with a receipt. Reimbursement of the petty cash fund will be made once each month. All expenditures of the association shall be approved by the membership.

ARTICLE VII
COMMITTEES

Section 1. Social Events Committee

The entertainment committee shall be composed of five (5) members to be selected and appointed by the members at the regular membership meeting, and will elect its own chairman.

Section 2. Finance/Fundraising Committee

The finance/fundraising committee will prepare a budget and present to the association for approval, will monitor income and expenses of all projects. The finance/fundraising committee will be composed of three members. A report of the finance/fundraising committee review of the books of account of all committees will be presented to the Association at their regular monthly meeting. The Finance/Fundraising Committee will also audit the books of account of the Association twice per year, in March and again in August of each year and a report of the audit is to be made to the Association at the next meeting following each interval. The Finance/Fundraising Committee is to be charged also with the responsibility of checking that any donations made for a particular activity or project be deposited or credited to the account of the Association or to the respective project so designated by the Association, and that no unauthorized expenditures be made with donated funds or proceeds without the specific approval and vote of the Association. The Finance/Fundraising Committee will be selected and appointed by majority vote of the Association.

ARTICLE VIII
REMOVAL

Any officer or committee member selected or appointed may be removed from such office by a consenting vote of the membership whenever in its judgment the best interests of the Association will be best served.

ARTICLE IX
AMENDMENTS

These by-laws may be amended by a majority of the members present at a regular meeting. Members will be notified of proposed amendments by special notice a week before the meeting.

21

Revised: Nov. 2005

Let it be known to all on this 23 day of August 2005

In the year 2005 these revised bylaws were read, explained and given to the membership of the Sunset Terrace Association.

Let it also be known that on this same date the mentioned revised bylaws were adopted by a favorable vote taken in the same manner as called by the voting procedures.

President
Olivia Rivera

Vice-President
Maria Medrano

Secretary
Irma de la Cruz

Zorayda Alba
Treasurer

Secretary of Social Events

22

MINA J. GARZA
Notary Public, State of Texas
My Commission Expires
November 26, 2007

Mina J Garza
Notary Public
State of Texas
County of Cameron
February 22, 2006

FORMED 6/18/05

Sunset Terrace Association

602 Old Port Isabel Rd. (3rd Thursday of the Month)

PRESIDENT

Olivia Rivera 368 Sundown
546-1829
572-9534

VICE-PRESIDENT

Maria Medrano 395 Rainbow
542-4756
561-7936

SECRETARY

Irma de la Cruz 415 Rainbow
550-9348

TREASURER

Zorayda Alba 345 Rainbow
554-3879 561-6046 (cell)

SECRETARY OF SOCIAL EVENTS

23

Exhibit C
Sunset Haven, TDHCA # 060118

24

May 10, 2006

Sharon Gamble
Texas Dept.Housing & Community Affairs
Multifamily Finance Production
P.O.Box 13941
Austin TX 78711-3941

Re: Response for Quantifiable Community Participation
Sunset Haven #060118

Dear Ms.Gamble:

The Sunset Terrace Resident Association is submitting to your office one (1) response for the following application which was deemed deficient by your office. The application was for the following:

RE: Quantifiable Community Participation
Development: 7-18
Development: Sunset Haven
Development Location: Rainbow Drive, Horizon Lane, Blue Sky Drive

Item #1:

The boundaries as you have stated them do not include the proposed site. If this Finding is incorrect, provide a detailed description of the actual boundaries. Use Street names and any other landmarks to describe the full boundaries.

Response:

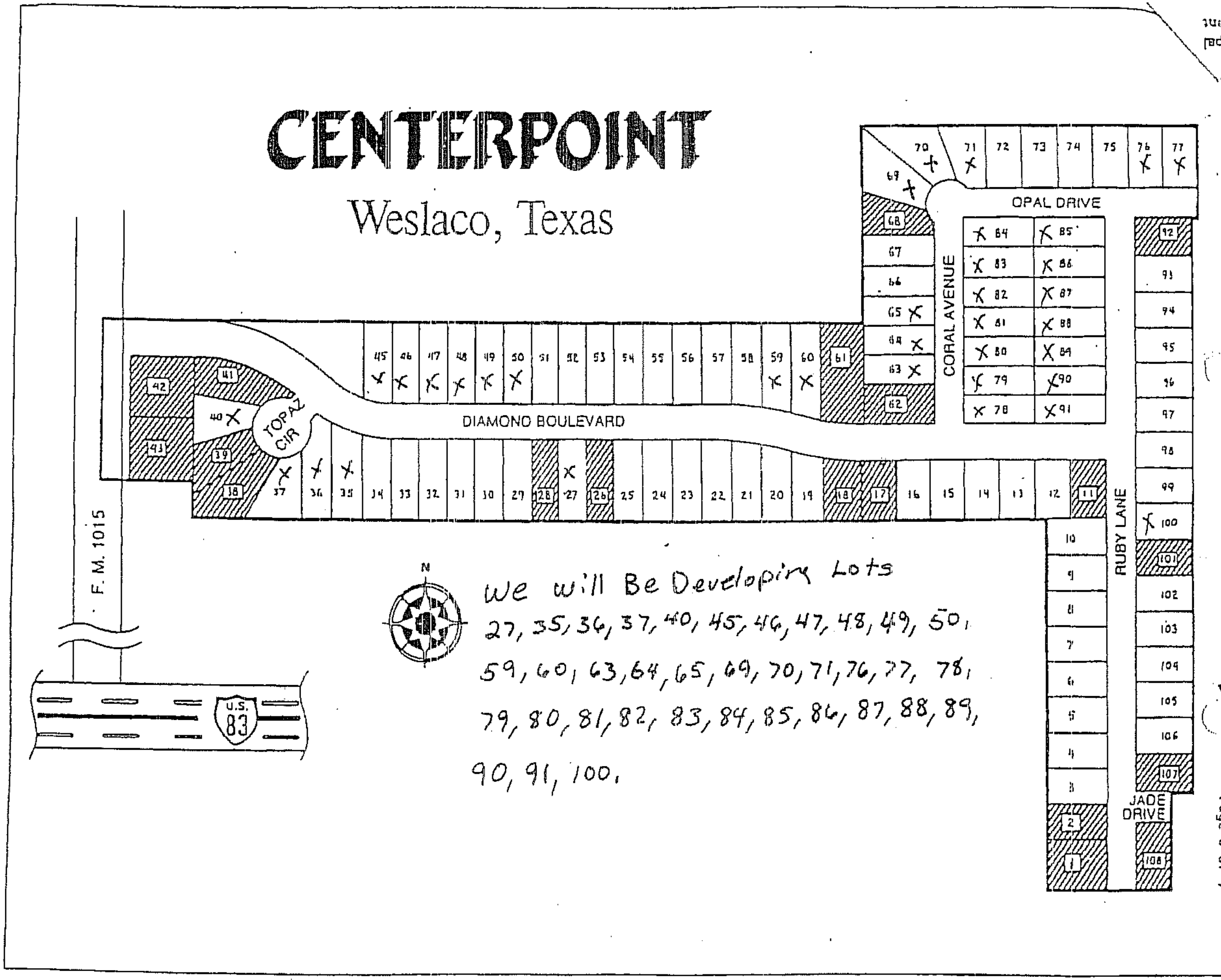
The Brownsville Housing Authority owns the land in the Sunset Terrace Development. Sunset Haven would automatically be included in the Sunset Terrace Resident Development and Association due to its proximity and location within the development. In the enclosed map you see Rainbow Drive continuing all the way to the back of the development and ending in a cul-de-sac, the entire area left of Rainbow continuing past Blue Sky is the property of the housing authority and are within the boundaries of Sunset Terrace.

25

We believe we have fully answered all the questions to the best of our ability with the information we have available to us. If additional information is needed please feel free to contact the association or Mr. Steve Solis (956) 548-6159 directly to clarify TDHCA's questions/concerns so that we may more accurately respond.

Exhibit D
Centerpoint Home Ownership,
TDHCA # 060144

26



We will Be Developing Lots
27, 35, 36, 37, 40, 45, 46, 47, 48, 49, 50,
59, 60, 63, 64, 65, 69, 70, 71, 76, 77, 78,
79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89,
90, 91, 100.

27

Exhibit E
Centerpoint Home Ownership,
TDHCA # 060144

28

BYLAWS FOR THE CENTERPOINT RESIDENT COUNCIL

ARTICLE I.

Name:

The name of this organization is the Centerpoint Resident Council (hereinafter referred to as the "Council"). It is a not-for-profit organization constituted and established under the laws of the State of Texas.

The registered address of the Council is at 303 W. 6th Street, Weslaco, Texas, 78596. The Council may also have offices at other such locations as the Executive Committee may from time to time determine.

ARTICLE II.

Purpose.

The purpose of the Council is to improve life for the residents of the Centerpoint Development. In specific, the purpose of the Council shall be to:

1. maintain a viable resident organization representative of the residents who elected its officers and Executive Committee.
2. assure adequate maintenance of all units and common areas.
3. provide maximum employment and training opportunities.
4. establish and maintain courtesy patrols and public safety programs.
5. promote programs which will provide improved educational, recreational and social service opportunities.
6. inform residents of their rights and responsibilities under existing federal, state and local law, as well as under the Corporation's By-Laws.
7. receive official recognition from the Housing Authority and HUD as a resident council pursuant to the HUD regulations.
8. institute economic development programs for residents.
9. advise and assist the Housing Authority in all aspects of public housing operations.
10. cooperate with other resident councils under the Housing Authority's jurisdiction in representing the interests of all residents.

ARTICLE III.

The participation of members of the organization is crucial for its success. Members can take part in decision-making in many ways. Democratic election of the officers of the organization are an important responsibility of members.

Membership.

Membership in the organization shall include any person whose name appears on the lease of a unit in the public hosuing development(s) represented by the organization who is at least eighteen (18) years of age.

Voting Eligibility.

The eligible voting membership includes all residents at least eighteen (18) years of age whose names appear on the lease of a unit in the public housing development(s) represented by the organization. A leaseholder may vote regardless of age.

ARTICLE IV.

Meetings are the most important means of conducting the business of the organization. They should also provide the members an opportunity to understand the activities of the organization and the basis for its decisions. A published, regular schedule of meetings is, therefore, crucial to the overall success of the organization.

Meetings:

1. Frequency.	Regular Council meetings shall be held not less than once a month, and shall be open to all residents.
2. Notices.	Notice of all regular monthly meetings, together with an agenda of the meeting, shall be posted in a regular location and be provided to residents, in writing, at least five (5) days in advance of the meetings.
3. Meeting Place/Time	Meetings shall be held at such place and time as shall be specified in the notice of the meeting. A regular schedule (e.g. each second Tuesday of each month) and regular location are advisable.
4. Special Meetings	The President or any three (3) officers may at any time call a Special Meeting, provided that the written notice, including agenda, is given at least forty-eight (48) hours prior to the meeting.

=> It Includes non-public housing owners & their residents

30

5. Quorum

At any Council meeting, three/fourths of the officers of the Council shall be necessary and sufficient to constitute a quorum.

6. Attendance

Each time a member of the Executive Committee appears at a regular or special meeting, a record of the presence of that officer shall be placed in the minutes of the meeting. The board may request that a record of all those attending the meeting be recorded as well.

Any officer who misses three (3) meetings of the Council with an excuse satisfactory to the Executive Committee may be removed by the affirmative voes of a majority of the Committee present. Written notice and a hearing shall be given to the Committee members of the proposed removal.

7. Voting by Officers

Each member of the Executive Committee present at a meeting shall be entitled to cast one (1) vote on any subject for which a determination is presented for consideration.

ARTICLE V.

Executive Committee members (officers) have a formal, legal responsibility to manage the affairs of the organization, to conduct its business and to consult with and inform the residents.

Officers:

1. Title and Qualifications:

a. President

The President of the Council shall preside at all meetings of the organization, and shall have such other powers and duties consistent with these by-laws.

b. Vice-President

The Vice-President shall perform all duties in the absence of the President.

c. Secretary

The Secretary shall be the custodian of all records and documents of the Council and perform all other duties consistent with these by-laws.

d. Treasurer

The Treasurer shall have the care of, receive and give receipt for monies due and payable to the Council and deposit all monies received by him/her in the name of the council in such banks, trust companyies or other depositories as may be designated by the Executive Committee.

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2. Term of Office — All officers shall be elected by the general resident population of the Centerpoint Development, and shall hold office for a period of one (1) year.

3. Resignations — Any officer may resign at any time by delivering a written resignation to the Executive Committee.

4. Removal — Any officer may be removed at any time, for just cause, by a vote of the majority of the Executive Committee.

Any officer who misses three (3) meetings of the Council with an excuse satisfactory to the Executive Committee may be removed by the affirmative voes of a majority of the Committee present. Written notice and a hearing shall be given to the Committee members of the proposed removal.

5. Vacancies — Any vacancy in any office may be filled for the unexpired portion of the term by a decision of the Executive Committee.

ARTICLE VI

Elections.

1. Frequency. All procedures must assure fair and frequent elections (at least once every year).

2. Terms. The terms for all officers is one (1) year.

3. Notice. Description of election and recall procedures, eligibility requirements and dates of nominations and elections must be given to all voting members at least 30 days prior to nomination and election.

4. Recall. Any elected officer of the council may be recalled by a vote for removal by a majority of voting members. A recall election must be promptly conducted when a petition requesting such an election is received from not less than ten percent (10%) of the voting membership. All procedures for petitioning for a recall election shall be provided to voters for their inspection and must be included in the By-Laws.

5. Monitoring. The Weslaco Housing Authority shall monitor the activities of the Resident Council, including the election process. Additionally, it shall establish a procedure to appeal any adverse action relating to failure to conform to HUD's minimum standards. Such appeal shall be submitted to a jointly selected third-party arbitrator at the local level. If costs are incurred by using a third-party arbitrator, then such costs shall be covered by the Housing Authority's resident services funds, pursuant to 24 CFR 964.150.

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ARTICLE VII

Committees:

There shall be such Board Committees as the Executive Committee may, from time to time, determine to be desirable. Committees shall initially be appointed by the President, with advice and consent of the Executive Committee.

1. Standing Committees. These committees are usually chaired by an officer of the Executive Committee.

2. "Ad Hoc" Committees. An "ad hoc" committee serves a special purpose and continues for a limited period of time.

ARTICLE VIII

Fiscal Affairs.

Deposit of Funds — All funds of the council not otherwise expended, shall be promptly deposited in such banks, trust companies, credit unions or other reliable and insured depositories as the Executive Committee shall determine.

Checks — All checks, drafts, endorsements, notes and evidence of debt shall be signed by at least two (2) officers as the Executive Committee may authorize.

Loans — No loans or advances or promises of payment shall be contracted or accepted on behalf of, or in the name of the Council, except those contracts authorized by the Executive Committee.

Contracts — An officer authorized by the board of directors may, in the name and on behalf of the Council, enter into contracts which are authorized by the Executive Committee.

Exhibit F
Centerpoint Home Ownership, TDHCA # 060144

34

CENTERPOINT RESIDENT COUNCIL
3521 DIAMOND
WESLACO, TX 78596
FAX: 956-565-6005

Ms. Jennifer Joyce
TDHCA
221 E. 11th Street
Austin, TX 78701

May 5, 2006

RE: Centerpointe Neighborhood Organization

Dear Jennifer:

This letter confirms the following for our organization:

1. We are all single family homes in a single family sub division. The renters in the homes owned as public housing will participate in a home ownership program. We expect to own these homes at the end the public housing rental period.

2. The definition of our organization is no longer solely a resident's council but a neighborhood association. Our group met several times to discuss the developments we have opposed and those we supported. We changed our organization structure to meet the TDHCA requirement for public comment on all new development within our boundaries. As we discussed among our members, our groups map and organization was specifically amended to comply with your 2006 rules for public comment. We maintained the name of our organization to insure our continued recognition of organization as on record with Hidalgo County.

3. We are on record with the County and have had our opposition to Los Milagros scored in the previous year. We amended our organization in a manner necessary to have input into the TDHCA process as part of formulating our position of opposition and our positions of support. We transformed our group to a neighborhood association to accomplish this goal.

4. Any new single family homes built in our neighborhood boundaries are eligible for membership in our organization. Either the renter occupant or the owner occupant.

5. Your description of our group to limit our ability to comment on any development without neighborhood boundaries does not fit our sub division or our organization as amended by the membership. We are a neighborhood association, a sub division of single family homes. The project description involving demolition and new construction or rehabilitation applies to other types of developments, like the apartments we oppose, they are not a description of our situation.

35

We conducted our meetings and membership votes around the entire premise of altering our boundaries and organization in whatever manner was needed to meet all the 2006 requirements to the best of our ability.

We hope and expect our letters to be considered and scored in this application round for Centerpoint, Sun Valley, Orchard Valley and Los Milagros.

Sincerely,

Debra Foley-Castillo

Debra Foley-Castillo, President

Jennifer Joyce

Spoke w/ Ms. Pritchard & told her [illegible] w/ issue. [illegible] neighborhood [illegible] agreed after discussing [illegible] but [illegible] council [illegible] resident [illegible] development [illegible]

From: Jennifer Joyce
Sent: Wednesday, May 03, 2006 2:55 PM
To: 'Shannon Pritchard'
Cc: Sharon Gamble; 'Kevin Hamby'
Subject: Centerpoint Resident's Council

Ms. Pritchard,

We still have some issues with the boundary problems in the letters submitted by Centerpoint Resident's Council. This may seem like a technicality to you, but it is important that we ensure that all documentation possibly needed is requested from a neighborhood association before awarding points for QCP. Please note the following two points and answer the question below:

1. A new item added this year to the QAP says, "'Neighborhood organizations' include…resident councils (only for Rehabilitation or demolition with New Construction applications in which the council is commenting on the rehabilitation or demolition/ New Construction of the property occupied by the residents)."

2. In the bylaws submitted for the Centerpoint Resident's Council, Article II says, "The purpose of the Council is to improve life for the residents of the ***Centerpoint Development*** [emphasis added]". Article III states that it's members, "…shall include any person whose name appears on the lease of a unit in the public housing development(s) represented by the organization…".

Question: What is the **Centerpoint Development** under Article II? Is it the area named "Centerpoint Development" in your boundaries, or is it actually the name of the housing authority property of apartments called, "Centerpoint". In reading this, do you believe that Centerpoint Resident's Council qualifies as a "Neighborhood Organization" under our rule? If so, please confirm all of the developments that Centerpoint Resident's Council represents. If the council truly does represent the entire area as described in the boundaries you submitted, please explain how and why this is allowable when the bylaws suggest the members are on a development basis.

At this time this is an informal request to quickly clear all of the deficiencies all four letters submitted. Please be sure to reply all to this statement as an explanation. As I said in my voicemail, I am out of the office from 3:30 pm today returning Monday and Sharon Gamble is out Friday. **37**

Thank you!

Please let me know if you have any questions,

Jen Joyce
Interim Manager of Multifamily Finance Production Division
Texas Department of Housing and Community Affairs
(512) 475-3995

> -----Original Message-----
> **From:** Shannon Pritchard [mailto:spritchard@johnhcarney.com]
> **Sent:** Thursday, April 20, 2006 4:58 PM
> **To:** Jennifer Joyce
> **Subject:** RE: Alta Vista Senior Tower, QCP #060158, CenterPoint Single Family, QCP #060144

THank you for this information, Jennifer. I just got the fax copy of the letters you sent - I will address the CenterPoint issues as well. I have had trouble reaching my client contact at CenterPoint, as she is a single mom who works a lot of hours, so this letter from your department is tremendously helpful.

Shannon Pritchard

-----Original Message-----
From: Jennifer Joyce [mailto:jennifer.joyce@tdhca.state.tx.us]
Sent: Thursday, April 20, 2006 4:29 PM
To: Shannon Pritchard
Cc: 'Robbye Meyer'; 'Sharon Gamble'
Subject: RE: Alta Vista Senior Tower, QCP #060158, CenterPoint Single Family, QCP #060144

Ms. Pritchard,

No problem at all. I am very happy to hear the level of attention the organizations are giving this.

1) Actually, as I look at the bylaws, I see a date at the bottom that says, "Adopted 4/16/2003". This date was most likely missed by Sharon because it is small and at the bottom, which is why I am sure she asked for it. Please consider the issue of the date of the bylaws resolved. As far as the adoption of the map, your proposal sounds exactly like what we're hoping to get.

2) If the letter isn't on letterhead but is obviously from the county, it would be acceptable. I have accepted e-mails from the county to organizations in the past because their e-mail addresses indicate they are county entities. A letter on letterhead would definitely be acceptable.

3) Yes, the exact deficiency was sent to Centerpoint, and I thought you received this one as well based on the subject of your letter and since they were the same items, you were asking for both. I am faxing over both deficiencies to you now (centerpoint's was mailed because the primary contact's fax did not work. I am SO SORRY our staff missed you as the second contact. It was a data entry issue that we are resolving right now).

Please let me know if you have any questions,

Jen Joyce
Interim Manager of Multifamily Finance Production Division
Texas Department of Housing and Community Affairs
(512) 475-3995

38.

-----Original Message-----
From: Shannon Pritchard [mailto:spritchard@johnhcarney.com]
Sent: Thursday, April 20, 2006 3:39 PM
To: Jennifer Joyce
Subject: RE: Alta Vista Senior Tower, QCP #060158, CenterPoint Single Family, QCP #060144

Ms. Joyce: Please forgive me if I came off as abrupt - I was simply frustrated in trying to get some answers prior to working all weekend to meet my deadline for my clients, who, you can imagine, are very concerned that we submit these documents appropriately. My clients at Alta Vista Senior Towers may be senior citizens, but they are very keenly concerned that this renovation project go forward and they do not want their misinterpretation of what must be presented to be the stumbling block.

At this time, I will only respond to those points that need further attention, if that is acceptable.

#1 - As to the creation documents - The letter from TDHCA dated 4/13/06, to Margarita Sanchez, indented paragraph 1, states as follows:

"Submit evidence that the bylaws, articles, or organiation documents were created on or before March 1, 2006 and that the boundaries of the organization were part of the bylaws, articles, or organizational documents on or before March 1, 2006. Evidence must include a copy of the document."

My interpretation of that statement was that we had to prove that our organization's bylaws were created prior to March 1, 2006 AND that the boundaries were part of those bylaws. In fact, Alta Vista has existed for some time, and their bylaws were created long before this year. I was told that they had incorporated the map to define the boundaries of the Association prior to March 1, 2006. In anticipation of the need to prove this had been done, I have requested they provide evidence of a resolution to amend, by incorporation of the map showing the physical boundaries of the property, the Constitution and By-Laws, which is, in effect, a creation document.

#2 - Evidence of being on record with the county - I will relay to my client the type of letter needed and the need that it be on the Hildalco County letterhead.

#3 - Is there a similar deficiency notice for CenterPoint?

Shannon Pritchard

[Shannon Pritchard]
-----Original Message-----
From: Jennifer Joyce [mailto:jennifer.joyce@tdhca.state.tx.us]
Sent: Thursday, April 20, 2006 2:50 PM
To: Sharon Gamble; Shannon Pritchard; 'Robbye Meyer'
Subject: RE: Alta Vista Senior Tower, QCP #060158, CenterPoint Single Family, QCP #060144

In looking at this message, I think it would be more clear had I separated my statements better. Perhaps this version is more helpful so that you don't need to rely on the color coding.

39

Because time is an issue here, I will respond to your questions/ statements below.

YOU SAID: I am the attorney who has advised, prepared and subsequently submitted the QCP letters for both these Resident Associations and yet I was not copied on a recent request for clarification and further information for Alta Vista. I am very concerned that requests from your department may have gone to CenterPoint without my notification and the deadline to address deficiencies is rapidly approaching.

TDHCA COMMENT: I concur that we should have copied you on the deficiency as a courtesy. This is the first year we asked for a second contact in the letters and it is not required that we copy the second contact on all matters, but it is a reasonable request. In the future, we will copy you on all correspondence. However, it appears that you are aware of the deficiencies and that the neighborhood organizations are working on resolving the issue, and given that the items should not take long to obtain, I do not foresee this circumstance of not copying you to be an issue.

YOU SAID: I contacted Ms. Gamble via telephone at the number supplied in Ms. Meyer's letter to Alta Vista, only to get voicemail and be advised that she would not return calls UNTIL 4/24/06. That is too late.

TDHCA COMMENT: Her out of office message says to contact Jennifer Joyce (me) for all deficiency related issues pertaining to QCP, and she clearly states my telephone number.

YOU SAID: My client contact with Alta Vista is gathering the requested information regarding the creation of the Resident's Association (which dates back into the 1970's), and has requested a NEW letter from the county clerk's office, even though the date-stamped letter we submitted has been acceptable for this process in the past.

TDHCA COMMENT: I am unsure why your client is attempting to obtain creation documents. Please explain why. As it relates to the date-stamp being accepted in the past, it was determined by our general council that there needed to be evidence from the county clerk in addition to what was submitted. An e-mail, a fax or a document picked up from their office would all suffice as evidence that the organization is on record with the county as long as it simply states, "As of March 1, 2006 ____ neighborhood organization is on record with the county."

YOU SAID: As to the boundaries of the Resident Association, a map with clearly marked boundaries was attached to the by-laws themselves, which legally makes them an accepted addendum to the by-laws. They are accepted as part of the by-laws by incorporation, and is my further understanding that this method of identifying the boundaries has been acceptable to TDHCA in past years.

TDHCA COMMENT: As the legal council for these items I am sure that you have noted that the QCP requirements did change this year, and those requirements are very clearly outlined in the QCP packages on our website. The QAP and all information published for neighborhood organizations very clearly says that the QCP package MUST, "include the organization's articles of incorporation and/or bylaws and/or organizational documents created on or before March 1, 2006, that, at a minimum, identify the boundaries of the organization, identify the officers of the organization and clearly indicate the purpose of the organization. " This entire requirement is new this year in the QAP. 40

The constitution & bylaws submitted in the package did not include an identification of the boundaries of the organization. It did, however, include a map (as required as a separate item) which includes the Development site. The maps submitted clearly were not part of the by-laws or constitution. What we need is language which was effective as of March 1, 2006 or prior which states the boundaries of the neighborhood organization (in other words, an organizational document that was not created for the purposes of QCP points such as the maps submitted.) Any organizational document will do that identifies the boundaries of the organization, it just needs to be effective on or before March 1, 2006. Note, if

Board Appeal

41

ODYSSEY RESIDENTIAL HOLDINGS, L.P.
5420 LBJ FREEWAY, SUITE 1235
TWO LINCOLN CENTRF
DALLAS, TX 75240
972-701-5551
972-701-5562 FAX

Board Appeal (top)

RECEIVED
JUN 1 2006
LIHTC

Ms. Jennifer Joyce
Multifamily Housing Production
TDHCA
221 East 11th Street
Insurance Building Annex
Austin, TX 78701

May 31, 2006

RE: Centerpointe Home Ownership, TDHCA #06-0144, denial of the QCP points

Dear Jennifer:

In follow up to your call yesterday with Mr. Fisher, I respectfully suggest the staff is missing the key issues of why the QCP letter counts for this single family home development in this platted single family sub division whether the department determines the organization to be a neighborhood organization in its fullest meaning or a resident's council with the comment restrictions. This development activity complies with the QAP under either circumstance because of the following:

1. This development to build 36 new single family homes within the existing sub-division where the existing housing stands involves demolition and new construction activity on the same site by the same development sponsor. <u>We meet the required demolition new construction test in the QAP.</u>
2. In the pictures already provided in the application on page 120 is a clear shot of the existing recreation facilities on several lots already owned by the housing authority and covered by the site control documentation. This entire facility is being demolished along with the under ground improvements in place on the adjacent lots to build part of the new community. This particular area will contain the clubhouse, public parking and swimming pool along with other common area amenities. All this work is duly noted in the application package including but limited to page 155 and page 403.
3. The sub-division is <u>**not**</u> entirely made up of housing authority residents participating in the public housing home ownership program. As you can see from the sub division plat attached hereto approximately +-20 of the homes and home sites are owned by third parties not affiliated with the sponsor or the developer. These home owners are part of this resident's representative organization and are not bound by the limitation for comment in the QAP. We are fully QCP supported demolition new construction development on the same site.

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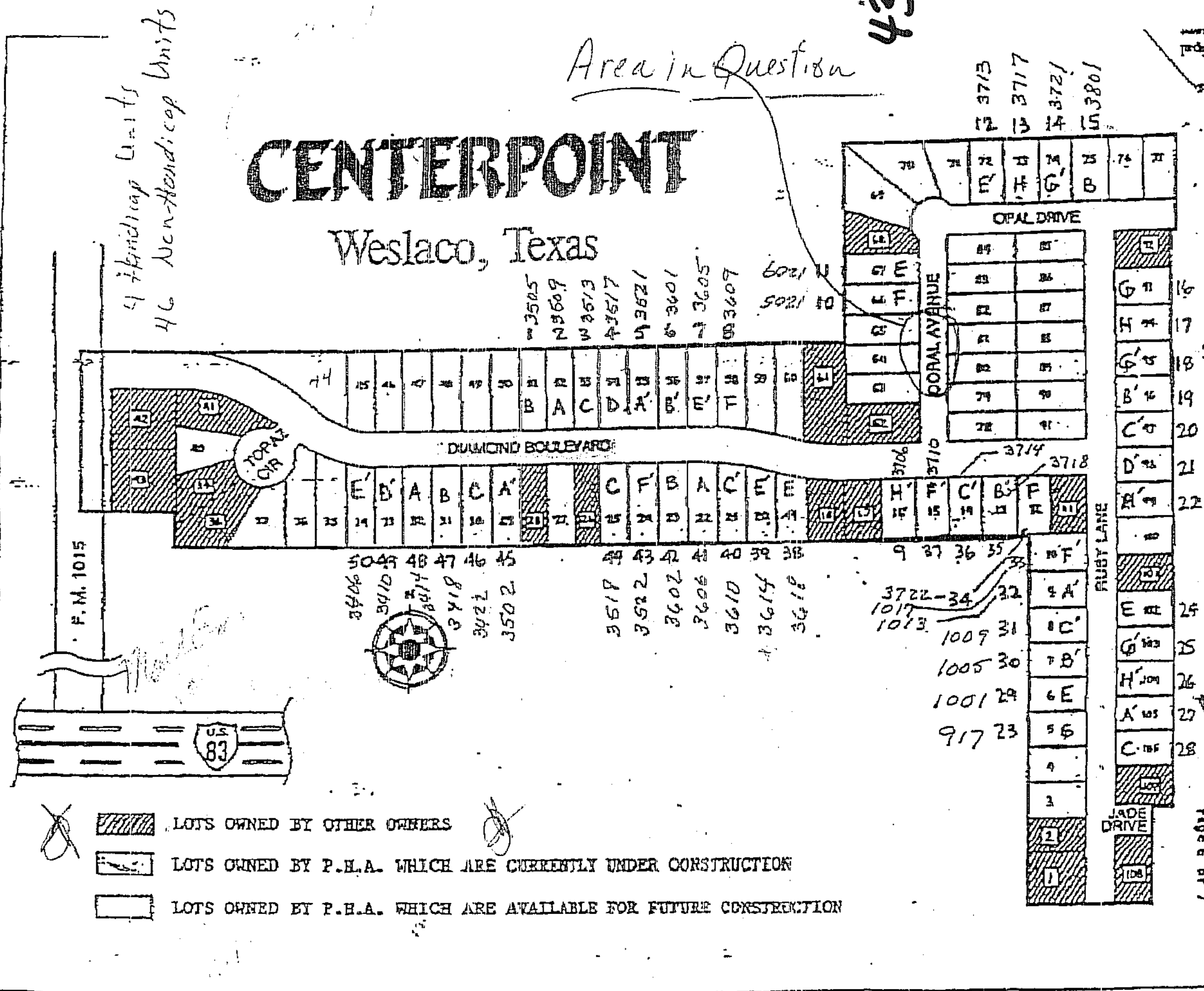
Before taking this to the TDHCA board on appeal, please check the application one more time to verify these facts. If you are determining we do not meet the demolition new construction criteria please be specific as to why we do not meet the requirement. If allowed under the site change rules, we will shift the Clubhouse to an existing home site and demolish one home in lieu of the existing area noted for demolition to clarify this issue. If this is passed to the TDHCA board for the appeal, please include this letter and attachments in the official record of appeal. Your consideration of our request is appreciated.

Sincerely,

Saleem Jafar, President of the G.P.

43



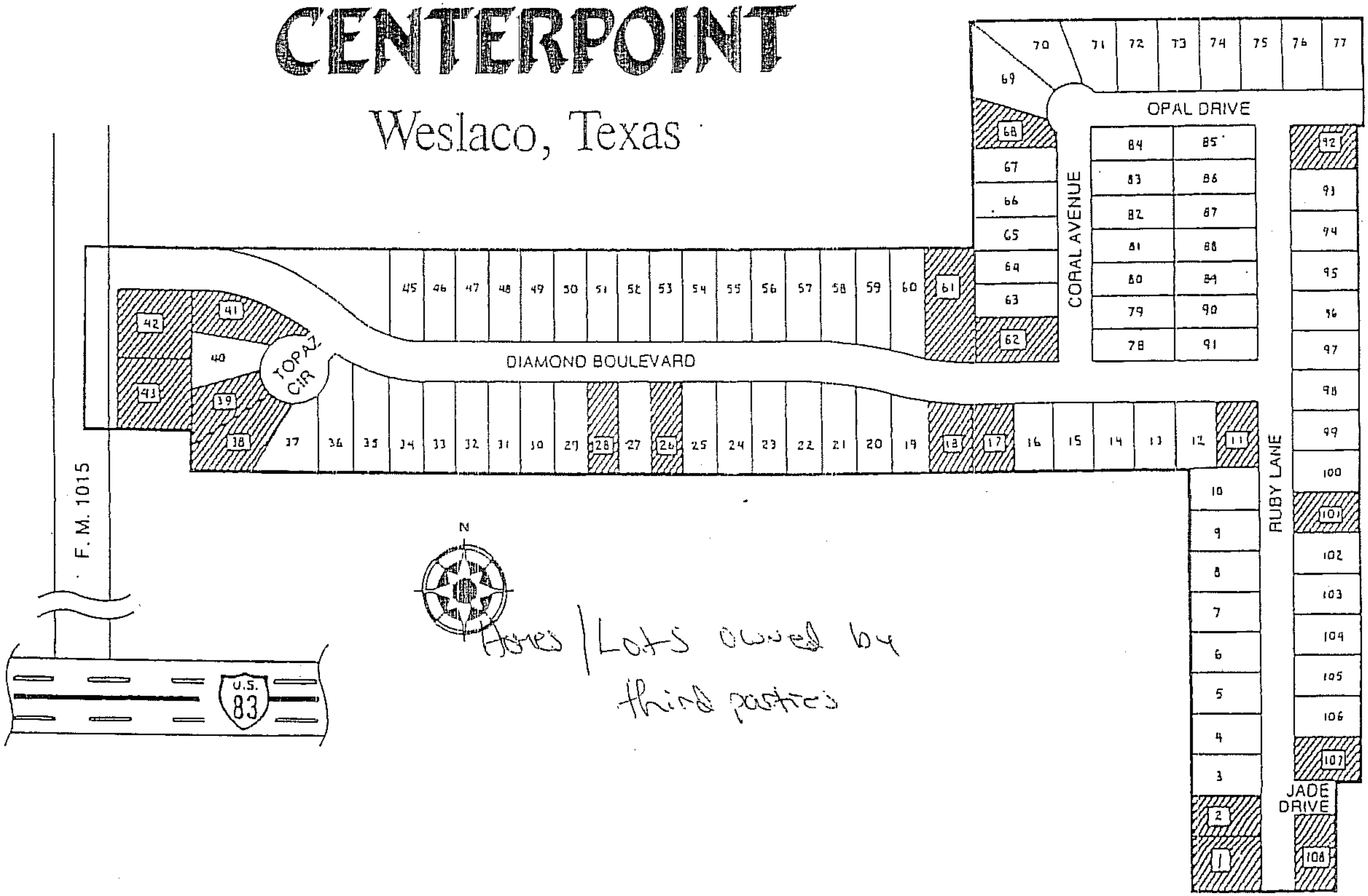
Attachment 1
Page 6 of 7

512 631 1949 VILLARREAL P.02

44

CENTERPOINT

Weslaco, Texas



Homes/Lots owned by third parties

Housing Authority of the City of Weslaco

P. O. BOX 95
303 W. SIXTH STREET
WESLACO, TEXAS 78599-0095

RECEIVED
JUN 1 2006
LIHTC

May 31, 2006

By Fax to (512) 469-9606
Mr. Michael Gerber, Executive Director
Texas Department of Housing
and Community Affairs
221 East 11th Street
Austin, Texas 78701-2410

RE: Centerpoint Home Ownership (TDHCA # 060144) (the "Project").

Dear Mr. Gerber:

The Weslaco Housing Authority, as sponsor of the Project and on behalf of Riverdale, LP, the Applicant, hereby requests that the issue of the eligibility of the letter of support for the Project from Centerpoint Resident Council be submitted for consideration by the TDHCA Board at its June 9, 2006 meeting.

We also wish to point out that the Bylaws for the Centerpoint Resident Council (previously submitted, but also enclosed for your convenience, with maps omitted) specifically state "The purpose of the Council is to improve life for the residents of the Centerpoint Development." No distinction is made between the public housing residents and the non-public housing residents of the subdivision. The language describing eligibility for membership and voting is couched in terms of public housing tenants, but it does not limit the membership or the voting to public housing tenants. HUD regulations do not prohibit a resident council from including non-public housing members. In actuality, the non-public housing families in Centerpoint Development are participating members of the Council

Currently, Centerpoint Development includes 50 public housing homes and 19 non-public housing homes. Upon completion of the Project, there will be 54 public housing homes and 51 non-public housing homes located in Centerpoint Development. The Centerpoint Resident Council's purpose is to improve life for all of the residents of this single family home-ownership subdivision. As such, we urge the TDHCA Board to acknowledge the Council's right to provide meaningful and effective support for its residents and the Project through its letter of support. We request that the TDHCA Board award the Council's letter of support for the Project a score of 24 points. 45

Sincerely,

Ruben Sepulveda
Executive Director

Enclosure

ODYSSEY RESIDENTIAL HOLDINGS, L.P.
5420 LBJ FREEWAY, SUITE 1235
TWO LINCOLN CENTRE
DALLAS, TX 75240
972-701-5551
972-701-5562 FAX

RECEIVED
JUN 1 2006
LIHTC

Ms. Jennifer Joyce
Multifamily Housing Production
TDHCA
221 East 11th Street
Insurance Building Annex
Austin, TX 78701

May 31, 2006

RE: Sun Valley and Orchard Valley Home Ownership, TDHCA #06-0143 and #06-0147, denial of the QCP points

Dear Jennifer:

In follow up to your call yesterday with Mr. Fisher, this letter serves to incorporate by reference the material previously provided in appealing the QCP qualification for the Centerpointe Resident's Association in the appeal for #06-144 for these two developments. In the event the Executive Director or TDHCA board determines the organization to be eligible to comment on all the developments within the geographic boundary of the organization. We are asking the department and the Board to apply that ruling to the letters of support previously provided by Centerpointe Resident's Association to those provided to Sun Valley and Orchard Valley homes.

The TDHCA board is requested to note these are the only single family home developments with ownership rights to the residents in the rural set aside of Region 11.

Your attention to this matter is appreciated.

Sincerely,

Saleem Jafar, President of the G.P.

46

ODYSSEY RESIDENTIAL HOLDINGS, L.P.
5420 LBJ FREEWAY, SUITE 1235
TWO LINCOLN CENTRE
DALLAS, TX 75240
972-701-5551
972-701-5562 FAX

Ms. Jennifer Joyce
Multifamily Housing Production
TDHCA
221 East 11th Street
Insurance Building Annex
Austin, TX 78701

060144

May 31, 2006

RE: Sun Valley and Orchard Valley Home Ownership, TDHCA #06-0143 and #06-0147, denial of the QCP points

Dear Jennifer:

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The TDHCA board is requested to note these are the only single family home developments with ownership rights to the residents in the rural set aside of Region 11.

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5420 LBJ FREEWAY, SUITE 1235
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DALLAS, TX 75240
972-701-5551
972-701-5562 FAX

Ms. Jennifer Joyce
Multifamily Housing Production
TDHCA
221 East 11th Street
Insurance Building Annex
Austin, TX 78701

060144

May 31, 2006

RE: Centerpointe Home Ownership, TDHCA #06-0144, denial of the QCP points

Dear Jennifer:

In follow up to your call yesterday with Mr. Fisher, I respectfully suggest the staff is missing the key issues of why the QCP letter counts for this single family home development in this platted single family sub division whether the department determines the organization to be a neighborhood organization in its fullest meaning or a resident's council with the comment restrictions. This development activity complies with the QAP under either circumstance because of the following:

1. This development to build 36 new single family homes within the existing sub-division where the existing housing stands involves demolition and new construction activity on the same site by the same development sponsor. <u>We meet the required demolition new construction test in the QAP.</u>
2. In the pictures already provided in the application on page 120 is a clear shot of the existing recreation facilities on several lots already owned by the housing authority and covered by the site control documentation. This entire facility is being demolished along with the under ground improvements in place on the adjacent lots to build part of the new community. This particular area will contain the clubhouse, public parking and swimming pool along with other common area amenities. All this work is duly noted in the application package including but limited to page 155 and page 403.
3. The sub-division is <u>not</u> entirely made up of housing authority residents participating in the public housing home ownership program. As you can see from the sub division plat attached hereto approximately +-20 of the homes and home sites are owned by third parties not affiliated with the sponsor or the developer. These home owners are part of this resident's representative organization and are not bound by the limitation for comment in the QAP. We are fully QCP supported demolition new construction development on the same site.

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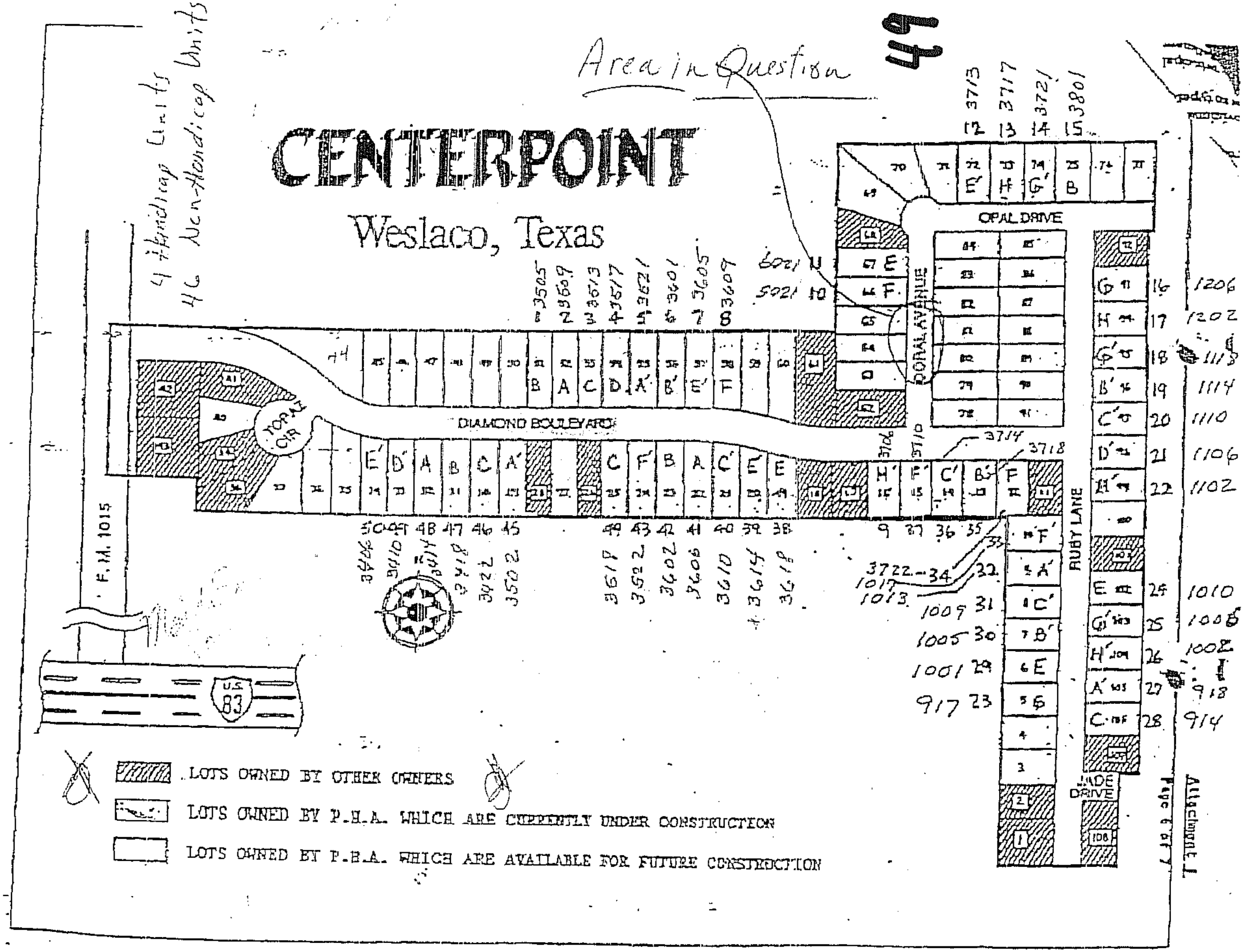
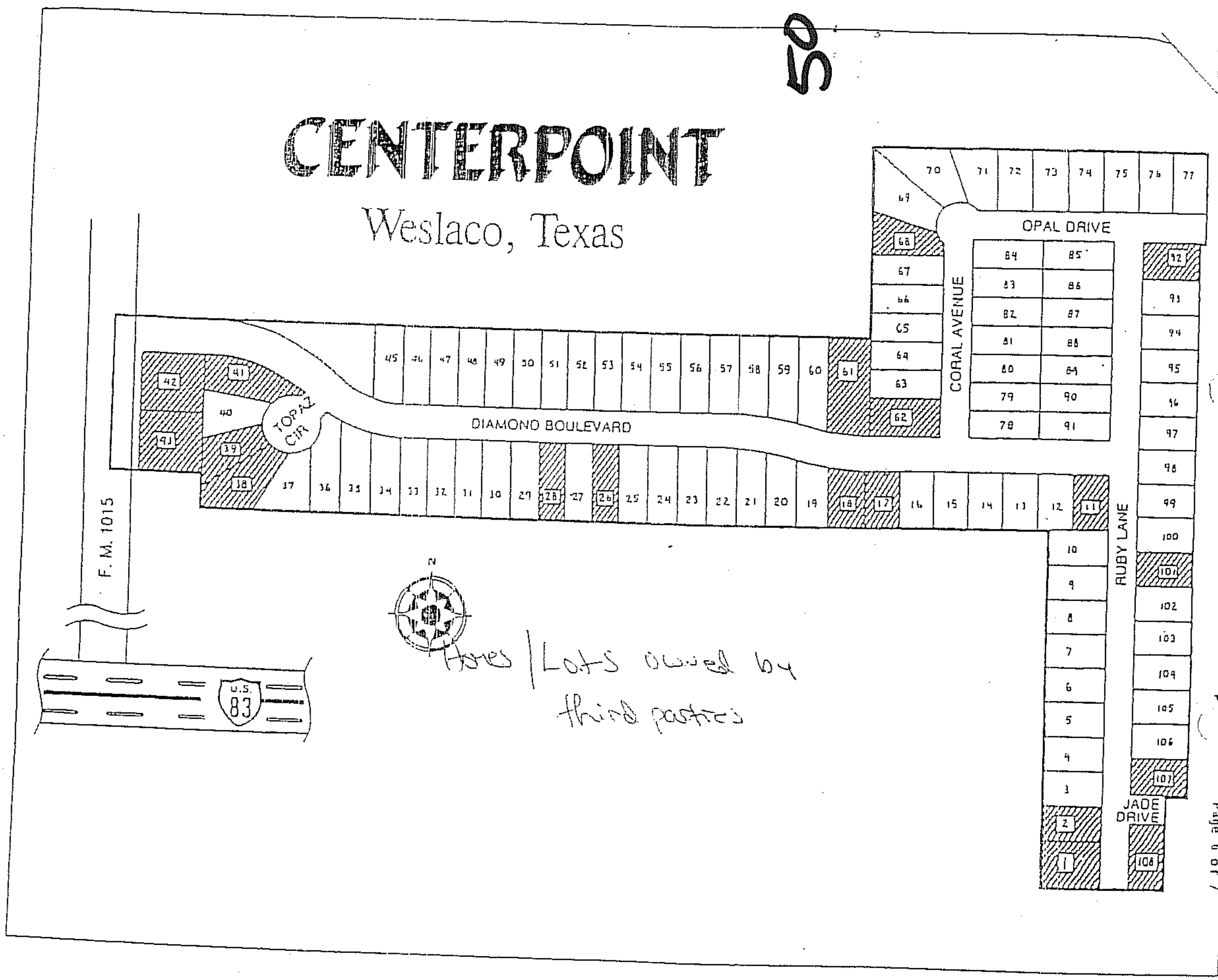
Before taking this to the TDHCA board on appeal, please check the application one more time to verify these facts. If you are determining we do not meet the demolition new construction criteria please be specific as to why we do not meet the requirement. If allowed under the site change rules, we will shift the Clubhouse to an existing home site and demolish one home in lieu of the existing area noted for demolition to clarify this issue. If this is passed to the TDHCA board for the appeal, please include this letter and attachments in the official record of appeal. Your consideration of our request is appreciated.

Sincerely,

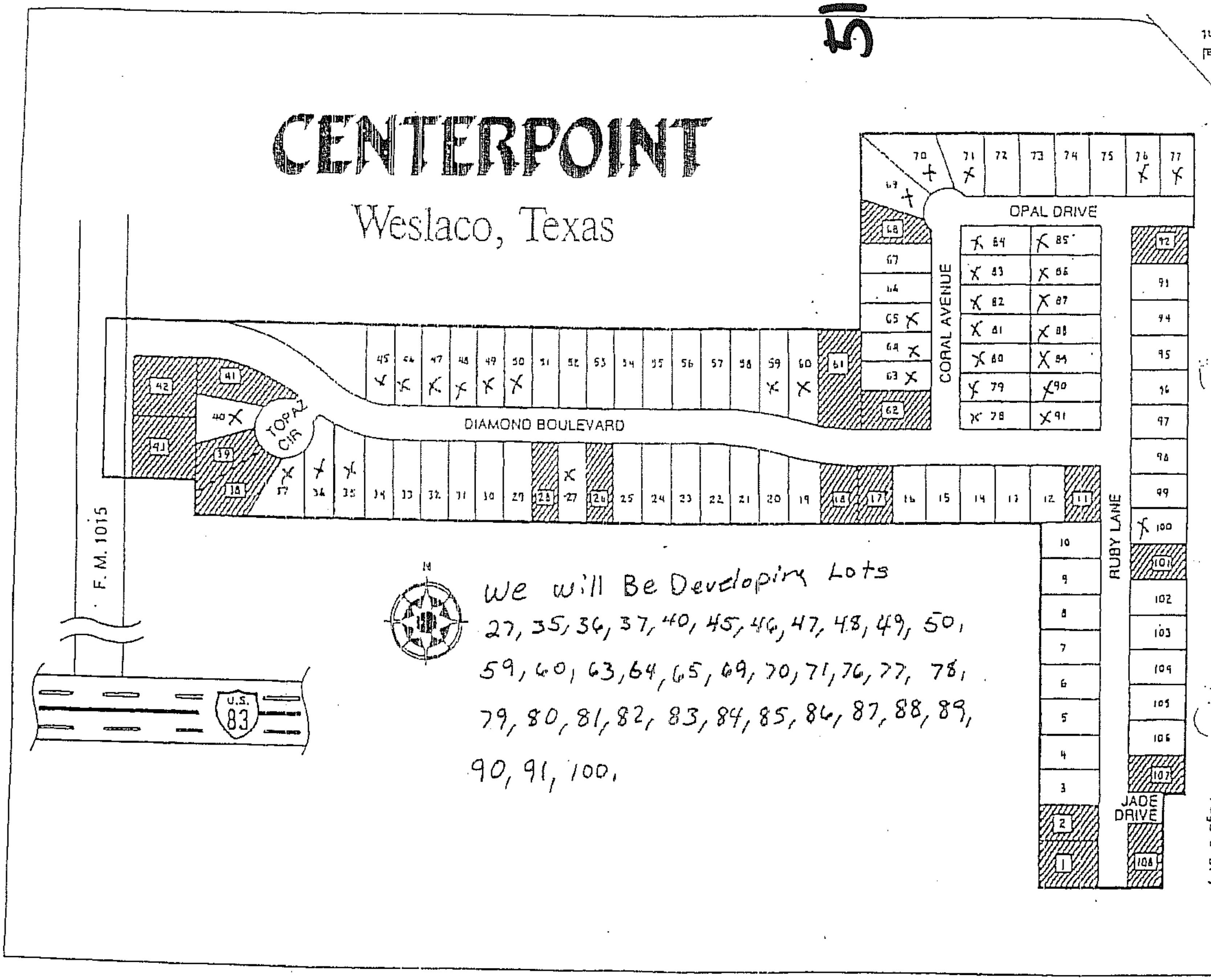
Saleem Jafar, President of the G.P.


CENTERPOINT
Weslaco, Texas
Area in Question
4 Handicap Units
46 Non-Handicap Units
DIAMOND BOULEVARD
TOPAZ CIR
OPAL DRIVE
CORAL AVENUE
RUBY LANE
JADE DRIVE
F.M. 1015
U.S. 83
LOTS OWNED BY OTHER OWNERS
LOTS OWNED BY P.H.A. WHICH ARE CURRENTLY UNDER CONSTRUCTION
LOTS OWNED BY P.H.A. WHICH ARE AVAILABLE FOR FUTURE CONSTRUCTION
Page 6 of 7
Attachment I


50
CENTERPOINT
Weslaco, Texas
OPAL DRIVE
CORAL AVENUE
DIAMOND BOULEVARD
TOPAZ CIR
RUBY LANE
JADE DRIVE
F. M. 1015
U.S. 83
N
Homes/Lots owned by third parties

956 960 8718 ALTA VISTA 10:15:02 a m 02-09-2006 7/8

51



We will Be Developing Lots 27, 35, 36, 37, 40, 45, 46, 47, 48, 49, 50, 59, 60, 63, 64, 65, 69, 70, 71, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 100.

Volume 1, Tab 3. ACTIVITY OVERVIEW

Part A. Development Cost Schedule

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

960144

DEVELOPMENT NAME:

	TOTAL DEVELOPMENT SUMMARY			Expected Payee Taxpayer Identification Number (TIN)[1] (and % of cost if item involves multiple payees)
	Total Cost	Eligible Basis (If Applicable) Acquisition	Eligible Basis (If Applicable) New/Rehab.	
ACQUISITION				
Site acquisition cost	660,000			74-1649398
Existing building acquisition cost	0	0		74-1649398
Closing costs & acq. legal fees	36,000			42-1643966
Other[2] (specify)				
Subtotal Acquisition Cost	$696,000	$0	$0	
OFF-SITES[3]				
Off-site concrete				
Storm drains & devices				
Water & fire hydrants				
Off-site utilities				
Sewer lateral(s)				
Off-site paving				
Off-site electrical				
Other[4] (specify)				
Subtotal Off-Sites Cost	$0	$0	$0	
SITE WORK[4]				
Demolition	0			20-3917666
ugh grading	0		0	20-3917666
. ine grading	50,032		40,026	20-3917666
On-site concrete	1,383		1,106	20-3917666
On-site electrical	1,100		880	20-3917666
On-site paving	8,799		7,039	20-3917666
On-site utilities	5,000		4,000	20-3917666
Decorative masonry	0		0	20-3917666
Bumper stops, striping & signs	300		240	20-3917666
Landscaping	40,000		32,000	20-3917666
Pool and decking	45,000		36,000	20-3917666
Athletic court(s), playground(s)	18,848		15,078	20-3917666
Fencing	37,759		30,207	20-3917666
Other[4] (specify)	0		0	20-3917666
Subtotal Site Work Cost	$208,221	$0	$166,577	
DIRECT CONSTRUCTION COSTS[4]:				
HARD COSTS				
Concrete	333,000		333,000	20-3917666
Light weight concrete	0		0	20-3917666
Masonry	147,600		147,600	20-3917666
Metals	15,063		15,063	20-3917666
Carpentry	586,790		586,790	20-3917666
Waterproofing	85,000		85,000	20-3917666
Insulation	35,975		35,975	20-3917666
Roofing	140,312		140,312	20-3917666
Sheet metal	15,075		15,075	20-3917666
:ctrical	201,813		201,813	20-3917666

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	TOTAL DEVELOPMENT SUMMARY			Expected Payee Taxpayer Identification Number (TIN)[1] (and % of cost if item involves multiple payees)
	Total Cost	Eligible Basis (If Applicable) Acquisition	New/Rehab.	
DIRECT CONSTRUCTION COSTS (Continued):				
'mbing	189,179		189,179	20-3917666
.VAC	142,678		142,678	20-3917666
Doors	21,332		21,332	20-3917666
Windows	24,927		24,927	20-3917666
Glass	5,496		5,496	20-3917666
Lath & plaster	0		0	20-3917666
Drywall	217,682		217,682	20-3917666
Tile work	18,475		18,475	20-3917666
Acoustical	0		0	20-3917666
Resilient or other flooring	15,063		15,063	20-3917666
Carpeting	58,300		58,300	20-3917666
Painting & decorating	65,865		65,865	20-3917666
Specialties	22,300		22,300	20-3917666
Cabinets	62,546		62,546	20-3917666
Appliances	57,500		57,500	20-3917666
Fireplaces	0		0	20-3917666
Carports or garages	125,000		125,000	20-3917666
Accessory buildings	165,000		165,000	20-3917666
Elevator	0		0	20-3917666
Lead-Based Paint Abatement	0		0	20-3917666
Asbestos Abatement	0		0	20-3917666
Other[4] (Specify)	0		0	20-3917666
Subtotal Hard Costs	$2,751,971	$0	$2,751,971	
OTHER CONSTRUCTION COSTS				
General requirements (<6%) 6.00%	175,113		175,113	20-3917666
Field supervision (within GR limit)	0		0	20-3917666
Contractor overhead (<2%) 2.00%	58,371		58,371	20-3917666
G & A Field (within overhead limit)	0		0	20-3917666
Contractor profit (<6%) 6.00%	175,113		175,113	20-3917666
Contingency	175,113		175,113	20-3917666
Subtotal Direct Const. Costs	$583,710	$0	$583,710	
INDIRECT CONSTRUCTION COSTS[4]				
Architectural - Design fees	115,000		115,000	74-2751988
Architectural - Supervision fees	20,000		20,000	74-2751988
Engineering fees	54,500		54,500	74-2751988
Real estate attorney/other legal fees	165,000		165,000	Various
Accounting fees	7,500		7,500	94-3408253
Impact Fees	54,000		54,000	City of Weslaco
Building permits & related costs	30,000		30,000	City of Weslaco
Appraisal	5,000		5,000	76-0128295
Market analysis	7,500		7,500	76-0128295
Environmental assessment	6,500		6,500	20-2323684
Soils report	5,500		5,500	TBD
Survey	10,000		10,000	74-2320140
Marketing	75,000		75000	TBD
Course of construction insurance	0		0	

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	TOTAL DEVELOPMENT SUMMARY			Expected Payee Taxpayer Identification Number (TIN)[1] (and % of cost if item involves multiple payees)
	Total Cost	Eligible Basis (If Applicable) Acquisition	New/Rehab.	
INDIRECT CONSTRUCTION COSTS (Continued)				
zard & liability insurance	75,000		75,000	TBD
.eal property taxes	2,500		2,500	Hidalgo County Appraisal District
Personal property taxes			0	
Tenant relocation expenses			0	
Other 2 (specify)	0		0	
Subtotal Indirect Const. Cost	$633,000	$0	$633,000	
DEVELOPER FEES[4]				
Housing consultant fees[5]	0		0	
General & administrative	121,500		121,500	42-1643966
Profit or fee	550,000		550,000	42-1643966
Subtotal Developer's Fees 15.00%	$671,500	$0	$671,500	
FINANCING:				
CONSTRUCTION LOAN(S)[4]				
Interest	197,500		98,750	93-1217823
Loan origination fees	63,000		63,000	93-1217823
Title & recording fees	25,000		25,000	TBD
Closing costs & legal fees	85,000		85,000	Various
Inspection fees	30,000		30,000	Various
Credit Report			0	
Discount Points			0	
Other[2] (specify)			0	
PERMANENT LOAN(S)				
Loan origination fees	32,200			93-1217823
Title & recording fees	25,000			TBD
ısing costs & legal	15,000			Various
ıond premium				
Credit report				
Discount points				
Credit enhancement fees				
Prepaid MIP				
Other[2] (specify)				
BRIDGE LOAN(S)				
Interest	15,000		0	93-1217823
Loan origination fees			0	
Title & recording fees			0	
Closing costs & legal fees			0	
Other[2] (specify)			0	
OTHER FINANCING COSTS[4]				
Tax credit fees	21,480			TDHCA
Tax and/or bond counsel			0	
Payment bonds				
Performance bonds			0	
Credit enhancement fees	35,000		35,000	93-1217823
Mortgage insurance premiums			0	
Cost of underwriting & issuance	75,000		0	93-1217823
Syndication organizational cost	112,500			Various
Tax opinion				
Other[2] Compliance Fee	4,000		4,000	TDHCA
btotal Financing Cost	$735,680	$0	$340,750	

54

	TOTAL DEVELOPMENT SUMMARY			Expected Payee Taxpayer Identification Number (TIN)[1] (and % of cost if item involves multiple payees)
	Total Cost	Eligible Basis (If Applicable) Acquisition	New/Rehab.	
RESERVES				
-nt-up	35,000			33-1038405
-perating	110,000			33-1038440
Replacement				
Escrows				
Subtotal Reserves	$145,000	$0	$0	
TOTAL DEVELOPMENT COSTS[8]	$6,425,082	$0	$5,147,508	
- Commercial Space Costs[7]				
TOTAL RESIDENTIAL COSTS	$6,425,082			

If the contractor is guaranteeing financing for the transaction for a fee, such fees are: $

The following calculations are for HTC Applications only.

Deduct From Basis:

		Acquisition	New/Rehab.
Fed. grant proceeds used to finance costs in eligible basis			
Fed. B.M.R. loans used to finance costs in eligible basis			
Non-qualified non-recourse financing			
Non-qualified portion of higher quality units (42.(d)(5))			
Historic Credits (residential portion only)			
Total Eligible Basis		$0	$5,147,508
High Cost Area Adjustment (100% or 130%)			100%
Total Adjusted Basis		$0	$5,147,508
Applicable Fraction[8]		100%	130%
Total Qualified Basis	$6,691,760	$0	$6,691,760
-plicable Percentage[9]		3.46%	8.04%
Owner's Requested Credits	$538,018	$0	$538,018

Applicant and contractor certify that, to the best of their knowledge, the provided costs and supporting information represent an accurate, uninflated estimate of the costs associated with this development. They also certify that no fees, other than for activities identified in this form, will be paid to the contractor.

River Oaks, L.P.
Development Owner Name

By: ________
Signature

Its: Pres. of G.P.

8/28/06
Date

ORC
Contractor Name

By: ________
Signature

Its: E.V.P.

8/28/06
Date

55

Executive Director Appeal

56

SHACKELFORD MELTON & McKINLEY

ATTORNEYS & COUNSELORS

A LIMITED LIABILITY PARTNERSHIP
INCLUDING PROFESSIONAL CORPORATIONS

3333 Lee Parkway
Tenth Floor
Dallas, Texas 75219
Tel: (214) 780-1400
Fax: (214) 780-1401

May 22, 2006

FACSIMILE TRANSMISSION

TO:	Mr. Michael Gerber
FAX NUMBER:	(512) 469-9606
FROM:	Sonia De Leon-Moore on behalf of John C. Shackelford, Esq.
RE:	Centerpoint Homes
CLIENT NO.:	50331.4
NO. OF PAGES: (including cover page)	6

Message:

Please see attached.

Thank you.

57

IF THIS TRANSMISSION IS INCOMPLETE, PLEASE CALL (214) 780-1400

SHACKELFORD MELTON & McKINLEY
ATTORNEYS & COUNSELORS

John C. Shackelford
Also Admitted in Florida and Georgia
Direct 214.780.1414
jshack@shacklaw.net

May 22, 2006

VIA FACSIMILE: (512) 469-9606

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

Re: Centerpoint Homes; TDHCA #060144; Our File No.: 50331.4

Dear Mr. Gerber:

The purpose of this letter is to appeal the decision of the Texas Department of Housing and Community Affairs ("Department") to deny for the purpose of scoring Quantifiable Community Participation ("QCP") points for the application for Centerpoint Homes.

Centerpoint Homes is a single family housing development located in Hidalgo County ("Project"). The owner of the Project will be Riverdale, LP (the "Partnership"), and the developer of the Project is ORH Development II, LLC ("Developer"), and I have been requested by Partnership and Developer to submit this appeal.

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On behalf of Partnership and Developer, it is our position that the Project is entitled to QCP points. This appeal is based upon the following:

1. The deficiency notice letter from Robbye Meyer, Interim Director of Multifamily Finance Production, to Debra Foley-Castillo, President of Centerpoint Resident Council, dated May 15, 2006, inaccurately states that the members of the Centerpoint Resident Council ("Council") do not live in the development in which they are providing comment, and that they currently reside in Centerpoint Apartments. The members of the Council do not reside in apartments, but rather reside in single family homes, which are a part of a rent-to-own program. The Project is comprised of 43 lots out of an original 80 lots within an existing subdivision. At this time, 37 lots have houses built on them and it is persons who reside in such houses who constitute the membership of the Council. The Project will be built on the remaining lots in the subdivision. It

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Dallas, Texas 75219
Phone 214.780.1400
Fax 214.780.1401
www.shacklaw.net

is possible there is some confusion by members of the staff of the Department about the nature of the Project and the members of the Council which has caused the Department to deny QCP points for the Project. The Project is unique in its characteristics by being single family homes to be constructed within an existing subdivision. The members of the Council are not residents of apartments. Attached please find a subdivision map of the Project which shows the location of the facilities to be demolished and the existing homes in the development.

2. Ms. Meyer's letter further states that pursuant to Section 50.9(i)(2) of the 2006 Qualified Action Plan ("QAP") the Council may only comment on property occupied by the residents and that the proposed development will not be occupied by members of the organization. Ms. Meyer's statement is accurate in once sense but inaccurate in another. Again, the Project is a single family home development within an existing subdivision of single family homes, whose members comprise the Council. The entire subdivision constitutes the development. The development is not merely the 37 houses to be constructed within the subdivision. The position asserted by Ms. Meyer in her letter denies the right of members of a resident council that occupy single family homes from commenting on a proposed development that will be located next door or across the street from the home in which they live. It is Partnership's and Developer's position that, consistent with Section 50.9(i)(2), the Council is providing comment on property occupied by the residents in which the proposed development will be located. Further, Partnership and Developer argue that Section 50.9(i)(2) of the QAP is not intended to deny these persons the right to provide comment. The entire purpose behind this Section of the QAP is to do otherwise. It is specifically intended to give a voice to those persons that may be affected by a proposed affordable housing development project. Denying the single family home residents the right to have a voice in how property next door or across the street may be developed violates the spirit and intent behind Section 50.9(i)(2) of the QAP. In addition, the philosophy behind this provision was to respect the concerns of apartment residents to the overbuilding of apartments in their community. At the time this language was included in the QAP, it was not contemplated that it would affect single family residents.

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3. The Council further satisfies the requirements of Section 50.9(i)(2) of the QAP on the basis that the Project is the demolition of a playground and storage building facility and new construction. Members of the Council, as residents of the subdivision which should be considered part of the proposed development, are commenting on an application that is for the demolition with new construction of a development in accordance with the requirements of Section 50.9(i)(2) of the QAP.

4. In the alternative, Partnership and Developer argue that Section 50.9(i)(2) of the QAP violates Section 2306.6705 of the General Government Code (the "Code") in that the legislation enabling this portion of the QAP does not provide for the stipulation that resident councils may only comment for quantifiable community participation if the application is for rehabilitation or demolition and new construction of the property occupied by the residents. The QAP is subject to satisfying the statutory requirements of the enabling legislation. The statutory requirements of Section 2306.6705(9)(A) of the Code provide for notification to any neighborhood organizations

Enclosure

cc: Saleem A. Jafar (*via e-mail*)
Bill Fisher (*via e-mail*)

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60

on record with the state or county in which the development is to be located and whose boundaries contain the proposed development site. This language in the Code does not define a neighborhood organization, and I would argue that interpretation of a neighborhood organization under the Code is to be broadly interpreted when a definition is not provided. Section 50.9(i)(2) initially complies with the enabling statute by defining a "Neighborhood Organization" as an organization of persons living near one another within the organization's defined boundaries that contain the proposed Development site and that has a primary purpose of working to maintain or improve the general welfare of the neighborhood. The Council unequivocally satisfies the QAP definition of a "Neighborhood Organization". Such definition in the QAP of a "Neighborhood Organization" is all encompassing as to the type of organizations that are included. The sentence after the definition of "Neighborhood Organization", however, attempts to explain the organizations which are included, but this language is not the definition. The Department has violated Section 2306.6705 of the Code by inserting into Section 50.9(i)(2) of the QAP this stipulation applicable only to resident councils. As such, Section 50.9(i)(2)(A)(iv) of the QAP is invalid with respect to the resident council stipulation and it may not be applied to deny the scoring of QCP points.

5. Lastly, Partnership and Developer further argue that the application of Section 50.9(i)(2)(A)(iv) of the QAP violates the provisions of the Fair Housing Act by excluding residents councils from the process. Such acts and/or actions by the Department unintentionally constitute discrimination by not permitting members of residents councils to express their concerns on the same basis and under the same circumstances as other neighborhood organizations. I am confident that the Department and the conscientious members of the staff do not intend for the application of any of the provisions of the QAP to violate the Fair Housing Act. Partnership and Developer therefore request you to interpret this provision of the QAP in light of the federal mandate set forth in the Fair Housing Act.

For all of these reasons, Partnership and Developer respectfully requests the Department to recognize the letter from Council with respect to the Project and to award QCP points for the Project. If your decision is not to award QCP points for the Project, this letter constitutes Partnership's and Developer's request to appeal such decision to the Board. 61

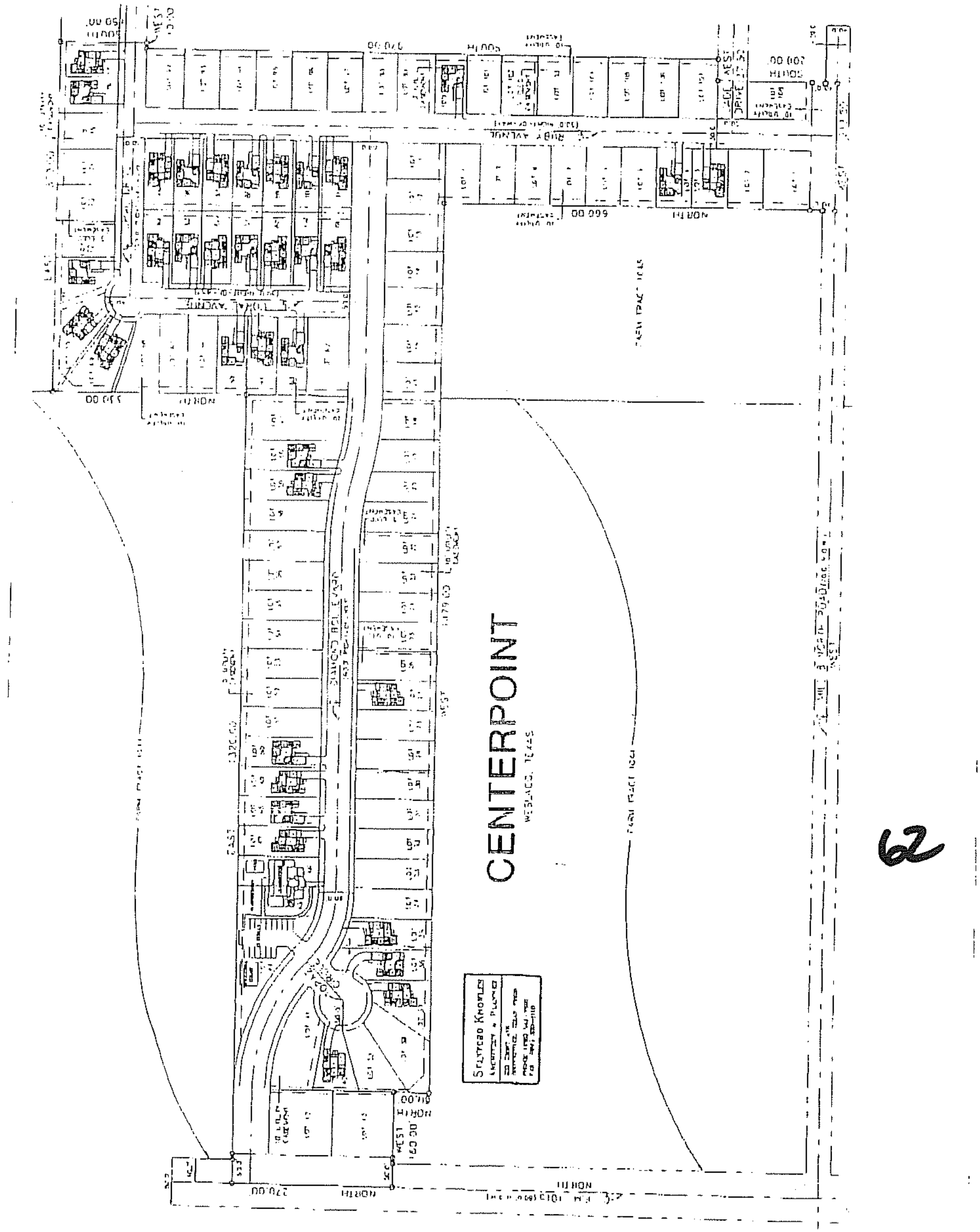
Thank you for your consideration of this appeal.

Very truly yours,

John C. Shackelford

John C. Shackelford, Esq.

JCS/sd



62

HP LaserJet 3330

HLA
469 9606
May 22 2006 16 55

Fax Call Report

Job	Date	Time	Type	Identification	Duration	Pages	Result
534	5/22/2006	16 52 40	Receive	9727164141	2 39	6	OK

SHACKELFORD MELTON & McKINLEY
ATTORNEYS & COUNSELORS

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May 22, 2006

FACSIMILE TRANSMISSION

TO:	Mr. Michael Gerber
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FROM:	Sonia De Leon-Moore on behalf of John C. Shackelford, Esq.
RE:	Centerpoint Homes
CLIENT NO.:	50331.4
NO. OF PAGES: (including cover page)	6

Message:

Please see attached

Thank you.

63

IF THIS TRANSMISSION IS INCOMPLETE, PLEASE CALL (214) 780-1400

TEXAS
DEPARTMENT OF HOUSING
AND COMMUNITY AFFAIRS
WWW.TDHCA.STATE.TX.US

Fax Transmittal

To: Alyssa Carpenter

Fax: (512) 469-9606

Phone: (512) 475-3975

Re: 2006 TSHEP Application

Date: 5.22.06

From: Yvette Loya

Organization: Edinburg Housing Opportunity Corp 64

Phone: 956.383.3839 / 956-292-9293

Fax: 956.380.6308

Pages: 2

Comments:

Texas Department of Housing and Community Affairs
Texas Statewide Homebuyer Education Program
2006 Workshop Application

Applicant Profile

Your Name: Yvette Loya

Title:

Name of Nonprofit Organization: Edinburg Housing Opportunity Corp

Address: 2112 W University Dr. #902

City: Edinburg State: TX Zip: 78539

Phone: 956 383 3839 Fax: 956 380 6308 Email: edinburghousingopportunitycorp@yahoo.com

County(s) Served: Hidalgo

Is your organization a nonprofit? Yes: ☑ No: ☐

Is your organization currently providing homebuyer education? Yes: ☐ No: ☑

What types of services does your organization offer?

Service	Currently Offer	Plan to Offer
Pre-purchase homebuyer education	☐	☑
Post-purchase homebuyer education	☐	☑
Foreclosure prevention	☐	☑
Credit counseling and repair	☐	☑
Financial management	☐	☑
One-on-one counseling	☐	☑
Tenant counseling or tenant/landlord mediation	☐	☑
Assistance in locating and securing housing	☐	☑

65

Is your organization a HUD-approved housing counseling agency? Yes: ☐ No: ☑

In which languages does your organization offer services? English: ☑ Spanish: ☑ Other: ☐

Workshop Preferences

Please Indicate Your Workshop Choice(s)

- ☐ **June 12-16, Galveston: Homebuyer Education Methods: Training the Trainer**
- ☒ **July 17-21, San Antonio: Homebuyer Education Methods: Training the Trainer**
- ☐ **August 28-29, Austin: Combating Predatory Lending***
- ☐ **August 30-31, Austin: Credit Counseling for Maximum Results***

*This workshop is intended for previously certified TSHEP Homebuyer Education Providers or those with a strong background in homebuyer education and/or credit counseling.

Fax Call Report

Job	Date	Time	Type	Identification	Duration	Pages	Result
535	5/22/2006	16 56 56	Receive	956 380 6308	1 53	2	OK

TEXAS
DEPARTMENT OF HOUSING
AND COMMUNITY AFFAIRS
[illegible]

Fax Transmittal

To: Alyssa Carpenter

Fax: (512) 469-9606

Phone: (512) 475-3975

Re: 2006 TSHLP Application

Date: 5-22-06

From: Yvette Loya

Organization: Edinburg Housing Opportunity Corp

Phone: 956-383-3839 / 956-292-9293

Fax: 956-380-6308

Pages: 2

Comments:

66

COATS | ROSE

A Professional Corporation

3 East Greenway Plaza, Suite 2000 Houston, Texas 77046-0307

Phone: 713-651-0111 Fax: 713-651-0220

Web: www.coatsrose.com

FACSIMILE TRANSMITTAL PAGE

Date: May 22, 2006

To: BROOKE BOSTON **Fax Number:** 512-475-0764

From: TAMEA A. DULA **Phone:** 713-653-7322

No. of Pages (including cover page): 6

Client/Matter #: 006235-000000

Message: Please see the enclosed Appeal for TDHCA # 060144.

T Dula

If this FAX transmission is illegible or you do not receive all pages, please call the sender at the number above.

67

IF YOU WISH TO RESPOND, USE FAX NO. (713) 651-0220

COATS | ROSE

TAMEA A. DULA
OF COUNSEL

tdula@coatsrose.com
Direct Dial
(713) 653-7322
Direct Fax
(713) 890-3918

May 22, 2006

By E-mail and Fax
Mr. Michael Gerber
Executive Director
Texas Department of Housing
and Community Affairs
221 East 11th Street
Austin, Texas 78701-2410

RE: Appeal of Ineligibility of Centerpoint Resident Council Letters in Support of Centerpoint Home Ownership (TDHCA # 060144).

Dear Mr. Gerber:

This letter constitutes an appeal of the TDHCA staff's decision that the letter of support filed by the Centerpoint Resident Council of Weslaco, Texas, is ineligible for consideration as quantifiable community participation. This firm represents the Weslaco Housing Authority, the sponsor of the above-referenced development.

The grounds for ineligibility was the determination that the Centerpoint Resident Council is only qualified to comment for quantifiable community participation if the relevant application is for rehabilitation or demolition with new construction of the property occupied by the residents.

Section 50.0(i)(2)(iv) of the 2006 Qualified Allocation Plan provides: 68

> ... "Neighborhood organizations" include homeowners associations, property owners associations, and resident councils (only for Rehabilitation or demolition with New Construction applications in which the council is commenting on the rehabilitation or demolition/New Construction of the property occupied by the residents). ...

No reason is given in the QAP for denying a resident council the right to comment upon proposed affordable housing developments in its immediate vicinity. Other neighborhood organizations that consist of residents are not restricted in the boundaries that they may adopt for the purpose of providing qualified community participation in the tax credit allocation process, except to the extent that boundaries encompassing an entire county or larger area are prohibited from being "neighborhood organizations" and organizations whose boundaries include an entire city are "generally not 'neighborhood organizations.'" These restrictions are based upon the definition of what constitutes a "neighborhood" in terms of size.

Only resident councils, whose members are public housing tenants, are prohibited from providing qualified community participation on proposed developments that are located within the resident council's duly established boundaries designating an area of interest. Homeowner associations and property owner associations are not limited to providing qualified community participation comments only with reference to the land on which their members reside – they can set reasonable boundaries creating an "area of interest" in which any proposed development might reasonably affect the welfare of their neighborhoods. Land ownership is not the critical factor because a tenant association could designate an "area of interest" that encompasses the neighborhood surrounding their apartments, and nothing in the QAP would prohibit its input from being qualified community participation.

As a resident council, Centerpoint Resident Council was established pursuant to HUD regulations (24 CFR part 964). HUD regulations do not prohibit a resident council from having an area of interest that extends beyond the physical boundaries of the public housing site. Resident councils have basically the same interest in maintaining or improving the general welfare of their neighborhoods as do homeowner associations, property owner associations and tenant associations, but a resident council's input is treated in a very disparate manner under the TDHCA's regulations. This unequal treatment appears to be based solely upon the residents' status as public housing tenants. Under Section 816 of the Fair Housing Act, any law of a State or political subdivision or other such jurisdiction that purports to require or permit any action that would be a discriminatory housing practice under the Fair Housing Act shall to that extent be invalid. We suggest that the parenthetical limitation on the right of a resident council to comment in a meaningful way upon proposed affordable housing within its neighborhood constitutes "source of income discrimination" under the Fair Housing Act, similar to the discrimination experienced by a Section 8 voucher holder who is refused tenancy. Additionally, the disparate treatment of resident councils may well be a violation of the Fourteenth Amendment which provides that "... nor shall any State ... deny to any person within its jurisdiction the equal protection of the laws." 69

In the case of **Centerpoint Home Ownership (TDHCA # 060144)**, the denial of qualified community participation points for the Centerpoint Resident Council's letter of support is particularly egregious. The Resident Council represents approximately 58 members who live in a single family, scattered site development and participate in a public housing lease-to-purchase program. Please note that in the QCP Letter Receipt Log, the Resident Council is erroneously characterized as representing apartment dwellers, when in actuality, the members of the Resident Council anticipate purchasing their single family homes. These residents will definitely be interested in how the use of adjoining land will benefit or detract from their homes. Interspersed among the existing single family dwellings are approximately 40 vacant lots and a

Mr. Michael Gerber
Executive Director
May 22, 2006
Page 3

playground, which constitute the site for the proposed Centerpoint Home Ownership development. The degree to which the proposed development is infill construction that will affect the existing neighborhood is readily seen on the enclosed plat of Centerpoint Home Ownership. Lots with buildings shown on them are the proposed development. All other shown lots are currently improved with single family homes whose residents are members of the Centerpoint Resident Council.

The Centerpoint Home Ownership development will consist of 36 new construction single family homes which will be 100% lease-to-purchase. Four of the proposed homes will be replacement public housing units for previously demolished public housing units controlled by the Weslaco Housing Authority. The residents of those units will be voting members of the Resident Council. In addition, the existing subdivision playground, which is a fully-fenced and developed playground for the children of the Resident Council's members with child-friendly playing surface, slide, jungle gym and climbing bars, will be demolished to construct a club house and pool on that site. It is anticipated that the club house and pool will be available to the residents of the subdivision on an equal basis, unless not permitted by housing authority program rules or the terms of this appeal. A new playground for the use of the children of all the residents of the subdivision will be built on another lot in the subdivision.

Last year the Centerpoint Resident Council was able to provide qualified community participation comment on proposed developments located in the vicinity of the Centerpoint subdivision. This year, because of the change in the QAP to include the parenthetical restriction upon resident councils, the Centerpoint Resident Council is not permitted to provide qualified community participation comment upon a development which will consist of houses interspersed among the homes of its members – sharing lot lines and becoming the immediate next door neighbors of the members. Surely this is an inappropriate expansion upon the directives of the Texas Legislature, which requires in § 2306.6710(b) of the Government Code:

> If an application satisfies the threshold criteria, the department shall score and rank the application using a point system that:
> (1) prioritizes in descending order criteria regarding:
> (A) ...
> (B) quantifiable community participation with respect to the development, evaluated on the basis of written statements from **any** neighborhood organizations on record with the state or county in which the development is to be located and whose boundaries contain the proposed development site;

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[emphasis added].

In conclusion, we appeal the disqualification of the Centerpoint Resident Council's letter of support on the basis of the unequal treatment that the 2006 QAP provides to a resident council, discriminating against the residents of a public housing single family development for no apparent reason other than that the residents are the recipients of public housing assistance.

We also appeal the discriminatory treatment on the grounds of its violation of the Fair Housing Act, to which the TDHCA is subject. Finally, we appeal the disqualification of the Centerpoint Resident Council's letter in support of the Centerpoint Home Ownership development on the grounds that the proposed development will be, in part, demolition with new construction on the site of a playground and new construction public housing that will replace previously demolished public housing under the jurisdiction of the Weslaco Housing Authority, all within the properly designated boundaries of the Resident Council's area of interest.

Thank you very much for your careful consideration of the issues raised in this appeal. In the event that the Executive Director fails to grant this appeal, or if the Executive Director fails to act prior to the next meeting of the Board of Directors of the TDHCA, then we request that this letter be further considered as an appeal to the TDHCA Board at its next meeting, currently scheduled for June 9, 2006.

Very truly yours,

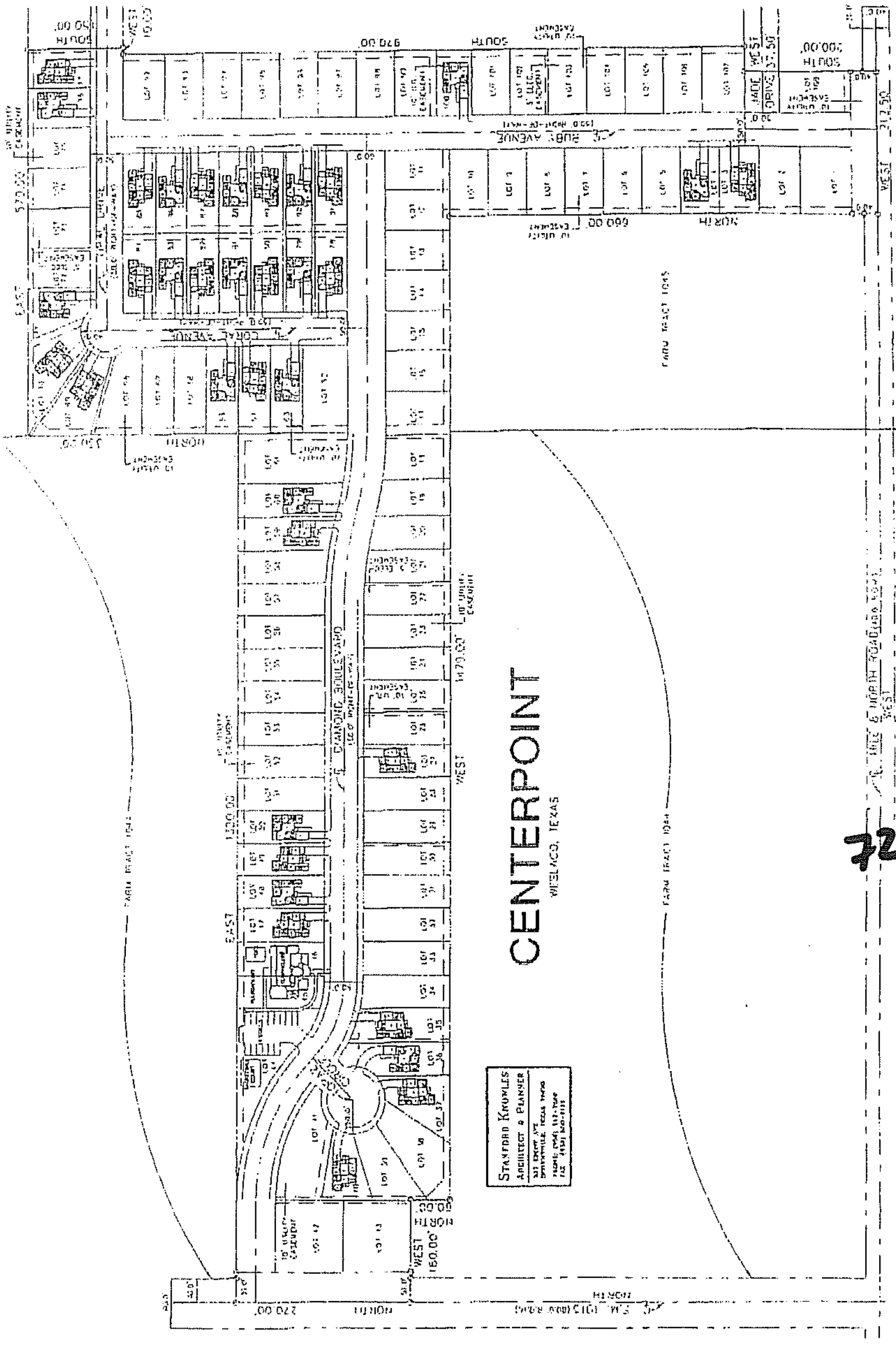
Tamea A. Dula

Tamea A. Dula

Enclosure

cc: Debra Foley-Castillo
Shannon Pritchard

71


CENTERPOINT
WESLACO, TEXAS
DIAMOND BOULEVARD
RUBY AVENUE
CORAL AVENUE
JADE DRIVE
STANFORD KNOWLES
ARCHITECT & PLANNER
FARM TRACT 1044
FARM TRACT 1045
72

Executive Director Response

73

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

RICK PERRY
Governor

MICHAEL GERBER
Executive Director

June 1, 2006

Mr. Saleem Jafar
Riverdale, L.P.
5420 LBJ Freeway Suite 1235
Dallas, TX 75240
Telephone: (972) 701-5550
Telecopier: (972) 701-5562

Re: Appeal Received for Centerpoint Home Ownership - 060144

Dear Mr. Jafar:

Appeal Review

I have carefully reviewed the application you submitted, as well as your appeal that was received on May 22, 2006 regarding the eligibility of a letter from the Centerpoint Resident's Council requesting that their letter be considered for points for Quantifiable Community Participation (QCP).

The letter was ineligible because Centerpoint Resident's Council does not qualify as a "neighborhood organization" as required by the §50.9(i)(2)(A)(iv) of the Qualified Allocation Plan and Rules (QAP). This section specifically precludes resident's councils from qualifying as a "neighborhood association" unless the letter is relating to an application that is proposed for, "...Rehabilitation or demolition with New Construction applications in which the council is commenting on the rehabilitation or demolition/ New Construction **of the property occupied by the residents.**" 74

This determination was made based on the fact that on May 4, 2006 the Department issued a deficiency notice to the contact for Centerpoint Resident Council. The letter explained that §50.9(i)(2) of the QAP specifies that resident councils may only comment for QCP if the application is for rehabilitation or demolition with new construction of the property occupied by the residents. The letter from the organization indicates that its members are not living in the Development in which they were providing comment on. They currently reside in Centerpoint Development, which is comprised of single-family homes.

Centerpoint Resident Council's by-laws are clear that the organization is a resident's council for the current residents of "Centerpoint". As such, pursuant to §50.9(i)(2)(A)(iv) of the 2006 QAP, the council may only comment on the property occupied by the residents. The proposed development is not occupied by members of the organization. Rather, existing single-family homes are occupied by the resident council. These homes and those proposed are located on a 80 lots owned by the Edinburg Housing Authority.

The applicant is appealing the eligibility of the letter based on many assertions. My response to each assertion is outlined below each statement:

(1) You assert that the members of the neighborhood organization do not live in apartments, but rather in single family homes. You further assert that the proposed development will be constructed on lots that are part of an existing subdivision that houses the members of the resident council and that the entire subdivision constitutes the development for purposes of the council's boundaries.

Response: The QAP is explicit that the resident council may not comment on any development not proposing demolition or rehabilitation of the property occupied by the residents. The fact that the council's members live in single family homes adjacent to the proposed new construction is no different than an existing apartment complex commenting on the new construction of a second phase of the development. In either scenario, the QCP letter would be ineligible.

(2) You assert that the QAP requirement that the resident council only comment on the property occupied by the residents automatically denies residents of single family homes the ability to comment on a proposed development within the nearby area. 75

Response: See response #1.

(3) You assert that the development includes demolition and new construction because they are demolishing a playground and storage building.

Response: §50.9(i)(2)(A)(iv) of the QAP specifically precludes residents councils from qualifying as a "neighborhood association" unless the letter is relating to an application that is proposed for, "...Rehabilitation or demolition with New Construction applications in which the council is commenting on the rehabilitation or demolition/ New Construction of the property occupied by the residents [emphasis added]." It is clear that the council is not commenting on the demolition of playground facilities. The letter from Centerpoint submitted to the Department specifically states that the council supports the "new construction single family homes".

(4) You assert that the QAP restricts the definition of a neighborhood organization beyond Section 2306.6705(9)(A) and that Section 50.9(i)(2)(A)(iv) of the QAP is therefore invalid with respect to resident councils.

Response: QCP points, statutorily required under §2306.6710 Texas Government Code, are described in §50.9(i)(2) of the QAP, which outlines an explicit set of criteria that must be satisfied. The fact that these requirements are not expressly stated in statute does not change the fact that the letter submitted clearly does not meet the requirements of the §50.9(i)(2)(A)(v) of the QAP because the letter is not regarding an application that is occupied by the residents.

(5) No reason is given for denying resident councils the right to comment upon the proposed affordable housing developments in the area.

Response: It should be noted that this specific restriction for resident councils not occupying the proposed development in the 2006 QAP was added in response to several appeals in the 2005 9% cycle. In those appeals, many members of the public voiced concern over the eligibility of a resident council designated by the U. S. Department of Housing and Urban Development (HUD), which expanded their boundaries beyond those designated in the HUD bylaws.

The QAP represents a reasonable interpretation of statute and underwent the process created by the Administrative Procedures Act to create rules. In addition, the Governor approved the QAP with the statutory interpretation within the QAP. The QAP establishes the procedures for applying for and obtaining an award of tax credits.

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(6) The QAP excludes resident councils whose members are public housing tenants from the QCP process, thereby violating the provisions under §816 of the Fair Housing Act.

Response: The QAP does not specifically restrict resident councils to those owned and operated by HUD whose members are public housing tenants.

(7) You assert that 4 Units will be replacing previously demolished units.

Response: No evidence substantiating this assertion was submitted in the application, appeal or QCP deficiency responses.

Appeal Determination

Your appeal is denied.

Pursuant to §50.17(b)(4) of the 2006 QAP, an appeal has been filed with the Board and will be considered by the Board at the June 9, 2006 Board meeting. All appeal documentation submitted by 5:00 p.m. Tuesday, May 31, 2006 will be placed on the June 9, 2006 Board book.

If you have questions or comments, please call (512) 475-3340.

Sincerely,

Michael Gerber
Executive Director

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QCP Documentation

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Texas Department of Housing and Community Affairs
Multifamily Finance Production Division
2006 Quantifiable Community Participation

May 15, 2006

Debra Foley-Castillo
President
Centerpoint Resident Council
3521 Diamond
Weslaco, Texas 78596
Fax: (956)565-6005 (214) 363-9979
Email: spritchard@johncarney.com

Re: Response from your Neighborhood Organization for Quantifiable Community Participation
Centerpoint Home Ownership, # 060144

Dear Debra Foley-Castillo:

I am writing regarding the letter you submitted in response to the deficiency letter for the purpose of scoring Quantifiable Community Participation (QCP) points for the above-referenced application. Thank you for responding to the request.

The Texas Department of Housing and Community Affairs (the Department) has reviewed the letter and the additional documentation you submitted and compared it to the minimum requirements for the letter as required under the Qualified Allocation Plan and Rules (QAP) that govern the Housing Tax Credit Program this year. Unfortunately, in our review, one or more requirements still have not been satisfied as further described below.

> On May 4, 2006 the Department issued a deficiency notice to the contact for Centerpoint Resident Council. The letter explained that §50.9(i)(2) of the QAP specifies that resident councils may only comment for quantifiable community participation if the application is for rehabilitation or demolition with new construction of the property occupied by the residents. The letter from the organization indicates that its members are not living in the Development in which they were providing comment on. They currently reside in Centerpoint apartments, and according to them that the proposed development, Centerpoint, would become part of their organization when built.
>
> Centerpoint Resident Council's by-laws are clear that the organization is a resident's council for the current residents of "Centerpoint". As such, pursuant to §50.9(i)(2) of the 2006 QAP, the council may only comment on the property occupied by the residents. The proposed development is not occupied by members of the organization.

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Therefore, because your deficiency has not been satisfied your organization's letter will not be considered further for scoring. However, please be assured that the Department values all public input and while the Department will be unable to assign points to your letter the Department will still record your input in the Application's file and provide the Board of the Department with a summary of your comment for their information and consideration.

Thank you again for your active involvement in our application process. If you have any questions, please do not hesitate to contact me at 512.475.2213.

Sincerely,

Robbye Meyer

Robbye Meyer
Interim Director of Multifamily Finance Production

80

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Texas Department of Housing and Community Affairs
Multifamily Finance Production Division
2006 Quantifiable Community Participation

May 15, 2006

Debra Foley-Castillo
President
Centerpoint Resident Council
3521 Diamond
Weslaco, Texas 78596
Fax: (956) 565-6005 (214) 363-9979
Email: spritchard@johncarney.com

Re: Response from your Neighborhood Organization for Quantifiable Community Participation
Centerpoint Home Ownership, # 060144

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81

Centerpoint Resident Council's by-laws are clear that the organization is a resident's council for the current residents of "Centerpoint". As such, pursuant to §50.9(i)(2) of the 2006 QAP, the council may only comment on the property occupied by the residents. The proposed development is not occupied by members of the organization.

Therefore, because your deficiency has not been satisfied your organization's letter will not be considered further for scoring. However, please be assured that the Department values all public input and while the Department will be unable to assign points to your letter the Department will still record your input in the Application's file and provide the Board of the Department with a summary of your comment for their information and consideration.

Thank you again for your active involvement in our application process. If you have any questions, please do not hesitate to contact me at 512.475.2213.

Sincerely,

Robbye Meyer

Robbye Meyer
Interim Director of Multifamily Finance Production

82

TRANSMISSION VERIFICATION REPORT

TIME : 05/16/2006 10:13
NAME :
FAX :
TEL :
SER.# : 000J5J563237

DATE,TIME	05/16 10:12
FAX NO./NAME	92143639979
DURATION	00:01:08
PAGE(S)	08
RESULT	OK
MODE	STANDARD ECM

83

JOHN H. CARNEY & ASSOCIATES
ATTORNEYS & COUNSELORS AT LAW
ONE MEADOWS BUILDING
5005 GREENVILLE AVENUE, SUITE 200
DALLAS, TEXAS 75206

TELE. (214) 368-8300 FAX (214) 363-9979

FACSIMILE TRANSMITTAL SHEET

This fax is being transmitted on a Sharp FO-DC600. If you do not receive this transmission in its entirety, please call our Receptionist at the telephone number listed above.

PAGE COUNT: 5

TO:	Sharon Gamble	FACSIMILE:	800-733-5120
COMPANY:	TDHCA	TELEPHONE:	512-475-4610
FROM:	Shannon Pritchard	DATE:	May 15, 2006

REF: Centerpoint Residents' Council's response to Def. Ltr #2, QCP #'s 060144, 060143, 060147 & 060049

COMMENTS: Original will not follow.

84

JOHN H. CARNEY & ASSOCIATES
ATTORNEYS & COUNSELORS AT LAW
ONE MEADOWS BUILDING
5005 GREENVILLE AVENUE, SUITE 200
DALLAS, TEXAS 75206
(214) 368-8300

SHANNON PRITCHARD
Attorney
spritchard@johnhcarney.com

DIRECT TEL. (214) 365-4415
FACSIMILE (214) 363-9979
WWW.LEGALADVISORS.COM

May 15, 2006

Ms. Robbye Meyer
Texas Department of Housing
and Community Affairs
221 E. 11th Street
Insurance Building Annex
Austin, TX 78711

Via Fax 800-733-5120

RE: Centerpoint Residents' Council, Deficiency Notice dated May 4, 2006
QCP #060144; QCP #060143, QCP #060147, QCP #060049

Dear Ms. Meyer:

In response to the notice of administrative deficiency for the referenced QCP letters, please find our responses including enclosure:

Item Number One:

Notwithstanding the registered name of this organization, the Centerpoint Residents' Council functions as a neighborhood association. A letter confirming this from the President of the organization is attached. This group had met early and often to ensure their input. The members of the Centerpoint Residents' Council see themselves as an association of home-buying families and as such, consider themselves to have the same rights to comment on new development that impacts their community as any other organization of single-family neighborhoods in this state.

The proposed development #060144 is an expansion and addition of the existing Centerpoint Neighborhood that this Council represents. This proposed development includes new homes for the rent-to-own program and a community center. Clearly, these new homes and the community center would be included in the boundaries of the Residents' Council.

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Proposed developments #060143 and #060147, Sun Valley and Orchard Valley Homes, are new construction of single-family homes that are adjacent to the Centerpoint project and within the Council's registered boundaries. The Centerpoint Residents' Council is in favor of these projects, as they will positively impact the growth of this area into vital, secure neighborhoods.

The proposed development #060049, the Los Milagros Apartments, is not a single-family home development and is immediately adjacent to the Centerpoint project. The members of the Council feel strongly that to allow this project to go forward will negatively impact their neighborhood. This proposed new construction is within the Council's boundaries.

Legal Issue:

The enabling legislation for QCP does not permit the scoring limitations you are attempting to place on our group. We are a neighborhood organization and therefore should be scored for all those purposes within our properly identified boundaries. The Attorney General has previously determined the board does not have the authority to change the legislation scoring criteria. By attempting to limit our neighborhood organization's area of comment to something other than our duly adopted boundaries is not consistent with the legislation passed for scoring these letters for ACP. Furthermore, to deny us this ability to comment on development that impacts the integrity and value of our community is unequal treatment under the law.

We believe our information as submitted meets the requirement intended in the QAP and the department submission material. We believe our letters should be scored for all purposes.

Sincerely,

Shannon Pritchard

Shannon Pritchard
Attorney, Centerpoint Residents' Council

SP
Enclosure

86

Sharon Gamble

From: Sharon Gamble

Sent: Thursday, May 04, 2006 7:18 PM

To: 'Shannon Pritchard'

Subject: QCP Deficiency Letters #060049, 060143, 060144, and 060147

Here are soft copies of the four notices I faxed to you earlier. I will be in my office today until 5:00 pm. Please note that I will be out of the office on Friday, May 5. I will be back on Monday morning. If you have any questions, you may call me or email me and I will contact you on Monday. Please reply to this email as soon as you get it as confirmation of receipt

Sharon D. Gamble
Multifamily Housing Specialist
Texas Department of Housing
and Community Affairs
(512) 475-4610

87

Texas Department of Housing and Community Affairs
Multifamily Finance Production Division
2006 Quantifiable Community Participation

Email + Fax sent 5/4
PC 5/4 to [illegible] VM LH
5/[illegible] PC [illegible] S. Pritchard [illegible]
" PC from S. Pritchard [illegible]
Response

May 4, 2006

Debra Foley-Castillo
President
Centerpoint Resident Council
3521 Diamond
Weslaco, Texas 78596

Organization Fax: (956) 565-6005 Organization Email:

Second Contact:

Shannon Pritchard

Second Contact Fax: (214) 363-9979 Second Contact Email: spritchard@johncarney.com

Second Contact Phone: (210) 368-8300

Re: Letter from your Neighborhood Organization for Quantifiable Community Participation
Centerpoint Home Ownership, # 060144

Dear Debra Foley-Castillo:

I am writing regarding the letter you submitted for the purpose of scoring Quantifiable Community Participation points for the above-referenced application. Thank you for providing your input.

The Department has reviewed the letter you submitted and compared it to the minimum requirements for the letter as required under the 2006 Qualified Allocation Plan and Rules (QAP) that govern the Housing Tax Credit Program this year. In our review, one or more requirements have not been satisfied. As permitted under the QAP, the Department may request that you provide additional information or documentation that it deems relevant to clarify information contained in your letter. §50.9(g)(2) of the QAP indicates that, "If the Department determines to request additional information, it will do so by e-mail or facsimile to the e-mail address or facsimile number provided with the organization's letter. If the deficiencies are not clarified or corrected in the Department's determination within seven business days from the date the e-mail or facsimile is sent to the organization, the organization's letter will not be considered further for scoring and the organization will be so advised."

The items listed below are those items that need to be provided to the Department no later than 5:00 p.m. on Monday, May 15. Submission prior to that date is encouraged to enable the Department to expedite the final review of your letter.

As a Resident's Council, you are only eligible to comment on the property you occupy, meaning that you would have to be commenting about the rehabilitation or re-building of your own development. Submit evidence that the site of the new Centerpoiont Home Ownership Development will be

Texas Department of Housing and Community Affairs
Multifamily Finance Production Division
2006 Quantifiable Community Participation

included in the boundaries of the existing Centerpoint Resident Council property.

Please submit the above requested documentation to the attention of Sharon Gamble, Multifamily Housing Specialist at sharon.gamble@tdhca.state.tx.us or via fax at 512.475.1895 or 800.733.5120. While email and fax responses are strongly encouraged, the regular mail address for responses is: Sharon Gamble, TDHCA, Multifamily Finance Production, P.O. Box 13941, Austin TX 78711-3941. Note that the documents must be **received, not merely postmarked, by May 15.**

Thank you again for your active involvement in our application process and I look forward to receiving the requested documentation to enable a final review of your letter. If you have any questions please call Sharon Gamble at 512.475.4610.

Please be advised that Sharon Gamble will be in her office on Thursday, May 4 until 5:00 pm but will not be in her office on Friday, May 5. She will return on Monday, May 8 and will return all messages at that time.

Sincerely,

Robbye Meyer

Robbye Meyer

Interim Director of Multifamily Finance Production

99

TRANSMISSION VERIFICATION REPORT

TIME : 05/04/2006 19:05
NAME : TX DEPT OF HOUSING
FAX : 4750764
TEL :
SER.# : BROG4J729978

DATE,TIME	05/04 19:04
FAX NO./NAME	92143639979
DURATION	00:01:12
PAGE(S)	08
RESULT	OK
MODE	STANDARD ECM

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Texas Department of Housing and Community Affairs
Multifamily Finance Production Division
2006 Quantifiable Community Participation

May 4, 2006

Debra Foley-Castillo
President
Centerpoint Resident Council
3521 Diamond
Weslaco, Texas 78596

Organization Fax: (956) 565-6005 Organization Email:

90

Second Contact:

Shannon Pritchard

Second Contact Fax: (214) 363-9979 Second Contact Email: spritchard@johncarney.com

Second Contact Phone: (210) 368-8300

Re: Letter from your Neighborhood Organization for Quantifiable Community Participation
Centerpoint Home Ownership, # 060144, 143, 147, 045 (8 pages)

Dear Debra Foley-Castillo:

I am writing regarding the letter you submitted for the purpose of scoring Quantifiable Community Participation points for the above-referenced application. Thank you for providing your input.

The Department has reviewed the letter you submitted and compared it to the minimum requirements for the letter as required under the 2006 Qualified Allocation Plan and Rules (QAP) that govern the Housing Tax Credit Program this year. In our review, one or more requirements have not been satisfied. As permitted under the QAP, the Department may request that you provide additional information or documentation that it deems

Jennifer Joyce

From: Jennifer Joyce
Sent: Thursday, April 20, 2006 4:29 PM
To: 'Shannon Pritchard'
Cc: 'Robbye Meyer'; 'Sharon Gamble'
Subject: RE: Alta Vista Senior Tower, QCP #060158, CenterPoint Single Family, QCP #060144

Ms. Pritchard,

No problem at all. I am very happy to hear the level of attention the organizations are giving this.

060158 1) Actually, as I look at the bylaws, I see a date at the bottom that says, "Adopted 4/16/2003". This date was most likely missed by Sharon because it is small and at the bottom, which is why I am sure she asked for it. Please consider the issue of the date of the bylaws resolved. As far as the adoption of the map, your proposal sounds exactly like what we're hoping to get.

060158 2) If the letter isn't on letterhead but is obviously from the county, it would be acceptable. I have accepted e-mails from the county to organizations in the past because their e-mail addresses indicate they are county entities. A letter on letterhead would definitely be acceptable.

060158 3) Yes, the exact deficiency was sent to Centerpoint, and I thought you received this one as well based on the subject of your letter and since they were the same items, you were asking for both. I am faxing over both deficiencies to you now (centerpoint's was mailed because the primary contact's fax did not work. I am SO SORRY our staff missed you as the second contact. It was a data entry issue that we are resolving right now).

Please let me know if you have any questions,

Jen Joyce
Interim Manager of Multifamily Finance Production Division
Texas Department of Housing and Community Affairs
(512) 475-3995

-----Original Message-----
From: Shannon Pritchard [mailto:spritchard@johnhcarney.com]
Sent: Thursday, April 20, 2006 3:39 PM
To: Jennifer Joyce
Subject: RE: Alta Vista Senior Tower, QCP #060158, CenterPoint Single Family, QCP #060144

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Ms. Joyce: Please forgive me if I came off as abrupt - I was simply frustrated in trying to get some answers prior to working all weekend to meet my deadline for my clients, who, you can imagine, are very concerned that we submit these documents appropriately. My clients at Alta Vista Senior Towers may be senior citizens, but they are very keenly concerned that this renovation project go forward and they do not want their misinterpretation of what must be presented to be the stumbling block.

At this time, I will only respond to those points that need further attention, if that is acceptable.

#1 - As to the creation documents - The letter from TDHCA dated 4/13/06, to Margarita Sanchez, indented paragraph 1, states as follows:

"Submit evidence that the bylaws, articles, or organiation documents were created on or before March 1, 2006 and that the boundaries of the organization were part of the bylaws, articles, or organizational documents on or before March 1, 2006. Evidence must include a copy of the document."

My interpretation of that statement was that we had to prove that our organization's bylaws were created prior to March 1, 2006 AND that the boundaries were part of those bylaws. In fact, Alta Vista has existed for some time, and their bylaws were created long before this year. I was told that they had incorporated the map to define the boundaries of the Association prior to March 1, 2006. In anticipation of the need to prove this had been done, I have requested they provide evidence of a resolution to amend, by incorporation of the map showing the physical boundaries of the property, the Constitution and By-Laws, which is, in effect, a creation document.

#2 - Evidence of being on record with the county - I will relay to my client the type of letter needed and the need that it be on the Hildalco County letterhead.

#3 - Is there a similar deficiency notice for CenterPoint?

Shannon Pritchard

[Shannon Pritchard]
-----Original Message-----
From: Jennifer Joyce [mailto:jennifer.joyce@tdhca.state.tx.us]
Sent: Thursday, April 20, 2006 2:50 PM
To: Sharon Gamble; Shannon Pritchard; 'Robbye Meyer'
Subject: RE: Alta Vista Senior Tower, QCP #060158, CenterPoint Single Family, QCP #060144

In looking at this message, I think it would be more clear had I separated my statements better. Perhaps this version is more helpful so that you don't need to rely on the color coding.

Because time is an issue here, I will respond to your questions/ statements below.

YOU SAID: I am the attorney who has advised, prepared and subsequently submitted the QCP letters for both these Resident Associations and yet I was not copied on a recent request for clarification and further information for Alta Vista. I am very concerned that requests from your department may have gone to CenterPoint without my notification and the deadline to address deficiencies is rapidly approaching.

TDHCA COMMENT: I concur that we should have copied you on the deficiency as a courtesy. This is the first year we asked for a second contact in the letters and it is not required that we copy the second contact on all matters, but it is a reasonable request. In the future, we will copy you on all correspondence. However, it appears that you are aware of the deficiencies and that the neighborhood organizations are working on resolving the issue, and given that the items should not take long to obtain, I do not foresee this circumstance of not copying you to be an issue. 92

YOU SAID: I contacted Ms. Gamble via telephone at the number supplied in Ms. Meyer's letter to Alta Vista, only to get voicemail and be advised that she would not return calls UNTIL 4/24/06. That is too late.

TDHCA COMMENT: Her out of office message says to contact Jennifer Joyce (me) for all deficiency related issues pertaining to QCP, and she clearly states my telephone number.

YOU SAID: My client contact with Alta Vista is gathering the requested information regarding the creation of the Resident's Association (which dates back into the 1970's), and has requested a NEW letter from the county clerk's office, even though the date-stamped letter we submitted has been acceptable for this process in the past.

TDHCA COMMENT: I am unsure why your client is attempting to obtain creation documents. Please explain why. As it relates to the date-stamp being accepted in the past, it was determined by our general council that there needed to be evidence from the county clerk in addition to what was submitted. An e-mail, a fax or a document picked up from their office would all suffice as evidence that the organization is on record with the county as long as it simply states, "As of March 1, 2006 _____ neighborhood organization is on record with the county."

YOU SAID: As to the boundaries of the Resident Association, a map with clearly marked boundaries was attached to the by-laws themselves, which legally makes them an accepted addendum to the by-laws. They are accepted as part of the by-laws by incorporation, and is my further understanding that this method of identifying the boundaries has been acceptable to TDHCA in past years.

TDHCA COMMENT: As the legal council for these items I am sure that you have noted that the QCP requirements did change this year, and those requirements are very clearly outlined in the QCP packages on our website. The QAP and all information published for neighborhood organizations very clearly says that the QCP package MUST, "include the organization's articles of incorporation and/or bylaws and/or organizational documents created on or before March 1, 2006, that, at a minimum, identify the boundaries of the organization, identify the officers of the organization and clearly indicate the purpose of the organization." This entire requirement is new this year in the QAP.

The constitution & bylaws submitted in the package did not include an identification of the boundaries of the organization. It did, however, include a map (as required as a separate item) which includes the Development site. The maps submitted clearly were not part of the by-laws or constitution. What we need is language which was effective as of March 1, 2006 or prior which states the boundaries of the neighborhood organization (in other words, an organizational document that was not created for the purposes of QCP points such as the maps submitted.) Any organizational document will do that identifies the boundaries of the organization, it just needs to be effective on or before March 1, 2006. Note, if you can't get this information because the language does not exist, I recommend that you state to that fact and request the letter to be eligible anyway and state your reasons why.

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If you need me at all, as I said in my message to you via voicemail, please contact me at 512.475.3995. We have a state holiday tomorrow and I will be out but you may reach me on my cell phone at 512.797.0799.

Shannon Pritchard
John H. Carney & Associates
One Meadows Building
5005 Greenville Avenue, Suite 200
Dallas, Texas 75206

(214) 365-4415 Direct Dial

Jennifer Joyce

From: Jennifer Joyce

Sent: Thursday, April 20, 2006 2:50 PM

To: Sharon Gamble; 'SPRITCHARD@JOHNHCARNEY.COM'; 'Robbye Meyer'

Subject: RE: Alta Vista Senior Tower, QCP #060158, CenterPoint Single Family, QCP #060144

In looking at this message, I think it would be more clear had I separated my statements better. Perhaps this version is more helpful so that you don't need to rely on the color coding.

Because time is an issue here, I will respond to your questions/ statements below.

YOU SAID: I am the attorney who has advised, prepared and subsequently submitted the QCP letters for both these Resident Associations and yet I was not copied on a recent request for clarification and further information for Alta Vista. I am very concerned that requests from your department may have gone to CenterPoint without my notification and the deadline to address deficiencies is rapidly approaching.

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YOU SAID: As to the boundaries of the Resident Association, a map with clearly marked boundaries was attached to the by-laws themselves, which legally makes them an accepted addendum to the by-laws. They are accepted as part of the by-laws by incorporation, and is my further understanding that this method of identifying the boundaries has been acceptable to TDHCA in past years.

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The constitution & bylaws submitted in the package did not include an identification of the boundaries of the organization. It did, however, include a map (as required as a separate item) which includes the Development site. The maps submitted clearly were not part of the by-laws or constitution. What we need is language which was effective as of March 1, 2006 or prior which states the boundaries of the neighborhood organization (in other words, an organizational document that was not created for the purposes of QCP points such as the maps submitted.) Any organizational document will do that identifies the boundaries of the organization, it just needs to be effective on or before March 1, 2006. Note, if you can't get this information because the language does not exist, I recommend that you state to that fact and request the letter to be eligible anyway and state your reasons why.

If you need me at all, as I said in my message to you via voicemail, please contact me at 512.475.3995. We have a state holiday tomorrow and I will be out but you may reach me on my cell phone at 512.797.0799.

Shannon Pritchard
John H. Carney & Associates
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5005 Greenville Avenue, Suite 200
Dallas, Texas 75206

(214) 365-4415 Direct Dial
(214) 363-9979 Facsimile
www.LegalAdvisors.com

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060/44

JOHN H. CARNEY & ASSOCIATES
ATTORNEYS & COUNSELORS AT LAW
ONE MEADOWS BUILDING
5005 GREENVILLE AVENUE, SUITE 200
DALLAS, TEXAS 75206
(214) 368-8300

SHANNON PRITCHARD
Attorney
spritchard@johnhcarney.com

DIRECT TEL (214) 365-4415
FACSIMILE (214) 363-9979
WWW.LEGALADVISORS.COM

April 24, 2006

Ms. Robbye Meyer
Texas Department of Housing
and Community Affairs
221 E. 11[th] Street
Insurance Building Annex
Austin, TX 78711

Via E-Mail & Fax
800-733-5120

RE: Center Point Residents' Council QCP; Deficiency Notice dated April 10, 2006

Dear Ms. Meyer:

In response to the notice of administrative deficiency, please find our responses including enclosure:

Item Number One:

Enclosed please find a letter from Debra Foley-Castillo, President of the Center Point Resident Council, verifying that the Council considers the map submitted with their QCP packet to be part of their organizational records, and that these boundaries were established prior to March 1, 2006.

Item Number Two:

Enclosed please find a letter from the Office of the County Judge Ramon Garcia, County of Hidalgo, confirming that the Center Point Residents' Council was on record with Hidalgo County as of February, 2005. Additionally, we respectfully suggest that the State must consider the letter from the Council asking for registration with the County, which is both file stamped and initialed by County personnel, to be adequate evidence of registration with the County, notwithstanding the letter from Judge Garcia.

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It is my understanding that the Department scored this Council's letter in opposition to Los Milagros last year, with only the file-stamped letter from the county as proof of registration. It is my further understanding that no new registration or new evidence of registration is required.

Furthermore, we believe the boundary and registration information as submitted meets the spirit, if not the letter, of the requirement of the QAP.

If you need additional information please do not hesitate to contact me. Please make note this material applies to the Sun Valley, Orchard Valley and Los Milagros applications, for which the Center Point Residents' Council also provided QCP letters to your agency.

Sincerely,

Shannon Pritchard

Shannon Pritchard
Attorney, Center Point Resident's Council

SP
Enclosure

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CENTERPOINT RESIDENT COUNCIL
3521 DIAMOND
WESLACO, TX 78596
FAX: 956-565-6005

Ms. Robbye Meyer
TDHCA
221 E. 11th Street
Austin, TX 78701

RE: QCP Notice on Centerpointe

Dear TDHCA:

This letter hereby confirms that the boundary map provided in our QCP packet with the organization documents is the established boundary of the organization. It was the established boundary prior to March 1, 2006. They are part of our organizational records.

Sincerely,

Debra Foley-Castillo

Debra Foley-Castillo, President

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THE COUNTY OF HIDALGO TEXAS

OFFICE OF THE COUNTY JUDGE
County Of Hidalgo

RAMON GARCIA
County Judge

Centerpointe Residents' Council
3521 Diamond
Weslaco, TX 78596

April 20, 2006

RE: Centerpointe Residents' Council file stamped letter

Dear Centerpointe Residents' Council:

Per you request, we hereby confirm that the resident's council for the Centerpointe sub-division was filed with Hidalgo County in February 2005. Your registration letter was filed stamped on that date, a copy of which is attached. This letters confirms that registration is on record with Hidalgo County as of that date.

Sincerely,

Ramon Garcia
Hidalgo County Judge

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P.O. Box 1356 ★ Edinburg, Texas 78540 ★ (956) 318-2600 ★ Fax: (956) 318-2699

JOHN H. CARNEY & ASSOCIATES
ATTORNEYS & COUNSELORS AT LAW
ONE MEADOWS BUILDING
5005 GREENVILLE AVENUE, SUITE 200
DALLAS, TEXAS 75206
TELE. (214) 368-8300
FAX (214) 363-9979

FACSIMILE TRANSMITTAL SHEET

This fax is being transmitted on a Sharp FO-DC600. If you do not receive this transmission in its entirety, please call our Receptionist at the telephone number listed above.

PAGE COUNT: 5

TO:	Sharon Gamble	FACSIMILE:	800-733-5120
COMPANY:	TX Dept. of Housing & Com. Affairs	TELEPHONE:	512-475-3995
FROM:	Shannon Pritchard	DATE:	April 24, 2006

REF: Center Point Residents' Council QCP; Response to Deficiency Notice dated April 10, 2006.

COMMENTS: Original will not follow, but submission via e-mail will follow.

100

Texas Department of Housing and Community Affairs
Multifamily Finance Production Division
2006 Quantifiable Community Participation

April 13, 2006

Debra Foley-Castillo
President
Centerpoint Resident Council
3521 Diamond
Weslaco, Texas 78596

Organization Fax: (956) 565-6005 Organization Email:

Re: Letter from your Neighborhood Organization for Quantifiable Community Participation
Centerpoint Home Ownership, # 060144

Dear Debra Foley-Castillo:

I am writing regarding the letter you submitted for the purpose of scoring Quantifiable Community Participation points for the above-referenced application. Thank you for providing your input.

The Department has reviewed the letter you submitted and compared it to the minimum requirements for the letter as required under the 2006 Qualified Allocation Plan and Rules (QAP) that govern the Housing Tax Credit Program this year. In our review, one or more requirements have not been satisfied. As permitted under the QAP, the Department may request that you provide additional information or documentation that it deems relevant to clarify information contained in your letter. §50.9(g)(2) of the QAP indicates that, "If the Department determines to request additional information, it will do so by e-mail or facsimile to the e-mail address or facsimile number provided with the organization's letter. If the deficiencies are not clarified or corrected in the Department's determination within seven business days from the date the e-mail or facsimile is sent to the organization, the organization's letter will not be considered further for scoring and the organization will be so advised."

The items listed below are those items that need to be provided to the Department no later than 5:00 p.m. on Monday, April 24. Submission prior to that date is encouraged to enable the Department to expedite the final review of your letter. 161

The bylaws you submitted do not include a description of the boundaries of the neighborhood organization. According to §50.9(i)(2)(A)(viii) of the QAP, your bylaws must "at a minimum, identify the boundaries of the organization, ..." Submit evidence that the boundaries of the organization were part of the bylaws, articles, or organizational documents on or before March 1, 2006. Evidence must include a copy of the document.

The date-stamped letter you submitted is not sufficient evidence to prove that your organization was on record with the county as of March 1, 2006. In accordance with §50.9(i)(2)(A)(v) of the QAP, submit evidence that the organization was registered with the Secretary of State or the county in which the development is to be located on or before March 1, 2006. Evidence from the county may include a letter written on county letterhead and signed by a representative of the county clerk's office and must include the registration date of the information and that the county considers the organization to be on record.

Please submit the above requested documentation to the attention of Sharon Gamble, Multifamily Housing Specialist at sharon.gamble@tdhca.state.tx.us or via fax at 800.733.5120. While email and fax responses are strongly encouraged, the regular mail address for responses is: Sharon Gamble, TDHCA, Multifamily Finance Production, P.O. Box 13941, Austin TX 78711-3941. Note that the documents must be **received, not merely postmarked, by April 24.**

Thank you again for your active involvement in our application process and I look forward to receiving the requested documentation to enable a final review of your letter. If you have any questions please call Sharon Gamble at 512.475.4610.

Sincerely,

Robbye Meyer

Robbye Meyer
Interim Director of Multifamily Finance Production

TRANSMISSION VERIFICATION REPORT

TIME : 04/20/2006 16:25
NAME : TX DEPT OF HOUSING
FAX : 4750764
TEL :
SER.# : BROG4J729978

DATE, TIME	04/20 16:24
FAX NO./NAME	92143639979
DURATION	00:00:51
PAGE(S)	05
RESULT	OK
MODE	STANDARD ECM

MAILED

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Texas Department of Housing and Community Affairs
Multifamily Finance Production Division
2006 Quantifiable Community Participation

April 13, 2006

Debra Foley-Castillo
President
Centerpoint Resident Council
3521 Diamond
Weslaco, Texas 78596

Organization Fax: (956) 565-6005 Organization Email:

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Re: Letter from your Neighborhood Organization for Quantifiable Community Participation
Centerpoint Home Ownership, # 060144

Dear Debra Foley-Castillo:

I am writing regarding the letter you submitted for the purpose of scoring Quantifiable Community Participation points for the above-referenced application. Thank you for providing your input.

The Department has reviewed the letter you submitted and compared it to the minimum requirements for the letter as required under the 2006 Qualified Allocation Plan and Rules (QAP) that govern the Housing Tax Credit Program this year. In our review, one or more requirements have not been satisfied. As permitted under the QAP, the Department may request that you provide additional information or documentation that it deems relevant to clarify information contained in your letter. §50.9(g)(2) of the QAP indicates that, "If the Department determines to request additional information, it will do so by e-mail or facsimile to the e-mail address or facsimile number provided with the organization's letter. If the deficiencies are not clarified or corrected in the Department's determination within seven business days from the date the e-mail or facsimile is sent to the organization, the organization's letter will not be considered further for scoring and the organization will be so advised."

2006 HTC APPLICATION CYCLE
REVIEW OF QCP LETTER
§50.9(i)(2) OF THE 2006 QAP

Dev. Name: [illegible] Dev. Number: [illegible]

Organization Name: [illegible] Date Letter Received: ______

Reviewer Name: [illegible] Date Reviewed: ______

Part I: Eligibility Requirements (must be met to be scored) – Review Closely Even if Template Utilized!

1.	Letter (and attachments) received by Dept. no later than April 1, 2006? **If No, do not proceed. Letter is ineligible.**	Yes ☑ No ☐
2.	a. Does the letter state the name of the development? b. Does the letter state the location of the development?	Yes ☑ No ☐ Yes ☑ No ☐
3.	Is the letter signed by the chairman of the board, chief executive officer, or comparable head of the organization?	Yes ☑ No ☐
4.	a. Does the letter provide the signer's street or mailing address? b. Does the letter provide a phone number? c. Does the letter provide an e-mail address or fax number?	Yes ☑ No ☐ Yes ☑ No ☐ Yes ☑ No ☐
5.	a. Does the letter provide the extra contact's street or mailing address? b. Does the letter provide the extra contact's a phone number? c. Does the letter provide extra contact's e-mail address or fax number?	Yes ☑ No ☐ Yes ☑ No ☐ Yes ☑ No ☐
6.	a. Does the letter establish that the organization has boundaries? b. Does the letter state what the boundaries are and establish that the boundaries contain the proposed development site? c. Is a map provided showing the geographic boundaries of the organization and the proposed Development site <u>clearly marked within those boundaries</u>? Note: Boundaries utilized must be those in effect on March 1, 2006. Boundaries must entirely contain the development site (partial not okay).	Yes ☑ No ☐ Yes ☑ No ☐ Yes ☑ No ☐ 104
7.	Are there articles of incorp., bylaws or organizational docs provided? a. Do they show the organization was created by March 1, 2006? b. Do they identify the boundaries? c. Are the boundaries the same as those in the letter and on the map? d. Are the officers identified? e. Does it clearly indicate the purpose of the organization?	Yes ☑ No ☐ Yes ☑ No ☐ Yes ☐ No ☑ ✓ Yes ☐ No ☑ Yes ☑ No ☐ Yes ☑ No ☐

8.	Does the letter and/or documentation establish that the organization is a "neighborhood organization?" A "neighborhood organization" is defined as an organization <u>of persons living near one another</u> within the organization's defined boundaries that contain the proposed Development site and that has a <u>primary purpose of working to maintain or improve the general welfare of the neighborhood</u>. More specifically: "Neighborhood organizations" **DO** include: homeowners associations, property owners associations, and resident councils (only for Rehabilitation or demolition with New Construction applications in which the council is commenting on the rehabilitation or demolition/ New Construction of the property occupied by the residents). "Neighborhood organizations" **DO NOT** include: broader based "community" organizations; organizations that have no members other than board members; chambers of commerce; community development corporations; churches; school related organizations; Lions, Rotary, Kiwanis, and similar organizations; Habitat for Humanity; Boys and Girls Clubs; charities; public housing authorities; or any governmental entity. Organizations whose boundaries include an entire county or larger area are not "neighborhood organizations." Organizations whose boundaries include an entire city are generally not "neighborhood organizations."	Yes ☑ No ☐
9.	Does the letter and/or documentation show that the organization was: a. on record as of March 1, 2006 b. With the state or county in which the Development is proposed to be located? Check appropriate recording entity: (City is NOT acceptable) ☐ Secretary of State (Shows status - status cannot be "forfeited", "dissolved" or similar status) ☐ TDHCA (is on approved TDHCA Registry List) ☑ County Clerk record/letter or for property owner's association county record showing management certificate Only showing a request to state/county asking to be on record is not enough!	 a. Yes ☐ No ☑ b. Yes ☐ No ☑
10.	a. Does the letter state the total number of members of the organization? b. Does the letter provide a brief description of the process used to determine the members' position of support or opposition?	a. Yes ☑ No ☐ b. Yes ☑ No ☐
11.	Does the letter state that the organization was not formed by any Applicant, Developer or any employee or agent of any Applicant in the 2006 Housing Tax Credit application round; that the organization, and any members, did not accept money or a gift to cause the neighborhood organization to take its position of support or opposition; and that the Applicant has not provided any assistance, other than education and information sharing, to the neighborhood organization for any application in the Application Round.	Yes ☑ No ☐

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Part II: Deficiency (must be resolved to be scored)

Were all items originally complete? Yes ☐ No ☑

If any items are not provided or are not clearly satisfied, a deficiency letter must be provided to the organization. Describe the deficiency(ies) briefly:

[illegible]

Date deficiency letter issued: [illegible] Via Fax ☐ or Email ☐

Due Date (MUST be 7 business days from date sent): [illegible]

Date deficiencies received: [illegible]

Were all deficiencies resolved? Enter staff initials: ______ Yes ☐ No ☐

Part III: Site Confirmation

Prior to assigning a score: Compare the development location in the letter and map to the site location in the Application.

Is it the same site? Enter staff initials: [illegible] Yes ☑ No ☐

Part III: Scoring

In general, letters that meet the requirements of the QAP, will be scored as follows. Note if concerns of fair housing, etc. Look at letter and evidence together for points. **CHECK ONLY ONE BOX!!**

Letter must clearly and concisely state each reason for the organization's support or opposition	SUPPORT	OPPOSITION
Letter and evidence establish three+ reasons	☑ +24	☐ 0
Letter and evidence establish two reasons	☐ +18	☐ +6
Letter and evidence establish one reason	☐ +13	☐ +11
No reason established / Reason Unclear - Neutral	☐ +12	
FINAL SCORE (Enter from box checked above):		

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Has this been entered in the 2006 Database? Yes ☑ No ☐

CENTERPOINT RESIDENT COUNCIL
3521 DIAMOND
WESLACO, TX 78596
FAX: 956-565-6005

March 28, 2006

Mr. Bill Daly, Acting Executive Director *Via Federal Express and E-mail and Fax*
Attn: Neighborhood Input
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, TX 78701-2410

Re: Quantifiable Community Participation Development #060144
Development: CenterPoint Single Family Home Ownership, Weslaco, Texas
Proposed by Riverdale, LP; TDHCA #060144
Development Location: CenterPoint Neighborhood, Mile 8.5 North and FM Road 1015, City of Weslaco, Texas

Dear Mr. Daly:

I am writing as the duly elected President of the Centerpoint Resident Council to express our Council's support for an allocation of Housing Tax credits for a planned addition of new-construction single family homes designed for rent-to-ownership in Weslaco, Texas. Centerpoint Resident Council is a qualified Neighborhood Organization as further described below.

I am also providing the following information for one additional contact, Ms. Shannon Pritchard, for our organization:

Shannon S. Pritchard, Attorney at Law
John H. Carney & Associates
One Meadows Building
5005 Greenville Avenue, Suite 200
Dallas, Texas 75206
214-368-8300 Telephone
214-363-9979 Facsimile

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Enclosed is a map with the geographic boundaries for the organization and the proposed development site clearly marked within those boundaries. Our boundaries were amended slightly from 2005 to make them more easily identifiable to all members of the organization and the community. Those boundaries are: E. Expressway 83 to the South; North Airport Drive ~~to the West; Mile 2~~ Road W to the East and Mile 9 Road N to the North. These boundaries are clearly noted on the map attached to the organization's documentation. This organization is an organization of persons living near one another within the organization's defined boundaries and has a primary purpose of working to maintain or improve the general welfare of the neighborhood. Attached are our bylaws

060147

and/or organizational documents created on or before March 1, 2006, that, at a minimum, identify the boundaries of the organization, identify the officers of the organization and clearly indicate the purpose of the organization. The organization has 58 members and four officers, President, Vice President, Treasurer and Secretary. The organization reached its decision to support the proposed development by holding a series of informal meetings that culminated with a formal meeting on Friday, March 24, 2006, wherein those present voted in support of the development.

This organization was not formed by any Applicant, Developer or any employee or agent of any Applicant in the 2006 Housing Tax Credit Application Round. The organization, and any members, did not accept money or a gift to cause the neighborhood organization to take its position of support or opposition. The Applicant has not provided any assistance, other than education and information sharing, to the neighborhood organization for any application in the Application round. The Applicant has not provided any "production" assistance for any application in the Application Round

Our organization supports the development for many reasons including:

1. It is specifically designated to serve the needs of Weslaco families with children. There is a well-recognized need for decent, safe and affordable housing in our area.
2. The project is planned to provide 36 three-bedroom two-bath homes with garages, which will benefit the entire community. We prefer this single-family home approach over standard apartments in our area.
3. The homes and their resident families will add diversity to our subdivision because it serves a mixed range of incomes. These will range, according to our information, from 30% of area median income to 60% of area median income.
4. Many of these homes will serve public housing residents currently living in apartments in our area. This brings added stability to our community.
5. It is our belief that our area has many apartment units and more would serve as an over concentration in our immediate area. Given the choice, we think single family homes for the same rent are better than apartments for the same rent.
6. We are very supportive of the resident's opportunity to own these homes at the end of the 15 year rental period. This is a valuable option for these families that makes sure they treat the houses like they own them even during the rental period.
7. Based upon the presentation of the developer, many of these homes will be fully equipped for special needs and disabled persons. We support the development for their efforts to provide single family homes that serve the needs of persons with disabilities.

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Sincerely,

Debra Foley-Castillo

Debra Foley-Castillo, President
Telephone number (956) 565-6005

CENTERPOINT RESIDENTS' COUNCIL OFFICERS

Debra L. Foley-Castillo 3718 Diamond Weslaco, TX 78596	President 956-565-6005	
Pedro Medrano 3605 Diamond Weslaco, TX 78596	Vice President	
Idalia Cruz 3601 Diamond Weslaco, TX 78596	Secretary	
Angie Serna 3522 Diamond Weslaco, TX 78596	Treasurer	109

CENTERPOINT RESIDENT COUNCIL
3718 DIAMOND BOULEVARD
WESLACO, TEXAS 78596

February 26, 2005

Mr. J.D. Salinas
Hidalgo County Clerk
Hidalgo County Courthouse
100 North Closner
Edinburg, Texas 78539

AT 1:32 O'CLOCK P M FILED
FEB 28 2005
JUAN D. SALINAS III, COUNTY CLERK
HIDALGO COUNTY, TEXAS
BY ______ DEPUTY

RE: Registration of Neighborhood Organization

Dear Mr. Salinas:

The Centerpoint Resident Council hereby requests that our neighborhood organization be registered in Hidalgo County. Please register the Centerpoint Resident Council by file stamping this request letter.

Thank you.

Sincerely,

David Morari

David Morari, Sr.
Vice-President

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BYLAWS FOR THE CENTERPOINT RESIDENT COUNCIL

ARTICLE I.

Name:

The name of this organization is the Centerpoint Resident Council (hereinafter referred to as the "Council"). It is a not-for-profit organization constituted and established under the laws of the State of Texas.

The registered address of the Council is at 303 W. 6th Street, Weslaco, Texas, 78596. The Council may also have offices at other such locations as the Executive Committee may from time to time determine.

ARTICLE II.

Purpose.

The purpose of the Council is to improve life for the residents of the Centerpoint Development. In specific, the purpose of the Council shall be to:

1. maintain a viable resident organization representative of the residents who elected its officers and Executive Committee.
2. assure adequate maintenance of all units and common areas.
3. provide maximum employment and training opportunities.
4. establish and maintain courtesy patrols and public safety programs.
5. promote programs which will provide improved educational, recreational and social service opportunities.
6. inform residents of their rights and responsibilities under existing federal, state and local law, as well as under the Corporation's By-Laws.
7. receive official recognition from the Housing Authority and HUD as a resident council pursuant to the HUD regulations.
8. institute economic development programs for residents.
9. advise and assist the Housing Authority in all aspects of public housing operations.
10. cooperate with other resident councils under the Housing Authority's jurisdiction in representing the interests of all residents.

ARTICLE III.

The participation of members of the organization is crucial for its success. Members can take part in decision-making in many ways. Democratic election of the officers of the organization are an important responsibility of members.

Membership.

Membership in the organization shall include any person whose name appears on the lease of a unit in the public housing development(s) represented by the organization who is at least eighteen (18) years of age.

Voting Eligibility.

The eligible voting membership includes all residents at least eighteen (18) years of age whose names appear on the lease of a unit in the public housing development(s) represented by the organization. A leaseholder may vote regardless of age.

ARTICLE IV.

Meetings are the most important means of conducting the business of the organization. They should also provide the members an opportunity to understand the activities of the organization and the basis for its decisions. A published, regular schedule of meetings is, therefore, crucial to the overall success of the organization.

Meetings:

1. Frequency. Regular Council meetings shall be held not less than once a month, and shall be open to all residents.

2. Notices. Notice of all regular monthly meetings, together with an agenda of the meeting, shall be posted in a regular location and be provided to residents, in writing, at least five (5) days in advance of the meetings.

3. Meeting Place/Time Meetings shall be held at such place and time as shall be specified in the notice of the meeting. A regular schedule (e.g. each second Tuesday of each month) and regular location are advisable.

4. Special Meetings The President or any three (3) officers may at any time call a Special Meeting, provided that the written notice, including agenda, is given at least forty-eight (48) hours prior to the meeting.

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5. Quorum — At any Council meeting, three/fourths of the officers of the Council shall be necessary and sufficient to constitute a quorum.

6. Attendance — Each time a member of the Executive Committee appears at a regular or special meeting, a record of the presence of that officer shall be placed in the minutes of the meeting. The board may request that a record of all those attending the meeting be recorded as well.

Any officer who misses three (3) meetings of the Council with an excuse satisfactory to the Executive Committee may be removed by the affirmative voes of a majority of the Committee present. Written notice and a hearing shall be given to the Committee members of the proposed removal.

7. Voting by Officers — Each member of the Executive Committee present at a meeting shall be entitled to cast one (1) vote on any subject for which a determination is presented for consideration.

ARTICLE V.

Executive Committee members (officers) have a formal, legal responsibility to manage the affairs of the organization, to conduct its business and to consult with and inform the residents.

Officers:

1. Title and Qualifications:

   a. President — The President of the Council shall preside at all meetings of the organization, and shall have such other powers and duties consistent with these by-laws.

   b. Vice-President — The Vice-President shall perform all duties in the absence of the President.

   c. Secretary — The Secretary shall be the custodian of all records and documents of the Council and perform all other duties consistent with these by-laws.

   d. Treasurer — The Treasurer shall have the care of, receive and give receipt for monies due and payable to the Council and deposit all monies received by him/her in the name of the council in such banks, trust companyies or other depositories as may be designated by the Executive Committee.

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2. Term of Office — All officers shall be elected by the general resident population of the Centerpoint Development, and shall hold office for a period of one (1) year.

3. Resignations — Any officer may resign at any time by delivering a written resignation to the Executive Committee.

4. Removal — Any officer may be removed at any time, for just cause, by a vote of the majority of the Executive Committee.

Any officer who misses three (3) meetings of the Council with an excuse satisfactory to the Executive Committee may be removed by the affirmative voes of a majority of the Committee present. Written notice and a hearing shall be given to the Committee members of the proposed removal.

5. Vacancies — Any vacancy in any office may be filled for the unexpired portion of the term by a decision of the Executive Committee.

ARTICLE VI

Elections.

1. Frequency. All procedures must assure fair and frequent elections (at least once every year).

2. Terms. The terms for all officers is one (1) year.

3. Notice. Description of election and recall procedures, eligibility requirements and dates of nominations and elections must be given to all voting members at least 30 days prior to nomination and election.

4. Recall. Any elected officer of the council may be recalled by a vote for removal by a majority of voting members. A recall election must be promptly conducted when a petition requesting such an election is received from not less than ten percent (10%) of the voting membership. All procedures for petitioning for a recall election shall be provided to voters for their inspection and must be included in the By-Laws.

5. Monitoring. The Weslaco Housing Authority shall monitor the activities of the Resident Council, including the election process. Additionally, it shall establish a procedure to appeal any adverse action relating to failure to conform to HUD's minimum standards. Such appeal shall be submitted to a jointly selected third-party arbitrator at the local level. If costs are incurred by using a third-party arbitrator, then such costs shall be covered by the Housing Authority's resident services funds, pursuant to 24 CFR 964.150.

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ARTICLE VII

Committees:

There shall be such Board Committees as the Executive Committee may, from time to time, determine to be desirable. Committees shall initially be appointed by the President, with advice and consent of the Executive Committee.

1. Standing Committees. These committees are usually chaired by an officer of the Executive Committee.

2. "Ad Hoc" Committees. An "ad hoc" committee serves a special purpose and continues for a limited period of time.

ARTICLE VIII

Fiscal Affairs.

Deposit of Funds All funds of the council not otherwise expended, shall be promptly deposited in such banks, trust companies, credit unions or other reliable and insured depositories as the Executive Committee shall determine.

Checks All checks, drafts, endorsements, notes and evidence of debt shall be signed by at least two (2) officers as the Executive Committee may authorize.

Loans No loans or advances or promises of payment shall be contracted or accepted on behalf of, or in the name of the Council, except those contracts authorized by the Executive Committee.

Contracts An officer authorized by the board of directors may, in the name and on behalf of the Council, enter into contracts which are authorized by the Executive Committee.

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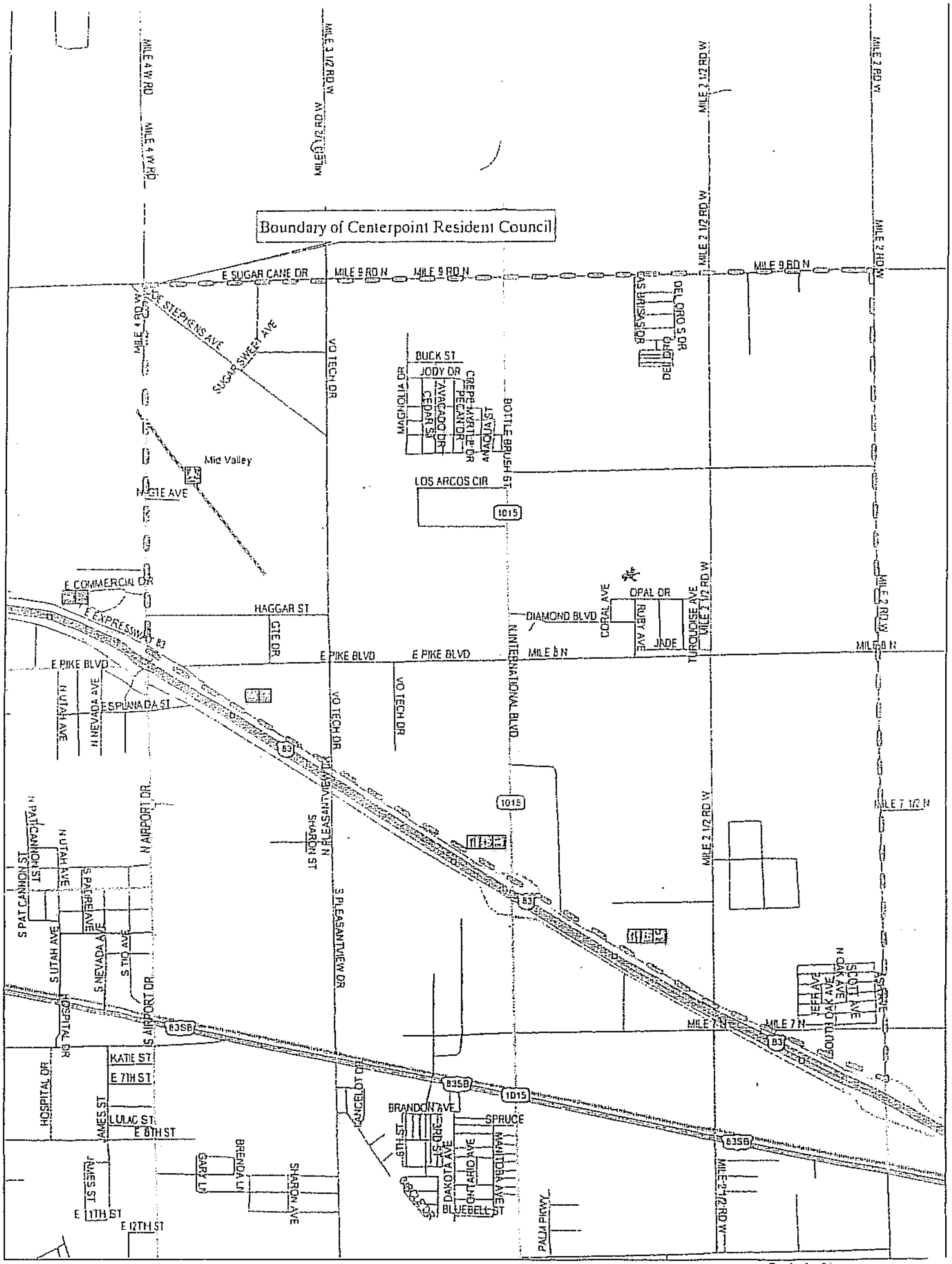
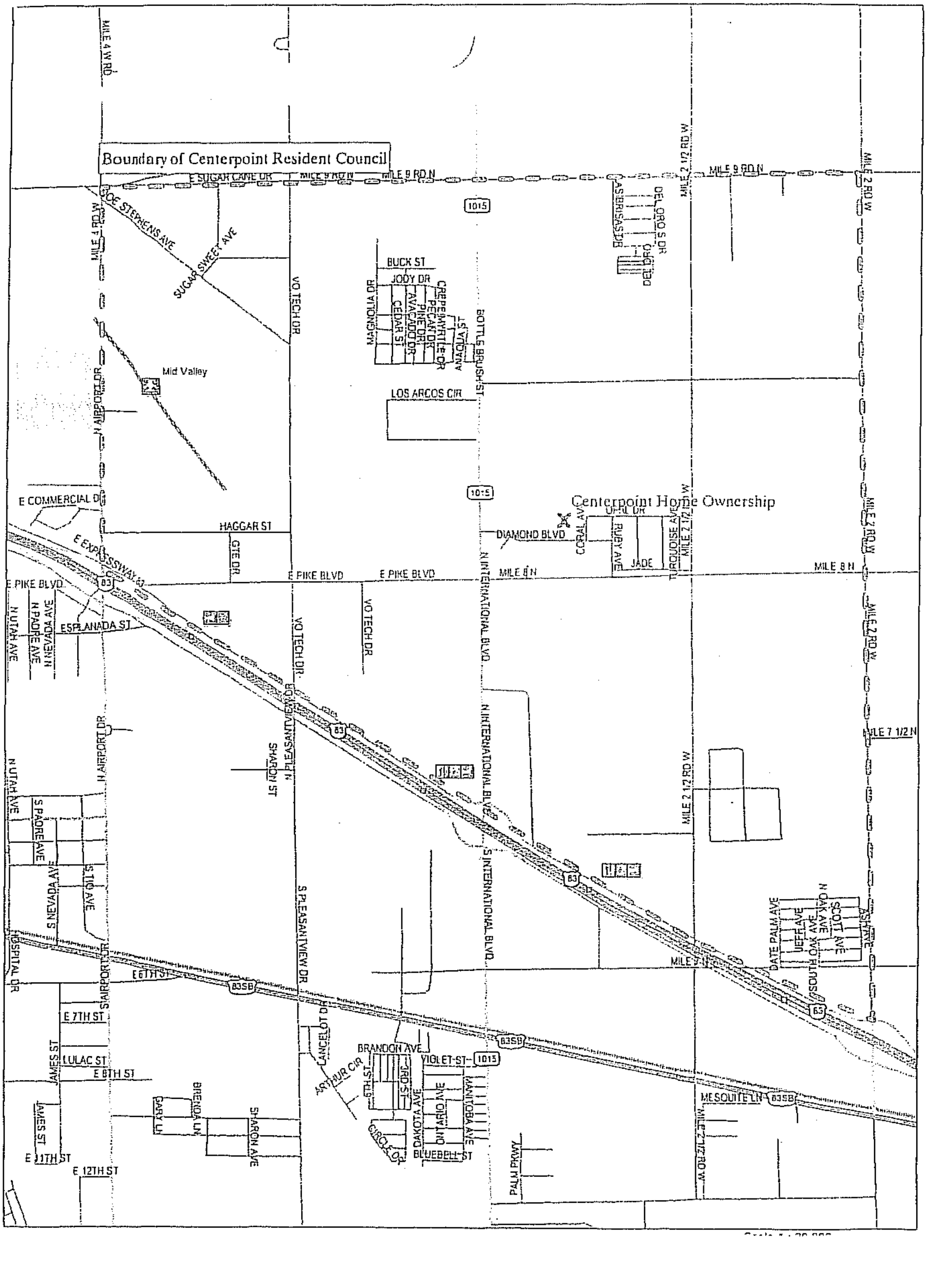

Boundary of Centerpoint Resident Council
MILE 4 W RD
MILE 3 1/2 RD W
MILE 2 1/2 RD W
MILE 2 RD W
E SUGAR CANE DR
MILE 9 RD N
STEPHENS AVE
SUGAR SWEET AVE
VO TECH DR
BUCK ST
JODY DR
MAGNOLIA DR
CEDAR ST
AVACADO DR
PECAN DR
CREPE MYRTLE DR
ANAQUA ST
BOTTLE BRUSH ST
LOS ARCOS CIR
1015
DEL ORO S DR
Mid Valley
N GTE AVE
E COMMERCIAL DR
E EXPRESSWAY 83
HAGGAR ST
GTE DR
E PIKE BLVD
MILE 8 N
DIAMOND BLVD
CORAL AVE
OPAL DR
RUBY AVE
JADE
TURQUOISE AVE
MILE 2 1/2 RD W
N INTERNATIONAL BLVD
N UTAH AVE
N NEVADA AVE
ESPLANADA ST
83
N AIRPORT DR
N PLEASANTVIEW DR
SHARON ST
S PLEASANTVIEW DR
MILE 7 1/2 N
N PAT CANNON ST
S PAT CANNON ST
S PALM AVE
S UTAH AVE
S NEVADA AVE
S TIO AVE
S AIRPORT DR
HOSPITAL DR
83SB
MILE 7 N
JEFRA AVE
N OAK AVE
SOUTH OAK AVE
SCOTT AVE
KATIE ST
E 7TH ST
LULAC ST
E 8TH ST
AMES ST
JAMES ST
E 11TH ST
E 12TH ST
GARY LN
BRENDA LN
SHARON AVE
LANCELOT DR
BRANDON AVE
SPRUCE
6TH ST
DAKOTA AVE
ONTARIO AVE
MANITOBA AVE
BLUEBELL ST
PALM PKWY



Boundary of Centerpoint Resident Council
Centerpoint Home Ownership
Mid Valley
MILE 4 W RD
E SUGAR CANE DR
MILE 9 RD N
JOE STEPHENS AVE
SUGAR SWEET AVE
VO TECH DR
BUCK ST
JODY DR
MAGNOLIA DR
CEDAR ST
BOTTLE BRUSH ST
LOS ARCOS CIR
DEL ORO S DR
MILE 2 1/2 RD W
MILE 2 RD W
N AIRPORT DR
E COMMERCIAL DR
HAGGAR ST
GTE DR
DIAMOND BLVD
CORAL AVE
RUBY AVE
JADE
TURQUOISE AVE
E EXPRESSWAY 83
E PIKE BLVD
MILE 8 N
N INTERNATIONAL BLVD
N UTAH AVE
N PADRE AVE
N NEVADA AVE
ESPLANADA ST
N PLEASANTVIEW DR
SHARON ST
MILE 7 1/2 N
S PADRE AVE
S NEVADA AVE
S INTERNATIONAL BLVD
S PLEASANTVIEW DR
MILE 7 N
DATE PALM AVE
SOUTH OAK AVE
N OAK AVE
SCOTT AVE
ASH AVE
HOSPITAL DR
E 6TH ST
S AIRPORT DR
E 7TH ST
LULAC ST
E 8TH ST
JAMES ST
LANCELOT DR
BRANDON AVE
VIOLET ST
ARTHUR CIR
6TH ST
3RD ST
DAKOTA AVE
ONTARIO AVE
MANITOBA AVE
BLUEBELL ST
CIRCLE CT
GARY LN
BRENDA LN
SHARON AVE
E 11TH ST
E 12TH ST
PALM PKWY
MESQUITE LN
83
83SB
1015

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CENTERPOINT RESIDENT MEETING MARCH 24, 2006

1. PEDRO MEDRANO 3615 Diamond	26. Blvd
2. Noomi Medrano 3605 Diamond Blvd	27
3. maria B Serna 3618 Diamond	28.
4. amador corona 3618 Diamond	29
5. Julian Salas. 1006 Ruby	30
6 Delma Lynn Castillo 3521 Diamond Blvd	31.
7. IDALIA CRUZ 3601 Diamond	32.
8. Alma N moreno	33.
9. Amador Coronado	34.
10. Graciela Gonzales	35.
11. [illegible]	36.
12. Juan Mc Cabelo 1206 Ruby	37.
13. Corina Abrego 1010 Ruby	38.
14. Veronica Suarez 3609 Diamond	39.
15. Catalina Cavazos	40.
16.	41.
17.	42.
18	43.
19.	44.
20	45.
21.	46.
22.	47.
23.	48
24.	49.
25.	50.

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4-15-06
— [illegible] July

Robbye Meyer

From: Shannon Pritchard [spritchard@johnhcarney.com]

Sent: Friday, March 31, 2006 4:29 PM

To: jennifer.joyce@tdhca.state.tx.us; robbye.meyer@tdhca.state.tx.us; brooke.boston@tdhca.state.tx.us

Subject: Center Point Single Family, QCP #060144

Attached please find the QCP packet for Center Point Single Family Development, QCP #060144. The original to follow via Federal Express, and a copy has been faxed.

<<CenterPoint.pdf>>

Shannon Pritchard
John H. Carney & Associates
One Meadows Building
5005 Greenville Avenue, Suite 200
Dallas, Texas 75206

(214) 365-4415 Direct Dial
(214) 363-9979 Facsimile
www.LegalAdvisors.com

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THE ENCINAS GROUP
A CALIFORNIA CORPORATION

1830 TRUXTON AVENUE, #206
BAKERSFIELD, CA 93301
661-328-0003
FACSIMILE 661-328-0005

May 4, 2006

Note and rec'd 5/9/06 gh

Mr. Bill Daly, Acting Executive Director
Attn: Neighborhood Input
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, TX 78701-2401

Re: Quantifiable Community Participation Development
CenterPoint Resident Council

Dear Mr. Daly;

I am writing regarding the Quantifiable Community Participation Development letters submitted by Centerpoint Resident Council for TDHCA Developments #060143, #060144, #060147 and #060049.

The Centerpoint Resident Council states it is a qualified Neighborhood. I would like to question the organizations statement that it is a Qualified Neighborhood Organization for the following reason.

The 2006 Housing Tax Credit Program Qualified Allocation Plan and Rules with Amendments (QAP) states in Section 50.9(i)(2)(A)(iv) "A "neighborhood organization" is defined as an organization of persons living near one another within the organization's defined boundries that contain the proposed Development site and that has a primary purpose of working to maintain or improve the general welfare of the neighborhood. "Neighborhood organizations" include homeowners associations, property owners associations, and resident councils (only for Rehabilitation or demolition with New Construction applications in which the council is commenting on the rehabilitation or demolition/New Construction of the property occupied by the residents)." 120

The by-laws of the Centerpoint Resident Council executed in 2006 clearly state that the organization is a "Resident Council".

The by-laws of the Centerpoint Resident Council also state that the "purpose of the Council is to improve life for the residents of the Centerpoint Development".

Further, the by-laws state "Membership in the organization shall include any person whose name appears on the lease of a unit in the public housing development(s) represented by the organization who is at least eighteen (18) years of age."

Based on the above info the Centerpoint Resident Council is a "Resident Council" and a valid Neighborhood Organization "only for Rehabilitation or demolition with New Construction applications in which the council is commenting on the rehabilitation or demolition/New Construction of the property occupied by the residents."

The applications submitted for TDHCA Development #060143 – Sun Valley Homes, #060144 – Centerpoint Home Ownership, #060147 – Orchard Valley Homes and #060049 are not applications for Rehabilitation or demolition with New Construction of the property occupied by the residents. The applications are for a new construction projects.

Therefore, I ask that TDHCA not award points to Applications #060143 – Sun Valley Homes, #060144 – Centerpoint Home Ownership, #060147 – Orchard Valley Homes and #060049 for Quantifiable Community Participation.

I also request that you provide me with the results of your review of the Centerpoint Resident Council and the reasons for your determination.

Sincerely,

William Encinas

cc: Brooke Boston, Interim Deputy Executive Director

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Jennifer Joyce

From: Bob Joy [bjoy@teg-sd.com]

Sent: Monday, May 08, 2006 10:10 AM

To: 'Jennifer Joyce'

Cc: 'Brooke Boston'

Subject: RE: Resident Councils

Thank you for the information. I certainly don't want to challenge anything that isn't an issue. Therefore, I wish to rescind my inquiry. However, the inquiries were sent by Fedex to Brooke Boston and Bill Daly so you will need to pull those when they arrive. Thank you again.

From: Jennifer Joyce [mailto:jennifer.joyce@tdhca.state.tx.us]
Sent: Monday, May 08, 2006 8:03 AM
To: 'Bob Joy'
Cc: 'William Encinas'; 'Robbye Meyer'; 'Brooke Boston'
Subject: RE: Resident Councils

Bob,

We are aware of the resident council issues and are handling the issue here in office as we review the letters for scoring. Unless you rescind your inquiry, I will handle this as a "Challenge" under §50.17(c) of the QAP. However, you may wish to hold off your challenge until after we have posted all eligible letters and their subsequent scores. Please advise.

Please let me know if you have any questions,

Jen Joyce
Interim Manager of Multifamily Finance Production Division
Texas Department of Housing and Community Affairs
(512) 475-3995

-----Original Message-----
From: Bob Joy [mailto:bjoy@teg-sd.com]
Sent: Friday, May 05, 2006 10:53 AM
To: 'Brooke Boston'; 'Jennifer Joyce'
Cc: 'William Encinas'
Subject: Resident Councils

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Attached are three letters that are being send to Mr. Bill Daly and Ms. Brooke Boston from Bill Encinas. The letters and any backup will arrive on Monday. However, I wanted to provide you with advance notice of the content.

The letters point out that three Resident Councils (Sunset Terrace Resident Association, Las Milpas Resident Council and Centerpoint Resident Council) have submitted letters of support or opposition for projects in Region 11 in 2006. Due to the fact they are resident councils and the projects are not rehabilitation or demolition with new construction of the property where the residents reside they do not qualify as Neighborhood Organizations as defined by the 2006 QAP. Therefore, the letters from these Resident Councils should not be scored for the 2006 allocation.

If you have any questions feel free to contact me at 213-392-5899. Thank you for your consideration.

Windows Live Local
powered by Virtual Earth Beta

[Use current map view]

What: Business name or category   Where: Address, city, or other place

Welcome Scratch Pad Locate Me Permalink Add Pushpin Directions Settings Community Help About

(Homes & site separated only by road).

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060177

Casa Edcouch

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

July 12, 2006

Action Item

Presentation, Discussion and Possible Decision for the applicant's appeal of scoring for a 2006 Housing Tax Credit (HTC) Application.

Requested Action

Approve, Deny or Approve with Amendments a determination on the appeal.

Background and Recommendations

I Casa Edcouch- 060177

This Applicant is appealing the scoring determination for the Application.

The scoring was reduced because of the following:

In a deficiency notice dated June 1, 2006, the applicant was asked to provide a Nothing Further letter from the title company since the title commitment submitted in the application was dated, January 11, 2005. This was requested pursuant to §50.9(h)(7)(D) of the 2006 Qualified Allocation Plan and Rules (QAP), which requires as a part of threshold that the Applicant submit a current title commitment be submitted which is not older than September 9, 2005. It further requires that, if the title policy if more than six months old as of the day of the Application Acceptance Period closes, then a letter from the title company indicating that "nothing further" has transpired on the policy is necessary. Because the date of the title commitment was January 11, 2005, the applicant was required to submit the Nothing Further letter.

Pursuant to §50.9(d)(4) of the 2006 QAP, the applicant was required to submit the requested evidence no later than June 8, 2006 at 5:00 pm or 5 points would be deducted from the applicant's final score. The Department contacted the Applicant on the 4th day as required by phone to remind them that the outstanding items must be submitted no later than 5 pm on the 5th day to avoid any point loss. Additionally, The Applicant and the Department corresponded several times a day via email and phone regarding the necessary documentation; and the Applicant indicated they were experiencing difficulty in getting the title company to respond. The Applicant submitted adequate documentation clearing the deficiency around 4:30 in the afternoon on June 9, 2006, which was the 6th day. Therefore, 5 points were deducted from the applicant's final score.

It is clear that the applicant did not submit the required evidence in the application or within the deficiency response period as required by §50.9(d)(4) of the 2006 Qualified Allocation Plan and Rules (QAP).

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

Applicant:	Edcouch Housing Development, LP
Site Location:	200 ft. east of the northeast corner of Mile 16 Rd. North and Mile 4 Rd. West
City/County:	Edcouch/ Hidalgo County
Regional Allocation Category:	Rural
Set-Aside:	Non Profit
Population Served:	Family
Region:	11
Type of Development:	New Construction
Units:	76
Credits Requested:	$587,445

Staff Recommendation: The Executive Director denied the original appeal. Staff is recommending that the Board also deny the appeal.

Deficiency Language

(4) Administrative Deficiencies. If an Application contains deficiencies which, in the determination of the Department staff, require clarification or correction of information submitted at the time of the Application, the Department staff may request clarification or correction of such Administrative Deficiencies. Because the review for Eligibility and Selection, and Threshold Criteria may occur separately, Administrative Deficiency requests may be made several times. The Department staff will request clarification or correction in a deficiency notice in the form of a facsimile, email (if an email address is provided by the Applicant) and a telephone call to the Applicant and one other party identified by the Applicant in the Application advising that such a request has been transmitted. If Administrative Deficiencies are not clarified or corrected to the satisfaction of the Department within five business days of the deficiency notice date, then for competitive Applications under the State Housing Credit Ceiling five points shall be deducted from the Selection Criteria score for each additional day the deficiency remains unresolved. If deficiencies are not clarified or corrected within seven business days from the deficiency notice date, then the Application shall be terminated. The time period for responding to a deficiency notice begins at the start of the business day following the deficiency notice date. Deficiency notices may be sent to an Applicant prior to or after the end of the Application Acceptance Period.

Applicant Appeal
Casa Edcouch, TDHCA # 060177

Jennifer Joyce

From: Monica Poss [mposs@nfwscmail.com]

Sent: Wednesday, July 05, 2006 10:29 AM

To: jennifer.joyce@tdhca.state.tx.us

Cc: Jean Coburn

Subject: Appeal for Casa Edcouch, TDHCA #060177

Dear Ms. Joyce,

We are writing to appeal the staff decision to reduce total scoring by five points for Casa Edcouch, TDHCA #060177, as a result of failure to provide a timely response to a deficiency notice. There were a number of items in the deficiency notice which we were able to provided response to within the five days allowed. You are correct, however, that there was one item which you did not receive response on until the sixth day, in violation of the QAP. This item was your request for a nothing further statement from the title company with regard to the land upon which the proposed project will be built. We ask that the Director or Board of the TDHCA please make an exception to the the five day allowable deficiency response time in this case, as the title company was unable to respond to our request for this nothing further statement within the window of time requested. Casa Edcouch has a very strong application and we would hate to lose the opportunity to provide housing in a community with a poverty rate exceeding 50% due to a one day response delay that was out of our control.

Thank you for considering this appeal of the five point penalty.

Respectfully yours,

Monica Poss
Senior Project Manager
National Farm Workers Service Center

Rufino Contreras Affordable Housing Corporation, Inc.
2200 E MLK Jr Blvd, Austin, TX 78702 • Telephone (512) 474-5003 • Fax (512) 474-5010
a subsidiary corporation of the National Farm Workers Service Center, Inc.

REBFACSIMILE TRANSMITTAL SHEET

TO: Jennifer Joyce	FROM: Jean Coburn
COMPANY: TDHCA	DATE: 6/29/06
FAX NUMBER: 475-0764	TOTAL NO. OF PAGES INCLUDING COVER: 2
PHONE NUMBER:	SENDER'S REFERENCE NUMBER:
RE: TDHCA # 060177	YOUR REFERENCE NUMBER: -

RECEIVED JUN 29 2006 LIHTC

☐ URGENT ☐ FOR REVIEW ☐ PLEASE COMMENT ☐ PLEASE REPLY ☐ PLEASE RECYCLE

Ms. Joyce,
Please find attached Appeal Election Form for 060177, Casa Edcouch. Feel free to contact me if anything further is needed.

Thank you,
Jean Coburn
512-474-5003

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2006 Application Cycle
Final Scoring Notice- 9% HTC Competitive Application

RECEIVED
JUN 30 2006
LIHTC

Appeal Election Form: 060177, Casa Edcouch

I am in receipt of my 2006 scoring notice and am filing a formal appeal to the Executive Director on or before July 5, 2006, although the Department recommends submission by July 29, 2006, for processing (attached).

If my appeal is denied by the Executive Director, I:

- [X] Do wish to appeal to the Board of Directors and request that my application be added to the July 12, 2006 TDHCA Board of Directors meeting agenda. My appeal documentation which identifies my specific grounds for appeal, is attached. I understand that my Board appeal documentation must still be submitted by 5:00 p.m. Wednesday, July 5, 2006 to be placed on the July 12, 2006 Board book. If no documentation is submitted, the appeal documention to the Executive Director will be utilized.

- [ ] Do not wish to appeal to the Board of Directors.

Note: If you do not wish ~~to appeal~~ this notice, you do not need to submit this form.

Signed [signature]

Title Project Manager

Date 6/28/06

Please fax or email to the attention of Jennifer Joyce: (fax) 512.475.0764 or 512.475.1895
(email) jennifer.joyce@tdhca.state.tx.us

Applicant Deficiency Response
Casa Edcouch, TDHCA # 060177

Jennifer Joyce

From: Jennifer Joyce [jennifer.joyce@tdhca.state.tx.us]
Sent: Wednesday, July 05, 2006 11:10 AM
To: Jennifer Joyce
Subject: FW: TDHCA # 060177
Importance: High

-----Original Message-----
From: Jean Coburn [mailto:jcoburn@nfwscmail.com]
Sent: Friday, June 09, 2006 4:34 PM
To: audrey.martin@tdhca.state.tx.us; shannon.roth@tdhca.state.tx.us
Subject: Re: TDHCA # 060177
Importance: High

Please see attachments and forwarded email message below in response to a deficiency notice for the above referenced project. Thank you,

Jean Coburn
Project Manager
National Farm Workers Service Center
ph. 512-474-5003
fax 512-474-5010

From: Butters, Wendy [mailto:WButters@fnf.com]
Sent: Fri 6/9/2006 1:30 PM
To: Monica Poss; Jean Coburn
Subject: FW:

-----Original Message-----
From: Irma I. Cavazos [mailto:irma.cavazos@securitylandtitle.com]
Sent: Friday, June 09, 2006 3:24 PM
To: Butters, Wendy
Subject: FW:

Wendy, attached is a copy of the last page of the runsheet for the subject property. I have circled our plant date in the top left hand corner. As you will note the last items posted to Farm Tract 554 are the documents you filed. This project took me all of five minutes, so I will not be charging you for this search.

I would however ask that you consider our title company next time you have a project in this county. Our Escrow Manager is Linda Gomez and she is very experienced in commercial transactions. You may also contact D.D.Hoffman, our company President or Mike Overly, Executive Vice-President Chief Operating Officer.

Thank You,

Irma Cavazos
Title Plant Manager
Security Land Title Company
313 Nolana, McAllen, Texas 78504
PH 956-687-6777~FAX 956-687-3452

-----Original Message-----
From: scanner@securitylandtitle.com
[mailto:scanner@securitylandtitle.com]
Sent: Friday, June 09, 2006 9:55 AM
To: Irma I. Cavazos
Subject:

Rufino Contreras Affordable Housing Corporation, Inc.
2200 E MLK Jr Blvd, Austin, TX 78702 • Telephone (512) 474-5003 • Fax (512) 474-5010
a subsidiary corporation of the National Farm Workers Service Center, Inc.

June 8, 2006

received in 6/9/06 e-mail

Ms. Shannon Roth
Multifamily Housing Specialist
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, TX 78701

Re: Casa Edcouch TDHCA no. 060177

Dear Ms. Roth,

This letter is in response to a deficiency notice sent on June 2, 2006 for the above referenced project.

Volume 3, Tab 2
Attached is a copy of the last page of the runsheet of a search for filings for the subject property. The title plant effective date of May 30, 2006 is circled in the top left hand corner; as noted, the last items posted to the land in Edcouch are the documents filed in October 2005, which were submitted to the TDHCA in the application. This nothing further statement is provided by the title company in the attached email.

If more information is needed regarding the title, please contact:
Wendy Butters
Fidelity National Title
wbutters@fnf.com
OR:
Irma Cavazos
Title Plant Manager
Security Land Title Company
956-687-6777
956-687-3452 fax

If you need anything further, please feel free to contact me.

Sincerely,

Jean Coburn
Project Manager

UNION LABEL

idalgo Scan List
earch Description: Addition = WEST TRACT&ADAMS TRACT; BookNo = 02; PageNo = 0034; Lot = 554
isplay Order: Ascending By Filed Date, Doc #, Book #, Pages, Instr Type, Grantor, Grantee, Lot, Block, Consideration, Land
ffective Date: 05-30-2006
ate: 06-09-2006
ime: 14:20:41
ser: ICAVAZOS

received 6/9/06 email

Filed Date	Doc #	Book	Page	Instr	Grantor	Grantee	Lot	Bloc	Consideration	Land Comm
06/03/1999	GF227582			GF	SOLIS, EFRAIN	ESLA STATE BANK	554	NONE	$0.00	
07/07/1999	788596			AFF	SOLIS, EFRAIN	SOLIS, EFRAIN	554	NONE	$0.00	
07/07/1999	788597			AFF	SOLIS, EFRAIN	SOLIS, EFRAIN	554	NONE	$0.00	
07/07/1999	788598			DTSI	SOLIS, EFRAIN	ELSA STATE BANK AND	554	NONE	$0.00	
02/29/2000	850295			DEED	SHEERIN ROBERT MALCOLM T	SHEERIN CYNTHIA K T	ALL	165	$0.00	
03/23/2000	857179			MD	MEMORIAL HOSPITAL OF LON	ROYALTY CLEARINGHOU	ALL	ALL	$0.00	
04/11/2000	863025			MD	BRENT, BILLIE JOYCE	ROYALTY CLEARINGHOU	ALL	ALL	$0.00	
05/19/2000	873979			ASSN	APACHE CORPORATION	SHEERIN, CYNTHIA KA	ALL	174	$0.00	
05/19/2000	873980			ASSN	APACHE CORPORATION	SHEERIN, JAMES L	ALL	174	$0.00	
06/15/2000	880934			AFF	GUEST, CHARLES D	GUEST, CHARLES D	554	NONE	$0.00	
06/15/2000	880935			AFF	GUEST, CHARLES D	GUEST, CHARLES D	554	NONE	$0.00	
06/15/2000	880936			DEED	GUEST, CHARLES D	LYNCH, ELVIRA U	554	NONE	$172,500.00	
06/15/2000	880937			DT	LYNCH, ELVIRA U	TEXAS STATE BANK	554	NONE	$172,500.00	
08/07/2001	996117			EXT	LYNCH, ELVIRA U	TEXAS STATE BANK	554	NONE	$0.00	
02/14/2002	1052093			EXT	LYNCH, ELVIRA U	TEXAS STATE BANK	554	NONE	$0.00	
02/20/2002	1053472			REL	FIRST NATIONAL BANK	SALTILLO GROUP	ALL	179	$25,000.00	LOTS 3-6
03/19/2002	1063542			DT	COTTONFIELDS	TEXAS STATE BANK	ALL	ALL	$456,147.00	
03/19/2002	1063543			EXT	COTTONFIELDS	TEXAS STATE BANK	ALL	ALL	$2,500,000.00	
03/19/2002	1063544			EXT	COTTONFIELDS	TEXAS STATE BANK	ALL	ALL	$5,500,000.00	
08/26/2002	1114488			DT	LYNCH, ELVIRA U	ELSA STATE BANK AND	554	NONE	$100,000.00	2.173AC TRACT
08/29/2002	1116042			DEED	LYNCH, ELVIRA U	LYNCH PROPERTIES	554	NONE	$0.00	37.654 ACRE OUT
08/29/2002	1116043			DT	LYNCH PROPERTIES	ELSA STATE BANK AND	554	NONE	$395,000.00	37.654 ACRE OUT
08/29/2002	1116044			ASSN	LYNCH, ELVIRA U	ELSA STATE BANK AND	554	NONE	$172,500.00	37.654 ACRE OUT
08/29/2002	1116045			HD	LYNCH, ELVIRA U	PUBLIC	554	NONE	$0.00	
09/13/2002	1120824	40	0152	MAP	LYNCH, ELVIRA	LYNCHBURGH ESTATES	554	NONE	$0.00	
10/08/2002	1129329			ASSN	LYNCH, ELVIRA U	ELSA STATE BANK AND	554	NONE	$172,500.00	2.173AC TRACT
10/18/2002	1132715			RES	HIDALGO AND CAMERON COUN	PUBLIC	101	NONE	$0.00	
11/01/2002	1136953			MD	RUSSELL, JESSE R	RUSSELL, JESSE R	ALL	ALL	$0.00	698 ACRES OF LA
12/12/2002	1148299			DEED	BELL, J CONLY	BELL ENTERPRISES	ALL	150	$0.00	LOT 2
03/21/2003	1180338			MLA	JIMMY CLOSNER AND SONS C	LYNCH, ELVIRA	554	NONE	$143,643.83	6.404 AC. FT 55
03/28/2003	1182383			DT	LYNCH PROPERTIES	ELSA STATE BANK AND	554	NONE	$80,000.00	37.654AC
04/04/2003	1185086			EXT	LYNCH, ELVIRA U	ELSA STATE BANK AND	554	NONE	$100,000.00	2.173 ACRE TRAC
04/17/2003	1189723			DEED	LYNCH, ELVIRA U	ASHABRANNER, DEBRA	554	NONE	$142,000.00	2.173 ACRE TRAC
04/17/2003	1189724			DT	ASHABANNER, DEBRA	EQUIFIRST CORP	554	NONE	$142,000.00	2.173 ACRE TRAC
05/07/2003	1196170			REL	ELSA STATE BANK AND TRUS	LYNCH, ELVIRA U	554	NONE	$100,000.00	2.173ACRE TRACT
09/11/2003	1242425			DT	LYNCH, ELVIRA	ELSA STATE BANK AND	554	NONE	$20,000.00	37.654 ACRE TRA
11/18/2003	1267565			REL	SMALL BUSINESS ADMINISTR	BRYAN, G R	ALL	155	$500,000.00	
02/19/2004	1295022			DT	SILVA, GISELA R	ELSA STATE BANK AND	ALL	126	$22,900.00	LOT 11
08/09/2004	1367721			APST	ELSA STATE BANK AND TRUS	KEY, TERRY D	554	NONE	$395,000.00	37.654ACS
11/01/2004	1398285			HD	MOLINA, JUAN ROEL	PUBLIC	ALL	180	$0.00	LOT 2
10/18/2005	1533333			DEED	LYNCH PROPERTIES	NATIONAL FARM WORKE	554	NONE	$177,100.00	
10/18/2005	1533334			DT	NATIONAL FARM WORKERS SE	ENTERPRISE HOUSING	554	NONE	$177,100.00	
10/18/2005	1533335			AFF	LYNCH PROPERTIES	PUBLIC	554	NONE	$0.00	
10/18/2005	1533336			FS	NATIONAL FARM WORKERS SE	ENTERPRISE HOUSING	554	NONE	$0.00	

Total Indexes Listed 152

Original Deficiency Notice
Casa Edcouch, TDHCA # 060177

Texas Department of Housing and Community Affairs
Housing Tax Credit Program
2006 Application Deficiency Notice

6/9 OK

Deficiency Notice Date: 6/1/2006

THIS NOTICE WILL ONLY BE TRANSMITTED VIA FACSIMILE

Primary Contact:

Contact Name: Monica Poss
Contact Phone: (512) 474-5003
Contact Fax: (512) 474-5010
Contact E-Mail mposs@nfwscmail.com

Second Contact:

Second Contact: Jean Coburn
Second Fax: (512) 474-5010
2nd E-Mail: jcoburn@nfwscmail.com

Regarding: TDHCA Number 060177, Casa Edcouch

1:30 Monica

In the course of the Department's review of the above referenced application documentation, an Administrative Deficiency, as defined in §50.3(1) of the 2006 Qualified Allocation Plan and Rules, has been identified. Per §50.3(1), an Administrative Deficiency is defined as: "The absence of information or a document from the Application as is required under §50.5, §50.6, §50.8(d) and §50.9(g), (h), (i) and (j) of this title." By this notice, the Department is requesting documentation to correct the following deficiency or deficiencies:

I. The following Administrative Deficiencies were found in your Threshold Criteria documentation. Threshold Administrative Deficiencies will be handled as described in Section II below.

Threshold:

1. Volume 1, Tab 2, Part B: Revise the rent schedule so that the current 2006 HTC rents are used. Changes to the rent schedule may warrant changes to Part D., Operating Expenses and Part E., Proforma.

2. Volume 1, Tab 4, Part B: Complete the Financing Participants form for the HOME funds from Hidalgo County so that the proposed loan terms are identified.

3. Volume 1, Tab 5: Submit previous participation for all board members of Rufino Contreras Affordable Housing Corp., Inc. and National Farm Workers Service Center, Inc. or state that none of the board members have previous participation.

4. Volume 3, Tab 2: Provide current tax assessment documentation that includes tax rates.

5. Volume 3, Tab 2: Since the title commitment is dated prior to 9/1/05, submit a current title commitment or a nothing further letter from the title company.

6. Volume 3, Tab 2: Because the general partner already owns the land, the site acquisition is identified as an identity of interest transaction. The settlement statement submitted in the preapplication shows a total purchase price of $254,200 for 25.4 acres ($80,063 prorated for 8 acres). The value claimed on the cost schedule exceeds $80,063. Therefore, either provide evidence that the amount on the cost schedule does not exceed the original prorated purchase price or submit evidence that an appraisal was submitted to the Department on or before April 3, 2006.

7. Volume 3, Tab 3: Submit a legible copy of the public notification sign. Additionally, submit an invoice for the installation of the sign or confirm that the sign was installed by the Applicant.

8. Volume 3, Tab 4: Submit a Certificate of Reservation of Entity Name for the Applicant that has not expired.

9. Volume 3, Tab 5: Submit a draft copy of the FYE 2005 financial statements for Rufino Contreras Affordable Housing Corp., Inc. and National Farm Workers Service Center, Inc.

Texas Department of Housing and Community Affairs
Housing Tax Credit Program
2006 Application Deficiency Notice

II. The following Administrative Deficiencies were found in your Selection Criteria documentation. Selection Administrative Deficiencies will be handled as described in Section II below.

Selection:

Per §50.9(d)(4), if Administrative Deficiencies are not clarified or corrected to the satisfaction of the Department within five business days of the deficiency notice date, then for competitive Applications under the State Housing Credit Ceiling five points shall be deducted from the Selection Criteria score for each additional day the deficiency remains unresolved. If deficiencies are not clarified or corrected within seven business days from the deficiency notice date, then the Application shall be terminated. The time period for responding to a deficiency notice begins at the start of the business day following the deficiency notice date. "Deficiency notices may be sent to an Applicant prior to or after the end of the Application Acceptance Period." The Department must receive the requested documentation by 5:00 p.m. CST or the documentation will be deemed to have been received the following day.

All documentation should be submitted as a whole and be directed to the attention of the staff member issuing this notice at:

Multifamily Finance Division
Via U.S. Mail: P.O. Box 13941, Austin, Texas 78711-3941.
Via express delivery/private courier: 221 East 11th, Austin, TX 78701.

Only documents less than 10 pages in length may be faxed to: 512.475.1895.
You may also e-mail your response to the staff member issuing this notice.

Sincerely,

Emily Price
Multifamily Housing Specialist

Phone Number: (512) 475-3061

Email: emily.price@tdhca.state.tx.us

TRANSMISSION VERIFICATION REPORT

TIME : 06/01/2006 11:22
NAME : TX DEPT OF HOUSING
FAX : 4750764
TEL :
SER.# : BROG4J729978

DATE,TIME	06/01 11:21
FAX NO./NAME	95124745010
DURATION	00:00:46
PAGE(S)	02
RESULT	OK
MODE	STANDARD ECM

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Texas Department of Housing and Community Affairs
Housing Tax Credit Program
2006 Application Deficiency Notice

Deficiency Notice Date: 6/1/2006

THIS NOTICE WILL ONLY BE TRANSMITTED VIA FACSIMILE

Primary Contact:

Contact Name: Monica Poss
Contact Phone: (512) 474-5003
Contact Fax: (512) 474-5010
Contact E-Mail mposs@nfwscmail.com

Second Contact:

Second Contact: Jean Coburn
Second Fax: (512) 474-5010
2nd E-Mail: jcoburn@nfwscmail.com

Regarding: TDHCA Number 060177, Casa Edcouch

In the course of the Department's review of the above referenced application documentation, an Administrative Deficiency, as defined in §50.3(1) of the 2006 Qualified Allocation Plan and Rules, has been identified. Per §50.3(1), an Administrative Deficiency is defined as: "The absence of information or a document from the Application as is required under §50.5, §50.6, §50.8(d) and §50.9(g), (h), (i) and (j) of this title." By this notice, the Department is requesting documentation to correct the following deficiency or deficiencies:

I. The following Administrative Deficiencies were found in your Threshold Criteria documentation. Threshold Administrative Deficiencies will be handled as described in Section II below.

Threshold: 1.☐ Volume 1, Tab 2, Part B: Revise the rent schedule so that the current 2006 HTC rents are used. Changes to the rent schedule may warrant changes to Part D., Operating Expenses and Part E., Proforma.

2.☐ Volume 1, Tab 4, Part B: Complete the Financing Participants form for the HOME funds from Hidalgo County so that the proposed loan terms are identified.

3.☐ Volume 1, Tab 5: Submit previous participation for all board members of Rufino Contreras Affordable Housing Corp., Inc. and National Farm Workers Service Center, Inc. or state that none of the board members have previous participation.

.y Price

From: Emily Price

Sent: Thursday, June 01, 2006 11:29 AM

To: 'mposs@nfwscmail.com'

Cc: 'Jean Coburn'

Subject: TDHCA #060177

A deficiency notice for the above HTC development was faxed to (512) 474-5010.

Emily Price
Multifamily Housing Specialist
Texas Department of Housing and Community Affairs
(512) 475-3061 phone
(512) 475-1895 fax

Revised Scoring Notice
Casa Edcouch, TDHCA # 060177

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2006 Application Cycle
Final Scoring Notice- 9% HTC Competitive Application

Date Issued: 06/28/06

Edcouch Housing Development, L. P.
Monica Poss
2200 E. Martin Luther King Jr. Blvd.
Austin, TX 78702
Phone #: (512) 474-5003
Fax #: (512) 474-5010

THIS NOTICE WILL ONLY BE TRANSMITTED VIA FACSIMILE

RE: 2006 9% Housing Tax Credit (HTC) Competitive Application for Casa Edcouch

TDCHA Number: 060177

Attention: Monica Poss

The Texas Department of Housing and Community Affairs (the Department) has completed its Eligibility and Selection Criteria Review of the above-referenced application as further described in §50.9(d)(1) of the 2006 Qualified Allocation Plan and Rules (QAP). Below, a summary is provided of the score requested, as calculated by the Applicant, followed by the score requested, as calculated by the Department. The two numbers differ if the Applicant's calculation was incorrect. The next score shown is the score awarded to the application by the Department, followed by the difference between the score requested (as calculated by the Department) and the score awarded. An explanation of the reason(s) for any differences, including points denied, is provided at the top of the second page of this notice. The next scoring items show the number of points awarded for each of the three categories for which points could not be requested by the applicant: Quantifiable Community Participation (QCP) from neighborhood organizations, letters of support or opposition from state senators and letters of support or opposition from state representatives. This is followed, in bold, by the final cumulative number of points awarded by the Department to the above-referenced Application.

Please note that if you were awarded points under §50.9(i)(5), this notice only provides an explanation of any point deductions for that item. A separate addendum is attached, "Addendum A" which details which sources qualified for the score under this section. It is important to note this addendum because should this application receive an award of tax credits, at the time the executed Commitment Notice is required to be submitted, the Applicant or Development Owner must provide evidence of a commitment approved by the governing body of the local political subdivision for the sufficient local funding to the Department. Only eligible sources identified in the addendum may be submitted and may not be substituted with any source not listed pursuant to §50.9(i)(5).

To the extent that a threshold review is not yet completed for this application, pursuant Section 50.9(d)(3), the final score may still change, in which case you will be notified.

Allocation: Rural   Set Asides: ☐ USDA ☑ Non Profit ☐ At Risk

Score Requested by Applicant (Does not include QCP and Elected Official Points):	150
Score Requested as Calculated by Department (Does not include QCP and Elected Official Points):	150
Score Awarded by Department (Does not include QCP and Elected Official Points):	145
Difference between Requested and Awarded (Does not include QCP and Elected Official Points):	5
Points Awarded for Quantifiable Community Participation:	24
Points Awarded for Input from State Senator:	7
Points Awarded for Input from State Representative:	7
Final Score Awarded to Application by Department:	**183**

Page 2 of Final Scoring Notice: 060177, Casa Edcouch

Explanation for Difference between Points Requested and Points Awarded by the Department (explanation does not include QCP and Elected Official Points):

Late deficiency penalty: The deficiency was issued on June 1, 2006 and due by 5pm on June 8, 2006 to avoid any point loss. However, item 5, a Nothing Further letter/updated title from the title company was not received by the Department until June 9, 2006 resulting in a five point loss which was verbally acknowledged by the applicant. (-5 points)

A formal Appeals Policy exists for the HTC Program. If you wish to appeal this scoring notice (including set-aside eligibility), you must file your appeal with the Department no later than 5:00 p.m., Wednesday, July 5, 2006. If an appeal is denied by the Executive Director, an applicant may appeal to the Board. THE DEPARTMENT STRONGLY SUGGESTS that you submit your appeal to the Executive Director no later than Thursday, June 29, 2006 by 5:00 p.m. in order to allow any denied appeals to be added to the July 12, 2006 Board agenda. The restrictions and requirements relating to the Appeals Policy can be found in Section 50.17(b) of the 2006 QAP.

In an effort to increase the liklihood that Board appeals related to scoring and set-asides are heard at the July 12, 2006 Board meeting, the Department has provided an Appeal Election Form for all appeals submitted to the Executive Director. In the event an appeal is denied by the Executive Director the form requests that the applicant automatically be added to the Board agenda. Note that the completion of the form will add the applicant to the agenda, but that an actual appeal to the Board must be received by the Department by 5:00 p.m. Wednesday, July 5, 2006. All appeals should be submitted to the attention of Jennifer Joyce.

A list of those developments being recommended at the June 26, 2006 Board meeting will also be available on the website no later than June 19, 2006. If you have any concerns regarding potential miscalculations or errors made by the Department, please contact Jennifer Joyce by facsimile (512.475.0764 or 512.475.1895) or email to jennifer.joyce@tdhca.state.tx.us.

Sincerely,

Robbye Meyer

Robbye Meyer
Interim Director of Multifamily Finance Production Division

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

July 12, 2006

Action Items

Presentation of Challenges Made in Accordance with §50.(17)(c) of the 2006 Qualified Allocation Plan and Rules (QAP) Concerning 2006 Housing Tax Credit (HTC) Applications.

Required Action

Consideration and possible action on Challenges made concerning 2006 Housing Tax Credit Applications.

Background and Recommendations

The QAP provides a mechanism to address "challenges" (called "allegations" in 2005) where additional information is provided to staff that, if true, might have an impact on a scoring item. Below is the mechanism by which staff addresses these challenges. Typical Board action on these challenges would be in the form of a formal appeal being filed by an applicant based on a point change based on staff's review of the challenge. As you recall, only an applicant can appeal a change in scoring. After a challenge is addressed by staff, the person or organization providing the challenge does not have a right to bring the challenge to the Board for an appeal of staff determination. The attached challenges are provided for the Board as to the type and response of challenges received for review, and possible comment, if desired.

The attached document summarizes the challenges received on or before July 5, 2006 made against applications in the 2006 HTC Application Cycle anonymously or by other applicants or consultants.

All challenges are being addressed pursuant to §50.17(c) of the 2006 QAP, which states, "the Department will address information and challenges received from unrelated entities to a 2006 Application, utilizing a preponderance of the evidence standard, in the following manner:

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

(2) Within seven days of the receipt of the information or challenge, the Department will notify the Applicant related to the information or challenge. The Applicant will then have seven days to respond to all information and challenges provided to the Department.

(3) Within 14 days of the receipt of the response from the Applicant, the Department will evaluate all information submitted and other relevant documentation related to the investigation. This information may include information requested by the

> Department relating to this evaluation. The Department will post its determination to its website. Any determinations made by the Department cannot be appealed by any party unrelated to the Applicant."

Please note that a challenge is not eligible pursuant to this section if it is not made against a specific active 2006 HTC application. In the opinion of counsel, if an application is no longer active because the Development has been awarded tax credits by the TDHCA Board, challenges relating to the awarded/ inactive applications are not eligible under this section.

All ineligible and eligible challenges under this section received on or before July 5, 2006 were posted to the Department's website on July 5, 2006. To the extent that the applicant related to the challenge responds to the eligible challenge(s), point reductions and/or terminations could possibly be made administratively. In these cases, the applicant will be been given an opportunity to appeal, as is the case with all point reductions and terminations. To the extent that the evidence does not confirm a challenge, a memo will be written to the file for that application relating to the challenge. The Department has posted and will continue to post all determinations to the TDHCA website. The table attached reflects a summary of all such challenges received as July 5, 2006.

Status Log of 2006 9% Housing Tax Credit Challenges Received as of July 5, 2006

Challenge Received Date	TDHCA #	Development Name	Challenger	Nature and Basis of Challenge	Status
5/30/06	060163	Villas of Karnes City	Anonymous	Challenge regarding points awarded under §50.9(i)(2) of the 2006 Qualified Allocation Plan (QAP), Quantifiable Community Participation (QCP). The challenge asserts that the QCP letter of support from Karnes City Gateway Neighborhoods Association (the Association) is ineligible. The basis of the challenge as reflected in the challenge documentation is: a party related to the Applicant formed the Association and sought out the directors with instructions on the filing procedures with the Secretary of State.	**Resolved**: TDHCA has evaluated the applicant response to the challenge pursuant to the methodology outlined in §50.17(c) of the QAP. It has been determined that the response to the Challenge is reasonable and is plausible on a time table. No further action will be taken relating to this challenge.
5/22/06, 5/22/06, 5/26/06 and 6/5/06	060087	Sphinx at Alsbury	Anonymous (3 received) and Cynthia Bast	Challenges regarding points awarded under §50.9(i)(2) of the 2006 QAP, QCP. The challenges assert that the QCP letter of support from Alsbury Neighborhood Association (the Association) is ineligible. The basis of the challenge as reflected in the challenge documentation is: the Association was formed by the seller of the land on which the development will be built; the seller of the land is receiving a financial benefit in the form of the sales price in exchange for support; and the Association does not qualify as a Neighborhood Organization because the members do not reside within the boundaries of the Association.	**Resolved**: TDHCA has evaluated the applicant response to the 4 challenges pursuant to the methodology outlined in §50.17(c) of the QAP. It has been determined that, while evidence was presented that there was a prior relationship with the applicant, there is insufficient evidence to substantiate that the member of the neighborhood organization who is the seller of the land is a current related party to the applicant. Additionally, there is no prohibition on the seller forming the association since the land seller is not a current related party to the applicant or developer based on the facts presented in this challenge. No further action will be taken relating to this challenge.

Status Log of 2006 9% Housing Tax Credit Challenges Received as of July 5, 2006

Challenge Received Date	TDHCA #	Development Name	Challenger	Nature and Basis of Challenge	Status
5/11/06 and 5/26/06	060133	Canyon's Landing	Anonymous	Challenge regarding points awarded under §50.9(i)(2) of the 2006 QAP, QCP. The challenge asserts that the QCP letter of support from Strawberry Hill Neighborhood Association (the Association) is ineligible. The basis of the challenge as reflected in the challenge documentation is: the Association was formed by the seller of the land on which the development will be built, and; the seller of the land is receiving a financial benefit in the form of the sales price in exchange for support.	**Resolved**: TDHCA has evaluated the applicant response to the challenges pursuant to the methodology outlined in §50.17(c) of the QAP. It has been determined that the QAP does not preclude the seller of the land from being a member of the neighborhood organization because the seller of the land is not per se part of the development team. If there is not a reasonable arms length transaction it may affect the financial evaluation, but does not automatically create a related party relationship with the Applicant. Additionally, there is no prohibition on the seller forming the association since the land seller is not a current Related Party to the Applicant or Developer based on the facts presented in this challenge. No further action will be taken relating to this challenge.
5/2/06	060049	Los Milagros	Kay Snyder	Challenge regarding points awarded under §50.9(i)(2) of the 2006 QAP, QCP. The challenge asserts that the QCP letter of opposition from Centerpoint Resident Council (the Council) is ineligible. The basis of the challenge as reflected in the challenge documentation is: a party related to the Applicant for #060047 formed the Council, and; the Council was formed for support of #060047 and opposition of other HTC projects.	**Ineligible**: Staff has already determined this resident council and all letters from the entity as ineligible. This determination was made without considering the information in the challenge.

Status Log of 2006 9% Housing Tax Credit Challenges Received as of July 5, 2006

Challenge Received Date	TDHCA #	Development Name	Challenger	Nature and Basis of Challenge	Status
5/22/06	060086	City Walk at Akard	Anonymous (2 received)	Challenges regarding points awarded under §50.9(i)(2) of the 2006 QAP, QCP. The challenges assert that the QCP letter of support from Dallas Homeless Neighborhood Association (the Association) is ineligible. The basis of the challenges as reflected in the challenge documentation is: the boundaries of the Association are not sufficiently described; the Association did not provide meaningful organizational documents to TDHCA; the Association's organizational documents do not clearly define who qualifies for membership; it is unclear if the Association is an organization of people living near one another, and; the way in which it voted to give support is unclear.	**Ineligible**: Staff has already determined this letter ineligible. This determination was made without considering the information in the challenge.
6/15/06	060225	The Knightsbridge	Anonymous	Challenge regarding points awarded under §50.9(i)(14) of the 2006 QAP, Exurban Developments or Reconstruction or Rehabilitation of Developments. The challenge asserts that the application is not eligible for points based on the site's location in the Census Designated Place (CDP) of Aldine. The basis of the challenge as reflected in the challenge documentation is: the site is located far from the CDP of Aldine.	**Resolved**: Challenge assertions were previously investigated and resolved by the Department in the scope of the administrative deficiency process. No further action will be taken relating to this challenge.

Status Log of 2006 9% Housing Tax Credit Challenges Received as of July 5, 2006

Challenge Received Date	TDHCA #	Development Name	Challenger	Nature and Basis of Challenge	Status
6/22/06	060070	The Mansion at Briar Creek	Cynthia Bast	Challenge regarding points awarded under §50.9(i)(5) of the 2006 QAP, Commitment of Development Funding by Local Political Subdivisions, and validity of site control under §50.9(h)(7)(A) of the 2006 QAP. The challenge asserts that the application is not eligible for points based on funding from the City of Bryan (the City) and that the Applicant does not have proper site control. The basis of the challenge as reflected in the challenge documentation is: the City of Bryan rejected the Applicant's request for funding; a conflict of interest exists between the party responsible for the valuation of the in kind contributions and the Applicant; the development site includes a right of way, Red River Drive, that is under the control of the City, and; the Applicant has not provided documentation from the City that indicates that the Applicant has acquired Red River Drive from the City.	**Resolved**: Challenge assertions were previously investigated and resolved by the Department in the scope of the administrative deficiency process. No further action will be taken relating to this challenge.
6/9/06	060050	Renaissance Plaza	Robert Sherman	Challenge regarding the presence of a market for the proposed development. The challenge asserts that the market in the development city is not strong enough to support the proposed development. The basis of the challenge as reflected in the challenge documentation is: there is an existing elderly tax credit property in the development city; and the existing tax credit property experienced slow lease up and stabilization.	**Resolved**: TDHCA has evaluated the applicant response to the challenge pursuant to the methodology outlined in §50.17(c) of the QAP. It has been determined that the challenge does not address any specific deficiency in Market Study. Rather, it provides and overall opinion of the market. The challenge will be considered as public comment. No further action will be taken relating to this challenge.

Status Log of 2006 9% Housing Tax Credit Challenges Received as of July 5, 2006

Challenge Received Date	TDHCA #	Development Name	Challenger	Nature and Basis of Challenge	Status
6/5/06	060078	Copper Square Estates	El Paso Lower Valley Association	Challenge regarding points awarded under §50.9(i)(17)(B) of the 2006 QAP, Negative Site Features, fulfillment of notification requirements under §50.8(A)(ii) of the 2006 QAP and fulfillment of signage requirements under §50.8(B) of the 2006 QAP. The challenge asserts that the development site is near negative features, Neighborhood Organizations were not notified and signage is not posted. The basis of the challenge as reflected in the challenge documentation is: the development site is less than 300 feet from existing railroad tracks; the El Paso Lower Valley Association and another Neighborhood Organization were not notified of the development; and there is no sign posted on the development site.	**Resolved**: TDHCA has evaluated the applicant response to the challenge pursuant to the methodology outlined in §50.17(c) of the QAP. The response from the applicant provided evidence that resolves all assertions made in the challenge, other than those that the Department had previously noted in the review process. Those issues will be handled in accordance with the administrative deficiency process outlined in the QAP. The challenge will be considered as public comment. No further action will be taken relating to this challenge.
5/12/06	Region 6	All Developments in Region 6	Anonymous	Challenge regarding fulfillment of zoning requirement under §50.9(h)(7)(B) of the 2006 QAP. The challenge asserts that some proposed developments in Region 6 by have not met the zoning threshold requirement. The basis of the challenge as reflected in the challenge documentation is: some developments within Region 6 have not received consolidated plan letters from the City of Houston and Harris County.	**Ineligible**: Does not challenge a specific application. It should be noted that all requirements for zoning under this section are reviewed closely by TDHCA staff in all threshold reviews to ensure that all applications are eligible for an award.

Status Log of 2006 9% Housing Tax Credit Challenges Received as of July 5, 2006

Challenge Received Date	TDHCA #	Development Name	Challenger	Nature and Basis of Challenge	Status
5/24/06	060202	Beaumont Downtown Lofts	Mark Musemeche and Kurt Arbuckle	Challenge regarding points awarded under §50.9(i)(5) of the 2006 QAP, Commitment of Development Funding by Local Political Subdivisions, and the eligibility of the development as a rehabilitation under the Hurricane Rita Housing Tax Credit Application Policy (Rita Policy). The challenge asserts that the application is not eligible for points based on funding from the City of Beaumont and that the proposed development is not a rehabilitation under the Rita Policy. The basis of the challenge as reflected in the challenge documentation is: the City of Bryan rejected the Applicant's request for funding; the application proposes the conversion of non-residential structures into housing units, and; the Rita Policy specifies that applications must be for the rehabilitation/reconstruction of units damaged by Hurricane Rita.	**Ineligible**: Application is inactive because it was awarded tax credits by the executive director on April 25, 2006 pursuant to the Rita Policy. Challenges were received after the fact (May 2 and after).
6/6/06 and 3/13/06	060219	Providence Estates	Lucille Poldrack and Dan Ives	Challenging fulfillment of signage requirements under §50.8(B) of the 2006 QAP and eligibility for points under §50.9(i)(6) of the 2006 QAP, Level of Community Support from State Elected Officials, §50.9(i)(10) of the 2006 QAP, Housing Needs Characteristics, §50.9(i)(13) of the 2006 QAP, Development Location and §50.9(i)(17)(A) of the 2006 QAP, Proximity of Site to Amenities.	**Resolved:** Challenge assertions were previously investigated and resolved by the Department in the scope of the administrative deficiency process. No further action will be taken relating to this challenge. The Department will note the strong opposition should the Board consider it for an award.
2/28/2006	060220	Western Trail	City of White Settlement	Challenging eligibility of Application because of a violation of §50.5(a)(8) of the QAP which precludes Developments from being eligible for tax credits is they are located less than one mile from a Development which has been awarded tax credits within 3 years.	**Resolved**: Challenge assertions were previously investigated and resolved by the Department in the scope of the review process. No further action will be taken relating to this challenge.

Applicant Response

060163

Kevin

KILDAY
REALTY
CORP.

Ms. Jennifer Joyce
Interim Manager of Multifamily Finance Production Division
Texas Department of Housing and Community Affairs
211 E. 11th St.
Austin, TX 78701

Dear Ms. Joyce,

Please accept this letter as our formal response to the challenge filed regarding Villas of Karnes City, TDHCA #060163.

The first challenge in the anonymous letter dated May 22, 2006 asserts that the neighborhood organization does not qualify for QCP points because it includes multiple neighborhoods. This argument is without merit. TDHCA has long recognized for purposes of QCP, letters from organizations consisting of multiple neighborhoods. In 2004, for example, multiple QCP letters were scored for "superneighborhood organizations" made up of multiple neighborhoods in the city of Houston. In addition, Government Code Section 311.012 (Code Construction Act), which governs the interpretation of terms in statutes, including Government Code Section 2306.6710 which establishes the QCP process, states, "The singular includes the plural and the plural includes the singular." The boundaries of the organization clearly do not include the entire city or county, and therefore meet the requirements of a neighborhood organization in the QAP.

The second challenge in the letter asserts that our application consultant "formed the Karnes City Gateway Neighborhoods Association and sought out the directors with instructions on the filing procedures with the Secretary of State". Neither the challenge itself, nor the extensive attachments to the challenge provide any basis to substantiate this claim. Our application consultant is a longtime resident of Karnes City. His knowledge of Karnes City and Karnes County has been extremely useful throughout the application process. In fact, whenever we go into a city that we are not familiar with, we try to find a person(s) that will help us in our communications with that particular city. At a City Council Meeting in January 2006, our consultant presented the Council with a description of our development and a proposal for a tax abatement. At the end of that meeting, the neighborhood representatives asked our consultant how they could support the development. Subsequent to that meeting, our consultant provided the neighborhood representatives with a copy of the 2006 Competitive Housing Tax Credit Application Cycle Quantifiable Community Participation Packet for Neighborhood Organizations and told them that a support letter from them could provide the application with a competitive scoring advantage. He also attended a meeting of the neighborhood organization where the organization voted to support the development. While our consultant was very helpful in correspondence and communication with the local officials and residents, his actions did not violate any of the QAP rules regarding the QCP process. Also, in their letter of support, the neighborhood representative states, "This organization was not formed by any Applicant, Developer or any employee or agent of any Applicant in the 2006 Housing Tax Credit application round."

We ask that this challenge be dismissed, as it is without merit.

Sincerely,

Les Kilday
Vice President, Kilday Realty Corp

5005 RIVERWAY SUITE 330 HOUSTON, TEXAS 77056 (713) 914-9400 FAX (713) 914-9439

Challenge(s) Received

May 22, 2006

RECEIVED
MAY 3 0 2006
LIHTC

Ms. Brooke Boston **CONFIDENTIAL**
Executive Director
Texas Department of Housing & Community Affairs
211 E. 11th
Austin, Texas 78071

Re: Villas of Karnes City, TDHCA #060163

Dear Ms. Boston:

This letter and attachments is to bring to **your** attention and ask you to personally review the information that has been submitted regarding the neighborhood association that is supporting the above-mentioned application.

Karnes City Gate Neighborhoods Association:

The attached Certificate of Formation for a Nonprofit Corporation was filed with the Texas Secretary of State on February 27, 2006 has extensive legal language that is not normally used, along with several referrals regarding the Internal Revenue Code referencing of a 501(c) 3 non-profit corporation *or any future federal tax code*. The boundary information of the "neighborhoods association" includes a large portion of Karnes City defining the north, south, east and west entrances to the town. Karnes City has a population of less than 5,000. Should you review the purpose of the organization you will note that it states *the citizens living in the neighborhoods* (plural) *forming the gateways to the City of Karnes City, Texas, that is, the neighborhoods* (plural) *adjacent to SH 123, SH 80 and US 181 in and near the City of Karnes City*... This does not qualify for a neighborhood association considering the scope of the boundaries that are listed and the usage of "neighborhoods", in the plural, as defined in the QAP and the QCP packet.

It is reasonable to believe that [redacted], who is the [redacted] and a long time resident of Karnes City, formed the Karnes City Gateway Neighborhoods Association and sought out the directors with instructions on the filing procedures with the Secretary of State.

Interim MF Manager Copy
Challenge Re:# 060163
Date Received: 5-30-06

NOTE: FYI ONLY NO ACTION REQUIRED AT THIS TIME

The Villas of Karnes City Pre-application, dated January 6, 2006, regarding notifying Neighborhood Associations listed **NONE**. The final application dated February 22, 2006 does not offer any information on a neighborhood association - no change from Pre-application, no indication of the possibility a neighborhood association might be submitting a letter. That page in the final application was left blank except for the signature of the applicant's VP, managing member of the GP.

Imagine what a surprise it must have been for the applicant's general partner to receive a letter of support AND the extra points from a neighborhood association that he was not aware even existed from such a small rural town!

[redacted] has acknowledged his participation in the preparation of this application as noted on the Consultant's Certificate with his signature. He acknowledges that he is *familiar with the Tax Reform Act of 1986, as amended, and other related administrative rules and regulations and court rulings issued by the Federal government with respect to the Housing Tax Credit Allocation Plan and Rules (QAP)*...However, [redacted] is not listed as being a part of the Development Team for the final application.

[redacted], as [redacted], was the party who contacted as a follow-up, with both the mayor of Karnes City and the county judge of Karnes County re-enforcing the request of tax abatement for this development. The applicant's general partner had previously submitted the standard application for tax abatement.

Due to [redacted] extensive knowledge and experience of tax credits and TDHCA, his participation with this application and the neighborhood association phenomenonal support letter constitutes a travesty for TDHCA's rationale of equality within the QCP's guidelines.

Attachments: 18 pages

2006 MULTIFAMILY UNIFORM APPLICATION

Application # (TDHCA Use)

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Texas Department of Housing and Community Affairs (TDHCA)
Mailing Address: P.O. Box 13941, Austin, Texas 78711-3941
Physical Address: 221 East 11th Street, Austin, TX 78701-2410

Special Notation Symbols Used in the Application:
Attachment may be required. ✕ Section does not apply to all applicants. ! Significant Issue

The undersigned hereby makes application to TDHCA for financial assistance, has read and understands the application instructions, and certifies that all information herein is true and correct to the best of their knowledge and belief.

! *Submitted Application must have the original signature from the representative or person with authority to execute documents on the Applicant's behalf.*

[signature]	Les Kilday, VP Managing Member of GP	2/22/06
Applicant's Authorized Representative's Signature	*Representative's Printed Name, Title*	*Date*

Volume 1, Tab 1

PART A. ACTIVITY OVERVIEW

1. MULTIFAMILY RENTAL DEVELOPMENT NAME AND LOCATION

Development Name: Villas of Kames City Region: 9
Address: Northwest Corner of SH 123 and Helena Hwy ZIP Code: 78118
City: Kames City County: Karnes

2. TARGET POPULATION (CHECK ONLY ONE)

- ☒ Family
- ☐ Elderly
- ☐ Intergenerational Housing

PART B. APPLICANT INFORMATION

Provide the contact data for the Applicant's staff person who is responsible for application and contract administration. This primary contact will not be the consultant or the end service provider.

1. APPLICANT CONTACT INFORMATION

Applicant Legal Name: Karnes City Villas LP Phn.: 713-914-9400
Applicant Contact Name: Les Kilday Fax: 713-914-9439
Applicant Mailing Address: 5005 Riverway, Suite 330
City, State, ZIP: Houston, TX 77056 Email: leskilday@ev1.net

If Applicant's "Physical Address" is different from the "Mailing Address," provide the physical address below:

Applicant Physical Address: same as above
City, State, ZIP:
2nd Contact Name(required): Dick Kilday Fax: 713-914-9439
Email: rrkilday@ev1.net

2. APPLICANT LEGAL DESCRIPTION

Legal Form of Applicant is/will be a *(check only one)*: Applicant is legally formed? ☒ No ☐ Yes

☐ For-profit Corporation ☐ Non-profit Corporation ☐ General Partnership ☒ Limited Partnership
☐ Limited Liability Company ☐ Unit of Local Government ☐ Individual/D.B.A. ☐ Housing Authority

Other Designations *(Mark all that apply.)*: ☐ Historically Underutilized Business ☐ CHDO ☐ COG ☐ Federal Tax Exemption

Applicant is in good standing with the Secretary of State? ☒ No ☐ Yes The State Filing # is: Entity to be Formed

Form 202		
Secretary of State P.O. Box 13697 Austin, TX 78711-3697 FAX: 512/463-5709 Filing Fee: $25	**Certificate of Formation** **Nonprofit Corporation**	Filed in the Office of the Secretary of State of Texas Filing #: 800619199 02/27/2006 Document #: 118868880002 Image Generated Electronically for Web Filing

Article 1 - Corporate Name

The filing entity formed is a nonprofit corporation. The name of the entity is :

Karnes City Gateway Neighborhoods Association

The name must not be the same as, deceptively similar to that of an existing corporate, limited liability company, or limited partnership name on file with the secretary of state. A preliminary check for the "name availability" is recommended.

Article 2 – Registered Agent and Registered Office

☐ A. The initial registered agent is an organization (cannot be corporation named above) by the name of:

OR

☑ B. The initial registered agent is an individual resident of the state whose name is set forth below:

Name:
Debbie Martin

C. The business address of the registered agent and the registered office address is:

Street Address:
503 N. Fairlane Drive Karnes City TX 78118

Article 3 - Management (Complete items A or B)

☐ A. Management of the affairs of the corporation is to be vested solely in the members of the corporation.

OR

☑ B. Management of the affairs of the corporation is to be vested in its board of directors. The number of directors, which must be a minimum of three, that constitutes the initial board of directors and the names and addresses of the persons who are to serve as directors until the first annual meeting or until their successors are elected and qualified are set forth below.

Director 1: **Debbie Martin**	Title: **Director**
Address: **503 N. Fairlane Karnes City TX, USA 78118**	
Director 2: **Jayma Wood**	Title: **Director**
Address: **106 W. Crews St Karnes City TX, USA 78118**	
Director 3: **Sherry Sommer**	Title: **Director**
Address: **310 W. Southline St Karnes City TX, USA 78118**	

Article 4 - Organization Structure
(You must select either A or B below)

☑ A. The corporation will have members.

☐ B. The corporation will not have members.

Article 5 - Purpose

The corporation is organized for the following purpose or purposes:

Karnes City Gateway Neighborhoods Association is organized exclusively for charitable and educational purposes, including, for shuch purposes, the making of distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code of 1954, as amended, or the corresponding section of any future federal tax code. More specifically, but without limiting the purposes stated above, the Association is organized and is to be operated for the exclusive purpose of improving the general welfare of the

citizens living in the neighborhoods forming the gateways to the City of Karnes City, Texas, that is, the neighborhoods adjacent to SH 123, SH 80 and US 181 in and near the City of Karnes City, including the promotion of economic growth, beautification, and welcoming presentation for visitors to our neighborhoods and the City of Karnes City as a whole.

Supplemental Provisions / Information

MEMBERSHIP

The Association will have one class of members. Membership is open to any resident of the neighborhoods described below in Boundaries. The members shall not be personally liable for the debts, liabilities, or obligations of the Association.

BOUNDARIES

The boundaries of this organization are in and near the City of Karnes City, Texas, the neighborhoods forming the gateway entrances to the City, that is, (1) on SH 123 from the intersection of E. Riddleville Street/Loop 17 and SH 123 on the North, following two blocks on either side, East and West of SH 123 until its terminus at US 181; (2) on SH 80, from the Karnes City City Limits sign to its terminus with SH 123; and (3) on US 181, from the intersection of US 181 with FM 1144/W Calvert Street in the North, following two blocks on either side, East and West of US 181, to the intersection of US 181 and SH 123 in the South.

...STRICTIONS AND REQUIREMENTS

(1) Notwithstanding any other statements to the contrary, this Association shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of its primary purposes set forth in these Articles. The Association may not take any action prohibited by the Texas Non-Profit Corporation Act.

(2) No Private Inurement: The Association is not organized nor shall it be operated for the primary purpose of generating pecuniary gain or profit. The Association may not pay dividends or other corporate income to its directors or officers, or otherwise accrue distributable profits, or permit the realization of private gain. No part of the net earnings of the Association shall inure to the benefit of any director of the Association, officer of the Association, or any private individual, (except that reasonable reimbursement may be paid for services rendered to or for the Association affecting one or more of its purposes), and no director or officer of the Association, or any private individual, shall be entitled to share in the distribution of any of the corporate assets on dissolution of the Association.

(3) 501(c)(3) Limitations: Notwithstanding any other provision of these Articles c ssociation, the Association may not take action that would be inconsistent w...i the requirements for tax exemption under the Internal Revenue Code, Section 501(c)(3), and related regulations, rulings, and procedures. Nor may it take

any action that would be inconsistent with the requirements for receiving tax-deductible charitable contributions under the Internal Revenue Code, Section 170(c)(2), and related regulations, rulings, and procedures. Regardless of any other provision in these Articles of Association or state law, the Association may not:

(a) Engage in activities or use its assets in manners that do not further one or more exempt purposes, as set forth in these Articles and defined by the Internal Revenue Code and related regulations, rulings, and procedures, except to an insubstantial degree.

(b) Serve a private interest other than one clearly incidental to an overriding public interest.

(c) Devote more than an insubstantial part of its activities to attempting to influence legislation by propaganda or otherwise, except as provided by the Internal Revenue Code and related regulations, rulings, and procedures.

(d) Participate in or intervene in (including publishing or distributing statements and any other direct or indirect campaign activities) any political campaign on behalf of any candidate for public office. The prohibited activities include publishing or distributing statements and any other direct or indirect campaign activities.

(e) Have objectives characterizing it as an "action organization" as defined by the Internal Revenue Code and related regulations, rulings, and procedures.

(f) Distribute its assets on dissolution other than for one or more exempt purposes.

(g) Permit any part of the Association's net earnings to inure to the benefit of any private shareholder or member of the Association or any private individual.

[The attached addendum, if any, is incorporated herein by reference.]

Effectiveness of Filing

☑ A. This document becomes effective when the document is filed by the secretary of state.

OR

☐ B. This document becomes effective at a later date, which is not more than ninety (90) days from the date of its signing. The delayed effective date is:

Organizer

The name and address of the organizer are set forth below.

Debbie Martin 503 N. Fairlane Drive, Karnes City, TX 78118

Execution

The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument.

Debbie Martin, President

Signature of organizer.

PART D. CONSULTANT CERTIFICATION (9% & 4% HTC ONLY)

As the consultant, or consultants (hereinafter "Consultant") to the Applicant, I hereby certify that I am familiar with the provisions of the Tax Reform Act of 1986, as amended, and other related administrative rules and regulations and court rulings issued by the Federal government with respect to the Housing Tax Credit Program. Consultant has read and is familiar with the provisions and requirements of the 2006 Qualified Allocation Plan and Rules (QAP), Sections 50.1 through 50.23 of Title 10, Texas Administrative Code, with respect to the Housing Tax Credit Program and has or will comply with the requirements which are identified therein. To the best of my knowledge and belief, the Applicant entity has complied, or will comply with all of the requirements which are identified therein.

I hereby acknowledge and understand and this Application is subject to disclosure under Chapter 552, Texas Government Code, entitled the Texas Public Information Act.

I certify that, to my knowledge, this development is designed in accordance with the site and development restrictions relating to floodplain development, ineligible building types, scattered site limitations, credit amounts, minimum and maximum Development size and rehabilitation costs, pursuant to Section 50.6 of the QAP, and that none of these restrictions or limitations are violated in the design of the Development or the Application.

I hereby assert that the information contained in this application as required or deemed necessary by the materials governing the Housing Tax Credit Program as stated in paragraph one of Part C. (this document) are true and correct to the best of my knowledge. Further, I hereby assert that I have read and understand all the information contained in Part C. of the application. By signing this document, Applicant is affirming that all statements made in this section (Part D) are true and correct under penalty of Chapter 37 of the Texas Penal Code titled Perjury and Other Falsification and subject to criminal penalties as defined by the State of Texas. TEX. PENAL CODE ANN. §§37.01 et seq. (Vernon 2003 & Supp. 2006).

By: ______________________ 2-27-06
Signature of Consultant *Date*

STATE OF: Texas
COUNTY OF: Travis

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that Eric Opiela, whose name is signed to the foregoing statement, and who is known to be one in the same, has acknowledged before me on this date, that being informed of the contents of this statement, executed the same voluntarily on the date same foregoing statement bears.

Given under my hand and official seal this 22 day of February, 2006. (seal)

TALIA E. GASTER
Notary Public, State of Texas
My Commission Expires
AUG. 1, 2009

______________________ Aug 1, 2006
Notary Public Signature *Commission Expires*

Talia Gaster

PART A. DEVELOPMENT TEAM MEMBERS

Supportive Service Provider Name:		Contact Name:	Address:	City:	St.:	ZIP:
TBD						
Phone:	Fax:	Email:	Proposed Fee:	Entity is a certified Texas HUB? ☐Yes ☐No		
			$			
There is a direct or indirect, financial, or other interest with applicant or other team members[1] ☐Yes ☐No						

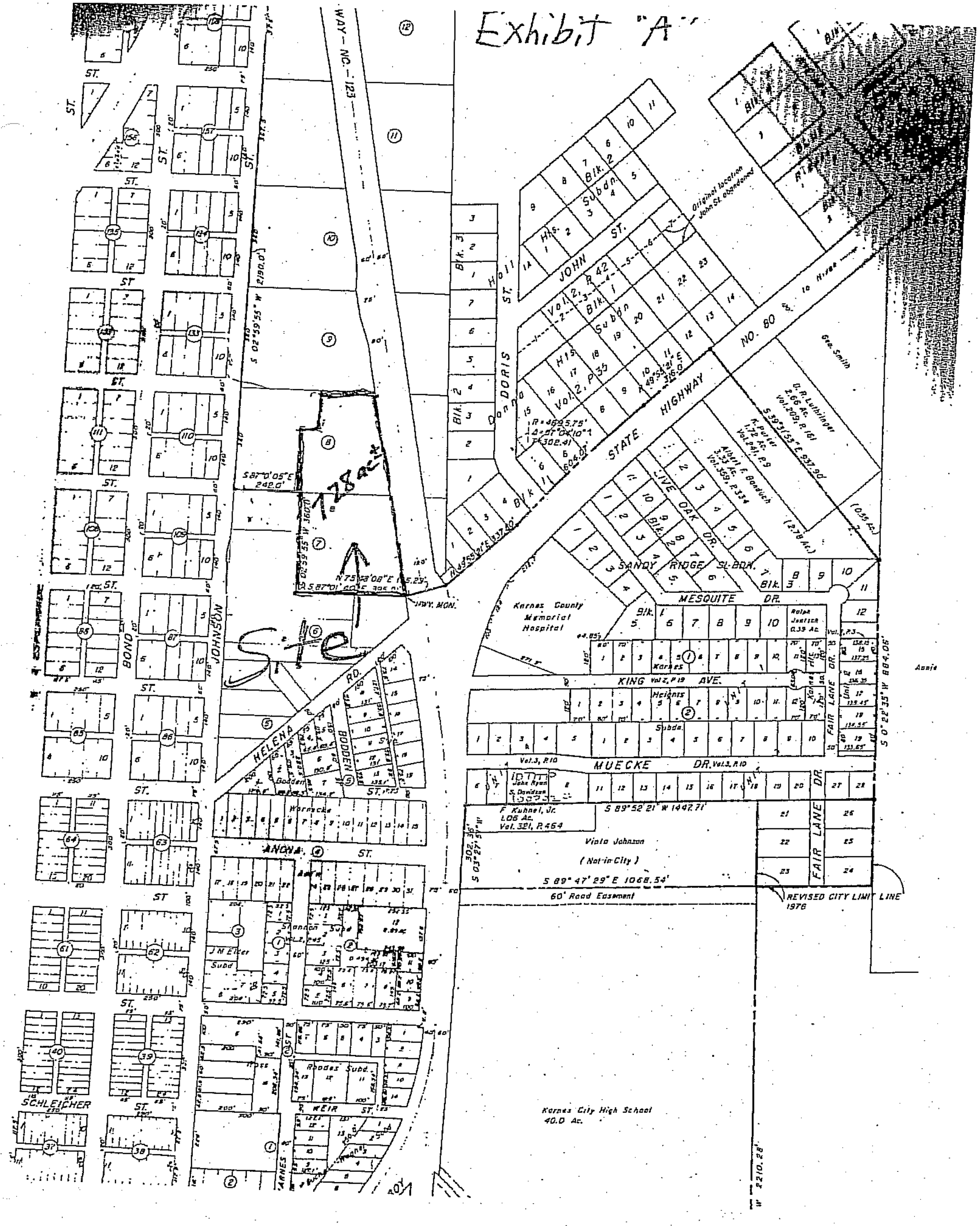
Supportive Service Provider Name:		Contact Name:	Address:	City:	St.:	ZIP:
TBD						
Phone:	Fax:	Email:	Proposed Fee:	Entity is a certified Texas HUB? ☐Yes ☐No		
			$			
There is a direct or indirect, financial, or other interest with applicant or other team members[1] ☐Yes ☐No						

Application Consultant or Admin Agent Name		Contact Name:	Address:	City:	St.:	ZIP:
Phone:	Fax:	Email:	Proposed Fee:	Entity is a certified Texas HUB? ☐Yes ☐No		
			$			
There is a direct or indirect, financial, or other interest with applicant or other team members[1] ☐Yes ☐No						

Other (Describe):		Contact Name:	Address:	City:	St.:	ZIP:
Phone:	Fax:	Email:	Proposed Fee:	Entity is a certified Texas HUB? ☐Yes ☐No		
			$			
There is a direct or indirect, financial, or other interest with applicant or other team members[1] ☐Yes ☐No						

Other (Describe):		Contact Name:	Address:	City:	St.:	ZIP:
Phone:	Fax:	Email:	Proposed Fee:	Entity is a certified Texas HUB? ☐Yes ☐No		
			$			
There is a direct or indirect, financial, or other interest with applicant or other team members[1] ☐Yes ☐No						

Exhibit "A"



HIGHWAY NO. 123
JOHNSON ST.
BOND ST.
SCHLEICHER ST.
ANONA ST.
WEIR ST.
HELENA RD.
BODDEN ST.
KARNES
JOHN ST.
DORIS ST.
Donna
Hall ST.
LIVE OAK DR.
SANDY RIDGE SUBDN.
MESQUITE DR.
KING AVE.
MUECKE DR.
FAIR LANE DR.
STATE HIGHWAY NO. 80
Karnes County Memorial Hospital
Karnes Heights Subdn.
Warnecke
Shannon Subd.
J.M. Elder Subd.
Rhodes Subd.
Original location John St. abandoned
Geo. Smith
Karnes City High School 40.0 Ac.
Viola Johnson (Not in City)
60' Road Easement
REVISED CITY LIMIT LINE 1976
F. Kuhnel, Jr. 1.06 Ac. Vol. 321, P.464
S 89°52'21" W 1447.71'
S 89°47'29" E 1068.54'
S 0°22'35" W 884.06'
S 39°31'53" E 937.90'
S 87°01'05" E 242.0'
S 87°01'40" E 305.0'
N 75°28'08" E 175.29'
HWY. MON.
Site
7.28 ac

PUBLIC NOTIFICATIONS INFORMATION AND CERTIFICATION FORM (PAGE 6)

NEIGHBORHOOD ORGANIZATION(S) (Submit all neighborhood organizations in which the Applicant is/was required to notify under §50.8(d)(3)(B) of the QAP):

NAME: NONE
ADDRESS:
CITY/STATE/ZIP:
TELEPHONE:
FAX:

NEIGHBORHOOD ORGANIZATION (S)
NAME:
ADDRESS:
CITY/STATE/ZIP:
TELEPHONE:
FAX:

NEIGHBORHOOD ORGANIZATION(S)
NAME:
ADDRESS:
CITY/STATE/ZIP:
TELEPHONE:
FAX:

NEIGHBORHOOD ORGANIZATION (S)
NAME:
ADDRESS:
CITY/STATE/ZIP:
TELEPHONE:
FAX:

I certify that the all the information provided is correct and all of the required entities (above) were notified as required by §50.8(d)(3)(B) of the QAP. I also certify that all notifications were made in the format outlined in the template, *Neighborhood Organization Request Format* and *Public Notifications format (Written)*.

By: ______________________ 1/6/06 Its: Vice President
Signature of Applicant/Owner *Date*

PUBLIC NOTIFICATIONS INFORMATION AND CERTIFICATION FORM (PAGE 6)

NEIGHBORHOOD ORGANIZATION(S) (Submit all neighborhood organizations in which the Applicant is/was required to notify under §50.8(d)(3)(B) and/or 50.9(h)(8)(A)(ii) of the QAP):

☐ CHANGE FROM PRE-APP

NAME: ______________________
ADDRESS: ______________________
CITY/STATE/ZIP: ______________________
TELEPHONE: ______________________
FAX: ______________________

NEIGHBORHOOD ORGANIZATION (S)
NAME: ______________________
ADDRESS: ______________________
CITY/STATE/ZIP: ______________________
TELEPHONE: ______________________
FAX: ______________________

NEIGHBORHOOD ORGANIZATION(S)
NAME: ______________________
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CITY/STATE/ZIP: ______________________
TELEPHONE: ______________________
FAX: ______________________

NEIGHBORHOOD ORGANIZATION (S)
NAME: ______________________
ADDRESS: ______________________
CITY/STATE/ZIP: ______________________
TELEPHONE: ______________________
FAX: ______________________

I certify that the all the information provided is correct and all of the required entities (above) were notified as required by §50.8(d)(3)(B) and/or 50.9(h)(8)(A)(ii) of the QAP. I also certify that all notifications were made in the format outlined in the template, *Neighborhood Organization Request Format* and *Public Notifications format (Written)*.

By: ______________________ 2/22/06 Its: VP, Managing Member of GP
Signature of Applicant/Owner *Date*

LAW OFFICES OF ERIC C. OPIELA

3567 COUNTY ROAD 167
KARNES CITY, TX 78118
830.583.5777 VOICE
830.780.3131 FAX

1122 COLORADO, SUITE 320
AUSTIN, TX 78701
512.879.1192 VOICE
512.474.9088 FAX

EOPIELA@ERICOPIELA.COM

February 17, 2006

The Honorable Alger Kendall
Karnes County Judge
101 N. Panna Maria
Karnes City, TX 78118

Re: Villas of Karnes City, TDHCA # 06-0163

Dear Judge Kendall and Commissioners:

I represent Kilday Realty Company, a multi-family housing developer who has proposed to build a 76 unit affordable multifamily housing complex just north of the intersection of SH 123 and SH 80. A portion of the proposed development site is within the city limits of Karnes City, but the majority of the site is in the county. This proposed development will greatly benefit the county by providing much needed affordable housing, something which is in short supply in our county.

In light of the positive economic impact this proposed development will have on our county, Kilday Realty Company is requesting a standard economic development tax abatement for the project and we ask that you consider this at your next Commissioner's Court meeting. I am available to answer any questions. As you know, we are requesting federal and state financing for the construction costs of the development. As such, we require a letter from you to be placed with our application stating that you have received our application for the abatement, and the estimated monetary value of the abatement. The proposed site is 7.25 acres, approximately .8 acres of which is located in the City of Karnes City, the balance is in the county.

You have also asked that we clarify the terms of the HOME funds resolution you passed at your last commissioner's court meeting. As described to you by TDHCA's General Counsel, the passage of the resolution of support is a programmatic requirement for the application to receive local political subdivision leveraging points under the 2006 QAP. Kilday Realty Company is NOT asking for a commitment of financing from the county's budget through the HOME fund resolution, rather it is applying in the County's name for HOME funds from TDHCA. Kilday understands that the passage of the resolution does not obligate Karnes County for any funds from its budget, and that the resolution will be effective only if our application is successful with TDHCA.

Sincerely yours,

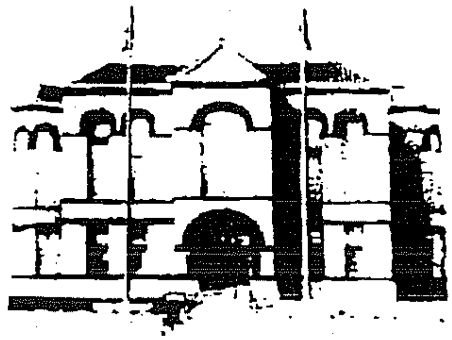
Eric Opiela
Counsel for Kilday Realty Co.

KARNES COUNTY

ALGER H. KENDALL, JR.
Karnes County Judge

101 N. Panna Maria
Karnes County Courthouse
Karnes City, Texas 78118

Office: 830-780-3732
Fax: 830-780-4538



DARREL BLASCHKE
Commissioner
PRECINCT NO. 1

JEFFERY WIATREK
Commissioner
PRECINCT NO. 2

JAMES ROSALES
Commissioner
PRECINCT NO. 3

ISIDRO "STORMY" ROSSET
Commissioner
PRECINCT NO. 4

February 17, 2006

Eric C. Opiela
1122 Colorado
Suite 320
Austin, Texas 78701

En Re: Villas of Karnes City

Dear Sir;

I have this date received your request on behalf of Kilday Realty Company for a tax abatement for your proposed development of the Villas of Karnes City. This request will be placed on Commissioner's agenda for either the February 28th or March 14th meeting.

At this time I am not able to give you an estimate of the possible monetary value of an abatement, but any abatement will be in accordance with the standards as they have been previously established by the County.

I will notify you of the date that we will consider the abatement, and I will ask that you be present at the time this matter is considered.

Sincerely

Alger H. Kendall, Jr.
Karnes County Judge

Law Offices of Eric C. Opiela

3567 County Road 167
Karnes City, TX 78118
830.583.5777 voice
830.780.3131 fax

1122 Colorado, Suite 320
Austin, TX 78701
512.879.1192 voice
512.474.9088 fax

eopiela@ericopiela.com

February 17, 2006

The Honorable Don Tymrak
Mayor of Karnes City
314 E. Calvert
Karnes City, TX 78118

Re: Villas of Karnes City, TDHCA # 06-0163

Dear Mayor Tymrak:

As you know, I represent Kilday Realty Company, a multi-family housing developer who has proposed to build a 76 unit affordable multifamily housing complex just north of the intersection of SH 123 and SH 80. A portion of the proposed development site is within the city limits of Karnes City, but the majority of the site is in the county. We have previously requested annexation of the unincorporated portion of the site, and understand that this process should be complete prior to July 1, 2006. This proposed development will greatly benefit the county by providing much needed affordable housing, something which is in short supply in our county.

In light of the positive economic impact this proposed development will have on our county, Kilday Realty Company is requesting a standard economic development tax abatement for the project, upon completion of the annexation process. As you know, we are requesting federal and state financing for the construction costs of the development. As such, we require a letter from you to be placed with our application stating that you have received our application for the abatement, and the estimated monetary value of the abatement. The proposed site is 7.25 acres, approximately .8 acres of which is located in the City of Karnes City, the balance is in the county, but the totality of which will be within the City upon annexation.

Sincerely yours,

Eric Opiela
Counsel for Kilday Realty Co.

City of Karnes City

314 East Calvert Ave.
Karnes City, Texas 78118-3212
(830) 780-3422
Fax (830) 780-2227

February 23, 2006

Mr. Eric Opiela
1122 Colorado
Suite 320
Austin, Texas 78701

Re: Villas of Karnes City, TDHCA #06-0163

Dear Mr. Opiela:

The City Council on January 24, 2006 voted in support of the 76 Unit affordable multifamily housing complex just North of the intersection of State Hwy 123 and State Hwy 81. Kilday Realty Corporation did apply for a standard economic development tax abatement for this project and will be eligible for the consideration upon annexation.

The City will attest to the fact that any funds committed were not first provided to the City of Karnes City by the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed application.

Sincerely,

Don Tymrak

Don Tymrak,
Mayor

Villas Of Karnes City

Karnes City Villas LP intends to apply to Karnes City and to Karnes County for a grant or loan in the amount of $350,000.

Les Kilday
Vice President
Managing Member of GP

Villas Of Karnes City

Karnes City Villas LP intends to apply to Kenedy Housing Authority for a grant,loan or housing vouchers in the amount of $350,000.

Les Kilday
Vice President
Managing Member of GP

Leveraging of Private, State and Federal Resources

Complete the following information for all sources eligible for 1 point under §50.(9)(i)(22) of the QAP. Use additional pages if necessary. For all sources, submit all evidence behind this tab as required by this section of the QAP. Be sure that the *Rent Schedule* in Volume 1, Tab 2 reflects that at least 3% of all low-income Units are designated at 30% AMGI and that all sources are included in Volume 1, Tab 4, *Sources and Uses*.

Remember: Pursuant §50.(9)(i)(22) of the QAP, the provider of the funds must attest to the fact in the commitment that they are not the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application and attest that none of the funds committed were first provided to the entity by the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application.

Funding Source #1
Private, Sate or Local Resource: City/County TDHCA HOME
Type: Grant or Loan
Total Amount: $350,000
Percentage of Development Cost: %5.3
Is a firm commitment still needed? ☒ Yes ☐ No

Funding Source #2
Private, Sate or Local Resource: City of Karnes City
Type: Tax Abaetment/Grant/Loan
Total Amount: $350,000
Percentage of Development Cost: %5.3
Is a firm commitment still needed? ☒ Yes ☐ No

Funding Source #3
Private, Sate or Local Resource: County of Karnes
Type: Tax Abatement/Grant/Loan
Total Amount: $350,000
Percentage of Development Cost: %5.3
Is a firm commitment still needed? ☒ Yes ☐ No

Funding Source #5
Private, Sate or Local Resource: Kenedy Housing Authority
Type: Vouchers/Grant/Loan
Total Amount: $350,000
Percentage of Development Cost: %5.3
Is a firm commitment still needed? ☒ Yes ☐ No

Volume 4, Tab 20:
Third-Party Funding Commitment Outside of Qualified Census Tracts

Complete the following information for all sources eligible for 1 point under §50.(9)(i)(23) of the QAP. Use additional pages if necessary. For all sources, submit all evidence behind this tab as required by this section of the QAP. Be sure that all sources are included in Volume 1, Tab 4, *Sources and Uses* and they reflect that they equal at least 2% of the Total Development costs reflected in the Application.

Remember: The provider of the funds can not be a loan from a commercial lender and must attest to the fact that they are not the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application and attest that none of the funds committed were first provided to the entity by the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application.

Funding Source #1
Funding Source: County of Karnes
Type: Tax Abatement
Total Amount: $135,000
Percentage of Development Cost: %2.05

Funding Source #2
Funding Source: City of Karnes City
Type: Tax Abatement
Total Amount: $135,000
Percentage of Development Cost: %2.05

Funding Source #3
Funding Source: ______
Type: ______
Total Amount: $______
Percentage of Development Cost: %______

Funding Source #4
Funding Source: ______
Type: ______
Total Amount: $______
Percentage of Development Cost: %______

2006-14

RESOLUTION
CITY OF KARNES CITY

Whereas, Kilday Development Company has proposed a development for affordable rental housing just north of the intersection of SH 80 and SH 123 named Villas of Karnes City in the County of Karnes, City of Karnes City;

Whereas, Kilday Development Company intends to submit a joint application to the Texas Department of Housing and Community Affairs (TDHCA) for 2006 Housing Tax Credits and HOME Investment Partnership Program funds for Villas of Karnes City;

Whereas. §50.9(i)(5), Texas Administrative Code, which gives Housing Tax Credit points for the commitment of development funding by local political subdivisions, states that the TDHCA HOME Program funds will not qualify for points in this category "unless a resolution is submitted with the application from the Local Political Subdivision authorizing that the Applicant act on behalf of the Local Political Subdivision in applying for HOME or Housing Trust Funds from TDHCA for the particular application."

Be it therefore resolved that:

The City of Karnes City, acting through its City Council, appoints Kilday Development Company to act on its behalf in applying for TDHCA HOME funds for Villas of Karnes City. This resolution is for the purpose of this application only and Karnes City is not obligated to repay any funds received from this application.

Resolved this 24th of January, 2006.

Don Tymrak

Don Tymrak, Mayor, Karnes City, Texas

ATTEST:

Larry Pippin

Larry Pippin, City Administrator/City Secretary

RESOLUTION
COUNTY OF KARNES

WHEREAS, Kilday Development Company has proposed a development for affordable rental housing just north of the intersection of SH 80 and SH 123 named Villas of Karnes City in the County of Karnes, and;

WHEREAS, Kilday Development Company intends to submit a joint application to the Texas Department of Housing and Community Affairs (TDHCA) for 2006 Housing Tax Credits and HOME Investment Partnership Program funds for Villas of Karnes City, and;

WHEREAS, §50.9(i)(5), Texas Administrative Code, which gives Housing Tax Credit points for the commitment of development funding by local political subdivisions, states that the TDHCA HOME Program funds will not qualify for points in this category "unless a resolution is submitted with the application from the Local Political Subdivision authorizing that the Applicant act on behalf of the Local Political Subdivision in applying for HOME or Housing trust Funds from TDHCA for the particular application."

NOW THEREFORE, BE IT RESOLVED THAT:

The County of Karnes, acting through its Commissioner's Court, appoints Kilday Development Company to act on its behalf in applying for TDHCA HOME funds for Villas of Karnes City. This resolution if for the purpose of this application only and Karnes County is not obligated to repay any funds received from this application.

THIS RESOLUTION ADOPTED this the 31st day of January, 2006.

Alger H. Kendall, Jr. County Judge
Karnes County, Texas

ATTEST:

Alva Jonas County Clerk
Karnes County, Texas

(3413)

LAST TRANSACTION REPORT FOR HP FAX-700 SERIES VERSION: 01.03

FAX NAME: TDHCA
FAX NUMBER: 512 475 4624

DATE: 15-MAY-06
TIME: 17:19

DATE	TIME	REMOTE FAX NAME AND NUMBER	DURATION	PG	RESULT	DIAGNOSTIC
15-MAY	17:18 S	98307805374	0:00:33	1	OK	65384010006A

****

S=FAX SENT
I=POLL IN(FAX RECEIVED)
O=POLLED OUT(FAX SENT)

TO PRINT THIS REPORT AUTOMATICALLY, SELECT AUTOMATIC REPORTS IN THE SETTINGS MENU.
TO PRINT MANUALLY, PRESS THE REPORT/SPACE BUTTON, THEN PRESS ENTER.

060163- back-up

Applicant Response

DCTC – Sphinx Development, L.P.

June 2, 2006

Ms. Brook Boston
Executive Director
Texas Department of Housing and Community Affairs
211 E 11th Street
Austin, TX 78701
Via Fax: 512 475-0764

Re: Challenge of the QCP points for the Sphinx at Alsbury #060087

Dear Ms. Boston:

In response to the challenge to the QCP points for the Sphinx at Alsbury (TDHCA Application #060087), we present the following information.

The first letter makes two allegations. The first of these allegations is that the developer has given money or a gift to cause the neighborhood to take its position based solely on the contract to purchase the land. This is untrue for the following reasons.

First, the applicant is paying for land and not neighborhood support. The contract was executed in 2004 prior to any draft of the 2006 QAP and contains no references to neighborhood support anywhere in the contract or its addenda. Additionally, the developer by this letter certifies that there are no separate side agreements relating to either additional compensation for the land or for neighborhood support.

Second, none of the purchase price is being paid to the neighborhood organization by either the buyer or seller of the land.

Third, the seller of the land is a land developer who has significant land holdings in the area and is also the lot developer of the neighborhood in question. As you know, it is common development practice for the developer of large subdivisions to also set up one or more neighborhood or homeowner associations for the betterment of the neighborhood and long term management and maintenance of the neighborhood. In developing areas of new residential construction, the land seller and organizer of the neighborhood organization having a symbiotic relationship is logically the case for many developments. I do not believe that either the strict interpretation or the spirit of the QAP precludes such a relationship.

Lastly, the letter sent by the neighborhood association clearly states that it believes that "Neither the Association nor any member of the Association has accepted any money or gift to cause the Association to support Alsbury Villas." This is a clear indication that the

Association believes their support is not influenced by the sale of the property by one of its members.

The second allegation is that the Alsbury Neighborhood Association may not qualify as a neighborhood association. The area described in the Articles of Incorporation contains several hundred residential lots as well as several commercial parcels. (see attached map) Who the current or active members of the organization are is irrelevant as long as it represents and is open to persons living within the boundaries of the association. Since all members must be owners or residents they all have a vested interest in the general welfare of the neighborhood.

The second letter alleges that there is a conflict of interest between the applicant and the seller of the land. I fail to see where a conflict exists. The sale of the land is an arms length transaction where the sellers of the land have no financial interest in either the applicant or any members of the development team.

The third letter makes allegations similar to the first two citing three separate reasons.

To refute their first reason, section 50.9(i)(2)(A)(vi) does not require that all members live within the boundaries of the organization. Further the section specifically includes "property owners associations". This implies that living within the boundaries is inclusive of ownership of either commercial or residential property and not just purely maintaining a physical residence within the boundaries. For example, if I own a duplex in the neighborhood but do not live there, would my membership and voting in the neighborhood association invalidate the letter of support? I do not believe that this is either the spirit or the intent of the language in the QAP.

Additionally, the seller of the land is a land developer who has significant land holdings in the area and is also the lot developer of the neighborhood in question. As you know, it is common development practice for the developer of large subdivisions to also set up one or more neighborhood or homeowner associations for the betterment of the neighborhood and long term management and maintenance of the neighborhood. In developing areas of new residential construction, the land seller and organizer of the neighborhood organization having a symbiotic relationship is logically the case for many developments. I do not believe that either the strict interpretation or the spirit of the QAP precludes such a relationship.

Their second reason claims that the land sellers are agents of the applicant. In order for them to be agents, an agency relationship must be established. Agency is defined as "A relationship between an agent and a principal in which the agent acts for and represents the principal on the basis of the principal's instructions". A contract to purchase land does not create an agency relationship. In addition, the land seller is not and never has been asked to or authorized to act on behalf of the applicant, developer, or any member of the development team in relation to any part of the application.

Their third reason relates to a member of the neighborhood organization receiving money or gifts for their support. As stated above, the applicant has a contract for the purchase of the land and not purchase of neighborhood support.

For these reasons, it is our position that the challenge to our QCP points is unfounded and without basis. Thank you for your attention.

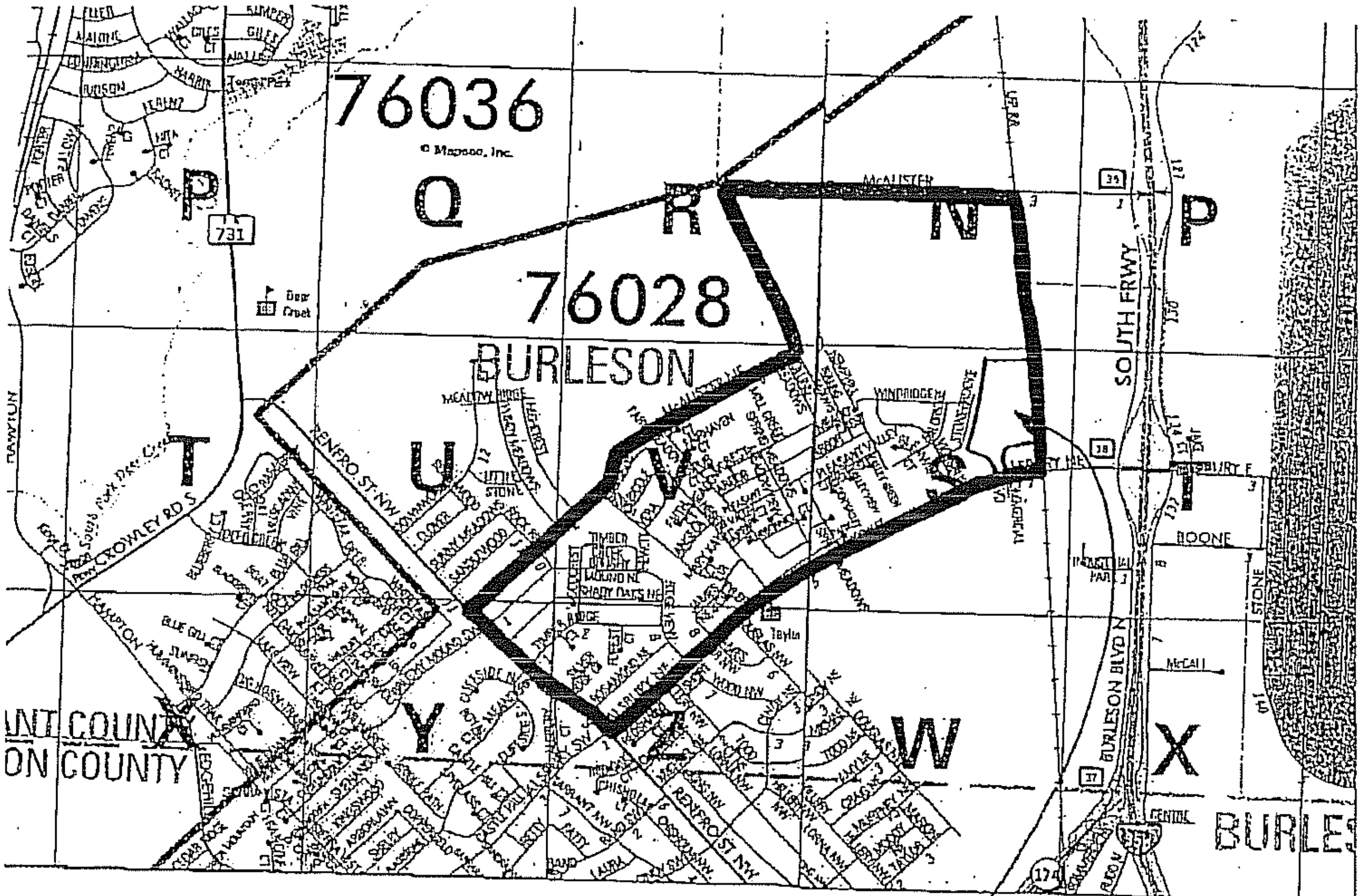
Very truly yours,

DCTC-Sphinx Development, L.P.
By: Alsbury Villas, L.L.C., its GP

By Joseph N. Agumadu
Name **Joseph N. Agumadu**
Title **Manager**

BOUNDARY MAP OF ALSBURY NEIGHBORHOOD ASSOCIATION
(boundary indicated by bold line)

The location of the proposed Alsbury Villas is
near the southeast corner of the Association area.



Alsbury Villas

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
LEGAL DETERMINATION

TO: BROOKE BOSTON
File

FROM: KEVIN HAMBY

DATE: February 16, 2006

RE: NEIGHBORHOOD ORGANIZATION AND BUSINESSES

QUESTION PRESENTED:

Must a Neighborhood Organization be a purely residential association?

SHORT ANSWER:

No.

FACTS:

In the fact scenario presented, it appears that an existing Neighborhood Organization ("NO") includes commercial property and residential property within it boundaries. The facts presented do not indicate if the bylaws allow this, voting patterns, or if the applicant is included within the commercial property. For purposes of this analysis, we will assume that both commercial and residential members are allowed in the NO, both are allowed to vote, and that the applicant is not a member, did not create the NO, and has not supported the NO in any other way.

LEGAL ANALYSIS:

The 2006 QAP provides clear guidance of what must be present to create a valid NO to have a letter sent be valid to either increase or decrease points. Requirements include:

1. it is an organization of persons living near one another within the organizations defined boundaries;
2. in contain the proposed development site;
3. that has a primary purpose of working to maintain or improve the general welfare of the neighborhood;
4. there are members other than board members of the organization;
5. it was not created by a an applicant or their agent.

There is no limitation of what it cannot include. Included as an acceptable organization is the term "property owner associations" which could be construed to include property owners without designation of residential or commercial, but would still require residents. Other groups are specifically disclaimed as not being neighborhood associations in and of themselves, but no restriction is listed for property owners who are commercial in nature.

As a clarification, commercial property owners may be part of an NO, but as an NO requires residences, commercial properties may not, by themselves without residents, be an NO.

<u>ANSWER:</u>

As long as the NO meets the definition identified in are 1-5 above, it is not automatically disqualified for allowing commercial members.

12970 Pandora Drive, Suite 210
Dallas, Texas 75238
TEL: (214) 342-1405
FAX (214) 342-1409
www.sphinxdevelopment.com

Sphinx Development Corp.

Fax

To:	Jan Joyce	**From:**	Joe Agumadu
Fax:	512 475-0764	**Pages:**	7
Phone:		**Date:**	065/02/06
Re:		**CC:**	

☐ **Urgent** ☐ **For Review** ☐ **Please Comment** ☐ **Please Reply** ☐ **Please Recycle**

Challenge(s) Received

[redacted]

LOCKE LIDDELL & SAPP LLP

ATTORNEYS & COUNSELORS

100 CONGRESS
SUITE 300
AUSTIN, TX 78701-4042

AUSTIN • DALLAS • HOUSTON • NEW ORLEANS • WASHINGTON, D.C.

(512) 305-4700
(512) 305-4800
www.lockeliddell.com

Direct Number: (512) 305-4707
email: cbast@lockeliddell.com

[redacted]

June 5, 2006

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

Re: Alsbury Villas, Burleson, Texas (TDHCA No. 060087)

Dear Jennifer:

We have been asked to submit certain information with regard to an application for low-income housing tax credits for the above-referenced project. Specifically, we present questions as to whether the applicant has properly received points for quantifiable community participation under Section 50.9(i)(2) of the 2006 QAP. The following items are worthy of consideration:

1. **Section 50.9(i)(2)(A)(vi) states that no member of the organization may accept money or a gift to cause the neighborhood organization to take its position of support.**

- The applicant is acquiring its tract from Alsbury Venture Limited Partnership. The general partner of that entity is Woodcrest Holdings, LLC. (See the organizational documents for these entities attached as Exhibit A.) James Ryffel is a manager of the general partner. Dennis Scifres was a partner of Alsbury Venture Limited Partnership at the time it signed the earnest money contract for the property. (See the earnest money contract that was included with the tax credit application.)

- The tract was marketed by the Poynter Scifres Companies. Principals of the Poynter Scifres Companies are Dennis Scifres and James Poynter. (See pages from the Poynter Scifres website attached as Exhibit B, specifically addressing this tract.)

- The Alsbury Neighborhood Association was created by Dennis Scifres, James Poynter and Donna Irvin. As noted above, Poynter and Scifres are principals of the Poynter Scifres Companies. Donna Irvin has the same address as James Ryffel.

- Poynter and Scifres, as members of the board of directors of the Alsbury Neighborhood Association, stand to benefit from the sale of the property that they are marketing.

AUSTIN: 053536.00000: 344484v1

- Donna Irvin has the same office address as James Ryffel, who stands to benefit from the sale of the property.

2. **Section 50.9(i)(2)(A)(iv) states that "A 'neighborhood organization' is defined as an organization of persons living near one another within the organization's defined boundaries . . . ."**

- The letter of support from the Alsbury Neighborhood Association indicates that the voluntary members of the organization own twelve parcels of property within the boundaries of the Association. There is no indication whether these owners are persons "living near one another" or whether they are owners of commercial tracts that are available for sale.

Please note that some of the information included herein was provided to our firm by a third party, and was not independently investigated by this firm. We appreciate the Department's commitment to answering questions about the process. Thank you very much.

Sincerely,

Cynthia L Bast

Cynthia L. Bast

AUSTIN: 053536.00000: 344484v1

Exhibit A

In the Office of the
Secretary of State of Texas

FEB 09 2004

Corporations Section

ARTICLES OF AMENDMENT
to the
ARTICLES OF ORGANIZATION
OF
WOODCREST HOLDINGS, L.L.C.

Pursuant to the provisions of article 3.06 of the Texas Limited Liability Company Act, the undersigned Limited Liability Company adopts the following Articles of Amendment to its Articles of Organization:

ARTICLE SIX

is amended to read:

The Company is to be managed by one or more managers. The name and address of such managers shall be as follows:

James A. Ryffel — 3113 South University Drive
Suite 600
Fort Worth, Texas 76109

The foregoing amendment to the Articles of Organization was adopted by a majority of the initial managers or members and executed on February 5, 2004.

James A. Ryffel, Manager

Dennis R. Seifred

FILED
In the Office of the
Secretary of State of Texas

OCT 06 2003

Corporations Section

ARTICLES OF AMENDMENT
to the
ARTICLES OF ORGANIZATION
OF
WOODCREST HOLDINGS, L.L.C.

Pursuant to the provisions of article 3.06 of the Texas Limited Liability Company Act, the undersigned Limited Liability Company adopts the following Articles of Amendment to its Articles of Organization:

ARTICLE SIX

is amended to read:

The Company is to be managed by one or more managers. The name and address of such managers shall be as follows:

James A. Ryffel	3113 South University Drive Suite 600 Fort Worth, Texas 76109
Dennis R. Scifres	1600 E. Lamar Blvd., Suite 240 Arlington, TX 76011

The foregoing amendment to the Articles of Organization was adopted by a majority of the initial managers or members and executed on October 2, 2003.

James A. Ryffel, Manager

FILED
In the Office of the
Secretary of State of Texas

NOV 30 2001

Corporations Section

ARTICLES OF ORGANIZATION
OF
WOODCREST HOLDINGS, L.L.C.

I, the undersigned natural person of the age of eighteen (18) years or more, acting as the organizer of a limited liability company under the Texas Limited Liability Company Act, do hereby adopt the following Articles of Organization for such limited liability company:

ARTICLE ONE

The name of the company is Woodcrest Holdings, L.L.C. (the "Company").

ARTICLE TWO

The period of duration of the Company is perpetual.

ARTICLE THREE

The purpose for which the Company is organized is to transact all lawful business of every kind and character for which companies may be organized under the Texas Limited Liability Company Act (the "Act") or any successor statute.

ARTICLE FOUR

The address of the initial registered office of the Company is 3113 South University Drive, Sixth Floor, Fort Worth, Texas 76109, and the name of its initial registered agent at such address is James A. Ryffel.

ARTICLE FIVE

The Company shall be managed by its managers. The number constituting the initial managers of the Company is one (1) and the name and address of the initial manager of the Company is as follows:

Name	Address
James A. Ryffel	3113 South University Drive Sixth Floor Fort Worth, Texas 76109

ARTICLE SIX

Any action permitted by the Act to be taken at any meeting of members may be taken without a meeting, without prior notice, and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holder or holders of membership interests in the Company representing not less than the minimum percentage of membership interests in the Company that would be necessary to take such action at a meeting at which the holders of all membership interests in the Company entitled to vote on the action were present and voted. Such action shall be taken in accordance with any applicable provisions to the Act.

ARTICLE SEVEN

To the fullest extent permitted by applicable law, no manager of the Company shall be liable, personally or otherwise, to the Company or its members for monetary damages for any act or omission in such manager's capacity as a manager.

Notwithstanding the foregoing provisions of this Article, if the Act is amended after the date of the filing of these Articles of Organization with the Secretary of State of Texas to authorize action further eliminating or limiting the personal liability of managers, then the liability of each manager of the Company shall be automatically eliminated or limited to the fullest extent permitted by the Act, as so amended.

Any repeal or amendment of this Article, or the adoption of any other provision of these Articles of Organization inconsistent with this Article, by the members or the managers of the Company shall be prospective only and shall not adversely affect any limitation on the personal liability of a manager of the Company existing at the time of such repeal, amendment or adoption of an inconsistent provision.

ARTICLE EIGHT

The managers of the Company, in their sole discretion, shall have the power, on behalf of the Company, to indemnify persons for whom indemnification is permitted by Article 2.20 of the Act and Article 2.02-1 of the Texas Business Corporation Act, as amended (the "TBCA"), to the fullest extent permissible under Article 2.20 of the Act and Article 2.02-1 of the TBCA, and may purchase such liability, indemnification and/or other similar insurance as the managers from time to time shall deem necessary or appropriate, in their sole discretion.

The Company may purchase and maintain liability, indemnification and/or other similar insurance on behalf of itself, and/or for any person who is or was manager, officer, employee or agent of the Company or who is or was serving at the request of the Company as a director, manager, officer, trustee, employee, agent or similar functionary of another foreign or domestic corporation, limited liability company, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise, against any liability asserted against and/or incurred by the Company or person serving in such a capacity out of such person's status as such a person or entity, whether or not the company would otherwise have the power to indemnify such person against that liability.

The power to indemnify and/or obtain insurance provided in this Article shall be cumulative of any other power of the managers and/or any rights to which such a person or entity may be entitled by law, the Articles of Organization and/or regulations of the Company, contract, other agreement, vote or otherwise.

ARTICLE NINE

The name of the organizer of the Company is James A. Ryffel and the address of such organizer is 3113 S. University, Suite 600, Fort Worth, Texas, 76109.

IN WITNESS WHEREOF, I have executed these Articles of Organization on this the 29th day of October, 2001.

James A. Ryffel

FILED
In the Office of the
Secretary of State of Texas

DEC 04 2001

Corporations Section

CERTIFICATE OF LIMITED PARTNERSHIP

OF

ALSBURY VENTURE LIMITED PARTNERSHIP

This Certificate of Limited Partnership (this "Certificate") of Alsbury Venture Limited Partnership (the "Partnership"), dated this 30th day of October, 2001, has been duly executed and is being filed in accordance with the provisions of the Texas Revised Limited Partnership Act (the "Act").

1. *Name.* The name of the limited partnership formed hereby is Alsbury Venture Limited Partnership.

2. *Registered Office and Registered Agent.* The address of the registered office of the Partnership in the State of Texas is 3113 South University Drive, Sixth Floor, Fort Worth, Texas 76109, and the name of the registered agent for service of process on the Partnership at such address required to be maintained in accordance with Section 1.06 of the Act is James A. Ryffel.

3. *Principal Office.* The mailing address of the Partnership shall be 3113 South University Drive, Sixth Floor, Fort Worth, Texas 76109 and the address of the principal office in the United States where Partnership records are to be kept or made available under Section 1.07 of the Act is 3113 South University Drive, Sixth Floor, Fort Worth, Texas 76109.

4. *General Partner.* The name of the general partner of the Partnership and its mailing address and street address are as follows:

General Partner	Mailing Address	Street Address
Woodcrest Holdings, LLC, a Texas Limited Liability Company	3113 South University Drive Sixth Floor Fort Worth, Texas 76109	3113 South University Drive Sixth Floor Fort Worth, Texas 76109

5. *Date of Formation.* In accordance with Section 2.01(b) of the Act, the Partnership shall be formed at the time of the filing of this Certificate with the Secretary of State of the State of Texas.

IN WITNESS WHEREOF, the undersigned general partner of the Partnership has duly executed this Certificate as of the day and year first aforesaid.

Woodcrest Holdings, LLC
A Texas Limited Liability Company

By: ______________________
James A. Ryffel
Manager

Office of the Secretary of State
Reports Unit
P.O. Box 12028
Austin, Texas 78711-2028
(Form 804)

Filed in the Office of the
Secretary of State of Texas
Filing #: 800032888 02/01/2006
Document #: 116208530003
Image Generated Electronically
for Web Filing

PERIODIC REPORT - LIMITED PARTNERSHIP

File Number: **800032888**

1. The limited partnership name is: **Alsbury Venture Limited Partnership**

2. It is organized under the laws of: **TEXAS, USA**

3. The name of the registered agent is: **James A Ryffel**

4. The registered office address, which is identical to the business office address of the registered agent in Texas, is:
   3113 South University Drive, Sixth Floor, Fort Worth, TX, USA 76109

5. The address of the principal office in the United States where the records are to be kept or made available is:
   3113 South University Drive, Sixth Floor, Fort Worth, TX, USA 76109

6. The names and addresses of all general partners of the limited partnership are:

General Partner 1: (Business Name) **Woodcrest Holdings, LLC**
Address: **3113 South University Drive, Sixth Floor Fort Worth TX, USA 76109**
Mailing Address:

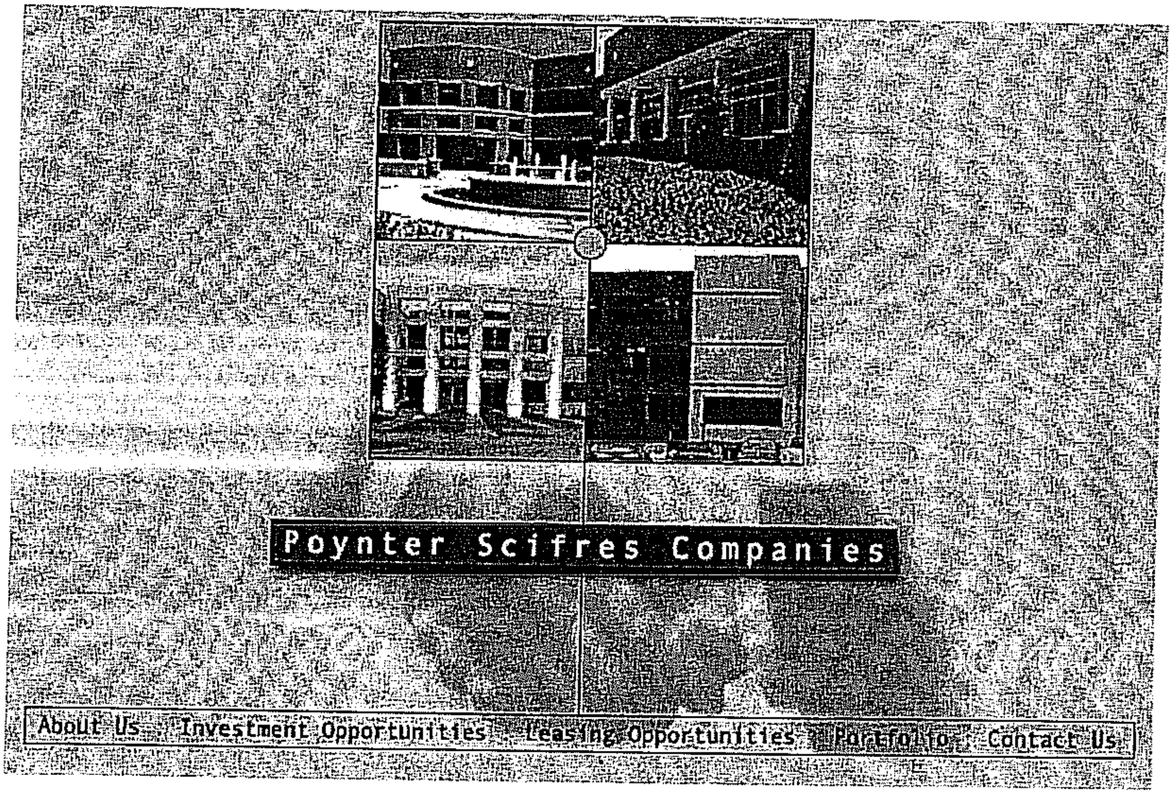
Execution:
The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument.

Date: **February 1, 2006**

James A Ryffel
Signature of general partner

FILING OFFICE COPY

Exhibit B


Poynter Scifres Companies
About Us : Investment Opportunities : Leasing Opportunities : Portfolio : Contact Us

Poynter Scifres Companies

About Us : Investment Opportunities : Leasing Opportunities : Portfolio : Contact Us

Investment Opportunities

Commercial/Single Family Site

Burleson, Texas

NWQ Alsury Blvd and I-35W
Burleson, Texas
Click for Map

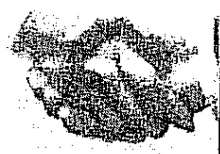
Property Features:

- Located along Northeast Alsbury Blvd, 13 miles south of the Fort Worth Central Business District
- Access is from IH-35W
- 10.28 acres
- Property is irregularly shaped
- Topography is at grade with NE Alsbury Blvd, sloping upward from southeast to northwest
- Property is zoned for Multi-Family use.
- Under Contract

For Information:

Dennis Scifres
Poynter Scifres Companies
817-394-1590, ext. 12
rdscifres@poynterscifres.com

Poynter Scifres Companies



About Us

EXECUTIVE SUMMARY

Poynter Scifres Companies (PSC) is a commercial real estate development, investment, management and brokerage group controlled by W. James Poynter and Dennis R. Scifres. These recognized commercial real estate professionals have more than 60 years of experience between them in the areas of commercial real estate development, property management, investment and brokerage, including:

- Developing or managing over 2.7 million sq. ft. of commercial buildings since 1983.
- Completing over $60 million of office projects since 1997.
- Investing in numerous income producing properties, along with over 1500 acres of land since 1983.
- Negotiating over 2.3 million sq. ft. of leases on behalf of tenant representation clients since 1989 (brokerage).

PSC serves as the general partner in its development and investment partnerships. Poynter and Scifres typically invest their money alongside the capital provided by their 3rd party investors. Equity investors include GE Capital, Heller Financial, Realty Capital Partners, Valcor Partners, Sunrise Realty and a number of high net worth individuals. PSC buildings historically stay fully leased (95% or better). This is due to the physical attributes of the buildings and the family type relationship developed with our customer – our tenants.

Poynter Scifres Management, Inc. (PSMI) is a fee based property management company that performs property management services for all Poynter Scifres properties. PSMI provides cost effective value-added management services through a highly efficient team dedicated to the tenants of each property.

Another PSC entity, Tenant Realty Advisors, Inc. (TRA) provides project leasing services exclusively for PSC office projects. TRA works to provide a credit worthy, stable rent roll for each project, with an eye to maximizing project value.

In 1989, Poynter and Scifres formed Tenant Realty Advisors, (TRA) a national tenant representation firm. Representative clients include: Analysts International, Norwest Mortgage, Textron Financial, Old

Republic Title, USAA Insurance, Chase Bank, Laidlaw, ATE RYDER, Maxim Technologies and Integrated Medical Resources in nearly every major market of the United States. Today, TRA provides in house leasing services for PSC office projects.

THE PRINCIPALS

W. James Poynter has been in the commercial real estate business since 1979 when he became an office leasing agent for Trammell Crow Company, one of the nation's largest commercial real estate developers. In 1982, at age 26, he became an operating partner at Crow. As an Office Division operating partner, Poynter was responsible for the development and marketing of mid-rise office projects containing nearly 500,000 sq. ft., including equity and debt financings exceeding $30 million. Since 1998 Poynter has overseen the development of 400,000 sq. ft. of office projects owned, leased and managed by PSC in the DFW market.

During his career, Poynter has leased over 3.5 million sq. ft. of space to some of the largest national corporations. Poynter is a past president of the Fort Worth Chapter of the National Association of Industrial & Office Park Developers (NAIOP), is a licensed Texas real estate broker.

Mr. Poynter was born in Kansas City, MO on January 6, 1955. He graduated from The University of Pennsylvania's Wharton School of Business in 1977. He is married (Peggy) and has three children, Justin, Ben and Michael.

Dennis R. Scifres has been in the commercial real estate business since 1972. From 1972 to 1975, he was Leasing Director & Construction Manager for DuBose Corporation, a Fort Worth based national developer.
In 1975 Scifres entered law school at the University of Texas. In 1978 he joined the law firm of Jones, Day, Reavis & Pogue as a commercial real estate lawyer, where he negotiated nearly 1 million sq. ft. of lease transactions and handled over $500 million of real estate transactions for such clients as Trammell Crow Company and Lincoln Property Company. Scifres is a member of the Texas Bar Association and obtained his law degree from the University of Texas and his BA from Columbia University.

In 1982 Scifres left Jones Day to become the CEO of DuBose where he was responsible for the development, management and leasing of over 1.5 million sq. ft. of income properties, the purchase and sale of over 1,500 acres of land and arranged debt/equity financings of more than $50 million.
In 1989, Scifres and Poynter joined forces. Since 1998, Scifres has financed (debt/equity) 400,000 sq. ft. of office projects owned, leased and managed by PSC in the DFW Market

Mr. Scifres was born in Maysville, KY on January 30, 1950. He graduated from Columbia University in 1972 and from The University of Texas School of Law in 1977. He is married (Sherry) and has two children, Heather and Aaron.

Property Management Personnel:

Judi Gates is an experienced accounting manager overseeing the accounting functions for all PSC related entities. Since 1980 Judi has been responsible for accounting management of over 2 million sq. ft. of commercial buildings in Houston where she was responsible for all aspects of document and lease review, accounts receivable/payable, pass-through billings and general financial management.

Jeannine Turley is the Director of Property Management for PSMI. Jeannine is responsible for all tenant and vendor relations, tenant construction and work order processing.
Jeannine is the primary point of contact for all Poynter Scifres tenants concerning the day to day issues that arise in the context of property management and strives to develop personal relationships with the key personnel in each tenant firm in the PSC portfolio.

William C. Avis is an experienced building engineer with over 30 years of on-site building systems experience with companies such as Helmsley-Spear, State Reserve Life Insurance and CAE SimuFlite Training. Bill is responsible for on-site maintenance, including building systems and response to tenant needs for each property. Bill's technical certifications include 1st Class License (HVAC); RPF Certificate; HVACR Certification.

Jennifer Joyce
Manager, Multifamily Finance Production
TDHCA
PO Box 13941
Austin, TX 78711

RECEIVED
MAY 26 2006
LIHTC

24-342-1409

Re: Application #060087 (Sphinx at Alsbury)

Ms. Joyce:

Upon review of documentation submitted by the Alsbury Neighborhood Association located in Burleson, TX (in support of application #060087), it seems that several provisions of the QAP have been violated by the organization which should render the letter ineligible.

Section 50.9(i)(2)(A)(vi) of the QAP states that the neighborhood organization must:

> Accurately state that the neighborhood organization **was not formed by any Applicant, Developer, or any employee or agent of any Applicant in the 2006 tax credit Application Round**, that **the organization and any member did not accept money or a gift to cause the neighborhood organization to take its position of support** or opposition, and has not provided any assistance other than education and information sharing to the neighborhood organization to meet the requirements of this subparagraph for any application in the Application Round (i.e. hosting a public meeting, providing the "TDHCA Information Packet for Neighborhoods" to the neighborhood organization, or referring the neighborhood organization to TDHCA staff for guidance).

Below is information that outlines relationships between the ownership entities of the land intended to be developed, the Real Estate firm selling the land, and the organizers/members of the Alsbury Neighborhood Association that should invalidate the letter.

The persons in question that overlap are:

- James A. Ryffel
- Dennis Scifres
- W. James Poynter

<u>Alsbury Venture Limited Partnership</u> – Owner of the property in question when application #060087 was submitted to TDHCA

Dec. 2001 – James A. Ryffel filed for this LP through Texas SOS w/ WOODCREST HOLDINGS, LLC as the GP and Ryffel as the manager.

<u>DENNIS SCIFRES:</u> Mr. Scifres' name first shows up in October of 2003 as a manger that was added to an organization called WOODCREST HOLDINGS, LLC. whose organizer is James A. Ryffel of 3113 S. University Dr. #600. ***(Please note: Mr. Ryffel's address is same as Donna Irvin, director in the Alsbury N.A.)***

Jennifer Joyce

Interim MF Manager Copy

Appeal Re:# 060087

Dec. 2004 – **Dennis Scifres** signs letter of agreement for the sale of 10.825 ac in Burleson to Sphinx Develop. Corp. Mr. Scifres signs letter as SELLER, Alsbury Venture Limited Partnership, Dennis Scifres, Partner.

Jan. 25, 2006 – Articles of Incorporation for the Alsbury Neighborhood Association are filed with Secretary of State. They are faxed from the office of Poynter Scifries Companies. Dennis Scifres, James Poynter are listed as initial Board of Directors of the Neighborhood organization as is a Donna Irvin who happens to have the same address in fort Worth as James Ryffel, manager/owner of the land.

Feb. 2004 -- **Dennis Scifres** name as a manager was **DELETED** from Woodcrest Holdings, LLC as an amendment to the Articles of Organization leaving James A. Ryffel still in control.

Feb. 2006 -- Mr. Ryffel updates ALSBURY VENTURE L.P. for the S.O.S. with Woodcrest Holdings, LLC as the G.P. with **no mention** of Dennis Scifres.

April 1, 2006 -- The Alsbury N.A. submits SUPPORT LETTER to TDHCA for this application. Articles of Inc. list association as non-mandatory neighborhood association comprised of owners and listing agent of portions of the Property.

Up to May 3, 2006 -- **Dennis Scifres** and **W. James Poynter** owned the 10.825 AC in Burleson, Texas. On their Website they listed the 10.825 AC in Burleson as property zoned for Multifamily and under contract.

May 4, 2006 -- The 10.825 AC was **sold** to the Development Corporation of Tarrant County (DCTC).

The DCTC is listed as a 15% owner/co-developer on the Sphinx at Alsbury Villas, Burleson 2006 Application. The DCTC joined with Sphinx Development as a limited partner to become: DCTC-Sphinx Development, LP

Alsbury Neighborhood Association:
Jan. 25, 2006 Files Articles of Inc with Texas SOS identifying three directors:

Dennis Scifres	1600 E. Lamar Blvd, #240, Arlington, Texas. 76011
W. James Poynter	1600 E. Lamar Blvd, #240, Arlington, Texas. 76011
Donna Irvin	3133 S. University Dr. #600, Fort Worth, Texas 76109

Two of the directors (Scifres and Poynter) of the neighborhood association are principles of the Real Estate firm selling the land. Dennis Scifres also is member and former manager of the GP that owns the land. None are listed as living in Burleson, much less the neighborhood in question.

The neighborhood association should be found to be invalid for three reasons:

1. The principles/members do not reside near the boundaries of the association (Section 50.9(i)(2)(A)(iv)).
2. The neighborhood organization was formed by an agent of the applicant in violation of the QAP (Section 50.9(i)(2)(A)(vi)) – two of the organizers are principles of the Real Estate company that the Developer has a signed land contract with and one of the organizers is a member of the GP that owns the land.
3. The members of the neighborhood organization, again in violation of the QAP (Section 50.9(i)(2)(A)(vi)), have benefited financially for their support of the Development.

I have attached the following documentation to support the claims made above:

- Timelines and overview of complaint
- Backup documentation including the following:
  - Neighborhood Articles
  - Articles of Woodcrest
  - LP certificate for Alsbury Venture Limited
  - Woodcrest documentation – Scifres on then off as manager
  - Land contract with Scifres signature
  - Sales listing on Scifres web site
  - Documentation of Principles of the Real Estate listing company – Poynter and Scifres
  - New ownership of land from Tarrant CAD site

Alsbury Venture Limited Partner
Alsbury Neighborhood Association
Sphinx Development Corp

1983	Woodcrest Enterprises, Inc.	W. Michael Green	Initial filing of Articles of Inc. One director/shareholder James A. Ryffel. Incorporator: W. Michael Greene
1994	Woodcrest Enterprises, Inc.	James A. Ryffel	Change of Registered Agent from W.M. Green to Ryffel
Nov. 30, 2001	Woodcrest Holdings, LLC	James A. Ryffel	Articles of Org Filed w/James Ryffel-Mgr & Organizer
Dec. 4, 2001	Alsbury Venture Limited Partnership	James A. Ryffel	Filed Certificate of LP w/Woodcrest Holdings LLC as General Partner, James A Ryffel Manager
Oct. 2003	Woodcrest Holdings, LLC	Dennis Scifres	Added to Articles of Org as manager
Feb. 9, 2004	Woodcrest Holdings LLC	James A. Ryffel	Amend to A.O - Delete Dennis Scifres
Dec. 7, 2004	Alsbury Venture Limited Partnership	Dennis Scifres	As Manager of LP, issues Sale of land Contract of 10.285 AC to Sphinx Develp Corp.
Jan. 3, 2006	Alsbury Venture Limited Partnership	James A. Ryffel	Gets notice to file updated information for SOS
Jan. 25, 2006	Alsbury Neighborhood Association	Dennis Scifres	Filed Articles of Inc w SOS, w/3 Board of Directors-- two of which are
		W. James Poynter	
		Donna Irvin (same address as James Ryffel)	
Feb. 1, 2006	Alsbury Venture Limited Partnership	James A. Ryffel	Updated all info same James A. Ryffel - no Dennis Scrifres
April 1, 2006	Alsbury Neighborhood Association		Submits support letter to TDHCA for #060087 . Articles of Inc list assoc. as non-mandatory neighborhood assoc comprised of owners of portions of the Property.

Present 4.28.06 Poynter Scifres Companies web site: Identifies INVESTMENT OPPORTUNITIES:

Burleson 10.825 AC Zoned Multi-Family

Under Contract

May 5, 2006 Develop Corp of Tarrant County purchase 10.825 AC Burleson from Poynter Scifres Companies.

Alsbury Venture Limited Partner
Alsbury Neighborhood Association
Sphinx Development Corp

e priciples of the selling entity (one is a part of the GP that owns the land also)

FILED
In the Office of the
Secretary of State of Texas

JAN 25 2006

Corporations Section

ARTICLES OF INCORPORATION
OF
ALSBURY NEIGHBORHOOD ASSOCIATION

A Texas Nonprofit Corporation

I, the undersigned natural person over the age of eighteen years, acting as incorporator of a corporation under the Texas Nonprofit Corporation Act (the "**Act**"), do hereby adopt the following Articles of Incorporation for the corporation:

ARTICLE 1. PROPERTY. These Articles of Incorporation pertain to an area within the City of Burleson, Texas that is bounded by Alsbury Boulevard on the south, Renfro Street NW on the west, McAlister Road NE on the north and the Union Pacific Railroad on the east (the "Property").

ARTICLE 2. ASSOCIATION. The corporation is the "**Association**", a non-mandatory neighborhood association comprised of owners of portions of the Property.

ARTICLE 3. NAME. The name of the Association is Alsbury Neighborhood Association.

ARTICLE 4. NONPROFIT. The Association is a nonprofit corporation, organized pursuant to the Act.

ARTICLE 5. DURATION. The duration of the Association is perpetual.

ARTICLE 6. PURPOSES. The general purposes for which the Association is formed are to work to maintain and improve the general welfare of the neighborhood in and surrounding the Property.

ARTICLE 7. POWERS. In furtherance of its purposes, the Association has the following powers which, unless indicated otherwise by these articles, the declaration, the bylaws or State law, may be exercised by the board of directors: (1) all rights and powers conferred on nonprofit corporations by State law in effect from time to time; and (2) all powers necessary, appropriate or advisable to perform any purpose or duty of the Association as set out in these articles, the bylaws, or State law.

ARTICLE 8. MEMBERSHIP. The Association is a nonstock membership corporation. The bylaws will determine the number and qualifications of members of the Association; any classes of membership; the voting rights and other privileges of membership; and the obligations and liabilities of members. Cumulative voting is not allowed.

ARTICLE 9. MANAGEMENT BY BOARD. The management and affairs of the Association are vested in the board of directors, except for those matters expressly reserved to others in the bylaws. The bylaws may determine the number and qualification of directors; the term of office of directors; the methods of electing, removing and replacing directors; and the methods of holding a board meeting and obtaining consents.

ARTICLE 10. LIMITATIONS ON LIABILITY. a. Except as provided in Paragraph b below, an officer or director of the Association is not liable to the Association or its members for monetary damages for acts or omissions that occur in the person's capacity as an officer or director, except to the extent a person is found liable for (1) a breach of the officer or director's duty of loyalty to the Association or its members; (2) an act or omission not in good faith that constitutes a breach of duty of the officer or director to the Association; (3) an act or omission that involves intentional misconduct or a knowing violation of the law; (4) a transaction from which the officer or director receives an improper benefit, whether or not the benefit resulted from an action taken within the scope of the person's office; or (5) an act or omission for which the liability of an officer or director is expressly provided by an applicable statute. The liability of officers and directors of the Association may also be limited by the Charitable Immunity and Liability Act of 1987, Chapter 84, Texas Civil Practice and Remedies Code, as amended.

b. The limitation on the liability of an officer or director does not eliminate or modify that person's liability as a member of the Association.

ARTICLE 11. INDEMNIFICATION. Subject to the limitations and requirements of Art. 13962.22A of the Act, the Association will indemnify a person who was, is or is threatened to be made a named defendant or respondent in a proceeding because the person is or was an officer, director, committee chair or committee member of the Association. Additionally, the Association may indemnify a person who is or was an employee, trustee, agent or attorney of the Association, against any liability asserted against him and incurred by him in that capacity and arising out of that capacity.

ARTICLE 12. AMENDMENT OF ARTICLES. These articles may be amended in accordance with the Act, subject to the following: (1) an amendment may not conflict with State law; and (2) without member approval, the board of directors may adopt amendments permitted by Art. 1396-4.U2.A(4) of the Act.

ARTICLE 13. AMENDMENT OF BYLAWS. The bylaws of the Association may be amended or repealed according to the amendment provision of the bylaws, which may reserve those powers to the members, exclusively.

ARTICLE 14. DISSOLUTION. The Association may be dissolved only as provided in the bylaws and by State law. On dissolution, the assets of the Association, if any, will be distributed to a charitable organization.

ARTICLE 15. ACTION WITHOUT MEETING. Pursuant to Article 1396-9.10.0. of the Act, any action required by the Act to be taken at a meeting of the members or directors, or any action that may be taken at a meeting of the members or directors or of any committee may be taken without a meeting if a consent in writing, setting forth the action to be taken, is signed by a sufficient number of members, directors or committee members as would be necessary to take that action at a meeting at which all of the members, directors or members of the committee were present and voted.

ARTICLE 16. INITIAL BOARD OF DIRECTORS. The initial board consists of three (3) directors who will serve as directors until their successors are elected and qualified, as provided in the bylaws. The name and address of each initial director is as follows:

Name	Address
Dennis Scifres	1600 E. Lamar Blvd., Suite 240 Arlington, TX 76011
W. James Poynter	1600 E. Lamar Blvd., Suite 240 Arlington, TX 76011
Donna Irvin	3113 S. University Drive, Suite 600 Fort Worth, TX 76109

ARTICLE 17. INITIAL REGISTERED AGENT. The name of the Association's initial registered agent is Dennis Scifres.

ARTICLE 18. OFFICE OF INITIAL REGISTERED AGENT. The address of the Association's initial registered agent is 1600 E. Lamar Blvd., Suite 240, Arlington, Texas 76011.

ARTICLE 19. INCORPORATOR. The name of the Incorporator is Dennis Scifres. The Incorporator's address is 1600 E. Lamar Blvd., Suite 240, Arlington, Texas 76011 .

SIGNED this 25th day of January, 2006.

Dennis Scifres, Incorporator

JUDI GATES
MY COMMISSION EXPIRES
October 25, 2009

STATE OF TEXAS §
§
COUNTY OF TARRANT §

This instrument was acknowledged before me on this 25th day of January, 2006 by Dennis Scifres.

Judi Gates

Notary Public, The State of Texas

AFTER RECORDING PLEASE RETURN TO:

Dennis Scifres
1600 E. Lamar Blvd., Suite 240
Arlington, TX 76011

FILED
In the Office of the
Secretary of State of Texas

NOV 30 2001

Corporations Section

ARTICLES OF ORGANIZATION
OF
WOODCREST HOLDINGS, L.L.C.

I, the undersigned natural person of the age of eighteen (18) years or more, acting as the organizer of a limited liability company under the Texas Limited Liability Company Act, do hereby adopt the following Articles of Organization for such limited liability company:

ARTICLE ONE

The name of the company is Woodcrest Holdings, L.L.C. (the "Company").

ARTICLE TWO

The period of duration of the Company is perpetual.

ARTICLE THREE

The purpose for which the Company is organized is to transact all lawful business of every kind and character for which companies may be organized under the Texas Limited Liability Company Act (the "Act") or any successor statute.

ARTICLE FOUR

The address of the initial registered office of the Company is 3113 South University Drive, Sixth Floor, Fort Worth, Texas 76109, and the name of its initial registered agent at such address is James A. Ryffel.

ARTICLE FIVE

The Company shall be managed by its managers. The number constituting the initial managers of the Company is one (1) and the name and address of the initial manager of the Company is as follows:

Name	Address
James A. Ryffel	3113 South University Drive Sixth Floor Fort Worth, Texas 76109

ARTICLE SIX

Any action permitted by the Act to be taken at any meeting of members may be taken without a meeting, without prior notice, and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holder or holders of membership interests in the Company representing not less than the minimum percentage of membership interests in the Company that would be necessary to take such action at a meeting at which the holders of all membership interests in the Company entitled to vote on the action were present and voted. Such action shall be taken in accordance with any applicable provisions to the Act.

ARTICLE SEVEN

To the fullest extent permitted by applicable law, no manager of the Company shall be liable, personally or otherwise, to the Company or its members for monetary damages for any act or omission in such manager's capacity as a manager.

Notwithstanding the foregoingprovisions of this Article, if the Act is amended after the date of the filing of these Articles of Organizationwith the Secretaryof State of Texas to authorize action further eliminating or limiting the personal liability of managers, then the liability of each manager of the Company shall be automatically eliminated or limited to the fullest extent permitted by the Act, as so amended.

Any repeal or amendment of this Article, or the adoption of any other provision of these Articles of Organization inconsistent with this Article, by the members or the managers of the Company shall be prospective only and shall not adversely affect any limitation on the personal liability of a manager of the Company existing at the time of such repeal, amendment or adoption of an inconsistent provision.

ARTICLE EIGHT

The managers of the Company, in their sole discretion, shall have the power, on behalf of the Company, to indemnify persons for whom indemnification is permitted by Article 2.20 of the Act and Article 2.02-1 of the Texas Business Corporation Act, as amended (the "TBCA"), to the fullest extent permissible under Article 2.20 of the Act and Article 2.02-1 of the TBCA, and may purchase such liability, indemnification and/or other similar insurance as the managers from time to time shall deem necessary or appropriate, in their sole discretion.

The Company may purchase and maintain liability, indemnification and/or other similar insurance on behalf of itself, and/or for any person who is or was manager, officer, employee or agent of the Company or who is or was serving at the request of the Company as a director, manager, officer, trustee, employee, agent or similar functionary of another foreign or domestic corporation, limited liability company, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise, against any liability asserted against and/or incurred by the Company or person serving in such a capacity out of such person's status as such a person or entity, whether or not the company would otherwise have the power to indemnify such person against that liability.

The power to indemnify and/or obtain insurance provided in this Article shall be cumulative of any other power of the managers and/or any rights to which such a person or entity may be entitled by law, the Articles of Organization and/or regulations of the Company, contract, other agreement, vote or otherwise.

ARTICLE NINE

The name of the organizer of the Company is James A. Ryffel and the address of such organizer is 3113 S. University, Suite 600, Fort Worth, Texas, 76109.

IN WITNESS WHEREOF, I have executed these Articles of Organization on this the 29th day of October, 2001.

____
James A. Ryffel

FILED
In the Office of the
Secretary of State of Texas

DEC 04 2001

Corporations Section

CERTIFICATE OF LIMITED PARTNERSHIP

OF

ALSBURY VENTURE LIMITED PARTNERSHIP

This Certificate of Limited Partnership (this "Certificate") of Alsbury Venture Limited Partnership (the "Partnership"), dated this 30th day of October, 2001, has been duly executed and is being filed in accordance with the provisions of the Texas Revised Limited Partnership Act (the "Act").

1. *Name.* The name of the limited partnership formed hereby is Alsbury Venture Limited Partnership.

2. *Registered Office and Registered Agent.* The address of the registered office of the Partnership in the State of Texas is 3113 South University Drive, Sixth Floor, Fort Worth, Texas 76109, and the name of the registered agent for service of process on the Partnership at such address required to be maintained in accordance with Section 1.06 of the Act is James A. Ryffel.

3. *Principal Office.* The mailing address of the Partnership shall be 3113 South University Drive, Sixth Floor, Fort Worth, Texas 76109 and the address of the principal office in the United States where Partnership records are to be kept or made available under Section 1.07 of the Act is 3113 South University Drive, Sixth Floor, Fort Worth, Texas 76109.

4. *General Partner.* The name of the general partner of the Partnership and its mailing address and street address are as follows:

General Partner	Mailing Address	Street Address
Woodcrest Holdings, LLC, a Texas Limited Liability Company	3113 South University Drive Sixth Floor Fort Worth, Texas 76109	3113 South University Drive Sixth Floor Fort Worth, Texas 76109

5. *Date of Formation.* In accordance with Section 2.01(b) of the Act, the Partnership shall be formed at the time of the filing of this Certificate with the Secretary of State of the State of Texas.

IN WITNESS WHEREOF, the undersigned general partner of the Partnership has duly executed this Certificate as of the day and year first aforesaid.

Woodcrest Holdings, LLC
A Texas Limited Liability Company

By: ______________________
James A. Ryffel
Manager

Office of the Secretary of State
Reports Unit
P.O. Box 12028
Austin, Texas 78711-2028
(Form 804)

Filed in the Office of the
Secretary of State of Texas
Filing #: 800032888 02/01/2006
Document #: 116208530003
Image Generated Electronically
for Web Filing

PERIODIC REPORT - LIMITED PARTNERSHIP

File Number: **800032888**

1. The limited partnership name is: **Alsbury Venture Limited Partnership**

2. It is organized under the laws of: **TEXAS, USA**

3. The name of the registered agent is: **James A Ryffel**

4. The registered office address, which is identical to the business office address of the registered agent in Texas, is:
   3113 South University Drive, Sixth Floor, Fort Worth, TX, USA 76109

5. The address of the principal office in the United States where the records are to be kept or made available is:
   3113 South University Drive, Sixth Floor, Fort Worth, TX, USA 76109

6. The names and addresses of all general partners of the limited partnership are:

General Partner 1: (Business Name) **Woodcrest Holdings, LLC**
Address: **3113 South University Drive, Sixth Floor Fort Worth TX, USA 76109**
Mailing Address:

Execution:
The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument.

Date: **February 1, 2006**

James A Ryffel
Signature of general partner

FILING OFFICE COPY

FILED
In the Office of the
Secretary of State of Texas

OCT 06 2003

Corporations Section

ARTICLES OF AMENDMENT
to the
ARTICLES OF ORGANIZATION
OF
WOODCREST HOLDINGS, L.L.C.

Pursuant to the provisions of article 3.06 of the Texas Limited Liability Company Act, the undersigned Limited Liability Company adopts the following Articles of Amendment to its Articles of Organization:

ARTICLE SIX

is amended to read:

The Company is to be managed by one or more managers. The name and address of such managers shall be as follows:

James A. Ryffel	3113 South University Drive Suite 600 Fort Worth, Texas 76109
Dennis R. Scifres	1600 E. Lamar Blvd., Suite 240 Arlington, TX 76011

The foregoing amendment to the Articles of Organization was adopted by a majority of the initial managers or members and executed on October 2, 2003.

James A. Ryffel, Manager

In the Office of the
Secretary of State of Texas

FEB 09 2004

Corporations Section

ARTICLES OF AMENDMENT
to the
ARTICLES OF ORGANIZATION
OF
WOODCREST HOLDINGS, L.L.C.

Pursuant to the provisions of article 3.06 of the Texas Limited Liability Company Act, the undersigned Limited Liability Company adopts the following Articles of Amendment to its Articles of Organization:

ARTICLE SIX

is amended to read:

The Company is to be managed by one or more managers. The name and address of such managers shall be as follows:

James A. Ryffel	3113 South University Drive Suite 600 Fort Worth, Texas 76109

The foregoing amendment to the Articles of Organization was adopted by a majority of the initial managers or members and executed on February 5, 2004.

James A. Ryffel, Manager

Dennis R. Schaus

UNIMPROVED PROPERTY CONTRACT

Sphinx Development Corporation
3030 LBJ Freeway, Suite 880
Dallas, Texas 75234

November 30, 2004

Mr. Dennis Scifres
Alsbury Venture Limited Partnership
Poynier Scifres Companies
1600 E. Lamar Blvd. Suite 240
Arlington TX 76011
(817) 394-1590 (Office)
(817) 394-1589 Fax

Re: Sale of approximately 10.285 Acres of land, located the North side of Alsbury Blvd. Burleson, Texas, described on Exhibit A attached hereto (the "Property")

Ladies and Gentlemen:

This letter confirms the agreement of Alsbury Venture Limited Partnership ("Seller") to sell the Property referenced above to Sphinx Development Corporation, or its assigns. ("Buyer") if certain contingencies are resolved or waived as described below. Buyer and Seller agree that the sale will be governed by the following terms and conditions:

1. Price and Other Terms and Conditions:

(A) Purchase Price: $875,000

(B) Payment of Purchase Price. The purchase price will be paid in cash or immediately available funds at closing.

(C) Inspection and Closing Dates: The Inspection Period under this agreement will expire on April 30, 2005. Closing will occur on or before August 30, 2005.

(D) Closing Costs. Current year's ad valorem taxes against the Property will be prorated at closing (on an estimated basis, if necessary). Buyer will pay any additional ad valorem taxes and interest that becomes due as a penalty because of the transfer of the land or a subsequent change in use of the land (so-called "rollback taxes"), if any. Other closing costs will be allocated between Seller and Buyer in the customary manner.

(E) Representations Concerning the Property. To the extent permitted by law, the Property will be sold and conveyed without any representation or warranty (except title warranties under a special warranty deed) as to condition, zoning, available utilities, access, suitability for future construction or other matters by Seller.

Buyer acknowledges that Buyer has made (or will make during the Inspection Period) on-site inspections of the Property, as Buyer deems necessary to satisfy itself with the condition of the Property.

(F) Assignment. Either party may assign this agreement. Buyer may assign its interests in this agreement to an entity of its choice without prior written consent of the Seller, provided that such transferee expressly assumes the obligations of the "Buyer" hereunder, and provided

DS

CT

further that Seller shall not be released from the obligations of the "Buyer" hereunder. However, each party shall notice the other in writing in advance of such a transfer.

(G) Expiration. If Seller has not executed and returned this agreement to Buyer by 5.00.PM on December 3, 2004 Buyer's offer to enter into this agreement will be null and void.

2. Items to be Delivered *Before* Closing:

(A) Survey: Within 30 days after the date hereof, Seller, at Seller's expense, will deliver to the Title Company a copy of a land survey of the Property in form sufficient to allow the Title Company to delete the "survey exception" from the Title Policy (the "Survey").

(B) Title Commitment: Seller will direct Blue Star Title Company (the "Title Company"), whose address is 8235 Douglas Avenue, Suite 1220, Dallas, Texas 75225 Telephone: 214-891-1957 Facsimile: 214-891-1958 (Attn.: Cathy Sargent) to issue a commitment for owner's title insurance policy (the "Commitment") in favor of Buyer covering the Property for the full amount of the Purchase Price, and to deliver the same (with a copy of any special title exceptions set forth therein) to Buyer (with a copy to Seller) no later than 30 days after the date hereof.

3. Items To Be Delivered At Closing:

(A) Title Policy. At the closing, Seller, at Seller's expense, will furnish Buyer with an owner's title policy (the "Title Policy") issued by the Title Company (or written confirmation from the title company that it is then prepared to issue such a policy). The policy will be subject only to standard printed exceptions and the Permitted Encumbrances (as defined below). However, if requested by Buyer, the standard survey exception in Schedule B of the policy shall be modified at the expense of the Buyer to read "shortages in area" only.

(B) Special Warranty Deed. Seller will convey the Property to Buyer by a special warranty deed, subject to the Permitted Encumbrances.

(C) Nonforeign Certificate. Seller agrees to deliver a certificate of nonforeign status to Buyer at closing as needed to comply with the provisions of the Foreign Investors Real Property Tax Act (FIRPTA).

4. Contingencies. The sale will be subject to the following conditions:

(A) Earnest Money. On or before the date that is two business days after the date that this agreement is executed by both Buyer and Seller, Buyer will have deposited $5,000.00 as earnest money with the Title Company, and the Title Company will deposit the Earnest Money and confirm receipt of the same to Seller (the "Earnest Money"). All Earnest Money will be refundable upon the termination of this agreement by Buyer at any time prior to expiration of the Inspection Period in accordance with Paragraph 4(B) below, but not otherwise unless (i) Seller defaults under this agreement and such default is not cured within five business days after notice from Buyer, or (ii) Buyer elects to terminate this agreement

(D) Condemnation. Any condemnation or threat of condemnation prior to the closing will constitute an event, which entitles either Buyer or Seller to terminate this agreement.

5. Remedies. If Buyer breaches this agreement prior to closing or refuses to close the contract following the end of the Inspection Period, Seller's sole and exclusive remedy will be to collect and retain the earnest money as liquidated damages. Buyer hereby directs the title Company to pay the Earnest Money and the additional Earnest Money to Seller in this event. If Seller breaches this agreement and refuses to sell the Property as required by this agreement, Buyer's sole and exclusive remedy will be to recover the earnest money (if any) that Buyer has deposited with the Title Company as provided above, or sue for specific performance.

6. Special Provisions.

(A) Low Income Housing Tax Credit Process; Right to Terminate. Following the full execution of this agreement, Buyer will apply for and will diligently pursue a Reservation and Commitment for Low-Income Housing Tax Credits (the "Tax Credit Reservation") from the Texas Department of Housing and Community Affairs (the "Agency") in an amount and with respect to a number of rental apartment units that Buyer intends to construct on the Property. Buyer expects a final decision from the Agency on or before July 31, 2005. If the Agency approves the Tax Credit Reservation before July 31, 2005, Buyer will close this transaction within thirty (30) days after such approval.

7. Real Estate Commission. Seller is represented by Tenant Realty Advisors, Inc. ("TRA"), the sole real estate broker in this transaction. TRA will be paid a real estate brokerage commission by Seller equal to six per cent (6%) of the Purchase Price, if and when Closing occurs. TRA's tax ID number is 75-2442549.

If the foregoing correctly sets forth your agreement, please execute the copy of this letter, which is enclosed in the space provided below, and return the copy to Seller.

SELLER:
Alsbury Venture Limited Partnership

By:____________________
Dennis Seffer, Partner

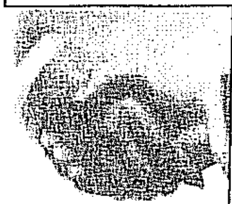
Accepted and agreed this 30th day of November, 2004
(Such date being "the date hereof"):

BUYER: Sphinx Development Corporation or assigns

By:____________________
Jay O. Oji, President /CEO

Poynter Scifres Companies

About Us : Investment Opportunities : Leasing Opportunities : Portfolio : Contact Us



Investment Opportunities

Commercial/Single Family Site

Burleson, Texas

NWQ Alsury Blvd and I-35W
Burleson, Texas
Click for Map

Property Features:

- Located along Northeast Alsbury Blvd, 13 miles south of the Fort Worth Central Business District
- Access is from IH-35W
- 10.28 acres
- Property is irregularly shaped
- Topography is at grade with NE Alsbury Blvd, sloping upward from southeast to northwest
- Property is zoned for Multi-Family use.
- Under Contract

For Information:
Dennis Scifres
Poynter Scifres Companies
817-394-1590, ext. 12
rdscifres@poynterscifres.com

Poynter Scifres Companies

About Us : Investment Opportunities : Leasing Opportunities : Portfolio : Contact Us

About Us

EXECUTIVE SUMMARY

Poynter Scifres Companies (PSC) is a commercial real estate development, investment, management and brokerage group controlled by W. James Poynter and Dennis R. Scifres. These recognized commercial real estate professionals have more than 60 years of experience between them in the areas of commercial real estate development, property management, investment and brokerage, including:

- Developing or managing over 2.7 million sq. ft. of commercial buildings since 1983.
- Completing over $60 million of office projects since 1997.
- Investing in numerous income producing properties, along with over 1500 acres of land since 1983.
- Negotiating over 2.3 million sq. ft. of leases on behalf of tenant representation clients since 1989 (brokerage).

PSC serves as the general partner in its development and investment partnerships. Poynter and Scifres typically invest their money alongside the capital provided by their 3rd party investors. Equity investors include GE Capital, Heller Financial, Realty Capital Partners, Valcor Partners, Sunrise Realty and a number of high net worth individuals. PSC buildings historically stay fully leased (95% or better). This is due to the physical attributes of the buildings and the family type relationship developed with our customer – our tenants.

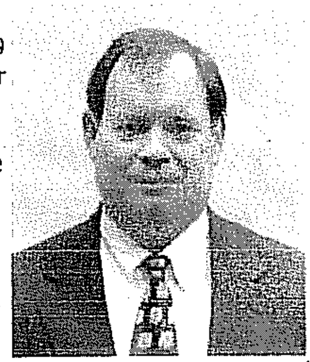
Poynter Scifres Management, Inc. (PSMI) is a fee based property management company that performs property management services for all Poynter Scifres properties. PSMI provides cost effective value-added management services through a highly efficient team dedicated to the tenants of each property.

Another PSC entity, Tenant Realty Advisors, Inc. (TRA) provides project leasing services exclusively for PSC office projects. TRA works to provide a credit worthy, stable rent roll for each project, with an eye to maximizing project value.

In 1989, Poynter and Scifres formed Tenant Realty Advisors, (TRA) a national tenant representation firm. Representative clients include:

Analysts International, Norwest Mortgage, Textron Financial, Old Republic Title, USAA Insurance, Chase Bank, Laidlaw, ATE RYDER, Maxim Technologies and Integrated Medical Resources in nearly every major market of the United States. Today, TRA provides in house leasing services for PSC office projects.

THE PRINCIPALS

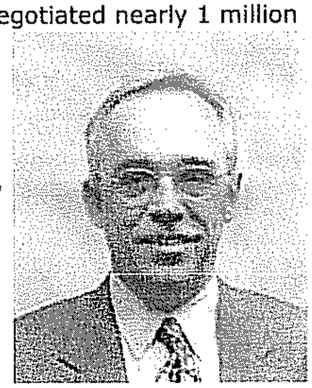


W. James Poynter has been in the commercial real estate business since 1979 when he became an office leasing agent for Trammell Crow Company, one of the nation's largest commercial real estate developers. In 1982, at age 26, he became an operating partner at Crow. As an Office Division operating partner, Poynter was responsible for the development and marketing of mid-rise office projects containing nearly 500,000 sq. ft., including equity and debt financings exceeding $30 million. Since 1998 Poynter has overseen the development of 400,000 sq. ft. of office projects owned, leased and managed by PSC in the DFW market.

During his career, Poynter has leased over 3.5 million sq. ft. of space to some of the largest national corporations. Poynter is a past president of the Fort Worth Chapter of the National Association of Industrial & Office Park Developers (NAIOP), is a licensed Texas real estate broker.

Mr. Poynter was born in Kansas City, MO on January 6, 1955. He graduated from The University of Pennsylvania's Wharton School of Business in 1977. He is married (Peggy) and has three children, Justin, Ben and Michael.

Dennis R. Scifres has been in the commercial real estate business since 1972. From 1972 to 1975, he was Leasing Director & Construction Manager for DuBose Corporation, a Fort Worth based national developer.
In 1975 Scifres entered law school at the University of Texas. In 1978 he joined the law firm of Jones, Day, Reavis & Pogue as a commercial real estate lawyer, where he negotiated nearly 1 million sq. ft. of lease transactions and handled over $500 million of real estate transactions for such clients as Trammell Crow Company and Lincoln Property Company. Scifres is a member of the Texas Bar Association and obtained his law degree from the University of Texas and his BA from Columbia University.



In 1982 Scifres left Jones Day to become the CEO of DuBose where he was responsible for the development, management and leasing of over 1.5 million sq. ft. of income properties, the purchase and sale of over 1,500 acres of land and arranged debt/equity financings of more than $50 million.
In 1989, Scifres and Poynter joined forces. Since 1998, Scifres has financed (debt/equity) 400,000 sq. ft. of office projects owned,

leased and managed by PSC in the DFW Market

Mr. Scifres was born in Maysville, KY on January 30, 1950. He graduated from Columbia University in 1972 and from The University of Texas School of Law in 1977. He is married (Sherry) and has two children, Heather and Aaron.

Property Management Personnel:

Judi Gates is an experienced accounting manager overseeing the accounting functions for all PSC related entities. Since 1980 Judi has been responsible for accounting management of over 2 million sq. ft. of commercial buildings in Houston where she was responsible for all aspects of document and lease review, accounts receivable/payable, pass-through billings and general financial management.

Jeannine Turley is the Director of Property Management for PSMI. Jeannine is responsible for all tenant and vendor relations, tenant construction and work order processing.
Jeannine is the primary point of contact for all Poynter Scifres tenants concerning the day to day issues that arise in the context of property management and strives to develop personal relationships with the key personnel in each tenant firm in the PSC portfolio.

William C. Avis is an experienced building engineer with over 30 years of on-site building systems experience with companies such as Helmsley-Spear, State Reserve Life Insurance and CAE SimuFlite Training. Bill is responsible for on-site maintenance, including building systems and response to tenant needs for each property. Bill's technical certifications include 1st Class License (HVAC); RPF Certificate; HVACR Certification.

Tarrant Appraisal District

Real Estate

05/25/2006

Account Number: 05942101
Georeference: A 558-3M
Property Location: Ne Alsbury Blvd, Burleson

Owner Information: Dctc-Alsbury Villas LLC
306 W 7th St Ste 1010
Fort Worth Tx 76102

4 Prior Owners

Legal Description: Gray, Sarah Survey
A 558 Tr 3M

Taxing Jurisdictions: 033 City of Burleson
220 Tarrant County
224 Tarrant County Hospital Dist
225 Tarrant County College Dist
922 Burleson ISD

This information is intended for reference only and is subject to change. It may not accurately reflect the complete status of the account as actually carried in TAD's database.

Proposed Values for Tax Year 2006

	Land	Impr	2006 Total**	2005 Total
Market Value	$156,840	$0	$156,840	
Appraised Value*	$156,840	$0	$156,840	$156,841
Approximate Size***			0	
Land Acres			10.2873	
Land SqFt			448,119	

* Appraised value may be less than market value due to state-mandated limitations on value increases

** A zero value indicates that the property record has not yet been completed for the indicated tax year

*** Rounded

2006 Notice Sent: 04/20/2006 Protest Deadline: 05/31/2006

Exemptions:

Property Data

Deed Date: 05/04/2006
Instrument: D206140842

Year Built: 0000

TAD Map: 2054 324
MAPSCO: 119S
Agent: None

Class: 000
State Code: D4 Undeveloped
Garage Bays: 00
Central Air:
Central Heat:
Pool: N

FILED
In the Office of the
Secretary of State of Texas

MAR 22 2006

Corporations Section

CERTIFICATE OF FORMATION
OF
DCTC GENERATIONS OF MANSFIELD, LLC

The undersigned, acting as the organizer of a limited liability company pursuant to Sections 3.005 and 101.051 of the Texas Business Organizations Code (the "*TBOC*"), hereby adopts the following Certificate of Formation for DCTC Generations of Mansfield, LLC (the "*Company*"):

ARTICLE I

NAME

The name of the Company is DCTC Generations of Mansfield, LLC.

ARTICLE II

LIMITED LIABILITY COMPANY

The Company is a domestic limited liability company.

ARTICLE III

DURATION

The period of the Company's duration is perpetual unless terminated pursuant to applicable provisions of the Company Agreement of the Company.

ARTICLE IV

PURPOSES

Amend to 202 formerly named Tarrant Co. CDC

(1) The Company is organized and is to be operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of its sole member, The Development Corporation of Tarrant County ("*Member*"), a Texas non-profit corporation and an organization exempt from tax pursuant to *Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), subject to the* additional restrictions and limitations set forth in this Article IV. Solely for Federal income tax purposes, the Company shall be disregarded as an entity separate from its Member pursuant to Treasury Regulation Section 301.7701-3(a). Notwithstanding any provisions of this Certificate of Formation to the contrary, the Company shall not conduct or carry on any activities not permitted to be conducted or carried on by its Member.

(2) No part of the net earnings of the Company shall inure to the benefit of, or be distributable to, its officers or other private persons, except that the Company shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in this Article IV. No substantial part of the activities of the Company shall consist of the carrying on of propaganda, or otherwise attempting to influence legislation, and the Company shall not participate in, or intervene in (including the publication or distribution of statements), any political campaign on behalf of any candidate for public office.

RECEIVED
MAR 22 2006
Secretary of State

(3) Subject to the restrictions and limitations set forth in this Article IV, the Company shall exercise all the rights and powers conferred on limited liability companies under the TBOC, as that law is in effect or may at any time be amended. The Company specifically is empowered to buy, sell, exchange or otherwise acquire, hold, invest in, and deal with real property and enter into joint venture arrangements, for the purposes of and subject to the restrictions and limitations set forth in this Article IV.

(4) The Company shall be empowered to do all other acts necessary or expedient for the administration of the affairs and attainment of the purposes of the Company.

(5) Notwithstanding the powers granted to the Company, it is expressly provided that the grant of the rights, powers, privileges and authority by any provision of this Certificate of Formation or by any statute relating thereto will not be effective if and to the extent that the grant of such rights, powers, privileges and authority, if effective, would permit the Company to conduct or carry on an activity inconsistent with the exempt purposes of its Member.

ARTICLE V

INITIAL REGISTERED OFFICE AND AGENT

The name of the initial registered agent of the Company in the State of Texas is Kenneth R. Devero and the address of such initial registered agent is 306 West 7th Street, Suite 1010, Fort Worth, Texas 76102.

ARTICLE VI

MANAGEMENT AND MEMBERSHIP

The Company shall not have managers. The Member shall be the initial and sole member of the Company. The Member's address is as follows: 306 West 7th Street, Suite 1010, Fort Worth, Texas 76102.

ARTICLE VII

ORGANIZER

The name and address of the sole organizer is as follows:

Ms. Dana Stayton
Kelly, Hart & Hallman
201 Main Street, Suite 2500
Fort Worth, Texas 76102

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Formation on this 22nd day of March, 2006.

SOLE ORGANIZER

Dana Stayton

Dana Stayton, Authorized Person

FILED
In the Office of the
Secretary of State of Texas

APR 2 7 2006

Corporations Section

CERTIFICATE OF AMENDMENT
TO
CERTIFICATE OF FORMATION
OF
DCTC GENERATIONS OF MANSFIELD, LLC

The undersigned, as sole member of DCTC Generations of Mansfield, LLC, a Texas limited liability company (the "Company"), adopts the following Certificate of Amendment to the Company's Certificate of Formation:

ARTICLE ONE

The name of the Company prior to the filing of this Certificate of Amendment is DCTC Generations of Mansfield, LLC.

ARTICLE TWO

The amendment deletes the text of Article 1 of the Certificate of Formation and replaces it with the following text:

"The name of the Company is DCTC Alsbury Villas, LLC."

ARTICLE THREE

The amendment was approved in accordance with the Texas Business Organizations Code and by the governing documents of the Company.

IN WITNESS WHEREOF, this Certificate of Amendment has been executed on the 26th day of April, 2006, by the sole member of the Company.

MEMBER

THE DEVELOPMENT CORPORATION OF TARRANT COUNTY, a Texas non-profit corporation

By: ______________________________
Kenneth R. Devero, President

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APR 2 7 2006
Secretary of State

775866

TRANSMISSION VERIFICATION REPORT

TIME : 05/26/2006 15:37
NAME :
FAX :
TEL :
SER.# : 000J5J563237

DATE,TIME	05/26 15:32
FAX NO./NAME	92143421409
DURATION	00:04:41
PAGE(S)	27
RESULT	OK
MODE	STANDARD ECM

jspicer@statestreethousing.com

May 16, 2006

RECEIVED
MAY 2 2 2006
LIHTC

Ms. Brooke Boston
T.D.H.C.A. Exec. Director
PO Box 13941
Austin, TX. 78711-3491

Sphinx at Alsbury Villas #060087
Support letter from: Alsbury Neighborhood Association
Burleson, Texas

Dear Ms. Boston:

I think there are several legitimate questions about this organization, the answers to which cannot be discerned from the QCP materials provided to the Department.

First the organization seems to be formed by the person who are selling the land to the applicant. Strictly construed, this may construed "accepting money" to cause the neighborhood organization to take its position.

In addition, there are questions as to whether this organization qualifies as a "neighborhood organization". While the organizational documents state that membership can be open to homeowners, are there actually any homeowners in this organization? Or are they all owners of commercial or unimproved property? The letter only states that the members are owners of 12 parcels. If these parcels are predominantly commercial or unimproved, I believe the neighborhood organization does not qualify as such.

Sincerely,

May 2006

RECEIVED
MAY 22 2006
LIHTC

Brooke Boston
Executive Director
Texas Dept. of Housing and Community Affairs
211 E. 11th
Austin, Texas 78701

060087

Dear Ms. Boston,

This letter is to advise you that there appears to be a conflict of interest with an applicant and the Seller of the land for the development.

Alsbury Venture Limited Partnership appears to be the owner of the land. Dennis Scifres and W. James Poynter are partners in the Poynter-Scifres Companies (Investments) and are the true owners of the 10.285 acres located on northside of Alsbury Blvd in Burleson, Texas.

Mr. Scifres signed a Sale of Unimproved Land contract with Sphinx Development Corp. for the 10.285 acres as Partner of the Alsbury Venture Limited Partnership. Mr. James Ryffel is listed as Manager of the limited partnership.

The Alsbury Neighborhood Association was formed and filed with Texas Secretary of State on January 25, 2006 identifing three board of directors; Dennis Scrifres, W. James Poynter, and Donna Irvin (same address as James Ryffel). The Articles of Incorporation state that the non-mandatory neighborhood association is comprised of owners of portions of the property. Mr. Poynter and Mr. Scifres appear to own all 10.825 acres.

A letter of support was submitted to TDHCA for 2006 Applicant #060087 Sphinx at Alsbury Villas. It is a concern that an additional 24 points could be added to the applicants score if this NA is not uncovered for the fraud that it is.

Respectfully submitted

NEIGHBORHOOD ORGANIZATION(S) (Submit all neighborhood organizations in which the Applicant is/was required to notify under §50.8(d)(3)(B) and/or 50.9(h)(8)(A)(ii) of the QAP):

☒ CHANGE FROM PRE-APP

NAME: ALSBURY NEIGHBORHOOD ASS.
ADDRESS: 1600 E. LAMAR BLVD. # 240
CITY/STATE/ZIP: ARLINGTON, TX 7601
TELEPHONE: 817 394 1590
FAX: 817 394 1589

NEIGHBORHOOD ORGANIZATION (S)
NAME: MISTLETOE HOME OWNERS ASSO.
ADDRESS: P. O. BOX 121969
CITY/STATE/ZIP: FORT WORTH, TX 76121
TELEPHONE: 817 560 1717
FAX: ______

NEIGHBORHOOD ORGANIZATION(S)
NAME: ______
ADDRESS: ______
CITY/STATE/ZIP: ______
TELEPHONE: ______
FAX: ______

NEIGHBORHOOD ORGANIZATION (S)
NAME: ______
ADDRESS: ______
CITY/STATE/ZIP: ______
TELEPHONE: ______
FAX: ______

I certify that the all the information provided is correct and all of the required entities (above) were notified as required by §50.8(d)(3)(B) and/or 50.9(h)(8)(A)(ii) of the QAP. I also certify that all notifications were made in the format outlined in the template, *Neighborhood Organization Request Format* and *Public Notifications format (Written)*.

By: Joseph Bernache 2/24/06 Its: MANAGER
Signature of Applicant/Owner *Date*

SDC-SPHINX DEVELOPMENT, L.P.

February 4, 2006

Dennis Scifres
1600 E. Lamar Blvd. Ste. 240
Arlington, TX 76011

Re: Sphinx at Alsbury Villas, Burleson, Texas

Dear Mr. Scifres:

The Sphinx Development Corporation is making an application for Housing Tax Credits with Texas Department of Housing and Community Affairs for the Sphinx at Alsbury Villas, to be located on 755 NE Alsbury Blvd., Burleson, Tarrant County. This new development will be a townhome style community, comprised of approximately 150 mixed income units of which 85% will be for tenants with approximate incomes less than 60% of the area's median income, 10% will be for tenants with approximate incomes less than 30%, and 5% at market rates. Total of the 127 units will be targeted to families making 60% of the area median income, and 16 units targeted to families making no more than 30% of the area's median income. The total restricted income percentage of the Development is 95%. The development will serve family households. The numbers of units and proposed rents (less utilities allowances), subject property's tax credit units are:

Eighty five percent of the units will target families making 60% of area's median income. The proposed rents are:

11 1- Bedroom Units for $644
66 2- Bedroom Units for $771
50 3- Bedroom Units for $888

Ten percent of the units will target families making 30% of area's median income. The Proposed rents are:

4 1- Bedroom Units for $291
6 2- Bedroom Units for $348
6 3- Bedroom Units for $399

The development will offer market rate units not restricted as to income. The number of units and proposed rents for the subject's property market rate (non-tax credit program) units are:

7 1- Bedroom Units for $644

If awarded, this development would be ready for occupancy by approximately May 2008. For more information on this notice, please contact Jay Oji, of 3030 LBJ Frwy., Suite 880, Dallas, TX 75234, at 214 342 1400. For information, please see www.tdhca.state.tx.us.

Very truly yours,

SDC-SPHINX DEVELOPMENT, L.P.
By: ALSBURY VILLAS, L.L.C., its General Partner

By: Joseph Agumadu

Joseph Agumadu. Manager of GP

Home

Ship
Track
Request Pickup

Find Drop Box
Service Area
Priority Rates
Ground Rates
Order Supplies
Request Account

News
Fuel Surcharge
Holidays
Service Options
Job Openings
About LSO

Cookies / Rewards

Delivered!

Airbill Number: 37214752

Delivery Date:	2/16/2006 10:25 AM
Signed By:	JUDI GATES

Track Another Airbill

ARTICLE 9. MANAGEMENT BY BOARD. The management and affairs of the Association are vested in the board of directors, except for those matters expressly reserved to others in the bylaws. The bylaws may determine the number and qualification of directors; the term of office of directors; the methods of electing, removing and replacing directors; and the methods of holding a board meeting and obtaining consents.

ARTICLE 10. LIMITATIONS ON LIABILITY. a. Except as provided in Paragraph b below, an officer or director of the Association is not liable to the Association or its members for monetary damages for acts or omissions that occur in the person's capacity as an officer or director, except to the extent a person is found liable for (1) a breach of the officer or director's duty of loyalty to the Association or its members; (2) an act or omission not in good faith that constitutes a breach of duty of the officer or director to the Association; (3) an act or omission that involves intentional misconduct or a knowing violation of the law; (4) a transaction from which the officer or director receives an improper benefit, whether or not the benefit resulted from an action taken within the scope of the person's office; or (5) an act or omission for which the liability of an officer or director is expressly provided by an applicable statute. The liability of officers and directors of the Association may also be limited by the Charitable Immunity and Liability Act of 1987, Chapter 84, Texas Civil Practice and Remedies Code, as amended.

b. The limitation on the liability of an officer or director does not eliminate or modify that person's liability as a member of the Association.

ARTICLE 11. INDEMNIFICATION. Subject to the limitations and requirements of Art. 13962.22A of the Act, the Association will indemnify a person who was, is or is threatened to be made a named defendant or respondent in a proceeding because the person is or was an officer, director, committee chair or committee member of the Association. Additionally, the Association may indemnify a person who is or was an employee, trustee, agent or attorney of the Association, against any liability asserted against him and incurred by him in that capacity and arising out of that capacity.

ARTICLE 12. AMENDMENT OF ARTICLES. These articles may be amended in accordance with the Act, subject to the following: (1) an amendment may not conflict with State law; and (2) without member approval, the board of directors may adopt amendments permitted by Art. 1396-4.02.A(4) of the Act.

ARTICLE 13. AMENDMENT OF BYLAWS. The bylaws of the Association may be amended or repealed according to the amendment provision of the bylaws, which may reserve those powers to the members, exclusively.

ARTICLE 14. DISSOLUTION. The Association may be dissolved only as provided in the bylaws and by State law. On dissolution, the assets of the Association, if any, will be distributed to a charitable organization.

ARTICLE 15. ACTION WITHOUT MEETING. Pursuant to Article 1396-9.10.0. of the Act, any action required by the Act to be taken at a meeting of the members or directors, or any action that may be taken at a meeting of the members or directors or of any committee may be taken without a meeting if a consent in writing, setting forth the action to be taken, is signed by a sufficient number of members, directors or committee members as would be

JUDI GATES
MY COMMISSION EXPIRES
October 25, 2009

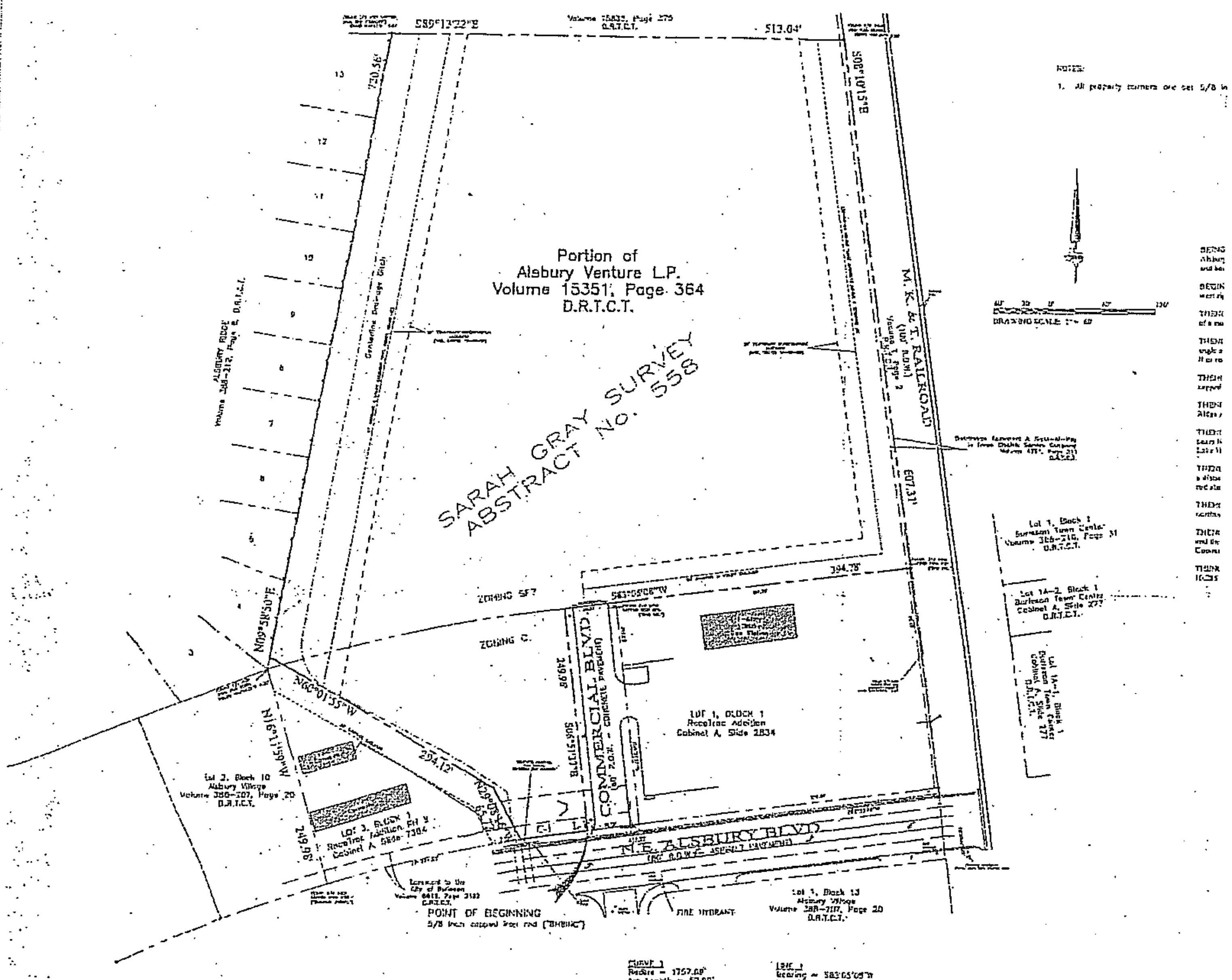
STATE OF TEXAS §
§
COUNTY OF TARRANT §

This instrument was acknowledged before me on this 25th day of January, 2006 by Dennis Scifres.

Judi Gates
Notary Public, The State of Texas

AFTER RECORDING PLEASE RETURN TO:

Dennis Scifres
1600 E. Lamar Blvd., Suite 240
Arlington, TX 76011



Baird, Hampton & Brown, Inc.

Tarrant Appraisal District

Real Estate

02/02/2006

Account Number: 05942101
Georeference: A 558-3M
Property Location: Ne Alsbury Blvd, Burleson

Owner Information: Alsbury Venture LP
3113 S University Dr
Fort Worth Tx 76109

3 Prior Owners

Legal Description: Gray, Sarah Survey
A 558 Tr 3M

Taxing Jurisdictions: 033 City of Burleson
220 Tarrant County
224 Tarrant County Hospital Dist
225 Tarrant County College Dist
922 Burleson ISD

This information is intended for reference only and is subject to change. It may not accurately reflect the complete status of the account as actually carried in TAD's database.

Certified Values for Tax Year 2005

	Land	Impr	2005 Total**	2004 Total
Market Value	$156,841	$0	$156,841	
Appraised Value*	$156,841	$0	$156,841	$156,841
Approximate Size***			0	
Land Acres			10.2874	
Land SqFt			448,119	

* Appraised value may be less than market value due to state-mandated limitations on value increases
** A zero value indicates that the property record has not yet been completed for the indicated tax year
*** Rounded

2005 Notice Sent: 04/21/2005 **Protest Deadline:** 05/31/2005

Exemptions:

Property Data

Deed Date: 10/30/2001
Deed Vol: 015351
Deed Page: 0364
Year Built: 0000

TAD Map: 2054 324
MAPSCO: 119S
Agent: None

Class: 000
State Code: D4 Undeveloped
Garage Bays: 00
Central Air:
Central Heat:
Pool: N

3. Capitalized terms not defined herein shall have the same meanings ascribed to them in the Contract.

Except as amended hereby, the Contract is ratified and confirmed in all respects.

EXECUTED as of the date first written above.

SELLER:
ASBURY VENTURE LIMITED PARTNERSHIP

By______________________
Dennis Sowers, Partner

BUYER:
SPHINX DEVELOPMENT CORPORATION

By Joseph Bunnacke
Title V.P.

ASSIGNEE:
DCTC-SPHINX DEVELOPMENT, L.P.

By Joseph Bunnacke
Title Manager

further that Seller shall not be released from the obligations of the "Buyer" hereunder. However, each party shall notice the other in writing in advance of such a transfer.

(G) Expiration. If Seller has not executed and returned this agreement to Buyer by 5.00.PM on December 3, 2004 Buyer's offer to enter into this agreement will be null and void.

2. Items to be Delivered *Before* Closing:

(A) Survey: Within 30 days after the date hereof, Seller, at Seller's expense, will deliver to the Title Company a copy of a land survey of the Property in form sufficient to allow the Title Company to delete the "survey exception" from the Title Policy (the "Survey").

(B) Title Commitment: Seller will direct Blue Star Title Company (the "Title Company"), whose address is 8235 Douglas Avenue, Suite 1220, Dallas, Texas 75225 Telephone: 214-891-1957 Facsimile: 214-891-1958 (Attn.: Cathy Sargent) to issue a commitment for owner's title insurance policy (the "Commitment") in favor of Buyer covering the Property for the full amount of the Purchase Price, and to deliver the same (with a copy of any special title exceptions set forth therein) to Buyer (with a copy to Seller) no later than 30 days after the date hereof.

3. Items To Be Delivered At Closing:

(A) Title Policy. At the closing, Seller, at Seller's expense, will furnish Buyer with an owner's title policy (the "Title Policy") issued by the Title Company (or written confirmation from the title company that it is then prepared to issue such a policy). The policy will be subject only to standard printed exceptions and the Permitted Encumbrances (as defined below). However, if requested by Buyer, the standard survey exception in Schedule B of the policy shall be modified at the expense of the Buyer to read "shortages in area" only.

(B) Special Warranty Deed. Seller will convey the Property to Buyer by a special warranty deed, subject to the Permitted Encumbrances.

(C) Nonforeign Certificate. Seller agrees to deliver a certificate of nonforeign status to Buyer at closing as needed to comply with the provisions of the Foreign Investors Real Property Tax Act (FIRPTA).

4. Contingencies. The sale will be subject to the following conditions:

(A) Earnest Money. On or before the date that is two business days after the date that this agreement is executed by both Buyer and Seller, Buyer will have deposited $5,000.00 as earnest money with the Title Company, and the Title Company will deposit the Earnest Money and confirm receipt of the same to Seller (the "Earnest Money"). All Earnest Money will be refundable upon the termination of this agreement by Buyer at any time prior to expiration of the Inspection Period in accordance with Paragraph 4(B) below, but not otherwise unless (i) Seller defaults under this agreement and such default is not cured within five business days after notice from Buyer, or (ii) Buyer elects to terminate this agreement

CJ

DS

(D) Condemnation. Any condemnation or threat of condemnation prior to the closing will constitute an event, which entitles either Buyer or Seller to terminate this agreement.

5. Remedies. If Buyer breaches this agreement prior to closing or refuses to close the contract following the end of the Inspection Period, Seller's sole and exclusive remedy will be to collect and retain the earnest money as liquidated damages. Buyer hereby directs the title Company to pay the Earnest Money and the additional Earnest Money to Seller in this event. If Seller breaches this agreement and refuses to sell the Property as required by this agreement, Buyer's sole and exclusive remedy will be to recover the earnest money (if any) that Buyer has deposited with the Title Company as provided above, or sue for specific performance.

6. Special Provisions.

(A) Low Income Housing Tax Credit Process; Right to Terminate. Following the full execution of this agreement, Buyer will apply for and will diligently pursue a Reservation and Commitment for Low-Income Housing Tax Credits (the "Tax Credit Reservation") from the Texas Department of Housing and Community Affairs (the "Agency") in an amount and with respect to a number of rental apartment units that Buyer intends to construct on the Property. Buyer expects a final decision from the Agency on or before July 31, 2005. If the Agency approves the Tax Credit Reservation before July 31, 2005, Buyer will close this transaction within thirty (30) days after such approval.

7. Real Estate Commission. Seller is represented by Tenant Realty Advisors, Inc. ("TRA"), the sole real estate broker in this transaction. TRA will be paid a real estate brokerage commission by Seller equal to six per cent (6%) of the Purchase Price, if and when Closing occurs. TRA's tax ID number is 75-2442549.

If the foregoing correctly sets forth your agreement, please execute the copy of this letter, which is enclosed in the space provided below, and return the copy to Seller.

SELLER:
Alsbury Venture Limited Partnership

By:____________________
Dennis Sciffes, Partner

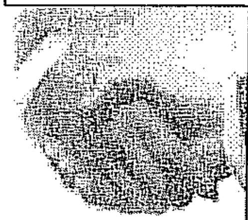
Accepted and agreed this 30th day of November, 2004
(Such date being "the date hereof"):

BUYER: Sphinx Development Corporation or assigns

By:____________________
Jay O. Oji, President /CEO

Poynter Scifres Companies

About Us : Investment Opportunities : Leasing Opportunities : Portfolio : Contact Us



Investment Opportunities

Commercial/Single Family Site

Burleson, Texas

NWQ Alsury Blvd and I-35W
Burleson, Texas
Click for Map

Property Features:

- Located along Northeast Alsbury Blvd, 13 miles south of the Fort Worth Central Business District
- Access is from IH-35W
- 10.28 acres
- Property is irregularly shaped
- Topography is at grade with NE Alsbury Blvd, sloping upward from southeast to northwest
- Property is zoned for Multi-Family use.
- Under Contract

For Information:
Dennis Scifres
Poynter Scifres Companies
817-394-1590, ext. 12
rdscifres@poynterscifres.com

Applicant Response

Kevin

Jennifer Joyce

From: Jennifer Joyce [jennifer.joyce@tdhca.state.tx.us]

Sent: Tuesday, June 20, 2006 11:11 PM

To: Audrey Martin

Cc: 'Jennifer Joyce'

Subject: FW: Challenge Received.

For our meeting: 060133 response

Please let me know if you have any questions,

Jen Joyce
Interim Manager of Multifamily Finance Production Division
Texas Department of Housing and Community Affairs
(512) 475-3995

From: Gary M. Driggers [mailto:gdriggers@satx.rr.com]
Sent: Friday, June 02, 2006 4:58 PM
To: 'Jennifer Joyce'
Subject: FW: Challenge Received.

Jen:

I am just resending this to make sure you received....Thanks Gary M. Driggers

From: Gary M. Driggers [mailto:gdriggers@satx.rr.com]
Sent: Tuesday, May 30, 2006 1:46 PM
To: 'Jennifer Joyce'
Subject: RE: Challenge Received.

Jen:

Thank you for the notice sent on Friday.

Regarding the two challenges of the application 060133, Carl Raymond Crites, the seller of the land, is not now or has ever been the agent or employee of the Applicant, Canyon's Landing. In addition no member of the Strawberry Hill Neighborhood Association is now, or ever has been an agent or employee of the Applicant, Canyon's Landing. We were required to notify the organization of our intent to develop Canyon's Landing per the requirements of the QAP. The decision of the organization to support our application was based on the merits of our development plan and the benefits Canyon's Landing will bring to the neighborhood. The Applicant in no way offered gifts, money or assistance to any member of the Strawberry Hill Neighborhood Association for their position of support or for the creation of the association.

Please let me now if you have any questions regarding this matter.

Gary M. Driggers

From: Jennifer Joyce [mailto:jennifer.joyce@tdhca.state.tx.us]
Sent: Friday, May 26, 2006 4:32 PM
To: 'gdriggers@satx.rr.com'
Subject: Challenge Received.

Please note that your application 060133, has had an "Challenge" made against it. Please note the posting containing all of the information relating to this Challenge is on our website at the following address: http://www.tdhca.state.tx.us/multifamily/htc/docs/06-SummChallenges.pdf. We have also faxed you the information received today that was not posted to the internet.

Please respond to the Challenge within 7 days of this notice. You may respond by Friday June 2, 2006 at 5:00 by e-mail or fax.

Please let me know if you have any questions,

Jen Joyce
Interim Manager of Multifamily Finance Production Division
Texas Department of Housing and Community Affairs
(512) 475-3995

Challenge(s) Received

Jennifer Joyce
Manager, Multifamily Finance Production
TDHCA
PO Box 13947
Austin, TX 78711

RECEIVED
MAY 26 2006
LIHTC

Re: Application #060133

Dear Ms. Joyce:

Upon review of documentation submitted by the Strawberry Hill Neighborhood Association located in Poteet, TX (in support of application #060133), it seems that several provisions of the QAP have been violated by the organization that should render the letter ineligible.

Section 50.9(i)(2)(A)(vi) of the QAP states that the neighborhood organization must:

> Accurately state that the neighborhood organization **was not formed by any Applicant, Developer, or any employee or agent of any Applicant in the 2006 tax credit Application Round**, that **the organization and any member did not accept money or a gift to cause the neighborhood organization to take its position of support** or opposition, and has not provided any assistance other than education and information sharing to the neighborhood organization to meet the requirements of this subparagraph for any application in the Application Round (i.e. hosting a public meeting, providing the "TDHCA Information Packet for Neighborhoods" to the neighborhood organization, or referring the neighborhood organization to TDHCA staff for guidance).

Below are the specific issues of concern:

1. **The neighborhood organization was formed by an agent of the applicant**

Carl Raymond Crites is not only the owner/seller of the land and has a formal contract with the developer, but is also an organizer/member of the neighborhood organization (although he officially resides in San Antonio). He was instrumental in the formation of the organization and was the person that the County was instructed to return the filing documents to (see final page of document). As an agent with a formal contract with the developer he is prohibited form being involved with the formation of the neighborhood organization. Please refer to the copy of the sales contract, a copy of the original organizational documents obtained from the County, and the information from the CAD showing ownership of the property.

2. **Members of the neighborhood organization will benefit financially for their support of the Development**

As the owner and seller of the land **Carl Raymond Crites** will receive a financial benefit for his support of the application.

Jennifer Joyce

Interim MF Manager Copy

Appeal Re:# 060133

PROMULGATED BY THE TEXAS REAL ESTATE COMMISSION (TREC) 01-06-03

UNIMPROVED PROPERTY CONTRACT

NOTICE: Not For Use For Condominium Transactions

1. PARTIES: Carl Raymond Crites (Seller) agrees to sell and convey to Legacy Renewal, Inc. (Buyer) and Buyer agrees to buy from Seller the Property described below.

2. PROPERTY: Lot ______, Block ______, ______ / Addition, City of Poteet / ______, Atascosa √ County, Texas, known as Corner of Church and Avenue C See Exhibit A (address/zip code), or as described on attached exhibit together with all rights, privileges and appurtenances pertaining thereto, including but not limited to: water rights, claims, permits, strips and gores, easements, and cooperative or association memberships (the Property).

3. SALES PRICE:

A. Cash portion of Sales Price payable by Buyer ~~at closing~~ .... $ 20,000

B. Sum of all financing described below .... $ 195,000

C. Sales Price (Sum of A and B) .... $ 215,000 √

4. FINANCING: The portion of Sales Price not payable in cash will be paid as follows: (Check applicable boxes below)

☐ A. THIRD PARTY FINANCING: One or more third party mortgage loans in the total amount of $______________. If the Property does not satisfy the lenders' underwriting requirements for the loan(s), this contract will terminate and the earnest money will be refunded to Buyer. (Check one box only)

☐(1) This contract is subject to Buyer being approved for the financing described in the attached Third Party Financing Condition Addendum.

☐(2) This contract is not subject to Buyer being approved for financing.

☐ B. ASSUMPTION: The assumption of the unpaid principal balance of one or more promissory notes described in the attached TREC Loan Assumption Addendum.

☒ C. SELLER FINANCING: A promissory note from Buyer to Seller of $195,000, bearing 8 % interest per annum, secured by vendor's and deed of trust liens, and containing the terms and conditions described in the attached TREC Seller Financing Addendum. If an owner policy of title insurance is furnished, Buyer shall furnish Seller with a mortgagee policy of title insurance.

5. EARNEST MONEY: Upon execution of this contract by both parties, Buyer shall deposit $ 1,000 as earnest money with Martin Abstract, as escrow agent, at -0- (address). Buyer shall deposit additional earnest money of $ -0- with escrow agent within NA days after the effective date of this contract. If Buyer fails to deposit the earnest money as required by this contract, Buyer will be in default.

6. TITLE POLICY AND SURVEY:

A. TITLE POLICY: Seller shall furnish to Buyer at ☒Seller's ☐Buyer's expense an owner policy of title insurance (Title Policy) issued by Martin Abstract (Title Company) in the amount of the Sales Price, dated at or after closing, insuring Buyer against loss under the provisions of the Title Policy, subject to the promulgated exclusions (including existing building and zoning ordinances) and the following exceptions:

(1) Restrictive covenants common to the platted subdivision in which the Property is located.

(2) The standard printed exception for standby fees, taxes and assessments.

(3) Liens created as part of the financing described in Paragraph 4.

(4) Utility easements created by the dedication deed or plat of the subdivision in which the Property is located.

(5) Reservations or exceptions otherwise permitted by this contract or as may be approved by Buyer in writing.

(6) The standard printed exception as to marital rights.

(7) The standard printed exception as to waters, tidelands, beaches, streams, and related matters.

(8) The standard printed exception as to discrepancies, conflicts, shortages in area or boundary

lines, encroachments or protrusions, or overlapping improvements. Buyer, at Buyer's expense, may have the exception amended to read, "shortages in area".

B. COMMITMENT: Within 20 days after the Title Company receives a copy of this contract, Seller shall furnish to Buyer a commitment for title insurance (Commitment) and, at Buyer's expense, legible copies of restrictive covenants and documents evidencing exceptions in the Commitment (Exception Documents) other than the standard printed exceptions. Seller authorizes the Title Company to mail or hand deliver the Commitment and Exception Documents to Buyer at Buyer's address shown in Paragraph 21. If the Commitment and Exception Documents are not delivered to Buyer within the specified time, the time for delivery will be automatically extended up to 15 days or the Closing Date, whichever is earlier.

C. SURVEY: The survey must be made by a registered professional land surveyor acceptable to the Title Company and any lender. (Check one box only)

☐ (1) Within _______ days after the effective date of this contract, Seller, at Seller's expense, shall furnish a new survey to Buyer.

☒ (2) Within 200 days after the effective date of this contract, Buyer, at Buyer's expense, shall obtain a new survey.

☐ (3) Within _______ days after the effective date of this contract, Seller shall furnish Seller's existing survey of the Property to Buyer and the Title Company, along with Seller's affidavit acceptable to the Title Company for approval of the survey. If the survey is not approved by the Title Company or Buyer's lender, a new survey will be obtained at ☐ Seller's ☐ Buyer's expense no later than 3 days prior to the Closing Date.

D. OBJECTIONS: Within 10 days after Buyer receives the Commitment, Exception Documents and the survey, Buyer may object in writing to (i) defects, exceptions, or encumbrances to title: disclosed on the survey other than items 6A(1) through (7) above; disclosed in the Commitment other than items 6A(1) through (8) above; (ii) any portion of the Property lying in the 100 year flood plain as shown on the current Federal Emergency Management Agency map; or (iii) any exceptions which prohibit the following use or activity: ______________________

Buyer's failure to object within the time allowed will constitute a waiver of Buyer's right to object; except that the requirements in Schedule C of the Commitment are not waived. Seller shall cure the timely objections of Buyer or any third party lender within 15 days after Seller receives the objections and the Closing Date will be extended as necessary. If objections are not cured within such 15 day period, this contract will terminate and the earnest money will be refunded to Buyer unless Buyer waives the objections.

E. TITLE NOTICES:

(1) ABSTRACT OR TITLE POLICY: Broker advises Buyer to have an abstract of title covering the Property examined by an attorney of Buyer's selection, or Buyer should be furnished with or obtain a Title Policy. If a Title Policy is furnished, the Commitment should be promptly reviewed by an attorney of Buyer's choice due to the time limitations on Buyer's right to object.

(2) MANDATORY OWNERS' ASSOCIATION MEMBERSHIP: The Property ☐ is ☒ is not subject to mandatory membership in an owners' association. If the Property is subject to mandatory membership in an owners' association, Seller notifies Buyer under §5.012, Texas Property Code, that, as a purchaser of property in the residential community in which the Property is located, you are obligated to be a member of the owners' association. Restrictive covenants governing the use and occupancy of the Property and a dedicatory instrument governing the establishment, maintenance, and operation of this residential community have been or will be recorded in the Real Property Records of the county in which the Property is located. Copies of the restrictive covenants and dedicatory instrument may be obtained from the county clerk. You are obligated to pay assessments to the owners' association. The amount of the assessments is subject to change. Your failure to pay the assessments could result in a lien on and the foreclosure of the Property.

(3) STATUTORY TAX DISTRICTS: If the Property is situated in a utility or other statutorily created district providing water, sewer, drainage, or flood control facilities and services, Chapter 49, Texas Water Code requires Seller to deliver and Buyer to sign the statutory notice relating to the tax rate, bonded indebtedness, or standby fee of the district prior to final execution of this contract.

(4) TIDE WATERS: If the Property abuts the tidally influenced waters of the state, §33.135, Texas Natural Resources Code, requires a notice regarding coastal area property to be included in the contract. An addendum containing the notice promulgated by TREC or required by the parties must be used.

(5) ANNEXATION: If the Property is located outside the limits of a municipality, Seller notifies Buyer under §5.011, Texas Property Code, that the Property may now or later be included in the extraterritorial jurisdiction of a municipality and may now or later be subject to annexation by the municipality. Each municipality maintains a map that depicts its boundaries and extraterritorial jurisdiction. To determine if the Property is located within a municipality's extraterritorial jurisdiction or is likely to be located within a municipality's extraterritorial jurisdiction, contact all municipalities located in the general proximity of the Property for further information.

(6) UNIMPROVED PROPERTY LOCATED IN A CERTIFICATED SERVICE AREA OF A UTILITY SERVICE PROVIDER: If the Property is located in a certificated service area of a utility service provider and the Property does not receive water or sewer service from the utility service provider on the date the Property is transferred, §13.257, Texas Water Code, requires a notice regarding the cost of providing water or sewer services to the Property. An addendum containing the notice promulgated by TREC or required by the parties must be used.

(7) TEXAS AGRICULTURAL DEVELOPMENT DISTRICT: The Property ☐ is ☒ is not located in a Texas Agricultural Development District.

7. PROPERTY CONDITION:

A. INSPECTIONS, ACCESS AND UTILITIES: Buyer may have the Property inspected by inspectors selected by Buyer and licensed by TREC or otherwise permitted by law to make inspections. Seller shall permit Buyer and Buyer's agents access to the Property at reasonable times. Seller shall pay for turning on existing utilities.
NOTICE: Buyer should determine the availability of utilities to the Property suitable to satisfy Buyer's needs.

B. ACCEPTANCE OF PROPERTY CONDITION: Buyer accepts the Property in its present condition; provided Seller, at Seller's expense, shall complete the following: ~~N/A~~ none. CRC

C. COMPLETION OF REPAIRS: Unless otherwise agreed in writing, Seller shall complete all agreed repairs prior to the Closing Date. All required permits must be obtained, and repairs must be performed by persons who are licensed or otherwise permitted by law to provide such repairs. At Buyer's election, any transferable warranties received by Seller with respect to the repairs will be transferred to Buyer at Buyer's expense. If Seller fails to complete any agreed repairs prior to the Closing Date, Buyer may do so and receive reimbursement from Seller at closing. The Closing Date will be extended up to 15 days, if necessary, to complete repairs.

D. ENVIRONMENTAL MATTERS: Buyer is advised that the presence of wetlands, toxic substances, including asbestos and wastes or other environmental hazards, or the presence of a threatened or endangered species or its habitat may affect Buyer's intended use of the Property. If Buyer is concerned about these matters, an addendum promulgated by TREC or required by the parties should be used.

E. SELLER'S DISCLOSURES: Except as otherwise disclosed in this contract, Seller has no knowledge of the following:
(1) any flooding of the Property which has had a material adverse effect on the use of the property;
(2) any pending or threatened litigation, condemnation, or special assessment affecting the Property;
(3) any environmental hazards or conditions which materially affect the Property;
(4) any dumpsite, landfill, or underground tanks or containers now or previously located on the Property;
(5) any wetlands, as defined by federal or state law or regulation, affecting the Property; or
(6) any threatened or endangered species or their habitat affecting the Property.

8. BROKERS' FEES: All obligations of the parties for payment of brokers' fees are contained in separate written agreements.

9. CLOSING:

A. The closing of the sale will be on or before September 30, 2006, or within 7 days after objections to matters disclosed in the Commitment or by the survey have been cured, whichever date is later (Closing Date). If either party fails to close the sale by the Closing Date, the non-defaulting party may exercise the remedies contained in Paragraph 15.

B. At closing:
(1) Seller shall execute and deliver a general warranty deed conveying title to the Property to Buyer and showing no additional exceptions to those permitted in Paragraph 6 and furnish tax statements or certificates showing no delinquent taxes on the Property.

(2) Buyer shall pay the Sales Price in good funds acceptable to the escrow agent.
(3) Seller and Buyer shall execute and deliver any notices, statements, certificates, affidavits, releases, loan documents and other documents required of them by this contract, the Commitment or law necessary for the closing of the sale and the issuance of the Title Policy.

C. Unless expressly prohibited by written agreement, Seller may continue to show the Property and receive, negotiate and accept back up offers.

D. All covenants, representations and warranties in this contract survive closing.

10. POSSESSION: Seller shall deliver possession of the Property to Buyer upon closing and funding.

11. SPECIAL PROVISIONS: (Insert only factual statements and business details applicable to the sale. TREC rules prohibit licensees from adding factual statements or business details for which a contract addendum or other form has been promulgated by TREC for mandatory use.)

Buyer may assign this Contract without the approval of the Seller. Buyer will pay a $20,000 fee on August 31, 2006. This fee is non-refundable but will be credited towards the sales price at closing. The Earnest Money is refundable to Buyer in total if the contract is terminated before July 31, 2006. The Sales Price is based on two lots totaling 210,000 square feet. Buyer requires no less than 205,000 square feet for its development plan and Seller agrees to provide no less than 205,000 square feet out of his total site. If the survey determines a larger or smaller area, but in no case less than 205,000 square feet, the Sales Price will be adjusted by the difference times 215,000/210,000. The Seller Financing will be adjusted to reflect the higher or lower Sales Price.

12. SETTLEMENT AND OTHER EXPENSES:

A. The following expenses must be paid at or prior to closing:

(1) Expenses payable by Seller (Seller's Expenses):

(a) Releases of existing liens, including prepayment penalties and recording fees; release of Seller's loan liability; tax statements or certificates; preparation of deed; one-half of escrow fee; and other expenses payable by Seller under this contract.

(b) Seller shall also pay an amount not to exceed $ -0- to be applied to Buyer's Expenses.

(2) Expenses payable by Buyer (Buyer's Expenses):

(a) Loan origination, discount, buy-down, and commitment fees (Loan Fees).

(b) Appraisal fees; loan application fees; credit reports; preparation of loan documents; interest on the notes from date of disbursement to one month prior to dates of first monthly payments; recording fees; copies of easements and restrictions; mortgagee title policy with endorsements required by lender; loan-related inspection fees; photos, amortization schedules, one-half of escrow fee; transfer fees for cooperative or association membership for utility services; all prepaid items, including required premiums for flood and hazard insurance, reserve deposits for insurance, ad valorem taxes and special governmental assessments; final compliance inspection; courier fee, repair inspection, underwriting fee and wire transfer, expenses incident to any loan, and other expenses payable by Buyer under this contract.

B. Buyer shall pay Private Mortgage Insurance Premium (PMI), VA Loan Funding Fee, or FHA Mortgage Insurance Premium (MIP) as required by the lender.

C. If any expense exceeds an amount expressly stated in this contract for such expense to be paid by a party, that party may terminate this contract unless the other party agrees to pay such excess. Buyer may not pay charges and fees expressly prohibited by FHA, VA, Texas Veteran's Housing Assistance Program or other governmental loan program regulations.

13. PRORATIONS AND ROLLBACK TAXES:

A. PRORATIONS: Taxes for the current year, interest, maintenance fees, assessments, dues and rents will be prorated through the Closing Date. If taxes for the current year vary from the amount prorated at closing, the parties shall adjust the prorations when tax statements for the current year are available. If taxes are not paid at or prior to closing, Buyer shall pay taxes for the current year.

B. ROLLBACK TAXES: If this sale or Buyer's use of the Property after closing results in the assessment of additional taxes, penalties or interest (Assessments) for periods prior to closing, the Assessments will be the obligation of Buyer. If Seller's change in use of the Property prior to closing or denial of a special use valuation on the Property claimed by Seller results in Assessments for periods prior to closing, the Assessments will be the obligation of Seller. Obligations imposed by this paragraph will survive closing.

14. **CASUALTY LOSS:** If any part of the Property is damaged or destroyed by fire or other casualty after the effective date of this contract, Seller shall restore the Property to its previous condition as soon as reasonably possible, but in any event by the Closing Date. If Seller fails to do so due to factors beyond Seller's control, Buyer may (a) terminate this contract and the earnest money will be refunded to Buyer (b) extend the time for performance up to 15 days and the Closing Date will be extended as necessary or (c) accept the Property in its damaged condition with an assignment of insurance proceeds and receive credit from Seller at closing in the amount of the deductible under the insurance policy. Seller's obligations under this paragraph are independent of any obligations of Seller under Paragraph 7.

15. **DEFAULT:** If Buyer fails to comply with this contract, Buyer will be in default, and Seller may (a) enforce specific performance, seek such other relief as may be provided by law, or both, or (b) terminate this contract and receive the earnest money as liquidated damages, thereby releasing both parties from this contract. If, due to factors beyond Seller's control, Seller fails within the time allowed to make any non-casualty repairs or deliver the Commitment, or survey, if required of Seller, Buyer may (a) extend the time for performance up to 15 days and the Closing Date will be extended as necessary or (b) terminate this contract as the sole remedy and receive the earnest money. If Seller fails to comply with this contract for any other reason, Seller will be in default and Buyer may (a) enforce specific performance, seek such other relief as may be provided by law, or both, or (b) terminate this contract and receive the earnest money, thereby releasing both parties from this contract.

16. **MEDIATION:** It is the policy of the State of Texas to encourage resolution of disputes through alternative dispute resolution procedures such as mediation. Any dispute between Seller and Buyer related to this contract which is not resolved through informal discussion ☐will ☐will not be submitted to a mutually acceptable mediation service or provider. The parties to the mediation shall bear the mediation costs equally. This paragraph does not preclude a party from seeking equitable relief from a court of competent jurisdiction.

17. **ATTORNEY'S FEES:** The prevailing party in any legal proceeding related to this contract is entitled to recover reasonable attorney's fees and all costs of such proceeding incurred by the prevailing party.

18. **ESCROW:** The escrow agent is not (a) a party to this contract and does not have liability for the performance or nonperformance of any party to this contract, (b) liable for interest on the earnest money and (c) liable for the loss of any earnest money caused by the failure of any financial institution in which the earnest money has been deposited unless the financial institution is acting as escrow agent. At closing, the earnest money must be applied first to any cash down payment, then to Buyer's Expenses and any excess refunded to Buyer. If both parties make written demand for the earnest money, escrow agent may require payment of unpaid expenses incurred on behalf of the parties and a written release of liability of escrow agent from all parties. If one party makes written demand for the earnest money, escrow agent shall give notice of the demand by providing to the other party a copy of the demand. If escrow agent does not receive written objection to the demand from the other party within 30 days after notice to the other party, escrow agent may disburse the earnest money to the party making demand reduced by the amount of unpaid expenses incurred on behalf of the party receiving the earnest money and escrow agent may pay the same to the creditors. If escrow agent complies with the provisions of this paragraph, each party hereby releases escrow agent from all adverse claims related to the disbursal of the earnest money. Escrow agent's notice to the other party will be effective when deposited in the U. S. Mail, postage prepaid, certified mail, return receipt requested, addressed to the other party at such party's address shown below. Notice of objection to the demand will be deemed effective upon receipt by escrow agent.

19. **REPRESENTATIONS:** Seller represents that as of the Closing Date (a) there will be no liens, assessments, or security interests against the Property which will not be satisfied out of the sales proceeds unless securing payment of any loans assumed by Buyer and (b) assumed loans will not be in default. If any representation of Seller in this contract is untrue on the Closing Date, Buyer may terminate this contract and the earnest money will be refunded to Buyer.

20. **FEDERAL TAX REQUIREMENTS:** If Seller is a "foreign person," as defined by applicable law, or if Seller fails to deliver an affidavit to Buyer that Seller is not a "foreign person," then Buyer shall withhold from the sales proceeds an amount sufficient to comply with applicable tax law and deliver the same to the Internal Revenue Service together with appropriate tax forms. Internal Revenue Service regulations require filing written reports if currency in excess of specified amounts is received in the transaction.

21. **NOTICES:** All notices from one party to the other must be in writing and are effective when mailed to, hand-delivered at, or transmitted by facsimile as follows:

To Buyer at:	To Seller at:
Legacy Renewal, Inc.	Carl Raymond Crites
8814 Rustling Breeze	138 Vasser Lane
San Antonio, Texas 78254	San Antonio, Texas 78254
Telephone:(210) 684-0679	Telephone:(210) 822-8913
Facsimile:(210) 521-7121	Facsimile:(210) 822-4868

22. **AGREEMENT OF PARTIES:** This contract contains the entire agreement of the parties and cannot be changed except by their written agreement. Addenda which are a part of this contract are (check all applicable boxes):

- ☐ Third Party Financing Condition Addendum
- ☒ Seller Financing Addendum
- ☐ Loan Assumption Addendum
- ☐ Addendum for Property Subject to Mandatory Membership in an Owners' Association
- ☐ Addendum for Sale of Other Property by Buyer
- ☐ Environmental Assessment, Threatened or Endangered Species and Wetlands Addendum
- ☐ Addendum for Coastal Area Property
- ☐ Addendum for Property Located Seaward of the Gulf Intracoastal Waterway
- ☐ Addendum for Release of Liability on Assumption of FHA, VA, or Conventional Loan Restoration of Seller's Entitlement for VA Guaranteed Loan
- ☐ Addendum for Unimproved Property Located in a Certificated Service Area of a Utility Service Provider
- ☐ Addendum for "Back-Up" Contract

☐ Other (list): ______________________________

Contract Concerning Corner of Church and Avenue C (Address of Property)

23. **TERMINATION OPTION:** This paragraph will be a part of this contract ONLY if both blanks are filled in and Buyer has paid the Option Fee. Buyer has paid Seller $________ (Option Fee) for the unrestricted right to terminate this contract by giving notice of termination to Seller within ______ days after the effective date of this contract. If Buyer gives notice of termination within the time specified, the Option Fee will not be refunded, however, any earnest money will be refunded to Buyer. The Option Fee ☐will ☐will not be credited to the Sales Price at closing. For the purposes of this paragraph, time is of the essence; strict compliance with the time for performance stated herein is required.

24. **CONSULT AN ATTORNEY:** Real estate licensees cannot give legal advice. READ THIS CONTRACT CAREFULLY. If you do not understand the effect of this contract, consult an attorney BEFORE signing.

Buyer's Attorney is: NA	Seller's Attorney is: John L. Ray
	8523 Tee Cee #102 San Antonio, Texas 78217
Telephone: ( )	Telephone: (210) 828-3071
Facsimile: ( )	Facsimile: (210) 828-3077

JAN 0 2 2006

EXECUTED the _____ day of ____________, 20___ (EFFECTIVE DATE).
(BROKER: FILL IN THE DATE OF FINAL ACCEPTANCE.)

SMDuggers	[signature]
Buyer	Seller
Buyer	Seller

Contract Concerning Comer of Church and Avenue C (Address of Property) Page Eight 01-06-03

SELLER'S RECEIPT

Receipt of $________ (Option Fee) in the form of ________ is acknowledged.

Seller ________ Date ________

BROKER INFORMATION AND RATIFICATION OF FEE

Listing Broker has agreed to pay Other Broker Comer of Church and Avenue C of the total Sales Price when Listing Broker's fee is received. Escrow Agent is authorized and directed to pay Other Broker from Listing Broker's fee at closing. Commission will be due if and only if the transaction closes and the Seller Financing Note is paid in full. The Commission is to be paid out of the last of the Note Proceeds.

Frederick Carl Heimer Other Broker	NA Listing Broker
0417010 (830) 625-8410 License No. Telephone	NA License No. Telephone
represents ☒ Buyer only as Buyer's agent ☐ Seller as Listing Broker's subagent	represents ☐ Seller and Buyer as an intermediary ☐ Seller only as Seller's agent
Associate Telephone	Listing Associate Telephone
Broker's Address	Listing Associate's Office Address Facsimile
Facsimile	Selling Associate Telephone
	Selling Associate's Office Address Facsimile

RECEIPT

Receipt of ☐ Contract and ☐ $________ Earnest Money in the form of ________ is acknowledged.

Escrow Agent: ________ Date: ________

By: ________

Address ________ Telephone (___) ________

City State Zip ________ Facsimile: (___) ________

Exhibit A

1.) A tract of land in the City of Poteet, Texas, being a portion of Lot 3 in the Crites Subdivision in the City of Poteet, Atascosa County, Texas and being more fully described in metes and bounds as follow:

Beginning at a point at the Westernmost corner of Lot 3, also being the point at the Northern end of the frontage of Lot 3 with Hwy 16,

Thence S 18°57"00' E 42.18' along the boundary of Lot 3 with Hwy 16 to a point;

Thence Southerly along the boundary of Lot 3 with Hwy 16, along the curve with Curve Data of Δ=01°05'29". R=5669.58, T=54.00, L=108.00, for a distance of 8.00' to a point;

Thence N 69°51'29" E to a point in the Easternmost convex curve of Lot 3, said curve having the Curve Data of Δ=53°, R=150.99, T=75.12, L=139.29;

Thence Northwardly and Northeastwardly along the said curve to the point that is the Northeastern termination of said curve;

Thence N 18° 06' 38" E 301.49' to a point for the Easternmost corner of the subject portion of Lot 3;

Thence N 69°11'50" W 213.65' to a point for the Northernmost corner of the subject portion of Lot 3;

Thence S 17° 58'13" W 530.25' to the point of beginning, and containing approximately 109,340 square feet of land, more or less.

2.) A tract of land in the City of Poteet, Texas, being all of Lot 4 in the Crites Subdivision in the City of Poteet, Atascosa County, Texas containing 2.306 acres.

Buyer

Seller

PROMULGATED BY THE TEXAS REAL ESTATE COMMISSION (TREC) 10-29-01

EQUAL HOUSING OPPORTUNITY

SELLER FINANCING ADDENDUM

TO CONTRACT CONCERNING THE PROPERTY AT

Corner of Church and Avenue C, Poteet, Texas
(Street Address and City)

A. ~~**CREDIT DOCUMENTATION.** Within __________ days after the effective date of this contract, Buyer shall deliver to Seller ☐ credit report ☐ verification of employment, including salary ☐ verification of funds on deposit in financial institutions ☐ current financial statement to establish Buyer's creditworthiness and ☐ __________. Buyer hereby authorizes any credit reporting agency to furnish to Seller at Buyer's sole expense copies of Buyer's credit reports.~~

B. ~~**CREDIT APPROVAL.** If Buyer's documentation is not delivered within the specified time, Seller may terminate this contract by notice to Buyer within 7 days after expiration of the time for delivery, and the earnest money will be paid to Seller. If the documentation is timely delivered, and Seller determines in Seller's sole discretion that Buyer's credit is unacceptable, Seller may terminate this contract by notice to Buyer within 7 days after expiration of the time for delivery and the earnest money will be refunded to Buyer. If Seller does not terminate this contract, Seller will be deemed to have accepted Buyer's credit.~~

C. **PROMISSORY NOTE.** The promissory note (Note) described in Paragraph 4 of this contract payable by Buyer to the order of Seller will be payable at the place designated by Seller. Buyer may prepay the Note in whole or in part at any time without penalty. Any prepayments are to be applied to the payment of the installments of principal last maturing and interest will immediately cease on the prepaid principal. The Note will contain a provision for payment of a late fee of 5% of any installment not paid within 10 days of the due date. The Note will be payable as follows:

☒ (1) In one payment due 240 days after the date of the Note with interest payable at 8%.

☐ (2) In __________ installments of $ __________ ☐ including interest ☐ plus interest beginning __________ after the date of the Note and continuing at __________ intervals thereafter for __________ when the balance of the Note will be due and payable.

☐ (3) Interest only in ______ installments for the first __________ month(s) and thereafter in installments of $__________ ☐ including interest ☐ plus interest beginning __________ after the date of the Note and continuing at __________ intervals thereafter for __________ when the balance of the Note will be due and payable.

D. **DEED OF TRUST.** The deed of trust securing the Note will provide for the following:

(1) PROPERTY TRANSFERS: (check only one)

☒ (a) Consent Not Required: The Property may be sold, conveyed or leased without the consent of Seller, provided any subsequent buyer assumes the Note.

☐ (b) Consent Required: If all or any part of the Property is sold, conveyed, leased for a period longer than 3 years, leased with an option to purchase, or otherwise sold (including any contract for deed), without the prior written consent of Seller, Seller may declare the

Corner of Church and Avenue C

(Address of Property)

balance of the Note, to be immediately due and payable. The creation of a subordinate lien, any conveyance under threat or order of condemnation, any deed solely between buyers, the passage of title by reason of the death of a buyer or by operation of law will not entitle Seller to exercise the remedies provided in this paragraph.

(2) TAX AND INSURANCE ESCROW: (check only one)

☒ (a) Escrow Not Required: Buyer shall furnish Seller annually, before the taxes become delinquent, evidence that all taxes on the Property have been paid. Buyer shall furnish Seller annually evidence of paid-up casualty insurance naming Seller as an additional loss payee.

☐ (b) Escrow Required: With each installment Buyer shall deposit with Seller in escrow a pro rata part of the estimated annual ad valorem taxes and casualty insurance premiums for the Property. Buyer shall pay any deficiency within 30 days after notice from Seller. Buyer's failure to pay the deficiency constitutes a default under the deed of trust. Buyer is not required to deposit any escrow payments for taxes and insurance that are deposited with a superior lienholder. The casualty insurance must name Seller as an additional loss payee.

(3) PRIOR LIENS: Any default under any lien superior to the lien securing the Note constitutes default under the deed of trust securing the Note.

Buyer	Seller
Buyer	Seller

R63441

- **Datasheet**
- Assessment History
- Land Information
- Improvements
- Improvement Sketch
- Location Map

Atascosa

- County Info
- Account Search
- Owner Search
- Address Search
- Property ID Search

Search

- New County

Assistance

- FAQs
- Links
- Forms

Property Description		
Owner Address	**Property Situs Address**	**Legal Description**
CRITES CARL RAYMOND P O BOX 12529 SAN ANTONIO, TX 78212		CRITES S/D, LOT 3, ACRES 3.107
Taxing Entities	**Exemptions**	**Deed**
GAT - Atascosa County SPO - Poteet ISD CPO - City Of Poteet FMLR - Farm To Market Road WEV - Evergreen Water Dist		Book: Page: Type:
Account Number	**Abstract/Subdivision**	**Neighborhood**
03205-00-000-000300	S03205 - Crites S/D	

Value Information	
Type	**Value**
Total Land HS/NHS	$82,000
Total Productivity Market	$0
Total Improvement HS/NHS	$0
Total Market Value	$82,000

* This value information is preliminary and not certified. These values should not be used in the estimation of taxes as they are subject to change. Prior year certified value information can be obtained by selecting the "Assessments" option.

Main Area Building Attributes			
Cont Style	**Foundation**	**Ext. Finish**	**Int. Finish**
Roof Style	**Flooring**	**Heat/AC**	**Plumbing**
Fireplace	**Builtins**	**Rooms**	**Bedrooms**

Tyler Technologies, Inc. | The Software Group Division

May 5, 2006

Ms. Brooke Boston
Executive Director
Texas Dept. of Housing and Community Affairs
P.O. Box 13941
Austin, Texas 78711-3941

RE: TDHCA 2006 Program #060133
Canyon's Landing, Poteet, Texas

CONCERN:
The formation and legitimacy of the Strawberry Hill Neighborhood Association in Poteet, Texas.

Regarding the formation of a neighborhood organization according to the excerpt of 50.0(i)(2) of the QCP, (vi) states that the

(a) *...the neighborhood organization was NOT formed by any Applicant, Developer, or any employee or agent of any applicant in the 2006 tax credit Application Round, that the organization and any member did not accept money or a gift to CAUSE the neighborhood organization to take its position of support or opposition, and has not provided any assistance other than education and information sharing to the neighborhood organization to meet the requirements of this subparagraph for any application in the Application Round....*

The creation of the Strawberry Hill Neighborhood Association appears to have met all the criteria listed in the QCP and the TDHCA Information Packet for Neighborhoods for both the 2005 and 2006 Application Rounds. The NA has submitted the correct and requested information as listed in the QCP in the form of a support letter for Canyon's Landing, Poteet, for both 2005 (TDHCA #05155) and 2006.

There is reason to believe that the formation of the neighborhood association was formed deceptively, but by the owner of the land to assist in gaining extra points to assure the success of the applicant receiving tax credits. The owner of the land understanding that the sale of his property will only go through if the tax credits are received. The application process having been explained by the developer/Applicant, the competiveness involved, and what it takes to have the necessary points to score as high as possible. The developer/Applicant probably did inform the "proposed neighborhood association" of the merits of being formed and filed and most likely assisted in its formation.

Carl Raymond Crites, San Antonio, is the Seller of the land and is not a Poteet resident.

One of the qualifications of a legitimate neighborhood organizations, as defined by TDHCA, states the... *"property owners association...."* This is not quite the same

TRANSMISSION VERIFICATION REPORT

TIME : 05/26/2006 15:20
NAME :
FAX :
TEL :
SER.# : 000J5J563237

DATE,TIME	05/26 15:15
FAX NO./NAME	92105217121
DURATION	00:05:03
PAGE(S)	14
RESULT	OK
MODE	STANDARD ECM

New 060B3

71996
FILED FOR RECORD
2005 FEB 25 PM 3:04
LAGUITA HAYDEN
ATASCOSA COUNTY CLERK
BY DEPUTY

STRAWBERRY HILL NEIGHBORHOOD ASSOCIATION
Post Office Box 638
Poteet TX 78065

BYLAWS:

ARTICLE I DEFINITION

SECTION 1 NAME: The name of the organization shall be the **Strawberry Hill Neighborhood Association.**

SECTION 2 MEMBERSHIP: Membership in the *Strawberry Hill Neighborhood Association* shall be open to all persons who live or own property within the below designated boundaries.

SECTION 3 BOUNDARIES: The Strawberry Hill Neighborhood Association is located in the City of Poteet, Atascosa County, Texas and its geographic boundaries in the City of Poteet are as follows:

> Beginning at the intersection of Boyd Street with State Highway 16, go Northeast along Boyd Street to School Drive; thence Northwest along School Drive to its intersection with the continuation of Boyd Street; thence go Northeast along Boyd Street to its intersection with Pecan Street; thence go Northwest along Pecan Street to its intersection with Joyce Marlene Street; thence go Northeast on the extension of Joyce Marlene Street to the City Limits Line; thence Northwest along the City Limits Line to its intersection with State Highway 16; thence go Southward along State Highway 16 to its intersection with Boyd Street, being the point of beginning.

The boundaries of the *Strawberry Hill Neighborhood Association* shall be periodically updated by action of the Board of Directors, so long as the adjustments are minor in nature. Major adjustments shall be voted on at the next general meeting.

SECTION 4 DUES: No membership dues shall be assessed.

ARTICLE II PURPOSE

SECTION 1 The purpose for which the *Strawberry Hill Neighborhood Association* is organized is to protect and enhance the livability of the area by whatever legal means the membership and/or Board of Directors deems appropriate. It has a primary purpose of working to maintain and improve the general welfare of the neighborhood. This objective will be sought by:

(a) Establishing and maintaining open lines of communication and liaison between other neighborhoods, governmental units and agencies.

(b) Providing an open process by which all members of the neighborhood may involve themselves in the affairs of the neighborhood.

(c) By performing any activities related to livability, to have and enjoy all the powers granted and engage in any lawful activity.

(d) By being organized exclusively for non-profit, educational, scientific, and/or charitable purposes.

ARTICLE III STRUCTURE

SECTION I OFFICERS OF THE ASSOCIATION: The officers of the association shall be a President, a Secretary, and a Treasurer.

SECTION 2 BOARD OF DIRECTORS: The Board of Directors, hereinafter referred to as the Board, shall consist of the officers of the association, plus one (1) Director at large.

SECTION 3 STANDING COMMITTEES: Standing Committees and neighborhood liaison positions of the association shall be established and/or abolished by the Board at its discretion.

SECTION 4 AD HOC COMMITTEES: Ad hoc committees may be established and/or abolished by the Board at its discretion. They will exist only for specific, short-term projects or issues affecting the neighborhood. Ad hoc committees automatically cease to exist at 120 days from when voted into existence, unless explicitly renewed by the Board.

ARTICLE IV ROLES AND RESPONSIBILITIES

SECTION 1 DUTIES OF THE OFFICERS OF *Strawberry Hill Neighborhood Association:*

The duties of the officers shall be as follows:

(a) The President shall act as the chief executive officer of the association and preside over all meetings of the general membership and Board of Directors.

(b) The Secretary: The Secretary shall prepare agendas for meetings of the general membership and Board of Directors. The Secretary shall keep or cause to be kept minutes and written records of all meetings; shall be responsible for all correspondence, and shall make records available for inspection for any proper purpose at any reasonable time. The Secretary shall function as chair if the President is absent.

(c) TREASURER: The Treasurer shall be held accountable for all funds and shall give an accounting at each general meeting of the association; shall receive, safe keep, and disperse funds. All disbursements require the signature of the Treasurer and one other Board member as designated by the Board.

SECTION 2 DUTIES OF THE BOARD OF DIRECTORS: The Board of Directors shall be responsible for the management of the affairs of the *Strawberry Hill Neighborhood Association* in the interim between general membership meetings. The members of the Board shall attend regular meetings of the Board and the association, shall be accountable to the general membership, and shall comply with these bylaws.

ARTICLE V PROCESS

SECTION 1 MEMBERSHIP MEETINGS: There will be a minimum of two (2) general meetings of the membership each year, in the spring and fall. Special meetings of the membership may be called by the Board for any issue of concern to the *Strawberry Hill Neighborhood Association*. Notification by mail, fax, Email, telephone, in person, or by Notice posted on the bulletin board at the City Hall of the City of Poteet shall be given for all general and/or special meetings of the membership at least three (3) days in advance of the meeting. All meetings will be conducted using Roberts Rules of Order. However, should there be a conflict between Roberts Rules of Order and these bylaws, the bylaws will take precedence.

SECTION 2 BOARD MEETINGS: There shall be a minimum of one (1) Board meetings each year. The Board, at its discretion, may call a maximum of one (1) Board meeting for any month of which a general membership meeting, as required in Section 1, does not occur. These meetings are open to the public; however, only Board members may vote. Notification shall be given for all Board meetings of the *Strawberry Hill Neighborhood Association* at least three (3) days in advance of the meeting. All meetings will be conducted using Roberts Rules of Order. However, should there be a conflict between Roberts Rules of Order and these bylaws, the bylaws will take precedence.

SECTION 3 MEETING AGENDAS: The Secretary shall prepare the agendas for all Board meetings, and for all special and general meetings of the membership. Agenda items may be added, modified, or deleted by a majority vote of the Board.

SECTION 4 PARTICIPATION: Any general, special, Board, or committee meeting is open to any person, and all who wish to be heard. However, only citizens who live or own property within the *Strawberry Hill Neighborhood Association* boundaries are eligible to vote at general membership meetings. All actions or recommendations of the *Strawberry Hill Neighborhood Association* membership, whether from special or general membership meetings, shall be reported to those affected, and shall include any dissenting or minority position taken at a formal vote.

SECTION 5 VOTING: All persons living or owning property within the Strawberry Hill Neighborhood Association boundaries are eligible to vote during general or special membership meetings. The Board may require proof of voting eligibility prior to voting. All actions or recommendations require a majority to pass.

SECTION 6 QUORUM: For voting purposes, a quorum for any general or special membership meeting of the *Strawberry Hill Neighborhood Association* shall be the number of members in attendance. For Board meetings a quorum of three (3) is required. All votes of the Board require a majority to pass.

SECTION 7 BOARD ELECTIONS: Officers of the association and the one director at large shall be elected for a period of two (2) years. Nominations for officers and the director at large positions will be made at the Fall general meeting, with elections to take place at the Spring general meeting.

SECTION 8 BOARD VACANCIES: If a Board member misses three consecutive meetings without a reasonable excuse the position will automatically be vacated. A member may also vacate a position by submitting a written resignation. The Board may fill any vacancy on the Board by majority vote of the remaining directors of the Board. A member appointed and elected by the Board to fill a vacancy shall serve until the next general election, and must be ratified by a majority of members present at the next general meeting.

SECTION 9 ELIGIBILITY: Only persons eligible for *Strawberry Hill Neighborhood Association* membership shall be qualified to hold an elected or appointed position.

SECTION 10 STANDING COMMITTEES: Volunteers for standing committees shall be solicited at all general meetings. Standing committees shall report to the Board or the general membership. This will be determined at each point in time a committee is created.

SECTION 11 GRIEVANCE PROCEDURE: Any person affected by the actions or decisions of the *Strawberry Hill Neighborhood Association* who has a grievance may submit a written complaint to any member of the Board. The Board member receiving the complaint shall within three (3) days forward the complaint to the other Board Members. The Secretary shall put the grievance on the agenda of the next meeting of the Board, whether it is a special, or general meeting. Only Board members may vote on grievance matters.

SECTION 12 INDEMNIFICATION: Strawberry Hill Neighborhood Association agrees to indemnify and hold harmless each Board Member from and against all costs, losses, liabilities, damages, claims, and expenses (including attorney fees as incurred at trial and on appeal) arising from actions or interactions taken or omitted in his or her capacity as a Board Member, including, without limitation, actions taken or omitted by the Board Member consistent with these Bylaws and in furtherance of the business or affairs of Strawberry Hill Neighborhood Association. The satisfaction of any indemnification of the Board Members under this Section will be from, and limited to, Strawberry Hill Neighborhood Association assets, and the Strawberry Hill Neighborhood Association members shall not have any personal liability on account thereof.

SECTION 15 BYLAWS REVISION: Adoption of and amendments to the bylaws shall require a two-thirds (2/3) majority vote by eligible voters present at a general meeting of the membership.

SECTION 16 ASSOCIATION TO BE ON RECORD WITH ATASCOSA COUNTY, TEXAS. The Board shall take action to cause *Strawberry Hill Neighborhood Association* to be On Record in Atascosa County, Texas. The Secretary shall certify a true and correct copy of these Bylaws and, after acknowledging his execution of such certificate in the manner prescribed by Texas law, the Secretary shall cause the same to be recorded in the Public Records of Atascosa County, Texas.

ARTICLE VI NON-DISCRIMINATION

The *Strawberry Hill Neighborhood Association* will not discriminate against individuals or groups on the basis of race, religion, color, sex, sexual orientation, age, disability, national origin, income, or political affiliation in any of its policies, recommendations, or actions.

CERTIFICATE OF THE SECRETARY

I certify that the above and foregoing document is a true and correct copy of the duly adopted and enacted Bylaws of *Strawberry Hill Neighborhood Association* and such Bylaws are presently in full force and effect.

Jeffrey Uribe, Association Secretary

County of Bexar §
§
State of Texas §

This instrument was acknowledged by Jeffrey Uribe, Secretary of *Strawberry Hill Neighborhood Association,* before me on this 25th day of February 2005.

DEBORAH J TINNEY
Notary Public, State of Texas
My Commission Expires
6-13-2005

Notary Public, State of Texas

Ret to: Raymond Carl Ortiz
P.O. Box 12329
San Antonio, Tx 78209

STATE OF TEXAS COUNTY OF ATASCOSA

I hereby certify that this instrument was filed on the date and time stamped hereon by me and was duly recorded in the volume and page of the OPR records of Atascosa County, Texas stamped hereon by me.
RECORDING DATE
MAR - 1 2005
LAQUITA HAYDEN
COUNTY CLERK Atascosa County, Texas
By [illegible] Deputy

PART B. PUBLIC NOTIFICATIONS INFORMATION FORM
PART 2

NEIGHBORHOOD ORGANIZATION(S) (Submit all organizations on record with the city, county or state in which the Development is located and whose boundaries contain the proposed Development site, based on the letters obtained by the Applicant under §49.8(d)(3)(B) and/or 49.9(f)(8)(A)(ii) of the QAP and on the Applicant's own knowledge):

NAME: NA
ADDRESS: NA
CITY/STATE/ZIP: NA
TELEPHONE: NA
FAX: NA

NEIGHBORHOOD ORGANIZATION (S)
NAME: NA
ADDRESS: NA
CITY/STATE/ZIP: NA
TELEPHONE: NA
FAX: NA

NEIGHBORHOOD ORGANIZATION (S)
NAME: NA
ADDRESS: NA
CITY/STATE/ZIP: NA
TELEPHONE: NA
FAX: NA

NEIGHBORHOOD ORGANIZATION (S)
NAME: NA
ADDRESS: NA
CITY/STATE/ZIP: NA
TELEPHONE: NA
FAX: NA

NEIGHBORHOOD ORGANIZATION (S)
NAME: NA
ADDRESS: NA
CITY/STATE/ZIP: NA
TELEPHONE: NA
FAX: NA

I certify that the all the information provided is correct and acknowledge that the applicant is responsible for all costs and expenses associated with publication of notices as well as any cost of the hearing itself.

By: [signature] 1/3/05 Its: President of GP
Signature of Applicant/Owner Date

Name of Organization Submitting Letter	Development Number for Application for Which Letter Was Received	Support (S) or Opposition (O)
Rock Island/Samuels Ave. Neighborhood Organization	05004	S
San Juan Homes Resident Council	05159	S
Sequoyah Neighborhood Association	05260	S
Sevilla Resident Council	05028	S
South Houston Concerned Citizens Coalition	05169	O
South Mesquite Property Owners Association	05128	S
South Southwest Neighborhood Association	05205	S
Southeast Temple Homeowners Association	05016	S
Spring Branch Central Super Neighborhood	05210	O
St. Gerard Apartments Neighborhood Organization	05113	S
Strawberry Hill Neighborhood Association	05155	S
Neighborhood	05212	S
Tanglewood Oaks Owners Association	05130	S
Upper Third Ward Civic Association	05105	S
Valley View Homeowners Association	05045	S
Vista Verde I Residents Advisory Council	05118	S
Vista Verde II Residents Advisory Council	05118	S
Walnut Place Neighborhood Association	05192	S
Waymakers Neighborhood Association, Inc.	05117	S
We Care Community Group	05027	S
West Hill Neighborhood Development Association	05015	S
Western Hills North Neighborhood Association	05005	S
Woodlands Community Association, Inc., The	05044	S

(b) Providing an open process by which all members of the neighborhood may involve themselves in the affairs of the neighborhood.

(c) By performing any activities related to livability, to have and enjoy all the powers granted and engage in any lawful activity.

(d) By being organized exclusively for non-profit, educational, scientific, and/or charitable purposes.

ARTICLE III STRUCTURE

SECTION I OFFICERS OF THE ASSOCIATION: The officers of the association shall be a President, a Secretary, and a Treasurer.

SECTION 2 BOARD OF DIRECTORS: The Board of Directors, hereinafter referred to as the Board, shall consist of the officers of the association, plus one (1) Director at large.

SECTION 3 STANDING COMMITTEES: Standing Committees and neighborhood liaison positions of the association shall be established and/or abolished by the Board at its discretion.

SECTION 4 AD HOC COMMITTEES: Ad hoc committees may be established and/or abolished by the Board at its discretion. They will exist only for specific, short-term projects or issues affecting the neighborhood. Ad hoc committees automatically cease to exist at 120 days from when voted into existence, unless explicitly renewed by the Board.

ARTICLE IV ROLES AND RESPONSIBILITIES

SECTION 1 DUTIES OF THE OFFICERS OF *Strawberry Hill Neighborhood Association*:

The duties of the officers shall be as follows:

(a) The President shall act as the chief executive officer of the association and preside over all meetings of the general membership and Board of Directors.

(b) The Secretary: The Secretary shall prepare agendas for meetings of the general membership and Board of Directors. The Secretary shall keep or cause to be kept minutes and written records of all meetings; shall be responsible for all correspondence, and shall make records available for inspection for any proper purpose at any reasonable time. The Secretary shall function as chair if the President is absent.

(c) TREASURER: The Treasurer shall be held accountable for all funds and shall give an accounting at each general meeting of the association; shall receive, safe keep, and

SECTION 6 QUORUM: For voting purposes, a quorum for any general or special membership meeting of the *Strawberry Hill Neighborhood Association* shall be the number of members in attendance. For Board meetings a quorum of three (3) is required. All votes of the Board require a majority to pass.

SECTION 7 BOARD ELECTIONS: Officers of the association and the one director at large shall be elected for a period of two (2) years. Nominations for officers and the director at large positions will be made at the Fall general meeting, with elections to take place at the Spring general meeting.

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2005

PROMULGATED BY THE TEXAS REAL ESTATE COMMISSION (TREC) 01-06-03

UNIMPROVED PROPERTY CONTRACT

NOTICE: Not For Use For Condominium Transactions

1. **PARTIES:** Carl Raymond Crites (Seller) agrees to sell and convey to Legacy Renewal, Inc. (Buyer) and Buyer agrees to buy from Seller the Property described below.

2. **PROPERTY:** Lot ______, Block ______, ______ Addition, City of Poteet, Atascosa County, Texas, known as Corner of Church and Ave. C (address/zip code), or as described on attached exhibit together with all rights, privileges and appurtenances pertaining thereto, including but not limited to: water rights, claims, permits, strips and gores, easements, and cooperative or association memberships (the Property).

3. **SALES PRICE:**
   A. Cash portion of Sales Price payable by Buyer at closing .... $ 196,810
   B. Sum of all financing described below .... $ ______
   C. Sales Price (Sum of A and B) .... $ 196,810

4. **FINANCING:** The portion of Sales Price not payable in cash will be paid as follows: (Check applicable boxes below)
   ☐ A. THIRD PARTY FINANCING: One or more third party mortgage loans in the total amount of $______. If the Property does not satisfy the lenders' underwriting requirements for the loan(s), this contract will terminate and the earnest money will be refunded to Buyer. (Check one box only)
   ☐ (1) This contract is subject to Buyer being approved for the financing described in the attached Third Party Financing Condition Addendum.
   ☐ (2) This contract is not subject to Buyer being approved for financing.
   ☐ B. ASSUMPTION: The assumption of the unpaid principal balance of one or more promissory notes described in the attached TREC Loan Assumption Addendum.
   ☐ C. SELLER FINANCING: A promissory note from Buyer to Seller of $______, bearing ______ % interest per annum, secured by vendor's and deed of trust liens, and containing the terms and conditions described in the attached TREC Seller Financing Addendum. If an owner policy of title insurance is furnished, Buyer shall furnish Seller with a mortgagee policy of title insurance.

5. **EARNEST MONEY:** Upon execution of this contract by both parties, Buyer shall deposit $1,000 as earnest money with Martin Abstract, as escrow agent, at 712 Main St, Jourdanton, Texas 78026 (address). Buyer shall deposit additional earnest money of $ -0- with escrow agent within N/A days after the effective date of this contract. If Buyer fails to deposit the earnest money as required by this contract, Buyer will be in default.

6. **TITLE POLICY AND SURVEY:**
   A. TITLE POLICY: Seller shall furnish to Buyer at ☒ Seller's ☐ Buyer's expense an owner policy of title insurance (Title Policy) issued by Martin Abstract (Title Company) in the amount of the Sales Price, dated at or after closing, insuring Buyer against loss under the provisions of the Title Policy, subject to the promulgated exclusions (including existing building and zoning ordinances) and the following exceptions:
   (1) Restrictive covenants common to the platted subdivision in which the Property is located.
   (2) The standard printed exception for standby fees, taxes and assessments.
   (3) Liens created as part of the financing described in Paragraph 4.
   (4) Utility easements created by the dedication deed or plat of the subdivision in which the Property is located.
   (5) Reservations or exceptions otherwise permitted by this contract or as may be approved by Buyer in writing.
   (6) The standard printed exception as to marital rights.
   (7) The standard printed exception as to waters, tidelands, beaches, streams, and related matters.
   (8) The standard printed exception as to discrepancies, conflicts, shortages in area or boundary

2006

(2) Buyer shall pay the Sales Price in good funds acceptable to the escrow agent.
(3) Seller and Buyer shall execute and deliver any notices, statements, certificates, affidavits, releases, loan documents and other documents required of them by this contract, the Commitment or law necessary for the closing of the sale and the issuance of the Title Policy.

C. Unless expressly prohibited by written agreement, Seller may continue to show the Property and receive, negotiate and accept back up offers.

D. All covenants, representations and warranties in this contract survive closing.

10. POSSESSION: Seller shall deliver possession of the Property to Buyer upon closing and funding.

11. SPECIAL PROVISIONS: (Insert only factual statements and business details applicable to the sale. TREC rules prohibit licensees from adding factual statements or business details for which a contract addendum or other form has been promulgated by TREC for mandatory use.)

Buyer may assign this Contract without the approval of the Seller. Buyer will pay a $20,000 fee on August 31, 2006. This fee is non refundable but will be credited towards the sales price at closing. The Earnest Money is refundable to Buyer in total if the contract is terminated before July 31, 2006. The Sales Price is based on two lots totaling 210,000 square feet. Buyer requires no less than 205,000 square feet for its development plan and Seller agrees to provide no less than 205,000 square feet out of the total area. If the survey determines a larger or smaller area, but in no case less than 205,000 square feet, the Sales Price will be adjusted by the difference times 215,000/210,000. The Seller Financing will be adjusted to reflect the higher or lower Sales Price.

12. SETTLEMENT AND OTHER EXPENSES:

A. The following expenses must be paid at or prior to closing:

(1) Expenses payable by Seller (Seller's Expenses):

(a) Releases of existing liens, including prepayment penalties and recording fees; release of Seller's loan liability; tax statements or certificates; preparation of deed; one-half of escrow fee; and other expenses payable by Seller under this contract.

(b) Seller shall also pay an amount not to exceed $ -0- to be applied to Buyer's Expenses.

(2) Expenses payable by Buyer (Buyer's Expenses):

(a) Loan origination, discount, buy-down, and commitment fees (Loan Fees).

(b) Appraisal fees; loan application fees; credit reports; preparation of loan documents; interest on the notes from date of disbursement to one month prior to dates of first monthly payments; recording fees; copies of easements and restrictions; mortgagee title policy with endorsements required by lender; loan-related inspection fees; photos; amortization schedules; one-half of escrow fee; transfer fees for cooperative or association membership for utility services; all prepaid items, including required premiums for flood and hazard insurance, reserve deposits for insurance, ad valorem taxes and special governmental assessments; final compliance inspection; courier fee, repair inspection; underwriting fee and wire transfer; expenses incident to any loan; and other expenses payable by Buyer under this contract.

B. Buyer shall pay Private Mortgage Insurance Premium (PMI), VA Loan Funding Fee, or FHA Mortgage Insurance Premium (MIP) as required by the lender.

C. If any expense exceeds an amount expressly stated in this contract for such expense to be paid by a party, that party may terminate this contract unless the other party agrees to pay such excess. Buyer may not pay charges and fees expressly prohibited by FHA, VA, Texas Veteran's Housing Assistance Program or other governmental loan program regulations.

13. PRORATIONS AND ROLLBACK TAXES:

A. PRORATIONS: Taxes for the current year, interest, maintenance fees, assessments, dues and rents will be prorated through the Closing Date. If taxes for the current year vary from the amount prorated at closing, the parties shall adjust the prorations when tax statements for the current year are available. If taxes are not paid at or prior to closing, Buyer shall pay taxes for the current year.

B. ROLLBACK TAXES: If this sale or Buyer's use of the Property after closing results in the assessment of additional taxes, penalties or interest (Assessments) for periods prior to closing,

Property Description		
Owner Address	**Property Situs Address**	**Legal Description**
CRITES CARL RAYMOND P O BOX 12529 SAN ANTONIO, TX 78212		CRITES S/D, LOT 4, ACRES 2.306
Taxing Entities	**Exemptions**	**Deed**
GAT - Atascosa County SPO - Poteet ISD CPO - City Of Poteet FMLR - Farm To Market Road WEV - Evergreen Water Dist		Book: Page: Type:
Account Number	**Abstract/Subdivision**	**Neighborhood**
03205-00-000-000400	S03205 - Crites S/D	

Value Information	
Type	**Value**
Total Land HS/NHS	$23,000
Total Productivity Market	$0
Total Improvement HS/NHS	$0
Total Market Value	$23,000

* This value information is preliminary and not certified. These values should not be used in the estimation of taxes as they are subject to change. Prior year certified value information can be obtained by selecting the "Assessments" option.

Main Area Building Attributes			
Cont Style	**Foundation**	**Ext. Finish**	**Int. Finish**
Roof Style	**Flooring**	**Heat/AC**	**Plumbing**
Fireplace	**Builtins**	**Rooms**	**Bedrooms**

Tyler Technologies, Inc. | The Software Group Division

Challenge(s) Received

LOS MILAGROS APARTMENTS
17336 W. LITTLE YORK ROAD
HOUSTON, TEXAS 77084
PHONE (281) 550-7111
FAX (281) 550-1930

RECEIVED
MAY 2 2006
LIHTC

May 1, 2006

Mrs. Brook Boston
TDHCA
507 Sabine
Austin, TX

Re: Los Milagros Apartments TDHCA# 060049
Letter of Opposition

Dear Mrs. Boston:

We are responding to the letter of opposition to the Center Point Resident Council regarding Los Milagros Apartments. The history of this Resident Council is it was established for single family homes and lots and filed a sub division plat with the county showing its boundaries. In order to meet the TDHCA requirements and add favor to the projects that they are supporting they have enlarged their boundaries in hopes it would benefit projects within their neighborhood. This year the 76 unit project, Alton Apartments TDHCA#060047, is an application to build tax credit units on the remaining lots in the center point subdivision which is represented by the Center Point Residence Council. The developer is using this neighborhood organization to gain points for his project. In addition he is using the expanded boundary to enhance the tax credit scores for being the two projects in Mercedes TDHCA# 06143 and 06147 and oppose other projects such as Los Milagros that fall within their made up targeted boundaries.

Last year the board allowed this organization to have an effect on opposing the project. This organization is clearly being used by the developer to gain advantage on the competing projects. We are requesting that the TDHCA disregard the letter of opposition from this entity regarding the Los Milagros Apartments. Furthermore the Resident Council was set up and has its ties directly with the Weslaco Housing Authority who is a participant in the application for the Alton Apartments. It is clearly a conflict of interest. We hope this year the TDHCA will be especially sensitive to the misuse of Neighborhood Organizations.

Sincerely,

Kay Snyder

Bozrah International Ministries

Challenge(s) Received

May 16, 2006

Ms. Brooke Boston
Exec. Director
T.D.H.C.A.
211 E. 11th
Austin, Texas 78701

RECEIVED
MAY 22 2006
LIHTC

#060086

RE: City Walk at Akard #~~060133~~
Letter of Support from
DALLAS HOMELESS NEIGHBORHOOD ASSOCIATION

Dear Ms. Boston:

There are many problems with this application's letter of support:

(1) It states its boundaries are the Dallas Central Business District, but does not describe those boundaries in terms of square miles, street names, or any other identifying criteria. This is not a sufficient description and the Dallas Central Business District does not qualify as a "neighborhood".

(2) The package did not contain any meaningful organizational documents. Thus, we have no way to determine who can qualify for membership in the organization, whether they are really "neighbors", etc. Simply there is no way to tell if this is an organization of persons living near one another.

(3) The manner by which the organization's support was given is also questionable. The letter says the support was given by "executive vote". Who are the executives, and why do they have the authority to vote on this question? Does this mean that just a handful of people voted on something for an organization that purports to have about 250 members? If the organization had legitimate organizational documents to grant this kind of authority, it may be permissible. But without appropriate backup documentation this is suspect.

By submitting this observation I look forward to specifics being discussed regarding this QCP issue.

RECEIVED
MAY 2 2 2006
LIHTC

May 15, 2006

Brooke Boston
TDHCA
P.O. BOX 13941
Austin, Tx. 78711-3941

Re: City Walk at Akard TDHCA #060086
Dallas, Dallas County, Tex.

Dear Ms. Boston:

There are questions regarding the application for the City Walk at Akard and it's letter of support from the Dallas Homeless Neighborhood Association.

In checking the history on the Dallas Homeless Neighborhood Association the only information that was discovered was the assumed name filing through the Dallas County Clerk's office in 2004.

There is no record(s) of:

1. an address for the office of or the "neighborhood" involved
2. By-Laws, articles of incorporation, definitions for its association
3. boundaries for said "neighborhood" it is suppose to represent
4. any board of directors, officers, etc.

Are we to assume that the target market is the homeless and the neighborhood association will encompass any and all parts of the Dallas metroplex as needed?

Indeed the letter of support from this supposed neighborhood association must strongly be weighed. The effort TDHCA is trying to achieve does not include such deceptions to help those who are truly in need.

The additional points for this application should not be given.

Challenge(s) Received

June 14, 2006

RECEIVED
JUN 15 2006
LIHTC

Brooke Boston
TDHCA
Multifamily Finance Diuvision
211 E. 11th Street
Austin, TX 78701

Re: **The Knightbridge # 060225**

Dear Ms. Boston:

This letter and attachments is to bring your attention to the fact that this application does not qualify for the 7 points awarded for location in the Census Designated Place of Aldine. The location of the site is far removed from the boundaries of Aldine as defined by the Census Bureau. This map is available online.

Please look into this matter and correct this error.

Yours truly,

Concerned Citizen

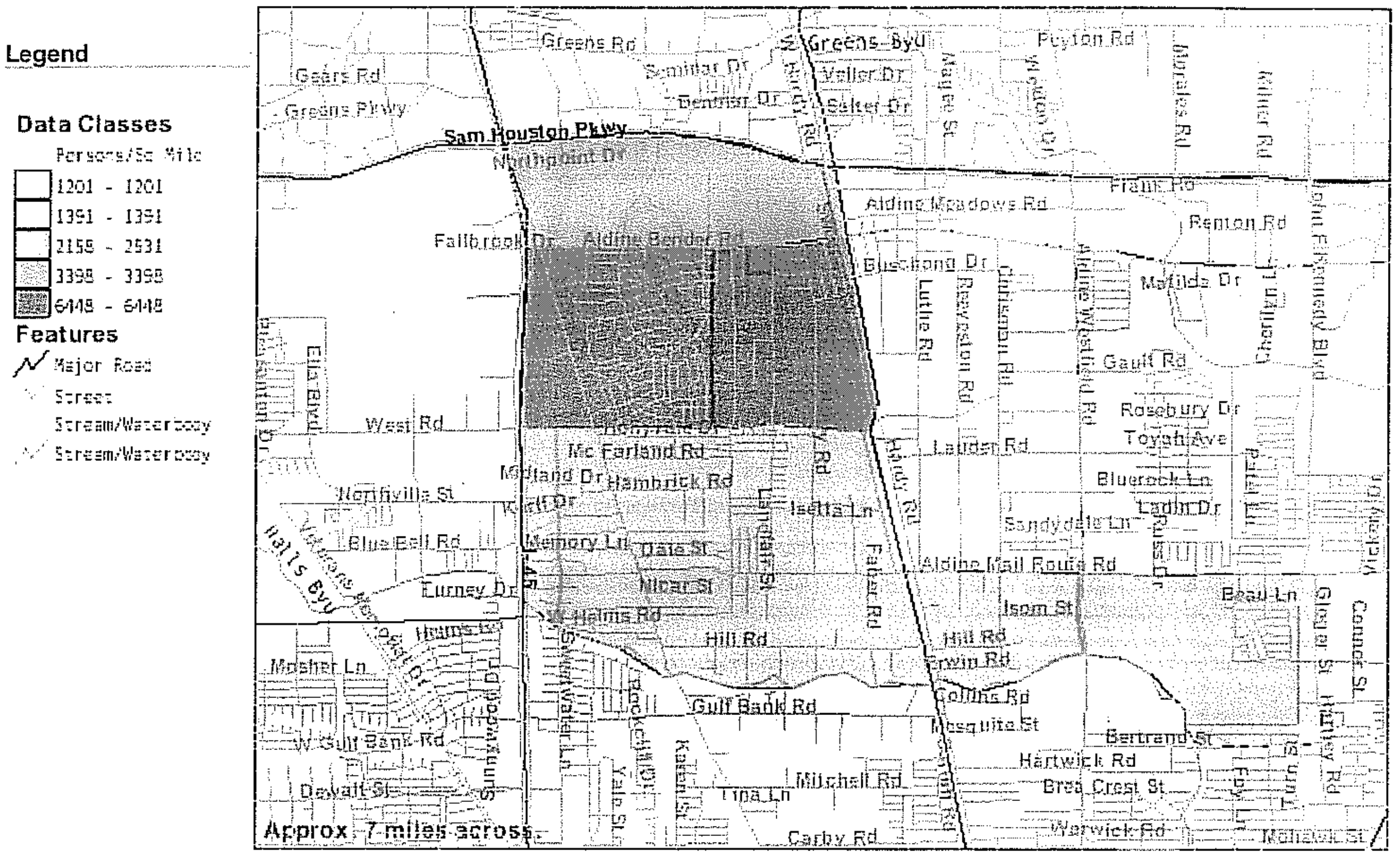
Median of selected monthly owner costs	(X)	(X)			brief
With a mortgage (dollars)	752	(X)	1,088	map	
Not mortgaged (dollars)	283	(X)	295		

(X) Not applicable.
Source: U.S. Census Bureau, Summary File 1 (SF 1) and Summary File 3 (SF 3)

U.S. Census Bureau
American FactFinder

TM-P002. Persons per Square Mile: 2000
Universe: **Total population**
Data Set: **Census 2000 Summary File 1 (SF 1) 100-Percent Data**
Aldine CDP, Texas by Census Tract

NOTE: For information on confidentiality protection, nonsampling error, definitions, and count corrections see http://factfinder.census.gov/home/en/datanotes/expsf1u.htm.



Source: U.S. Census Bureau, Census 2000 Summary File 1, Matrix P1.

U.S. Census Bureau
American FactFinder

FACT SHEET

Aldine CDP, Texas

View a Fact Sheet for a race, ethnic, or ancestry group

Census 2000 Demographic Profile Highlights:

General Characteristics - show more >>	**Number**	**Percent**	**U.S.**		
Total population	13,979			map	brief
Male	7,249	51.9	49.1%	map	brief
Female	6,730	48.1	50.9%	map	brief
Median age (years)	28.5	(X)	35.3	map	brief
Under 5 years	1,287	9.2	6.8%	map	
18 years and over	9,356	66.9	74.3%		
65 years and over	1,021	7.3	12.4%	map	brief
One race	13,545	96.9	97.6%		
White	8,289	59.3	75.1%	map	brief
Black or African American	816	5.8	12.3%	map	brief
American Indian and Alaska Native	97	0.7	0.9%	map	brief
Asian	477	3.4	3.6%	map	brief
Native Hawaiian and Other Pacific Islander	10	0.1	0.1%	map	brief
Some other race	3,856	27.6	5.5%	map	
Two or more races	434	3.1	2.4%	map	brief
Hispanic or Latino (of any race)	7,875	56.3	12.5%	map	brief
Household population	13,804	98.7	97.2%	map	brief
Group quarters population	175	1.3	2.8%	map	
Average household size	3.44	(X)	2.59	map	brief
Average family size	3.86	(X)	3.14	map	
Total housing units	4,403			map	
Occupied housing units	4,007	91.0	91.0%		brief
Owner-occupied housing units	2,862	71.4	66.2%	map	
Renter-occupied housing units	1,145	28.6	33.8%	map	brief
Vacant housing units	396	9.0	9.0%	map	

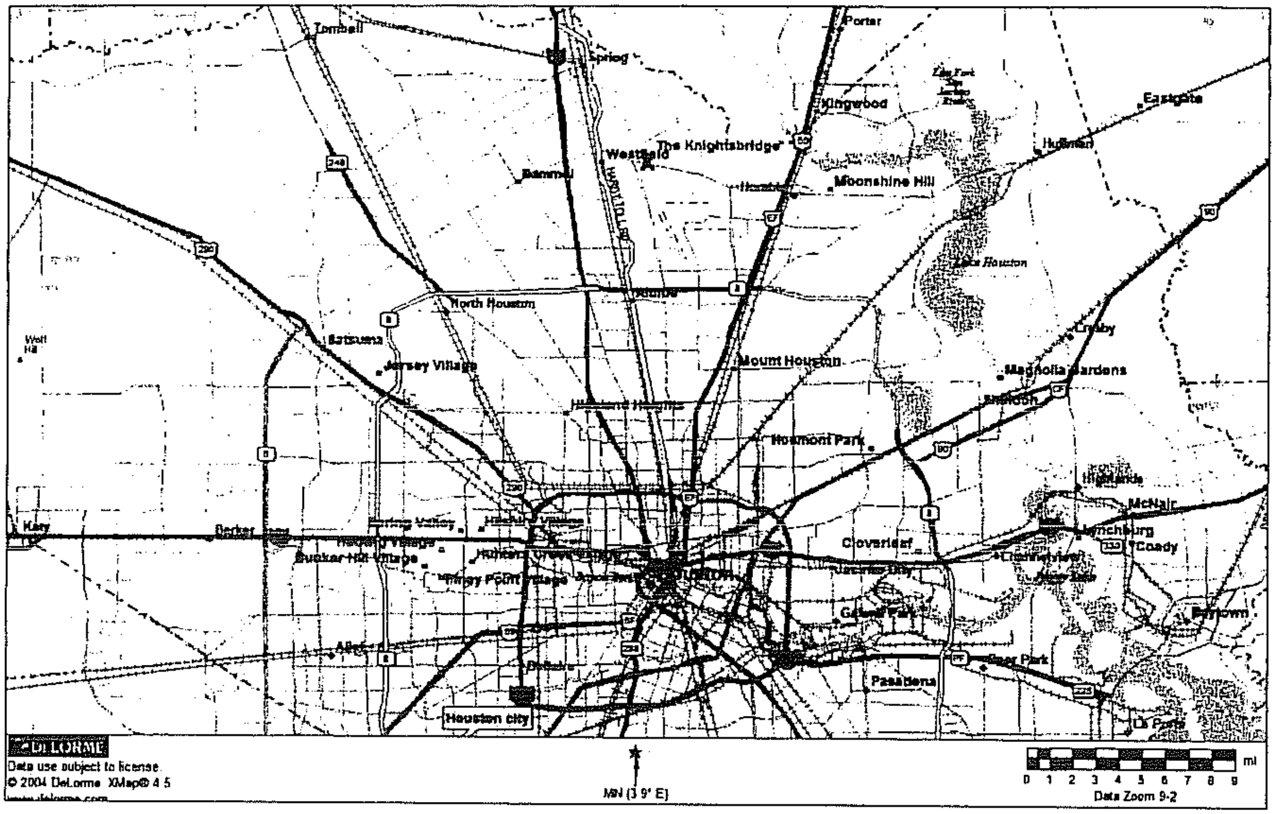
Social Characteristics - show more >>	**Number**	**Percent**	**U.S.**		
Population 25 years and over	7,684				
High school graduate or higher	3,908	50.9	80.4%	map	brief
Bachelor's degree or higher	412	5.4	24.4%	map	
Civilian veterans (civilian population 18 years and over)	705	7.5	12.7%	map	brief
Disability status (population 5 years and over)	2,946	23.6	19.3%	map	brief
Foreign born	3,828	27.3	11.1%	map	brief
Male, Now married, except separated (population 15 years and over)	2,916	57.0	56.7%		brief
Female, Now married, except separated (population 15 years and over)	2,825	57.6	52.1%		brief
Speak a language other than English at home (population 5 years and over)	6,409	50.7	17.9%	map	brief

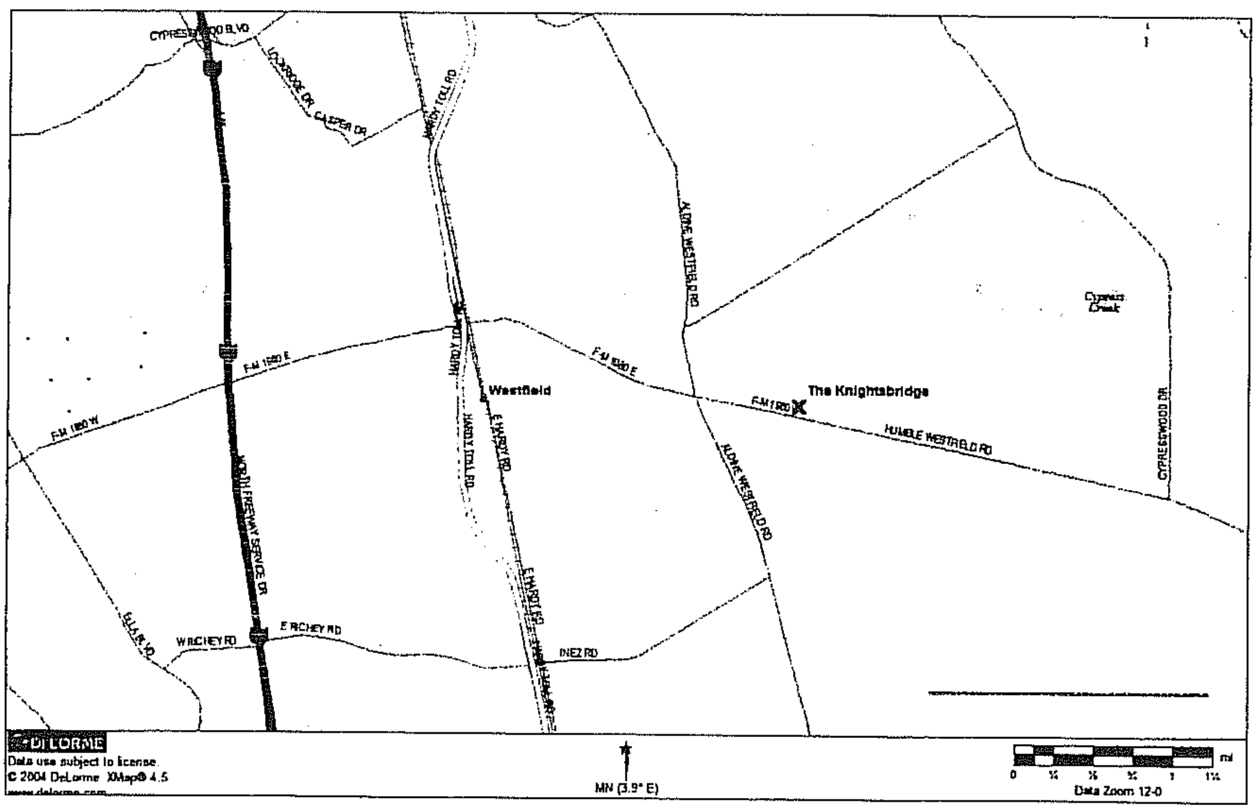
Economic Characteristics - show more >>	**Number**	**Percent**	**U.S.**		
In labor force (population 16 years and over)	5,793	59.1	63.9%		brief
Mean travel time to work in minutes (workers 16 years and over)	29.9	(X)	25.5	map	brief
Median household income in 1999 (dollars)	32,437	(X)	41,994	map	
Median family income in 1999 (dollars)	35,518	(X)	50,046	map	
Per capita income in 1999 (dollars)	11,701	(X)	21,587	map	
Families below poverty level	557	17.0	9.2%	map	brief
Individuals below poverty level	2,572	18.6	12.4%	map	

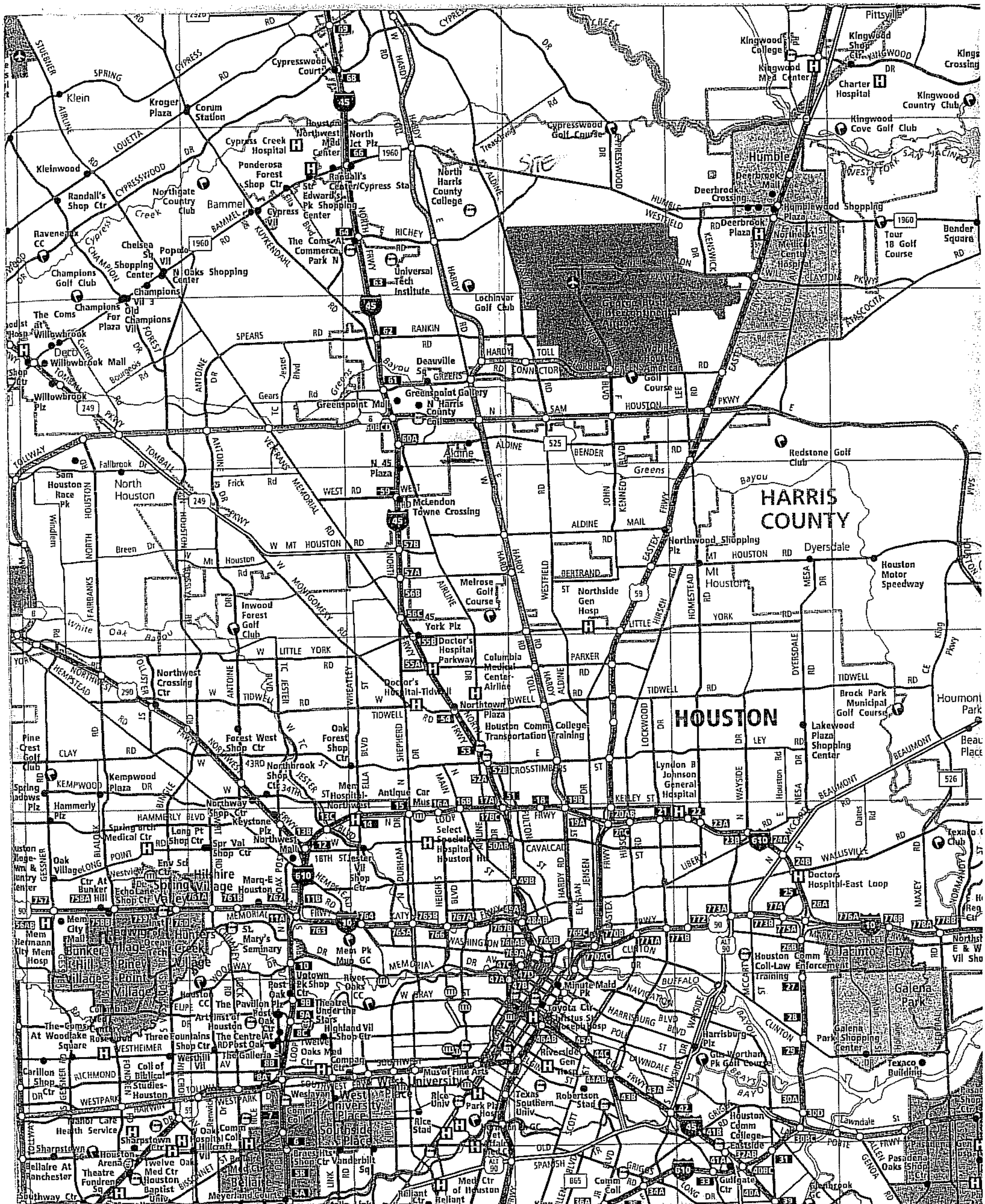
Housing Characteristics - show more >>	**Number**	**Percent**	**U.S.**		
Single-family owner-occupied homes	2,163				brief
Median value (dollars)	58,500	(X)	119,600	map	brief

Volume 2 (Tab 3): Site Packet

Site Location







HARRIS COUNTY
HOUSTON
Humble
Klein
Kleinwood
Bammel
North Houston
Aldine
Mt Houston
Dyersdale
Galena Park
Jacinto City
Bellaire
West University Place
Southside Place
Hunters Creek Village
Bunker Hill Village
Piney Point Village
Spring Valley
Hilshire Village
Kingwood College
Kingwood Med Center
Charter Hospital
Kingwood Country Club
Kingwood Cove Golf Club
Cypresswood Golf Course
Cypresswood Court
Kroger Plaza
Corum Station
Cypress Creek Hospital
Houston Northwest Med Center
North Harris County College
Ponderosa Forest Shop Ctr
Northgate Country Club
Randall's Shop Ctr
Ravenelux CC
Champions Golf Club
Willowbrook Mall
Greenspoint Mall
Greenspoint Gallery
N Harris County Coll
Deauville Sq
Universal Tech Institute
Lochinvar Golf Club
Deerbrook Mall
Deerbrook Crossing
Humblewood Shopping Plaza
Northeast Medical Center Hospital
Tour 18 Golf Course
Bender Square
Redstone Golf Club
Sam Houston Race Pk
McLendon Towne Crossing
Northwood Shopping Plz
Houston Motor Speedway
Melrose Golf Course
Northside Gen Hosp
Inwood Forest Golf Club
Doctor's Hospital Parkway
Columbia Medical Center-Airline
Northwest Crossing Ctr
Doctor's Hospital-Tidwell
Northtown Plaza
Houston Comm College-Transportation Training
Brock Park Municipal Golf Course
Lakewood Plaza Shopping Center
Lyndon B Johnson General Hospital
Forest West Shop Ctr
Oak Forest Shop Ctr
Northbrook Shop Ctr
Kempwood Plaza
Antique Car Mus
Northway Shop Ctr
Keystone Plz
Northwest Mall
Spring Branch Medical Ctr
Long Pt Shop Ctr
Spr Val Shop Ctr
Select Specialty Hospital Houston Ht
Doctors Hospital-East Loop
Houston Comm Coll-Law Enforcement Training
St. Mary's Seminary
Mem Pk Mun GC
Uptown Pk Shop Ctr
River Oaks CC
Theatre Under the Stars
Highland Vil Shop Ctr
Minute Maid Pk
Toyota Ctr
Christus St Joseph Hosp
Riverside Gen Hosp
Glenn Wortham Pk Golf Course
Harrisburg Plz
Galena Park Shopping Center
Texaco Building
The Galleria
The Pavilion Plz
Post Oak Ctr
Three Fountains Shop Ctr
Westhill Vil
Coll of Biblical Studies-Houston
Twelve Oaks Med Ctr
Mus of Fine Arts
Rice Univ
Rice Stad
Texas Southern Univ
Robertson Stad
Houston Comm College-Eastside
Gulfgate Ctr
Sharpstown
Houston Arena Theatre
Houston Baptist Univ
Meyerland Court
Reliant Ctr
Reliant
Med Ctr of Houston
Bellaire At Manchester
Southway Ctr
Pasadena Oaks Shop Ctr
Glenbrook
SPRING
CYPRESS
LOUETTA
CYPRESSWOOD
CHAMPION
BAMMEL
KUYKENDAHL
RICHEY
RANKIN
SPEARS
GREENS
HARDY TOLL
SAM HOUSTON PKWY
ALDINE
BENDER
WESTFIELD
HUMBLE
TOMBALL PKWY
TOLLWAY
VETERANS MEMORIAL
W MT HOUSTON
W MONTGOMERY
WEST RD
ALDINE MAIL
LITTLE YORK
TIDWELL
PARKER
CROSSTIMBERS
KELLEY
NORTHWEST FRWY
HEMPSTEAD
HAMMERLY BLVD
LONG POINT
KEMPWOOD
CLAY
MEMORIAL
KATY FRWY
WASHINGTON
CLINTON
LIBERTY
WALLISVILLE
BEAUMONT
MARKET ST
NAVIGATION
HARRISBURG
BUFFALO
WESTHEIMER
RICHMOND
WESTPARK
SOUTHWEST FRWY
LAWNDALE
GULF FRWY
SPANISH
OLD SPANISH
LONG DR
FORTE
AIRLINE
NORTH FRWY
EASTEX FRWY
HARDY
JENSEN
LOCKWOOD
HOMESTEAD
WAYSIDE
MESA
DYERSDALE
SHEPHERD
YALE
ELLA
GESSNER
FONDREN
HILLCROFT
KIRBY
MAIN
STUEBNER AIRLINE
ANTOINE
JOHN KENNEDY BLVD

Applicant Response

FENIKSAS
REAL · ESTATE · GROUP

June 28, 2006

Audrey Martin
Multifamily Housing Specialist
Texas Department of Housing and Community Affairs
P.O. Box 13941
Austin, Texas 78711

Re: Notice of Challenge
Mansions at Briar Creek – TDHCA #060070

Dear Ms. Martin:

This letter is in response to your email June 6, 2006 sighting the challenge posted regarding TDHCA Project # 060070 – Mansions at Briar Creek.

Please see the applicant's response attached.

If you need anything further, please feel free to contact me.

Sincerely,

Lee H. Burchfield
Consultant to the Partnership

enclosures

16319C N. Eldridge Parkway · Tomball, Texas 77377
(713) 870-7698

W. G. Burchfield & Bro.

Real Estate Brokerage and Related Services
Since 1906

June 28,2006

Audrey Martin
Texas Department of Housing and Community Affairs
Audrey.martin@tdhca.state.tx.us

Re: Mansions at Briar Creek – 060070

Dear Ms Martin:

We would respond to the matters recited in the letter from Cynthia Bast attached hereto and made a part hereof.:

- Burton Creek Development, Ltd is not the seller of the land on which the applicant proposes to build its project. The sellers are Mr. and Mrs. Chapman per the contract submitted with the application.
- The statement that Bryan City Council actions would indicate that the TIRZ will not be funded are simply not true. The TIRZ is very much in existence. There is an ongoing effort to appoint all of the members to the board of said TIRZ. Several members of the board have been agreed to and appointed. The recent action of the City Council merely tabled action on the last appointments. It is now anticipated that the next gathering on this matter could be as soon as mid July. Please see the attached letter from Mr. Chris Peterson addressing these issues.
- The assertion that Mr. Paul Leventis is somehow in ownership of the property and therefore suspect is also untrue. His JV has assigned their rights to purchase the property to Mansions at Briar Creek LP with no consideration to themselves. We have however asked Bleyl and Associates to clarify who and how the values submitted in our application were determined. Their letter is also attached.
- The lack of site control issue was recited to us in a deficiency notice on 4/4/06 from yourself. We responded on April 11th with clarification responding to a second notice from Barbara Skinner of TDHCA on May 23rd to which we responded May 25th. There are no changes in the facts recited in our responses. As noted in Mr.Peterson's letter, we have already begun the process of procuring the abandonment by the City of Bryan with the cooperation of Mr. and Mrs. Chapman. We also submit a copy of the application for said abandonment.

Respectfully submitted
Mansions at Briar Creek LP

Robert R. Burchfield

2123 W.Governors Circle, Ste. 400 Houston, Texas 77092 (713) 956-0555; Fax (713)956-0166

LOCKE LIDDELL & SAPP LLP
ATTORNEYS & COUNSELORS

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AUSTIN, TX 78701-4042

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(512) 305-4800
www.lockeliddell.com

Direct Number: (512) 305-4707
email: cbast@lockeliddell.com

June 21, 2006

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

Re: The Mansion at Briar Creek, Bryan, Texas (TDHCA No. 060070)

Dear Jennifer:

We have been asked to submit certain information with regard to an application for low-income housing tax credits for the above-referenced project. Specifically, we present questions as to whether (a) the applicant qualifies for points for a commitment of development funding from a local political subdivision under Section 50.9(i)(5)(C) of the 2006 QAP and (b) whether the applicant has met the threshold criteria for site control. The following items are worthy of consideration:

1. The City of Bryan has officially rejected the request to use city property taxes to fund the Burton Creek TIRZ.

- Burton Creek Development, Ltd., the seller of the land on which the applicant proposes to build its project, requested $5 million in city tax dollars through a TIRZ, to help fund infrastructure on 122 acres that include the applicant's tract.

- The applicant requested points for funding from a local political subdivision based on this TIRZ money. See the letter from Bleyl and Associates attached as Exhibit A.

- Recent action by the Bryan City Council indicates the TIRZ will not be funded as anticipated. See the newspaper article attached as Exhibit B. Therefore, no funds or in-kind assistance will be available to the applicant.

- In addition, even if TDHCA determines that the applicant continues to qualify for points under Section 50.9(i)(5)(C) of the QAP, TDHCA should examine the manner in which the proposed funding was valued. The letter attached as Exhibit A was written by Mr. Paul Leventis. In that letter, he values the infrastructure improvements to be funded by the TIRZ. Mr. Leventis was listed as a manager in the Articles of Organization of the general partner of the land seller. Given the potential conflict of interest, an independent analysis of the valuation may be warranted.

2. **The Applicant appears to lack site control on a portion of the tract on which the proposed project would be developed, violating TDHCA's threshold requirements.**

- The applicant asserts that the tract for the proposed development consists of either 6.956 or 6.959 acres. See excerpts from the tax credit application attached as Exhibit C.

- However, the real estate purchase contract included with the application refers to only 6.16 acres. See Exhibit D.

- The difference between the acreage under the applicant's control (6.16 acres) and the acreage the applicant proposed to build on (6.959 acres) is approximately .799 acres.

- It appears the .799 acres is an 80' right of way known as "Red River Drive". Red River Drive is a city street currently providing ingress and egress to the residents of the Red River Subdivision. This street is under control of the City.

- The applicant has not provided any documentation from the City with respect to acquisition of the .799 acres, and the .799 acres are not included in the seller's contract.

- In fact, the real estate purchase agreement between the seller and the applicant states that the transaction is expressly conditioned on the City abandoning the .799 acre right of way and revising its thoroughfare plan to provide ingress and egress for the Red River subdivision. See Exhibit D.

- All of this begs the question whether the applicant has appropriate site control for all of the acreage on which it proposes to build its project.

Please note that some of the information included herein was provided to our firm by a third party, and was not independently investigated by this firm. This request is submitted on another party's behalf. We appreciate the Department's commitment to answering questions about the process. Thank you very much.

Sincerely,

Cynthia

Cynthia L. Bast

☆
PETERSON & SWEARINGEN
A LIMITED LIABILITY COMPANY
3002 Texas Avenue South
College Station, Texas 77845-5048
(979) 680-9993 ~ Telephone (979) 680-9991 ~ Facsimile
www.brazoslawyers.com

June 28, 2006

Jennifer Joyce
Texas Department of Housing & Community Affairs
221 West 11th Street
Austin, Texas 78701

Re: The Mansion at Briar Creek, Bryan, Texas (TDHCA No. 060070)

Dear Ms. Joyce:

I am writing on behalf of my client The Mansion at Briar Creek, L.P. I am writing to address the concerns raised by Cynthia L. Bast and to clarify the current status of TIRZ 19, which is the tax increment reinvestment zone in which the Mansion at Briar Creek will be located.

1. The TIRZ has not been "officially rejected". The appointment of the city's 5 representatives to the board has been postponed.

The TIRZ was designated by ordinance adopted in December 2005. The TIRZ is still active and has not been de-designated. The City Council recently postponed the naming of its five representatives to the TIRZ board. However, the representatives of the Bryan Independent School District, Brazos County, State Representative Fred Brown and State Senator Steve Ogden have already been named to the TIRZ board. Therefore, any statement that the TIRZ is no longer existing or that no funds or in-kind assistance will be available to The Mansion at Briar Creek is incorrect.

Admittedly, some confusion exists about the postponement of the appointment of the TIRZ board members by the city, which is reflected in the local newspaper's coverage. However, Robert's Rules make clear that the TIRZ is not dead. Instead, to "postpone indefinitely" means that the agenda item cannot be addressed at that current meeting. Thus, the agenda item can be brought up at a later meeting. Burton Creek Development, Ltd. is asking that the TIRZ board be re-addressed in one of the Council's July meetings.

2. The Applicant does have site control.

The Mansion at Briar Creek and the current property owner, Jeff Chapman, have jointly applied to abandon Red River Drive. The City's Planning & Zoning Commission will consider this issue at its meeting on July 6, 2006, and it is expected to present its recommendation to the City Council in late July 2006. If the City Council abandons Red River Drive, The Mansion at Briar Creek, L.P. will become the owners of the current right of way because they will own the adjoining property.

I hope this clarifies the current status of The Mansion at Briar Creek. I appreciate your consideration of this project for funding.

Very truly yours,

Christopher W. Peterson

B & A

Bleyl & Associates

Project Engineering & Management

1722 Broadmoor
Suite 210
Bryan, TX 77802

June 28, 2006

Brook Boston
Director, Multifamily Finance Production Division
Texas Department of Housing and Community Affairs
P.O. Box 13941
Austin, Texas 78711

Re: Proposed Mansion at Briar Creek Senior Development

Dear Ms. Boston:

This letter should serve to update you on anticipated participation with this project by the City of Bryan.

In December of 2005, Bryan City Council approved a City Ordinance #1546 creating Tax Increment Reinvestment Zone Number 19 (TIRZ #19). The Mansion at Briar Creek development is located within this zone

Below is a partial listing of the proposed TIRZ improvements, being those that we believe will benefit the Mansion at Briar Creek Development, along with their present estimated costs.

Proposed Improvements within Reinvestment Zone #19 that Benefit the Development

Abandonment of Red River (updated appraisal)	$ 150,000
Removing Roadway and Drainage	$ 55,000
Remove & Relocate Utilities (water, sewer, cable, telephone and gas)	$ 85,000
Upsizing Sanitary Sewer Line	$ 50,500
Regional Detention Pond	$ 70,000
Trail System (6' sidewalks) & Bridges	$ 220,000
New road to allow access for Abandonment	$ 419,000
Senior Center and Trail System	$ 853,000
New Collector to allow closing of Red River	$ 2,410,000
Total	**$ 4,312,500**

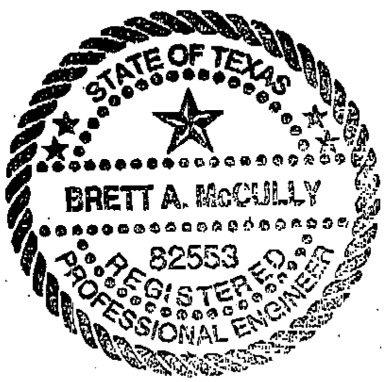
This letter will serve to validate a prior letter from dated February 27, 2006 from Paul Leventis, the Manager for the overall project. The cost estimates included in that letter as well as this one were developed by staff of our engineering firm and provided to Mr. Leventis for his use.

Should you have any comments, questions or concerns regarding this information, please feel free to contact me at our office or via my cell phone at 979-255-8766.

Sincerely,

Brett McCully, P.E.
Sr. Engineer / Branch Manager

Cc: Paul Leventis, BCDL



Development Services

Street, Alley, or Easement Abandonment Application

"To assist development and improve the quality of life for the citizens of Bryan."

CITY OF BRYAN
The Good Life, Texas Style.

Minimum Submittal Requirements

- ❑ $50 application fee
- ❑ Fifteen (15) copies of survey of the property to be abandoned
- ❑ One (1) copy of field notes of the property to be abandoned
- ❑ One (1) copy of each field notes and survey of each parcel to be quitclaimed to individuals
- ❑ One (1) copy of field notes of any easements to be retained by the City
- ❑ Completed and signed application form

For Office Use Only

Case Contacts ________________

Case Number ________________

Applicant Information

Name Mansions at Briar Creek, L.P.

Mailing Address 2123 W. Governors Circle, Suite 400

City Houston State Texas Zip Code 77092

Phone Number (713) 956-0555 Fax Number (713) 956-0166

E-mail Address rob@burchfieldcompanies.com

Agent or Engineer Information

Name Bleyl & Associates (Brett McCully, P.E.)

Mailing Address 1722 Broadmoor, Suite 212

City Bryan State Texas Zip Code 77802

Phone Number (979) 268-1125 Fax Number (979) 260-3849

E-mail Address bmccully@bleylengineering.com

We, the undersigned property owners of 6.959 Acre Land Tract, John Austin League Abstract No-2 Bryan, Brazos County, Texas; Land located at the northeast and southeast corners of E. Villa Maria and Red River
(name of subdivision, lot, and block number)

do hereby request that the City of Bryan release and vacate the said alley, street, or easement as further described in the attached field notes.

Adjacent Property Owners Signatures
(please include your name, mailing address, R number of your property, and signature)

1. Mr. Jeffrey N. Chapman Address: P.O. Box 178
2. (R Numbers: R 30053 & R30099) Caldwell, Texas 77836
3. [signature]
4.
5.
6.
7.
8.
9.
10.

Certification

X I, ______________________, being one of the above named persons, do hereby certify that the above named persons include all abutting property owners of the property being vacated and released.

Please list the reasons for the request and how this request will benefit the public:

1) Protect the neighborhood integrity and eliminate through traffic into the existing and proposed subdivision.
2) Allow for a multifamily development for seniors in the area to provide an alternative housing option for the elderly that is desperately needed.

[signature] Robert R. Burchfield
(Signature) (Printed Name)

Challenge(s) Received

LOCKE LIDDELL & SAPP LLP
ATTORNEYS & COUNSELORS

100 CONGRESS
SUITE 300
AUSTIN, TX 78701-4042

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(512) 305-4800
www.lockeliddell.com

Direct Number: (512) 305-4707
email: cbast@lockeliddell.com

June 21, 2006

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

Re: The Mansion at Briar Creek, Bryan, Texas (TDHCA No. 060070)

Dear Jennifer:

We have been asked to submit certain information with regard to an application for low-income housing tax credits for the above-referenced project. Specifically, we present questions as to whether (a) the applicant qualifies for points for a commitment of development funding from a local political subdivision under Section 50.9(i)(5)(C) of the 2006 QAP and (b) whether the applicant has met the threshold criteria for site control. The following items are worthy of consideration:

1. The City of Bryan has officially rejected the request to use city property taxes to fund the Burton Creek TIRZ.

- Burton Creek Development, Ltd., the seller of the land on which the applicant proposes to build its project, requested $5 million in city tax dollars through a TIRZ, to help fund infrastructure on 122 acres that include the applicant's tract.

- The applicant requested points for funding from a local political subdivision based on this TIRZ money. See the letter from Bleyl and Associates attached as Exhibit A.

- Recent action by the Bryan City Council indicates the TIRZ will not be funded as anticipated. See the newspaper article attached as Exhibit B. Therefore, no funds or in-kind assistance will be available to the applicant.

- In addition, even if TDHCA determines that the applicant continues to qualify for points under Section 50.9(i)(5)(C) of the QAP, TDHCA should examine the manner in which the proposed funding was valued. The letter attached as Exhibit A was written by Mr. Paul Leventis. In that letter, he values the infrastructure improvements to be funded by the TIRZ. Mr. Leventis was listed as a manager in the Articles of Organization of the general partner of the land seller. Given the potential conflict of interest, an independent analysis of the valuation may be warranted.

AUSTIN: 053333.00000: 345647v1

2. **The Applicant appears to lack site control on a portion of the tract on which the proposed project would be developed, violating TDHCA's threshold requirements.**

- The applicant asserts that the tract for the proposed development consists of either 6.956 or 6.959 acres. See excerpts from the tax credit application attached as Exhibit C.

- However, the real estate purchase contract included with the application refers to only 6.16 acres. See Exhibit D.

- The difference between the acreage under the applicant's control (6.16 acres) and the acreage the applicant proposed to build on (6.959 acres) is approximately .799 acres.

- It appears the .799 acres is an 80' right of way known as "Red River Drive". Red River Drive is a city street currently providing ingress and egress to the residents of the Red River Subdivision. This street is under control of the City.

- The applicant has not provided any documentation from the City with respect to acquisition of the .799 acres, and the .799 acres are not included in the seller's contract.

- In fact, the real estate purchase agreement between the seller and the applicant states that the transaction is expressly conditioned on the City abandoning the .799 acre right of way and revising its thoroughfare plan to provide ingress and egress for the Red River subdivision. See Exhibit D.

- All of this begs the question whether the applicant has appropriate site control for all of the acreage on which it proposes to build its project.

Please note that some of the information included herein was provided to our firm by a third party, and was not independently investigated by this firm. This request is submitted on another party's behalf. We appreciate the Department's commitment to answering questions about the process. Thank you very much.

Sincerely,

Cynthia

Cynthia L. Bast

AUSTIN: 053333.00000: 345647v1

Exhibit A

Letter – Bleyl and Associates

B & A

Bleyl & Associates

Project Engineering & Management

1722 Broadmoor
Suite 210
Bryan, TX 77802

February 27, 2006

Brook Boston
Director, Multifamily Finance Production Division
Texas Department of Housing and Community Affairs
P.O. Box 13941
Austin, Texas 78711

Re: Proposed Mansion at Briar Creek Senior Development

Dear Ms. Boston:

This letter is to advise of the contribution to the development that will be provided through City of Bryan participation. In December of 2005, Bryan City Council approved a City Ordinance #1546 creating Reinvestment Zone Number 19 (TIRZ #19) in which several of the improvements below have been included. The Mansion at Briar Creek is located within the Reinvestment Zone allowing the development the elderly apartments to benefit from improvements made in this zone. The estimated cost of the various projects is presented below.

Improvements within Reinvestment Zone #19 that Benefit the Development

Abandonment of Red River (Land Value)	$ 127,000
Removing Roadway and Drainage	$ 55,000
Remove & Relocate Utilities (water, sewer, cable, telephone and gas)	$ 85,000
Upsizing Sanitary Sewer Line	$ 50,500
Detention Pond	$ 70,000
Trail System (6' sidewalks) & Bridges	$ 220,000
New road to allow access for Abandonment	$ 419,000
Senior Center and Trail System	$ 853,000
Collector to allow closing of Red River	$ 2,410,000
Total	**$ 4,169,000**

Bryan
(979) 268-1125
(979) 260-3849

Austin
(512) 328-7878
(512) 328-7884 Fax

Conroe
(936) 441-7833
(936) 760-3833 Fax

The above projects are the laundry list of projects that have been presented to either Bryan City Council or City Staff. The list is only a portion of the projects within the reinvestment zone, but is provided here because these projects will provide a benefit to the development of the Mansion at Briar Creek. The TIRZ #19 Board will be appointed by the end of March 2006. This Board will evaluate and approve all projects within the TIRZ Zone and present their recommendation to Bryan City Council. City Council will then approve or disapprove the projects recommended by the TIRZ Board. It is also very possible the more projects may be added to the Reinvestment Zone by the Board and/or City Council.

If you have any questions or need additional information, please contact me. My mobile number is (979) 255-2407.

Sincerely,

STATE OF TEXAS
PAUL J. LEVENTIS
84716
LICENSED
PROFESSIONAL ENGINEER

Paul J. Leventis, P.E.
Project Manager

2/27/06

Exhibit B

Newspaper Article

Updated 6:47 AM on Wednesday, June 14, 2006

Bryan rejects aid for project

By APRIL AVISON
Eagle Staff Writer

The Burton Creek development planned along William Joel Bryan Parkway and Villa Maria Road will continue, but the City Council decided Tuesday that it will be without the support of Bryan property tax revenues.

The council unanimously decided to "postpone indefinitely" the creation of an advisory board to oversee construction and expenditures within the Burton Creek tax increment reinvestment zone, also known as a TIRZ.

Director of Special Projects David Storrie said the advisory board had not been appointed, so plans where the developer had to use city property taxes within that zone to fund new development dissolved. If there's no advisory board, there's no one to recommend the use of city funds, and proposals for expenditures within that zone never go before council for approval, Storrie explained.

"They've already postponed [creating the advisory board] once. If they were going to appoint one at a later date, they would just postpone it to a later date," Storrie said. "Because they postponed it indefinitely, it's off the agenda."

Burton Creek Development Ltd. was asking for more than $5 million in city tax revenues to help build infrastructure in the area where its office and residential development is under way.

A reinvestment zone sets a geographic boundary around a particular area within a city. Once it is approved, the city can proceed with designating a TIF - tax increment finance - district, by which a portion of property taxes generated within that zone is used to repay debt issued on new development. Although the council already approved the Burton Creek TIRZ, no TIF funds were committed to the 122-acre zone.

IN BRIEF

A request made by Burton Creek Development Ltd. to the Bryan City Council for $5 million in city tax revenues to help build infrastructure was shelved Tuesday.

One council member said the area will be developed without the city giving a portion of its property taxes to the project.

The council opted not to appoint an advisory board to oversee a tax increment reinvestment zone, effectively killing the proposal made by a group whose identity has yet to be made public. The members were going to be identified after the advisory board was impaneled.

An official representing the development corporation said the project still will go forward without public funding.

Councilman Mike Southerland said he voted to drop the Burton Creek issue because he thinks the area will develop without the city offering a portion of its property taxes.

A residential portion of the area already was under construction when Burton Creek Development Ltd. requested the TIRZ, which the council approved in November.

"There's a lot of sentiment that it's not a good deal for Bryan," Southerland said. "Will it develop without [a TIF]? You betcha. The question is whether we should be spending tax dollars on that area when development will happen anyway."

Councilman Mark Conlee, who made the motion to indefinitely postpone the issue, declined to answer in detail why he didn't want to appoint an advisory board.

"I don't think we're ready," he said, explaining that the council hasn't prepared a list of nine appointees who could serve on the board.

The council has had six months to come up with that list, since the issue first arose and was postponed in December. And four non-council appointees already have committed to serving on the board - state Sen. Steve Ogden, Brazos County Commissioner Duane Peters, Ann Horton (appointed by Rep. Fred Brown) and Amy Drozd for the Bryan school district.

Peterson responds

Chris Peterson, a local attorney representing the developer who was not at the meeting, said afterward that he's certain the project will go forward without public participation.

"I don't know what [the council action] means, so I guess we'll talk about it tomorrow," Peterson said. "The development will go forward. There are various versions of it."

One of the proposals Peterson's clients were requesting was a reconfiguration of the U.S. post office entrances and exits on William Joel Bryan Parkway and extension of a roadway with a traffic light next to the building. That is unlikely to happen without city participation, Peterson said.

"You're not going to see a developer cross over onto post office land without public participation," he said. "According to the city's annual report, the No. 1 accident location is in front of the post office. A light there goes a long way toward fixing that. If the council doesn't want to do that, I understand."

The Burton Creek Development group drew public scrutiny when it refused through Peterson to identify its members and their financial backing. Peterson said that information would be revealed once the advisory board was appointed.

Setting guidelines

The Burton Creek proposal also doesn't meet some of the preliminary criteria that council members studied during a workshop session Tuesday, prior to the decision to dissolve plans for city participation in the Burton Creek development.

Proposed criteria cited by Storrie at Tuesday's meeting would require a developer requesting a TIRZ to be denied the opportunity if the development already is under way in the proposed TIRZ. Construction already was in motion in the Burton Creek area when the council approved that zone. Burton Creek also includes residential development, while the city's proposed requirements ask that future TIRZ proposals focus on commercial and retail development.

The council determined that before it implements guidelines for future tax increment reinvestment zones, it wants to meet with staff, developers and the Bryan Business Council, as well as studying criteria adopted by other cities.

No such guidelines currently are in place, which prevents city staff from directing property owners and developers on the feasibility of a proposed TIF project and whether it is in the best interests of the city, Storrie said. The council will revisit the issue of TIRZ criteria next month.

"We'll leave room for public input and public hearings," Storrie said.

Acting City Manager Kean Register said guidelines are needed to give those who are proposing such projects a starting point.

"The [Texas Tax Code] is fairly broad," Register said. "This would further define that into what council is looking for in a TIRZ or TIF."

Mayor Ernie Wentrcek asked for a procedural guideline to accompany the criteria. That would include a step-by-step process by which a developer can request a TIRZ. The criteria would list what obligations he must meet in order for the TIRZ to be considered.

Bryan has two active TIF districts - the Traditions golf and residential development and Park Hudson business park.

Under the proposed guidelines, developers also would be required to pay application fees and provide funding for a feasibility study before a project is considered by council.

"It's a foundation, a base," Register said of the proposal. "That document is probably going to change half a dozen times before it comes up again for adoption."

In other matters Tuesday, the council:

• Approved a zoning request for a phase in the Brook Hollow subdivision, preventing future residents of the neighborhood from having more than two unrelated adults share a home. The area is in central Bryan, along Carter Creek Parkway between Chevy Chase and Matous Drive.

• Heard from Paul O'Neil, an employee of the Brazos Animal Shelter, who requested citizen representation on the shelter's board of directors. The board currently is governed by Register, College Station City Manager Glenn Brown and County Judge Randy Sims.

• April Avison's e-mail address is april.avison@theeagle.com.

Exhibit C

Volume 2, Section 2, Tab 1
Volume 2, Section 2, Tab 1, Part B
Volume 3, Tab 1

RELEVANT DEVELOPMENT INFORMATION FORM - Part 1

This form must be completed by the Applicant in its entirety. This part of this form will be utilized by the Department in its notifications to officials required under §50.11(a)(3)(B) of the QAP.

IF A PRE-APPLICATION WAS SUBMITTED, ONLY INFORMATION CHANGES FROM PRE-APPLICATION TO APPLICATION MUST BE INDICATED BELOW.

NOTE: IF A PRE-APPLICATION WAS SUBMITTED, AND THERE HAS BEEN A CHANGE FROM PRE-APPLICATION TO APPLICATION THAT RESULTED IN A TOTAL UNIT INCREASE OF GREATER THAN 10%, AND INCREASE OF GREATER THAN 10% FOR ANY GIVEN LEVEL OF AMGI, OR A CHANGE IN POPULATION SERVED (FAMILY, ELDERLY OR INTERGENERATIONAL) THE APPLICANT MUST RE-NOTIFY AS REQUIRED BY 50.9(h)(8)(A).

HOWEVER, THE DEPARTMENT REQUESTS ALL CHANGES FROM PRE-APPLICATION TO APPLICATION IN ALL OF THE INFORMATION BELOW, EVEN IF A RE-NOTIFICATION WAS NOT REQUIRED.

☒ **CHECK IF THERE WERE NO CHANGES FROM PRE-APPLICATION TO APPLICATION THAT RESULTED IN A TOTAL UNIT INCREASE OF GREATER THAN 10%, AND INCREASE OF GREATER THAN 10% FOR ANY GIVEN LEVEL OF AMGI, OR A CHANGE IN POPULATION SERVED (FAMILY, ELDERLY OR INTERGENERATIONAL).**

Building/Unit Configuration: ☐ Detached Residence ☐ Duplex ☐ Triplex ☐ Fourplex ☒ 5 units or more/building ☐ Townhome ☐ Single Room Occupancy

Maximum # Floors: 3	Elevator-Served: ☐ No ☒ Yes	Total Site Acreage:	6.956
# Res. Buildings: 5	# of Non-Res. Buildings: 0	# Units per Acre:	22.14
Total Units: 154	Total Market Rate Units 0	Total LI Units:	154

Tenant Services (describe): health screening services; health and nutritional courses; transportation; counseling services; legal assistance and financial planning assistance ☐ **CHANGE FROM PRE-APP**

Complete all rent information as applicable to this application: ☐ **CHANGE FROM PRE-APP**

Average Rent for a 1 bedroom LI Unit: $519 Average Rent for a 1 bedroom MR Unit: $N/A

Average Rent for a 2 bedroom LI Unit: $627 Average Rent for a 2 bedroom MR Unit: $N/A

Average Rent for a 3 bedroom LI Unit: $ N/A Average Rent for a 3 bedroom MR Unit: $ N/A

Average Rent for a 4 bedroom LI Unit: $ N/A Average Rent for a 4 bedroom MR Unit: $ N/A

TARGET POPULATION (CHECK ONLY ONE) ☐ **CHANGE FROM PRE-APP**

- ☐ Family
- ☒ Elderly
- ☐ Intergenerational Housing

METES AND BOUNDS DESCRIPTION
OF A
6.959 ACRE TRACT
JOHN AUSTIN LEAGUE, A-2
BRYAN, BRAZOS COUNTY, TEXAS

METES AND BOUNDS DESCRIPTION OF ALL THAT CERTAIN TRACT OR PARCEL OF LAND LYING AND BEING SITUATED IN THE JOHN AUSTIN LEAGUE, ABSTRACT NO. 2, BRYAN, BRAZOS COUNTY, TEXAS. SAID TRACT BEING A PORTION OF THE REMAINDER OF A CALLED 24.427 ACRE TRACT AS DESCRIBED BY A DEED TO M. G. PERKINS AND B. T. YAGER RECORDED IN VOLUME 264, PAGE 425 OF THE DEED RECORDS OF BRAZOS COUNTY, TEXAS, SAID 24.427 ACRE TRACT BEING A PORTION OF A CALLED TRACT OF LAND AS DESCRIBED BY A DEED TO JEFFREY N. CHAPMAN AND WIFE, ANN YAGER CHAPMAN, RECORDED IN VOLUME 1866, PAGE 329 OF THE OFFICIAL PUBLIC RECORDS OF BRAZOS COUNTY, TEXAS, AND A PORTION OF THE EXISTING 80.00 FOOT WIDE RIGHT-OF-WAY OF RED RIVER DRIVE.

SAID TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A ¾ INCH IRON PIPE FOUND ON THE EAST LINE OF VILA MARIA ROAD (100' R.O.W.) MARKING THE SOUTHWEST CORNER OF LOT 1, BLOCK 1, ASSISTED LIVING CONCEPTS, ACCORDING TO THE PLAT RECORDED IN VOLUME 2529, PAGE 337 OF THE OFFICIAL PUBLIC RECORDS OF BRAZOS COUNTY, TEXAS;

THENCE: N 83° 45' 26" E ALONG THE COMMON LINE OF SAID REMAINDER OF 24.427 ACRE TRACT AND ASSISTED LIVING CONCEPTS FOR A DISTANCE OF 490.33 FEET TO A ¾ INCH IRON PIPE FOUND MARKING THE SOUTHEAST CORNER OF ASSISTED LIVING CONCEPTS;

THENCE: S 11° 47' 50" E THROUGH SAID REMAINDER OF 24.427 ACRE TRACT FOR A DISTANCE OF 98.34 FEET TO A POINT;

THENCE: S 06° 20' 27" W CONTINUING THROUGH SAID REMAINDER OF 24.427 ACRE TRACT FOR A DISTANCE OF 295.20 FEET TO A POINT MARKING THE NORTHWEST CORNER OF BLOCK 2, BRIARCREST PARK, 2ND INSTALLMENT, ACCORDING TO THE PLAT RECORDED IN VOLUME 372, PAGE 855 OF THE DEED RECORDS OF BRAZOS COUNTY, TEXAS;

THENCE: S 13° 31' 41" W ALONG THE WEST LINE OF SAID BLOCK 2 FOR A DISTANCE OF 177.99 FEET TO A POINT ON THE NORTH LINE OF RED RIVER DRIVE;

THENCE: S 15° 39' 57" W THROUGH RED RIVER DRIVE FOR A DISTANCE OF 80.00 FEET TO A 5/8 INCH IRON ROD SET MARKING THE NORTHWEST CORNER OF BLOCK 1, BRIARCREST PARK, 2ND INSTALLMENT;

THENCE: S 16° 00' 36" W ALONG THE WEST LINE OF SAID BLOCK 1 FOR A DISTANCE OF 105.20 FEET TO A POINT IN AN EXISTING CREEK ON THE NORTH LINE OF A CALLED 16.249 ACRE TRACT AS DESCRIBED BY A DEED TO THE CITY OF BRYAN RECORDED IN VOLUME 323, PAGE 6 OF THE DEED RECORDS OF BRAZOS COUNTY, TEXAS, SAID POINT BEING IN A COUNTERCLOCKWISE CURVE HAVING A RADIUS OF 1043.49 FEET;

THENCE: ALONG THE NORTH LINE OF SAID 16.249 ACRE TRACT AND ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 14° 22' 55" FOR AN ARC DISTANCE OF 261.93 FEET (CHORD BEARS: N 81° 05' 36" W – 261.24 FEET) TO A 5/8 INCH IRON ROD SET MARKING THE ENDING POINT OF SAID CURVE;

THENCE: N 88° 12' 17" W CONTINUING ALONG THE NORTH LINE OF SAID 16.249 ACRE TRACT FOR A DISTANCE OF 101.25 FEET TO A 5/8 INCH IRON ROD SET ON THE EAST LINE OF VILLA MARIA ROAD MARKING THE NORTHWEST CORNER OF SAID 16.249 ACRE TRACT;

THENCE: N 01° 50' 16" E ALONG THE EAST LINE OF VILLA MARIA ROAD, AT 104.93 FEET PASS A 5/8 INCH IRON ROD FOUND ON THE SOUTH LINE OF RED RIVER DRIVE, CONTINUE ON FOR A TOTAL DISTANCE OF

197.93 FEET TO A 5/8 INCH IRON ROD SET MARKING THE BEGINNING OF A COUNTERCLOCKWISE CURVE HAVING A RADIUS OF 2234.56 FEET;

THENCE: ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 11° 28' 57" FOR AN ARC DISTANCE OF 447.82 FEET (CHORD BEARS: N 03° 48' 43" W – 447.07 FEET) TO THE **POINT OF BEGINNING** CONTAINING 5.319 ACRES OF LAND AS SURVEYED ON THE GROUND AUGUST, 2005. BEARING SYSTEM SHOWN HEREIN IS BASED ON GRID NORTH AS ESTABLISHED FROM GPS OBSERVATION.

BRAD KERR
REGISTERED PROFESSIONAL
LAND SURVEYOR No. 4502

D:/WORK/MAB/06-632A.MAB

Part B: Specifications and Amenities

SITE ATTRIBUTES

Total Acquisition Acreage: 6.956   Development Site Acreage: 6.956   # Units per Acre: 22.14

DEVELOPMENT ATTRIBUTES *Selections must be consistent with submitted architectural plans*

Building/Unit Configuration:
- ☐ Detached Residence
- ☐ Duplex
- ☐ Triplex
- ☐ Fourplex
- ☐ Townhome
- ☒ >4 units per building
- ☐ Single Room Occupancy (per §42(i)(3)(B))
- ☐ Transitional (per §42(i)(3)(B))

Maximum # of Floors: 3

# of Residential Buildings: 5   # of Hydraulic/__-Passenger Elevators: 1   ☒ Fire Sprinkler

EXTERIOR *Selections must be consistent with items selected for points (if applicable) and submitted architectural plans*

Subfloor
- ☐ Wood
- ☒ Concrete Slab
- ☐ Other *(Describe)*

Walls
- ____% Plywood/Hardboard
- ____% Siding/Shingle
- ____% Masonry Veneer
- ____% Cement Fiber
- ____% Stucco
- ____% Other *(Describe)*

Parking
- ___ Shed or Flat Roof Carports
- ___ Detached Garages
- ___ Uncovered Spaces
- ___ Parking Garage Spaces

Roofs
- ☐ Built-Up Rock
- ☒ Comp. Shingle
- ☐ Comp. Roll
- ☐ Wood Shingle
- ☐ Wood Shake
- ☐ Other *(Describe)*

INTERIOR *Selections must be consistent with items selected for points (if applicable) and submitted architectural plans*

Flooring
- ___% Carpet
- ___% Resilient Covering
- ___% Ceramic Tile
- ___% Light Concrete
- ___% Other *(Describe)*

Air System
- ☒ Forced Air
- ☐ Furnace
- ☐ Hot Water
- ☒ Warm and Cooled Air
- ☐ Heat Pump, packaged
- ☐ Wall Units
- ☐ Other *(Describe)*

Kitchen
- ☐ Microwave
- ☐ Icemaker
- ☐ Self-cleaning Oven

Walls
- ☒ Drywall
- ☐ Plaster
- ☒ 9-Foot Ceilings

Other
- ☒ Phone Jack in each room
- ☐ High Speed in each room
- ☒ Laundry Connections
- ☐ Washer and Dryer included
- ☐ Fireplace
- ☒ Ceiling Fixture in each room
- ☒ Individual Water Heater
- ☐ Other *(Describe)*

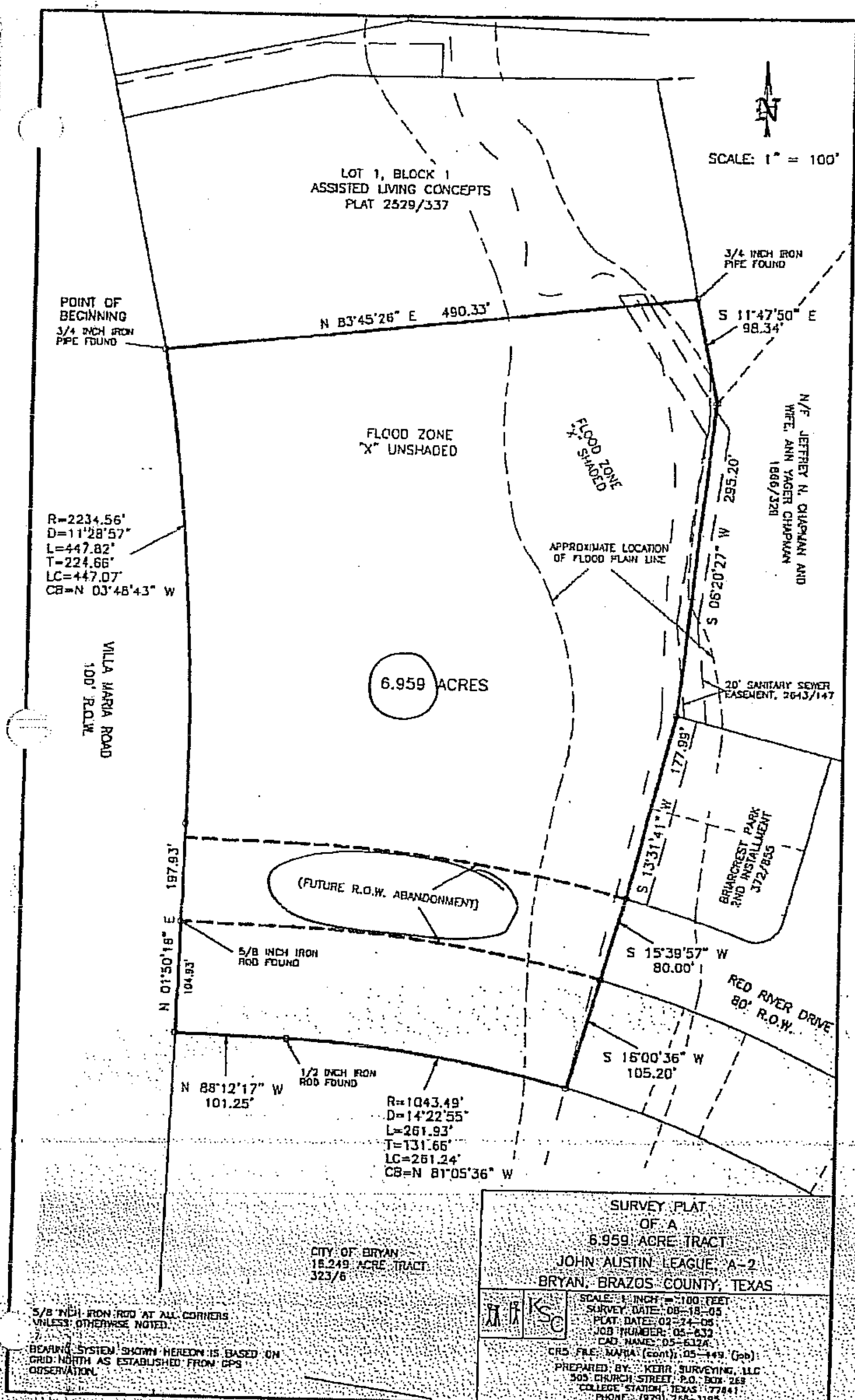

SCALE: 1" = 100'
LOT 1, BLOCK 1
ASSISTED LIVING CONCEPTS
PLAT 2529/337
3/4 INCH IRON PIPE FOUND
POINT OF BEGINNING
3/4 INCH IRON PIPE FOUND
N 83°45'26" E 490.33'
S 11°47'50" E 98.34'
N/F JEFFREY N. CHAPMAN AND WIFE, ANN YAGER CHAPMAN 1666/321
FLOOD ZONE "X" UNSHADED
FLOOD ZONE "X" SHADED
295.20'
S 06°20'27" W
R=2234.56'
D=11°28'57"
L=447.82'
T=224.66'
LC=447.07'
CB=N 03°48'43" W
APPROXIMATE LOCATION OF FLOOD PLAIN LINE
VILLA MARIA ROAD 100' R.O.W.
6.959 ACRES
20' SANITARY SEWER EASEMENT, 2643/147
177.99'
S 13°31'41" W
BRIARCREST PARK 2ND INSTALLMENT 372/855
197.93'
(FUTURE R.O.W. ABANDONMENT)
N 01°50'18" E
104.93'
5/8 INCH IRON ROD FOUND
S 15°39'57" W 80.00'
RED RIVER DRIVE 80' R.O.W.
S 16°00'36" W 105.20'
N 88°12'17" W 101.25'
1/2 INCH IRON ROD FOUND
R=1043.49'
D=14°22'55"
L=261.93'
T=131.66'
LC=261.24'
CB=N 81°05'36" W
CITY OF BRYAN 15.249 ACRE TRACT 323/6
5/8 INCH IRON ROD AT ALL CORNERS UNLESS OTHERWISE NOTED.
BEARING SYSTEM SHOWN HEREON IS BASED ON GRID NORTH AS ESTABLISHED FROM GPS OBSERVATION.
SURVEY PLAT
OF A
6.959 ACRE TRACT
JOHN AUSTIN LEAGUE, A-2
BRYAN, BRAZOS COUNTY, TEXAS
KSC
SCALE: 1 INCH = 100 FEET
SURVEY DATE: 08-18-05
PLAT DATE: 02-24-06
JOB NUMBER: 05-632
CAD NAME: 05-632A
CRS FILE: MARIA (cont); 05-449 (job)
PREPARED BY: KERR SURVEYING, LLC
505 CHURCH STREET, P.O. BOX 269
COLLEGE STATION, TEXAS 77841
PHONE (979) 268-3195

Exhibit D

Real Estate Contract

REAL ESTATE SALES CONTRACT

This contract to buy and sell real property is between Seller and Buyer as identified below and is effective on the date ("Effective Date") of the last of the signatures by Seller and Buyer as parties to this contract and by Title Company to acknowledge receipt of the Earnest Money. Buyer must deliver the Earnest Money to Title Company and obtain Title Company's signature before the Earnest Money Deadline provided in section A.1. for this contract to be effective. If the Earnest Money is paid by check and payment on presentation is refused, Buyer is in default.

Seller: Jeffrey N. Chapman and Ann Yager Chapman

Address: PO Box 419
Caldwell, Texas 77836-0419

Phone: 979-567-0374

Fax: 979-567-1999

Seller's Attorney: Bryon Hammer

Address: Bourland, Wall & Wenzel, P.C.
301 Commerce Street, Ste 1500
Fort Worth, Texas 76102-4115

Phone: 817-877-1088

Fax: 817-877-1636

Buyer: Winnie L Corporation or assigns

Address: PO Box 527
Cameron, Texas 76520

Phone: 254-697-4751

Type of entity: Texas Corporation

Buyer's Attorney: Christopher W. Peterson

Address: Peterson & Swearingen, LLC
3002 Texas Ave S, Ste 101
College Station, Texas 77845

Phone: (979) 680-9993

Fax: (979) 680-9991

EXHIBIT
I

Property: Commercial Tract 1 totaling approximately 6.16 acres as described on the attached Land Tract Exhibit. Commercial Tract 1 is a portion of three land tracts totaling (44.75) acres located between Villa Maria / Broadmoor. Legally described as John Austin, Block 16, Lot 12, TR – 203, Acres 17.24; John Austin, Block 16, Lot 11, TR – 202, Acres 16.24; and John Austin, Block 14, Lot 17, TR– 203.1, Acres 11.27, (AKA) Briarcrest Park Addition (the "Property")

Title Company: University Title

Address: 1021 University Drive East, Ste. 101
College Station, TX 77840

Phone: (979) 260-9818

Fax: (979) 260-3080

Purchase Price: $939,153.60

Earnest Money: $10,000.00

County for Performance: Brazos

A. Deadlines and Other Dates

All deadlines in this contract expire at 5:00 P.M. local time where the Property is located. If a deadline falls on a Saturday, Sunday, or national holiday, the deadline will be extended to the next day that is not a Saturday, Sunday, or national holiday. A national holiday is a holiday designated by the federal government. Time is of the essence.

1. Earnest Money Deadline: Effective Date
2. Delivery of Title Commitment: 45 days after the Effective Date
3. Delivery of Survey: 60 days after the Effective Date
4. Delivery of legible copies of instruments referenced in the Title Commitment and Survey: 60 days after the Effective Date
5. Delivery of Title Objections: 75 days after the Effective Date
6. Delivery of Seller's records as specified in Exhibit C: 30 days after the Effective Date
7. Delivery of Environmental Site Assessment: 30 days after the Effective Date
8. End of Inspection Period: 90 Days after the Effective Date
9. Closing Date: 120 days after the Effective Date

Exhibit A

Description of the Land

~~Commercial Tract 1 totaling approximately~~ 6.16 ~~acres as described on the attached Land Tract~~ Exhibit. Commercial Tract 1 is a portion of three land tracts totaling (44.75) acres located between Villa Maria / Broadmoor. Legally described as John Austin, Block 16, Lot 12, TR – 203, Acres 17.24; John Austin, Block 16, Lot 11, TR – 202, Acres 16.24; and John Austin, Block 14, Lot 17, TR– 203.1, Acres 11.27, (AKA) Briarcrest Park Addition (the "Property")

SAVE AND EXCEPT the following:

1. For Seller and Seller's heirs, successors and assigns forever, a reservation of all oil, gas, and other minerals in and under and that may be produced from the Property including the benefit of all existing leases. Seller waives and conveys to Buyer the right of ingress and egress to an from the surface of the Property relating to the portion of the mineral estate owned by Seller. Nothing herein, however, restricts or prohibits the pooling or unitization of the portion of the mineral estate owned by Seller with land other than the Property, or the exploration or production of the oil, gas, and other minerals by means of wells that are drilled or mines that open on land other than the Property but enter or bottom under the Property, provided that these operations do not interfere with the surface of subsurface support of any improvements constructed or to be constructed on the Property.

ASSIGNMENT CONTRACT

WHEREAS, Winnie L Corporation contracted with Ann Yager Chapman and Jeffrey Chapman for the sale of Commercial Tract One on June 29, 2005 (the "Contract" is attached as Exhibit 1);

WHEREAS, such sale was contingent upon the purchase of Tract 2 and Tract 3 pursuant to separate real estate contracts between Winnie L Corporation and Ann Yager Chapman and Jeffrey Chapman;

WHEREAS, the contracts for Tract One, Tract Two, and Tract Three were assigned by Winnie L Corporation to Burton Creek Development, Ltd. on September 1, 2005 (the assignment is attached as Exhibit 2);

WHEREAS, Burton Creek Development, Ltd. bought Tract Two and Tract Three on November 4, 2005;

WHEREAS, Burton Creek Development, Ltd. extended the closing on Tract One until April 23, 2006 by requesting such extension in writing on October 5, 2005 as required by Paragraph K(2) of the contract;

WHEREAS, W.G. Burchfield & Bro. desires to purchase Tract One for the development of an apartment complex under the corporate entity of Mansion at Briar Creek, L.P.;

WHEREAS, Burton Creek Development, Ltd. desires to sell its interest in Tract One for such purposes;

THEREFORE, in consideration of the terms set forth herein, the parties agree as follows:

1. Burton Creek Development, Ltd. ("Seller") shall assign its interest in the Contract, in the manner set forth in Exhibit 3.

2. Mansion at Briar Creek, L.P. ("Buyer") shall assume and perform all duties to be performed by the Buyer under the Contract to the same extent as if it had been originally named the Buyer in that contract, and agrees to indemnify and hold harmless Burton Creek Development, Ltd. For any liability for performance or nonperformance of the duties assumed.

3. Buyer shall have a forty (40) day feasibility period ("Feasibility Period") beginning on the date this Assignment Contract is signed. Buyer may terminate this Assignment Contract for any reason during this 40 day period.

4. In exchange for the above assignment, Buyer shall pay the sum of $20,000.00 to Peterson & Swearingen, LLC, as escrow agent, upon the signing of this Assignment Contract as a

Buyer's Initials: ______ Seller's Initials: ______

partial refund of the earnest money deposited to date by Burton Creek Development, Ltd. This sum shall be refundable if this Assignment Contract is terminated by Buyer during the Feasibility Period. If Buyer terminates this Assignment contract after the Feasibility Period ends, the earnest money shall be nonrefundable, and shall be remitted by escrow agent to Seller.

5. At closing on the Property, Buyer shall pay the additional sum of $10,000.00 to Seller at the closing of the Property.

6. This Amendment Contract is contingent on the amendment of the City of Bryan's throughfare plan. The thoroughfare plan must be amended to allow Red River to dead end before entering the Property, and to allow ingress and egress to the Red River subdivision by an extension of Red River Drive and/or Debbie Drive.

Signed: January ___, 2006

Mansion at Briar Creek, L.P., a Texas limited partnership

Robert Burchfield, Managing Member

Agreed to and accepted on January ____, 2006.

Burton Creek Development, Ltd., a Texas limited partnership, acting by and through its general partner, Burton Creek Management, LLC, a Texas Limited Liability Company,

Jenny Black

Jenny Black, President

Z:\Clients\Burton Creek (Chapman) 1476\Assignment Contract v4.wpd

Applicant Response

Texarkana Neighborhood Ventures Limited
1611 North Robison Road
Texarkana, TX 75501
(903) 838-8548 • (903) 832-2899 Fax

June 19, 2006

Ms. Audrey Martin
Texas Department of Housing and Community Affairs
507 Sabine, Suite 400
Austin, TX 78701

Dear Ms. Martin:

We are in receipt of the challenge from Robert Sherman dated June 4, 2006 regarding our tax credit application for Renaissance Plaza (TDHCA #060050). We totally disagree with Mr. Sherman's assessment of demand for senior housing in Texarkana and demand for our development in particular. We see this very simply as a developer trying to limit his competition.

Renaissance Plaza is a much needed piece of redevelopment of the Rosehill Neighborhood in which it is located. It has the strong support of the neighborhood association, the Chamber of Commerce, the City Manager and staff, the Mayor and the City of Texarkana City Council. In fact, the City of Texarkana just allocated the majority of its Section 108 funding to our development and has previously passed a very strong resolution in full support of our development. Mr. Sherman has been attempting, unsuccessfully, to persuade the City of Texarkana to stop the development of Renaissance Plaza, and he raised these same issues at a TDCHA board meeting last year when we were in application to TDHCA. Because of Mr. Sherman's past protests, George Shackelford, the City Manager of Texarkana, took the time to drive from Texarkana to Austin and was in attendance at the June 9, 2006 TDHCA Board meeting to speak on our behalf just in case Mr. Sherman chose to speak against us again. When the agenda reached Section 5b (Challenges) Mr. Sherman did not speak, therefore Mr. Shackelford nor I, offered anything in rebuttal. In fact, Mr. Sherman told me at the June 9th TDHCA meeting that he was dropping the issue, he saw no reason for us to be in Austin and was not going to try and cause any further problems. This was a very interesting statement seeing that his challenge letter is dated June 4th, five days before the meeting.

As to Mr. Sherman's concern regarding the demand for the 120 units we are developing, we have empirical data that proves that there is adequate demand to fill our units in a reasonable period of time. The market study, which was conducted according to the guidelines of the 2006 Qualified Allocation Plan, estimates demand for "seniors only" LIHTC units at 244 units (a 2 to 1 ratio) with a pace of 12 units absorbed per month.

Texarkana Neighborhood Ventures Limited
1611 North Robison Road
Texarkana, TX 75501
(903) 838-8548 • (903) 832-2899 Fax

We cannot be certain of the problems that Mr. Sherman has had with Winfield Estates. We did notice that according to the latest numbers he provided to you that Winfield is 96% occupied. His development's earlier problems could have been caused by product offering, marketing, poor management or any number of other issues. One factor that we are confident about is that we have a superior location for seniors. We are closer to amenities such as public transportation, hospitals, doctor's offices, churches, banking and shopping. All of these services are very important to seniors. In the case of Winfield Estates they are located at the very southeast end of the city which requires personal transportation to fully utilize many (if not all) of the most commonly used services in Texarkana. We have a superior site that answers all of these issues. In fact, we don't believe the Winfield Estates could have been competitive as a 9% application based on the current QAP as it is not near appropriate services. Because of this, I am sure that Mr. Sherman fears that he may lose some of his residents to our development. But, our mission is not the enhancement of Mr. Sherman's pocketbook, but the creation of safe, clean, affordable housing to meet the existing demand.

Mr. Sherman's also speculated that residents on the Arkansas side of Texarkana are unwilling to move to the Texas side. As the Executive Director of the Housing Authority of the City of Texarkana, Texas and a resident of Texarkana, I can tell you that I have not found that to be true. We find that those in need of clean, safe, affordable housing are willing to move the short distance from the Arkansas side of the border. In fact, we work closely with the Housing Authority of Texarkana, Arkansas and the Section 8 vouchers from each authority are portable to each state. Again, I don't know that specific reason for Winfield Estates lack of success in attracting current Arkansas residents, but it again could be caused by a number of reasons including and specifically marketing, location or just poor tracking of these particular demographics.

During the summer of 2004 Mr. Sherman called me to inquire about the feasibility of the Texarkana, Texas Housing Authority to Project Base Winfield Estates with Housing Choice Vouchers. I immediately told Mr. Sherman that this would not be in the best interest of our clients as we seek to provide housing choice whenever possible. Project Based Vouchers limit the choice of those seeking shelter. Many of our voucher-based clients have opted to live at Winfield Estates 2002. As of the writing of this response to Mr. Sherman's challenge we assist 22 elderly families or 14.10% of his population in Winfield. It is rather obvious that Mr. Sherman has no desire to provide affordable housing residents with options, hence his request for project based vouchers and even less desire to compete for occupants through superior service and quality, hence his objections to our competing project.

To summarize, we know that there is more than adequate demand for our development. We have followed both the letter and spirit of the 2006 Qualified Allocation Plan and have shown that we are worthy of an award of credits. We hope that the board and staff of TDHCA look favorably on our application and specifically the denial of this challenge. We look forward to providing safe, decent affordable housing for the citizens of our area. We hope that you will not take this obvious attempt by an out of town developer to limit his competition for anything other that that.

Texarkana Neighborhood Ventures Limited
1611 North Robison Road
Texarkana, TX 75501
(903) 838-8548 • (903) 832-2899 Fax

Thank you for your time on this matter. Should you have any question on this matter, please feel free to call me at (903) 838-8548, extension 102.

Sincerely,

Richard Herrington, Jr.
Secretary
Texarkana Neighborhood Ventures Limited

Cc: James Bramlett – Mayor, City of Texarkana, Texas
George Shackelford – City Manager, City of Texarkana, Texas
Micheal Gerber – Executive Director, Texas Dept. of Housing & Community Affairs

060050

1611 N. Robison Rd.
Texarkana, TX 75501
(903)838-8548
(903)832-2899

Housing Authority of the City of Texarkana, TX

Fax

Jennifer Joyce

To: Audrey M. Martin **From:** Richard Herrington

Fax: 512-475-1895 **Pages:** 4

Phone: 512-475-3872 **Date:** 6/21/06

Re: **CC:**

JUN21 2 44PM

☑ Urgent ☑ For Review ☑ Please Comment ☐ Please Reply ☐ Please Recycle

Please Acknowledge either email / or Fax for Receipt.

Thank you.

Richard Herrington

If you receive this fax transmission in error, please contact the Housing Authority of the City of Texarkana, TX.

Challenge(s) Received

// SBG Development Services L. P.

E-mail rhsherman@aol.com

2329 Ember Woods Dr.
Roanoke, TX 76262
Dir 817-741-2329
Fax 817-741-2330
Mob 214-533-0937

June 4, 2006

Ms. Brooke Boston
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
221 East 11th Street
Austin, TX 78701-2410

Re: TDHCA # 060050: Renaissance Plaza, Texarkana, Texas
(Senior Citizen, 2006 application, 120 units)

Dear Ms. Boston:

The purpose of this letter is to share with you my concerns regarding the proposed development of the Renaissance Plaza, TDCHA #060050. The Renaissance Plaza has been proposed as a 120 unit housing center for senior citizens, in Texarkana, Texas. The applicant appears to be an entity controlled by the Texarkana Housing Authority.

I am sincerely concerned that the market in Texarkana is not strong enough to support the proposed development, and that, as a consequence, the proposed development is at best unnecessary, and at worst a possibly direct threat to an existing tax credit senior's development in Texarkana.

As result of my concerns, I felt obligated to write this letter to share with you the basis of my knowledge of the specific market in question, and explain the reasons why such knowledge leads me to question the viability of the proposed development.

I am a General Partner of the Winfield Estates development in Texarkana, also a tax credit senior's housing development, comprised of 156 units located approximately two miles from the proposed development.

We began on Winfield Estates in the year 2000. At that time, much like the current applicant, we had in hand a collection of market studies which indicated to us that the market for seniors' housing in Texarkana appeared to be strong, and that there was a clear need for such a development.

Unfortunately, and for a number of reasons, we were dead wrong. In spite of our expectations based upon the numbers in our market studies, our experience in the market displayed that there was an extreme shortage of qualified applicants. In fact, in our collective portfolios of approximately 6,000 apartment units, Winfield Estates was undoubtedly the most difficult lease-up period that we have ever experienced.

We began leasing units at Winfield in the middle of 2001. It took us eighteen months to reach only a 60% occupancy, and a full two years to reach an occupancy of just 72%. Winfield Estates suffered losses for over three years, and did not reach a stabilized occupancy above 90% until three and one half years after the doors opened.

Winfield is still not fully occupied, and we have no waiting list. In fact, we have had to significantly discount rents in order to accommodate the soft market conditions. Please refer to the enclosed log demonstrating our dismal rental history.

None of these difficulties were predicted by our anticipatory market studies. I have absolutely no doubt that the current applicant's market studies indicate that the market is strong. Ours did too, though they turned out to be wrong. Furthermore, I do not doubt that the current applicant believes its market studies are accurate. However, based on our actual experience in the present market, I must say that I do not believe that the current applicant's market studies are any more accurate than ours were before we started.

I believe there is a peculiar problem in Texarkana that causes significant inaccuracies in the creation of predictive market studies with respect to housing developments. We inaccurately assumed that Texarkana was one large market area. Folks in Texarkana are very loyal to their home states. People from Arkansas are extremely reluctant to consider a move to Texas, even if they stay within the same city. As much is evidenced by our experience with Winfield Estates: out of 156 units and several hundred residents, we have only five residents from Texarkana, Arkansas!

I feel I have an obligation to urge that you strongly consider our experience in the market as a counterweight to the current applicant's optimistic market studies. If we believed there was a market for such a development, we would not have any opposition to it. However, we believe there is reason for concern that the proposed development will not only lack viability in its own right, but will endanger the existing Winfield Development as well.

Honestly, I am not concerned that the proposed development will put Winfield out of business, because I know that we have the perseverance to keep a good property going even when we are losing our shirts. We proved our resolve in the first four years with Winfield, when we continued to stick with it, even though the property would not lease up, and we lost a lot of money. However, most developers will not take the losses that we begrudgingly had to bear on Winfield. I worry that on the proposed development, the government may be the one stuck with the bill this time around, and may not ultimately have anything to show for it. That would be much worse for my business than merely having a new competitor.

For these reasons, I believe it is in the best interests of the senior citizens of Texarkana, as well as potential beneficiaries of alternative uses of the proposed tax credits, that tax credits not be granted for another seniors' development in Texarkana, Texas at this time.

Please contact me with any questions you may have.

Sincerely,

Robert H. Sherman

cc All TDHCA Board Members
Michael Gerber
Tom Gouris
Brooke Boston
Jennifer Joyce

Attachments

Simpson Housing Solutions, LLC
Asset Management
Occupancy Report

TOTAL SITE TRAFFIC 96 PEOPLE FOR ALL OF 2005!

COMMUNITY: Winfield Estates - Texarkana, TX **WEEK ENDING:** 12/25/05

UNITS: 156 156 **TOTAL SQ FT.:** 124970 **YEAR BUILT:** 2001

APPLICATIONS:		
Prior Applications		0
Move-Ins	-	0
Cancellations	-	0
Rejections	-	0
New Applicat	+	0
Total on Hand	+	0

NOTICES:		
Prior Notices		0
Move-Outs		0
Cancellations	-	0
New Notices	+	0
Total on Hand		0

OCCUPANCY:			
Prior Occupancy		155	
Move-Ins	+	0	
Move-Outs	-	0	
Skips	-	0	
Evictions:	-	0	
Total Occupancy	=	155	99.36%
Net Leased =	=	155	99.36%

TRAFFIC	Phone			Visitors			Applications		
Source	WK	MTD	YTD	WK	MTD	YTD	WK	MTD	YTD
Nwspr	0	0	3	0	0	15	0	0	13
T.V Ad	0	0	1	0	0	0	0	0	0
Yellow Pgs	0	0	0	0	0	2	0	0	8
Sign	0	0	0	0	0	0	0	0	0
Drive-By	0	0	2	0	0	9	0	0	5
Bro/Flyr	0	0	2	1	1	8	0	1	8
Referral	0	0	1	0	0	4	0	0	4
Radio	0	1	4	0	0	16	0	0	5
Return	0	0	0	0	0	4	0	0	2
Other	0	0	4	0	0	7	0	0	1
Word	0	0	1	0	0	22	0	0	18
Magzn	0	1	2	0	1	9	0	0	5
Total	0	2	20	1	2	96	0	1	69

DELINQUENCIES			
Period	Amount	No. Units	No. Filed
Current	$697	2	0
Prior Month	$480	3	
Beyond			
TOTAL	$1,177	5	0

Rent Collected for the Month		# of NSF's on Hand	
Actual	Budget	No.	Amount
66950	61245	0	$0

Code	Type	No.	Sq. Feet	Open Rents	Wait List	2006 RENTS									
50%	1x1 *(A-1F)*	13	739	$327		$371	0	0	0	0	0				
60%	1x1 *(A-1)*	115	739	$387		$419	1	0	0	0	0				
50%	2x2 *(B-1F)*	3	948	$396		$439	0	0	0	0	0				
60%	2x2 *(B-1)*	25	948	$487		$539	0	0	0	0	0				0
TOTAL		156			0		1	0	0	0	0	0	0	0	0

Lease Terms: 12 Lease Renewals: 12 mo
Security Deposit: 50/250
Pets: Pet Deposit:
Office Hours:
Monday - Friday: 8:30 am to 5:30 pm
Saturday: Closed Sunday: Closed

Winfield Estates Texarkana TX

Lease up log

Total number of units 156 Senior Citizen

		OCCUPANCY	% Occupied
2002	January	48	31%
	June	89	57%
2003	January	107	69%
	June	112	72%
2004	January	131	84%
	June	145	93%
2005	January	146	94%
	June	150	96%

Applicant Response

Investment Builders, Inc.

June 14, 2006

Via e-mail – audrey.martin@tdhca.state.tx.us

Audrey Martin
Multifamily Housing Specialist
TDHCA – HTC Program
221 East 11th
Austin, TX 78701

Re: TDHCA Number 060078, Copper Square Estates

Dear Audrey:

In response to your notice dated June 14, 2006 advising that the above referenced project has been challenged, we provide the following:

1. **Neighborhood Associations were not notified**

   Attached please find a copy of the letter sent to City Representative Lozano requesting information regarding the neighborhood associations in his district, along with a copy of the Certified Return Receipt. A reply from his office was never received.

2. **No proper signage on the property**

   Attached please find a copy of receipts for both the purchase and installation of the sign.

   As stated in the letter from the El Paso Lower Valley Association, it is illogical that IBI would have proper signage on the other proposed sites and not this one. In fact, during the month of March the El Paso area experienced extremely high winds and two of our signs did indeed fall down, but as soon as neighboring residents and businesses called our office, these were picked up and re-installed.

   Also attached is the original picture taken on February 27, 2006. Please note the "for sale" sign behind the Public Notice Sign, which clearly shows that the sign was installed on the proper site and not elsewhere.

3. **No ponding area or street drainage onto Alameda and Carolina are available**

   IBI is aware that this project will need a ponding area, and the final set of plans will reflect this requirement as set forth by the City of El Paso.

4. **Proposed site is less than 300 feet away from railroad tracks**

   Attached please find a copy of an aerial map of the proposed site and surrounding area. Please note, the distance of the development to the railroad tracks is over 600 ft. A copy of a full size map is available, and may be forwarded to TDHCA at the department's request.

5. **Traffic Problems**

   The City of El Paso is in a growth state. Our city is experiencing a great influx of military troops, so the reality is that the entire city will not only be facing possible traffic problems but a lack of affordable housing as well. Attached please find a copy of a newspaper article dated June 11, 2006 discussing the situation.

   In addition, IBI spoke with Mr. Ramon Ruiz of the Texas Department of Transportation (TXDOT) regarding the alleged deteriorating overpass on North Carolina Drive. He informed us that if the overpass was in such deplorable conditions it would have been closed down by TXDOT. In more exciting news, TXDOT is considering expanding this overpass to four lanes, which would improve the traffic flow in this area.

6. **There is no park available to the community**

   Attached is a copy of the site plan for this proposed development, where this concern was addressed. You can see several green areas, playgrounds, and a pool have been designed into the plan to provide our residents with a superior living experience.

7. **High concentration of Senior Citizens in the area and schools are over crowded**

   These two statements are unclear and moreover contradict each other.

8. **Proximity of Services**

   According to Section 50.9(i)(17)(A) of the 2006 QAP a proposed site located within one-quarter mile of public transportation that is accessible to persons with disabilities and/or located within a community that has "on demand" transportation…will receive full points regardless of the proximity of other amenities. Copper Square Estates qualifies for these points, and the list of facilities provided in Volume II Tab 3 references those within a two mile radius as required in the 2006 Application Submission Procedures Manual. Also, on page 2-15 of the Market Study prepared by Ipser & Associates, Inc. it states that "There is a wide range of goods and services in the area…"

9. **Dependable Public Transportation**

   Attached please find a copy of the Sun Metro Bus schedule. As you can see there is a wide variety of choices for the residents to choose from.

In addition, please find a copy of a letter the Community & Human Development of the City of El Paso circulated to the neighbors regarding a public meeting held on April 11, 2006, along with a copy of the sign in sheet. At this meeting we had the opportunity of speaking with Ms. Ana Duenez, who expressed her desire for an elderly project. We explained to her that unfortunately we could not change the target population because the application had already been submitted to TDHCA. However, we did inform her that we would collaborate with the neighboring community once the project was awarded.

Attached is also an e-mail to City Representative Lozano regarding our visit to his office on April 24, 2006, where we answered several questions for him. Later that day, we had a visit from Ms. Duenez and another association member; they were gathering additional information regarding this project because they were going to have a meeting later that month. At this time we discussed the possibility of attending such meeting to answer any questions regarding the Tax Credit Program and/or the project, but no invitation was ever extended. Furthermore, they notified us that they visited another one of our developments, were impressed, and wanted to know if Copper Square would be similar. We explained that the only difference would be that this development is comprised of apartments and not townhomes, but would have the same quality, amenities, and appearance.

IBI has complied with all the rules and regulations set forth by TDHCA and the 2006 QAP, and it is clear that this is merely a case of NIMBYism. If you have any questions or need additional information, please contact me at (915) 594-2141.

Sincerely,

Maria Espinoza
Due Diligence Coordinator

Attachments

Investment
Builders, Inc.

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

December 16, 2005

Councilman J. Alexandro Lozano, District 3
City of El Paso
2 Civic Center Plaza, 10th Floor
El Paso, TX 79901

Dear Councilman Lozano

Copper Square Estates, Ltd. is making an application for **Housing Tax Credits**. Pursuant to the applicable program rules associated with this program, this letter is requesting a list of neighborhood organizations on record with your municipality. If there are no Neighborhood Organizations on record with your municipality or county, or if your office does not keep these records and you know the appropriate entity to request this list from, please respond by letter stating such. Please respond by **January 2, 2006**.

Sincerely

Corinne Vonberg

Corinne Vonberg
Senior Vice President, Operations

CERTIFIED MAIL

7003 3110 0005 9036 8804

7003 3110 0005 9036 8804

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	$ 0.37	UNIT ID: 0110
Certified Fee	2.30	Postmark Here
Return Reciept Fee (Endorsement Required)	1.75	
Restricted Delivery Fee (Endorsement Required)		Clerk: KRY936
Total Postage & Fees	$ 4.42	12/20/05

Sent To: Councilman J. Alexandro Lozano, District 3
Street, Apt. No.; or PO Box No.: City of El Paso, 2 Civic Center Plaza, 10th Floor
City, State, ZIP+4: El Paso, TX 79901

PS Form 3800, June 2002 — See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Councilman J. Alexandro Lozano
District 3
City of El Paso
2 Civic Center Plaza, 10th Floor
El Paso, TX 79901

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X J. Alvarez ☐ Agent ☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery
DEC 21 2005

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number
(Transfer from service label)
7003 3110 0005 9036 8804

PS Form 3811, August 2001 Domestic Return Receipt 102595-01-M-2509

UNITED STATES POSTAL SERVICE

First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

• Sender: Please print your name, address, and ZIP+4 in this box •

Copper Square Estates, Ltd.
c/o Investment Builders, Inc.
8800 Yermoland, Suite A
El Paso, TX 79907

CUSTOM QUICK SIGNS

1421 Lee Trevino, Suite D-1
El Paso, TX 79936
Phone: (915) 598-7446
Fax: (915) 598-7466

Invoice Number: **25598**

P.O. #: 101325

5.5' X 8' DIBOND SIGN

Clerk: CAROL
Order Date: 2/14/2006
Order Time: 11:12AM
Due Date: 2/14/2006
Due Time: 04:00 PM

INVESTMENT BUILDERS
Phone: 915-594-2144 Ext:
Fax: 915-590-7351
Attn: MARIA ESPINOZA

Invoice Printed On: 2-14-2006 11:13AM

PRODUCT CODE	COLOR	QUANTITY	SIDES	SIZE		PRICE @	TOTAL
DIBOND	WHITE	4.00	1	66 INCH x 96 INCH		$285.95	$1,143.80

PRODUCT DESCRIPTION
RE-INFORCED ALUMINUM PANEL
2-WOODCHASE SENIOR
1-COPPER SQUARE
1-SPANISH CREEK

Salesperson: Lane Camfield   Customer #: 5792   Customer Tax ID

Sub-Total		$1,143.80
Taxable	$1,143.80	
Non-Taxable	$0.00	
Sales Tax		$94.36
Shipping		$0.00
TOTAL		$1,238.16
Deposits		
Payments		
Finance Charges		$0.00
Balance		$1,238.16

Notes/Ship to:
Called for pick up @ 11:20 am 2/23/06
spoke to Maria

Date Picked Up: ____________ Clerk: ____________

Terms: C.O.D.

X____________________
Customer Signature

INVESTMENT BUILDERS
Attn: MARIA ESPINOZA
8800 YERMOLAND
EL PASO, TX 79907

Jaime Munoz

5118 Wally Drive
El Paso, TX 79924

(915) 727-9562

To:
Copper Square Estates, Ltd.
8800 Yermoland, Suite A
El Paso, TX 79907

February 27

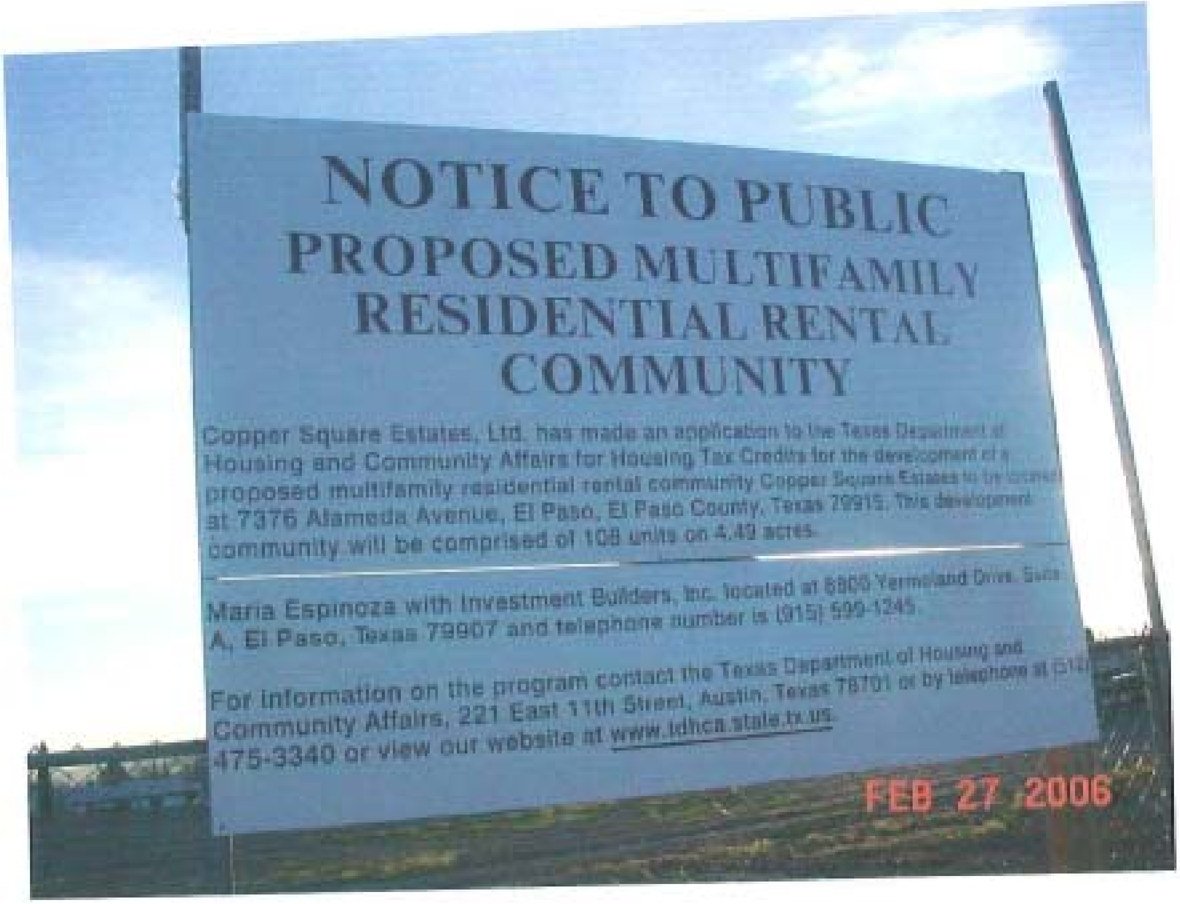
P.O. Number	Payment Terms	Payment Due
Maria Espinoza	15 Days	March 13, 2006

Scope of Work

6' x 8'Notice to Public Sign Installation

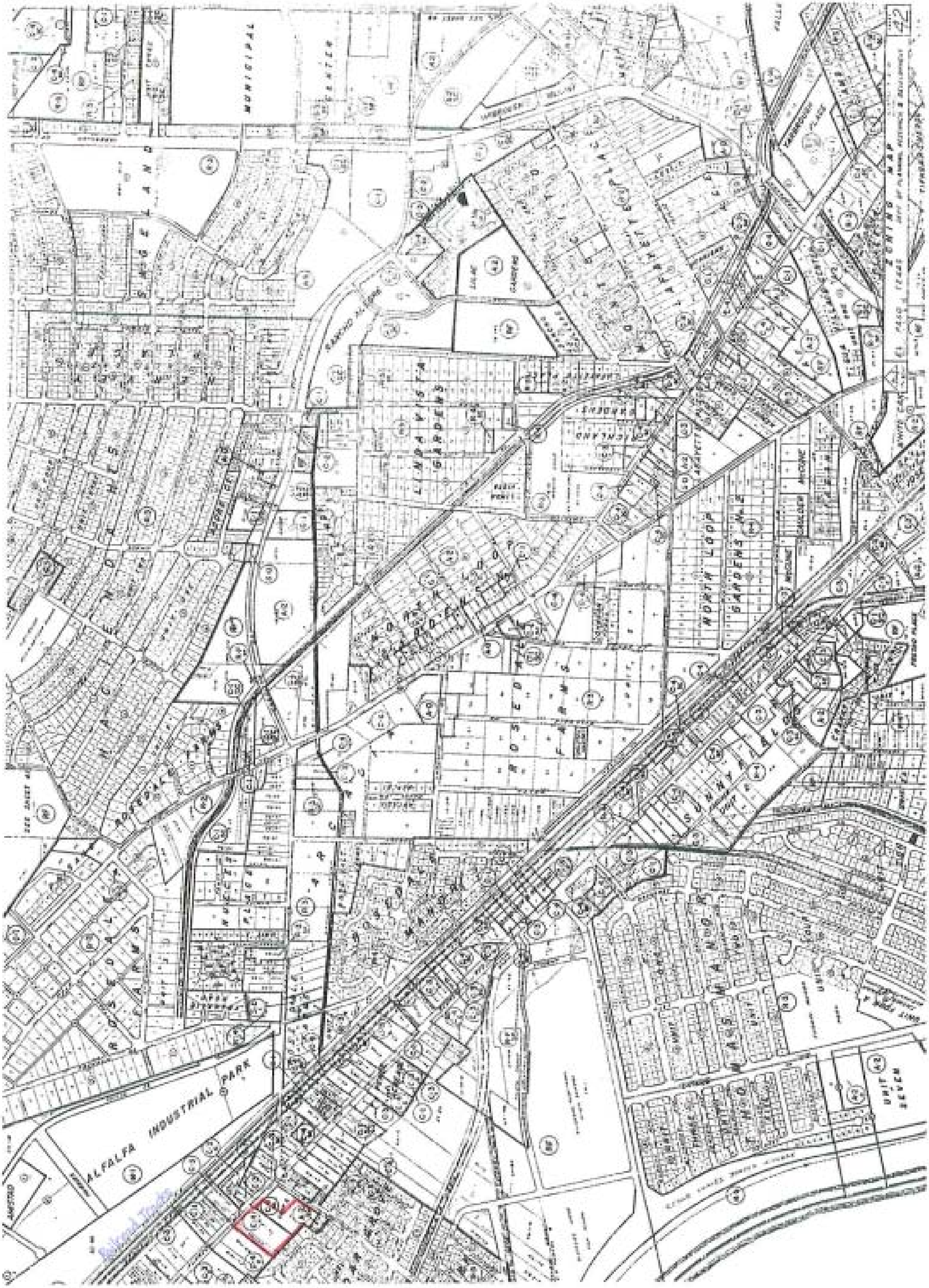
Balance **$60.00**

2006

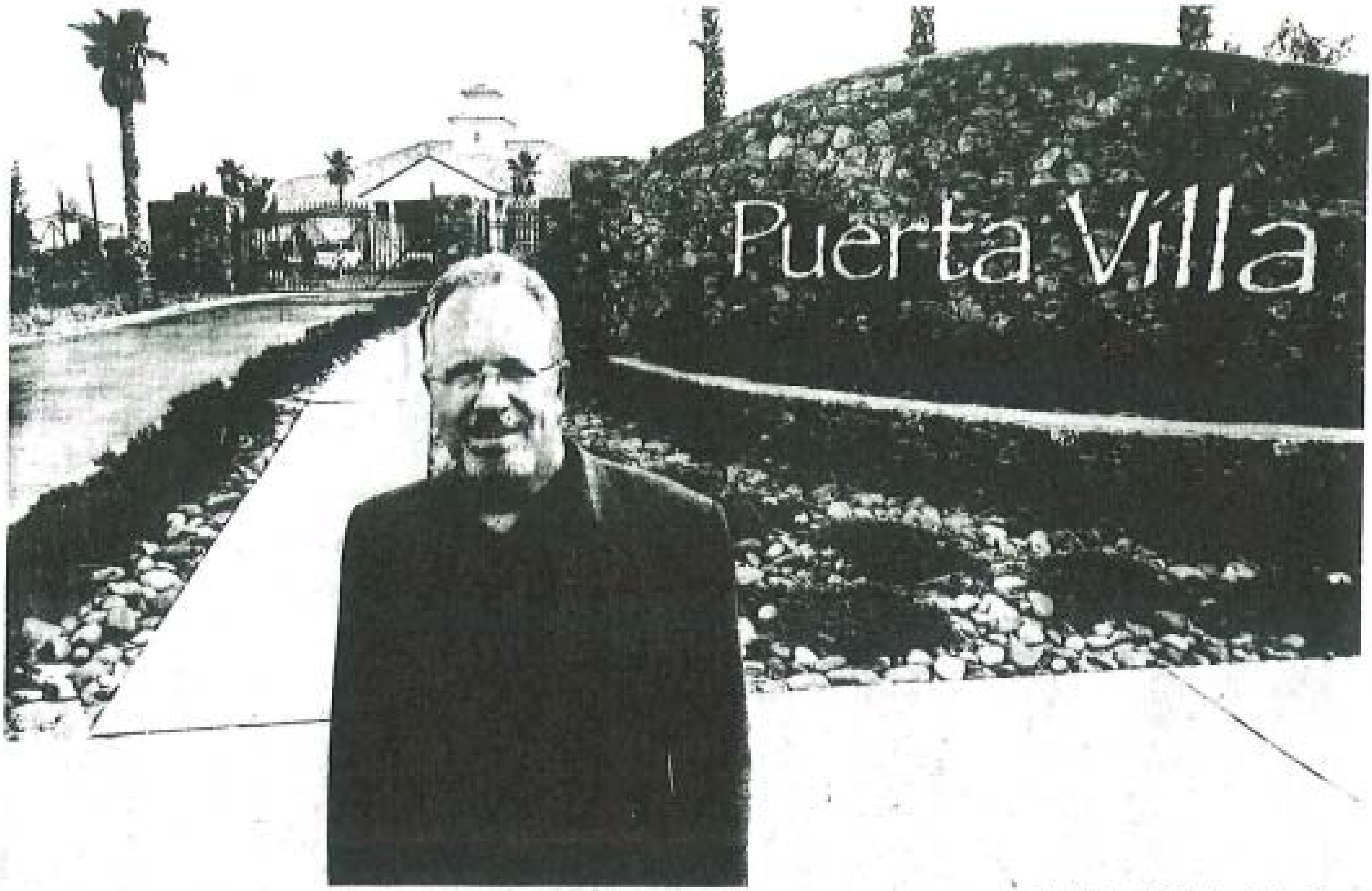

NOTICE TO PUBLIC
PROPOSED MULTIFAMILY
RESIDENTIAL RENTAL
COMMUNITY
Copper Square Estates, Ltd. has made an application to the Texas Department of
Housing and Community Affairs for Housing Tax Credits for the development of a
proposed multifamily residential rental community Copper Square Estates
at 7376 Alameda Avenue, El Paso, El Paso County, Texas 79915. This development
community will be comprised of 108 units on 4.49 acres.
Maria Espinoza with Investment Builders, Inc. located at 6800 Yermoland Drive, Suite
A, El Paso, Texas 79907 and telephone number is (915) 590-1245.
For information on the program contact the Texas Department of Housing and
Community Affairs, 221 East 11th Street, Austin, Texas 78701 or by telephone at
475-3340 or view our website at www.tdhca.state.tx.us.
FEB 27 2006


FEB 27 2006

Stewart Dr
N Carolina Dr
20
Wisteria Ave
Alpha Ave
Franklin Dr
Google



ALFALFA INDUSTRIAL PARK
MUNICIPAL
CENTER
NORTH LOOP



Photos by Yasmin A. Aboytes / El Paso Times

Tom Bohannon, president of Bohannon Development Corp., plans to build three apartment complexes in El Paso in the next two years. The company builds luxury apartment complexes like the 284-unit, 2-year-old Puerta Villa apartments at 1220 Pellicano.

Race to meet INFLUX

Puerta Villa, one of five El Paso luxury apartment complexes built and operated by Bohannon Development, has rents ranging from $610 to $865 a month.

By Vic Kolenc
El Paso Times

El Paso's apartment market — enjoying its healthiest occupancy rates in years — is beginning to expand with several new apartment projects in the works and two new complexes about to open.

Fort Bliss growth and overall growth in the El Paso economy are driving the expansion, those in the apartment industry said.

More than 1,000 new apartment units are expected to be built in El Paso in the next two years by two builders. And more than 300 units at two West Side complexes are opening this summer.

"Fort Bliss is driving the train" for the apartment market expansion, said Jerry Carlson, executive director of the El Paso Apartment Association. El Paso's apartment vacancy rate has been running around 5 percent in recent months, making this the best market in several years, he said.

Fort Bliss is expected to add 14,000 to 15,000 more troops in the next five to six years — almost doubling the current 16,000 soldier population, said Jean Offutt, a Fort Bliss spokeswoman. Many of those soldiers and their families will live off the Army post, she said.

Information Fort Bliss has received from the private sector indicates the community should be able to handle the additional off-post housing needs, Offutt said.

Please see Influx 2E

EOPLE

TVO

lis VanDeMark re-
TVO Employee of
vard recently at the
h America Awards
inDeMark is the op-
Iministrator the El
real estate services
ind has been with
ree years.

ARROLL

cCarroll LLP and a
unty Legal Support
named Texas Legal
the Texas Associa-
annual meeting in
retary for Hal Katz
e firm.

INSURANCE

n Yung, president
d member of JDW
has received the
Business Produc-
r Award for April.
is based on new
es revenue generat-
he month.

ebrated her 15th an-
nce. Najera is an as-
id holds profession-
ccredited customer
associate in insur-

SYSTEMS

Rigole

les manager with
Paso, was the No. 2
company for April
rom clients all over
action helped El Pa-
company out of 140
nore than 10 orders
im Rigole was hon-
tional sales contest
arter over quarter.

RS INSURANCE

eberry Jr., an El Pa-
Farmers Insurance
been recognized for
ding sales achieve-
05 and has been in-
annual meeting lat-
nth in Boston of
sales producers.

NANCIAL

Influx

Continued from 1E

Soldiers are expected to arrive in annual increments of about 3,000 in the next several years, which gives Fort Bliss and the community "time to be prepared in an organized and efficient manner," Offutt said.

El Paso-based Bohannon Development Corp., plans to build three apartment complexes with a combined total of 800 to 840 units in the next two years, said Tom Bohannon, president and owner of the 26-year-old company.

"Fort Bliss's projected growth has a lot to do with" the apartment plans along with relocated companies coming into El Paso, Bohannon said last week during a second-anniversary party at Puerta Villa, a 284-unit luxury apartment complex at 12220 Pellicano in far East El Paso.

"Any type of job growth creates a housing need and some portion is in rental housing," he said.

Bohannon Development builds luxury, so-called Class A apartment complexes, which are not specifically aimed at the military market.

"The military is an important customer (in our apartment complexes), but not the majority customer," Bohannon said.

However, Bohannon Development plans to begin construction of its first apartment complex in Northeast El Paso in the next few months, where it expects to see more military occupants, Bohannon said.

The 340-unit project at Martin Luther King and Patriot Freeway will be "designed as other (Bohannon) complexes, but with some smaller floor plans available to bring the average price down," Bohannon said.

Rents at five apartment complexes built and operated by Bohannon Development range from more than $500 for one bedroom to more than $900 for three bedrooms, depending on the complex.

The El Paso Apartment Association's Carlson said military officers can afford luxury apartments while rank-and-file soldiers and their families tend to seek properties with lower rent levels. He expects more Class B apartments also will be built in the future.

Maj. Randy Boyd, an Army reservist stationed at Fort Bliss, said he sees demand for the kind of apartments Bohannon Development builds with many amenities and services. He lives at Bohannon's Puerta Villa complex.

"I enjoy living away from the military community," said Boyd, who has been at Fort Bliss about a year.

Bohannon Development also plans in the next two years to build a multiple-phase luxury apartment complex with about 250 units in the first phase at Edgemere and Rich Beem in far East El Paso, and a 200- to 250-unit luxury apartment complex at Resler and Helen of Troy in far West El Paso. Bohånnon did not divulge costs for any of the planned projects.

Another El Paso apartment builder, Investment Builders, is close to completing construction of the first phase of a luxury West Side apartment complex at 415 S. Mesa Hills, and plans to begin construction this summer on a 200-unit, low-income apartment complex in Northeast El Paso at Diana and Dyer. Construction costs will be about $25 million for the West Side project and about $11.5 million for the Northeast project, not including land costs, said Robert Sanderson, senior vice president of construction at Investment Builders.

"We see the apartment business as a very viable business at all levels of the market," Sanderson said. Fort Bliss expansion can only help the market, he said.

Investment Builders specializes in building and operating affordable, or low-income, apartment complexes. Late last year, the company opened the 160-unit Cedar Oak Townhouses (now being renamed Loma Serena), an East Side complex at 1489 Cedar Oak for mostly low-income residents. All units are now filled as construction winds down, said Corinne Vonberg, senior vice president of operations for Investment Builders. Rents at the low-income complexes are tied to income guidelines. At Cedar Oak, rents range from $160 to $560 a month.

Its West Side project, The Tuscany at Mesa Hills, is its first regular apartment complex in several years, Vonberg said. Monthly rents are anticipated to be set at $645 for a one-bedroom to $1,400 for a three bedroom, she said. The complex's first units are to open in August. It will have 369 units when completely finished next spring.

"We really think there will be a very strong lease up and demand for these apartments," Sanderson said.

Ronald Bruce, president of the GraPat Group, a Plano, Texas, real estate management company, said El Paso has a "very strong apartment market."

GraPat doesn't anticipate any problems leasing The Legends of El Paso, a 240-unit West Side luxury apartment complex expected to open late this month, Bruce said. The complex, developed by a Dallas area investor, is located at 200 S. Belvidere. "The Class A (apartment) market (in El Paso) has a higher occupancy rate, around 96 to 98 percent, he said.

Vic Kolenc may be reached at
vkolenc@elpasotimes.com, 546-6421

For more information: www.apartmentguide.com

Coming attractions

- **The Tuscany** at Mesa Hills, 369-unit apartment complex at 415 S. Mesa Hills. 126 apartments to open in August with remaining units completed next spring. Rents tentatively set at $645 to $1,400.
- **The Legends** of El Paso, a 240-unit apartment complex at 200 S. Belvidere. Expected to open late this month. Rent amounts not available.
- **Bohannon Development** Corp., plans to begin construction in next few months on 340-unit luxury apartment complex at Martin Luther King and Patriot Freeway.
- **Bohannon also** plans in the next two years to build a multiple-phase luxury apartment complex with about 250 units in the first phase at Edgemere and Rich Beem, and a 200-250 unit luxury apartment complex at Resler and Helen of Troy.
- **Investment Builders** plans to begin construction this summer on 200-unit, low-income apartment complex at Diana and Dyer.

Sources: Investment Builders, GraPat Group, Bohannon Development Corp.

Foreclosures on rise with interest rates

By Joy Powell

Minneapolis Star Tribune

MINNEAPOLIS, Minn. — Kelly Casey and her family saved their Cottage Grove home from a foreclosure sale this month. But she's not sure for how long.

Like many other homeowners, Casey and her husband swapped their 30-year

During the housing boom of the past five years, mortgage brokers flooded mailboxes and called homes offering adjustable-rate mortgages, interest-only loans, no-cost loans and loans for more than 100 percent of value. Such loans — often at extraordinarily low rates — allowed people to buy more house than they could otherwise afford.

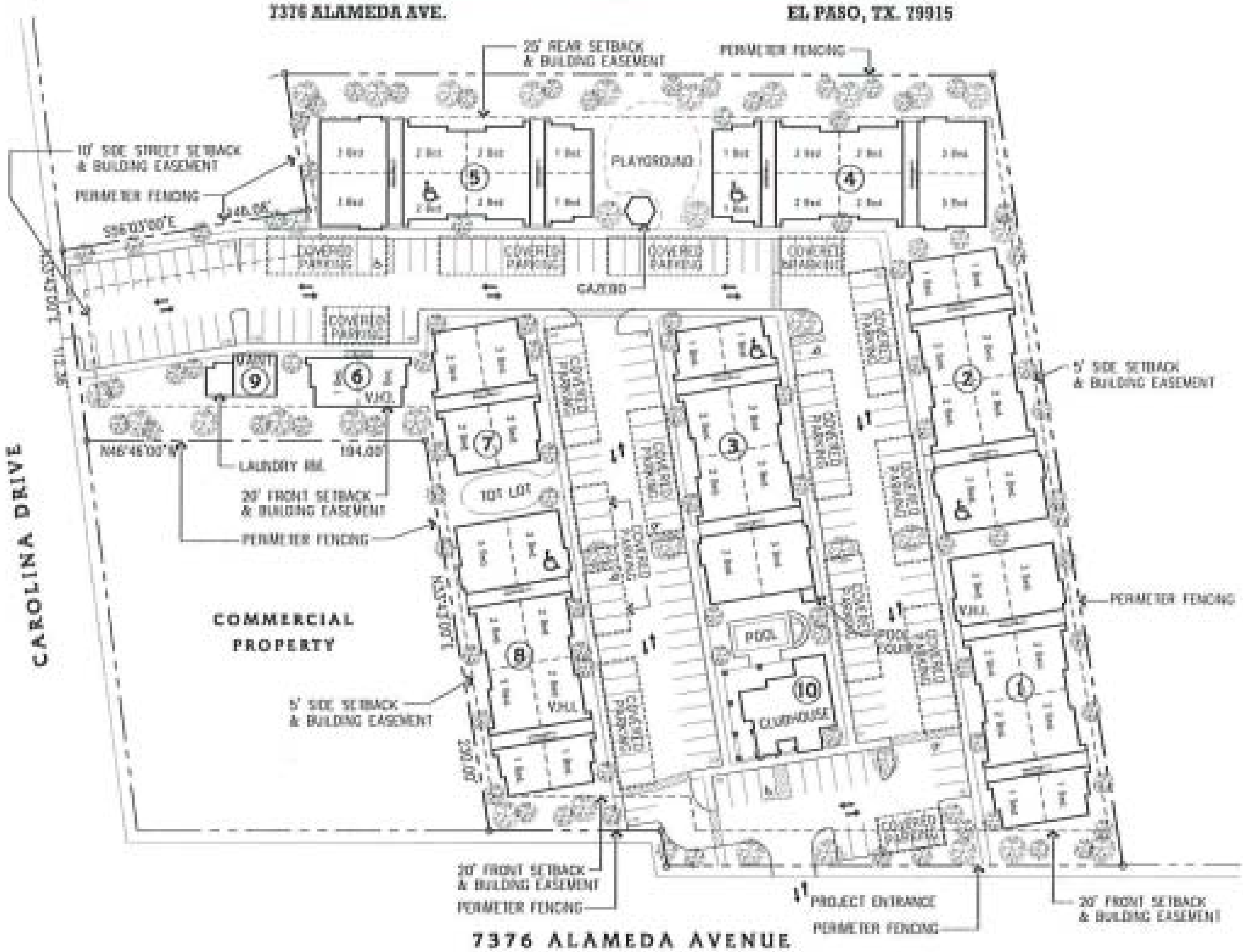
$300,000 loan who was paying $1,300 or $1,400 a month, for example, now could pay from $1,800 to $2,200.

Adjustable-rate mortgages account for a quarter of the more than $8.5 trillion in outstanding loans, according to the Mortgage Bankers Association of America.

The first signs of trouble are showing. In Hennepin County, sheriff's foreclo-

108 UNIT APARTMENT COMPLEX
COPPER SQUARE ESTATES, Ltd.

7376 ALAMEDA AVE. EL PASO, TX. 79915



SITE PLAN

NOT TO SCALE

LEGAL DESCRIPTION

PORTION OF LOT 2, BLOCK 40, CEDAR GROVE PARK UNIT 5, AND TRACTS 10-B AND 10-C, BLOCK 26, YSLETA GRANT, CITY OF EL PASO, EL PASO COUNTY, TEXAS

SITE:

FLOOD ZONE:

ZONING: C4/SC
FRONT YARD SETBACK: 20' ; REAR YARD SETBACK: 20' ; SIDE YARD SETBACK: 5' ; SIDE STREET SETBACK: 10'

DEVELOPMENT STANDARDS:

GENERAL HEIGHT STANDARDS:

FLOOR AREA RATIO:

PARKING DATA

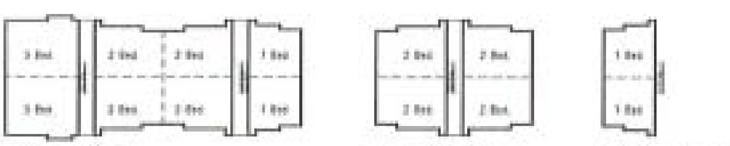
TYPE	AMOUNT	REQUIRED	TOTAL
1 BEDROOM	28	1.5 / UNIT	42
2 BEDROOM	56	2 / UNIT	112
3 BEDROOM	24	2 / UNIT	48
NOTE: 1 COVERED PARKING PER UNIT.	TOTAL REQUIRED		202
	TOTAL SHOWN		204

OTHER UNIT DATA

	TOTAL UNITS	REQUIRED	PROVIDED
HC ACCESSIBLE	108	5%	6
V.H.I. UNITS	108	2%	3

BUILDING DATA

TYPE	AMOUNT	S.F./UNIT	TOTAL
1 BEDROOM	28	725.00 S.F.	20,300.00 S.F.
2 BEDROOM	56	963.00 S.F.	53,928.00 S.F.
3 BEDROOM	24	1,200.00 S.F.	28,800.00 S.F.
TOTAL LIVABLE Sq. Ft.			103,028.00 S.F.
TOTAL UNITS: 108			
STORAGE AREAS			3,233.00 S.F.
TOTAL BREEZEWAY Sq. Ft.			13,833.00 S.F.
MAINTENANCE BUILDING			600.00 S.F.
LAUNDRY ROOM			300.00 S.F.
POOL EQUIPMENT (BUILDING 5)			64.00 S.F.
GAZEBO			221.00 S.F.
CLUBHOUSE (LIVING)			2,145.00 S.F.
CLUBHOUSE PATIOS			933.00 S.F.
TOTAL BUILDING AREA			123,344.00 S.F.



BUILDING TYPE 1
TYPICAL OF 6 BLDGS

BUILDING TYPE 2
TYPICAL OF 1 BLDGS

BUILDING TYPE 3
TYPICAL OF 1 BLDGS

BUILDING TYPES

Investment Builders, Inc.

HOUSING CHANGE		Market Area		El Paso	
		Units	Change	Units	Change
Total Units	1990	27,556		168,625	
	2000	28,740	1,184	193,663	25,038
Owner Units	1990	17,520		92,507	
	2000	17,855	335	111,750	19,243
Renter Units	1990	9,099		68,038	
	2000	9,749	650	70,313	2,275
Vacant	1990	937		8,080	
	2000	1,136	199	11,600	3,520
Single family	1990	19,625		111,273	
	2000	20,755	1,130	134,710	23,437
Multi-Family	1990	5,879		49,918	
	2000	6,469	590	52,423	2,505
Mobile Home	1990	2,052		7,434	
	2000	1,516	(536)	6,647	(787)

Source: 1990 and 2000 Census data; Exhibits G-11 (100% count data) and G-13 (sample count data)

6. Conclusion

The subject tract is a low income area, but new development has recently occurred within the market area including the Socorro, San Elizario and Clint communities to the southeast. In terms of access and proximity to comparison goods shopping as well as convenience shopping, to restaurants, schools, hospitals, and employment, the subject property has good access with convenient routes. There is a wide range of goods and services in the area with many small older shops scattered throughout the area and new development to the north. The subject's development will continue to improve the area in ways similar to improvements generated by other HTC projects in the surrounding area.

Route 61 Ysleta via Alameda

TRANSFER POINTS

- Downtown
- Alameda & Piedras
- Alameda & Raynolds
- Fox Plaza
- Alameda & Delta
- Alameda & Carolina
- Alameda & Yarbrough
- Alameda & Zaragoza
- Zaragoza & Schutz
- Alameda & Old County

Boarding Point Downtown: East of Oregon St on Texas Ave

Monday-Saturday

1 Leave Downtown	2 Alameda at Raynolds	3 Alameda at Delta	4 Alameda at Carolina	5 Alameda at Yarbrough	6 Alameda at Zaragoza	7 Corralitos at San Simon	6 Alameda at Zaragoza	5 Alameda at Yarbrough	4 Alameda at Carolina	3 Alameda at Delta	2 Alameda at Raynolds	1 Arrive Downtown
—	—	—	—	—	—	4:58	5:05	5:15	5:25	5:35	5:45	6:05
—	—	—	—	—	—	5:33	5:40	5:50	6:00	6:10	6:20	6:40
5:00	5:16	5:24	5:34	5:44	5:54	6:08	6:15	6:25	6:35	6:45	6:55	7:15
5:35	5:51	5:59	6:09	6:19	6:29	6:43	6:50	7:00	7:10	7:20	7:30	7:50
6:10	6:26	6:34	6:44	6:54	7:04	7:18	7:25	7:35	7:45	7:55	8:05	8:25
6:45	7:01	7:09	7:19	7:29	7:39	7:53	8:00	8:10	8:20	8:30	8:40	9:00
7:20	7:36	7:44	7:54	8:04	8:14	8:28	8:35	8:45	8:55	9:05	9:15	9:35
7:55	8:11	8:19	8:29	8:39	8:49	9:03	9:10	9:20	9:30	9:40	9:50	10:10
8:30	8:46	8:54	9:04	9:14	9:24	9:38	9:45	9:55	10:05	10:15	10:25	10:45
9:05	9:21	9:29	9:39	9:49	9:59	10:13	10:20	10:30	10:40	10:50	11:00	11:20
9:40	9:56	10:04	10:14	10:24	10:34	10:48	10:55	11:05	11:15	11:25	11:35	11:55
10:15	10:31	10:39	10:49	10:59	11:09	11:23	11:30	11:40	11:50	**12:00**	**12:10**	**12:30**
10:50	11:06	11:14	11:24	11:34	11:44	11:58	**12:05**	**12:15**	**12:25**	**12:35**	**12:45**	**1:05**
11:25	11:41	11:49	11:59	**12:09**	**12:19**	**12:33**	**12:40**	**12:50**	**1:00**	**1:10**	**1:20**	**1:40**
12:00	**12:16**	**12:24**	**12:34**	**12:44**	**12:54**	**1:08**	**1:15**	**1:25**	**1:35**	**1:45**	**1:55**	**2:15**
12:35	**12:51**	**12:59**	**1:09**	**1:19**	**1:29**	**1:43**	**1:50**	**2:00**	**2:10**	**2:20**	**2:30**	**2:50**
1:10	**1:26**	**1:34**	**1:44**	**1:54**	**2:04**	**2:18**	**2:25**	**2:35**	**2:45**	**2:55**	**3:05**	**3:25**
1:45	**2:01**	**2:09**	**2:19**	**2:29**	**2:39**	**2:53**	**3:00**	**3:10**	**3:20**	**3:30**	**3:40**	**4:00**
2:20	**2:36**	**2:44**	**2:54**	**3:04**	**3:14**	**3:28**	**3:35**	**3:45**	**3:55**	**4:05**	**4:15**	**4:35**
2:55	**3:11**	**3:19**	**3:29**	**3:39**	**3:49**	**4:03**	**4:10**	**4:20**	**4:30**	**4:40**	**4:50**	**5:10**
3:30	**3:46**	**3:54**	**4:04**	**4:14**	**4:24**	**4:38**	**4:45**	**4:55**	**5:05**	**5:15**	**5:25**	**5:45**
4:05	**4:21**	**4:29**	**4:39**	**4:49**	**4:59**	**5:13**	**5:20**	**5:30**	**5:40**	**5:50**	**6:00**	**6:20**
4:40	**4:56**	**5:04**	**5:14**	**5:24**	**5:34**	**5:48**	**5:55**	**6:05**	**6:15**	**6:25**	**6:35**	**6:55**
5:15	**5:31**	**5:39**	**5:49**	**5:59**	**6:09**	**6:23**	**6:30**	**6:40**	**6:50**	**7:00**	**7:10**	**7:30**
5:50	**6:06**	**6:14**	**6:24**	**6:34**	**6:44**	**6:58**	**7:05**	**7:15**	**7:25**	**7:35**	**7:45**	**8:05**
6:25	**6:41**	**6:49**	**6:59**	**7:09**	**7:19**	**7:33**	**7:40**	**7:50**	**8:00**	**8:10**	**8:20**	**8:40**
7:00	**7:16**	**7:24**	**7:34**	**7:44**	**7:54**	**8:08**	**8:15**	**8:25**	**8:35**	**8:45**	**8:55**	**9:15**
7:35	**7:51**	**7:59**	**8:09**	**8:19**	**8:29**	**8:43**	**8:50**	**9:00**	**9:10**	**9:20**	**9:30**	**9:50**
8:15	**8:31**	**8:39**	**8:49**	**8:59**	**9:09**	**9:23**	**9:30**	**9:40**	**9:50**	**10:00**	**10:10**	**10:30**

Sunday

1 Leave Downtown	2 Alameda at Raynolds	3 Alameda at Delta	4 Alameda at Carolina	5 Alameda at Yarbrough	6 Alameda at Zaragoza	7 Corralitos at San Simon	6 Alameda at Zaragoza	5 Alameda at Yarbrough	4 Alameda at Carolina	3 Alameda at Delta	2 Alameda at Raynolds	1 Arrive Downtown
—	—	—	—	—	—	6:23	6:30	6:39	6:48	6:57	7:06	7:25
6:00	6:16	6:24	6:34	6:44	6:54	7:08	7:15	7:24	7:33	7:42	7:51	8:10
6:45	7:01	7:09	7:19	7:29	7:39	7:53	8:00	8:09	8:18	8:27	8:36	8:55
7:30	7:46	7:54	8:04	8:14	8:24	8:38	8:45	8:54	9:03	9:12	9:21	9:40
8:15	8:31	8:39	8:49	8:59	9:09	9:23	9:30	9:39	9:48	9:57	10:06	10:25
9:00	9:16	9:24	9:34	9:44	9:54	10:08	10:15	10:24	10:33	10:42	10:51	11:10
9:45	10:01	10:09	10:19	10:29	10:39	10:53	11:00	11:09	11:18	11:27	11:36	11:55
10:30	10:46	10:54	11:04	11:14	11:24	11:38	11:45	11:54	**12:03**	**12:12**	**12:21**	**12:40**
11:15	11:31	11:39	11:49	11:59	**12:09**	**12:23**	**12:30**	**12:39**	**12:48**	**12:57**	**1:06**	**1:25**
12:00	**12:16**	**12:24**	**12:34**	**12:44**	**12:54**	**1:08**	**1:15**	**1:24**	**1:33**	**1:42**	**1:51**	**2:10**
12:45	**1:01**	**1:09**	**1:19**	**1:29**	**1:39**	**1:53**	**2:00**	**2:09**	**2:18**	**2:27**	**2:36**	**2:55**
1:30	**1:46**	**1:54**	**2:04**	**2:14**	**2:24**	**2:38**	**2:45**	**2:54**	**3:03**	**3:12**	**3:21**	**3:40**
2:15	**2:31**	**2:39**	**2:49**	**2:59**	**3:09**	**3:23**	**3:30**	**3:39**	**3:48**	**3:57**	**4:06**	**4:25**
3:00	**3:16**	**3:24**	**3:34**	**3:44**	**3:54**	**4:08**	**4:15**	**4:24**	**4:33**	**4:42**	**4:51**	**5:10**
3:45	**4:01**	**4:09**	**4:19**	**4:29**	**4:39**	**4:53**	**5:00**	**5:09**	**5:18**	**5:27**	**5:36**	**5:55**
4:30	**4:46**	**4:54**	**5:04**	**5:14**	**5:24**	**5:38**	**5:45**	**5:54**	**6:03**	**6:12**	**6:21**	**6:40**
5:15	**5:31**	**5:39**	**5:49**	**5:59**	**6:09**	**6:23**	**6:30**	**6:39**	**6:48**	**6:57**	**7:06**	**7:25**
6:00	**6:16**	**6:24**	**6:34**	**6:44**	**6:54**	**7:08**	**7:15**	**7:24**	**7:33**	**7:42**	**7:51**	**8:10**
6:45	**7:01**	**7:09**	**7:19**	**7:29**	**7:39**	**7:53**	**8:00**	**8:09**	**8:18**	**8:27**	**8:36**	**8:55**
7:30	**7:46**	**7:54**	**8:04**	**8:14**	**8:24**	**8:38**	**8:45**	**8:54**	**9:03**	**9:12**	**9:21**	**9:40**
8:15	**8:31**	**8:39**	**8:49**	**8:59**	**9:09**	**9:23**	**9:30**	**9:39**	**9:48**	**9:57**	**10:06**	**10:25**

Effective October 5, 2003

Maria Espinoza

From: Alvarado, Mark M. [AlvaradoMM@elpasotexas.gov]
Sent: Tuesday, April 04, 2006 1:54 PM
To: Maria Espinoza; Lilly, William L.; Ortega, Steve; Corinne Vonberg; 'ikejmonty@aol.com'
Subject: Community Meeting April 11th

Lower Valley Letter for Tax Cr...

4-4-06

Dear Neighborhood Leader,

A special meeting to introduce 3 proposed affordable housing developments by Investment Builders will be held on Tuesday April 11th at 6pm at the Lower Valley Branch Library 610 N. Yarbrough.

The purpose of the meeting is to allow residents and neighborhood association members the opportunity to learn about the proposed developments and to provide input to the developer.

The three developments proposed are:

Spanish Creek Townhomes	**610 South Lee Trevino**
Woodchase Senior Community	**8410 & 8411 Tigris Drive**
Copper Square Estates	**7376 Alameda Avenue**

You are strongly encouraged to invite the members of your association. If you have any questions please feel free to call me at 541-4918.

Cordially,

Mark M. Alvarado
Neighborhood Services

Sign In Sheet

Name	Address	Phone
Julio A. Rubio	204 PAPAYA	203-2032
[illegible] Rubio	204 PAPAYA ST	203-2032
[illegible] Juarez	221 ARBOR	7790405
Rudy Alva	8405 Tigris	422-3220
KEITH PUHLMAN	1621 DICK RITTER	591-5592
Connie Vanburg	8800 Vermeland Ste A 79927	599-1245
Maria Espinoza	8800 Vermeland, Suite A	599-1245
Edith Morales	8800 Vermeland Suite B	594-2133
Mariann Alvarado	1536 Bengal	7279559
ROSA VACCAS	7407 Sequoia [illegible]	778-4[illegible]
Maria Windell	149 Elder	781-2205
SARA MATA	512 URAL	859-0568
[illegible]	1454 [illegible] Rd	778-5842
MRS Ruben [illegible]	142 Eld[illegible]	772-2152
Martha E. Lopez	8800 Vermeland Suite A	599-1245
Ermila Reyes	146 Davis Dr.	859-0220
Jose Reyes	146 DAVIS	859-0220
Jeannie Meza	237 West Point Dr.	858-3286
Charley Black	8423 N. Loop	5989329
Roberto+Rebecca SERRANO	732 ISTANBUL CIR	590-5824
GARY SANCHEZ	5300 El Paisano	849-3749
Lorraine Reveles	736 Istanbul	595-8734
Eduardo A. Talamantes	8434 Roseway	497-231-6219

Martha Gomez

From: Martha Gomez
Sent: Tuesday, April 25, 2006 10:46 AM
To: 'district#3@elpasotexas.gov'
Cc: Maria Espinoza; Corinne Vonberg
Subject: Alameda and Carolina

Tracking:

Recipient	Delivery	Read
'district#3@elpasotexas.gov'		
Maria Espinoza	Delivered: 4/25/2006 10:47 AM	Read: 4/25/2006 11:11 AM
Corinne Vonberg	Delivered: 4/25/2006 10:47 AM	Read: 4/25/2006 11:19 AM

Dear Representative Lozano

First and foremost, IBI would like to express our most sincere gratitude for your time yesterday afternoon. It was a great pleasure meeting with you and discussing some of the concerns your constituents have expressed regarding the proposed housing development near the intersection of Alameda and Carolina, which IBI has named Copper Square Estates.

Surprisingly, we had the great pleasure of also meeting with two members of the El Paso Lower Valley Neighborhood Association late yesterday afternoon. Ms. Ana Duenez, President of the association, informed us that they are currently preparing for their monthly meeting and were gathering some information. Their goal is to educate its members because apparently there are several different misleading stories being circulated. In addition, they had the opportunity to see first hand Cedar Oak. To their surprise they were very impressed with this community, and wanted to know if this is what it would look like. We explained that yes it would include the same great amenities with the only difference being that Cedar Oak is comprised of townhomes and the new development would be more like apartments. Finally, the association has extended an invitation to IBI to attend this meeting, and needless to say, we will gladly be present to address any questions or concerns they may have; reiterating our commitment to work with the community.

Attached please find the updated site plan we discussed. As you can see, the proposed development will have several areas for its residents to enjoy. I have also included some pictures of Cedar Oak so you can also see what this could look like.

Once again thank you for your time, and if you have any further questions please feel free to give IBI a call.

Regards
meg

Martha E. Gomez
Investment Builders, Inc.
8800 Yermoland, Suite A
El Paso, TX 79907
(915) 594-2140 direct
(915) 599-1245 main ext 140
(915) 590-7351 fax

Challenge(s) Received

President- Ana Dueñez
Vice President- Julio A.Rubio
Secretary- Jaime Morales
Treasurer- Angie Morgan

EL PASO LOWER VALLEY
ASSOCIATION
221 Arbor
El Paso, TX 79915
(915) 779-0405

May 24, 2006

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

Dear Mr. Michael Gerber Executive Director,

We, the El Paso Lower Valley Neighborhood Association, at Cedar Grove area, are opposed to the Copper Square Estates, the planned 108 units apartment complex at 7376 Alameda. There are two Associations in the area and neither of these Associations or its residents were notified. There was no notification sign on the property. According an ordinance at El Paso City Hall, the residents and the associations were to be notified. There are other proposed sites like this one in the North Loop and Lee Travino area. There are three lots of property and all three sites have a notification sign. What dose not make sense to the residents is why the site at 7376 Alameda did not have a sign on the property. We are providing pictures and signatures of the people that are opposed to the Copper Square Estates apartment complex. The complex dose not show a ponding area on the property for run-off water. A ponding area is required by the County of El Paso regulations and this area is considered as both City and County and should follow the regulations set forth. In addition, there is no street drainage on Alameda or Carolina to capture the run-off water. Since Cedar Grove area is considered a flooding zone area, this will present a flooding hazard to the residents of this area. The proposed apartment complex is not shown to be 300 ft. it is less away from the existing railroad tracks and canal that is not fenced in which are side by side. The two lanes overpass on Carolina is falling off. The two east and west lanes of traffic are very congested and sometimes the lines of cars are about ¾ of a mile long. During peak hours the lines can extend to about 1 mile long just to get over the overpass. This proposed apartments complex will create more traffic and possibly more accidents. This street is the only access to the overpass to get across the railroad tracks and canal from North Loop Street to Alameda Street and vice versa.

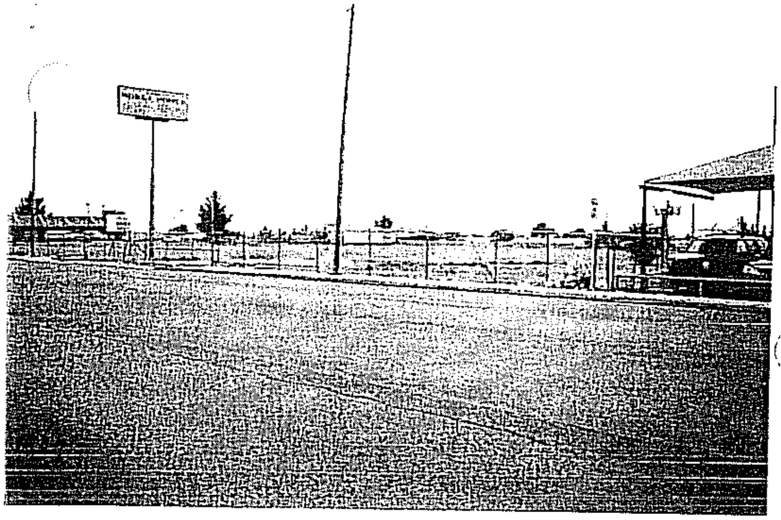
There is no park in our community like other communities in El Paso. There is a high concentration of senior citizens living in this area. Dependable bus service is not available; the buses take a long time and break down. There is no grocery store near by and the schools in this area are already over crowded. All there is are plenty of used car lots and this is not a good environment for children. Based on all these negative points and the fact that the two Neighborhood Associations and its residents oppose this proposed complex, we ask that the you not approve the funding and have the developer look for another location more suited to build the Copper Square Estates apartment complex.

Sincerely,

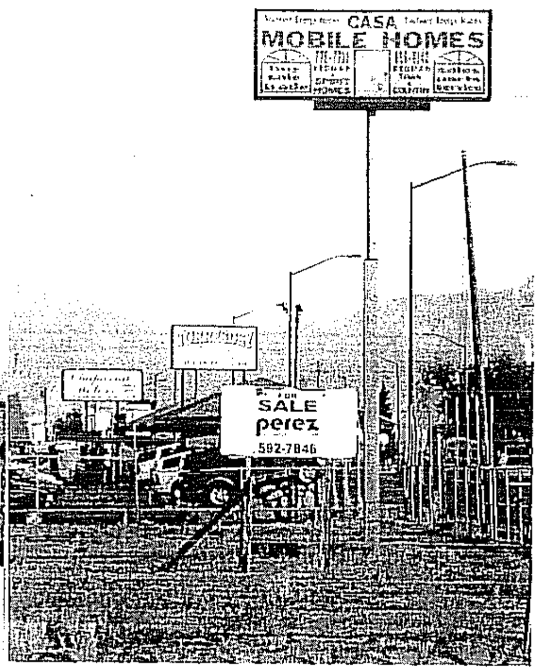
Ana Dueñez

Ana Dueñez, President
El Paso Lower Valley Association

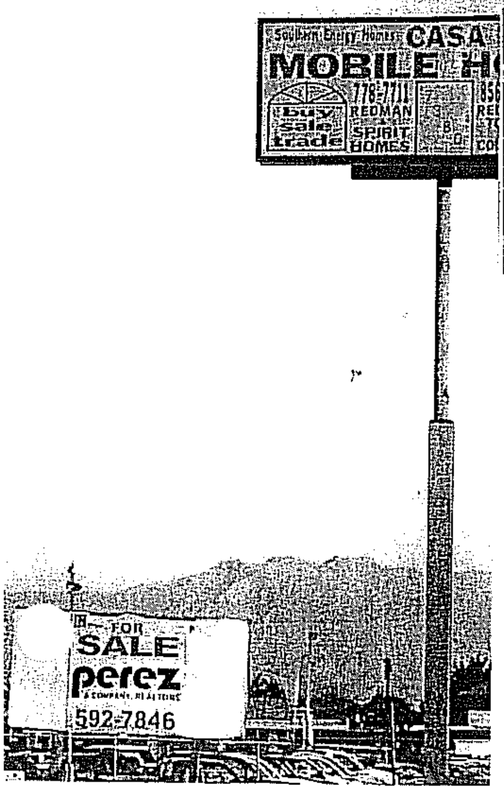
pictures



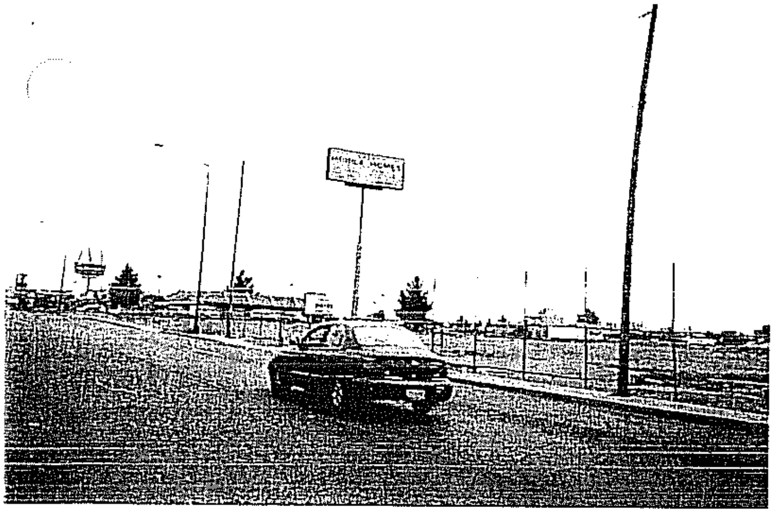
PROPOSED PROPERTY THROUGH ALAMEDA STREET THIS ARE THE ONLY SIGNS THERE IS. NO NOTICE TO THE PUBLIC LIKE THEY STATE IN THERE PICTURES THE DEVELOPE| SEND.



THERE IS NOTHING BUT CAR LOTS LIKE THE ONE NEXT TO THE PROPERTY SHOWN ON THE PICTURE. WE HAVE CAR LOTS NEXT TO EACH OTHER AND ACROS THE STREET NEXT TO EACH OTHER.

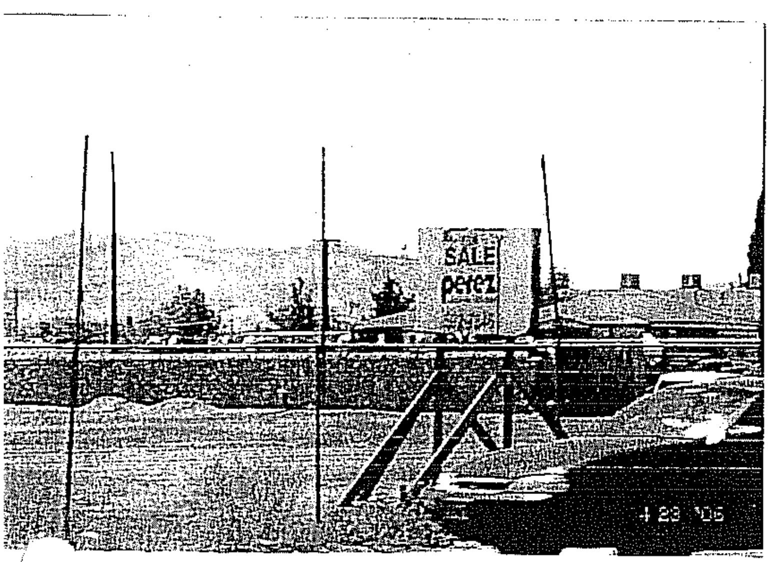


THIS ARE THE SIGNS ON ALAMEDA STREET

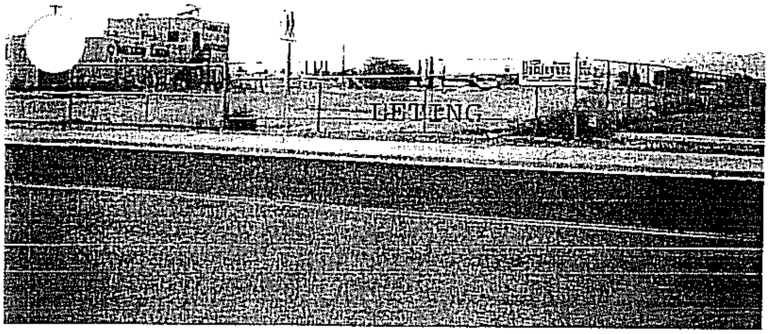


ALAMEDA STREET

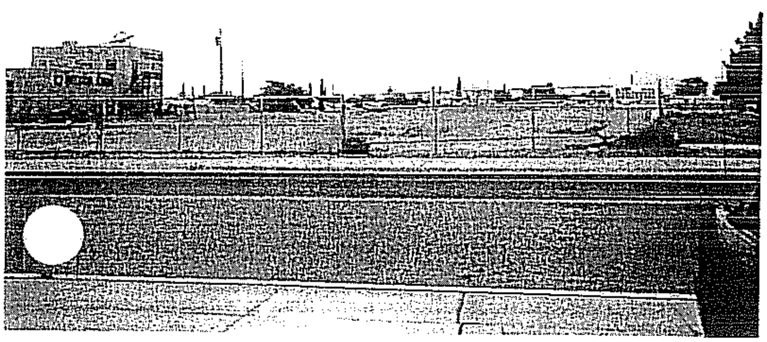
NO SIGNS THIS WOULD BE THE FRONT ENTRANCE TO THE COPPER SQUARE ESTATES APARTMENT COMPLEX.



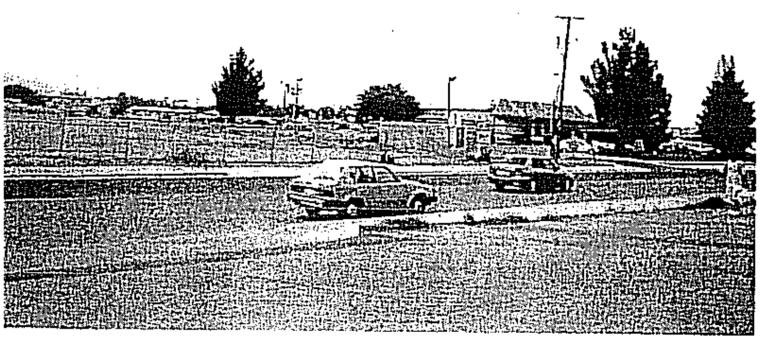
SIGN ON THE PROPERTY ON THE ALAMEDA STREET.



PROPOSED PROPERTY THROUGH CARLINA STREET NEXT TO MEXICO LINDO PROPERTY. THERE IS NOT ONE SIGN ON THE PROPERTY LETING THE PUBLIC KNOW.



SAME PICTURE IT IS ALSO NEXT TO THE MC DONLDS ON CORNOR OF CAROLINA AND ALAMEDA. NO SIGN.



CAROLINA STREET FROM ACROSS FROM THE PROPOSED PROPERTY. THIS WOULD BE THE SIDE ENTRANCE.

This is what the Developer proposed to your Office.
(AD.)

Copper Square Estates

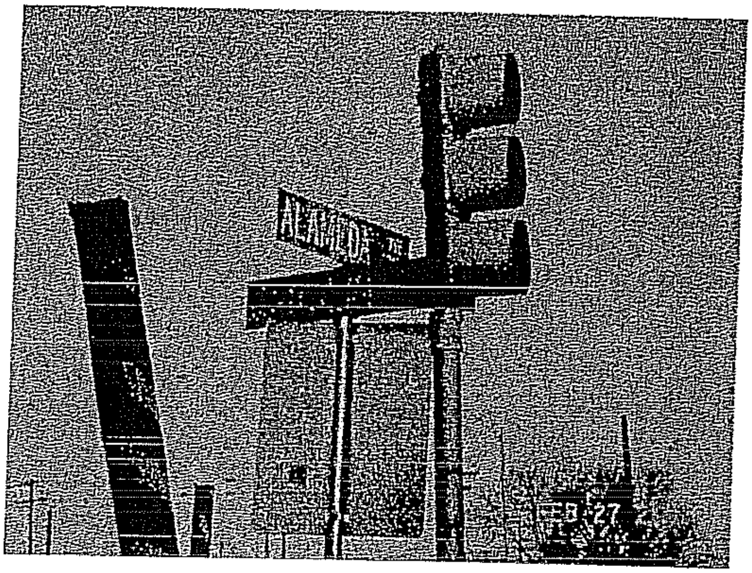
From 1-5 are the only things close to the property

1. **Mc Donald's** – 7398 Alameda Ave.
2. **Kids Castle Daycare** – 120 S Carolina Dr.
3. **7-Eleven** – 7400 Alameda Ave.
4. **La Playa Seafood Restaurant** – 7446 Alameda Ave.
5. **Playskool Daycare Center** – 7580 Alameda Ave.
6. **Riverside Middle School** – ~~7615~~ Mimosa Ave.
7. **Riverside High School** – 301 Midway Dr.
8. **Riverside Park** – 7600 Alameda Ave.
9. **Cedar Grove Elementary** – 218 Barker Rd.

Half or 1 mile away From property (AD.)

10. **Martha's Mexican Restaurant** – 7327 Alameda Ave.
11. **Coronado Grocery** – 7288 Alameda Ave.
12. **7-Eleven** – 7150 Alameda Ave.
13. **JR Produce** – 7110 Alameda Ave.
14. **China Express** – 7100 Alameda Ave.
15. **Ascarate Elementary School** – 7090 Alameda Ave.
16. **Diamond Shamrock** – 7046 Alameda Ave.
17. **El Ciro's Restaurant** – 7000 Alameda Ave.
18. **Ascarate Park** – 6900 Delta Dr.
19. **State National Bank** – 7744 North Loop Dr.
20. **Subway** – 7604 North Loop Dr.
21. **Fast Lane Burgers** – 7595 North Loop Dr.
22. **Las Casuelas Mexicans** – 7240 North Loop Dr.
23. **Circle K** – 7100 North Loop Dr. Closed
24. **Ramona Elementary School** – 351 Nichols Rd.
25. **Bullfrogs & Butterflies Daycare** – 300 N Carolina Dr.
26. **Gus & Goldie Daycare and Carolina Skate Park** – 563 N Carolina Dr.
27. **Lunch Box** – 667 N Carolina Dr.
28. **Sunset Funeral Home** – 750 N Carolina Dr.
29. **Lower Valley Public Library** – 7915 San Jose Rd.
30. **El Paso Community College & Valle Verde YWCA** – 919 Hunter Dr.
31. **Ranchland Hills Middle School** – 7615 Yuma Dr.
32. **Hacienda Heights Elementary School** – 7530 Acapulco Ave.
33. **Hacienda Heights Park** – 7735 Phoenix Ave.
34. **United Bank of El Paso** – 9801 Gateway Blvd West
35. **YMCA: Eastridge Family Center** – 1440 Miracle Way
36. **Del Sol Medical Center & Valley Medical Clinic** – 7878 Gateway Blvd East
37. **Providence Memorial Hospital** – 7888 Gateway Blvd East
38. **Food City** – 7444 Gateway Blvd East
39. **RH Family Medical Clinic & Tricore Reference Laboratories** – 9398 Viscount Blvd.
40. **Sunshine Day Care** – 9515 Viscount Blvd.

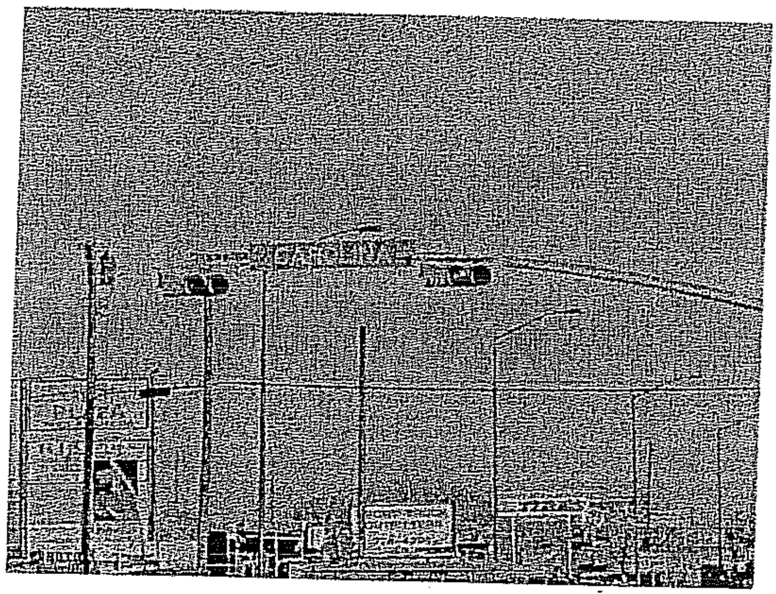
all of this are fare away from proposed property or across town.



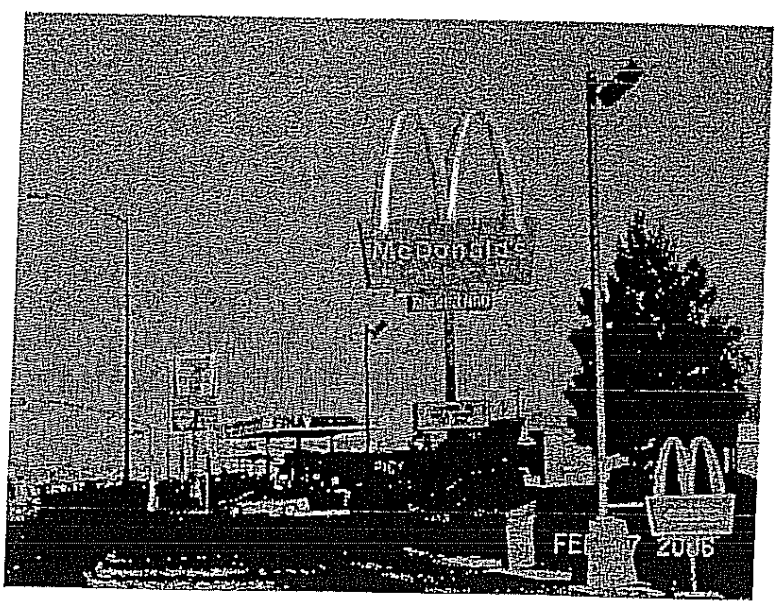
Street Signs

car lots next
to each other.
(A.D.)

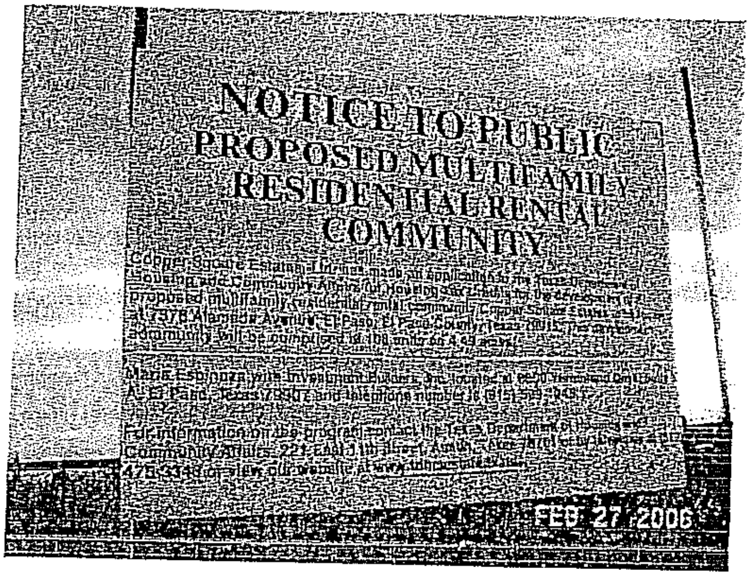
two lane over
pass.
(A.D.)



Street Sign at
Major Intersection



Businesses next to
Proposed Site

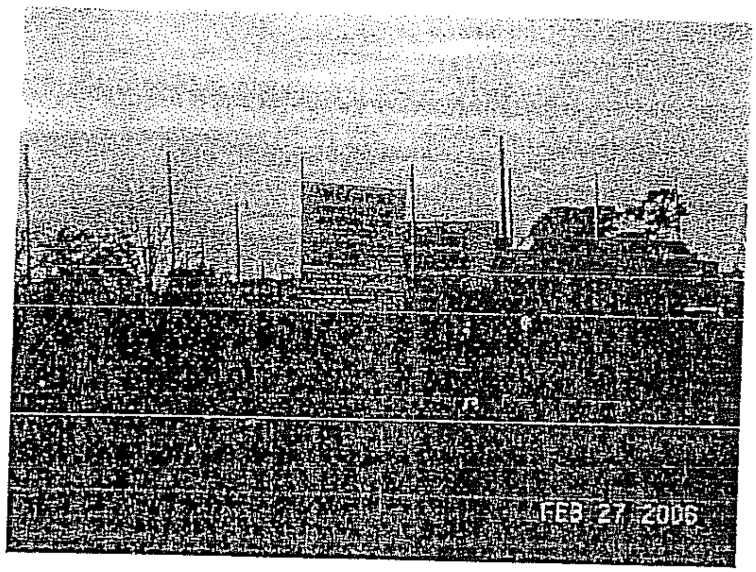


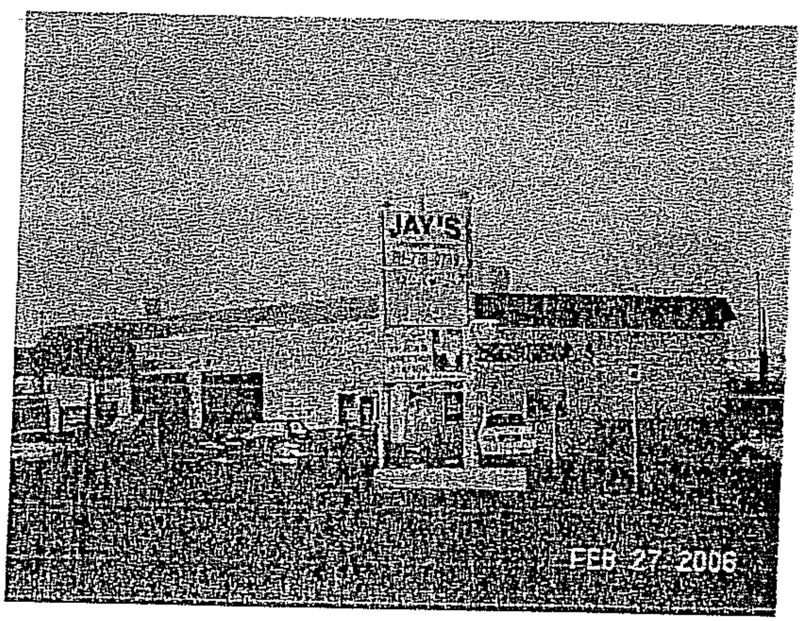
There is no Sign on the propo Property. This was taken in another site, on property (A.D.) Not the one on Alameda and Carolina.

Sign Installed at the Property

This sign is not in this property off of Alomeda and carolina. (A.D.)

View of the Property from Across the Street





Carlot, Auto Service Behind Railroad track and not Fance canal. (A.D.)

Businesses Across the Street from Proposed Site

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(Print) Name	Signature	Address	Phone #
Juan M. Azcarate	Juan M. Azcarate	148 Aspen	(915) 778-2948
Rebeca Azcarate	Rebeca Azcarate	148 Aspen	(915) 778-2948
[illegible]	[illegible]	150 Aspen	(915) 779 2555
Juanita Cadena	Juanita Cadena	152 Aspen	(915) 772-5346
Alicia Torres	[illegible]	155 Aspen	915 7810518
Steve Grissom	Steve Grissom	153 aspen	915-778-1312
Rodolfo Licon Jr	Rodolfo Licon Jr	151 Aspen	915-778-0444
Roberto Garcia	Roberto Garcia	7358 Wisteria AV	(915) 772-7591
Xavier Mandujan	Xavier Mandujan	7356 Wisteria AV	915-772-3479
José Quiñones	Jose Quiñones	7360 Ironwood	915 778-2915
Arturo S. Rodriguez	Arturo S. Rodriguez	149 Aspen	915-7796398
Arturo Varela	Arturo Varela	7333 Wisteria	779-0155
Angelica Pedroza	Angelica Pedroza	149 Aspen rd.	779-6398
Rogelio Sanchez	[illegible]	157 Aspen Rd	772-3767
Salvador Bustos	Salvador Bustos	149 So. Carolina	772-5131
Guadalupe Dueñez	Guadalupe Dueñez	221 Arbor	779-0405
Ana Dueñez	Ana Dueñez	221 Arbor	779-0405
Jorge Rosales	Jorge Rosales	7305 Mimosa	355-43-62
Maria Rosales	Maria M. Rosales	7305 Mimosa	355 43 63
Victor Ortega	Victor Ortega	7297 Mimosa	778-6093
Aurora Ortega	Aurora Ortega	" " "	" "
Jose M. Garcia	Jose M Garcia	7413 Mimosa	7726398
Carmen Garcia	Carmen Garcia	7413 Mimosa	7726398
Rodolfo Porras	Rodolfo Porras	7419 Mimosa	7722064
Manuela Villa	Manuela Villa	7419 Mimosa	7722064
Eulalio Jimenez	Eulalio Jimenez	7421 Mimosa	7729705
Alicia Jimenez	Alicia Jimenez	7421 Mimosa	7729705
Ruben Beltran	Ruben Beltran	Cherry	
Terry Beltran	Terry Beltran	Cherry	
Roberto Coral	Roberto Coral	Mimosa	
Elvira Coral	Elvira Coral	Mimosa	
Raquel Cortez	Raquel Cortez	219 Arbor	778-0845

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(Print) Name	Signature	Address	Phone #
Socorro Fernandez	[illegible]	Socorro Fernandez	772-3659
PABLO FERNANDEZ	Pablo Fernandez	205 BAYWOOD	771-6141
IRENE FERNANDEZ	Irene Fernandez	205 BAYWOOD	771-6141
JOSE LUIS FERNANDEZ	[illegible]	205 BAYWOOD	771-6141
RAMIRO JIMENEZ	[illegible]	207 BAYWOOD	7719465
Antonio Diaz	[illegible]	211 BAYWOOD	772 3779
~~Gabriel Mendoza~~			
Gabriel Mendoza	Gabriel Mendoza	217 Baywood	494-1709
IRENE BRADO	Irene Brado	218 Baywood	
Cynthia Martinez	Cynthia M. Martinez	220 Baywood	778-3167
[illegible]		222 Baywood	
ENRIQUE VASQUEZ	[illegible]	224 BAYWOOD	772-1578
Rose Hernandez	Rose Hernandez	225 Baywood	778-4758
Josefina Ochoa	Josefina Ochoa	7717381 228 Baywood.	
JOSE ACOSTA	Jose Acosta	230 BAYWOOD	779 7524
ADOLFO VILLA	Adolfo Villa	224 Baywood	779-3655
Marina Murla	[illegible]	233 Baywood	727777
ADELHEID VIOLETT	Adelheid Violett	231 Baywood Rd	772-6979
[illegible]	227 BAYWOOD		
BERNARDO	B. Byerly	201 BAYWOOD	
MARIA HERNANDEZ	[illegible]	202 BAYWOOD	(505) 327515
Lucy Guevara	[illegible]	203 Coronado Rd	771-7993
Ma Elena Luna	Ma Elena Luna	147 Teakwood	778-4917
Isabel Luna	Isabel Luna	147 Teakwood	778-4917
Adela Gonzalez	Adela Gonzalez	236 Cherry	778-2464
Chano Torres	Chano Torres	144 Durrill	772-8893
Israel Piedra	Israel Piedra	158 Durrill	778-9064
Hermina Piedra	Hermina Piedra	158 Durrill	778-9064
Julio Piedra	Julio Piedra	158 Durrill	778-9064
Sergio Huerta	Sergio Huerta	206 Cherry	772-9674

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(Print) Name	Signature	Address	Phone #
Petra Dominguez	Petra Dominguez	7410 Mimosa	779-65-21
Yolanda Gonzalez	Yolanda Gonzalez	7411 Mimosa	778-4618
Mireya Cuellar	Mireya Cuellar	7409 Mimosa	774-0391
Gabriel Cuellar	Gabriel Cuellar	7409 Mimosa	774-0391
Genovevo Conejo	Genovevo Conejo	7405 Mimosa.	772-3431
Lydia S. Conejo	Lydia S. Conejo	7405 Mimosa	772-3431
Maria	Maria Miranda	7403 Mimosa	779-0701
Jack Bejarano	Jack Bejarano	7402 Mimosa Ave.	772-5732
Angelica Ortiz	Angelica Ortiz	7415 Mimosa	549-0330
Emilio Ortiz	Emilio Ortiz	7415 Mimosa	533-3980
Cassandra Yañez	Cassandra Yañez	205 S. Carolina	772-8053
Manuel Lopez	[illegible]	205 S. Carolina	240-4293
Sylvia Yanez	[illegible]	205 S. Carolina	772-8053
Elvia Sanchez Soto	Elvia Sanchez Soto	203 S. Carolina	778-0506
Eulalia M Sanchez	Eulalia M Sanchez	203 S Carolina	778-0506
Juan Chacon	Juan Chacon	154 Aspen	772-1825
Maria Elena Pineda	Maria Elena P.	209 South Carolina Dr.	772-9986
Maria C Sabata	Maria C Sabata	208 S. Carolina	778-0695
Oscar Sabata	[illegible]	208 S. Carolina	778-0695
Leticia A. Solorzano	Leticia A. Solorzano	212 S. Carolina	772-0093
Pedro Anaya	Pedro Anaya	210 S. Carolina	772-0093
Jose L. Anaya	Jose L. Anaya	212 S. Carolina	383-5257
Gabriel Solorzano	Gabriel Solorzano	212 S. Carolina	772-0093
Rosa Soto	Rosa Soto	209 S. Carolina	772-1096
Manuel Soto	Manuel Soto	209 S. Carolina	772-1096
Agustin Gomez	Agustin Gomez	230 S Carolina	772-0220
Emma A. Gomez	Emma Gomez	232 S. Carolina	772-0220
Enriqueta	Hernandez	207 S. Carolina	778-2015
Hector Pantaleon / Rafael Paniagua	R. Paniagua	207 S. Dr.	[illegible]
Javier Pineda	Javier Pineda	209 S. Carolina	772-9986

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(Print) Name	Signature	Address	Phone #
Manuel Leos	Manuel Leos	7416 Alpha	778-7452
Raquel Leos	Raquel Leos	7416 Alpha	778-7452
Susana Lozada	[illegible]		
Alicia Herrera	[illegible]	7412 Alpha Ave	7788579
Rudolfo Herrera	[illegible]	7412 Alpha Ave	778-8579
[illegible]	[illegible]	155 Mango	7740861
Grace Herrera	Grace Herrera	7412 Alpha Ave	778-8579
Lasara Gonzales	Lazara Gonzalez	7404 alpha	778-6571
Olivia	Salaces	7354 alpha	779-8770
Jose A. Rodriguez	Jose A. Rodriguez	149 Cherry St.	433-6265
Jose Luis Leos	[illegible]	125 Cherry	7792361
Gloria Moreno	Gloria Moreno	7410 Alpha	778-5354
George Ingrem	George Ingram	Durrill	772-3252
Emily Perez	Emily Perez	206 Mango	772-3747
Robert Perez	Robert Perez	206 Mango	772-3747
Irene Torres	Irene Torres	202 Arbor	772-4389
Esther Calvillo	Esther Calvillo	204 Arbor	771-8561
Cecilia Calvillo	Cecilia Calvillo	204 Arbor	771-8561
Gloria Guzman	Gloria Guzman	205 Papaya	779-6848
Ismael Guzman	Ismael Guzman	205 Papaya	779-6848
Linda Gutierrez	Leonida Gutierrez	204 Mango	772-0249
Luis Irass.	Luis Irass.	206 Arbor	772-7929
Eva G. Nájera	Eva G Najera	7316 Mimosa	775-0805
Armando Najera	Armando Najera	7316 Mimosa	775-0805
Murillo Mata	Murillo Mata	7315 Mimosa	779-6019
Julia Mata	Julia Mata	7315 Mimosa	779-6019
Cecilia Casares		7319 Mimosa	7797915
Refugio Casares		"	"
Silvia Silva	Silvia Silva	7311 Mimosa Ave	771-0689
Rogelio Silva	Rogelio Silva	7311 Mimosa Ave	771-0689
Jose J. Holguin	[illegible]	7309 Mimosa Ave	253-0147
Leonor Vazquez	Leonor Vazquez	7309 Mimosa	781-0321

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(Print) Name	Signature	Address	Phone #
Guadalupe M.	Guadalupe Medina	137 Teakwood Rd	915-778-8412
Alberto N.	Alberto Munoz	140 Teakwood Rd	915-772-4195
Olga N.	Olga Munoz	140 Teakwood R	915-772-4195
Yolanda del Pino	Yolanda del Pino	7410 Sequoia	915-772-0807
Cesar O Muñoz	Cesar O Muñoz	7410 Sequoia W	915-772-0807
Esperanza Vazquez	Esperanza Vazquez	7408 Sequoia	915-771-0007
Gerardo Vazquez	Gerardo Vazquez	7408 Sequoia	915-771-0007
Elias Munoz	Elias Munoz	7408 Sequoia	915-771-0007
Nathalie S. Medina	Nathalie S. Medina	137 Teakwood	915-778-8412
ANDY CHACON	Andy Chacon	7414 ALPHA	772-2357
Monica N.	Monica Munoz	140 Teakwood	915-772-4195
Aurelio Rodriguez	Aurelio Rodriguez	136 Teakwood	915-778-1013
BERTHA BELTRAN	Bertha A Beltran	7405 Sequoia	915-778-7740
Martha R Torres	M Torres	139 Teakwood (Rear)	772-9713
Vicente Gallardo	Vicente Gallardo	139 Teakwood	772-4243
RAFAEL GALLARDO	Rafael Gallardo	139 TEAKWOOD	772-4243
Josefina Torres	Josefina Torres	138 Teakwood	772-1512
Josefina Torres		138 Teakwood	772-1512
Cristina	Rolie	138 Teakwood	
Rafael Martinez	Rafael Martinez	206 Baywood	778-0408
Arcelia Martinez	Arcelia Martinez	206 Baywood	778-0408
Rafael Mtz Jr.	Rafael Martinez Jr.	206 Baywood	778-0408
GPE. Perez	Guadalupe Perez	203 BAYWOOD	778-6108
GVO - Perez	Gustavo Perez	203 BAYWOOD	778-6108
ETHEL VALVERDE	Ethel Valverde	219 BAYWOOD	
George Garcia	[illegible]	7263 Plum	779-[illegible]
Juni Jimenez	Juni Jimenez	207 BAYWOOD	
Inez Jimenez	Inez Jimenez	207 Baywood	771-940
Amelia Aguilar	Amelia Aguilar	207 Baywood	771-940
Salvador Alcaraz		208 Baywood	771-7866
Elfrida Alcaraz		208 Baywood	771-7866
[illegible]		208 BAYWOOD	694-0978

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Nombre (Print) Name	Firma Signature	Domicilio Address	Numero de Telefono Phone #
Jaime Morales Sr.	[illegible]	150 S. Carolina	779-6059
[illegible]	[illegible]	124 Carolina	
[illegible]	[illegible]	126 S. Carolina	
Sylvia Beltran	[illegible]	138 S. Carolina	2646273
Diana Carrillo	Diana Carrillo	152 S. Carolina	772-7042
Virginia Rivera	Virginia J. Rivera	152 S. Carolina	
Ricardo Rivera	Ricardo Rivera	152 S. Carolina	
Juana Marquez Medina	Juana M. Medina	7400 Mimosa Ave.	778-3619
~~[illegible]~~	~~[illegible]~~	~~205 S. Carolina~~	~~7786695~~
Lorraine Lelos	[illegible]	214 S. Carolina	
Rogelio Michel	[illegible]	213 S. Carolina	772-9215
Enrique Chacon	Enrique Chacon	214 S. Carolina	795-1618
[illegible]		220 S Carolina	
Yolanda Rosa	[illegible]	224 S. Carolina	77258
Ma Dolores Bolivar	228 S. Carolina	Dolores Bolivar	778-4010
Emma Gomez	230 S. Carolina	Emma Gomez	772-0220
Agustin Gomez	230 S. Carolina	[illegible]	772-0220
[illegible]	[illegible]	[illegible]	772 4657
Raul Flores	[illegible]	237 Carolina	775-9744
Jesus Briano	[illegible]	221 S Carolina	—
Margarita [illegible]		155 S. Carolina.	772 9647
[illegible] Madrid	[illegible] Madrid	133 S. Carolina	772-8000
Mrs. [illegible] Aguilar	[illegible] Aguilar	134 S. Carolina	778-4851
Elisa Payan	Elisa Payan	135 S. Carolina	
Claudia Gonzalez	Claudia Gonzalez	123 S Carolina	772-5567
Magdalena Ar[illegible]	Magdalena Arana	123 S Carolina	7727863
Jaime Morales Jr.	Jaime Morales Jr	150 S. Carolina	779-6059
Gloria Morales	Gloria Morales	150 S. Carolina	779-6058
Jerry Oropeza	Jerry Oropeza	7788 Quilija	779-1647
Paula Ochoa	Paula Ochoa	223 Arbor	7723917
Jose Ochoa	Jose Ochoa	223 Arbor	772-3917
Lupe Rodriguez	Lupe Rodriguez	22[illegible] Arbor	

We, the El Paso Lower Valley Association of the Cedar Grove area, are opposed to the Copper Square Estates, of 108 units apartment complex at 7376 Alameda. According to an El Paso City ordinance, the residents and the two associations were not informed. There was no notification sign on the property to notify the residents. Our concern include that the proposed complex does not show a ponding area for run-off water. A ponding area is required by the City ordinance of El Paso regulations and this area is considered as both City and County and should follow the regulations set forth. In addition, there is no street drainage on Alameda or Carolina to capture the run-off water. Since Cedar Grove area is considered a flooding zone area, this will present a flooding hazard to the residents of this community. The proposed apartment complex is not shown to be 300 ft. away from the existing railroad tracks and the canal is not fenced. The two lane overpass on Carolina is falling apart and even pieces of concrete are falling off. The two east and west lanes of traffic are very congested and sometimes traffic congestion can reach up to 1 mile long. This intersection will create more traffic, car accidents and pedestrian accidents. There is no community park and there is a high concentration of senior citizens living in this area. Dependable bus service is not available; there is no grocery store near by and the schools in this area are already overcrowded. There are several used car dealerships and this is not a good environment for children. Based on all these negative points we ask that you not approve the funding and have the developer look for another location more suited to build the Copper Square Estate apartment complex.

(Print) Name	Signature	Address	Phone #
Guillermo Huerta	Guillermo Huerta	139 Durrill Rd	779-1321
Irene Huerta	[illegible]	139 Durrill	779-1321
Manuel E. Anchondo	Manuel Anchondo	199 Barker	772-4790
Rafaela Anchondo	Rafaela Anchondo	199 Barker	772-4790
Ernesto Soto	Ernesto Soto	7317 Wisteria	778 3335
Brenda Soto	[illegible]	7317 Wisteria	778 3335
Pablo Luevano	Pablo Luevano	139 Baywood	772-0060
Maria Luevano	Maria Luevano	139 Baywood	772-0060
Armando Diaz	A Diaz	143 Baywood Rd	779-6022
Alicia Diaz	Alicia Diaz	143 Baywood Rd	779-6022
Angie Diaz	Angie Diaz	143 Baywood Rd	779-6022
Jose L. Lujan Jr.	[illegible]	144 Baywood Rd	778-2232
Sandra Lujan	Sandra Lujan	144 Baywood Rd	778-2232
Jose Luis Lujan	[illegible]	144 Baywood	778-2232
Joann H. Lujan	J H Lujan	144 Baywood Rd	778-2232
Margarita Rodarte	Margarita Rodarte	145 Baywood	373-1505
Maria Rodarte	Maria Rodarte	145 Baywood	373-1505
Alicia Macias	A. Macias	146 Baywood	778 7554
Jose M Macias	Jose Macias	146 Baywood	778 7554
Jesse Montano	Jesse Montano	142 Baywood	588 3089
Lydia Montano	Lydia Montano	142 Baywood	588-3089
Jose Robles	Jose Robles	7300 Wisteria	778-1873
Virginia Robles	[illegible]	7300 Wisteria	778-1823
Olga F. Garcia	Olga F. Garcia	134 Baywood	772-1745
Jose Martinez	Jose Martinez	133 Baywood Rd	779-8148
Carmen Martinez	Carmen Martinez	133 Baywood Rd	779-8148
Irma Cortez	I Cortez	131 Baywood	771-8801
Alejandra Cortez	Alejandra Cortez	131 Baywood	771-8801
Teresa Barbosa	Teresa Barbosa	132 Durrill	778-7679
Delia Barbosa	Delia Barbosa	132 Durrill	778-7679
Lucina Escamilla	Lucina Escamilla	135 Durrill	772-7454

We, the El Paso Lower Valley Association at the Cedar Grove area, are opposed to the Copper Square Estates, of 108 units apartment complex at 7376 Alameda. According to an El Paso City ordinance, the residents and the two associations are to be notified and were not notified. There was no notification sign on the property to notify the residents. Our concern include that the proposed complex dose not show a ponding area for run-off water. A ponding area is require by the County of El Paso regulations and this area is considered as both City and County and should follow the regulations set forth. In addition, there is no street drainage on Alameda or Carolina to capture the run-off water. Since Cedar Grove area is considered a flooding zone area, this will present a flooding hazard to the residents of this area. The proposed apartment complex is not shown to be 300 ft. away from the existing railroad tracks and the canal that is not fenced. The two-lane overpass on Carolina is falling apart and even pieces of concrete are falling off. The two east and west lanes of traffic are very congested and sometimes the lines of cars are about ¾ of a mile long. This inter section will create more traffic, car accidents and pedestrian accidents. There is no community park and there is a high concentration of senior citizens living in this area. Dependable bus service is not available; there is no grocery store near by and the schools in this area are already overcrowded. What there is are plenty of used car lots and this is not a good environment for children. Based on all these negative points we ask that you not approve the funding and have the developer look for another location more suited to build the Copper Square Estate apartment complex.

(Print) Name	Signature	Address	Phone #
HORTENSIA RUBIO	Hortensia Rubio	7411 SEQUOIA WAY	(915) 778-4506
ROBERTO RUBIO	Roberto Rubio	7411 SEQUOIA WAY	(915) 778-4506
JOSEFINA ROBLES	Josefina Robles	7411 SEQUOIA WAY	(915-778-4506
DEMETRIO FLORES	Demetrio Flores	200 Chestnut Ct	
ROMELIA FLORES	Romelia Flores	200 Chestnut Ct.	
Ernestina Murillo	Ernestina Murillo	225 Coronado	915 778-6709
Sylvia M Padilla	Sylvia M Padilla	225 Coronado	915 778-6709
[illegible] A. Ruiz	[illegible]	223 Coronado	(915) 2617479
Armando Ruiz	[illegible]	223 Coronado Rd	261-7479
Noemi R. Flore	Noemi Flore	221 Coronado Rd	(915) 494-4904
James G. Flore	James G. Flore	221 Coronado Rd	(915) 494-4904
Elena H. Joiner	Elena Joiner	222 Coronado Rd	7783682
Eduardo Huerta	Eduardo Huerta	220 Coronado	778 2004
Alicia Huerta	Alicia Huerta	220 Coronado	778-2004
Jeannette Huerta	Jennette Huerta	220 Coronado	778 2004
RAMON LOPEZ	R Lopez	217 CORONADO	881-1022
[illegible]	SAMUEL [illegible]	2[illegible] CORONADO RD	778-4324
LORENZO SEANEZ	Lorenzo Seanez	214 CORONADO	613 6047
BERTHA PORRAS	Bertha Porras	214 CORONADO	613 6047
Laura Ortega	Laura Ortega	216 Coronado	7782077
J Daniel	Joseph Daniel Ortega	216 Coronado	7782077
Jose Ortega	Jose Ortega	216 Coronado	7782077
Maria LOZANO	Maria Lozano	208 Coronado	779 2635
MARGIE SOSA	Margie Sosa	7293 Mimosa	7722219
Teodoro Martinez	Teodoro Martinez	7293 Mimosa	7722219
Bertha Martinez	Bertha V. Martinez	7293 Mimosa	7722219
Arturo Rodriguez	Arturo Rodriguez	227 Arbor	778-0065
Adrian Rodriguez	Adrian Rodriguez	227 Arbor	778-0065
Bertha Rodriguez	Bertha Rodriguez	227 Arbor	778-0065
Lollie Romero	Lollie Romero	222 Arbor	772-4916
Miguel Romero	Miguel Romero	222 Arbor	772-4916
Barbara Oropeza	Barbara Oropeza	7288 Tulip	779-1647

We, the El Paso Lower Valley Association of the Cedar Grove area, are opposed to the Copper Square Estates, of 108 units apartment complex at 7376 Alameda. According to an El Paso City ordinance, the residents and the two associations were not informed. There was no notification sign on the property to notify the residents. Our concern include that the proposed complex does not show a ponding area for run-off water. A ponding area is required by the City ordinance of El Paso regulations and this area is considered as both City and County and should follow the regulations set forth. In addition, there is no street drainage on Alameda or Carolina to capture the run-off water. Since Cedar Grove area is considered a flooding zone area, this will present a flooding hazard to the residents of this community. The proposed apartment complex is not shown to be 300 ft. away from the existing railroad tracks and the canal is not fenced. The two lane overpass on Carolina is falling apart and even pieces of concrete are falling off. The two east and west lanes of traffic are very congested and sometimes traffic congestion can reach up to 1 mile long. This intersection will create more traffic, car accidents and pedestrian accidents. There is no community park and there is a high concentration of senior citizens living in this area. Dependable bus service is not available; there is no grocery store near by and the schools in this area are already overcrowded. There are several used car dealerships and this is not a good environment for children. Based on all these negative points we ask that you not approve the funding and have the developer look for another location more suited to build the Copper Square Estate apartment complex.

(Print) Name	Signature	Address	Phone #
Cortez Victor	[illegible]	7313 Joshua	(915) 771-6478
Cortez Angelica	Angelica Cortez	7313 Joshua	(915) 771-6478
Emma Hernandez	Emma Hernandez	130 Duaile	(915) 772-4332
Victor Hernandez	Victor Hernandez	" "	" "
Martha Zaida	Martha Zuniga	" "	" "
Carolina Huerta	Carolina Huerta	139 Durrill	(915) 779-1321
Olimpia Cornelio	Olimpia Cornelio	7763 Olwood	778-89-49
Cynthia Ramirez	Cynthia Ramirez	7284 Mimosa	779-1065
Mary Jane Lira	Mary J Lira	7283 John Cramer #85	532-2273
Lucia Rivas	[illegible]	7293 John Cramer #69	626-8015
María Luisa Ibarra	María Luisa Ibarra	7286 Mimosa Ave.	778-6544
Myra Castañeda	Myra Castañeda	206 Coronado Rd.	781-1639
Leticia Rivera	Leticia Rivera	7299 John Cramer	778-0041
Marisela Estrada	Marisela Estrada	209 Coronado Rd	781-1668
Ramiro Beza	Ramiro Beza	221 Durrill	779-8238
Maria Elena Campa	Maria Elena Campa	145 Coronado	779-7229
[illegible]	[illegible]	210 Cherry [illegible]	881-1578
Elizabeth Ochoa	7299 John Cramer [illegible]		779-0089
Minerva Moreno	7299 John Cramer		383-28-28
Luz R Blancas	Luz R Blancas	223 Arbor	778-8464
Angel Blancas	Angel Blancas	223 Arbor	778-8464
Hugo Blancas	Hugo Blancas	223 Arbor	7788464
Socorro Ruiz	Socorro Ruiz	209 Arbor	778-0048
Irene Lara	Irene Lara	218 Arbor	779-2499
Arturo Lara	Arturo Lara	218 Arbor	779-2499
Maria Quiñonez	Maria Quiñonez	225 Arbor	774-0411
Manuel Quiñonez	Manuel Quiñonez	225 Arbor	774-0411
Reyes Valdez	Reyes Valdez	215 Arbor	7785792
David Mendoza	David Mendoza	207 Arbor Place	772-7592
Socorro Mendoza	Socorro Mendoza	207 Arbor Place	772-7592

We, the El Paso Lower Valley Association of the Cedar Grove area, are opposed to the Copper Square Estates, of 108 units apartment complex at 7376 Alameda. According to an El Paso City ordinance, the residents and the two associations were not informed. There was no notification sign on the property to notify the residents. Our concern include that the proposed complex does not show a ponding area for run-off water. A ponding area is required by the City ordinance of El Paso regulations and this area is considered as both City and County and should follow the regulations set forth. In addition, there is no street drainage on Alameda or Carolina to capture the run-off water. Since Cedar Grove area is considered a flooding zone area, this will present a flooding hazard to the residents of this community. The proposed apartment complex is not shown to be 300 ft. away from the existing railroad tracks and the canal is not fenced. The two lane overpass on Carolina is falling apart and even pieces of concrete are falling off. The two east and west lanes of traffic are very congested and sometimes traffic congestion can reach up to 1 mile long. This intersection will create more traffic, car accidents and pedestrian accidents. There is no community park and there is a high concentration of senior citizens living in this area. Dependable bus service is not available; there is no grocery store near by and the schools in this area are already overcrowded. There are several used car dealerships and this is not a good environment for children. Based on all these negative points we ask that you not approve the funding and have the developer look for another location more suited to build the Copper Square Estate apartment complex.

(Print) Name	Signature	Address	Phone #
EVANGELINA RUBIO	Evangelina Rubio	204 PAPAYA	915-203-2032
JULIA A. RUBIO	Julia A. Rubio	204 PAPAYA ST.	915-203-2032
ELSA Trillo	Elsa Trillo	202 Papaya ST	915-772-6006
GUADALUPE TRILLO	Guadalupe Trillo	202 PAPAYA ST	915-772-6006
Celia G TRILLO	Celia G Trillo	202 PaPaya ST	915-772-6006
MANUEL HURTADO	Manuel Hurtado	206 PAPAYA	772-6589
ADOLFO ALVIDREZ	Adolfo Alvidrez	209 PAPAYA	779-3220
RAUL PINEDA	Raul Pineda	219 PAPAYA	779-1203
RAMONA PIñER	Ramona Piñer	203 Papaya	775-1165
ESPERANZA Fernandez	Esperanza Fernandez	205 PAPAYA	772-0461
FRANCISCA HERNANDEZ	Francisca Hernandez	207 PAPAYA	778-4039
GRACIELA GARCIA	Graciela Garcia	214 PAPAYA	779-2234
Lorena Esparza	Lorena Esparza	216 PAPAYA	772-5620
MARGARITA ESPARZA	Margarita Esparza	216 PAPAYA	772-5620
LALA ACOSTA	Lala Acosta	221 Papaya	772-7287
MANUEL GONZALEZ	Manuel Gonzalez	218 Papaya	778-8099
ELOISA GONZALEZ	Eloisa Gonzalez	218 Papaya	778-8099
Cesar Rubio	Cesar O. Rubio	204 Papaya	203-4316
Betty LOPEZ	Betty Lopez	141 PAPAYA	774-4245
Elia Duarte	[illegible]	7279 Mimosa	778-4667
Victor Duarte		7279 Mimosa	778-4667
Jesus Ibarra	[illegible]	7286 Mimosa	771-6744
LEONEL	Leonel	7290 Mimosa	7785221
ALMA BACA	Alma Baca	~~7290~~ 5221	
LEONEL	BACA J.	MISP	778-5221
Lorenzo Reyes	[illegible]	7290 Mimosa	778-5221
Lorenzo Reyes	[illegible]	7291 Mimosa	779-3515
Carlos Soto	Carlos Soto	211 Arbor	778-1496
Esperanza Soto	Esperanza Soto	211 Arbor	778-1496
Hector Duenez	Hector Duenez	196 Pearl	779-0529
Juan Duenez	Juan Duenez	196 Pearl	779-0529

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(Print) Name	Signature	Address	Phone #
Juan Quinones	[illegible]	7360 Iron Wood	778-2915
Jose Quinones	[illegible]	7360 Iron Wood	778-2915
MARCOS Gutierrez	[illegible]	7357 Ironwood	779-6531
Maria Gutierrez	[illegible]	7357 Ironwood	779-6531
JUAN OJEDA	Juan Ojeda	7359 IRON WOOD	8432488
LORENA OJEDA	[illegible]	7359 IRON WOOD	8432488
JOSE QUIÑONES	Jose Quinones	7360 IRONWOOD	(915) 7782915
Bertha Quinones	Bertha Quinones	" "	" "
José Quiñones	Jose Quinones	" "	" "
Isela Arevalo	[illegible]	7345 Ironwood	772-8005
Elisa Perez	Elisa Perez	7345 Ironwood	772-8005
DAVID VASQUEZ	David Vasquez	7354 IRON WOOD	772-9002
Adela Saenz	[illegible]	7287 Mimosa	778-6876
Ramona Sainz	Ramona Sainz	7287 Mimosa	778 6876
Aide Zuniga	Aide Zuniga	7285 Mimosa	771-8370
Jesus PAYAN	Jesus Payan	7285 mimosA	(915) 373-8522
Elvira Ramirez	Elvira Zuniga	7285 Mimosa	779-5805
Refugio Zuniga	Refugio Zuniga	7285 Mimosa	779-5880
David Ruiz	[illegible]	7283 Mimosa	253-1253
Linda Puga	[illegible]	7283 mimosa	731-1287
Jesus HuertA	Jesus Huerta	7281 Mimosa	778-3718
Helida Huerta	Helida Huerta	~~7283~~ Mimosa	778-3718
Alicia Huerta	Alicia Huerta	7281 Mimosa	778-3718
Hector Huerta	Hector Huerta	7281 Mimosa	778-3718
Teresa Duenez	Teresa Duenez	196 Pearl	779-0529
Alicia Olivarte	Alicia Olivarte	206 Cherry	479-2673
Bertha Madrid	Bertha Madrid	229 Arbor	784-1984
Jose H. Saldivar	220 Chestnut	Jose H Saldivar	772-2473
David Gutierrez	David Gutierrez	229 Mango	778-4890
Hortencia Gutierrez	Hortencia Gutierrez	7337 Mimosa	778-1550
Mari Corona	Mari Corona	9011 Escobar	872-8600

We, the El Paso Lower Valley Association at the Cedar Grove area, are opposed to the Copper Square Estates, of 108 units apartment complex at 7376 Alameda. According to an El Paso City ordinance, the residents and the two associations are to be notified and were not notified. There was no notification sign on the property to notify the residents. Our concern include that the proposed complex dose not show a ponding area for run-off water. A ponding area is require by the County of El Paso regulations and this area is considered as both City and County and should follow the regulations set forth. In addition, there is no street drainage on Alameda or Carolina to capture the run-off water. Since Cedar Grove area is considered a flooding zone area, this will present a flooding hazard to the residents of this area. The proposed apartment complex is not shown to be 300 ft. away from the existing railroad tracks and the canal that is not fenced. The two-lane overpass on Carolina is falling apart and even pieces of concrete are falling off. The two east and west lanes of traffic are very congested and sometimes the lines of cars are about ¾ of a mile long. This inter section will create more traffic, car accidents and pedestrian accidents. There is no community park and there is a high concentration of senior citizens living in this area. Dependable bus service is not available; there is no grocery store near by and the schools in this area are already overcrowded. What there is are plenty of used car lots and this is not a good environment for children. Based on all these negative points we ask that you not approve the funding and have the developer look for another location more suited to build the Copper Square Estate apartment complex.

(Print) Name	Signature	Address	Phone #
Denise Mora	[signature]	7352 Ironwood	7797278
Ramon Duran	[signature]	7352 Ironwood	7797278
Margarita Fresas	[signature]	7341 Ironwood	772-8840
Cynthia Stephenson	[signature]	7341 Ironwood	355-3241
Grajeda	[signature]	7347 Ironwood	881-8223
Hernandez Pablo	[signature]	7349 Ironwood	7792515
Rosemary Hernandez	[signature]	7349 Ironwood	7792515
Robert Grajeda	[signature]	7349 Ironwood	779-8515
Mary Lou Stawik	[signature]	7351 Ironwood Cir	7780193
Rebeca Barrio	[signature]	7351 Ironwood Cir	2174856
Peter Stawik	[signature]	7351 Ironwood	778-0193
Cesar Lopez	[signature]	7355 Ironwood	2414804
Sonia Lopez	[signature]	7355 Ironwood	241-4804
Francisco Paiz	[signature]	7353 Ironwood Cir	778-2670
Jose Paiz	[signature]	7353 Ironwood Cir	778-2670
Maribel Alvarado	[signature]	7356 Ironwood Circ	(773)-532-9184
Walter Alvarado	[signature]	7356 Ironwood	309-2533
Myra Gutierrez	[signature]	7357 Ironwood Cir	779-6531
Lolica Sainz	[signature]	7363 Ironwood Cir	779-7451
Eduardo Betancourt	[signature]	7363 Ironwood Cir	345-4885
Patsy Sainz	[signature]	7363 Ironwood Cir	851-9482
Julie Sainz	[signature]	7363 Ironwood Cir	633-4883
Marcos Sainz	[signature]	7363 Ironwood Cir	779-7451
Cindy Sainz	[signature]	7363 Ironwood Cir	779-7451
David Molinar Jr	[signature]	7365 Ironwood Cir	881-1064
Cynthia Molinar	[signature]	7365 Ironwood Cir	881-1064
[signature]	Thomas Brown	7367 Ironwood	772-4724
[signature]	"	"	"
Gloria Martinez	[signature]	7369 Ironwood	772-2905
Santos Sanchez	[signature]	7369 Ironwood	772-2905
Marcelina Sanchez	[signature]	7369 Ironwood	772-2905
Jerry Sanchez	[signature]	7369 Ironwood	772-2905

Challenge(s) Received

Public Copy.

RECEIVED

MAY 1 2 200?

LIHTC

HARRIS COUNTY
TAX CREDIT COALITION

Ms. Brooke Boston
TDHCA
221 East 11th Street
Austin, TX 78701

It has come to our attention that a number of applicants have not obtained consolidated plan letters. The last paragraph on page 26 of the QAP requires projects in areas with no zoning requirements like Houston and Harris County to have a letter that states the development fulfills a need for additional affordable rental housing as evidenced in a local consolidated plan, comprehensive plan, or other planning document.

We have further been advised that many of these applicants acknowledged they didn't get the letters, and some applications in region 6 indicate that is true.

Since this is a threshold requirement, we trust any application that does not have a consolidated plan letter in region 6 will be terminated, as you would any other threshold requirement.

Cc: Jennifer Joyce

Challenge(s) Received

060202

CHALLENGE REGARDING APPLICATION OF UNRELATED ENTITY BY THE DEVELOPERS OF TIMBER CREEK SIENNA, FILE NO. 060239; BRIARBEND VILLAGE AT SIENNA TRAILS, FILE NO. 060240; AND SIENNA TRAILS TOWNHOMES, FILE NO. 060241 REGARDING THE APPLICATION OF BEAUMONT DOWNTOWN LOFTS, FILE NO. 060202, PURSUANT TO SECTION 50.17(c) OF THE 2006 HOUSING TAX CREDIT PROGRAM QUALIFIED APPLICATION PLAN AND RULES WITH AMENDMENTS

The Applicants, with File Nos. 060239, 060240, and 060241, as more fully described in the title, challenge the award of Housing Tax Credits to Beaumont Downtown Lofts, File No. 060202. The reasons for this challenge are as follows:

The Beaumont Downtown Lofts' application is a conversion of non-residential structures into housing units. While this may qualify the project as rehabilitation construction for other purposes, it does not qualify the project as a rehabilitation project for purposes of the Hurricane Rita allocation

The Housing Tax Credit (HTC) Program Policy for Allocation of Housing Tax Credits for Developments in Texas Counties Impacted by Hurricane Rita Released January 30, 2006, states in pertinent part under Section IV. Eligibility, "Applications must be for rehabilitation/reconstruction of units damaged by Hurricane Rita or for new construction that replaces rental units destroyed by Hurricane Rita." Because the Beaumont Downtown Lofts project does not involve the rehabilitation or reconstruction of *units* actually damaged by Hurricane Rita, the project must be classified as new construction for purposes of the Hurricane Rita allocation.

Under Volume 1, Tab 9, of its application as it appears on the website of the Texas Department of Housing and Community Affairs, the Beaumont Downtown Lofts apartments provides the Hurricane Rita Housing Tax Credit Application Supplement, Part B: Eligibility and Certification statement. That statement requires the development to check a box, only if applicable, that states in pertinent part, "This Application involves rehabilitation or reconstruction: Applicant certifies that this Application is for the rehabilitation or reconstruction of Units damaged by Hurricane Rita. Applicant certifies that the Application reflects a submission that is only for eligible tax credits, which are those that cover costs not reimbursed for losses by other private or public sources; . . . " Although the Beaumont Downtown Lofts applicant checked another box on that page, it did *not* check that box. A copy of that page of Beaumont Downtown Lofts application is attached to this appeal as Exhibit "A." Thus, it is clear from the Application as it appears on the website that Beaumont Downtown Lofts never intended to be considered rehabilitation or reconstruction for purposes of the Hurricane Rita allocation.

CONCLUSION

For the reasons stated herein, the award of Housing Tax Credit to Beaumont Downtown Lofts is void as not awarded in accordance with the Department's rules as approved by its Board.

Respectfully submitted,

KURT ARBUCKLE, P.C.

By: ______________________

Kurt Arbuckle
Texas Bar No. 01284500
2700 Post Oak Blvd., Suite 950
Houston, Texas 77056
(713) 961-5353
(713) 961-5236 Fax
ATTORNEY FOR TIMBER CREEK SIENNA, BRIARBEND VILLAGE AT SIENNA TRAILS, AND SIENNA TRAILS TOWNHOMES

060202

rngroup

From: RJONES@CI.BEAUMONT.TX.US
Sent: Monday, April 03, 2006 3:22 PM
To: donald wise
Subject: Re: reqwuest for council agneda minutes

RECEIVED
MAY 24 2006
LIHTC

Here is an excerpt from the minutes of March 21, 2006; Item 5

5. Consider a request from The Landmark Group, Inc. For a loan from the City of Beaumont for on-site development costs associated with an application for tax credits from the Texas Department of Housing and Community Affairs -

The City Council approved a conditional commitment of $40,040 on February 14, 2006 for the Beaumont Downtown Lofts located at 527 Forsythe Street and 620 Pearl Street. The $40,040 was based on $1,001 per unit for 40 Low-income Units being proposed.

The City Council also approved a conditional funding (contingent on approval of the tax credits from the Texas Department of Housing and Community Affairs) for the following projects:

Stone Hearst II
1650 E. Lucas Drive
$97,097 approved by the City Council
97 Low-income Units x $1,001 per unit

Gulf Street Terrace
2900 block of Gulf Street
$120,120 approved by the City Council
120 Low-income Units x $1,001 per unit

Sienna Trails Townhomes (36 units)
Timber Creek at Sienna Trails (35 units)
Briarbend at Sienna Trails (35 units)
Concord Road behind Circuit City
Consensus for a loan in the amount of $106,106
106 Low-income Units x $1,001 per unit

The applications are scored on a point basis, and developments that receive an allocation of funds for on-site development costs from a Local Political Subdivision receive additional points.

Mr. Fitch would now like for the City Council to nullify the $40,040 commitment made by the Council on February 14, 2006. The letter states "Beaumont Downtown Lofts, Ltd. would like to request a $126,500 Pre-development Loan." The request does not specify the period of the loan other than "for a short term." The loan would provide for $3,513.88 per unit for 36 units.

The City Manager recommends denial of the request. The City Council voted and made a decision on February 14, 2006 to provide funding for four proposed projects including the

Downtown Lofts Project. The funding amounts were all based on $1,001 per unit.

Following a discussion and clarification of the tax credit program, Councilmember Ames made a motion to **deny a request from the landmark group, inc. for a loan in the amount of $126,500 from the city of beaumont for on-site development costs associated with an application for tax credits from the texas department of housing and community affairs.** Councilmember Beaulieu seconded the motion.

ayes: **mayor pro tem samuel, councilmembers beaulieu, cokinos, ames and patterson**

nays: **mayor goodson**

motion passed

Rose Ann Jones, TRMC
City Clerk
City of Beaumont
Direct: 409-785-4777
Office: 409-880-3745
Fax: 409-880-3740

donald wise <donaldwise@sbcglobal.net>

04/03/2006 03:19 PM

To: rjones@ci.beaumont.tx.us
cc:
Subject: reqwuest for council agneda minutes

Merdis,
I would like to get a copy of the council agenda minutes for March 21 regarding request from Landmark to the city.

Donald Wise
409-813-3919
409-813-3977 fax

Thank you

Challenge(s) Received

9a
Oppose

March 9, 2006

Misael Arroyo
Tax Credits
Texas Department of Housing and Community Affairs
P.O. Box 13941
Austin, Tx 78711

#060219

Re: Project Number 060219
R.T. Louise-Airport, Ltd.
Rosenberg, Texas

Dear Ms. Arroyo:

Enclosed is a picture of the sign on the above referenced property. If you will notice, the telephone number for the TDHCA is incorrect (incorrect area code). Also please note that the city for the TDHCA is omitted which makes it hard to figure out the correct area code. This makes it very difficult for the average citizen to ask questions which may be the whole purpose. If you need more pictures, let me know.

I feel that this information should be entered into your records. I am protesting this project and the misleading sign.

Thank you.

Sincerely,
Lucille J Poldrack

Lucille J. Poldrack
P.O. Box 112
Rosenberg, Tx 77471

RECEIVED
MAR 1 3 2006
LIHTC

June 6, 2006

Ms. Brooke Boston
Multifamily Finance Production Division Director
Texas Department of Housing and Community Affairs
507 Sabine
Austin, Texas 78701

RECEIVED
JUN 27 2006
LIHTC

Re: Proposed Tax Credit Development
R.T. Louise-Airport, LTD
Project 060219
Providence Estates

Dear Ms. Boston:

The enclosed compilation of information and statistics are hereby submitted as strong and substantial evidence justifying the position of the community of Rosenberg, Texas in opposing the Proposed Tax Credit Development, R. T. Louise-Airport, LTD. Project 060219, Providence Estates.

The enclosed information and data have been compiled by Dr. Dan Ives, retired superintendent of the Lamar Consolidated Independent School District, who has resided in Rosenberg for over 20 years. It is noted that Dr. Ives has served in two large Texas school districts with predominately minority populations and has extensive demographic experience over many years in working with school attendance zoning, student enrollments and community growth. Please note attached resume. (See Exhibit A.1)

Statistical data deemed to have a negative impact on local schools by Project 060219 have been extracted from a comprehensive "Demographic Update" professionally developed by Population and Survey Analysts (referred to hereafter as PASA) for Lamar Consolidated ISD which is dated March 2006. This PASA study utilizes Public Education Information Management System (PEIMS) data which is a detailed annual report produced by the state "Texas Education Agency" in Austin, Texas, as well as U.S. Census Block Data updated by PASA. Attached is a cover sheet of the Lamar CISD Study by PASA and a Houston Chronicle news article about PASA. (See Exhibits B.1 and B.2)

Submitted information is presented in three sections:

Section I – Items known to have been submitted to TDHCA with anecdotal notes.

Section II – Additional items with anecdotal notes presented to TDHCA as factual and compelling rationale for denying the "Proposed Tax Credit Development," R.T. Louise-Airport, LTD, Project 060219, Providence Estates.

Section III – Items cited with anecdotal notes in regard to specific segments of the published "2006 Housing Tax Credit Program Qualified Allocation Plan and Rules."

<u>Section I.</u> The following items (1-7) known to have been previously submitted to TDHCA are recapped with anecdotal notes.

1. Resolution approved by Lamar CISD Board of Trustees to exercise option (3) (A) of subsection (w) of House Bill 3546 and letter by Lamar CISD Superintendent Randle to TDHAC. (See Exhibits 1.1 and 1.2)

Note – The position of Lamar CISD to deny a tax reduction or exemption by resolution, as allowed by law, is due to the enormous financial impact of concentrations of students on the school district by multi-family housing. A 168 unit multi-family dwelling like Project 060219 is estimated to have a unit to student ratio of approximately 1.0, similar to Falcon Pointe Apartments. (See Item #15) Thus, 168 units times $6,400 (2002/03 figure noted in LCISD Resolution) equal a 1.07 million dollar annual cost by Lamar CISD. Obviously, a high percentage of multi-family (MF) housing erodes the tax base of a school district due to the concentration of students. A multi-family development at 100% taxation does not begin to equate to offset school district costs for educating students. Thus, the local taxpayer picks up more than 50% of such burden. This is a two penny impact on the LCISD tax rate, which has been capped at $1.50 for five years.

2. Letter by Lamar CISD to Manish Verma (developer/partner) with GMAT Development – Providence Ltd. (See Exhibit 2.1)

Note – The letter, written by the Lamar CISD school superintendent on January 16, 2006, requested a response from Manish Verma. No response has been received by Lamar CISD as of June 6, 2006. This is a true example of insensitivity on the part of the developer not to have the common courtesy to acknowledge a letter from the local superintendent of schools.

3. Meeting minutes and resolution by the Rosenberg City Council on March 21, 2006 opposing Project 060219. (See Exhibits 3.1 and 3.2)

Note – The tax revenue for a development like Project 060219 does not equate to the financial burden of additional city services (See item #15) in an area that already has a high density of multi-family housing and mobile homes which negatively impact tax values. It's a simple fact; the City of Rosenberg does not want additional housing like Project 060219, as it is currently overburdened with MF housing.

4. Letter by Dora Olivo, Texas State Representative, District 27. (See Exhibit 4.1)

Note – It is significant that Representative Olivo addressed a letter to Mr. William Dally, acting Director of TDHCA expressing strong opposition to Project 060219, which is located in a high density low socio-economic area of Rosenberg.

5. Letter by Bayou Park Homeowners Association, Inc., President Wayne Wright. (See Exhibit 5.1)

Note - This letter notes the high percentage of existing MF housing and the impact of MF housing on traffic, home values, tax revenues, and crime/civil disobedience in Rosenberg. (Also, see Item #16)

6. Letter/picture of the proposed Project 060219 signage by local resident, Lucille J. Poldrack, addressed to Misael Arroyo, TDHCA. (See Exhibit 6.1)

Note – It is noted that the required Project 060219 signage reflects erroneous information which has not been corrected as of June 15, 2006.

7. Letter by Dr. Dan Ives, retired Lamar CISD school superintendent. (See Exhibit 7.1)

Note – It is noted that the school district has a heavy burden of a low socio-economic student population and that additional low SES students have a negative impact on the education of a high concentration of currently enrolled low SES students as well as greatly increasing the burden on taxpayers.

4

<u>Section Two</u> -The following additional items (8-16) are hereby presented to TDHCA as <u>factual</u> <u>and compelling rationale</u> for denying the "Proposed Tax Credit Development," R.T. Louise–Airport, LTD, Project 060219, Providence Estates.

8. Petition letter with original signatures and geographic map/data submitted by local area residents near proposed site for Project 060219. (See Exhibit 8.1)

Note – The information presents a quite vivid picture of the extremely high density of the 600 multi-family housing units and mobile homes in the immediate proximity of Project 060219.

9. Please be advised that the required signage posted on the site of the proposed Project 060219 blew down sometime around April 1, 2006 and has not been properly reposted since such time. Pictures taken on May 9 reflect that vegetation had grown over the signpost holes. Another picture taken on May 30 notes that the sign has been moved by grass mowers and not repositioned. It is noted that the sign posts were originally installed less than a foot in the ground. (See Exhibits 9.1 and 9.2)

Note: This issue is the result of limited partnerships and non-resident participants not taking care of business responsibilities in compliance with TDHCA rules and guidelines. (See Item #18)

10. The City of Rosenberg reports that currently there are 2,622 apartment complex units located in Rosenberg. Twelve complexes consist of over a hundred units with three complexes over 200 units. (See Exhibits 10.1 and 10.2)

Note- Source: City of Rosenberg / 3-14-2006

11. The 2000 U.S. census noted a total of 3,407 renter-occupied housing units which was 42.9% for Rosenberg while the U.S. percentage was 33.8%. The 2000 U.S. Census also noted that there were 992 mobile homes in the City of Rosenberg which was 11.7% of total housing units. (See Exhibit 11.1 and 11.2)

Note – Obviously, the renter–occupied housing units and mobile homes have increased since the year 2000 with several new apartment complexes and mobile home parks being constructed since such time in comparison to the number of new homes built in Rosenberg. The issue is that Rosenberg is currently impacted with apartments and mobile homes.

Apartments and mobile homes known to be constructed since the year 2000 are noted:

Reading Park Apartments	252 units	Fountains of Rosenberg	184 units
Club of the Brazos	200 units	Parkside Place	31 units
Pine Village Mobile Home Park	30 units		

12. Exhibit 12.1 (PASA, p.127) reflects elementary attendance zones with school enrollments as of January, 2006. Project 060219 is currently within Meyer Elementary attendance zone (602 students). There are two other elementary schools (Ray and Travis) located adjacent to the Meyer attendance zone and nearby the location of Project 060219. Pertinent student information regarding these three schools is as follows:

	Meyer	Ray	Travis	Total
Enrollment (Jan. '06)	***602***	***673***	***679***	***1,954***
Minorities	491	562	586	1,639
Percent Minority	82%	83%	87%	84%
Free/Reduced Priced/Meals	***427***	***503***	***480***	***1,410***
Percent FRPM	***71%***	***75%***	***71%***	***72%***
Limited Eng Proficient-LEP	117	160	162	439
Percent LEP	19%	24%	24%	22%

Note – The above information extracted from the PASA report reflects an extremely concentrated elementary school attendance area of minority and low socio-economic students. It is an important issue and of great concern that the area proposed to locate Project 060219 already has a highly concentrated number of low socio-economic (SES) students. Project 060219 would truly be a magnet for another 100 additional low SES elementary students. (Source: PASA, pp. 129-139) (See Item #15)---This prediction is realistic as it is supported by the fact that Project 060219 proposes to have at least 80% of units with set-asides for incomes at or below 80% of AMGI. (See Exhibit 12.2)

13. It is noted that the Meyer, Ray and Travis attendance zone areas feed Navarro Middle School (6th grade only), George Junior High (7th and 8th grades), and Terry High School (grades 9-12). The percentage of low SES students in these schools is as follows:

Free and Reduced Priced Meals

Navarro M.S.	57%
George J.H.	55%
Terry H.S.	47%

Note – Such information reflects the fact it would be prudent to locate MF units like Project 060219 in areas with greater diversity. (Source: PASA, pp. 111-113.)

14. Exhibit 14.1 is presented to bring attention to the value of diversity in education.

Note – This news release reflects the position of the National Association of School Boards in support of the value of diversity in public schools in respect to a recent U.S. Supreme Court ruling.

15. Falcon Pointe Apartment complex is a recently developed subsidized multi-family housing project in Rosenberg consisting of 112 units. PASA reported that the Falcon Pointe Apartment Complex (tax credit and section 8) has a unit to student ratio of .99. (Source: PASA, pp.103-104)

Note – It is projected that Project 060219 would attract similar families as Falcon Pointe. Thus, the estimated student occupancy for Project 060219 would be predicted to be almost 168 students for 168 apartment units and at least 92 (55%) elementary students.

16. There are two housing complexes almost adjacent to Project 060219 (less than1/4 mile). Arbor Glenn, now known as Rosenberg Duplex Houses, is located at 1910 Louise St. and the Bayou Bend Apartments are located at 2901 Airport. These two areas have had an extensive number of emergency police calls. Please reference "Incident Analysis Report-Summary" produced by the Rosenberg Police Department with redacted personal information for the year 2005 only. (See Exhibit 16.1)

Arbor Glenn/Rosenberg Duplex Houses – 1910 Louise (60 Units)		248 incidents
Bayou Bend Apartments – 2901 Airport (140 Units)		136 incidents
	Total	384 incidents in one year

Note – Additional low income housing located in the immediate proximity of the two housing complexes noted in Item #15 would have a greater detrimental impact on the neighborhood children and to the surrounding community as well as impacting city emergency services.

17. Ordinance No. 2006-09, City of Rosenberg, May 16, 2006, recently amended the code of ordinances regarding multi-family establishments. (See Exhibit 17.1)

Note: This recent city ordinance regarding multi-family developments establishes new and extensive rules and regulations that were not in place at the time the application for Project 060219 was submitted to TDHCA. The changes will greatly affect the parameters for site and construction costs plus the financing of this project and should be duly recognized by both the developer and TDHCA.

Req elements

7

<u>Section III</u> – The following items (18-22) are cited with anecdotal notes in regard to specific segments of the published "2006 Housing Tax Credit Program Qualified Allocation Plan and Rules."

18. Reference is made to the segment titled "Signage on Property or Alternative" under segment 50.9(h)(8)(B) beginning on page 26 of 60.

Note: TDHCA rules noted above states, "the sign shall be continuously maintained on the site until the day that the Board takes final action on the Application for Development" and that "the information and lettering on the sign must meet the requirements identified in the Application." Please note the submitted information under <u>Section II, Item #9</u> and under <u>Section I, Item #6</u>; respectively, which clearly reflect two glaring violations of TDHCA rules because the developer is not taking care of business.

19. Reference is made to <u>Exhibit #19.1</u> in regard to an invoice by FASTSIGNS in Sugar Land, Texas.

Note: The FASTSIGNS invoice reads exactly like the erroneous information on the sign located for a short while on the proposed location of Project 060219. Again, it is a matter of an absentee/non-resident developer not tending to business or intentionally misleading the public.

20. Reference is made to <u>Exhibit #20.1</u> in regard to Application - Volume 4, Tab 14, Part A. Proximity of site to Amenities.

Note<u>: Anyone familiar with Rosenberg would readily realize that the information presented as being within a one mile radius with mapping and directions is completely ERRONEOUS and reflects intent to present fraudulent information by the authorized representative signed on the bottom of such document.</u>

(1) First of all Church's Chicken in Rosenberg is located at 4823 Ave. H which is not even on the map, much less within a one mile radius. (2) In regard to directions to Security Finance, Dale Lane has yet to be found. (3) Directions to Lifechek's former location are entirely erroneous. It is noted that Lifechek has not done business in Rosenberg for quite sometime. (4) George JH is east of the site not west. (5) The Natatorium is east of the site not west. <u>See markings on map for correct locations.</u>

No Natatorium ~~site~~ is west

21. Reference is made to the segment titled "Selection Criteria" under segment 50.9(i) on page 33 of 60. Anecdotal notes are made in respect to specific criterions as follows:

Criterion 1 - 50.9(i)(6) The Level of Community Support from State Elected Officials See Item #4 herein reflecting opposition to Project 060219 by State Representative Dora Olivo, District 27.

Criterion 2 - 50.9(i)(10) Housing Needs Characteristics – See Items #1,#7, #8, #12, #13, #14, #15,and #16 herein on the issues related to "current" high concentrations of low socio-economic students and the negative impact on school resources which are deemed to contravene with the "Uniform Housing Needs Scoring Component" in regard to the Housing Needs Characteristics of Project 060219.

Criterion 3 - 50.9(i)(13) Development Location – All items cited in previous Note #2 above are again deemed in contravention to any and all applicable segments A-H under 50.9(i)(10).

22. Special reference is made to the specific segment titled "Board Decisions" under 50.10(a) on page 44 of 60; whereby, the Board may apply discretionary factors. In making tax credit decisions, the Board is urged to consider any and all discretionary factors in the TDHCA rules listed on page 45 of 60 in regard to Project 060219. Seven of the twenty segments (A) through (T) are specifically cited as follows:

(B) location -
See Items #4, #5, #7, #8, #12, #13, #16, #21(Criterion 3)

(C) the compliance history of the developer-
See Items #2, #6, #9, #18, #19, #20

(D) the applicant and/or developer's efforts to engage the neighborhood-
See Items #2, #4, #5, #21 (Criterion 1)

(F) the appropriateness of the development's size and configuration in relation to the housing needs of the community-
See Items #3, #5, #7, #8, #10, #11, #15, #17, #21 (Criterion 2)

(G) the housing needs of the community area, region and state-
See Items #3, #5, #7, #8, #10, #11, #12, #13, #15

(H) the development's proximity to other low income housing developments-
Items #8, #12, #13, #16

(J) the anticipated impact on local school district-
See Items #1, #7, #12, #13, #14

9

In conclusion, the location of the proposed Project 060219 is opposed by the City of Rosenberg, the Lamar Consolidated ISD, a state representative, the Bayou Park Homeowners Association and area residents. The prudence of TDHCA is duly requested to deny Project 060219 in respect to the community of ROSENBERG and in respect to the low socio-economic children currently living and going to school in ROSENBERG, Texas.

Submitted By:

Dr. Dan Ives
2500 Pecan Drive
Rosenberg, Texas 77471
281-344-0496 ph
713-302-5927 cell

10

PROJECT 060219, TDHCA

EXHIBITS *

A.1 (3 pages)	Resume/Ives
B.1	PASA Cover
B.2 (2pages)	News Article/PASA
1.1 (2 pages)	Resolution/Lamar CISD
1.2 (2 pages)	Letter/TDHCA by Randle
2.1	Letter/Verma by Randle
3.1 (4 pages)	Meeting Minutes/City of Rosenberg
3.2	Resolution/City of Rosenberg
4.1	Letter/TDHCA by Olivo
5.1	Letter/TDHCA by Wright
6.1 (2 pages)	Letter & Picture/TDHCA by Poldrack
7.1	Letter/TDHCA by Ives
8.1 (4 pages)	Petition & Geographic Data/ TDHCA by Area Residents
9.1	Picture 5-9-06/Signage
9.2	Picture 5-30-06/Signage
10.1	Apartment Map/City of Rosenberg
10.2 (2 pages)	Apartment Listing/City of Rosenberg
11.1	U.S. Census Bureau/Fact Sheet
11.2	U.S. Census Bureau/Housing Characteristics
12.1	Elementary School Zones/PASA
12.2	Application-Vol. 4, Tab 3/Income Level of Tenants
14.1 (2 pages)	NSBA News Release/Supreme Court Decision
16.1 (13 pages)	Incident Report/City of Rosenberg Police Department
17.1 (5 pages)	Ordinance, Multi-Family Housing/City of Rosenberg
19.1	Invoice/FASTSIGNS
20.1 (3 pages)	Application-Vol. 4, Tab 14/Part A. Proximity of site to Amenities

*Exhibit # corresponds to Item # in main text

RESUME

11
A.1
1 of 3

Dan I. Ives

Personal Data

Married:	1960
Wife's Name:	Sharon
Two Children:	Jeffrey & Danna

Education

Ph.D.	East Texas State University Supervision-Curriculum-Instruction Secondary/Higher Education Health & Physical Education	December 1971
M.Ed.	East Texas State University Health & Physical Education Secondary/Higher Education	August 1965
B.S.	Texas Christian University Health & Physical Education Biology	May 1960

Experience

1997 – 2001	Lamar CISD Superintendent
1997	LCISD Interim Superintendent
1986-1997	Lamar CISD Deputy Superintendent for Operations
1985-1986	Lamar CISD Assistant Superintendent for Operations
1978-1984	Harlingen Consolidated Independent School District Superintendent
1975-1978	Harlingen Consolidated Independent School District Administrative Assistant to Superintendent
1973-1975	Harlingen Consolidated Independent School District Administrative Assistant for Planning and Research
1972-1973	East Texas State University Assistant Professor, Ad Interim
Summer 1972	Southeastern State College, Durant, Oklahoma Visiting Professor

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A. 1
2 of 3

1970-1972	East Texas State University Instructor
1969-1970	East Texas State University Graduate Teaching Fellow
1965-1969	Port Neches-Groves High School, Port Neches ISD Health & Physical Education Teacher/Athletic Trainer
1964-1965	East Texas State University Graduate Teaching Assistant
1962-1964	Tascosa High School, Amarillo ISD Biology Teacher/Athletic Trainer
1960-1962	U.S. Army Medical Service Corps Officer

MILITARY RESPONSIBILITIES

Assistant Registrar Fort Sill U.S. Army Hospital
Medical Records Officer
Admissions and Dispositions Officer

Commander – Headquarters Detachment (Medical Battalion)
Battalion Transportation Officer
Battalion Assistant Operations Officer

TEXAS TEACHING CERTIFICATES

1960 - Provisional Secondary
1966 - Professional Secondary
1971 - Supervisor
1973 - Administrator

PROFESSIONAL MEMBERSHIPS

Texas Association of School Administrators – Life Member
Texas Parent Teachers Association – Life Member

CIVIC ORGANIZATIONS

Region IV Education Service Center Regional Advisory Executive Committee Member
Rose-Rich Chamber of Commerce/Ex-Officio-Board of Directors
Rosenberg Rotary/Past President
Fort Bend County Fair – Life Member
North Harlingen Rotary/Member
American National Red Cross/Hurricane Shelter Chairman
Harlingen United Way/Chairman – Budget and Admissions Committee
Harlingen Chamber of Commerce/Ex-Officio-Board of Directors
Harlingen Family Emergency Assistance/Board of Directors

CHURCH ACTIVITES

First United Methodist Church of Rosenberg – Administrative Board
First United Methodist Church of Harlingen – Sunday School Teacher

13
A.1
3 of 3

DAN IVES
CONSTRUCTION & BUILDING PROJECTS

HARLINGEN CISD

District Wide A/C Retrofits
Treasure Hill Elementary
Travis Elementary
Wilson Elementary
Stuart Place Elementary
Harlingen High Band Hall
Harlingen High Library Add-On
Harlingen High Choral Renovation
Vernon Junior High Band/Choir
Gay Junior High Library
Gay Junior High Gym
Dishman Elementary Add-On
Vernon Junior Exterior Renovation
District Media Center
Rural Water Line (2 miles)
Waste Water Plant
Old Travis Elementary Demolition
Refurbishment/Burned Classrooms

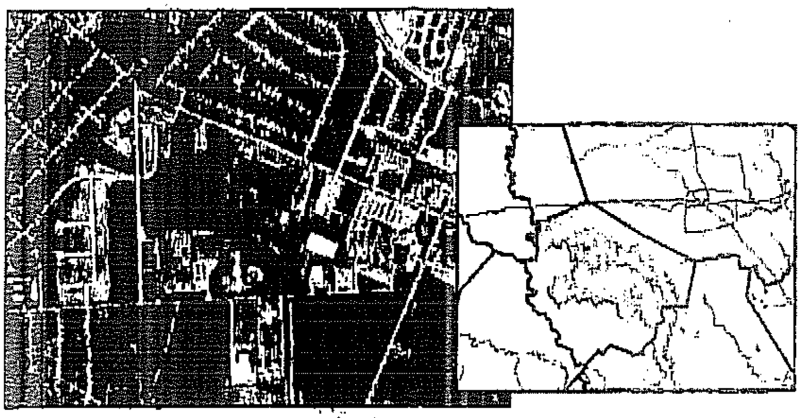
LAMAR CISD

Williams Elementary
Beasley Elementary
Meyer Elementary
Navarro Elementary
Austin Elementary
Dickinson Elementary
Pink Elementary
Campbell Elementary
Frost Elementary
Wessendorf Middle
Briscoe Junior
Foster High
Terry High Field House
Lamar High Field House
Transportation Center
Maintenance Building
Food Service/Warehouse
Maintenance Building
Ag Farm Building
Travis Elementary Add-On/ Remodel
Seguin Elementary Café Add-On/Remodel
Jackson Elementary Add-On/Remodel
Navarro Middle Add-On/Remodel
Williams Elementary Add-On/Remodel
Bowie Elementary Add-On/Remodel
District Wide Computer Wiring
District Wide HVAC Controls
Taylor Ray Elementary Music Room
Lamar Junior Add-On #1
Lamar Junior Add-On #2
Lamar High Add-On
Lamar High Track
Lamar High Tennis Courts
Terry High Tennis Courts
Terry High Baseball Lights
Terry High Softball Field
Lamar High Softball Field
Terry High A/C Upgrade
Lamar Complex HVAC Central Plant
Lamar High Café/Kitchen
District Wide Asbestos Abatement
Water Wells
Waste Water Plants
HVAC Contract Maintenance
Roof Replacement Program
Traylor Stadium Lighting Up-Grade
Terry High Gym Floor Replacement
Warehouse Storage Buildings
Portable Classrooms
Carpet & Vinyl Flooring Replacement
Landscaping
Field Watering Systems
Fire Alarms
Fire Sprinkler Systems
Concrete and Asphalt Parking Areas
Lighting Upgrades
Lee Elementary Demolition
Chiller Unit Replacements
Land Acquisition

Architects

SHWC
One Man Architect
Ashley & Humphrey
Labunski
RWS
PBK

14
B.1



Terry High School and George Junior High Complex

Population and Survey Analysts
303 Anderson Street
College Station, Texas 77840
pasa@myriad.net
979.693.8962

LAMAR

CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

Beasley Fulshear Houston Pleak Richmond Rosenberg Simonton Sugar Land Thompsons
Fort Bend County

Demographic Update

Projections of Housing Occupancies by Planning Unit, Districtwide Student Projections, Ratios of Students per Household, and Long Range Planning

March, 2006

May 30, 2006, 12:28PM

Demographer uses innovative techniques to predict Katy trends

School district depends on her guidance

By HELEN ERIKSEN
Chronicle Correspondent

Katy is one of more than a dozen Texas school districts that relies on demographic data from Patricia Guseman to predict enrollments and to build new facilities.

Katy Superintendent Leonard Merrell says Guseman, president of Population Survey Analysts, is in demand because she has an uncanny ability to forecast population trends.

"Dr. Guseman's demographic projections in Katy ISD are consistently 98 (percent) to 99 percent accurate year after year," Merrell said. "Her research is invaluable to the district as it provides a road map as to where, and when, we need to build new schools to accommodate the more than 3,000 students that come to Katy each year."

Company started as part-time enterprise

Guseman started the company, which is located in College Station, in 1980 as a part-time consulting firm with four researchers at Texas A&M University. In 1983, Guseman took on the work as a full-time job.

Comprised of a team including demographic and land use experts, an economist, an attorney and mapping specialists, PASA is the largest demographic firm in Texas. School districts that are clients include Waller, Alief, Conroe, Lamar, Humble, Spring and Spring Branch.

"No district is like another, and often different factors drive the growth in one district and not another," Guseman said. "PASA makes use of whatever data sets are available."

Another client is the Texas Education Agency.

Guseman, 61, said her desire to become a population analyst sprang from an undergraduate course she took in demography at the University of Texas, which focused on the way population segments tend to relocate, causing shifts, big or little, in the overall population.

"The shifts are normally based on perceived quality-of-life factors," she said.

Guseman, who has performed work for the Katy district since 1996, predicts that Katy will grow by approximately 5 percent to 6 percent annually over the next decade. This year, enrollment grew by 8

16

B.2
2 of 2

percent to 47,295.

By fall 2015, Katy's enrollment is projected to be 83,400.

Of Texas school districts with enrollments of more than 10,000, Katy ranks 14th in the percentage of enrollment growth, Guseman said. When the comparison is between Texas districts with at least 20,000 students, Katy ranks fifth.

One striking statistic about the district is that only 6.6 percent of enrollment, or 3,139 students, live in apartments. This is one of the lowest percent of students in apartments of any Texas district, Guseman said.

Dropping old ways of predicting growth

Guseman said her first school district study for the Bryan school district helped her develop expertise. During the course of that study, Guseman said it was easy to see that using past rates of population change to predict future rates of growth was not the best way to accurately project student enrollment.

"This was the common approach at the time, but it seemed especially weak in dealing with growth for specific school attendance zones, where subdivisions may become built out, but where a school district often continues to use past growth rates to estimate future growth rates," Guseman said.

PASA does not use past rates of change to project future growth for any subdivision or school district, Guseman said.

Factors she uses to predict population growth include studying birth data based on where residents' mothers lived. She also interviews developers and real estate experts and talks with landowners about parcels that may be about to develop. In addition, Guseman estimates regeneration of older subdivisions.

"Accurate enrollment projections are required, whether a district needs to build new schools or consolidate existing ones," Guseman said.

Guseman graduated from the University of Texas with an undergraduate degree in sociology in 1967. She graduated from Texas A&M University with master's and doctorate degrees specializing in demography. She had minors in urban and regional planning for the master's degree and a minor in statistics for the doctorate.

Guseman's late husband, Larry, was the dean of the graduate school at Texas A&M University. She has two children, Trey Guseman, 33, and Grant Guseman, 28.

helen.eriksen@chron.com

HoustonChronicle.com -- http://www.HoustonChronicle.com | Section: Katy News
This article is: http://www.chron.com/disp/story.mpl/nb/katy/news/3914866.html

17

1.1

1 of 2

RESOLUTION PROCLAIMING DENIAL OF REQUESTS FOR REDUCTION OR EXEMPTION FROM AD VALOREM TAXATION FOR THE DEVELOPMENT OF MULTIFAMILY RESIDENTIAL DEVELOPMENTS

RECOMMENDATION:

It is recommended that the Board adopt the attached resolution stating the district's position to deny any request for a reduction or exemption from district property taxes to those developers using tax-exempt bonds for the purpose of developing multifamily residential developments within the Lamar CISD boundaries.

IMPACT/RATIONALE:

During the 77th Legislature (spring 2001), a law was passed that allowed developers to apply and receive tax-exempt bonds for the purpose of either constructing or renovating existing property as affordable, low-income housing. As part of the incentive for a developer to participate in this type of project, the law also allowed these properties to be exempt form all local property taxes. This created a large amount of controversy among local taxing entities. As a result, House Bill 3546 was passed during the 78th Legislature (spring 2003) to address the many concerns. H.B. 3546 made many changes to the original legislation that assisted in protecting local taxing entities. H.B. 3546 establishes a 50 percent exemption from taxation for new construction and rehabilitation projects within counties with a population of less than 1.4 million (Ft. Bend County is less than one million.)

It is the administration's recommendation that the district oppose any exemption from taxation considering the financial implications of additional growth in student population without taxation. It is important to keep in mind that the administration is not taking a position on low-income housing in our district. The opposition is based on the fact that the district can not afford any loss of revenue.

Submitted by: Christy Willman, Director of Communications

Recommended for Approval:

Dr. Thomas Randle
Superintendent

18

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Resolution for Lamar C.I.S.D. Board of Trustees
To exercise option (3)(A) of subsection (w) of House Bill 3546

(The denial of requests for reduction or exemption from ad valorem taxation for developers using tax-exempt bonds for the development of multifamily residential developments.)

Whereas, the Lamar C.I.S.D. is located in Fort Bend County, one of the fastest growing counties in the United States, and

Whereas, the Lamar C.I.S.D. student enrollment is currently growing by over 5% per school year with projections of an increase growth of 6.49% over the next ten years, and

Whereas, the Lamar C.I.S.D is approximately 326 square miles with a large percentage of undeveloped land, which is projected to experience even more rapid growth in the future, and

Whereas, the Lamar C.I.S.D is at the state mandated tax-rate cap of $1.50 per $100.00 of valuation and unable to generate additional revenues, and

Whereas, as Lamar C.I.S.D continues to experience state-funding reductions, the local tax-payer is required to accept a larger share of the tax burden, and

Whereas, by granting a reduction or exemption from ad valorem taxation to developers seeking tax-exempt bonds for the purpose of building multifamily residential developments in Lamar C.I.S.D., the district will lose additional revenue, and

Whereas, by granting a reduction or exemption from ad valorem taxation on multifamily residential developments, local property taxes will not be collected for this residential property, and

Whereas, the Lamar C.I.S.D spent approximately $6,400.00 per student in 2002/03, and ✓ Note

Whereas, this school board wishes to take a public position on any request from a developer of multifamily residential developments seeking a reduction or exemption from ad valorem taxation,

Now be it resolved, that the Board of Education of the Lamar Consolidated Independent School District does hereby decree that in those cases in which a developer of a multifamily residential development seeks a reduction or exemption from ad valorem taxation, the district shall deny any such request as allowed by law in H.B. 3546, subsection (w)(3)(A).

Adopted this 17th day of February 2004 by the Lamar Consolidated Independent School District Board of Trustees.

Michael Richard, President

Sam Hopkins, Secretary

January 16, 2006

Ms. Brooke Boston
Multifamily Finance Production Division Director
Texas Department of Housing and Community Affairs
507 Sabine
Austin, Texas 78701

Re: Proposed Tax Credit Development

Dear Ms. Boston:

We are in receipt of the public notice for an application for Housing Tax Credits with the Texas Department of Housing and Community Affairs for the Providence Estates apartments, located on the SEC of Louise and Airport in Rosenberg, Fort Bend County, Texas. We would like to voice our concerns on any developments that are being proposed under the similar TDHCA program of tax-exempt bonds.

Note

Our concern is that the incentive of tax-exempt bonds is attracting residential developments that produce large numbers of students. The school district is in difficult economic times and our schools are rapidly reaching, or are at capacity. Funds are not currently available to expand and operate schools in response to this type of residential developments. Also, we are concerned that this type of development receives a valuation for tax purposes below the level of developments that do not receive incentives. We cannot support any development whereby school taxes are less than what would be received for a regular development.

We have requested that, if incentives are being provided to entice developments into Lamar CISD, consideration should be given by the state to provide supplemental funding to offset the student enrollment impact. We cannot support this program and type of residential development until this occurs.

Thank you for the opportunity to express our opinion.

Sincerely,

Thomas Randle

Thomas Randle, Ed. D.

cc: Charlie Howard
Dora Olivo
Glenn Hegar
Ken Armbrister
Rodney Ellis
Kyle Janek

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Lamar CISD

A Proud Tradition • A Bright Future

A Recognized TEXAS District 2002-2004

it's a big world out there.

We're making it seem a little smaller, one student at a time.

January 16, 2006

COPY

Manish Verma
45 NE Loop 410
Ste. 290
San Antonio, Texas 78216

Mr. Verma:

Thank you for your interest in developing property within the boundaries of Lamar CISD. In reference to your proposed development of a 208 unit apartment community on the SEC of Louise and Airport in Rosenberg, Texas, Lamar CISD requests assurances from R.T. Louise-Airport, Ltd. that R.T. Louise-Airport, Ltd. will not seek any reductions or exemptions from local property taxes and will be responsible for the payment of *100%* of the local property taxes due to the school district.

✓Please respond in writing to this request and provide the Lamar Consolidated Independent School District a letter stating your position as it is relates to payment of local property taxes for the proposed development of the 208 unit apartment community on the SEC of Louise and Airport in Rosenberg, Texas.

Thank you for your time and response.

Respectfully,

Thomas Randle

Thomas Randle, Ed D

cc: Board of Trustees

Thomas Randle, Ed.D.
Superintendent of Schools

(281)341-3120
Fax. (281)341-3129
terandle@lcisd.org

3911 Avenue I
Rosenberg, Texas
77471

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SPECIAL COUNCIL MEETING MINUTES

DATE:	Tuesday, March 21, 2006 at 6:30 p.m.
PLACE:	Rosenberg City Hall Council Chamber, 2110 Fourth Street, Rosenberg, Texas 77471
PURPOSE:	Special City Council Meeting

PRESENT:

Joe M. Gurecky	Mayor
Waline Sebesta	Councilor, At Large, Position 2*
Antonio Martinez	Councilor, District 1
Joe G. Segura	Councilor, District 2
Dwayne Grigar	Councilor, District 3
Tom Suter	Councilor, District 4
Jack Hamlett	City Manager
David Neeley	Local Government Services, Inc.
Linda Cernosek	Assistant City Secretary
William A. Olson, Jr.	City Attorney
Robert Gracia	Police Chief
James A. Baker	Municipal Court Judge
Mike Chance	Economic Development Director
Charles Kalkomey	City Engineer
Susan Lang	Finance Director
Rebecca Covell	Tourism and Convention Center Manager
Kenneth Jansky	Public Works Director
Kimberly Olsen	Planning and Engineering Director
Ruth Lohmer	Planner
Rick Todish	Fire Chief
Daryl Hartmann	Fire Captain
Larry Loesch	Fire Captain
David Hall	Patrol Officer

SEE Pages 3 & 4

James C. Hopkins, Councilor, At Large, Position 1, was absent due to illness.

CALL TO ORDER.
Mayor Gurecky called the Regular City Council Meeting to order at 6:36 p.m.

INVOCATION AND PLEDGE OF ALLEGIANCE.
The Reverend Deborah Prihoda, First Assembly of God Church Rosenberg, gave the invocation and led the pledge of allegiance to the flag.

PRESENTATION OF PROCLAMATION RECOGNIZING APRIL 2006 AS NATIONAL KITE MONTH IN THE CITY OF ROSENBERG.
Mayor Gurecky presented Ms. Rebecca Covell with a proclamation recognizing April 2006 as National Kite Month in the City of Rosenberg.

RETIREMENT RECEPTION IN HONOR OF LYN ADOLPHUS, RETIRING CITY SECRETARY, CITY OF ROSENBERG.
A retirement reception was held to honor Ms. Lyn Adolphus, City Secretary, who is retiring with over fifteen years of service to the City of Rosenberg.

*Councilor Sebesta left the meeting before the reception ended due to illness in her family.

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4. (*Formerly Item 3 on the Agenda*). **CONSIDERATION OF AND ACTION ON RESOLUTION R-703, A RESOLUTION OF THE CITY OF ROSENBERG OPPOSING THE CONSTRUCTION OF R. T. LOUISE AND AIRPORT LTD., AND PROVIDENCE ESTATES APARTMENT COMPLEX AT THE SOUTHEAST CORNER OF LOUISE STREET AND AIRPORT DRIVE.**

Executive Summary: Neal Rackleff, attorney for Providence Estates Apartment Complex appeared before Council on February 21, 2005, and presented a letter signed by a corporate official, Gregory Thorse, promising not to seek tax abatement on any portion of the project.

Having reviewed other issues raised by individual councilpersons, staff recommends that Council approve the resolution.

Neal Rackleff, Attorney with law firm of Locke, Liddell, & Sapp, LLP, residential address, 17530 Memorial Ridge Drive, Spring, Texas 77379, representing the Providence Estates Apartment complex spoke as follows:

- Stated that apartments will be $75,000 units and will be occupied by citizens who are at a point in their life where they can't afford single family homes.
- Residents will be good families who have to be employed and make solid incomes.
- Not to be discriminatory of people who live in apartments and make lower incomes – which can implicate Federal Fair Housing Laws.
- Market is strong in the community and there are a lot of families living in substandard conditions in the community and these homes will improve their circumstances.
- Asked Council to consider and not pass Resolution R-703.

Gregory Thorse, 45 North East Loop 410, San Antonio, Texas 78216, Vice President for R.T. Louise and Airport Ltd., added the following comments on behalf of the Providence Estates Apartment complex:

- Reading Park is considered an income restricted property, in which GED computer training will be required for people to purchase an entry type home.
- This apartment complex will be 100% masonry with full amenities and full community center.
- Asked Council for their support of the project.

Don Schwartz, 3134 Main Street, Rosenberg, Texas, stated the following:

- He is a 39 year resident and homeowner in Rosenberg.
- Represents the people who cannot pick up and leave.
- The 2000 Census shows 37 percent of Rosenberg housing to be rental property, and since then, several more apartments have been built.
- Wants to bring in families that would pay taxes, contribute to the community and would not increase traffic as much as this apartment unit.
- Apartments may look good at the beginning, but five to six years down the road, they deteriorate rapidly.
- Apartment complexes usually make the homeowner's property values go down.
- He has collected more than 300 signatures on a petition opposing the proposed apartment complex and estimated he will obtain another 200 signatures.
- Stated Rep. Dora Olivo and the Lamar Consolidated Independent School District have also voiced opposition to this project.
- Developers are refusing to come to Rosenberg and such projects are driving them away.
- The citizens supporting this petition want homes and not more apartment projects.
- Urged council to make the resolution as strong as possible.

Mayor Gurecky stated that the Rosenberg Housing Authority is the only organization of its kind in the county, that supports low-income citizens.

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3 of 4

Councilman Suter stated that the City of Rosenberg has 29 apartment complexes with eight or more units each for a total of about 2,500 units, with twelve of these complexes, receiving some form of government subsidizing. There is a renter-occupied housing rate of 43 percent in Rosenberg.

Councilman Martinez spoke on behalf of this project to help the low income citizens.

Action: Councilor Suter made a motion, seconded by Councilor Grigar to approve Resolution R-703, ***"a resolution of the City of Rosenberg to oppose the request from Marish Verma, DBA R.T. Louise-Airport Ltd. and/or Providence Estates to build tax credit apartments within the City of Rosenberg."*** The motion carried by a vote of 4-1 as follows: ***Ayes: Mayor Gurecky, Councilors Segura, Grigar, and Suter. Noes: Councilor Martinez.***

RECESS SPECIAL SESSION, RECONVENE SPECIAL SESSION.
Mayor Gurecky recessed the Special Session at 8:09 p.m. and reconvened the Session at 8:25 p.m.

5. ***(Formerly Item 4 on the agenda).*** **CONSIDERATION OF AND ACTION ON BUDGET ADJUSTMENT 06-28, IN THE AMOUNT OF $7,500.00, TO FUND THE CITY OF ROSENBERG'S PARTICIPATION IN THE WEST FORT BEND COUNTY REGIONAL SURFACE WATER SYSTEM FEASIBILITY STUDY.**

Executive Summary: As you know, the City of Rosenberg is required to develop a plan to implement a surface water supply project. The Brazos River Authority has prepared a preliminary report on this issue. David Neeley recommends that the City of Rosenberg have a professional engineer review this report. The City of Richmond has agreed to pay ½ of the costs of $15,000.00. Therefore, the City of Rosenberg needs to provide $7,500.00.

The proposed Budget Adjustment will appropriate the $7,500.00 for this purpose. Should City Council approve the funding, the staff can proceed to execute a contract with LAN. It is important that the City of Rosenberg move forward on this. Staff recommends approval of Budget Adjustment 06-28.

Action: Councilor Suter made a motion, seconded by Councilor Grigar, to approve Budget Adjustment 06-28, in the amount of $7,500.00 to fund the City of Rosenberg's participation in the West Fort Bend Regional Surface Water System Feasibility Study. The motion passed by a unanimous vote of those present.

6. **HEAR PRESENTATION BY JOHN MANNING OF PATILLO, BROWN & HILL, L.L.P., REGARDING THE RESULTS OF THE AUDIT AND COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR 2005, AND TAKE ACTION AS NECESSARY.**
Executive Summary: Patillo, Brown & Hill, LLP has recently completed their audit of the City's financial statements for the Year Ended September 30, 2005. The City has yet again received an unqualified opinion on the financial statements which indicates the city has presented their financial statements in conformity with generally accepted accounting principles (GAAP).

An unqualified opinion assures that the financial statements are free of material misstatement based upon their examination of the supporting documents and disclosures of the figures contained in our financial statements.

We are pleased to present the Comprehensive Annual Financial Report for 2005, and have asked Patillo, Brown & Hill, LLP to present some of the financial highlights of this report.

Action: Councilor Suter made a motion, seconded by Councilor Segura to accept the audit report as presented. The motion carried by a unanimous vote of those present.

The City Engineer has reviewed the change order and found it to be in order. Staff recommends approval of the change order and budget adjustment and requests authorization for the City Manager to execute these items.

Action: Councilor Grigar made a motion, seconded by Councilor Suter, to authorize the City Manager to execute, for and on behalf of the City of Rosenberg, Change Order Number 1 for the Reading Road Extension, FM 2977 to Benton Road, in the amount of $327,813.61, and associated Budget Adjustment 06-32, in the amount of $221,713.00, contingent on receiving the Developer's payment. The motion carried by a unanimous vote of those present.

11. **CONSIDERATION OF AND ACTION ON ESTABLISHMENT OF A DEVELOPMENT REVIEW COMMITTEE.**

Executive Summary:
As a result of recent development-related issues that have been raised and discussed by the City Council and the Planning and Zoning Commission, a recommendation is being brought forward for consideration by City Council. The recommendation is that a committee be formed to put together and recommend procedures to facilitate the evaluation of certain documentation (proposed land plans, development agreements, subdivision plats, etc.) as the documents make their way through the Planning and Zoning/City Council review and approval process. Please see the attached memorandum for additional information. Upon completion of the Committee's review and development of a recommended process, their proposed procedures and implementation process will be presented for consideration by City Council at a future City Council meeting. Staff is recommending approval of the establishment of the Development Review Committee.

Action: Councilor Segura made a motion, seconded by Councilor Grigar to establish a Development Review Committee to put together and recommend procedures to facilitate the evaluation of certain documentation as the documents make their way through the Planning and Zoning/City Council review and approval process. The Development Review Committee is to be made up of Councilor James C. Hopkins, Councilor Tom Suter, Regina Morales, Jim Franklin, Jack Hamlett, David Neeley, Kimberly Olsen, and Charles Kalkomey. The motion passed by a unanimous vote of those present.

12. **ADJOURNMENT.**
There being no other action, the meeting adjourned at 9:56 p.m.

Linda Cernosek, CPS, TRMC, Assistant City Secretary

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RESOLUTION R-703

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROSENBERG, TEXAS, OPPOSING A REQUEST FROM MARISH VERMA, DBA R. T. LOUISE-AIRPORT, LTD. AND/OR PROVIDENCE ESTATES APARTMENTS TO BUILD A TAX CREDIT DEVELOPMENT WITHIN THE CITY.

WHEREAS, the City of Rosenberg (the "City") is located in Fort Bend County, Texas, one the fastest growing counties in the United States; and

WHEREAS, the City's population has seen rapid growth in the past few years and an even more rapid growth rate is anticipated over the next several years due to planned construction of over 10,000 new homes and apartments at a great cost to the City; and

WHEREAS, such new developments will provide a variety of residential opportunities for Rosenberg's citizens; and

WHEREAS, the granting of a credit, a reduction, or an exemption from taxation for a multifamily residential development is not necessary to attract new residential developments to the City; and

WHEREAS, the City Council of the City wishes to take a public position on the specific request from Marish Verma, a developer of multifamily residential developments, who is seeking an income tax credit for the development of Providence Estates Apartments (the "Development")and the City is opposing any tax revenue subsidy for such Development; now, therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ROSENBERG, TEXAS:

Section 1. The facts and matters contained in the preamble of this Resolution are hereby found to be true and correct.

Section 2. The City of Rosenberg does hereby express its opposition to the Development and the approval, now or in the future, of any exemption from or reduction of ad valorem taxation for such Development, as allowed by Section 11.182, Texas Tax Code.

Section 3. The Assistant City Secretary is directed to send copies of this Resolution to the developer and to the Texas Department of Housing and Community Affairs.

PASSED, APPROVED, AND RESOLVED at a regular meeting of the City Council of the City of Rosenberg on the 21st day of March 2006.

ATTEST:

Linda Cernosek

Linda Cernosek, TRMC
Assistant City Secretary

APPROVED:

Joe M. Gurecky

Joe M. Gurecky, Mayor
City of Rosenberg

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The State of Texas
House of Representatives
Austin, Texas

Dora Olivo
State Representative
District 27
Fort Bend County (part)

Committees:
Agriculture & Livestock
County Affairs

March 16, 2006

Mr. William Dally, Acting Executive Director
Texas Department of Housing and Community Affairs
Multifamily Finance Production Division
P.O. Box 13941
Austin, TX 78711-3491

RE: Development Number: 060219
Development Name: Providence Estates
Development Address: Southeast corner of Louise and Airport
in the City of Rosenberg

Dear Mr. Dally:

I am writing to inform you of my strong opposition to the above referenced development. Please keep me informed as to the status of this development.

If you have any other questions please do not hesitate to call my office at (281) 208-8806.

Sincerely,

Dora Olivo

Dora Olivo
State Representative
District 27

District Office: P.O. Box 2130 • Missouri City, TX 77459-2130 • (281) 208-8806 • FAX(281) 208-8826
Capitol Office: P.O. Box 2910 • Austin, TX 78768-2910 • (512)463-0494 • FAX(512)463-1403 • Toll Free 1-888 777-0033

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March 30, 2006

Texas Department of Housing
Attn: Brooke Boston
PO Box 13941
Austin, TX 78711

Reference: R.T.Louise-Airport, LTD.
Project 060219
"Providence Estates"

Be it know that the Board of Directors and the members (homeowners) of Bayou Park Homeowners' Association, Inc. a Texas non-profit corporation charter number 01008415-0, held an emergency session on March 27, 2006 and resolved by unanimous vote of both the Board of Directors and the membership then present which represented a quorum their unanimous opposition to the proposed herein identified housing project on the following basis:

- The city of Rosenberg presently has an over-abundance of multi-family housing
- Statistics indicate in excess of 43% of the City's residents presently live in multi-family housing in approximately 29 projects presently in Rosenberg
- Multi-family projects cause traffic congestion on already overused street and roads
- It is a fact the multi-family housing causes downward pressures on home values which DIRECTLY affects property tax revenues the city needs to provide services
- This type of project increases crime and civil disobedience as shown by Police activity reports
- Taxes generated by these type of projects do not generate enough taxes to pay for the services they require (fire, police street repair, schools)

cost project occupants

Signed this day of March, 2006.

President of Bayou Park Homeowners' Association Inc

H W Wright
2427 Chestnut Drive
Rosenberg, TX 77471

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March 9, 2006

Misael Arroyo
Tax Credits
Texas Department of Housing and Community Affairs
P.O. Box 13941
Austin, Tx 78711

Re: Project Number 060219
R.T. Louise-Airport, Ltd.
Rosenberg, Texas

Dear Ms. Arroyo:

Enclosed is a picture of the sign on the above referenced property. If you will notice, the telephone number for the TDHCA is incorrect (incorrect area code). Also please note that the city for the TDHCA is omitted which makes it hard to figure out the correct area code. This makes it very difficult for the average citizen to ask questions which may be the whole purpose. If you need more pictures, let me know.

I feel that this information should be entered into your records. I am protesting this project and the misleading sign.

Thank you.

Sincerely,

Lucille J. Poldrack
P.O. Box 112
Rosenberg, Tx 77471

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NOTICE TO PUBLIC

PROPOSED MULTIFAMILY RESIDENTIAL RENTAL COMMUNIT

R.T. Louise-Airport, Ltd. has made application to the Texas Department of Housing and Community Affairs for housing Tax Credits for the development of a proposed multifamily residential community Providence Estates Apartments to be located on the SEC of Louise & Airport, Rosenberg, Fort Bend County, Texas, 77471. This development community will be comprised of 208 units on 16 acres.

For more information on this project, please contact Manish Verma with GMAT Development-Providence, Ltd. via postal service at 46 NE Loop 410, Ste. 290, San Antonio, Texas, 78216, or by telephone at 210-240-8376.

For information on the program contact the Texas Department of Housing and Community Affairs, 221 East 11th Street, Texas 78701 or by telephone at 210-475-3340 or view our website at www.tdhca.state.tx.us.

(1) wrong tell #

(2) sign blown over early April still down

31

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April 10, 2006

Boston

Ms. Brooke Benson
Multifamily Finance Production Division Director
Texas Department of Housing and Community Affairs
507 Sabine
Austin, Texas 78701

Re: Proposed Tax Credit Development
R.T Louise-Airport, LTD.
Project 060219
Providence Estates

Dear Ms. Boston:

As a former Lamar Consolidated ISD superintendent and a local area resident of Rosenberg, Texas, I herby submit the following rationale opposing the above referenced housing development.

Such a housing project will have a significant impact on our local schools due to the number of children who will occupy such facilities. At the expense of our local tax payers financial developers will acquire considerable wealth.

Currently, Lamar CISD has almost 20,000 students with a 66.3 percent minority population and is currently overburdened with apartment facilities. The district has a "low socio-economic" student population of 48.5 percent receiving free and reduced price meals. School resources to support the education of our currently enrolled youngsters will be diminished with the financial impact of increased student numbers from the proposed housing project. It's really not fair to these students or to our taxpayers for financial developers to bring about such burdens.

Please consider this rationale opposing the above referenced housing development as part of the "preponderance of the evidence" submitted by others.

Dr. Dan Ives
2500 Pecan Drive
Rosenberg, Texas 77471
281-344-0496

cc. Glenn Hegar
State Representative

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1 of 4

April 20, 2006

Ms. Brooke Benson
Multifamily Finance Production Division Director
Texas Department of Housing and Community Affairs
507 Sabine
Austin, Texas 78701

Re:
Proposed Tax Credit Development
R.T. Louise-Airport, LTD.
Project 060219
Providence Estates

Dear Ms. Boston:

We the undersigned Bayou Park Subdivision Rosenberg, Texas 77471 residents submit this second petition to protest and oppose the above referenced housing project on the basis of the following facts and figures.

Currently, there are **321 multi-family dwellings and 279 mobile homes (Totaling 600 units)** concentrated within less than a mile radius in the northwest quadrant from the proposed Tax Credit Development, R.T Louise-Airport, LTD., Project 060219, Providence Estates by **NON-RESIDENTS of the City of Rosenberg.**

Reference is made to the attached figures and mapping compiled by Dr. Dan Ives, resident of Rosenberg and retired Superintendent of Lamar Consolidated Public Schools in Rosenberg.

Therefore, we hereby adamantly object to any additional multi-family housing development that creates a magnet which places an undue ***additional burden on our city services, our schools and our taxes.***

Printed Name	Signature	Address
1. SAMMIE H. WEAVER	Sammie H. Weaver	2536 Live Oak
2. William H McCABE	William H McCabe	2635 Live Oak Dr.
3. RICHARD Guidry	Richard Guidry	2559 Live Oak Dr.
4. SANDY GUIDRY	Sandy Guidry	" " "
5. Rosemary Cantu	Rosemary Cantu	2520 Live Oak Dr.

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6. CHARLES CANTU [illegible] 2520 LIVE OAK DRIVE
7. [illegible]
8. [illegible] 2406 Pecan Ct. Rosenberg
9. [illegible] 2520 Pecan Rosenberg
10. [illegible] 2406 Pecan Ct. Rosenberg
11. [illegible] 2514 PECAN DR ROSENBERG
12. LEONARD DEMKIEWICZ 2518 PECAN DR ROSENBERG TX
13. [illegible] 2611 Live Oak Rosenberg, TX
14. Charles [illegible] 2419 Hickory Way Rosenberg Tx
15. [illegible] 2526 Pecan Drive Rosenberg, TX
16. [illegible] 2535 Live Oak Dr. Rosenberg, TX
17. Lorrie [illegible] 2400 Chestnut Dr. Rosenberg, TX
18. B.J. Greer 2403 Chestnut Dr "
19. Dick Stadnicki 2506 Pecan Dr. Rosenberg, Tx 77471
20. Marcia Holmes 2515 Live Oak Dr Rosenberg, TX 77471
21. [illegible] 2515 Live Oak Dr Rosenberg, TX 77471
22. Steven F. Miller 2651 Live Oak Dr Rosenberg TX 77471
23. Joanna D. Miller 2651 Live Oak Dr Rosenberg TX 77471
24. Jon Garrett 2414 Chestnut Dr. Rosenberg, TX 77471
25. [illegible] 2414 Chestnut Dr Rosenberg TX 77471
26. [illegible] 2534 Pecan Dr Rosenberg Texas
27. [illegible] 2454 Live Oak Dr. Rosenberg Texas
28. [illegible] 2454 Live Oak Dr. Rosenberg Texas
29. [illegible] 2526 Pecan Rosenberg TX.
30. [illegible] 1411 CHESTNUT ROSENBERG, TX
31. Judy [illegible] " " " "

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3 of 4

Units	Multi-Family*	Units	Mobile Homes*
144	A Bayou Bend Apts. 2901 Airport Ave.	80	S Briland West MH Park 2207 4th St.
60	B Rosenberg Duplex Houses (Arbor Glenn Apts.) 1910 Louise	24	T Fleetwood MH Park 2116 Parrot
28	C Parkside Place Apts. 2850 Ave. N	31	U Parrot MH Park 2218 Parrot
14	D Ave. O Apts. 3302-3414 Ave. O	17	V Austin St. MH Area 2000 Block Austin St
24	E Ave. P Apts. 3302-3422 Ave. P 3309 & 3315 Ave. P	30	W Pine Village MH Park 1710 Louise
14	F 7th St. Apts 2615 7th St.	4	X Leaman St. MH Area 2400 Block Leaman
5	G Bernie St. Apts. 2313-2321 Bernie	18	Y Cegelski Trailer Park 3226 Rychlik Road
22	H Leaman St. Apts. 2300 & 2400 Blocks Leaman St.	35	Z Rychlik Road MH Park 3319 Rychlik Court
321	Multi-Family Units	279	Mobile Home Units

Grand Total 600 Units

***Alpha designations correspond to map symbols**
O = Tax Credit Development Project

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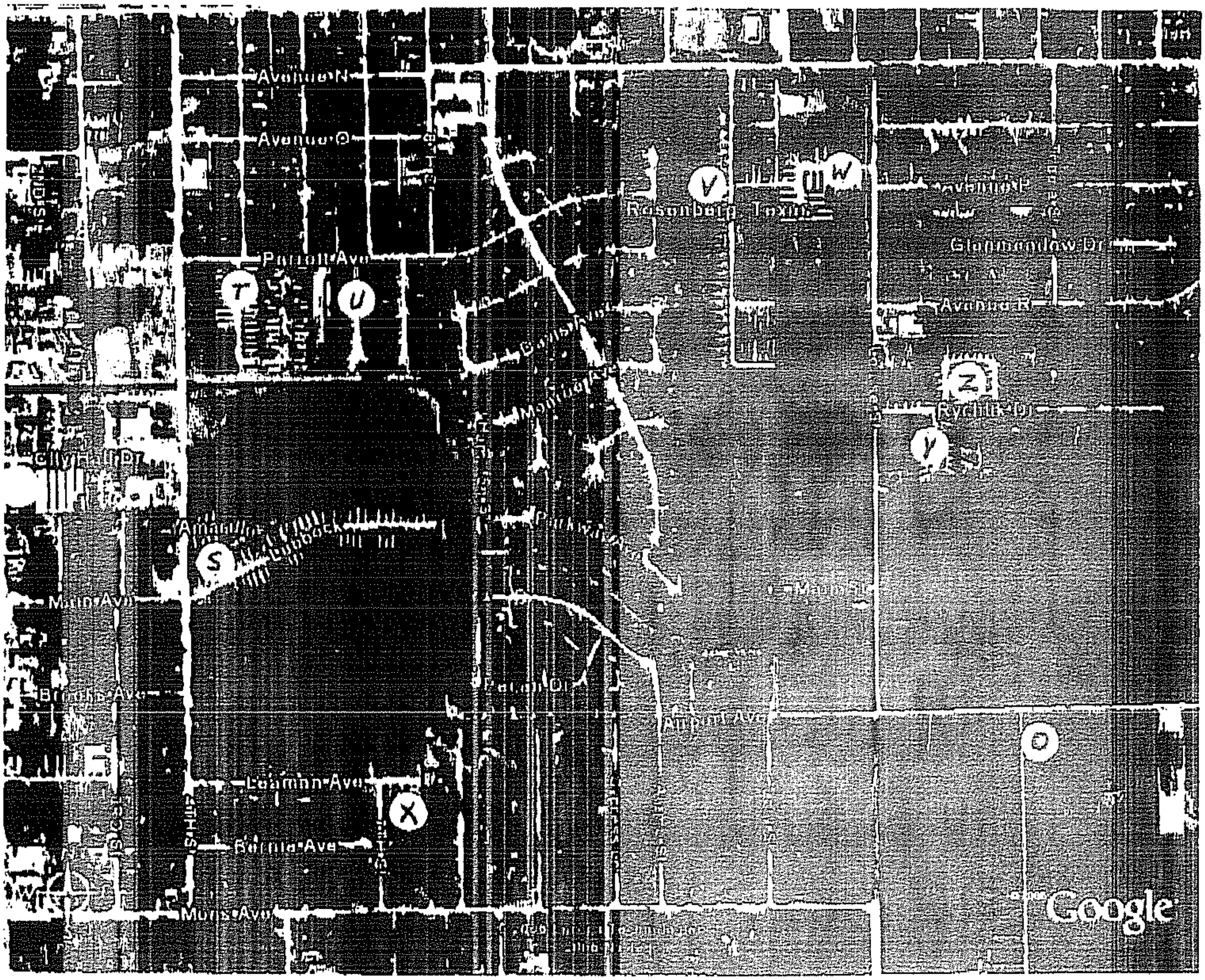
1 of 4


Avenue N
Avenue O
Parrott Ave
Rosenberg Texas
Glenmeadow Dr
Avenue R
City Hall Dr
Amarillo
Lubbock
Main Ave
Airport Ave
Pecan Dr
Morris Ave
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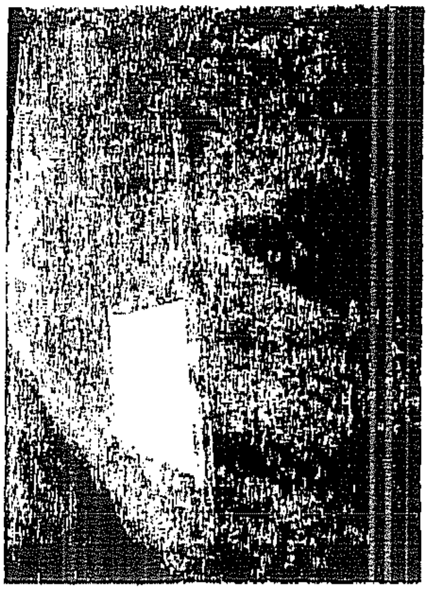

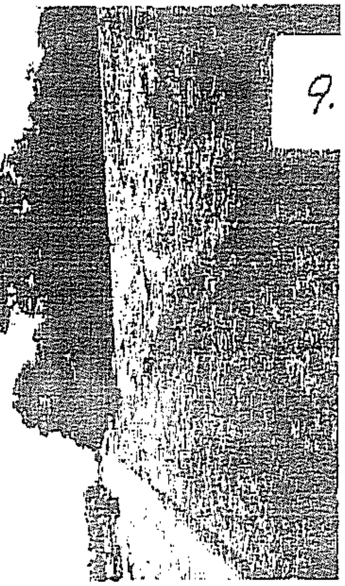

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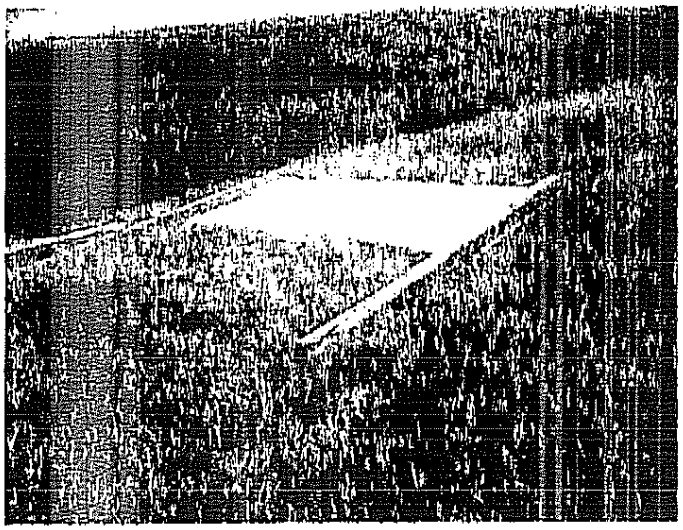
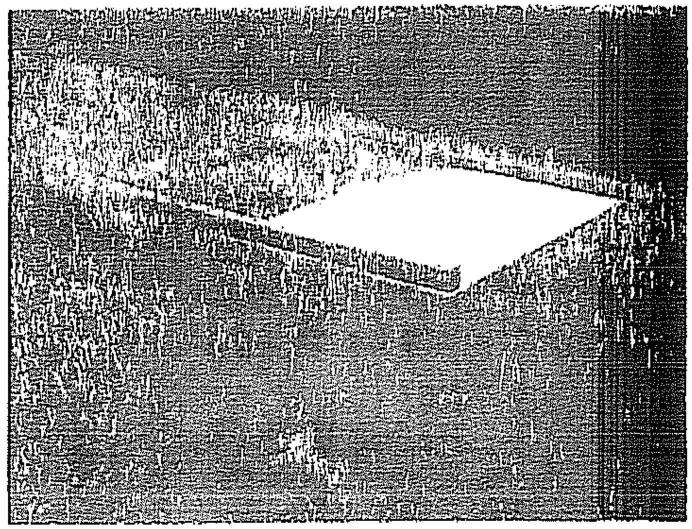
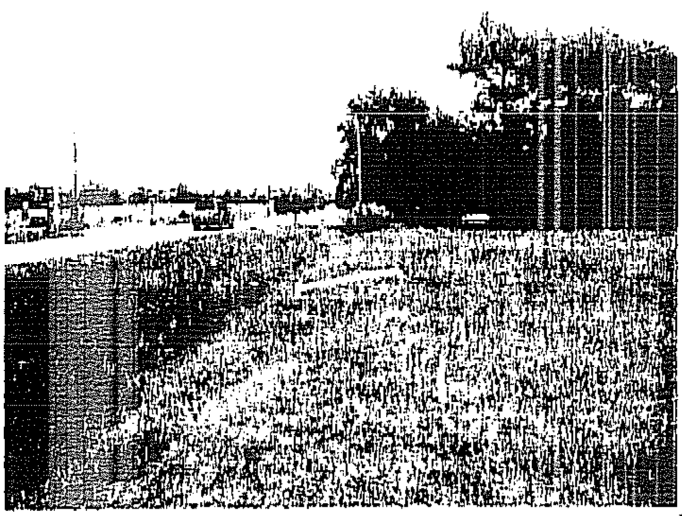


5/30/2006



5/30/2006



5/30/2006

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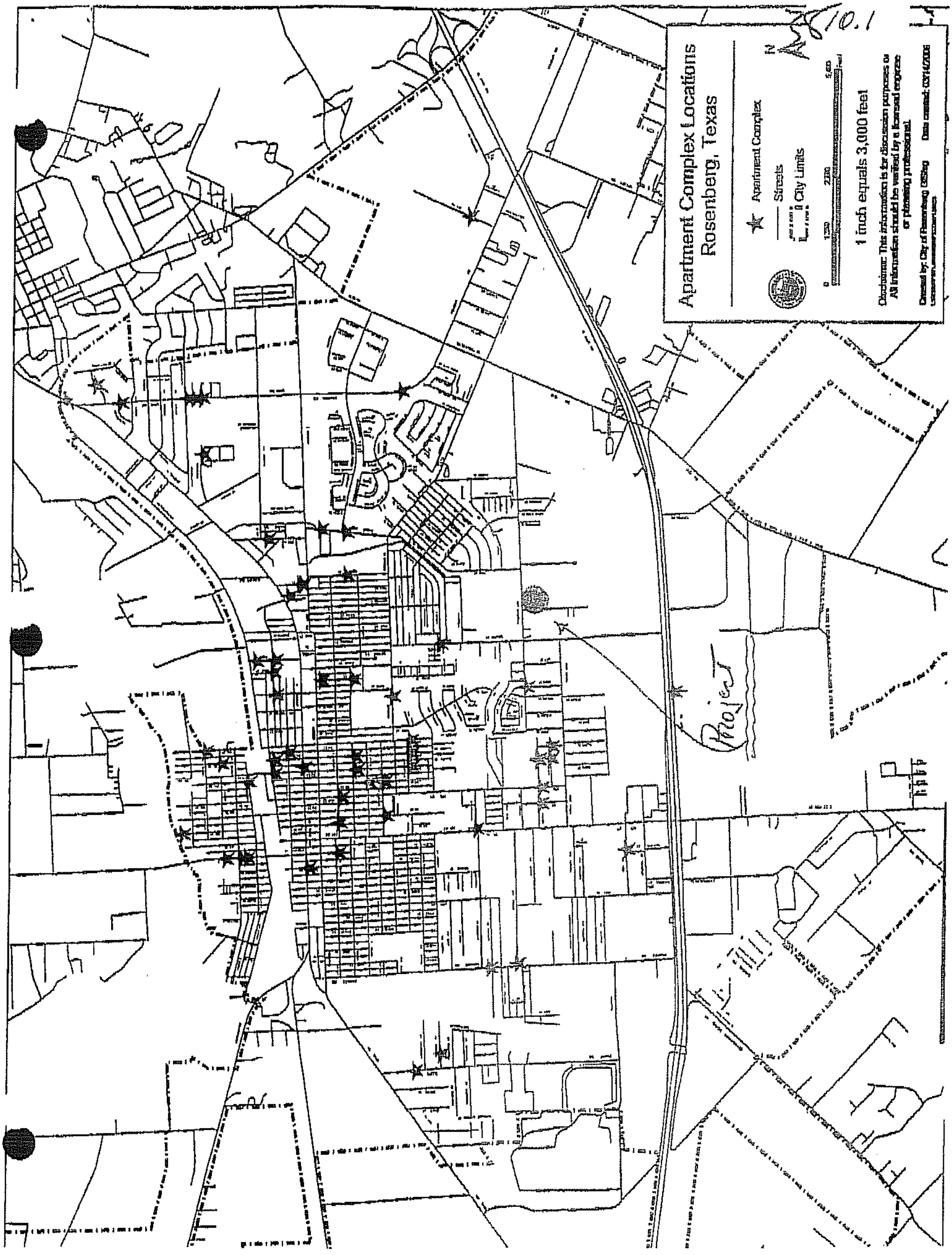
10.1
Apartment Complex Locations
Rosenberg, Texas
N
Apartment Complex
Streets
City Limits
0
1,250
2,500
5,000
1 inch equals 3,000 feet
Disclaimer: This information is for discussion purposes only.
All information should be verified by a licensed engineer
or planning professional.
Created by: City of Rosenberg GIS
Project

APARTMENT COMPLEXES

10.2
1 of 2 39

Customer Name	Street Address	Units
ANDRADE, MARIA	113 2ND ST	4
ARBOR GLEN APARTMENTS	1910 LOUISE ST	60
AZNAR, FRANK	1319 6TH ST	9
AZNAR, FRANK	1511 3RD ST	4
AZNAR, FRANK	2908 AVENUE F	6
AZNAR, FRANK	328 BLUME RD	16
AZNAR, FRANK	808 DAMON ST	6
BAYOU BEND APARTMENTS	2901 AIRPORT AVE	144
BOB'S SNOBALLS	2206 AVENUE M	3
BRIARSTONE APARTMENTS *	4719 READING RD	98
BRITTANY SQUARE APTS	4720 READING RD	188
BROOKMORE HOLLOW APARTMENTS	810 BROOKS AVE	104
BUMPERS, JACKY	2216 BAMORE RD	4
CAMELOT APTS	2303 LEAMAN AVE	4
CAMELOT APTS	2311 LEAMAN AVE	4
CARRIAGE GLEN APTS	1811 CITY HALL DR	114
CASTRO, JOSE H	507 HOUSTON ST	8
CERDA, JAIME	607 JEFFERSON ST	3
CLUB OF THE BRAZOS	3101 VISTA DR	200
CONTRERAS, EBERARDO	1401 5TH ST	3
CORTEZ, ROBERT	2207 AVENUE E	4
DAMON STREET TOWNHOMES	1302-1326 DAMON ST	12
DAVIS, LUCIAN	400 7TH ST	5
DEAVERS DEVELOPMENT	2850 AVENUE N	28
DELGADO, ISRAEL	802 ALAMO ST	3
ENVISION PROPERTY MAMAGEMENT	2319 LEAMAN AVE	4
FALCON POINTE APARTMENTS	915 COLE AVE	114
FOUNTAINS OF ROSENBERG *	3419 FOUNTAINS DR	184
FT BEND VOA ELDERLY HOUSING	313 LANE DR	68
GARCIA, JOSE L	1021 LAWRENCE ST	4
GURLEY, GENE	1127 AUSTIN ST	3
GUTIERREZ JR, ISMAEL	2901 AVENUE F	5
KING, M	2508 4TH ST	3
KINGS ARMS APARTMENTS	1317 MAHLMANN ST	122
KUBENA APARTMENTS	1722 8TH ST	5
KUBENA APARTMENTS	1723 7TH ST	5
MARTINEZ, IRMA	1310 7TH ST	3
MIKESKA, MELINDA	2310 AVENUE H	8
MORRIS MACH	1719 6TH ST	12
MURRAY HILL APARTMENTS	819 LANE DR	80
NANES, JESSIE	809 6TH ST	3
NEGRETE, RAYMOND	816 W AVENUE H	3
OLD WEST PROPERTIES LLC	2415 AVENUE G	6
P & P PROPERTIES	1016 MILES ST	6
P & P PROPERTIES	1026 MILES ST	5
PARKVIEW APARTMENTS	1315 AUSTIN ST	16
PASARYCH, LLC	1007 CARLISLE ST	6
PECAN PARK APARTMENTS	1216 WESTWOOD DR	280
POCHYLA, A A	1216 4TH ST	4
QUINONES, BONIFACIO	725 DAMON ST	3
RAZZAQI, SYED SALMAN	2507 3RD ST	4

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10.2

APARTMENT COMPLEXES

2 of 2

READING PARK APARTMENTS	5525 READING RD	252
RICE STREET APARTMENTS	1614 RICE ST	16
RIOS, ALBINA	411 HOUSTON ST	3
SALINAS, FREDDY	1208 HOUSTON ST	4
SANCHEZ, ROSA NELLY	1019 MILES ST	3
SOUTHERNAIRE APTS	2607 7TH ST	6
TAYLOR CUSTOM HOMES	1904 AVENUE J	4
TEJAS FINE HOMES CORP	1511 5TH ST	4
TEXAS ASHTON OAKS	1136 RADIO LN	106
TURICCHI, ESTELLA	2317 BERNIE AVE	5
VICTORIA GARDEN APTS	1001 LANE DR	68
VICTORIA GARDEN APTS	911 LANE DR	86
VILLALOBOZ, JOE	514 HOUSTON ST	6
WARE, ANGELA	821 7TH ST	3
WATKINS, LULA	300 8TH ST	3
WILLIAMSBURG APTS	1316 RADIO LN	32

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2591

PARKSIDE Place Ave N 31

2622

U.S. Census Bureau
American FactFinder

SHEET

nberg city, Texas

View a Fact Sheet for a race, ethnic, or ancestry group

sus 2000 Demographic Profile Highlights:

neral Characteristics - show more >>	Number	Percent	U.S.		
Total population	24,043			map	brief
Male	11,939	49.7	49.1%	map	brief
Female	12,104	50.3	50.9%	map	brief
Median age (years)	30.2	(X)	35.3	map	brief
Under 5 years	2,120	8.8	6.8%	map	
18 years and over	16,608	69.1	74.3%		
65 years and over	2,345	9.8	12.4%	map	brief
One race	23,367	97.2	97.6%		
White	15,793	65.7	75.1%	map	brief
Black or African American	2,052	8.5	12.3%	map	brief
American Indian and Alaska Native	90	0.4	0.9%	map	brief
Asian	91	0.4	3.6%	map	brief
Native Hawaiian and Other Pacific Islander	10	0.0	0.1%	map	brief
Some other race	5,331	22.2	5.5%	map	
Two or more races	676	2.8	2.4%	map	brief
Hispanic or Latino (of any race)	13,215	55.0	12.5%	map	brief
Household population	23,819	99.1	97.2%	map	brief
Group quarters population	224	0.9	2.8%	map	
Average household size	3.00	(X)	2.59	map	brief
Average family size	3.48	(X)	3.14	map	
Total housing units	8,438			map	
Occupied housing units	7,933	94.0	91.0%		brief
Owner-occupied housing units	4,526	57.1	66.2%	map	
Renter-occupied housing units	3,407	42.9	33.8%	map	brief
Vacant housing units	505	6.0	9.0%	map	

Social Characteristics - show more >>	Number	Percent	U.S.		
Population 25 years and over	14,097				
High school graduate or higher	8,683	61.5	80.4%	map	brief
Bachelor's degree or higher	1,514	10.7	24.4%	map	
Civilian veterans (civilian population 18 years and over)	1,660	9.9	12.7%	map	brief
Disability status (population 5 years and over)	5,001	22.8	19.3%	map	brief
Foreign born	3,889	16.1	11.1%	map	brief
Male, Now married, except separated (population 15 years and over)	4,957	58.0	56.7%		brief
Female, Now married, except separated (population 15 years and over)	4,779	52.9	52.1%		brief
Speak a language other than English at home (population 5 years and over)	9,674	43.9	17.9%	map	brief

Economic Characteristics - show more >>	Number	Percent	U.S.		
In labor force (population 16 years and over)	11,216	64.0	63.9%		brief
Mean travel time to work in minutes (workers 16 years and over)	27.0	(X)	25.5	map	brief
Median household income in 1999 (dollars)	35,510	(X)	41,994	map	
Median family income in 1999 (dollars)	39,965	(X)	50,046	map	
Per capita income in 1999 (dollars)	14,814	(X)	21,587	map	
Families below poverty level	820	13.6	9.2%	map	brief
Individuals below poverty level	3,861	16.1	12.4%	map	

Housing Characteristics - show more >>	Number	Percent	U.S.		
Single-family owner-occupied homes	3,657				brief
Median value (dollars)	67,900	(X)	119,600	map	brief
Median of selected monthly owner costs	(X)	(X)			brief
With a mortgage (dollars)	875	(X)	1,088	map	
Not mortgaged (dollars)	303	(X)	295		

(X) Not applicable.

Source: U.S. Census Bureau, Summary File 1 (SF 1) and Summary File 3 (SF 3)

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11.2

U.S. Census Bureau
American FactFinder

DP-4. Profile of Selected Housing Characteristics: 2000
Data Set: Census 2000 Summary File 3 (SF 3) - Sample Data
Geographic Area: **Rosenberg city, Texas**

NOTE: Data based on a sample except in P3, P4, H3, and H4. For information on confidentiality protection, sampling error, nonsampling error, definitions, and count corrections see http://factfinder.census.gov/home/en/datanotes/expsf3.htm.

Subject	Number	Percent
Total housing units	8,444	100.0
UNITS IN STRUCTURE		
1-unit, detached	5,328	63.1
1-unit, attached	167	2.0
2 units	149	1.8
3 or 4 units	236	2.8
5 to 9 units	243	2.9
10 to 19 units	226	2.7
20 or more units	1,093	12.9
Mobile home	992	11.7
Boat, RV, van, etc.	11	0.1
YEAR STRUCTURE BUILT		
1999 to March 2000	252	3.0
1995 to 1998	791	9.4
1990 to 1994	320	3.8
1980 to 1989	1,727	20.5
1970 to 1979	2,203	26.1
1960 to 1969	1,164	13.8
1940 to 1959	1,636	19.4
1939 or earlier	351	4.2
ROOMS		
1 room	178	2.1
2 rooms	831	9.8
3 rooms	1,394	16.5
4 rooms	1,316	15.6
5 rooms	2,010	23.8
6 rooms	1,450	17.2
7 rooms	787	9.3
8 rooms	267	3.2
9 or more rooms	213	2.5
Median (rooms)	4.8	(X)
Occupied Housing Units	7,940	100.0
YEAR HOUSEHOLDER MOVED INTO UNIT		
1999 to March 2000	1,671	21.0
1995 to 1998	2,557	32.2
1990 to 1994	1,134	14.3
1980 to 1989	1,067	13.4
1970 to 1979	819	10.3
1969 or earlier	692	8.7
VEHICLES AVAILABLE		
None	831	10.5
1	3,018	38.0
2	2,963	37.3
3 or more	1,128	14.2

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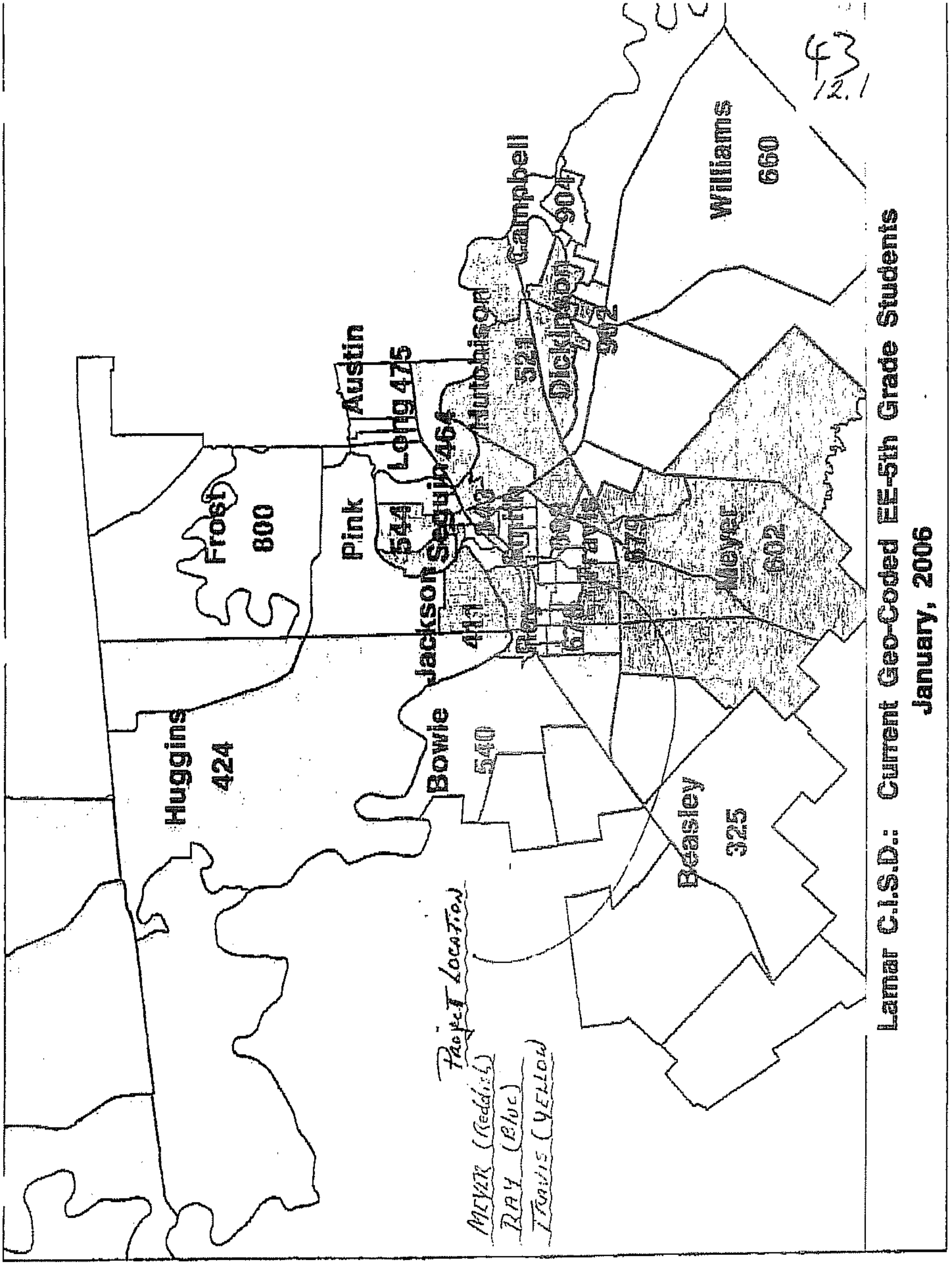
12.1



Lamar C.I.S.D.: Current Geo-Coded EE-5th Grade Students
January, 2006

4 9
12.2

Volume 4, Tab 5
Income Levels of Tenants

Applications may qualify to receive up to 22 points for qualifying under this exhibit. Select the appropriate box for points applied for:

To qualify for these points, the tenant incomes must not be higher than permitted by the AMGI level. The Development Owner, upon making selections for this exhibit, will set aside Units at the levels of AMGI and will maintain the percentage of such Units continuously over the compliance and extended use period as specified in the LURA. These income levels require corresponding rent levels that do not exceed 30% of the income limitation .

☒ 22 points if at least 80% of the Total Units in the Development are set-aside with incomes at or below 50% of AMGI; or

☐ 22 points if at least 10% of the Total Units in the Development are set-aside with incomes at or below 30% of AMGI; or

☐ 20 points if at least 60% of the Total Units in the Development are set-aside with incomes at or below 50% of AMGI; or

☐ 18 points if at least 40% of the Total Units in the Development are set-aside with incomes at or below a combination of 50% and 30% of AMGI in which at least 5% of the Total Units are at or below 30% of AMGI; or

☐ 16 points if at least 40% of the Total Units in the Development are set-aside with incomes at or below 50% of AMGI; or

☐ 14 points if at least 35% of the Total Units in the Development are set-aside with incomes at or below 50% of AMGI.

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1 of 2

SUPREME COURT DECISION RECOGNIZES VALUE OF DIVERSITY IN PUBLIC EDUCATION

For Immediate Release
June 23, 2003
Linda Embrey, Press Office
703-838-6737; press@nsba.org

Alexandria, Va. – June 23 – Today's U.S. Supreme Court rulings in the University of Michigan affirmative action cases support local school boards that use race as a factor to create diversity and ensure opportunities for minority students, as long as the affirmative action plans are narrowly tailored like the law school's plan, says Anne L. Bryant, executive director of the National School Boards Association.

The Court upheld the law school program, stating that diversity is a compelling state interest and that the law school's plan was narrowly tailored. The Court reversed the undergraduate affirmative program that gave 20 extra admission points to underrepresented minorities, concluding that it was not narrowly tailored. In the decisions, the Court emphasized the importance of making "individualized considerations" and using race only as a plus when considering applicants. According to Anne Bryant, NSBA is encouraged that the Court recognized in both cases the value of diversity in public education.

NSBA joined 10 organizations in filing a friend of the court brief asking the U.S. Supreme Court to support the University of Michigan's affirmative action practices in *Gratz v. Bollinger* and *Grutter v. Bollinger*. The 11 organizations, each of which is involved in elementary and secondary education, urged the court to uphold earlier decisions that support the creation of a diverse learning environment for all students.

"To ensure that all children receive a high-quality education, state and local education officials must have the authority to promote the essential educational benefits of diversity, including racial and ethnic diversity, in a school's student body," Bryant said.

Bryant noted that minority children still face persistent inequities in K-12 education, including gaps in funding and opportunities that have led to further gaps in achievement. She cited several studies that point to increased segregation in public schools over the past 15 years.

"Diversity, including racial and ethnic diversity, is a vital tool for ensuring a complete educational experience," Bryant said. "The playing field is far from level, and it is certainly within the proper role of public school boards to do what they can to right these imbalances and take direct action, including considering race, to provide opportunities to minority students."

Even though K-12 schools were not specifically involved in this case, the constitutional issues under consideration by the Court could have impacted the authority of elementary and secondary schools to create diverse education environments for students, said Julie Underwood,

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2062

NSBA's general counsel.

"Clearly this decision supports similar actions of local K-12 school boards," Underwood said. "The establishment of a diverse student body in elementary and secondary schools promotes several core educational benefits for all students that can be sufficiently compelling to justify limited race-conscious policies."

Organizations that filed the brief along with NSBA were the National Association of State Boards of Education, the Public Education Network, National Association of Secondary School Principals, National Association of Independent Schools, Council of the Great City Schools, the Horace Mann League, Magnet Schools of America, National Alliance of Black School Educators, National Association for Multicultural Education, and the Michigan School Boards Association

The National School Boards Association is a national federation of state and territorial school boards associations that represent more than 95,000 school board members who govern the nation's public schools. The organization's mission is to foster excellence and equity in public elementary and secondary education throughout the United States through local school board leadership.

# # #

1680 Duke Street, Alexandria, VA 22314
Phone, (703) 838-6722 Fax: (703) 683-7590 E-mail: info@nsba.org

Rosenberg Police Department
DATE 03/10/2006
TIME 11:45:18

AEGIS PUBLIC SAFETY SYSTEM
INCIDENT ANALYSIS REPORT - SUMMARY

DATE	TIME	RESPONDING UNIT & OFFICERS		LOCATION	CALLER	RPT	INCIDENT #	SOURCE
06/22/05	15:23	214	284	1910 LOUISE ST 43	[redacted]	NO	200500018375	911
11/01/05	14:31	211	212	1910 LOUISE ST 39	[redacted]	NO	200500031071	911

TOTAL INCIDENTS FOR TYPE EMS F Assist EMS: 2

DATE	TIME	RESPONDING UNIT & OFFICERS		LOCATION	CALLER	RPT	INCIDENT #	SOURCE
09/05/05	11:27	453		1910 LOUISE ST	[redacted]	YES	200500025504	Telephone

TOTAL INCIDENTS FOR TYPE GFRE F Grass Fire: 1

DATE	TIME	RESPONDING UNIT & OFFICERS		LOCATION	CALLER	RPT	INCIDENT #	SOURCE
01/01/05	5:03	232	305	1910 LOUISE ST 51	[redacted]	NO	200500000353	911
01/01/05	10:50	212	282	1910 LOUISE ST 26	[redacted]	YES	200500000366	911
01/12/05	22:37	233	281	1910 LOUISE ST 17	[redacted]	NO	200500001326	Telephone
02/13/05	1:39	232	316	1910 LOUISE ST 4	[redacted]	YES	200500004511	Telephone
03/25/05	10:31	212	285	1910 LOUISE ST 21	[redacted]	NO	200500008567	911
03/29/05	1:54	232	293	1910 LOUISE ST 30	[redacted]	YES	200500009056	911
04/22/05	23:24	222	323	1910 LOUISE ST 43	[redacted]	NO	200500011702	Telephone
04/27/05	23:49	232	283	1910 LOUISE ST 704	[redacted]	NO	200500012178	911
04/29/05	22:43	221	307	1910 LOUISE ST	[redacted]	YES	200500012390	Telephone
05/07/05	21:03	228		1910 LOUISE ST 60	[redacted]	NO	200500013371	Telephone
05/23/05	15:59	525	235	1910 LOUISE ST 19	[redacted]	NO	200500015226	911
06/03/05	22:56	232	316	1910 LOUISE ST 43	[redacted]	NO	200500016427	Telephone
07/15/05	23:27	232	316	1910 LOUISE ST 35	[redacted]	NO	200500020514	911
07/15/05	23:36	239	281	1910 LOUISE ST 49	[redacted]	NO	200500020516	Self Init
07/16/05	0:44	232	316	1910 LOUISE ST 35	[redacted]	YES	200500020526	Telephone
07/26/05	18:02	222	292	1910 LOUISE ST 23	[redacted]	NO	200500020775	911
07/29/05	4:21	232	281	1910 LOUISE ST 160	[redacted]	NO	200500021770	Telephone
08/04/05	21:34	221	313	1910 LOUISE ST 19	[redacted]	NO	200500022420	911
08/12/05	18:40	222	313	1910 LOUISE ST	[redacted]	NO	200500023195	Telephone
09/24/05	11:13	407	236	1910 LOUISE ST 23	[redacted]	NO	200500027399	911
10/20/05	12:21	214	321	1910 LOUISE ST 19	[redacted]	NO	200500029316	911
10/24/05	15:10	211	258	1910 LOUISE ST 19	[redacted]	NO	200500030285	911
11/17/05	19:52	221	323	1910 LOUISE ST	[redacted]	NO	200500032852	911
11/19/05	18:26	211	316	1910 LOUISE ST 29	[redacted]	NO	200500032599	911
11/20/05	14:33	214	284	1910 LOUISE ST 39	[redacted]	NO	200500033110	Telephone
11/21/05	15:53	214	289	1910 LOUISE ST 29	[redacted]	YES	200500033233	911
11/21/05	17:10	224	292	1910 LOUISE ST	[redacted]	YES	200500033240	Telephone
11/26/05	14:27	218	316	1910 LOUISE ST 12	[redacted]	NO	200500033743	Telephone
11/27/05	19:16	222	266	1910 LOUISE ST 46	[redacted]	NO	200500033843	911
12/06/05	27:59	224	308	1910 LOUISE ST 51	[redacted]	NO	200500034685	Telephone
12/18/05	17:40	222	324	1910 LOUISE ST 35	[redacted]	NO	200500035742	Telephone
12/31/05	15:12	214	316	1910 LOUISE ST 25	[redacted]	NO	200500036770	911
01/22/06	13:49	216	254	1910 LOUISE ST	[redacted]	NO	200600002153	911
02/05/06	3:03	231	258	1910 LOUISE ST 25	[redacted]	YES	200600003483	911
02/14/06	17:33	222	324	1910 LOUISE ST 25	[redacted]	NO	200600004341	Telephone
02/19/06	11:51	218	254	1910 LOUISE ST 33	[redacted]	NO	200600004806	

TOTAL INCIDENTS FOR TYPE 1 P Disturbnce: 36

DATE	TIME	RESPONDING UNIT & OFFICERS		LOCATION	CALLER	RPT	INCIDENT #	SOURCE
01/08/05	5:22	233	254	1910 LOUISE ST 4	[redacted]	YES	200500000758	Telephone
01/09/05	22:55	232	283	1910 LOUISE ST	[redacted]	NO	200500000954	Telephone
01/27/05	23:42	232	264	1910 LOUISE ST	[redacted]	NO	200500002821	Telephone
01/29/05	1:14	239	324	1910 LOUISE ST	[redacted]	NO	200500002993	Telephone
01/30/05	0:04	232	324	1910 LOUISE ST	[redacted]	NO	200500003092	Telephone

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16.1
1 of 13

Rosenberg Police Department
DATE 03/10/2006
TIME 11:45:10

AEGIS PUBLIC SAFETY SYSTEM
INCIDENT ANALYSIS REPORT - SUMMARY

DATE	TIME	RESPONDING UNIT & OFFICERS			LOCATION	CALLER	RPT	INCIDENT #	SOURCE
04/04/05	19 41	222	292		1910 LOUISE ST 48	[redacted]	NO	200500009766	Telephone
04/06/05	13 17	216	256		1910 LOUISE ST 60		NO	200500009951	Telephone
06/12/05	22.36	233	312		1910 LOUISE ST		NO	200500017440	Telephone
06/15/05	1-15	234	321		1910 LOUISE ST 2		NO	200500017667	Telephone
07/29/05	0 05	232	281		1910 LOUISE ST		NO	200500021769	Telephone
09/07/05	14-02	214	298	327	1910 LOUISE ST		NO	200500025694	Self Init
02/27/06	22:56	234	312		1910 LOUISE ST 20		NO	200600005634	Telephone
03/05/06	0.25	231	283		1910 LOUISE ST 21		NO	200600006267	Telephone
TOTAL INCIDENTS FOR TYPE			2 P SuspPerson:		13				
03/09/05	22.22				1910 LOUISE ST	[redacted]	NO	200500007058	Telephone
04/09/05	1:10	232	281		1910 LOUISE ST 50		NO	200500010263	Telephone
04/20/05	19:27	231	308		1910 LOUISE ST		NO	200500011462	Telephone
07/17/05	1:38	231	281		1910 LOUISE ST		NO	200500020634	Telephone
09/12/05	3:41	230	101		1910 LOUISE ST		NO	200500026135	Self Init
12/24/05	19:10	223	286		1910 LOUISE ST		NO	200500036251	Telephone
01/17/06	20:54	222	324		1910 LOUISE ST 20		NO	200600001659	Telephone
TOTAL INCIDENTS FOR TYPE			3 P SuspVeh :		7				
08/09/05	0:15	234	274		1910 LOUISE ST 17	[redacted]	NO	200500022819	Telephone
TOTAL INCIDENTS FOR TYPE			5 P Prowler :		1				
05/02/05	23:59	231	321		1910 LOUISE ST 5	[redacted]	NO	200500012744	Telephone
TOTAL INCIDENTS FOR TYPE			6 P MissPerson		1				
01/21/05	23 23	221	233		1910 LOUISE ST	[redacted]	YES	200500002294	Telephone
01/22/05	23 35	231	281		1910 LOUISE ST		NO	200500002405	Telephone
03/06/05	1 06	221	313		1910 LOUISE ST		NO	200500006623	Telephone
07/08/05	22 51	239	316		1910 LOUISE ST 20		NO	200500019656	Telephone
07/23/05	23:35	232	316		1910 LOUISE ST 33		NO	200500021319	Telephone
08/26/05	22 12	229	286		1910 LOUISE ST		NO	200500024630	Telephone
10/22/05	23:04	223	313		1910 LOUISE ST		NO	200500030155	Telephone
01/07/06	20:35	223	328		1910 LOUISE ST		NO	200600000691	Telephone
01/07/06	21:22	221	313		1910 LOUISE ST		NO	200600000693	Telephone
01/08/06	21:43	228	292		1910 LOUISE ST		NO	200600000782	Telephone
TOTAL INCIDENTS FOR TYPE			7 P Loud Music:		10				
03/04/05	18 04	226	313		1910 LOUISE ST 28	[redacted]	NO	200500005457	Telephone
11/15/05	12 43	216	235	329	1910 LOUISE ST		YES	200500032618	911
TOTAL INCIDENTS FOR TYPE			FU P Follow-up .		2				
06/20/05	23:36	232	274		1910 LOUISE ST 18	[redacted]	YES	200500018243	Telephone
08/02/05	0:14	232	312		1910 LOUISE ST		YES	200500022185	Telephone
08/03/05	23:32	232	253		1910 LOUISE ST 35		YES	200500022343	Telephone
10/16/05	0:02	232	281	328	1910 LOUISE ST 35		NO	200500029495	Telephone
01/05/06	22:15	221	233		1910 LOUISE ST		YES	200600000483	Telephone
TOTAL INCIDENTS FOR TYPE			NC P NOISE COMP		5				

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Rosenberg Police Department
DATE 03/10/2006
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DATE	TIME	RESPONDING UNIT	& OFFICERS	LOCATION	CALLER	RPT	INCIDENT #	SOURCE
06/08/05	19:14	224	252	1910 LOUISE ST	[redacted]	NO	200500016982	Self Init
07/08/05	5:43	231	305	1910 LOUISE ST	[redacted]	NO	200500019769	Self Init
08/07/05	23:00	221	308	1910 LOUISE ST	[redacted]	NO	200500022705	Self Init

TOTAL INCIDENTS FOR TYPE TS P Traf Stop : 3

DATE	TIME	RESPONDING UNIT	& OFFICERS	LOCATION	CALLER	RPT	INCIDENT #	SOURCE
01/06/05	14:39	511	231	1910 LOUISE ST 39	[redacted]	NO	200500000606	Self Init
01/13/05	21:24	222	313	1910 LOUISE ST 43	[redacted]	YES	200500001446	911
01/20/05	9:13	213	172	1910 LOUISE ST 17	[redacted]	NO	200500002090	Telephone
03/21/05	10:52	5F2		1910 LOUISE ST 20	[redacted]	NO	200500008219	Self Init
05/20/05	14:47	212	298	1910 LOUISE ST 27	[redacted]	NO	200500014883	Telephone
06/06/05	16:00	221	252	1910 LOUISE ST	[redacted]	YES	200500016709	Self Init
10/12/05	20:35	222	323	1910 LOUISE ST 36	[redacted]	NO	200500029146	Self Init
10/13/05	3:24	232	283	1910 LOUISE ST 36	[redacted]	NO	200500029180	Self Init
10/13/05	22:23	223	323	1910 LOUISE ST 36	[redacted]	NO	200500029263	Self Init
01/11/06	10:48	214	316	1910 LOUISE ST 19	[redacted]	NO	200600000587	Self Init
01/14/06	17:38	224	313	1910 LOUISE ST 10	[redacted]	NO	200600001382	Telephone

TOTAL INCIDENTS FOR TYPE WK P WK Service: 11

DATE	TIME	RESPONDING UNIT	& OFFICERS	LOCATION	CALLER	RPT	INCIDENT #	SOURCE
03/06/05	10:45	212	235	1910 LOUISE ST 35	[redacted]	NO	200500006698	Telephone
04/12/05	11:11	212	252	1910 LOUISE ST 36	[redacted]	NO	200500010591	Telephone
05/29/05	14:36	214	284	1910 LOUISE ST	[redacted]	NO	200500015865	Telephone
08/23/05	11:47	212	284	1910 LOUISE ST 35	[redacted]	NO	200500024245	Telephone
08/27/05	21:40	221	286	1910 LOUISE ST 36	[redacted]	NO	200500024722	Telephone
08/27/05	22:24	230	257	1910 LOUISE ST 36	[redacted]	NO	200500024728	Telephone
10/08/05	13:19	211	285	1910 LOUISE ST 36	[redacted]	NO	200500026785	Telephone
10/13/05	3:33			1910 LOUISE ST 36	[redacted]	NO	200500029161	Telephone
12/24/05	22:02	222	233	1910 LOUISE ST 36	[redacted]	NO	200500035379	Telephone
01/05/06	23:39	232	329 221	1910 LOUISE ST 36	[redacted]	NO	200600000492	Telephone

TOTAL INCIDENTS FOR TYPE 10 P BurgAlarm : 10

DATE	TIME	RESPONDING UNIT	& OFFICERS	LOCATION	CALLER	RPT	INCIDENT #	SOURCE
08/09/05	18:07	222	308	1910 LOUISE ST	[redacted]	YES	200500022880	911

TOTAL INCIDENTS FOR TYPE 15 P AutoPed : 1

DATE	TIME	RESPONDING UNIT	& OFFICERS	LOCATION	CALLER	RPT	INCIDENT #	SOURCE
04/19/05	21:25	224	192	1910 LOUISE ST	[redacted]	NO	200500011366	Telephone
07/15/05	23:46	239	281	1910 LOUISE ST	[redacted]	YES	200500020517	Radio

TOTAL INCIDENTS FOR TYPE 21 P PI Subj 2

DATE	TIME	RESPONDING UNIT	& OFFICERS	LOCATION	CALLER	RPT	INCIDENT #	SOURCE
02/03/05	15:47	212	172	1910 LOUISE ST 49	[redacted]	NO	200500003505	Telephone

TOTAL INCIDENTS FOR TYPE 23 P DC-Lang : 1

DATE	TIME	RESPONDING UNIT	& OFFICERS	LOCATION	CALLER	RPT	INCIDENT #	SOURCE
01/12/05	9:42	214	298	1910 LOUISE ST 60	[redacted]	NO	200500001204	Telephone
05/08/05	12:31	211		1910 LOUISE ST 60	[redacted]	NO	200500013418	Telephone
05/18/05	11:53	212	258	1910 LOUISE ST	[redacted]	NO	200500014514	Telephone
11/18/05	20:21	221	281	1910 LOUISE ST 29	[redacted]	NO	200500032948	Telephone
12/16/05	13:53	214	212	1910 LOUISE ST 39	[redacted]	NO	200500035715	Telephone

TOTAL INCIDENTS FOR TYPE 33 P Harassment: 5

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DATE	TIME	RESPONDING UNIT & OFFICERS		LOCATION	CALLER	RPT	INCIDENT #	SOURCE
01/01/05	1:06	503	293	1910 LOUISE ST	[redacted]	NO	200500000026	Telephone
TOTAL INCIDENTS FOR TYPE		37 P ShotsFired:		1				
08/07/05	14:07	214	284	1910 LOUISE ST 1	[redacted]	NO	200500022679	911
08/18/05	9:49	212	298	1910 LOUISE ST 23		NO	200500023708	Telephone
08/20/05	20:13	222	233	1910 LOUISE ST 23		NO	200500023993	Telephone
08/27/05	23:23	231	316	1910 LOUISE ST 36		NO	200500024733	911
09/25/05	18:50	222	324	1910 LOUISE ST 35		YES	200500027557	Telephone
12/01/05	14:05	211	285	1910 LOUISE ST 12		YES	200500034183	Telephone
TOTAL INCIDENTS FOR TYPE		49 P CricMischf:		6				
11/20/05	12:08	211	254	1910 LOUISE ST 17	[redacted]	NO	200500033108	Telephone
TOTAL INCIDENTS FOR TYPE		61 P Trespass :		1				
02/23/05	9:20	213	266	1910 LOUISE ST	[redacted]	NO	200500005499	Telephone
TOTAL INCIDENTS FOR TYPE		78 P FoundProp -		1				
01/01/05	20:59	221	295	1910 LOUISE ST	[redacted]	NO	200500000118	Telephone
01/11/05	0:23	232	293	1910 LOUISE ST		NO	200500001056	Telephone
07/06/05	18:02	222	308	1910 LOUISE ST 18		NO	200500019654	Telephone
11/08/05	19:08	224	324	1910 LOUISE ST		NO	200500031852	Telephone
12/31/05	21:30	234	298	1910 LOUISE ST		NO	200500036609	Telephone
TOTAL INCIDENTS FOR TYPE		93 P Fireworks .		5				
10/10/05	13:26	212	254	1910 LOUISE ST 35	[redacted]	NO	200500028946	Front Desk
01/02/06	19:50	221	308	1910 LOUISE ST		NO	200600000150	Front Desk
TOTAL INCIDENTS FOR TYPE		96 P CivilStand:		2				
02/03/05	3:36	236	293	1910 LOUISE ST 26	[redacted]	NO	200500003450	Telephone
06/13/05	17:42	222	274	1910 LOUISE ST 57		NO	200500017417	911
06/13/05	20:08	222	274	1910 LOUISE ST 57		NO	200500017431	Telephone
06/28/05	9:48	212	372	1910 LOUISE ST 57		NO	200500018504	Telephone
07/06/05	15:52	222	358	1910 LOUISE ST 57		NO	200500019645	Telephone
TOTAL INCIDENTS FOR TYPE		97 P WelfareCk :		5				
05/04/05	10:25	407	236	1910 LOUISE ST 5	[redacted]	YES	200500012902	Telephone
07/19/05	16:07	401	193	1910 LOUISE ST 10		YES	200500020851	Telephone
10/04/05	9:06	401	193	1910 LOUISE ST 43		YES	200500028410	Telephone
10/06/05	16:33	401	193	1910 LOUISE ST 21		YES	200500026601	Telephone
11/02/05	15:35			1910 LOUISE ST 13		YES	200500031190	Telephone
11/14/05	6:47	401	193	1910 LOUISE ST 39		YES	200500032497	Telephone
11/17/05	13:33	401	193	1910 LOUISE ST 52		YES	200500032620	Telephone
TOTAL INCIDENTS FOR TYPE		CPS P CPS REF :		7				
02/16/06	3:24			1910 LOUISE ST 17	NEWMAN,CLEOLA,,	NO	200600004471	911

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TOTAL INCIDENTS FOR TYPE EMS P Asst EMS : 1

DATE	TIME	RESPONDING UNIT & OFFICERS			LOCATION	CALLER	RPT	INCIDENT #	SOURCE
11/17/05	19:09	223	233		1910 LOUISE ST 30	[redacted]	NO	200500032648	911

TOTAL INCIDENTS FOR TYPE GUN P Subj w/gun: 1

DATE	TIME	RESPONDING UNIT & OFFICERS			LOCATION	CALLER	RPT	INCIDENT #	SOURCE
02/23/05	18 30	224	307		1910 LOUISE ST 48	[redacted]	NO	200500005541	Telephone
02/28/05	22 30	239	274		1910 LOUISE ST	[redacted]	NO	200500006070	Telephone
03/26/05	16 15	222	285		1910 LOUISE ST 49	[redacted]	NO	200500006603	Telephone
05/07/05	19 48	221			1910 LOUISE ST	[redacted]	NO	200500013362	Telephone
05/28/05	19:19	225	295		1910 LOUISE ST 52	[redacted]	NO	200500015780	Telephone
06/28/05	10:33	212	172		1910 LOUISE ST 57	[redacted]	NO	200500016910	911
07/09/05	22 58	233	305		1910 LOUISE ST	[redacted]	NO	200500019967	Telephone
07/15/05	20:45	224	313		1910 LOUISE ST 48	[redacted]	NO	200500020501	Telephone
07/24/05	22:08	231	293		1910 LOUISE ST 19	[redacted]	NO	200500022398	Telephone
08/13/05	21:25	222	233		1910 LOUISE ST	[redacted]	NO	200500023331	Telephone
10/11/05	16:24	221	308		1910 LOUISE ST 20	[redacted]	NO	200500029034	Telephone
11/11/05	20.25	222	233		1910 LOUISE ST 39	[redacted]	NO	200500032232	Telephone

TOTAL INCIDENTS FOR TYPE 103 P NarcComplt: 12

DATE	TIME	RESPONDING UNIT & OFFICERS			LOCATION	CALLER	RPT	INCIDENT #	SOURCE
07/24/05	2:40	232	316		1910 LOUISE ST	[redacted]	NO	200500021341	Telephone
09/26/05	1:56	232	319		1910 LOUISE ST	[redacted]	NO	200500027604	Telephone

TOTAL INCIDENTS FOR TYPE 105 P Traffic : 2

DATE	TIME	RESPONDING UNIT & OFFICERS			LOCATION	CALLER	RPT	INCIDENT #	SOURCE
07/27/05	2:53	232	319		1910 LOUISE ST 10	[redacted]	NO	200500021587	Telephone

TOTAL INCIDENTS FOR TYPE 107 P DelMessage: 1

DATE	TIME	RESPONDING UNIT & OFFICERS			LOCATION	CALLER	RPT	INCIDENT #	SOURCE
05/23/05	17:24	221	308		1910 LOUISE ST 27	[redacted]	NO	200500015234	Telephone
07/17/05	11:10	219	212		1910 LOUISE ST 6	[redacted]	NO	200500020660	Telephone
07/29/05	15:07	210	181		1910 LOUISE ST 45	[redacted]	NO	200500021830	Telephone
10/01/05	12:46	212	321		1910 LOUISE ST 56	[redacted]	NO	200500028121	911
10/01/05	13:56	213	285		1910 LOUISE ST 41	[redacted]	NO	200500028132	Telephone
10/01/05	18:36	222	324		1910 LOUISE ST 22	[redacted]	NO	200500028141	Telephone
11/13/05	14:20	212	209		1910 LOUISE ST 12	[redacted]	NO	200500032436	Telephone
12/01/05	20:44	222	233		1910 LOUISE ST 12	[redacted]	NO	200500034218	Telephone

TOTAL INCIDENTS FOR TYPE 108 P CivilMattr: 8

DATE	TIME	RESPONDING UNIT & OFFICERS			LOCATION	CALLER	RPT	INCIDENT #	SOURCE
02/11/05	15.36	215	282		1910 LOUISE ST 5	[redacted]	NO	200500004339	Telephone
01/07/06	17:40	228	233		1910 LOUISE ST 21	[redacted]	NO	200600000678	911

TOTAL INCIDENTS FOR TYPE 109 P ProbNeighb: 2

DATE	TIME	RESPONDING UNIT & OFFICERS			LOCATION	CALLER	RPT	INCIDENT #	SOURCE
02/09/05	18:27	221	264		1910 LOUISE ST 22	[redacted]	NO	200500004149	911
08/05/05	1:53	232	281		1910 LOUISE ST 19	[redacted]	NO	200500022444	911
08/18/05	22:42	232	281	257	1910 LOUISE ST 19	[redacted]	NO	200500023777	911
08/21/05	4:05	238	153		1910 LOUISE ST	[redacted]	NO	200500024015	Telephone
09/19/05	3:57	232	283		1910 LOUISE ST 19	[redacted]	NO	200500026822	911
09/23/05	21:46	222	292		1910 LOUISE ST 51	[redacted]	NO	200500026597	911

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DATE	TIME	RESPONDING UNIT & OFFICERS			LOCATION	CALLER	RPT	INCIDENT #	SOURCE
11/15/05	20.06	224	265		1910 LOUISE ST 17	[redacted]	NO	200500032648	911
12/31/05	15 45	212	321		1910 LOUISE ST 25		NO	200500036773	911
01/14/06	12:22	212	264		1910 LOUISE ST 21		NO	200600001351	911
TOTAL INCIDENTS FOR TYPE 911 P 911 Hangup:					9				
02/17/05	12.58	295	306		1910 LOUISE ST 34	[redacted]	NO	200500004948	911
03/01/05	6.40	232	299		1910 LOUISE ST 17		NO	200500006109	Telephone
04/19/05	21-47	224	152		1910 LOUISE ST		NO	200500011369	Telephone
TOTAL INCIDENTS FOR TYPE 950 P AnimalCall:					3				
03/04/05	15:52	299	241		1910 LOUISE ST 28	[redacted]	YES	200500006443	911
TOTAL INCIDENTS FOR TYPE 951 P AnimalBite.					1				
05/09/05	10-24	214			1910 LOUISE ST 45	[redacted]	NO	200500013521	Telephone
TOTAL INCIDENTS FOR TYPE 953 P LooseAniml:					1				
01/18/05	0 20				1910 LOUISE ST 12	[redacted]	NO	200500001858	Telephone
04/23/05	14.21				1910 LOUISE ST 60		NO	200500011771	Self Init
05/27/05	17:33				1910 LOUISE ST 2		NO	200500015643	Telephone
08/23/05	17-12				1910 LOUISE ST 12		NO	200500024287	Telephone
09/23/05	21 17				1910 LOUISE ST		NO	200500027575	Telephone
02/26/06	11-13				1910 LOUISE ST 37		NO	200600005485	Telephone
02/26/06	19.08				1910 LOUISE ST 37		NO	200600005514	Telephone
TOTAL INCIDENTS FOR TYPE CITY P CityDept -					7				
02/11/05	15-41	212	285		1910 LOUISE ST	[redacted]	NO	200500004341	Self Init
04/29/05	23:00	239	305		1910 LOUISE ST		NO	200500012353	Self Init
05/07/05	13-39	213	282	282	1910 LOUISE ST		YES	200500013327	Self Init
TOTAL INCIDENTS FOR TYPE FLAG P Flag Down .					3				
05/19/05	22.21	238	281		1910 LOUISE ST	[redacted]	NO	200500014826	Telephone
06/06/05	0.29	232	293		1910 LOUISE ST 27		NO	200500016655	Telephone
06/14/05	17.56	224	292		1910 LOUISE ST 57		NO	200500017624	911
09/15/05	6:23	526	119		1910 LOUISE ST		NO	200500026444	Telephone
10/02/05	1:01	231	312		1910 LOUISE ST		YES	200500028190	Telephone
11/12/05	14:14	211	321		1910 LOUISE ST 12		NO	200500032331	Telephone
12/22/05	12:06	218	316		1910 LOUISE ST 57		NO	200500036040	Telephone
TOTAL INCIDENTS FOR TYPE INFO P Informatin:					7				
01/29/05	1:29	259	324	262	1910 LOUISE ST	[redacted]	YES	200500002994	Self Init
02/22/05	21.13	222	252		1910 LOUISE ST		NO	200500005446	Telephone
03/03/05	22 42	232	281		1910 LOUISE ST		NO	200500006368	Telephone
03/30/05	20:51	222	300		1910 LOUISE ST 48		NO	200500009227	Telephone
04/02/05	19.37	221	286		1910 LOUISE ST		NO	200500009565	Telephone
04/29/05	18:17	222	286		1910 LOUISE ST		NO	200500012360	Telephone
06/23/05	0-13	232	283		1910 LOUISE ST 57		NO	200500018416	911

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07/12/05	3:20	233	293		1910 LOUISE ST	[redacted]	NO	200500020145	Self Init
08/05/05	0:21	239	316		1910 LOUISE ST		NO	200500022435	Self Init
08/11/05	0:14	239	316		1910 LOUISE ST		NO	200500022991	Self Init
08/12/05	2:31	231	316		1910 LOUISE ST		YES	200500023107	Self Init
09/03/05	0:15	221	312		1910 LOUISE ST		NO	200500025288	Telephone
12/07/05	23:02	232	293	327	1910 LOUISE ST 20		NO	200500034797	Self Init
12/27/05	21:31	222	266	304	1910 LOUISE ST		YES	200500036441	Self Init
01/25/06	14:38	212	284		1910 LOUISE ST		YES	200600002415	Telephone
TOTAL INCIDENTS FOR TYPE PROP P PROPERTY :					15				
01/03/05	4:35				1910 LOUISE ST	[redacted]	NO	200500000245	Telephone
02/05/05	23:13				1910 LOUISE ST		NO	200500003855	Front Desk
03/17/05	6:44				1910 LOUISE ST		NO	200500007604	Front Desk
04/04/05	23:08				1910 LOUISE ST 3		NO	200500009789	Front Desk
04/04/05	23:12				1910 LOUISE ST 3		NO	200500009790	Front Desk
06/23/05	23:44				1910 LOUISE ST		NO	200500018499	Telephone
01/02/06	17:56				1910 LOUISE ST 13		NO	200600000181	Telephone
01/05/06	7:32				1910 LOUISE ST		NO	200600000437	Telephone
TOTAL INCIDENTS FOR TYPE REPO P Repo :					8				
09/23/05	20:11	538	298		1910 LOUISE ST	[redacted]	NO	200500027337	Self Init
11/01/05	15:35	211	212		1910 LOUISE ST		YES	200500031074	Self Init
01/16/06	12:35	211	289		1910 LOUISE ST		NO	200600001581	Self Init
TOTAL INCIDENTS FOR TYPE SUBJ P SubjStop :					3				
03/12/05	16:09	222	313		1910 LOUISE ST 43	[redacted]	NO	200500007345	911
05/23/05	16:33	222	292		1910 LOUISE ST 19		NO	200500015229	911
08/06/05	22:40	231	159		1910 LOUISE ST 34		YES	200500022616	911
10/01/05	2:16	233	305		1910 LOUISE ST 10		YES	200500028095	Telephone
10/23/05	15:53	212	284		1910 LOUISE ST 41		NO	200500030212	911
10/27/05	17:26	222	329		1910 LOUISE ST 29		YES	200500030569	911
12/16/05	13:37	218	172		1910 LOUISE ST 48		NO	200500035516	Telephone
12/17/05	13:48	214	321		1910 LOUISE ST 17		YES	200500035609	Telephone
01/01/06	11:42	212	284		1910 LOUISE ST 21		NO	200600000058	911
02/04/06	18:34	218	316		1910 LOUISE ST 19		NO	200600003390	Telephone
02/19/06	16:40	228	308		1910 LOUISE ST 37		NO	200600004821	
03/05/06	0:56	232	307		1910 LOUISE ST 39		YES	200600006193	911
TOTAL INCIDENTS FOR TYPE 1313 P Assault :					12				
05/13/05	19:20	221	295		1910 LOUISE ST 63	[redacted]	NO	200500014054	Telephone
06/22/05	13:26	212	212		1910 LOUISE ST 57		NO	200500018363	Telephone
08/05/05	21:53	224	307		1910 LOUISE ST 15		NO	200500022523	911
TOTAL INCIDENTS FOR TYPE 1602 P TerrorThrt :					3				
09/24/05	16:34	522	316		1910 LOUISE ST 44	[redacted]	YES	200500027420	Telephone
10/28/05	18:04	214	285	304	1910 LOUISE ST 24		NO	200500030642	Telephone
TOTAL INCIDENTS FOR TYPE 2200 P Burglary :					2				

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DATE	TIME	RESPONDING UNIT & OFFICERS		LOCATION	CALLER	RPT	INCIDENT #	SOURCE
07/29/05	3:09	231	302	1910 LOUISE ST	[redacted]	NO	200500021780	911
08/21/05	20:09	224	264	1910 LOUISE ST 1		YES	200500024081	911
TOTAL INCIDENTS FOR TYPE 2201 P BurgVeh :				2				
10/05/05	16:22			1910 LOUISE ST 17	[redacted]	NO	200500028791	Telephone
TOTAL INCIDENTS FOR TYPE 2300 P Theft :				1				
11/07/05	17:49	226	308	1910 LOUISE ST 39	[redacted]	NO	200500031745	Telephone
01/20/06	5:49	232	328	1910 LOUISE ST 47		YES	200600001928	911
TOTAL INCIDENTS FOR TYPE 2411 P UUMV :				2				
02/12/05	15:25	212	296	1910 LOUISE ST 10	[redacted]	NO	200500004446	911
05/07/05	12 10	212	269	1910 LOUISE ST 55		NO	200500016774	911
07/26/05	15.25	214	289	1910 LOUISE ST 45		NO	200500021543	911
TOTAL INCIDENTS FOR TYPE 911M P 911 MISDIA:				3				

TOTALS FOR TX0790300: 246

GRAND TOTAL 246

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DATE	TIME	RESPONDING UNIT & OFFICERS			LOCATION	CALLER	RPT	INCIDENT #	SOURCE
02/03/05	18:30	222	286		2901 AIRPORT AVE 1211	[redacted]	NO	200500003524	Telephone
04/05/05	23:42	235	321		2901 AIRPORT AVE	[redacted]	NO	200500009592	Telephone

TOTAL INCIDENTS FOR TYPE EMS F Assist EMS- 2

DATE	TIME	RESPONDING UNIT & OFFICERS			LOCATION	CALLER	RPT	INCIDENT #	SOURCE
01/03/05	23:45	232	311		2901 AIRPORT AVE	[redacted]	NO	200500000319	Telephone
01/11/05	15:37	213	235		2901 AIRPORT AVE 504	[redacted]	NO	200500001169	Telephone
02/15/05	1:52	232	321		2901 AIRPORT AVE 1211	[redacted]	YES	200500004677	911
03/10/05	22:25	232	316		2901 AIRPORT AVE 606	[redacted]	YES	200500007160	911
03/16/05	22:49	221	264		2901 AIRPORT AVE 1206	[redacted]	NO	200500007776	Telephone
03/31/05	15:32	212	319		2901 AIRPORT AVE 205	[redacted]	NO	200500008321	Telephone
04/24/05	21:37	228	308		2901 AIRPORT AVE 204	[redacted]	NO	200500011899	Telephone
05/16/05	19:44	222	269		2901 AIRPORT AVE 1211	[redacted]	YES	200500014421	911
05/20/05	0:19	232	305		2901 AIRPORT AVE 905	[redacted]	NO	200500014834	911
06/02/05	19:27	229	233		2901 AIRPORT AVE 1201	[redacted]	NO	200500016297	911
06/10/05	20:13	222	307		2901 AIRPORT AVE 1211	[redacted]	NO	200500017213	911
06/24/05	22:07	225	295		2901 AIRPORT AVE 802	[redacted]	NO	200500018582	911
07/04/05	11:42	214	212		2901 AIRPORT AVE	[redacted]	NO	200500019455	911
07/06/05	16:34	224	292		2901 AIRPORT AVE	[redacted]	NO	200500019646	Telephone
08/16/05	20:15	221	306		2901 AIRPORT AVE 802	[redacted]	NO	200500023563	Telephone
09/08/05	17:00	222	323		2901 AIRPORT AVE 304	[redacted]	NO	200500025607	911
09/19/05	2:09	232	283		2901 AIRPORT AVE 502	[redacted]	NO	200500026814	911
11/09/05	19:00	224	233		2901 AIRPORT AVE	[redacted]	NO	200500031976	911
11/10/05	15:32	212	316		2901 AIRPORT AVE 805	[redacted]	NO	200500032063	911
11/25/05	15:48	213	321		2901 AIRPORT AVE 605	[redacted]	YES	200500033673	Telephone
12/23/05	23:08	232	281	329	2901 AIRPORT AVE 409	[redacted]	NO	200500036186	911

TOTAL INCIDENTS FOR TYPE 1 P Disturbnce: 21

DATE	TIME	RESPONDING UNIT & OFFICERS			LOCATION	CALLER	RPT	INCIDENT #	SOURCE
01/28/05	6:03	232	254		2901 AIRPORT AVE OFFICE	[redacted]	NO	200500002896	Telephone
04/23/05	4:02	231	281		2901 AIRPORT AVE 603	[redacted]	NO	200500011736	Telephone
04/29/05	1:39	231	153		2901 AIRPORT AVE 107	[redacted]	NO	200500012294	ACT
09/25/05	20:57	223	308		2901 AIRPORT AVE 714	[redacted]	NO	200500027571	911

TOTAL INCIDENTS FOR TYPE 2 P SuspPerson: 4

DATE	TIME	RESPONDING UNIT & OFFICERS			LOCATION	CALLER	RPT	INCIDENT #	SOURCE
02/07/05	22:34	234	312		2901 AIRPORT AVE	[redacted]	NO	200500003561	911
03/27/05	21:34	222	292		2901 AIRPORT AVE 602	[redacted]	YES	200500008898	Telephone
05/29/05	23:43	220	308		2901 AIRPORT AVE	[redacted]	NO	200500015916	Telephone
07/15/05	22:46	222	285		2901 AIRPORT AVE	[redacted]	NO	200500020506	Telephone
08/21/05	0:03	231	293		2901 AIRPORT AVE	[redacted]	NO	200500024200	Self Init
10/03/05	5:33	234	293		2901 AIRPORT AVE	[redacted]	NO	200500028301	Self Init

TOTAL INCIDENTS FOR TYPE 3 P SuspVeh - 6

DATE	TIME	RESPONDING UNIT & OFFICERS			LOCATION	CALLER	RPT	INCIDENT #	SOURCE
04/29/05	20:44	221	307		2901 AIRPORT AVE 506	[redacted]	NO	200500012360	911
09/13/05	21:38	222	252		2901 AIRPORT AVE 111	[redacted]	YES	200500026304	Telephone

TOTAL INCIDENTS FOR TYPE 6 P MissPerson: 2

DATE	TIME	RESPONDING UNIT & OFFICERS			LOCATION	CALLER	RPT	INCIDENT #	SOURCE
05/22/05	0:32	229	323		2901 AIRPORT AVE 804	[redacted]	NO	200500015081	Telephone

TOTAL INCIDENTS FOR TYPE 7 P Loud Music: 1

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Rosenberg Police Department
DATE 03/10/2006
TIME 11:46:02

AEGIS PUBLIC SAFETY SYSTEM
INCIDENT ANALYSIS REPORT - SUMMARY

DATE	TIME	RESPONDING UNIT & OFFICERS			LOCATION	CALLER	RPT	INCIDENT #	SOURCE
07/29/05	19 31	221	327	286	2901 AIRPORT AVE 616	[redacted]	NO	200500021859	Telephone
TOTAL INCIDENTS FOR TYPE			CT P CrtsyTrans :		1				
05/05/05	10:34	407	235		2901 AIRPORT AVE 416	[redacted]	NO	200500013061	Self Init
05/11/05	8:59	212	266	172	2901 AIRPORT AVE 507		NO	200500013741	Telephone
11/10/05	15:59	212	316		2901 AIRPORT AVE		NO	200500032084	Self Init
TOTAL INCIDENTS FOR TYPE			FU P Follow-up :		3				
07/11/05	21:22	229	308		2901 AIRPORT AVE	[redacted]	NO	200500020121	Telephone
12/24/05	1:52	239	305		2901 AIRPORT AVE		YES	200500036201	Telephone
TOTAL INCIDENTS FOR TYPE			NC P NOISE COMP:		2				
02/03/05	14:32	214	282		2901 AIRPORT AVE	[redacted]	NO	200500003456	Self Init
08/27/05	10:18	229	172		2901 AIRPORT AVE		NO	200500024677	Self Init
10/18/05	20:08	223	266		2901 AIRPORT AVE		NO	200500029765	Self Init
12/16/05	2:37	232	327		2901 AIRPORT AVE		NO	200500035481	Self Init
12/22/05	0:37	239	305		2901 AIRPORT AVE		NO	200500036002	Self Init
12/22/05	1:34	508	327		2901 AIRPORT AVE		NO	200500036010	Self Init
TOTAL INCIDENTS FOR TYPE			TS P Traf Stop :		6				
03/28/05	13:16	5F2			2901 AIRPORT AVE 204	[redacted]	NO	200500008964	Self Init
03/25/05	10 09	214	212		2901 AIRPORT AVE 204		NO	200500009076	Self Init
05/17/05	18 44	511	231		2901 AIRPORT AVE 710		NO	200500014522	Self Init
06/08/05	10:03	538	281	316	2901 AIRPORT AVE 1101		NO	200500016886	Self Init
06/08/05	10:50	511	231	319	2901 AIRPORT AVE		NO	200500016907	Self Init
12/13/05	12:52	5F2			2901 AIRPORT AVE 605		NO	200500035260	Self Init
TOTAL INCIDENTS FOR TYPE			WX P WX Service:		6				
08/17/05	21:03	211	254		2901 AIRPORT AVE 603	[redacted]	NO	200500023627	Telephone
TOTAL INCIDENTS FOR TYPE			13 P FERA :		1				
04/15/05	22:06	222	313		2901 AIRPORT AVE	[redacted]	YES	200500010996	ACT
09/23/05	16:31	212	235		2901 AIRPORT AVE 1211		NO	200500027293	911
TOTAL INCIDENTS FOR TYPE			21 P PI Subj :		2				
12/22/05	21:37	224	328		2901 AIRPORT AVE 507	[redacted]	NO	200500036087	Telephone
TOTAL INCIDENTS FOR TYPE			33 P Harassment :		1				
01/18/05	21:52	223	282		2901 AIRPORT AVE 914	[redacted]	NO	200500001831	Telephone
03/19/05	11:22	211	265		2901 AIRPORT AVE 408		NO	200500008016	Telephone
03/24/05	20:44	221	285		2901 AIRPORT AVE 1205		NO	200500008620	Telephone
04/29/05	23:10	228	323		2901 AIRPORT AVE 107		YES	200500012394	Telephone
06/01/05	12:17	212	254		2901 AIRPORT AVE 403		NO	200500016156	911
08/17/05	15 31	222	264		2901 AIRPORT AVE 203		NO	200500023662	Telephone
08/30/05	0:09	232	319		2901 AIRPORT AVE 107		NO	200500024904	Telephone

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Rosenberg Police Department
DATE 03/10/2006
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AEGIS PUBLIC SAFETY SYSTEM
INCIDENT ANALYSIS REPORT - SUMMARY

DATE	TIME	RESPONDING UNIT & OFFICERS			LOCATION	CALLER	RPT	INCIDENT #	SOURCE
TOTAL INCIDENTS FOR TYPE		49 P CricMischf: 7							
05/01/05	20:15	224	264		2901 AIRPORT AVE 605	[redacted]	NO	200500012623	Telephone
05/08/05	12:34	211			2901 AIRPORT AVE 906		NO	200500013419	911
TOTAL INCIDENTS FOR TYPE		61 P Trespass : 2							
12/23/05	1:53	232	281	329	2901 AIRPORT AVE 1103	[redacted]	NO	200500036104	Telephone
TOTAL INCIDENTS FOR TYPE		78 P FoundProp : 1							
01/05/05	13:08	212	254		2901 AIRPORT AVE 1231	[redacted]	NO	200500000457	911
01/25/05	22:51	232	321	274	2901 AIRPORT AVE		NO	200500002720	Self Init
03/01/05	2:00	232	293		2901 AIRPORT AVE 1101		NO	200500006096	Telephone
04/16/05	22:39	239	305		2901 AIRPORT AVE 714		NO	200500011105	Telephone
06/04/05	20:03	222	233		2901 AIRPORT AVE 611		YES	200500016523	Telephone
06/10/05	22:15	222	307		2901 AIRPORT AVE 715		NO	200500017230	Telephone
TOTAL INCIDENTS FOR TYPE		97 P WelfareCk : 6							
07/27/05	8:26	401	193		2901 AIRPORT AVE 802	[redacted]	YES	200500021599	Telephone
08/04/05	8:31	401	193		2901 AIRPORT AVE 402		YES	200500022369	Telephone
08/10/05	15:43	401	193		2901 AIRPORT AVE 801		YES	200500022961	Telephone
08/22/05	9:24	512	282		2901 AIRPORT AVE 204		YES	200500024121	Self Init
TOTAL INCIDENTS FOR TYPE		CPS P CPS REF - 4							
03/30/05	7:47	212	252		2901 AIRPORT AVE 803	[redacted]	NO	200500009156	Telephone
TOTAL INCIDENTS FOR TYPE		JUV P JUV CURFEW: 1							
01/01/05	15:03	212	282		2901 AIRPORT AVE 1006	[redacted]	NO	200500000082	Telephone
06/13/05	15:02	218	204		2901 AIRPORT AVE 207		NO	200500017494	Telephone
08/14/05	21:20	222	264		2901 AIRPORT AVE		NO	200500023423	Telephone
09/27/05	22:59	231	319		2901 AIRPORT AVE 207		YES	200500027773	Telephone
12/01/05	2:52	232	319		2901 AIRPORT AVE		NO	200500034131	Telephone
TOTAL INCIDENTS FOR TYPE		100 P NarcComplt: 5							
03/18/05	21:55	222	233		2901 AIRPORT AVE	[redacted]	NO	200500007974	Telephone
TOTAL INCIDENTS FOR TYPE		105 P Traffic : 1							
07/24/05	19:03	229	274		2901 AIRPORT AVE	[redacted]	YES	200500021380	Front Desk
TOTAL INCIDENTS FOR TYPE		106 P DWI Driver: 1							
04/28/05	11:26	218	266		2901 AIRPORT AVE 202	[redacted]	NO	200500012220	Telephone
TOTAL INCIDENTS FOR TYPE		107 P DelMessage: 1							
03/10/05	12:16	212	265		2901 AIRPORT AVE 205	[redacted]	NO	200500007116	Telephone

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Rosenberg Police Department
DATE 03/10/2006
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AEGIS PUBLIC SAFETY SYSTEM
INCIDENT ANALYSIS REPORT - SUMMARY

DATE	TIME	RESPONDING UNIT & OFFICERS			LOCATION	CALLER	RPT	INCIDENT #	SOURCE
05/08/05	10:53	212	254		2901 AIRPORT AVE	[redacted]	NO	200500013411	
10/31/05	18:44	222	308		2901 AIRPORT AVE 202		NO	200500030983	911
TOTAL INCIDENTS FOR TYPE 106 P CivilMattr:					3				
08/03/05	14:06	211	254		2901 AIRPORT AVE 1101	[redacted]	NO	200500022301	Telephone
TOTAL INCIDENTS FOR TYPE 109 P ProbNeighb:					1				
12/11/05	16:27				2901 AIRPORT AVE 114	[redacted]	NO	200500035089	Telephone
TOTAL INCIDENTS FOR TYPE 112 P LostPropty:					1				
09/23/05	21:17	501	313	312	2901 AIRPORT AVE 1211	[redacted]	NO	200500027358	911
TOTAL INCIDENTS FOR TYPE 351 P SuicidalPr:					1				
02/19/05	17:15	229	313		2901 AIRPORT AVE 108	[redacted]	NO	200500005160	911
05/27/05	12:56	218	298		2901 AIRPORT AVE 605		NO	200500015625	911
06/10/05	13:23	211	285		2901 AIRPORT AVE 504		NO	200500017177	911
07/17/05	0:57	239	324		2901 AIRPORT AVE		NO	200500020630	911
08/12/05	6:46	239	153		2901 AIRPORT AVE 603		NO	200500023118	911
12/29/05	18:39	224	308		2901 AIRPORT AVE 1108		YES	200500036612	911
TOTAL INCIDENTS FOR TYPE 911 P 911 Hangup:					6				
03/03/05	18:09	298	306		2901 AIRPORT AVE 601	[redacted]	NO	200500006374	Telephone
04/25/05	20:23	228	308		2901 AIRPORT AVE 507		NO	200500011951	Telephone
05/07/05	12:21	213	282		2901 AIRPORT AVE 108		NO	200500013330	
08/15/05	21:25	222	292		2901 AIRPORT AVE 715		NO	200500023510	Telephone
TOTAL INCIDENTS FOR TYPE 950 P AnimalCall:					4				
02/01/05	20:23	224	233		2901 AIRPORT AVE	[redacted]	NO	200500003341	ACT
04/27/05	23:28	224	152		2901 AIRPORT AVE 701		NO	200500012161	911
TOTAL INCIDENTS FOR TYPE 953 P LooseAniml:					2				
09/23/05	13:44				2901 AIRPORT AVE	[redacted]	NO	200500027277	Telephone
TOTAL INCIDENTS FOR TYPE CITY P CityDept :					1				
01/06/05	19:08	221	307		2901 AIRPORT AVE 304	[redacted]	NO	200500000594	Front Desk
02/03/05	17:51	224	307		2901 AIRPORT AVE 1211		NO	200500003520	Telephone
03/30/05	0:25	232	321		2901 AIRPORT AVE 605		NO	200500009144	Telephone
03/31/05	16:43	221	323		2901 AIRPORT AVE 514		NO	200500009342	Telephone
05/05/05	19:05	222	323		2901 AIRPORT AVE 1211		NO	200500013116	Telephone
TOTAL INCIDENTS FOR TYPE INFO P Informatin:					5				
03/09/05	4:11				2901 AIRPORT AVE 207	[redacted]	NO	200500006943	Front Desk
03/17/05	3:52				2901 AIRPORT AVE 1211		NO	200500007799	Telephone
05/05/05	10:45				2901 AIRPORT AVE 704		NO	200500013060	Front Desk

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Rosenberg Police Department
DATE 03/10/2006
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A E G I S P U B L I C S A F E T Y S Y S T E M
INCIDENT ANALYSIS REPORT - SUMMARY

DATE	TIME	RESPONDING UNIT	OFFICERS		LOCATION	CALLER	RPT	INCIDENT #	SOURCE
07/18/05	3.56				2901 AIRPORT AVE	[redacted]	NO	200500020736	Telephone
12/23/05	3:37				2901 AIRPORT AVE 610		NO	200500036107	Front Desk

TOTAL INCIDENTS FOR TYPE REPO P Repo : 5

DATE	TIME	RESPONDING UNIT	OFFICERS		LOCATION	CALLER	RPT	INCIDENT #	SOURCE
10/05/05	19:05	220	256		2901 AIRPORT AVE	[redacted]	NO	200500028543	Self Init
12/11/05	1:31	232	327		2901 AIRPORT AVE		NO	200500035046	Self Init

TOTAL INCIDENTS FOR TYPE SUBJ P SubjStop : 2

DATE	TIME	RESPONDING UNIT	OFFICERS		LOCATION	CALLER	RPT	INCIDENT #	SOURCE
03/23/05	20:27	222	307		2501 AIRPORT AVE	[redacted]	NO	200500008503	Front Desk
04/18/05	17:03	222	306	264	2501 AIRPORT AVE 803		NO	200500011257	Telephone
05/05/05	21 11	229	285		2501 AIRPORT AVE 1211		NO	200500013128	911
06/12/05	20:24	222	274		2501 AIRPORT AVE 204		YES	200500017433	Telephone
06/13/05	11.59	214	212		2501 AIRPORT AVE 803		NO	200500017476	Telephone
06/29/05	22:52	234	281		2501 AIRPORT AVE 702		YES	200500019046	Telephone
07/12/05	19.15	224	265		2501 AIRPORT AVE 301		YES	200500020214	911
08/15/05	14:02	216	254		2501 AIRPORT AVE		NO	200500023474	Telephone

TOTAL INCIDENTS FOR TYPE 1313 P Assault : 8

DATE	TIME	RESPONDING UNIT	OFFICERS		LOCATION	CALLER	RPT	INCIDENT #	SOURCE
03/26/05	21 37	229	233		2501 AIRPORT AVE 601	[redacted]	YES	200500006841	911
10/22/05	0:39	231	281	326	2501 AIRPORT AVE		YES	200500030061	911

TOTAL INCIDENTS FOR TYPE 2200 P Burglary : 2

DATE	TIME	RESPONDING UNIT	OFFICERS		LOCATION	CALLER	RPT	INCIDENT #	SOURCE
02/28/05	0:51	232	321		2901 AIRPORT AVE 409	[redacted]	NO	200500005961	Telephone
05/11/05	6:03	232	283		2901 AIRPORT AVE 807		NO	200500013721	911
07/13/05	8:29	212	266		2901 AIRPORT AVE 1107		NO	200500020250	Telephone

TOTAL INCIDENTS FOR TYPE 2201 P BurgVeh : 3

DATE	TIME	RESPONDING UNIT	OFFICERS		LOCATION	CALLER	RPT	INCIDENT #	SOURCE
03/09/05	13:29	212	313		2901 AIRPORT AVE	[redacted]	NO	200500007006	Front Desk
07/02/05	11:04	214	293		2901 AIRPORT AVE 912		NO	200500019262	Front Desk
09/09/05	13 35	211	298		2901 AIRPORT AVE 303		YES	200500025802	911
09/10/05	6:13	232	324		2901 AIRPORT AVE 1108		YES	200500025966	Telephone

TOTAL INCIDENTS FOR TYPE 2300 P Theft : 4

DATE	TIME	RESPONDING UNIT	OFFICERS		LOCATION	CALLER	RPT	INCIDENT #	SOURCE
11/19/05	20:45	221	333		2901 AIRPORT AVE 108	[redacted]	NO	200500033054	911

TOTAL INCIDENTS FOR TYPE 911M P 911 MISDIA: 1

TOTALS FOR TX0790300: 136

GRAND TOTAL: 136

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ORDINANCE NO. 2006-09

AN ORDINANCE AMENDING THE CODE OF ORDINANCES OF THE CITY OF ROSENBERG, TEXAS, BY DELETING ALL OF ARTICLE VIII FROM CHAPTER 6 THEREOF, AND SUBSTITUTING THEREFOR A NEW ARTICLE VIII, ENTITLED "MULTI-FAMILY DEVELOPMENTS"; ESTABLISHING RULES AND REGULATIONS GOVERNING CONSTRUCTION, DEVELOPMENT, AND OCCUPANCY OF MULTI-FAMILY DWELLING BUILDINGS; PROVIDING A PENALTY IN AN AMOUNT NOT TO EXCEED $2,000 FOR VIOLATION OF ANY PROVISION HEREOF; AND PROVIDING FOR SEVERABILITY.

* * * * *

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF ROSENBERG:

Section 1. The Code of Ordinances of the City of Rosenberg, Texas, is hereby amended by deleting all of Article VIII from Chapter 6 thereof, and substituting therefor a new Article VIII, entitled "Multi-Family Developments," to provide as follows:

"ARTICLE VIII. MULTI-FAMILY DEVELOPMENTS

The provisions of this Article shall apply to the development, construction, and occupancy of a multi-family development. 'Multi-family' shall mean all structures designed to contain three (3) or more complete separate living facilities for single family occupancy.

Sec. 6-251. Density and size, access and separation between multi-family dwelling buildings.

(a) Each multi-family dwelling building shall be limited to not more than seven thousand (7,000) square feet per floor. Multi-family dwelling buildings shall be limited to three (3) floors, and shall not exceed forty-five feet (45') in height above finished grade. Each building shall be separate and separated by distances as stated in subsection (c) of this section.

(b) Access must be provided around the entire perimeter of all multi-family development for emergency vehicles, including fire trucks, police cars, ambulances and garbage trucks. This access area must be paved and have a width of at least sixteen feet (16'). Multi-family developments with less than ten (10) multi-family dwelling units are exempt from this requirement. Multi-family developments may not be developed in stages or phases to circumvent this requirement.

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(c) Each building within a multi-family dwelling development shall be separated from other buildings by not less than thirty feet (30'). Enclosed courtyards shall not be less than forty feet (40') in depth, width, or length.

(d) Building lines.

The following minimum building lines shall be required for lots or tracts containing multi-family dwelling buildings, measured from the applicable property line; provided, however, if the lot is encumbered with a street right-of-way, such building line shall be measured from the boundary line of such street right-of-way:

(1) *Front yard.* The front yard building line shall not be less than twenty-five feet (25')

(2) *Side yard, interior.* The interior side yard building line shall be not less than twenty feet (20'), except that where an interior side lot line is adjacent to property restricted by a duly recorded subdivision plat to, or primarily used for, single family residential purposes, such interior side building line shall be not less than (a) twenty feet (20') if a one-story multi-family dwelling building (not to exceed fifteen feet [15'] in height) is to be constructed; or (b) thirty feet (30') if a two-story multi-family dwelling building (not to exceed thirty feet [30'] in height) is to be constructed; or (c) forty feet (40') if a three-story multi-family dwelling building (not to exceed forty-five feet [45'] in height) is to be constructed.

(3) *Side yard, street.* The side building line adjacent to a street shall be not less than twenty feet (20'), except that where the side yard is adjacent to a collector street or major thoroughfare such building line shall be not less than twenty-five feet (25').

(4) *Rear yard; interior; alleyways.* The rear building line shall be not less than twenty feet (20'), except that where a rear lot line is adjacent to property restricted by a duly recorded subdivision plat to, or primarily used for, single family residential purposes, such rear building line shall be not less than (a) twenty feet (20') if a one-story multi-family dwelling building (not to exceed fifteen feet [15'] in height) is to be constructed; or (b) thirty feet (30') if a two-story multi-family dwelling building (not to exceed thirty feet [30] in height) is to be constructed; or (c) forty feet (40') if a three-story multi-family dwelling building (not to exceed forty-five feet [45'] in height) is to be constructed. Provided, however, where the rear property line abuts an alleyway, there shall be a minimum of thirty feet (30') between the buildings abutting said alleyway.

(5) *Rear yard, major street.* A rear building line adjacent to a collector street or a major thoroughfare shall be not less than twenty-five feet (25').

(e) No multi-family dwelling development shall contain more than twenty-one (21) units per net platted acre. The net platted acreage shall be the total platted acreage of the development, less any acreage occupied by lakes or ponds, irrigation canals or drainage canals. For a development with one story multi-family dwelling buildings the density shall not exceed seven (7) dwelling units per net platted acre. For a development with two story or a combination of one and two story multi-family dwelling buildings the density shall not exceed fifteen (15) dwelling units per net platted acre. For a development with three story or a combination of one, two, and three story multi-family dwelling buildings the density shall not exceed twenty-one (21) dwelling units per net platted acre. At no time shall any acre contain more than twenty-one (21) dwelling units.

(f) The total number of units within a multi-family development shall not exceed two hundred and fifty (250). Multi-family developments may not be developed in stages or phases to circumvent this requirement.

Sec. 6-252. Screening.

The following screening requirements shall apply to multi-family dwelling developments:

(a) All refuse containers shall be screened;

(b) An eight-foot tall decorative masonry wall shall be constructed on the sides and rear of any multi-family dwelling development; and

(c) All walls shall be constructed of a solid masonry material of brick, decorative block or similar material. Similar material shall not include smooth face concrete masonry blocks or units. Masonry walls shall be erected on a concrete foundation of adequate strength and shall be not less than four inches (4") wider than the wall to be erected.

Sec. 6-253. Minimum off-street parking requirements.

(a) The minimum requirement for off-street parking for multi-family dwelling developments are set forth in Section 6-418.

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(b) A parking space shall be constructed of concrete cement and be at least nine feet by twenty feet (9' x 20'). No on-street parking shall be permitted. All parking areas shall be separated from walkways, sidewalks, streets, or alleys by a wall, fence, curbing, or other protection device. Parking will be so arranged as to prevent backing out onto any public street.

Sec. 6-254. Special protective requirements.

(a) All multi-family dwelling buildings shall be constructed using one-hour fire-resistive materials in all walls, floors, ceilings, and attic separations, and shall contain a fire sprinkler system on all floors.

(b) The use of wood shingle roofing and cedar shake siding materials is prohibited.

Sec. 6-255. Open green space requirements.

A minimum of twenty percent (20%) of the net platted area shall be open green space. 'Open green space' is defined as, and limited to, common areas of open green space with landscaping or open community recreational areas. Open green space does not include any areas specifically designated or used as building sites for multi-family units, buildings sites for utility or storage buildings, parking lots, garages, streets, or driveways within a multi-family development. The actual surface areas of open green space, such as common area lawns and landscaping, and community recreational areas, such as playgrounds, community swimming pools and surrounding paved deck area, community tennis courts, and other open common recreation areas, shall be considered in calculating the minimum requirement for open green space. Recreational facilities located within enclosed buildings shall not be considered open green space. Park land provided to satisfy the requirements set forth in Chapter 25, Subdivisions, Article IV, Park Land Public Sites and Open Spaces, may be included in satisfaction of the minimum required area of open green space required by this section.

Sec. 6-256. Penalty.

Any person who shall violate any provision of this Article shall be deemed guilty of a misdemeanor and, upon conviction, shall be subject to the penalty provided in Section 1-13 of this Code."

<u>Section 2</u>. Any person who shall intentionally, knowingly, recklessly, or with criminal negligence, violate any provision of this Ordinance shall be deemed guilty of a misdemeanor and, upon conviction, shall be fined in an amount not to exceed $2,000. Each day of violation shall constitute a separate offense.

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Section 3. In the event any clause, phrase, provision, sentence, or part of this Ordinance or the application of the same to any person or circumstance shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Ordinance as a whole or any part or provision hereof other than the part declared to be invalid or unconstitutional; and the City Council of the City of Rosenberg, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, whether there be one or more parts.

PASSED AND APPROVED by a vote of 6 "ayes" in favor and 0 "noes" against on this first and final reading in full compliance with the provisions of Section 3.10 of the Charter of the City of Rosenberg on the 16th day of May 2006.

CITY OF ROSENBERG • ROSENBERG, TEXAS

ATTEST:

Linda Cernosek

Linda Cernosek, **City Secretary**

APPROVED:

James C. Hopkins

James C. Hopkins, **Mayor Pro Tem**

APPROVED AS TO FORM:

William A. Olson, Jr. /lc

William A. Olson, Jr.
CITY ATTORNEY

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FASTSIGNS. Invoice

Page: 1

Invoice: T 15002

19.1

Fastsigns 11302
13444 Southwest Freeway, SUITE 3
Sugar Land, TX 77478
ph. 281-491-7446
fax. 281-491-7639

Customer: Commercial Investment Services
Contact: Janice Degollado
Description: Wood signs and installation
Sales Person: Jenifer Castro
Clerk: Jenifer Castro

Customer: 5520

ph: (210) 493-0550
fax: (210) - 493-7573
email: janiced@galaxybuilders.com

	Product	Color	Qty	Sides	Size	Unit Cost	Install	Item Total
1	1/2" MDO	Black on WHITE	1	1	48x96	449.320	0.00	449.32

Description: 1/2" Medium Density Overlay Plywood
Text: NOTICE TO PUBLIC
(5 inch lettering above)

PROPOSED MULTIFAMILY RESIDENTIAL RENTAL COMMUNITY
(4 inch lettering above)

(2 inch lettering below)
R.T. Louise-Airport, Ltd. has made application to the Texas Department of Housing and Community Affairs for Housing Tax Credits for the development of a proposed multifamily residential community Providence Estates Apartments to be located on the SEC of Louise & Airport, Rosenberg, Fort Bend County, Texas, 77471. This development community will be comprised of 208 units on 15 acres.

For more information on this project, please contact Manish Verma with GMAT Development-Providence, Ltd. via postal service at 45 NE Loop 410, Ste. 280, San Antonio, Texas, 78216, or by telephone 210-240-8376.

For information on the program contact the Texas Department of Housing and Community Affairs, 221 East 11th Street, Texas 78701 or by telephone at 210-475-3340 or view our website at www.tdhca.state.tx.us.

Note

	Product	Color	Qty	Sides	Size	Unit Cost	Install	Item Total
2	INSTALLATION		1	1	1x1	0.000	150.00	150.00

Description: Installation of Signage
Text: Installation with painted posts
and a picture taken after installation

*** Must be installed by March 1st

Payments Received (thank you)

Date	Amount	Payment Method	
2/16/2006	636.39	Amexpess	Number: 3715487167
Total Payments:	636.39		

Payment due upon completion of order.

ATTN: Janice Degollado
Commercial Investment Services
4729 College Park
San Antonio, TX 78249

Received/Accepted By: / /

For A Quality Sign That's Right. On Time.

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Volume 4, Tab 14
Part A Proximity of Site to Amenities

Applicants may qualify for up to 4 points for qualifying under this exhibit. Select the appropriate box for points applied for:

(Select All That Apply)

Proximity of site to amenities. Developments located on sites within a one mile radius (two-mile radius for Developments competing for a Rural Regional Allocation) of at least three services appropriate to the target population will receive four points. Only one service of each type listed below will count towards the points. A map must be included identifying the development site and the location of the services, as well as written directions from the site to each service. The services must be identified by name on the map and in the written directions. If the services are not identified by name, points will not be awarded. All services must exist or, if under construction, must be at least 50% complete by the date the Application is submitted (4 points).

☐ A site located within one-quarter mile of public transportation that is accessible to persons with disabilities or located within a community that has "on demand" transportation that is special transit service, or specialized elderly transportation for Qualified Elderly Developments, will receive full points regardless of the proximity to amenities, as long as the Applicant provides appropriate evidence of the transportation services used to satisfy this requirement. If a Development is providing its own specialized van or on demand service, then this will be a requirement of the LURA (4 points),

OR

☒ Only one service of each type listed below will count towards the points. A map must be included identifying the development site and the location of the services. The services must be identified by name on the map. If the services are not identified by name, points will not be awarded. All services must exist or, if under construction, must be at least 50% complete by the date the Application is submitted. (4 points).

- ☐ Full service grocery store or supermarket
- ☒ Pharmacy
- ☐ Convenience Store/Mini-market
- ☐ Department or Retail Merchandise Store
- ☒ Bank/Credit Union
- ☒ Restaurant (including fast food)
- ☐ Indoor public recreation facilities, such as civic centers, community centers, and libraries
- ☒ Outdoor public recreation facilities such as parks, golf courses, and swimming pools
- ☐ Hospital/medical clinic
- ☐ Doctor's offices (medical, dentistry, optometry)
- ☒ Public Schools (only eligible for Developments that are not Qualified Elderly Developments)
- ☐ Senior Center (only eligible for Qualified Elderly Developments)

By: ____________________ Its: Authorized Representative

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Rosenberg Driving Directions

1. Church's Chicken: From site location, marked "X", drive East on Airport Avenue approximately 1.19 miles. Turn left on Jones St., traveling north ? approximately 0.89 miles. Turn right, (ENE) on Junker St, traveling 0.74 miles to Avenue N. Turn right (SE), 0.23 miles, continue straight to arrive at Church's Chicken.

2. Security Finance: Start out going west on Dale Lane ? toward Alamo St., 1.57 miles. Turn left onto Alamo St., 1.32 miles, turn right (W) onto Mons Ave., 1.13 miles. Turn right onto SR 36 (1st St.), 1.15 miles, continue straight to arrive at Security Finance.

3. Lifechek Drugs: Start out going west on Airport Ave. approximately 1.34 miles. Turn right onto Louise St., 1.32 miles, turn left (W) onto Avenue N., 0.66 miles. ? Turn left onto 8th St., 0.20 miles, turn left (W) onto Avenue L., 0.07 miles, continue straight to arrive at Lifechek Drugs.

East

4. George High School ; Start out going west East on Airport Ave. approximately 0.26 miles. Turn left (S) onto Alamo ~~St., 0.11 miles, continue straight to~~ arrive at George Jr. High School.

East

5. Natatorium-Swimming Pool: Depart Airport Avenue driving west East approximately 0.09 miles, continue straight to arrive at Natatorium-Swimming Pool.

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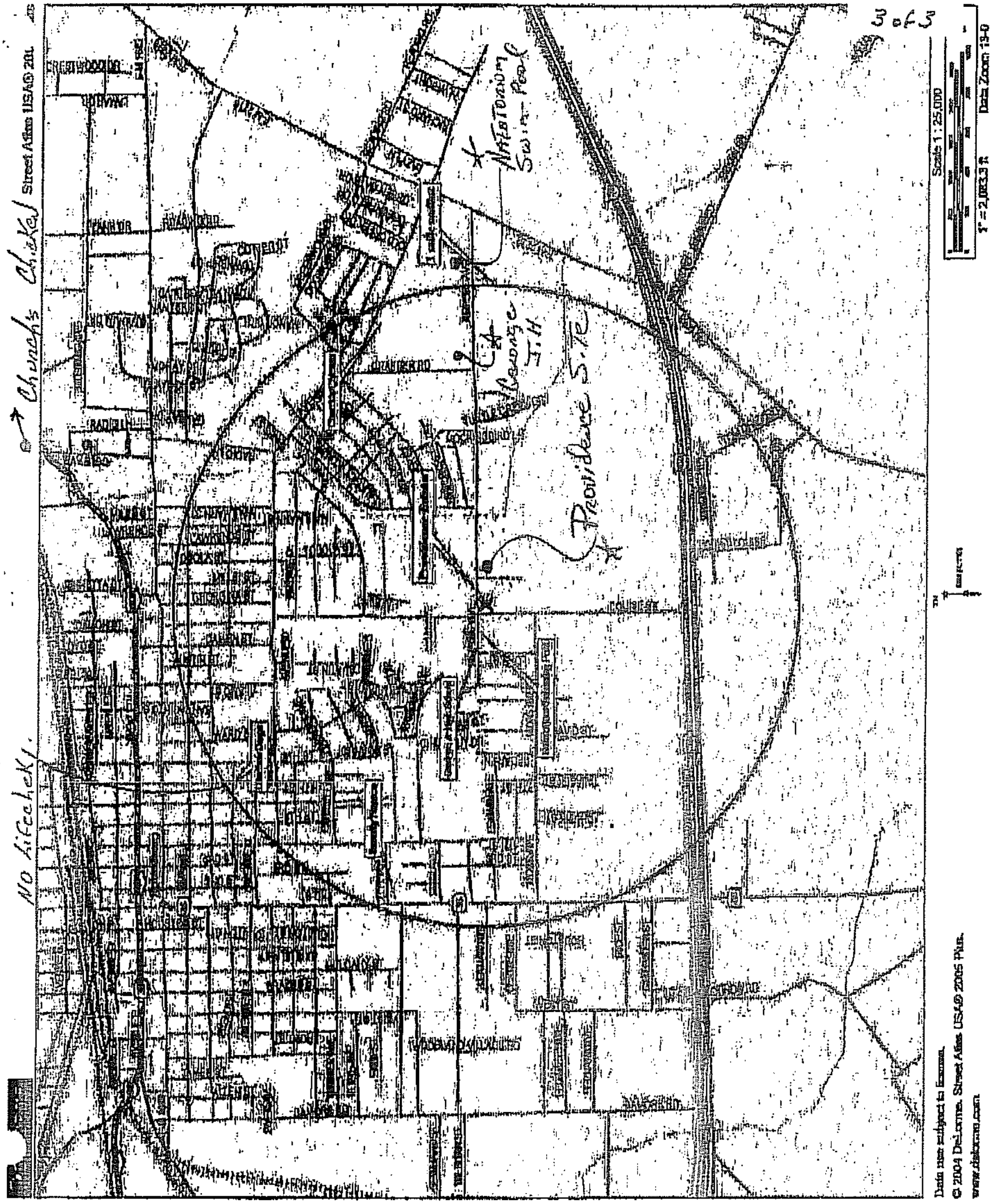
Churches Checked
No lifecheck
Natatorium Swim Pool
Lounge J.H.
Providence Site
Street Atlas USA® 2004
Scale 1:25,000
1" = 2,083.3 ft
Data Zoom 13-0
Data use subject to license.
© 2004 DeLorme. Street Atlas USA® 2005 Plus.
www.delorme.com

Law Offices of
SCHWARTZ & KALINOWSKI, L.L.P.
1821 Mons Avenue
Rosenberg, Texas 77471
Phone (281) 342-2806
Fax (281) 342-2807

Don T. Schwartz, P.C.
Neal Kalinowski

DATE: ______

TO: Audrey MARTIN FAX: 1-512 475 1895

FROM: Don T. Schwartz

NUMBER OF PAGES: 69, INCLUDING COVER PAGE.

RE: Opposition to Providence Estate 060219

NOTICE OF CONFIDENTIALITY

All information contained in and transmitted with this facsimile is either directly or indirectly attorney work product and as such it is subject to the attorney-client privilege and is strictly confidential.

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IF YOU DO NOT RECEIVE ALL PAGES, PLEASE CALL US AS SOON AS POSSIBLE. THANK YOU

Challenge(s) Received

#-060200
06220

RESOLUTION NO. 816-06

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WHITE SETTLEMENT, TEXAS, CALLING UPON THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS TO REJECT THE GRANT APPLICATION FOR PROJECT #060220 SEEKING HOUSING TAX CREDITS FOR CONSTRUCTION OF A LOW INCOME MULTI-FAMILY APARTMENT COMPLEX IN WHITE SETTLEMENT, TEXAS

WHEREAS, the City of White Settlement consists of an area of less than 5.5 square miles, and within that area currently exist nineteen (19) high density multi-family apartment complexes; and

WHEREAS, eleven (11) of those existing complexes consisting of one thousand and sixty (1,060) units provide Section 8, or the Housing Choice Voucher Program, a Federal housing program which provides housing assistance to low-income renters and homeowners, and

WHEREAS, a similar project, being Oak Timbers II at 8301 Tumbleweed Trail was awarded tax credits within the last three (3) years, and is less than one mile ($8/10^{th}$) from this proposed project; and

WHEREAS, within the City of White Settlement there exists an abundance of affordable single family units, also providing Section 8 housing assistance to low-income renters and homeowners, and

WHEREAS ALSO, an extremely large concentration of high-density multi-family apartment complexes exists immediately South of our City Limits in the City of Fort Worth, Texas and provides more than two thousand (2000) low-income rental units;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WHITE SETTLEMENT, TEXAS, THAT:

The City of White Settlement adamantly opposes the granting of Housing Tax Credits for Project #060220 and the construction of additional high-density low-income housing projects within its Corporate City Limits.

We hereby urge the Governing Body of the Texas Department of Housing and Community Affairs to reject this grant application in its entirety.

PASSED AND APPROVED THIS THE 28th **DAY OF** February **2006.**

Approved:

James O. Ouzts

Mayor, James O. Ouzts

ATTEST:

Deana McMullen

Deana McMullen, City Secretary

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

July 12, 2006

Action Item

Discussion and Possible Approval of the Issuance of a Commitment for an Allocation of 2007 Housing Tax Credits from the 2007 Housing Credit Ceiling to Fairway Crossing, #060002.

Required Action

Discuss and Possibly Approve the Issuance of a Commitment for an Allocation of 2007 Housing Tax Credits from the 2007 Housing Credit Ceiling to Fairway Crossing, TDHCA #060002.

Background

As permitted under §50.10(c) of the 2006 Qualified Allocation Plan and Rules (the QAP), "The Board may determine to issue commitments of tax credit authority with respect to Developments from the State Housing Credit Ceiling for the calendar year following the year of issuance (each a "forward commitment")."

Fairway Crossing, TDHCA #060002, was awarded $1,200,000 in tax credits in 2005 as a 2006 Forward Commitment. In order to ensure that the applicant has the opportunity to meet the conditions outlined in the Commitment Notice and Underwriting Report (attached), staff is recommending that the Board reallocate the commitment of credits from the 2006 credit ceiling to the 2007 credit ceiling.

The following issues should be noted:

1. As described in §50.10(c)(1) of the QAP: "Applications that are submitted under the 2006 QAP and granted a Forward Commitment of 2007 Housing Tax Credits are considered by the Board to comply with the 2007 QAP by having satisfied the requirements of this 2006 QAP, except for statutorily required QAP changes."
2. As described in §50.10(c)(2) of the QAP: "Unless otherwise provided in the Commitment Notice with respect to a Development selected to receive a forward commitment, actions which are required to be performed under this chapter by a particular date within a calendar year shall be performed by such date in the calendar year of the Credit Ceiling from which the credits are allocated."
3. The credit amount awarded, $1,200,000, will be attributed to the Urban/Exurban allocation of Region Three out of the 2007 Ceiling to ensure adherence to the Regional Allocation Formula in 2007.

4. The $1,200,000 in tax credits awarded will be returned to the Region 3, Urban/ Exurban allocation for the July 26 Board meeting for which 2006 credit ceiling will be allocated.
5. The application will be reviewed in 2007 to ensure that they do not have material non-compliance consistent with §50.5(b)(2) and (3) of the QAP.

Applicant:	Fairway Townhouses Housing, L.P.
Site Location:	7229 Ferguson Road
City/County:	Dallas/ Dallas County
Regional Allocation Category:	Urban/Exurban
Set-Aside:	None
Population Served:	Family
Region:	3
Type of Development:	Rehabilitation
Units:	310
Credits Requested:	$1,200,000

Staff Recommendation: Approve Issuance of a 2007 Commitment in the amount of $1,200,000 to Fairway Crossing, #060002.

RECEIVED
SEP 2 2 2005
LIHTC

TEXAS
DEPARTMENT OF HOUSING
AND COMMUNITY AFFAIRS

WWW.TDHCA.STATE.TX.US

2006 HOUSING TAX CREDIT COMMITMENT NOTICE (FORWARD COMMITMENT)

Issued to the Development Owner: Fairway Townhomes Housing, LP

Contact Person: Len Vilicic

Contact Address: 5910 N. Central Expwy, Suite 1145
Dallas, TX 75206

Contact Phone/Fax: (214) 891-1402 / (214) 987-4032

Development Name and TDHCA #: **Fairway Crossing, TDHCA#05171**

Development Address: 7229 Ferguson Rd.
Dallas, TX 75228
Located in Dallas County in Region 3

Set Asides: ☐ At-Risk ☐ Non-Profit

Allocation Category: Urban/Exurban ☐ USDA Allocation

Annual Housing Credit Allocation Commitment Amount: **$1,200,000**

Issuance Date of Commitment Notice: September 12, 2005

Effective Date of Commitment Notice: July 27, 2005

Expiration Date of Commitment Notice: **September 23, 2005**

Pursuant to Internal Revenue Code §42 (the "Code"), the Texas Department of Housing and Community Affairs (the "Department") has approved the application for an allocation of housing tax credits from the 2006 credit ceiling from the Development Owner named above for the housing development described above ("Development"). This Commitment Notice confirms the Department's commitment to make an allocation of tax credits to the proposed Development in the Housing Credit Allocation Commitment Amount set forth above. This Commitment Notice does not constitute an allocation of housing tax credits. The allocation will be made only through the Department's execution and delivery of Internal Revenue Service Forms 8609.

This Commitment is subject to the Development Owner's full compliance with the Department's 2005 Housing Tax Credit Program Qualified Allocation Plan and Rules, Chapter 49 of Title 10 of the Texas Administrative Code, (the "Rules"); is considered to have satisfied the requirements of the 2006 Housing Tax Credit QAP and Rules, Chapter 50 of Title 10 of the Texas Administrative Code (the "2006 Rules"), once approved, and is waived from 2006 QAP requirements that are changes from the 2005 QAP, to the extent permitted by statute. This Commitment is also subject to all applicable state and federal law, including the Code; and other relevant regulations and pronouncements of the Internal Revenue Service. In addition to compliance with applicable state and federal law, the Department's issuance of Forms 8609 will be dependent upon the Development Owner's compliance with the terms of the Application and this Commitment Notice, including the implementation of all representations and covenants made by the Development Owner, whether express or implied, and specifically including all pledges made regarding the construction and operation of the Development, and any other conditions set forth in Exhibit "A" of this Commitment Notice. This Commitment Notice is binding on all successors.

WARNING: THIS CHECK IS PROTECTED BY SPECIAL SECURITY FEATURES

Fairway 05 Housing, LP
5910 North Central Expressway
Suite 1145
Dallas, Texas 75206
214-891-1402

Texas Capital Bank
5910 North Central Expressway suite 1145
Dallas, TX 75206

32-1797
1110

DATE	CHECK NO.	AMOUNT
September 21, 2005	95	$********750.00

Pay: ********************************Seven hundred fifty dollars and no cents

PAY TO THE ORDER OF
TDHCA
507 Sabine, Suite 400
P.O. Box 13941-D1
Austin, TX 78711-3941

over $2,500.00 requires two signatures

Cheryl Poteishnik

SECURITY FEATURES INCLUDE MICROPRINTING • VOID PANTOGRAPH • ENDORSEMENT BACKER • BROWNSTAIN CHEMICAL REACTANT

⑈000000095⑈ ⑆111017979⑆13110111280⑈

WARNING: THIS CHECK IS PROTECTED BY SPECIAL SECURITY FEATURES

Fairway 05 Housing, LP
5910 North Central Expressway
Suite 1145
Dallas, Texas 75206
214-891-1402

Texas Capital Bank
5910 North Central Expressway suite 1145
Dallas, TX 75206

32-1797
1110

DATE	CHECK NO.	AMOUNT
September 21, 2005	94	$*****60,000.00

Pay: ************************************Sixty thousand dollars and no cents

PAY TO THE ORDER OF
TDHCA
507 Sabine, Suite 400
P.O. Box 13941-D1
Austin, TX 78711-3941

over $2,500.00 requires two signatures

Cheryl Poteishnik

SECURITY FEATURES INCLUDE MICROPRINTING • VOID PANTOGRAPH • ENDORSEMENT BACKER • BROWNSTAIN CHEMICAL REACTANT

⑈000000094⑈ ⑆111017979⑆13110111280⑈

The Housing Credit Allocation Amount is the maximum annual allocation, within the meaning of §49.16(b) of the Rules, that will be allocated to the building or buildings comprising the Development.

☐ If this box is checked, this Commitment Notice contemplates the making of an allocation pursuant to the Department's set-aside of credit authority for "qualified nonprofit organizations" within the meaning of the Rules and the Code, and subject to the terms and conditions set forth therein.

The Department reserves the right to revoke this Commitment Notice if the Department determines that the Development Owner has intentionally or negligently provided erroneous, misleading, or fraudulent information to the Department in connection with the application for low income housing tax credits.

EXHIBIT "A"

1. Failure to submit the documentation described below by the specified submission dates may result in the termination of the commitment made by this letter:

A. No later than September 23, 2005, which is the expiration date of this notice, Applicant must provide all of the following items to the Department:

I. The original, signed Commitment Notice.
II. In accordance with §49.20(f) of the Rules, a check for the Commitment Fee in the amount of: **$60,000**
III. In accordance with §49.20(h) of the Rules, a check for the Building Inspection Fee in the amount of: **$750**
IV. In accordance with §49.13(c), all of the following documents must be submitted for the Applicant:
  a. Evidence that the entity has the authority to do business in Texas;
  b. A Certificate of Account Status from the Texas Comptroller of Public Accounts or, if such a Certificate is not available because the entity is newly formed, a statement to such effect; and a Certificate of Organization from the Secretary of State;
  c. Copies of the entity's governing documents, including, but not limited to, its Articles of Incorporation, Articles of Organization, Certificate of Limited Partnership, Bylaws, Regulations and/or Partnership Agreement; and
  d. Evidence that the signer(s) of the Application have the authority to sign on behalf of the Applicant in the form of a corporate resolution or by-laws which indicate same from the sub-entity in Control and that those Persons signing the Application constitute all Persons required to sign or submit such documents.

B. In accordance with §49.14(a) of the Rules, all documents outlined in the Carryover Allocation Procedures Manual relating to the execution of a Carryover Allocation Agreement pursuant to §42(h)(1)(C) of the Code must be submitted pusuant to the 2006 Rules.

C. All documents outlined in the 10% Test Procedures Manual relating to the 10% Test pursuant to §42(h)(1)(E)(i) and (ii) of the Code and §49.14(b) of the Rules must be submitted pursuant to the 2006 Rules. The documents must confirm that all expenditures required to meet the 10% test were incurred no later than six months from the effective date stated in the Carryover Allocation Agreement executed by the Department and the Development Owner. A Managment Plan and Affirmative Marketing Plan as further described in the Carryover Allocation Procedures Manual must be submitted pursuant to this section of the Rules. Evidence also required with the submission includes:

I. Evidence that the Development Owner and the architect for the Development have each attended fair housing training on or before the time the 10% Test Documentation is submitted in accordance with §49.14(a)(3) of the Rules.
II. The certification concerning compliance and satisfaction of all design standards from the architect for the Development in accordance with §49.9(f)(4) of the Rules.
III. Evidence that the General Contractor hired by the Development Owner meets the experience criteria defined by §49.16(c) of the Rules in the form of the Post Application - General Contractor Certification Form and supporting documentation.

D. Evidence that the Development Owner has commenced and will continue substantial construction activities for the Development as further described in §49.14(c) of the Rules must be provided to the Department pursuant to the 2006 Rules. Evidence of such activities must be provided in the form of the HTC Progress Report - Commencement of Construction and supporting documentation.

E. In accordance with §42(h)(1)(E)(i) of the Code, all Buildings in the Development must be placed in service no later than December 31, 2008.

F. Extensions to the deadlines itemized in paragraph A may be requested in accordance with §49.20(l) of the Rules and must be submitted no later than the date for which an extension is being requested and will not be accepted any later than this deadline date; extentions to the deadlines itemized in paragraghs B, D and E must be submitted in accordance with the 2006 Rules.

G. This Commitment is subject to the following development-specific conditions. Unless otherwise stated within the specific condition, the documentation required to satisfy each condition must be submitted to the Department with the Carryover Documentation by the deadline identified in the 2006 Rules for Carryover Documentation.

1. Receipt, review, acceptance that the Environmental Site Investigation (ESI) proposal dated March 15, 2005 by Alpha Testing, Inc. to evaluate presence of petroleum hydrocarbons in the on-site soil and groundwater are performed and the asbestos/mold proposal dated March 10, 2005 by Alpha Testing, Inc. are performed. Renovation activates will impact the identified ACM; therefore, the ACM must be abated prior to the renovation. The asbestos abatement must be performed by a State of Texas licensed asbestos abatement contractor in accordance with a project design prepared by a State of Texas licensed asbestos consultant.

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

3. After the investigations surrounding the developer on this project in the City of Dallas are resolved, the Applicant must come back to the TDHCA Board for approval prior to the 2006 carryover deadline.

2. In addition to the requirements of the Code, Development Owner hereby agrees and acknowledges that the pledges, conditions, restrictions, representations, and obligations which the Development Owner undertook in applying for an allocation will be incorporated into a Land Use Restriction Agreement or other applicable document with respect to the Development. Such Land Use Restriction Agreement or document will also incorporate provisions requiring compliance with the Code and with Chapter 2306, Tex. Gov. Code (the "Act"), including but not limited to requirements for: annual reporting and periodic inspections; payment of the fees, charges, and expenses of the Department in connection with monitoring and compliance activities; management, operating, maintenance, and repair standards; tenant selection and income certification; limitations on rents, charges, and fees payable by tenants; cost controls and management selection; and a minimum thirty-year affordability period, or the period stated in the Application, whichever is greater.

BBoston 9/12/05

Brooke Boston, Director of Multifamily Finance Production — Date

I (We), Developement Owner, hereby agree to abide by all terms and conditions stated in this Commitment Notice, Exhibit "A," and any referenced documentation contained herein. I (We), hereby acknowledge that failure to comply with the Commitment Notice, Exhibit "A," and any referenced documentation contained herein may result in the automatic termination of this application for housing tax credits.

9-19-05 Brian Potashnik; Managing Member of G.P.

Development Owner — Date — Development Owner Printed Name, Title

TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
MULTIFAMILY UNDERWRITING ANALYSIS

DATE: July 3, 2005 **PROGRAM:** 9% HTC **FILE NUMBER:** 05171

DEVELOPMENT NAME

Fairway Crossing Apartments

APPLICANT

Name:	Fairway Townhomes Housing, Inc.			**Type:**	For-profit		
Address:	5910 North Central Expressway, Suite 1145			**City:**	Dallas	**State:**	TX
Zip:	75206	**Contact:**	Len Vilicic	**Phone:**	(214) 891-1402	**Fax:**	(214) 987-4032

PRINCIPALS of the APPLICANT/ KEY PARTICIPANTS

Name:	Fairway 05 Housing, L.P.	**(%):**	0.01	**Title:**	Managing General Partner
Name:	Fairway 05 Development, LLC	**(%):**	N/A	**Title:**	50% Owner of MGP
Name:	Wachovia Development Corporation	**(%):**	N/A	**Title:**	50% Owner of MGP
Name:	Brian Potashnik	**(%):**	N/A	**Title:**	100% Owner of Fairway 05 Development, LLC
Name:	Southwest Housing Development Company, Inc.	**(%):**	N/A	**Title:**	Developer

PROPERTY LOCATION

Location:	7229 Ferguson Road		☒ QCT		☐ DDA
City:	Dallas	**County:**	Dallas	**Zip:**	75228

REQUEST

Amount	Interest Rate	Amortization	Term
$1,200,000	N/A	N/A	N/A

Other Requested Terms: Annual ten-year allocation of housing tax credits

Proposed Use of Funds: Rehabilitation **Property Type:** Multifamily

Special Purpose (s): General Population

RECOMMENDATION

☒ RECOMMEND APPROVAL OF A HOUSING TAX CREDIT ALLOCATION NOT TO EXCEED $1,200,000 ANNUALLY FOR TEN YEARS, SUBJECT TO CONDITIONS.

CONDITIONS

1. Receipt, review, and acceptance that the Environmental Site Investigation (ESI) proposal dated March 15, 2005 by Alpha Testing, Inc. to evaluate the presence of petroleum hydrocarbons in the on-site soil and groundwater are preformed and the asbestos/mold proposal dated March 10, 2005 by Alpha Testing, Inc. are preformed. Renovation activities will impact the identified ACM; therefore, the ACM must be abated prior to the renovation. The asbestos abatement must be performed by a State of Texas licensed asbestos abatement contractor in accordance with a project design prepared by a State of Texas licensed asbestos consultant.
2. Receipt, review, and acceptance of a satisfactory TDHCA site inspection report, prior to Board approval;
3. Should the terms and rates of the proposed debt or syndication change, the transaction should be re-

evaluated and an adjustment to the credit amount may be warranted.

REVIEW of PREVIOUS UNDERWRITING REPORTS

No previous reports.

DEVELOPMENT SPECIFICATIONS

IMPROVEMENTS

Total Units:	310	# Rental Buildings	39	# Non-Res. Buildings	5	# of Floors	2	Age:	35 yrs	Vacant:	278	at	1/ 25/ 2005

Net Rentable SF: 284,664 Av Un SF: 918 Common Area SF: 11,402 Gross Bldg SF: 296,066

STRUCTURAL MATERIALS

The structure is wood frame on a concrete slab on grade. According to the plans provided in the application the exterior is comprised as follows: 50% stucco/50% cement fiber siding. The interior wall surfaces is drywall and the pitched roof is finished with asphalt composite shingles.

APPLIANCES AND INTERIOR FEATURES

The interior flooring is a combination of carpeting & vinyl tile. Each unit will include: range & oven, hood & fan, garbage disposal, dishwasher, refrigerator, tile tub/shower, ceiling fans, laminated counter tops, central boiler water heating system, individual heating and air conditioning, & cable.

ONSITE AMENITIES

The development includes a two story leasing office/maintenance building which includes a reception area, offices, and restroom. There are four service and pool support buildings with three pools, a mail kiosk station, five laundries, and controlled access gates.

Uncovered Parking: 466 spaces Carports: 0 spaces Garages: 0 spaces

PROPOSAL and DEVELOPMENT PLAN DESCRIPTION

Description: Fairway Crossing is a 22.6-unit per acre acquisition and rehabilitation development of 310 units of mixed-income housing located in east Dallas. The development was built in 1970 and is comprised of thirty-nine evenly distributed medium town home residential buildings as follows:

- 2 Building Type A with 4 two-bedroom/two-bath units, 4 three-bedroom/two-bath units;
- 2 Building Type B with 4 two-bedroom/two-bath units, 6 three-bedroom/two-bath units;
- 1 Building Type C with 4 two-bedroom/two-bath units, 8 three-bedroom/two-bath units;
- 1 Building Type D with 4 two-bedroom/two-bath units;
- 4 Building Type E with 8 one-bedroom/one-bath units;
- 4 Building Type F with 6 one-bedroom/one-bath units;
- 1 Building Type G with 8 one-bedroom/one-bath units;
- 6 Building Type H with 8 one-bedroom/one-bath units;
- 2 Building Type I with 8 one-bedroom/one-bath units;
- 7 Building Type J with 6 two-bedroom/two-bath units;
- 1 Building Type K with 8 two-bedroom/two-bath units;
- 3 Building Type L with 10 two-bedroom/two-bath units;
- 5 Building Type M with 4 two-bedroom/two-bath units, 6 three-bedroom/two-bath units;

Development Plan: The buildings are currently 90% vacant and overall the property is primarily in poor condition due to exterior building components, interior finishes, appliances, and mechanical, electrical, and plumbing components. The renovation budget is considered substantial. Based on the age of the project, most of the interior and exterior components and finishes have exceeded their useful life. Repairs will include exterior siding and wood component replacement, exterior paint, exterior unit entry and storage door replacement, window repair and replacement, roofing, asphalt paving and walk repairs, ground level patio replacements, gutter repairs, tree trimming, drainage issues, fence repairs, pool reconstruction and fence/gate repair, installation of site handrails at stairs, retrofit of aluminum wiring, site plumbing piping repair, HVAC replacements, interior door replacements, drywall repairs, ceramic tile repairs, floor finish replacements, cabinet replacements, appliances, stucco repair and lead/asbestos abatement or encapsulation. The rehabilitation will be phased to minimize displacement of current residents.

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

SITE ISSUES

SITE DESCRIPTION

Size:	13.7 acres	596,772 square feet	**Flood Zone Designation:**	Zone X
Zoning:	RR (Regional Retail District)			

SITE and NEIGHBORHOOD CHARACTERISTICS

Location: The site is an irregularly-shaped parcel located in the east area of Dallas, approximately four miles from the central business district. The site is situated on the southwest side of Ferguson Road.

Adjacent Land Uses:

- **Northeast:** Dulaney Drive immediately adjacent and an apartment complex and vacant land beyond;
- **Northwest:** Valley Glen Drive immediately adjacent and Tenison Memorial Park golf course and undeveloped land beyond;
- **Southeast:** Ferguson Road immediately adjacent and a gasoline service station and commercial businesses beyond; and
- **Southwest:** vacant undeveloped land immediately adjacent and Interstate Highway 30 beyond.

Site Access: Access to the property is from the north or south from either Ferguson Road or Valley Glen Drive. The development has two main entries, one from Ferguson Road and one from Valley Glen Drive. Access to Interstate Highway 30 is less than one mile south, which provides connections to all other major roads serving the Dallas area.

Public Transportation: Public transportation to the area is provided by Dallas Area Rapid Transit (DART) The location of the nearest stop is in front of the subject property

Shopping & Services: The site's location lends itself to give residents easy access to the Central Business District of Dallas within a four mile commute. Residents would have access to employment centers, financial centers, shopping, schools, recreational facilities, literary and cultural cents, and medical facilities offered throughout Dallas.

Site Inspection Findings: The site has been inspected by a TDHCA staff member, however the report has not been completed or reviewed by the Underwriter. Receipt, review, and acceptance of an acceptable site inspection report is a condition of this report.

HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)

A Phase I Environmental Site Assessment report dated March 14, 2005 was prepared by Alpha Testing, Inc. and contained the following findings and recommendations:

Findings:

- **Asbestos-Containing Materials (ACM):** "On February 23 and 25, 2005 ALPHA performed a comprehensive asbestos survey at the subject site. Based on the findings of the asbestos survey, asbestos-containing spray-on ceiling texture, floor tile, exterior stucco, wall/ceiling texture, joint compound and sink undercoat were identified at the site. Therefore, ACMs are considered to present a REC (Recognized Environmental Concern) to the site." (p. 21)
- **Lead-Based Paint (LBP):** "Based on the age of the on-site structures, lead-based paints (LBP) are considered to present a REC to the site." (p. 22)

Recommendations: "This assessment has revealed evidence of recognized environmental conditions in connection with the site. The presence of UST/LUST facilities located adjacent to and in close proximity to the site is considered RECs. ALPHA recommends an Environmental Site Investigation (ESI) be performed to evaluate the presence of petroleum hydrocarbons in the on-site soil and groundwater as a result of documented and or potential releases from UST/LUST facilities located adjacent to and in close proximity to the site." (p. 25)

Receipt, review, and acceptance that the Environmental Site Investigation (ESI) recommendation by Alpha Testing, Inc. is preformed and the asbestos/mold proposal dated March 10, 2005 by Alpha Testing, Inc. is preformed is a condition of this report. Further if any renovation activities will impact the identified ACM, the ACM must be abated prior to the renovation. The asbestos abatement must be performed by a State of Texas licensed asbestos abatement contractor in accordance with a project design prepared by a State of Texas licensed asbestos consultant.

POPULATIONS TARGETED

Income Set-Aside: The Applicant has elected the 40% at 60% or less of area median gross income (AMGI) set-aside. Two hundred ninety-seven the units (96% of the total) will be reserved for low-income tenants. Two hundred fifty units (81%) will be reserved for households earning 50% or less of AMGI, forty-seven units (15%) will be reserved for households earning 60% or less of AMGI, and the remaining thirteen units will be offered at market rents.

MAXIMUM ELIGIBLE INCOMES						
	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons
60% of AMI	$27,960	$31,920	$35,940	$39,900	$43,080	$46,260

MARKET HIGHLIGHTS

A market feasibility study dated March 22, 2005 was prepared by Apartment MarketData Research Services, LLC ("Market Analyst") and highlighted the following findings:

Definition of Primary Market Area (PMA): "For this analysis we utilized a primary trade area comprising a custom trade area. This boundary of this trade area are: North-Garland Road/Gus Thomason Road, East-Motley Road to LaPrada Road to Big Town Boulevard, South-Forney Road to Military Parkway to Haskell Avenue, West-Garland Road." (p. 33). This area encompasses approximately 14.69 square miles and is equivalent to a circle with a radius of 2.2 miles.

Population: The estimated 2004 population of the PMA was 64,088 and is expected to increase by 1.7% to approximately 65,159 by 2009. Within the primary market area there were estimated to be 25,376 households in 2004.

Total Primary Market Demand for Rental Units: The Market Analyst calculated a total demand of 2,422 qualified households in the PMA, based on the current estimate of 25,376 households, the projected annual growth rate of less than one percent, renter households estimated at 51% of the population, income-qualified households estimated at 30%, and an annual renter turnover rate of 64 %. (p. 51). The Market Analyst used an income band of $21,360 to $43,080.

ANNUAL INCOME-ELIGIBLE SUBMARKET DEMAND SUMMARY				
	Market Analyst		Underwriter	
Type of Demand	Units of Demand	% of Total Demand	Units of Demand	% of Total Demand
Household Growth	2,374	98%	2,452	99%
Resident Turnover	48	2%	31	1%
TOTAL ANNUAL DEMAND	2,422	100%	2,483	100%

Ref: p. 53

Inclusive Capture Rate: The Market Analyst calculated an inclusive capture rate of 23.82% based upon 2,422 units of demand and 577 unstabilized affordable housing in the PMA (including the subject) (p. 54). The Underwriter calculated an inclusive capture rate of 23.2% based upon a revised demand of 2,483. The subject development is currently 10% occupied therefore, an inclusive capture rate calculation is a meaningful tool for determining the feasibility of the subject development.

Market Rent Comparables: The Market Analyst surveyed five comparable apartment projects totaling 1,406 units in the market area (p. 13).

RENT ANALYSIS (net tenant-paid rents)					
Unit Type (% AMI)	Proposed	Program Max	Differential	Est. Market	Differential
1-Bedroom (50%) 607 sq ft	$556	$571	-$15	$570	-$14
1-Bedroom (50%) 664 sq ft	$556	$571	-$15	$675	-$119
1-Bedroom (50%) 708 sq ft	$556	$571	-$15	$670	-$114
1-Bedroom (50%) 720 sq ft	$556	$571	-$15	$670	-$114
1-Bedroom (50%) 758 sq ft	$556	$571	-$15	$630	-$74
1-Bedroom (60%) 758 sq ft	$556	$696	-$140	$630	-$74
1-Bedroom (60%) 764 sq ft	$556	$696	-$140	$630	-$74
1-Bedroom (MR) 764 sq ft	$556	N/A	N/A	$630	-$74
2-Bedroom (50%) 986 sq ft	$663	$673	-$10	$830	-$167
2-Bedroom (60%) 1,011 sq ft	$663	$823	-$160	$865	-$202
2-Bedroom (MR) 1,011 sq ft	$663	N/A	N/A	$865	-$202
3-Bedroom (60%) 1,192 sq ft	$763	$771	-$8	$1,020	-$257
3-Bedroom (60%) 1,320 sq ft	$763	$771	-$8	$1,100	-$337
3-Bedroom (60%) 1,320 sq ft	$763	$944	-$181	$1,100	-$337
3-Bedroom (MR) 1,320 sq ft	$763	N/A	N/A	$1,100	-$337

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

The Market Analyst appears to have erred when calculating the estimate of market rent by comparison for the largest one-bedroom units in that he included one comparable for which he deducted $508 (or ½ monthly rents) from the rental rate due to the concessions being offered where as the adjustment should have been 1/6th. This error also appears to have carried through to the two and three bedroom units. The effect on the average rent for the larger one bedroom units is to raise the average adjusted comparable rent to $698. Suggesting the maximum 60% tax credit rents can be achieved.

Primary Market Occupancy Rates: "The current occupancy of the market area is 84.2% as a result of out migration of new households due to limited affordable new construction. Newer stabilized units, constructed since 1990, and reasonably well maintained older units report occupancy in excess of 90%, and the three stabilized LIHTC projects included in our survey average 93.5% occupancy." (p. 10)

Absorption Projections: "Absorption in the Primary Market Area (PMA) has been very limited over the past decade due to a lack of affordable new construction and continued deterioration of existing rental units. Absorption over the previous fifteen years for all unit types is estimated to be 111 units per year." (p. 10).

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

OPERATING PROFORMA ANALYSIS

Income: The Applicant's rent projections are significantly lower than the maximum rents allowed under HTC guidelines; due to the fact that the Applicant used June 2003 Dallas townhouse utility allowance figures in their calculation of net rents per unit. The Underwriter used the June 2005 Dallas townhouse utility allowance figures calculating maximum net rents in this analysis. While the Market Study conclusions suggest that the larger one bedroom units may not be able to achieve the maximum rents, these conclusions are in error due to a miscalculated adjustment to one of the comparable units, thus the maximum tax credit rents are achievable and the market unit rents have been adjusted upward to the maximum 60% rents as well, this results in the Applicant understating potential gross rent by $147K. Estimates of secondary income and vacancy and collection losses are in line with TDHCA underwriting guidelines. As a result of the differences in potential rent, the Applicant's effective gross income estimate is $136K less than the Underwriter's estimate.

Expenses: The Applicant's total expense estimate of $4,303 per unit is less than 2% within the Underwriter's database-derived estimate of $4,376 per unit for comparably-sized developments. The Applicant's budget shows one line item estimate, however, that deviates significantly when compared to the database average for repairs and maintenance ($98.8K higher).

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

ACQUISITION VALUATION INFORMATION

APPRAISED VALUE

Land Only: (13.7) acres	$840,000	**Date of Valuation:**	3/ 14/ 2005
Existing Building(s): "as is"	$3,810,000	**Date of Valuation:**	3/ 14/ 2005
Total Development: "as is"	$4,650,000	**Date of Valuation:**	3/ 14/ 2005
Appraiser: B. Diane Butler	**City:** Dallas	**Phone:**	(214) 739-0700

APPRAISAL ANALYSIS/CONCLUSIONS

An appraisal, provided by the purchaser, was performed by Diane Butler, MAI and dated March 22, 2005. The appraisal provides three values: "as-is", "prospective value" (as completed), and land value. The current "as-is" value is most important in the valuation and underwriting of this property because it should and does support the purchase price of the subject. For the "as-is" valuation, the primary approach used was the sales comparison approach. In this case the value and purchase price are different. Based upon the solid quality comparable land sales the value of the underlying land was valued at $840,000 or 18% of the total appraised value. Due to the quality of the comparable sales the appraisal provides and reasonable estimation of land value.

ASSESSED VALUE

Land: (13.7) acres	$895,700	**Assessment for the Year of:**	2004
Building:	$5,054,310	**Valuation by:**	Dallas County Appraisal District
Total Assessed Value:	$5,950,010	**Tax Rate:**	2.93276

EVIDENCE of SITE or PROPERTY CONTROL

Type of Site Control:	Commercial Contract-Improved Property (13.7 acres)		
Contract Expiration Date:	2/ 1/ 2006	**Anticipated Closing Date:**	2/ 1/ 2006
Acquisition Cost:	$4,760,000	**Other Terms/Conditions:**	Earnest money: $100
Seller:	Fairway 05 Housing, L.P.	**Related to Development Team Member:**	Yes

CONSTRUCTION COST ESTIMATE EVALUATION

Acquisition Value: The acquisition price of $4,760,000 is equal to the purchase paid by the related party seller as a result of the foreclosure/substitute trustee sale on January 14, 2005 (documented by settlement statement of the same date). The Appraisal also supports the proposed sales price between the Seller and the Applicant. The Applicant did not claim eligible basis based upon the building acquisition value.

Sitework Cost: Since this is a proposed rehabilitation the associated sitework costs are minimal. The Applicant has estimated sitework costs of $5,000 per unit, which is consistent with the estimate in the proposed work property review summary.

Direct Construction Cost: The direct construction costs are substantiated by the Property Review Summary.

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

Reserves: The Applicant has included reserves in excess of six months of operating expenses and debt service, but has provided substantiation for this excess. The property is currently mostly vacant and will remain as such, yet operational until tax credits are secured and the rehabilitation is completed. It is anticipated that not more than six months of time will be consumed by this process as the related party seller has already owned the property for several months and has borrowed $937K in excess of the purchase price for this purpose.

Conclusion: The Applicant's total development cost estimate is within 5% of the Underwriter's verifiable estimate and is therefore generally acceptable. Since the Underwriter has been able to verify the Applicant's projected costs to a reasonable margin, the Applicant's total cost breakdown is used to calculate eligible basis and determine the HTC allocation. As a result, an eligible basis of $14,248,232 is used to determine a credit allocation of $1,432,691 from this method. The resulting syndication proceeds will be used to compare to the Applicant's request and to the gap of need using the Applicant's costs to determine the recommended credit amount.

FINANCING STRUCTURE

INTERIM TO PERMANENT FINANCING

Source: GMACC **Contact:** Lloyd Griffin

Principal Amount: $9,920,000 **Interest Rate:** 7.0%

Additional Information:

Amortization: 30 yrs **Term:** 18 yrs **Commitment:** ☐ LOI ☐ Firm ☒ Conditional

Annual Payment: $791,976 **Lien Priority:** 1st **Date:** 2/ 26/ 2005

PERMANENT FINANCING

Source: City of Dallas – CDBG Loan **Contact:** Deborah Watkins

Principal Amount: $310,000 **Interest Rate:** 1%

Additional Information: Interest will accrue and be due and payable with the full principal balance in fifteen years.

Amortization: N/A yrs **Term:** 15 yrs **Commitment:** ☐ LOI ☐ Firm ☒ Conditional

Annual Payment: $0 **Lien Priority:** 2nd **Date:** 3/ 9/ 2005

Housing Tax Credit Program
Board Action Request
July 12, 2006

Action Item

Request review and board determination of one (1) four percent (4%) tax credit application with another issuer for the tax exempt bond transaction.

Recommendation

Staff is recommending that the board review and approve the issuance of one (1) four percent (4%) Tax Credit Determination Notice with **another issuer** for the tax exempt bond transaction known as:

Development No.	Name	Location	Issuer	Total Units	LI Units	Total Development	Applicant Proposed Tax Exempt Bond Amount	Requested Credit Allocation	Recommended Credit Allocation
060412	Piedmont Apartments	Baytown	Southeast Texas HFC	250	250	$26,794,279	$15,000,000	$1,069,209	$1,069,209

MULTIFAMILY FINANCE PRODUCTION DIVISION BOARD ACTION REQUEST July 12, 2006

Action Item

Presentation, Discussion and Possible Approval for the issuance of a Housing Tax Credit Determination for Piedmont Apartments.

Requested Action

Approve, Deny or Approve with Amendments the Housing Tax Credit Determination for the Piedmont Apartments.

Summary of the Transaction

The application was received on March 23, 2006. The Issuer for this transaction is Southeast Texas HFC. The development is to be located at approximately 7200 block of Decker Road, SEC of SH 330 and I-10 East in Baytown. Demographics for the census tract include AMFI of $78,520; the total population is 7,009; the percent of population that is minority is 27.02%; the percent of population that is below the poverty line is 6.45%; the number of owner occupied units is 2,073; the number of renter units is 364 and the number of vacant units is 176. The percent of population that is minority for the entire City of Baytown is 49% (Census information from FFIEC Geocoding for 2005). The development is new construction and will consist of 250 total units targeting the general population, with all affordable. There is no zoning required for the Harris County area. The Department has received no letters of support and no letters of opposition. The bond priority for this transaction is:

☐	**Priority 1A:**	Set aside **50%** of units that cap rents at 30% of **50%** AMFI **and** Set aside **50%** of units that cap rents at 30% of **60%** AMFI (MUST receive 4% Housing Tax Credits)
☐	**Priority 1B:**	Set aside **15%** of units that cap rents at 30% of **30%** AMFI **and** Set aside **85%** of units that cap rents at 30% of **60%** AMFI (MUST receive 4% Housing Tax Credits)
☐	**Priority 1C:**	Set aside **100%** of units that cap rents at 30% of **60%** AMFI (Only for projects located in a **census tract with median income that is greater** than the median income of the county MSA, or PMSA that the QCT is located in. (MUST receive 4% Housing Tax Credits)
☒	**Priority 2:**	Set aside **100%** of units that cap rents at 30% of **60%** AMFI (MUST receive 4% Housing Tax Credits)
☐	**Priority 3:**	Any qualified residential rental development.

Recommendation

Staff recommends the Board approve the issuance of a Housing Tax Credit Determination Notice for Piedmont Apartments.

TEXAS
DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

MULTIFAMILY FINANCE PRODUCTION DIVISION

July 12, 2006

Development Information, Public Input and Board Summary

Piedmont Apartments, TDHCA Number 060412

BASIC DEVELOPMENT INFORMATION

Site Address:	Apprx. 7000 block of Decker Road, SEC of SH 330 & I-10 E F			Development #:	060412
City:	Baytown	Region:	6	Population Served:	Family
County:	Harris	Zip Code:	77521	Allocation:	Urban/Exurban
HOME Set Asides:	☐ CHDO ☐ Preservation ☐ General			Purpose/Activity:	NC
Bond Issuer:	South East Texas HFC				

HTC Purpose/Activity: NC=New Construction, ACQ=Acquisition, R=Rehabilitation, NC/ACQ=New Construction and Acquisition, NC/R=New Construction and Rehabilitation, ACQ/R=Acquisition and Rehabilitation

OWNER AND DEVELOPMENT TEAM

Owner:	HFI Piedmont Apartments, L.P.	
Owner Contact and Phone	William D. Henson	(713) 334-5808
Developer:	HFI Piedmont Developers, L.L.C.	
Housing General Contractor:	HFI Piedmont Contractors, L.L.C.	
Architect:	Mucasey & Associates	
Market Analyst:	O'Connor & Associates	
Syndicator:	Boston Capital Corporation	
Supportive Services:	N/A	
Consultant:	LBK, Ltd.	

UNIT/BUILDING INFORMATION

30%	40%	50%	60%	Eff	1 BR	2 BR	3 BR	4 BR	5 BR
0	0	0	250	0	52	112	86	0	0

Type of Building:

- ☐ Duplex
- ☐ Triplex
- ☐ Fourplex
- ☑ 5 units or more per building
- ☐ Detached Residence
- ☐ Single Room Occupancy
- ☐ Transitional
- ☐ Townhome

Total Restricted Units:	250
Market Rate Units:	0
Owner/Employee Units:	0
Total Development Units:	250
Total Development Cost:	$26,794,279
Number of Residential Buildings:	23
HOME High Total Units:	0
HOME Low Total Units:	0

Note: If Development Cost =$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis	Amort	Term	Rate
4% Housing Tax Credits with Bonds:	$1,069,209	$1,069,209	0	0	0.00%
TDHCA Bond Allocation Amount:	$0	$0	0	0	0.00%
HOME Activity Fund Amount:	$0	$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	$0	$0			

TEXAS
DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

MULTIFAMILY FINANCE PRODUCTION DIVISION

July 12, 2006

Development Information, Public Input and Board Summary

Piedmont Apartments, TDHCA Number 060412

PUBLIC COMMENT SUMMARY

Guide: "O" = Oppose, "S" = Support, "N" = Neutral, "NC" or Blank = No comment

State/Federal Officials with Jurisdiction:

TX Senator: Whitmire, District 15 NC

TX Representative: Smith, District 128 NC

US Representative: Green, District 29, NC

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: Calvin Mundinger, Mayor, City of Baytown - NC

Resolution of Support from Local Government ☐

David Turkel, Director, Harris County Community & Economic Development Department -☐Consistent with the HUD approved 2003-2007 Consolidated Plan for Harris County.

Individuals/Businesses: In Support: 0 In Opposition 0

Neighborhood Input:

General Summary of Comment:

The Department has received no letters of support and no letter of opposition.

CONDITIONS OF COMMITMENT

Per §50.12(c) of the Qualified Allocation Plan and Rules, all Tax Exempt Bond Development Applications "must provide an executed agreement with a qualified service provider for the provision of special supportive services that would otherwise not be available for the tenants. The provision of such services will be included in the Declaration of Land Use Restrictive Covenants ("LURA")."

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

TEXAS
DEPARTMENT OF HOUSING
AND COMMUNITY AFFAIRS

MULTIFAMILY FINANCE PRODUCTION DIVISION

July 12, 2006

Development Information, Public Input and Board Summary

Piedmont Apartments, TDHCA Number 060412

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

4% Housing Tax Credits: Credit Amount: $1,069,209

Recommendation: Recommend approval of a Housing Tax Credit allocation not to exceed $1,069,209 annually for ten years, subject to conditions.

TDHCA Bond Issuance: Bond Amount: $0

Recommendation:

HOME Activity Funds: Loan Amount: $0

HOME CHDO Operating Expense Grant: Grant Amount: $0

Recommendation:

TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS

MULTIFAMILY UNDERWRITING ANALYSIS

DATE: June 30, 2006 **PROGRAM:** 4% HTC **FILE NUMBER:** 060412

DEVELOPMENT NAME

Piedmont Apartments

APPLICANT

Name:	HFI Piedmont Apartments, L.P.	**Contact:**	William D. Henson		
Address:	2121 Kirby Rd., Unit #68				
City	Houston	**State:**	TX	**Zip:**	77019
Phone:	713 334-5808	**Fax:**	713 334-5614	**Email:**	Wd_henson@hotmail.com

KEY PARTICIPANTS

Name:	HFI Piedmont Development, LLC	**Title:**	.01% Managing General Partner
Name:	HFI Piedmont Developers, LLC	**Title:**	Developer
Name:	William D. Henson	**Title:**	Co-Manager of Developer
Name:	J. Steve Ford	**Title:**	Co-Manager of Developer

PROPERTY LOCATION

Location:	Approximately 7000 Block of Decker Road, Southeast Corner of State Highway 330 & IH-10 East		
City:	Baytown	**Zip:**	77521
County:	Harris	**Region:**	6

☒ **QCT** ☐ **DDA**

REQUEST

Program	Amount	Interest Rate	Amortization	Term
HTC	$1,069,209	N/A	N/A	N/A

Proposed Use of Funds:	New construction	**Type:**	Multifamily
Target Population:	Family	**Other:**	Urban/Exurban

RECOMMENDATION

☒ RECOMMEND APPROVAL OF A HOUSING TAX CREDIT ALLOCATION NOT TO EXCEED $1,069,209 ANNUALLY FOR TEN YEARS, SUBJECT TO CONDITIONS.

CONDITIONS

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

REVIEW of PREVIOUS UNDERWRITING REPORTS

No previous reports.

DEVELOPMENT SPECIFICATIONS

IMPROVEMENTS

Total Units: 250 **# Res Bldgs** 23 **# Non-Res Bldgs** 3 **Age:** N/A yrs **Vacant:** N/A at / /

Net Rentable SF: 258,024 **Av Un SF:** 1,032 **Common Area SF:** 5,441 **Gross Bldg SF:** 263,465

ARCHITECTURAL REVIEW

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

STRUCTURAL MATERIALS

The structures will be constructed on a gypcrete over plywood subfloor. According to the plans provided in the application the exterior will be 70% cement fiber and 30% masonry veneer. The interior wall surfaces will be drywall and the roofs will be finished with composite shingles.

UNIT FEATURES

The interior flooring will be 60% carpet and 40% resilient covering. All units will include mini blinds or window coverings for all windows, a dishwasher, a disposal, a refrigerator, an oven/range, an exhaust/vent fax in bathrooms, and a ceiling fan in each living area and bedroom. Each unit will also include three networks, one for phone service, one for data service, and one for TV service. In addition, each unit will include a microwave, laundry connections, a ceiling fixture in each room, individual water heaters, and nine-foot ceilings.

ONSITE AMENITIES

The Applicant has elected to provide barbecue grills or picnic tables, community laundry rooms, controlled access gates, an enclosed sun porch or covered community porch, an equipped business center or computer learning center, full perimeter fencing, a furnished community room, a furnished fitness center, public telephones available to tenants 24 hours a day, a swimming pool, and two children's playgrounds equipped for 5 to 12 year olds, two tot lots or one of each.

Uncovered Parking: 313 spaces **Carports:** 0 spaces **Garages:** 250 spaces

PROPOSAL and DEVELOPMENT PLAN DESCRIPTION

Description: Piedmont Apartments is a 15.4 unit per acre new construction development located in eastern Harris County. The development is to be comprised of 23 evenly distributed garden style residential buildings as follows:

No. of Buildings	No. of Floors	1BR	2BR	3BR
2	3	12	10	
4	2		10	
5	2		10	
8	2	2		8
1	2	8	2	
1	2			6
2	2	2		8

The development includes a 5,441 square foot community building that will include leasing offices, an activity room, a computer room and business center, a craft room, a fitness center, a kitchen, maintenance, a laundry room and a mailbox area.

SITE ISSUES

SITE DESCRIPTION

Total Size:	16.15 acres	**Scattered sites?**	☐ Yes ☒ No
Flood Zone:	Zone X	**Within 100-year floodplain?**	☐ Yes ☒ No
Current Zoning:	None	**Needs to be re-zoned?**	☐ Yes ☐ No ☒ N/A

SITE and NEIGHBORHOOD CHARACTERISTICS

Location: The subject site is located in southeast Texas just east of Houston in Harris County. The site is approximately 30 miles east of downtown Houston. It is an irregularly shaped parcel just northwest of Baytown, and is located south of IH-10 and north of Spur 330.

Adjacent Land Uses:

- **North:** IH-10 immediately adjacent and vacant land beyond;
- **South:** Decker Drive immediately adjacent and single family residential beyond;

- **East:** Water treatment facility and single family beyond; and
- **West:** Decker Drive, a church and single family beyond.

Site Access: Access to the site will be from the IH-10 frontage road and Decker Drive.

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

Shopping & Services: The subject site is located in an area that has residential, small neighborhood stores and vacant land. "Numerous single-tenant and small neighborhood retail centers are scattered throughout the neighborhood." Schools, churches, hospitals, libraries, and parks are all within a short driving distance from the site.

Adverse Site Characteristics:

- **Zoning:** "The subject site is currently located outside the city limits of Baytown; however, the first two required hearings to annex the subject site have been held. According to a representative of the Baytown Planning Department, the subject will be zoned M-U (mixed use) subsequent to the annexation. Multifamily development is an acceptable use under a M-U zoning district."

TDHCA SITE INSPECTION

Inspector: Manufactured Housing Staff **Date:** 6/22/2006

Overall Assessment: ☐ Excellent ☒ Acceptable ☐ Questionable ☐ Poor ☐ Unacceptable

Comments:

HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)

A Phase I Environmental Site Assessment report dated April 28, 2006 was prepared by The Murillo Company and contained the following findings:

Findings:

- The subject property is two (2) tracts of land. Tract 1 is 12.490 acres of undeveloped land and Tract 2 is 3.74 acres of vacant land;
- Two (2) Resource Conservation & Recovery Act Information System – Generator (RCRA-GEN) sites were identified within a ¼ mile radius of the subject property;
- One (1) Leaking Petroleum Storage Tank (LPST) site was identified within a ½ mile radius of the subject property;
- One (1) Petroleum Storage Tank (PST) site was identified within a ¼ mile radius of the subject property; and
- Three (3) Industrial and Hazardous Waste (IHW) sites were identified within a ¼ mile radius of the subject property.

However, "Based upon TMC (The Murillo Company) site investigation of the subject property, surrounding properties, regulatory agency records review and inquiries, interviews, and historical research, no other direct evidence was found indicating recognized environmental conditions exist at the subject property."

Conclusion: "This assessment has revealed no evidence of Recognized Environmental Conditions in connection with the subject property."

INCOME SET-ASIDE

The Applicant has elected the 40% at 60% or less of area median gross income (AMGI) set-aside. The Bonds are being issued under priority 3 which allows market rate units however the Applicant has chosen to restrict 100% of the units as 60% tax credit units restricted to households earning 60% or less of the area median income.

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

MARKET HIGHLIGHTS

A market feasibility study dated May 1, 2006 was prepared by Patrick O'Connor & Associates, LP ("Market Analyst") and included the following findings:

Definition of Primary Market Area (PMA): "The subject's primary market is defined as that area within the following general boundaries: Wallisville Road to the north; Sheldon Road to the west; Spencer Highway to the south; and the railroad tracks, Decker Drive and State Highway 146 to the east" (p. 10). This area encompasses approximately 71 square miles and is equivalent to a circle with a radius of 4.8 miles, and is considered to be a relatively large but acceptable market area for an urban/exurban development.

Population: The estimated 2006 population of the primary market area is 52,404 and is expected to increase by 1% to approximately 53,519 by 2011. Within the primary market area there are estimated to be 17,529 households in 2006.

Total Market Demand: The Market Analyst calculated a total demand of 1,511 based on the current estimate of 17,529 households in the PMA, projected growth of just less than .5%, appropriate household size of 94%, renter households estimated at 22.2% of the overall population, income qualified renter households estimated at 11.1%, and an annual renter turnover rate of 65%. The Market Analyst used an income band of $23,520 to $39,540. The Underwriter used the same income range but recalculated the renter percentage to be 20.8% and the percentage of renters of this group to be 54.1% based upon the information provided in the study.

In addition, the Market Analyst included demand created by Section 8 vouchers. The demand was calculated by multiplying the total number of vouchers held by the City of Baytown (947) by the ratio of income qualified households in the PMA in Baytown (p. 72-73). The Marker Analyst assumed that only households earning below 50% of the area median income would be eligible for section 8 vouchers. In addition the Analyst included all under income households as being candidates for the subject rather than including the 53% or so that are renter households.

MARKET DEMAND SUMMARY				
	Market Analyst		Underwriter	
Type of Demand	Units of Demand	% of Total Demand	Units of Demand	% of Total Demand
Household Growth	12	.79%	9	1%
Resident Turnover	1,200	79.43%	1,178	90%
Other Sources: Section 8	311	20.57%	123	9%
TOTAL DEMAND	**1,511**	**100%**	**1,310**	**100%**

Inclusive Capture Rate: The Market Analyst calculated an inclusive capture rate of 16.55% based upon 1,511 units of demand and 250 unstabilized affordable housing units in the PMA (including the subject) (p. 74). The Underwriter calculated an inclusive capture rate of 19.1% based upon a supply of 250 unstabilized comparable affordable units divided by a revised demand estimate for 1,310 affordable units.

Unit Mix Conclusion: "The proposed subject property will have 21% one-bedroom units, 45% two-bedroom units, and 34% three-bedroom units. Based on discussions with leasing agents and our own analysis of the rental rates at the selected comparables in the primary market, the proposed unit mix is appropriate and will complement the local affordable housing market" (p. 11).

Market Rent Comparables: The Market Analyst surveyed 5 comparable apartment projects totaling 1,092 units in the market area.

RENT ANALYSIS (net tenant-paid rents)					
Unit Type (% AMI)	**Proposed**	**Program Max**	**Differential**	**Est. Market**	**Differential**
1-Bedroom (60%)	$606	$625	-$19	$675	-$69
2-Bedroom (60%)	$727	$751	-$24	$855	-$128
3-Bedroom (60%)	$826	$862	-$36	$1,015	-$189

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

Primary Market Occupancy Rates: "The occupancy of the comparable rentals included in this study range from 80% to 98% with a median occupancy of 93.0%, or 96.25% excluding the one unstabilized complex. The average occupancy for comparable apartments in the Baytown market area was reported at 89.91% in the most recent O'ConnorData Apartment Database survey (1st quarter 2006)" (p. 42).

Absorption Projections: "Absorption in the Baytown market area over the past twelve quarters ending March 2006 totals a positive 560 units. Absorption has been positive in five of the past twelve quarters. Absorption over the past three years has averaged +-47 units per quarter, mainly due to limited construction and the high average occupancy. The limited amount of new product that entered the market in 2000 through 2006 was readily absorbed. Based on our research, most projects that are constructed in the Greater Houston area typically lease up within 12 months" (p. 12).

Unstabilized, Under Construction, and Planned Development: "Based on our research, there are no affordable housing projects (other than the subject property) currently proposed or under construction within the PMA. There is no market-rate complex currently non-stabilized, and no market-rate complex under construction or proposed. There is no HTC family project currently under construction, nor any project (other than the subject) proposed, non-stabilized, or approved for construction or under construction within the PMA" (p. 11).

Market Impact: "Based on the high occupancy levels of the existing properties in the market, along with the strong recent absorption history, we project that the subject property will have minimal sustained negative impact upon the existing apartment market. Any negative impact from the subject property should be of reasonable scope and limited duration" (p. 12).

Other Information: The Department commissioned a market study for the Houston-Baytown-Sugar Land Metropolitan Statistical Area (MSA). The proposed development is located in the Baytown submarket within the Houston MSA. According to the Department's market study the overall demand for additional rental units in the entire Houston MSA at the 51% to 60% of area median income range is very low or negative. In this submarket for example there are a negative sixty-two (-62) units of demand for 1-bedroom units at the 51-60% income level; negative eighty-one (-81) units of demand for 2-bedroom units at the 51-60% income level; and negative forty-one (-41) units of demand for 3-bedroom units at the 51-60% income level (p. III-903). The Department's market study for the entire MSA does not incorporate demand from turnover as normally allowed in development specific market studies because in an overall study the demand from turnover returns to all of the units in the market area. A development specific market study identifies the demand from turnover as potential demand that can be attracted away from existing units and to the proposed development (and any other new developments that have not yet become fully occupied.)

The Underwriter requested additional information from the Market Analyst to explore these and other differences. In a follow-up analysis dated June 28, 2006 the Market Analyst indicated the following concerns with the study commissioned by the Department:

- [The Vogt Williams & Bowen study commissioned by the Department] "…Uses HISTA Data which is averages of averages, thereby decreasing confidence level of accuracy.
- The subject property is located near the western boundary of the submarket, and would likely draw tenants from areas to the west of the arbitrary boundary chosen by Vogt Williams for the PMA.
- Arbitrary use of replacement of 2.5% of "Functionally Obsolete" units perpetuates and exacerbates the problem of substandard housing. Without new/newly–renovated product within the submarket, the owners of the "functionally obsolete" complexes have no impetus to demolish or renovate.
- Vogt Williams methodology does not conform to the 2006 QAP.
- The study showing negative demand at the 51% to 60% level and moderate demand for the remaining AMI levels annually for the years 2006 to 2009 makes no intuitive sense. If there were negative demand, the existing HTC complexes would not be operating in the 90% to 100% occupancy level, for the most part. The most similar property to the proposed subject is Rosemont @ Baytown, which is still under construction, with all units restricted at 60% AMI. Rosemont @ Baytown was ready for its first occupancy in April 2006 and is currently 40% occupied and 70% leased. The rapid

absorption of this 250-unit complex is evidence that demand exists within the submarket.

- There are a number of factual errors within the Vogt Williams study, such as Bayview being listed as a market project, whereby it is actually a 100% rent restricted tax credit project. Although the errors are considered minor, they bring into question the reliability of the research preformed and the validity of the conclusions drawn."

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

OPERATING PROFORMA ANALYSIS

Income: The Applicant's projected rents collected per unit were calculated by subtracting tenant-paid utility allowances as of May 5, 2005, maintained by the Baytown Housing Authority from the 2006 program gross rent limits. The Applicant included utility allowances that indicated that the tenants will be required to pay for all electric utilities as well as water and sewer costs, however the Applicant's expense budget include significant water and sewer costs that appear to incorporate the owner paying for this utility. Therefore the Underwriter recalculated rent without reducing water and sewer as a utility allowance. This represents an $81K difference in potential gross rent. Estimates of secondary income and vacancy and collection losses are in line with TDHCA underwriting guidelines. As a result The Applicant's effective gross rent is $75K lower but still within 5% of the Underwriter's estimate.

Expenses: The Applicant's total annual operating expense projection at $3,900 per unit is within 5% of the Underwriter's estimate of $4,092 derived from the TDHCA database and third-party data sources. The Applicant's budget show two line items that deviate significantly when compared to the Underwriter's estimate. In particular general and administrative expense are $25K lower and utilities are $29K lower than the Underwriter's estimates.

Conclusion: Despite the question regarding who will pay for water and sewer expenses at the property, the Applicant's income, expenses and net operating income are each within 5% of the Underwriter's estimates; therefore, they are considered acceptable. The Applicant's estimated debt service of $1,007,922 is less than anticipated by the Underwriter based upon the terms of the debt identified in the lender's commitment. Since the Applicant's debt service calculation resulted in a 1.10 DCR it is likely that a reduction in the debt amount may occur if the debt is underwritten at a 5.92% interest rate. This will be discussed in more detail in the financing section below.

Long-Term Feasibility: Both the Applicant's and the Underwriter's 30-year proforma utilize a 3% annual growth factor for income and a 4% annual growth factor for expenses in accordance with current TDHCA guidelines. The base year effective gross income, expense and net operating income were utilized in this proforma resulting in a debt coverage ratio that remains above 1.10 and continued positive cashflow. Therefore, the development can be characterized as feasible for the long-term.

ACQUISITION VALUATION INFORMATION

ASSESSED VALUE

Land: 16.15 acres	$222,597	**Assessment for the Year of:**	2005
Building:	$0	**Valuation by:**	Harris County Appraisal District
Total Assessed Value:	$222,597	**Tax Rate:**	2.6305

EVIDENCE of SITE or PROPERTY CONTROL

Type of Site Control:	Earnest Money Contract (16.15 acres)		
Contract Expiration:	08/01/2006	**Valid through Board Date?**	☒ Yes ☐ No
Acquisition Cost:	$2,476,390	**Other:**	
Seller:	Allen Russell	**Related to Development Team?**	☐ Yes ☒ No

CONSTRUCTION COST ESTIMATE EVALUATION

Acquisition Value: The site cost of $153,336 per acre or $9,906 per unit is assumed to be reasonable since the acquisition is an arm's-length transaction.

Sitework Cost: The Applicant claimed sitework costs over the Departments maximum guideline of $7,500 per unit but provided sufficient third party certification through a detailed certified cost estimate by Mucasey & Associates Architects to justify these costs. In addition, these costs have been reviewed by the Applicant's CPA, Rezinck Group, P.C., to preliminarily opine that $2,267,500 of the total $2,267,500 will be considered eligible. The CPA has indicated that this opinion of eligibility has taken into account the effect of the recent IRS Technical Advisory Memorandums on the eligibility of sitework costs.

Direct Construction Cost: The Applicant's direct construction cost estimate is 3% lower than the Underwriter's Marshall & Swift *Residential Cost Handbook*-derived estimate, and is therefore regarded as acceptable.

Fees: The Applicant's contractor general requirements, contractor general and administrative fees, and contractor profit exceed the 6%, 2%, and 6% maximums allowed by HTC guidelines by a total of $23K based on their own construction costs. Consequently the Applicant's eligible fees in these areas have been reduced by the same amount with the overage effectively moved to ineligible costs. The Applicant's developer's fees for general requirements, general and administrative expenses, and profit are all within the maximums allowed by TDHCA guidelines.

Other Costs: The Applicant overstated eligible interim financing by $258K compared to the Department's underwriting limit of one year of interest for a fully drawn loan. The Underwriter recognized that the Applicant had simultaneously included much less contingency than the 5% of direct construction cost allowed. Given the underestimate of direct construction costs and concerns about generally rising construction costs the Underwriter reclassified the interim interest overage as additional contingency, all but $41K of which could be considered eligible within the Department's 5% limit. The remaining $42K in excess interim interest was considered as an ineligible expense.

Conclusion: The Applicant's total development cost is within 5% of the Underwriter's estimate; therefore, the Applicant's cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis after adjustments by the Underwriter. The Applicant used an applicable percentage of 3.56% compared to the Underwriter's rate of 3.59% in calculating tax credits. An eligible basis of $23,036,035 supports annual tax credits of $1,075,134. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

FINANCING STRUCTURE

INTERIM TO PERMANENT BOND FINANCING

Source: GMAC Commercial Mortgage Affordable Housing Division **Contact:** Lloyd Griffin

Tax-Exempt: $14,400,000 **Interest Rate:** Variable rate underwritten at 5.92% **Amort:** 360 months

Documentation: ☐ Signed ☐ Term Sheet ☐ LOI ☐ Firm Commitment ☒ Conditional Commitment ☐ Application

Comments: Letter of Credit during construction is required. FannieMae DUS program loan

TAX CREDIT SYNDICATION

Source: Boston Capital Corporation **Contact:** Tom Dixon

Proceeds: $9,942,649 **Net Syndication Rate:** $ .9299 **Anticipated HTC:** $1,069,209/year

Documentation: ☐ Signed ☐ Term Sheet ☐ LOI ☐ Firm Commitment ☒ Conditional Commitment ☐ Application

Comments: $0.93 per credit for a 99.99% interest

OTHER

Amount: $1,251,630 **Source:** Deferred Developer Fee

FINANCING STRUCTURE ANALYSIS

Interim to Permanent Bond Financing: The Applicant plans to use tax exempt bond financing issued through the Southeast Texas Housing Finance Corporation. The bonds will be credit enhanced by FNMA through GMAC. The interest rate will be variable though the mechanism for adjustment was not disclosed in the commitment letter nor was the stack above the base rate disclosed. The commitment for syndication did reflect that a minimum initial 10 year interest rate cap would be required as would the escrow for additional caps during the affordability period, thought the anticipated $387K cost for these caps in the development budget were not verified by the commitments. The application and the syndication commitment also indicate that Bank of America will provide a letter of credit for construction financing; however, a commitment letter from Bank of America was not provided in the application. The letter of credit will be released at conversion to permanent which will take place after 90 days of 90% occupancy is achieved.

HTC Syndication: The tax credit syndication commitment is generally consistent with the terms reflected in the sources and uses of funds listed in the application.

GIC Income: The Applicant included $1,200,000 in anticipated income from investment of the bond proceeds in a guaranteed investment contract (GIC) and construction period interest income earned during the construction phase. To the extent that this income offsets interest costs it should have been deducted from eligible interest expense. The Underwriter addressed the excess eligible interest expense above and adjusted the eligible interest expense to not exceed the department's underwriting guidelines. Any additional potential income from the GIC and from operations would offset bond interest cost in the future or to the extent the property is operating may be an offset to other operating costs. As a result such income is an additional risk of the development and as is the custom in the Department's underwriting analysis it is incorporated as potential additional deferred developer fee rather than being reflected as an assured source of funds.

Deferred Developer's Fees: The Applicant's proposed deferred developer's fees of $1,251,630 amount to 42% of the total fees. The addition of the $1.2M in potentially uncertain GIC income increases the deferred developer fee to $2.5M or 84% of the available fee.

Financing Conclusions: As discussed in the Operating Proforma Analysis section above the Applicant's debt service estimate appears to be understated using a 5.92% interest rate. Moreover the Applicant indicates in some areas of the application that the assumed interest rate would be 6% though it is not entirely clear in the lender's commitment letter at what rate the bonds will be underwritten. At the 5.92% estimated current rate in the commitment letter the anticipated bond amount would have to be reduced by $360,000 to $14,140,000 to meet the Department's minimum 1.10 DCR. The commitment reflects a higher DCR requirement of 1.15 which would result in a still lower $13.5M maximum debt amount based upon the Applicant's net operating income. At a 6% interest rate assumption the debt is reduced slightly further to $13.4M. A reduction of debt to meet the 1.15 DCR in either case would require the deferred developer fee (including the potential GIC offset) to exceed the available developer fee but would be within the amount of developer plus contractor fee that could be deferred and repaid within 15 years.

The Applicant's total development cost estimate less the permanent loan of $14,140,000 indicates the need for $12,654,279 in gap funds. Based on the submitted syndication terms, a tax credit allocation of $1,360,811 annually would be required to fill this gap in financing. This amount is more than the eligible basis derived amount of $1,075,134 discussed above and both are more than the Applicant's request of $1,069,209. Therefore the Applicant's request of $1,069,209 is recommended resulting in proceeds of $9,942,649. The remaining gap of $2,711,630 could be funded with deferred developer fees which appears to be repayable from development cashflow within 15 years of stabilized operation.

DEVELOPMENT TEAM

IDENTITIES of INTEREST

- The Applicant, Developer, General Contractor and Property Manager are related entities. These are common relationships for HTC-funded developments.

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

Financial Highlights: The Applicant and General Partner are single-purpose entities created for the purpose of receiving assistance from TDHCA and therefore have no material financial statements.

- The Applicant, HFI Piedmont Apartments, LP submitted an unaudited financial statement as of May 6, 2006 reporting total assets of $31K, consisting of $1K in cash and $30K in other assets. Liabilities totaled $30K, resulting in a net worth of $1K.
- The General Partner, HFI Piedmont Development, LLC submitted an unaudited financial statement as of

May 5, 2006 reporting total assets of $1K, consisting of $1K in cash. Liabilities totaled $0, resulting in a net worth of $1K.

- The principals of the General Partner, Pamela, William, Laura and Cheryl Henson, and J. Steve and Cynthia Ford submitted unaudited financial statements as of April 30, 2006. James Mitchell submitted an unaudited statement as of May 30, 2006. The principals are anticipated to be guarantors of the development.

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

SUMMARY OF SALIENT RISKS AND ISSUES

- The recommended amount of deferred developer fee cannot be repaid within ten years, and any amount unpaid past ten years would be removed from eligible basis.
- An increase in the variable interest rate on the permanent debt could adversely affect the development's DCR and cash flow.

Underwriter:	*David Burrell*	**Date:**	June 30, 2006
Director of Real Estate Analysis:	*Tom Gouris*	**Date:**	June 30, 2006

MULTIFAMILY COMPARATIVE ANALYSIS

Piedmont Apartments, Baytown, HTC# 060412

Type of Unit	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	Rent Collected	Rent per Month	Rent per SF	Tnt-Pd Util	Wtr, Swr, Trsh
TC 60%	24	1	1	718	$686	$625	$15,000	$0.87	$61.00	$32.31
TC 60%	2	1	1	727	686	$625	1,250	0.86	61.00	32.31
TC 60%	2	1	1	765	686	$625	1,250	0.82	61.00	32.31
TC 60%	4	1	1	773	686	$625	2,500	0.81	61.00	32.31
TC 60%	20	1	1	788	686	$625	12,500	0.79	61.00	32.31
TC 60%	10	2	2	962	823	$751	7,510	0.78	72.00	37.31
TC 60%	14	2	2	980	823	$751	10,514	0.77	72.00	37.31
TC 60%	8	2	2	982	823	$751	6,008	0.76	72.00	37.31
TC 60%	8	2	2	989	823	$751	6,008	0.76	72.00	37.31
TC 60%	12	2	2	999	823	$751	9,012	0.75	72.00	37.31
TC 60%	14	2	2	1,008	823	$751	10,514	0.75	72.00	37.31
TC 60%	4	2	2	1,009	823	$751	3,004	0.74	72.00	37.31
TC 60%	28	2	2	1,025	823	$751	21,028	0.73	72.00	37.31
TC 60%	14	2	2	1,037	823	$751	10,514	0.72	72.00	37.31
TC 60%	20	3	2	1,210	951	$862	17,240	0.71	89.00	49.31
TC 60%	36	3	2	1,234	951	$862	31,032	0.70	89.00	49.31
TC 60%	20	3	2	1,239	951	$862	17,240	0.70	89.00	49.31
TC 60%	4	3	2	1,285	951	$862	3,448	0.67	89.00	49.31
TC 60%	6	3	2	1,325	951	$862	5,172	0.65	89.00	49.31
TOTAL:	250		AVERAGE:	1,032	$839	$763	$190,744	$0.74	$75.56	$40.40

INCOME	Total Net Rentable Sq Ft:	258,024			TDHCA	APPLICANT		Comptroller's Region	6
POTENTIAL GROSS RENT					$2,288,928	$2,207,664		IREM Region	Houston
Secondary Income			Per Unit Per Month:	$15.00	45,000	45,000	$15.00	Per Unit Per Month	
Other Support Income: (describe)					0		$0.00	Per Unit Per Month	
POTENTIAL GROSS INCOME					$2,333,928	$2,252,664			
Vacancy & Collection Loss			% of Potential Gross Income:	-7.50%	(175,045)	(168,948)	-7.50%	of Potential Gross Income	
Employee or Other Non-Rental Units or Concessions					0				
EFFECTIVE GROSS INCOME					$2,158,883	$2,083,716			
EXPENSES		% OF EGI	PER UNIT	PER SQ FT			PER SQ FT	PER UNIT	% OF EGI
General & Administrative		4.55%	$393	0.38	$98,254	$73,750	$0.29	$295	3.54%
Management		5.00%	432	0.42	107,944	104,186	0.40	417	5.00%
Payroll & Payroll Tax		9.68%	836	0.81	209,000	222,630	0.86	891	10.68%
Repairs & Maintenance		4.56%	393	0.38	98,363	108,000	0.42	432	5.18%
Utilities		2.62%	227	0.22	56,670	27,500	0.11	110	1.32%
Water, Sewer, & Trash		4.37%	378	0.37	94,416	78,000	0.30	312	3.74%
Property Insurance		3.65%	315	0.31	78,874	79,934	0.31	320	3.84%
Property Tax	2.64713	9.20%	794	0.77	198,535	200,000	0.78	800	9.60%
Reserve for Replacements		2.32%	200	0.19	50,000	50,000	0.19	200	2.40%
Other: compl fees		1.44%	124	0.12	31,000	31,000	0.12	124	1.49%
TOTAL EXPENSES		47.39%	$4,092	$3.96	$1,023,055	$975,000	$3.78	$3,900	46.79%
NET OPERATING INC		52.61%	$4,543	$4.40	$1,135,828	$1,108,716	$4.30	$4,435	53.21%
DEBT SERVICE									
GMAC/SETHFC		47.58%	$4,109	$3.98	$1,027,152	$1,007,922	$3.91	$4,032	48.37%
GIC Income & Construction Period In		0.00%	$0	$0.00	0		$0.00	$0	0.00%
Additional Financing		0.00%	$0	$0.00	0		$0.00	$0	0.00%
NET CASH FLOW		5.03%	$435	$0.42	$108,676	$100,794	$0.39	$403	4.84%
AGGREGATE DEBT COVERAGE RATIO					1.11	1.10			
RECOMMENDED DEBT COVERAGE RATIO						1.10			

CONSTRUCTION COST

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)		9.09%	$9,906	$9.60	$2,476,390	$2,476,390	$9.60	$9,906	9.24%
Off-Sites		0.00%	0	0.00	0	0	0.00	0	0.00%
Sitework		8.32%	9,070	8.79	2,267,500	2,267,500	8.79	9,070	8.46%
Direct Construction		45.56%	49,651	48.11	12,412,652	12,051,000	46.70	48,204	44.98%
Contingency	5.00%	2.69%	2,936	2.84	734,008	757,520	2.94	3,030	2.83%
General Req'ts	5.92%	3.19%	3,478	3.37	869,610	869,610	3.37	3,478	3.25%
Contractor's G & A	1.97%	1.06%	1,159	1.12	289,870	289,870	1.12	1,159	1.08%
Contractor's Profit	5.92%	3.19%	3,478	3.37	869,610	869,610	3.37	3,478	3.25%
Indirect Construction		3.76%	4,092	3.96	1,023,000	1,023,000	3.96	4,092	3.82%
Ineligible Costs		3.73%	4,059	3.93	1,014,844	1,014,844	3.93	4,059	3.79%
Developer's G & A	1.81%	1.36%	1,480	1.43	370,000	370,000	1.43	1,480	1.38%
Developer's Profit	12.70%	9.54%	10,400	10.08	2,600,000	2,600,000	10.08	10,400	9.70%
Interim Financing		7.36%	8,020	7.77	2,004,935	2,004,935	7.77	8,020	7.48%
Reserves		1.14%	1,241	1.20	310,211	200,000	0.78	800	0.75%
TOTAL COST		100.00%	$108,971	$105.58	$27,242,629	$26,794,279	$103.84	$107,177	100.00%
Construction Cost Recap		*64.03%*	***$69,773***	***$67.60***	***$17,443,249***	***$17,105,110***	***$66.29***	***$68,420***	*63.84%*
					2006 QAP §50.9(i)(8) points awarded for costs less than		***$0.00***	***per square foot***	

SOURCES OF FUNDS

						RECOMMENDED	
GMAC/SETHFC	52.86%	$57,600	$55.81	$14,400,000	$14,400,000	$14,140,000	Developer Fee Available
GIC Income & Construction Period In	4.40%	$4,800	$4.65	1,200,000	1,200,000		$2,970,000
HTC Syndication Proceeds	36.50%	$39,771	$38.53	9,942,649	9,942,649	9,942,649	% of Dev. Fee Deferred
Deferred Developer Fees	4.59%	$5,007	$4.85	1,251,630	1,251,630	2,711,630	91%
Additional (Excess) Funds Req'd	1.65%	$1,793	$1.74	448,350	0	0	15-Yr Cumulative Cash Flow
TOTAL SOURCES				$27,242,629	$26,794,279	$26,794,279	$4,119,590

MULTIFAMILY COMPARATIVE ANALYSIS(continued)

Piedmont Apartments, Baytown, HTC# 060412

DIRECT CONSTRUCTION COST ESTIMATE

Residential Cost Handbook

Average Quality Multiple Residence Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			$49.02	$12,648,336
Adjustments				
Exterior Wall Finish	2.40%		$1.18	$303,560
Elderly/9-Ft. Ceilings			0.00	0
Roofing			0.00	0
Subfloor			(0.75)	(192,658)
Floor Cover			2.22	572,813
Porches/Balconies	$20.33	25,000	1.97	508,250
Plumbing	$680	594	1.57	403,920
Built-In Appliances	$1,675	250	1.62	418,750
Stairs/Fireplaces	$1,875	138	1.00	258,750
Enclosed Corridors	$39.10		0.00	0
Heating/Cooling			1.73	446,382
Garages/Carports	$15.99	49,720	3.08	795,023
Comm &/or Aux Bldgs	$63.50	5,441	1.34	345,476
Other:	$19.33	5,280	0.40	102,062
SUBTOTAL			64.38	16,610,665
Current Cost Multiplier	1.03		1.93	498,320
Local Multiplier	0.89		(7.08)	(1,827,173)
TOTAL DIRECT CONSTRUCTION COSTS			$59.23	$15,281,812
Plans, specs, survy, bld prm	3.90%		($2.31)	($595,991)
Interim Construction Interest	3.38%		(2.00)	(515,761)
Contractor's OH & Profit	11.50%		(6.81)	(1,757,408)
NET DIRECT CONSTRUCTION COSTS			$48.11	$12,412,652

PAYMENT COMPUTATION

Primary	$14,400,000	Amort	360
Int Rate	5.92%	DCR	1.11
Secondary	$0	Amort	
Int Rate	0.00%	Subtotal DCR	1.11
Additional		Amort	
Int Rate		Aggregate DCR	1.11

RECOMMENDED FINANCING STRUCTURE APPLICANT'S NC

Primary Debt Service	$1,008,607
Secondary Debt Service	0
Additional Debt Service	0
NET CASH FLOW	$100,109

Primary	$14,140,000	Amort	360
Int Rate	5.92%	DCR	1.10
Secondary	$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.10
Additional	$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.10

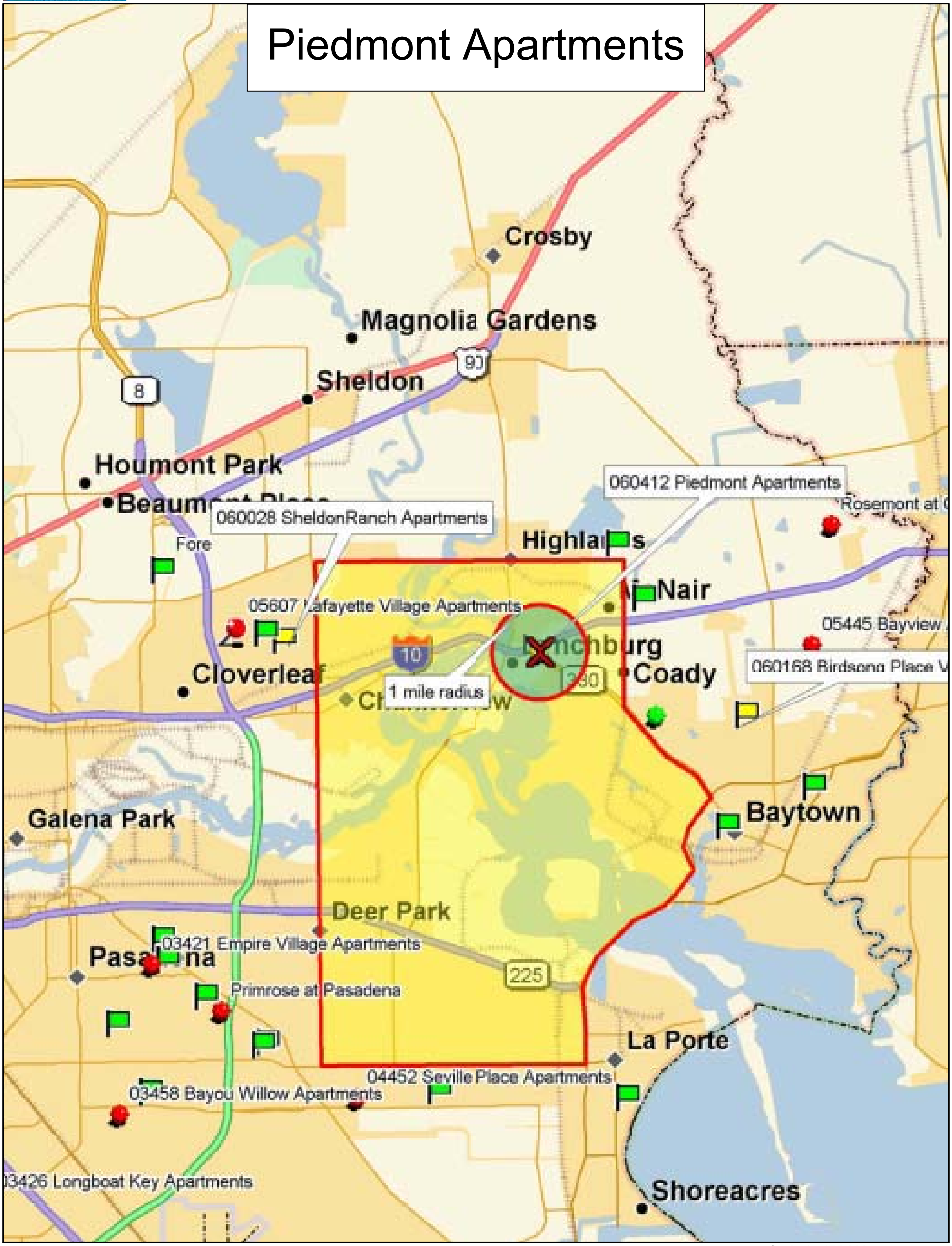
OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE (APPLICANT'S NOI)

INCOME at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	$2,207,664	$2,273,894	$2,342,111	$2,412,374	$2,484,745	$2,880,501	$3,339,290	$3,871,152	$5,202,505
Secondary Income	45,000	46,350	47,741	49,173	50,648	58,715	68,067	78,908	106,045
Other Support Income: (describe	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	2,252,664	2,320,244	2,389,851	2,461,547	2,535,393	2,939,216	3,407,356	3,950,060	5,308,550
Vacancy & Collection Loss	(168,948)	(174,018)	(179,239)	(184,616)	(190,154)	(220,441)	(255,552)	(296,254)	(398,141)
Employee or Other Non-Rental U	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	$2,083,716	$2,146,226	$2,210,612	$2,276,931	$2,345,239	$2,718,774	$3,151,805	$3,653,805	$4,910,409
EXPENSES at 4.00%									
General & Administrative	$73,750	$76,700	$79,768	$82,959	$86,277	$104,969	$127,711	$155,380	$230,001
Management	104,186	107311.487	110530.8319	113846.7569	117262.1596	135938.9815	157590.5369	182690.6238	245520.9217
Payroll & Payroll Tax	222,630	231,535	240,797	250,428	260,446	316,872	385,523	469,048	694,305
Repairs & Maintenance	108,000	112,320	116,813	121,485	126,345	153,718	187,021	227,540	336,814
Utilities	27,500	28,600	29,744	30,934	32,171	39,141	47,621	57,938	85,763
Water, Sewer & Trash	78,000	81,120	84,365	87,739	91,249	111,018	135,071	164,334	243,255
Insurance	79,934	83,131	86,457	89,915	93,511	113,771	138,420	168,409	249,286
Property Tax	200,000	208,000	216,320	224,973	233,972	284,662	346,335	421,370	623,730
Reserve for Replacements	50,000	52,000	54,080	56,243	58,493	71,166	86,584	105,342	155,933
Other	31,000	32,240	33,530	34,871	36,266	44,123	53,682	65,312	96,678
TOTAL EXPENSES	$975,000	$1,012,958	$1,052,403	$1,093,394	$1,135,991	$1,375,379	$1,665,559	$2,017,364	$2,961,286
NET OPERATING INCOME	$1,108,716	$1,133,268	$1,158,209	$1,183,537	$1,209,247	$1,343,396	$1,486,246	$1,636,441	$1,949,123
DEBT SERVICE									
First Lien Financing	$1,008,607	$1,008,607	$1,008,607	$1,008,607	$1,008,607	$1,008,607	$1,008,607	$1,008,607	$1,008,607
Second Lien	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	$100,109	$124,661	$149,603	$174,930	$200,641	$334,789	$477,640	$627,835	$940,516
DEBT COVERAGE RATIO	1.10	1.12	1.15	1.17	1.20	1.33	1.47	1.62	1.93

HTC ALLOCATION ANALYSIS - Piedmont Apartments, Baytown, HTC# 060412

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
(1) Acquisition Cost				
Purchase of land	$2,476,390	$2,476,390		
Purchase of buildings				
(2) Rehabilitation/New Construction Cost				
On-site work	$2,267,500	$2,267,500	$2,267,500	$2,267,500
Off-site improvements				
(3) Construction Hard Costs				
New structures/rehabilitation hard costs	$12,051,000	$12,412,652	$12,051,000	$12,412,652
(4) Contractor Fees & General Requirements				
Contractor overhead	$289,870	$289,870	$286,370	$289,870
Contractor profit	$869,610	$869,610	$859,110	$869,610
General requirements	$869,610	$869,610	$859,110	$869,610
(5) Contingencies	$757,520	$734,008	$715,925	$734,008
(6) Eligible Indirect Fees	$1,023,000	$1,023,000	$1,023,000	$1,023,000
(7) Eligible Financing Fees	$2,004,935	$2,004,935	$2,004,935	$2,004,935
(8) All Ineligible Costs	$1,014,844	$1,014,844		
(9) Developer Fees				
Developer overhead	$370,000	$370,000	$370,000	$370,000
Developer fee	$2,600,000	$2,600,000	$2,600,000	$2,600,000
(10) Development Reserves	$200,000	$310,211		
TOTAL DEVELOPMENT COSTS	$26,794,279	$27,242,629	$23,036,950	$23,441,184

Deduct from Basis:			
All grant proceeds used to finance costs in eligible basis			
B.M.R. loans used to finance cost in eligible basis			
Non-qualified non-recourse financing			
Non-qualified portion of higher quality units [42(d)(3)]			
Historic Credits (on residential portion only)			
TOTAL ELIGIBLE BASIS		$23,036,950	$23,441,184
High Cost Area Adjustment		130%	130%
TOTAL ADJUSTED BASIS		$29,948,035	$30,473,539
Applicable Fraction		100%	100%
TOTAL QUALIFIED BASIS		$29,948,035	$30,473,539
Applicable Percentage		3.59%	3.59%
TOTAL AMOUNT OF TAX CREDITS		$1,075,134	$1,094,000
Syndication Proceeds	**0.9299**	**$9,997,750**	**$10,173,183**
Total Tax Credits (Eligible Basis Method)		**$1,075,134**	**$1,094,000**
Syndication Proceeds		**$9,997,750**	**$10,173,183**
Requested Tax Credits		**$1,069,209**	
Syndication Proceeds		**$9,942,649**	
Gap of Syndication Proceeds Needed		**$12,654,279**	
Total Tax Credits (Gap Method)		**$1,360,811**	



TN
MN (3.7°E)

Scale 1 : 175,000
1" = 2.76 mi
Data Zoom 9-2

Applicant Evaluation

Project ID # **060412** Name: **Piedmont Apartments** City: **Baytown**

LIHTC 9% ☐ LIHTC 4% ☑ HOME ☐ BOND ☐ HTF ☐ SECO ☐ ESGP ☐ Other ☐

☐ No Previous Participation in Texas ☐ Members of the development team have been disbarred by HUD

National Previous Participation Certification Received: ☑ N/A ☐ Yes ☐ No

Noncompliance Reported on National Previous Participation Certification: ☐ Yes ☐ No

Portfolio Management and Compliance

Total # of Projects monitored: 24

Projects in Material Noncompliance: **Yes** ☐ **No** ☑

in noncompliance: 0

Projects grouped by score:
- zero to nine: 23
- ten to nineteen: 1
- twenty to twenty-nine: 0

monitored with a score less than thirty: 24

Projects not reported in application: Yes ☐ No ☑

not yet monitored or pending review: 16

of projects not reported 0

Portfolio Monitoring
- Not applicable ☑
- Review pending ☐
- No unresolved issues ☐
- Unresolved issues found ☐
- Unresolved issues found that warrant disqualification (Comments attached) ☐

Single Audit
- Not applicable ☑
- Review pending ☐
- No unresolved issues ☐
- Issues found regarding late cert ☐
- Issues found regarding late audit ☐
- Unresolved issues found that warrant disqualification (Comments attached) ☐

Portfolio Analysis
- Not applicable ☑
- No unresolved issues ☐
- Not current on set-ups ☐
- Not current on draws ☐
- Not current on match ☐

Reviewed by Patricia Murphy Date 6/26/2006

Multifamily Finance Production
- Not applicable ☐
- Review pending ☐
- No unresolved issues ☑
- Unresolved issues found ☐
- Unresolved issues found that warrant disqualification (Comments attached) ☐

Reviewer A. Martin
Date 6 /20/2006

Single Family Finance Production
- Not applicable ☑
- Review pending ☐
- No unresolved issues ☐
- Unresolved issues found ☐
- Unresolved issues found that warrant disqualification (Comments attached) ☐

Reviewer Sandy M. Garcia
Date 6 /20/2006

Real Estate Analysis (Workout)
- Not applicable ☐
- Review pending ☐
- No unresolved issues ☑
- Unresolved issues found ☐
- Unresolved issues found that warrant disqualification (Comments attached) ☐

Reviewer David Burrell
Date 6 /24/2006

Community Affairs
- No relationship ☑
- Review pending ☐
- No unresolved issues ☐
- Unresolved issues found ☐
- Unresolved issues found that warrant disqualification (Comments attached) ☐

Reviewer EEF
Date 6 /21/2006

Office of Colonia Initiatives
- Not applicable ☑
- Review pending ☐
- No unresolved issues ☐
- Unresolved issues found ☐
- Unresolved issues found that warrant disqualification (Comments attached) ☐

Reviewer Maria Cazares
Date 6 /19/2006

Financial Administration
- No delinquencies found ☑
- Delinquencies found ☐

Reviewer Melissa M. Whitehead
Date 6 /30/2006

Executive Director: Michael Gerber **Executed:** Tuesday, July 04, 2006

Housing Tax Credit Program
Board Action Request
July 12, 2006

Action Item

Request, review, and board determination of two (2) four percent (4%) tax credit applications with TDHCA as the Issuer.

Recommendation

Staff is recommending that the board review and approve the issuance of two (2) four percent (4%) Tax Credit Determination Notices with **TDHCA** as the Issuer for tax exempt bond transactions known as:

Development No.	Name	Location	Issuer	Total Units	LI Units	Total Development	Applicant Proposed Tax Exempt Bond Amount	Requested Credit Allocation	Recommended Credit Allocation
060611	Parkwest Apartment Homes	Houston	TDHCA	252	252	$23,438,097	$15,000,000	$875,000	$875,000
060615	Hillcrest Apartments	Mesquite	TDHCA	352	299	$17,627,469	$12,700,000	$449,583	$449,583

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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MULTIFAMILY FINANCE PRODUCTION DIVISION

2006 Private Activity Multifamily Housing Revenue Bonds

Parkwest Apartment Homes
14601 Block of Parkwest Central Drive and west of the 3600 Block of State Highway 6
Houston, Texas

Houston 3601 Houston Parkwest Apartments, L.P.
252 Units
Priority 3
$15,000,000 Tax Exempt – Series 2006

TABLE OF EXHIBITS

MULTIFAMILY FINANCE PRODUCTION DIVISION
BOARD ACTION REQUEST
July 12, 2006

Action Item

Presentation, Discussion and Possible Approval of a resolution for the issuance of Multifamily Housing Mortgage Revenue Bonds, Series 2006 and Housing Tax Credits for the Parkwest Apartment Homes development.

Requested Action

Approve, Deny or Approve with Amendments the staff recommendation for the Parkwest Apartment Homes development.

Summary of the Parkwest Apartment Homes Transaction

The pre-application for the 2006 Waiting List was received on February 6, 2006. The application was scored and ranked by staff. The application was induced at the March 20, 2006 Board meeting and submitted to the Texas Bond Review Board. The application received a Reservation of Allocation on March 28, 2006. This application was submitted under the Priority 3 category. A public hearing was held on May 31, 2006. There were 67 people in attendance including State Representative Hubert Vo, Superintendent Louis Stoerner, and a representative from Commissioner Steve Radack's office. Nineteen (19) people spoke for the record. Sixty (60) people signed in as opposed, two (2) were in support, and five (5) were neutral. The Department has received nineteen (19) letters of opposition and one (1) letter of support. The opposition letters were received from the following: former State Representative Talmadge Heflin, the Superintendent of Alief ISD, President of the School Board of Trustees, and the Harris County MUD District for the area. The other opposition letters came from individuals within the community. The main concerns that were addressed included the overcrowding in emergency rooms and hospitals, excessive concentration of affordable housing complexes in the Alief ISD, occupancy rates of current multifamily developments in the area, and the additional stress that will be placed on the volunteer Fire Department, EMS, and Sheriff's Department. *A* copy of the transcript is included in this presentation.

The proposed site is located at approximately the 14601 block of Parkwest Central Drive and west of the 2600 block of State Highway 6, Harris County, Texas. Demographics for the census tract (4543.00) include AMFI of $59,536; the total population is 10,834; the percent of the population that is minority is 60.31%; the number of owner occupied units is 2,231; the number renter occupied units is 1,769 and the number of vacant units is 589. (Census Information from FFIEC Geocoding for 2005)

Summary of the Financial Structure

The applicant is requesting the Department's approval and issuance of fixed rate tax exempt bonds in an amount not to exceed $15,000,000. The bonds will be unrated and privately placed with Capmark Municipal Mortgage, Inc. The term of the bonds will be for 33 years followed by a 37 year amortization.

The construction and lease up period will be for thirty-six (36) months with the option of a six (6) month extension. The interest rate on the bonds from the date of issuance through July 31, 2008 will be 5.00% per annum followed by an interest rate of 6.00% per annum thereafter until Lien Free Completion. Thereafter until maturity, the interest rate on the bonds shall be determined by the Indexing Agent in accordance with the Indenture.

Recommendation

Staff recommends the Board approve the issuance of Multifamily Housing Mortgage Revenue Bonds, Series 2006 and Housing Tax Credits for the Parkwest Apartment Homes development because of the quality of construction of the development as demonstrated by the plans and specifications, the feasibility of the development (as demonstrated by the commitments from the bond purchaser/equity provider and the underwriting report from the department's real estate analysis division) and the need of affordable housing in the Houston area as demonstrated by the market study and appraisal reports.

MULTIFAMILY FINANCE PRODUCTION DIVISON
BOARD MEMORANDUM
July 12, 2006

DEVELOPMENT: Parkwest Apartment Homes, Harris County, Texas

PROGRAM: Texas Department of Housing & Community Affairs
2006 Private Activity Multifamily Revenue Bonds
(Reservation received March 28, 2006)

ACTION REQUESTED: Approve the issuance of multifamily housing mortgage revenue bonds (the "Bonds") by the Texas Department of Housing and Community Affairs (the "Department"). The Bonds will be issued under Chapter 1371, Texas Government Code, as amended, and under Chapter 2306, Texas Government Code, the Department's Enabling Statute (the "Statute"), which authorizes the Department to issue its revenue bonds for its public purposes as defined therein. (*The Statute provides that the Department's revenue bonds are solely obligations of the Department, and do not create an obligation, debt, or liability of the State of Texas or a pledge or loan of the faith, credit or taxing power of the State of Texas.)*

PURPOSE: The proceeds of the Bonds will be used to fund a mortgage loan (the "Mortgage Loan") to Houston 3601 Parkwest Apartments, LP, a Texas limited partnership (the "Owner" or "Borrower"), to finance the acquisition, construction, equipping and long-term financing of a proposed 252-unit multifamily residential rental development located at approximately the 14601 block of Parkwest Central Drive and west of the 3600 block of State Highway 6, Harris County, Texas (the "Development"). The Bonds will be tax-exempt by virtue of the Development qualifying as a residential rental development.

BOND AMOUNT: $ 15,000,000 Series 2006 Tax Exempt Bonds (*)
$ 15,000,000 Total Bonds

(*) The aggregate principal amount of the Bonds will be determined by the Department based on its rules, underwriting, the cost of construction of the Development and the amount for which Bond Counsel can deliver its Bond Opinion.

ANTICIPATED CLOSING DATE: The Department received a volume cap allocation for the Bonds on March 28, 2006 pursuant to the Texas Bond Review Board's 2006 Private Activity Bond Allocation Program. While the Department is required to deliver the Bonds on or before August 25, 2006, the anticipated closing date is July 26, 2006.

BORROWER: Houston 3601 Parkwest Apartments, LP, a Texas limited partnership, the general partner of which is Houston 3601 Parkwest Apartments I, LLC, of which Kenneth G. Cash is a member of the General Partner owning 99% interest. PNC Multifamily Capital, is an Investor Limited Partner of Borrower, and it or an affiliate thereof, will be providing the equity for the transaction by purchasing approximately a 99% limited

** Preliminary - Represents Maximum Amount* partnership interest in the Borrower.

COMPLIANCE HISTORY:

The Compliance Status Summary completed on June 29, 2006 reveals that the principals of the general partner above do not have any properties that are being monitored by the Department at this time.

ISSUANCE TEAM/ ADVISORS:

Capmark Municipal Mortgage, Inc. or an affiliate thereof ("Bond Purchaser")
PNC Multifamily Capital ("Equity Provider")
Wells Fargo Bank, National Association ("Trustee")
Vinson & Elkins L.L.P. ("Bond Counsel")
RBC Capital Markets ("Financial Advisor")
McCall, Parkhurst & Horton, L.L.P. ("Disclosure Counsel")

BOND PURCHASER:

The Bonds will be purchased by Capmark Municipal Mortgage, Inc. or an affiliate thereof. The purchaser and any subsequent purchaser will be required to sign the Department's standard traveling investor letter.

DEVELOPMENT DESCRIPTION:

The Development is a 252-unit apartment community to be constructed on an approximately 14.18 acres to be located at approximately the 14601 block of Parkwest Central Drive and west of the 3600 block of State Highway 6, Harris County, Texas. The Development will consist of eleven (11) three-story residential, wood-framed apartment buildings consisting of brick and handiplank veneer exteriors with a total of approximately 232,560 net rentable square feet and an average unit size of 923 square feet. The development will include a clubhouse with business/conference center, activity room with computers, games room/TV lounge, exercise room, laundry facilities, swimming pool, playground, full perimeter fencing with gated access, and barbeque and picnic area. The unit amenities include microwave ovens, washer/dryer connections, storage room, and ceiling fans.

Units	Unit Type	Sq Ft	Proposed Net	Rent
72	1-Bed/1-Baths	680	$626.00	60%
96	2-Bed/2-Baths	950	$751.00	60%
84	3-Bed/2-Baths	1,132	$862.00	60%
252	Total Units			

SET-ASIDE UNITS:

For Bond covenant purposes, at least forty (40%) of the residential units in the development are set aside for persons or families earning not more than sixty percent (60%) of the area median income. Five percent (5%) of the units in each development will be set aside on a priority basis for persons with special needs. *(The Borrower has elected to set aside 100% of the units for tax credit purposes.)*

TENANT SERVICES:

Tenant Services will be provided by the developer according to the requirements as outlined in the Regulatory and Land Use Restriction Agreement (LURA).

DEPARTMENT ORIGINATION FEES:

$1,000 Pre-Application Fee (Paid)

$10,000 Application Fee (Paid)
$75,000 Issuance Fee (.50% of the bond amount paid at closing)

<u>DEPARTMENT ANNUAL FEES:</u>

$15,000 Bond Administration (0.10% of first year bond amount)
$10,080 Compliance ($40/unit/year adjusted annually for CPI).

<u>ASSET OVERSIGHT FEE:</u>

$6,300 to TDHCA or assigns ($25/unit/year adjusted annually for CPI)
(Department's annual fees may be adjusted, including deferral, to accommodate underwriting criteria and Development cash flow.)

<u>TAX CREDITS:</u>

The Borrower has applied to the Department to receive a Determination Notice for the 4% tax credit that accompanies the private-activity bond allocation. The tax credit equates to approximately $875,000 and represents equity for the transaction. To capitalize on the tax credit, the Borrower will sell a substantial portion of its limited partnership interests, typically 99%, to raise equity funds for the Development. Although a tax credit sale has not been finalized, the Borrower anticipates raising approximately $8,437,850 of equity for the transaction.

<u>BOND STRUCTURE:</u>

The Bonds are proposed to be issued under a Trust Indenture (the "Trust Indenture") that will describe the fundamental structure of the Bonds, permitted uses of Bond proceeds and procedures for the administration, investment and disbursement of Bond proceeds and program revenues.

The Bonds will be privately placed with the Bond Purchaser. The Bond Purchaser contemplates transferring the Bonds to a custodial or trust arrangement whereby beneficial interests in the Bonds will be sold in the form of trust certificates to Qualified Institutional Buyers or Accredited Investors.

The Bond Purchaser will be required to sign the Department's standard investor letter. Should the Bonds be transferred to a custodial trust, a slightly modified investor letter will be provided by the trust. During the construction and lease-up period, the Bonds will pay as to interest only.

<u>BOND INTEREST RATES</u>:

The interest rate on the bonds from the date of issuance to July 31, 2008 will be 5.00% per annum followed by an interest rate on the Bonds of 6.00% per annum until Lien Free Completion. After Lien Free Completion the Bonds will bear interest at the applicable Bond Coupon Rate as determined by the Indexing Agent in accordance with the Indenture.

<u>CREDIT ENHANCEMENT:</u>

Prior to Lien Free Completion, the Bonds will be credit enhanced by a Letter of Credit issued by PNC Bank, National Association. After Lien Free Completion, there will be no credit enhancement.

<u>FORM OF BONDS:</u>

The Bonds will be issued in physical form and in denominations of $100,000 or any amount in excess of $100,000.

MATURITY/SOURCES & METHODS OF REPAYMENT:

The Bonds will bear interest at the applicable Bond Coupon Rate beginning August 1, 2008 until maturity and will be payable monthly. During the construction phase, the Bonds will be payable as to interest only, from an initial deposit at closing to the Bond Fund, earnings derived from amounts held on deposit in an investment agreement, and other funds deposited to the Revenue Fund specifically for capitalized interest during a portion of the construction phase. After conversion to the permanent phase, the Bonds will be paid from revenues earned from the Mortgage Loan.

TERMS OF THE MORTGAGE LOAN:

The Mortgage Loan is a nonrecourse obligation of the Borrower (which means, subject to certain exceptions, the Owner is not liable for the payment thereof beyond the amount realized from the pledged security) providing for monthly payments of interest during the construction phase and level monthly payments of principal and interest upon conversion to the permanent phase. Deeds of Trust and related documents convey the Owner's interest in the Development to secure the payment of the Mortgage Loan.

REDEMPTION OF BONDS PRIOR TO MATURITY:

The Bonds are subject to redemption under any of the following circumstances:

Mandatory Redemption:

1. Amounts Transferred from Project Fund - The Bonds shall be redeemed in whole or in part, at a redemption price equal to the principal amount of the Bonds to be redeemed plus accrued interest to the date of redemption, but without premium, in the event and to the extent amounts remaining in the Project Fund are transferred to the Bond Fund on the first Bond Payment Date for which notice of redemption can be given at the Redemption Price.

2. Upon Mandatory Prepayment of Note - The Bonds shall be redeemed in whole or in part, with the Written Consent of the Construction Phase Credit Facility Provider prior to Lien Free Completion and the Bondholder Representative after Lien Free Completion, upon mandatory prepayment of the Note by the Borrower as required by the Loan Agreement on the earliest Business Day for which notice can be given at the Redemption Price.

3. Bond Document Default - The Bonds shall be redeemed in whole or in part upon the acceleration of the Note pursuant to the Loan Agreement and upon Written Direction of the Bondholder Representative or, prior to the Lien Free Completion, the Construction Phase Credit Facility Provider

to the Trustee, in the event of the occurrence of a Loan Agreement Default and the expiration of the applicable grace period or notice and cure period, if any, specified therein, on the earliest Business Day for which notice can be given at the Redemption Price.

4. Certain Pre-Conversion Events - The Bonds are subject to mandatory redemption, at the Redemption Price, on the earliest Business Day for which notice can be given from payments from funds derived from a draw on the Construction Phase Credit Facility or transferred from the Project Fund to the Bond Fund:

   (a) in whole, upon receipt by the Trustee of Written Direction from the Bondholder Representative, in accordance with the Construction Phase Financing Agreement, to redeem the Bonds as a result of the occurrence of a Borrower Default as defined in and under the Construction Phase Financing Agreement or from the Construction Phase Credit Facility Provider to redeem Bonds as a result of the occurrence of a Borrower Default under the Construction Phase Credit Facility Provider Documents; or

   (b) in whole, upon receipt by the Trustee of Written Direction from the Bondholder Representative, on or after the Outside Conversion Date, if the Conversion Notice is not issued by the Bondholder Representative prior to the Outside Conversion Date; or in part, in the event that the Borrower or the Construction Phase Credit Facility Provider elects to make a Pre-Conversion Loan Equalization Payment and the Trustee has received Written Notice thereof and Written Direction from the Bondholder Representative to redeem Bonds, in an amount equal to the amount of the Note prepaid by the Borrower.

5. Sinking Fund Redemption - The Bonds shall be subject to redemption, at a redemption price equal to the principal amount of the Bonds to be redeemed plus accrued interest to the date of redemption and shall be redeemed in part on each Bond Payment Date, commencing the first business day of the month immediately after commencement of amortization of the Loan, in accordance with a Mandatory Sinking Fund Schedule provided to the Trustee by the Borrower on such date of commencement and calculated so as to provide for level debt service payment on the Bonds.

6. Excess Revenues - Upon the delivery to the Trustee of a Notice of Accelerated Redemption on each Bond Payment Date, in whole or in part, at the Redemption Price, from amounts then on deposit in the Surplus Fund in excess of $10,000.

Optional Redemption:

The Bonds may be redeemed in whole, but not in part, on any Business Day, upon optional prepayment of the Note by the Borrower pursuant to the Loan Agreement.

FUNDS AND ACCOUNTS/FUNDS ADMINISTRATION:

Under the Trust Indenture, Wells Fargo, National Association (the "Trustee") will serve as registrar, and authenticating agent for the Bonds, trustee of certain of the funds created under the Trust Indenture (described below), and will have responsibility for a number of loan administration and monitoring functions.

Moneys on deposit in Trust Indenture funds are required to be invested in eligible investments prescribed in the Trust Indenture until needed for the purposes for which they are held.

The Trust Indenture will initially create up to nine (9) funds with the following general purposes:

1. Bond Fund – Monies in the Bond Fund will be used to pay interest and principal due on the bonds, third party fees, redemption of the Bonds and shall be transferred to other funds and accounts.

2. Project Fund – Consists of the Bond Proceeds Account, the Capitalized Interest Account and the Earnout Account. Monies in the Project Fund will be used for the acquisition, construction or equipping of the Development, to pay other Qualified Project Costs and to pay other costs related to the Development.

3. Rebate Fund - Fund into which certain investment earnings are transferred that are required to be rebated periodically to the federal government to preserve the tax-exempt status of the Bonds. Amounts in this fund are held apart from the trust estate and are not available to pay debt service on the Bonds.

4. Expense Fund – Monies in the Expense Fund shall be used to pay the Third Party Fees.

5. Costs of Issuance Fund – Fund into which amounts for the payment of certain costs incurred in connection with the issuance of the bonds are deposited and disbursed.

6. Surplus Fund – Monies on deposit in this account shall be used to

pay the principal and interest on the Bonds, together with third party fees, to the extent that funds available in the Bond Fund and Expense Fund are insufficient.

7. Senior Bonds Debt Service Reserve Fund – Monies deposited in this account shall be used to pay the principal and interest on the Senior Bonds, as well as any Third Party Fees to the extent that funds in the Bond Fund, Surplus Fund and Expense Fund are insufficient.

8. Subordinate Bonds Debt Service Reserve Fund – Monies on deposit in this account shall be used to pay the principal and interest on the Subordinate Bonds, as well as any Third Party Fees to the extent that funds in the Bond Fund, Surplus Fund and Expense Fund are unavailable to do so.

9. Remarketing Proceeds Fund – Monies on deposit in this account should be used solely to purchase remarketed or deemed remarketed Bonds pursuant to the Indenture.

Essentially, all of the Bond proceeds will be deposited into Project Fund and disbursed from there during the Construction Phase (approximately 36 months) to finance the construction of the Development and to pay interest on the Bonds. Although costs of issuance of up to two percent (2%) of the principal amount of the Bonds may be paid from Bond proceeds, it is currently expected that all costs of issuance will be paid by an equity contribution of the Borrower.

DEPARTMENT ADVISORS:

The following advisors have been selected by the Department to perform the indicated tasks in connection with the issuance of the Bonds.

1. Bond Counsel - Vinson & Elkins L.L.P. ("V&E") was most recently selected to serve as the Department's bond counsel through a request for proposals ("RFP") issued by the Department in September 2005.

2. Bond Trustee – Wells Fargo, National Association was selected as bond trustee by the Department pursuant to a request for proposal process in June 2006.

3. Financial Advisor – RBC Capital Markets, formerly RBC Dain Rauscher, was selected by the Department as the Department's financial advisor through a request for proposals process in August 2003.

4. Disclosure Counsel – McCall, Parkhurst & Horton, L.L.P. was selected by the Department as Disclosure Counsel through a request for proposals process in September 2005.

ATTORNEY GENERAL REVIEW OF BONDS:

No preliminary written review of the Bonds by the Attorney General of Texas has yet been made. Department bonds, however, are subject to the approval of the Attorney General, and transcripts of proceedings with respect to the Bonds will be submitted for review and approval prior to the issuance of the Bonds.

RESOLUTION NO. 06-023

RESOLUTION AUTHORIZING AND APPROVING THE ISSUANCE, SALE AND DELIVERY OF MULTIFAMILY HOUSING REVENUE BONDS (PARKWEST APARTMENT HOMES) SERIES 2006; APPROVING THE FORM AND SUBSTANCE AND AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS AND INSTRUMENTS PERTAINING THERETO; AUTHORIZING AND RATIFYING OTHER ACTIONS AND DOCUMENTS; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, the Texas Department of Housing and Community Affairs (the "Department") has been duly created and organized pursuant to and in accordance with the provisions of Chapter 2306, Texas Government Code, as amended (the "Act"), for the purpose, among others, of providing a means of financing the costs of residential ownership, development and rehabilitation that will provide decent, safe, and affordable living environments for individuals and families of low and very low income (as defined in the Act) and families of moderate income (as described in the Act and determined by the Governing Board of the Department (the "Board") from time to time); and

WHEREAS, the Act authorizes the Department: (a) to make mortgage loans to housing sponsors to provide financing for multifamily residential rental housing in the State of Texas (the "State") intended to be occupied by individuals and families of low and very low income and families of moderate income, as determined by the Department; (b) to issue its revenue bonds, for the purpose, among others, of obtaining funds to make such loans and provide financing, to establish necessary reserve funds and to pay administrative and other costs incurred in connection with the issuance of such bonds; (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 multi-family residential rental project loans, and to mortgage, pledge or grant security interests in such loans or other property of the Department in order to secure the payment of the principal or redemption price of and interest on such bonds; and (d) to issue its bonds for the purpose of refunding any bonds theretofore issued by the Department under the Act; and

WHEREAS, the Board has determined to authorize the issuance of the Texas Department of Housing and Community Affairs Multifamily Housing Revenue Bonds (Parkwest Apartment Homes) Series 2006 (the "Bonds"), pursuant to and in accordance with the terms of an Indenture of Trust (the "Indenture") by and between the Department and Wells Fargo Bank, National Association (the "Trustee"), for the purpose of obtaining funds to finance the Development (defined below), all under and in accordance with the Constitution and laws of the State of Texas; and

WHEREAS, the Department desires to use the proceeds of the Bonds to fund a mortgage loan to Houston 3601 Parkwest Apartments LP, a Texas limited partnership (the "Borrower"), in order to finance a portion of the cost of acquisition, construction and equipping of a qualified residential rental Development described on Exhibit A attached hereto (the "Development") located within the State of Texas required by the Act to be occupied by individuals and families of low and very low income and families of moderate income, as determined by the Department; and

WHEREAS, the Board, by resolution adopted on March 20, 2006, declared its intent to issue its revenue bonds to provide financing for the Development; and

WHEREAS, it is anticipated that the Department, the Borrower and the Trustee will execute and deliver a Loan Agreement (the "Loan Agreement") pursuant to which (i) the Department will agree to make a mortgage loan funded with the proceeds of the Bonds (the "Mortgage Loan") to the Borrower to enable the Borrower to finance the cost of acquisition, construction and equipping of the portion of the

Development to be occupied by individuals and families of low and very low income and families of moderate income and related costs, and (ii) the Borrower will execute and deliver to the Department a promissory note (the "Note") in an original principal amount equal to the original aggregate principal amount of the Bonds, and providing for payment of interest on such principal amount equal to the interest on the Bonds and to pay other costs described in the Loan Agreement; and

WHEREAS, it is anticipated that credit enhancement for the Mortgage Loan will be provided for initially by a Letter of Credit issued by PNC Bank, National Association, a national banking association (the "Bank"); and

WHEREAS, it is anticipated that the Note will be secured by a first lien Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (Texas) (the "Mortgage") from the Borrower for the benefit of the Department and the Trustee; and

WHEREAS, the Department's interest in the Mortgage Loan (except for certain reserved rights), including the Note and the Mortgage, will be assigned to the Trustee, as its interests may appear pursuant to a Assignment of Deed of Trust and Loan Documents (the "Assignment") from the Department to the Trustee; and

WHEREAS, the Board has determined that the Department, the Trustee and the Borrower will execute a Regulatory and Land Use Restriction Agreement (the "Regulatory Agreement"), with respect to the Development which will be filed of record in the real property records Harris County, Texas; and

WHEREAS, the Board has further determined that the Department will enter into a Bond Placement Agreement (the "Purchase Contract") with the Borrower, Capmark Securities, Inc., as placement agent, (the "Placement Agent"), Capmark Municipal Mortgage, Inc. (the "Purchaser") and any other parties to such Purchase Contract as authorized by the execution thereof by the Department, setting forth certain terms and conditions upon which the Purchaser or another party will purchase all or their respective portion of the Bonds from the Department and the Department will sell the Bonds to the Purchaser or another party to such Purchase Contract; and

WHEREAS, the Board has determined that the Department and the Borrower will execute an Asset Oversight Agreement (the "Asset Oversight Agreement"), with respect to the Development for the purpose of monitoring the operation and maintenance of the Development; and

WHEREAS, the Board has examined proposed forms of the Indenture, the Loan Agreement, the Assignment, the Regulatory Agreement, the Asset Oversight Agreement, and the Purchase Contract (collectively, the "Issuer Documents"), all of which are attached to and comprise a part of this Resolution; has found the form and substance of such documents to be satisfactory and proper and the recitals contained therein to be true, correct and complete; and has determined, subject to the conditions set forth in Section 1.14, to authorize the issuance of the Bonds, the execution and delivery of the Issuer Documents, the acceptance of the Mortgage and the Note and the taking of such other actions as may be necessary or convenient in connection therewith;

NOW, THEREFORE,

BE IT RESOLVED BY THE GOVERNING BOARD OF THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS:

ARTICLE I

ISSUANCE OF BONDS; APPROVAL OF DOCUMENTS

Section 1.1--Issuance, Execution and Delivery of the Bonds. That the issuance of the Bonds is hereby authorized, under and in accordance with the conditions set forth herein and in the Indenture, and that, upon execution and delivery of the Indenture, the authorized representatives of the Department named in this Resolution each are authorized hereby to execute, attest and affix the Department's seal to the Bonds and to deliver the Bonds to the Attorney General of the State of Texas for approval, the Comptroller of Public Accounts of the State of Texas for registration and the Trustee for authentication (to the extent required in the Indenture), and thereafter to deliver the Bonds to the order of the initial purchasers thereof.

Section 1.2--Interest Rate, Principal Amount, Maturity and Price. (i) The Bonds shall bear interest (a) from the Closing Date through, but not including, the Lien Free Completion Date, at a rate of (1) 5.0% from the Closing Date to and including July 31, 2008 and (2) 6.0% from and after August 1, 2008 and (b) on and after the Lien Free Completion Date, at the rates determined from time to time by the Indexing Agent (as defined in the Indenture) in accordance with the provisions of the Indenture; provided that, in no event shall the interest rate on the Bonds (including any default interest rate) exceed the maximum interest rate permitted by applicable law; (ii) the aggregate principal amount of the Bonds shall not exceed $15,000,000; (iii) the final maturity of the Bonds shall occur on October 1, 2039; and (iv) the price at which the Bonds are sold to the Purchaser or another party to the Purchase Contract shall be the principal amount thereof.

Section 1.3--Approval, Execution and Delivery of the Indenture. That the form and substance of the Indenture are hereby approved, and that the authorized representatives of the Department named in this Resolution each are authorized hereby to execute the Indenture and to deliver the Indenture to the Trustee.

Section 1.4--Approval, Execution and Delivery of the Loan Agreement. That the form and substance of the Loan Agreement are hereby approved, and that the authorized representatives of the Department named in this Resolution each are authorized hereby to execute the Loan Agreement and deliver the Loan Agreement to the Borrower and the Trustee.

Section 1.5--Approval, Execution and Delivery of the Regulatory Agreement. That the form and substance of the Regulatory Agreement are hereby approved, and that the authorized representatives of the Department named in this Resolution each are authorized hereby to execute, attest and affix the Department's seal to the Regulatory Agreement and deliver the Regulatory Agreement to the Borrower and the Trustee.

Section 1.6--Approval, Execution and Delivery of the Purchase Contract. That the sale of the Bonds to the Purchaser and any other party to the Purchase Contract is hereby approved, that the form and substance of the Purchase Contract are hereby approved, and that the authorized representatives of the Department named in this Resolution each are authorized hereby to execute the Purchase Contract and to deliver the Purchase Contract to the Borrower, the Placement Agent, the Purchaser and any other party to the Purchase Contract as appropriate.

Section 1.7--Acceptance of the Mortgage and Note. That the Mortgage and the Note are hereby accepted by the Department and that the authorized representatives of the Department named in this Resolution each are authorized to endorse and deliver the Note to the order of the Trustee without recourse.

Section 1.8--Approval, Execution and Delivery of the Assignments. That the form and substance of the Assignments are hereby approved; and that the authorized representatives of the Department named in this Resolution are each hereby authorized to execute, attest and affix the Department's seal to the Assignments and to deliver the Assignments to the Trustee.

Section 1.9--Approval, Execution and Delivery of the Asset Oversight Agreement. That the form and substance of the Asset Oversight Agreement are hereby approved, and that the authorized representatives of the Department named in this Resolution each are authorized hereby to execute and deliver the Asset Oversight Agreement to the Borrower.

Section 1.10--Taking of Any Action; Execution and Delivery of Other Documents. That the authorized representatives of the Department named in this Resolution each are authorized hereby to take any actions and to execute, attest and affix the Department's seal to, and to deliver to the appropriate parties, all such other agreements, commitments, assignments, bonds, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, notices of acceptance, written requests and other papers, whether or not mentioned herein, as they or any of them consider to be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution.

Section 1.11--Exhibits Incorporated Herein. That all of the terms and provisions of each of the documents listed below as an exhibit shall be and are hereby incorporated into and made a part of this Resolution for all purposes:

Exhibit B	-	Indenture
Exhibit C	-	Loan Agreement
Exhibit D	-	Regulatory Agreement
Exhibit E	-	Purchase Contract
Exhibit F	-	Mortgage
Exhibit G	-	Note
Exhibit H	-	Assignment
Exhibit I	-	Asset Oversight Agreement

Section 1.12--Power to Revise Form of Documents. That notwithstanding any other provision of this Resolution, the authorized representatives of the Department named in this Resolution each are authorized hereby to make or approve such revisions in the form of the documents attached hereto as exhibits as, in the judgment of such authorized representative or authorized representatives, and in the opinion of Vinson & Elkins L.L.P., Bond Counsel to the Department, may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution, such approval to be evidenced by the execution of such documents by the authorized representatives of the Department named in this Resolution.

Section 1.13--Authorized Representatives. That the following persons are each hereby named as authorized representatives of the Department for purposes of executing, attesting, affixing the Department's seal to, and delivering the documents and instruments and taking the other actions referred to in this Article I: Chair and Vice Chairman of the Board, Executive Director of the Department, Deputy Executive Director of Housing Operations of the Department, Deputy Executive Director of Programs of the Department, Chief of Agency Administration of the Department, Director of Financial Administration of the Department, Director of Bond Finance of the Department, Director of Multifamily Finance Production of the Department and the Secretary to the Board.

Section 1.14--Conditions Precedent. That the issuance of the Bonds shall be further subject to, among other things: (a) the Development's meeting all underwriting criteria of the Department, to the satisfaction of the Executive Director of the Department; and (b) the execution by the Borrower and the Department of contractual arrangements satisfactory to the Department staff requiring that community service programs will be provided at the Development.

ARTICLE II

APPROVAL AND RATIFICATION OF CERTAIN ACTIONS

Section 2.1--Approval and Ratification of Application to Texas Bond Review Board. That the Board hereby ratifies and approves the submission of the application for approval of state bonds to the Texas Bond Review Board on behalf of the Department in connection with the issuance of the Bonds in accordance with Chapter 1231, Texas Government Code.

Section 2.2--Approval of Submission to the Attorney General of Texas. That the Board hereby authorizes, and approves the submission by the Department's Bond Counsel to the Attorney General of the State of Texas, for his approval, of a transcript of legal proceedings relating to the issuance, sale and delivery of the Bonds.

Section 2.3--Engagement of Other Professionals. That the Executive Director of the Department or any successor is authorized to engage auditors to perform such functions, audits, yield calculations and subsequent investigations as necessary or appropriate to comply with the Purchase Contract and the requirements of Bond Counsel to the Department, provided such engagement is done in accordance with applicable law of the State of Texas.

Section 2.4--Certification of the Minutes and Records. That the Secretary to the Board hereby is authorized to certify and authenticate minutes and other records on behalf of the Department for the Bonds and all other Department activities.

Section 2.5--Approval of Requests for Rating from Rating Agency. That the action of the Executive Director of the Department or any successor and the Department's consultants in seeking a rating from Moody's Investors Service, Inc. and/or Standard & Poor's Ratings Services, a Division of The McGraw-Hill Companies, Inc., is approved, ratified and confirmed hereby.

Section 2.6--Authority to Invest Proceeds. That the Department is authorized to invest and reinvest the proceeds of the Bonds and the fees and revenues to be received in connection with the financing of the Development in accordance with the Indenture and to enter into any agreements relating thereto only to the extent permitted by the Indenture.

Section 2.7--Placement Agent. That the placement agent with respect to the issuance of the Bonds shall be Capmark Securities Inc.

Section 2.8—Engagement of Other Professionals. That the Executive Director of the Department or any successor is authorized to engage auditors to perform such functions, audits, yield calculations and subsequent investigations as necessary or appropriate to comply with the requirements of Bond Counsel to the Department, provided such engagement is done in accordance with applicable law of the State of Texas.

Section 2.9--Ratifying Other Actions. That all other actions taken by the Executive Director of the Department and the Department staff in connection with the issuance of the Bonds and the financing of the Development are hereby ratified and confirmed.

ARTICLE III

CERTAIN FINDINGS AND DETERMINATIONS

Section 3.1--Findings of the Board. That in accordance with Section 2306.223 of the Act and Section 1207.008, Texas Government Code, and after the Department's consideration of the information with respect to the Development and the information with respect to the proposed financing of the Development by the Department, including but not limited to the information submitted by the Borrower, independent studies commissioned by the Department, recommendations of the Department staff and such other information as it deems relevant, the Board hereby finds:

(a) Need for Housing Development.

(i) that the Development is necessary to provide needed decent, safe, and sanitary housing at rentals or prices that individuals or families of low and very low income or families of moderate income can afford,

(ii) that the financing of the Development is a public purpose and will provide a public benefit, and

(iii) that the Development will be undertaken within the authority granted by the Act to the housing finance division and the Borrower.

(b) Findings with Respect to the Borrower.

(i) that the Borrower, by operating the Development in accordance with the requirements of the Regulatory Agreement, will comply with applicable local building requirements and will supply well-planned and well-designed housing for individuals or families of low and very low income or families of moderate income,

(ii) that the Borrower is financially responsible and has entered into a binding commitment to repay the Mortgage Loan in accordance with its terms, and

(iii) that the Borrower is not, and will not enter into a contract for the Development with, a housing developer that: (A) is on the Department's debarred list, including any parts of that list that are derived from the debarred list of the United States Department of Housing and Urban Development; (B) breached a contract with a public agency; or (C) misrepresented to a subcontractor the extent to which the developer has benefited from contracts or financial assistance that has been awarded by a public agency, including the scope of the developer's participation in contracts with the agency and the amount of financial assistance awarded to the developer by the Department.

(c) Public Purpose and Benefits.

(i) that the Borrower has agreed to operate the Development in accordance with the Loan Agreement and the Regulatory Agreement, which require, among other things, that the Development be occupied by individuals and families of low and very low income and families of moderate income, and

(ii) that the issuance of the Bonds to finance the Development is undertaken within the authority conferred by the Act and Chapter 1207, Texas Government Code, and will accomplish a valid public purpose and will provide a public benefit by assisting individuals and families of low and very low income and families of moderate income in the State of Texas to obtain decent, safe, and sanitary housing by financing the costs of the Development, thereby helping to maintain a fully adequate supply of sanitary and safe dwelling accommodations at rents that such individuals and families can afford.

Section 3.2--Determination of Eligible Tenants. That the Board has determined, to the extent permitted by law and after consideration of such evidence and factors as it deems relevant, the findings of the staff of the Department, the laws applicable to the Department and the provisions of the Act, that eligible tenants for the Development shall be (1) individuals and families of extremely low, low and very low income, (2) persons with special needs, and (3) families of moderate income, with the income limits as set forth in the Loan Agreement and the Regulatory Agreement.

Section 3.3--Sufficiency of Mortgage Loan Interest Rate. That the Board hereby finds and determines that the interest rate on the Mortgage Loan established pursuant to the Loan Agreement will produce the amounts required, together with other available funds, to pay for the Department's costs of operation with respect to the Bonds and the Development and enable the Department to meet its covenants with and responsibilities to the holders of the Bonds.

Section 3.4--No Gain Allowed. That, in accordance with Section 2306.498 of the Act, no member of the Board or employee of the Department may purchase any Bond in the secondary open market for municipal securities.

Section 3.5--Waiver of Rules. That the Board hereby waives the rules contained in Chapter 33, Title 10 of the Texas Administrative Code to the extent such rules are inconsistent with the terms of this Resolution and the bond documents authorized hereunder.

ARTICLE IV

GENERAL PROVISIONS

Section 4.1--Limited Obligations. That the Bonds and the interest thereon shall be limited obligations of the Department payable solely from the trust estate created under the Indenture, respectively, including the revenues and funds of the Department pledged under the Indenture to secure payment of the Bonds, respectively, and under no circumstances shall the Bonds be payable from any other revenues, funds, assets or income of the Department.

Section 4.2--Non-Governmental Obligations. That the Bonds shall not be and do not create or constitute in any way an obligation, a debt or a liability of the State of Texas or create or constitute a pledge, giving or lending of the faith or credit or taxing power of the State of Texas. Each Bond shall contain on its face a statement to the effect that the State of Texas is not obligated to pay the principal thereof or interest thereon and that neither the faith or credit nor the taxing power of the State of Texas is pledged, given or loaned to such payment.

Section 4.3--Effective Date. That this Resolution shall be in full force and effect from and upon its adoption.

Section 4.4--Notice of Meeting. Written notice of the date, hour and place of the meeting of the Board at which this Resolution was considered and of the subject of this Resolution was furnished to the Secretary of State and posted on the Internet for at least seven (7) days preceding the convening of such meeting; that during regular office hours a computer terminal located in a place convenient to the public in the office of the Secretary of State was provided such that the general public could view such posting; that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof was discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended; and that written notice of the date, hour and place of the meeting of the Board and of the subject of this Resolution was published in the Texas Register at least seven (7) days preceding the convening of such meeting, as required by the Administrative Procedure and Texas Register Act, Chapters 2001 and 2002, Texas Government Code, as amended. Additionally, all of the materials in the possession of the Department relevant to the subject of this Resolution were sent to interested persons and organizations, posted on the Department's website, made available in hard-copy at the Department, and filed with the Secretary of State for publication by reference in the Texas Register not later than seven (7) days before the meeting of the Board as required by Section 2306.032, Texas Government Code, as amended.

[EXECUTION PAGE FOLLOWS]

PASSED AND APPROVED this 12th day of July, 2006.

[SEAL]

By:___________________________________
Elizabeth Anderson, Chair

Attest:_______________________
Kevin Hamby, Secretary

EXHIBIT A

DESCRIPTION OF DEVELOPMENT

Owner: Houston 3601 Parkwest Apartments LP, a Texas limited partnership

Development: The Development is a 252-unit multifamily facility to be known as Parkwest Apartment Homes and to be located at approximately the 14601 block of Parkwest Central Drive, west of the 3601 block of State Highway 6, Harris County, Texas 77082. It will consist of fourteen 2-story and three 3-story residential apartment buildings with approximately 235,248 net rentable square feet and an average unit size of approximately 935 square feet. The unit mix will consist of:

72	one-bedroom/one-bath units
96	two-bedroom/two-bath units
84	three-bedroom/two-bath units
252	Total Units

Unit sizes will range from approximately 680 square feet to approximately 1,332 square feet.

Common areas are expected to include a swimming pool, a picnic area, a play area with playground equipment, and a community center with a central kitchen, an exercise room, computer facilities and laundry facilities.

TEXAS
DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

MULTIFAMILY FINANCE PRODUCTION DIVISION

July 12, 2006

Development Information, Public Input and Board Summary

Parkwest Apartment Homes, TDHCA Number 060611

BASIC DEVELOPMENT INFORMATION

Site Address: Parkwest Central Drive at State Highway 6

Development #: 060611

City: Houston | Region: 6 | Population Served: Family

County: Harris | Zip Code: 77082 | Allocation: Urban/Exurban

HOME Set Asides: ☐ CHDO ☐ Preservation ☐ General

Purpose/Activity: NC

Bond Issuer: TDHCA

HTC Purpose/Activity: NC=New Construction, ACQ=Acquisition, R=Rehabilitation, NC/ACQ=New Construction and Acquisition, NC/R=New Construction and Rehabilitation, ACQ/R=Acquisition and Rehabilitation

OWNER AND DEVELOPMENT TEAM

Owner:	Houston 3601 Parkwest Apartments, L.P.	
Owner Contact and Phone	Kenneth Cash	(713) 722-9888
Developer:	StoneArch Development, Inc.	
Housing General Contractor:	White Oak Building	
Architect:	The Thompson Nelson Group, Inc.	
Market Analyst:	Vogt, Williams & Bowden, LLC.	
Syndicator:	PNC Multifamily Capital	
Supportive Services:	Texas Inter-faith Housing Corporation	
Consultant:	Not Utilized	

UNIT/BUILDING INFORMATION

30%	40%	50%	60%	Eff	1 BR	2 BR	3 BR	4 BR	5 BR
0	0	0	252	0	72	96	84	0	0

Type of Building:

☑ 5 units or more per building
☐ Duplex
☐ Detached Residence
☐ Triplex
☐ Single Room Occupancy
☐ Fourplex
☐ Transitional
☐ Townhome

Total Restricted Units:	252
Market Rate Units:	0
Owner/Employee Units:	0
Total Development Units:	252
Total Development Cost:	$23,438,097
Number of Residential Buildings:	17
HOME High Total Units:	0
HOME Low Total Units:	0

Note: If Development Cost =$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis	Amort	Term	Rate
4% Housing Tax Credits with Bonds:	$875,000	$875,000	0	0	0.00%
TDHCA Bond Allocation Amount:	$15,000,000	$15,000,000	40	30	6.00%
HOME Activity Fund Amount:	$0	$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	$0	$0			

TEXAS
DEPARTMENT OF HOUSING
AND COMMUNITY AFFAIRS

MULTIFAMILY FINANCE PRODUCTION DIVISION

July 12, 2006

Development Information, Public Input and Board Summary

Parkwest Apartment Homes, TDHCA Number 060611

PUBLIC COMMENT SUMMARY

Guide: "O" = Oppose, "S" = Support, "N" = Neutral, "NC" or Blank = No comment

State/Federal Officials with Jurisdiction:

TX Senator: Janek, District 17 NC

TX Representative: Vo, District 149 O

US Representative: Green, District 9, NC

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: Bill White, Mayor, City of Houston - NC

David B. Turkel, Director, Harris County Community & Economic Development Department - Consistent with the HUD approved 2003-2007Consolidated Plan for Harris County.

Louis Stoerner, Alief ISD Superintendent - O

Resolution of Support from Local Government ☐

Sarah B. Winkler, Alief ISD Board of Trustees, President - O

Individuals/Businesses: In Support: 0 In Opposition 19

Neighborhood Input:

Harris County Municipal Utility District	O
S.A.V.E. Alief, Inc.	O
Alief Superneighborhood Council	O
West Bend Community Improvement Assoc.	O
Talmadge Heflin, Former State Representative - O	O
Mission Bend United Methodist Church	S

General Summary of Comment:

Public Hearing: Concerns regarding overcrowding of area emergency rooms and hospitals, excessive concentration of affordable housing developments in the area, depreciating property values, additional stress on community fire, police, and EMS departments, traffic congestion along Highway 6 and the area surrounding the proposed site, additional burdern the proposed development will place on Alief ISD.
Number that attended: 67
Number that spoke: 19
Number in support: 2
Number in opposition: 60
Number Neutral: 5

CONDITIONS OF COMMITMENT

Per §50.12(c) of the Qualified Allocation Plan and Rules, all Tax Exempt Bond Development Applications "must provide an executed agreement with a qualified service provider for the provision of special supportive services that would otherwise not be available for the tenants. The provision of such services will be included in the Declaration of Land Use Restrictive Covenants ("LURA")."

Receipt, review, and acceptance prior to closing of certification from a Professional Surveyor that the site is outside the 100 and 500 year flood plain or provide a flood hazard mitigation plan to include, at a minimum, consideration and documentation of flood plain reclamation sitework costs, building flood insurance and tenant flood insurance costs. The mitigation plan may include a detailed plan to achieve a Letter or Conditional Letter of Map Amendment or Revision (LOMA, LOMR, LOMR-F, CLOMA, or CLOMR-F), or evidence from a third party engineer that the site will be developed so that all ground level finished floors are at least one foot above the base flood elevation and parking and drive areas are no lower than six inches below the base flood elevation, subject to more stringent local requirements.

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

TEXAS
DEPARTMENT OF HOUSING
AND COMMUNITY AFFAIRS

MULTIFAMILY FINANCE PRODUCTION DIVISION

July 12, 2006

Development Information, Public Input and Board Summary

Parkwest Apartment Homes, TDHCA Number 060611

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

4% Housing Tax Credits: Credit Amount: $875,000

Recommendation: Recommend approval of a Housing Tax Credit Allocation not to exceed $875,000 annually for ten years, subject to conditions.

TDHCA Bond Issuance: Bond Amount: $15,000,000

Recommendation: Recommend approval of issuance of $15,000,000 in Tax Exempt Mortgage Revenue Bonds with a fixed interest rate of 6% and repayment term of 30 years with a 40 year amortization period, subject to conditions.

HOME Activity Funds: Loan Amount: $0

HOME CHDO Operating Expense Grant: Grant Amount: $0

Recommendation:

Parkwest Apartment Homes

Estimated Sources & Uses of Funds

Sources of Funds	
Series 2006 Tax-Exempt Bond Proceeds	$ 15,000,000
Tax Credit Proceeds	8,437,850
Deferred Developer's Fee	785,995
Lender Deposit Reimbursement	11,650
Total Sources	$ 24,235,495

Uses of Funds	
Acquisition and Site Work Costs	$ 14,940,346
Direct Hard Construction Costs	697,529
Other Construction Costs (General Require, Overhead, Profit)	1,713,229
Indirect Construction Costs	432,930
Developer Fees and Overhead	2,575,060
Direct Bond Related	261,330
Bond Purchase Costs	948,000
Other Transaction Costs	2,299,371
Real Estate Closing Costs	367,700
Total Uses	$ 24,235,495

Estimated Costs of Issuance of the Bonds

Direct Bond Related	
TDHCA Issuance Fee (.50% of Issuance)	$ 75,000
TDHCA Application Fee	11,000
TDHCA Bond Administration Fee (2 years)	30,000
TDHCA Bond Compliance Fee ($40 per unit)	10,080
TDHCA Bond Counsel and Direct Expenses (Note 1)	75,000
TDHCA Financial Advisor and Direct Expenses	25,000
Disclosure Counsel ($5k Pub. Offered, $2.5k Priv. Placed. See Note 1)	2,500
Trustee Fee	9,000
Trustee's Counsel (Note 1)	5,500
Attorney General Transcript Fee	9,500
Texas Bond Review Board Application Fee	5,000
Texas Bond Review Board Issuance Fee (.025% of Reservation)	3,750
Total Direct Bond Related	$ 261,330

Parkwest Apartment Homes

Bond Purchase Costs		
Construction Lender		600,000
Construction Lender's Counsel		35,000
Placement Agent		150,000
Placement Agent Counsel		45,000
Bond Purchaser		75,000
Borrower Counsel		43,000
Total Bond Purchase Costs	$	948,000

Other Transaction Costs		
Tax Credit Application and Determination Fees (if paid at closing)		35,000
Soft Cost Contingency		90,679
Operating Deficit Reserve		550,000
Construction Interest		1,512,000
Conversion Fee		15,000
Public Hearing/Legal		2,692
Miscellaneous		94,000
Total Other Transaction Costs	$	2,299,371

Real Estate Closing Costs		
Title/Recording Fees		88,000
Construction Taxes and Insurance		264,700
Construction Inspection Fees		15,000
Total Real Estate Costs	$	367,700
Estimated Total Costs of Issuance	$	3,876,401

Costs of issuance of up to two percent (2%) of the principal amount of the Bonds may be paid from Bond proceeds. Costs of issuance in excess of such two percent must be paid by an equity contribution of the Borrower.

Note 1: These estimates do not include direct, out-of-pocket expenses (i.e. travel). Actual Bond Counsel and Disclosure Counsel are based on an hourly rate and the above estimate does not include on-going administrative fees.

TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS

MULTIFAMILY UNDERWRITING ANALYSIS

DATE: July 1, 2006 **PROGRAM:** 4% HTC & MRB **FILE NUMBER:** 060611

DEVELOPMENT NAME

Parkwest Apartment Homes

APPLICANT

Name:	Houston 3601 Parkwest Apartments, L.P.			**Contact:**	Kenneth G. Cash
Address:	11211 Katy Freeway, Suite 500-9				
City	Houston			**State:**	TX **Zip:** 77079
Phone:	(713) 722-9888	**Fax:**	(713) 722-9882	**Email:**	kcash@stonearch.org

KEY PARTICIPANTS

Name:	Houston 3601 Parkwest Apartments I, LLC	**Title:**	1% Managing General Partner of Applicant
Name:	StoneArch Development, Inc.	**Title:**	Developer
Name:	Kenneth Cash	**Title:**	99% Owner of GP
Name:	Marvalette Hunter	**Title:**	1% Owner of GP

PROPERTY LOCATION

Location:	14601 Parkwest Central Drive				
City:	Houston			**Zip:**	77082
County:	Harris	**Region:**	6	☒ **QCT**	☐ **DDA**

REQUEST

Program	Amount	Interest Rate	Amortization	Term
HTC	$875,000	N/A	N/A	N/A
MRB	$15,000,000	6%	40 yrs	30 yrs

Proposed Use of Funds:	New construction	**Type:**	Multifamily
Target Population:	Family	**Other:**	Urban/Exurban, General

RECOMMENDATION

☒ RECOMMEND APPROVAL OF ISSUANCE OF $15,000,000 IN TAX-EXEMPT MORTGAGE REVENUE BONDS WITH A FIXED INTEREST RATE OF 6% AND REPAYMENT TERM OF 30 YEARS WITH A 40-YEAR AMORTIZATION PERIOD, SUBJECT TO CONDITIONS.

☒ RECOMMEND APPROVAL OF A HOUSING TAX CREDIT ALLOCATION NOT TO EXCEED $875,000 ANNUALLY FOR TEN YEARS, SUBJECT TO CONDITIONS.

CONDITIONS

1. Receipt, review, and acceptance prior to closing of certification from a Professional Surveyor that the site is outside the 100 and 500-year flood plain or provide a flood hazard mitigation plan to include, at a minimum, consideration and documentation of flood plain reclamation sitework costs, building flood insurance and tenant flood insurance costs. The mitigation plan may include a detailed plan to achieve a Letter or Conditional Letter of Map Amendment or Revision (LOMA, LOMR, LOMR-F, CLOMA or CLOMR-F), or evidence from a third party engineer that the site will be developed so that all ground level finished floors are at least one foot above the base flood elevation and parking

and drive areas are no lower than six inches below the base flood elevation, subject to more stringent local requirements.

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

REVIEW of PREVIOUS UNDERWRITING REPORTS

No previous reports.

DEVELOPMENT SPECIFICATIONS

IMPROVEMENTS

Total Units: 252 **# Res Bldgs** 17 **# Non-Res Bldgs** 2 **Age:** N/A yrs **Vacant:** N/A at / /

Net Rentable SF: 235,248 **Av Un SF:** 933 **Common Area SF:** 5,500 **Gross Bldg SF:** 240,748

ARCHITECTURAL REVIEW

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

STRUCTURAL MATERIALS

The structures will be constructed on concrete slabs. According to the plans provided in the application the exterior will be 10% masonry veneer and 90% cement fiber. The interior wall surfaces will be drywall and the roofs will be finished with composite shingles.

UNIT FEATURES

The interior flooring will be carpet and resilient covering. Each unit will include mini blinds or window coverings for all windows, a dishwasher, a disposal, a refrigerator, an oven/range, an exhaust/vent fax in bathrooms, and a ceiling fan in each living area and bedroom. Each unit will also include three networks: one for phone service, one for data service, and one for TV service. Additionally, each unit will include a microwave, an ice maker in the refrigerator, a self-cleaning oven, laundry connections, and individual water heaters.

ONSITE AMENITIES

The Applicant has also elected to provide a barbecue grill or picnic tables, a community laundry room, controlled access gates, a covered pavilion, an equipped business center or computer learning center, full perimeter fencing, a furnished community room, a furnished fitness center, public telephones available to tenants 24 hours a day, a swimming pool, and two children's playgrounds equipped for 5 to 12 year olds, two tot lots or one of each, and a furnished and staffed children's activity center.

Uncovered Parking: 234 spaces **Carports:** 160 spaces **Garages:** 66 spaces

PROPOSAL and DEVELOPMENT PLAN DESCRIPTION

Description: Parkwest Apartment Homes is a 17.8 unit per acre new construction development located in west Houston. The development is to be comprised of 17 evenly distributed garden style residential buildings as follows:

No. of Buildings	No. of Floors	1BR	2BR	3BR
3	2.5	8	12	
4	2		8	8
6	2	8		8
1	2		4	4
3	2		8	

SITE ISSUES

SITE DESCRIPTION

Total Size: 14.1 acres **Scattered sites?** ☐ Yes ☒ No

Flood Zone: Zone X **Within 100-year floodplain?** ☒ Yes ☐ No

Current Zoning: N/A **Needs to be re-zoned?** ☐ Yes ☐ No ☒ N/A

SITE and NEIGHBORHOOD CHARACTERISTICS

Location: The site is located in the western portion of Houston on Parkwest Central Drive in Harris County, Texas. Houston is located approximately 240 miles south of Dallas and 198 miles east of San Antonio.

Adjacent Land Uses:

∉ **North:** Self storage facility and church immediately adjacent and undeveloped land and small commercial businesses beyond;

∉ **South:** Small retail businesses, shops and restaurants immediately adjacent and beyond;

∉ **East:** State Route 6, medical and dental offices, and commercial and undeveloped land beyond; and

∉ **West:** Undeveloped partially wooded land immediately adjacent and beyond.

Site Access: Access to the site is from State Highway 6 on the east and Parkwest Central Drive on the north side of the property.

Public Transportation: Public transportation to the area is provided by the Metropolitan Transit Authority of Harris County and the nearest linkage is .2 miles from the subject site.

Shopping & Services: The subject site is located in an area that has numerous shopping opportunities, employers, recreational and educational facilities. Schools, churches, hospitals and parks are all within a short driving distance from the site.

Adverse Site Characteristics:

Floodplain: The Phase I Environmental Site Assessment Consultant indicated the following: "According to the Federal Emergency Management Act (FEMA) Flood Insurance Rate Map (FIRM) Panel NO 48201C0810K, the eastern part of the subject property may lie within a 100 or a 500-year flood zone. It appears this area has been raised in the past, and may not be in a floodplain. This can be confirmed by a Professional Surveyor." Accordingly, this report is conditioned upon receipt, review, and acceptance of certification from a Professional Surveyor prior to closing that the site is outside the 100 and 500-year flood plain or provide a flood hazard mitigation plan to include, at a minimum, consideration and documentation of flood plain reclamation sitework costs, building flood insurance and tenant flood insurance costs. The mitigation plan may include a detailed plan to achieve a Letter or Conditional Letter of Map Amendment or Revision (LOMA, LOMR, LOMR-F, CLOMA or CLOMR-F), or evidence from a third party engineer that the site will be developed so that all ground level finished floors are at least one foot above the base flood elevation and parking and drive areas are no lower than six inches below the base flood elevation, subject to more stringent local requirements.

TDHCA SITE INSPECTION

Inspector: TDHCA Staff **Date:** 5/31/2006

Overall Assessment: ☐ Excellent ☒ Acceptable ☐ Questionable ☐ Poor ☐ Unacceptable

Comments:

HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)

A Phase I Environmental Site Assessment report dated May 2006 was prepared by DCH Environmental that contained the following findings and recommendations:

Findings: According to DCH Environmental:

∉ The subject site is and has been undeveloped land.

∉ One (1) Resource Conservation and Recovery Act Information Center (RCRIS) site was identified within a ¼ mile radius of the subject property.

∉ Two (2) Underground Storage Tank (UST) sites were identified within a ¼ mile radius of the subject property.

∉ These regulated sites would not affect the subject site.

Conclusion: Based upon DCH's site investigation of the subject property, surrounding properties, regulatory agency records review and inquiries, interviews and historical research, no other direct evidence was found indicating recognized environmental conditions exist at the subject property.

INCOME SET-ASIDE

The Applicant has elected the 40% at 60% or less of area median gross income (AMGI) set-aside. The bonds are being issued under priority 3 which allows market rate units; however, the Applicant has chosen to restrict 100% of the units as 60% tax credit units restricted to households earning 60% or less of the area median income.

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

MARKET HIGHLIGHTS

A market feasibility study dated May 15, 2006 was prepared by Brian Gault of Vogt, Williams & Bowen, LLC ("Market Analyst") and included the following findings:

Definition of Primary Market Area (PMA): "The Houston Site PMA includes the furthest western section of the city of Houston. Specifically, the boundaries of the Site include Westheimer Road to the north and west, South Dairy Ashford Road to the east, the Harris County-Fort Bend County line to the south" (p. II-1). This area encompasses approximately 14.5 square miles and is equivalent to a circle with a radius of 2.15 miles. The Market Analyst did not specifically define a secondary market.

Population: The estimated 2006 population of the PMA is 85,593 and is expected to increase by 12% to approximately 95,633 by 2011. Within the primary market area there is estimated to be 29,018 households in 2006.

Total Market Demand: The Market Analyst calculated a total demand of 1,879 based on the current estimate of 29,018 households in the PMA, projected growth of 12%, 92.3% appropriate household size, renter households of 13,900 which represent 47.9% of total households, and target size appropriate income eligible renter households estimated to be 2,863. He also indicates a turnover rate of 63.3% based on IREM (p.VII-2).

MARKET DEMAND SUMMARY				
	Market Analyst		**Underwriter**	
Type of Demand	**Units of Demand**	**% of Total Demand**	**Units of Demand**	**% of Total Demand**
Household Growth	67	4%	64	4%
Resident Turnover	1,812	96%	1,702	96%
Other Sources:	0	0%	0	0%
TOTAL DEMAND	**1,879**	**100%**	**1,766**	**100%**

p. VII-3

Inclusive Capture Rate: The Market Analyst calculated an inclusive capture rate of 13.4% based upon 1,879 units of demand and 252 unstabilized affordable housing units in the PMA (including the subject) (p. VIII-3. The Underwriter calculated an inclusive capture rate of 14.3% based upon a supply of 252 unstabilized comparable affordable units divided by a revised demand estimate for 1,766 affordable units.

Unit Mix Conclusion: "The proposed project will offer a unit and project amenities package similar to those of the PMA's newer comparable LIHTC projects" (p. V-6).

Market Rent Comparables: The Market Analyst selected and surveyed 5 comparable apartment projects totaling 1,302 units in the market area. "The five selected market-rate projects have a combined total of 1,302 units with an overall occupancy rate of 97.2%. None of the selected market-rate comparable properties have an occupancy rate below 93.3%" (p. VI-2).

RENT ANALYSIS					
Unit Type (% AMI)	**Proposed**	**Program Max**	**Differential**	**Est. Market**	**Differential**
1-Bedroom (60%)	$626	$625	+$1	$695	-$69
2-Bedroom (60%)	$751	$751	$0	$900	-$149
3-Bedroom (60%)	$862	$862	$0	$1,020	-$158

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

Primary Market Occupancy Rates: "The overall occupancy rate of the 6,894 non-government-subsidized units is 96.6%, indicating a very healthy rental market with a relatively low vacancy rate of 3.4%. Overall, the 1,022 existing LIHTC units have a 97.7% occupancy rate" (p. II-2).

Absorption Projections: "It is our opinion that the 252 family Tax Credit units at the subject site will reach a stabilized occupancy of 95% within 14 to 16 months of opening. This absorption rate is based on an average monthly absorption rate of 15 to 17 units per month" (p. II-3).

Unstabilized, Under Construction, and Planned Development: "Based on our interviews with local building and planning representatives, it was determined that no new multifamily projects are planned or have been allocated in the Site PMA" (p. V-9). The Underwriter's map reflects that four tax credit developments consisting of 600 family units and 110 units targeting seniors were approved in the 2001 to 2002 time period within the subject primary market area. All of the developments are considered to have stabilized and are reported in the market study as over 95% occupied. The two closest of these are within one mile, City Parc at West Oaks I & II (fka West Oaks Apartments and Green Crest Apartments, representing 360 units). These properties appear not to have submitted updated renter occupancy information into the Department's database and therefore our system shows them to be less than 90% occupied. The Underwriter however, confirmed with the On-site Manager that the properties have been at 90% or better occupancy for a year or more but recently suffered a reduction in occupancy as a result of the loss of FEMA vouchered tenants. If these units were included as unstabilized comparables the inclusive capture rate would rise to an unacceptable 34.7%.

Market Impact: "The proposed 252 units at the subject site will represent a capture rate of 13.4% of the 1,879 net income-eligible renter households within the Site PMA. This is considered a good capture rate and an indication that the proposed project is supportable, especially given that there are no vacancies among four of the five existing Tax Credit properties in the Site PMA" (p. VII-4).

Other Information: The Department commissioned a market study for the Houston-Baytown-Sugar Land Metropolitan Statistical Area (MSA). The firm that conducted the Department commissioned study is the same firm that conducted the market study for the subject development. The proposed development is located in the Southwest submarket within the Department commissioned Houston MSA study. According to the Department commissioned market study; there are a negative thirty-seven (-37) units of demand for 1-bedroom units at the 51-60% income level; negative forty-four (-44)units of demand for 2-bedroom units at the 51-60% income level; and negative twenty-one (-21) units of demand for 3-bedroom units at the 51-60% income level (p. III-1059). This information appears on the surface to be inconsistent with the demand conclusions of the market study submitted with this application. The Department's market study for the entire MSA did not, however, incorporate demand from turnover as normally allowed in development specific market studies because in the global study demand from turnover generally returns to other units in the market area. In lieu of turnover the Department commissioned study considered two and a half percent of the units developed prior to 1970 to be replaced or removed from the supply of units every year due to physical and functional obsolescence. While the historic rate at which older units have come off line is much lower, many comments have been received to suggest that this rate is lower than what should be targeted especially since the largest development surge of apartments in Houston occurred in the 1980's and a significant percentage of those units have not been maintained or were originally constructed to endure beyond 20 to 30 years without substantial renovation. A development specific market study identifies the demand from turnover as potential demand that can be attracted away from existing inferior units and to the proposed development (and any other new developments that have not yet become fully occupied).

The Underwriter requested and received additional information from the Market Analyst to reconcile the two different conclusions of the two market studies. The Market Analyst indicated that he had limited personal involvement in the Department commissioned study but reiterated the differences between the subject study and the larger MSA study. The Market Analyst indicated that the Department commissioned study determined demand from a different perspective than a property specific study in that the property specific study is allowed to consider as a part of demand for the property the natural turnover from other properties where the Department commissioned study did not include turnover as a source of demand. In a property specific study as in the real world this source of demand is typically the largest source of tenants for a new development. The Market Analyst also indicated that the primary market area in the project specific study is somewhat smaller to meet the Department's development specific market study guidelines and has significantly different boundaries than the Department commissioned study.

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

OPERATING PROFORMA ANALYSIS

Income: The Applicant's projected rents collected per unit were calculated by subtracting tenant-paid utility allowances as of April 1, 2005, maintained by the Harris County Housing Authority from the 2006 program gross rent limits. Tenants will be required to pay electricity.

Expenses: The Applicant's total annual operating expense projection at $4,060 per unit is within 5% of the Underwriter's estimate of $4,237, derived from the TDHCA database and third-party data sources. However, the Applicant's budget indicates some line items that deviate significantly when compared to the Underwriter's estimates. These items are general and administrative expenses that are $54K lower than the Underwriter's, utilities that are $26K lower than the Underwriter's, property insurance that is $40K higher, and property taxes that are $24K lower. The Applicant also underestimated compliance fees by $6,300 or $25 per unit per year.

Conclusion: The Applicant's income and expenses are each within 5% of the Underwriter's estimates; however, net operating income is just over 5% greater than the Underwriter's estimate and therefore exceeds the underwriting threshold. Accordingly, the Underwriter's net operating income (NOI) is used to determine the properties debt service capacity. Both the Applicant's and Underwriter's NOI appears to be sufficient to service the anticipated debt at between a 1.10 and 1.30 debt coverage ratio (DCR).

Long Term Feasibility: The Underwriter's 30 year proforma utilizes a 3% annual growth factor for income and a 4% annual growth factor for expenses in accordance with current TDHCA guidelines. The Underwriter's base year effective gross income, expense and net operating income were utilized in this proforma, resulting in a debt coverage ratio that remains above 1.10 and a continued positive cashflow. Therefore, the development can be characterized as feasible for the long-term.

ACQUISITION VALUATION INFORMATION

ASSESSED VALUE

Land: 14.1 acres	$1,093,011	**Assessment for the Year of:**	2006
Building:	$0	**Valuation by:**	Harris County Appraisal District
Total Assessed Value:	$1,093,011	**Tax Rate:**	3.156

EVIDENCE of SITE or PROPERTY CONTROL

Type of Site Control:	Earnest Money Contract		
Contract Expiration:	06/25/06 and one 4 month extension	**Valid through Board Date**	☒ Yes ☐ No
Acquisition Cost:	$2,700,000	**Other:**	
Seller:	S&T Nguyen Partnership	**Related to Development Team?**	☐ Yes ☒ No

CONSTRUCTION COST ESTIMATE EVALUATION

Acquisition Value: The site cost of $190,409 per acre or $10,714 per unit is higher than typically seen for an affordable development but does not hinder the development's feasibility and is assumed to be reasonable since the acquisition is an arm's-length transaction.

Sitework Cost: The Applicant's claimed sitework costs of $6,365 per unit are within current Department guidelines. Therefore, further third party substantiation is not required.

Direct Construction Cost: The Applicant's direct construction cost estimate is less than 1% higher than the Underwriter's Marshall & Swift *Residential Cost Handbook*-derived estimate.

Interim Financing Fees: The Underwriter reduced the Applicant's eligible interim financing fees by $239,000 to bring the eligible interest expense down to one year of fully drawn interest expense. This results in an equivalent reduction to the Applicant's eligible basis estimate.

Fees: The Applicant's contractor's fees for general requirements, general and administrative expenses, and profit are all within the maximums allowed by TDHCA guidelines; however, the Applicant's eligible contingency exceeds the 5% allowed by $85,662 and was reduced in the eligible basis calculation accordingly. As a result of the ineligible interim interest and excessive eligible contingency the Applicant's anticipated eligible developer fee is also overstated by $114, 218. As a result, the Underwriter's recalculation of the Applicant's eligible basis was reduced in this amount.

Reserves: The Applicant included no reserves in the budget included in the application while the Underwriter has estimated a minimum development reserve of $316K. The equity commitment reflects an operating reserve requirement of $550,000, and if this amount is included it can be funded from deferral of developer fees.

Conclusion: The Applicant's total development cost is within 5% of the Underwriter's estimate; therefore, the Applicant's cost schedule will be used to determine the development's need for permanent funds and to recalculate eligible basis. The Applicant used an applicable fraction of 3.49% in calculating total qualified basis; however, the Underwriter used the current percentage of 3.59% for applications submitted in May of 2006. An adjusted eligible basis of $19,108,437 was recalculated by the Underwriter and supports annual tax credits of $891,791. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

FINANCING STRUCTURE

INTERIM FINANCING

Source: Capmark Securities **Contact:** Jerry Wright

Principal: $15,000,000 **Interest Rate:** 5.00%, fixed lender's estimate (net of issuer and trustee fees i.e. +0.14% **Term:** 24 months

Documentation: ☐ Signed ☐ Term Sheet ☐ LOI ☐ Firm Commitment ☒ Conditional Commitment ☐ Application

Comments: The bonds are being underwritten and financing arranged by Newman & Associates who is listed in the application and here as the contact. Initial commitment reflected 5.75% interim interest.

PERMANENT FINANCING

Source: Newman & Associates / Capmark Securities **Contact:** Jerry Wright

Principal: $15,000,000 **Interest Rate:** 6%, fixed lender's estimate net of trustee and issuers fees **Amort:** 480 months

Documentation: ☐ Signed ☒ Term Sheet ☐ LOI ☐ Firm Commitment ☐ Conditional Commitment ☐ Application

Comments: The preliminary term sheet considered a $300,000 taxable tail which is not included in the more updated interim financing and equity commitments or the current sources and uses. The most recent sources and uses from Capmark also reflect an anticipated perm loan rate of 6.14% which include issuer and trustee fees.

TAX CREDIT SYNDICATION

Source: PNC Bank **Contact:** Nichoel Flores

Proceeds: $8,437,850 **Net Syndication Rate:** .965 **Anticipated HTC:** $875,000/year

Documentation: ☐ Signed ☐ Term Sheet ☐ LOI ☐ Firm Commitment ☒ Conditional Commitment ☐ Application

Comments: Based on the acquisition of 99.98% of the credits

OTHER

Amount: $247 **Source:** Deferred Developer Fee

FINANCING STRUCTURE ANALYSIS

Interim to Permanent Bond Financing: The Applicant plans to use tax-exempt bond financing issued through TDHCA, underwritten by Newman & Associates and privately placed with Capmark Securities. During the first 24 months the construction financing will have a fixed rate of 5.14% (5% on the bonds plus 0.14% for fees); however, upon conversion to permanent financing after the 24th month the bonds will have a fixed rate of 6% (6.14% all-in) with an amortization of 40 years and a term of 30 years.

HTC Syndication: The tax credit syndication commitment is consistent with the terms reflected in the sources and uses of funds listed in the application.

Deferred Developer's Fees: The Applicant's proposed deferred developer's fees of $247 amount to less than 1% of the total fees.

Financing Conclusions: The Applicant's total development cost estimate less the permanent loan of $15,000,000 indicate the need for $8,438,097 in gap funds. Based on the submitted syndication terms, a tax credit allocation of $875,026 annually would be required to fill this gap in financing. Of the three possible tax credit allocations, Applicant's request ($875,000), the gap-driven amount ($875,027), and eligible basis-derived estimate ($891,791), the requested amount of $875,000 is recommended resulting in proceeds of $8,437,850 based on a syndication rate of 96.43 cents per credit. The Underwriter's recommended financing structure indicates the need for $247 in additional permanent funds. Deferred developer fees in this amount are repayable from development cashflow within 1 year of stabilized operation.

DEVELOPMENT TEAM

IDENTITIES of INTEREST

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

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

Financial Highlights: The Applicant and General Partner are single-purpose entities created for the purpose of receiving assistance from TDHCA and therefore have no material financial statements.

- StoneArch Development, Inc. is the developer and is anticipated to guarantee the development. However, StoneArch Development, Inc. is a newly formed entity owned by Kenneth Cash and it has no material financial statements at this time.
- The principal of the General Partner, Kenneth Cash, submitted an acceptable unaudited financial statement as of April 26, 2006 and is anticipated to be a guarantor of the development.

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

SUMMARY OF SALIENT RISKS AND ISSUES

- The Applicant's operating proforma is more than 5% outside of the Underwriter's verifiable range.
- Significant environmental/locational risk exists regarding a small portion of the subject site that may lie

in the 100 or 500-year floodplain. It appears this area has been raised in the past and may not now be in a flood plain; however, this must be confirmed by a professional surveyor.

Underwriter:	*David Burrell*	**Date:**	July 1, 2006
Director of Real Estate Analysis:	*Tom Gouris*	**Date:**	July 1, 2006

MULTIFAMILY COMPARATIVE ANALYSIS

Parkwest Apartment Homes, Houston, MRB/HTC #060611

Type of Unit	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	Rent Collected	Rent per Month	Rent per SF	Tnt-Pd Util	Wtr, Swr, Trsh
HTC-60%	72	1	1	680	$686	$625	$45,000	$0.92	$61.00	$19.00
HTC-60%	96	2	2	950	823	$751	72,096	0.79	72.00	24.00
HTC-60%	84	3	2	1,132	951	$862	72,408	0.76	89.00	36.00
TOTAL:	252		AVERAGE:	934	$827	$752	$189,504	$0.81	$74.52	$26.57

			TDHCA	APPLICANT		
INCOME	Total Net Rentable Sq Ft:	235,248			Comptroller's Region	6
POTENTIAL GROSS RENT			$2,274,048	$2,274,912	IREM Region	Houston
Secondary Income	Per Unit Per Month:	$15.00	45,360	60,480	$20.00	Per Unit Per Month
Other Support Income: (describe)			39,840	39,840	$13.17	Per Unit Per Month
POTENTIAL GROSS INCOME			$2,359,248	$2,375,232		
Vacancy & Collection Loss	% of Potential Gross Income:	-7.50%	(176,944)	(178,140)	-7.50%	of Potential Gross Income
Employee or Other Non-Rental Units or Concessions			0			
EFFECTIVE GROSS INCOME			$2,182,304	$2,197,092		

EXPENSES		% OF EGI	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% OF EGI
General & Administrative		4.40%	$381	0.41	$95,971	$41,940	$0.18	$166	1.91%
Management		4.00%	346	0.37	87,292	87,883	0.37	349	4.00%
Payroll & Payroll Tax		11.52%	998	1.07	251,455	247,460	1.05	982	11.26%
Repairs & Maintenance		5.12%	443	0.47	111,712	127,496	0.54	506	5.80%
Utilities		2.58%	224	0.24	56,340	30,240	0.13	120	1.38%
Water, Sewer, & Trash		3.68%	319	0.34	80,352	93,744	0.40	372	4.27%
Property Insurance		3.46%	299	0.32	75,465	115,920	0.49	460	5.28%
Property Tax	3.156	10.93%	947	1.01	238,594	214,200	0.91	850	9.75%
Reserve for Replacements		2.31%	200	0.21	50,400	50,400	0.21	200	2.29%
Other: compl fees		0.92%	80	0.09	20,080	13,780	0.06	55	0.63%
TOTAL EXPENSES		48.92%	$4,237	$4.54	$1,067,661	$1,023,063	$4.35	$4,060	46.56%
NET OPERATING INC		51.08%	$4,423	$4.74	$1,114,643	$1,174,029	$4.99	$4,659	53.44%
DEBT SERVICE									
TDHCA Bonds		45.38%	$3,930	$4.21	$990,385	$1,008,007	$4.28	$4,000	45.88%
Additional Financing		0.00%	$0	$0.00	0		$0.00	$0	0.00%
Additional Financing		0.00%	$0	$0.00	0		$0.00	$0	0.00%
NET CASH FLOW		5.69%	$493	$0.53	$124,259	$166,022	$0.71	$659	7.56%
AGGREGATE DEBT COVERAGE RATIO					1.13	1.16			
RECOMMENDED DEBT COVERAGE RATIO					1.11				

CONSTRUCTION COST

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)		11.49%	$10,714	$11.48	$2,700,000	$2,700,000	$11.48	$10,714	11.52%
Off-Sites		0.00%	0	0.00	0	0	0.00	0	0.00%
Sitework		6.83%	6,365	6.82	1,604,025	1,604,025	6.82	6,365	6.84%
Direct Construction		45.07%	42,010	45.00	10,586,523	10,633,322	45.20	42,196	45.37%
Contingency	5.00%	2.59%	2,419	2.59	609,527	697,529	2.97	2,768	2.98%
General Req'ts	6.00%	3.11%	2,903	3.11	731,433	734,241	3.12	2,914	3.13%
Contractor's G & A	2.00%	1.04%	968	1.04	243,811	244,747	1.04	971	1.04%
Contractor's Profit	6.00%	3.11%	2,903	3.11	731,433	734,241	3.12	2,914	3.13%
Indirect Construction		3.84%	3,580	3.83	902,089	902,089	3.83	3,580	3.85%
Ineligible Costs		6.09%	5,674	6.08	1,429,780	1,429,780	6.08	5,674	6.10%
Developer's G & A	2.00%	1.41%	1,314	1.41	331,207	333,004	1.42	1,321	1.42%
Developer's Profit	13.00%	9.16%	8,543	9.15	2,152,844	2,273,619	9.66	9,022	9.70%
Interim Financing		4.90%	4,569	4.89	1,151,500	1,151,500	4.89	4,569	4.91%
Reserves		1.35%	1,257	1.35	316,712		0.00	0	0.00%
TOTAL COST		100.00%	$93,218	$99.86	$23,490,885	$23,438,097	$99.63	$93,008	100.00%
Construction Cost Recap		*61.75%*	***$57,566***	***$61.67***	***$14,506,753***	***$14,648,105***	***$62.27***	***$58,127***	*62.50%*

SOURCES OF FUNDS						RECOMMENDED	
TDHCA Bonds	63.85%	$59,524	$63.76	$15,000,000	$15,000,000	$15,000,000	Developer Fee Available
Additional Financing	0.00%	$0	$0.00	0		0	$2,492,405
HTC Syndication Proceeds	35.92%	$33,484	$35.87	8,437,850	8,437,850	8,437,850	% of Dev. Fee Deferred
Deferred Developer Fees	0.00%	$1	$0.00	247	247	247	0%
Additional (Excess) Funds Req'd	0.22%	$209	$0.22	52,788	0	0	15-Yr Cumulative Cash Flow
TOTAL SOURCES				$23,490,885	$23,438,097	$23,438,097	$4,089,012

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Parkwest Apartment Homes, Houston, MRB/HTC #060611

DIRECT CONSTRUCTION COST ESTIMATE

Residential Cost Handbook

Average Quality Multiple Residence Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			$49.90	$11,738,875
Adjustments				
Exterior Wall Finish	0.80%		$0.40	$93,911
Elderly/9-Ft. Ceilings			0.00	0
Roofing			0.00	0
Subfloor			(2.24)	(526,956)
Floor Cover			2.22	522,251
Porches/Balconies	$20.33	13,905	1.20	282,689
Plumbing	$680	540	1.56	367,200
Built-In Appliances	$1,675	252	1.79	422,100
Stairs/Fireplaces	$1,825	60	0.47	109,500
Enclosed Corridors	$39.98		0.00	0
Heating/Cooling			1.73	406,979
Garages/Carports	$19.33	11,200	0.92	216,496
Comm &/or Aux Bldgs	$62.87	5,500	1.47	345,785
Other:	$9.20	3,888	0.15	35,770
SUBTOTAL			59.57	14,014,600
Current Cost Multiplier	1.04		2.38	560,584
Local Multiplier	0.89		(6.55)	(1,541,606)
TOTAL DIRECT CONSTRUCTION COSTS			$55.40	$13,033,578
Plans, specs, survy, bld prm	3.90%		($2.16)	($508,310)
Interim Construction Interes	3.38%		(1.87)	(439,883)
Contractor's OH & Profit	11.50%		(6.37)	(1,498,861)
NET DIRECT CONSTRUCTION COSTS			$45.00	$10,586,523

PAYMENT COMPUTATION

Primary	$15,000,000	Amort	480
Int Rate	6.00%	DCR	1.13

Secondary	$0	Amort	
Int Rate	0.00%	Subtotal DCR	1.13

Additional		Amort	
Int Rate		Aggregate DCR	1.13

RECOMMENDED FINANCING STRUCTURE:

Primary Debt Service	$1,008,007
Secondary Debt Service	0
Additional Debt Service	0
NET CASH FLOW	$106,636

Primary	$15,000,000	Amort	480
Int Rate	6.14%	DCR	1.11

Secondary	$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.11

Additional	$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.11

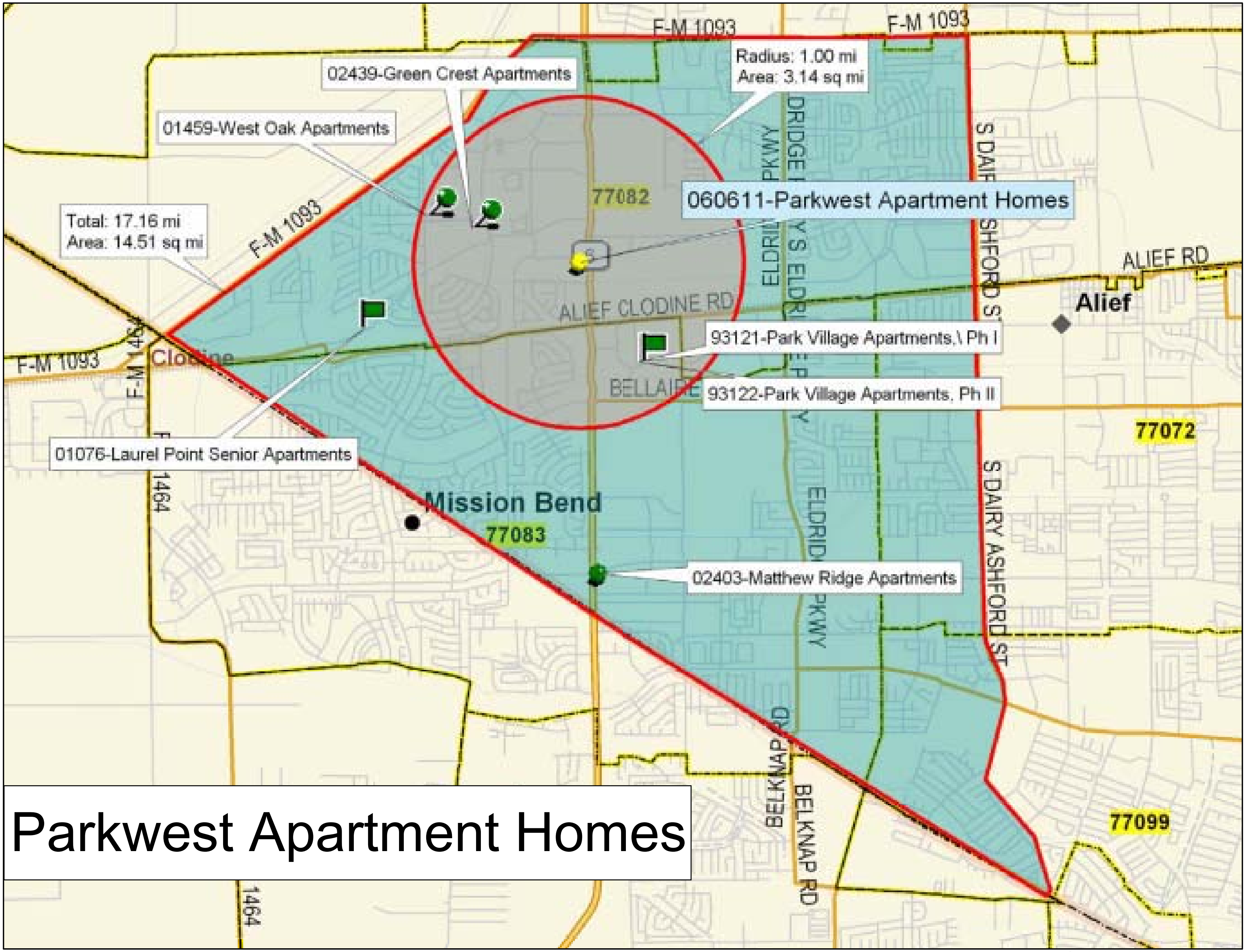
OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE

INCOME at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	$2,274,048	$2,342,269	$2,412,538	$2,484,914	$2,559,461	$2,967,117	$3,439,702	$3,987,557	$5,358,943
Secondary Income	45,360	46,721	48,122	49,566	51,053	59,185	68,611	79,539	106,894
Other Support Income: (describ	39,840	41,035	42,266	43,534	44,840	51,982	60,262	69,860	93,886
POTENTIAL GROSS INCOME	2,359,248	2,430,025	2,502,926	2,578,014	2,655,354	3,078,284	3,568,574	4,136,956	5,559,722
Vacancy & Collection Loss	(176,944)	(182,252)	(187,719)	(193,351)	(199,152)	(230,871)	(267,643)	(310,272)	(416,979)
Employee or Other Non-Rental	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	$2,182,304	$2,247,774	$2,315,207	$2,384,663	$2,456,203	$2,847,412	$3,300,931	$3,826,684	$5,142,743
EXPENSES at 4.00%									
General & Administrative	$95,971	$99,809	$103,802	$107,954	$112,272	$136,596	$166,190	$202,196	$299,299
Management	87,292	89,911	92,608	95,387	98,248	113,896	132,037	153,067	205,710
Payroll & Payroll Tax	251,455	261,514	271,974	282,853	294,167	357,899	435,439	529,778	784,202
Repairs & Maintenance	111,712	116,180	120,828	125,661	130,687	159,001	193,449	235,360	348,391
Utilities	56,340	58,594	60,937	63,375	65,910	80,189	97,563	118,700	175,705
Water, Sewer & Trash	80,352	83,566	86,909	90,385	94,000	114,366	139,144	169,290	250,590
Insurance	75,465	78,484	81,623	84,888	88,284	107,411	130,681	158,994	235,350
Property Tax	238,594	248,137	258,063	268,385	279,121	339,593	413,167	502,681	744,090
Reserve for Replacements	50,400	52,416	54,513	56,693	58,961	71,735	87,276	106,185	157,180
Other	20,080	20,883	21,719	22,587	23,491	28,580	34,772	42,306	62,623
TOTAL EXPENSES	$1,067,661	$1,109,495	$1,152,975	$1,198,168	$1,245,141	$1,509,267	$1,829,719	$2,218,557	$3,263,138
NET OPERATING INCOME	$1,114,643	$1,138,279	$1,162,232	$1,186,495	$1,211,062	$1,338,145	$1,471,212	$1,608,127	$1,879,605
DEBT SERVICE									
First Lien Financing	$1,008,007	$1,008,007	$1,008,007	$1,008,007	$1,008,007	$1,008,007	$1,008,007	$1,008,007	$1,008,007
Second Lien	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	$106,636	$130,272	$154,224	$178,487	$203,054	$330,138	$463,205	$600,120	$871,598
DEBT COVERAGE RATIO	1.11	1.13	1.15	1.18	1.20	1.33	1.46	1.60	1.86

HTC ALLOCATION ANALYSIS - Parkwest Apartment Homes, Houston, MRB/HTC #060611

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
(1) Acquisition Cost				
Purchase of land	$2,700,000	$2,700,000		
Purchase of buildings				
(2) Rehabilitation/New Construction Cost				
On-site work	$1,604,025	$1,604,025	$1,604,025	$1,604,025
Off-site improvements				
(3) Construction Hard Costs				
New structures/rehabilitation hard costs	$10,633,322	$10,586,523	$10,633,322	$10,586,523
(4) Contractor Fees & General Requirements				
Contractor overhead	$244,747	$243,811	$244,747	$243,811
Contractor profit	$734,241	$731,433	$734,241	$731,433
General requirements	$734,241	$731,433	$734,241	$731,433
(5) Contingencies	$697,529	$609,527	$611,867	$609,527
(6) Eligible Indirect Fees	$902,089	$902,089	$902,089	$902,089
(7) Eligible Financing Fees	$1,151,500	$1,151,500	$1,151,500	$1,151,500
(8) All Ineligible Costs	$1,429,780	$1,429,780		
(9) Developer Fees			$2,492,405	
Developer overhead	$333,004	$331,207		$331,207
Developer fee	$2,273,619	$2,152,844		$2,152,844
(10) Development Reserves		$316,712		
TOTAL DEVELOPMENT COSTS	$23,438,097	$23,490,885	$19,108,437	$19,044,393

Deduct from Basis:			
All grant proceeds used to finance costs in eligible basis			
B.M.R. loans used to finance cost in eligible basis			
Non-qualified non-recourse financing			
Non-qualified portion of higher quality units [42(d)(3)]			
Historic Credits (on residential portion only)			
TOTAL ELIGIBLE BASIS		$19,108,437	$19,044,393
High Cost Area Adjustment		130%	130%
TOTAL ADJUSTED BASIS		$24,840,968	$24,757,711
Applicable Fraction		100%	100%
TOTAL QUALIFIED BASIS		$24,840,968	$24,757,711
Applicable Percentage		3.59%	3.59%
TOTAL AMOUNT OF TAX CREDITS		$891,791	$888,802
Syndication Proceeds	**0.9643**	**$8,599,767**	**$8,570,944**
Total Tax Credits (Eligible Basis Method)		**$891,791**	**$888,802**
Syndication Proceeds		**$8,599,767**	**$8,570,944**
Requested Tax Credits		**$875,000**	
Syndication Proceeds		**$8,437,850**	
Gap of Syndication Proceeds Needed		**$8,438,097**	
Total Tax Credits (Gap Method)		**$875,026**	



TN
MN (4.0°E)

Scale 1 : 50,000
1" = 4,166.7 ft
Data Zoom 11-0

Applicant Evaluation

Project ID # **060611** Name: **Parkwest Apartment Homes** City: **Houston**

LIHTC 9% ☐ LIHTC 4% ☑ HOME ☐ BOND ☑ HTF ☐ SECO ☐ ESGP ☐ Other ☐

☑ No Previous Participation in Texas ☐ Members of the development team have been disbarred by HUD

National Previous Participation Certification Received: ☑ N/A ☐ Yes ☐ No

Noncompliance Reported on National Previous Participation Certification: ☐ Yes ☐ No

Portfolio Management and Compliance

Total # of Projects monitored: 0

Projects in Material Noncompliance **Yes** ☐ **No** ☑

in noncompliance: 0

Projects grouped by score
- zero to nine: 0
- ten to nineteen: 0
- twenty to twenty-nine: 0

monitored with a score less than thirty: 0

not yet monitored or pending review: 0

Projects not reported in application Yes ☐ No ☑

# of projects not reported 0

Portfolio Monitoring
- Not applicable ☑
- Review pending ☐
- No unresolved issues ☐
- Unresolved issues found ☐
- Unresolved issues found that warrant disqualification (Comments attached) ☐

Single Audit
- Not applicable ☑
- Review pending ☐
- No unresolved issues ☐
- Issues found regarding late cert ☐
- Issues found regarding late audit ☐
- Unresolved issues found that warrant disqualification (Comments attached) ☐

Portfolio Analysis
- Not applicable ☑
- No unresolved issues ☐
- Not current on set-ups ☐
- Not current on draws ☐
- Not current on match ☐

Reviewed by Patricia Murphy Date 6/26/2006

Multifamily Finance Production
- Not applicable ☐
- Review pending ☐
- No unresolved issues ☑
- Unresolved issues found ☐
- Unresolved issues found that warrant disqualification (Comments attached) ☐

Reviewer A. Martin
Date 6 /20/2006

Single Family Finance Production
- Not applicable ☑
- Review pending ☐
- No unresolved issues ☐
- Unresolved issues found ☐
- Unresolved issues found that warrant disqualification (Comments attached) ☐

Reviewer Sandy M. Garcia
Date 6 /20/2006

Real Estate Analysis (Workout)
- Not applicable ☐
- Review pending ☐
- No unresolved issues ☑
- Unresolved issues found ☐
- Unresolved issues found that warrant disqualification (Comments attached) ☐

Reviewer David Burrell
Date 6 /24/2006

Community Affairs
- No relationship ☑
- Review pending ☐
- No unresolved issues ☐
- Unresolved issues found ☐
- Unresolved issues found that warrant disqualification (Comments attached) ☐

Reviewer EEF
Date 6 /21/2006

Office of Colonia Initiatives
- Not applicable ☑
- Review pending ☐
- No unresolved issues ☐
- Unresolved issues found ☐
- Unresolved issues found that warrant disqualification (Comments attached) ☐

Reviewer Maria Cazares
Date 6 /19/2006

Financial Administration
- No delinquencies found ☑
- Delinquencies found ☐

Reviewer Melissa M. Whitehead
Date 6 /27/2006

Executive Director: Michael Gerber **Executed:** Thursday, June 29, 2006

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Multifamily Finance Production Division

Public Comment Summary

Parkwest Apartment Homes

Public Hearing

Total Number Attended	67
Total Number Opposed	60
Total Number Supported	2
Total Number Neutral	5
Total Number that Spoke	19

Public Officials Letters Received

Opposition 3

State Representative Hubert Vo
Alief ISD Superintendent
Alief ISD President, Board of Trustees

Support 0

General Public Letters and Emails Received

Opposition 19

Harris County Municipal Utility District
S.A.V.E Alief, Inc.
Alief Superneighborhood Council
Parkglen West Community Improvement Assoc.
West Bend Community Improvement Assoc.
Former State Rep. Talmadge Heflin

Support 1

Mission Bend United Methodist Church

Summary of Public Comment

Overcrowding of area emergency rooms and hospitals
Excessive concentration of affordable housing developments in the area
Depreciating property values
Additional stress on community fire, police, and EMS departments
Traffic congestion along Highway 6 and the area surrounding the proposed site
Additional burden the proposed development will place on the Alief ISD

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

PARKWEST APARTMENT HOMES

PUBLIC HEARING

Elsik High School
12601 High Star
Houston, Texas

May 31, 2006
6:10 p.m.

BEFORE:

TERESA MORALES, Multifamily Bond Administrator

I N D E X

P R O C E E D I N G S

MS. MORALES: And we'll get started this evening. Can everyone hear me okay? Yes? Okay.

To begin, my name is Teresa Morales and I'm with the Texas Department of Housing and Community Affairs. And I am here this evening to conduct a public hearing for the proposed Parkwest Apartment Homes, located here in Houston.

To give you some idea as to how we're going to proceed tonight, first I will give a presentation of the programs that the developer has applied for with TDHCA, then from there, the developer is here and he will give a brief presentation on the specifics of the proposed project, and then after that there is a speech that I have to read for IRS purposes.

It will be at the conclusion of that speech when those of you who have filled out a witness affirmation form, if you would like to speak, then I will call you up at that point, and you can make any comments that you have. I will just call you up and you can make your comments from the podium down here.

So to begin, there are a couple things that I wanted to first mention about the public hearings that TDHCA does.

First of all, according to IRS Code, the Department is only required to take public comment on the bond issuance, however TDHCA has extended this to take comment not only on the bond issuance but on the development itself.

I want you to know that we are not required to do this, but we want community input and we seek it. And that is one of the reasons why whenever we have a proposed project going up, we go where that development is located, and gather input from the individuals in the surrounding area.

One of the other things I wanted to mention is that TDHCA schedules the public hearings where the development is to be located and at a time and location that is convenient for the individuals in the surrounding community to come. Specifically, we hold them in the evening to where individuals can attend after they get off from work.

A couple of housekeeping issues: if I could remind everyone to please sign in at the back table. That is really the only way that we have of knowing and getting a firm number as to exactly how many individuals were present tonight.

I also wanted to mention that on the sign-in sheet there is a column to indicate whether you support or oppose this particular project. Again, please indicate whether you support or oppose. If neither box is checked, then we will just consider your attitude as being neutral.

What I wanted to do is just briefly explain the two programs that the applicant has applied for with TDHCA.

One is the Private Activity Bond Program, and the other is the Housing Tax Credit Program. Both of these programs were created by the federal government to encourage private industry to build quality housing that is affordable to individuals and families with lower than average incomes.

The first program, the Private Activity Bond Program, this program refers to the issuance of tax-exempt bonds. The tax-exemption is not an exemption of property tax, but rather an exemption to the purchaser of those bonds. The bond purchaser does not have to pay taxes on their investment and the income that they make on that investment. So that's where we get the connotation, "tax-exempt bond."

Again, it is unrelated to property taxes, and I can tell you that the proposed Parkwest Apartment Homes will be paying full property taxes.

The bond purchaser accepts a lower rate of return, and therefore the lender that is involved will charge a lower interest rate for the mortgage that will be placed on the property to the developer.

The other program that the developer has applied for with TDHCA is the Housing Tax Credit. This program was created as a result of the Tax Reform Act of 1986. The way the tax credit works is, again, it is an investment to the investor that purchases those tax credits. It is an IRS credit to the development. Again, it is unrelated to property taxes.

The Housing Tax Credit provides equity to the development, which allows the developer to provide lower rents to affordable tenants.

With both of these programs what you have is a tax benefit, and please keep in mind that the tax benefit is not going to the developer, it's going to the investors that help finance that particular project. This is what gives the developer the opportunity to bring something of high quality to your area.

And another thing worth mentioning is that all of the properties, affordable housing developments that TDHCA does, they are all privately owned and privately managed.

One of the other things that I wanted to mention about the affordable housing developments through TDHCA is that there are ongoing responsibilities between these developments and TDHCA, specifically as it relates to compliance monitoring.

There is a compliance period for -- that's attached to these developments that is for the greater of 30 years or as long as those bonds remain outstanding. So if those bonds remain outstanding for 40 years, then that particular property is on hook, if you will, with the State for that entire 40-year period. But it is a minimum of 30 years.

Some of the oversight responsibilities of TDHCA as it relates to these developments include, one of the things that we're looking for is to make sure that the units are occupied by eligible households, and what that means is we make sure that everyone who is living there is supposed to be living there.

We also monitor the physical appearance of the property, and make sure that that is being maintained.

One of the other things that we monitor for is to make sure that the rents are capped at the appropriate levels.

And finally we make sure that the repair reserve accounts are established and that they stay funded.

What happens with all of the affordable housing developments funded with bonds, or through the Private Activity Bond Program, is that the State requires that there are reserve accounts that are established and funded throughout the life of the property, and what that means is any future repairs or maintenance that has to be done to that particular property, that there will be funds to cover that.

That is a requirement not only for the State, but also the lenders that are involved. On each transaction they also require those reserve accounts as well.

Another thing that I wanted to mention has to do with tenant services. With all of the affordable housing developments that we have, specifically what happens is after lease up there is a survey that the developer will forward to all of the tenants to try to get a tenant profile, and try to determine what types of services those tenants would be interested in.

Some of those services can include tutoring or honor roll programs, computer access or educational classes, healthcare screening or immunizations for school children.

One of the other things that some developers offer is down-payment assistance classes. With the affordable housing developments that we have, we consider them, along with all multifamily housing, the first step to home ownership. And so what developers will sometimes offer is down-payment assistance classes to educate the tenants on what they would need to do to purchase their first home.

In terms of -- to back up a minute -- in terms of the compliance monitoring, I did want to mention that our properties, with the Private Activity Bond Program, they are monitored every two years by TDHCA staff. We do actually go out to all of these properties and inspect them at all of the requirements that I mentioned earlier.

That is an overview of the two programs that are at work here, the Housing Tax Credit Program and the Private Activity Bond Program.

With that, I am going to turn it over to Mr. Ken Cash, who is a manager of the general partners. He is here this evening to give you some specifics as it relates to the Parkwest Apartment Homes.

(Pause.)

MR. CASH: Parkwest Apartment Homes will be a

Class A-type project, with stone, stucco, and siding exterior on over 14 acres with extensive landscaping, landscape lighting, playgrounds. This will be a gated community with a community center, pool, exercise room, business center.

There will be available private garages, carports, balconies, washers and dryers in each unit available. Crown molding, granite countertops, and cultured marble vanities. Upgraded cabinets, carpet, and ceramic tile bath and shower enclosures.

The one-bedroom units will be $626 per month. A two-bedroom, two-bath, will be $760 a month. A three-bedroom, two-bath, will be $862 per month, and options available such as private garage, washers and dryers are available for $40 per month.

So a resident with a three-bedroom, two-bath apartment and a washer and dryer and single-car garage will be paying in the rage of $940 per month.

Thirty percent of the units in the project are one-bedroom, one-bath, and so the remaining 168 units will either be two- or three-bedroom. The majority will be two-bedroom, two-bath, apartments.

The reason why we originally selected this location was the proximity to the Westheimer Corridor, Highway 6, and Westpark Toll Road, the West Oaks Mall, and the services and amenities available in this area.

Directly to our east there's going -- in the process of being built, is a 340-acre park with a lake. It's part of the project Brays Eldridge Detention Basin.

Directly to our west, there's currently under construction another park, which will be consisting of playground facilities, soccer fields, baseball fields.

(Pause.)

MR. CASH: So our site is directly to the west of this new park that's going to be built, that has amphitheaters, walking trails, biking trails, there's some type of pavilions and playgrounds, restroom facilities.

Another reason why we selected this location was the proposed expansion of the Metro light rail that is proposed to come down the Westpark Toll Road, and will be coming right to the corner of our site.

So our location will be between two new parks, and directly across the street from a very nice community center, church, and children's academy called Mission Bend.

The market studies that we've had conducted for this area show the current occupancy in the area to be high, and other projects in the area, some of which are at

100 percent occupied, there are some vacancies in some existing apartments, and I think that if you would look throughout Harris County, that you would find that there's some vacant apartments throughout the entire county, and probably the state of Texas.

A recent market study that was performed for the Texas Department of Housing concluded that of all of the surrounding counties, including Harris County, Austin County, Chambers County, Montgomery County, the highest demand for new units was in the southwest region where this project is located.

Other parts, around Montgomery County and Intercontinental Airport, around Lake Houston, actually had a negative projected demand over the next four years.

This location here had a projected demand over the next four years of 4,300 units, and the conclusion also predicted that was because of, you know, people are moving into this area, the west, the southwest regions of Harris County.

And all the residents will be pre-qualified and pre-screened through the employment verification, rental history, criminal background, and income verification, and the reason why we selected this area is because it is a great location. It has a lot of amenities, it has a lot of positives. It's got visibility from the Westpark Toll Road and Highway 6.

The project will be built, maintained, and managed as it appears, like a Class-A project. And we are projected to pay property taxes in excess of $210,000 per year, and over a 30-year period of time this project is projected to pay over $12 million in property taxes.

The school district will be able to use the money from the income to the tax base to build additional schools. A new elementary school is currently being built directly around the corner from our site, which will help with the current demand for school facilities.

And the projected income in the tax base will allow the school district to plan to build additional facilities in the future.

At this time, I would like to turn over the presentation to the property manager. His name is Mike Clark, and he's with Alpha-Barnes.

MR. CLARK: I don't think I've ever been to one of these things where the PowerPoint presentation worked right.

My name is Mike Clark, I'm with Alpha-Barnes Real Estate Services out of Dallas. We are a property manager specializing in operation of affordable housing properties. We manage about 70 of these properties, totaling around 10,000 units across the state. Multiple properties in the Houston area, including in Sugar Land, Rosenberg, up north in several locations, so we're very used to this environment.

I'm not going to get into great detail about how we operate the properties. I'd much rather respond to questions from you as we get through this.

But I think what I'll tell you is that we realized it is very important that the clientele who live at this property while they meet the income requirements and the income restrictions, also meet the characteristics of the surrounding community.

We'll be screening very succinctly for criminal activity. Anybody with any history of crimes against persons, drugs, sex crimes, will be rejected for occupancy.

We screen for employment, we screen for ability to pay, we screen for prior landlord history. If you haven't paid your rent before, the odds are good you aren't going to pay it again.

We manage with a strong local presence. We use supportive services staff on the property, I believe in this case to be provided by Texas Interfaith Housing, one of the best providers in the state, to work with the kids after school, homework programs.

We actually have had instances on our properties where the school district has come to us and said they've been able to see an improved performance from the kids in the properties because of the after school programs.

We also believe, though, that you have to manage a piece of property like this: from a very strong perspective. You have to treat people with respect, but you have to make them abide by the lease and the requirements that they committed to.

And so with that we work very closely with everybody from the local police department to the justice of the peace, who we hope not to see very often, but sometimes we have to, and deal with those issues very directly and very succinctly.

I think that's a pretty good general overview. I think the income restrictions are an interesting question I might just touch on quickly. I will tell you that the -- as you know, the people targeted to live in this property are targeted to be at or below 60 percent of median income, which means -- and actually, I put these on my BlackBerry so I wouldn't give you incorrect numbers --

it actually means that a family of two could have an income of just below 30,000, and still be eligible, and a family of five or six, living in a three-bedroom unit, could have an income of around $40,000 a year and still be eligible.

We also use minimum incomes, which are not mandatory from an IRS perspective, but are mandatory from a good management perspective. I mean, if a person can't -- doesn't -- it doesn't do us any good to lease somebody a unit for $625 a month if they only make $900 a month. And so we typically take two-and-a-half to three times the rent as the minimum income, so the typical resident here will make between $20- and $22,000 and $40,000 a year because of our minimums and because of the caps on the rent.

The last point I'd make to you in terms of a presentation would be that the typical resident here, 40 percent of our residents, are going to have relatives within four miles of our property.

Most of them are going to work in the area surrounding us.

You're going to know some of them. We're not talking about introducing you to strangers. In fact, we're not even talking about any more, speaking on behalf of the apartment association groups, of leasing to anybody who's an evacuee.

The reality is, we're talking about people who work and live in your neighborhood. They're probably working at the hardware store, at Lowe's, they're probably working at McDonald's, they're probably working at places like that.

Some of them may even -- I hope they're not working at the school district. I hope the pay district -- the pay is so high that nobody qualifies. But odds are good some of them are working at the school district.

Little bit about the management operations. If there are questions that come up during the presentation, I will jump up and respond to them directly and give you straight answers on it.

So, I think that's it for me.

MS. MORALES: Thank you.

MR. CASH: I just wanted to briefly add one more comment regarding the income requirements of the residents.

After the first year, a family making over $42,000 a year will be able to make in excess of $56,000 a year and still be qualified to live here.

So we're not talking about people who just walk up, are looking for a free place to stay. In order for somebody to pay the type of rents that we're asking for, they're going to have to have a substantial income, and they're going to have to meet all of the income restrictions.

We're not -- this is the highest level of affordable housing, as far as rent restrictions go, that's available in this particular program.

And we'll turn it over, back to Teresa.

MS. MORALES: Thank you. The way that we are going to proceed from now is there is a brief speech that I have to read for IRS purposes.

For those of you who have submitted a witness affirmation form, it will be at the conclusion of that speech, I'll call you up, you can make whatever comments or questions that you have, and you can do so at the podium down below.

For those of you who have specific questions, what I would ask is, to ensure that everyone has the opportunity to speak, I'm going to be keeping a record of any questions that you have specific to TDHCA and the programs that we offer, and I have asked the applicant to do the same as it relates to the specific development and the property management.

So after everyone has made their comments up here, then I will go through all the questions and hopefully answer all of those that were raised.

So that being said, good evening, my name is Teresa Morales, and I would like to proceed with the public hearing.

Let the record show that it is 6:35 p.m., on Wednesday, May 31, 2006, and we are at the Elsik High School, located at 12601 High Star, in Houston, Texas.

I'm here to conduct the public hearing on behalf of the Texas Department of Housing and Community Affairs, with respect to an issue of tax-exempt multifamily revenue bonds for a residential rental community.

This hearing is required by the Internal Revenue Code. The sole purpose of this hearing is to provide a reasonable opportunity for interested individuals to express their views regarding the development and the proposed bond issue.

No decisions regarding the development will be made at this hearing. The Department's board is scheduled to meet to consider this transaction on July 13, 2006.

In addition to providing your comments at this hearing, the public is also invited to provide comment directly to our board at any of their meetings.

The Department's staff will also accept written comments from the public at up to 5:00 p.m. on June 30, 2006.

The bonds will be issued as tax-exempt multifamily revenue bonds in the aggregate principal amount of not to exceed $15 million, and taxable bonds, if necessary in an amount to be determined and issued in one or more series by the Texas Department of Housing and Community Affairs.

The proceeds of the bonds will be loaned to Houston, 3601 Parkwest Apartments, LP, or a related person or affiliate entity thereof, to finance a portion of the costs of acquiring, constructing, and equipping a multifamily rental housing community described as follows: a 252-unit multifamily residential rental development to be constructed on approximately 14.18 acres of land located at approximately 14601 block of Parkwest Central Drive, and west of the 3600 block of State Highway 6, Harris County, Texas.

The proposed multifamily rental housing community will be initially owned and operated by the borrower or a related person or affiliate thereof.

I would now like to open the floor up for public comment.

First we have State Representative Hubert Vo.

MR. VO: Thank you, Ms. Morales. I just want to say that I'm not opposed to affordable housing, but I'm here today to speak in opposition to issuing tax-exempt bonds for this proposed project known as the Parkwest Apartments.

The schools that would be affected by Parkwest are beyond capacity at this time.

I understand that the Alief area has over 1,900 units of affordable housing now, and almost 700 of those are within a mile of the proposed project.

Because of that, I can't see how putting more students in these already overcrowded schools that can provide a proper education for our children.

This is the school district that is still trying to deal with all the challenges from taking in over 3,000 new students who fled from Katrina.

Secondly, I have met with the management at West Houston Hospital, and have learned of their problems of keeping up with the ever-increasing overcrowding in the emergency room.

Add to that, in this area we have no clinics to provide medical service.

Alief school district needs time to grow using the limited resources available to them.

The area needs new clinics and more hospital space.

As of now, there's insufficient public safety services in the area.

For the above reasons I ask you to deny the issuance of tax-exempt multifamily revenue bonds to this project.

Thank you very much.

MS. MORALES: Thank you. I just wanted to do a special thanks for you taking time out of your busy schedule to come and voice your concerns.

Next, we have Charles Woods.

MR. WOODS: Good evening. My name is Charles Woods, Assistant Superintendent of Technology and Support Services for Alief Independent School District.

I'm here tonight to speak in opposition to the proposed project.

I have a few tidbits of information that we manage. I, personally, work on the demographics for the school district and future boundaries for new campuses.

This is just an image of -- a GIS image of

Alief Independent School District and all the apartment complexes in existence already, and showing there in the yellow, on the west side, the proposed new project. There's over 90 apartment complexes in Alief.

Looking at the TDHCA web site Question & Answer about the criteria on why we approve or disapprove these types of projects, I point to that bulleted list. There's two particular points that apply to Alief.

One is, the geographic location. Two is the impact on the concentration of existing tax credit developments and other affordable housing developments in the specific markets and sub-markets, Alief being a sub-market that's different than the area around it, that surrounds it -- or anywhere else in the state.

But if you look at this diagram, you know, picture, this shows the Parkwest Apartment Homes there on Highway 6, and then you see up in the upper left the City Parc II and City Parc II complexes. They are within one mile, as well as Park Village, down in the lower right, that is within one mile. That, too, is a tax credit, TDHCA project that was approved in 1993.

You see that City Parc I has 168 units. City Parc II has 192 units. Park Village has 312 units, and we're proposing to add right in the middle another 352 units.

So these are the projects. City Parc I was granted by TDHCA in 2002, City Parc II in October of 2002, another 192 units, and of course Park Village in 1993.

In Park Village we have two-, three-, four-, and five-bedroom apartments.

The schools and enrollments in the capacities that was mentioned earlier, projected, this is to be in the current Rees zone.

We have Hearne Elementary in this area. Projection for next year is 1,105 students, with a capacity of 990.

Hicks Elementary just south of there has a projection of 1,340 students, with a capacity of 1,200.

Outley Elementary, 1,091, with a capacity of 850.

Petrosky Elementary, 871, with a capacity of just over that at 1,000.

Rees Elementary at 1,049, with a capacity of 968.

We're a total of just over 400 students above the capacity that we have in existence today. This is one of the reasons that we're building Elementary 24. The other reason is that this district wants a feeder system that feeds into middle schools and intermediates and has the best education for the students we have.

That's why we went to planning this in our bond referendum in 2003. We've had a bond referendum about every 5 years, and so I want to speak also to the timing in which this project hit.

Albright Middle School, 1,328 projected next year, capacity of 1,272.

Compare leasing rates, the development that's proposed has a $757 month leasing rate for a two-bedroom apartment. In calling around to some of the nearby complexes, we see that we have 425 units available right now between $590 and $1,129 a month. Well over 200 units between $590 and $640 a month, well below his price.

So we -- there are available units in Alief in a 1-1/2-mile radius of that project already, to saturate well over what he's building -- planning on building in that other complex.

We subscribe to a data service by O'Connor and Associates, and it's an apartment data service that I'm showing here the whole Houston market, and it's showing over the last two years that class A, B, C, and D apartments with an overall percentage occupancy rate, and as you can see, over the course of the last year, they're around 86-1/2 percent occupied across all of Houston.

If you compare that to the Alief area, the Alief sub-market, then we also have, in the last year we were in the 84 percent range. Typically Alief runs a couple points behind the Houston area metro.

So one of the things to point out is, on both these slides, the Houston area, as well as the Alief area, since the peak of Katrina and Rita occupancy, we've been on a decline.

We talked about population growth and job growth in southwest region. Southwest region may be other regions other than just the 36-1/2 square miles of Alief.

Looking at the apartments in Alief, the statistical summary, we have over 90 complexes. I want to show the bottom rank. The average market rent, a two-bedroom apartment, in Alief, is $678. His proposed price is $757.

So without all the restrictions, there are a plethora of apartments already available in the Alief area at less than what he's planning on charging. Some of them were built in recent years, and were TDHCA projects.

To look at the time line, like I said, we started working on a bond referendum in 2002, the 2003 bond referendum, Mr. Cash brought the first notice to us on February 2 of this year. Three months ago.

We issued a letter back to TDHCA, met with Mr. Cash and explained our issues about the project and its location, the fact that we're not against tax-credit apartments or low income apartments, and then here we are at a hearing tonight.

So we've had about a three-month window to work on this project, whereas we've been planning for years ahead.

We have 252 new vacancies in this proposed project. Twenty -- I called these complexes, 20 vacant at City Parc I, 49 vacant at City Parc II, 41 vacant at Park Village. Sierra Pines, which is not a tax-credit complex, is just up the street from Park Village, has 160 vacant. Thirty to 40 vacant just in that same block at City Parc I and II. Thirty vacant in West Field Apartments. Thirty vacant just north of this complex.

Other TDHCA projects in Alief, and I point these out to show you that they're -- every apartment complex on that list, these are the ones that have been approved to date, Alief did not oppose, as a school district.

We didn't oppose City Parc I, we didn't oppose City Parc II, we didn't oppose Matthew Ridge, Soverham [phonetic], Collingham [phonetic], Park Village.

In fact, we try to build them into our building schedules.

So here's a complex that we're talking about in three months. We haven't had a chance to work with the developer on a long-term plan to help make their tax money work the best for the district.

To compare your data with census data, we looked at the square mileage of Harris County, Alief ISD, Fort Bend County, and the City of Houston. The total number of TDHCA low-income tax-credit units in those areas, and calculated the units per square mile.

And it's showing that Alief ISD has 56 units per square mile. Compare that to the City of Houston only has 38. Compare that to Harris County overall: 14-1/2 units per square mile. Compare that to Fort Bend County, which is where a lot of growth and jobs are happening, 1.1 per square mile.

So I think we're being targeted for an area that for other reasons other than economic development and jobs.

So in summary, planning and district involvement should begin earlier. Funding considerations for facilities is not just an IRS cost; we all pay income tax and we have a vested interest in how those tax dollars are spent, but it's also a local cost of building schools, and like Mr. Vo said, for local facilities for the folks.

Market is saturated with affordable housing. We've proven that the occupancy is on the decline, not an incline, in Alief. We are a sub-market, and I hope you take it into consideration in 2306, the government code, the TDHCA was developed to help local governments facilitate this change, to help low-income housing.

I hope you can see that we have opposed some complexes in the past. But it's always been about location, timing, and planning. We're not against low-income housing. Thank you.

MS. MORALES: Next I have the Superintendent of AISD. And if I could, sir, please, have you state your name for the record? It wasn't written on the form.

For those of us not in the area.

MR. STOERNER: My name is Louis Stoerner. I am the Superintendent of the Alief school district, and that's a very hard act to follow as far as Mr. Woods.

And just to reiterate a few of his points, we are not against affordable housing. Seventy percent of our students are classified as economically disadvantaged. We're not against apartments. Fifty percent of our students reside in apartment complexes.

So the idea that we're opposed to low-income housing or high-density housing is not the case.

We would love to see, where we saw requests last month, for some folks to come in and begin renovating some of these complexes that were constructed 30 and 40 years ago.

I would also ask, as far as in the monitoring, Park Village Apartments that you mentioned, please drive by that complex on your way back to Austin. Boarded up windows. It is hard to believe that we're having biannual inspections of some of these properties.

But as I said, we're not opposed. All the points that Mr. Woods brought out. But the district is -- we would like to voice opposition to this specific project.

MS. MORALES: Thank you.

Next I have Mr. Robert Kendrick.

MR. KENDRICK: My name is Robert Kendrick, and I am Harris County Commissioner Steve Radack's Superintendent. Commissioner Radack is the County official for Precinct 3, and this project and Alief ISD are located in Precinct 3.

The Commissioner wanted me to be here tonight to express his opposition to this project, for many of the reasons that Representative Vo and members of the school district have expressed already, and I won't repeat those.

I would like to share with you some thoughts and concerns that we have as a matter of public policy related to the issuance of bonds and the use of that government incentive to encourage projects like this.

As a general public policy, Harris County Commissioner's Court is on record and in fact supports acquisition and the building of affordable housing projects. We have the Harris County Housing Finance Corporation and the Harris County Housing Authority that are quasi-government entities that are specifically charged with seeking out and encouraging those opportunities, much like TDHCA does.

But the question really is, we want to provide those government incentives where it's appropriate. And this project has got a number of problems that raised enough concerns that the Commissioner has decided to oppose the project, and urge TDHCA to not issue the bond.

Part of the problem is, Harris County government has a concentration policy in place. If we were looking at this from our own perspective, strictly from our own perspective, we would want to encourage affordable housing, but the policy that Harris County adopted wants to discourage a disproportionate number of those projects being concentrated in the same area.

And that's similar to the same standards that TDHCA itself has when it reviews bonds.

When you analyze this specific area, not a region, but this specific area, frankly, Alief has done its fair share.

And Alief has -- and frankly the school district leadership has been very responsible -- and we've worked with them in the past -- in understanding their obligation to educate whatever children come into their area.

The question becomes, though, do we as a matter of public policy, through TDHCA, encourage and provide an incentive for a project in the area that is already saturated with projects, and will have an adverse impact because of its geographic location and the existence of other projects.

And frankly, we don't think that the business case has been made that there would be an overwhelming need for this kind of project, in light of the concentration of similar kinds of taxpayer-incentivized projects in the area.

We would like to go ahead and potentially supplement my remarks with written remarks that the Commissioner may decide to send to you, but we want to encourage affordable housing. We appreciate responsible developers. We've supported responsible developers in the past. We appreciate that this developer stepped forward.

But this is the wrong project in the wrong location, and we urge that you oppose it.

MS. MORALES: Thank you. Next I have John Steiger.

MR. STEIGER: Good evening. I'm John Steiger. I'm President of the Mission Bend Civic Association. I represent over 1,500 homeowners in the Mission Bend area.

We are not opposed to new development per se, but I have concerns about a new apartment complex project going into the area.

We have many apartments now. We wouldn't have as many vacancies now if it wasn't for a hurricane last year. We'd have tons of vacancies now.

But we -- our crime, if anybody's familiar with the Mission Bend area, you know, we've had plenty of robberies this past year. We -- our association pays well over $200,000 a year for extra security: four deputies to patrol our area.

They talked about it being a gated community. You'd be hard pressed to find an apartment complex in our area that -- what is a gated community? Gates are open, no security. It just goes by the wayside.

I don't know what their track record is for other properties that they have. I love to see what their track record is.

But in general, we love new development in our area, I would just hate to see new -- if they're low-income, it's usually associated with people who don't have money. And associated with crime. Now, whether that's true or not, I don't know.

But I would like to have some more assurances of what's going to happen with this complex, before they come in, and see what kind of track record they have.

But at this moment I don't feel we need more affordable housing in the Alief area. We have housing now. We have homes that are on the market that need to be sold. Rental homes. Apartments that need to be renovated. There's plenty of housing in Alief, it just needs to be taken advantage of. Thank you.

MS. MORALES: Next I have Lewis Drake Sharp.

MR. SHARP: My name is Drake Sharp, and I'm the Principal of Howard Hicks Elementary, which is a pre-K through fourth grade campus located in Alief ISD. Our campus is located of Beechnut near Hall Sugar Land Road and Highway 6, and I oppose the Parkwest Apartment Home Complex.

In the seven years I have been principal of Hicks Elementary, it's had the largest student enrollment of any elementary campus, and in fact during the past four school years, only the three comprehensive high schools and one middle school in Alief have had larger enrollments.

Last year we were projected to have 1,050 students. We opened our doors with 1,152 students, and ended the school year with 1,265.

Next year we're projected to have 1,376. It was on there at 1,340 but Charles left off our special education students that are self-contained, so it's really 1,376.

For the past four school years, Alief has rezoned our campus three different times, but the tremendous amount of building in the Hicks attendance zone in our school -- because of that, our student numbers continue to rise.

In addition to the rezoning, the District has added an eight classroom wing two years ago to help with that, but we still continue to have a large enrollment.

And even though we are the largest elementary of all the other -- but all the other elementary schools in our zone -- around our zone are also filled to capacity, and indeed all the elementary campuses in Alief ISD located west of Senate [phonetic] are facing large growth patterns.

And Alief ISD's goal is to reduce the number of students at an elementary campus to 1,000 or less. And Hicks Elementary was to see a reduction in student numbers as new schools built using funds from the 2003 bond election were used and opened, but unfortunately the bond proposal did not take into account a complex the size of Parkwest Apartment Homes.

The Parkwest Apartment Homes development is not currently in our attendance zone, however its construction and the addition of up to 200 additional students or more will affect Alief ISD's ability to provide relief to already overcrowded campuses like our own.

If this project opens as scheduled, all Alief ISD elementary schools in the west side will continue to be stretched to their capacity with enrollments far exceeding the buildings' capacities.

In order to accommodate 1,376 students for the next school year, our campus will have five portables, which translates into ten classrooms outside the building. If our school enrollment continues to rise, it would mean the addition of even more portables.

And although we add classroom space with the addition of portables, our cafeteria, library, and gymnasium do not get any bigger. We do not add more bathrooms. We still have one computer lab, one nurse, one counselor, one registrar, et cetera.

You know -- sorry, I got mixed up here. As we look at it, the staff of Howard Hicks Elementary works hard to provide a sound and strong academic program for each student. We care about our students and we want the best for each and every one.

And my concern is that as our enrollment continues to increase, our school and staff will be stretched to the point where we will not be able to provide support -- to support our students in the way they need to be supported. Thanks.

MS. MORALES: Next I have Donald Ellis.

MR. ELLIS: Thank you and my name is Don Ellis.

First of all, I'd like to just state that I'm opposed to the development, and more or less what I have is a series of questions for you all and the developers.

You mentioned that you would have criminal background checks on those who rent the apartments. Does this include the juveniles that would also be living in? You know, the teenagers and such. And will you be doing periodic checks on these people to make sure that they don't develop or have a criminal record thereafter?

The second question I have is, you talked about this not being Section 8 housing. Is there any possibility that sometime down the road these could be converted to Section 8?

Also, you all talked about your management, and what's the possibilities of someday changing management? Many times apartment complexes change managements, and, I mean, what you tell us is nice, but a few years down the road, let's say you switched management. What happens then?

Also, for this complex, I noticed that people really haven't addressed the traffic patterns. Right now the traffic at Highway 6 and West Park is horrendous. To add this much more, you know, down there, is there going to be any kind of improvement in the roads, traffic signals and such?

And is there going to be any kind of increased security? Is the Sheriff's Department going to have more patrols? You know, is the State going to chip in any money to, you know, provide this or are we going to have basically a status quo?

Also, I've noticed in talking, you all, it sounds like this is a done deal, so my main question is, Is this a done deal? Is there any way this is going to be changed? Generally speaking people go, "This is" or "this will be," like we're just kind of wasting our time here. So I'm, you know, curious: Is this a done deal? Will there -- is there a possibility that this will -- our opposition will be heard and it won't happen?

And then finally, my last question is the impact on homeowners as far as school taxes. Obviously those who live in apartment complexes do not pay ISD taxes. We do, so adding so many students is going to increase our school taxes.

That's my questions. I appreciate it.

MS. MORALES: Next we have Gary Gassmann.

MR. GASSMANN: Hello, I'm Gary Gassmann. For those who don't know me, I am the President of Harris County 120. I'm also here, also representing Dave Fugi [phonetic], who is President of Harris County 147.

The big question we had, you say that it is now taxable property, or will have property taxes on these locations, but what will happen two or three years down the road? Will they switch from being taxable property to non-taxable?

I think they're allowed to do that, and I don't think there's anything to stop them from that.

If that does happen, the individuals around, their taxes will go up. Plus with the increase of people and the low-income, will there be more maintenance that we will have to maintain due to vandalism? I know we've got a new park going in, and just the other day they had somebody come in and spray paint all the signs, and it's, you know, this is a thing we worry about.

That's all I've got. Thank you.

MS. MORALES: Next I have Janine Hoke.

MS. HOKE: My name is Janine Hoke and I'm the Principal at Miller Intermediate School in Alief ISD for grades five and six, on the west side of Highway 6 at the intersection of Green Crest [phonetic] and West Park.

I want you to please understand that I definitely concur with the District's opinion that we invite and have accommodated affordable housing forever. I've been in this district for 21 years, and I've never known of any opposition, ever.

Alief has been very gracious to support it. It has been very taxing on every school. I was Principal at Hearne Elementary, where Park Village Apartments is, and I walked that walk for seven years, and I listened to those guys tell me that there were going to be computers, help with homework, points for participating in parent conferences, none of which came to fruition. None.

Obviously, I'm speaking in opposition of Parkwest.

Currently Miller Intermediate services three tax-credit apartment complexes: Matthew Ridge, City Parc I and City Parc II. We do very well academically, but it takes everything that we have to get these kids where they need to be.

Park Village is a massive tax-credit apartment complex currently not in the Miller zone; it has been in the Miller zone before. Every year boundary studies occur. Park Village could come back to Miller Intermediate at the drop of a hat.

If Parkwest is built in our area, Parkwest would make four, if Park Village comes back, that means Miller Intermediate serves five tax-credit apartment complexes, and I don't think that's reasonable. For the kids.

Accepting another tax credit apartment complex is going to lead to overcrowding at Miller Intermediate. It is true that they are building a new elementary catty-corner to Miller Intermediate. That's fine. That will assist with the elementary.

But then you have to realize, those schools go to pre-K to four. We are five and six. We take in all of the elementary 5th and 6th graders. There are no plans for accommodation for Miller Intermediate, and we have already had an eight classroom addition put on the campus last year. That would put us way over the edge.

Safety issues would be of the utmost concern. We would be over capacity in our cafeteria. At breakfast and lunch, we already start breakfast at 10:15, we do not end until 1:30. I don't think -- I think I can speak on behalf of the parents that a lot of them don't appreciate their kids going at the very early part of the day or the very end part of the day. It's not good for academic achievement.

Also, putting that many kids in a hallway does not meet the rigorous fire codes for the City, for the District, and for Harris County.

You also have to remember that's going to put student/teacher ratios up to 27 and 28, in many cases, to one teacher, for students with excessive academic needs.

Alief and Miller Intermediate will never compromise on giving the best education for every kid that comes across our doorstep. That is our job, to ensure that every student is a success, from the time that they come till the time that they leave, good instruction always.

We are required to do numerous academic interventions at grade 5 and grade 6. Our job at Miller Intermediate in grade 5 is to prevent retentions, because of the No Child Left Behind and the Student Success Initiative. Every child at grade 5 must pass Reading and Math TAKS, then must pass all of their core subjects, or they are retained. Very rigorous standards.

We get another apartment complex with that many students, it is going to impact our retention rate and then we're going to be massively overcrowded in the fifth grade, which means more pressure for those kids to come out of a retention situation, with strained personnel to help meet the kids' needs for the interventions.

You have to realize that when kids are retained in 5th grade, that is going to domino. It is my job at Miller to see the district in a global fashion. If a child is retained at an intermediate or elementary level, the chances of them dropping out of high school increase by over 50 percent.

It is my job to ensure that those kids are ready academically to go on to 7th grade, because if they're not, the chance of them dropping out will be up. It's a serious problem in high school.

Mr. Sharp already addressed how it affects the facilities, the restrooms and cafeterias.

We're committed to keeping up the rigorous standards for the Alief Independent School District and for Miller Intermediate.

As Mr. Sharp said, it is our goal to keep every intermediate and every elementary at 1,000 or lower. If we put in this complex, that's not going to happen.

You have to remember, we didn't ask for No Child Left Behind, but it's here, and it's what's right for kids. What is not right for kids is overcrowding. We will be stretched to the Nth degree with these interventions and we will not -- we're going to have to look at a quality versus a quantity issue.

And like I said, our job is to have 100 percent commitment to helping students pass every single year so they can go on to the next grade level, so they can be productive members of society.

Just once again I'd like to reiterate, I'm opposed. It's going to cause a huge strain academically in the Alief Independent School District, particularly at Miller and the surrounding schools.

Thank you.

MS. MORALES: Next I have Sarah Winkler.

MS. WINKLER: My name is Sarah Winkler and I'm President of AISD Board of Trustees, and I'm here to speak in opposition to the Parkwest apartment complex.

I do also want to say the District is not opposed to affordable housing. There have been many complexes built in Alief we have not opposed.

I mentor students. I know there is a need in our community for affordable housing. I feel that we have the housing available.

It's our job at the Board of Trustees to make sure that all of our campuses have the resources they need to be successful. This is not a complex we'd planned for. It will interfere with the ability of the District to supply the resources these campuses need, so the students can be successful, as these principals have said.

And as I said, that's our job, at the Board of Trustees, and I don't feel that we can provide the resources that all these students need if we have another complex built at this time.

And so I don't want to go on and repeat what other people have said, so I'm going to leave it at that.

Thanks.

MS. MORALES: Thank you very much for your time.

Next I have Daniel Hrna.

MR. HRNA: Thank you. My name is Daniel Hrna, and I am Chairman of the Alief Super Neighborhood Council 25. The Alief Super Neighborhood Council represents about 118,000 citizens in this area, in what we call the Alief area.

It is not opposed to affordable housing. However, because of the population density and our thrust to rebuild infrastructure, which began about eight years ago with Save Alief, we have finally made some inroads.

And what's happening is -- and I'd like to dispel some of the myths that one of the speakers gave out.

Healthcare. There are two emergency rooms, and they're outside of the Alief area. One of them is working at full capacity. The second one has had to shut down half of its ER beds because they can no longer afford to keep them operating.

We have one voluntary health clinic, and we have one part-time clinic out here. There are no health facilities at this present time to take care of these 1,000 to 1,500 people that will probably be residents of this unit.

Save Alief has a health fair of which some 2,000 people take advantage for their annual medical care, once a year. We also have our food pantries are running to the top maximum. Notre Dame Catholic Church, a small Catholic church on Boone Road, serves 8- to 10,000 people a year, by their food pantry. That's how much food is necessary to keep the people in Alief fed, that are in substandard housing at this time.

We are talking about population density because according to the City of Houston there are 164 defined apartment complexes in the Alief Super Neighborhood area.

And last two years, five more were under construction or built, so a total of 169, which makes it the highest population density in Harris County and Houston, Texas; in fact, anywhere in Texas at this time.

Our fire and police are operating to the hilt. The personnel at West Side Station have had to be increased by 23 percent to take care of the problems in Districts 17, 18, and 19.

There was talking about a great location based on demand. There may be demand, but there are just not the facilities or infrastructure to maintain that demand.

For example, West Park Toll Way was taunted. West Park Toll Way beginning at 7:00 in the morning till about 10:00 in the morning is gridlocked every morning, except weekends. And outbound, in the afternoon, beginning from 2:00, you go about 5 or 6 miles per hour to get down West Park Toll Way.

We have Beechnut, which is gridlocked, Bissonett almost at gridlock, and Bellaire sometimes is passable. These streets cannot handle any more traffic.

We have attempted, through the city council and through Harris County to remedy these situations and these solutions. It will take a lot of work. But adding this much to our basis would definitely reduce the quality of life that we try to establish here.

And so we ask that the TDHCA not issue the bonds pending further study, until these infrastructure problems can be properly addressed and resolved.

The other thing was, there was taunting about parks. Alief is park poor. There are about seven total parks. And they serve a population of 118,000 people. And the proposed parks -- and the speaker never did address -- how many acres -- 5 or 6 acres of parkland are they going to put in within the complex which is necessary for this many people.

Thank you for your attendance.

MS. MORALES: Thank you. Next I have Donald Ridenour. And after that I have Steve Fowler, if you want to get ready.

MR. RIDENOUR: My name's Don Ridenour. I am a Commissioner on the ESD 100, Emergency Services District 100. I'm here to oppose the Parkwest development. I cannot say a whole lot more that the people already have said here, but I would like to ask you maybe a question.

It appears you've already laid almost 1,000 foot of six- or eight-inch water line going to that property right now. It appears like this is a slam dunk already, without all this opposition that you're listening to.

I'd like to have that -- the answer to that question. Same as Mr. Ellis'. Thank you.

MS. MORALES: Steve Fowler.

MR. FOWLER: Yes, ma'am. My name is Steve Fowler. I'm the Fire Chief with Community Volunteer Fire Department.

Community Volunteer Fire Department's been in existence about 30 years. We serve an estimated population base of about 120,000 people.

Our area includes portions of Harris and Fort Bend County. Our mission is simple: we provide fire suppression, rescue, and emergency medical services.

In looking at the visual presented tonight on the screen and handed out, there were some 12 projects that were listed as other TDHCA projects in our area. One half of these, perhaps seven soon, are listed in the fire protection district that I represent. These are, in our vernacular, the "frequent flyer" points.

These are part of the reason West Houston Medical Center has them hanging from the rafters, and we're taking them there, along with the City of Houston Fire Department.

Quite often, this hospital is on diversion. Diversion is a simple term that means, Please bring us no one else. We're full.

Too many times we pick up folks that are in serious medical crisis through our EMS program. These people don't have the additional time to go to Methodist Sugar Land or to Memorial Southwest. We have no choice but take them into West Houston Medical Center.

This situation is growing seriously more unsafe by the moment. My question is, When is enough, enough?

There is no comparison between the City of Houston Fire Department. It's the third busiest fire department in America, the fourth largest in the United States.

I noticed that the city of Houston has 38.13 units per square mile. The Alief area of which we have half of these, slightly over if perhaps we see another one, is going to have something greater than perhaps 60 percent -- or 60 units per square mile.

I think we've done our part. I'm speaking for every member of this fire department, asking people to please seriously consider sharing the wealth.

MS. MORALES: Next I have Kim Winans, and after that Jean-Marie Jones.

MS. WINANS: Hi, I'm Kim Winans, the Principal of Rees Elementary School, and I, too, am here to voice my opposition to this project. But my opposition and my responsibility is to the education of elementary-aged children, and from all the points I've heard this evening and notes I've taken beyond that which I came this evening, suggest to me that in looking at what's best for children in the long run, not only the housing that they could live in but the future of their education, it does not appear to me that this would be in their best interest.

The Alief Independent School District has a motto that we all share. I'm kind of surprised Dr. Stoerner didn't share it with you. I didn't know he went public without sharing it.

But that is, "Caring for students today, preparing them for tomorrow." And I honor the effort of what you all intend by providing affordable housing. That's a great step. Ours is to give them the education that will provide them a great tomorrow. And I'm not sure that the issue of the saturation we've heard repeatedly this evening is suggestive of the great tomorrow that we want to provide.

Another thing that we take a lot of pride in as Alief educators is the diverse population we serve. And when we talk about diversity, we are -- maybe once upon a time we were talking about racial diversity, ethnic diversity, and certainly socioeconomic diversity.

One of the best predictors of students' success is looking at socioeconomic issues, and unfortunately, in that picture, low socioeconomic populations tend to be the populations that have the most difficulty in the educational process.

If you look at the history of educational evolution in our country, and if you look at the issue of integration and segregation, then again, once upon a time, I think people would view that as a racial issue, but currently the much more important issue is the socioeconomic issue. Again, you want to figure out where your exemplary schools are, look at the socioeconomics. You want to look at where schools are struggling, look again at the socioeconomics.

I'm very proud of Rees Elementary. We're a Recognized campus, and in the state of Texas, that's something that we should be proud of.

We are now serving the students from City Parc I and City Parc II, and maintain that kind of status.

I would add the fact that any extra support services that are given to our children are given because of the benefits from the Alief Independent School District. We do not have -- we're not seeing any type of tutorial programs coming out of these apartment complexes.

So the performance that we are seeing from our children is very largely from the performance of the professional staff that we have at Rees, and I commend them in all that they do day in and day out.

But I'm very concerned with oversaturating that population with children from -- who are in need of affordable housing.

We're currently over capacity, so obviously the picture I get is, Where will these children go? And we don't have to talk facilities issues any more, so I wanted to stick primarily to my concern that can we possibly provide the education that's necessary, and we want to maintain an integrated community and the benefits that an integrated community provides, which a third affordable-housing complex going to one elementary school unlikely can provide.

So I appreciate the issues that have been brought forward and as many in this room I think that possibly all of us in this room are out for the better of all human beings. We probably fundamentally have the same goal in mind, but I think if yours is to look at providing housing, ours is to provide that future that can only be earned through education. I don't think it can be achieved by putting this project in the location you're suggesting.

Thank you.

MS. MORALES: Next we have Jean-Marie Jones, and after that Walter, and I'm sorry but I cannot read your last name.

MR. JACKSON: Jackson.

MS. MORALES: Jackson, okay.

MS. JONES: Hi, I'm Jean-Marie Jones. I'm the Property Manager for City Parc I and City Parc II. I've been in property management for close to 30 years -- I guess that tells my age -- both in Las Vegas, Nevada, and here in Houston.

I don't think in all of my born days have I ever seen as many children that get off of the school buses in all my life.

I personally don't know how any more children can move into this area, number one, and number two, I don't know how the area can afford another affordable housing tax-credit property, simply because our occupancy is going down daily.

And as the children go back to New Orleans, and the only type of walk-ins we're getting off the street right now are basically our Section 8 people, which are wonderful, because the rent is definitely paid, and we are having a considerable amount of problems with our children right now.

We've had to hire a full-time sheriff just to keep them out of our stairways, our walkways, keep them busy. We do have problems with keeping the kids off the fences and in other people's swimming pools.

We're going to be offering summer programs for them this summer, but that doesn't keep them occupied 24 hours a day.

I oppose this.

MS. MORALES: Walter Jackson, and after that Rhonda Austin.

MR. JACKSON: Good evening, I'm Walter Jackson, and I'm the Principal of Jack Albright Middle School.

And I'd first like to say that I certainly echo the sentiments of my colleagues this evening.

Our motto at Albright Middle School is, "Failure is not an option." And I'd like to just start out by saying first of all Albright has undergone a major population explosion over the past few years.

Historically our fall enrollment has been larger than our spring enrollment, and this is probably due to our high mobility rate.

However, over the past few years, our August enrollment has approximately been 1,300 plus students. This last school year our numbers increased to nearly 1,400 students, and this is of course due to hurricanes Katrina and Rita evacuees coming in.

Albright currently serves the Mission Bend subdivision and several other neighborhoods. In addition to these homes, Albright receives students from City Parc I, City Parc II, and Matthew Ridge. And I believe all of these are subsidized housing apartments.

Frankly speaking, our campus just cannot safely accommodate additional students at this time. Our campus is safe, but it is certainly crowded.

This past year, in an effort to make sure that all 1,350 plus students have ample time to eat lunch, we increased our number of lunch periods from six to seven lunch periods. Our lunch periods began at 10:12 and ran through 1:00.

We at Albright pride ourselves with serving the students of our beloved community. Educating students certainly is our number one priority. Our staff is dedicated to ensuring that all students receive an exemplary education on our campus, and the successes we've achieved do not come easy.

Operating and maintaining an effective school is a demanding and certainly a daunting task. It takes a dedicated staff, which we have. Dedicated parents, we have. A dedicated community, we certainly have, that is committed to helping us to achieve this excellence at all levels.

Research studies have shown that high student enrollment and large class sizes do not help to promote high student achievement.

As I started out saying, Failure is not an option is our school motto, but you have an option. We respectfully oppose your building this apartment complex.

MS. MORALES: Rhonda Austin, and after that I have Bertram Garner.

MS. AUSTIN: Good evening, I'm Rhonda Austin, President of the Homeowners' Association for the Clayton Woods community. I would like to put on record that we do oppose the development of this project.

All of the folks who have gone before me have voiced all of our concerns quite well.

Being a parent, I can definitely empathize with the instructors and the educators here. We don't want to have any of our children left behind as a result, and education is a very high priority in this area.

So we would like to go on record that we oppose.

Thank you.

MS. MORALES: Thank you. Bertram Garner? Are you still? Okay. And after that, Michelle Luster.

MR. GARNER: All right. My name is Bertram Garner. I'm the Vice-President of Clayton Woods subdivision, and I also would like to go on record as opposing the project.

Again, I'm glad to see that the school board come out to give us numbers on why we really need not build this complex, and hopefully, you know, you have a listening ear to what we're trying to say, and have not made a decision at this point to do this, so again, I'd like to again say that we're opposed to it, that we don't want to have this here.

Thank you.

MS. MORALES: Thank you. And last is Michelle Luster.

MS. LUSTER: Hi, good evening. I am a teacher in Alief ISD, but I'm also a parent and homeowner, and I'm a member of the Wingate Homeowners' Association Board of Directors, and at this time I would like to let you know that we do oppose the building of this complex.

We are directly across from City Parc I and II at this time, and we are the communities that are suffering from the children coming over, like the property management spoke earlier saying that they were trying to -- having problems, having sheriffs get them out of our community.

We're an under -- how do I say -- we have below funding to help with that project of getting them out. We are in Alief. We are not in Houston. So we suffer a double whammy because we're in Harris County. We don't get HPD assistance for that.

Our children are suffering at these schools that are over, you know, crowded. Even though they're fantastic schools. I work -- I'm honored to work under Dr. Jackson at Albright, and I know every day what they go through.

But our homeowners' association is opposed to this because we do not foresee our community continuing to increase and be a rich, living environment when we're constantly fighting the things that come, unfortunately, sometimes with underpriviledged or low-income housing, and, again, we are opposed to this.

Thank you.

MS. MORALES: Thank you.

Are there any other individuals here who would like to speak and make public comment?

(No response.)

MS. MORALES: Okay, with that being said, I would like to adjourn the public hearing, and the time is now 7:34.

It will be at this point that any questions that were raised, I was keeping a list and as it relates to TDHCA and our programs I will answer those questions, and I have also advised that the -- that Mr. Cash keep a record of any questions as it relates to the development, and he will answer those questions.

First of all, as it relates to concentration issues, that there were issues raised with several other affordable housing developments located in close proximity to this proposed one.

One of the policies that TDHCA has is what's called a one-mile, three-year rule. What that means is that if an applicant is proposing a particular project that is located within one mile of another tax credit property, that was awarded tax credits within the last three years, that applicant is required to contact the local municipality to get what is called a resolution.

Again, that's the applicant's responsibility. If that resolution is not obtained, then under the guidelines of the tax credit program, he cannot proceed.

So if any of those proposed developments were -- did receive an allocation of tax credits within three years, then that is one of the requirements that the applicant will have to meet.

Also as it relates to concentration issues, I can tell you that specifically in the Houston area, that is something that our Board is very well aware of.

One of the things that we do is in our board package that we present to the Board each month with every proposed application that we get, we actually map out where that development is, and identify what local housing developments are located within that area.

So the Board does know what the concentration is like, surrounding this particular project.

Another question that was asked is as it relates to the timing, and not, I guess, not having enough time to meet with the developer and how this whole process is laid out.

The way the Private Activity Bond Program works is it is actually governed by the Texas Bond Review Board. They're the ones that actually administer our program.

One of the requirements, or the way the program works, is a reservation of bonds is issued, and from the date that that reservation gets issued, that developer has 150 days to close on those bonds.

What we do is, once the applicant, once that reservation gets issued is when the clock starts ticking. Once they submit an application to us is when we proceed to have the public hearings.

So we're in, right now, that 150-day window.

In terms of, you know, one of the things that we do is we do encourage, you know, each developer to meet with any neighborhood associations in the area. We encourage them to meet with all of the local elected officials. We encourage them to meet with the school district. But keep in mind that we do not determine that time line. It's their responsibility to get the ball rolling and do some outreach and get the local communities involved.

But in terms of a timing, you know, we have that 150-day time period -- the applicant does -- in which to close.

And so that's why we're having the public hearing at this particular time and not in the future or in the past.

In terms of another question that was raised is encouraging acquisition and rehabilitation, namely, you know, you have several other properties within the area that are, you know, 30 years old, and you want to see those rehabilitated.

I can tell you that that is a concern of the Board as well. I have been at board meetings where they have -- our board members have put the development community on notice in the Houston area, as well as in the Dallas area, because they are aware of the concentration issues, that, you know, why not go ahead and fix what is already out there. I can tell you that that is a concern of theirs.

Keep in mind that TDHCA does not select these sites. We do not tell the developers where to go. We do not, you know, we do not have a say in any of that. They're the ones who present the applications to us, and looking at what they're looking at building, whether it's new construction or acquisition and rehab.

But I can tell you that that is a concern that our board has stated numerous times, as it relates to concentration issues, and putting more affordable housing on the ground.

Another question that was raised has to do with the crime rate. We also, when conducting these public hearings, we also get concerns about property values, crime rates, how it relates to the community, and stress on the school districts.

One of the things that I can do is just point you to our web site and there is a link of neighborhood resources, and there are actually studies that have been commissioned that actually address those concerns, namely how does affordable housing affect property values? How does affordable housing in a particular area affect crime?

I will tell you that those studies are not, in any way, they do not in any way have anything to do, or they're not affiliated with TDHCA. They're studies that were done by colleges and universities that we have just researched and put on our web site for the community use.

Again, TDHCA is not involved in them, they're just studies that we found, so you're more than welcome to access that, and I'll be more than happy to walk you through our web site. Some of it can be kind of confusing if any of you would like to know specifically where those are.

As far as the criminal background checks, I will let Mr. Cash acknowledge it: It's the developer's responsibility to set forth whatever policy he's going to have as it relates to criminal background checks and credit history and paying and stuff like that. That's not a TDHCA policy, and that is merely the responsibility of the applicant.

As far as Section 8, yes the handout does say that these are not Section 8 properties. When we say, "Section 8 properties," what we are referring to are properties that are owned and operated by HUD, by the federal government. Again, I would like to reiterate that these are not HUD properties. These are properties that are privately owned, privately managed.

With any affordable housing development you can have individuals with Section 8 vouchers live there. That is not something that is specific to affordable housing developments. If you have a market-rate property, you can also have someone with a Section 8 voucher show up and want to rent at a market-rate property. And it would be against Fair Housing Law to deny that person the right to live there.

So with affordable housing developments, yes, you can have Section 8 vouchers there, but it is not a Section 8 property, because HUD is not involved in the owning or the management of that particular property.

One of the other concerns that was raised is, Is this a done deal? No, it is not a done deal. The Board, the TDHCA Board is scheduled to meet to consider this transaction on July 13. Keep in mind that any comments that you have made here tonight, we have a court reporter here, and she is recording every comment that's made. This transcript, in its entirety, will be presented to our Board. It will be included in their board book, which is posted to our web site one week prior to the board meeting, and that is something that all of you have access to.

And again, if you're interested, I will be more than happy if you call me up and want me to point you in that direction as to how you can access that. I will be more than happy to do that.

Again, the transcript in its entirety is presented to the Board, and I can tell you that we do have board members who read the transcripts, if that's a concern that you have. I can tell you that they actually do.

So any questions that you have, or any of the comments that were raised tonight, you know, please do rest assured that they are being received by our TDHCA Board.

Again, our Board is scheduled to meet to consider this transaction on July 30. The Board has a number of factors that they can use in which to base their decision. As far as staff is concerned, once we receive an application, the rules for staff state that our recommendation to our Board can only be based on financial feasibility.

So our Underwriting Department, once -- in our Division we do our threshold review and make sure that all of the rules as it relates to threshold have been met. We will forward the application through our Underwriting Division. They will take apart that application, they will analyze the market study, the environmental that was done, and they will determine whether or not that particular application is financially feasible.

If it is financially feasible, then a recommendation will be made to our Board. Please keep in mind that our Board can uphold that recommendation or they can go against it.

So, in our Qualified Allocation Plan, which is what we call our QAP, and that's also available on our web site, and it specifically outlines all of the different criteria that our Board can use in making their decision.

And I can tell you that community input, support and opposition, is one of those things.

I cannot tell you the extent to which your opposition will make a difference, and the fact that all of you came here tonight to oppose it, I cannot say that the Board will see this particular application your way and they will deny this application too.

I cannot speak for our Board. And I cannot say, you know, what decision that they will make, because they make decisions, you know, however they see fit.

All I can tell you is that from staff's perspective, what we do, and the fact that we recommend based solely on financial feasibility, but the Board at its discretion can take into account a whole other list of factors, one of which would include opposition.

So again, the transcript is going to be included, there will also be a list of all of the various letters that we did receive from local elected officials and also state representatives as well.

One of the other questions that was raised has to do with at this point the development is going to be paying property taxes, and in the future can that be switched? And can there be a property tax abatement associated with it?

The way that the bond program works is with TDHCA as the issuer of these bonds, and again the way the program is administered through the Texas Bond Review Board, we -- the particular application does not only have to get approval from the TDHCA Board, but also has to get approval from the Bond Review Board, as well.

So what will happen is after our Board votes on the particular application, and it goes to the bond review board, we have to tell the bond review board whether or not there is a property tax abatement associated with this transaction.

If we present the application to them that there is not a property tax abatement, they approve the application, we go on down the road, if the applicant decides that he wants to now do a property tax abatement, he has to come back through us again, and not only back through the TDHCA Board, but also has to go back through the bond review board as well.

So it's not a switch that you can just automatically do one day just because you feel like it, so to speak.

So as far as the application process, we present it, our Board approves it or denies it based on what is presented at that time, and that is everything that has to take place at that time. You just can't decide to switch certain things around without it going through the necessary channels for review one more time.

As far as the action on the property and the water line issue, I can tell you that with every development, they're -- if it's a new construction deal or even if it's an acquisition and rehab, there cannot be any action taken on that property until our Board votes.

So no action can be taken on that property until our Board makes its decision.

So I guess, are there any other questions as it relates to TDHCA in any of its programs that I did not answer?

Yes, sir.

MALE VOICE: Who is the Board? Are they elected, or are they appointed?

MS. MORALES: We have a six-member Board, and all of our Board members are appointed by the Governor, and they are confirmed by the Senate. And they come from various areas throughout the state. There are two Board members who are from the Houston area. There are two Board members who are from the Dallas area. There is one Board member who is a mayor down in Mission, Texas, down in the Valley, and there is one Board member who is out of the Del Rio area. So they come from all across the state.

MALE VOICE: [inaudible]

MS. MORALES: The TDHCA Board meeting for July 13 is going to be held in Austin, because our Board members, we typically have all of Board meetings in Austin, because all of our Board members are located throughout the state. And again, also keep in mind that the Board member -- the Board is a voluntary board. They have full-time jobs outside of their position on the TDHCA Board.

So the Board meeting for July 13 is scheduled to be held in Austin, and again, one week prior to the proposed Board meeting you can access our web site to get not only the Board materials, if you so choose to look through them, but also the agenda will be posted, and that is where you can get specific information on where exactly the Board meeting will be.

For the most part, they are normally held at the Capitol Building, but as far as the exact time, they typically start in the morning, but again you would have to access the web site to get the agenda to find out the exact time.

And for those of you who would like to address our Board, we welcome that. You're more than welcome to do so. There will be a time at the beginning of the Board meetings for you to address the Board, or you can wait until this particular agenda item comes up, and you can address the Board at that time.

So the Board meetings are open to the public.

Any other questions?

Yes, sir.

MALE VOICE: Do they have e-mail addresses [inaudible]?

MS. MORALES: The Board members?

MALE VOICE: Yes.

MS. MORALES: That information is available on our web site. If you want to give me a call, I will be more than happy to walk you through it, or you can just do a search on our web site for "TDHCA Governing Board," and it gives you their contact information.

Yes, sir.

MALE VOICE: [inaudible] explain [inaudible] that there have been one or two projects approved by the Board that they bypassed the public hearing and a lot of the other items. Is that possible, or [inaudible]

MS. MORALES: As far as having --

MALE VOICE: We have letters from your office saying that there was going to be all this, and there was going to be a public hearing and everything else. Then the next thing we knew, the Board gave its approval for the project before anything happened, so [inaudible].

MS. MORALES: The question was as it relates to public hearings, and those that are required for affordable housing developments.

When TDHCA -- as an issuer of bonds, you not only have, as Mr. Kendrick alluded to earlier, you've got local housing finance corporations, like your Harris County Housing Finance Corporation or City of Houston HFC, those entities are considered issuers of bonds, as well as TDHCA.

When TDHCA is the issuer of those bonds, then it is our responsibility to go out and conduct the public hearing. So that's why we're here tonight, because the applicant elected to go through TDHCA.

If the applicant went through your local housing finance corporations, it is their responsibility to conduct the public hearing. So that's why -- I can't tell you what their --

MALE VOICE: [inaudible]

MS. MORALES: Right. And so I can't tell you what their notification process is, how they notify when that public hearing will be.

Yes, sir.

MALE VOICE: If y'all turn them down, can they go somewhere else and get approval for bonds somewhere else then?

MS. MORALES: The question is if we turn the application down, can they go someplace else?

If we deny the application, they can go through a local housing finance corporation to issue those bonds.

One of the things that I would kind of like do a caveat to that is, some of it has to do with the reasons why the Board would deny that particular application. If the applicant decides to go through us, they submit the application, the Board reviews the application and denies them, let's say hypothetically for concentration issues.

If he then turns around and goes through a local housing finance corporation to issue those bonds, we would then have record that he previously went through TDHCA, and that application was denied.

What we would do is in our write-up to the Board, we would tell the Board, This application was previously submitted on such-and-such date with TDHCA issuing the bonds. The Board denied the application due to X, Y, Z. Then if the application goes to the Board again, the Board would know it already went through us, we turned it down because of this.

So at that point I cannot tell you if the Board would approve it or deny it. But they would have knowledge of the fact that it was previously submitted.

MALE VOICE: But the long and short of it is that they can go [inaudible].

MS. MORALES: They do have the option, because we -- TDHCA is just one issuer of bonds, so depending, in the Houston area, since this is where the proposed development will be, they've got two options.

Any other questions?

Yes, sir.

MALE VOICE: Next question: The application as it's prepared now, does it [inaudible] prepared with a tax abatement or without a tax abatement?

The second part of my question is, do government agencies require the developer to put up any of their [inaudible] the bond [inaudible] escrow reserve [inaudible] in compliance with the promises that they state that they're going to make, as far as supporting the schools, [inaudible] schools, funds for police, fire, and services to the community? And school programs [inaudible]

MS. MORALES: Okay, the question is as it relates to supporting services and tax abatement.

As it relates to whatever the developer says that he is going to do, if he says he is going to do X, Y, Z, as that relates to supportive services or amenities that will be offered, all of that information goes in what's called a regulatory agreement.

The regulatory agreement outlines whatever their restrictions are that are going to be placed on that property, and that is a recorded document. That is something that the applicant is held to for that compliance period, which is a minimum of 30 years.

So whatever he says he's going to do, he has to do. And if for some reason the applicant -- the way that the tax credit program works is if the applicant is found as being non-compliant to any of those issues, you know, there's several different actions that TDHCA can take so that he is following all of the things that he said he was going to do as it relates to that regulatory agreement.

MALE VOICE: The first part of my question you didn't answer. Is there a tax abatement in this application at this time, or is it being [inaudible] without tax abatement?

MS. MORALES: There is not a tax abatement associated with this. This property will be paying full property taxes.

Any other questions?

MALE VOICE: [inaudible] Is the property already purchased, or is it a contingency [inaudible] purchase it on approval of bonds?

MS. MORALES: I will have to defer that to the applicant.

Okay, with that I'm going to turn it over to Mr. Ken Cash, who will answer other questions that you had as it relates to the specific development.

MR. CASH: I'll try to answer the questions in the order that they were given.

MALE VOICE: Can you move the microphone closer to your mouth? It's hard to hear you.

MR. CASH: I'm going to try to answer your questions in the order that they were given. If I miss something, then feel free to ask again.

Just first of all I'd like to say that our mission is to provide new, high-quality housing to improve the lives of Texans.

I don't believe that the demand out there is currently for poorly maintained, poorly built housing.

This project, in addition to anticipating paying a high amount of property taxes each year, has vowed to put up a very significant amount of money, both in operating reserves, reserves for maintenance, and the initial construction costs are much higher than the other projects that you mentioned.

It is our intent to build a very high-quality project, and to maintain it that way. We're not proposing to build a project that's built and looks and appears like a high-end, market rate project, with the intention of just letting it become rundown.

I do agree with the -- some of the

Superintendent's comments regarding the existing projects in the area. I think that some of the existing projects in the area have not been maintained to the standards, and I think that they -- that that should be addressed. And I think that the property managers that were here speaking against our project should possibly speak to the people involved with their project about increasing those maintenance standards.

In answering one of the questions regarding the pre-screening for this particular project, we will have the highest standards in pre-screening of the residents that we are allowed to by law. We will screen for backgrounds, for job, income verification, and all the different verifications that Mr. Clark mentioned earlier, and that I mentioned previously.

It's -- this property, to answer your question, is supposed to be paying full property taxes, and there is no route that I know of that the Harris County agencies will permit to not pay the taxes once you have agreed to do so.

We're also charging a substantial amount of rent, which allows us to do that, and we are allowing the residents to have a high income. $40,000 plus the first year is not exactly the lowest level of income that an apartment project could require.

There is a possibility, after a period of time agreed to with the Texas Department of Housing, and I believe that period starts in about 15 years, where the property can be upgraded. It can be converted into a market rate type project, where you can charge higher rents, but you'll -- it'll have to be maintained and managed and run according to the policies and procedures for the first 15 years.

I will also mention that in regards to some of the comments made previously that the Texas Department of Housing and the Harris County Housing Authority is currently, in the future also, placing a higher emphasis on renovation of projects, rather than new construction.

I think that in the near future that that is probably going to be what the new focus and emphasis is going to be placed on.

In regards to the other developments not following through with some of the things that they had pledged to do, our project is promising to and will provide a business center in the community center, a 4,300-square-foot community center with computers, a learning center for training for younger children.

In regards to the question regarding what type of park facilities we will have within the complex, there will be two playgrounds, there will be picnic areas, there will be a pavilion, and other amenities within our own property.

Because it's over 14 acres, there's actually a fairly low density.

The utilities that were run through the site don't have anything to do with this project. They were probably run for another purpose for another project.

In regards to some of the issues mentioned about the schools and the overcrowding issues, I believe that the taxes that we'll be paying will be beneficial to the school district, to help build new facilities.

We will take all of these comments that you've made, and we will present them also to the other members of the partnership, and we will take them into consideration as well.

I would like to mention that in a recent article in the Houston Chronicle that according to 2003 research, more than 3,500 new homes and 3,000 new apartment units were expected to be built in the Alief school district by 2006. That's a total of 6,500 new apartments and homes being built in the school district, and which is part of the overall projection that's being made for Harris County, and the entire Houston area is expanding.

So I don't want to place too much emphasis on this particular survey; however, I just did want to mention that the projections are that there is quite a bit of current expansion going on within the Alief school district, both single family and multifamily.

I'd like to have Mr. Clark answer a few of the questions also.

MR. CLARK: Just -- there were three quick questions I think that specific answers would be helpful to.

Regarding the screening questions, there are some people here from the school district, I think it's obvious that you know that juvenile records are very difficult to come by, and we're not able to do any kind of a criminal background check on juveniles.

We do try to foster a relationship with the local sheriff's or police departments to convey information which they can do and will do if you develop a good enough relationship with them.

The ongoing criminal background checks I think was the other question. We do do the initial checks when people move in. We do not follow up at renewal time with additional -- with doing those checks again. That's actually a very interesting idea in a difficult area, because there's no reason we couldn't do that. And probably, I'll probably take that back to my office and implement that idea.

The Section 8 question I think was answered. I've never seen, in my 20 years in this business I've never seen a project convert to a Section 8 project under the tax credit program.

And then the last question about management change, very true. Typically management changes happen at a change in the ownership of the property, a transaction point, but they can also happen at any point in time that the ownership becomes unhappy with the management.

I can tell you that there are multiple, probably half a dozen, very solid affordable housing management companies, including the one I think, you know, the young lady who testified works for, who can do a very good job and can provide the service that's needed to be provided.

I think those are the three specific responses I can be of assistance on.

Yes, sir?

MALE VOICE: You said your company manages a number of these types of projects --

MR. CLARK: Yes, sir.

MALE VOICE: -- in the Harris County area?

MR. CLARK: Yes, sir.

MALE VOICE: How many of them are in the Alief school district?

MR. CLARK: We actually -- the only one I listed that I noticed that was up there is we manage the Matthew Ridge project.

MALE VOICE: You have Matthew Ridge?

MR. CLARK: Yes, sir.

MALE VOICE: Okay.

MR. STOERNER: Can I respond to the tax question?

MS. MORALES: If you're going to do that, I would just ask that you come up to the microphone, so the court reporter can pick it up.

MR. STOERNER: Because a lot of the questions relate to property taxes, and I think we need to make sure everyone understands that in the Alief school district we spend over $6,000 per child operating cost.

This complex is going to contribute $200,000. Do the math. If we get more than 30 kids, we are going to be losing money.

That does not include the construction of facilities, of building a $15 million school. So we appreciate your paying a tax, but to give the idea that you're paying for all the education services of those kids is not true.

MS. MORALES: Does anyone have any other questions?

FEMALE VOICE: I guess I'm somewhat pleased to hear that they are going to be paying the taxes, and we understand the cost to educate these students, but we've already learned that there's overcrowding, we've already learned that there's a problem as far as all the portable buildings that are on the site, and I guess my question is, Yes, you're going pay the taxes, but how are we going to get schools built fast enough to accommodate these kids? You know, I mean, we can only do so much as far as putting so many in portable buildings. There's only so much space on campus.

MS. MORALES: That's not something that TDHCA controls, is all I can say. When it comes to putting the affordable housing developments on the ground, one of the things that the Department requires is what's called a consistency with the consolidated plan.

It's the applicant's responsibility to find out what that consolidated plan is as it relates to the growth of the city and the infrastructure and stuff like that. It's there -- that's a threshold requirement that they need to obtain that document saying that the proposed development fits within the guidelines and meets the requirements of that consolidated plan.

FEMALE VOICE: But I pay my taxes also, so.

MS. MORALES: I'm sorry. Yes, sir.

MR. WOODS: Making another comment that what I addressed early on about --

MS. MORALES: Do you mind getting up to the microphone?

MR. WOODS: Government Code 2306, talking about the TDHCA, the purpose of the TDHCA, and I hope you bring this back to your Board, is 1) the purpose of the Department is to assist local governments in providing essential public services for their residents in overcoming financial, social, and environmental problems.

That's number one on the list. And with what you've heard today, if this complex is approved, we don't -- we haven't had this help. So the infrastructure's not there.

So please bring that up, because that's number one on the purpose of TDHCA.

MS. MORALES: In response to that, I can tell you that again the transcript in its entirety will be presented to our Board, and a summary of comments will also be submitted to them.

Yes, sir.

MALE VOICE: Ma'am, I'm not hearing well tonight. I missed the answer to the question that prompted the gentleman to get up to begin with. Did they buy the property? Is it paid for?

MS. MORALES: The question is whether or not the property has been purchased, and again I would defer that to the applicant.

MALE VOICE: [inaudible]

MR. CASH: It's a contingency on the financing.

MALE VOICE: Okay, so [inaudible]

MALE VOICE: That's a "No," then. Is that correct?

MR. CASH: Yes. Correct.

MS. MORALES: So the answer to the question is, No, the property has not been purchased.

MALE VOICE: [inaudible]

MS. MORALES: One of the requirements of the tax credit program is the applicant has to have site control on a particular property until our Board takes action, so they have to have -- the site control has to be current, until our Board takes action.

MALE VOICE: [inaudible]

MS. MORALES: That is correct.

Does anyone have any other questions?

Yes, sir.

MALE VOICE: I've listened to a great amount of the state representatives and school teachers and principals, authorities I see here tonight, who are all respected in our community, well spoken, and I've taken notes, and I haven't heard not one endorsement for this project yet, and I hope the developer is listening, because you don't hear our elected officials, our state representatives and our principals and the community at large in support of this project.

MS. MORALES: Okay, the statement was that apparently there is a great deal of opposition with this particular property, and I can tell you again that our Board will be aware of exactly who is opposing this property as it relates to State Representative Vo and other local elected officials.

Also I will take back with them the number of individuals who were here, and that is also why I wanted to stress that all of you sign in. On the back it indicates whether you support or oppose this particular property, and then that way I can get a clear indication as to exactly how many people were opposed.

Does anyone have any other questions?

Yes, sir.

MALE VOICE: One last question I'll make. How often does the Board turn down an application?

MS. MORALES: You know, the Board approves -- or, I'm sorry, the Board votes on approximately 300 applications a year, and that's not only with the bond program, as it relates to the 4 percent tax credit, but also our 9 percent tax credit, which is our competitive program.

You've got approximately 300 applications there. I can't tell you off the top of my head how many they approved versus how many they denied. I can tell you that as far as what's happened recently, we just had a case at our March Board meeting where the Board did deny that particular application. The reason that was stated was because there was a concentration issue, and that particular project was located in the Houston area.

So I can't give you a definitive number, that they denied X number of applications. I can tell you that they look at over 300 applications each year.

They, you know, make their decisions based on different criteria, so.

Does anyone have any other questions?

(No response.)

MS. MORALES: Okay. I would like to thank everyone for coming out this evening. Again, please do rest assured that your comments are being recorded, and you are encouraged to submit written comment to the TDHCA as well.

Thank you.

(Whereupon, at 8:12 p.m., the hearing was concluded.)

C E R T I F I C A T E

IN RE: Parkwest Apartment Homes

LOCATION: Houston, Texas

DATE: May 31, 2006

I do hereby certify that the foregoing pages, numbers 1 through 91, inclusive, are the true, accurate, and complete transcript prepared from the verbal recording made by electronic recording by Penny Bynum before the Texas Department of Housing & Community Affairs.

06/06/06
(Transcriber) (Date)

On the Record Reporting
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TEXAS
DEPARTMENT OF HOUSING
AND COMMUNITY AFFAIRS

WWW.TDHCA.STATE.TX.US

MULTIFAMILY FINANCE PRODUCTION DIVISION

2006 Private Activity Multifamily Housing Revenue Bonds

Hillcrest Apartments
2019 Hillcrest Street
Mesquite, Texas

Summit Hillcrest Apartments, Ltd.
352 Units
Priority 3
$12,700,000 Tax Exempt – Series 2006

TABLE OF EXHIBITS

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

July 12, 2006

Action Item

Presentation, Discussion and Possible Approval of a resolution for the issuance of Multifamily Housing Mortgage Revenue Bonds, Series 2006 and Housing Tax Credits for the acquisition and rehabilitation of the Hillcrest Apartments.

Requested Action

Approve, Deny or Approve with Amendments the staff recommendation for the Hillcrest Apartments.

Summary of the Hillcrest Apartments Transaction

The pre-application was received on April 3, 2006. The application was scored and ranked by staff. The application was induced at the May 4th Board meeting and submitted to the Texas Bond Review Board for addition to the 2006 Waiting List. The application received a Reservation of Allocation on May 23, 2006. This application was submitted under the Priority 3 category. At least 75% of the units will serve families at 80% or below the Area Median Family Income. There was one person in attendance at the public hearing and was neutral. The Department has received one letter of support from the Mayor of Mesquite. A copy of the transcript is included in this presentation. The proposed site is located in the Mesquite Independent School District.

The Hillcrest Apartments proposed acquisition and rehabilitation will be located at 2019 Hillcrest Street, Mesquite, Dallas County, Texas. Demographics for the census tract (177.02) AMFI of $70,668; the total population is 7,466; the percent of the population that is minority is 40.24%; the number of owner occupied units is 1,691; number of renter occupied units is 895; and the number of vacant units is 68. (Census Information from FFIEC Geocoding for 2005)

Summary of the Financial Structure

The applicant is requesting the Department's approval and issuance of fixed rate tax exempt bonds in an amount not to exceed $12,700,000. Credit enhancement will be provided by Fannie Mae through a standby irrevocable transferable credit enhancement instrument. Throughout the construction phase, Fannie Mae will be protected by a Letter of Credit issued by Wachovia Bank. The Bonds will carry a AAA/Aaa rating. Wachovia Multifamily Capital, Inc. (Fannie Mae DUS Lender) will underwrite the transaction using a debt coverage ratio of 1.20 to 1 (Net Operating Income 1.2 times the debt service) amortized over 30 years. The term of the bonds will be for 18 years. The construction and lease up period will be for twenty-four months plus one 6 month optional extension with payment terms of interest only, followed by a 18 year term and amortization.

Recommendation

Staff recommends the Board approve the issuance of Multifamily Housing Mortgage Revenue Bonds, Series 2006 and Housing Tax Credits for the Hillcrest Apartments development because of the demonstrated quality of construction of the proposed development, the feasibility of the development (as demonstrated by the financial commitments from Wachovia Bank, Fannie Mae, Boston Capital and the underwriting report by the Department's Real Estate Analysis division), the tenant and social services provided by the development and the demand for affordable units as demonstrated by the market area.

MULTIFAMILY FINANCE PRODUCTION DIVISION
BOARD MEMORANDUM
July 12, 2006

DEVELOPMENT: Hillcrest Apartments, Mesquite, Dallas County, Texas

PROGRAM: Texas Department of Housing & Community Affairs
2006 Private-Activity Multifamily Revenue Bonds
(Reservation received 5/23/2006)

ACTION REQUESTED: Approve the issuance of multifamily housing revenue bonds (the "Bonds") by the Texas Department of Housing and Community Affairs (the "Department"). The Bonds will be issued under Chapter 1371 of the Texas Government Code and under Chapter 2306 of the Texas Government Code, the Department's enabling legislation which authorizes the Department to issue its revenue bonds for its public purposes as defined therein. (*The Department's revenue bonds are solely obligations of the Department, and do not create an obligation, debt, or liability of the State of Texas or a pledge or loan of the faith, credit or taxing power of the State of Texas.)*

PURPOSE: The proceeds of the Bonds will be used to fund a mortgage loan (the "Mortgage Loan") to Summit Hillcrest Apartments, Ltd., an Alabama limited partnership (the "Borrower"), to finance the acquisition, rehabilitation, equipping and long-term financing of a 352-unit multifamily residential rental development to be located at 2019 Hillcrest Street, Dallas County, Texas (the "Development"). The Bonds will be tax-exempt by virtue of the Development qualifying as a residential rental development.

BOND AMOUNT: $12,700,000 Series 2006 Tax Exempt bonds (*)
$12,700,000 Total bonds

(*) The aggregate principal amount of the Bonds will be determined by the Department based on its rules, underwriting, the cost of construction of the Development and the amount for which Bond Counsel can deliver its Bond Opinion.

ANTICIPATED CLOSING DATE: The Department received a volume cap allocation for the Bonds on May 23, 2006, pursuant to the Texas Bond Review Board's 2006 Private Activity Bond Allocation Program. While the Department is required to deliver the Bonds on or before October 20, 2006, the anticipated closing date is July 25, 2006.

BORROWER: Summit Hillcrest Apartments, Ltd., an Alabama limited partnership, the general partner of which is Summit America Properties XXVII, Inc., the managing member is W. Daniel Hughes, Jr, with 100% ownership. Boston Capital or an affiliate

** Preliminary - Represents Maximum Amount* thereof will be providing the equity for the transaction by purchasing a 99.99% limited partnership interest in the Borrower.

COMPLIANCE HISTORY:

The Compliance Status Summary completed on June 29, 2006 reveals that the principals of the general partner above have two properties that will be monitored by the Department.

ISSUANCE TEAM:

Wachovia Multifamily Capital, Inc. (Permanent Lender)
Wachovia Bank (Letter of Credit Provider)
Fannie Mae (Credit Facility Provider)
Merchant Capital, LLC (Underwriter)
Boston Capital (Equity Provider)
JPMorgan Chase Bank, National Association (Trustee)
Vinson & Elkins L.L.P. (Bond Counsel)
RBC Capital Markets (Financial Advisor)
McCall, Parkhurst & Horton, L.L.P. (Issuer Disclosure Counsel)

BOND PURCHASER:

The Bonds will be publicly offered for sale on or about July 24, 2006 at which time the final pricing and Bond Purchaser(s) will be determined.

DEVELOPMENT DESCRIPTION:

The Development is a 352 unit apartment community to be acquired and rehabilitated located at 2019 Hillcrest Street, Mesquite, Dallas County, Texas. The exterior rehabilitation will consist of rebuilding and surfacing the parking lot, replacing the siding, and installing new windows and new sliding glass doors. The interior rehabilitation will consist of new kitchen cabinets and countertops, vinyl flooring, new refrigerators, range ovens and dishwashers. In addition, new surveillance cameras will be installed.

Units	Unit Type	Sq Ft	Proposed	AMFI
50	1-Bed/1-Bath	660	$624.00	60%
8	1-Bed/1-Bath	660	$624.00	Mkt.
178	2-Bed/1.5-Baths	900	$730.00	60%
32	2-Bed/1.5-Baths	900	$730.00	Mkt.
71	3-Bed/2-Baths	1,070	$850.00	60%
13	3-Bed/2-Baths	1,070	$850.00	Mkt.
352	Total Rental Units			

SET-ASIDE UNITS:

For Bond covenant purposes, forty percent (40%) of the units in the Development will be restricted to occupancy by persons or families earning not more than sixty percent (60%) of the area median income. Five percent (5%) of the units in the Development will be set aside on a priority basis for persons with special needs.

TENANT SERVICES: Tenant Services will be provided by the developer according to the requirements as outlined in the Departments Land Use Restriction Agreement.

DEPARTMENT ORIGINATION FEES:

$1,000 Pre-Application Fee (Paid)
$10,000 Application Fee (Paid)
$63,500 Issuance Fee (.50% of the bond amount paid at closing)

DEPARTMENT ANNUAL FEES:

$12,700 Bond Administration (0.10% of first year bond amount)
$14,080 Compliance ($40/unit/year adjusted annually for CPI)

(Department's annual fees may be adjusted, including deferral, to accommodate underwriting criteria and Development cash flow. These fees will be subordinated to the Mortgage Loan and paid outside of the cash flows contemplated by the Indenture)

ASSET OVERSIGHT FEE: $8,800 to TDHCA or assigns ($25/unit/year adjusted annually for CPI))

TAX CREDITS: The Borrower has applied to the Department to receive a Determination Notice for the 4% tax credit that accompanies the private-activity bond allocation. The tax credit equates to $449,583 per annum and represents equity for the transaction. To capitalize on the tax credit, the Borrower will sell a substantial portion of the limited partnership, typically 99.99%, to raise equity funds for the Development. Although a tax credit sale has not been finalized, the Borrower anticipates raising approximately $4,450,427 of equity for the transaction.

BOND STRUCTURE & SECURITY FOR THE BONDS:

The Bonds are proposed to be issued under a Trust Indenture (the "Trust Indenture") that will describe the fundamental structure of the Bonds, permitted uses of Bond proceeds and procedures for the administration, investment and disbursement of Bond proceeds and program revenues.

As stated above, the Bonds are being issued to fund a Mortgage Loan to finance the acquisition, rehabilitation, equipping and long-term financing of the Development. The Mortgage Loan will be secured by, among other things, a Deed of Trust and other security instruments on the Development. The Mortgage Loan and security instruments will be assigned to the Trustee and Fannie Mae and will become part of the Trust Estate securing the Bonds.

During both the construction period (the "Construction Phase") and, if conversion ("Conversion") from the Construction Phase to the permanent mortgage period (the "Permanent Phase") occurs, and the permanent phase, credit enhancement for the

Loan and, if Conversion occurs, liquidity support for the Bonds outstanding will be provided by Fannie Mae pursuant to a Stand-by Irrevocable Transferable Credit Enhancement Instrument (the "Fannie Mae Credit Facility"). Throughout the Construction Phase, Fannie Mae will be protected against risk of loss by a letter of credit issued by Wachovia Bank. If Conversion does not occur and Wachovia Bank has not exercised its option to purchase the Bonds, the Bonds will be subject to mandatory redemption.

In addition to the credit enhanced Mortgage Loan, other security for the Bonds during the Construction Phase consists of the net bond proceeds, the revenues and any other moneys received by the Trustee for payment of principal and interest on the Bonds, and amounts otherwise on deposit in the Funds and Accounts (excluding the Rebate Fund, the Fees Account of the Revenue Fund and the Costs of Issuance Deposit Account of the Cost of Issuance Fund) and any investment earnings thereon (see Funds and Accounts section, below).

CREDIT ENHANCEMENT: The credit enhancement by Fannie Mae allows for an anticipated rating by the Rating Agency of AAA/Aaa and an anticipated initial fixed rate not to exceed 5.875%. Without the credit enhancement, the Bonds would not be investment grade and therefore command a higher interest rate from investors on similar maturity bonds.

FORM OF BONDS: The Bonds will be issued in book-entry form and will be in authorized denominations of $5,000 or any integral multiple of $5,000.

TERMS OF THE MORTGAGE LOAN: The Mortgage Loan is a non-recourse obligation of the Owner, which means, subject to certain exceptions, that the Owner is not liable for the payment thereof beyond the amount realized from the pledged security. The Mortgage Loan provides for monthly payments of interest during the Construction Phase and level monthly payments of principal and interest following Conversion to the Permanent Phase.

During the Construction Phase, the Borrower will be required to make payments on the Mortgage Loan directly to the Trustee (to the extent that capitalized interest funds deposited at closing into the Mortgage Loan Fund are insufficient to make the semi-annual interest payments on the Bonds) along with all other bond and credit enhancement fees. Upon Conversion, the Borrower will be required to pay mortgage payments on the Mortgage Loan to the Servicer, who will remit the principal and interest components of the mortgage payments to the Trustee. The

Borrower will continue to pay certain other fees, including the Department's fees, directly to the Trustee.

Effective on the Conversion Date, which is anticipated to occur twenty-four months from the closing date of the Bonds with one six-month extension option, the Mortgage Loan will convert from the Construction Phase to the Permanent Phase upon satisfaction the conversion requirements set forth in the Construction Phase Financing Agreement. Among other things, these requirements include completion of the Development according to plans and specifications and achievement of certain occupancy thresholds.

MATURITY/SOURCES & METHODS OF REPAYMENT:

The Bonds will bear interest (a) from the date of issuance to the Initial Remarketing Date at a fixed rate and (b) from the Initial Remarketing Date to maturity, which is March 1, 2039, or earlier redemption or acceleration at the rates determined from time to time by the Remarketing Agent pursuant to the Indenture.

Fannie Mae is obligated under the Fannie Mae Credit Facility to fund the payment of the Borrower's loan payments in the event the Borrower fails to make any payment of interest or interest and principal. The Borrower is obligated to reimburse Fannie Mae for any moneys advanced by Fannie Mae for such payments.

REDEMPTION OF BONDS PRIOR TO MATURITY:

The Bonds are subject to redemption under any of the following circumstances:

Optional Redemption:

The Bonds are not subject to optional redemption until after the expiration of the lockout period. On or after the expiration of the lockout period and prior to the Initial Remarketing Date, the Bonds are subject to optional redemption in whole or in part upon optional prepayment of the Mortgage Loan in accordance with the Mortgage Loan Documents.

On or after the Initial Remarketing Date, the Bonds are subject to optional redemption in whole or in part during the periods and at the respective redemption prices set forth in the Indenture as expressed percentages of the principal amount of the Bonds called for redemption.

Mandatory Redemption:

(1) The Bonds shall be redeemed in whole or in part in the event and to the extent that proceeds of insurance from any casualty to, or proceeds of any award from any condemnation of, or any award as part of a settlement in lieu of condemnation of, the Development are applied in accordance with the Financing Agreement and the Mortgage Loan Documents to restoring or repairing the Mortgaged Property or, with the consent of the Credit Provider, otherwise used for improvements to the Mortgaged Property or applied to the reimbursement of amounts owed to the Credit Provider.

(2) The Bonds shall be redeemed in whole or in part in an amount specified by and at the direction, or with the prior written consent, of the Credit Provider requiring that the Bonds be redeemed pursuant to the Indenture following any Event of Default under the Security Instrument, the Credit Facility Agreement or the Financing Agreement or the occurrence of a Borrower Default under the Construction Phase Financing Agreement.

(3) The Bond shall be subject to mandatory sinking fund installments, at the times and in the amounts set forth in the amortization schedule established pursuant to the Indenture.

(4) The Bonds shall be redeemed in part in the event that the Borrower makes a Pre-Conversion Loan Equalization Payment.

(5) The Bonds shall be redeemed in whole if the Loan Servicer does not issue the Conversion Notice on or before the Termination Date, unless the Credit Provider otherwise directs the Trustee and Loan Servicer in writing.

(6) The Bonds shall be redeemed in whole or in part in the event and to the extent that amounts on deposit in the Mortgage Loan Fund or the General Account of the Revenue Fund are transferred to the Redemption Account.

FUNDS AND ACCOUNTS/FUNDS ADMINISTRATION:

Under the Trust Indenture, JPMorgan Chase Bank, National Association, (the "Trustee") will serve as registrar and authenticating agent for the Bonds, trustee of certain of the funds created under the Trust Indenture (described below), and will have responsibility for a number of loan administration and monitoring functions.

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will initially be issued as fully registered securities and when issued will be registered in the name of Cede & Co., as nominee for DTC. One fully registered global bond in the aggregate principal amount of each stated maturity of the Bonds will be deposited with DTC.

Moneys on deposit in Trust Indenture funds are required to be invested in eligible investments prescribed in the Trust Indenture until needed for the purposes for which they are held.

The Trust Indenture will create up to six (6) funds with the following general purposes:

1. Mortgage Loan Fund – Consists of a Project Account and Capitalized Interest Account. Monies in the Mortgage Loan Fund will be withdrawn to pay the costs of rehabilitation and other approved costs of the Development, and interest on the Bonds.

2. Revenue Fund – Consists of a General Account, Redemption Account, Credit Facility Account and the Fees Account. Monies in the Revenue Fund shall be disbursed for interest on the Bonds, sinking fund redemption payments, principal amounts due, third party fees and to the redemption of Bonds.

3. Costs of Issuance Fund – Consists of a Cost of Issuance Deposit Account and a Cost of Issuance Bond Proceeds Account. A temporary fund into which amounts for the payment of the costs of issuance are deposited and disbursed by the Trustee.

4. Rebate Fund - Fund into which certain investment earnings are transferred that are required to be rebated periodically to the federal government to preserve the tax-exempt status of the Bonds. Amounts in this fund are held apart from the trust estate and are not available to pay debt service on the Bonds.

5. Bond Purchase Fund – Consists of a Remarketing Proceeds Account and a Remarketing Expenses Account. Monies are used to pay the purchase price of the Bonds on a Remarketing Date in the event the Bonds are not remarketed and Remarketing Expenses.

6. Equity Fund – Fund into which amounts designated by the Borrower as equity funds are deposited and disbursed by the Trustee pursuant to a requisition.

Essentially, all of the bond proceeds will be deposited into the Loan Fund and disbursed during the Construction Phase to finance the construction of the Development. Although costs of issuance of up to two percent (2%) of the principal amount of the Bonds may be paid from Bond proceeds, it is currently expected that all costs of issuance will be paid by an equity contribution of the Borrower.

DEPARTMENT ADVISORS:

The following advisors have been selected by the Department to perform the indicated tasks in connection with the issuance of the Bonds.

1. Bond Counsel - Vinson & Elkins L.L.P. ("V&E") was most recently selected to serve as the Department's bond counsel through a request for proposals ("RFP") issued by the Department in September 2005.

2. Bond Trustee – JPMorgan Chase Bank, National Association was selected by the Borrower from the Department's list of approved trustees for multifamily bond issues. This trustee was approved by the Department in June 2006.

3. Financial Advisor - RBC Capital Markets, formerly RBC Dain Rauscher, was selected by the Department as the Department's financial advisor through a request for proposals process in August 2003.

4. Underwriter – Merchant Capital was selected by the Borrower from the Department's list of approved senior managers for multifamily bond issues. The underwriter list was approved by the Department in June 2006.

5. Disclosure Counsel – McCall, Parkhurst & Horton, L.P.P. was selected to serve as the Department's disclosure counsel in September 2005.

ATTORNEY GENERAL REVIEW OF BONDS:

No preliminary written review of the Bonds by the Attorney General of Texas has yet been made. Department bonds, however, are subject to the approval of the Attorney General, and transcripts of proceedings with respect to the Bonds will be submitted for review and approval prior to the issuance of the Bonds.

RESOLUTION NO. 06-024

RESOLUTION AUTHORIZING AND APPROVING THE ISSUANCE, SALE AND DELIVERY OF MULTIFAMILY HOUSING REVENUE BONDS (HILLCREST APARTMENTS) SERIES 2006; APPROVING THE FORM AND SUBSTANCE AND AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS AND INSTRUMENTS PERTAINING THERETO; AUTHORIZING AND RATIFYING OTHER ACTIONS AND DOCUMENTS; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, the Texas Department of Housing and Community Affairs (the "Department") has been duly created and organized pursuant to and in accordance with the provisions of Chapter 2306, Texas Government Code, as amended (the "Act"), for the purpose, among others, of providing a means of financing the costs of residential ownership, development and rehabilitation that will provide decent, safe, and affordable living environments for individuals and families of low, very low and extremely low income and families of moderate income (all as defined in the Act); and

WHEREAS, the Act authorizes the Department: (a) to make mortgage loans to housing sponsors to provide financing for multifamily residential rental housing in the State of Texas (the "State") intended to be occupied by individuals and families of low, very low and extremely low income and families of moderate income, as determined by the Department; (b) to issue its revenue bonds, for the purpose, among others, of obtaining funds to make such loans and provide financing, to establish necessary reserve funds and to pay administrative and other costs incurred in connection with the issuance of such bonds; and (c) to pledge all or any part of the revenues, receipts or resources of the Department, including the revenues and receipts to be received by the Department from such multifamily residential rental development loans, and to mortgage, pledge or grant security interests in such loans or other property of the Department in order to secure the payment of the principal or redemption price of and interest on such bonds; and

WHEREAS, the Board has determined to authorize the issuance of the Texas Department of Housing and Community Affairs Multifamily Housing Revenue Bonds (Hillcrest Apartments) Series 2006 (the "Bonds"), pursuant to and in accordance with the terms of a Trust Indenture (the "Indenture") by and between the Department and JPMorgan Chase Bank, National Association, a national banking association, as trustee (the "Trustee"), for the purpose of obtaining funds to finance the Development (defined below), all under and in accordance with the Constitution and laws of the State; and

WHEREAS, the Department desires to use the proceeds of the Bonds to fund a mortgage loan to Summit Hillcrest Apartments, Ltd., an Alabama limited partnership (the "Borrower"), in order to finance the cost of acquisition, rehabilitation and equipping of a qualified residential rental development described on Exhibit A attached hereto (the "Development") located within the State and required by the Act to be occupied by individuals and families of low and very low income and families of moderate income, as determined by the Department; and

WHEREAS, the Board, by resolution adopted on May 4, 2006, declared its intent to issue its revenue bonds to provide financing for the Development; and

WHEREAS, it is anticipated that the Department, the Borrower and the Trustee will execute and deliver a Financing Agreement (the "Financing Agreement") pursuant to which (i) the Department will agree to make a mortgage loan funded with the proceeds of the Bonds (the "Mortgage Loan") to the Borrower to enable the Borrower to finance the cost of acquisition, rehabilitation and equipping of the

Development and related costs, and (ii) the Borrower will execute and deliver to the Department a multifamily note (the "Mortgage Note") in an original principal amount equal to the original aggregate principal amount of the Bonds, and providing for payment of interest on such principal amount equal to the interest on the Bonds and to pay other costs described in the Financing Agreement; and

WHEREAS, it is anticipated that credit enhancement for the Mortgage Loan will be provided for by a Credit Enhancement Instrument (Standby) issued by Fannie Mae ("Fannie Mae"); and

WHEREAS, it is anticipated that the Mortgage Note will be secured by a Multifamily Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (Texas) (the "Security Instrument") by the Borrower for the benefit of the Department and Fannie Mae; and

WHEREAS, the Department's interest in the Mortgage Loan (except for certain reserved rights), including the Mortgage Note and the Security Instrument, will be assigned to the Trustee, as its interests may appear, and to Fannie Mae, as its interests may appear, pursuant to an Assignment and Intercreditor Agreement (the "Assignment") among the Department, the Trustee and Fannie Mae and acknowledged, accepted and agreed to by the Borrower; and

WHEREAS, the Board has determined that the Department, the Trustee and the Borrower will execute a Regulatory and Land Use Restriction Agreement (the "Regulatory Agreement"), with respect to the Development which will be filed of record in the real property records of Dallas County, Texas; and

WHEREAS, the Board has been presented with a draft of, has considered and desires to ratify, approve, confirm and authorize the use and distribution in the public offering of the Bonds of a Preliminary Official Statement (the "Preliminary Official Statement") and an Official Statement (the "Official Statement", and together with the Preliminary Official Statement, the "Official Statements") and to authorize the authorized representatives of the Department to deem the Official Statements "final" for purposes of Rule 15c2-12 of the Securities and Exchange Commission and to approve the making of such changes in the Official Statements as may be required to provide final Official Statements for use in the public offering and sale of the Bonds; and

WHEREAS, the Board has further determined that the Department will enter into a Bond Purchase Agreement (the "Bond Purchase Agreement") with the Borrower and Merchant Capital, L.L.C. (the "Underwriter"), and any other parties to such Bond Purchase Agreement as authorized by the execution thereof by the Department, setting forth certain terms and conditions upon which the Underwriter or another party will purchase all or their respective portion of the Bonds from the Department and the Department will sell the Bonds to the Underwriter or another party to such Bond Purchase Agreement; and

WHEREAS, the Board has determined that the Department and the Borrower will execute an Asset Oversight Agreement (the "Asset Oversight Agreement"), with respect to the Development for the purpose of monitoring the operation and maintenance of the Development; and

WHEREAS, the Board has examined proposed forms of (a) the Indenture, the Financing Agreement, the Assignment, the Regulatory Agreement, the Official Statements, the Bond Purchase Agreement and the Asset Oversight Agreement (collectively, the "Issuer Documents"), all of which are attached to and comprise a part of this Resolution and (b) the Security Instrument and the Note; has found the form and substance of such documents to be satisfactory and proper and the recitals contained therein to be true, correct and complete; and has determined, subject to the conditions set forth in Article I, to authorize the issuance of the Bonds, the execution and delivery of the Issuer Documents, the acceptance of the Security Instrument and the Note and the taking of such other actions as may be necessary or convenient in connection therewith;

NOW, THEREFORE,

BE IT RESOLVED BY THE BOARD OF THE DEPARTMENT:

ARTICLE I

ISSUANCE OF BONDS; APPROVAL OF DOCUMENTS

Section 1.1--Issuance, Execution and Delivery of the Bonds. That the issuance of the Bonds is hereby authorized, under and in accordance with the conditions set forth herein and in the Indenture, and that, upon execution and delivery of the Indenture, the authorized representatives of the Department named in this Resolution each are authorized hereby to execute, attest and affix the Department's seal to the Bonds and to deliver the Bonds to the Attorney General of the State for approval, the Comptroller of Public Accounts of the State for registration and the Trustee for authentication (to the extent required in the Indenture), and thereafter to deliver the Bonds to the order of the initial purchaser thereof.

Section 1.2--Interest Rate, Principal Amount, Maturity and Price. That the Chair or Vice Chairman of the Board or the Executive Director or Acting Executive Director of the Department are hereby authorized and empowered, in accordance with Chapter 1371, Texas Government Code, to fix and determine the interest rate, principal amount and maturity of, the redemption provisions related to, and the price at which the Department will sell to the Underwriter or another party to the Bond Purchase Agreement, the Bonds, all of which determinations shall be conclusively evidenced by the execution and delivery by the Chair or Vice Chairman of the Board or the Executive Director or Acting Executive Director of the Department of the Indenture and the Bond Purchase Agreement; provided, however, that (i) the Bonds shall bear interest (a) from the date of issuance to the Initial Remarketing Date at a fixed rate not to exceed 6.0% and (b) from the Initial Remarketing Date until maturity or earlier redemption or acceleration thereof at the rates determined from time to time by the Remarketing Agent (as such term is defined in the Indenture) in accordance with the provisions of the Indenture; provided that in no event shall the interest rate on the Bonds (including any default interest rate) exceed the maximum interest rate permitted by applicable law; (ii) the aggregate principal amount of the Bonds shall not exceed $12,700,000; (iii) the final maturity of the Bonds shall occur not later than March 1, 2039; and (iv) the price at which the Bonds are sold to the initial purchaser thereof under the Bond Purchase Agreement shall not exceed 103% of the principal amount thereof.

Section 1.3--Approval, Execution and Delivery of the Indenture. That the form and substance of the Indenture are hereby approved, and that the authorized representatives of the Department named in this Resolution each are authorized hereby to execute the Indenture and to deliver the Indenture to the Trustee.

Section 1.4--Approval, Execution and Delivery of the Financing Agreement. That the form and substance of the Financing Agreement are hereby approved, and that the authorized representatives of the Department named in this Resolution each are authorized hereby to execute the Financing Agreement and deliver the Financing Agreement to the Borrower and the Trustee.

Section 1.5--Approval, Execution and Delivery of the Regulatory Agreement. That the form and substance of the Regulatory Agreement are hereby approved, and that the authorized representatives of the Department named in this Resolution each are authorized hereby to execute, attest and affix the Department's seal to the Regulatory Agreement and deliver the Regulatory Agreement to the Borrower and the Trustee and to cause the Regulatory Agreement to be filed of record in the real property records of Dallas County, Texas.

Section 1.6--Approval, Execution and Delivery of the Bond Purchase Agreement. That the sale of the Bonds to the Underwriter and any other party to the Bond Purchase Agreement is hereby approved, that the form and substance of the Bond Purchase Agreement are hereby approved, and that the authorized representatives of the Department named in this Resolution each are hereby authorized to execute the Bond Purchase Agreement and to deliver the Bond Purchase Agreement to the Borrower, the Underwriter and any other party to the Bond Purchase Agreement, as appropriate.

Section 1.7--Acceptance of the Mortgage Note and Security Instrument. That the form and substance of the Mortgage Note and Security Instrument are hereby accepted by the Department and that the authorized representatives of the Department named in this Resolution each are hereby authorized to endorse and deliver the Mortgage Note to the order of the Trustee and Fannie Mae, as their interests may appear, without recourse.

Section 1.8--Approval, Execution and Delivery of the Assignment. That the form and substance of the Assignment are hereby approved; and that the authorized representatives of the Department named in this Resolution are each hereby authorized to execute, attest and affix the Department's seal to the Assignment and to deliver the Assignment to the Trustee and Fannie Mae.

Section 1.9--Approval, Execution, Use and Distribution of the Official Statements. That the form and substance of the Official Statements and their use and distribution by the Underwriter in accordance with the terms, conditions and limitations contained therein are hereby approved, ratified, confirmed and authorized; that the Chair and Vice Chairman of the Board and the Executive Director or Acting Executive Director of the Department are hereby severally authorized to deem the Official Statement "final" for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934; that the authorized representatives of the Department named in this Resolution each are authorized hereby to make or approve such changes in the Official Statements as may be required to provide a final Official Statement for the Bonds; that the authorized representatives of the Department named in this Resolution each are authorized hereby to accept the Official Statements, as required; and that the distribution and circulation of the Official Statements by the Underwriter hereby is authorized and approved, subject to the terms, conditions and limitations contained therein, and further subject to such amendments or additions thereto as may be required by the Bond Purchase Agreement and as may be approved by the Executive Director or Acting Executive Director of the Department and the Department's counsel.

Section 1.10--Approval, Execution and Delivery of the Asset Oversight Agreement. That the form and substance of the Asset Oversight Agreement are hereby approved, and that the authorized representatives of the Department named in this Resolution each are authorized hereby to execute and deliver the Asset Oversight Agreement to the Borrower.

Section 1.11--Taking of Any Action; Execution and Delivery of Other Documents. That the authorized representatives of the Department named in this Resolution each are authorized hereby to take any actions and to execute, attest and affix the Department's seal to, and to deliver to the appropriate parties, all such other agreements, commitments, assignments, bonds, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, notices of acceptance, written requests and other papers, whether or not mentioned herein, as they or any of them consider to be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution.

Section 1.12--Exhibits Incorporated Herein. That all of the terms and provisions of each of the documents listed below as an exhibit shall be and are hereby incorporated into and made a part of this Resolution for all purposes:

Exhibit B - Indenture
Exhibit C - Financing Agreement

Exhibit D	-	Regulatory Agreement
Exhibit E	-	Bond Purchase Agreement
Exhibit F	-	Security Instrument
Exhibit G	-	Mortgage Note
Exhibit H	-	Assignment
Exhibit I	-	Preliminary Official Statement
Exhibit J	-	Asset Oversight Agreement

Section 1.13--Power to Revise Form of Documents. That notwithstanding any other provision of this Resolution, the authorized representatives of the Department named in this Resolution each are authorized hereby to make or approve such revisions in the form of the documents attached hereto as exhibits as, in the judgment of such authorized representative or authorized representatives, and in the opinion of Vinson & Elkins L.L.P., Bond Counsel to the Department, may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution, such approval to be evidenced by the execution of such documents by the authorized representatives of the Department named in this Resolution.

Section 1.14--Authorized Representatives. That the following persons are each hereby named as authorized representatives of the Department for purposes of executing, attesting, affixing the Department's seal to, and delivering the documents and instruments and taking the other actions referred to in this Article I: Chair and Vice Chairman of the Board, Executive Director or Acting Executive Director of the Department, Deputy Executive Director of Housing Operations of the Department, Deputy Executive Director of Programs of the Department, Chief of Agency Administration of the Department, Director of Financial Administration of the Department, Director of Bond Finance of the Department, Director of Multifamily Finance Production of the Department and the Secretary to the Board.

Section 1.15--Conditions Precedent. That the issuance of the Bonds shall be further subject to, among other things: (a) the Development's meeting all underwriting criteria of the Department, to the satisfaction of the Executive Director or Acting Executive Director of the Department; and (b) the execution by the Borrower and the Department of contractual arrangements satisfactory to the Department staff requiring that community service programs will be provided at the Development.

ARTICLE II

APPROVAL AND RATIFICATION OF CERTAIN ACTIONS

Section 2.1--Approval and Ratification of Application to Texas Bond Review Board. That the Board hereby ratifies and approves the submission of the application for approval of state bonds to the Texas Bond Review Board on behalf of the Department in connection with the issuance of the Bonds in accordance with Chapter 1231, Texas Government Code.

Section 2.2--Approval of Submission to the Attorney General. That the Board hereby authorizes, and approves the submission by the Department's Bond Counsel to the Attorney General of the State, for his approval, of a transcript of legal proceedings relating to the issuance, sale and delivery of the Bonds.

Section 2.3--Engagement of Other Professionals. That the Executive Director or Acting Executive Director of the Department or any successor is authorized to engage auditors to perform such functions, audits, yield calculations and subsequent investigations as necessary or appropriate to comply with the Bond Purchase Agreement and the requirements of Bond Counsel to the Department, provided such engagement is done in accordance with applicable law of the State.

Section 2.4--Certification of the Minutes and Records. That the Secretary to the Board hereby is authorized to certify and authenticate minutes and other records on behalf of the Department for the Bonds and all other Department activities.

Section 2.5--Approval of Requests for Rating from Rating Agency. That the action of the Executive Director or Acting Executive Director of the Department or any successor and the Department's consultants in seeking a rating from Moody's Investors Service, Inc. and/or Standard & Poor's Ratings Services, a Division of The McGraw-Hill Companies, Inc., is approved, ratified and confirmed hereby.

Section 2.6--Authority to Invest Proceeds. That the Department is authorized to invest and reinvest the proceeds of the Bonds and the fees and revenues to be received in connection with the financing of the Development in accordance with the Indenture and to enter into any agreements relating thereto only to the extent permitted by the Indenture.

Section 2.7--Underwriter. That the underwriter with respect to the issuance of the Bonds shall be Merchant Capital, L.L.C.

Section 2.8—Engagement of Other Professionals. That the Executive Director or Acting Executive Director of the Department or any successor is authorized to engage auditors, analysts and consultants to perform such functions, audits, yield calculations and subsequent investigations as necessary or appropriate to comply with the requirements of Bond Counsel to the Department, provided such engagement is done in accordance with applicable law of the State.

Section 2.9--Ratifying Other Actions. That all other actions taken by the Executive Director or Acting Executive Director of the Department and the Department staff in connection with the issuance of the Bonds and the financing of the Development are hereby ratified and confirmed.

ARTICLE III

CERTAIN FINDINGS AND DETERMINATIONS

Section 3.1--Findings of the Board. That in accordance with Section 2306.223 of the Act and after the Department's consideration of the information with respect to the Development and the information with respect to the proposed financing of the Development by the Department, including but not limited to the information submitted by the Borrower, independent studies commissioned by the Department, recommendations of the Department staff and such other information as it deems relevant, the Board hereby finds:

(a) Need for Housing Development.

(i) that the Development is necessary to provide needed decent, safe, and sanitary housing at rentals or prices that individuals or families of low and very low income or families of moderate income can afford,

(ii) that the financing of the Development is a public purpose and will provide a public benefit, and

(iii) that the Development will be undertaken within the authority granted by the Act to the housing finance division and the Borrower.

(b) Findings with Respect to the Borrower.

(i) that the Borrower, by operating the Development in accordance with the requirements of the Financing Agreement and Regulatory Agreement, will comply with applicable local building requirements and will supply well-planned and well-designed housing for individuals or families of low and very low income or families of moderate income,

(ii) that the Borrower is financially responsible and has entered into a binding commitment to repay the Mortgage Loan in accordance with its terms, and

(iii) that the Borrower is not, and will not enter into a contract for the Development with, a housing developer that: (A) is on the Department's debarred list, including any parts of that list that are derived from the debarred list of the United States Department of Housing and Urban Development; (B) breached a contract with a public agency; or (C) misrepresented to a subcontractor the extent to which the developer has benefited from contracts or financial assistance that has been awarded by a public agency, including the scope of the developer's participation in contracts with the agency and the amount of financial assistance awarded to the developer by the Department.

(c) Public Purpose and Benefits.

(i) that the Borrower has agreed to operate the Development in accordance with the Financing Agreement and the Regulatory Agreement, which require, among other things, that the Development be occupied by individuals and families of low and very low income and families of moderate income, and

(ii) that the issuance of the Bonds to finance the Development is undertaken within the authority conferred by the Act and will accomplish a valid public purpose and will provide a public benefit by assisting individuals and families of low and very low income and families of moderate income in the State to obtain decent, safe, and sanitary housing by financing the costs of the Development, thereby helping to maintain a fully adequate supply of sanitary and safe dwelling accommodations at rents that such individuals and families can afford.

Section 3.2--Determination of Eligible Tenants. That the Board has determined, to the extent permitted by law and after consideration of such evidence and factors as it deems relevant, the findings of the staff of the Department, the laws applicable to the Department and the provisions of the Act, that eligible tenants for the Development shall be (1) individuals and families of low and very low income, (2) persons with special needs, and (3) families of moderate income, with the income limits as set forth in the Financing Agreement and the Regulatory Agreement.

Section 3.3--Sufficiency of Mortgage Loan Interest Rate. That the Board hereby finds and determines that the interest rate on the Mortgage Loan established pursuant to the Financing Agreement will produce the amounts required, together with other available funds, to pay for the Department's costs of operation with respect to the Bonds and the Development and enable the Department to meet its covenants with and responsibilities to the holders of the Bonds.

Section 3.4--No Gain Allowed. That, in accordance with Section 2306.498 of the Act, no member of the Board or employee of the Department may purchase any Bond in the secondary open market for municipal securities.

Section 3.5--Waiver of Rules. That the Board hereby waives the rules contained in Chapters 33 and 35, Title 10 of the Texas Administrative Code to the extent such rules are inconsistent with the terms of this Resolution and the bond documents authorized hereunder.

ARTICLE IV

GENERAL PROVISIONS

Section 4.1--Limited Obligations. That the Bonds and the interest thereon shall be limited obligations of the Department payable solely from the trust estate created under the Indenture, including the revenues and funds of the Department pledged under the Indenture to secure payment of the Bonds, and under no circumstances shall the Bonds be payable from any other revenues, funds, assets or income of the Department.

Section 4.2--Non-Governmental Obligations. That the Bonds shall not be and do not create or constitute in any way an obligation, a debt or a liability of the State or create or constitute a pledge, giving or lending of the faith or credit or taxing power of the State. Each Bond shall contain on its face a statement to the effect that the State is not obligated to pay the principal thereof or interest thereon and that neither the faith or credit nor the taxing power of the State is pledged, given or loaned to such payment.

Section 4.3--Effective Date. That this Resolution shall be in full force and effect from and upon its adoption.

Section 4.4--Notice of Meeting. Written notice of the date, hour and place of the meeting of the Board at which this Resolution was considered and of the subject of this Resolution was furnished to the Secretary of State and posted on the Internet for at least seven (7) days preceding the convening of such meeting; that during regular office hours a computer terminal located in a place convenient to the public in the office of the Secretary of State was provided such that the general public could view such posting; that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof was discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended; and that written notice of the date, hour and place of the meeting of the Board and of the subject of this Resolution was published in the Texas Register at least seven (7) days preceding the convening of such meeting, as required by the Administrative Procedure and Texas Register Act, Chapters 2001 and 2002, Texas Government Code, as amended. Additionally, all of the materials in the possession of the Department relevant to the subject of this Resolution were sent to interested persons and organizations, posted on the Department's website, made available in hard-copy at the Department, and filed with the Secretary of State for publication by reference in the Texas Register not later than seven (7) days before the meeting of the Board as required by Section 2306.032, Texas Government Code, as amended.

[EXECUTION PAGE FOLLOWS]

PASSED AND APPROVED this 12th day of July, 2006.

[SEAL]

By: /s/ Elizabeth Anderson
Elizabeth Anderson, Chair

Attest: /s/ Kevin Hamby
Kevin Hamby, Secretary

EXHIBIT A

DESCRIPTION OF DEVELOPMENT

Owner:	Summit Hillcrest Apartments, Ltd., an Alabama limited partnership
Development:	The Development is a 352-unit multifamily facility to be known as Hillcrest Apartments and located at 2019 Hillcrest Street, Mesquite, Dallas County, Texas 75149. It will consist of 21 two-story residential apartment buildings with approximately 319,172 net rentable square feet and an average unit size of approximately 907 square feet. The unit mix will consist of:

58	one-bedroom/one-bath units
210	two-bedroom/one-and-a-half-bath units
84	three-bedroom/two-bath units
352	Total Units

Unit sizes will range from approximately 655 square feet to approximately 1,095 square feet.

Common areas are expected to include a community room, 2 laundry facilities, valet laundry and a swimming pool. All units are expected to have central heating and air conditioning, patio/balcony, and walk in closets Kitchen appliances include a range, refrigerator, dishwasher and garbage disposal.

TEXAS
DEPARTMENT OF HOUSING
AND COMMUNITY AFFAIRS

MULTIFAMILY FINANCE PRODUCTION DIVISION

July 12, 2006

Development Information, Public Input and Board Summary

Hillcrest Apartments, TDHCA Number 060615

BASIC DEVELOPMENT INFORMATION

Site Address:	2019 Hillcrest Street			Development #:	060615
City:	Mesquite	Region:	3	Population Served:	Family
County:	Dallas	Zip Code:	75149	Allocation:	
HOME Set Asides:	☐ CHDO	☐ Preservation	☐ General	Purpose/Activity:	ACQ/R
Bond Issuer:	TDHCA				

HTC Purpose/Activity: NC=New Construction, ACQ=Acquisition, R=Rehabilitation, NC/ACQ=New Construction and Acquisition, NC/R=New Construction and Rehabilitation, ACQ/R=Acquisition and Rehabilitation

OWNER AND DEVELOPMENT TEAM

Owner:	Summit Hillcrest Apartments, Ltd.	
Owner Contact and Phone	Hunter McKenzie	(334) 954-4458
Developer:	Summit Asset Management, L.L.C.	
Housing General Contractor:	Penco Construction Company	
Architect:	Brown, Chambless Architects	
Market Analyst:	Novogradac & Company, LLP	
Syndicator:	Boston Capital	
Supportive Services:	To Be Determined	
Consultant:	Not Utilized	

UNIT/BUILDING INFORMATION

30%	40%	50%	60%	Eff	1 BR	2 BR	3 BR	4 BR	5 BR
0	0	299	0	0	58	210	84	0	0

Type of Building:
- ☑ 5 units or more per building
- ☐ Duplex
- ☐ Detached Residence
- ☐ Triplex
- ☐ Single Room Occupancy
- ☐ Fourplex
- ☐ Transitional
- ☐ Townhome

Total Restricted Units:	299
Market Rate Units:	53
Owner/Employee Units:	0
Total Development Units:	352
Total Development Cost:	$17,627,469
Number of Residential Buildings:	21
HOME High Total Units:	0
HOME Low Total Units:	0

Note: If Development Cost =$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis	Amort	Term	Rate
4% Housing Tax Credits with Bonds:	$449,583	$449,583	0	0	0.00%
TDHCA Bond Allocation Amount:	$12,700,000	$12,700,000	30	18	6.20%
HOME Activity Fund Amount:	$0	$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	$0	$0			

TEXAS
DEPARTMENT OF HOUSING
AND COMMUNITY AFFAIRS

MULTIFAMILY FINANCE PRODUCTION DIVISION

July 12, 2006

Development Information, Public Input and Board Summary

Hillcrest Apartments, TDHCA Number 060615

PUBLIC COMMENT SUMMARY

Guide: "O" = Oppose, "S" = Support, "N" = Neutral, "NC" or Blank = No comment

State/Federal Officials with Jurisdiction:

TX Senator: Deuell, District 2 NC

US Representative: Hensarling, District 5, NC

TX Representative: Reyna, District 101 NC

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: Mike Anderson, Mayor, City of Mesquite - S

Resolution of Support from Local Government ☐

Tammi Nunn, Principal Planner, City of Mesquite - The City of Mesquite does not have a consolidated plan, and does not have a comprehensive plan; however the city has a Development Guide and Map that indicate that the proposed use is in keeping with the intent of the guide.

Individuals/Businesses: In Support: 0 In Opposition 0

Neighborhood Input:

General Summary of Comment:

Public Hearing:
Number that attended: 1
Number that spoke: 1
Number in support: 0
Number in opposition: 0
Number Neutral: 1

CONDITIONS OF COMMITMENT

Per §50.12(c) of the Qualified Allocation Plan and Rules, all Tax Exempt Bond Development Applications "must provide an executed agreement with a qualified service provider for the provision of special supportive services that would otherwise not be available for the tenants. The provision of such services will be included in the Declaration of Land Use Restrictive Covenants ("LURA")."

Receipt, review, and acceptance by date of closing of evidence that an O&M Program has been prepared for the entire Property (Hillcrest and Jackson Manor Apts.).

Receipt, review, and acceptance by date of closing of evidence that the Mechanic's Lien has been successfully removed from the title report.

All Tax Credit units should be restricted to the 50% rent limits (however income limits will continue to be based on the 60% income level) or the tax credit amount should be restricted to an amount not to exceed $181,581.

Receipt, review, and acceptance by date of closing of evidence that the Property Condition Report has satisfactorily been modified to include a physical needs over the 30 year term.

Receipt, review, and acceptance of a recalculation of the acquisition basis if the day care facility is removed from the development as proposed.

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

TEXAS
DEPARTMENT OF HOUSING
AND COMMUNITY AFFAIRS

MULTIFAMILY FINANCE PRODUCTION DIVISION

July 12, 2006

Development Information, Public Input and Board Summary

Hillcrest Apartments, TDHCA Number 060615

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

4% Housing Tax Credits: Credit Amount: $449,583

Recommendation: Recommend approval of a Housing Tax Credit Allocation not to exceed the revised requested amount of $449,583 annually for ten years, subject to conditions.

TDHCA Bond Issuance: Bond Amount: $12,700,000

Recommendation: Recommend approval of issuance of up to $12,700,000 in Tax Exempt Mortgage Revenue Bonds with a fixed interest rate underwritten at 6.20% and repayment term of 18 years with a 30 year amortization period, subject to conditions.

HOME Activity Funds: Loan Amount: $0

HOME CHDO Operating Expense Grant: Grant Amount: $0

Recommendation:

Hillcrest Apartments

Estimated Sources & Uses of Funds

Sources of Funds	
Series 2006 Tax-Exempt Bond Proceeds	$ 12,535,000
Tax Credit Proceeds	4,450,427
Deferred Developer's Fee	625,691
Interest Income	15,402
Total Sources	$ 17,626,520

Uses of Funds	
Acquisition and Site Work Costs	$ 9,836,500
Direct Hard Construction Costs	4,224,000
Other Construction Costs (General Require, Overhead, Profit)	452,302
Indirect Construction Costs	87,500
Developer Fees and Overhead	1,833,215
Direct Bond Related	336,960
Bond Purchase Costs	656,564
Other Transaction Costs	47,019
Real Estate Closing Costs	152,460
Total Uses	$ 17,626,520

Estimated Costs of Issuance of the Bonds

Direct Bond Related	
TDHCA Issuance Fee (.50% of Issuance)	$ 62,675
TDHCA Application Fee	11,000
TDHCA Bond Administration Fee (2 years)	25,070
TDHCA Bond Compliance Fee ($40 per unit)	14,080
TDHCA Bond Counsel and Direct Expenses (Note 1)	85,000
TDHCA Financial Advisor and Direct Expenses	25,000
Disclosure Counsel ($5k Pub. Offered, $2.5k Priv. Placed. See Note 1)	5,000
Trustee Fee	8,960
Trustee's Counsel (Note 1)	4,000
Attorney General Transcript Fee	9,500
Texas Bond Review Board Application Fee	5,000
Texas Bond Review Board Issuance Fee (.025% of Reservation)	3,175
DTC, CUSIP, Misc	78,500
Total Direct Bond Related	$ 336,960

Hillcrest Apartments

Bond Purchase Costs		
LOC Lender		219,380
LOC Counsel		22,000
Permanent Lender		143,860
Permanent Lender Counsel		38,000
Fannie Mae Counsel		32,000
Rating Agency		13,500
Underwriter		112,824
Underwriter Counsel		30,000
Developer Counsel		35,000
Developer Local Counsel		10,000
Total Bond Purchase Costs	$	656,564

Other Transaction Costs		
Tax Credit Application and Determination Fees (if paid at closing)		47,019
Total Other Transaction Costs	$	47,019

Real Estate Closing Costs		
Title Insurance		125,360
Surveying		7,000
Construction Inspection Fees		15,100
Recording & Transfer		5,000
Total Real Estate Costs	$	152,460

Estimated Total Costs of Issuance	$	1,193,003

Costs of issuance of up to two percent (2%) of the principal amount of the Bonds may be paid from Bond proceeds. Costs of issuance in excess of such two percent must be paid by an equity contribution of the Borrower.

Note 1: These estimates do not include direct, out-of-pocket expenses (i.e. travel). Actual Bond Counsel and Disclosure Counsel are based on an hourly rate and the above estimate does not include on-going administrative fees.

TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS

MULTIFAMILY UNDERWRITING ANALYSIS

DATE: July 3, 2006 **PROGRAM:** 4% HTC **FILE NUMBER:** 060615

DEVELOPMENT NAME

Hillcrest Apartments

APPLICANT

Name:	Summit Hillcrest Apartments, Ltd	**Contact:**	Hunter McKenzie
Address:	105 Tallapoosa Street, Suite 300		
City	Montgomery	**State:**	Alabama **Zip:**
Phone:	334 954-4458 **Fax:** 334 954-4496	**Email:**	hmckenzie@summitamerica.com

KEY PARTICIPANTS

Name:	Summit America Properties XXVII, Inc Blake Brazeal	**Title:**	1% Managing General Partner of Applicant
Name:	Summit America Properties Inc. W Daniel Hughes Jr. President and Director.	**Title:**	Member Principal
Name:	Realty Partners LLC Scott Crossfield, CPA- Manager	**Title:**	Member Principal
Name:	WDH Holdings W. Daniel Hughes Jr. – Managing Member	**Title:**	78% Owner of Realty Partners LLC
Name:	6 Various Individuals and 1 Company Maximum individual Ownership Individuals and Company – 5%	**Title:**	22% Owner of Realty Partners LLC

PROPERTY LOCATION

Location:	2019 Hillcrest Street		
City:	Mesquite	**Zip:**	75149
County:	Dallas	**Region:**	3 ☐ **QCT** ☐ **DDA**

REQUEST

Program	Amount	Interest Rate	Amortization	Term
HTC	$417,987*	N/A	N/A	N/A
Private Activity Bonds	$12,700,000	6.20%	30 yrs	18 yrs

Proposed Use of Funds:	Acquisition/Rehab	**Type:**	Multifamily
Target Population:	Family	**Other:**	Urban/Exurban

* Revised to $449,583 on July 3, 2006

RECOMMENDATION

☒ RECOMMEND APPROVAL OF ISSUANCE OF UP TO $12,700,000 IN TAX-EXEMPT MORTGAGE REVENUE BONDS WITH A FIXED INTEREST RATE UNDERWRITTEN AT

6.20% AND REPAYMENT TERM OF 18 YEARS WITH A 30-YEAR AMORTIZATION PERIOD, SUBJECT TO CONDITIONS.

☒ RECOMMEND APPROVAL OF A HOUSING TAX CREDIT ALLOCATION NOT TO EXCEED THE REVISED REQUESTED AMOUNT OF $449,583 ANNUALLY FOR TEN YEARS, SUBJECT TO CONDITIONS.

CONDITIONS

1. Receipt, review, and acceptance by date of closing of evidence that an O&M Program has been prepared for the entire Property (Hillcrest and Jackson Manor Apts.) is a condition of this report.
2. Receipt, review, and acceptance by date of closing of evidence that the Mechanic's Lien has been successfully removed from the title report, is a condition of this report.
3. All Tax Credit units should be restricted to the 50% rent limits (however income limits will continue to be based on the 60% income levels) or the tax credit amount should be restricted to an amount not to exceed $181,581
4. Receipt, review, and acceptance by date of closing of evidence that the Property Condition Report has satisfactorily been modified to include a physical needs over the 30 year term.
5. Receipt review and acceptance of a recalculation of the acquisition basis if the day care facility is removed from the development as proposed

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

REVIEW of PREVIOUS UNDERWRITING REPORTS

No previous reports

DEVELOPMENT SPECIFICATIONS

IMPROVEMENTS

Total Units: 352 **# Res Bldgs** 21 **# Non-Res Bldgs** 1 **Age:** 36 yrs **Vacant:** 10.2 at 03/2006

Net Rentable SF: 319,172 **Av Un SF:** 907 **Common Area SF:** 3,169 **Gross Bldg SF:** 322,341

ARCHITECTURAL REVIEW

The building and unit plans are comparable to other apartment developments in the area. They appear to provide acceptable access and storage. The elevations reflect modest buildings.

STRUCTURAL MATERIALS

The structures are constructed on a concrete slab subfloor. According to the plans provided in the application the exterior walls are 5% plywood/hardboard, and 95% stucco. The interior wall surfaces are drywall and the roofs are finished with composition roll.

UNIT FEATURES

The interior flooring will be carpet and resilient covering. Threshold criteria for the 2006 QAP requires all development units to include: mini blinds or window coverings for all windows, a dishwasher, a disposal, a refrigerator, an oven/range, an exhaust/vent fax in bathrooms, and a ceiling fan in each living area and bedroom.

ONSITE AMENITIES

In order to meet threshold criteria for total units of 200 or more, the Applicant has elected to provide an accessible walking path, community gardens, community laundry room, full perimeter fencing, a furnished community room, a swimming pool, and two children's play areas.

Uncovered Parking: 676 spaces **Carports:** 0 spaces **Garages:** 0 spaces

PROPOSAL and DEVELOPMENT PLAN DESCRIPTION

Description: Hillcrest is a property consisting of two multifamily apartment communities: Jackson Manor and Hillcrest Apartments which functions as one development. Hillcrest Apartments consist of 140 market rate one, two, and three bedroom units in eight two story residential apartment buildings, and Jackson Manor consists of 212 market rate, one, two, and three bedroom units in 13 two story residential apartment buildings. The total of 352 units has a density of 18.5 units per acre. This is an acquisition and rehabilitation development which is located approximately 10 miles east of Dallas. The development is comprised of two developments that have been or are being combined into one (formerly known as Hillcrest and Jackson Manor Apartments) was built in 1970 and is comprised of 21 evenly distributed garden style/walk-up residential buildings as follows:

No. of Buildings	No. of Floors	Eff	1BR	2BR	3BR	4BR
21	2	0	58	210	84	0

The development includes a 3,169 square foot community building. The site is also improved with a Jacuzzi, swimming pool, and two central laundry facilities.

Development Plan: The buildings are currently 89.8% occupied and in fair condition. The property condition assessment prepared by REA Real Estate Advisory, LLC and dated May 12, 2006. The PCA reiterates the Applicant's plan for rehabilitation. The PCA indicates a long term proforma but it only goes out 12 years. Receipt, review, and acceptance of a revised PCA to reflect 30 year needs proforma is a condition of this report. No tenant relocation is necessary. All rehabilitation will be done on the vacant units, then tenants will be allowed to move to the new units.

SITE ISSUES

SITE DESCRIPTION

Total Size:	19.04 acres	**Scattered sites?**	☐ Yes ☒ No
Flood Zone:	Zone X	**Within 100-year floodplain?**	☐ Yes ☒ No
Current Zoning:	MFR Apartments A-1	**Needs to be re-zoned?**	☐ Yes No ☐ N/A

SITE and NEIGHBORHOOD CHARACTERISTICS

Location: The Hillcrest Apartments are located at 2019 Hillcrest Street, Mesquite Dallas County, Texas in region 3.

Adjacent Land Uses:

- **North:** Undeveloped property immediately adjacent and Highway 80 beyond;
- **South:** Office and Retail immediately adjacent and Galloway Avenue beyond;
- **East:** Single family residential immediately adjacent and Pine Oaks Apartments beyond; and
- **West:** Church building under construction immediately adjacent and a City of Mesquite water pump and tank station beyond.

Site Access: Site access is from several entrances along Hillcrest Drive. Hillcrest drive generally runs northeast to the southwest. The subject property is located on the northern side of Hillcrest.

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

Shopping & Services: The Subject's neighborhood appears to be a good location. All necessary amenities are located within close proximity to the Subject property. Additionally, the Subject will have good access to major freeways that provide short commutes to all parts of the Dallas area and other major employment opportunities. Within the city of Mesquite and the City of Dallas there are a diverse number of major employers for the Subject's tenants to choose from. The Subject is a compatible use and will be considered an improvement to the existing neighborhood, by preserving existing housing stock and providing additional affordable housing. (p 26 Mkt. Study)

Adverse Site Characteristics:

- **Title:** Mechanic's Lien by Affidavit executed by Quality Ironworks, inc. against Hillcrest Apartments, in the amount of Seven Hundred Thirteen and 00/100 ($713.00), filed September 15, 2004 recorded in/under Volume 2004178, Page 4966 of the Mechanic Lien Records of Dallas County, Texas. Receipt, review, and acceptance by date of closing of evidence that the Mechanic's Lien has been successfully removed from the title report is a condition of this report.

TDHCA SITE INSPECTION

Inspector: TDHCA Staff **Date:** 6/22/2006

Overall Assessment: ☐ Excellent ☒ Acceptable ☐ Questionable ☐ Poor ☐ Unacceptable

Comments:

HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)

A Phase I Environmental Site Assessment report dated May 12, 2006 was prepared by REA Real Estate Advisory, LLC and contained the following findings and recommendations:

Findings:

- **Noise:** No noise hazards such as airports or heavy manufacturing facilities were noted proximate to the Property. The Property is surrounded by residential, commercial office/retail, municipal, and undeveloped land. Highway 80 is located north of the Property; however, the undeveloped land and associated trees provide a sufficient buffer.
- **Floodplain:** "REA reviewed a National Flood Insurance Program (NFIP) Flood Insurance Rate Map (FIRM) for Dallas County, Texas and Incorporated Areas (Community Number 48113C, Panel #0390J, dated August 23, 2001), the Property is located within Zone X unshaded, areas outside the 500 year flood plain. Management reported no knowledge of past flooding at the Property." (p. 8)
- **Asbestos-Containing Materials (ACM): "**Floor tile samples, mastic, and gypsum texture tested positive for asbestos-containing building materials (ACBM) at the Property. These materials were in good condition and are not considered friable. REA recommends an Asbestos Operations and Maintenance Program for maintaining these materials in-place. Is should be noted that an Asbestos O&M Program has been prepared for the south portion of the Property (Jackson Manor Apts.). However, the O&M did not list materials identified as positive for ACM. No prior asbestos testing or O&M Program was on file for the north phase of the Property (Hillcrest I Apts.). In the event of significant demolition or renovation, REA recommends that materials not previously sampled, such as roofing materials, be sampled in accordance with EPA regulations." (p 20) Receipt, review, and acceptance by date of closing of evidence that O&M Program has been prepared for the north portion of the Property (Hillcrest I Apts.) is a condition of this report.
- **Lead-Based Paint (LBP): "**Sampling conducted by REA did not identify LBP at the Property. Therefore, REA considers the potential for significant applications of LBP at the Property to be unlikely." (p 22)
- **Lead in Drinking Water:** "Domestic water at the Property is provided via underground piping by the City of Mesquite, No use of ground water is made at the Property. No evidence of ground water recovery was found on or proximate to the Property. No on site wells were reported or noted." (p. 9)
- **Radon:** "Detected levels of radon gas were below the USEPA action level of 4.0 pCi/L. Therefore, radon is not considered an environmental concern at the Property. No further investigation is recommended regarding radon at this time." (p 23)
- **Other: Leaking Underground Storage Tanks (LUST):** "Eleven LUST sites were identified within the one-mile study radius….. The Property was not listed on the regulatory databases reviewed. Review of each site listed on the databases indicated that none of these listings is likely to pose an environmental concern to the Property. No further regulatory record investigation is warranted at this time." (p 15)
- **Recognized Environmental Concerns (RECs): None listed**

Recommendations: "With the tasks included in a Phase I Environmental Assessment, REA did not locate recognized environmental conditions that would impose a liability, restrict the use, limit the development, or impact the value or marketability of the Property." (p iv)

Receipt, review, and acceptance by closing of evidence that all Phase I Environmental Site Assessment and subsequent environmental investigation report recommendations have been carried out is a condition of this report.

INCOME SET-ASIDE

The Applicant has elected the 40% at 60% or less of area median gross income (AMGI) set-aside. As a priority 3 Private Activity Bond transaction the Applicant can have market rate units and is not required to restrict any units to less than 60% income. The Applicant has chosen to restrict 299 units 84.9% to households earning at or below 60% of the Area Medium Income. The remaining 53 units will be unrestricted.

MAXIMUM ELIGIBLE INCOMES						
	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons
60% of AMI	$27,960	$31,920	$35,940	$39,900	$43,080	$46,260

MARKET HIGHLIGHTS

A market feasibility study dated February 10, 2006 was prepared by Novogradac & Co. ("Market Analyst") and included the following findings:

Secondary Market Information: "The Subject's Secondary Market Area SMA is defined as the Dallas-Fort Worth –Arlington MSA" (p. 11).

Definition of Primary Market Area (PMA): "The Subject's PMA boundaries are defined as: North: Town East Boulevard, South: Interstate 20, West: Interstate 635, East: Clay Mathis Road. The PMA boundaries and overall market health assessment are based upon analyses of physical boundaries, which include traffic and commute patterns within the area, surveys of existing market rate and affordable apartment projects undertaken by Novogradac & Co. LLP. And insights gained from resident managers, area planning staff and others familiar with the multifamily market." (p. 11). This area encompasses approximately 26.32 square miles and is equivalent to a circle with a radius of 2.9 miles.

Population: The estimated 2006 population of the PMA was 74,423 and is expected to increase by 9.9% to approximately 81,791 by 2011. Within the primary market area there were estimated to be 24,808 households in 2006.

Total Market Demand: The Market Analyst utilized a target household adjustment rate of 1.8% (p. 17) and a household size-appropriate adjustment rate of 2.0% (p. 17). The Analyst's income band of $21,394 to $43,080 (p. 86) results in an income eligible adjustment rate of 22.6% (p. 86). The tenure appropriate adjustment rate of 30.8% is specific to the target population (p. 88). The Market Analyst indicates a turnover rate of 25% applies based on turnover statistics from all the comparable properties, ranging from 9 to 60 percent annually, with an average of 22%. Affordable housing properties typically experience lower turnover rates of 10 to 30 percent annually. We believe the Subject will experience a turnover rate of 30% or less annually. (p. 38). Turnover rate used by the Market Analyst is 25%

MARKET DEMAND SUMMARY				
	Market Analyst		Underwriter	
Type of Demand	**Units of Demand**	**% of Total Demand**	**Units of Demand**	**% of Total Demand**
Household Growth	30	6.5%	32	6.9%
Resident Turnover	432	93.3%	439	93.1%
Other Sources: [describe]	N/A	N/A	N/A	N/A
TOTAL DEMAND	**462**	**100%**	**472**	**100%**

Inclusive Capture Rate: The Market Analyst calculated an inclusive capture rate of 76.2% based upon 462 units of demand and 352 unstabilized affordable housing in the PMA (including the subject) (p. 89). The Underwriter calculated an inclusive capture rate of 63.4% based upon a revised supply of 299 unstabilized comparable affordable units divided by a revised demand estimate for 472 affordable units. This exceeds the Department's normal limits for new construction in urban areas, however, the subject development is currently 90% occupied, and it is likely the existing tenants will choose to remain at the property. Therefore, an inclusive capture rate calculation is not a meaningful tool for determining the feasibility of the subject development.

Unit Mix Conclusion: "The Subject consists of 60% two bedroom units, 24% three bedroom units, and 16% one bedroom units. We anticipate that this unit mix will continue to be well accepted in the market" (p. 36).

Market Rent Comparables: The Market Analyst surveyed 12 comparable apartment projects totaling 2,226 units in the market area.

RENT ANALYSIS (net tenant-paid rents)					
Unit Type (% AMI)	**Proposed**	**Program Max**	**Differential**	**Est. Market**	**Differential**
1-Bedroom (50%)	$624	$623	$1	$695	$71
1-Bedroom (60%)	$624	$748	-$124	$695	$71
1-Bedroom (MR)	$624	N/A		$695	$71
2-Bedroom (50%)	$730	$748	-$18	$850	$120
2-Bedroom (60%)	$730	$898	-$168	$850	$120
2-Bedroom (MR)	$730	N/A		$850	$120
3-Bedroom (50%)	$850	$864	-$14	$950	$100
3-Bedroom (60%)	$850	$1,037	-$187	$950	$100
3-Bedroom (MR)	$850	N/A		$950	$100

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

The Market Analyst indicated that the proposed rents would provide a significant rent advantage for the property. The Market Analyst further contends that the Applicant's lower proposed rents are as much as the units can achieve because they will have a tax credit restriction on them. This statement is inconsistent with the fact that the 60% rent restriction is significantly higher than the market rents concluded and that the Market Analyst's surveys of other tax credit transactions in the area reflect that 60% restricted units are achieving rents higher than the concluded market rents. In support of the notion that these units as tax credit units can not achieve the market rent the Market Analyst supplied a second rent adjustment matrix set. This Matrix used one of the comparables used in the original study but made significantly different adjustments to it such that it was now superior to the subject by 5% when in the original study it was inferior by 4%. Moreover one of the comparables in the new matrix serves 60% incomes but is restricted to 50% rents and two others are older rehabilitation developments located over 5 miles from the subject. Thus it is the Underwriter's opinion that the lower proposed rents have not been justified.

Primary Market Occupancy Rates: "Occupancy rates reported in the market ranged from 90.5% to 100% with an average occupancy of 95.6%" (p. 38).

Absorption Projections: "We estimate the Subject will reach a stabilized occupancy within ten to twelve months of the development's completion. This equates to an absorption pace of 29 to 35 units per month. According to the developer, existing tenants that are income-qualified will be retained. Therefore, the absorption pace is not as relevant for the Subject as some of the units will not have to be released" (p. Conclusions and Recommendations).

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

OPERATING PROFORMA ANALYSIS

Income: The Applicant's projected rents which include all utilities per unit were determined by using the current rents collected. The rents being utilized in the Applicant's proforma are $71 to $120 less than the current market rents according to the Market Analyst , and $124 to $187 less than the 60% rent limits. In fact the proposed rents are $14 to $18 less than the maximum 50% rents. The development could post an additional $452,616 in potential annual gross income if the Market Analyst's market rents are achieved. Using the 50% rent limits rents the additional potential annual gross income is $58,776.

The historical secondary income is above the standard $15 per unit per month because the current ownership is charging the water bills back to the tenants on a prorata basis, and the rental of the Day Care building which is located at the Hillcrest Apartment location. The Applicant indicates cable income of $70,000 per year which is offset with an equal amount of expense.

The primary differences in Effective Gross Income estimates between the Applicant and Underwriter are different rents applied by the Applicant that are below the 50% level and the secondary income. However, even with these differences the Applicant's Effective Gross Income estimates are within 5% of Underwriter's estimate, when the 50% rent limits are used but 10% lower than the underwritten income at the market rent.

Expenses: The Applicant's total annual operating expense projection at $5,424 per unit is within 5% of the Underwriter's estimate of $5,430, derived from actual operating history of the development, the TDHCA database, and third-party data sources. Some of the line-item discrepancies include General and Administrative at ($39K) lower, Payroll and Payroll Tax ($55K) lower, Utilities ($24K) higher, and Water, Sewer and Trash ($86K) higher. In addition the Applicant did not include $14,080 in annual compliance fees.

Conclusion: The Applicant's Income, Expense and NOI each are within 5% of Underwriter's estimates; using the 50% rents, but NOI is 22% less than the Underwriter's estimate using the market rents. Given that using the 50% rents (but maintaining 60% incomes) allows the development to achieve a greater net operating income than proposed by the Applicant, the Underwriter has recommended that the development be restricted to the 50% rents. The Applicant has verbally agreed to this requirement thereby eliminating the need for a potential reduction in credits (to be discussed below).

Long-Term Feasibility: The underwriting 30-year proforma utilizes a 3% annual growth factor for income and a 4% annual growth factor for expenses in accordance with current TDHCA guidelines. Using the 50% rents, the Underwriter's base year effective gross income, expense and net operating income result in a debt coverage ratio that remains above 1.10 and continued positive cashflow. Therefore, the development can be characterized as feasible for the long-term at the 50% rent level.

ACQUISITION VALUATION INFORMATION

APPRAISED VALUE

Land Only: 19.04 acres	$1,300,000	**Date of Valuation:**	02/07/2006
Existing Building(s): "as is"	$8,600,000	**Date of Valuation:**	02/07/2006
Total Development: "as is"	$9,900,000	**Date of Valuation:**	02/07/2006

Appraiser: H. Blair Kincer, MAI **Firm:** Novogradac & Company **City:** Overland Park, KA

APPRAISAL ANALYSIS/CONCLUSIONS

An appraisal, provided by the purchaser, was performed by Novogradac & Company and dated 02-07-2006. The current "as-is" value is most important in the valuation and underwriting of this property because it should support the purchase price of the subject. For the "as-is" valuation, the primary approach used was the income approach. Four land sales dating from 2002 to 2003 for 25.85 to 20.77 acres were used to determine the underlying value of the land. As a result, the value attributed to the existing buildings is $8,600,000 or 86.9% of the total appraised value of the property. The appraised "as is" value of $9,900,000 supports the land sale price of $9,550,000. There does not appear to be an identity of interest in this transaction.

ASSESSED VALUE

Land: 19.04 acres	$829,430	**Assessment for the Year of:**	2005
Building:	$7,130,570	**Valuation by:**	Dallas County Appraisal District
Total Assessed Value:	$7,960,000	**Tax Rate:**	$.5548 Dallas County - $2.36388 City of Mesquite

EVIDENCE of SITE or PROPERTY CONTROL

Type of Site Control:	Purchase and Sale Agreement (19.04 acres)		
Contract Expiration:	06/30/2006 and 2 One month extensions	**Valid through Board Date?**	☒ Yes ☐ No
Acquisition Cost:	$9,550,000	**Other:**	

Seller: Skyline Properties, Inc. A Texas Corporation **Related to Development Team?** ☐ Yes ☒ No

CONSTRUCTION COST ESTIMATE EVALUATION

Acquisition Value: The total land and building cost of $501,575 per acre or $27,131 per unit is assumed to be reasonable since the acquisition is an arm's-length transaction. The acquisition includes a day care facility formerly used as the leasing office for one of the properties. This portion of the acquisition does not appear to have been removed from the acquisition basis as it is now anticipated to be sold off separately. Receipt review and acceptance of a recalculation of the acquisition basis if the day care facility is removed from the development as proposed is a condition of this report.

Sitework Cost: Since this is a proposed rehabilitation the associated sitework costs are minimal. The Applicant has estimated sitework costs of $504 per unit, which is consistent with the estimate in the proposed work write-up/physical condition assessment.

Direct Construction Cost: The Applicant's direct construction cost estimate is 13% lower than the estimate provided in the Property Condition Assessment (PCA). While the total reflected in the PCA amounted to $4,224,000 (consistent with the Applicant's budget excluding contingency), the line items actually total to $4,853,881. It is not clear from the PCA if these line items include contractor fees but in general appear to be greater than the Applicant's costs on which they are said to be based. The Applicant's more conservative costs are therefore used for this analysis.

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

Conclusion: The Underwriter's cost schedule was derived from information presented in the Application materials submitted by the Applicant. Any deviations from the Applicant's estimates are due to program and underwriting guidelines. The Applicant submitted a revised development cost schedule dated 6/27/2006 which included additional acceptable costs for acquisition basis, contingency and developer fee. These increases raised the eligible basis from $14,099,255 to $15,026,162 and increased eligible credit from $417,987 to $453,982 (though the revised request based on a lower 3.52 applicable percentage is only $449,583) This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

FINANCING STRUCTURE

INTERIM TO PERMANENT BOND FINANCING

Source: Wachovia Multifamily Capital, Inc. **Contact:** Kevin Hall

Tax-Exempt: $12,535,000 **Interest Rate:** 6.20%, fixed, lender's estimate **Amort:** 360 months

Documentation: ☐ Signed ☐ Term Sheet ☒ LOI ☐ Firm Commitment ☐ Conditional Commitment ☐ Application

Comments:

TAX CREDIT SYNDICATION

Source: Boston Capital **Contact:** Scott Arrighi

Proceeds: $4,450,427 **Net Syndication Rate:** .99 **Anticipated HTC:** $449,583 /year

Documentation: ☐ Signed ☐ Term Sheet ☒ LOI ☐ Firm Commitment ☐ Conditional Commitment ☐ Application

Comments: Based on 99.99% acquisition of the credits

OTHER

Amount: $661,834 **Source:** Deferred Developer Fee

FINANCING STRUCTURE ANALYSIS

Interim to Permanent Bond Financing: The tax exempt bonds will be issued through TDHCA in an amount not to exceed $12,700,000. Wachovia Bank and Wachovia Multifamily Capital, Inc. will be providing the interim and permanent financing. The interim will be for a maximum three year term at a fixed interest rate of 6.20%. The permanent financing will be for an 18 year term with a 30 year amortization period at the same interest rate. Wachovia's letters of interest appear to be built around an anticipated bond amount of $12,535,000 rather than the $12,700,000 originally requested though both appear to be viable amounts.

HTC Syndication: The tax credit syndication rate in the commitment is consistent with the terms reflected in the sources and uses of funds listed in the application.

Deferred Developer's Fees: The Applicant's proposed deferred developer's fees of $647,480 amount to 37.8% of the total fees.

Financing Conclusions: The Wachovia Forward Commitment is subject to limitation based on "A debt coverage ratio of 1.20 on Lender's estimated net income at the Underwritten Interest Rate. The Applicant's revised total development cost estimate less the permanent loan of $12,535,000 indicates the need for $5,092,469 in gap funds. Based on the submitted syndication terms, a tax credit allocation of $514,492 annually would be required to fill this gap in financing. The Applicant's revised request ($449,583) is less than the gap or recalculated eligible basis and is recommended resulting in proceeds of $4,138,071 based on a syndication rate of .9899. The serviceable debt is increased to $15,830,000 if the market rents and the additional $452,616 in potential gross income is achieved. Moreover if the maximum 60% rents could be achieved an additional $698,160 in potential gross income over the 50% rents could be achieved leading to a potential debt amount of $18,112,000 and eliminating the need for any tax credit allocation. If the market rents are achieved the credit amount needed to fill the gap is reduced to $181,501. Therefore, acceptance of rents restricted at 50% of AMI levels (incomes can still be 60%) for the tax credit units or a reduction of credit to not more than $181,581 is a condition of this report.

The Underwriter's recommended financing structure indicates the need for $642,042 in additional permanent funds. Deferred developer fees in this amount appear to be repayable from development cashflow within three years of stabilized operation.

DEVELOPMENT TEAM

IDENTITIES of INTEREST

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

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

Financial Highlights: The Applicant and General Partner are single-purpose entities created for the purpose of receiving assistance from TDHCA and therefore have no material financial statements.

- Summit America Properties, Inc. submitted an unaudited financial statement as of December 31, 2005 reporting total assets of $760K and consisting of $760K in receivables. Liabilities totaled $814K, resulting in a net worth of $(-54) K.
- Realty Partners, LLC submitted an audited financial statement as of December 31, 2005 reporting total assets of $80M and consisting of $550K in cash, $965K in receivables, $68M in real property, and $10.6M in other business interests and assets. Liabilities totaled $81.3M, resulting in a net worth of $(-1.1M)K.
- The principal(s) of the General Partner, W. Daniel Hughes, Jr., submitted an unaudited financial statement(s) as of April 30, 2006 and is anticipated to be guarantor(s) of the development.

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

SUMMARY OF SALIENT RISKS AND ISSUES

- All Tax Credit units are restricted to the 50% rent limits however; Applicant will be allowed to qualify tenants based on the 60% income levels.

Underwriter:	*Bert Murray*	**Date:**	July 3, 2006
Director of Real Estate Analysis:	*Tom Gouris*	**Date:**	July 3, 2006

MULTIFAMILY COMPARATIVE ANALYSIS

Hillcrest Apartments, Mesquite, MRB/4%, 060615

Type of Unit	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	50% Rent Collected	Rent per Month	Rent per SF	Tnt-Pd Util	Wtr, Swr, Trsh
TC 60%/50%	36	1	1	655	$748	$623	$22,428	$0.95	$86.00	$30.00
TC 60%/50%	14	1	1	663	748	$623	8,722	0.94	86.00	30.00
MR	6	1	1	655	748	$623	3,738	0.95	86.00	30.00
MR	2	1	1	663	748	$623	1,246	0.94	86.00	30.00
TC 60%/50%	78	2	1.5	857	898	$748	58,344	0.87	101.00	39.00
TC 60%/50%	100	2	1.5	945	898	$748	74,800	0.79	101.00	39.00
MR	14	2	1.5	857	898	$748	10,472	0.87	101.00	39.00
MR	18	2	1.5	945	898	$748	13,464	0.79	101.00	39.00
TC 60%/50%	27	3	2	1,055	1037	$864	23,328	0.82	118.00	42.00
TC 60%/50%	44	3	2	1,095	1037	$864	38,016	0.79	118.00	42.00
MR	5	3	2	1,055	1037	$864	4,320	0.82	118.00	42.00
MR	8	3	2	1,095	1037	$864	6,912	0.79	118.00	42.00
TOTAL:	352		AVERAGE:	907	$906	$755	$265,790	$0.83	$102.59	$38.23

INCOME	Total Net Rentable Sq Ft: 319,172			TDHCA	APPLICANT		Comptroller's Region	3
POTENTIAL GROSS RENT				$3,189,480	$3,130,704		IREM Region	Dallas
Secondary Income		Per Unit Per Month:	$15.00	63,360	87,996	$20.83	Per Unit Per Month	
Other Support Income: Cabele Revenue				70,000	69,996	$16.57	Per Unit Per Month	
POTENTIAL GROSS INCOME				$3,322,840	$3,288,696			
Vacancy & Collection Loss		% of Potential Gross Income:	-7.50%	(249,213)	(197,316)	-6.00%	of Potential Gross Income	
Employee or Other Non-Rental Units or Concessions				0				
EFFECTIVE GROSS INCOME				$3,073,627	$3,091,380			

EXPENSES		% OF EGI	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% OF EGI
General & Administrative		4.49%	$392	0.43	$138,025	$99,000	$0.31	$281	3.20%
Management		3.90%	341	0.38	119,910	123,330	0.39	350	3.99%
Payroll & Payroll Tax		12.24%	1,069	1.18	376,173	321,000	1.01	912	10.38%
Repairs & Maintenance		5.96%	520	0.57	183,113	186,050	0.58	529	6.02%
Utilities		14.10%	1,231	1.36	433,320	457,027	1.43	1,298	14.78%
Water, Sewer, & Trash		4.34%	379	0.42	133,418	219,542	0.69	624	7.10%
Property Insurance		2.85%	249	0.27	87,638	88,000	0.28	250	2.85%
Property Tax	2.91868	7.17%	626	0.69	220,416	210,000	0.66	597	6.79%
Reserve for Replacements		3.44%	300	0.33	105,600	105,600	0.33	300	3.42%
Other: compl fees, cable and supp		3.70%	323	0.36	113,648	99,568	0.31	283	3.22%
TOTAL EXPENSES		62.18%	$5,430	$5.99	$1,911,261	$1,909,117	$5.98	$5,424	61.76%
NET OPERATING INC		37.82%	$3,302	$3.64	$1,162,366	$1,182,263	$3.70	$3,359	38.24%
DEBT SERVICE									
First Lien Mortgage		29.97%	$2,617	$2.89	$921,276	$909,429	$2.85	$2,584	29.42%
Additional Financing		0.00%	$0	$0.00	0		$0.00	$0	0.00%
Additional Financing		0.00%	$0	$0.00	0		$0.00	$0	0.00%
NET CASH FLOW		7.84%	$685	$0.76	$241,090	$272,834	$0.85	$775	8.83%
AGGREGATE DEBT COVERAGE RATIO					1.26	1.30			
RECOMMENDED DEBT COVERAGE RATIO						1.28			

CONSTRUCTION COST

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)		52.99%	$27,131	$29.92	$9,550,000	$9,550,000	$29.92	$27,131	54.18%
Off-Sites		0.00%	0	0.00	0		0.00	0	0.00%
Sitework		0.98%	504	0.56	177,450	177,450	0.56	504	1.01%
Direct Construction		19.57%	10,023	11.05	3,527,920	3,527,920	11.05	10,023	20.01%
Contingency	9.12%	1.87%	960	1.06	337,920	337,920	1.06	960	1.92%
General Req'ts	6.00%	1.23%	632	0.70	222,315	222,315	0.70	632	1.26%
Contractor's G & A	2.00%	0.41%	210	0.23	74,000	74,000	0.23	210	0.42%
Contractor's Profit	6.00%	1.23%	632	0.70	222,315	222,315	0.70	632	1.26%
Indirect Construction		1.31%	669	0.74	235,395	235,395	0.74	669	1.34%
Ineligible Costs		7.11%	3,640	4.01	1,281,307	1,281,307	4.01	3,640	7.27%
Developer's G & A	0.90%	0.66%	336	0.37	118,131		0.00	0	0.00%
Developer's Profit	13.00%	9.52%	4,872	5.37	1,715,083	1,833,214	5.74	5,208	10.40%
Interim Financing		0.81%	414	0.46	145,633	145,633	0.46	414	0.83%
Reserves		2.31%	1,181	1.30	415,563	20,000	0.06	57	0.11%
TOTAL COST		100.00%	$51,202	$56.47	$18,023,032	$17,627,469	$55.23	$50,078	100.00%
Construction Cost Recap		*25.31%*	***$12,960***	***$14.29***	***$4,561,920***	***$4,561,920***	***$14.29***	***$12,960***	*25.88%*

SOURCES OF FUNDS	%	PER UNIT	PER SQ FT	TDHCA	APPLICANT	RECOMMENDED	
First Lien Mortgage	69.55%	$35,611	$39.27	$12,535,000	$12,535,000	$12,535,000	Developer Fee Available
Additional Financing	0.00%	$0	$0.00	0		0	$1,833,214
HTC Syndication Proceeds	24.69%	$12,643	$13.94	4,450,427	4,450,427	4,450,427	% of Dev. Fee Deferred
Deferred Developer Fees	0.00%	$0	$0.00	0		642,042	35%
Additional (Excess) Funds Req'd	5.76%	$2,948	$3.25	1,037,606	642,042	0	15-Yr Cumulative Cash Flow
TOTAL SOURCES				$18,023,032	$17,627,469	$17,627,469	$4,716,418

Hillcrest Apartments, Mesquite, MRB/4%, 060615

PAYMENT COMPUTATION

Primary	$12,535,000	Amort	360
Int Rate	6.20%	DCR	1.26

Secondary	$0	Amort	
Int Rate	0.00%	Subtotal DCR	1.26

Additional		Amort	
Int Rate		Aggregate DCR	1.26

RECOMMENDED FINANCING STRUCTURE APPLICANT'S N

Primary Debt Service	$921,276
Secondary Debt Service	0
Additional Debt Service	0
NET CASH FLOW	$260,987

Primary	$12,535,000	Amort	360
Int Rate	6.20%	DCR	1.28

Secondary	$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.28

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

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

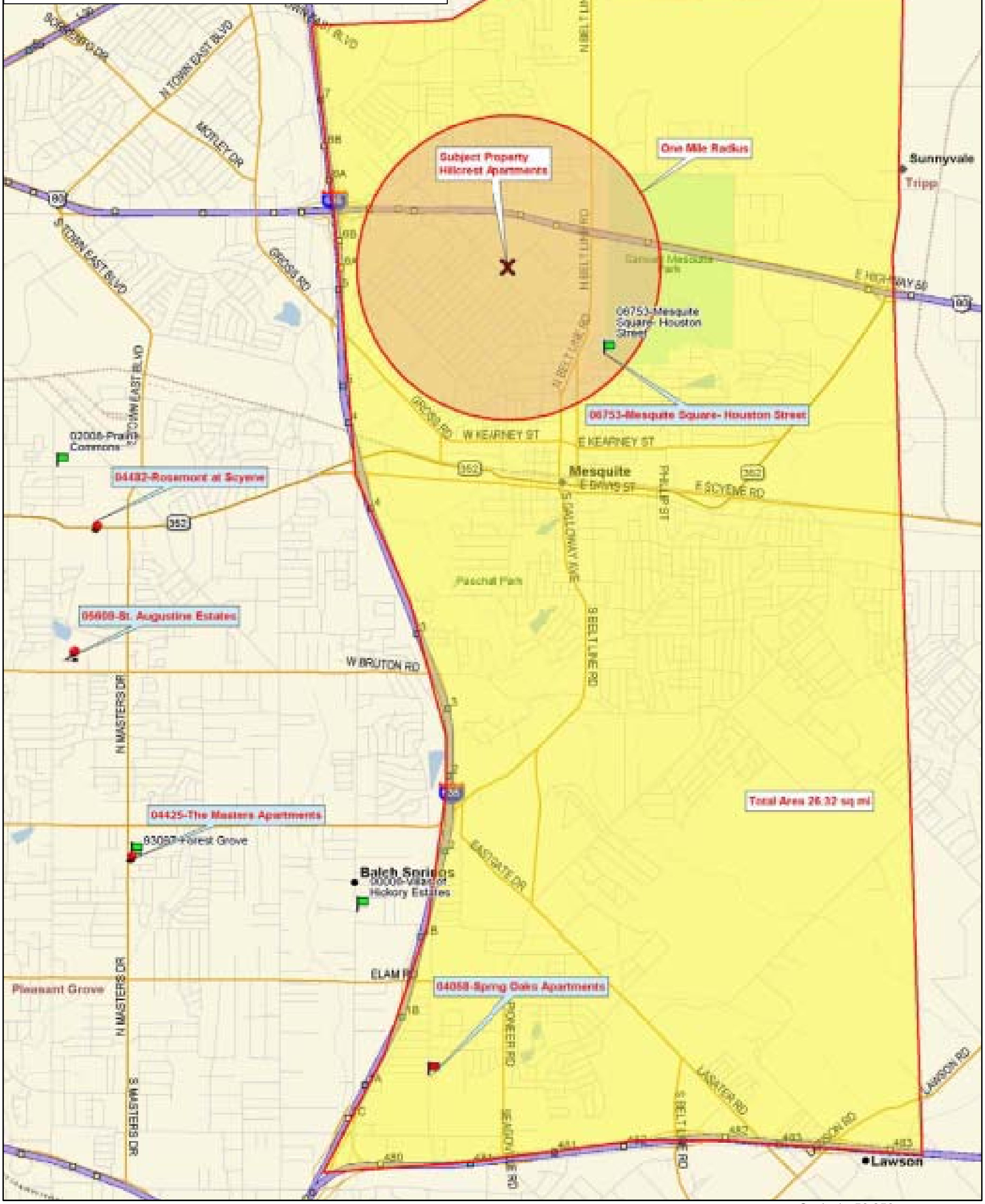
INCOME at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	$3,130,704	$3,224,625	$3,321,364	$3,421,005	$3,523,635	$4,084,859	$4,735,471	$5,489,708	$7,377,709
Secondary Income	87,996	90,636	93,355	96,156	99,040	114,815	133,102	154,302	207,368
Other Support Income: Cabele	69,996	72,096	74,259	76,487	78,781	91,329	105,875	122,738	164,950
POTENTIAL GROSS INCOME	3,288,696	3,387,357	3,488,978	3,593,647	3,701,456	4,291,002	4,974,448	5,766,748	7,750,028
Vacancy & Collection Loss	(197,316)	(254,052)	(261,673)	(269,524)	(277,609)	(321,825)	(373,084)	(432,506)	(581,252)
Employee or Other Non-Rental	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	$3,091,380	$3,133,305	$3,227,304	$3,324,123	$3,423,847	$3,969,177	$4,601,364	$5,334,242	$7,168,775
EXPENSES at 4.00%									
General & Administrative	$99,000	$102,960	$107,078	$111,362	$115,816	$140,908	$171,436	$208,578	$308,746
Management	123,330	125002.594	128752.672	132615.2522	136593.7098	158349.5464	183570.5239	212808.5491	285996.8948
Payroll & Payroll Tax	321,000	333,840	347,194	361,081	375,525	456,883	555,868	676,299	1,001,087
Repairs & Maintenance	186,050	193,492	201,232	209,281	217,652	264,807	322,178	391,979	580,225
Utilities	457,027	475,308	494,320	514,093	534,657	650,492	791,423	962,887	1,425,308
Water, Sewer & Trash	219,542	228,324	237,457	246,955	256,833	312,477	380,176	462,542	684,675
Insurance	88,000	91,520	95,181	98,988	102,948	125,251	152,388	185,403	274,441
Property Tax	210,000	218,400	227,136	236,221	245,670	298,895	363,652	442,438	654,917
Reserve for Replacements	105,600	109,824	114,217	118,786	123,537	150,302	182,865	222,483	329,330
Other	99,568	103,551	107,693	112,000	116,480	141,716	172,420	209,775	310,518
TOTAL EXPENSES	$1,909,117	$1,982,221	$2,060,260	$2,141,383	$2,225,712	$2,700,081	$3,275,976	$3,975,192	$5,855,244
NET OPERATING INCOME	$1,182,263	$1,151,084	$1,167,044	$1,182,741	$1,198,135	$1,269,096	$1,325,388	$1,359,050	$1,313,531
DEBT SERVICE									
First Lien Financing	$921,276	$921,276	$921,276	$921,276	$921,276	$921,276	$921,276	$921,276	$921,276
Second Lien	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	$260,987	$229,808	$245,769	$261,465	$276,859	$347,820	$404,113	$437,774	$392,256
DEBT COVERAGE RATIO	1.28	1.25	1.27	1.28	1.30	1.38	1.44	1.48	1.43

HTC ALLOCATION ANALYSIS - Hillcrest Apartments, Mesquite, MRB/4%, 060615

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S ACQUISITION ELIGIBLE BASIS	TDHCA ACQUISITION ELIGIBLE BASIS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
(1) Acquisition Cost						
Purchase of land	$1,300,000	$1,300,000				
Purchase of buildings	$8,250,000	$8,250,000	$8,250,000	$8,250,000		
(2) Rehabilitation/New Construction Cost						
On-site work	$177,450	$177,450			$177,450	$177,450
Off-site improvements						
(3) Construction Hard Costs						
New structures/rehabilitation hard costs	$3,527,920	$3,527,920			$3,527,920	$3,527,920
(4) Contractor Fees & General Requirements						
Contractor overhead	$74,000	$74,000			$74,000	$74,000
Contractor profit	$222,315	$222,315			$222,315	$222,315
General requirements	$222,315	$222,315			$222,315	$222,315
(5) Contingencies	$337,920	$337,920			$337,920	$337,920
(6) Eligible Indirect Fees	$235,395	$235,395			$235,395	$235,395
(7) Eligible Financing Fees	$145,633	$145,633			$145,633	$145,633
(8) All Ineligible Costs	$1,281,307	$1,281,307				
(9) Developer Fees						
Developer overhead		$118,131		$73,871		$44,260
Developer fee	$1,833,214	$1,715,083	$1,146,371	$1,072,500	$686,843	$642,583
(10) Development Reserves	$20,000	$415,563				
TOTAL DEVELOPMENT COSTS	$17,627,469	$18,023,032	$9,396,371	$9,396,371	$5,629,791	$5,629,791

Deduct from Basis:						
All grant proceeds used to finance costs in eligible basis						
B.M.R. loans used to finance cost in eligible basis						
Non-qualified non-recourse financing						
Non-qualified portion of higher quality units [42(d)(3)]						
Historic Credits (on residential portion only)						
TOTAL ELIGIBLE BASIS			$9,396,371	$9,396,371	$5,629,791	$5,629,791
High Cost Area Adjustment					100%	100%
TOTAL ADJUSTED BASIS			$9,396,371	$9,396,371	$5,629,791	$5,629,791
Applicable Fraction			85%	85%	85%	85%
TOTAL QUALIFIED BASIS			$7,974,457	$7,974,457	$4,777,857	$4,777,857
Applicable Percentage			3.56%	3.56%	3.56%	3.56%
TOTAL AMOUNT OF TAX CREDITS			$283,891	$283,891	$170,092	$170,092
Syndication Proceeds		**0.9899**	**$2,810,236**	**$2,810,236**	**$1,683,740**	**$1,683,740**
Total Tax Credits (Eligible Basis Method)					**$453,982**	**$453,982**
Syndication Proceeds					**$4,493,976**	**$4,493,976**
Requested Tax Credits					**$449,583**	
Syndication Proceeds					**$4,450,427**	
Gap of Syndication Proceeds Needed					**$5,092,469**	
Total Tax Credits (Gap Method)					**$514,442**	

Hillcrest Apartments



TN
MN (4.5°E)

Scale 1 : 56,250

1" = 4,687.5 ft Data Zoom 11-7

Applicant Evaluation

Project ID # **060615** Name: **Hillcrest Apartments** City: **Mesquite**

LIHTC 9% ☐ LIHTC 4% ☑ HOME ☐ BOND ☑ HTF ☐ SECO ☐ ESGP ☐ Other ☐

☐ No Previous Participation in Texas ☐ Members of the development team have been disbarred by HUD

National Previous Participation Certification Received: ☐ N/A ☑ Yes ☐ No

Noncompliance Reported on National Previous Participation Certification: ☐ Yes ☑ No

Portfolio Management and Compliance

Total # of Projects monitored: 0

Projects in Material Noncompliance **Yes** ☐ **No** ☑

in noncompliance: 0

Projects grouped by score: zero to nine: 0; ten to nineteen: 0; twenty to twenty-nine: 0

monitored with a score less than thirty: 0

not yet monitored or pending review: 2

Projects not reported in application: Yes ☐ No ☑

# of projects not reported 0

Portfolio Monitoring

- Not applicable ☑
- Review pending ☐
- No unresolved issues ☐
- Unresolved issues found ☐
- Unresolved issues found that warrant disqualification (Comments attached) ☐

Single Audit

- Not applicable ☑
- Review pending ☐
- No unresolved issues ☐
- Issues found regarding late cert ☐
- Issues found regarding late audit ☐
- Unresolved issues found that warrant disqualification (Comments attached) ☐

Portfolio Analysis

- Not applicable ☑
- No unresolved issues ☐
- Not current on set-ups ☐
- Not current on draws ☐
- Not current on match ☐

Reviewed by Patricia Murphy Date 6/26/2006

Multifamily Finance Production

- Not applicable ☐
- Review pending ☐
- No unresolved issues ☑
- Unresolved issues found ☐
- Unresolved issues found that warrant disqualification (Comments attached) ☐

Reviewer A. Martin
Date 6 /20/2006

Single Family Finance Production

- Not applicable ☑
- Review pending ☐
- No unresolved issues ☐
- Unresolved issues found ☐
- Unresolved issues found that warrant disqualification (Comments attached) ☐

Reviewer Sandy M. Garcia
Date 6 /20/2006

Real Estate Analysis (Workout)

- Not applicable ☐
- Review pending ☐
- No unresolved issues ☑
- Unresolved issues found ☐
- Unresolved issues found that warrant disqualification (Comments attached) ☐

Reviewer David Burrell
Date 6 /24/2006

Community Affairs

- No relationship ☑
- Review pending ☐
- No unresolved issues ☐
- Unresolved issues found ☐
- Unresolved issues found that warrant disqualification (Comments attached) ☐

Reviewer EEF
Date 6 /21/2006

Office of Colonia Initiatives

- Not applicable ☑
- Review pending ☐
- No unresolved issues ☐
- Unresolved issues found ☐
- Unresolved issues found that warrant disqualification (Comments attached) ☐

Reviewer Maria Cazares
Date 6 /19/2006

Financial Administration

- No delinquencies found ☑
- Delinquencies found ☐

Reviewer Melissa M. Whitehead
Date 6 /27/2006

Executive Director: Michael Gerber **Executed:** Thursday, June 29, 2006

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Multifamily Finance Production Division

Public Comment Summary

Hillcrest Apartments

Public Hearing

Total Number Attended	1
Total Number Opposed	0
Total Number Supported	0
Total Number Neutral	1
Total Number that Spoke	1

Public Officials Letters Received

Opposition	0
Support	1
Mayor Mike Anderson	

General Public Letters and Emails Received

Opposition	0
Support	0

Summary of Public Comment

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

HILLCREST APARTMENTS

PUBLIC HEARING

Cafeteria
Tisinger Elementary School
1701 Hillcrest Street
Mesquite, Texas

Tuesday, June 22, 2006
6:00 p.m.

BEFORE:

SHANNON ROTH, Housing Specialist

ALSO PRESENT:

RAINER ANDREWS, Summit Asset Management, L.L.C.

DANIEL H. MCKENZIE, Summit Asset Management, L.L.C.

I N D E X

P R O C E E D I N G S

MS. ROTH: I'm Shannon Roth. I'm with the Texas Department of Housing and Community Affairs. I'm going to go over the format of this evening's hearing. First we'll have a presentation of the program that the developer has applied for.

Then we'll have the developer give a presentation on the specifics of the development, and then I'm going to give an IRS speech, and at the conclusion of the speech the floor will be opened up for any public comment.

According to the IRS code the Department is only required to take public comment on the bond issuance; however, TDHCA has extended this to take comment on the development itself. We are not required to do that, but we want community input.

TDHCA schedules the public hearings where the development is to be located at a time and location that is convenient for the community. The purpose and the mission of TDHCA is to help Texas achieve an improved quality of life through the development of better communities.

The two programs the developer has applied for with TDHCA include the Private Activity Bond Program and the Housing Tax Credit Program. Both programs were created by the federal government to encourage private industry to build quality housing that is affordable to individuals and families with lower than average incomes.

The Private Activity Bond Program refers to the issuance of tax-exempt bonds. The tax exemption is not an exemption of property tax but rather an exemption to the purchaser of the bond. The bond purchaser does not have to pay taxes on their investment and the income they make on that investment.

The bond purchaser accepts a lower rate of return; therefore, the lender that is involved will charge a lower interest rate for the mortgage that will be placed on the property to the developer. The Housing Tax Credit was created as a result of the Tax Reform Act of 1986.

The housing tax credit is an investment to the investor that purchases the tax credits. It is an IRS credit to the development unrelated to property taxes. The housing tax credit provides equity to the development, which allows the developer to provide lower rents to affordable tenants.

In conclusion with both of these programs the tax benefit goes to the investors that help finance the development. This is what gives the developer an opportunity to provide something of high quality to your area.

All of these properties are privately managed and privately owned. The ongoing responsibilities between the affordable housing developments and TDHCA include state compliance monitoring. The compliance monitoring with the state is the greater of 30 years or as long as the bonds are outstanding.

The oversight responsibilities include: units are occupied by eligible households, physical appearance, rents are capped at appropriate levels, repair reserve accounts are established and funded. Private Activity Bond developments are monitored every two years by TDHCA, and desk reviews are done quarterly.

After lease-up a survey is usually done to determine the tenant profile and the types of services that would be of interest to the tenants. The services can also include tutoring, honor roll programs, computer access educational classes, after-school activities, summer camps, health care screening, immunizations for school children, ESL or GED classes, financial planning, credit counseling and down payment assistance.

The Hillcrest Apartments development received a reservation of allocation on May 23, 2006. Once the reservation is received the developer has 150 days to close the bond transaction. The Hillcrest Apartments reservation will expire on October 20, 2006.

Now, I'm going to have Mr. Andrews give a brief presentation on the development.

MR. ANDREWS: My name is Ranier Andrews. I'm with Summit Asset Management in the Acquisitions Department. I'll start off by telling you a little bit about Summit Asset Management. We're located in Montgomery, Alabama.

We own about 60 properties all throughout the Southeast, about 8,000 units -- close to it. We're from Florida out to Texas. In Texas specifically we have two properties currently we own in Houston. We have a couple more we're doing in Houston that will be closed within this year, and this one, Hillcrest, in Dallas, and another one in Duncanville.

So we're hoping to expand pretty good into the Dallas/Fort Worth area and into Texas in general. We specialize in these affordable housing projects, doing these tax-exempt bond and 4 percent tax credit deals.

What we like to do is really find properties that need rehab, that need to be lifted up, turn them around and make them just a great place for our residents to live and build a community. For Hillcrest specifically we plan to spend about $4.2 million doing the rehab.

You have the scope I'll go through it here in a minute. And also really bring in a sense of community along to the entire project, making residents feel like they belong to something, not just living somewhere.

Specifically for the rehab, I'll just go over it -- you can tell the exterior part of it -- just not the buildings, but just the land outside, we plan to redo the parking lot, make it nice; landscaping, as you mentioned; any of the concrete walkways or sidewalks, go ahead and fix those up a little bit.

There's some light poles that right now are crooked and not working. We're going to replace those and give a lot brighter, more security safety. Some benches on the place need to be replaced. The big thing here, I guess, would be the surveillance cameras.

We like to put surveillance cameras in all our properties as a measure of security. You can never have too much security. We found that is a very big deterrent to crime in all our properties. So those will be going up.

Exterior to the buildings -- the actual buildings themselves -- like I mentioned before while we were speaking before -- the main thing's going to be upgrading that chiller system to where it's actually blowing cold air.

That will be a huge improvement, I do believe. Also replacing the hot water boilers, so your water's actually hot. Any rotten stucco, rotten wood around the area, we're going to go ahead and replace all that. Put new rubberized roofs up to prevent drainage problems or any water leaking into the roofs or anything to that effect.

The roofs are in pretty good shape right now, but they do need to be upgraded. New windows -- all apartments will get new windows. We're going to put these energy-saving windows, I'd guess you could say, in them, which will make your apartment cooler in the summer.

And when the heat's on it will make it warmer. So those are 1970 windows. And technology has gotten much better. All the sliding glass doors are going to be replaced as well, again to help with the energy efficiency and the overall look of the property.

Window chase frames will be done. They'll help with energy. The stairwells on the property leading up to the second -- some of those need to be replaced. We'll be fixing those on an as-needed basis: new, brighter light fixtures in the breezeways, again for added security at night so you can see what's around the corner; and new gutters and downspouts to keep the water from coming down on your balcony. Interior-wise to the buildings we plan on new kitchen cabinets and countertops where they're needed. Some of the apartments -- I think about 50 units -- need brand-new carpet, from what our scope says.

Carpet will really be replaced. When it wears out we'll replace it pretty well. Right now I think we're scheduled for 50 of the units. But this was done a couple of months ago. Some new ones might need new carpets. So that will be done at a much better pace, much more rapid pace as needed.

New smoke detectors, new toilets -- we'll help with that with the energy efficiency. New light fixtures in all the apartments to make it better for the tenants -- the lighting, I guess you can say. I guess one of the big things: everybody's getting a new refrigerator.

You're getting a new dishwasher, getting a new range, range hoods and new range queens. So all your appliances are going to be replaced in your kitchen as well. Again there's some outdated stuff in there right now.

It needs to be updated. It needs to be made better. I think it will be a really neat looking property and really solid after the rehab's done. Now, to general questions -- a lot of people ask -- I might be able to get it out of the way here -- are we going to raise rents. No.

Rents are going to be what they currently are as of January '05. So we're going to put all this new stuff in, make it nice, safer and all that. But the rents are going to stay the same. People ask, using these tax credit properties, what does that mean for me.

Are these a bunch of low-income people come around -- no. What it really is designed for is working class people: a waitress or someone making $30,000 a year, somewhere around that -- for good, hardworking, honest people who just need some help.

So that's where this comes from. I think most of the people in the apartment complex do qualify. You don't have to do anything. We're not going to come chase you down or get your financial information or any of that stuff.

It means absolutely nothing to the tenants. The same people that are good tenants will be there. If you're not a good tenant, we still have the right to -- I won't say expel. But you know what I'm saying. We have a good way to keep it a good community.

A lot of people hear tax credits, and they sort of freak out. But it really means really nothing to the current resident at all. I guess another thing mentioned was the service programs. We were talking about this. We plan on spending a lot of money putting in programs: GED classes, after-school programs, teaming with the Boys and Girls Clubs.

We have our own division in our company that is dedicated completely to this. They'll go around with a survey, find out what people want and everything, try to build really a sense of community, because we've learned from experience that if you treat it like a community, the residents have input into it and everything, it was better for your property overall, and more people come.

It's a lot better off than just treating them as -- they're clients not just people paying rent. So that's the exciting part about it. I really think Hillcrest will be a really good property when it's done. I'm taking questions. Is it time for questions?

MS. ROTH: Let me go ahead and read the speech for the record, and then we'll open it up for questions. And if you would like to speak you can just fill out one of these forms, and we'll let you speak. Good evening.

My name is Sharon Roth.

I would like to proceed with the public hearing. Let the record show it is 6:30 p.m., Thursday, June 22, 2006, and we're at the Tisinger Elementary School located at 1701 Hillcrest, Mesquite, Texas.

I am here to conduct the public hearing on behalf of the Texas Department of Housing and Community Affairs with respect to an issue of tax-exempt multifamily revenue bonds for a residential rental community. The hearing is required by the Internal Revenue Code.

The sole purpose of this hearing is to provide a reasonable opportunity for interested individuals to express their views regarding the development on the proposed bond issuance.

No decisions regarding the development will be made at this hearing. The Department's board is scheduled to meet to consider the transaction on July 12, 2006. In addition to providing your comments at this hearing, the public is also invited to provide comment directly to the board at any of their meetings.

The Department staff will also accept written comment from the public up to 5:00 p.m. on June 30, 2006. The Bonds will be issued as tax-exempt multifamily revenue bonds in the aggregate principal amount not to exceed $12,700,000 and taxable bonds, if necessary, in an amount to be determined and issued in one or more series by the Texas Department of Housing and Community Affairs, the issuer.

The proceeds of the Bonds will be loaned to Summit Hillcrest Apartments, Ltd. -- or a related person or affiliate entity thereof -- to finance the acquisition and rehabilitation of a multifamily housing development described as follows: a 352-unit multifamily residential rental development to be located at 2019 Hillcrest Street, Dallas County, Texas.

The proposed multifamily rental housing community will be initially owned and operated by the borrower or a related person or affiliate thereof. I'd now like to open the floor for public comment.

MS. HERRON: My name is Sandra Herron. I'm a resident of Hillcrest Apartments. I just wanted to know what kind of inconveniences the upgrades are going to have to the tenant. As far as notification, in the past when they were going to do repairs and things like that, they leave a note on the door the day before they're going to be there.

That's very inconvenient to the resident. I just want to know what kind of steps are going to be taken in order to prepare the resident for the repairs.

MR. ANDREWS: We'll notify you more than a day before. I promise you that, because these are sometime significant rehabs, and you need to be prepared. I don't know.

Do you know the exact -- month ahead?

MR. MCKENZIE: It's a rolling rehab. What we'll do is we'll go in, and it'll take about 12 months. What we'll do is, notifications will be sent out. But you're not going to be unconvinced at all. It's basically us going in.

What we'll do is -- two weeks in advance we'll say we're going to be working on this building. And we'll go building by building doing this construction. Once that's done you won't be inconvenienced at all. We'll go in; we'll do the carpets.

Everything will do is, it'll be around you, so as little inconvenience as possible.

MR. ANDREWS: You don't have to move at all. You don't have to do any of that part. Sorry. I'm in the Acquisitions Department. So my lead developer, Hunter McKenzie, took that question. Anything else?

MS. HERRON: You may have covered this already. The fences that we spoke about earlier, especially on my apartment -- is that going to be also taken care of? I don't remember you mentioning that. But I might have just missed it.

MR. ANDREWS: They should be. If they're not -- our lenders and everybody want to make sure it's taken care of and properly done and looks good and everything to that effect. I can read my scope, but it'll get fixed.

It's just not in the general rehab -- the patio fences. If it's not in this big rehab, you can tell us. That might be a capital expenditure, something we might not include in this big rehab that we'll fix on the property in general.

But if you tell us, it'll get done. I promise you that. Just make sure that we know about it.

MS. HERRON: That's what I plan to do then. I'll just make sure that I get a hold of someone.

MR. ANDREWS: Our property managers can take of that. You can give them a heads up, too. Write down your apartment number, and I'll have someone get back to you.

MS. HERRON: Okay. It's on the list right there. Like front door -- the buildings are settling. My front door, you literally have to slam it to get it shut and do the deadbolt and the bottom lock. It's just things like that, because it's a very old complex.

There's just a lot of work that needs done. Me as a resident -- if we could have someone like you are promising to do -- have someone come in and do this, this will be a great place for us. And that's what I'm looking for, because the location of Hillcrest Apartments is awesome.

It's great. You've got the hospital. You've got the schools. You've got 80. You've got 30. All the interstates are real convenient. So this is going to be a positive thing, and I'm looking forward to it. Thank you.

MR. ANDREWS: I can guarantee we're going to do the rehab, or else these people at table will be all over us if we don't. Anything else?

MS. HERRON: No.

MS. ROTH: Okay. Well, thank you for your comment. At this time I'm going to go ahead and adjourn the hearing. Let the record show we have one member of the public here and three members of development team. And the meeting is now adjourned. The time is 6:35.

(Whereupon, at 6:35 p.m., the public hearing was adjourned.)

C E R T I F I C A T E

IN RE: Hillcrest Apartments

LOCATION: Mesquite, Texas

DATE: June 22, 2006

I do hereby certify that the foregoing pages, numbers 1 through 17, inclusive, are the true, accurate, and complete transcript prepared from the verbal recording made by electronic recording by Joan Wong before the Texas Department of Housing and Community Affairs.

07/03/2006
(Transcriber) (Date)

On the Record Reporting
3307 Northland, Suite 315
Austin, Texas 78731

Memorandum

To: Michael Gerber

From: Gordon Anderson

cc: Brooke Boston, Michael Lyttle

Date: July 5, 2006

Re: TDHCA Outreach Activities

The attached document highlights outreach activities on the part of TDHCA staff for June 2006. The information provided focuses primarily on activities Executive and staff has taken on voluntarily, as opposed to those mandated by the Legislature (i.e., tax credit hearings, TEFRA hearings, etc.). This list may not account for every activity undertaken by staff, as there may be a limited number of events not brought to my attention.

For brevity sake, the chart provides the name of the event, its location, the date of the event, division(s) participating in the event, and an explanation of what role staff played in the event. Should you wish to obtain additional details regarding these events, I will be happy to provide you with this information.

TDHCA Outreach Activities, June 2006

A compilation of activities designed to increase the awareness of TDHCA programs and services or increase the visibility of the Department among key stakeholder groups and the general public

Event	Location	Date	Division	Purpose
First Thursday Income Eligibility Training	Austin	June 1	Portfolio Management and Compliance	Training
Super Neighborhood Town Hall Meeting	Houston	June 1	Policy and Public Affairs	Presentation
20206 Texas LULAC Conference	Corpus Christi	June 1-3	Single Family, Policy and Public Affairs	Exhibitors
Denton Senior Housing Summit	Denton	June 2	Multifamily	Panelist
Brownsville Homeownership Fair	Brownsville	June 3	Single Family	Exhibitors
Houston event	Houston	June 2	Policy and Public Affairs	Presentation
Meeting with staff of House Committee on Urban Affairs	Austin	June 6	Policy and Public Affairs	Legislative Meeting
Celebration of Self-help Construction for National Homeownership Month	El Paso	June 6	Office of Colonia Initiatives	Participant
TBRA Compliance Training	Austin	June 7	Portfolio Management and Compliance	Training
Texas Association of Real Estate Brokers Convention	Dallas	June 9	Single Family	Presentation
Celebration of Self-help Construction for National Homeownership Month	Bryan	June 9	Office of Colonia Initiatives	Participant
McAllen Homebuyer Fair	McAllen	June 10	Single Family, Policy and Public Affairs	Exhibitors
TSHEP Train the Trainer Seminar	Galveston	June 12-16	Policy and Public Affairs	Training
Interview with *Housing & Development Reporter* Newsletter	Austin	June 14	Executive, Policy and Public Affairs, PM&C	Interview
House Committee on Urban Affairs	Austin	June 15	Executive, Legal, Policy and Public Affairs	Testimony
HUD Housing Summit	Fort Worth	June 15	Single Family	Presentation
Lender Training – Bond Program 66	El Paso	June 16	Single Family	Training
Texas Association of Realtors Continuing Education	Round Rock	June 15	Single Family	Training
HOME Ownership – Multicultural Event	Houston	June 17	Single Family	Exhibitor
Lender Training – Bond Program 66	San Antonio	June 19	Single Family	Training
Lender Training – Bond Program 66	Houston/Beaumont	June 20	Single Family	Training
Lender Training – Bond Program 66	Austin	June 21	Single Family	Training
House Committee on Financial Institutions	Austin	June 20	Executive, Policy and Public Affairs	Testimony

PORTFOLIO MANAGEMENT AND COMPLIANCE DIVISION

EXECUTIVE DIRECTOR'S REPORT ITEM
HOME PROGRAM AMENDMENTS
MONTHLY STATUS REPORT
July 12, 2006

Background

The TDHCA Board requested a monthly report to provide an updated status on previously approved HOME amendments.

Summary of HOME Amendment Process

HOME Administrators may request amendments to existing contracts; however, in order for a request to be considered, the Administrator must:

- submit justification, extenuating circumstances, or compelling reasons for the request; and
- submit a request that would still have resulted in an award of HOME funds if the original application had been submitted according to the requested changes; and
- be in compliance with monitoring and auditing requirements for all Department programs.

The 2006 HOME Rules in the Texas Administrative Code, Title 10, Part 1, Chapter 53, Rule §53.62(b)(3) states that modifications and/or amendments that increase the dollar amount by more than 25% of the original award or $50,000, whichever is greater; or significantly decrease the benefits to be received by the Department, in the estimation of the Executive Director, will be presented to the Board for approval.

Status of Previously Approved HOME Amendments

Eleven (11) HOME amendments have been approved by the TDHCA Board as summarized in the attached spreadsheet. As of now, one (1) Administrator has not and will not be able to make acceptable progress.

- Southern Rio Services will not be able to assist the thirty five (35) households required in their contract. Southern Rio indicated that they would assist the eight (8) households currently in process, but would not assist any additional households and would let remaining funds in their contract lapse when the contract expires on September 30, 2006.

Board Approval	Administrator	Activity Type	Amendment Type	Progress Acceptable?	Date Report Received	Contract Status	Significant Activities Completed	PMC Followup Type	PMC Followup Analysis
5/4/2006	Southern Rio Services	HBA	AMFI Modification	N	6/28/06	Expect to only assist 8 households. Contract will terminate on 9/30/06.	3 households assisted. 5 additional households expected to be assisted by contract end date.	TA visit on 6/7/06.	Expect to assist 8 households - 35 required. Contract will terminate on 9/30/06.
5/4/2006	Webb County	OCC	Reduction in units (16 to 11) AMFI Modification	Y	7/3/06	Expect to be 100% complete by contract end date.	5 homes completed. 4 homes 60% complete. 2 homes <=30% complete.	On-site Visit Scheduled for Week of July 17th.	Results of monitoring visit to be provided at July 28th meeting.
5/4/2006	City of Ranger	OCC	Service Area Expanded Target Population Modified	Y	6/28/06	Will require 6 month extension to complete. Awaiting written request from the City.	2 homes in process. 2 homes pending environmental clearance. 17 applicants affected by wild fires currently being reviewed.		
5/4/2006	Habitat for Humanity of North Central Texas	HBA	AMFI Modification	Y	6/21/06	In Process	10 households assisted. 2 households pending. 8 additional households expected to be assisted by contract end date.		
5/4/2006	Affordable Caring Housing	TBRA	Match Elimination	Y	6/9/06	In Process	13 households assisted. 3 households pending assistance. 4 additional households with vouchers.	Monitoring visit on 3/22/06.	Contract progress. No Findings.
5/4/2006	Affordable Caring Housing	TBRA	Match Elimination	Y	6/9/06	In Process	27 households assisted. 4 pending assistance.	Monitoring visit on 3/22/06.	Contract progress. No Findings.
5/4/2006	City of Dayton	OCC	AMFI Modification	Y	6/28/06	7 homes expected to be completed by contract end date.	2 homes completed. 2 homes 80% complete. 3 homes to be started soon.		
6/9/2006	Brewster County	OCC	Extension	Y	Status Report due 8/10/06	In Process	MOA approved by Texas Historical Commission. All 9 homes have completed environmental process.		
6/9/2006	City of Nash	OCC	AMFI Modification Match Reduction	Y	Status Report due 8/10/06	In Process	Status to be reported at next board meeting.		
6/26/2006	Spectrum Housing	TBRA	Match Reduction	Y	N/A	Contract Complete	Contract Complete. $53,653.62 Balance Deobligated.	Desk review on 6/4/06.	Contract Complete. $53,653.62 Balance Deobligated.
6/26/2006	Laredo-Webb NHS	HBA	Extension	Y	Status Report due 8/10/06	In Process	Status to be reported at next board meeting.	On-site Visit Scheduled for Week of July 17th.	Results of monitoring visit to be provided at July 28th meeting.

Board Approval	Administrator	Required Units	Units in Process	Completed Units (To Date)	Start Date	End Date	Extended End Date	Project Budget Amount	Project Committed Amount	Project Expended Amount	% Time Expired	% Committed	% Drawn Amount
5/4/2006	Southern Rio Services	35	7	3	10/1/03	9/30/06		$350,000	$68,500	$38,000	91%	20%	11%
5/4/2006	Webb County	11	0	0	9/1/03	8/31/05	8/31/06	$500,000	$0	$0	94%	0%	0%
5/4/2006	City of Ranger	9	2	0	10/1/04	9/30/06		$495,000	$110,000	$0	87%	22%	0%
5/4/2006	Habitat for Humanity of North Central Texas	20	18	12	10/1/04	9/30/06		$100,000	$90,000	$60,000	87%	90%	60%
5/4/2006	Affordable Caring Housing	35	13	13	10/1/04	3/31/07		$233,311	$61,192	$28,098	70%	26%	12%
5/4/2006	Affordable Caring Housing	20	27	10	10/1/04	3/31/07		$174,048	$108,281	$71,149	70%	62%	41%
5/4/2006	City of Dayton	9	7	0	10/1/04	9/30/06		$500,000	$385,000	$103,570	87%	77%	21%
6/9/2006	Brewster County	9	0	0	1/1/04	12/31/05	11/30/06	$500,000	$0	$0	85%	0%	0%
6/9/2006	City of Nash	9	0	0	10/3/05	9/28/07		$492,463	$0	$0	37%	0%	0%
6/26/2006	Spectrum Housing	53	73	74	8/15/03	3/31/06		$500,000	$449,651	$449,651	100%	90%	90%
6/26/2006	Laredo-Webb NHS	20	12	7	10/1/03	6/30/06	6/30/07	$300,000	$180,000	$105,000	73%	60%	35%

MULTIFAMILY FINANCE PRODUCTION DIVISION
QUARTERLY REPORT OF CHANGES IN OWNERSHIP
(Covers changes from last report on May 4, 2006 through June 29, 2006)

Dev. No.	Date Approved	Development	City	County	Region	**Entity Departing or Replaced** (GP=general partner, O=owner, SLP=special limited partner, NP=Nonprofit)	New Member or Owner	**Type of Ownership Change** (S=sale. FS=sale involving foreclosure. R=restructure. D=default/removal of GP. NC=name change. L=change of limited partner)
03029	4/24/06	La Villita	Brownsville	Cameron	11	Housing Associates, Inc. (Co-GP)	None	**R -** One of two Co-GPs would depart, leaving other, Texas Housing Associates, Inc., as sole GP.
99011T	4/27/06	Gate at Lake Jackson	Lake Jackson	Brazoria	6	Robert M. Bobinchuck (owner of GP)	Douglas Hooker (owner of GP)	**R -** Original guarantor replaced the original sole shareholder of the GP.
00132	4/28/06	Townhomes of Bay Forest	Baytown	Harris	6	David Longoria (owner of HUB GP)	Terri Torregrossa (owner of HUB GP)	**R -** Owner of one of two Co-GPs, a HUB, was replaced by another owner of the HUB GP.
00054	5/4/06	Hunter's Glen Townhomes	San Antonio	Bexar	9	Marylyn (51%) and David (49%) Leonard (Owner of GP)	Operation Relief Community Development Organization (Owner of GP)	**R -** Cameo Development, Inc. (CDI) was a HUB under its original owners. New owner is a CHDO, eliminating CDI's HUB status. (Approved by Board 5/4/06)
00144	5/4/06	Sycamore Pointe Townhomes	Fort Worth	Tarrant	3	Leona (51%) and Bobby (49%) Cox (Owners of GP)	Operation Relief Community Development Organization (Owner of GP)	**R -** Provident Homes, Inc. (PHI) was a HUB under its original owners. New owner is a CHDO, eliminating PHI's HUB status. (Approved by Board 5/4/06)
05020	6/6/06	Central Place	Hereford	Deaf Smith	1	RLB Affordable Housing (Co-GP)	CSR1 Investments, LLC (GP) & RLB Affordable Housing LLC (GP)	**R -** One of two original GPs departed leaving the other as sole GP.
04012	6/13/06	Rose Valley	Tyler	Smith	4	Edgewater Group NNW Loop 323, Inc. (Owner of GP)	Edgewater Group NNW Loop 323, L.L.C. (Owner of GP)	**R -** Principals remained same. Form of owner changed from corporation to limited liability company.
04101	6/14/06	Pleasant Hill	Austin	Travis	7	TTCC, LLC (Co-GP)	Healthy Resources Enterprise, Inc. (Co-GP)	**R -** One HUB replaced another in same position with same interests.
04107	6/14/06	Whitefield Place	San Antonio	Bexar	9	TTCC, LLC (Co-GP)	Healthy Resources Enterprise, Inc. (Co-GP)	**R -** One HUB replaced another in same position with same interests.
04108	6/14/06	Tamarac Pines	The Woodlands	Montgomery	6	TTCC, LLC (Co-GP)	Healthy Resources Enterprise, Inc. (Co-GP)	**R -** One HUB replaced another in same position with same interests.