

BOARD MEETING OF JUNE 16, 2015

J. Paul Ozer, Chair



Juan Muñoz, Vice-Chair

Leslie Bingham Escareño, Member

T. Tolbert Chisum, Member

Tom Gann, Member

J. B. Goodwin, Member

CONSENT AGENDA

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

**A G E N D A
9:00 AM
June 16, 2015**

**Dewitt C. Greer State Highway Building
Ric Williamson Hearing Room
125 E 11th Street
Austin, Texas**

CALL TO ORDER

ROLL CALL

J. Paul Oxer, Chairman

CERTIFICATION OF QUORUM

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

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

Recognition of Cameron Dorsey

Adoption of Resolution recognizing June as Homeownership Month.

CONSENT AGENDA

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

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

EXECUTIVE

- a) Designation of James "Beau" Eccles as secretary
- b) Board Meeting Minutes Summaries for March 12, 2015; April 16, 2015; and May 7, 2015

Timothy K. Irvine
Executive Director

James "Beau" Eccles
Board Secretary

LEGAL

- c) Presentation, Discussion, and Possible Action regarding the adoption of an Agreed Final Order concerning Cameron Associates Apartments (HTF 1000752 / CMTS 4322)
- d) Presentation, Discussion, and Possible Action regarding the adoption of Agreed Final Orders concerning related properties, Mitay Inc. Scattered Sites (HTC 92009, CMTS 1026), 2512 Thorne (HTC 70046, CMTS 2344), 2904 Walnut (HTC, CMTS 2345), and 1213 Pecan (HTC, CMTS 912)

Jeff Pender
Deputy General Counsel

COMMUNITY AFFAIRS

- e) Presentation, Discussion, and Possible Action proposing new 10 TAC Chapter 5 Community Affairs Programs, Subchapter J, Homeless Housing and Services Program, §5.1009 Shelter and Housing Standards, and directing that it be published for public comment in the *Texas Register*
- f) Presentation, Discussion, and Possible Action proposing amendments to 10 TAC Chapter 5 Community Affairs Programs, Subchapter K, Emergency Solutions Grant, §5.2002 Purpose and Use of Funds, and §5.2004 Eligible Applicants and directing that they be published for public comment in the *Texas Register*

Michael DeYoung
Director of Community Affairs

FINANCIAL ADMINISTRATION

- g) Presentation, Discussion, and Possible Action regarding Resolution No. 15-018, designating Signature Authority and superseding Resolution No. 15-004

David Cervantes
Chief Financial Officer

RULES

- h) Presentation, Discussion and Possible Action on adoption of new 10 TAC, Chapter 1, Subchapter C- Previous Participation and directing its publication in the *Texas Register*
- i) Presentation, Discussion, and Possible Action regarding an order adopting the amendments to 10 TAC Chapter 10, Subchapter F, §10.607(d) concerning Reporting Requirements; §10.622(d) concerning Special Rules Regarding Rents and Rent Limit Violations; and §10.623 concerning Monitoring Procedures for Housing Tax Credit Properties After the Compliance Period and directing its publication in the *Texas Register*

Patricia Murphy
Chief of Compliance

Stephanie Naquin
Director of MF Compliance

BOND FINANCE

- j) Presentation, Discussion and Possible Action regarding publication of a Request For Proposal (“RFP”) for a Warehouse Facility for Single Family Programs

Monica Galuski
Director of Bond Finance

HOUSING RESOURCE CENTER

- k) Presentation, Discussion, and Possible Action on a Request for Proposal (“RFP”) for Service-Enriched Housing Training, Technical Assistance, and Evaluation
- l) Presentation, Discussion, and Possible Action on a Request for Proposal (“RFP”) for a Texas Homeless Youth Survey Tool

Elizabeth Yevich
Director of HRC

MULTIFAMILY FINANCE

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

Jean Latsha
Director of MF Finance

15400	Compass Pointe	Midland
15404	Darson Marie Terrace	San Antonio

CONSENT AGENDA REPORT ITEMS

ITEM 2: THE BOARD ACCEPTS THE FOLLOWING REPORTS:

- a) TDHCA Outreach Activities, May 2015
- b) Report on Site Challenges made in Accordance with 10 TAC §11.10 Concerning 2015 Housing Tax Credit Applications

Michael Lyttle
Chief of External Affairs

Jean Latsha
Director of MF Finance

- c) Presentation, Discussion and Possible Action related to Application Challenges made in Accordance with 10 TAC §11.10 Concerning 2015 Housing Tax Credit Application
- d) Status Report on Request for Qualifications for Outside Counsel for the Single-Family/Multi-Family Bond Counsel, Bond/Securities Disclosure Counsel, Low Income Housing Tax Credit Counsel, and Loan Document Preparation Counsel

Jeff Pender
Deputy General Counsel

ACTION ITEMS

ITEM 3: SINGLE FAMILY OPERATIONS AND SERVICES

Presentation, Discussion, and Possible Action to authorize the Director of Single Family Operations and Services and his/her designees to assign, transfer and/or sell defaulted single family loans to nonprofit organizations and units of local government and through various approaches to otherwise manage, secure, and dispose of TDHCA’s foreclosed single family assets

Homero Cabello
Director of SF Operations & Services

ITEM 4: COMMUNITY AFFAIRS

- a) Presentation, Discussion, and Possible Action on Release of the Draft FFY 2016 Low Income Home Energy Assistance Program (“LIHEAP”) State Plan for Public Comment, with a link to be published in the *Texas Register*
- b) Presentation, Discussion, and Possible Action on Release of the Draft Federal Fiscal Years 2016-2017 Community Services Block Grant (“CSBG”) State Plan for Public Comment, with a link to be published in the *Texas Register*

Michael DeYoung
Director of Community Affairs

ITEM 5: MULTIFAMILY FINANCE

- a) Presentation, Discussion, and Possible Action on Inducement Resolution No. 15-019 for Multifamily Housing Revenue Bonds Regarding Authorization for Filing Applications for Private Activity Bond Authority and Determination regarding Eligibility under 10 TAC §10.101(a)(4) related to Undesirable Neighborhood Characteristics
- b) Presentation, Discussion, and Possible Action on a Request for the Reissuance of Competitive (9%) Housing Tax Credits to Royal Gardens Mineral Wells (#12074), including any necessary waivers
- c) Presentation, Discussion, and Possible Action on Timely Filed Appeals related to §11.9(c)(6)(A), Development Sites Located in a Colonia

Jean Latsha
Director of Multifamily Finance

15005	Las Palmas on Anaya Apartments	Hidalgo
15006	Solano Park Apartments	Edinburg
15031	Solano at the Sports Park	Brownsville
15115	Bella Vista Apartments	Edinburg
15122	Casa Toscana	Brownsville
15249	Anaqua	Edinburg
15282	Orchard View at Mirabella	McAllen

- d) Presentation, Discussion, and Possible Action on Timely Filed Appeals under any of the Department’s Program Rules

15028	Lomea Pointe	Lampasas
15040	Leatherwood Terrace Apartments	Yoakum
15121	The Glades of Gregory-Portland	Gregory

15125	McKinney Manor	Sweeny
15126	Brazoria Manor Apartments	Brazoria
15179	Royal Gardens at Goldthwaite	Goldthwaite
15242	Sundance Meadows	Brownsville
15277	The Veranda Apartment Homes	Plano
15310	Terraces at Arboretum	Houston

- e) Presentation, Discussion and Possible Action regarding Conditional Modification/Release of LURA for the Oaks at LaSalette

Tom Gouris
Deputy Executive
Director

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 Oser
Chairman

1. The Board may go into Executive Session Pursuant to Tex. Gov't Code §551.074 for the purposes of discussing personnel matters including to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee.
2. Pursuant to Tex. Gov't Code, §551.071(1) to seek the advice of its attorney about pending or contemplated litigation or a settlement offer, 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, and pending before the Supreme Court of the United States.
 - b) *McCardell v. HUD et al.*
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) Any posted agenda item
4. Pursuant to Tex. Gov't Code, §551.072 to deliberate the possible purchase, sale, exchange, or lease of real estate because it would have a material detrimental effect on the Department's ability to negotiate with a third person; and/or-
5. Pursuant to Tex. Gov't Code, §2306.039(c) the Department's internal auditor, fraud prevention coordinator or ethics advisor may meet in an executive session of the Board to discuss issues related to fraud, waste or abuse.

OPEN SESSION

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

ADJOURN

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

Individuals who require auxiliary aids, services or sign language interpreters for this meeting should contact Gina Esteves, ADA Responsible Employee, at 512-475-3943 or Relay Texas at 1-800-735-2989, at least three (3) days before the meeting so that appropriate arrangements can be made.

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

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

1a

**BOARD ACTION REQUEST
EXECUTIVE
JUNE 16, 2015**

Presentation, Discussion, and Possible Action on the designation of James “Beau” Eccles as Secretary of the Governing Board

RECOMMENDED ACTION

RESOLVED, James “Beau” Eccles be and he hereby is designated as the Secretary of the Governing Board of the Texas Department of Housing and Community Affairs, replacing Barbara Deane and

FURTHER RESOLVED, that all other designations of officers of this Governing Board are hereby ratified and confirmed and shall remain in full force and effect.

BACKGROUND

Barbara Deane has retired from the state employment, necessitating a replacement for her as the Secretary of the Governing Board. The recent tradition is that this role is filled by the incumbent General Counsel, who is now James “Beau” Eccles.

1b

BOARD ACTION REQUEST

BOARD SECRETARY

JUNE 16, 2015

Presentation, Discussion, and Possible Action on Board Meeting Minutes Summaries for March 12, 2015; April 16, 2015; and May 7, 2015

RECOMMENDED ACTION

Approve Board Meeting Minutes Summaries for March 12, 2015; April 16, 2015; and May 7, 2015

RESOLVED, that the Board Meeting Minutes Summaries for March 12, 2015; April 16, 2015; and May 7, 2015, are hereby approved as presented.

Texas Department of Housing and Community Affairs Governing Board
Board Meeting Minutes Summary
March 12, 2015

On Thursday, the twelfth day of March, 2015, at 9:30 a.m., the regular monthly meeting of the Governing Board (“Board”) of the Texas Department of Housing and Community Affairs (“TDHCA” or the “Department”) was held in the Ric Williamson Hearing Room, Dewitt C. Greer State Highway Building, Austin, Texas.

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

- J. Paul Oxer
- Dr. Juan Muñoz
- Leslie Bingham Escareño
- T. Tolbert Chisum
- J.B. Goodwin

J. Paul Oxer served as Chair, and Barbara Deane served as secretary.

- 1) Tim Irvine, TDHCA Executive Director, made comments in recognition of Mr. Eric Pike, TDHCA Director of Texas Homeownership Programs, who was retiring from state service after 30 years.
- 2) The Consent Agenda was approved unanimously by the Board with the following items removed from Consent to allow for additional discussion: Item 2(c) – Report Item on the National Housing Trust Fund; and Item 2(d) – Report from Deputy Executive Director for Single Family, Community Affairs and Metrics. Mr. Irvine and Ms. Megan Sylvester, TDHCA Legal Division, provided information on Item 2(c) and Ms. Brooke Boston, TDHCA Deputy Executive Director for Single Family, Community Affairs and Metrics, provided information on Item 2(d).
- 3) Action Item 3(a) – Presentation, Discussion, and Possible Action withdrawing proposed amendments to 10 TAC §1.5, Previous Participation – was presented by Ms. Patricia Murphy, TDHCA Chief of Compliance. The Board unanimously approved staff recommendation to withdraw amendments proposed at the November 2014 Board meeting for 10 TAC Chapter 1, Subchapter A, General Policies and Procedures, §1.5 concerning Previous Participation.
- 4) Action Item 3(b) – Update and Possible Action Regarding Status of Urban League of Greater Dallas submittal of required single audit – was pulled for later consideration.
- 5) Action Item 4(a) – Presentation, Discussion, and Possible Action regarding Denial of Program Year 2015 Low Income Home Energy Assistance Program (“LIHEAP”), and PY 2014 and 2015 Department of Energy Weatherization Assistance Program (“DOE-WAP”) Awards to Cameron and Willacy Counties Community Projects, Inc. and for LIHEAP the Commencement of the 30-day Notification Period required by §2105.203 of the Texas Government Code – was presented by Mr. Michael DeYoung, TDHCA Director of Community Affairs. Clarifying information was provided by Mr. Irvine, Ms. Sylvester, and Ms. Barbara Deane, TDHCA General Counsel. After public comment (listed below),

the Board unanimously approved staff recommendation to deny the awards and notify CWCCP of the denial.

- Ms. Amalia Garza, Cameron and Willacy Counties Community Projects, Inc., testified on behalf of her organization

6) Action Item 4(b) – Presentation, Discussion, and Possible Action to Authorize the Procurement of a Single Audit Firm for performance of an Audit for Cameron and Willacy Counties Community Projects, Inc. (“CWCCP”) – was presented by Mr. DeYoung. Clarifying information was provided by Mr. Irvine, Ms. Sylvester, Ms. Murphy, and Mr. Mark Scott, TDHCA Director of Internal Audit. The Board unanimously approved staff recommendation to secure a single audit provider.

7) Action Item 5(a) – Presentation, Discussion, and Possible Action on Timely Filed Appeals and Waivers under any of the Department’s Program Rules regarding #15053 911 Glenoak Apartments in Corpus Christi – was presented by Ms. Jean Latsha, TDHCA Director of Multifamily Programs. Clarifying information was provided by Mr. Irvine, Ms. Kathryn Saar, TDHCA Manager of the Competitive Housing Tax Credit Program, and Mr. Curtis Howe, TDHCA Director of Information Systems. After public comment (listed below), the Board approved staff recommendation by a 4-1 vote (Mr. Goodwin nay) to deny the appeal.

- Mr. Lee Whitfield, Digital Discovery, testified on the subject of digital forensics
- Mr. Brad McMurray, Director of Development for Housing and Community Services, testified in opposition to staff recommendation
- Ms. Cynthia Bast, Locke Lord, testified in opposition to staff recommendation

8) Action Item 5(b) – Presentation, Discussion, and Possible Action on a Request for the Reissuance of Competitive (9%) Housing Tax Credits to Royal Gardens Mineral Wells (#12074), including any necessary waivers – was presented by Ms. Latsha. Clarifying information was provided by Mr. Irvine and Ms. Deane. Following public comment (listed below), the Board unanimously approved a measure to allow the applicant to apply the 2015 force majeure criteria and qualifications to the project for the purpose of seeing if the applicant can be financially viable for the return of the housing tax credits.

- Ms. Claire Palmer, Law Offices of Claire Palmer, testified on behalf and in support of the applicant

9) Action Item 6 – Presentation, Discussion, and Possible Action on the proposed amendments to 10 TAC Chapter 10 §§10.302 (c)(2), 10.302 (d)(3), 10.302 (d)(4)(D), 10.302 (e)(9), 10.302 (e)(11), 10.302 (e)(12), and 10.302 (i)(4) concerning Underwriting and Loan Policy and directing their publication for public comment in the *Texas Register* – was presented by Mr. Cameron Dorsey, TDHCA Chief of Staff. Following public comment (listed below), the Board unanimously approved staff recommendation to publish the draft rules.

- Mr. Mahesh Aiyer, Texas Affiliation of Affordable Housing Providers, testified in support of staff recommendation
- Ms. Terri Anderson, Anderson Capital, testified in support of staff recommendation
- Ms. Tamea Dula, Coats Rose Law Firm, asked a question of staff

- Mr. Bobby Bowling, Tropicana Builders, testified in support of staff recommendation

10) The following public comment was made on matters other than items for which there were posted agenda items:

- Ms. Dula, Coats Rose Law Firm, spoke on behalf of the Housing Authority of the City of El Paso, and expressed concern about the identity of interest rules

11) The Board did not go into Executive Session

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

There being no further business to come before the Board, the meeting adjourned at 1:10 p.m. The next meeting is set for Thursday, April 16, 2015.

Secretary

Approved:

Chair

Texas Department of Housing and Community Affairs Governing Board
Board Meeting Minutes Summary
April 16, 2015

On Thursday, the sixteenth day of April, 2015, at 9:30 a.m., the regular monthly meeting of the Governing Board (“Board”) of the Texas Department of Housing and Community Affairs (“TDHCA” or the “Department”) was held in the Ric Williamson Hearing Room, Dewitt C. Greer State Highway Building, Austin, Texas.

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

- J. Paul Ozer
- Leslie Bingham Escareño
- T. Tolbert Chisum
- Tom Gann
- J.B. Goodwin

J. Paul Ozer served as Chair, and Barbara Deane served as secretary.

1) The Governing Board unanimously approved a resolution recognizing April 2015 as Fair Housing Month.

2) Following written public comment (listed below), the Board unanimously approved the Consent Agenda with the following items removed from Consent to allow for public comment: Item 2(d) – Compliance Division Update from Ms. Patricia Murphy, TDHCA Chief of Compliance.

- Mr. Fred Fuchs, attorney, registered written support for staff recommendation to approve the amendment request on Item 1(e) – Presentation, Discussion and Possible Action on Material LURA Amendments for #91108 Scattered Coop Infill Housing, Austin.

3) Following public comment (listed below), the Board took no action on Action Item 2(d) – Compliance Division Update presented by Ms. Murphy.

- Ms. Sophia Benavides, Cameron County Commissioner, testified on behalf of Cameron and Willacy Counties Community Projects, Inc.

4) Action Item 3(a) – Report on the Meeting of the Audit Committee was presented by Board Member Leslie Bingham Escareño. The Board accepted the report.

5) The Board also accepted reports from the following two action items presented by TDHCA Director of Internal Audit Mark Scott: Action Item 3(b) – Internal Audit Report #15-004 “Review of TDHCA’s Payroll Processes” and Action Item 3(c) – Internal Audit Report #15-005 “Review of TDHCA’s Records Retention Process.”

6) Action Item 4(a) – Presentation, Discussion, and Possible Action regarding Resolution No. 15-016 authorizing programmatic changes to the To Be Announced (“TBA”) Single Family – was presented by

Ms. Monica Galuski, TDHCA Director of Bond Finance. The Board unanimously approved staff recommendation to include a refinance option within the Department's TMP-79 program with specified terms and requirements.

7) Action Item 4(b) – Presentation, Discussion, and Possible Action on Resolution 15-014 regarding the annual approval of the Department's Investment Policy – was presented by Ms. Galuski. The Board unanimously adopted the resolution approving the Department's Investment Policy.

8) Action Item 4(c) – Presentation, Discussion, and Possible Action on Resolution 15-015 regarding the annual approval of the Department's Interest Rate Swap Policy – was presented by Ms. Galuski. The Board unanimously adopted the resolution approving the Department's Interest Rate Swap Policy.

9) The Board did not consider Action Item 5 – Presentation, Discussion, and Possible Action on Timely Filed Appeals and Waivers under any of the Department's Program Rules for #15085 Vista Rita Blanca Apartments II in Dalhart – as it was pulled by staff from the agenda.

10) Action Item 6 – Presentation, Discussion and Possible Action on proposed new 10 TAC, Chapter 1, Subchapter C, Previous Participation, and proposed repeal of 10 TAC, Chapter 1, Subchapter A, §1.5 Previous Participation – was presented by Ms. Patricia Murphy, TDHCA Chief of Compliance. Clarifying information was provided by Mr. Tim Irvine, TDHCA Executive Director; Ms. Barbara Deane, TDHCA General Counsel; and Mr. Cameron Dorsey, TDHCA Chief of Staff. The Board unanimously approved staff recommendation to publish the draft rules in the *Texas Register*.

11) There was no public comment on matters other than items for which there were posted agenda items and the Board did not go into Executive Session

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

There being no further business to come before the Board, the meeting adjourned at 10:25 a.m. The next meeting is set for Thursday, May 7, 2015.

Secretary

Approved:

Chair

Texas Department of Housing and Community Affairs Governing Board
Board Meeting Minutes Summary
May 7, 2015

On Thursday, the seventh day of May, 2015, at 9:30 a.m., the regular monthly meeting of the Governing Board (“Board”) of the Texas Department of Housing and Community Affairs (“TDHCA” or the “Department”) was held in the Ric Williamson Hearing Room, Dewitt C. Greer State Highway Building, Austin, Texas.

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

- J. Paul Oxer
- Leslie Bingham Escareño
- T. Tolbert Chisum
- Tom Gann
- J.B. Goodwin

J. Paul Oxer served as Chair, and Barbara Deane served as secretary.

1) Chairman Oxer and Mr. Tim Irvine, TDHCA Executive Director, provided remarks in honor of two employees retiring: Sandy Garcia and Barbara Deane.

2) The Board unanimously approved the Consent Agenda with the following items removed from Consent to allow for public comment: Item 1(a) – Presentation, Discussion, and Possible Action on the Award of Program Year (“PY”) 2015 Department of Energy (“DOE”) Weatherization Assistance Program (“WAP”), PY 2015 Low-Income Home Energy Assistance Program (“LIHEAP”) WAP, and PY 2015 Comprehensive Energy Assistance Program (“CEAP”) contracts to Community Action Corporation of South Texas (“CACST”) to provide weatherization and energy assistance services in Cameron and Willacy counties; and its designation as the formula funded provider of these Programs.

3) Mr. Michael DeYoung, TDHCA Director of Community Affairs, presented Action Item 1(a) – Presentation, Discussion, and Possible Action on the Award of Program Year (“PY”) 2015 Department of Energy (“DOE”) Weatherization Assistance Program (“WAP”), PY 2015 Low-Income Home Energy Assistance Program (“LIHEAP”) WAP, and PY 2015 Comprehensive Energy Assistance Program (“CEAP”) contracts to Community Action Corporation of South Texas (“CACST”) to provide weatherization and energy assistance services in Cameron and Willacy counties; and its designation as the formula funded provider of these Programs. Ms. Brooke Boston, TDHCA Deputy Executive Director, Ms. Patricia Murphy, TDHCA Chief of Compliance, and Ms. Megan Sylvester, TDHCA Legal, all provided clarifying information for the Board. Following public comment (listed below), the Board unanimously approved staff recommendation on the awards and designated provider.

- Mr. Krishna Iyer, Cameron and Willacy Counties Community Projects, Inc., testified in opposition to staff recommendation.
- Mr. Bill Fisher, Sonoma Housing Advisors, testified in opposition to staff recommendation

4) Action Item 3 – Presentation, Discussion, and Possible Action regarding a Program Year (“PY”) 2015 Community Services Block Grant Program Conditional Award for Urban League of Greater Dallas and North Central Texas and Possible Action Authorizing the Department to Issue a Notice of Hearing to Initiate Proceedings to Reduce or Eliminate CSBG Funding and to Remove Eligible Entity Status should it be deemed necessary – was presented by Ms. Boston. With no public comment, the Board unanimously approved staff recommendation for the award as well as the issuance of the hearing notice.

5) The Board exercised its discretion to take up items out of order from the printed agenda as Ms. Jean Latsha, TDHCA Director of Multifamily Finance, presented Action Item 6 – Presentation, Discussion, and Possible Action regarding Requests for Exemption from Undesirable Site Features under 10 TAC §10.101(a)(3) filed in the 2015 Competitive Housing Tax Credit Cycle for #15043 Cleme Manor in Houston and #15128 Bay City Manor Apartments in Bay City. With no public comment, the Board unanimously approved staff recommendation to grant the exemptions.

6) Action Item 4(a) – Report on Staff Determinations regarding Eligibility under 10 TAC §10.101(a)(4) related to Undesirable Neighborhood Characteristics for #15043 Cleme Manor in Houston; #15069 Wheatley Courts Senior Apartments in San Antonio; #15076 Provision at Four Corners in Four Corners; and #15267 Thomas Westfall Memorial Apartments in El Paso – was presented by Ms. Latsha. Following written public comment (listed below), the Board unanimously accepted the staff report indicating all four applications were eligible under the rule.

- Ms. Alicia Walter, Urban Strategies, Inc., in approval of staff recommendation
- Ms. Arie B. Porter, San Antonio Housing Authority, Choice Neighborhood Initiative, in approval of staff recommendation
- Ms. Lorraine Robles, San Antonio Housing Authority, in approval of staff recommendation
- Mr. Tim Alcott, San Antonio Housing Authority, in approval of staff recommendation
- Mr. Daniel H. Arellano, Jr., in approval of staff recommendation
- Ms. LaShawn Roberson, in approval of staff recommendation
- Ms. Mary Ellen Burns, United Way Promise Neighborhoods, in approval of staff recommendation
- Dr. Morris Stripling, San Antonio Housing Authority, in approval of staff recommendation
- Mr. David Nisivoccia, San Antonio Housing Authority, in approval of staff recommendation
- Ms. Mary Emerson, in approval of staff recommendation

7) Action Item 4(b) – Report on Site Challenges Made in Accordance with 10 TAC §11.10 Concerning 2015 Housing Tax Credit Applications – was presented by Ms. Latsha. With no public comment, the Board unanimously accepted the staff report.

8) Action Item 5 – Presentation, Discussion and Possible Action on Resolution 15-017 authorizing the filing of an application for reservation with the Texas Bond Review Board with respect to qualified mortgage bonds; authorizing publication of a notice of public hearing; approving an underwriting team; and containing other provisions relating to the subject – was presented by Ms. Monica Galuski, TDHCA Director of Bond Finance. The Board unanimously approved staff recommendation to authorize the filing of an application, the public hearing notice, the underwriting team, and other provisions as specified.

9) The following public comment was made on matters other than items for which there were posted agenda items:

- Ms. Amy Ledbetter Parham, Texas Habitat for Humanity, provided information for the Board on her organization and how it works with TDHCA

The Board did not go into Executive Session

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

There being no further business to come before the Board, the meeting adjourned at 10:45 a.m. The next meeting is set for Tuesday, June 16, 2015.

Secretary

Approved:

Chair

1c

BOARD ACTION REQUEST

LEGAL DIVISION

JUNE 16, 2015

Presentation, Discussion, and Possible Action regarding the adoption of an Agreed Final Order concerning Cameron Associates Apartments (HTF 1000752 / CMTS 4322)

RECOMMENDED ACTION

WHEREAS, Cameron Associates Apartments (“Property”), owned by Cameron Apartments Ltd. (“Owner”), has a history of uncorrected compliance findings relating to the applicable land use restriction agreement and the associated statutory and rule requirements;

WHEREAS, on April 28, 2015, owner’s representatives met with the Enforcement Committee and agreed, subject to Board approval, to enter into an Agreed Final Order assessing an administrative penalty of \$2,000, to be fully forgiven if all violations are resolved as instructed in the Agreed Final Order on or before July 16, 2015;

WHEREAS, unresolved compliance findings include: Fair Housing Disclosure Notice violations for units 35, 37, 38, 40, 41, 59, 61, and 62; utility allowance violation; household income above limit upon initial occupancy violations for units 38, 40, 41, and 59; and Uniform Physical Condition violations; and

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

NOW, therefore, it is hereby

RESOLVED, that an Agreed Final Order assessing an administrative penalty of \$2,000, subject to forgiveness as outlined above for noncompliance at Cameron Associates Apartments (HTF 1000752 / CMTS 4322), substantially in the form presented at this meeting, and authorizing any non-substantive technical corrections, is hereby adopted as the order of this Board.

BACKGROUND

Cameron Apartments Ltd. is the owner of Cameron Associates Apartments ("Property"), a low income apartment complex that consists of 56 units, and is located in Cameron, Milam County. The Property is subject to a Land Use Restriction Agreement ("LURA") signed in 2003 in consideration for a Housing Trust Fund loan in the amount of \$852,240 to rehabilitate the Property.

The following compliance violations were referred for an administrative penalty and remain unresolved:

1. Fair Housing Disclosure Notice violations for units 35, 37, 38, 40, 41, 59, 61, and 62;
2. Utility allowance violation;
3. Household income above limit upon initial occupancy for units 38, 40, 41, and 59; and
4. Uniform Physical Condition Standards ("UPCS") violations as indicated at Attachment 1.

Owner met with the Enforcement Committee on April 28, 2015, and agreed to sign an Agreed Final Order with the following terms:

1. A \$2,000 administrative penalty, subject to full forgiveness as indicated below;
2. Property manager must attend First Thursday Income Eligibility Training and submit evidence of attendance to TDHCA on or before July 16, 2015;
3. Owner must correct the UPCS violations as indicated in Attachments 1 and 2 of the Agreed Final Order, and submit full documentation of the corrections to TDHCA on or before on or before July 16, 2015;
4. Owner must correct file monitoring violations as indicated in Attachment 3 of the Agreed Final Order, and submit full documentation of the corrections to TDHCA on or before on or before July 16, 2015;
5. If Owner complies with all requirements and addresses all violations as required, the full administrative penalty will be forgiven; and
6. If Owner violates any provision of the Agreed Final Order, the full administrative penalty would immediately come due and payable.

Consistent with direction from the Department's Enforcement Committee, a probated and, upon successful completion of probation, fully forgivable administrative penalty in the amount of \$2,000 is recommended.

Attachment 1

UPCS Violations

(see attached)

**Texas Department of Housing And Community Affairs
List of Deficiencies Found**

Printed On: February 06, 2014

Inspectable Area	Inspectable Item	Deficiency				Comments
Cameron Associates Apts. 1708 W. 4th Street Cameron, TX 76520						
Building:						
Unit:						
	Grounds	Overgrown/Penetrating Vegetation		L2		Overgrown vegetation at Bldgs. 8, 10
Building: Bldg 1						
Unit:						
Building Exterior						
	Health & Safety	Hazards - Sharp Edges		L3		Nails protruding at foundation near Unit 12
Unit: 12						
	Bathroom	Water Closet/Toilet - Damaged/Clogged/Missing		L2		Flush handle broken
	Health & Safety	Hazards - Tripping		L3		Cable across floor
	Kitchen	Refrigerator-Missing/Damaged/Inoperable		L1		Seal damaged
Unit: 9						
	Doors	Damaged Hardware/Locks		L3		Knob missing at front door
	Health & Safety	Hazards - Other		L3		Smoke alarm batteries need to be replaced
Building: Bldg 10						
Unit:						
Building Exterior						
	Health & Safety	Hazards - Sharp Edges		L3		Nails protruding at foundation
	Walls	Missing Pieces/Holes/Spalling		L2		Damaged siding near Unit 63
Unit: 58						
	Doors	Deteriorated/Missing Seals (Entry Only)		L3		Weatherstripping damaged
	Health & Safety	Emergency Fire Exits - Emergency Fire Exits Blocked/Unusable		L3		Headboard, dresser mirror blocking bedroom windows
Unit: 63						
	Doors	Deteriorated/Missing Seals (Entry Only)		L3		Weatherstripping damaged
	Floors	Hard Floor Covering Missing/Damaged Flooring/Tiles		L2		Linoeum damage - living room
	Outlets/Switches	Missing/Broken Cover Plates		L3		Cover plate broken - living room
	Stairs	Broken/Damaged/Missing Steps		L3		No smoke alarms in unit
	Walls	Damaged		L1		Hole in wall - living room
	Windows	Cracked/Broken/Missing Panes		L1		Cracked window - bedroom
Building: Bldg 3						
Unit: 17						
	Doors	Deteriorated/Missing Seals (Entry Only)		L3		Weatherstripping damaged
	Doors	Damaged Surface (Holes/Paint/Rusting)		L3		Front door damaged at bottom, damage has been duct taped
	Kitchen	Refrigerator-Missing/Damaged/Inoperable		L1		Seal damaged at bottom edge
Building: Bldg 4						
Unit:						
Building Exterior						
	Health & Safety	Hazards - Sharp Edges		L3		Nails protruding at foundation
Building Systems						
	Sanitary System	Missing Drain/Cleanout/Manhole Covers		L3		Cleanout cover missing at rear of Bldg. 4
Building Exterior						
	Windows	Damaged/Missing Screens		L1		Screens missing along rear of building
Unit: 21						
	Doors	Damaged Frames/Threshold/Linoleum/Trim		L2		Front door frame damaged at lower left edge
	Health & Safety	Hazards - Other		L3		Smoke alarm battery needs replacing
	Lighting	Missing/Inoperable Fixture		L1		Bathroom light flickers on and off
Unit: 24						
	Doors	Damaged Hardware/Locks		L3		Front door handle broken, door still locks
	Floors	Soft Floor Covering Missing/Damaged		L1		Carpet stained - living room
	Health & Safety	Hazards - Tripping		L3		Cable running across floor
	Walls	Damaged		L1		Crayons, markers on wall inside front door
Building: Bldg 6						
Unit:						
Building Systems						
	Fire Protection	Missing/Damaged/Expired Extinguishers		L1		Expired extinguisher - Unit 29
Building Exterior						
	Health & Safety	Hazards - Sharp Edges		L3		Nails protruding at foundation

Texas Department of Housing And Community Affairs
List of Deficiencies Found

Printed On: February 06, 2014

Inspectible Area	Inspectible Item	Deficiency	1	2	3	Comments
Unit: 28	Health & Safety	Hazards - Tripping			L3	Cable across floor near front door
	Smoke Detector	Missing/Inoperable			L3	Alarm missing batteries
Unit: 29	Doors	Damaged Frames/Threshold/Linets/Trim		L2		Front door jamb spilling at lock
	Doors	Deteriorated/Missing Seals (Entry Only)			L3	Weatherstripping damaged
	Floors	Mold/Mildew/Water Stains/Water Damage		L2		Previous water leak, reported as repaired, damaged linoleum at base of toilet
	Health & Safety	Emergency Fire Exits - Emergency/Fire Exits Blocked/Unusable			L3	Dresser blocking bedroom window
	Health & Safety	Hazards - Other			L3	Cable wire runs from inside the unit to the front porch, front door not closing correctly
	Windows	Damaged/Missing Screens	L1			Unit has no screens
Building: Bldg 7	Building Exterior					
Unit:	Health & Safety	Hazards - Sharp Edges			L3	Nails protruding at foundation
Unit: 33	Doors	Damaged Frames/Threshold/Linets/Trim		L2		Base of wood frame deteriorated at front door
Unit: 35	Kitchen	Range/Stove - Missing/Damaged/Inoperable	L1			Front right burner missing
	Kitchen	Refrigerator-Missing/Damaged/Inoperable	L1			Seal damaged
	Smoke Detector	Missing/Inoperable			L3	Smoke alarm missing -
Building: Bldg 8	Building Exterior					
Unit:	Windows	Damaged/Missing Screens	L1			Screens missing, 1st and 2nd stories along rear of building
Unit: 44	Doors	Damaged Hardware/Locks		L2		Front door - 1 of 2 locks not working, bedroom closet missing doorknob
	Kitchen	Cabinets - Missing/Damaged		L2		Cabinet doors missing, damaged
	Smoke Detector	Missing/Inoperable			L3	No smoke alarms in unit
	Walls	Damaged		L2		Walls damaged through out unit
	Windows	Damaged/Missing Screens	L1			Screens missing - front, rear windows

ENFORCEMENT ACTION AGAINST
CAMERON APARTMENTS LTD
WITH RESPECT TO CAMERON
ASSOCIATES APARTMENTS
(HTF FILE # 1000752 / CMTS # 4322)

§
§
§
§
§

BEFORE THE
TEXAS DEPARTMENT OF
HOUSING AND
COMMUNITY AFFAIRS

AGREED FINAL ORDER

General Remarks and official action taken:

On this 16th day of June, 2015, the Governing Board ("Board") of the Texas Department of Housing and Community Affairs ("TDHCA") considered the matter of whether enforcement action should be taken against **CAMERON APARTMENTS LTD**, a Texas limited partnership ("Respondent").

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

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

WAIVER

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

FINDINGS OF FACT

Jurisdiction:

1. The Department has jurisdiction over this matter pursuant to Tex. Gov't Code §§2306.041-.0503, and 10 TEX. ADMIN. CODE §2.
2. During 2003, Respondent was awarded by the Board a Housing Trust Fund allocation totaling \$852,240 to build and operate Cameron Associates Apartments ("Property") (HTC file No. 1000752 / CMTS No. 4322 / LDLD No. 538).

3. Respondent signed a land use restriction agreement ("LURA") regarding the Property. The LURA was effective July 30, 2003, and filed of record at Volume 916, Page 555 of the Official Public Records of Real Property of Milam County, Texas ("Records").
4. Respondent is a Texas limited partnership that is qualified to own, construct, acquire, rehabilitate, operate, manage, or maintain a housing development that is subject to the regulatory authority of TDHCA.

Compliance Violations¹:

5. An on-site monitoring review was conducted on September 25, 2013, to determine whether Respondent was in compliance with LURA requirements to lease units to low income households and maintain records demonstrating eligibility. The monitoring review found violations of the LURA and TDHCA rules. Notifications of noncompliance were sent and a January 21, 2014, corrective action deadline was set. Corrective documentation was received but did not resolve the following violations, all of which remain uncorrected as of the date of this Order:
 - a. Respondent failed to provide the Fair Housing Disclosure Notice for units 35, 37, 38, 40, 41, 59, 61, and 62, a violation of 10 TEX. ADMIN. CODE § 10.608 (Lease Requirements), which required all developments to provide prospective households with a fair housing disclosure notice within a certain time period.

This form has since been combined with the Notice of Amenities and Services into a replacement document called the "Tenant Rights and Resources Guide."
 - b. Respondent failed to properly calculate the utility allowance for the property, a violation of 10 TEX. ADMIN. CODE §10.607 (Utility Allowances), which requires all developments to establish a utility allowance.
 - c. Respondent failed to provide documentation that household incomes were within prescribed limits upon initial occupancy for units 38, 40, 41, and 59, a violation of 10 TEX. ADMIN. CODE §10.606 (Determination, Documentation and Certification of Annual Income) and Sections 2.2 and 4.2 of the LURA, which require screening of tenants to ensure qualification for the program;
6. A Uniform Physical Condition Standards ("UPCS") inspection was conducted on January 22, 2014. Inspection reports showed numerous serious property condition violations, a violation of 10 TEX. ADMIN. CODE §10.621 (Property Condition Standards). Notifications of noncompliance were sent and a November 1, 2014, corrective action deadline was set. No corrective documentation was received and the findings listed at Attachment 1 remain unresolved.

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

7. The following violations remain outstanding at the time of this order:
 - a. Fair Housing Disclosure Notice violations described in FOF #5a;
 - b. Utility allowance violation described in FOF #5b;
 - c. Household income above limit upon initial occupancy violations described in FOF #5c;
 - d. UPCS violations described in FOF #6.

CONCLUSIONS OF LAW

1. The Department has jurisdiction over this matter pursuant to Tex. Gov't Code §§2306.041-.0503, and 10 TEX. ADMIN. CODE §2.
2. Respondent is a "housing sponsor" as that term is defined in Tex. Gov't Code §2306.004(14).
3. Respondent violated 10 TEX. ADMIN. CODE §10.608 in 2013, by failing to execute the Fair Housing Disclosure Notice during the appropriate time frame for units 35, 37, 38, 40, 41, 59, 61, and 62.
4. Respondent violated 10 TEX. ADMIN. CODE §10.607 in 2013 by failing to properly calculate a utility allowance;
5. Respondent violated 10 TEX. ADMIN. CODE §10.606 (Determination, Documentation and Certification of Annual Income) and Sections 2.2 and 4.2 of the LURA in 2013 by failing to provide documentation that household incomes are within prescribed limits upon initial occupancy for units 38, 40, 41, and 59.
6. Respondent violated 10 TEX. ADMIN. CODE § 10.616 in 2013, by failing to comply with HUD's Uniform Physical Condition Standards when major violations were discovered and not timely corrected.²
7. Because Respondent is a housing sponsor with respect to the Property, and has violated TDHCA rules and agreements, the Board has personal and subject matter jurisdiction over Respondent pursuant to TEX. GOV'T CODE §2306.041 and §2306.267.
8. Because Respondent is a housing sponsor, TDHCA may order Respondent to perform or refrain from performing certain acts in order to comply with the law, TDHCA rules, or the terms of a contract or agreement to which Respondent and TDHCA are parties, pursuant to Tex. Gov't Code §2306.267.

² HUD's Uniform Physical Condition Standards are the standards adopted by TDHCA pursuant to 10 TEX. ADMIN. CODE 10.621(a)

9. Because Respondent has violated rules promulgated pursuant to Tex. Gov't Code Chapter 2306 and has violated agreements with the Agency to which Respondent is a party, the Agency may impose an administrative penalty pursuant to TEX. GOV'T CODE §2306.041.
10. An administrative penalty of \$2,000 is an appropriate administrative penalty in accordance with 10 TEX. ADMIN. CODE §2.

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

IT IS HEREBY ORDERED that Respondent is assessed an administrative penalty in the amount of \$2,000, subject to deferral as further ordered below.

IT IS FURTHER ORDERED that the property manager at Cameron Associates Apartments shall attend First Thursday Income Eligibility Training and provide a copy of the completion certificate to TDHCA on or before July 16, 2015.

IT IS FURTHER ORDERED that Respondent shall fully correct the file monitoring violations as indicated in Attachment 3 and submit full documentation of the corrections to TDHCA on or before July 16, 2015.

IT IS FURTHER ORDERED that Respondent shall repair all UPCS violations as indicated in Attachments 1 and 2, and submit work orders in the correct format, including all necessary parts, to document the corrections to TDHCA on or before July 16, 2015.

IT IS FURTHER ORDERED that Respondent shall follow the requirements of 10 Tex. Admin. Code 10.406, a copy of which is included at Attachment 4, and obtain approval from the Department prior to consummating a sale of the property, if contemplated.

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

IT IS FURTHER ORDERED that if Respondent fails to satisfy any conditions or otherwise violates any provision of this order, then the full administrative penalty in the amount of \$2,000 shall be immediately due and payable to the Department. Such payment shall be made by cashier's check payable to the "Texas Department of Housing and Community Affairs" upon the earlier of (1) within thirty days of the date the Department sends written notice to Respondent that it has violated a provision of this Order, or (2) the property closing date if sold during the term of this Order.

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

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

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

[Remainder of page intentionally blank]

Approved by the Governing Board of TDHCA on _____, 2015.

By: _____
Name: J. Paul Oxer
Title: Chair of the Board of TDHCA

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

THE STATE OF TEXAS §
§
COUNTY OF _____ §

Before me, the undersigned notary public, on this _____ day of _____, 2015, personally appeared J. Paul Oxer, proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

(Seal)

Notary Public, State of Texas

THE STATE OF TEXAS §
§
COUNTY OF TRAVIS §

Before me, the undersigned notary public, on this _____ day of _____, 2015, personally appeared James "Beau" Eccles, proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

(Seal)

Notary Public, State of Texas

Attachment 1

UPCS Violations

(see attached)

**Texas Department of Housing And Community Affairs
List of Deficiencies Found**

Printed On: February 06, 2014

Inspectable Area Inspectable Item	Deficiency	5	3	3	Comments
Cameron Associates Apts. 1708 W. 4th Street Cameron, TX 76520					
Building:					
Unit:					
Grounds	Overgrown/Penetrating Vegetation		L2		Overgrown vegetation at Bldgs. 8, 10
Building: Bldg 1					
Unit:					
Building Exterior					
Health & Safety	Hazards - Sharp Edges			L3	Nails protruding at foundation near Unit 12
Unit: 12					
Bathroom	Water Closet/Toilet - Damaged/Clogged/Missing		L2		Flush handle broken
Health & Safety	Hazards - Tripping			L3	Cable across floor
Kitchen	Refrigerator-Missing/Damaged/Inoperable		L1		Seal damaged
Unit: 9					
Doors	Damaged Hardware/Locks			L3	Knob missing at front door
Health & Safety	Hazards - Other			L3	Smoke alarm batteries need to be replaced
Building: Bldg 10					
Unit:					
Building Exterior					
Health & Safety	Hazards - Sharp Edges			L3	Nails protruding at foundation
Walls	Missing Pieces/Holes/Spalling		L2		Damaged siding near Unit 63
Unit: 58					
Doors	Deteriorated/Missing Seals (Entry Only)			L3	Weatherstripping damaged
Health & Safety	Emergency Fire Exits - Emergency/Fire Exits Blocked/Unusable			L3	Headboard, dresser mirror blocking bedroom windows
Unit: 63					
Doors	Deteriorated/Missing Seals (Entry Only)			L3	Weatherstripping damaged
Floors	Hard Floor Covering Missing/Damaged Flooring/Tiles		L2		Linoleum damage - living room
Outlets/Switches	Missing/Broken Cover Plates			L3	Cover plate broken - living room
Stairs	Broken/Damaged/Missing Steps			L3	No smoke alarms in unit
Walls	Damaged		L1		Hole in wall - living room
Windows	Cracked/Broken/Missing Panes		L1		Cracked window - bedroom
Building: Bldg 3					
Unit: 17					
Doors	Deteriorated/Missing Seals (Entry Only)			L3	Weatherstripping damaged
Doors	Damaged Surface (Holes/Paint/Rusting)			L3	Front door damaged at bottom, damage has been duct taped
Kitchen	Refrigerator-Missing/Damaged/Inoperable		L1		Seal damaged at bottom edge
Building: Bldg 4					
Unit:					
Building Exterior					
Health & Safety	Hazards - Sharp Edges			L3	Nails protruding at foundation
Building Systems					
Sanitary System	Missing Drain/Cleanout/Manhole Covers			L3	Cleanout cover missing at rear of Bldg. 4
Building Exterior					
Windows	Damaged/Missing Screens		L1		Screens missing along rear of building
Unit: 21					
Doors	Damaged Frames/Threshold/Lintels/Trim		L2		Front door frame damaged at lower left edge
Health & Safety	Hazards - Other			L3	Smoke alarm battery needs replacing
Lighting	Missing/Inoperable Fixture		L1		Bathroom light flickers on and off
Unit: 24					
Doors	Damaged Hardware/Locks			L3	Front door handle broken, door still locks
Floors	Soft Floor Covering Missing/Damaged		L1		Carpet stained - living room
Health & Safety	Hazards - Tripping			L3	Cable running across floor
Walls	Damaged		L1		Crayons, markers on wall inside front door
Building: Bldg 6					
Unit:					
Building Systems					
Fire Protection	Missing/Damaged/Expired Extinguishers		L1		Expired extinguisher - Unit 29
Building Exterior					
Health & Safety	Hazards - Sharp Edges			L3	Nails protruding at foundation

**Texas Department of Housing And Community Affairs
List of Deficiencies Found**

Printed On: February 08, 2014

Inspectable Area	Inspectable Item	Deficiency	1	2	3	Comments
Unit: 28	Health & Safety Smoke Detector	Hazards - Tripping Missing/Inoperable				L3 L3 Cable across floor near front door Alarm missing batteries
Unit: 29	Doors Doors Floors	Damaged Frames/Threshold/Lintels/Trim Deteriorated/Missing Seals (Entry Only) Mold/Mildew/Water Stains/Water Damage				L2 L3 L2 Front door jamb splitting at lock Weatherstripping damaged Previous water leak, reported as repaired, damaged linoleum at base of toilet
	Health & Safety	Emergency Fire Exits - Emergency Fire Exits Blocked/Unusable				L3 Dresser blocking bedroom window
	Health & Safety	Hazards - Other				L3 Cable wire runs from inside the unit to the front porch, front door not closing correctly
	Windows	Damaged/Missing Screens				L1 Unit has no screens
Building: Bldg 7	Unit:					
	Building Exterior					
	Health & Safety	Hazards - Sharp Edges				L3 Nails protruding at foundation
Unit: 33	Doors	Damaged Frames/Threshold/Lintels/Trim				L2 Base of wood frame deteriorated at front door
Unit: 35	Kitchen Kitchen Smoke Detector	Ranger/Stove - Missing/Damaged/Inoperable Refrigerator-Missing/Damaged/Inoperable Missing/Inoperable				L1 L1 L3 Front right burner missing Seal damaged Smoke alarm missing -
Building: Bldg 8	Unit:					
	Building Exterior					
	Windows	Damaged/Missing Screens				L1 Screens missing, 1st and 2nd stories along rear of building
Unit: 44	Doors	Damaged Hardware/Locks				L2 Front door - 1 of 2 locks not working, bedroom closet missing doorknob
	Kitchen	Cabinets - Missing/Damaged				L2 Cabinet doors missing, damaged
	Smoke Detector	Missing/Inoperable				L3 No smoke alarms in unit
	Walls	Damaged				L2 Walls damaged through out unit
	Windows	Damaged/Missing Screens				L1 Screens missing - front, rear windows

Attachment 2

UPCS Work Order Guidelines

Each Deficiency on the "**List of Deficiencies Found**" must have sufficient documentation of correction submitted in order for the Department to consider the item corrected and to ultimately close your inspection. **All** deficiencies **must** be corrected.

Ideally, a separate work order is created by Building or Unit for deficiencies found in each area. For example, the work order for a single Unit may indicate all identified deficiencies listed (in that unit) if each correction is individually described. However, most developments generate a separate work order for each deficiency to ensure the response is adequately complete and the description of each corrective action is clearly detailed. **Five pieces of information are needed on work orders** or invoices **accompanied by the scope of work** to verify that a deficiency has been corrected:

1. **The location** of the deficiency, i.e. Bldg. 5 Unit 502 or Site- near outside gate, etc.
2. **The deficiency**, i.e. Damaged Doors, Hardware, locks – Bedroom door won't latch properly. Site-Hazards Other- Broken Glass.
3. **How the deficiency is corrected**. Just a few quick words are sufficient, i.e. "replaced bedroom door latch" or "adjusted bedroom door latch". "Removed broken glass." "Sheetrock repair, taped, floated, and painted". Conversely, words such as "fixed" "done", "complete" are inadequate and are **NOT** acceptable.
4. **The date the deficiency was corrected** –the department requires a correction date in order to accept the documentation. Additionally, the IRS requires a correction date for Tax Credit properties on form 8823. ***If there is no date of correction listed, the deficiency is NOT considered corrected.***
5. **The signature** of the person who either performed the repair or acknowledges that the repair was performed satisfactorily. This is very important. Someone must certify that the correction was acceptably completed.

Please: Turn in all of the work orders that you have **IN THE SAME ORDER THAT THEY APPEAR ON THE "LIST OF DEFICIENCIES FOUND".** This facilitates faster processing and increases the chances that all violations will be fully addressed.

For repairs such as concrete repairs, roofing etc. and vendors are utilized instead of onsite maintenance staff, please **include the scope of work** with the **DATED invoice of the contractor** that performed the work.

For pest control, the Structural Pest Control Act (Chapter 1951 of the Occupations Code) requires licensing of businesses and individuals that perform structural pest control for hire. Additionally, persons performing pest control at an apartment building must be licensed. As a result, **you must submit a pest control invoice by a licensed contractor** that includes a date, contractor signature, units treated and the type of pest treated.

Finally, you may submit photographs in support of the above if you wish. However, they are only necessary if the TDHCA asks for them as specific support for a deficiency still in question. If you do submit photographs, please make sure that they are labeled and support work orders and or invoices are attached. Photographs, by themselves, are not acceptable documentation of correction.

Attachment 3

Tenant File Resources and Instructions

1. Refer to the following link for all references to the rules at 10 TEX. ADMIN. CODE §10 that are referenced below:

[http://texreg.sos.state.tx.us/public/readtac\\$ext.ViewTAC?tac_view=5&ti=10&pt=1&ch=10&sch=F&rl=Y](http://texreg.sos.state.tx.us/public/readtac$ext.ViewTAC?tac_view=5&ti=10&pt=1&ch=10&sch=F&rl=Y)

2. Refer to the following link for copies of forms that are referenced below:

<http://www.tdhca.state.tx.us/pmcomp/forms.htm>

3. Technical support and training presentations are available at the following links:

Video/Audio Training: <http://www.tdhca.state.tx.us/pmcomp/presentations.htm>

Income and Rent Limits: <http://www.tdhca.state.tx.us/pmcomp/irl/index.htm>

Utility Allowance: <http://www.tdhca.state.tx.us/pmcomp/utility-allowance.htm>

Online Reporting: <http://www.tdhca.state.tx.us/pmcomp/reports.htm>

FAQ's: <http://www.tdhca.state.tx.us/pmcomp/compFaqs.htm>

4. **Fair Housing Disclosure Notice:** This notice has since been replaced by the Tenants Rights and Resource Guide as indicated at 10 TEX. ADMIN. CODE §10.613(k).

Correctable findings: Implement Tenants Rights and Resource Guide as indicated at 10 TEX. ADMIN. CODE §10.613(k) and submit signed Tenants Rights and Resource Guide Acknowledgments for units 35, 40, 41, 59, 61, 62. If households that triggered the findings have moved out without signing this form, please submit a letter to TDHCA including the move-out date and acknowledging that the finding cannot be resolved.

Unit	Triggering household's move-in date
35	6/11/2013
40	8/2/2013
41	6/8/2013
59	6/10/2013
61	7/8/2013
62	5/16/2013

Uncorrectable findings: The households that triggered the findings for units 37 & 38 have vacated the units without completing the required form. Therefore, there is no corrective action available and the finding will remain outstanding.

- 5. Utility Allowance violation:** Has the 2013 Utility allowance and or budget been approved?
- a. If “yes”, submit copy of utility allowance approval for year 2013 or a copy of the property’s approved Rural Development budget for 2013.
 - b. If “no”:
 - i. Submit all necessary documentation to Zeffert & Associates so that they may begin calculations for the utility allowance.
 - ii. Submit to TDHCA a copy of a letter or email from Zeffert & Associates confirming that they have received your documentation and will begin working on your utility allowance calculations;
 - iii. Submit copy to TDHCA once Rural Development approves the budget / utility allowance. This final step may be completed after the 7/16/2015 deadline provided that requirements i. and ii. above are timely completed.

6. Household income violations for units 38, 40, 41, 59: Follow the individual unit instructions below. If the circumstances as of 9/25/2013 that are indicated below no longer exist, see the table beneath them for alternate instructions:

- a. **Unit 38:** The household did not execute a required Income Certification form at move-in. There was an Income Certification in the file; however it was not executed by the resident.

Submit the executed *initial* Income Certification (signed and dated by all adult household members). Do not back date this form. The day the households execute the required form will be the date of correction.

- b. **Unit 40:** The household was certified at move-in with income that exceeded the applicable income limit for 2 people at 60% AMI.

If the household’s circumstances have changed since move-in, a new certification may be performed using current circumstances and current income and asset information and current income limits. If a new certification is preformed for the existing household, the property must obtain first hand documentation such as pay stubs and bank statements to document income and assets. Submit these documents.

- c. **Unit 41:** The household did not execute a required Income Certification form at move-in. There was an Income Certification in the file; however it was not executed by the resident. Submit the executed initial Income Certification (signed and dated by all adult household members). Do not back date this form. The day the households execute the required form will be the date of correction.

- d. **Unit 59:** The household did not execute a required Income Certification form at move-in. There was an Income Certification in the file; however it was not executed by the resident.

Submit the executed initial Income Certification (signed and dated by all adult household members). Do not back date this form. The day the households execute the required form will be the date of correction.

Circumstance	Alternate Instructions
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<p>If unit is occupied by a new qualified household (moved in after 9/25/2013 monitoring review)</p>	<p>Submit the full tenant file, including the tenant application, verifications of all sources of income and assets, tenant income certification, lease, lease addendum, and Tenant Rights and Resources Guide Acknowledgment.</p>
<p>If unit is occupied by a nonqualified household on a month-to-month lease</p>	<ol style="list-style-type: none"> 1. Follow your normal procedures for terminating residency and provide a copy of documentation to TDHCA. 2. As soon as the unit is occupied by a qualified household, you must submit the full tenant file, including the tenant application, verifications of all sources of income and assets, tenant income certification, lease, lease addendum and Fair Housing Choice Disclosure Notice. Receipt of Requirement 2 after 7/16/2015 is acceptable for this circumstance provided that Requirement 1 is fulfilled.
<p>If unit is occupied by a nonqualified household with a non-expired lease</p>	<ol style="list-style-type: none"> 1. Issue a nonrenewal notice to tenant and provide a copy to TDHCA. 2. As soon as the unit is occupied by a qualified household, you must to submit the full tenant file, including the tenant application, verifications of all sources of income and assets, tenant income certification, lease, lease addendum and Fair Housing Choice Disclosure Notice. Receipt of Requirement 2 after 7/16/2015 is acceptable for this circumstance provided that Requirement 1 is fulfilled.
<p>If unit is vacant</p>	<ol style="list-style-type: none"> 1. Unit must be made ready for occupancy and a letter certifying to that effect must be submitted to TDHCA. 2. As soon as the unit is occupied by a qualified household, you must submit the full tenant file, including the tenant application, verifications of all sources of income and assets, tenant income certification, lease, lease addendum and Fair Housing Choice Disclosure Notice. Receipt of Requirement 2 after 7/16/2015 is acceptable for this circumstance provided that Requirement 1 is fulfilled.

Attachment 4:

Texas Administrative Code

<u>TITLE 10</u>	COMMUNITY DEVELOPMENT
<u>PART 1</u>	TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
<u>CHAPTER 10</u>	UNIFORM MULTIFAMILY RULES
<u>SUBCHAPTER E</u>	POST AWARD AND ASSET MANAGEMENT REQUIREMENTS
<u>RULE §10.406</u>	Ownership Transfers (§2306.6713)

(a) Ownership Transfer Notification. All multifamily Development Owners must provide written notice to the Department at least thirty (30) calendar days prior to any sale, transfer, or exchange of the Development or any portion of or Controlling interest in the Development. Transfers that are the result of an involuntary removal of the general partner by the investment limited partner must be reported to the Department, as soon as possible due to the sensitive timing and nature of this decision. If the Department determines that the transfer, involuntary removal, or replacement was due to a default by the General Partner under the Limited Partnership Agreement, or other detrimental action that put the Development at risk of failure, staff may make a recommendation to the Board for the debarment of the entity and/or its Principals and Affiliates pursuant to the Department's debarment rule. In addition, a record of transfer involving Principals in new proposed awards will be reported and may be taken into consideration by the Executive Award and Review Committee, in accordance with §1.5 of this title (relating to Previous Participation Reviews), prior to recommending any new financing or allocation of credits.

(b) Requirement. Department approval must be requested for any new member to join in the ownership of a Development. Exceptions include changes to the investment limited partner, non-controlling limited partner, or other partners affiliated with the investment limited partner, or changes resulting from foreclosure wherein the lender or financial institution involved in the transaction is the resulting owner. Any subsequent transfer of the Development will be required to adhere to the process in this section. Furthermore, a Development Owner may not transfer an allocation of tax credits or ownership of a Development supported with an allocation of tax credits to any Person or entity unless the Development Owner obtains the Executive Director's prior, written approval of the transfer. The Executive Director may not unreasonably withhold approval of the transfer requested in compliance with this section. Notwithstanding the foregoing, a Development Owner shall be required to notify the Department but shall not be required to obtain Executive Director approval when the transferee is an Affiliate of the Development Owner with no new members or the transferee is a Related Party who does not Control the Development and the transfer is being made for estate planning purposes.

(c) Transfers Prior to 8609 Issuance or Construction Completion. Transfers (other than those that do not require Executive Director approval, as set forth in subsection (b) of this section) will not be approved prior to the issuance of IRS Form(s) 8609 (for Housing Tax Credits) or the completion of construction (for all Developments funded through other Department programs) unless the Development Owner can provide evidence that the need for the transfer is due to a hardship (ex. potential bankruptcy, removal by a partner, etc.). The Development Owner must provide the Department with a written explanation describing the hardship and a copy of any applicable agreement between the parties to the transfer, including any Third-Party agreement.

(d) Non-Profit Organizations. If the ownership transfer request is to replace a non-profit organization within the Development ownership entity, the replacement non-profit entity must adhere to the requirements in paragraph (1) or (2) of this subsection.

(1) If the LURA requires ownership or material participation in ownership by a Qualified Non-Profit Organization, and the Development received Tax Credits pursuant to §42(h)(5) of the Code, the transferee must be a Qualified Non-Profit Organization that meets the requirements of §42(h)(5) of the Code and Texas Government Code §2306.6706.

(2) If the LURA requires ownership or material participation in ownership by a qualified non-profit organization, but the Development did not receive Tax Credits pursuant to §42(h)(5) of the Code, the Development Owner must show that the transferee is a non-profit organization that complies with the LURA.

(e) Historically Underutilized Business ("HUB") Organizations. If a HUB is the general partner of a Development Owner and it (i) is being removed as the result of a default under the organizational documents of the Development Owner or (ii) determines to sell its ownership interest, in either case, after the issuance of 8609s, the purchaser of that general partnership interest is not required to be a HUB as long as the LURA does not require such continual ownership or a material LURA amendment is approved. Such approval can be obtained concurrent with Board approval described herein. All such transfers must be approved by the Board and require that the Board find that:

(1) the selling HUB is acting of its own volition or is being removed as the result of a default under the organizational documents of the Development Owner;

(2) the participation by the HUB has been substantive and meaningful, or would have been substantial and meaningful had the HUB not defaulted under the organizational documents of the Development Owner, enabling it to realize not only financial benefit but to acquire skills relating to the ownership and operation of affordable housing; and

(3) the proposed purchaser meets the Department's standards for ownership transfers

(f) Documentation Required. A Development Owner must submit documentation requested by the Department to enable the Department to understand fully the facts and circumstances that gave rise to the need for the transfer and the effects of approval or denial. Documentation includes but is not limited to:

(1) a written explanation outlining the reason for the request;

(2) a list of the names of transferees and Related Parties;

(3) detailed information describing the experience and financial capacity of transferees and related parties holding an ownership interest of 10 percent or greater in any Principal or Controlling entity;

(4) evidence and certification that the tenants in the Development have been notified in writing of the proposed transfer at least thirty (30) calendar days prior to the date the transfer is approved by the Department. The ownership transfer approval letter will not be issued until this 30 day period has expired.

(g) Within five (5) business days after the date the Department receives all necessary information under this section, staff shall initiate a qualifications review of a transferee, in accordance with §1.5 of this title, to determine the transferee's past compliance with all aspects of the Department's programs, LURAs and eligibility under this chapter.

(h) Credit Limitation. As it relates to the Housing Tax Credit amount further described in §11.4(a) of this title (relating to Tax Credit Request and Award Limits), the credit amount will not be applied in circumstances described in paragraphs (1) and (2) of this subsection:

(1) in cases of transfers in which the syndicator, investor or limited partner is taking over ownership of the Development and not merely replacing the general partner; or

(2) in cases where the general partner is being replaced if the award of credits was made at least five (5) years prior to the transfer request date.

(i) Penalties. The Development Owner must comply with any additional documentation requirements as stated in Subchapter F of this chapter (relating to Compliance Monitoring). The Development Owner, as on record with the Department, will be liable for any penalties imposed by the Department even if such penalty can be attributable to the new Development Owner unless such ownership transfer is approved by the Department.

(j) Ownership Transfer Processing Fee. The ownership transfer request must be accompanied by corresponding ownership transfer fee as outlined in §10.901 of this chapter (relating to Fee Schedule).

Source Note: The provisions of this §10.406 adopted to be effective December 9, 2014, 39 TexReg 9518

1d

BOARD ACTION REQUEST

LEGAL DIVISION

JUNE 16, 2015

Presentation, Discussion, and Possible Action regarding the adoption of Agreed Final Orders concerning related properties, Mitay Inc. Scattered Sites (HTC 92009, CMTS 1026), 2512 Thorne (HTC 70046, CMTS 2344), 2904 Walnut (HTC, CMTS 2345), and 1213 Pecan (HTC, CMTS 912)

RECOMMENDED ACTION

WHEREAS, Mitay Inc., Scattered Site in Amarillo, Potter County, owned by Mitay, Inc., has a history of uncorrected violations of the applicable land use restriction agreement and the associated statutory and rule requirements;

WHEREAS, 2512 Thorne in Amarillo, Potter County, originally owned by Walter C. Spear and transferred to current owner, Mitay, Inc., in 1994, has a history of uncorrected violations of the applicable land use restriction agreement and the associated statutory and rule requirements;

WHEREAS, 2904 Walnut in Amarillo, Potter County, originally owned by Walter C. Spear and transferred to current owner, Mitay, Inc., in 1994, has a history of uncorrected violations of the applicable land use restriction agreement and the associated statutory and rule requirements;

WHEREAS, 1213 Pecan in Amarillo, Potter County, owned by Edgar A Miles a/k/a E.A. Miles, has a history of uncorrected violations of the applicable land use restriction agreement and the associated statutory and rule requirements;

WHEREAS, on April 28, 2015, an owner's representative met with the Enforcement Committee and agreed, subject to Board approval, to enter into Agreed Final Orders for each property assessing administrative penalties totaling \$17,000, to be partially forgiven if all violations are resolved as instructed in the Agreed Final Order on or before September 14, 2015;

WHEREAS, unresolved compliance findings for Mitay Inc. Scattered Site include: 2013 Annual Owner's Compliance Report violation, household income violations, fair housing disclosure violations, notice of amenities and services violations, utility allowance violation, tenant selection criteria violation, pre-onsite documentation violation, and lease language violations;

WHEREAS, unresolved compliance findings for 2512 Thorne include: 2013 Annual Owner's Compliance Report violation, utility allowance violation, annual eligibility certification violation, tenant selection criteria violation, pre-onsite documentation violation, lease language violation;

WHEREAS, unresolved compliance findings for 2904 Walnut include: 2013 Annual Owner's Compliance Report violation, utility allowance violation, tenant selection criteria violation, pre-onsite documentation violation, annual eligibility certification violation, lease language violation;

WHEREAS, unresolved compliance findings for 1213 Pecan include: 2013 Annual Owner's Compliance Report violation, utility allowance violation, tenant selection criteria violation, pre-onsite documentation violation, fair housing disclosure notice violation, annual eligibility certification violation, household income violation, lease language violation; and

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

NOW, therefore, it is hereby

RESOLVED, that Agreed Final Orders assessing administrative penalties totaling \$17,000, subject to forgiveness as outlined below for noncompliance at Mitay Inc. Scattered Sites (HTC 92009, CMTS 1026), 2512 Thorne (HTC 70046, CMTS 2344), 2904 Walnut (HTC, CMTS 2345), and 1213 Pecan (HTC, CMTS 912), substantially in the form presented at this meeting, and authorizing any non-substantive technical corrections, is hereby adopted as the order of this Board.

Property	Recommended Administrative Penalty	Forgivable Portion of Administrative Penalty (50%)
Mitay Inc. Scattered Site	\$8,275.00	\$4,137.50
2512 Thorne	\$2,725.00	\$1,362.50
2904 Walnut	\$2,725.00	\$1,362.50
1213 Pecan	\$3,275.00	\$1,637.50
Total:	\$17,000.00	\$8,500.00

BACKGROUND

Property	Owner	HTC Allocation	LURA Effective	LURA expires	# Units	Location
Mitay Inc Scattered Site	Mitay Inc.	\$3,981	1/1/1993	12/31/2022	4	Amarillo, Potter County
2512 Thorne	Mitay Inc.	\$1,151	1/1/1991	12/31/2020	1	Amarillo, Potter County
2904 Walnut	Mitay Inc.	\$1,164	1/1/1990	12/31/2019	1	Amarillo, Potter County
1213 Pecan	Edgar A Miles a/k/a E.A. Miles	\$1,121	1/1/1991	12/31/2020	1	Amarillo, Potter County

The above related properties, all controlled by Edgar A. Miles a/k/a E.A. Miles, are subject to Land Use Restriction Agreements (“LURAs”) signed between 1990 and 1993 in consideration for Housing Tax Credit Allocations as indicated in the table above for the acquisition and rehabilitation of each property.

The following compliance violations were referred for an administrative penalty and remain unresolved:

1. Fair Housing Disclosure Notice violations for units 35, 37, 38, 40, 41, 59, 61, and 62;
2. Utility allowance violation;
3. Household income above limit upon initial occupancy for units 38, 40, 41, and 59; and
4. Uniform Physical Condition Standards (“UPCS”) violations as indicated at Attachment 1.

Owner met with the Enforcement Committee on April 28, 2015, and agreed to sign Agreed Final Orders for each property with the following terms:

1. An administrative penalty for each property, subject to partial forgiveness, as indicated below;

Property	Recommended Administrative Penalty	Forgivable Portion of Administrative Penalty (50%)
Mitay Inc. Scattered Site	\$8,275.00	\$4,137.50
2512 Thorne	\$2,725.00	\$1,362.50
2904 Walnut	\$2,725.00	\$1,362.50
1213 Pecan	\$3,275.00	\$1,637.50
Total:	\$17,000.00	\$8,500.00

2. Owner must pay 50% of the administrative penalty assessed for each property, as indicated above, on or before September 14, 2015;
3. Owner must submit the 2013 Annual Owner's Compliance Report for each property on or before September 14, 2015;
4. Owner must correct file monitoring violations as indicated in the attachments to each Agreed Final Order, and submit full documentation of the corrections to TDHCA on or before on or before September 14, 2015;
5. If Owner complies with all requirements and addresses all violations as required, the remaining 50% of the administrative penalty assessed for each property will be forgiven as indicated above; and
6. If Owner violates any provision of the Agreed Final Order, the remaining 50% of the administrative penalty assessed for each property will immediately come due and payable.

Consistent with direction from the Department's Enforcement Committee, a partially forgivable administrative penalty for each property as indicated above is recommended, totaling \$17,000.

ENFORCEMENT ACTION AGAINST
MITAY, INC. WITH RESPECT TO
MITAY SCATTERED SITE
(HTC FILE # 92009 / CMTS # 1026),

§
§
§
§
§

BEFORE THE
TEXAS DEPARTMENT OF
HOUSING AND
COMMUNITY AFFAIRS

AGREED FINAL ORDER

General Remarks and official action taken:

On this 16th day of June, 2015, the Governing Board ("Board") of the Texas Department of Housing and Community Affairs ("TDHCA") considered the matter of whether enforcement action should be taken against **MITAY, INC.**, a Texas corporation ("Respondent").

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

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

WAIVER

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

FINDINGS OF FACT

Jurisdiction:

1. The Department has jurisdiction over this matter pursuant to Tex. Gov't Code §§2306.041-.0503, and 10 TEX. ADMIN. CODE §2.
2. During 1992, Respondent was awarded an allocation of Low Income Housing Tax Credits by the Board, in an annual amount of \$4,000 to build and operate Mitay Scattered Site ("Property") (HTC file No. 92009 / CMTS No. 1026 / LLDL No. 328).

3. Respondent signed a land use restriction agreement (“LURA”) regarding the Property. The LURA was effective February 16, 1994, and filed of record at Volume 2394, Page 558 of the Official Public Records of Real Property of Potter County, Texas (“Records”).
4. Respondent is a Texas corporation that is qualified to own, construct, acquire, rehabilitate, operate, manage, or maintain a housing development that is subject to the regulatory authority of TDHCA.

Compliance Violations¹:

5. Respondent has a history of violations and previously signed an Agreed Final Order on November 6, 2013, agreeing to a \$5,000 Administrative Penalty, divided among multiple properties, which was to be partially forgivable provided that Respondent submitted full corrective documentation on or before December 9, 2013. Respondent did not submit any corrective documentation and the full administrative penalty came due and payable. The final payment was made on or about April 22, 2015.
6. On February 28, 2014 and May 31, 2014, TDHCA sent notice that Respondent had failed to timely submit their 2013 Annual Owner’s Compliance Report via TDHCA’s electronic Compliance Monitoring and Tracking System (“CMTS”), a violation of 10 TEX. ADMIN. CODE §10.607 (Reporting Requirements), which requires each development to submit an Annual Owner’s Compliance Report. All parts remain outstanding.
7. An on-site monitoring review was conducted on October 23, 2014, to determine whether Respondent was in compliance with LURA requirements to lease units to low income households and maintain records demonstrating eligibility. A second component of this monitoring review as to verify whether past violations under the 2013 Agreed Final Order had been resolved. The monitoring review found new violations of the LURA and TDHCA rules and past violations also remained unresolved. Notifications of noncompliance were sent and a February 15, 2014, corrective action deadline was set to resolve all findings, old and new. No response was received and the following violations remain unresolved:

New findings identified during the 2014 onsite review:

- a. Respondent failed to provide documentation that household incomes were within prescribed limits upon initial occupancy for units 1105 NW 19th, 2419 N Hughes A, and 1901 NW 17th, a violation of 10 TEX. ADMIN. CODE §10.611 (Determination, Documentation and Certification of Annual Income) and Section 4 of the LURA, which require screening of tenants to ensure qualification for the program;

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

- b. Respondent failed to provide the Fair Housing Disclosure Notice for units 1105 NW 19th, 2419 N Hughes A, 1901 NW 17th, and 2419 N Hughes B, a violation of 10 TEX. ADMIN. CODE §10.612 (Tenant File Requirements), which required all developments to provide prospective households with a fair housing disclosure notice within a certain time period.

This form has since been combined with the Notice of Amenities and Services into a replacement document called a "Tenant Rights and Resources Guide." Neither form has been received.

- c. Respondent failed to provide a Notice of Amenities and Services to units 1105 NW 19th, 2419 N Hughes A, 1901 NW 17th, and 2419 N Hughes B, a violation of 10 TEX. ADMIN. CODE §10.613 (Lease Requirements), which required owners to provide to each household, at the time of execution of an initial lease and whenever there was a subsequent change in amenities and services, a notice describing those amenities and services.

This form has since been combined with the Fair Housing Disclosure Notice into a replacement document called a "Tenant Rights and Resources Guide." Neither form has been received.

- d. Respondent failed to properly calculate the utility allowance for the property, a violation of 10 TEX. ADMIN. CODE §10.614 (Utility Allowances), which requires all developments to establish a utility allowance.
- e. Respondent failed to maintain written tenant selection criteria, a violation of 10 TEX. ADMIN. CODE §10.610 (Tenant Selection Criteria), which requires all developments to establish written tenant selection criteria that meet minimum TDHCA requirements.
- f. Respondent failed to submit pre-onsite documentation, a violation of 10 TEX. ADMIN. CODE §10.607 and §10.618, which require all developments to submit necessary documentation as requested in preparation for an upcoming monitoring review.

Prior findings that remained unresolved during the 2014 review and were cited for a second time:

- g. Respondent failed to provide documentation that household incomes were within prescribed limits upon initial occupancy for unit 2419 North Hughes B, a violation of 10 TEX. ADMIN. CODE §10.611 (Determination, Documentation and Certification of Annual Income) and Section 4 of the LURA, which require screening of tenants to ensure qualification for the program;
- h. Respondent failed to execute required lease provisions or exclude prohibited lease language, a violation of 10 TEX. ADMIN. CODE §10.613 (Lease Requirements), which requires leases to include specific language protecting tenants from eviction without good cause and prohibiting owners from taking certain actions such as locking out or seizing property, or threatening to do so, except by judicial process.

8. All violations listed above remain unresolved at the time of this Agreed Final Order.

CONCLUSIONS OF LAW

1. The Department has jurisdiction over this matter pursuant to Tex. Gov't Code §§2306.041-.0503, and 10 TEX. ADMIN. CODE §2.
2. Respondent is a "housing sponsor" as that term is defined in Tex. Gov't Code §2306.004(14).
3. Pursuant to IRC §42(m)(1)(B)(iii), housing credit agencies are required to monitor for noncompliance with all provisions of the IRC and to notify the Internal Revenue Service of such noncompliance.
4. Respondent violated 10 TEX. ADMIN. CODE §10.607 in 2014 by failing to submit the Annual Owner's Compliance Report for the year 2013.
5. Respondent violated 10 TEX. ADMIN. CODE §10.611 and Section 4 of the LURA in 2014 by failing to provide documentation that household incomes were within prescribed limits upon initial occupancy for units 1105 NW 19th, 2419 N Hughes A, 1901 NW 17th, and 2419 N Hughes B.
6. Respondent violated 10 TEX. ADMIN. CODE §10.612 in 2014, by failing to execute the Fair Housing Disclosure Notice during the appropriate time frame for units 1105 NW 19th, 2419 N Hughes A, 1901 NW 17th, and 2419 N Hughes B.
7. Respondent violated 10 TEX. ADMIN. CODE §10.613 in 2013, by failing to execute the Notice of Amenities and Services for units 1105 NW 19th, 2419 N Hughes A, 1901 NW 17th, and 2419 N Hughes B.
8. Respondent violated 10 TEX. ADMIN. CODE §10.614 in 2014 by failing to properly calculate the utility allowance.
9. Respondent violated 10 TEX. ADMIN. CODE §10.610 in 2014, by not maintaining written tenant selection criteria meeting TDHCA requirements.
10. Respondent violated 10 TEX. ADMIN. CODE §10.607 and §10.618 in 2014, by not submitting pre-on-site documentation in preparation for the monitoring review.
11. Respondent violated 10 TEX. ADMIN. CODE §10.613 in 2014, by not executing required lease provisions.
12. Because Respondent is a housing sponsor with respect to the Property, and has violated TDHCA rules and agreements, the Board has personal and subject matter jurisdiction over Respondent pursuant to TEX. GOV'T CODE §2306.041 and §2306.267.

13. Because Respondent is a housing sponsor, TDHCA may order Respondent to perform or refrain from performing certain acts in order to comply with the law, TDHCA rules, or the terms of a contract or agreement to which Respondent and TDHCA are parties, pursuant to Tex. Gov't Code §2306.267.
14. Because Respondent has violated rules promulgated pursuant to Tex. Gov't Code Chapter 2306 and has violated agreements with the Agency to which Respondent is a party, the Agency may impose an administrative penalty pursuant to TEX. GOV'T CODE §2306.041.
15. An administrative penalty of \$8,275.00 is an appropriate penalty in accordance with 10 TEX. ADMIN. CODE §2.

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

IT IS HEREBY ORDERED that Respondent is assessed an administrative penalty in the amount of \$8,275, subject to deferral as further ordered below.

IT IS FURTHER ORDERED that Respondent shall pay and is hereby directed to pay 50% of the assessed administrative penalty (\$4,137.50) by cashier's check payable to the "Texas Department of Housing and Community Affairs" on or before September 14, 2015.

IT IS FURTHER ORDERED that Respondent shall complete and submit all parts of the 2013 Annual Owner's Compliance Report via CMTS at <https://pox.tdhca.state.tx.us/aims2/pox>, on or before September 14, 2015. Part B (Unit Status Report) must report current data, but all other report parts must report data as of December 31, 2013.

IT IS FURTHER ORDERED that Respondent shall fully correct the file monitoring violations as indicated in Attachment 1 and submit full documentation of the corrections to TDHCA on or before September 14, 2015.

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

IT IS FURTHER ORDERED that if Respondent timely and fully complies with the terms and conditions of this Agreed Final Order, correcting all violations as required, the satisfactory performance under this order will be accepted in lieu of the remaining assessed administrative penalty and the remaining amount of \$4,137.50 will be deferred and forgiven.

IT IS FURTHER ORDERED that if Respondent fails to satisfy any conditions or otherwise violates any provision of this order, then the remaining administrative penalty in the amount of \$4,137.50 shall be immediately due and payable to the Department. Such payment shall be made by cashier's check payable to the "Texas Department of Housing and Community Affairs" upon the earlier of (1) within thirty days of the date the Department sends written notice to Respondent that it has violated a provision of this Order, or (2) the property closing date if sold during the term of this Order.

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

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

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

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Approved by the Governing Board of TDHCA on _____, 2015.

By: _____
Name: J. Paul Oxer
Title: Chair of the Board of TDHCA

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

THE STATE OF TEXAS §
§
COUNTY OF _____ §

Before me, the undersigned notary public, on this _____ day of _____, 2015, personally appeared J. Paul Oxer, proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

(Seal)

Notary Public, State of Texas

THE STATE OF TEXAS §
§
COUNTY OF TRAVIS §

Before me, the undersigned notary public, on this _____ day of _____, 2015, personally appeared James "Beau" Eccles, proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

(Seal)

Notary Public, State of Texas

STATE OF TEXAS §
 §
COUNTY OF _____ §

BEFORE ME, _____, a notary public in and for the State of _____, on this day personally appeared _____, known to me or proven to me through _____ to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that (he/she) executed the same for the purposes and consideration therein expressed, who being by me duly sworn, deposed as follows:

1. "My name is _____, I am of sound mind, capable of making this statement, and personally acquainted with the facts herein stated.
2. I hold the office of _____ for Respondent. I am the authorized representative of Respondent, owner of Mitay Scattered Site, which is subject to a Land Use Restriction Agreement monitored by the TDHCA in the State of Texas, and I am duly authorized by Respondent to execute this document.
3. Respondent knowingly and voluntarily enters into this Agreed Final Order, and agrees with and consents to the issuance and service of the foregoing Agreed Order by the Board of the Texas Department of Housing and Community Affairs."

RESPONDENT:
MITAY, INC., a Texas corporation

By: _____
Name: Edgar Miles
Title: President

Given under my hand and seal of office this _____ day of _____, 2015.

Signature of Notary Public

Printed Name of Notary Public

NOTARY PUBLIC IN AND FOR THE STATE OF _____
My Commission Expires: _____

Attachment 1

File Monitoring Violation Resources and Instructions

1. Refer to the following link for all rules at 10 TEX. ADMIN. CODE §10 that are referenced below:

[http://texreg.sos.state.tx.us/public/readtac\\$ext.ViewTAC?tac_view=5&ti=10&pt=1&ch=10&sch=F&rl=Y](http://texreg.sos.state.tx.us/public/readtac$ext.ViewTAC?tac_view=5&ti=10&pt=1&ch=10&sch=F&rl=Y)

2. Refer to the following link for copies of forms that are referenced below:

<http://www.tdhca.state.tx.us/pmcomp/forms.htm>

3. Technical support and training presentations are available at the following links:

Video/Audio Training: <http://www.tdhca.state.tx.us/pmcomp/presentations.htm>

Income and Rent Limits: <http://www.tdhca.state.tx.us/pmcomp/irl/index.htm>

Utility Allowance: <http://www.tdhca.state.tx.us/pmcomp/utility-allowance.htm>

Online Reporting: <http://www.tdhca.state.tx.us/pmcomp/reports.htm>

FAQ's: <http://www.tdhca.state.tx.us/pmcomp/compFaq.htm>

4. **Household income above limit for units 1105 NW 19th, 2419 North Hughes A, and 1901 NW 17th:**

- a. Screen the current households with a new application and obtain first hand documentation of all sources of income and assets.
- b. If the household is currently eligible, execute a new Income Certification form, then submit the application, first-hand documentation of all sources of income and assets, and the executed Income Certification Form.
- c. If the household is not currently eligible,
 - i. Issue a nonrenewal notice to the tenant, with a copy to TDHCA.
 - ii. As soon as the unit is occupied by a qualified household, you must submit the full tenant file, including the tenant application, verifications of all sources of income and assets, tenant income certification, lease, lease addendum, and Tenant Rights and Resources Guide. Receipt after September 14, 2015 is acceptable for this circumstance provided that Requirement 4.c.i is fulfilled.

5. **Household income above limit for 2419 North Hughes B:** The household that occupied this unit during the 10/25/2014 onsite review did not qualify for the program. The household moved in on July 6, 2012 with a total annual income of \$48,924.85, which exceeded the applicable 2-person income limit of \$28,320.

- a. If the household's circumstances have changed and they are now eligible, screen the current household with a new application, obtain new first hand documentation of all sources of income and assets, and execute a new Income Certification Form. Submit copies of each, along with a copy of the Lease and Lease Addendum.
- b. If the household remains ineligible,
 - i. Issue a nonrenewal notice to the tenant and submit a copy to TDHCA.

- ii. As soon as the unit is occupied by a qualified household, you must to submit the full tenant file, including the tenant application, verifications of all sources of income and assets, tenant income certification, lease, lease addendum and Tenant Rights and Resources Guide. Receipt after September 14, 2015 is acceptable for this circumstance provided that Requirement 5.b.i is fulfilled.

6. Fair Housing Disclosure Notice / Tenant Amenities and Services Notice:
Both notices have been replaced by the Tenants Rights and Resource Guide.

Implement Tenants Rights and Resources Guide as indicated at 10 TEX. ADMIN. CODE §10.613(k) and submit signed Tenants Rights and Resources Guide Acknowledgments for units 1105 NW 19th, 2419 N Hughes A, 1901 NW 17th, and 2419 N Hughes B.

If the households that triggered the findings have moved out without signing this form, submit a letter to TDHCA including the move-out date and acknowledging that the finding cannot be resolved.

7. Utility allowance: A utility allowance for the cost of any utility paid directly by the tenant(s) (except for telephone, cable television and internet) is included in the computation of gross rent. Owner has indicated that residents pay electricity (A/C), gas (unit heating, cooking and hot water heating), water, sewer, and trash.

In accordance with 10 TEX. ADMIN. CODE §10.614, owners must use a utility allowance that complies with this section and applicable program regulations. During the previous onsite review on October 11, 2011, the owner used the local Public Housing Authority (PHA) for the City of Amarillo to establish the utility allowance.

Implement an approved utility allowance methodology that complies with 10 TEX. ADMIN. CODE §10.614 and submit for review. Also update and submit the unit status report to demonstrate that the new utility allowance has been implemented. Once an approved allowance has been implemented, the Department will ensure that rents are restricted. If any additional findings are identified, the owner will be notified under separate cover and provided a new corrective action deadline. Any additional findings would be considered new violations and are not subject to this Agreed Final Order.

8. Written tenant selection criteria: Submit updated written tenant selection criteria addressing all requirements at 10 TEX. ADMIN. CODE §10.610, including but not limited to a wait list policy and the requirement to state that the Development will comply with state or federal fair housing and anti-discrimination laws.

9. Pre-onsite documentation: Submit the following:

- a. Entrance Interview Questionnaire – available via CMTS at:
<https://pox.tdhca.state.tx.us/aims2/pox>.
- b. Written leasing criteria, including required deposits and refund policy.
- c. Documentation supporting any application fees or charges.

10. **Lease Language:** The owner has not implemented the required lease language as required in 10 TEX. ADMIN. CODE §10.613. Owners are required to specifically state in the lease, or in an addendum attached to the lease, that (a) evictions or terminations of tenancy for other than good cause are prohibited and (b) lockouts are not permissible. Please note that the Texas Apartment Association (TAA) has a lease addendum that encompasses these Housing Tax Credit requirements if you are a member.

Execute an appropriate lease or lease addendum with the households in 1105 NW 19th, 2419 N Hughes A, 1901 NW 17th, and 2419 N Hughes B, then submit a copy of each.

Attachment 2

Technical Assistance Regarding Income Eligibility

Application: Each adult household member must complete their own application in order to be properly screened. Keep in mind, there is no required format for an application; however, the application must screen for all sources of income, assets, and student status. Applicants should complete all paperwork to the best of their ability. If the applicant is unable to complete the application themselves, allow a caseworker, friend or relative to assist on their behalf. As a last resort, development staff could assist in completing applications, but the file should be noted in such cases. Ensure all blanks are addressed, including those sections of the application that may not apply to the household by the use of "none" or "n/a". There is a TDHCA application form at <http://www.tdhca.state.tx.us/pmcomp/forms.htm> that includes all necessary components. If you use the TAA Application, ensure that you also complete the Supplemental Rental Application for Units Under Government Regulated Affordable Housing Programs.

Household Composition: Determine the number of household members and select appropriate income limit based on household size. See link for income and rent limit tool: <http://www.tdhca.state.tx.us/pmcomp/irl/index.htm>.

Documenting Income and Assets: Based on the information disclosed on the application, each source of income and asset must be documented. Your compliance monitor has requested first hand verifications. Examples of these types of verifications include pay checks, bank statements and Social Security Award Letters. 10TAC§10.612(a)(2) permits owners to use pay stubs to document employment income. In doing so, consistently use a specified number of consecutive pay stubs as defined in the management plan and/or written policies and procedures. Oral verifications are only acceptable for clarifying discrepancies in the file. Please use a separate sheet of paper and include information such as date, name and title of person you spoke, contact phone number etc with and your signature.

Review of Documents: Development staff must review all forms of verifications to ensure proper documentation of the household's income and assets. For instance, review the credit report, application, pay stubs and other documents to ensure that all information coincides and is consistent. Review pay stubs for assets such as checking and retirement accounts.

Annualizing Income: Upon verification of all income and asset sources disclosed on the application, the next step is to annualize the sources, add them together and compare to the applicable income limit for household size. Be sure to include any income derived from assets.

Execute Income Certification Form: The Department approved Income Certification form must be used. Complete each section of the form. Each adult household member must sign and date the form. All verifications obtained to demonstrate household eligibility must be dated within 120 days of the effective date of the certification.

Attachment 3:

Texas Administrative Code

<u>TITLE 10</u>	COMMUNITY DEVELOPMENT
<u>PART 1</u>	TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
<u>CHAPTER 10</u>	UNIFORM MULTIFAMILY RULES
<u>SUBCHAPTER E</u>	POST AWARD AND ASSET MANAGEMENT REQUIREMENTS
<u>RULE §10.406</u>	Ownership Transfers (§2306.6713)

(a) Ownership Transfer Notification. All multifamily Development Owners must provide written notice to the Department at least thirty (30) calendar days prior to any sale, transfer, or exchange of the Development or any portion of or Controlling interest in the Development. Transfers that are the result of an involuntary removal of the general partner by the investment limited partner must be reported to the Department, as soon as possible due to the sensitive timing and nature of this decision. If the Department determines that the transfer, involuntary removal, or replacement was due to a default by the General Partner under the Limited Partnership Agreement, or other detrimental action that put the Development at risk of failure, staff may make a recommendation to the Board for the debarment of the entity and/or its Principals and Affiliates pursuant to the Department's debarment rule. In addition, a record of transfer involving Principals in new proposed awards will be reported and may be taken into consideration by the Executive Award and Review Committee, in accordance with §1.5 of this title (relating to Previous Participation Reviews), prior to recommending any new financing or allocation of credits.

(b) Requirement. Department approval must be requested for any new member to join in the ownership of a Development. Exceptions include changes to the investment limited partner, non-controlling limited partner, or other partners affiliated with the investment limited partner, or changes resulting from foreclosure wherein the lender or financial institution involved in the transaction is the resulting owner. Any subsequent transfer of the Development will be required to adhere to the process in this section. Furthermore, a Development Owner may not transfer an allocation of tax credits or ownership of a Development supported with an allocation of tax credits to any Person or entity unless the Development Owner obtains the Executive Director's prior, written approval of the transfer. The Executive Director may not unreasonably withhold approval of the transfer requested in compliance with this section. Notwithstanding the foregoing, a Development Owner shall be required to notify the Department but shall not be required to obtain Executive Director approval when the transferee is an Affiliate of the Development Owner with no new members or the transferee is a Related Party who does not Control the Development and the transfer is being made for estate planning purposes.

(c) Transfers Prior to 8609 Issuance or Construction Completion. Transfers (other than those that do not require Executive Director approval, as set forth in subsection (b) of this section) will not be approved prior to the issuance of IRS Form(s) 8609 (for Housing Tax Credits) or the completion of construction (for all Developments funded through other Department programs) unless the Development Owner can provide evidence that the need for the transfer is due to a hardship (ex. potential bankruptcy, removal by a partner, etc.). The Development Owner must provide the Department with a written explanation describing the hardship and a copy of any applicable agreement between the parties to the transfer, including any Third-Party agreement.

(d) Non-Profit Organizations. If the ownership transfer request is to replace a non-profit organization within the Development ownership entity, the replacement non-profit entity must adhere to the requirements in paragraph (1) or (2) of this subsection.

(1) If the LURA requires ownership or material participation in ownership by a Qualified Non-Profit Organization, and the Development received Tax Credits pursuant to §42(h)(5) of the Code, the transferee must be a Qualified Non-Profit Organization that meets the requirements of §42(h)(5) of the Code and Texas Government Code §2306.6706.

(2) If the LURA requires ownership or material participation in ownership by a qualified non-profit organization, but the Development did not receive Tax Credits pursuant to §42(h)(5) of the Code, the Development Owner must show that the transferee is a non-profit organization that complies with the LURA.

(e) Historically Underutilized Business ("HUB") Organizations. If a HUB is the general partner of a Development Owner and it (i) is being removed as the result of a default under the organizational documents of the Development Owner or (ii) determines to sell its ownership interest, in either case, after the issuance of 8609s, the purchaser of that general partnership interest is not required to be a HUB as long as the LURA does not require such continual ownership or a material LURA amendment is approved. Such approval can be obtained concurrent with Board approval described herein. All such transfers must be approved by the Board and require that the Board find that:

(1) the selling HUB is acting of its own volition or is being removed as the result of a default under the organizational documents of the Development Owner;

(2) the participation by the HUB has been substantive and meaningful, or would have been substantial and meaningful had the HUB not defaulted under the organizational documents of the Development Owner, enabling it to realize not only financial benefit but to acquire skills relating to the ownership and operation of affordable housing; and

(3) the proposed purchaser meets the Department's standards for ownership transfers

(f) Documentation Required. A Development Owner must submit documentation requested by the Department to enable the Department to understand fully the facts and circumstances that gave rise to the need for the transfer and the effects of approval or denial. Documentation includes but is not limited to:

(1) a written explanation outlining the reason for the request;

(2) a list of the names of transferees and Related Parties;

(3) detailed information describing the experience and financial capacity of transferees and related parties holding an ownership interest of 10 percent or greater in any Principal or Controlling entity;

(4) evidence and certification that the tenants in the Development have been notified in writing of the proposed transfer at least thirty (30) calendar days prior to the date the transfer is approved by the Department. The ownership transfer approval letter will not be issued until this 30 day period has expired.

(g) Within five (5) business days after the date the Department receives all necessary information under this section, staff shall initiate a qualifications review of a transferee, in accordance with §1.5 of this title, to determine the transferee's past compliance with all aspects of the Department's programs, LURAs and eligibility under this chapter.

(h) Credit Limitation. As it relates to the Housing Tax Credit amount further described in §11.4(a) of this title (relating to Tax Credit Request and Award Limits), the credit amount will not be applied in circumstances described in paragraphs (1) and (2) of this subsection:

(1) in cases of transfers in which the syndicator, investor or limited partner is taking over ownership of the Development and not merely replacing the general partner; or

(2) in cases where the general partner is being replaced if the award of credits was made at least five (5) years prior to the transfer request date.

(i) Penalties. The Development Owner must comply with any additional documentation requirements as stated in Subchapter F of this chapter (relating to Compliance Monitoring). The Development Owner, as on record with the Department, will be liable for any penalties imposed by the Department even if such penalty can be attributable to the new Development Owner unless such ownership transfer is approved by the Department.

(j) Ownership Transfer Processing Fee. The ownership transfer request must be accompanied by corresponding ownership transfer fee as outlined in §10.901 of this chapter (relating to Fee Schedule).

Source Note: The provisions of this §10.406 adopted to be effective December 9, 2014, 39 TexReg 9518

ENFORCEMENT ACTION AGAINST
WITH RESPECT TO
MITAY, INC. WITH RESPECT TO
2904 WALNUT
(FILE # 70054, CMTS 2345)

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BEFORE THE
TEXAS DEPARTMENT OF
HOUSING AND
COMMUNITY AFFAIRS

AGREED FINAL ORDER

General Remarks and official action taken:

On this 16th day of June, 2015, the Governing Board (“Board”) of the Texas Department of Housing and Community Affairs (“TDHCA”) considered the matter of whether enforcement action should be taken against **Mitay, Inc.**, a Texas corporation (“Respondent”).

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

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

WAIVER

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

FINDINGS OF FACT

Jurisdiction:

1. The Department has jurisdiction over this matter pursuant to Tex. Gov't Code §§2306.041-.0503, and 10 TEX. ADMIN. CODE §2.
2. During 1990, Walter C. Spear was awarded an allocation of Low Income Housing Tax Credits by the Board, in an annual amount of \$1,173 to acquire, rehabilitate and operate one unit known as 2904 Walnut (HTC file No. 70054 / CMTS No. 2345 / LDLD No. 455).
3. Walter C. Spear signed a land use restriction agreement ("LURA") regarding 2904 Walnut. The LURA was effective November 30, 1990, and filed of record at Volume 2137, Page 390 of the Records. In accordance with Section 2 of the LURA, the LURA is a restrictive covenant/deed restriction encumbering the property and binding on all successors and assigns for the full term of the LURA.
4. Walter C. Spear transferred his interests in 2904 Walnut to Mitay Inc. through a Warranty Deed with Vendor's Lien effective December 15, 1994, and filed in the Records at Volume 2134, Page 843. Although Mitay, Inc. did not sign an Agreement to Comply with the LURA, the restrictions remained in place in accordance with Section 2 of each LURA, thereby binding Mitay, Inc. to the terms of the agreement.
5. Respondent is that is qualified to own, construct, acquire, rehabilitate, operate, manage, or maintain a housing development that is subject to the regulatory authority of TDHCA.

Compliance Violations¹:

6. Respondent has a history of violations and previously signed an Agreed Final Order on November 6, 2013, agreeing to a \$5,000 Administrative Penalty, divided among multiple properties, which was to be partially forgivable provided that Respondent submitted full corrective documentation on or before December 9, 2013. Respondent did not submit any corrective documentation and the full administrative penalty came due and payable. The final payment was made on or about April 22, 2015.
7. On February 28, 2014 and May 31, 2014, TDHCA sent notice that Respondent had failed to timely submit their 2013 Annual Owner's Compliance Report via TDHCA's electronic Compliance Monitoring and Tracking System ("CMTS"), a violation of 10 TEX. ADMIN. CODE §10.607 (Reporting Requirements), which requires each development to submit an Annual Owner's Compliance Report. All parts remain outstanding.

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

8. An on-site monitoring review was conducted on October 23, 2014, to determine whether Respondent was in compliance with LURA requirements to lease units to low income households and maintain records demonstrating eligibility. A second component of this monitoring review as to verify whether past violations under the 2013 Agreed Final Order had been resolved. The monitoring review found new violations of the LURA and TDHCA rules and past violations also remained unresolved. Notifications of noncompliance were sent and a February 15, 2014, corrective action deadline was set to resolve all findings, old and new. No response was received and the following violations remain unresolved:

New findings identified during the 2014 onsite review:

- a. Respondent failed to properly calculate the utility allowance for the property, a violation of 10 TEX. ADMIN. CODE §10.614 (Utility Allowances), which requires all developments to establish a utility allowance.
- b. Respondent failed to maintain written tenant selection criteria, a violation of 10 TEX. ADMIN. CODE §10.610 (Tenant Selection Criteria), which requires all developments to establish written tenant selection criteria that meet minimum TDHCA requirements.
- c. Respondent failed to submit pre-onsite documentation, a violation of 10 TEX. ADMIN. CODE §10.607 and §10.618, which require all developments to submit necessary documentation as requested in preparation for an upcoming monitoring review.
- d. Respondent failed to provide an Annual Eligibility Certification, a violation of 10 TEX. ADMIN. CODE §10.612 (Tenant File Requirements), which requires developments to annually collect an Annual Eligibility Certification form from each household.

Prior findings that remained unresolved during the 2014 review and were cited for a second time:

- e. Respondent failed to execute required lease provisions or exclude prohibited lease language, a violation of 10 TEX. ADMIN. CODE §10.613 (Lease Requirements), which requires leases to include specific language protecting tenants from eviction without good cause and prohibiting owners from taking certain actions such as locking out or seizing property, or threatening to do so, except by judicial process.
9. All violations listed above remain unresolved at the time of this Agreed Final Order.

CONCLUSIONS OF LAW

1. The Department has jurisdiction over this matter pursuant to Tex. Gov't Code §§2306.041-.0503, and 10 TEX. ADMIN. CODE §2.
2. Respondent is a "housing sponsor" as that term is defined in Tex. Gov't Code §2306.004(14).

3. Pursuant to IRC §42(m)(1)(B)(iii), housing credit agencies are required to monitor for noncompliance with all provisions of the IRC and to notify the Internal Revenue Service of such noncompliance.
4. Respondent violated 10 TEX. ADMIN. CODE §10.607 in 2014 by failing to submit the Annual Owner's Compliance Report for the year 2013.
5. Respondent violated 10 TEX. ADMIN. CODE §10.614 in 2014 by failing to properly calculate the utility allowance.
6. Respondent violated 10 TEX. ADMIN. CODE §10.610 in 2014, by not maintaining written tenant selection criteria meeting TDHCA requirements.
7. Respondent violated 10 TEX. ADMIN. CODE §10.607 and §10.618 in 2014, by not submitting pre-onsite documentation in preparation for the monitoring review.
8. Respondent violated 10 TEX. ADMIN. CODE §10.612 in 2014 by failing to collect an Annual Eligibility Certification.
9. Respondent violated 10 TEX. ADMIN. CODE §10.613 in 2014, by not executing required lease provisions.
10. Because Respondent is a housing sponsor with respect to the Property, and has violated TDHCA rules and agreements, the Board has personal and subject matter jurisdiction over Respondent pursuant to TEX. GOV'T CODE §2306.041 and §2306.267.
11. Because Respondent is a housing sponsor, TDHCA may order Respondent to perform or refrain from performing certain acts in order to comply with the law, TDHCA rules, or the terms of a contract or agreement to which Respondent and TDHCA are parties, pursuant to Tex. Gov't Code §2306.267.
12. Because Respondent has violated rules promulgated pursuant to Tex. Gov't Code Chapter 2306 and has violated agreements with the Agency to which Respondent is a party, the Agency may impose an administrative penalty pursuant to TEX. GOV'T CODE §2306.041.
13. An administrative penalty of \$2,725 is an appropriate penalty in accordance with 10 TEX. ADMIN. CODE §2.

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

IT IS HEREBY ORDERED that Respondent is assessed an administrative penalty in the amount of \$2,725, subject to deferral as further ordered below.

IT IS FURTHER ORDERED that Respondent shall pay and is hereby directed to pay 50% of the assessed administrative penalty (\$1,362.50) by cashier's check payable to the "Texas Department of Housing and Community Affairs" on or before September 14, 2015.

IT IS FURTHER ORDERED that Respondent shall complete and submit all parts of the 2013 Annual Owner's Compliance Report via CMTS at <https://pox.tdhca.state.tx.us/aims2/pox>, on or before September 14, 2015. Part B (Unit Status Report) must report current data, but all other report parts must report data as of December 31, 2013.

IT IS FURTHER ORDERED that Respondent shall fully correct the file monitoring violations as indicated in Attachment 1 and submit full documentation of the corrections to TDHCA on or before September 14, 2015.

IT IS FURTHER ORDERED that Respondent shall follow the requirements of 10 Tex. Admin. Code 10.406, a copy of which is included at Attachment 2, and obtain approval from the Department prior to consummating a sale of the property, if contemplated.

IT IS FURTHER ORDERED that if Respondent timely and fully complies with the terms and conditions of this Agreed Final Order, correcting all violations as required, the satisfactory performance under this order will be accepted in lieu of the remaining assessed administrative penalty and the remaining amount of \$1,362.50 will be deferred and forgiven.

IT IS FURTHER ORDERED that if Respondent fails to satisfy any conditions or otherwise violates any provision of this order, then the remaining administrative penalty in the amount of \$1,362.50 shall be immediately due and payable to the Department. Such payment shall be made by cashier's check payable to the "Texas Department of Housing and Community Affairs" upon the earlier of (1) within thirty days of the date the Department sends written notice to Respondent that it has violated a provision of this Order, or (2) the property closing date if sold during the term of this Order.

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

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

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

Approved by the Governing Board of TDHCA on _____, 2015.

By: _____
Name: J. Paul Oxe
Title: Chair of the Board of TDHCA

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

THE STATE OF TEXAS §
 §
COUNTY OF _____ §

Before me, the undersigned notary public, on this _____ day of _____, 2015, personally appeared J. Paul Oxe, proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

(Seal)

Notary Public, State of Texas

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

Before me, the undersigned notary public, on this _____ day of _____, 2015, personally appeared James "Beau" Eccles, proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

(Seal)

Notary Public, State of Texas

STATE OF TEXAS §
 §
COUNTY OF _____§

BEFORE ME, _____, a notary public in and for the State of _____, on this day personally appeared _____, known to me or proven to me through _____ to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that (he/she) executed the same for the purposes and consideration therein expressed, who being by me duly sworn, deposed as follows:

1. "My name is _____, I am of sound mind, capable of making this statement, and personally acquainted with the facts herein stated.
2. I hold the office of _____ for Respondent. I am the authorized representative of Respondent, owner of 2904 Walnut, which is subject to a Land Use Restriction Agreement monitored by the TDHCA in the State of Texas, and I am duly authorized by Respondent to execute this document.
3. Respondent knowingly and voluntarily enters into this Agreed Final Order, and agrees with and consents to the issuance and service of the foregoing Agreed Order by the Board of the Texas Department of Housing and Community Affairs."

RESPONDENT:

MITAY, INC., a Texas corporation

By: _____

Name: Edgar Miles

Title: President

Given under my hand and seal of office this _____ day of _____, 2015.

Signature of Notary Public

Printed Name of Notary Public

NOTARY PUBLIC IN AND FOR THE STATE OF _____

My Commission Expires: _____

Attachment 1

File Monitoring Violation Resources and Instructions

1. Refer to the following link for all rules at 10 TEX. ADMIN. CODE §10 that are referenced below:

[http://texreg.sos.state.tx.us/public/readtac\\$ext.ViewTAC?tac_view=5&ti=10&pt=1&ch=10&sch=F&rl=Y](http://texreg.sos.state.tx.us/public/readtac$ext.ViewTAC?tac_view=5&ti=10&pt=1&ch=10&sch=F&rl=Y)

2. Refer to the following link for copies of forms that are referenced below:

<http://www.tdhca.state.tx.us/pmcomp/forms.htm>

3. Technical support and training presentations are available at the following links:

Video/Audio Training: <http://www.tdhca.state.tx.us/pmcomp/presentations.htm>

Income and Rent Limits: <http://www.tdhca.state.tx.us/pmcomp/irl/index.htm>

Utility Allowance: <http://www.tdhca.state.tx.us/pmcomp/utility-allowance.htm>

Online Reporting: <http://www.tdhca.state.tx.us/pmcomp/reports.htm>

FAQ's: <http://www.tdhca.state.tx.us/pmcomp/compFaq.htm>

4. **Utility allowance:** A utility allowance for the cost of any utility paid directly by the tenant(s) (except for telephone, cable television and internet) is included in the computation of gross rent. Owner has indicated that residents pay electricity (A/C), gas (unit heating, cooking and hot water heating), water, sewer, and trash.

In accordance with 10 TEX. ADMIN. CODE §10.614, owners must use a utility allowance that complies with this section and applicable program regulations. During the previous onsite review on October 11, 2011, the owner used the local Public Housing Authority (PHA) for the City of Amarillo to establish the utility allowance.

Implement an approved utility allowance methodology that complies with 10 TEX. ADMIN. CODE §10.614 and submit for review. Also update and submit the unit status report to demonstrate that the new utility allowance has been implemented. Once an approved allowance has been implemented, the Department will ensure that rents are restricted. If any additional findings are identified, the owner will be notified under separate cover and provided a new corrective action deadline. Any additional findings would be considered new violations and are not subject to this Agreed Final Order.

5. **Written tenant selection criteria:** Submit updated written tenant selection criteria addressing all requirements at 10 TEX. ADMIN. CODE §10.610, including but not limited to a wait list policy and the requirement to state that the Development will comply with state or federal fair housing and anti-discrimination laws.
6. **Pre-onsite documentation:** Submit the following:
 - a. Entrance Interview Questionnaire – available via CMTS at:
<https://pox.tdhca.state.tx.us/aims2/pox>.
 - b. Written leasing criteria, including required deposits and refund policy.
 - c. Documentation supporting any application fees or charges.

7. **Annual Eligibility Certification:** Throughout the affordability Period, all Owners of 100 percent Housing Tax Credit Developments must collect annually information regarding each household that includes the number of household members, age, ethnicity, race, disability status, rental amounts, rent assistance and student status in accordance with TEX. ADMIN. CODE §10.612. This information can be collected on the Department's Annual Eligibility Certification form (AEC).
8. **Lease Language:** The owner has not implemented the required lease language as required in 10 TEX. ADMIN. CODE §10.613. Owners are required to specifically state in the lease, or in an addendum attached to the lease, that (a) evictions or terminations of tenancy for other than good cause are prohibited and (b) lockouts are not permissible. Please note that the Texas Apartment Association (TAA) has a lease addendum that encompasses these Housing Tax Credit requirements if you are a member.

Execute an appropriate lease or lease addendum with the household, then submit a copy.

Attachment 2:

Texas Administrative Code

<u>TITLE 10</u>	COMMUNITY DEVELOPMENT
<u>PART 1</u>	TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
<u>CHAPTER 10</u>	UNIFORM MULTIFAMILY RULES
<u>SUBCHAPTER E</u>	POST AWARD AND ASSET MANAGEMENT REQUIREMENTS
<u>RULE §10.406</u>	Ownership Transfers (§2306.6713)

(a) Ownership Transfer Notification. All multifamily Development Owners must provide written notice to the Department at least thirty (30) calendar days prior to any sale, transfer, or exchange of the Development or any portion of or Controlling interest in the Development. Transfers that are the result of an involuntary removal of the general partner by the investment limited partner must be reported to the Department, as soon as possible due to the sensitive timing and nature of this decision. If the Department determines that the transfer, involuntary removal, or replacement was due to a default by the General Partner under the Limited Partnership Agreement, or other detrimental action that put the Development at risk of failure, staff may make a recommendation to the Board for the debarment of the entity and/or its Principals and Affiliates pursuant to the Department's debarment rule. In addition, a record of transfer involving Principals in new proposed awards will be reported and may be taken into consideration by the Executive Award and Review Committee, in accordance with §1.5 of this title (relating to Previous Participation Reviews), prior to recommending any new financing or allocation of credits.

(b) Requirement. Department approval must be requested for any new member to join in the ownership of a Development. Exceptions include changes to the investment limited partner, non-controlling limited partner, or other partners affiliated with the investment limited partner, or changes resulting from foreclosure wherein the lender or financial institution involved in the transaction is the resulting owner. Any subsequent transfer of the Development will be required to adhere to the process in this section. Furthermore, a Development Owner may not transfer an allocation of tax credits or ownership of a Development supported with an allocation of tax credits to any Person or entity unless the Development Owner obtains the Executive Director's prior, written approval of the transfer. The Executive Director may not unreasonably withhold approval of the transfer requested in compliance with this section. Notwithstanding the foregoing, a Development Owner shall be required to notify the Department but shall not be required to obtain Executive Director approval when the transferee is an Affiliate of the Development Owner with no new members or the transferee is a Related Party who does not Control the Development and the transfer is being made for estate planning purposes.

(c) Transfers Prior to 8609 Issuance or Construction Completion. Transfers (other than those that do not require Executive Director approval, as set forth in subsection (b) of this section) will not be approved prior to the issuance of IRS Form(s) 8609 (for Housing Tax Credits) or the completion of construction (for all Developments funded through other Department programs) unless the Development Owner can provide evidence that the need for the transfer is due to a hardship (ex. potential bankruptcy, removal by a partner, etc.). The Development Owner must provide the Department with a written explanation describing the hardship and a copy of any applicable agreement between the parties to the transfer, including any Third-Party agreement.

(d) Non-Profit Organizations. If the ownership transfer request is to replace a non-profit organization within the Development ownership entity, the replacement non-profit entity must adhere to the requirements in paragraph (1) or (2) of this subsection.

(1) If the LURA requires ownership or material participation in ownership by a Qualified Non-Profit Organization, and the Development received Tax Credits pursuant to §42(h)(5) of the Code, the transferee must be a Qualified Non-Profit Organization that meets the requirements of §42(h)(5) of the Code and

Texas Government Code §2306.6706.

(2) If the LURA requires ownership or material participation in ownership by a qualified non-profit organization, but the Development did not receive Tax Credits pursuant to §42(h)(5) of the Code, the Development Owner must show that the transferee is a non-profit organization that complies with the LURA.

(e) Historically Underutilized Business ("HUB") Organizations. If a HUB is the general partner of a Development Owner and it (i) is being removed as the result of a default under the organizational documents of the Development Owner or (ii) determines to sell its ownership interest, in either case, after the issuance of 8609s, the purchaser of that general partnership interest is not required to be a HUB as long as the LURA does not require such continual ownership or a material LURA amendment is approved. Such approval can be obtained concurrent with Board approval described herein. All such transfers must be approved by the Board and require that the Board find that:

(1) the selling HUB is acting of its own volition or is being removed as the result of a default under the organizational documents of the Development Owner;

(2) the participation by the HUB has been substantive and meaningful, or would have been substantial and meaningful had the HUB not defaulted under the organizational documents of the Development Owner, enabling it to realize not only financial benefit but to acquire skills relating to the ownership and operation of affordable housing; and

(3) the proposed purchaser meets the Department's standards for ownership transfers

(f) Documentation Required. A Development Owner must submit documentation requested by the Department to enable the Department to understand fully the facts and circumstances that gave rise to the need for the transfer and the effects of approval or denial. Documentation includes but is not limited to:

(1) a written explanation outlining the reason for the request;

(2) a list of the names of transferees and Related Parties;

(3) detailed information describing the experience and financial capacity of transferees and related parties holding an ownership interest of 10 percent or greater in any Principal or Controlling entity;

(4) evidence and certification that the tenants in the Development have been notified in writing of the proposed transfer at least thirty (30) calendar days prior to the date the transfer is approved by the Department. The ownership transfer approval letter will not be issued until this 30 day period has expired.

(g) Within five (5) business days after the date the Department receives all necessary information under this section, staff shall initiate a qualifications review of a transferee, in accordance with §1.5 of this title, to determine the transferee's past compliance with all aspects of the Department's programs, LURAs and eligibility under this chapter.

(h) Credit Limitation. As it relates to the Housing Tax Credit amount further described in §11.4(a) of this title (relating to Tax Credit Request and Award Limits), the credit amount will not be applied in circumstances described in paragraphs (1) and (2) of this subsection:

(1) in cases of transfers in which the syndicator, investor or limited partner is taking over ownership of the Development and not merely replacing the general partner; or

(2) in cases where the general partner is being replaced if the award of credits was made at least five (5) years prior to the transfer request date.

(i) Penalties. The Development Owner must comply with any additional documentation requirements as stated in Subchapter F of this chapter (relating to Compliance Monitoring). The Development Owner, as on record with the Department, will be liable for any penalties imposed by the Department even if such penalty can be attributable to the new Development Owner unless such ownership transfer is approved by the Department.

(j) Ownership Transfer Processing Fee. The ownership transfer request must be accompanied by corresponding ownership transfer fee as outlined in §10.901 of this chapter (relating to Fee Schedule).

Source Note: The provisions of this §10.406 adopted to be effective December 9, 2014, 39 TexReg 9518

ENFORCEMENT ACTION AGAINST
WITH RESPECT TO
MITAY, INC. WITH RESPECT TO
2512 THORNE
(FILE # 70046, CMTS 2344)

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BEFORE THE
TEXAS DEPARTMENT OF
HOUSING AND
COMMUNITY AFFAIRS

AGREED FINAL ORDER

General Remarks and official action taken:

On this 16th day of June, 2015, the Governing Board (“Board”) of the Texas Department of Housing and Community Affairs (“TDHCA”) considered the matter of whether enforcement action should be taken against **MITAY, INC.**, a Texas corporation (“Respondent”).

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

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

WAIVER

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

FINDINGS OF FACT

Jurisdiction:

1. The Department has jurisdiction over this matter pursuant to Tex. Gov't Code §§2306.041-.0503, and 10 TEX. ADMIN. CODE §2.
2. During 1990, Walter C. Spear was awarded an allocation of Low Income Housing Tax Credits by the Board, in an annual amount of \$1,160 to acquire, rehabilitate and operate one unit known as 2512 Thorne (HTC file No. 70046 / CMTS No. 2344 / LDLD No. 352).
3. Walter C. Spear signed a land use restriction agreement ("LURA") regarding 2512 Thorne. The LURA was effective November 15, 1990, and filed of record at Volume 2134, Page 842 of the Official Public Records of Real Property of Potter County, Texas ("Records"). In accordance with Section 2 of the LURA, the LURA is a restrictive covenant/deed restriction encumbering the property and binding on all successors and assigns for the full term of the LURA.
4. Walter C. Spear transferred his interests in 2512 Thorne to Mitay Inc. through a Warranty Deed with Vendor's Lien effective December 15, 1994, and filed in the Records at Volume 2134, Page 843. Although Mitay, Inc. did not sign an Agreement to Comply with the LURA, the restrictions remained in place in accordance with Section 2 of the LURA, thereby binding Mitay, Inc. to the terms of the agreement.
5. Respondent is that is qualified to own, construct, acquire, rehabilitate, operate, manage, or maintain a housing development that is subject to the regulatory authority of TDHCA.

Compliance Violations¹:

6. Respondent has a history of violations and previously signed an Agreed Final Order on November 6, 2013, agreeing to a \$5,000 Administrative Penalty, divided among multiple properties, which was to be partially forgivable provided that Respondent submitted full corrective documentation on or before December 9, 2013. Respondent did not submit any corrective documentation and the full administrative penalty came due and payable. The final payment was made on or about April 22, 2015.
7. On February 28, 2014 and May 31, 2014, TDHCA sent notice that Respondent had failed to timely submit their 2013 Annual Owner's Compliance Report via TDHCA's electronic Compliance Monitoring and Tracking System ("CMTS"), a violation of 10 TEX. ADMIN. CODE §10.607 (Reporting Requirements), which requires each development to submit an Annual Owner's Compliance Report. All parts remain outstanding.

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

8. An on-site monitoring review was conducted on October 23, 2014, to determine whether Respondent was in compliance with LURA requirements to lease units to low income households and maintain records demonstrating eligibility. A second component of this monitoring review as to verify whether past violations under the 2013 Agreed Final Order had been resolved. The monitoring review found new violations of the LURA and TDHCA rules and past violations also remained unresolved. Notifications of noncompliance were sent and a February 24, 2014, corrective action deadline was set to resolve all findings, old and new. No response was received and the following violations remain unresolved:

New findings identified during the 2014 onsite review:

- a. Respondent failed to properly calculate the utility allowance for the property, a violation of 10 TEX. ADMIN. CODE §10.614 (Utility Allowances), which requires all developments to establish a utility allowance.
- b. Respondent failed to provide an Annual Eligibility Certification, a violation of 10 TEX. ADMIN. CODE §10.612 (Tenant File Requirements), which requires developments to annually collect an Annual Eligibility Certification form from each household.
- c. Respondent failed to maintain written tenant selection criteria, a violation of 10 TEX. ADMIN. CODE §10.610 (Tenant Selection Criteria), which requires all developments to establish written tenant selection criteria that meet minimum TDHCA requirements.
- d. Respondent failed to submit pre-onsite documentation, a violation of 10 TEX. ADMIN. CODE §10.607 and §10.618, which require all developments to submit necessary documentation as requested in preparation for an upcoming monitoring review.

Prior findings that remained unresolved during the 2014 review and were cited for a second time:

- e. Respondent failed to execute required lease provisions or exclude prohibited lease language, a violation of 10 TEX. ADMIN. CODE §10.613 (Lease Requirements), which requires leases to include specific language protecting tenants from eviction without good cause and prohibiting owners from taking certain actions such as locking out or seizing property, or threatening to do so, except by judicial process.
9. All violations listed above remain unresolved at the time of this Agreed Final Order.

CONCLUSIONS OF LAW

1. The Department has jurisdiction over this matter pursuant to Tex. Gov't Code §§2306.041-.0503, and 10 TEX. ADMIN. CODE §2.
2. Respondent is a "housing sponsor" as that term is defined in Tex. Gov't Code §2306.004(14).

3. Pursuant to IRC §42(m)(1)(B)(iii), housing credit agencies are required to monitor for noncompliance with all provisions of the IRC and to notify the Internal Revenue Service of such noncompliance.
4. Respondent violated 10 TEX. ADMIN. CODE §10.607 in 2014 by failing to submit the Annual Owner's Compliance Report for the year 2013.
5. Respondent violated 10 TEX. ADMIN. CODE §10.614 in 2014 by failing to properly calculate the utility allowance.
6. Respondent violated 10 TEX. ADMIN. CODE §10.612 in 2014 by failing to collect Annual Eligibility Certifications.
7. Respondent violated 10 TEX. ADMIN. CODE §10.610 in 2014, by not maintaining written tenant selection criteria meeting TDHCA requirements.
8. Respondent violated 10 TEX. ADMIN. CODE §10.607 and §10.618 in 2014, by not submitting pre-onsite documentation in preparation for the monitoring review.
9. Respondent violated 10 TEX. ADMIN. CODE §10.613 in 2014, by not executing required lease provisions.
10. Because Respondent is a housing sponsor with respect to the Property, and has violated TDHCA rules and agreements, the Board has personal and subject matter jurisdiction over Respondent pursuant to TEX. GOV'T CODE §2306.041 and §2306.267.
11. Because Respondent is a housing sponsor, TDHCA may order Respondent to perform or refrain from performing certain acts in order to comply with the law, TDHCA rules, or the terms of a contract or agreement to which Respondent and TDHCA are parties, pursuant to Tex. Gov't Code §2306.267.
12. Because Respondent has violated rules promulgated pursuant to Tex. Gov't Code Chapter 2306 and has violated agreements with the Agency to which Respondent is a party, the Agency may impose an administrative penalty pursuant to TEX. GOV'T CODE §2306.041.
13. An administrative penalty of \$2,725 is an appropriate penalty in accordance with 10 TEX. ADMIN. CODE §2.

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

IT IS HEREBY ORDERED that Respondent is assessed an administrative penalty in the amount of \$2,725, subject to deferral as further ordered below.

IT IS FURTHER ORDERED that Respondent shall pay and is hereby directed to pay 50% of the assessed administrative penalty (\$1,362.50) by cashier's check payable to the "Texas Department of Housing and Community Affairs" on or before September 14, 2015.

IT IS FURTHER ORDERED that Respondent shall complete and submit all parts of the 2013 Annual Owner's Compliance Report via CMTS at <https://pox.tdhca.state.tx.us/aims2/pox>, on or before September 14, 2015. Part B (Unit Status Report) must report current data, but all other report parts must report data as of December 31, 2013.

IT IS FURTHER ORDERED that Respondent shall fully correct the file monitoring violations as indicated in Attachment 1 and submit full documentation of the corrections to TDHCA on or before September 14, 2015.

IT IS FURTHER ORDERED that Respondent shall follow the requirements of 10 Tex. Admin. Code 10.406, a copy of which is included at Attachment 2, and obtain approval from the Department prior to consummating a sale of the property, if contemplated.

IT IS FURTHER ORDERED that if Respondent timely and fully complies with the terms and conditions of this Agreed Final Order, correcting all violations as required, the satisfactory performance under this order will be accepted in lieu of the remaining assessed administrative penalty and the remaining amount of \$1,362.50 will be deferred and forgiven.

IT IS FURTHER ORDERED that if Respondent fails to satisfy any conditions or otherwise violates any provision of this order, then the remaining administrative penalty in the amount of \$1,362.50 shall be immediately due and payable to the Department. Such payment shall be made by cashier's check payable to the "Texas Department of Housing and Community Affairs" upon the earlier of (1) within thirty days of the date the Department sends written notice to Respondent that it has violated a provision of this Order, or (2) the property closing date if sold during the term of this Order.

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

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

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

[Remainder of page intentionally blank]

Approved by the Governing Board of TDHCA on _____, 2015.

By: _____
Name: J. Paul Oxe
Title: Chair of the Board of TDHCA

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

THE STATE OF TEXAS §
 §
COUNTY OF _____ §

Before me, the undersigned notary public, on this _____ day of _____, 2015, personally appeared J. Paul Oxe, proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

(Seal)

Notary Public, State of Texas

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

Before me, the undersigned notary public, on this _____ day of _____, 2015, personally appeared James "Beau" Eccles, proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

(Seal)

Notary Public, State of Texas

STATE OF TEXAS §
 §
COUNTY OF _____ §

BEFORE ME, _____, a notary public in and for the State of _____, on this day personally appeared _____, known to me or proven to me through _____ to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that (he/she) executed the same for the purposes and consideration therein expressed, who being by me duly sworn, deposed as follows:

1. “My name is _____, I am of sound mind, capable of making this statement, and personally acquainted with the facts herein stated.
2. I hold the office of _____ for Respondent. I am the authorized representative of Respondent, owner of 2512 Thorne, which is subject to a Land Use Restriction Agreement monitored by the TDHCA in the State of Texas, and I am duly authorized by Respondent to execute this document.
3. Respondent knowingly and voluntarily enters into this Agreed Final Order, and agrees with and consents to the issuance and service of the foregoing Agreed Order by the Board of the Texas Department of Housing and Community Affairs.”

RESPONDENT:

MITAY, INC., a Texas corporation

,

By: _____

Name: Edgar Miles

Title: President

Given under my hand and seal of office this _____ day of _____, 2015.

Signature of Notary Public

Printed Name of Notary Public

NOTARY PUBLIC IN AND FOR THE STATE OF _____

My Commission Expires: _____

Attachment 1

File Monitoring Violation Resources and Instructions

1. Refer to the following link for all rules at 10 TEX. ADMIN. CODE §10 that are referenced below:

[http://texreg.sos.state.tx.us/public/readtac\\$ext.ViewTAC?tac_view=5&ti=10&pt=1&ch=10&sch=F&rl=Y](http://texreg.sos.state.tx.us/public/readtac$ext.ViewTAC?tac_view=5&ti=10&pt=1&ch=10&sch=F&rl=Y)

2. Refer to the following link for copies of forms that are referenced below:

<http://www.tdhca.state.tx.us/pmcomp/forms.htm>

3. Technical support and training presentations are available at the following links:

Video/Audio Training: <http://www.tdhca.state.tx.us/pmcomp/presentations.htm>

Income and Rent Limits: <http://www.tdhca.state.tx.us/pmcomp/irl/index.htm>

Utility Allowance: <http://www.tdhca.state.tx.us/pmcomp/utility-allowance.htm>

Online Reporting: <http://www.tdhca.state.tx.us/pmcomp/reports.htm>

FAQ's: <http://www.tdhca.state.tx.us/pmcomp/compFaq.htm>

4. **Utility allowance:** A utility allowance for the cost of any utility paid directly by the tenant(s) (except for telephone, cable television and internet) is included in the computation of gross rent. Owner has indicated that residents pay electricity (A/C), gas (unit heating, cooking and hot water heating), water, sewer, and trash.

In accordance with 10 TEX. ADMIN. CODE §10.614, owners must use a utility allowance that complies with this section and applicable program regulations. During the previous onsite review on October 11, 2011, the owner used the local Public Housing Authority (PHA) for the City of Amarillo to establish the utility allowance.

Implement an approved utility allowance methodology that complies with 10 TEX. ADMIN. CODE §10.614 and submit for review. Also update and submit the unit status report to demonstrate that the new utility allowance has been implemented. Once an approved allowance has been implemented, the Department will ensure that rents are restricted. If any additional findings are identified, the owner will be notified under separate cover and provided a new corrective action deadline. Any additional findings would be considered new violations and are not subject to this Agreed Final Order.

5. **Annual Eligibility Certification:** Throughout the affordability Period, all Owners of 100 percent Housing Tax Credit Developments must collect annually information regarding each household that includes the number of household members, age, ethnicity, race, disability status, rental amounts, rent assistance and student status in accordance with TEX. ADMIN. CODE §10.612. This information can be collected on the Department's Annual Eligibility Certification form (AEC).
6. **Written tenant selection criteria:** Submit updated written tenant selection criteria addressing all requirements at 10 TEX. ADMIN. CODE §10.610, including but not limited to a wait list policy and the requirement to state that the Development will comply with state or federal fair housing and anti-discrimination laws.

7. **Pre-onsite documentation:** Submit the following:
 - a. Entrance Interview Questionnaire – available via CMTS at:
<https://pox.tdhca.state.tx.us/aims2/pox>.
 - b. Written leasing criteria, including required deposits and refund policy.
 - c. Documentation supporting any application fees or charges.

8. **Lease Language:** The owner has not implemented the required lease language as required in 10 TEX. ADMIN. CODE §10.613. Owners are required to specifically state in the lease, or in an addendum attached to the lease, that (a) evictions or terminations of tenancy for other than good cause are prohibited and (b) lockouts are not permissible. Please note that the Texas Apartment Association (TAA) has a lease addendum that encompasses these Housing Tax Credit requirements if you are a member.

Execute an appropriate lease or lease addendum with the household, then submit a copy.

Attachment 2:

Texas Administrative Code

<u>TITLE 10</u>	COMMUNITY DEVELOPMENT
<u>PART 1</u>	TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
<u>CHAPTER 10</u>	UNIFORM MULTIFAMILY RULES
<u>SUBCHAPTER E</u>	POST AWARD AND ASSET MANAGEMENT REQUIREMENTS
<u>RULE §10.406</u>	Ownership Transfers (§2306.6713)

(a) Ownership Transfer Notification. All multifamily Development Owners must provide written notice to the Department at least thirty (30) calendar days prior to any sale, transfer, or exchange of the Development or any portion of or Controlling interest in the Development. Transfers that are the result of an involuntary removal of the general partner by the investment limited partner must be reported to the Department, as soon as possible due to the sensitive timing and nature of this decision. If the Department determines that the transfer, involuntary removal, or replacement was due to a default by the General Partner under the Limited Partnership Agreement, or other detrimental action that put the Development at risk of failure, staff may make a recommendation to the Board for the debarment of the entity and/or its Principals and Affiliates pursuant to the Department's debarment rule. In addition, a record of transfer involving Principals in new proposed awards will be reported and may be taken into consideration by the Executive Award and Review Committee, in accordance with §1.5 of this title (relating to Previous Participation Reviews), prior to recommending any new financing or allocation of credits.

(b) Requirement. Department approval must be requested for any new member to join in the ownership of a Development. Exceptions include changes to the investment limited partner, non-controlling limited partner, or other partners affiliated with the investment limited partner, or changes resulting from foreclosure wherein the lender or financial institution involved in the transaction is the resulting owner. Any subsequent transfer of the Development will be required to adhere to the process in this section. Furthermore, a Development Owner may not transfer an allocation of tax credits or ownership of a Development supported with an allocation of tax credits to any Person or entity unless the Development Owner obtains the Executive Director's prior, written approval of the transfer. The Executive Director may not unreasonably withhold approval of the transfer requested in compliance with this section. Notwithstanding the foregoing, a Development Owner shall be required to notify the Department but shall not be required to obtain Executive Director approval when the transferee is an Affiliate of the Development Owner with no new members or the transferee is a Related Party who does not Control the Development and the transfer is being made for estate planning purposes.

(c) Transfers Prior to 8609 Issuance or Construction Completion. Transfers (other than those that do not require Executive Director approval, as set forth in subsection (b) of this section) will not be approved prior to the issuance of IRS Form(s) 8609 (for Housing Tax Credits) or the completion of construction (for all Developments funded through other Department programs) unless the Development Owner can provide evidence that the need for the transfer is due to a hardship (ex. potential bankruptcy, removal by a partner, etc.). The Development Owner must provide the Department with a written explanation describing the hardship and a copy of any applicable agreement between the parties to the transfer, including any Third-Party agreement.

(d) Non-Profit Organizations. If the ownership transfer request is to replace a non-profit organization within the Development ownership entity, the replacement non-profit entity must adhere to the requirements in paragraph (1) or (2) of this subsection.

(1) If the LURA requires ownership or material participation in ownership by a Qualified Non-Profit Organization, and the Development received Tax Credits pursuant to §42(h)(5) of the Code, the transferee must be a Qualified Non-Profit Organization that meets the requirements of §42(h)(5) of the Code and

Texas Government Code §2306.6706.

(2) If the LURA requires ownership or material participation in ownership by a qualified non-profit organization, but the Development did not receive Tax Credits pursuant to §42(h)(5) of the Code, the Development Owner must show that the transferee is a non-profit organization that complies with the LURA.

(e) Historically Underutilized Business ("HUB") Organizations. If a HUB is the general partner of a Development Owner and it (i) is being removed as the result of a default under the organizational documents of the Development Owner or (ii) determines to sell its ownership interest, in either case, after the issuance of 8609s, the purchaser of that general partnership interest is not required to be a HUB as long as the LURA does not require such continual ownership or a material LURA amendment is approved. Such approval can be obtained concurrent with Board approval described herein. All such transfers must be approved by the Board and require that the Board find that:

(1) the selling HUB is acting of its own volition or is being removed as the result of a default under the organizational documents of the Development Owner;

(2) the participation by the HUB has been substantive and meaningful, or would have been substantial and meaningful had the HUB not defaulted under the organizational documents of the Development Owner, enabling it to realize not only financial benefit but to acquire skills relating to the ownership and operation of affordable housing; and

(3) the proposed purchaser meets the Department's standards for ownership transfers

(f) Documentation Required. A Development Owner must submit documentation requested by the Department to enable the Department to understand fully the facts and circumstances that gave rise to the need for the transfer and the effects of approval or denial. Documentation includes but is not limited to:

(1) a written explanation outlining the reason for the request;

(2) a list of the names of transferees and Related Parties;

(3) detailed information describing the experience and financial capacity of transferees and related parties holding an ownership interest of 10 percent or greater in any Principal or Controlling entity;

(4) evidence and certification that the tenants in the Development have been notified in writing of the proposed transfer at least thirty (30) calendar days prior to the date the transfer is approved by the Department. The ownership transfer approval letter will not be issued until this 30 day period has expired.

(g) Within five (5) business days after the date the Department receives all necessary information under this section, staff shall initiate a qualifications review of a transferee, in accordance with §1.5 of this title, to determine the transferee's past compliance with all aspects of the Department's programs, LURAs and eligibility under this chapter.

(h) Credit Limitation. As it relates to the Housing Tax Credit amount further described in §11.4(a) of this title (relating to Tax Credit Request and Award Limits), the credit amount will not be applied in circumstances described in paragraphs (1) and (2) of this subsection:

(1) in cases of transfers in which the syndicator, investor or limited partner is taking over ownership of the Development and not merely replacing the general partner; or

(2) in cases where the general partner is being replaced if the award of credits was made at least five (5) years prior to the transfer request date.

(i) Penalties. The Development Owner must comply with any additional documentation requirements as stated in Subchapter F of this chapter (relating to Compliance Monitoring). The Development Owner, as on record with the Department, will be liable for any penalties imposed by the Department even if such penalty can be attributable to the new Development Owner unless such ownership transfer is approved by the Department.

(j) Ownership Transfer Processing Fee. The ownership transfer request must be accompanied by corresponding ownership transfer fee as outlined in §10.901 of this chapter (relating to Fee Schedule).

Source Note: The provisions of this §10.406 adopted to be effective December 9, 2014, 39 TexReg 9518

ENFORCEMENT ACTION AGAINST
WITH RESPECT TO
EDGAR A. MILES, WITH RESPECT TO
1213 PECAN
(FILE # 70083, CMTS 912)

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BEFORE THE
TEXAS DEPARTMENT OF
HOUSING AND
COMMUNITY AFFAIRS

AGREED FINAL ORDER

General Remarks and official action taken:

On this 16th day of June, 2015, the Governing Board (“Board”) of the Texas Department of Housing and Community Affairs (“TDHCA”) considered the matter of whether enforcement action should be taken against **EDGAR A. MILES a/k/a EA MILES**, an individual residing in Texas (“Respondent”).

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

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

WAIVER

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

FINDINGS OF FACT

Jurisdiction:

1. The Department has jurisdiction over this matter pursuant to Tex. Gov't Code §§2306.041-.0503, and 10 TEX. ADMIN. CODE §2.
2. During 1990, E.A. Miles was awarded an allocation of Low Income Housing Tax Credits by the Board, in an annual amount of \$1,138 to acquire, rehabilitate and operate one unit known as 1213 Pecan (HTC file No. 70083 / CMTS No. 912 / LDLD No. 454).
3. E.A. Miles signed a land use restriction agreement ("LURA") regarding 1213 Pecan. The LURA was effective November 15, 1990, and filed of record at Volume 2134, Page 271 of the Records.
4. Respondent is that is qualified to own, construct, acquire, rehabilitate, operate, manage, or maintain a housing development that is subject to the regulatory authority of TDHCA.

Compliance Violations¹:

5. Respondent has a history of violations and previously signed an Agreed Final Order on November 6, 2013, agreeing to a \$5,000 Administrative Penalty, divided among multiple properties, which was to be partially forgivable provided that Respondent submitted full corrective documentation on or before December 9, 2013. Respondent did not submit any corrective documentation and the full administrative penalty came due and payable. The final payment was made on or about April 22, 2015.
6. On February 28, 2014 and May 31, 2014, TDHCA sent notice that Respondent had failed to timely submit their 2013 Annual Owner's Compliance Report via TDHCA's electronic Compliance Monitoring and Tracking System ("CMTS"), a violation of 10 TEX. ADMIN. CODE §10.607 (Reporting Requirements), which requires each development to submit an Annual Owner's Compliance Report. All parts remain outstanding.
7. An on-site monitoring review was conducted on October 23, 2014, to determine whether Respondent was in compliance with LURA requirements to lease units to low income households and maintain records demonstrating eligibility. A second component of this monitoring review as to verify whether past violations under the 2013 Agreed Final Order had been resolved. The monitoring review found new violations of the LURA and TDHCA rules and past violations also remained unresolved. Notifications of noncompliance were sent and a February 15, 2014, corrective action deadline was set to resolve all findings, old and new. No response was received and the following violations remain unresolved:

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

New findings identified during the 2014 onsite review:

- a. Respondent failed to properly calculate the utility allowance for the property, a violation of 10 TEX. ADMIN. CODE §10.614 (Utility Allowances), which requires all developments to establish a utility allowance.
- b. Respondent failed to maintain written tenant selection criteria, a violation of 10 TEX. ADMIN. CODE §10.610 (Tenant Selection Criteria), which requires all developments to establish written tenant selection criteria that meet minimum TDHCA requirements.
- c. Respondent failed to submit pre-onsite documentation, a violation of 10 TEX. ADMIN. CODE §10.607 and §10.618, which require all developments to submit necessary documentation as requested in preparation for an upcoming monitoring review.
- d. Respondent failed to provide the Fair Housing Disclosure Notice, a violation of 10 TEX. ADMIN. CODE §10.612 (Tenant File Requirements), which required all developments to provide prospective households with a fair housing disclosure notice within a certain time period.

This form has since been combined with the Notice of Amenities and Services into a replacement document called a "Tenant Rights and Resources Guide." Neither form has been received.

- e. Respondent failed to provide an Annual Eligibility Certification, a violation of 10 TEX. ADMIN. CODE §10.612 (Tenant File Requirements), which requires developments to annually collect an Annual Eligibility Certification form.

Prior findings that remained unresolved during the 2014 review and were cited for a second time:

- f. Respondent failed to provide documentation that household incomes were within prescribed limits upon initial occupancy, a violation of 10 TEX. ADMIN. CODE §10.611 (Determination, Documentation and Certification of Annual Income) and Section 4 of the LURA, which require screening of tenants to ensure qualification for the program;
- g. Respondent failed to execute required lease provisions or exclude prohibited lease language, a violation of 10 TEX. ADMIN. CODE §10.613 (Lease Requirements), which requires leases to include specific language protecting tenants from eviction without good cause and prohibiting owners from taking certain actions such as locking out or seizing property, or threatening to do so, except by judicial process.

8. All violations listed above remain unresolved at the time of this Agreed Final Order.

CONCLUSIONS OF LAW

1. The Department has jurisdiction over this matter pursuant to Tex. Gov't Code §§2306.041-.0503, and 10 TEX. ADMIN. CODE §2.

2. Respondent is a "housing sponsor" as that term is defined in Tex. Gov't Code §2306.004(14).
3. Pursuant to IRC §42(m)(1)(B)(iii), housing credit agencies are required to monitor for noncompliance with all provisions of the IRC and to notify the Internal Revenue Service of such noncompliance.
4. Respondent violated 10 TEX. ADMIN. CODE §10.607 in 2014 by failing to submit the Annual Owner's Compliance Report for the year 2013.
5. Respondent violated 10 TEX. ADMIN. CODE §10.614 in 2014 by failing to properly calculate the utility allowance.
6. Respondent violated 10 TEX. ADMIN. CODE §10.610 in 2014, by not maintaining written tenant selection criteria meeting TDHCA requirements.
7. Respondent violated 10 TEX. ADMIN. CODE §10.607 and §10.618 in 2014, by not submitting pre-onsite documentation in preparation for the monitoring review.
8. Respondent violated 10 TEX. ADMIN. CODE §10.612 in 2014, by failing to execute the Fair Housing Disclosure Notice during the appropriate time frame.
9. Respondent violated 10 TEX. ADMIN. CODE §10.612 in 2014 by failing to collect an Annual Eligibility Certification.
10. Respondent violated 10 TEX. ADMIN. CODE §10.611 and Section 4 of the LURA in 2014 by failing to provide documentation that household incomes were within prescribed limits upon initial occupancy.
11. Respondent violated 10 TEX. ADMIN. CODE §10.613 in 2014, by not executing required lease provisions.
12. Because Respondent is a housing sponsor with respect to the Property, and has violated TDHCA rules and agreements, the Board has personal and subject matter jurisdiction over Respondent pursuant to TEX. GOV'T CODE §2306.041 and §2306.267.
13. Because Respondent is a housing sponsor, TDHCA may order Respondent to perform or refrain from performing certain acts in order to comply with the law, TDHCA rules, or the terms of a contract or agreement to which Respondent and TDHCA are parties, pursuant to Tex. Gov't Code §2306.267.
14. Because Respondent has violated rules promulgated pursuant to Tex. Gov't Code Chapter 2306 and has violated agreements with the Agency to which Respondent is a party, the Agency may impose an administrative penalty pursuant to TEX. GOV'T CODE §2306.041.
15. An administrative penalty of \$3,275 is an appropriate penalty in accordance with 10 TEX. ADMIN. CODE §2.

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

IT IS HEREBY ORDERED that Respondent is assessed an administrative penalty in the amount of \$3,275, subject to deferral as further ordered below.

IT IS FURTHER ORDERED that Respondent shall pay and is hereby directed to pay 50% of the assessed administrative penalty (\$1,637.50) by cashier's check payable to the "Texas Department of Housing and Community Affairs" on or before September 14, 2015.

IT IS FURTHER ORDERED that Respondent shall complete and submit all parts of the 2013 Annual Owner's Compliance Report via CMTS at <https://pox.tdhca.state.tx.us/aims2/pox>, on or before September 14, 2015. Part B (Unit Status Report) must report current data, but all other report parts must report data as of December 31, 2013.

IT IS FURTHER ORDERED that Respondent shall fully correct the file monitoring violations as indicated in Attachment 1 and submit full documentation of the corrections to TDHCA on or before September 14, 2015.

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

IT IS FURTHER ORDERED that if Respondent timely and fully complies with the terms and conditions of this Agreed Final Order, correcting all violations as required, the satisfactory performance under this order will be accepted in lieu of the remaining assessed administrative penalty and the remaining amount of \$1,637.50 will be deferred and forgiven.

IT IS FURTHER ORDERED that if Respondent fails to satisfy any conditions or otherwise violates any provision of this order, then the remaining administrative penalty in the amount of \$1,637.50 shall be immediately due and payable to the Department. Such payment shall be made by cashier's check payable to the "Texas Department of Housing and Community Affairs" upon the earlier of (1) within thirty days of the date the Department sends written notice to Respondent that it has violated a provision of this Order, or (2) the property closing date if sold during the term of this Order.

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

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

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

[Remainder of page intentionally blank]

Approved by the Governing Board of TDHCA on _____, 2015.

By: _____
Name: J. Paul Ozer
Title: Chair of the Board of TDHCA

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

THE STATE OF TEXAS §
 §
COUNTY OF _____§

Before me, the undersigned notary public, on this _____ day of _____, 2015, personally appeared J. Paul Ozer, proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

(Seal)

Notary Public, State of Texas

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

Before me, the undersigned notary public, on this _____ day of _____, 2015, personally appeared James "Beau" Eccles, proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

(Seal)

Notary Public, State of Texas

Attachment 1

File Monitoring Violation Resources and Instructions

1. Refer to the following link for all rules at 10 TEX. ADMIN. CODE §10 that are referenced below:

[http://texreg.sos.state.tx.us/public/readtac\\$ext.ViewTAC?tac_view=5&ti=10&pt=1&ch=10&sch=F&rl=Y](http://texreg.sos.state.tx.us/public/readtac$ext.ViewTAC?tac_view=5&ti=10&pt=1&ch=10&sch=F&rl=Y)

2. Refer to the following link for copies of forms that are referenced below:

<http://www.tdhca.state.tx.us/pmcomp/forms.htm>

3. Technical support and training presentations are available at the following links:

Video/Audio Training: <http://www.tdhca.state.tx.us/pmcomp/presentations.htm>

Income and Rent Limits: <http://www.tdhca.state.tx.us/pmcomp/iri/index.htm>

Utility Allowance: <http://www.tdhca.state.tx.us/pmcomp/utility-allowance.htm>

Online Reporting: <http://www.tdhca.state.tx.us/pmcomp/reports.htm>

FAQ's: <http://www.tdhca.state.tx.us/pmcomp/compFaqs.htm>

4. **Utility allowance:** A utility allowance for the cost of any utility paid directly by the tenant(s) (except for telephone, cable television and internet) is included in the computation of gross rent. Owner has indicated that residents pay electricity (A/C), gas (unit heating, cooking and hot water heating), water, sewer, and trash.

In accordance with 10 TEX. ADMIN. CODE §10.614, owners must use a utility allowance that complies with this section and applicable program regulations. During the previous onsite review on October 11, 2011, the owner used the local Public Housing Authority (PHA) for the City of Amarillo to establish the utility allowance.

Implement an approved utility allowance methodology that complies with 10 TEX. ADMIN. CODE §10.614 and submit for review. Also update and submit the unit status report to demonstrate that the new utility allowance has been implemented. Once an approved allowance has been implemented, the Department will ensure that rents are restricted. If any additional findings are identified, the owner will be notified under separate cover and provided a new corrective action deadline. Any additional findings would be considered new violations and are not subject to this Agreed Final Order.

5. **Written tenant selection criteria:** Submit updated written tenant selection criteria addressing all requirements at 10 TEX. ADMIN. CODE §10.610, including but not limited to a wait list policy and the requirement to state that the Development will comply with state or federal fair housing and anti-discrimination laws.
6. **Pre-onsite documentation:** Submit the following:
 - a. Entrance Interview Questionnaire – available via CMTS at:
<https://pox.tdhca.state.tx.us/aims2/pox>.
 - b. Written leasing criteria, including required deposits and refund policy.
 - c. Documentation supporting any application fees or charges.

7. Fair Housing Disclosure Notice / Tenant Amenities and Services Notice:
Both notices have been replaced by the Tenants Rights and Resource Guide.

Implement Tenants Rights and Resources Guide as indicated at 10 TEX. ADMIN. CODE §10.613(k) and submit signed Tenants Rights and Resources Guide Acknowledgment.

If the household that triggered the finding during 2014 has moved out without signing this form, submit a letter to TDHCA including the move-out date and acknowledging that the finding cannot be resolved.

8. Annual Eligibility Certification: Throughout the affordability Period, all Owners of 100 percent Housing Tax Credit Developments must collect annually information regarding each household that includes the number of household members, age, ethnicity, race, disability status, rental amounts, rent assistance and student status in accordance with TEX. ADMIN. CODE §10.612. This information can be collected on the Department's Annual Eligibility Certification form (AEC).

9. Household income above limit:

- a. Screen the household under current circumstances and submit a copy of the new application, new Tenant Income Certification, new first hand verifications of all sources of income and assets, tenant release and consent, lease, lease addendum, and Tenant Rights and Resources Guide Acknowledgment.
- b. If your screening in part 4.a. above indicates that the tenant does not qualify:
 - i. Issue a nonrenewal notice to the tenant and submit a copy to TDHCA.
 - ii. As soon as the unit is occupied by a qualified household, you must to submit the full tenant file, including the tenant application, verifications of all sources of income and assets, tenant income certification, lease, lease addendum, and Tenant Rights and Resources Guide. Receipt after September 14, 2015 is acceptable for this circumstance provided that Requirement 4.b.i. is fulfilled.

10. Lease Language: The owner has not implemented the required lease language as required in 10 TEX. ADMIN. CODE §10.613. Owners are required to specifically state in the lease, or in an addendum attached to the lease, that (a) evictions or terminations of tenancy for other than good cause are prohibited and (b) lockouts are not permissible. Please note that the Texas Apartment Association (TAA) has a lease addendum that encompasses these Housing Tax Credit requirements if you are a member.

Execute an appropriate lease or lease addendum with the household, then submit a copy.

Attachment 2

Technical Assistance Regarding Income Eligibility

Application: Each adult household member must complete their own application in order to be properly screened. Keep in mind, there is no required format for an application; however, the application must screen for all sources of income, assets, and student status. Applicants should complete all paperwork to the best of their ability. If the applicant is unable to complete the application themselves, allow a caseworker, friend or relative to assist on their behalf. As a last resort, development staff could assist in completing applications, but the file should be noted in such cases. Ensure all blanks are addressed, including those sections of the application that may not apply to the household by the use of "none" or "n/a". There is a TDHCA application form at <http://www.tdhca.state.tx.us/pmcomp/forms.htm> that includes all necessary components. If you use the TAA Application, ensure that you also complete the Supplemental Rental Application for Units Under Government Regulated Affordable Housing Programs.

Household Composition: Determine the number of household members and select appropriate income limit based on household size. See link for income and rent limit tool: <http://www.tdhca.state.tx.us/pmcomp/irl/index.htm>.

Documenting Income and Assets: Based on the information disclosed on the application, each source of income and asset must be documented. Your compliance monitor has requested first hand verifications. Examples of these types of verifications include pay checks, bank statements and Social Security Award Letters. 10TAC§10.612(a)(2) permits owners to use pay stubs to document employment income. In doing so, consistently use a specified number of consecutive pay stubs as defined in the management plan and/or written policies and procedures. Oral verifications are only acceptable for clarifying discrepancies in the file. Please use a separate sheet of paper and include information such as date, name and title of person you spoke, contact phone number etc with and your signature.

Review of Documents: Development staff must review all forms of verifications to ensure proper documentation of the household's income and assets. For instance, review the credit report, application, pay stubs and other documents to ensure that all information coincides and is consistent. Review pay stubs for assets such as checking and retirement accounts.

Annualizing Income: Upon verification of all income and asset sources disclosed on the application, the next step is to annualize the sources, add them together and compare to the applicable income limit for household size. Be sure to include any income derived from assets.

Execute Income Certification Form: The Department approved Income Certification form must be used. Complete each section of the form. Each adult household member must sign and date the form. All verifications obtained to demonstrate household eligibility must be dated within 120 days of the effective date of the certification.

Attachment 3:

Texas Administrative Code

<u>TITLE 10</u>	COMMUNITY DEVELOPMENT
<u>PART 1</u>	TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
<u>CHAPTER 10</u>	UNIFORM MULTIFAMILY RULES
<u>SUBCHAPTER E</u>	POST AWARD AND ASSET MANAGEMENT REQUIREMENTS
<u>RULE §10.406</u>	Ownership Transfers (§2306.6713)

(a) Ownership Transfer Notification. All multifamily Development Owners must provide written notice to the Department at least thirty (30) calendar days prior to any sale, transfer, or exchange of the Development or any portion of or Controlling interest in the Development. Transfers that are the result of an involuntary removal of the general partner by the investment limited partner must be reported to the Department, as soon as possible due to the sensitive timing and nature of this decision. If the Department determines that the transfer, involuntary removal, or replacement was due to a default by the General Partner under the Limited Partnership Agreement, or other detrimental action that put the Development at risk of failure, staff may make a recommendation to the Board for the debarment of the entity and/or its Principals and Affiliates pursuant to the Department's debarment rule. In addition, a record of transfer involving Principals in new proposed awards will be reported and may be taken into consideration by the Executive Award and Review Committee, in accordance with §1.5 of this title (relating to Previous Participation Reviews), prior to recommending any new financing or allocation of credits.

(b) Requirement. Department approval must be requested for any new member to join in the ownership of a Development. Exceptions include changes to the investment limited partner, non-controlling limited partner, or other partners affiliated with the investment limited partner, or changes resulting from foreclosure wherein the lender or financial institution involved in the transaction is the resulting owner. Any subsequent transfer of the Development will be required to adhere to the process in this section. Furthermore, a Development Owner may not transfer an allocation of tax credits or ownership of a Development supported with an allocation of tax credits to any Person or entity unless the Development Owner obtains the Executive Director's prior, written approval of the transfer. The Executive Director may not unreasonably withhold approval of the transfer requested in compliance with this section. Notwithstanding the foregoing, a Development Owner shall be required to notify the Department but shall not be required to obtain Executive Director approval when the transferee is an Affiliate of the Development Owner with no new members or the transferee is a Related Party who does not Control the Development and the transfer is being made for estate planning purposes.

(c) Transfers Prior to 8609 Issuance or Construction Completion. Transfers (other than those that do not require Executive Director approval, as set forth in subsection (b) of this section) will not be approved prior to the issuance of IRS Form(s) 8609 (for Housing Tax Credits) or the completion of construction (for all Developments funded through other Department programs) unless the Development Owner can provide evidence that the need for the transfer is due to a hardship (ex. potential bankruptcy, removal by a partner, etc.). The Development Owner must provide the Department with a written explanation describing the hardship and a copy of any applicable agreement between the parties to the transfer, including any Third-Party agreement.

(d) Non-Profit Organizations. If the ownership transfer request is to replace a non-profit organization within the Development ownership entity, the replacement non-profit entity must adhere to the requirements in paragraph (1) or (2) of this subsection.

(1) If the LURA requires ownership or material participation in ownership by a Qualified Non-Profit Organization, and the Development received Tax Credits pursuant to §42(h)(5) of the Code, the transferee must be a Qualified Non-Profit Organization that meets the requirements of §42(h)(5) of the Code and Texas Government Code §2306.6706.

(2) If the LURA requires ownership or material participation in ownership by a qualified non-profit organization, but the Development did not receive Tax Credits pursuant to §42(h)(5) of the Code, the Development Owner must show that the transferee is a non-profit organization that complies with the LURA.

(e) Historically Underutilized Business ("HUB") Organizations. If a HUB is the general partner of a Development Owner and it (i) is being removed as the result of a default under the organizational documents of the Development Owner or (ii) determines to sell its ownership interest, in either case, after the issuance of 8609s, the purchaser of that general partnership interest is not required to be a HUB as long as the LURA does not require such continual ownership or a material LURA amendment is approved. Such approval can be obtained concurrent with Board approval described herein. All such transfers must be approved by the Board and require that the Board find that:

(1) the selling HUB is acting of its own volition or is being removed as the result of a default under the organizational documents of the Development Owner;

(2) the participation by the HUB has been substantive and meaningful, or would have been substantial and meaningful had the HUB not defaulted under the organizational documents of the Development Owner, enabling it to realize not only financial benefit but to acquire skills relating to the ownership and operation of affordable housing; and

(3) the proposed purchaser meets the Department's standards for ownership transfers

(f) Documentation Required. A Development Owner must submit documentation requested by the Department to enable the Department to understand fully the facts and circumstances that gave rise to the need for the transfer and the effects of approval or denial. Documentation includes but is not limited to:

(1) a written explanation outlining the reason for the request;

(2) a list of the names of transferees and Related Parties;

(3) detailed information describing the experience and financial capacity of transferees and related parties holding an ownership interest of 10 percent or greater in any Principal or Controlling entity;

(4) evidence and certification that the tenants in the Development have been notified in writing of the proposed transfer at least thirty (30) calendar days prior to the date the transfer is approved by the Department. The ownership transfer approval letter will not be issued until this 30 day period has expired.

(g) Within five (5) business days after the date the Department receives all necessary information under this section, staff shall initiate a qualifications review of a transferee, in accordance with §1.5 of this title, to determine the transferee's past compliance with all aspects of the Department's programs, LURAs and eligibility under this chapter.

(h) Credit Limitation. As it relates to the Housing Tax Credit amount further described in §11.4(a) of this title (relating to Tax Credit Request and Award Limits), the credit amount will not be applied in circumstances described in paragraphs (1) and (2) of this subsection:

(1) in cases of transfers in which the syndicator, investor or limited partner is taking over ownership of the Development and not merely replacing the general partner; or

(2) in cases where the general partner is being replaced if the award of credits was made at least five (5) years prior to the transfer request date.

(i) Penalties. The Development Owner must comply with any additional documentation requirements as stated in Subchapter F of this chapter (relating to Compliance Monitoring). The Development Owner, as on record with the Department, will be liable for any penalties imposed by the Department even if such penalty can be attributable to the new Development Owner unless such ownership transfer is approved by the Department.

(j) Ownership Transfer Processing Fee. The ownership transfer request must be accompanied by corresponding ownership transfer fee as outlined in §10.901 of this chapter (relating to Fee Schedule).

Source Note: The provisions of this §10.406 adopted to be effective December 9, 2014, 39 TexReg 9518

1e

BOARD ACTION REQUEST
COMMUNITY AFFAIRS DIVISION
JUNE 16, 2015

Presentation, Discussion, and Possible Action proposing new 10 TAC Chapter 5 Community Affairs Programs, Subchapter J, Homeless Housing and Services Program, §5.1009 Shelter and Housing Standards, and directing that it be published for public comment in the *Texas Register*.

RECOMMENDED ACTION

WHEREAS, pursuant to Chapter 2306 of the Texas Government Code, the Department is authorized to adopt rules governing the administration of the Department and its programs; and

WHEREAS, proposed new 10 TAC §5.1009 adds written standards and procedures for subrecipients of the Homeless Housing and Services Program (“HHSP”) funds that provide assistance for shelter and rental assistance activities;

NOW, therefore, it is hereby

RESOLVED, that the Executive Director and his designees be and each of them hereby are authorized, empowered, and directed, for and on behalf of the Department, to cause the proposed new 10 TAC Chapter 5 Community Affairs Programs, Subchapter J, Homeless Housing and Services Program, §5.1009. Shelter and Housing Standards, in the form presented to this meeting, to be published in the *Texas Register* for review and public comment, and in connection therewith, make such non-substantive technical corrections as they may deem necessary to effectuate the foregoing.

BACKGROUND

The purpose of the amendments is to clarify construction and habitability standards for subrecipients that provide shelter and rental assistance activities. These standards and procedures are modeled after the shelter and housing requirements of the Emergency Solutions Grants program. The standards and procedures will require subrecipients to inspect shelters and the housing units for which they propose to provide rental assistance, and ensure that shelters, tenants and landlords are aware of program policies regarding the condition of shelters and housing units supported with program funds.

Attachment A: Preamble and proposed new 10 TAC Chapter 5 Community Affairs Programs, Subchapter J, Homeless Housing and Services Program, §5.1009

The Texas Department of Housing and Community Affairs (the “Department”) proposes new 10 TAC Chapter 5, Community Affairs Programs, Subchapter J, Homeless Housing and Services Program, §5.1009 Shelter and Housing Standards.

The purpose of the amendments is to add written standards and procedures for subrecipients that provide shelter and rental assistance activities. The standards and procedures will require subrecipients to regularly inspect the shelters and housing units for which they propose to provide rental assistance, and ensure that shelters, tenants and landlords are aware of program policies regarding the condition of shelters and housing units supported with program funds.

FISCAL NOTE. Timothy K. Irvine, Executive Director, has determined that, for each year of the first five years the new rule is in effect, enforcing or administering the new rule does not have any foreseeable implications related to costs or revenues of the state or local governments as any costs that may be incurred in the performance of activities required to comply with the new rule are allowable costs under the program rules and may be charged to the program.

PUBLIC BENEFIT/COST NOTE. Mr. Irvine also has determined that, for each year of the first five years the new rule is effect, the public benefit anticipated as a result of the new rule will be clarity of program requirements, and improved accountability relating to the quality of assistance being provided. There will not be significant economic cost 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 3, 2015, to August 3, 2015, to receive input on the amendments. Written comments may be submitted to the Texas Department of Housing and Community Affairs, Attention: Annette Cornier, Rule Comments, P.O. Box 13941, Austin, Texas 78711-3941, by email to the following address: cadrulecomments@tdhca.state.tx.us, or by fax to (512) 475-3935. ALL COMMENTS MUST BE RECEIVED BY 5:00 P.M. AUGUST 3, 2015.

STATUTORY AUTHORITY. The amendments are proposed pursuant to Texas Government Code §2306.053, which authorizes the Department to adopt rules, and Chapter 2306, Subchapter E, which authorizes the Department to administer its Community Affairs programs.

The proposed new rule affects no other code, article, or statute.

§5.1009. Shelter and Housing Standards.

(a) Minimum standards for emergency shelters. Any building for which HHSP funds are used for conversion, major rehabilitation, or other renovation, must meet state or local government safety and sanitation standards, as applicable, and the following minimum safety and sanitation

standards. Any emergency shelter that receives assistance for shelter operations must also meet the following minimum safety and sanitation standards.

(1) Structure and materials. The shelter building must be structurally sound to protect residents from the elements and not pose any threat to health and safety of the residents. Any renovation (including major rehabilitation and conversion) carried out with HHSP assistance must use Energy Star and WaterSense products and appliances.

(2) Access. The shelter must be accessible in accordance with Section 504 of the Rehabilitation Act (29 U.S.C. 794) and implementing regulations at 24 CFR Part 8; the Fair Housing Act (42 U.S.C. 3601 *et seq.*) as outlined in 10 TAC Chapter 1, Subchapter B, and implementing regulations at 24 CFR Part 100; and Title II of the Americans with Disabilities Act (42 U.S.C. 12131 *et seq.*) and 28 CFR Part 35; where applicable.

(3) Space and security. Except where the shelter is intended for day use only, the shelter must provide each program participant in the shelter with an acceptable place to sleep and adequate space and security for themselves and their belongings.

(4) Interior air quality. Each room or space within the shelter must have a natural or mechanical means of ventilation. The interior air must be free of pollutants at a level that might threaten or harm the health of residents.

(5) Water supply. The shelter's water supply must be free of contamination.

(6) Sanitary facilities. Each program participant in the shelter must have access to sanitary facilities that are in proper operating condition and are adequate for personal cleanliness and the disposal of human waste.

(7) Thermal environment. The shelter must have any necessary heating/cooling facilities in proper operating condition.

(8) Illumination and electricity. The shelter must have adequate natural or artificial illumination to permit normal indoor activities and support health and safety. There must be sufficient electrical sources to permit the safe use of electrical appliances in the shelter.

(9) Food preparation. Food preparation areas, if any, must contain suitable space and equipment to store, prepare, and serve food in a safe and sanitary manner.

(10) Sanitary conditions. The shelter must be maintained in a sanitary condition.

(11) Fire safety. There must be at least one working smoke detector in each occupied unit of the shelter. Where possible, smoke detectors must be located near sleeping areas. The fire alarm system must be designed for hearing-impaired residents. All public areas of the shelter must have at least one working smoke detector. There must also be a second means of exiting the building in the event of fire or other emergency.

(b) Minimum standards for housing for occupancy. HHSP funds cannot help a program participant remain in or move into housing that does not meet the minimum habitability standards below. HHSP funds may assist a program participant in returning the home to the minimum habitability standard in cases where the program participant is the responsible party for ensuring such conditions. In order to ensure continuity of housing, the Subrecipient may provide assistance to a program participant pending a completed housing inspection within thirty (30) days of the assistance being provided. This allowance applies whether the program participant is the responsible party for ensuring such standards or another party is the responsible party. Should the housing not meet the minimum habitability standards thirty (30) days after the initial assistance, no further assistance may be provided to maintain the program participant in that housing.

(1) Structure and materials. The structures must be structurally sound to protect residents from the elements and not pose any threat to the health and safety of the residents.

(2) Space and security. Each resident must be provided adequate space and security for themselves and their belongings. Each resident must be provided an acceptable place to sleep.

(3) Interior air quality. Each room or space must have a natural or mechanical means of ventilation. The interior air must be free of pollutants at a level that might threaten or harm the health of residents.

(4) Water supply. The water supply must be free from contamination.

(5) Sanitary facilities. Residents must have access to sufficient sanitary facilities that are in proper operating condition, are private, and are adequate for personal cleanliness and the disposal of human waste.

(6) Thermal environment. The housing must have any necessary heating/cooling facilities in proper operating condition.

(7) Illumination and electricity. The structure must have adequate natural or artificial illumination to permit normal indoor activities and support health and safety. There must be sufficient electrical sources to permit the safe use of electrical appliances in the structure.

(8) Food preparation. All food preparation areas must contain suitable space and equipment to store, prepare, and serve food in a safe and sanitary manner.

(9) Sanitary conditions. The housing must be maintained in a sanitary condition.

(10) Fire safety.--

(i) There must be a second means of exiting the building in the event of fire or other emergency.

(ii) Each unit must include at least one battery-operated or hard-wired smoke detector, in proper working condition, on each occupied level of the unit. Smoke detectors must be located, to the extent practicable, in a hallway adjacent to a bedroom. If the unit is occupied by hearing impaired persons, smoke detectors must have an alarm system designed for hearing-impaired persons in each bedroom occupied by a hearing-impaired person.

(iii) The public areas of all housing must be equipped with a sufficient number, but not less than one for each area, of battery-operated or hard-wired smoke detectors. Public areas include, but are not limited to, laundry rooms, community rooms, day care centers, hallways, stairwells, and other common areas.

(c) Shelters and housing for occupancy. Lead-based paint remediation and disclosure. The Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations in 24 CFR Part 35, subparts A, B, H, J, K, M, and R apply to all shelters and all housing units occupied by program participants(a) Lead-based paint remediation and disclosure. The Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations in 24 CFR Part 35, subparts A, B, H, J, K, M, and R apply to all shelters and all housing units occupied by program participants.

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BOARD ACTION REQUEST
COMMUNITY AFFAIRS DIVISION
JUNE 16, 2015

Presentation, Discussion, and Possible Action proposing amendments to 10 TAC Chapter 5 Community Affairs Programs, Subchapter K, Emergency Solutions Grant, §5.2002 Purpose and Use of Funds, and §5.2004 Eligible Applicants and directing that they be published for public comment in the *Texas Register*

RECOMMENDED ACTION

WHEREAS, pursuant to Chapter 2306 of the Texas Government Code, the Department is authorized to adopt rules governing the administration of the Department and its programs and

WHEREAS, the proposed amendment to 10 TAC §5.2002 is to explicitly prohibit subrecipients from charging occupancy fees for Emergency Shelter. The proposed amendment to 10 TAC §5.2004 gives the Department flexibility to adapt to changes in the federal rules;

NOW, therefore, it is hereby

RESOLVED, that the Executive Director and his designees be and each of them hereby are authorized, empowered, and directed, for and on behalf of the Department, to cause the proposed amendments to 10 TAC Chapter 5 Community Affairs Programs, Subchapter K, Emergency Solutions Grants, §§5.2002 and 5.2004, in the form presented to this meeting, to be published in the *Texas Register* for review and public comment, and in connection therewith, make such non-substantive technical corrections as they may deem necessary to effectuate the foregoing.

BACKGROUND

The purpose of the amendment to §5.2002 is to explicitly prohibit subrecipients from charging occupancy fees for Emergency Shelter. The U.S. Department of Housing and Urban Development (“HUD”) does not specifically allow such fees; and the Department’s rules do not currently state a prohibition.

The purpose of the amendment to §5.2004 is to give the Department flexibility to adapt to changes in the federal rules. The amendment is necessary because of P.L. 112-141, the Moving Ahead for Progress in the 21st Century Act (“MAP-21”). Subtitle C of Title II, Division F Section 100261 of MAP-21 expanded the types of organizations that could be considered eligible applicants. The amendment allows the Department the ability to include other entities in future funding cycles.

Attachment A: Preamble and proposed amendments to 10 TAC Chapter 5 Community Affairs Programs, Subchapter K, Emergency Solutions Grants, §§5.2002 and §5.2004

The Texas Department of Housing and Community Affairs (the “Department”) proposes amendments to 10 TAC Chapter 5, Community Affairs Programs, Subchapter K, Emergency Solutions Grants (“ESG”), §5.2002 Purpose and Use of Funds, and §5.2004 Eligible Applicants.

The purpose of the amendment to §5.2002 is to explicitly prohibit subrecipients from charging occupancy fees for emergency shelter. The purpose of the amendment to §5.2004 is to give the Department flexibility to adapt to changes in the federal rules regarding the types of organizations that could be considered eligible applicants under the ESG.

FISCAL NOTE. Timothy K. Irvine, Executive Director, has determined that, for each year of the first five years the amendments are in effect, enforcing or administering the amendments does not have any foreseeable implications related to costs or revenues of the state, but may have implications for local governments who have assessed fees for emergency shelter occupancy in the past and have not previously used ESG funds for emergency shelter. The Department is unaware of any shelter that is charging occupancy fees that has previously used ESG funds for emergency shelter.

PUBLIC BENEFIT/COST NOTE. Mr. Irvine also has determined that, for each year of the first five years the amendments are in effect, the public benefit anticipated as a result of the amendment will be clarity of program requirements and programmatic adherence to federal guidelines. There will not be any significant economic cost to any individuals required to comply with the amendments.

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 3, 2015, to August 3, 2015, to receive input on the amendments. Written comments may be submitted to the Texas Department of Housing and Community Affairs, Attention: Annette Cornier, Rule Comments, P.O. Box 13941, Austin, Texas 78711-3941, by email to the following address: cadrulecomments@tdhca.state.tx.us, or by fax to (512) 475-3935. ALL COMMENTS MUST BE RECEIVED BY 5:00 P.M. AUGUST 3, 2015.

STATUTORY AUTHORITY. The amendments are proposed pursuant to Texas Government Code §2306.053, which authorizes the Department to adopt rules, and Chapter 2306, Subchapter E, which authorizes the Department to administer its Community Affairs programs.

The proposed amendments affect no other code, article, or statute.

§5.2002. Purpose and Use of Funds.

- (a) The purpose of Emergency Solutions Grants (ESG) is to assist people to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness.
- (b) ESG eligible activities are:

- (1) the rehabilitation or conversion of buildings for use as emergency shelter for the homeless;
- (2) the payment of certain expenses related to operating emergency shelters;
- (3) essential services related to emergency shelters and street outreach for the homeless;
- (4) homelessness prevention and rapid re-housing assistance;
- (5) Homeless Management Information Systems (HMIS) activities; and
- (6) administrative costs.

(c) Subrecipients are prohibited from charging occupancy fees for emergency shelter supported by funds covered by this subchapter.

(d)(e) The Department's Governing Board, Executive Director or his/her designee may limit activities in a given funding cycle or by contract.

§5.2004. Eligible Applicants.

(a) Eligible Subrecipients are Units of General Local Government; ~~and~~ those Private Nonprofit Organization(s) that are secular or religious organizations as described in §501(c) of the Internal Revenue Code of 1986, are exempt from taxation under Subtitle A of the Code, have an accounting system and a voluntary board, and practice non-discrimination in the provision of assistance; and organizations as described in a Notice of Funding Availability or other funding mechanism.

(b) The Department reserves the option to limit eligible Subrecipient entities in a given funding cycle.

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BOARD ACTION REQUEST

FINANCIAL ADMINISTRATION DIVISION

JUNE 16, 2015

Presentation, Discussion, and Possible Action regarding Resolution No. 15-018, Designating Signature Authority and superseding Resolution No. 15-004

RECOMMENDED ACTION

**Texas Department of Housing and Community Affairs
RESOLUTION OF THE GOVERNING BOARD**

**SUPERSEDING RESOLUTION NO. 15-004
AND ADOPTING NEW RESOLUTION NO. 15-018**

DESIGNATING SIGNATURE AUTHORITY

WHEREAS, the Texas Department of Housing and Community Affairs (the “Department”), a public and official governmental agency of the State of Texas, was created and organized pursuant to and in accordance with the provisions of Texas Government Code, Chapter 2306, as amended; and

WHEREAS, Chapter 2306 of the Code authorizes the Department:

(a) to make and acquire and finance, and to enter into advance commitments to make and acquire and finance, mortgage loans and finance, participating interests therein, secured by mortgages on residential housing in the State of Texas (the “State”); and

(b) to issue its bonds, for the purpose of, among other things, obtaining funds to acquire or finance such mortgage loans, to establish necessary reserve funds and to pay administrative and other costs incurred in connection with the issuance of such bonds; and

(c) to pledge all or any part of the revenues receipts or resources of the Department, including the revenues and receipts to be received by the Department from such single family mortgage loans of participating interests, and to mortgage, pledge or grant security interests in such mortgages of participating interests, mortgage loans or other property of the Department, to secure the payment of the principal or redemption price of and interest on such bonds; and

WHEREAS, on November 13, 2014, the Governing Board adopted Resolution No. 15-004, designating signature authority to reflect the structure of the Department; and

WHEREAS, the Governing Board has now determined that Resolution No. 15-004, designating signature authority, should be superseded by a new Resolution No. 15-018 designating signature authority in order to conform to the Department's current organizational structure and operations;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BOARD OF THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS THAT:

SECTION 1 – Supersession of Prior Signature Authority. The Governing Board hereby supersedes Resolution No. 15-004 by enacting this new Resolution No.15-018.

SECTION 2 – Designation of Signature Authority for Bond Transactions. The Governing Board hereby authorizes and designates the Board Secretary, the Assistant Board Secretary, the Executive Director, the Deputy Executive Director for Single Family, Community Affairs & Metrics, the Deputy Executive Director of Asset Analysis and Management, the Chief Financial Officer, the Director of Financial Administration, the Director of Bond Finance, the Director of Texas Homeownership and the Director of Multifamily Finance and each of them as signatories for single family and multifamily bond transactions including, but not limited to letters of instruction, officer's certificates, bond transactional documents and all other documents and certificates executed in connection with such bond transactions.

SECTION 3 – Designation of Signatory Authority for Real Estate Transactions. The Governing Board hereby authorizes and designates the following persons to execute and deliver, as specified earnest money contracts, deeds or conveyances of title, leases of real property, settlement statements on purchase or sale of real property, deposits and disbursements on agency bank accounts, real estate transactional documents and all other documents executed in connection with real estate or real estate-related transactions:

- (a) Executive Director, Chief Financial Officer, Board Secretary, and Assistant Board Secretary: All real estate or real estate related transactions;
- (b) Executive Director, Deputy Executive Director for Single Family, Community Affairs & Metrics: All real estate or real estate-related transactions administered under any of the Single Family Programs and Community Affairs areas;
- (c) Executive Director, Deputy Executive Director of Asset Analysis and Management and the Director of Asset Management: All real estate or real estate-related transactions administered by the Asset Management Division;

- (d) Executive Director, Director of Financial Administration: All real estate or real estate-related transactions administered by the Financial Administration Division;
- (e) Executive Director, Director of Multifamily Finance Division: All real estate or real estate-related transactions administered by the Multifamily Finance Division;
- (f) Executive Director, Deputy Executive Director of Asset Analysis and Management and the Director of Bond Finance: All real estate or real estate-related transactions administered by the Bond Finance Division;
- (g) Executive Director, Deputy Executive Director for Single Family, Community Affairs & Metrics and the Director of Texas Homeownership: All real estate or real estate-related transactions administered by the Texas Home Ownership Division;
- (h) Executive Director, Deputy Executive Director for Single Family, Community Affairs & Metrics and the Director of the HOME Program: All real estate or real estate-related transactions administered under the HOME Single Family Division;
- (i) Executive Director, Deputy Executive Director for Single Family, Community Affairs & Metrics and the Director of Single Family Operations and Services Division: All real estate or real-estate related transactions administered under the Single Family Operations and Services Division;
- (j) Executive Director, Deputy Executive Director for Single Family, Community Affairs & Metrics and the Director of the Neighborhood Stabilization Program: All real estate or real-estate related transactions administered by the Neighborhood Stabilization Program Division; and
- (k) Signatory authority on deposits and disbursements on agency bank accounts is limited to those persons designated on the applicable signature cards, as specified by the Executive Director; provided however, that no person may be so designated other than the Executive Director, Chief Financial Officer, a Deputy Executive Director, or a Director.
- (l) Every reference to a signatory office or title herein includes any person serving in acting or interim capacity.

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

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

- (a) Chief Financial Officer or Director of Financial Administration and
- (b) Executive Director, or any Deputy Executive Director whose duties do not include management or oversight of the funds that are subject of the transfer.

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

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

BACKGROUND

The Texas Department of Housing and Community Affairs (the “Department”), a public and official governmental agency of the State of Texas (the “State”) was created and organized pursuant to and in accordance with the provisions of Chapter 2306, Texas Government Code, as amended. The Code authorizes the Department: (a) to make and acquire and finance, and to enter into advance commitments to make and acquire and finance, mortgage loans and finance, participating interests therein, secured by mortgages on residential housing in the State; (b) to issue its bonds, for the purpose of, among other things, obtaining funds to acquire or finance such mortgage loans, to establish necessary reserve funds and to pay administrative and other costs incurred in connection with the issuance of such bonds; and (c) to pledge all or any part of the revenues receipts or resources of the Department, including the revenues and receipts to be received by the Department from such single family mortgage loans of participating interests, and to mortgage, pledge or grant security interests in such mortgages of participating interests, mortgage loans or other property of the Department, to secure the payment of the principal or redemption price of and interest on such bonds.

This Resolution updates and designates signature authority to reflect the current structure of the Department.

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BOARD ACTION REQUEST
COMPLIANCE DIVISION
JUNE 16, 2015

Presentation, Discussion, and Possible Action on adoption of new 10 TAC, Chapter 1, Subchapter C-Previous Participation and directing its publication in the *Texas Register*

RECOMMENDED ACTION

WHEREAS, at the Board meeting of April 16, 2015, the Board approved the proposal of a new previous participation rule and proposing the repeal of the existing rule and

WHEREAS, those rules were published in the *Texas Register* on May 1, 2015, which began the public comment period and no public comment was received,

NOW, therefore, it is hereby

RESOLVED, that the final order adopting 10 TAC, Chapter 1, Subchapter C Previous Participation is approved in the form presented at this meeting and that the Executive Director and his designees be and each of them are hereby authorized, empowered and directed, for and on behalf of the Department, to adopt the new 10 TAC Chapter 1, Subchapter C Previous Participation in the *Texas Register* and in connection therewith, make such non-substantive technical corrections as they may deem necessary to effectuate the foregoing; and,

FURTHER RESOLVED, that the order adopting the repeal of 10 TAC §1.5 Previous Participation, is approved in the form presented at this meeting and that the Executive Director and his designees be and each of them are hereby authorized, empowered and directed, for and on behalf of the Department, to adopt the repeal of 10 TAC §1.5 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 repeal of the existing rule and the proposal of the new rule were approved for publication on April 16, 2015, by the Board and were published in the May 1, 2015, issue of the *Texas Register* to allow for public comment. The public comment period closed on June 1, 2015. No comments were received.

Attachment 1. Preamble and repeal of 10 TAC Chapter 1, Subchapter A, §1.5 concerning Previous Participation and adoption of new 10 TAC Chapter 1, Subchapter C, Previous Participation Reviews

The Texas Department of Housing and Community Affairs (the "Department") adopts new 10 TAC Chapter 1, Subchapter C Previous Participation, without changes to the proposed text as published in the May 1, 2015, issue of the *Texas Register* (40 Tex.Reg. 2357).

REASONED JUSTIFICATION. The purpose of this new subchapter is to replace the Department's existing previous participation rule which is currently found in 10 TAC, Chapter 1, Subchapter A, §1.5, which is being repealed in this rule making.

Previous Participation reviews are the process used by the Department to evaluate an applicant's compliance history prior to awarding funds or entering into contracts. These reviews are required by TEX GOV'T CODE §2306.057.

No comments were received during the comment period.

STATUTORY AUTHORITY. The amendments are adopted pursuant to the authority of TEX GOV'T CODE §2306.053, which authorizes the Department to adopt rules.

Title 10
Part 1
Chapter 1
Subchapter C

§1.301 Previous Participation Reviews for Multifamily Awards and Ownership Transfers

(a) General. Prior to awarding funds or other assistance through the Department's Multifamily Housing Programs or approving an entity to acquire an existing multifamily Development monitored by the Department a previous participation review will be performed. When conducting a previous participation review:

- (1) Events of noncompliance that were corrected over three (3) years ago are not taken into consideration unless required by federal or state law or by court order or voluntary compliance agreement.
- (2) Events of noncompliance with an "out of compliance date" prior to the applicant's or proposed incoming owner's period of control are not taken into consideration if the event(s) are currently corrected, regardless of whether or not they were corrected during the corrective action period.
- (3) Events of noncompliance with an "out of compliance date" prior to the Applicant's or proposed incoming owner's period of control are taken into consideration if the event(s) are currently uncorrected.
- (4) The following events of noncompliance will not be taken into consideration:

(A) “*Failure to provide Fair Housing Disclosure notice*” to households that have vacated if the date of noncompliance was within the first six (6) months of calendar year 2013;

(B) “*Household income above the income limit upon initial occupancy*” for units at properties participating in U.S. Department of Housing and Urban Development programs if the household resided in the unit prior to an allocation of Department funds and Federal Regulations prevent the owner from correcting the issue; and

(C) “*Casualty loss*” if the restoration period has not expired.

(5) If the applicant or any affiliate of the applicant is required to have a Single Audit, the Compliance Division will advise the Executive Award Review Advisory Committee (“EARAC”) of Single Audit Findings and events of noncompliance identified by the Community Affairs Monitoring and/or Contract Monitoring Sections of the Compliance Division.

(6) Applicants or proposed incoming owners must complete the Department’s Uniform Previous Participation Review Form and respond to staff inquiries regarding apparent errors or omissions. If an applicant or proposed incoming owner fails to provide this form this failure shall be reported to EARAC.

(b) Definitions. The following definitions apply only as used in this section. Other capitalized terms used in this section shall have the meaning ascribed in chapter 10 of this title.

(1) Extra Large Portfolios -- Applications in which the Applicant and its Affiliates collectively Control more than twenty (20) Developments;

(2) Large Portfolios—Applications in which the Applicant and its Affiliates collectively Control thirteen (13) to nineteen (19) Developments;

(3) Medium Portfolios -- Applications in which the Applicant and its Affiliates collectively Control six (6) to twelve (12) Developments;

(4) Monitoring Event -- means an onsite or desk monitoring review, a Uniform Physical Condition Standards inspection, the submission of the Annual Owner’s Compliance Report, or any other instance when the Department’s Compliance Division provides written notice to an owner requesting a response by a certain date (*e.g.*, responding to a tenant complaint);

Example 1.301(1): A Development was monitored in 2011 and 2014. During both monitoring visits, Department staff identified units that were occupied by ineligible households. At the time of the previous participation review, all identified events of noncompliance have been corrected. However, some of the units from the 2011 and some of the units from the 2014 onsite file review were not corrected during the corrective action period. Although the same finding was cited, it would be considered two events of noncompliance.

(5) Portfolio Sizes -- Refers collectively to Small Portfolios, Medium Portfolios, Large Portfolios and Extra Large Portfolios;

(6) Small Portfolios -- Applications in which the Applicant and its Affiliates collectively Control five (5) or fewer Developments.

(c) Determination of Compliance Status. Through a review of the form and the compliance history of the affiliated multifamily Developments, staff will determine the applicable category for the application

or ownership transfer request using the criteria in paragraphs (1) through (4) of this subsection and EARAC will recommend appropriate remedies, actions, and/or conditions in accordance with subsection (d) of this section. The application will be classified in the highest applicable category.

Example 1.301(2): If an application is category 1 for a particular issue but meets the standard to be classified as category 4 for another issue or issues, then the application shall be considered a category 4 application under this section.

(1) Category 1. For all Portfolio Sizes, the Developments affiliated with the application have no issues that are currently uncorrected and no events of noncompliance that were not corrected during the corrective action period.

(2) Category 2.

(A) Small Portfolios. The number of events of noncompliance that are uncorrected plus the number of events of noncompliance that were not corrected during the corrective action period equals one (1).

(B) Medium Portfolios. The number of events of noncompliance that are uncorrected plus the number of events of noncompliance that were not corrected during the corrective action period is more than zero (0) but fewer than three (3).

(C) Large Portfolios. The number of events of noncompliance that are uncorrected plus the number of events of noncompliance that were not corrected during the corrective action period is more than zero (0) but five (5) or fewer.

(D) Extra Large Portfolios. The number of events of noncompliance that are uncorrected plus the number of events of noncompliance that were not corrected during the corrective action period is more than zero (0) but less than seven (7).

(3) Category 3.

(A) Small Portfolios. The number of events of noncompliance that are uncorrected plus the number of events of noncompliance that were not corrected during the corrective action period is more than one (1) but fewer than six (6).

(B) Medium Portfolios. The number of events of noncompliance that are uncorrected plus the number of events of noncompliance that were not corrected during the corrective action period is more than two (2) but fewer than eight (8).

(C) Large Portfolios. The number of events of noncompliance that are uncorrected plus the number of events of noncompliance that were not corrected during the corrective action period is more than five (5) but fewer than eleven (11).

(D) Extra Large Portfolios. The number of events of noncompliance that are uncorrected plus the number of events of noncompliance that were not corrected during the corrective action period is more than six (6) but fourteen (14) or fewer.

(E) For all Portfolio Sizes:

(i) There are three (3) or fewer events of noncompliance that are currently uncorrected at the developments affiliated with the application. If corrective action has been uploaded to the Department's Compliance Monitoring and Tracking System ("CMTS") it will be reviewed before this determination is made;

however, evidence of corrective action submitted during the five day period referenced in subsection (d) of this section will not be considered;

(ii) No response was received during the corrective action period for three (3) or fewer monitoring events that occurred within the last three (3) years; or

(iii) A Development affiliated with the application that is or was controlled by the applicant or proposed incoming owner has been the subject of a final order and the terms have not been violated.

(4) Category 4.

(A) Small Portfolios: The number of events of noncompliance that are uncorrected plus the number of events of noncompliance that were not corrected during the corrective action period is six (6) or more;

(B) Medium Portfolios: The number of events of noncompliance that are uncorrected plus the number of events of noncompliance that were not corrected during the corrective action period is eight (8) or more;

(C) Large Portfolios: The number of events of noncompliance that are uncorrected plus the number of events of noncompliance that were not corrected during the corrective action period is eleven (11) or more;

(D) Extra Large Portfolios. The number of events of noncompliance that are uncorrected plus the number of events of noncompliance that were not corrected during the corrective action period is fifteen (15) or more.

(E) For all Portfolio Sizes:

(i) There are more than three events of noncompliance that are uncorrected at the Developments affiliated with the application. If corrective action has been uploaded to CMTS it will be reviewed before this determination is made, however, evidence of corrective action submitted during the five day period referenced in subsection (d) of this section will not be considered;

(ii) No response was received during the corrective action period for more than three (3) monitoring events that occurred within the last three (3) years;

(iii) A Development affiliated with the application that is or was controlled by the applicant or proposed incoming owner has been the subject of a final order and the terms have been violated;

(iv) The applicant or proposed incoming owner failed to meet the terms and conditions of a prior approval imposed by the EARAC, the Governing Board, voluntary compliance agreement, or court order;

(v) Payment of principal or interest on a loan due to the Department is past due beyond any grace period provided for in the applicable loan documents;

(vi) The Department has requested and not been provided evidence that the owner has maintained required insurance on any collateral for any loan held by the Department;

- (vii) The Department has requested and not been provided evidence that property taxes have been paid or satisfactory evidence of a tax exemption on any collateral for any loan held by the Department; or
- (viii) Fees or other amounts owed to the Department are thirty days or more past due.

(d) EARAC Review. After determining the appropriate category, EARAC will review the previous participation in accordance with the following paragraphs, as applicable.

- (1) Category 1. The compliance history of category 1 applications will be deemed acceptable by EARAC without further review or discussion.
- (2) Category 2. The compliance history of category 2 applications will be deemed acceptable by EARAC without further review or discussion and the Governing Board will be advised of category 2 applications that are recommended for award.
- (3) Categories 3 and 4.
 - (A) Prior to EARAC review, the applicant or proposed incoming owner will be provided a five (5) business day period to review the documentation that will be provided to EARAC and provide written comment or propose conditions or mitigations;
 - (B) The compliance history will be reviewed by EARAC for a recommendation to award or award with conditions. In making this decision, EARAC may request any other information from the Compliance Division that is documented in the compliance history with the exception of events of noncompliance precluded by Texas Government Code §2306.6719(e);
 - (C) Any award recommendations will be conditioned on the correction of any uncorrected events of noncompliance by dates agreed upon by the applicant or proposed incoming owner and EARAC. In addition, recommendation and approval may be subject to other terms and conditions related to the applicant's or incoming owner's compliance history. Failure to correct events of noncompliance by agreed upon dates and/or meet terms and conditions related to a recommendation or award will be reconsidered by EARAC and awards may be recommended for denial or recession.
- (4) Category 4. Applications will be notified of their status and if they wish to pursue the award should be prepared to propose terms and conditions specific to their compliance history, along with identifying specific dates to correct uncorrected events. EARAC may accept, modify or reject the applicant's proposal. If the proposal is modified or rejected, the applicant may appeal in accordance with §1.304 of this subchapter.

§1.302 Previous Participation Reviews for CSBG, LIHEAP, and WAP

(a) Previous Participation Reviews for annual non-competitive contracts funded through the U.S. Department of Health and Human Services' Community Service Block Grant Program ("CSBG"), the Low Income Housing Energy Assistance Program ("LIHEAP") and the Department of Energy

Weatherization Assistance Program (“WAP”) will be conducted in connection with the preparation of the applicable State Plan to be submitted to the appropriate federal agency.

(b) Capitalized terms used in this section shall have the meaning ascribed in chapter 5 of this title.

(c) Any entity that the Department may enter into a contract with will be required to submit:

- (1) A listing of its current board of directors, council, or other governing bodies as applicable;
- (2) A list of the Subrecipient’s key personnel (Executive Director, CFO, program director) and the length of time they have been in that position and employed by the Subrecipient;
- (3) Identification of the client tracking and financial management system or software used by the Subrecipient and the length of time that the entity has been utilizing these systems;
- (4) Any pending state or federal litigation (including administrative proceedings) against the Subrecipient along with any final decrees within the last three years;
- (5) A list of any multifamily Developments owned or Controlled by the Subrecipient that are monitored by the Department; and
- (6) Identification of all Department programs that the Subrecipient has participated in within the last three years.

(d) Subrecipients will be provided a reasonable period of time, but not less than five business days, to provide the requested information.

(e) The Subrecipient’s financial obligations to the Department will be reviewed to determine if any of the following deficiencies exist:

- (1) Payment of principal or interest on a loan due to the Department is past due beyond any grace period provided for in the applicable loan documents;
- (2) The Department has requested and not been provided evidence that the Subrecipient has maintained required insurance on any collateral for any loan held by the Department;
- (3) The Department has requested and not been provided evidence that property taxes have been paid or satisfactory evidence of a tax exemption on any collateral for any loan held by the Department; or
- (4) Fees or other amounts owed to the Department which are thirty days or more past due.

(f) The information provided by the Subrecipient, the results of the most recent Single Audit, any deficiencies identified in subsection (d) of this section and all findings identified during any monitoring visits conducted within the last three years (whether or not the findings were corrected during the corrective action period) will be taken into consideration to:

- 1) Prepare the monitoring plan, including the identification of the contracts that will be monitored under the funds provided through the state plan;
- 2) Identify if applicable, any element that will be monitored for all contracts;
- 3) Identify any recommended special contract terms and conditions;
- 4) Identify any “Network wide” training that will be offered; and
- 5) Identify any CSBG eligible entity that will be required to prepare and submit a Quality Improvement Plan (“QIP”).

(g) If any deficiencies in subsection (d) of this section are identified, or if the most recent Single Audit contained findings or if there have been any monitoring findings identified during the last three years, the Subrecipient will be notified that EARAC will be informed of such issues (with the exception of events of noncompliance precluded by Texas Government Code §2306.6719(e)). The Subrecipient will be provided a five business day period to provide written comment or propose conditions or mitigations. Although there will be an opportunity to respond and comment within the five day period, a response is not required.

(h) The list of Subrecipients along with summary information regarding monitoring, (with the exception of events of noncompliance precluded by Texas Government Code §2306.6719(e)), Single Audit and any deficiencies identified in subsection (d) of this section will be presented to EARAC. EARAC may request any other information from the Compliance Division that is documented in the compliance history with the exception of events of noncompliance precluded by Texas Government Code §2306.6719(e).

(i) EARAC can recommend award, denial or award with conditions.

(j) Any Subrecipient who will be recommended for denial or award with conditions or any CSBG eligible entity that will be required to submit a Quality Improvement Plan will be informed in writing and will be required submit a written response or propose conditions or mitigations. An additional five business days will be provided to submit the written response or proposed conditions or mitigations. If the Subrecipient's response does not result in EARAC recommending award with no conditions or award with conditions that the Subrecipient agrees to, the Subrecipient will have the opportunity to appeal EARAC's recommendation in accordance with §1.304 of this subchapter.

(k) Although funds may be reserved for the Subrecipient or the Subrecipient's service area, consistent with §1.3 of subchapter A of this chapter, concerning Delinquent Audits and Related Issues, the Department will not enter into a contract or extend a contract with any Subrecipient who is delinquent in the submission of their Single Audit, unless an extension has been approved in writing by the cognizant federal agency.

(l) The Department will not enter into a contract with any Subrecipient who has a board member on the Department's debarment list or the federal debarred and suspended listing. However, other than debarment, individual board member's participation in other Department programs is not required to be disclosed and will not be taken into consideration.

(m) The Department will not enter into a contract with any Subrecipient who is on the Department's or the federal debarred and suspended listing.

(n) Previous Participation reviews will not be conducted for contract extensions. However, if the entity is delinquent in submission of its Single Audit, the contract will not be extended.

(o) Full Previous Participation reviews will not be conducted for contract amendments if the increase in funds is 15% or less. However, EARAC will be notified of any monitoring findings that have been identified since the most recent previous participation review and for which the corrective action period has elapsed. In addition, EARAC will be notified of any Single Audit findings that have been identified since the most recent previous participation review. The contract will not be amended if the entity is delinquent in submission of its Single Audit. Subsections (f) and (i) of this section shall not apply for an

amendment that award funds under this subsection. Full Previous Participation reviews will be conducted for contract amendments if the increase in funds is greater than 15%.

(p) Previous Participation reviews for discretionary or competitive awards made under any of these programs will be conducted prior to the award of funds. Subrecipients will be required to submit the required information listed in subsection (b) of this section along with the application for funding.

§1.303 Previous participation reviews for Department program awards not covered by §1.301 or §1.302 of this subchapter

(a) This section applies to program awards not covered by §1.301 or §1.302 of this subchapter. With the exception of a household or project commitment contract, prior to awarding or allowing access to Department funds through a contract or through a Reservation Agreement a previous participation review will be performed.

(b) Capitalized terms used in this section shall have the meaning ascribed in the definitions section of the applicable program of this title or as required by federal or state law.

(c) When applying for an award or a new Reservation Agreement, entities will be required to submit:

- (1) A listing of the members of its current board of directors, council, or other governing body as applicable;
- (2) Any pending state or federal litigation (including administrative proceedings) against the entity along with any final decrees within the last three years;
- (3) A list of any multifamily Developments owned or Controlled by the applicant that are monitored by the Department; and
- (4) Identification of all Department programs that the entity has participated in within the last three years.

(d) The entity's financial obligations to the Department will be reviewed to determine if any of the following deficiencies exist:

- (1) Payment of principal or interest on a loan due to the Department is past due beyond any grace period provided for in the applicable loan documents;
- (2) The Department has requested and not been provided evidence that the owner has maintained required insurance on any collateral for any loan held by the Department;
- (3) The Department has requested and not been provided evidence that property taxes have been paid or satisfactory evidence of a tax exemption on any collateral for any loan held by the Department; or
- (4) Fees or other amounts owed to the Department are thirty days or more past due.

(e) If any deficiencies in subsection (c) of this section are identified, or if the most recent Single Audit contained findings or if there have been any monitoring findings identified during the last three years,

the applicant will be notified that EARAC will be informed of such issues (with the exception of events of noncompliance precluded by Texas Government Code §2306.6719(e)). The entity will be provided a 5 business day period to provide written comment or propose conditions or mitigations. Although there will be an opportunity to respond and comment within the five day period, a response is not required.

(f) EARAC will review the information and may recommend approval, denial or approval with conditions. EARAC may request any other information from the Compliance Division that is documented in the compliance history with the exception of events of noncompliance precluded by Texas Government Code §2306.6719(e).

(g) Any entity which will be recommended for denial or award with conditions will be informed in writing and will be required submit a written response or propose conditions or mitigations. If the entity's response does not result in EARAC recommending award with no conditions or award with conditions that the entity agrees to, the entity will have the opportunity to appeal EARAC's recommendation in accordance with §1.304 of this subchapter.

(h) Consistent with §1.3 of subchapter A of this chapter, concerning Delinquent Audits and Related Issues, the Department will not enter into a contract or extend a contract with any entity who is delinquent in the submission of their Single Audit unless an extension has been approved in writing by the cognizant federal agency.

(i) The Department will not enter into a contract with any entity who has a Board member on the Department's debarment list or the federal debarred and suspended listing. However, individual Board member's participation in other Department programs is not required to be disclosed and will not be taken into consideration.

(j) The Department will not enter into a contract with any entity who is on the Department's or the federal debarred and suspended listing.

(k) Previous Participation reviews will not be conducted for contract extensions. However, if the entity is delinquent in submission of its Single Audit, the contract will not be extended.

(l) For the Emergency Solutions Grant, full Previous Participation reviews will not be conducted for contract amendments unless the amendment is an increase in funds of more than 15%. However, EARAC will be notified of any monitoring findings that have been identified since the most recent previous participation review and for which the corrective action period has elapsed. In addition, EARAC will be notified of any Single Audit findings that have been identified since the most recent previous participation review. Subsections (d) and (f) of this section shall not apply to amendments that award additional funds under this subsection. Full Previous Participation reviews will be conducted for contract amendments if the increase in funds is greater than 15%.

(m) Approval of an entity's Previous Participation made for awards or Reservation System Agreements under this section is effective for 12 months unless there has been a significant change in the entity's compliance status or there are significant differences in the compliance requirements of the programs.

§1.304 Appeal of an EARAC recommendation under the previous participation review rule.

- (a) An applicant or possible subrecipient of an award may appeal an EARAC recommendation by submitting to the Department (to the attention of the Chair of EARAC), as provided herein, a letter (the “Appeal”) setting forth:
- (1) That the applicant or subrecipient disagrees with the EARAC recommendation;
 - (2) The reason(s) why the applicant disagrees with EARAC’s recommendation; and
 - (3) If desired, a request for an in person meeting with EARAC.
- (b) An appealing party must file a written Appeal not later than the seventh day after notice has been provided and include a hard copy and pdf version of all materials, if any, that the applicant wishes to have provided to the board in connection with its consideration of the matter.
- (c) An Appeal will be included on the Governing Board agenda if received at least three business days prior to the required posting of that agenda. The agenda item will include the materials provided by the applicant and may include a staff response to the appeal and/or materials. It is within the board chair’s discretion whether or not to allow an applicant to supplement its response. An applicant who wishes to provide supplemental materials must comply with the requirements of §1.10 of this Chapter regarding Public Comment Procedures. There is no assurance the board chair will permit the submission, inclusion, or consideration of such supplemental materials.
- (d) The board and staff will make reasonable efforts to accommodate properly and timely filed Appeals, but there may be unanticipated circumstances in which the continuity of assistance or other exigent circumstances dictate proceeding with an award notwithstanding the fact that an EARAC recommendation has been appealed. These situations, should they arise, will be addressed on an *ad hoc* basis.

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BOARD ACTION REQUEST
COMPLIANCE DIVISION
JUNE 16, 2015

Presentation, Discussion, and Possible Action regarding an order adopting amendments to 10 TAC Chapter 10, Subchapter F, §10.607(d) concerning Reporting Requirements; §10.622 concerning Special Rules Regarding Rents and Rent Limit Violations; and §10.623 concerning Monitoring Procedures for Housing Tax Credit Properties After the Compliance Period, and directing its publication in the *Texas Register*

RECOMMENDED ACTION

WHEREAS, at the April 16, 2015, Board meeting the Board approved proposed amendments to various sections of the Compliance Monitoring rule (listed above) for publication in *Texas Register* to solicit public comment and

WHEREAS, the public comment period has ended and staff has considered and responded to all comment;

NOW, therefore, it is hereby

RESOLVED, that the amendments to 10 TAC Chapter 10, Subchapter F, §10.607(d) concerning Reporting Requirements; §10.622 concerning Special Rules Regarding Rents and Rent Limit Violations; and §10.623 concerning Monitoring Procedures for Housing Tax Credit Properties After the Compliance Period are hereby adopted in the form presented at this meeting and that the Executive Director and his designees be and each of them are hereby authorized, empowered and directed for and on behalf of the Department to cause the adoption of the amendments to be published in the *Texas Register* and in connection therewith make non-substantive technical corrections as they may deem necessary to effectuate the foregoing.

BACKGROUND

The Board approved the proposed amendments to certain sections of the Compliance Monitoring rule and the rulemaking were available for public comment from May 1, 2015, through June 1, 2015. In keeping with the requirements of the Administrative Procedures Act, staff has reviewed all comments received and provided a reasoned response to these comments.

Attachment 1. Preamble and adoption of amendments to 10 TAC Chapter 10, Subchapter F, §10.607(d) concerning Reporting Requirements; §10.622 concerning Special Rules Regarding Rents and Rent Limit Violations; and §10.623 concerning Monitoring Procedures for Housing Tax Credit Properties After the Compliance Period

The Texas Department of Housing and Community Affairs (the “Department”) adopts amendments to 10 TAC Chapter 10, Subchapter F, §10.607(d) concerning Reporting Requirements; §10.622 concerning Special Rules Regarding Rents and Rent Limit Violations; and §10.623 concerning Monitoring Procedures for Housing Tax Credit Properties After the Compliance Period and with no change to the proposed text as published in the May 1, 2015, issue of the *Texas Register* (40 TexReg 2362).

REASONED JUSTIFICATION. The purpose of the amendments is to codify guidance issued by the Internal Revenue Service into the Department’s Compliance Monitoring Rules and to correct an error that resulted from the previous rulemaking cycle.

SUMMARY OF PUBLIC COMMENT AND STAFF RECOMMENDATIONS.

Comments were accepted from May 1, 2015, through June 1, 2015, with comments received from Debra Schneider on behalf of Sandalwood Management, Inc.

COMMENT SUMMARY: §10.623(c)(1)- The commenter recommended that the Department delete the second sentence of the paragraph which states “*If a Development markets to students or leases more than 15 percent of the total number of units to student households, the property will be found in noncompliance unless the LURA is amended through the Material Amendments procedures found in §10.405 of this chapter (relating to Amendments).*” The commenter suggests that the rule is inconsistent with the Code, contrary to the practice of the IRS and many other states, and undermines public policy. The commenter references §42(i)(3)(D) and that the rule is patently inconsistent with the code and that the rule serves no apparent purpose but effectuates a barrier to low income students to access affordable housing.

STAFF RESPONSE: Staff disagrees and no change is recommended. Deleting the sentence would be in direct conflict with program requirements as it would allow Housing Tax Credit properties that have completed the Compliance Period to lease all units to student households which would, in effect, limit the availability of low income units for all low income households.

Owner of Housing Tax Credit properties commit to maintain affordability for, at least, 30 years by executing an Extended Use Agreement, also known as a LURA. During the first 15 years (‘the Compliance Period’) noncompliance is reported to the Internal Revenue Service (“IRS”) and owners are subject to recapture. After year 15, the tax benefit to the owner is exhausted and IRS can no longer recapture or disallow credits. Therefore, the State Housing Finance Agency can establish policies regarding how properties are monitored and consequences for noncompliance during the remainder of the Extended Use Period (“Post Year 15” monitoring).

Amongst other federally required provisions, the LURA must specifically 1) Specify that the applicable fraction for the building for each year in the extended use period will not be less than the applicable fraction in the agreement; and, which prohibits the eviction or the termination of tenancy (other than for

good cause) of an existing tenant of any low-income unit, or any increase in the gross rent with respect to such unit not otherwise permitted and 2) Allow individuals (whether prospective, present, or former occupants) who meet the income limitation applicable to the building, the right to enforce in state court certain terms of the LURA, including maintaining the applicable fraction and prohibiting the eviction or the termination of tenancy (other than for good cause) of an existing tenant of any low-income unit, or any increase in the gross rent with respect to such unit not otherwise permitted. These prohibitions apply throughout the extended use period.

The building's applicable fraction represents the percentage of low income units required in that building. For a unit to count towards the building's applicable fraction, the unit must be a qualified low income unit. In accordance with §42(i)(3)(D), units comprised entirely with full-time students do not qualify as low-income units unless the household can evidence that they meet one of five (5) Congressionally approved exceptions: 1) receiving assistance under Title IV of the Social Security Act; 2) previously in foster care placement; 3) enrolled in a job training program the Job Training Partnership Act or under other similar Federal, State or local laws; 4) single parent and their children where none of the members are dependents of a third party (other than the non custodial parent for the children); and 5) married and entitled to file a joint tax return. The program does not prohibit leasing units to qualified student households. The commenter's reference that a "ban" on marketing to students and the 15% "cap" is patently inconsistent with §42(i)(3)(D) , is both a misinterpretation of the code and the rule.

In connection with the LURA, the Department also creates rules to outline the monitoring process for Post 15 monitoring. Specific to the paragraph in question, (c)(1), the rule was amended on December 8, 2011 to add the provision requiring owners to request a material amendment to their LURA if more that 15% of the total units are occupied with students or if the property would like to market to students.

Prior to this change, the rule read 10.622(c) *After the first fifteen (15) years of the Extended Use Period, certain requirements will not be monitored as detailed in paragraphs (1) - (4) of this subsection. (1) The student restrictions found in §42(i)(3)(D) of the Code. An income qualified household consisting entirely of full time students may occupy a Low Income Unit.* At the time, the intention of staff was to allow income qualified households consisting entirely of full time students to occupy a low income unit without regard for documentation of the household meeting an exception; however, it was too broadly worded. Staff re-evaluated the rule and proposed the language as it read today. During the same rulemaking process, the Department introduced the Material Amendment to Land Use Restriction Agreements detailing how an Owner could seek to amend to the LURA. The 15% threshold was chosen because, given the vast range in development sizes, 15% seemed manageable for owners, negligible when accessing overall compliance and, given the introduction of the Material Amendment process, the Owner has a separate option to explore expansion on a case by case basis. The Department is not aware of any public policy this rule undermines; in fact, we believe that the rule promotes and preserves housing for low income households, the mission of the Department and the Low Income Housing Tax Credit Program.

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

The amendments affect no other code, article, or statute.

§10.607.Reporting Requirements.

(a) - (c) (No change.)

(d) The owner is required to report certain financial information to the Department electronically through CMTS. If supplemental information is required it must be uploaded to the Development's CMTS account.

(1) "Annual Owner's Financial Certification" (formerly Part D of the AOCR). Developments funded by the Department must annually provide and certify to the data requested in the Annual Owner's Financial Certification (AOFC).

(2) Developments funded with Exchange or TCAP must also submit a "Quarterly Owner's Financial Certification" and these must be submitted in January, April, July, and October on the 15th business day of the month.

(e) - (i) (No change.)

§10.622.Special Rules Regarding Rents and Rent Limit Violations.

(a) Rent or Utility Allowance Violations of the maximum allowable limit for the HTC program. Under the HTC program, the amount of rent paid by the household plus an allowance for utilities, plus any mandatory fees, cannot exceed the maximum applicable limit (as determined by the minimum set-aside elected by the Owner) published by the Department. If it is determined that a HTC Development, during the Compliance Period, collected rent in excess of the rent limit established by the minimum set-aside, the owner must correct the violation by reducing the rent charged. The Department will report the violation as corrected on January 1st of the year following the violation. The refunding of overcharged rent does not avoid the disallowance of the credit by the IRS.

(b) Rent or Utility Allowance Violations of additional rent restrictions under the HTC program. If Owners agreed to additional rent and occupancy restrictions, the Department will monitor to confirm compliance. If noncompliance is discovered, the Department will require the Owner to restore compliance by refunding (not a credit to amounts owed the Development) any excess rents to a sufficient number of households to meet the set aside. Example 622(1): A 100 unit development is required to lease 10 units to households at the 30 percent income and rent limits. The utility allowance is miscalculated resulting in overcharged rents. Fifteen households have an income under 30 percent. The owner must refund 10 of these households.

(c) Rent Violations of the maximum allowable limit due to application fees under the HTC program. Under the HTC program, Owners may not charge tenants any overhead costs as part of the application fee. Owners must only charge the actual cost for application fees as supported by invoices from the screening company the Owner uses.

(1) The amount of time Development staff spends checking an applicant's income, credit history, and landlord references may be included in the Development's application fee. Development Owners may add up to \$5.50 per Unit for their other out of pocket costs for processing an application without providing documentation. Example 622(2): A Development's out of pocket cost for processing an application is \$17.00 per adult. The property may charge \$22.50 for the first adult and \$17.00 for each

additional adult. Should an Owner desire to include a higher amount to cover staff time, prior approval is required and wage information and a time study must be supplied to the Department.

(2) Documentation of Development costs for application processing or screening fees must be made available during onsite visits or upon request. The Department will review application fee documentation during onsite monitoring visits. If the Development pays a flat monthly fee to a third party for credit or criminal background checks, Owners must calculate the appropriate fee to be charged applicants by using the total number of applications processed, not just approved applications. If the Department determines from a review of the documentation that the Owner has overcharged residents an application fee, the noncompliance will be reported to the IRS on Forms 8823 under the category "gross rent(s) exceeds tax credit limits." The noncompliance will be corrected on January 1st of the next year.

(3) Owners are not required to refund the overcharged fee amount. To correct the issue, owners must reduce the application fee for prospective applicants. Once the fee is reduced for prospective applicants, the Department will report the affected units back in compliance on January 1st of the year after they were overcharged the application fee.

(d) Rent or Utility Allowance Violations on Non-HTC Developments, HTC development after the Compliance Period, and foreclosed HTC properties for three years after foreclosure. If it is determined that the Development collected rent in excess of the allowable limit, the Department will require the Owner to refund (not a credit to amounts owed the Development) to the affected residents the amount of rent that was overcharged.

(e) Trust Account to be established. If the Owner is required to refund rent under subsection (b) or (d) of this section and cannot locate the resident, the excess monies must be deposited into a trust account for the tenant. The account must remain open for the shorter of a four (4) year period, or until all funds are claimed. If funds are not claimed after the four year period, the unclaimed funds must be remitted to the Texas Comptroller of Public Accounts Unclaimed Property Holder Reporting Section to be disbursed as required by Texas unclaimed property statutes.

(f) Rent Adjustments for HOME Developments:

(1) 100 percent HOME assisted Developments. If a household's income exceeds 80 percent at recertification, the owner must charge rent equal to 30 percent of the household's adjusted income;

(2) HOME Developments with any Market Rate units. If a household's income exceeds 80 percent at recertification, the owner must charge rent equal to the lesser of 30 percent of the household's adjusted income or the comparable Market rent; and

(3) HOME Developments layered with other Department affordable housing programs. If a household's income exceeds 80 percent at recertification, the owner must charge rent equal to the lesser of 30 percent of the household's adjusted income or the rent allowable under the other program.

(g) Special conditions for NSP Developments. To determine if a Unit is rent restricted, the amount of rent paid by the household, plus an allowance for utilities, plus any rental assistance payment must be less than the applicable limit.

(h) Employee Occupied Units (HTC and HTF Developments). IRS Revenue Rulings 92-61, 2004-82 and Chief Counsel Advice Memorandum POSTN-111812-14 provide guidance on employee occupied units. In general, employee occupied units are considered facilities reasonably required for the project(s) and not residential rental units. Since the building's applicable fraction is calculated using the residential

rental units/space in a building, employee occupied units are taken out of both the numerator and the denominator. To ensure that the building's applicable fraction is met, the Department will monitor in the following manner:

(1) For 100% low-income Building(s)--A unit occupied by an employee will not be monitored by the Department provided that the unit is appropriately designated as exempt.

(2) For mixed income Building(s)--If a unit in a mixed income building is designated as exempt, the applicable fraction will be calculated as described in this subsection. If the building does not meet the required applicable fraction, the exempt unit will be cited in noncompliance unless the employee qualifies as a low income household.

§10.623.Monitoring Procedures for Housing Tax Credit Properties After the Compliance Period.

(a) HTC properties allocated credit in 1990 and after are required under §42(h)(6) of the Code to record a LURA restricting the Development for at least thirty (30) years. Various sections of the Code specify monitoring rules State Housing Finance Agencies must implement during the Compliance Period.

(b) After the Compliance Period, the Department will continue to monitor HTC Developments using the criteria detailed in paragraphs (1) - (13) of this subsection:

(1) The frequency and depth of monitoring household income, rents, social services and other requirements of the LURA will be determined based on risk. Factors will include changes in ownership or management, compliance history, timeliness of reports and timeliness of responses to Department request;

(2) At least once every three (3) years the property will be physically inspected including the exterior of the Development, all building systems and 10 percent of Low-Income Units. No less than five but no more than thirty-five of the Development's HTC Low-Income Units will be physically inspected to determine compliance with HUD's Uniform Physical Condition Standards;

(3) Each Development shall submit an annual report in the format prescribed by the Department;

(4) Reports to the Department must be submitted electronically as required in §10.607 of this chapter (relating to Reporting Requirements);

(5) Compliance monitoring fees will continue to be submitted to the Department annually in the amount stated in the LURA;

(6) All HTC households must be income qualified upon initial occupancy of any Low-Income Unit. Proper verifications of income are required, and the Department's Income Certification form must be completed unless the Development participates in the Rural Rental Housing Program or a project based HUD program, in which case the other program's certification form will be accepted;

(7) Rents will remain restricted for all HTC Low-Income Units. After the Compliance Period, utilities paid to the Owner are accounted for in the utility allowance. The tenant paid portion of the rent plus the applicable utility allowance must not exceed the applicable limit. Any excess rent collected must be refunded;

(8) All additional income and rent restrictions defined in the LURA remain in effect;

(9) For Additional Use Restrictions, defined in the LURA (such as supportive services, nonprofit participation, elderly, etc), refer to the Development's LURA to determine if compliance is required after the completion of the Compliance Period or if the Compliance Period was specifically extended beyond 15 years. Example 623(1): The Development's LURA states "The Compliance Period shall be a period of 20 consecutive taxable years and the Extended Use Period shall be a period of 35 consecutive taxable years, each commencing with the first year of the Credit Period." In this scenario, the Additional Use

Restrictions prescribed in the LURA are applicable through year 20, but since the Federal Compliance Period has ended, the Development will be monitored under this section;

(10) The Owner shall not terminate the lease or evict low-income residents for other than good cause;

(11) The total number of required HTC Low-Income Units can be maintained Development wide;

(12) Owners may not charge fees for amenities that were included in the Development's Eligible Basis;

(13) Once a calendar year, Owners must continue to collect and maintain current data on each household that includes the number of household members, age, ethnicity, race, disability status, rental amounts and rental assistance (if any). This information can be collected on the Department's Annual Eligibility Certification form or the Income Certification form or HUD Income Certification form or USDA Income Certification form; and

(14) Employee occupied units will be treated in the manner prescribed in §10.622(h) of this chapter (relating to Special Rules Regarding Rents and Rent Limit Violations).

(c) After the first fifteen (15) years of the Extended Use Period, certain requirements will not be monitored as detailed in paragraphs (1) - (6) of this subsection.

(1) The student restrictions found in §42(i)(3)(D) of the Code. An income qualified household consisting entirely of full time students may occupy a Low-Income Unit. If a Development markets to students or leases more than 15 percent of the total number of units to student households, the property will be found in noncompliance unless the LURA is amended through the Material Amendments procedures found in §10.405 of this chapter (relating to Amendments).

(2) All households, regardless of income level or 8609 elections, will be allowed to transfer between buildings within the Development;

(3) The Department will not monitor the Development's application fee after the Compliance Period is over; and

(4) Mixed income Developments are not required to conduct annual income recertifications. However, Owners must continue to collect and report data in accordance with paragraph (b)(13) of this section; and

(5) The Department will not monitor whether rent is being charged for an employee occupied unit.

(d) While the requirements of the LURA may provide additional requirements, right and remedies to the Department or the tenants, the Department will monitor post year fifteen (15) in accordance with this section as amended.

(e) Unless specifically noted in this section, all requirements of this chapter, the LURA and §42 of the Code remain in effect for the Extended Use Period. These Post-Year Fifteen (15) Monitoring Rules apply only to the HTC Developments administered by the Department. Participation in other programs administered by the Department may require additional monitoring to ensure compliance with the requirements of those programs.

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BOARD ACTION REQUEST

BOND FINANCE DIVISION

JUNE 16, 2015

Presentation, Discussion and Possible Action regarding publication of a Request for Proposal ("RFP") for a Warehouse Facility for Single Family Programs.

RECOMMENDED ACTION

WHEREAS, the Department has historically provided financing to first-time homebuyers through the issuance of single family mortgage revenue bonds;

WHEREAS, the Department's current Warehouse Facility contract expires September 30, 2015; and

WHEREAS, a Warehouse Facility has been an effective financing tool for the Department with respect to the issuance of single family mortgage revenue bonds;

NOW, therefore it is hereby

RESOLVED, that the Executive Director be authorized, empowered, and directed, for and on behalf of the Department, to publish an RFP for a Warehouse Facility, to select a Warehouse Facility, and to report the selection to the Board.

BACKGROUND

Negative arbitrage is the investment of bond proceeds at less than the cost of funds. With a traditional bond issue, bonds are issued and sold to the public and the proceeds of those bonds are invested until used. In the case of single family mortgage revenue bonds, the proceeds are typically invested in an investment agreement (or other short-term, liquid investment) while lenders originate, close, and sell mortgage loans to the Master Servicer. The Master Servicer pools the loans into mortgage-backed securities ("MBS") that are sold to the trust estate for the bonds and paid for by the trustee using bond proceeds withdrawn from the investment agreement. The process of loan origination, sale, certification, and purchase of MBS by the trust estate continues until the earlier of the date that all bond proceeds have been used to purchase MBS or until the required bond call for unexpended proceeds.

Currently, investment rates are well below the interest rate that the Department would pay on single family mortgage revenue bonds. The Warehouse Facility is a way to mitigate or eliminate the resulting negative arbitrage, as the bonds would not be issued until the mortgages are substantially originated and pooled into MBS. Upon bond issuance, these MBS would be purchased by the trust estate using bond proceeds, making the mortgage-backed securities the "investment" that will secure and eventually pay-off the bond issue.

Issuing an RFP for Warehouse Facility does not obligate the Department to use a Warehouse Facility; rather, it provides a financing tool that could be used to improve bond issue economics, depending on market conditions and other factors at the time of pricing.

First Southwest Company has provided the Warehouse Facility for the Department since October 2012.

Staff seeks Governing Board approval to develop and publish an RFP to identify qualified Warehouse Facilities. Staff will evaluate RFPs received and will report the selection to the Board.

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BOARD ACTION REQUEST
HOUSING RESOURCE CENTER
JUNE 16, 2015

Presentation, Discussion, and Possible Action on a Request for Proposal (“RFP”) for Service-Enriched Housing Training, Technical Assistance, and Evaluation

RECOMMENDED ACTION

WHEREAS, Texas Government Code §2306.1096 directs the Texas Housing and Health Services Coordination Council (“HHSCC” or the “Council”) to develop policies to coordinate and increase state efforts to offer Service-Enriched Housing (“SEH”) and identify barriers preventing or slowing SEH efforts; and

WHEREAS, the Texas Department of Housing and Community Affairs (“TDHCA” or the “Department”) has been provided appropriations for the 2014-2015 biennium to support activities of the Council;

NOW, therefore, it is hereby

RESOLVED, that the Executive Director and his designees and each of them be and they hereby are authorized, empowered, and directed, for and on behalf of the Department, to proceed to negotiate and approve a contract with one or more parties making compliant proposals and select for award under the RFP criteria.

BACKGROUND

The Department, on behalf of the Council, is seeking to contract with a qualified vendor (“Vendor”) to provide training and technical assistance to community teams whose goal is to increase SEH in their local community. In addition, the Vendor will evaluate the effectiveness of the training and technical assistance in accomplishing team goals.

In 2011, TDHCA partnered with the Texas Department of Aging and Disability Services (“DADS”) to develop a successful application to the Centers for Medicare and Medicaid Services (“CMS”) for the Real Choice Systems Change Grant: Building Sustainable Partnerships for Housing. The State of Texas was one of six states selected to receive a grant and was awarded \$330,000.

DADS and TDHCA partnered to complete the following activities:

1. Applied for the U.S. Department of Housing and Urban Development (“HUD”) Section 811 Project Rental Assistance Demonstration Program;
2. Implemented a Housing and Services Partnership (“HSP”) Academy; and
3. Created the Housing and Services for Persons with Disabilities Online Clearinghouse.

The HSP Academy provided local communities the tools and education necessary to create safe, affordable, accessible housing for people with disabilities. In May 2013, the HSP Academy provided a two-day intensive workshop for 16 local community teams. Each team consisted of a housing and service provider, as well as a person with a disability. In addition, documents were created for the HSP Academy that are available through TDHCA's Housing Resource Center's Tools for Serving People with Disabilities, and as resources for organizations and developers interested in creating community-based, affordable, integrated housing for persons with disabilities.

On April 24, 2015, TDHCA released an RFP (Agency Requisition Number 332-RFP15-1003) which seeks to procure a Vendor to replicate the HSP Academy that was held in May 2013, provide ongoing technical assistance to the teams who attend the HSP Academy, and conduct a formative and summative evaluation for the project. An announcement of the proposed RFP was posted on the TDHCA website, the Electronic State Business Daily on April 24, 2015, and in the Texas Register on May 15, 2015.

The successful Vendor will:

- Plan, coordinate, and manage at least one HSP Academy in State Fiscal Year 2015 or SFY 2016 in a Texas location mutually agreed upon by TDHCA staff and the Vendor;
- Provide on and offsite pre- and post- technical assistance to the HSP Academy teams; and
- Provide TDHCA staff, on behalf of the Council, a formative and summative evaluation for each HSP Academy.

Staff recommends approval for the Executive Director and his designees to proceed to negotiate and approve a contract with one or more parties making compliant proposals and select for award under the RFP criteria. Furthermore, staff is seeking approval to negotiate with and enter into a contract with a vendor in response to an RFP for SEH Training, Technical Assistance, and Evaluation.

11

BOARD ACTION REQUEST
HOUSING RESOURCE CENTER
JUNE 16, 2015

Presentation, Discussion, and Possible Action on a Request for Proposal (“RFP”) for a Texas Homeless Youth Survey Tool

RECOMMENDED ACTION

WHEREAS, the Texas Department of Housing and Community Affairs (“TDHCA” or the “Department”) is aware that a subpopulation of unaccompanied youth exists within the homeless population;

WHEREAS, the General Appropriations Act of 2014-2015 includes Rider 13 under the Department’s bill pattern which establishes an Affordable Housing Research and Information Program to assist with information and technical assistance requests for affordable housing; and

WHEREAS, House Bill (“HB”) 679 directs the Department to conduct a homeless youth count and study in conjunction with the Texas Interagency Council for the Homeless (“TICH”) was passed by both chambers of the Legislature on May 27, 2015;

NOW, therefore, it is hereby

RESOLVED, that the Executive Director and his designees and each of them be and they hereby are authorized, empowered, and directed, for and on behalf of the Department, to proceed to negotiate and approve a contract with one or more parties making compliant proposals and select for award under the RFP criteria.

BACKGROUND

The Department is seeking to contract with a qualified vendor (“Vendor”) to develop a survey tool designed to be used for a statewide count of the number of youth experiencing homelessness, and the needs of those youths.

A point-in-time (“PIT”) count is an annual count of persons experiencing homelessness. The U.S. Department of Housing and Urban Development’s (“HUD”) PIT guide sets a standard that PIT counts be conducted within the last 10 days in January, and that the PIT count methodology must be in alignment with the local Continuum of Care (“CoC”) governance charter.

Since 2013 there has been a concerted push to gather a more accurate count for homeless unaccompanied youth who are often distrustful of adults. The U.S. Interagency Council on Homelessness, the United States Department of Education, the United States Health and Human Services, and HUD coordinated Youth Count! to develop promising strategies for a more accurate count of unaccompanied homeless youth through annual PIT counts. An initial Youth Count! was held by the Coalition for the Homeless

Houston/Harris County. In 2015, the University of Houston subsequently developed Youth Count 2.0! Both counts revealed promising practices for a more accurate count of unaccompanied homeless youth.

HB 679 authored by Representative Sylvester Turner passed both houses on May 27, 2015. HB 679 adds Section 2306.1101 and Section 2306.1102 to the Texas Government Code. The former defines homeless youth and the latter requires the Department, in conjunction with the TICH, to conduct a study of homeless youth. The report on the study is due no later than December 1, 2016.

The TICH is a council created by the 74th Texas Legislature to coordinate the state's homeless resources. Per legislation, the TICH serves as an advisory committee to the Department, and TDHCA also provides clerical support to the TICH. The TICH is currently composed of eleven state agencies and representatives appointed by the Governor, Lieutenant Governor, and Speaker of the House of Representatives. TDHCA has two representatives on the TICH.

On May 21, 2015, TDHCA released a Request for Proposal (Agency Requisition Number 332-RFP15-1004) for a Homeless Youth Survey Tool. An announcement of the proposed RFP was posted on the TDHCA website, the Electronic State Business Daily on May 21, 2015 and will post in the Texas Register on June 12, 2015.

The successful Vendor will:

1. Develop a standardized survey tool for use by CoCs to gather information on homeless youth during the 2016 point-in-time count;
2. Document all input from the resources and roundtables or meetings, including changes made to the survey as a result of the input; and
3. Obtain commitment letter from a majority of the CoCs to use the survey tool.

The Affordable Housing Research and Information Program was included in the General Appropriations Act of 2014-2015 to assist with information and technical assistance requests for affordable housing. A portion of the funding for this Program will be used for the Homeless Youth Survey Tool.

Staff recommends approval for the Executive Director and his designees to proceed to negotiate and approve a contract with one or more parties making compliant proposals and select for award under the RFP criteria. Furthermore, staff is seeking approval to negotiate with and enter into a contract with a vendor in response to an RFP for a Texas Homeless Youth Survey Tool.

1m

BOARD ACTION REQUEST
MULTIFAMILY FINANCE DIVISION
JUNE 16, 2015

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

RECOMMENDED ACTION

WHEREAS, a 4% Housing Tax Credit application for Compass Pointe was submitted to the Department on October 6, 2014;

WHEREAS, in lieu of a Certification of Reservation, a Carryforward Designation Certificate was issued on January 12, 2015 and will expire on December 31, 2017;

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

WHEREAS, the Executive Award and Review Advisory Committee (“EARAC”) recommends the issuance of the Determination Notice with the condition that closing occur within 120 days (on or before October 16, 2015); and

WHEREAS, no compliance history or previous participation issues in accordance with 10 TAC §1.5 were identified or considered by EARAC;

NOW, therefore, it is hereby

RESOLVED, that the issuance of a Determination Notice of \$1,205,323 in 4% Housing Tax Credits, subject to underwriting conditions that may be applicable as found in the Real Estate Analysis report posted to the Department’s website for Compass Pointe is hereby approved in the form presented to this meeting; and,

FURTHER RESOLVED, that provided the Applicant has not closed on the bond financing on or before October 16, 2015, the Board authorizes EARAC to extend the Determination Notice date subject to an updated previous participation review, if necessary.

BACKGROUND

General Information: Compass Pointe, located in Midland, Midland County, involves the new construction of 206 units. Of the 206 total residential units; 3 units will be rent and income restricted at 30% AMFI, 10 units will be rent and income restricted at 40% AMFI, 8 units will be rent and income restricted at 50% AMFI, and the remaining 185 units will be rent and income restricted at 60% AMFI. The development will serve the general population and is zoned appropriately.

Conditions to Award: The application and underwriting report were reviewed by EARAC and it was recommended by EARAC that any Board approval of the Determination Notice include a condition related to the closing of the bonds. Specifically, EARAC recommends that the closing must occur on or before 120 days (October 16, 2015) and that if closing has not occurred by such date, the Board authorizes EARAC to extend the Determination Notice date subject to an updated previous participation review, if necessary. This condition is generally consistent with the requirements of a bond transaction utilizing non-traditional carryforward (the subject applicant received a traditional carryforward reservation). For non-traditional carryforward reservations, a statutory 150-day deadline from the date of the reservation for closing is imposed and the Determination Notice for any associated 4% award expires if closing does not occur within this timeframe or if the financing structure or terms change. Traditional carryforward reservations are not specifically addressed in the rule and this recommendation addresses the proposal in a manner to result in consistency. Staff believes that closing within a reasonable period after Board action is important and consistent with the constraints present for most other bond transactions.

Organizational Structure: The Borrower is VDC Compass Pointe, L.P. The General Partner is VDC Compass Pointe GP, LLC, of which the sole member is Compass Pointe GP Public Facility Corporation, a not-for-profit organization and is comprised of the Midland County Housing Authority and the following board members and officers: Jeanette Castaneda, Romeo Canales, Carol Fulfer, Alan Aaron, and Zoe Reyes.

The EARAC met on June 3, 2015, and considered the previous participation review documentation relating to the organizational structure as noted above in accordance with the Previous Participation Reviews rule found in 10 TAC §1.5. After considering the information provided, EARAC recommended approval of the award.

Census Demographics: The development is to be located at Wayside Drive between Hicks Avenue and Gist Avenue in Midland. Demographics for the census tract (0015.00) include an AMFI of \$34,670; the total population is 4,262; the percent of population that is minority is 93.22%; the poverty rate is 39.31%; the number of owner-occupied units is 819 and the number of renter units is 442. (Census information is from FFIEC Geocoding for 2014.)

Public Comment: The Department has not received any letters of support or opposition for this Development.

BOARD ACTION REQUEST
MULTIFAMILY FINANCE DIVISION
JUNE 16, 2015

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

RECOMMENDED ACTION

WHEREAS, a 4% Housing Tax Credit application for Darson Marie Terrace was submitted to the Department on November 12, 2014;

WHEREAS, in lieu of a Certification of Reservation, a Carryforward Designation Certificate was issued on January 13, 2015, and will expire on December 31, 2017;

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

WHEREAS, the Executive Award and Review Advisory Committee (“EARAC”) recommended the issuance of the Determination Notice with the condition that closing occur within 120 days (on or before October 16, 2015); and

WHEREAS, no compliance history or previous participation issues in accordance with 10 TAC §1.5 were identified or considered by EARAC;

NOW, therefore, it is hereby

RESOLVED, that the issuance of a Determination Notice of \$308,147 in 4% Housing Tax Credits, subject to underwriting conditions that may be applicable as found in the Real Estate Analysis report posted to the Department’s website for Darson Marie Terrace, along with EARAC conditions, is hereby approved in the form presented to this meeting and;

FURTHER RESOLVED, that provided the Applicant has not closed on the bond financing on or before October 16, 2015, the Board authorizes EARAC to extend the Determination Notice date subject to an updated previous participation review, if necessary.

BACKGROUND

General Information: Darson Marie Terrace, located in San Antonio, Bexar County, involves the new construction of 57 units. Of the 57 total residential units, 3 units will be rent and income restricted at 30% of AMFI, 53 units will be rent and income restricted at 50% AMFI, and the remaining unit will be employee occupied. The development will serve the elderly population and is zoned appropriately.

Conditions to Award: The application and underwriting report were reviewed by EARAC and it was recommended by EARAC that any Board approval of the Determination Notice include a condition related to the closing of the bonds. Specifically, EARAC recommends that the closing must occur on or before 120 days (October 16, 2015) and that if closing has not occurred by such date, the Board authorizes EARAC to extend the Determination Notice date subject to an updated previous participation review, if necessary. This condition is generally consistent with the requirements of a bond transaction utilizing non-traditional carryforward (the subject applicant received a traditional carryforward reservation). For non-traditional carryforward reservations, a statutory 150-day deadline from the date of the reservation for closing is imposed and the Determination Notice for any associated 4% award expires if closing does not occur within this timeframe or if the financing structure or terms change. Traditional carryforward reservations are not specifically addressed in the rule and this recommendation addresses the proposal in a manner to result in consistency. Staff believes that closing within a reasonable period after Board action is important and consistent with the constraints present for most other bond transactions. Execution of the determination notice is conditioned upon confirmation, acceptable to the Department's legal counsel, that the elderly restrictions required by HUD are not in conflict with the Department's definition of Qualified Elderly Development.

Organizational Structure: The Borrower is Darson Marie RHF Housing Partner, L. P. The General Partner is Alamo RHF Housing, LLC, of which the sole member, Darson Marie RHF Housing, Inc. a not for profit organization and is wholly comprised of Retirement Housing Foundation (“RHF”). The following individuals are board members or officers of RHF: Dr. Laverne R. Joseph, John Bauman, Norma DeSaegher, Raymond East, Frank G. Jahrling, David Moyer, Christina E. Potter, Darryl M. Sexton, Stewart M. Simington, John E. Trnka and Hal Shultz.

The EARAC met on June 3, 2015, and considered the previous participation review documentation relating to the organizational structure as noted above in accordance with the Previous Participation Reviews found in 10 TAC §1.5. There was no compliance history or previous participation issues to be considered by EARAC.

Census Demographics: The development is to be located at 3142 Weir Avenue in San Antonio. Demographics for the census tract (1607.02) include an AMFI of \$33,469; the total population is 5,314; the percent of population that is minority is 95.41%; the poverty rate is 30.39%; the number of owner-occupied units is 778 and the number of renter units is 1,109. (Census information is from FFIEC Geocoding for 2014.)

Public Comment: The Department received a letter of support from former State Senator Leticia Van de Putte (Sen. Van de Putte was the sitting member in Senate District 26 at the time of application) and no letters of opposition have been received.



14418

The Senate of The State of Texas

Senator Leticia Van de Putte, R. Ph.

District 26

PRESIDENT PRO TEMPORE, 2013

August 8, 2014

Mr. Michael Gerber, Executive Director
Texas Department of Housing and Community Affairs
PO Box 13941
Austin TX 78711-3941

RE: Darson Marie Terrace

Dear Mr. Gerber:

I am writing to express my strong support of Darson Marie RHF Housing Partners for the issuance of multifamily housing tax-exempt bonds and 4% tax credits for the development of Darson Marie Terrace, located at 3142 Weir Ave. in District 26 in San Antonio, Texas.

As Senate District 26 already experiences a shortage of quality affordable housing, this 57 unit multi-family housing development, of which 56 will be for qualified elderly low-income tenants, will fill the need for many families and retired elderly struggling to stay afloat.

I firmly believe the addition of Darson Marie Terrace in this community will specifically address the needs of our low income families and elderly making less than 50% of the median income.

I am confident Darson Marie Terrace will play a vital role in the revitalization efforts of our community in providing for economic growth and new development opportunities, and will greatly improve the quality of life for residents.

I hope you will take my representation into account in making your decision on this much needed tax credit.

Sincerely,

Senator Leticia Van de Putte, R. Ph.

LVP/all/ap

101 W. Nueva St., Suite 809
San Antonio, Texas 78205
(210) 733-6604
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E-MAIL: leticia.vandeputte@senate.state.tx.us

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2a

TDHCA Outreach Activities, May 2015

A compilation of activities designed to increase the awareness of TDHCA programs and services or increase the visibility of the Department among key stakeholder groups and the general public

Event	Location	Date	Division	Purpose
Texas Mortgage Bankers Assoc. Conference	San Antonio	May 4-5	Homeownership	Remarks, Presentation
Housing Tax Credit Training	Houston	May 6	Compliance	Training
Texas Association of Community Action Agencies Conference	Austin	May 6-8	Board, Executive, 3PM, Community Affairs	Remarks, Presentation
First Thursday Income Eligibility Training	Austin	May 7	Compliance	Training
Supportive Housing Innovations/Corporation for Supportive Housing Summit 2015	Chicago, IL	May 11-13	Housing Resource Center	Participant
Coats Rose: The Classroom/TDHCA Rules Update	Austin	May 13	Executive, Multifamily	Panelists
First Thursday Income Eligibility Training	Fort Worth	May 13	Compliance	Training
Housing Tax Credit Training	Fort Worth	May 14	Compliance	Training
Project 811/Property Staff and Management Training	El Paso	May 19-20	Program Planning, Policy & Metrics	Training
Houston Black Real Estate Association Conference	Houston	May 21	Homeownership	Panelist
Affordable Housing Forum/American Bar Association	Washington, D.C.	May 20-22	Compliance, Legal	Panelist, Participant
Tax Credit Training	Austin	May 20	Compliance	Training
HOME Compliance Training	Austin	May 21	Compliance	Training
Aging and Disability Resource Center Steering Committee Meeting/Capital Area Council of Governments	Austin	May 21	Housing Resource Center	Participant
Housing Subcommittee Meeting/Intellectual and Developmental Disabilities System Redesign Advisory Council	Austin	May 21	Housing Resource Center	Participant
ROMA Training/City of San Antonio	San Antonio	May 22	Community Affairs	Training

Internet Postings of Note, May 2015

A list of new or noteworthy documents posted to the Department's website

Proposed Changes to the HOME Single Family Rules — detailing draft rules impacting all HOME Single-Family activities administered by the Department:

www.tdhca.state.tx.us/home-division/manuals-rules.htm

Homeless Housing and Services Program: Program Summary — new web section highlighting significant program achievements and milestones, as well as links to data relating to program performance and impact:

www.tdhca.state.tx.us/community-affairs/hhsp/index.htm

HUD Exceptions to 2010 ADA Standards — permitting recipients of HUD funds to use an alternative accessibility standard for purposes of complying with Section 504 of the Rehabilitation Act of 1973 until HUD formally adopts an updated accessibility standard:

www.tdhca.state.tx.us/pmcomp/inspections/construction.htm

2015 Community Services Block Grant Program: Eligible Entities List —*updated list of and contact information for entities designated as eligible to administer the Department's CSBG funds:*
www.tdhca.state.tx.us/community-affairs/csbg/index.htm

Purchasing: No Bid Contracts —*detailing all no-bid contracts held by the Department in response to Governor Abbott's call for increased transparency with state contracts:*
www.tdhca.state.tx.us/purchasing/vendors.htm

2015 9% Housing Tax Credit Program: Individually Imaged Challenges —*detailing individual documents from applicants challenging points sought by other applicants in the 2015 HTC cycle:*
www.tdhca.state.tx.us/multifamily/housing-tax-credits-9pct/index.htm

Community Services Block Grant Program: Organizational Standards —*relating to organizational performance standards for CSBG eligible entities and providing notice that the Department will adopt these standards through the Texas Administrative Code rule-making process in the fall of 2015:*
www.tdhca.state.tx.us/community-affairs/csbg/guidance.htm

Notice of Public Hearing: Good Samaritan Towers —*providing details for a hearing to accept public comment regarding a bond transaction for a proposed multifamily rental property in El Paso:*
www.tdhca.state.tx.us/multifamily/communities.htm

FY2015 Area Median Family Income Limits —*detailing 30% Low Income limits by MSA for households of between one and eight persons:*
www.tdhca.state.tx.us/community-affairs/esgp/guidance-solutions.htm

Post Carryover Activities Manual Update: May 2015 —*providing necessary instructions to owners completing developments involving Tax Credit, HOME, Housing Trust Fund, and Neighborhood Stabilization program funds:*
www.tdhca.state.tx.us/asset-management/pca-manual.htm

10% Test Update: May 2015 —*providing property owners method of documentation that more than 10% of a development's reasonably expected basis has been incurred no later than July 1 of the year following Carryover:*
www.tdhca.state.tx.us/asset-management/pca-manual.htm

2015 HOME/TCAP Multifamily Development Program Application Log —*detailing applicants seeking funding through the Department's HOME and Tax Credit Assistance programs, sorted by property name, region, population served, funding request, and other categories:*
www.tdhca.state.tx.us/multifamily/home/index.htm

RFP: Texas Homeless Youth Survey Tool — *seeking a qualified vendor to develop a survey tool for a statewide count to determine the number of youths experiencing homelessness and their needs (links to the Comptroller's Office web page):*
http://esbd.cpa.state.tx.us/bid_show.cfm?bidid=117647

2015 9% Housing Tax Credit Underwriting Reports — *providing a financial analysis of applications seeking tax credits in the 2015 Competitive HTC allocation cycle:*
www.tdhca.state.tx.us/rea/index.htm

2014 Texas Interagency Council for the Homeless: Annual Report — *providing a progress report of Council activities as required by Texas Government Code:*
<http://www.tdhca.state.tx.us/tich/pathways-home.htm>

2b

BOARD ACTION REQUEST
MULTIFAMILY FINANCE DIVISION
JUNE 16, 2015

Report on Site Challenges made in Accordance with 10 TAC §11.10 Concerning 2015 Housing Tax Credit Applications

RECOMMENDED ACTION

WHEREAS, the Department allows parties unrelated to an application to submit challenges relating to the eligibility of a proposed Development Site with regard to any application pursuant to §11.10(5) of the 2015 Qualified Allocation Plan (“QAP”);

WHEREAS, the Department received two such site challenges regarding applications that are competing in the current competitive 9% low income housing tax credit application cycle;

WHEREAS, staff has reviewed all of the challenges received and has made recommendations for further action based on the validity of each challenge;

WHEREAS, §11.10(13) of the QAP requires that staff determinations regarding all challenges will be reported to the Board; and

WHEREAS, the report which was accepted by the Board on May 7, 2015, required that staff present supplemental information related to the two sites that were challenged

NOW, therefore, it is hereby,

RESOLVED, that the Board accepts this supplemental report in satisfaction of the requirements of §11.10(13) of the QAP.

BACKGROUND

Pursuant to §11.10(5) of the QAP, unrelated parties may challenge specific applications with respect to eligibility under §§10.101(a)(3) and (4) related to Undesirable Site Features and Undesirable Neighborhood Characteristics, respectively. Staff reviews each challenge, submits a request to the Applicant for a response, and researches both sides of the challenge in order to make a determination of appropriate resolution to the challenge. The challenges, along with the Applicants’ responses, are posted to the Department’s website. Section 11.10(13) of the QAP requires that staff determinations regarding all challenges will be reported to the Board. The report presented to the Board at the May 7, 2015 meeting included information about two site challenges. The first, regarding the Application for Place of Grace (#15110) in Beaumont, asserted that the Development Site should be found ineligible because it is located in proximity to a number of undesirable neighborhood characteristics, including criminal

activity, a large number of affordable housing units in the area, heavy industrial uses and a sexually oriented business. Staff visited the site on May 14, 2015 and found that the immediately surrounding area consists of a combination of single family, multifamily, and commercial uses. Staff did note the sexually oriented business mentioned in the challenge, but it was across the highway and not located in what staff would define as the neighborhood in which the development site is located. While it did appear that some of the businesses along 11th street north of the site were closed down, there was not compelling evidence of abandonment among the single family homes in the same vicinity; however, many of those homes were in visible physical decline. Staff did not observe the “strong, pungent odors” from a wastewater treatment plant and city landfill nor heavy industrial uses that were mentioned in the challenge. In addition, while staff acknowledges that one data source indicates that the tolerable threshold for criminal activity is exceeded, the Applicant did provide evidence in response to the challenge that indicates that the area does not have a significant crime issue.

Staff then requested that the applicant provide additional information regarding revitalization efforts in the area. The original Application submission did include a community revitalization plan, but that submission lacked evidence as to the actual activities that had taken place or that will take place in the near future under the plan. The Applicant provided a response which detailed 31 separate projects; that response is included as an attachment to this report. Although there does not appear to be significant development in the area immediately surrounding the site, the site does appear to be book-ended by re-development efforts. It is staff’s opinion that these efforts are substantial enough to mitigate the preponderance of the less desirable features of the neighborhood, which are already only sporadically located in the vicinity of the site. (It should be noted that this determination is not necessarily reflective of whether or not the Application will be eligible for points under §11.9(d)(7) related to Community Revitalization Plan.) Staff recommends that the site be found eligible.

The second application mentioned in the original challenge report, Abbington Commons of Whitewright, was challenged based on proximity to an ammonium nitrate plant. Staff is still working with the Applicant to see if it is possible to develop appropriate conditions on this potential award in order to provide any necessary mitigation. Those conditions will be reflected in the final underwriting report.

RESPONSE TO TDHCA SITE VISIT QUESTION

In 1999, the City of Beaumont developed a Neighborhood Plan for the West Oakland/Pear Orchard Area which is within the boundaries of Ward IV. In 2008, the City Council selected the area near Antioch Baptist Church as a Neighborhood Empowerment Zone. These steps have been very successful in attracting new public and private investment to the neighborhoods nearest Antioch Baptist Church and the site of the proposed Place of Grace Development.

Chris Boone, Director Planning and Zoning, City of Beaumont, has stated, “There has been more economic activity in Ward IV [see Exhibit 1] in the past five years than any other in our City.” He provided a list of 31 new expanding developments that have made significant investments in the southern portion of Beaumont [see Exhibit 2]. The area near Antioch Baptist Church has been the beneficiary of several of these new investments.

The Goals of the 1999 West Oakland/Pear Orchard Neighborhood Plan included: 1) Make an immediate improvement in the physical appearance of both the occupied and vacant lots in the area; 2) Improve the physical condition of local residential and collector streets; 3) Improve the design and construction of the area’s street network to discourage through traffic, correct traffic safety problems, and improve the quality and safety of the neighborhood environment; 4) Provide recreational facilities to serve all age groups but with emphasis on youths and the elderly; 5) Improve public safety and health facilities; 6) Improve housing opportunities in the area, particularly single-family dwelling units; 7) Improve the physical appearance and public perception of the area, its separate neighborhoods, and major streets; 8) Encourage the start-up of new businesses and increased employment opportunities in the area; and 9) Encourage public transit usage by area. As can be seen in the examples below, progress has been made for all of these goals, and the incentives provided to investors in the Neighborhood Empowerment Zone created in 2008 have helped spur private investment around Antioch Baptist Church.

For example, at the intersection of 11th Street and College, HEB opened last week a new 68,000/sf full service grocery store which will eventually replace a small Pantry Store currently located at the corner of 11th Street and Milam. HEB’s investment will exceed \$5.3 million and will employ 300 people. The new HEB is located 1.64 miles from the proposed Place of Grace site. In addition, Baptist Hospital recently invested nearly \$50 million in its new Trinity Tower with 54 additional beds. The hospital has built a new Rheumatology Clinic, a new Internal Medicine Clinic, a new TAVR Center for aortic valve replacements, and a new Children’s Emergency Center. This major Level 1 Trauma hospital, with 383 beds, is only 1.75 miles from the Place of Grace site. Rev. John Adolph is the Pastor of the 9,000 member Antioch Baptist Church and has been instrumental in securing both of these major new investments. He serves on the Board of the Baptist Hospital, which in addition to making these large medical investments, sold its old hospital property to HEB for its new grocery store.

Antioch Baptist Church has been an important catalyst for growth and development in south Beaumont. On or adjacent to the Church’s property on the north side of US-69S, the

Church has constructed its new auditorium which seats over 1,500 people to accommodate its three Sunday morning services, offices, recreation center, education space and a charter school. It is the largest church in the Golden Triangle. Rev. Adolph's vision of neighborhood revitalization has been endorsed by the City. The Church, with Jehovah Jireh Village Community Development Center, Inc., has been responsible for the construction of a new residential neighborhood composed of 50 new single-family homes [see Exhibit 3]. The Church also acquired an abandoned YMCA building from the City and has rebuilt it as a community recreation center. Antioch Baptist Church was instrumental in the development of ITEX's GraceLake apartment and townhome development located next to the Church; GraceLake is a 128-unit, general population LIHTC development which received its award in 2009 and was dedicated in late 2011. GraceLake currently has a 96% occupancy rate. Members of the church completed the new 13,400/sf Compro Event Center located across from the Church on the south side of US-69 [0.17 miles from the site].

There is a considerable number of new investments near the Church on US-69, Fannett Road, Sarah Street and 4th Street. These streets are mostly composed of well-kept subdivisions, light commercial and retail properties. In addition to the new investments near the Church campus there is the new Tax Assessors office, McDonalds and Subway on 4th Street, and a Dollar General and Ozen High School on Fannett Road. There is also the new Paradise Church on Fannett and a new Theodore R. Johns public library constructed across from the proposed Place of Grace on Sarah Street. The City has four major infrastructure investments underway that exceed \$50 million, which includes a \$30.2 million project on Washington Street. The Cardinal Drive area [immediately south on US-69's Access Road] has become the most popular area for the wide variety of service companies and suppliers to the region's refining/petrochemical industry. The presence of these service companies makes access to training and new high paying jobs readily accessible to residents of the neighborhoods near Antioch Baptist Church.

Of the four Neighborhood Empowerment Zones (NEZ) created by the City in 2008, Zone 2 [the area surrounding Antioch Baptist Church] has been the most successful. Mr. Boone stated, "To date, this area has been the most active zone, resulting in new single-family and multi-family housing, national retail businesses, offering jobs and serving the community as well as commercial-manufacturing businesses, also offer jobs in the area." Eleventh Street is part of two NEZs, from Fannett Road to Washington Avenue it is in Zone 2 and College Street to north of Hollywood Street it is in Zone 1.

Eleventh Street runs parallel and east of I-10 and intersects with US-69 near the proposed site of Place of Grace. Eleventh Street was once a major Beaumont commercial thoroughfare prior to the construction of the major federal highway system. Much of the newer commercial sales and services businesses have relocated to Cardinal Drive [south of the Church on US-69S Access Road] which offers highway visibility and better access to their industrial customers. As a result, to date, 11th Street has not seen the same level of improvements as the other corridors closer to the Antioch Baptist Church, but improvements along 11th Street between College and US-69 are being made. For example, there is a new water retention project under construction by Drainage District #6 which will improve drainage for a wide area of the City. Also, in December 2014 Spectra Composites closed on a 20,900/sf warehouse on 2.54 acres located at

3140 S 11th Street, just south of Washington Avenue and 0.60 mile from the Place of Grace site. A local Realtor advised Retail Developers' interest has increased in the area of 11th Street due to the incentives being provided by the NEZ.

In addition, at the intersection of 11th Street and Westmoreland, 0.43 miles north of the Place of Grace site, there were two old metal commercial buildings which were in disrepair at the time of the TDHCA site visit but have been removed with the exception of stacked bricks that have not yet been picked up [see Exhibit 4]. There is another metal structure 0.27 miles north of the Place of Grace site at the intersection of 11th Street and Edmonds. This patched structure is structurally sound and is being utilized for storage. This structure is mixed in with the other active commercial businesses, two churches and a Dollar General Store. North of Washington Street (0.73 miles/east of Sam's Club) the businesses along 11th Street change to a higher percentage of retail and office space. At Blanchett (1.13 miles), development along 11th Street becomes even nicer as well as at its intersection with College Drive (1.59 miles), the site of the new HEB. Along College Street, where the vast Baptist Hospital Complex is located, several new buildings have been constructed to accommodate ancillary medical equipment suppliers, doctor's offices and pharmacies, etc. Eleventh Street south of College is redeveloping, and the new investments at College and along nearby I-10 will help speed the redevelopment process along.

There are small neighborhoods off both sides of 11th Street which are located behind the 11th commercial strip. These homes tend to be older and more modest than the neighborhoods near Antioch Baptist Church, however, there have been a number of new homes built in these neighborhoods in the last five years. The City of Beaumont reports that approximately 225 single-family homes have been built in the past five years, many through the Hurricane Ike Program [see Exhibit 5]. Most of the homes built have been concentrated in two areas. One of the areas is the southern portion of Beaumont where the Place of Grace site is located. An estimated 70 homes have been built in the immediate area [see Exhibit 6].

Within the census tract of the Place of Grace site there are two bus routes; South 11th and Pear Orchard [see Exhibit 7]. Both routes provide access to locations north of Place of Grace, such as College Street which has seen substantial public and private investment. Both bus routes also provide access to any of the eight additional routes throughout the City of Beaumont. The AMTRAK passenger station is only 2.14 miles north of the Place of Grace site at West Cedar Street off of 11th Street.

The new Place of Grace development will not be constructed in a 1st Quartile Census Tract, but it also will not be constructed in a declining or blighted area. The proposed Place of Grace development will be constructed in an area of Beaumont which is growing, [see Exhibit 8] and in recent years, has made the greatest improvements to the quality of life of its residents. This success has occurred because of the tremendous relationship between elected leaders, the leadership of the neighborhoods, and Antioch Baptist Church. The City and neighborhoods have worked together to plan and make substantial public investments, and this has created a climate favorable for private sector investments which are changing the outlook for Ward IV, West Oakland/Pear Orchard neighborhood, and its residents.

Exhibit 1

City of Beaumont Redistricting

Draft Map 'C'

ADOPTED



1 inch = 7,500 feet

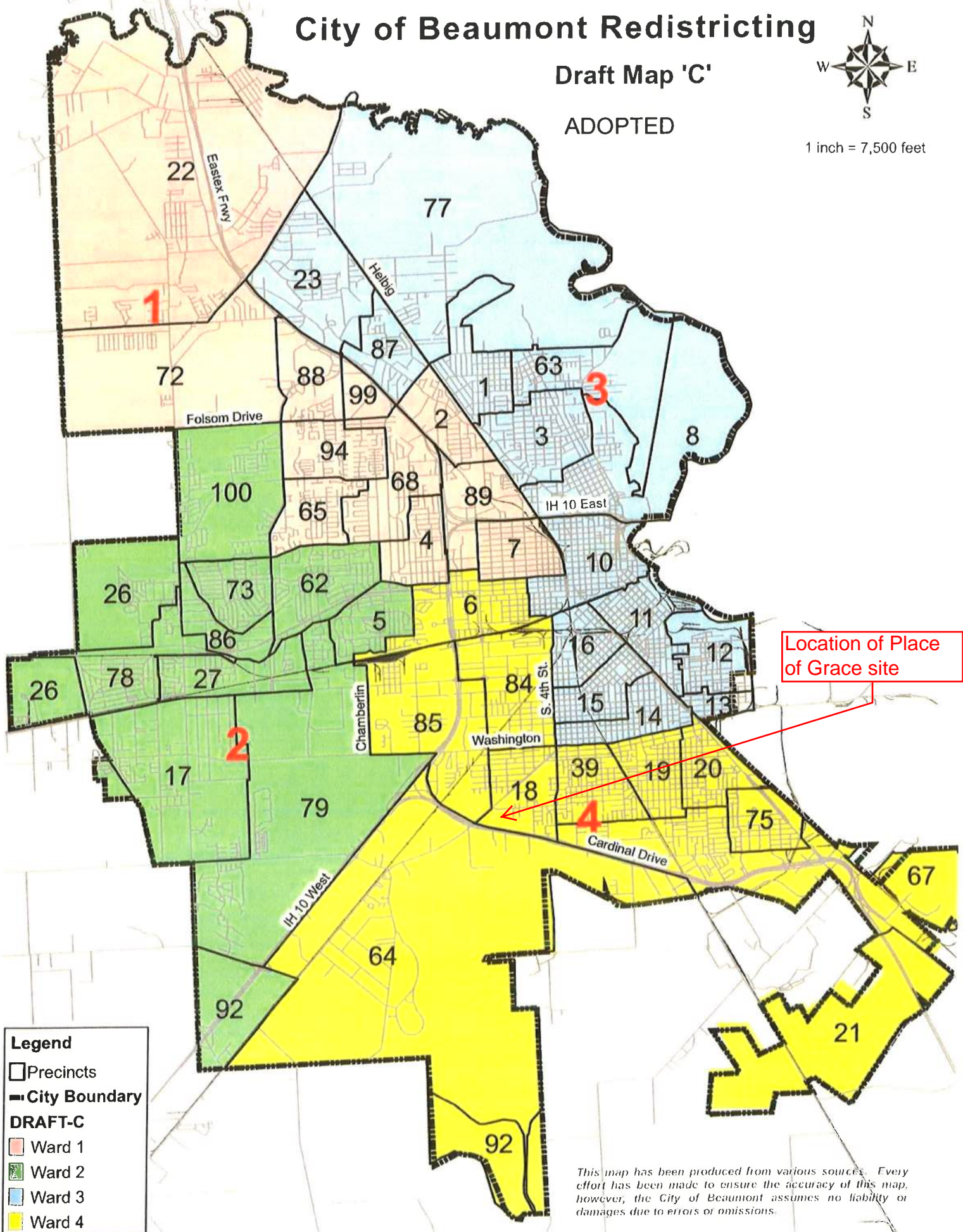


Exhibit 2

Ward IV

I would argue that there has been more economic activity in Ward IV in the past five years than any other in the City. For example, the following projects have been constructed or remodeled and/or opened in the past few years:

- 1) New **HEB** at College and 11th
- 2) New Dollar Store at Fannett and Sarah
- 3) New **Grace Lake Estates Townhomes** (on Sarah, just off of Fannett)
- 4) New **Jehovah Jireh Village** (more than 50 single family home neighborhood) across from Grace Lake Estates
- 5) New City Health Department on College and 4th
- 6) XL Systems Pipeline **\$25M expansion** on Hagner Rd.
- 7) New Church at Fannett and 11th
- 8) Expanded Dow Jones (Wall Street Journal) printing facility at Cardinal and I-10
- 9) New **Chick Fil A** at College and I-10
- 10) New Single-family neighborhood at Washington and I-10
- 11) New **Baptist Hospital Wing** Addition on College
- 12) Multiple new medical offices, hospices and medical supply new construction on College, between 11th and 4th
- 13) New Strip commercial center on College, near 4th, at the railroad
- 14) New Convenience Store at College and 4th
- 15) Newly constructed Nail Salon at College and 4th
- 16) New Convenience Store at College and I-10
- 17) New Emergency room at College and I-10
- 18) Hotel expansions near Walden
- 19) Altus Medical projects on 11th and Liberty
- 20) **New Amtrak Station** on 11th
- 21) Multi-million expansion at **M&I Electric** (AETI) which will bring 50 additional jobs, located on MLK, across from Lamar (now under construction)
- 22) New clinic at Highland and Palm
- 23) Upgraded center at Avenue A and Hariot
- 24) New Dollar store at Highland and Pipkin
- 25) New Paradise Baptist Church at Fannett and Sarah
- 26) Reconstructed McDonald's on Cardinal at 4th
- 27) New convenience store at Cardinal at 4th
- 28) New Golden Coral Steakhouse at I10 and Washington
- 29) New Light-industrial on south side of Cardinal, at 4th
- 30) New **Mercedes Dealership** expansion
- 31) Valero rail terminal expansion along West Port Arthur Road

With regard to single-family construction, I would estimate more than 225 homes have been built within the past five years (although most are through the Ike Program).

Also, this listing does not include expansions to BISD facilities nor expansions at Lamar, improvements. Also, this does not include the new **\$1.2Billion OCI investment**, which is just outside Ward IV.

With regard to investment in infrastructure, the following has been completed or is underway (or very soon underway in Ward IV):

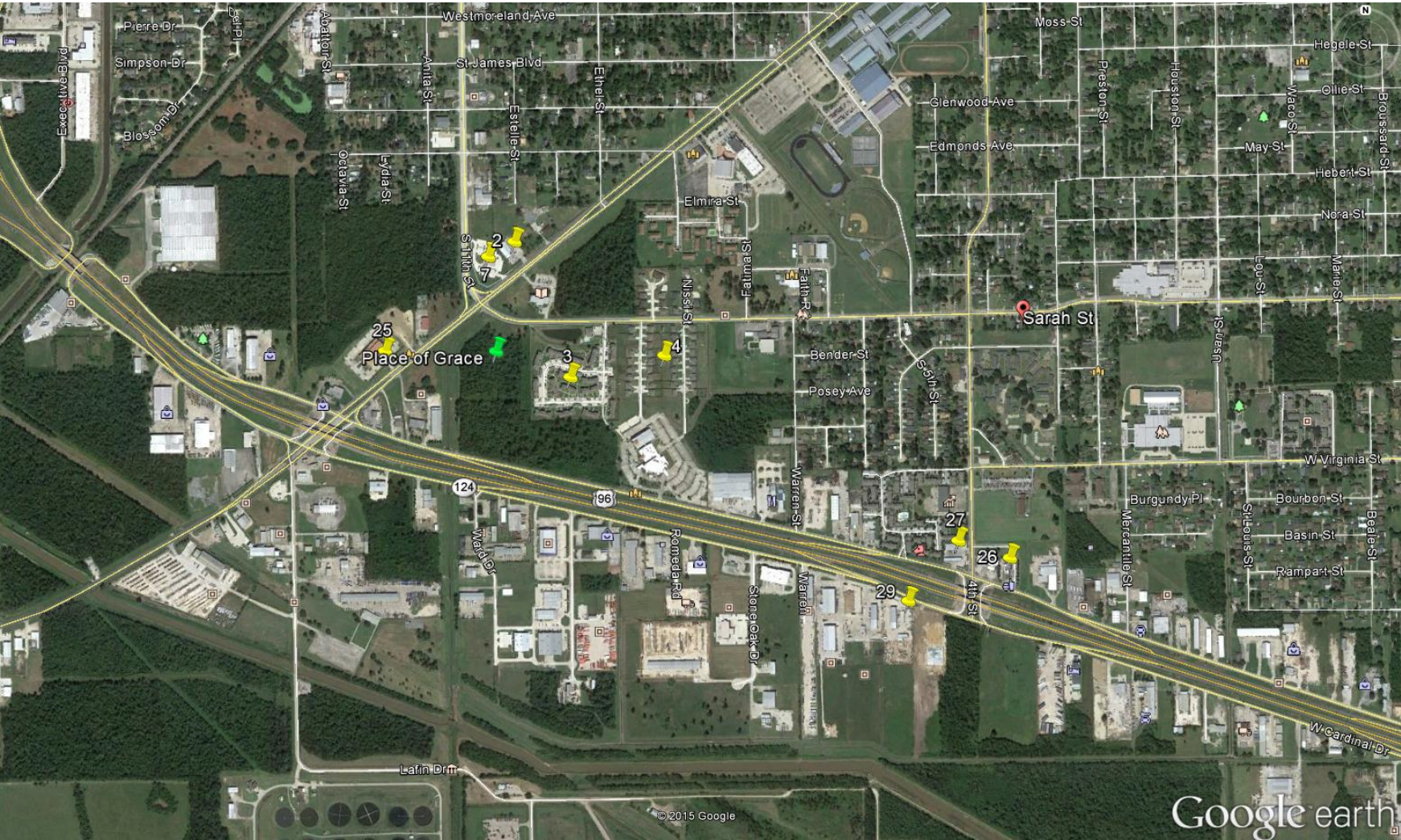
- 1) Minor Street Rehabilitation Program, a **\$1 million** investment
- 2) Washington Boulevard a **\$30.2 Million** investment
- 3) Avenue A, a **\$7.4 Million** investment
- 4) The South Park Drainage Relief Project, a **\$13.7 Million** investment

Locations of Economic Activities in Ward IV Relative to Place of Grace's Site



Locations of Economic Activities in Ward IV Relative to Place of Grace's Site

Closer view of Sarah Street and Fannett Road



Locations of Economic Activities in Ward IV Relative to Place of Grace's Site

Closer view of College Street

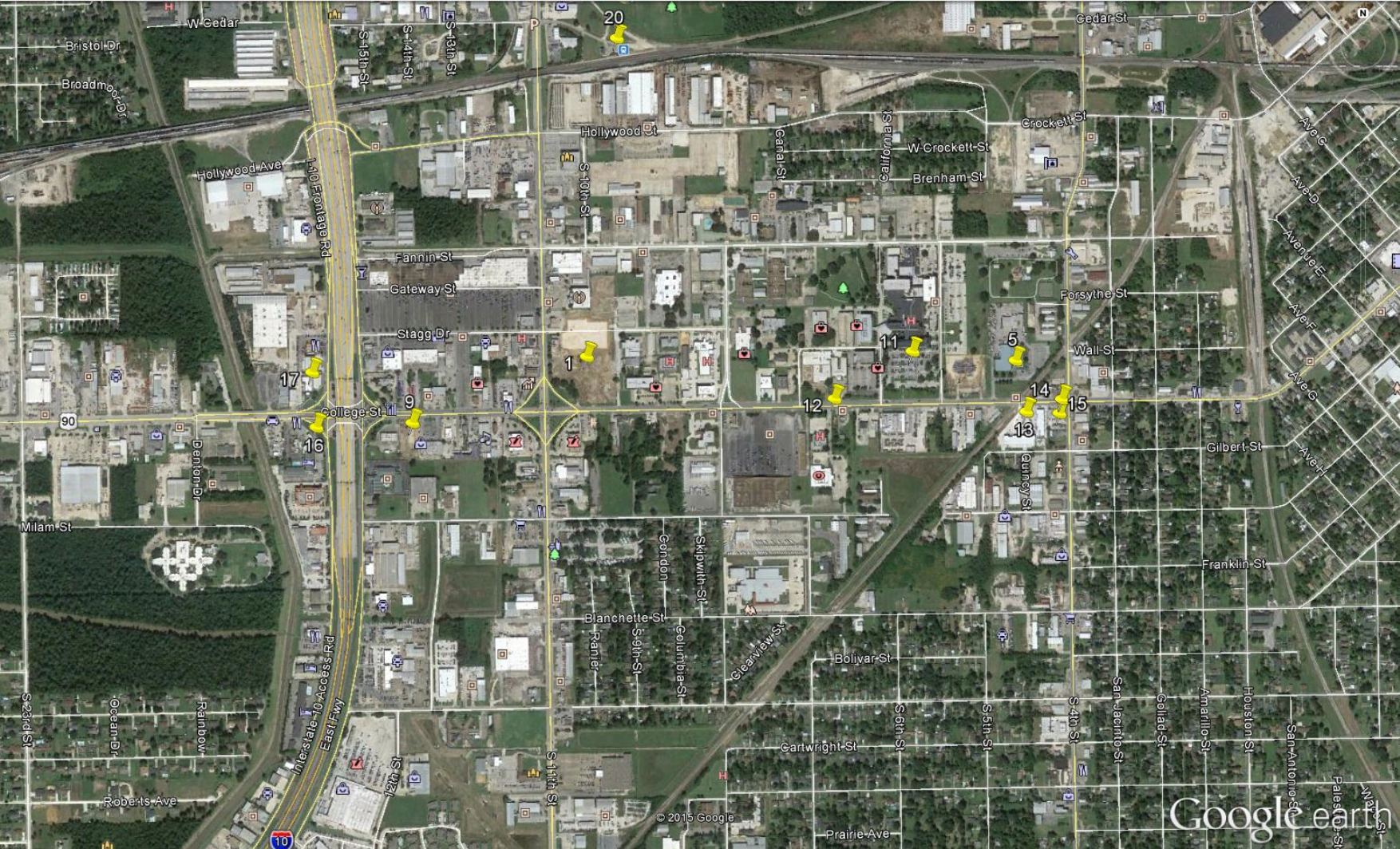
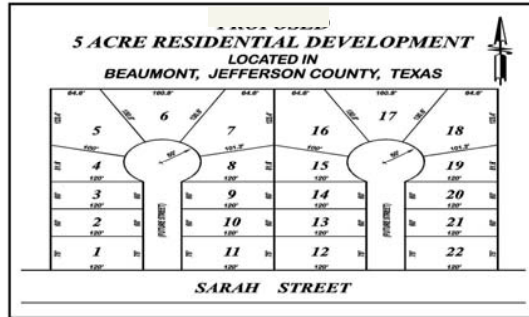


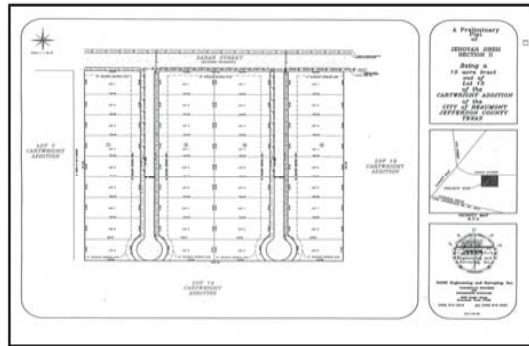
Exhibit 3

The JJV Community

JJV Phase I



JJV Phase II



Awards

**National Gabe Zimmerman
Community Service Project of the Year**

Entergy Energy Star Award (2 Years)

**Save Our Children Difference Maker
Award (2 Years)**

"Why ride in someone else's boat,
when you can walk on water...?"

"The Village"



**Jehovah Jireh Village
Community
Development Center, Inc.**

Mailing Address:

P.O.Box 20214
Beaumont, TX 77720

Phone: 409-659-5937
Fax: 409-842-5006

E-mail: ourfaithwalk@yahoo.com

Jehovah Jireh Village Community Development Center, Inc.

Jehovah Jireh Village Community Development Center, Inc. is a nonprofit organization that has been designed to serve as an advocate for a prosperous Southeast Texas.

JJV is dedicated to improving its local community and surrounding areas by providing solutions to everyday issues through Economic Development, Education, Employment, Healthcare and Housing initiatives.

We will:

- Provide a “one stop shop” for information
- Promote collaboration amongst area churches, civic associations and other non-profit organizations
- To foster entrepreneurial relations through business incubation and mentoring



Who We Are

Jehovah Jireh– God WILL provide

Jehovah Jireh Village was created in 2007 to assist very low to moderate income families move from poverty to solvency through financial empowerment seminars. In 2008, JJV developed its “Broke No More-The ABC’s of _____ ” programs and began working with families to set goals, develop realistic budgets, and improve their credit scores to help them pursue their dreams whether it’s homeownership, earning a college degree or starting their own business.

We believe that God is the ultimate provider and through HIS guidance, we will improve communities one family at a time.

The ABC’s of...

Home Ownership - Dreams of owning your own home are made true here with home buying seminars, mortgage seminars, and credit literacy programs.

Continuing Education - JJV will help to provide scholarships searches for high school, college and non-traditional students

Career Building - To provide avenues for individuals who feel locked in a dead end job or have no job at all.

Health and Wellness - This program focuses on disease prevention, nutrition, health fairs, exercise to stop the community from dying from unnecessary illnesses.

Starting Your Own Business - Answers to all future business owners’ dreams are here to feature, consultation, office space, business seminars and more

Exhibit 4



CLIMAX
CONCRETE &
CURBWORK

888-334-2232

Exhibit 5

Johnson	Rex	4350	Chaison Ave.	Beaumont	77705	Completed	A
Gauthier	Hardy J.	5145	Allen Drive	Beaumont	77708	Completed	B
Rhodes	Felicia	1760	Trinidad	Beaumont	77703	Completed	C
Gordon	Florence O.	4220	Marie St.	Beaumont	77705	Completed	D
Guidry	Louis Joseph	2455	Tyler Street	Beaumont	77703	Completed	E
Humphrey	Matilda	1065	Elgie	Beaumont	77705	Completed	F
Phillip	David	3910	Ironton	Beaumont	77703	Completed	G
Richard	Ronnie Tyrone	735	Elgie St.	Beaumont	77705	Completed	H
Cadoree	Louise Ned	5880	Amos Ln.	Beaumont	77713	Completed	I
Jack	Anna	3225	Brandon	Beaumont	77705	Completed	J
White	Albert J.	2835	Willard Street	Beaumont	77703	Completed	K
Smith	Artie	2785	Pine Street	Beaumont	77703	Completed	L
Douglas	Jake	2550	Houston Street	Beaumont	77701	Completed	M
Wingate	Helen Berg	1890	May Street	Beaumont	77705	Completed	N
Citizen	Terry Dwayne	3330	Ector Ave.	Beaumont	77705	Completed	O
Harrison	Vernetta S.	1555	Harriot St.	Beaumont	77705	Completed	P
Parker	Essie Mae	1808	Tilson Street	Beaumont	77701	Completed	Q
Bruno	Patrina Anne	4461	Dallas Avenue	Beaumont	77703	Completed	R
Buchanan	Jeanette	1570	Chamberlin	Beaumont	77707	Completed	S
Greer	Kinyetta	1525	Avenue B	Beaumont	77701	Completed	T
Chopane	Ella L.	10530	Vinson	Beaumont	77713	Completed	U
Frazier	Robert	1092	Maple	Beaumont	77703	Completed	V
Anderson	Lillian D.	1690	Fairway Street	Beaumont	77703	Completed	W
Jackson	Alceuse	575	Shamrock	Beaumont	77701	Completed	X
Watkins	Rose E.	2995	Emile Street	Beaumont	77701	Completed	Y
Wagner	J.P.	1780	Harriot Street	Beaumont	77705	Completed	Z
Holloway	Minnie	4010	Ironton	Beaumont	77703	Completed	AA
Boswell	Marva G.	3190	Corley	Beaumont	77701	Completed	AB
Garrett	Sally A.	4467	Carnegie Street	Beaumont	77703	Completed	AC
Jackson	Betty J.	3450	Cherry Drive	Beaumont	77703	Completed	AD
Woods	Lula B.	4570	Detroit St.	Beaumont	77703	Completed	AE
Pelaez	Jose A.	520	Nolan Street	Beaumont	77705	Completed	AF
Johnson	Sylvia	5195	Dawn Drive	Beaumont	77706	Completed	AG
McKinney	John	2131	Albany	Beaumont	77703	Completed	AH

Andrus	Alan J.	2440	Rusk	Beaumont	77702	Completed	AI
Bailey	Raymond J.	5465	Spencer Drive	Beaumont	77708	Completed	AO
McDonald	Mamie E.	1715	Port Street	Beaumont	77701	Completed	AK
Lazard	Juanita	750	Madison	Beaumont	77701	Completed	AL
Washington	Darlene	2501	Tyler	Beaumont	77703	Completed	AM
McCoy	Leslie L.	5285	E. Parkway Drive	Beaumont	77705	Completed	AN
Harrison	Helen	4480	General Drive	Beaumont	77703	Completed	AO
Jones Jr.	John H.	1745	Tulane Street	Beaumont	77703	Completed	AP
Aikels	Abbie R.	3975	Bob Street	Beaumont	77705	Completed	AQ
Reed	Judie	11292	Hodge Road	Beaumont	77713	Completed	AR
Nowell, Jr.	Charles C.	4610	Buffalo Ave	Beaumont	77703	Completed	AS
Lee	Margaret L.	2236	North Street	Beaumont	77701	Completed	AT
Rodriguez	Federico L.	1765	Milam Street	Beaumont	77701	Completed	AU
Martin	Tiffany	5520	Landry Lane	Beaumont	77708	Completed	AV
Bailey	Pearlie M.	1358	Corley Street	Beaumont	77701	Completed	AW
Duke	Brenda N.	3755	Johnstown	Beaumont	77703	Completed	AX
Woolridge	Refitia L.	3245	Roberts Avenue	Beaumont	77701	Completed	AY
James	Latosha A.	5120	Allen Drive	Beaumont	77708	Completed	AZ
Dickson	James H.	3980	Park Street	Beaumont	77705	Completed	BA
Matthews	Barbara	2840	Orange Street	Beaumont	77701	Completed	BB
Coleman, Sr.	Troy L.	2850	Houston Street	Beaumont	77701	Completed	BC
Collar	Leonard E.	1910	Pennsylvania Str	Beaumont	77701	Completed	BD
Corbin	John H.	7640	Tram Road	Beaumont	77713	Completed	BE
Aplon-Prudhon	Marva F.	3965	Ogden Avenue	Beaumont	77705	Completed	BF
Moore	Curtis R.	3550	W. Euclid	Beaumont	77705	Completed	BG
Chaison	Raymond	1165	Lamar Street	Beaumont	77701	Completed	BH
Rideaux	Albertine L.	4710	Steelton Ave.	Beaumont	77703	Completed	BI
Powell	Julian	1860	Corley Street	Beaumont	77701	Completed	BJ
Jones	Patrick	1559	Turon Street	Beaumont	77701	Completed	BK
Manuel	Kenneth	3125	Dogwood Lane	Beaumont	77703	Completed	BL
Wheeler	Mary L.	3153	Terrell Street	Beaumont	77701	Completed	BM
Edwards	Steven	3643	Waverly	Beaumont	77705	Completed	BN
Robledo	Christina M.	1940	Wall Street	Beaumont	77701	Completed	BO
Brown	Annie L	1995	Grand Street	Beaumont	77703	Completed	BP
Williams	Chester L.	710	Fulton Street	Beaumont	77701	Completed	BQ

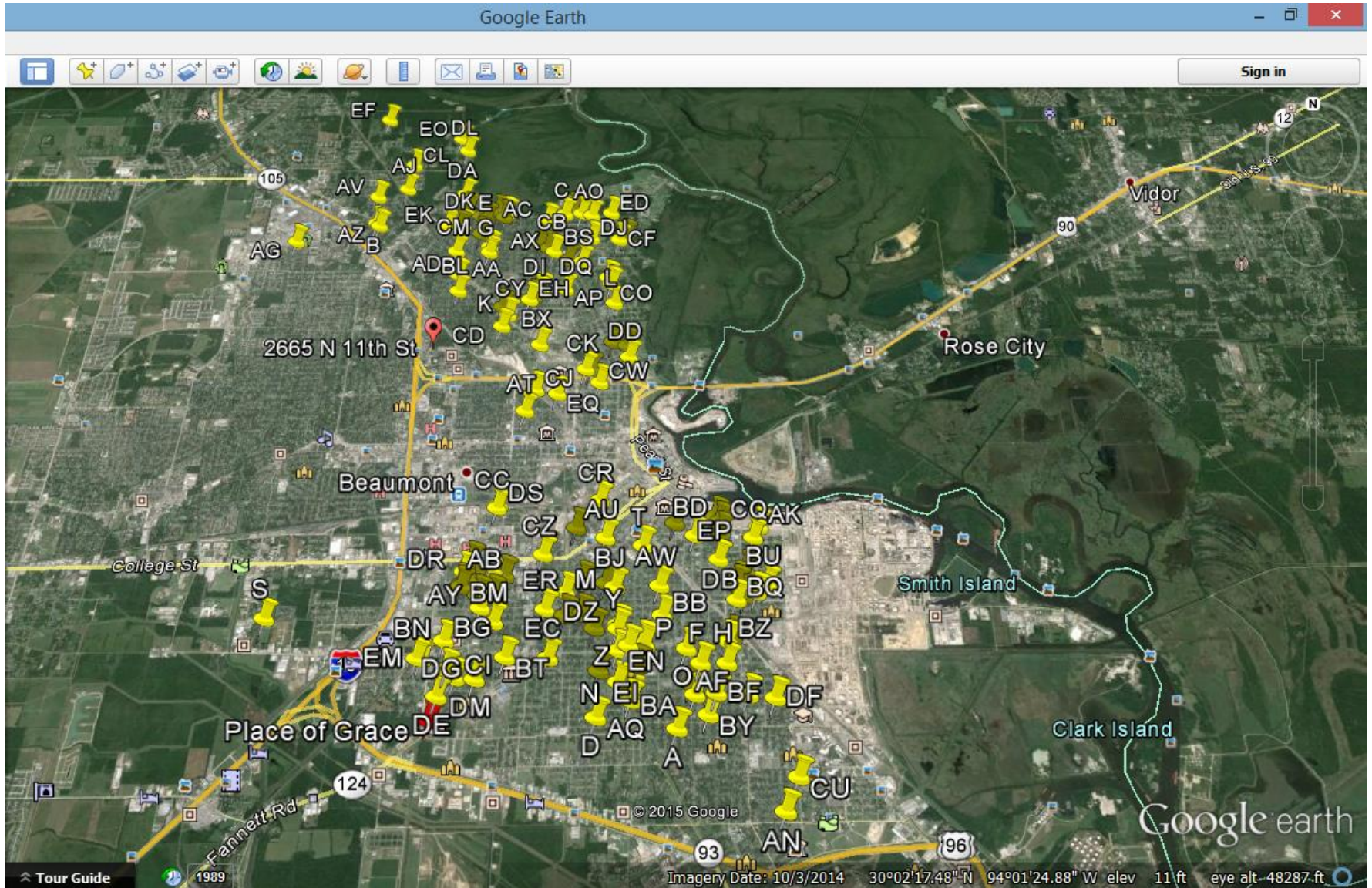
Jorden	Karen	9335	Josey Street	Beaumont	77707	Completed BR
Williams	Connie F.	3525	Grand Street	Beaumont	77703	Completed BS
Vaughns	Jeffery L.	3055	Waverly Street	Beaumont	77705	Completed BT
Jackson Sr.	Joseph Steven	1130	Madison Street	Beaumont	77701	Completed BU
York	Cynthia C.	845	Fulton	Beaumont	77701	Completed BV
Copeland	Dianna Mae	1652	Avenue I	Beaumont	77701	Completed BW
Victoria	Victor A.	2012	Caldwell Avenue	Beaumont	77703	Completed BX
Vu	Tinh Van	4207	Fonville	Beaumont	77705	Completed BY
Crawford	James Arthur	3266	Brandon	Beaumont	77705	Completed BZ
Morgan	Avis Denise	685	Craig St.	Beaumont	77701	Completed CA
Ardoin	Trena M.	1480	Trinidad St.	Beaumont	77703	Completed CB
Brown	Ponda Katrae	3157	Brenham St.	Beaumont	77701	Completed CC
Piper Jr.	Briscoe	2450	Roman St.	Beaumont	77703	Completed CD
Harris-Douglas	Etta Mae	1135	Skipwith	Beaumont	77701	Completed CE
Joubert	Willie Mae	315	Vestal	Beaumont	77703	Completed CF
Petry	James Douglas	10350	Dusty Ln.	Beaumont	77713	Completed CG
Broussard	Edmund Jude	2440	Avenue F	Beaumont	77701	Completed CH
Citizen	Elizabeth M.	3416	Glenwood St.	Beaumont	77705	Completed CI
Morales	Juan Antonio	1088	N. 6th Street	Beaumont	77701	Completed CJ
Petry	Verna Jean	1430	Louisiana Street	Beaumont	77701	Completed CK
White	Darrell Glen	3775	Audree	Beaumont	77708	Completed CL
Hill	Felicia Marie	4110	Woodlawn	Beaumont	77703	Completed CM
Ivey	Danette Louise	4750	Galveston	Beaumont	77703	Completed CN
Belton	Sedonia Harding	3060	Case	Beaumont	77703	Completed CO
Chopane	Wilmer	10534	Vinson	Beaumont	77713	Completed CP
Forney	Perri Ann	1940	Cleo St.	Beaumont	77701	Completed CQ
Solis	Olivia	1458	Forsythe	Beaumont	77701	Completed CR
Wiltz	Paris	2097	Hegele Street	Beaumont	77705	Completed CS
Harrington	Janice Faye	745	Madison St	Beaumont	77701	Completed CT
Thompson	Rhoda C	625	Iowa St.	Beaumont	77705	Completed CU
Arceneaux	Linton J.	3170	Cartwright	Beaumont	77701	Completed CV
Jones	Dorice	1257	Evalon	Beaumont	77701	Completed CW
Jackson	Carolyn Ann	3260	Cartwright St.	Beaumont	77701	Completed CX
Stevens	Dale	2023	Tulane St.	Beaumont	77703	Completed CY
Jones	Mary Elizabeth	1060	San Jacinto	Beaumont	77701	Completed CZ

Sam	Tyra Germaine	5050	Wilshire	Beaumont	77703	Completed	DA
Graham	Rosanne Morrell	998	Van Buren St	Beaumont	77701	Completed	DB
Gipson Savoy	Valerie Evette	2135	Rockwell Avenue	Beaumont	77701	Completed	DC
Savoy	Frances	1727	Grand Avenue	Beaumont	77703	Completed	DD
Daigle-Harmon	Elnora	3984	Estelle Street	Beaumont	77705	Completed	DE
Stelly	Mary Ella	3990	Rothwell St	Beaumont	77705	Completed	DF
Pollard	Yola Mouton	3470	St. James Blvd.	Beaumont	77705	Completed	DG
Milton	Tatanisha	2410	Clearview	Beaumont	77701	Completed	DA
Penegar	Michael L	2048	Delaware Street	Beaumont	77703	Completed	DE
Lewis	Keela	4005	Willie Mae Stree	Beaumont	77703	Completed	DJ
Randle	Linda Merle	4470	Dallas Street	Beaumont	77703	Completed	DK
Marks	Leonard	3235	Bennett Rd	Beaumont	77708	Completed	DL
Kelly	Claudette	3260	Glenwood	Beaumont	77705	Completed	DM
Julian	Erna Faye	3230	S. 6th Street	Beaumont	77705	Completed	DN
Randolph	Linda B	1365	Louisiana Ave	Beaumont	77701	Completed	DO
Hamilton	Kary	2973	Willard	Beaumont	77703	Completed	DP
Smith	Tammie Regina	3185	Case Street	Beaumont	77703	Completed	DQ
Crossley	Walter Ray	1255	Condon Street	Beaumont	77701	Completed	DR
Trim	Leo	3148	Brenham	Beaumont	77701	Completed	DS
Jack Sr.	Remson	6156	Boyt Rd.	Beaumont	77713	Completed	DT
Johnson	Pervis Lloyd	435	East Gill Street	Beaumont	77703	Completed	DU
McCauley	Carolyn	4255	Detroit	Beaumont	77703	Completed	DV
Mickens	Dorothy Louise	2350	Brooklyn Street	Beaumont	77701	Completed	DW
Jackson	Leroy	3855	Scranton	Beaumont	77703	Completed	DX
Pier-Calhoun	Addie Faye	2830	Palestine Street	Beaumont	77701	Completed	DY
Johnson	Barbara J.	2955	Emile	Beaumont	77701	Completed	DZ
Banks	Darrell Wayne	2090	Glasshouse Stre	Beaumont	77701	Completed	EA
Griffin	Marvin Louis	2450	Columbia Street	Beaumont	77701	Completed	EB
Daniels	Dorothy Lee	3424	Goliad St.	Beaumont	77705	Completed	EC
Davis	Philoman	1036	Trinidad St.	Beaumont	77703	Completed	ED
McCray	Elsie F.	4215	Roland Rd.	Beaumont	77708	Completed	EF
Robertson	Dorothy Woods	2420	Columbia Street	Beaumont	77701	Completed	EG
Grant	Frank O.	3015	Renaud Street	Beaumont	77703	Completed	EH
Manaway	Frank	3925	Bob Street	Beaumont	77705	Completed	EI
Johnson	Nancy Ann	3855	Ector St.	Beaumont	77705	Completed	EJ

Laday	Barbara Dell	8750	Veo David Corni	Beaumont	77713	Completed
Edwards	Harold Alexander	4496	Harding Drive	Beaumont	77703	Completed EK
Lartigue	Leatrice Agnes	1670	Church St.	Beaumont	77705	Completed EL
Owens	Patricia Ann	3621	Waverly St.	Beaumont	77705	Completed EM
Chapman	Thelma Lee	1895	Harriot St.	Beaumont	77705	Completed EN
Delafosse	Johnny	6290	Bigner	Beaumont	77708	Completed EO
Raymond	Sarah Mae	495	Flowers St.	Beaumont	77701	Completed EP
Bledsoe	Helen	1055	Long St.	Beaumont	77701	Completed EQ
Jefferson	Theresa R.	2775	San Jacinto	Beaumont	77701	Completed ER
Bluitt	Alberta	3565	West Ave.	Beaumont	77701	Completed ES

Exhibit 6

Single-Family Homes Built within the Last Five Years



Single-Family Homes Built within the Last Five Years
Area around Place of Grace

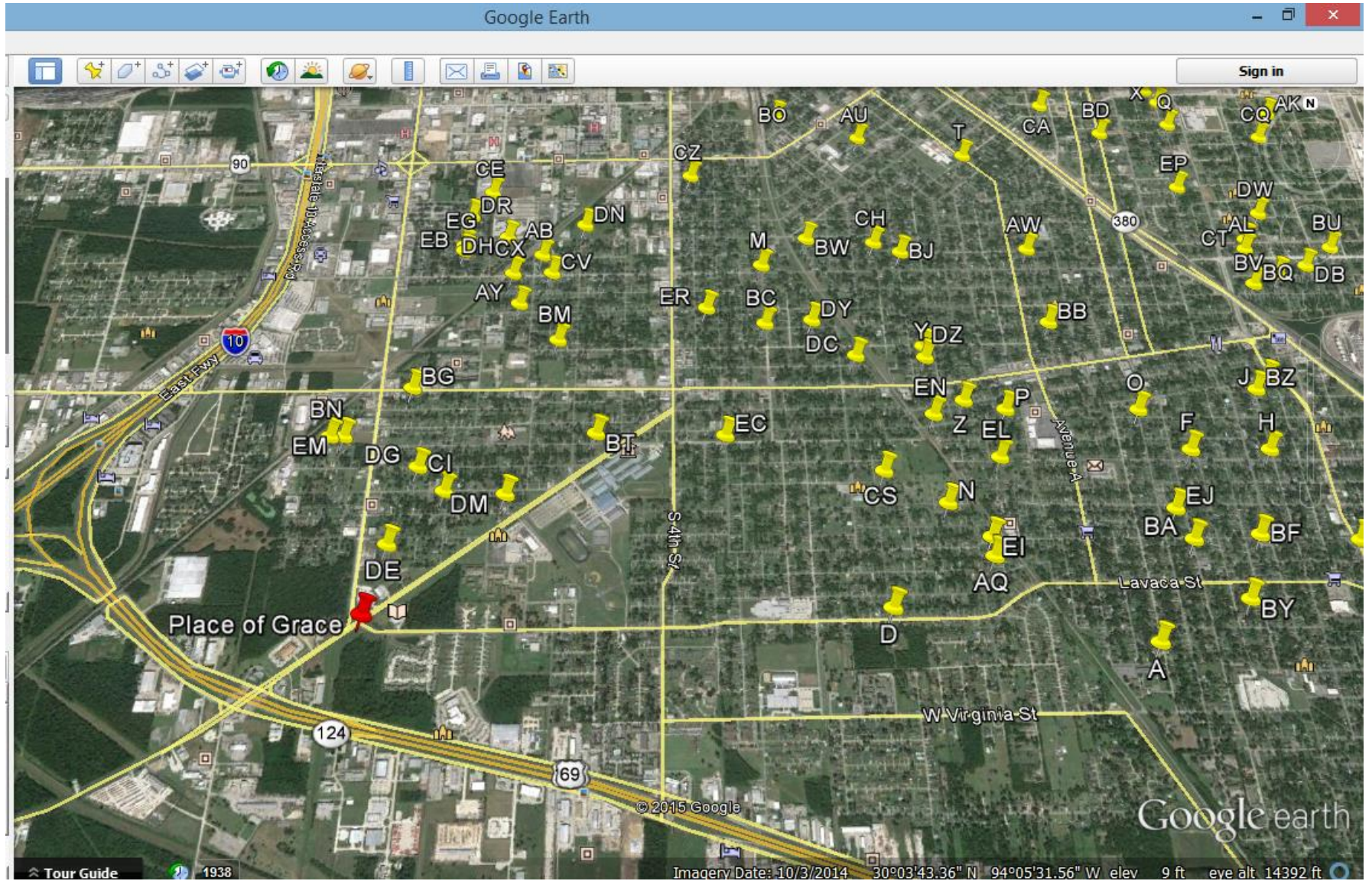


Exhibit 7

Public Transportation Routes and Schedules

ROUTE #

4

SOUTH ELEVENTH

BMT

INFORMATION: 835-7895 • TDD 832-7656

When you need information about bus schedules, routes, special services, and fares, call the BMT information number: **835-7895** Monday thru Friday from 8:00 am to 9:30 pm. Tell the information specialist where you are, where you want to go, and what time you wish to arrive. They'll supply the route and schedule information you need.

IDENTIFICATION CARDS for qualified disabled persons may be purchased at the BMT offices, 550 Milam Street. For information regarding requirements and the application process call 835-7895, between 8 am and 4:30 pm, Monday thru Friday.

MONTHLY PASSES may be purchased at the following locations:

- Beaumont Municipal Transit Central Collections
- 550 Milam Street Beaumont City Hall, 801 Main Street

TRANSFERS are issued to provide continuous service between two points not served by a single route. Transfers are issued only for a one-way continuous journey and are not valid for a return trip. Transfers are accepted at all bus stops in the downtown area, at Dannenbaum Station located at 799 Liberty, and where routes cross or share the same bus stop.



SPECIAL TRANSIT SERVICES (STS)

Monthly Pass	\$80.00
Cash Per Ride.....	\$2.50
Book of 10 Tickets	\$25.00

BMT offers specialized door to door transportation for the disabled who qualify under the Americans With Disabilities Act (ADA) of 1990. Call BMT for information/eligibility.

EXACT FARE ONLY ON STS

FIXED ROUTE CASH FARES

Adults	\$1.50
Seniors (65 years of age or older)	75¢
Disabled (with BMT ID Card)	75¢
Persons with Medicare Card.....	75¢
Youth (under 19 years of age).....	75¢
Transfers	25¢
Children (under 6 with fare paying adult, limit 3 children per adult)	FREE

BUS PASSES

MONTHLY

Adult	\$40.00
Senior, Disabled, Youth	\$30.00

WEEKLY

Adult	\$12.00
Senior, Disabled, Youth	\$9.00

DAILY

Adult	\$3.00
Senior, Disabled, Youth	\$2.25

Reusable Smart Card	\$5.00
---------------------------	--------



BEAUMONT MUNICIPAL TRANSIT

550 Milam Street
Beaumont, Texas 77701

INFORMATION

835-7895 • TDD 832-7656
www.beaumonttransit.com

OFFICE HOURS

8:00 AM to 4:30 PM
Monday thru Friday

Public Transportation Routes and Schedules

ROUTE #

4

SOUTH ELEVENTH

MONDAY THRU FRIDAY

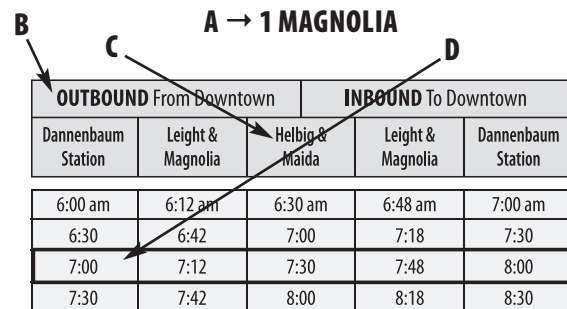
OUTBOUND From Downtown		INBOUND To Downtown		
Dannenbaum Station	Stagg & 8th	Tinseltown	Stagg & 8th	Dannenbaum Station
6:00 am	6:17 am	6:37 am	7:00 am	7:15 am
6:30	6:47	7:07	7:30	7:45
7:15	7:32	7:52	8:15	8:30
7:45	8:02	8:22	8:45	9:00
8:30	8:47	9:07	9:30	9:45
9:00	9:17	9:37	10:00	10:15
9:45	10:02	10:22	10:45	11:00
10:15	10:32	10:52	11:15	11:30
11:00	11:17	11:37	12:00 pm	12:15 pm
11:30	11:47	12:07 pm	12:30	12:45
12:15 pm	12:32 pm	12:52	1:15	1:30
12:45	1:02	1:22	1:45	2:00
1:30	1:47	2:07	2:30	2:45
2:00	2:17	2:37	3:00	3:15
2:45	3:02	3:22	3:45	4:00
3:15	3:32	3:52	4:15	4:30
4:00	4:17	4:37	5:00	5:15
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5:15	5:32	5:52	6:15	6:30
5:45	6:02	6:22	6:45	7:00
6:30	6:47	7:07	7:30	7:45
7:00	7:17	7:37	8:00	8:15
7:45	8:02	8:22	8:45	9:00
8:15	8:32	8:52*	9:15	9:30

* Run Terminates Downtown
All Buses Are Wheelchair Accessible

SATURDAY

OUTBOUND From Downtown		INBOUND To Downtown		
Dannenbaum Station	Stagg & 8th	Tinseltown	Stagg & 8th	Dannenbaum Station
7:30 am	7:47 am	8:07 am	8:30 am	8:45 am
8:45	9:02	9:22	9:45	10:00
10:00	10:17	10:37	11:00	11:15
11:15	11:32	11:52	12:15 pm	12:30 pm
12:30 pm	12:47 pm	1:07 pm	1:30	1:45
1:45	2:02	2:22	2:45	3:00
3:00	3:17	3:37	4:00	4:15
4:15	4:32	4:52	5:15	5:30
5:30	5:47	6:07	6:30	6:45
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8:00	8:17	8:37*	9:00	9:15

HOW TO USE THIS SCHEDULE

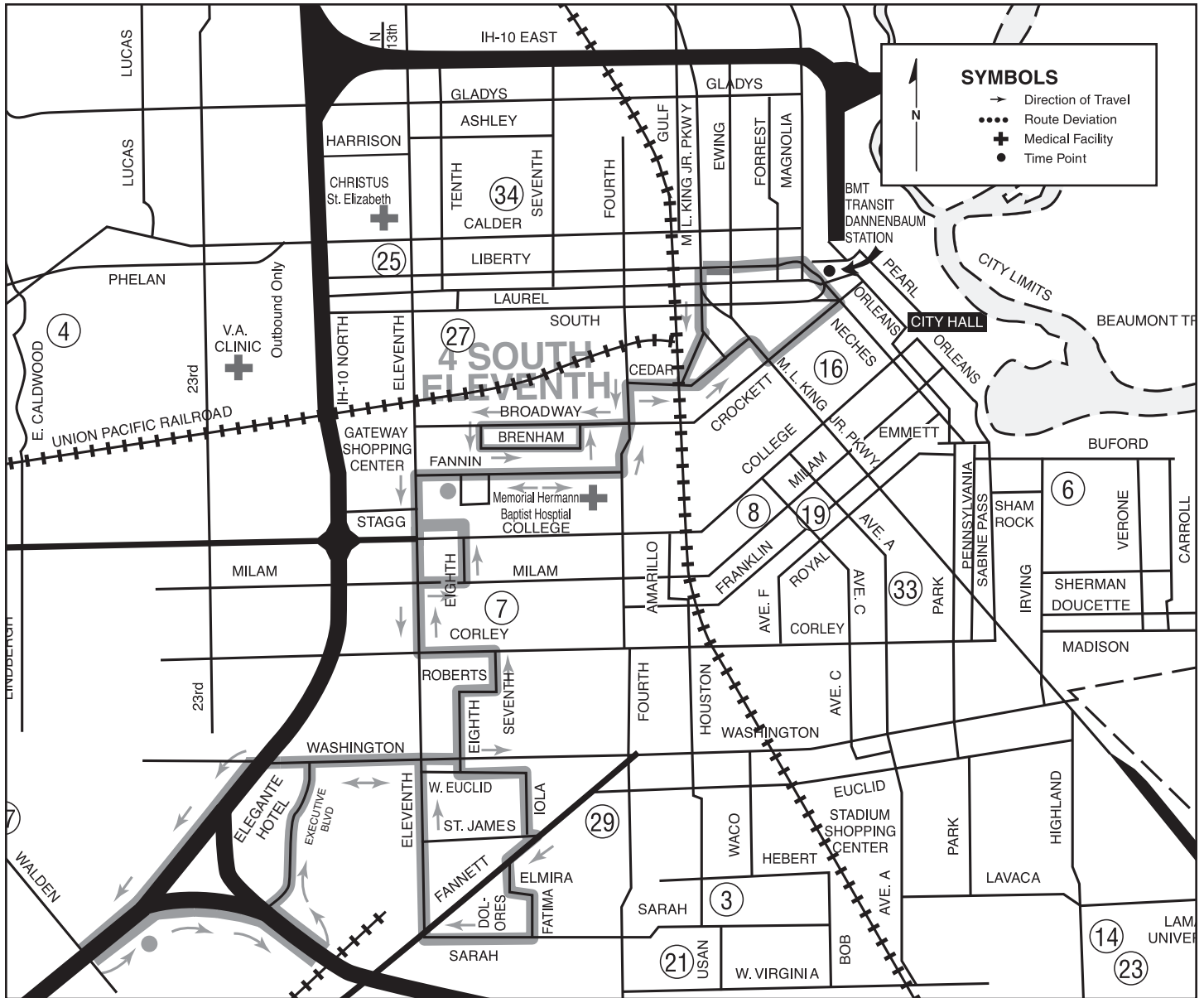


- A — Shows how to identify proper bus. This illustration shows the bus headsign.
- B — Shows the direction of the trip. Trips away from downtown are on the left side and toward downtown are on the right side.
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Public Transportation Routes and Schedules

ROUTE #

4 SOUTH ELEVENTH



HOW TO USE THE BMT ROUTE & SCHEDULE GUIDE

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HOW TO RIDE BMT BUSES

Once you determine which bus to catch and at what location and time, you are ready to ride. Wait by the appropriate bus stop sign along the route until you see your bus. You can identify your bus by reading the number and route name on the electronic sign above the windshield. As you board the bus, please insert either the proper cash fare, pass, smart card, or ride ticket into the fare box. **Change for cash fares will be returned to the passenger in the form of a change card.** The change card can be used to pay for future fares on the transit system. If you need a transfer to complete your trip, ask the driver for one at this time. Take a seat and enjoy your ride. When you are ready to get off, pull the cord or press the touch strip (depending upon the model of bus) about a block prior to your destination. When the bus stops, please exit via the rear door.

Public Transportation Routes and Schedules

ROUTE #

8

PEAR ORCHARD

BMT

INFORMATION: 835-7895 • TDD 832-7656

When you need information about bus schedules, routes, special services, and fares, call the BMT information number: **835-7895** Monday thru Friday from 8:00 am to 9:30 pm. Tell the information specialist where you are, where you want to go, and what time you wish to arrive. They'll supply the route and schedule information you need.

IDENTIFICATION CARDS for qualified disabled persons may be purchased at the BMT offices, 550 Milam Street. For information regarding requirements and the application process call 835-7895, between 8 am and 4:30 pm, Monday thru Friday.

MONTHLY PASSES may be purchased at the following locations:

- Beaumont Municipal Transit Central Collections
- 550 Milam Street Beaumont City Hall, 801 Main Street

TRANSFERS are issued to provide continuous service between two points not served by a single route. Transfers are issued only for a one-way continuous journey and are not valid for a return trip. Transfers are accepted at all bus stops in the downtown area, at Dannenbaum Station located at 799 Liberty, and where routes cross or share the same bus stop.



SPECIAL TRANSIT SERVICES (STS)

Monthly Pass	\$80.00
Cash Per Ride.....	\$2.50
Book of 10 Tickets	\$25.00

BMT offers specialized door to door transportation for the disabled who qualify under the Americans With Disabilities Act (ADA) of 1990. Call BMT for information/eligibility.

EXACT FARE ONLY ON STS

FIXED ROUTE CASH FARES

Adults	\$1.50
Seniors (65 years of age or older)	75¢
Disabled (with BMT ID Card)	75¢
Persons with Medicare Card.....	75¢
Youth (under 19 years of age).....	75¢
Transfers	25¢
Children (under 6 with fare paying adult, limit 3 children per adult)	FREE

BUS PASSES

MONTHLY	
Adult	\$40.00
Senior, Disabled, Youth	\$30.00
WEEKLY	
Adult	\$12.00
Senior, Disabled, Youth	\$9.00
DAILY	
Adult	\$3.00
Senior, Disabled, Youth	\$2.25
<hr/>	
Reusable Smart Card	\$5.00



BEAUMONT MUNICIPAL TRANSIT

550 Milam Street
Beaumont, Texas 77701

INFORMATION

835-7895 • TDD 832-7656
www.beaumonttransit.com

OFFICE HOURS

8:00 AM to 4:30 PM
Monday thru Friday

Public Transportation Routes and Schedules

ROUTE #

8

PEAR ORCHARD

MONDAY THRU FRIDAY

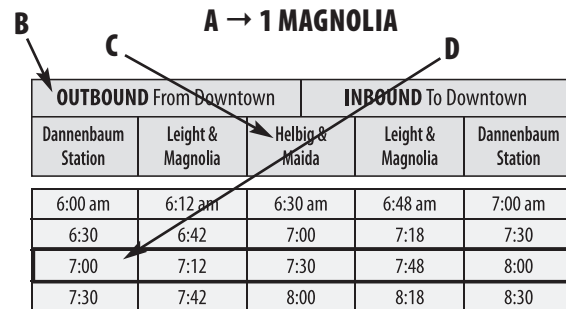
OUTBOUND From Downtown		INBOUND To Downtown		
Dannenbaum Station	College & Amarillo	Sarah & Fourth	College & Amarillo	Dannenbaum Station
6:15 am	6:23 am	6:35 am	6:45 am	7:00 am
7:00	7:08	7:20	7:30	7:45
7:30	7:38	7:50	8:00	8:15
8:00	8:08	8:20	8:30	8:45
8:45	8:53	9:05	9:15	9:30
9:15	9:23	9:35	9:45	10:00
9:45	9:53	10:05	10:15	10:30
10:30	10:38	10:50	11:00	11:15
11:00	11:08	11:20	11:30	11:45
11:30	11:38	11:50	12:00 pm	12:15 pm
12:15 pm	12:23 pm	12:35 pm	12:45	1:00
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10:15	10:23	10:35	10:45	11:00
11:15	11:23	11:35	11:45	12:00 pm
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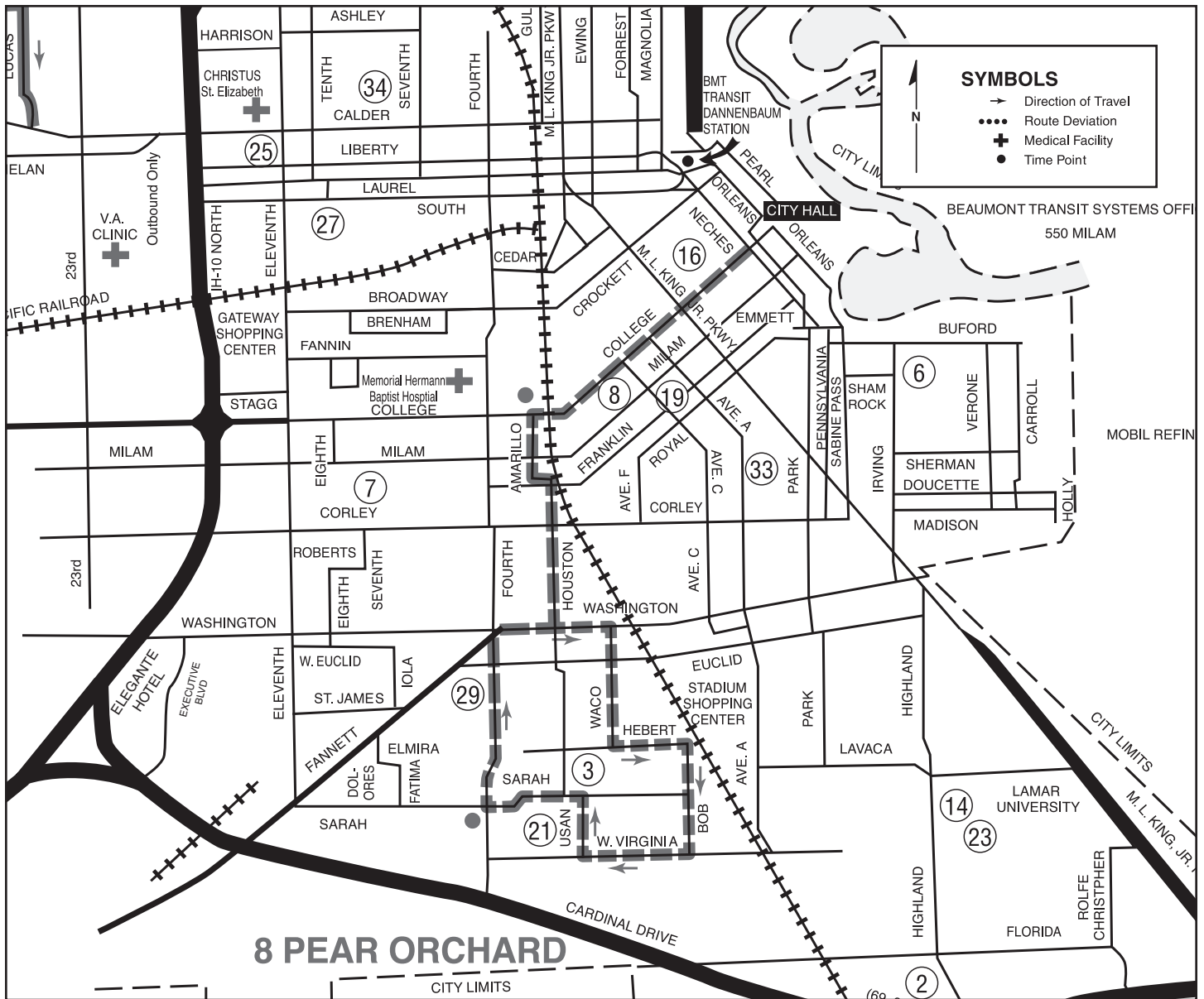
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Exhibit 8

▼ Search

Beaumont, TX Search

ex: pizza near NYC

Get Directions History

Beaumont, TX

▼ Places

- My Places
- Sightseeing Tour
 - Make sure 3D Buildings layer is checked
- Temporary Places

Print Copy Close

Layers Earth Gallery >>

- Primary Database
- Borders and Labels
- Places
- Photos
- Roads
- 3D Buildings
- Ocean
- Weather
- Gallery
- Global Awareness
- More



Google Earth Image from 1/11/1996

Sign in



Navigation controls including a compass, a hand icon for panning, a person icon for Street View, and a vertical zoom slider.

Image U.S. Geological Survey

Google earth

Imagery Date: 1/11/1996

30°02'38.86" N 94°07'37.94" W elev 16 ft eye alt 3096 ft

Tour Guide

▼ Search

Beaumont, TX Search

ex: pizza near NYC

Get Directions History

📍 Beaumont, TX

📄 📄 📄

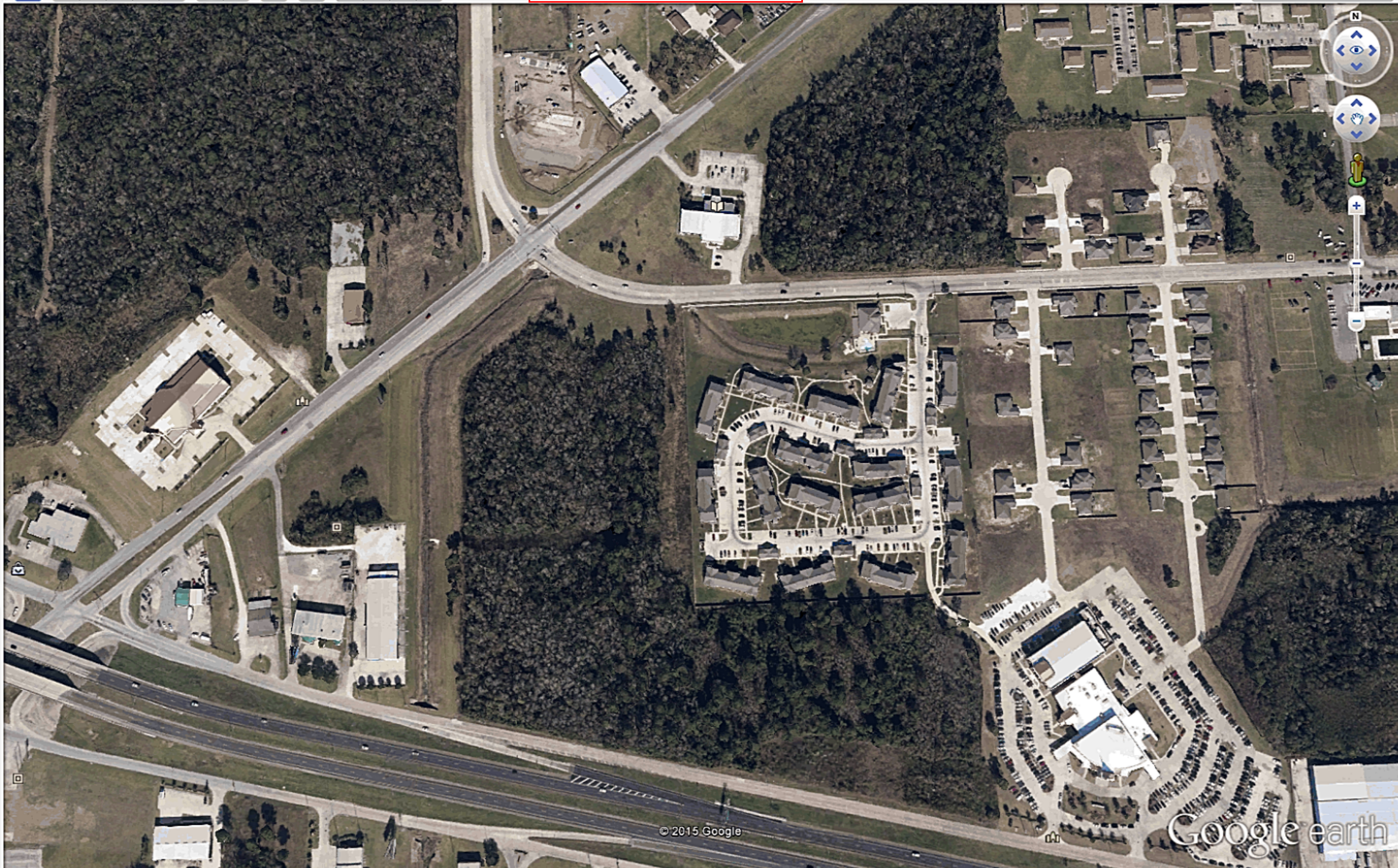
✕

▼ Places

- 📍 My Places
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Make sure 3D Buildings layer is checked
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Layers Earth Gallery >>

- Primary Database
- Borders and Labels
- Places
- Photos
- Roads
- 3D Buildings
- Ocean
- Weather
- Gallery
- Global Awareness
- More



Navigation controls including a compass, a street view pegman, and a vertical zoom slider.

© 2015 Google

Google earth

Tour Guide

1938

30°02'38.85" N 94°07'37.94" W elev 24 ft eye alt 3096 ft

9:00 AM

2c

**To Be Posted
three days
prior to the meeting**

2d

BOARD REPORT ITEM

LEGAL DIVISION

JUNE 16, 2015

REPORT ITEM

Status Report on Request for Qualifications (“RFQ”) for Outside Counsel for the Single-Family/Multi-Family Bond Counsel, Bond/Securities Disclosure Counsel, Low Income Housing Tax Credit Counsel and Loan Document Preparation Counsel.

BACKGROUND

The Department currently contracts with six different law firms for outside counsel services including:

Single Family Bond/Securities Disclosure Counsel – McCall, Parkhurst & Horton, L.L.P.

Multi Family Bond/Securities Disclosure Counsel – Andrews Kurth LLP

Bond Counsel – Bracewell & Giuliani LLP

Bond Co-Counsel – Bates & Coleman, P.C.

Low-Income Housing Tax Credit Counsel – Holland & Knight, LLP

Loan Documentation Preparation Counsel – The Hay Legal Group, PLLC

All of the above contracts will terminate on August 31, 2015, and the Department has determined that there is a continuing need for each of these services. Accordingly, staff has published on May 27, 2015, in the Electronic State Business Daily and on June 5, 2015, in the *Texas Register* an RFQ for each of these services. The RFQs may also be found on the Department’s website. The deadline for responding to the RFQs is 4:00 pm Austin local time on June 29, 2015. At that time staff will evaluate the proposals and negotiate contracts with the responders it selects based on the evaluation of compliant responses. After the Office of the Attorney General approves any contracts we propose to enter, we will report the results to the Board.

ACTION ITEMS

3

BOARD ACTION REQUEST
SINGLE FAMILY OPERATIONS AND SERVICES
JUNE 16, 2015

Presentation, Discussion, and Possible Action to authorize the Director of Single Family Operations and Services and his/her designees to assign, transfer and/or sell defaulted single family loans to nonprofit organizations and units of local government and through various approaches to otherwise manage, secure and dispose of TDHCA's foreclosed single family assets.

RECOMMENDED ACTION

WHEREAS, the Department administers a portfolio of first and junior lien single family residential loans ("single family loans" being loans on exclusively residential structures consisting of 1 to 4 dwelling units);

WHEREAS, Single Family Operations and Services encompasses certain aspects of the administration of single family loans, including origination, servicing, asset management, and addressing TDHCA's foreclosed single family properties;

WHEREAS, the Department has provided financial assistance to households that have agreed to assume legal responsibility for their properties and adhere to all loan conditions, which include occupying the property as a principal residence; maintaining the property in compliance with local code (*e.g.*, mowing yards, preventing unsafe conditions, etc.); and making timely payments of principal, interest, and other lawful charges, including contributions to escrows;

WHEREAS, despite diligent efforts to establish repayment plans to cure defaulted loans with borrowers, the Department has from time to time foreclosed on single family properties and is therefore required to maintain and ultimately dispose of the properties in accordance with TEX. GOV'T CODE, §2306.174 and .175;

WHEREAS, the disposition of these properties may generate funds through the sale of assets and defaulted loans to nonprofit organizations and units of local government, which will be utilized for activities authorized by this resolution;

WHEREAS, the Department has recently completed an organizational restructuring in which the five sections or divisions of Program Services, Loan Servicing, Single Family Asset Management, Housing Trust Fund and the Office of Colonia Initiatives have been combined under Homero Cabello, Jr., the Director of Single Family Operations and Services Division, to yield more efficient, effective and consistent coordination of the numerous facets of single family loan origination and administration including the development and implementation of a single family loan policy; and

WHEREAS, this newly created Single Family Operations and Services Division has identified certain measures which it is hereby presenting to the Board which management believes merit immediate attention and for which management seeks Board authorization including a policy;

NOW, therefore, it is hereby

RESOLVED, that the Director of Single Family Operations and Services Division and his/her designees are hereby authorized, empowered, and directed, for and on behalf of the Department, to take such actions as they or any of them may deem necessary to cure delinquent loans which may include, but is not limited to: written repayment plans, loan modifications and/or assignments, transfers or sales of defaulted loans to nonprofit organizations or units of local governments; and

FURTHER RESOLVED, staff is also hereby authorized to take necessary actions to secure, manage, maintain and dispose of single family residential properties and unimproved lots acquired through foreclosure or deed in lieu of foreclosure and intended for single family development; and such actions include, but are not limited to:

- 1) Procuring one or more property management firms to secure properties, ensure that any unsanitary or dangerous conditions are promptly addressed, and ensure that other matters affecting the marketability of the properties, such as mowing grass and disposing of debris, are promptly addressed;
- 2) Entering into agreements for the marketing and disposition of such properties; and
- 3) Executing and recording all necessary documents, instruments, and writings to enter into and perform contracts for the assignment, transfer or sale of defaulted loans or foreclosed properties.

FURTHER RESOLVED, that management is hereby directed to develop and present to a committee of this Board to be appointed by the Chairman, a draft policy covering the following matters relating to single family residential loans and loans secured by unimproved real property intended for single family development:

- 1) Conditions under which the Department will declare default (without waiver as to any rights or remedies);
- 2) Proposed handling of situations where single family homeowners that are in default and unable or unwilling to cure;
- 3) Handling of requests for forbearance or restructuring of loan terms;
- 4) Handling sales by homeowners and requests by homeowners or third party lenders for subordination of lien positions;
- 5) Handling of other situations that may arise in the administration of single family loans; and

- 6) Development of a budget and programming of lawful funding sources to address asset management requirements.

FURTHER RESOLVED, that the above-described committee, once constituted, will meet as needed, and present to this Board for its consideration and possible adoption a comprehensive policy covering servicing and asset management of single family residential loans and loans secured by unimproved real property on which single family residences may be developed; and

FURTHER RESOLVED, that any funds generated from the disposition of these single family properties and loans, are authorized to be utilized for activities authorized by this resolution.

BACKGROUND

Since 1992, the Department has originated alternative lending products for Texans who are underserved by the mainstream market and over served by the sub-prime industry with respect to obtaining a mortgage. Through innovative financing and credit underwriting policies and partnerships with nonprofit organizations and units of local government, the Department has assisted thousands of low-income households and individuals to become homeowners who otherwise would be denied by traditional lending sources.

Prior to the creation of the Single Family Operations and Services Division, analysis of TDHCA's single family portfolio confirmed that approximately 120 loans were over 120 days delinquent. The majority of these delinquencies are loans originated approximately 10 years ago to benefit very low- and extremely low-income borrowers, and have been funded through the HOME Program, NSP, the Housing Trust Fund, and the Bond Program. Delinquencies are an unavoidable aspect of the Department's client base, which prioritizes difficult-to-serve households with limited incomes and little to no accumulation of assets. The longer a past-due loan ages, the more difficult it is to assist the borrower in getting current, and the Department is poised to renew its strategies to prevent past-due loans from passing the 120-day delinquency mark. Collection mechanisms such as written agreements, loan modifications and extensions, and loan write-off and foreclosure policies will provide TDHCA the flexibility to assist borrowers in extenuating circumstances.

Within the last few years, the Department has made adjustments to program requirements and underwriting guidelines to reduce delinquencies, and further adaptations are being considered in order to better track, anticipate, and address loan defaults and lending risks. The goal of the newly assembled Division is to create efficiencies and to maximize the effectiveness and impact of the Department's single family loans and assets in serving low-income households while minimizing staff expenditure of time and resources to do so. Vacant single family lots obtained through foreclosure represent temporary housing that was removed or demolished. These vacant properties will be sold to further develop housing opportunities in Texas communities.

4a

BOARD ACTION REQUEST
COMMUNITY AFFAIRS DIVISION
JUNE 16, 2015

Presentation, Discussion, and Possible Action on Release of the Draft FFY 2016 Low Income Home Energy Assistance Program (“LIHEAP”) State Plan for Public Comment, with a link to be published in the *Texas Register*

RECOMMENDED ACTION

WHEREAS, the Department develops and submits a State Plan to the US Department of Health and Human Services (“USHHS”) each year to administer the LIHEAP and

WHEREAS, the Department has not yet received final grant guidance from USHHS for preparation of the Draft FFY 2016 LIHEAP State Plan but has prepared the plan for public comment based on the 2015 guidance;

NOW, therefore, it is hereby

RESOLVED, that the Draft FFY 2016 LIHEAP State Plan, in the form presented to this meeting, is hereby approved to be released for public comment and public hearing and

FURTHER RESOLVED, that the final plan with consideration for final grant guidance, public comment and technical corrections made by staff, along with award recommendations to Subgrantees as indicated in Section IV.1 of the State Plan will be presented to the Board at the July 30, 2015, meeting.

BACKGROUND

The Department develops and submits a LIHEAP Plan each year on or before September 1st to the USHHS. USHHS provides a model plan to guide the format and content. The draft, upon approval by the Board, will be released for public comment and a series of public hearings will be held. The public hearings provide the opportunity for comment from the public and the Subrecipient network. Upon completion of the public hearings and public comment period, staff will modify the Plan, if appropriate, based on public comment. Staff will present the revised Plan, along with recommendations for Subrecipient awards, to the Board for review and final approval on July 30, 2015.

LIHEAP funds, as reflected in the Plan, are utilized in the following three ways:

- The Department allocates 75% of the LIHEAP funds to the Comprehensive Energy Assistance Program (“CEAP”) which provides utility assistance to eligible households, including crisis assistance and “Assurance 16” services to reduce home energy needs.

- The Department allocates up to 15% of the LIHEAP funds to the Weatherization Assistance Program (“WAP”). It should be noted that there is generally greater flexibility with LIHEAP weatherization funds than US Department of Energy (“DOE”) weatherization funds, so continuing to allocate some portion of these funds for this activity allows households to receive more comprehensive assistance than were they served solely by DOE WAP. Also, these funds allow ongoing weatherization in the state despite historically low DOE WAP funding.
- The Department allocates 10% of LIHEAP funds for Department and Subrecipient administration.

LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)

MODEL PLAN

PUBLIC LAW 97-35, AS AMENDED

FEDERAL FISCAL YEAR 2016

GRANTEE: Texas Department of Housing and Community Affairs

EIN: 17426105429

**ADDRESS: P.O. Box 13941
Austin, Texas 78711-3941**

LIHEAP COORDINATOR: Michael DeYoung

EMAIL: michael.deyoung@tdhca.state.tx.us

TELEPHONE: (512) 475-2125 FAX: (512) 475-3935

CHECK ONE: TRIBE / TRIBAL ORGANIZATION _____ STATE INSULAR AREA _____

**Department of Health and Human Services
Administration for Children and Families
Office of Community Services
Washington, DC 20447**

**August 1987, revised 05/92, 02/95, 03/96, 12/98, 11/01
OMB Approval No. 0970-0075**

THE PAPERWORK REDUCTION ACT OF 1995 (Pub. L. 104-13)

Use of this model plan is optional. However, the information requested is required in order to receive a Low Income Home Energy Assistance Program (LIHEAP) grant in years in which the grantee is not permitted to file an abbreviated plan. Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, gathering and maintaining the data needed, and reviewing the collection of information. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

Assurances

The Texas Department of Housing and Community Affairs agrees to:

(1) use the funds available under this title to--

(A) conduct outreach activities and provide assistance to low income households in meeting their home energy costs, particularly those with the lowest incomes that pay a high proportion of household income for home energy, consistent with paragraph (5);

(B) intervene in energy crisis situations;

(C) provide low-cost residential weatherization and other cost-effective energy-related home repair; and

(D) plan, develop, and administer the State's program under this title including leveraging programs,

and the State agrees not to use such funds for any purposes other than those specified in this title;

(2) make payments under this title only with respect to--

(A) households in which one or more individuals are receiving--

(i) assistance under the State program funded under part A of title IV of the Social Security Act;

(ii) supplemental security income payments under title XVI of the Social Security Act;

(iii) food stamps under the Food Stamp Act of 1977; or

(iv) payments under section 415, 521, 541, or 542 of title 38, United States Code, or under section 306 of the Veterans' and Survivors' Pension Improvement Act of 1978; or

(B) households with incomes which do not exceed the greater of--

(i) an amount equal to 150 percent of the poverty level for such State; or

(ii) an amount equal to 60 percent of the State median income;

except that a State may not exclude a household from eligibility in a Federal fiscal year solely on the basis of household income if such income is less than 110 percent of the poverty level for such State, but the State may give priority to those households with the highest home energy costs or needs in relation to household income.

(3) conduct outreach activities designed to assure that eligible households, especially households with elderly individuals or disabled individuals, or both, and households with high home energy burdens, are made aware of the assistance available under this title, and any similar energy-related assistance available under subtitle B of title VI (relating to community services block grant program) or under any other provision of law which carries out programs which were administered under the Economic Opportunity Act of 1964 before the date of the enactment of this Act;

(4) coordinate its activities under this title with similar and related programs administered by the Federal Government and such State, particularly low-income energy-related programs under subtitle B of title VI (relating to community services block grant program), under the supplemental security income program, under part A of title IV of the Social Security Act, under title XX of the Social Security Act, under the low-income weatherization assistance program under title IV of the Energy Conservation and Production Act, or under any other provision of law which carries out programs which were administered under the Economic Opportunity Act of 1964 before the date of the enactment of this Act;

(5) provide, in a timely manner, that the highest level of assistance will be furnished to those households which have the lowest incomes and the highest energy costs or needs in relation to income, taking into account family size, except that the State may not differentiate in implementing this section between the households described in clauses 2(A) and 2(B) of this subsection;

(6) to the extent it is necessary to designate local administrative agencies in order to carry out the purposes of this title, to give special consideration, in the designation of such agencies, to any local public or private nonprofit agency which was receiving Federal funds under any low-income energy assistance program or weatherization program under the Economic Opportunity Act of 1964 or any other provision of law on the day before the date of the enactment of this Act, except that--

(A) the State shall, before giving such special consideration, determine that the agency involved meets program and fiscal requirements established by the State; and

(B) if there is no such agency because of any change in the assistance furnished to programs for economically disadvantaged persons, then the State shall give special consideration in the designation of local administrative agencies to any successor agency which is operated in substantially the same manner as the predecessor agency which did receive funds for the Federal fiscal year preceding the Federal fiscal year for which the determination is made;

(7) if the State chooses to pay home energy suppliers directly, establish procedures to--

(A) notify each participating household of the amount of assistance paid on its behalf;

(B) assure that the home energy supplier will charge the eligible household, in the normal billing process, the difference between the actual cost of the home energy and the amount of the payment made by the State under this title;

(C) assure that the home energy supplier will provide assurances that any agreement entered into with a home energy supplier under this paragraph will contain provisions to assure that no household receiving assistance under this title will be treated adversely because of such assistance under applicable provisions of State law or public regulatory requirements; and

(D) ensure that the provision of vendor payments remains at the option of the State in consultation with local grantees and may be contingent on unregulated vendors taking appropriate measures to alleviate the energy burdens of eligible households, including providing for agreements between suppliers and individuals eligible for benefits under this Act that seek to reduce home energy costs, minimize the risks of home energy crisis, and encourage regular payments by individuals receiving financial assistance for home energy costs;

(8) provide assurances that--

(A) the State will not exclude households described in clause (2)(B) of this subsection from receiving home energy assistance benefits under clause (2), and

(B) the State will treat owners and renters equitably under the program assisted under this title;

(9) provide that--

(A) the State may use for planning and administering the use of funds under this title an amount not to exceed 10 percent of the funds payable to such State under this title for a Federal fiscal year; and

(B) the State will pay from non-Federal sources the remaining costs of planning and administering the program assisted under this title and will not use Federal funds for such remaining cost (except for the costs of the activities described in paragraph (16));

(10) provide that such fiscal control and fund accounting procedures will be established as may be necessary to assure the proper disbursement of and accounting for Federal funds paid to the State under this title, including procedures for monitoring the assistance provided under this title, and provide that the State will comply with the provisions of chapter 75 of title 31, United States Code (commonly known as the "Single Audit Act");

(11) permit and cooperate with Federal investigations undertaken in accordance with section 2608;

(12) provide for timely and meaningful public participation in the development of the plan described in subsection (c);

(13) provide an opportunity for a fair administrative hearing to individuals whose claims for assistance under the plan described in subsection (c) are denied or are not acted upon with reasonable promptness; and

(14) cooperate with the Secretary with respect to data collecting and reporting under section 2610.

(15) beginning in Federal fiscal year 1992, provide, in addition to such services as may be offered by State Departments of Public Welfare at the local level, outreach and intake functions for crisis situations and heating and cooling assistance that is administered by additional State and local governmental entities or community-based organizations (such as community action agencies, area agencies on aging and not-for-profit neighborhood-based organizations), and in States where such organizations do not administer functions as of September 30, 1991, preference in awarding grants or contracts for intake services shall be provided to those agencies that administer the low-income weatherization or energy crisis intervention programs.

(16) use up to 5 percent of such funds, at its option, to provide services that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance, including needs assessments, counseling, and assistance with energy vendors, and report to the Secretary concerning the impact of such activities on the number of households served, the level of direct benefits provided to those households, and the number of households that remain unserved.

Certification to the Assurances: As Chief Executive Officer, I agree to comply with the sixteen assurances contained in Title XXVI of the Omnibus Budget Reconciliation Act of 1981, as amended. By signing these assurances, I also agree to abide by the standard assurances on lobbying, debarment and suspension, and a drug-free workplace.

Signature of the Tribal or Board Chairperson or Chief Executive Officer of the State or Territory.

Signature: _____

Title: Executive Director, Texas Department of Housing and Community Affairs

Date: August , 2015

The Governor of Texas has delegated the responsibility of signing this document to the Executive Director of the Texas Department of Housing and Community Affairs. A copy of the letter is attached.

The EIN (Entity Identification Number) of the Texas Department of Housing & Community Affairs, which receives the grant funds, appears on the cover of this application.

In the above assurances which are quoted from the law, "State" means the 50 States, the District of Columbia, an Indian Tribe or Tribal Organization, or a Territory; "title" of the Act refers to Title XXVI of the Omnibus Budget Reconciliation Act of 1981 (OBRA), as amended, the "Low Income Home Energy Assistance Act"; "section" means Section 2605 of OBRA; and, "subsection" refers to Section 2605(b) of OBRA.

Section 1¹

Program Components, 2605(a), 2605(b)(1) – Assurance 1, 2605(c)(1)(C)

1.1 Check which components you will operate under the LIHEAP program. (Note: You must provide information for each component designated here as requested elsewhere in this plan.)

	<u>Dates of Operation²</u>	
<input checked="" type="checkbox"/> Heating assistance	Start date: 01/01/2016	End date: 02/28/2016
<input checked="" type="checkbox"/> Cooling assistance	Start date: 03/01/2016	End date: 11/30/2016
<input checked="" type="checkbox"/> Crisis assistance	Start date: 01/01/2016	End date: 12/31/2016
<input checked="" type="checkbox"/> Weatherization assistance	Start date: 01/01/2016	End date: 12/31/2016

Estimated Funding Allocation, 2604(c), 2605(k)(1), 2605(b)(9), 2605(b)(16) – Assurances 9 and 16

1.2 Estimate what amount of available LIHEAP funds will be used for each component that you will operate: **The total of all percentages must add up to 100%.**

10% heating assistance

40% cooling assistance

25% crisis assistance

Up to 15% weatherization assistance³

0% carryover to the following Federal fiscal year

10% administrative and planning costs

0% services to reduce home energy needs including needs assessment (Assurance 16)

0% used to develop and implement leveraging activities

100% **TOTAL**

¹ Capitalized terms are defined in Title 10, Chapter 1 or Chapter 5 (as applicable) of the Texas Administrative Code or by federal law.

² Dates of operation signify periods in which we most expect seasonal usage. Identification of these periods does not limit the payment of assistance on any “seasonal” basis.

³ If 15% is not used for weatherization assistance, the balance will be added to heating, cooling, or crisis assistance as needed.

Alternate Use of Crisis Assistance Funds, 2605(c)(1)(C)

1.3 The funds reserved for winter crisis assistance that have not been expended by March 15 will be reprogrammed to:

- Heating assistance
- Weatherization assistance
- Cooling assistance
- Other (specify): year-round crisis

Categorical Eligibility, 2605(b)(2)(A) – Assurance 2, 2605(c)(1)(A), 2605(b)(8A) – Assurance 8

1.4 Do you consider households categorically eligible if one household member receives one of the following categories of benefits in the left column below? Yes No

Program	Cooling	Heating	Crisis	Weatherization
Supplemental Security Income	Yes	Yes	Yes	Yes
Temporary Assistance for Needy Families	No	No	No	No
Supplemental Nutrition Assistance Program	No	No	No	No
Means-tested Veteran’s Programs	Yes	Yes	Yes	Yes

1.5 Do you automatically enroll households without a direct annual application?

- Yes
- No

1.6 How do you ensure there is no difference in the treatment of categorically eligible households from those not receiving other public assistance when determining eligibility and benefit amounts?

This is the first year that Texas will incorporate categorical eligibility into its program. State rules will be amended to include a provision that there is to be no difference in the treatment of categorically eligible households.

SNAP Nominal Payments

1.7 Do you allocate LIHEAP funds toward a nominal payment for SNAP clients?

- Yes
- No

Amount of Minimal Assistance: \$___NA_____

Frequency of Assistance:

- Once per year
- Once every five years
- Other (describe): _____NA_____

Determination of Eligibility – Countable Income

1. In determining a household’s income eligibility for LIHEAP, do you use gross income or net income?

- Gross Income (except for self employment or farm income or gambling/lottery winnings)
- Net Income

2. Select all of the applicable forms of countable income used to determine a household's income eligibility for LIHEAP.

- Wages (except as prohibited by the Workforce Investment Act of 1998)
- Self-employment income
- Contract income
- Payments from mortgage or sales contracts
- Unemployment Insurance
- Strike pay
- Social Security Administration (SSA) benefits
 - Including MediCare deduction
 - Excluding MediCare deduction
- Supplemental Security Income (SSI)
- Retirement / pension benefits
- General Assistance benefits (except as excluded by federal law)
- Temporary Assistance for Needy Families (TANF) benefits (except for one-time payments)
- Supplemental Nutrition Assistance Program (SNAP) benefits
- Women, Infants, and Children Supplemental Nutrition Program (WIC) benefits
- Loans that need to be repaid
- Cash gifts
- Savings account balance
- One-time lump-sum payments, such as rebates/credits, refund deposits, etc.
- Jury duty compensation
- Rental income
- Income from employment through Workforce Investment Act (WIA)
- Income from work study programs
- Alimony
- Child support
- Interest, dividends, or royalties
- Commissions
- Legal settlements
- Insurance payments made directly to the insured
- Insurance payments made specifically for the repayment of a bill, debt, or estimate
- Veterans Administration (VA) benefits (Some types are included, some types are excluded)
- Earned income of a child under the age of 18
- Balance of retirement, pension, or annuity accounts where funds cannot be withdrawn without a penalty.
- Income tax refunds
- Stipends from senior companion programs, such as VISTA
- Funds received by household for the care of a foster child
- AmeriCorps Program payments for living allowances, earnings, and in-kind aid.
- Reimbursements (for mileage, gas, lodging, meals, etc.)
- Other

Worker's compensation, military family allotments (except where excluded by other federal law), gambling or lottery winnings;

Section 2 - HEATING ASSISTANCE

Eligibility, 2605(b)(2) – Assurance 2

2.1 Designate The income eligibility threshold used for the heating component:

2015 HHS poverty income level:

OR

FY 2016 state’s median income 60%⁴

2.2 Do you have additional eligibility requirements for **HEATING ASSISTANCE**?

Yes⁵ No

2.3 Check the appropriate boxes below and describe the policies for each.

- | | Yes | No |
|--------------------------------------------------------------|-------------------------------------|-------------------------------------|
| ● Do you require an assets test? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| ● Do you have additional/differing eligibility policies for: | | |
| ● Renters? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| ● Renters living in subsidized housing? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| ● Renters with utilities included in the rent? ⁶ | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| ● Do you give priority in eligibility to: | | |
| ● Elderly? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| ● Disabled? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| ● Young children? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| ● Households with high energy burdens? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| ● Other?
Households with high energy consumption | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

Determination of Benefits, 2605(b)(5) – Assurance 5, 2605(c)(1)(B)

⁴ In the county of a major disaster or emergency designated by the Secretary of the Department of Health and Human Services or by the President under the Disaster Relief Act of 1974, the State will use the highest of 125% of the poverty guidelines or 60% of the State’s median income (“SMI”). The State may also use this flexibility to set poverty guidelines in a local crisis as defined by the Department’s Executive Director. The State will communicate this designation to affected subrecipients through email and by website posting. Subrecipients must receive prior written approval before using 60% SMI. Place based assistance must be performed in the county, but person based assistance for those displaced by a disaster or emergency may be in other counties.

⁵ Currently, §5.407(e) of 10 Texas Administrative states: “A Household unit cannot be served if the meter is utilized by another Household.” The Department is considering a change to this rule to allow for assistance in certain circumstances.

⁶ If the renter’s situation is one where the utilities are not a distinct charge from the rent, we do not provide assistance as there is no individual bill and neither energy cost nor energy burden can be determined.

2.4 Describe how you prioritize the provision of heating assistance to vulnerable households, e.g., benefit amounts, application period, etc.

Subrecipients use a household rating system which determines priority based on persons in Households who are particularly vulnerable such as the Elderly, Persons with Disabilities, Households with Young Children, Households with High Energy Burden, and Households with High Energy Consumption. Benefit amounts are determined on a sliding scale based on the Household's income. The number of benefit payments is based on the presence of a vulnerable member such as the Elderly, Persons with Disabilities, and Households with Young Children. The maximum benefit amount is determined per-program year based on household need, is split between heating and cooling assistance, and is not required to be applied equally to heating and cooling costs.

2.5 Check the variables you use to determine your benefit levels. (Check all that apply):

- Income
- Family (household) size
- Home energy cost or need:
 - Fuel type
 - Climate/region
 - Individual bill
 - Dwelling type
 - Energy burden (% of income spent on home energy)
 - Energy need
 - Other (Describe)

Benefit Levels, 2605(b)(5) – Assurance 5, 2605(c)(1)(B)

2.6 Describe benefit levels:

\$0 Minimum benefit \$1200 Maximum benefit

2.7 Do you provide in-kind (e.g., blankets, space heaters) and/or other forms of benefits?

Yes No -- If yes, describe.

Under energy crisis, a Household may receive repair of existing heating and cooling units not to exceed \$2,500. Households that include at least one member that is elderly, disabled, or a child age 5 or younger, may receive either repair of existing heating and cooling units or crisis-related purchase of portable heating and cooling units not to exceed \$2,500.

Section 3: COOLING ASSISTANCE

Eligibility, 2605(c)(1)(A), 2605(b)(2) – Assurance 2

3.1 Designate the income eligibility threshold used for the cooling component:

2015 HHS poverty income level

OR

FY 2016 median income 60%⁷

3.2 Do you have additional eligibility requirements for **COOLING ASSISTANCE**

Yes⁸ No

3.3 Check the appropriate boxes below and describe the policies for each.

- | | <u>Yes</u> | <u>No</u> |
|--------------------------------------------------------------|--------------------------------------------------|-------------------------------------|
| ● Do you require an assets test? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| ● Do you have additional/differing eligibility policies for: | | |
| ● Renters? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| ● Renters living in subsidized housing? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| ● Renters with utilities included in the rent? | <input checked="" type="checkbox"/> ⁹ | <input type="checkbox"/> |
| ● Do you give priority in eligibility to: | | |
| ● Elderly? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| ● Disabled? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| ● Young children? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| ● Households with high energy burdens? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| ● Other?
Households with high energy consumption | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

3.4 Describe how you prioritize the provision of cooling assistance to vulnerable households, e.g., benefit amounts, application period, etc.

⁷ In the county of a major disaster or emergency designated by the Secretary of the Department of Health and Human Services or by the President under the Disaster Relief Act of 1974, the State will use the highest of 125% of the poverty guidelines or 60% of the State's median income. The State may also use this flexibility to set poverty guidelines in a local crisis as defined by the Department's Executive Director. The State will communicate this designation to affected subrecipients through email and by website posting. Subrecipients must receive prior written approval before using 60% SMI. Place based assistance must be performed in the county, but person based assistance for those displaced by a disaster or emergency may be in other counties.

⁸ Currently, §5.407(e) of 10 Texas Administrative Code states: "A Household unit cannot be served if the meter is utilized by another Household." The Department is considering a change to this rule to allow for assistance in certain circumstances.

⁹ If the renter's situation is one where the utilities are not a distinct charge from the rent, we do not provide assistance as there is no individual bill and neither energy cost nor energy burden can be determined.

Subrecipients use a household rating system which determines priority based on persons in Households who are particularly vulnerable such as the Elderly, Persons with Disabilities, Families with Young Children, Households with High Energy Burden, and Households with High Energy Consumption. Benefit amounts are determined on a sliding scale based on the Household's income. The number of benefit payments is based on the presence of a vulnerable member such as the Elderly, Persons with Disabilities, and Households with Young Children. The maximum benefit amount is determined per-program year based on household need, is split between heating and cooling assistance, and is not required to be applied equally to heating and cooling costs.

Determination of Benefits, 2605(b)(5) – Assurance 5, 2605(c)(1)(B)

3.5 Check the variables you use to determine your benefit levels. (Check all that apply):

- Income
- Family (household) size
- Home energy cost or need
 - Fuel type
 - Climate/region
 - Individual bill
 - Dwelling type
 - Energy burden (% of income spent on home energy)
 - Energy need
 - Other (describe)

Benefit Levels, 2605(b)(5) – Assurance 5, 2605(c)(1)(B)

3.6 Describe benefit levels:

\$0 Minimum benefit \$1200 Maximum benefit

3.7 Do you provide in-kind (e.g., fans, air conditioners) and/or other forms of benefits?

Yes No -- If yes, describe.

Under energy crisis, a Household may receive repair of existing heating and cooling units not to exceed \$2,500. Households that include at least one member that is elderly, disabled, or a child age 5 or younger, may receive either repair of existing heating and cooling units or crisis-related purchase of portable heating and cooling units not to exceed \$2,500

Section 4: CRISIS ASSISTANCE,

Eligibility - 2604(c), 2605(c)(1)(A)

4.1 Designate the income eligibility threshold used for the crisis component:

2015 HHS poverty income level

OR

FY 2016 state median income 60%

4.2 Provide your LIHEAP program's definition for determining a crisis.

A bona fide Household crisis exists when extraordinary events or situations resulting from extreme weather conditions and/or fuel supply shortages or a terrorist attack have depleted or will deplete Household financial resources and/or have created problems in meeting basic Household expenses, particularly bills for energy so as to constitute a threat to the well-being of the Household, particularly the Elderly, Persons with Disabilities, or children age 5 and younger. A utility disconnection notice may constitute a Household energy crisis.

Particularly:

(1) the previous day's highest temperature did not exceed 32 degrees Fahrenheit, and the temperature is predicted to remain at or below that level for the next 24 hours, according to the nearest National Weather Service (NWS) reports; or

(2) the NWS issues a heat advisory for any county in the electric utility's service territory, or when such advisory has been issued on any one of the preceding two calendar days.

4.3 What constitutes a life-threatening crisis?

State rules define a life threatening crisis as: "A life threatening crisis exists when at least one person in the applicant household could lose their life without the Subrecipient's utility assistance because there is a shut-off notice or a delivered fuel source is below a ten (10) day supply (by client report) and any member of the Household is dependent upon equipment that is prescribed by a medical professional, operated on electricity or gas and is necessary to sustain the person's life. Examples of life-sustaining equipment include but are not limited to kidney dialysis machines, oxygen concentrators, cardiac monitors, and in some cases heating and air conditioning when ambient temperature control is prescribed by a medical professional. Documentation must not include information regarding the applicant's medical condition but may include certification that such a device is required in the home to sustain life."

Crisis Requirements, 2604(c)

4.4 Within how many hours do you provide crisis assistance that will resolve the energy crisis for eligible households? 48 Hours

4.5 Within how many hours do you provide crisis assistance that will resolve the energy crisis for eligible households in life-threatening situations? 18 Hours¹⁰

¹⁰ Pursuant to §2604(c)(2) of the LIHEAP Statute, the Department provides "some form of assistance that will resolve the energy crisis" not later than 18 hours after a household applies for crisis benefits if such household is eligible to receive such benefits and is in a life-threatening situation.

Crisis Eligibility, 2605(c)(1)(A)?

4.6 Do you have additional eligibility requirements for **CRISIS ASSISTANCE**?

Yes No

4.7 Check the appropriate boxes below and describe the policies for each.

	<u>Yes</u>	<u>No</u>
● Do you require an assets test?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
● Do you give priority in eligibility to:		
● Elderly?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
● Disabled?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
● Young children?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
● Households with high energy burdens?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
● Other? Households with high energy consumption	<input checked="" type="checkbox"/>	<input type="checkbox"/>
● In order to receive crisis assistance: ¹¹		
● Must the household have received a shut-off notice or have a near empty tank?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
● Must the household have been shut off or have an empty tank?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
● Must the household have exhausted their regular heating benefit?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
● Must renters with heating costs included in their rent have received an eviction notice?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
● Must heating/cooling be medically necessary?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
● Must the household have non-working heating or cooling equipment?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
● Other?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
● Do you have additional/differing eligibility policies for:		
● Renters?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
● Renters living in subsidized housing?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
● Renters with utilities included in the rent?	<input checked="" type="checkbox"/> ¹²	<input type="checkbox"/>

Determination of Benefits

4.8 How do you handle crisis situations?

Separate component

¹¹ The program has different requirements depending on whether the Household contains a member of a priority group.

¹² If the renter's situation is one where the utilities are not a distinct charge from the rent, we do not provide assistance as there is no individual bill and neither energy cost nor energy burden can be determined.

Fast Track

Other

4.9 If you have a separate component, how do you determine crisis assistance benefits?

Amount to resolve crisis, up to a maximum of \$1200

Other

Heating and cooling equipment repair or replace up to \$2,500

Crisis Requirements, 2604(c)

4.10 Do you accept applications for energy crisis assistance at sites that are geographically accessible to all households in the area to be served?

Yes No

According to state program rules: "Subrecipients shall accept applications at sites that are geographically and physically accessible to all Households requesting assistance. If Subrecipient's office is not accessible, Subrecipient shall make reasonable accommodations to ensure that all Households can apply for assistance."

4.11 Do you provide individuals who have physical disabilities the means to:

■ Submit applications for crisis benefits without leaving their homes?

Yes No If yes, explain.

Applications can be mailed in. In some cases, applications may be completed online or the organization will go to the applicant's home to take the application.

■ Travel to the sites at which applications for crisis assistance are accepted?

Yes No If yes, explain.

Benefit Levels, 2605(c)(1)(B)

4.12 Indicate the maximum benefit for each type of crisis assistance offered.

Winter Crisis \$ _____ maximum benefit

Summer Crisis \$ _____ maximum benefit

Year-round Crisis \$1200 maximum benefit

4.13 Do you provide in-kind (e.g., blankets, space heaters, fans) and/or other forms of benefits? Yes No If yes, describe.

Purchase of portable heating/cooling units, temporary shelter, blankets, fans, generators.

4.14 Do you provide for equipment repair or replacement using crisis funds?

Yes No

4.15 Check appropriate boxes below to indicate type(s) of assistance provided:

	Winter Crisis	Summer Crisis	Year- round Crisis
Heating system repair			X
Heating system replacement			
Cooling system repair			X
Cooling system replacement			
Wood stove purchase			X
Pellet stove purchase			X
Solar panel(s)			
Windmill(s)			
Utility poles / Gas line hook-ups			
Other (Specify): _____			

4.17 Do any of the utility vendors you work with enforce a winter moratorium on shut offs?

Yes No

4.18 Describe the terms of the moratorium and any special dispensation received by LIHEAP clients during or after the moratorium period.

Pursuant to §25.483 Disconnection of Service of the Texas Public Utilities Commission rules:

“An electric utility cannot disconnect a customer anywhere in its service territory on a day when:

- (1) the previous day’s highest temperature did not exceed 32 degrees Fahrenheit, and the temperature is predicted to remain at or below that level for the next 24 hours, according to the nearest National Weather Service (NWS) reports; or
- (2) the NWS issues a heat advisory for any county in the electric utility’s service territory, or when such advisory has been issued on any one of the preceding two calendar days.”

Section 5: WEATHERIZATION ASSISTANCE

Eligibility, 2605(c)(1)(A), 2605(b)(2) – Assurance 2

5.1 Designate the income eligibility threshold used for the weatherization component:

2015 HHS poverty income level

OR

FY 2016 state median income 60%¹³

5.2 Do you enter into an interagency agreement to have another government agency administer a **WEATHERIZATION component**? Yes No

5.3 Name the agency. _NA_____

5.4 Is there a separate monitoring protocol for weatherization? Yes No

WEATHERIZATION - Types of Rules

5.5 Under what rules do you administer LIHEAP weatherization? (Check only one.)

Entirely under LIHEAP (not DOE) rules

Entirely under DOE WAP (not LIHEAP) rules

Mostly under LIHEAP rules with the following DOE WAP rule(s) where LIHEAP and WAP rules differ: (Check all that apply.)

Income Threshold

Weatherization of entire multi-family housing structure is permitted if at least 66% of units (50% in 2- & 4-unit buildings) are eligible units or will become eligible within 180 days.

Weatherization of shelters temporarily housing primarily low income persons (excluding nursing homes, prisons, and similar institutional care facilities) is permitted.

Other (describe)

Mostly under DOE WAP rules, with the following LIHEAP rule(s) where LIHEAP and WAP rules differ: (Check all that apply.)

Income Threshold.

¹³ In the county of a major disaster or emergency designated by the Secretary of the Department of Health and Human Services or by the President under the Disaster Relief Act of 1974, the State will use the highest of 125% of the poverty guidelines or 60% of the State's median income. The State may also use this flexibility to set poverty guidelines in a local crisis as defined by the Department's Executive Director. The State will communicate this designation to affected subrecipients through email and by website posting. Subrecipients must receive prior written approval before using 60% SMI. Place based assistance must be performed in the county, but person based assistance for those displaced by a disaster or emergency may be in other counties.

Weatherization not subject to DOE WAP maximum statewide average cost per dwelling unit.

Weatherization measures are not subject to DOE Savings to Investment Ratio (SIR) standards.

Other (describe)

Energy-related home repair: TDHCA will allow the use of LIHEAP weatherization funds for structural and ancillary repairs only if required to enable effective weatherization.

For multifamily weatherization, DOE building eligibility rules apply; however the 200% income eligibility threshold used by DOE (as of this writing) does not apply for assisted households, unless the household is categorically eligible as described in Section 1.4 of this plan.

Eligibility, 2605(b)(5) – Assurance 5

	<u>Yes</u>	<u>No</u>
5.6 Do you require an assets test?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5.7 Do you have additional/differing eligibility policies for:		
• Renters?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
• Renters living in subsidized housing?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5.8 Do you give priority in eligibility to:		
• Elderly?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
• Disabled?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
• Young children?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
• Households with high energy burdens?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
• Other? Households with high energy consumption	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Benefit Levels

5.9 Do you have a maximum LIHEAP weatherization benefit/expenditure per household?

Yes No

5.10 What is the maximum amount? \$5000, unless additional expenditure is authorized in writing by the Department.

Types of Assistance, 2605(c)(1), (B) & (D)

5.11 What LIHEAP weatherization measures do you provide? (Check all categories that apply.)

- | | | |
|-----------------------------------------------------------------------|-------|---------------------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> Weatherization assessments/audits | needs | <input checked="" type="checkbox"/> Major appliance repairs |
| <input checked="" type="checkbox"/> Caulking and insulation | | <input checked="" type="checkbox"/> Major appliance replacement |
| <input type="checkbox"/> Install storm windows | | <input type="checkbox"/> Install windows/sliding glass doors |
| <input checked="" type="checkbox"/> heating system repairs | | <input type="checkbox"/> Install doors (interior/exterior) |
| <input type="checkbox"/> Heating system replacement | | <input checked="" type="checkbox"/> Install water heater |
| <input checked="" type="checkbox"/> Cooling system repairs | | <input checked="" type="checkbox"/> Water conservation measures |
| <input type="checkbox"/> Cooling system replacement | | <input checked="" type="checkbox"/> Compact fluorescent light bulbs |
| <input checked="" type="checkbox"/> Energy related roof repair | | <input checked="" type="checkbox"/> Other (describe)
Solar screens or window film |

Section 6: Outreach, 2605(b)(3) – Assurance 3, 2605(c)(3)(A)

6.1 Select all outreach activities that you conduct that are designed to assure that eligible households are made aware of all LIHEAP assistance available:

- Place posters/flyers in local and county social service offices, offices of aging, Social Security offices, VA, etc.
- Publish articles in local newspapers or broadcast media announcements.
- Include inserts in energy vendor billings to inform individuals of the availability of all types of LIHEAP assistance.
- Mass mailing(s) to prior-year LIHEAP recipients.
- Inform low income applicants of the availability of all types of LIHEAP assistance at application intake for other low-income programs.
- Execute interagency agreements with other low-income program offices to perform outreach to target groups.
- Other (specify):

Section 7: Coordination, 2605(b)(4) – Assurance 4

7.1 Describe how you will ensure that the LIHEAP program is coordinated with other programs available to low-income households (TANF, SSI, WAP, etc.)

- Joint application for multiple programs
- Intake referrals to/from other programs
- One-stop intake centers
- Other – describe:

Section 8: Agency Designation, 2605(b)(6) – Assurance 6

8.1 How would you categorize the primary responsibility of your State agency?

- Administration Agency
- Commerce Agency
- Community Services Agency
- Energy/Environment Agency
- Housing Agency
- Welfare Agency
- Other – describe:

Alternate Outreach and Intake, 2605(b)(15) – Assurance 15

8.2 How do you provide alternate outreach and intake for **HEATING ASSISTANCE**?

Report of available services at various workgroup meetings with community stakeholders (disability, health services, homeless, etc), presentation at area events organized by state representatives and other service providers.

8.3 How do you provide alternate outreach and intake for **COOLING ASSISTANCE**?

Report of available services at various workgroup meetings with community stakeholders (disability, health services, homeless, etc), presentation at area events organized by state representatives and other service providers.

8.4 How do you provide alternate outreach and intake for **CRISIS ASSISTANCE**?

In instances of natural disaster, Subrecipient coordinates with other assistance organizations (shelters, Red Cross, etc.). Report of available services at various workgroup meetings with community stakeholders (disability, health services, homeless, etc), presentation at area events organized by or at the direction or request of elected officials and other service providers.

	<u>Heating</u>	<u>Cooling</u>	<u>Crisis</u>	<u>Weatherization</u>
Who determines client eligibility?	Local govern ments, CAAs and Other Nonprof its	Local govern ments, CAAs and Other Nonprof its	Local govern ments, CAAs and Other Nonpro fits	Local governments, CAAs and Other Non-profits

Who processes benefit payments to gas and electric vendors?	Local governments, CAAs and Other Nonprofits	Local governments, CAAs and Other Nonprofits	Local governments, CAAs and Other Nonprofits	N/A
Who processes benefit payments to bulk fuel vendors?	Local governments, CAAs and Other Nonprofits	Local governments, CAAs and Other Nonprofits	Local governments, CAAs and Other Nonprofits	N/A
Who performs installation of weatherization measures?	N/A	N/A	N/A	Local governments, CAAs and Other Nonprofits

8.5 What is your process for selecting local administering agencies?

The Department ensures that to the extent it is necessary to designate local administrative agencies in order to carry out the purposes of Title 42 U.S.C. §§8621, et seq. special consideration is given to any local public or private nonprofit agency which was receiving Federal funds.

(1) The Department before giving such special consideration, determines that the agency involved meets program and fiscal requirements established by law and by the Department; and

(2) if there is no such agency because of any change in the assistance furnished to programs for economically disadvantaged persons, then the Department gives special consideration in the designation of local administrative agencies to any successor agency which is operated in substantially the same manner as the predecessor agency which did receive funds for the fiscal year preceding the fiscal year for which the determination is made.

The Department administers the program through the existing Subrecipients that have demonstrated that they are operating the program in accordance with the Economic Opportunity Act of 1964, the Low-Income Home Energy Assistance Act of 1981, as amended (42 U.S.C. §§8621, et seq.), and the Department rules. If Subrecipients are successfully administering the program, the Department may offer to renew the contract.

When the Department determines that an organization is not administering the program satisfactorily, corrective actions are taken to remedy the problem. Thereafter, if Subrecipient fails to administer the program correctly, the Department reassigns the service area or a portion to another existing Subrecipient or conducts solicitation or selection of a new Subrecipient in accordance with the Low-Income Home Energy Assistance Act of 1981. The affected Subrecipient may request a hearing in accordance with §2105.204 of the Texas Government Code,

8.6 How many local administering agencies do you use?

41

8.7 Have you changed any local administering agencies from last year?

Yes No

8.8 Why?

- Agency was in noncompliance with grantee requirements for LIHEAP
- Agency is under criminal investigation
- Added agency
- Agency closed
- Other - describe

DRAFT

Section 9: Energy Suppliers, 2605(b)(7) – Assurance 7

9.1 Do you make payments directly to home energy suppliers?

Heating Yes No

Cooling Yes No

Crisis Yes No

Are there exceptions? Yes No

9.2 How do you notify the client of the amount of assistance paid?

The administering agency informs them once the determination is made.

9.3 How do you assure that the home energy supplier will charge the eligible household, in the normal billing process, the difference between the actual cost of the home energy and the amount of the payment?

Vendor agreements are used in all components. A sample copy is attached with the Program Integrity Assessment Report.

9.4 How do you assure that no household receiving assistance under this title will be treated adversely because of their receipt of LIHEAP assistance?

Vendor agreements are used in all components. A sample copy is attached with the Program Integrity Assessment Report.

9.5 Do you make payments contingent on unregulated vendors taking appropriate measures to alleviate the energy burdens of eligible households? Yes No. If so, how?

Section 10: Program, Fiscal Monitoring, and Audit, 2605(b)(10) – Assurance 10

- 10.1. How do you ensure good fiscal accounting and tracking of LIHEAP funds?
1. Review annual audits
 2. Monitor fiscal records
 3. Review current and prior year monthly expenditure and performance reports

Audit Process

10.2. Is your LIHEAP program audited annually under the Single Audit Act and OMB Circular A-133?

Yes No

10.3. Describe any audit findings rising to the level of material weakness or reportable condition cited in the A-133 audits, Grantee monitoring assessments, inspector general reviews, or other government agency reviews of the LIHEAP agency from the most recently audited federal fiscal year.

Finding ¹⁴	Type	Brief Summary	Resolved?	Action Taken

¹⁴ The Department has a single audit annually, but LIHEAP is not audited as a major program every year. LIHEAP was last audited as a major program in FY 2013.

10.4. Audits of Local Administering Agencies

What types of annual audit requirements do you have in place for local administering agencies/district offices?

- Local agencies/district offices are required to have an annual audit in compliance with the Single Audit Act and OMB Circular A-133.¹⁵
- Local agencies/district offices are required to have an annual audit (other than A-133).
- Local agencies/district offices' A-133 or other independent audits are reviewed by Grantee as part of compliance process.
- Grantee conducts fiscal and program monitoring of local agencies/district offices.

Compliance Monitoring

10.5. Describe the Grantee's strategies for monitoring compliance with the Grantee's and Federal LIHEAP policies and procedures by:

Grantee employees:

- Internal program review
- Departmental oversight
- Secondary review of invoices and payments
- Other program review mechanisms are in place. Describe: Cross Division peer review of documents

Local Administering Agencies/District Offices:

- On-site evaluation
- Annual program review
- Monitoring through Central Database
- Desk reviews
- Client File Testing/Sampling
- Other program review mechanisms are in place. Describe: Desk review of A-133; A review of the Subrecipient's resolution of prior monitoring or Single Audit reports is performed prior to awarding new contracts.

10.6. Explain, or attach a copy of, your local agency monitoring schedule and protocol.
See attached monitoring schedule and monitoring instruments.

10.7. Describe how you select local agencies for monitoring reviews? Each subrecipient is monitored at least once every three years. If the subrecipient also has Community Service Block Grant funds, the LIHEAP monitoring may be done at the same time. Subrecipients that leverage LIHEAP funds with DOE funds for weatherization are monitored according to the DOE monitoring schedule (once a year).

Site Visits: Onsite monitoring visits are conducted at least once every three years. The Department will inspect a minimum of 2.5% of all LIHEAP weatherized units reported as complete. The Department estimates the percentage inspected would be in excess of 150 weatherized units.

¹⁵ For 2016, subrecipients will follow the audit requirements in 45 CFR 75, as applicable, and the requirements in the Texas Single Audit Act.

Desk Reviews: Some materials are requested and reviewed at the Department's office prior to the onsite visit. If the review results in findings of noncompliance, corrective action reviews are completed as a desk review rather than a return to the subrecipient's office.

- 10.8. How often is each local agency monitored? At least once, every three years.
- 10.9. What is the combined error rate for eligibility determinations? (Optional question)
Optional
- 10.10. What is the combined error rate for benefit determinations? (Optional question)
Optional
- 10.11. How many local agencies are currently on corrective action plans for eligibility and/or benefit determination issues? (Number only) 0
- 10.12. How many local agencies are currently on corrective action plans for financial accounting or administrative issues? (Number only) 0

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Section 11: Timely and Meaningful Public Participation, 2605(b)(12) – Assurance 12, 2605(c)(2)

11.1 How did you obtain input from the public in the development of your LIHEAP plan?

Check all that apply:

- Tribal Council meeting(s)
- Public Hearing(s)
- Draft Plan posted to website and available for comment
- Hard copy of plan is available for public view and comment
- Comments from applicants are recorded
- Request for comments on draft Plan is advertised
- Stakeholder consultation meeting(s)
- Comments are solicited during outreach activities
- Other, describe: Comments are solicited via on-line forums.

11.2 What changes did you make to your LIHEAP plan as a result of this participation?

Will be completed after the public participation process is complete.

Public Hearings, 2605(a)(2)

11.3 List the date(s) and location(s) that you held public hearing(s) on the proposed use and distribution of your LIHEAP funds?

Date	Event Description
July 7, 2015	CSBG/LIHEAP Plan Public Hearing – Austin, Texas
July 8, 2015	CSBG/LIHEAP Plan Public Hearing – San Antonio, Texas
July 9, 2015	CSBG/LIHEAP Plan Public Hearing – Houston, Texas
July 13, 2015	CSBG/LIHEAP Plan Public Hearing – Fort Worth, Texas

11.4 How many parties commented on your plan at the hearing(s)?

Will be completed after the public participation process is complete.

11.5 Summarize the comments you received at the hearing(s).

Will be completed after the public participation process is complete.

11.6 What changes did you make to your LIHEAP plan as a result of the public hearing(s)?

Will be completed after the public participation process is complete.

Section 12: Fair Hearings, 2605(b)(13) – Assurance 13

12.1 How many fair hearings did the grantee have in the prior Federal fiscal year?

None

12.2 How many of those fair hearings resulted in the initial decision being reversed?

N/A

12.3 Describe any policy and/or procedural changes made in the last Federal fiscal year as a result of fair hearings?

N/A

12.4 Describe your fair hearing procedures for **households whose applications are denied**.

Subgrantee contracts include the following section:

SECTION 39. APPEALS PROCESS

In compliance with the LIHEAP Act, Subrecipient must provide an opportunity for a fair administrative hearing to individuals whose application for assistance is denied, terminated or not acted upon in a timely manner. Subrecipient must establish a denial of service complaint procedure in accordance with §5.405 the State Rules. The rule states:

(a) Subrecipient shall establish a denial of service complaint procedure to address written complaints from program applicants/clients. At a minimum, the procedures described in paragraphs (1) - (8) of this subsection shall be included:

(1) Subrecipients shall provide a written denial of assistance notice to applicant within ten (10) days of the adverse determination. This notification shall include written notice of the right of a hearing and specific reasons for the denial by component. The applicant wishing to appeal a decision must provide written notice to Subrecipient within twenty (20) days of receipt of the denial notice.

(2) Subrecipient who receives an appeal shall establish an appeals committee composed of at least three persons. Subrecipient shall maintain documentation of appeals in their client files.

(3) Subrecipients shall hold the appeal hearing within ten (10) business days after the Subrecipient received the appeal request from the applicant.

(4) Subrecipient shall record the hearing.

(5) The hearing shall allow time for a statement by Subrecipient staff with knowledge of the case.

(6) The hearing shall allow the applicant at least equal time, if requested, to present relevant information contesting the decision.

(7) Subrecipient shall notify applicant of the decision in writing. The Subrecipient shall mail the notification by close of business on the business day following the decision (1 day turn-around).

(8) If the denial is solely based on income eligibility, the provisions described in paragraphs (2) - (7) of this subsection do not apply and the applicant may request a recertification of income eligibility based on initial documentation provided at the time of the original application. The recertification will be an analysis of the initial calculation based on the documentation received with the initial application for services and will be performed by an individual other than the person who performed the initial determination. If the recertification upholds the denial based on income eligibility documents provided at the initial application, the applicant is notified in writing and no further appeal is afforded to the applicant.

(b) If the applicant is not satisfied, the applicant may further appeal the decision in writing to the Department within ten (10) days of notification of an adverse decision.

(c) Applicants/clients who allege that the Subrecipient has denied all or part of a service or benefit in a manner that is unjust, violates discrimination laws, or without reasonable basis in law or fact, may request a contested hearing under Texas Government Code, Chapter 2001.

(d) The hearing shall be conducted by the State Office of Administrative Hearings on behalf of the Department in the locality served by the Subrecipient.

(e) If client appeals to the Department, the funds should remain encumbered until the Department completes its decision.

12.5 When and how are applicants informed of these rights?

Within ten days of the determination the Subrecipient must provide written notification; can be made in person or by mail.

12.6 Describe your fair hearing procedures for **households whose applications are not acted on in a timely manner**.

Applicants are required to submit an application each program year. During the intake process, applicants are assigned a priority rating based on indicators such as poverty level, energy burden and use, and the presence of vulnerable household members. The applicant is informed of their rating at that time and informed whether their application will be acted on immediately or if higher priority applicants will be served first. If due to a low priority rating an applicant does not receive services during a program year, the applicant must re-apply the following year. This is a program requirement and is not subject to applicant appeal.

If an applicant is concerned that their application has been mishandled, the applicant may file a complaint with the Department. TDHCA has an online complaint system, and staff phone numbers are posted online. In general, applicants who have a complaint are given contact information for TDHCA at the time the complaint is received by the Subrecipient. Applicants who call are encouraged to use the online system but rarely do. Staff records the complaint and proceeds as if the complaint were a denial of services appeal, as described in Section 12.4 above.

12.7 When and how are applicants informed of these rights?

Applicants who have a complaint are given contact information for TDHCA at the time the complaint is received by the Subrecipient.

Section 13: Reduction of home energy needs, 2605(b)(16) – Assurance 16

13.1 Describe how you use LIHEAP funds to provide services that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance?

Provide literature and energy conservation education; refer client to other appropriate programs; encourage responsible vendor and consumer behavior; provide applications, forms, and energy education materials in Spanish, English, or other language when appropriate.

13.2 How do you ensure that you don't use more than 5% of your LIHEAP funds for these activities?

The Department does not administer Assurance 16 as a stand-alone budget item or component. The activities described in Assurance 16 are carried out as part of regular intake and outreach in the Program Services budget category.

13.3 Describe the impact of such activities on the number of households served in the previous Federal fiscal year.

The Department does not administer Assurance 16 as a stand-alone program or component. Households are not required to apply for these services. As such, the Department does not track this data.

13.4 Describe the level of direct benefits provided to those households in the previous Federal fiscal year.

The Department does not administer Assurance 16 as a stand-alone program or component. All clients benefit from these activities as part of intake and outreach. Benefit levels are the same as previously described.

13.5 How many households applied for these services?

The Department does not administer Assurance 16 as a stand-alone program or component. Households are not required to apply for these services.

13.6 How many households received these services?

Since the Department does not administer Assurance 16 as a stand-alone budget item or component and there is no application requirement, this question is not applicable.

Section 14: Leveraging Incentive Program, 2607A

14.1 Do you plan to submit an application for the leveraging incentive program?

Yes¹⁶ No

14.2 Describe instructions to the third parties and/or local agencies for submitting LIHEAP leveraging resource information and retaining records.

Pursuant to the Memorandum of Understanding between the Department and the Texas Public Utility Commission, the Commission will make available to the Department information on LITE-UP electric discount program electric activities sufficient for the Department to report activities to USHHS for the previous federal fiscal year.

14.3 For each type of resource and/or benefit to be leveraged in the upcoming year that will meet the requirements of 45 C.F.R. § 96.87(d)(2)(iii), describe the following:

What is the type of resource or benefit?	What is the source(s) of the resource?	How will the resource be integrated and coordinated with the LIHEAP program?
Electric utility discount	Texas Public Utility Commission	The Department will refer eligible LIHEAP households to LITE-UP (Rate discount for Elderly households), and the Commission will refer eligible LITE-UP households to the Department.

¹⁶ Should funding be available.

Section 15: Training

15.1. Describe the training you provide for each of the following groups:

a. Grantee Staff:

Formal training on grantee policies and procedures

How often?

Annually

Biannually

As needed

Other – Describe:

Employees are provided with policy manual

Other – Describe: The Department has procured training on the new OMB requirements that will be provided to the Community Affairs program and compliance staff in August of 2015. The training will be presented by Management Concepts.

b. Local Agencies:

Formal training conference

How often?

Annually

Biannually

As needed

Other – Describe: The conference is sponsored by the Texas Association of Community Action Agencies; the Department provides training at this conference.

On-site training

How often?

Annually

Biannually

As needed

Other – As needed as determined either by the Department or by request of the agency.

Employees are provided with policy manual

Other – Describe: the Department schedules a teleconference each quarter to provide information, training, and technical assistance to the local agencies.

c. Vendors

Formal training conference

How often?

Annually

Biannually

As needed

Other – Describe:

Policies communicated through vendor agreements

Policies are outlined in a vendor manual

Other – Describe:

15.2. Does your training program address fraud reporting and prevention?

Yes

No

Section 16: Performance Goals and Measures, 2605(b)

16.1 Describe performance goals and measures that will be tracked for the upcoming Federal fiscal year.

Optional

16.2 Summarize results of performance goals and measures for the prior Federal fiscal year.

Section 17: Program Integrity, 2605(b)(10)

17.1. Fraud Reporting Mechanisms

a. Describe all mechanisms available to the public for reporting cases of suspected waste, fraud, and abuse.

- Online Fraud Reporting
- Dedicated Fraud Reporting Hotline
- Report directly to local agency/district office or Grantee office
- Report to State Inspector General or Attorney General
- Forms and procedures in place for local agencies/district offices and vendors to report fraud, waste, and abuse.
- Other – describe:

b. Describe strategies in place for advertising the above-referenced resources.

- Printed outreach materials
- Addressed on LIHEAP application
- Website
- Other – describe:

17.2. Identification Documentation Requirements

a. Indicate which of the following forms of identification are required or requested to be collected from LIHEAP applicants or their household members.

REQUIRED Type of Identification Collected	Collected from Whom?		
	Applicant Only	All Adults in HH	HH Members Seeking Assistance*
Social Security Card is photocopied and retained	Required <input type="checkbox"/>	Required <input type="checkbox"/>	Required <input type="checkbox"/>
	Requested <input type="checkbox"/>	Requested <input type="checkbox"/>	Requested <input type="checkbox"/>
Social Security Number (without actual card)	Required <input type="checkbox"/>	Required <input type="checkbox"/>	Required <input type="checkbox"/>
	Requested <input type="checkbox"/>	Requested <input type="checkbox"/>	Requested <input type="checkbox"/>
Government-issued	Required	Required	Required

identification card (i.e.,: driver's license, state ID, Tribal ID, passport, etc.)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Requested <input type="checkbox"/>	Requested <input type="checkbox"/>	Requested <input type="checkbox"/>
Other:	Required <input type="checkbox"/>	Required <input type="checkbox"/>	Required <input type="checkbox"/>

*Households may include members who are not seeking assistance and may not be included in the household count.

b. Describe any exceptions to the above policies.

17.3. Identification Verification

Describe what methods are used to verify the authenticity of identification documents provided by clients or household members.

- Verify SSNs with Social Security Administration
- Match SSNs with death records from Social Security Administration or state agency
- Match SSNs with state eligibility/management system (e.g., SNAP, TANF)
- Match with state Department of Labor system
- Match with state and/or federal corrections system
- Match with state child support system
- Verification using private software (e.g., The Work Number)
- In-person certification by staff
- Match SSN/Tribal ID number with tribal database [
- Other – describe:

The Department verifies the authenticity of identification documents provided by clients who are not U.S. citizens or nationals. That verification is made through the Systematic Alien Verification for Entitlements (“SAVE”) system.

17.4. Citizenship/Legal Residency Verification

What are your procedures for ensuring that household members are U.S. citizens or aliens who are qualified to receive LIHEAP benefits?

- Clients sign an attestation of citizenship or legal residency
- Clients' submission of Social Security cards is accepted as proof of legal residency
- Noncitizens/non-nationals must provide documentation of immigration status
- Citizens/Nationals must provide a copy of their birth certificate, naturalization papers, or passport
- Noncitizens/non-nationals are verified through the SAVE system
- Tribal members are verified through Tribal database/Tribal ID card
- Other – describe:

17.5. Income Verification

What methods does your agency utilize to verify household income?

- Require documentation of income for all adult household members
 - Pay stubs

- Social Security award letters
- Bank statements
- Tax statements
- Zero-income statements
- Unemployment Insurance letters
- Other – describe: Court Documents or government benefit statements as applicable.

- Computer data matches:
 - Income information matched against state computer system (e.g., SNAP, TANF)
 - Proof of unemployment benefits verified with state Department of Labor
 - Social Security income verified with SSA
 - Utilize state directory of new hires
- Other – describe:

17.6. Protection of Privacy and Confidentiality

Describe the financial and operating controls in place to protect client information against improper use or disclosure.

- Policy in place prohibiting release of information without written consent
- Grantee LIHEAP database includes privacy/confidentiality safeguards
- Employee training on confidentiality for:
 - Grantee employees
 - local agencies/district offices
- Employees must sign confidentiality agreement
 - Grantee employees
 - local agencies/district offices
- Physical files are stored in a secure location
- Other – describe:

Grantee contracts include the following section:

SECTION 9. RECORD KEEPING REQUIREMENTS

Subrecipient acknowledges that all information collected, assembled, or maintained by Subrecipient pertaining to this Contract, except records made confidential by law, is subject to the Texas Public Information Act (Chapter 552 of Texas Government Code) and must provide citizens, public agencies, and other interested parties with reasonable access to all records pertaining to this Contract subject to and in accordance with the Texas Public Information Act.

Texas Administrative Code, Title 10 Chapter 5, Subchapter A §5.22 requires that:

Client Records. The Department requires Subrecipient organizations that administer Community Affairs Programs and serve clients to document client services. Subrecipient organizations must arrange for the security of all program-related computer files through a remote, online, or managed backup service. Confidential client files must be maintained in a manner to protect the privacy of each client and to maintain the same for future reference. Subrecipient organizations must store physical client files in a secure space in a manner that ensures confidentiality and in accordance with Subrecipient organization policies and procedures. To the extent that it is financially feasible, archived client files should be stored offsite from Subrecipient headquarters, in a secure space in a manner that ensures confidentiality and in accordance with organization policies and procedures.

Texas Administrative Code, Title 10 Chapter 1, Subchapter A §1.24¹⁷

(a) Definitions. The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise.

(1) Affiliate--Shall have the meaning assigned by the specific program or programs described in this title.

(2) Department--The Texas Department of Housing and Community Affairs.

(3) Protected Health Information--As defined in 45 CFR §160.103.

(4) Subrecipient--Includes any entity receiving funds or awards from the Department.

(b) If Subrecipients or Affiliates collect or receive Protected Health Information in the course of administering Department programs, they are required to follow the procedures in Texas Health and Safety Code, Subtitle I, Chapter 181.

(c) A nonprofit agency is exempt from this subchapter; unless the nonprofit's primary business is the provision of health care or reimbursement for health care services.

17.7. Verifying the Authenticity of Energy Vendors

What policies are in place for verifying vendor authenticity?

- All vendors must register with the State
- All vendors must supply a valid SSN or TIN/W-9 form
- Vendors are verified through energy bills provided by the household
- Grantee and/or local agencies/district offices perform physical monitoring of vendors
- Other – describe, and note any exceptions to policies above:

17.8. Benefits Policy – Gas and Electric Utilities

What policies are in place to protect against fraud when making benefit payments to gas and electric utilities on behalf of clients?

- Applicants required to submit proof of physical residency
- Applicants must submit current utility bill
- Data exchange with utilities that verifies:
 - Account ownership
 - Consumption
 - Balances
 - Payment history
 - Account is properly credited with benefit
 - Other – describe:
- Centralized computer system/database tracks payments to all utilities
- Centralized computer system automatically generates benefit level
- Separation of duties between intake and payment approval
- Payments coordinated among other heating assistance programs to avoid duplication of payments
- Payments to utilities and invoices from utilities are reviewed for accuracy
- Computer databases are periodically reviewed to verify accuracy and timeliness of payments made to utilities
- Direct payment to households are made in limited cases only

¹⁷ This subsection will be modified to reflect the requirements of the 2015 Texas Legislature.

- Procedures are in place to require prompt refunds from utilities in cases of account closure
- Vendor agreements specify requirements selected above, and provide enforcement mechanism
- Other – describe:

17.9. Benefits Policy — Bulk Fuel Vendors

What procedures are in place for averting fraud and improper payments when dealing with bulk fuel suppliers of heating oil, propane, wood, and other bulk fuel vendors?

- Vendors are checked against an approved vendors list
- Centralized computer system/database is used to track payments to all vendors
- Clients are relied on for reports of non-delivery or partial delivery
- Two-party checks are issued naming client and vendor
- Direct payment to households are made in limited cases only
- Conduct monitoring of bulk fuel vendors
- Bulk fuel vendors are required to submit reports to the Grantee
- Vendor agreements specify requirements selected above, and provide enforcement mechanism
- Other – describe:

17.10. Investigations and Prosecutions

Describe the Grantee's procedures for investigating and prosecuting reports of fraud, and any sanctions placed on clients/staff/vendors found to have committed fraud.

- Refer to state Inspector General
- Refer to local prosecutor or state Attorney General
- Refer to US DHHS Inspector General (including referral to OIG hotline)
- Local agencies/district offices or Grantee conduct investigation of fraud complaints from public
- Grantee attempts collection of improper payments. If so, describe the recoupment process.
- Clients found to have committed fraud are banned from LIHEAP assistance. For how long is a household banned?
- Contracts with local agencies require that employees found to have committed fraud are reprimanded and/or terminated
- Vendors found to have committed fraud may no longer participate in LIHEAP
- Other — describe: A Subrecipient may be referred to the Department's Enforcement Committee or proposed for debarment.

Section 18: Certification Regarding Debarment, Suspension, and Other Responsibility Matters

Certification Regarding Debarment, Suspension, and Other Responsibility Matters--Primary Covered Transactions

Instructions for Certification

1. By signing and submitting this proposal, the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the department or agency to which this proposal is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the department or agency to which this proposal is being submitted for assistance in obtaining a copy of those regulations.
6. The prospective primary participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.
7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Nonprocurement Programs.

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

Certification Regarding Debarment, Suspension, and Other Responsibility Matters--Primary Covered Transactions

(1) The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency;

(b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and

(d) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

(2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Covered Transactions

Instructions for Certification

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.

2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its

certification was erroneous when submitted or had become erroneous by reason of changed circumstances.

4. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meaning set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.

5. The prospective lower tier participant agrees by submitting this proposal that, [[Page 33043]] should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.

6. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from covered transactions, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Nonprocurement Programs.

8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

Certification Regarding Debarment, Suspension, Ineligibility an Voluntary Exclusion--Lower Tier Covered Transactions

(1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

(2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

. By checking this box, the prospective primary participant is providing the certification set out above.

Section 19: Certification Regarding Drug-Free Workforce Requirements

This certification is required by the regulations implementing the Drug-Free Workplace Act of 1988: 45 CFR Part 76, Subpart, F. Sections 76.630(c) and (d)(2) and 76.645(a)(1) and (b) provide that a Federal agency may designate a central receipt point for STATE-WIDE AND STATE AGENCY-WIDE certifications, and for notification of criminal drug convictions. For the Department of Health and Human Services, the central point is: Division of Grants Management and Oversight, Office of Management and Acquisition, Department of Health and Human Services, Room 517-D, 200 Independence Avenue, SW Washington, DC 20201.

Certification Regarding Drug-Free Workplace Requirements (Instructions for Certification)

1. By signing and/or submitting this application or grant agreement, the grantee is providing the certification set out below.
2. The certification set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. If it is later determined that the grantee knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, the agency, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.
3. For grantees other than individuals, Alternate I applies.
4. For grantees who are individuals, Alternate II applies.
5. Workplaces under grants, for grantees other than individuals, need not be identified on the certification. If known, they may be identified in the grant application. If the grantee does not identify the workplaces at the time of application, or upon award, if there is no application, the grantee must keep the identity of the workplace(s) on file in its office and make the information available for Federal inspection. Failure to identify all known workplaces constitutes a violation of the grantee's drug-free workplace requirements.
6. Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant takes place. Categorical descriptions may be used (e.g., all vehicles of a mass transit authority or State highway department while in operation, State employees in each local unemployment office, performers in concert halls or radio studios).
7. If the workplace identified to the agency changes during the performance of the grant, the grantee shall inform the agency of the change(s), if it previously identified the workplaces in question (see paragraph five).
8. Definitions of terms in the Nonprocurement Suspension and Debarment common rule and Drug-Free Workplace common rule apply to this certification. Grantees' attention is called, in particular, to the following definitions from these rules:

Controlled substance means a controlled substance in Schedules I through V of the Controlled

Substances Act (21 U.S.C. 812) and as further defined by regulation (21 CFR 1308.11 through 1308.15);

Conviction means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes;

Criminal drug statute means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance;

Employee means the employee of a grantee directly engaged in the performance of work under a grant, including: (i) All direct charge employees; (ii) All indirect charge employees unless their impact or involvement is insignificant to the performance of the grant; and, (iii) Temporary personnel and consultants who are directly engaged in the performance of work under the grant and who are on the grantee's payroll. This definition does not include workers not on the payroll of the grantee (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the grantee's payroll; or employees of subrecipients or subcontractors in covered workplaces).

Certification Regarding Drug-Free Workplace Requirements

Alternate I. (Grantees Other Than Individuals)

The grantee certifies that it will or will continue to provide a drug-free workplace by:

- (a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
- (b) Establishing an ongoing drug-free awareness program to inform employees about --(1)The dangers of drug abuse in the workplace;
(2) The grantee's policy of maintaining a drug-free workplace;
(3) Any available drug counseling, rehabilitation, and employee assistance programs; and
(4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
- c) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
- (d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will --
 - (1) Abide by the terms of the statement; and
 - (2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
- (e) Notifying the agency in writing, within ten calendar days after receiving notice under paragraph (d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

(f) Taking one of the following actions, within 30 calendar days of receiving notice under paragraph (d)(2), with respect to any employee who is so convicted -

(1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

(2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

(g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e) and (f).

(B) The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

Place of Performance (Street address, city, county, state, zip code)

221 East 11th Street

Austin, Travis County, Texas, 78701

Check if there are workplaces on file that are not identified here.

Alternate II. (Grantees Who Are Individuals)

(a) The grantee certifies that, as a condition of the grant, he or she will not engage in the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance in conducting any activity with the grant;

(b) If convicted of a criminal drug offense resulting from a violation occurring during the conduct of any grant activity, he or she will report the conviction, in writing, within 10 calendar days of the conviction, to every grant officer or other designee, unless the Federal agency designates a central point for the receipt of such notices. When notice is made to such a central point, it shall include the identification number(s) of each affected grant.

[55 FR 21690, 21702, May 25, 1990]

By checking this box, the prospective primary participant is providing the certification set out above.

Section 20: Certification Regarding Lobbying

The submitter of this application certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Statement for Loan Guarantees and Loan Insurance

The undersigned states, to the best of his or her knowledge and belief, that:

If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions. Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

By checking this box, the prospective primary participant is providing the certification set out above.

REQUIRED ATTACHMENTS

The following documents must be attached to this application:

- Assurances signature page
- Designation letter for signature to Assurances is required if someone other than the Governor or Tribal Chairperson signs the Assurances.
- Heating component benefit matrix.
- Cooling component benefit matrix.
- Local Agency Monitoring Schedule



OFFICE OF THE GOVERNOR

RICK PERRY
GOVERNOR

October 18, 2006

The Honorable Michael O. Leavitt
Secretary
U.S. Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, D.C. 20201

Dear Secretary Leavitt:

In accordance with the Texas Government Code, Sections 2306.092 and 2306.097, and the Low-Income Home Energy Assistance Program (42 U.S.C., Ch. 94, Section 8621 et seq.), I hereby designate the Texas Department of Housing and Community Affairs as the lead agency for administration of the Low-Income Home Energy Assistance Program (LIHEAP) in the state of Texas. The executive director of said department is authorized to make assurances of certification which may be required as part of the annual LIHEAP application process.

This delegation of authority shall remain in full force and effect until modified or rescinded by federal or state statute, or by the chief elected official of this state.

Sincerely,

A large, handwritten signature in black ink that reads "Rick Perry".

Rick Perry
Governor

Rp:aap

Attachment 3: Benefit Matrix

Pursuant to 10 Texas Administrative Code, Chapter 5 §5.422(d), all benefits are determined based on a sliding scale:

(d) Sliding scale benefit for all CEAP components:

(1) Benefit determinations are based on the Household's income, the Household size, the energy cost and/or the need of the Household, and the availability of funds;

(2) Energy assistance benefit determinations will use the sliding scale described in subparagraphs (A) - (C) of this paragraph:

(A) Households with Incomes of 0 to 50% of Federal Poverty Guidelines may receive an amount needed to address their energy payment shortfall not to exceed \$1,200;

(B) Households with Incomes of 51% to 75% of Federal Poverty Guidelines may receive an amount needed to address their energy payment shortfall not to exceed \$1,100; and

(C) Households with Incomes of 76% to at or below 125% of Federal Poverty Guidelines may receive an amount needed to address their energy payment shortfall not to exceed \$1,000; and

(3) A Household may receive repair of existing heating and cooling units not to exceed \$2,500.

Households that include at least one member that is elderly, disabled, or a child age 5 or younger, may receive either repair of existing heating and cooling units or crisis-related purchase of portable heating and cooling units not to exceed \$2,500.

2016 CEAP Monitoring Schedule			
January-February-March 2016	April-May-June 2016	July-August-September 2016	October-November-December 2016
	Kleberg DHHS	Community Services of NETx	Tri-County CAA
	County of Hidalgo	Northeast Texas Opp	South Plains CAA
	Central Texas Opp	Community Action Inc. of Cent Tx	Nueces County CAA
	City of Lubbock		Travis County
			Big Bend CAC

2017 CEAP Monitoring Schedule			
January-February-March 2017	April-May-June 2017	July-August-September 2017	October-November-December 2017
Panhandle Community Svs	Pecos County CAA	EAC of the Gulf Coast	Neighborhood Centers Inc.
City of Fort Worth	Webb County	CSA of South Texas	Community Services Inc.
		Williamson-Burnet C Opp	CC of South Central Texas
		Rolling Plains Mgmt. Corp	Community Action Corp of S Tx
		Hill Country CAA	

2018 CEAP Monitoring Schedule			
January-February-March 2018	April-May-June 2018	July-August-September 2018	October-November-December 2018
Brazos Valley CAA	Texas Neighborhood Svs	Bexar County	West Texas Opportunities
Texoma COG		South Texas Dev Corp	CAC of Victoria, Texas
		Aspermont Small BDC	Combined CAA
		Galveston County CAC	El Paso Project Bravo
			Greater East Texas CAP
			Economic Opportunities PRXI
			Dallas County

PY 15-16 LIHEAP WAP Monitoring Schedule

July-August-September 2015	October-November-December 2015	January-February-March 2016	April-May-June 2016
Hill Country CAA	South Plains CA	Brazos Valley CA	Panhandle Community Svcs.
Rolling Plains MC	Nueces County CA	Community Services Inc.	CAC Victoria
	Big Bend CA	Dallas County DHHS	Combined CAA
	Concho Valley CA	Neighborhood Centers Inc.	Greater East Tx CAP
	Tri County CA	City of Fort Worth	Economic Adv Corp PR XI
	Community Council SCTx	Alamo Area COG	El Paso CAP
	West Texas Opportunities	CA Corporation of S. Tx	
		Texoma COG	
		Travis County	

4b

BOARD ACTION REQUEST
COMMUNITY AFFAIRS DIVISION
JUNE 16, 2015

Presentation, Discussion, and Possible Action on Release of the Draft Federal Fiscal Years 2016-2017 Community Services Block Grant (“CSBG”) State Plan for Public Comment, with a link to be published in the *Texas Register*

RECOMMENDED ACTION

WHEREAS, the U.S. Department of Health and Human Services (“USHHS”) requires that the Department submit an Application and State Plan every two years in order to receive its allotment of Community Services Block Grant (“CSBG”) funds,

WHEREAS, the Department has prepared a Draft Federal Fiscal Years (“FFY”) 2016-2017 CSBG Application and State Plan, and

WHEREAS, USHHS requires that a draft CSBG Application and State Plan be released for public comment and the state requires a public hearing prior to its submission to USHHS,

NOW, therefore, it is hereby

RESOLVED, that the Draft FFY 2016-2017 CSBG Application and State Plan, in the form presented to this meeting, is hereby approved to be released for public comment and public hearing and published on the Department’s website, a link to be published in the *Texas Register*; and

FURTHER RESOLVED, the final the Draft FFY 2016-2017 CSBG Application and State Plan, with consideration for final grant guidance, public comment and technical corrections made by staff, along with award recommendations to Subgrantees as indicated in Section 7 of the Application and State Plan will be presented to the Board at the July 30, 2015, meeting.

BACKGROUND

USHHS requires that the State of Texas submit a CSBG Application and State Plan every two years in order to receive its allotment of CSBG funds. In response to such requirement, the Department has prepared the Draft FFY 2016-2017 CSBG Application and State Plan. Staff recommends approval of Draft FFY 2016-2017 CSBG Application and State Plan for publication of a link in the *Texas Register* and posting on TDHCA’s website for public comment.

Texas Government Code, Chapter 2105, Subchapter B requires that, in conjunction with the development of the State Plan, the Department hold public hearings in different areas of the state to

solicit public comment on the intended use of CSBG funds. The statute further requires that the Department provide notice of the public hearings regarding the State Plan not later than the 15th day before the date of the hearing.

The Department will conduct the following public hearings to receive comment on the Draft FFY 2016-2017 CSBG Application and State Plan:

- Austin - Tuesday, July 7, 2015, 1:30-2:30 p.m., TDHCA headquarters 221 East 11th Street room 116, Austin, Texas
- San Antonio - Wednesday, July 8, 2015, 6:00-8:00 p.m., Willie Velasquez Center, 1302 N. Zarzamora, San Antonio, Texas
- Houston – Thursday, July 9, 2015, 1:30-3:30 p.m. at Gulf Coast Community Services Association, 9320 Kirby Drive, Houston, Texas
- Fort Worth – Monday, July 13, 2015, 6:00-8:00 p.m. at Southside Community Center, 959 E. Rosedale, Fort Worth, Texas

Staff will post a link to Draft FFY 2016-2017 CSBG Application and State Plan on the Department's website and in the *Texas Register* consistent with the 15-day posting requirements for public comment.

The final FFY 2016-2017 CSBG Application and State Plan, with consideration for final grant guidance, public comment and technical corrections made by staff, along with award recommendations for subgrantees as indicated in Section 7 of the Application and State Plan will be presented to the Board at the July 30, 2015, meeting.



DRAFT

**STATE OF TEXAS FFY 2016 and FFY 2017
COMMUNITY SERVICES BLOCK GRANT APPLICATION
AND STATE PLAN**

**To be Submitted to
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES**

June 2015

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
Street Address: 221 East 11th Street, Austin, TX 78701 Mailing Address: PO Box 13941, Austin, TX 78711
Main Number: 512-475-3800 Toll Free: 1-800-525-0657
Email: info@tdhca.state.tx.us Web: www.tdhca.state.tx.us

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Note: Throughout the document, you will see a note which reads: ***“If this is the first year filling out the automated State Plan, skip the following question.”*** The Texas 2016 & 2017 CSBG State Plan is the first year that the Texas Department of Housing and Community Affairs is using the new automated CSBG State Plan system required by the U.S. Department of Health and Human Services. Therefore, those questions which have the referenced statement will not be answered and we have noted non-applicable.

SECTION 1

CSBG Lead Agency, CSBG Authorized Official, CSBG Point of Contact, and Official State Designation Letter

1.1. Provide the following information in relation to the lead agency designated to administer CSBG in the State, as required by Section 676(a) of the CSBG Act. The following information should mirror the information provided on the Application for Federal Assistance, SF-424M.

1.1a. Lead agency [**Texas Department of Housing and Community Affairs**]

1.1b. Cabinet or administrative department of this lead agency [**Check One and narrative where applicable**]

- Community Services Department
- Human Services Department
- Social Services Department
- Governor's Office
- Community Affairs Department
- Other, describe:

1.1c. Division, bureau, or office of the CSBG authorized official [**Planning, Training, and Technical Assistance Division**]

1.1d. Authorized official of the lead agency [**Mr. Tim Irvine, Executive Director**]

Instructional note: The authorized official could be the director, secretary, commissioner etc. as assigned in the designation letter (attached under item 1.3). The authorized official is the person indicated as authorized representative on the SF-424M.

1.1e. Street address [**221 East 11th Street**]

1.1f. City [**Austin**]

1.1g. State [**Texas**]

1.1h. Zip [**78701**]

1.1i. Telephone number and extension [**512-475-3296**]

1.1j. Fax number [**512-475-3935**]

1.1k. Email address [**tim.irvine@tdhca.state.tx.us**]

1.1. Lead agency website [www.tdhca.state.tx.us]

1.2. Provide the following information in relation to the designated State CSBG point of contact.

Instructional Note: The State CSBG point of contact should be the person that will be the main point of contact for CSBG within the State.

1.2a. Agency name [**Texas Department of Housing and Community Affairs**]

1.2b. Name of the point of contact [**Michael DeYoung**]

1.2c. Street address [**221 East 11th Street**]

1.2d. City [**Austin**]

1.2e. State [**Texas**]

1.2f. Zip [**78701**]

1.2g. Point of contact telephone number [**512-475-2125**]

1.2h. Fax number [**512-475-3935**]

1.2i. Point of contact email address [**michael.deyoung@tdhca.state.tx.us**]

1.2j. Point of contact agency website [www.tdhca.state.tx.us]

1.3. Designation Letter: Attach the State's official CSBG designation letter. If either the governor or designated agency has changed, update the letter accordingly. [**Attach a document**]

Instructional Note: The letter should be from the chief executive officer of the State and include, at minimum, the designated State CSBG lead agency and title of the authorized official of the lead agency who is to administer the CSBG grant award.

Per state law, programmatic designations to a State Agency from the Governor remain in effect unless rescinded.

SECTION 2

State Legislation and Regulation

2.1. **CSBG State Legislation:** Does the State have a statute authorizing CSBG? Yes No

2.2. **CSBG State Regulation:** Does the State have regulations for CSBG? Yes No

2.3. If yes was selected in item 2.1 or 2.2, attach a copy (or copies) of legislation and/or regulations or provide a hyperlink(s), as appropriate. **[Attach a document and/or provide a link]** Link:

Texas Government Code, Section 2105

<http://www.statutes.legis.state.tx.us/Docs/GV/htm/GV.2105.htm>

Texas Government Code, Section 2306.097:

<http://www.statutes.legis.state.tx.us/Docs/GV/htm/GV.2306.htm>

Texas Administrative Code, 10 TAC, Chapter 1, Subchapter A:

[http://texreg.sos.state.tx.us/public/readtac\\$ext.ViewTAC?tac_view=5&ti=10&pt=1&ch=1&sch=A&rl=Y](http://texreg.sos.state.tx.us/public/readtac$ext.ViewTAC?tac_view=5&ti=10&pt=1&ch=1&sch=A&rl=Y)

Texas Administrative Code, 10 TAC, Chapter 2:

[http://texreg.sos.state.tx.us/public/readtac\\$ext.ViewTAC?tac_view=4&ti=10&pt=1&ch=2](http://texreg.sos.state.tx.us/public/readtac$ext.ViewTAC?tac_view=4&ti=10&pt=1&ch=2)

Texas Administrative Code, 10 TAC, Chapter 5, Subchapter A:

[http://texreg.sos.state.tx.us/public/readtac\\$ext.ViewTAC?tac_view=5&ti=10&pt=1&ch=5&sch=A&rl=Y](http://texreg.sos.state.tx.us/public/readtac$ext.ViewTAC?tac_view=5&ti=10&pt=1&ch=5&sch=A&rl=Y)

Texas Administrative Code, 10 TAC, Chapter 5, Subchapter B:

[http://texreg.sos.state.tx.us/public/readtac\\$ext.ViewTAC?tac_view=5&ti=10&pt=1&ch=5&sch=B&rl=Y](http://texreg.sos.state.tx.us/public/readtac$ext.ViewTAC?tac_view=5&ti=10&pt=1&ch=5&sch=B&rl=Y)

2.4. **State Authority:** Select a response for each question about the State statute and/or regulations authorizing CSBG:

2.4a. Did the State legislature enact authorizing legislation, or amendments to an existing authorizing statute, last year? Yes No

2.4b. Did the State establish or amend regulations for CSBG last year? Yes No

2.4c. Does the State statutory or regulatory authority designate the bureau, division, or office in the State government that is to be the State administering agency?

Yes No

DRAFT

SECTION 3

State Plan Development and Statewide Goals

- 3.1. CSBG Lead Agency Mission and Responsibilities:** Briefly describe the mission and responsibilities of the State agency that serves as the CSBG lead agency. **[Narrative:**

The mission of the Texas Department of Housing and Community Affairs is to administer its assigned programs effectively, transparently, and lawfully and to invest its resources strategically and develop high quality affordable housing which allows Texas communities to thrive.

The Department accomplishes this mission by acting as a conduit for federal grant funds for housing and community services. However, because several major housing programs require the participation of private investors and private lenders, TDHCA also operates as a housing finance agency.

Ensuring program compliance with the many state and federal laws that govern housing programs is another important part of the Department's mission. This ensures the health and safety of TDHCA's housing portfolio and guarantees state and federal resources are expended in an efficient and effective manner.

TDHCA also serves as a financial and administrative resource that helps provide essential services and affordable housing opportunities to Texans who qualify for this assistance based on their income level. Additionally, the Department is a resource for educational materials and technical assistance for housing, housing related, and community services matters.]

- 3.2. State Plan Goals:** Describe the State's CSBG-specific goals for State administration of CSBG under this State Plan. **[Narrative:** The Agency's Strategic Plan for Fiscal Years 2015-19 includes the following measures related to CSBG:

Objective: To ease hardship of poverty and homelessness for 16 percent of the population of homeless and very low income persons each year.

Strategy 1: Administer homeless and poverty-related federal funds through a network of community action agencies and other local organizations so that poverty-related services are available to very low income persons throughout the state.

Outcome Measures:

1. Percent of eligible population that received homeless and poverty-related assistance (Note: this includes CSBG and other grants)
2. n/a - not related to CSBG

3. Percent of persons assisted that achieve incomes above poverty level.

Output Measures:

1. Number of persons assisted through homeless and poverty-related funds (Note: this includes CSBG and other grants)
2. Number of persons that achieve incomes above poverty level
3. Number of persons assisted by the Community Services Block Grant]

Instructional Note: For examples of “goals,” see State Accountability Measure 1Sa(i).

Note: This information is associated with State Accountability Measure 1Sa(i) and may pre-populate the State’s annual report form.

- 3.3. State Plan Development:** Indicate the information and input the State accessed to develop this State Plan.

3.3a. Analysis of [Check all that applies and narrative where applicable]

- State Performance Indicators and/or National Performance Indicators (NPIs)
- U.S. Census data
- State performance management data (e.g., accountability measures, ACSI survey information, and/or other information from annual reports)
- Other data (describe) **[Narrative, 2500 characters]**
- Eligible entity community needs assessments
- Eligible entity plans
- Other information from eligible entities, e.g., State required reports (describe)

[Narrative, 2500 characters]

3.3b. Consultation with [Check all that applies and narrative where applicable]

- Eligible entities (e.g., meetings, conferences, webinars; not including the public hearing)
- State community action association and regional CSBG T & TA providers
- State partners and/or stakeholders (describe) **[Narrative: The Department invites consultation with partners and stakeholders through our Executive Board Meeting, intra-agency councils, and public hearings.]**
- National organizations (describe) **[Narrative, 2500 characters]**
- Other (describe) **[Narrative, 2500 characters]**

3.4. Eligible Entity Involvement

- 3.4a.** Describe the specific steps the State took in developing the State Plan to involve the eligible entities. **[Narrative: The State involved CSBG eligible entities and the**

State Association through meetings and phone conferences to discuss the use of CSBG funds. The State also developed an electronic survey for CSBG eligible entities to provide the Department input on the use of CSBG discretionary funds and on training and technical assistance needs. The survey was administered May 2015.]

Note: This information is associated with State Accountability Measures 1Sa(ii) and may pre-populate the State's annual report form.

If this is the first year filling out the automated State Plan, skip the following question.

3.4b. Performance Management Adjustment: How has the State adjusted State Plan development procedures under this State Plan, as compared to past plans, in order 1) to encourage eligible entity participation and 2) to ensure the State Plan reflects input from eligible entities? Any adjustment should be based on the State's analysis of past performance in these areas, and should consider feedback from eligible entities, OCS, and other sources, such as the public hearing. If the State is not making any adjustments, provide further detail. **[not applicable in 2016]**

Note: This information is associated with State Accountability Measures 1Sb(i) and (ii) and may pre-populate the State's annual report form.

If this is the first year filling out the automated State Plan, skip the following question.

3.5. Eligible Entity Overall Satisfaction: Provide the State's target for eligible entity Overall Satisfaction during the performance period: _____. **[not applicable]**

Instructional Note: The State's target score will indicate improvement or maintenance of the States' Overall Satisfaction score from the most recent American Customer Survey Index (ACSI) survey of the State's eligible entities. (See information about the ACSI in the CSBG State Accountability Measures document.)

Note: Item 3.5 is associated with State Accountability Measure 8S and may pre-populate the State's annual report form.

SECTION 4

CSBG Hearing Requirements

- 4.1. Public Inspection:** Describe how the State made this State Plan, or revision(s) to the State Plan, available for public inspection, as required under Section 676(e)(2) of the Act. **[Narrative:** The Draft Application and State Plan will be made available for review at the June 16, 2015 meeting of the TDHCA Executive Board. The State will hold public hearings in four locations at which the Plan will be available for review, and will post the Draft Application and State Plan on the Department’s website. A link to the website posting will be published in the *Texas Register* on July 3, 2015.
- 4.2. Public Notice/Hearing:** Describe how the State ensured there was sufficient time and statewide distribution of notice of the public hearing(s) to allow the public to comment on the State Plan, as required under 676(a)(2)(B) of the CSBG Act. **[Narrative:** The State will post notice of public hearings on the Department’s website the week of June 17, 2015. CSBG eligible entities and other interested partners will be notified by e-mail on June 17, 2015. Notice of Public Hearings will be published in the *Texas Register* on July 3, 2015]
- 4.3. Public and Legislative Hearings:** Specify the date(s) and location(s) of the public and legislative hearing(s) held by the designated lead agency for this State Plan, as required under Section 676(a)(2)(B) and Section 676(a)(3) of the Act. (If the State has not held a public hearing in the prior fiscal year and/or a legislative hearing in the last three years, provide further detail).

Instructional Note: The date(s) for the public hearing(s) must have occurred in the year prior to the first Federal fiscal year covered by this plan. Legislative hearings are held at least every three years, and must have occurred within the last three years prior to the first Federal fiscal year covered by this plan.

Austin - Tuesday, July 7, 2015, 1:30-2:30 p.m. in room 116, TDHCA headquarters 221 East 11th Street, Austin, TX

San Antonio - Wednesday, July 8, 2015, 6:00-8:00 p.m. at Willie Velasquez Center, 1302 N. Zarzamora, San Antonio, TX

Houston – Thursday, July 9, 2015, 1:30-3:30 p.m. at Gulf Coast Community Services Association, 9320 Kirby Drive, Houston, TX

Fort Worth – Monday, July 13, 2015, 6:00-8:00 p.m. at Southside Community Center, 959 E. Rosedale, Fort Worth, TX 76104

Date	Location	Type of Hearing [Select an option]
Legislative Hearings: House Committee on Appropriations on	Texas State Capitol, Austin, Texas	<ul style="list-style-type: none"> • <input type="checkbox"/> Public • <input checked="" type="checkbox"/> Legislative • <input type="checkbox"/> Combined

Date	Location	Type of Hearing [Select an option]
February 18, 2015 Senate Committee on Finance on February 24, 2015		
Public Hearings: July 7, 2015 July 8, 2015 July 9, 2015 July 13, 2015	[TDHCA headquarters 221 East 11 th Street, Austin, TX] 1302 N. Zarzamora, San Antonio, TX 9320 Kirby Drive, Houston, TX 959 E. Rosedale, Fort Worth, TX	<ul style="list-style-type: none"> • <input checked="" type="checkbox"/> Public • <input type="checkbox"/> Legislative • <input type="checkbox"/> Combined
ADD a ROW function Note: rows will be able to be added for each additional hearing		

4.4. Attach supporting documentation or a hyperlink for the public and legislative hearings. **[Attach a document or provide a hyperlink.]** Note: Texas Register Notice is to be added to Plan once notice is published.

SECTION 5

CSBG Eligible Entities

5.1. CSBG Eligible Entities: In the table below, list each eligible entity in the State, and indicate public or private, the type(s) of entity, and the geographical area served by the entity. (This table should include every CSBG Eligible Entity to which the State plans to allocate 90 percent funds, as indicated in the table in item 7.2. Do not include entities that only receive remainder/discretionary funds from the State or tribes/tribal organizations that receive direct funding from OCS under Section 677 of the CSBG Act.)

	CSBG Eligible Entity	Public or Nonprofit	Type of Agency	CSBG Counties Served
1	Aspermont Small Business Development Center, Inc.	Nonprofit	CAA	Haskell, Jones, Kent, Knox, Stonewall, Throckmorton
2	Austin, City of, Health and Human Services Department	Public	Local Government	Travis
3	Big Bend Community Action Committee, Inc.	Nonprofit	CAA	Brewster, Culberson, Hudspeth, Jeff Davis, Presidio
4	Brazos Valley Community Action Agency	Nonprofit	CAA	Brazos, Burleson, Chambers, Grimes, Leon, Liberty, Madison, Montgomery, Robertson, Walker, Waller, Washington
5	Cameron and Willacy Counties Community Projects, Inc.	Nonprofit	CAA	Cameron, Willacy
6	Central Texas Opportunities, Inc.	Nonprofit	CAA	Brown, Callahan, Coleman, Comanche, Eastland, McCulloch, Runnels
7	Combined Community Action, Inc.	Nonprofit	CAA	Austin, Bastrop, Colorado, Fayette, Lee
8	Community Action Committee of Victoria Texas	Nonprofit	CAA	Aransas, Calhoun, De Witt, Goliad, Gonzales, Jackson, Lavaca, Refugio, Victoria
9	Community Action Corporation of South Texas	Nonprofit	CAA	Bee, Brooks, Duval, Jim Wells, Kenedy, Kleberg, San Patricio
10	Community Action Inc. of Central Texas	Nonprofit	CAA	Blanco, Caldwell, Hays
11	Community Action Social Services & Education	Nonprofit	CAA	Maverick

12	Community Council of South Central Texas, Inc.	Nonprofit	CAA	Atascosa, Bandera, Comal, Edwards, Frio, Gillespie, Guadalupe, Karnes, Kendall, Kerr, Kinney, Live Oak, McMullen, Medina, Real, Uvalde, Val Verde, Wilson, Zavala
13	Community Services Agency of South Texas	Nonprofit	CAA	Dimmit, La Salle
14	Community Services of Northeast Texas, Inc.	Nonprofit	CAA	Bowie, Cass, Marion, Morris, Camp
15	Community Services, Inc.	Nonprofit	CAA	Anderson, Collin, Denton, Ellis, Henderson, Hunt, Kaufman, Navarro, Rockwall, Van Zandt
16	Concho Valley Community Action Agency	Nonprofit	CAA	Coke, Concho, Crockett, Irion, Kimble, Menard, Reagan, Schleicher, Sterling, Sutton, Tom Green
17	Dallas Urban League	Nonprofit	CAA	Dallas
18	Economic Action Committee of The Gulf Coast	Nonprofit	CAA	Matagorda
19	Economic Opportunities Advancement Corporation of Planning Region XI	Nonprofit	CAA	Bosque, Falls, Freestone, Hill, Limestone, McLennan
20	El Paso Community Action Program, Project BRAVO, Inc.	Nonprofit	CAA	El Paso
21	Fort Worth, City of, Parks & Community Services Department	Public	Local Government	Tarrant
22	Galveston County Community Action Council, Inc.	Nonprofit	CAA	Brazoria, Fort Bend, Galveston, Wharton
23	Greater East Texas Community Action Program (GETCAP)	Nonprofit	CAA	Angelina, Cherokee, Gregg, Houston, Nacogdoches, Polk, Rusk, San Jacinto, Smith, Trinity, Wood
24	Gulf Coast Community Services Association	Nonprofit	CAA	Harris
25	Hidalgo County Community Services Agency	Public	Local Government	Hidalgo
26	Hill Country Community Action Association, Inc.	Nonprofit	CAA	Bell, Coryell, Hamilton, Lampasas, Llano, Mason, Milam, Mills, San Saba
27	Lubbock, City of, Community Development Department	Public	Local Government	Lubbock
28	Northeast Texas Opportunities, Inc.	Nonprofit	CAA	Delta, Franklin, Hopkins, Lamar, Rains, Red River, Titus
29	Nueces County Community Action Agency	Nonprofit	CAA	Nueces

30	Panhandle Community Services	Nonprofit	CAA	Armstrong, Briscoe, Carson, Castro, Childress, Collingsworth, Dallum, Deaf Smith, Donley, Gray, Hall, Hansford, Hartley, Hemphill, Hutchinson, Lipscomb, Moore, Ochiltree, Oldham, Parmer, Potter, Randall, Roberts, Sherman, Swisher, Wheeler
31	Pecos County Community Action Agency	Nonprofit	CAA	Crane, Pecos, Terrell
32	Rolling Plains Management Corporation	Nonprofit	CAA	Archer, Baylor, Clay, Cottle, Foard, Hardeman, Jack, Mitchell, Montague, Taylor, Shackelford, Stephens, Wichita, Wilbarger, Young
33	San Antonio, City of, Department of Human Services	Public	Local Government	Bexar
34	South Plains Community Action Association, Inc.	Nonprofit	CAA	Bailey, Cochran, Crosby, Dickens, Floyd, Garza, Hale, Hockley, King, Lamb, Lynn, Motley, Terry, Yoakum
35	South Texas Development Council	Public	Local Government	Jim Hogg, Starr, Zapata
36	Southeast Texas Regional Planning Commission	Public	Local Government	Hardin, Jefferson, Orange
37	Texas Neighborhood Services	Nonprofit	CAA	Erath, Hood, Johnson, Palo Pinto, Parker, Somervell, Wise
38	Texoma Council of Governments	Public	Local Government	Cooke, Fannin, Grayson
39	Tri-County Community Action, Inc.	Nonprofit	CAA	Harrison, Jasper, Newton, Panola, Sabine, San Augustine, Shelby, Tyler, Upshur
40	Webb County Community Action Agency	Public	Local Government	Webb
41	West Texas Opportunities, Inc.	Nonprofit	CAA	Andrews, Borden, Dawson, Ector, Fisher, Gaines, Glasscock, Howard, Loving, Martin, Midland, Nolan, Reeves, Scurry, Upton, Ward, Winkler
42	Williamson-Burnet County Opportunities, Inc.	Nonprofit	CAA	Burnet, Williamson

5.2. Total number of CSBG eligible entities: 42 [This will automatically update based on chart in 5.1]

5.3. **Changes to Eligible Entities List:** Has the list of eligible entities under item 5.1 changed since the State's last State Plan submission? If yes, briefly describe the changes.

Yes No [If yes is selected – Narrative: **Bee County Community Action Agency voluntarily relinquished CSBG eligible entity status. The Department issued a request for application and three existing eligible entities were awarded the counties formerly served by Bee County Community Action Agency.]**

Instructional Note: Limited Purpose Agency refers to an eligible entity that was designated as a limited purpose agency under title II of the Economic Opportunity Act of 1964 for fiscal year 1981, that served the general purposes of a community action agency under title II of the Economic Opportunity Act, that did not lose its designation as a limited purpose agency under title II of the Economic Opportunity Act as a result of failure to comply with that Act and that has not lost its designation as an eligible entity under the CSBG Act.

Instructional Note: 90 percent funds are the funds a State provides to eligible entities to carry out the purposes of the CSBG Act, as described under Section 675C of the CSBG Act. A State must provide "no less than 90 percent" of their CSBG allocation, under Section 675B, to the eligible entities.

SECTION 6

Organizational Standards for Eligible Entities

Note: Reference IM 138, *State Establishment of Organizational Standards for CSBG Eligible Entities*, for more information on Organizational Standards. Click [HERE](#) for IM 138.

6.1. Choice of Standards: Check the box that applies. If using alternative standards, a) attach the complete list of alternative organizational standards, b) describe the reasons for using alternative standards, and c) describe how the standards are at least as rigorous as the COE-developed standards.

The State will use the CSBG Organizational Standards Center of Excellence (COE) organizational standards (as described in IM 138)

The State will use an alternative set of organizational standards **[Attach supporting documentation if this option is selected]**

6.2. If the State is using the COE-developed organizational standards, does the State propose making a minor modification to the standards, as described in IM 138? Yes

No

6.2a. If yes was selected in item 6.2, describe the State's proposed minor modification to the COE-developed organizational standards, and provide a rationale.

[The state must go through an administrative rulemaking to implement the organizational standards that are non-procedural in nature, and those that are not mandated by federal law. That process is expected to be complete by December 2015. Minor modifications will include the State law requirement that eligible entities follow the Texas Uniform Grant Management Standards and the State of Texas Single Audit Circular unless there has been a federal preemption. Furthermore, the information to determine if an entity is an eligible entity under Texas law may be contained in the certificate of formation not in an entity's bylaws. Thus, the State may propose to use the certification of formation where the COE uses bylaws (as applicable).

6.3. How will/has the State officially adopt(ed) organizational standards for eligible entities in the State in a manner consistent with the State's administrative procedures act? If "Other" is selected, provide a timeline and additional information, as necessary. **[Check all that applies and narrative where applicable]**

Regulation

Policy

Contracts with eligible entities

Other, describe: **[Narrative, 2500 characters]**

6.4. How will the State assess eligible entities against organizational standards, as described in IM 138? **[Check all that applies]**

- Peer-to-peer review (with validation by the State or State-authorized third party)
- Self-assessment (with validation by the State or State-authorized third party)
- Self-assessment/peer review with State risk analysis
- State-authorized third party validation
- Regular, on-site CSBG monitoring
- Other

6.4a. Describe the assessment process.

[Narrative: The Texas Department of Housing and Community Affairs is planning on assessing eligible entities' compliance with organizational standards through a desk review of documents submitted by the Subrecipients.

Prior to the start of a new program year, subrecipients must submit documents and a certification to the Department in conjunction with the subrecipient's submission of the Community Action Plan; documents will reflect a self-assessment performed by the subrecipient. The Department will perform a desk review of the documents through completion of an instrument that will verify the self-assessment and issue a report reflecting the level of compliance the subrecipient has achieved with program rules and Organizational Standards. Follow up engagement will occur, and an onsite monitoring visit may be performed, when the Desk review identifies regulations and Organizational Standards that were not addressed in the Desk review.

At least every three years, as required, an onsite monitoring visit will be performed. Greater frequency may occur if the Desk reviews indicate significant non-compliance.

If the network of Community Action Agencies in Texas develops a process for a peer review, the Department may review the peer review in lieu of the process described above.

Subrecipient's who are not compliant with Organizational Standards will be provided a report that details the corrective action for each instance of non-compliance. The Subrecipient will be required to respond to the report within 30 days. The Subrecipient's response must address each instance of non-compliance and contain support documentation that reflects compliance with the specific standard. The Department will review the response and determine if the Subrecipient's response corrects the issue. If a corrective action was not performed or did not satisfy the required corrective action requirements, the Department will issue additional correspondence and the required corrective action. The Subrecipient will be provided an additional 15 days to comply

with the standards. In the event that a subrecipient does not comply with the standard, the Chief of Compliance and the Compliance Manager will review whether the subrecipient requires technical assistance to become compliant and, beginning in 2017, whether a QIP will be required of the Subrecipient or a referral to the Department's Enforcement Committee is required. The Department will continue to monitor the corrective action requirement until the Subrecipient is compliant with the standard(s).]

- 6.5.** Will the State make exceptions in applying the organizational standards for any eligible entities due to special circumstances or organizational characteristics, as described in IM 138? Yes No

6.5a. If yes was selected in item 6.5, list the specific eligible entities the State will exempt from meeting organizational standards, and provide a description and a justification for each exemption. **[Narrative, 2500 characters or attach document]**

If this is the first year filling out the automated State Plan, skip the following question.

- 6.6. Performance Target:** What percentage of eligible entities in the State does the State expect will meet all the State-adopted organizational standards in the next year? **[Insert a percentage. Non-applicable.]**

Note: This information is associated with State Accountability Measures 6Sa and may pre-populate the State's annual report form.

SECTION 7

State Use of Funds

Eligible Entity Allocation (90 Percent Funds) [Section 675C(a) of the CSBG Act]

7.1 Formula: Select the method (formula) that best describes the current practice for allocating CSBG funds to eligible entities. **[Check one and narrative where applicable]**

- Historic
- Base + Formula
- Formula Alone
- Formula with Variables
- Hold Harmless + Formula

Other [Narrative: The Department distributes CSBG funds to CSBG eligible entities based on a distribution formula which incorporates the U.S. Census Bureau Decennial 2010 Census and data from the American Community Survey (ACS) for information on persons at 124% of poverty; a \$50,000 base; a \$150,000 floor; 98% weighted factor for poverty population; and, a 2% weighted factor for the inverse ratio of population density. The formula is applied as follows: each eligible entity receives a base award; then, the weighted factors of poverty population and population density are applied to the state's balance of the 90% funds. If the base and application of the weighted factors do not yield sufficient funds for the minimum floor per entity, then the minimum floor amount is reserved for each of those CSBG eligible entities under the floor figure. Then, the formula is re-applied to the balance of the 90% funds for distributing the remaining funds to the remaining CSBG eligible entities.]

Following the use of the decennial Census data, then on a biennial basis, the Department will use the most recent ACS 5 year estimate data that is available. To the extent that there are significant reductions in CSBG funds received by the Department, the Department may revise the CSBG distribution formula through a rulemaking process.

7.1a. Does the State statutory or regulatory authority specify the terms or formula for allocating the 90 percent funds among eligible entities? Yes No

7.2. Planned Allocation: Specify the planned allocation of 90 percent funds to eligible entities, as described under Section 675C(a) of the CSBG Act. The estimated allocations may be in dollars or percentages. For each eligible entity receiving funds, provide the Funding Amount in either dollars (columns 2 and 4) or percentage (columns 3 and 5) for the fiscal years covered by this plan.

The estimated allocations are based on FY 2015 CSBG funding levels and are based on projected level funding.

	CSBG Eligible Entity	Estimated 2016 Allocation	Estimated 2017 Allocation
1	Aspermont Small Business Development Center, Inc.	\$150,000	\$150,000
2	Big Bend Community Action Committee, Inc.	\$150,000	\$150,000
3	Brazos Valley Community Action Agency	\$991,880	\$991,880
4	Cameron and Willacy Counties Community Projects, Inc.	\$897,019	\$897,019
5	Central Texas Opportunities, Inc.	\$186,868	\$186,868
6	City of Austin, Health and Human Services Department	\$1,092,540	\$1,092,540
7	City of Fort Worth, Parks and Community Services Department	\$1,660,378	\$1,660,378
8	City of Lubbock, Community Development Department	\$369,785	\$369,785
9	City of San Antonio, Department of Human Services	\$1,879,398	\$1,879,398
10	Combined Community Action, Inc.	\$194,548	\$194,548
11	Community Action Committee of Victoria Texas	\$308,395	\$308,395
12	Community Action Corporation of South Texas	\$282,649	\$282,649
13	Community Action Inc. of Central Texas	\$248,712	\$248,712
14	Community Action Social Services & Education	\$151,688	\$151,688
15	Community Council of South Central Texas, Inc.	\$645,818	\$645,818
16	Community Services Agency of South Texas	\$150,000	\$150,000
17	Community Services of Northeast Texas, Inc.	\$230,121	\$230,121
18	Community Services, Inc.	\$1,337,834	\$1,337,834
19	Concho Valley Community Action Agency	\$226,154	\$226,154
20	Economic Action Committee of the Gulf Coast	\$150,000	\$150,000
21	Economic Opportunities Advancement Corporation of Planning Region XI	\$456,197	\$456,197
22	El Paso Community Action Program, Project Bravo, Inc.	\$1,222,376	\$1,222,376
23	Galveston County Community Action Council, Inc.	\$842,098	\$842,098
24	Greater East Texas Community Action Program (GETCAP)	\$846,188	\$846,188
25	Gulf Coast Community Services Association	\$4,508,898	\$4,508,898
26	Hidalgo County, Texas-County of Hidalgo Community Service Agency	\$1,589,572	\$1,589,572
27	Hill Country Community Action Association, Inc.	\$482,891	\$482,891
28	Northeast Texas Opportunities, Inc.	\$228,436	\$228,436
29	Nueces County Community Action Agency	\$434,456	\$434,456
30	Panhandle Community Services	\$531,102	\$531,102
31	Pecos County Community Action Agency	\$150,000	\$150,000
32	Rolling Plains Management Corporation	\$419,300	\$419,300
33	South East Texas Regional Planning Commission	\$440,292	\$440,292
34	South Plains Community Action Association, Inc.	\$263,864	\$263,864
35	South Texas Development Council	\$223,848	\$223,848
36	Texas Neighborhood Services	\$397,421	\$397,421

37	Texoma Council of Governments	\$231,981	\$231,981
38	Tri-County Community Action, Inc.	\$309,299	\$309,299
39	Urban League of Greater Dallas	\$2,836,657	\$2,836,657
40	Webb County Community Action Agency	\$488,439	\$488,439
41	West Texas Opportunities, Inc.	\$545,576	\$545,576
42	Williamson-Burnet County Opportunities, Inc.	\$287,889	\$287,889
	Total	\$29,040,567	\$29,040,567

7.3. Distribution Process: Describe the specific steps in the State’s process for distributing 90 percent funds to the eligible entities and include the number of days each step is expected to take; include information about State legislative approval or other types of administrative approval (such as approval by a board or commission). **[Narrative:** The Department distributes funding utilizing an electronic contract and reporting system. Upon receipt of Notice of Grant Award from USHHS, the Department generates contracts to allocate the 90% pass-through funding to 42 CSBG eligible entities. The Texas State Legislature meets biennially during which time the budget of all state agencies are considered. The CSBG budget is included in the review of the Department’s overall budget. The Department is required to obtain approval from its Governing Board prior to releasing funding contracts. The process to obtain Board approval takes approximately 45 days. The Department posts an agenda 7 days prior to a monthly Board meeting to include an item seeking approval of the CSBG State Plan and approval to release funding to the 42 eligible entities. Upon Board approval, a merging and internal approval process of the individual funding contracts for the 42 eligible entities will occur.]

7.4. Distribution Timeframe: Does the State plan to make funds available to eligible entities no later than 30 calendar days after OCS distributes the Federal award?

Yes No

7.4a. If no, describe State procedures to ensure funds are made available to eligible entities consistently and without interruption. **[Narrative:** The Department will make the funds available within 30 calendar days after Federal and State authority was provided, with the exception of the 1st quarter because of the State's CSBG contract year beginning January 1st.]

Note: Item 7.4 is associated with State Accountability Measure 2Sa and may pre-populate the State's annual report form.

If this is the first year filling out the automated State Plan, skip the following question.

7.5. Performance Management Adjustment: How is the State improving grant and/or contract administration procedures under this State Plan as compared to past plans? Any improvements should be based on analysis of past performance, and should consider feedback from eligible entities, OCS, and other sources, such as the public hearing. If the State is not making any improvements, provide further detail. **[Narrative: non-applicable]**

Note: This information is associated with State Accountability Measure 2Sb and may pre-populate the State's annual report form.

Administrative Funds [Section 675C(b)(2) of the CSBG Act]

7.6. What amount of State CSBG funds does the State plan to allocate for administrative activities, under this State Plan? The estimate may be in dollars or a percentage. **[5%]**

7.7. How many State staff positions will be funded in whole or in part with CSBG funds under this State Plan? **[28]**

7.8. How many State Full Time Equivalents (FTEs) will be funded with CSBG funds under this State Plan? **[7]**

Remainder/Discretionary Funds [Section 675C(b) of the CSBG Act]

7.9. Does the State have remainder/discretionary funds? Yes No

If yes was selected, describe how the State plans to use remainder/discretionary funds in the table below.

Note: This response will link to the corresponding assurance, item 14.2.

Instructional Note: The assurance under 676(b)(2) of the Act (item 14.2 of this State Plan) specifically requires a description of how the State intends to use remainder/discretionary funds to “support innovative community and neighborhood-based initiatives related to the purposes of [the CSBG Act].” Include this description in row “f” of the table below and/or attach the information.

If a funded activity fits under more than one category in the table, allocate the funds among the categories. For example, if the State provides funds under a contract with the State Community Action association to provide training and technical assistance to eligible entities and to create a statewide data system, the funds for that contract should be allocated appropriately between row a and row c. If allocation is not possible, the State may allocate the funds to the main category with which the activity is associated.

Note: This information is associated with State Accountability Measures 3Sa; the responses may pre-populate the State’s annual report form.

Remainder of Discretionary Fund Uses (See 675C(b)(1) of the CSBG Act)	Year One Planned \$	Year One Planned %	Year Two Planned \$	Year Two Planned %	Brief description of services/activities
a. Training and Technical Assistance	\$200,000	12.5%	\$200,000	12.5%	T&TA provided by staff or an outsourced provider in areas such as ROMA, Org Standards, Case Management, Board, Reporting, community action plans, needs assessments, strategic planning, and other areas requested.
b. Coordination of State-operated programs and/or local programs	\$0		\$0		
c. Statewide coordination and communication among eligible entities	\$100,000	6.25%	\$100,000	6.25%	Peer-to-Peer Collaborative Fund to support network agencies training peer agencies on various topics.

d. Analysis of distribution of CSBG funds to determine if targeting greatest need	\$0		\$0		Is achieved through (a) as TA is provided to agencies relating to needs assessment.
e. Asset building programs	\$0		\$0		
f. Innovative programs/activities by eligible entities or other neighborhood groups	\$0		\$0		
g. State charity tax credits	\$0		\$0		
h. Other activities specify (see below for details)	\$1,300,000	81.25	\$1,300,000	81.25	See note below.
Totals	\$1,600,000	100%	\$1,600,000	100%	

i. Other Activities. Specify: The State notes that these are proposed activities that must still be approved by the board once the State is awarded funds. The planned use may change as directed by the Governing Board. Network Operational Investments (assist organizations to meet requirements of Organizational Standards primarily through tangible deliverables) \$500,000; Intensive CAA Support Assessments (intensive onsite assessment to assess operations and procedures of up to four CSBG eligible entities with critical needs) \$150,000; Network Transition Fund \$150,000 (to help CSBG eligible entities who have absorbed other CSBG services areas); Migrant Seasonal Farmworker and Native American Populations Education and Employment Initiative \$200,000; Housing Voucher Program Support Fund \$150,000; and Disaster Recovery Fund \$150,000.

7.10. What types of organizations, if any, does the State plan to work with (by grant or contract using remainder/discretionary funds) to carry out some or all of the activities in table 7.9. **[Check all that apply and narrative where applicable]**

- CSBG eligible entities (if checked, include the expected number of CSBG eligible entities to receive funds) **[Narrative, 2500 characters]**
- Other community-based organizations
- State Community Action association
- Regional CSBG technical assistance provider(s)
- National technical assistance provider(s)
- Individual consultant(s)
- Tribes and Tribal Organizations
- Other **[Narrative, 2500 characters]**
- None (the State will carry out activities directly)

Note: This response will link to the corresponding CSBG assurance, item 14.2.

If this is the first year filling out the automated State Plan, skip the following question.

7.11. Performance Management Adjustment: How is the State adjusting the use of remainder/discretionary funds under this State Plan as compared to past plans? Any adjustment should be based on the State's analysis of past performance, and should consider feedback from eligible entities, OCS, and other sources, such as the public hearing. If the State is not making any adjustments, provide further detail. **[Narrative: non-applicable]**

Note: This information is associated with State Accountability Measures 3Sb, and will pre-populate the State's annual report form.

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SECTION 8

State Training and Technical Assistance

8.1. Describe the State’s plan for delivering CSBG-funded training and technical assistance to eligible entities under this State Plan by completing the table below. Add a row for each activity: indicate the timeframe; whether it is training, technical assistance or both; and the topic. (CSBG funding used for this activity is referenced under item 7.9(a), Use of Remainder/Discretionary Funds.)

Note: 8.1 is associated with State Accountability Measure 3Sc and may pre-populate the State’s annual report form.

Fiscal Year (Y) Quarter (Q) / Timeframe	Training (T), Technical Assistance (TA), or Both (B)	Topic	Brief Description of Other
FY1 - Q1	B	F, GTB, OS-G, OS-US, CSD, R, ROMA, CA, SP, M, CM	<p>Department staff provides technical assistance as identified by subrecipient request, monitoring reports, or performance analysis. The State has an on-line system to request T&TA or to submit questions for TA. T&TA is conducted by the following means: on-site training, webinars, teleconferences, workshops, videos, Best Practices, FAQs, and online tools/resources. Training is customized to the needs of the eligible entity. GTB, ROMA, CM trainings are provided most quarters. TA on reporting is provided every quarter. F, OS-G, OS-US t/a will be provided as requested and needed; although aspects of each are incorporated into regular trainings as appropriate. CA, SP, CSD, M t/a will be provided as needed. CA and SP primarily FY1Q1.</p> <p>Also, intensive assessment and associated TA will be provided to several entities.</p>
FY1 - Q2	B	F, GTB, OS-G, OS-US, CSD, R, ROMA, M, CM	Same as FY1-Q1

FY1 – Q3	B	F, GTB, OS-G, OS-US, CSD, R, ROMA, M, CM	Same as FY1-Q1
FY1 – Q4	B	F, GTB, OS-G, OS-US, CSD, R, ROMA, M, CM	Same as FY1-Q1
FY2 – Q1	B	F, GTB, OS-G, OS-US, CSD, R, ROMA, M, CM	Same as FY1-Q1
FY2 – Q2	B	F, GTB, OS-G, OS-US, CSD, R, ROMA, M, CM	Same as FY1-Q1
FY2 – Q3	B	F, GTB, OS-G, OS-US, CSD, R, ROMA, M, CM	Same as FY1-Q1
FY2 – Q4	B	F, GTB, OS-G, OS-US, CSD, R, ROMA, M, CM	Same as FY1-Q1

Topic:

- Fiscal (F)
- Governance/Tripartite Boards (GTB)
- Organizational Standards-General (OS-G)
- Organizational Standards (OS-US)– for eligible entities with unmet standards on Technical Assistance Plans or Quality Improvement Plans
- Correcting Significant Deficiencies Among Eligible Entities (CSD)
- Reporting (R)
- ROMA
- Community Assessment (CA)
- Strategic Planning (SP)
- Monitoring (M)
- Communications (C)
- Technology (T)
- Other – 1. Case Management (CM)

8.1a. The planned budget for the training and technical assistance plan (as indicated in the Remainder/Discretionary Funds table in item 7.9): _____ [**Prepopulated with the budget allocation for years one and two under 7.9a**]

If this is the implementation year for organizational standards, skip question 8.2.

8.2. Does the State have in place Technical Assistance Plans (TAPs) or Quality Improvement Plans (QIPs) for all eligible entities with unmet organizational standards, if appropriate?

Yes No (**Note: this is non-applicable, 2016 will be first year of implementation of organizational standards**)

Note: 8.2 is associated with State Accountability Measure 6Sb. QIPs are described in Section 678C(a)(4) of the CSBG Act. If the State, according to their corrective action procedures, does not plan to put a QIP in place for an eligible entity with one or more unmet organizational standards, the State should put a TAP in place to support the entity in meeting the standard(s).

8.3. Indicate the types of organizations through which the State plans to provide training and/or technical assistance as described in item 8.1, and briefly describe their involvement? (Check all that apply.) **[Check all that applies and narrative where applicable]**

- CSBG eligible entities (if checked, provide the expected number of CSBG eligible entities to receive funds) **[Eligible entities will provide peer-to-peer training and technical assistance]**
- Other community-based organizations
- State Community Action association
- Regional CSBG technical assistance provider(s)
- National technical assistance provider(s)
- Individual consultant(s)
- Tribes and Tribal Organizations
- Other **[Narrative, 2500 characters]**

If this is the first year filling out the automated State Plan, skip the following question.

8.4. Performance Management Adjustment: How is the State adjusting the training and technical assistance plan under this State Plan as compared to past plans? Any adjustment should be based on the State's analysis of past performance, and should consider feedback from eligible entities, OCS, and other sources, such as the public hearing. If the State is not making any adjustments, provide further detail. **[Narrative: non-applicable]**

Note: This information is associated with State Accountability Measures 3Sd and may pre-populate the State's annual report form.

SECTION 9

State Linkages and Communication

Note: This section describes activities that the State may support with CSBG remainder/discretionary funds, described under Section 675C(b)(1) of the CSBG Act. The State may indicate planned use of remainder/discretionary funds for linkage/communication activities in Section 7, State Use of Funds, items 7.9(b) and (c).

9.1. State Linkages and Coordination at the State Level: Describe the linkages and coordination at the State level that the State plans to create or maintain to ensure increased access to CSBG services to low-income people and communities under this State Plan and avoid duplication of services (as required by the assurance under Section 676(b)(5)). Describe or attach additional information as needed. **[Check all that apply from the list below and provide a Narrative.** The Department administers the CSBG grant along with LIHEAP and Weatherization and all are administered by the Community Affairs Division. The Department also administers the State's housing programs. The Department is in contact with regional Head Start Offices, and when we monitor any CSBG eligible entity that administers Head Start and we identify any serious findings or concerns we provide them with a copy of the monitoring report. The Department is the administrative agency for the Texas Inter-Agency Council for the Homeless and is a member of the State's Housing and Health Services Coordination Council, both of which are composed of several State agencies including the State's WIOA agency, the child welfare office, and the state health services agency. The Department works closely with the State's budget office and every biennium the State presents the Department budget for approval.]

Note: This response will link to the corresponding CSBG assurance, item 14.5. In addition, this item is associated with State Accountability Measure 7Sa and may pre-populate the State's annual report form.

- State Low Income Home Energy Assistance Program (LIHEAP) office
- State Weatherization office
- State Temporary Assistance for Needy Families (TANF) office
- State Head Start office
- State public health office
- State education department
- State Workforce Innovation and Opportunity Act (WIOA) agency
- State budget office
- Supplemental Nutrition Assistance Program (SNAP)
- State child welfare office
- State housing office
- Other

9.2. State Linkages and Coordination at the Local Level: Describe the linkages and coordination at the local level that the State plans to create or maintain with governmental and other social services, especially antipoverty programs, to assure the effective delivery of and coordination of CSBG services to low-income people and communities and avoid duplication of services (as required by assurances under Sections 676(b)(5) and (b)(6)). Attach additional information as needed. **[Narrative:** The Department administers the CSBG in a state whose territory is as vast as it is varied. As such, the Department's strategy centers on ensuring local coordination through the local service providers. The Department requires CSBG eligible entities to coordinate funds and services at the local level. The annual community action plan from each entity has to describe the eligible entities' coordination efforts with city, county, schools, non-profits, and other local or regional organizations. CSBG eligible entities coordinate services and work to avoid duplication of services with other providers. CSBG eligible entities are encouraged to participate in local social service and homeless coalitions whose goal is to coordinate services.]

Note: This response will link to the corresponding CSBG assurances, items 14.5 and 14.6.

9.3. Eligible Entity Linkages and Coordination

9.3a State Assurance of Eligible Entity Linkages and Coordination: Describe how the State will assure that the eligible entities will coordinate and establish linkages to assure the effective delivery of and coordination of CSBG services to low-income people and communities and avoid duplication of services (as required by the assurance under Section 676(b)(5)). Attach additional information as needed. **[Narrative:** The State requires CSBG eligible entities to coordinate funds at the local level. Their annual community action plan has to describe their coordination efforts with city, county, schools, non-profits, and other organizations. CSBG eligible entities coordinate services and work to avoid duplication of services with other providers. Most CSBG eligible entities participate in local social service and homeless coalitions whose goal is to coordinate services.]

Note: This response will link to the corresponding CSBG assurance, item 14.5.

9.3b State Assurance of Eligible Entity Linkages to Fill Service Gaps: Describe how the eligible entities will develop linkages to fill identified gaps in the services, through the provision of information, referrals, case management, and follow-up consultations, according to the assurance under Section 676(b)(3)(B) of the CSBG Act. **[Narrative:** Annually, CSBG eligible entities must submit a Community Action Plan to the Department. The document includes a section wherein eligible entities describe any gaps in services and their strategy to address those gaps. If a gap is not currently being addressed or not being sufficiently addressed,

eligible entities are to develop and implement a strategy to work with other organizations in their local communities to address the gaps in services.]

Note: This response will link to the corresponding CSBG assurance, item 14.3b.

- 9.4. Workforce Innovation and Opportunity Act (WIOA) Employment and Training Activities:** Does the State intend to include CSBG employment and training activities as part of a WIOA Combined State Plan, as allowed under the Workforce Innovation and Opportunity Act (as required by the assurance under Section 676(b)(5) of the CSBG Act)?

Yes No

Note: This response will link to the corresponding CSBG assurance, item 14.5.

- 9.4a** If the State selected “yes” under item 9.4, provide the CSBG-specific information included in the State’s WIOA Combined Plan. This information includes a description of how the State and the eligible entities will coordinate the provision of employment and training activities through statewide and local WIOA workforce development systems. This information may also include examples of innovative employment and training programs and activities conducted by community action agencies or other neighborhood-based organizations as part of a community antipoverty strategy. **[Narrative, 2500 Characters]**
- 9.4b.** If the State selected “no” under item 9.4, describe the coordination of employment and training activities, as defined in Section 3 of WIOA, by the State and by eligible entities providing activities through the WIOA system. **[Narrative:** Annually, CSBG eligible entities must submit a Community Action Plan to the Department. As part of the plan, if entities are providing employment and training activities, CSBG eligible entities must describe their coordination with WIOA offices in their service area.]
- 9.5. Emergency Energy Crisis Intervention:** Describe how the State will assure, where appropriate, that emergency energy crisis intervention programs under title XXVI (relating to Low-Income Home Energy Assistance) are conducted in each community in the State, as required by the assurance under Section 676(b)(6) of the CSBG Act). **[Narrative:** The Department administers the LIHEAP grant, which funds the Comprehensive Energy Assistance Program (CEAP). The CEAP provides utility assist to low-income persons and includes an energy crisis component. LIHEAP also supports the Department’s weatherization program. The majority of the CSBG eligible entities administer both the CEAP and weatherization programs. The Department programs a portion of CSBG discretionary funds for assistance in the case of declared natural disasters. The funds may be used to provide emergency energy crisis intervention.]

Note: This response will link to the corresponding CSBG assurance, item 14.6.

9.6. State Assurance: Faith-based Organizations, Charitable Groups, Community Organizations: Describe how the State will assure local eligible entities will coordinate and form partnerships with other organizations, including faith-based organizations, charitable groups, and community organizations, according to the State's assurance under Section 676(b)(9) of the CSBG Act. **[Narrative:** Annually, CSBG eligible entities must submit a Community Action Plan to the Department. As part of their plan, CSBG eligible entities describe the organizations with which they coordinate services including faith-based organizations, charitable groups, and community organizations. Close coordination and referral takes place with these organizations.]

Note: this response will link to the corresponding assurance, item 14.9

9.7 Coordination of Eligible Entity 90 Percent Funds with Public/Private Resources: Describe how the eligible entities will coordinate CSBG 90 percent funds with other public and private resources, according to the assurance under Section 676(b)(3)(C) of the CSBG Act. **[Narrative:** Annually, CSBG eligible entities must submit a Community Action Plan to the Department. As part of their plan, CSBG eligible entities describe the organizations with which they coordinate services, including private and public organizations. Many of the CSBG eligible entities obtain either in-kind assistance or funds from local governments to support the programs that they administer, including donations of space in local government facilities to be utilized by eligible entities to provide CSBG supported services.]

Note: this response will link to the corresponding assurance, item 14.3c.

9.8. Coordination among Eligible Entities and State Community Action Association: Describe State activities for supporting coordination among the eligible entities and the State Community Action Association. **[Narrative:** The Department works closely with the state eligible entity association, the Texas Community Action Association (TACAA). The Department meets with the association and their board on a regular basis to discuss ways that the Department can better meet the needs of the eligible entities. The Department receives their input on training and technical assistance needs, rule revisions, use of CSBG discretionary funds, and other issues. The state association holds an annual conference for CSBG eligible entities and the Department provides staff to present training to CSBG eligible entities. The Department also works with TACAA to form CSBG working groups to help the Department develop strategies on key issues such as implementation of CSBG organizational standards.]

9.9 Communication with Eligible Entities and the State Community Action Association: In the table below, describe the State's plan for communicating with eligible entities, the State Community Action Association, and other partners under this State Plan. Include communication about annual hearings and legislative hearings, as described under Section 4, CSBG Hearing Requirements.

Communication Plan

Topic	Expected Frequency	Format (drop down)	Brief Description of "Other"
<p>[Narrative: The Department plans to hold quarterly conference calls that will be open to the entire CSBG network. During these calls, the Department will discuss and obtain feedback on training and technical assistance needs, implementation of CSBG organizational standards, anticipated CSBG funding, CSBG RFAs/NOFAs, , case management, community action planning, strategic planning, community needs assessments, self-sufficiency projects, issues related to the LIHEAP funded utility assistance program, the weatherization program, and other topics of interest.]</p>	<p>Dropdown Options:</p> <ul style="list-style-type: none"> • <input type="checkbox"/> Daily • <input type="checkbox"/> Weekly • <input type="checkbox"/> Twice-Monthly • <input type="checkbox"/> Monthly • <input checked="" type="checkbox"/> Quarterly • <input type="checkbox"/> Semi-Annually • <input type="checkbox"/> Annually • <input type="checkbox"/> Other 	<p>Dropdown Options:</p> <ul style="list-style-type: none"> • <input type="checkbox"/> Newsletter • <input type="checkbox"/> Mailing • <input checked="" type="checkbox"/> Meetings/Presentation • <input type="checkbox"/> Blog • <input type="checkbox"/> Email • <input type="checkbox"/> Website • <input type="checkbox"/> Social Media • <input checked="" type="checkbox"/> Other 	<p>[Narrative, 2500 characters]</p> <p>If "Other" is selected in columns 2 and/or 3, describe in this column.</p> <p>Other: The meetings may be in person meetings, may be held by teleconference, or may be presented as webinars.</p>
<p>[Narrative: The Department informs CSBG eligible entities of notices received from USHHS, the National Association for State Community Services Programs, and the Community Action Partnership. This occurs as notices and guidance arises.]</p>	<p>Dropdown Options:</p> <ul style="list-style-type: none"> • <input type="checkbox"/> Daily • <input type="checkbox"/> Weekly • <input type="checkbox"/> Twice-Monthly • <input type="checkbox"/> Monthly • <input type="checkbox"/> Quarterly • <input type="checkbox"/> Semi-Annually • <input type="checkbox"/> Annually • <input checked="" type="checkbox"/> Other 	<p>Dropdown Options:</p> <ul style="list-style-type: none"> • <input type="checkbox"/> Newsletter • <input type="checkbox"/> Mailing • <input type="checkbox"/> Meetings/Presentation • <input type="checkbox"/> Blog • <input checked="" type="checkbox"/> Email • <input type="checkbox"/> Website • <input type="checkbox"/> Social Media • <input type="checkbox"/> Other 	<p>[Narrative, 2500 characters]</p> <p>If "Other" is selected in columns 2 and/or 3, describe in this column</p> <p>As often as guidance is received.</p>
<p>[Narrative: The Department develops guidance for the annual Community Action Plan and for the annual budget. Every 3 years, the Department issues guidance for the Community Assessment and for the Strategic</p>	<p>Dropdown Options:</p> <ul style="list-style-type: none"> • <input type="checkbox"/> Daily • <input type="checkbox"/> Weekly • <input type="checkbox"/> Twice-Monthly • <input type="checkbox"/> Monthly • <input type="checkbox"/> Quarterly • <input type="checkbox"/> Semi-Annually • <input checked="" type="checkbox"/> Annually • <input checked="" type="checkbox"/> Other 	<p>Dropdown Options:</p> <ul style="list-style-type: none"> • <input type="checkbox"/> Newsletter • <input type="checkbox"/> Mailing • <input checked="" type="checkbox"/> Meetings/Presentation • <input type="checkbox"/> Blog • <input type="checkbox"/> Email • <input checked="" type="checkbox"/> Website 	<p>[Narrative, 2500 characters]</p> <p>If "Other" is selected in columns 2 and/or 3, describe in this column</p> <p>Other: The guidance that is developed is posted on the Department's website. The Department may also conduct a webinar or a</p>

Communication Plan			
Topic	Expected Frequency	Format (drop down)	Brief Description of "Other"
Plan every 5 years. The Department also issues other program guidance on areas such as case management and self-sufficiency and program reporting and administration.]		<ul style="list-style-type: none"> • <input type="checkbox"/> Social Media • <input checked="" type="checkbox"/> Other 	teleconference. Information may also be presented at State Association Conferences.
[Narrative: The Department will conduct public hearings to obtain comment on the biennial CSBG State Plan and institution of rules. The Department will also accept public comment via e-mail or letters.]	Dropdown Options: <ul style="list-style-type: none"> • <input type="checkbox"/> Daily • <input type="checkbox"/> Weekly • <input type="checkbox"/> Twice-Monthly • <input type="checkbox"/> Monthly • <input type="checkbox"/> Quarterly • <input type="checkbox"/> Semi-Annually • <input type="checkbox"/> Annually • <input checked="" type="checkbox"/> Other 	Dropdown Options: <ul style="list-style-type: none"> • <input type="checkbox"/> Newsletter • <input type="checkbox"/> Mailing • <input checked="" type="checkbox"/> Meetings/Presentati on • <input type="checkbox"/> Blog • <input type="checkbox"/> Email • <input checked="" type="checkbox"/> Website • <input type="checkbox"/> Social Media • <input checked="" type="checkbox"/> Other 	[Narrative, 2500 characters] If "Other" is selected in columns 2 and/or 3, describe in this column. Other: Information regarding the public hearings will be posted in the <i>Texas Register</i> . The hearings will be open to interested persons. Comments can be submitted in person at a hearing or in writing by e-mail or letter to the Department.

9.10. Feedback to Eligible Entities and State Community Action Association: Describe how the State will provide feedback to local entities and State Community Action Associations regarding performance on State Accountability Measures. **[Narrative:** The Department will inform each eligible entity of their performance related to National Performance Indicators (NPI) through e-mail communications and/or letters. The Department’s CSBG performance report requires eligible entities to report NPI performance on a monthly basis and provides them with cumulative year to date performance data. Eligible entities’ performance, as reported in their monthly CSBG Performance Report, is reviewed and any potential errors or discrepancies are investigated and technical assistance is provided. Additionally, input received from meetings with program monitors is given as feedback to eligible entities. When more in-depth training is required, it is provided on site. The Department will inform eligible entities of their performance within 60 days of receiving feedback from OCS. This information will be transmitted to eligible entities via e-mail or other entity-specific communication.]

Note: This information is associated with State Accountability Measure 5S(iii). The measure indicates feedback should be provided within 60 calendar days of the State getting feedback from OCS.

If this is the first year filling out the automated State Plan, skip the following question.

9.11. Performance Management Adjustment: How is the State adjusting the Communication plan in this State Plan as compared to past plans? Any adjustment should be based on the State's analysis of past performance, and should consider feedback from eligible entities, OCS, and other sources, such as the public hearing. If the State is not making any adjustments, provide further detail. **[Narrative: non-applicable]**

Note: This information is associated with State Accountability Measures 7Sb; this response may pre-populate the State's annual report form.

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SECTION 10

Monitoring, Corrective Action, and Fiscal Controls

Monitoring of Eligible Entities (Section 678B(a) of the CSBG Act)

10.1. Specify the proposed schedule for planned monitoring visits including: full on-site reviews; on-site reviews of newly designated entities; follow-up reviews – including return visits to entities that failed to meet State goals, standards, and requirements; and other reviews as appropriate.

This is an estimated schedule to assist States in planning. States may indicate “no review” for entities the State does not plan to monitor in the performance period.

For States that have a monitoring approach that does not fit within the table parameters, attach the State’s proposed monitoring schedule.

Note: This information is associated with State Accountability Measure 4Sa(i); this response may pre-populate the State’s annual report form.

CSBG Eligible Entity	Review Type	Target Date (Quarter)	Date of Last Full Onsite Review (if applicable)	Brief Description of “Other”
Cameron and Willacy Counties Community Projects, Inc.	Full on-site	FY1-Q2	August 2014	
Central Texas Opportunities	Full on-site	FY1-Q2	April 2013	
City of Lubbock	Full on-site	FY1-Q2	March 2014	
Hidalgo County Community Services Agency	Full on-site	FY1-Q2	July 2013	
Greater East Texas Community Action Program	Full on-site	FY1-Q2	January 2013	
City of San Antonio	Full on-site	FY1-Q3	December 2013	
Community Action Inc. of Central Texas	Full on-site	FY1-Q3	October 2013	
Community Services of Northeast Texas, Inc.	Full on-site	FY1-Q3	November 2013	
Northeast Texas Opportunities, Inc.	Full on-site	FY1-Q3	December 2013	
Concho Valley Community Action	Full on-site	FY1-Q4	October 2013	

Agency				
South Plains Community Action Association	Full on-site	FY1-Q4	July 2013	
Big Bend Community Action Committee, Inc.	Full on-site	FY1-Q4	February 2014	
Nueces County Community Action Agency	Full on-site	FY1-Q4	February 2014	
Tri-County Community Action, Inc.	Full on-site	FY1-Q4	April 2014	
Panhandle Community Services	Full on-site	FY2-Q1	April 2014	
City of Fort Worth	Full on-site	FY2-Q1	November 2014	
Southeast Texas Regional Planning Commission	Full on-site	FY2-Q2	August 2014	
Urban league of Greater Dallas	Full on-site	FY2-Q2	October 2015	
Pecos County Community Action Agency	Full on-site	FY2-Q2	October 2014	
Webb County Community Action Agency	Full on-site	FY2-Q2	April 2015	
Community Services Agency of South Texas	Full on-site	FY2-Q3	June 2014	
Economic Action Committee of the Gulf Coast	Full on-site	FY2-Q3	June 2014	
Williamson-Burnet County Opportunities	Full on-site	FY2-Q3	September 2014	
Rolling Plains Management Corp.	Full on-site	FY2-Q3	March 2015	
Hill Country Community Action Association, Inc.	Full on-site	FY2-Q3	October 2014	
Community Services, Inc.	Full on-site	FY2-Q4	November 2014	
Community Council of South Central Texas	Full on-site	FY2-Q4	January 2015	
Community Action Corporation Of South Texas	Full on-site	FY2-Q4	October 2014	

10.2. Monitoring Policies: Provide a copy of State monitoring policies and procedures by attaching and/or providing a hyperlink. **[Refer to Attachment A]**

10.3. Initial Monitoring Reports: According to the State's procedures, by how many calendar days must the State disseminate initial monitoring reports to local entities? [It is the Department's goal to submit CSBG monitoring reports within 30 days of the completion of the monitoring review. However, if extenuating circumstances are present, the CSBG monitoring report will be submitted within 60 days of the completion of the monitoring review.]

Note: This item is associated with State Accountability Measure 4Sa(ii) and may pre-populate the State's annual report form.

Corrective Action, Termination and Reduction of Funding and Assurance Requirements (Section 678C of the Act)

10.4. Closing Findings: Are State procedures for addressing eligible entity findings/deficiencies, and the documenting of closure of findings included in the State monitoring protocols attached above? Yes No

10.4a. If no, describe State procedures for addressing eligible entity findings/deficiencies, and the documenting of closure of findings. **[Narrative, 2500 characters]**

10.5. Quality Improvement Plans (QIPs): How many eligible entities are currently on Quality Improvement Plans? **[2]**

Note: The QIP information is associated with State Accountability Measures 4Sc.

10.6. Reporting of QIPs: Describe the State's process for reporting eligible entities on QIPs to the Office of Community Services within 30 calendar days of the State approving a QIP? **[Narrative: The Department will contact the Office of Community Services either by phone or through e-mail to inform them of eligible entities on a Quality Improvement Plan.]**

Note: This item is associated with State Accountability Measure 4Sa(iii).

10.7. Assurance on Funding Reduction or Termination: Does the State assure, according to Section 676(b)(8), that "any eligible entity that received CSBG funding the previous fiscal year will not have its funding terminated or reduced below the proportional share of funding the entity received in the previous fiscal year unless, after providing notice and an opportunity for a hearing on the record, the State determines that cause exists for such termination or such reduction, subject to review by the Secretary as provided in Section 678C(b)." Yes No

Note: This response will link with the corresponding assurance under item 14.8.

Policies on Eligible Entity Designation, De-designation, and Re-designation

10.8. Does the State CSBG statute and/or regulations provide for the designation of new eligible entities? Yes No

10.8a. If yes, provide the citation(s) of the law and/or regulation. If no, describe State procedures for the designation of new eligible entities. [Narrative: Texas

Administrative Code

[http://texreg.sos.state.tx.us/public/readtac\\$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=10&pt=1&ch=5&rl=208](http://texreg.sos.state.tx.us/public/readtac$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=10&pt=1&ch=5&rl=208)]

10.9. Does the State CSBG statute and/or regulations provide for de-designation of eligible entities? Yes No

10.9a. If yes, provide the citation(s) of the law and/or regulation. If no, describe State procedures for de-designation of new eligible entities. [Narrative: Texas

Administrative Code

[http://texreg.sos.state.tx.us/public/readtac\\$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=10&pt=1&ch=5&rl=206](http://texreg.sos.state.tx.us/public/readtac$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=10&pt=1&ch=5&rl=206)]

10.10. Does the State CSBG statute and/or regulations specify a process the State CSBG agency must follow to re-designate an existing eligible entity? Yes No

10.10a. If yes, provide the citation(s) of the law and/or regulation. If no, describe State procedures for re-designation of existing eligible entities. [Narrative: Texas

Administrative Code

[http://texreg.sos.state.tx.us/public/readtac\\$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=10&pt=1&ch=5&rl=208](http://texreg.sos.state.tx.us/public/readtac$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=10&pt=1&ch=5&rl=208)]

Fiscal Controls and Audits and Cooperation Assurance

10.11. **Fiscal Controls and Accounting:** Describe how the State's fiscal controls and accounting procedures will a) permit preparation of the SF-425 Federal fiscal reports (FFR) and b) permit the tracing of expenditures adequate to ensure funds have been used appropriately under the block grant, as required by Block Grant regulations applicable to CSBG at 45 CFR 96.30(a). [Narrative: All expenditures are recorded in the Department's PeopleSoft accounting system. Indexes, grant numbers and fund numbers allow for identification of charges to a specific grant and cost categories. Policies and Procedures are in place to ensure compliance with statues and regulations. Independent annual financial audit and single audit are performed for the Department.

Every draw is reviewed by program staff upon submittal by contractor localities. All draw downs must be consistent within the most current approved budget. Draws are then processed by accountants and approved by senior accountant or team leader. Back up to support draws are reviewed during on site monitoring.

The general ledger is the source for the SF-425 Federal fiscal reports. They are prepared by the grant accountant, reviewed by the financial team leader and approved by management prior to submittal. Reports are prepared according to program rules and regulations.

]

10.12. Single Audit Management Decisions: Describe State procedures for issuing management decisions for eligible entity single audits, as required by Block Grant regulations applicable to CSBG at 45 CFR 75.521. If these procedures are described in the State monitoring protocols attached under item 10.2, indicate the page number. **[Narrative:** The Department requires each subrecipient to complete an Audit Certification form within 60 days from the end of the Entity's fiscal year. This is used to determine if a Single Audit is required. Upon receipt of the Single Audit, a review is completed to determine if the packet submitted is complete and all opinions are provided. If the audit contains findings, it is reviewed and discussed by the director of Internal Audit, the Chief of Compliance and staff to determine the appropriate steps to ensure the entity corrects the issues identified in the audit report or management letter. The Department will issue correspondence to the entity, identifying that corrective action measures must be performed and requiring support documentation to be provided. The entity will be provided a time frame to respond to complete the corrective action and to respond to the correspondence. At a maximum, the entity must correct all identified issues within six (6) months of the Single Audit being submitted to the Federal Clearing House.

The Department Compliance Monitor(s) will keep abreast of the required timeframe for the entity to complete the corrective action and to provide the response. If the response is received the Department will review the documentation to determine if the corrective action requirements have been met. If the issues have not been corrected, the Compliance Monitor and/or Community Affairs Monitoring Manager will notify the Chief of Compliance. The Chief of Compliance may determine if the matter should be referred to the Department's Enforcement Committee in accordance with Department Rules and SOPs. During the next monitoring, the Department will determine if the selection of expenditures or materials reviewed reflected compliance with the respective requirement.

The Department will not execute new contracts with the entity until issues with the single audit are resolved, unless the issue is a late audit submittal and the entity has provided documentation of an extension received from the federal cognizant agency.]

Note: This information is associated with State Accountability Measure 4Sd.

10.13. Assurance on Federal Investigations: Will the State "permit and cooperate with Federal investigations undertaken in accordance with Section 678D" of the CSBG Act, as required by the assurance under Section 676(b)(7) of the CSBG Act? Yes No

Note: This response will link with the corresponding assurance, item 14.7

If this is the first year filling out the automated State Plan, skip the following question.

10.14. Performance Management Adjustment: How is the State adjusting monitoring procedures in this State Plan as compared to past plans? Any adjustment should be based on the State's analysis of past performance, and should consider feedback from

eligible entities, OCS, and other sources, such as the public hearing. If this State is not making any adjustments, provide further detail. **[Narrative: non-applicable]**

Note: This item is associated with State Accountability Measure 4Sb and may pre-populate the State's annual report form.

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SECTION 11

Eligible Entity Tripartite Board

11.1. Which of the following measures are taken to ensure that the State verifies CSBG Eligible Entities are meeting Tripartite Board requirements under Section 676B of the CSBG Act? **[Check all that applies and narrative where applicable]**

- Attend Board meetings
- Review copies of Board meeting minutes
- Keep a register of Board vacancies/composition
- Other: The Department reviews board rosters and Board member election/selection material.

11.2. How often does the State require eligible entities (which are not on TAPs or QIPs) to provide updates (e.g., copies of meeting minutes, vacancy alerts, changes to bylaws, low-income member selection process, etc.) regarding their Tripartite Boards? **[Check all that applies and narrative where applicable]**

- Annually
- Biannually
- Quarterly
- Monthly
- Other **[Narrative, 2500 characters]**

11.3. Assurance on Eligible Entity Tripartite Board Representation: Describe how the State will carry out the assurance under Section 676(b)(10) of the CSBG Act that the State will require eligible entities to have policies and procedures by which individuals or organizations can petition for adequate representation on an eligible entities' Tripartite Board. **[Narrative:** The Department has instituted a rule, in the Texas Administrative Code, that requires a Subrecipient to have written procedures under which a low-income individual, community organization, religious organization, or representative of such may petition for adequate representation on the board of the eligible entity.]

Note: This response will link with the corresponding assurance, item 14.10.

11.4. Does the State permit public eligible entities to use, as an alternative to a Tripartite Board, "another mechanism specified by the State to assure decision-making and participation by low-income individuals in the development, planning, implementation, and evaluation of programs" as allowed under Section 676B(b)(2) of the CSBG Act.
 Yes No

11.4a. If yes, describe the mechanism used by public eligible entities as an alternative to a Tripartite Board. **[Narrative:** Public agencies have advisory boards and develop bylaws for the advisory board. The State requirements can be found at:

[http://texreg.sos.state.tx.us/public/readtac\\$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=10&pt=1&ch=5&rl=213](http://texreg.sos.state.tx.us/public/readtac$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=10&pt=1&ch=5&rl=213)]

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Section 12

Individual and Community Income Eligibility Requirements

12.1. Required Income Eligibility: What is the income eligibility threshold for services in the State? **[Check one item below.]**

- 125% of the HHS poverty line
- X % of the HHS poverty line (fill in the threshold): _____% **[insert up to a 3 digit percentage]**
- Varies by eligible entity

12.1a. Describe any State policy and/or procedures for income eligibility, such as treatment of income and family/household composition. **[Narrative:** Refer to State requirements _____ at [http://texreg.sos.state.tx.us/public/readtac\\$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=10&pt=1&ch=5&rl=19](http://texreg.sos.state.tx.us/public/readtac$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=10&pt=1&ch=5&rl=19)]

12.2. Income Eligibility for General/Short Term Services: For services with limited in-take procedures (where individual income verification is not possible or practical), how does the State ensure eligible entities generally verify income eligibility for services? An example of these services is emergency food assistance. **[Narrative:** Refer to State requirements _____ at [http://texreg.sos.state.tx.us/public/readtac\\$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=10&pt=1&ch=5&rl=19](http://texreg.sos.state.tx.us/public/readtac$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=10&pt=1&ch=5&rl=19)]

12.3. Community-targeted Services: For services that provide a community-wide benefit (e.g., development of community assets/facilities, building partnerships with other organizations), how does the State ensure eligible entities' services target and benefit low-income communities? **[Narrative:** Refer to State requirements at [http://texreg.sos.state.tx.us/public/readtac\\$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=10&pt=1&ch=5&rl=210](http://texreg.sos.state.tx.us/public/readtac$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=10&pt=1&ch=5&rl=210)

SECTION 13

Results Oriented Management and Accountability (ROMA) System

- 13.1. ROMA Participation:** In which performance measurement system will the State and all eligible entities participate, as required by Section 678E(a) of the CSBG Act and the assurance under Section 676(b)(12) of the CSBG Act? **[Check one]**

Note: This response will also link to the corresponding assurance, item 14.12.

- The Results Oriented Management and Accountability (ROMA) System
 Another performance management system that meets the requirements of section 678E(b) of the CSBG Act
 An alternative system for measuring performance and results

- 13.1a.** If ROMA was selected in item 13.1, attach and/or describe the State's written policies, procedures, or guidance documents on ROMA. **[Attachment and Narrative:**

The Department has incorporated ROMA principles in the areas of reporting, community action plans, strategic planning, community needs assessments, goal/target setting, case management, and Board trainings. Subrecipients report monthly on outcomes for family, agency and community goals identified in their community action plan. These reports are then used to evaluate Subrecipient performance. An outcome matrix, tracking incremental change, is used as part of case management services; along with tools for capturing outcomes. TDHCA has 2 certified ROMA trainers and a Master trainer on staff, and the state association has sponsored 8 more. All Subrecipients have been provided "Intro to ROMA" training and have access to a ROMA trainer. In addition, ROMA is addressed in the Organizational Standards that are drafted into the state's 2016 Subrecipient contracts. Refer to State requirements at

[http://texreg.sos.state.tx.us/public/readtac\\$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=10&pt=1&ch=5&rl=207](http://texreg.sos.state.tx.us/public/readtac$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=10&pt=1&ch=5&rl=207)

- 13.1b.** If ROMA was not selected in item 13.1, describe the system the State will use for performance measurement. **[Narrative:** The Department will employ the ROMA System as described above. However, the system employed will likely have slight modifications based on requirements in state law to be determined through a rule-making process]

- 13.2.** Indicate and describe the outcome measures the State will use to measure eligible entity performance in promoting self-sufficiency, family stability, and community revitalization, as required under Section 676(b)(12) of the CSBG Act? **[Narrative:** The State assigns eligible entities a goal for the number of persons to transition out of poverty (TOP) each year. TOP is defined as the household achieving an income above

125% FPIG. The State has issued requirements related to the systems that must be in place to assist households to TOP, refer to [http://texreg.sos.state.tx.us/public/readtac\\$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=10&pt=1&ch=5&rl=207](http://texreg.sos.state.tx.us/public/readtac$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=10&pt=1&ch=5&rl=207) The CSBG monthly performance report includes a section where CSBG Subrecipients report the number of persons working to TOP and the number of persons that successfully TOP. Subrecipients are to target their CSBG resources to assist persons to transition out of poverty and move towards self-sufficiency consistent with identified gaps in need. The Subrecipients' efforts in self-sufficiency, family stability, and community revitalization are reported using the NPIs in their CSBG monthly performance report.]

Note: This response will also link to the corresponding assurance, item 14.12.

- CSBG National Performance Indicators (NPIs)
- NPIs and others
- Others

13.3. How does the State support the eligible entities in using the ROMA system (or alternative performance measurement system)? **[Narrative:** The Department has designed the CSBG training curriculum with a focus on ROMA principals. The Department has 2 certified ROMA trainers and 1 staff person that is about to meet the requirements to be a certified ROMA trainer. The state association has also assisted CSBG eligible entities in helping some of their staff to become Certified ROMA trainers. All trainings provided to Subrecipients are ROMA-focused and the Department's ROMA Certified staff members are available to provide training and technical assistance. Subrecipients can request training and technical assistance at any time and can submit questions on-line or can contact staff by phone or e-mail. The Department has developed a comprehensive video training module and accompanying materials on case management with the goal of assisting persons to transition out of poverty. This module is available on our website. The Department has set aside CSBG Discretionary funds to be used for network operational investments.]

Note: The activities described under item 13.3 may include activities listed in "Section 8: Training and Technical Assistance." If so, mention briefly, and/or cross-reference as needed. This response will also link to the corresponding assurance, item 14.12.

13.4. Eligible Entity Use of Data: How is the State validating that the eligible entities are using data to improve service delivery? **[Narrative:** The Department assigns each CSBG eligible entity a goal for the number of persons to transition out of poverty each program year. At the end of the program year, the Department reviews their performance and Subrecipients that did not meet their assigned goal are asked to provide a plan of action to improve performance. The Department also reviews the eligible entities' CSBG Performance Report each month and their end of the year final report. The Department does acknowledge that quite a few Subrecipients find it challenging to design and carry out community revitalization activities. The Department

will continue to provide technical assistance to Subrecipients to improve their performance. To assist with data use the Department provides the network with links to data sources that may be useful to them, such as the American Community Survey and the Community Action Partnership's Community Needs Assessment Online Tool.]

Note: This response will also link to the corresponding assurance, item 14.12.

Community Action Plans and Needs Assessments

- 13.5.** Describe how the State will secure a Community Action Plan from each eligible entity, as a condition of receipt of CSBG funding by each entity, as required by Section 676(b)(11) of the CSBG Act. **[Narrative:** The Department develops Community Action Plan Requirements and guidance and posts this information to our website at <http://www.tdhca.state.tx.us/community-affairs/csbg/guidance.htm>. Annually, CSBG eligible entities must submit a Community Action Plan to the Department. Staff reviews the CAP Plans and provides technical assistance to eligible entities on improvements.]

Note: this response will link to the corresponding assurance, item 14.11.

- 13.6. State Assurance:** Describe how the State will assure that each eligible entity includes a community needs assessment for the community served (which may be coordinated with community needs assessments conducted by other programs) in each entity's Community Action Plan, as required by Section 676(b)(11) of the CSBG Act. **[Narrative:** The Department develops Community Needs Assessment guidance and posts this information to the Department's website at <http://www.tdhca.state.tx.us/community-affairs/csbg/guidance.htm> Subrecipients are required to submit a community needs assessment every 3 years.]

Note: this response will link to the corresponding assurance, item 14.11.

SECTION 14

CSBG Programmatic Assurances and Information Narrative (Section 676(b) of the CSBG Act)

14.1 Use of Funds Supporting Local Activities

CSBG Services

14.1a. 676(b)(1)(A): Describe how the State will assure “that funds made available through grant or allotment will be used –

- (A) to support activities that are designed to assist low-income families and individuals, including families and individuals receiving assistance under title IV of the Social Security Act, homeless families and individuals, migrant or seasonal farmworkers, and elderly low-income individuals and families, and a description of how such activities will enable the families and individuals--
 - (i) to remove obstacles and solve problems that block the achievement of self-sufficiency (particularly for families and individuals who are attempting to transition off a State program carried out under part A of title IV of the Social Security Act);
 - (ii) to secure and retain meaningful employment;
 - (iii) to attain an adequate education with particular attention toward improving literacy skills of the low-income families in the community, which may include family literacy initiatives;
 - (iv) to make better use of available income;
 - (v) to obtain and maintain adequate housing and a suitable living environment;
 - (vi) to obtain emergency assistance through loans, grants, or other means to meet immediate and urgent individual and family needs;
 - (vii) to achieve greater participation in the affairs of the communities involved, including the development of public and private grassroots partnerships with local law enforcement agencies, local housing authorities, private foundations, and other public and private partners to –
 - (I) document best practices based on successful grassroots intervention in urban areas, to develop methodologies for widespread replication; and
 - (II) strengthen and improve relationships with local law enforcement agencies, which may include participation in activities such as neighborhood or community policing efforts;

[Narrative: The Department requires CSBG eligible entities to submit an annual Community Action Plan (CAP). The CAP includes a Performance Statement which outlines their proposed activities. Staff reviews the CAP Plan and ensures that the activities supported are eligible uses of CSBG funds and meet the noted assurances.]

Needs of Youth

14.1b. 676(b)(1)(B) Describe how the State will assure “that funds made available through grant or allotment will be used –

- (B) to address the needs of youth in low-income communities through youth development programs that support the primary role of the family, give priority to the prevention of youth problems and crime, and promote increased community coordination and collaboration in meeting the needs of youth, and support development and expansion of innovative community-based youth development programs that have demonstrated success in preventing or reducing youth crime, such as--
 - (i) programs for the establishment of violence-free zones that would involve youth development and intervention models (such as models involving youth mediation, youth mentoring, life skills training, job creation, and entrepreneurship programs); and
 - (ii) after-school child care programs;

[Narrative: The Department requires CSBG eligible entities to submit an annual Community Action Plan (CAP). The CAP includes a Performance Statement which outlines their proposed activities. Staff reviews the CAP Plan and ensures that the activities supported are eligible uses of CSBG funds. Particularly, the Department requires a referral to the Texas Attorney General’s Office for families for whom child support might be a needed resource.]

Coordination of Other Programs

14.1c. 676(b)(1)(C) Describe how the State will assure “that funds made available through grant or allotment will be used –

- (C) to make more effective use of, and to coordinate with, other programs related to the purposes of this subtitle (including State welfare reform efforts)

[Narrative: The Department requires CSBG eligible entities to submit an annual Community Action Plan (CAP). The CAP includes a Performance Statement which outlines their proposed activities. The CAP also includes several forms that address funding coordination, coordination with WIOA Programs, referrals to Child Support Office, and participation in social

service coalitions. Staff reviews the CAP Plan and ensures that the activities supported are eligible uses of CSBG funds.]

State Use of Discretionary Funds

- 14.2 676(b)(2)** Describe “how the State intends to use discretionary funds made available from the remainder of the grant or allotment described in section 675C(b) in accordance with this subtitle, including a description of how the State will support innovative community and neighborhood-based initiatives related to the purposes of this subtitle.”

Note: the Department describes this assurance under “State Use of Funds: Remainder/Discretionary,” items 7.9 and 7.10

[No response; links to items 7.9 and 7.10.]

Eligible Entity Service Delivery, Coordination, and Innovation

- 14.3. 676(b)(3)** “Based on information provided by eligible entities in the State, a description of...”

Eligible Entity Service Delivery System

- 14.3a. 676(b)(3)(A)** Describe “the service delivery system, for services provided or coordinated with funds made available through grants made under 675C(a), targeted to low-income individuals and families in communities within the State;

[Narrative: The Department requires CSBG eligible entities to submit an annual Community Action Plan (CAP). The CAP includes a description of the service delivery system, the counties served, the facilities where services are available, and information regarding how the eligible entity conducts outreach and delivers services in counties where service centers are not available. The CAP also describes how the eligible entity coordinates funds with other organizations.]

Eligible Entity Linkages – Approach to Filling Service Gaps

- 14.3b. 676(b)(3)(B)** Describe “how linkages will be developed to fill identified gaps in the services, through the provision of information, referrals, case management, and follow-up consultations.”

Note: the Department describes this assurance in the State Linkages and Communication section, item 9.3b.

[No response; links to 9.3b.]

Coordination of Eligible Entity Allocation 90 Percent Funds with Public/Private Resources

14.3c. 676(b)(3)(C) Describe how funds made available through grants made under 675C(a) will be coordinated with other public and private resources.”

Note: the Department describes this assurance in the State Linkages and Communication section, item 9.7.

[No response; links to 9.7]

Eligible Entity Innovative Community and Neighborhood Initiatives, Including Fatherhood/Parental Responsibility

14.3d. 676(b)(3)(D) Describe “how the local entity will use the funds [made available under 675C(a)] to support innovative community and neighborhood-based initiatives related to the purposes of this subtitle, which may include fatherhood initiatives and other initiatives with the goal of strengthening families and encouraging parenting.”

Note: The description above is about eligible entity use of 90 percent funds to support these initiatives. States may also support these types of activities at the local level using state remainder/discretionary funds, allowable under Section 675C(b)(1)(F). In this State Plan, the Department indicates funds allocated for these activities under item 7.9(f).

[Narrative: The Department requires CSBG eligible entities to submit an annual Community Action Plan (CAP). As part of the CAP, Subrecipients must complete a document which provides information regarding any innovative community and neighborhood-based initiatives related to the purpose of CSBG, which may include fatherhood initiatives and other initiatives which strengthen families and encourage effective parenting. A limited number of CSBG eligible entities have reported these types of initiatives. The Department will continue to work with CSBG eligible entities to promote these initiatives if such gaps are identified in their CAP. As the Department identifies information on webinars or funding opportunities related to this area, the Department shares this information with CSBG eligible entities.]

Eligible Entity Emergency Food and Nutrition Services

14.4. 676(b)(4) Describe how the State will assure “that eligible entities in the State will provide, on an emergency basis, for the provision of such supplies and services, nutritious foods, and related services, as may be necessary to counteract conditions of starvation and malnutrition among low-income individuals.”

[Narrative: The Department requires CSBG eligible entities to submit an annual Community Action Plan (CAP). As part of the CAP, Subrecipients must complete a

document which provides information related to how the CSBG eligible entity will provide, on an emergency basis, for the provision of such supplies and services, nutritious foods, and related services, as may be necessary to counteract conditions of starvation and malnutrition among low-income individuals. Most CSBG eligible entities work with either a local food pantry or the food bank to provide food in these circumstances. If there are no other resources available, then CSBG funds are utilized to provide nutritional support.]

State and Eligible Entity Coordination/linkages and Workforce Innovation and Opportunity Act Employment and Training Activities

- 14.5. 676(b)(5)** Describe how the State will assure “that the State and eligible entities in the State will coordinate, and establish linkages between, governmental and other social services programs to assure the effective delivery of such services, and [describe] how the State and the eligible entities will coordinate the provision of employment and training activities, as defined in section 3 of the Workforce Innovation and Opportunity Act, in the State and in communities with entities providing activities through statewide and local workforce development systems under such Act.”

Note: The Department describes this assurance in the State Linkages and Communication section, items 9.1, 9.2, 9.3a, 9.4, 9.4a, and 9.4b.

[No response; links to items 9.1, 9.2, 9.3a, 9.4, 9.4a, and 9.4b]

State Coordination/Linkages and Low-income Home Energy Assistance

- 14.6. 676(b)(6)** Provide “an assurance that the State will ensure coordination between antipoverty programs in each community in the State, and ensure, where appropriate, that emergency energy crisis intervention programs under title XXVI (relating to low-income home energy assistance) are conducted in such community.”

Note: The Department describes this assurance in the State Linkages and Communication section, items 9.2 and 9.5.

[No response; links to 9.2 and 9.5]

Federal Investigations

- 14.7. 676(b)(7)** Provide “an assurance that the State will permit and cooperate with Federal investigations undertaken in accordance with section 678D.”

Note: the Department addresses this assurance in the Fiscal Controls and Monitoring section, item 10.13.

[No response; links to 10.13]

Funding Reduction or Termination

- 14.8. 676(b)(8)** Provide “an assurance that any eligible entity in the State that received funding in the previous fiscal year through a community services block grant made under this subtitle will not have its funding terminated under this subtitle, or reduced below the proportional share of funding the entity received in the previous fiscal year unless, after providing notice and an opportunity for a hearing on the record, the State determines that cause exists for such termination or such reduction, subject to review by the Secretary as provided in section 678C(b).”

Note: the Department addresses this assurance in the Fiscal Controls and Monitoring section, item 10.7.

[No response; links to 10.7]

Coordination with Faith-based Organizations, Charitable Groups, Community Organizations

- 14.9. 676(b)(9)** Describe how the State will assure “that the State and eligible entities in the State will, to the maximum extent possible, coordinate programs with and form partnerships with other organizations serving low-income residents of the communities and members of the groups served by the State, including religious organizations, charitable groups, and community organizations.”

Note: the Department describes this assurance in the State Linkages and Communication section, item 9.6.

[No response; links to 9.6]

Eligible Entity Tripartite Board Representation

- 14.10. 676(b)(10)** Describe how “the State will require each eligible entity in the State to establish procedures under which a low-income individual, community organization, or religious organization, or representative of low-income individuals that considers its organization, or low-income individuals, to be inadequately represented on the board (or other mechanism) of the eligible entity to petition for adequate representation.”

Note: the Department describes this assurance in the Eligible Entity Tripartite Board section, 11.3

[No response; links to item 11.3]

Eligible Entity Community Action Plans and Community Needs Assessments

14.11. 676(b)(11) Provide “an assurance that the State will secure from each eligible entity in the State, as a condition to receipt of funding by the entity through a community services block grant made under this subtitle for a program, a community action plan (which shall be submitted to the Secretary, at the request of the Secretary, with the State plan) that includes a community-needs assessment for the community served, which may be coordinated with community-needs assessments conducted for other programs.”

[No response; links to items 13.5 and 13.6]

State and Eligible Entity Performance Measurement: ROMA or Alternate system

14.12. 676(b)(12) Provide “an assurance that the State and all eligible entities in the State will, not later than fiscal year 2001, participate in the Results Oriented Management and Accountability System, another performance measure system for which the Secretary facilitated development pursuant to section 678E(b), or an alternative system for measuring performance and results that meets the requirements of that section, and [describe] outcome measures to be used to measure eligible entity performance in promoting self-sufficiency, family stability, and community revitalization.”

Note: The Department describes this assurance in the ROMA section, items 13.1, 13.2, 13.3, and 13.4.

[No response; links to 13.1, 13.2, 13.3, and 13.4]

Validation for CSBG Eligible Entity Programmatic Narrative Sections

14.13. 676(b)(13) Provide “information describing how the State will carry out the assurances described in this section.”

Note: The Department provides information for each of the assurances directly in section 14 or in corresponding items throughout the State Plan, which are included as hyperlinks in section 14.

[No response for this item]

By checking this box, the State CSBG authorized official is certifying the assurances set out above.

SECTION 15

Federal Certifications

The box after each certification must be checked by the State CSBG authorized official.

15.1 Lobbying

Certification for Contracts, Grants, Loans, and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- (3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Statement for Loan Guarantees and Loan Insurance

The undersigned states, to the best of his or her knowledge and belief, that:

If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this

commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions. Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

By checking this box, the State CSBG authorized official is providing the certification set out above.

15.2 Drug-Free Workplace Requirements

This certification is required by the regulations implementing the Drug-Free Workplace Act of 1988: 45 CFR Part 76, Subpart, F. Sections 76.630(c) and (d)(2) and 76.645 (a)(1) and (b) provide that a Federal agency may designate a central receipt point for STATE-WIDE AND STATE AGENCY-WIDE certifications, and for notification of criminal drug convictions. For the Department of Health and Human Services, the central point is: Division of Grants Management and Oversight, Office of Management and Acquisition, Department of Health and Human Services, Room 517-D, 200 Independence Avenue, SW Washington, DC 20201.

Certification Regarding Drug-Free Workplace Requirements (Instructions for Certification)

- (1) By signing and/or submitting this application or grant agreement, the grantee is providing the certification set out below.
- (2) The certification set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. If it is later determined that the grantee knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, the agency, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.
- (3) For grantees other than individuals, Alternate I applies.
- (4) For grantees who are individuals, Alternate II applies.
- (5) Workplaces under grants, for grantees other than individuals, need to be identified on the certification. If known, they may be identified in the grant application. If the grantee does not identify the workplaces at the time of application, or upon award, if there is no application, the grantee must keep the identity of the workplace(s) on file in its office and make the information available for Federal inspection. Failure to identify all known workplaces constitutes a violation of the grantee's drug-free workplace requirements.
- (6) Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant takes place. Categorical descriptions may be used (e.g., all vehicles of a mass transit authority or State highway department while in operation, State employees in each local unemployment office, performers in concert halls or radio studios).

- (7) If the workplace identified to the agency changes during the performance of the grant, the grantee shall inform the agency of the change(s), if it previously identified the workplaces in question (see paragraph five).
- (8) Definitions of terms in the Nonprocurement Suspension and Debarment common rule and Drug-Free Workplace common rule apply to this certification. Grantees' attention is called, in particular, to the following definitions from these rules:

Controlled substance means a controlled substance in Schedules I through V of the Controlled Substances Act (21 U.S.C. 812) and as further defined by regulation (21 CFR 1308.11 through 1308.15);

Conviction means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes;

Criminal drug statute means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance;

Employee means the employee of a grantee directly engaged in the performance of work under a grant, including: (i) All direct charge employees; (ii) All indirect charge employees unless their impact or involvement is insignificant to the performance of the grant; and, (iii) Temporary personnel and consultants who are directly engaged in the performance of work under the grant and who are on the grantee's payroll. This definition does not include workers not on the payroll of the grantee (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the grantee's payroll; or employees of subrecipients or subcontractors in covered workplaces).

Certification Regarding Drug-Free Workplace Requirements

Alternate I. (Grantees Other Than Individuals)

The grantee certifies that it will or will continue to provide a drug-free workplace by:

- (a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
- (b) Establishing an ongoing drug-free awareness program to inform employees about - -
 - (1) The dangers of drug abuse in the workplace;
 - (2) The grantee's policy of maintaining a drug-free workplace;
 - (3) Any available drug counseling, rehabilitation, and employee assistance programs; and

- (4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
- (c) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
- (d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will - -
 - (1) Abide by the terms of the statement; and
 - (2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
- (e) Notifying the agency in writing, within 10 calendar days after receiving notice under paragraph (d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
- (f) Taking one of the following actions, within 30 calendar days of receiving notice under paragraph (d)(2), with respect to any employee who is so convicted - -
 - (1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - (2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
- (g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e) and (f).

The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

Place of Performance (Street address, city, county, state, zip code) **[Narrative:**

Texas Department of Housing and Community Affairs

221 East 11th Street

Austin, Travis County, Texas 78701-2410]

Check if there are workplaces on file that are not identified here.

Alternate II. (Grantees Who Are Individuals)

- (a) The grantee certifies that, as a condition of the grant, he or she will not engage in the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance in conducting any activity with the grant;
- (b) If convicted of a criminal drug offense resulting from a violation occurring during the conduct of any grant activity, he or she will report the conviction, in writing, within 10 calendar days of the conviction, to every grant officer or other designee, unless the Federal agency designates a central point for the receipt of such notices. When notice is made to such a central point, it shall include the identification number(s) of each affected grant.

[55 FR 21690, 21702, May 25, 1990]

- By checking this box, the State CSBG authorized official is providing the certification set out above.

15.3 Debarment

CERTIFICATION REGARDING DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS

Certification Regarding Debarment, Suspension, and Other Responsibility Matters - -

Primary Covered Transactions

Instructions for Certification

- (1) By signing and submitting this proposal, the prospective primary participant is providing the certification set out below.
- (2) The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
- (3) The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

- (4) The prospective primary participant shall provide immediate written notice to the department or agency to which this proposal is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
- (5) The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the department or agency to which this proposal is being submitted for assistance in obtaining a copy of those regulations.
- (6) The prospective primary participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.
- (7) The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusive-Lower Tier Covered Transaction," provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
- (8) A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Nonprocurement Programs.
- (9) Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
- (10) Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

Certification Regarding Debarment, Suspension, and Other Responsibility Matters - -

Primary Covered Transactions

- (1) The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
 - (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency;
 - (b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - (c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
 - (d) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.
- (2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - - Lower Tier Covered Transactions

Instructions for Certification

- (1) By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.
- (2) The certification in this clause is a material representation of fact upon which reliance was
- (3) placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

- (4) The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or had become erroneous by reason of changed circumstances.
- (5) The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meaning set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.
- (6) The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
- (7) The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
- (8) A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from covered transactions, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Nonprocurement Programs.
- (9) Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
- (10) Except for transactions authorized under paragraph five of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - - Lower Tier Covered Transactions

- (1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
- (2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

By checking this box, the State CSBG authorized official is providing the certification set out above.

15.4 Environmental Tobacco Smoke

Public Law 103227, Part C Environmental Tobacco Smoke, also known as the Pro Children Act of 1994, requires that smoking not be permitted in any portion of any indoor routinely owned or leased or contracted for by an entity and used routinely or regularly for provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan, or loan guarantee. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug or alcohol treatment. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1000 per day and/or the imposition of an administrative compliance order on the responsible entity by signing and submitting this application the applicant/grantee certifies that it will comply with the requirements of the Act.

The applicant/grantee further agrees that it will require the language of this certification be included in any subawards which contain provisions for the children's services and that all subgrantees shall certify accordingly.

By checking this box, the State CSBG authorized official is providing the certification set out above.

ATTACHMENTS

DRAFT

Attachment A
Response to Question 10.2 Monitoring Policies

Compliance Division
Community Affairs Monitoring Section
Standard Operating Procedures

1.0 Risks and Control Objectives

- 1.1 The risks associated with not having an SOP for Assignments and Risk Assessments and the control objectives to ensure that those risks are minimized, are illustrated in the following table:

Risks	Control Objectives
The risks associated with not having an SOP for monitoring procedures are that that monitoring reviews may not be conducted or be conducted in a consistent manner and within the requirements of the Department and/or Federal requirements.	This SOP will minimize the risks described by providing a comprehensive process for a monitoring risk assessment, monitoring assignment and for the completion of monitoring reports and responses.

2.0 Policy

- 2.1 It is the requirement of the Texas Department of Housing and Community Affairs and its Compliance Division to perform monitoring functions of federal and state funds, in a consistent manner that is compliant with Department and Funding source requirements. The Chief of Compliance oversees four (4) monitoring sections within the Compliance Division, one (1) of which is the Community Affairs Monitoring section. The Community Affairs Monitoring Manager manages the section of employees that monitor the four (4) programs that are administered by the Community Affairs Division of the Department.

3.0 General

- 3.1 Abbreviations
- A. Texas Department of Housing and Community Affairs – Department
 - B. Community Affairs Division – CAD
 - C. Compliance Division - Compliance
 - D. Compliance Division Community Affairs Monitoring Section - CMCA
 - E. Community Affairs Monitoring Manager – CMCA Manager

- F. Community Affairs Compliance Monitor – Compliance Monitor or Monitor
- G. Community Affairs Division program awardees (Non-profit corporations, Counties, Cities, Council of Government's) – Subrecipient
- H. Weatherization Assistance Program – WAP
- I. Comprehensive Energy Assistance Program – CEAP
- J. Community Services Block Grant - CSBG
- K. Department of Energy – DOE
- L. Low Income Housing and Energy Assistance Program – LIHEAP
- M. LIHEAP Weatherization Assistance Program – LI-WAP
- N. Quality Control Inspector - QCI

3.2 Purpose

- A. This SOP describes the Community Affairs Monitoring Section's methodology for monitoring Subrecipients.
- B. To comply with Department rules on the administration on program funds.
- C. To comply with Federal Funding source requirements for administering program funds.
- D. It establishes consistent processes and procedures when monitoring CAD programs.
- E. Monitoring activities are planned to focus on areas of highest risk and to help ensure the most effective use of monitoring resources.
- F. To ensure the CMCA Compliance Monitors completed monitoring reports and responses within a designated time frame to ensure Subrecipients address any corrective actions in a timely manner.
- G. To ensure monitoring responses are reviewed to ensure corrective actions were completed.

4.0 Responsibilities

- 4.1 The CMCA section is responsible for ensuring the CSBG, CEAP and WAP programs are administered and funds are expended in accordance with contract provisions and applicable State and Federal rules, regulations, policies, and related statutes.
- 4.2 The CMCA Manager will develop a monitoring schedule that identifies the Subrecipients that are to be monitored.
- 4.3 According to individual program requirements and/or standards, the CMCA section will develop a list of specific compliance requirements to be reviewed. The section will also develop a methodology to review each compliance requirement consistently.
- 4.4 The CMCA section will perform the respective monitoring to determine Subrecipient compliance.

- 4.5 The CMCA section will notify the CMCA Manager and/or Chief of Compliance if a finding or concern of fraud, waste and/or abuse were noted during a Subrecipient's monitoring.
- 4.6 Within 30 days of the completion of the monitoring, the CMCA section will develop a report or correspondence, for the Subrecipient, reflecting the results of the monitoring.
- 4.7 The CMCA section will address the Subrecipient's response to the report and/or close out the monitoring process.
- 4.8 The CMCA section will notify and work with the CAD Training section to address any findings consistent within the Subrecipient network.

5.0 Subrecipient Monitoring Selection

- 5.1 The CMCA section will complete a Subrecipient monitoring review schedule, at least once each year. The schedule will identify the month or quarter in which the Subrecipient will be monitored.
- 5.2 The CMCA section utilizes the most efficient use of its travel and monitoring budget, as its methodology in developing the Subrecipient monitoring review schedule. The schedule takes into account the program contract periods and may require Compliance Monitors to review multiple programs during the review.
- 5.3 The Department's schedule is used as a planning tool and is subject to change. The CMCA Section may encounter situations that arise and cause Subrecipients to be monitored in a different month than what is identified in the schedule. These situations may include:
 - 1. Subrecipient and who may not or have not met the minimum on-site monitoring threshold.
 - 2. Monitor(s) attempt to schedule a monitoring and provides proposed monitoring dates. However, the Subrecipient is unable to accommodate the monitoring during the proposed dates.
 - 4. The Department receives fraud, waste and/or abuse concerns against a Subrecipient.
 - 5. The Department receives a credible complaint against a Subrecipient.
- 5.4 As needed, the Compliance Division will also factor in the results of a Subrecipient's prior monitoring review and/or Single Audit findings when determining the monitoring schedule. Subrecipient's with prior and/or repetitive monitoring and/or Single Audit findings are a priority to be monitored.
- 5.5 At a minimum:
 - A. DOE Subrecipients will be monitored at least once each year (July-June);

B. LIHEAP Subrecipients will be monitored at least once every three (3) years (Triennial).

C. CSBG Subrecipients will be monitored at least once every three (3) years (Triennial).

6.0 Determining Compliance Requirements

- 6.1 The CMCA section will review Subrecipient's compliance with program requirements, contract provisions and Federal, State, local government rules and regulations.
- A. The CMCA section will determine compliance on specific contract provisions, rules, regulations and/or program requirements are most applicable to be reviewed or required to be reviewed by the funding source. The CMCA section will verify if the Subrecipients have complied with the requirements. The CMCA section will utilize a monitoring tool (instrument) that identifies the areas of compliance that will be reviewed. The monitoring tool will have a methodology to reflect the process used to determine compliance of each selected contract provision, rule, regulation and/or requirement.
 - B. The monitoring tool will be in electronic format and the CMCA section will enter the selected compliance requirements into the document.
 - C. The monitoring tool will also be maintained on a paper copy in the instance(s) where the electronic format is not functioning or available.
- 6.2 The monitoring tool and the list of compliance requirements that are to be reviewed may be revised, updated, or changed from period to period due to program, legislative and/or budget changes.
- A. The listed monitoring tool is reviewed on a continual basis, during the federal fiscal year or Subrecipient program year (as applicable), to account for changes in rules and/or program requirements.

7.0 Monitoring Announcement

- 7.1 After it has been determined which Subrecipients will be monitored, the CMCA Manager will assign monitors, to the Subrecipients who will be monitored. The CMCA Manager will determine the method of distributing the Subrecipients to the Monitors.
- 7.2 The Monitor will contact each of the assigned Subrecipients and schedule future on-site monitoring. The Monitor will make every attempt to provide the Subrecipient with a minimum of 30 days notice prior to the visit.

- A. On occasions, the monitoring may occur with fewer than 30 days notice. Situations that may warrant a monitoring occurring with fewer than 30 days notice include:
1. The Subrecipient notifies the Department that it is not able to be monitored the proposed week and chooses the monitoring date.
 2. The Department receives credible fraud, waste and/or abuse concerns against a Subrecipient requiring little to no notice of the monitoring.
 3. The Department receives a credible complaint against a Subrecipient requiring little to no notice of the monitoring.
- 7.3 After the monitoring date has been confirmed, the Monitor will complete a Monitoring Announcement letter. The CMCA Manager is responsible for creating and periodically updating a standard announcement letter to be used to announce an onsite visit. The Monitor is responsible for using the standard letter.
- 7.4 When the announcement letter has been completed, the document will be scanned and saved to the Subrecipient's respective Monitoring file and computerized Monitoring Software.
- 7.5 If a Subrecipient has an email address, the scanned version will be emailed and the original document will be mailed to the Subrecipient. If applicable, a copy of the announcement letter will be sent to appropriate individuals.
- 7.6 The Monitoring Announcement letter should be sent to the Subrecipient as soon as the monitoring dates have been set, but no less than two (2) weeks prior to the monitoring.
- 7.7 In some instances a Monitoring Announcement letter may be submitted less than two (2) weeks from the scheduled monitoring. This may occur when 7.2 A (1) is met.
- 7.8 In some instances a Monitoring Announcement letter may not be submitted to the Subrecipient prior to the monitoring. This may occur when 7.2 A (2) and (3) are met.

8.0 Performing the On-site Monitoring

- 8.1 The CMCA section will utilize electronic monitoring tool to review the selected compliance requirements and to document the Subrecipients compliance with the specific requirement.
- 8.2 If the appropriate Subrecipient staff is available, the Monitor will have an Entrance Conference prior to the start of the monitoring. In the Entrance Conference the Monitor will provide a brief summary of the on-site monitoring process and/or the on-site monitoring plan. The Monitor will also utilize this time to answer Subrecipient questions that are specific to the monitoring and/or the programs.
- 8.4 After the Entrance conference, the Monitor will review the compliance requirements and perform the methodology to determine compliance with the selected requirements. The

monitor will complete each question and section of the selected compliance requirements on electronic testing documents. The CMCA section will document the reason for the inability to verify any of the selected compliance requirements.

A. Weatherization Assistance Program (“WAP”) Monitorings- may be performed as a Full Monitoring or as a Unit Inspection.

1. A Full WAP Monitoring will consist of the Compliance Monitor performing a review to determine compliance with Financial and Expenditure requirements, Administrative requirements, client eligibility requirements and performing an inspection of weatherized units.
 - a. The monitoring tool
2. Unit Inspection monitoring consists of the Compliance Monitor reviewing weatherization client files for compliance and eligibility requirements and performing an inspection of the weatherized unit.
3. Client file reviews and Unit Inspections will vary according to the funding source used to weatherize the unit. When units are weatherized with LIHEAP funding only, the Compliance Monitor will review the weatherized work based on an established Priority Rating sheet. When units are weatherized with DOE funding only, or with DOE and LIHEAP funds only, the Compliance Monitor will review the weatherized work based of an approved Energy Audit. Compliance Monitors will be required to have all applicable field tests performed during the Unit Inspection. The Compliance Monitor may choose to perform the field test themselves or supervise a Subrecipient’s performance of the field test. The Compliance Monitor must document the results of the field tests.
4. The Compliance Monitor will utilize the following as a guide when determining the number of units to inspect. The actual number of units inspected will vary according to the various programs being monitored during the same visit.
 - a. When a Compliance Monitor is conducting a full monitoring during a single visit, the Compliance Monitor will perform a minimum of:
 - i. five (5) unit inspections when there is more than one (1) program being monitored;
 - ii. eight (8) unit inspections when there are no other programs being monitored.
 - b. When a Compliance Monitor is conducting a Unit Inspection Monitoring during a single visit, the Compliance Monitor will perform a minimum of:
 - i. eight (8) unit inspections when there is more than one (1) program being monitored;
 - ii. twelve (12) unit inspections when there are no other programs being monitored.
 - c. A Compliance Monitor may not be able to monitor the minimum number of weatherized units if:
 - i. the Subrecipient does not have enough completed weatherized units;

ii. the geographical location of the weatherized homes prohibits the ability to inspect units;

iii. inclement weather persists.

5. The CMCA Section will be required to monitor a minimum of 5% of all completed weatherized units (at the time of the monitoring) that are funded by DOE and inspected by a QCI who was not involved in the assessment of the weatherized unit. The CMCA Section will monitor a minimum of 10% of all completed weatherized units (at the time of the monitoring) that were inspected by a QCI that was involved in the assessment of the weatherized unit. The CMCA section will utilize the monitoring tracking database to track the number of units that have been inspected. The Department will also review Monthly Expenditure Reports to track the number of total completed units and will adjust the monitoring schedule to ensure that it meets the minimum number of units inspected.

B. Community Services Block Grant

1. A CSBG Monitoring review will consist of the Compliance Monitor performing a review to determine compliance with Financial and Expenditure requirements, Administrative requirements, client eligibility requirements and Organizational Standards.

1. The monitoring tool's methodology identifies the minimum number of expenditures and client files to review.

C. Comprehensive Energy Assistance Program

2. A CEAP Monitoring review will consist of the Compliance Monitor performing a review to determine compliance with Financial and Expenditure requirements, Administrative requirements and client eligibility requirements.

3. The monitoring tool's methodology identifies the minimum number of expenditures and client files to review.

8.5 When the respective methodology is not enough to determine compliance, the Monitor will make every effort to determine if the requirement is compliant. This may require the Monitor to perform additional testing, request additional information or clarification from Subrecipient staff and/or request assistance from peer Monitors, CA Division staff, the CMCA Manager or the Chief of Compliance.

8.6 The Monitor will obtain and maintain the appropriate documentation to justify any finding, disallowed and/or questioned cost.

8.7 Prior to the Exit Conference and time permitting, the Monitor will make every effort to inform Subrecipient staff of any issues and findings. The Monitor may provide technical assistance to address the issues and/or findings and to provide the appropriate corrective action for the Subrecipient to become compliant with the specific requirement.

8.8 If the Monitor is unable to provide Technical Assistance, the Monitor will notify the CA Trainers of the Subrecipient's need for Training and/or Technical Assistance.

- 8.9. If the Monitor is unable to complete the monitoring during the specified period, the Monitor must notify the CMCA Manager of the circumstance(s) that resulted in the inability to complete the monitoring. The CMCA manager will determine the appropriate course of action to complete the monitoring. The Monitor must notify the Subrecipient that additional time is required to complete the monitoring and of the course of action that was determined by the CMCA Manager. The inability to complete the monitoring and the course of action must be documented in the computerized Monitoring Software or the Monitoring Instrument.
- 8.10 Time permitting and if the appropriate Subrecipient staff are available, the Monitor will make every attempt to provide the Subrecipient with an on-site Exit Conference. The Exit Conference is intended to explain, to the Subrecipient, the preliminary results of the monitoring. In some situations the Subrecipient may be provided a few days to submit documentation, if the documentation was not readily available during the onsite visit. In this situation, an Exit conference may not be conducted on-site.
- 8.11 If an on-site exit conference cannot be completed, the Monitor will schedule an Exit conference via conference call. The call will typically occur within 5 business days from the last day the monitoring.
- 8.12 The Monitor(s) will create electronic copies of all applicable monitoring documents and/or Finding support documentation obtained during the review. The Monitor will save the electronic copies to the electronic testing documents and/or to the Subrecipient's respective monitoring folder.

9.0 Monitoring Report

- 9.1 The Monitor(s) will be required to develop a report, detailing the results of the monitoring. Each Monitoring Report will contain general program information and/or a brief description of the monitoring process that was performed. If applicable, the monitoring report will contain:
- A. Finding
 - 1 A brief and concise description of the lack of compliance of a specific program requirement;
 - 2. A brief description of the program requirement;
 - 3. A description of any disallowed or questioned cost; and
 - 4. The respective reference for program compliance.
 - B. Action Required

1. A brief requirement for the Subrecipient to meet;
 2. A requirement for the Subrecipient to complete a specific action to resolve the finding;
 3. A requirement for the Subrecipient to provide a reimbursement, documents, an assurance and/or a response to the monitoring report.
- C. If there were findings of noncompliance, a 30 calendar day corrective action deadline. If there were no Findings or Required Action, the Monitoring Report will reflect that no response is required and that the Monitoring Review is considered closed.
- 9.2 Monitors are expected to, on average, complete monitoring letters within 30 calendar days from the last day of the onsite visit. However, DOE-WAP monitoring letters must be completed within 30 calendar days.
- 9.3 The Monitor(s) will make an electronic copy of the Monitoring Report and save the copy to the Subrecipient's respective monitoring file and to the computerized Monitoring Software. If a Subrecipient has an email address, the scanned version will be emailed and the original document will be mailed to the Subrecipient.
- 9.4 At a minimum, the Monitor will send the original copy of the Monitoring Report to the Subrecipient and a copy of the report to the Subrecipient's Board Chair or the assigned Board representative.
- 9.5 The date the monitoring report is considered complete and submitted to the Subrecipient, is when the report is emailed or mailed to the Subrecipient.

10.0 Response to the Monitoring Report

- 10.1 The Subrecipient will be provided a 30 day corrective action period which can be extended for good cause by the Chief of Compliance.
- 10.2 The Monitor(s) is responsible for tracking corrective action due dates. If the Department has not received the Subrecipient's response, the Monitor(s) will submit a letter to the Subrecipient, notifying them of the delinquent response. The Monitor will document that a letter was sent to the Subrecipient, in the "Notes" area of the Monitoring Tracking System.
- 10.3 If the Subrecipient's response is submitted as a paper document, the Monitor will make an electronic copy of the response. The Monitor will then save the copy to the Subrecipient's respective Monitoring File.
- 10.4 The Monitor(s) will review the Subrecipient's response to the report for compliance with the specific Finding's required action and program rules, regulations and requirements.

- 10.5 Within 45 business days of the receipt of the response, the Monitor(s) will provide correspondence to the Subrecipient addressing each Finding and/or required action. For each Finding, the monitor(s) will:
- A. Briefly state the Finding that occurred;
 - B. The Subrecipient's response and/or documentation;
 - C. Any concern or question posed in the Subrecipient's response;
 - D. The results of the Department's review of the response and/or documentation;
 - E. Necessary information to address the Subrecipient's concern or question;
 - F. If the response and/or documentation is acceptable to resolve the Finding;
 - G. If the Finding is resolved;
 - H. If applicable, the Finding is closed;
 - i. A Finding will not be considered resolved, but closed when the Department believes the Subrecipient's required action is not obtainable. The Subrecipient will no longer be required to complete the required action.
 - ii. The Department should consider the efforts the Subrecipient made to resolve the Finding.
 - iii. A "Closed" Finding will not be used on the Required Action of a Subrecipient to reimburse the Department for disallowed expenditures.
 - I. If applicable, the required action to resolve the Finding.
 - J. Provide the Subrecipient 30 calendar days from the date of the letter, to respond to any unresolved Findings and/or required actions.
- 10.6 The Monitor(s) will make an electronic copy of the document addressing the Subrecipient's response to the report. The Monitor will save the copy to the Subrecipient's respective monitoring file and to the computerized Monitoring Software. If a Subrecipient has an email address, the scanned version will be emailed and the original document will be mailed to the Subrecipient. If applicable, a copy of the document will be sent to appropriate individuals.
- 10.7 If the Subrecipient's response did not resolve the Findings and/or required actions of the monitoring report, the Monitor(s) will keep abreast of the Subrecipient's 30 day response period. If the Department has not received the Subrecipient's response, the Monitor(s) will submit a letter to the Subrecipient, notifying them of the delinquent response. The Monitor will document that a letter was sent to the Subrecipient, in the "Notes" area of the Monitoring Tracking System.

- 10.8 When the Subrecipient submits the response from 10.7, the Monitor(s) will continue at 10.2 of the Monitoring SOP. If the Monitor completes Section 10.5 of the SOP and determines the Subrecipient's response to Finding(s) and/or required action(s) to remain unresolved, the Monitor will continue with 10.6 and 10.7 of the SOP. However, the Monitor will utilize a 10 calendar day response period for the Subrecipient to resolve the Finding(s) and/or required action(s). If the Department has not received the Subrecipient's response, the Monitor(s) will submit a letter to the Subrecipient, notifying them of the delinquent response. The Monitor will document that a letter was sent to the Subrecipient, in the "Notes" area of the Monitoring Tracking System.
- 10.9 Similarly, when the Subrecipient submits the response from 10.8, the Monitor(s) will continue at 10.2 of the Monitoring SOP. If the Monitor completes Section 10.5 of the SOP and determines the Subrecipient's response to Finding(s) and/or required action(s) to remain unresolved, the CMCA Manager will notify the Chief of Compliance. The Chief of Compliance may determine if the matter should be referred to the Department's Enforcement Committee in accordance with Department Rules and SOPs.
- 10.10 If a Subrecipient has submitted its second response and is still not able to comply with the required action(s), the Monitor(s) will note in its subsequent correspondence that the Subrecipient is able to request a meeting with the Department's Compliance committee. The Subrecipient may request the committee to review the validity of the Finding or to appeal the required action.
- A. The Subrecipient must include in its subsequent response that it request a meeting with the Compliance committee.
 - B. Once the request has been received, the Department will follow the rules and the SOP's pertaining to the Compliance committee.

APPROVAL:

Attachment B

Documentation related to Question 1.3 Designation Letter



OFFICE OF THE GOVERNOR

rick perry
GOVERNOR

August 27, 2001

The Honorable Tommy G. Thompson
Secretary of Health and Human Services
U.S. Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, D.C. 20201

Dear Mr. Secretary:

In accordance with Texas Government Code, Section 2306.092(11), I hereby designate the Texas Department of Housing and Community Affairs as the lead agency for administration of the Community Services Block Grant (CSBG) program in the State of Texas. The executive director of said department is authorized to make assurances of certification which may be required as part of the annual CSBG application process.

In accordance with 42 U.S.C. 9909 (CSBG Act), the Office of the Governor retains authority to designate an eligible entity to serve any geographic area of the state that ceases to be served by an existing eligible entity.

This designation shall remain in full force and effect until modified or rescinded by Federal or State statute, or by the Chief Elected Official of this state.

Sincerely,

A handwritten signature in black ink that reads "Rick Perry". The signature is written in a cursive, slightly slanted style.

Rick Perry
Governor

RP:phk

Attachment C

Documentation related to Question 4.4

Public and Legislative Hearings

JOHN OTTO
CHAIRMAN



SYLVESTER TURNER
VICE-CHAIRMAN

**TEXAS HOUSE OF REPRESENTATIVES
COMMITTEE ON APPROPRIATIONS**

AGENDA

SUBCOMMITTEE ON ARTICLES VI, VII, & VIII

LARRY GONZALES, CHAIR

WEDNESDAY, FEBRUARY 18, 2015

07:30 A.M. E1.026

I. CALL TO ORDER

II. CHAIR'S OPENING REMARKS

III. BOARD OF DENTAL EXAMINERS

- Trevor Whitney, Budget Analyst, Legislative Budget Board
- Julie Hildebrand, Executive Director
- Irma Rodriguez, Director of Finance and Administration

IV. DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

- Jordan Smith, Budget Analyst, Legislative Budget Board
- Timothy K. Irvine, Executive Director
- Joe Garcia, Executive Director, TDHCA Manufactured Housing Division

V. TEXAS LOTTERY COMMISSION

- Eduardo Rodriguez, Budget Analyst, Legislative Budget Board
- Lisa Collier, First Assistant State Auditor, & Kelley Ngaide, Project Manager, State Auditor's Office, *An Audit Report on the LatinWorks Marketing Contract at the Texas Lottery Commission*
- Gary Grief, Executive Director
- Alfonso Royal III, Director, Charitable Bingo Operations Division

VI. DEPARTMENT OF TRANSPORTATION

- Thomas Galvan, Budget Analyst, Legislative Budget Board
- Meredith Melecki, Supervisor, and Joseph Halbert, Analyst, Legislative Budget Board, *Transportation Funding Options*
- Jennifer Fox, Analyst, Legislative Budget Board, *Enhance the Process Used to Remove Nonintegral Roads from the State Highway System*
- Lisa Collier, First Assistant State Auditor, and Cesar Saldivar, Audit Manager, State Auditor's Office, *An Audit Report on Selected Contracts at the Department of Transportation*
- LtGen J.F. Weber, USMC (Ret), Executive Director
- John A. Barton, P.E., Deputy Executive Director
- James Bass, Chief Financial Officer

VII. DEPARTMENT OF MOTOR VEHICLES

- Thomas Galvan, Budget Analyst, Legislative Budget Board
- Tedd Holladay, Analyst, Legislative Budget Board, *Increase the Fee for a Duplicate Motor Vehicle Title to Recover State Costs*
- John Walker III, Board Chairman
- Whitney Brewster, Executive Director
- Linda Flores, Chief Financial Officer

VIII. SPECIAL PROVISIONS RELATING TO ALL BUSINESS AND ECONOMIC DEVELOPMENT AGENCIES

- Eduardo Rodriguez, Budget Analyst, Legislative Budget Board

IX. PUBLIC TESTIMONY

X. ADJOURNMENT

SENATE
NOTICE OF PUBLIC HEARING

COMMITTEE: Finance
TIME & DATE: 9:00 AM, Tuesday, February 24, 2015
PLACE: E1.036 (Finance Room)
CHAIR: Senator Jane Nelson

Any unfinished business will be moved to a later date, to be determined.

Invited Testimony:

Any supporting written materials for the hearing must be provided to the Senate Finance Committee (SFC) 2 full business days before your scheduled hearing day. Please submit 50 copies to the SFC, and 6 copies to the LBB. Agencies should consult the postings regularly and maintain contact with their budget analyst at the Committee.

Public Testimony:

Those wishing to give public testimony, please limit prepared remarks to 3 minutes. If submitting written testimony, please submit 40 copies, with your name on each copy, to the Committee during the hearing.

The afternoon hearing will reconvene 30 minutes after adjournment of the Senate.

LBB presentation documents can be found at:

<http://www.lbb.state.tx.us/BudgetDocs.aspx?Table=Budget&Session=84>

To consider the following:

SB 2 Nelson
General Appropriations Bill.

Article VII - Business and Economic Development

- Department of Housing and Community Affairs
- Department of Motor Vehicles
- Workforce Commission
 - Reimbursements to the Unemployment Compensation Benefit Account
- Lottery Commission

5a

BOARD ACTION REQUEST
MULTIFAMILY FINANCE DIVISION
JUNE 16, 2015

Presentation, Discussion, and Possible Action on Inducement Resolution No. 15-019 for Multifamily Housing Revenue Bonds Regarding Authorization for Filing Applications for Private Activity Bond Authority and Determination regarding Eligibility under 10 TAC §10.101(a)(4) related to Undesirable Neighborhood Characteristics

RECOMMENDED ACTION

WHEREAS, a bond pre-application for Gateway on Clarendon was submitted to the Department for consideration of an inducement resolution;

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

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

WHEREAS, pursuant to 10 TAC §10.101(a)(4) of the Uniform Multifamily Rules related to Undesirable Neighborhood Characteristics, applicants are required to disclose to the Department the existence of certain characteristics of a proposed development site and such disclosure can be made at the time of pre-application;

WHEREAS, the Applicant submitted the required disclosure to the Department timely;
and

WHEREAS, staff has conducted a further review of the proposed development site and surrounding neighborhood;

NOW, therefore, it is hereby

RESOLVED, that the proposed development site is hereby ineligible pursuant to 10 TAC §10.101(a)(4) of the Uniform Multifamily Rules; and

FURTHER RESOLVED, that based on the foregoing Inducement Resolution 15-019 to proceed with the application submission to the BRB for possible receipt of State Volume Cap issuance authority from the 2015 Private Activity Bond Program for Gateway on Clarendon (#15602) is hereby denied.

BACKGROUND

The BRB administers the state’s annual private activity bond authority for the State of Texas. The Department is an issuer of Private Activity Bonds and 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 merely allows the Applicant the opportunity to move into the full application phase of the process. Once the application receives a Certificate of Reservation, the Applicant has 150 days to close on the private activity bonds.

During the 150-day process, the Department will review the complete application for 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, and the complete application, including a transcript from the hearing, will then be presented to the Board for a decision on the issuance of bonds as well as a determination on the amount of housing tax credits anticipated to be allocated to the development.

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 \$594 million is set aside for multifamily until August 15th for the 2015 program year, which includes the TDHCA set aside of approximately \$118 million. Inducement Resolution 15-019 would reserve approximately \$12 million in state volume cap.

General Information: The proposed development is to be located at approximately 1524 and 1526 East Clarendon in Dallas, Dallas County. The application proposes the construction of 139 total units serving the general population. This transaction is proposed to be Priority 3, the lowest priority. The proposed development consists of 100% low income units that will be rent and income restricted at both 50% and 60% of the Area Median Family Income ("AMFI").

The development site is located in a census tract that has a 58.4% poverty rate and is in an urban area, and the Part I violent crimes is 39.83 per 1,000 persons annually. Pursuant to §10.101(a)(4)(B) of the Uniform Multifamily Rules a census tract with a poverty rate above 40% and where the Part I violent crimes is greater than 18 per 1,000 persons annually requires disclosure by the applicant because they constitute undesirable neighborhood characteristics.

Site Analysis: Staff visited the site on April 24, 2015 and June 1, 2015 and found it to be bordered by a public housing development immediately across the street to the north, older single family housing to the west, an affordable multifamily senior development to the south and older single family housing and light industrial to the east. General land use in the area includes a mix of much older single family, light industrial, and some multifamily. The aforementioned housing tax credit development for seniors to the south does not fall within the same census tract as the proposed development. The observed quality and condition of the neighborhood appeared to be in general physical decline. There was blight observed throughout the single family neighborhood to the west of the site and north beyond the public housing development. As evidenced by the pictures included herein, several of the homes were boarded up and the housing tax credit development to the south, which was awarded in 2008, appears to be the last new construction development of any kind in the area. According to Neighborhoodscout.com the median home value in the neighborhood is \$43,594. The neighborhood does not appear to be in transition for imminent growth and future development, despite the fact that the proposed site is located in a Transit Oriented District ("TOD") and is across the street from a DART rail line station, which is the second stop from downtown Dallas. According to the applicant, TOD projects are of the highest priority for the City of Dallas, and this proposed development was one of only 4 out of 19 applicants to receive funding from the City from their Notice of Funding Availability ("NOFA") issued earlier this year. However,

when staff inquired about possible revitalization efforts in the area, the applicant also stated that the area is not a priority for the City in terms of revitalization, and the applicant has not submitted information outside of the TOD that indicates the area is anticipated to undergo growth or meaningful re-development.

The median household income for the Dallas-Fort Worth-Arlington MSA is \$58,356. While an assessment of the percentage of households residing in the census tract with incomes greater than \$60,000 revealed a slight increase over the past five years, from 8% in 2009 to 10% in 2013 (not statistically significant), the percentage of households earning less than \$10,000 has remained high over the 5-year period, ranging from 36% to 45% between 2009 and 2013. The AMFI for the census tract (0041.00) is also very low at \$13,558 compared to \$26,198 in adjacent census tract (0049.00).

Although not required under the rule, staff researched the status of the schools in the area to gain a deeper sense of the neighborhood. The development site is located within the Dallas Independent School District which has a met standard rating and score of 66 on Index 1. However, the middle and high school that would serve the development indicate improvement is required. While the census tract contains a magnet high school, the School for the Gifted and Talented at Yvonne A. Ewell Townview Center, which based on information provided by the applicant, has been named the Number One high school in the United States for the last three years, there is no evidence to suggest that this is the school the children of the development would attend.

Regarding criminal activity in the area, according to Neighborhoodscout.com this area has a rate of Part I violent crimes of 39.83 per 1,000 persons annually. Information provided by the applicant indicates that in 2011 the Dallas Police Department adopted its own measurement system known as the Targeted Area Action Grid (“TAAG”), which identifies geographic hot spots within the city where conditions are favorable for crime to occur. The City has identified 27 hot spots which represent approximately 6% of the city. Based on the location of the proposed development, it is not located within one of these hot spots. Moreover, an editorial from the *Dallas Morning News* dated Friday, May 15, 2015 indicated that much of the increases in major crime have occurred in those hot spots in north Dallas. Data supplied by the applicant based on the Dallas Police interactive map identified 22 incidences of burglaries, theft and assaults from July 2013 to May 2015 that occurred within 1,000 ft of the site, some of which occurred at the nearby DART train station. Information by the Dallas Police Department revealed that over a recent 28-day period there was an overall decrease, compared to this same timeframe last year, in the number of violent crimes reported in the police beat that services the proposed development. It should be noted that this was just one snapshot in time over the prior year and that other 28-day periods may not yield similar results. The rate reported by Neighborhoodscout.com is still concerning and comparatively speaking is more than double the threshold in the rule and is one of the highest that staff has seen considering all of the disclosures submitted under both the 4% and 9% HTC programs.

Some other aspects of the development site worth noting include that although it is near overhead power lines, it is not located within their easement. The proposed site is adjacent to Cedar Creek which lies immediately south of the site. The site includes 4.3 acres and while a portion of the property is in the 100-year floodplain, there will not be any buildings located in the floodplain; instead such portion will be designated as green space. The applicant has indicated they intend to apply to FEMA for a Letter of Map Revision (“LOMR”) to have it removed from the floodplain.

In consideration of the due diligence performed by staff, in conjunction with information provided by the applicant, staff still has concerns with the proposed site. The blight observed in the neighborhood and the observation that there has not been meaningful new development, are not indicators of an area that is in transition for growth. As it relates to the crime rate, staff acknowledges the system implemented by the Dallas Police Department as a mechanism for determining high crime areas and recognizes that there is a decrease overall within the police beat over the prior year for the same time period; however, staff remains concerned over the significantly high rate reported by Neighborhoodscout.com. It is staff's position that the site be determined ineligible based on the aforementioned concerns and belief that the combination thereof will not provide for the best of opportunities for residents of the proposed development. Where there are high poverty, low income, marginal schools, blight, and high crime, staff would expect to see a confluence of efforts to overcome the overall impression, including mitigation and targeted crime reduction and incipient upward mobility through new growth; however, none of these appears to be present.

Public Comment: The Department has not received any letters of support or opposition.

RESOLUTION NO. 15-019

RESOLUTION DECLARING INTENT TO ISSUE MULTIFAMILY REVENUE BONDS WITH RESPECT TO RESIDENTIAL RENTAL DEVELOPMENT; AUTHORIZING THE FILING OF ONE OR MORE APPLICATIONS 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 in one or more series 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 applicable ownership entity and its principals or a related person (the “Owners”) within the meaning of the Internal Revenue Code of 1986, as amended (the “Code”); and

WHEREAS, the Owners have made not more than 60 days prior to the date hereof, payments with respect to the Development and expect to make additional payments in the future and desire that they 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 Owners have indicated their willingness to enter into contractual arrangements with the Department providing assurance satisfactory to the Department that the 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 Owners 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 Owners, 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 one or more Applications for Allocation of Private Activity Bonds or Applications for Carryforward for 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 Governing Board of the Department (the "Board") has determined to declare its intent to issue its multifamily revenue bonds for the purpose of providing funds to the Owners to finance the Development on the terms and conditions hereinafter set forth; NOW, THEREFORE,

BE IT RESOLVED BY THE GOVERNING BOARD OF THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS THAT:

ARTICLE 1

OFFICIAL INTENT; APPROVAL OF CERTAIN ACTIONS

Section 1.1. Authorization of Issue. The Department declares its intent to issue its Multifamily Housing Revenue Bonds (the "Bonds") in one or more series and in amounts estimated to be sufficient to (a) fund a loan or loans to the Owners to provide financing for the respective 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 the respective 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 the respective 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 1.2. 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 1.3. Reimbursement. The Department reasonably expects to reimburse the Owners 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 applicable 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 1.4. Principal Amount. Based on representations of the Owners, the Department reasonably expects that the maximum principal amount of debt issued to reimburse the Owners for the Costs of the Development will not exceed the amount set forth in Exhibit A which corresponds to the applicable Development.

Section 1.5. Limited Obligations. The Owners 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, each Owner will enter into a loan agreement, on terms agreed to by the parties, on an installment payment basis with the Department under which the Department will make a loan to the applicable 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 its 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 1.6. The Development. Substantially all of the proceeds of the Bonds shall be used to finance the Development, which are to be occupied entirely by Eligible Tenants, as determined by the Department, and which are 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 1.7. 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 Owners for costs of its Development.

Section 1.8. 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 Owners 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 1.9. No Commitment to Issue Bonds. Neither the Owners nor any other party is entitled to rely on this Resolution as a commitment to issue the Bonds and to loan funds, and the Department reserves the right not to issue the Bonds either with or without cause and with or without

notice, and in such event the Department shall not be subject to any liability or damages of any nature. Neither the Owners nor any one claiming by, through or under the Owners shall have any claim against the Department whatsoever as a result of any decision by the Department not to issue the Bonds.

Section 1.10. 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 Owners and the Department of contractual arrangements, on terms agreed to by the parties, providing assurance satisfactory to the Department that all requirements of the Act will be satisfied and that the 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 (“Bond Counsel”), 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 1.11. 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 one or more Applications and the issuance of the Bonds, subject to satisfaction of the conditions specified in this Resolution. The Board further authorizes staff, Bond Counsel and other consultants to re-submit an Application that was withdrawn by an Owner.

Section 1.12. 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 Owners.

Section 1.13. 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 1.14. Execution and Delivery of Documents. The Authorized Representatives named in this Resolution are each hereby authorized to execute and deliver all Applications, certificates, documents, instruments, letters, notices, written requests and other papers, whether or not mentioned herein, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution.

Section 1.15. Authorized Representatives. The following persons are hereby named as Authorized Representatives of the Department for purposes of executing, attesting, affixing the Department’s seal to, and delivering the documents and instruments and taking the other actions referred to in this Article 1: the Chair or Vice Chair of the Board, the Executive Director of the Department, the Chief of Staff of the Department, the Deputy Executive Director of Asset Analysis and Management of the Department, the Director of Bond Finance of the Department, the Director of Texas Homeownership of the Department, the Director of Multifamily Finance of the Department, and the Secretary or any Assistant Secretary to the Board. Such persons are referred to herein collectively as the “Authorized

Representatives.” Any one of the Authorized Representatives is authorized to act individually as set forth in this Resolution.

ARTICLE 2

CERTAIN FINDINGS AND DETERMINATIONS

Section 2.1. Certain Findings Regarding Development and Owners. 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 Owners will supply, in their Development, well-planned and well-designed housing for individuals or families of low and very low income and families of moderate income;
- (c) the Owners are 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 Owners.

Section 2.2. 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 2.3. Certain Findings with Respect to the Bonds. 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.

ARTICLE 3

GENERAL PROVISIONS

Section 3.1. 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 3.2. 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 3.3. Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

PASSED AND APPROVED this 16th day of June, 2015.

[SEAL]

By: _____
Chair, Governing Board

ATTEST:

Secretary to the Governing Board

Signature Page to Inducement Resolution

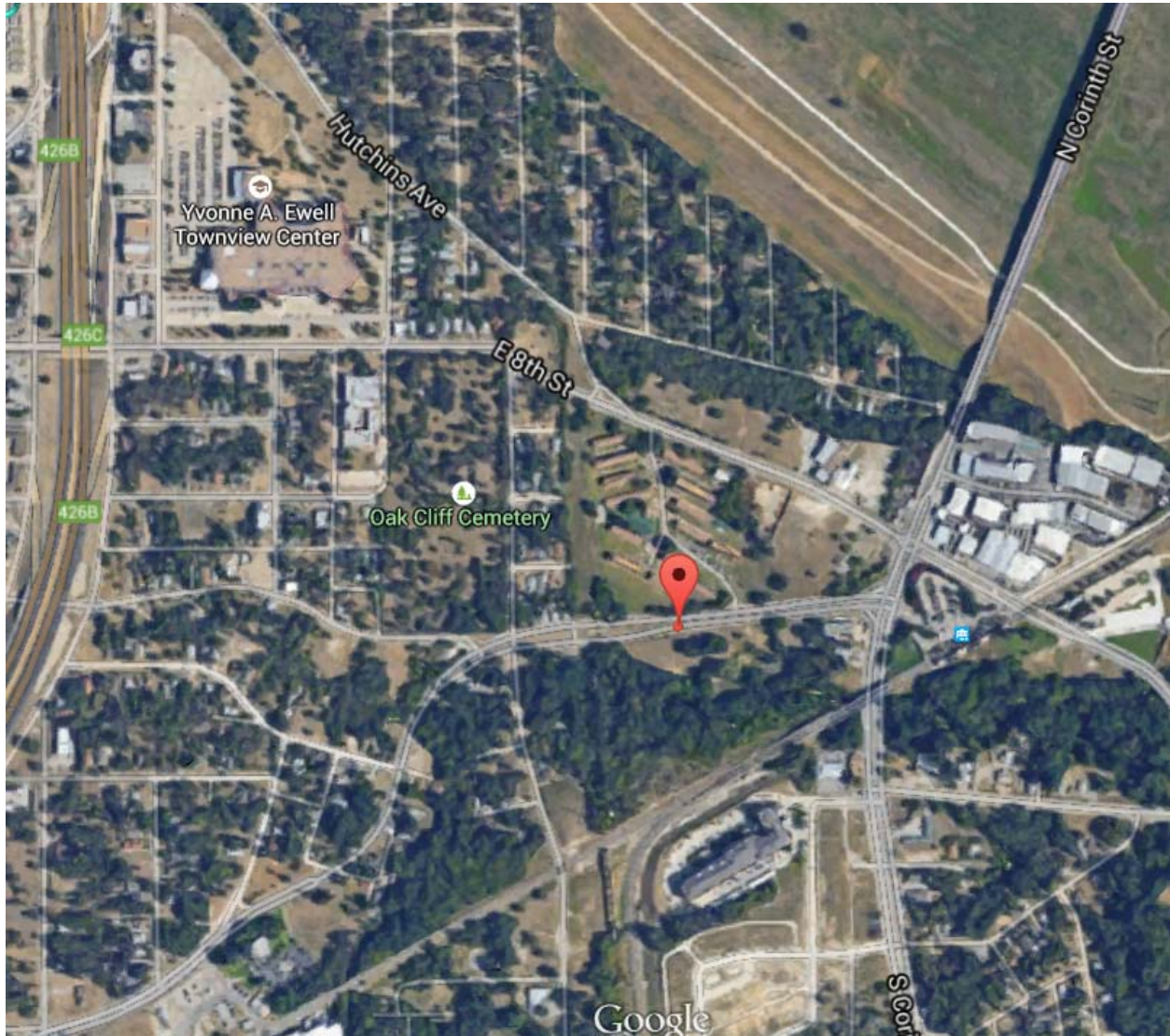
EXHIBIT “A”

Description of the Owner and the Development

Project Name	Owner	Principals	Amount Not to Exceed
Gateway on Clarendon	1526 East Clarendon, LP, a Texas limited partnership	General Partner: 1526 East Clarendon GP, LLC, a Texas limited liability company	\$12,000,000
Costs: Construction of a 139-unit affordable, multifamily housing development to be known as Gateway on Clarendon, to be located at 1524 and 1526 East Clarendon, Dallas, Dallas County, TX 75203.			

Ariel of Proposed Gateway on Clarendon

1526 East Clarendon Drive, Dallas



East Clarendon Drive & Surrounding Streets













2013



2015











5b

BOARD ACTION REQUEST
MULTIFAMILY FINANCE DIVISION
JUNE 16, 2015

Presentation, Discussion, and Possible Action on a Request for the Reissuance of Competitive (9%) Housing Tax Credits to Royal Gardens Mineral Wells (#12174) including any necessary waivers

RECOMMENDED ACTION

WHEREAS, just prior to the close of business on December 31, 2014, the Department received a return of Competitive (9%) Housing Tax Credits in the amount of \$697,774 from Royal Gardens Mineral Wells (#12174);

WHEREAS, the return included a request for the effective date of the return to be December 31, 2014, and asked that the credits be reissued to the same development pursuant to 10 TAC §11.6(5) of the 2015 Qualified Allocation Plan (“2015 QAP”);

WHEREAS, on February 19, 2015, the Board directed staff to consider all credits returned from Royal Gardens Mineral Wells as returned on January 1, 2015 for purposes of reporting to the Internal Revenue Service (“IRS”) in order for the State of Texas to be eligible to receive credit from the National Pool; and

WHEREAS, on March 7, 2015, the Board found that the return of tax credits by the Owner of Royal Gardens Mineral Wells is subject to the 2015 QAP, with regard to the possible reissuance of the credit in accordance with 10 TAC §11.6(5) related to Credit Returns Resulting from Force Majeure Events;

WHEREAS, on March 7, 2015, the Board further found that additional information was needed in order to determine whether Royal Gardens Mineral Wells qualifies for application of the *force majeure* provisions of §11.6(5) of the 2015 QAP and required such information be provided; and

WHEREAS, such information was timely submitted to the Department; and

WHEREAS, staff determined that the Owner of Royal Gardens Mineral Wells has met the requirements of §11.6(5) of the 2015 QAP, related to Credits Returns Resulting from Force Majeure Events

NOW, therefore, it is hereby

RESOLVED, pursuant to §11.6(5) of the 2015 QAP, an annual allocation of \$697,774 in housing tax credits is awarded to Royal Gardens Mineral Wells (to be assigned a new application number)

FURTHER RESOLVED, that the award is subject to timely fulfillment of the conditions listed in the published Underwriting Report as well as a Previous Participation review.

BACKGROUND

An award of \$697,774 in Competitive (9%) Housing Tax Credits to Royal Gardens Mineral Wells (the “Development”) was approved by the Board on July 26, 2012, and staff executed a Carryover Allocation Agreement with the Owner of the Development on December 28, 2012. That Carryover Allocation Agreement included a certification from the Owner that each building for which the allocation was made would be placed in service by December 31, 2014, in order to satisfy the requirements of §42 of the Internal Revenue Code. On April 1, 2014, the Development, which at the time was under construction, was destroyed in a fire. As a result, the owner was unable to meet the December 31, 2014 deadline to place the buildings in service. Subsequently, on December 31, 2014, the Owner submitted a letter to the Department returning the credits.

Section 11.6(2) of the 2014 Qualified Allocation Plan (“2014 QAP”) calls for any credit returned after January 1 and eligible for reallocation to be first returned to the sub-region or set-aside from which the original allocation was made. In addition, §11.6(4) of the 2014 QAP outlines procedures for establishing a Waiting List and making awards to active and eligible application on that list. Typically, Department staff, when receiving credit returns even late in the year, is able to reallocate those credits to applications on that Waiting List, but due to the extremely late date of this return, compounded by its coming in at the close of business, staff was unable to reallocate those credits to the next 2014 Application on the Waiting List. However, these credits are not lost to the state and can be added to the 2015 credit ceiling.

The Owner’s return of credits included a request that the return be effective as of December 31, 2014, and that the credits be reissued to the same Development pursuant to §11.6(5) of the 2015 QAP, related to Credits Returned Resulting from *Force Majeure* Events.

Because this return was made after September 30, 2014, the Department has the discretion, under Treasury Regulation §1.42-14(b)(2)(C)(iii), to consider all or part of this return as having been returned on January 1, 2015 for purposes of reporting to the IRS. At the February board meeting, the Board found that it was in the state’s best interest to consider all of the credit returned as having been returned on January 1, 2015, for purposes of reporting to the IRS, in order to be eligible to receive credit from the National Pool in 2015.

In addition to the Department’s consideration of the returned credit as having been received on January 1, 2015, the Board determined that this return is subject to the 2015 Qualified Allocation Plan (“QAP”), with regard to the possible reissuance of the credit in accordance with 10 TAC §11.6(5) related to Credit Returns Resulting from Force Majeure Events.

However, at that time all of the requirements of the *force majeure* provision of the rule had not been met. The rule calls for evidence that both the Development and Development Owner were properly insured and that the Department’s Real Estate Analysis (“REA”) Division makes a determination that

the Development continues to be financially viable in accordance with the Department's underwriting rules. As of the date of this Board Action Request, and with the information provided to date by the Owner, the REA Division has concluded that the development remains financially feasible. The Owner's representations include a continued commitment to the transaction by the lender and equity partner, a partnership structure which includes a 51% non-profit GP owner, and the Owner's representation that the project is ready to proceed. The REA Division's recommendation includes a condition that an award of tax credits be subject to a closing date of September 15, 2015. This condition has been discussed with and agreed to by the Owner. Staff recommends that, pursuant to §11.6(5) of the 2015 QAP related to Credits Returns Resulting from Force Majeure Events, that \$697,774 in housing tax credits be allocated to Royal Gardens Mineral Wells and that those credits will be considered to have been awarded out of the 2015 credit ceiling.

5c

BOARD ACTION REQUEST
MULTIFAMILY FINANCE DIVISION
JUNE 16, 2015

Presentation, Discussion, and Possible Action on Timely Filed Appeals related to §11.9(c)(6)(A), Development Sites Located in a Colonia

RECOMMENDED ACTION

WHEREAS, several Applications for Competitive (9%) Housing tax Credits were submitted that requested points under 10 TAC §11.9(c)(6), related to Underserved Area;

WHEREAS, of the Applications requesting these points, seven (7) of them are proposing sites located in urban region 11 and are claiming eligibility for the points because the Development Site is located in a Colonia, pursuant to 10 TAC §11.9(c)(6)(A);

WHEREAS, staff issued abbreviated scoring notices to those seven (7) Applicants, denying the points for Underserved Area for each of them;

WHEREAS, all seven (7) Applicants timely filed appeals related solely to this scoring item;

WHEREAS, the Executive Director denied all of the appeals; and

WHEREAS, all seven (7) Applicants timely filed appeals to the Governing Board

NOW, therefore, it is hereby

RESOLVED, that the appeals specifically related to 10 TAC §11.9(c)(6)(A) for Las Palmas on Anaya Apartment (#15005), Solano Park Apartments (#15006), Solano at the Sports Park (#15031), Bella Vista Apartments (#15115), Casa Toscana (#15122), Anaqua (#15249), and Orchard View at Mirabella (#15282), are hereby denied.

BACKGROUND

Section 11.9(c)(6) of the 2015 Qualified Allocation Plan (“QAP”) allows for Applications to be eligible for up to two (2) points for being located in an underserved area. There are four different ways to qualify for points, one of which is being located in a Colonia. The term Colonia is defined in §10.3(19) of the Uniform Multifamily Rules as a geographic area that meets certain criteria. Those criteria are:

- 1) The area is located in a county some part of which is within one-hundred fifty (150) miles of the international border of this state.
- 2) The area consists of eleven (11) or more dwellings that are located in proximity to each other in an area that may be described as a community or neighborhood.

- 3) The area has a majority population that is low-income or very low-income and meets the qualifications of an economically distressed area under Texas Water Code, §17.921, ***or*** the area has the physical and economic characteristics of a colonia, as determined by the Department.

The definition further directs Applicants to define the geographic area which will be assessed for each Application, stating that it should be an area no larger than 2 square miles (as opposed to an area that is a circle with a 2-mile radius). Staff discussed this scoring item at length with the development community, both during the rule-making process and in application workshops. During those discussions, staff explained that mere proximity to a colonia (as identified by the Water Development Board) would not necessarily be sufficient to qualify for the points. Staff would instead evaluate the characteristics of the “geographic area.” Further, that geographic area, as stated in the definition, should have boundaries that would enable the area to be described as a community or neighborhood. It appears that applicants thought the rule assumed (although staff sees no basis to assume) that the geographic area defined by the Applicant was required to contain a colonia identified by Texas Water Development Board; however, the rule does not explicitly require such. The expectation was that an applicant may propose a site in an area that is truly difficult to develop, with little or no access to utilities and with a population that is primarily low-income or very low-income. Staff did not find that this was the case for any of the sites that are the subject of these appeals. Instead, staff found that, although each of the applications in question has its own unique set of circumstances, the applicants generally chose sites that were in relative proximity to one or more colonias and then manufactured a “geographic area” that included the colonia(s) in order to qualify for points.

All of the sites in question are within the boundaries of a municipality with the capability of providing basic utilities. In addition, they are all in high opportunity areas, meaning that the sites are in areas of high income, low poverty, and attendance zones of good schools. While a development site being located in a high opportunity area does not necessarily preclude a site from also being considered to have the physical and economic characteristics of a colonia, finding one site that possesses both sets of characteristics would be a seemingly rare occurrence. Finally, the geographic areas defined by the Applicants were either more than two square miles or did not take into consideration reasonable boundaries to define a neighborhood or community.

Below are details concerning each appeal. Staff recommends denial of each of them.

15005

Las Palmas on Anaya

Las Palmas on Anaya (#15005)

Las Palmas on Anaya is proposed to be located on the north corner of West Anaya Road and South Jackson Road in the city of Hidalgo. The original Application submission indicates that the site is located within a 2 mile radius of 13 colonias and that the census tract in which the site is located is eligible to receive funds under the 2015 Texas Bootstrap Loan Program 2/3 Set-Aside. These facts are confirmed by a letter from the Hidalgo County Urban County Program, which was also submitted with the Application. Staff does not dispute these facts. However, neither fact addresses the requirements of the rule. First, as stated above, the rule does not state that proximity to a number of colonias would qualify an Application for the points. If the 2-mile radius that is referred to in the Application is intended to be the “geographic area” defined by the Application to have the physical and economic characteristics of a colonia, then it is much larger than what is required by the rules since a circle with a 2-mile radius equates to more than 16 square miles. There is a way to manufacture an area that would contain up to three colonias, but again that is not enough to meet the requirements of the rule. The census tract in which the site is located has a median household income of \$43,676 and a poverty rate of 17.9%. The site is also located within the city limits of Hidalgo, and according to the Site Design and Development Feasibility Report submitted with the Application, the site will have access to the city’s 8-inch water line, 12-inch sanitary sewer collection system, and 32-inch storm system, all relatively close to the site. Although details are not given in the report, there appear to be no major issues with respect to access to power and gas. The site is located across the street from an elementary school and a few blocks from a Wal-Mart Supercenter. These characteristics are not consistent with the physical and economic characteristics of a colonia.

In the appeal, the Applicant reiterates some of the facts presented in the Application, with focus on the letter from the County Commissioner. In addition, the Applicant claims that staff is “failing to meet the legislative directive” of Texas Government Code §2306.127 and “elevating a Place...above a Colonia.” Staff disagrees. The QAP provides for the appropriate incentive to comply with statute; this Application simply did not meet the requirements of the rule in order to qualify for the points. Therefore, staff recommends denial of the appeal.

It should be noted that the Applicant submitted additional information which is included below, pursuant to the public comment rules. However, that information was not considered as of the writing of this board action item.



URBAN COUNTY PROGRAM

427 E DURANTA AVE., SUITE 107 • ALAMO, TEXAS 78516 • (956) 787-8127 FAX (956) 318-2988

E-mail: ucp@co.hidalgo.tx.us

February 20, 2015

TGO Housing Anaya, LP
c/o Steve Lollis
710 N. Post Oak Rd., Ste 400
Houston, TX 77024

Re: Letter confirming the site for Las Palmas on Anaya Apartments, Texas Department of Housing and Community Affairs (TDHCA) # 15005 is located in a Colonias Area

Dear Mr. Lollis:

As requested, I have reviewed the site location and supporting material for your proposed 2015 TDHCA Housing Tax Credit Application for Las Palmas on Anaya Apartments on property located on the north side of West Anaya Road, (NWC of W. Anaya Road) and FM 2061 (S. Jackson Rd), in the City Hidalgo, Hidalgo County. As the Program Director for the Colonia Self-Help grant serving Hidalgo County, I confirm that your site is in a "Colonias" area that meets the physical and economic characteristics of a Colonia as determined by TDHCA.

Please note that the property site is not a "Colonia" itself, as the property is undeveloped land and has no dwellings on the property. However, based on the Attorney General of Texas website, a total of thirteen (13) "Colonias" are located within a two (2) mile radius of the proposed site. Several of the "Colonias" continue to require assistance in improving the quality of life of its residents by upgrading basic infrastructure and by providing housing options for low income families.

The development site is located in census tract 213.05, a census tract eligible under the 2015 Texas Bootstrap Loan Program 2/3 Set Aside. The purpose of the program is to provide loans to very low and extremely low-income individuals and households to purchase land and/or build new and improve existing residential housing through self-help construction methods. These loans primarily target and will benefit the colonia residents in your neighborhood. Your development site is located in a qualifying neighborhood that will benefit from these loans and the self-help program administered by the Hidalgo Colonia Self-Help Center in San Juan, TX. Attached for your review is the documentation used for my determination.

I support your efforts in selecting this site for a tax credit application to the State and I thank you for the opportunity to provide this letter. If I can be of further assistance, please contact me or my staff at (956) 787-8127.

Sincerely,

A handwritten signature in blue ink that reads "Diana R. Serna".

Diana R. Serna
Director

Attachments

LasPalmasonAnaya.Hidalgo.stevelollis

LAS PALMAS ON ANAYA APARTMENTS

Hidalgo, TX

Colonias – 2 Mile Legend

#1. El Sol

#2. Colonia Evans

#3. Universal Estates

#4. Hidalgo Park Estates

#5. Palo Verda

#6. Los Ranchitos #1-3

#7. Las Milpas

#8. Las Haciendas

#9. Las Brisas Del Sur

#10. Las Fuentes

#11. Valle Alto #1

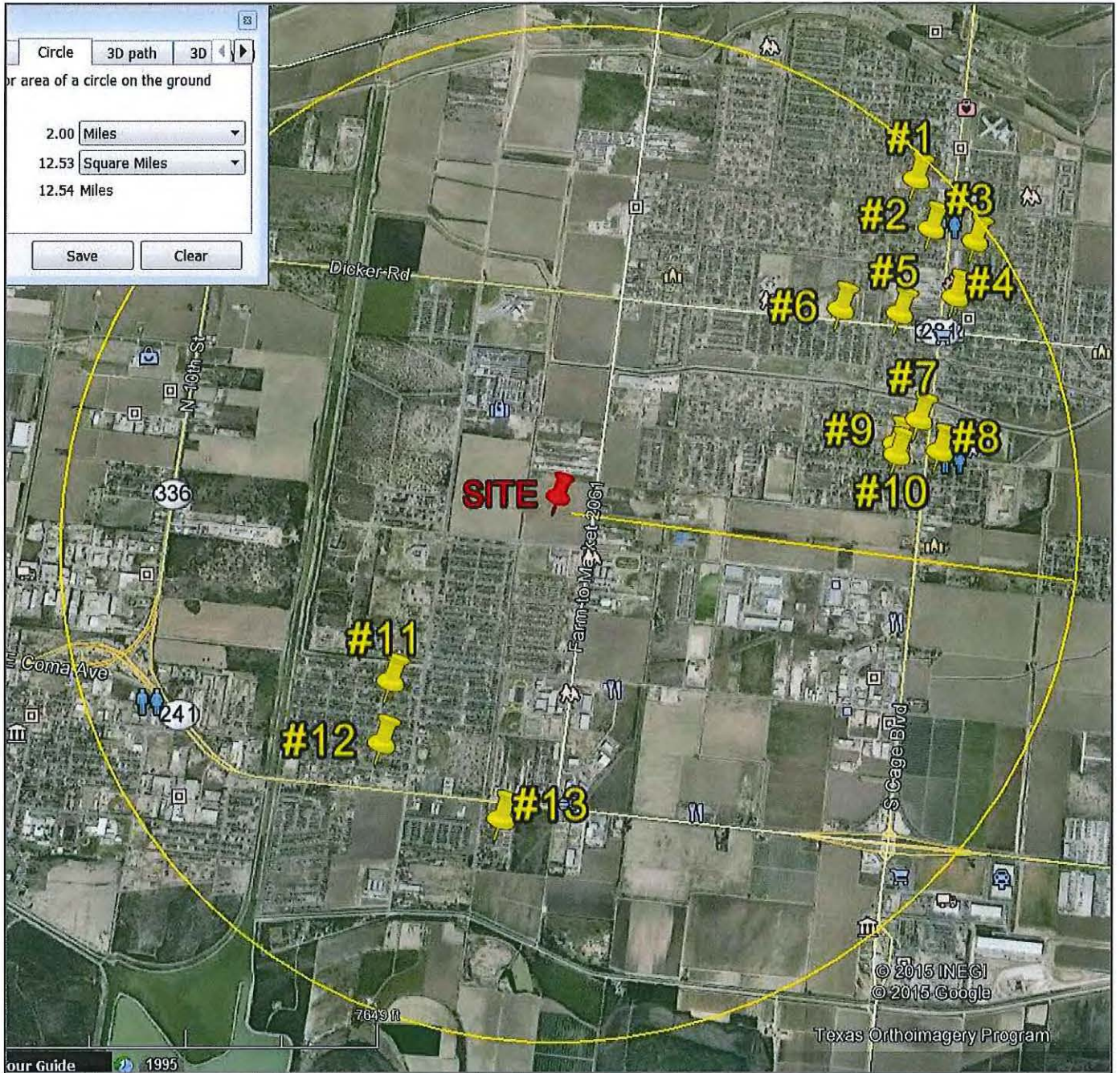
#12. Valle Alto #2

#13. Sanchez Ranch

LAS PALMAS ON ANAYA APARTMENTS

Hidalgo, TX

Colonias Map – 2 Mile





Zoom

**Las Palmas on Anaya
Proposed Project Site
Approximately 13 colonias within
a 2-mile radius of site**

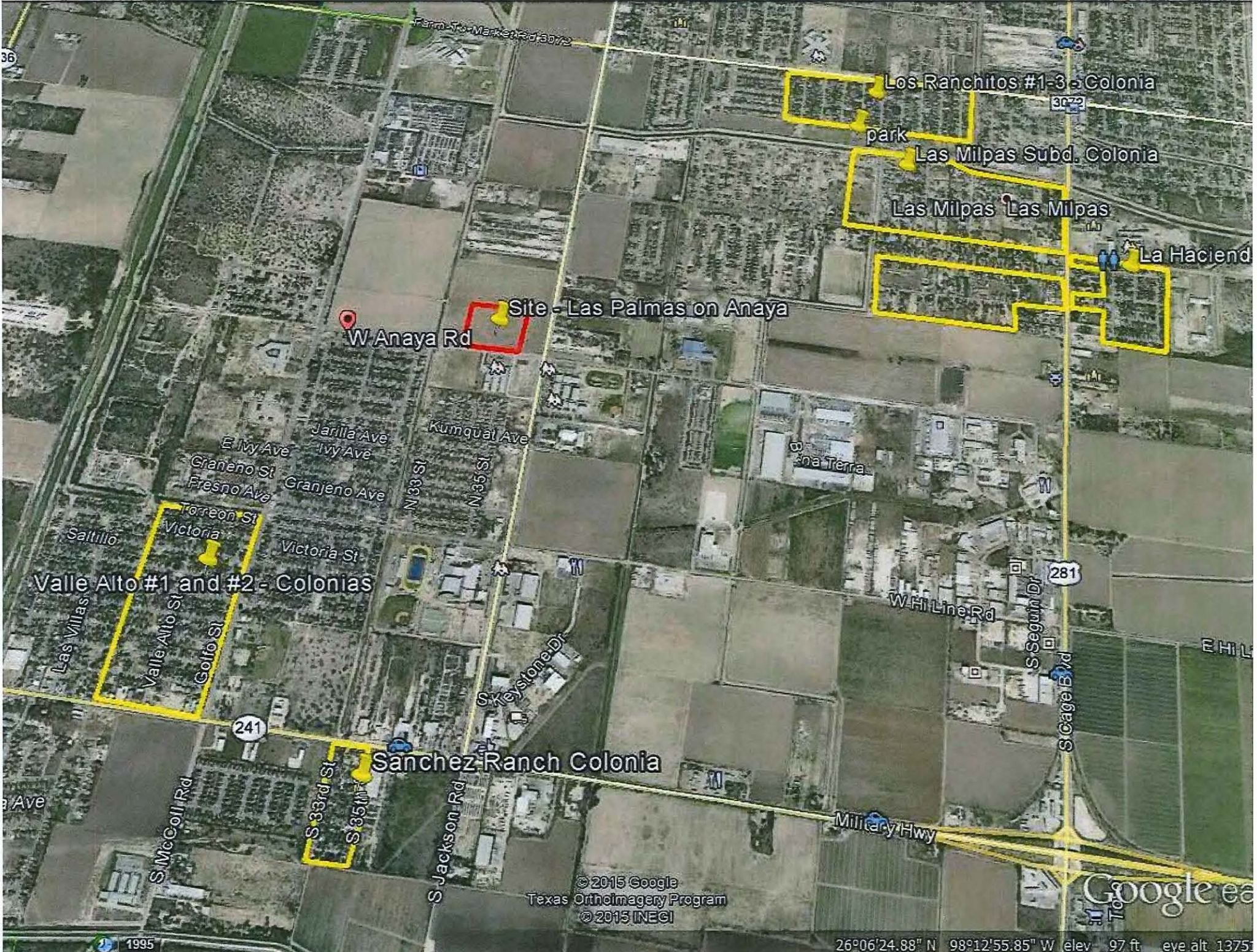
Feature Display Find Colonia

HIDALGO

Choose a Colonia Below

- Lakeview Subd.
- Lane #1
- Lane #2
- Lanfranco
- Lantana Subd.
- Las Brisas
- Las Brisas Del Sur
- Las Brisas Estates
- Las Cuevas
- Las Cuevas #2
- Las Fuentes Subd.
- Las Haciendas Subd.
- Las Milpas Subd.**
- Las Palmas Estates Subd.
- Leona Subd.





Site - Las Palmas on Anaya
W Anaya Rd

Los Ranchitos #1-3 - Colonia

park

Las Milpas Subd. Colonia

Las Milpas Las Milpas

La Hacienda

Valle Alto #1 and #2 - Colonias

Sanchez Ranch Colonia

© 2015 Google
Texas Orthoimagery Program
© 2015 INEGI

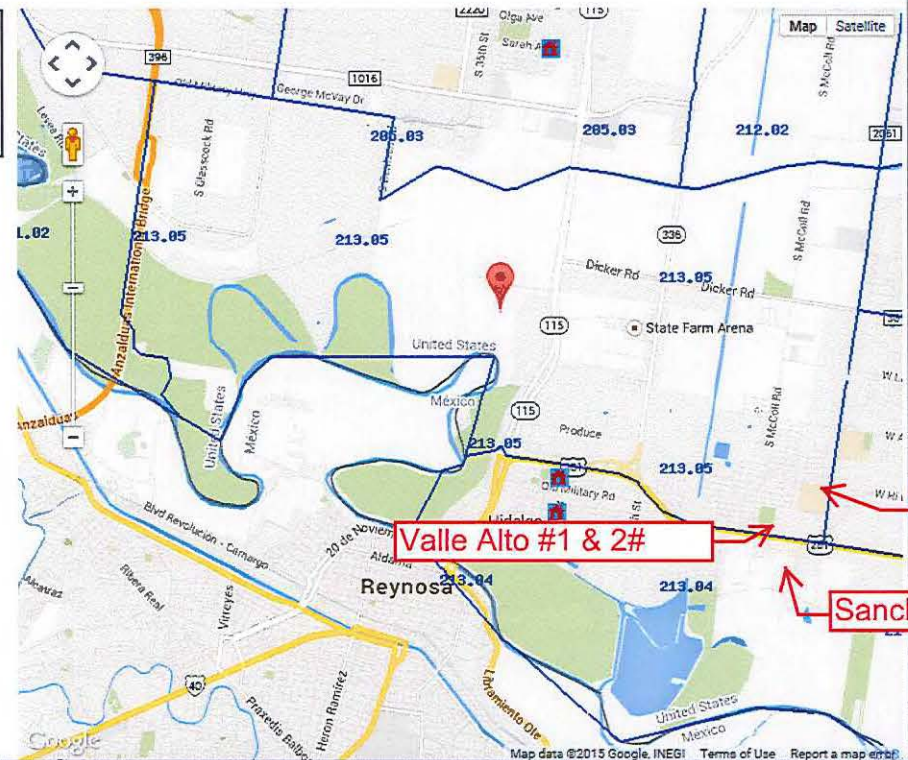
Google ea

48215021305 Go Select a State Select a County Go

Map Options : Clear | Reset

QCT Legend: Tract Outline Qualified Census Tracts (2014 Only) Qualified Census Tracts (2015 Only) Qualified Census Tracts (2014 & 2015) LIHTC Project

- QCT Options
- 13 Current Zoom Level
 - Show Tracts Outline (Zoom 11+)
 - Show LIHTC Projects (Zoom 11+)
 - Color Qualified Tracts (Zoom 7+)



Valle Alto #1 & 2#

Site - Las Palmas

Sanchez Ranch

**FISCAL YEAR 2015
 TEXAS BOOTSTRAP LOAN PROGRAM
 CENSUS TRACTS ELIGIBLE UNDER
 THE TWO-THIRD SET ASIDE (APRIL 2014)**

County	Census Tract Number	Tract Eligibility
Hidalgo	201.01	Two-Thirds
Hidalgo	201.02	Two-Thirds
Hidalgo	202.01	Two-Thirds
Hidalgo	202.02	Two-Thirds
Hidalgo	202.04	Two-Thirds
Hidalgo	202.05	Two-Thirds
Hidalgo	204.03	Two-Thirds
Hidalgo	204.04	Two-Thirds
Hidalgo	205.01	Two-Thirds
Hidalgo	205.03	Two-Thirds
Hidalgo	205.04	Two-Thirds
Hidalgo	206	Two-Thirds
Hidalgo	207.21	Two-Thirds
Hidalgo	207.23	Two-Thirds
Hidalgo	207.25	Two-Thirds
Hidalgo	207.26	Two-Thirds
Hidalgo	208.02	Two-Thirds
Hidalgo	208.04	Two-Thirds
Hidalgo	209.03	Two-Thirds
Hidalgo	210	Two-Thirds
Hidalgo	211	Two-Thirds
Hidalgo	212.01	Two-Thirds
Hidalgo	213.02	Two-Thirds
Hidalgo	213.03	Two-Thirds
Hidalgo	213.04	Two-Thirds
✓ Hidalgo	213.05	Two-Thirds
Hidalgo	214.01	Two-Thirds
Hidalgo	214.04	Two-Thirds
Hidalgo	215	Two-Thirds
Hidalgo	216	Two-Thirds
Hidalgo	217.01	Two-Thirds
Hidalgo	217.02	Two-Thirds
Hidalgo	218.03	Two-Thirds
Hidalgo	218.04	Two-Thirds

Hidalgo



HIDALGO COUNTY PRECINCT 2



Eduardo "Eddie" Cantu
COUNTY COMMISSIONER

February 20, 2015

TGO Housing Anaya, LP
c/o Steve Lollis
710 N. Post Oak Rd., Ste. 400
Houston, Texas 77024

Re: Application No. 15005; Las Palmas on Anaya Apartments

Dear Mr. Lollis,

It is my understanding that you are submitting an application to the Texas Department of Housing and Community Affairs (TDHCA) seeking an award of housing tax credits in connection with the development of Las Palmas on Anaya Apartments, a proposed 142-unit affordable rental housing community to be located on 8.50 acres of land on W. Anaya Rd. NW of FM 2061 (S. Jackson Rd.) in the City of Hidalgo, located in Hidalgo County, Texas 78557 (Development Site). You have provided me with the attached map, showing the location of the Development Site.

Please let this letter serve to recognize that Precinct 2 includes the area where the Development Site is located, which is in one of the target areas for Precinct 2's investment in colonia communities. The neighborhood where your Development Site is located lacks some of the basic utility infrastructure and drainage improvements commonly seen in an urban area. Precinct 2 is focused on improving critical services in these colonias, and has several initiatives underway in targeted parts of my precinct including in your neighborhood. Your Development Site is also in a census tract eligible under the 2014/2015 Texas Bootstrap Loan Program which sets aside loan funds for building and rehabilitating homes in the most underserved colonia communities in Hidalgo County. We support this program as well as the self-help education provided and administered by the Hidalgo County Colonia Self-Help Center in San Juan, Texas.

The construction of Las Palmas on Anaya Apartments will enhance the efforts of Precinct 2 to improve the living conditions of the residents of this colonia community by installing lighting and upgrading basic infrastructure and drainage improvements. Please let us know what else we can do to assist your efforts.

Sincerely,

Eduardo "Eddie" Cantu
Hidalgo County Commissioner Precinct 2

Feature Display Find Colonia

Colonia Communities

Transparency [Slider] [Reset]

SB827 Color Classification

Click on a colonia for more detailed colonia information.

Other Features

City Limits [Color swatches]

Zip Codes [Color swatches]

School Districts [Color swatches]



TGO Housing Anaya, LP
710 N. Post Oak Road, Suite 400
Houston, Texas 77024
(713) 875-9456 – p
(713) 583-8858 – f
steve@texasgreyoaks.com

April 28, 2015

By Email to tim.irvine@tdhca.state.tx.us

Tim Irvine
Executive Director
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701-2410

Re: #15005 – Las Palmas on Anaya Apartments, Hidalgo, Hidalgo County, Texas;
Appeal from Denial of Two (2) Points for Underserved Area (Colonia).

Dear Mr. Irvine:

This letter is to appeal the denial of two (2) points claimed by TGO Housing Anaya, LP (the “Applicant”) under §11.9(c)(6)(A) of the 2015 Qualified Allocation Plan (the “QAP”) relating to Underserved Areas, and more specifically points awarded if a development site is located in a Colonia. The Applicant received a scoring notice dated April 22, 2015 indicating that the Department had posted to its website an updated submission log reflecting the denial of points to those applicants in Region 11 who claimed points under §11.9(c)(6)(A) of the QAP. We believe that Las Palmas on Anaya Apartments (the “Project”) is qualified to receive these points and we ask that they be reinstated by the Department.

The Applicant claimed points under §11.9(c)(6)(A) for being in an Underserved Area on the following basis:

The Project is proposed to be built on a development site (the “Development Site”) in Hidalgo County, Texas, which is a county that is located within 150 miles from the international border (Texas-Mexico). The Development Site is within the City of Hidalgo, and is located in a colonia community (the “Community”) as shown on the map attached to the February 20, 2015 letter from County Commissioner Eduardo “Eddie” Cantu (Precinct 2) that was submitted in the original application to support the requested Underserved Area points. Within the immediate neighborhood of the Development Site and an area encompassing no more than two square miles

(the "Neighborhood"), there are three (3) Colonias recognized on the Texas Attorney General's Colonia Geographic Database, including Valle Alto #1, Valle Alto #2 and Sanchez Ranch. Within the Neighborhood there are substantially more than eleven dwellings.

The Community exhibits many characteristics of an underserved area in that it lacks adequate utility infrastructure, lighting, drainage and other critical services, features that would otherwise be available to support residential neighborhoods as well as meet legally mandated requirements. The Neighborhood is also in Census Tract No. 48215021305, a census tract eligible under the 2014/2015 Texas Bootstrap Loan Program that requires the Department to set aside at least two-thirds of available loan funds under the program to assist very-low income homeowners build new housing or repair their existing homes evidencing that the area defining the Neighborhood has similar economic and physical characteristics of a Colonia.

In Hidalgo County, the Commissioner's Court is responsible for directing funding and prioritizing Colonia projects that receive such funds on a county wide basis. We therefore sought input from Commissioner's Court to determine where they were using their colonia resources. As discussed by County Commissioner Cantu in his letter, the Community is a targeted area for Precinct 2's investment in improving critical services. Commissioner Cantu is actively involved in upgrading the standard of living for the Community and advises that there are currently ongoing initiatives to erect conventional streetlights and upgrade basic utilities which will benefit the Neighborhood. Commissioner Cantu is particularly enthusiastic about leveraging public funds with private investment in colonia communities, and he points out that the proposed development of the Project will leverage and enhance Precinct 2's efforts to improve the Neighborhood as a whole and the Colonias projects currently underway and proposed in the area.

Section 2306.127 of the Texas Government Code (the "Code") provides that a Colonia be considered a priority by the TDHCA in connection with its housing program:

"Sec.2306.127. PRIORITY FOR CERTAIN COMMUNITIES. In a manner consistent with the regional allocation formula described under Section 2306.111(d), the department shall give priority through its housing program scoring criteria to communities that are located wholly or partly in:

- (1) a federally designated urban enterprise community;
- (2) an urban enhanced enterprise community; or
- (3) an economically distressed area or colonia."

Added by Acts 2001, 77th Leg., ch. 1367, Sec. 1.19, eff. Sept. 1, 2001.

The TDHCA has evidenced this priority by providing Underserved Area points under §11.9(c)(6)(A) of the QAP to those applicants that have development sites in a Colonia. By denying these points to all applicants who claimed them, the TDHCA is failing to meet the legislative directive of §2306.127 of the Code to prioritize Colonia areas.

We acknowledge that the TDHCA also gives priority in the Underserved Area scoring category to two other legislatively mandated objectives that include (i) economically distressed areas under §2306.127 of the Code (evidenced in §11.9(c)(6)(B) of the QAP), and (ii) census tracts that have never received a competitive tax credit allocation or a 4% tax credit allocation serving the same population under §2306.6725(b)(2) of the Code (evidenced in §11.9(c)(6)(D) of the QAP). However, if colonia points are denied this year to all applicants in Region 11 who claimed them, the TDHCA is elevating a “Place” under §11.9(c)(6)(C) of the QAP above a Colonia, contrary to the priority established by statute.

The Neighborhood in which the Project is located clearly demonstrates all of the characteristics of a Colonia, and actually includes three Colonias that have been recognized by the Attorney General. For that reason, and so that the TDHCA will fulfill the specific directive of Section 2306.127 of the Code, we submit that the Project should receive the requested two points, and ask that such points be reinstated. If you deny the reinstatement of the points, we respectfully request to have the matter heard by the TDHCA Board.

Sincerely,

TGO Housing Anaya, LP

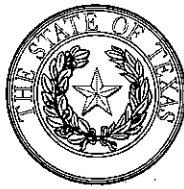
By: TGO Housing Anaya GP, LLC

By: 

Steve Lollis, Manager

cc: Kathryn Saar
Competitive Tax Credit Program Administrator
Via Email – Kathryn.saar@tdhca.state.tx.us

Enclosure



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Greg Abbott
GOVERNOR

BOARD MEMBERS
J. Paul Oxer, *Chair*
Juan S. Muñoz, PhD, *Vice Chair*
Leslie Bingham-Escareño
T. Tolbert Chisum
Tom H. Gann
J.B. Goodwin

May 12, 2015

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

Steve Lollis
TGO Housing Anaya, LP
710 N. Post Oak Road, Suite 400
Houston, TX 77024

RE: 15005 LAS PALMAS ON ANAYA APARTMENTS: SCORING NOTICE APPEAL

Dear Mr. Lollis:

The Texas Department of Housing and Community Affairs (the "Department") is in receipt of your appeal, dated April 28, 2015, of the abbreviated scoring notice for the above referenced Application. This Application was denied points under §11.9(c)(6)(A) of the 2015 Qualified Allocation Plan ("QAP"), related to Underserved Area, because staff determined that the site was ineligible for points under subparagraph (A) of the scoring item related to Colonias.

Your appeal states that because there are three recognized colonias near the development site and because the county commissioner recognizes the neighborhood as one that is targeted for investment in colonia communities, that the application should be eligible for the points. However, a site visit conducted by staff evidenced that there is no apparent inability to access basic utilities, as the area is well developed with both residential and commercial uses, which includes a Wal-Mart supercenter. In addition, there appears to be ongoing development in proximity to the site. Further, the development site is in an area with a relatively high median household income and low poverty rate. In general, the site does not appear to have the economic and physical characteristics that define a colonia. Therefore, your appeal is hereby denied.

If you are not satisfied with this decision, you may file a further appeal with the Board of Directors of the Texas Department of Housing and Community Affairs. Please review §10.902 of the 2015 Uniform Multifamily Rules for full instruction on the appeals process. Should you have any questions, please contact Kathryn Saar, Competitive Tax Credit Program Administrator, at kathryn.saar@tdhca.state.tx.us or by phone at 512-936-7834.

Sincerely,

A handwritten signature in black ink, appearing to read "Timothy K. Irvine", written over a set of horizontal lines.

Timothy K. Irvine
Executive Director



COATS | ROSE

A Professional Corporation

TAMEA A. DULA
OF COUNSEL

tdula@coatsrose.com
Direct Dial
(713) 653-7322
Direct Fax
(713) 890-3918

June 8, 2015

By Email c/o: tim.irvine@tdhca.state.tx.us

TDHCA Board Members
C/O Tim Irvine, Executive Director
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, TX 78701

RE: #15005 Las Palmas on Anaya Apartments, Hidalgo, Hidalgo County, Texas;
Appeal of denial of two (2) points for serving an Underserved Area -§11.9(c)(6)(A).

Dear TDHCA Board Members:

This letter appeals the TDHCA's Staff decision to deny two (2) points claimed by TGO Housing Anaya, LP (the "Applicant") for locating Las Palmas on Anaya Apartments (the "Project") in a Colonia. We believe that the Applicant has provided all evidence required to demonstrate that the neighborhood in which the Project will be built complies with §11.9(c)(6)(A) of the 2015 Qualified Allocation Plan (the "QAP"). We ask the Board to approve the two (2) points claimed by the Applicant.

According to TDHCA Staff, in 2015 none of the applications claiming Underserved Area points for having sites located in a Colonia received the requested points. We suggest that this mass denial of points is unlikely to be due to all applicants failing to qualify their sites as being within a Colonia area. Instead, it appears to be reflective of the Staff's difficulty in distinguishing what constitutes a Colonia, and a decision to have the TDHCA Board make this determination. The definition of a "Colonia" has changed since 2014, in that (i) the Applicant is now required to define the geographic area to be considered the Project's "neighborhood" (not to exceed two square miles), and (ii) the factors that may be considered by the TDHCA in determining a Colonia to include, without limitation to, the ability to access basic utilities.

The Staff cited the following three (3) reasons for determining that the site was not in a Colonia:

1. Staff says that their site visit to the area indicates that there is not an apparent inability to access basic utilities.

9 Greenway Plaza, Suite 1100 Houston, Texas 77046
Phone: 713-651-0111 Fax: 713-651-0220
Web: www.coatsrose.com

HOUSTON | AUSTIN | DALLAS | SAN ANTONIO | NEW ORLEANS

2. Staff indicates that the area is well-developed with both commercial and residential uses.

3. Staff objects to the “relatively high” median household income and “low poverty rate” of the area on the grounds that such income levels do not indicate the economic characteristics of a Colonia.

In response to these objections, we provide you with the following information:

1. **No Apparent Inability to Access Basic Utilities.** On the basis of a site visit Staff concluded that there is no apparent inability to access basic utilities, as the area is well – developed with both commercial and residential uses, including a Wal-Mart supercenter. A review of the Off-Site Cost Breakdown form provided at Tab 28 of the Application shows, however, that the Applicant will have to invest in installing both water and sanitary sewer improvements in the public right-of-way in order to bring services to the site. Most urban developments can count on these utilities being available at the perimeter of the site. The presence of commercial or residential development is not a litmus test for the non-existence of a Colonia community. Here basic utilities are not being provided to the site by the local government, and that is one characteristic that the Department may consider in determining whether a Colonia environment exists. We submit that the Project’s neighborhood meets this criterion.

As evidence of the Project site having similar characteristics of a Colonia, the Applicant provided a letter from Eduardo “Eddie” Cantu, Hidalgo County Commissioner for Precinct 2, recognizing that the Commissioner’s Court is responsible for directing funding and prioritizing Colonia projects that receive such funds on a county wide basis. Commissioner Cantu confirms:

Precinct 2 is focused on improving critical services in these colonias, and has several initiatives underway in targeted parts of my precinct including in your neighborhood. Your Development Site is also in a census tract eligible under the 2014/2015 Texas Bootstrap Loan Program which sets aside loan funds for building and rehabilitating homes in the most underserved colonia communities in Hidalgo County.

This is the designated local governmental authority for directing Colonia restricted funding, recognizing whether the neighborhood described has similar characteristics of a Colonia. We suggest that the TDHCA should accept the decision of the local authority with regard to whether a neighborhood has sufficient Colonia characteristics to qualify for Colonia assistance as being determinative. This is especially the case where the Texas Bootstrap Loan Program is one administered by the TDHCA!

2. **Development in the Area.** Nothing in the QAP or the Rules precludes the awarding Underserved Area points for having a site located in a Colonia if such site is in an area where there is residential or commercial development. It is also worth noting that the residential and commercial uses identified by staff during a site visit are not located in the neighborhood

described by the Applicant. In any event, the presence or absence of commercial or residential development is not a critical indicator of a Colonia area. Additionally, the status of the neighborhood established by the Applicant is what should be considered – not that of a nebulous “area” that is established by the subjective impressions incurred on a site visit. Finally, the availability of community assets is essential to a successful application, so this Project should not be denied Underserved Area points because it is located in an area that includes the required number of community assets that are necessary to apply for the tax credits.

3. **Household Income and Poverty Rate.** The median household income of Texas is \$50,900 and 17.6% of the state’s population is below poverty level. This Project is in Census Tract 48215021305, where the median household income is \$43,676 - which is 14% lower than the State’s median income – and the poverty rate is 17.9%. Notwithstanding the economic factors reflecting less than the State-wide norm, this Census Tract is in the top quartile of median household income for the McAllen-Edinburg-Mission MSA. Thus the relative poverty of the entire McAllen-Edinburg-Mission MSA when compared to the State as a whole means that even though the Project site is located in a Colonia neighborhood, it is still considered a High Opportunity Area for the MSA. It is clear from these numbers that the Census Tract in which the Project is located is experiencing both the low-income and high poverty rate often seen in a Colonia, but is also a High Opportunity Area because of the poor economic situation of the McAllen-Edinburg-Mission MSA as a whole. These combined elements indicate that the proposed site is well-chosen, since the Census Tract as a whole will permit a qualification for High Opportunity Area points, while the neighborhood established by the Applicant still displays characteristics of a Colonia. We also note that nothing in the QAP or the Rules defines a Colonia based on whether it is or is not in a high income/low poverty area, nor is such location used in determining whether these communities qualify for federal, state or local funding.

In conclusion, upon review of the reasons stated for denying Colonia points to the Project, we find that the determinations of the local governmental authority concerning Colonia status are being disregarded. The fact that there are pockets of development in the area is being used as a disqualifying factor instead of being acknowledged as the requisite basis of community assets needed to qualify for housing tax credits. Finally, the Census Tract is being cited as precluding an economic situation consistent with a Colonia. The end result is that the current interpretation of what constitutes a “Colonia” has become so restrictive that an application with Colonia points would not be able to qualify for tax credits because it would be restricted from claiming High Opportunity points to be competitive, or even providing the mandatory six community assets within a one-mile radius that is needed to have an eligible application.

When dealing with a nebulous definition such as the Rules’ definition of “Colonia” it seems that you could hardly do better than to determine what the administrative governmental entity regards as a “Colonia.” The Applicant went to the County Commissioner, as the local authority with regard to identifying Colonia areas, and obtained confirmation that the proposed Project site was located in a neighborhood that included colonia communities that qualified for Colonia assistance, and that Colonia assistance is actually currently being provided to the neighborhood. Accordingly, we request that the Board acknowledge that the Applicant has met

TDHCA Board Members
June 8, 2015
Page 4

the requirements of both the QAP and the Rules, and that the two (2) points requested under §11.9(c)(6)(A) should be awarded.

Very truly yours,

A handwritten signature in blue ink that reads "Tamea A. Dula". The signature is written in a cursive style with a long, sweeping underline that extends to the left.

Tamea A. Dula



DISTRICT OFFICE
121 E. TOM LANDRY
MISSION, TEXAS 78572
956-584-8999
956-584-7555 (FAX)

State of Texas
House of Representatives

SERGIO MUÑOZ, JR.
STATE REPRESENTATIVE

CAPITOL OFFICE
P.O. BOX 2910
AUSTIN, TEXAS 78768-2910
512-463-0704
(FAX) 512-463-5364
RM. E1.508

March 24, 2015

Texas Department of Housing and Community Affairs
221 E. 11th Street
Austin, TX 78701
Attn: Kathryn Saar,
Multifamily Finance Administrator

Re: TDHCA Application No. 15005; Las Palmas on Anaya Apartments

Dear Ms. Saar,

I am writing to show my support for Las Palmas on Anaya Apartments, a proposed affordable rental housing community at its proposed location on land on W. Anaya Road near the NWC of FM 2061 (S. Jackson Rd.) in Hidalgo, Hidalgo County, Texas 78557.

My district includes the area where the development site is located and I believe the City of Hidalgo will benefit from the availability of quality housing like Las Palmas on Anaya Apartments that is affordable to residents of all income. I therefore fully support Application No. 15005.

Sincerely,

A handwritten signature in blue ink that reads "Sergio Muñoz, Jr." with a horizontal line underneath.

Representative Sergio Munoz, Jr., District 36

cc: Steve Lollis,
Texas Grey Oaks, LLC

STATE OF TEXAS §
COUNTY OF HIDALGO § RESOLUTION NUMBER 2015-01
CITY OF HIDALGO §

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIDALGO, TEXAS, EXPRESSING SUPPORT FOR THE APPLICATION OF TGO HOUSING ANAYA, LP, TO THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS FOR 2015 COMPETITIVE NINE-PERCENT HOUSING TAX CREDITS AND FOR THE DEVELOPMENT OF LAS PALMAS ON ANAYA APARTMENTS TO BE LOCATED ON 8.50+/- ACRES OF LAND ON ANAYA ROAD, WEST OF JACKSON ROAD, HIDALGO, HIDALGO COUNTY, TEXAS AND RECOGNITION OF A COMMITMENT OF FUNDING ASSISTANCE BY THE HIDALGO ECONOMIC DEVELOPMENT CORPORATION TO THE PROJECT

WHEREAS, TGO Housing Anaya, LP, and its affiliates (“**Applicant**”) has brought to the City of Hidalgo a proposal to develop an affordable rental housing community named Las Palmas on Anaya Apartments to be located on 8.50 +/- acres of land on Anaya Road, West of Jackson Road, Hidalgo, Hidalgo County, Texas.

WHEREAS, the Applicant has advised that it intends to file an application to the Texas Department of Housing and Community Affairs (“**TDHCA**”) for an allocation of 2015 Competitive 9% Housing Tax Credits (“**HTC**”) for the construction and development of Las Palmas on Anaya Apartments.

WHEREAS, pursuant to §11.9(d)(1) of the Qualified Allocation Plan, the rules that govern the HTC program (“**QAP**”), and in accordance with the Texas Government Code §2306.6710(b), an application may qualify for up to seventeen (17) points for a resolution from the municipality and/or county in which the proposed development site is located. Resolutions that expressly set forth that the municipality or county supports the application or proposed development are worth maximum points while resolutions setting forth that the municipality or county has no objection to the applicant or the proposed development are worth fewer points.

WHEREAS, the Applicant has requested from the City Council of the City of Hidalgo support for its application to TDHCA and for the development of Las Palmas on Anaya Apartments.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HIDALGO, TEXAS, that:

1. The City of Hidalgo, acting through its governing body, hereby confirms that it supports the proposed development of Las Palmas on Anaya Apartments for affordable rental

housing, at its proposed location on 8.50+/- acres of land located on Anaya Road, West of Jackson Road, Hidalgo, Hidalgo County, Texas.

2. The City of Hidalgo, acting through its governing body, hereby confirms and supports the making of a loan by the Hidalgo Economic Development Corporation (“**HEDC**”) to TGO Housing Anaya, LP in the amount and in accordance with the terms set forth in that certain resolution approved by the HEDC.

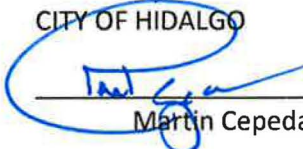
3. Notwithstanding anything herein to the contrary, the funding commitment by the HEDC shall be contingent on the Applicant securing HTCs from TDHCA in an amount sufficient to develop Las Palmas on Anaya Apartments.

4. The City of Hidalgo is not a related party to the Applicant, and any support by the City of Hidalgo or funding assistance committed by the City of Hidalgo or the HEDC, as an instrumentality of the City of Hidalgo, will not have been provided to the City of Hidalgo by the Applicant or any related party to the Applicant.

5. The City of Hidalgo, acting through its governing body, are hereby authorized, empowered, and directed to certify these resolutions to the TDHCA.

PASSED, APPROVED AND ADOPTED BY CITY COUNCIL OF CITY OF HIDALGO, TEXAS on this the 9th day of February, 2015.

CITY OF HIDALGO



Martin Cepeda, Mayor

ATTEST:



Denise M. Elliff, City Secretary



15006

Solano Park Apartments

Solano Park Apartments (#15006)

Solano Park Apartments is proposed to be located at the southwest corner of W Alberta Road and S Sugar Road, immediately behind the new regional medical center in Edinburg. The original Application submission indicates that the site is located within a 2 mile radius of as many as 12 colonias. This is confirmed by a letter from the Hidalgo County Urban County Program, which was also submitted with the Application. In addition, the Application included a letter from County Commissioner Joseph Palacios, stating that the area around the site is targeted for some initiatives in order to improve services in the surrounding colonias. Staff does not dispute that there are several colonias in that 2-mile radius, or that the property is located adjacent to one, Acacia, which is a very small neighborhood (just one street) with well-maintained homes. However, this does not address the substantive requirements of the rule. First, as stated above, the rule does not state that proximity to a number of colonias would qualify an Application for the points. If the 2-mile radius that is referred to in the Application is intended to be the “geographic area” defined by the Application to have the physical and economic characteristics of a colonia, then it is much larger than what is required by the rules since a circle with a 2-mile radius equates to more than 16 square miles. In addition, almost all of the colonias that are pointed out in the Application are located on the east side of Highway 281 and would not reasonably be considered part of the community or neighborhood, as the highway is a definitive boundary. The census tract in which the development site is located has a median household income of \$74,769 and a poverty rate of 15.8%. In general, the area around the site is well developed or being re-developed, with both commercial and single family residential properties. According to the Site Design and Development Feasibility Report submitted with the Application, the site will have access to an 8-inch water line which runs along the property line and a 12-inch sanitary sewer line that is in the right-of-way of Sugar Road, along which the site is located. Although details are not given in the report, there appear to be no major issues with respect to access to power and gas. These characteristics are not consistent with the physical and economic characteristics of a colonia.

In the appeal, the Applicant reiterates some of the facts presented in the Application, with focus on the letter from the County Commissioner. In addition, the Applicant claims that staff is “failing to meet the legislative directive” of Texas Government Code §2306.127 and “elevating a Place...above a Colonia.” Staff disagrees. The QAP provides for the appropriate incentive to comply with statute; this Application simply did not meet the requirements of the rule in order to qualify for the points. Staff recommends denial of the appeal.

It should be noted that the Applicant submitted additional information which is included below, pursuant to the public comment rules. However, that information was not considered as of the writing of this board action item.



URBAN COUNTY PROGRAM

427 E DURANTA AVE., SUITE 107 • ALAMO, TEXAS 78516 • (956) 787-8127 FAX (956) 318-2988
E-mail: ucp@co.hidalgo.tx.us

February 20, 2015

TGO Housing Solano Park, LP
c/o Steve Lollis
710 N. Post Oak Rd., Ste 400
Houston, TX 77024

Re: Letter confirming the site for Solano Park Apartments, Texas Department of Housing and Community Affairs (TDHCA) # 15006 is located in a Colonias Area

Dear Mr. Lollis:

As requested, I have reviewed the site location and supporting material for your proposed 2015 TDHCA Housing Tax Credit Application for Solano Park Apartments on property located on the Southwest quadrant of West Alberta Road and S. Sugar Road in the City of Edinburg, Hidalgo County. As the Program Director for the Colonia Self-Help grant serving Hidalgo County, I confirm that your site is in a "Colonias" area that meets the physical and economic characteristics of a Colonia as determined by TDHCA.

Please note that the property site is not a "Colonia" itself, as the property is undeveloped land and has no dwellings on the property. However, based on the Attorney General of Texas website, a total of twelve (12) "Colonias" are located within a two (2) mile radius of the proposed site. Several of the "Colonias" continue to require assistance in improving the quality of life of its residents by upgrading basic infrastructure and by providing housing options for low income families. Attached for your review is the documentation used for my determination.

I support your efforts in selecting this site for a tax credit application to the State and I thank you for the opportunity to provide this letter. If I can be of further assistance, please contact me or my staff at (956) 787-8127.

Sincerely,

A handwritten signature in blue ink that reads "Diana R. Serna".

Diana R. Serna
Director

Attachments

[SolanoPark.Edinburg.stevelollis](#)

SOLANO PARK APARTMENTS

Edinburg, TX

Colonias – 2 Mile Legend

#1. Ranchette Estates

#2. Borderland Retreat

#3. Borderland Retreat #2

#4. Acacia

#5. Trenton Terrace

#6. Villa Del Mundo

#7. Villas Del Sol

#8. Owassa/I Rd

#9. Gomez

#10. Beamsley

#11. Thrasher Terrace

#12. Border



Zoom

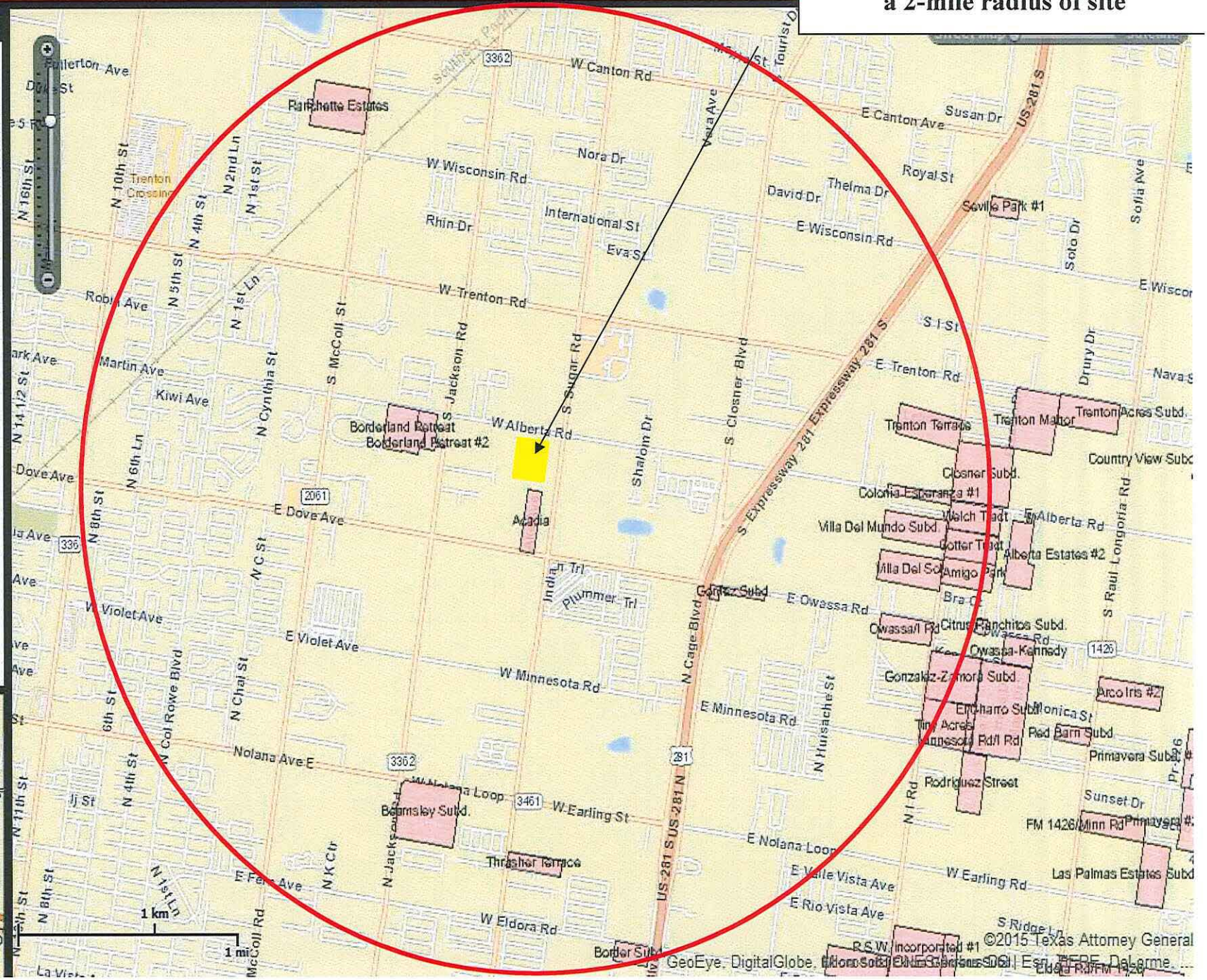
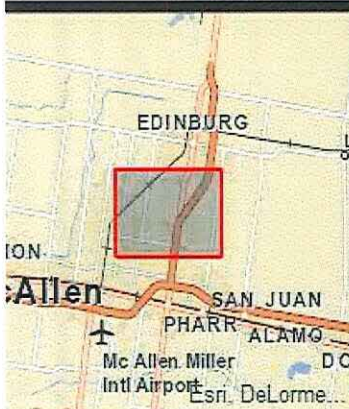
**Solano Park Apartments
Proposed Project Site
Approximately 12 colonias within
a 2-mile radius of site**

Feature Display Find Colonia

HIDALGO

Choose a Colonia Below

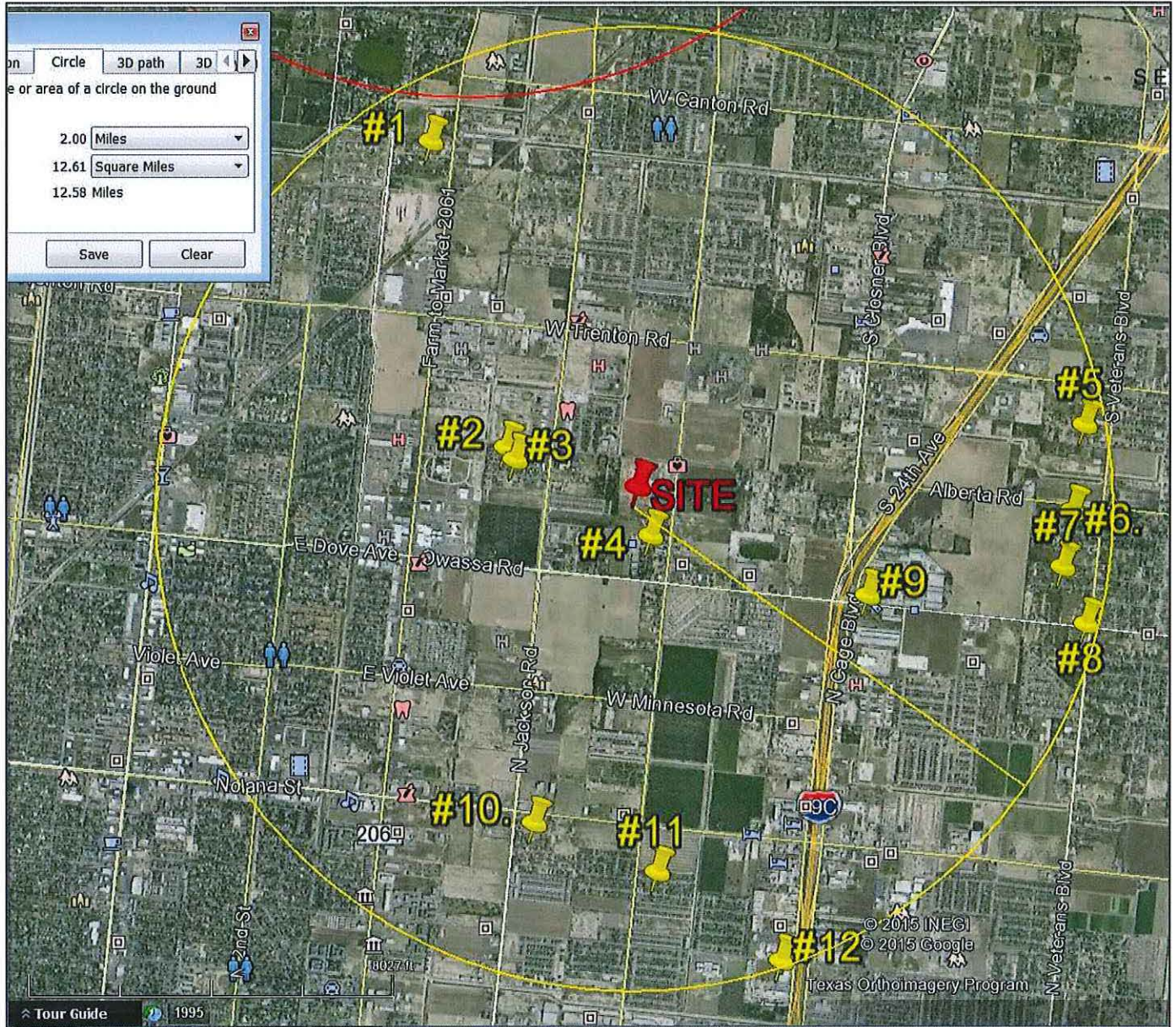
- 15 1/2 North/FM 491
- 17 1/2 North/6 West
- 281 Estates
- 9 North/East FM 493
- A&E Ramirez Subd.
- A&E Ramirez Subd. #2
- Abram North Subd.
- Acacia**
- Acevedo #3
- Acevedo Subd. #4
- Acosta Subd.
- Acre Tract
- Adam Lee Subd.
- Adkins Subd.
- Agua Dulce



SOLANO PARK APARTMENTS

Edinburg, TX

Colonias Map – 2 Mile



COUNTY *of* HIDALGO

JOSEPH PALACIOS

1051 N. DOOLITTLE RD.

EDINBURG, TEXAS 78542

OFFICE: (956) 383-3112

FAX: (956) 381-5905



COUNTY COMMISSIONER, PCT. No. 4

February 19, 2015

TGO Housing Solano Park, LP
c/o Steve Lollis
710 N. Post Oak Rd., Ste. 400
Houston, Texas 77024

Re: Application No. 15006; Solano Park Apartments

Dear Mr. Lollis,

It is my understanding that you are submitting an application to the Texas Department of Housing and Community Affairs (TDHCA) seeking an award of housing tax credits in connection with the development of Solano Park Apartments, a proposed 140-unit affordable rental housing community to be located on land near the SWQ of W. Alberta Rd. and S. Sugar Rd., in Edinburg, Texas 78539 (Development Site). You have provided me with the attached map, showing the location of the Development Site.

Please let this letter serve to recognize that Precinct 4 includes the area where the Development Site is located, which is in one of the target areas for Precinct 4's investment in colonia communities. Your Development Site is immediately north of and adjacent to Acacia Colonia and a ¼ mile east of Borderland Retreat #1 and #2 Colonias. Precinct 4 is focused on improving critical services in these colonias, and has several initiatives underway in targeted parts of Hidalgo County. There is currently an initiative in place focused upon erecting conventional streetlights in your neighborhood.

The construction of Solano Park Apartments will enhance the efforts of Precinct 4 to improve the living conditions of the residents of this colonia community by installing lighting and upgrading basic infrastructure and drainage improvements. Please let us know what else we can do to assist your efforts.

Sincerely,



Joseph Palacios, Commissioner Precinct 4



Feature Display Find Colonia

Colonia Communities

Transparency [slider] [Reset]

SB827 Color Classification

Click on a colonia for more detailed colonia information.

Other Features

- City Limits
- Zip Codes
- School Districts



TGO Housing Solano Park, LP

710 N. Post Oak Road, Suite 400

Houston, Texas 77024

(713) 875-9456 – p

(713) 583-8858 – f

steve@texasgreyoaks.com

April 28, 2015

By Email to tim.irvine@tdhca.state.tx.us

Tim Irvine

Executive Director

Texas Department of Housing and Community Affairs

221 East 11th Street

Austin, Texas 78701-2410

Re: #15006 – Solano Park Apartments, Edinburg, Hidalgo County, Texas;
Appeal from Denial of Two (2) Points for Underserved Area (Colonia).

Dear Mr. Irvine:

This letter is to appeal the denial of two (2) points claimed by TGO Housing Solano Park, LP (the “Applicant”) under §11.9(c)(6)(A) of the 2015 Qualified Allocation Plan (the “QAP”) relating to Underserved Areas, and more specifically points awarded if a development site is located in a Colonia. The Applicant received a scoring notice dated April 22, 2015 indicating that the Department had posted to its website an updated submission log reflecting the denial of points to those applicants in Region 11 who claimed points under §11.9(c)(6)(A) of the QAP. We believe that Solano Park Apartments (the “Project”) is qualified to receive these points and we ask that they be reinstated by the Department.

The Applicant claimed points under §11.9(c)(6)(A) for being in an Underserved Area on the following basis:

The Project is proposed to be built on a development site (the “Development Site”) in Hidalgo County, Texas, which is a county that is located within 150 miles from the international border (Texas-Mexico). The Development Site is within the City of Edinburg, and is located in a colonia community (the “Community”) as shown on the map attached to the February 19, 2015 letter from County Commissioner Joseph Palacios (Precinct 4) that was submitted in the original application to support the requested Underserved Area points. Within the immediate neighborhood of the Development Site and an area encompassing no more than two square miles (the “Neighborhood”), there are three (3) Colonias recognized on the Texas Attorney General’s Colonia Geographic Database, including Acacia, Borderland Retreat, and Borderland Retreat #2.

The Acacia Colonia is located in the ETJ of Edinburg and is south of and adjacent to the Development Site. Within the Neighborhood there are substantially more than eleven dwellings.

The Community exhibits many characteristics of an underserved area in that it lacks adequate utility infrastructure, lighting, drainage and other critical services, features that would otherwise be available to support residential neighborhoods as well as meet legally mandated requirements. Although there has been growth in the City of Edinburg north of Alberta Road and East of Sugar Road by the Edinburg Medical Center, there has been very little economic activity within the Neighborhood evidencing an area that has similar economic and physical characteristics of a Colonia.

In Hidalgo County, the Commissioner's Court is responsible for directing funding and prioritizing Colonia projects that receive such funds on a county wide basis. We therefore sought input from Commissioner's Court to determine where they were using their colonia resources. As discussed by County Commissioner Palacios in his letter, the Community is a targeted area for Precinct 4's investment in improving critical services. Commissioner Palacios is actively involved in upgrading the standard of living for the Community and advises that there are currently ongoing initiatives to erect conventional streetlights and upgrade basic utilities which will benefit the Neighborhood. Commissioner Palacios is particularly enthusiastic about leveraging public funds with private investment in colonia communities, and he points out that the proposed development of the Project will leverage and enhance Precinct 4's efforts to improve the Neighborhood as a whole and the Colonias projects currently underway and proposed in the area.

Section 2306.127 of the Texas Government Code (the "Code") provides that a Colonia be considered a priority by the TDHCA in connection with its housing program:

"Sec.2306.127. PRIORITY FOR CERTAIN COMMUNITIES. In a manner consistent with the regional allocation formula described under Section 2306.111(d), the department shall give priority through its housing program scoring criteria to communities that are located wholly or partly in:

- (1) a federally designated urban enterprise community;
- (2) an urban enhanced enterprise community; or
- (3) an economically distressed area or colonia."

Added by Acts 2001, 77th Leg., ch. 1367, Sec. 1.19, eff. Sept. 1, 2001.

The TDHCA has evidenced this priority by providing Underserved Area points under §11.9(c)(6)(A) of the QAP to those applicants that have development sites in a Colonia. By denying these points to all applicants who claimed them, the TDHCA is failing to meet the legislative directive of §2306.127 of the Code to prioritize Colonia areas.

We acknowledge that the TDHCA also gives priority in the Underserved Area scoring category to two other legislatively mandated objectives that include (i) economically distressed

Tim Irvine - TDHCA
April 28, 2015
Page 3

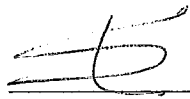
areas under §2306.127 of the Code (evidenced in §11.9(c)(6)(B) of the QAP), and (ii) census tracts that have never received a competitive tax credit allocation or a 4% tax credit allocation serving the same population under §2306.6725(b)(2) of the Code (evidenced in §11.9(c)(6)(D) of the QAP). However, if colonia points are denied this year to all applicants in Region 11 who claimed them, the TDHCA is elevating a “Place” under §11.9(c)(6)(C) of the QAP above a Colonia, contrary to the priority established by statute.

The Neighborhood in which the Project is located clearly demonstrates all of the characteristics of a Colonia, and actually includes three Colonias that have been recognized by the Attorney General. For that reason, and so that the TDHCA will fulfill the specific directive of Section 2306.127 of the Code, we submit that the Project should receive the requested two points, and ask that such points be reinstated. If you deny the reinstatement of the points, we respectfully request to have the matter heard by the TDHCA Board.

Sincerely,

TGO Housing Solano Park, LP

By: TGO Housing Solano Park GP, LLC

By: 

Steve Lollis, Manager

cc: Kathryn Saar
Competitive Tax Credit Program Administrator
Via Email – Kathryn.saar@tdhca.state.tx.us

Enclosure



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Greg Abbott
GOVERNOR

BOARD MEMBERS
J. Paul Oxer, *Chair*
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T. Tolbert Chisum
Tom H. Gann
J.B. Goodwin

May 12, 2015

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

Steve Lollis
TGO Housing Solano Park, LP
710 N. Post Oak Road, Suite 400
Houston, TX 77024

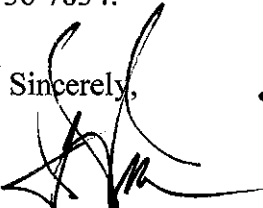
RE: 15006 SOLANO PARK APARTMENTS: SCORING NOTICE APPEAL

Dear Mr. Lollis:

The Texas Department of Housing and Community Affairs (the "Department") is in receipt of your appeal, dated April 28, 2015, of the abbreviated scoring notice for the above referenced Application. This Application was denied points under §11.9(c)(6)(A) of the 2015 Qualified Allocation Plan ("QAP"), related to Underserved Area, because staff determined that the site was ineligible for points under subparagraph (A) of the scoring item related to Colonias.

Your appeal states that because there are three recognized colonias near the development site and because the county commissioner recognizes the neighborhood as one that is targeted for investment in colonia communities, that the application should be eligible for the points. However, a site visit conducted by staff evidenced that there is no apparent inability to access basic utilities, as the area is well developed with both commercial and residential uses as well as a new regional medical center. In addition, there appears to be ongoing development even directly across the street from the proposed site. Further, the development site is in an area with a very high median household income and relatively low poverty rate. In general, the site does not appear to have the economic and physical characteristics that define a colonia. Therefore, your appeal is hereby denied.

If you are not satisfied with this decision, you may file a further appeal with the Board of Directors of the Texas Department of Housing and Community Affairs. Please review §10.902 of the 2015 Uniform Multifamily Rules for full instruction on the appeals process. Should you have any questions, please contact Kathryn Saar, Competitive Tax Credit Program Administrator, at kathryn.saar@tdhca.state.tx.us or by phone at 512-936-7834.

Sincerely,

Timothy K. Irvine
Executive Director



COATS | ROSE

A Professional Corporation

TAMBA A. DULA
OF COUNSEL

tdula@coatsrose.com
Direct Dial
(713) 653-7322
Direct Fax
(713) 890-3918

June 8, 2015

By Email c/o: tim.irvine@tdhca.state.tx.us

TDHCA Board Members
C/O Tim Irvine, Executive Director
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, TX 78701

RE: #15006 Solano Park Apartments, Edinburg, Hidalgo County, Texas;
Appeal of denial of two (2) points for serving an Underserved Area -§11.9(c)(6)(A).

Dear TDHCA Board Members:

This letter appeals the TDHCA's Staff decision to deny two (2) points claimed by TGO Housing Solano Park, LP (the "Applicant") for locating Solano Park Apartments (the "Project") in a Colonia. We believe that the Applicant has provided all evidence required to demonstrate that the neighborhood in which the Project will be built complies with §11.9(c)(6)(A) of the 2015 Qualified Allocation Plan (the "QAP"). We ask the Board to approve the two (2) points claimed by the Applicant.

According to TDHCA Staff, in 2015 none of the applications claiming Underserved Area points for having sites located in a Colonia received the requested points. We suggest that this mass denial of points is unlikely to be due to the fact that all applicants failing to qualify their sites as being within a Colonia area. Instead, it appears to be reflective of the Staff's difficulty in distinguishing what constitutes a Colonia, and a decision to have the TDHCA Board make this determination. The definition of a "Colonia" has changed since 2014, in that (i) the Applicant is now required to define the geographic area to be considered the Project's "neighborhood" (not to exceed two square miles), and (ii) the factors that may be considered by the TDHCA in determining a Colonia include, without limitation to, the ability to access basic utilities.

The Staff cited the following three (3) reasons for determining that the site was not in a Colonia:

1. Staff says that a site visit indicates that there is not an apparent inability to access basic utilities.

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Web: www.coatsrose.com

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2. Staff indicates that the area is well-developed with both commercial and residential uses.

3. Staff objects to the “relatively high” median household income and “low poverty rate” of the area on the grounds that such income levels do not indicate the economic characteristics of a Colonia.

In response to these objections, we provide you with the following information:

1. **No Apparent Inability to Access Basic Utilities.** On the basis of a site visit, Staff concluded that there is no apparent inability to access basic utilities, as the area is well-developed with both commercial and residential uses, including a new regional medical center. The Applicant will have to invest in installing water, sanitary sewer and drainage improvements via a dedicated easement servicing the Project site and the existing Colonia directly to the South of the site. Most urban developments can count on these utilities being available at the perimeter of the site. The presence of commercial or residential development is not a litmus test for the non-existence of a Colonia area. Here basic utilities are not being provided to the site by the local government, and that is one characteristic that the TDHCA may consider in determining whether a Colonia environment exists. We submit that the Project’s neighborhood meets this criterion.

As part of its evidence of the Colonia character of the area, Applicant provided a letter from Joseph Palacios, Hidalgo County Commissioner for Precinct 4, recognizing that the Commissioner’s Court is responsible for directing funding and prioritizing Colonia projects that receive such funds on a county wide basis. Commissioner Palacios confirms:

Please let this letter serve to recognize that Precinct 4 includes the area where the Development Site is located, which is in one of the target areas for Precinct 4's investment in colonia communities. Your Development Site is immediately north of and adjacent to Acacia Colonia and a X mile east of Borderland Retreat #1 and #2 Colonias. Precinct 4 is focused on improving critical services in these colonias, and has several initiatives underway in targeted parts of Hidalgo County. There is currently an initiative in place focused upon erecting conventional streetlights in your neighborhood. ... The construction of Solano Park Apartments will enhance the efforts of Precinct 4 to improve the living conditions of the residents of this colonia community by installing lighting and upgrading basic infrastructure and drainage improvements.

We suggest that the TDHCA should accept the decision of the local authority with regard to whether a neighborhood has the characteristics that define a Colonias based on their knowledge of infrastructure installed and their prioritization in the expenditure of limited local Colonia funds in the described neighborhood.

2. **Development in the Area.** Nothing in the QAP or the Rules precludes the awarding of Underserved Area points for having a site located in a Colonia area based on whether the

Project site is in an area where there is residential or commercial development. The development noted in a site visit does not necessarily mean that the City of Edinburg provided the basic utilities necessary for that development. There are many residential developments in border counties that are serviced only by septic fields because sanitary sewer lines are not available. In any event, the presence or absence of commercial or residential development is not a critical indicator of a Colonia area. Additionally, we point out that the residential and commercial uses described by Staff are not within the neighborhood established by the Applicant. The new Edinburg Regional Medical Center is located more than a half mile from the site, on the east side of a major road system and is not within the defined neighborhood. The physical and economic characteristics in the defined neighborhood is what should be considered -- not that of a nebulous "area" that is established by the subjective impressions incurred on a site visit. The requirements for a Colonia do not include the absence of other nearby development. In fact, the QAP provides a preference for the siting of proposed projects in High Opportunity Areas, and a Colonia neighborhood in a High Opportunity Area should be able to claim the points provided for each characteristic. Additionally, the availability of community assets is essential to a successful application, so this Project should not be denied points because there are commercial facilities in the area.

3. **Household Income and Poverty Rate.** The Staff cites a very high median household income and a relatively low poverty rate as being grounds for denying Colonia points. While it is true that the Census Tract shows a higher than average median household income, it needs to be recalled that pockets of Colonia neighborhoods can exist within a Census Tract whose median income is boosted by the inclusion of some higher-end housing. In this case, the Project site is located in a neighborhood with three (3) recognized Colonias, so it is not surprising that the neighborhood (which is required to be two square miles or less) displays the economic and physical characteristics of a Colonia. This indicates a well-chosen site because the Census Tract as a whole will permit a qualification for High Opportunity Area points, while the neighborhood established by the Applicant still displays the physical and economic aspects of a Colonia. We also note that nothing in the QAP or the Rules define a Colonia based on whether it is or is not in a high income/low poverty area nor is such location used in determining whether these communities qualify for federal, state or local funding.

In conclusion, upon review of the reasons stated for denying Colonia points to the Project, we find that the determinations of the local governmental authority concerning Colonia status are being disregarded. The fact that there are pockets of development in the area is being used as a disqualifying factor instead of being acknowledged as the requisite basis of community assets needed to qualify for housing tax credits. Finally, because the Census Tract permits the Application to qualify for High Opportunity Area points (which are encouraged by the TDHCA), that fact is being cited as precluding an economic situation consistent with a Colonia. The end result is that the current interpretation of what constitutes a "Colonia" has become so restrictive that an application with Colonia points would not be able to qualify for tax credits because it would be restricted from claiming High Opportunity Area points to be competitive, or even providing the mandatory six community assets within a one-mile radius that is needed to have an eligible application.

TDHCA Board Members

June 8, 2015

Page 4

When dealing with a nebulous definition such as the Rules' definition of "Colonia" it seems that you could hardly do better than to determine what the administrative governmental entity regards as a "Colonia." The Applicant went to the County Commissioner, as the local authority with regard to identifying characteristics that define a Colonia area, and obtained confirmation that the proposed Project site was located in a neighborhood that would qualify for Colonia restricted funding assistance, and that assistance is currently being provided to the communities described in the neighborhood. Accordingly, we request that the Board acknowledge that the Applicant has met the requirements of both the QAP and the Rules, and that the two (2) points requested under §11.9(c)(6)(A) should be awarded.

Very truly yours,



Tamea A. Dula

State of Texas
House of Representatives



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10213 NORTH 10TH STREET
SUITE B
MCALLEN, TEXAS 78504
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FAX: (956) 292-0418

R.D. "Bobby" Guerra
STATE REPRESENTATIVE
DISTRICT 41

March 13, 2015

Texas Department of Housing and Community Affairs
221 E. 11th Street
Austin, TX 78701
Attn: Kathryn Saar,
Multifamily Finance Administrator

RE: Solano Park Apartments (TDHCA #15006)
SWQ of W. Alberta Rd. & S. Sugar Rd.
Edinburg, Texas

Dear Ms. Saar,

I am writing to show my support for Solano Park Apartments, a proposed affordable rental housing community at its proposed location on land near the SWQ of W. Alberta Rd. and S. Sugar Rd., in Edinburg, Hidalgo County, Texas 78539.

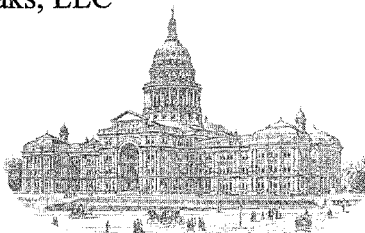
My district includes the area where the development site is located, and because this application received support from the local governmental entities, I believe the City of Edinburg will benefit from the availability of quality housing like Solano Park Apartments that is affordable to residents of all income levels including persons of lower income. I therefore lend my support for Solano Park Apartments TDHCA #15006.

Sincerely,

A handwritten signature in black ink, appearing to read "R.D. Bobby Guerra".

Representative R.D. "Bobby" Guerra, District 41

cc: Steve Lollis, Texas Grey Oaks, LLC



2. The City of Edinburg, acting through its governing body, hereby approves a commitment to the Applicant of permanent funding assistance in the amount of \$1,440,000, which in the City's discretion may be in the form of a grant or in-kind contribution, a permanent loan with a minimum term of 15 years, a minimum amortization period of thirty (30) years, and an interest rate no higher than 3 percent per annum, or a combination thereof. The funding assistance provided by the City of Edinburg pursuant to this Resolution is intended to comply with all requirements of §11.9(d)(2) of the QAP, and in particular constitute a firm commitment for purposes of §11.9(d)(2)(C) of the QAP.

3. Notwithstanding anything herein to the contrary, the funding commitment by the City of Edinburg set forth in this Resolution shall be contingent on: (i) the Applicant securing HTC's from TDHCA in an amount sufficient to develop the Housing, (ii) development plan approvals (including any required zoning) by the City of Edinburg in connection with developing the Housing, and (iii) finalizing acceptable loan documents pursuant to the terms committed to by the City of Edinburg pursuant to this Resolution.

4. The City of Edinburg is not a related party to the Applicant, and any funding assistance committed by the City of Edinburg to the development of the Housing pursuant to this Resolution will not have been provided to the City of Edinburg by the Applicant or any related party to the Applicant.

5. This formal action has been taken to put on record the opinions expressed by the City of Edinburg as of the date of this Resolution.

6. The undersigned on behalf of the City of Edinburg, acting through its governing body, is hereby authorized, empowered, and directed to certify these resolutions to TDHCA.

READ, CONSIDERED, PASSED AND APPROVED at a regular meeting of the City Council of the City of Edinburg, Texas, at which a quorum was present and which was held in accordance with V.T.C.A., Government Code, Section 551.04, on the 17th day of February, 2015.

CITY OF EDINBURG

By: 
Richard H. Garcia, Mayor

ATTEST:

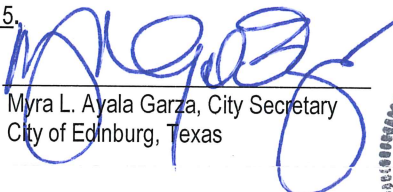
By: 
Myra L. Ayala Garza, City Secretary

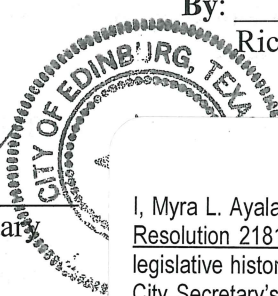
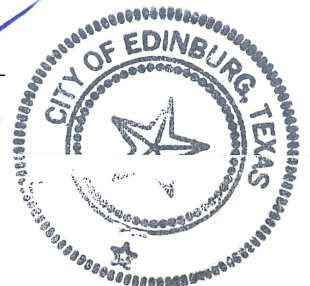
APPROVE AS TO FORM:
Palacios, Garza & Thompson, P.C.

By: 
City Attorney

CERTIFICATE OF RECORDING OFFICER

I, Myra L. Ayala Garza, City Secretary for the City of Edinburg, hereby certify Resolution 2181 is a true and correct copy of the original Governing Body's legislative history for the meeting held February 17, 2015, and is on file in the City Secretary's Office of the City of Edinburg, Texas. TO CERTIFY WHICH WITNESS MY HAND AND SEAL OF OFFICE THIS THE 23rd day of February 2015.

By: 
Myra L. Ayala Garza, City Secretary
City of Edinburg, Texas



15031

Solano at the Sports Park

Solano at the Sports Park (#15031)

Solano at the Sports Park is proposed to be located at the northwest corner of Sports Park Blvd. and Old Alice Rd. in Brownsville. The site is less than a mile from the Highway 83 service road on the east. Directly north of the site is a large single family subdivision, and across the highway from that subdivision is the Olmito colonia. The Application indicates that the colonia is within a 2-mile radius of the site and that there is less than a mile between the site and the colonia, boundary to boundary. In addition, the Olmito colonia is classified as “yellow,” meaning that it has existing potable water service and an approved wastewater system but might lack road paving, drainage, and/or solid waste disposal. Staff does not dispute these facts. However, upon a visit to the site, staff did not conclude that the colonia would reasonably be considered part of the neighborhood or community. Although it is nearby, the highway is a distinct boundary. Indeed, the census bureau recognizes this boundary as well. The census tract in which the site is located has a median household income of \$49,650 and a poverty rate of 25.9%; the block group in which the site is located has a median household income of \$65,697. In the appeal, the Applicant makes the argument that the two areas should be considered the same community, as the elementary school which the residents of the development will attend is named Olmito Elementary and the residents of colonia and the new development will attend the same middle and high schools. While staff recognizes that there is validity to this statement, the initial site visit did give the impression of two separate and distinct communities. The Site Design and Development Feasibility Report submitted with the Application indicates that there is access to the City of Brownsville 8-inch water line on the opposite side of Old Alice Road and 12-inch sewer line directly in front of the property. A letter from the civil engineer indicates that there is electric service available to the site but no gas service.

The appeal also points out that the site has similar challenges to that of the Olmito colonia because, although there has been some recent development near the site (particularly a new Toyota dealership on the highway service road, about one-half mile from the site), that the area lacks some services such as healthcare providers, grocery stores, and pharmacies. Again, staff does not entirely disagree with this assessment. However, the fact that the site is in an area with relatively high income and with access to basic utilities is in basic conflict with the idea that it has the physical and economic characteristics of a colonia. Therefore, staff recommends denial of the appeal.

It should be noted that the Applicant submitted additional information which is included below, pursuant to the public comment rules. However, that information was not considered as of the writing of this board action item.



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Cynthia L. Bast
Direct Telephone: 512-305-4707
Direct Fax: 512-391-4707
cbast@lockelord.com

April 29, 2015

(Via e-mail)

Ms. Jean Latsha
Texas Department of Housing & Community Affairs
Director of Multifamily Finance
221 East 11th Street
Austin, TX 78711-3941

RE: #15031 – Solana at the Sports Park, Brownsville – Appeal response to TDHCA Scoring Notice Letter dated April 22, 2015 related to §11.9 (c) (6)(A) Underserved Area

Dear Jean:

We represent the Applicant for the above referenced Development and submit this appeal, on our client's behalf, for the award of two (2) points under §11.9(c)(6)(A) of the Qualified Allocation Plan (the "QAP")¹ for location in an underserved area. The Development Site is eligible for these two points because it specifically meets both the plain language and the intent of the QAP, and we respectfully request the Department reconsider its position and reinstate these points to Solana at the Sports Park.

Pursuant to §11.9(c)(6)(A) of the QAP, an Application is entitled to two (2) points if the Development Site is located in a "Colonia." Various Texas state agencies have definitions of what constitutes a "colonia" for purposes of their programs. TDHCA has its own definition of a Colonia as follows:

(19) Colonia--A geographic area that is located in a county some part of which is within one-hundred fifty (150) miles of the international border of this state, that consists of eleven (11) or more dwellings that are located in proximity to each other in an area that may be described as a community or neighborhood, and that:

(A) has a majority population composed of individuals and families of low-income and very low-income, based on the federal Office of Management and Budget poverty index, and meets the qualifications of an economically distressed area under Texas Water Code, §17.921; or

¹ Capitalized terms used but not defined herein shall have the meanings given them in the QAP and the Uniform Multifamily Rules, as applicable.

(B) has the physical and economic characteristics of a colonia, as determined by the Department, and is a geographic area encompassing no more than two (2) square miles. Factors to be considered by the Department include, but are not limited to, ability to access basic utilities and boundaries that may define communities or neighborhoods. Applicants will be required to define the geographic area to be evaluated by the Department.

The Solana at Sports Park Development is part of a two (2) square mile area that includes a portion of the Olmito Colonia, which is the 7th largest Colonia on the Texas/Mexico border in terms of population. See Attachment "A". Viewed as a whole, this area (outlined in blue on Attachment "A") meets TDHCA's definition of "Colonia" in all respects:

- located within 150 miles of the international border
- consisting of eleven (11) or more dwelling units in proximity to each other
- in an area that can be described as a neighborhood
- comprising no more than two (2) square miles
- having the physical and economic characteristics of a colonia

The Olmito Colonia. The Development Site's proximity to the Olmito Colonia, within 0.75 miles, makes it unique among the Applicants. Key information about the Olmito Colonia was included in the Application and is re-attached hereto as Attachment "B". The Olmito Colonia consists of 801 acres with a population of 4,044 according to the 2000 census, distinguishing it from colonias that have minimal populations. It stretches across both the eastern and western borders of IH 69E (formerly US 77) and north and south of Highway 550.

The Olmito Colonia is in an unincorporated area, and not in the City of Brownsville. By contrast, many other colonias are within City limits. Location in an unincorporated area exacerbates the challenges faced by a Colonia when trying to improve its infrastructure and the quality of life for residents.

Yet, the Olmito Colonia is distinctly part of the community and neighborhood in which the Development Site is located. When the Los Fresnos Independent School District built an elementary school east of IH 69E, just behind the Development Site for Solana, it named the school "Olmito Elementary." See Attachment "C". On January 29, 2015, the Olmito Elementary school was nominated by the Texas Education Agency to become a Blue Ribbon School, a federal program to recognize schools which have achieved high academic performance where at least 40% of the students are economically disadvantaged. Students from the Solana at Sports Park Development will attend Olmito Elementary. They will also attend middle school and high school with residents from the Olmito Colonia. This furthers the notion that the area this Applicant has identified as a "Colonia," for TDHCA purposes, can be described as a neighborhood.

Moreover, the Olmito Colonia is classified by the Texas Attorney General's office as a yellow Colonia, meaning the Colonia lacks in basic services. See Attachment "B". This classification by the State further confirms this area is underserved. By contrast, many colonias identified by the Texas Attorney General are classified as green, meaning that most infrastructure improvements have already been made.

Ms. Jean Latsha

April 29, 2015

Page 3

Opportunities for an Underserved Area. On its website, the Texas Attorney General acknowledges that the Olmito Colonia is challenged by a lack of available healthcare providers. The Development Site is similarly underserved by a lack of nearby healthcare and clinic facilities, commercial development, infrastructure, affordable housing opportunities and other basic services. While the Applicant met the QAP's requirement for at least six (6) community assets within a two (2) mile radius², the truth is that the nearby amenities are limited. In addition to expanding key infrastructure, the location of affordable housing in this area can help drive additional commercial development that will serve residents beyond those living in Solana at Sports Park.

The City of Brownsville has made a significant public investment in creating a large Sports Park located across the street from the Development Site to encourage the private development of land uses and improve the quality of life for the residents in this area. As of the date of this letter, the only significant private investment just completed is a Toyota dealership located at the corner of Sports Park Boulevard and IH 69E. Other commercial amenities, like a grocery store, pharmacy, restaurants, retail stores, or health clinics are needed. An old saying in real estate is that "businesses follow rooftops." The location of Solana at Sports Park in this area can help drive the addition of amenities that will ultimately benefit the surrounding neighborhood, including the Olmito Colonia.

In conclusion, the geographic area identified by the Applicant as a "Colonia" for purposes of the "underserved area" points clearly meets every element of TDHCA's prescribed definition. Moreover, awarding points to this Application for this Development Site is consistent with the spirit of the QAP, as well. The intent is clearly to give a priority to those areas with physical and economic challenges that need special attention. Developing Solana at Sports Park on this site will fulfill that intent and provide resources to a community with significant needs.

Sincerely,



Cynthia L. Bast

cc: (all Via e-mail)
Kathryn Saar
Linda Brown
Sara Reidy
Moe Mohana
Colette Whitehorse

Attachment "A" -- Identification of Area
Attachment "B" -- Application Materials
Attachment "C" -- Identification of Olmito Elementary

² Note that the two (2) mile radius used for the identification of amenities is larger than the two (2) square mile area used for the definition of a Colonia.

Attachment "A"
Identification of Area

Legend

Olmito Colonias

2 Square Miles

2 Mile Radius

1732

550

1847

83

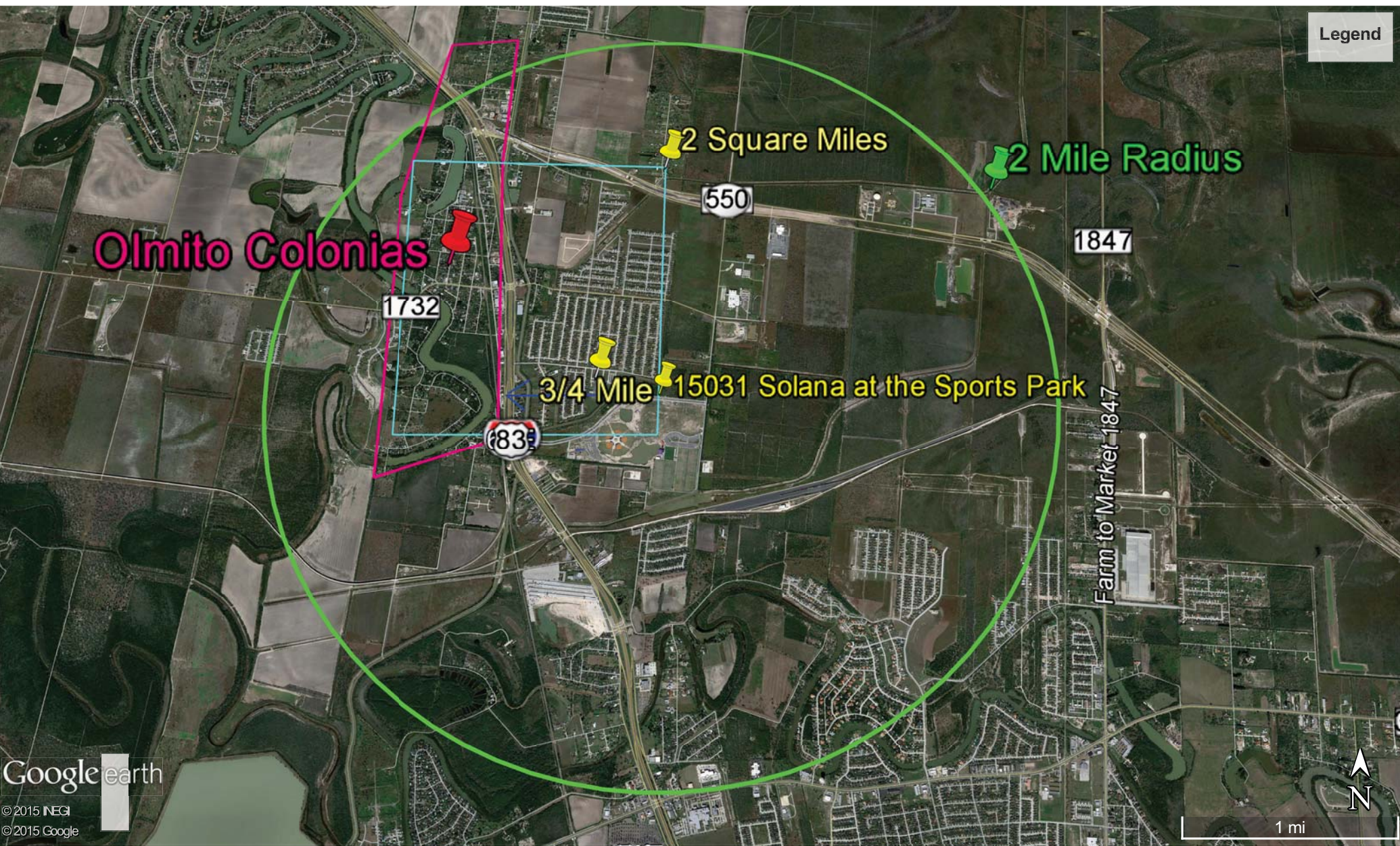
3/4 Mile 15031 Solana at the Sports Park

Farm to Market 1847

Google earth

© 2015 NEGI
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1 mi



Attachment "B"
Application Materials

The following pages were submitted with original application

Solana at the Sports Park Meets TDHCA Colonia Criteria as an Underserved Area

The attached supporting material will provide the Department with information confirming Solana meets the Colonia definition in all respects. Colonia points for an application should be applied if the proposed site is in an Underserved Area in close proximity to Colonias that are currently in need of community and economic development, medical and health services, employment opportunities and improved infrastructure. The QAP criteria is clear and we believe provides the Staff with some level of subjectivity to make a determination if an Area in which the proposed development site is located is in an underserved area as described above. The Solana at the Sports Park site location meets the State's Underserved Colonia criteria.

Solana at the Sports Park is located less than one mile from the Olmito Colonia M0310111, the 7th largest State designated Colonia along the Texas Mexico border. The Olmito Colonia, unlike many other Colonias in south Texas, is a community that is not incorporated or within an incorporated area. In addition, the Olmito Colonia is Classified as Yellow meaning the Colonia, with a population of 4,044 from the 2000 Census, continues to experience challenges such as minimal flooding due to poor drainage, health professional shortage, health clinic access and community and economic development. Solana at the Sports Park will bring new housing options that will attract new retail businesses and improved services for the residents in the Olmito Colonia.



While it is true that Solana at the Sports Park located at the northwest corner of Sports Park Boulevard and Old Alice Road meets the required Site Amenities, it is also true that the closest full service grocery such as a Walmart or HEB grocery store is more than 2 miles away and there is no or very limited retail, restaurant and medical services within the same 2 miles. It is also true that public infrastructure is in need of improvement. The only significant amenity is the Sports Park developed by the City of Brownsville through the Brownsville Community Improvement Corporation, a 4B corporation, dedicated to improving the quality of life for Brownsville citizens. The majority of the surrounding property to the site is unimproved.

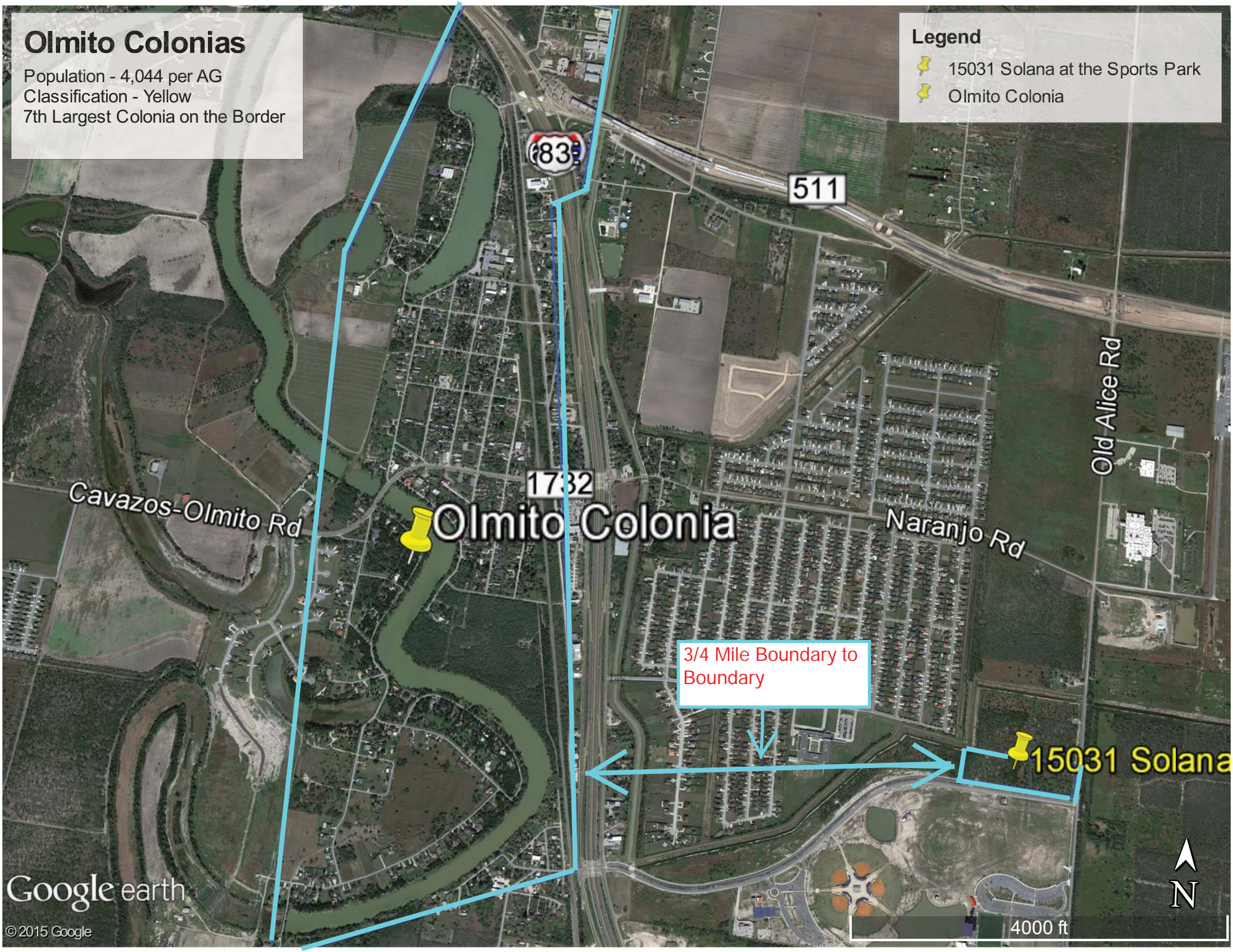
Yet, there is growth potential. Developments such as Solana at the Sports Park will over time attract new private commercial investment and services. The Olmito Colonia will benefit significantly from this new community and economic development interest. Solana at the Sports Park meets the TDHCA criteria for Colonia points and more importantly meets the spirit by which the points were provided for by the Department.

Olmito Colonias

Population - 4,044 per AG
Classification - Yellow
7th Largest Colonia on the Border

Legend

-  15031 Solana at the Sports Park
-  Olmito Colonia



83

511

1732



Olmito Colonia

Naranjo Rd

Old Alice Rd

Cavazos-Olmito Rd

3/4 Mile Boundary to Boundary

15031 Solana

Google earth

© 2015 Google

4000 ft




2 mile radius

Olmito Colonias to Sports Park


Legend

Carmen Ave

 Olmito Colonias

Cavazos-Olmito S2

 3/4 Mile

 15031 Solana at the Sports Park

Farm to Market 1847

83

1847

32

Google earth

© 2015 INEGI
© 2015 Google



1 mi

Workspace Webmail x Colonias Internet Vie x Sara

https://maps.oag.state.tx.us/colgeog/colgeog_online.html#

Apps Workspace Login HUD USER GIS ... Vacancy Clearin... CNNMoney - B... Workspace We... colonias map City of Alton, Te... freedom file

THE ATTORNEY GENERAL OF TEXAS
KEN PAXTON

Zoom to County Back Full View

Feature Display Find Colonia

Colonia Communities

Transparency [Slider] Reset

SB827 Color Classification

Click on a colonia for more detailed colonia information.

Other Features

City Limits Zip Codes School Districts

ENITO

15031 - Solana at the Sports Park

6:33 PM 2/11/2015

Workspace Webmail x Colonias Internet Vie x Sara

https://maps.oag.state.tx.us/colgeog/colgeog_online.html#

Apps Workspace Login HUD USER GIS ... Vacancy Clearin... CNNMoney - B... Workspace We... colonias map City of Alton, Te... freedom file

Close x

CAMERON COUNTY COLONIA Community ID: M0310111

Olmito

Data Maintained by the Office of the Attorney General (OAG)

Item Description	Value
1. Has a plat been prepared?	Yes
2. Is the plat officially recorded with the County Clerk's Office?	Yes
3. Date plat recorded at the County Clerk's Office	7/27/1926
4. Plat volume number at the County Clerk's Office	6
5. Plat page number within the volume	11

Data Maintained by the Secretary of State (SOS)

Item Description	Value
01. SB827 Report Colonia Classification	Yellow
02. Estimated Colonia Population	4044
03. Promotoras or Outreach Program Available?	Partial
04. Health Professional Shortage Area?	Yes
05. Health Clinic Access?	No

Data Maintained by the Texas Water Development Board (TWDB)

Item Description	Value
01. The name of the community.	Olmito
02. Alternate name.	
03. Old 1996 TWDB ID.	0310002
04. Population from reports or extracted from 2000 Census.	4044

6:33 PM 2/11/2015

6 CHIPS: A New Way to Monitor Colonias Along the United States-Mexico Border

Table 2. Classification criteria for colonias.

Degree of health risk	Classification level	Criteria
High health risk	Red	Satisfies at least one of the following: <ol style="list-style-type: none"> 1. Either all or some lots have inadequate wastewater disposal (cesspools). 2. All lots do not have a potable water supply. 3. Not platted.
Medium health risk	Yellow	Platted colonias with a potable water supply and adequate wastewater disposal, and satisfy at least one of the following: <ol style="list-style-type: none"> 1. Either all or some lots lack solid waste disposal (trash collection). 2. Not all roads are paved. 3. Not all roads are passable in all weather conditions. 4. It floods during a precipitation event.
Low health risk	Green	All lots satisfy all of the following criteria: <ol style="list-style-type: none"> 1. Platted. 2. Have a potable water supply. 3. Have adequate wastewater disposal. 4. Have solid waste disposal. 5. All roads are paved. 6. All roads are passable in all weather conditions. 7. It doesn't flood during a precipitation event.

Table 3. Summary of Texas Legislative Grant and Loan Programs.

Agency	Program	Federal cooperators	Date began	Services
Texas Water Development Board	EDAP	NadBank, Environment Cooperation Commission, Environmental Protection Agency, U.S. Department of Agriculture	1989	Water and wastewater grants
Office of Rural and Community Affairs	Community Block Grants	Housing and Urban Development	2002	Infrastructure
Texas Department of Transportation	General Obligation Bonds	Federal Highways	2002	Road paving and drainage
Department of State Health Services	Office of Border Health	Center for Disease Control, The Rensselaerville Institute	1993	Public Health
Texas Department of Housing and Community Services	Texas Bootstrap Program	Housing and Urban Development	Not available	Mortgage assistance, home repairs

Table 4. Summary of Texas regulation and support agencies.

Agency	Support services
Office of the Texas Secretary of State	Ombudsmen program
Office of the Attorney General of Texas	Enforcement of legislation, cartography
Health and Human Services	Human health services
Texas Commission of Environmental Quality	Certificates of convenience and necessity, Regulation of onsite sewerage, water quality, and model subdivision rules
Texas A&M Center for Housing and Urban Development	Community resource centers

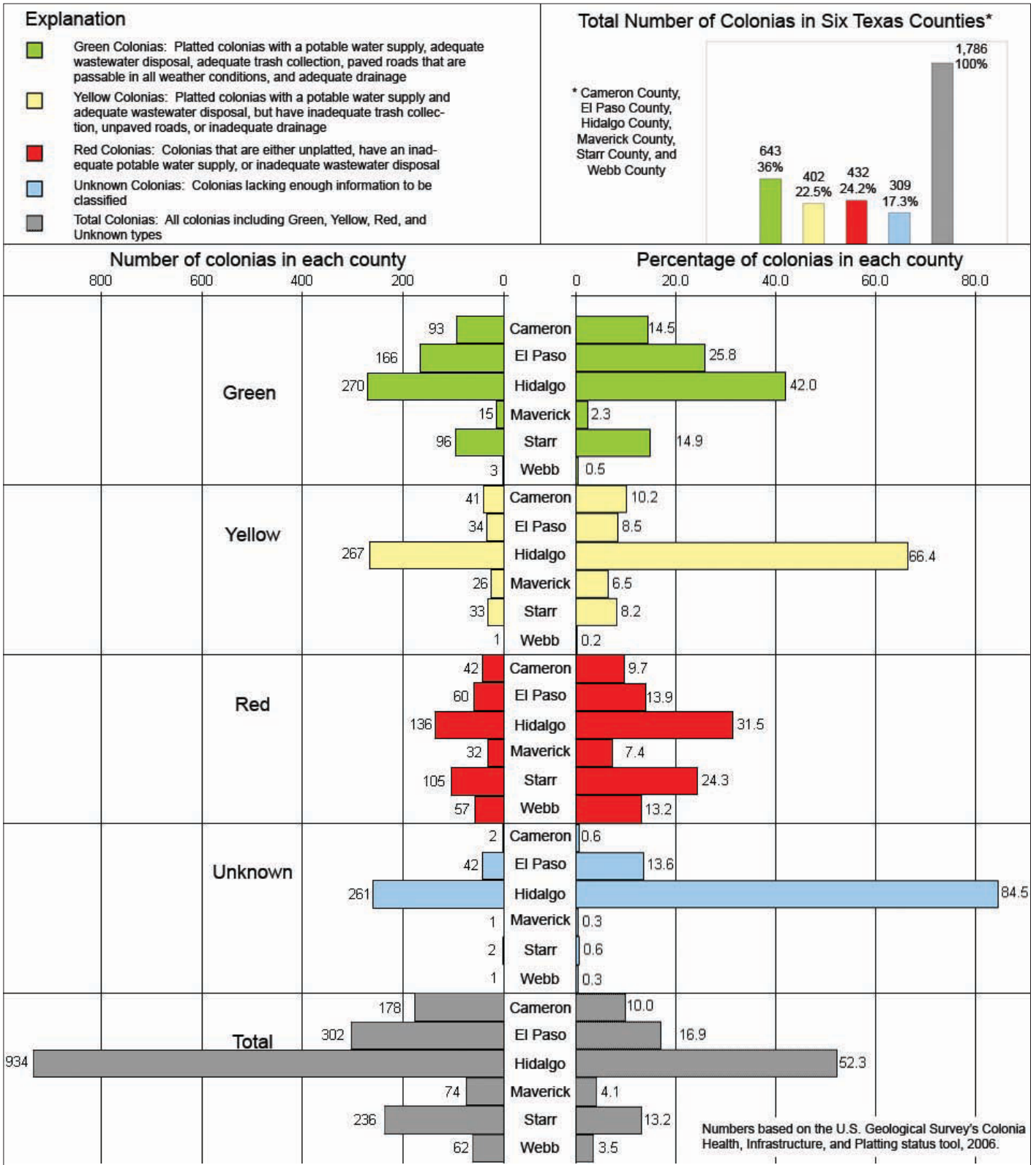
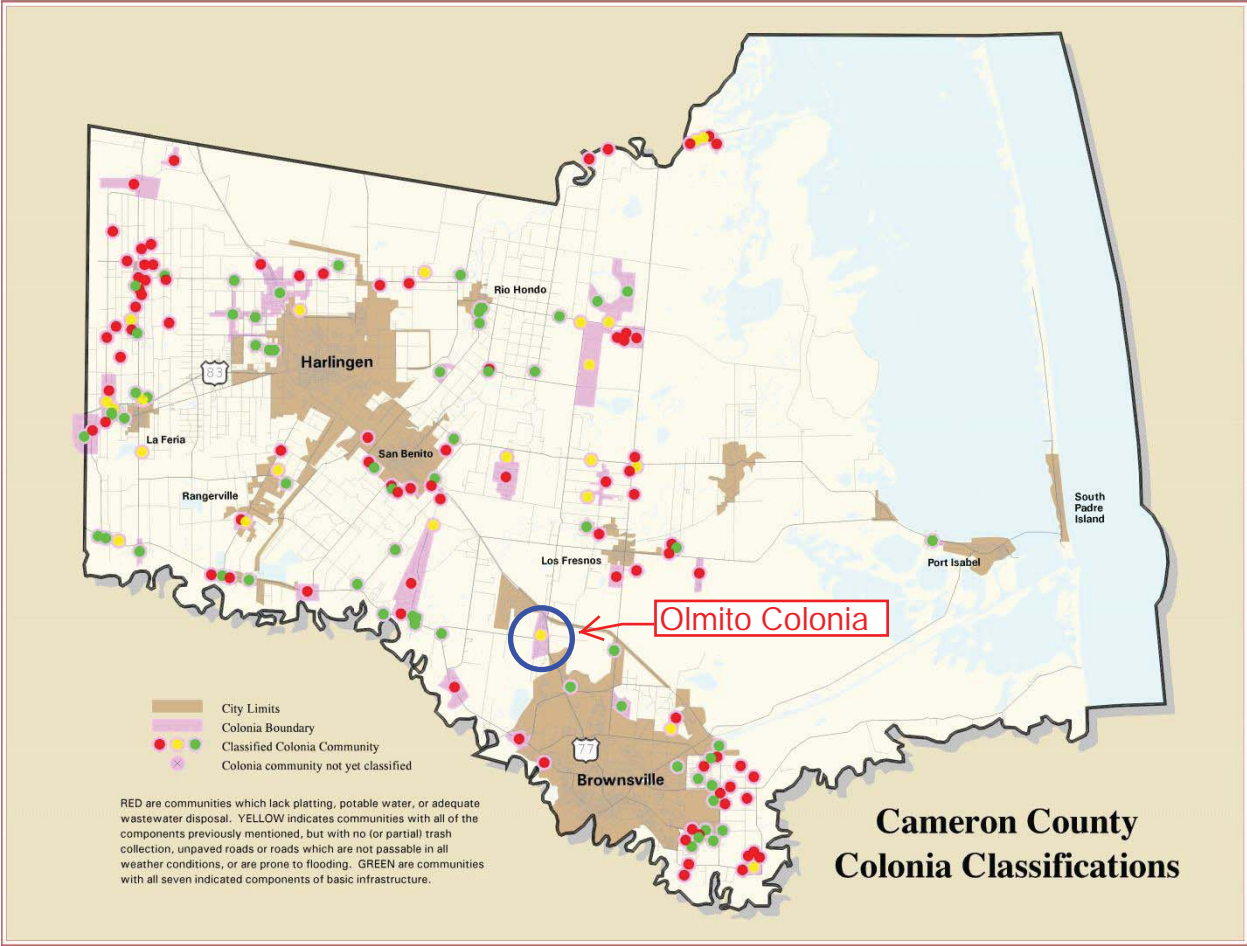


Figure 7. The distribution of green, yellow, and red colonias within the six counties contained in the Colonia Health, Infrastructure, and Platting Status tool (CHIPS).

Cameron County





**2004 BORDER COLONIAS ACCESS
PROGRAM (BCAP) POPULATION**
Transportation Planning & Programming Division

Total Colonia Population per County	
County Name	Population
Brewster	891
Brooks	1,860
Cameron	47,030
Culberson	3,050
Dimmit	3,780
Duval	2,621
El Paso	84,617
Hidalgo	149,034
Hudspeth	1,752
Jeff Davis	187
Jim Hogg	4,806
Kinney	66
La Salle	832
Maverick	22,453
Presidio	409
Starr	48,905
Terrell	1,135
Val Verde	7,973
Webb	20,402
Willacy	3,525
Zapata	15,398
Zavala	4,266
Grand Total Population:	424,992

Population for each Colonia by County			
County Name	Las Colonias Names	Las Colonias Population	Texas Water Development Board (TWDB) ID
Brewster	Marathon	450	M0220001
Brewster	Study Butte	289	M0220002
Brewster	Terlingua Ghost Town	152	M0220003
Brooks	Airport Road Addition	108	M0240001
Brooks	Belmares Trailer Park	23	M0240002
Brooks	Cantu Addition #1	66	M0240003
Brooks	Cantu Addition #2	81	M0240004
Brooks	Encino	350	M0240005
Brooks	Flowella	600	M0240006
Brooks	Loma Blanca	250	M0240007

Brooks	Los Cuatas	100	M0240008
Brooks	Los Olmos	200	M0240009
Brooks	Rush Addition	11	M0240010
Brooks	Victory Place	71	M0240011
Cameron	#26		M0310001
Cameron	#32		M0310002
Cameron	21 Subdivision	15	M0310003
Cameron	Alabama/Arkansas	515	M0310004
Cameron	Alfredo Garza	183	M0310005
Cameron	Alto Real	59	M0310006
Cameron	Angel Haven	196	M0310007
Cameron	Arroyo Alto	238	M0310008
Cameron	Arroyo City Annex Subdivisio	160	M0310009
Cameron	Arroyo City Subdivision	6	M0310010
Cameron	Arroyo Colorado Estates	854	M0310011
Cameron	Arroyo Gardens #1	123	M0310012
Cameron	Arroyo Gardens #2	20	M0310013
Cameron	Arroyo Gardens #4	85	M0310014
Cameron	Aurora Longoria	20	M0310015
Cameron	B R Subdivision	8	M0310178
Cameron	Barrington Heights	173	M0310016
Cameron	Barrios	30	M0310017
Cameron	Bautista	610	M0310018
Cameron	Betty Acres	76	M0310019
Cameron	Bishop	123	M0310020
Cameron	Bixby	60	M0310021
Cameron	Bluetown	241	M0310022
Cameron	Boca Chica & Medford	101	M0310023
Cameron	Bonaville Terrace	3	M0310024
Cameron	Bullis Addition	90	M0310025
Cameron	Cameron Park	5,282	M0310026
Cameron	Carricitos-Landrum	159	M0310027
Cameron	Casa Del Rey	448	M0310028
Cameron	Central Estates	427	M0310029
Cameron	Channel Lots	7	M0310030
Cameron	Chula Vista	180	M0310031
Cameron	Cielito Lindo	261	M0310032
Cameron	Cisneros Estates	72	M0310033
Cameron	Colonia Iglesia Antigua	217	M0310034
Cameron	Combes	2,407	M0310035
Cameron	Coronado	105	M0310036
Cameron	Coulson	8	M0310037
Cameron	Dakota Mobile Home Park	109	M0310038
Cameron	Del Mar Heights	371	M0310039
Cameron	Dockberry Estates	21	M0310040
Cameron	East Cantu Country Estates	27	M0310041
Cameron	East Cantu Road	88	M0310042
Cameron	East Fresnos	59	M0310043
Cameron	East Stenger Street	116	M0310044
Cameron	Eggers	144	M0310045
Cameron	El Calabozo	95	M0310046
Cameron	El Camino Angosto	282	M0310047
Cameron	El Nogal	29	M0310048

Cameron	El Venadito	121	M0310049
Cameron	Encantada	142	M0310050
Cameron	Esparza Subd. #1	74	M0310051
Cameron	Esparza Subd. #2	193	M0310052
Cameron	Esquina	228	M0310053
Cameron	Expressway 83/77	27	M0310054
Cameron	FM 802-511	170	M0310055
Cameron	Fred Adams	83	M0310056
Cameron	Galpin	413	M0310057
Cameron	Glenwood Acres	902	M0310058
Cameron	Gonzales	3	M0310059
Cameron	Gotwin Rd	16	M0310060
Cameron	Graham	96	M0310061
Cameron	Grande Acres	161	M0310062
Cameron	Green Valley Farms	470	M0310063
Cameron	Gumesindo Galvan	25	M0310064
Cameron	Hacienda Gardens	308	M0310065
Cameron	Harris Tract	30	M0310066
Cameron	Houston Road East	273	M0310067
Cameron	Illinois Heights	98	M0310068
Cameron	Indian Lake	788	M0310069
Cameron	Ismael Montalvo Subd. #1	18	M0310070
Cameron	Ismael Montalvo Subd. #2	97	M0310071
Cameron	Jaime Lake	60	M0310072
Cameron	Jones Addition	91	M0310073
Cameron	Juan Gonzales	192	M0310074
Cameron	Juarez	508	M0310075
Cameron	Kellers Corner	24	M0310076
Cameron	Kopernick Shores	68	M0310176
Cameron	L&I	4	M0310077
Cameron	La Coma	78	M0310078
Cameron	La Feria Gardens	273	M0310079
Cameron	La Kinina	133	M0310080
Cameron	La Paloma	562	M0310081
Cameron	Lago	449	M0310082
Cameron	Laguna Escondida	39	M0310083
Cameron	Laguna Escondida Heights #2	71	M0310084
Cameron	Lantana Acres	66	M0310085
Cameron	Las Flores	7	M0310086
Cameron	Las Palmas	813	M0310087
Cameron	Las Rusias	38	M0310088
Cameron	Las Yescas	151	M0310089
Cameron	Lasana	181	M0310090
Cameron	Lasana West	55	M0310091
Cameron	Laureles	1,568	M0310092
Cameron	Leal	185	M0310093
Cameron	Leisure Time Mobile Home Park	34	M0310094
Cameron	Leonar B. De Villarreal	6	M0310095
Cameron	Longoria Townsite	111	M0310096
Cameron	Lopez	60	M0310097
Cameron	Los Cuates	104	M0310098
Cameron	Los Cuates (south)	190	M0310099
Cameron	Los Indios	432	M0310100

Cameron	Los Nogales Estates	15	M0310101
Cameron	Los Ranchitos	343	M0310102
Cameron	Lourdes Street	189	M0310103
Cameron	Lozano	342	M0310104
Cameron	Nancy	84	M0310105
Cameron	Nogal St.	31	M0310106
Cameron	Norma Linda Road	22	M0310107
Cameron	North 30 Subdivision (Hoa	63	M0310108
Cameron	North La Feria Village	137	M0310109
Cameron	O'Canas Family	170	M0310110
Cameron	Olmito	4,044	M0310111
Cameron	Orason Acres	24	M0310112
Cameron	Palacios Estates	63	M0310113
Cameron	Palmer	203	M0310114
Cameron	Palmera Heights	49	M0310177
Cameron	Paredes Estates	170	M0310115
Cameron	Paredes Partition	65	M0310116
Cameron	Pennsylvania Avenue	63	M0310117
Cameron	Praxedis Saldivar	254	M0310118
Cameron	Primera	3,907	M0310119
Cameron	Rabb Road	46	M0310120
Cameron	Ranchito	1,328	M0310121
Cameron	Rancho Grande	21	M0310122
Cameron	Rangerville	29	M0310123
Cameron	Rangerville Center	17	M0310124
Cameron	Rangerville Estates	42	M0310125
Cameron	Ratamosa	86	M0310126
Cameron	Reid Hope King	497	M0310127
Cameron	Rice Tracts	90	M0310128
Cameron	Robles Ranch	13	M0310129
Cameron	Rutherford-Harding Addition	1,935	M0310130
Cameron	Saldivar	207	M0310131
Cameron	San Pedro	714	M0310132
Cameron	San Vicente Estates	79	M0310133
Cameron	Santa Elena	303	M0310134
Cameron	Santa Maria	773	M0310135
Cameron	Santa Rosa #12	44	M0310136
Cameron	Santa Rosa #14	57	M0310137
Cameron	Santa Rosa #5	111	M0310138
Cameron	Santa Rosa #6	102	M0310139
Cameron	Santa Rosa #9	55	M0310140
Cameron	Santa Rosa Annex	41	M0310141
Cameron	Santa Rosa No. 13	23	M0310142
Cameron	Santa Rosa No. 16	36	M0310175
Cameron	Schwartz	8	M0310143
Cameron	Shoemaker Acres	97	M0310144
Cameron	Sierra Alto Mobile Home	36	M0310145
Cameron	Solis	178	M0310146
Cameron	Solis Road	42	M0310147
Cameron	South Fork Subdivision	32	M0310148
Cameron	South Point	50	M0310149
Cameron	South Ratliff Street	44	M0310150
Cameron	Stardust	117	M0310151

Cameron	Stardust South	107	M0310152
Cameron	Stewart	416	M0310153
Cameron	Tatum Addition	4	M0310154
Cameron	Tierra Bonita	105	M0310155
Cameron	Tierra Bonita #2	64	M0310156
Cameron	Tierra Bonita #3	220	M0310157
Cameron	Travis & Vermillion	109	M0310158
Cameron	Travis Road	124	M0310159
Cameron	Unknown (Oklahoma Avenue)	128	M0310160
Cameron	Valle Escondido	245	M0310161
Cameron	Valle Hermosa	128	M0310162
Cameron	Valle Verde	101	M0310163
Cameron	Vicente Sandoval	2	M0310164
Cameron	Villa Cavazos	304	M0310165
Cameron	Villa Nueva	306	M0310167
Cameron	Villa Pancho	346	M0310168
Cameron	Villa del Sol	132	M0310166
Cameron	West Addition	83	M0310169
Cameron	Windsong Village	164	M0310170
Cameron	XX Farms	44	M0310171
Cameron	Yost Road	116	M0310172
Cameron	Yznaga #1	46	M0310173
Cameron	Yznaga #2	53	M0310174
Culberson	Ranch Estates	75	M0550001
Culberson	Van Horn	2,975	M0550002
Dimmit	Asherton	1,719	M0640001
Dimmit	Big Wells	795	M0640002
Dimmit	Brundage	30	M0640003
Dimmit	Carrizo Hills	872	M0640004
Dimmit	Catarina	239	M0640005
Dimmit	Espantosa	65	M0640006
Dimmit	Tosuigny	60	M0640007
Duval	Benavides	1,686	M0660001
Duval	Buena Vista	58	M0660002
Duval	Cadena	27	M0660003
Duval	Concepcion	61	M0660004
Duval	Coronado Perez Addition	3	M0660005
Duval	County Road 111	21	M0660006
Duval	East Pearson Street	23	M0660007
Duval	Four A's	29	M0660008
Duval	George W. Ward Addition	104	M0660009
Duval	George W. Ward Addition #2	66	M0660010
Duval	Highway 16 South	83	M0660011
Duval	La Masa Road	25	M0660012
Duval	Magnolia Road	21	M0660013
Duval	Mario Olga	38	M0660014
Duval	Mi Tierra	17	M0660015
Duval	North Buena Vista	51	M0660016
Duval	Realitos	253	M0660017
Duval	School Heights Addition #2	23	M0660018
Duval	Williamson Addition	32	M0660019
El Paso	Acacia Grove	0	M0710002
El Paso	Adelante Estates	14	M0710003

El Paso	Adobe	17	M0710004
El Paso	Agua Dulce	13	M0710005
El Paso	Agua Dulce #2	11	M0710006
El Paso	Agua Dulce #3	11	M0710007
El Paso	Agua Dulce #4	0	M0710008
El Paso	Agua Dulce #5	0	M0710009
El Paso	Alameda Estates	922	M0710010
El Paso	Aldama Estates	266	M0710011
El Paso	Algodon	103	M0710012
El Paso	Aljo Estates	546	M0710013
El Paso	Alvarez	20	M0710014
El Paso	Anahi Ct.	29	M0710311
El Paso	Angel's Park	700	M0710309
El Paso	Angie Subd.	125	M0710015
El Paso	Arrowhead Estates	1	M0710016
El Paso	Ascencion Park Estates	7	M0710017
El Paso	Ashley Nicole Road	3	M0710312
El Paso	Athena West	37	M0710018
El Paso	B & D Estates	41	M0710019
El Paso	Bagge Estates	531	M0710020
El Paso	Bauman Estates	258	M0710021
El Paso	Bauman Estates #2	1,127	M0710022
El Paso	Bauman Estates #3	76	M0710023
El Paso	Bejar Estates	98	M0710024
El Paso	Belen Plaza	271	M0710025
El Paso	Borrego & Caballero Road	127	M0710308
El Paso	Bosque Bonito #1	392	M0710026
El Paso	Bosque Bonito #2	538	M0710027
El Paso	Bovee Road	6	M0710028
El Paso	Brinkman Addition	168	M0710029
El Paso	Buena Suerte Estates	28	M0710030
El Paso	Bueno Terrace Estates	1	M0710031
El Paso	Buford View Estates	62	M0710032
El Paso	Burbridge Acres	455	M0710033
El Paso	Burnett Ranchettes	47	M0710034
El Paso	Butterfield City #1	258	M0710035
El Paso	Butterfield City #2	10	M0710036
El Paso	Butterfield City #3	13	M0710037
El Paso	Butterfield City #4	257	M0710038
El Paso	Calcutta Subd.	38	M0710039
El Paso	Camel Back Estates	19	M0710040
El Paso	Camino Barrial	1	M0710041
El Paso	Campo Bello Estates	216	M0710042
El Paso	Canutillo Industrial Park	3,880	M0710043
El Paso	Canutillo Townsite	2,192	M0710044
El Paso	Cattleman's North Ranchos	1	M0710045
El Paso	Cattleman's North Ranchos #2	1	M0710046
El Paso	Cattleman's North Ranchos #3	1	M0710047
El Paso	Cielo Azul #1	169	M0710048
El Paso	Cielo Azul #2	9	M0710049
El Paso	Cindy Estates	17	M0710050
El Paso	Cliff View Estates	0	M0710051
El Paso	Clint Townsite	990	M0710052

El Paso	Cochran Mobile Park	8	M0710053
El Paso	College Park Addition	15	M0710054
El Paso	Colonia De Las Azaleas	434	M0710055
El Paso	Colonia De Las Azaleas #2	507	M0710056
El Paso	Colonia De Las Azaleas #3	1,384	M0710057
El Paso	Colonia De Las Dalias	220	M0710058
El Paso	Colonia De Las Dalias #2	961	M0710059
El Paso	Colonia Del Paso	24	M0710060
El Paso	Colonia del Rio #1	206	M0710061
El Paso	Colonia del Rio #2	61	M0710062
El Paso	Colonia del Rio #3	75	M0710063
El Paso	Connington Subd.	159	M0710064
El Paso	Cotton Valley Estates	221	M0710065
El Paso	Country Green Addition	1,241	M0710066
El Paso	Cowlitz Estates	16	M0710067
El Paso	Cuna Del Valle	463	M0710068
El Paso	Dairyland	71	M0710069
El Paso	Dakota Estates	23	M0710070
El Paso	Dawn Estates	11	M0710071
El Paso	Deerfield Industrial Park	166	M0710072
El Paso	Deerfield Park	341	M0710073
El Paso	Deerfield Park #2	209	M0710074
El Paso	Deerfield Park #3	4	M0710075
El Paso	Delip Subd.	1,518	M0710076
El Paso	Desert Glen	111	M0710295
El Paso	Desert Meadows Estates	179	M0710077
El Paso	Desert Meadows Estates #2	207	M0710078
El Paso	Desert Oasis	77	M0710300
El Paso	Desert Vista	34	M0710079
El Paso	Dindinger Road	4	M0710080
El Paso	E & L	79	M0710302
El Paso	East Clint Estates	1	M0710081
El Paso	East View Estates	0	M0710296
El Paso	East Wind Estates	156	M0710082
El Paso	Eisenberg Estates	95	M0710083
El Paso	El Campestre	1,260	M0710084
El Paso	El Conquistador	229	M0710297
El Paso	El Gran Valle	566	M0710085
El Paso	El Gran Valle #2	298	M0710086
El Paso	El Paso Hills #1	422	M0710087
El Paso	El Paso Hills #2	212	M0710088
El Paso	El Paso Hills #3	190	M0710089
El Paso	El Paso Hills #4	202	M0710090
El Paso	El Paso Hills #5	0	M0710091
El Paso	El Paso Hills #6	0	M0710092
El Paso	El Paso Hills #7	1,530	M0710093
El Paso	El Paso Hills #8	0	M0710094
El Paso	Ellen Park	385	M0710095
El Paso	Eubanks #3	164	M0710096
El Paso	Faith Acres	17	M0710097
El Paso	Fern Village #1	67	M0710098
El Paso	Flamingo Addition	306	M0710099
El Paso	Flor Del Rio	71	M0710100

El Paso	Frank	65	M0710101
El Paso	Frank-Anita Estates	146	M0710102
El Paso	Friedman Estates #1	3,010	M0710103
El Paso	Friedman Estates #2	1,034	M0710104
El Paso	Frisco Estates	1	M0710105
El Paso	Geneva Estates	20	M0710106
El Paso	Gloria Elena	70	M0710107
El Paso	Glorieta Addition	179	M0710108
El Paso	Gonzalez Subd.	87	M0710109
El Paso	Green Acres Subd.	68	M0710110
El Paso	Greenbrair	32	M0710314
El Paso	Grijalva Gardens	813	M0710111
El Paso	Gurdev	976	M0710112
El Paso	Hacienda Real	50	M0710113
El Paso	Haciendas Del Norte	757	M0710310
El Paso	Haciendas Del Valle #1	194	M0710114
El Paso	Haciendas Del Valle #2	648	M0710115
El Paso	Hermosa Vista Addition	175	M0710117
El Paso	Hill Crest Estates	193	M0710118
El Paso	Hillcrest Manor	168	M0710119
El Paso	Homestead Homes	277	M0710120
El Paso	Homestead Meadows	133	M0710121
El Paso	Homestead Meadows South #4	20	M0710122
El Paso	Homestead Meadows South #5	1,318	M0710123
El Paso	Homestead Meadows South #6	1,755	M0710124
El Paso	Homestead North Estates	150	M0710125
El Paso	Horizon Industrial Park #1	11	M0710126
El Paso	Horizon View 17	531	M0710319
El Paso	Horizon View 18	264	M0710320
El Paso	Horizon View 20	264	M0710321
El Paso	Horizon View 21	264	M0710322
El Paso	Horizon View 22	445	M0710323
El Paso	Hovland Estates	2	M0710127
El Paso	Hovland Estates #2	24	M0710128
El Paso	Hueco Mountain Estates #1	3	M0710129
El Paso	Hueco Mountain Estates #2	20	M0710130
El Paso	Hueco Mountain Estates #3	36	M0710131
El Paso	Hueco Mountain Estates #4	37	M0710132
El Paso	Hueco Mountain Estates #5	41	M0710133
El Paso	Hueco Mountain Estates #6	34	M0710134
El Paso	Hueco Mountain Estates #7	46	M0710135
El Paso	Hueco Mountain Estates #8	3	M0710136
El Paso	Hueco Mountain Estates #9	2	M0710137
El Paso	Hueco Valley Subd.	0	M0710138
El Paso	Indian Hills	0	M0710139
El Paso	Jason Estates	4	M0710140
El Paso	John-Michael Estates	9	M0710141
El Paso	Jurassic Commercial Park	2	M0710142
El Paso	Kenna Estates	17	M0710143
El Paso	Knotts Acres	79	M0710144
El Paso	La Fuente	157	M0710145
El Paso	La Jolla	585	M0710146
El Paso	La Junta Addition	293	M0710147

El Paso	La Union Estates	44	M0710148
El Paso	Lake Way Estates #1	363	M0710149
El Paso	Lake Way Estates #2	273	M0710150
El Paso	Lake Way Estates #3	273	M0710151
El Paso	Las Aves	163	M0710152
El Paso	Las Casitas #1	226	M0710153
El Paso	Las Casitas #2	227	M0710154
El Paso	Las Casitas #3	222	M0710155
El Paso	Las Colonias		M0710298
El Paso	Las Milpas #2	304	M0710156
El Paso	Las Milpas Addition	147	M0710157
El Paso	Las Palmas	446	M0710158
El Paso	Las Palmas #2	191	M0710159
El Paso	Las Pampas #1	360	M0710160
El Paso	Las Pampas #2	111	M0710161
El Paso	Las Pampas #3	45	M0710162
El Paso	Las Pampas #4	45	M0710163
El Paso	Las Quintas	59	M0710164
El Paso	Las Quintas #2	200	M0710165
El Paso	Lewis Subd.	260	M0710166
El Paso	Lomaview North Estates	183	M0710167
El Paso	Lordsville Subd.	103	M0710168
El Paso	Lourdes Estates	51	M0710299
El Paso	Lynn Park Replat	900	M0710169
El Paso	Madriena	63	M0710170
El Paso	Mary Lou Park	585	M0710171
El Paso	May Estates	42	M0710172
El Paso	Mayfair Subd.	57	M0710173
El Paso	Mayfair Subd. #2	54	M0710174
El Paso	Mayfair Subd. #3	31	M0710175
El Paso	Mayfair Subd. #4	40	M0710176
El Paso	Mayfair Subd. #5	355	M0710177
El Paso	McAdoo Acres	329	M0710178
El Paso	McCracken Estates	782	M0710179
El Paso	Meadows North Estates	22	M0710180
El Paso	Meadows South	247	M0710181
El Paso	Meadows West	45	M0710315
El Paso	Melton Place Addition	54	M0710182
El Paso	Merida	38	M0710183
El Paso	Mesa Verde	123	M0710184
El Paso	Mesa View Estates	7	M0710185
El Paso	Mesquite Meadows Estates	23	M0710186
El Paso	Mission Trail Estates	2,287	M0710187
El Paso	Mobile Haven Estates	142	M0710188
El Paso	Montana East	26	M0710189
El Paso	Montana Land Estates	308	M0710190
El Paso	Montana Land Estates #2	163	M0710191
El Paso	Montana View Subdivision	66	M0710192
El Paso	Montana Vista Estates	94	M0710193
El Paso	Monte Carlo	151	M0710194
El Paso	Monterosaes Subd.	455	M0710195
El Paso	Moon Addition	304	M0710196
El Paso	Moon Addition #2	134	M0710197

El Paso	Moon Addition #3	1,306	M0710198
El Paso	Moon Addition #4	145	M0710199
El Paso	Morning Glory Manor	405	M0710200
El Paso	Mountain Meadows Estates	91	M0710201
El Paso	Mountain Sun Estates	78	M0710202
El Paso	North Fabens Estates	1	M0710203
El Paso	North Loop Acres	244	M0710204
El Paso	Nuway Addition	256	M0710205
El Paso	Panorama Village #1	119	M0710206
El Paso	Panorama Village #3	16	M0710207
El Paso	Panorama Village #4	32	M0710208
El Paso	Panorama Village #5	92	M0710209
El Paso	Paso Del Rey	13	M0710210
El Paso	Paso Del Rey #2	49	M0710211
El Paso	Paso Del Rey #3	27	M0710212
El Paso	Paso View	86	M0710213
El Paso	Paso View #2	87	M0710214
El Paso	Paso View West	46	M0710215
El Paso	Plaza Bernal	304	M0710216
El Paso	Pleasant Valley	649	M0710217
El Paso	Polkinghorn Addition	98	M0710218
El Paso	Ponderosa Mobile Home Subd.	269	M0710219
El Paso	Poole Subd.	466	M0710220
El Paso	Prado Verde Addition #1	81	M0710221
El Paso	Quail Mesa	8	M0710222
El Paso	R.W. Jones Subd.	125	M0710223
El Paso	Rainbow Gardens	10	M0710224
El Paso	Ranch Country Estates	0	M0710225
El Paso	Rancho Miraval Estates	195	M0710226
El Paso	Ranchos De El Dorado	6	M0710227
El Paso	Rio Grande Estates	28	M0710228
El Paso	Rio Pasado Estates	108	M0710229
El Paso	Rio Rancho Estates	168	M0710230
El Paso	Rio Vista Addition	428	M0710231
El Paso	Rosa Azul	31	M0710232
El Paso	Roseville Subd.	570	M0710233
El Paso	San Agustin	228	M0710234
El Paso	San Miguel Road	25	M0710306
El Paso	San Paulo	131	M0710235
El Paso	San Ysidro	412	M0710236
El Paso	Sanchez	44	M0710237
El Paso	Sanchez Road	102	M0710305
El Paso	Sand Dune Estates	181	M0710238
El Paso	Santa Martina	385	M0710239
El Paso	Sapote Road	16	M0710304
El Paso	Satiacum Estates	11	M0710240
El Paso	Schuman Estates	77	M0710241
El Paso	Serene Acres	24	M0710242
El Paso	Sierra Meadows	15	M0710243
El Paso	Socorro Mission #1	281	M0710244
El Paso	Socorro Village Addition	146	M0710245
El Paso	Southwest Estates	93	M0710246
El Paso	Southwest Estates #2	191	M0710294

El Paso	Southwest Estates #2A	17	M0710247
El Paso	Southwest Estates #3	48	M0710249
El Paso	Spanish Trail Additon	569	M0710250
El Paso	Spark's Addition	54	M0710251
El Paso	Spark's Addition #2	1,137	M0710252
El Paso	Spark's Addition #3	934	M0710253
El Paso	Spark's Addition #4	766	M0710254
El Paso	Square Dance	1,089	M0710255
El Paso	Sundown Estates	13	M0710256
El Paso	Sunhaven Farms	27	M0710257
El Paso	Sunshine	87	M0710258
El Paso	Sunshine Acres	52	M0710259
El Paso	Sylvia & Olguin Ct.	64	M0710303
El Paso	Sylvia Andrea	314	M0710260
El Paso	Tiffany Estates	36	M0710261
El Paso	Tillicum Estates	4	M0710262
El Paso	Tornillo	1,478	M0710263
El Paso	Turf Estates #1	156	M0710264
El Paso	Upper Valley Survey	242	M0710316
El Paso	Upper Valley Survey 17	557	M0710313
El Paso	Valle Real	168	M0710265
El Paso	Valle Villa Addition	320	M0710266
El Paso	Valle Villa Addition #2	439	M0710267
El Paso	Villa Espana	287	M0710268
El Paso	Villalobos Estates	332	M0710269
El Paso	Vinedo Acres	575	M0710270
El Paso	Vinson Subd.	86	M0710271
El Paso	Vinton	1,892	M0710272
El Paso	Vista Acres	3	M0710273
El Paso	Vista De Lomas #1	116	M0710274
El Paso	Vista De Lomas #2	5	M0710275
El Paso	Vista Del Este	1,320	M0710276
El Paso	Vista Larga	6	M0710277
El Paso	Vista Larga #2	48	M0710278
El Paso	Vista Montana	75	M0710301
El Paso	Vizcaino Estates	22	M0710279
El Paso	Warren Allen Road	24	M0710280
El Paso	West Fabens	149	M0710317
El Paso	Western Heritage Estates	20	M0710281
El Paso	Westway #1	1,027	M0710282
El Paso	Westway #2	252	M0710283
El Paso	Westway #3	993	M0710284
El Paso	Westway #4	643	M0710285
El Paso	Westway #6	312	M0710286
El Paso	Westway #7	10	M0710287
El Paso	Wilbourn Addition	11	M0710288
El Paso	Wilco	4	M0710293
El Paso	Wildhorse Valley	52	M0710289
El Paso	Wilton Acres	141	M0710290
El Paso	Wiseman Estates	244	M0710291
El Paso	Ysleta Del Sur Pueblo	318	M0710318
El Paso	Yucca Foothills	22	M0710292
Hidalgo	107 West Subd.	144	M1080001

Hidalgo	11 North/Victoria Rd-FM 493	36	M1080002
Hidalgo	13 1/2 North/FM 493	23	M1080003
Hidalgo	13 North/2 West	25	M1080004
Hidalgo	15 1/2 North/FM 491	22	M1080005
Hidalgo	17 1/2 North/6 West	63	M1080006
Hidalgo	281 Estates	190	M1080007
Hidalgo	9 North/East FM 493	30	M1080008
Hidalgo	A&E Ramirez Subd.	31	M1080009
Hidalgo	A&E Ramirez Subd. #2	69	M1080010
Hidalgo	ALBERTA SUBD	72	M1080852
Hidalgo	Abram North Subd.	355	M1080011
Hidalgo	Acacia	23	M1080012
Hidalgo	Acevedo #3	221	M1080013
Hidalgo	Acevedo Subd. #4	293	M1080014
Hidalgo	Acosta Subd.	158	M1080015
Hidalgo	Acre Tract	72	M1080016
Hidalgo	Adam Lee Subd.	9	M1080017
Hidalgo	Adkins Subd.	59	M1080018
Hidalgo	Agua Dulce	353	M1080019
Hidalgo	Akin Development Subd.	50	M1080020
Hidalgo	Ala Blanca Norte #1	214	M1080021
Hidalgo	Ala Blanca Norte #2	146	M1080022
Hidalgo	Ala Blanca Norte #3	102	M1080023
Hidalgo	Ala Blanca Norte #4	25	M1080024
Hidalgo	Ala Blanca Subd. #1	40	M1080025
Hidalgo	Ala Blanca Subd. #2	90	M1080026
Hidalgo	Ala Blanca Subd. #3	156	M1080027
Hidalgo	Ala Blanca Subd. #4	167	M1080028
Hidalgo	Alamo Orchards	80	M1080029
Hidalgo	Alamo Rose R.V. Resort	18	M1080030
Hidalgo	Alberta Acres	59	M1080031
Hidalgo	Alberta Estates #2	38	M1080032
Hidalgo	Albino Rodriguez Estates	45	M1080033
Hidalgo	Aldamas Subd 1 & 2	119	M1080937
Hidalgo	Alex Cavazos Subd.	108	M1080818
Hidalgo	Alma Subd.	42	M1080034
Hidalgo	Aloha Village Subd.	213	M1080035
Hidalgo	Alsonia	35	M1080036
Hidalgo	Alta Vista Subd.	180	M1080037
Hidalgo	Altamira West #2	31	M1080038
Hidalgo	Alturas de Azahares	45	M1080039
Hidalgo	Alvacan Subd.	104	M1080040
Hidalgo	Alvarez (sdn)	45	M1080853
Hidalgo	Alysonders Estates	99	M1080041
Hidalgo	Amber Land Subd.	59	M1080042
Hidalgo	Americana	200	M1080043
Hidalgo	Americana Grove #2	162	M1080044
Hidalgo	Americana Grove Subd.	117	M1080045
Hidalgo	Amigo Park	231	M1080843
Hidalgo	Amigo Park #3	42	M1080046
Hidalgo	Amigo Park Subd. #1	30	M1080047
Hidalgo	Anaqua Addition	36	M1080048
Hidalgo	Angela	253	M1080049

Hidalgo	Anna Lisa Subd.	171	M1080050
Hidalgo	Arco Iris #2	257	M1080051
Hidalgo	Arco Iris Subd.	171	M1080052
Hidalgo	Arguello	86	M1080053
Hidalgo	Arguello #2	63	M1080054
Hidalgo	Ariel Hinojosa Subd.	122	M1080055
Hidalgo	Ariel Hinojosa Subd. #3	81	M1080056
Hidalgo	Armstrong's Alton Subd.	161	M1080057
Hidalgo	Arriaga Subd.	14	M1080058
Hidalgo	Arroyo Park	72	M1080854
Hidalgo	Ash County	81	M1080855
Hidalgo	Austin Gardens	59	M1080059
Hidalgo	Avocado Park	266	M1080856
Hidalgo	Azteca Acres	193	M1080060
Hidalgo	B & P Bridge (Toluca Ranch)	29	M1080061
Hidalgo	BERNAL HEIGHTS #1	104	M1080103
Hidalgo	BJB Subd.	1	M1080109
Hidalgo	BLUE ROCK	59	M1080110
Hidalgo	BRENDA GAY	45	M1080120
Hidalgo	Babb RC Mobile Home	796	M1080838
Hidalgo	Balli #2	216	M1080062
Hidalgo	Balli Estates	437	M1080063
Hidalgo	Balli Subd. #1	104	M1080064
Hidalgo	Bar #2	250	M1080065
Hidalgo	Bar #3	216	M1080066
Hidalgo	Bar #4	419	M1080067
Hidalgo	Bar #5	510	M1080068
Hidalgo	Bar #7	230	M1080069
Hidalgo	Bar Subd. #6	302	M1080070
Hidalgo	Barbosa-Lopez #2	199	M1080839
Hidalgo	Barbosa-Lopez Subd. #1	426	M1080071
Hidalgo	Barney Groves Subd.	32	M1080072
Hidalgo	Barrios #2	12	M1080073
Hidalgo	Basham #1	63	M1080074
Hidalgo	Basham #10	176	M1080075
Hidalgo	Basham #11	77	M1080076
Hidalgo	Basham #12	144	M1080077
Hidalgo	Basham #13	77	M1080078
Hidalgo	Basham #14	113	M1080079
Hidalgo	Basham #15	140	M1080080
Hidalgo	Basham #16	113	M1080081
Hidalgo	Basham #18	77	M1080082
Hidalgo	Basham #19	90	M1080083
Hidalgo	Basham #2	50	M1080084
Hidalgo	Basham #3	3	M1080085
Hidalgo	Basham #4	113	M1080086
Hidalgo	Basham #5	103	M1080087
Hidalgo	Basham #6	63	M1080088
Hidalgo	Basham #7	104	M1080089
Hidalgo	Basham #8	81	M1080090
Hidalgo	Basham #9	18	M1080091
Hidalgo	Basham Subd. (M & B)	153	M1080092
Hidalgo	Batson Gardens	144	M1080093

Hidalgo	Beamsley Subd.	360	M1080094
Hidalgo	Bella Vista Estates	135	M1080095
Hidalgo	Bellaire	96	M1080096
Hidalgo	Benavides Subd. #2	612	M1080097
Hidalgo	Benevides Subd.	302	M1080098
Hidalgo	Benita Addition	108	M1080099
Hidalgo	Bentsen	36	M1080100
Hidalgo	Bentsen Palm RV Park #2	87	M1080101
Hidalgo	Beretta Estates	30	M1080102
Hidalgo	Bernal Heights #2	32	M1080104
Hidalgo	Bernal Subd.	81	M1080105
Hidalgo	Bertha Acres	9	M1080106
Hidalgo	Beto's Acres	33	M1080107
Hidalgo	Bibleville Trailer Park	4	M1080857
Hidalgo	Big John Subd.	18	M1080108
Hidalgo	Blue Star Enterprises #2	198	M1080111
Hidalgo	Bodine Subd.	54	M1080112
Hidalgo	Bogert Subdivision	36	M1080825
Hidalgo	Border Subd.	86	M1080113
Hidalgo	Borderland Retreat	147	M1080114
Hidalgo	Borderland Retreat #2	6	M1080115
Hidalgo	Bougainvillea	117	M1080116
Hidalgo	Boyd Monger Subd.	32	M1080117
Hidalgo	Boyd Subd. #1	14	M1080118
Hidalgo	Brandon Lake Subd.	24	M1080119
Hidalgo	Breyfogle Park Subd. #1	41	M1080121
Hidalgo	Brown Acres	95	M1080122
Hidalgo	Browning-Ken #3	57	M1080123
Hidalgo	Bryan Acres	59	M1080124
Hidalgo	Bryan's Addition	65	M1080125
Hidalgo	Bustamante Subd.	36	M1080126
Hidalgo	C.A. Conner & Co. Inc. Subd.	103	M1080127
Hidalgo	CASAS DEL VALLE	180	M1080858
Hidalgo	CHAPA 2 (SL9)	268	M1080860
Hidalgo	CJRS Subd. A	63	M1080160
Hidalgo	COLONIA ESPERANZA #3	41	M1080864
Hidalgo	Calma Estates	27	M1080128
Hidalgo	Calma Estates Subd. #2	41	M1080129
Hidalgo	Calma Estates Subd. #3	18	M1080130
Hidalgo	Campo Alto	639	M1080131
Hidalgo	Cana de Azucar Subd.	140	M1080132
Hidalgo	Canadiana Estates	59	M1080133
Hidalgo	Cantu Subd.	54	M1080134
Hidalgo	Capetillo Subd.	199	M1080135
Hidalgo	Capisallo Heights	545	M1080136
Hidalgo	Capisallo Park	916	M1080137
Hidalgo	Carlos Acres	216	M1080138
Hidalgo	Carlos G. Leal, Jr. Subd.	54	M1080819
Hidalgo	Carlos G. Leal, Jr. Subd. #2	212	M1080820
Hidalgo	Carol Subd.	24	M1080139
Hidalgo	Casa Bonita Subd.	287	M1080140
Hidalgo	Casa De Los Vecinos	293	M1080141
Hidalgo	Castaneda Subd.	50	M1080142

Hidalgo	Catalina Estates	5	M1080826
Hidalgo	Catherine Subd.	68	M1080143
Hidalgo	Celso Subd.	104	M1080144
Hidalgo	Cerrito Subd.	173	M1080145
Hidalgo	Chacon Estates #1	50	M1080146
Hidalgo	Chapa	166	M1080859
Hidalgo	Chapa #1	36	M1080147
Hidalgo	Chapa #5	184	M1080840
Hidalgo	Chapa North	69	M1080148
Hidalgo	Chapa South	79	M1080149
Hidalgo	Chapa Subd. #3	230	M1080150
Hidalgo	Chapa Subdivision	36	M1080841
Hidalgo	Chihuahua	18	M1080151
Hidalgo	Chula Vista Acres	153	M1080152
Hidalgo	Cinco Hermanas	59	M1080861
Hidalgo	Citralinda	46	M1080153
Hidalgo	Citriana Village	27	M1080154
Hidalgo	Citrus City Lake #1	113	M1080155
Hidalgo	Citrus Hills Subd.	50	M1080156
Hidalgo	Citrus Lake Estates	297	M1080157
Hidalgo	Citrus Ranchitos Subd.	32	M1080158
Hidalgo	Citrus Retreat Subd.	35	M1080159
Hidalgo	Clark Subd.	113	M1080161
Hidalgo	Closner Subd.	221	M1080162
Hidalgo	Col Garza	282	M1080163
Hidalgo	Cole Subd.	27	M1080164
Hidalgo	Collin Subd.	59	M1080165
Hidalgo	Colonia Allende	15	M1080166
Hidalgo	Colonia Big 5	90	M1080167
Hidalgo	Colonia Camargo	225	M1080168
Hidalgo	Colonia Claude Lookingbill	48	M1080169
Hidalgo	Colonia Delmiro Jackson	50	M1080862
Hidalgo	Colonia Esperanza #1	185	M1080844
Hidalgo	Colonia Esperanza #2	58	M1080863
Hidalgo	Colonia Evans	153	M1080171
Hidalgo	Colonia Evans #2	458	M1080172
Hidalgo	Colonia George	5	M1080173
Hidalgo	Colonia Guadalupe	61	M1080174
Hidalgo	Colonia Guadalupe #2	29	M1080175
Hidalgo	Colonia Guadalupe #3	14	M1080176
Hidalgo	Colonia Las Palmas	258	M1080177
Hidalgo	Colonia Lucero del Norte	414	M1080178
Hidalgo	Colonia Martinez	48	M1080179
Hidalgo	Colonia Rafael	230	M1080180
Hidalgo	Colonia Saenz	59	M1080181
Hidalgo	Colonia San Miguel	140	M1080182
Hidalgo	Colonia Tejana	126	M1080934
Hidalgo	Colonia Tjjerina	171	M1080183
Hidalgo	Colonia Victoriana	29	M1080184
Hidalgo	Colonia Whalen Rd	93	M1080185
Hidalgo	Colonia del Noreste	666	M1080170
Hidalgo	Conway Plaza Subd.	27	M1080186
Hidalgo	Corina's Corner	27	M1080187

Hidalgo	Coronado	36	M1080188
Hidalgo	Cotter Tract	279	M1080189
Hidalgo	Cottonwood	72	M1080190
Hidalgo	Country Acres #1	17	M1080191
Hidalgo	Country Aire Estates #1	131	M1080192
Hidalgo	Country Aire Estates #2	83	M1080842
Hidalgo	Country Aire Estates #4	27	M1080193
Hidalgo	Country Colony Subd.	36	M1080194
Hidalgo	Country Corner Estates	81	M1080195
Hidalgo	Country Estates West	45	M1080196
Hidalgo	Country Estates West Add. A	27	M1080197
Hidalgo	Country Grove Estates	144	M1080198
Hidalgo	Country Living Estates	179	M1080199
Hidalgo	Country Living Estates #2	11	M1080200
Hidalgo	Country Terrace Estates	36	M1080201
Hidalgo	Country View Subd.	252	M1080202
Hidalgo	Country Village Subd. #1	90	M1080203
Hidalgo	Country Village Subd. #2	113	M1080204
Hidalgo	Crouse Subd.	43	M1080205
Hidalgo	Cuatro Vientos Subd.	131	M1080206
Hidalgo	Cuellar Subd. #1	146	M1080207
Hidalgo	Cuellar Subd. #2	145	M1080208
Hidalgo	Cuellar Subd. #3	145	M1080209
Hidalgo	Cuellar Subd. #4	146	M1080210
Hidalgo	Cuevitas	561	M1080211
Hidalgo	Curl Tex	32	M1080212
Hidalgo	D. T. Villareal	77	M1080213
Hidalgo	Daniel Ozuna Subd.	189	M1080214
Hidalgo	De Anda Ramos Subdivision	45	M1080848
Hidalgo	De Anda Subd.	154	M1080215
Hidalgo	De La Garza Subd.	162	M1080216
Hidalgo	Del Norte Subd.	95	M1080217
Hidalgo	Dellinger	23	M1080218
Hidalgo	Delta Court	93	M1080219
Hidalgo	Delta West Subd.	234	M1080220
Hidalgo	Delta/Rodger Subd.	23	M1080221
Hidalgo	Devan Estates	153	M1080222
Hidalgo	Diamond L Subd.	86	M1080223
Hidalgo	Diamond L Subd. #2	189	M1080224
Hidalgo	Diana Subd. #1	52	M1080225
Hidalgo	Diana Subd. #2	61	M1080226
Hidalgo	Diana Subd. #3	110	M1080227
Hidalgo	Diaz Subd.	108	M1080228
Hidalgo	Dimas #1	36	M1080865
Hidalgo	Dimas #2	131	M1080229
Hidalgo	Dimas #3	131	M1080230
Hidalgo	Dinas Subd.	16	M1080231
Hidalgo	Donna Heights North	189	M1080866
Hidalgo	Donna R.O.W. for Colonia Boyce	90	M1080232
Hidalgo	Doolittle Acres	40	M1080233
Hidalgo	Dude Hill #1	45	M1080234
Hidalgo	Dude Hill Subd. #2	59	M1080235
Hidalgo	E Salinas	57	M1080935

Hidalgo	EL CHARRO #2	329	M1080240
Hidalgo	EL MESQUITE 1	81	M1080868
Hidalgo	EVERGREEN EST	72	M1080870
Hidalgo	Eagle Heights	18	M1080867
Hidalgo	Eastland Park	262	M1080236
Hidalgo	Eastview	135	M1080827
Hidalgo	Ebony Acres	63	M1080237
Hidalgo	Ebony Hollow Subd. #1	113	M1080238
Hidalgo	Edinburg Acres	54	M1080239
Hidalgo	El Charro Subd.	676	M1080241
Hidalgo	El Faro	14	M1080851
Hidalgo	El Flaco Chiquito Subd.	549	M1080242
Hidalgo	El Gato	291	M1080243
Hidalgo	El Mesquite Subd.	169	M1080244
Hidalgo	El Monte Subd.	90	M1080245
Hidalgo	El Nopal	113	M1080246
Hidalgo	El Paraiso Subd.	216	M1080247
Hidalgo	El Rio Subd.	207	M1080248
Hidalgo	El Seco Subd.	120	M1080249
Hidalgo	El Sol	106	M1080250
Hidalgo	El Sol Subd. #2	473	M1080251
Hidalgo	Eldora Gardens Subd.	72	M1080252
Hidalgo	Eldora Rd/FM 1426	21	M1080253
Hidalgo	Eldora Subd.	135	M1080254
Hidalgo	Elida Subd.	23	M1080255
Hidalgo	Elizabeth Subd.	256	M1080256
Hidalgo	Enchanted Valley Ranch	339	M1080257
Hidalgo	Encino #1	6	M1080258
Hidalgo	Encino Heights Subd.	166	M1080259
Hidalgo	Engelman Triangle	234	M1080869
Hidalgo	Engleman Estates	162	M1080260
Hidalgo	Enrique Bazan Subd.	108	M1080261
Hidalgo	Esperanza Estates	59	M1080262
Hidalgo	Evangeline Gardens	131	M1080263
Hidalgo	Evie Subd.	198	M1080264
Hidalgo	Expressway Acres	42	M1080265
Hidalgo	Expressway Heights	208	M1080266
Hidalgo	Ezequiel Acevedo Jr. Subd. #2	194	M1080267
Hidalgo	Ezequiel Acevedo Subd.	81	M1080268
Hidalgo	FM 1426/Minn Rd	54	M1080272
Hidalgo	FM 1925/Floral Rd	64	M1080273
Hidalgo	Fleamarket R.O.W. Subd.	25	M1080269
Hidalgo	Flora Subd.	228	M1080270
Hidalgo	Floresta Subd.	29	M1080271
Hidalgo	Foster Subd.	63	M1080274
Hidalgo	Four Sure All Right	104	M1080275
Hidalgo	Francis Addition	45	M1080276
Hidalgo	Friendly Acres	95	M1080277
Hidalgo	G & R Subd.	11	M1080278
Hidalgo	GREEN VALLEY ACRES	36	M1080877
Hidalgo	Garza Estates	90	M1080279
Hidalgo	Garza Subd	12	M1080871
Hidalgo	Garza Subd. #1	32	M1080280

Hidalgo	Garza Subd. #2	144	M1080281
Hidalgo	Gate City Acres	17	M1080282
Hidalgo	George Lookingbill #1	95	M1080283
Hidalgo	George Lookingbill #2	63	M1080284
Hidalgo	Gernentz Subd.	326	M1080285
Hidalgo	Glasscock Estates Subd.	36	M1080286
Hidalgo	Glasscock North Subd.	113	M1080287
Hidalgo	Glenshire Estates	54	M1080288
Hidalgo	Gomez Subd.	2	M1080289
Hidalgo	Gonzalez-Zamora Subd.	567	M1080290
Hidalgo	Good Valley Ranch Subd. #1	221	M1080291
Hidalgo	Goodwin Acres #1	99	M1080872
Hidalgo	Goodwin Acres #2	86	M1080873
Hidalgo	Goodwin Heights #1	347	M1080292
Hidalgo	Goodwin West Subd #1	41	M1080874
Hidalgo	Goodwin West Subd #2	18	M1080875
Hidalgo	Goodwin West Subd #3	189	M1080876
Hidalgo	Granada Estates	72	M1080293
Hidalgo	Granjeno	488	M1080294
Hidalgo	Gray East & West	16	M1080295
Hidalgo	Green Valley Development Subd.	95	M1080296
Hidalgo	Groveswood Estates	45	M1080297
Hidalgo	Guerra Ellis Subd. #1 & 2	41	M1080298
Hidalgo	H & B Subd.	28	M1080299
Hidalgo	HME Subd.	90	M1080328
Hidalgo	Hacienda De Los Vegas	23	M1080300
Hidalgo	Hacienda del Bronco #1	92	M1080301
Hidalgo	Hacienda del Bronco #2	25	M1080302
Hidalgo	Hacienda el Porvenir	94	M1080303
Hidalgo	Hamlet	23	M1080304
Hidalgo	Harding Gill Tract	70	M1080305
Hidalgo	Harmel Subd.	27	M1080306
Hidalgo	Havana Lomas #1	13	M1080307
Hidalgo	Havana Lomas #2	15	M1080308
Hidalgo	Havana Lomas #3	24	M1080309
Hidalgo	Havana Lomas #4	90	M1080310
Hidalgo	Havana Lomas #5	117	M1080311
Hidalgo	Havana Subd.	126	M1080312
Hidalgo	Haven Subd.	5	M1080313
Hidalgo	Heidelberg	506	M1080314
Hidalgo	Heritage Square #2	283	M1080315
Hidalgo	Hern Subd.	23	M1080316
Hidalgo	Hi-Land	45	M1080879
Hidalgo	Hidalgo Park Estates	4,006	M1080317
Hidalgo	High Chapparral	58	M1080878
Hidalgo	High Land Subd.	122	M1080318
Hidalgo	High Point Subd.	162	M1080319
Hidalgo	Highland Memorial Park	3	M1080320
Hidalgo	Highway Frontage Subd.	75	M1080321
Hidalgo	Hilda Subd.	378	M1080322
Hidalgo	Hilda Subd. #1	200	M1080323
Hidalgo	Hilda Subd. #2	54	M1080324
Hidalgo	Hilda Subd. #3	54	M1080325

Hidalgo	Hill-Top Subd.	40	M1080327
Hidalgo	Hillcrest Terrace	140	M1080326
Hidalgo	Hoehn Drive (Unrecorded)	14	M1080880
Hidalgo	Hoehn Drive Subd.	441	M1080329
Hidalgo	Hoehn Estates	63	M1080330
Hidalgo	I.B. Avila	63	M1080331
Hidalgo	Ignacio Perez	34	M1080332
Hidalgo	Imperial Subd.	50	M1080333
Hidalgo	Indian Hills East	868	M1080932
Hidalgo	Indian Hills West	295	M1080933
Hidalgo	Ingle-Doolittle	36	M1080334
Hidalgo	Inspiration	54	M1080335
Hidalgo	Inspiration Heights	27	M1080336
Hidalgo	Inspiration Point Subd.	23	M1080337
Hidalgo	Inspiration Rd #1	149	M1080338
Hidalgo	Inspiration Rd #2	10	M1080339
Hidalgo	Inspiration Rd #3	9	M1080340
Hidalgo	Isaac's Subd.	189	M1080341
Hidalgo	J & O Subd.	152	M1080342
Hidalgo	J. R. Subd. #1	15	M1080343
Hidalgo	J. R. Subd. #2	45	M1080344
Hidalgo	Jackson's New World Subd.	27	M1080345
Hidalgo	Jackson's New World Subd. #2	59	M1080346
Hidalgo	James Allen Subd.	65	M1080347
Hidalgo	Jardin Terrace Subd.	122	M1080348
Hidalgo	Jenna Estates	50	M1080349
Hidalgo	Jessan Subd.	41	M1080350
Hidalgo	Jessup's Subd.	4	M1080351
Hidalgo	Jesus Maria Subd.	64	M1080352
Hidalgo	Josefina L. Chapa Subd.	51	M1080353
Hidalgo	Kaufold Estates #1	41	M1080354
Hidalgo	Kenyon Subd. #1	113	M1080355
Hidalgo	Kenyon Subd. #2	36	M1080356
Hidalgo	King Ranch Subd. #1	261	M1080357
Hidalgo	King Ranch Subd. #2	158	M1080358
Hidalgo	Koenig Winter Resort	28	M1080359
Hidalgo	Kountry Hill Estates	212	M1080360
Hidalgo	Kristi Estates #1	50	M1080361
Hidalgo	L & P Subd.	59	M1080362
Hidalgo	L & R Garza	99	M1080363
Hidalgo	L. D. Morgan's Subd.	201	M1080364
Hidalgo	L. J. #1	378	M1080365
Hidalgo	L. R. Bell	3,714	M1080366
Hidalgo	LA FLOR EST	90	M1080882
Hidalgo	LA FLOR GARD	72	M1080883
Hidalgo	LANFRANCO	54	M1080404
Hidalgo	LOS ENCINOS #1	212	M1080890
Hidalgo	LOS TINACOS	41	M1080892
Hidalgo	La Aurora Subd.	113	M1080367
Hidalgo	La Blanca Estates	185	M1080881
Hidalgo	La Blanca Heights	152	M1080368
Hidalgo	La Camellia Subd.	72	M1080369
Hidalgo	La Camellia Subd. A	131	M1080370

Hidalgo	La Coma Heights	167	M1080371
Hidalgo	La Donna	57	M1080936
Hidalgo	La Estancia Subd.	30	M1080372
Hidalgo	La Frontera Subd.	283	M1080373
Hidalgo	La Hacienda Subd.	50	M1080374
Hidalgo	La Hermosa Subd.	132	M1080375
Hidalgo	La Homa Acres	81	M1080376
Hidalgo	La Homa Acres #2	45	M1080377
Hidalgo	La Homa Acres #4	45	M1080378
Hidalgo	La Homa Five Subd.	118	M1080379
Hidalgo	La Homa Grove Estates	50	M1080380
Hidalgo	La Homa Grove Estates #2	86	M1080381
Hidalgo	La Homa Groves Estates #3	28	M1080382
Hidalgo	La Homa Groves Subd. #1 & 2	233	M1080383
Hidalgo	La Homa Road North Subd.	450	M1080384
Hidalgo	La Homa Road Subd.	216	M1080385
Hidalgo	La Homa Terrace II	95	M1080829
Hidalgo	La Homa Terrace Phase I	108	M1080828
Hidalgo	La Loma Alta Subd.	340	M1080386
Hidalgo	La Mesa Subd.	709	M1080387
Hidalgo	La Milpa Subd.	27	M1080388
Hidalgo	La Palma #1	348	M1080389
Hidalgo	La Palma #2	815	M1080390
Hidalgo	La Palma Subd.	117	M1080391
Hidalgo	La Paloma #1	261	M1080392
Hidalgo	La Paloma Site	126	M1080393
Hidalgo	La Pampa Subd.	54	M1080394
Hidalgo	La Quinta	420	M1080395
Hidalgo	La Quinta Estates #2	117	M1080885
Hidalgo	La Reyna Subd.	320	M1080396
Hidalgo	La Suena	423	M1080397
Hidalgo	Laborsita	32	M1080886
Hidalgo	Laguna Hermosa	23	M1080830
Hidalgo	Laguna Park	173	M1080398
Hidalgo	Lake Citrus Estates	120	M1080399
Hidalgo	Lakeside Subd.	45	M1080400
Hidalgo	Lakeview Subd.	68	M1080401
Hidalgo	Lane #1	101	M1080402
Hidalgo	Lane #2	54	M1080403
Hidalgo	Lantana Subd.	189	M1080405
Hidalgo	Las Brisas	480	M1080406
Hidalgo	Las Brisas Del Sur	292	M1080407
Hidalgo	Las Brisas Estates	59	M1080408
Hidalgo	Las Cuevas	213	M1080409
Hidalgo	Las Cuevas #2	212	M1080410
Hidalgo	Las Fuentes Subd.	81	M1080411
Hidalgo	Las Haciendas Subd.	352	M1080412
Hidalgo	Las Milpas Subd.	827	M1080413
Hidalgo	Las Palmas Estates Subd.	252	M1080414
Hidalgo	Las Villas Del Valle	86	M1080887
Hidalgo	Leona Subd.	38	M1080415
Hidalgo	Leslie Subd.	229	M1080416
Hidalgo	Linda Vista Estates	689	M1080417

Hidalgo	Live Oak Mobil Home Park	350	M1080418
Hidalgo	Llano Grande Homesites	662	M1080419
Hidalgo	Loma Chica Subd.	45	M1080420
Hidalgo	Loma Linda Heights Subd.	140	M1080421
Hidalgo	Long & Green Park	94	M1080889
Hidalgo	Lopez - Guterrez	40	M1080821
Hidalgo	Lorenzana Subd.	60	M1080422
Hidalgo	Los Castillos Estates	133	M1080423
Hidalgo	Los Cerritos Subd.	187	M1080424
Hidalgo	Los Ebanos	747	M1080425
Hidalgo	Los Ebanos Estates	8	M1080426
Hidalgo	Los Ebanos Subd.	126	M1080427
Hidalgo	Los Ebanos Subd. #2	65	M1080428
Hidalgo	Los Encinos #2	144	M1080891
Hidalgo	Los Leones	122	M1080429
Hidalgo	Los Ninos	59	M1080831
Hidalgo	Los Padres Subd.	90	M1080430
Hidalgo	Los Ranchitos #1-3	865	M1080431
Hidalgo	Los Terrazos Subd.	27	M1080432
Hidalgo	Los Trevinos Subd.	45	M1080433
Hidalgo	Los Trevinos Subd. #2	45	M1080434
Hidalgo	Los Trevinos Subd. #3	162	M1080435
Hidalgo	Los Trevinos Subd. #4	216	M1080436
Hidalgo	Los Trevinos Subd. #5	9	M1080437
Hidalgo	Lotts	54	M1080893
Hidalgo	Louis & JJ Hoyt Sub.	23	M1080438
Hidalgo	Loya Subd.	45	M1080439
Hidalgo	Lull	1,296	M1080440
Hidalgo	Lunar Heights Subd.	534	M1080441
Hidalgo	Lyons	55	M1080442
Hidalgo	M&R Subd.	36	M1080443
Hidalgo	M/S Subd.	113	M1080444
Hidalgo	MEADOW LANDS	160	M1080458
Hidalgo	MILE 16	99	M1080898
Hidalgo	Madero Townsite	873	M1080445
Hidalgo	Magnolia #1	72	M1080446
Hidalgo	Maier Subd.	54	M1080447
Hidalgo	Marla Subd.	90	M1080448
Hidalgo	Martin	68	M1080894
Hidalgo	Mary Ann	95	M1080895
Hidalgo	Mary K Acres	41	M1080449
Hidalgo	Mata Subd.	207	M1080450
Hidalgo	Mata Subd. #2	225	M1080451
Hidalgo	Matt Subd.	99	M1080452
Hidalgo	Max Subd.	31	M1080453
Hidalgo	McColl Estates	35	M1080454
Hidalgo	McDaniel Addition	211	M1080455
Hidalgo	McDaniel Subd.	17	M1080456
Hidalgo	McKee #1	113	M1080896
Hidalgo	Meadow Creek Country Club	177	M1080457
Hidalgo	Mel Gray	162	M1080897
Hidalgo	Merrill Subd.	59	M1080459
Hidalgo	Mesquite Acres	153	M1080460

Hidalgo	Mid-Valley Estates	246	M1080461
Hidalgo	Midway Village Subd.	96	M1080462
Hidalgo	Milagro Estates	32	M1080463
Hidalgo	Mile 10 N. @ Mile 5 W.	23	M1080464
Hidalgo	Miller Resub Lot A	63	M1080465
Hidalgo	Milyca Subd.	19	M1080466
Hidalgo	Minnesota Acres	36	M1080899
Hidalgo	Minnesota Rd/I Rd	20	M1080467
Hidalgo	Minnie Fenton Subd.	54	M1080468
Hidalgo	Mission West Estates	113	M1080469
Hidalgo	Monica Acres	95	M1080470
Hidalgo	Monte Alban Subd.	65	M1080471
Hidalgo	Monte Cristo Acres Subd.	234	M1080472
Hidalgo	Monte Cristo Heights	72	M1080473
Hidalgo	Monte Cristo Hills Subd.	45	M1080474
Hidalgo	Monte Cristo Subd.	72	M1080475
Hidalgo	Montemayor Subivision	36	M1080476
Hidalgo	Moore Road	48	M1080477
Hidalgo	Moore Road Subd.	11	M1080478
Hidalgo	Moorefield Acres	10	M1080479
Hidalgo	Moorefield Grove Estates	72	M1080480
Hidalgo	Moreno	59	M1080481
Hidalgo	Morningside Estates	234	M1080482
Hidalgo	Morningside Mobile Home Park	64	M1080483
Hidalgo	Morningside Rd @ Sioux Road	130	M1080849
Hidalgo	Morningside South	43	M1080900
Hidalgo	Morningside Terrace	81	M1080901
Hidalgo	Morningsun Subd.	158	M1080484
Hidalgo	Mrs. Todd's Subd. #1	230	M1080485
Hidalgo	Mrs. Todd's Subd. #2	230	M1080486
Hidalgo	Muniz Subd.	54	M1080487
Hidalgo	Munoz Estates	167	M1080488
Hidalgo	Murillo Subd.	531	M1080489
Hidalgo	N ALAMO EST	23	M1080902
Hidalgo	Nelle Estates	14	M1080490
Hidalgo	New Palm Subd.	24	M1080491
Hidalgo	Newkirk Subd.	63	M1080492
Hidalgo	Nick Garza Subd.	89	M1080493
Hidalgo	North Alamo Terrace	117	M1080903
Hidalgo	North Alamo Village	382	M1080494
Hidalgo	North Capisallo	144	M1080495
Hidalgo	North Country Estates	39	M1080496
Hidalgo	North Country Estates #2	81	M1080497
Hidalgo	North Cross Estates	144	M1080498
Hidalgo	North Depot Road	189	M1080499
Hidalgo	North McColl Subd.	35	M1080500
Hidalgo	North Santa Cruz Subd.	126	M1080501
Hidalgo	Northern Acres Subd.	65	M1080502
Hidalgo	Northpoint Subdivision	216	M1080832
Hidalgo	Northside Village #1	176	M1080904
Hidalgo	Northside Village Subd. #2	158	M1080503
Hidalgo	Nuevo Alton	1,521	M1080504
Hidalgo	Nuevo Penitas	243	M1080505

Hidalgo	O & J Subd.	334	M1080506
Hidalgo	Oak Subd.	45	M1080507
Hidalgo	Old Rebel Field Subd.	45	M1080508
Hidalgo	Old Rebel Heights Subd. #1	90	M1080509
Hidalgo	Old Rebel Heights Subd. #2	90	M1080510
Hidalgo	Olivarez	58	M1080905
Hidalgo	Olivarez #1	1	M1080511
Hidalgo	Olivarez #10	27	M1080512
Hidalgo	Olivarez #2	152	M1080513
Hidalgo	Olivarez #3	89	M1080514
Hidalgo	Olivarez #4	72	M1080515
Hidalgo	Olivarez #5	78	M1080516
Hidalgo	Olivarez #6	81	M1080517
Hidalgo	Olivarez #7	14	M1080518
Hidalgo	Olivarez #8	45	M1080519
Hidalgo	Olivarez #9	40	M1080520
Hidalgo	Olivarez 15	109	M1080521
Hidalgo	Olivarez 17	48	M1080522
Hidalgo	Olivarez 18	76	M1080523
Hidalgo	Olivarez Tr-304	54	M1080906
Hidalgo	Olympic Subd.	133	M1080524
Hidalgo	Orchard Homes Addition #2	50	M1080525
Hidalgo	Oriente	31	M1080526
Hidalgo	Orleander Estates	3	M1080527
Hidalgo	Owassa Estates	45	M1080528
Hidalgo	Owassa Rd/Tower Rd	139	M1080529
Hidalgo	Owassa-Kennedy	107	M1080531
Hidalgo	Owassa/I Rd	76	M1080530
Hidalgo	Palm Acres #1	23	M1080532
Hidalgo	Palm Acres Estates	50	M1080533
Hidalgo	Palm Creek	189	M1080907
Hidalgo	Palm Drive North #2	81	M1080833
Hidalgo	Palm Drive North Subd.	36	M1080534
Hidalgo	Palm Heights Subd.	221	M1080535
Hidalgo	Palm Lake Estates #1	795	M1080536
Hidalgo	Palm Lake Estates #2	795	M1080537
Hidalgo	Palm Lake Estates #3	795	M1080538
Hidalgo	Palm Lake Estates #4	794	M1080539
Hidalgo	Palm Subdivision #2	72	M1080834
Hidalgo	Palma Alta	36	M1080540
Hidalgo	Palma Subd.	207	M1080541
Hidalgo	Palmarina	50	M1080542
Hidalgo	Palmas Subd. #2	97	M1080543
Hidalgo	Palmeras Subd.	72	M1080544
Hidalgo	Palmhurst Estates	63	M1080545
Hidalgo	Palmhurst Manor #1	9	M1080546
Hidalgo	Palmview Paradise	104	M1080547
Hidalgo	Palmview Subd.	67	M1080548
Hidalgo	Palo Verde	327	M1080549
Hidalgo	Panfilo Martinez Subd.	104	M1080550
Hidalgo	Paradise Park Subd.	126	M1080551
Hidalgo	Parajitos	36	M1080552
Hidalgo	Park Lane Subd.	39	M1080553

Hidalgo	Paseo de Palmas Subd.	81	M1080554
Hidalgo	Patal Estates	108	M1080835
Hidalgo	Pecan Estates #5	48	M1080555
Hidalgo	Penitas	779	M1080556
Hidalgo	Pentacostal Colonia	54	M1080557
Hidalgo	Perezville	350	M1080558
Hidalgo	Perlas De Naranja	90	M1080559
Hidalgo	Peter Gort	45	M1080560
Hidalgo	Piquito De Oro	113	M1080908
Hidalgo	Plantation Oaks North Subd.	41	M1080561
Hidalgo	Pleasant Valley Ranch	50	M1080562
Hidalgo	Plumosa Village	2	M1080563
Hidalgo	Porciones Center Subd.	5	M1080564
Hidalgo	Post Oaks Subd.	129	M1080565
Hidalgo	Pralle Subd.	72	M1080566
Hidalgo	Primavera #2	626	M1080567
Hidalgo	Primavera Subd. #1	176	M1080568
Hidalgo	Puerta Blanca Subd.	72	M1080569
Hidalgo	Puerta Del Sol Subd.	150	M1080570
Hidalgo	Puesta Del Sol	594	M1080571
Hidalgo	Que Pasa Acres Subd.	185	M1080572
Hidalgo	Quiet Village #2	63	M1080573
Hidalgo	R & G	117	M1080909
Hidalgo	R. Ruiz Subd.	5	M1080574
Hidalgo	R.C. Babb Subd.	266	M1080575
Hidalgo	R.C. Babb Subd. #2	265	M1080576
Hidalgo	R.C. Babb Subd. #3 & 4	265	M1080577
Hidalgo	R.C.W. Subd.	77	M1080578
Hidalgo	R.L.D.S. Subd.	85	M1080579
Hidalgo	R.S.W. incorporated #1	212	M1080580
Hidalgo	R/S lot J	192	M1080581
Hidalgo	Rabbit Patch Subd. #1	54	M1080582
Hidalgo	Rabbit Patch Subd. #2	90	M1080583
Hidalgo	Racquet Club Subd.	5	M1080584
Hidalgo	Rambo Estates	257	M1080585
Hidalgo	Ramirez Estates	149	M1080586
Hidalgo	Ramirez Subd.	90	M1080587
Hidalgo	Ramirez Subd. #2	90	M1080588
Hidalgo	Ramirez Subd. #3	108	M1080589
Hidalgo	Ramirez Subd. #4	90	M1080590
Hidalgo	Ramiro Leal	64	M1080822
Hidalgo	Ramon Leal Subd.	90	M1080591
Hidalgo	Ramona Subd.	68	M1080592
Hidalgo	Ramosville	216	M1080593
Hidalgo	Ranchette Estates	22	M1080594
Hidalgo	Rancho Chaparral	99	M1080595
Hidalgo	Rancho Escondido	31	M1080596
Hidalgo	Rancho Grande Estates	36	M1080597
Hidalgo	Rancho Nuevo Subd.	312	M1080598
Hidalgo	Rancho Subd.	229	M1080599
Hidalgo	Randolph Barnett #1	95	M1080600
Hidalgo	Randolph Barnett #2	95	M1080601
Hidalgo	Randy Ley	72	M1080602

Hidalgo	Rankin Subd.	77	M1080603
Hidalgo	Re Subdivision Lot 14 Block 145	270	M1080910
Hidalgo	Rebecca Subd.	23	M1080604
Hidalgo	Red Barn Subd.	54	M1080605
Hidalgo	Regal Estates	189	M1080606
Hidalgo	Regency Acres #2	90	M1080607
Hidalgo	Reina Del Sol Mobile Home Esta	72	M1080608
Hidalgo	Reina Subd.	32	M1080609
Hidalgo	Relampago	117	M1080610
Hidalgo	Remuda RV Park	90	M1080611
Hidalgo	Renarae Subd. #1	67	M1080612
Hidalgo	Restful Valley Ranch	120	M1080613
Hidalgo	Resub Plat of Jimenez Subd	99	M1080911
Hidalgo	Rice Addition	70	M1080614
Hidalgo	Ricky Subd.	47	M1080615
Hidalgo	Ridge Road	149	M1080616
Hidalgo	River Bend Subd.	59	M1080617
Hidalgo	River Road Subd.	316	M1080618
Hidalgo	Riverside Estates	410	M1080619
Hidalgo	Road Runner RV #1		M1080912
Hidalgo	Road Runner Subd. #2	50	M1080620
Hidalgo	Robinette Subd.	18	M1080621
Hidalgo	Rodgers Lake Estates	140	M1080622
Hidalgo	Rodgers Rd Subd.	36	M1080623
Hidalgo	Rodriguez Street	90	M1080624
Hidalgo	Rodriguez Subd.	58	M1080625
Hidalgo	Rodriguez Subd. #2	49	M1080626
Hidalgo	Romo Subd.	11	M1080627
Hidalgo	Roosevelt School	63	M1080628
Hidalgo	Rosa Linda Subd.	78	M1080629
Hidalgo	Rosalito Subd.	27	M1080630
Hidalgo	Rosedale Heights	135	M1080631
Hidalgo	Royal Palms Estates	63	M1080632
Hidalgo	Royalty House #2 & 3	316	M1080633
Hidalgo	Runn	63	M1080634
Hidalgo	Rush Subd.	32	M1080635
Hidalgo	Ruthven #1	77	M1080636
Hidalgo	Ruthven Subd. #2	90	M1080637
Hidalgo	SCHUERBACH ACRES	99	M1080653
Hidalgo	SH 88/14 North/6 West	81	M1080662
Hidalgo	SH 88/15 North/4 West	36	M1080663
Hidalgo	SPRING GARDENS	63	M1080694
Hidalgo	SUNRISE	371	M1080931
Hidalgo	Salas Subd.	72	M1080638
Hidalgo	Salida Del Sol Estates Subd.	33	M1080639
Hidalgo	Salinas-Hinojosa Subd.	249	M1080640
Hidalgo	San Carlos Acres	86	M1080641
Hidalgo	San Carlos Farms Subd.	41	M1080642
Hidalgo	San Juan East Subd.	126	M1080643
Hidalgo	San Juan South Estates	182	M1080644
Hidalgo	San Juan Subd.	159	M1080645
Hidalgo	Sanchez Ranch	374	M1080646
Hidalgo	Sandy Ridge	350	M1080647

Hidalgo	Santa Amalia Subd.	136	M1080648
Hidalgo	Santa Cruz Estates	99	M1080649
Hidalgo	Santa Cruz Orange Gardens	160	M1080650
Hidalgo	Santa Cruz Ranchette	98	M1080845
Hidalgo	Sauceda Subd.	18	M1080651
Hidalgo	Schroeder Subd.	789	M1080652
Hidalgo	Schuerbach Acres #2	72	M1080836
Hidalgo	Schunior's Subd.	2	M1080654
Hidalgo	Seminary Estates	126	M1080655
Hidalgo	Seminary South Subd.	99	M1080656
Hidalgo	Seminary Village Subd.	81	M1080657
Hidalgo	Sendero Subd.	26	M1080658
Hidalgo	Serendipity Way	39	M1080659
Hidalgo	Seventh Street Addition Subd.	15	M1080660
Hidalgo	Seville Park #1	43	M1080661
Hidalgo	Shary	23	M1080664
Hidalgo	Shary Country Acres	27	M1080665
Hidalgo	Shary Groves Estates	54	M1080666
Hidalgo	Shary Groves Estates #2	112	M1080667
Hidalgo	Sherry	32	M1080913
Hidalgo	Shull Addition	123	M1080668
Hidalgo	Siesta Village #1	1,845	M1080669
Hidalgo	Siesta Village #2	1,845	M1080670
Hidalgo	Siesta Village #3	1,845	M1080671
Hidalgo	Siesta Village #4	1,845	M1080672
Hidalgo	Siez Tract	60	M1080673
Hidalgo	Silverado Subd.	130	M1080674
Hidalgo	Simpatico Acres	54	M1080675
Hidalgo	Sings Subd.	229	M1080676
Hidalgo	Sioux Terrace	194	M1080677
Hidalgo	Sioux Terrace South	347	M1080678
Hidalgo	Sno-Bird Estates	90	M1080679
Hidalgo	Sno-Bird Estates #2	185	M1080680
Hidalgo	Sotira Estates	423	M1080681
Hidalgo	South Donna Subd.	465	M1080682
Hidalgo	South Fork Subd.	324	M1080683
Hidalgo	South Minnesota Road Subd.	135	M1080684
Hidalgo	South Minnesota Road Subd. #2	122	M1080685
Hidalgo	South Minnesota Road Subd. #3	117	M1080686
Hidalgo	South Palm Gardens Estates #1	81	M1080687
Hidalgo	South Palm Gardens Estates #2	81	M1080688
Hidalgo	South Point Subd 1-A-B, Ph 2-3-4	316	M1080914
Hidalgo	South Tower Estates	1,290	M1080689
Hidalgo	Southern Breeze Subd.	212	M1080690
Hidalgo	Southern Valley Estates	45	M1080691
Hidalgo	Southfork Estates	321	M1080692
Hidalgo	Southport	68	M1080915
Hidalgo	Southridge Park	216	M1080916
Hidalgo	Southside Village	279	M1080693
Hidalgo	Spring Gate Estates	20	M1080695
Hidalgo	Spring Green Subdvision	140	M1080939
Hidalgo	St. Clair Acres	136	M1080696
Hidalgo	St. Claire Fisher Subd.	403	M1080697

Hidalgo	Starr Subd.	26	M1080698
Hidalgo	Stephensons	90	M1080699
Hidalgo	Stewart Palms Subd.	54	M1080700
Hidalgo	Stewart Place Community	32	M1080701
Hidalgo	Stewart Place Subd.	27	M1080702
Hidalgo	Stewart South Subd.	117	M1080703
Hidalgo	Stonegate Subd. #1	62	M1080704
Hidalgo	Stonegate Subd. #2	185	M1080705
Hidalgo	Storylane Subd.	68	M1080706
Hidalgo	Sugar Acres	81	M1080707
Hidalgo	Summerwood Subd.	150	M1080708
Hidalgo	Sun Country Estates	348	M1080709
Hidalgo	Sun Grove Park	167	M1080710
Hidalgo	Sun Valley Estates	135	M1080711
Hidalgo	Sun Valley Estates #1	153	M1080712
Hidalgo	Sun Valley Subd.	162	M1080713
Hidalgo	Sundown's Rec Center	93	M1080940
Hidalgo	Sunny Brook	140	M1080917
Hidalgo	Sunny Haven Estates	239	M1080714
Hidalgo	Sunrise Estates #1	37	M1080715
Hidalgo	Sunrise Estates #2	125	M1080716
Hidalgo	Sunrise Hill	599	M1080717
Hidalgo	Sunrise Subd.	130	M1080718
Hidalgo	Sylvia Subd.	27	M1080719
Hidalgo	TINY ACRES	245	M1080740
Hidalgo	Tagle Subd. #1	32	M1080720
Hidalgo	Tangerine Estates	86	M1080721
Hidalgo	Ten Acres Subd.	214	M1080722
Hidalgo	The Highlands	64	M1080723
Hidalgo	The Stables	36	M1080920
Hidalgo	Thirty-Six Palms Terrace	63	M1080921
Hidalgo	Thomas Ortega Subd.	32	M1080724
Hidalgo	Thompson Subd.	113	M1080725
Hidalgo	Thrasher Terrace	81	M1080726
Hidalgo	Tiejerina Estates	83	M1080727
Hidalgo	Tierra Bella Subd.	190	M1080728
Hidalgo	Tierra Bonita #1	405	M1080729
Hidalgo	Tierra Bonita #2	308	M1080730
Hidalgo	Tierra Buena #1	302	M1080922
Hidalgo	Tierra Del Sol Est	27	M1080923
Hidalgo	Tierra Del Valle Subd.	86	M1080731
Hidalgo	Tierra Dorada	1,862	M1080732
Hidalgo	Tierra Estates #2	72	M1080733
Hidalgo	Tierra Estates Subd.	437	M1080734
Hidalgo	Tierra Linda	329	M1080735
Hidalgo	Tierra Maria Subd.	198	M1080736
Hidalgo	Tierra Prieta Subd.	358	M1080737
Hidalgo	Tierra buena #2	193	M1080846
Hidalgo	Timberhill Villa	8	M1080738
Hidalgo	Timberhill Villa #4	20	M1080739
Hidalgo	Todd Subd. #3	230	M1080741
Hidalgo	Tolle	149	M1080742
Hidalgo	Tolle Subd. #2	515	M1080743

Hidalgo	Tommy Knocker	7	M1080744
Hidalgo	Tony Subd.	117	M1080745
Hidalgo	Tower Heights Subd.	131	M1080746
Hidalgo	Tower Road Estates	50	M1080847
Hidalgo	Tower Subd.	113	M1080747
Hidalgo	Town of Faysville	978	M1080748
Hidalgo	Towne East Subd. #1	113	M1080749
Hidalgo	Trenton Acres Subd.	36	M1080750
Hidalgo	Trenton Manor	194	M1080751
Hidalgo	Trenton Terrace	68	M1080752
Hidalgo	Tres Amigos Subd.	23	M1080753
Hidalgo	Trevino Subd.	15	M1080754
Hidalgo	Tri-City Subd. #1	239	M1080755
Hidalgo	Tri-City Subd. #2	483	M1080756
Hidalgo	Triple C Subd.	144	M1080757
Hidalgo	Tropical Farms Subd.	185	M1080758
Hidalgo	Tropicana	77	M1080759
Hidalgo	Trosper Road Subd.	32	M1080760
Hidalgo	Twin Lake Subd.	120	M1080761
Hidalgo	Twin Roads Subd.	153	M1080762
Hidalgo	Umberto Garcia Jr. Subd.	99	M1080763
Hidalgo	Universal Estates Subd.	204	M1080764
Hidalgo	Unnamed (Raul Longoria)	101	M1080938
Hidalgo	Upper Sharyland Subd.	63	M1080765
Hidalgo	Uvalde Subd.	32	M1080766
Hidalgo	V & C	217	M1080823
Hidalgo	VAL VERDE PARK	27	M1080925
Hidalgo	VILLA D VAL	870	M1080926
Hidalgo	Val Bar Estate	126	M1080767
Hidalgo	Val Verde Acres	59	M1080768
Hidalgo	Val Verde Grove	270	M1080769
Hidalgo	Val Verde North Subd.	108	M1080770
Hidalgo	Vales Subd.	169	M1080771
Hidalgo	Valle Alto #1	604	M1080772
Hidalgo	Valle Alto #2	395	M1080773
Hidalgo	Valle Hermoso Estates	41	M1080775
Hidalgo	Valle Vista Subd.	431	M1080776
Hidalgo	Valle de Palmas #1	144	M1080774
Hidalgo	Valley Rancheros Subd.	162	M1080777
Hidalgo	Valley Star Acres	63	M1080778
Hidalgo	Valley View Estates	99	M1080779
Hidalgo	Vasquez	90	M1080850
Hidalgo	Vereda Tropical	98	M1080780
Hidalgo	Vertress Subd.	72	M1080781
Hidalgo	Victoria Acres	45	M1080782
Hidalgo	Victoria Belen	21	M1080783
Hidalgo	Villa Capri	86	M1080784
Hidalgo	Villa Del Mundo Subd.	239	M1080785
Hidalgo	Villa Del Sol	261	M1080786
Hidalgo	Villa Donna Subd.	122	M1080787
Hidalgo	Villa Estates	248	M1080788
Hidalgo	Villa Verde Subd.	1,036	M1080789
Hidalgo	Village Grove #1	39	M1080824

Hidalgo	Village Grove #2	338	M1080790
Hidalgo	Villas del Valle	870	M1080791
Hidalgo	Walston Farms	275	M1080792
Hidalgo	Walton Subdivision	23	M1080837
Hidalgo	Ware Colony	27	M1080793
Hidalgo	Ware Country Subd.	32	M1080794
Hidalgo	Ware Country Subd. #2	32	M1080795
Hidalgo	Ware Estates	43	M1080797
Hidalgo	Ware Oaks	5	M1080798
Hidalgo	Ware Shadows	99	M1080799
Hidalgo	Ware West Subd.	27	M1080800
Hidalgo	Ware del Norte Subd.	41	M1080796
Hidalgo	Waterfall Road Subd.	108	M1080801
Hidalgo	Weather Heights #1	63	M1080802
Hidalgo	Welch Tract	50	M1080803
Hidalgo	Wes-mer Subd.	570	M1080804
Hidalgo	West Haven Subd.	36	M1080805
Hidalgo	West Highway Subd.	59	M1080806
Hidalgo	Western Estates #1	153	M1080807
Hidalgo	Westgate Estates	6	M1080808
Hidalgo	Westview Heights	50	M1080809
Hidalgo	Whalen Acres	113	M1080810
Hidalgo	Whitewing Subd.	71	M1080811
Hidalgo	Wildwood Forest	39	M1080812
Hidalgo	Williams Subd.	8	M1080813
Hidalgo	Wisconsin Road / Dillon Road	23	M1080928
Hidalgo	Wisconsin Road / I Road	49	M1080929
Hidalgo	Wood Subd.	299	M1080814
Hidalgo	Yokum-Hall Subd.	86	M1080815
Hidalgo	Yvonne	16	M1080816
Hidalgo	Zacatal	87	M1080817
Hidalgo	Zambrows	58	M1080930
Hudspeth	Acala	37	M1150001
Hudspeth	Fort Hancock East Unit #1	157	M1150002
Hudspeth	Fort Hancock East Unit #2	136	M1150003
Hudspeth	Loma Linda Estates	91	M1150004
Hudspeth	Sierra Blanca	1,100	M1150005
Hudspeth	Villa Alegre	231	M1150006
Jeff Davis	Valentine	187	M1220001
Jim Hogg	Guerra	12	M1240001
Jim Hogg	Hebbronville	4,513	M1240002
Jim Hogg	Las Lomitas A	62	M1240003
Jim Hogg	Las Lomitas B	81	M1240004
Jim Hogg	Las Lomitas C	15	M1240005
Jim Hogg	Penitas	24	M1240008
Jim Hogg	South Fork	41	M1240006
Jim Hogg	Thompsonville Area	58	M1240007
Kinney	Spofford	66	M1360001
La Salle	Artesia Wells	3	M1420001
La Salle	Encinal	629	M1420002
La Salle	Fowlerton	56	M1420003
La Salle	Gardendale	37	M1420004
La Salle	Los Angeles	2	M1420005

La Salle	Millet	11	M1420006
La Salle	Zamora Acres	94	M1420007
Maverick	Airport Addition	99	M1620005
Maverick	Big River Park	45	M1620006
Maverick	Border Housing Unit #1	82	M1620007
Maverick	Cedar Ridge #1	117	M1620008
Maverick	Cedar Ridge #2	99	M1620009
Maverick	Cedar Ridge #3	19	M1620010
Maverick	Cedar Ridge #4	39	M1620011
Maverick	Cenizo Heights	222	M1620012
Maverick	Chula Vista 1-5	1,329	M1620013
Maverick	Chula Vista School Block	135	M1620014
Maverick	Deer Run #1	324	M1620015
Maverick	Deer Run #2	1,121	M1620016
Maverick	Deer Run #3	119	M1620017
Maverick	Deer Run #4	288	M1620018
Maverick	Deer Run #5	194	M1620019
Maverick	Eagle Heights #1	416	M1620020
Maverick	Eagle Heights #2	50	M1620021
Maverick	Eagle Heights #3	189	M1620022
Maverick	Eagle Heights #4	228	M1620023
Maverick	El Indio Townsite	310	M1620024
Maverick	El Pueblo Nuevo	1,258	M1620025
Maverick	Elm Creek #1	156	M1620026
Maverick	Elm Creek #2	228	M1620027
Maverick	Fabrica Townsite	823	M1620028
Maverick	Florentino Ramos	18	M1620029
Maverick	Green Acres #1 & 2	149	M1620030
Maverick	H.F. Lewis	7	M1620031
Maverick	Hector Rodriguez	37	M1620032
Maverick	Heritage Farm	82	M1620033
Maverick	Hopedale	26	M1620034
Maverick	Jose Rodriguez	79	M1620035
Maverick	Kickapoo Indian Village	324	M1620036
Maverick	La Herradura	217	M1620037
Maverick	Lago Vista Subd.	146	M1620038
Maverick	Las Brisas	67	M1620039
Maverick	Las Carretas Subd.	283	M1620040
Maverick	Las Hacienditas	345	M1620041
Maverick	Las Quintas Fronterizas	3,195	M1620042
Maverick	Lewis	47	M1620043
Maverick	Loma Bonita	3,541	M1620072
Maverick	Loma Linda #1	18	M1620044
Maverick	Loma Linda #2	116	M1620045
Maverick	Loma Linda #3	207	M1620046
Maverick	Loma Linda #4	15	M1620047
Maverick	Loma Linda #5	14	M1620048
Maverick	Loma Linda Ranchettes	360	M1620049
Maverick	Los Guajillos Subd.	137	M1620050
Maverick	Los Jardines Verdes	98	M1620051
Maverick	Morales #2 East	89	M1620073
Maverick	Morales #2 West	150	M1620074
Maverick	Morales #2a	70	M1620075

Maverick	Morales #3	15	M1620076
Maverick	Morales Circle	65	M1620052
Maverick	Nellis Lands	140	M1620053
Maverick	Normandy	35	M1620054
Maverick	Paisano Heights	33	M1620055
Maverick	Quemado	556	M1620056
Maverick	Radar Base	84	M1620057
Maverick	Riverside Acres	94	M1620058
Maverick	Rockaway Country Sites	59	M1620059
Maverick	Rosita Gardens	63	M1620060
Maverick	Rosita Valley	185	M1620061
Maverick	Sauz Creek Subd.	80	M1620062
Maverick	Seco Mines	694	M1620063
Maverick	Siesta Acres	2,312	M1620064
Maverick	South Elm Creek #1	62	M1620065
Maverick	South Elm Creek #2	46	M1620066
Maverick	South Elm Creek #3	38	M1620067
Maverick	South Elm Creek #4	35	M1620068
Maverick	Victoriano Hernandez	54	M1620069
Maverick	Wilson & Bargo	49	M1620070
Maverick	Zamora Lands	27	M1620071
Presidio	Candelaria	82	M1890001
Presidio	Las Pampas	74	M1890002
Presidio	Loma Pelona	63	M1890003
Presidio	Pueblo Nuevo	43	M1890004
Presidio	Redford	72	M1890005
Presidio	Ruidosa	63	M1890006
Presidio	Shafter	12	M1890007
Starr	A.T. Martinez	2	M2140001
Starr	Airport Heights	98	M2140002
Starr	Ala Blanca	35	M2140003
Starr	Alamo Road	238	M2140246
Starr	Alto Bonito	30	M2140004
Starr	Alto Bonito Heights	306	M2140005
Starr	Alvarez	265	M2140006
Starr	Amada Acres	27	M2140007
Starr	Anacua	39	M2140008
Starr	Antonio Flores	59	M2140009
Starr	Arredondo	59	M2140010
Starr	B & E	234	M2140011
Starr	Barrera	149	M2140012
Starr	Bella Vista	34	M2140013
Starr	Benjamin Perez	29	M2140014
Starr	Buena Vista	55	M2140015
Starr	Buena Vista Plaza	4	M2140016
Starr	Camargito	326	M2140017
Starr	Campo Bello No. 3	85	M2140242
Starr	Campo Verde	50	M2140018
Starr	Campobello	98	M2140019
Starr	Campobello #2	22	M2140020
Starr	Campos	119	M2140247
Starr	Canales	47	M2140021
Starr	Cantu	50	M2140022

Starr	Casa Blanca Subd	29	M2140023
Starr	Casas	47	M2140024
Starr	Cesar Ramos	152	M2140248
Starr	Chaparrito	119	M2140025
Starr	Chapeno	76	M2140026
Starr	Cortez	191	M2140027
Starr	De La Cruz	135	M2140028
Starr	De La Garza	284	M2140029
Starr	De Los Santos	54	M2140030
Starr	Delmita #1	29	M2140031
Starr	Delmita #2	51	M2140032
Starr	Delmita #3	34	M2140033
Starr	Delmita North	110	M2140034
Starr	Delmita South	123	M2140035
Starr	Doyno West Side #2	85	M2140036
Starr	E. Lopez	199	M2140037
Starr	East Alto Bonito	446	M2140038
Starr	East Escobares	837	M2140250
Starr	East of FM 649	219	M2140249
Starr	El Bosque #1	131	M2140039
Starr	El Bosque #2	162	M2140040
Starr	El Bosque #3	212	M2140041
Starr	El Bosque #4	158	M2140042
Starr	El Brazil	47	M2140043
Starr	El Castillo	203	M2140044
Starr	El Cenizo	315	M2140045
Starr	El Chaparral #1	254	M2140046
Starr	El Chaparral #2	72	M2140047
Starr	El Mesquite	38	M2140048
Starr	El Quiote	229	M2140049
Starr	El Rancho Vela	268	M2140050
Starr	El Refugio	39	M2140051
Starr	El Socio	225	M2140052
Starr	Elias-Fela Solis	29	M2140053
Starr	Elodia's	63	M2140054
Starr	Elsa	42	M2140055
Starr	Escandon Trace S/D	6	M2140056
Starr	Escobares	135	M2140057
Starr	Escobares #1	491	M2140058
Starr	Ester S/D	59	M2140234
Starr	Eugenio Saenz	165	M2140059
Starr	Evergreen	99	M2140060
Starr	FM 649	262	M2140251
Starr	Falcon Heights	132	M2140061
Starr	Falconaire	119	M2140062
Starr	Fernando Salinas	34	M2140063
Starr	Flor Del Rio	94	M2140064
Starr	Florentino Sosa	38	M2140065
Starr	Flores Brothers	22	M2140066
Starr	Fourth Site	45	M2140067
Starr	Francisca	628	M2140068
Starr	Francisco Rodriguez	60	M2140069
Starr	Fronton	423	M2140241

Starr	Fronton North	208	M2140070
Starr	Fronton Ranchettes	225	M2140071
Starr	Garceno	437	M2140072
Starr	Garcia's	157	M2140073
Starr	Garciasville	59	M2140074
Starr	Garza Addition	127	M2140075
Starr	Garza-Gutierrez	203	M2140076
Starr	Garza-Salinas	674	M2140230
Starr	Garza-Salinas #2	386	M2140231
Starr	Gloria	145	M2140077
Starr	Guadalupe Guerra	27	M2140078
Starr	Guerra	119	M2140079
Starr	Gutierrez	149	M2140080
Starr	H. Cuellar Estates	34	M2140081
Starr	Hackberry	153	M2140082
Starr	Hillside Terrace	0	M2140083
Starr	Hilltop	140	M2140084
Starr	Humberto Y. Saenz	140	M2140085
Starr	Indio #1	42	M2140086
Starr	Indio #2	51	M2140087
Starr	J. F. Villareal	86	M2140088
Starr	J. L. Garcia	34	M2140089
Starr	Jardin de San Julian	25	M2140090
Starr	Javier Ramirez	127	M2140091
Starr	Jose Noel Cruz	24	M2140245
Starr	Joseph Griggs	9	M2140092
Starr	Juan Escobar	262	M2140252
Starr	La Carla	80	M2140093
Starr	La Casita	76	M2140094
Starr	La Chaparosa	64	M2140095
Starr	La Escondida	170	M2140096
Starr	La Esperanza	102	M2140097
Starr	La Gloria	152	M2140098
Starr	La Hacienda	123	M2140099
Starr	La Loma de Falcon	136	M2140100
Starr	La Lomita	110	M2140101
Starr	La Minita	212	M2140102
Starr	La Paloma Ranchettes	140	M2140103
Starr	La Puerta	344	M2140104
Starr	La Puerta #2	424	M2140105
Starr	La Reforma	13	M2140106
Starr	La Rosita	357	M2140107
Starr	Lago Vista	110	M2140108
Starr	Las Colinas S/D	22	M2140235
Starr	Las Flores	243	M2140109
Starr	Las Palmas	60	M2140110
Starr	Leal	114	M2140111
Starr	Live Oak Estates	415	M2140112
Starr	Loma Alta	76	M2140113
Starr	Loma Linda East	72	M2140114
Starr	Loma Linda West	36	M2140115
Starr	Loma Vista	329	M2140116
Starr	Loma Vista #1	167	M2140117

Starr	Longoria	72	M2140118
Starr	Los Arrieros	149	M2140119
Starr	Los Barreras North	140	M2140120
Starr	Los Barreras South	246	M2140121
Starr	Los Ebanos	536	M2140122
Starr	Los Ebanos #2	536	M2140123
Starr	Los Morenos	373	M2140124
Starr	Los Olmos	216	M2140125
Starr	Los Saenz	2,340	M2140240
Starr	M. Munoz	199	M2140126
Starr	Manuel Escobares	145	M2140127
Starr	Manuel Garcia	276	M2140128
Starr	Manuel Garcia #2	80	M2140129
Starr	Manuel Munoz	119	M2140130
Starr	Margarita	68	M2140131
Starr	Margarita Addition #1	9	M2140132
Starr	Mario Guerra	33	M2140253
Starr	Martinez S/D	98	M2140133
Starr	Mesquite #1	342	M2140134
Starr	Mesquite #2	405	M2140135
Starr	Mesquite #3	221	M2140136
Starr	Mesquite #4	135	M2140137
Starr	Mi Ranchito Estate	234	M2140138
Starr	Midway Subd.	85	M2140139
Starr	Miguel Barrera	90	M2140140
Starr	Miguel Garza	2	M2140141
Starr	Mike's	538	M2140142
Starr	Mirador	149	M2140143
Starr	Mirasoles	113	M2140144
Starr	Mireles	94	M2140145
Starr	Mitchell	114	M2140146
Starr	Montalvo Hills	22	M2140147
Starr	Moraida	136	M2140150
Starr	Moreno	4	M2140149
Starr	Moreno, S S/D	49	M2140232
Starr	Morida	48	M2140237
Starr	Munoz	22	M2140151
Starr	Munoz-Garcia	351	M2140152
Starr	Nacho Garza	67	M2140243
Starr	Narciso Pena	55	M2140153
Starr	Netos	55	M2140154
Starr	Nina	110	M2140155
Starr	North Escobares Ranchettes	67	M2140156
Starr	North Refugio	145	M2140157
Starr	North Santa Cruz	636	M2140158
Starr	Northridge	107	M2140159
Starr	Northwest Industrial Park	403	M2140160
Starr	Old Escobares	399	M2140161
Starr	Old Roma (Area 11)	561	M2140239
Starr	Old Roma (Areas 1-6)	7,339	M2140238
Starr	Old Santa Cruz	98	M2140162
Starr	Old Santa Elena	29	M2140163
Starr	Olivarez	145	M2140164

Starr	Olivia Lopez de Gutierrez	89	M2140165
Starr	Olmiteo & Olmito #2	301	M2140166
Starr	Pablo Pena	64	M2140167
Starr	Palo Blanco	221	M2140168
Starr	Pedro Campos	77	M2140169
Starr	Pena #1	45	M2140170
Starr	Pena #2	185	M2140171
Starr	Quesada	25	M2140172
Starr	Rafael Pena	67	M2140173
Starr	Ramirez-Perez	51	M2140174
Starr	Ramos	114	M2140175
Starr	Ramos Addition #1	64	M2140176
Starr	Ranchitos Del Norte	67	M2140177
Starr	Rancho Viejo #1	135	M2140178
Starr	Rancho Viejo #2	113	M2140179
Starr	Rancho Viejo #3	51	M2140180
Starr	Rau-con Drive-In #2	104	M2140181
Starr	Regino Ramirez	67	M2140182
Starr	Reyna	55	M2140183
Starr	Rivera	144	M2140184
Starr	Rivereno	51	M2140185
Starr	Robinson	243	M2140186
Starr	Rodriguez #1	107	M2140187
Starr	Rodriguez #2	22	M2140188
Starr	Roma Creek #1, 2 & 3	216	M2140233
Starr	Salinas	67	M2140189
Starr	Salineno North	250	M2140190
Starr	Salineno South	547	M2140191
Starr	Salmon	47	M2140192
Starr	Sammy Martinez	64	M2140193
Starr	San Fernando	102	M2140194
Starr	San Isidro	149	M2140195
Starr	San Jose	55	M2140196
Starr	San Juan	45	M2140197
Starr	San Julian	95	M2140254
Starr	Sandoval	55	M2140198
Starr	Santa Anna	47	M2140199
Starr	Santa Catarina	203	M2140201
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Starr	Santa Cruz Industrial Park	199	M2140203
Starr	Santa Margarita	25	M2140204
Starr	Santa Rosa	326	M2140205
Starr	Santel	51	M2140206
Starr	Share 52	569	M2140207
Starr	Solis	60	M2140208
Starr	South Refugio	64	M2140209
Starr	Sunset	38	M2140210
Starr	Tamez	114	M2140211
Starr	Tierra Dorada	81	M2140212
Starr	Tierra Linda	293	M2140213
Starr	Trevinos	225	M2140214
Starr	Trevinos #1	80	M2140215

Starr	Triple R	55	M2140216
Starr	Triple R #1	60	M2140217
Starr	US 83(North)	665	M2140255
Starr	US 83(South)	100	M2140256
Starr	Valle Hermosa	29	M2140218
Starr	Valle Vista #1	187	M2140219
Starr	Valle Vista #2	136	M2140220
Starr	Venecia	407	M2140221
Starr	Victoria	158	M2140222
Starr	Victoria Ranch	187	M2140223
Starr	Victoria Vera	110	M2140224
Starr	Villa Charles Marco	47	M2140244
Starr	Villa de Frontera	119	M2140225
Starr	Villa de Martinez	96	M2140226
Starr	Villareal	127	M2140227
Starr	West Alto Bonito	560	M2140228
Starr	West of FM 649	433	M2140257
Starr	Zarate	136	M2140229
Terrell	Dryden	7	M2220001
Terrell	Sanderson	1,128	M2220002
Val Verde	Amistad Acres	401	M2330001
Val Verde	Box Canyon Estates	357	M2330002
Val Verde	Cienegas Terrace	1,412	M2330003
Val Verde	Escondido Estates	103	M2339999
Val Verde	Lake View Addition	666	M2330004
Val Verde	Langtry, Texas	61	M2330015
Val Verde	Los Campos #1,2 & 5	140	M2330016
Val Verde	Los Campos #3 & 4	450	M2330005
Val Verde	Owens Addition #1	24	M2330006
Val Verde	Owens Addition #2	144	M2330007
Val Verde	Payment	100	M2330008
Val Verde	Rancho del Rio	87	M2339999
Val Verde	Rio Bravo	310	M2330009
Val Verde	Rise Estates	180	M2339999
Val Verde	Rough Canyon	266	M2330010
Val Verde	Town of Comstock	525	M2330011
Val Verde	Val Verde Park	722	M2330012
Val Verde	Val Verde Park #2	2,025	M2330013
Webb	Aguilares	55	M2400003
Webb	Aguilares Acres	10	M2400004
Webb	Antonio Santos Subd.	284	M2400005
Webb	Botines	169	M2400006
Webb	Bruni	874	M2400007
Webb	Colorado Acres	314	M2400008
Webb	D-5 Acres	154	M2400009
Webb	East Gate Acres	5	M2400010
Webb	El Cenizo Subd. #1-5	4,600	M2400011
Webb	Felix Vela Estate	84	M2400059
Webb	Four Points	65	M2400012
Webb	Hillside Acres #1	30	M2400013
Webb	Hillside Acres #2	26	M2400014
Webb	La Coma	96	M2400015
Webb	La Moca Ranch	15	M2400016

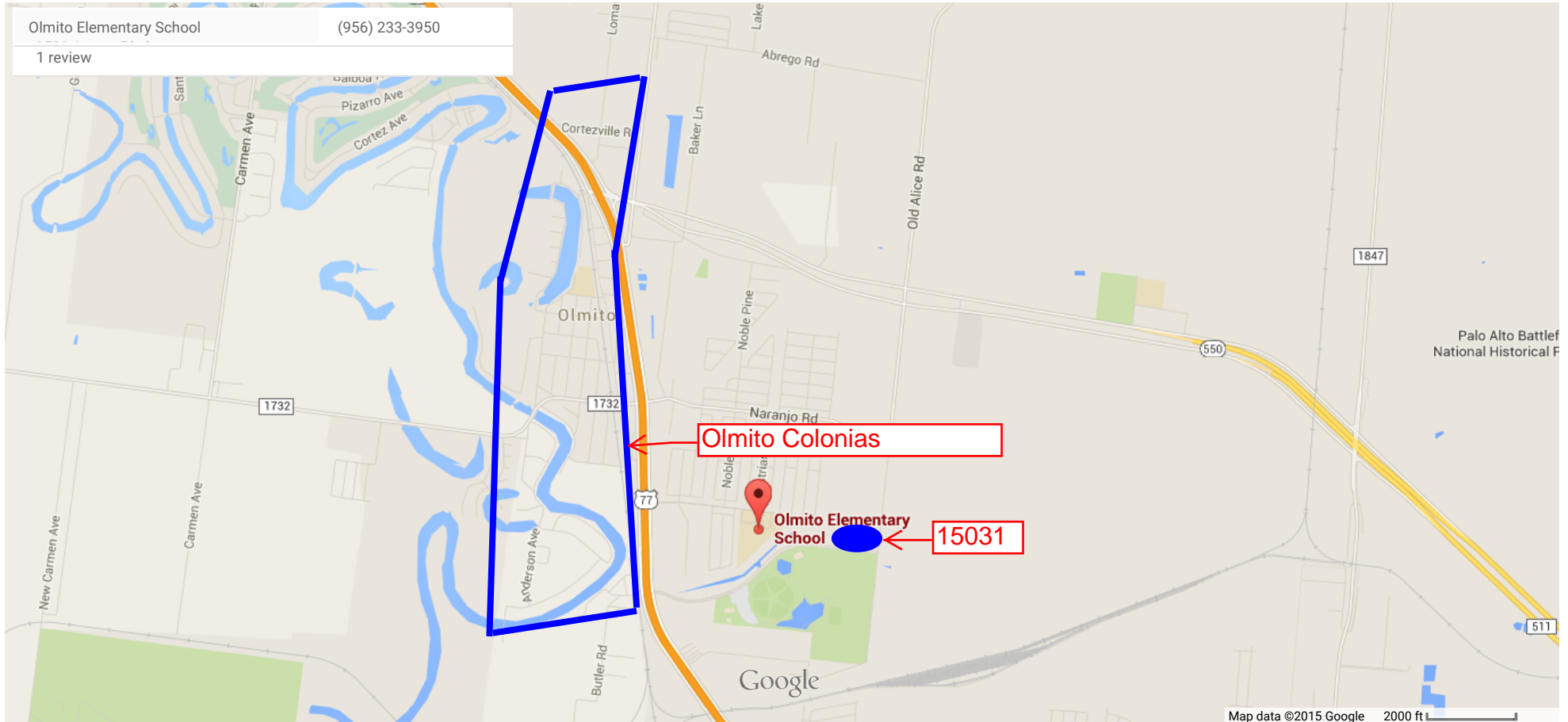
Webb	La Presa	325	M2400017
Webb	Laredo Ranchettes	85	M2400018
Webb	Larga Vista	544	M2400019
Webb	Las Blancas Subd.	13	M2400020
Webb	Las Haciendas Unit I	10	M2400021
Webb	Las Lomas II	260	M2400061
Webb	Las Pilas Subd. #1	45	M2400022
Webb	Las Pilas Subd. #2	65	M2400023
Webb	Los Altos	474	M2400024
Webb	Los Corralitos	85	M2400025
Webb	Los Huisaches	6	M2400026
Webb	Los Huisaches #2	9	M2400027
Webb	Los Minerales	87	M2400028
Webb	Los Tanquecitos II	28	M2400062
Webb	Los Veteranos 59	15	M2400029
Webb	Los Veteranos 83 Subd.	50	M2400030
Webb	Mirando City	863	M2400031
Webb	Mirando City Addition	27	M2400032
Webb	Oilton	653	M2400033
Webb	Old Milwaukee East	79	M2400034
Webb	Old Milwaukee West	345	M2400035
Webb	One River Place	39	M2400036
Webb	Pueblo East	35	M2400037
Webb	Pueblo Nuevo	603	M2400038
Webb	Ranchitos 359 East	215	M2400039
Webb	Ranchitos Las Lomas	289	M2400040
Webb	Ranchitos Las Lomas #2	736	M2400041
Webb	Ranchitos Los Arcos	130	M2400042
Webb	Ranchitos Los Centenarios	104	M2400043
Webb	Ranchitos Los Fresnos	85	M2400044
Webb	Ranchitos Los Mesquites	15	M2400045
Webb	Ranchitos Los Nopalitos	50	M2400046
Webb	Ranchitos Los Veteranos	5	M2400047
Webb	Ranchos Penitas West	668	M2400048
Webb	Regency Village	19	M2400049
Webb	Rio Bravo	86	M2400057
Webb	Rio Bravo Annex	5,337	M2400058
Webb	Rodriguez Addition	12	M2400050
Webb	San Carlos #1	345	M2400051
Webb	San Carlos #2	249	M2400052
Webb	Sunset Acres	3	M2400053
Webb	Tanquecitos South Acres	404	M2400054
Webb	Tanquecitos South Acres II	104	M2400060
Webb	Valle Verde	0	M2400055
Webb	Village East	20	M2400056
Willacy	Bausell & Ellis	100	M2450001
Willacy	Benitez	30	M2450002
Willacy	Colonia Los Angeles	69	M2450003
Willacy	El Chapote	12	M2450004
Willacy	Hugh Terry Subd.	50	M2450005
Willacy	Lasara	824	M2450006
Willacy	Lisa	12	M2450007
Willacy	Lyford South	158	M2450008

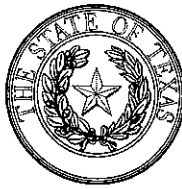
Willacy	Ranchette Estates	120	M2450009
Willacy	Raymondville Tract #1	9	M2450010
Willacy	S & C	17	M2450011
Willacy	Sandy	2	M2450012
Willacy	Santa Monica	65	M2450013
Willacy	Sebastian	1,904	M2450014
Willacy	Willacy Acres	18	M2450015
Willacy	Zamurano	60	M2459999
Willacy	Zapata Ranch	75	M2450016
Zapata	A.F. Pierce	17	M2530001
Zapata	Beacon Lodge	188	M2530038
Zapata	Black Bass	133	M2530002
Zapata	Buena Vista	305	M2530003
Zapata	Cuellar	12	M2530004
Zapata	Cuellar 2	55	M2530039
Zapata	Dolores	7	M2530005
Zapata	Falcon Estates	113	M2530006
Zapata	Falcon Lake Estates	632	M2530007
Zapata	Falcon Lakes Estates	481	M2530008
Zapata	Falcon Mesa	234	M2530009
Zapata	Falcon Shores	429	M2530010
Zapata	Flores Addition	274	M2530011
Zapata	Four Seasons	122	M2530012
Zapata	Guzman	36	M2530013
Zapata	Hayes	22	M2530040
Zapata	Lago Halcon A	46	M2530014
Zapata	Lago Halcon B	103	M2530015
Zapata	Las Palmas	89	M2530016
Zapata	Linda Vista	18	M2530017
Zapata	Lopeno	89	M2530018
Zapata	Los Lobos	129	M2530019
Zapata	Manuel Medina Addition	3,621	M2530020
Zapata	Morales / Sanchez	33	M2530021
Zapata	Morales 1	74	M2530022
Zapata	Morales 2	40	M2530023
Zapata	Morgan's Lakefront Lodge	228	M2530024
Zapata	New Falcon	225	M2530025
Zapata	New Lopeno	40	M2530041
Zapata	Phelps	21	M2500042
Zapata	Ramireno	25	M2530026
Zapata	Ranchito San Jose	46	M2530027
Zapata	S. Truman Phelps	15	M2530028
Zapata	San Ignacio Viejo Unit 2	15	M2530029
Zapata	San Jose Villa	71	M2530030
Zapata	San Ygnacio	318	M2530031
Zapata	Siesta Shores 1	1,455	M2530032
Zapata	Siesta Shores 3	132	M2530033
Zapata	Siesta Shores Sec. A	438	M2530034
Zapata	Sunset Villa	22	M2530035
Zapata	Valle Verde	55	M2530036
Zapata	Zapata Townsite	4,990	M2530037
Zavala	Amaya	15	M2540001
Zavala	Batesville	1,383	M2540002

Zavala	Bee Crest Subd.	9	M2540003
Zavala	Bushy Creek Subd.	68	M2540004
Zavala	Camposanto/Elcometa	41	M2540005
Zavala	Chula Vista Subd.	362	M2540006
Zavala	La Hacienda Estates #2	22	M2540007
Zavala	La Pryor	1,989	M2540008
Zavala	Loma Grande	42	M2540009
Zavala	North US 183	13	M2540014
Zavala	Northeast Crystal City	173	M2540016
Zavala	Nueces Campsite Lots	1	M2540010
Zavala	Popeye Lake	3	M2540011
Zavala	River Spur	30	M2540012
Zavala	Starr	9	M2540015
Zavala	Triangula	106	M2540013
Grand Total Population		424,992	

Largest Colonia - by population
1 Starr Old Roma 7339
2 Webb Rio Bravo 5337
3 Cameron Cameron Park 5282
4 Zapata Zapata Townsite 4990
5 Webb El Cenizo 4600
6 Jim Hogg Hebronville 4513
7 Cameron Olmito 4044
Per 2004 Texas Department of Transportation BCAP

Attachment "C"
Identification of Olmito Elementary





TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Greg Abbott
GOVERNOR

BOARD MEMBERS
J. Paul Oxer, *Chair*
Juan S. Muñoz, PhD, *Vice Chair*
Leslie Bingham-Escareño
T. Tolbert Chisum
Tom H. Gann
J.B. Goodwin

May 12, 2015

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

Cynthia L. Bast
Locke Lord Attorneys & Counselors
600 Congress, Suite 2200
Austin, TX 78701

RE: 15031 SOLANA AT THE SPORTS PARK: SCORING NOTICE APPEAL

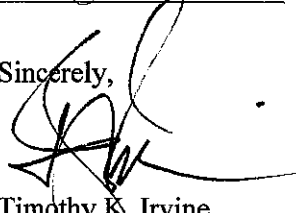
Dear Ms. Bast:

The Texas Department of Housing and Community Affairs (the "Department") is in receipt of your appeal letter, dated April 28, 2015, of the abbreviated scoring notice for the above referenced Application. This Application was denied points under §11.9(c)(6)(A) of the 2015 Qualified Allocation Plan ("QAP"), related to Underserved Area, because staff determined that the site was ineligible for points under subparagraph (A) of the scoring item related to Colonias.

Your appeal states that the Olmito Colonia, located across Highway 77 from the proposed development site, should be included as part of the geographic area that the Department considers when assessing whether or not it has the economic and physical characteristics of a colonia. However, the highway serves as a reasonable boundary between these two areas, and the area to the west of the highway appears to be very distinct from the area to the east. This distinction is recognized by the census bureau, which also uses the highway to distinguish between two tracts. In addition, the census block group east of the highway, which contains the development site, has a median household income that is more than twice as high as the median household income of the census block group that contains most of the colonia. Finally, a site visit conducted by staff evidenced that there is not an apparent inability to access basic utilities at the proposed development site, as the area is currently being developed with commercial uses and includes a fully developed single family neighborhood, and which enjoys the benefit of being within the city limits of Brownsville. Therefore, your appeal is hereby denied.

If you are not satisfied with this decision, you may file a further appeal with the Board of Directors of the Texas Department of Housing and Community Affairs. Please review §10.902 of the 2015 Uniform Multifamily Rules for full instruction on the appeals process. Should you have any questions, please contact Kathryn Saar, Competitive Tax Credit Program Administrator, at kathryn.saar@tdhca.state.tx.us or by phone at 512-936-7834.

Sincerely,


Timothy K. Irvine
Executive Director



**Casa Linda Development
Corporation**

VIA EMAIL

May 19, 2015

Ms. Jean Latsha
Director Multifamily Finance
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, TX 78711

RE: #15031 Solana at the Sports Park, Brownsville – Appeal request to TDHCA Board of Directors related to Scoring Notice Appeal Letter dated May 12, 2015

Dear Jean:

Casa Linda Development Corporation would like to appeal Mr. Timothy K. Irvine's decision dated 05-12-15 to the TDHCA Board of Directors related to the award of two (2) points under §11.9(c)(6)(A) of the Qualified Allocation Plan (the "QAP") for location in an underserved area related to Colonias. We plan to submit additional information to be included in the Board Book prior to June 9th.

Sincerely,



Linda S. Brown
President

cc: Sara Reidy
Cynthia Bast
Kathryn Saar

**#15031 *Solana at the Sports Park*, Brownsville, Texas
Urban Region 11**

**Appeal to The Texas Department of Housing and
Community Affairs (TDHCA) Board of Directors
June 16, 2015**

**Prepared By
Casa Linda Development Corporation on behalf of
Sports Park Housing, LP, Applicant (*to be formed*)
Dallas, Texas**

**Submitted to
Mr. Tim Irvine, Executive Director, TDHCA
June 9, 2015**

PURPOSE OF APPEAL:

To clearly address the Staff's three (3) concerns as described below for the Board's consideration to determine the application's two (2) points is warranted for Underserved Area – Colonia. The information provided herein supports information previously submitted in our Application and subsequent to the Application to the Staff and Executive Director.

TDHCA Colonia Definition

(19) Colonia--A geographic area that is located in a county some part of which is within one-hundred fifty (150) miles of the international border of this state, that consists of eleven (11) or more dwellings that are located in proximity to each other in an area that may be described as a community or neighborhood, and that:

(A) has a majority population composed of individuals and families of low-income and very low-income, based on the federal Office of Management and Budget poverty index, and meets the qualifications of an economically distressed area under Texas Water Code, §17.921; or

(B) has the physical and economic characteristics of a colonia, as determined by the Department, and is a geographic area encompassing no more than two (2) square miles. Factors to be considered by the Department include, but are not limited to, ability to access basic utilities and boundaries that may define communities or neighborhoods. Applicants will be required to define the geographic area to be evaluated by the Department.

BACKGROUND:

April 22 - Applicant received a Notice of Scoring of §11.9 (c)(6)(A) Underserved Area Colonia. The notice referred Applicant to a recent posting of a Scoring Log to the TDHCA website. The log reflected the reduction of 2 points.

April 29 – Applicant appeals to Mr. Tim Irvine, TDHCA Executive Director staff recommendation.

May 12 – Applicant receives denial for 2 points. **Denial is based on 3 issues.** (see Exhibit “A”)

- 1.** Relationship between the Olmito Colonia and Development Site area
- 2.** Economic and Physical Characteristics of Colonia and Development Site area
- 3.** Staff Observations during a Staff site visit related to new commercial activity and a single family residential subdivision north of Development Site

May 19 – Applicant submitted request to appeal to the TDHCA Board of Directors.

1. Relationship Between The Colonia and the Development Site

THE COLONIA IS THE OLMITO COLONIA.

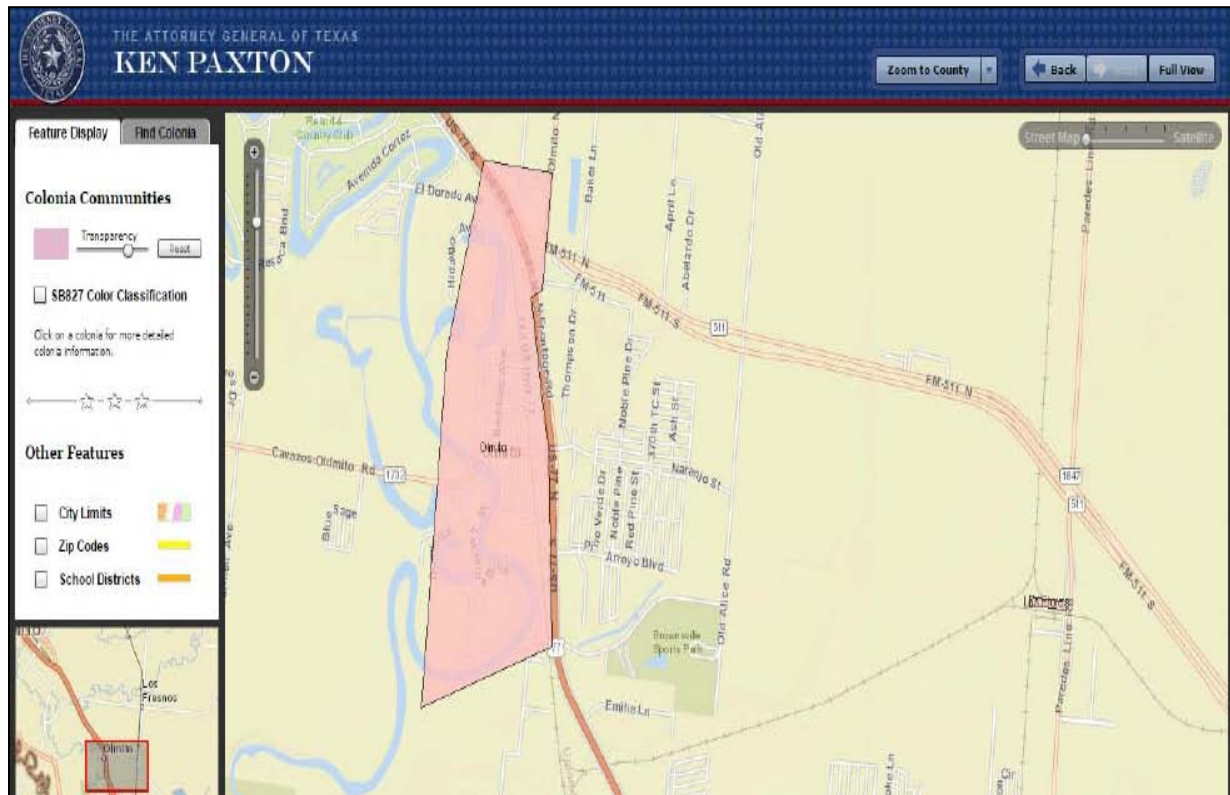


Figure 1 Texas Attorney General Website Olmito Colonia

The Olmito Colonia Is:

- **7th Largest Colonia along the Texas Mexico Border**
- **Located in north Brownsville area, Cameron County**
- **Encompasses 801.59 acres**
- **Population: 4,044**
- **Located in 4 Census Tracts**
 - **48061012401; 48061012506; 48061012507; 48061014400**
- **Classification - Yellow**
- **Texas designated Enterprise Zone 2000 and 2010**

**SOLANA AT THE SPORTS PARK DEVELOPMENT SITE
IS LOCATED 3,960 FEET FROM THE COLONIA.**



Figure 2 Olmito Colonia within 3/4 mile from Solana site

Solana Development Site is:

- Within $\frac{3}{4}$ miles (3960 ft) of the Olmito Colonia
- 8.88 acre tract
- Across the street from Brownsville Sports Park
- In 2 mile radius
 - No significant commercial retailers such as HEB, Target or Walmart
 - No pharmacy or health related services
 - No restaurants except Wing Barn, Jarochos, Mr. Taco and Subway
- Is in area of mostly undeveloped land other than the Olmito Colonia, Sports Park and single family subdivisions to the north
- Zoned Multifamily
- State designated Enterprise Zone in 2000 and 2010

STAFF POSITION:

Based on Staff observation and the census tract boundary, Interstate 69E, previously known as Highway 77 (the highway) is a reasonable physical boundary dividing the area into two distinct communities i.e., East and West.

APPLICANT RESPONSE:

Interstate 69E does not divide the area into two distinct east and west communities. The highway, as the only interstate that runs north and south to and from Brownsville, is a connector not a divider.



Figure 3 Map with IH 69E (formerly Highway 77) highlighted.

The City of Brownsville agrees. In a letter dated June 8, 2015 Assistant City Manager Ruth Osuna confirms the highway is not a divider of the east and west side. (see Exhibit “B”)

“We consider this to be one community and we do not consider the highway as a barrier,” Ruth Osuna, Assistant City Manager, City of Brownsville.

In addition, Ms. Osuna confirms two east west access roads providing enhanced connectivity and access between the Development Site and the Olmito Colonia connecting schools and recreational opportunities on the east side with small but important commercial business on the west side.

“The Solana development is directly linked to the Olmito Colonia by two roadways, Sports Park Boulevard and Naranjo Road. These two access roadways provide connectivity between the west and east sides of the community. High ranking schools and recreational opportunities lie on the east side and small, but important, commercial businesses are located on the west side.”

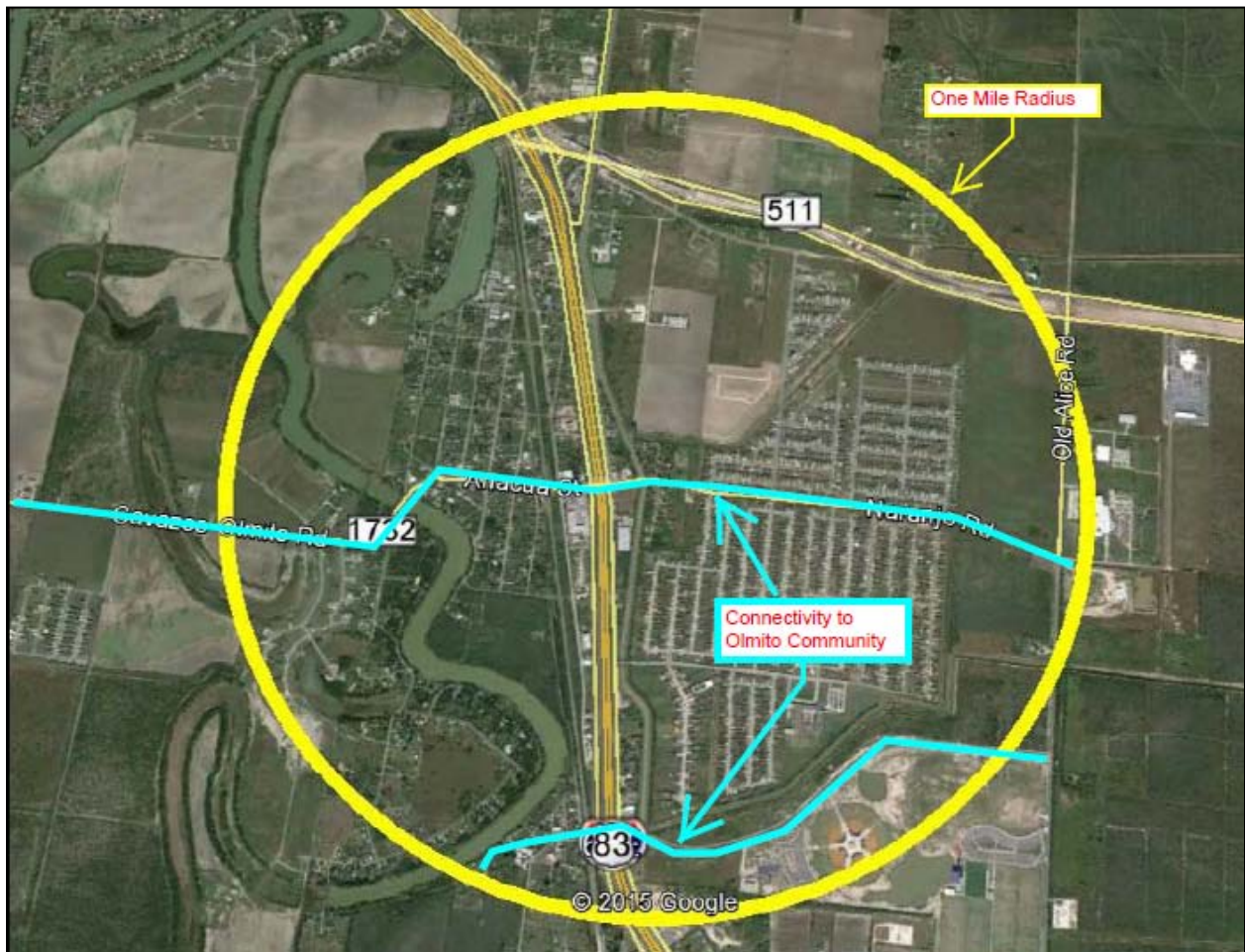


Figure 5 Direct linkages between Colonia and Site. Map is also an attachment to City of Brownsville letter.

Staff references the Census Bureau's use of the highway as further support. However, the Olmito Colonia is so large it is in 4 census tracts on both the east and west side of the highway.

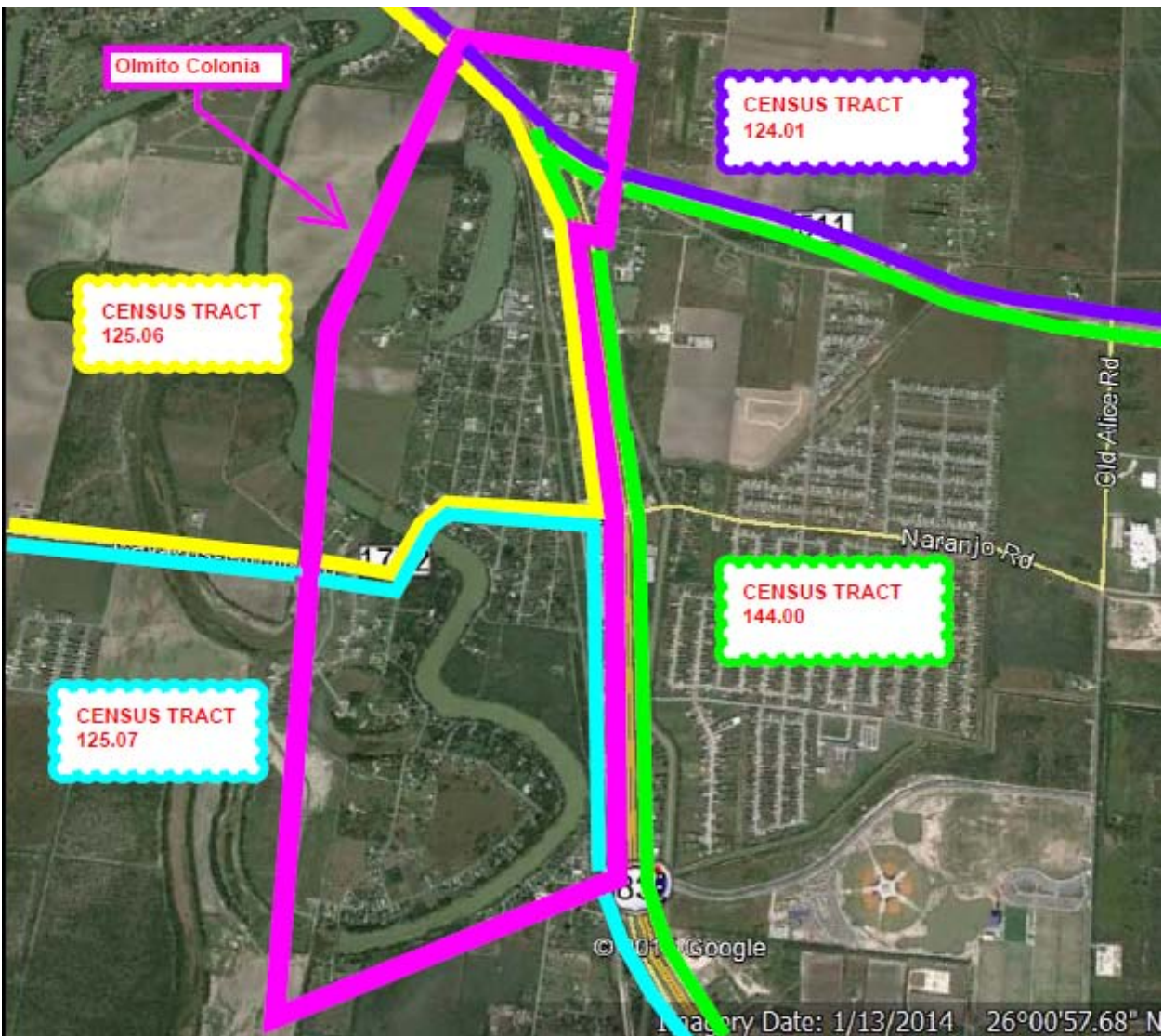


Figure 6 Map showing Colonia is in 4 Census Tracts

Census tracts do not necessarily create communities. Most people don't even know which census tract they work in or live in. Rather, communities may define themselves by name. We find several examples of "Olmito" being used to identify facilities and subdivisions east of the highway.

The name “**Olmito**” is used in the name of:

- **Olmito Elementary School**, located behind the Development Site
- **Olmito Estates I and II**, single family subdivisions north of the Development
- **Olmito Water Supply** processing facility

All of these entities are located east of the highway where the Development Site is located.

In addition, all children in the Community which includes the Olmito Colonia attend the same middle school, 9th grade and high school.

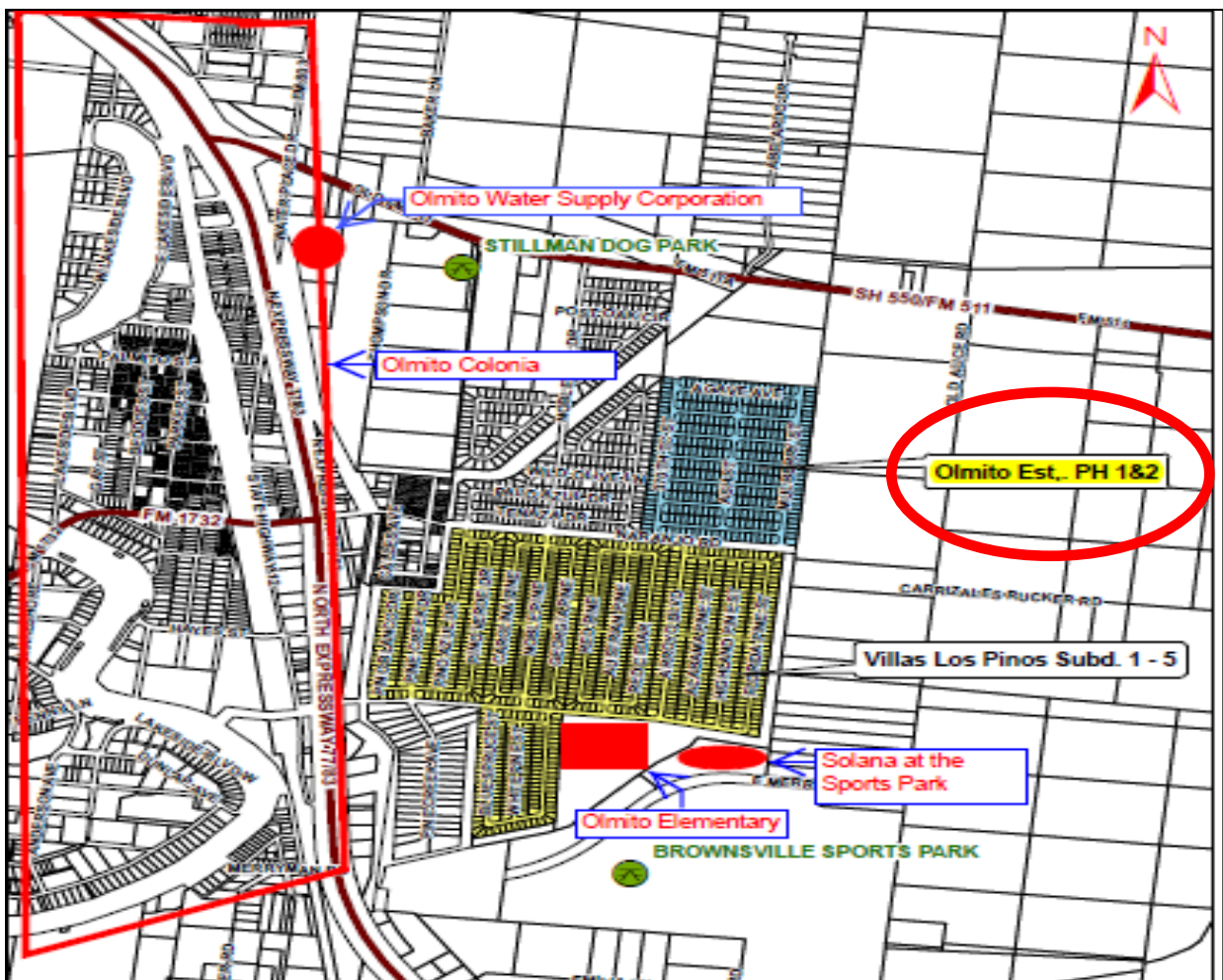


Figure 7 City of Brownsville. Map showing Olmito named entities

2. Economic and Physical Characteristics of Colonia and Development Site area

STAFF POSITION:

Staff referred to the 2013 5 year American Community Survey Table B19013 and concluded:

- Solana at the Sports Park Development Site Census Tract 48061014400 Block Group 1 has median household income (MHI) of \$65,697.
- Estimated part of Colonia in Census Tract 48061012507 Block Group 2 and most of the Colonia in Census Tract 48061012506 Block Group 2 has median household incomes of \$30,417 and \$43,478 respectively.

Staff determined the MHI of the Development Site is more than twice as high as the MHI of the census block group that contains most of the Colonia.

APPLICANT RESPONSE:

We believe Staff's income analysis is not reflective of current economic demographic data. We also believe the Olmito Colonia is evenly divided between Census Tracts 125.06 Block Group 2 and 125.07 Block Group 2. We requested, UT-RGV Director of Economic Research perform an income analysis on the Census Tract Block Groups identified by TDHCA. Please refer to Map and Income Table below.

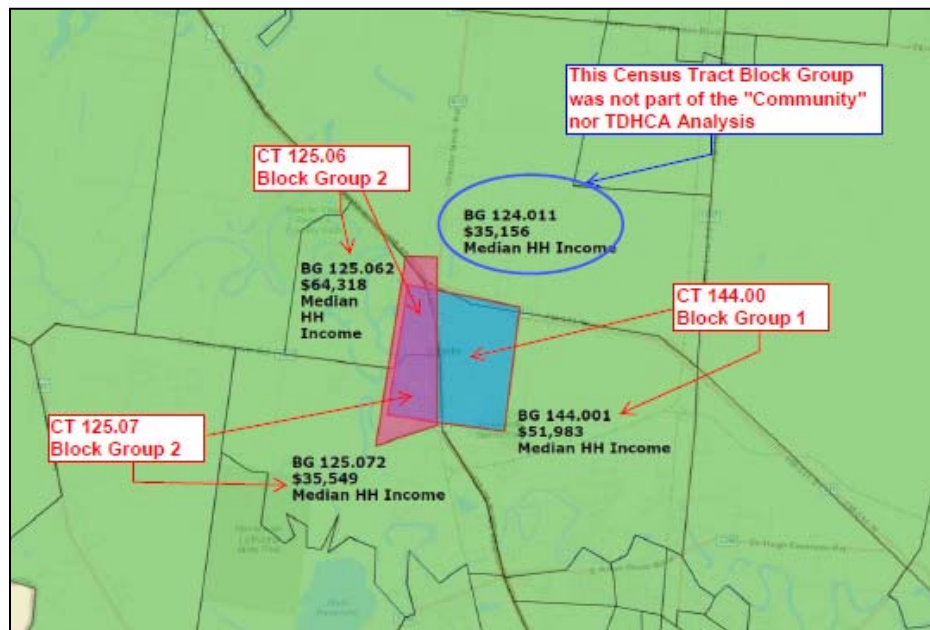


Figure 8 UT-RGV CT Map; Pink is Colonia and Blue is 2 sq. mile

TDHCA - Per Jean Latsha Email 05-22-15			
CT Tract	BLK Group	2013 MHI	
144	1	\$ 65,697	Development Site
125.07	2	\$ 30,417	Majority of Colonia
125.06	2	\$ 43,478	Remainder of Colonia
UT-RGV - Economic Research Analysis			
CT Tract	BLK Group	2015 MHI	
144	1	\$ 51,983	Development Site
125.07	2	\$ 35,549	1/2 of Olmito Colonia - see CT map
125.06	2	\$ 64,318	1/2 of Olmito Colonia - see CT map
Average		\$ 49,934	Average of 125.072 and 125.062
Average		\$ 50,617	Average of 144.01, 125.072 and 125.062 (Olmito Community)

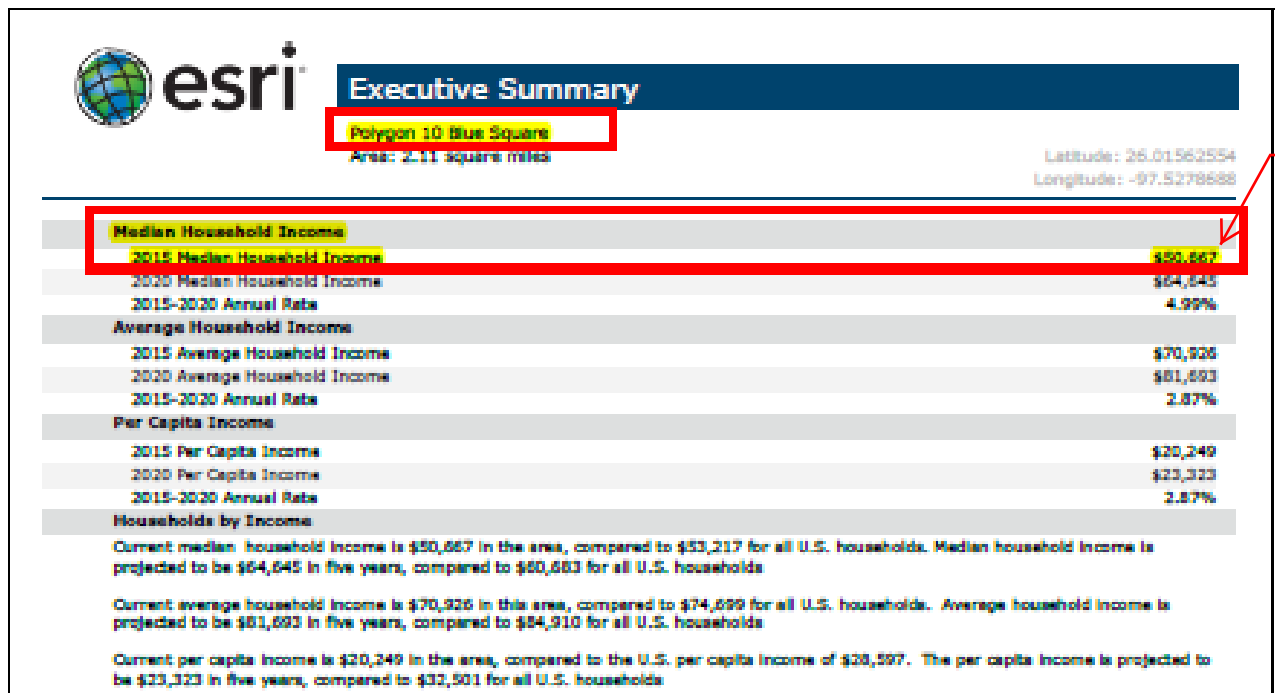
UT-RGV Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2015

Please note the average median household income (MHI) of the two Census Block Groups within the Olmito Colonia is \$49,934 and the average MHI for the three Census Block Groups in the Olmito Community is \$50,617 per UT-RGV.

We requested UT-RGV Research conduct an income analysis on a geographic area encompassing no more than 2 square miles known as the "Community" highlighted in blue below. The pink polygon represents the Olmito Colonia.



Figure 9 CLDC Community Map



\$50,667

Below is the 2015 TDHCA Site Demographic information for the Development Site Census Tract.

Census Tract Full	County	Metropolitan Statistical Area	Median Household Income	Rank	Median Household Income Quartile	Poverty Rate
48061014400	Cameron	Brownsville-Harlingen, TX	\$49,650	1st Q	1st Q	25.90%

The chart below identifies the average MHI provided by UT-RGV for the two Census Tract Block Groups in the Olmito Colonia, the three Census Tract Block Groups, the Olmito 2 square mile community, and the Census Tract where the Development Site is located from the TDHCA Site Demographics. Based on this analysis, the MHI is comparatively similar in all four cases.

UT-RGV - Economic Research Analysis			
CT Tract	BLK Group	2015 MHI	
144	1	\$ 51,983	Development Site
125.07	2	\$ 35,549	1/2 of Olmito Colonia - see CT map
125.06	2	\$ 64,318	1/2 of Olmito Colonia - see CT map
Average		\$ 49,934	Average of 125.072 and 125.062
Average		\$ 50,617	Average of 144.01, 125.072 and 125.062
Related Information			
Olmito Community 2 sq mi		\$ 50,668	UT-RGV Economic Research Analysis
CT 48061014400		\$ 49,650	CT - Dev. Site - 2015 TDHCA Site Demographic Report

In addition, the Olmito Colonia and the Development Site are located in a State Designated Enterprise Zone which is defined as a severely distressed area of the State to provide incentives by State and Local government to induce private investment.

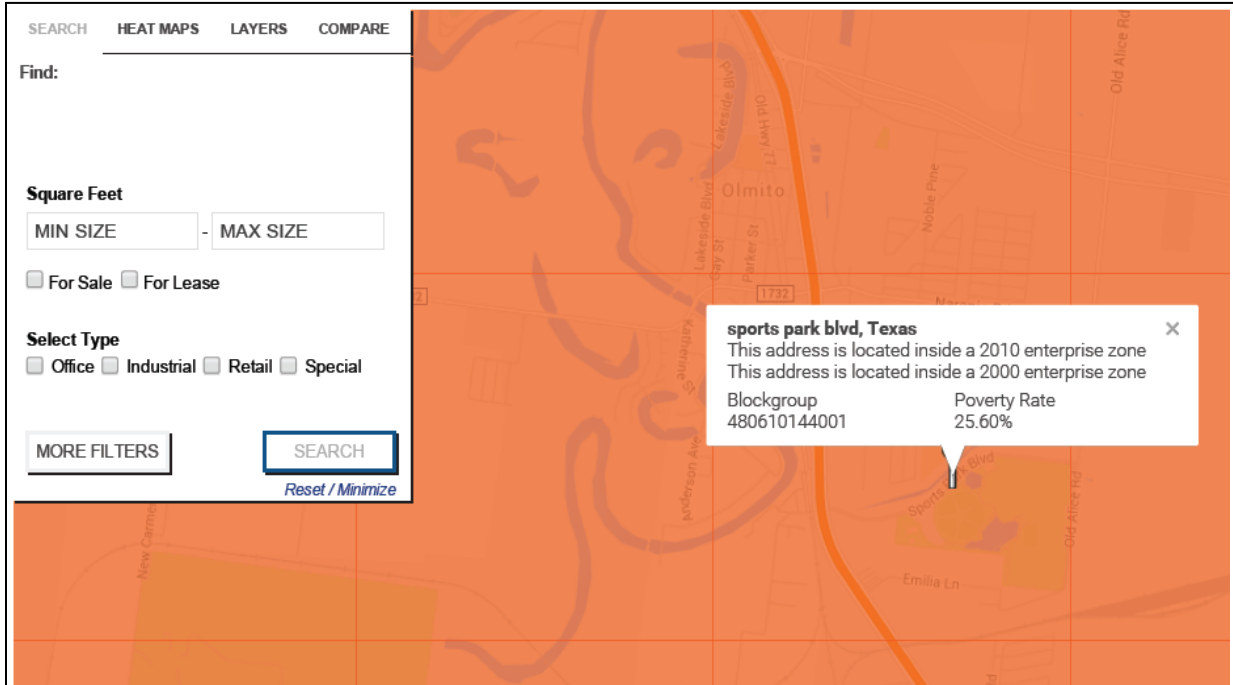


Figure 10 State of Texas Wide Open For Business website.

3. Staff Observations during a Staff site visit related to new commercial activity and a single family residential subdivision north of Development Site

STAFF POSITION:

TDHCA Staff observations during a site visit describes the apparent access of basic utilities because of new commercial uses and a fully developed single family neighborhood enjoying the benefits of being within the city limits. In an email from Jean Latsha on May 22, 2015, Ms. Latsha defines the commercial use as the new Toyota dealership.

APPLICANT RESPONSE:

While the new Toyota dealership being built at the southeast corner of IH 69E and Sports Park Boulevard is an improvement to the area, it does not provide services to the community other than employment opportunities. The dealership like the Development Site has access to basic services such as water and wastewater. The Olmito Colonia also has access to water and wastewater services according to the Attorney General's Colonia website.

Other basic services include access to health professionals and health clinics which the Attorney General notes are lacking in the Olmito Colonia. These shortages are shared by the Solana Development Site and the nearby single family subdivisions. Like the Colonia, the Development Site also has a lack of meaningful commercial/retail services such as a full service grocer. This is one area characteristic that sets the Solana appeal apart from other Applicants seeking a reinstatement of Colonia points.

The Olmito Colonia is not in the city limits of Brownsville. However, the City recognizes the strong demand for the development of safe and sanitary housing options in the Olmito Community for low and moderate income families. This statement is confirmed in Ms. Osuna's support letter (see Exhibit "B").

The 1 and 2 mile area map below clearly illustrates the area as virtually undeveloped except for the Olmito Colonia, the affordable housing single family subdivisions, the Sports Park and the Solana at the Sports Park Development Site.

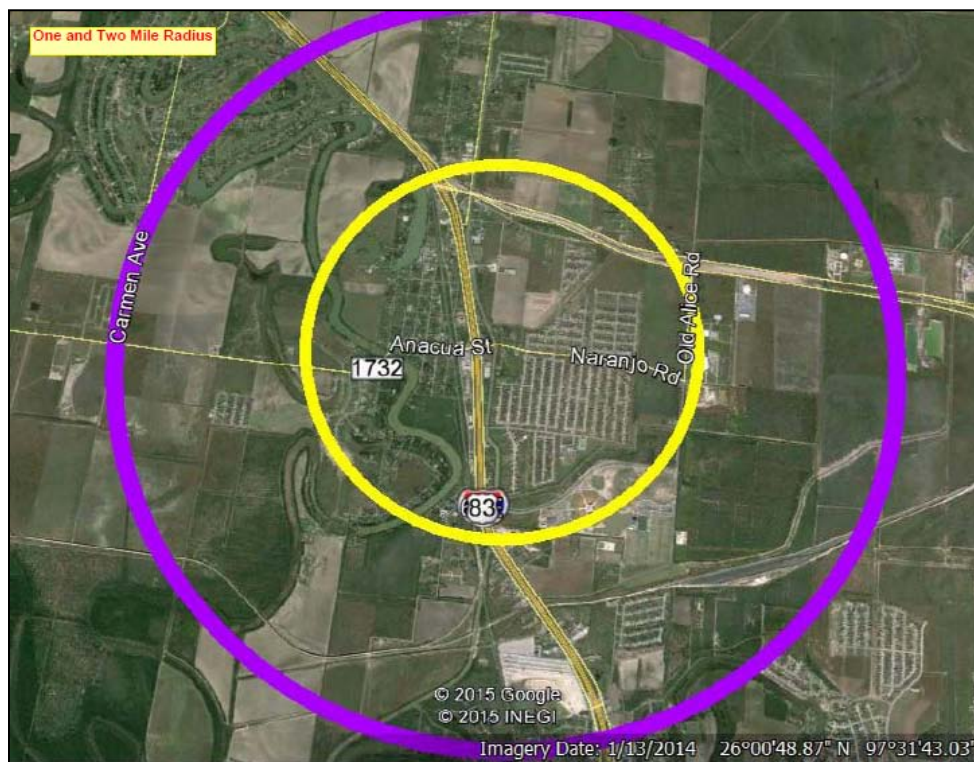


Figure11 The Olmito Community 1 and 2 mile radius.

In Ms. Osuna’s letter (see Exhibit “B”), she acknowledges that as future residential opportunities are developed, new commercial development will benefit both sides of the highway.

“As more residential opportunities are developed, commercial interest will also increase and both sides of the highway again will share from the future businesses”.

As to the fully developed single family subdivisions near the Development site, the Villas Los Pinos and Olmito Estates subdivisions have had significant City of Brownsville investment over the past ten years benefitting low to moderate income residents. As evidenced in Ms. Osuna’s letter, the City has invested over \$606,000 in HOME funds for housing assistance in Villas Los Pinos and Olmito Estates. In addition, the Community Development Corporation of Brownsville (CDCB) and Texas State Affordable Housing Corporation (TSAHC) have made financial

investments by developing 40 lots in Olmito Estates and are presently working on developing an additional 40 homes in Olmito Estates for low to moderate residents.

These are subdivisions that are providing important affordable single family housing options for low to moderate income families. Solana at the Sports Park is an important multifamily catalyst development in this community.

The City of Brownsville has also invested \$2,152,690 in CDBG funding for a safe room to be located at the Sports Park in the event of a catastrophic event.

CONCLUSION:

In this appeal, we believe we have successfully addressed each of the three reasons why Staff determined our site ineligible for points under subparagraph (A) on the scoring item related to Colonia.

1. Relationship between the Olmito Colonia and Development Site area
2. Economic and Physical Characteristics of Colonia and Development Site area
3. Staff Observations during a Staff site visit related to new commercial activity and a single family residential subdivision north of Development Site

We have provided maps, third party professional data and analysis, local government official input as well as their local perspective. The Colonia and Development Site area are clearly one community. The highway is not a barrier and the physical and economic characteristics of the Colonia and Development Site are similar and shared.

The Solana at the Sports Park development is an important catalyst priority development for the City of Brownsville because it will help drive the addition of amenities that will ultimately benefit the surrounding neighborhood including the Olmito Colonia.

We understand that during the Staff's site visit to the Solana at the Sports Park Development Site, our location gave the Staff "Pause" in making a determination. We believe that the information in this appeal clearly provides support to award the two points.

EXHIBITS

Exhibit A



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Greg Abbott
GOVERNOR

BOARD MEMBERS
J. Paul Oxer, *Chair*
Juan S. Muñoz, PhD, *Vice Chair*
Leslie Bingham-Escareño
T. Tolbert Chisum
Tom H. Gann
J.B. Goodwin

May 12, 2015

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

Cynthia L. Bast
Locke Lord Attorneys & Counselors
600 Congress, Suite 2200
Austin, TX 78701

RE: 15031 SOLANA AT THE SPORTS PARK: SCORING NOTICE APPEAL

Dear Ms. Bast:

The Texas Department of Housing and Community Affairs (the "Department") is in receipt of your appeal letter, dated April 28, 2015, of the abbreviated scoring notice for the above referenced Application. This Application was denied points under §11.9(c)(6)(A) of the 2015 Qualified Allocation Plan ("QAP"), related to Underserved Area, because staff determined that the site was ineligible for points under subparagraph (A) of the scoring item related to Colonias.

Your appeal states that the Olmito Colonia, located across Highway 77 from the proposed development site, should be included as part of the geographic area that the Department considers when assessing whether or not it has the economic and physical characteristics of a colonia. However, the highway serves as a reasonable boundary between these two areas, and the area to the west of the highway appears to be very distinct from the area to the east. This distinction is recognized by the census bureau, which also uses the highway to distinguish between two tracts. In addition, the census block group east of the highway, which contains the development site, has a median household income that is more than twice as high as the median household income of the census block group that contains most of the colonia. Finally, a site visit conducted by staff evidenced that there is not an apparent inability to access basic utilities at the proposed development site, as the area is currently being developed with commercial uses and includes a fully developed single family neighborhood, and which enjoys the benefit of being within the city limits of Brownsville. Therefore, your appeal is hereby denied.

If you are not satisfied with this decision, you may file a further appeal with the Board of Directors of the Texas Department of Housing and Community Affairs. Please review §10.902 of the 2015 Uniform Multifamily Rules for full instruction on the appeals process. Should you have any questions, please contact Kathryn Saar, Competitive Tax Credit Program Administrator, at kathryn.saar@tdhca.state.tx.us or by phone at 512-936-7834.

Sincerely,

A handwritten signature in black ink, appearing to read "Timothy K. Irvine".

Timothy K. Irvine
Executive Director



Exhibit B



VIA EMAIL

June 8, 2015

Mr. Timothy K. Irvine
Executive Director
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, TX 78711

RE: #15031 Solana at the Sports Park, Brownsville – Support for Appeal of Two (2) Underserved Colonia Points

Dear Mr. Irvine:

As the City's authorized representative, I want to express the City of Brownsville's support for the proposed Solana at the Sports Park ("Solana") Application by urging the Texas Department of Housing and Community Affairs (TDHCA) Board to reinstate the Applicant's two (2) points for Underserved Area Colonia.

The Solana development site is located on the east side of IH 69E (formerly Hwy 77) and the Olmito Colonia is located directly across the highway on the west side. The City considers this to be one community and we do not consider the highway as a barrier - See Exhibit A. The Solana development is directly linked to the Olmito Colonia by two roadways, Sports Park Boulevard and Naranjo Road - See Exhibit B. These two access roadways provide connectivity between the west and east sides of the community. High ranking schools and recreational opportunities lie on the east side and small, but important, commercial businesses are located on the west side. As more residential opportunities are developed, commercial interests will also increase and both sides of the highway will share from the future businesses.

The City of Brownsville recognizes that while the Olmito Colonia is not officially within the city limits, a strong demand and need for the development of safe and sanitary housing options in the Olmito community area for low to moderate income residents exists. Over the past ten years, the City has invested over \$606K in HOME funds for housing assistance in the Villas Los Pinos and Olmito Estates subdivisions - See Exhibit C. These communities are located just north of the Solana proposed development - See Exhibit D. Also the Community Development Corporation of Brownsville (CDCB) and Texas State Affordable Housing Corporation (TSAHC), have made financial investments in this Underserved area by developing 40 lots in Olmito Estates - See Exhibit E. It is my understanding that CDBC and TSAHC are attempting to build an additional 40 homes in the Olmito Estates for low to moderate residents - See Exhibit F.

In addition to investment listed above, The City of Brownsville has committed \$2,152,690 in CDBG funds for the development of a safe room in the event of a catastrophic event just south of the Solana development site.

Solana, as a multifamily development, is an important catalyst project to further the City's goals for community development. I urge you to support Solana at the Sports Park's appeal request. The development site is in an underserved Colonia area and is deserving of the two points. You may call me at 956-548-6180 or by email at Ruth@cob.us if you have any questions.

Sincerely,

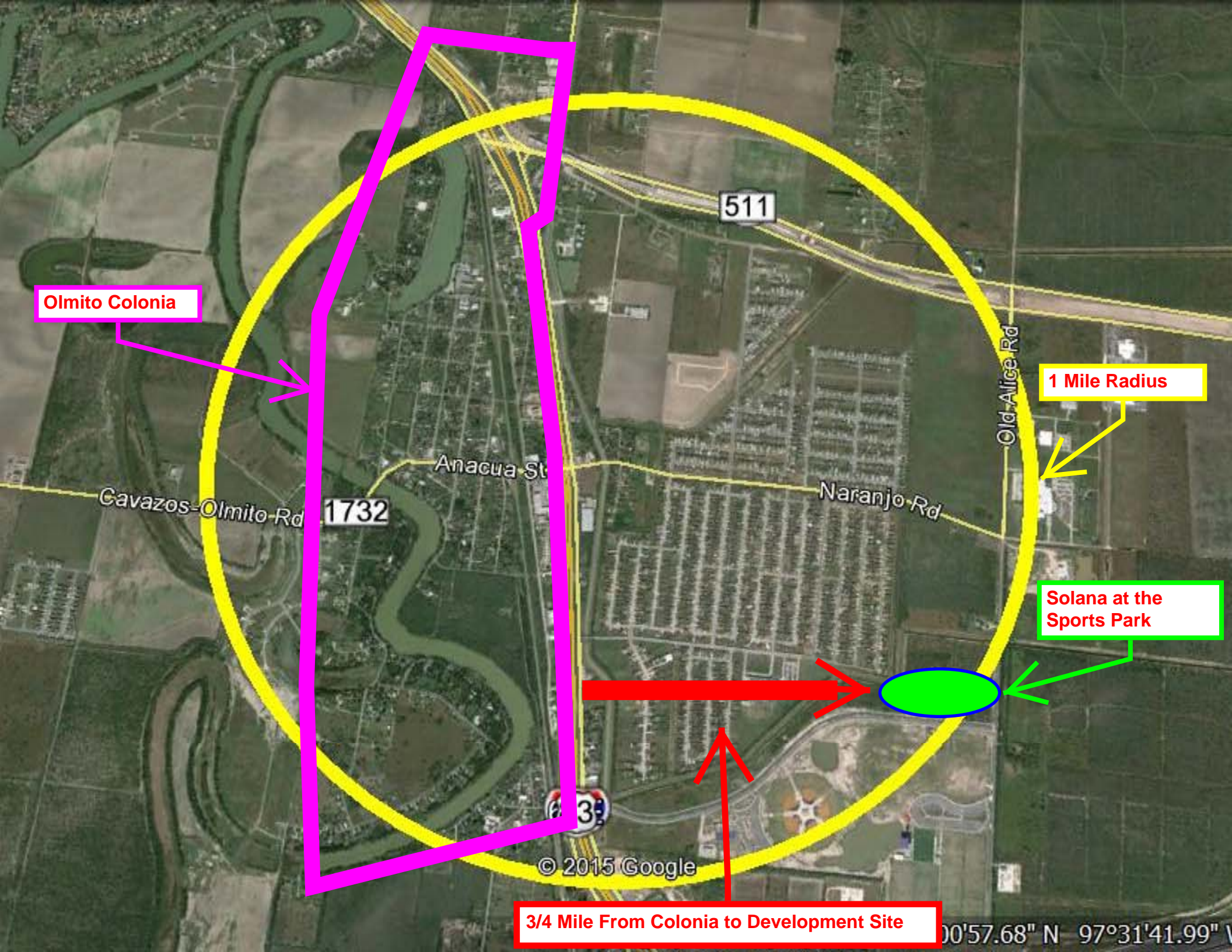


Ruth Osuna
Assistant City Manager

Attachments

CC: Jean Latsha, TDHCA Director of Multifamily Finance
Kathryn Saar, TDHCA 9% Housing Tax Credit Program Manager
Linda S. Brown, Casa Linda Development Corporation
Sara Reidy, Casa Linda Development Corporation

RO:ezv
Xc: File



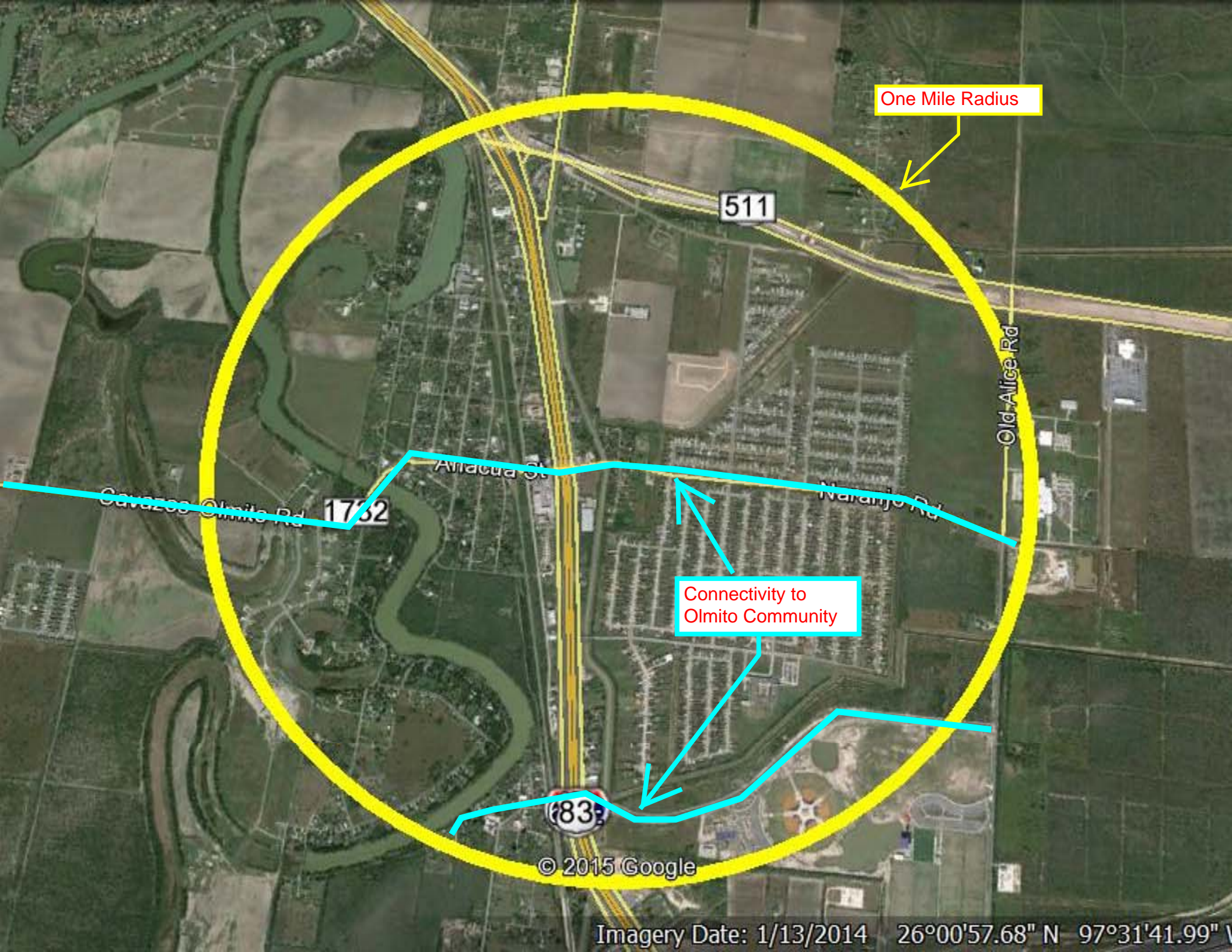
Olmito Colonia

1 Mile Radius

Solana at the Sports Park

3/4 Mile From Colonia to Development Site

00'57.68" N 97°31'41.99" W



One Mile Radius

511

Old-Alice Rd

Anacua St

Naranja Rd

Cavazos Olmito Rd 1732

Connectivity to Olmito Community

83

© 2015 Google

Imagery Date: 1/13/2014 26°00'57.68" N 97°31'41.99" W

Exhibit C

Subdivision	Address	Program Year	Investment Amount	Type of Activity
Olmos (Phase I)	1225 Kristina Dr	2007	\$ 14,500.00	DPA
Olmos (Phase I)	1285 Kristina	2008	\$ 11,500.00	DPA
Villa Los Pinos	6969 Austrian Pine	2011	\$ 78,191.00	New Construction/DPA
Villa Los Pinos	6973 Austrian Pine	2011	\$ 78,331.00	New Construction/DPA
Villa Los Pinos	6981 Austrian Pine	2011	\$ 72,802.00	New Construction/DPA
Villa Los Pinos	7011 Red Cedar	2011	\$ 73,989.00	New Construction/DPA
Villa Los Pinos	7003 Red Cedar	2011	\$ 78,191.00	New Construction/DPA
Villa Los Pinos	7333 Highland Pine	2011	\$ 8,500.00	DPA
Villa Los Pinos	7296 Alabama Pine	2011	\$ 8,500.00	DPA
Villa Los Pinos	6673 Georgia Pine	2011	\$ 8,500.00	DPA
Villa Los Pinos	6712 Pino Azul	2011	\$ 15,218.14	DPA
Villa Los Pinos	6644 Noble Pine	2011	\$ 8,500.00	DPA
Villa Los Pinos	6624 Noble Pine	2011	\$ 8,500.00	DPA
Villa Los Pinos	6867 Red Pine	2005	\$ 8,500.00	DPA
Villa Los Pinos	6640 Pino Verde	2007	\$ 16,527.13	DPA
Villa Los Pinos	7043 Red Cedar	2007	\$ 14,544.50	DPA
Villa Los Pinos	7043 Red Cedar	2007	\$ 14,835.00	DPA
Villa Los Pinos	6949 Red Pine	2007	\$ 14,544.50	DPA
Villa Los Pinos	6923 Red Pine	2007	\$ 14,544.50	DPA
Villa Los Pinos	6972 Austrian Pine	2007	\$ 44,269.40	New Construction/DPA
Villa Los Pinos	6976 Austrian Pine	2007	\$ 13,300.00	DPA
Total			\$ 606,287.17	



Exhibit D

STILLMAN DOG PARK

Olmito Colonia

TSAHC - 40 lots
NSP Eligible + CDBC 40
existing homes

Olmito Est., PH 1&2

COB
investment
of \$606,000

Villas Los Pinos Subd. 1 - 5

Solana at the
Sports Park

Olmito Elementary

BROWNSVILLE SPORTS PARK

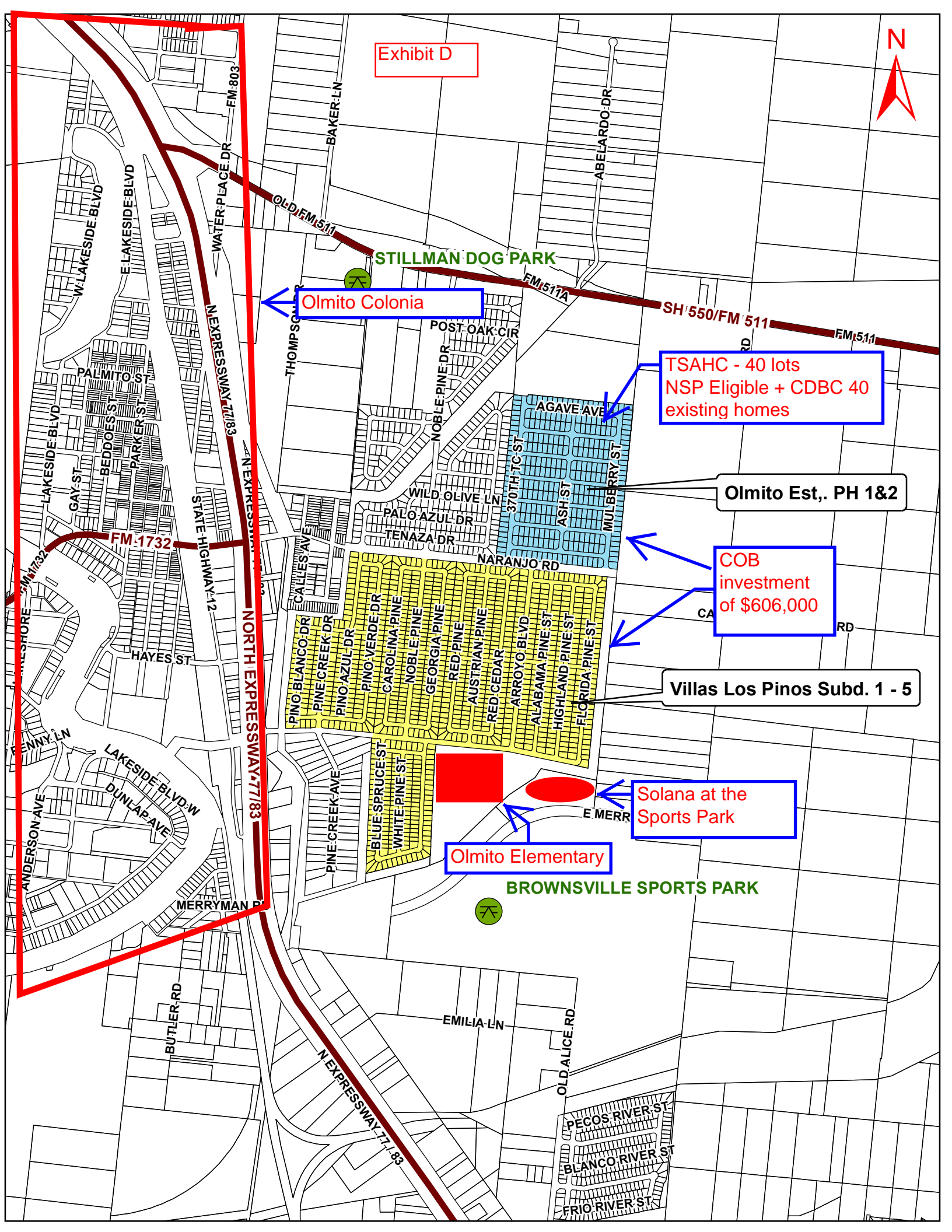


Exhibit E

The screenshot shows a web browser window with the following elements:

- Browser Tabs:** Workspace Webmail, Dropbox - Log in, Google Maps, Olmito Estates.
- Address Bar:** www.cdcbrownsville.org/olmito-estates.html
- Page Header:** CDCB logo (COMMUNITY DEVELOPMENT CORPORATION OF BROWNSVILLE) and a calendar icon labeled "Calendar".
- Navigation Menu:** Home, About Us, Homeownership Programs, Rental Housing, YouthBuild, Community Initiatives, Contact Us.
- Main Content:**
 - Section: OUR COMMUNITIES: OLMITO ESTATES
 - Section: Olmito Estates (A subdivision of CDCB)
 - Image: A large photograph of a modern, two-story house with a stone and wood exterior.
 - Section: Our other Communities:
 - California Crossings
 - Campo Real
- Taskbar:** Windows taskbar with icons for Internet Explorer, File Explorer, Windows Store, Mail, Chrome, and Word. System tray shows the time as 12:10 PM on 6/5/2015.

Exhibit F

January 8, 2015

Mark Moseley
Community Development Corporation of Brownsville
901 East Levee Street
Brownsville, TX 78520
Phone: 956-541-4955
Fax: n/a



Re: Eligible redevelopment activity for Olmito Estates, Brownsville, Texas

Dear Mark Moseley,

The Texas State Affordable Housing Corporation (the “Corporation”) has received your request for clarification on the use of lots, currently owned by the Corporation and leased for redevelopment to the Community Development Corporation of Brownsville. Pursuant to the federal requirements of the Neighborhood Stabilization Program, under which the properties were financed at purchase, the properties must be redeveloped or utilized for one of several eligible end uses. The Corporation has determined that redevelopment of the properties for a residential rental property using housing tax credits would be an eligible end use under NSP program rules.

We are happy to work with you further on this redevelopment plan and encourage you to move forward with applications for housing tax credits. The redevelopment of these lots for rental housing would have a significant and positive impact for many low-income families in Brownsville and surrounding communities.

Please let us know if you need any additional information. We are very happy to be working with you.

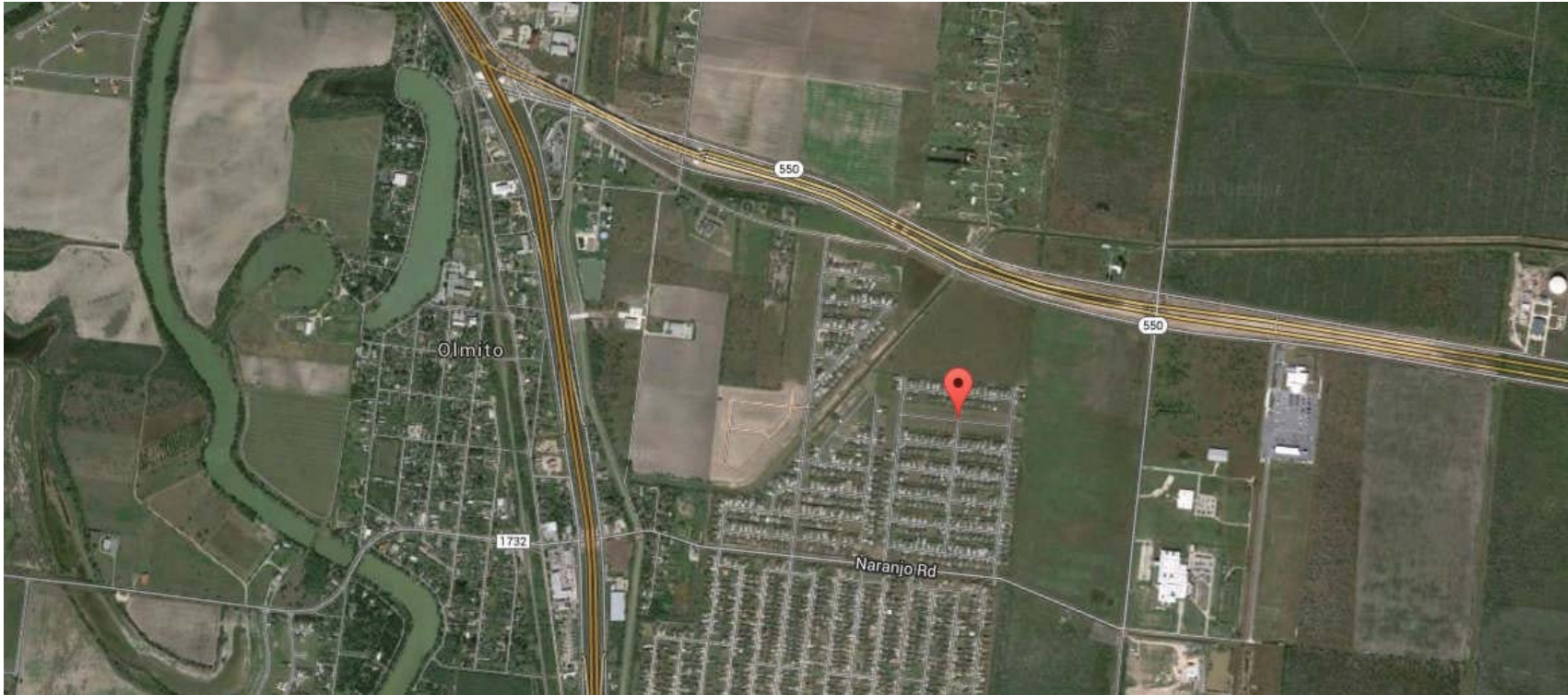
Sincerely,

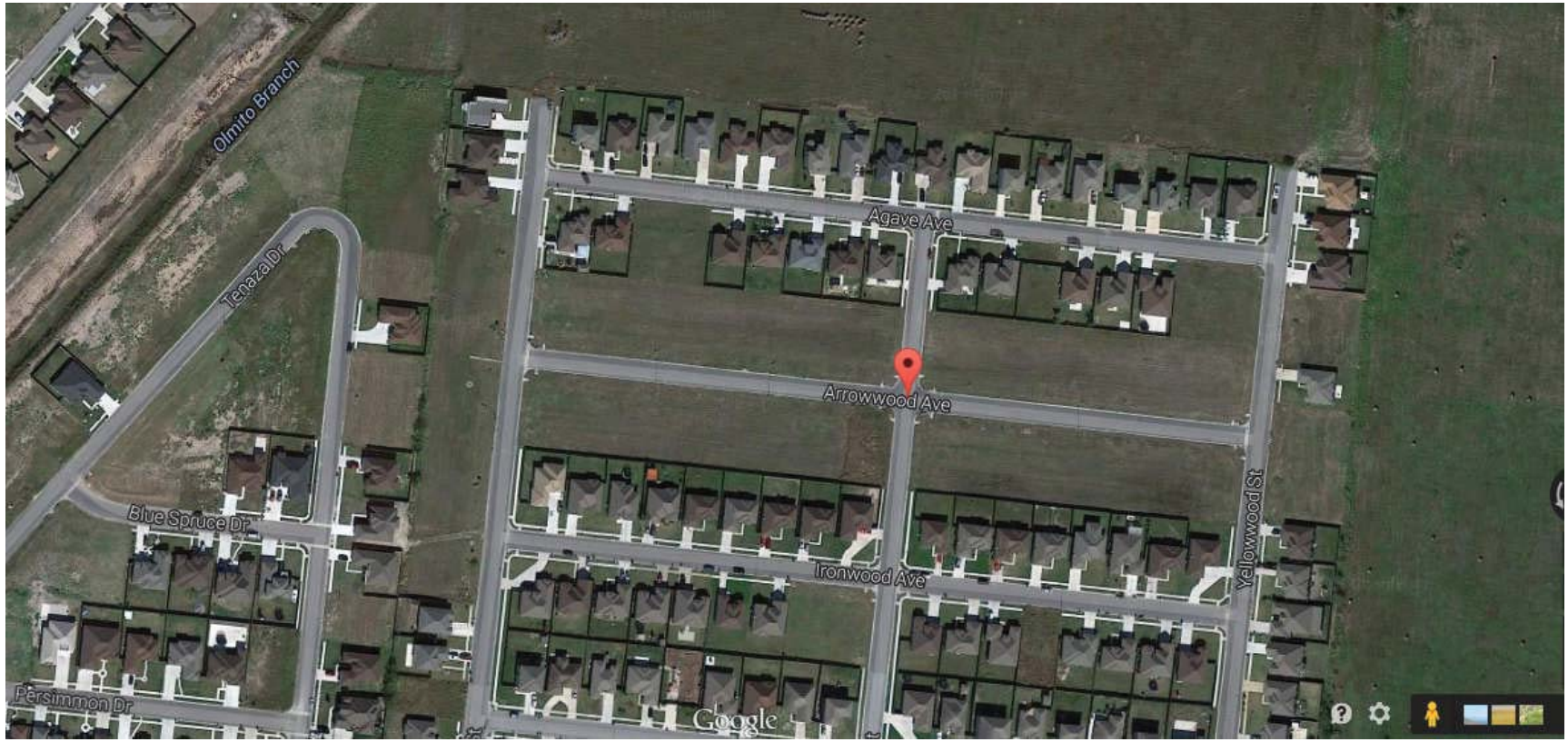
A handwritten signature in black ink that reads 'David Danenfelzer'.

David W. Danenfelzer
Manager of Development Finance

**EXHIBIT A
LEGAL DESCRIPTION**

7278 Wildberry Drive	Olmito Estates Subdivision Block 11 Lot 24
7280 Wildberry Drive	Olmito Estates Subdivision Block 11 Lot 25
7282 Wildberry Drive	Olmito Estates Subdivision Block 11 Lot 26
7286 Wildberry Drive	Olmito Estates Subdivision Block 11 Lot 28
7220 Mulberry	Olmito Estates Subdivision Block 11 Lot 9
7596 Arrowwood Ave	Olmito Estates Subdivision Block 12 Lot 10
7598 Arrowwood Ave	Olmito Estates Subdivision Block 12 Lot 11
7600 Arrowwood Ave	Olmito Estates Subdivision Block 12 Lot 12
7602 Arrowwood Ave	Olmito Estates Subdivision Block 12 Lot 13
7604 Arrowwood Ave	Olmito Estates Subdivision Block 12 Lot 14
7606 Arrowwood Ave	Olmito Estates Subdivision Block 12 Lot 15
7608 Arrowwood Ave	Olmito Estates Subdivision Block 12 Lot 16
7610 Arrowwood Ave	Olmito Estates Subdivision Block 12 Lot 17
7612 Arrowwood Ave	Olmito Estates Subdivision Block 12 Lot 18
7550 Arrowwood Ave	Olmito Estates Subdivision Block 13 Lot 9
7552 Arrowwood Ave	Olmito Estates Subdivision Block 13 Lot 10
7554 Arrowwood Ave	Olmito Estates Subdivision Block 13 Lot 11
7556 Arrowwood Ave	Olmito Estates Subdivision Block 13 Lot 12
7558 Arrowwood Ave	Olmito Estates Subdivision Block 13 Lot 13
7560 Arrowwood Ave	Olmito Estates Subdivision Block 13 Lot 14
7562 Arrowwood Ave	Olmito Estates Subdivision Block 13 Lot 15
7564 Arrowwood Ave	Olmito Estates Subdivision Block 13 Lot 16
7611 Arrowwood Ave	Olmito Estates Subdivision Block 14 Lot 1
7609 Arrowwood Ave	Olmito Estates Subdivision Block 14 Lot 2
7607 Arrowwood Ave	Olmito Estates Subdivision Block 14 Lot 3
7605 Arrowwood Ave	Olmito Estates Subdivision Block 14 Lot 4
7603 Arrowwood Ave	Olmito Estates Subdivision Block 14 Lot 5
7601 Arrowwood Ave	Olmito Estates Subdivision Block 14 Lot 6
7599 Arrowwood Ave	Olmito Estates Subdivision Block 14 Lot 7
7597 Arrowwood Ave	Olmito Estates Subdivision Block 14 Lot 8
7595 Arrowwood Ave	Olmito Estates Subdivision Block 14 Lot 9
7565 Arrowwood Ave	Olmito Estates Subdivision Block 15 Lot 1
7563 Arrowwood Ave	Olmito Estates Subdivision Block 15 Lot 2
7561 Arrowwood Ave	Olmito Estates Subdivision Block 15 Lot 3
7559 Arrowwood Ave	Olmito Estates Subdivision Block 15 Lot 4
7557 Arrowwood Ave	Olmito Estates Subdivision Block 15 Lot 5
7555 Arrowwood Ave	Olmito Estates Subdivision Block 15 Lot 6
7553 Arrowwood Ave	Olmito Estates Subdivision Block 15 Lot 7
7551 Arrowwood Ave	Olmito Estates Subdivision Block 15 Lot 8





15115

Bella Vista Apartments

Bella Vista Apartments (#15115)

Bella Vista Apartments is proposed to be located at the northeast corner of Highway 107 and Matthew Avenue in Edinburg. The original Application submission indicates that the site is located within a 2 mile radius of as many as 13 colonias. This is confirmed by a letter from the Hidalgo County Urban County Program, which was also submitted with the Application. In addition, the Application included a letter from County Commissioner Joseph Palacios, stating that the area around the site is targeted for some initiatives in order to improve services in the surrounding colonias. Staff does not dispute that there are several colonias within 2 miles of the site; however, this does not address the substantive requirements of the rule. As stated above, the rule does not state that proximity to a number of colonias would qualify an Application for the points. If the 2-mile radius that is referred to in the Application is intended to be the “geographic area” defined by the Application to have the physical and economic characteristics of a colonia, then it is much larger than what is required by the rules since a circle with a 2-mile radius equates to more than 16 square miles. Staff visited the site and found that the community’s more natural boundaries were 10th Street to the west, Jackson Road to the east, Schunior Street to the north, and Gonzales Road to the south. Within these boundaries there are three colonias, the closest of which to the site is classified as “green,” meaning that it has access to potable water, adequate wastewater disposal, and adequate paved roads, drainage, and solid waste disposal. The census tract in which the development site is located has a median household income of \$46,190 and a poverty rate of 31.6%. The median household income for the block group in which the site is located is \$68,414, and the block group just south of the site (which would be included in staff’s assessment of what would be defined as the neighborhood), is \$85,577. According to the Site Design and Development Feasibility Report submitted with the Application, the site will have access to the city’s 12-inch water main in the highway 107 right-of-way as well as the city’s 18-inch sanitary sewer collection system. Although details are not given in the report, there appear to be no major issues with respect to access to power and gas. These characteristics are not consistent with the physical and economic characteristics of a colonia.

In the appeal, the Applicant reiterates some of the facts presented in the Application, with focus on the letter from the County Commissioner. In addition, the Applicant claims that staff is “failing to meet the legislative directive” of Texas Government Code §2306.127 and “elevating a Place...above a Colonia.” Staff disagrees. The QAP provides for the appropriate incentive to comply with statute; this Application simply did not meet the requirements of the rule in order to qualify for the points. Staff recommends denial of the appeal.

It should be noted that the Applicant submitted additional information which is included below, pursuant to the public comment rules. However, that information was not considered as of the writing of this board action item.



URBAN COUNTY PROGRAM

427 E DURANTA AVE., SUITE 107 • ALAMO, TEXAS 78516 • (956) 787-8127 FAX (956) 318-2988
E-mail: ucp@co.hidalgo.tx.us

February 20, 2015

DWR Bella Vista, LP
c/o Donna Rickenbacker
710 N. Post Oak Rd., Ste 400
Houston, TX 77024

Re: Letter confirming the site for Bella Vista Apartments, Texas Department of Housing and Community Affairs (TDHCA) # 15115 is located in a Colonias Area

Dear Ms. Rickenbacker:

As requested, I have reviewed the site location and supporting material for your proposed 2015 TDHCA Housing Tax Credit Application for Bella Vista Apartments on property located at the Northeast corner of State Highway 107 (West University Drive) and Matthew Avenue in the City of Edinburg, Hidalgo County. As the Program Director for the Colonia Self-Help grant serving Hidalgo County, I confirm that your site is in a "Colonias" area that meets the physical and economic characteristics of a Colonia as determined by TDHCA.

Please note that the property site is not a "Colonia" itself, as the property is undeveloped land and has no dwellings on the property. However, based on the Attorney General of Texas website, a total of thirteen (13) "Colonias" are located within a two (2) mile radius of the proposed site. Several of the "Colonias" continue to require assistance in improving the quality of life of its residents by upgrading basic infrastructure and by providing housing options for low income families. Attached for your review is the documentation used for my determination.

I support your efforts in selecting this site for a tax credit application to the State and I thank you for the opportunity to provide this letter. If I can be of further assistance, please contact me or my staff at (956) 787-8127.

Sincerely,

A handwritten signature in blue ink that reads "Diana R. Serna".

Diana R. Serna
Director

Attachments

BellaVista.Edinburg.donnarickenbacker

BELLA VISTA APARTMENTS

Edinburg, TX

Colonias – 2 Mile Legend

#1. Max Subd.

#2. Crouse Subd.

#3. North McColl

#4. Live Oak Mobile Home Park

#5. Batson Gardens

#6. West Haven

#7. McColl Estates

#8. Milyca Subd.

#9. Hacienda del Branco #1 & #2

#10. Racquet Club

#11. Timberhill Villas

#12. Haven

#13. Altamira West #2



Zoom

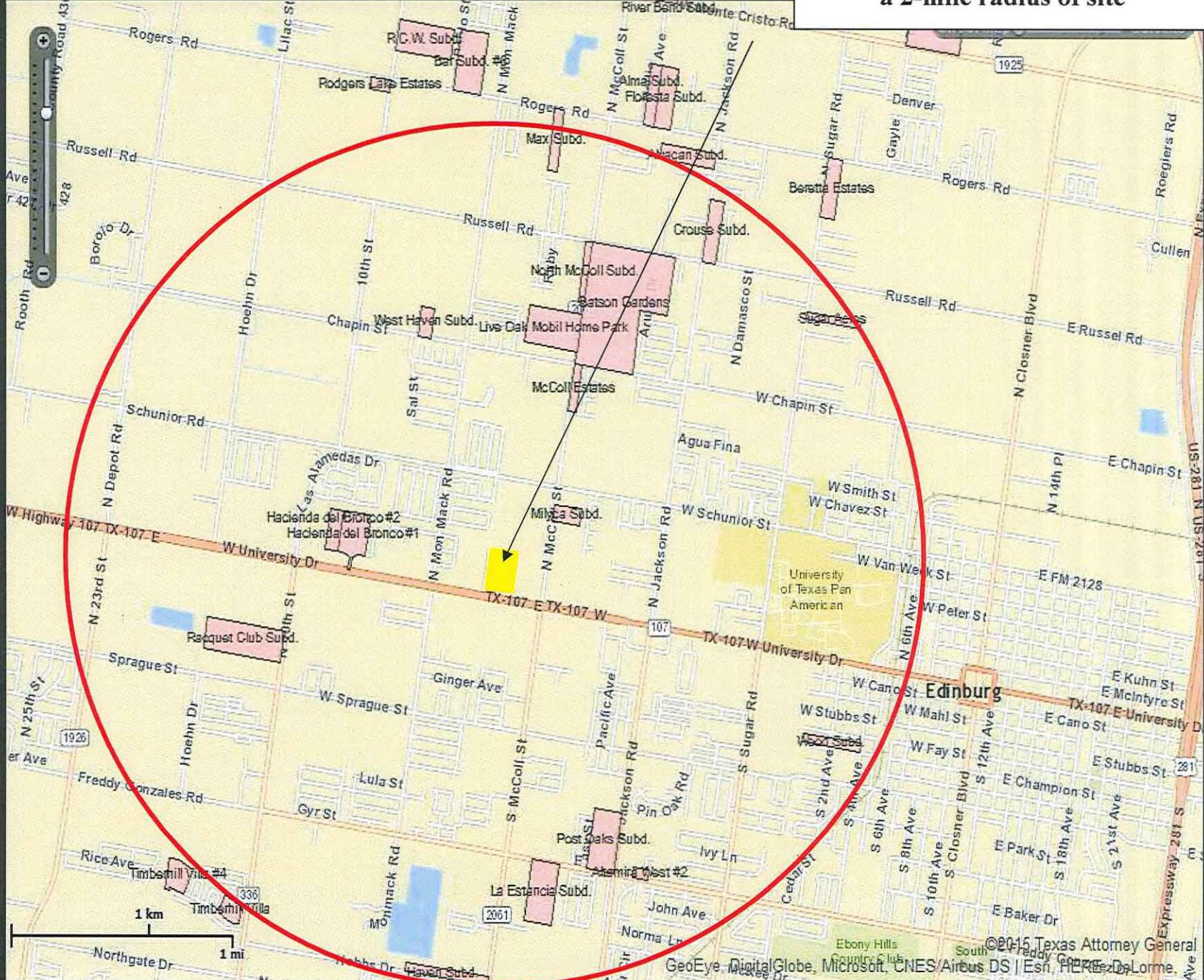
Bella Vista Proposed Project Site Approximately 13 colonias within a 2-mile radius of site

Feature Display Find Colonia

HIDALGO

Choose a Colonia Below

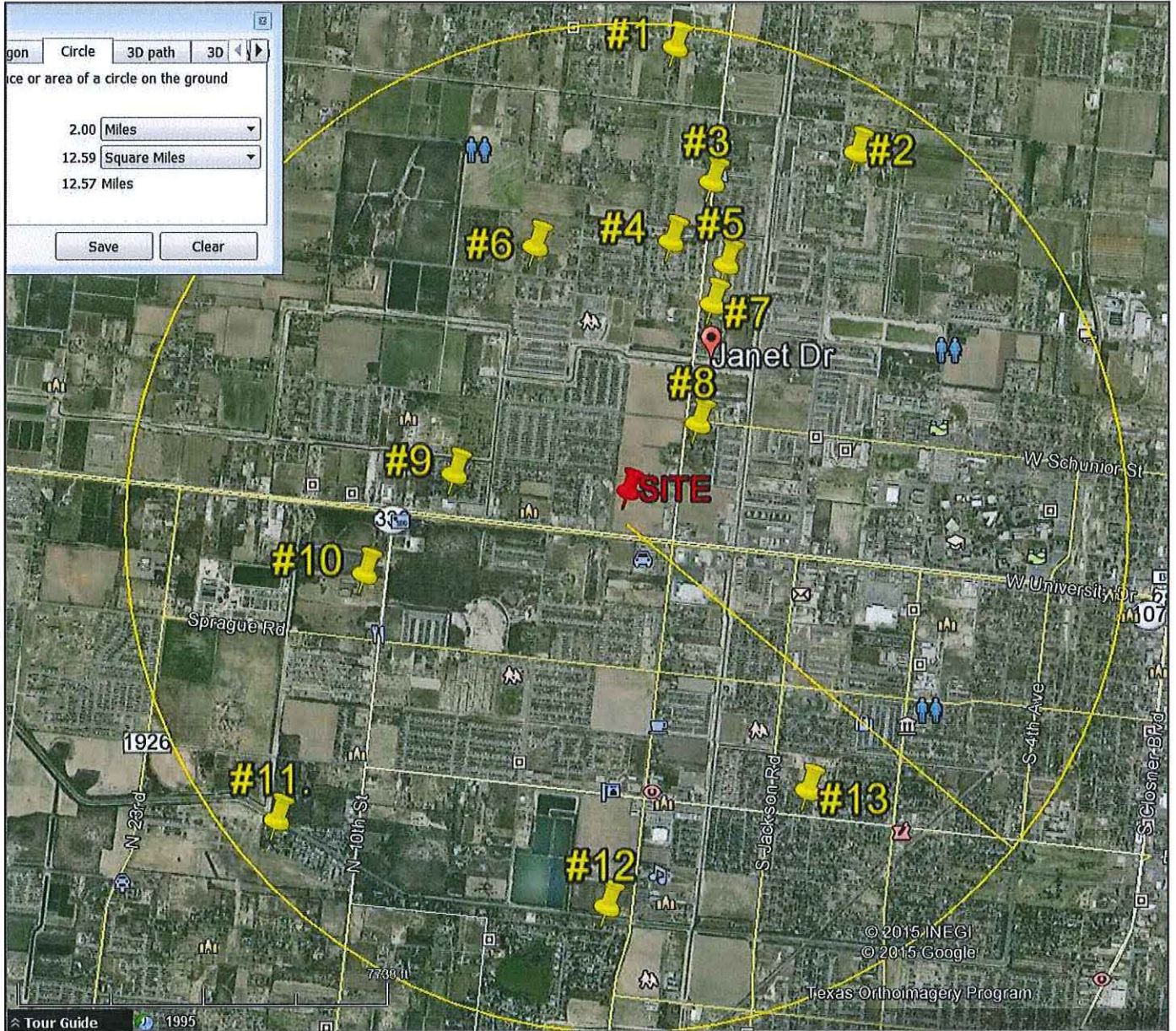
- New Palm Subd.
- Newkirk Subd.
- Nick Garza Subd.
- North Alamo Village
- North CapiSallo
- North Country Estates
- North Country Estates #2
- North Cross Estates
- North Depot Road
- North McColl Subd.**
- North Santa Cruz Subd.
- Northern Acres Subd.
- Northpoint Subdivision
- Northside Village Subd. #2
- Nuevo Alton



BELLA VISTA APARTMENTS

Edinburg, TX

Colonias Map – 2 Mile



COUNTY



HIDALGO



JOSEPH PALACIOS

1051 N. DOOLITTLE RD.
EDINBURG, TEXAS 78542
OFFICE: (956) 383-3112
FAX: (956) 381-5905

COUNTY COMMISSIONER, PCT. No. 4

February 19, 2015

DWR Bella Vista, LP
c/o Donna Rickenbacker
710 N. Post Oak Rd., Ste. 400
Houston, Texas 77024

Re: Application No. 15115; Bella Vista Apartments

Dear Ms. Rickenbacker,

It is my understanding that you are submitting an application to the Texas Department of Housing and Community Affairs (TDHCA) seeking an award of housing tax credits in connection with the development of Bella Vista Apartments, a proposed 140-unit affordable rental housing community to be located on land in the NEC of State Hwy. 107 (W. University Dr.) & Matthew Ave., Edinburg, Texas 78539 (Development Site). You have provided me with the attached map, showing the location of the Development Site.

Please let this letter serve to recognize that Precinct 4 includes the area where the Development Site is located, which is in one of the target areas for Precinct 4's investment in colonia communities. The neighborhood where your Development Site is located lacks some of the basic utility infrastructure and drainage improvements commonly seen in an urban area. Precinct 4 is focused on improving critical services in these colonias, and has several initiatives underway in targeted parts of Hidalgo County. There is currently an initiative in place focused upon erecting conventional streetlights in your neighborhood.

The construction of Bella Vista Apartments will enhance the efforts of Precinct 4 to improve the living conditions of the residents of this colonia community by installing lighting and upgrading basic infrastructure and drainage improvements. Please let us know what else we can do to assist your efforts.

Sincerely,

Joseph Palacios, Commissioner Precinct 4

Feature Display Find Colonia

Colonia Communities

Transparency [slider] [Reset]

SB827 Color Classification

Click on a colonia for more detailed colonia information.

Other Features

- City Limits
- Zip Codes
- School Districts



Site - Bella Vista

DWR Bella Vista, LP
710 N. Post Oak Road, Suite 400
Houston, Texas 77024
(713) 560-0068 – p
(713) 583-8858 – f
donna@dwrdevelopment.com

April 28, 2015

By Email to tim.irvine@tdhca.state.tx.us

Tim Irvine
Executive Director
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701-2410

Re: #15115 – Bella Vista Apartments, Edinburg, Hidalgo County, Texas;
Appeal from Denial of Two (2) Points for Underserved Area (Colonia).

Dear Mr. Irvine:

This letter is to appeal the denial of two (2) points claimed by DWR Bella Vista, LP (the “Applicant”) under §11.9(c)(6)(A) of the 2015 Qualified Allocation Plan (the “QAP”) relating to Underserved Areas, and more specifically points awarded if a development site is located in a Colonia. The Applicant received a scoring notice dated April 22, 2015 indicating that the Department had posted to its website an updated submission log reflecting the denial of points to those applicants in Region 11 who claimed points under §11.9(c)(6)(A) of the QAP. We believe that Bella Vista Apartments (the “Project”) is qualified to receive these points and we ask that they be reinstated by the Department.

The Applicant claimed points under §11.9(c)(6)(A) for being in an Underserved Area on the following basis:

The Project is proposed to be built on a development site (the “Development Site”) in Hidalgo County, Texas, which is a county that is located within 150 miles from the international border (Texas-Mexico). The Development Site is within the City of Edinburg, and is located in a colonia community (the “Community”) as shown on the map attached to the February 19, 2015 letter from County Commissioner Joseph Palacios (Precinct 4) that was submitted in the original application to support the requested Underserved Area points. Within the immediate neighborhood of the Development Site and an area encompassing no more than two square miles (the “Neighborhood”), there are seven (7) Colonias recognized on the Texas Attorney General’s Colonia Geographic Database, including Hacienda del Bronco #1, Hacienda del Bronco #2,

North McColl Subdivision, McColl Estates, Live Oak Mobile Home Park, Batson Gardens and Milyca Subdivision. Within the Neighborhood there are substantially more than eleven dwellings.

The Community exhibits many characteristics of an underserved area in that it lacks adequate utility infrastructure, lighting, drainage and other critical services, features that would otherwise be available to support residential neighborhoods as well as meet legally mandated requirements. The Neighborhood also has a high poverty rate of approximately 31.6% evidencing an area that has similar economic characteristics of a Colonia.

In Hidalgo County, the Commissioner's Court is responsible for directing funding and prioritizing Colonia projects that receive such funds on a county wide basis. We therefore sought input from Commissioner's Court to determine where they were using their colonia resources. As discussed by County Commissioner Palacios in his letter, the Community is a targeted area for Precinct 4's investment in improving critical services. Commissioner Palacios is actively involved in upgrading the standard of living for the Community and advises that there are currently ongoing initiatives to erect conventional streetlights and upgrade basic utilities which will benefit the Neighborhood. Commissioner Palacios is particularly enthusiastic about leveraging public funds with private investment in colonia communities, and he points out that the proposed development of the Project will leverage and enhance Precinct 4's efforts to improve the Neighborhood as a whole and the colonias projects currently underway and proposed in the area.

Section 2306.127 of the Texas Government Code (the "Code") provides that a Colonia be considered a priority by the TDHCA in connection with its housing program:

"Sec.2306.127. PRIORITY FOR CERTAIN COMMUNITIES. In a manner consistent with the regional allocation formula described under Section 2306.111(d), the department shall give priority through its housing program scoring criteria to communities that are located wholly or partly in:

- (1) a federally designated urban enterprise community;
- (2) an urban enhanced enterprise community; or
- (3) an economically distressed area or colonia."

Added by Acts 2001, 77th Leg., ch. 1367, Sec. 1.19, eff. Sept. 1, 2001.

The TDHCA has evidenced this priority by providing Underserved Area points under §11.9(c)(6)(A) of the QAP to those applicants that have development sites in a Colonia. By denying these points to all applicants who claimed them, the TDHCA is failing to meet the legislative directive of §2306.127 of the Code to prioritize Colonia areas.

We acknowledge that the TDHCA also gives priority in the Underserved Area scoring category to two other legislatively mandated objectives that include (i) economically distressed areas under §2306.127 of the Code (evidenced in §11.9(c)(6)(B) of the QAP), and (ii) census

Tim Irvine - TDHCA
April 28, 2015
Page 3

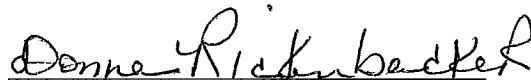
tracts that have never received a competitive tax credit allocation or a 4% tax credit allocation serving the same population under §2306.6725(b)(2) of the Code (evidenced in §11.9(c)(6)(D) of the QAP). However, if colonia points are denied this year to all applicants in Region 11 who claimed them, the TDHCA is elevating a "Place" under §11.9(c)(6)(C) of the QAP above a Colonia, contrary to the priority established by statute.

The Neighborhood in which the Project is located clearly demonstrates all of the characteristics of a Colonia, and actually includes seven Colonias that have been recognized by the Attorney General. For that reason, and so that the TDHCA will fulfill the specific directive of Section 2306.127 of the Code, we submit that the Project should receive the requested two points, and ask that such points be reinstated. If you deny the reinstatement of the points, we respectfully request to have the matter heard by the TDHCA Board.

Sincerely,

DWR Bella Vista, LP

By: DWR Development Group, LLC

By: 
Donna W. Rickenbacker

cc: Kathryn Saar
Competitive Tax Credit Program Administrator
Via Email – Kathryn.saar@tdhca.state.tx.us

Enclosure



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Greg Abbott
GOVERNOR

BOARD MEMBERS
J. Paul Oxer, *Chair*
Juan S. Muñoz, PhD, *Vice Chair*
Leslie Bingham-Escareño
T. Tolbert Chisum
Tom H. Gann
J.B. Goodwin

May 12, 2015

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

Donna W. Rickenbacker
DWR Bella Vista, LP
710 N. Post Oak Road, Suite 400
Houston, TX 77024

RE: 15115 BELLA VISTA APARTMENTS: SCORING NOTICE APPEAL

Dear Mrs. Rickenbacker:

The Texas Department of Housing and Community Affairs (the "Department") is in receipt of your appeal letter, dated April 28, 2015, of the abbreviated scoring notice for the above referenced Application. This Application was denied points under §11.9(c)(6)(A) of the 2015 Qualified Allocation Plan ("QAP"), related to Underserved Area, because staff determined that the site was ineligible for points under subparagraph (A) of the scoring item related to Colonias.

Your appeal states that because there are as many as seven recognized colonias within two miles of the site and because the county commissioner recognizes the neighborhood as one that is targeted for investment in colonia communities that the application should be eligible for the points. However, staff has found that, although there are identified colonias within two miles of the site, most of them are outside what would be considered natural boundaries of a geographic area. (It should also be noted that the geographic area defined in the application exceeds the limit of two square miles since it is a circle with a 2 mile radius, equating over 12 square miles.) The colonias that are near the site are also classified as "green" by the Office of the Attorney General of Texas, indicating that they have drinkable water, wastewater disposal, paved roads, drainage, and solid waste disposal. A site visit conducted by staff evidenced that there is not an apparent inability to access basic utilities, as the area is well developed with both commercial and residential uses. In addition, the median household income of the census block group which contains the site is \$68,414; the census block group immediately south of the site (and which contains one of the colonias reference in your appeal) is \$85,577. This is not an indication that the area has the economic characteristics of a colonia. Therefore, your appeal is hereby denied.

If you are not satisfied with this decision, you may file a further appeal with the Board of Directors of the Texas Department of Housing and Community Affairs. Please review §10.902 of the 2015 Uniform Multifamily Rules for full instruction on the appeals process. Should you have any questions, please contact Kathryn Saar, Competitive Tax Credit Program Administrator, at kathryn.saar@tdhca.state.tx.us or by phone at 512-936-7834.

Sincerely,

A handwritten signature in black ink, appearing to read "Timothy K. Irvine", written over a horizontal line.

Timothy K. Irvine
Executive Director



COATS | ROSE

A Professional Corporation

TAMEA A. DULA
OF COUNSEL

tdula@coatsrose.com
Direct Dial
(713) 653-7322
Direct Fax
(713) 890-3918

June 8, 2015

By Email c/o: tim.irvine@tdhca.state.tx.us

TDHCA Board Members
C/O Tim Irvine, Executive Director
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, TX 78701

RE: #15115 Bella Vista Apartments, Edinburg, Hidalgo County, Texas;
Appeal of denial of two (2) points for serving an Underserved Area -§11.9(c)(6)(A).

Dear TDHCA Board Members:

This letter appeals the TDHCA's Staff decision to deny two (2) points claimed by DWR Bella Vista, LP (the "Applicant") for locating Bella Vista Apartments (the "Project") in a Colonia. We believe that the Applicant has provided all evidence required to demonstrate that the neighborhood in which the Project will be built complies with §11.9(c)(6)(A) of the 2015 Qualified Allocation Plan (the "QAP"). We ask the Board to approve the two (2) points claimed by the Applicant.

According to TDHCA Staff, in 2015 none of the applications claiming Underserved Area points for having a site located in a Colonia received the requested points. We suggest that this mass denial of points is unlikely to be due to all applicants failing to qualify their sites as being within a Colonia area. Instead, it is actually reflective of the Staff's difficulty in distinguishing what constitutes a Colonia, and a decision to have the TDHCA Board make this determination. In 2014 two (2) applications in Region 11-Urban received points for being in a Colonia, but this year none of the applications in Region 11-Urban were considered qualified. The definition of a "Colonia" has changed since 2014, in that (i) the Applicant is now required to define the geographic area to be considered the Project's "neighborhood" (not to exceed two square miles), and (ii) the factors that may be considered by the TDHCA in determining a Colonia include, without limitation to, the ability to access basic utilities.

The Staff cited the following reasons for determining that the site was not in a Colonia:

9 Greenway Plaza, Suite 1100 | Houston, Texas 77046
Phone: 713-651-0111 | Fax: 713-651-0220
Web: www.coatsrose.com

HOUSTON | AUSTIN | DALLAS | SAN ANTONIO | NEW ORLEANS

1. Staff determined that the Colonias identified were outside of what would be considered natural boundaries of a geographic area.
2. Staff says most nearby Colonias are “green” as shown on the Attorney General’s database (“AG’s Database), i.e., have drinkable water, wastewater disposal, paved roads, drainage and solid waste disposal.
3. Staff says that a site visit indicates that there is no apparent inability to access basic utilities, because the area is well-developed with both commercial and residential uses.
4. Staff objects to the median household income of the Census Block Group being \$68,414 and an abutting Census Block Group having a median household income of \$85,577, on the grounds that such income levels do not indicate the economic characteristics of a Colonia.

In response to these objections, we provide you with the following information:

1. **Natural Boundaries.** The definition of a Colonia requires that the applicant provide evidence of a geographic area that defines a community or neighborhood, and that the neighborhood includes the development site and does not exceed two (2) square miles in area. Applicant’s appeal letter to Staff seeking reinstatement of the Underserved Area points (the Appeal Letter), included a letter from Commissioner Palacios which had been included in the Application. The Appeal Letter referenced by name all of the colonia communities that were described in the Commissioner’s letter, all of which are located within two (2) square miles of the site and are included in the described neighborhood. There is nothing in the definition of a Colonia that either requires or defines a “natural” boundary. The only requirement is that the geographic area that describes the neighborhood be no larger than two (2) square miles. Attached please find a map of the described neighborhood (See Exhibit A).
2. **“Green” Colonias Nearby.** The fact that some of the nearby recognized Colonias are shown on the AG’s Database as being “green” does not negate the fact that there are established Colonias within the described neighborhood that lack some basic utilities and other infrastructure needs, or that certain basic utilities are not available to the Project site. It has come to our attention that the AG’s Database is incorrect with regard to the Milyca Subdivision which is located within the Project’s neighborhood and is shown on the AG’s Database to be a “green” Colonia with all basic utilities available. In actuality, Milyca Subdivision lacks sanitary sewers and relies upon septic systems. (See Exhibit B). Additionally, two recognized Colonias within the neighborhood (Colonias Hacienda del Bronco #1 and #2) are shown on the AG’s Database to be “Unknown” or crosshatched colonias lacking any data.

As evidence of the Project site having similar characteristics of a Colonia, the Applicant provided a letter from Joseph Palacios, Hidalgo County Commissioner for Precinct 4, recognizing that the Commissioner’s Court is responsible for directing funding and prioritizing Colonia projects that receive such funds on a county wide basis. Commissioner Palacios confirms:

Please let this letter serve to recognize that Precinct 4 includes the area where the Development Site is located, which is in one of the target areas for Precinct 4's investment in colonia communities. The neighborhood where your Development Site is located lacks some of the basic utility infrastructure and drainage improvements commonly seen in an urban area. Precinct 4 is focused on improving critical services in these colonias, and has several initiatives underway in targeted parts of Hidalgo County. There is currently an initiative in place focused upon erecting conventional streetlights in your neighborhood. ... The construction of Bella Vista Apartments will enhance the efforts of Precinct 4 to improve the living conditions of the residents of this colonia community by installing lighting and upgrading basic infrastructure and drainage improvements.

We suggest that the TDHCA should accept the decision of the local authority with regard to whether a neighborhood has the characteristics that define a Colonias based on their knowledge of infrastructure installed and their prioritization in the expenditure of limited local Colonia funds in the described neighborhood.

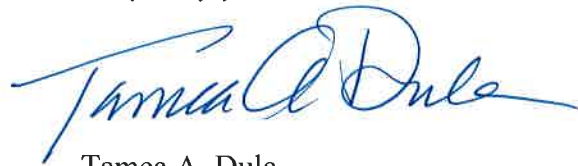
3. **Development in the Area.** Although the Staff may have seen commercial and residential development during their site visit to the area, such visual determination does not mean that the local government provides all the basic utilities to encourage such development. The Off-Site Cost Breakdown form provided at Tab 28 of the Application shows that the Applicant will have to invest in paving, water, sanitary sewer and drainage improvements in the public right of way in order to bring utilities to the boundaries of the site. Most urban developments can count on these utilities being available at the perimeter of the site. The presence or absence of commercial or residential development is not an indicator of a Colonia area.

4. **Census Block Group Income Information.** The TDHCA's Competitive Housing Tax Credit Program does not look at anything on a Census Block Group level. All data that we are required to rely upon for purposes of determining income and poverty is at the Census Tract level. The Project site is in Census Tract No. 48215023504 and has a median household income of \$46,190 and a poverty rate of 31.6%, a high poverty rate (See Exhibit C). A Census Block Group is smaller than a Census Tract and is the smallest geographical unit for which the U.S. Census Bureau publishes samples, so there can be a residential subdivision in the Census Block Group data whose residents have income levels much higher than all others in the balance of the much larger Census Tract. We point out to the Board, that if the abnormal cluster of higher incomes identified at the Census Block Group level did not exist then the median income and poverty rate at the Census Tract level might be even worse than \$46,190/31.6%. We also note that nothing in the QAP or the Rules defines a Colonia based on whether it is or is not in a high income/low poverty area nor is such location used in determining whether these communities qualify for federal, state or local funding.

Additionally, we point out that the Census Tract Group that the Staff identifies as having a \$85,557 median family income is located across a major roadway from the Project and is not in the identified neighborhood established by the Applicant.

In conclusion, upon review of the reasons stated for denying Colonia points to the Project, we find that the determinations of local governmental authorities are being disregarded, the economic circumstances outside the neighborhood are being given higher consideration than the low-income status and poverty rate of the Census Tract, and the fact that there are pockets of development in the area (not in the neighborhood) are being cited so as to foreclose the opportunity for this Project to obtain tax credits. The Project site was situated with attention to the QAP's preference for High Opportunity Areas, and with regard to the economic and physical characteristics of the actual neighborhood, as required by the definition of a Colonia. The Applicant went to the County Commissioner, as the local authority with regard to identifying Colonia areas, and obtained confirmation that the proposed Project site was located in a neighborhood that would qualify for Colonia financial assistance, and that Colonia assistance is actually currently being provided to the described neighborhood. Accordingly, we request that the Board acknowledge that the Applicant has met the requirements of the QAP and the Rules, and that the two (2) points requested under §11.9(c)(6)(A) should be awarded.

Very truly yours,



Tamea A. Dula

Exhibits A-C

EXHIBIT A

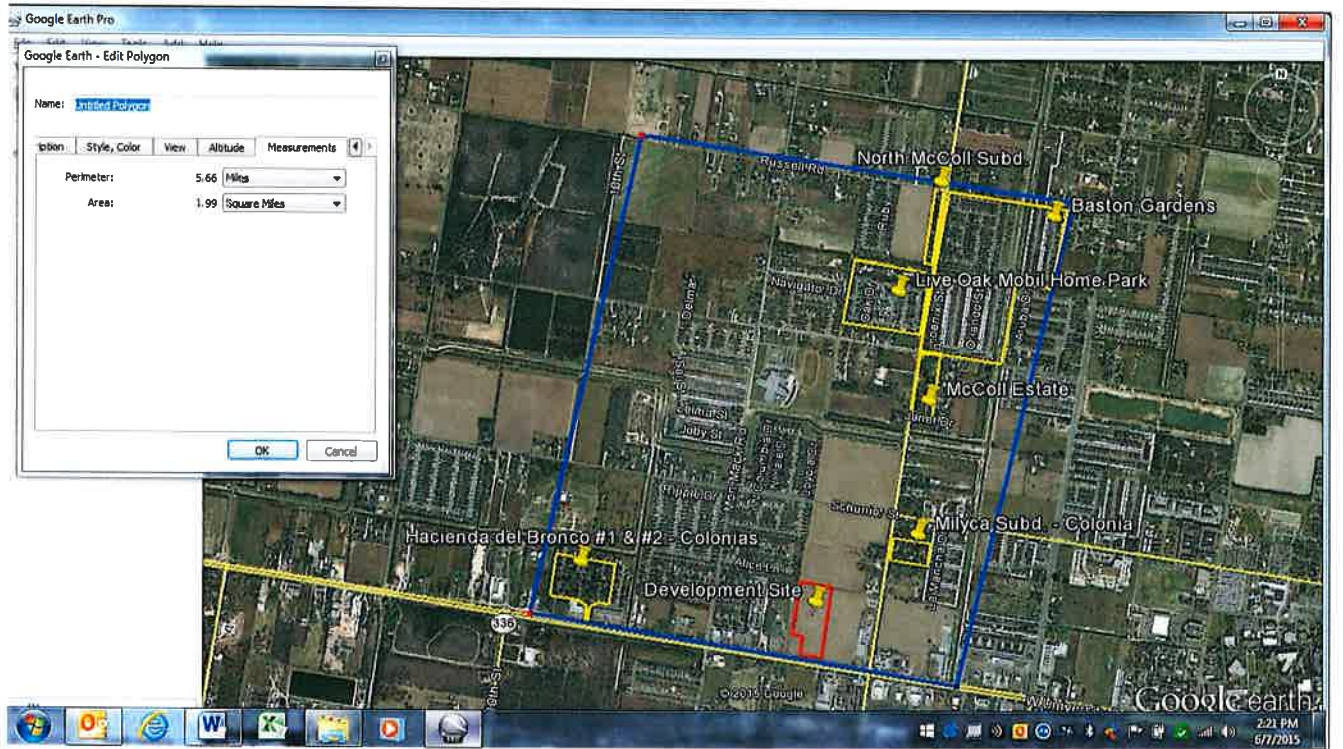


EXHIBIT B



TBPE Firm # F-1435
TBPLS # 10096900

MELDEN & HUNT INC.

CONSULTANTS • ENGINEERS • SURVEYORS
FRED L. KURTH • ALLAN F. BOOE • KELLEY A. HELLER-VELA • ROBERT TAMEZ

Monday June 8, 2015

DWR Bella Vista, LP
Attn: Donna Rickenbacker
710 N. Post Oak Rd., Ste. 400
Houston, TX 77024
Via Email: Donna@marqueconsultants.com

Re: Milyca Subdivision Basic Sanitary Sewer Services

Dear Mrs. Rickenbacker:

This letter serves to inform you that Milyca Subdivision is a registered colonia in the State of Texas and currently lacks access to sanitary sewer availability. The City of Edinburg recognizes that this is a basic need/service but has been unable to allocate funds to provide these services to the referenced colonia.

If you have any additional questions please feel free to contact me.

Sincerely,

Mario Reyna, P.E.
Project Engineer

THE ATTORNEY GENERAL OF TEXAS
KEN PAXTON

Zoom to County [v] [Back] [Full View]

Street Map [v] [Satellite]

Feature Display Find Colonia

Colonia Communities

Transparency [Reset]

58027 Color Classification

Click on a colonia for more detailed colonia information.

Other Features

City Limits

Zip Codes

School Districts

Map showing streets: N Altera, Amber Dr, N McCall St, W Schumaker St, Le Marche Dr, Jade St, Jade St, Agave St, W Kimberly Ln. A green highlighted area is labeled "Mica Subd.". A scale bar shows 200 m and 500 ft.

©2015 Texas Attorney General
Microsoft, GeoEye, DigitalGlobe, USDA FSA | Esri, © OpenStreetMap contributors, HER

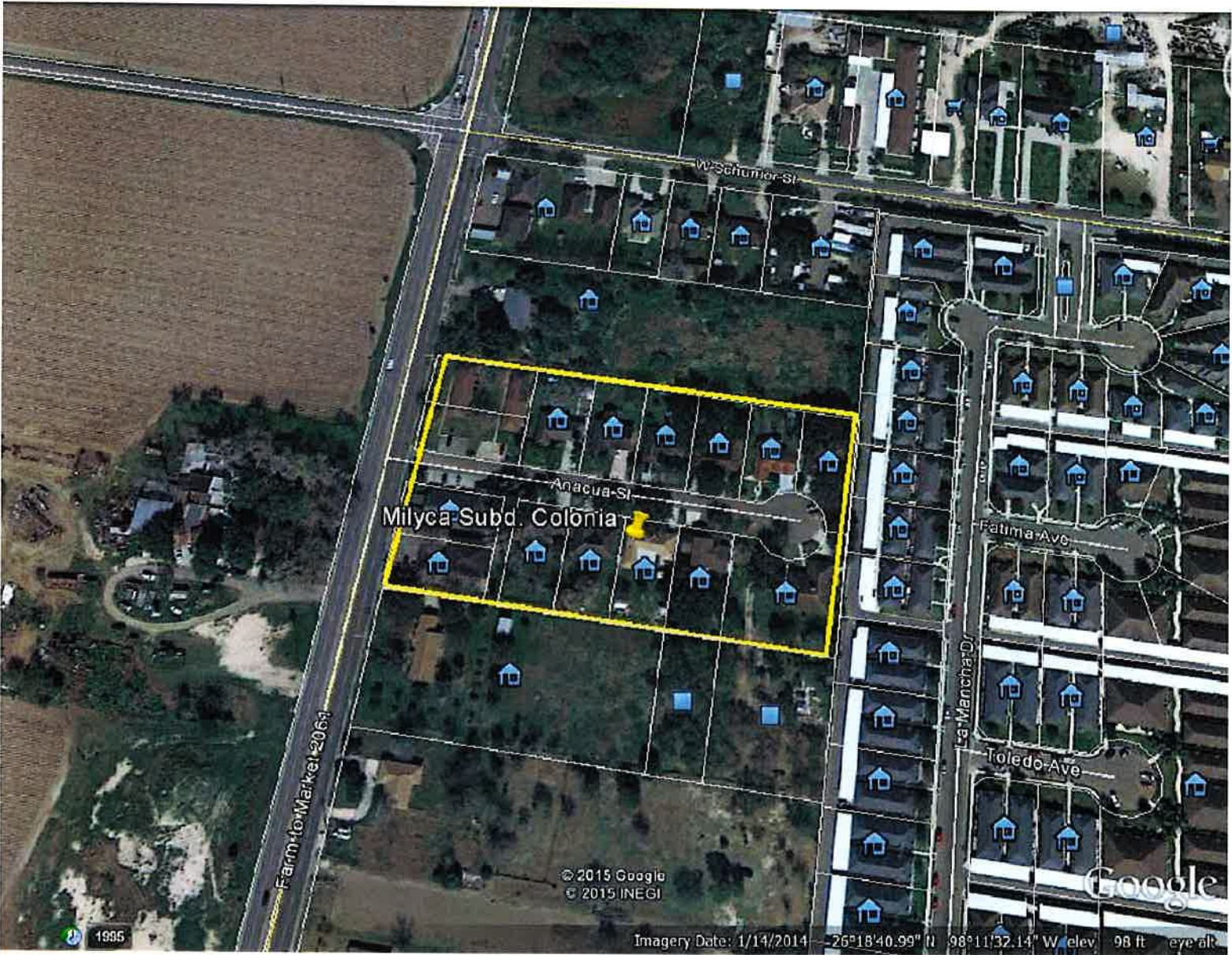


EXHIBIT C

Opportunity Index Data (§11.9(c)(4) of the 2015 Qualified Allocation Plan)

The median household income data is from table B19013 and the poverty data is from table S1701 of the 2008 - 2012 5-year American Community Survey (ACS). This data corresponds with the Opportunity Index scoring item at §11.9(c)(4) of the 2015 Qualified Allocation Plan (QAP). The QAP can be found at <http://www.tdhca.state.tx.us/multifamily/nofas-rules.htm>.

Census Tract Full	Census Tract Abr	County	Metropolitan Stati	Median Household Income	Median Household Income Quarti	Poverty R.
48215023504	Census Tract 235.04	Hidalgo County	McAllen-Edinburg-MI	\$46,190	1st Q	31.60%

TEXAS HOUSE OF REPRESENTATIVES



Terry Canales District 40

February 26, 2015

Texas Department of Housing and Community Affairs
221 E. 11th Street
Austin, TX 78701
Attn: Kathryn Saar,
Multifamily Finance Administrator

Re: TDHCA Application No. 15115; Bella Vista Apartments

Dear Ms. Saar,

I am writing to show my support for Bella Vista Apartments, a proposed affordable rental housing community at its proposed location on land near the NEC of State Hwy 107 (W. University Dr.) and Matthew Ave., in Edinburg, Hidalgo County, Texas 78539.

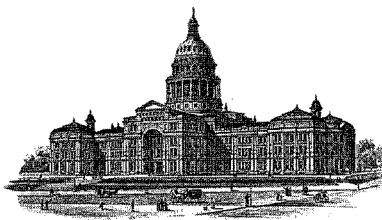
My district includes the area where the development site is located and I believe the City of Edinburg will benefit from the availability of quality housing like Bella Vista Apartments that is affordable to residents of all income levels including persons of lower income. I therefore fully support Application No. 15115.

Sincerely,

A handwritten signature in black ink, appearing to read "Terry Canales".

Representative Terry Canales, District 40

cc: Donna Rickenbacker,
DWR Development Group, LLC



which in the City's discretion may be in the form of a grant or in-kind contribution, a permanent loan with a minimum term of 15 years, a minimum amortization period of thirty (30) years, and an interest rate no higher than 3 percent per annum, or a combination thereof. The funding assistance provided by the City of Edinburg pursuant to this Resolution is intended to comply with all requirements of §11.9(d)(2) of the QAP, and in particular constitute a firm commitment for purposes of §11.9(d)(2)(C) of the QAP.

3. Notwithstanding anything herein to the contrary, the funding commitment by the City of Edinburg set forth in this Resolution shall be contingent on: (i) the Applicant securing HTCs from TDHCA in an amount sufficient to develop the Housing, (ii) development plan approvals (including any required zoning) by the City of Edinburg in connection with developing the Housing, and (iii) finalizing acceptable loan documents pursuant to the terms committed to by the City of Edinburg pursuant to this Resolution.

4. The City of Edinburg is not a related party to the Applicant, and any funding assistance committed by the City of Edinburg to the development of the Housing pursuant to this Resolution will not have been provided to the City of Edinburg by the Applicant or any related party to the Applicant.

5. This formal action has been taken to put on record the opinions expressed by the City of Edinburg as of the date of this Resolution.

6. The undersigned on behalf of the City of Edinburg, acting through its governing body, is hereby authorized, empowered, and directed to certify these resolutions to TDHCA.

READ, CONSIDERED, PASSED AND APPROVED at a regular meeting of the City Council of the City of Edinburg, Texas, at which a quorum was present and which was held in accordance with V.T.C.A., Government Code, Section 551.04, on the 17th day of February, 2015.

CITY OF EDINBURG

By: _____
Richard H. Garcia, Mayor

ATTEST:

By: _____
Myra L. Ayala Garza, City Secretary

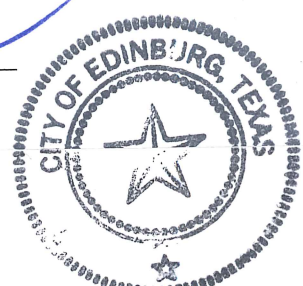
APPROVE AS TO FORM:
Palacios, Garza & Thompson, P.C.

By: _____
City Attorney

CERTIFICATE OF RECORDING OFFICER

I, Myra L. Ayala Garza, City Secretary for the City of Edinburg, hereby certify Resolution 2182 is a true and correct copy of the original Governing Body's legislative history for the meeting held February 17, 2015, and is on file in the City Secretary's Office of the City of Edinburg, Texas. TO CERTIFY WHICH WITNESS MY HAND AND SEAL OF OFFICE THIS THE 23rd day of February 2015.

By: _____
Myra L. Ayala Garza, City Secretary
City of Edinburg, Texas



15122

Casa Toscana

Casa Toscana (#15122)

Casa Toscana is proposed to be located at the 3400 block of West Alton Goor Road in Brownsville. The original Application submission includes a map, depicting an area that is approximately 2 square miles and which encompasses the development site and the Hacienda Gardens colonia. In addition, a letter from the City of Brownsville states that the site is within a half mile of the colonia, which has been annexed by the city. The letter further states that, in order for the site to obtain sewer service, a 1,200 foot long extension will be required. Staff visited the site and found that a reasonable boundary for this community would be Highway 83 to the east. The Hacienda Gardens colonia is located east of the highway, so staff would not consider it part of the “geographic area” when assessing the eligibility for points. Staff observed well-maintained single family neighborhoods, schools, and some commercial development in the area. The census tract in which the development site is located has a median household income of \$43,487 and a poverty rate of 27.3%. (Interestingly, the block group which contains the colonia has a median household income of \$65,697.) According to the Site Design and Development Feasibility Report submitted with the Application, sanitary sewer service is not readily available to the site, so it will be necessary to extend a 12-inch sewer line 700 feet; similarly, 1,200 feet of 12-inch sanitary sewer line will need to be installed. In addition, a storm detention pond and 18-inch storm sewer line will need to be installed to address drainage issues. Although details are not given in the report, there appear to be no major issues with respect to access to power and gas. These characteristics are not entirely consistent with the physical and economic characteristics of a colonia.

In the appeal, the Applicant stresses that “the Brownsville Public Utility Board only requires connection to the municipal wastewater system when the distance to the existing public sewer is less than 600 feet, so the geographic area is one where septic systems are a permitted alternative.” It goes on to state that “conversion of existing septic systems to public sewer is a major ongoing colonia initiative.” Staff acknowledges that this development site will require substantial off-site work; however, access to those systems is generally available, and the need for this work is at least partly due to the location of the development away from the main road and behind proposed retail development. Staff recommends denial of the appeal.



April 27, 2015

By Email to Kathryn.Saar@tdhca.state.tx.us

Ms. Kathryn Saar
Competitive Tax Credit Program Administrator
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701-2410

Re: Casa Toscana, Brownsville, Cameron County, Texas (TDHCA # 15122);
Underserved Area - Appeal from Denial of Two Points under §11.9(c)(6)(A).

Dear Ms. Saar:

Pursuant to a Notice dated April 22, 2015, all applicants in Region 11 who claimed points for having a development site located in a colonia were denied such points. This letter is to appeal the denial of those two (2) points claimed by Toscana Partners, Ltd. (the "Applicant") under Section 11.9(c)(6)(A) of the 2015 Qualified Allocation Plan (the "QAP").

Section 11.9(c)(6) of the QAP provides two (2) points for a general population or a Supportive Housing Development that is located in an Underserved Area. There are four ways to demonstrate that the area is underserved, one of which is to show that the development site is in a Colonia. Section 10.3(a)(19) of the 2015 Uniform Multifamily Rules (the "Rules") defines a "Colonia" as follows:

(19) Colonia--A geographic area that is located in a county some part of which is within one-hundred fifty (150) miles of the international border of this state, that consists of eleven (11) or more dwellings that are located in proximity to each other in an area that may be described as a community or neighborhood, and that:

(A) has a majority population composed of individuals and families of low-income and very low-income, based on the federal Office of Management and Budget poverty index, and meets the qualifications of an economically distressed area under Texas Water Code, §17.921; or

(B) has the physical and economic characteristics of a colonia, as determined by the Department, and is a geographic area encompassing no more than two (2) square miles. Factors to be considered by the Department include, but are not limited to, ability to access basic utilities and boundaries that may define communities or neighborhoods. Applicants will be required to define the geographic area to be evaluated by the Department.

Requirements for Points:

The proposed Casa Toscana is designed for the General Population, as shown in Tab 7 of the Application. Applicant chose to qualify under the (B) portion of the definition. Accordingly, the Applicant was required to show the following:

a. The development site is in a geographic area located in a county, some part of which is within 150 miles of the international border.

Cameron County, Texas is a county that actually shares a border with Mexico. Please see the map attached as Exhibit A.

b. Applicants are required to define the geographic area containing the Project site to be evaluated by the Department. The geographic area must be two square miles or less and must include eleven (11) or more dwellings that are located in proximity to each other in an area that may be described as a community or neighborhood.

The Application includes the materials provided in Exhibit B. Included is an aerial map which shows outlined in red an area of two square miles or less that constitutes the Project's designated geographic area. The geographic area includes the Hacienda Gardens Colonia (which is a colonia referenced on the geographic database of colonias that is maintained by the Attorney General of Texas) and additionally encompasses a residential area west of Hacienda that contains more than 11 dwellings, as can be seen in the aerial map. The geographic area is generally bounded by roadways and reasonably constitutes a neighborhood.

c. The geographic area has the physical and economic characteristics of a colonia, as determined by the Department.

The Application includes a description of the key characteristics of the designated geographic area, which include:

- (i) lack of public sewer;
- (ii) lack of public roads and infrastructure;
- (iii) lack of subdivision platting;
- (iv) close proximity to established colonias; and
- (v) confirmation of colonia area by governmental authority.

The site for Casa Toscana does not have public sewer available. The Brownsville Public Utility Board only requires connection to the municipal wastewater system when the distance to the existing public sewer is less than 600 feet, so the geographic area is one where septic systems are a permitted alternative. Use of septic systems a classic sign of a colonia area because improper maintenance of septic systems creates health nuisances due to contamination with bacteria and viruses. Conversion of existing septic systems to public sewer is a major ongoing colonia initiative. The Project's feasibility study points out that to improve the sanitary conditions, the

developer will need to construct approximately 1200 feet of sanitary sewer line to provide the site with access to the existing sanitary sewer. The Casa Toscana site will additionally require subdivision platting, and public roads and other utilities will need to be extended to be available to the site. All of these issues show the physical characteristics of a colonia.


The geographic area designated in the Application shows the economic characteristics of a colonia insofar as a large portion of the area is a recognized colonia shown on the Attorney General of Texas' database of colonias. Additionally, the Project will be in a census tract with a 27.3% Poverty Rate, as shown in Tab 7 of the Application. This indicates that family incomes are low, based upon the national average. Finally, as indicated in the aerial map, the area is primarily residential and does not have any significant commercial development. All of these add up to a geographic area that exhibits the economic characteristics of a colonia.

We think that the designated geographic area in which the Project site is located meets all the criteria for a colonia under Section 10.3(a)(19) of the Rules. We therefore request that the two (2) points claimed for proposing a project within a colonia be restored to the Applicant.

Thank you.

Very truly yours,

MGROUP HOLDINGS, INC.



Mark D. Musemeche, Vice-President
MDM/oe

EXHIBIT A

Cameron County Map showing border with Mexico



EXHIBIT B

Material provided in Application to demonstrate status as Colonia



Zoom to County

Back

Full View

Feature Display

Find Colonia

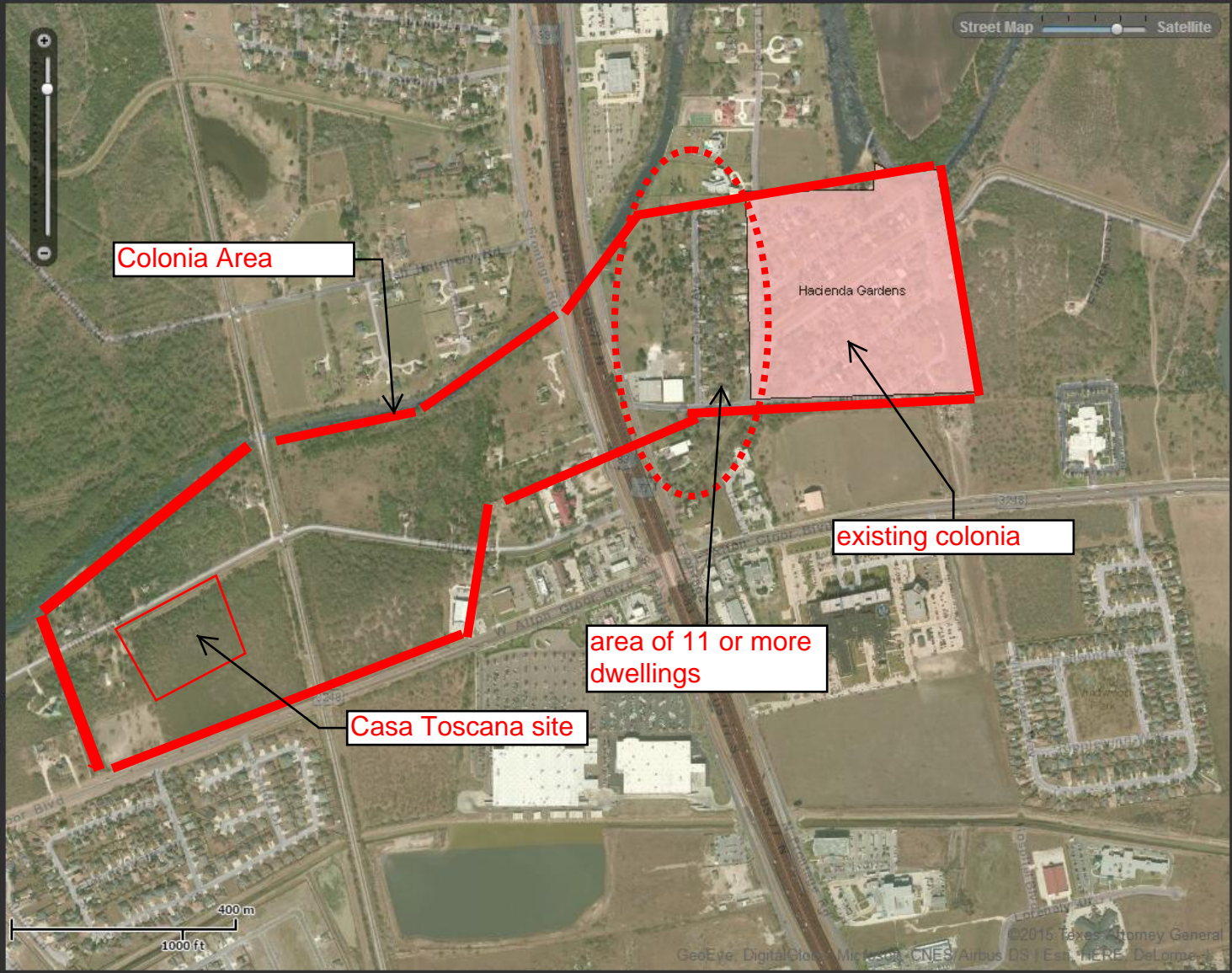
CAMERON

Choose a Colonia Below

- Fred Adams
- Galpin
- Glenwood Acres
- Gonzales
- Gotwin Rd
- Graham
- Grande Acres
- Green Valley Farms
- Gumesindo Galvan
- Hacienda Gardens**
- Harris Tract
- Houston Road East
- Illinois Heights
- Indian Lake
- Ismael Montalvo Subd. #1
- Ismael Montalvo Subd. #2
- Jaime Lake
- Jones Addition

Street Map

Satellite



Colonia Area

Hacienda Gardens

existing colonia

area of 11 or more dwellings

Casa Toscana site





February 23, 2015

Mr. Mark Musemeche
MGroup Holdings, Inc.
1013 Van Buren
Houston, Texas 77019

Re: Casa Toscana TDHCA #15122

Dear Mr. Musemeche:

I have reviewed the site location for your proposed 2015 TDHCA Housing Tax Credit Application Casa Toscana which will be located off of Alton Gloor Road in Brownsville, Texas. This is to confirm that your site is within ½ mile of Hacienda Gardens, an established Colonia annexed by the City of Brownsville and identified on the Attorney General of Texas website as Colonia Communities. This Colonia, as well as the others surrounding your site continue to require some assistance for basic living necessities and safe and sanitary housing. In addition, your proposed site location is in a geographic area that does not have sewer service available and will require extensions of approximately 1,200 lf to serve your location.

The City Commission took action on February 17, 2015 to support this development.

Sincerely,

Michael Warrix
Director of Planning & Zoning

Planning Department

1150 E. Adams St., 3rd Floor, Brownsville, Texas 78520 Telephone: 956-548-6150 Fax: 956-548-6144 <http://planning.cob.us>

Colonia Area

The proposed site for Casa Toscana is within a geographic area that has the physical and economic characteristics of a Colonia and is an area encompassing less than two square miles. Key characteristics include but are not limited to:

- Lack of public sewer
- lack of public roads and infrastructure
- lack of subdivision platting
- close proximity to established Colonia's
- confirmation of Colonia Area by governmental authority

The proposed site for Casa Toscana is in an area that does not have public sewer readily available. The closest public sewer connection is approximately 1200 feet away. According to the Brownsville Public Utility Board (BPUB), connection to public sewer is only required when the distance to such sewer is less than 600 feet. Therefore, septic systems may be installed to serve the geographic area.

The lack of available public sewer allows subdivision developers to install septic systems which are a health nuisance due to contamination with bacteria and viruses when not properly maintained. Removal of septic systems and the conversion to public sewer is one of, if not the major ongoing Colonia initiative underway in the targeted Colonia counties.

In addition, the proposed site for Casa Toscana will require subdivision platting and the extension of public roads and utilities to the site.

The proposed site is located in close proximity to Hacienda Gardens, an established Colonia as well as three to four other Colonia's that still are in need of assistance for basic living necessities and safe and sanitary housing.

Attachments:

City Colonia Confirmation letter

Boundary Map of Colonia Area

Excerpt from civil feasibility report

b. Existing Wastewater Collection System

Sanitary sewer service is not readily available to serve the 16.4 acre subdivision. As a result, it will be necessary to extend a 12 inch sanitary sewer line from Hidden Meadows Blvd. to the project site, west along Alton Gloor Blvd. approximately 700 feet.

c. Wastewater Flow Projections

The projections of future population and wastewater flow in this report are intended to serve as a guide to design a new sanitary sewer line to convey wastewater away from the development. The calculations were based on the total number of apartments (131), and it was assumed that the average size of the each apartment would be 2.5 bedrooms / 2.5 bathrooms.

Projected per capita flow rates of 120 GPD were used with the projected population of 338 to generate wastewater flows. A peaking factor of 4.0 was assumed. This peaking factor is referenced in the TCEQ Chapter 217, Design Criteria for Domestic Wastewater Systems 217.32 (a) (2). The table below summarizes the estimated flows. The projected wastewater flow rate is 40,560 gallons per day (gpd) or 0.041 million gallons per day (mgd).

Area	Estimated	Estimated	Estimated	Estimated	Estimated
Name	persons	wastewater flow	Average Daily	Average Daily	Peak
		per capita	Wastewater Flow	Wastewater Flow	Wastewater Flow
		(gallons per day)	(gallons per day)	(mgd)	(mgd)
	328	120	39,360	0.039	0.160

d. Proposed Wastewater Line Routings

A proposed 12" PVC sanitary sewer line will be routed from Casa Toscana south through the future public road R.O.W. to the south side of Alton Gloor Blvd. where it will continue west along Alton Gloor Blvd. to Hidden Meadows Blvd. TxDOT will require that the 12 inch sanitary sewer line be bored across the roadway and placed inside of a steel casing. The total length of this route is approximately 1,200 feet.

e. Proposed Sanitary Sewer Line Requirements

Sizing for the proposed sewer lines was arrived at by calculating the ability of specific pipe diameters to convey the projected flows under anticipated minimum grade conditions. Manning's equation was used to determine pipeline hydraulic capacities as with the previous calculations of existing pipeline capacity. Manning's equation was used to determine sewer line hydraulic capacities. A friction factor of 0.01 was used in the equation. The lines are oversized due to the minimum grades required to provide sanitary sewer service to the project site without a lift station. A larger pipe diameter requires a lesser slope to flow at the TCEQ minimum velocity.

THE ATTORNEY GENERAL OF TEXAS
KEN PAXTON

Zoom to County [v] [Back] [Full View]

Feature Display Find Colonia

Colonia Communities

- Transparency [slider] [Reset]
- SB827 Color Classification

Click on a colonia for more detailed colonia information.

Other Features

- City Limits
- Zip Codes
- School Districts

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Earthstar Geographics, CNES/Airbus DS | Esri, HERE, DeLorme, MET/NR



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Tom H. Garra
J.B. Goodwin

May 12, 2015

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

Mark D. Musemeche
MGroup Holdings, Inc.
1013 Van Buren
Houston, TX 77019

RE: 15122 CASA TOSCANA: SCORING NOTICE APPEAL

Dear Mr. Musemeche:

The Texas Department of Housing and Community Affairs (the "Department") is in receipt of your appeal letter, dated April 28, 2015, of the abbreviated scoring notice for the above referenced Application. This Application was denied points under §11.9(c)(6)(A) of the 2015 Qualified Allocation Plan ("QAP"), related to Underserved Area, because staff determined that the site was ineligible for points under subparagraph (A) of the scoring item related to Colonias.

Your appeal states that the Hacienda Gardens Colonia, located across Highway 77 from the proposed development site, should be included as part of the geographic area that the Department considers when assessing whether or not it has the economic and physical characteristics of a colonia. However, the highway serves as a reasonable boundary between these two areas, and the area to the west of the highway appears to be very distinct from the area to the east. This distinction is recognized by the census bureau, which also uses the highway to distinguish between two tracts. In addition, both census tracts have relatively high median household incomes, which does not provide evidence that the area on either side of the highway has the economic characteristics of a colonia. Finally, a site visit conducted by staff evidenced that there is not an apparent inability to access basic utilities, as the area is well developed with both commercial and residential uses and enjoys the benefit of being within the city limits of Brownsville. Therefore, your appeal is hereby denied.

If you are not satisfied with this decision, you may file a further appeal with the Board of Directors of the Texas Department of Housing and Community Affairs. Please review §10.902 of the 2015 Uniform Multifamily Rules for full instruction on the appeals process. Should you have any questions, please contact Kathryn Saar, Competitive Tax Credit Program Administrator, at kathryn.saar@tdhca.state.tx.us or by phone at 512-936-7834.

Sincerely,

A handwritten signature in black ink, appearing to read "Timothy K. Irvine", written over a circular stamp or seal.

Timothy K. Irvine
Executive Director



15249

Anaqua

Anaqua (#15249)

Anaqua is proposed to be located just west of Highway 281 and right behind the new regional medical center in Edinburg. The original Application submission indicates that the site is located within a 2 mile radius of as many as 25 colonias. This is confirmed by a letter from the Hidalgo County Urban County Program, which was also submitted with the Application. Staff does not dispute that there are several colonias in that 2-mile radius. However, this does not address the requirements of the rule. As stated above, the rule does not state that proximity to a number of colonias would qualify an Application for the points. If the 2-mile radius that is referred to in the Application is intended to be the “geographic area” defined by the Application to have the physical and economic characteristics of a colonia, then it is much larger than what is required by the rules since a circle with a 2-mile radius equates to more than 16 square miles. In addition, almost all of the colonias that are pointed out in the Application are located on the east side of Highway 281 and would not reasonably be considered part of the community or neighborhood, as the highway is a definitive boundary. The census tract in which the development site is located has a median household income of \$74,769 and a poverty rate of 15.8%. In general, the area around the site is well developed or being re-developed, with both commercial and single family residential properties. According to the Site Design and Development Feasibility Report submitted with the Application, the site will have access to an 8-inch water line which runs along the property line and a 12-inch sanitary sewer line that is 660 feet from the property. There is also existing infrastructure, a channel that runs along the northwest corner of the site, to address any drainage issues. The report also indicates that there is ready access to gas and electricity. These characteristics are not consistent with the physical and economic characteristics of a colonia.

In the appeal, the Applicant points again to the letter from Hidalgo County urban County Program and stresses that some of the colonias (presumably the ones east of Highway 281) still “experience challenges.” While this may be the case, this is not sufficient to meet the requirements of the rule. Therefore, staff recommends denial of the appeal.



URBAN COUNTY PROGRAM

427 E DURANTA AVE., SUITE 107 • ALAMO, TEXAS 78516 • (956) 787-8127 FAX (956) 318-2988
E-mail: ucp@co.hidalgo.tx.us

February 18, 2015

Mr. Manish Verna
Versa Development, LLC
4733 College Park, Ste. 200
San Antonio, TX 78249

Re: Letter confirming the site for Anagua Apartments, Texas Department of Housing and Community Affairs (TDHCA) #15249 is located in a Colonias Area

Dear Mr. Verna:

As requested, I have reviewed the site location and supporting material for your proposed 2015 TDHCA Housing Tax Credit Application for Anagua Apartments to be located at the North East quadrant of Alberta Road and Shalom Drive in the City of Edinburg, Hidalgo County. As the Program Director for the Colonia Self-Help grant serving Hidalgo County, I confirm that your site is in a "Colonias" area that meets the physical and economic characteristics of a Colonia as determined by TDHCA. Please note that the property site is not a "Colonia" itself, as the property is currently undeveloped land and has no dwellings on the property. However, based on the Attorney General of Texas website, a total of twenty-five (25) "Colonias" are located within a two (2) mile radius of the proposed site. Several of the "Colonias" continue to require assistance in improving the quality of life of its residents by upgrading basic infrastructure and by providing housing options for low income families. Attached for your review is the documentation used to make my determination.

I support your efforts in selecting this site for a tax credit application to the State and I thank you for the opportunity to provide this letter. If I can be of further assistance, please contact me or my staff at (956) 787-8127.

Sincerely,

A handwritten signature in blue ink that reads "Diana R. Serna".

Diana R. Serna
Director

Attachments

Anagua.Edinburg.manishverna



Anaqua Proposed Project Site 2-mile radius

View

Feature Display

Find Colonia

Colonia Communities



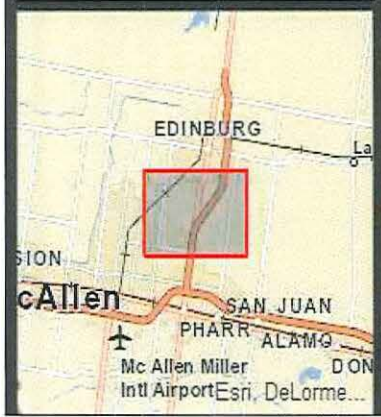
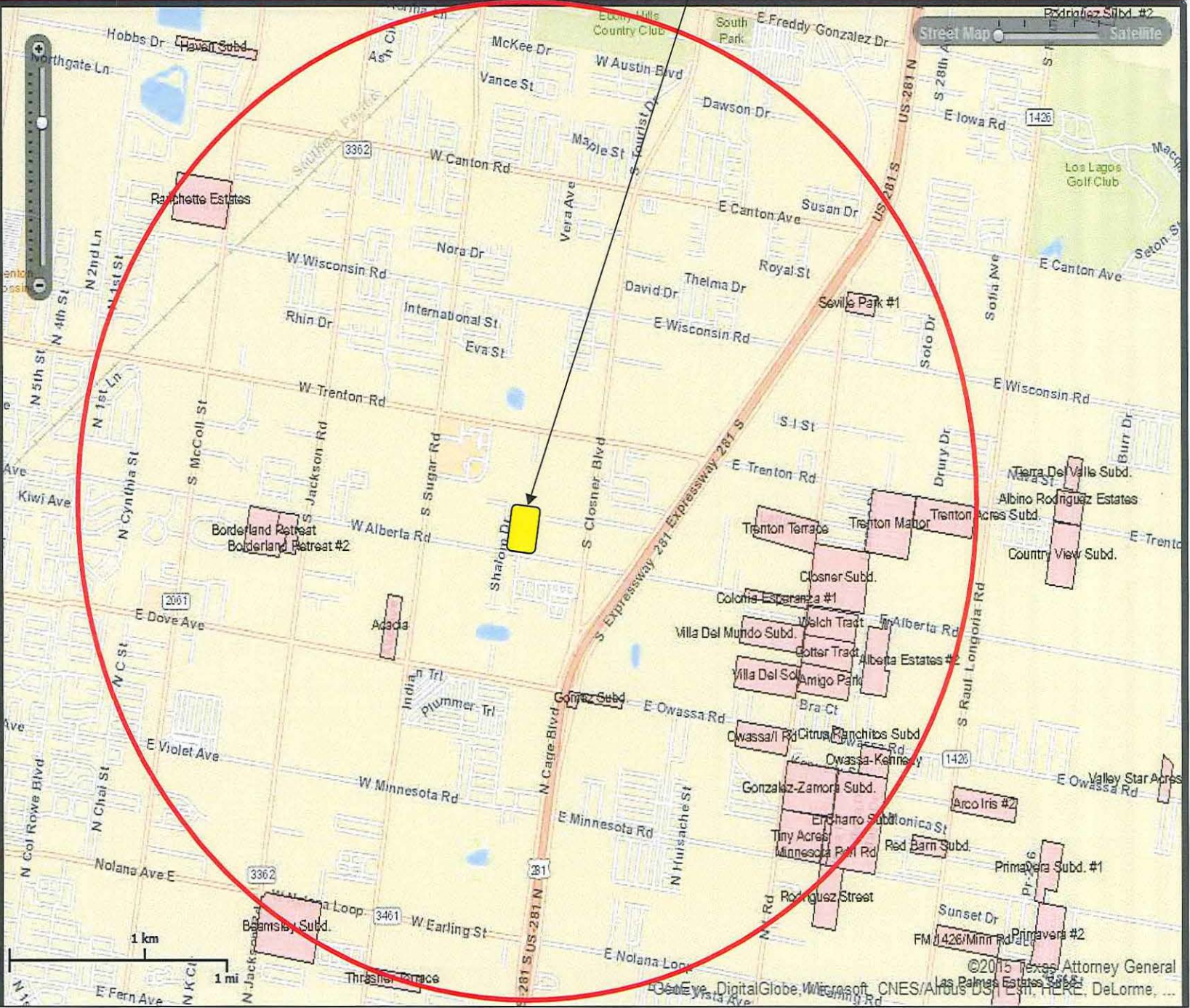
SB827 Color Classification

Click on a colonia for more detailed colonia information.

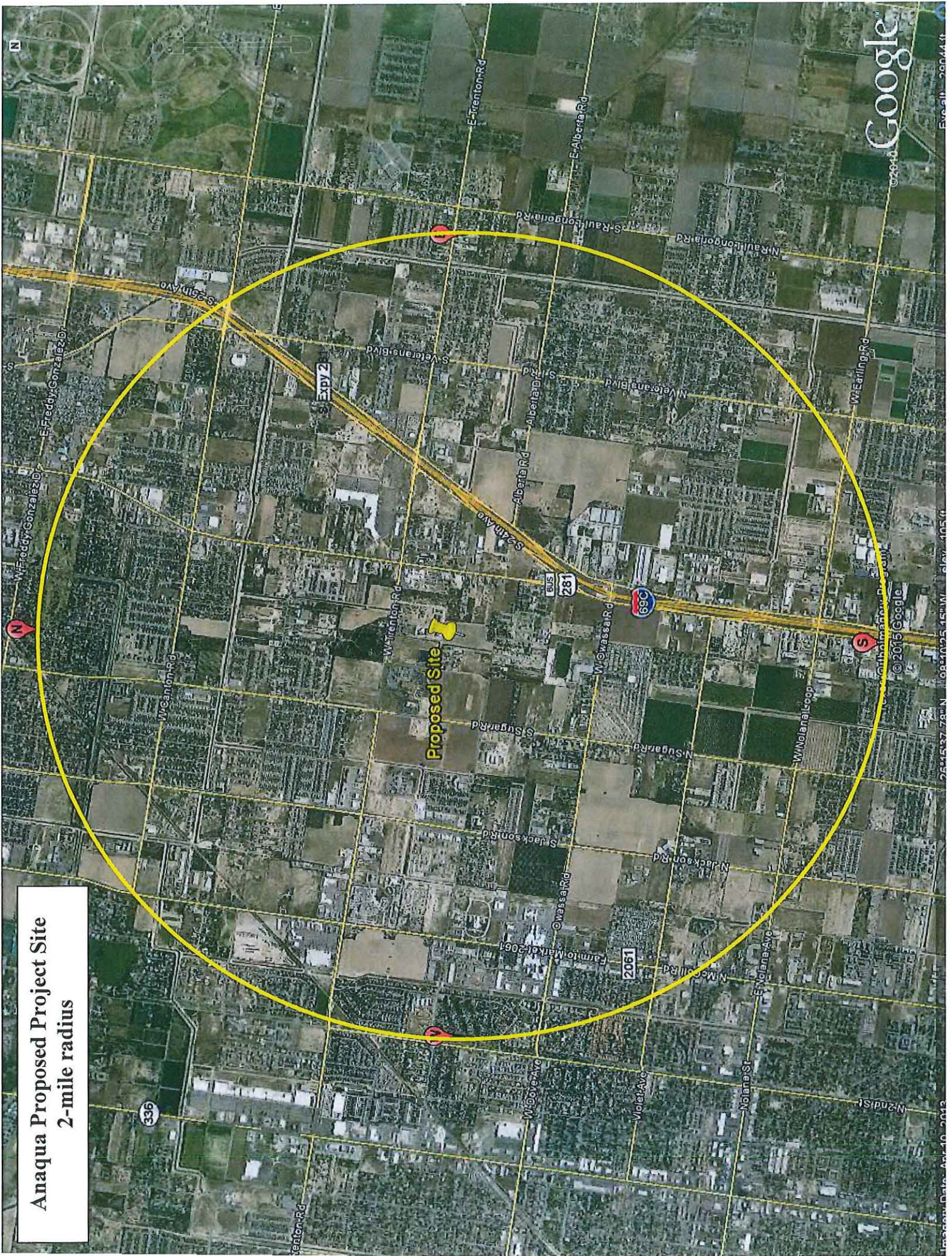


Other Features

- City Limits
- Zip Codes
- School Districts



Anaquia Proposed Project Site
2-mile radius



April 29, 2015

Ms. Jean Latsha
Texas Department of Housing & Community Affairs
221 East 11th Street
Austin, Texas 78701

Re: Anaqua Apartments in Edinburg
TDHCA No. 15249

Dear Ms. Latsha:

As Applicant for the Anaqua Apartments in Edinburg, we wish to appeal TDHCA's decision not to award points to our application under Section 11.9(c)(6)(A) of the QAP for location in an underserved area, more particularly a Colonia. The Development Site meets the definition of a "Colonia" in the QAP because it is in an area: (1) in a county some part of which is within 150 miles of the Mexican border; (2) that has 11 or more dwelling units in close proximity to one another; (3) encompassing no more than 2 square miles; (4) with the physical and economic characteristics of a colonia. As shown by the evidence presented in our Application, the Development Site clearly meets the first three criteria. Thus, we can only assume that TDHCA refused to award the points because the area does not have the physical and economic characteristics of a colonia.

We believe the area surrounding the Development Site does have the physical and economic characteristics of a colonia. Diana Serna, the Director of the Colonia Self-Help Grant serving Hidalgo County, knows this area and its colonias intimately. She has confirmed that there are 25 known colonias within 2 miles of the Development Site and that the Development Site has the physical and economic characteristics of a colonia. A number of the colonias near the Development Site continue to experience challenges. Some of them are not platted. A majority of the colonias in the area are identified as having problems with flooding after significant rain and may lack proper stormwater facilities. For instance, the Closer Subdivision, which is less than 2 miles from the site, is identified as having roads that are not paved and flooding.

While it is acknowledged that investment has been made in this area and the colonias have certainly improved, more needs to be done. Until these neighborhoods have all the infrastructure typically available, they are at a physical and economic disadvantage and must be given priority for resources.

We therefore ask that the Executive Director grant this appeal for points under Section 11.9(c)(6)(A) of the QAP. If necessary, we ask to have this appeal heard by the board at the next available opportunity.



Manish Verma
On behalf of Applicant "VDC Anaqua, LP"



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J.B. Goodwin

May 12, 2015

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

Manish Verma
VDC Anaqua, LP
4733 College Park, Suite 200
San Antonio, TX 78249

RE: 15249 ANAQUA APARTMENTS: SCORING NOTICE APPEAL

Dear Mr. Verma:

The Texas Department of Housing and Community Affairs (the "Department") is in receipt of your appeal letter, dated April 28, 2015, of the abbreviated scoring notice for the above referenced Application. This Application was denied points under §11.9(c)(6)(A) of the 2015 Qualified Allocation Plan ("QAP"), related to Underserved Area, because staff determined that the site was ineligible for points under subparagraph (A) of the scoring item related to Colonias.

Your appeal states that because there are as many as 25 recognized colonias within two miles of the site and because the director of the Colonia Self-Help Grant serving the county provided a statement regarding the physical and economic characteristics of the area, that the application should be eligible for the points. However, staff has found that, although there are a number of identified colonias within two miles of the site, most of them are outside what would be considered natural boundaries of a geographic area. (It should also be noted that the geographic area defined in the application exceeds the limit of two square miles since it is a circle with a 2 mile radius, equating over 12 square miles.) The Closner Subdivision, which you reference in your letter, while within 2 miles of the site, is across a major highway. Census data supports the distinction between these two areas, with the census block group containing the development site as well as the block group immediately adjacent but not across the highway having similar median household incomes, while the tracts on the other side of the highway have median household incomes that are significantly lower. A site visit conducted by staff evidenced that there is no apparent inability to access basic utilities, as the area is well developed with both commercial and residential uses as well as a new regional medical center. This is not an indication that the area has the economic or physical characteristics of a colonia. Therefore, your appeal is hereby denied.

If you are not satisfied with this decision, you may file a further appeal with the Board of Directors of the Texas Department of Housing and Community Affairs. Please review §10.902 of the 2015 Uniform Multifamily Rules for full instruction on the appeals process. Should you have any questions, please contact Kathryn Saar, Competitive Tax Credit Program Administrator, at kathryn.saar@tdhca.state.tx.us or by phone at 512-936-7834.

Sincerely,


Timothy K. Irvine
Executive Director



15282

Orchard View at Mirabella

Orchard View at Mirabella (#15282)

Orchard View at Mirabella is proposed to be located near the northeast corner of Trenton Road and Ware Road in McAllen. The original Application submission indicates that the site is located within a 2 mile radius of as many as 17 colonias. This is confirmed by a letter from the Hidalgo County Urban County Program, which was also submitted with the Application. Staff does not dispute that there are several colonias in that 2-mile radius. However, this does not address the substantive requirements of the rule. As stated above, the rule does not state that proximity to a number of colonias would qualify an Application for the points. If the 2-mile radius that is referred to in the Application is intended to be the “geographic area” defined by the Application to have the physical and economic characteristics of a colonia, then it is much larger than what is required by the rules since a circle with a 2-mile radius equates to more than 16 square miles. Although staff feels that there may be more than one way to define this neighborhood, it did not seem to be consistent with some of the areas north of the site where the colonias exist. Instead, the site seemed to be part of the communities to the south and those east of Ware Road. In addition, those colonias that are closest to the site are primarily classified as “green,” meaning that it has access to potable water, adequate wastewater disposal, and adequate paved roads, drainage, and solid waste disposal. The census tract in which the development site is located has a median household income of \$71,379 and a poverty rate of 11.4%. According to the Site Design and Development Feasibility Report submitted with the Application, both water and sanitary sewer are provided by McAllen Public Utilities and are available at the perimeter of the property; overhead electrical and natural gas service is also available. These characteristics are not consistent with the physical and economic characteristics of a colonia.

In the appeal, the Applicant reiterates the fact that the site is within 2 miles of several colonias and points out that, in 2014, staff relied on statements from local officials to determine eligibility for points. With respect to the site’s proximity to colonias, this is not sufficient to meet the requirements of the rule. Regarding staff determinations in 2014, the language in the rule was not the same and so the comparison is not entirely relevant. Staff recommends denial of the appeal.



URBAN COUNTY PROGRAM

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E-mail: ucp@co.hidalgo.tx.us

February 18, 2015

Mr. Henry Flores
Madhouse Development Services
4904 Tahoe Trail
Austin, TX 78745

Re: Letter confirming the site for Orchard View at Mirabella, Texas Department of Housing and Community Affairs (TDHCA) # 15282 is located in a Colonias Area

Dear Mr. Flores:

As requested, I have reviewed the site location and supporting material for your proposed 2015 TDHCA Housing Tax Credit Application for Orchard View at Mirabella on property located near the northeast corner of North Trenton Road and N. Ware Road in the City of McAllen, Hidalgo County. As the Program Director for the Colonia Self-Help grant serving Hidalgo County, I confirm that your site is in a "Colonias" area that meets the physical and economic characteristics of a Colonia as determined by TDHCA. Please note that the property site is not a "Colonia" itself, as the property is undeveloped land and has no dwellings on the property. However, based on the Attorney General of Texas website, a total of seventeen (17) "Colonias" are located within a two (2) mile radius of the proposed site. Several of the "Colonias" continue to require assistance in improving the quality of life of its residents by upgrading basic infrastructure and by providing housing options for low income families. Attached for your review is the documentation used for my determination.

I support your efforts in selecting this site for a tax credit application to the State and I thank you for the opportunity to provide this letter. If I can be of further assistance, please contact me or my staff at (956) 787-8127.

Sincerely,

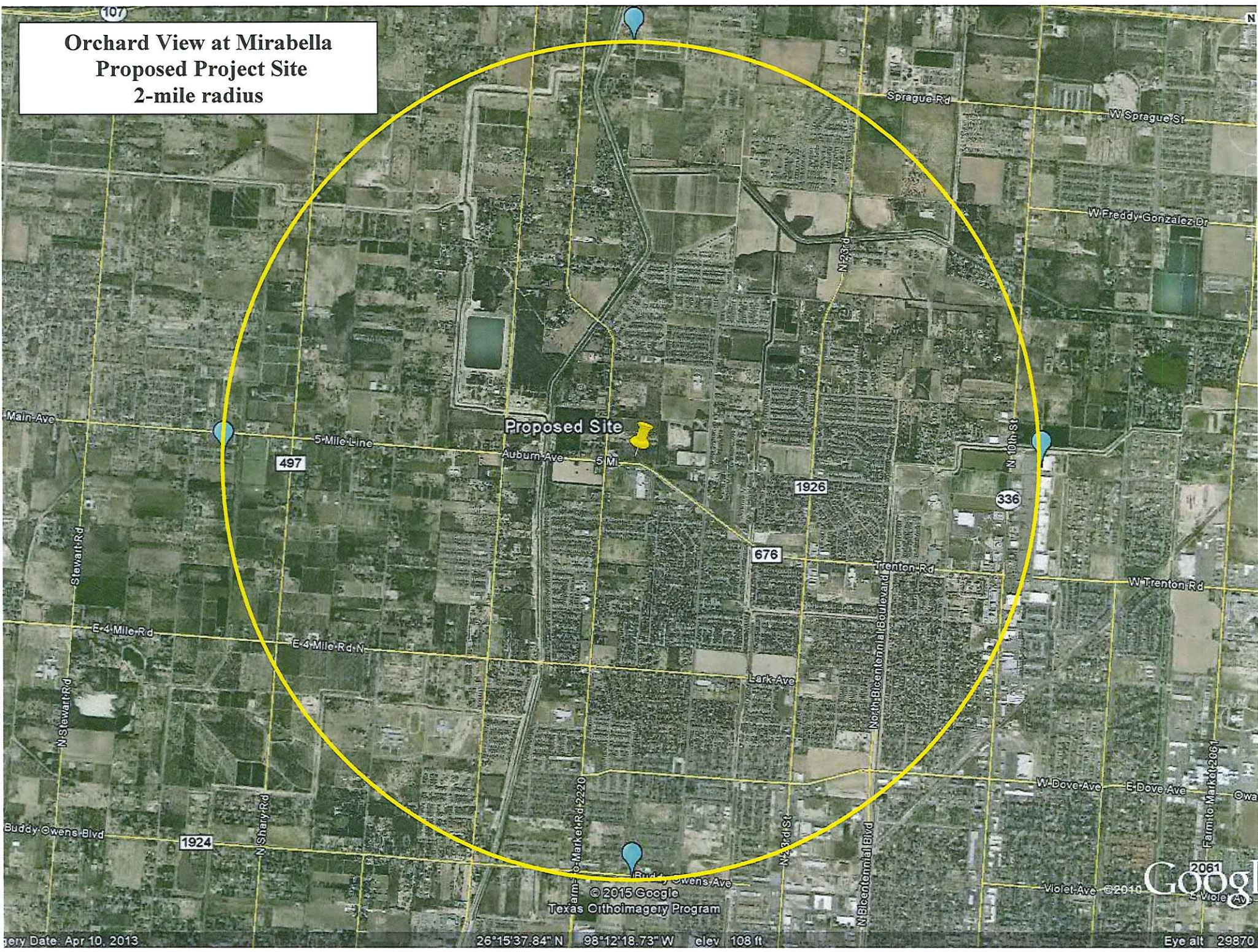
A handwritten signature in blue ink that reads "Diana R. Serna".

Diana R. Serna
Director

Attachments

OrchardViewatMirabella.McAllen.henryflores

**Orchard View at Mirabella
Proposed Project Site
2-mile radius**





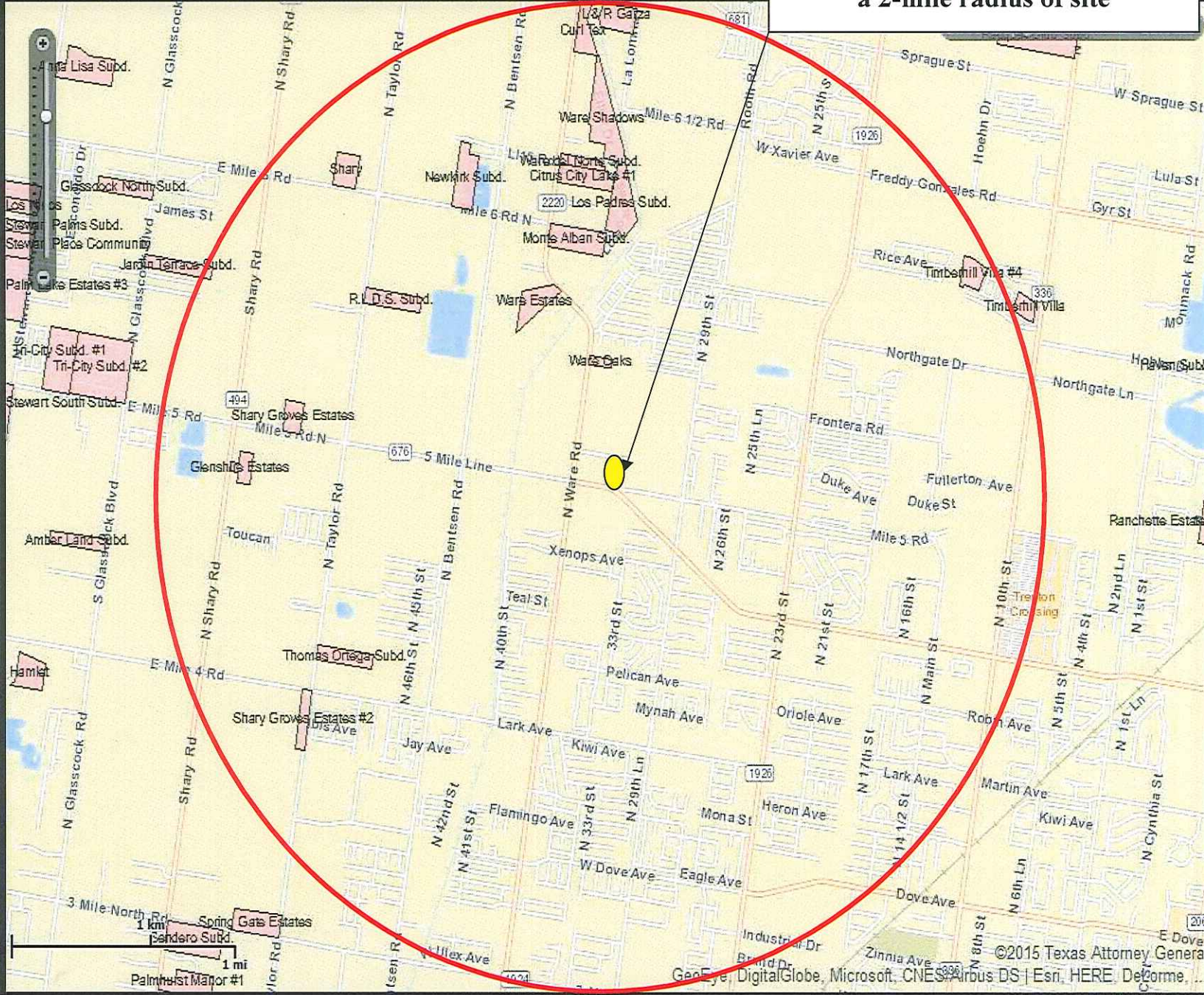
**Orchard View at Mirabella
Proposed Project Site
Approximately 15 colonias within
a 2-mile radius of site**

Feature Display Find Colonia

Select County...

Choose a Colonia Below

- Amber Lisa Subd.
- Glasscock North Subd.
- Stewart Palms Subd.
- Stewart Place Community
- Jarvis Terrace Subd.
- Palm Lakes Estates #3
- Tri-City Subd. #1
- Tri-City Subd. #2
- Stewart South Subd.
- Amber Land Subd.
- Hamlet
- Shary Grove Estates
- Shary Grove Estates #2
- Thomas Ortega Subd.
- Spring Gates Estates
- Palmhurst Manor #1





600 Congress, Suite 2200
Austin, TX 78701
Telephone: 512-305-4700
Fax: 512-305-4800
www.lockelord.com

Cynthia L. Bast
Direct Telephone: 512-305-4707
Direct Fax: 512-391-4707
cbast@lockelord.com

April 29, 2015

(Via e-mail)

Ms. Jean Latsha
Texas Department of Housing & Community Affairs
221 East 11th Street
Austin, Texas 78701

Re: Orchard View at Mirabella in McAllen
TDHCA No. 15282

Dear Ms. Latsha:

Please accept this appeal for 2 points under Section 11.9(c)(6)(A) of the QAP for the location of our development in an underserved area as a colonia. The QAP defines a Colonia as:

A geographic area that is located in a county some part of which is within one-hundred fifty (150) miles of the international border of this state, that consists of eleven (11) or more dwellings that are located in proximity to each other in an area that may be described as a community or neighborhood, and that:

(B) has the physical and economic characteristics of a colonia, as determined by the Department, and is a geographic area encompassing no more than two (2) square miles. Factors to be considered by the Department include, but are not limited to, ability to access basic utilities and boundaries that may define communities or neighborhoods.

Located in Hidalgo County, our development is within 150 miles of the border. We provided evidence in our application that the area within 2 miles of the development has 17 different colonias nearby. These colonias include more than 11 dwelling units. (See Attachment A.) More importantly, the director of the Colonia Self-Help Grant for the County has verified that the area has the physical and economic characteristics of a colonia and that the area is in need of key infrastructure. In particular, the Texas Attorney General's website identifies that some of these colonias have a serious lack of health professionals. This includes Shary Grove Estates, Shary Grove Estates #2, Thomas Ortega Subdivision, R.L.D.S., Ware Estates Ware Oaks, and Glenshire Estates, all identified on the map attached.

Ms. Jean Latsha
April 29, 2015
Page 2

We believe that the statement from the staff member of the County who handles colonias should be determinative on this matter and that the significant number of colonias within 2 miles of our development should make it obvious that our development meets the criteria of the QAP for points in an underserved area. This approach is similar to the approach taken by TDHCA in 2014, by accepting verification from the local officials of the colonia characteristics.

Please grant this appeal for 2 points under Section 11.9(c)(6)(A) of the QAP for location in an underserved area. If the Executive Director does not grant this appeal, we ask to be heard by the Board.

Sincerely,

A handwritten signature in cursive script that reads "Cynthia L. Bast".

Cynthia L. Bast

Attachment A – Map of Colonias



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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T. Tolbert Chisum
Tom H. Gann
J.B. Goodwin

May 12, 2015

*Writer's direct phone # 512-475-3296
Email: tim.irvine@tdhca.state.tx.us*

Cynthia L. Bast
Locke Lord Attorneys & Counselors
600 Congress, Suite 2200
Austin, TX 78701

RE: 15282 ORCHARD VIEW AT MIRABELLA: SCORING NOTICE APPEAL

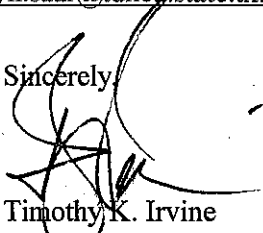
Dear Ms. Bast:

The Texas Department of Housing and Community Affairs (the "Department") is in receipt of your appeal letter, dated April 28, 2015, of the abbreviated scoring notice for the above referenced Application. This Application was denied points under §11.9(c)(6)(A) of the 2015 Qualified Allocation Plan ("QAP"), related to Underserved Area, because staff determined that the site was ineligible for points under subparagraph (A) of the scoring item related to Colonias.

Your appeal states that because there are as many as seventeen recognized colonias within two miles of the site and because the director of the Colonia Self-Help Grant for the county provided a statement regarding the physical and economic characteristics of the area, that the application should be eligible for the points. However, staff has found that, although there are identified colonias within two miles of the site, most of them are outside what would be considered natural boundaries of a geographic area. (It should also be noted that the geographic area defined in the application exceeds the limit of two square miles since it is a circle with a 2 mile radius, equating over 12 square miles.) Many of the colonias that are nearer the site are also classified as "green" by the Office of the Attorney General of Texas, indicating that they have drinkable water, wastewater disposal, paved roads, drainage, and solid waste disposal. A site visit conducted by staff evidenced that there is not an apparent inability to access basic utilities, as the area is relatively well developed with both commercial and residential uses. In addition, the median household income of the census block group which contains the site is \$70,758. These are not an indications that the area has the economic and physical characteristics of a colonia. Therefore, your appeal is hereby denied.

If you are not satisfied with this decision, you may file a further appeal with the Board of Directors of the Texas Department of Housing and Community Affairs. Please review §10.902 of the 2015 Uniform Multifamily Rules for full instruction on the appeals process. Should you have any questions, please contact Kathryn Saar, Competitive Tax Credit Program Administrator, at kathryn.saar@tdhca.state.tx.us or by phone at 512-936-7834.

Sincerely,


Timothy K. Irvine
Executive Director





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Cynthia L. Bast
Direct Telephone: 512-305-4707
Direct Fax: 512-391-4707
cbast@lockelord.com

May 19, 2015

(Via e-mail)

Mr. J. Paul Oxer
Texas Department of Housing & Community Affairs
221 East 11th Street
Austin, Texas 78701

Re: Appeal -- Orchard View at Mirabella
TDHCA No. 15282

Dear Mr. Oxer:

On behalf of Orchard View at Mirabella, LP (the "**Applicant**"), we submit this appeal for the loss of 2 points under Section 11.9(c)(6)(A) of the QAP for the location of a Development in an underserved area as a colonia. Staff denied the points, the Executive Director denied the Applicant's appeal, and the Applicant now appeals to the Board for a determination.

The fundamental point of this appeal is the Applicant's belief that consistency in the interpretation of TDHCA's rules is an essential attribute of good policy. As you recall from the 2014 application round, there was significant discussion and controversy about the definition of a colonia. Several applications that had sites that did not seem to have the characteristics of a colonia were challenged, but the staff upheld the points for those applications.

For the 2015 application round, it seems that the staff has taken a different approach. We recognize that staff personally visited all of the sites to make a determination as to whether it could be considered for "underserved area" points. We appreciate that staff examined the website of the Office of the Attorney General, where colonias are identified, mapped, and categorized as either "green," "yellow," or "red," depending upon the attributes of the area. We agree that all of these factors need to be considered.

Mr. J. Paul Oser
May 19, 2015
Page 2

The Applicant's concern is that the areas receiving points for having the characteristics of a colonia in 2014 seem very similar to the areas that did not receive points for having the same characteristics of a colonia in 2015. In his denial of the Applicant's appeal, the Executive Director stated:

Many of the colonias that are nearer the site are also classified as "green" by the Office of the Attorney General of Texas, indicating that they have drinkable water, wastewater disposal, paved roads, drainage, and solid waste disposal.

However, if you look at the map attached as Attachment A, you will see that the two applications awarded points for the characteristics of a colonia in 2014 were also near mostly "green" colonias. In addition, the two applications awarded points for the characteristics of a colonia in 2014 were identified as 1st Quartile with regard to area median family income. Thus, the Applicant sees similarities between the 2014 applicants and its Application in 2015, yet inconsistencies in how TDHCA is awarding points.

In addition, as shown in Attachment B, we would respectfully point out that our site is located within a 2 square mile proximity to not only multiple colonias but to two colonias classified as "red" and "yellow" by the Office of the Attorney General as well as four colonias that are unclassified on the Attorney General's website. We have also included a matrix of these colonias, as Attachment C, detailing the large number of families lacking in waste water collection and documenting the lack of information regarding the availability of health services. With this proximity, Orchard View at Mirabella will provide quality affordable housing that can be available to those living in the underserved colonias.

While the TDHCA Board is not bound by precedent from a prior application round, we all understand that applicants rely heavily upon previous decisions from prior years when making their choices for site selection. They rely upon a consistent methodology and interpretation of the rules and expend time and significant financial resources based upon this history of decisions. The Applicant hopes that the Board will consider its appeal in this light and grant relief, not just for this Application, but for all applications similarly situated.

Thank you for your consideration.

Sincerely,



Cynthia L. Bast

Attachment A – Map of Colonias 2014 Applications

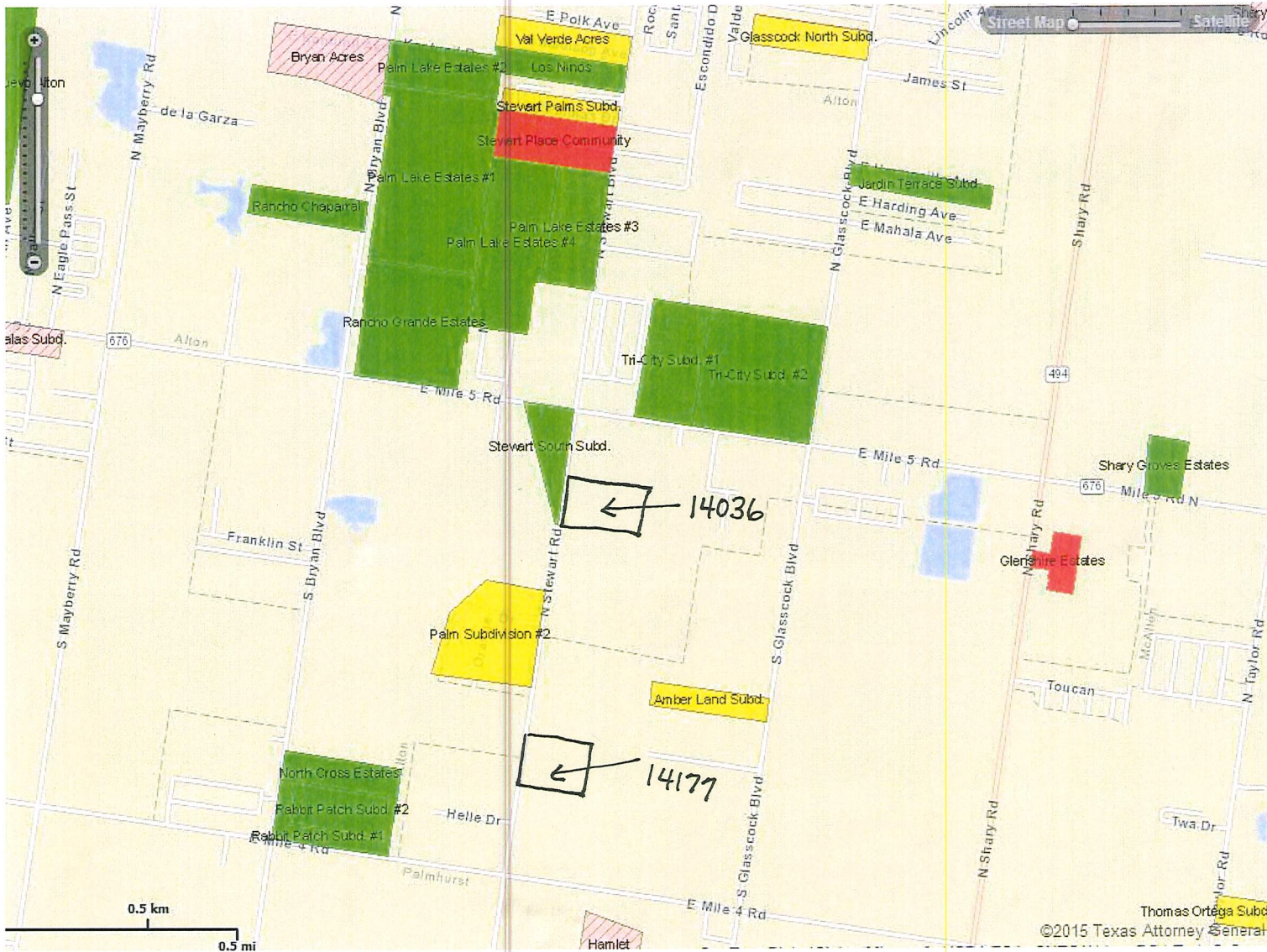
Attachment B – Map of Colonias near Orchard View at Mirabella

Attachment C – Colonias Attributes

cc: Gardner Capital

Attachment A

Map of Colonias 2014 Applications



Bryan Acres

Val Verde Acres

Glasscock North Subd.

Los Ninos

Stewart Palms Subd.

Stewart Place Community

Rancho Chaparral

Jardin Terrace Subd.

Palm Lake Estates #1

Palm Lake Estates #3

Palm Lake Estates #4

Rancho Grande Estates

Tri-City Subd. #1
Tri-City Subd. #2

Stewart South Subd.

← 14036

Shary Groves Estates

Clenshire Estates

Palm Subdivision #2

Amber Land Subd.

← 14177

North Cross Estates

Rabbit Patch Subd. #2

Rabbit Patch Subd. #1

Helle Dr

Palmhurst

Hamlet

0.5 km
0.5 mi

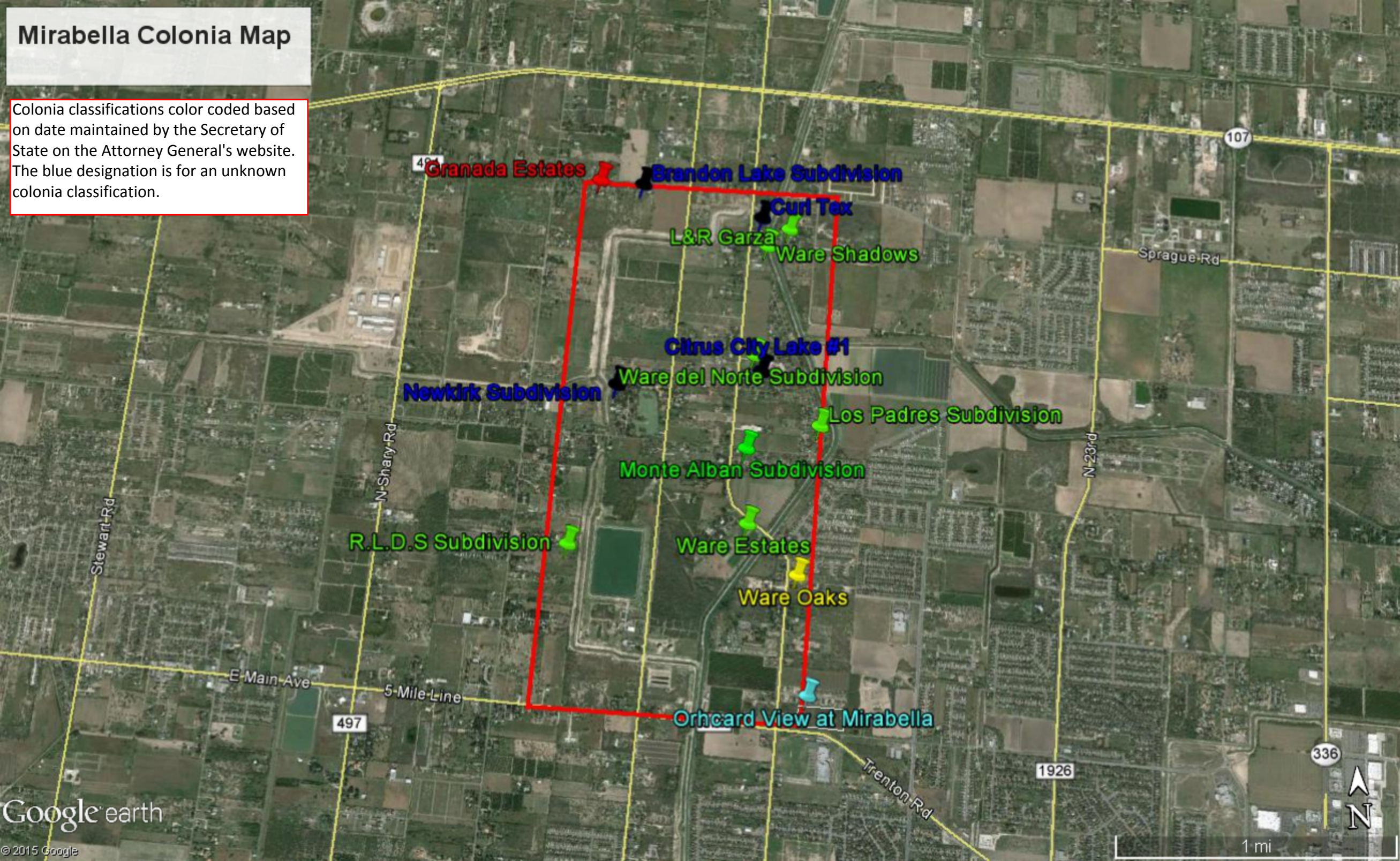
Thomas Ortega
©2015 Texas Attorney General

Attachment B

Map of Colonias near Orchard View at Mirabella

Mirabella Colonia Map

Colonia classifications color coded based on date maintained by the Secretary of State on the Attorney General's website. The blue designation is for an unknown colonia classification.



Granada Estates

Brandon Lake Subdivision

Carl Tex

L&R Garza

Ware Shadows

Citrus City Lake #1

Ware del Norte Subdivision

Newkirk Subdivision

Los Padres Subdivision

Monte Alban Subdivision

R.L.D.S Subdivision

Ware Estates

Ware Oaks

Orchard View at Mirabella



Attachment C

Colonias Attributes

COLONIA INFORMATION

	Granada Estates	L&R Garza	Ware Shadows	Citrus City Lake #1	Los Padres Subdivision	Monte Alban Subdivision	Ware Estates	Ware Oaks	Ware del Norte Subdivision	Curli Tex	Newkirk Subdivision	R.L.D.S. Subdivision	Brandon Lake Subdivision
Community ID Number	M1080293	M1080363	M1080799	M1080155	M1080430	M1080471	M1080797	M1080798	M1080796	M1080212	M1080492	M10880579	M1080119
Health Professional Shortage Area	Yes	Unknown	Unknown	Unknown	Unknown	Unknown	Yes	Yes	Unknown	Unknown	Unknown	Yes	Unknown
Health Clinic Access	No	Unknown	Unknown	Unknown	Unknown	Unknown	Yes	Yes	Unknown	Unknown	Unknown	No	Unknown
Public Distribution of Water	Yes	Yes	Yes	Unknown	Yes	Yes	Yes	Yes	Yes	Unknown	Unknown	Yes	Unknown
Number of People without Wastewater Collection	**72 residents do not have waste water collection	**99 residents do not have waste water collection	**99 residents do not have waste water collection	**113 residents do not have waste water collection	**90 residents do not have waste water collection	**65 residents do not have waste water collection	**43 residents do not have waste water collection	**5 residents do not have waste water collection	**41 residents do not have waste water collection	**32 residents do not have waste water collection	**63 residents do not have waste water collection	**85 residents do not have waste water collection	**85 residents do not have waste water collection
Is Wastewater Collection Available	Yes	Yes	Yes	N/A	Yes	Yes	Yes	Yes	Yes	Unknown	Unknown	Yes	Unknown
Inadequate Wastewater Disposal on Some Lots	Yes	No	No	Unknown	No	No	No	No	No	Unknown	Unknown	No	Unknown
Are the Roads Paved	Yes	Yes	Yes	Unknown	Yes	Yes	Yes	Yes	Yes	Unknown	Unknown	Yes	Unknown
Is there a Community Water System	1	1	1	1	1	1	0	0	1	1	1	0	0
Water Service Provider	Sharyland Water Supply Corporation	Sharyland Water Supply Corporation	Sharyland Water Supply Corporation	Sharyland Water Supply Corporation	North Alamo Water Supply	North Alamo Water Supply	Sharyland Water Supply Corporation	Sharyland Water Supply Corporation	Sharyland Water Supply Corporation	Sharyland Water Supply Corporation	Sharyland Water Supply Corporation	Sharyland Water Supply Corporation	Sharyland Water Supply Corporation
Number of People without Water	0	0	0	0	0	0	0	5	0	0	0	0	0
Is Trash Collection Available	Yes	Yes	Yes	Unknown	Yes	Yes	Yes	Yes	Yes	Unknown	Unknown	Yes	Unknown
Does Flooding Occur after Rainfalls	Yes	No	No	Unknown	No	No	No	Yes	No	Unknown	Unknown	No	Unknown

5d

15028

Lometa Pointe

BOARD ACTION REQUEST
MULTIFAMILY FINANCE DIVISION
JUNE 16, 2015

Presentation, Discussion, and Possible Action on Timely Filed Appeals under any of the Department's Program Rules

RECOMMENDED ACTION

WHEREAS, a 2015 Competitive Housing Tax Credit application for Lometa Pointe was submitted to the Department by the Full Application delivery deadline;

WHEREAS, a 2015 Competitive Housing Tax Credit scoring notice was provided to the Applicant on May 28, 2015;

WHEREAS, staff identified points that the Applicant elected but that the Application did not qualify to receive under 10 TAC §11.9(e)(7) related to Funding Request Amount;

WHEREAS, the Applicant timely filed an appeal; and

WHEREAS, the Executive Director denied the appeal;

NOW, therefore, it is hereby

RESOLVED, the Applicant's appeal of the scoring notice for Lometa Pointe (#15028) is hereby denied.

BACKGROUND

Lometa Pointe, Application #15028, was denied one point under 10 TAC §11.9(e)(7) of the 2015 Qualified Allocation Plan ("QAP") because the credit request for this Development exceeded 100% of the amount available in sub-region 8 Rural of \$560,730.

In order to be eligible for the maximum one point under this scoring item, an Application must reflect "a Funding Request of Housing Tax Credits, as identified in the original Application submission, of no more than 100% of the amount available within the sub-region or set-aside as estimated by the Department as of December 1, 2014."

The Regional Allocation Formula ("RAF") published by the Department shows how the Competitive Housing Tax Credit Ceiling is distributed across the 26 Uniform State Service sub-regions. The RAF also indicates the Maximum Funding Request/Award Limit for each sub-region, which pursuant to §11.4(b) of the QAP, may not exceed "150 percent of the credit amount available in the sub-region

based on estimates released by the Department on December 1, or \$1,500,000, whichever is less.” The RAF published on that date includes a footnote which states that “the column labeled ‘Final Funding Amount’ is the column an Applicant can reference to determine the amount of credit allocation that is estimated to be available for the 2015 cycle.” For sub-region 8 Rural, the *Final Funding Amount* is listed as \$560,730, and the *Max Funding Request/Award Limit* is listed as \$841,095.

The Applicant’s appeal indicates that staff has interpreted this scoring item incorrectly and that the credit request for Lometa Pointe of \$839,000, should qualify because it is less than the \$841,095 listed as the *Max Funding Request/Award Limit* for sub-region 8 Rural on the RAF. The “Maximum Funding Request/Award Limit” column of the RAF refers to §11.4(b) of the QAP, related to Maximum Request Limit, which states “an Applicant may not request more than 150 percent of the credit amount available in the sub-region based on estimates released by the Department on December 1, or \$1,500,000, whichever is less.” According to the Notes section of the RAF, “the column labeled ‘Final Funding Amount’ is the column an Applicant can reference to determine the amount of credit allocation that is estimated to be available for the 2015 cycle.” This column shows an allocation of \$560,730 to sub-region 8 Rural.

The appeal also indicates that there appear to be seven other Applications that followed the same interpretation of this scoring item as Lometa Pointe, claiming the point even though the requested amount of credit exceeded the *Final Funding Amount* listed on the RAF. Staff has researched this issue and has identified a total seven Applications (including Lometa Pointe) in the same situation. Only three of these seven have been identified as competitive, thereby receiving a full application review. All three have been denied the point under this scoring item.

Staff recommends that the appeal be denied.



VIA EMAIL

June 4, 2015

Mr. Tim Irvine
Executive Director
Texas Department of Housing and Community Affairs

Re: Application #15028, Lometa Pointe; Appeal of Scoring

Dear Mr. Irvine:

As regulated by §10.902, the Appeals Process of the Multifamily Rules, please accept our formal appeal to Staff's scoring determination under §11.9 Competitive HTC Selection Criteria item (e)(7) - Funding Request Amount for the aforementioned application. Under item (e)(7) of §11.9, an Application may qualify to receive one (1) point if the Application reflects a funding request of Housing Tax Credits, as identified in the original application submission, of no more than 100% of the amount *available* within the sub-region or set-aside as estimated by the Department as of December 1, 2014.

Per the attached chart, created by TDHCA and referenced in §11.9 (e)(7), the amount available for Region 8 Rural is \$841,095. The requested amount in this application is \$839,000 which is less than and does not exceed the amount available of \$841,095.

This data is found in the last column in the chart labeled Max Funding Request/Award Limits. Absent a formal definition for the term "available", the Applicant utilized "Maximum Funding Request" and "Award Limit" as the amount available. The QAP states the following: "*when a term is not specifically defined, terms are to be read in context and construed according to common usage.*" The term "available" is not defined in the QAP or MF Rules. For your reference, please see the following common definitions for Maximum, Limit, and Available found on Webster.com and dictionary.com:

Maximum: the greatest quantity or amount possible.

Limit: a prescribed maximum or minimum amount, quantity, or number.

Available: suitable or ready for use; accessible. Conversely, the antonym of "available" is limited.

Using these common definitions, a value that falls within the **maximum** and **limits** is synonymous with an **available** value. Absent a codified definition of available, standard practice is to default to the common definition. By applying the TDHCA-prescribed procedure to this issue, the value in the Maximum Funding Request/Award Limit column is the amount *available* for Housing Tax Credits.

In Region 8 Rural, the Department lists \$841,095 as the maximum available. Thus, the

applicant's request of \$839,000 meets the Funding Request Amount criteria to receive one (1) point, as this request is no more than 100% of the amount *available* within the sub region or set aside as estimated by the Department as of December 1, 2014.

Our team scoured all of the 2015 LIHTC Cycle documentation provided by TDHCA for additional guidance on this matter. This includes the 2015 QAP, the 2015 Multifamily Rules, the 2015 TDHCA Multifamily Application Training Workshop Materials, the 2015 Multifamily Program Procedures Manual and the 2015 Competitive HTC Application Cycle Frequently Asked Questions (FAQs). We found no documentation supporting staff's determination nor did we find any additional reference to the term "available" or any guidance on the scoring item. The only reference to "available" was found post application in the sub 8-point font in the Notes at the bottom of the table estimating Regional Funding amounts. While a note is appreciated, it is not a definition.

Our team is not the only one that followed this interpretation of the 2015 QAP. We have assessed all 2015 full applications in the 20 regions that had less than \$1.5 million allocated through the RAF (the \$1.5 million maximum would preclude someone from asking for more than the regional allocation if the region has more than that amount, therefore those regions were excluded from the analysis). In these 20 sub regions, there were 19 applicants who requested funds that would exceed the staff's interpretation of "available." Of those 19, 8 requested the one (1) point for a request that was less than what is "available".

As you know, the majority of applicants in any tax credit round are diligent, detail-oriented people. Our office and my clients do not knowingly pursue points that are obviously not available for a particular deal. If we had understood the interpretation of the rule in the manner in which staff asserts it was intended, we would *never* have applied for funding in excess of the \$500,000 allocated to Region 8 by the RAF. And in fact, a 72 unit deal, as proposed in application #15028, would not be financially feasible with credits in the \$500,000 range unless a large portion of the units were market rate units. I state this only to show that it was our full intent to abide by the rules. This is not a plea for leniency for an item that we know to be incorrect; it is truly a matter of following a strictly following the written rules as presented by TDHCA.

If the event that you do not find this appeal compelling, we would like to respectfully request a full hearing before the TDHCA Board of Directors.

Sincerely,



Sarah Andre

Consultant to the Developer

Cc Kathryn Saar, Tax Credit Program Manager

2015 At-Risk & Regional Funding Estimates



2015 Applicant Funding Request & Award Limits

	Region (MSA Counties with urban places)	Geographic Area	Sample Initial Sub-region amount	Amount needed to reach \$500,000	Amount over \$500,000 that can be reallocated	Proportion of amount available to be reallocated	Amount to be reallocated	Final Funding Amount	Part of total award	Max Funding Request/Award Limits
Urban	1	Lubbock	\$ 1,224,571	\$ -	\$ 724,571	2%	\$ (19,119.10)	\$ 1,205,452	1.98%	\$ 1,500,000
	2	Abilene	\$ 486,920	\$ 13,080	\$ -	0%	\$ 13,080.27	\$ 500,000	0.82%	\$ 750,000
	3	Dallas/Fort Worth	\$ 11,393,237	\$ -	\$ 10,893,237	27%	\$ (287,437.40)	\$ 11,105,799	18.26%	\$ 1,500,000
	4	Tyler	\$ 1,050,150	\$ -	\$ 550,150	1%	\$ (14,516.68)	\$ 1,035,633	1.70%	\$ 1,500,000
	5	Beaumont	\$ 759,801	\$ -	\$ 259,801	1%	\$ (6,855.30)	\$ 752,945	1.24%	\$ 1,129,418
	6	Houston	\$ 9,954,075	\$ -	\$ 9,454,075	24%	\$ (249,462.57)	\$ 9,704,613	15.95%	\$ 1,500,000
	7	Austin/Round Rock	\$ 3,876,835	\$ -	\$ 3,376,835	8%	\$ (89,103.79)	\$ 3,787,731	6.23%	\$ 1,500,000
	8	Waco	\$ 1,353,872	\$ -	\$ 853,872	2%	\$ (22,530.94)	\$ 1,331,341	2.19%	\$ 1,500,000
	9	San Antonio	\$ 4,143,761	\$ -	\$ 3,643,761	9%	\$ (96,147.11)	\$ 4,047,614	6.65%	\$ 1,500,000
	10	Corpus Christi	\$ 1,202,790	\$ -	\$ 702,790	2%	\$ (18,544.37)	\$ 1,184,246	1.95%	\$ 1,500,000
	11	Brownsville/Harlingen	\$ 5,286,203	\$ -	\$ 4,786,203	12%	\$ (126,292.47)	\$ 5,159,910	8.48%	\$ 1,500,000
	12	San Angelo	\$ 793,902	\$ -	\$ 293,902	1%	\$ (7,755.14)	\$ 786,147	1.29%	\$ 1,179,221
	13	El Paso	\$ 2,533,604	\$ -	\$ 2,033,604	5%	\$ (53,660.24)	\$ 2,479,943	4.08%	\$ 1,500,000
Rural	1	Lubbock	\$ 713,776	\$ -	\$ 213,776	1%	\$ (5,640.85)	\$ 708,135	1.16%	\$ 1,062,202
	2	Abilene	\$ 559,647	\$ -	\$ 59,647	0%	\$ (1,573.89)	\$ 558,073	0.92%	\$ 837,110
	3	Dallas/Fort Worth	\$ 575,475	\$ -	\$ 75,475	0%	\$ (1,991.55)	\$ 573,484	0.94%	\$ 860,226
	4	Tyler	\$ 1,452,591	\$ -	\$ 952,591	2%	\$ (25,135.82)	\$ 1,427,456	2.35%	\$ 1,500,000
	5	Beaumont	\$ 909,361	\$ -	\$ 409,361	1%	\$ (10,801.71)	\$ 898,559	1.48%	\$ 1,347,838
	6	Houston	\$ 368,073	\$ 131,927	\$ -	0%	\$ 131,926.53	\$ 500,000	0.82%	\$ 750,000
	7	Austin/Round Rock	\$ 203,854	\$ 296,146	\$ -	0%	\$ 296,145.64	\$ 500,000	0.82%	\$ 750,000
	8	Waco	\$ 562,376	\$ -	\$ 62,376	0%	\$ (1,645.90)	\$ 560,730	0.92%	\$ 841,095
	9	San Antonio	\$ 446,456	\$ 53,544	\$ -	0%	\$ 53,544.31	\$ 500,000	0.82%	\$ 750,000
	10	Corpus Christi	\$ 533,559	\$ -	\$ 33,559	0%	\$ (885.52)	\$ 532,674	0.88%	\$ 799,010
	11	Brownsville/Harlingen	\$ 875,642	\$ -	\$ 375,642	1%	\$ (9,911.99)	\$ 865,730	1.42%	\$ 1,298,595
	12	San Angelo	\$ 387,462	\$ 112,538	\$ -	0%	\$ 112,537.91	\$ 500,000	0.82%	\$ 750,000
	13	El Paso	\$ 58,222	\$ 441,778	\$ -	0%	\$ 441,777.66	\$ 500,000	0.82%	\$ 750,000
	Rural Total	\$ 7,646,495	\$ 1,035,932	\$ 2,182,427		\$ 978,345	\$ 8,624,840	14.18%		
	Urban Total	\$ 44,059,722	\$ 13,080	\$ 37,572,802		\$ (978,345)	\$ 43,081,377	70.82%		
	Regional Total	\$ 51,706,217	\$ 1,049,012	\$ 39,755,229			\$ 51,706,217	85.00%		
	At-Risk Total	\$ 9,124,627					\$ 9,124,627	15.00%		
	USDA (from At-Risk)	\$ 3,041,542					\$ 3,041,542	5.00%		
	Grand Total	\$ 60,830,844					\$ 60,830,844	100.00%		

NOTES:

This table reflects the allocation of the estimated Competitive Housing Tax Credit Ceiling that the Department expects to have available for allocation during the 2015 cycle. The ceiling is estimated as the 2014 population figure of 26,448,193 [IRS Notice 2014-12] multiplied by \$2.30 [Rev. Proc. 2014-61]. An updated population figure will be released by the IRS in early 2015. Credits returned this calendar year and available to be reallocated will be reflected in an additional column of the chart as it is updated. The column labeled "Final Funding Amount" is the column an Applicant can reference to determine the amount of credit allocation that is estimated to be available for the 2015 cycle. As credit is returned during the year, the formula and this chart will be updated. Additionally, in the later part of the year the IRS may release figures for the National Pool and this chart will be updated at that time to reflect the state's allocation from the National Pool.

This information is also used to set the maximum award limits for each State sub-region in accordance with 10 TAC §11.4(b). An Applicant cannot request or be awarded more than the amounts reflected in the column labeled "Max Funding Request/Award Limits," which were established based on estimates as of December 1, 2014. These award limits are fixed and will not change even if the regional funding amounts change based on future updates.



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Greg Abbott
GOVERNOR

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Tom H. Gann
J.B. Goodwin

June 8, 2015

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

Sarah Andre
Structure Development
702 San Antonio Street
Austin, TX 78701

RE: 15028 LOMETA POINTE: SCORING NOTICE APPEAL

Dear Ms. Andre:

The Texas Department of Housing and Community Affairs (the "Department") is in receipt of your appeal, dated June 4, 2015, of the scoring notice for the above referenced Application. This Application was denied the point under §11.9(e)(7) of the 2015 Qualified Allocation Plan ("QAP"), related to Funding Request Amount, because the credit request for this Development exceeded 100% of the amount available in sub-region 8 Rural of \$560,730.

Your appeal indicates that staff has interpreted this scoring item incorrectly and that the credit request for Lometa Pointe, \$839,000, should qualify because it is less than the \$841,095 listed as the "Maximum Funding Request/Award Limit" for sub-region 8 Rural on the Regional Allocation Formula ("RAF") dated December 1, 2014. The "Maximum Funding Request/Award Limit" column of the RAF refers to §11.4(b) of the QAP, related to Maximum Request Limit, which states "an Applicant may not request more than 150 percent of the credit amount available in the sub-region based on estimates released by the Department on December 1, or \$1,500,000, whichever is less." According to the Notes section of the RAF, "the column labeled "Final Funding Amount" is the column an Applicant can reference to determine the amount of credit allocation that is estimated to be available for the 2015 cycle." This column shows an allocation of \$560,730 to sub-region 8 Rural.

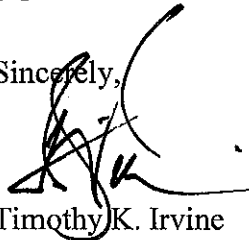
Your appeal has also indicated that there appears to be eight other Applications that followed the same interpretation of this scoring item as Lometa Pointe, claiming the point even though the requested amount of credit exceeded the Final Funding Amount per the RAF. Staff has researched this issue and has identified a total seven Applications (including Lometa Pointe) in the same situation. Only three of these seven have been identified competitive, and all three have been denied the point under this scoring item.

Your appeal is hereby denied.



You have indicated that you wish to appeal this decision directly to the Governing Board. Therefore, this appeal has been placed on the agenda for the next meeting scheduled for June 16, 2015. Should you have any questions, please contact Kathryn Saar, Competitive Tax Credit Program Administrator, at kathryn.saar@tdhca.state.tx.us or by phone at 512-936-7834.

Sincerely,

A handwritten signature in black ink, appearing to read 'TK Irvine', with a large, sweeping flourish extending upwards and to the right.

Timothy K. Irvine
Executive Director

15040

Leatherwood Terrace Apartments

BOARD ACTION REQUEST
MULTIFAMILY FINANCE DIVISION
JUNE 16, 2015

Presentation, Discussion, and Possible Action on Timely Filed Appeals under any of the Department's Program Rules

RECOMMENDED ACTION

WHEREAS, a 9% Housing Tax Credit application for Leatherwood Apartments was submitted to the Department by the Full Application Delivery Date and contained a Capital Needs Assessment ("CNA"), as required for United States Department of Agriculture ("USDA") transactions under 10 TAC §10.205, related to Third Party Reports;

WHEREAS, staff identified that the narrative in CNA was for a different development site;

WHEREAS, 10 TAC §10.205, related to Third Party Reports, states "if the reports, in their entirety, are not received by the deadline, the Application will be terminated;"

WHEREAS, the Applicant timely filed an appeal of that determination;

WHEREAS, in order to grant the appeal, the Board would need to grant a waiver of the deadline established by rule;

WHEREAS, in order to grant a waiver, the Board would need to find that the waiver is necessary to address circumstances beyond the Applicant's control and how, if the waiver is not granted, the Department will not fulfill some specific requirement of law;

WHEREAS, staff confirms that if the waiver is not granted, the credits will still be awarded to a qualified Applicant in the same set-aside; and

WHEREAS, staff determined that the Applicant has not provided sufficient evidence to support the granting of a waiver;

NOW, therefore, it is hereby

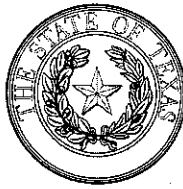
RESOLVED, the request for waiver is denied and the Applicant's appeal of the termination is hereby denied.

BACKGROUND

Pursuant to §10.205 of the Uniform Multifamily Rules, related to Third Party Reports, Applications that do not include the necessary Third Party Reports “in their entirety” will be terminated. The Application for Leatherwood Apartments was received by the Full Application Delivery Date and appeared to contain all necessary Third Party Reports, including the Capital Needs Assessment (“CNA”). However, upon review, staff identified that the narrative included in the CNA was for a different development site. Because the entirety of the CNA was not received by the applicable deadline, the Application failed to meet the threshold criteria identified in the 2015 Uniform Multifamily Rules (the “Rules”) and was thereby terminated.

The Applicant’s appeal indicates that the CNA submitted inadvertently included a narrative (which the appeal refers to as an “executive summary”) for another Application, but that the charts and pictures provided were for Leatherwood. The Applicant further asserts that the narrative is only supplemental in nature and not required by a reader to understand the report. Staff disagrees with this assessment. The narrative in question is 12 pages in length and goes into great detail about the scope of the assessment, the methodology used and gives the reader an abundance of information that cannot be gathered by simply looking at the charts and pictures. In addition, despite the inclusion of the appropriate charts and pictures, staff was unable to determine that those charts and pictures were for Leatherwood or for another site, since the narrative clearly did not reference Leatherwood. Therefore, the CNA could not be reviewed at all in conjunction with the Application, equating to no CNA having been submitted. Furthermore, the narrative is a requirement of a CNA pursuant to USDA CNA Guidance Open Letter 8/7/12. The provisions of 10 TAC §10.205(3) require the submission of a CNA that meets the requirements of 10 TAC §10.306, which in turn incorporates these USDA guidelines for a CNA.

Staff recommends that the appeal be denied.



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

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GOVERNOR

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April 17, 2015

Writer's direct phone # 512-475-1676
Email: jean.latsha@tdhca.state.tx.us

Mr. Dennis Hoover
HVM 2015 Yoakum, Ltd.
PO Box 190
Burnet, TX 78611

RE: TERMINATION OF HTC APPLICATION #15040, LEATHERWOOD TERRACE APARTMENTS,
YOAKUM, TEXAS

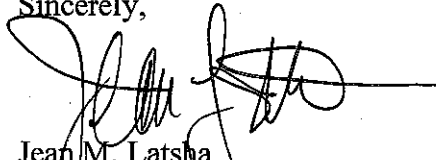
Dear Mr. Hoover:

Pursuant to §10.205 of the 2015 Uniform Multifamily Rules, Third Party Reports must be received, in their entirety, no later than the Third Party Delivery Date to meet Threshold Criteria. The Application for Leatherwood Terrace Apartments was submitted to the Department by the Application Final Delivery Date, February 27, 2015 and included a capital needs assessment. However, upon review, staff found that the contents of the capital needs assessment did not pertain to Leatherwood Terrace Apartments. Because the capital needs assessment submitted does not meet the threshold criteria outlined in §10.205 of the 2015 Uniform Multifamily Rules, the Application is hereby terminated.

An appeals process exists for the Housing Tax Credit Program. The restrictions and requirements related to the filing of an appeal can be found in §10.902 of the 2015 Uniform Multifamily Rules. Should you choose to appeal this decision to the Executive Director, you must file your appeal, in writing, with the Department not later than seven (7) calendar days after the date of this letter. If you are not satisfied with the decision of the Executive Director or the Executive Director does not respond, you may file a further appeal with the Board of Directors of the Texas Department of Housing and Community Affairs. Please review §10.902 of the 2015 Uniform Multifamily Rules for full instruction on the appeals process.

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

Sincerely,



Jean M. Latsha
Director of Multifamily Finance



HVM 2015 Yoakum, Ltd.

P.O. Box 190 • Burnet, Texas 78611
(512) 756-6809 • Fax (512) 756-9885

April 22, 2015

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

Re: **15040 – Leatherwood Terrace Apartments** - Appeal of Termination of Application

Dear Mr. Irvine,

In regards to the Termination of Application that was received on April 17th, 2015, for the 2015 Competitive HTC Application Round and the above-referenced applicant, I would like to take this opportunity to submit formal written notice of our appeal of the termination, in accordance with Section 10.902 of the 10 TAC Uniform Multifamily Rules.

The Termination of Application stated that:

Pursuant to §10.205 of the 2015 Uniform Multifamily Rules, Third Party Reports must be received, in their entirety, no later than the Third Party Delivery Date to meet Threshold Criteria. The Application for Leatherwood Terrace Apartments was submitted to the Department by the Application Final Delivery Date, February 27, 2015 and included a capital needs assessment. However, upon review, staff found that the contents of the capital needs assessment did not pertain to Leatherwood Terrace Apartments. Because the capital needs assessment submitted does not meet the threshold criteria outlined in §10.205 of the 2015 Uniform Multifamily Rules, the Application is hereby terminated.

In response to the issue stated above, please be advised that the CNA report that was submitted at application was, indeed, for Leatherwood Terrace Apartments. This is evidenced by the information provided on the cover-page, as well as the Replacement and EUL tables of the report. The report included all of the necessary language that is required per §10.205 of the 2015 Uniform Multifamily Rules. However, the “executive summary” *portion* of the report accidentally included information for Pecan Chase Apartments. Please find attached, a copy of the email evidencing that the CNA-Provider furnished the complete reports to the applicant with the correct narratives, and an electronic original of this email and its attachments can be sent to the Department upon request, for verification. However, the narrative was electronically embedded into the Excel report, and both the Excel CNA and embedded narrative had to be converted into PDF files, in order to be put together and submitted to the department in accordance with application submission procedures. Working with multiple applications at one time, the applicant accidentally inserted the narrative for Pecan Chase into the CNA for Leatherwood Terrace. Nevertheless, the Leatherwood Terrace CNA was submitted at application.

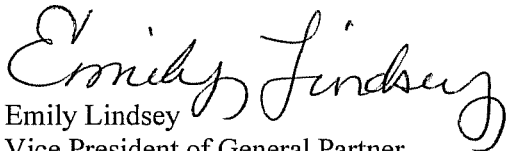
Subsequently, the “executive summary” is only supplemental information that is not necessarily needed to fulfill the Department’s use of the report, but can be helpful. 10.306(a) of the MFH rules states that “The objective of the Property Condition Assessment (PCA) for Rehabilitation Developments is to provide cost

estimates for repairs and replacements, and new construction of additional buildings or amenities,” which was accomplished within the submitted report. I have attached, for your review, a copy of the CNA-provider’s certification to the Department that the report that he furnished complies with all applicable TDHCA regulations.

Finally, the applicant received a deficiency response from the TDHCA on April 13th, 2015, stating the inconsistency within the report. The applicant responded by submitting the corrected version of the report back to the Department the very same day. It is my belief that the department was correct in noting the inconsistency *within* the report; however the CNA Report for Leatherwood Terrace was submitted with full application. It is for this reason that I humbly request that you reinstate application #15040.

Please do not hesitate to contact me with questions regarding this or any other matter. I truly appreciate your time and consideration, and look forward to hearing from you

Respectfully Yours,

A handwritten signature in cursive script that reads "Emily Lindsey". The signature is written in black ink and is positioned above the typed name and title.

Emily Lindsey
Vice President of General Partner
efarmer@hamiltonvalley.com

CC: Dennis Hoover – Hamilton Valley Management
Jean Latsha – TDHCA
Katherine Saar – TDHCA

Emily Farmer

From: paul@cnaspecialists.com
Sent: Thursday, February 26, 2015 11:40 AM
To: Dennis Hoover; Emily Farmer
Subject: Final CNA for Pecan Chase and Leatherwood Terrace dated 2-26-2015
Attachments: CNA Leatherwood Terrace As-Is 2-26-2015.xls; CNA Pecan Chase As-Is 2-26-2015.xls

Emily and Dennis, Attached is my final CNA for Pecan Chase and Leatherwood Terrace. I have revised some costing and included the narratives I had in a different file. I did include the new community building in both CNAs as well as other items.

Thank you,
Paul Youngborg, AIA RAS HESP
CNA Specialists
1345 Encinitas Blvd., #404
Encinitas, CA 92024
15905 Pearsons Brothers Drive
Austin, TX 78717
800-924-9921
paul@cnaspecialists.com

CNA Specialists

Architect (TX #21206, CA #26812, MD #16194, WA #9860, HI #15065), Texas RAS #1300

February 23, 2015

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

RE: CNA for Leatherwood Terrace Certification

Dear TDHCA,

This PCA has been conducted by CNA Specialists, an independent Third Party, at the expense of the Applicant, and addressed to TDHCA as the client. This PCA report includes a statement that Mr. Paul Youngborg, AIA RAS HESP and owner of CNA Specialists has prepared this PCA report and will not materially benefit from the Development in any other way than receiving a fee for performing the PCA. CNA Specialists' report preparer, Mr. Paul Youngborg, has read and understands the requirements of section §10.306. Property Condition Assessment Guidelines as part of the TDHCA Real Estate Analysis Division; 2015 Real Estate Analysis Rules. The PCA will be signed and dated by the report provider, Mr. Paul Youngborg, not more than six (6) months prior to the date of the Application.

The undersigned further certifies that he has the authority to execute this certification.

Sincerely,


Paul Youngborg, AIA
CNA Specialists
1345 Encinitas Blvd., #404
Encinitas, CA 92024
Email: paul@cnaspecialists.com
Phone: 800-924-9921
FAX: 800-537-6027



Cc:
HVM Yoakum, Ltd.
Ms. Emily Farmer
106 Walnut Street
Burnet, TX 78611



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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GOVERNOR

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J.B. Goodwin

May 5, 2015

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

Emily Lindsey
HVM 2015 Yoakum, Ltd.
PO Box 190
Burnet, TX 78611

RE: 15040 LEATHERWOOD APARTMENTS: APPEAL OF APPLICATION TERMINATION

Dear Ms. Lindsey:

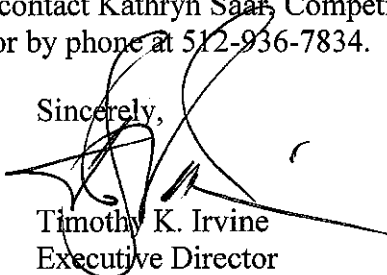
The Texas Department of Housing and Community Affairs (the "Department") is in receipt of your letter, dated April 22, 2015, appealing the termination of the above referenced Application. This Application was terminated under §10.205 of the 2015 Uniform Multifamily Rules ("the Rules"), related to Third Party Reports, because the Capital Needs Assessment ("CNA") was not submitted in its entirety by the Third Party Report Delivery Date, and thereby failed to meet Threshold Criteria.

The appeal indicates that the CNA submitted did not include the required Narrative but instead inadvertently included a Narrative (which you refer to as an "executive summary") for another Application. The charts and pictures included are, in fact, for Leatherwood, but it is necessary to have the correct Narrative in order to make sense of them.

The appeal asserts that this Narrative is only supplemental in nature and not required by a reader to understand the report. As stated above, we do not believe that this is the case. Furthermore, the Narrative is a requirement of a CNA pursuant to USDA CNA Guidance Open Letter 31615. The provisions of 10 TAC §10.205(3) require the submission of a CNA that meets the requirements of 10 TAC §10.306, which in turn incorporates these USDA guidelines for a CNA. In addition the Narrative in question is twelve pages in length and goes into great detail about the scope of the assessment and the methodology used and gives the reader an abundance of information that cannot be gathered by simply looking at the charts and pictures provided. Therefore, the appeal is hereby denied.

If you are not satisfied with this decision, you may appeal directly to the Governing Board. Such a request must be submitted in writing to the Department no later than 5:00pm Austin local time on May 12, 2015. Should you have any questions, please contact Kathryn Saar, Competitive Tax Credit Program Administrator, at kathryn.saar@tdhca.state.tx.us or by phone at 512-936-7834.

Sincerely,


Timothy K. Irvine
Executive Director



15121

The Glades of Gregory-Portland

BOARD ACTION REQUEST
MULTIFAMILY FINANCE DIVISION
JUNE 16, 2015

Presentation, Discussion, and Possible Action on Timely Filed Appeals under any of the Department's Program Rules

RECOMMENDED ACTION

WHEREAS, a 9% Housing Tax Credit application for The Glades of Gregory-Portland was submitted to the Department by the Full Application delivery deadline;

WHEREAS, a 2015 Competitive Housing Tax Credit scoring notice was provided to the Applicant on April 22, 2015;

WHEREAS, staff identified points that the Applicant elected but that the Application did not qualify to receive under 10 TAC §11.9(c)(4) and 11.9(e)(2) related to Opportunity Index and Cost of Development per Square Foot;

WHEREAS, the Applicant timely filed an appeal; and

WHEREAS, the Executive Director denied the appeal;

NOW, therefore, it is hereby

RESOLVED, the Applicant's appeal of the scoring notice for The Glades of Gregory-Portland (#15121) is hereby denied.

BACKGROUND

The Glades of Gregory-Portland, Application #15121, was denied two points under 10 TAC §11.9(c)(4) of the 2015 Qualified Allocation Plan ("QAP") because La Tiendita Food and Beverage does not meet the requirements of a full service grocery store.

The Application was also denied one point under §11.9(e)(2), related to Cost of Development per Square Foot; however, this point loss was not addressed in the appeal.

In order to be eligible for points under this scoring item, developments located in rural areas are required to be in proximity to essential community assets, one of which is a full service grocery store. Per the Frequently Asked Questions posted on the Department's website, a store must be one "in which a typical household may buy the preponderance of its typical food and household items needs, including a variety of options for fresh meats, produce, dairy, baked goods, frozen foods, and some household

cleaning and paper goods. A typical convenience store would not qualify.” The appeal indicates that La Tiendita “offers sufficient choice for a family to purchase most of their weekly grocery needs.” However, in a challenge to the Application, pictures were provided of the choices available and they appear to be consistent with those of a convenience store. The appeal also states that La Tiendita “is not typical for a convenience store as it does not sell gasoline,” but when one conducts an internet search for La Tiendita, numerous results describe it as a convenience store, including a Facebook page in which it self-describes as a convenience store.

Staff recommends that the appeal be denied.



MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2014 Application Round
Scoring Notice - Competitive Housing Tax Credit Application

Kyndel Bennett
Phone #: (512) 560-8322
Email: kbennett@bennettinterests.com
Second Email: lora@betcodev.com

Date: May 02, 2014

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

**RE: 2014 Competitive Housing Tax Credit (HTC) Application for Live Oak Villas, TDHCA Number:
14306**

The Texas Department of Housing and Community Affairs has completed its program review of the Application referenced above as further described in the 2014 Qualified Allocation Plan ("QAP"). This scoring notice provides a summary of staff's assessment of the application's score. The notice is divided into several sections.

Section 1 of the scoring notice provides a summary of the score requested by the Applicant followed by the score staff has assessed based on the Application submitted. You should note that three scoring items are not reflected in this scoring comparison but are addressed separately.

Section 2 of the scoring notice includes each of the three scoring criteria for which points could not be requested by the Applicant in the application self-score form and include: §11.9(d)(4) Quantifiable Community Participation, §11.9(d)(5) Community Support from State Representative, and §11.9(d)(6) Input from Community Organizations.

Section 3 provides information related to any point deductions assessed under §11.9(f) of the QAP or §10.201(7)(A) of the Uniform Multifamily Rules.

Section 4 provides the final cumulative score in bold.

Section 5 includes an explanation of any differences between the requested and awarded score as well as any penalty points assessed.

The scores provided herein are merely informational at this point in the process and may be subject to change. For example, points awarded under §11.9(e)(2) "Cost of Development per Square Foot" and §11.9(e)(4) "Leveraging of Private, State, and Federal Resources" may be adjusted should the underwriting review result in changes to the Application that would affect these scores. Likewise, if an Application was awarded points under §11.9(d)(2) "Commitment of Development Funding by Local Political Subdivision" and should that Application receive an award of tax credits, the Applicant must provide a firm commitment of funds as a condition of the Commitment Notice. Applicants may substitute qualifying sources only if no points were elected under §11.9(d)(2)(C). If a scoring adjustment is necessary, staff will provide the Applicant a revised scoring notice.

Be further advised that if the Applicant failed to properly disclose information in the Application that could have a material impact on the scoring information provided herein, the score included in this notice may require adjustment and/or the Applicant may be subject to other penalties as provided for in the Department's rules.

This preliminary scoring notice is provided by staff at this time to ensure that an Applicant has sufficient notice to exercise any appeal process provided under §10.902 of the Uniform Multifamily Rules. All information in this scoring notice is further subject to modification, acceptance, and/or approval by the Department's Governing Board.



MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2014 Application Round
Scoring Notice - Competitive Housing Tax Credit Application

Page 2 of Final Scoring Notice: 14306, Live Oak Villas

Section 1:

Score Requested by Applicant (Does not include points for §§11.9(d)(4), (5), or (6) of the 2014 QAP): 134

Score Awarded by Department staff (Does not include points for §§11.9(d)(4), (5), or (6) of the 2014 QAP): 127

Difference between Requested and Awarded: 7

Section 2:

Points Awarded for §11.9(d)(4) Quantifiable Community Participation: 4

Points Awarded for §11.9(d)(5) Community Support from State Representative: 8

Points Awarded for §11.9(d)(6) Input from Community Organizations: 17

Section 3:

Points Deducted for §11.9(f) of the QAP or §10.201(7)(A) of the Uniform Multifamily Rules: 0

Section 4:

Final Score Awarded to Application by Department staff: 156

Section 5:

Explanation for Difference between Points Requested and Points Awarded by the Department as well as penalties assessed:

§11.9(c)(4) Opportunity Index. The Development Site is not located within one linear mile of a center that serves school-age children. The day care referenced in the application only serves children ages 3-5. (Requested 7, Awarded 6)

§11.9(e)(3) Pre-Application Participation. No pre-application was submitted. (Requested 6, Awarded 0)

Restrictions and requirements relating to the filing of an appeal can be found in §10.902 of the Uniform Multifamily Rules. If you wish to appeal this scoring notice, you must file your appeal with the Department no later than 5:00 p.m. (CST), Friday, May 9, 2014. 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 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 Applicant is able to request that the appeal automatically be added to the Board agenda.

If you have any concerns regarding potential miscalculations or errors made by the Department, please contact Kathryn Saar at (512) 936-7834 or by email at <mailto:kathryn.saar@tdhca.state.tx.us>.

Sincerely,

Jean Latsha

Jean Latsha
 Director of Multifamily Finance

Exhibit D



MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2015 Application Round
Scoring Notice - Competitive Housing Tax Credit Application

Appeal Election Form: 15121, The Glades of Gregory-Portland


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

I am in receipt of my 2015 scoring notice and am filing a formal appeal to the Executive Director on or before Wednesday, April 29, 2015.

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.

Signed  Tim Tornio
Title GM
Date 4/29/15

Please email to Kathryn Saar:
<mailto:kathryn.saar@tdhca.state.tx.us>

The Glades of Gregory Portland GP, LLC

101 Morning Dove Court, Argyle, TX 76226
972-965-3603

April 27, 2015

Kathryn Saar
Competitive Tax Credit Program Administrator
Texas Department of Housing & Community Affairs
PO Box 13941
Austin, TX 78711-3941

**RE: Application 15121
The Glades of Gregory-Portland
Appeal of Opportunity Index Score**

Dear Ms. Saar:

On April 7, 2015, Ben Sheppard sent the attached email notifying The Glades of Gregory-Portland, LP (the "Applicant") that the Department was disallowing two of the amenities that the Applicant claimed for seven (7) Opportunity Index points: 1) the full service grocery store, La Tiendita, and 2) the after-school day care provided by Kidz Klub. Please see Attachment A.

On April 22, 2015, a scoring notice was sent to us indicating that 3 points were removed from our score based on the reduction of the points awarded for 11.9(c)(4) Opportunity Index. 'The Development Site is not located within 1.5 miles of a full service grocery store as outlined in the 2015 FAQ's.'

For the reasons set forth below, we respectfully appeal the Department's decision to disallow these amenities and the related loss of points, and request that the seven points be restored.

1) La Tiendita Grocery Store

The guidance provided by the Department about what qualifies as a full service grocery store states: *A store in which a typical household may buy the preponderance of its typical food and household item needs, including a variety of options for fresh meats, produce, dairy, baked goods, frozen foods and some household cleaning and paper goods. A Typical Convenience store would not qualify.* Please see Attachment B.

La Tiendita is a modest sized grocery store appropriately sized for a community of fewer than 2000 people. As described by the Department in its guidance, La Tiendita offers a variety of options of fruits, vegetables, dairy products, bakery items, and household cleaners and paper products. The store is NOT typical for a convenience store as it does not sell gasoline and is situated in the heart of Gregory, one block from the elementary

school, across the street from City Hall and within 7 blocks of public housing. While not sized to compare with an HEB or Walmart, La Tiendita offers residents of the extremely small city of Gregory with an alternative to shopping in Portland which is 2 miles away. It offers sufficient choice for a family to purchase most of their weekly grocery needs. We believe that it should be recognized as an amenity for the purpose of evaluating the opportunity index.

2) Kidz Klub After-School Program

Department staff states that the daycare for the age school age group is accomplished by busing to a remote location that is not within 1.5 miles of the development site and therefore outside the requirements of the rules.

The Gregory Portland ISD in conjunction with The City of Portland jointly sponsor a licensed and qualified school age program for after school care at four school sites in the Gregory Portland ISD. Our proposed development near Gregory is located within the jurisdiction of Gregory Portland ISD jurisdiction.

Students attending S. F. Austin Elementary in Gregory are bused daily after school from S.F. Austin Elementary to another elementary school in the GPISD. S. F. Austin Elementary is located less than one mile from our proposed development in Gregory.

In a conversation on April 10, 2015 Fred Rocha, Program Director for Portland Kidz Klub stated there are currently about 14-16 school age children from S.F. Austin Elementary in Gregory utilizing this after-school program. Mr. Rocha stated that interest has been much greater that participation from Gregory residents and he has offered to support creation of a licensed after school program at S.F. Austin Elementary or another site to better serve the families residing in Gregory.

The Glades of Gregory-Portland will be able to partner with Kidz Klub Program to offer after school care services on site at our proposed development site to benefit the families residing there. See Attachment C.

For these reasons, we believe that application 15121 is entitled to the full seven points for area amenities, and respectfully request the restoration of points for these amenities.

Sincerely,



Tim Torno
Manager
The Glades of Gregory Portland GP, LP

sandi@swilliamshcdc.com

From: Ben Sheppard <ben.sheppard@tdhca.state.tx.us>
Sent: Tuesday, April 7, 2015 3:29 PM
To: Valery
Cc: sandi@swilliamshcdc.com
Subject: RE: 15121 Application - 9% HTC/HOME Application Deficiency Notice

Opportunity Index points for a full service grocery store as well as daycare for school age children within 1.5 miles are not indicated by the facts. The store has been discussed. The daycare for the age school age group is accomplished by busing to a remote location that is not within 1.5 miles of the development site and therefore outside the requirements of the rules.

Thanks,

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

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

From: Valery [mailto:valery@swilliamshcdc.com]
Sent: Tuesday, April 07, 2015 1:25 PM
To: Ben Sheppard
Cc: sandi@swilliamshcdc.com
Subject: Re: 15121 Application - 9% HTC/HOME Application Deficiency Notice

Ben,

Attached are the final responses.

6. La Tienda was proposed by the other Gregory application and also found unacceptable in that case.

We continue to disagree that La Tienda is not a full service grocery. Attached is the Site Info Part II page that confirms our request for 7 Points under the High Opportunity Index Section 11.9(c)(4) B

13. No response

There was an error in Rounding and we request that the 12 points remain.

17. Please confirm that Sandra Williams is the only member of the corporation's board or revise the ownership and developer charts to show all board members and shareholders with more than 10% ownership and include a previous participation form for each that we do not already have.

Thank you for catching this. I went back and revised the org chart. There are no additional board members but I needed to show myself as the majority board position holder as is shown in the company. I believe you have the previous participation forms already for both Sandi Williams and Valery Kedroff. See attached revised org chart.

§11.9(c)(4) Opportunity Index (cont'd)

What qualifies as a full service grocery store?

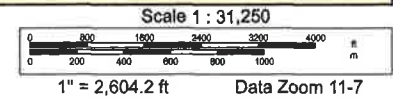
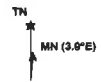
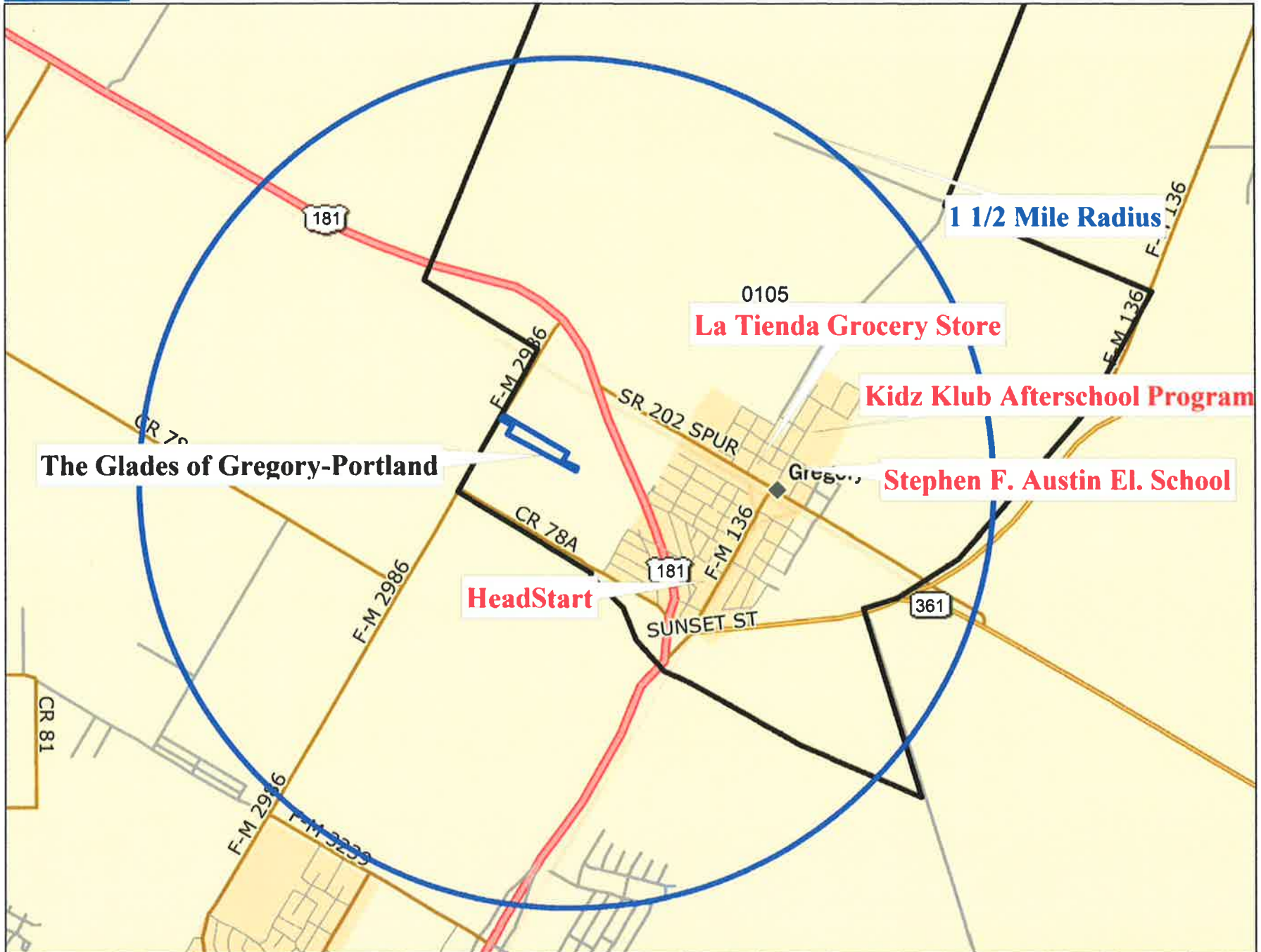
A store in which a typical household may buy the preponderance of its typical food and household item needs, including a variety of options for fresh meats, produce, dairy, baked goods, frozen foods, and some household cleaning and paper goods. A typical convenience store would not qualify.

What qualifies as a health related facility?

The facility should have licensed health professionals providing direct care medical services. Hospital, urgent care facility, dental clinic, general practitioner office are acceptable.

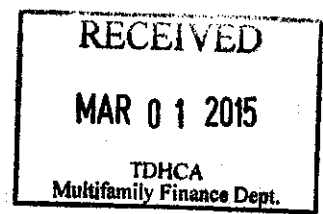
What qualifies as a senior center?

A facility where the primary purpose is to provide services to seniors on a regular basis, at least 3 times per week. The facility should have regular staff, whether paid or volunteer, and should not be a general activity center with some events and/or services for seniors.





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teresa@betcoconsulting.com

May 1, 2015

Ms. Jean Marie Latsha, Multifamily Director
Texas Department of Housing and Community Affairs
221 E. 11th Street
Austin, Texas 78701

Re: Challenge to The Glades of Gregory-Portland in Gregory, TX – LIHTC Application #15121 - Opportunity Index Points for Licensed Care Centers, Full Service Grocery Store and Development Cost Per Square Foot

Ms. Latsha,

In accordance with Section 11.10 of the 2015 Qualified Allocation Plan (“QAP”), this is a formal filing of a challenge to the above-referenced Housing Tax Credit application regarding points claimed for opportunity index items and development costs per square foot. A check payable to the Department in the amount of \$500.00 is included with the submission.

On behalf of the development team for application #15268, we would like to challenge The Glades of Gregory Application (#15121) for scoring items and points that were claimed but do not qualify, based on the criteria outlined in the 2015 QAP and the 2015 Competitive HTC Application Cycle FAQ. More specifically we challenge the two following items:

- (1) Opportunity Index - 7 pts
- (2) Cost of Development per Square Foot – 12 pts

(1) OPPORTUNITY INDEX POINTS

Per Section 11.9 (c)(4)(B) (i-vi) of the QAP, the Opportunity Index points, four amenities were provided that were stated to be within 1.5 miles of the Glades of Gregory proposed development site:

- Steven F. Austin Elementary School (3 pts)
- La Tienda Grocery Store (2 pts)
- Kidz Club After School Program (2pts)
- Head Start Program (2pts)

If you look closely at these amenities, you will see that three of them do not qualify based on the rules of the 2015 QAP.

- **La Tienda Grocery** (2 points claimed) – The store is actually named “La Tiendita”, and it is a convenience store by any measure. It is laid out like a standard mini-mart with a few rows selling snacks (chips, beef jerky, candy and nuts) and soft drinks and beer along the walls. It has a heated case selling chicken wings, corn dogs and burritos, and one row of pre-packaged household items like paper towels, bread, tortillas and some canned goods. It also has a trough of iced beer by the counter and a glass case selling water pipes. More importantly, the following is what “La Tiendita” does NOT sell:
 - It does not have a counter selling fresh meat;
 - It does not have a produce section;
 - It does not have a baked goods section (beyond having some pre-packaged breads on the shelf).

In short, La Tiendita is a typical convenience store, and the per the 2015 FAQ, “A typical convenience store would not qualify.” See photographs of La Tiendita in Exhibit A.

(Actual points earned – 0)

- **The Kidz Club After School Program (2 Points Claimed)** - This program is not located within 1.5 miles of The Glades of Gregory site. In fact, the Asset Map that was provided by the applicant does not indicate the correct location of the Kidz Club After School Program. The program is actually located in the town of Portland, which is over 2.17 miles from proposed Glades of Gregory Site. If you look at the address provided for the program on the web site, it is clearly located in Portland rather than Gregory: <http://www.portlandtx.com/index.aspx?NID=144>. If you read the description of the program on the web site it says: "Austin Elementary students (in Gregory) will be bussed to Andrews Elementary (in Portland) for the program. Although the center does support Gregory school children, it is not located within the 1.5-mile threshold, and thus does not qualify for points under requirements of the QAP. Please see Exhibit B for a map of the distance from The Glades of Gregory-Portland development site to the Kidz Club program at Andrews Elementary in Portland,."

(Actual Points Earned - 0)

- **Head Start Program (2 Points Claimed)** – While the Head Start program does provide child-care for toddlers and pre-kindergarten children, it does NOT provide care for infants, which is a specific requirement for this scoring item in the QAP. Thus, we believe that the award of two points is not warranted for this item. Please see Exhibit C for information on the State Licensing for the Head Start program in Gregory as well as confirmation from the Community Action Corporation of South Texas website outlining the Gregory Head Start program.

To provide some precedent for comparison, in our 2014 application for Live Oak Villas in George West (TDHCA Application/Award #14306), we submitted a Head Start school as a school age program, but had it partially disallowed because it didn't provide care for all school ages. The Department ruled that the Head Start school warranted only one point out of a possible two points. To determine whether the Department's intent around these scoring items has changed from 2014 to 2015, we compared the 2014 QAP with the 2015 QAP, and except for the distance requirement, the wording of the rules has not changed in any way. Thus, we believe that the Department's ruling on this item in 2015 should be consistent with its earlier ruling on the similar item in 2014. Please see Exhibit C for the Live Oak Villas Scoring Notice (#14306).

(Actual Points Earned - 1).

In summary, we believe the following represents the actual points earned under Section 11.9 (c')(4)(B) (i-vi) of the QAP for Opportunity Index point items:

- Steven F. Austin Elementary School (3 pts)
- La Tiendita convenience store (0 pts)
- Kidz Club After School Program (0pts)
- Head Start Program (1 pt)

Total Points Earned: 4

(2) COST OF DEVELOPMENT PER SQUARE FOOT POINTS

Per Section 11.9 (e)(2)(B) and Section 11.9 (e)(2)(C) of the QAP, the Cost of Development per Square Foot, the applicant is claiming a total of 12 points. However, to qualify for these points either (1) the Building Cost per square foot must be less than \$70/SF, or (2) the Hard Cost per square foot must be less than \$100/SF. If you look at the Glades of Gregory full application submitted to the Department, both of these thresholds have been exceeded. The stated Building Cost per Square Foot is \$70.17, while the Hard Cost per Square Foot is \$110.11. Based on the numbers provided in the full application, the applicant's score under the Building Cost per Square Foot and Hard Cost per Square Foot category should be 11 points, rather than 12 points. Please see Exhibit D for the calculations derived from Tab 23 and Tab 30 of #15121's Full Application.

Total Points Earned – 11

We respectfully request The Glades of Gregory-Portland Application #15121 **not** be awarded the 7 Opportunity Index points, and the 12 points for development costs per square foot claimed in the application, but rather be awarded the 4 Opportunity Index Points and 11 development cost per square foot points, as outlined above.

We appreciate your consideration and the opportunity to provide the information contained herein. We trust the Department will consider this information as informative and appropriate in its review process. If you have any questions regarding this matter, please feel free to contact me directly at 512-538-5475, or via email at teresa@betcoconsulting.com.

Sincerely,

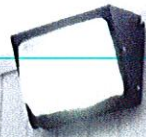
Teresa A. Shell

Teresa A. Shell
BETCO Consulting, LLC

Cc: Kyndel Bennett, Cayetano Housing, LLC
Matthew Long, Cayetano Housing, LLC
Lora Myrick, BETCO Consulting, LLC
Cynthia Bast, Locke Lord, LLP

Exhibit A

La Tiendita



OPEN



PULL

CITIZEN'S BOOKS
WILSON, PA
800-800-8000



adita



BURGERS

CHICKEN STRIPS
CHICKEN WINGS
CORN DOGS
BURRITOS
SAUSAGE ON STICK
BREAKFAST



We Serve
BARBACOA

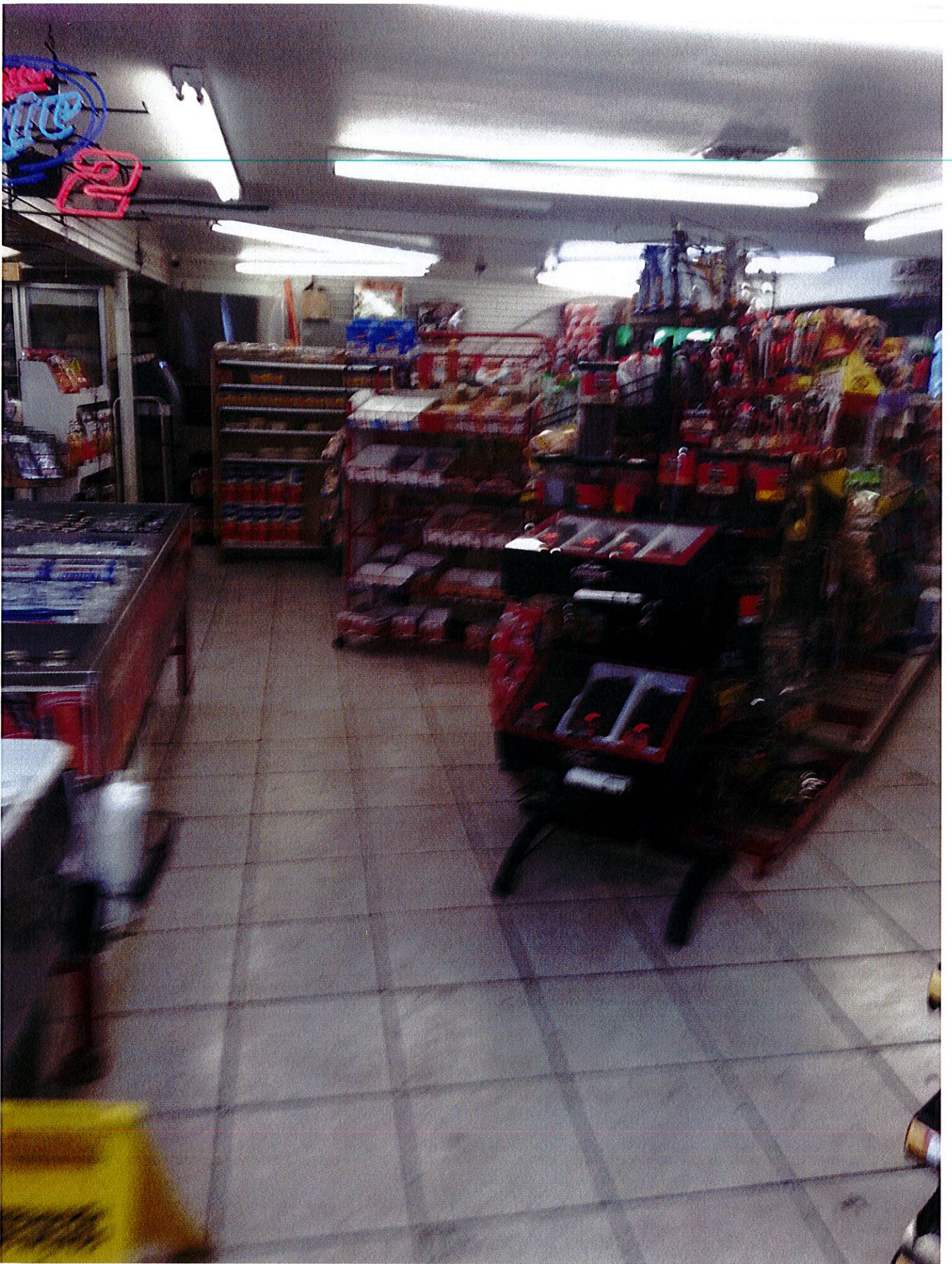
Sunday

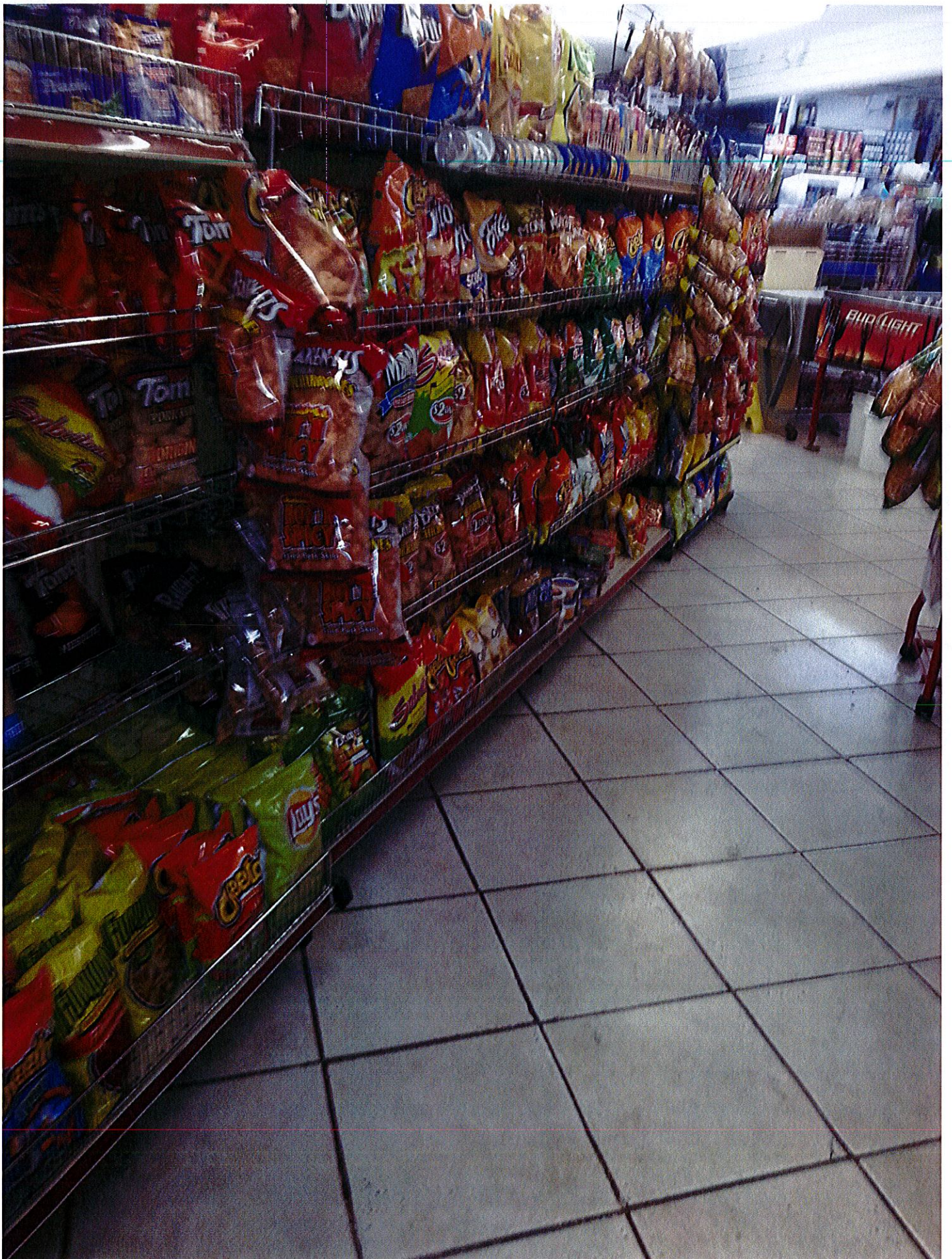
Monster 16oz

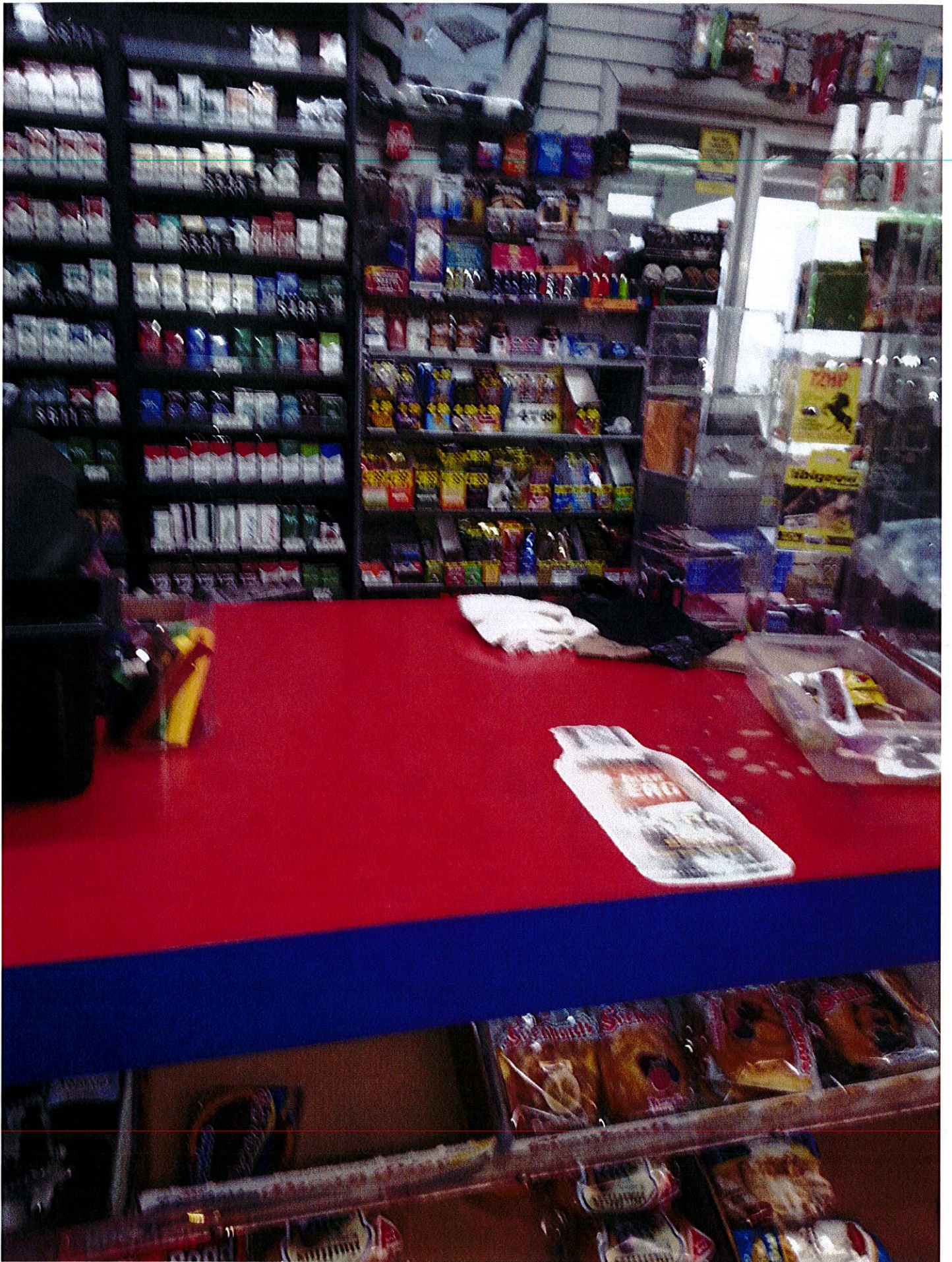
3/\$5.00











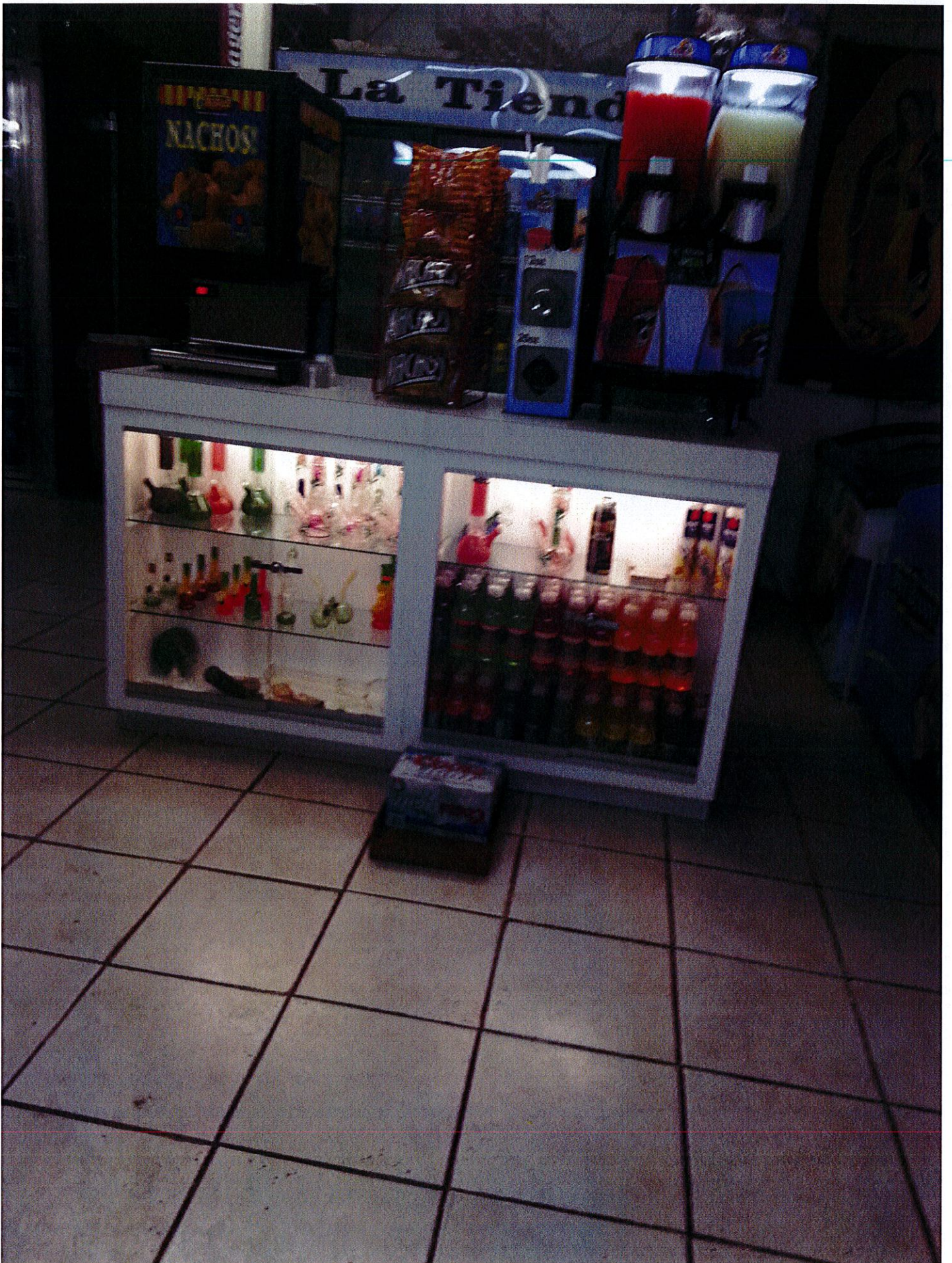


Exhibit B

2014 Recreation Guide
Download

Aquatic Center

Athletics

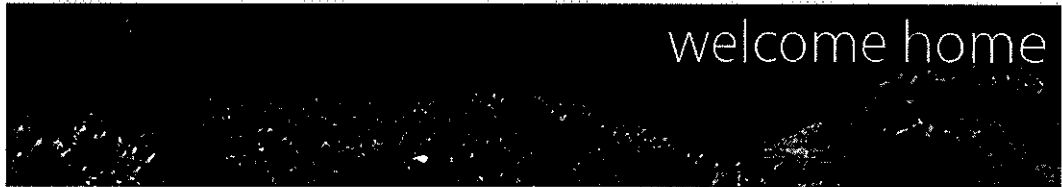
Community Center

Parks

Senior Services

Skate Park

Youth Services



You are here: Home > Departments > Parks & Recreation > **Youth Services**

Youth Services

Kidz Klub

The Kidz Klub After-School Program, offered by the Portland Parks and Recreation Department and [Gregory-Portland Independent School District](#), is the answer for working parents concerned about their children being home alone.

Kidz Klub is a recreation program offered at four school sites located within the City of Portland. Children in kindergarten through 6th grade are eligible for enrollment. Activities include quality recreational games, which enhance a child's leisure skills in a safe and familiar surrounding. Fees include an afternoon snack.

Program Time & Instructors

Extended Kidz Klub hours will be available on early dismissal days. The program will run from the end of school through 6:00 pm. All Kidz Klub staff are certified in CPR and first aid and safety. The instructors also have early childcare training. This program is licensed by the [Texas Department of Family and Protective Services](#).

When

- 2014-2015 Gregory-Portland ISD calendar year (excluding holidays)

Cost

- Monthly tuition: \$95
- Registration fee: \$60

Where

- | | |
|---------------------------------------------------------------------------|---------------------------------------------------------------------|
| • East Cliff
200 Fulton
Portland, TX 78374 | • T.M. Clark Elementary
2250 Memorial Pkwy
Portland, TX 78374 |
| • Gregory-Portland Intermediate
4100 Wildcat Dr.
Portland, TX 78374 | • W.C. Andrews
1100 Lang Rd.
Portland, TX 78374 |

[Austin Elementary students will be bussed to Andrews Elementary for the program](#)

Register

Enrollment is limited! Register at the [Portland Community Center](#). The registration fee must be paid in full at the time of registration. A prorated amount of \$30 for August must be paid by the first day of school.

Summer Kidz Kamp

The City of Portland Parks and Recreation Department is proud to offer our Summer Kidz Kamp program, co-sponsored by Gregory-Portland ISD. The program is offered to children who will be entering Kindergarten through 6th grade for the 2015-2016 school year. Activities include games, sports, swimming, science and nature activities, field trips, special events, arts and crafts, healthy eating, and a summer jogging club. The children are grouped by ages and class size is limited. All instructors are certified in CPR/First Aid. This program is licensed by the Texas Department of Family and Protective Services. Children must provide their own lunch; a morning and afternoon snack is provided. The City of Portland provides two different payment options for your convenience:

Complete ten week Kidz Kamp: (Includes \$60.00 registration fee)
6/8/15-8/14/15 Mon-Fri 7:00 AM-6:00 PM \$860.00

Payment plans are available as follows: A registration fee of \$60.00 is due at the time of

faq's

Why do I have to pay an additional registration fee in the same school year?

Where is registration held?

Why do I have to pay the same amount of monthly tuition on a short month such as December?

[view all](#)

Payment plans are set up as follows. A registration fee of \$60.00 is due at the time of enrollment. Thereafter a weekly tuition fee of \$80.00 is due Friday prior to the week attending. There will be a late fee of \$15.00 assessed if payment is not received by Tuesday of the week attending. All delinquent fees must be paid before any child may return to the program.

Weekly Drop In Kidz Kamp: (\$60.00 registration fee required)

6/08/15-6/12/15	Mon-Fri	7:00 AM-6:00 PM	\$95.00
6/15/15-6/19/15	Mon-Fri	7:00 AM-6:00 PM	\$95.00
6/22/15-6/26/15	Mon-Fri	7:00 AM-6:00 PM	\$95.00
6/29/15-7/03/15	Mon-Fri	7:00 AM-6:00 PM	\$95.00
7/06/15-7/10/15	Mon-Fri	7:00 AM-6:00 PM	\$95.00
7/13/15-7/17/15	Mon-Fri	7:00 AM-6:00 PM	\$95.00
7/20/15-7/24/15	Mon-Fri	7:00 AM-6:00 PM	\$95.00
7/27/15-7/31/15	Mon-Fri	7:00 AM-6:00 PM	\$95.00
8/03/15-8/07/15	Mon-Fri	7:00 AM-6:00 PM	\$95.00
8/10/15-8/14/15	Mon-Fri	7:00 AM-6:00 PM	\$95.00

Registration begins April 27, 2015 at the Portland Community Center.

Kidz Dayz

Kidz Dayz is an all-day recreation program offered during school holidays and teacher in-service days (note: this program is not provided on city holidays). Children in Kindergarten through 6th grade are invited to join the fun at T.M. Clark Elementary. Activities will include arts and crafts, organized recreational play, games, prizes and lots of other fun. A morning and afternoon snack will be provided. Children must provide their own lunch. Contact the Portland Community Center for dates. Register two weeks in advance and pay a discounted fee of \$15.00.

TEEN ACTIVITIES

3 on 3 Basketball Tournament

Think you have skills? Prove it! Come out to the Portland Community Center and put those skills to the test. The City of Portland Parks and Recreation Department will be hosting a 3 on 3 basketball tournament for teens between the ages of 12-17. Divisions will consist of the following age groups in both girls and boys categories: 12&13; 14&15; 16&17. Prizes will be awarded to first and second place finishers.

When: TBD

Cost: \$30.00 per team (no more than 4 players per team)

Teen Dances

Kick off your Summer Break with friends and great tunes! The Portland Parks and Recreation Department will host a series of dances for teens at the Portland Community Center. A professional DJ will be playing top forty hits of today as well as some classics from years past. A concession stand will be available to purchase drinks and snacks. Door prizes will be awarded. A variety of contests will be held as well. Tell ALL your friends and come out and DANCE!

When: Thursday, June 4, 2015
Thursday, June 25, 2015
Thursday, July 2, 2015
Thursday, July 30, 2015

Time: 7:00 - 10:00 PM

Cost: \$5.00

Ages: Grades 6 - 8

Youth Sports Camps

Football Camp

The City of Portland will be conducting a four day football camp for children. Instructors for this camp have extensive football experience. Your child will learn the fundamentals of football in an environment that will allow him to learn and retain more information. Participants will learn everything from warm up exercises to how to correctly throw and catch a football. They will also learn drills that will help them as they get older and continue playing football throughout grade school and high school.

When: TBD

Where: Chatwork Park

Cost: \$50.00 per participant

Ages: 8 - 16

Cheerleading Camp

The City of Portland will be conducting a four day cheerleading camp for children. UCA (Universe Cheerleaders Association) instructors for this camp have extensive cheerleading experience. Your child will learn the ins and outs of cheering and dance routines. They will also learn how to stretch correctly as well as drills that will help them as they get older and continue cheerleading from grade school through high school.

When: TBD

Where: Portland Community Center

Cost: \$50.00

Ages: 6 - 16

Basketball Camp

The City of Portland will be conducting a four day basketball camp for children.

instructors for this camp have extensive basketball experience. Your child will learn the fundamentals of basketball in an environment that will allow him/her to learn and retain more information. Participants will learn everything from warm up exercises, dribbling, shooting, and rules of the game. They will also learn drills that will help them as they grow older and continue playing basketball in grade school and high school.

When: TBD
Where: Portland Community Center
Cost: \$50.00
Ages: 8 - 16

Volleyball Camp

The City of Portland will be conducting a four day volleyball camp for children. Instructors for this camp have extensive volleyball experience. Your child will learn the fundamentals in an environment that will allow them to learn and retain more information. Participants will learn everything from warm up exercises, how to hit, dig and set. Your child will also learn the basic rules of the game.

When: TBD
Where: Portland Community Center
Cost: \$50.00
Ages: 8 - 16

Soccer Camp

The City of Portland will be conducting a four day soccer camp for children. Instructors for this camp have extensive soccer experience. Your child will learn the fundamentals in an environment that will allow them to learn and retain more information. Participants will learn everything from warm up exercises, how to dribble, kick and head a soccer ball. Your child will also learn the basic rules of the game.

When: TBD
Where: City of Portland Soccer Complex
Cost: \$50.00
Ages: 6 - 16

Itty Bitty Sports

Looking for something for your itty bitty to do this summer? How about some hands on fun? We will offer preschoolers a variety of sports camps, these will be four day camps specifically designed for preschoolers. Itty bitty's will get to play and learn! These camps will provide hands on experience in a class made just for them. Now big brother and sister aren't the only ones who have a sports camp to attend this summer. Stay tuned for more camp details.

When: TBD
Where: Portland Community Center
Cost: \$50.00
Ages: 2 - 5

Exhibit C

Child Care Search Result Details

DFPS Home / Child Care / Search Texas Child Care / This Page

Operation Details

You may click on the question mark image (?) to view the Frequently Asked Questions (FAQ) page.

Operation Number:	855955-9871
Operation Type:	Licensed Center
Program Provided:	Child Care Program
Operation/Caregiver Name:	Gregory Headstart Center
Location Address:	107 CHURCH ST GREGORY, TX 78359
Mailing Address:	PO BOX 108 GREGORY, TX 78359
Phone Number:	361-643-9174
County:	SAN PATRICIO
Website Address:	
Email Address:	elena.vidal@cacost.org
Administrator/Director Name:	Maria Wender
Type of Issuance: ?	Full Permit
Issuance Date:	1/26/2006
Conditions on Permit: ?	No
Accepts Child-Care Subsidies: ?	
Hours of Operation:	07:30 AM-03:00 PM
Days of Operation:	Monday - Friday
Total Capacity:	17
Licensed to Serve Ages:	Pre-Kindergarten, School
Corrective Action: ?	No
Adverse Action: ?	No
Temporarily Closed:	No

Two Year Inspection Summary

- Inspectors routinely monitor compliance with Licensing standards, rules and law. At a minimum, licensed and certified operations are inspected at least once a year; Registered Child Care Homes ? are inspected at least once every two

years, Listed Family Homes ? are inspected only if there is a report of abuse/neglect or if we receive a report that the home is caring for too many children.

- When operations have serious deficiencies or a significant number of deficiencies, repeat deficiencies, or fail to make corrections timely, they are inspected more frequently by licensing staff, to ensure the health and safety of children in care.

- **In the last two years, Licensing conducted the following:**

- 2 - Inspections ?

- 0 - Assessments ?

- 0 - Self Reported Incidents ?

- 0 - Reports ?

Click on the inspection type to see additional details related to each inspection.

- There are many standards that an operation must comply with; the total number varies for each type of operation. An operation or home is generally given an opportunity to correct deficiencies and has the right to request a review of a deficiency. Deficiencies pending review are not included in the two year history.

Two Year Compliance Summary

- During the last two years, 1109 standards were evaluated for compliance at this operation.

- Of the standards evaluated 2 deficiencies were cited. ?

Click on the number of deficiencies to see additional details.

- Each standard is assigned a weight. The weight ensures all inspectors consider standard violations in the same way, and represents the potential impact a deficiency might have on children. Review the inspection reports to learn more about each citation. It's important to remember; weights are not assigned to an individual operation, inspection, or circumstance and are not intended to result in a ranking of operations or score.

- **The weights of the standard deficiencies cited in the past two years are as follows:**

- 0 were weighted as High

- 1 was weighted as Medium - High

- 1 was weighted as Medium

- 0 were weighted as Medium - Low

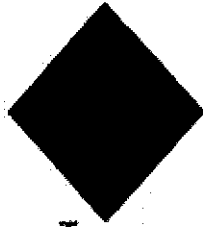
- 0 were weighted as Low

Click on the weight to see additional details about each deficiency.

Disclaimer: The online compliance history includes only information after January 1, 2002. In addition, the online compliance history does not include minimum standard violations or corrective or adverse actions until after the child-care operation has had due process or waived its rights. For compliance history prior to January 1, 2002 or history with pending due process, please contact your local licensing office. Child-Care Licensing disclaims liability for any errors or omissions from the compliance history information.

Website and Email addresses are based on information given to DFPS by the Operation/Caregiver. If you experience problems with these addresses please contact the Operation/Caregiver.

COMMUNITY ACTION



CORPORATION OF SOUTH TEXAS

Translation

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San Patricio County Programs

[Amy Young Barrier Removal Program](#)

[Comprehensive Energy Assistance Program](#)

[3-5 year olds Head Start Program Centers](#)

- New Horizons HS CDC, 121 S. Seventh St., Mathis, TX 78368, 361-547-2468
- Odem Head Start 1 & 2, 408 Willis St./418 Willis St., Odem, TX 78370, 361-368-3803/3780
- New Discoveries HS CDC, 624 Avenue B., Sinton, TX 78387, 361-364-5975
- Sinton Head Start 1 & 2, 520 Hall/516 Hall, Sinton, TX 78387, 361-364-5829/5550
- Taft Head Start CDC, 414 Bravo St., Taft, TX 78390, 361-528-2803
- [Gregory Head Start CDC, 107 Church St., Gregory, TX 78359, 361-643-9174](#)
- Portland Head Start CDC, 518 Elm St., Portland, TX 78374, 361-643-9195
- Ingleside Head Start CDC, 2567 Second St., Ingleside, TX 78362, 361-776-7680
- Aransas Pass HS CDC, 619 N. Commercial, Aransas Pass, TX 78336, 361-758-6127

[0-3 Year olds Early Head Start Program Centers](#)

- Taft EHS- Rm.5&6, 414 Bravo St., Taft, TX 78390, 361-528-2805
- Sinton Early HS CDC, 616 Hall St., Sinton, TX 78387, 361-364-3807
- Aransas Pass EHS CDC, 254 N. 13th, Aransas Pass, TX 78336, 361-758-6325

Homeowner Rehabilitation Assistance Program

Weatherization Program



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15125

McKinney Manor

BOARD ACTION REQUEST
MULTIFAMILY FINANCE DIVISION
JUNE 16, 2015

Presentation, Discussion, and Possible Action on Timely Filed Appeals under any of the Department's Program Rules

RECOMMENDED ACTION

WHEREAS, a 2015 Competitive Housing Tax Credit Pre-Application for McKinney Manor was submitted to the Department by the Pre-Application Final Delivery Date, which appeared to contain evidence of site control, as required by 10 TAC §11.8(b)(1)(A);

WHEREAS, upon review staff identified that the Site Control documentation file, required under 10 TAC §11.8(b)(1)(A), was a single page Word document which stated "this page left intentionally blank," making the Pre-Application ineligible;

WHEREAS, the Pre-Application was terminated on January 26, 2015;

WHEREAS, a Competitive Housing Tax Credit Application for McKinney Manor was submitted to the Department by the Full Application Delivery Date;

WHEREAS, a 2015 Competitive Housing Tax Credit scoring notice was provided to the Applicant on May 27, 2015;

WHEREAS, staff identified points that the Applicant elected but that that Application did not qualify to receive under 10 TAC §11.9(e)(3) related to Pre-application Participation;

WHEREAS, the Applicant timely filed an appeal of that determination; and

WHEREAS, the Executive Director denied the appeal;

NOW, therefore, it is hereby

RESOLVED, the Applicant's appeal of the scoring notice for McKinney Manor (#15126) is hereby denied.

BACKGROUND

Pursuant to §11.8(b)(1)(A) of the Qualified Allocation Plan (“QAP”), documentation evidencing Site Control must be submitted as part of the Pre-Application Threshold Criteria. The Pre-Application for McKinney Manor Apartments was submitted to the Department by the Pre-Application Final Delivery Date, January 8, 2015, and included an electronic file in the field for site control documentation. However, upon review, staff found that this file was a single page Word document which stated “this page left intentionally blank.” The Pre-Application was terminated on January 26, 2015, for failing to meet threshold criteria. The Applicant subsequently submitted a Full Application and claimed points under §11.9(e)(3) of the QAP related to Pre-application Participation. Staff issued a scoring notice on May 27, 2015, denying these six points.

The appeal indicates that the site control was not timely submitted because the Applicant’s development coordinators interpreted the statement in the Pre-Application, indicating that evidence of consideration must be provided with the full Application, to mean that site control documentation was not required with the Pre-Application. In the online Pre-Application, certain fields were marked with an asterisk, indicating required information. The 2015 Multifamily Application Procedures Manual states “the form will not allow the Applicant to move to the next page without completing such fields.” The site control attachment field was marked with an asterisk, and was therefore a required field. In addition, the statement to which the appeal refers begins with the phrase, “by attaching the Site Control Documentation,” indicating that such documentation was required to be attached.

The appeal also claims that proof of consideration was not required with the Pre-Application submission in prior years. This is not the case. In previous years, Applicants were required to provide proof of consideration (i.e. the escrow payment outlined in the purchase/lease contract) at the time of Pre-Application submission (see §11.8(b)(1)(A) of the 2014 Qualified Allocation Plan). In addition, while the Applicant may have understood the phrases “site control” and “evidence of consideration” to be synonymous, the Department has never indicated such. In order to be eligible for Pre-application Participation points, the Pre-application must have “met all applicable requirements” of Pre-Application. Because the Pre-Application submitted for McKinney Manor was terminated for a failure of threshold criteria, it cannot meet all of the applicable requirements and is thereby ineligible for points under this scoring item.

Staff recommends that the appeal be denied.

HVM 2015 Brazoria, Ltd.
P. O. Box 190
Burnet, Texas 78611
(512) 756-6809 Fax (512) 756-9885
dennishoover@hamiltonvalley.com

May 28, 2015

Texas Department of Housing and Community Affairs
221 E. 11th Street
Austin, Texas 78701

Re: #15126 Brazoria Manor Apartments and #15125 McKinney Manor
Synopsis of Pre-App Points Withdrawal for the July 16th Board Meeting
Review

Greetings Ladies and Gentlemen,

Please read and consider the following synopsis. We appreciate your time, and hope that you will take into consideration our request of the return of points for the above referenced application.

On January 26, 2015 the applicant received notification from TDHCA that the Pre-Application's for numbers **15126-Brazoria Manor Apts., #15127-Angleton, and #15125-McKinney Manor** were being terminated. Staff cited 11.8(b)(1)(A) of the 2015 QAP which states documentation evidencing Site Control must be submitted as part of the Pre-Application Threshold Criteria. The staff notification also stated that the Pre-Application for Brazoria Manor Apts. (15126) (along with the other Pre-Applications referenced above), **was** submitted by the Final Delivery due date of January 8, 2015, and included a file in the required field for site control documentation. Upon their review, staff found that the applicant had submitted a Word document which stated "this page left intentionally blank". This was the reason, for their decision to terminate all three pre-applications.

We did not include the site control because we determined, after reading the following instructions, that the inclusion of the site control was optional. The instructions for the Pre-Application read as follows:

"By attaching the Site Control Documentation, Applicant affirms that the site control conforms to all applicable requirements including 10.204(10) of the Uniform Multifamily Rules. While not required to be submitted with the pre-

application, Applicant must provide evidence of consideration with the full application that proves site control was valid on the Pre-Application Final Deliver Date. If the Applicant is unable to provide such evidence with the full application, pre-application points will not be awarded. Three of our staff members, all experienced in the program with 25 years combined experience and having submitted numerous applications over those years, read and discussed this section and decided that it did not require site control to be submitted.

Another reason for the misinterpretation of the rule is the **new** language added into the 2015 QAP 11.8(b)(1)(A) that staff references in the termination letter dated 1-26-15. The reference reads exactly the same as 2014's version with the exception of the final added line that states, ***"For purposes of meeting this specific requirement related to pre-application threshold criteria, proof of consideration and any documentation required for identity of interest transactions is not required at the time of pre-application submission but will be required at the time of full application submission"***. For these particular applications there is existing Identity of Interest with seller, a limited partnership. Our development staff understood that all documentation could be submitted upon submittal of full application as it is stated. Also, the term, "proof of consideration" is new to the instructions, there was no indication that the term was actually referring to payment of option or earnest money and the term was not capitalized to indicate it had another meaning.

The applicant evidently misunderstood, after a conversation with staff, that Site Control was not required at Pre-Application. The applicant was told that "something", even a sheet of paper saying "this page left intentionally blank", had to be used as the attachment so as to enable submission using the **new** electronic system. This is what we did, although, in 20/20 hindsight, we understand that staff was not saying that it was OK to leave out the site control.

After considerable conversation and consideration it was determined, because of the instructions above and the conversations with staff, the actual site control document was not required to be attached at pre-application. The Department has never requested "evidence of consideration" in previous application rounds and the language requiring it was easily misunderstood. All four members of our Development staff attended Tax Credit Application Training in Austin in the fall of 2014. This particular change was not expanded on in that particular training

session. We have heard that it was discussed in much more detail in other training sessions across the state.

In addition, all four of these applications are acquisition/rehabilitation-USDA properties; the General Partner of the seller is a non-related party. During the process of preparing the Pre-Application the seller was in a horrible accident and was hospitalized. She was finally able to FedEx the site control documents so that they arrived to our office on the actual due date for the pre-applications. We could have terminated our other Pre-applications and sent new ones with the site control then, but did not since, after reading the instructions, as mentioned above, we had determined it was not required. We believed that what we had submitted was sufficient to meet criteria.

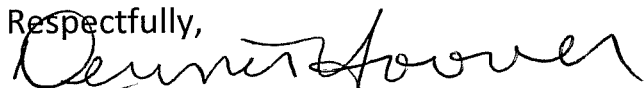
The pre-applications had been submitted a day early because we had been advised to do that in case the system were to get overloaded with everyone trying to submit at one time on the new system.

As a final comment; the Department notified the applicant of the missing site control and explained more clearly the expectation of the new threshold criteria. Upon this notification the applicant immediately submitted the Site Control documents.

The applicant acted within the perceived provision of the rules and would like to respectfully request the Board to approve the return of the 6 points for Pre-Application #15126 HVM 2015 Brazoria, Ltd. We would also like to ask for pre-approval for the two other applications affected by this same situation referenced in the first paragraph.

Please do not hesitate to contact me with questions regarding this or any other matter.

Respectfully,



Dennis Hoover

Member of HVM Housing, LLC-General Partner,

President of Hamilton Valley Management

dennishoover@hamiltonvalley.com

15126

Brazoria Manor Apartments

BOARD ACTION REQUEST
MULTIFAMILY FINANCE DIVISION
JUNE 16, 2015

Presentation, Discussion, and Possible Action on Timely Filed Appeals under any of the Department's Program Rules

RECOMMENDED ACTION

WHEREAS, a 2015 Competitive Housing Tax Credit Pre-Application for Brazoria manor Apartments was submitted to the Department by the Pre-Application Final Delivery Date, which appeared to contain evidence of site control, as required by 10 TAC §11.8(b)(1)(A);

WHEREAS, upon review staff identified that the Site Control documentation file, required under 10 TAC §11.8(b)(1)(A), was a single page Word document which stated "this page left intentionally blank," making the Pre-Application ineligible;

WHEREAS, the Pre-Application was terminated on January 26, 2015;

WHEREAS, a Competitive Housing Tax Credit Application for Brazoria Manor was submitted to the Department by the Full Application Delivery Date;

WHEREAS, a 2015 Competitive Housing Tax Credit scoring notice was provided to the Applicant on May 27, 2015;

WHEREAS, staff identified points that the Applicant elected but that that Application did not qualify to receive under 10 TAC §11.9(e)(3) related to Pre-application Participation;

WHEREAS, the Applicant timely filed an appeal of that determination; and

WHEREAS, the Executive Director denied the appeal;

NOW, therefore, it is hereby

RESOLVED, the Applicant's appeal of the scoring notice for Brazoria Manor Apartments (#15126) is hereby denied.

BACKGROUND

Pursuant to §11.8(b)(1)(A) of the Qualified Allocation Plan (“QAP”), documentation evidencing Site Control must be submitted as part of the Pre-Application Threshold Criteria. The Pre-Application for Brazoria Manor Apartments was submitted to the Department by the Pre-Application Final Delivery Date, January 8, 2015, and included an electronic file in the field for site control documentation. However, upon review, staff found that this file was a single page Word document which stated “this page left intentionally blank.” The Pre-Application was terminated on January 26, 2015, for failing to meet threshold criteria. The Applicant subsequently submitted a Full Application and claimed points under §11.9(e)(3) of the QAP related to Pre-application Participation. Staff issued a scoring notice on May 27, 2015, denying these six points.

The appeal indicates that the site control was not timely submitted because the Applicant’s development coordinators interpreted the statement in the Pre-Application, indicating that evidence of consideration must be provided with the full Application, to mean that site control documentation was not required with the Pre-Application. In the online Pre-Application, certain fields were marked with an asterisk, indicating required information. The 2015 Multifamily Application Procedures Manual states “the form will not allow the Applicant to move to the next page without completing such fields.” The site control attachment field was marked with an asterisk, and was therefore a required field. In addition, the statement to which the appeal refers begins with the phrase, “by attaching the Site Control Documentation,” indicating that such documentation was required to be attached.

The appeal also claims that proof of consideration was not required with the Pre-Application submission in prior years. This is not the case. In previous years, Applicants were required to provide proof of consideration (i.e. the escrow payment outlined in the purchase/lease contract) at the time of Pre-Application submission (see §11.8(b)(1)(A) of the 2014 Qualified Allocation Plan). In addition, while the Applicant may have understood the phrases “site control” and “evidence of consideration” to be synonymous, the Department has never indicated such. In order to be eligible for Pre-application Participation points, the Pre-application must have “met all applicable requirements” of Pre-Application. Because the Pre-Application submitted for Brazoria Manor was terminated for a failure of threshold criteria, it cannot meet all of the applicable requirements and is thereby ineligible for points under this scoring item.

Staff recommends that the appeal be denied.

HVM 2015 Brazoria, Ltd.
P. O. Box 190
Burnet, Texas 78611
(512) 756-6809 Fax (512) 756-9885
dennishoover@hamiltonvalley.com

May 28, 2015

Texas Department of Housing and Community Affairs
221 E. 11th Street
Austin, Texas 78701

Re: #15126 Brazoria Manor Apartments and #15125 McKinney Manor
Synopsis of Pre-App Points Withdrawal for the July 16th Board Meeting
Review

Greetings Ladies and Gentlemen,

Please read and consider the following synopsis. We appreciate your time, and hope that you will take into consideration our request of the return of points for the above referenced application.

On January 26, 2015 the applicant received notification from TDHCA that the Pre-Application's for numbers **15126-Brazoria Manor Apts., #15127-Angleton, and #15125-McKinney Manor** were being terminated. Staff cited 11.8(b)(1)(A) of the 2015 QAP which states documentation evidencing Site Control must be submitted as part of the Pre-Application Threshold Criteria. The staff notification also stated that the Pre-Application for Brazoria Manor Apts. (15126) (along with the other Pre-Applications referenced above), **was** submitted by the Final Delivery due date of January 8, 2015, and included a file in the required field for site control documentation. Upon their review, staff found that the applicant had submitted a Word document which stated "this page left intentionally blank". This was the reason, for their decision to terminate all three pre-applications.

We did not include the site control because we determined, after reading the following instructions, that the inclusion of the site control was optional. The instructions for the Pre-Application read as follows:

"By attaching the Site Control Documentation, Applicant affirms that the site control conforms to all applicable requirements including 10.204(10) of the Uniform Multifamily Rules. While not required to be submitted with the pre-

application, Applicant must provide evidence of consideration with the full application that proves site control was valid on the Pre-Application Final Deliver Date. If the Applicant is unable to provide such evidence with the full application, pre-application points will not be awarded. Three of our staff members, all experienced in the program with 25 years combined experience and having submitted numerous applications over those years, read and discussed this section and decided that it did not require site control to be submitted.

Another reason for the misinterpretation of the rule is the **new** language added into the 2015 QAP 11.8(b)(1)(A) that staff references in the termination letter dated 1-26-15. The reference reads exactly the same as 2014's version with the exception of the final added line that states, ***"For purposes of meeting this specific requirement related to pre-application threshold criteria, proof of consideration and any documentation required for identity of interest transactions is not required at the time of pre-application submission but will be required at the time of full application submission"***. For these particular applications there is existing Identity of Interest with seller, a limited partnership. Our development staff understood that all documentation could be submitted upon submittal of full application as it is stated. Also, the term, "proof of consideration" is new to the instructions, there was no indication that the term was actually referring to payment of option or earnest money and the term was not capitalized to indicate it had another meaning.

The applicant evidently misunderstood, after a conversation with staff, that Site Control was not required at Pre-Application. The applicant was told that "something", even a sheet of paper saying "this page left intentionally blank", had to be used as the attachment so as to enable submission using the **new** electronic system. This is what we did, although, in 20/20 hindsight, we understand that staff was not saying that it was OK to leave out the site control.

After considerable conversation and consideration it was determined, because of the instructions above and the conversations with staff, the actual site control document was not required to be attached at pre-application. The Department has never requested "evidence of consideration" in previous application rounds and the language requiring it was easily misunderstood. All four members of our Development staff attended Tax Credit Application Training in Austin in the fall of 2014. This particular change was not expanded on in that particular training

session. We have heard that it was discussed in much more detail in other training sessions across the state.

In addition, all four of these applications are acquisition/rehabilitation-USDA properties; the General Partner of the seller is a non-related party. During the process of preparing the Pre-Application the seller was in a horrible accident and was hospitalized. She was finally able to FedEx the site control documents so that they arrived to our office on the actual due date for the pre-applications. We could have terminated our other Pre-applications and sent new ones with the site control then, but did not since, after reading the instructions, as mentioned above, we had determined it was not required. We believed that what we had submitted was sufficient to meet criteria.

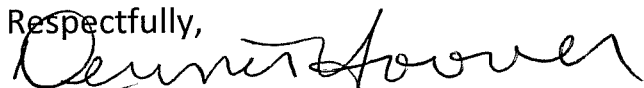
The pre-applications had been submitted a day early because we had been advised to do that in case the system were to get overloaded with everyone trying to submit at one time on the new system.

As a final comment; the Department notified the applicant of the missing site control and explained more clearly the expectation of the new threshold criteria. Upon this notification the applicant immediately submitted the Site Control documents.

The applicant acted within the perceived provision of the rules and would like to respectfully request the Board to approve the return of the 6 points for Pre-Application #15126 HVM 2015 Brazoria, Ltd. We would also like to ask for pre-approval for the two other applications affected by this same situation referenced in the first paragraph.

Please do not hesitate to contact me with questions regarding this or any other matter.

Respectfully,



Dennis Hoover

Member of HVM Housing, LLC-General Partner,

President of Hamilton Valley Management

dennishoover@hamiltonvalley.com

15179

Royal Gardens at Goldthwaite

BOARD ACTION REQUEST
MULTIFAMILY FINANCE DIVISION
JUNE 16, 2015

Presentation, Discussion, and Possible Action on Timely Filed Appeals under any of the Department's Program Rules

RECOMMENDED ACTION

WHEREAS, a Competitive Housing Tax Credit application for Royal Gardens at Goldthwaite was submitted to the Department by the Full Application Delivery Date;

WHEREAS, a 2015 Competitive Housing Tax Credit scoring notice was provided to the Applicant on April 27, 2015;

WHEREAS, staff identified points that the Applicant elected but that the Application did not qualify to receive under 10 TAC §11.9(d)(6) related to Input from Community Organizations;

WHEREAS, the Applicant timely filed an appeal; and

WHEREAS, the Executive Director denied the appeal;

NOW, therefore, it is hereby

RESOLVED, the Applicant's appeal of the scoring notice for Royal Gardens at Goldthwaite (#15179) is hereby denied.

BACKGROUND

The Royal Gardens at Goldthwaite, Application #15179, was denied two points under 10 TAC §11.9(d)(6) of the 2015 Qualified Allocation Plan ("QAP"), related to Input from Community Organizations, because the Goldthwaite Economic Development Corporation ("EDC") is a governmental entity and is therefore ineligible to provide letters of support under this scoring item.

Under this scoring item, "an Application may receive two (2) points for each letter of support submitted from a community or civic organization that serves the community in which the Development Site is located." However, the QAP goes on to read "For purposes of this subparagraph, community and civic organizations do not include neighborhood organizations, governmental entities (excluding Special Management Districts), or taxing entities." The Goldthwaite EDC is an instrumentality of the City of Goldthwaite, as evidenced by its commitment of funding to the Development which qualified for points under §11.9(d)(2) of the QAP, related to Commitment of Development Funding by Local Political

Subdivision. As such, a letter of support from EDC is ineligible for points under Input from Community Organizations.

Staff recommends that the appeal be denied.



April 27, 2015

By Email to tim.irvine@tdhca.state.tx.us

Mr. Tim Irvine, Executive Director
Texas Department of Housing and Community Affairs
221 east 11th Street
Austin, TX 78701-2410

RE: 2015 Housing Tax Credit ("HTC") Application; TDHCA #15179
Royal Gardens at Goldthwaite

Dear Mr. Irvine:

I am writing this letter on behalf of Goldthwaite Royal Gardens, LLC (the "Owner") of that certain project to be known as Royal Gardens at Goldthwaite, a family project to be located in Goldthwaite, Texas (the Project") to **appeal** the scoring notice received on the above mentioned application. This appeal addresses one (1) scoring items that we believe this application is eligible for based on the language of the 2015 QAP. The deficiency is summarized as a two (2) point deduction denying points for a Input from Community Organizations letter from the Goldthwaite Economic Development Corporation (the "EDC").

The QAP for this point category reads as follows:

(A) An Application may receive two (2) points for each letter of support submitted from a community or civic organization that serves the community in which the Development Site is located. Letters of Support must identify the specific Development and must state support of the specific Development at the proposed location. To qualify, the organization must be qualified as tax exempt and have as a primary (not ancillary or secondary) purpose of the overall betterment, development, or improvement of the community as a whole or of a major aspect of the community such as improvement of schools, fire protection, law enforcement, city-wide transit, flood mitigation, or the like. The community or civic organization must provide some documentation of its tax exempt status and its existence and participation in the community in which the Development Site is located including, but not limited to, a listing of services and/or members, brochures, annual reports, etc. Letters of support from organizations that cannot provide reasonable evidence that they are active in the area that includes the location of the Development Site will not be awarded points.

For purposes of this subparagraph, community and civic organizations do not include neighborhood organizations, governmental entities (excluding Special Management Districts), or taxing entities.

Based on the QAP and Multi-Family Rules, it appears that the EDC can "check the boxes" in meeting the criteria necessary for the points:

- Tax Exempt
- Primary purpose of corporation is the betterment, development and/or improvement of the community
- Provide proof the org is tax exempt and exists
- Participation in the community where the development site is located
- Can provide a listing of services, members, brochures, annual reports, etc.

I hope that you will use the clear reading of the language in the QAP and your discretion to award this development the two (2) points allowed for this support letter.

If you have any questions or need additional information, please do not hesitate to contact me.

Very truly yours,


Claire Palmer

Cc: Lora Myrick
Teresa Shell
Noorallah Jooma
Kathryn Saar



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

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J.B. Goodwin

May 7, 2015

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

Claire Palmer
Law Offices of Claire G. Palmer, LLC
2224 Clearspring Drive South
Irving, TX 75063

RE: 15179 ROYAL GARDENS AT GOLDTHWAITE: SCORING NOTICE APPEAL

Dear Ms. Palmer:

The Texas Department of Housing and Community Affairs (the "Department") is in receipt of your letter, dated April 27, 2015, appealing the scoring notice for the above referenced Application. This Application was denied points under §11.9(d)(6) of the 2015 Qualified Allocation Plan ("QAP"), related to Input from Community Organizations, because the Goldthwaite Economic Development Corporation ("EDC") is a governmental entity and therefore ineligible to provide letters of support under this scoring item.

The appeal provides no information responsive to the core issue, whether the EDC is a governmental entity. Therefore, since I have been provided no basis for approving the appeal, the appeal is hereby denied.

If you are not satisfied with this decision, you may file a further appeal with the Board of Directors of the Texas Department of Housing and Community Affairs. Please review §10.902 of the 2015 Uniform Multifamily Rules for full instruction on the appeals process. Should you have any questions, please contact Kathryn Saar, Competitive Tax Credit Program Administrator, at kathryn.saar@tdhca.state.tx.us or by phone at 512-936-7834.

Sincerely,

A handwritten signature in black ink, appearing to read "Timothy K. Irvine".

Timothy K. Irvine
Executive Director



15242

Sundance Meadows

3-Day Posting

15277

The Veranda Apartment Homes

BOARD ACTION REQUEST
MULTIFAMILY FINANCE DIVISION
JUNE 16, 2015

Presentation, Discussion, and Possible Action on Timely Filed Appeals under any of the Department's Program Rules

RECOMMENDED ACTION

WHEREAS, a 9% Housing Tax Credit application for The Veranda Apartment Homes was submitted to the Department by the Full Application Delivery Date and contained a Phase I Environmental Site Assessment ("ESA"), as required under 10 TAC §10.205, related to Third Party Reports;

WHEREAS, staff identified that the ESA only contemplated 4.175 acres of the 5.4 acre development site;

WHEREAS, 10 TAC §10.205, related to Third Party Reports, states "if the reports, in their entirety, are not received by the deadline, the Application will be terminated;"

WHEREAS, staff terminated the Application on May 1, 2015, pursuant to 10 TAC §10.205, related to Third Party Reports;

WHEREAS, the Applicant timely filed an appeal of that determination;

WHEREAS, in order to grant the appeal, the Board would need to grant a waiver of the deadline established by rule;

WHEREAS, in order to grant a waiver, the Board would need to find that the waiver is necessary to address circumstances beyond the Applicant's control and how, if the waiver is not granted, the Department will not fulfill some specific requirement of law; and

WHEREAS, staff determined that the Applicant has not provided sufficient evidence to support the granting of a waiver;

NOW, therefore, it is hereby

RESOLVED, the request for waiver is denied and the Applicant's appeal of the termination is hereby denied.

BACKGROUND

Pursuant to §10.205 of the Uniform Multifamily Rules, related to Third Party Reports, Applications that do not include the necessary Third Party Reports "in their entirety" will be terminated. The Application

for The Veranda Apartment Homes was received by the Full Application Delivery Date and appeared to contain all necessary Third Party Reports, including the Phase I Environmental Site Assessment (“ESA”). However, upon review, staff identified that the ESA, consisting of 671 pages, only contemplated 4.175 acres of the 5.4 acre development site. An Administrative Deficiency was issued asking for clarification on the site acreage, and in response, a revised ESA was submitted consisting of 847 pages. Because the original ESA submitted did not contemplate the full development site, the Application failed to meet the threshold criteria identified in the 2015 Uniform Multifamily Rules (the “Rules”) and was thereby terminated.

The appeal indicates that the revised ESA submitted through the deficiency process does not contain any material changes from the report submitted with the Application and that the difference in acreage was simply a scrivener’s error. Staff disagrees with this characterization. The revised ESA included a letter from the provider that states “we referred only to the 4.175 acres in the ESA report for TDHCA, due to our initial understanding that the application would only include the 4.175 acres, and not the entire property under contract.” Further, the 5.4 acre site contemplated in the revised ESA revealed one listing on Industrial and Hazardous Waste Database that was not included in the original ESA. While this particular listing might not have ultimately been of concern in this instance, it demonstrates precisely why the ESA is required to contemplate the entire development site and why the one submitted with the Application fails to meet threshold criteria.

The appeal further requests that should the Department determine that the revised ESA not be accepted, the Applicant should be allowed to amend the acreage contemplated in the Application so that the original ESA would meet threshold. Such a change would require numerous revisions, essentially resulting in a wholly new Application.

Staff recommends that the appeal be denied and the request to amend the Application be denied as well.

TX Coit Apartments, LP

TDHCA
221 East 11th Street
Austin, TX 78711-3941

RE: TERMINATION OF HTC APPLICATION #15277, the Veranda Townhomes, Plano TX

Dear Ms. Latsha:

The response to the deficiency notice simply addressed the ESA provider's confirmation and support for the representation the study covered the original 5.404 acre FLAG site and not just the 4.175 site referred to in the original ESA study submission.

I think Staff agrees that the 4.175 acre ESA study is compliant with Threshold as submitted for that part of the site plan (subject to any more review). The issue is a scrivener error by the provider, using 4.175 in lieu of 5.404 acres. All the necessary site field reviews, data collection and searches and all other professional study requirements were conducted for the entire 5.404 acre site.

We believe Staff agrees that the 4.175 acres parcel in the ESA is part of the 5.404 site plan present in its entirety.

The ESA professional has confirmed the study analysis considered all the required work for the full 5.404 acres site from the first site visit in February. Due to the urban infill, very small, site plan footprint, it is not possible to do a professionally compliant ESA study for the 4.175 acres of the T shaped lot (Flag Lot) without inspecting and considering all factors on the whole 5.404 acre parcel. This occurred in this instance.

Nothing changed in the ESA provider's response to the deficiency other than the correction of the 4.175 acreage reference to the 5.404 acreage reference on all relevant pages. The original ESA report, with solely the change in lot acreage.

To support the ESA professional's certification on this acreage typo, the provider included data from an updated run on the total 5.404 acre report to show Staff that the reports generate findings and conclusions with the same results. Nothing was missed nor left without proper professional consideration and material compliance with these standards, TDHCA and ASTM.

The response to the notice of administrative deficiency was not intended to supplement the original study in any way. It just corrected the acreage for the entire T shaped lot throughout the report. Nothing new submitted in the deficiency response was required for a compliant ESA on the smaller footprint of 4.175 acres.

The page count in the deficiency response is off from the original study due to issues that do not affect the original study submission. Specifically, the deficiency response includes 175 duplicate and supplemental data pages that were not required nor included in the original ESA. The inclusion of duplicates pages can be disregarded by TDHCA, with no effect on the comprehensiveness of the report. . The City Directory and the supplemental data is there not because it is required for Threshold or

TX Coit Apartments, LP

Professional Standards, but to demonstrate clearly that the study remains unchanged in all material respects whether you use 4.175 or 5.404 acres in the report. It proves the acreage is just a clerical error.

In response to your suggestion that the original ESA for Application #15277 does not meet threshold criteria, we maintain that the original ESA does meet threshold because the report contained the information required and related to the full 5.404 acres, inspected February 11, 2015.

Regarding your question of why the report was 176 pages longer, we included two copies of a supplemental report "City Directory" NOT necessary in the original report. Those additional pages totaled 175 pages.

The duplicate data, beginning on page 555 and 744, was auxiliary data. This data is not required by the ESA provider's professional guidelines nor the QAP or rules. He simply included the information as backup documentation to support the contention of a report writing error and not a failure to survey the entire 5.404 acre site.

In speaking with the third party consultant, he explained that the other page length discrepancy is due to re-running the data searches – which depending on the day, new information may be generated for the data exhibits. However, Mr. Dinka states also that the report, the first 27 pages in both ESA files, are the same, because the report did not change, only the clerical acreage error on pages (1,9,22,24,26 of the report)

None of the information or findings contained in the environmental site assessment report changed, only the acreage references.

exhibit	start pp	Section length	exhibit	start pp	Section length	PP Length Difference
Intro	1	27	Intro	1	27	0
A	27	5	A	27	5	0
B	32	10	B	32	9	1
C	42	11	C	41	11	0
D	53	6	D	52	6	0
E	59	69	E	58	84	-15
F	128	564	F	142	470	94
G	692	38	G	612	42	-4
H	730	9	H	654	13	-4
I	739	2	I	667	2	0
J	741	3	J	669	2	1
Directory	744	92	duplicate			92
Lien	836	10				10
End	846			671		
Total Difference						175
Difference due to duplication						186
Difference due to timing of report run						-11

TX Coit Apartments, LP

As stated in the deficiency response, Mr. Dinka contends that the entire 5.404 acres were studied in February, however he wrote his report based on the erroneous acreage not related to land he understood to be involved in the application.

We contend even if staff determines the only compliant ESA covers just the 4.175 acre portion of the 5.404 acres site. We should be issued a deficiency notice on the site plan acreage allowing for an administrative response to the difference between the site plan presented in the application, and the ESA. We have included a site plan that puts the entire development on the 4.175 acres. This reconciles the difference in acreage between the Staff determined acceptable ESA and the application site plan. Because the 4.175 acre is part of the 5.404 acres site, no material change is needed in the application to address this concern. It does not affect any other study or this submission in a material way.

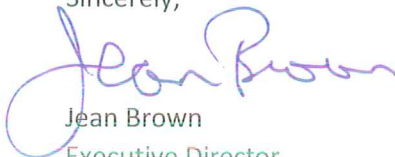
- a. The market study and feasibility study still work
- b. Site study still works
- c. The rents and SF of the units do not change
- d. It does not affect the survey or plat information provided
- e. It does not affect the title or site control issues
- f. It does not affect the underwriting in a negative way.
- g. It does not require any changes to the original ESA
- h. It does not affect the TH design or number of townhomes
- i. It does not affect any of the amenities

Definition of an Administrative Deficiencies—"Information requested by Department staff that is required to clarify or correct one or more inconsistencies or to..."

We are allowed to clarify or correct the inconsistency between the site plan of 5.404 acres and the ESA at 4.175 acres.

We respectfully request the Executive Director direct staff to accept the corrected ESA acreage determining it as a clerical error and correctable by the Provider. Or alternatively, we request that the ED instructs staff to issue a deficiency notice with respect to the difference between the ESA of 4.175 and the site plan of 5.404 acres. We ask for any special consideration available to the applicant for this application #15-277, in Plano Texas in a 1st Quartile census tract in the Frisco School district. Please keep in mind that we are in the general set aside for a new construction HOA development with a support letter from the State Representative. This application enjoys full community support.

Sincerely,



Jean Brown

Executive Director

Plano Housing Corporation

Manager of the General Partner



Veranda TH-Plano

Silverthorne
ADDITION

MAS - D Environmental & Associates, Inc.

P.O. Box 543032
Dallas, Texas 75354
Phone: (972) 527-4422; Fax: (972) 517- 2532
mas_denv@yahoo.com

May 11, 2015

Ms. Jean Brown
TX Coit Apartments, L.P.
5430 LBJ Freeway, Suite 1200
Dallas, TX 75240

Re: Phase I Environmental Site Assessment for "Veranda Townhomes", Coit and McDermott, Silverthorne Addition Lots 1 and 5 Plano, Texas.

Dear Jean:

In follow up to our discussions with your consultant Sonoma Housing Advisors, I confirm and certify the following to be true, correct and complete:


1. The Phase One report originally issued noting only 4.175 acres is compliant with ASTM and TDHCA standards as submitted. The issue is the acreage covered by this work.
2. The use of 4.175 versus the 5.404 acres, the addition of the small flag lot, is just a scrivener's error on my part. When I inspected the site, the flag lot contained a sign indicating a car wash was coming, so I presumed it was not to be included in the report. The work covered this acreage but I had the idea it was to be limited to the 4.175 acres.
3. The work necessary for a professionally compliant ESA included this flag lot from the beginning. The legal description used to generate the public available information on the site insured full coverage of the flag lot. (See the sketch with and without the flag lot).
4. These searches and our site inspection are the cornerstone of our investigation into the site conditions. I showed you in the subsequent deficiency response runs that the results are the same, with and without the flag lot. This is due to the urban infill nature of this same site.
5. I was professionally obligated to consider the environmental conditions of this contiguous vacant parcel. The only vacant acreage remaining un-developed in this Silverthorne platted addition.
6. I stand by the report work product, searches, conclusions and recommendations in the original submission, February 2015, without change, except for the acreage correction to 5.404 from 4.175.

A review of the report with and without the flag lot clearly shows this report covered all the professional requirements whether the report uses 4.175 or 5.404 acres of this Silverthorne addition.

If you have any questions regarding the correction of the scrivener's error, please contact me.

Thank you.

MAS - D Env. & Assoc. Inc.


Maurice Dinka
(Sr. Vice President)

SECONDARY MAP - 4206412.9S

ORIGINAL ESA



Target Property

Sites at elevations higher than or equal to the target property

Sites at elevations lower than the target property

Manufactured Gas Plants

National Priority List Sites

Dept. Defense Sites

0 300 1/3 1 Miles

Indian Reservations BIA

Upgradient Area

Contour Lines

Oil & Gas pipelines from USGS

100-year flood zone

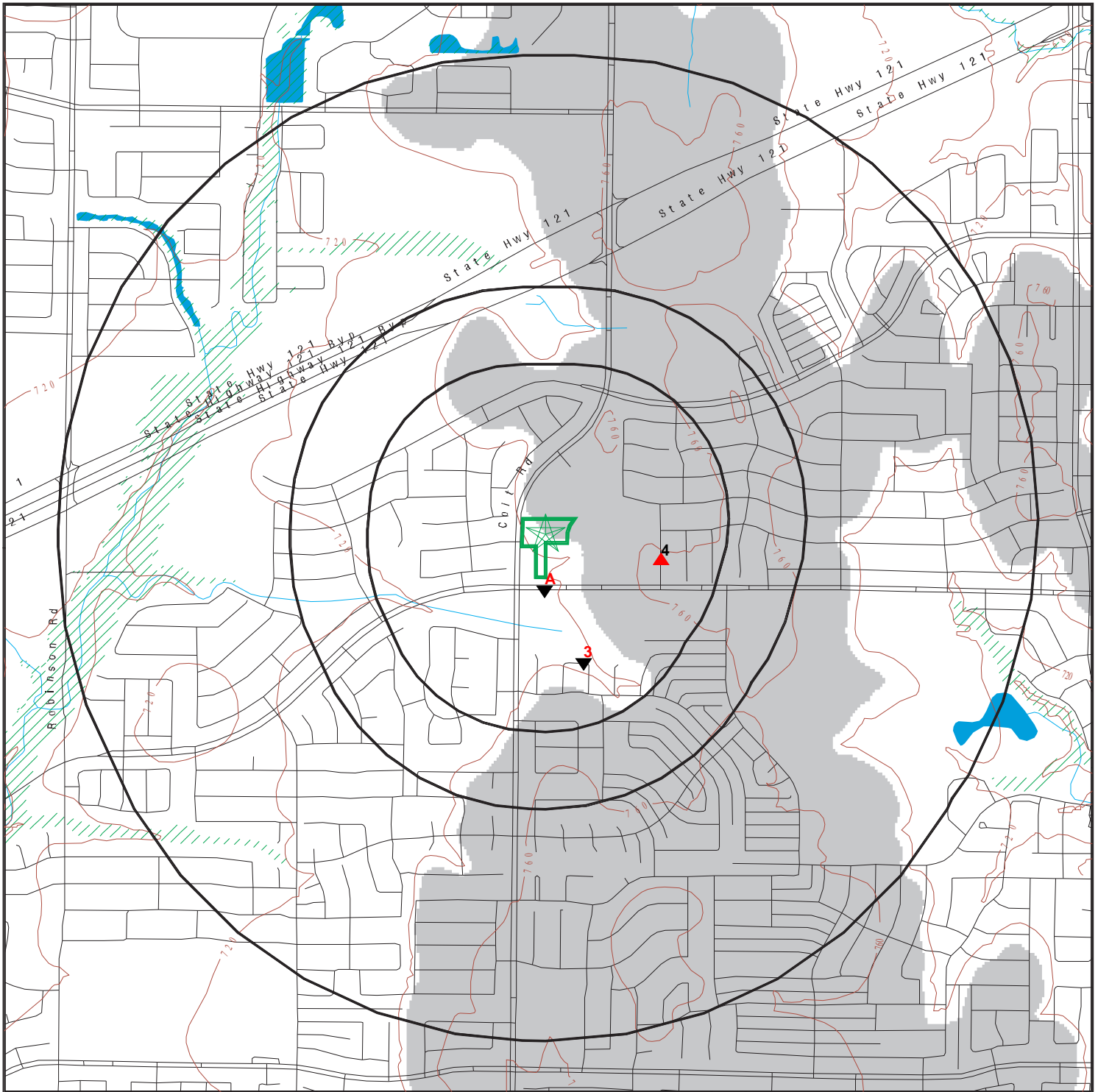
500-year flood zone



SITE NAME: 4.175 Acre Vacant Tract
 ADDRESS: COIT RD
 Plano TX 75025
 LAT/LONG: 33.1026 / 96.7716

CLIENT: Mas-D Env. & Associates Inc.
 CONTACT: Deason
 INQUIRY #: 4206412.9s
 DATE: February 12, 2015 1:34 pm

SECONDARY MAP - 4271059.5S



Target Property

Sites at elevations higher than or equal to the target property

Sites at elevations lower than the target property

Manufactured Gas Plants

National Priority List Sites

Dept. Defense Sites

Indian Reservations BIA

Contour Lines

Oil & Gas pipelines from USGS

100-year flood zone

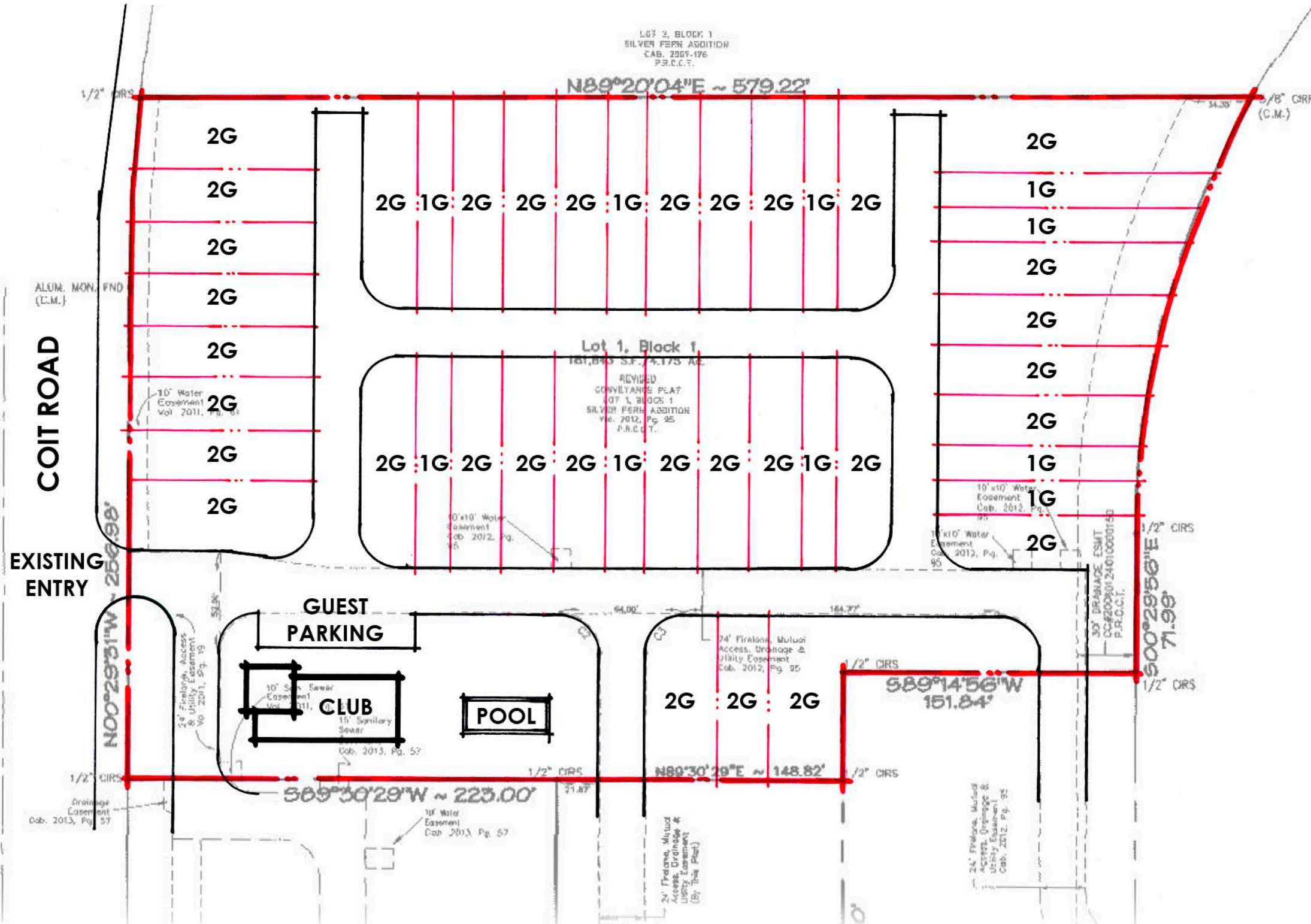
500-year flood zone

Upgradient Area



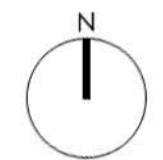
SITE NAME: 5.404 Acre Vacant Tract
 ADDRESS: NEQ Coit & Mcdermott
 Plano TX 75025
 LAT/LONG: 33.1028 / 96.7705

CLIENT: Mas-D Env. & Associates Inc.
 CONTACT: Deason Oneal
 INQUIRY #: 4271059.5s
 DATE: April 21, 2015 7:29 pm



PLANO TOWNHOMES SUP: SCHEMATIC LOT PLAN #2

PLANO, TEXAS



SCALE 1"=60'-0"



15310

Terraces at Arboretum

3-Day Posting

5e

BOARD ACTION REQUEST

ASSET MANAGEMENT DIVISION

JUNE 16, 2015

Presentation, Discussion and Possible Action regarding Conditional Modification/Release of LURA for the Oaks at LaSalette.

RECOMMENDED ACTION

WHEREAS, in October 2013 La Salette, LLC, (“Owner”) acquired the Oaks on La Salette Apartments (formerly known as San Jacinto Gardens), a garden-style apartment complex located at 6115 La Salette in Houston, Texas (the “Property”);

WHEREAS, the Property has been subject to a Housing Trust Fund (“HTF”) Land Use Restriction Agreement (“LURA”) for 72 units monitored by the Department since 1994 for a period ending in June of 2020;

WHEREAS, at the time of acquisition The Department’s records indicate that only 64 units existed and according to the Owner only 44 were potentially habitable, only 25 of which were occupied at the time of the Owner’s acquisition and only 21 of which are currently occupied;

WHEREAS, the Property has been in general disrepair, has had numerous and ongoing compliance violations, and has been operating without City of Houston required Life Safety Certificates;

WHEREAS, the Owner has determined the cost of repair would be prohibitive and seeks instead to demolish the buildings, redevelop the property, and immediately provide appropriate alternative housing for the remaining tenants for the time period remaining on and in accordance with the benefits and provisions of the LURA in exchange for a release of the LURA’s attachment to the Property;

NOW, therefore it is hereby

RESOLVED, that the Executive Director be authorized, empowered, and directed, for and on behalf of the Department, to enter into a Conditional Modification/Release of LURA for the Oaks at LaSalette conditioned upon acceptance of said agreement by the existing tenants.

BACKGROUND

In 1994, the Department sold the Property and a HTF LURA was attached to the Property upon the sale to a prior non-profit owner, restricting the property to a 26-year term of affordability. The LURA required that 25 of the 72 units to be rented to families earning at or below 60% AMI and the remaining 47 units to be restricted to families earning at or below 80% AMI. The prior owner obtained additional financing for operation and rehabilitation but failed to restore the Property to

an appropriate condition. The Department's records indicate that 8 units have been demolished for the majority of time since the LURA was put in place and were never rebuilt. The lack of physical and financial maintenance continued and the Property changed hands multiple times including through foreclosure; however, the LURA remained in full force and effect and the Department continued to monitor, identify non-compliance, and attempt to obtain compliance.

The Owner purchased the Property in October 2013 through a bank-owned purchase of the previously foreclosed property, subject to the affordability restrictions in the LURA. The LURA provides that the Department have approval rights for the sale or transfer of the property to any new owner. The Owner requested such approval and the Department provided such approval subject to the Owner affirming their obligations under the LURA via an Agreement to Comply. The Agreement to Comply was never provided to the Department though the ownership transfer did occur. After extensive analysis and discussion the Department staff believes the recommended approach yields the best and quickest means to provide safe, decent affordable housing for the current tenants. Though the LURA would be terminated by this agreement, staff believes that the Owner's previous participation record will reflect a history of non-compliance that is uncorrected. Subsequent to the Owner purchasing the Property, the Owner commissioned an assessment which concluded the Property should not be renovated as the useful life of the asset had long since expired. The Owner believes that the costs to remodel or repair the property far outweigh its value, and a 2014 costs analysis delivered to the Department concluded it was not economically feasible to put the units in a livable condition for only the then remaining term of the LURA. The LURA is scheduled to expire in approximately 5 years.

The Department has been working to functionally satisfy the terms of the LURA by relocating the remaining 21 households to alternative safe, decent and affordable housing for what would have been the remainder of the LURA's term in a manner that is considerate of the Tenants' needs. The Department and the Owner have agreed that the Owner would provide several options for remaining tenants. These options include relocation to appropriately sized and accessible units at other property owned by the Owner or its affiliates or another acceptable property in the area not owned by the owner or its affiliate. A third option the tenant could choose would be a onetime down payment assistance grant and the cost of a move into an independently financed single family home. The rental options would provide an ongoing subsidy for the next five years, through the end of the LURA term based on the difference between the tenants' current rent and the maximum restricted rent. The Department and the tenants would have enforcement rights under the Agreement. Other elements of the agreement are subject to negotiation and agreement by the remaining tenants.