

# BOARD MEETING OF JULY 10, 2012

**J. Paul Ozer, Chair**



**TEXAS DEPARTMENT OF  
HOUSING & COMMUNITY AFFAIRS**  
*Building Homes. Strengthening Communities.*

Tom Gann, Vice-Chair  
Leslie Bingham Escareño, Member  
Lowell Keig, Member  
Juan Muñoz, Member  
J. Mark McWatters, Member

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

**A G E N D A**

**8:00 a.m.  
July 10, 2012**

Capitol Extension, E1.036  
1500 North Congress Ave.  
Austin, TX

CALL TO ORDER, ROLL CALL  
CERTIFICATION OF QUORUM

J. Paul Oxer, Chairman

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

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

Presentation of The Award of Merit for TDHCA's Energy Assistance Division by Mark Wolfe, Executive Director of the Texas Historical Commission

**CONSENT AGENDA**

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

*Various action items below, (including consent agenda items and other items) relating to awards or other actions under different programs list specific applicants by name. These lists are informational and do not limit the Board's ability to take action with respect to others under the specific program action items.*

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

***COMMUNITY AFFAIRS***

- a) Presentation, Discussion, and Possible Approval of the Award of a temporary Community Services Block Grant contract to Community Council of South Central Texas to provide services in Edwards, Kinney, Real, Uvalde, Val Verde and Zavala Counties
- b) Presentation, Discussion, and Possible approval of the Award of a Community Services Block Grant contract to Community Council of South Central Texas to provide services in Dimmit and LaSalle Counties

**Brooke Boston**  
Deputy Executive Director

***RULES***

- c) Presentation, Discussion, and Possible Action regarding a final order adopting 10 TAC Chapter 5, Subchapter J, §§5.1001 – 5.1004 for the Homeless Housing and Services Program (HHSP), Withdrawal of proposed §5.1005, and Proposed New §§5.1006 – 5.1007 for public comment in the *Texas Register*
- d) Presentation, Discussion, and Possible Action to publish a proposed new rule for the Taxable Mortgage Program, 10 TAC Chapter 28, §§28.1-28.9 for public comment and publication in the *Texas Register*
- e) Presentation, Discussion, and Possible Action regarding a proposed repeal of 10 TAC Chapter 1 §1.6 concerning Historically Underutilized Businesses and proposal of a new 10 TAC Chapter 1, §1.6, concerning Historically Underutilized Businesses Program, for public comment and publication in the *Texas Register*

**Brooke Boston**  
Deputy Executive Director

**Eric Pike**  
Dir. Texas Homeownership  
Program

**David Cervantes**  
Dir. Financial Administration

**NEIGHBORHOOD STABILIZATION**

Marni Holloway  
Dir. NSP

f) Presentation, Discussion, and Possible Action to approve amendments to Neighborhood Stabilization Program (NSP1) contracts

77090000104	Tarrant County Housing Partnership	Tarrant County
77090000105	Brownsville Housing Authority	Brownsville
77090000106	City of Irving	Irving
77090000107	City of Laredo	Laredo
77090000110	City of Galveston Grants and Housing Department	Galveston
77090000112	City of El Paso	El Paso
77090000113	San Benito Housing Authority	San Benito
77090000123	City of Harlingen	Harlingen
77090000125	San Antonio Alternative Housing Corporation	San Antonio
77090000146	City of Austin	Austin
77090000150	Community Development Corporation of Brownsville	Brownsville
77090000154	City of Port Arthur	Port Arthur
77090000155	City of Garland	Garland
77090000158	City of Odessa	Odessa
77090000160	City of Lubbock	Lubbock
77090000163	City of Beaumont	Beaumont
77090000169	Hidalgo County Housing Authority	Hidalgo County
77090000213	Austin Habitat for Humanity	Austin
77099999120	City of Bryan	Bryan
77099999121	City of Seguin	Seguin
77099999124	City of Waelder	Waelder
77099999126	City of Huntsville	Huntsville
77099999141	City of San Marcos	San Marcos
77099999170	Midland County Housing Authority	Midland County
77099999200	Bryan-College Station Habitat for Humanity	Bryan-College Station

**MULTIFAMILY FINANCE**

Cameron Dorsey  
Dir. Multifamily Finance

g) Presentation, Discussion, and Possible Action regarding Inducement Resolution No.12-034 for Multifamily Housing Revenue Bonds and an Authorization for Filing Applications for Private Activity Bond Authority – 2012 Waiting List

12603 E. Thurman Walker Living Center San Antonio

**REPORT ITEMS**

The Board accepts the following reports:

- |  |   |
|--|---|
| 1. Update on the Status of the Preparation of the State of Texas Plan for Fair Housing Choice: Analysis of Impediments | Jennifer Molinari<br>Fair Housing Coordinator |
| 2. Status Report on the HOME Program Contracts and Reservation System Participants                                     | Sara Newsom<br>Dir. HOME                      |
| 3. TDHCA Outreach Activities, June 2012  | Michael Lyttle<br>Chief, External Affairs     |
| 4. Report to the Board regarding the Appeal on Villas at Henderson, TDHCA #12362                                       | Cameron Dorsey<br>Dir. Multifamily Finance    |

**ACTION ITEMS**

**ITEM 2: FINANCIAL ADMINISTRATION:**

David Cervantes  
Dir. Financial Administration

- a) Presentation, Discussion, and Possible Action regarding the FY 2013 Operating Budget
- b) Presentation, Discussion, and Possible Action regarding the FY 2013 Housing Finance Division Budget

**ITEM 3: STRATEGIC PLANNING & BUDGETING:**

Tom H. Gann  
Committee Chair

Report from the Strategic Planning & Budgeting Committee Meeting

**ITEM 4: HOUSING RESOURCE CENTER:**

Elizabeth Yevich  
Dir. Housing Resource Ctr.

Presentation and Discussion on the Preliminary Results of the Contracts for Deed Prevalence Project with the University of Texas at Austin

**ITEM 5: MULTIFAMILY FINANCE DIVISION:**

Presentation and Discussion of Challenges Made in Accordance with §50.10(d) of the 2012 Qualified Allocation Plan (QAP) Concerning 2012 Housing Tax Credit (HTC) Applications

Cameron Dorsey  
Dir. Multifamily Finance

**ITEM 6: APPEALS:**

Timely Filed Appeals Under any of the Department's Program or Underwriting Rules

Cameron Dorsey  
Dir. Multifamily Finance

12025	Hawk Ridge Apartments	White Settlement
12165	Garden Walk of La Grange, Schulenburg and Weimar	La Grange, Schulenburg, Weimar
12182	1701 Canton – EVERgreen Residences	Dallas
12366	Pecan Creek & Pecan Grove	Lampasas
12371	Mariposa at Ranch Road 12	Wimberley

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

**EXECUTIVE SESSION**

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

J. Paul Oxer  
Chairman

1. The Board may go into Executive Session Pursuant to 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
2. Pursuant to Tex. Gov't. Code, §551.071(1) to seek the advice of its attorney about pending or contemplated litigation or a settlement offer, including:
  - a) *The Inclusive Communities Project, Inc. v. Texas Department of Housing and Community Affairs, et al filed in federal district court, Northern District of Texas*
  - b) *Heston Emergency Housing, LP and Naji Al-Fouzan vs. Texas Department of Housing and Community Affairs, Michael Gerber, Martin Rivera, Jr., Marisa Callan, and Timothy Irvine*
  - c) *Complaint of James Reedom filed with U.S. HHS/OCR ( No. 09-99008)*
  - d) *TDHCA v. William Ross & Susan Ross; Cause No. D-1-GN-11-002226, filed in district court, Travis County*
  - e) *Complaint of Ameenah Montgomery filed with U.S. HUD (No. 06-12-0779-8)*
  - f) *Harris County v. Pleasant Hill Community Development Corporation; 80th Jud. Dist., Harris Co., Texas*
3. Pursuant to Tex. Gov't. Code, §551.071(2) for the purpose of seeking the advice of its attorney about a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Tex. Gov't. Code, Chapter 551;
  - a) *Attorney General Opinion Request RQ-1068-GA, Rep. Rene Oliveira*
4. Pursuant to Tex. Gov't. Code, §551.072 to deliberate the possible purchase, sale, exchange, or lease of real estate because it would have a material detrimental effect on the Department's ability to negotiate with a third person; and/or-
5. Pursuant to Tex. Gov't. Code, §2306.039(c) the Department's internal auditor, fraud prevention coordinator or ethics advisor may meet in an executive session of the Board to discuss issues related to fraud, waste, or abuse.

**OPEN SESSION**

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

**ADJOURN**

*To access this agenda & details on each agenda item in the board book, please visit our website at [www.tdhca.state.tx.us](http://www.tdhca.state.tx.us) or contact Nidia Hiroms, 512-475-3930; TDHCA, 221 East 11<sup>th</sup> Street, Austin, Texas 78701, and request the information. Individuals who require auxiliary aids, services or sign language interpreters for this meeting should contact Gina Esteves, ADA Responsible Employee, at 512-475-3943 or Relay Texas at 1-800-735-2989 at least two days before the meeting so that appropriate arrangements can be made. Non-English speaking individuals who require interpreters for this meeting should contact Nidia Hiroms, 512-475-3930 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.*



1a

**BOARD ACTION REQUEST**  
**COMMUNITY AFFAIRS DIVISION**  
**July 10, 2012**

Presentation, Discussion, and Possible Approval of the Award of a Community Services Block Grant contract to Community Council of South Central Texas to provide services in Edwards, Kinney, Real, Uvalde, Val Verde and Zavala Counties

**RECOMMENDED ACTION**

Approve the award of a temporary Community Services Block Grant (CSBG) contract to Community Council of South Central Texas to provide services in Edwards, Kinney, Real, Uvalde, Val Verde and Zavala Counties.

**WHEREAS**, due to relinquishment of the CSBG contract by the Community Council of Southwest Texas, residents of Edwards, Kinney, Real, Uvalde, Val Verde and Zavala Counties are not receiving services under the CSBG, now therefore be it,

**WHEREAS**, there remains \$183,017 in unexpended CSBG funds from Program Year 2012 that have been programmed for expenditure in these counties that will expire unless the funds are expended, now therefore be it,

**RESOLVED**, that Community Council of South Central Texas, a Community Services Block Grant eligible entity, is awarded a temporary contract to administer the CSBG in Edwards, Kinney, Real, Uvalde, Val Verde and Zavala Counties from this date until December 31, 2012, and hereby approved in the form presented to this meeting.

**BACKGROUND**

Due to significant financial difficulties, Community Council of Southwest Texas has relinquished all Community Affairs program contracts. The Department will release a Request for Applications to identify alternative providers to operate the CSBG in Edwards, Kinney, Real, Uvalde, Val Verde and Zavala Counties. Until that time, the Department proposes a term contract to be administered by an existing CSBG eligible entity from a bordering service area, Community Council of South Central Texas. The entity has established a presence in the aforementioned counties and is currently providing services in these counties under the Comprehensive Energy Assistance Program.

1b

**BOARD ACTION REQUEST**  
**COMMUNITY AFFAIRS DIVISION**  
**July 10, 2012**

Presentation, Discussion, and Possible Approval of the Award of a Community Services Block Grant contract to Community Council of South Central Texas to provide services in Dimmit and LaSalle Counties

**RECOMMENDED ACTION**

Approve the award of a Community Services Block Grant (CSBG) contract to Community Council of South Central Texas to provide services in Dimmit and La Salle Counties.

**WHEREAS**, due to unresolved program management issues at the Community Services Agency of South Texas, the residents of Dimmit and La Salle Counties are not receiving services under CSBG, and

**WHEREAS**, there remains \$150,000 in unexpended CSBG funds from Program Year 2011 that have been programmed for expenditure in these counties that will expire unless the funds are expended, now therefore be it,

**RESOLVED**, that Community Council of South Central Texas, a CSBG eligible entity, is awarded a temporary contract to administer the CSBG in Dimmit and La Salle Counties on an interim basis until a CSBG eligible entity is designated to serve those counties, and hereby approved in the form presented to this meeting.

**BACKGROUND**

Due to the lack of program activity on the part of Community Services Agency of South Texas, the Department has not released payments under the 2011 or 2012 CSBG contracts to Community Services Agency of South Texas. It is notable that at this time, Community Services Agency of South Texas does not have sufficient staff to operate the CSBG, leaving Dimmit and La Salle Counties without CSBG funded services.

In an effort to continue to provide services to the local community, TDHCA will issue a temporary contract to an existing CSBG eligible entity from a bordering service area, Community Council of South Central Texas. The issuance of the term contract will ensure the expenditure of the 2011 funds prior to their expiration. Community Council of South Central Texas has established a presence in the aforementioned counties and is currently providing Comprehensive Energy Assistance Program services in these counties.

1c

**BOARD ACTION REQUEST**  
**COMMUNITY AFFAIRS DIVISION**  
**July 10, 2012**

Presentation, Discussion, and Possible Action regarding a final order adopting 10 TAC Chapter 5, Subchapter J, §§5.1001 – 5.1004 for the Homeless Housing and Services Program (HHSP), a withdrawal of proposed §5.1005, and proposed new §§5.1006 – 5.1007 for publication and public comment in the *Texas Register*

**RECOMMENDED ACTION**

**WHEREAS**, during the initial comment period for this rule there was opposition to making a portion of the funding for HHSP available on a competitive basis; and

**WHEREAS**, upon careful consideration the Department agrees with the comments opposing a competitive aspect to the program; and

**WHEREAS**, the Department wishes to propose additional provisions regarding the establishment of contract benchmarks and a methodology for funding redistribution for the Board and the public to consider; and

**WHEREAS**, the Department has received comments on the remaining sections of the proposed rule;

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

**BACKGROUND**

The Texas Legislature established the HHSP program during the 81st Legislative Session to provide funding to provide local programs to prevent and eliminate homelessness in municipalities with a population of 285,500 or more. The proposed HHSP rule was published in the *Texas Register* on April 27, 2012 and the Department accepted public comment through May 29, 2012. Public comment was received from the Arlington Housing Authority, Bread of Life, Inc., Child Crisis Center of El Paso, City of Corpus, City of Dallas, City of Fort Worth, Haven for Hope, Mother Teresa Shelter, Inc., SEARCH Homeless Services in Houston, and the YWCA of El Paso; each of whom recommended the deletion of §5.1005 (Innovative Programs to Reduce Homelessness) which proposed making up to fifty percent of the HHSP funds available on a competitive basis in accordance with a published Notice of Funds Availability. The Department agrees with the comment to withdraw the text of §5.1005.

The Department also recommends the publication for comment of §5.1006, Performance and Expenditure Benchmarks and §5.1007, Funding Redistribution. The Performance and Expenditure Benchmarks section requires the establishment of performance and expenditure benchmarks in the contract to ensure timely expenditure of funds and to ensure that acceptable performance targets are met. The section also explains the Department's deobligation process should a municipality or entity fail to meet the performance or expenditure benchmarks. Lastly, the Funding Redistribution section explains how recaptured funds will be distributed.

**A summary of public comment received:**

NOTE: The proposed rule posted on the Department's website included a typographical error whereas a zero was omitted from the section numbers. The section numbers on the website read §§5.101 - 5.105 and should have read of §§5.1001 - 5.1005. Commenter's referenced the incorrect numbering in their comments, however, it was clear to staff the rule number they were actually referencing. The Department's response to the multiple comments relating to §5.1005 appears at the end of this BAR.

Comments were received from: (1) Arlington Housing Authority, (2) Bread of Life, Inc., (3) Child Crisis Center of El Paso, (4) City of Corpus, (5) City of Dallas, (6) City of Fort Worth, (7) Haven for Hope, (8) Mother Teresa Shelter, Inc., (9) SEARCH Homeless Services in Houston, and (10) the YWCA of El Paso.

Public Comment (1): Opposes allocating HHSP funds on a competitive basis as stated in §5.105 (§5.1005). The competitive process would needlessly delay funding to municipalities. A competitive process would force municipalities to adapt their homeless programs to conform to scoring well on the Department's request for proposal scoring factors rather than how effectively they are performing relative to their unique 10-Year Plan to End Chronic Homelessness.

Public Comment (2): Opposes §5.105 (§5.1005), which strips local governing entities of their authority to disperse funds in their respective municipalities. Each municipality is an expert on local priorities; any competitive funding would disrupt the system-wide planning that is occurring under the HEARTH Act. One-time funding will make it difficult to utilize the awarded money in a sustainable way. While decisions based on "innovation" are not inherently bad, it is essential that they are based on recognized Best Practices, evidence-based practices and in line with the State Plan.

Public Comment (3): Opposes §5.105 (§5.1005) which strips local governing entities of their authority to disperse funds in their respective municipalities. The original formula fully and adequately meets the needs of the local community. Competition will increase the uncertain nature of funding from HHSP. One-time funding will make it difficult to utilize the awarded money in a sustainable way.

Public Comment (4): Comments submitted by Mayor Joe Adame. Recommends continuation of the existing formula based on allocation methodology, which is fair and reasonable and has worked effectively and is an efficient means of award. The City strongly opposes allocating

HHSP on a competitive basis as proposed in §5.105 (§5.1005). A competitive process will detract from collaboration among the eight highest populated Texas cities and will become a distraction from the primary mission, which is to address homelessness. The competitive process would needlessly delay funding to municipalities. A competitive process would force municipalities to prepare funding applications tailored to the Department's scoring factors rather than how effectively the municipality is performing relative to their unique 10-Year Plan to End Chronic Homelessness.

Public Comment (5): Comments submitted by Mayor Michael S. Rawlings. Commenter requests continuation of the current formula. The existing formula based on allocation methodology is fair and reasonable and has worked effectively and is an efficient means of award. The City opposes allocating HHSP funds on a competitive basis. The eight highest populated cities have worked collaboratively with regard to the HHSP program and related funding. Each city has developed a 10-Year Plan to End Chronic Homelessness to address homelessness and each city utilizes all available resources to address homelessness in accordance with its locally developed Plan. A competitive process detracts from the effective collaboration and becomes a distraction from the primary mission of addressing homelessness. The lack of reference to or consideration of the locally adopted Plan in the proposed funding process unintentionally undermines the local government and our solutions to addressing homelessness in our respective communities. The competitive allocation process will force municipalities to tailor their application to score well rather than how effectively the municipality is performing relative to their unique 10-Year Plan to End Chronic Homelessness.

Public Comment (6): Recommends removal of §5.105 (§5.1005). The formula based distribution is preferred to ensure the expeditious award and distribution of funds along with local autonomy in program design. The Department is encouraged to collect targeted data to better establish the impact of HHSP dollars on the State of Texas. It is recommended that wherever possible, the Department require reports in the data format that is consistent with HUD data standards for Homeless Management Information Systems.

Department's Response: Staff will utilize performance measures that are consistent with HUD data standards for Homeless Management Information Systems.

Public Comment (7): Requested the continuation of the existing funding distribution formula. However, allocations should be subject to a highly standardized system of performance goals and expenditure benchmarks, allowing for the recapturing of funds to effective programs. In addition, commenter recommended that the Department model the operation and delivery of the HHSP after the Texas Veteran's Commission's Fund for Veteran Assistance Grant Program.

Department's Response: The Department will incorporate benchmarks into contracts.

Public Comment (8): Strongly oppose §5.105 (§5.1005), which will make 50 percent of HHSP funds available on a competitive basis. The proposed section would strip local governing entities of their authority to disperse funds in their respective municipalities and would disrupt the system-wide planning that is occurring under the HEARTH Act. The current formula for allocation of funds fully and adequately meets the needs of the local community. While decisions



based on “innovation” are not inherently bad, it is essential that they are based on recognized Best Practices, evidence-based practices and in line with the State Plan.

Public Comment (9): The proposed §5.105 (§5.1005) strips local governing entities of their authority to disperse funds in their respective municipalities. Any competitive funding would disrupt the system-wide planning that is occurring under the HEARTH Act. The original formula fully and adequately meets the needs of the local community. Competitive funding will increase the uncertain nature of funding from HHSP. One-time funding of this proposed nature makes it tremendously difficult to utilize the awarded money in a sustainable way and disrupts the ability to provide sustainable and consistent services. While decisions based on “innovation” are not inherently bad, it is essential that they are based on recognized Best Practices, evidence-based practices and in line with the State Plan.

Public Comment (10): Strongly opposes §5.105 (§5.1005), which strips local governing entities of their authority to disperse funds in their respective municipalities. Any competitive funding would disrupt the system-wide planning that is occurring under the HEARTH Act. One-time funding will make it difficult to utilize the awarded money in a sustainable way. While decisions based on “innovation” are not inherently bad, it is essential that they are based on recognized Best Practices, evidence-based practices and in line with the State Plan.

STAFF RESPONSE: Staff agrees with comments relating to §5.1005 and recommends the withdrawal of §5.1005 because the competitive process would impact the ability of the cities to plan programs which meet their local needs and address the needs in their local plan to end chronic homelessness. The section number will be reserved for future program development.

Staff recommends the deletion of the word “performance” from §5.1003(c)(2) to make clear that it refers to all benchmarks. In addition, Staff also recommends additional clarifying language in §5.1004(a)(5) and corrected a typographical error in §5.1004(b) where (a)(1)-(4) has been revised to read (a)(1)-(5).

**Attachment A: Preamble and Proposed Adoption of 10 TAC 5, §§5.1001 – 5.1004 and Withdrawal of 10 TAC 5, §5.1005 the Homeless Housing and Services Program (HHSP).**

The Texas Department of Housing and Community Affairs (the “Department”) adopts new 10 TAC Chapter 5, Subchapter J, §§5.1001 - 5.1004, concerning the Homeless Housing and Services Program (HHSP) with changes to the proposed text as published in the April 27, 2012 issue of the *Texas Register* (37 TexReg 2933). Section 5.1005 will be withdrawn as a result of substantial public comment in opposition to the section as proposed.

**JUSTIFICATION FOR RULE ACTION.** The rule is adopted to set forth requirements on how the Department will provide HHSP funds to eligible municipalities in order provide funds to support facilities and/or services to address the issues presented by homelessness, thereby improving lives and strengthening communities. Section 5.1005 will be withdrawn based on substantial public comment opposed to the new rule

**SUMMARY OF COMMENTS.** Comments were accepted from April 27, 2012 through May 29, 2012, with comments received from: (1) Arlington Housing Authority, (2) Bread of Life, Inc., (3) Child Crisis Center of El Paso, (4) City of Corpus, (5) City of Dallas, (6) City of Fort Worth, (7) Haven for Hope, (8) Mother Teresa Shelter, Inc., (9) SEARCH Homeless Services in Houston, and (10) the YWCA of El Paso.

**NOTE:** The proposed rule posted on the Department’s website included a typographical error whereas a zero was omitted from the section numbers. Commenter’s referenced the incorrect numbering in their comments, however, it was clear to staff the rule number they were actually referencing.

With regard to §§5.1001 – 5.1003, staff made a clerical correction to the citation to the Texas Government Code in order to provide for greater consistency with the manner of citation in the Texas Administrative Code in general.

§5.1002. Distribution of Funds.

**STAFF RESPONSE:** No comments received. Based on the withdrawal of §5.1005, staff removed language that referenced §5.1005.

§5.1003(c)(2). General Homeless Housing and Services Program (HHSP) Requirements.

**STAFF RESPONSE:** No comments received. However, in response to other comments to §5.1005, from commenter 7, that allocations should be subject to a highly standardized system of performance goals and expenditure benchmarks. Staff recommends deletion of the word “performance” to make clear that the term “benchmarks” refers to all benchmarks.

§5.1004. Formula.

**STAFF RESPONSE:** No Comments Received with the exceptions stated herein. Based on the withdrawal of §5.1005, staff removed language that referenced §5.1005. Staff corrected a typographical error in §5.1004(b) where (a)(1) - (4) has been revised to read (a)(1) - (5)., and made a clerical correction of the use of the “%” symbol to use the term “percentage” in order to be consistent with terminology used in the Texas Administrative Code. Staff further added

§5.1004(a)(5) in response to the 10 commenters providing comment to §5.1005, who commented that the formula used should remain the same as previously presented. The components of the formula, as presented to and approved by the Board at the September, 2011 Board meeting, included the component, "Homeless Point in Time Count." This addition of §5.1004(a)(5) in response to these commenters clarifies that the formula includes the population of homeless persons, defined as that percentage of the municipality's population comprised of homeless persons, based on the most recently available Point-In-Time Counts prepared by the Continuums of Care in Texas

§5.1005. Innovative Programs to Reduce Homelessness.

COMMENT SUMMARY: All ten organizations who submitted comments recommended deletion of §5.1005 and stated that the competitive process would impact the ability of the cities to plan programs which meet their local needs and address the needs in their local plan to end chronic homelessness.

STAFF RESPONSE: Staff agrees with the concerns expressed by the Commenter's and recommends withdrawal of §5.1005.

BOARD RESPONSE: On July 10, 2012, the Board approved staff recommendations and approved the final order adopting §§5.1001 – 5.1004 as amended, the withdrawal of §5.1005, and such non-substantive technical corrections as they may deem necessary to effectuate the foregoing.

STATUTORY AUTHORITY: The new sections are proposed pursuant to the authority of the Texas Government Code, Chapter 2306 which provides the Department with the authority to adopt rules governing the administration of the Department and its programs, including specifically Texas Government Code §2306.2585, which authorizes the Department to adopt rules to govern the administration of the Homeless Housing and Services Program. To the extent that funding sources other than unrestricted funds are utilized, such as housing trust fund balances, any HHSP activities conducted with such funds may be subject to additional restrictions. The adoption affects no other code, article, or statute.

§5.1001. *Purpose.*

In accordance with [Texas Government Code §2306.2585](#) ~~of the Texas Government Code~~, the purpose of the Homeless Housing and Services Program (HHSP) is to provide for the construction, development, or procurement of housing for homeless persons, and to provide local programs to prevent and eliminate homelessness.

§5.1002. *Distribution of Funds.*

Pursuant to the authority of [Texas Government Code §2306.2585](#) ~~of the Texas Government Code~~, the Homeless Housing and Services Program (HHSP) is available to any municipality in Texas with a population of 285,500 or more. Whenever HHSP funds are made available to any of those municipalities they shall, subject to the requirements of this rule, ~~either and~~ be distributed in accordance with the formula set forth in §5.1004 of this chapter (relating to Formula) ~~or distributed under the provisions for innovative programs set forth in §5.1005 of this chapter (relating to Innovative Programs to Reduce Homelessness).~~

*§5.1003. General Homeless Housing and Services Program (HHSP) Requirements.*

(a) Each municipality or entity that had in effect as of January 1, 2012, a contract with the Texas Department of Housing and Community Affairs (the "Department") to administer HHSP funds will remain a designated entity to receive HHSP funds in its municipality, whether that entity is the municipality itself or another entity. The Department may add to or change those entities in its discretion based on consideration of the factors enumerated in paragraphs (1) - (4) of this subsection. If the Department proposes to add or change any such entity(ies) it will publish notice thereof on its website at least twenty (20) days prior to such addition or change. If the proposal is to add an entity, the notice will include any proposed sharing of funding with other HHSP providers in the affected municipality:

- (1) whether an entity to be removed and replaced was compliantly and efficiently administering its contract;
- (2) the specific plans of any new entity to build facilities to provide shelter or services to homeless populations, and/or to provide any specific programs to serve the homeless;
- (3) the capacity of any new entity to deliver its planned activities; and
- (4) any public comment and comment by state or local elected officials.

(b) The final decision to add or change entities will be approved by the Texas Department of Housing and Community Affairs Governing Board (the "Board").

(c) A municipality or entity receiving HHSP funds may not:

- (1) be in material noncompliance under the Department's rules;
- (2) have failed to comply with any ~~performance~~ benchmarks with respect to any previous HHSP award(s); or
- (3) be in breach, after notice and a reasonable opportunity to cure, of any contract or agreement with the Department.

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(d) A municipality or entity receiving HHSP funds must enter into an agreement with the Department governing the use of such funds. If the source of funds for HHSP is funding under another specific Department program, such as the Housing Trust Fund, as authorized by [Texas Government Code §2306.2585\(c\)](#) ~~of the Texas Government Code~~, the agreement will incorporate any requirements applicable to such funding source.

(e) Any agreement for HHSP funds will include the following benchmarks:

- (1) any funds used for general operations will be expended within twelve (12) months;
- (2) any funds used for operation of training, recovery, or other programs will be expended within eighteen (18) months;
- (3) any funds used for construction, development, or procurement of housing for homeless persons of facilities will be expended within twenty-four (24) months; and
- (4) funds for any other use will be expended within twenty-four (24) months.

(f) Benchmarks may be extended for good cause by the Board.

*§5.1004. Formula.*

(a) Any funds made available for the Homeless Housing and Services Program (HHSP) that are distributed to eligible municipalities, ~~other than funds released through a Notice of Funds Availability (NOFA) pursuant to §5.1005 of this chapter (relating to Innovative Programs to Reduce Homelessness)~~, shall be distributed in accordance with a formula that takes into account:

- (1) population of the municipality, as determined by the most recent available census data;
- (2) poverty, defined as the number of persons in the municipality's population with incomes at or below the federal poverty level;
- (3) veteran populations, defined as that percentage of the municipality's population comprised of veterans, based on the data most recently published by the Texas Veterans Commission; ~~and~~
- (4) population of persons with disabilities, defined as that percentage of the municipality's population comprised of persons with disabilities, based on the data most recently available from the U.S. Census Bureau; ~~and-~~
- (5) population of homeless persons, defined as that percentage of the municipality's population comprised of homeless persons, based on the most recently available Point-In-Time Counts prepared by the Continuums of Care in Texas.

(b) The factors enumerated in subsection (a)(1) - ~~(4)~~ (5) of this section shall be used to calculate distribution percentages for each municipality based on the following formula:

- (1) ~~20% percent~~ 20% percent weight for the percentage of population;
- (2) ~~25% percent~~ 25% percent weight for poverty populations;
- (3) ~~25% percent~~ 25% percent weight for veteran populations;
- (4) ~~5% percent~~ 5% percent weight for population of persons with disabilities; and
- ~~(5) 25% percent weight for the homeless population, based on the results of the most recently available Point-In-Time Counts prepared by the Continuums of Care in Texas.~~ (5) 25% percent weight for the homeless population, based on the results of the most recently available Point-In-Time Counts prepared by the Continuums of Care in Texas.

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~~§5.1005. Innovative Programs to Reduce Homelessness.~~

~~Contingent upon Board approval, up to 50% of the Homeless Housing and Services Program (HHSP) funds made available in a calendar year may be made available on a competitive basis in accordance with a published Notice of Funds Availability (NOFA). Any NOFA will:~~

- ~~(1) be published for public comment not less than twenty (20) days prior to its becoming effective;~~
- ~~(2) provide that all eligible municipalities shall, if they apply, receive at least a portion of the funds made available in the NOFA, to be not less than 5% or more than 40% of the total funds made available under the NOFA; and~~
- ~~(3) assign priority based on the following factors, in descending order:~~
  - ~~(A) number of persons served by the entity as a percentage of the municipality's homeless population;~~
  - ~~(B) percentage of persons served by the entity who have obtained regular employment at or above 125% of federal poverty income guidelines;~~
  - ~~(C) percentage of persons served by the entity who completed a job training program;~~
  - ~~(D) percentage of persons served by the entity who completed an alcohol or substance abuse program;~~
  - ~~(E) percentage of persons served by the entity who transitioned to permanent supportive housing or other permanent housing; and~~
  - ~~(F) other factors as determined by the Department.~~

**Attachment B: Preamble and Proposed new 10 TAC 5, §§5.1006 – 5.1007, the Homeless Housing and Services Program (HHSP).**

The Texas Department of Housing and Community Affairs (the “Department”) proposes new 10 TAC Chapter 5, Subchapter J, §§5.1006 - 5.1007, concerning the Homeless Housing and Services Program (HHSP). The purpose of the proposed new sections is to establish a mechanism for the Department to set performance and expenditure benchmarks and to redistribute HHSP funds.

FISCAL NOTE. Timothy K. Irvine, Executive Director, has determined that, for each year of the first five years the new sections will be in effect, there will be no fiscal implications for state or local government as a result of enforcing or administering the new sections, and there will be no effect on local employment or local economy as result of the proposal.

PUBLIC BENEFIT/COST NOTE. Mr. Irvine also has determined that, for each year of the first five years the new sections will be in effect, the public benefit anticipated as a result of the new sections will be that assistance to eligible municipalities will enable them to provide facilities and/or services to address the issues presented by homelessness, thereby improving lives and strengthening communities. There will be no economic cost to any individuals as a result of the proposed new sections.

ECONOMIC IMPACT STATEMENT AND IMPACT ON SMALL AND MICRO BUSINESSES. The proposed new sections will have no negative effect on small businesses or persons; no anticipated economic cost to persons who are required to comply with the new section(s); will not negatively impact local employment; will not have an adverse economic affect on small businesses or micro-businesses; and will not negatively impact the local economy.

REQUEST FOR PUBLIC COMMENT. The public comment period will be held July 27, 2012 to August 24, 2012 to receive input on the new sections. Written comments may be submitted to Texas Department of Housing and Community Affairs, Rule Comments, P.O. Box 13941, Austin, Texas 78711-3941, by email to the following address: rita.garza@tdhca.state.tx.us, or by fax to (512) 475-3935. ALL COMMENTS MUST BE RECEIVED BY 5:00 P.M. AUGUST 24, 2012.

STATUTORY AUTHORITY. The new sections are proposed pursuant to the authority of the Texas Government Code, Chapter 2306 which provides the Department with the authority to adopt rules governing the administration of the Department and its programs, including specifically Texas Government Code §2306.2585, which authorizes the Department to adopt rules to govern the administration of the Homeless Housing and Services Program.

CROSS REFERENCE TO STATUTE. The proposed new sections are to implement the HHSP as established by Texas Government Code §2306.2585. To the extent that funding sources other than unrestricted funds are utilized, such as housing trust fund balances, any HHSP activities conducted with such funds may be subject to additional restrictions. The proposed new sections affect no other code, article, or statute.

§5.1006. Performance and Expenditure Benchmarks.

The Department will incorporate performance and expenditure benchmarks into each contract.

(1) All performance benchmarks will be based on Homeless Management Information Systems performance measures or other performance measures approved by the Department in writing before the start of the contract period. All performance benchmarks that are not based on Homeless Management Information System performance measures may not become effective unless the municipality in which they are to be employed has made available for fifteen (15) days an opportunity for citizen participation in accordance with its public comment process.

(2) Expenditure benchmarks will be:

(A) 10 percent of the contract amount must be expended by the end of the first quarter;

(B) 40 percent expended by the end of the second quarter

(C) 75 percent expended by the end of the third quarter;

(D) 100 percent expended by the end of the contract period; and

(E) a municipality or entity administering a contract may ask for a different expenditure deadline before the start of the contract period and the Department staff will evaluate these requests. The Department may approve, reject, or approve with modifications in its sole discretion based on its assessment of the proposed activities, the legitimate need for alternative benchmarks, the risks of timely and compliant expenditure presented, and other relevant factors presented.

(3) Each such municipality or entity will have to submit a quarterly benchmark report to the Department no later than thirty (30) days after the end of each contract quarter and the Department will provide a letter within thirty (30) days if the municipality or entity is out of compliance with benchmarks giving notice of such noncompliance and setting forth any reasonable opportunity for corrective or curative action, the consequences of failure to correct or cure, and any opportunity for appeal of such consequences. If a municipality or entity is out of compliance with performance or expenditure benchmarks, the Department staff may deobligate all or a portion of any remaining funds under the contract.

(4) Each municipality or entity will be monitored annually by the Department either through a desk review or in-person monitoring review to determine contract compliance.

(5) In the monitoring process if non-compliant expenditures have been made and cannot be corrected or cured, the Department may recapture such funds. Recapture amounts are immediately due and payable to the Department in full.

§5.1007. Funding Redistribution.

If HHSP funds are remaining at the close of the contract period, are voluntarily or involuntarily deobligated by a municipality or entity, or are recaptured through a monitoring review, and statutory deadlines remain in which to spend the funds, the Department will reallocate funds in accordance with §5.1004 of this chapter (relating to Formula), except that any municipality or entity that has not met or did not meet its expenditure benchmarks for the contract period in which funds are being redistributed from or which is in material noncompliance will be ineligible for this funding redistribution.



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**BOARD ACTION REQUEST**  
**TEXAS HOMEOWNERSHIP DIVISION**

**July 10, 2012**

Presentation, Discussion, and Possible Action to publish a proposed new rule, 10 TAC Chapter 8, §§8.1 - 8.9, regarding the Taxable Mortgage Program (TMP), for public comment and publication in the *Texas Register*.

**RECOMMENDED ACTION**

**WHEREAS**, the Department's Governing Board approved issuance of an RFP for a Market Rate GNMA Taxable Mortgage Program, (previously referred to as the "TBA" program) program administrator for the Texas First Time Homebuyer Program on December 15, 2011, and

**WHEREAS**, staff has identified the need to publish rules to implement the Taxable Mortgage Program,

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

**BACKGROUND**

Historically, TDHCA has borrowed money in the tax-exempt bond market by issuing mortgage revenue bonds (MRBs) under the department's statutory authority relating to the bond ceiling to fund the First Time Homebuyer Program. Because the interest income from the bonds is exempt from federal income taxes, investors were willing to purchase the bonds at lower interest rates. These lower borrowing costs allowed the Department to use bond proceeds to make loans at below-market rates. However, mortgage rates are lower than tax-exempt bond rates (meaning the MRB spread is negative) and the Department's cost of borrowing in the tax-exempt bond market is higher than the rate at which the Department could competitively offer and originate mortgage loans. As a result, many Housing Finance Agencies are turning to non-bond Mortgage Backed Security (MBS) Programs or "TBA" Programs to fulfill the mission of providing affordable home ownership. The TMP program is such a program.

The TMP market facilitates the forward trading of MBSs issued by Ginnie Mae and the Government Sponsored Enterprises (GSEs) (Fannie Mae and Freddie Mac). In a TMP trade, the seller and buyer agree to the type of security, coupon, face value, price and settlement date at the

time of the trade but do not specify the actual pools to be traded. The securities are “to be announced” two business days prior to the trade settlement date.

In order for the Department to provide loans to low to moderate income homebuyers, the Department is creating a TMP Program (called the Taxable Mortgage Program) as a tool to fund the First Time Homebuyer Program in order to take advantage of this opportunity. The program will be paid for from revenues generated by the packaging and sale of the TMP MBSs. An Escrow Agreement will be negotiated and established to limit the recourse on the servicer, who will deliver the loans and provide the funds for down payment assistance (DPA) and on the purchaser, who will acquire the MBSs comprising the loans, both the first lien and the DPA. The amount of the escrow will be \$2 million, coming from the cost of issuance funds.

## **Attachment 1: Preamble and proposed new 10 TAC Chapter 8.**

The Texas Department of Housing and Community Affairs (the “Department”) proposes new 10 TAC Chapter 8, §§8.1 – 8.9 concerning the Taxable Mortgage Program. The purpose of the proposed new sections is to set forth procedures for implementing the new Taxable Mortgage Program. The proposed sections establish definitions for the program and procedures for submitting requests or initiating proposals, sets restrictions, and occupancy and use requirements. The proposed rules create application procedures and requirements for commitment by mortgage lenders, and criteria for approving mortgage lenders and provide that there are no restrictions on resale of a residence.

**FISCAL NOTE.** Timothy K. Irvine, Executive Director, has determined that, for each year of the first five years the new rule will be in effect, enforcing or administering the new rule does not have any foreseeable implications related to costs or revenues of the state or local governments.

**PUBLIC BENEFIT/COST NOTE.** Mr. Irvine also has determined that, for each year of the first five years the new rule will be in effect, the public benefit anticipated as a result of the new rule will be from the affordable interest rates the Department will be able to offer and the down payment and closing cost assistance. There will be no economic cost from the state to any individuals required to comply with the new rule.

**ADVERSE IMPACT ON SMALL OR MICRO-BUSINESSES.** The Department has determined that there will be no economic effect on small or micro-businesses.

**REQUEST FOR PUBLIC COMMENT.** The public comment period will be held July 27 to August 28, 2012 to receive input on the new sections. Written comments may be submitted to Texas Department of Housing and Community Affairs, Rule Comments, P.O. Box 13941, Austin, Texas 78711-3941, by email to Dina Gonzalez at the following address: [dina.gonzalez@tdhca.state.tx.us](mailto:dina.gonzalez@tdhca.state.tx.us), or by fax to (512) 475-4798. **ALL COMMENTS MUST BE RECEIVED BY 5:00 P.M. AUGUST 28, 2012.**

**STATUTORY AUTHORITY.** The new sections are proposed pursuant to Texas Government Code §2306.053 which authorizes the Department to adopt rules. More specifically, Texas Government Code §2306.141 is authorized to adopt rules governing the administration of its housing programs. The proposed new rule affects no other code, article, or statute.

### **§8.1. Purpose.**

The purpose of the Taxable Mortgage Program is to facilitate the origination of single-family mortgage loans and to refinance existing mortgage loans for eligible homebuyers and in both cases to provide down payment and closing cost assistance.

## **§8.2. Definitions.**

(a) Applicable Median Family Income--The Department's determination, as permitted by Texas Government Code §2306.123, of the median income of a family for an area using the source or methodology acceptable under §143(f) of the Code. Amounts of the Applicable Median Family Income, as updated from time to time, may be found on the Department's website in the "Combined Income and Purchase Price Limits Table."

(b) Applicant--A person or persons applying for financing or refinancing of a mortgage loan under the Program.

(c) Area of Chronic Economic Distress--Those areas in Texas, whether one or more, designated from time to time as areas of chronic economic distress by the state and approved by the Secretaries of Treasury and Housing and Urban Development, respectively, pursuant to §143(j) of the Code.

(d) Average Area Purchase Price--With respect to a Residence financed under the Program, the average purchase price of single-family residences in the statistical area in which the Residence is located which were purchased during the most recent twelve (12) month period for which statistical information is available, as determined in accordance with §143(e) of the Code.

(e) Code--The Internal Revenue Code of 1986, as amended from time to time.

(f) Program--The Taxable Mortgage Program.

(g) Purchase Price Limit--The Purchase Price Limits published and updated from time to time in the "Combined Income and Purchase Price Limits Table" found on the Department's website equal to 90 percent of the Average Area Purchase Price, subject to certain exceptions for Targeted Area Loans.

(h) Regulations--The applicable proposed, temporary or final Treasury Regulations promulgated under the Code or, to the extent applicable to the Code, under the Internal Revenue Code of 1954, as such regulations may be amended or supplemented from time to time.

(i) Residence--A dwelling in Texas in which an Applicant intends to reside as the Applicant's principal residence.

## **§8.3. Procedures for Submitting Requests or Inviting Proposals.**

The Department will publish requests for proposals as needed for the purchase and sale of mortgage loans or interests in the mortgage loans. Based on published scoring criteria, an organization will be selected and a contract executed with the Department to carry out these responsibilities.

#### **§8.4. Restrictions on Residences Financed and Applicant.**

- (a) Type of Residence and Number of Units: To be eligible for assistance under the Program an Applicant must apply with respect to a home that is either a new or existing single family home, new or existing condominium or town home, or manufactured housing that has been converted to real property in accordance with the Texas Occupations Code, Chapter 1201 or FHA guidelines as required by the Department. A duplex may be financed under the Program as long as one unit of the duplex is occupied by the Applicant as his or her Residence and the duplex was first occupied for residential purposes at least five years prior to the closing of the mortgage loan.
- (b) Location of Residence. The Residence being financed must be located in Texas.
- (c) Homebuyer Education. Each Applicant must complete a Department approved pre-purchase homebuyer education course.
- (d) Income Limits. Applicants applying for a mortgage loan must meet Applicable Median Family Income requirements.
- (e) Down Payment Assistance. All Applicants meeting the Income Limit requirements in section (d) of this section above may qualify for down payment and closing cost assistance in connection with the mortgage loan on a first come, first served basis, subject to availability of funds.

#### **§8.5. Occupancy and Use Requirements.**

- (a) Occupancy requirement. The Applicant must occupy the home within sixty (60) days after the date of closing as his or her Residence. There is no occupancy requirement beyond the sixty (60) days. Borrower's receiving DPA must repay the amount of assistance whenever they sell the property.
- (b) Prohibited uses. Applicants may not use the property, or any part thereof, as an investment property, rental property, vacation or second home, or recreational home.

#### **§8.6. Application Procedure and Requirements for Commitments by Mortgage Lenders.**

- (a) Applicants seeking assistance under the Program must first contact a participating mortgage lender. A list of participating mortgage lenders may be obtained on the Department's website or by contacting the Department.
- (b) All Applicants shall complete an application with a participating mortgage lender.
- (c) Application Fees. Fees that may be collected by the mortgage lender from the Applicant relating to a mortgage loan include:
  - (1) an appropriate, as determined by the Department, origination fee and/or buyer/seller points;

(2) all usual and reasonable settlement or financing costs that are permitted to be so collected by Federal Housing Administration (FHA), Veteran's Administration (VA), Rural Housing Services (RHS), Freddie Mac or Fannie Mae, as applicable, and other applicable laws, but only to the extent such charges do not exceed the usual and reasonable amounts charged in the area in which the home is located. Such usual and reasonable settlement or financing costs shall include an application fee as determined by the Department, the total estimated costs of a credit report on the Applicants and an appraisal of the property to be financed with the mortgage loan, title insurance, survey fees, credit reference fees, legal fees, appraisal fees and expenses, credit report fees, FHA insurance premiums, private mortgage guaranty insurance premiums, VA guaranty fees, VA funding fees, RHS guaranty fees, hazard or flood insurance premiums, abstract fees, tax service fees, recording or registration fees, escrow fees, and file preparation fees.

(d) The Department will determine from time to time, a schedule of fees and charges necessary for expenses and reserves of the housing finance division as set forth in a Board resolution.

(e) The Mortgage Lender must register the mortgage loan in accordance with the Department's published procedures.

#### **§8.7. Criteria for Approving Participating Mortgage Lenders.**

To be approved by the Board for participation in the program, a mortgage lender must meet the requirements to be a qualified mortgage lender as specified by:

(1) Federal Housing Administration (FHA);

(2) Veteran's Administration (VA);

(3) Rural Housing Service's (RHS); and

(4) be a lender currently participating in the conventional home lending market for loans originated in accordance with Fannie Mae's and/or Freddie Mac's requirements;

(5) agree to originate mortgage loans and assign those loans and related mortgages and servicing to the Department's master servicer;

(6) originate, process, underwrite, close and fund originated loans; and

(7) be an approved seller/servicer with the program's master servicer.

#### **§8.8. Resale of the Residence.**

There are no Program restrictions on resale of the Residence. Assumption of a mortgage loan is allowed under the Program if the new owner meets the Program requirements at the time of the sale of the Residence.

**§8.9. Waiver.**

The Board, in its discretion and within the limits of federal and state law, may waive any one or more of the rules governing this Program if the Board finds that waiver is appropriate to fulfill the purposes or polices of Texas Government Code, Chapter 2306, or for good cause, as determined by the Board.



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**BOARD ACTION REQUEST**  
**FINANCIAL ADMINISTRATION DIVISION**  
**JULY 10, 2012**

Presentation, Discussion, and Possible Action regarding the proposed repeal of 10 TAC Chapter 1 §1.6, concerning Historically Underutilized Businesses and proposal of a new 10 TAC Chapter 1 §1.6, concerning Historically Underutilized Businesses, for public comment and publication in the *Texas Register*

**RECOMMENDED ACTION**

**WHEREAS**, the current rules of the Comptroller of Public Accounts concerning Historically Underutilized Businesses (“HUB”) have be amended and

**WHEREAS**, the Department wishes to conform its policies regarding HUBs to these new rules,

**RESOLVED**, that the Executive Director and his designees be and each of them is hereby authorized, empowered and directed, for and on behalf of the Department, to cause the proposed repeal and the proposed new rules, in the form presented to this meeting, to be published in the *Texas Register*, and in connection therewith, to make such non-substantive corrections as they may deem necessary to effectuate the foregoing.

**BACKGROUND**

The Department’s current rule regarding HUBs became effective January 28, 2001. Since that time, the State of Texas through the Comptroller of Public Accounts conducted a Historically Underutilized Business Disparity Study. The study provided updated information, and the current state goals for HUB participation were modified. In order to incorporate the Comptroller’s latest policies in the Department’s rules the Department will reference 34 TAC, Part 1, Chapter 20, Subchapter B, §§20.10 - 20.28 relating to the Comptroller of Public Accounts HUB Rules. The proposed repeal of the Department’s current rule (See Attachment A) and proposed new rule (See Attachment B), referencing the adoption of the Comptroller HUB Program rule, will ensure that the Department’s HUB policy is consistent with the recent changes made by the Comptroller.

**Attachment A: Preamble and Proposed Repeal, 10 TAC Chapter 1 §1.6 concerning Historically Underutilized Businesses.**

The Texas Department of Housing and Community Affairs (the “Department”) proposes the repeal of 10 TAC Chapter 1, §1.6, Historically Underutilized Businesses. The section is proposed for repeal because the Department is proposing a new §1.6 to specify the requirements for historically underutilized businesses in accordance with new Comptroller of Public Accounts historically underutilized business rules. The proposed new§1.6 is published concurrently with this repeal in this issue of the *Texas Register*.

FISCAL NOTE. Timothy K. Irvine, Executive Director, has determined that, for each year of the first five years the repeal of the section will be in effect, there will be no fiscal implications for state or local government as a result of enforcing or administering the repeal, and there will be no effect on local employment or a local economy as result of the proposal.

PUBLIC BENEFIT/COST NOTE. Mr. Irvine also has determined that, for each year of the first five years the repeal of the section will be in effect, the public benefit anticipated as a result of the repeal will be allowing the proposal and adoption of a new HUB rule that is consistent with the current state rules regarding HUB’s as determined by the comptroller. There will be no economic cost to any individuals as a result of the proposed repeal.

ADVERSE IMPACT ON SMALL AND MICRO BUSINESSES. The Department has determined that there will be no economic affect on small or micro-businesses.

REQUEST FOR PUBLIC COMMENT. The public comment period will be held July 27, 2012 to August 27, 2012 to receive input on the repeal. Written comments may be submitted to Texas Department of Housing and Community Affairs, Rule Comments, P.O. Box 13941, Austin, Texas 78711-3941, by email to the following address: [julie.dumbeck@tdhca.state.tx.us](mailto:julie.dumbeck@tdhca.state.tx.us), or by fax to (512) 475-2672. ALL COMMENTS MUST BE RECEIVED BY AUGUST 27, 2012 4:00 P.M.

STATUTORY AUTHORITY. The repeal is proposed pursuant to the authority of the Texas Government Code, Chapter 2306 which provides the Department with the authority to adopt rules governing the administration of the Department and its programs, and Texas Government Code, §2161.003 which provides authority to agencies to adopt comptroller HUB rules at 34 TAC §§20.10 - 20.28.

CROSS REFERENCE TO STATUTE. The proposed repeal affects no other code, article, or statute.

§1.6. Historically Underutilized Businesses.

**Attachment B: Preamble and Proposed New 10 TAC Chapter §1.6, concerning Historically Underutilized Businesses.**

The Texas Department of Housing and Community Affairs (the “Department”) proposes new 10 TAC Chapter 1, §1.6, concerning Historically Underutilized Businesses. The purpose of this proposed new section is to incorporate the new policies contained in the most recent version of the Comptroller of Public Accounts historically underutilized businesses rules.

FISCAL NOTE. Timothy K. Irvine, Executive Director, has determined that, for each year of the first five years the new section will be in effect, enforcing or administering the proposed new rule does not have any foreseeable implications related to costs or revenues of the state or local governments. .

PUBLIC BENEFIT/COST NOTE. Mr. Irvine also has determined that, for each year of the first five years the new section will be in effect, the public benefit anticipated as a result of the new rule will be that the Department’s HUB policy will be consistent with the state’s rules as determined by the comptroller. There will be no economic cost to any individuals required to comply with the proposed new rule.

ADVERSE IMPACT ON SMALL AND MICRO BUSINESSES. The Department has determined that there will be no economic effect on small or micro-businesses.

REQUEST FOR PUBLIC COMMENT. The public comment period will be held July 27, 2012 to August 27, 2012 to receive input on the new section. Written comments may be submitted to Texas Department of Housing and Community Affairs, Rule Comments, P.O. Box 13941, Austin, Texas 78711-3941, by email to the following address: julie.dumbeck@tdhca.state.tx.us, or by fax to (512) 475-2672. ALL COMMENTS MUST BE RECEIVED BY AUGUST 27, 2012 4:00 P.M.

STATUTORY AUTHORITY. The new section is proposed pursuant to the authority of the Texas Government Code, Chapter 2306 which provide the Department with the authority to adopt rules governing the administration of the Department and its programs and pursuant to the authority of Texas Government Code, §2161.003 which provides state agencies authority to adopt comptroller HUB rules at 34 TAC §§20.10 - 20.28.

**§1.6. Historically Underutilized Businesses.**

It is the policy of the Department to encourage the use of Historically Underutilized Businesses (HUB). The purpose of the HUB program is to promote full and equal business opportunities for all businesses in an effort to remedy disparity in state procurement and contracting in accordance with the HUB goals specified in the State of Texas Disparity Study. The Department and all its programs comply with the Texas Comptroller of Public Accounts HUB Program rules at 34 TAC §§20.10 - 20.28 (relating to the Historically Underutilized Business Program) which describe the minimum steps and requirements to be undertaken by the comptroller and state agencies to fulfill the state's HUB policy and attain aspirational goals recommended by the Texas Disparity Study.

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**BOARD ACTION REQUEST**  
**NEIGHBORHOOD STABILIZATION PROGRAM**  
**July 10, 2012**

Presentation, Discussion, and Possible Action regarding the recommendation to approve extension of NSP1 Contracts.

**Recommended Action**

**WHEREAS**, the Department entered into NSP1 contracts on September 1, 2009, a number of which had original expiration dates of August 31, 2011, and;

**WHEREAS**, the contracts with August 31, 2011 expiration have exhausted all administrative extensions, and further extensions require approval by the TDHCA Board; therefore be it

**RESOLVED**, that the Executive Director or his designee be and each of them hereby are authorized, empowered, and directed, for and on behalf of this Board to approve extensions of NSP1 contracts to enable their full, timely, and compliant completion and in connection therewith to execute, deliver, and cause to be performed such amendments, documents, and other writings as they or any of them may deem necessary or advisable to effectuate the foregoing including, but not limited to the following NSP1 Contracts: 77090000104, Tarrant County Housing Partnership; 77090000105, Brownsville Housing Authority; 77090000106, City of Irving; 77090000107, City of Laredo; 77090000110, City of Galveston Grants and Housing Department; 77090000112, City of El Paso; 77090000113, San Benito Housing Authority; 77090000123, City of Harlingen; 77090000125, San Antonio Alternative Housing Corporation; 77090000146, City of Austin; 77090000150, Community Development Corporation of Brownsville; 77090000154, City of Port Arthur; 77090000155, City of Garland; 77090000158, City of Odessa; 77090000160, City of Lubbock; 77090000163, City of Beaumont; 77090000169, Hidalgo County Housing Authority; 77090000213, Austin Habitat for Humanity; 77099999120, City of Bryan; 77099999121, City of Seguin; 77099999124, City of Waelder; 77099999126, City of Huntsville; 77099999141, City of San Marcos; 77099999170, Midland County Housing Authority; 77099999200, Bryan-College Station Habitat for Humanity, be and hereby are approved as presented to this meeting, and;

**FURTHER RESOLVED**, that all such extensions and approvals shall be reported to this Board.

**Background**

The Neighborhood Stabilization Program (NSP) is a HUD-funded program authorized by HR3221, the "Housing and Economic Recovery Act of 2008" (HERA), as a supplemental allocation to the Community Development Block Grant (CDBG) Program through an amendment to the existing State of Texas 2008 CDBG Action Plan. The purpose of the program is to redevelop into affordable housing, or acquire and hold, abandoned and foreclosed properties in areas that are documented to have the greatest need for arresting declining property values as a result of excessive foreclosures.

Many NSP Subgrantees have experienced significant difficulty in completing the projects required under their NSP1 contracts. Difficulties have been created by changing federal guidance early in the program, local market conditions, and lack of subrecipient capacity. NSP staff continues to work closely with subrecipients to provide both remote and on-site technical assistance, along with assistance and training provided through HUDs NSP Technical Assistance program. Many subrecipients have now completed the initial phases of their NSP programs, and are working to sell homes to eligible households.

The NSP Contracts for Purchase and Rehabilitation activities originally had end-dates of August 31, 2011. The NSP Rule allows the Executive Director to extend contracts up to one year, further extensions require Board approval; such extensions were approved by the Executive Director. As the NSP has evolved, it has become apparent that the original end dates for the contracts were too ambitious, and that subrecipients will require additional time to sell homes that have been previously purchased and rehabilitated.

Approval of extension for the contracts as listed, and for additional contracts for which extension requests have not been received, is conditioned on receipt of an acceptable work-out plan that includes identification of the issues that have prevented timely completion of the NSP Contract, along with a plan to mitigate those issues. Extensions may not exceed the time required to complete and occupy NSP properties, and in no instance may they exceed one year or March 2013.

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**BOARD ACTION REQUEST**  
**MULTIFAMILY FINANCE DIVISION**

**July 10, 2012**

Presentation, Discussion, and Possible Action regarding an Inducement Resolution for Multifamily Housing Revenue Bonds and an Authorization for Filing Applications for Private Activity Bond Authority – 2012 Waiting List.

**RECOMMENDED ACTION**

**WHEREAS**, the Board approval of the inducement resolution is the first step in the application process for a multifamily bond issuance; and

**WHEREAS**, the inducement allows staff to submit an application to the Bond Review Board (BRB) to await a Certificate of Reservation; and

**WHEREAS**, the Executive Award and Review Advisory Committee recommends the issuance of the Inducement Resolution; therefore,

It is hereby,

**RESOLVED**, that the Inducement Resolution (#12-034) to proceed with the application submission to the Bond Review Board for possible receipt of State Volume Cap issuance authority from the 2012 Private Activity Bond Program for E. Thurman Walker Living Center (#12603) is hereby adopted in the form presented to this meeting.

**BACKGROUND**

The Texas Bond Review Board (BRB) administers the state's annual bond authority for the State of Texas. The Department is an issuer of Private Activity Bonds and each issuer's Board is required to induce an application for bonds prior to the submission to the BRB. Approval of the inducement resolution does not constitute approval of the Development but allows the Applicant the opportunity to proceed with the application phase of the process. Once the application receives a Certificate of Reservation, the Applicant has 150 days to close on the private activity bond transaction.

During the 150 day process, the Department will review the Applicant's complete application for threshold and compliance with the Department's Rules and underwrite the transaction in accordance with the Real Estate Analysis Rules. The Department will schedule and conduct a public hearing in the community of the proposed location of the development. The complete application including a transcript from the hearing will then be presented before the Board for a decision on the actual approval issuance of bonds as well as the determination of housing tax credits.

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 \$536 million is set aside for multifamily until August 15<sup>th</sup> for the 2012 program year which includes the TDHCA set aside of approximately \$108 million. Inducement Resolution 12-034 represents the first application submitted to the BRB for the 2012 program year and will reserve approximately \$15 million in state volume cap.

The proposed development would be located at 301 Spriggsdale Ave. in San Antonio, Bexar County. The development is new construction and consists of 252 total units serving seniors. This transaction is Priority 3 consisting of both low income and market rate units. Demographics for the census tract (1308.00) include AMFI of \$36,916; the total population is 3,707; the percent of population that is minority is 96.30%; the percent of population that is below the poverty line is 27.53%; the number of owner occupied units is 890; the number of renter units is 438 and the number of vacant units is 132. (Census information from FFIEC Geocoding for 2011).

*Public Comment:* The Department has received one letter of support from Senator Carlos Uresti and one letter of support from the Coliseum Oaks Home Owners Association. The Department has not received any letters of opposition.

## RESOLUTION NO. 12-034

RESOLUTION DECLARING INTENT TO ISSUE MULTIFAMILY REVENUE BONDS WITH RESPECT TO RESIDENTIAL RENTAL DEVELOPMENT; AUTHORIZING THE FILING OF APPLICATION FOR ALLOCATION 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 the multifamily residential rental development (the "Development") more fully described in Exhibit A attached hereto. The ownership of the Development as more fully described in Exhibit A will consist of the ownership entity and its principals or a related person (the "Owner") within the meaning of the Internal Revenue Code of 1986, as amended (the "Code"); and

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

WHEREAS, the 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 the Development will be occupied at all times by eligible tenants, as determined by the Board pursuant to the Act ("Eligible Tenants"), that the other requirements of the Act and the Department will be satisfied and that the 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 the Owner for the costs associated with the 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 the Owner, the Department reasonably expects to incur debt in the form of tax-exempt and taxable obligations for purposes of paying the costs of the 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 the 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 has determined to declare its intent to issue its multifamily revenue bonds for the purpose of providing funds to the Owner to finance the 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) the 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) the 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 Owner is financially responsible;
- (d) the financing of the Development is a public purpose and will provide a public benefit; and
- (e) the Development will be undertaken within the authority granted by the Act to the Department and the 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 the Owner to provide financing for its Development in an aggregate principal amount not to exceed those amounts, corresponding to the 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 the 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 the 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 the 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 the 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 the Owner, the Department reasonably expects that the maximum principal amount of debt issued to reimburse the Owner for the costs of the Development will not exceed the amount set forth in Exhibit A which corresponds to the Development.

Section 6–Limited Obligations. The Owner may commence with the acquisition and construction or rehabilitation of the 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, the 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 the Owner for the costs of the Development and the 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 the Owner to provide financing for the 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 Development, which is to be occupied entirely by Eligible Tenants, as determined by the Department, and 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 the Owner for costs of its Development.

Section 9–Costs of Development. The Costs of the 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 the 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. The 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 Owner 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 Owner nor any one claiming by, through or under the 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 the 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 Bracewell & Giuliani LLP 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 the 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 the Development’s necessary review and legal documentation for the filing of an Application for the 2012 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 the 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 Owner.

Section 16–Declaration of Official Intent. This Resolution constitutes the Department’s official intent for expenditures on Costs of the 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 the 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 the 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 the Application on behalf of the Department and to cause the same to be filed with the Bond Review Board.

Section 18–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 19–Notice of Meeting. This Resolution was considered and adopted at a meeting of the Board that was noticed, convened, and conducted in full compliance with the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, and with §2306.032 of the Texas Government Code, regarding meetings of the Board.

Section 20–Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

*[Execution page follows]*

PASSED AND APPROVED this 10<sup>th</sup> day of July, 2012.

[SEAL]

By: \_\_\_\_\_  
Chairman, Governing Board

Attest: \_\_\_\_\_  
Secretary to the Governing Board



EXHIBIT "A"

Description of the Owner and the Development

Project Name	Owner	Principals	Amount Not to Exceed
E. Thurman Walker Living Center	MAUC Point East Housing I, LP	The General Partner is MAUC Point East Development I, L.L.C., a Texas corporation. The managing member is Mexican American Unity Council, Inc., a Texas corporation, or other entity. Mexican American Unity Council, Inc., or other entity, will own approximately a 99% membership interest in MAUC Point East Housing I, LP	\$15,000,000
<p>Costs: Construction of a 252-unit senior community located on 10.077 acres at 301 Spriggsdale Avenue, San Antonio, Bexar County, Texas 78220.</p>			

**R1**

**BOARD REPORT**  
**PROGRAM SERVICES**  
**July 10, 2012**

**Report Item**

Update on the Status of the Preparation of the State of Texas Plan for Fair Housing Choice: Analysis of Impediments

**Background**

BBC Research & Consulting, Inc. (BBC) is the vendor selected to complete the State of Texas Plan for Fair Housing Choice: Analysis of Impediments (AI). Staff submits monthly Board updates on the progress of the AI based on BBC status reports and staff activities.

Highlights of activities in June include:

- Continued marketing stakeholder and resident surveys. As of June 27, 2012, we have received 556 stakeholder and 314 resident surveys. The resident surveys are in addition to the 586 resident surveys completed via telephone.
- Finalized stakeholder outreach list for announcement of the online stakeholder focus groups.
- Continued sundown town and NIMBYism research.
- Subcontractors Morningside Research and Consulting and Community Solutions conducted interviews with stakeholders.
- Reformatted Phase 1 AI report into format consistent with Phase 2 AI. Incorporated information from demographics and housing market analysis from Phase 1 into the Phase 2 report.
- Developed draft scripts for focus groups.

R2

# HOME Investment Partnership Program Report Item

## Summary Report for June 2012 and Year-to-Date

Activity Type	<u>Funded/Awarded for June</u>		<u>Funded/Awarded for Year</u>		<u>Draws for June</u>		<u>Draws for Year</u>		<u>Setups for June</u>		<u>Setups for Year</u>	
	RSP	Contracts	RSP	Contracts	RSP	Contracts	RSP	Contracts	RSP	Contracts	RSP	Contracts
CFD	\$0	\$0	\$0	\$0	\$0	\$0	\$52,845	\$0	0	0	0	0
CHDO Operating	\$0	\$0	\$0	\$50,000	\$0	\$0	\$0	\$18,740	0	0	0	0
Development Single Family New Co	\$0	\$0	\$0	\$300,000	\$0	\$0	\$0	\$648,984	0	0	0	5
HBA	\$0	\$0	\$0	\$0	\$0	\$59,255	\$0	\$523,214	0	2	0	14
HBA/Rehab	\$239,225	\$0	\$1,206,182	\$334,500	\$178,225	\$226,749	\$885,396	\$444,763	16	2	65	15
HRA	\$1,462,857	\$0	\$5,714,664	\$16,423,000	\$133,315	\$840,683	\$773,499	\$5,564,189	18	28	72	78
MFD	\$0	\$0	\$0	\$5,703,033	\$0	\$1,596,175	\$0	\$9,554,379	0	1	0	10
TBRA	\$331,766	\$0	\$1,789,297	\$324,000	\$227,490	\$63,814	\$1,112,635	\$582,024	35	9	178	53
<b>Sub Totals:</b>	\$2,033,848	\$0	\$8,710,143	\$23,134,533	\$539,030	\$2,786,676	\$2,824,375	\$17,336,292	69	42	315	175
<b>Totals:</b>	\$2,033,848		\$31,844,676		\$3,325,705		\$20,160,667		111		490	

CFD - Contract For Deed

CHDO - Community Housing Development Organization

HRA - Homeowner Rehabilitation

HBA - Homebuyer Assistance

RHD - Rental Housing Development

RSP - Reservation System Participant

TBRA - Tenant Based Rental Assistance

R3

## TDHCA Outreach Activities, June 2012

*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*

<b>Event</b>	<b>Location</b>	<b>Date</b>	<b>Division</b>	<b>Purpose</b>
Lender Training/To Be Announced Mortgage Program	Dallas	June 1	Home Ownership	Training
Housing & Health Services Coordination Council (HHSCC) Public Forum	Austin	June 6	Housing Resource Center	Public Hearing
HHSCC Public Forum	Corpus Christi	June 7	Housing Resource Center	Public Hearing
First Thursday Income Eligibility Training	Austin	June 8	Compliance	Training
HHSCC Public Forum	Plano	June 11	Housing Resource Center	Public Hearing
2013 Qualified Allocation Plan Roundtable	Austin	June 15	Multifamily Finance	Roundtable Hearing
Open Discussion – Community Services Block Grant Program	Austin	June 18	Community Affairs	Roundtable Hearing
United Texas – Housing Initiatives That Work Realtor Class	Houston	June 18	Home Ownership	Training
HHSCC Public Forum	Lubbock	June 19	Housing Resource Center	Public Hearing
Open Discussion – Comprehensive Energy Assistance Program	Austin	June 19	Community Affairs	Roundtable Hearing
Open Discussion – Weatherization Assistance Program	Austin	June 19	Community Affairs	Roundtable Hearing
United Texas – Housing Initiatives That Work Realtor Class	Abilene	June 20	Home Ownership	Training
Section 811 Project Rental Assistance Demonstration (PRA Demo) Program Application Roundtable	San Antonio	June 21	Housing Resource Center	Roundtable Hearing
Section 811 PRA Demo Application Roundtable	Austin	June 22	Housing Resource Center	Roundtable Hearing
Disability Advisory Work Group	Austin	June 25	Housing Resource Center	Participant
Section 811 PRA Demo Application Roundtable	El Paso	June 26	Housing Resource Center	Roundtable Hearing
Section 811 PRA Demo Application Roundtable	Houston	June 28	Housing Resource Center	Roundtable Hearing
Section 811 PRA Demo Application Roundtable	Dallas	June 29	Housing Resource Center	Roundtable Hearing

## Internet Postings of Note, June 2012

*A list of new or noteworthy documents posted to the Department's Web site*

**HTC Applicable Percentages and Calculation of Underwriting Rates** — *used to determine the allocation amount of the credits, as defined in Section 42(b) of the Internal Revenue Code:*

[www.tdhca.state.tx.us/rea/index.htm#tools](http://www.tdhca.state.tx.us/rea/index.htm#tools)

**2012 Competitive HTC Application Submission Log** — *reflecting the latest scores and review status of Housing Tax Credit applications:*

[www.tdhca.state.tx.us/multifamily/htc/index.htm](http://www.tdhca.state.tx.us/multifamily/htc/index.htm)

**2012 9% Housing Tax Credit Underwriting Reports** — *relating to the 2012 HTC allocation cycle and updated as underwriting reports are completed:*

[www.tdhca.state.tx.us/rea/index.htm](http://www.tdhca.state.tx.us/rea/index.htm)

**Emergency Solutions Grant (ESG) Program - Resources on HUD's Homeless Resource Exchange** — *linking to webinars and other federal resources impacting the administration of the Emergency Solutions Grant Program:*

[www.tdhca.state.tx.us/community-services/esgp/guidance-solutions.htm](http://www.tdhca.state.tx.us/community-services/esgp/guidance-solutions.htm)

**RFP - Comprehensive Analysis of Service-Enriched Housing Financing Practices** — *to identify a vendor to provide a comprehensive study of best practices in service-enriched housing and propose recommended actions (links to Comptroller's Web site):*

[http://esbd.cpa.state.tx.us/bid\\_show.cfm?bidid=100804](http://esbd.cpa.state.tx.us/bid_show.cfm?bidid=100804)

**Analysis of Impediments to Fair Housing Choice – Schedule of Tasks and Research Approach** — *reflecting timeframes, milestone dates, and percentages of work completed toward completion of the State Plan:*

[www.tdhca.state.tx.us/program-services/fair-housing/analysis-impediments-2010-2.htm](http://www.tdhca.state.tx.us/program-services/fair-housing/analysis-impediments-2010-2.htm)

**TDHCA Complaint System** — *including significant changes in language designed to make clearer to members of the general public how to file a complaint with the appropriate TDHCA Division or state agency:*

[www.tdhca.state.tx.us/complaint.htm](http://www.tdhca.state.tx.us/complaint.htm)

**Program Services – Minimizing Resident Displacement** — *detailing compliance, laws, and rules relating to resident relocation and acquisition of real property by Housing Tax Credit, HOME, or NSP activities:*

[www.tdhca.state.tx.us/program-services/index.htm](http://www.tdhca.state.tx.us/program-services/index.htm)

**2012 4% Housing Tax Credit and Tax Exempt Bond Process Manual** — *providing an overview of the programs, how to request tax credits, how to select a bond issuer, Texas Bond Review Board priorities, and other aspects of these two programs:*

[www.tdhca.state.tx.us/multifamily/htc/index.htm](http://www.tdhca.state.tx.us/multifamily/htc/index.htm)

**Section 811 Project Rental Assistance Demonstration Program** — *encouraging comment regarding a competitive application to HUD for the Section 811 Project Rental Assistance Demonstration Program:*

[www.tdhca.state.tx.us/housing-center/section-811.htm](http://www.tdhca.state.tx.us/housing-center/section-811.htm)

**Uniform Relocation Assistance – Advisory Service** — *listing staff members as resources providing advisory service to those displaced by Housing Tax Credit, HOME, or NSP activities:*

[www.tdhca.state.tx.us/program-services/ura/index.htm](http://www.tdhca.state.tx.us/program-services/ura/index.htm)

**RFQ: Bond/Securities Disclosure Counsel** — *to identify a vendor qualified to provide legal services in connection with the issuance of bonds (links to Comptroller's Web site):*

[http://esbd.cpa.state.tx.us/bid\\_show.cfm?bidid=100984](http://esbd.cpa.state.tx.us/bid_show.cfm?bidid=100984)

**2012 QCP and State Representative and Senator Support / Opposition – Summary Log** — *reflecting the latest input and scores affecting applications in the 2012 Housing Tax Credit cycle:*

[www.tdhca.state.tx.us/multifamily/htc/index.htm](http://www.tdhca.state.tx.us/multifamily/htc/index.htm)

**RFQ: Underwriters – Open Cycle** — *to identify a vendor qualified to provide Underwriting or Remarketing Agent services relating for bonds issued under the Multifamily Mortgage Revenue Bond Program:*

[www.tdhca.state.tx.us/multifamily/bond/index.htm](http://www.tdhca.state.tx.us/multifamily/bond/index.htm)

**PY 2012 CEAP Contractor List** — *listing the 2012 Comprehensive Energy Assistance Program local service providers by name and counties served:*

[www.tdhca.state.tx.us/ea/index.htm](http://www.tdhca.state.tx.us/ea/index.htm)



**Pre-Inducement Questionnaire for Private Activity Bond Program** — detailing the financing structure, borrower and key principals, previous housing tax credit or private activity bond experience, related party or identity of interest relationships, among other key items:

[www.tdhca.state.tx.us/multifamily/bond/applications.htm](http://www.tdhca.state.tx.us/multifamily/bond/applications.htm)

**Post Carryover Activities Manual** — relocated to separate Asset Management page, grouped with 10% Test, Cost Certification, Amendments, Ownership Transfer, Qualified Contract and Right of First Refusal:

[www.tdhca.state.tx.us/asset-management/index.htm](http://www.tdhca.state.tx.us/asset-management/index.htm)

**2012 Competitive Housing Tax Credit Challenge Log** — detailing challenges to specific applications in the 2012 Housing Tax Credit Cycle and the Department's response:

[www.tdhca.state.tx.us/multifamily/htc/index.htm](http://www.tdhca.state.tx.us/multifamily/htc/index.htm)

**Multifamily Development Program 2012-1 Notice of Funding Availability** — providing information regarding the availability and use of funds for the development of affordable multifamily rental housing:

[www.tdhca.state.tx.us/home-division/mf-rental.htm](http://www.tdhca.state.tx.us/home-division/mf-rental.htm)

R4

**BOARD REPORT ITEM**  
**MULTIFAMILY FINANCE DIVISION**  
**July 10, 2012**

Attached is a letter from Eric Opiela, counsel for Villas at Henderson, seeking to have the Governing Board (the "Board") of the Texas Department of Housing and Community Affairs revisit the appeal of Villas at Henderson, #12362. On June 14, 2012, the Governing Board of the Texas Department of Housing and Community Affairs heard the appeal of Villas at Henderson, #12362. The Board, by 3 to 1 vote with Mr. Keig in opposition, upheld staff's recommendation to deny the appeal. After this Board action Mr. Opiela sent an email to Mr. Irvine, requesting an executive director's determination on the issues. Ms. Deane responded on Mr. Irvine's behalf. Mr. Opiela's email and Ms. Deane's reply are attached.

It is the view of staff that all of the issues, procedural and substantive, were addressed on June 14<sup>th</sup> and any procedural gaps or infirmities in the appeal process were cured by Mr. Opiela's proceeding to have the appeal heard rather than requesting that it be deferred until after he had been provided an Executive Director's determination. In a telephone conference with staff the week of the Board meeting, Mr. Opiela sought assurances that no Executive Director determination would issue in the days immediately preceding the June 14<sup>th</sup> meeting, so as not to possibly raise new issues that would create an unfair surprise and put him at a disadvantage at the meeting.

The key issue was whether the application of Villa at Henderson could claim selection points associated with meeting cost per square foot criteria applicable to single family design under 10 TAC §50.9(b)(8)(A) because of its inclusion of single family design units. Attached are the board materials on this item that were presented at the June 14<sup>th</sup> meeting. It was and remains the position of staff that the ability to claim points under 10 TAC §50.9(b)(8)(A) is limited to developments in which all units will be single family design. Staff takes a common sense approach to the issue of what constitutes single family design, namely that it is units in which each separate building is designed to be occupied by a single household. Staff is aware of the fact that under various laws the scope of what constitutes single family housing goes into the category of 1-4 household dwellings, but the clear intent of 10 TAC §50.9(b)(8)(A) is to provide incentives for applicants that control costs of development and that for true stand alone units for single households the costs can be higher than for 2-4 or larger multifamily developments in which things such as common walls can be used to control costs.

Unless the Board requests that this item be placed on the next agenda for reconsideration, no further action will be taken in this regard.

**Barbara Deane**

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**Subject:** FW: Executive Director Determination of Appeal of Staff Decision

**From:** Eric Opiela <[eopiela@ericopiela.com](mailto:eopiela@ericopiela.com)>

**Date:** June 15, 2012 10:28:57 AM CDT

**To:** [tim.irvine@tdhca.state.tx.us](mailto:tim.irvine@tdhca.state.tx.us)

**Cc:** "R.J Collins" <[REDACTED]>, Michael Hartman <[REDACTED]>, Timothy Lang <[REDACTED]>

**Subject:** Executive Director Determination of Appeal of Staff Decision

Mr. Irvine,

Villas at Henderson (12362) is requesting an Executive Director's written response to the appeal of staff decision related to scoring submitted on June 4, 2012. Pursuant to QAP Section 50.10(c)(4), we would request the written determination no later than June 18, 2012.

Thank you,

Eric Opiela  
Counsel for Villas at Henderson and Rusk Pines LP

## Barbara Deane

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**From:** Barbara Deane  
**Sent:** Monday, June 18, 2012 5:41 PM  
**To:** 'eopiela@ericopiela.com'  
**Cc:** Tim Irvine; Cameron Dorsey  
**Subject:** Villas at Henderson

Mr. Opiela, We have reviewed your request for a written response by the Executive Director on the Villas of Henderson appeal. The rules, 10 TAC 50.10(c) provide *that if the Executive Director does not respond to the appeal by the 7<sup>th</sup> day prior to the Board meeting, the applicant may, no later than the 3<sup>rd</sup> day before the Board meeting, appeal directly to the Board.* The purpose of this rule is to avoid any delay in getting appeals heard before the Board.

On June 4, 2012, Villas of Henderson filed an appeal election, which also stated a desire to appeal to the Board, and requested that the application be added to the Board's meeting agenda. The matter was placed on the agenda, and on June 14<sup>th</sup>, a determination was made by the Board.

Clearly, the rules assume that there will be situations in which the Executive Director may not be able to rule prior to the Board meeting, and further provide for the Board to move forward with appeals in that circumstance. Even if one were to assume, *arguendo*, that the Executive Director is required to issue a ruling, your client fully appeared before the Board, argued the appeal, failed to lodge any objection to proceeding, failed to suggest that it was error for the Board to consider the merits of the appeal, and obtained a determination from the Board.

Any determination by the Executive Director, at this point, would be a nullity by virtue of the action of the Board.

If you have any questions, please feel free to contact me at 512-475-3932.

**Eric Opiela PLLC**  
**ATTORNEY AND COUNSELOR AT LAW**  
1122 COLORADO, SUITE 2301  
AUSTIN, TEXAS 78701

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Fax: 512.729.0226

E-mail: [eopiela@ericopiela.com](mailto:eopiela@ericopiela.com)  
Website: [www.ericopiela.com](http://www.ericopiela.com)

June 29, 2012

Tim Irvine  
Executive Director  
Texas Department of Housing and Community Affairs  
221 E. 11<sup>th</sup> St  
Austin, TX 78701

**Re: Villas at Henderson #12362**

Dear Mr. Irvine:

We received a response to our request for a determination by the Executive Director from Barbara Deane, of the Department on June 18, 2012. The response indicated that a written determination on our appeal, which is required by 10 TAC 50.10(c), would not be forthcoming because “[a]ny determination by the Executive Director, at this point, would be a nullity by virtue of the action of the Board.” Because the staff determination to deny scoring points was made contrary to the plain language of the QAP, and the QAP requires a written response, my client wishes to appeal your refusal to issue a written determination, as required by the QAP, to the TDHCA Board.

10 TAC 50.9(b)(8)(a) clearly qualifies a single family design development for 12 points if its development costs do not exceed \$95 per square foot. Villas at Henderson meets this requirement and should be afforded the requisite points. It is without dispute that the cost per square foot is less than \$95 per square foot, however staff argued that because Villas at Henderson contained 70 buildings of containing one dwelling unit and 5 buildings containing two dwelling units, it was not “single family design.” The United States Department of Housing and Urban Development defines a single family property as a “residence with one to four dwelling units.” See, e.g. 24 C.F.R. 291.301; 24 C.F.R. 81.2. Accordingly, Villas at Henderson is completely of single family design and should be awarded the requisite points.

While, as Ms. Deane’s response notes, we did appear before the Board, and did argue against staff’s recommendation, we did note in our presentation that the Executive Director failed to issue a determination. Once your determination is final, we are afforded the opportunity to appeal this determination to the Board by 10 TAC 50.10(c). As you might recall, staff decided to push forward our appeal and those of other applicants before you made a determination, and indeed the appeal process was so rushed by staff that they did not even have time to supplement the Board Book with appeal materials submitted by my client and other applicants.

We believe the Board should have the opportunity to reconsider the vote by which it decided our appeal, since it was not considered with a full record, including your written determination, and

Villas at Henderson #12362  
June 29, 2012

because the Board did not have the HUD definition of "single family" before it to consider in making its decision. Additionally, we argue that 10 TAC 50.10(c) gives us the right to ask for a Board determination upon the issuance of your written decision.

Accordingly we ask for an agenda item on this matter to be set at the next TDHCA Board Meeting, and that a copy of this letter be provided to all TDHCA Board Members for their consideration.

Very truly yours,

ERIC OPIELA PLLC

By:  \_\_\_\_\_

Eric Opiela

Texas Bar No. 24039095

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**BOARD ACTION REQUEST**  
**FINANCIAL ADMINISTRATION**

**July 10, 2012**

Presentation, Discussion, and Possible Action regarding the FY 2013 Operating Budget

**Recommended Action**

The Board approve the FY 2013 Operating Budget.

RESOLVED, that the FY 2013 Operating Budget, in the form presented to this meeting, with the ability to make technical corrections, is hereby approved.

**Background**

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

The FY 2013 Internal Operating Budget, which the Board is considering, corresponds to the second year of the General Appropriations Act (GAA) passed by the 82<sup>nd</sup> Texas Legislature, as approved by the Governor. In total, this budget provides for expenditures and associated revenues of \$25,985,280 or a \$5,304,898 (17%) decrease over the prior year budget.

This budget represents the financial structure of the new recalibrated TDHCA approved by the Board on April 12, 2012. The recalibration emphasizes collaboration, efficiency, flexibility, accountability, and customer service. It is intended to create a more consistent and nimble agency as the Department strives for improvements in spite of decreased activities and funding associated with ARRA, HERA and State initiatives. The budget phases out the Weatherization and Homelessness Prevention and Rapid Re-housing Programs (HPRP).

Key results of the reorganization are: the creation of the Program Planning, Policy and Metrics section; the consolidation of Multifamily activities; the reconfiguration of Single Family activities in a coordinated structure; dedication of additional resources to Asset Management and resolution; and the transfer of Community Affairs Monitoring to Compliance.

The budget continues to include temporary funding for the Neighborhood Stabilization Program (NSP-HERA). This program will begin to contract as funding for NSP I expires on or before March 2013. In addition, lower funding levels for the HOME Program have

allowed the agency to redirect some of its resources to other programs. Funding for the “Money Follows the Person Program” from the Texas Department of Aging and Disability Services (DADS) is also included.

Additionally, the Housing Finance Division budget, which is funded with fees generated from the Department’s bond program and tax credit activities, increased by 6%. This increase is primarily attributed to the recalibration which shifted the method of finance for repurposed FTEs and related expenses.

**For a complete explanation of the aforementioned budget categories and details, please see the accompanying Comparison Report.**

### **Summary**

The FY 2013 Internal Operating Budget will serve as a key building block for the 2014-15 Legislative Appropriations Request (LAR). Should the Board approve this action; the Department will submit the budget to the Governor and the Legislature.

**TEXAS DEPT. OF HOUSING AND COMMUNITY AFFAIRS**  
**FY 2013 Operating Budget**  
**Comparison Report**  
July 10, 2012

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

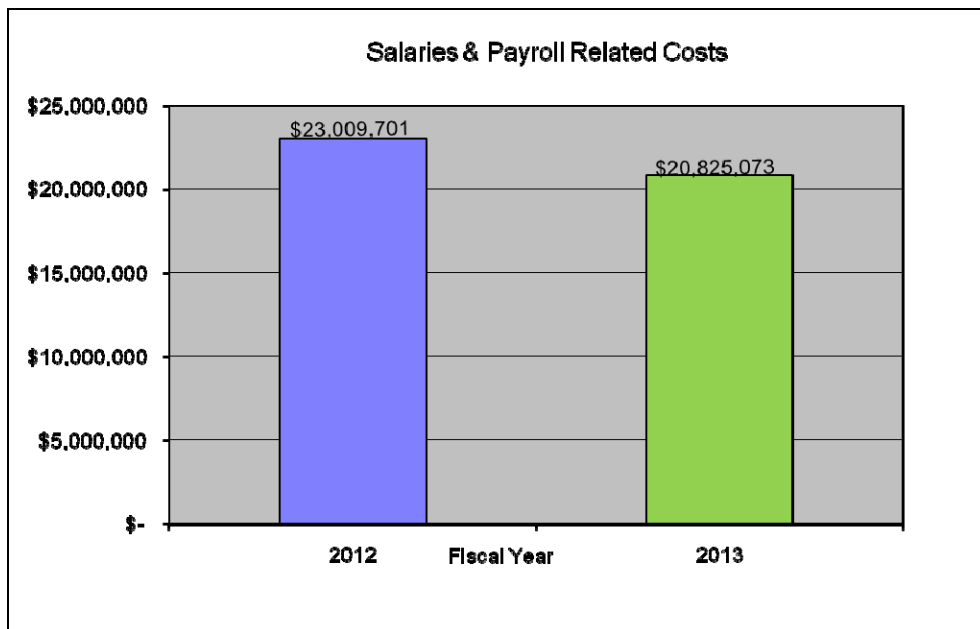
In total, this FY 2013 Operating Budget is \$25,985,280 or a \$5,304,898 (17.0%) decrease over the prior year budget.

Below are the highlights of the FY 2013 Draft Budget. Please refer to the “Comparison by Expense Object” schedule on Page 6.

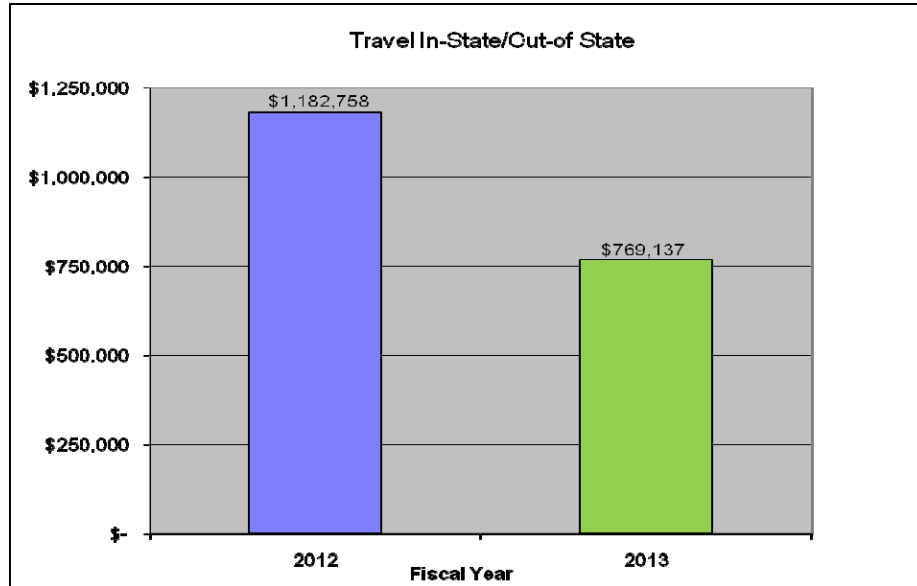
1. **Salaries/Wages and Payroll Related Costs.** These two line items represent 80.1% of the total operating budget.

Salaries decreased 7.5% or \$1,358,007 which is related to the closeout of ARRA Programs. Overall, the Department experienced a decrease of thirty-nine (39) FTEs.

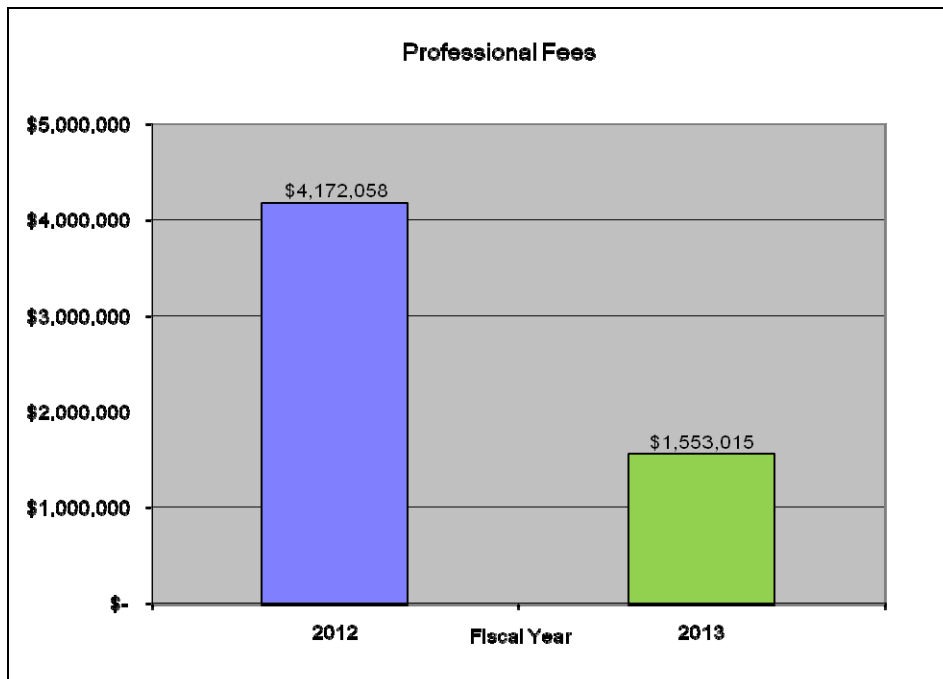
Payroll related costs decreased 17.0% or \$826,621. \$167,944 of this decrease is related to the reclassification of 1% of Payroll Related Costs to another expense line item called Insurance/Employee Bond. In State Fiscal Year 2012, the legislature required each state agency to contribute 1% of total base wages and salaries to the Employee’s Retirement System Group Benefits Program.



2. **Travel In-State and Out-of-State.** The Department's In-State travel budget will decrease \$413,621 or 39.1%. The majority of the decrease is attributed to the closeout of ARRA Programs. The out-of-state travel cap imposed by the Legislature remains at \$125,394. Legislation includes Rider 16 in the Department's bill pattern. This Rider allows for an exception if travel is 100% reimbursed by the Federal Government. TDHCA plans to exercise this option if it exceeds normal cap provisions.



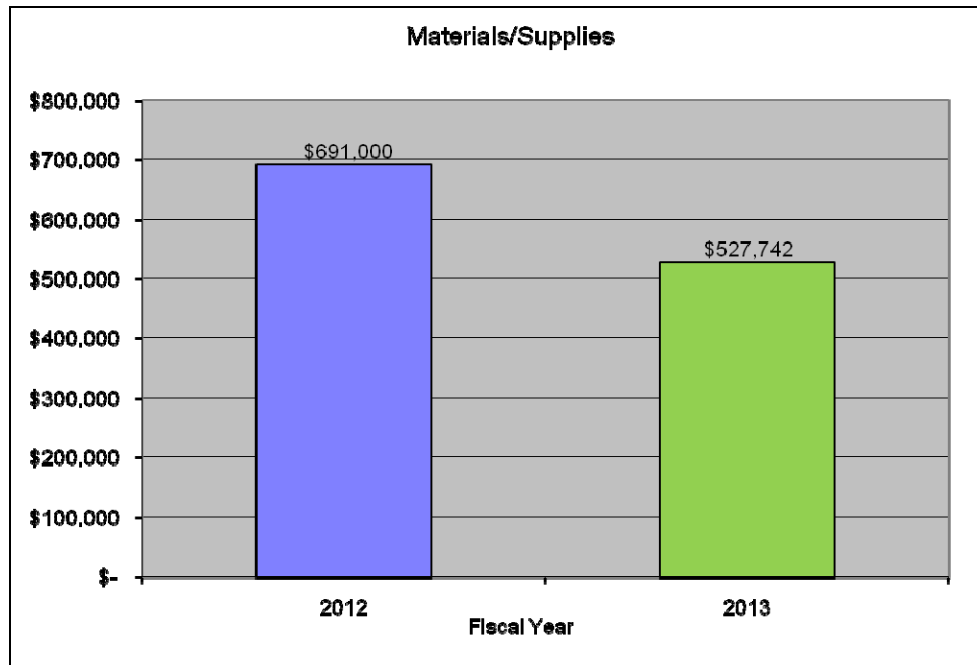
3. **Professional Fees.** Professional Fees and Services decreased \$2,619,043 or 62.8%. \$2,000,000 of this decrease can be attributed to completion of services related to Energy Assistance in connection with ARRA Programs. Please refer to the professional fees chart on the next page for more details.



## Professional Fees Chart

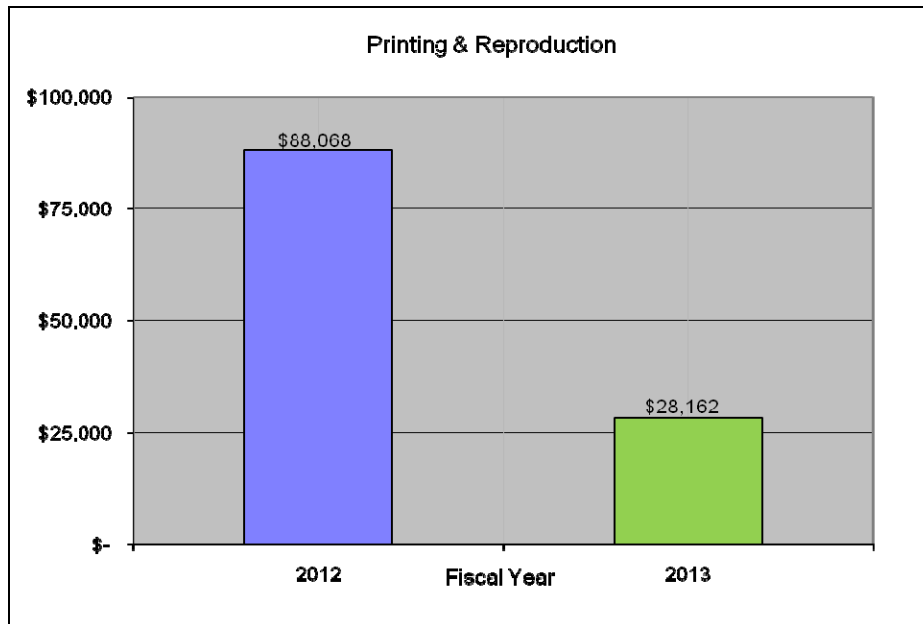
<u>Division</u>	<u>Type of Service</u>	<u>2012 Budgeted</u>	<u>2013 Budgeted</u>
FA, Compliance,			
Texas Homeownership	Statewide Cost Allocation	\$ 76,900	\$ 80,508
Various	Audit Costs - Financial and Single Audit	554,500	450,000
Legal	Legal Costs	400,000	260,000
Compliance	Inspection Outsourcing (On-Sight Inspections)	300,000	300,000
HOME / Program Svc.	Training/Tech Writing/Tech Assistance/Studies	162,500	20,000
Texas Homeownership	Tx. Statewide Homebuyer Education Program/Studies	200,000	100,000
Energy Assistance	Weatherization Academy	750,000	-
Energy Assistance	3rd Party Inspections and Monitoring	1,250,000	-
HRC/DPPA	Market Studies and Preparation of Educational Materials	120,000	120,000
Various	Miscellaneous Training and Special Projects	149,783	167,507
MF/ REA	National Development Council Training/Studies/Services	123,375	45,000
NSP	Davis Bacon/Environmental Assistance	60,000	-
HRC	HHS Council/National Foreclosure Mitigation Coordination	15,000	-
Community Services	Homeless Prevention Contractor Training	10,000	10,000
<b>Total</b>		<b>\$ 4,172,058</b>	<b>\$ 1,553,015</b>

4. **Materials and Supplies.** Materials and Supplies decreased \$163,258 or 23.6%. The decrease is related to the completion of ARRA Programs.

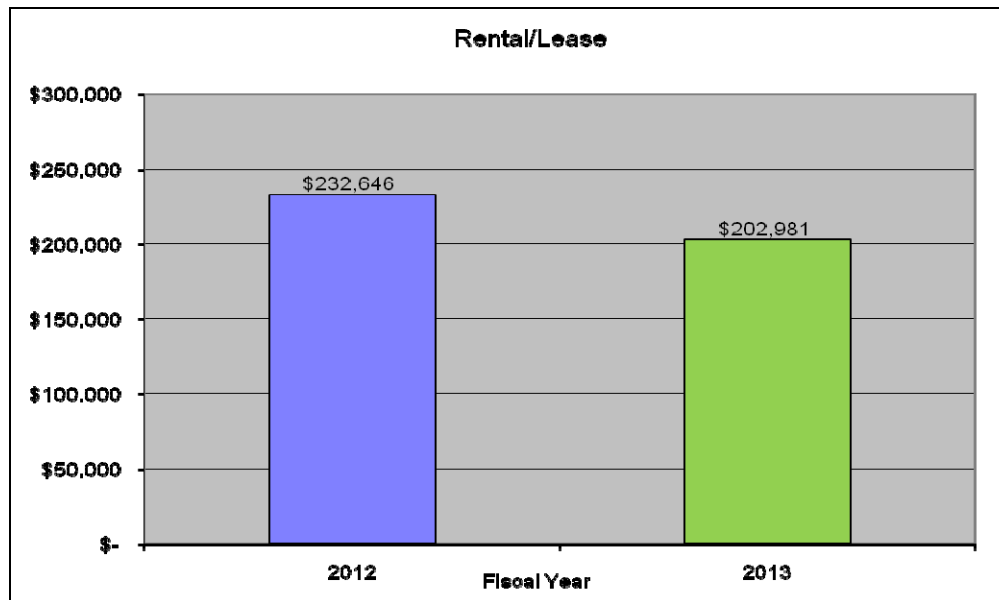


5. **Repairs and Maintenance.** The budget continues to include funding for maintenance of agency software such as MITAS, PeopleSoft, HAPPY and APPX systems. These core applications support Loan Servicing, State/Federal Accounting, Bond Accounting, Weatherization, Energy Audits, Section 8 administration,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

6. **Printing and Reproduction.** Printing and reproduction decreased \$59,906 or 68.0%. \$36,000 or 60.1% of the decrease can be attributed to cost cutting measures created by the elimination of Department letterhead.



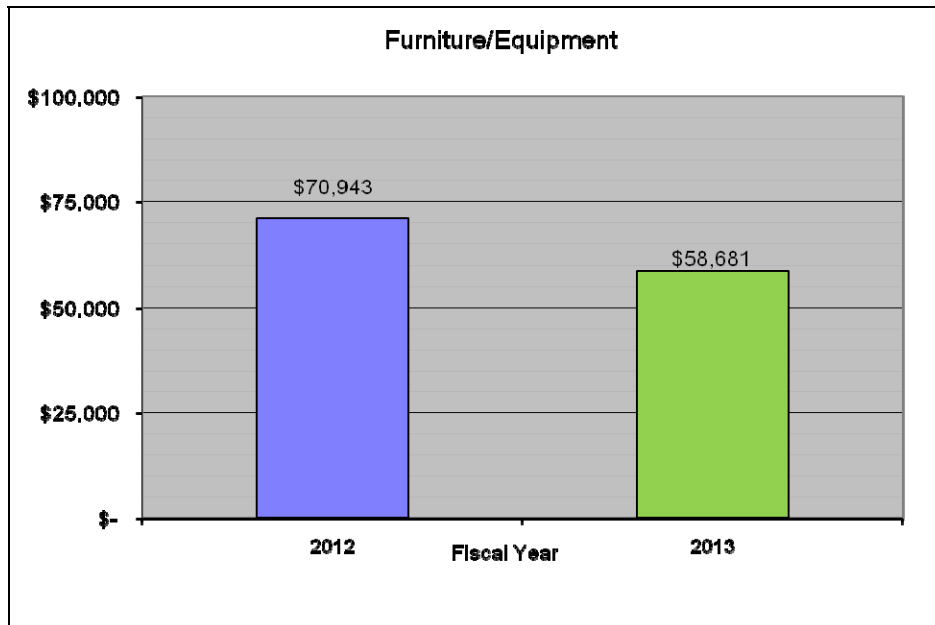
7. **Rentals and Leases.** The Department continues to lease space at the Twin Towers Office Center (TTOC) and Edinburg Field Office for Department staff. The TTOC lease will expire on September 30, 2015. It is expected that staff will return to headquarters in 2014. The FY 2013 budget does not reflect a significant variance in this budget category.



8. **Membership Dues.** Membership Dues decreased by \$60,917 or 61.2%. The Department will continue to participate in conferences sponsored by Housing and Community

Services organizations; however, membership in these organizations is being limited in an effort to reduce costs.

9. **Staff Development.** Staff Development decreased \$47,620 or 20.6%. The decrease is due the Department's effort to reduce expenses without materially impacting the Department's goals.
10. **Insurance/Employee Bonds.** This category increased by \$185,943 or 185.2%. \$167,944 of this increase is related to the reclassification of 1% of Payroll Related Costs as referenced in Salaries/Wages and Payroll Related Costs above.
11. **Advertising.** Advertising decreased \$17,000 or 20.6%. The decrease in this category can be attributed to reduction in costs related to advertising as part of the recruiting process and Department-wide reductions.
12. **Temporary Help.** Temporary Help decreased \$58,020 or 29.8%. The decrease in this category resulted from reductions in ARRA activities and in Temporary Help Department-wide due to the creation of the Administrative Pool as a resource.
13. **Furniture and Equipment.** This line item decreased \$12,262 or 17.3% due to the Department's effort to reduce these types of expenses.



14. **Communication and Utilities.** The increase of \$51,900 or 16.5% is primarily due to the inclusion of \$40,000 in electronic subscriptions/services related to Bond Finance (Bloomberg Application), OCI (Credit Reports), and External Affairs (Legislative Update Access).
15. **Capital Outlay.** The Capital Budget of \$79,289 is approved by the Legislature for mission critical growth such as servers and network enhancements.

## Comparison by Expense Object

	<b>2012</b>	<b>2013</b>		
	<b>Budget</b>	<b>Budget</b>	<b>Variance</b>	<b>Percentage</b>
	(b)	(b)	(b-a)	<b>Change</b>
Salaries and Wages	\$ 18,152,421	\$ 16,794,414	\$ (1,358,007)	-7.5%
Payroll Related Costs	4,857,280	4,030,659	(826,621)	-17.0%
Travel In-State	1,057,364	643,743	(413,621)	-39.1%
Travel Out-of-State	125,394	125,394	-	0.0%
Professional Fees	4,172,058	1,553,015	(2,619,043)	-62.8%
Material and Supplies	691,000	527,742	(163,258)	-23.6%
Repairs/Maintenance	644,371	754,431	110,060	17.1%
Printing and Reproduction	88,068	28,162	(59,906)	-68.0%
Rentals and Leases	232,646	202,981	(29,665)	-12.8%
Membership Fees	99,502	38,585	(60,917)	-61.2%
Staff Development	230,920	183,300	(47,620)	-20.6%
Insurance/Employee Bonds	100,404	286,347	185,943	185.2%
Employee Tuition	23,530	22,500	(1,030)	-4.4%
Advertising	82,600	65,600	(17,000)	-20.6%
Freight/Delivery	46,478	45,678	(801)	-1.7%
Temporary Help	194,450	136,430	(58,020)	-29.8%
Furniture and Equipment	70,943	58,681	(12,262)	-17.3%
Communication and Utilities	314,428	366,328	51,900	16.5%
Capital Outlay	80,420	79,289	(1,131)	-1.4%
State Office of Risk Management	25,900	42,000	16,100	62.2%
<b>Total Department</b>	<b>\$ 31,290,177</b>	<b>\$ 25,985,280</b>	<b>\$ (5,304,898)</b>	<b>-17.0%</b>

CAP FTE's	241	241	-	0.0%
Article IX FTE's	<u>52</u>	<u>13</u>	<u>(39)</u>	<u>-75.0%</u>
<b>Total FTEs</b>	<b>293</b>	<b>254</b>	<b>(39)</b>	<b>-13.3%</b>

### Method of Finance:

GR-General Revenue - Dedicated	\$ 1,385,547	\$ 1,197,310	\$ (188,237)	-13.6%
GR-Earned Federal Funds	2,122,111	2,071,597	(50,514)	-2.4%
GR-ARRA Stimulus Earned Federal Funds	440,469	-	(440,469)	-100.0%
Federal Funds-Non-ARRA/DRD/HERA	6,620,077	6,404,912	(215,165)	-3.3%
Federal Funds-ARRA Stimulus	4,853,456	-	(4,853,456)	-100.0%
Federal Funds-Neighborhood Stabilization Program	1,652,903	1,216,733	(436,170)	-26.4%
Appropriated Receipts - Housing Finance	13,510,560	14,296,583	786,023	5.8%
Appropriated Receipts - Manufact. Housing	510,557	511,991	1,434	0.3%
Interagency Contracts	194,497	286,154	91,657	47.1%
<b>Total, Method of Finance</b>	<b>\$ 31,290,177</b>	<b>\$ 25,985,280</b>	<b>\$ (5,304,898)</b>	<b>-17.0%</b>



## **Methods of Finance**

### **General Revenue**

Dedicated - State appropriated funds including Housing Trust Fund, Enriched Housing and funding for affordable housing market studies.

Earned Federal Funds - Federal funds appropriated for indirect costs associated with administering federal funds not part of ARRA Stimulus.

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

### **Federal Funds**

Federal Funds-Non-ARRA, DRD, HERA - Core federal programs such as Community Services Block Grant, Emergency Solutions Grant, HOME, Energy Assistance/Weatherization and Section 8 Housing.

ARRA Stimulus - Federally appropriated funds specifically designated for Community Services, Homelessness Prevention and Weatherization Programs.

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

### **Appropriated Receipts - Housing Finance (HF):**

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

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

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

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

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

**Interagency Contracts** - Contract with the Texas Department of Agriculture for the Office of Colonia Initiatives (OCI) Self-Help Center’s operation and administration and contract with the Texas Department of Aging and Disabilities Service (DADS).

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**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY  
AFFAIRS**



**FY-2013 Operating Budget**

*(September 1, 2012 through August 31, 2013)*

**July 10, 2012**

*Prepared by the Financial Administration Division*

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**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
FY-2013 OPERATING BUDGET**

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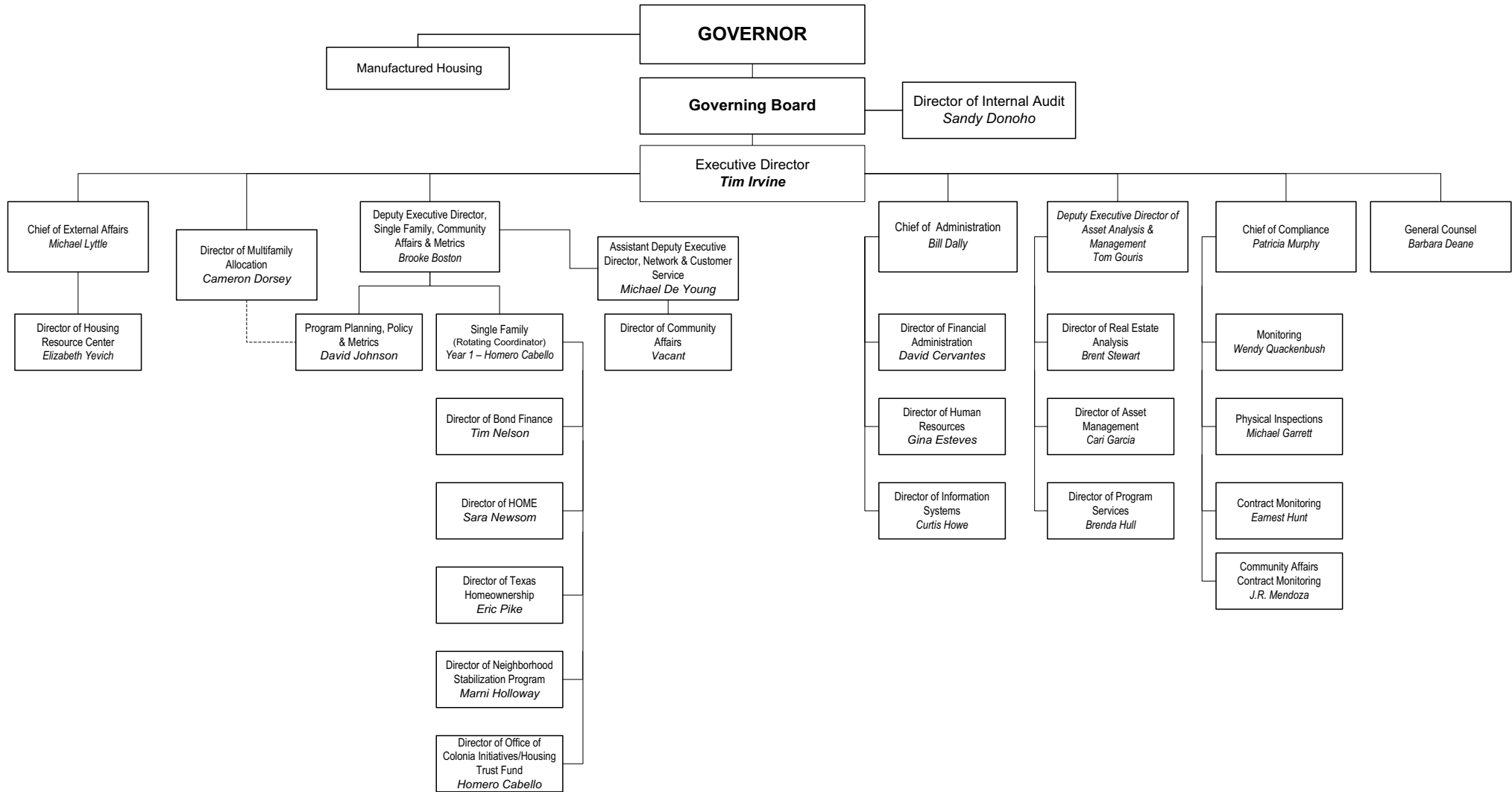
**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
FY-2013 OPERATING BUDGET**

**T A B L E O F C O N T E N T S (Continued)**

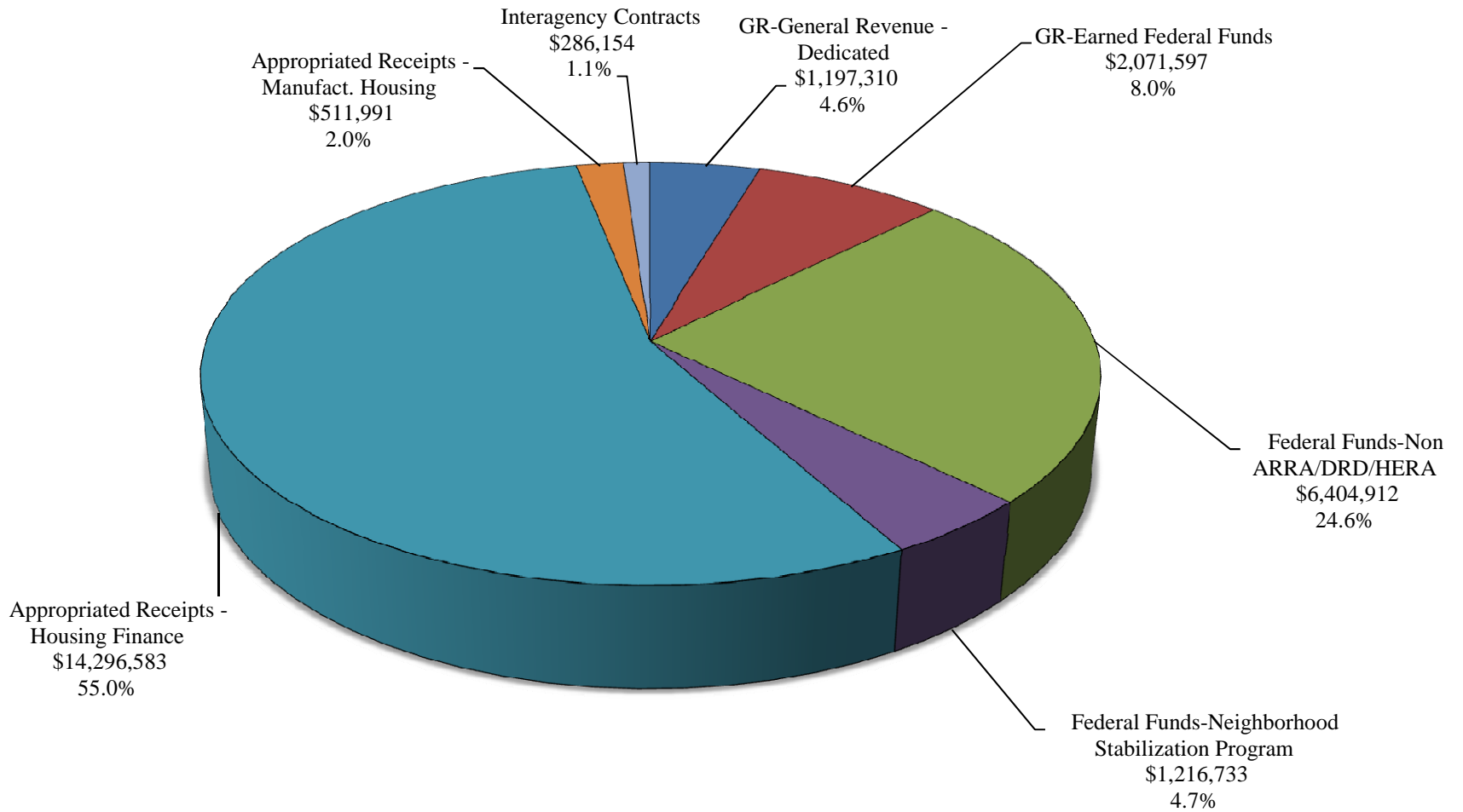
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# TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS



## Texas Department of Housing and Community Affairs FY 2013 Method of Finance



**Total Budget: \$25,985,280**



## Comparison by Expense Object

	2012		2013		Percentage
	Budget		Budget	Variance	Change
	Amendment #1				
	(a)	(b)	(b-a)		
Salaries and Wages	\$ 18,152,421	\$ 16,794,414	\$ (1,358,007)		-7.5%
Payroll Related Costs	4,857,280	4,030,659	(826,621)		-17.0%
Travel In-State	1,057,364	643,743	(413,621)		-39.1%
Travel Out-of-State	125,394	125,394	-		0.0%
Professional Fees	4,172,058	1,553,015	(2,619,043)		-62.8%
Material and Supplies	691,000	527,742	(163,258)		-23.6%
Repairs/Maintenance	644,371	754,431	110,060		17.1%
Printing and Reproduction	88,068	28,162	(59,906)		-68.0%
Rentals and Leases	232,646	202,981	(29,665)		-12.8%
Membership Fees	99,502	38,585	(60,917)		-61.2%
Staff Development	230,920	183,300	(47,620)		-20.6%
Insurance/Employee Bonds	100,404	286,347	185,943		185.2%
Employee Tuition	23,530	22,500	(1,030)		-4.4%
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Temporary Help	194,450	136,430	(58,020)		-29.8%
Furniture and Equipment	70,943	58,681	(12,262)		-17.3%
Communication and Utilities	314,428	366,328	51,900		16.5%
Capital Outlay	80,420	79,289	(1,131)		-1.4%
State Office of Risk Management	25,900	42,000	16,100		62.2%
<b>Total Department</b>	<b>\$ 31,290,177</b>	<b>\$ 25,985,280</b>	<b>\$ (5,304,898)</b>		<b>-17.0%</b>
FTE's	357.00	318.00	(39.00)		-10.9%
Method of Finance:					
GR-General Revenue - Dedicated	\$ 1,385,547	\$ 1,197,310	\$ (188,237)		-13.6%
GR-Earned Federal Funds	2,122,111	2,071,597	(50,514)		-2.4%
GR-ARRA Stimulus Earned Federal Funds	440,469	-	(440,469)		-100.0%
Federal Funds-Non-ARRA/DRD/HERA	6,620,077	6,404,912	(215,166)		-3.3%
Federal Funds-ARRA Stimulus	4,853,456	-	(4,853,456)		-100.0%
Federal Funds-Neighborhood Stabilization Program	1,652,903	1,216,733	(436,170)		-26.4%
Appropriated Receipts - Housing Finance	13,510,560	14,296,583	786,024		5.8%
Appropriated Receipts - Manufact. Housing	510,557	511,991	1,434		0.3%
Interagency Contracts	194,497	286,154	91,657		47.1%
<b>Total, Method of Finance</b>	<b>\$ 31,290,177</b>	<b>\$ 25,985,280</b>	<b>\$ (5,304,898)</b>		<b>-17.0%</b>

Note: Appropriated Receipts - Housing Finance include Bond Administration Fees, Housing Tax Credit Fees, Asset Management Fees

**Texas Department of Housing and Community Affairs**

Full Time Equivalent (FTE) Positions

September 2012 thru August 2013

	2012 FTEs			2013 FTEs			Variance		
	CAP FTEs	Temporary FTEs	Total FTEs	CAP FTEs	Temporary FTEs	Total FTEs	CAP FTEs	Temporary FTEs	Total FTEs
<b>Executive Administration:</b>									
Executive Office	4.00	-	4.00	2.00	-	2.00	(2.00)	-	(2.00)
Board	-	-	-	-	-	-	-	-	-
Legal Services	7.00	-	7.00	8.00	-	8.00	1.00	-	1.00
Internal Audit	5.00	-	5.00	4.00	-	4.00	(1.00)	-	(1.00)
External Affairs	5.00	-	5.00	5.00	-	5.00	-	-	-
Housing Resource Center	7.00	3.00	10.00	6.00	1.00	7.00	(1.00)	(2.00)	(3.00)
<b>Total, Executive Administration</b>	<b>28.00</b>	<b>3.00</b>	<b>31.00</b>	<b>25.00</b>	<b>1.00</b>	<b>26.00</b>	<b>(3.00)</b>	<b>(2.00)</b>	<b>(5.00)</b>
<b>Multifamily Allocation</b>	<b>15.00</b>	<b>-</b>	<b>15.00</b>	<b>14.00</b>	<b>-</b>	<b>14.00</b>	<b>(1.00)</b>	<b>-</b>	<b>(1.00)</b>
<b>Single Family, Community Affairs, &amp; Metrics :</b>									
SF, CA, & Metrics - Administration	-	-	-	4.00	-	4.00	4.00	-	4.00
ARRA Accountability and Oversight	-	2.00	2.00	-	-	-	-	(2.00)	(2.00)
Bond Finance	4.00	-	4.00	4.00	-	4.00	-	-	-
HOME Program	16.00	-	16.00	13.00	-	13.00	(3.00)	-	(3.00)
Texas Homeownership Program	4.00	-	4.00	4.00	-	4.00	-	-	-
Neighborhood Stabilization Program	-	16.00	16.00	-	12.00	12.00	-	(4.00)	(4.00)
Office of Colonia Initiatives/HTF	10.00	-	10.00	10.00	-	10.00	-	-	-
Community Affairs - Administration	3.00	-	3.00	3.00	-	3.00	-	-	-
Community Affairs - Planning	14.00	2.00	16.00	6.00	-	6.00	(8.00)	(2.00)	(10.00)
Community Affairs - Fiscal	14.00	26.00	40.00	4.00	-	4.00	(10.00)	(26.00)	(36.00)
Community Affairs - Training	-	-	-	6.00	-	6.00	6.00	-	6.00
Section 8	7.00	-	7.00	7.00	-	7.00	-	-	-
<b>Total, Single Family, Community Affairs, &amp; Metrics</b>	<b>72.00</b>	<b>46.00</b>	<b>118.00</b>	<b>61.00</b>	<b>12.00</b>	<b>73.00</b>	<b>(11.00)</b>	<b>(34.00)</b>	<b>(45.00)</b>
<b>Agency Administration:</b>									
Director's Office - Financial Administration	4.00	-	4.00	4.00	-	4.00	-	-	-
Accounting Operations	11.00	1.00	12.00	10.00	-	10.00	(1.00)	(1.00)	(2.00)
Financial Services/Budget/Travel	11.00	-	11.00	12.00	-	12.00	1.00	-	1.00
Loan Services	8.00	-	8.00	8.00	-	8.00	-	-	-
Purchasing and Facilities Management	8.00	1.00	9.00	8.00	-	8.00	-	(1.00)	(1.00)
Human Resources	4.00	-	4.00	4.00	-	4.00	-	-	-
Information Services	18.00	1.00	19.00	19.00	-	19.00	1.00	(1.00)	-
<b>Total, Agency Administration</b>	<b>64.00</b>	<b>3.00</b>	<b>67.00</b>	<b>65.00</b>	<b>-</b>	<b>65.00</b>	<b>1.00</b>	<b>(3.00)</b>	<b>(2.00)</b>
<b>Asset Analysis &amp; Management</b>									
Real Estate Analysis	11.00	-	11.00	10.00	-	10.00	(1.00)	-	(1.00)
Asset Management	6.00	-	6.00	9.00	-	9.00	3.00	-	3.00
Program Services	13.00	-	13.00	12.00	-	12.00	(1.00)	-	(1.00)
<b>Total, Asset Analysis &amp; Management</b>	<b>30.00</b>	<b>-</b>	<b>30.00</b>	<b>31.00</b>	<b>-</b>	<b>31.00</b>	<b>1.00</b>	<b>-</b>	<b>1.00</b>
<b>Compliance Division:</b>									
Monitoring - Administration	4.00	-	4.00	6.00	-	6.00	2.00	-	2.00
Physical Inspections	8.00	-	8.00	12.00	-	12.00	4.00	-	4.00
Contract Monitoring	6.00	-	6.00	6.00	-	6.00	-	-	-
Compliance Monitoring	14.00	-	14.00	15.00	-	15.00	1.00	-	1.00
CA Inspectors	-	-	-	6.00	-	6.00	6.00	-	6.00
<b>Total, Compliance Division</b>	<b>32.00</b>	<b>-</b>	<b>32.00</b>	<b>45.00</b>	<b>-</b>	<b>45.00</b>	<b>13.00</b>	<b>-</b>	<b>13.00</b>
Subtotal, Housing and Community Affairs	241.00	52.00	293.00	241.00	13.00	254.00	-	(39.00)	(39.00)
Manufactured Housing	64.00	-	64.00	64.00	-	64.00	-	-	-
	-	-	-	-	-	-	-	-	-
<b>Total, Department FTEs</b>	<b>305.00</b>	<b>52.00</b>	<b>357.00</b>	<b>305.00</b>	<b>13.00</b>	<b>318.00</b>	<b>-</b>	<b>(39.00)</b>	<b>(39.00)</b>





**Out of State Travel**

September 1, 2012 thru August 31, 2013

	<b>Budget 2013</b>	<b>Federal Funds</b>	<b>General Revenue</b>	<b>Appropriated Receipts</b>	<b>Total</b>
<b>Executive Administration:</b>					
Executive Office	17,829			17,829	17,829
Board	23,501			23,501	23,501
Legal Services	4,410			4,410	4,410
Internal Audit	1,500		1,500		1,500
External Affairs	3,145		-	3,145	3,145
Housing Resource Center	2,000			2,000	2,000
<b>Total, Executive Administration</b>	<b>52,385</b>	<b>-</b>	<b>1,500</b>	<b>50,885</b>	<b>52,385</b>
<b>Multifamily Allocation</b>	<b>6,000</b>			<b>6,000</b>	<b>6,000</b>
<b>Single Family, Community Affairs &amp; Metrics:</b>					
SF, CA & Metrics - Administration	1,400	975		425	1,400
Bond Finance	5,000			5,000	5,000
HOME Program	7,000	7,000			7,000
Texas Homeownership Program	6,017			6,017	6,017
Neighborhood Stabilization Program	-				-
Office of Colonia Initiatives/HTF	3,000		3,000		3,000
Community Affairs - Administration	7,700	7,700			7,700
Community Affairs - Planning	1,750	1,750			1,750
Community Affairs - Fiscal	1,750	1,750			1,750
Community Affairs - Training	1,750	1,750			1,750
Section 8	1,200	1,200			1,200
<b>Total, Single Family, Community Affairs &amp; Metrics</b>	<b>36,567</b>	<b>22,125</b>	<b>3,000</b>	<b>11,442</b>	<b>36,567</b>
<b>Agency Administration:</b>					
Director's Office - Financial Administration	2,525			2,525	2,525
Accounting Operations	1,615		1,615		1,615
Financial Services / Budget / Travel	1,526			1,526	1,526
Loan Servicing	1,476			1,476	1,476
Purchasing and Facilities Management	-				-
Human Resources	1,200			1,200	1,200
Information Services	1,210		726	484	1,210
<b>Total, Agency Administration</b>	<b>9,552</b>	<b>-</b>	<b>2,341</b>	<b>7,211</b>	<b>9,552</b>
<b>Asset Analysis &amp; Management Division:</b>					
Real Estate Analysis	5,000			5,000	5,000
Asset Management	1,500			1,500	1,500
Program Services	2,000	500		1,500	2,000
<b>Total, Asset Analysis &amp; Management Division</b>	<b>8,500</b>	<b>500</b>	<b>-</b>	<b>8,000</b>	<b>8,500</b>
<b>Compliance Division:</b>					
Compliance - Administration	3,000	450		2,550	3,000
Physical Inspections	1,900			1,900	1,900
Contract Monitoring	3,000	3,000		-	3,000
Compliance Monitoring	3,000	450		2,550	3,000
Community Affairs Inspectors	1,490	1,490			1,490
<b>Total, Compliance Division</b>	<b>12,390</b>	<b>5,390</b>	<b>-</b>	<b>7,000</b>	<b>12,390</b>
<b>Total, Department</b>	<b>125,394</b>	<b>28,015</b>	<b>6,841</b>	<b>90,538</b>	<b>125,394</b>

*Note:* Rider 16, Out of State Travel Limitations states that the limitation does not apply to travel associated with federal programs if the cost of such travel is paid for or reimbursed by the federal government.



## Capital Budget

September 1, 2012 thru August 31, 2013

Budget Categories	Budgeted	50002 Federal Funds	50002 HF Approp Receipts
Salaries			
Travel In-State			
Travel Out-of-State			
Professional Fees			
Materials/Supplies			
Repairs/Maintenance			
Printing and Reproduction			
Rental/Lease			
Membership Dues			
Staff Development			
Insurance/Employee Bonds			
Employee Tuition			
Advertising			
Freight/Delivery			
Temporary Help			
Furniture/Equipment	-	-	-
Communications/Utilities			
Capital Outlay	79,289	34,981	44,308
State Office of Risk Management			
<b>Total</b>	<b>79,289</b>	<b>34,981</b>	<b>44,308</b>



**Capital Budget by Project**

September 1, 2012 thru August 31, 2013

Project Name	50002	50002	Total	Professional Services	Capital Outlay	LIHTC	Compliance Fees	Bond Admin Fees	Manufactured Housing	Total
	Federal Funds	HF Approp Receipts								
Scheduled Replacement of Items:										
Furniture/Equipment (PCs, Printers, etc)	-	-	-	-	-	-	-	-	-	-
Capital Outlay (Servers, Network Enhancements)	34,981	44,308	79,289	-	44,308	12,705	18,468	13,135	-	44,308
<b>Total, Fiscal Year 2011</b>	<b>34,981</b>	<b>44,308</b>	<b>79,289</b>	<b>-</b>	<b>44,308</b>	<b>12,705</b>	<b>18,468</b>	<b>13,135</b>	<b>-</b>	<b>44,308</b>



## Executive Administration

September 1, 2012 thru August 31, 2013

Budget Categories	Budgeted	F.1.1./13800	B.1.1./13034	F.1.1./13800	F.1.1./13800	B.1.1./13034	B.1.1./21966
		General Revenue (CS)	HF Approp Receipts	MH Approp Receipts	HF Approp Receipts	CHRP General Revenue	DADS IA Contract
Salaries	2,099,900	278,630	512,555	28,426	1,063,946	94,892	121,450
Travel In-State	119,068	5,000	3,000	-	64,000	7,000	40,068
Travel Out-of-State	52,385	1,500	2,000	-	48,885	-	-
Professional Fees	434,064	1,573	2,752	-	206,398	223,341	-
Materials/Supplies	47,206	5,067	6,870	-	31,147	1,374	2,748
Repairs/Maintenance	72,324	11,852	11,469	-	42,122	2,294	4,588
Printing and Reproduction	5,685	134	-	-	3,572	-	1,979
Rental/Lease	21,733	1,220	-	-	8,577	4,136	7,800
Membership Dues	6,900	2,400	250	-	4,000	250	-
Staff Development	41,300	8,000	5,625	-	24,300	1,125	2,250
Insurance/Employee Bonds	31,747	4,222	7,945	434	15,751	1,483	1,913
Employee Tuition	-	-	-	-	-	-	-
Advertising	550	300	-	-	250	-	-
Freight/Delivery	2,950	400	188	-	2,250	38	75
Temporary Help	39,001	923	4,760	-	30,462	952	1,904
Furniture/Equipment	7,164	756	874	-	5,010	175	350
Communications/Utilities	41,338	6,599	6,499	-	24,340	1,300	2,600
Capital Outlay	-	-	-	-	-	-	-
State Office of Risk Management	4,299	661	723	-	2,480	145	289
<b>Total</b>	<b>3,027,614</b>	<b>329,238</b>	<b>565,510</b>	<b>28,860</b>	<b>1,577,489</b>	<b>338,504</b>	<b>188,013</b>

**Note:**

Executive Administration Includes:

Executive Office	263,694
Board	95,058
Legal Services	970,174
Internal Audit	359,480
External Affairs	476,105
Housing Resource Center	863,103



## Executive Office

September 1, 2012 thru August 31, 2013

<b>Budget Categories</b>	<b>Budgeted</b>	<i>F.1.1./13800</i> <b>General Revenue (CS)</b>	<i>F.1.1./13800</i> <b>HF Approp Receipts</b>
Salaries	209,007	41,801	167,205
Travel In-State	10,000		10,000
Travel Out-of-State	17,829		17,829
Professional Fees	786		786
Materials/Supplies	3,283		3,283
Repairs/Maintenance	5,843		5,843
Printing and Reproduction	536		536
Rental/Lease	610		610
Membership Dues	1,000		1,000
Staff Development	5,000		5,000
Insurance/Employee Bonds	2,917	583	2,333
Employee Tuition	-		-
Advertising	-		-
Freight/Delivery	500		500
Temporary Help	2,462		2,462
Furniture/Equipment	1,228		1,228
Communications/Utilities	2,362		2,362
Capital Outlay	-		-
State Office of Risk Management	331		331
<b>Total</b>	<b>263,694</b>	<b>42,385</b>	<b>221,309</b>



**Board**

September 1, 2012 thru August 31, 2013

<b>Budget Categories</b>	<b>Budgeted</b>	<i>F.1.1./13800</i> <b>HF Approp Receipts</b>
Salaries		
Travel In-State	41,000	41,000
Travel Out-of-State	23,501	23,501
Professional Fees	500	500
Materials/Supplies	2,021	2,021
Repairs/Maintenance	-	-
Printing and Reproduction	536	536
Rental/Lease	1,000	1,000
Membership Dues	500	500
Staff Development	5,000	5,000
Insurance/Employee Bonds	-	-
Employee Tuition	-	-
Advertising	-	-
Freight/Delivery	500	500
Temporary Help	20,000	20,000
Furniture/Equipment	500	500
Communications/Utilities	-	-
Capital Outlay	-	-
State Office of Risk Management	-	-
<b>Total</b>	<b>95,058</b>	<b>95,058</b>



## Legal Services

September 1, 2012 thru August 31, 2013

<b>Budget Categories</b>	<b>Budgeted</b>	<i>F.1.1./13800</i>
		<b>HF Approp Receipts</b>
Salaries	676,646	676,646
Travel In-State	5,000	5,000
Travel Out-of-State	4,410	4,410
Professional Fees	203,146	203,146
Materials/Supplies	17,134	17,134
Repairs/Maintenance	21,172	21,172
Printing and Reproduction	1,000	1,000
Rental/Lease	2,441	2,441
Membership Dues	2,000	2,000
Staff Development	8,100	8,100
Insurance/Employee Bonds	10,074	10,074
Employee Tuition	-	-
Advertising	250	250
Freight/Delivery	1,000	1,000
Temporary Help	3,847	3,847
Furniture/Equipment	1,812	1,812
Communications/Utilities	10,822	10,822
Capital Outlay	-	-
State Office of Risk Management	1,323	1,323
<b>Total</b>	<b>970,174</b>	<b>970,174</b>



## Internal Audit

September 1, 2012 thru August 31, 2013

<b>Budget Categories</b>	<b>Budgeted</b>	<i>F.1.1./13800</i> <b>General Revenue (CS)</b>	<i>F.1.1./13800</i> <b>MH Approp Receipts</b>	<i>F.1.1./13800</i> <b>HF Approp Receipts</b>
Salaries	308,357	236,829	15,418	56,110
Travel In-State	5,000	5,000		
Travel Out-of-State	1,500	1,500		
Professional Fees	1,573	1,573		
Materials/Supplies	5,067	5,067		
Repairs/Maintenance	11,852	11,852		
Printing and Reproduction	134	134		
Rental/Lease	1,220	1,220		
Membership Dues	2,400	2,400		
Staff Development	8,000	8,000		
Insurance/Employee Bonds	4,737	3,638	237	862
Employee Tuition	-	-		
Advertising	300	300		
Freight/Delivery	400	400		
Temporary Help	923	923		
Furniture/Equipment	756	756		
Communications/Utilities	6,599	6,599		
Capital Outlay	-	-		
State Office of Risk Management	661	661		
<b>Total</b>	<b>359,480</b>	<b>286,853</b>	<b>15,655</b>	<b>56,972</b>





## External Affairs

September 1, 2012 thru August 31, 2013

<b>Budget Categories</b>	<b>Budgeted</b>	<i>F.1.1./13800</i> <b>MH Approp</b> <b>Receipts</b>	<i>F.1.1./13800</i> <b>HF Approp</b> <b>Receipts</b>	<i>B.1.1./13034</i> <b>HF Approp</b> <b>Receipts</b>	<i>B.1.1./21966</i> <b>GR Enriched</b> <b>Housing</b>
Salaries	402,504	13,009	163,984	207,022	18,489
Travel In-State	8,000		8,000		
Travel Out-of-State	3,145		3,145		
Professional Fees	1,966		1,966		
Materials/Supplies	8,709		8,709		
Repairs/Maintenance	15,107		15,107		
Printing and Reproduction	1,500		1,500		
Rental/Lease	4,526		4,526		
Membership Dues	500		500		
Staff Development	6,200		6,200		
Insurance/Employee Bonds	6,092	197	2,482	3,133	280
Employee Tuition	-		-		
Advertising	-		-		
Freight/Delivery	250		250		
Temporary Help	4,154		4,154		
Furniture/Equipment	1,470		1,470		
Communications/Utilities	11,156		11,156		
Capital Outlay	-		-		
State Office of Risk Management	827		827	-	
<b>Total</b>	<b>476,105</b>	<b>13,205</b>	<b>233,975</b>	<b>210,156</b>	<b>18,769</b>



## Housing Resource Center

September 1, 2012 thru August 31, 2013

Budget Categories	Budgeted	B.1.1./13034	B.1.1./13034	B.1.1./13034
		HF Approp Receipts	Enriched Housing/ General Revenue	DADs Interagency Contract
Salaries	503,387	305,533	76,403	121,450
Travel In-State	50,068	3,000	7,000	40,068
Travel Out-of-State	2,000	2,000	-	-
Professional Fees	226,093	2,752	223,341	-
Materials/Supplies	10,992	6,870	1,374	2,748
Repairs/Maintenance	18,350	11,469	2,294	4,588
Printing and Reproduction	1,979	-	-	1,979
Rental/Lease	11,936	-	4,136	7,800
Membership Dues	500	250	250	-
Staff Development	9,000	5,625	1,125	2,250
Insurance/Employee Bonds	7,928	4,812	1,203	1,913
Employee Tuition	-	-	-	-
Advertising	-	-	-	-
Freight/Delivery	300	188	38	75
Temporary Help	7,616	4,760	952	1,904
Furniture/Equipment	1,398	874	175	350
Communications/Utilities	10,399	6,499	1,300	2,600
Capital Outlay	-	-	-	-
State Office of Risk Management	1,157	723	145	289
<b>Total</b>	<b>863,103</b>	<b>355,355</b>	<b>319,735</b>	<b>188,013</b>



## Multifamily Allocation

September 1, 2012 thru August 31, 2013

Budget Categories	Budgeted	A.1.5./13005	A.1.6./13018	A.1.2./13030	A.1.2./13030
		Tax Credit Fees	Multifamily Bond Admin	NSP	Home
Salaries	899,568	554,405	183,271	59,237	102,655
Travel In-State	18,750	12,188	6,563		
Travel Out-of-State	6,000	3,900	2,100		
Professional Fees	5,505	3,578	1,927		
Materials/Supplies	21,984	14,290	7,694		
Repairs/Maintenance	36,700	23,855	12,845		
Printing and Reproduction	1,000	650	350		
Rental/Lease	11,172	7,262	3,910		
Membership Dues	1,500	975	525		
Staff Development	16,000	10,400	5,600		
Insurance/Employee Bonds	14,783	9,111	3,012	973	1,687
Employee Tuition	3,000	1,950	1,050		
Advertising	1,000	650	350		
Freight/Delivery	1,000	650	350		
Temporary Help	9,232	6,001	3,231		
Furniture/Equipment	2,196	1,427	769		
Communications/Utilities	17,600	11,440	6,160		
Capital Outlay	-	-	-		
State Office of Risk Management	2,315	1,505	810		
<b>Total</b>	<b>1,069,305</b>	<b>664,236</b>	<b>240,517</b>	<b>60,210</b>	<b>104,342</b>



## Single Family, Community Affairs & Metrics

September 1, 2012 thru August 31, 2013

Budget Categories	Budgeted	NSP	NSP 3	HTF			Federal	HF Approp Receipts	Interagency Contract / Tx Ag
				General Revenue	Single Family Bond Admin	Multifamily Bond Fees	Funds Community Affairs		
Salaries	4,775,142	432,344	228,762	424,571	820,161	34,978	2,680,208	108,414	45,704
Travel In-State	189,700	25,143	5,036	20,000	23,400	300	95,215	20,606	-
Travel Out-of-State	36,567	100	25	3,000	10,517	500	22,000	425	-
Professional Fees	364,386	88,822	10,028	3,932	106,588	557	153,981	477	-
Materials/Supplies	176,792	4,392	2,919	13,417	49,013	4,716	100,343	1,991	-
Repairs/Maintenance	61,047	750	188	14,107	20,148	1,049	7,518	17,287	-
Printing and Reproduction	17,741	327	217	500	6,991	-	9,554	152	-
Rental/Lease	60,752	3,215	2,256	10,026	10,319	122	24,418	10,396	-
Membership Dues	13,450	-	-	500	450	-	12,500	-	-
Staff Development	27,500	1,893	1,286	3,000	7,150	350	13,215	606	-
Insurance/Employee Bonds	56,846	4,539	2,317	6,868	9,510	515	27,806	4,551	739
Employee Tuition	4,500	875	625	-	-	-	3,000	-	-
Advertising	55,400	-	-	2,000	50,000	-	3,400	-	-
Freight/Delivery	22,878	1,167	833	1,500	2,903	25	16,450	-	-
Temporary Help	34,578	11,733	8,350	2,308	2,754	92	9,061	280	-
Furniture/Equipment	10,483	579	389	1,740	3,341	246	3,959	229	-
Communications/Utilities	131,195	9,417	6,546	11,957	34,211	3,079	52,381	13,605	-
Capital Outlay	-	-	-	-	-	-	-	-	-
State Office of Risk Management	3,638	47	12	1,654	1,257	66	402	201	-
<b>Total</b>	<b>6,042,594</b>	<b>585,344</b>	<b>269,789</b>	<b>521,080</b>	<b>1,158,713</b>	<b>46,595</b>	<b>3,235,411</b>	<b>179,219</b>	<b>46,443</b>

**Note:**

Single Family, Community Affairs & Metrics Included:	
SF, CA & Metrics Administration	396,275
Bond Finance	465,954
Home	1,017,808
Texas Homeownership	556,063
OCI/HTF	825,853
NSP	803,706
Community Affairs	1,976,935



## Single Family, Community Affairs, and Metrics - Administration

September 1, 2012 thru August 31, 2013

Budget Categories	Budgeted	C.1.1/13011	C.2.1/13013	F.1.1./13800	A.1.2./13030	A.1.2./13030
		CSBG	LIHEAP	HF Approp Receipts	NSP	NSP 3
Salaries	357,525	89,381	127,753	108,414	25,582	6,395
Travel In-State	2,000	500	715	606	143	36
Travel Out-of-State	1,400	350	500	425	100	25
Professional Fees	1,573	393	562	477	113	28
Materials/Supplies	6,567	1,642	2,347	1,991	470	117
Repairs/Maintenance	10,486	2,621	3,747	3,180	750	188
Printing and Reproduction	500	125	179	152	36	9
Rental/Lease	1,220	305	436	370	87	22
Membership Dues	-	-	-	-	-	-
Staff Development	2,000	500	715	606	143	36
Insurance/Employee Bonds	5,229	1,307	1,868	1,586	374	94
Employee Tuition	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Freight/Delivery	-	-	-	-	-	-
Temporary Help	923	231	330	280	66	17
Furniture/Equipment	756	189	270	229	54	14
Communications/Utilities	5,434	1,359	1,942	1,648	389	97
Capital Outlay	-	-	-	-	-	-
State Office of Risk Management	661	165	236	201	47	12
<b>Total</b>	<b>396,275</b>	<b>99,069</b>	<b>141,599</b>	<b>120,164</b>	<b>28,355</b>	<b>7,089</b>



## Bond Finance

September 1, 2012 thru August 31, 2013

<b>Budget Categories</b>	<b>Budgeted</b>	<i>A.1.1./13006</i> <b>Single Family Bond Admin</b>	<i>A.1.6./13018</i> <b>Multifamily Bond Admin</b>
Salaries	349,782	314,804	34,978
Travel In-State	3,000	2,700	300
Travel Out-of-State	5,000	4,500	500
Professional Fees	5,573	5,016	557
Materials/Supplies	47,162	42,446	4,716
Repairs/Maintenance	10,486	9,437	1,049
Printing and Reproduction	-	-	-
Rental/Lease	1,220	1,098	122
Membership Dues	-	-	-
Staff Development	3,500	3,150	350
Insurance/Employee Bonds	5,151	4,636	515
Employee Tuition	-	-	-
Advertising	-	-	-
Freight/Delivery	250	225	25
Temporary Help	923	831	92
Furniture/Equipment	2,456	2,210	246
Communications/Utilities	30,789	27,710	3,079
Capital Outlay	-	-	-
State Office of Risk Management	661	595	66
<b>Total</b>	<b>465,954</b>	<b>419,359</b>	<b>46,595</b>



## HOME Program

September 1, 2012 thru August 31, 2013

<b>Budget Categories</b>	<b>Budgeted</b>	<i>A.1.2./13030</i> <b>HOME</b>
Salaries	835,635	835,635
Travel In-State	40,000	40,000
Travel Out-of-State	7,000	7,000
Professional Fees	61,935	61,935
Materials/Supplies	10,118	10,118
Repairs/Maintenance	150	150
Printing and Reproduction	6,000	6,000
Rental/Lease	12,559	12,559
Membership Dues	1,500	1,500
Staff Development	5,000	5,000
Insurance/Employee Bonds	8,356	8,356
Employee Tuition	1,500	1,500
Advertising	3,000	3,000
Freight/Delivery	1,500	1,500
Temporary Help	7,000	7,000
Furniture/Equipment	1,200	1,200
Communications/Utilities	15,354	15,354
Capital Outlay	-	-
State Office of Risk Management	-	-
<b>Total</b>	<b>1,017,808</b>	<b>1,017,808</b>



## Texas Homeownership Program

September 1, 2012 thru August 31, 2013

<b>Budget Categories</b>	<b>Budgeted</b>	<i>A.1.1./13006</i>
		<b>Single Family Bond Admin</b>
Salaries	322,067	322,067
Travel In-State	20,700	20,700
Travel Out-of-State	6,017	6,017
Professional Fees	101,573	101,573
Materials/Supplies	6,567	6,567
Repairs/Maintenance	10,711	10,711
Printing and Reproduction	6,991	6,991
Rental/Lease	9,220	9,220
Membership Dues	450	450
Staff Development	4,000	4,000
Insurance/Employee Bonds	4,874	4,874
Employee Tuition	-	-
Advertising	50,000	50,000
Freight/Delivery	2,678	2,678
Temporary Help	1,923	1,923
Furniture/Equipment	1,131	1,131
Communications/Utilities	6,500	6,500
Capital Outlay	-	-
State Office of Risk Management	661	661
<b>Total</b>	<b>556,063</b>	<b>556,063</b>





**Office of Colonia Initiatives/HTF**

September 1, 2012 thru August 31, 2013

<b>Budget Categories</b>	<b>Budgeted</b>	<b>B.2.1./13020 Interagency Contract / Tx Ag</b>	<b>A.1.3./13031 HTF GR</b>	<b>A.1.2./13030 NSP</b>	<b>B.2.1./13020 Single Family Bond Admin Fees</b>
Salaries	669,295	45,704	424,571	15,730	183,291
Travel In-State	40,000		20,000		20,000
Travel Out-of-State	3,000		3,000		
Professional Fees	3,932		3,932		
Materials/Supplies	13,417		13,417		
Repairs/Maintenance	28,215		14,107		14,107
Printing and Reproduction	500		500		
Rental/Lease	20,051		10,026		10,026
Membership Dues	500		500		
Staff Development	3,000		3,000		
Insurance/Employee Bonds	10,827	739	6,868	254	2,965
Employee Tuition	-		-		
Advertising	2,000		2,000		
Freight/Delivery	1,500		1,500		
Temporary Help	2,308		2,308		
Furniture/Equipment	1,740		1,740		
Communications/Utilities	23,914		11,957		11,957
Capital Outlay	-				
State Office of Risk Management	1,654		1,654		
<b>Total</b>	<b>825,853</b>	<b>46,443</b>	<b>521,080</b>	<b>15,985</b>	<b>242,346</b>



## Neighborhood Stabilization Program

September 1, 2012 thru August 31, 2013

<b>Budget Categories</b>	<b>Budgeted</b>	<i>A.1.2./13030</i> <b>NSP</b>	<i>A.1.2./13030</i> <b>NSP 3</b>
Salaries	613,399	391,032	222,367
Travel In-State	30,000	25,000	5,000
Travel Out-of-State	-	-	-
Professional Fees	98,710	88,710	10,000
Materials/Supplies	6,724	3,923	2,802
Repairs/Maintenance	-	-	-
Printing and Reproduction	500	292	208
Rental/Lease	5,362	3,128	2,234
Membership Dues	-	-	-
Staff Development	3,000	1,750	1,250
Insurance/Employee Bonds	6,134	3,910	2,224
Employee Tuition	1,500	875	625
Advertising	-	-	-
Freight/Delivery	2,000	1,167	833
Temporary Help	20,000	11,667	8,333
Furniture/Equipment	900	525	375
Communications/Utilities	15,476	9,028	6,448
Capital Outlay	-	-	-
State Office of Risk Management	-	-	-
<b>Total</b>	<b>803,706</b>	<b>541,006</b>	<b>262,700</b>



## Community Affairs

September 1, 2012 thru August 31, 2013

<b>Budget Categories</b>	<b>Budgeted</b>	<b>Federal Funds</b>
Salaries	1,627,439	1,627,439
Travel In-State	54,000	54,000
Travel Out-of-State	14,150	14,150
Professional Fees	91,090	91,090
Materials/Supplies	86,236	86,236
Repairs/Maintenance	1,000	1,000
Printing and Reproduction	3,250	3,250
Rental/Lease	11,118	11,118
Membership Dues	11,000	11,000
Staff Development	7,000	7,000
Insurance/Employee Bonds	16,274	16,274
Employee Tuition	1,500	1,500
Advertising	400	400
Freight/Delivery	14,950	14,950
Temporary Help	1,500	1,500
Furniture/Equipment	2,300	2,300
Communications/Utilities	33,727	33,727
Capital Outlay	-	-
State Office of Risk Management	-	-
<b>Total</b>	<b>1,976,935</b>	<b>1,976,935</b>

**Note:**

Community Affairs Includes:

Administration	299,369
Planning	424,689
Fiscal	278,757
Training	553,029
Section 8	421,090



**Community Affairs - Administration**

September 1, 2012 thru August 31, 2013

*C.1.1./13011      C.2.1./13013*

<b>Budget Categories</b>	<b>Budgeted</b>	<b>CSBG</b>	<b>LIHEAP</b>
Salaries	255,073	56,738	198,335
Travel In-State	5,000	2,500	2,500
Travel Out-of-State	7,700	3,850	3,850
Professional Fees	13,677	6,839	6,839
Materials/Supplies	1,681	841	841
Repairs/Maintenance	500	250	250
Printing and Reproduction	250	125	125
Rental/Lease	1,591	795	795
Membership Dues	1,500	750	750
Staff Development	1,500	750	750
Insurance/Employee Bonds	2,551	567	1,983
Employee Tuition	-	-	-
Advertising	-	-	-
Freight/Delivery	250	125	125
Temporary Help	1,500	750	750
Furniture/Equipment	1,100	550	550
Communications/Utilities	5,496	2,748	2,748
Capital Outlay	-	-	-
State Office of Risk Management	-	-	-
<b>Total</b>	<b>299,369</b>	<b>78,178</b>	<b>221,191</b>



## Community Affairs - Planning

September 1, 2012 thru August 31, 2013

Budget Categories	Budgeted	<i>C.1.1./13011</i>	<i>C.1.1./13011</i>	<i>C.2.1./13013</i>	<i>C.2.1./13013</i>
		CSBG	ESGP	DOE Grantee	LIHEAP
Salaries	378,123	59,717	11,893	123,598	182,914
Travel In-State	3,000	300	300		2,400
Travel Out-of-State	1,750	175	175		1,400
Professional Fees	19,355	1,935	1,935		15,484
Materials/Supplies	4,362	436	436		3,490
Repairs/Maintenance	-	-	-		-
Printing and Reproduction	1,000	100	100		800
Rental/Lease	1,181	118	118		945
Membership Dues	3,000	300	300		2,400
Staff Development	1,500	150	150		1,200
Insurance/Employee Bonds	3,781	597	119	1,236	1,829
Employee Tuition	-	-	-		-
Advertising	-	-	-		-
Freight/Delivery	250	25	25		200
Temporary Help	-	-	-		-
Furniture/Equipment	300	30	30		240
Communications/Utilities	7,087	709	709		5,669
Capital Outlay	-	-	-		-
State Office of Risk Management	-	-	-		-
<b>Total</b>	<b>424,689</b>	<b>64,593</b>	<b>16,291</b>	<b>124,835</b>	<b>218,971</b>



## Community Affairs - Fiscal

September 1, 2012 thru August 31, 2013

Budget Categories	Budgeted	<i>C.1.1./13011</i>	<i>C.1.1./13011</i>	<i>C.2.1./13013</i>	<i>C.2.1./13013</i>
		CSBG	ESGP	DOE Grantee	LIHEAP
Salaries	242,478	85,374	30,040	69,987	57,078
Travel In-State	3,000			3,000	
Travel Out-of-State	1,750			1,750	
Professional Fees	12,903			12,903	
Materials/Supplies	3,575			3,575	
Repairs/Maintenance	-			-	
Printing and Reproduction	1,000			1,000	
Rental/Lease	787			787	
Membership Dues	3,000			3,000	
Staff Development	1,500			1,500	
Insurance/Employee Bonds	2,425	854	300	700	571
Employee Tuition	-			-	
Advertising	-			-	
Freight/Delivery	250			250	
Temporary Help	-			-	
Furniture/Equipment	300			300	
Communications/Utilities	5,789			5,789	
Capital Outlay	-			-	
State Office of Risk Management	-			-	
<b>Total</b>	<b>278,757</b>	<b>86,227</b>	<b>30,340</b>	<b>104,541</b>	<b>57,649</b>



## Community Affairs - Training

September 1, 2012 thru August 31, 2013

<b>Budget Categories</b>	<b>Budgeted</b>	<i>C.1.1./13011</i> <b>CSBG</b>	<i>C.1.1./13011</i> <b>ESGP</b>	<i>C.2.1./13013</i> <b>DOE</b>	<i>C.2.1./13013</i> <b>T&amp;TA</b>	<i>C.2.1./13013</i> <b>DOE Grantee</b>	<i>C.2.1./13013</i> <b>LIHEAP</b>
Salaries	375,242	90,536	13,467		68,649	165,321	37,268
Travel In-State	30,000				30,000		
Travel Out-of-State	1,750				1,750		
Professional Fees	34,355				34,355		
Materials/Supplies	73,362				73,362		
Repairs/Maintenance	-				-		
Printing and Reproduction	1,000				1,000		
Rental/Lease	6,181				6,181		
Membership Dues	3,000				3,000		
Staff Development	1,500				1,500		
Insurance/Employee Bonds	3,752	905	135		686	1,653	373
Employee Tuition	1,500				1,500		
Advertising	-				-		
Freight/Delivery	14,000				14,000		
Temporary Help	-				-		
Furniture/Equipment	300				300		
Communications/Utilities	7,087				7,087		
Capital Outlay	-				-		
State Office of Risk Management	-				-		
<b>Total</b>	<b>553,029</b>	<b>91,442</b>	<b>13,602</b>		<b>243,371</b>	<b>166,974</b>	<b>37,641</b>



## Section 8 - Rental Assistance Program

September 1, 2012 thru August 31, 2013

<b>Budget Categories</b>	<b>Budgeted</b>	<i>A.1.4./13004</i> <b>Section 8</b>
Salaries	376,524	376,524
Travel In-State	13,000	13,000
Travel Out-of-State	1,200	1,200
Professional Fees	10,800	10,800
Materials/Supplies	3,256	3,256
Repairs/Maintenance	500	500
Printing and Reproduction	-	-
Rental/Lease	1,378	1,378
Membership Dues	500	500
Staff Development	1,000	1,000
Insurance/Employee Bonds	3,765	3,765
Employee Tuition	-	-
Advertising	400	400
Freight/Delivery	200	200
Temporary Help	-	-
Furniture/Equipment	300	300
Communications/Utilities	8,268	8,268
Capital Outlay	-	-
State Office of Risk Management	-	-
<b>Total</b>	<b>421,090</b>	<b>421,090</b>





## Agency Administration

September 1, 2012 thru August 31, 2013

<b>Budget Categories</b>	<b>Budgeted</b>	<b>General Revenue (OS)</b>	<b>General Revenue (CS)</b>	<b>General Revenue (IS)</b>	<b>MH Approp Receipts</b>	<b>Single Family Bond Fees</b>	<b>HF Approp Receipts</b>	<b>HTF General Revenue</b>
Salaries	4,360,583	35,921	660,218	61,993	376,038	279,555	2,918,935	27,922
Travel In-State	19,225	400	4,000	-	-	-	14,825	-
Travel Out-of-State	9,552	-	1,615	726	-	-	7,211	-
Professional Fees	318,190	629	67,378	4,483	-	-	245,700	-
Materials/Supplies	168,753	1,977	91,197	19,016	-	-	56,564	-
Repairs/Maintenance	430,116	4,554	208,595	29,885	-	-	187,082	-
Printing and Reproduction	2,236	100	1,200	-	-	-	936	-
Rental/Lease	79,584	608	24,104	25,737	-	-	29,134	-
Membership Dues	6,135	100	1,000	120	-	-	4,915	-
Staff Development	60,000	800	10,000	12,000	-	-	37,200	-
Insurance/Employee Bonds	112,403	609	30,139	988	10,021	11,642	57,732	1,271
Employee Tuition	6,000	300	3,000	-	-	-	2,700	-
Advertising	7,650	30	-	-	-	-	7,620	-
Freight/Delivery	14,600	2,020	1,000	180	-	-	11,400	-
Temporary Help	36,231	669	19,235	2,631	-	-	13,695	-
Furniture/Equipment	26,126	1,182	11,006	1,900	-	-	12,038	-
Communications/Utilities	82,049	1,990	11,811	26,468	-	-	41,780	-
Capital Outlay	-	-	-	-	-	-	-	-
State Office of Risk Management	22,157	265	13,063	3,142	-	-	5,688	-
<b>Total</b>	<b>5,761,589</b>	<b>52,154</b>	<b>1,158,561</b>	<b>189,268</b>	<b>386,059</b>	<b>291,198</b>	<b>3,655,155</b>	<b>29,193</b>

**Note:**

Agency Administration Includes:

Financial Administration	3,883,750
Human Resources	342,350
Information Systems	1,535,488



## Financial Administration

September 1, 2012 thru August 31, 2013

<b>Budget Categories</b>	<b>Budgeted</b>	<b>General Revenue (CS)</b>	<b>Single Family Bond Fees</b>	<b>HF Approp Receipts</b>	<b>MH Approp Receipts</b>	<b>General Revenue (OS)</b>	<b>HTF General Revenue</b>
Salaries	2,760,354	604,508	279,555	1,588,184	224,264	35,921	27,922
Travel In-State	16,475	4,000	-	12,075	-	400	-
Travel Out-of-State	7,142	1,615	-	5,527	-	-	-
Professional Fees	302,646	67,378	-	234,638	-	629	-
Materials/Supplies	131,493	91,197	-	38,320	-	1,977	-
Repairs/Maintenance	368,822	208,595	-	155,673	-	4,554	-
Printing and Reproduction	2,236	1,200	-	936	-	100	-
Rental/Lease	35,468	24,104	-	10,756	-	608	-
Membership Dues	4,735	1,000	-	3,635	-	100	-
Staff Development	27,000	10,000	-	16,200	-	800	-
Insurance/Employee Bonds	86,893	30,139	11,642	35,186	8,045	609	1,271
Employee Tuition	6,000	3,000	-	2,700	-	300	-
Advertising	150	-	-	120	-	30	-
Freight/Delivery	13,300	1,000	-	10,280	-	2,020	-
Temporary Help	29,922	19,235	-	10,017	-	669	-
Furniture/Equipment	21,904	11,006	-	9,716	-	1,182	-
Communications/Utilities	50,856	11,811	-	37,056	-	1,990	-
Capital Outlay	-	-	-	-	-	-	-
State Office of Risk Management	18,354	13,063	-	5,027	-	265	-
<b>Total</b>	<b>3,883,750</b>	<b>1,102,851</b>	<b>291,198</b>	<b>2,176,045</b>	<b>232,309</b>	<b>52,154</b>	<b>29,193</b>

**Note:**

Financial Administration Includes:

Director's Office	406,210
Accounting Operations	1,173,737
Financial Services	1,126,561
Loan Servicing	615,684
Purchasing and Facilities Management	561,559



## Director's Office of Financial Administration

September 1, 2012 thru August 31, 2013

<b>Budget Categories</b>	<b>Budgeted</b>	<i>F.1.1./13800</i> <b>General Revenue (CS)</b>	<i>F.1.1./13800</i> <b>HF Approp Receipts</b>	<i>F.1.1./13800</i> <b>MH Approp Receipts</b>
Salaries	360,766	108,230	227,694	24,842
Travel In-State	4,000		4,000	
Travel Out-of-State	2,525		2,525	
Professional Fees	3,073		3,073	
Materials/Supplies	5,578		5,578	
Repairs/Maintenance	10,486		10,486	
Printing and Reproduction	536		536	
Rental/Lease	2,220		2,220	
Membership Dues	500		500	
Staff Development	2,000		2,000	
Insurance/Employee Bonds	5,261	1,578	3,321	362
Employee Tuition	-		-	
Advertising	-		-	
Freight/Delivery	700		700	
Temporary Help	1,723		1,723	
Furniture/Equipment	956		956	
Communications/Utilities	5,224		5,224	
Capital Outlay	-		-	
State Office of Risk Management	661		661	
<b>Total</b>	<b>406,210</b>	<b>109,808</b>	<b>271,198</b>	<b>25,204</b>



## Accounting Operations

September 1, 2012 thru August 31, 2013

<b>Budget Categories</b>	<b>Budgeted</b>	<i>F.1.1./13800</i> <b>General Revenue (CS)</b>	<i>F.1.1./13800</i> <b>HF Approp Receipts</b>	<i>F.1.1./13800</i> <b>MH Approp Receipts</b>
Salaries	666,212	442,244	120,970	102,999
Travel In-State	4,000	4,000		
Travel Out-of-State	1,615	1,615		
Professional Fees	67,378	67,378		
Materials/Supplies	91,197	91,197		
Repairs/Maintenance	208,595	208,595		
Printing and Reproduction	1,200	1,200		
Rental/Lease	24,104	24,104		
Membership Dues	1,000	1,000		
Staff Development	10,000	10,000		
Insurance/Employee Bonds	39,320	26,101	7,140	6,079
Employee Tuition	3,000	3,000		
Advertising	-	-		
Freight/Delivery	1,000	1,000		
Temporary Help	19,235	19,235		
Furniture/Equipment	11,006	11,006		
Communications/Utilities	11,811	11,811		
Capital Outlay	-	-		
State Office of Risk Management	13,063	13,063		
<b>Total</b>	<b>1,173,737</b>	<b>936,550</b>	<b>128,109</b>	<b>109,078</b>



## Financial Services

September 1, 2012 thru August 31, 2013

<b>Budget Categories</b>	<b>Budgeted</b>	<i>A.1.1./13006</i> <b>Single Family</b> <b>Bond Fees</b>	<i>F.1.1./13800</i> <b>HF Approp</b> <b>Receipts</b>	<i>F.1.1./13800</i> <b>MH Approp</b> <b>Receipts</b>
Salaries	787,462	37,010	703,578	46,874
Travel In-State	3,975		3,975	
Travel Out-of-State	1,526		1,526	
Professional Fees	224,404		224,404	
Materials/Supplies	14,701		14,701	
Repairs/Maintenance	47,502		47,502	
Printing and Reproduction	-		-	
Rental/Lease	3,661		3,661	
Membership Dues	1,200		1,200	
Staff Development	6,000		6,000	
Insurance/Employee Bonds	12,835	603	11,468	764
Employee Tuition	1,500		1,500	
Advertising	-		-	
Freight/Delivery	500		500	
Temporary Help	2,770		2,770	
Furniture/Equipment	2,368		2,368	
Communications/Utilities	14,173		14,173	
Capital Outlay	-		-	
State Office of Risk Management	1,984		1,984	
<b>Total</b>	<b>1,126,561</b>	<b>37,613</b>	<b>1,041,310</b>	<b>47,638</b>



## Loan Servicing

September 1, 2012 thru August 31, 2013

<b>Budget Categories</b>	<b>Budgeted</b>	<i>F.1.1./13800</i> <b>General</b> <b>Revenue (CS)</b>	<i>A.1.1./13006</i> <b>Single Family</b> <b>Bond Fees</b>	<i>F.1.1./13800</i> <b>HF Approp</b> <b>Receipts</b>	<i>A.1.3./13031</i> <b>HTF</b>
Salaries	470,539	54,034	242,546	146,037	27,922
Travel In-State	2,500			2,500	
Travel Out-of-State	1,476			1,476	
Professional Fees	4,646			4,646	
Materials/Supplies	10,134			10,134	
Repairs/Maintenance	79,467			79,467	
Printing and Reproduction	-			-	
Rental/Lease	2,441			2,441	
Membership Dues	1,535			1,535	
Staff Development	5,000			5,000	
Insurance/Employee Bonds	21,416	2,459	11,039	6,647	1,271
Employee Tuition	-			-	
Advertising	-			-	
Freight/Delivery	1,000			1,000	
Temporary Help	2,847			2,847	
Furniture/Equipment	1,662			1,662	
Communications/Utilities	9,699			9,699	
Capital Outlay	-			-	
State Office of Risk Management	1,323			1,323	
<b>Total</b>	<b>615,684</b>	<b>56,494</b>	<b>253,585</b>	<b>276,412</b>	<b>29,193</b>



## Purchasing and Facilities Management

September 1, 2012 thru August 31, 2013

<b>Budget Categories</b>	<b>Budgeted</b>	<i>F.1.3./13802</i> <b>General Revenue (OS)</b>	<i>F.1.3./13802</i> <b>HF Approp Receipts</b>	<i>F.1.3./13802</i> <b>MH Approp Receipts</b>
Salaries	475,375	35,921	389,906	49,549
Travel In-State	2,000	400	1,600	
Travel Out-of-State	-	-	-	
Professional Fees	3,146	629	2,517	
Materials/Supplies	9,884	1,977	7,907	
Repairs/Maintenance	22,772	4,554	18,217	
Printing and Reproduction	500	100	400	
Rental/Lease	3,041	608	2,433	
Membership Dues	500	100	400	
Staff Development	4,000	800	3,200	
Insurance/Employee Bonds	8,061	609	6,612	840
Employee Tuition	1,500	300	1,200	
Advertising	150	30	120	
Freight/Delivery	10,100	2,020	8,080	
Temporary Help	3,347	669	2,677	
Furniture/Equipment	5,912	1,182	4,730	
Communications/Utilities	9,949	1,990	7,959	
Capital Outlay	-	-	-	
State Office of Risk Management	1,323	265	1,058	
<b>Total</b>	<b>561,559</b>	<b>52,154</b>	<b>459,015</b>	<b>50,389</b>



## Human Resources

September 1, 2012 thru August 31, 2013

<b>Budget Categories</b>	<b>Budgeted</b>	<b>F.1.1./13800 General Revenue (CS)</b>	<b>F.1.1./13800 HF Approp Receipts</b>	<b>F.1.1./13800 MH Approp Receipts</b>
Salaries	278,550	55,710	194,985	27,855
Travel In-State	750		750	
Travel Out-of-State	1,200		1,200	
Professional Fees	8,073		8,073	
Materials/Supplies	5,567		5,567	
Repairs/Maintenance	11,486		11,486	
Printing and Reproduction	-		-	
Rental/Lease	1,220		1,220	
Membership Dues	1,200		1,200	
Staff Development	13,000		13,000	
Insurance/Employee Bonds	4,439		4,439	
Employee Tuition	-		-	
Advertising	7,500		7,500	
Freight/Delivery	1,000		1,000	
Temporary Help	1,923		1,923	
Furniture/Equipment	1,056		1,056	
Communications/Utilities	4,724		4,724	
Capital Outlay	-		-	
State Office of Risk Management	661		661	
<b>Total</b>	<b>342,350</b>	<b>55,710</b>	<b>258,785</b>	<b>27,855</b>





## Information Systems

September 1, 2012 thru August 31, 2013

<b>Budget Categories</b>	<b>Budgeted</b>	<b>F.1.2./13801 General Revenue (IR)</b>	<b>F.1.2./13801 MH Approp Receipts</b>	<b>F.1.2./13801 HF Approp Receipts</b>
Salaries	1,321,679	61,993	123,919	1,135,766
Travel In-State	2,000			2,000
Travel Out-of-State	1,210	726		484
Professional Fees	7,471	4,483		2,988
Materials/Supplies	31,693	19,016		12,677
Repairs/Maintenance	49,808	29,885		19,923
Printing and Reproduction	-	-		-
Rental/Lease	42,895	25,737		17,158
Membership Dues	200	120		80
Staff Development	20,000	12,000		8,000
Insurance/Employee Bonds	21,071	988	1,976	18,107
Employee Tuition	-	-		-
Advertising	-	-		-
Freight/Delivery	300	180		120
Temporary Help	4,386	2,631		1,754
Furniture/Equipment	3,166	1,900		1,266
Communications/Utilities	26,468	26,468		
Capital Outlay	-	-		-
State Office of Risk Management	3,142	3,142		-
<b>Total</b>	<b>1,535,488</b>	<b>189,268</b>	<b>125,895</b>	<b>1,220,325</b>



## Asset Analysis & Management

September 1, 2012 thru August 31, 2013

Budget Categories	Budgeted	Tax Credit		NSP	NSP 3	Multifamily Bond Fees	Single Family Bond Fees	Asset	HTF	HF Approp Receipts
		Fees	Home					Management Fees	General Revenue	
Salaries	2,035,511	776,357	446,311	21,908	15,649	80,040	68,704	448,509	95,332	82,702
Travel In-State	28,000	1,500	750	-	-	3,500	-	20,000	-	2,250
Travel Out-of-State	8,500	1,500	500	-	-	3,500	-	1,500	-	1,500
Professional Fees	96,181	8,932	9,677	-	-	-	-	48,539	-	29,032
Materials/Supplies	45,417	7,925	1,681	-	-	18,492	-	12,276	-	5,043
Repairs/Maintenance	49,808	7,864	-	-	-	18,350	-	23,593	-	-
Printing and Reproduction	500	-	125	-	-	-	-	-	-	375
Rental/Lease	10,659	915	1,091	-	-	2,136	-	3,246	-	3,272
Membership Dues	1,600	-	250	-	-	-	-	600	-	750
Staff Development	18,500	3,000	875	-	-	7,000	-	5,000	-	2,625
Insurance/Employee Bonds	28,209	12,422	4,463	219	156	1,279	687	7,202	953	827
Employee Tuition	6,000	900	-	-	-	2,100	-	3,000	-	-
Advertising	1,000	-	-	-	-	-	-	1,000	-	-
Freight/Delivery	1,750	-	375	-	-	-	-	250	-	1,125
Temporary Help	8,386	1,592	250	-	-	3,716	-	2,077	-	750
Furniture/Equipment	4,466	552	250	-	-	1,288	-	1,626	-	750
Communications/Utilities	39,220	4,112	3,721	-	-	9,595	-	10,630	-	11,162
Capital Outlay	-	-	-	-	-	-	-	-	-	-
State Office of Risk Management	3,142	496	-	-	-	1,157	-	1,488	-	-
<b>Total</b>	<b>2,386,849</b>	<b>828,069</b>	<b>470,319</b>	<b>22,127</b>	<b>15,805</b>	<b>152,154</b>	<b>69,391</b>	<b>590,536</b>	<b>96,285</b>	<b>142,164</b>

**Note:**

Asset Analysis & Management Division Includes:

Real Estate Analysis	811,797
Asset Management	758,961
Program Services	816,091



## Real Estate Analysis

September 1, 2012 thru August 31, 2013

<b>Budget Categories</b>	<b>Budgeted</b>	A.1.5./13005	A.1.6./13018
		<b>Tax Credit Fees</b>	<b>Multifamily Bond Fees</b>
Salaries	690,633	610,593	80,040
Travel In-State	5,000	1,500	3,500
Travel Out-of-State	5,000	1,500	3,500
Professional Fees	8,932	8,932	
Materials/Supplies	26,417	7,925	18,492
Repairs/Maintenance	26,215	7,864	18,350
Printing and Reproduction	-	-	-
Rental/Lease	3,051	915	2,136
Membership Dues	-	-	-
Staff Development	10,000	3,000	7,000
Insurance/Employee Bonds	11,040	9,761	1,279
Employee Tuition	3,000	900	2,100
Advertising	-	-	-
Freight/Delivery	-	-	-
Temporary Help	5,308	1,592	3,716
Furniture/Equipment	1,840	552	1,288
Communications/Utilities	13,707	4,112	9,595
Capital Outlay	-	-	-
State Office of Risk Management	1,654	496	1,157
<b>Total</b>	<b>811,797</b>	<b>659,643</b>	<b>152,154</b>



## Asset Management

September 1, 2012 thru August 31, 2013

Budget Categories	Budgeted	<i>D.1.1./13035</i>	<i>A.1.5./13005</i>
		<b>Asset Management Fees</b>	<b>Tax Credit Fees</b>
Salaries	614,273	448,509	165,764
Travel In-State	20,000	20,000	
Travel Out-of-State	1,500	1,500	
Professional Fees	48,539	48,539	
Materials/Supplies	12,276	12,276	
Repairs/Maintenance	23,593	23,593	
Printing and Reproduction	-	-	
Rental/Lease	3,246	3,246	
Membership Dues	600	600	
Staff Development	5,000	5,000	
Insurance/Employee Bonds	9,863	7,202	2,662
Employee Tuition	3,000	3,000	
Advertising	1,000	1,000	
Freight/Delivery	250	250	
Temporary Help	2,077	2,077	
Furniture/Equipment	1,626	1,626	
Communications/Utilities	10,630	10,630	
Capital Outlay	-	-	
State Office of Risk Management	1,488	1,488	
<b>Total</b>	<b>758,961</b>	<b>590,536</b>	<b>168,425</b>



**Program Services**

September 1, 2012 thru August 31, 2013

Budget Categories	Budgeted	A.1.1/13006	A.1.2./13030	A.1.3./13031	F.1.1/13800	A.1.2./13030	A.1.2./13030
		Single Family Bond Fees	HOME	HTF General Revenue	HF Approp Receipts	NSP	NSP 3
Salaries	730,606	68,704	446,311	95,332	82,702	21,908	15,649
Travel In-State	3,000		750		2,250		
Travel Out-of-State	2,000		500		1,500		
Professional Fees	38,710		9,677		29,032		
Materials/Supplies	6,724		1,681		5,043		
Repairs/Maintenance	-		-		-		
Printing and Reproduction	500		125		375		
Rental/Lease	4,362		1,091		3,272		
Membership Dues	1,000		250		750		
Staff Development	3,500		875		2,625		
Insurance/Employee Bonds	7,306	687	4,463	953	827	219	156
Employee Tuition	-		-		-		
Advertising	-		-		-		
Freight/Delivery	1,500		375		1,125		
Temporary Help	1,000		250		750		
Furniture/Equipment	1,000		250		750		
Communications/Utilities	14,883		3,721		11,162		
Capital Outlay	-		-		-		
State Office of Risk Management	-		-		-		
<b>Total</b>	<b>816,091</b>	<b>69,391</b>	<b>470,319</b>	<b>96,285</b>	<b>142,164</b>	<b>22,127</b>	<b>15,805</b>



## Compliance Division

September 1, 2012 thru August 31, 2013

<b>Budget Categories</b>	<b>Budgeted</b>	<b>Compliance Fees</b>	<b>Interagency Contract / Tx Ag</b>	<b>Federal Funds</b>	<b>NSP</b>	<b>NSP 3</b>
Salaries	2,623,710	1,219,157	9,218	1,317,116	65,167	13,053
Travel In-State	269,000	166,250	-	102,750	-	-
Travel Out-of-State	12,390	7,000	-	5,390	-	-
Professional Fees	334,690	311,737	-	22,953	-	-
Materials/Supplies	67,590	50,206	-	17,384	-	-
Repairs/Maintenance	104,437	79,700	-	24,736	-	-
Printing and Reproduction	1,000	-	-	1,000	-	-
Rental/Lease	19,081	13,508	-	5,573	-	-
Membership Dues	9,000	4,400	-	4,600	-	-
Staff Development	20,000	6,400	-	13,600	-	-
Insurance/Employee Bonds	42,359	21,272	151	19,655	1,063	218
Employee Tuition	3,000	2,550	-	450	-	-
Advertising	-	-	-	-	-	-
Freight/Delivery	2,500	2,175	-	325	-	-
Temporary Help	9,002	6,890	-	2,112	-	-
Furniture/Equipment	8,246	5,678	-	2,568	-	-
Communications/Utilities	54,926	37,032	-	17,894	-	-
Capital Outlay	-	-	-	-	-	-
State Office of Risk Management	6,449	4,936	-	1,513	-	-
<b>Total</b>	<b>3,587,379</b>	<b>1,938,891</b>	<b>9,369</b>	<b>1,559,619</b>	<b>66,231</b>	<b>13,271</b>

**Note:**

Compliance Division Includes:

Compliance Administration	522,677
Physical Inspections	1,104,686
Contract Monitoring	475,895
Compliance Monitoring	1,036,061
Community Affairs Inspectors	448,060



## Compliance - Administration

September 1, 2012 thru August 31, 2013

Budget Categories	Budgeted	D.1.2./13036	D.1.1./13035	D.1.2./13036	A.1.2./13030	A.1.2./13030
		HOME	Fees	CSBG	NSP	NSP 3
Salaries	462,999	86,147	194,458	74,195	8,254	1,932
Travel In-State	5,000		4,250			
Travel Out-of-State	3,000		2,550			
Professional Fees	2,359		2,005			
Materials/Supplies	8,350		7,098			
Repairs/Maintenance	16,129		13,709			
Printing and Reproduction	-		-			
Rental/Lease	1,831		1,556			
Membership Dues	1,000		850			
Staff Development	1,000		850			
Insurance/Employee Bonds	7,110	1,323	2,986	1,139	127	30
Employee Tuition	3,000		2,550			
Advertising	-		-			
Freight/Delivery	250		213			
Temporary Help	1,385		1,177			
Furniture/Equipment	1,184		1,006			
Communications/Utilities	7,087		6,024			
Capital Outlay	-		-			
State Office of Risk Management	992		843			
<b>Total</b>	<b>522,677</b>	<b>87,470</b>	<b>242,126</b>	<b>75,334</b>	<b>8,380</b>	<b>1,961</b>



## Compliance - Physical Inspections

September 1, 2012 thru August 31, 2013

Budget Categories	Budgeted	D.1.2./13036	D.1.1./13035
		HOME	Compliance Fees
Salaries	640,263	32,013	326,071
Travel In-State	60,000		60,000
Travel Out-of-State	1,900		1,900
Professional Fees	304,718		304,718
Materials/Supplies	20,901		20,901
Repairs/Maintenance	32,057		32,057
Printing and Reproduction	-		-
Rental/Lease	4,661		4,661
Membership Dues	1,000		1,000
Staff Development	3,000		3,000
Insurance/Employee Bonds	11,363	568	5,787
Employee Tuition	-		-
Advertising	-		-
Freight/Delivery	1,750		1,750
Temporary Help	2,770		2,770
Furniture/Equipment	2,368		2,368
Communications/Utilities	15,949		15,949
Capital Outlay	-		-
State Office of Risk Management	1,984		1,984
<b>Total</b>	<b>1,104,686</b>	<b>32,581</b>	<b>784,918</b>
	-		
<i>Note: PMC Professional Fees</i>			
USPCS Inspections	300,000		
Total, PMC	300,000		





## Compliance - Contract Monitoring

September 1, 2012 thru August 31, 2013

Budget Categories	Budgeted	<i>D.1.2./13036</i>	<i>C.1.1./13011</i>	<i>B.2.1./13020</i>	<i>A.1.2./13030</i>	<i>A.1.2./13030</i>
		HOME	ESGP	Interagency Contract / Tx Ag	NSP	NSP 3
Salaries	391,235	193,668	128,961	9,218	52,590	6,798
Travel In-State	30,000	18,000	12,000			
Travel Out-of-State	3,000	1,800	1,200			
Professional Fees	2,359	1,416	944			
Materials/Supplies	8,350	5,010	3,340			
Repairs/Maintenance	16,329	9,797	6,531			
Printing and Reproduction	-	-	-			
Rental/Lease	2,831	1,698	1,132			
Membership Dues	1,000	600	400			
Staff Development	3,000	1,800	1,200			
Insurance/Employee Bonds	6,393	3,164	2,107	151	859	111
Employee Tuition	-	-	-			
Advertising	-	-	-			
Freight/Delivery	250	150	100			
Temporary Help	1,385	831	554			
Furniture/Equipment	1,684	1,010	674			
Communications/Utilities	7,087	4,252	2,835			
Capital Outlay	-	-	-			
State Office of Risk Management	992	595	397			
<b>Total</b>	<b>475,895</b>	<b>243,793</b>	<b>162,376</b>	<b>9,369</b>	<b>53,450</b>	<b>6,909</b>



## Compliance - Compliance Monitoring

September 1, 2012 thru August 31, 2013

Budget Categories	Budgeted	D.1.2./13036	D.1.1./13035	A.1.2./13030	A.1.2./13030
		HOME	Compliance Fees	NSP	NSP 3
Salaries	785,860	78,586	698,627	4,323	4,323
Travel In-State	120,000	18,000	102,000		
Travel Out-of-State	3,000	450	2,550		
Professional Fees	5,898	885	5,013		
Materials/Supplies	26,126	3,919	22,207		
Repairs/Maintenance	39,922	5,988	33,934		
Printing and Reproduction	-	-	-		
Rental/Lease	8,577	1,287	7,290		
Membership Dues	3,000	450	2,550		
Staff Development	3,000	450	2,550		
Insurance/Employee Bonds	14,059	1,406	12,499	77	77
Employee Tuition	-	-	-		
Advertising	-	-	-		
Freight/Delivery	250	38	213		
Temporary Help	3,462	519	2,943		
Furniture/Equipment	2,710	407	2,304		
Communications/Utilities	17,717	2,657	15,059		
Capital Outlay	-	-	-		
State Office of Risk Management	2,480	372	2,108		
<b>Total</b>	<b>1,036,061</b>	<b>115,413</b>	<b>911,847</b>	<b>4,401</b>	<b>4,401</b>



**Compliance - Community Affairs Monitoring**

September 1, 2012 thru August 31, 2013

*C.1.1./13011    C.2.1./13013*

<b>Budget Categories</b>	<b>Budgeted</b>	<b>CSBG</b>	<b>LIHEAP</b>
Salaries	343,352	120,978	222,374
Travel In-State	54,000	19,027	34,973
Travel Out-of-State	1,490	525	965
Professional Fees	19,355	6,820	12,535
Materials/Supplies	3,862	1,361	2,501
Repairs/Maintenance	-	-	-
Printing and Reproduction	1,000	352	648
Rental/Lease	1,181	416	765
Membership Dues	3,000	1,057	1,943
Staff Development	10,000	3,523	6,477
Insurance/Employee Bonds	3,434	1,210	2,224
Employee Tuition	-	-	-
Advertising	-	-	-
Freight/Delivery	-	-	-
Temporary Help	-	-	-
Furniture/Equipment	300	106	194
Communications/Utilities	7,087	2,497	4,590
Capital Outlay	-	-	-
State Office of Risk Management	-	-	-
<b>Total</b>	<b>448,060</b>	<b>157,872</b>	<b>290,189</b>

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2b

**BOARD ACTION REQUEST  
FINANCIAL ADMINISTRATION**

**July 10, 2012**

Presentation, Discussion, and Possible Action regarding the FY 2013 Housing Finance Division Budget

**Recommended Action**

The Board approve the FY 2013 Housing Finance Division Budget.

RESOLVED, that the FY 2013 Housing Finance Division Budget, in the form presented at this meeting, is hereby approved.

**Background**

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

The FY 2013 Housing Finance Division Budget, which the Board is considering, is \$14.3 million. The Housing Finance Budget complies with the provisions of the General Appropriations Act (GAA).

**Summary**

If the Board approves the FY 2013 Housing Finance Division Budget, the Department will submit the budget to the Governor's Office and the LBB.



## Housing Finance Budget Appropriated Receipts

September 1, 2012 thru August 31, 2013

Budget Categories	Single Family, Community						Payroll Related		Total
	Executive Administration	Multifamily Allocation	Affairs & Metrics	Agency Administration	Asset Analysis & Management	Compliance	Capital Budget	Costs	
Salaries	1,576,501	737,676	963,553	3,198,491	1,456,311	1,219,157			9,151,688
Payroll Related Costs	-	-	-	-	-	-		2,152,440	2,152,440
Travel In-State	67,000	18,750	44,306	14,825	27,250	166,250			338,381
Travel Out-of-State	50,885	6,000	11,442	7,211	8,000	7,000			90,538
Professional Fees	209,151	5,505	107,623	245,700	86,503	311,737			966,218
Materials/Supplies	38,017	21,984	55,720	56,564	43,736	50,206			266,227
Repairs/Maintenance	53,591	36,700	38,484	187,082	49,808	79,700			445,364
Printing and Reproduction	3,572	1,000	7,142	936	375	-			13,025
Rental/Lease	8,577	11,172	20,837	29,134	9,569	13,508			92,796
Membership Dues	4,250	1,500	450	4,915	1,350	4,400			16,865
Staff Development	29,925	16,000	8,106	37,200	17,625	6,400			115,256
Insurance/Employee Bonds	23,696	12,123	14,576	69,375	22,417	21,272			163,459
Employee Tuition	-	3,000	-	2,700	6,000	2,550			14,250
Advertising	250	1,000	50,000	7,620	1,000	-			59,870
Freight/Delivery	2,438	1,000	2,928	11,400	1,375	2,175			21,315
Temporary Help	35,222	9,232	3,127	13,695	8,136	6,890			76,301
Furniture/Equipment	5,884	2,196	3,816	12,038	4,216	5,678			33,828
Communications/Utilities	30,839	17,600	50,895	41,780	35,499	37,032			213,645
Capital Outlay	-	-	-	-	-	-	44,308		44,308
State Office of Risk Management	3,204	2,315	1,523	5,688	3,142	4,936			20,808
<b>Total</b>	<b>2,143,000</b>	<b>904,752</b>	<b>1,384,527</b>	<b>3,946,352</b>	<b>1,782,313</b>	<b>1,938,891</b>	<b>44,308</b>	<b>2,152,440</b>	<b>14,296,583</b>

<i>Method of Finance:</i>	
Single Family Bond Administration Fees	1,794,109
Multifamily Bond Administration Fees	509,422
Housing Tax Credit Fees	1,805,294
Compliance Fees	2,225,631
Asset Management Fees	696,023
Appropriated Receipts - Central Support	7,266,103
<b>Total, Method of Finance</b>	<b>14,296,583</b>

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

3

**STRATEGIC PLANNING & BUDGETING COMMITTEE  
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

**July 9, 2012  
6:00 PM  
Room 116  
211 East 11<sup>th</sup> Street  
Austin, TX 78701**

**AGENDA**

**CALL TO ORDER, ROLL CALL  
CERTIFICATION OF QUORUM**

**Tom H. Gann, Chair  
Tom H. Gann, Chair**

**PUBLIC COMMENT**

The Strategic Planning & Budgeting Committee of the Board of the Texas Department of Housing and Community Affairs will solicit public comment at the end 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 Committee.

The Strategic Planning & Budgeting Committee of the Board of the Texas Department of Housing and Community Affairs will meet to consider and possibly act on the following:

**REPORT ITEMS**

- |        |  |                              |
|--------|--|------------------------------|
| Item 1 | Presentation, Discussion, and Possible Action on the Strategic Planning & Budgeting Committee Meeting Minutes of June 14, 2012     | <b>Tom H. Gann<br/>Chair</b> |
| Item 2 | Presentation and Discussion on the Legislative Appropriation Request (LAR) & Associated Considerations                             |                              |
|        | a) LAR and Proposed Budget 2014-2015   | David Cervantes / Bill Dally |
|        | b) Recommended Budget Reduction Priorities in Response to Request from the Legislative Budget Board and the Office of the Governor | Bill Dally / Tim Irvine      |
|        | c) Exceptional Item Request(s)   | Bill Dally / Tim Irvine      |
|        | d) Information Technology Detail (ITD) Capital Project Requests  | Curtis Howe                  |

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

**EXECUTIVE SESSION**

The Committee 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 and under Texas Government Code §2306.039

**Tom H. Gann  
Chair**

**OPEN SESSION**

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

**ADJOURN**

*To access this agenda and details on each agenda item in the board book, please visit our website at [www.tdhca.state.tx.us](http://www.tdhca.state.tx.us) or contact Nidia Hiroms, TDHCA, 221 East 11th Street Austin, Texas 78701-2410, 512-475-3930 and request the information.*

*Individuals who require the 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, 512-475-3930 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.*



4

**BOARD REPORT ITEM**  
**HOUSING RESOURCE CENTER**

**July 10, 2012**

**REPORT ITEM**

Status Report on the Contracts for Deed Prevalence Project with the University of Texas at Austin.

**BACKGROUND**

The 2010 Sunset Advisory Commission “direct[ed] the Department to conduct a one-time study of the current prevalence of contracts for deed in Texas colonias and to report the results to the Legislature by December 1, 2012.” Because of the expertise needed for such a study, TDHCA entered into an agreement in August 2011 with the University of Texas at Austin to provide research and a report regarding the prevalence of recorded and unrecorded contracts for deed in Texas colonias. The research team consists of faculty and students from the LBJ School of Public Affairs and the UT School of Law. TDHCA met with the research team in June to discuss the most recent bi-monthly progress report. The progress report reported results for Phase Two and provided a Phase Three update.

**Phase One**

As previously reported, Phase One has generated estimates of the number of contracts for deed (CFD) in the counties selected for the study. The Research Team has continued to review the data and to pursue ways to verify its accuracy. The following central points have emerged through this part of the study:

- Contracts for Deed continue to be recorded (RCFD) in significant numbers in all border and interior counties chosen for study.
- The data in several counties reveal a rise in RCFDs following the passage of the legal requirement to record.
- The report has produced usage rates in each county designed to suggest the relative importance of the RCFD in each locale.
- The record-keeping practices of county clerks’ offices and central appraisal districts vary widely. In several counties, data was found to be inaccessible and/or unreliable. The research team utilized multiple data sources to address these challenges.

**Phase Two**

Phase Two produced estimates of the unrecorded contracts for deed (UCFD) by county. The methodology used in this phase involved the juxtaposition of the names of the purported owners surveyed with deed records provided by county clerks, central appraisal districts, and title companies. A range of assumptions were employed to mitigate the effects of data ambiguities stemming from a variety of factors, allowing the team to create ranges of estimates of UCFDs for the Department’s review. It should be noted that, while the RCFDs estimates include RCFDs initiated between 1989 and 2011, the UCFD estimates include UCFDs at the time of the survey (2012). After setting out a series of these estimates, the team arrived at what it deemed to be the most reliable “moderate” estimates of UCFD by county, along with the following take-away points:

- UCFDs are still active in significant numbers in all border counties of study, totaling

close to 4,500 in number even under our moderate approach.

- The prevalence of UCFDs is highest in Hidalgo and El Paso counties, although the unique data difficulties encountered in both Webb and Starr counties gives the Research Team pause in reporting the low figures generated by the model.
- A sizeable proportion of residents now holding deeds bought them through either RCFDs or UCFDs. (However, the Research Team's survey design, in focusing on residents, did not examine those cases in which purchasers of CFDs lost their property interests. In Phase Three the Research Team will look briefly at one county's former holders of RCFDs to gain more insight into the experience of those not acquiring title.)

### Phase Three

In Phase Three the Research Team conducted a series of in-depth individual phone interviews with targeted groups of residents to explore particular issue areas likely to have significant impact on future titling practices in both border colonias and interior informal homestead subdivisions. The analysis in Phase Three has involved the integration of the material from these interviews with the trends observed in the aggregate data gathered in Phase Two. It has also involved, to a limited extent, the gathering of some additional data and use of mini-surveys. The thematic areas of study include:

- *Resident practices in selling, renting, and/or abandoning their properties.* In this portion of the study, the Research Team asks more detailed questions about how residents make decisions concerning their property. Thus far, the Research Team has observed a significant lack of access to credit in the communities of study. The section will also explore other factors influencing resident decision-making.
- *Emerging developer practices and the impact of these practices.* This portion of the report will involve a closer look at issues related to the failure of purchasers to acquire title, including a smaller study of the length of stay experienced by a subset of purchasers via RCFD. The Research Team also hopes to focus on the development of newer communities and the developer titling practices within those communities.
- *Intestacy issues and their impact on titling.* Low numbers of residents were found to have wills, which will create additional layers of complexity in titling in these communities going forward. In this section the Research Team hopes to better understand the kinds of titling complications encountered in the context of inheritance.

**CONTRACT FOR DEED STUDY**

**PHASE ONE PRELIMINARY RESULTS:**

<b>County</b>	<b>Recorded CFD 1989-2011</b>	<b>Estimated Outstanding Recorded CFD</b>
Bastrop	1,847	739
Cameron	1,791	409
El Paso	1,330	678
Guadalupe	890	107
Hidalgo	3,462	600
Maverick	2,504	926
Starr	391	149
Travis	1,576	772
Val Verde	3,76	105
Webb	2,463	793
<b>Total</b>	<b>16,254</b>	<b>5278</b>

**PHASE TWO PRELIMINARY RESULTS:**

**Current number of Unrecorded CFD: Moderate Estimate, All Extrapolative Transactions**

<b>County</b>	<b>Deed</b>		<b>Recorded CFD</b>		<b>Unrecorded CFD</b>		<b>TOTAL</b>	
	<b>Count</b>	<b>% within County</b>	<b>Count</b>	<b>% within County</b>	<b>Count</b>	<b>% within County</b>	<b>Count</b>	<b>% within County</b>
Cameron	6,224	88.3%	0	.0%	825	11.7%	7,049	100%
El Paso	5,529	71.6%	959	12.4%	1,238	16%	7,726	100%
Hidalgo	11,658	85.6%	0	.0%	1,966	14.4%	13,624	100%
Maverick	2,801	85.2%	180	5.5%	308	9.4%	3,289	100%
Starr	3,036	96.8%	0	.0%	100	3.2%	3,136	100%
Webb	1,244	98.2%	0	.0%	23	1.8%	1,267	100%
<b>Total</b>	<b>30,506</b>	<b>84.5%</b>	<b>1,106</b>	<b>3.1%</b>	<b>4,479</b>	<b>12.4%</b>	<b>36,091</b>	<b>100%</b>

5

**BOARD ACTION REQUEST**  
**MULTIFAMILY FINANCE DIVISION**

**July 10, 2012**

Presentation and Discussion on Challenges Made in Accordance with §50.10(d) of the 2012 Qualified Allocation Plan (QAP) Concerning 2012 Housing Tax Credit (HTC) Applications.

**BACKGROUND**

The Department has received an unusually high number of challenges this year compared to recent years. The challenges are particularly detailed and specific and relate to a number of different issues.

A challenge may pertain to any part of the application including but not limited to eligibility, selection (scoring) and threshold. Staff reviews the challenge and submits a request to the Applicant for a response to the challenge. Staff researches both sides of the challenge and makes a determination of appropriate resolution to the challenge. A summary of the challenge and the resolution is provided in the Challenge Status Log and is published on the Department's website. The log will be updated periodically as staff makes determinations as to the validity of the challenges.

As a resolution to any challenges that are sustained, point reductions and/or terminations could possibly be made administratively. In these cases, the Applicant will be given an opportunity to appeal pursuant to §50.10(c) of the 2012 QAP, as is the case with all point reductions and terminations. To the extent that the evidence does not confirm that a challenge should be sustained, a memo relating to the challenge will be saved in the Application file.

The following list reflects all challenges that were received by the Application Challenges Deadline, June 13, 2012. Those marked with an asterisk have been included in the most recently updated Challenge Status Log posted on the website.

## List of Challenges Received to 2012 Housing Tax Credit Applications

<b>Application #</b>	<b>Development Name</b>	<b>City</b>
*12025	Hawk Ridge	White Settlement
12051	Brownstones Tyler	Tyler
12060	The Reserves at High Plains	Dumas
*12062-A	Cadillac Apartments	Dallas
12062-B	Cadillac Apartments	Dallas
12067	Amberwood Place	Longview
12074	Acadiana Village	Bridge City
12075	Saddlebrook Apartments	Burkburnett
12083-A	Harmon Villas	Fort Worth
12083-B	Harmon Villas	Fort Worth
12089	Briarbend	Beaumont
12098-A	1400 Belleview	Dallas
12098-B	1400 Belleview	Dallas
*12118	Spring Trace	Spring
*12121	Memorial Apartments	McAllen
12125	Monarch Meadows	Wolforth
12127	Clint Palms	Clint
12134	Christie's Cove	Harlingen
12140	Kiron at Mesquite Lane	Georgetown
12149	North Desert Palms	El Paso
12174-A	Royal Gardens	Mineral Wells
12174-B	Royal Gardens	Mineral Wells
12182	1701 Canton-Evergreen Residences	Dallas
12202-A	Park Laureate	Harlingen
12202-B	Park Laureate	Harlingen
*12206	Spring Hill Apartments	Huntsville
*12248-A	Lexington Manor	Corpus Christi
12248-B	Lexington Manor	Corpus Christi
12252	Gulf Coast Arms	Houston
12269	Stonebridge of Kelsey Park	Lubbock
12271	The Reserve at Western Center	Fort Worth
12277-A	TGO Villages at Ridge	San Juan
12277-B	TGO Villages at Ridge	San Juan
12297-A	Abbingtion Commons	Kaufman
12297-B	Abbingtion Commons	Kaufman
*12302-A	Farm Labor Apartments	Laredo
12302-B	Farm Labor Apartments	Laredo
12308	North Bartlett Avenue Apartments	Laredo
12309	Ana M. Lozano Apartments	Laredo
12326	Summerstone Senior Village	Ennis
12332-A	Apple Grove Villas	Mesquite
12332-B	Apple Grove Villas	Mesquite
12339	Hacienda del Sol	San Benito

12346	Merritt Hill Country	Dripping Springs
12361-A	El Campo Village	El Campo
12361-B	El Campo Village	El Campo
12361-C	El Campo Village	El Campo
12371	Mariposa at Ranch Road 12	Wimberley
12379	Sunrise Terrace	La Feria
12382	Stevenson Ranch	Stephenville
12388-A	Paseo Pointe	Los Fresnos
12388-B	Paseo Pointe	Los Fresnos
12393-A	Highland Villas	Bryan
12393-B	Highland Villas	Bryan

An asterisk (\*) indicates that a determination has been made by the Department. Letters after the application number indicate that more than one challenge was received to that application.



6

**BOARD ACTION REQUEST**  
**MULTIFAMILY FINANCE DIVISION**  
**July 10, 2012**

Timely Filed Appeals under any of the Department's Program or Underwriting Rules

**RECOMMENDED ACTION**

**WHEREAS**, a 2012 competitive housing tax credit scoring notice was provided to the applicant of Hawk Ridge Apartments (#12025);

**WHEREAS**, the staff identified seven (7) points that the applicant elected but the application does not qualify to receive; and

**WHEREAS**, the applicant appealed the scoring notice and requested that the Board award three (3) points under §§50.9(b)(13) Community Input other than QCP and (22); Economic Development Initiatives

**RESOLVED**, the applicant's appeal of the scoring notice for Hawk Ridge Apartments (#12025) is hereby denied.

**BACKGROUND**

On June 22, 2012, staff sent a scoring notice to the applicant of Hawk Ridge Apartments, a 2012 competitive housing tax credit application submitted in the Urban Region 3. As a result of a challenge to the application and a reevaluation of specific items by staff, it was determined that the application did not qualify to receive seven (7) of the points elected by the applicant. The Applicant concedes that they are not eligible for four (4) of those points but are requesting the remaining three (3) points be awarded. The areas subject to appeal are summarized below.

**§50.9(b)(13) Community Input other than Quantifiable Community Participation**

Applications can receive up to six (6) points by submitting letters of support from community or civic organizations that serve the community in which the development site is located. Each letter is worth two (2) points. These points are only awarded to applications that did not receive an eligible letter (of support or opposition) from a Neighborhood Organization as defined under §50.9(b)(2) Quantifiable Community Participation (QCP). In order to receive points, the letters must identify the specific development and must state support of the specific development at the proposed location. Staff initially awarded two (2) points for a letter from Naval Air Station Fort Worth, Joint Reserve Base (NAS Fort Worth, JRB) Regional Coordination Committee that was submitted with the application. On June 1, the Department received a challenge to the application that included, among many other claims, an assertion that the letter did not explicitly express support for the development. Staff, upon a second review, found this to be correct and revised the application score, deducting the two (2) points initially awarded. While the letter does

identify the development, it states that “it has been determined that the proposed project is consistent with JLUS recommendations,” not an affirmative and explicit statement of support for the development.

The Applicant, in the appeal, claims that this statement suggests support because this form letter from NAS Fort Worth JRB can only be obtained after a review of a project submittal to the organization’s website. Staff disagrees and contends that the letter must affirmatively and explicitly state support (i.e. use the word ‘support’) in order to qualify for points. The letter submitted simply documents consistency with a land use policy (JLUS is an acronym for Joint Land Use Study) rather than support for a specific project.

The Applicant also claims that a letter submitted with the intent of an award of points under QCP, which was found to be ineligible under that scoring item, should count for two (2) points under this scoring item. Again, staff disagrees. The point of the two separate scoring criteria is to distinguish between Neighborhood Organization and community or civic organizations. While the letter did not qualify under QCP because the organization did not meet all of the specific requirements of the QAP, it is clear that the organization was intended to be a neighborhood organization and not a civic organization.

#### §50.7(b)(22) Economic Development Initiatives

Applications may qualify to receive one (1) point for this scoring item if the development site is located within an area that has adopted initiatives to promote economic development. The QAP includes another scoring criterion that awards one (1) point for applications that are located in an area covered by a community revitalization plan. The Applicant submitted one resolution from the City of White Settlement for both scoring criteria. Staff determined that, while it appears that the City of White Settlement did adopt a community revitalization plan, it was unclear that the local government had in place an economic development initiative conforming to the requirements of the QAP. The resolution alluded to their established community revitalization area supporting an initiative developed by the North Central Texas COG, but this did not meet the requirements of the QAP, which calls for a letter from the appropriate local official certifying the date the initiative was adopted by the Unit of General Local Government.

The Applicant, in the appeal, states that the City of White Settlement adopted a boundary that supports the COG’s economic development initiative and that this should be enough to be eligible for the points. Staff disagrees on two factors. First, it appears that the economic development initiative was not adopted by the local government, the City of White Settlement, but by the COG. Secondly, if staff could come to the conclusion that the resolution in fact did adopt an economic development plan, then the application would not be eligible for the one (1) point for community revitalization since the QAP requires that the community revitalization plan cannot be an economic development plan.

Staff recommends denial of the appeal.



**SAN JACINTO**  
REALTY SERVICES, LLC

June 26, 2012

Mr. Tim Irvine  
Executive Director  
TDHCA  
221 E. 11<sup>th</sup> Street  
Austin, Texas 78701

Re: Hawk Ridge Apartments – TDHCA #12025  
50.9(b)(13) Community Input Other than QCP (22) Economic Development Initiative

Dear Mr. Irvine:

Please allow this letter along with other attached exhibits to represent evidence that the subject application should have its 2 Point Score reinstated in for Community Input Other than QCP under 50.9(b) (13) consistent with the Scoring Notice dated May 22, 2012. In addition the 1 Point Score should also be reinstated for Economic Development Initiative under 50.9(b)(22) of the 2012 QAP for reasons set forth below.

**50.9 (b) (13) Community Input Other than QCP: 2 Points**

**Original Community Input:**

The support letter in the application dated January 31, 2012 addressed to Mr. Jim Ryan (Economic Development Director of the city of White Settlement) is the result of Mr. Ryan uploading the Hawk Ridge development profile to the Naval Air Stations Fort Worth (NAS) for review and approval under its “Joint Land Use Study” (JLUS) Guidelines. As a result of this submittal, Hawk Ridge development was found to be consistent with the pre-determined criteria and objectives of the JLUS. By meeting these stringent requirements Hawk Ridge qualified to receive the form letter generally reserved for existing properties. The NAS letter states that Hawk Ridge is “consistent with JLUS recommendations.” If Hawk Ridge is being recommended then it would be clear that NAS is also supporting the development as was the opinion of TDHCA staff on May 22, 2012 when the original Scoring Notice was sent to the sponsors.

**Additional Community Input:**

Application #12025 received a Support QCP packet from the White Settlement SunView Home Owners Association that complied with all QCP requirements with only one exception. That exception was the failure to post a notice of consideration of the support for Hawk Ridge application within 72 hours of the meeting. Failure of this one task disqualified the WSSVHOA from receiving the QCP points. The 72 hour notice is not a criteria for Community Support other than QCP. No other staff deficiencies were noted and therefore White Settlement Sun View Home Owners Association should qualify for an additional 2 points for Community Input Other than QCP.

As a result of the above please reinstate the 2 points for 50.9(b) (13) as noticed by the original Scoring Notice of May 22, 2012.

**50.9(b)(22) Economic Development Initiative: 1 Point**

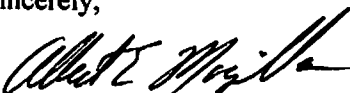
The City of White Settlement has issued Resolution No. 998-12 (attached) to confirm that the proposed site for the Hawk Ridge Apartments is located in an area that has been adopted to initiate and promote economic development. This area bounded by Loop 820 to the West, White Settlement Road to the north, Dale Lane to the east and Interstate 30 to the south shall (Map Attached) serve as the City of White Settlement's area specifically directed to be targeted to enhance the development of multi-family housing in support of the "Planning for a Livable Military Communities" initiative currently underway by communities within the Naval Air Station Fort Worth service area. The Naval Air Station has expressed a concern for the lack of rental housing in the area and this initiative is an effort by the City of White Settlement to assist in the effort to provide additional rental units to the area.

HUD awarded the North Central Texas Council of Governments (of which White Settlement is a Local Government Member) \$640,000 for the "Planning for a Livable Military Communities" (PLMC) project. In addition, the City of White Settlement has designated the area within the aforementioned boundary to benefit the PLMC as its contribution to this Economic Development Initiative. The City of White Settlement also sent the Hawk Ridge Development proposal to the Naval Air Station Fort Worth, Joint Reserve Base Committee for its conceptual approval. Upon receipt of the NAS Fort Worth JRB approval, the City of White Settlement passed Resolution No. 998-12 on February 28, 2012 creating the Boundary for this Economic Development Initiative Area that included the existing multi-family zoned property which is anticipated to be improved with the Hawk Ridge Apartments. All of these items were enclosed in the Selection Criteria Section 22 of the original application #12025.

The Deficiency Notice from the Department dated April 13, 2012 requested a letter from the entity which adopted the initiative or plan and stated it should contain the applicable language prescribed by the QAP for that particular scoring item. The City of White Settlement is the local government that adopted the Economic Development Initiative boundary in support of the NAS Fort Worth JRB which is being supported by the North Central Texas COG with the HUD funding. All of this is tied to the Economic Initiative to support "Planning for a Livable Military Communities" and one of the driving forces behind the support of Application #12025. The City of White Settlement letter (attached) confirming the Resolution was sent to the department as supplemental evidence as requested. No notice of this letter not being adequate was ever delivered to the Applicant. Sufficient evidence has been submitted to the department to support the Economic Development Initiative points and therefore the 1 point award should be reinstated to Application #12025.

Thank you in advance for your consideration.

Sincerely,



Albert E. Magill

Hawk Ridge Partners, L.P. – General Partner

**50.9 (b) (13) Community Input Other than QCP: 2 Points**

**Original Community Input:**



**MULTIFAMILY FINANCE PRODUCTION DIVISION**  
**Housing Tax Credit Program - 2012 Application Round**  
**Scoring Notice - Competitive Housing Tax Credit Application**

Hawk Ridge Partners, LP  
 Bert Magill  
 5851 San Felipe - Suite 700  
 Houston, TX 77057  
 Phone #: (713) 785-6006  
 Fax #: (713) 785-6004  
 Email: [aem3@att.net](mailto:aem3@att.net)

Date Issued: May 22, 2012

**THIS NOTICE WILL ONLY BE  
 TRANSMITTED VIA EMAIL**

Second Email:

**RE: 2012 Competitive Housing Tax Credit (HTC) Application for Hawk Ridge Apartments, TDHCA  
 Number: 12025**

Attention: Bert Magill

The Texas Department of Housing and Community Affairs (the "Department") has completed its Eligibility Threshold and Selection Criteria Review of the Application referenced above as further described in the 2012 Qualified Allocation Plan ("QAP"). Below, a summary is provided of the score requested, by the Applicant, followed by the score awarded to the Application by the Department, followed by the difference between the score requested and the score awarded. An explanation of the reason(s) for any differences, including points denied, is provided at the top of the second page of this notice. The next scoring items show the number of points awarded for each of the three categories for which points could not be requested by the applicant: §50.9(b)(2) Quantifiable Community Participation (QCP); §50.9(b)(6) Community Support from State Representative or State Senator; §50.9(b)(13) Community Input other than QCP. This is followed, in bold, by the final cumulative number of points awarded by the Department to the Application.

Please note that if you were awarded points under §50.9(b)(5) of the 2012 QAP, that should this application receive an award of tax credits, at the time the executed Commitment Notice is required to be submitted, the Applicant or Development Owner must provide evidence of a funding commitment approved by the governing body of unit of general local government. If you were awarded points under §50.9(b)(12), at the time of Carryover Documentation Delivery Date, the Applicant or Development Owner must provide evidence of commitment approved by the qualifying private, state, or federal source to the Department. Qualifying sources other than those submitted in the Application may be submitted to the Department pursuant to §50.9(b)(5) and (12) of the 2012 QAP.

Allocation: Urban

Set Asides:  USDA  Non Profit  At Risk

Score Requested by Applicant (Does not include points for §§50.9(b)(2), (6) or (13) of the 2012 QAP):

Score Awarded by Department (Does not include points for §§50.9(b)(2), (6) or (13) of the 2012 QAP):

Difference between Requested and Awarded (Does not include points for §§50.9(b)(2), (6) or (13) of the 2012 QAP):

Points Awarded for §50.9(b)(2), Quantifiable Community Participation:

Points Awarded for §50.9(b)(6), Input from State Senator or Representative:

Points Awarded for §50.9(b)(13), Community Input Other than QCP:

**Final Score Awarded to Application by Department:**

179
174
5
18
16
6
214







**MULTIFAMILY FINANCE PRODUCTION DIVISION**  
**Housing Tax Credit Program - 2012 Application Round**  
**Revised Scoring Notice - Competitive Housing Tax Credit Application**

Hawk Ridge Partners, LP  
 Bert Magill  
 5851 San Felipe - Suite 700  
 Houston, TX 77057  
 Phone #: (713) 785-6006  
 Fax #: (713) 785-6004  
 Email: [aem3@att.net](mailto:aem3@att.net)

Date Issued: June 22, 2012

**THIS NOTICE WILL ONLY BE TRANSMITTED VIA EMAIL**

Second Email:

**RE: 2012 Competitive Housing Tax Credit (HTC) Application for Hawk Ridge Apartments, TDHCA Number: 12025**

Attention: Bert Magill

The Texas Department of Housing and Community Affairs (the "Department") has completed its Eligibility Threshold and Selection Criteria Review of the Application referenced above as further described in the 2012 Qualified Allocation Plan ("QAP"). Below, a summary is provided of the score requested, by the Applicant, followed by the score awarded to the Application by the Department, followed by the difference between the score requested and the score awarded. An explanation of the reason(s) for any differences, including points denied, is provided at the top of the second page of this notice. The next scoring items show the number of points awarded for each of the three categories for which points could not be requested by the applicant: §50.9(b)(2) Quantifiable Community Participation (QCP); §50.9(b)(6) Community Support from State Representative or State Senator; §50.9(b)(13) Community Input other than QCP. This is followed, in bold, by the final cumulative number of points awarded by the Department to the Application.

Please note that if you were awarded points under §50.9(b)(5) of the 2012 QAP, that should this application receive an award of tax credits, at the time the executed Commitment Notice is required to be submitted, the Applicant or Development Owner must provide evidence of a funding commitment approved by the governing body of unit of general local government. If you were awarded points under §50.9(b)(12), at the time of Carryover Documentation Delivery Date, the Applicant or Development Owner must provide evidence of commitment approved by the qualifying private, state, or federal source to the Department. Qualifying sources other than those submitted in the Application may be submitted to the Department pursuant to §50.9(b)(5) and (12) of the 2012 QAP.

Allocation: Urban

Set Asides:  USDA  Non Profit  At Risk

Score Requested by Applicant (Does not include points for §§50.9(b)(2), (6) or (13) of the 2012 QAP):

Score Awarded by Department (Does not include points for §§50.9(b)(2), (6) or (13) of the 2012 QAP):

Difference between Requested and Awarded (Does not include points for §§50.9(b)(2), (6) or (13) of the 2012 QAP):

Points Awarded for §50.9(b)(2), Quantifiable Community Participation:

Points Awarded for §50.9(b)(6), Input from State Senator or Representative:

Points Awarded for §50.9(b)(13), Community Input Other than QCP:

**Final Score Awarded to Application by Department:**

179
174
5
18
16
4
<b>212</b>

*Request: 6*

*X*





Naval Air Station Fort Worth, Joint Reserve Base (NAS Fort Worth, JRB)  
Regional Coordination Committee (RCC)

January 31, 2012

Mr. Jim Ryan  
Economic Development Director  
City of White Settlement  
214 Meadow Park Drive  
White Settlement, Texas 76108

Dear Mr. Ryan:

The City of White Settlement has recently uploaded a project on the Naval Air Station Fort Worth, Joint Reserve Base (NAS Fort Worth, JRB) Regional Coordination Committee (RCC) Development Review Website. The project will construct a 144 unit multi-family complex at 9220 Dale Lane.

After review by members of the RCC and their designated staff members, **it has been determined that the proposed project is consistent with JLUS recommendations provided that sound attenuation measures are taken.** A copy of the comments regarding the proposed project is enclosed for your reference. The recommended land uses are listed in the 2007 Joint Land Use Study Report and in the Air Installation Compatible Use Zone Study, both of which are available online at [www.nctcog.org/rcc](http://www.nctcog.org/rcc).

On behalf of the RCC, thank you for your involvement in the preservation of the military training mission at NAS Fort Worth, JRB. We appreciate your contributions and participation in the Development Review Web Tool. If you have any questions or concerns, please feel free to contact Elizabeth Beck-Johnson at (817) 704-5638 or me at (817) 923-1649.

Sincerely,

Paul F. Paine, Chair  
Regional Coordination Committee

EBJ:bw  
Enclosure

cc: Garry Wilson, Councilmember, City of White Settlement  
Rachel Wiggins, Community Planning Liaison Officer, NAS Fort Worth, JRB

**Voting Entities**

City of Benbrook

City of Fort Worth

City of Lake Worth

City of River Oaks

City of Westworth Village

City of White Settlement

Tarrant County

**Non-Voting Entities**

Benbrook Area  
Chamber of Commerce

DOD Office of Economic  
Adjustment

Fort Worth Chamber  
of Commerce

Lockheed Martin

Naval Air Station Fort Worth,  
Joint Reserve Base

North Central Texas  
Council of Governments

Northwest Tarrant  
Chamber of Commerce

Tri-City Area  
Chamber of Commerce

White Settlement Area  
Chamber of Commerce

[www.nctcog.org/rcc](http://www.nctcog.org/rcc)

**Additional Community Input:**

# 2012 Quantifiable Community Participation Results

(In Order by Application Number)

TDHCA#	Region#	Organization Name	Development Name	Development City	Support or Opposition	QCP Score	Eligibility	Final Determination
12020	6	Greater Inwood Partnership	Palisades of Inwood	Houston	S	24	Letter Eligible Post-Deficiency	
12020	6	Near Northwest Community Improvement Corporation	Palisades of Inwood	Houston	S	18	Letter Ineligible	During the review of the documentation, staff determined the management district to be a broader based community organization rather than a neighborhood organization as indicated by the documentation submitted for request. Therefore, this letter is ineligible for purposes of scoring; however, it would be eligible for support other than QCP should the application not have any other qualified neighborhood organizations submit information to the Department.
12022	6	Galveston Alliance of Island Neighborhoods	Galveston Initiative I	Galveston	O	0	Letter Eligible Initially	
12022	6	Strand-UTMB Corridor Neighborhood Association	Galveston Initiative I	Galveston	O	0	Letter Eligible Post-Deficiency	
12022	6	East End Historical District Association	Galveston Initiative I	Galveston	O	18	Letter Ineligible	During the review of the documentation, staff verified that the proposed development is not located within the boundaries of the organization. Therefore, in accordance with §50.9(b)(2)(A)(iv) of the Qualified Allocation Plan, the organization does not qualify to provide comment for QCP and the letter is ineligible for the purposes of scoring.
12025	3	White Settlement Sun View HOA	Hawk Ridge Apartments	White Settlement	S	18	Letter Ineligible	During the review of the documentation, staff determined that the organization did not take reasonable measures to provide notice for persons to join or participate in the affairs of the organization. Staff identified that the 72 hour notice requirement was not met. Therefore, in accordance with §50.9(b)(2)(A)(vi) of the Qualified Allocation Plan, the letter is disqualified and ineligible for the purposes of scoring for QCP.
12025	3	Willow Wood Homeowners	Hawk Ridge Apartments	White Settlement	O	18	Letter Ineligible	During the review of the documentation, staff verified that the proposed development is not located within the boundaries of the organization. Therefore, in accordance with §50.9(b)(2)(A)(iv) of the Qualified Allocation Plan, the organization does not qualify to provide comment for QCP and the letter is ineligible for the purposes of scoring.
12042	6	The Manor Neighbor Watch Community	Brentwood Apartments	West Columbia	S	24	Letter Eligible Post-Deficiency	
12045	8	Buffalo Apartments Tenant Council	Elmwood Apartments	Buffalo	S	24	Letter Eligible Post-Deficiency	





Texas Department of Housing and Community Affairs  
Multifamily Finance Division  
2012 Quantifiable Community Participation

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May 01, 2012

Primary Contact:

Contact Name: Jason Carter, President

Contact Phone: (817) 246-7070

Contact Fax:

Contact E-Mail: [wssvhoa@gmail.com](mailto:wssvhoa@gmail.com)

Second Contact:

Second Contact: Michael Arnold Jr.

Second Phone:

Second Fax:

2nd E-Mail: [wssvhoa@gmail.com](mailto:wssvhoa@gmail.com)

Re: Neighborhood Organization for Quantifiable Community Participation  
TDHCA# 12025

Dear Jason Carter:

The Texas Department of Housing and Community Affairs (the "Department") received the letter you submitted for the purpose of scoring Quantifiable Community Participation (QCP) points, in accordance with §50.9(b)(2) of the Qualified Allocation Plan and Rules, for the above referenced application.

The Department has reviewed the letter and all documentation that was submitted and compared it to the requirements of the 2012 Qualified Allocation Plan (QAP) that governs the Housing Tax Credit Program.

During the review of the documentation, staff determined that the organization did not take reasonable measures to provide notice for persons to join or participate in the affairs of the organization. Staff identified that the 72 hour notice requirement was not met. Therefore, in accordance with §50.9(b)(2)(A)(vi) of the Qualified Allocation Plan, the letter is disqualified and ineligible for the purposes of scoring for QCP.

Unfortunately, your organization's letter will not be considered further for scoring. However, the Department values all public comment and while the Department will be unable to assign points to your letter, the Department will include your comment in the Application's file and provide the Department's Governing Board with a summary of your comment for their information when considering a final decision with regard to the award of funding.

The Department appreciates your participation in the public comment process. If you have any questions relating to the score awarded, please do not hesitate to contact Jean Latsha at 512.475.1676 or by email at <mailto:jean.latsha@tdhca.state.tx.us>

Sincerely,

*Cameron Dorsey*

Director of Multifamily Finance

QUALIFIED NEIGHBORHOOD ORGANIZATION EVIDENCE OF QUANTIFIABLE COMMUNITY PARTICIPATION

Texas Department of Housing & Community Affairs

Accurately fill in all blanks. Certify to each requirement by signing the last page. All attachments must be included in QCP submission package.

Part 1: Development Information

Development Name: Hawk Ridge Apartments
Development Street Address: 9200 Dale Lane
Development City: White Settlement
Development County: Tarrant
TDHCA # (for office use only):

Nicole Aisher
Application
6/25/15

Rec'd:
Nicole Aisher

Part 2: Neighborhood Organization Information

Neighborhood Organization Name: White Settlement Sun View HOA (also known as: WSSV)

The Neighborhood Organization is (select one of the following):

- X Homeowners Association
Property Owners Association
Resident Council and our members occupy the existing development
Other (explain):

As of March 1, 2012, the Neighborhood Organization is on record with (select one of the following):

- X County
X Secretary of State
X Requests to be on record with the Texas Department of Housing & Community Affairs

Part 3: Neighborhood Organization Contact Information

1st Contact Information

Name: Jason Carter
Title: President
Physical Address: (only St. house number not listed pursuant to government Code 552.117 and 552.1175. Available upon request to Mr. Carter)
Mailing Address (if different from above):
City: White Settlement Zip Code: 76108
Day Phone: (817) 246-7070 Evening Phone:
Fax Number: Email: wssvho@gmail.com

03-25-12 4:11:32 PM

**50.9(b)(22) Economic Development Initiative: 1 Point**

## Bert Magill

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**From:** Ben Sheppard <ben.sheppard@tdhca.state.tx.us>  
**Sent:** Friday, April 13, 2012 8:02 AM  
**To:** Bert Magill  
**Cc:** Jean Latsha  
**Subject:** 12025 Hawk Ridge White Settlement - HTC Application Deficiency Notice

In the course of the Department's **Eligibility/Selection/Threshold** review of the above referenced application, an Administrative Deficiency as defined in 10 TAC §1.1(a)(2), has been identified. By this notice, the Department is requesting documentation to correct the following deficiency or deficiencies:

50.9(b)(22) Economic Development Initiatives and 50.9(b)(23) Community Revitalization. Address each of the two scoring items in a separate letter. Each letter should be from the entity which adopted the initiative or plan and should contain the applicable language prescribed by the QAP for that particular scoring item.

*Attached letter sent 4/16/12 as instructed*

**The above list does not include deficiencies identified in §50.9(b)(11) Additional Evidence of Preparation to Proceed. Any administrative deficiency identified in §50.9(b)(11) will be addressed in a separate deficiency notice.**

All deficiencies must be corrected or clarified by 5:00 p.m. CST on the fifth business day following the date of this deficiency notice. Deficiencies resolved after 5 p.m. on the fifth business day will have 5 points deducted from the final score. For each additional day beyond the fifth day, that any deficiencies remain unresolved, the application will be treated in accordance with §50.7(b)(2)(A) of the 2012-2013 QAP.

All documentation should be submitted as a whole using the Department's File Transfer Protocol (FTP) server. Once the documents are submitted to the FTP server, please email the staff member issuing this notice. If you have questions regarding the FTP submission process, contact Jason Burr at [jason.burr@tdhca.state.tx.us](mailto:jason.burr@tdhca.state.tx.us) or by phone at (512)475-3986. You may also contact Nicole Fisher at [nicole.fisher@tdhca.state.tx.us](mailto:nicole.fisher@tdhca.state.tx.us) or by phone at (512)475-2201.

**\*\*All deficiencies must be corrected or clarified by 5 p.m. on Friday, April 20, 2012. Please respond to this email as confirmation of receipt\*\***

Thanks,  
Ben

### **Ben Sheppard**

Multifamily Housing Specialist  
Texas Department of Housing and Community Affairs  
221 E. 11th Street | Austin, TX 78701  
Office: 512.475.2122

### **About TDHCA**

The Texas Department of Housing and Community Affairs administers a number of state and federal programs through for-profit, nonprofit, and local government partnerships to strengthen communities through affordable housing development, home ownership opportunities, weatherization, and community-based services for Texans in need. For more information, including current funding opportunities and information on local providers, please visit [www.tdhca.state.tx.us](http://www.tdhca.state.tx.us).





Cameron Dorsey  
TDHCA – Tax Credit Department  
11<sup>th</sup> Street  
Austin, Texas 78701

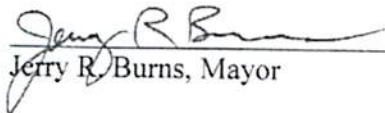
Re: Hawk Ridge Apartments – TDHCA 12025  
50.9(b)(22) Economic Development Initiative

Dear Mr. Dorsey

The City of White Settlement has issued Resolution No. 998-12 to confirm that the proposed site for the Hawk Ridge Apartments is located in an area that has been adopted to initiate and promote economic development. This area bounded by Loop 820 to the West, White Settlement Road to the north, Dale Lane to the east and Interstate 30 to the south shall serve as the City of White Settlement's area specifically directed to be targeted to enhance the development of multi-family housing in support of the "Planning for a Livable Military Communities" initiative currently underway by communities within the Naval Air Station Fort Worth service area. The Naval Air Station has expressed a concern for the lack of rental housing in the area and this initiative is an effort by the City of White Settlement to assist in the effort to provide additional rental units to the area.

The initiative known as Resolution No. 998-12 was voted and approved during an authorized public meeting of the Council Members of the City of White Settlement on February 28, 2012.

Signed;

  
Jerry R. Burns, Mayor



RESOLUTION NO. 998-12

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
WHITE SETTLEMENT, TEXAS SUPPORTING COMMUNITY  
REVITALIZATION AND ECONOMIC INITIATIVE

WHEREAS, Hawk Ridge Partners, L.P. has proposed a development for affordable rental housing at 9220 Dale Lane to be known as the hawk Ridge Apartments in the City of White Settlement, Tarrant County Texas; and

WHEREAS, Hawk Ridge Partners, L.P. intends to submit an application to the Texas Department of Housing and Community Affairs for 2012 Housing Tax Credits to assist in the financing of the Hawk Ridge Apartments; and

WHEREAS, the City of White Settlement has granted an Economic Initiative to the Hawk Ridge Apartments by commitment of a below market interest rate loan in the amount of \$290,000; and

WHEREAS, the area within this economic development initiative will assist in the Revitalization of the neighborhood currently consisting of older obsolete rental housing and the revitalization is not part of a Consolidated Plan, Economic Plan or City wide plan; and

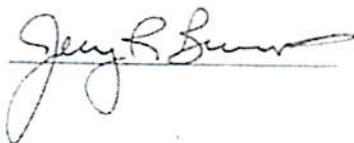
WHEREAS, pursuant to the Sec. 50.9(b)(22) & (23), Texas Administrative Code the City of White Settlement hereby establishes the area bounded by Loop 820 to the West, White Settlement Road to the North, Dale Lane to the East and Interstate 30 to the South as a Community Revitalization Area specifically designated to promote new modern affordable rental housing to support the North Central Texas Council of Governments "Planning for a Livable Military Communities" Initiative, thereby supporting and promoting Military Housing in the City of White Settlement for personnel and their families stationed at the Naval Air Station Fort Worth, Joint Reserve Base that also enhances the stability of Lockheed Martin in its role as a major employer of citizens in the city of White Settlement and Tarrant County.

50.9(b) 22

NOW THEREFORE, BE IT RESOLVED that The City Council of the City of White Settlement hereby supports the proposed Hawk Ridge Apartments TDHCA Application No. 12025 and have voted specifically to approve the concept to construct the Development and to encourage the TDHCA to authorize an allocation of Housing Tax Credits for this Development at the soonest available date.

Passed and approved this 28th day of February, 2012.

APPROVED:



[City Boards](#)[City Council](#)[City Manager](#)[City Secretary](#)[Departments](#)[Employment](#)**Agendas and Minutes**[home](#) [contact us](#)

## CITY OF WHITE SETTLEMENT

Meeting Agenda  
City CouncilTuesday, February 28, 2012 Regular Meeting 7:00pm Council  
Chambers

- Invocation
- Pledge of Allegiance
- Call to Order - Roll Call

## Correspondence – Announcements

Mayor, City Council and/or Department Heads may make  
announcements and present correspondence at this time.

## 1. Staff Reports / Presentations

- a. Presentation from George, Morgan, and Sneed, P.C. of Comprehensive Annual Financial Report for Fiscal Year ended September 30, 2011 (George Morgan)
- b. White Settlement Police Department Annual Racial Profiling Report (Lt. J.P. Bevering)
- c. Presentation from White Settlement ISD to the White Settlement Police Department for exceptional services to the community and schools. (WSISD Personnel)

## Consent Agenda

All of the following items on the Consent Agenda are considered to be self-explanatory by the Council and will be enacted with one motion. There will be no separate discussion of these items unless a Council Member or a citizen so request. For a citizen to request removal of an item, a speaker card must be filled out and submitted to the City Secretary prior to the meeting.

## 2. Approval of February 14, 2012 Regular Meeting Minutes.

3. Approval of continued membership in the Texas Municipal League March 1, 2012 through February 28, 2013 at an annual fee of \$2,517.00 based on population.

## New Business

4. Discuss and take action with respect to revisions to Personnel Policy Manual (HR Mark Huff)

5. Discuss and take action with respect to Ordinance No. 2414-11 adopting new provisions of Chapter 28 adding a new Article V Section 28.90 through 28.101 "Tobacco Product Use". (Staff)

6. Discuss and take action with respect to Resolution No. 998-12 supporting Community Revitalization and Economic Initiative. (EDC Director Ryan)

7. Discuss and take action with respect to first reading of Resolution No. 999-12 in compliance with Local Government Code Title 12, Chapter 505 and Chapter 501 for support and community revitalization and economic initiative of the Loan of \$290,000.00 to Hawk Ridge Partners, L.L.C, for the proposed development for affordable rental housing at 9220 Dale Lane, to be known as Hawk Ridge Apartments. (EDC Director Ryan)

## Public Comments

At this time, any person with city related business may speak to the council in compliance with the Texas Open Meetings Act. The City Council may not deliberate or take action. A speaker form must be submitted to the City Secretary prior to the meeting. All comments are limited to 5 minutes. Personal Criticisms will not be tolerated.

## Executive Session



planning designed to integrate affordable housing, good jobs and public transportation. Meanwhile, DOT is awarding nearly \$28 million in *TIGER (Transportation Investment Generating Economic Recovery) II Planning Grants* to implement localized plans that ultimately lead to projects that integrate transportation, housing and economic development.

HUD is awarding the following grants in Texas:

**The City of Dallas will receive \$2,225,000 to fund land acquisition and planning for four sites that will be part of Dallas' Transit-Oriented Development Workforce Housing Project for 193 workforce housing units near public transit.** The funding will allow Dallas to acquire land at all four sites and produce detailed designs, site plans, construction development plans and environmental assessments required for development to proceed. Core project partners, who will provide \$1,000,000 in leveraging funds, include the Real Estate Council; Dallas Area Rapid Transit; Dallas Police Department and the Urban League.

**The North Central Texas Council of Governments will receive \$640,000 for the *Planning for Livable Military Communities* project.** The project will provide for improved transportation and housing conditions while providing military families a more traditional neighborhood and "home town" feel in residential areas. **Planning will include an Off-Base Military Housing and Retail Feasibility and Siting Study,** a technical study of transportation in the area with short- and long-term recommendations for to improve transportation options, establish a model building code for greater energy efficiency, and update the City's zoning, ordinances and comprehensive plan. Fort Worth, Benbrook, Lake Worth, River Oaks, Westworth Village, **White Settlement,** Tarrant County, Naval Air Station Fort Worth, and Joint Reserve Base are core partners providing upwards of \$200,000 in leverage and other resources.

HUD's Sustainable Communities Challenge Grants will foster reform and reduce barriers to achieving affordable, economically vital and sustainable communities. These funds will be used by communities, large and small, to address local challenges to integrating transportation and housing. When these activities are done in conjunction with transportation projects, they can greatly increase the

efficiency and access of local transportation while encouraging mixed-use or transit-oriented development. Such efforts may include amending or updating local master plans, zoning codes, and building codes to support private sector investment in mixed-use development, affordable housing and the re-use of older buildings. Other local efforts may include retrofitting main streets to provide safer routes for children and seniors, or preserving affordable housing and local businesses near new transit stations.

TIGER II Planning Grants will prepare or design surface transportation projects that would be eligible for funding under the TIGER II Discretionary Grant program. These projects include highways, bridges, transit, railways, ports or bicycle and pedestrian facilities.

Rather than require applicants to navigate two separate grant application procedures that might be on different timelines and with different requirements, HUD and DOT joined their two new discretionary planning programs to create one point of entry to federal resources for local, innovative sustainable community planning projects.

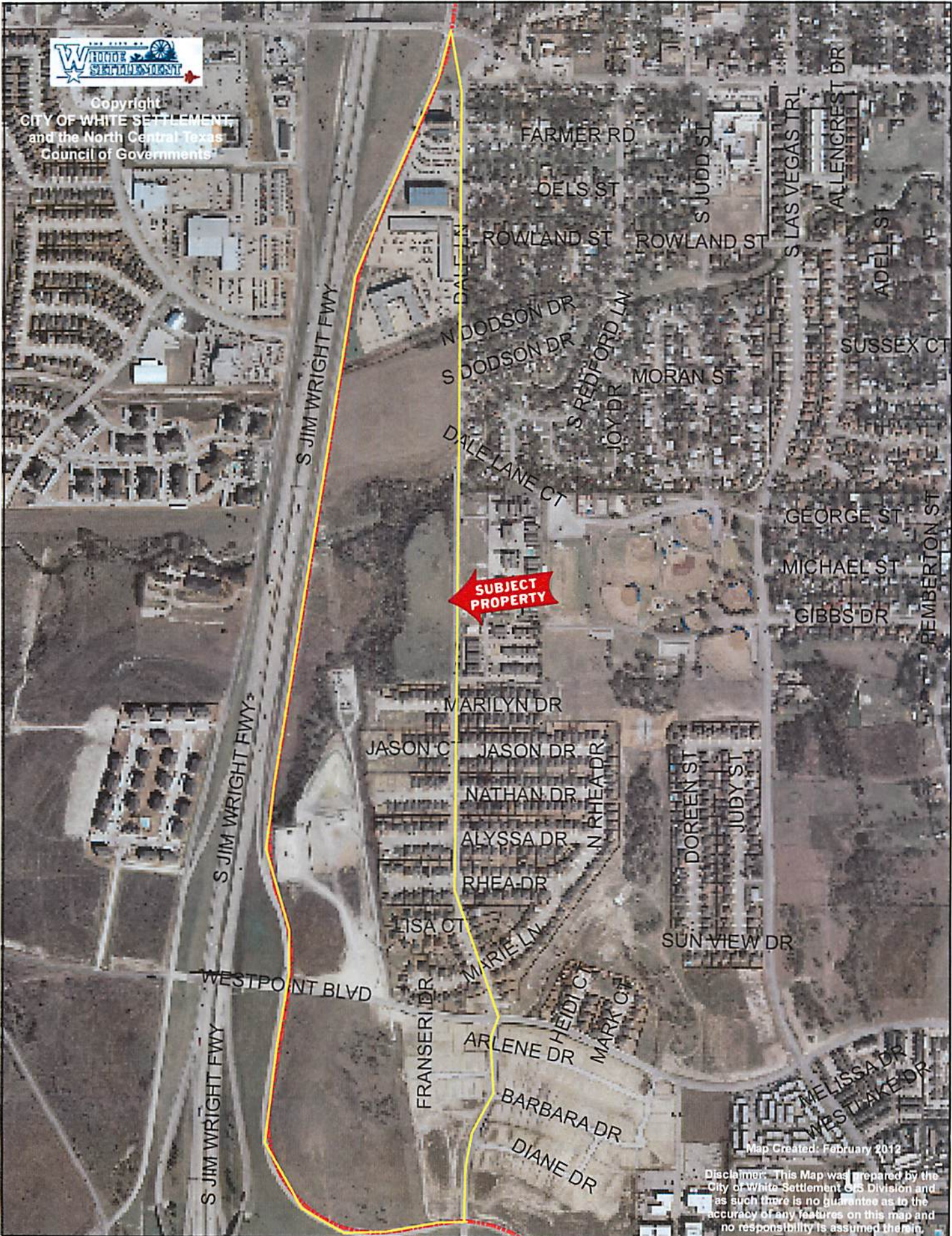
The Community Challenge grants compliment the 45 Sustainable Communities Regional Grants announced last week by HUD. The Challenge Grants help to support local communities seeking to integrate housing, transportation, and environmental strategies that will enhance local economic development, provide greater housing and transportation choices, and develop long-range visions for how they want their community to grow.

The new HUD-DOT program also builds on the *Partnership for Sustainable Communities*, an innovative new interagency collaboration, launched by President Obama in June 2009, between the Department of Transportation (DOT), the Department of Housing and Urban Development (HUD), and the Environmental Protection Agency (EPA). Guided by six Livability Principles, the Partnership is designed to remove the traditional federal government silos that exist between departments and strategically target the agencies' transportation, land use, environmental, housing and community development resources to provide communities the resources they need to build more livable, sustainable communities.





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CITY OF WHITE SETTLEMENT  
and the North Central Texas  
Council of Governments



Map Created: February 2012

Disclaimer: This Map was prepared by the City of White Settlement GIS Division and as such there is no guarantee as to the accuracy of any features on this map and no responsibility is assumed therein.



**BOARD ACTION REQUEST**  
**MULTIFAMILY FINANCE DIVISION**  
**July 10, 2012**

Timely Filed Appeals under any of the Department's Program or Underwriting Rules

**RECOMMENDED ACTION**

**WHEREAS**, an application for Garden Walk of La Grange, Schulenburg, and Weimar (12165) was submitted under the 2012 Competitive Housing Tax Credit Program under the At-Risk Set-Aside; and

**WHEREAS**, staff determined that the application included a development site that is located in a municipality that has more than twice the state average of units per capita supported by Housing Tax Credits or private activity bonds; and

**WHEREAS**, staff terminated the application in accordance with §50.8(2)(A) of the 2012-2013 Qualified Allocation Plan (QAP) as a result of not having prior approval of the Development from the governing body of the appropriate municipality; and

**WHEREAS**, the termination was upheld by the Executive Director upon appeal by the applicant; therefore

It is hereby,

**RESOLVED**, the applicant's appeal of staff's decision to terminate Garden Walk of La Grange, Schulenburg, and Weimar (12165) is hereby denied.

**BACKGROUND**

Garden Walk of La Grange, Schulenburg, and Weimar submitted an application for \$319,177 in Housing Tax Credits for the Acquisition and Rehabilitation of 40 units targeting the general population. The application was submitted in the At-Risk Set-Aside and was prioritized for a complete staff review.

The application was submitted as a scattered site development, with three separate apartment complexes located in three different cities: La Grange, Schulenburg, and Weimar. Upon review, staff determined that Weimar has more than twice the state average of units per capita supported by Housing Tax Credits or private activity bonds. However, the application did not include a resolution from the City of Weimar that contained a statement of support and authorizing an allocation for housing tax credits for the development. Therefore, pursuant to §50.8(2)(A) of the QAP, the application was terminated.

The applicant in their appeal asserts that we should use an average of the calculation of units per capita supported by Housing Tax Credit units among three separate locations because this is a scattered site development. The applicant also suggests that staff should take into consideration the fact that this is a proposed rehabilitation of an existing development instead of new construction.

Staff believes this is a clear violation of the rule. This is a statutory requirement that is developed to ensure that tax credits are spread throughout the state, and in cases where a place has more than twice the state average there is a clear requirement of a local determination. While the statutory provision never contemplated a development with scattered sites, the purpose is to address and mitigate the disproportionate allocation of credits to any one city or county. In this case Weimar is such an area, and an allocation of more credit without a resolution would be counter to the purpose of the statutory requirement. In addition, it is clear that the rule should apply to applications proposing rehabilitation as well as those proposing new construction.

The applicant, after notice of the termination, did obtain a letter of support from the city manager of Weimar. However, while the letter does address the concentration policy, it still does not meet the specific requirements of the QAP.

Staff recommends denial of the appeal.



June 6, 2012

Tim Irvine  
Executive Director  
Texas Department of Housing and Community Affairs  
221 East 11<sup>th</sup> Street  
Austin, TX 78711

RE: RE: TERMINATION OF APPLICATION NO. 12165 GARDENWALK OF LA GRANGE,  
SCHULENBURG, AND WEIMAR

Dear Mr. Irvine:

I Ryan Hudspeth, the undersigned, on behalf of Rural Housing of LSW, L.P., the Applicant, hereby formally appeal the termination of the above referenced application. The termination notice we received on May 31, 2012 referenced our failure to comply with section 50.8(2)(A) of the 2012 QAP regarding the "twice the state average" rule. We disagree with this determination. We recognize that the City of Weimar is currently designated, as falling into this category as presented in the "2011 Competitive Housing Credit Site Demographic, County, and Tract Level" spreadsheet. However as TDHCA is well aware, the development for which we are applying for Housing Tax Credits is not located in Weimar alone and in fact consists of all three combined scattered sites, located in La Grange, Schulenburg and Weimar.

If we are successful in our attempt to secure an award of Tax Credits from TDHCA these three developments will be combined under one new ownership entity, Rural Housing of LSW, L.P. and will seamlessly operate as one Development. It is for this reason that we are under the impression that the "twice the state average" rule should be applied to all three municipalities inclusive of each other, and not each one individually, for our Development is not "located" in Weimar, it is located in La Grange, Schulenburg, and Weimar combined. The result of doing so would yield a number (.85) that is less than twice the state average of units per capita supported by Housing Tax Credits or private activity bonds. 50.8(2)(A) of the 2012 QAP uses the term "Development" within this provision. We were not able to find a definition for the term Development within the QAP or Procedures Manual. The capitalized term "Development" is used numerous times in these two documents and, as far as we could determine, this term always applies to the Development as a whole. We do understand that the term "Development Site" is defined and is used for certain requirements that are site specific. Our interpretation of the requirement is that because the entire Development is not located solely in one municipality or county, then the "twice the state average" rule should applied as indicated above.

We also feel that it is worth noting that the proposed application involves only acquisition and rehab of existing occupied developments. No new construction is proposed and therefore no additional units will be added in any of the three areas previously discussed. It is our understanding that there should be no

Corporate Office  
119 North Robinson, Suite 630 • Oklahoma City, OK 73102  
Office: 405.604.5074 • Fax: 405.604.5092



further effect to the factors used to determine the twice the state average figure for these areas. Simply put our proposed application will not increase the number of units per capita supported by Housing Tax Credits but will rather greatly improve the quality and operability of currently existing Housing Tax Credit units.

Finally we would like to bring to your attention that we have been in contact with City officials in Weimar regarding this issue. Once we made them aware of the fact that our application had been terminated and explained the reasoning behind such determination, they provided us with the attached letter describing their position in regards to the termination notice and also reiterating their support for this application. We hope you will take this into consideration when making your final decision.

Though this is our first application submission in the State of Texas, I would like to note that all of the individuals we have had contact with thus far at TDHCA have been very helpful and professional in assisting us through this process, and we sincerely appreciate being granted the opportunity to have further review of this issue through the appeals process presented in the QAP.

Sincerely

A handwritten signature in blue ink, appearing to read "Ryan Hudspeth". The signature is fluid and cursive, with the first name "Ryan" and last name "Hudspeth" clearly distinguishable.

Ryan Hudspeth  
Belmont Development Company, LLC

Enclosure





# WEIMAR

106 E. MAIN • P.O. BOX 67 • WEIMAR, TEXAS 78962 • 979.725.8554

June 6, 2012

Ryan Hudspeth  
Belmont Development Company, LLC  
119 N. Robinson  
Oklahoma City, OK 73102

Dear Mr. Hudspeth:

The City of Weimar has been informed by the Belmont Development Company that the Affordable Housing Tax Credit Application filed with the Texas Department of Housing and Community Affairs (TDHCA) for the acquisition and substantial rehabilitation of the GardenWalk of Weimar apartment complex located at 303 N. Smith, Weimar, Texas has been terminated by TDHCA.

It is our understanding that this termination is a result of our failure to timely provide a resolution of support due to the City of Weimar being located in what TDHCA considers to be an area with “twice the state average of units per capita supported by Housing Tax Credits.” We were unaware of this designation and the fact that it could negatively impact your application. Had we known at the time that we issued you the letter of support, we absolutely would have taken the additional steps needed to provide a full resolution of support and included the necessary language to address this issue.

Additionally we understand that whatever factors may go into computing this figure, given the fact that the proposed project is a rehab of an existing occupied property, approval of this application will not increase the number of units currently supported by housing tax credits and therefore should have no further impact on our “twice the state average” figure.

All this being said please see the following:

The City of Weimar though designated by TDHCA as falling under the rule known as “twice the state average” (§2306.6703(a)(4)) as more fully described in the 2012 QAP under section 50.8(2)(A), approves of this development and supports an award of Tax Credits by TDHCA and there are no conditions of this support beyond the receipt of an allocation of tax credits.

Regards,

Randal W. Jones  
City Manager

**BOARD ACTION REQUEST**  
**MULTIFAMILY FINANCE DIVISION**

**July 10, 2012**

Timely Filed Appeals under any of the Department's Program or Underwriting Rules

**RECOMMENDED ACTION**

**WHEREAS**, a 2012 competitive housing tax credit scoring notice was provided to the applicant of 1701 Canton – EVERgreen Residences (#12182);

**WHEREAS**, the staff identified twenty-five (25) points that the applicant elected but the application does not qualify to receive; and

**WHEREAS**, the applicant appealed the scoring notice and requested that the Board award the twenty-five (25) points under §§50.9(b)(8), (14), (18) and (20);

**RESOLVED**, the applicant's appeal of the scoring notice for 1701 Canton – EVERgreen Residences (#12182) is hereby denied in part and granted in part, awarding 4 points for extended use/length of affordability period.

**BACKGROUND**

This scoring appeal was presented at the previous board meeting where the item was tabled.

On May 22, 2012, staff sent a scoring notice to the applicant of 1701 Canton – EVERgreen Residences, a 2012 competitive housing tax credit application submitted in Urban Region 3. The notice reflected that the application did not qualify to receive twenty-five (25) of the points elected by the applicant. The areas subject to appeal are summarized below.

§50.9(b)(8) The Cost of the Development by Square Foot

Twelve (12) points may be elected by those applicants that submit an application with a cost per square foot that does not exceed certain thresholds reflected in the QAP. The costs included in the calculation are all hard construction costs (including offsite costs), contractor fees, and contingency. Staff applies the test based on the originally submitted application unless there is an easily identifiable discrepancy, in which case staff may issue an administrative deficiency and the clarified information is used. Generally, such a discrepancy would involve a situation such as unit square footages in the rent schedule not matching the architectural plans or other issues where an applicant points to the correct information already contained in the application and clearly verifiable. Changes to the development cost schedule that cannot be clearly supported by information already contained within the application are not accepted because the staff does not have the ability to verify that the reason for the change is valid. In the subject case, the

application was determined to not meet the threshold of \$95 per square foot as originally submitted (\$101/SF). The applicant believes that this original submission does not provide the correct information and that they should be allowed to correct that information by introducing new information which staff does not believe was apparent in the original submission.

The applicant's rationale set forth in its appeal is very complex, but it essentially documents that there are offsite costs that should not be considered part of the calculation because they are costs not being incurred by the applicant or a related party to the applicant (full explanation attached). Staff fully considered the applicant's explanation and agrees that the issue is complex. However, the applicant's explanation requires other changes to the application, specifically with regard to the City's Commitment of funds. The City of Dallas is providing funds for the offsite improvements but the commitment indicates the direct recipient as the applicant. Additionally, the applicant appears to have applied to receive these funds directly from the City. The applicant points to the documentation submitted under evidence of site control as a reason for staff to accept their proposed changes. However, this documentation actually supports the development cost schedule as it was originally submitted, with the applicant purchasing the site and bearing the cost of necessary offsite improvements. Staff can find no evidence in the original application, outside a statement from the applicant that came with no supporting documentation, that the city had committed funds to purchase the land and bear the cost of all offsite improvements. While there was a commitment of funds, it was not expressly stated when and for what purpose those funds would be used. The City of Dallas has since clarified their intentions to some extent (although there are still questions), but this was not apparent in the application.

At the June 14 Board meeting the appellant argued that two other competing applications in the same region also did not meet the threshold for scoring points for Cost of the Development by Square Foot in their original submissions. The appellant claimed that staff allowed those other applicants the chance to correct errors through the administrative deficiency process but denied them the same opportunity. Staff agreed to investigate the circumstances surrounding the other application reviews and has since determined that in both cases minor clarifications which staff has confirmed were consistent with its use of the administrative deficiency process were required in order to award points. Staff made no adjustments to the scores of the other applications and stands by the recommendation to deny the points for this application.

In addition, staff explored the possibility of allowing the applicant to revise this application. The applicant's proposed revisions, which were rejected since they included significant changes to the deal structure and the sources and uses, were found still to be inconsistent with other documentation submitted with the application. Staff went a step further and developed a revision that, with all of each of the information provided throughout this process, seemed to reflect the correct costs and the bearer of those costs. In that scenario, in which the city in fact does incur the cost of some offsite work, the application still did not meet the threshold to qualify for the points. The city's commitment of funds does not appear to cover all of the offsite costs

associated with this project. There appears to be a shortfall of approximately \$280,000. So the cost of the development per square foot is still above the threshold.

#### §50.9(b)(14) Pre-Application Incentive Points

Six (6) points may be elected by those applicants that submitted a pre-application in accordance with the QAP provided that certain components of the pre-application remain consistent with the full application. Because the score verified by staff was more than 9 points different from the applicant's self score at pre-application, the points were not awarded by staff. Staff proposes that the pre-application points in this case remain a function of the decisions on the other items under appeal today. If the point discrepancy after Board consideration of the other issues is nine (9) points or less, then the pre-application points should also be awarded, because the discrepancy between the pre-application score and the full application score would be within the tolerance allowed by the QAP.

#### §50.9(b)(18) Length of Affordability Period

Up to four (4) points may be elected by an applicant that commits to an extended affordability period in excess of a total affordability period of thirty (30) years. However, applications proposing rehabilitation (this does not include reconstruction) cannot qualify for these points. The purpose of the item was to ensure that any application proposing rehabilitation of any portion of an existing residential development does not get the points. However, developments technically categorized as New Construction or Reconstruction can include rehabilitation involving an existing residential development. For example, in a development with ten buildings, reconstruction of just one building or the addition of just one unit can result in the development not being categorized as Rehabilitation.

The subject application was identified as New Construction, which is correct under the rules. Practically speaking, the development includes reconstruction of some existing units, the demolition of some non-residential buildings and construction of new additional units, and the rehabilitation of an existing community building. In accordance with the guidance provided to all applicants, staff did not award the points because at least one building is being rehabilitated and this building is part of an existing residential development. However, staff agrees that this application presents a unique situation because the one building that is being rehabilitated is not a residential building.

#### §50.9(b)(20) Repositioning of Existing Developments

Three (3) points may be elected by those applicants proposing the substantial rehabilitation or reconstruction of an existing non-affordable development constructed between 1980 and 1990. The purpose is to encourage the conversion of the market rate housing to affordable housing. One requirement is that the development "contain residential buildings originally (emphasis

supplied) construct between 1980 – 1990” (§50.9(b)(20)(B)). The points were not awarded because the only residential building on the site was originally constructed prior to 1980.

The applicant indicates that because the building (which was originally constructed in 1947) was not originally used as a residential building but was converted to a residential building during the 1980s, that the application should qualify for the points. Staff disagrees. The building is currently residential, and it was originally constructed prior to 1980. The fact the building was not originally used as a residential building is not relevant just as the rehabilitation of residential buildings during the 1980s would not result in a more conventional apartment community qualifying.

Staff recommends denial of the appeal on the issues of The Cost of the Development by Square Foot, Length of Affordability Period and Pre-Application Incentive Points. Staff believes that points for Length of Affordability Period are supported by the substance of the proposed construction or reconstruction of all residential units.



May 29, 2012

Mr. Tim Irvine  
Executive Director  
Texas Department of Housing and Community Affairs  
221 E. 11th Street  
Austin, TX 78701

RE: *1701 Canton – EVERgreen Residences*  
*TDHCA #12182*

Dear Mr. Irvine:

This is a formal appeal of the scoring notice received on the above mentioned application. This appeal addresses three scoring items that we believe this application is eligible for based on the plain language of the QAP. We believe that staff has struggled with this particular application—which involves a new construction component, a reconstruction component, and a renovation of a community service center that serves the general public—because the facts here are so unique that staff could not have anticipated this scenario during the drafting of the QAP. In that sense, this application has brought to light certain grey areas that have led to these major point deductions. It is important to note here that all of these points were taken in good faith because the applicant believed that the unique facts of this proposed development satisfied both the language and intent of each of these point categories.

This letter will explain these grey areas based on the individual point categories.

*1. Development Cost per Square Foot (12 points)*

This is a very complex transaction due to the multiple ways that the City of Dallas is contributing to this development, both in terms of 1) donating the underlying land and constructing infrastructure work for this development, which the City will finance with its commitment of \$2,603,720 in HOME funding, and 2) in terms of providing a \$2,000,000 CDBG award that will serve as permanent forgivable debt for this development. To further complicate matters, the site is an urban in-fill site that must be totally redeveloped both in terms of demolishing old industrial and residential buildings on site as well as providing new infrastructure off-site.

At application, we clearly represented in the site control section of the application how the land transaction was structured with the City of Dallas. Specifically, the City owns one of the three contiguous tracts and will assume the land contracts for the other two tracts. Thereafter, the City will then demolish certain buildings on the site, construct certain off-site improvements, and then lease back the land to the non-profit owner for \$1 a year.

Although in hindsight, we should have reflected the land acquisition price as \$0 and the off-site costs as \$0 because those costs will be incurred by the City and not the developer (see attached letter from the City of Dallas which we submitted in response to the initial deficiency), we



reflected both acquisition and off-site costs on the development cost schedule. When we did this, we were following the guidance of the QAP which states in Section 50.8(7)(B) “If off-site costs . . . are embedded in the site acquisition contract . . . , then the supplemental form ‘Off-Site Cost Breakdown’ must be provided.” The 2012 Multifamily Application Procedures Manual on page 46 states further “The total Offsite Costs entered in this [Off-Site Cost Breakdown] exhibit [must match the amount reflected in the Development Cost Schedule.]” Therefore, by strictly following the guidance in the QAP and the Procedures Manual, we were required to reflect the acquisition costs and the off-site costs in the Development Cost Schedule even though those costs will not be incurred by the development.

Instead, these costs will be incurred by the City, who will conduct the infrastructure work in part with its own staff and in part with its own subcontractors. The City will fund this work with the \$2,603,720 grant that the City has awarded for this project, subject to the award of tax credits. Thus, in the application, in our earnest efforts to be transparent about all the moving parts of this application, and based on guidance in the QAP, we incorrectly reflected the land acquisition and the off-site costs as uses that were offset by the City grant of \$2,603,720. This representation was directly inconsistent with how we reflected the land transaction elsewhere in the application.

When this inconsistency came to our attention on deficiency (because our cost per square foot was over the \$95 per square foot maximum), TDHCA staff requested that we “revise any appropriate exhibit.” We corrected the inconsistency by submitting a Development Cost Schedule with \$0 for the land acquisition and \$0 for off-sites that reflected the land transaction as represented in the site control section of the original application. We also submitted a letter from the City of Dallas stating that they will be responsible for the cost and the construction of the off-site work should this application receive an award of tax credits.

We believe that we cured the deficiency through the administrative deficiency process set forth in Section 50.7(2)(A). The deficiency process as provided for by the QAP is meant to allow an Applicant an “opportunity to provide clarification, correction, or non-material missing information to resolve inconsistencies in the original Application.” Here, there was a non-material inconsistency between how the land transaction was represented in the Site Control section with how it was represented on the Development Cost Schedule due to misleading guidance in the QAP and the Procedures Manual about how to reflect off-site costs when embedded in the site acquisition cost. This inconsistency was non-material because it did not rise to the level of a “Material Deficiency” which is defined in the “Definitions and Amenities for Housing Program Activities, 2012-2013” as “any individual Applicant deficiency . . . which if addressed, would require, in the Departments reasonable judgment, a substantial reassessment or re-evaluation of the Applicant.” Here, the inconsistency was corrected by deleting two numbers from the Development Cost Schedule that should have never been included and that had no impact on the tax credit request or the amount of eligible basis. The applicant did not provide new information nor did it change how the land transaction was structured. Therefore, the deficiency request and response should not have resulted in a substantial reassessment or re-evaluation of the application. Moreover, the fact that staff did issue a deficiency on this item and invited us to submit revised exhibits strongly suggests that it is curable as a non-material deficiency.

The QAP states that “the calculations will be based on the cost listed in the Development Cost Schedule and *the NRA shown in the Rent Schedule of the Application.*” Here, if staff used the Development Cost Schedule that we submitted in response to the deficiency, which is permitted



by the deficiency process, and the NRA shown in the Rent Schedule of the Application, the application meets the \$95 limit. It is our position that the qualifier “of the Application” ONLY applies to the “NRA shown in Rent Schedule of the Application” and not the Development Cost Schedule. Here, the applicant did not change its construction numbers slightly or its square footage slightly in response to a deficiency notice in order to get under the cost per square foot threshold. Instead, in response to an administrative deficiency, the applicant amended the Development Cost Schedule to be consistent with the other parts of our application, namely the Site Control Section.

It should be noted that a 2011 applicant, The Villas at Tuscany, #11074, lost these same points last year and on deficiency, attempted to cure by increasing its NRA. Staff did not award the points based on this language that the calculation is based on the NRA shown in the Rent Schedule of the Application; however, the Board disagreed, granting the applicant’s appeal and ultimately awarding these points. Also, based on our research of the current application pool, at least one other application, specifically 1400 Bellevue, #12098, exceeded the development cost per square foot limit, in that case, because retail and commercial costs (non-eligible basis items) were included on the development cost schedule. Despite that there is nothing in the QAP that allows for the exclusion of these non-eligible basis items from Hard Costs, staff excluded these costs for the purposes of the calculation and awarded the 12 points to this application.

Therefore, to deduct 12 points from this application because of an inconsistency in the application that was corrected on deficiency is an unjust result, especially given that the deficiency process specifically allows such inconsistencies to be corrected. The guidance in the QAP and in the Procedures Manual is misleading in terms of how to reflect off-site costs when they are embedded in the site acquisition costs and the QAP only states that, for purposes of the cost per square foot calculation, the NRA on the Rent Schedule must be fixed based on the number in the application. Here, the applicant submitted a revised Development Cost schedule on deficiency, which should cure the inconsistency, even for purposes of this scoring item.

*2. Repositioning (3 points).*

To be eligible for these points, the development must a) propose Rehabilitation (including reconstruction); b) contain residential buildings originally constructed between 1980 and 1990; c) the Development has no income or rent restrictions recorded in property records.

It is our understanding that staff did not award these points because staff does not think that development contains residential buildings originally constructed between 1980 and 1990. We respectfully disagree. The St. Paul building is a “residential building originally constructed” in the 1980s. In 1987, the building was placed in service as a residential building for the first time. While the building itself existed prior to the 1980s, it was never a residential building prior to 1987. In 1987, the commercial building was gutted down to the shell and completely rebuilt as residential with all new windows, new floors, new walls, plus the addition of kitchens and bathrooms. Today, it looks like a residential building that was built in the 1980s because it is a residential building that was built in the 1980s.

On deficiency, we submitted certificates of occupancy showing a different use prior to the 1980s and then a new certificate of occupancy for a residential use in 1987. There is no intent statement in this point category that says that these points are only eligible for buildings that were first put on the ground in the 1980s. Indeed, we believed that the intent was to reposition unattractive and possibly poorly constructed housing stock that placed in service as residential in the 1980s, which is exactly what this development is. The language of the QAP does not say “buildings originally constructed between 1980-1990.” Rather it says “*residential* (emphasis added) building originally constructed between 1980-1990” which is the situation here.

### 3. *Length of Affordability (4 points)*

We strongly believe that we are eligible for these points because we are proposing combination of new construction, reconstruction of an existing residential building, and renovation of an existing non-residential Community Service Center. The QAP states that “Rehabilitation (excluding Reconstruction) Developments are not eligible for these points.” Here, we are not proposing any rehabilitation of an existing residential building. While we are proposing renovation of an existing non-residential building (a Community Service Center that is currently operated by Family Gateway to serve both its existing residents of its existing supportive housing development and members of the general public), this does not constitute “Rehabilitation.” “Rehabilitation” is defined in the “Definitions and Amenities for Housing Program Activities” as “The improvement or modification of an Existing Residential Development.” Here because the Community Service Center contains no units, it does not qualify as an Existing Residential Development. Thus, the fact that it will be renovated has no impact on whether this development is eligible for this point item.

It is our understanding that staff is looking to the Q&A as support for its position that this development is not eligible for these points. In the Q&A, the question asked was “If I am proposing to rehabilitate a 10 building development but reconstructing 1 building, do I qualify for these points?” The Q&A states that “Every building in the Development must be reconstructed to be eligible for these points.”

In addition to the fact that our proposed development is proposing new construction plus reconstruction, and therefore does not present the same facts as the question included in the Q&A (which is rehabilitation plus reconstruction), it is our position that the staff guidance in the Q&A does not reflect what the QAP says, which is not that every building needs to be reconstructed, but that no building can be rehabilitated. Here, this development clearly does not include rehabilitation of an existing residential development which is the only QAP exception to eligibility for these points. Therefore, it is eligible for these points.

It should also be noted that, at one point, staff suggested that the Community Service Center building to be renovated was adjacent to the building to be reconstructed, and therefore, staff was going to treat those two buildings as one building for purposes of this point item. We disagree with this treatment. These two buildings have separate roofs, and have different uses (one contains residential units and one contains the large Community Service Center that is viewed in the community as a standalone facility that is open to the public). While we were unable to find the original construction records to confirm whether these two buildings were built at the same time or at different times, we were able to find a plat showing that these two buildings are on separate legal parcels which suggests that they are considered two separate buildings from a legal standpoint.

We understand that this application was a technically challenging one for your staff to review, and we appreciate the extra time staff took to understand all of the nuances occurring here. I hope this letter better explains why we took these points both at pre-application and at application, and that it sheds light on some of the grey areas in the QAP. We understand that the QAP is a living document that is often tweaked as certain development-specific fact patterns challenge the language and the intent behind various sections. We understand that staff has discretion to come to different conclusions on these point categories based on their understanding of the rules and regulations, but we simply disagree with these conclusions based on our understanding of the rules and regulations.

We respectfully request a favorable ruling on each of the three issues on appeal, as these are highly technical issues that will be difficult to explain to the Board in a public forum in a very short time frame. These issues do not raise policy issues and therefore, we believe that they are more appropriately handled at your level. That being said, should you decide that you cannot rule in our favor at this juncture, we will plan to appeal at the June 14, 2012 board meeting.

We thank you for your consideration and concern for this unique project. Should you require further information, please contact me directly.

Sincerely,

FAMILY GATEWAY, INC.

FIRST PRESBYTERIAN  
CHURCH OF DALLAS,  
TEXAS



Robert Alberts, Executive Director



Rev. Dr. Bruce Buchanan

cc: Jill Herz, Family Gateway, Inc.  
Linda McMahon, Family Gateway, Inc.  
Claire Palmer, Attorney at Law  
Graham Greene, underMain Corporation  
Grady "Buddy" Jordan, Jr., Ashwood Companies, Inc.  
Victoria Sugrue, Stoneleaf Homes of Distinction, LLC  
Mike Sugrue, Stoneleaf Homes of Distinction, LLC  
Diana McIver, Diana McIver & Associates, Inc.



City of Dallas

April 12, 2012

Jean Latsha  
Competitive Tax Credit Program Manager  
Texas Dept. of Housing & Community Affairs  
P.O. Box 13941  
Austin, TX 78711-3941

Graham Greene, President  
GREENarc Corporation, GP  
1925 San Jacinto St., Suite 300  
Dallas, TX 75201

Re: Clarification of Site Acquisition and Off-Site/Site Work Costs- 1701 Canton - EVERgreen Residences- File #12182

Dear Ms. Latsha:

This letter confirms that the City of Dallas ("City") intends to a) acquire and improve properties known as 1701 Canton and 702 S Ervay by constructing off-site and on-site improvements at the City's expense up to the amount of \$2,603,720 which represents land acquisition and demolition costs of \$1,942,700 of the existing buildings and off-site improvement including providing utility connections; and b) subsequently lease those properties to EVERgreen Residential, Ltd. for a minimum of forty-five years. This commitment is limited to \$2,603,720 which is a portion of the \$4,603,720 detailed in the enclosed city resolution and letter mailed on April 5, 2012. The City will perform the off-site and site improvements prior to leasing the underlying fee simple estate to the development owners.

Prior to the issuance of a commitment from the City, the above stated funding, acquisition, demolition, and site improvements will be reviewed and considered by the City Council by August 1, 2012 and is contingent upon the success of the applicant to secure other project approvals, including but not limited to Low Income Housing Tax Credits.

It is our understanding that this letter is due in your office by April 16, 2012 in order for the application for 1701 Canton - EVERgreen Residences to be considered for the 9% LIHTC allocation. If you need additional information, please contact Bernadette Mitchell, Assistant Director, at (214) 670-3619.

Sincerely,

Jerry Killingsworth, Director  
Housing/Community Services Department

- c: Cameron Dorsey, Multifamily Housing Director, TDHCA  
Bernadette M. Mitchell, Assistant Director, Housing/Community Services Department  
Etoria Anderson, Coordinator IV, Housing/Community Services Department

**Additional TDHCA Board Materials**

**Submitted for**

**1701 Canton – EVERgreen Residences**

**TDHCA #12182**

**QAP Section 50.9(b)(8) Cost of Development by Square Foot**

Staff states in its recommendation that “changes to the development cost schedule that cannot be clearly supported by information already in the application are not accepted because the staff does not have the ability to verify the reason for the change is valid.” We respectfully disagree with staff's contention that we addressed this Deficiency with information that was not provided in the original application.

1. The information regarding the City's payment for offsite costs was contained in the application; in fact, the offsite information was included twice – first, correctly and most appropriately, in the Site Control section of the application where it clearly states that building/site acquisition costs that are being born by the City prior to ground leasing the site from the City to the Applicant, and second, (incorrectly) in the development budget.

We did NOT change any construction numbers or the square footage. Instead, in response to an administrative deficiency, we amended the Development Cost Schedule to be consistent with the other parts of our application, namely the Site Control Section. Because offsite costs are not in eligible basis, this error on our part did not require the need for any reprocessing by staff. It did not affect our tax credit request.

2. Staff's argument is that the City of Dallas is “providing funds for the off-site improvements directly to the applicant . . . and the commitment indicates the direct recipient as the applicant.” What else can it be? The City of Dallas has a standardized process for making commitments of city funds—the applicant must apply for funds for a particular development and, despite that funds here were always structured as a grant for land acquisition and offsite improvements, all applicants get the same form letter. In any case, because the City of Dallas is

dedicating these funds to produce supportive housing for homeless families in the downtown area, the applicant has to be the recipient of those funds. The City would not have agreed to purchase the land and to provide offsite work if the applicant was not applying for tax credits to build this project. The funds are in the sources and the uses sections of the development pro forma.

3. Moreover, even though this correction and clarification was addressed by the applicant through an administrative deficiency format, staff is now asserting that the errors in the initial submission were difficult to verify because they were not raised in a manner that would trigger an administrative deficiency. Clearly, this matter was corrected as part of a response to an administrative deficiency.
4. Finally, it should be noted that in 2011, the Board was faced with a similar appeal - The Villas at Tuscany, #11074 - and in that case, the Board granted the applicant's appeal and ultimately awarded these points.

#### **QAP Section 50.9(b)(18) Length of Affordability Period.**

We respectfully disagree with staff interpretation and disagree that the FAQ question and answer dated January 25, 2012 addresses a similar situation. That question was whether you could get these points for rehabilitating a 10 building development but reconstructing one building. The answer was "no", that every building must be reconstructed. Here, every single residential unit in the Applicant's development is going to be newly constructed. The QAP clearly says that Reconstruction AND New Construction projects are eligible for these points. The reasoning given for this QAP addition was that "long term affordability" can only be ensured IF the units are completely new. Our units will be completely new. The only rehab that will take place is in a separate community service center that is adjacent to the residential units. This community service center serves a homeless population beyond the persons living in the residential units. It was remodeled a few years ago and we did not feel it prudent to tear down this community center.

#### **QAP Section 50.9(20) Repositioning of Existing Development.**

This was a new QAP point item in 2012. The QAP clearly says that to be eligible for these points you have to be reconstructing or rehabbing RESIDENTIAL units constructed between 1980 and 1990. The existing residential building that is being reconstructed was NOT a residential building until 1987. Prior to that it was a commercial building and it was gutted to

the shell and completely rebuilt with all new floors, walls, kitchens, bathrooms, etc. The QAP does not say that these points are only eligible if the slab was poured after 1980. These residential units were constructed and placed in service in 1987 as clearly shown in the Certificate of Occupancy submitted with the Application.

**QAP Section 50.9(b)(14) Pre-Application Incentive Points.**

If the Board rules in favor of reinstating the above points, then these points should automatically be reinstated.



**BOARD ACTION REQUEST**  
**MULTIFAMILY FINANCE DIVISION**  
**July 10, 2012**

Timely Filed Appeals under any of the Department's Program or Underwriting Rules

**RECOMMENDED ACTION**

**WHEREAS**, a 2012 competitive housing tax credit scoring notice was provided to the applicant of Pecan Creek & Pecan Grove (#12366);

**WHEREAS**, the staff identified twenty (20) points that the applicant elected but the application does not qualify to receive; and

**WHEREAS**, the applicant appealed the scoring notice and requested that the Board award sixteen (16) points under §50.9(b)(14) and §50.7(2)(A);

**RESOLVED**, the applicant's appeal of the scoring notice for Pecan Creek & Pecan Grove (#12366) is hereby denied.

**BACKGROUND**

On June 11, 2012, staff sent a scoring notice to the applicant of Pecan Creek & Pecan Grove, a 2012 competitive housing tax credit application submitted in the At-Risk Set-Aside. After a complete staff review, it was determined that the application did not qualify to receive twenty (20) of the points elected by the applicant. The Applicant concedes that the application was in fact not eligible for four (4) of those twenty (20) points but is requesting that the other sixteen (16) points be awarded. The areas subject to appeal are summarized below.

§50.7(b)(2)(A) Administrative Deficiency Process

Pursuant to the 2012 QAP, all information needed to resolve an Administrative Deficiency must be to the Department by 5:00 pm on the fifth business day following the deficiency notice. If this is not done, then five (5) points will be deducted from the application score for each additional day the deficiency remains unresolved. If all needed information is not to the Department by 5:00 pm on the seventh business day after the deficiency notice then the application will be terminated. The QAP does include a provision for an extension as well. An Administrative Deficiency was sent to the applicant of Pecan Creek & Pecan Grove on April 24 with a deadline to respond of May 1. An extension was granted to May 8, and the deficiency was not resolved until May 11. Therefore, staff deducted ten (10) points from the application score.

The Applicant, in their appeal, is asking for the ten (10) penalty points not to be assessed. Their reason for the request is unclear, although they state that staff was difficult to contact and that



there was conflicting information from two or three different staff members. Staff believes that despite the accommodation of an extension the Applicant was not responsive in a timely manner. The Applicant did act with urgency in their first request for an extension of the deficiency response time, which came immediately upon receiving the deficiency notice. The following timeline reflects the chain of events that led to the penalty points with regard to this deficiency.

Date	Time	Action
April 24	3:33pm	Staff issues deficiency with deadline of 5pm on May 1
April 25	9:29am	Applicant requests extension; staff replies that Applicant should submit information and ask for extension closer to deadline if still necessary
April 25 - April 30		No email correspondence from Applicant and no documentation submitted
April 30	5:02pm	Applicant again requests extension
May 2	3:55pm	Email correspondence regarding possibility of extension to May 8 but no resolution (email attached)
May 2 - May 8		No correspondence from Applicant
May 9	12:33pm	Applicant emails some documentation to the Department
May 9	3:26pm, 4:17pm	Applicant emails that she is having technical issues; Applicant emails asking for someone to call her
May 10	Morning	Phone conversation with staff asking to clarify information needed
May 10	3pm to 4pm	Email correspondence between Applicant and staff referencing above phone call and clarifying issue
May 11	2:23pm and 4:54pm	Applicant sends last two pieces of documentation

It should be noted that the Applicant also submitted this appeal late, about 3 minutes after the deadline.

#### §50.9(b)(14) Pre-Application Participation Incentive Points

Six (6) points may be elected by those applicants that submitted a pre-application in accordance with the QAP provided that certain components of the pre-application remain consistent with the full application. Because the score verified by staff was more than nine (9) points different from the applicant's self score at pre-application, the points were not awarded by staff. Staff proposes that the pre-application points in this case remain a function of the decisions on the other items under appeal today. If the point discrepancy after Board consideration of the other issues is nine (9) points or less, then the pre-application points should also be awarded, because the discrepancy between the pre-application score and the full application score would be within the tolerance allowed by the QAP.

Staff recommends denial of the appeal.

**From:** Jean Latsha  
**To:** "Kim Treiber";  
**Subject:** RE: HVM Lampasas, Ltd.  
**Date:** Wednesday, May 02, 2012 3:58:00 PM

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I am taking your request to our executive director but can't make any promises. As soon as I know whether or not he is approving it I will let you know. Thanks,  
Jean

---

**From:** Kim Treiber [mailto:KimTreiber@hamiltonvalley.com]  
**Sent:** Wednesday, May 02, 2012 3:55 PM  
**To:** jean.latsha@tdhca.state.tx.us  
**Subject:** HVM Lampasas, Ltd.

Jean, I have tried all day to get a minute to call you and have had someone in my office or, attorneys on the phone. We are trying to close two deals this week and in Dennis's absence it has been hectic to say the least. With that said, I had spoken with Elizabeth concerning an extension for the deficiency for #12366 Pecan Creek and Pecan Grove. I am not trying to make excuses but, I really have some good ones. ☺ We have been in the middle of moving offices and remodel and purposely waited until a week ago to do it thinking that all our deadlines have been met and nothing was pending. Also, while Dennis Hoover was to be gone. We did not expect to get the def on Lampasas thinking we were out of the money anyway. I would like to ask you for an extension of 5 days to allow us time to complete them. I was without a computer and phone for several days and moved my entire office and Dennis's. Please consider the extension. We defiantly want to keep this alive. Call me in the morning please. I will be here at 8:00 AM, I am currently going into a meeting so I can't talk right this minute. Thank you for your consideration, Kim

**HVM LAMPASAS, LTD.**  
**P O Box 190**  
**Burnet, Texas 78611**  
**512-756-6809 Ext 212. Fax 512-756-9885**  
**E-mail: dennishoover@hamiltonvalley.com**

June 25, 2012

TDHCA: Re: Pecan Grove and Pecan Creek Apartments #12366

We wish to appeal two 5 point penalties for late submission of deficiency responses.

#1. We received the first deficiency on April 24<sup>th</sup>, attached. Regarding #8 Sources & Uses: We received an extension until May 10<sup>th</sup>, with Jean Latsha's support. She was for that period of time, very hard to contact. But, we didn't know until the 15<sup>th</sup> of May that we had an extension. We sent in the response, but not until May 11<sup>th</sup>, per the explanation below.

We want to say, and we mean it, that the staff is great, they work very hard, they're easy to work with and go out of their way to get stuff done. Kim Youngquist, in our office, had a conversation during the extension period, with Jean, that #8 wasn't going to be an issue and we would not have to respond since the rule appears to apply only to permanent financing, not interim, so we did not pursue any response at that time. However, at 3:30 on May 10<sup>th</sup>, our deadline, Elizabeth Henderson emailed, that since the rule was not clear, that we would have to respond to #8. We did the best we could but could not turn it in until the next day due to the need of third party letters (i.e. CPA and Bank).

#2: On May 16<sup>th</sup> we received an Application Deficiency Notice:

1. Financial Feasibility. The pro forma associated with the lender letter does not maintain a 1.15 DCR throughout the first 15 years. (28 points).

Our original 15 year Pro-forma did not maintain a 1.15 DCR. Here's the problem: The debt service on a USDA-RD loan is, compared to conventionally financed deal, much smaller. It's very difficult or impossible on some deals to both start out year One at 1.35 and end up year 15 at 1.15. REA has recognized this and has made provision for it in the rules under "Acceptable Debt Coverage Ratio Range." The points are awarded for Financial Feasibility. We do have Financial Feasibility according to TDHCA's rules and should be given credit for it. We did respond with an updated Pro-forma, but it was received by staff at 5:04.

Please consider and grant our request for the return of the 10 points for late responses and give 6 points back for the Pre-App points, for a total of 16 points restored.

Sincerely

Dennis Hoover, member, Manager of HVM Ventures, LLC – co-general partner

**From:** Kim Youngquist  
**To:** Dennis Hoover;  
**Subject:** FW: 12366 Pecan Grove & Pecan Creek - HTC Application Deficiency Notice  
**Date:** Monday, June 25, 2012 4:10:03 PM

---

Had to resend the email response through FTP at 3:17. But, item 2 is in question still.

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**From:** Kim Treiber  
**Sent:** Wednesday, May 23, 2012 3:17 PM  
**To:** Ben Sheppard  
**Cc:** jason.burr@tdhca.state.tx.us  
**Subject:** FW: 12366 Pecan Grove & Pecan Creek - HTC Application Deficiency Notice  
**Importance:** High

Ben, I tried to email this to you and it came back to large of a file. I am uploading to FTP instead. Yours is titled "Attn Ben S 12366 Pecan Grove & Pecan Creek-HTC Application Deficiency Notice". Thanks, Kim ☺

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**From:** Kim Treiber  
**Sent:** Wednesday, May 23, 2012 2:44 PM  
**To:** 'Ben Sheppard'; Dennis Hoover  
**Cc:** Jean Latsha; Nan Boyles; Emily Farmer (EFarmer@hamiltonvalley.com)  
**Subject:** RE: 12366 Pecan Grove & Pecan Creek - HTC Application Deficiency Notice  
**Importance:** High

Ben,  
In response to the deficiency below:

1. Financial Feasibility. See attached the corrected "Lender" letter addressing the requirements stated in the scoring item.
2. Financial Feasibility. Please see the REA rules stating we technically do have an Acceptable Debt Coverage Ratio Range.

***(D) Acceptable Debt Coverage Ratio Range.*** *The acceptable first year stabilized pro forma DCR for all priority or foreclosable lien financing plus the Department's proposed financing must be between a minimum of 1.15 and a maximum of 1.35. HOPE VI and TRDO-USDA transactions may underwrite to a CDR less than 1.15 or greater than 1.35 based upon documentation of acceptance from the lender.*

3. Please see attached maps showing the 2-mile radius (using the scale) AND also showing the subject property with all the services available within that 2-mile radius. The street addresses are provided so that a person looking for any of the locations can do so by looking at the map and matching the street address.
4. Sponsor Characteristics: Please find attached a letter prepared by HVM Housing, LLC (HUB) stating the contact the HUB has with the sites.

Thanks, Kim Youngquist (512) 756-6809 ext. 218

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**From:** Ben Sheppard [<mailto:ben.sheppard@tdhca.state.tx.us>]

**Sent:** Wednesday, May 16, 2012 11:00 AM

**To:** Dennis Hoover; Kim Treiber

**Cc:** Jean Latsha

**Subject:** 12366 Pecan Grove & Pecan Creek - HTC Application Deficiency Notice

In the course of the Department's **Eligibility/Selection/Threshold** review of the above referenced application, an Administrative Deficiency as defined in 10 TAC §1.1(a)(2), has been identified. By this notice, the Department is requesting documentation to correct the following deficiency or deficiencies:

**Selection**

1. Financial Feasibility. The rules of this scoring item require that the pro forma be prepared by the lender, not by the borrower as the lender's letter indicates. This lender's pro forma and letter do not have to be the same as the pro forma prepared by the applicant for the application on the application template but the lender's letter and pro forma must meet each of the requirements stated in this scoring item if it is to score points.
2. Financial Feasibility. To score points, the lender's pro forma must indicate that the development will maintain a DCR in excess of 1.15 for each of years 1-15.
3. Site Characteristics. The map must be of sufficient detail to show the street names of the locations of the various services and the location of the development site. The map should contain a circle having a 2-mile radius that is labeled to affirm that it is, indeed, a circle of this radius and all the services and the site must be indicated within this 2-mile radius circle. The point here is for the map to provide locations that can be found by interested parties that may wish to do so.
4. Sponsor Characteristics. Please state the expected frequency of the HUB's visits to the site after placement in service and the causes that might prompt such visits.

**The above list does not include deficiencies identified in §50.9(b)(11) Additional Evidence of Preparation to Proceed. Any administrative deficiency identified in §50.9(b)(11) will be addressed in a separate deficiency notice.**

All deficiencies must be corrected or clarified by 5:00 p.m. CST on the fifth business day following the date of this deficiency notice. Deficiencies resolved after 5 p.m. on the fifth business day will have 5 points deducted from the final score. For each additional day beyond the fifth day, that any deficiencies remain unresolved, the application will be treated in accordance with §50.7(b)(2)(A) of the 2012-2013 QAP.

All documentation should be submitted as a whole using the Department's File Transfer Protocol (FTP) server. Once the documents are submitted to the FTP server, please email the staff member issuing this notice. If you have questions regarding the FTP submission process, contact Jason Burr at [jason.burr@tdhca.state.tx.us](mailto:jason.burr@tdhca.state.tx.us) or by phone at (512)475-3986. You may also contact Nicole Fisher at [nicole.fisher@tdhca.state.tx.us](mailto:nicole.fisher@tdhca.state.tx.us) or by phone at (512)475-2201.

**\*\*All deficiencies must be cured by 5 p.m. on Wednesday, May 23, 2012.  
Please reply to this email to confirm its receipt\*\***

Thanks,  
Ben

### **Ben Sheppard**

Multifamily Housing Specialist  
Texas Department of Housing and Community Affairs  
221 E. 11th Street | Austin, TX 78701  
Office: 512.475.2122

#### **About TDHCA**

The Texas Department of Housing and Community Affairs administers a number of state and federal programs through for-profit, nonprofit, and local government partnerships to strengthen communities through affordable housing development, home ownership opportunities, weatherization, and community-based services for Texans in need. For more information, including current funding opportunities and information on local providers, please visit [www.tdhca.state.tx.us](http://www.tdhca.state.tx.us).



**From:** Kim Youngquist  
**To:** Dennis Hoover;  
**Subject:** FW: 12366\_deficiency response extension.pdf  
**Date:** Monday, June 25, 2012 4:02:28 PM  
**Attachments:** 12366\_deficiency response extension.pdf

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This is the letter (attached) that was not sent to me until the 16<sup>th</sup> of May. We had, of course, responded by then but did not know that we were approved for the extension through the 8<sup>th</sup>. During the time we were working through this def. HVM was moving my office which resulted in no computer for a couple of days and no phone for a little longer. Along with that, Jean Latsha was out of the office and it was difficult to get responses on the question concerning the Sources and Uses. Ultimately TDHCA said we needed to show a third party CPA letter and Bank confirmation of the availability of the funds because a member of the development owner, namely John Hoover, had more than 5% of the development costs because of the financing by BHHH.

---

**From:** Kim Treiber  
**Sent:** Wednesday, May 16, 2012 11:48 AM  
**To:** Jean Latsha (jean.latsha@tdhca.state.tx.us)  
**Subject:** 12366\_deficiency response extension.pdf

Hi Jean, It is probably not a big deal but the letter is to a Mr. Bowling. Thanks, Kim

**From:** [Kim Youngquist](#)  
**To:** [Dennis Hoover](#);  
**Subject:** FW: 12366\_deficiency response extension.pdf  
**Date:** Monday, June 25, 2012 4:04:35 PM

---

Just FYI, showing you Jean's response to my email. The signature she is referring to is Tim Irvines.

---

**From:** Jean Latsha [<mailto:jean.latsha@tdhca.state.tx.us>]  
**Sent:** Wednesday, May 16, 2012 12:46 PM  
**To:** Kim Treiber  
**Subject:** RE: 12366\_deficiency response extension.pdf

As long as it took to get the signature, I think we can let it go. I'm ok if you're ok.  
Thanks,  
Jean

---

**From:** Kim Treiber [<mailto:KimTreiber@hamiltonvalley.com>]  
**Sent:** Wednesday, May 16, 2012 11:48 AM  
**To:** [jean.latsha@tdhca.state.tx.us](mailto:jean.latsha@tdhca.state.tx.us)  
**Subject:** 12366\_deficiency response extension.pdf

Hi Jean, It is probably not a big deal but the letter is to a Mr. Bowling. Thanks, Kim

**From:** Kim Youngquist  
**To:** Dennis Hoover;  
**Subject:** FW: #9 The Percentage Question  
**Date:** Monday, June 25, 2012 3:51:30 PM

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Dennis, this is the correspondence with TDHCA concerning the FIRST def. I have highlighted the pertinent information.

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**From:** Elizabeth Henderson [mailto:elizabeth.henderson@tdhca.state.tx.us]  
**Sent:** Thursday, May 10, 2012 4:01 PM  
**To:** Kim Treiber  
**Subject:** RE: #9 The Percentage Question

The rule doesn't differentiate on what type of loan it is. It just says if financing is being provided and it's over 5% and coming from the owner. All of those components are present so it appears to apply.

EH

---

**From:** Kim Treiber [mailto:KimTreiber@hamiltonvalley.com]  
**Sent:** Thursday, May 10, 2012 3:50 PM  
**To:** Elizabeth Henderson  
**Subject:** RE: #9 The Percentage Question

Elizabeth, Does that apply even to the interim or, non-permanent financing? BHHH is construction loan only. Thanks, Kim

---

**From:** Elizabeth Henderson [mailto:elizabeth.henderson@tdhca.state.tx.us]  
**Sent:** Thursday, May 10, 2012 3:30 PM  
**To:** Kim Treiber  
**Subject:** RE: #9 The Percentage Question

Yes, don't worry about the org chart. Your answer satisfied my curiosity and I think what you guys intended is not hampered enough in the chart to make it necessary to redo the thing. I made a note on the one in app. Showing what the percentages really are. Your explanation in addition to that should be enough.

As for #8, if the development is going to be financed more than 5% by a member of the owner, then there are other documents that show the member's ability to provide that financing that are supposed to be provided with the application. This is what the QAP says about it:

(IV) if the Development will be financed through more than 5% of Development Owner contributions, provide a letter from a Third Party CPA verifying the capacity of the Development Owner to provide the proposed financing with funds that are not otherwise committed together with a letter from the Development Owner's bank or banks confirming that sufficient funds are available to the Development Owner. Documentation must have been prepared and executed not more than six (6) months prior to the close of the Application Acceptance Period;

So that's what #8 was asking for. BHHH is supplying 21% of the financing so I looked for these things. I didn't see them but if it was already there just tell me where. I could have missed it. Jean came over first thing and asked me about it. When I told her what it was, she remembered. We don't see this often so it doesn't stick in the memory.

EH

---

**From:** Kim Treiber [<mailto:KimTreiber@hamiltonvalley.com>]

**Sent:** Thursday, May 10, 2012 3:02 PM

**To:** Elizabeth Henderson

**Subject:** RE: #9 The Percentage Question

OK, thanks Elizabeth. I did send an updated version of the org chart in the responses but not exactly like you stated below. I just named the two entity's in the first box with the 5% and then left the split below showing the 51 and 49. Just let me know if we need to do anything further.

Have you talked with Jean L today? I know they are in the board meeting but she and I talked this morning about a question we had on item number 8. I did not respond to it because I didn't understand completely what you were looking for. I showed it to Ben and didn't really either so after you get through maybe we can discuss it. Jean seemed to think it would not be an issue. Thanks Elizabeth, I will talk to you soon. Kim

---

**From:** Elizabeth Henderson [<mailto:elizabeth.henderson@tdhca.state.tx.us>]

**Sent:** Thursday, May 10, 2012 2:45 PM

**To:** Kim Treiber

**Subject:** #9 The Percentage Question

Hi Kim,

I got your message and this is what I was thinking when I looked at the org chart. The 5% that the co-GPs will share doesn't really need to be illustrated the way that it has been. The 5% should have been divided up and those percentages left on

the same level as the 95% owner since they are at the same level. You can leave it as is, really. I don't expect this will trip anybody up, but I just wanted to be sure you weren't leaving room for something that hadn't been decided yet or whether you really were just dividing the 5% up.

This is what I was thinking. 49% of 5% is 2.45. 51% of 5% is 2.55. Like that. Since no entity is taking a whole 5%, that place shouldn't have been left. There should have just been one line across with three boxes below it in a row. The 95% owner, the 2.45% owner and the 2.55% owner at the same level.

That's what I was thinking when I looked at it, but don't worry about it. Like I said, I don't think it will trip anybody up.

I'll let you know if anything presents a problem in the responses.

Best Regards,

**Elizabeth Henderson**

Program Specialist III

Texas Department of Housing and Community Affairs

221 E. 11th Street | Austin, TX 78701

Office: 512.463.9784

Fax: 512.475.0764

**About TDHCA**

The Texas Department of Housing and Community Affairs administers a number of state and federal programs through for-profit, nonprofit, and local government partnerships to strengthen communities through affordable housing development, home ownership opportunities, weatherization, and community-based services for Texans in need. For more information, including current funding opportunities and information on local providers, please visit [www.tdhca.state.tx.us](http://www.tdhca.state.tx.us).

**BOARD ACTION REQUEST**  
**MULTIFAMILY FINANCE DIVISION**  
**July 10, 2012**

Timely Filed Appeals under any of the Department's Program or Underwriting Rules

**RECOMMENDED ACTION**

**WHEREAS**, a 2012 competitive housing tax credit scoring notice was provided to the applicant of Mariposa at Ranch Road 12 (#12371);

**WHEREAS**, the staff identified one (1) point that the applicant elected but the application does not qualify to receive; and

**WHEREAS**, the applicant appealed the scoring notice and requested that the Board award the one (1) point under §50.9(b)(23) Community Revitalization;

**RESOLVED**, the applicant's appeal of the scoring notice for Mariposa at Ranch Road 12 (#12371) is hereby denied.

**BACKGROUND**

On June 11, 2012, staff sent a scoring notice to the applicant of Mariposa at Ranch Road 12, a 2012 competitive housing tax credit application submitted in Rural Region 7. The scoring notice reflected that the application did not qualify to receive one (1) of the points elected by the applicant. The subject of the appeal is summarized below.

§50.9(b)(23) Community Revitalization or Historic Preservation

Applications may qualify to receive one (1) point for this scoring item if the development site is located within a specific geographic area covered by a community revitalization plan. The QAP includes another scoring criterion that awards one (1) point for developments located in an area that has an economic development initiative adopted by the local government. In order to qualify for the points for Community Revitalization, the community revitalization plan must not be a consolidated plan or other economic development plan or city-wide plan. The Applicant submitted one resolution from the City of Wimberley for both of the above mentioned scoring criteria. Staff did not award the point for a community revitalization plan since it appeared that it was an economic development plan. The Applicant, in the appeal, indicates that these are two separate initiatives and has also submitted additional letters from the City of Wimberley to support that claim. However, it is still unclear as to whether a community revitalization plan or an economic development initiative exists, although one of the two appears to be in place.

Staff recommends denial of the appeal.

Mariposa Ranch Road 12 LP

June 18, 2012

Texas Department of Housing and Community Affairs  
Tim Irvine  
221 E. 11<sup>th</sup> Street  
Austin, TX 78701

RE: Appeal of Scoring Notice for TDHCA# 12371 Mariposa Ranch Road 12 LP

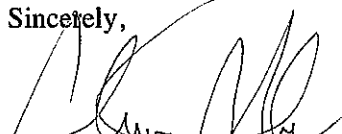
Dear Mr. Irvine,

This appeal relates to the Scoring Notice for Mariposa Ranch Road 12 LP (TDHCA #12371), which was awarded 177 points from a requested 178 points. The one point deduction was explained in the notice as, “§50.9(b)(23) Community Revitalization or Historic Preservation. The plan, since it was used for points under §50.9(b)(22) Economic Development Initiatives, appear to be an Economic Development Plan, which renders the plan ineligible for points under Community Revitalization.”

While the Economic Development Initiative and Community Revitalization designation were both included in the same Resolution No. R-01-2012 passed and adopted by the City of Wimberley City Council on February 16, 2012, per the plain language of the resolution and attached letters, they are two separate initiatives. Development, pursuant to the City-adopted initiatives and as confirmed in the attached letters, is consistent with the Comprehensive Plan; however, neither item is itself a Consolidated Plan, Economic Development Plan or other city-wide plan.

Please accept the enclosed documentation for the appeal and I urge you to grant the one point for Community Revitalization.

Sincerely,

  
Stuart Shaw, Applicant's Representative

Enclosures:

1. Scoring Notice from the TDHCA issued on June 11, 2012
2. Letter from City of Wimberley Included in Full Application Submission March 1, 2012
3. Letter from the City of Wimberley as included in the deficiency response submitted May 23, 2012



**MULTIFAMILY FINANCE PRODUCTION DIVISION**  
**Housing Tax Credit Program - 2012 Application Round**  
**Scoring Notice - Competitive Housing Tax Credit Application**

Mariposa Ranch Road 12 LP  
 Stuart Shaw  
 901 S. Mopac Expwy, Bldg. 4, Ste. 180  
 Austin, TX 78768  
 Phone #: (512) 220-8000  
 Fax #: (512) 377-1651  
 Email: [stuart@bonnercarrington.com](mailto:stuart@bonnercarrington.com)

Date Issued: June 11, 2012

**THIS NOTICE WILL ONLY BE  
 TRANSMITTED VIA EMAIL**

Second Email: [jspicer@bonnercarrington.com](mailto:jspicer@bonnercarrington.com)

**RE: 2012 Competitive Housing Tax Credit (HTC) Application for Mariposa at Ranch Road 12, TDHCA  
 Number: 12371**

Attention: Stuart Shaw

The Texas Department of Housing and Community Affairs (the "Department") has completed its Eligibility Threshold and Selection Criteria Review of the Application referenced above as further described in the 2012 Qualified Allocation Plan ("QAP"). Below, a summary is provided of the score requested, by the Applicant, followed by the score awarded to the Application by the Department, followed by the difference between the score requested and the score awarded. An explanation of the reason(s) for any differences, including points denied, is provided at the top of the second page of this notice. The next scoring items show the number of points awarded for each of the three categories for which points could not be requested by the applicant: §50.9(b)(2) Quantifiable Community Participation (QCP); §50.9(b)(6) Community Support from State Representative or State Senator; §50.9(b)(13) Community Input other than QCP. This is followed, in bold, by the final cumulative number of points awarded by the Department to the Application.

Please note that if you were awarded points under §50.9(b)(5) of the 2012 QAP, that should this application receive an award of tax credits, at the time the executed Commitment Notice is required to be submitted, the Applicant or Development Owner must provide evidence of a funding commitment approved by the governing body of unit of general local government. If you were awarded points under §50.9(b)(12), at the time of Carryover Documentation Delivery Date, the Applicant or Development Owner must provide evidence of commitment approved by the qualifying private, state, or federal source to the Department. Qualifying sources other than those submitted in the Application may be submitted to the Department pursuant to §50.9(b)(5) and (12) of the 2012 QAP.

Allocation: Rural

Set Asides:  USDA  Non Profit  At Risk

Score Requested by Applicant (Does not include points for §§50.9(b)(2), (6) or (13) of the 2012 QAP):	178
Score Awarded by Department (Does not include points for §§50.9(b)(2), (6) or (13) of the 2012 QAP):	177
Difference between Requested and Awarded (Does not include points for §§50.9(b)(2), (6) or (13) of the 2012 QAP):	1
Points Awarded for §50.9(b)(2), Quantifiable Community Participation:	18
Points Awarded for §50.9(b)(6), Input from State Senator or Representative:	16
Points Awarded for §50.9(b)(13), Community Input Other than QCP:	6
<b>Final Score Awarded to Application by Department:</b>	<b>217</b>





**MULTIFAMILY FINANCE PRODUCTION DIVISION**  
**Housing Tax Credit Program - 2012 Application Round**  
**Scoring Notice - Competitive Housing Tax Credit Application**

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**Page 2 of Final Scoring Notice: 12371, Mariposa at Ranch Road 12**

**Explanation for Difference between Points Requested and Points Awarded by the Department (explanation does not include points for §§50.9(b)(2), (6) and (13)):**

§50.9(b)(23) Community Revitalization or Historic Preservation. The plan, since it was used for points under §50.9(b)(22) Economic Development Initiatives, appear to be an Economic Development Plan, which renders the plan ineligible for points under Community Revitalization.

A formal appeals policy exists for the Competitive HTC Program. If you wish to appeal this scoring notice (including Set-Aside eligibility), you must file your appeal with the Department no later than 5:00 p.m. (CST), Monday, June 18, 2012. If an appeal is denied by the Executive Director, an Applicant may appeal to the Department's Board.

In an effort to increase the likelihood that Board appeals related to scoring and Set-Asides are heard at the Board meeting, the Department has provided an Appeal Election Form for all appeals submitted to the Executive Director. In the event an appeal is denied by the Executive Director, the form requests that the appeal automatically be added to the Board agenda.

Please note that your application is currently under review and receipt of this scoring notice does not constitute acceptance or determination of the applications viability.

If you have any concerns regarding potential miscalculations or errors made by the Department, please contact Jean Latsha by facsimile at (512) 475-0764 or by email at [jean.latsha@tdhca.state.tx.us](mailto:jean.latsha@tdhca.state.tx.us).

Sincerely,

*Cameron Dorsey*

Cameron Dorsey  
Director of Multifamily Finance



**MULTIFAMILY FINANCE PRODUCTION DIVISION**  
**Housing Tax Credit Program - 2012 Application Round**  
**Scoring Notice - Competitive Housing Tax Credit Application**

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**Appeal Election Form: 12371, Mariposa at Ranch Road 12**

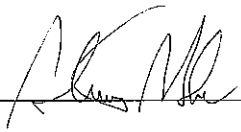
I am in receipt of my 2012 scoring notice and am filing a formal appeal to the Executive Director on or before Monday, June 18, 2012.

**If my appeal is denied by the Executive Director,:**

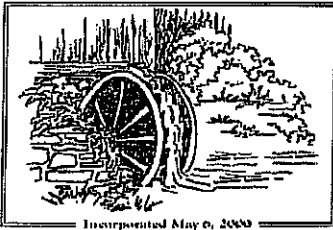
I do wish to appeal to the Board of Directors and request that my application be added to the Department Board of Directors meeting agenda. My appeal documentation, which identifies my specific grounds for appeal, is attached. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.

I do not wish to appeal to the Board of Directors.

**Note: If you do not wish to appeal this notice, you do not need to submit this form.**

Signed   
Title Applicant's Representative  
Date June 18, 2012

**Please fax or email to the attention of Jean Latsha:**  
**Fax: (512) 475-0764 or (512) 475-1895**  
**Email: <mailto:jean.latsha@tdhca.state.tx.us>**



# City of Wimberley

221 Stillwater, P.O. Box 2027, Wimberley, Texas 78676  
Phone: (512) 847-0025 - Fax: (512) 847-0422

Bob Flocke, Mayor - Steve Thurber, Mayor Pro-Tem  
Council Members - Mac McCullough, Matt Meeks, Tom Talcott, John White  
Don Ferguson, City Administrator

February 29, 2012

Cameron Dorsey  
Texas Department of Housing & Community Affairs  
211 East 11th Street  
Austin, Texas 78701

RE: Verification of Economic Development Initiative and Revitalization Zone for Mariposa at Ranch Road 12, located at approximately 14400 Block of Ranch Road 12, Wimberley, Texas, TDHCA #12371

Dear Mr. Dorsey,

Please accept this letter as confirmation that Mariposa at Ranch Road 12, a proposed 80 unit senior community located in Wimberley, Texas, is located in a target area for community revitalization and development ("Zone"), adopted at the City Council meeting on February 16, 2012. The City of Wimberley is the governing body in the area where the Zone was designated.

The community revitalization and development initiative adopted at the above-mentioned City Council meeting targets a specific geographic area for senior housing and is independent of, but consistent with, the Consolidated Plan or other city-wide plans.

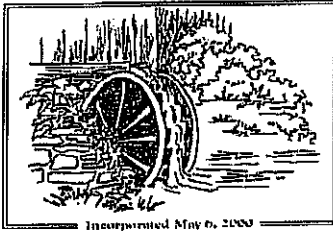
Pursuant to the 2012 Qualified Allocation Plan, I certify that I have the authority to confirm that the Zone was adopted as of February 16, 2012. The meeting was conducted in accordance with the open meeting laws of the City of Wimberley and State of Texas to allow for public comment.

Should you have any questions please feel free to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Don Ferguson", is written over the word "Sincerely,".

Don Ferguson  
City Administrator



# City of Wimberley

221 Stillwater, P.O. Box 2027, Wimberley, Texas 78676  
Phone: (512) 847-0025 - Fax: (512) 847-0422

Bob Flocke, Mayor - Steve Thurber, Mayor Pro-Tem  
Council Members - Mac McCullough, Matt Meeks, Tom Talcott, John White  
Don Ferguson, City Administrator

May 23, 2012

Cameron Dorsey  
Texas Department of Housing & Community Affairs  
211 East 11th Street  
Austin, Texas 78701

RE: Mariposa at Ranch Road 12, located at approximately 14400 Block of Ranch Road 12,  
Wimberley, Texas, TDHCA #12371

Dear Mr. Dorsey,

Please accept this letter as confirmation that Mariposa at Ranch Road 12, a proposed 80 unit senior community in Wimberley, Texas, is located in an area designated by the City of Wimberley as a target area for community revitalization and as an economic development initiative for the purpose of ensuring an improved approach to residential development consistent with the City of Wimberley Comprehensive Plan. A resolution designating the target area and the economic development initiative was adopted at the City Council meeting on February 16, 2012. The City of Wimberley is the governing body of the subject area.

I certify that I have the authority to confirm that the resolution was adopted as of February 16, 2012. The meeting was conducted in accordance with the open meeting laws of the City of Wimberley and State of Texas to allow for public comment.

Should you have any questions please feel free to contact me.

Sincerely,

Don Ferguson  
City Administrator