

BOARD BOOK OF JUNE 30, 2016



J. Paul Ozer, Chair
Juan Muñoz, Vice-Chair
Leslie Bingham Escareño, Member
T. Tolbert Chisum, Member
Tom H. Gann, Member
J. B. Goodwin, Member

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

**A G E N D A
9:00 AM
June 30, 2016**

**John H. Reagan Building
JHR 140, 105 W 15th 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.

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:

LEGAL

- a) Presentation, Discussion, and Possible Action regarding the adoption of an Agreed Final Order concerning Denton Affordable Housing Corporation (HOME 538610 / CMTS 2615)
- b) Presentation, Discussion, and Possible Action regarding the adoption of an Agreed Final Order concerning Dale Meadows f/k/a St. Johns Colony (HOME 530200 / CMTS 4001)
- c) Presentation, Discussion, and Possible Action regarding the adoption of an Agreed Final Order concerning Champions at North Dallas f/k/a Brighton's Mark (BOND 91009 / CMTS 2559)
- d) Presentation, Discussion, and Possible Action regarding the adoption of an Agreed Final Order concerning Milam Senior Estates (HTC 91009 / CMTS 941)
- e) Presentation, Discussion, and Possible Action regarding the adoption of an Agreed Final Order concerning Jourdanton Elderly Housing (HOME 535004 / CMTS 2685)

Jeffrey T. Pender
Deputy General Counsel

ASSET MANAGEMENT

- f) Presentation, Discussion and Possible Action regarding Material Amendments to the Housing Tax Credit Land Use Restriction Agreement ("LURA")
 - 99197 Sun Meadows Alamo
 - 00133 Cameron Village Apartments Alice
 - 01121 TownParc at Paris Paris
 - 96152 The Timbers Apartments Austin

Raquel Morales
Director

- g) Presentation, Discussion and Possible Action regarding Material Amendments to Housing Tax Credit Application

13187 Barron's Branch
14069 Live Oak Trails
15306 Altura Heights

Waco
Austin
Houston

- h) Presentation, Discussion, and Possible Action regarding an additional Placed in Service deadline extension for a Development located in a major disaster area as allowed under Section 6 of IRS Revenue Procedure 2014-49

13042 The Cottages of South Acres

Houston

HOME PROGRAM

- i) Presentation, Discussion, and Possible Action to authorize the issuance of the 2016 HOME Investment Partnerships Program ("HOME") Notice of Funding Availability ("NOFA") for Single Family Non-Development Programs, and the notification of the posting of the NOFA to the Department's website and in the *Texas Register*

Jennifer Molinari
Director

COMMUNITY AFFAIRS

- j) Presentation, Discussion, and Possible Action on the Section 8 Program 2017 Annual Public Housing Agency ("PHA") Plan for the Housing Choice Voucher Program

Michael DeYoung
Director

RULES

- k) Presentation, Discussion, and Possible Action on an order adopting amendments to 10 TAC Chapter 5 Community Affairs Programs, Subchapter A, General Provisions, §5.2 Definitions, and directing that they be published in the *Texas Register*
- l) Presentation, Discussion, and Possible Action on an order adopting amendments to 10 TAC Chapter 5 Community Affairs Programs, Subchapter A, General Provisions, §5.19 Income Eligibility, and directing that they be published in the *Texas Register*
- m) Presentation, Discussion, and Possible Action on an order adopting amendments to 10 TAC Chapter 20 Single Family Programs Umbrella Rule, §20.15 Compliance and Monitoring, and 10 TAC Chapter 5, Community Affairs Programs, Subchapter L, Compliance and Monitoring, §5.2101 Purpose and Overview, and directing that they be published in the *Texas Register*

Michael DeYoung
Director, Community
Affairs

CONSENT AGENDA REPORT ITEMS

ITEM 2: THE BOARD ACCEPTS THE FOLLOWING REPORTS:

- a) Quarterly Report on Texas Homeownership Division Activity
- b) Status Report on Compilation of Agency Legislative Appropriations Request for SFY 2018-19

Cathy Gutierrez
Director, TX
Homeownership
Michael Lyttle
Chief, External Affairs

ACTION ITEMS

ITEM 3: FINANCIAL ADMINISTRATION

- a) Presentation, Discussion, and Possible Action on the FY 2017 Operating Budget
- b) Presentation, Discussion, and Possible Action on the FY 2017 Housing Finance Division Budget

Ernie Palacios
Director

ITEM 4: MULTIFAMILY FINANCE

- a) Presentation, Discussion, and Possible Action on Inducement Resolution No. 16-018 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 for Piney Woods Village (#16608)

Teresa Morales
Manager

- b) Presentation, Discussion and Possible Action on a Determination Notice for Housing Tax Credits with another Issuer and an Award of Direct Loan Funds (#16406 New Hope Housing at Reed, Houston)
- c) Presentation, Discussion, and Possible Action on a Determination Notice for Housing Tax Credits with another Issuer and an Award of Direct Loan Funds (#16400 Acme Road Apartments, San Antonio)

- d) Presentation, Discussion, and Possible Action on a Determination Notice for Housing Tax Credits with another Issuer

16411 Chas E Graham Apartments	El Paso
16412 Rio Grande Apartments	El Paso
16413 Judson Williams Apartments	El Paso
16414 Father Carlos Pinto Memorial Apartments	El Paso

- e) Presentation, Discussion, and Possible Action on Timely Filed Scoring Notice Appeals under the Department’s Multifamily Program Rules

16001 Rolling Hills	Fredericksburg
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- f) Presentation, Discussion and Possible Action on Staff Determinations regarding 10 TAC §10.101(a)(3) related to Undesirable Site Features and 10 TAC §10.101(a)(4) related to Applicant Disclosure of Undesirable Neighborhood Characteristics

16200 Kirby Park Villas	San Angelo
16274 Rockview Manor	Fort Hancock

- g) Staff will present a summary of Determinations under 10 TAC §11.10 of the 2016 Qualified Allocation Plan related to

16012 Mariposa at Clear Creek	Webster
16026 Laguna Hotel Lofts	Cisco
16029 Baxter Lofts	Harlingen
16057 Silverleaf at Mason	Mason
16071 Bluff View Senior Village	Crandall
16117 Indian Lake Apartment Homes	Indian Lake
16118 The Standard on the Creek	Houston
16161 Elysium Park	Austin
16164 Saralita Senior Village	Kerrville
16169 Havens of Hutto	Hutto
16263 Starlight	Murillo
16292 Avanti Canyon	Schertz
16373 Avondale Farms Seniors	Fort Worth
16380 Sierra Vista	Lopezville CDP
16387 Cantabria Estates Apartments	Brownsville

If the Board requires additional information, it may designate items it wishes staff to develop more fully for the July 14 meeting and bring those matters back as possible action items to ensure resolution in advance of award decisions

- h) Presentation, Discussion, and Possible Action to Issue a list of Approved Applications for Housing Tax Credits (“HTC”) in accordance with §2306.6724(e) of the Texas Government Code

Sharon Gamble
Competitive Housing Tax
Credit Program
Administrator

Marni Holloway
Director

Sharon Gamble
Competitive Housing Tax
Credit Program
Administrator

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

EXECUTIVE SESSION

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

1. The Board may go into Executive Session Pursuant to Tex. Gov’t Code §551.074 for the purposes of discussing personnel matters including to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee;

J. Paul Oxer
Chairman

2. Pursuant to Tex. Gov't Code §551.071(1) to seek the advice of its attorney about pending or contemplated litigation or a settlement offer;
3. Pursuant to Tex. Gov't Code §551.071(2) for the purpose of seeking the advice of its attorney about a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Tex. Gov't Code Chapter 551; including seeking legal advice in connection with a posted agenda item;
4. Pursuant to Tex. Gov't Code §551.072 to deliberate the possible purchase, sale, exchange, or lease of real estate because it would have a material detrimental effect on the Department's ability to negotiate with a third person; and/or-
5. Pursuant to Tex. Gov't Code §2306.039(c) the Department's internal auditor, fraud prevention coordinator or ethics advisor may meet in an executive session of the Board to discuss issues related to fraud, waste or abuse.

OPEN SESSION

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

ADJOURN

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

If you would like to follow actions taken by the Governing Board during this meeting, please follow TDHCA account (@tdhca) on Twitter.

Individuals who require auxiliary aids, services or sign language interpreters for this meeting should contact 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.

NOTICE AS TO HANDGUN PROHIBITION DURING THE OPEN MEETING OF A GOVERNMENTAL ENTITY IN THIS ROOM ON THIS DATE:

Pursuant to Section 30.06, Penal Code (trespass by license holder with a concealed handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a concealed handgun.

De acuerdo con la sección 30.06 del código penal (ingreso sin autorización de un titular de una licencia con una pistola oculta), una persona con licencia según el subcapítulo h, capítulo 411, código del gobierno (ley sobre licencias para portar pistolas), no puede ingresar a esta propiedad con una pistola oculta.

Pursuant to Section 30.07, Penal Code (trespass by license holder with an openly carried handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a handgun that is carried openly.

De acuerdo con la sección 30.07 del código penal (ingreso sin autorización de un titular de una licencia con una pistola a la vista), una persona con licencia según el subcapítulo h, capítulo 411, código del gobierno (ley sobre licencias para portar pistolas), no puede ingresar a esta propiedad con una pistola a la vista.

NONE OF THESE RESTRICTIONS EXTEND BEYOND THIS ROOM ON THIS DATE AND DURING THE MEETING OF THE GOVERNING BOARD OF THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

CONSENT AGENDA

1a

BOARD ACTION REQUEST

LEGAL DIVISION

JUNE 30, 2016

Presentation, Discussion, and Possible Action regarding the adoption of an Agreed Final Order concerning Denton Affordable Housing Corporation (HOME 538610 / CMTS 2615)

RECOMMENDED ACTION

WHEREAS, Denton Affordable Housing Corporation (“Owner”), has uncorrected compliance findings relating to the applicable land use restriction agreement and the associated statutory and rule requirements;

WHEREAS, on April 29, 2016, Owner’s representatives participated in an informal conference with the Enforcement Committee and agreed, subject to Board approval, to enter into an Agreed Final Order assessing an administrative penalty of \$500, to be fully forgiven if all violations are resolved as specified in the Agreed Final Order on or before August 29, 2016;

WHEREAS, unresolved compliance findings include: an Affirmative Marketing Plan 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 an Agreed Final Order assessing an administrative penalty of \$500, subject to full forgiveness as outlined above for noncompliance at by Denton Affordable Housing Corporation, 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

Denton Affordable Housing Corporation ("Owner") is the owner of a low income property composed of eight units, located at 440 and 444 Strata Drive in Denton County ("Property"). Records of the Texas Secretary of State list the following members and/or officers: Susan M. Cooksey (Director), Linda Velasquez (Director and Secretary), Martha L. Hall (Director), Linnie McAdams (President), and Sheila Harper (Treasurer). Ms. Shiela Harper is also the Executive Director of the organization and is the primary contact in CMTS. The property is self managed.

The Property is subject to a Land Use Restriction Agreement ("LURA") signed by in 1999 in consideration for a HOME loan in the amount of \$582,600 to build and operate the Property.

The following compliance violations identified during 2015 were referred for an administrative penalty and are unresolved:

1. Failure to maintain a compliant Affirmative Marketing Plan and evidence of associated marketing efforts.

Owner participated in an informal conference with the Enforcement Committee on April 29, 2016, and agreed to sign an Agreed Final Order with the following terms:

1. A \$500 administrative penalty, subject to partial forgiveness as indicated below;
2. Owner must correct the file monitoring violation as indicated in the Agreed Final Order, and submit full documentation of the corrections to TDHCA on or before August 29, 2016;
3. If Owner complies with all requirements and addresses all violations as required, the full administrative penalty in the amount of \$500 will be forgiven; and
4. If Owner violates any provision of the Agreed Final Order, the full administrative penalty will immediately come due and payable.

Consistent with direction from the Department's Enforcement Committee, a probated and, upon successful completion of probation, fully forgivable administrative penalty in the amount of \$500 is recommended. This will be a reportable item of consideration under previous participation for any new award to the principals of the owner.

ENFORCEMENT ACTION AGAINST
DENTON AFFORDABLE HOUSING
CORPORATION WITH RESPECT TO
DENTON AFFORDABLE HOUSING
CORPORATION (HOME FILE #
538610 / CMTS # 2615)

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BEFORE THE
TEXAS DEPARTMENT OF
HOUSING AND
COMMUNITY AFFAIRS

AGREED FINAL ORDER

General Remarks and official action taken:

On this 30th day of June, 2016, 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 **DENTON AFFORDABLE HOUSING CORPORATION**, a Texas nonprofit 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. During 1999, Respondent was awarded an allocation of HOME funds by the Board, in an amount totaling \$582,600 to build and operate Denton Affordable Housing Corporation ("Property") (HOME file No. 538610 / CMTS No. 2615 / LDLD No. 581).

2. Respondent signed a land use restriction agreement (“LURA”) regarding the Property. The LURA was effective April 21, 1999, and filed of record at Document No 99-R0043608 of the Official Public Records of Real Property of Denton County, Texas (“Records”), as amended by a First Amendment executed on May 23, 2013, and filed in the Records at Document Number 2013-70820. In accordance with Section 7.7 of the LURA, the LURA is a restrictive covenant/deed restriction encumbering the property and binding on all successors and assigns for the full term of the LURA.
3. Respondent is a Texas nonprofit 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:

4. An on-site monitoring review was conducted on March 3, 2015, 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 September 21, 2015, corrective action deadline was set, however, the following violations were not corrected before the corrective action deadline:
 - a. Respondent failed to provide a compliant affirmative marketing plan, a violation of 10 TEX. ADMIN. CODE §10.617 (Affirmative Marketing), which requires developments to maintain an affirmative marketing plan that meets minimum requirements and to distribute marketing materials to selected marketing organizations that reach groups identified as least likely to apply and to the disabled. An affirmative marketing plan was provided to the Compliance Division during their review, but it did not identify groups least likely to apply and did not include marketing materials. The finding remains unresolved.
5. The following violations remain outstanding at the time of this order:
 - a. Affirmative marketing plan violation described in FOF #4a;

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 §10.617 in 2015, by failing to provide a complete affirmative marketing plan;

¹ Within this Agreed Final Order, all references to violations of TDHCA Compliance Monitoring rules at 10 TEX. ADMIN. CODE, CHAPTERS 10 and 60 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.

4. Because Respondent is a housing sponsor with respect to the Property, and has violated TDHCA rules, the Board has personal and subject matter jurisdiction over Respondent pursuant to TEX. GOV'T CODE §2306.041 and §2306.267.
5. 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.
6. 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.
7. An administrative penalty of \$500 is an appropriate penalty in accordance with 10 TEX. ADMIN. CODE §2.302.

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 \$500, subject to deferral as further ordered below.

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 August 29, 2016.

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 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 \$500 shall be immediately due and payable to the Department. Such payment shall be made by cashier's check payable to the "Texas Department of Housing and Community Affairs" upon the earlier of (1) within thirty days of the date the Department sends written notice to Respondent that it has violated a provision of this Order, or (2) the property closing date if sold before the terms and conditions of this Agreed Final Order have been fully satisfied.

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

If via overnight mail (FedEx, UPS):	If via USPS:
TDHCA Attn: Ysella Kaseman 221 E 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 _____, 2016.

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 TRAVIS §

Before me, the undersigned notary public, on this _____ day of _____, 2016, 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 _____, 2016, 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 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>

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

4. **Affirmative marketing plan** – Respondent provided an Affirmative Marketing Plan, however it did not identify groups least likely to apply and did not include marketing materials. In addition, the rule at 10 TEX. ADMIN. CODE §10.617 has changed.

To correct:

- a. Determine the groups that are least likely to apply. The Affirmative Marketing Web Tool referenced at 10 TEX. ADMIN. CODE §10.617(d)(5) to determine groups that are least likely to apply is available online at: <http://www.tdhca.state.tx.us/pmcomp/forms.htm>.

Since this property has under 40 units, you must enter its census tract (48121020402) into the right side of this tool rather than selecting the development name from the drop-down menu on the left side of the tool. Persons with disabilities must always be selected as a group least likely to apply. Assuming that your quarterly vacancy reports are up to date, the current groups identified by the tool as being least likely to apply include: Persons with Disabilities, Black/African American, Hispanic, and Asian;

- b. Identify specific organizations, media, and community contacts in the housing market to send marketing outreach materials. The organizations must specifically reach those groups designated as least likely to apply, including organizations that assist persons with disabilities. For example, a local housing authority serves the general public, not a specific racial or ethnic demographic; therefore, marketing to the housing authority is not affirmative marketing. The same is true for the Department Of Human Services, Texas Work Force Solutions, and Texas Neighborhood Service. A Hispanic Chamber of Commerce or Hispanic publication could be an avenue to market to the Hispanic population if that group is identified as one that is least likely to apply. Similarly, local groups that focus on helping the mentally disabled, physically disabled, disabled veteran affairs groups, etc, could be a way to market to the disabled community. Some examples of groups that focus on the disabled: Easter Seals, United Cerebral Palsy, American Council of the Blind, The Blinded Veterans Association;
- c. Complete and execute an affirmative marketing plan using any version of HUD Form 935.2A, including the groups and organizations identified above;

- d. Comply with all requirements of 10 TEX. ADMIN. CODE §10.617, which we recommend using as a checklist;
- e. Send marketing outreach materials to the identified organizations, ensuring that said marketing materials also comply with all requirements of 10 TEX. ADMIN. CODE §10.617. Remember that 10 TEX. ADMIN. CODE §10.617(f)(5) requires marketing materials to include the Fair Housing Logo and give contact information that prospective tenants can access if reasonable accommodations are needed in order to complete the application process. This contact information sentence must include the term “reasonable accommodation” and must be in English and Spanish. Here is a sample of an acceptable sentence recently included in marketing materials from another property: *“Individuals who need to request a reasonable accommodation to complete the application process should contact the apartment manager at XXX-XXX-XXXX. Personas con discapacidad que necesitan solicitar un acomodacion razonable para completar el proceso de aplicacion deben comunicarse con el Administrador del apartment al XXX-XXX-XXXX.”*
- f. Submit all documentation to the Department via CMTS, then email Ysella Kaseman to let her know it is ready for review.

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
RULE §10.406	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

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BOARD ACTION REQUEST

LEGAL DIVISION

JUNE 30, 2016

Presentation, Discussion, and Possible Action regarding the adoption of an Agreed Final Order concerning Dale Meadows f/k/a St. Johns Colony (HOME 530200 / CMTS 4001)

RECOMMENDED ACTION

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

WHEREAS, on April 29, 2016, Owner’s representatives participated in an informal conference with the Enforcement Committee and agreed, subject to Board approval, to enter into an Agreed Final Order assessing an administrative penalty of \$1,000, to be fully forgiven if all violations are resolved as specified in the Agreed Final Order on or before August 29, 2016;

WHEREAS, unresolved compliance findings include: violation for failure to execute required lease language for four units; and failure to provide written tenant selection criteria that meet minimum requirements; 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 \$1,000, subject to forgiveness as outlined above for noncompliance at Dale Meadows, substantially in the form presented at this meeting, and authorizing any non-substantive technical corrections, is hereby adopted as the order of this Board.

BACKGROUND

Peter Huu Le and Diana Thi Nguyen, husband and wife ("Owner") are the owners of Dale Meadows f/k/a St. Johns Colony ("Property"), a low income apartment complex composed of 4 units, located in Caldwell County. The property is personally owned and managed.

The Property is subject to a Land Use Restriction Agreement ("LURA") signed by a prior owner in 2004, in consideration for an interest-free HOME loan in the amount of \$324,000 to build and operate the Property. Current owner acquired the property in 2013, with Department approval. The property was formerly known as St. Johns Colony and has a long history of noncompliance under prior owners for reporting violations, file monitoring violations and Uniform Physical Condition Standards violations, but those violations were resolved and the Enforcement Committee does not consider issues of noncompliance under prior ownership when considering an administrative penalty referral.

The following compliance violations identified during 2015 were referred for an administrative penalty and have been resolved by Owner:

1. Household income violations for units 200 and 201;
2. Lease violations relating to failure to provide and execute required notices, including:
 - a. Failure to execute the Notice of Amenities and Services for units 108 and 200; and
 - b. Failure to execute the Fair Housing Disclosure Notice for units 108, 200, and 201.
3. Failure to collect tenant income certification for units 201 and 307.

The following compliance violations identified during 2015 were referred for an administrative penalty and are unresolved by Owner:

1. Lease violation relating to failure to execute required good cause eviction language in the lease for all units; and
2. Failure to maintain written tenant selection criteria that meet minimum standards.

Owner participated in an informal conference with the Enforcement Committee on April 29, 2016, and agreed to sign an Agreed Final Order with the following terms:

1. A \$1,000 administrative penalty, subject to full forgiveness as indicated below;
2. Owner must correct the violations as indicated in the Agreed Final Order, and submit full documentation of the corrections, on or before August 29, 2016;
3. Owner must attend First Thursday Income Eligibility Training, then provide copies of completion certificates to TDHCA, on or before August 29, 2016.
4. If Owner complies with all requirements and addresses all violations as required, the full administrative penalty will be forgiven; and
5. If Owner violates any provision of the Agreed Final Order, the full administrative penalty will immediately come due and payable.

Consistent with direction from the Department's Enforcement Committee, a probated and, upon successful completion of probation, fully forgivable administrative penalty in the amount of \$1,000 is recommended. This will be a reportable item of consideration under previous participation for any new award to the principals of the owner.

ENFORCEMENT ACTION AGAINST
PETER HUU LE AND DIANA THI NGUYEN
WITH RESPECT TO
DALE MEADOWS F/K/A ST. JOHN COLONY
(HOME FILE #530200001/CMTS #4001)

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BEFORE THE
TEXAS DEPARTMENT OF HOUSING
AND COMMUNITY AFFAIRS

AGREED FINAL ORDER

General Remarks and official action taken:

On this 30th day of June, 2016, 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 **PETER HUU LE AND DIANA THI NGUYEN**, husband and wife (“Respondent”).

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

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

WAIVER

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

FINDINGS OF FACT

Jurisdiction:

1. During 2002, Saint John Colony Neighborhood Association (“Original Owner”) was awarded an allocation of HOME funds by the Board, in an annual amount of \$324,000 to build and operate Dale Meadows f/k/a St. John Colony (“Property”) (HOME file No. 530200001 / CMTS No. 4001 / LDLD No. 130).

2. Original Owner signed a Land Use Restriction Agreement (“LURA”) regarding the Property. The LURA was effective in 2004, and filed of record at Volume 356, Page 200 of the Official Public Records of Real Property of Caldwell County, Texas (“Records”). The property was sold and the purchaser, Dale Meadows, LLC, signed an Amended and Restated Land Use Restriction Agreement (“Amended LURA”) on September 27, 2011, filed in the Records at Document Number 120785. In accordance with Section 7.7 of the LURA, as amended, the LURA is a restrictive covenant/deed restriction encumbering the property and binding on all successors and assigns for the full term of the LURA.
3. Respondent took ownership of the Property and signed an agreement with TDHCA to assume the duties imposed by the LURA and to comply fully with the terms thereof (Agreement to Comply and Amendment), effective February 18, 2014, and filed the same in the Records at Document Number 140660, thereby acknowledging that Respondent is bound to the terms of the LURA.
4. Respondent 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 May 18, 2015, 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 December 1, 2015, corrective action deadline was set, however, the following violations were not corrected before the corrective action deadline:
 - a. Respondent failed to provide documentation that household incomes were within prescribed limits upon initial occupancy for units 200 and 201, a violation of 10 TEX. ADMIN. CODE §10.611 (Determination, Documentation and Certification of Annual Income) and Section 2.4 of the LURA, which require screening of tenants to ensure qualification for the program. The finding was corrected March 25, 2016, after intervention by the Enforcement Committee and 115 days past the deadline.
 - b. Respondent failed to provide a Tenant Income Certification for units 201 and 307, a violation of 10 TEX. ADMIN. CODE §10.612 (Tenant File Requirements), which requires developments to annually collect an income certification form from each household. The finding was corrected March 25, 2016, after intervention by the Enforcement Committee and 115 days past the deadline.
 - 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. The rule has since been amended at 10 TEX. ADMIN. CODE §10.610

¹ Within this Agreed Final Order, all references to violations of TDHCA Compliance Monitoring rules at 10 TEX. ADMIN. CODE CHAPTERS 10 and 60 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.

(Written Policies and Procedures). A plan was submitted on March 25, 2016, but did not meet all rule requirements and the finding remains unresolved.

- d. Respondent failed to provide a Notice of Amenities and Services to units 108 and 2000, a violation of 10 TEX. ADMIN. CODE §10.613 (Lease Requirements), which, at the time of move-in for these units, 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". The finding was corrected March 25, 2016, after intervention by the Enforcement Committee and 115 days past the deadline.
 - e. Respondent failed to provide the Fair Housing Disclosure Notice for units 108, 200, and 201, a violation of 10 TEX. ADMIN. CODE §10.613 (Lease Requirements), which, at the time of move-in for these units, 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". The finding was corrected March 25, 2016, after intervention by the Enforcement Committee and 115 days past the deadline.
 - f. 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. The finding remains unresolved.
6. The following violations remain outstanding at the time of this order:
- a. Tenant Selection Criteria violation described in FOF #5.c;
 - b. Lease violation described in FOF #5.f.

CONCLUSIONS OF LAW

1. The Department has jurisdiction over this matter pursuant to TEX. GOV'T CODE §§2306.041-.0503.
2. Respondent is a "housing sponsor" as that term is defined in TEX. GOV'T CODE §2306.004(14).
3. Respondent violated Section 2.4 of the LURA and 10 TEX. ADMIN. CODE §10.611 in 2015 by failing to provide documentation that household incomes were within prescribed limits upon initial occupancy for two units;
4. Respondent violated 10 TEX. ADMIN. CODE §10.612 in 2015, by failing to provide a tenant income certification to ensure qualification for the program;

5. Respondent violated 10 TEX. ADMIN. CODE §10.610 in 2015, by failing to provide a written tenant selection criteria that meet minimum standards;
6. Respondent violated 10 TEX. ADMIN. CODE §10.613 in 2015, by failing to execute the Notice of Amenities and Services for two units;
7. Respondent violated 10 TEX. ADMIN. CODE §10.613 in 2015, by failing to execute the Fair Housing Disclosure Notice for three units;
8. Respondent violated 10 TEX. ADMIN. CODE §10.613 in 2015, by failing to execute required lease language for all units;
9. Because Respondent is a housing sponsor with respect to the Property, and has violated TDHCA rules, the Board has personal and subject matter jurisdiction over Respondent pursuant to TEX. GOV'T CODE §2306.041 and §2306.267.
10. 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.
11. 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.
12. An administrative penalty of \$1,000 is an appropriate penalty in accordance with 10 TEX. ADMIN. CODE §2.302.

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 \$1,000, subject to deferral as further ordered below.

IT IS FURTHER ORDERED that all owner representatives for Dale Meadows f/k/a St. John Colony, who process tenant files shall attend First Thursday Income Eligibility Training on or before August 29, 2016.

IT IS FURTHER ORDERED that Respondent shall fully correct the file monitoring violations as indicated in the attachments and submit full documentation of the corrections to TDHCA on or before August 29, 2016.

IT IS FURTHER ORDERED that Respondent shall follow the requirements of 10 TEX. GOV'T 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 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 \$1,000 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 before the terms and conditions of this Agreed Final Order have been fully satisfied.

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

If via overnight mail (FedEx, UPS):	If via USPS:
TDHCA Attn: Ysella Kaseman 221 E 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 _____, 2016.

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 TRAVIS §

Before me, the undersigned notary public, on this _____ day of _____, 2016, 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 _____, 2016, 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

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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 the Property, which is subject to a Land Use Restriction Agreement monitored by the TDHCA in the State of Texas, and I am duly authorized by Respondent to execute this document.
3. 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:

PETER HUU LE, husband

By: _____

Name: _____

Title: _____

Given under my hand and seal of office this _____ day of _____, 2016.

Signature of Notary Public

Printed Name of Notary Public

NOTARY PUBLIC IN AND FOR THE STATE OF _____

My Commission Expires: _____

DIANA THI NGUYEN, wife

By: _____

Name: _____

Title: _____

Given under my hand and seal of office this _____ day of _____, 2016.

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 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>

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

4. **Written tenant selection criteria** – Respondent submitted written tenant selection criteria, however, the criteria were incomplete.

Submit updated written tenant selection criteria addressing all requirements at 10 TEX. ADMIN. CODE §10.610, including but not limited to the requirement to state that the Development will comply with state or federal fair housing and anti-discrimination laws. Staff recommends using that rule as a checklist.

5. **Lease language for all units** – Respondent failed to provide households with a Good Cause Eviction lease addendum. Evictions and terminations of tenancy for other than good cause are prohibited in accordance with 10 Tex. Admin. Code §10.613. For rental properties participating in the HOME program, federal regulations 24 CFR 92.253 provide that a property owner may not evict a resident or refuse to renew a lease except for good cause. In addition, for HOME program units, the property owner must provide a resident with at least 30 days written notice before either seeking an eviction or not renewing the lease. The written notice must specify the grounds for eviction or nonrenewal of the lease.

Provide each household in the development with a Good Cause Eviction lease addendum and submit a copy of each household's executed addendum to the Department for review. If a unit is vacant, the finding will remain uncorrected but will not be in violation of this Agreed Final Order provided that you submit a letter certifying that the unit is vacant but ready for occupancy.

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

1c

BOARD ACTION REQUEST

LEGAL DIVISION

JUNE 30, 2016

Presentation, Discussion, and Possible Action regarding the adoption of an Agreed Final Order concerning Champions at North Dallas f/k/a Brighton's Mark (BOND 91009 / CMTS 2559)

RECOMMENDED ACTION

WHEREAS, Champions at North Dallas f/k/a Brighton's Mark, owned by Special Account-U, L.P. f/k/a PRSA-U, LP, f/k/a Phoenix Realty Special Acct-U LP ("Owner"), has uncorrected compliance findings relating to the applicable land use restriction agreement and the associated statutory and rule requirements;

WHEREAS, on May 24, 2016, Owner's representatives participated in an informal conference with the Enforcement Committee and agreed, subject to Board approval, to enter into an Agreed Final Order assessing an administrative penalty of \$500, to be fully forgiven if all violations are resolved as specified in the Agreed Final Order on or before July 30, 2016;

WHEREAS, unresolved compliance findings include: a utility allowance violation, an annual recertification violation, and two uncorrectable lease violations relating to failure to provide the Notice of Amenities and Services; 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 \$500, subject to forgiveness as outlined above for noncompliance at Champions at North Dallas, 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

Special Account-U, L.P. f/k/a PRSA-U, LP, f/k/a Phoenix Realty Special Acct-U LP ("Owner") is the owner of Champions at North Dallas f/k/a Brighton's Mark ("Property"), a low income apartment complex composed of 180 units, 45 of which are restricted, located in Collin County. Records of the Texas Secretary of State indicate that the general partner is Henderson Global Investors G/P., L.L.C., with the following members and/or officers: Kristin Rice, Doug Denyer, Carrie Dewees, Mike Schwaab, and Brian Eby. The primary contact in CMTS for the owner is Michael Chor. The property is managed by Pinnacle Property Management Services LLC and CMTS indicates the following contacts: Carey Erff and Darryl Jackson. The following representatives attended the Enforcement Committee's informal conference: AJ Richard (Senior Director for Owner), Michael Chor (Asset Manager for Owner), Toni Rials (Regional Vice President, Pinnacle), Debbie Sandridge (Regional Manager, Pinnacle), Carey Erff (Regional Manager, Pinnacle), Darryl Jackson (Property Manager, Pinnacle).

The Property is subject to a Land Use Restriction Agreement ("LURA") signed by prior owners in 1983 and 1996 in consideration for multiple BOND allocations. Current owner acquired the property in 1999, and the LURA remains in effect per Section 9 of the LURA which stipulates that its restrictions run with the land.

Owner was previously referred for an administrative penalty for reporting violations, but the referral was closed informally when full corrections were received. Owner has been referred again and, although corrective documentation was submitted to the Enforcement Committee, it was incomplete and multiple violations remain unresolved.

The following compliance violations identified during 2015 were referred for an administrative penalty and have been resolved:

1. Affirmative Marketing Plan.

The following compliance violations identified during 2015 were referred for an administrative penalty and are unresolved:

1. Utility allowance violation (note that this did not cause a gross rent violation);
2. Lease violations relating to failure to provide and execute the Notice of Amenities and Services for units 614 and 1333; and
3. Tenant income recertification violation for unit 614.

Owner participated in an informal conference with the Enforcement Committee on May 24, 2016, and agreed to sign an Agreed Final Order with the following terms:

1. A \$500 administrative penalty, subject to full forgiveness as indicated below;
2. Owner must correct the file monitoring violations as indicated in the Agreed Final Order, and submit full documentation of the corrections to TDHCA on or before July 30, 2016;
3. If Owner complies with all requirements and addresses all violations as required, the full administrative penalty will be forgiven; and

4. If Owner violates any provision of the Agreed Final Order, the full administrative penalty will immediately come due and payable.

Consistent with direction from the Department's Enforcement Committee, a probated and, upon successful completion of probation, fully forgivable administrative penalty in the amount of \$500 is recommended. This will be a reportable item of consideration under previous participation for any new award to the principals of the owner.

ENFORCEMENT ACTION AGAINST
SPECIAL ACCOUNT-U, L.P., F/K/A
PRSA-U, LP, F/K/A PHOENIX
REALTY SPECIAL ACCT-U LP
WITH RESPECT TO
CHAMPIONS AT NORTH DALLAS
(F/K/A BRIGHTONS MARK)
(BOND FILE # 6018 / CMTS # 2559)

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BEFORE THE
TEXAS DEPARTMENT OF
HOUSING AND
COMMUNITY AFFAIRS

AGREED FINAL ORDER

General Remarks and official action taken:

On this 30th day of June, 2016, 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 **SPECIAL ACCOUNT-U, L.P., F/K/A PRSA-U, LP, F/K/A PHOENIX REALTY SPECIAL ACCT-U LP**, a Delaware 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. During 1983 and 1996, Fulsom I Associates (“Original Owner”) and Consolidated Apartment Ventures, L.P. (“Prior Owner”) were awarded funds by the Board in the form of multiple BOND issuances to refinance and operate Champions at North Dallas (f/k/a Brightons Mark) (“Property”) (HTC file No. 6018 / CMTS No. 2559 / LDLD No. 276).
2. Original Owner signed a Special Warranty Deed and Deed Restrictions, also known as a land use restriction agreement (“LURA”) regarding the Property, effective August 30, 1983, and filed of record at Volume 1742, Page 312 of the Official Public Records of Real Property of Collin County, Texas (“Records”), as amended by an Amendment to and Restatement of Special Warranty Deed and Deed Restrictions, signed July 16, 1996 by Prior Owner, and filed of record at Document Number 96-0069945 of the Records. In accordance with Section 9 of the LURA, the LURA is a restrictive covenant/deed restriction encumbering the property and binding on all successors and assigns for the full term of the LURA.
3. Respondent took ownership of the Property on June 11, 1999, and although an Agreement to Comply was not signed, Respondent is bound to the terms of the LURA in accordance with Section 9 thereof.
4. Respondent is a Delaware 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 June 18, 2015, 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 November 10, 2015, corrective action deadline was set, however, the following violations were not corrected before the corrective action deadline:
 - a. Respondent failed to properly calculate and implement 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. The finding is unresolved.
 - b. Respondent failed to provide a compliant affirmative marketing plan, a violation of 10 TEX. ADMIN. CODE §10.617 (Affirmative Marketing), which requires developments to maintain an affirmative marketing plan that meets minimum requirements and to distribute marketing materials to selected marketing organizations that reach groups identified as least likely to apply and to the disabled.

¹ Within this Agreed Final Order, all references to violations of TDHCA Compliance Monitoring rules at 10 TEX. ADMIN. CODE, CHAPTERS 10 and 60 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.

The violation was resolved on April 20, 2016, after intervention by the Enforcement Committee and 307 days after the deadline.

- c. Respondent failed to provide full documentation of the annual recertification performed for unit 614, a violation of 10 TEX. ADMIN. CODE §10.612 (Tenant File Requirements), which requires developments to annually recertify households in a BOND developments with less than 100 percent of units set aside for low income residents. The finding is unresolved.
 - d. Respondent failed to provide a Notice of Amenities and Services to units 614 and 1333, a violation of 10 TEX. ADMIN. CODE §10.613 (Lease Requirements), which, at the time of move-in for this unit, 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". Property has indicated that both impacted households moved out before signing the required form. Therefore, the violations are uncorrectable.
6. The following violations remain outstanding at the time of this order:
- a. Utility allowance violation described in FOF #5.a;
 - b. Annual recertification violation described in FOF #5.c; and
 - c. Lease requirement violation relating to Notice of Amenities and Services described in FOF #5.d.

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 § 10.614 in 2015 by failing to properly calculate and implement the appropriate utility allowance;
4. Respondent violated 10 TEX. ADMIN. CODE §10.617 in 2015, by failing to provide a complete affirmative marketing plan with supporting marketing materials;
5. Respondent violated 10 TEX. ADMIN. CODE §10.612 in 2015, by failing to provide full recertification documentation for one unit to ensure qualification for the program;
6. Respondent violated 10 TEX. ADMIN. CODE §10.613 in 2015, by failing to execute the Notice of Amenities and Services for two units;

7. Because Respondent is a housing sponsor with respect to the Property, and has violated TDHCA rules, the Board has personal and subject matter jurisdiction over Respondent pursuant to TEX. GOV'T CODE §2306.041 and §2306.267.
8. Because Respondent is a housing sponsor, TDHCA may order Respondent to perform or refrain from performing certain acts in order to comply with the law, TDHCA rules, or the terms of a contract or agreement to which Respondent and TDHCA are parties, pursuant to Tex. Gov't Code §2306.267.
9. Because Respondent has violated rules promulgated pursuant to TEX. GOV'T CODE 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 \$500 is an appropriate penalty in accordance with 10 TEX. ADMIN. CODE §2.302

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 \$500, subject to deferral as further ordered below.

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 July 30, 2016.

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 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 \$500 shall be immediately due and payable to the Department. Such payment shall be made by cashier's check payable to the "Texas Department of Housing and Community Affairs" upon the earlier of (1) within thirty days of the date the Department sends written notice to Respondent that it has violated a provision of this Order, or (2) the property closing date if sold before the terms and conditions of this Agreed Final Order have been fully satisfied.

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

If via overnight mail (FedEx, UPS):	If via USPS:
TDHCA Attn: Ysella Kaseman 221 E 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 _____, 2016.

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 TRAVIS §

Before me, the undersigned notary public, on this _____ day of _____, 2016, 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 §
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COUNTY OF TRAVIS §

Before me, the undersigned notary public, on this _____ day of _____, 2016, 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

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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 the Property, which is subject to a Land Use Restriction Agreement monitored by the TDHCA in the State of Texas, and I am duly authorized by Respondent to execute this document.
3. 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:

**SPECIAL ACCOUNT-U, L.P., F/K/A PRSA-U, LP,
F/K/A PHOENIX REALTY SPECIAL ACCT-U LP,**
a Delaware limited partnership

**HENDERSON GLOBAL INVESTORS G.P.,
L.L.C.,** a Delaware corporation, its general partner

By: _____

Name: _____

Title: _____

Given under my hand and seal of office this _____ day of _____, 2016.

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 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>

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

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

6. **Utility Allowance:** Respondent submitted a utility allowance schedule published by the housing authority in 2016, but did not show that it had been implemented property-wide. Submit updated unit status report to demonstrate that utility allowance has been implemented.
7. **Notice of Amenities and Services (units 614 and 1333)** – Respondent has indicated that the households that triggered the findings vacated the units without completing the required form. Therefore, there is no corrective action available and the finding will remain outstanding. This will not be considered a violation of the Agreed Final Order.
8. **Tenant income certification and documentation (unit 614)** – Respondent has submitted incomplete documentation on multiple occasions. Submit an annual recertification, including the application, income certification, the associated verifications of all sources of income and assets disclosed on the application, and the first and last pages of the lease. An annual recertification must be supported by contemporaneous application and verifications of income and assets; you may not use old supporting documentation to verify information in a recertification.

The following table demonstrates the date problem and why prior submissions were unacceptable since there was no contemporaneous documentation relating to the 2015 Tenant Income Certification:

Submission regarding Original file included: <ul style="list-style-type: none">• 2014 Tenant income certification;• 2014 supplemental rental app, screening for income and assets;• Tenant Rights & Resources Guide Acknowledgment;• 2014 Social Security Letter to verify social security income;• 2013 tax form to verify employment income;
Submission regarding recertification included: <ul style="list-style-type: none">• 2015 Tenant income certification;• 2014 application;• Lease.

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

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BOARD ACTION REQUEST

LEGAL DIVISION

JUNE 30, 2016

Presentation, Discussion, and Possible Action regarding the adoption of an Agreed Final Order concerning Milam Senior Estates (HTC 91009 / CMTS 941)

RECOMMENDED ACTION

WHEREAS, Milam Senior Estates, owned by Milam Senior Estates, Ltd. (“Owner”), has uncorrected compliance findings relating to the applicable land use restriction agreement and the associated statutory and rule requirements;

WHEREAS, on May 24, 2016, Owner’s representatives participated in an informal conference with the Enforcement Committee and agreed, subject to Board approval, to enter into an Agreed Final Order assessing an administrative penalty of \$1,000, to be forgiven if all violations are resolved as specified in the Agreed Final Order on or before July 30, 2016;

WHEREAS, unresolved compliance findings include: Uniform Physical Condition Standards (“UPCS”) violations identified during the 2015 inspection; lease violations relating to required lease notices for five units; and an Affirmative Marketing Plan 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 an Agreed Final Order assessing an administrative penalty of \$1,000, subject to forgiveness as outlined above for noncompliance at Milam Senior Estates, 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

Milam Senior Estates, Ltd. ("Owner") is the owner of Milam Senior Estates ("Property"), a low income apartment complex composed of 32 units, located in Milam County. Records of the Texas Secretary of State list Oaks Senior Estates, Inc. as the general partner for the owner, with the following directors: Betsy Duncan Dorwood (director), C Richard Blake (director). Texas Secretary of State records are not current as Ms. Dorwood has withdrawn from the corporation and Mr. Blake is deceased. The Property is solely controlled by Peggy Blake, widow of Mr. Blake. The Property was self-managed until May 2016, when Mrs. Blake hired Hamilton Valley Management, Inc. as property manager to resolve outstanding noncompliance. CMTS now lists Peggy Blake as the primary contact for Owner, and Charlotte Lovelace as the primary contact for Hamilton Valley Management, Inc.

The Property is subject to a Land Use Restriction Agreement ("LURA") signed in 1991 in consideration for an annual housing tax credit allocation in the amount of \$36,315 to build and operate the Property.

Owner was previously referred for an administrative penalty for reporting violations and Uniform Physical Condition Standards ("UPCS") violations, but the referrals were closed informally when full corrections were received. Owner has been referred again and no corrective documentation was submitted to the Compliance Division. Unacceptable documentation was later submitted in response to the Enforcement Committee's informal conference notice. Mrs. Blake has admitted that she is not able to meet TDHCA compliance requirements and that she has not been adequately supervising her part-time onsite property manager.

Hamilton Valley Management, Inc. contacted TDHCA in May 2016, after the informal conference had been scheduled, and indicated that they were interested in purchasing the property. Mrs. Blake hired them as her property management company later that month in order to resolve current issues of noncompliance while the sale is pending, and she appointed Hamilton Valley as her representative for the informal conference that took place on May 24, 2016. Conversations with Mrs. Blake, coupled with the informal conference, confirmed the owner's lack of program knowledge and the need for extensive training if she were to maintain control over the property going forward.

The following compliance violations identified during 2015 were referred for an administrative penalty and are still unresolved:

1. 2015 UPCS violations;
2. Failure to maintain an Affirmative Marketing Plan and evidence of associated marketing efforts; and
3. Lease violations relating to failure to provide and execute required notices, including:
 - a. Failure to post the Tenant Rights and Resources Guide in a common area in the office;
 - b. Failure to execute the Tenant Rights and Resources Guide Acknowledgment for unit 127, 131, 155, and 156;
 - c. Failure to execute the Notice of Amenities and Services for unit 153; and
 - d. Failure to execute the Fair Housing Disclosure Notice for unit 153.

There is also an unresolved violation for failure to submit the 2016 Annual Owner's Compliance Report that came due on April 30, 2016, but it has not yet been referred for an administrative penalty and is not part of the Agreed Final Order. It must be resolved before an ownership transfer request can be approved.

Representatives authorized by Owner participated in an informal conference with the Enforcement Committee on May 24, 2016, and agreed to sign an Agreed Final Order with the following terms:

1. A \$1,000 administrative penalty, subject to forgiveness as indicated below;
2. Owner must correct the UPCS and file monitoring violations as indicated in the Agreed Final Order, and submit full documentation of the corrections to TDHCA on or before July 30, 2016;
3. If Owner complies with all requirements and addresses all violations as required, the full administrative penalty in the amount of \$1,000 will be forgiven; and
4. If Owner violates any provision of the Agreed Final Order, the full administrative penalty will immediately come due and payable.

Consistent with direction from the Department's Enforcement Committee, a probated and, upon successful completion of probation, fully forgivable administrative penalty in the amount of \$1,000 is recommended. This will be a reportable item of consideration under previous participation for any new award to the principals of the owner. It will not be a reportable item of consideration under previous participation for Hamilton Valley Management, Inc., as potential buyer, if the sale is completed and violations are fully resolved as required under the Agreed Final Order

ENFORCEMENT ACTION AGAINST
MILAM SENIOR ESTATES, LTD
WITH RESPECT TO
MILAM SENIOR ESTATES
(HTC FILE # 91009 / CMTS # 941)

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BEFORE THE
TEXAS DEPARTMENT OF
HOUSING AND
COMMUNITY AFFAIRS

AGREED FINAL ORDER

General Remarks and official action taken:

On this 30th day of June, 2016, 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 **MILAM SENIOR ESTATES, 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. During 1991, Respondent was awarded an allocation of Low Income Housing Tax Credits by the Board, in an annual amount of \$36,315 to build and operate Milam Senior Estates ("Property") (HTC file No. 91009 / CMTS No. 941 / LDLD No. 412).
2. Respondent signed a land use restriction agreement ("LURA") regarding the Property. The LURA was effective September 16, 1991, and filed of record at Volume 649, Page 422 of the Official Public Records of Real Property of Milam County, Texas ("Records").

3. 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:

4. A Uniform Physical Condition Standards ("UPCS") inspection was conducted on August 5, 2015. 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 December 8, 2015, corrective action deadline was set. Documentation was submitted on March 21, 2016, after intervention by the Enforcement Committee, but was incomplete and unacceptable.
5. An on-site monitoring review was conducted on August 5, 2015, 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 November 16, 2015, corrective action deadline was set however, the following violations were not corrected before the corrective action deadline:
 - a. Respondent failed to provide a compliant affirmative marketing plan, a violation of 10 TEX. ADMIN. CODE §10.617 (Affirmative Marketing), which requires developments to maintain an affirmative marketing plan that meets minimum requirements and to distribute marketing materials to selected marketing organizations that reach groups identified as least likely to apply and to the disabled. An affirmative marketing plan was received on March 21, 2016, after intervention by the Enforcement Committee, but it did not meet minimum requirements and did not include evidence of marketing outreach;
 - b. Respondent failed to post a laminated copy of the Tenant Rights and Resources Guide in a common area of the leasing office, a violation of 10 TEX. ADMIN. CODE §10.613 (Lease Requirements), which requires owners to post a laminated copy of the Guide in a common area of the leasing office and provide a copy to each household during the application process and upon any subsequent change to common amenities, unit amenities, or services;
 - c. Respondent failed to provide a Tenant Rights and Resources Guide and get a signed Acknowledgment for units 127, 131, 155, or 156, a violation of 10 TEX. ADMIN. CODE §10.613 (Lease Requirements), which requires owners to post a laminated copy of the Guide in a common area of the leasing office and provide a copy to each household during the application process and upon any subsequent change to common amenities, unit amenities, or services;
 - d. Respondent failed to provide a Notice of Amenities and Services to unit 153, a violation of 10 TEX. ADMIN. CODE §10.613 (Lease Requirements), which, at the time of move-in for this unit, required owners to provide to each household, at the time

¹ Within this Agreed Final Order, all references to violations of TDHCA Compliance Monitoring rules at 10 TEX. ADMIN. CODE, CHAPTERS 10 and 60 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.

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," which also has not been provided;

- e. Respondent failed to provide the Fair Housing Disclosure Notice for unit 153, a violation of 10 TEX. ADMIN. CODE §10.612 (Lease Requirements), which, at the time of move-in for this unit, 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", which also has not been provided.
6. The following violations remain outstanding at the time of this order:
- a. UPCS violations described in FOF 4;
 - b. Affirmative marketing plan violation described in FOF #5.a;
 - c. Lease notice violations described in FOF#5.b through 5.e.

CONCLUSIONS OF LAW

1. The Department has jurisdiction over this matter pursuant to Tex. Gov't Code §§2306.041-.0503.
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 §10.617 in 2015, by failing to provide a complete affirmative marketing plan along with supporting marketing materials;
5. Respondent violated leasing requirements in 10 TEX. ADMIN. CODE §10.613 in 2015, by failing to post a laminated copy of the Tenant Rights and Resources Guide in a common area of the leasing office;
6. Respondent violated leasing requirements in 10 TEX. ADMIN. CODE §10.613 in 2015, by failing to provide a Tenant Rights and Resources Guide and have each household sign an acknowledgment form for units 127, 131, 155, and 156;
7. Respondent violated 10 TEX. ADMIN. CODE §10.613 in 2014, by failing to execute the Notice of Amenities and Services for unit 153;
8. Respondent violated 10 TEX. ADMIN. CODE §10.612 in 2014, by failing to execute the Fair Housing Disclosure Notice for unit 153;

9. Respondent violated 10 TEX. ADMIN. CODE §10.621 in 2015 and I.R.C. §42, as amended, by failing to comply with HUD's Uniform Physical Condition Standards when major violations were discovered and not timely corrected.²
10. Because Respondent is a housing sponsor with respect to the Property, and has violated TDHCA rules, the Board has personal and subject matter jurisdiction over Respondent pursuant to TEX. GOV'T CODE §2306.041 and §2306.267.
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 \$1,000 is an appropriate penalty in accordance with 10 TEX. ADMIN. CODE §2.302

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 \$1,000, subject to deferral as further ordered below.

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 July 30, 2016.

IT IS FURTHER ORDERED that Respondent shall repair all UPCS violations as indicated in Attachment 2 and submit work orders in the correct format, and including all necessary parts, to document the corrections to TDHCA on or before July 30, 2016.

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.

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

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

IT IS FURTHER ORDERED that if Respondent fails to satisfy any conditions or otherwise violates any provision of this order, or the property is sold before the terms and conditions of this Agreed Final Order have been fully satisfied, then the full administrative penalty in the amount of \$1,000 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 before the terms and conditions of this Agreed Final Order have been fully satisfied.

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

If via overnight mail (FedEx, UPS):	If via USPS:
TDHCA Attn: Ysella Kaseman 221 E 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 _____, 2016.

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 TRAVIS §

Before me, the undersigned notary public, on this _____ day of _____, 2016, 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 _____, 2016, 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 the Property, which is subject to a Land Use Restriction Agreement monitored by the TDHCA in the State of Texas, and I am duly authorized by Respondent to execute this document.
3. 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:

MILAM SENIOR ESTATES, LTD, Texas limited partnership

OAKS SENIOR ESTATES, INC., a Texas corporation, its general partner

By: _____
Name: _____
Title: _____

Given under my hand and seal of office this _____ day of _____, 2016.

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 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>

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

4. **Affirmative marketing plan –**

- a. Identify the appropriate housing market in which outreach efforts will be made;
- b. Determine the groups that are least likely to apply. The Affirmative Marketing Web Tool referenced at 10 TEX. ADMIN. CODE §10.617(d)(5) to determine groups that are least likely to apply is available online at: <http://www.tdhca.state.tx.us/pmcomp/forms.htm>. Your property has under 40 units, so you must enter its census tract (48331950402) into the right side of this tool rather than selecting the development name from the drop-down menu on the left side of the tool. Persons with disabilities must always be selected as a group least likely to apply.
- c. Identify specific organizations, media, and community contacts in the housing market to send marketing outreach materials. The organizations must specifically reach those groups designated as least likely to apply, including organizations that assist persons with disabilities. For example, a local housing authority serves the general public, not a specific racial or ethnic demographic; therefore, marketing to the housing authority is not affirmative marketing. The same is true for the Department Of Human Services, Texas Work Force Solutions, and Texas Neighborhood Service. A Hispanic Chamber of Commerce or Hispanic publication could be an avenue to market to the Hispanic population if that group is identified as one that is least likely to apply. Similarly, local groups that focus on helping the mentally disabled, physically disabled, disabled veteran affairs groups, etc, could be a way to market to the disabled community. Some examples of groups that focus on the disabled: Easter Seals, United Cerebral Palsy, American Council of the Blind, The Blinded Veterans Association.
- d. Complete and execute an affirmative marketing plan using any version of HUD Form 935.2A, including the groups and organizations identified above;
- e. Comply with all requirements of 10 TEX. ADMIN. CODE §10.617, which we recommend using as a checklist;
- f. Send marketing outreach materials to the identified organizations, ensuring that said marketing materials comply with all requirements of 10 TEX. ADMIN. CODE §10.617. Remember that 10 TEX. ADMIN. CODE §10.617(f)(5) requires marketing materials to include the Fair Housing Logo and give contact information that prospective tenants can access if reasonable accommodations are needed in order to complete the application

process. This contact information sentence must include the terms “reasonable accommodation” and must be in English and Spanish. Here is a sample of an acceptable sentence recently included in marketing materials from another property: *“Individuals who need to request a reasonable accommodation to complete the application process should contact the apartment manager at XXX-XXX-XXXX. Personas con discapacidad que necesitan solicitar un acomodacion razonable para completar el proceso de aplicacion deben comunicarse con el Administrador del apartment al XXX-XXX-XXXX.”*

- g. Submit the plan and all supporting marketing materials to the Department via CMTS for review.

6. Lease notice violations (including Tenant Rights and Resources Guide, Fair Housing Disclosure Notice, and Notice of Amenities and Services) –

- a. Implement Tenants Rights and Resource Guide as indicated at 10 TEX. ADMIN. CODE §10.613(k). Customize the Guide for the property, laminate a copy, and post it in a common area of the leasing office. Submit a copy of the customized Guide, along with a letter certifying that a laminated copy has been posted in a common area of the leasing office.
- b. Submit signed Tenants Rights and Resource Guide Acknowledgments for units 127, 131, 153, 155, 156. If the affected household 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.

All of the above corrective documentation must be submitted via CMTS following the instructions at <http://www.tdhca.state.tx.us/pmcdocs/CMTSUserGuide-AttachingDocs.pdf>. Once complete, email Ysella Kaseman at ysella.kaseman@tdhca.state.tx.us to let her know that the submission is ready for review.

Attachment 2
UPCS Instructions

1. Prepare corrective documentation for each violation following these guidelines:
<http://www.tdhca.state.tx.us/pmcomp/inspections/docs/UPCS-WorkOrderGuidelines.pdf>
2. Submit corrective documentation via CMTS following the instructions at <http://www.tdhca.state.tx.us/pmcdocs/CMTSUserGuide-AttachingDocs.pdf>, then email Ysella Kaseman at ysella.kaseman@tdhca.state.tx.us to let her know that the submission is ready for review
3. UPCS violations that must be corrected:

Inspectable Area	Inspectable Item	Deficiency	UPCS	Comments
Miami Senior Estates 1100 North Crockett Avenue Cameron, TX 76520				
Building:				
Unit:				
	Grounds	Overgrown/Penetrating Vegetation	L2	tree limbs touching roof
Building: Bldg 1				
Unit:				
Building Systems				
	Fire Protection	Missing/Damaged/Expired Extinguishers	L3	breezway extinguisher expired
	Sanitary System	Missing Drain/Cleanout/Manhole Covers	L3	cap damaged, leaking
Unit: 123-vc150dy				
	Bathroom	Lavatory Sink - Damaged/Missing	L1	sink stopper missing
	Doors	Damaged Hardware/Locks	L3	bathroom door will not latch
	Electrical	GFI Inoperable	L3	kitchen gfi will not test
Building: Bldg 2				
Unit: 130				
	Electrical	GFI Inoperable	L3	kitchen and bathroom gfi will not test
Building: Bldg 3				
Unit: 221-vc160dy				
	Call-for-Aid	Not Operable	L3	activation cord missing from bathroom and bedroom wall switch, inop
Building: Bldg 4				
Unit:				
Building Systems				
	Fire Protection	Missing/Damaged/Expired Extinguishers	L3	breezway extinguisher expired
Building: Bldg 5				
Unit:				
Building Exterior				
	Health & Safety	Electrical Hazards - Exposed Wires/Open Panels	L3	knockout missing on bottom of 2 a/c boxes, exposed wires
Building: Bldg 6				
Unit: 231-vc300dy				
	Doors	Damaged/Missing Screen/Storm/Security Door	L2	screen door closure missing
	Doors	Damaged Hardware/Locks	L2	bedroom door will not latch
	Health & Safety	Flammable/Combustible Materials - Improperly Stored	L3	2 gas cans in kitchen, improperly stored flammables-corrected during inspection
Building: Bldg 7- Office/ Laundry				
Unit:				
Laundry Room				
	Dryer Vent	Missing/Damaged/Inoperable	L3	one dryer not vented
Building Systems				
	Fire Protection	Missing/Damaged/Expired Extinguishers	L3	laundry and community room extinguishers expired

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

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BOARD ACTION REQUEST

LEGAL DIVISION

JUNE 30, 2016

Presentation, Discussion, and Possible Action regarding the adoption of an Agreed Final Order concerning Jourdanton Elderly Housing (HOME 535004 / CMTS 2685)

RECOMMENDED ACTION

WHEREAS, Jourdanton Elderly Housing, owned by Jourdanton Housing Authority ("Owner"), had uncorrected compliance findings relating to the applicable land use restriction agreement and the associated statutory and rule requirements;

WHEREAS, all findings that had been referred for an administrative penalty were resolved informally before consideration by the Enforcement Committee;

WHEREAS, Owner's representatives have agreed, subject to Board approval, to enter into an Agreed Final Order stipulating that violations occurred, and assessing no administrative penalty; 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, stipulating that violations occurred at Jourdanton Elderly Housing (HOME 535004 / CMTS 2685), 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

Jourdanton Housing Authority (“Owner”) is the owner of Jourdanton Elderly Housing (“Property”), a low income apartment complex composed of 40 units, located in Atascosa County. The organization is a public housing authority and is not registered with the Texas Secretary of State. CMTS lists Kathryn Riggs as the primary contact(s) for Owner. The Property is self managed.

The Property is subject to a Land Use Restriction Agreement (“LURA”) signed in 1997 in consideration for a HOME loan in the amount of \$1,850,000 to build and operate the Property.

Owner was previously referred for an administrative penalty for file monitoring and uniform physical condition standards violations, but the referrals were closed informally when full corrections were received. It is not appropriate to close the current administrative penalty referral with a warning letter because of the referral history, however, corrective documentation was received before the informal conference to address all violations, and Owner has agreed to sign an Agreed Final Order stipulating that violations had occurred, and assessing an administrative penalty of \$0 for noncompliance at Jourdanton Elderly Housing.

The following compliance violations identified during 2015 were referred for an administrative penalty and have been resolved:

1. Failure to submit Part A of the 2014 Annual Owner’s Compliance Report that came due on April 30, 2016;
2. Failure to maintain an Affirmative Marketing Plan and evidence of associated marketing efforts; and
3. Failure to implement appropriate utility allowance.

Consistent with direction from the Department’s Enforcement Committee, an Agreed Final Order stipulating that a violation occurred is recommended, with an administrative penalty in the amount of \$0. This will be a reportable item of consideration under previous participation for any new award to the principals of the owner.

ENFORCEMENT ACTION AGAINST
JOURDANTON HOUSING
AUTHORITY WITH RESPECT TO
JOURDANTON ELDERLY HOUSING
(HOME FILE # 535004 / CMTS # 2685)

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BEFORE THE
TEXAS DEPARTMENT OF
HOUSING AND
COMMUNITY AFFAIRS

AGREED FINAL ORDER

General Remarks and official action taken:

On this 30th day of June, 2016, 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 **JOURDANTON HOUSING AUTHORITY**, a public housing authority ("Respondent").

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

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

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. During 1996, Respondent was awarded an allocation of HOME funds totaling \$1,850,000 to build and operate Jourdanton Elderly Housing ("Property") (HOME file No. 535004 / CMTS No. 2685 / LDLD No. 536).
2. Respondent signed a land use restriction agreement ("LURA") regarding the Property. The LURA was effective March 10, 1997, and filed of record at Document Number 17293 of the Official Public Records of Real Property of Atascosa County, Texas.

3. Respondent is a public housing authority 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:

4. On May 11, 2015 and July 1, 2015, TDHCA sent notice that Respondent had failed to timely submit Part A of their 2014 Annual Owner's Compliance Report that came due on April 30, 2015, a violation of 10 TEX. ADMIN. CODE §10.607 (Reporting Requirements), which requires each development to submit an Annual Owner's Compliance Report. The final part was submitted on April 27, 2016, after intervention by the Enforcement Committee and 363 days past the deadline.
5. An on-site monitoring review was conducted on May 13, 2015, 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 November 8, 2015, corrective action deadline was set, however, the following violations were not corrected before the corrective action deadline:
 - 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 and implement a utility allowance. Acceptable corrective documentation was submitted on April 22, 2016, after intervention by the Enforcement Committee and 166 days past the deadline. The utility allowance violation did not cause a gross rent violation.
 - b. Respondent failed to provide a compliant affirmative marketing plan, a violation of 10 TEX. ADMIN. CODE §10.617 (Affirmative Marketing Requirements), which requires developments to maintain an affirmative marketing plan that meets minimum requirements and to distribute marketing materials to selected marketing organizations that reach groups identified as least likely to apply and to the disabled. Acceptable corrective documentation was submitted on April 22, 2016, after intervention by the Enforcement Committee and 166 days past the deadline.
6. No violations remain outstanding at the time of this Order.

[Remainder of page intentionally blank]

¹ Within this Agreed Final Order, all references to violations of TDHCA Compliance Monitoring rules at 10 TEX. ADMIN. CODE, CHAPTERS 10 AND 60 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.

CONCLUSIONS OF LAW

1. The Department has jurisdiction over this matter pursuant to Tex. Gov't Code §§2306.041-.0503.
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 §10.607 in 2015 by failing to submit the Annual Owner's Compliance Report for the year ending December 31, 2014;
4. Respondent violated 10 TEX. ADMIN. CODE §10.614 in 2015 by failing to properly calculate and implement a utility allowance;
5. Respondent violated 10 TEX. ADMIN. CODE §10.617 in 2015, by failing to provide a complete affirmative marketing plan and supporting marketing materials;
6. Because Respondent is a housing sponsor with respect to the Property, and has violated TDHCA rules, the Board has personal and subject matter jurisdiction over Respondent pursuant to TEX. GOV'T CODE §2306.041 and §2306.267.
7. 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.
8. 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.
9. An administrative penalty of \$0 is an appropriate penalty in accordance with 10 TEX. ADMIN. CODE §2.302.

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 \$0.

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 _____, 2016.

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 TRAVIS §

Before me, the undersigned notary public, on this _____ day of _____, 2016, 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 _____, 2016, 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

1f

BOARD ACTION REQUEST
ASSET MANAGEMENT DIVISION
JUNE 30, 2016

Presentation, Discussion, and Possible Action to approve a material amendment to the Housing Tax Credit Land Use Restriction Agreement (“LURA”) for Sun Meadow (# 99197)

WHEREAS, Sun Meadow received an award of 9% Housing Tax Credits in 1999 to construct 76 multifamily units in Alamo;

WHEREAS, the LURA for the Development requires a two-year Right of First Refusal (“ROFR”) period;

WHEREAS, in Spring 2015 the Texas Legislature amended Texas Government Code §2306.6725 to allow for a 180-day ROFR period;

WHEREAS, the General Partner, acting on behalf of the Partnership, requests to amend the LURA to eliminate the two-year ROFR period and replace it with the 180-day ROFR period;

WHEREAS, 10 TAC §10.405(b)(2)(F) allows for an owner to request a material LURA amendment to replace the two-year ROFR period with the 180-day ROFR period, and the Owner has complied with the procedural amendment requirements in 10 TAC §10.405(b) to place this request before the Board; and

WHEREAS, a public hearing is scheduled to be held on June 16, 2016, at 9:30 am, and any public comment will be summarized at this meeting;

NOW, therefore, it is hereby

RESOLVED, that the material LURA amendment for Sun Meadow is approved, as presented to this meeting and the Executive Director and his designees are hereby, authorized, empowered, and directed to take all necessary action to effectuate the foregoing.

BACKGROUND

Sun Meadow was approved in 1999 for the new construction of 76 multifamily units in Alamo. In a letter dated May 3, 2016, the General Partner, Community Action Corporation of South Texas (Ann E. Awalt), requested approval to amend the LURA related to the ROFR provision. The current LURA for the Development requires the Development Owner to provide a two-year ROFR to sell the Development based on a set order of priority to a community housing development organization (as defined for purposes of the federal HOME Investment Partnership Program at 24 CFR, Part 92), to a qualified nonprofit organization (as defined in Internal Revenue Code §42(h)(5)(C)), or to a tenant organization if at any time after the fifteenth year of the Compliance Period the owner decides to sell the property.

In 2015, the Texas Legislature passed HB 3576 which amended Texas Government Code §2306.6725 to allow for a 180-day ROFR period and provided that the Department could establish rules to allow an owner to opt into the shorter ROFR period. The Department's 2016 Post Award and Asset Management Requirements implemented administrative procedures to allow a Development Owner to conform to a ROFR period described in amended §2306.6725.

The Development Owner must comply with the amendment and notification requirements under the Department's rule at Texas Government Code §2306.6712 and 10 TAC §10.405(b). The Development Owner is scheduled to hold a public hearing on the matter on June 16, 2016, at 9:30 am at the Development's management office/clubhouse. Should any negative public comment be provided at the public hearing, this board action item will be pulled from the Consent Agenda and results of the public hearing will be presented verbally at the Board meeting.

Staff recommends approval of the request, subject to no negative public comment received, to amend the LURA to eliminate the two-year ROFR period and replace it with the 180-day ROFR period.

Amstar Partners – I, L.P.
330 W. Victoria Street
Gardena, CA 90248

May 3, 2016

VIA MAIL DELIVERY

Kent Bedell

Texas Department of Housing and Community Affairs
221 East 11th Street, Austin, Texas 78701-2410

Re: TDHCA File No. 99197 – Sun Meadow Apartments (the “**Property**”)

Dear Kent:

The undersigned, Amstar Partners – I, L.P., a Texas limited partnership (the “**Partnership**”), the current owner of the Property, hereby submits this letter as a request for a material LURA amendment in accordance with Section 10.405(b) of the Rules for the reasons set forth below.

Background Information and Request

In 2015, Texas Government Code Section 2306.6725 was amended to allow for a 180-day Right of First Refusal (“**ROFR**”) period. Currently, the LURA for this Property requires a two-year ROFR period. Section 10.405(b)(2)(F) of the Rules allows for a LURA amendment in order to conform a ROFR period to the period described in Section 2306.6725. Therefore the Partnership requests a LURA amendment to eliminate the two-year ROFR period and replace it with the 180-day ROFR period.

LURA Amendment

In accordance with Section 10.405(b) of the Rules, the Partnership is delivering a fee in the amount of \$2,500. In addition, the Partnership commits to hold a public hearing, as required by the Rules, and to notify all residents, investors, lenders, and appropriate elected officials. Drafts of the public hearing notices are attached for your consideration. Upon approval from TDHCA, the Partnership will proceed to set a date and time for the Public Hearing and will provide TDHCA with evidence that the notice has been delivered and the hearing has been conducted. With that, the Partnership requests staff recommendation, in support of this request, to be considered at the June 30th, 2016 TDHCA Board Meeting.

Thank you very much for your assistance. Please do not hesitate to contact us if you require any additional information.

Sincerely,

Amstar Partners – I, L.P,
a Texas limited partnership

By: Community Action Corporation of South Texas.,
a Texas non-profit corporation,
its General Partner

By: Ann E. Awalt
Name: Ann E. Awalt
Date: 5/4/10

Amstar Partners – I, L.P.
330 W. Victoria Street
Gardena, CA 90248

May 3, 2016

Dear Resident:

Sun Meadow Apartments (the “**Community**”) is owned by Amstar Partners – I, L.P. (the “**Owner**”). In order to help finance the construction and development of the Community, the Owner received federal funding through the Texas Department of Housing and Community Affairs (the “**Department**”) (Phone: 512-475-3800; Website: www.tdhca.state.tx.us).

A contractual restriction imposed by the Department mandates that if the Owner decides to sell the Community at a certain time, the Owner will offer the Community for sale to a non-profit organization or a tenant organization for a period of up to two years. To be consistent with a change in Texas law, the Owner is requesting Department approval to change the two-year period to a 180-day period.

In making its decision whether to approve Owner’s request, the Department considers the opinions and views of the members of the Community. Accordingly, there will be a public meeting to discuss this matter. This meeting will take place at the Community’s management office/clubhouse on _____, 2016 at _____ am/pm. The public hearing is your opportunity to discuss the amendment request and voice your concern regarding the LURA amendment to eliminate the two-year ROFR period and replace it with the 180-day ROFR period. Information obtained from this meeting will be submitted for consideration by the TDHCA Board at their June 30th, 2016 meeting.

Please note that this proposal would not affect your current lease agreement, your rent payment, or your security deposit. You would not be required to move out of your home or take any other action because of this change. If the Department approves Owner’s request, the Community will not change at all from its current form.

We appreciate that Sun Meadow Apartments is your home and we invite you to attend and give your input on this proposal.

Thank you for choosing Sun Meadow Apartments as your home.

Sincerely,

Amstar Partners – I, L.P,
a Texas limited partnership

By: Community Action Corporation of South Texas.,
a Texas non-profit corporation,
its General Partner

By: _____

Name: _____

Date: _____

Amstar Partners – I, L.P.
330 W. Victoria Street
Gardena, CA 90248

May 3, 2016

[Elected Official]

Dear [Addressee]:

Amstar Partners – I, L.P. (the “**Owner**”) is the owner of Sun Meadow Apartments (the “**Community**”) which is located at 404 N. Cesar Chavez, Alamo, TX, 78516. In order to help finance the construction and development of the Community, the Owner received federal funding through the Texas Department of Housing and Community Affairs (the “**Department**”).

A contractual restriction imposed by the Department mandates that if the Owner decides to sell the Community at a certain time, the Owner will offer the Community for sale to a non-profit organization or a tenant organization for a period of up to two years. To be consistent with a change in Texas law, the Owner is requesting Department approval to change the two-year period to a 180-day period.

In making its decision whether to approve Owner’s request, the Department considers the opinions and views of the members of the Community and its elected representatives. Accordingly, there will be a public meeting to discuss this matter. This meeting will take place at the Community’s management office/clubhouse on _____, 2016 at _____ am/pm.

We invite you or one of your staff to attend and give your input on this proposal.

Sincerely,

Amstar Partners – I, L.P,
a Texas limited partnership

By: Community Action Corporation of South Texas.,
a Texas non-profit corporation,
its General Partner

By: _____
Name: _____
Date: _____

Amstar Partners – I, L.P.
330 W. Victoria Street
Gardena, CA 90248

May 3, 2016

[Investor/Lender]

Dear [Addressee]:

Amstar Partners – I, L.P. (the “**Owner**”) is the owner of Sun Meadow Apartments (the “**Community**”) which is located at 404 N. Cesar Chavez, Alamo, TX, 78516. In order to help finance the construction and development of the Community, the Owner received federal funding through the Texas Department of Housing and Community Affairs (the “**Department**”).

A contractual restriction imposed by the Department mandates that if the Owner decides to sell the Community at a certain time, the Owner will offer the Community for sale to a non-profit organization or a tenant organization for a period of up to two years. To be consistent with a change in Texas law, the Owner is requesting Department approval to change the two-year period to a 180-day period.

In making its decision whether to approve Owner’s request, the Department considers the opinions and views of the members of the Community and its elected representatives. Accordingly, there will be a public meeting to discuss this matter. This meeting will take place at the Community’s management office/clubhouse on _____, 2016 at _____ am/pm.

We invite you or one of your staff to attend and give your input on this proposal.

Sincerely,

Amstar Partners – I, L.P,
a Texas limited partnership

By: Community Action Corporation of South Texas.,
a Texas non-profit corporation,
its General Partner

By: _____
Name: _____
Date: _____

BOARD ACTION REQUEST
ASSET MANAGEMENT DIVISION
JUNE 30, 2016

Presentation, Discussion, and Possible Action to approve a material amendment to the Housing Tax Credit Land Use Restriction Agreement (“LURA”) for Cameron Village Apartments (# 00133)

WHEREAS, Cameron Village received an award of 9% Housing Tax Credits in 2000 to construct 76 multifamily units in Alice;

WHEREAS, the LURA for the Development requires a two-year Right of First Refusal (“ROFR”) period;

WHEREAS, in Spring 2015 the Texas Legislature amended Texas Government Code §2306.6725 to allow for a 180-day ROFR period;

WHEREAS, the General Partner, acting on behalf of the Partnership, requests to amend the LURA to eliminate the two-year ROFR period and replace it with the 180-day ROFR period;

WHEREAS, 10 TAC §10.405(b)(2)(F) allows for an owner to request a material LURA amendment to replace the two-year ROFR period with the 180-day ROFR period, and the Owner has complied with the procedural amendment requirements in 10 TAC §10.405(b) to place this request before the Board; and

WHEREAS, a public hearing is scheduled to be held on June 15, 2016, at 3:30 pm, and any public comment will be summarized at this meeting;

NOW, therefore, it is hereby

RESOLVED, that the material LURA amendment for Cameron Village is approved, as presented to this meeting and the Executive Director and his designees are hereby, authorized, empowered, and directed to take all necessary action to effectuate the foregoing.

BACKGROUND

Cameron Village was approved in 2000 for the new construction of 76 multifamily units in Alice. In a letter dated May 3, 2016, the General Partner, Community Action Corporation of South Texas (Ann E. Awalt) requested approval to amend the LURA related to the ROFR provision. The current LURA for the Development requires the Development Owner to provide a two-year ROFR to sell the Development based on a set order of priority to a community housing development organization (as defined for purposes of the federal HOME Investment Partnership Program at 24 CFR Part 92), to a qualified nonprofit organization (as defined in Internal Revenue Code §42(h)(5)(C)), or to a tenant organization if at any time after the fifteenth year of the Compliance Period the owner decides to sell the property.

In 2015, the Texas Legislature passed HB 3576 which amended Texas Government Code §2306.6725 to allow for a 180-day ROFR period and provided that the Department could establish rules to allow an owner to opt into the shorter ROFR period. The Department's 2016 Post Award and Asset Management Requirements implemented administrative procedures to allow a Development Owner to conform to a ROFR period described in amended §2306.6726.

The Development Owner must comply with the amendment and notification requirements under the Department's rule at Texas Government Code §2306.6712 and 10 TAC §10.405(b). The Development Owner is scheduled to hold a public hearing on the matter on June 15, 2016 at 3:30 p.m. at the Development's management office/clubhouse. Should any negative public comment be provided at the public hearing, this board action item will be pulled from the Consent Agenda and results of the public hearing will be presented verbally at the Board meeting.

Staff recommends approval of the request, subject to no negative public comment received, to amend the LURA to eliminate the two-year ROFR period and replace it with the 180-day ROFR period.

Cameron Village, Ltd.
330 W. Victoria Street
Gardena, CA 90248

May 3, 2016

VIA MAIL DELIVERY

Kent Bedell

Texas Department of Housing and Community Affairs
221 East 11th Street, Austin, Texas 78701-2410

Re: TDHCA File No. 00133 – Cameron Village Apartments (the “**Property**”)

Dear Kent:

The undersigned, Cameron Village, Ltd., a Texas limited partnership (the “**Partnership**”), the current owner of the Property, hereby submits this letter as a request for a material LURA amendment in accordance with Section 10.405(b) of the Rules for the reasons set forth below.

Background Information and Request

In 2015, Texas Government Code Section 2306.6725 was amended to allow for a 180-day Right of First Refusal (“**ROFR**”) period. Currently, the LURA for this Property requires a two-year ROFR period. Section 10.405(b)(2)(F) of the Rules allows for a LURA amendment in order to conform a ROFR period to the period described in Section 2306.6725. Therefore the Partnership requests a LURA amendment to eliminate the two-year ROFR period and replace it with the 180-day ROFR period.

LURA Amendment

In accordance with Section 10.405(b) of the Rules, the Partnership is delivering a fee in the amount of \$2,500. In addition, the Partnership commits to hold a public hearing, as required by the Rules, and to notify all residents, investors, lenders, and appropriate elected officials. Drafts of the public hearing notices are attached for your consideration. Upon approval from TDHCA, the Partnership will proceed to set a date and time for the Public Hearing and will provide TDHCA with evidence that the notice has been delivered and the hearing has been conducted. With that, the Partnership requests staff recommendation, in support of this request, to be considered at the June 30th, 2016 TDHCA Board Meeting.

Thank you very much for your assistance. Please do not hesitate to contact us if you require any additional information.

Sincerely,

Cameron Village, Ltd.,
a Texas limited partnership

By: Community Action Corporation of South Texas.,
a Texas non-profit corporation,
its General Partner

By: *A. E. Awalt*
Name: Ann E. Awalt
Date: 5/4/16

Cameron Village, Ltd.
330 W. Victoria Street
Gardena, CA 90248

May 3, 2016

Dear Resident:

Cameron Village Apartments (the “**Community**”) is owned by Cameron Village, Ltd. (the “**Owner**”). In order to help finance the construction and development of the Community, the Owner received federal funding through the Texas Department of Housing and Community Affairs (the “**Department**”) (Phone: 512-475-3800; Website: www.tdhca.state.tx.us).

A contractual restriction imposed by the Department mandates that if the Owner decides to sell the Community at a certain time, the Owner will offer the Community for sale to a non-profit organization or a tenant organization for a period of up to two years. To be consistent with a change in Texas law, the Owner is requesting Department approval to change the two-year period to a 180-day period.

In making its decision whether to approve Owner’s request, the Department considers the opinions and views of the members of the Community. Accordingly, there will be a public meeting to discuss this matter. This meeting will take place at the Community’s management office/clubhouse on _____, 2016 at _____ am/pm. The public hearing is your opportunity to discuss the amendment request and voice your concern regarding the LURA amendment to eliminate the two-year ROFR period and replace it with the 180-day ROFR period. Information obtained from this meeting will be submitted for consideration by the TDHCA Board at their June 30th, 2016 meeting.

Please note that this proposal would not affect your current lease agreement, your rent payment, or your security deposit. You would not be required to move out of your home or take any other action because of this change. If the Department approves Owner’s request, the Community will not change at all from its current form.

We appreciate that Cameron Village Apartments is your home and we invite you to attend and give your input on this proposal.

Thank you for choosing Cameron Village Apartments as your home.

Sincerely,

Cameron Village, Ltd.,
a Texas limited partnership

By: Community Action Corporation of South Texas.,
a Texas non-profit corporation,
its General Partner

By: _____

Name: _____

Date: _____

Cameron Village, Ltd.
330 W. Victoria Street
Gardena, CA 90248

May 3, 2016

[Elected Official]

Dear [Addressee]:

Cameron Village Apartments (the “**Community**”) is owned by Cameron Village, Ltd. (the “**Owner**”) which is located at 2555 S. Cameron Street, Alice, TX, 78332. In order to help finance the construction and development of the Community, the Owner received federal funding through the Texas Department of Housing and Community Affairs (the “**Department**”).

A contractual restriction imposed by the Department mandates that if the Owner decides to sell the Community at a certain time, the Owner will offer the Community for sale to a non-profit organization or a tenant organization for a period of up to two years. To be consistent with a change in Texas law, the Owner is requesting Department approval to change the two-year period to a 180-day period.

In making its decision whether to approve Owner’s request, the Department considers the opinions and views of the members of the Community and its elected representatives. Accordingly, there will be a public meeting to discuss this matter. This meeting will take place at the Community’s management office/clubhouse on _____, 2016 at _____ am/pm.

We invite you or one of your staff to attend and give your input on this proposal.

Sincerely,

Cameron Village, Ltd.,
a Texas limited partnership

By: Community Action Corporation of South Texas.,
a Texas non-profit corporation,
its General Partner

By: _____
Name: _____
Date: _____

Cameron Village, Ltd.
330 W. Victoria Street
Gardena, CA 90248

May 3, 2016

[Investor/Lender]

Dear [Addressee]:

Cameron Village Apartments (the “**Community**”) is owned by Cameron Village, Ltd. (the “**Owner**”) which is located at 2555 S. Cameron Street, Alice, TX, 78332. In order to help finance the construction and development of the Community, the Owner received federal funding through the Texas Department of Housing and Community Affairs (the “**Department**”).

A contractual restriction imposed by the Department mandates that if the Owner decides to sell the Community at a certain time, the Owner will offer the Community for sale to a non-profit organization or a tenant organization for a period of up to two years. To be consistent with a change in Texas law, the Owner is requesting Department approval to change the two-year period to a 180-day period.

In making its decision whether to approve Owner’s request, the Department considers the opinions and views of the members of the Community and its elected representatives. Accordingly, there will be a public meeting to discuss this matter. This meeting will take place at the Community’s management office/clubhouse on _____, 2016 at _____ am/pm.

We invite you or one of your staff to attend and give your input on this proposal.

Sincerely,

Cameron Village, Ltd.,
a Texas limited partnership

By: Community Action Corporation of South Texas.,
a Texas non-profit corporation,
its General Partner

By: _____
Name: _____
Date: _____

BOARD ACTION REQUEST
ASSET MANAGEMENT DIVISION
JUNE 30, 2016

Presentation, Discussion, and Possible Action to approve a material amendment to the Housing Tax Credit Land Use Restriction Agreement (“LURA”) for TownParc at Paris (# 01121)

WHEREAS, TownParc at Paris received an award of 9% Housing Tax Credits in 2001 to construct 76 multifamily units in Paris;

WHEREAS, the LURA for the Development requires a two-year Right of First Refusal (“ROFR”) period;

WHEREAS, in Spring 2015 the Texas Legislature amended Texas Government Code §2306.6725 to allow for a 180-day ROFR period;

WHEREAS, the General Partner, acting on behalf of the Partnership, requests to amend the LURA to eliminate the two-year ROFR period and replace it with the 180-day ROFR period;

WHEREAS, 10 TAC §10.405(b)(2)(F) allows for an owner to request a material LURA amendment to replace the two-year ROFR period with the 180-day ROFR period, and the Owner has complied with the procedural amendment requirements in 10 TAC §10.405(b) to place this request before the Board; and

WHEREAS, a public hearing is scheduled to be held on June 22, 2016, at 3:00 pm, and any public comment will be summarized at this meeting;

NOW, therefore, it is hereby

RESOLVED, that the material LURA amendment for TownParc at Paris is approved, as presented to this meeting and the Executive Director and his designees are hereby, authorized, empowered, and directed to take all necessary action to effectuate the foregoing.

BACKGROUND

TownParc at Paris was approved in 2001 for the new construction of 76 multifamily units in Paris. In a letter dated May 3, 2016, the General Partner (Affordable Multi-Family, LLC) requested approval to amend the LURA related to the ROFR provision. The current LURA for the Development requires the Development Owner to provide a two-year ROFR to sell the Development based on a set order of priority to a community housing development organization (as defined for purposes of the federal HOME Investment Partnership Program at 24 CFR Part 92), to a qualified nonprofit organization (as defined in Internal Revenue Code §42(h)(5)(C)), or to a tenant organization if at any time after the fifteenth year of the Compliance Period the owner decides to sell the property.

In 2015, the Texas Legislature passed HB 3576 which amended Texas Government Code §2306.6725 to allow for a 180-day ROFR period and provided that the Department could establish rules to allow an owner to opt into the shorter ROFR period. The Department's 2016 Post Award and Asset Management Requirements implemented administrative procedures to allow a Development Owner to conform to a ROFR period described in amended §2306.6726.

The Development Owner must comply with the amendment and notification requirements under the Department's rule at Texas Government Code §2306.6712 and 10 TAC §10.405(b). The Development Owner is scheduled to hold a public hearing on the matter on June 22, 2016, at 3:00 pm at the Development's management office/clubhouse. Should any negative public comment be provided at the public hearing, this board action item will be pulled from the Consent Agenda and results of the public hearing will be presented verbally at the Board meeting.

Staff recommends approval of the request, subject to no negative public comment received, to amend the LURA to eliminate the two-year ROFR period and replace it with the 180-day ROFR period.

Finlay Interests 21, Ltd.
330 W. Victoria Street
Gardena, CA 90248

May 3, 2016

VIA MAIL DELIVERY

Kent Bedell

Texas Department of Housing and Community Affairs
221 East 11th Street, Austin, Texas 78701-2410

Re: TDHCA File No. 01121 – TownParc at Paris Apartments (the “**Property**”)

Dear Kent:

The undersigned, Finlay Interests 21, Ltd., a Florida limited partnership (the “**Partnership**”), the current owner of the Property, hereby submits this letter as a request for a material LURA amendment in accordance with Section 10.405(b) of the Rules for the reasons set forth below.

Background Information and Request

In 2015, Texas Government Code Section 2306.6725 was amended to allow for a 180-day Right of First Refusal (“**ROFR**”) period. Currently, the LURA for this Property requires a two-year ROFR period. Section 10.405(b)(2)(F) of the Rules allows for a LURA amendment in order to conform a ROFR period to the period described in Section 2306.6725. Therefore the Partnership requests a LURA amendment to eliminate the two-year ROFR period and replace it with the 180-day ROFR period.

LURA Amendment

In accordance with Section 10.405(b) of the Rules, the Partnership is delivering a fee in the amount of \$2,500. In addition, the Partnership commits to hold a public hearing, as required by the Rules, and to notify all residents, investors, lenders, and appropriate elected officials. Drafts of the public hearing notices are attached for your consideration. Upon approval from TDHCA, the Partnership will proceed to set a date and time for the Public Hearing and will provide TDHCA with evidence that the notice has been delivered and the hearing has been conducted. With that, the Partnership requests staff recommendation, in support of this request, to be considered at the June 30th, 2016 TDHCA Board Meeting.

Thank you very much for your assistance. Please do not hesitate to contact us if you require any additional information.

Sincerely,


Finlay Interests 21, Ltd.,
a Florida limited partnership

By: Affordable Multi-Family, LLC,
a Colorado limited liability company,
its Managing General Partner

By: _____

Name: _____

Date: _____


JEFFREY H. SUBMAN, SVP
May 10, 2016

Finlay Interests 21, Ltd.
330 W. Victoria Street
Gardena, CA 90248

May 3, 2016

Dear Resident:

TownParc at Paris Apartments (the “**Community**”) is owned by Finlay Interests 21, Ltd. (the “**Owner**”). In order to help finance the construction and development of the Community, the Owner received federal funding through the Texas Department of Housing and Community Affairs (the “**Department**”) (Phone: 512-475-3800; Website: www.tdhca.state.tx.us).

A contractual restriction imposed by the Department mandates that if the Owner decides to sell the Community at a certain time, the Owner will offer the Community for sale to a non-profit organization or a tenant organization for a period of up to two years. To be consistent with a change in Texas law, the Owner is requesting Department approval to change the two-year period to a 180-day period.

In making its decision whether to approve Owner’s request, the Department considers the opinions and views of the members of the Community. Accordingly, there will be a public meeting to discuss this matter. This meeting will take place at the Community’s management office/clubhouse on _____, 2016 at _____ am/pm. The public hearing is your opportunity to discuss the amendment request and voice your concern regarding the LURA amendment to eliminate the two-year ROFR period and replace it with the 180-day ROFR period. Information obtained from this meeting will be submitted for consideration by the TDHCA Board at their June 30th, 2016 meeting.

Please note that this proposal would not affect your current lease agreement, your rent payment, or your security deposit. You would not be required to move out of your home or take any other action because of this change. If the Department approves Owner’s request, the Community will not change at all from its current form.

We appreciate that TownParc at Paris Apartments is your home and we invite you to attend and give your input on this proposal.

Thank you for choosing TownParc at Paris Apartments as your home.

Sincerely,

Finlay Interests 21, Ltd.,
a Florida limited partnership

By: Affordable Multi-Family, LLC,
a Colorado limited liability company,
its Managing General Partner

By: _____

Name: _____

Date: _____

Finlay Interests 21, Ltd.
330 W. Victoria Street
Gardena, CA 90248

May 3, 2016

[Elected Official]

Dear [Addressee]:

TownParc at Paris Apartments (the “**Community**”) is owned by Finlay Interests 21, Ltd. (the “**Owner**”) which is located at 1715 N. Main Street, Paris, TX, 75460. In order to help finance the construction and development of the Community, the Owner received federal funding through the Texas Department of Housing and Community Affairs (the “**Department**”).

A contractual restriction imposed by the Department mandates that if the Owner decides to sell the Community at a certain time, the Owner will offer the Community for sale to a non-profit organization or a tenant organization for a period of up to two years. To be consistent with a change in Texas law, the Owner is requesting Department approval to change the two-year period to a 180-day period.

In making its decision whether to approve Owner’s request, the Department considers the opinions and views of the members of the Community and its elected representatives. Accordingly, there will be a public meeting to discuss this matter. This meeting will take place at the Community’s management office/clubhouse on _____, 2016 at _____ am/pm.

We invite you or one of your staff to attend and give your input on this proposal.

Sincerely,

Finlay Interests 21, Ltd.,
a Florida limited partnership

By: Affordable Multi-Family, LLC,
a Colorado limited liability company,
its Managing General Partner

By: _____
Name: _____
Date: _____

Finlay Interests 21, Ltd.
330 W. Victoria Street
Gardena, CA 90248

May 3, 2016

[Investor/Lender]

Dear [Addressee]:

TownParc at Paris Apartments (the “**Community**”) is owned by Finlay Interests 21, Ltd. (the “**Owner**”) which is located at 1715 N. Main Street, Paris, TX, 75460. In order to help finance the construction and development of the Community, the Owner received federal funding through the Texas Department of Housing and Community Affairs (the “**Department**”).

A contractual restriction imposed by the Department mandates that if the Owner decides to sell the Community at a certain time, the Owner will offer the Community for sale to a non-profit organization or a tenant organization for a period of up to two years. To be consistent with a change in Texas law, the Owner is requesting Department approval to change the two-year period to a 180-day period.

In making its decision whether to approve Owner’s request, the Department considers the opinions and views of the members of the Community and its elected representatives. Accordingly, there will be a public meeting to discuss this matter. This meeting will take place at the Community’s management office/clubhouse on _____, 2016 at _____ am/pm.

We invite you or one of your staff to attend and give your input on this proposal.

Sincerely,

Finlay Interests 21, Ltd.,
a Florida limited partnership

By: Affordable Multi-Family, LLC,
a Colorado limited liability company,
its Managing General Partner

By: _____
Name: _____
Date: _____

BOARD ACTION REQUEST
ASSET MANAGEMENT DIVISION
JUNE 30, 2016

Presentation, Discussion, and Possible Action to consider a material amendment to the Housing Tax Credit (“HTC”) Land Use Restriction Agreement (“LURA”) for The Timbers Apartments (#96152)

RECOMMENDED ACTION

WHEREAS, in 1996 The Timbers Apartments received an award of 9% Housing Tax Credits for the new construction of 104 multifamily units in the City of Austin;

WHEREAS, the tax credit LURA for The Timbers originally required the provision of specific supportive services throughout 25 years of the Development’s Extended Compliance Period;

WHEREAS, a new allocation of 4% Housing Tax Credits was awarded in 2015 for the acquisition and rehabilitation of this Development;

WHEREAS, the Development Owner is now requesting approval for a material LURA amendment for a substantive modification in the scope of tenant services that will allow the Development to adopt and thereby select from the 2015 Qualified Allocation Plan (“QAP”) a list of clearly defined services that can adjust over time to adapt to tenant needs;

WHEREAS; 10 TAC §10.405(b)(2)(D) allows for an owner to request a material LURA amendment to substantively modify the scope of tenant services, and the Owner has complied with the procedural amendment requirements in 10 TAC §10.405(b) to place this request before the Board; and

WHEREAS, a public hearing is scheduled for June 17, 2016, and any public comment will be summarized at this meeting;

NOW, therefore, it is hereby

RESOLVED, that the requested material LURA amendment is granted and the Executive Director and his designees are each authorized, empowered, and directed to take all necessary action to effectuate the foregoing.

BACKGROUND

The Timbers Apartments was originally awarded credits in 1996 for new construction under the 9% Housing Tax Credit program and received a new award of 4% credits for acquisition/rehab in 2015.

The property is a 104 unit, multifamily property located in Austin. The Owner, Timbers Clayton 104 Apartments, LP Housing, LP, its General Partner, AHFC 1034 Clayton, and Special Limited Partner, Cesar Chavez Foundation (Paul Chavez) submitted a request to the Department on May 18, 2016, for a material amendment to the current LURA for a substantive modification in the scope of tenant services.

According to the Development Owner, the supportive services in place in the current 1996 LURA (case management services, rental assistance services, and permanent housing services) were not clearly defined and are no longer the best fit for the current residents at the property. The Development Owner has expressed an interest in providing more modern, better defined services from the 2015 QAP and Uniform Multifamily Rules, under which they received their new 4% Housing Tax Credit award. Because five points were originally received under the initial application for provision of the services elected, the Development Owner has requested to replace the services with five points worth of new services allowable under the 2015 Rules. In order to be able to adapt these services to tenant needs over time, the Development Owner has requested that instead of electing specific services, the LURA be amended to adopt Addendum B of the 2015 LURA (or include similar language to that of the LURA) so the Development Owner may elect items from the 2015 approved list of services at any time based on the needs and desires of the tenants.

The Development Owner is requesting approval to provide a total of five points worth of supportive services under the 2015 QAP for the current LURA (1996 award). The owner committed to provide a total of eight points worth of supportive services under the 2015 QAP as required by the 2015 4% HTC award. Combined, the Development will offer a total of 13 points worth of supportive services selected from the list of allowable supportive services under §10.101(b)(7) of the 2015 QAP.

Pursuant to requirements in the Rule under §10.405(b)(3)(A) and (B), the Development Owner submitted a notice of public hearing to the Department and has scheduled a public hearing for June 17, 2016. Should any negative public comment be provided at the public hearing, this board action item will be pulled from the Consent Agenda and results of the public hearing will be presented verbally at the Board meeting.

Staff recommends approval of the request, subject to no negative public comment received, to amend the LURA for substantive modifications in the scope of tenant services.

AHFC 1034 Clayton Lane Non-Profit Corporation
1000 E. 11th Street, Floor 2
Austin, Texas 78702-1943

May 18, 2016

VIA FEDEX OVERNIGHT

Laura DeBellas
Asset Management Division
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701-2410

Re: The Timbers Apartments at 1034 Clayton Lane, Austin, TX 78723 (the "**Property**")
TDHCA File No. 96152
Request for LURA Amendment

Dear Ms. DeBellas:

The undersigned, AHFC 1034 Clayton Lane Non Profit Corporation, is the General Partner ("**General Partner**") of the current owner of the Property, Timbers Clayton 104 Apartments, L.P., a Texas limited partnership ("**Owner**"). This letter constitutes notice of a request for a fourth material LURA amendment in accordance with Section 10.405(b) of TDHCA's Multifamily Rules (the "**Rules**"). Specifically, the LURA and its subsequent amendments for this Property require the Owner to provide a select set of supportive services for residents of the Property. The Owner requests elimination of certain supportive services from the initial LURA dated December 8, 1998 and replace them with our planned commitments for the reasons set forth below.

Background Information

The Owner currently consists of the General Partner, Timbers North 104, LLC, a Texas limited liability company ("**Timbers North 104**"), as Class B Limited Partner, Garnet LIHTC Fund XLVI, LLC, a Delaware limited liability company, as Investor Limited Partner, and Transamerica Affordable Housing, Inc., a California corporation, as Special Limited Partner. The Owner recently purchased the Property from the previous owner on March 10, 2016. As a result, the Owner is obligated to provide the supportive services at the Property pursuant to its LURA dated December 8, 1998 ("**Initial LURA**"). The supportive services currently in place pursuant to the initial LURA are: case management services, rental assistance services, and permanent housing services ("**Initial Supportive Services**") based on the 1996 Qualified Action Plan. The Owner intends to provide a different set of supportive services at the Property pursuant to Section 10.405(b)(7) of the Rules.

LURA Amendment Request

Section 10.405(b) of the Rules recognizes that a LURA can be amended to remove the requirement of the Initial Supportive Services. In light of the foregoing, the Owner requests that

May 18, 2016

Page 2

TDHCA remove the requirement under the LURA dated December 8, 1998 which requires Owner to provide the Initial Supportive Services to the residents of the Property. The Owner intends to provide a different set of supportive services to the Property in lieu of the Initial Supportive Services. Pursuant to Section 10.405(b)(7) of the Rules, Owner intends to provide the Property with supportive services from the 2015 Qualified Action Plan (“**2015 QAP**”). Owner will select a set of services from the 2015 QAP totaling five (5) points to replace the Initial Supportive Services (collectively hereinafter “**New Supportive Services**”). The new LURA that will be recorded from the 2016 re-syndication of Property (referred to as “**New LURA**”) will require an additional eight (8) points from the 2015 QAP. These services from the New LURA will be in addition to the five (5) points required from the Initial LURA, for a total of 13 points.

The Owner intends to apply the New Supportive Services at the Property because the services listed in Section 10.405(b)(7) are recognized by the TDHCA in its 2015 QAP. Moreover, the list of services recognized by TDHCA under the 1996 QAP were clearly defined, and there is a potential that certain services will not be the best fit or is viable for current residents of the Property. As a result, Owner will provide the type of services that will best serve the Property and be able to adjust the services over time to adapt to the tenants’ needs. In addition, due to the Property having 56 2-bedroom, 32 3-bedroom, and 16 4-bedroom units, the Property would be better served by providing children and family oriented services.

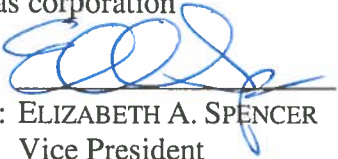
Compliance with Administrative Requirements

In accordance with Section 10.901(13) of the Rules, the General Partner has submitted the fee amount of \$2,500 to TDHCA’s Asset Management Division on April 27, 2016. In addition, the General Partner commits to cause the Owner to hold a public hearing, as required by the Rules, and to notify all residents, investors, lenders, and appropriate elected officials. Drafts of the public hearing notices are attached for TDHCA’s review and approval, per Rules Section 10.405(b)(3)(B). Upon approval from TDHCA, the General Partner, on behalf of the Owner, will proceed to set a date and time for the public hearing and will provide TDHCA with evidence that the notice has been delivered and the hearing has been conducted. With that, the General Partner requests staff recommendation, in support of this request, to be considered at the June 30, 2016 TDHCA Board meeting.

Thank you very much for your assistance. Please do not hesitate to contact us if you require any additional information.

Sincerely,

AHFC 1034 Clayton Lane Non Profit Corporation,
a Texas corporation

By: 
Name: ELIZABETH A. SPENCER
Title: Vice President

May 18, 2016
Page 3

Attachments

cc: (*via email*)
 Garnet LIHTC Fund XLVI, LLC (Investor Limited Partner)
 Transamerica Affordable Housing, Inc. (Special Limited Partner)
 Dougherty Mortgage LLC
 Nixon Peabody LLP, Attn: John R. Condon
 Robin Raida (Class B Limited Partner)

AHFC 1034 Clayton Lane Non-Profit Corporation
1000 E. 11th Street, Floor 2
Austin, Texas 78702-1943

June 3, 2016

Dear Resident:

The Timbers Apartments (the "**Community**") is owned by Timbers Clayton 104 Apartments, L.P. (the "**Owner**") located at 1034 Clayton Lane, Austin, TX 78723. In order to help finance the construction and development of the Community, the Owner received federal funding through the Texas Department of Housing and Community Affairs (the "**Department**") (Phone: 512-475-3800; Website: www.tdhca.state.tx.us).

Owner is currently obligated to provide the initial supportive services at the Community pursuant to the LURA dated December 8, 1998 which includes the following: case management services, rental assistance services, and permanent housing services (the "**Initial Supportive Services**"). The Owner intends to provide a different set of supportive services which are more beneficial and fitting for the tenants at the Community. Owner will select a set of supportive services from the 2015 Qualified Action Plan ("**2015 QAP**") totaling five (5) points to replace the Initial Supportive Services. The new LURA that will be recorded from the 2016 re-syndication of Property (referred to as "**New LURA**") will require an additional eight (8) points from the 2015 QAP. These services from the New LURA will be in addition to the five (5) points required from the Initial LURA, for a total of 13 points (collectively hereinafter "**New Supportive Services**"). Therefore, Owner is requesting Department approval to remove the requirement of the Initial Supportive Services under the LURA dated December 8, 1998 and substitute them with the New Supportive Services for the Community.

In making its decision whether to approve Owner's request, the Department considers the opinions and views of the members of the Community. Accordingly, there will be a public meeting to discuss this matter. This meeting will take place at the Community's management office/clubhouse on June 17, 2016 at 5:30 pm.


Please note that this proposal would not affect your current lease agreement, your rent payment, or your security deposit. You would *not* be required to move out of your home or take any other action because of this change. If the Department approves Owner's request, the Community will not change at all from its current form.

We appreciate that The Timbers Apartments is your home and we invite you to attend and give your input on this proposal.

Thank you for choosing The Timbers Apartments as your home.

Sincerely,

AHFC 1034 Clayton Lane Non Profit Corporation,
a Texas corporation

By: 
Name: Elizabeth A. Spencer
Title: Vice President

AHFC 1034 Clayton Lane Non-Profit Corporation
1000 E. 11th Street, Floor 2
Austin, Texas 78702-1943

June 3, 2016

Mayor Steve Adler
City of Austin
Mayor's Office
PO Box 1088
Austin, TX 78767-1088

Dear Mayor Adler:

Timbers Clayton 104 Apartments, L.P. (the "**Owner**") is the owner of The Timbers Apartments (the "**Community**") which is located at 1034 Clayton Lane, Austin, TX 78723. In order to help finance the construction and development of the Community, the Owner received federal funding through the Texas Department of Housing and Community Affairs (the "**Department**").

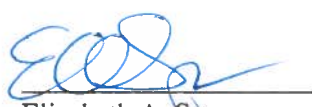
Owner is currently obligated to provide the initial supportive services at the Community pursuant to the LURA dated December 8, 1998 which includes the following: case management services, rental assistance services, and permanent housing services (the "**Initial Supportive Services**"). The Owner intends to provide a different set of supportive services which are more beneficial and fitting for the tenants at the Community. Owner will select a set of supportive services from the 2015 Qualified Action Plan ("**2015 QAP**") totaling five (5) points to replace the Initial Supportive Services. The new LURA that will be recorded from the 2016 re-syndication of Property (referred to as "**New LURA**") will require an additional eight (8) points from the 2015 QAP. These services from the New LURA will be in addition to the five (5) points required from the Initial LURA, for a total of 13 points (collectively hereinafter "**New Supportive Services**"). Therefore, Owner is requesting Department approval to remove the requirement of the Initial Supportive Services under the LURA dated December 8, 1998 and substitute them with the New Supportive Services for the Community.

In making its decision whether to approve Owner's request, the Department considers the opinions and views of the members of the Community and its elected representatives. Accordingly, there will be a public meeting to discuss this matter. This meeting will take place at the Community's management office/clubhouse on June 17, 2016 at 5:30 pm.

We invite you or one of your staff to attend and give your input on this proposal.

Sincerely,

AHFC 1034 Clayton Lane Non Profit Corporation,
a Texas corporation

By: 
Name: Elizabeth A. Spencer
Title: Vice President

AHFC 1034 Clayton Lane Non-Profit Corporation
1000 E. 11th Street, Floor 2
Austin, Texas 78702-1943

June 3, 2016

Senator Kirk Watson
Texas State Senate District 14
P.O. Box 12068
Austin, TX 78711

Dear Senator Watson:

Timbers Clayton 104 Apartments, L.P. (the "**Owner**") is the owner of The Timbers Apartments (the "**Community**") which is located at 1034 Clayton Lane, Austin, TX 78723. In order to help finance the construction and development of the Community, the Owner received federal funding through the Texas Department of Housing and Community Affairs (the "**Department**").

Owner is currently obligated to provide the initial supportive services at the Community pursuant to the LURA dated December 8, 1998 which includes the following: case management services, rental assistance services, and permanent housing services (the "**Initial Supportive Services**"). The Owner intends to provide a different set of supportive services which are more beneficial and fitting for the tenants at the Community. Owner will select a set of supportive services from the 2015 Qualified Action Plan ("**2015 QAP**") totaling five (5) points to replace the Initial Supportive Services. The new LURA that will be recorded from the 2016 re-syndication of Property (referred to as "**New LURA**") will require an additional eight (8) points from the 2015 QAP. These services from the New LURA will be in addition to the five (5) points required from the Initial LURA, for a total of 13 points (collectively hereinafter "**New Supportive Services**"). Therefore, Owner is requesting Department approval to remove the requirement of the Initial Supportive Services under the LURA dated December 8, 1998 and substitute them with the New Supportive Services for the Community.

In making its decision whether to approve Owner's request, the Department considers the opinions and views of the members of the Community and its elected representatives. Accordingly, there will be a public meeting to discuss this matter. This meeting will take place at the Community's management office/clubhouse on June 17, 2016 at 5:30 pm.

We invite you or one of your staff to attend and give your input on this proposal.

Sincerely,

AHFC 1034 Clayton Lane Non Profit Corporation,
a Texas corporation

By: 
Name: Elizabeth A. Spencer
Title: Vice President

AHFC 1034 Clayton Lane Non-Profit Corporation
1000 E. 11th Street, Floor 2
Austin, Texas 78702-1943

June 3, 2016

Representative Dawwna Dukes
Texas State House District 46
P.O. Box 2910
Austin, TX 78768

Dear Representative Dukes:

Timbers Clayton 104 Apartments, L.P. (the "**Owner**") is the owner of The Timbers Apartments (the "**Community**") which is located at 1034 Clayton Lane, Austin, TX 78723. In order to help finance the construction and development of the Community, the Owner received federal funding through the Texas Department of Housing and Community Affairs (the "**Department**").


Owner is currently obligated to provide the initial supportive services at the Community pursuant to the LURA dated December 8, 1998 which includes the following: case management services, rental assistance services, and permanent housing services (the "**Initial Supportive Services**"). The Owner intends to provide a different set of supportive services which are more beneficial and fitting for the tenants at the Community. Owner will select a set of supportive services from the 2015 Qualified Action Plan ("**2015 QAP**") totaling five (5) points to replace the Initial Supportive Services. The new LURA that will be recorded from the 2016 re-syndication of Property (referred to as "**New LURA**") will require an additional eight (8) points from the 2015 QAP. These services from the New LURA will be in addition to the five (5) points required from the Initial LURA, for a total of 13 points (collectively hereinafter "**New Supportive Services**"). Therefore, Owner is requesting Department approval to remove the requirement of the Initial Supportive Services under the LURA dated December 8, 1998 and substitute them with the New Supportive Services for the Community.

In making its decision whether to approve Owner's request, the Department considers the opinions and views of the members of the Community and its elected representatives. Accordingly, there will be a public meeting to discuss this matter. This meeting will take place at the Community's management office/clubhouse on June 17, 2016 at 5:30 pm.

We invite you or one of your staff to attend and give your input on this proposal.

Sincerely,

AHFC 1034 Clayton Lane Non Profit Corporation,
a Texas corporation

By: 
Name: Elizabeth A. Spencer
Title: Vice President

AHFC 1034 Clayton Lane Non-Profit Corporation
1000 E. 11th Street, Floor 2
Austin, Texas 78702-1943

June 3, 2016

Garnet LIHTC Fund XLVI, LLC
c/o AEGON USA Realty Advisors, LLC
Mail Drop 5553
4333 Edgewood Road NE
Cedar Rapids, IA 52499
Attn: LIHTC Reporting

Dear LIHTC Reporting:

Timbers Clayton 104 Apartments, L.P. (the “**Owner**”) is the owner of The Timbers Apartments (the “**Community**”) which is located at 1034 Clayton Lane, Austin, TX 78723. In order to help finance the construction and development of the Community, the Owner received federal funding through the Texas Department of Housing and Community Affairs (the “**Department**”).

Owner is currently obligated to provide the initial supportive services at the Community pursuant to the LURA dated December 8, 1998 which includes the following: case management services, rental assistance services, and permanent housing services (the “**Initial Supportive Services**”). The Owner intends to provide a different set of supportive services which are more beneficial and fitting for the tenants at the Community. Owner will select a set of supportive services from the 2015 Qualified Action Plan (“**2015 QAP**”) totaling five (5) points to replace the Initial Supportive Services. The new LURA that will be recorded from the 2016 re-syndication of Property (referred to as “**New LURA**”) will require an additional eight (8) points from the 2015 QAP. These services from the New LURA will be in addition to the five (5) points required from the Initial LURA, for a total of 13 points (collectively hereinafter “**New Supportive Services**”). Therefore, Owner is requesting Department approval to remove the requirement of the Initial Supportive Services under the LURA dated December 8, 1998 and substitute them with the New Supportive Services for the Community.

In making its decision whether to approve Owner’s request, the Department considers the opinions and views of the members of the Community, its elected representatives and the Owner’s other financing partners. Accordingly, there will be a public meeting to discuss this matter. This meeting will take place at the Community’s management office/clubhouse on June 17, 2016 at 5:30 pm.

We invite you to attend and give your input on this proposal.

Sincerely,

AHFC 1034 Clayton Lane Non Profit Corporation,
a Texas corporation

By: 
Name: Elizabeth A. Spencer
Title: Vice President

cc: Nixon Peabody LLP
100 Summer Street
Boston, MA 02110
Attn: John R. Condon

1g

BOARD ACTION REQUEST
ASSET MANAGEMENT DIVISION
JUNE 30, 2016

Presentation, Discussion, and Possible Action regarding a material amendment to the Housing Tax Credit (“HTC”) Application for Barron’s Branch (#13187)

RECOMMENDED ACTION

WHEREAS, in 2013 Barron’s Branch received an award of 9% Housing Tax Credits to construct 92 multifamily units in Waco;

WHEREAS, the Development Owner requests approval to amend the HTC application to decrease the common area square footage from 4,807 square feet to 4,440 square feet;

WHEREAS, the change requested results in a 7.63% decrease in the Development’s common area square footage;

WHEREAS, the Development Owner acknowledges that the Development will still meet the construction requirements in 10 TAC Chapter 1, Subchapter B;

WHEREAS, §2306.6712(d)(4) of the Texas Government Code considers a reduction of 3% or more in the square footage of the units or common area to be a material alteration requiring Board approval and the Owner has complied with the amendment requirements in 10 TAC §10.405(a); and

WHEREAS, the change in common area square footage does not negatively affect the Development, impact the viability of the transaction, impact scoring items in the tax credit application, or affect the amount of the tax credits awarded;

NOW, therefore, it is hereby

RESOLVED, that the requested amendment of the Housing Tax Credit application for Barron’s Branch is approved as presented to this meeting and the Executive Director and his designees are each authorized, empowered, and directed to take all necessary action to effectuate the foregoing.

BACKGROUND

Barron's Branch was submitted and approved during the 2013 competitive 9% Housing Tax Credit cycle. The Application proposed new construction of 92 multifamily units in Waco.

On May 16, 2016, the owner, Barron's Branch, LLC, (Lisa Stephens), submitted a material amendment request for a reduction in the square footage of the Common Area. The reduction was identified during the Asset Manager's review of the final cost certification submitted for this Development. Barron's Branch is the first of two phases approved by the Department. At Application, the architectural rendering of the common area reflected that it was to be located on the first floor of one of the residential buildings and was shown to be a total of 4,807 square feet, which included management storage space.

According to the Development Owner prior to beginning construction on Phase I, the owner received an award during the 2014 competitive 9% Housing Tax Credit cycle for Phase II, Barron's Branch II, and relocated the management storage space to Phase II. The relocation of the 400 square feet of management storage space from Phase I to Phase II resulted in the total Common Area for Phase I decreasing by approximately 7.63%, from 4,807 square feet to 4,440 square feet. Any reduction in common area square footage by more than 3% is considered a material alteration and requires Board approval under 10 TAC §10.405(a)(3)(D).

The owner provided a copy of the as-built design of the Common Area for Barron's Branch. Although the design does not identify the total square footage for the Common Area, it does indicate there were no other changes to the amenities identified on the original plan submitted at the time of Application. The final square footage of the Common Area was confirmed by the Development architect in the cost certification. The Development Owner further stated that at the time credits were awarded for Barron's Branch they could not have known that the second phase would be funded the following year. The storage area was needed for the Phase I; however, once Phase II was awarded it made sense to have the storage serve both phases and be located on the Phase II site. As such, the Owner states it was not foreseeable that this space would be relocated.

Staff has reviewed the original application, the underwriting report, and the cost certification and has concluded that the reduced square footage of the clubhouse does not significantly affect the total development costs or affect the tax credit allocation awarded.

Staff recommends approval of the amendment request.

Barron's Branch, LLC
421 W. 3rd Street, STE 1504, Austin, TX 78701

May 16, 2016

Lee Ann Chance
Asset Manager
TDHCA
221 E 11th Street,
Austin, TX 78711

RE: Amendment Request for 13187 Barron's Branch

Dear Ms. Chance:

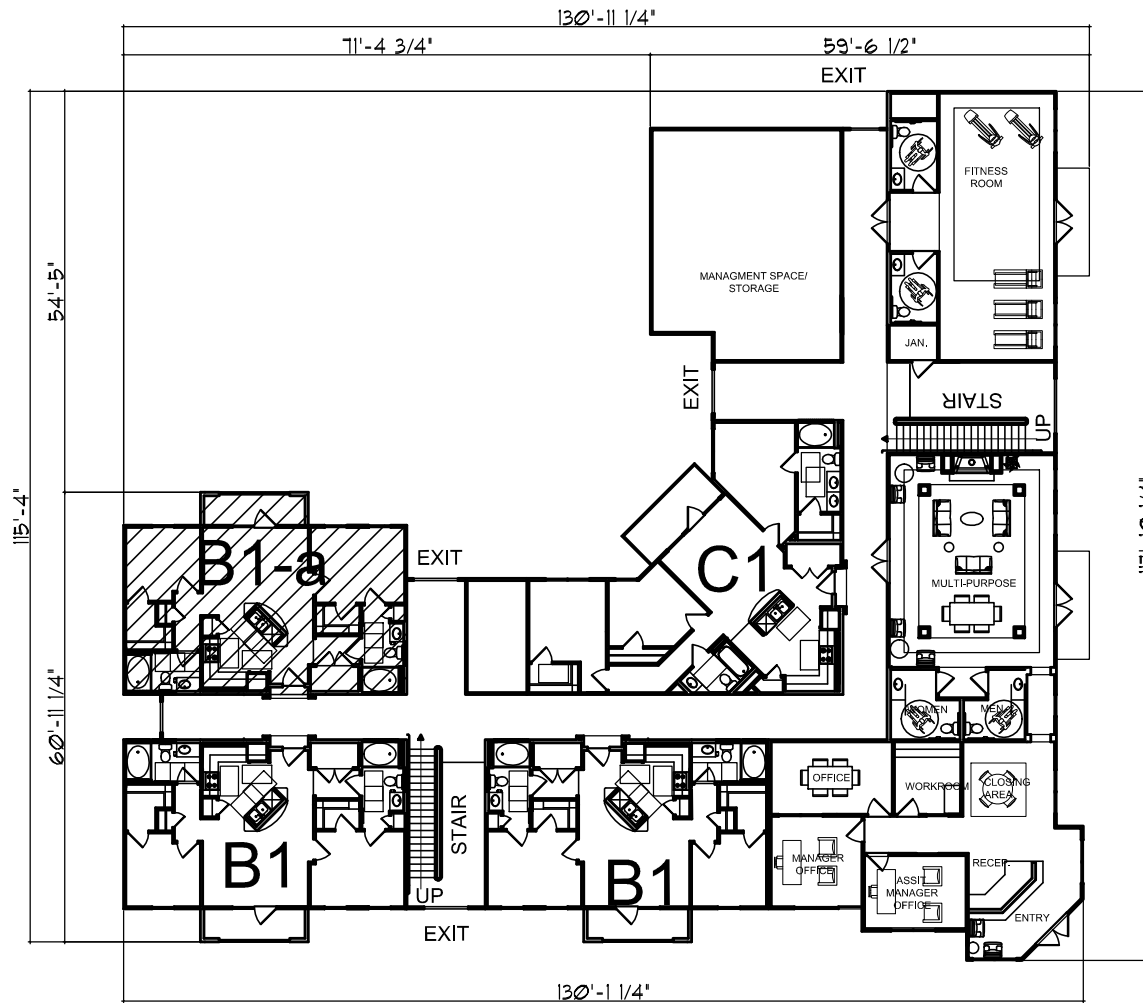
Please consider this letter a request for an amendment to application #13187, Barron's Branch in Waco. We are requesting a reduction in the community space from application to construction. At application the clubhouse and common spaces were combined with management storage areas for a total of 4,807 SF. Of this total, 400 SF was storage and 4,407 was other common areas. Prior to construction starting in Phase I, funding for Phase II was allocated. The storage space was relocated to Phase II from Phase I resulting in the 400 SF reduction for this property.

If you have any questions about this modification, you may reach me at 352-213-8700 or lisa@saigebrook.com. Thank you for your consideration of this request.

Sincerely,

A handwritten signature in black ink, appearing to read 'Lisa M. Stephens', with a long horizontal line extending to the right.

Lisa M. Stephens
Vice President
Barron's Branch, LLC



TYPE 3 SQUARE FOOTAGE CHART:	
NET RENTABLE:	17,150 SQFT
BREEZEWAY:	5,226 SQFT
STORAGE:	598 SQFT
PORCHES/ BALCONIES:	1,409 SQFT
CLUBHOUSE:	4,807 SQFT
8' CEILING HT. TYPICAL	HC UNITS (A) HV UNITS (B)

Date:
02-25-13

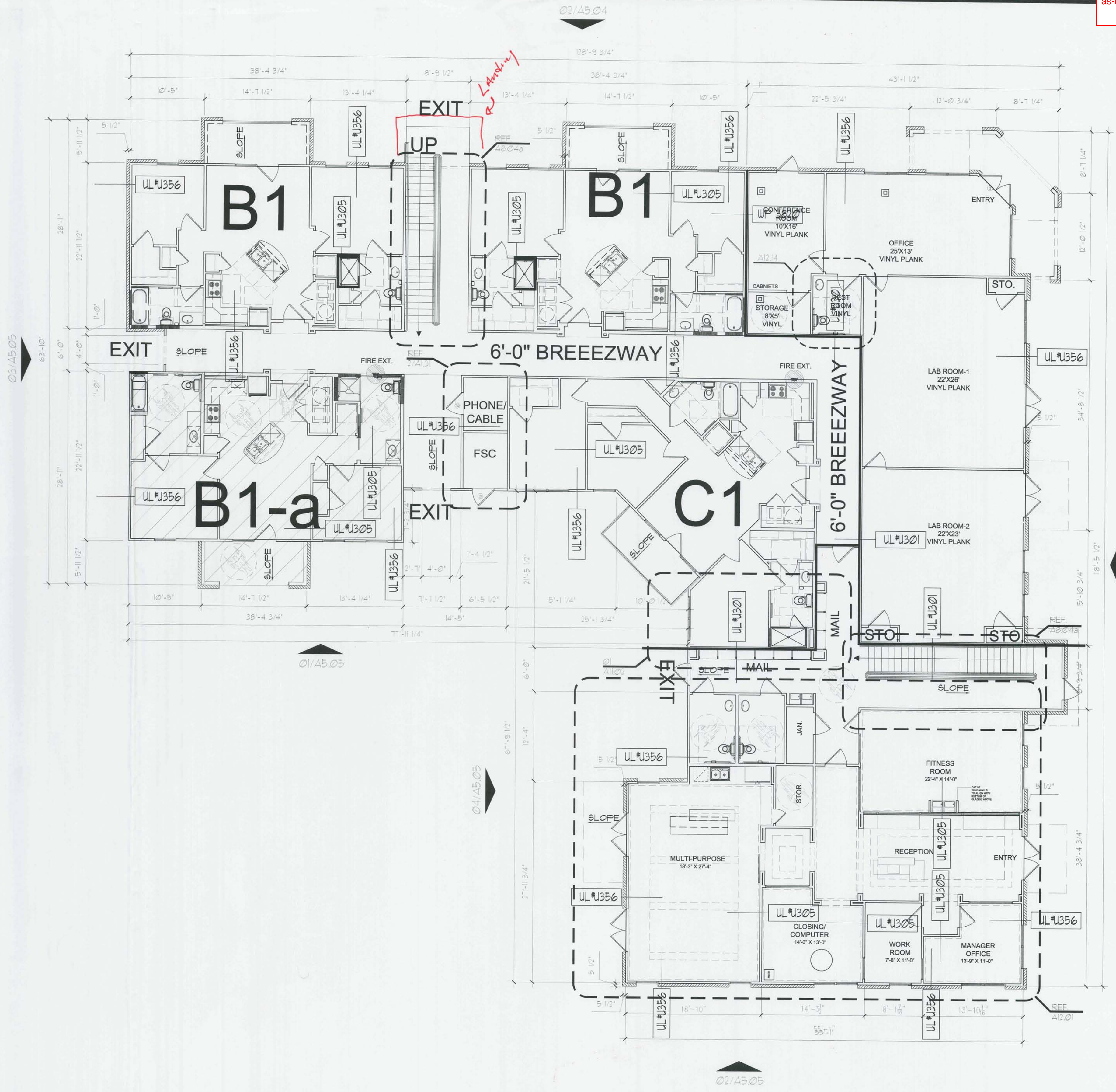
BARRON'S BRANCH
APARTMENTS
Waco, Texas

BLDG. TYPE 3 - FIRST FLOOR

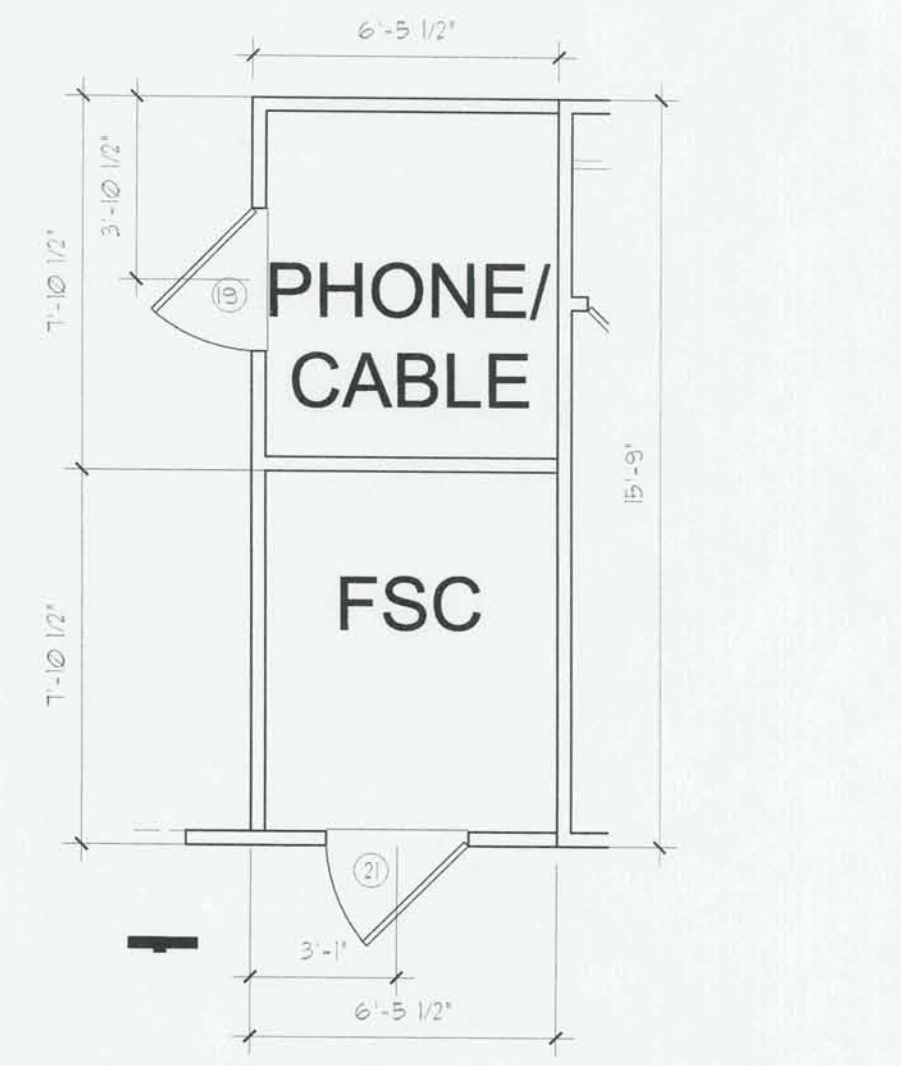


 **Gallier Tolson French**
Architecture
Project Management
Phone: 817.514.0884
Fax: 817.514.0884
www.GTFireign.com
2344 State Highway 121, Suite 100, Bedford, Texas, 76021

"as-built" clubhouse plans



NOTE:
 THE FIRE EXTINGUISHER SHALL BE A MINIMUM SIZE OF 2A10BC - CABINET BY LARSEN'S FSAL-2409-R2 LARSEN - LOC OR EQUAL RATED 1-HR. (7.0. CABINET MOUNTED # 50 AFF.)



2 PHONE AND FSC - ENLARGED PLAN
 SCALE: 1/4" = 1'-0"

FIRST FLOOR PLAN GENERAL NOTES

1. DETAILS ON THIS SHEET ARE TYPICAL UNLESS OTHERWISE NOTED.
2. REFER TO SHEETS A302 FOR ADDITIONAL DOOR NOTES, DIMENSIONS & DETAILS.
3. REFER TO SHEET A326 FOR FLASHING & WATERPROOFING TYPICAL NOTES, DIMENSIONS AND DETAILS.
4. SOME TOLERANCES BETWEEN MATERIALS ARE SHOWN ENLARGED FOR CLARITY.
5. SLOPE ALL FINISHED SURFACES OF PATIOS 1" PER FOOT TO DRAIN UNLESS NOTED OTHERWISE.
6. REFER TO ENLARGED PLANS FOR ADDITIONAL NOTES AND DIMENSIONS.
7. ALL EXTERIOR, INTERIOR BEARING, AND SEPARATION WALLS TO BE 1 HOUR RATED UNLESS OTHERWISE NOTED.
8. REFER TO CIVIL ENGINEER'S DRAWINGS FOR SLAB ELEVATIONS.
9. REFER TO MEP PLANS FOR EXTERIOR LIGHT LOCATIONS.
10. REFER TO STRUCTURAL ENGINEER'S DRAWINGS FOR SHEAR WALL LOCATIONS.
11. REFER TO MEP PLANS FOR WATER SUPPLY TO SPRINKLER CLOSET.
12. EXTERIOR CONCRETE, INCLUDING BREEZEWAY, PATIOS, AND STAIRS TO HAVE LIGHT BROOM FINISH.

WALL TYPE LEGEND

UL#305 - IRR - INTERIOR PARTITION WALL	UL#356 - IRR - BRICK INST. OF AMER
UL#341 - IRR - INTERIOR TENANT WALL	UL#305 - IRR - BRICK / CORRIDOR
UL#301 - IRR - INTERIOR STAIR WALL	UL#356 - IRR - SIDING WALL
UL#334 - IRR - FIREWALL	UL#356 - IRR - STUCCO WALL
UL#302 - IRR - ROOF / CEILING	UL#301 - IRR - INTERIOR WALL
UL#301 - IRR - INTERIOR WALL	UL#305 - IRR - CORRIDOR (INTERIOR)
UL#305 - IRR - CORRIDOR (INTERIOR)	UL#305 - IRR - FLOOR / CEILING
UL#302 - IRR - STAIRWELL WALL	UL#356 - IRR - STONE VENEER

SYMBOLS & DEFINITIONS

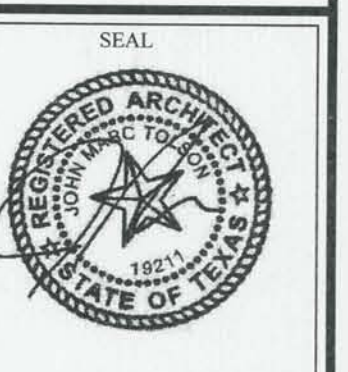
FSC - FIRE SPRINKLER CLOSET	FURROUN - FURROUN
E.D. - EQUAL DISTANCE	ELEVATION CALLOUT
STOR. - STORAGE UNIT	CROWN MOULDING
M.R. - MACHINE ROOM (ELEVATOR)	SECTION CALLOUT
T.COMP. - TRASH COMPACTOR	WINDOW CALLOUT
BRICK LEDGE	DOOR CALLOUT
FIRE EXTINGUISHER	ELEVATION SLOPE
HANDICAP UNITS	UL TAGS

1 BUILDING # 3 - FIRST FLOOR
 SCALE: 1/8" = 1'-0"

Barron's Branch

Waco, Texas

Phone 817.514.0884
 Fax 817.514.0894
 Web www.GTFdesign.com
Galler Tolson | French
 Architecture
 Planning
 Project Management
 2344 State Highway 121, Suite 100 Bedford, Texas, 76021



REVISION	OWNER VE 1.8-14
1	CITY RESPONSE 1.26-14
2	OWNER VE 2.26-14
3	
4	
5	
6	
7	
8	
9	
10	
DRAWN BY: GTF	CHECKED BY: JMT
PLOT DATE:	REV. DATE:
SUBMITAL DATE: 11-07-14	PROJECT NUMBER:
ISSUED FOR:	SHEET NO.:
REVIEW:	SCALE:
AS NOTED	A1.31

5A- Development Summary with Architect's Certification (2013 Awards)

Development Name: Barron's Branch

TDHCA #: 13187

For Developments that received a tax credit award in 2013, please fill out this form with the information requested.

DEVELOPMENT LOCATION

Address: 817 & 818 Colcord Avenue
 City: Waco County: McLennan Zip: 76707

TARGET POPULATION (mark an "x" next to the appropriate description)

Elderly: _____
 General: X
 Supportive Housing: _____

CONSTRUCTION TYPE (mark an "x" next to the appropriate description)

New Construction: X
 Acquisition/Rehabilitation (excluding Reconstruction): _____
 Acquisition/Rehabilitation (including Reconstruction): _____
 Adaptive Reuse: _____

SITE ATTRIBUTES

Total site acreage: 6.17
 Density: 14.91
 11-digit Census Tract Number: 48309001200
 Flood Zone Designation: X & X-Shaded

DEVELOPMENT ATTRIBUTES

APPLICATION

PLACED IN SERVICE

Number of units:	<u>92</u>	<u>92</u>
Number of residential buildings:	<u>6</u>	<u>6</u>
Number of non-residential buildings:	<u>0</u>	<u>0</u>
Maximum number of floors:	<u>3</u>	<u>3</u>
Number of elevators:	<u>0</u>	<u>0</u>
Net rentable area:	<u>83,500</u>	<u>83,500</u>
Community building area:	<u>4,407</u>	<u>4,440</u>
Number of Carports:	<u>0</u>	<u>0</u>
Number of Attached Garages:	<u>0</u>	<u>0</u>
Number of Detached Garages:	<u>0</u>	<u>0</u>
Number of storage spaces:	<u>42</u>	<u>40</u>

EXTERIOR - ROOF (mark an "x" next to the appropriate description)

Architectural Shingle (25-year): _____
 Architectural Shingle (30-year): X
 Metal Roofing: _____
 Built-Up Rock: _____
 Clay Tile: _____
 Wood Shingle/Shake: _____
 Other (describe): _____

EXTERIOR - WALLS (indicate the percentage of each as appropriate)

Hardiplank: 70 %
 Masonry/Brick: 30 %
 Stucco: _____ %
 Wood Siding: _____ %
 Other (describe): _____ %

BOARD ACTION REQUEST
ASSET MANAGEMENT DIVISION
JUNE 30, 2016

Presentation, Discussion, and Possible Action to consider a material amendment to the Housing Tax Credit (“HTC”) Application of Live Oak Trails (HTC #14069)

RECOMMENDED ACTION

WHEREAS, in 2014 Live Oak Trails (formerly known as Southwest Trails II) received an award of 9% Housing Tax Credits for the new construction of 58 units of supportive housing in the City of Austin;

WHEREAS, the Development Owner is now requesting approval to change the number of buildings from eight to seven due to site topography and challenges constructing an ADA accessible pathway to all buildings and amenities, and complying with fire access requirements;

WHEREAS, the change in the number of buildings has also necessitated a re-distribution of units among buildings and corresponding changes in the design from that which was originally represented at the time of Application;

WHEREAS, Board approval is required for any change that would materially alter a Development, including significant modifications to the site plan and architectural design of the Development, as directed in Texas Government Code §2306.6712 and 10 TAC §10.405(a)(3)(A) and 10 TAC §10.405(a)(3)(E) and the owner has complied with the amendment requirements therein;

WHEREAS, the requested changes do not negatively affect the Development, impact the viability of the transaction, impact scoring items in the tax credit application, or affect the amount of the tax credits awarded; and

WHEREAS, the Development Owner acknowledges that the Development will still meet the construction requirements in 10 TAC Chapter 1, Subchapter B;

NOW, therefore, it is hereby

RESOLVED, that the requested application amendment is granted and the Executive Director and his designees are each authorized, empowered, and directed to take all necessary action to effectuate the foregoing.

BACKGROUND

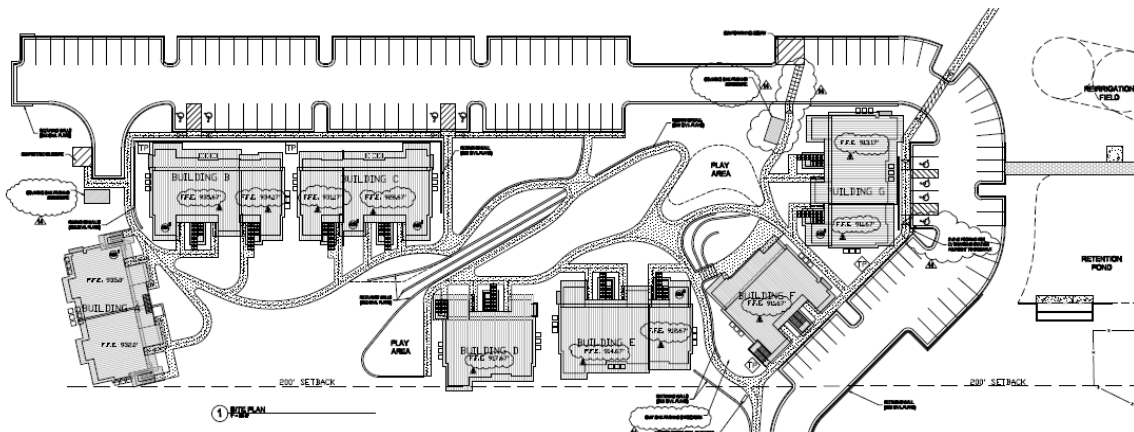
Live Oak Trails (fka Southwest Trails II) was submitted and approved during the 2014 9% Housing Tax Credit cycle. The Application proposed new construction of 58 supportive housing units in the City of Austin. The Owner, FC Southwest Trails Housing, LP, and its General Partner, FC Highway 71 Housing, LLC, are owned and managed by Foundation Communities, Inc. (Walter Moreau), a non-profit corporation.

On April 27, 2016, the Development Owner submitted a material amendment request for a change in the site plan and architectural design of the development. The discrepancy was noticed as the LURA was being prepared for the Development. According to the Owner, the changes included the following: 1) One of eight originally planned buildings was eliminated from the site plan, 2) Three buildings were reconfigured to accept the units originally slated for Building A, 3) One building was reduced in size to accommodate the unit redistribution, and 4) One building was moved to the south setback on the site. A comparison of the site plan as approved and as requested via this amendment is reflected below:

Site Plan at Application



Site Plan at Amendment



According to the Development Owner, the modifications were determined to be necessary during a review of ADA and fire access requirements during the detailed site planning stage, when the topography of the site created challenges in making accessible pedestrian ADA paths to each building and fire access concerns were raised. Based on the Applicant's request, the pedestrian ADA pathways to each building and the fire access concerns were improved by the elimination of one of the original buildings. In order to accommodate the six units from the eliminated building, the other residential buildings changed in size to account for the relocated units. Additionally, one of the residential buildings was also moved to the south setback on the site to allow for better accessible path access and to meet fire access requirements. As a result of the changes described, the total NRA increased by 850 square feet or 1.4% (from 60,014 to 60,864).

While the Owner confirmed that there were no changes to the development budget as a result of the requested modifications the statement was made that there might be a slight positive impact in cost since concrete work for foundations, additional stairs, and exterior envelope materials were reduced by the elimination of one planned building. Staff reviewed the new site plan with Real Estate Analysis to confirm that there are no concerns with the changes proposed and the need to re-cost the development budget was not necessary at this time.

Staff recommends approval of the request for a material amendment to the development application for significant changes in the development's site plan and architectural design under 10 TAC §10.405(a)(3)(A) and 10 TAC §10.405(a)(3)(E).



3036 South First Street
Austin, TX 78704

tel: 512-447-2026
fax: 512-447-0288

www.foundcom.org

April 26, 2016

Laura DeBellas
Texas Department of Housing Community Affairs
221 East 11th Street
Austin, Texas 78701

RE: Request for Application Amendment - TDHCA #14069 – Live Oak Trails

Dear Laura:

Please accept this letter and related attachments as a Request for Application Amendment for Live Oak Trails – TDHCA #14069. The \$2,500 fee required for a Material Amendment request has been sent via overnight mail to your attention. We ask that this fee be refunded based on our nonprofit status and in light that the changes to our site and building plans were minor and beyond our knowledge at application.

Please find below a description of changes made to our site plan on Live Oak Trails. The changes made do not impact scoring items in the tax credit application, nor do they impact the number of units, unit amenity or common amenities committed in the application. The changes are simply a reflection of the updated information we received as we moved through the design and development process. Please see attached the site and building plans submitted with the application and the current site and building plans.

Description of Changes made

The initial site plan submitted with the tax credit application included 8 buildings with a total of 58 units. After conducting more detailed site planning and engaging the site work subcontractor, the architect eliminated 1 building and reconfigured the sizing and placement of 4 buildings, in order to accommodate the ADA and fire access requirements, which are detailed below. The newly configured buildings are architecturally and structurally similar to the initial plans. All are 3 story buildings, with asphalt shingle roofs, fiber cement siding, and exterior stairs and walkways. The total net rentable square footage increased by 1%.



a Partner Agency of



United Way for Greater Austin





3036 South First Street
Austin, TX 78704

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fax: 512-447-0288

www.foundcom.org

The original site plan was reconfigured as follows: the architect eliminated Bldg A (6 units), moved Bldg B to the south setback and increased its size (9 to 12 units), increased the size of Bldg C and Bldg D (6 to 9 units), and reduced Bldg E (9 to 6 units). Bldgs F,G, and H remain the same size.

The reason the change is necessary

The change was necessary due to a number of factors that became apparent during the design phase. The primary factor that drove the shift from 8 to 7 buildings was the topography of the site. Once the design team began working on pedestrian ADA paths to each building, it became incredibly challenging to make paths work to each building. Fire access was another concern for the building that was deleted, the maximum distance is typically 150ft from the driveway to the furthest point on any building. The City allows up to 200 ft in some cases. At Live Oak, it became clear that the building that was ultimately deleted would not comply with fire distance requirements. The units from the 8th building were absorbed into other buildings once it was clear ADA paths and fire access made it impossible to proceed with 8 buildings as designed

The good cause for the change

The change allowed all buildings to be on an accessible path with a route to all other buildings and amenities on site as well as comply with fire code.

Financial information or a statement of no financial impact

The deletion of one building positively impacted cost by reducing concrete work (for foundations), additional stairs, and exterior envelope materials.

Was the amendment reasonably foreseeable at the time of application

The necessity for the amendment was not foreseeable prior to full design work. It was essential to have all sub consultants on board and working together to understand the full extent of the constraints due to topography and fire access.

Sincerely,

Jennifer Hicks
Director of Housing Finance
Foundation Communities



a Partner Agency of



United Way for Greater Austin



Live Oak Trails at Application

SPECIFICATIONS AND BUILDING/UNIT TYPE CONFIGURATION

Unit types should be entered from smallest to largest based on "# of Bedrooms" and "Sq. Ft. Per Unit." "Unit Label" should correspond to the unit label or name used on the unit floor plan. "Building Label" should conform to the building label or name on the building floor plan. The total number of units per unit type and totals for "Total # of Units" and "Total Sq Ft. for Unit Type" should match the rent schedule and site plan. If additional building types are needed, they are available by un-hiding columns Q through AA, and rows 51 through 79.

Specifications and Amenities (check all that apply)

Building Configuration (Check all that apply):	<input type="checkbox"/> Single Family Construction	<input type="checkbox"/> SRO	<input type="checkbox"/> Transitional (per §42(i)(3)(B))	<input type="checkbox"/> Duplex
	<input type="checkbox"/> Scattered Site	<input type="checkbox"/> Fourplex	<input checked="" type="checkbox"/> > 4 Units Per Building	<input type="checkbox"/> Townhome
Development will have:	<input checked="" type="checkbox"/> Fire Sprinklers	<input type="checkbox"/> n/a Elevators	<input type="checkbox"/> n/a # of Elevators	<input type="checkbox"/> n/a Wt. Capacity

Number of Parking Spaces (consistent with Architectural Drawings):	Free	Paid	Shed or Flat Roof Carport Spaces	Free	Paid	Detached Garage Spaces
	<input type="checkbox"/>	<input type="checkbox"/>	Attached Garage Spaces	<input type="checkbox"/>	<input type="checkbox"/>	Uncovered Spaces
	<input type="checkbox"/>	<input type="checkbox"/>	Structured Parking Garage Spaces	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	

Floor & Wall Compositions:	<input checked="" type="checkbox"/> 5 % Carpet/Vinyl/Resilient Flooring	<input checked="" type="checkbox"/> 9 Ft. Ceilings
	<input checked="" type="checkbox"/> 95 % Ceramic Tile	
	<input type="checkbox"/> % other	Describe: <input type="text"/>

Unit Type				Building Label	A	B	C	D	E	F	G	H	Total # of Residential Buildings	
Unit Label	# of Bed-rooms	# of Baths	Sq. Ft. Per Unit	Number of Buildings	1	1	1	1	1	1	1	1	8	
				Number of Units Per Building									Total # of Units	Total Sq Ft for Unit Type
1A	1	1	705	3	0	3	0	0	0	0	0	0	6	4,230
1B	1	1	705	3	0	3	0	0	0	0	0	0	6	4,230
2A	2	2	1,052	0	3	0	3	3	3	3	2	3	17	17,884
2B	2	2	1,052	0	3	0	0	3	3	3	0	3	12	12,624
3	3	3	1,238	0	3	0	3	3	3	3	2	3	17	21,046
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Totals				6	9	6	6	9	9	4	9	-	58	60,014

Net Rentable Square Footage from Rent Schedule 60,014

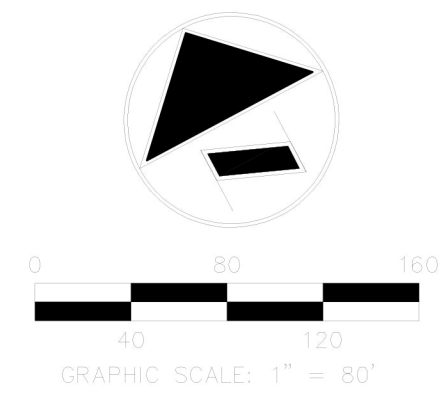
Interior Corridors													
Total Interior Corridor Per Building Label	0	0	0	0	0	0	0	0	0	0	0	0	-
Common Area	0	0	0	0	0	0	0	1,683	0				
Total Common Area Per Building Label	0	0	0	0	0	0	0	1,683	0	0	0		1,683
Breezeways	948	1,290	948	816	1,290	1,290	816	1,290					
Total Breezeways Per Building Label	948	1,290	948	816	1,290	1,290	816	1,290	0	0			8,688

BUILDING & UNIT DATA					
BUILDING NAME	BUILDING AREA	UNIT TYPE	UNIT AREA	UNIT QUANTITY	TOTAL UNIT AREA
A	4,230	1A	705	3	2,115
		1B	705	3	2,115
B	10,026	2A	1,052	3	3,156
		2B	1,052	3	3,156
		3	1,238	3	3,714
C	4,230	1A	705	3	2,115
		1B	705	3	2,115
D	6,870	2A	1,052	3	3,156
		3	1,238	3	3,714
		2A	1,052	3	3,156
E	10,026	2B	1,052	3	3,156
		3	1,238	3	3,714
		2A	1,052	3	3,156
F	10,026	2B	1,052	3	3,156
		3	1,238	3	3,714
		LCC*	1,683	N/A	N/A
G	6,263	2A	1,052	2	2,104
		3	1,238	2	2,476
		2A	1,052	3	3,156
H	10,026	2B	1,052	3	3,156
		3	1,238	3	3,714
		TOTAL	61,697		58*

*LEASING/COMMUNITY CENTER (LCC) IS OMITTED FROM UNIT QUANTITY SUM AND TOTAL UNIT AREA SUM.

BUILDABLE AREA - OVERALL PROJECT	
SPACE TYPE	TOTAL AREA (SF)
LIVING UNITS	60,014
LEASING/COMMUNITY CENTER	1,683
VERTICAL CIRCULATION AND PATIOS	8,688
TOTAL	70,385

PARKING	
Total Multi-Family Parking Required:	118 spaces
Total Multi-Family Parking Provided:	118 spaces
Total Leasing/Community Center Parking Provided:	2 spaces
Total Parking Provided:	120 spaces
- Standard Spaces:	77
- Compact Spaces:	35
- Accessible Spaces:	8
Total Spaces	120



Legend:

Owner:
FOUNDATION COMMUNITIES
 3036 SOUTH 1ST ST.
 AUSTIN, TX 78704

Architect:
ACDDC
 Austin Community Design and Development Center
 Design Matters

2108 EM Franklin Avenue
 Austin, Texas 78723
 p: 512.220.4254
 f: 512.220.4239

SOUTHWEST TRAILS PHASE II

RICHARD MACMATH
 TX ARCHITECT

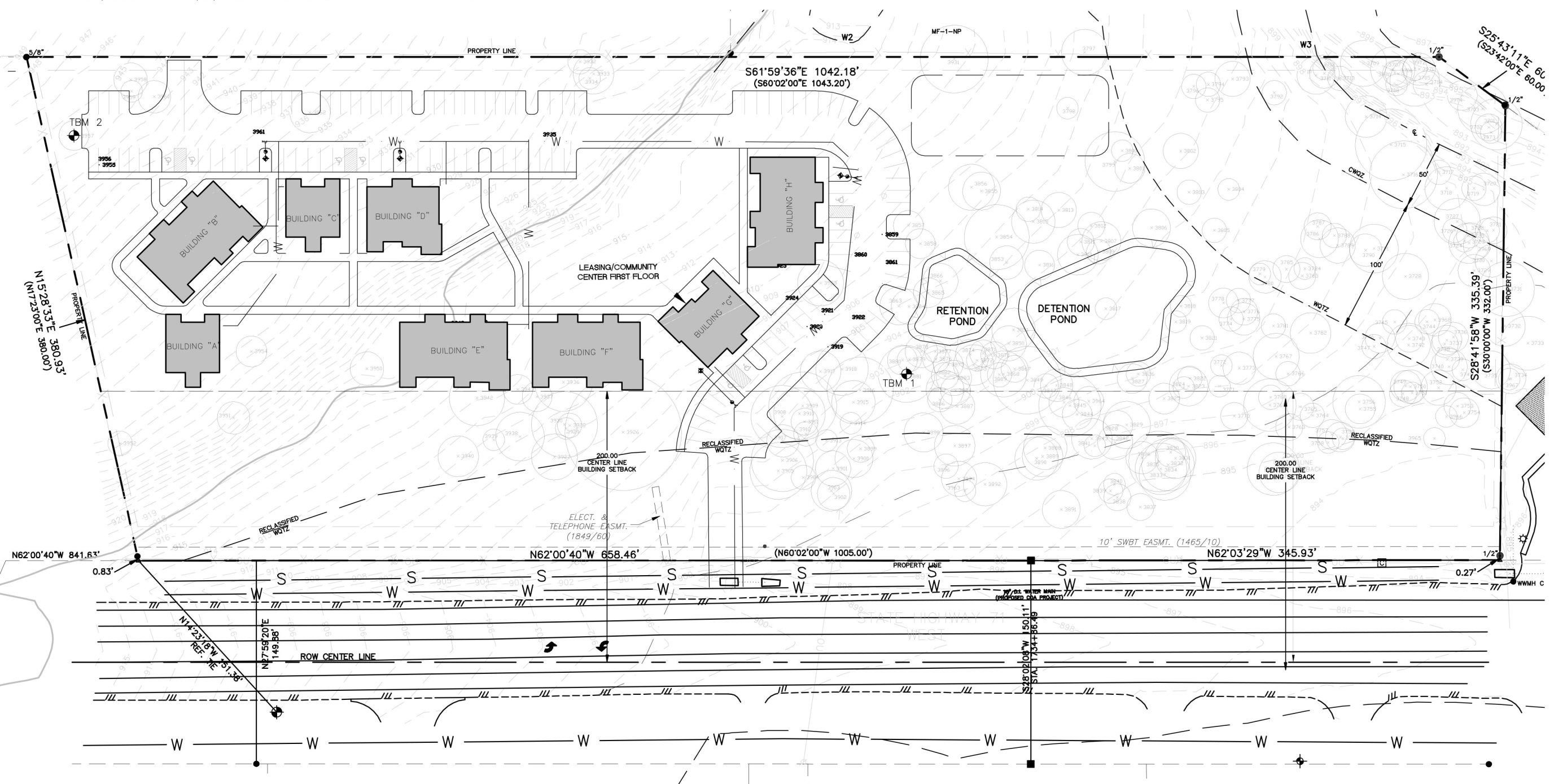
NOT FOR REGULATORY APPROVAL,
 PERMITTING, OR CONSTRUCTION
 PROCESS

Project:
SOUTHWEST TRAILS PHASE II
 Project Address:
 8500 W HIGHWAY 71
 AUSTIN, TX 78735

02/24/2014

Sheet Name:
ARCHITECTURAL SITE PLAN

Sheet No.:
A_100



Legend:

Owner:
FOUNDATION COMMUNITIES
 3036 SOUTH 1ST ST.
 AUSTIN, TX 78704

Architect:
ACDDC
 Austin Community Design and Development Center
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**SOUTHWEST
 TRAILS
 PHASE II**

RICHARD MACMATH
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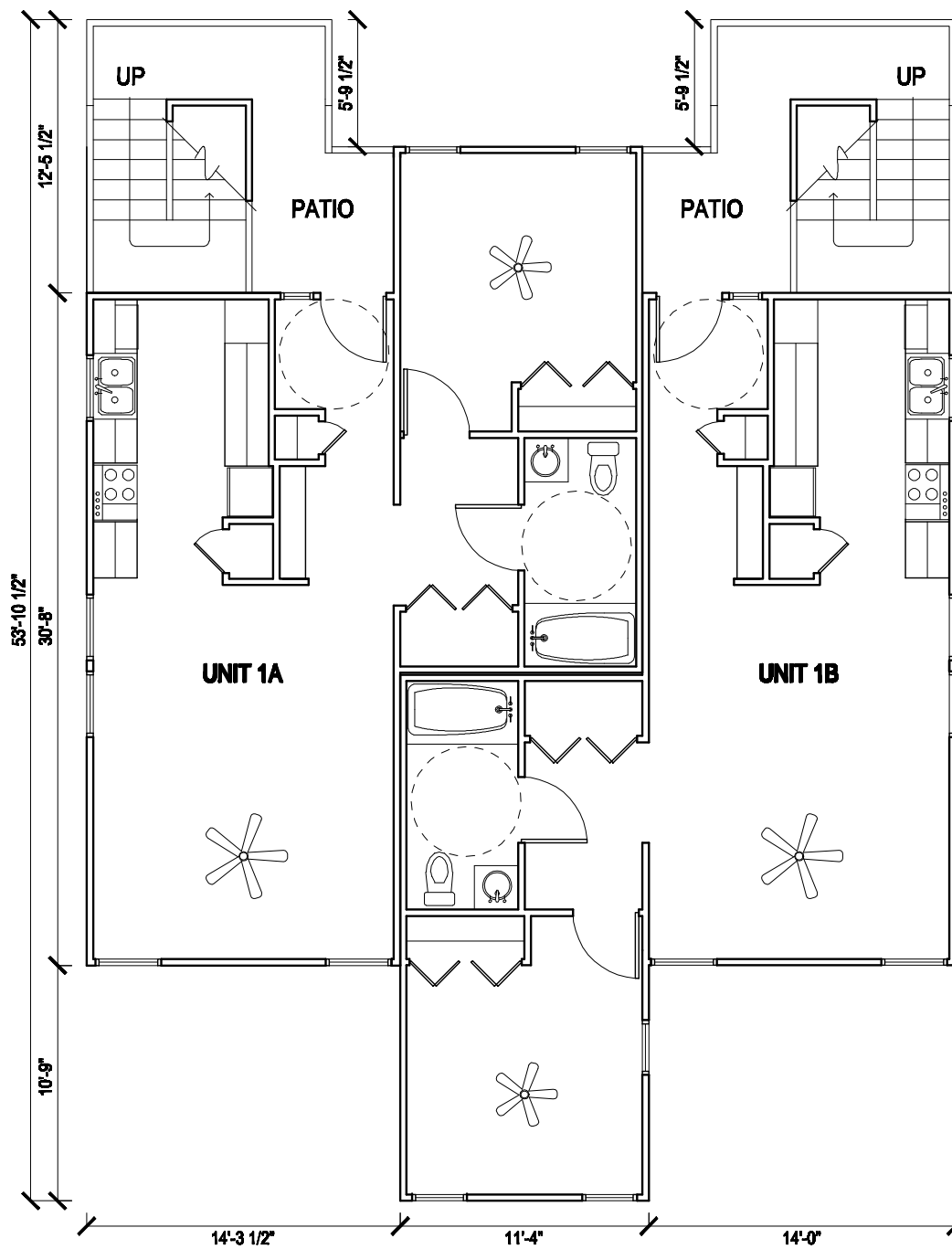
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 PERMITTING, OR CONSTRUCTION
 PROCESS

Project:
**SOUTHWEST
 TRAILS
 PHASE II**

Project Address:
 8500 W HIGHWAY 71
 AUSTIN, TX 78746

02/24/2014

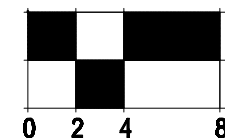
Sheet Name:
**BUILDING PLANS
 A & C**
 Sheet No.:
A_004



BUILDING PLAN A & C

UNITS PER FLOOR				AREA UNITS	AREA PATIO /STAIRS	FINISH FLOOR ELEVATION
FLOOR 1	UNIT 1A	UNIT 1B	2	1,410	316	0' - 0"
FLOOR 2	UNIT 1A	UNIT 1B	2	1,410	316	10' - 5"
FLOOR 3	UNIT 1A	UNIT 1B	2	1,410	316	20' - 10"
TOTAL UNITS PER BUILDING				6	4,230	948

SCALE 1/8" = 1'-0"



Legend:

Owner:
FOUNDATION COMMUNITIES
 3036 SOUTH 1ST ST.
 AUSTIN, TX 78704

Architect:
ACDDC
 Austin Community Design and Development Center
 Design Matters

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 Austin, Texas 78723
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SOUTHWEST TRAILS PHASE II

RICHARD MACMATH
 TX ARCHITECT

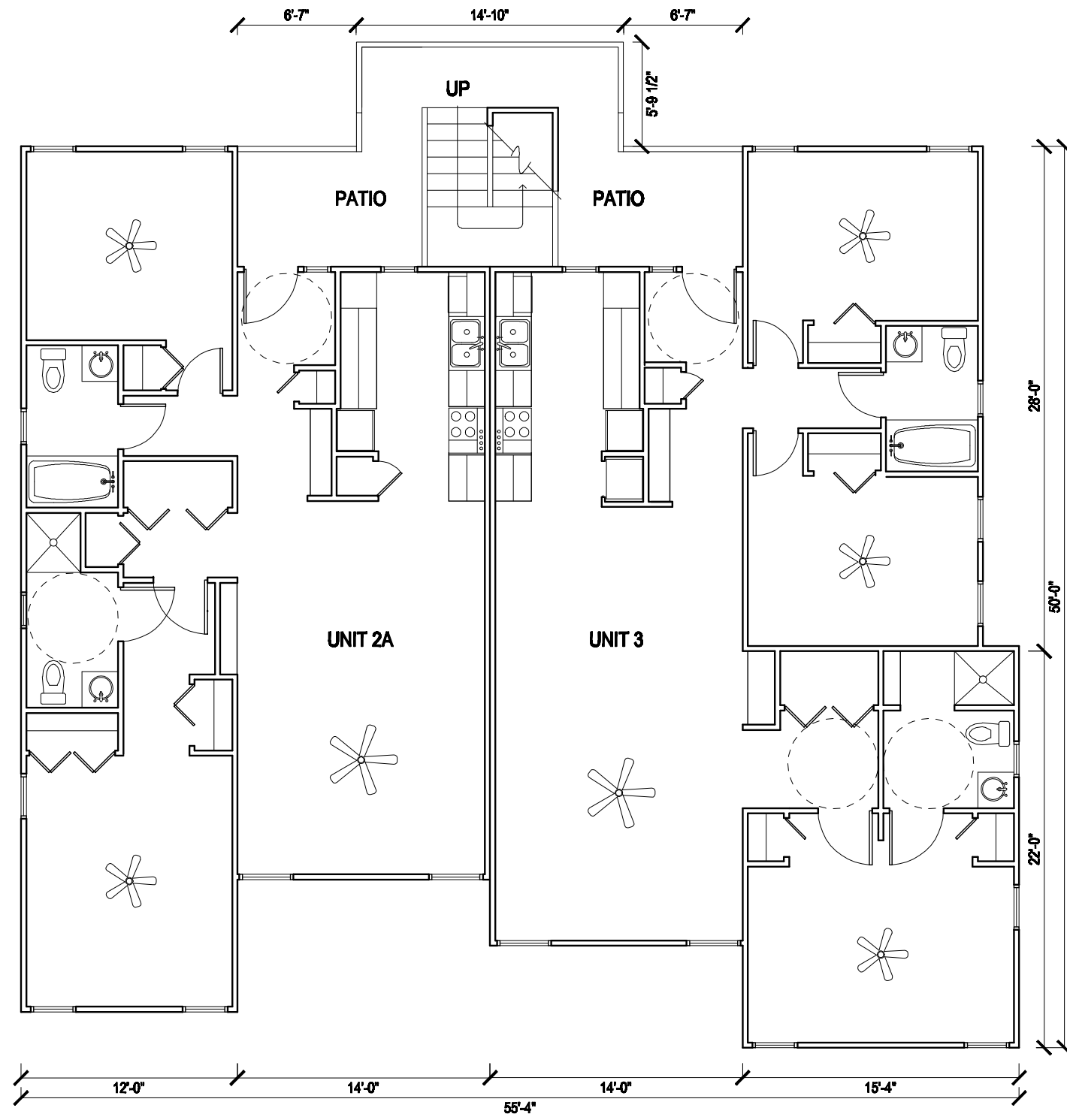
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 PROCESS

Project:
SOUTHWEST TRAILS PHASE II

Project Address:
 8500 W HIGHWAY 71
 AUSTIN, TX 78746

02/24/2014

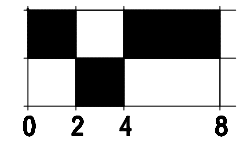
Sheet Name:
BUILDING PLAN D
 Sheet No.:
A_005



BUILDING PLAN D

UNITS PER FLOOR				AREA UNITS	AREA PATIO /STAIRS	FINISH FLOOR ELEVATION
FLOOR 1	UNIT 2A	UNIT 3	2	2,290	272	0' - 0"
FLOOR 2	UNIT 2A	UNIT 3	2	2,290	272	10' - 5"
FLOOR 3	UNIT 2A	UNIT 3	2	2,290	272	20' - 10"
TOTAL UNITS PER BUILDING				6	6,870	816

SCALE 1/8" = 1'-0"



Owner:
FOUNDATION COMMUNITIES
 3036 SOUTH 1ST ST.
 AUSTIN, TX 78704

Architect:
ACDDC
 Austin Community Design and Development Center
 Design Matters

2108 EM Franklin Avenue
 Austin, Texas 78723
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SOUTHWEST TRAILS PHASE II

RICHARD MACMATH
 TX ARCHITECT

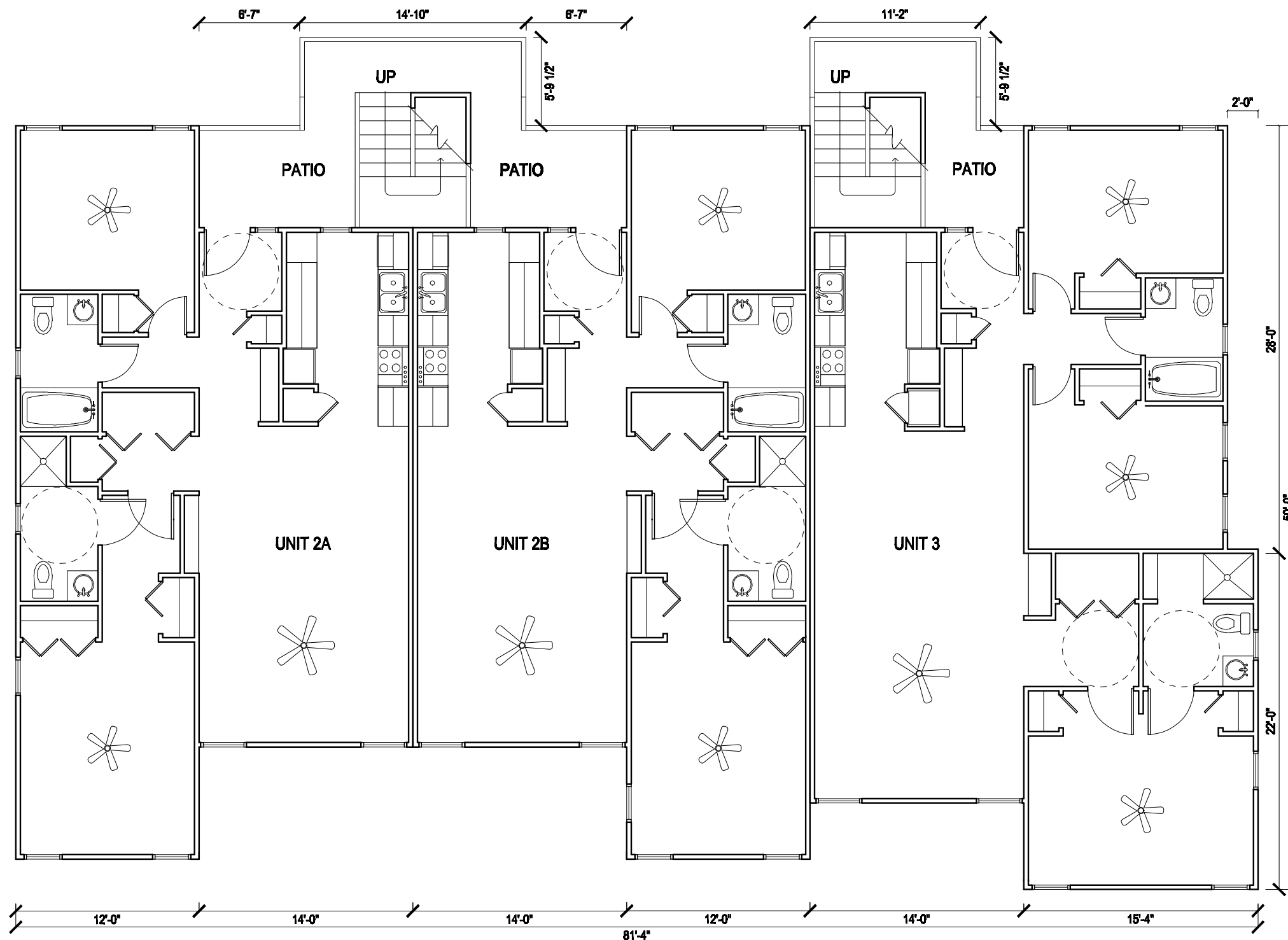
NOT FOR REGULATORY APPROVAL,
 PERMITTING, OR CONSTRUCTION
 PROCESS

Project:
SOUTHWEST TRAILS PHASE II

Project Address:
 8500 W HIGHWAY 71
 AUSTIN, TX 78746

02/24/2014

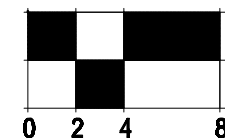
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**BUILDING PLANS
 B, E, F & H**
 Sheet No.:
A_006

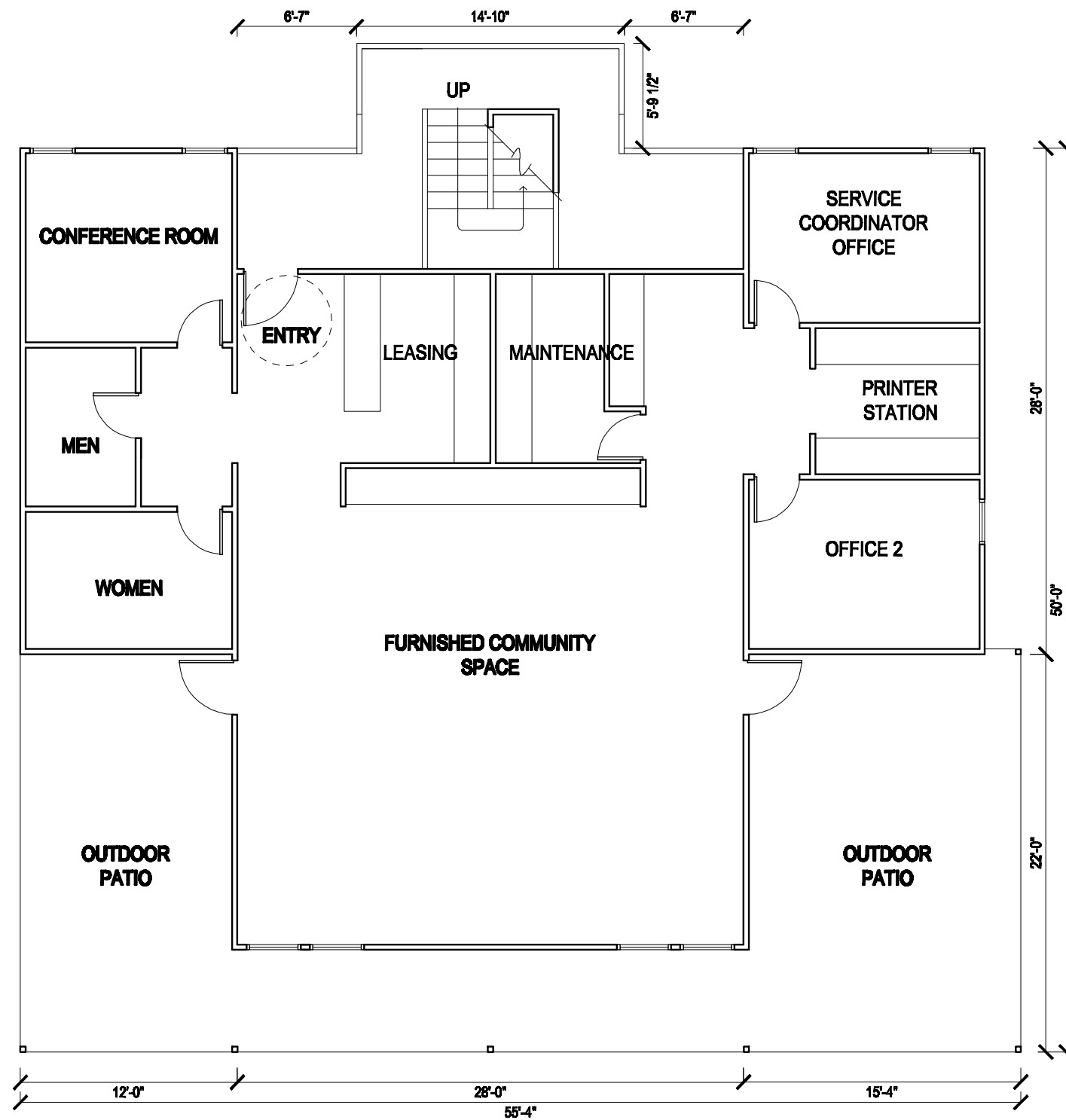


BUILDING PLAN B, E, F & H

UNITS PER FLOOR					AREA UNITS	AREA PATIO /STAIRS	FINISH FLOOR ELEVATION
FLOOR 1	UNIT 2A	UNIT 2B	UNIT 3	3	3,342	430	0' - 0"
FLOOR 2	UNIT 2A	UNIT 2B	UNIT 3	3	3,342	430	10' - 5"
FLOOR 3	UNIT 2A	UNIT 2B	UNIT 3	3	3,342	430	20' - 10"
TOTAL UNITS PER BUILDING					9	10,026	1,290

SCALE 1/8" = 1'-0"

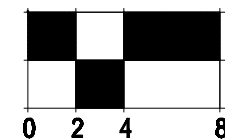




**BUILDING PLAN G
FIRST FLOOR PLAN**

UNITS PER FLOOR			AREA UNITS	AREA PATIO /STAIRS	FINISH FLOOR ELEVATION	
FLOOR 1	LEASING/COMMUNITY CENTER		0	1,683	272	0' - 0"
FLOOR 2	UNIT 2A	UNIT 3	2	2,290	272	10' - 5"
FLOOR 3	UNIT 2A	UNIT 3	2	2,290	272	20' - 10"
TOTAL UNITS PER BUILDING			4	6,263	816	

SCALE 1/8" = 1'-0"



Legend:

Owner:
FOUNDATION COMMUNITIES
3036 SOUTH 1ST ST.
AUSTIN, TX 78704

Architect:
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Austin Community Design and Development Center
Design Matters

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**SOUTHWEST
TRAILS
PHASE II**

RICHARD MACMATH
TX ARCHITECT

NOT FOR REGULATORY APPROVAL,
PERMITTING, OR CONSTRUCTION
PROCESS

Project:
**SOUTHWEST
TRAILS
PHASE II**

Project Address:
8500 W HIGHWAY 71
AUSTIN, TX 78746

02/24/2014

Sheet Name:
**BUILDING PLAN
G: FLOOR 1**

Sheet No.:
A_007

Legend:

Owner:
FOUNDATION COMMUNITIES
 3036 SOUTH 1ST ST.
 AUSTIN, TX 78704

Architect:
ACDDC
 Austin Community Design and Development Center
 Design Matters

2108 EM Franklin Avenue
 Austin, Texas 78723
 p: 512.220.4254
 f: 512.220.4239

SOUTHWEST TRAILS PHASE II

RICHARD MACMATH
 TX ARCHITECT

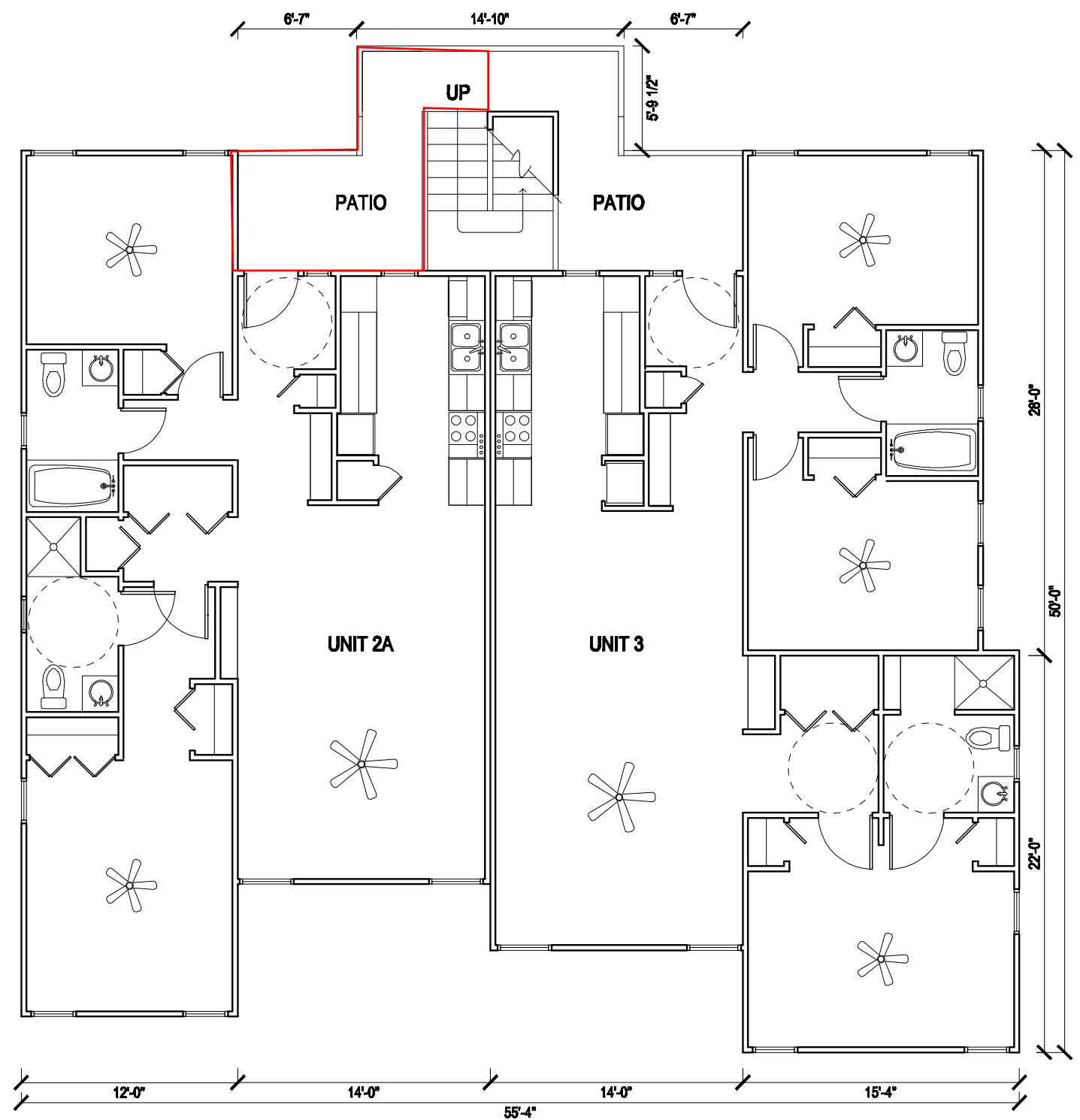
NOT FOR REGULATORY APPROVAL,
 PERMITTING, OR CONSTRUCTION
 PROCESS

Project:
SOUTHWEST TRAILS PHASE II

Project Address:
 8500 W HIGHWAY 71
 AUSTIN, TX 78746

02/24/2014

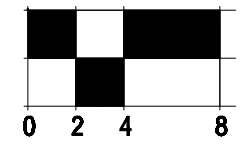
Sheet Name:
BUILDING PLAN G: FLOORS 2 & 3
 Sheet No.:
A_008



BUILDING PLAN G
SECOND AND THIRD FLOOR PLAN

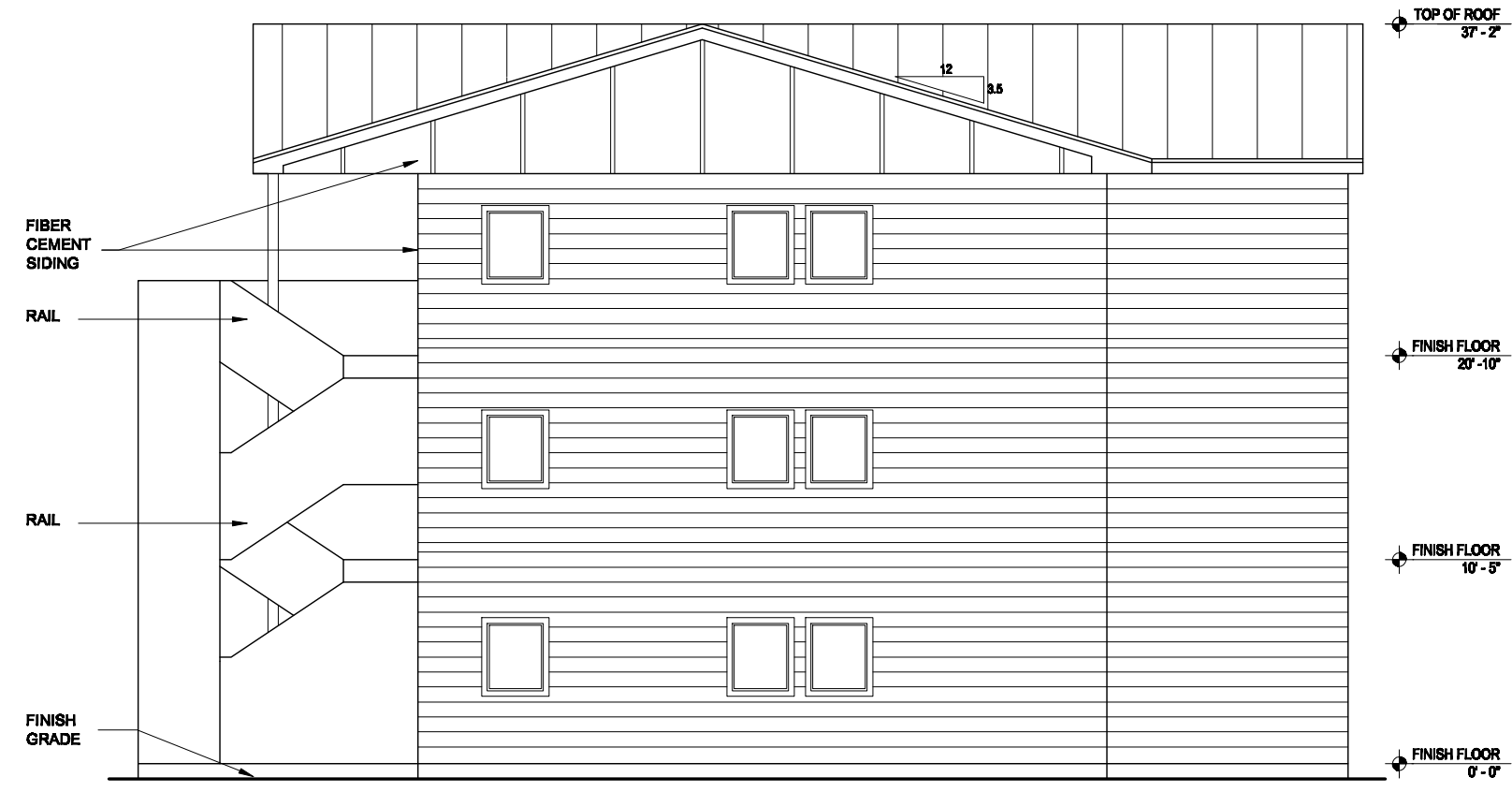
UNITS PER FLOOR			AREA UNITS	AREA PATIO /STAIRS	FINISH FLOOR ELEVATION	
FLOOR 1	LEASING/COMMUNITY CENTER		0	1,683	272	0' - 0"
FLOOR 2	UNIT 2A	UNIT 3	2	2,290	272	10' - 5"
FLOOR 3	UNIT 2A	UNIT 3	2	2,290	272	20' - 10"
TOTAL UNITS PER BUILDING			4	6,263	816	

SCALE 1/8" = 1'-0"



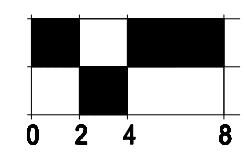


FRONT ELEVATION BUILDINGS A & C WINDOW AREA 10% EXTERIOR WALL AREA 90%



RIGHT SIDE ELEVATION BUILDINGS A & C WINDOW AREA 10% EXTERIOR WALL AREA 90%

SCALE 1/8" = 1'-0"



Legend:

Owner:
FOUNDATION COMMUNITIES
 3036 SOUTH 1ST ST.
 AUSTIN, TX 78704

Architect:
ACDDC
 Austin Community Design and Development Center
 Design Matters

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SOUTHWEST TRAILS PHASE II

RICHARD MACMATH
 TX ARCHITECT

NOT FOR REGULATORY APPROVAL,
 PERMITTING, OR CONSTRUCTION
 PROCESS

Project:
SOUTHWEST TRAILS PHASE II

Project Address:
 8500 W HIGHWAY 71
 AUSTIN, TX 78748

02/24/2014

Sheet Name:
BUILDING ELEVATIONS A & C

Sheet No.:
A_201

Legend:

Owner:

FOUNDATION COMMUNITIES
3036 SOUTH 1ST ST.
AUSTIN, TX 78704

Architect:



2108 EM Franklin Avenue
Austin, Texas 78723
p: 512.220.4254
f: 512.220.4238

SOUTHWEST TRAILS PHASE II

RICHARD MACMATH
TX ARCHITECT

NOT FOR REGULATORY APPROVAL,
PERMITTING, OR CONSTRUCTION
PROCESS

Project:

SOUTHWEST TRAILS PHASE II

Project Address:
8500 W HIGHWAY 71
AUSTIN, TX 78748

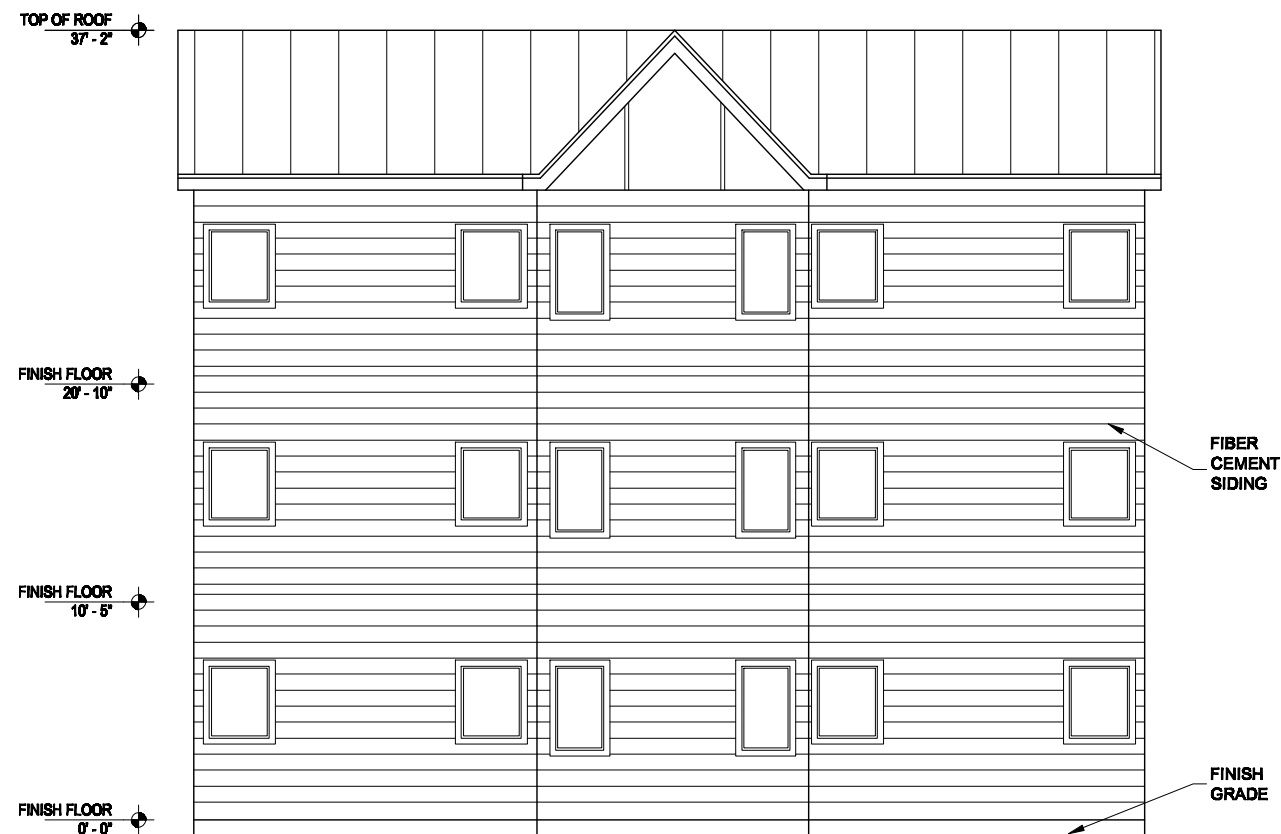
02/24/2014

Sheet Name:

BUILDING ELEVATIONS A & C

Sheet No.:

A_202



**REAR ELEVATION
BUILDING A & C**

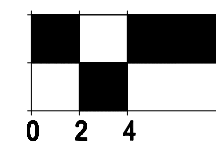
**WINDOW AREA 16%
EXTERIOR WALL AREA 84%**



**LEFT SIDE ELEVATION
BUILDINGS A & C**

**WINDOW AREA 12%
EXTERIOR WALL AREA 88%**

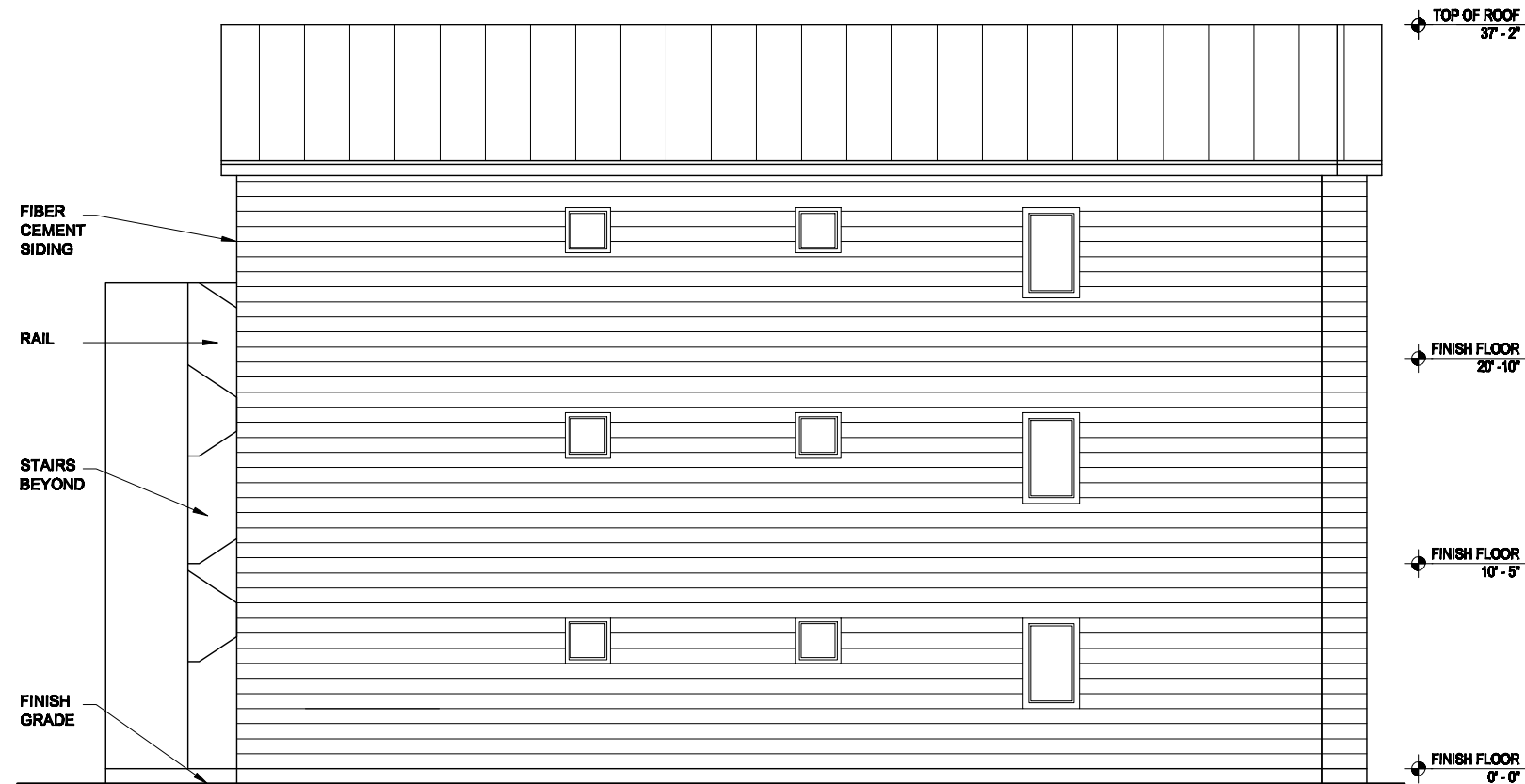
SCALE 1/8" = 1'-0"





FRONT ELEVATION
BUILDING D

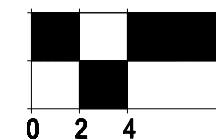
WINDOW AREA 15%
EXTERIOR WALL AREA 85%



RIGHT SIDE ELEVATION
BUILDING D

WINDOW AREA 4%
EXTERIOR WALL AREA 96%

SCALE 1/8" = 1'-0"



Legend:

Owner:
FOUNDATION COMMUNITIES
3036 SOUTH 1ST ST.
AUSTIN, TX 78704

Architect:
ACDDC
Austin Community Design and Development Center
Design Matters

2108 EM Franklin Avenue
Austin, Texas 78723
p: 512.220.4254
f: 512.220.4239

**SOUTHWEST
TRAILS
PHASE II**

Project: **RICHARD MACMATH
TX ARCHITECT**

NOT FOR REGULATORY APPROVAL,
PERMITTING, OR CONSTRUCTION
PROCESS

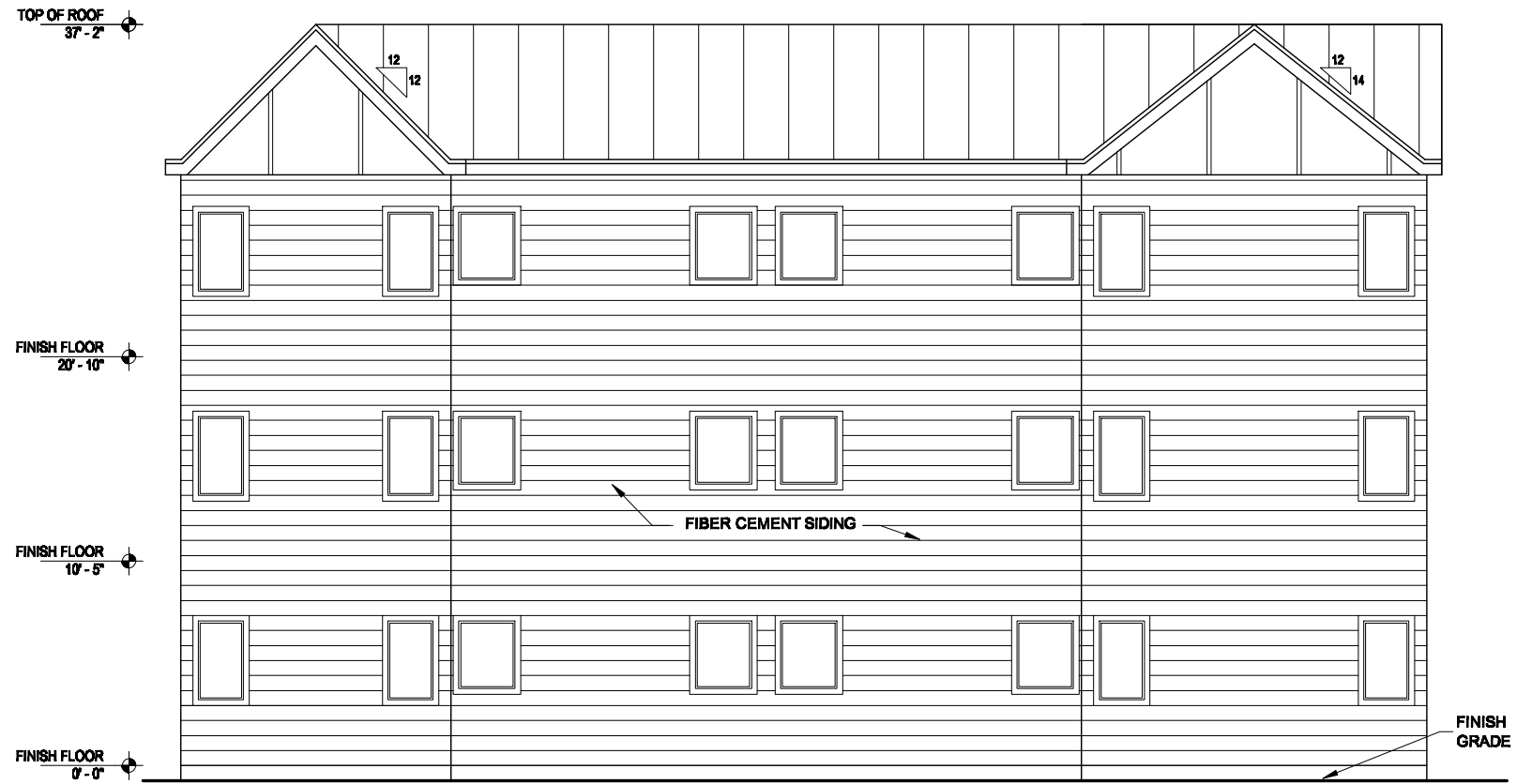
Project:
**SOUTHWEST
TRAILS
PHASE II**

Project Address:
**8500 W HIGHWAY 71
AUSTIN, TX 78748**

02/24/2014

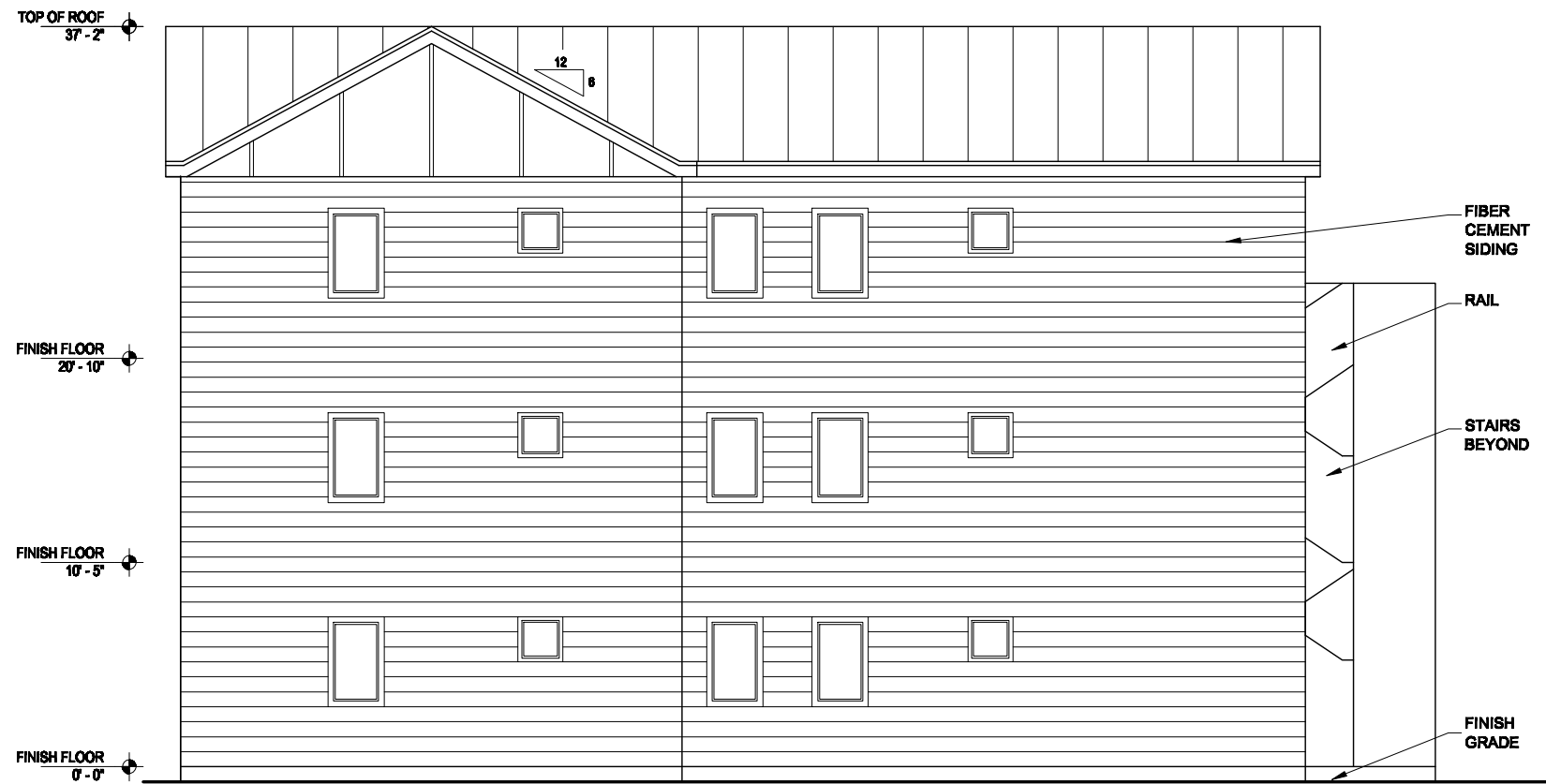
Sheet Name:
**BUILDING
ELEVATIONS
D**

Sheet No.:
A_203



REAR ELEVATION
BUILDING D

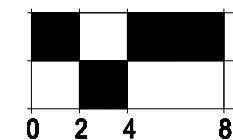
WINDOW AREA 16%
EXTERIOR WALL AREA 84%



LEFT SIDE ELEVATION
BUILDING D

WINDOW AREA 9%
EXTERIOR WALL AREA 91%

SCALE 1/8" = 1'-0"



Legend:

Owner:
FOUNDATION COMMUNITIES
3036 SOUTH 1ST ST.
AUSTIN, TX 78704

Architect:
ACDDC
Austin Community Design and Development Center
Design Matters

2108 EM Franklin Avenue
Austin, Texas 78723
p: 512.220.4254
f: 512.220.4238

**SOUTHWEST
TRAILS
PHASE II**

Project: **RICHARD MACMATH
TX ARCHITECT**

NOT FOR REGULATORY APPROVAL,
PERMITTING, OR CONSTRUCTION
PROCESS

Project: **SOUTHWEST
TRAILS
PHASE II**
Project Address:
8500 W HIGHWAY 71
AUSTIN, TX 78748

02/24/2014

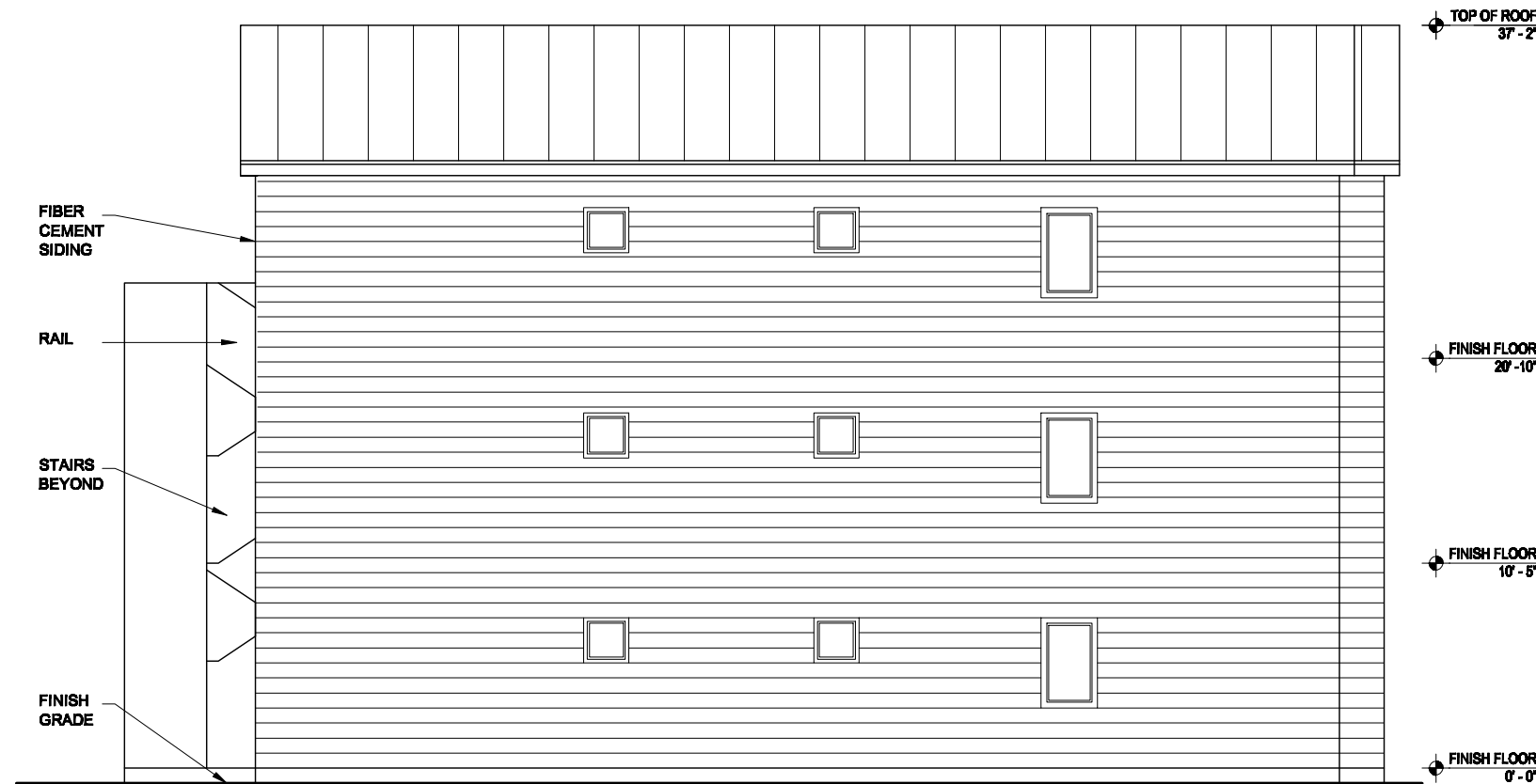
Sheet Name:
**BUILDING
ELEVATIONS
D**

Sheet No.:
A_204



FRONT ELEVATION
BUILDING B, E, F & H

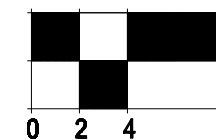
WINDOW AREA 14%
EXTERIOR WALL AREA 86%



RIGHT SIDE ELEVATION
BUILDING B, E, F & H

WINDOW AREA 4%
EXTERIOR WALL AREA 96%

SCALE 1/8" = 1'-0"



Legend:

Owner:
FOUNDATION COMMUNITIES
3036 SOUTH 1ST ST.
AUSTIN, TX 78704

Architect:
ACDDC
Austin Community Design and Development Center
Design Matters

2108 EM Franklin Avenue
Austin, Texas 78723
p: 512.220.4254
f: 512.220.4238

**SOUTHWEST
TRAILS
PHASE II**

RICHARD MACMATH
TX ARCHITECT

NOT FOR REGULATORY APPROVAL,
PERMITTING, OR CONSTRUCTION
PROCESS

Project:
**SOUTHWEST
TRAILS
PHASE II**

Project Address:
8500 W HIGHWAY 71
AUSTIN, TX 78748

02/24/2014

Sheet Name:
**BUILDING
ELEVATIONS
B, E, F & H**

Sheet No.:
A_205

Legend:

Owner:

FOUNDATION COMMUNITIES
3036 SOUTH 1ST ST.
AUSTIN, TX 78704

Architect:



2108 EM Franklin Avenue
Austin, Texas 78723
p: 512.220.4254
f: 512.220.4238

SOUTHWEST TRAILS PHASE II

RICHARD MACMATH
TX ARCHITECT

NOT FOR REGULATORY APPROVAL,
PERMITTING, OR CONSTRUCTION
PROCESS

Project:

SOUTHWEST TRAILS PHASE II

Project Address:
8500 W HIGHWAY 71
AUSTIN, TX 78748

02/24/2014

Sheet Name:

**BUILDING ELEVATIONS
B, E, F & H**

Sheet No.:

A_206



**REAR ELEVATION
BUILDING B, E, F & H**

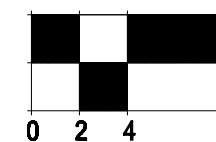
**WINDOW AREA 16%
EXTERIOR WALL AREA 84%**



**LEFT SIDE ELEVATION
BUILDING B,E,F & H**

**WINDOW AREA 4%
EXTERIOR WALL AREA 96%**

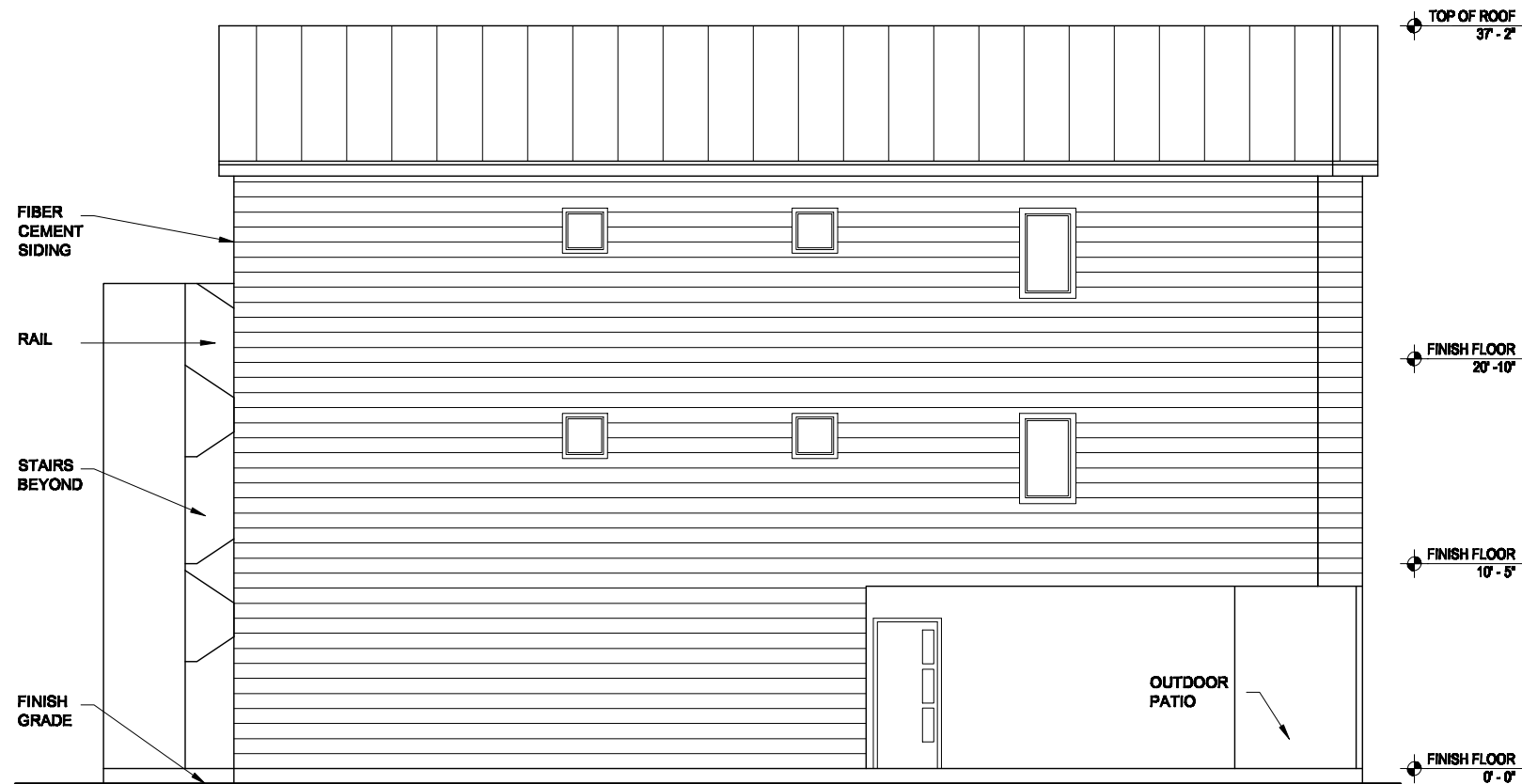
SCALE 1/8" = 1'-0"





**FRONT ELEVATION
BUILDING G
LEASING/COMMUNITY CENTER FIRST FLOOR**

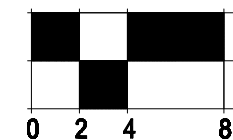
**WINDOW AREA 13%
EXTERIOR WALL AREA 87%**



**RIGHT SIDE ELEVATION
BUILDING G
LEASING/COMMUNITY CENTER FIRST FLOOR**

**WINDOW AREA 2%
EXTERIOR WALL AREA 98%**

SCALE 1/8" = 1'-0"



Legend:

Owner:
FOUNDATION COMMUNITIES
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AUSTIN, TX 78704

Architect:
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Austin Community Design and Development Center
Design Matters

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Austin, Texas 78723
p: 512.220.4254
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**SOUTHWEST
TRAILS
PHASE II**

**RICHARD MACMATH
TX ARCHITECT**

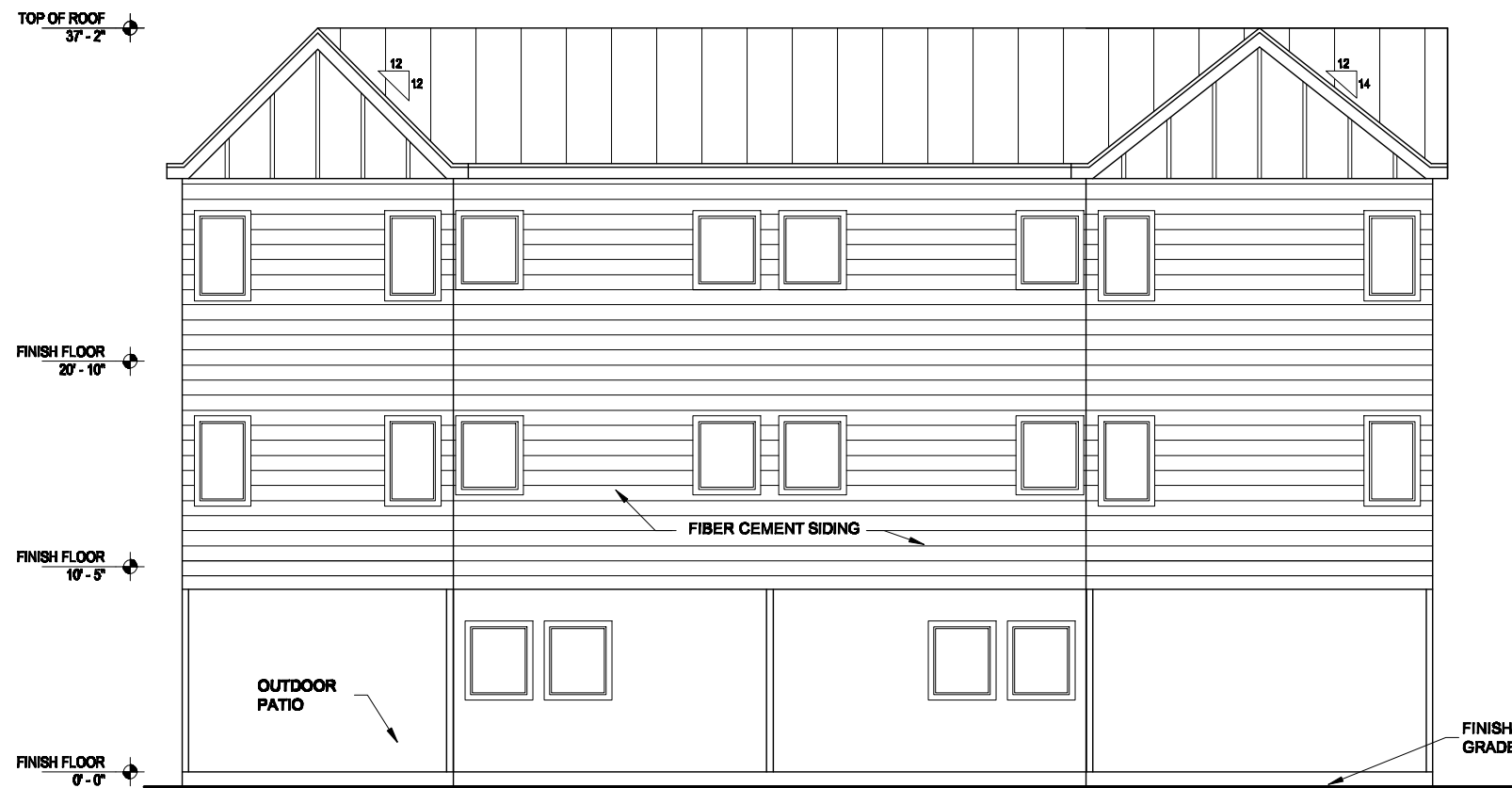
NOT FOR REGULATORY APPROVAL,
PERMITTING, OR CONSTRUCTION
PROCESS

Project:
**SOUTHWEST
TRAILS
PHASE II**
Project Address:
8500 W HIGHWAY 71
AUSTIN, TX 78748

02/24/2014

Sheet Name:
**BUILDING
ELEVATIONS
G**

Sheet No.:
A_207



REAR ELEVATION
BUILDING G
LEASING/COMMUNITY CENTER FIRST FLOOR

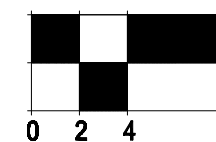
WINDOW AREA 14%
EXTERIOR WALL AREA 86%



LEFT SIDE ELEVATION
BUILDING G
LEASING/COMMUNITY CENTER FIRST FLOOR

WINDOW AREA 7%
EXTERIOR WALL AREA 93%

SCALE 1/8" = 1'-0"



Legend:

Owner:
FOUNDATION COMMUNITIES
3036 SOUTH 1ST ST.
AUSTIN, TX 78704

Architect:
ACDDC
Austin Community Design and Development Center
Design Matters

2108 EM Franklin Avenue
Austin, Texas 78723
p: 512.220.4254
f: 512.220.4238

**SOUTHWEST
TRAILS
PHASE II**

RICHARD MACMATH
TX ARCHITECT

NOT FOR REGULATORY APPROVAL,
PERMITTING, OR CONSTRUCTION
PROCESS

Project:
**SOUTHWEST
TRAILS
PHASE II**
Project Address:
8500 W HIGHWAY 71
AUSTIN, TX 78748

02/24/2014

Sheet Name:
**BUILDING
ELEVATIONS
G**

Sheet No.:
A_208

Live Oak Trails Amendment

SPECIFICATIONS AND BUILDING/UNIT TYPE CONFIGURATION

Unit types should be entered from smallest to largest based on "# of Bedrooms" and "Sq. Ft. Per Unit." "Unit Label" should correspond to the unit label or name used on the unit floor plan. "Building Label" should conform to the building label or name on the building floor plan. The total number of units per unit type and totals for "Total # of Units" and "Total Sq Ft. for Unit Type" should match the rent schedule and site plan. If additional building types are needed, they are available by un-hiding columns Q through AA, and rows 51 through 79.

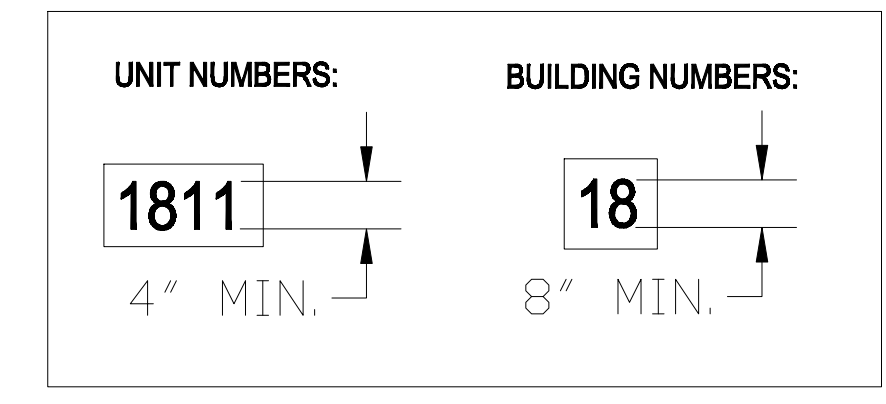
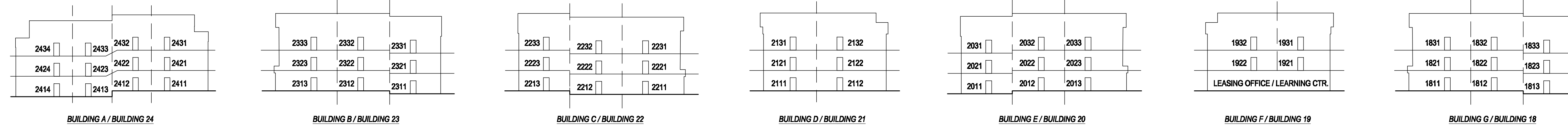
Specifications and Amenities (check all that apply)

Building Configuration (Check all that apply):	<input type="checkbox"/> Single Family Construction	<input type="checkbox"/> SRO	<input type="checkbox"/> Transitional (per §42(i)(3)(B))	<input type="checkbox"/> Duplex
	<input type="checkbox"/> Scattered Site	<input type="checkbox"/> Fourplex	<input checked="" type="checkbox"/> > 4 Units Per Building	<input type="checkbox"/> Townhome
Development will have:	<input checked="" type="checkbox"/> Fire Sprinklers	<input type="checkbox"/> n/a Elevators	<input type="checkbox"/> n/a # of Elevators	<input type="checkbox"/> n/a Wt. Capacity
Number of Parking Spaces (consistent with Architectural Drawings):	Free	Paid	Free	Paid
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Shed or Flat Roof Carport Spaces		Detached Garage Spaces	
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Attached Garage Spaces		<input type="checkbox"/> 120	<input type="checkbox"/> n/a
	Structured Parking Garage Spaces			
Floor & Wall Compositions:	<input type="checkbox"/> 5 % Carpet/Vinyl/Resilient Flooring	<input type="checkbox"/> 9 Ft. Ceilings		
	<input type="checkbox"/> 95 % Ceramic Tile			
	<input type="checkbox"/> % other	Describe: <input type="text"/>		

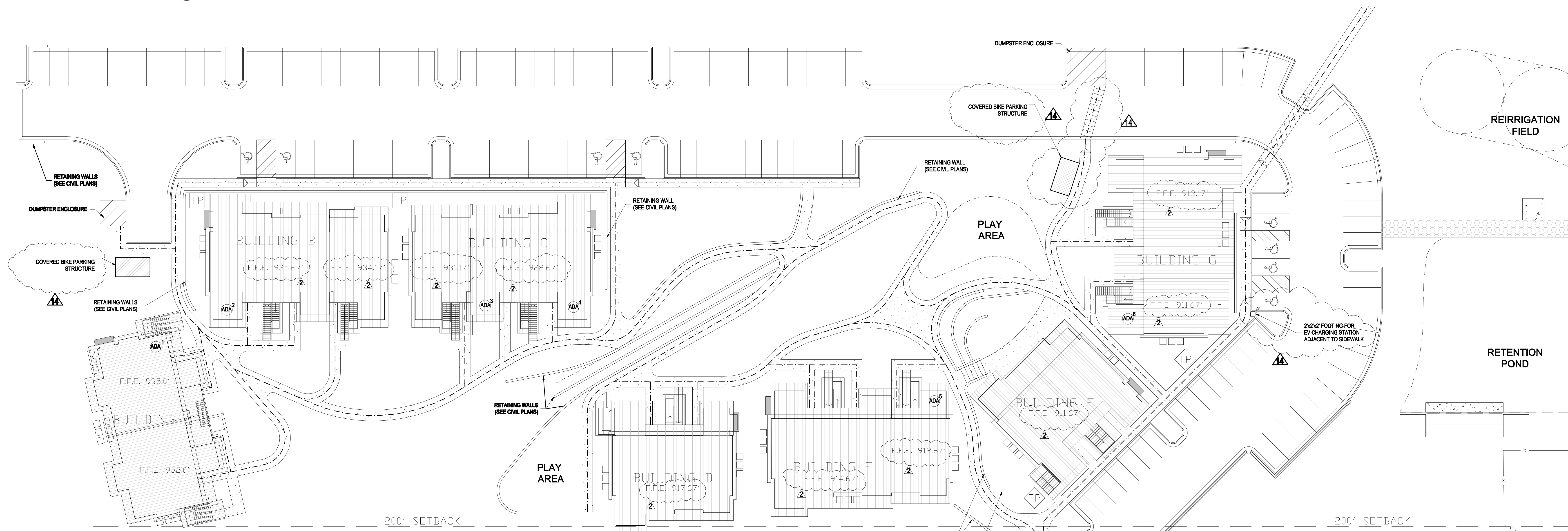
Unit Type				Building Label										Total # of Residential Buildings			
				A	B	C	D	E	F	G							
Unit Label	# of Bed-rooms	# of Baths	Sq. Ft. Per Unit	Number of Units Per Building										Total # of Units	Total Sq Ft for Unit Type		
1A	1	1	736	6	0	0	0	0	0	0	0	0	0	0	0	6	4,416
1B	1	1	752	6	0	0	0	0	0	0	0	0	0	0	0	6	4,512
2A	2	2	1,062	0	3	3	3	3	3	2	3					17	18,054
2B	2	2	1,064	0	3	3	0	3	3	0	3					12	12,768
3	3	3	1,242	0	3	3	3	3	3	2	3					17	21,114
																-	-
																-	-
																-	-
																-	-
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																-	-
																-	-
Totals				12	9	9	6	9		4	9	-	-	-		58	60,864

Net Rentable Square Footage from Rent Schedule 60,864

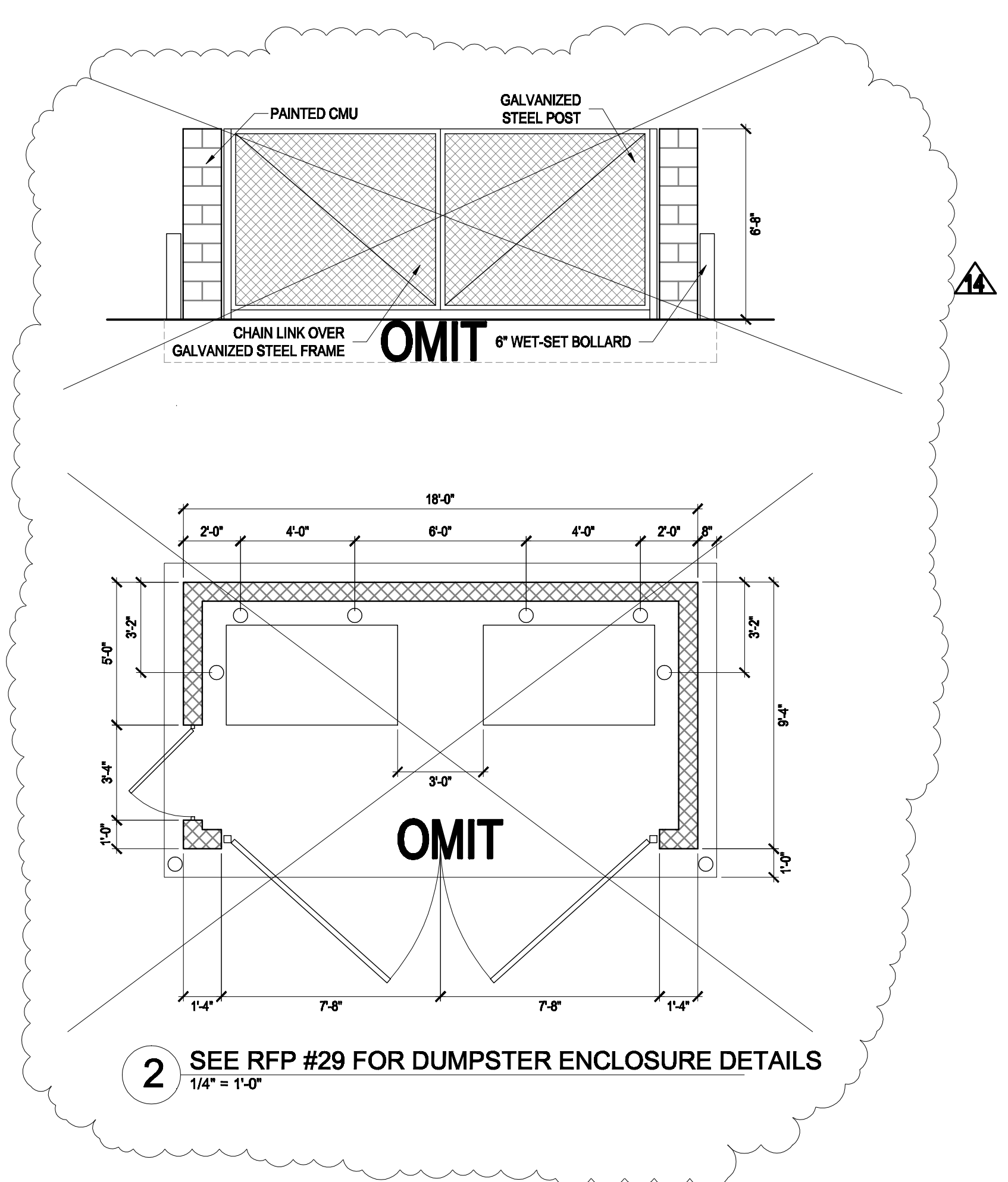
Interior Corridors																	
Total Interior Corridor Per Building Label	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		-
Common Area	0	0	0	0	0	0	0	0	0	0	1,683						
Total Common Area Per Building Label	0	0	0	0	0	0	0	0	0	0	1,683	0	0	0			1,683
Breezeways	1,888	1,065	1,065	995	1,065	995	1,065	995	1,065	995	1,065						
Total Breezeways Per Building Label	1,888	1,065	1,065	995	1,065	995	1,065	995	1,065	995	1,065	0	0	0			8,138



4 BUILDING & UNIT NUMBER KEY
NOT TO SCALE



1 SITE PLAN
1" = 20'-0"



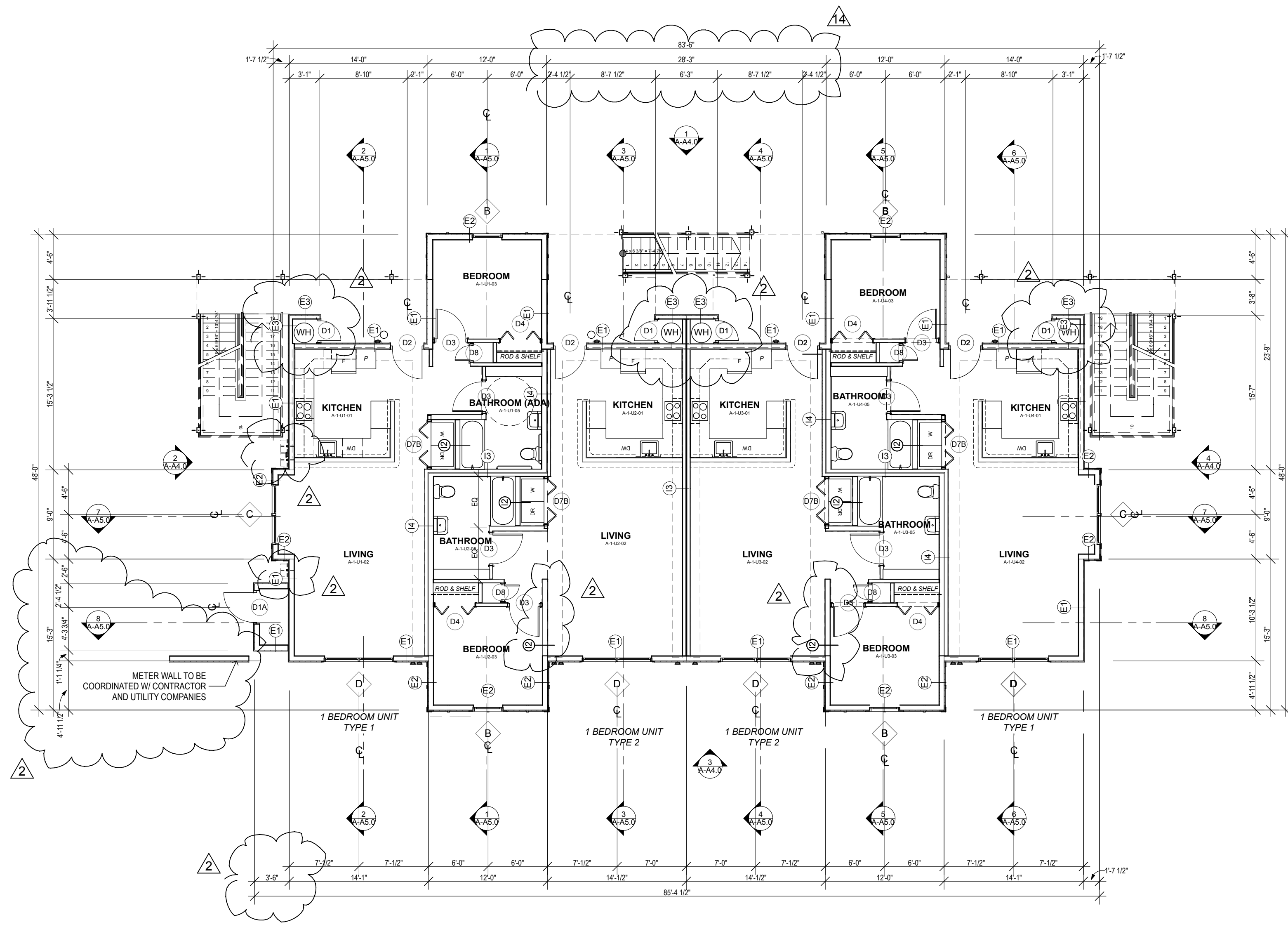
3 ADA PARKING SIGN DETAIL
NOT TO SCALE

2 SEE RFP #29 FOR DUMPSTER ENCLOSURE DETAILS
1/4" = 1'-0"

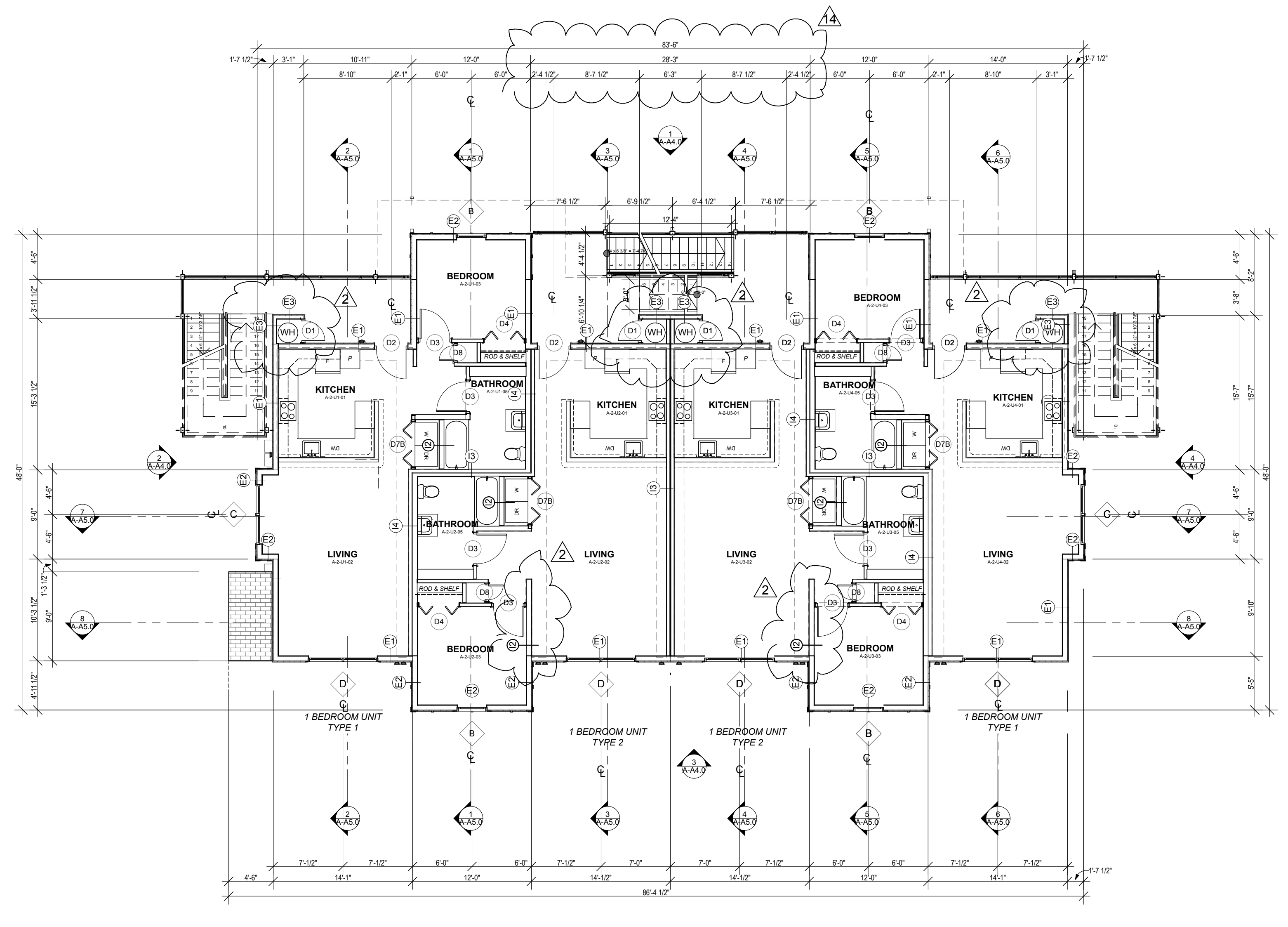
GENERAL NOTES:

1. FIELD VERIFY STAIR LANDING ELEVATIONS, GRADE TO MEET LANDINGS. COORDINATE WITH CIVIL.
2. UNITS MARKED *ADA* HAVE BEEN DESIGNATED AS FULLY ACCESSIBLE UNITS. SEE ACCESSIBILITY SHEET FOR REQUIREMENTS.

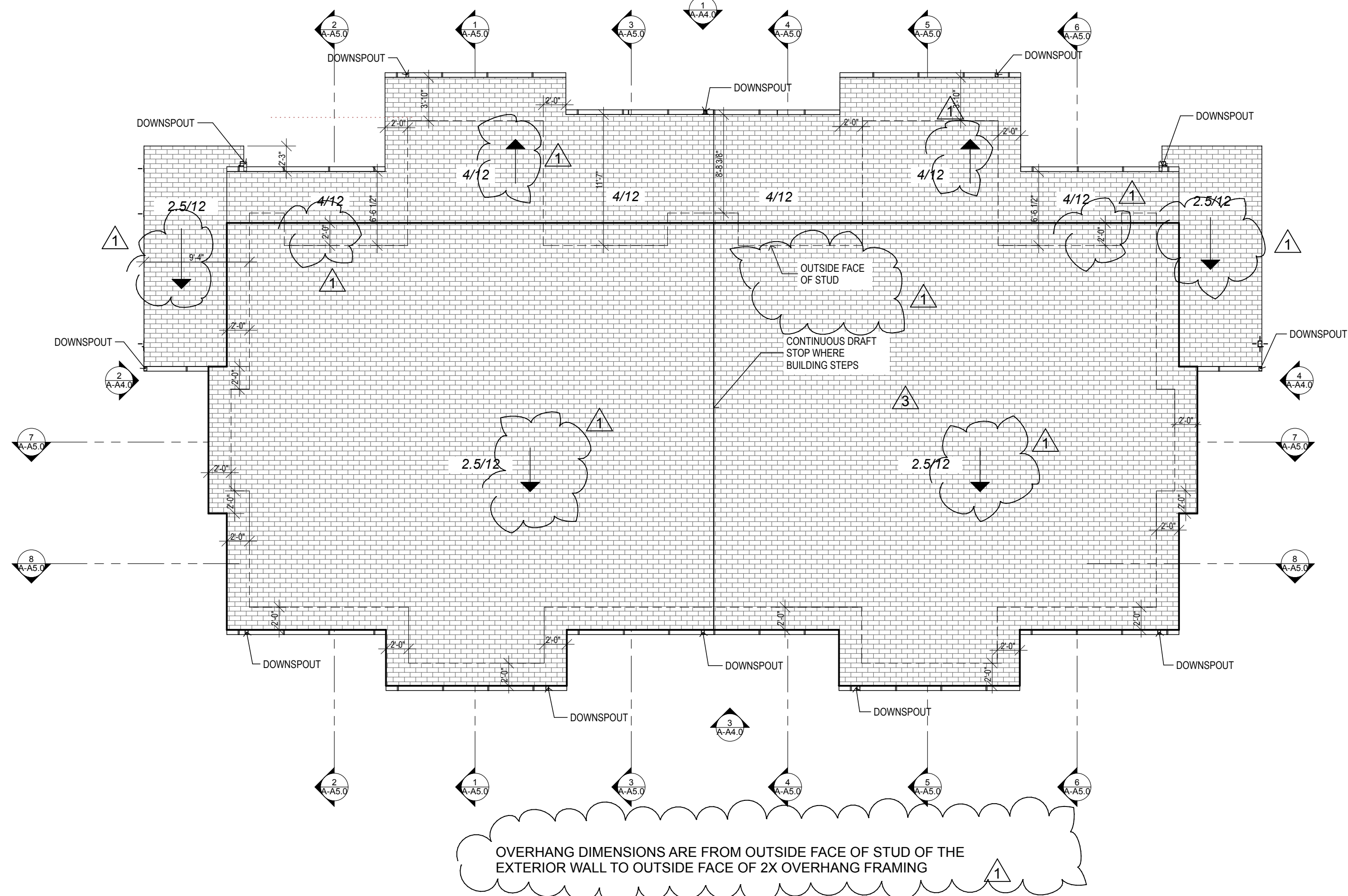
- LEGEND**
- SPRINKLER CLOSET WITH KNOX CAP AND KNOX KEY BOX (SEE BUILDING ELEVATIONS)
 - TP TRANSFORMER PAD
 - AC CONDENSOR PAD
 - ADA - ACCESSIBLE PATH



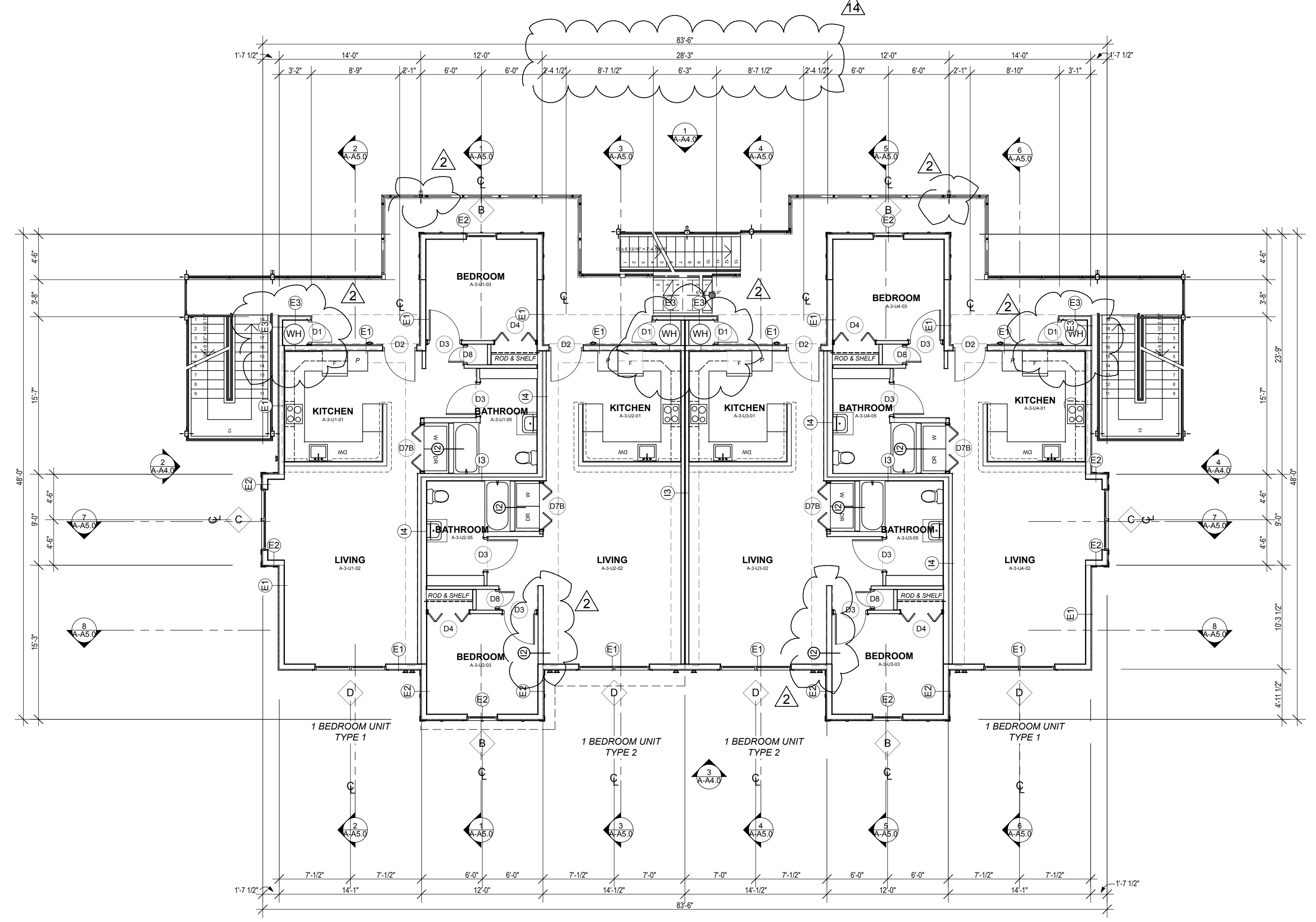
1 FIRST FLOOR
SCALE: 1/8" = 1'-0"



2 SECOND FLOOR
SCALE: 1/8" = 1'-0"



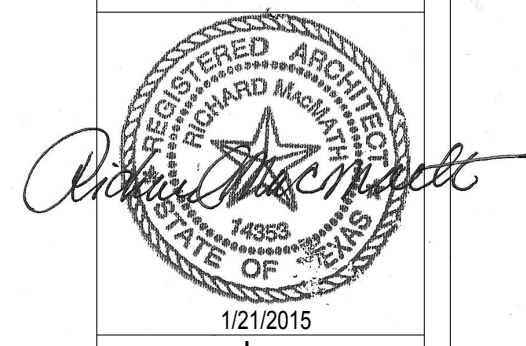
4 ROOF PLAN
SCALE: 1/8" = 1'-0"



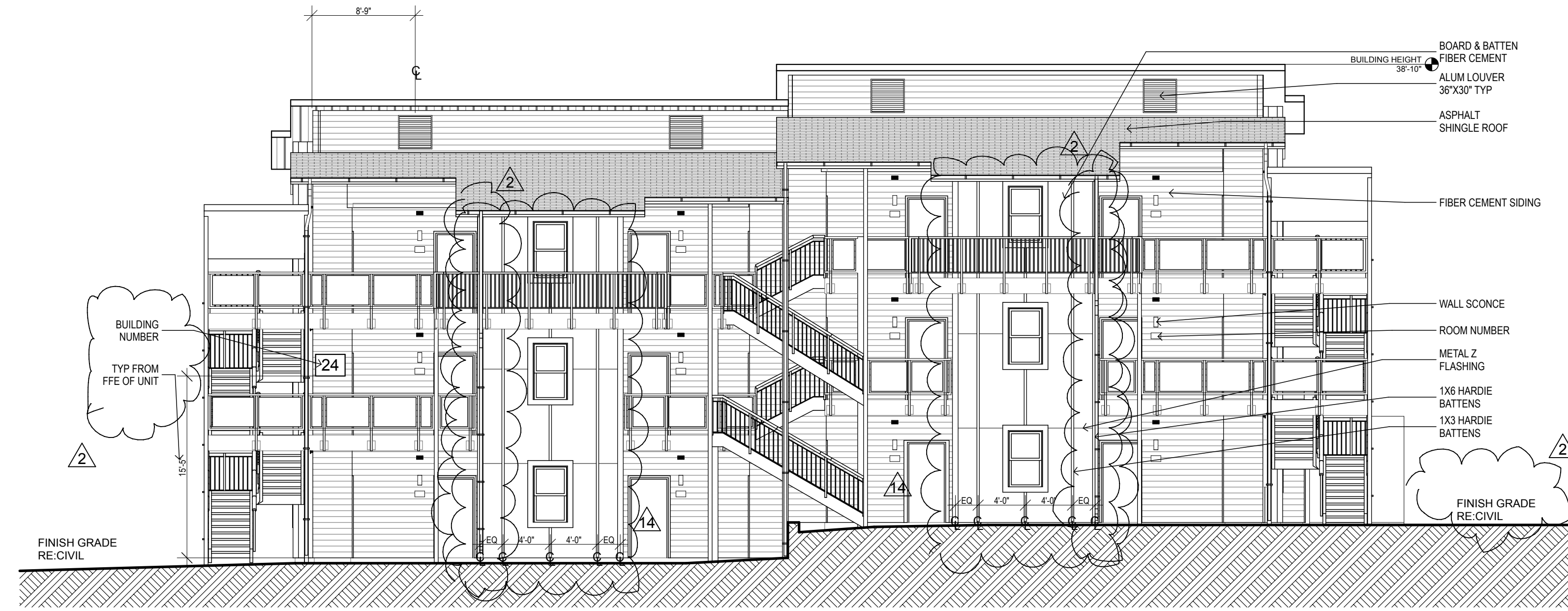
3 THIRD FLOOR
SCALE: 1/8" = 1'-0"

- GENERAL NOTES:**
- ALL DIMENSIONS TO FRAMING UNLESS NOTED OTHERWISE
 - ALL PENETRATIONS IN FLOORS, CEILINGS, AND UNIT DEMISING WALLS MUST BE SEALED WITH A U.L. LISTED FIRE STOP MATERIAL
 - INSTALL OR ENSURE THAT 2X WOOD FIREBLOCKING IS INSTALLED TO COMPLY WITH THE 2012 IBC. BLOCKING SHOULD BE INSTALLED IN THE DEMISING WALLS FROM BOTTOM PLATE TO TOP PLATE AT 10' INTERVALS
 - INSTALL DRAFT STOPPING COMPLYING WITH IBC 2012 IN THE FOLLOWING LOCATIONS:
 - BETWEEN FLOOR TRUSSES AT DEMISING WALLS AS SHOWN IN ON SHEET A2.6 (DRAWINGS 4 AND 5)
 - IN THE ATTIC AS SHOWN ON SHEET A2.6 (DRAWING 3)
 - THE FULL FIRE RATED ASSEMBLY OF ALL RATED WALLS AND CEILINGS MUST BE CONTINUOUS BEHIND AND ABOVE FURRED CEILINGS.
 - SEE SECTION 015600 (ENVIRONMENTAL PROCEDURES) FOR VOC LIMITS FOR ALL PAINTS, COATINGS, ADHESIVES, AND SEALANTS
 - ALL MATERIALS MUST BE FREE OF ADDED FORMALDEHYDE RESINS AS PER SECTION 013600 (ENVIRONMENTAL PROCEDURES)

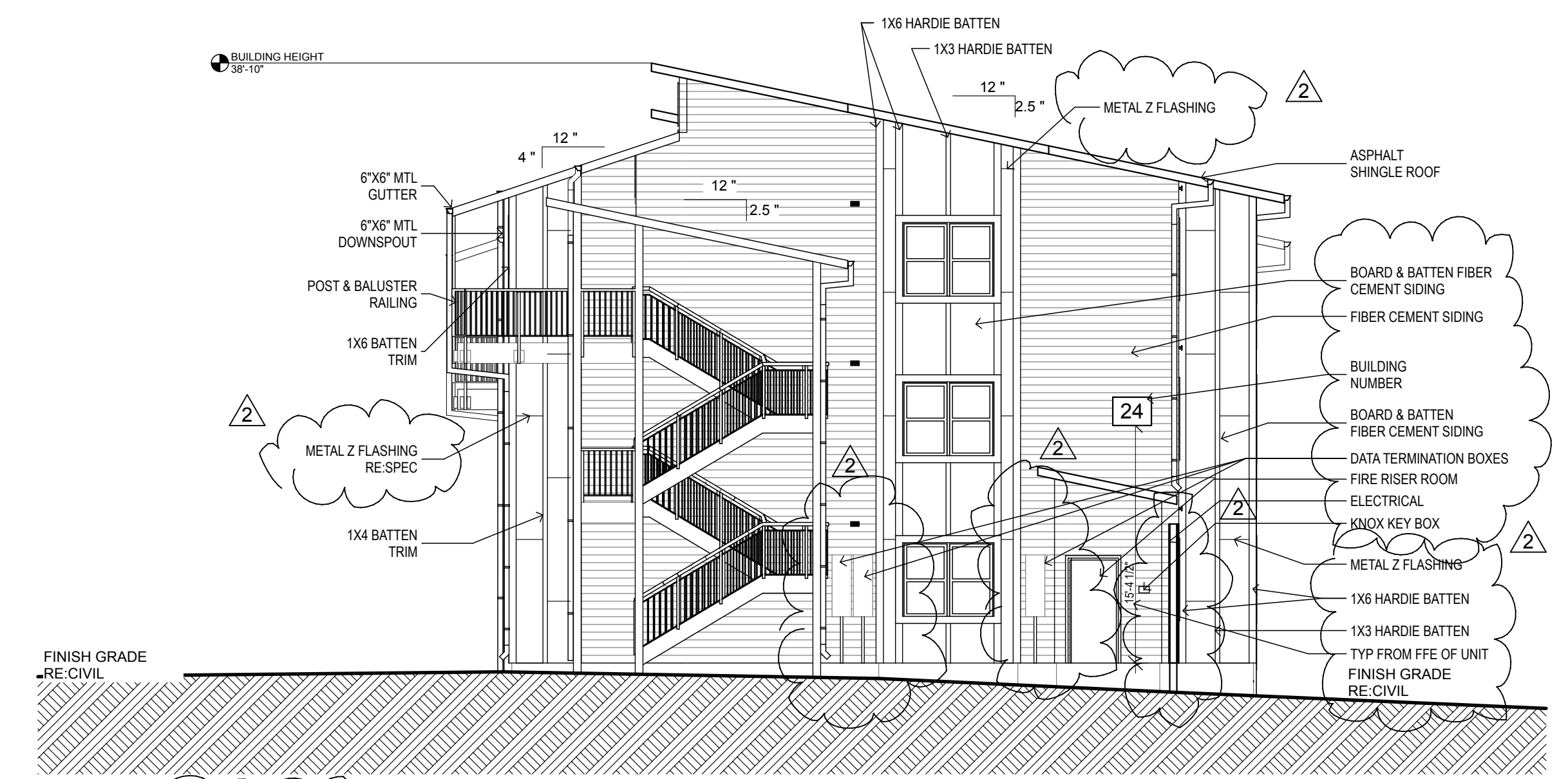
GENERAL NOTE
2ND & 3RD FLOOR BATHROOMS HAVE VANITY SINKS



Revisions	No.	Date/Remarks
▲	ASI # 1	9/30/2015
▲		10/21/2015



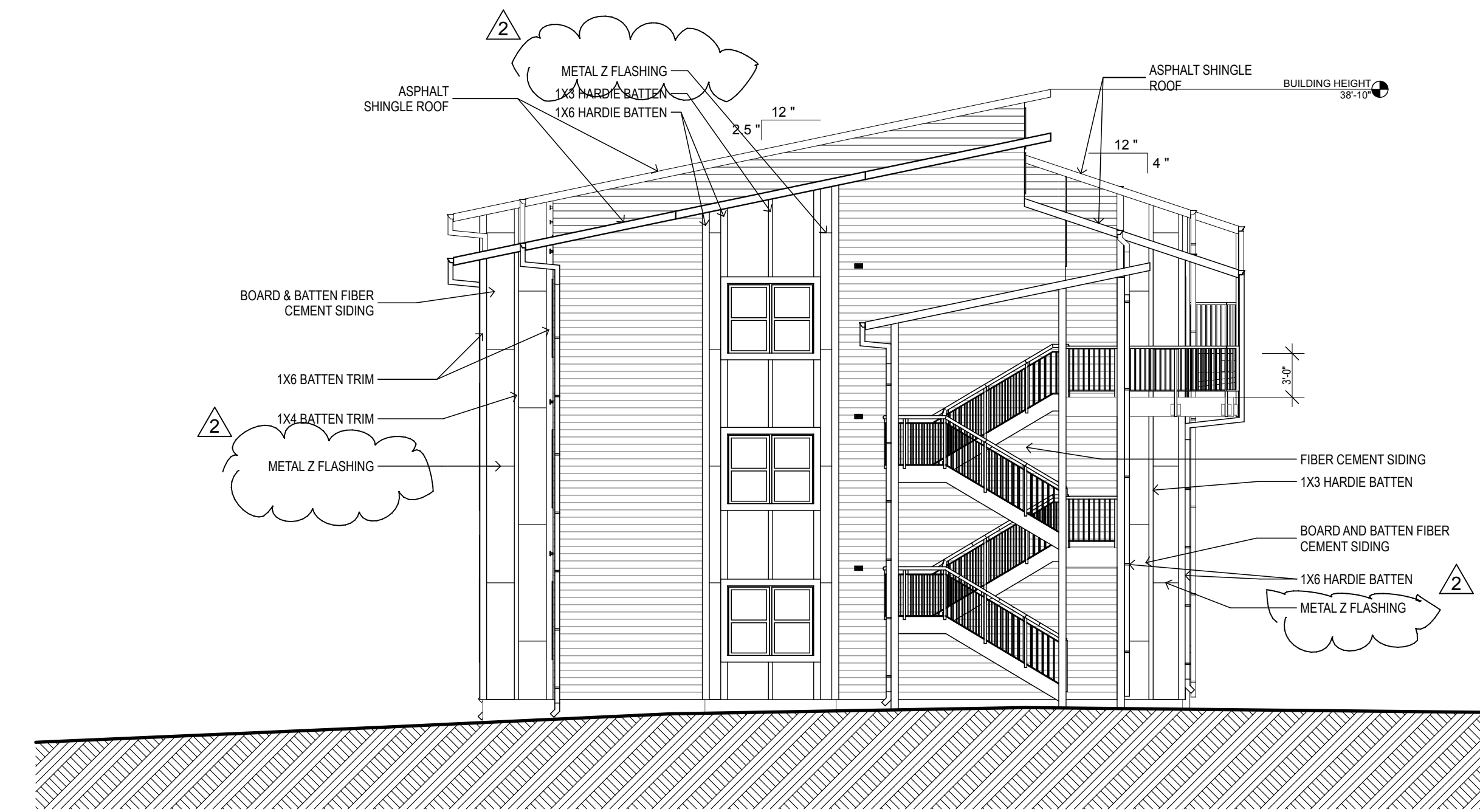
1 SITE PLAN EAST
SCALE: 1/8" = 1'-0"



2 SITE PLAN NORTH
SCALE: 1/8" = 1'-0"

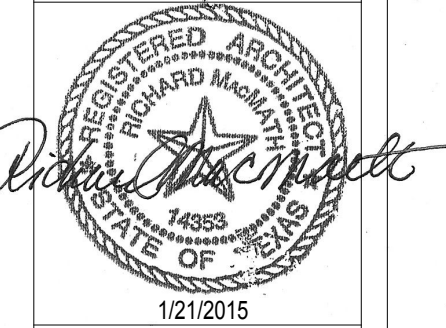


3 SITE PLAN WEST
SCALE: 1/8" = 1'-0"



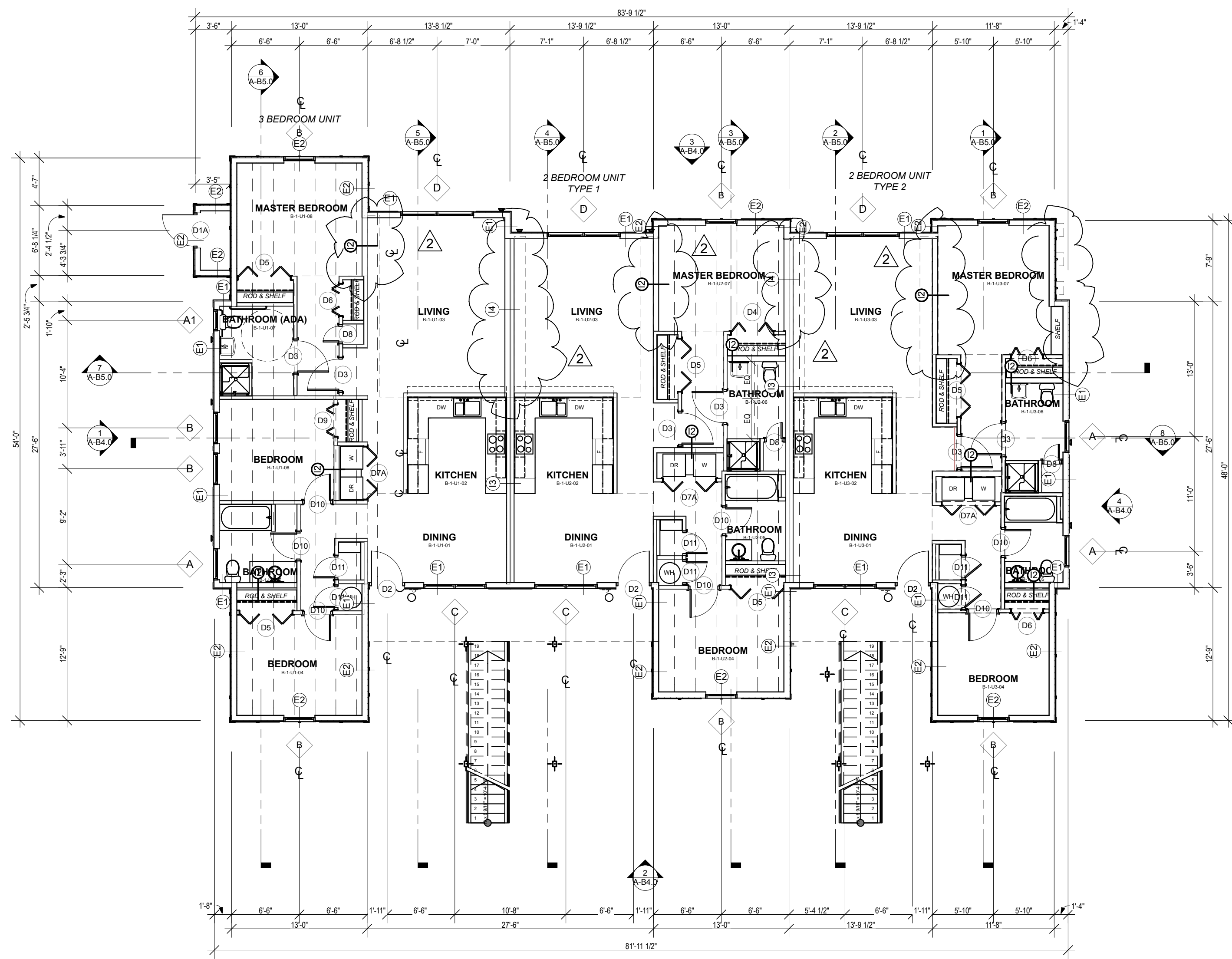
4 SITE PLAN NORTH
SCALE: 1/8" = 1'-0"

Teamwork/Heimsath 6/665 - LiveOaks Trail Building A | Ver. 12/019 | Wednesday, March 9, 2016 | 11:37 AM

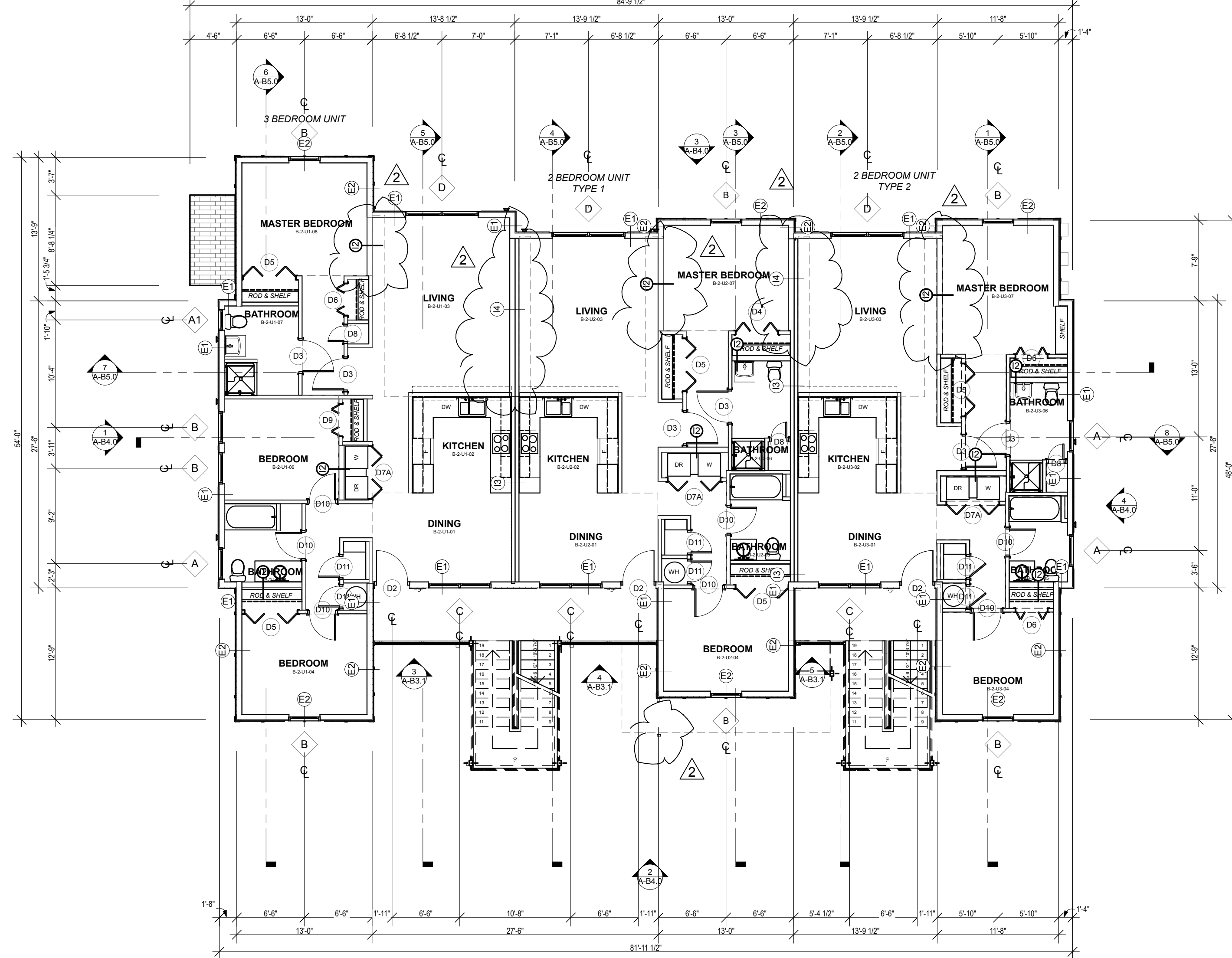


Revisions	No.	Date/Remarks
2	10/21/2015	
14	3/7/2016	

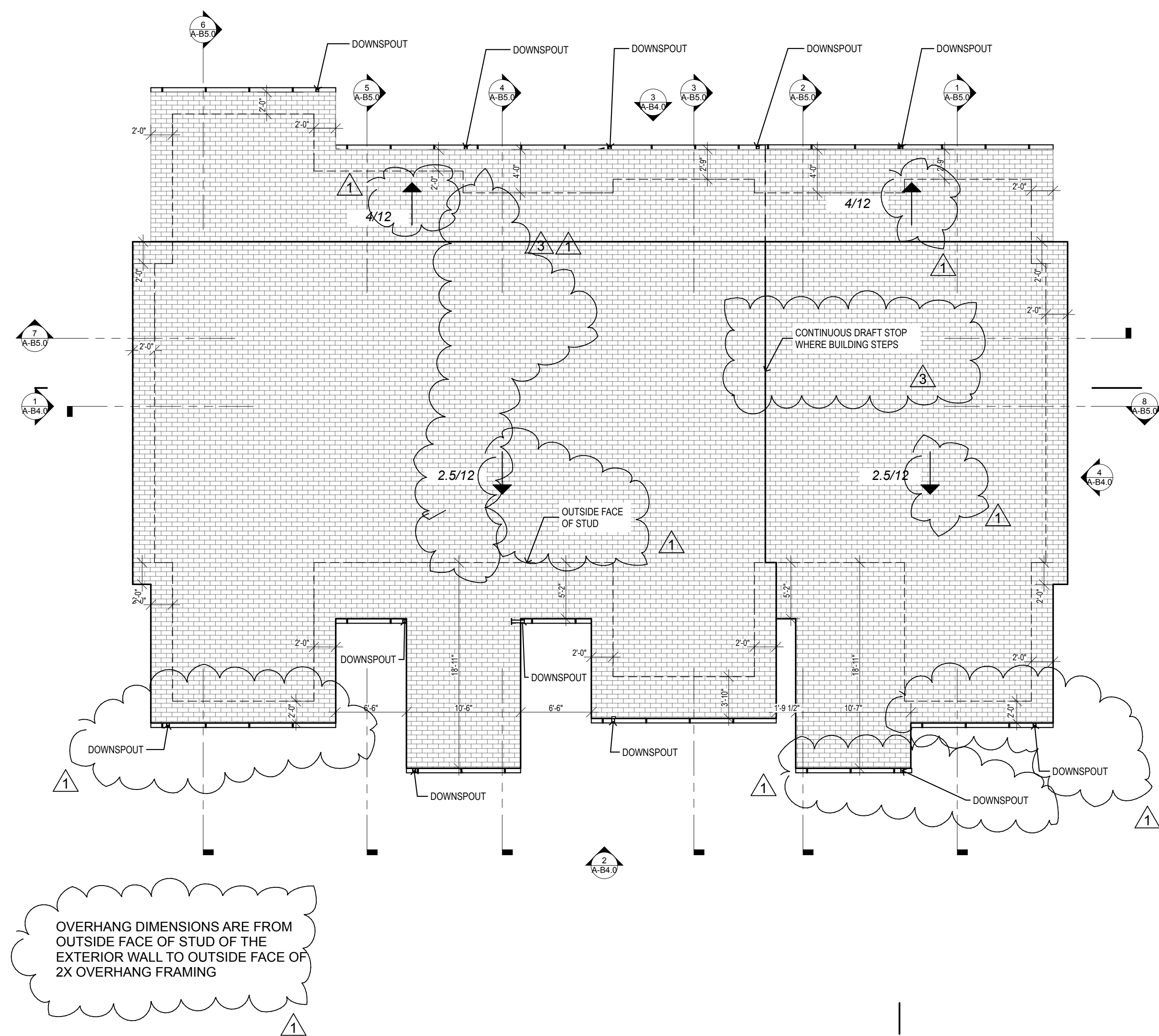
Project #	2015-865
Date	3/07/2016
Sheet Number	



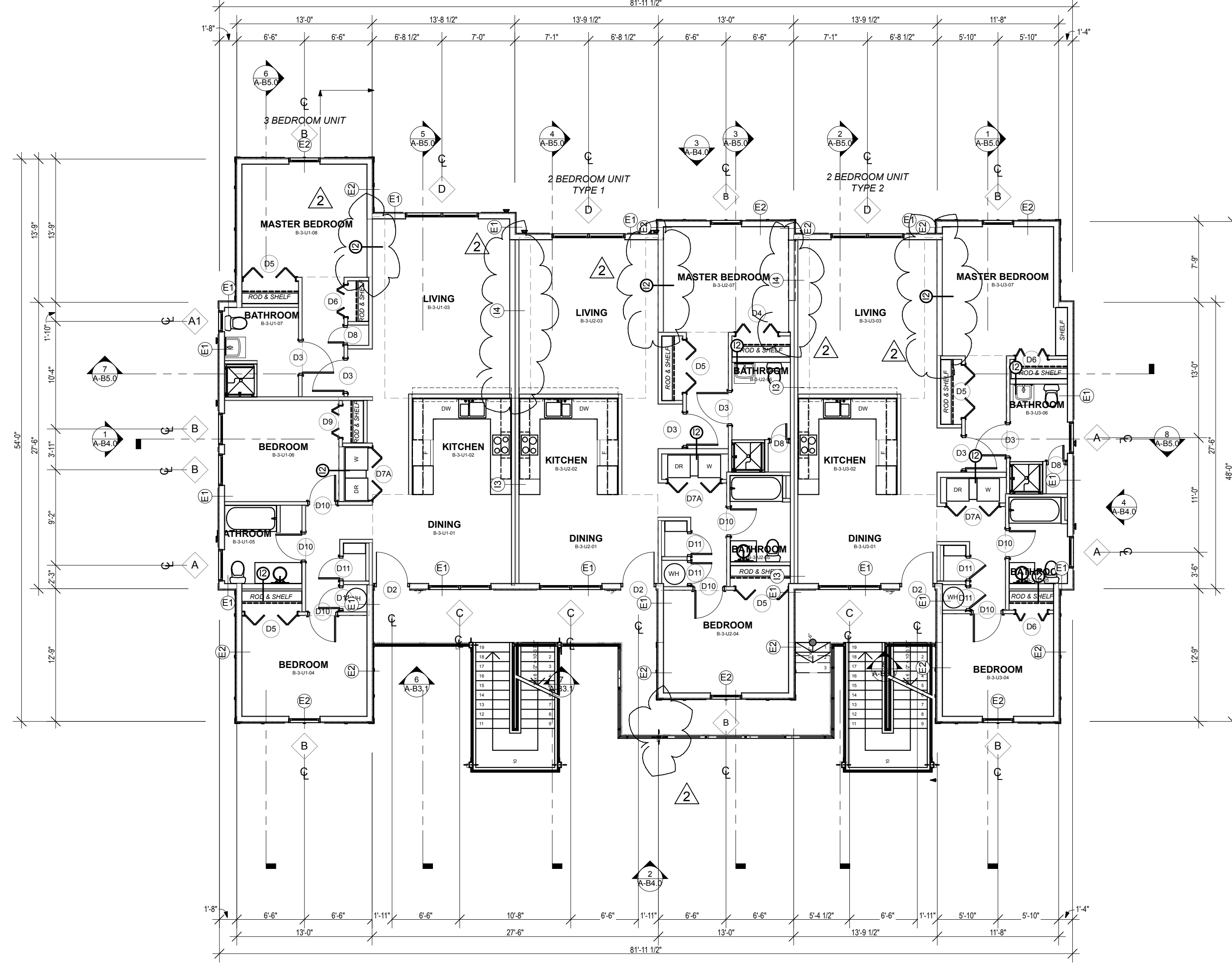
1 FIRST FLOOR
SCALE: 1/8" = 1'-0"



2 SECOND FLOOR
SCALE: 1/8" = 1'-0"



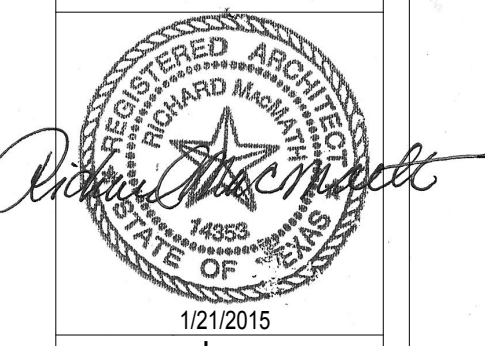
4 ROOF PLAN
SCALE: 1/8" = 1'-0"



3 THIRD FLOOR
SCALE: 1/8" = 1'-0"

- GENERAL NOTES:**
- ALL DIMENSIONS TO FRAMING UNLESS NOTED OTHERWISE.
 - ALL PENETRATIONS IN FLOORS, CEILINGS, AND UNIT DEMISING WALLS MUST BE SEALED WITH A U.L. LISTED FIRE STOP MATERIAL.
 - INSTALL OR ENSURE THAT 2X WOOD FIREBLOCKING IS INSTALLED TO COMPLY WITH THE 2012 IBC. BLOCKING SHOULD BE INSTALLED IN THE DEMISING WALLS FROM BOTTOM PLATE TO TOP PLATE AT 10' INTERVALS.
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 - SEE SECTION 013600 (ENVIRONMENTAL PROCEDURES) FOR VOC LIMITS FOR ALL PAINTS, COATINGS, ADHESIVES, AND SEALANTS. ALL MATERIALS MUST BE FREE OF ADDED FORMALDEHYDE RESINS AS PER SECTION 013600 (ENVIRONMENTAL PROCEDURES).

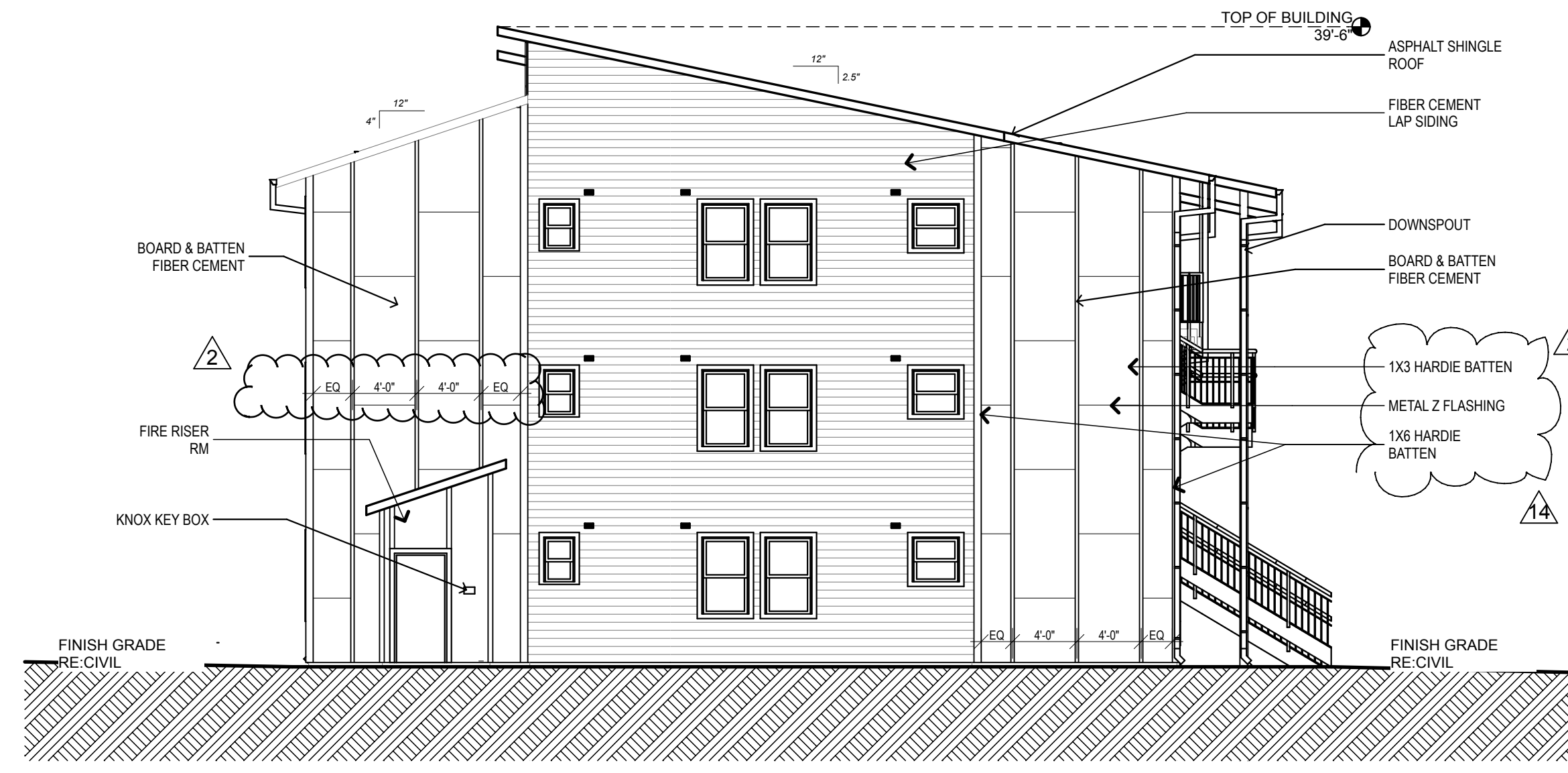
GENERAL NOTE:
2ND & 3RD FLOOR BATHROOMS TO HAVE VANITY SINK



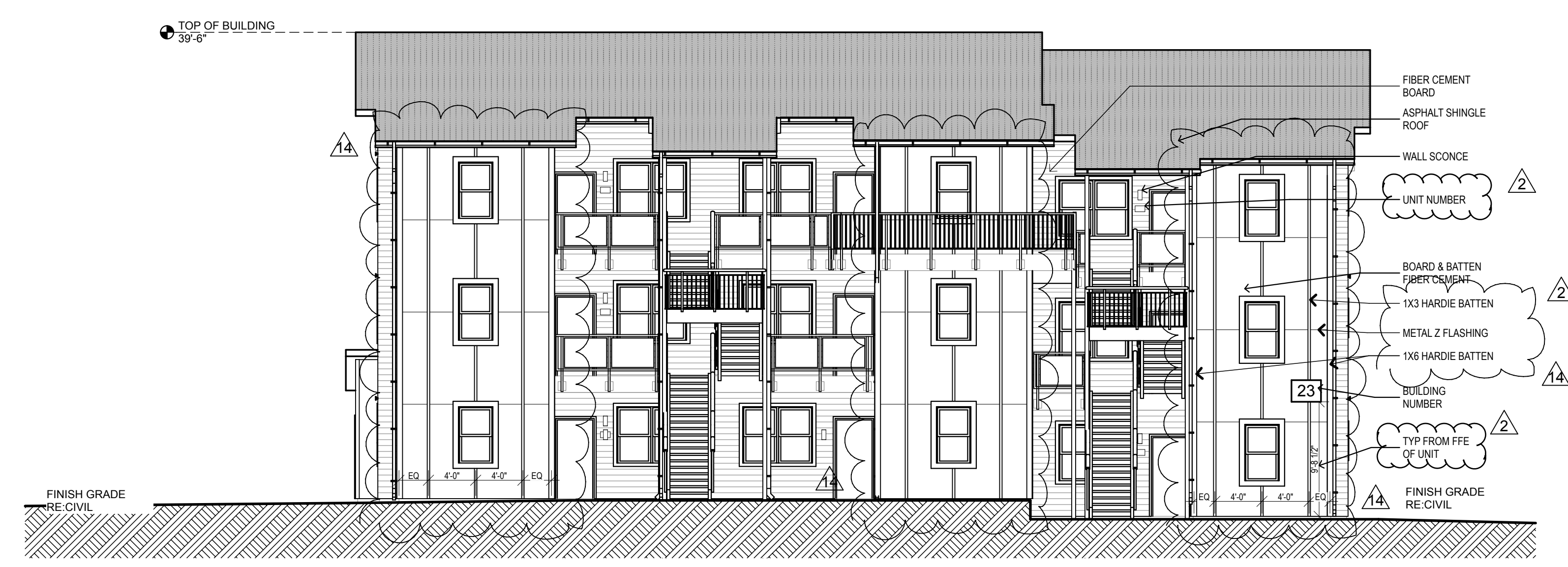
Revisions	No. Date/Remarks
1	ASI # 1 9/30/2015
2	10/21/2015
3	3/7/2016

Project #	2015-865
Date	12/21/2015
Sheet Number	

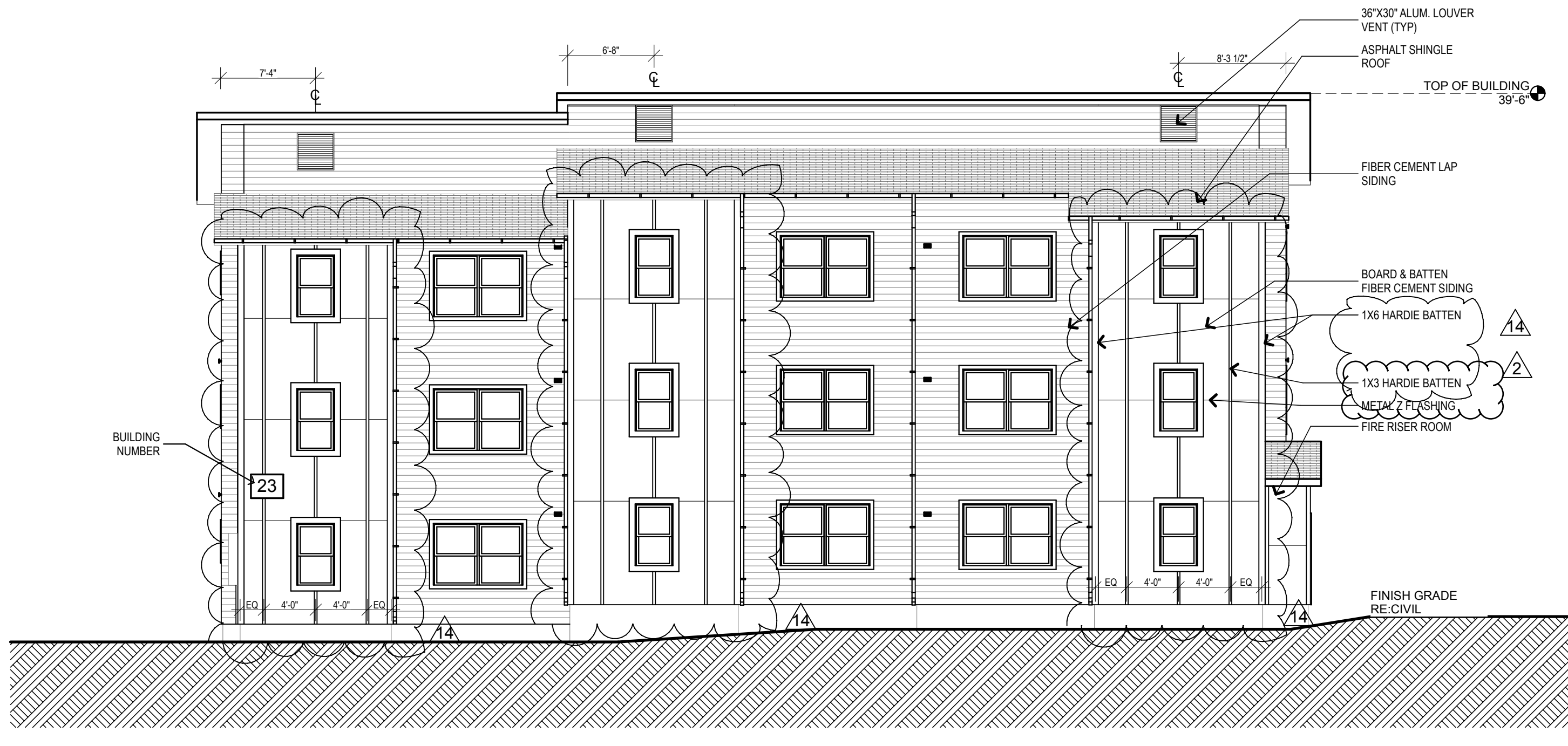
Teamwork/Heimsath/6085 - LiveOakTrails Building B | Ver. 12.019 | Wednesday, March 9, 2016 | 11:53 AM



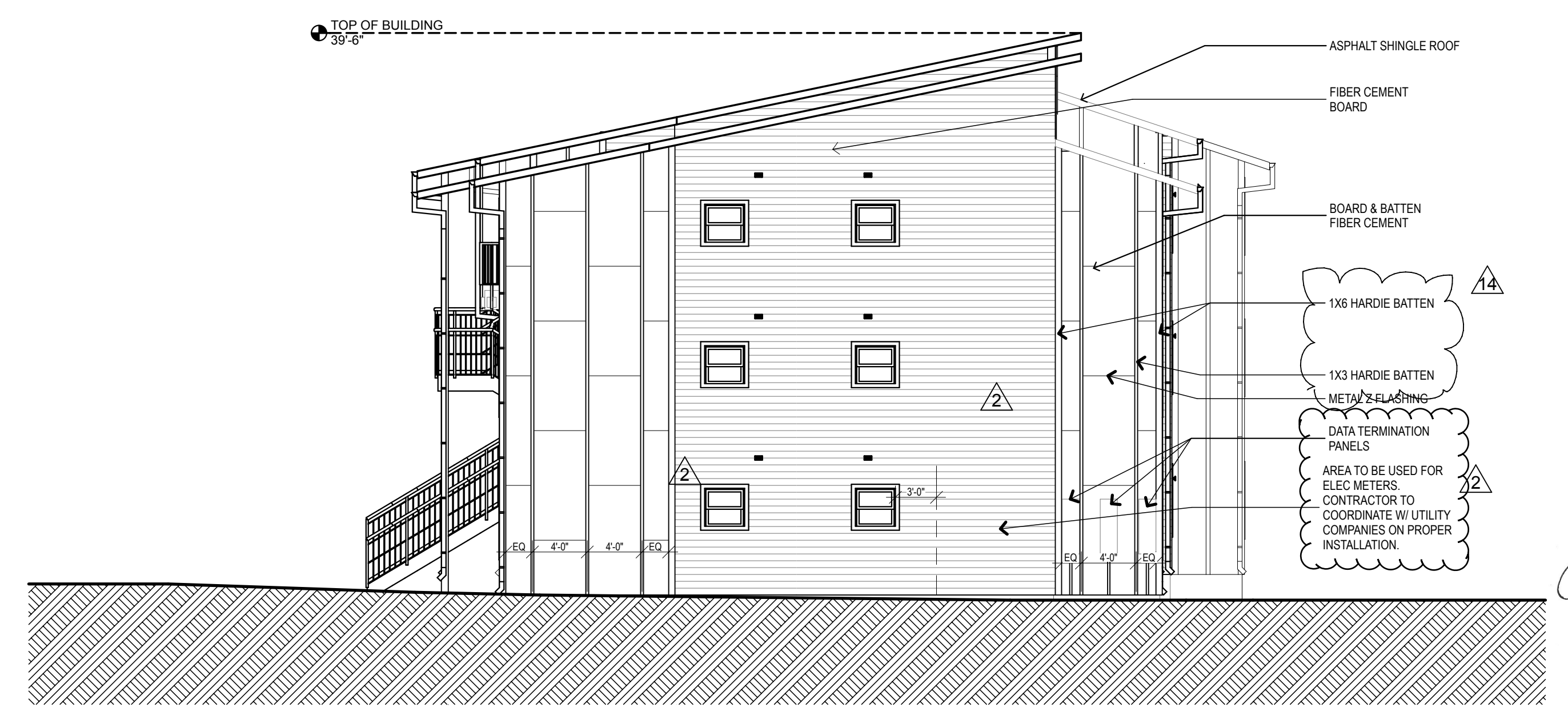
1 SITE PLAN WEST ELEVATION
SCALE: 1/8" = 1'-0"



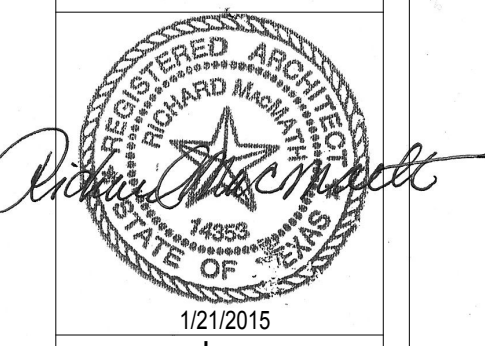
2 SITE PLAN SOUTH ELEVATION
SCALE: 1/8" = 1'-0"



3 SITE PLAN NORTH ELEVATION
SCALE: 1/8" = 1'-0"

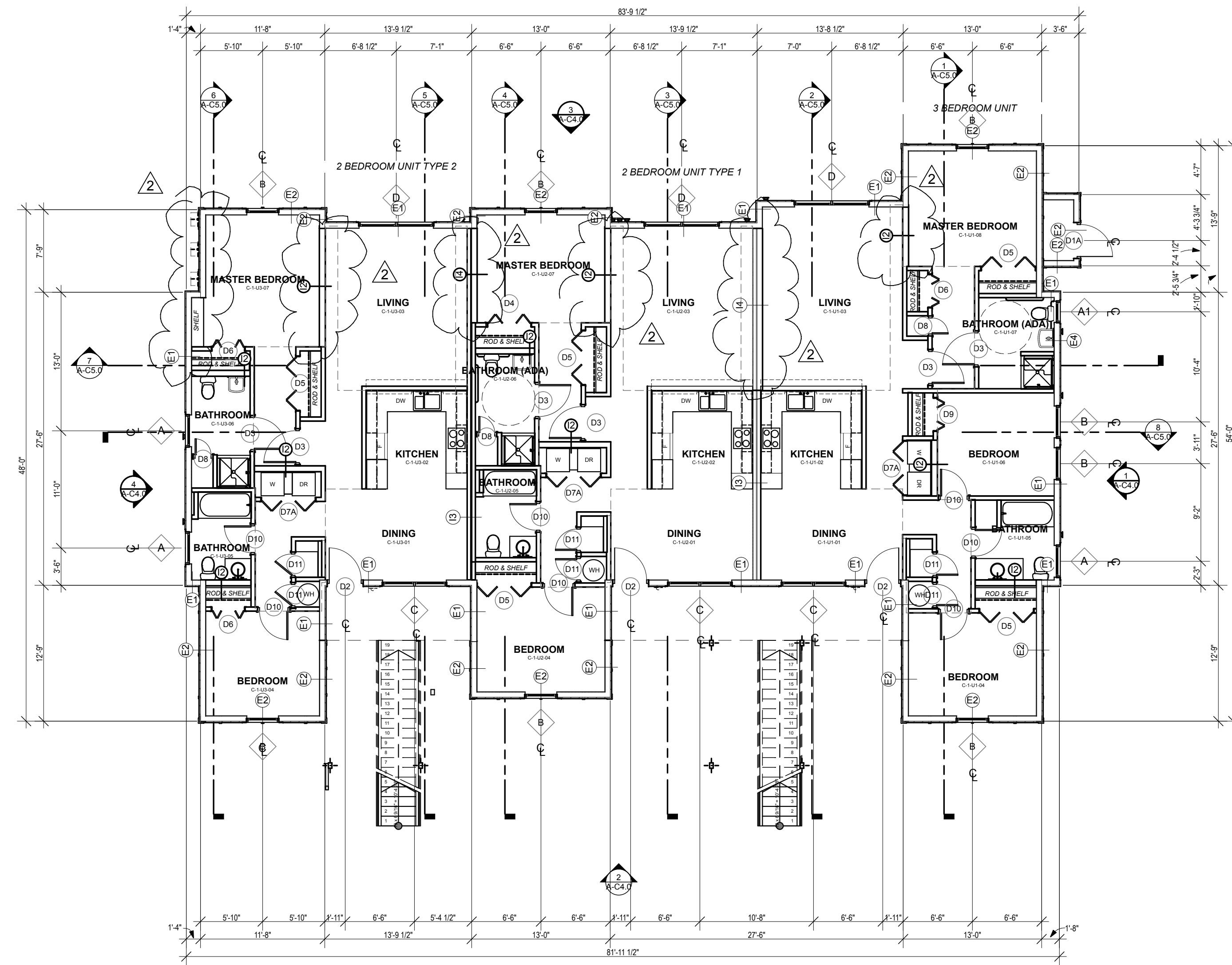


4 SITE PLAN EAST ELEVATION
SCALE: 1/8" = 1'-0"

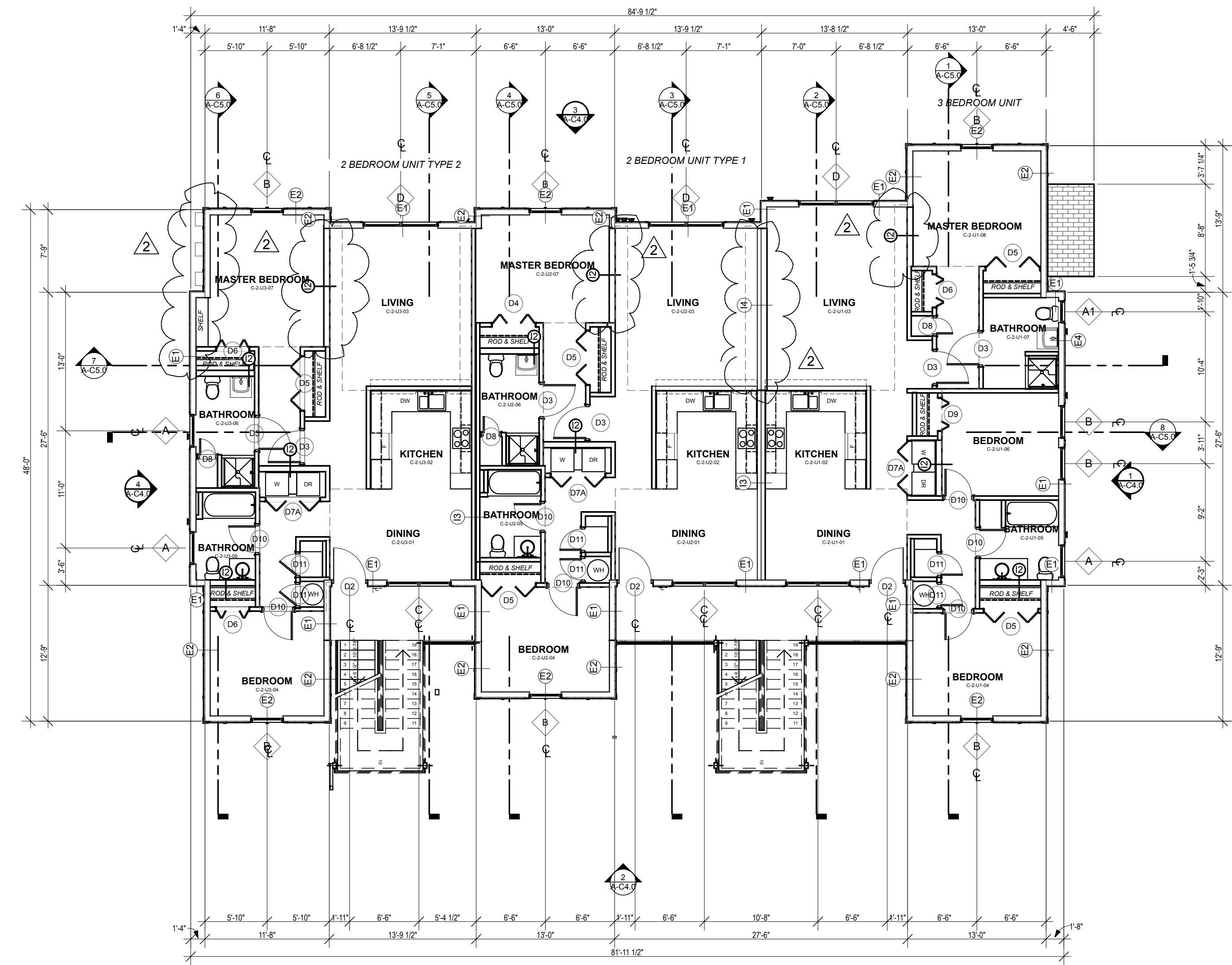


Revisions	No.	Date/Remarks
1	ASI # 1	9/30/2015
2		10/21/2015
1A		3/1/2016

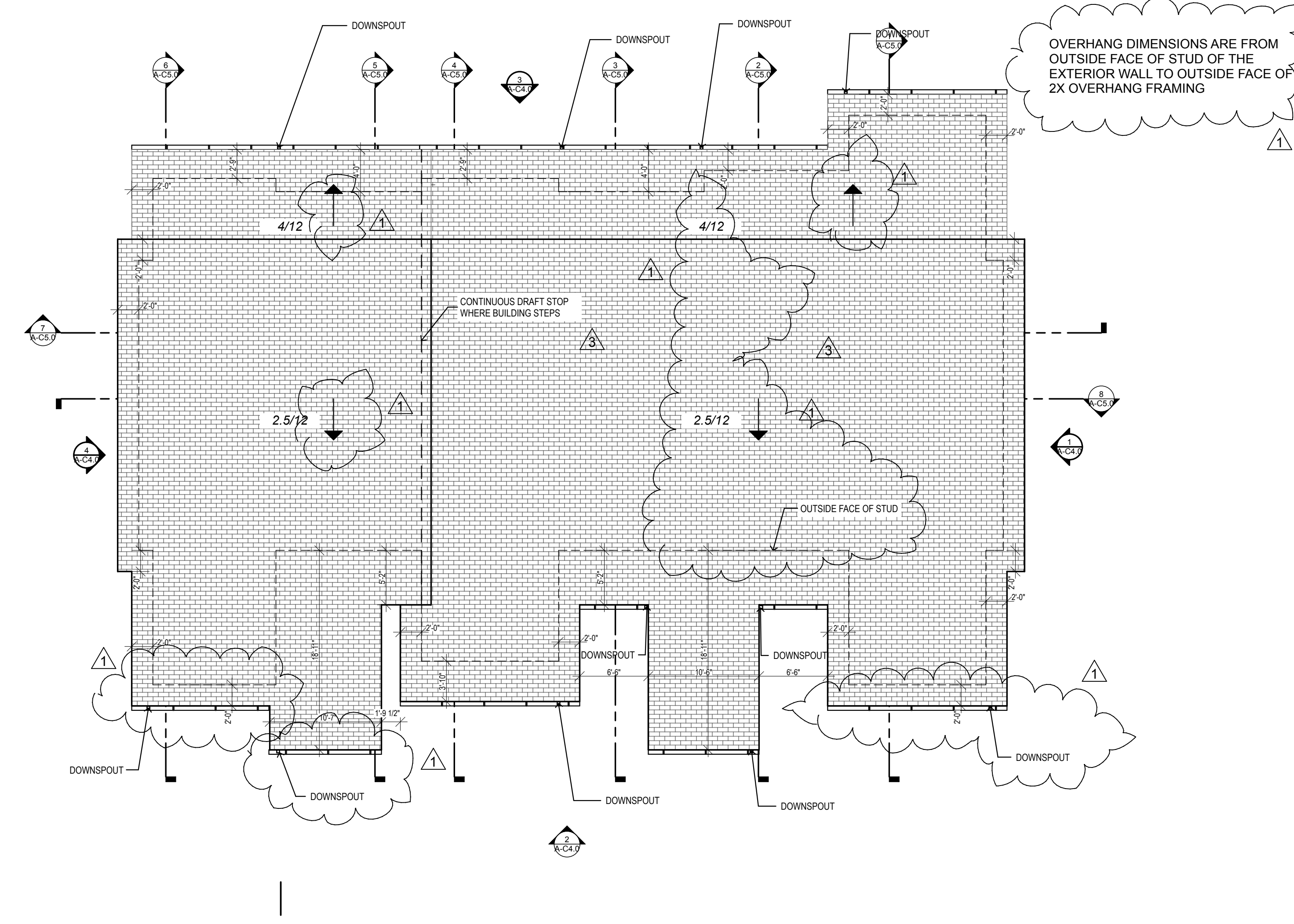
Project #
2015-865
Date
12/21/2015
Sheet Number



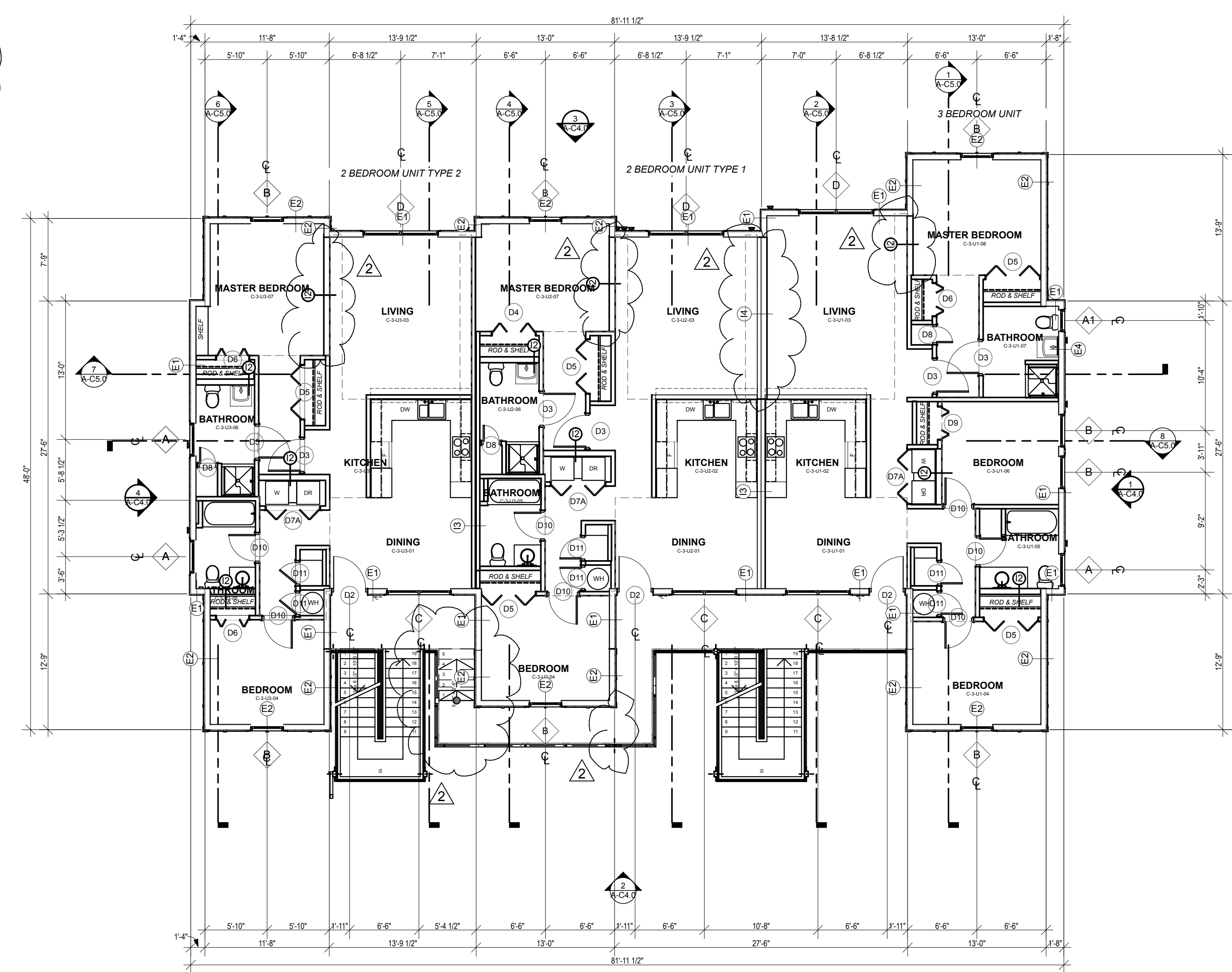
1 FIRST FLOOR
SCALE: 1/8" = 1'-0"



2 SECOND FLOOR
SCALE: 1/8" = 1'-0"



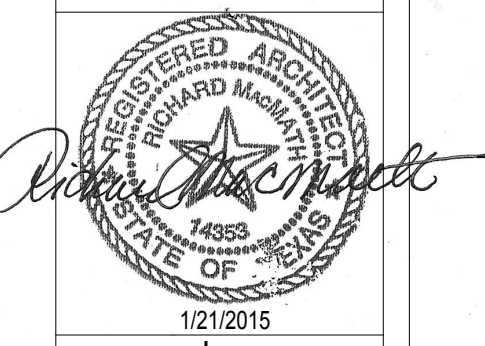
4 ROOF PLAN
SCALE: 1/8" = 1'-0"



3 THIRD FLOOR
SCALE: 1/8" = 1'-0"

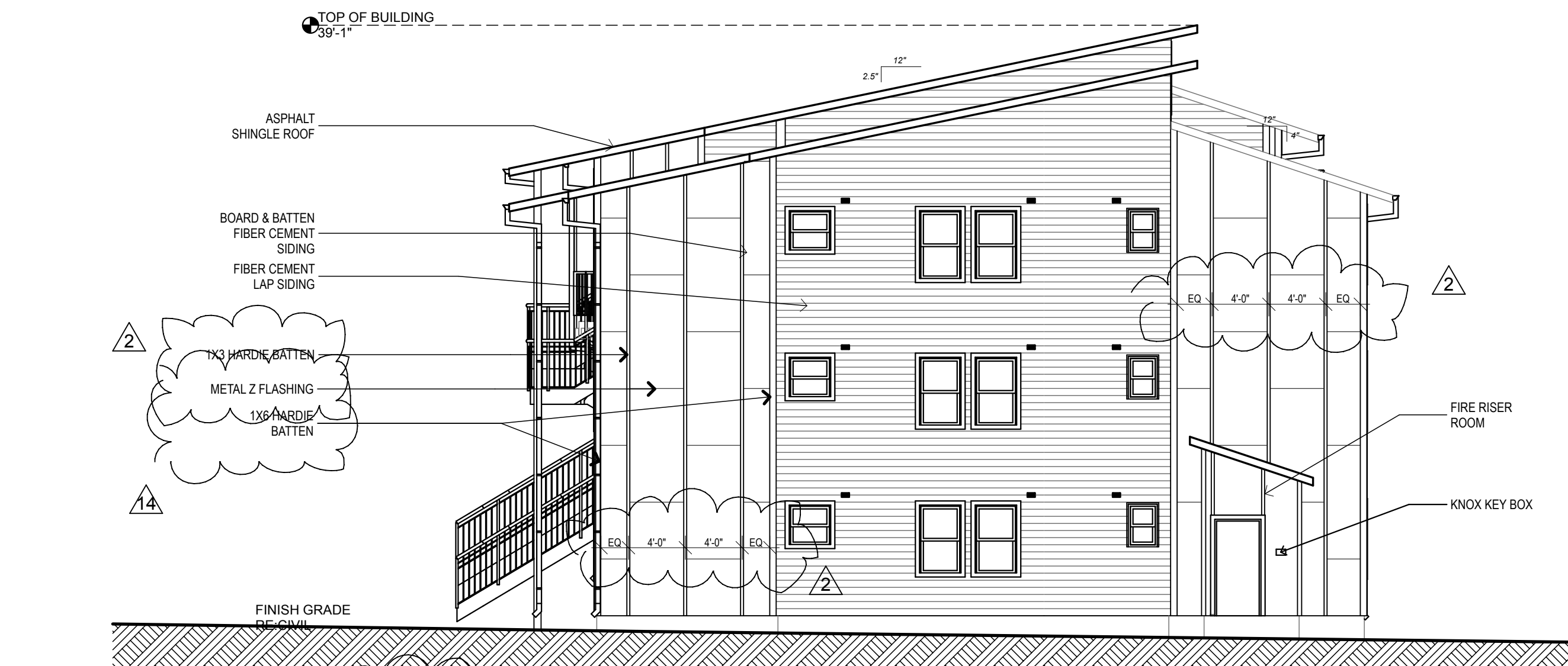
- GENERAL NOTES:**
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GENERAL NOTE:
2ND & 3RD FLOOR BATHROOMS TO HAVE VANITY SINK



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▲	ASI # 1	9/30/2015
▲	10/21/2015	
▲	3/7/2016	

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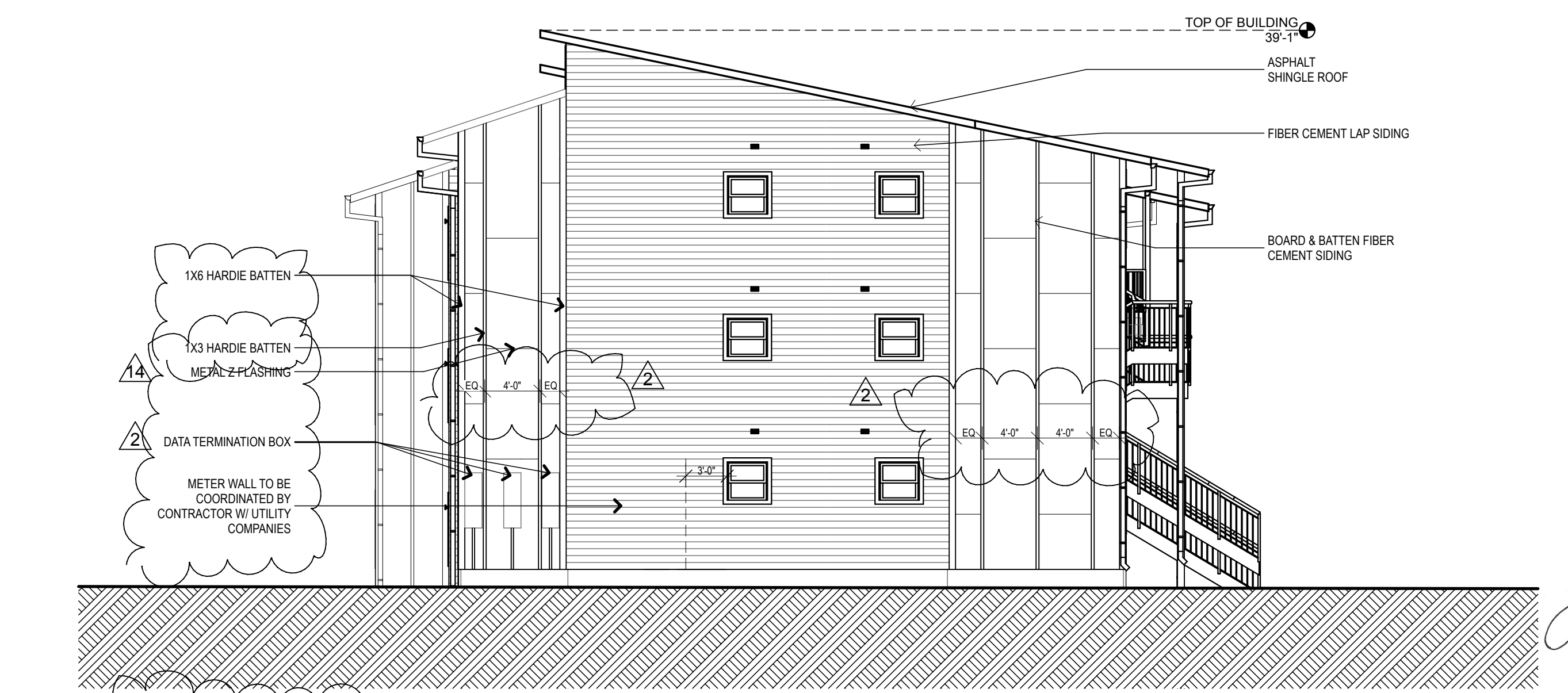
1 SITE PLAN WEST ELEVATION
SCALE: 1/8" = 1'-0"



2 SITE PLAN SOUTH ELEVATION
SCALE: 1/8" = 1'-0"



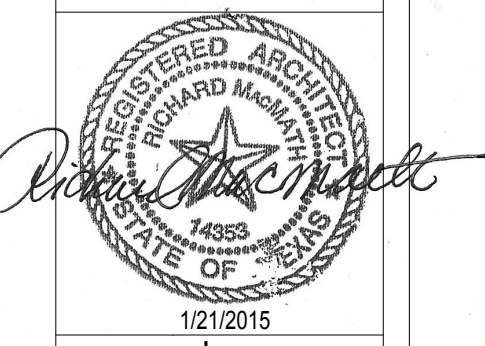
3 SITE PLAN NORTH ELEVATION
SCALE: 1/8" = 1'-0"



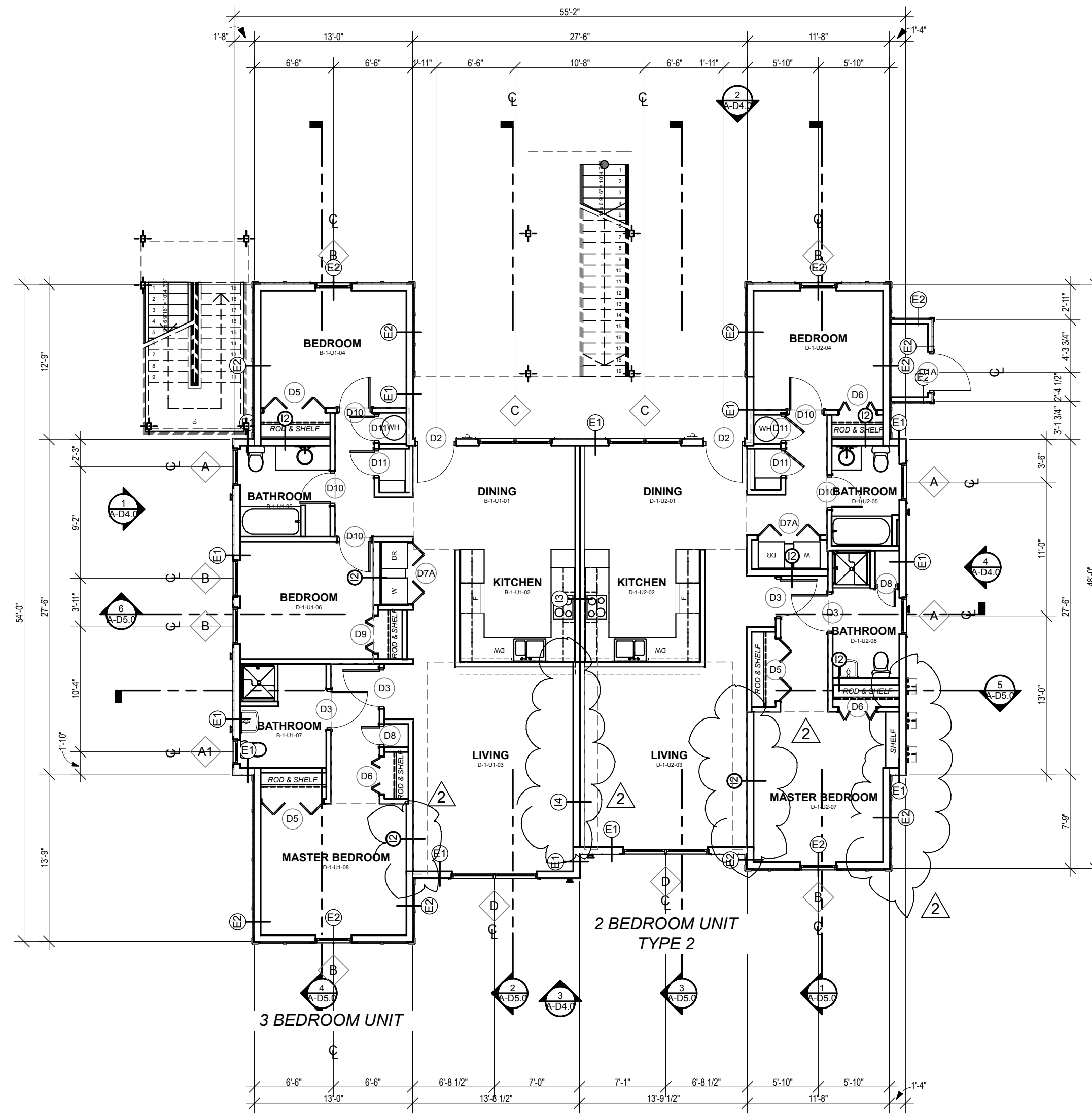
4 SITE PLAN EAST ELEVATION
SCALE: 1/8" = 1'-0"

TYP EXTERIOR FINISHES FOR BLDG A-G

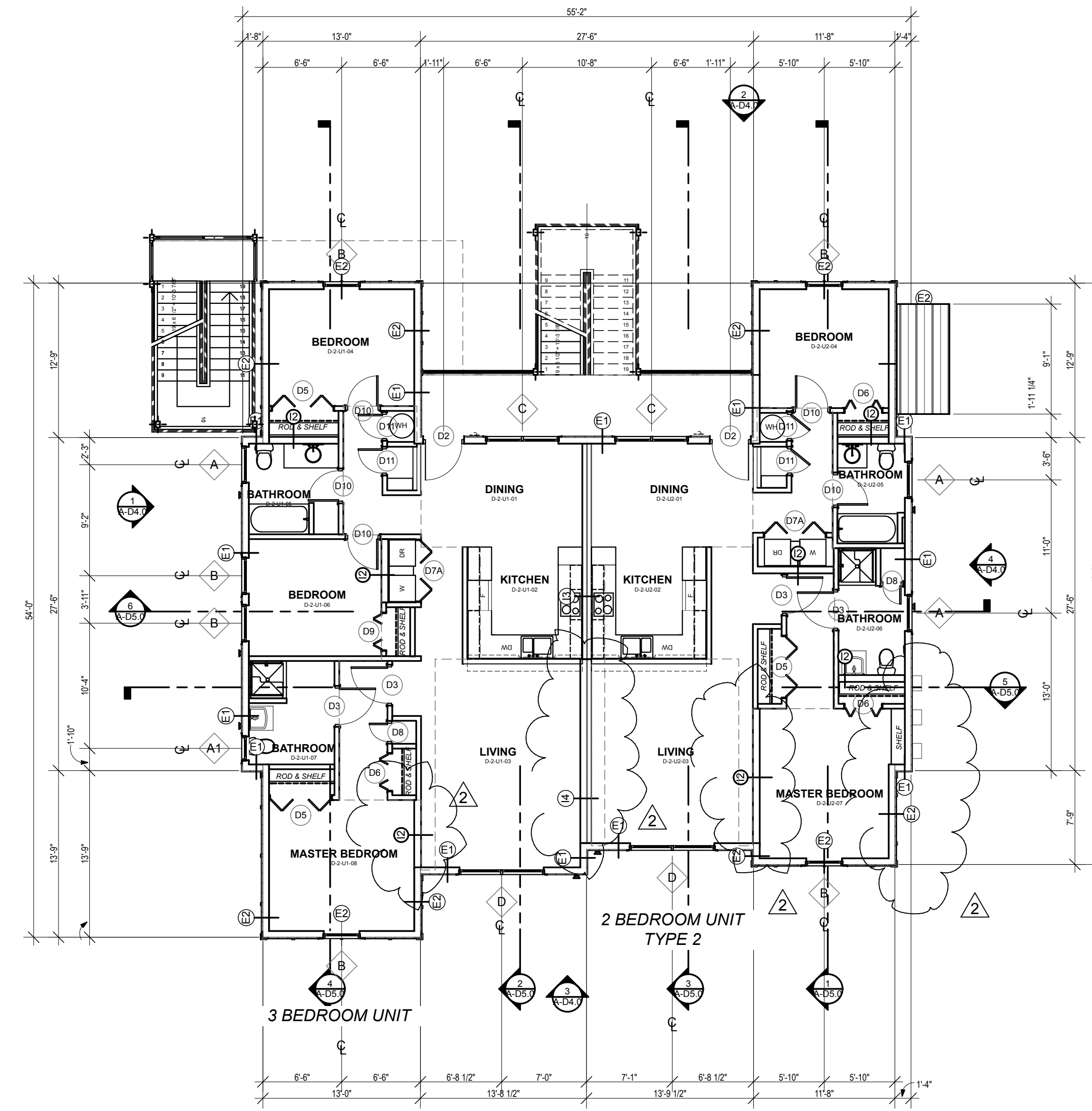
Teamwork://Heimsath\6865 - LiveOakTrail Building C - FINAL | Ver. 12.0/9 | Wednesday, March 9, 2016 | 1:29 PM



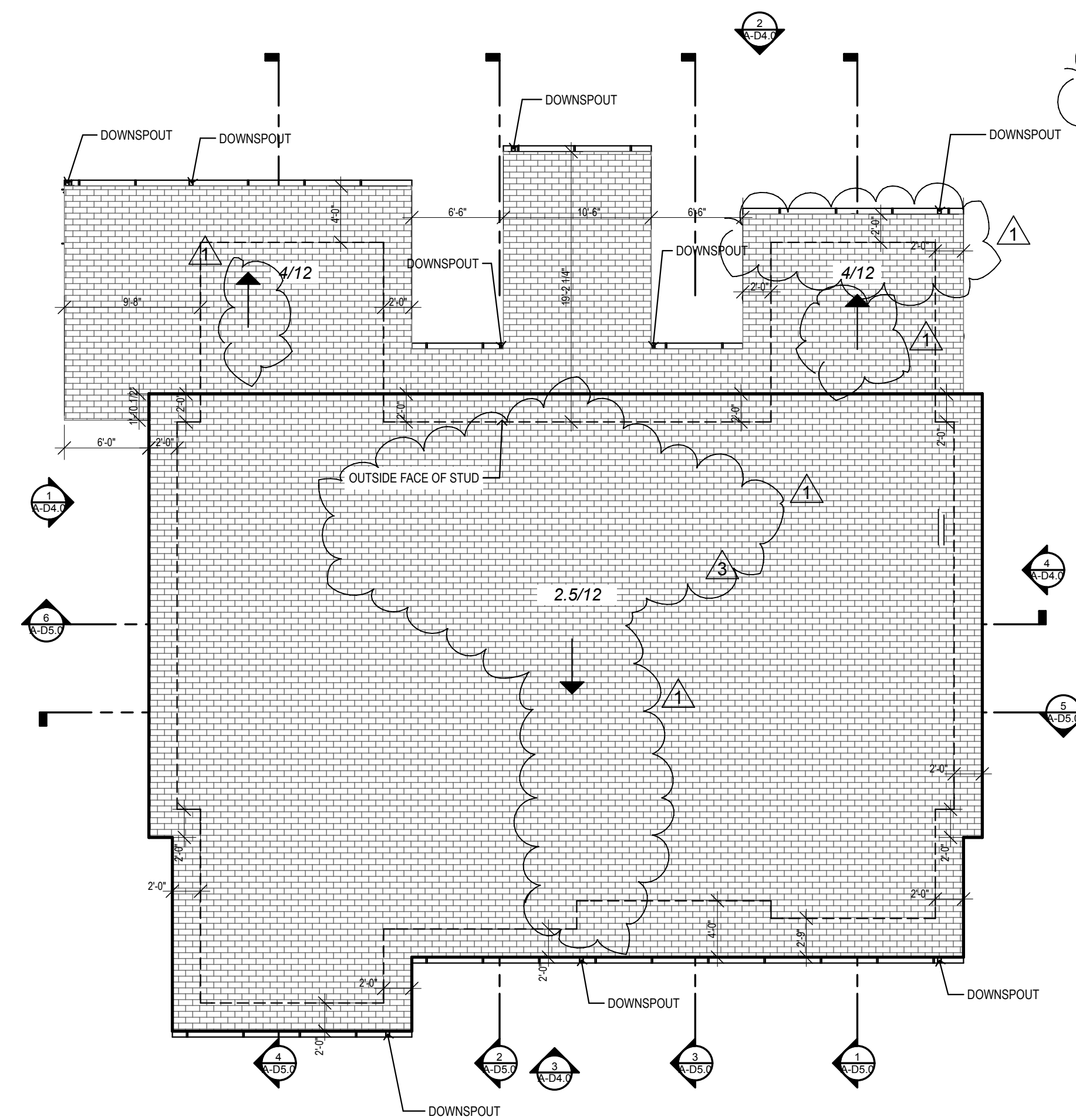
Revisions	No.	Date/Remarks
10/21/2015		
3/7/2016		



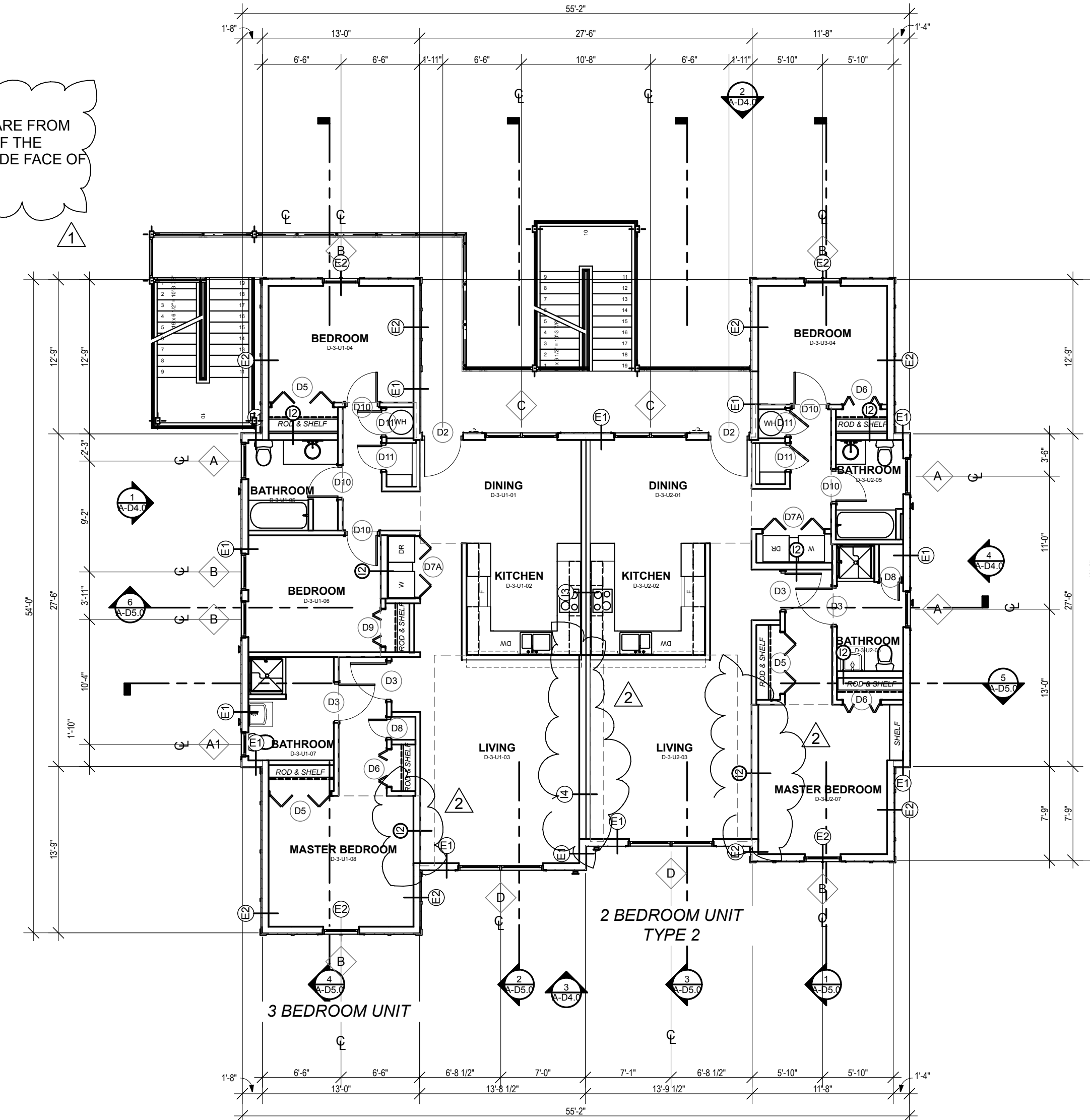
1 FIRST FLOOR
SCALE: 1/8" = 1'-0"



2 SECOND FLOOR
SCALE: 1/8" = 1'-0"



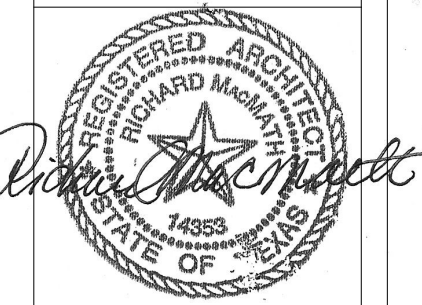
4 ROOF PLAN
SCALE: 1/8" = 1'-0"



3 THIRD FLOOR
SCALE: 1/8" = 1'-0"

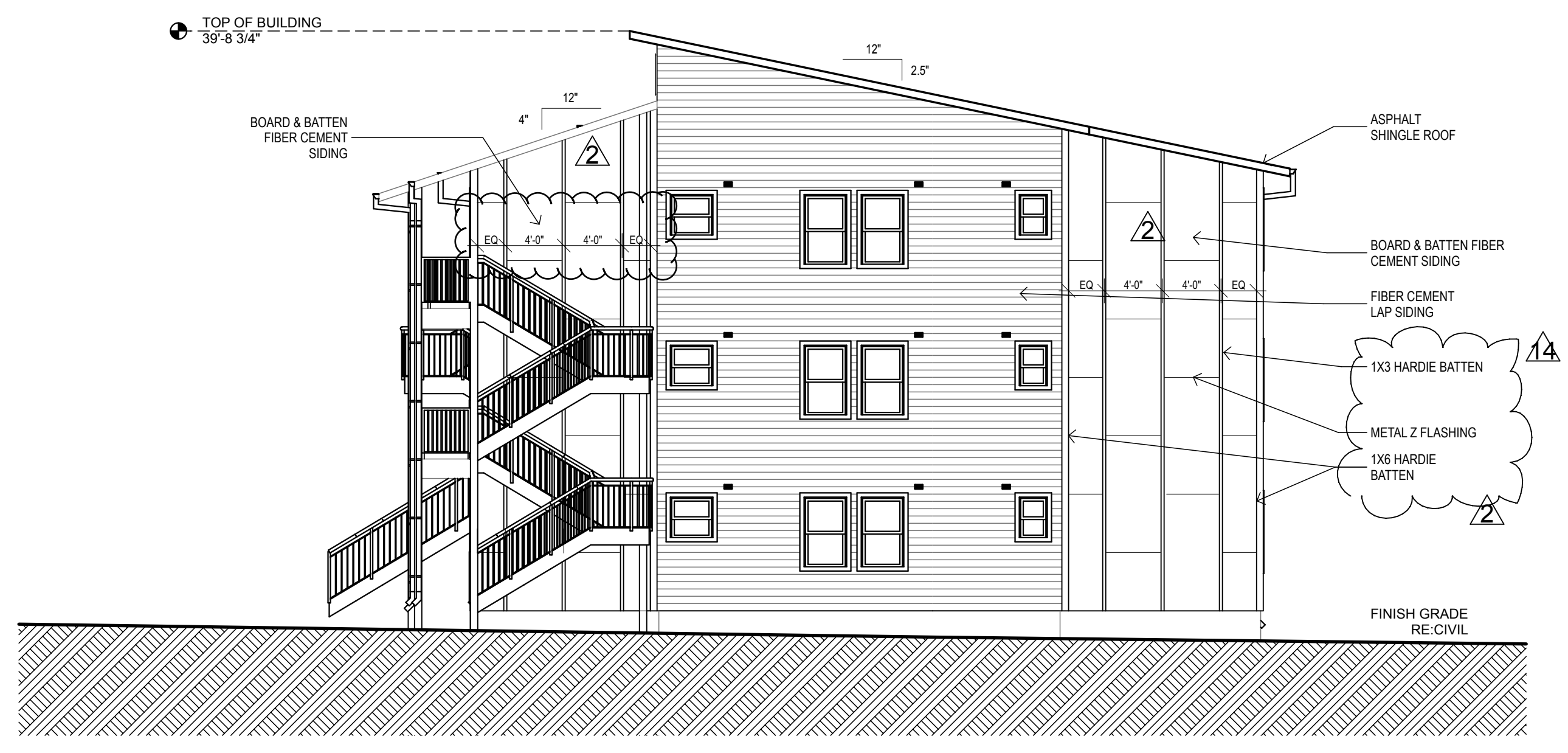
- GENERAL NOTES:**
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GENERAL NOTE:
2ND & 3RD FLOOR BATHROOMS TO HAVE VANITY SINK

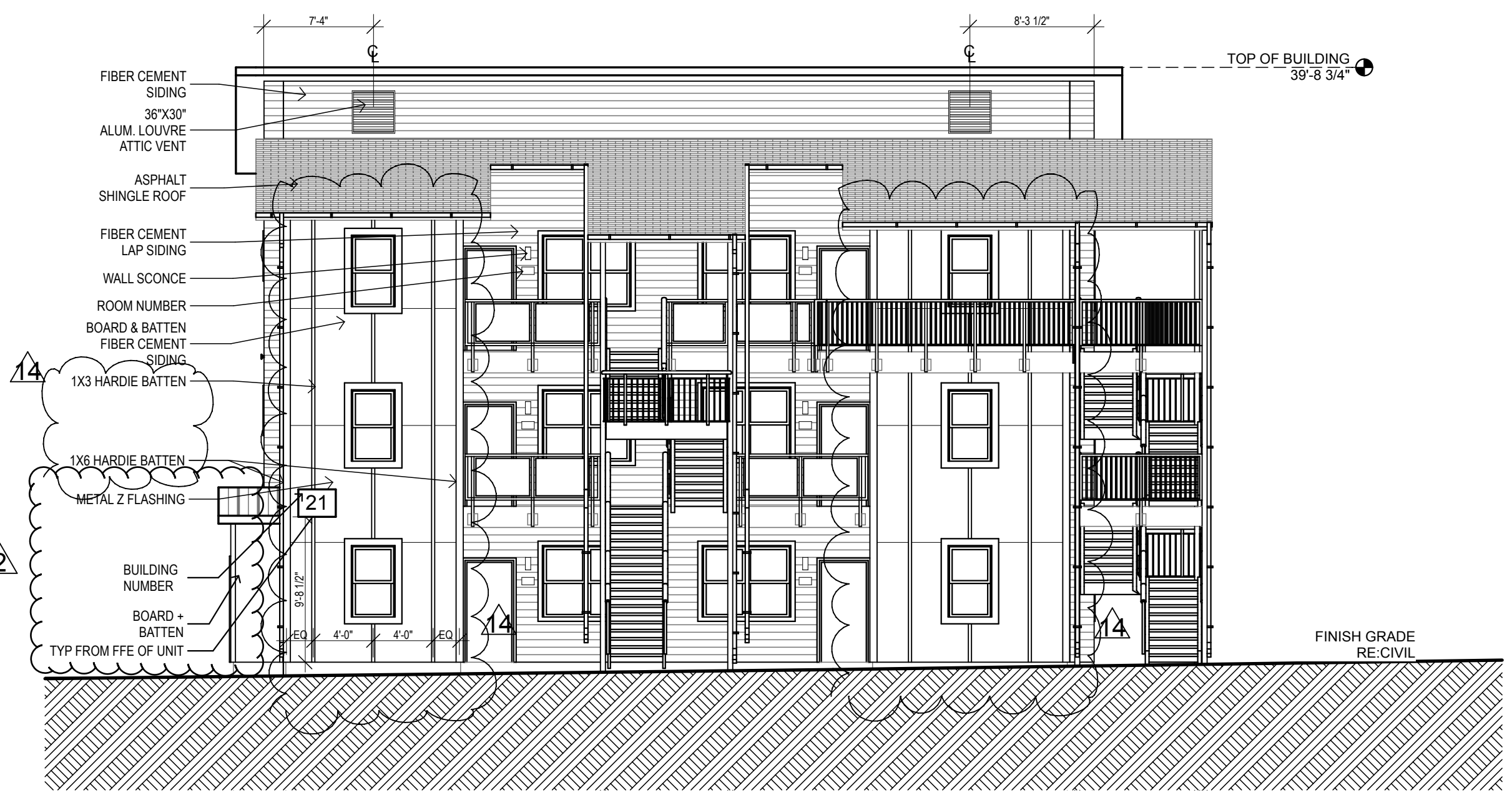


Revisions	No.	Date/Remarks
▲	ASI # 1	9/30/2015
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▲		3/7/2016

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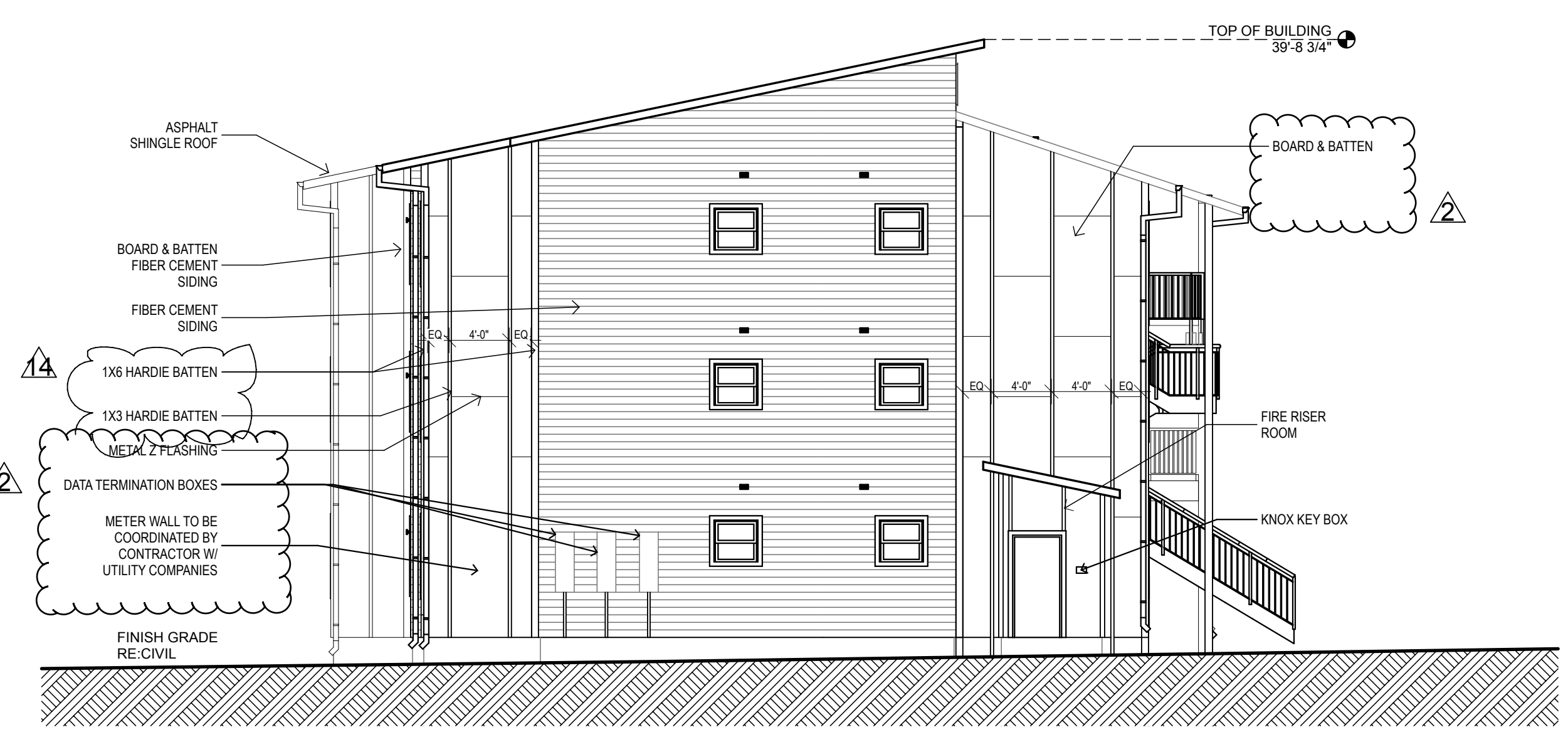
1 SITE PLAN WEST ELEVATION
SCALE: 1/8" = 1'-0"



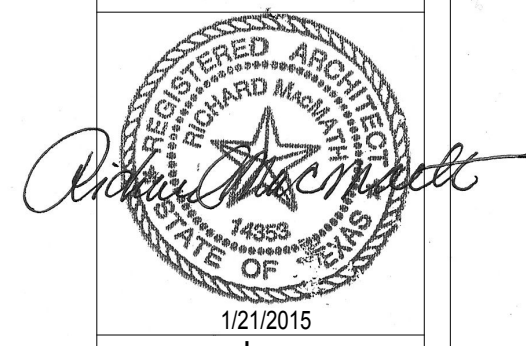
2 SITE PLAN NORTH ELEVATION
SCALE: 1/8" = 1'-0"



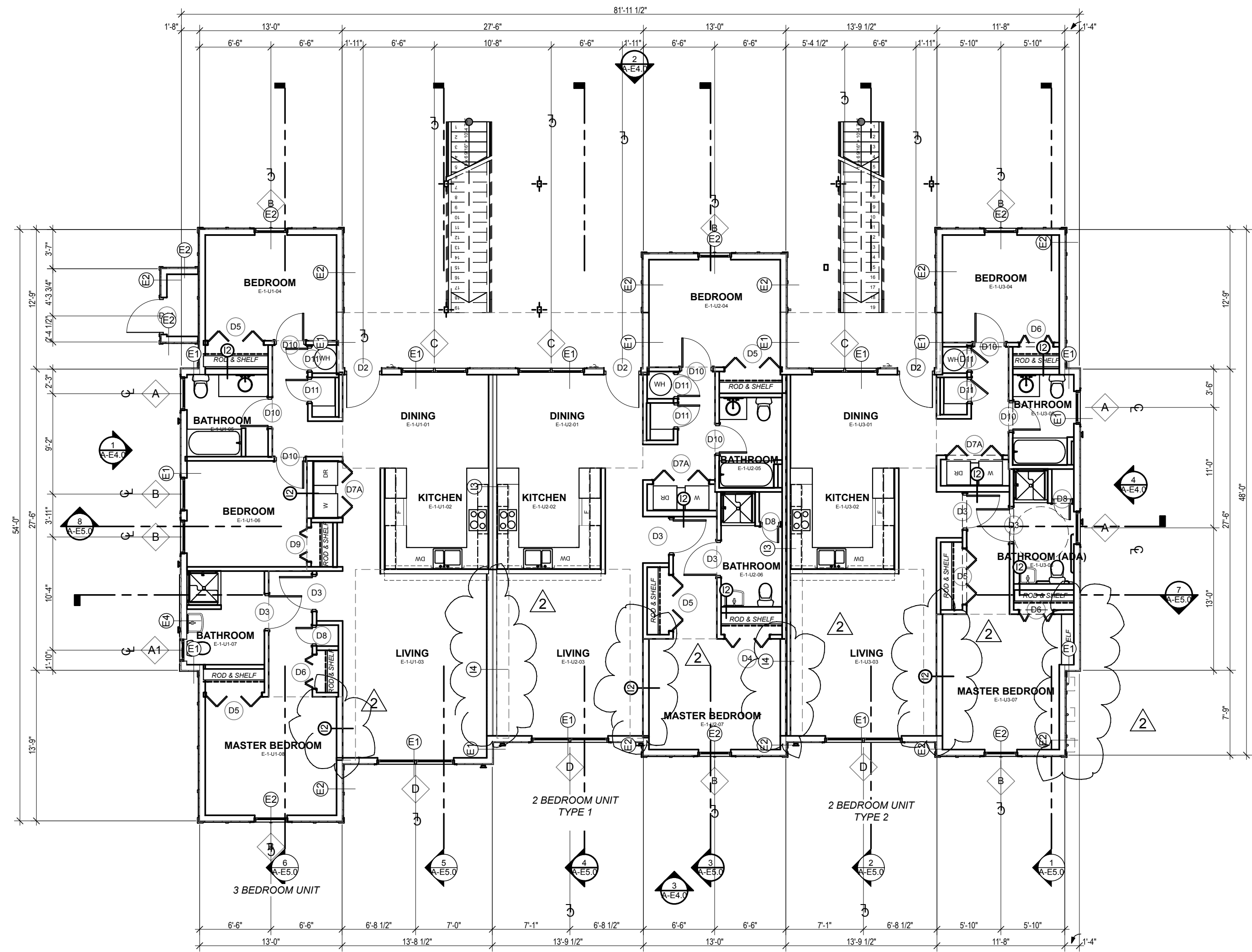
3 SITE PLAN SOUTH ELEVATION
SCALE: 1/8" = 1'-0"



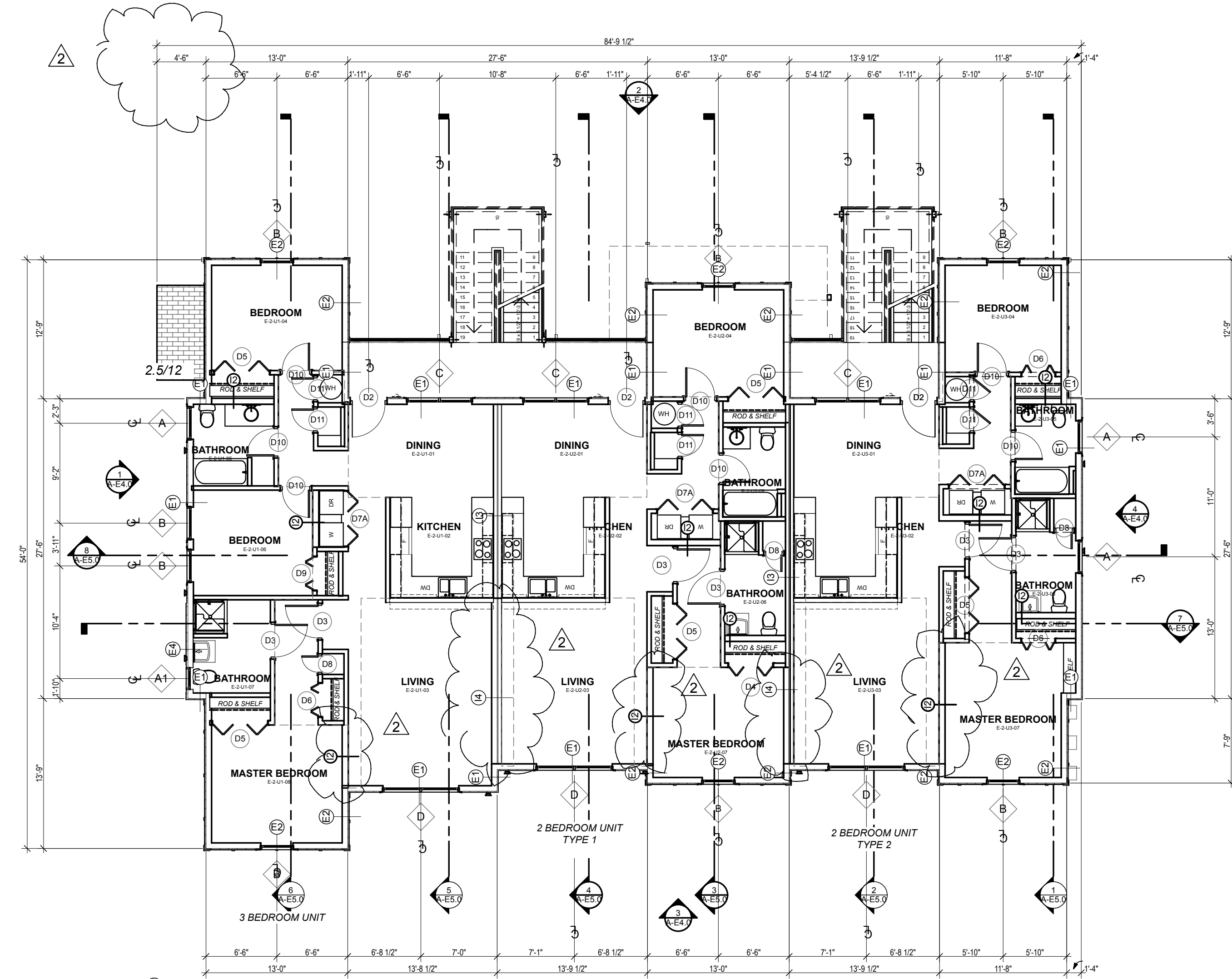
4 SITE PLAN EAST ELEVATION
SCALE: 1/8" = 1'-0"



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2	10/21/2015	
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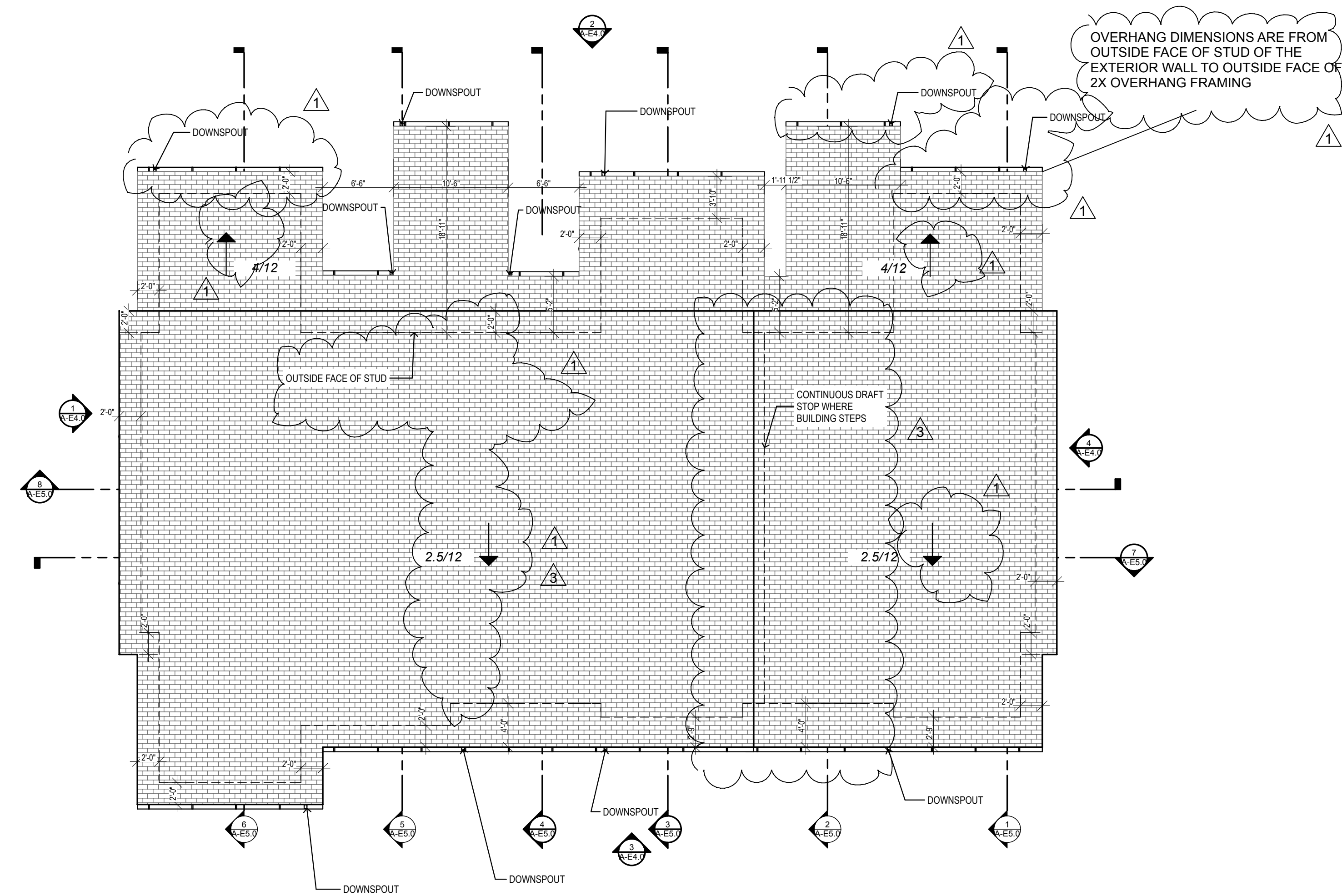
1 FIRST FLOOR
SCALE: 1/8" = 1'-0"



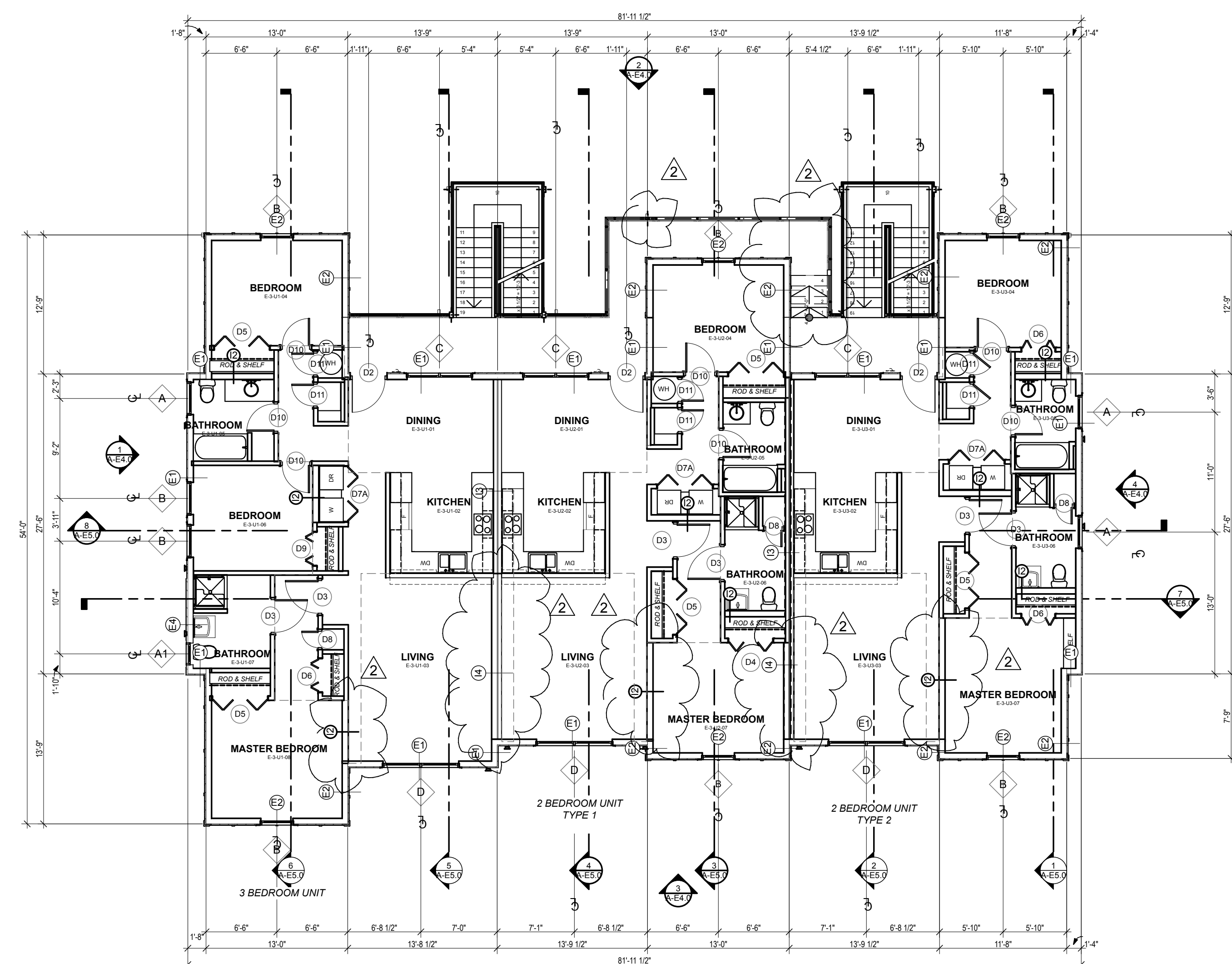
2 SECOND FLOOR
SCALE: 1/8" = 1'-0"

- GENERAL NOTES:**
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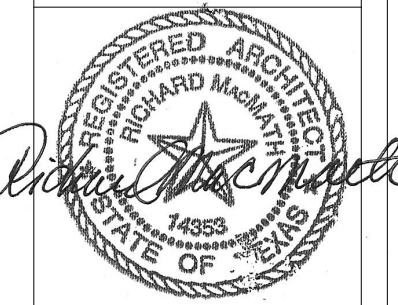
GENERAL NOTE:
2ND & 3RD FLOOR BATHROOMS TO HAVE VANITY SINK



4 ROOF PLAN
SCALE: 1/8" = 1'-0"

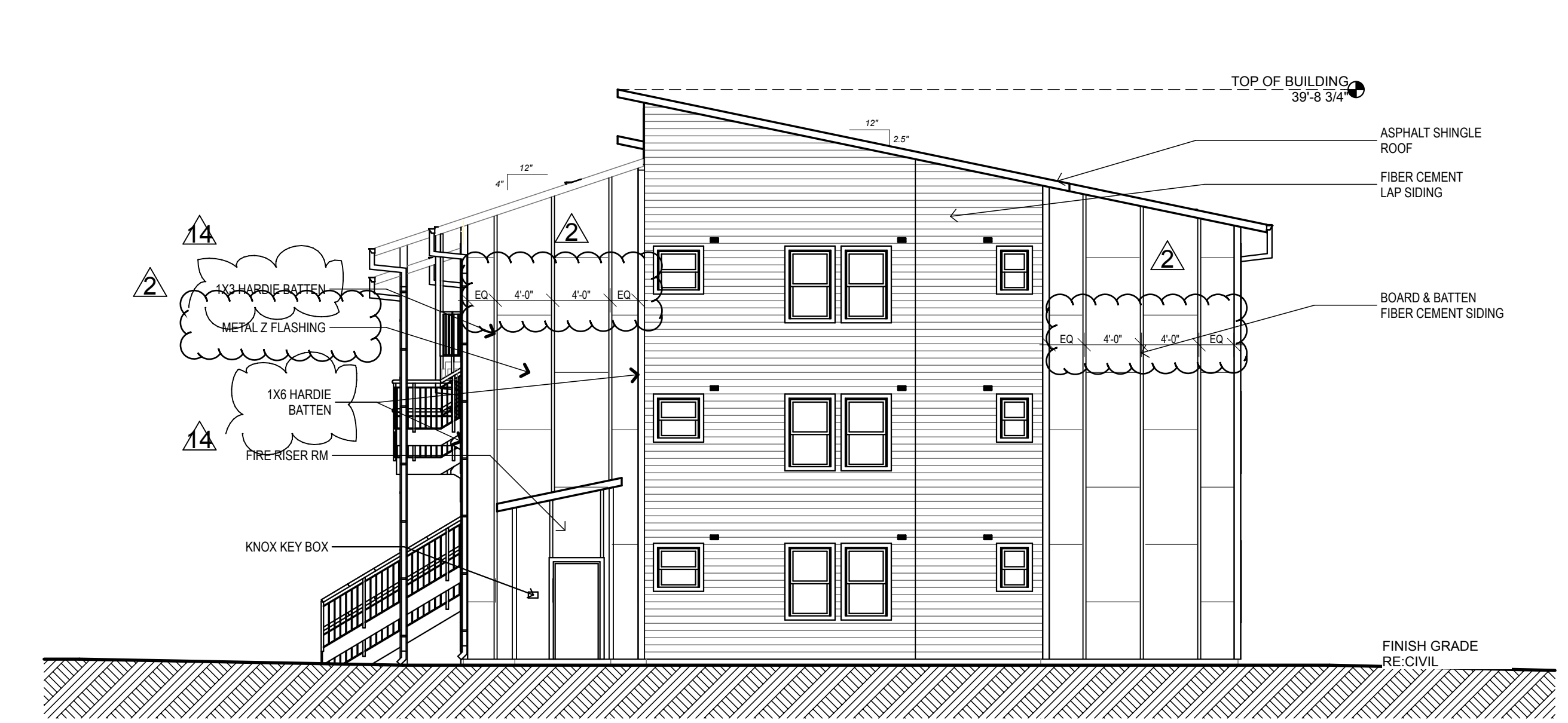


3 THIRD FLOOR
SCALE: 1/8" = 1'-0"

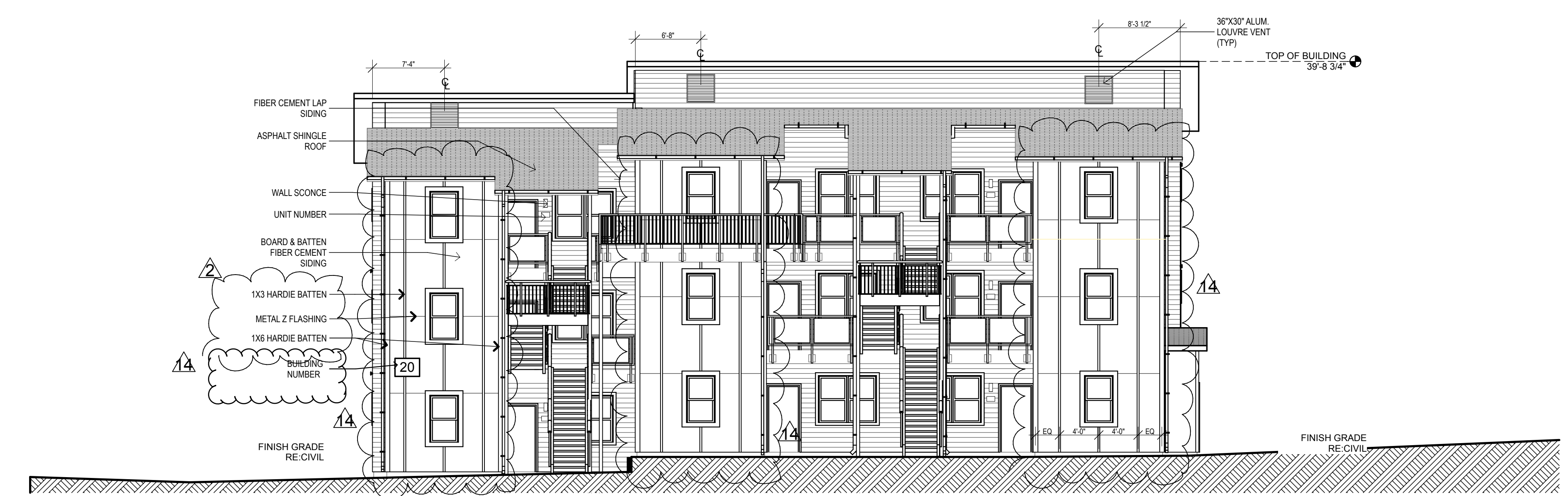


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1 SITE PLAN WEST ELEVATION
SCALE: 1/8" = 1'-0"

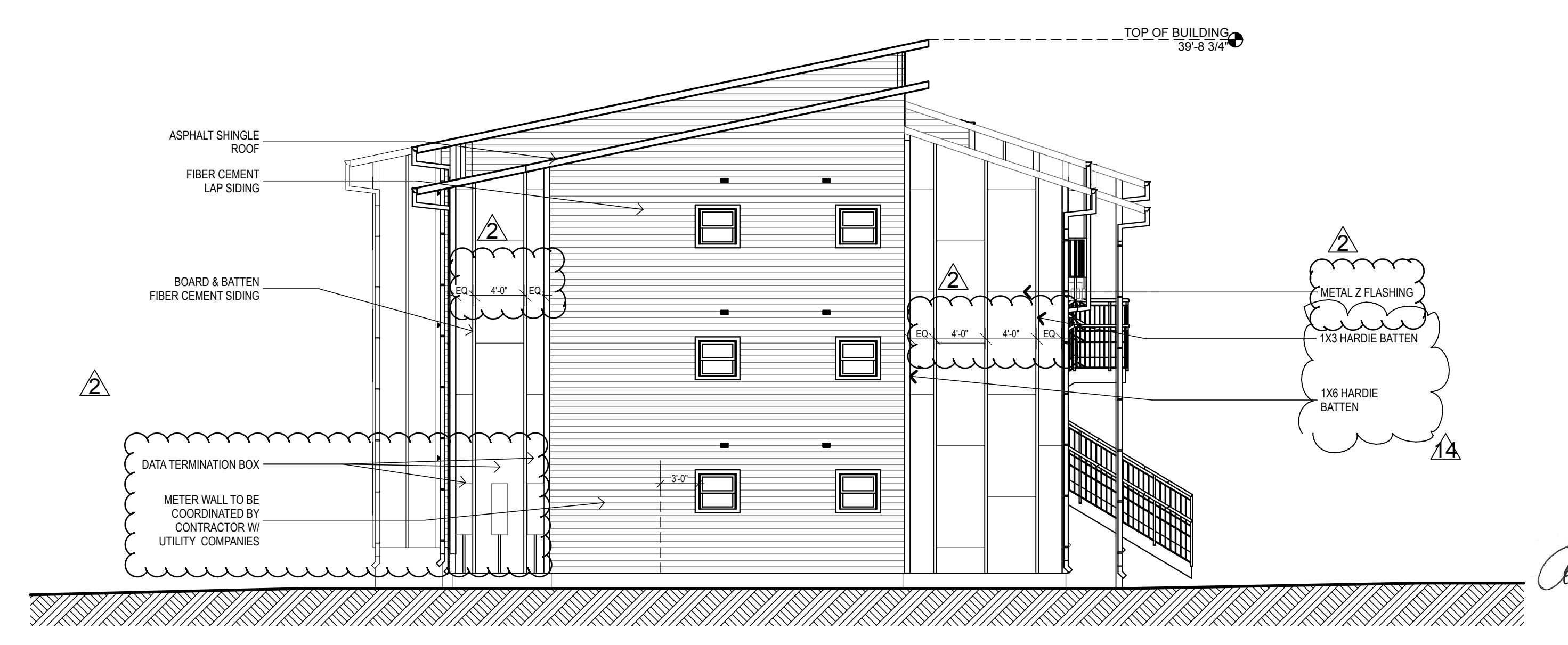


2 SITE PLAN NORTH ELEVATION
SCALE: 1/8" = 1'-0"

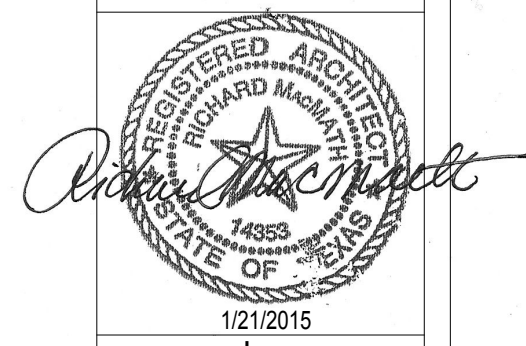
TYP EXTERIOR FINISHES FOR BLDG A-G



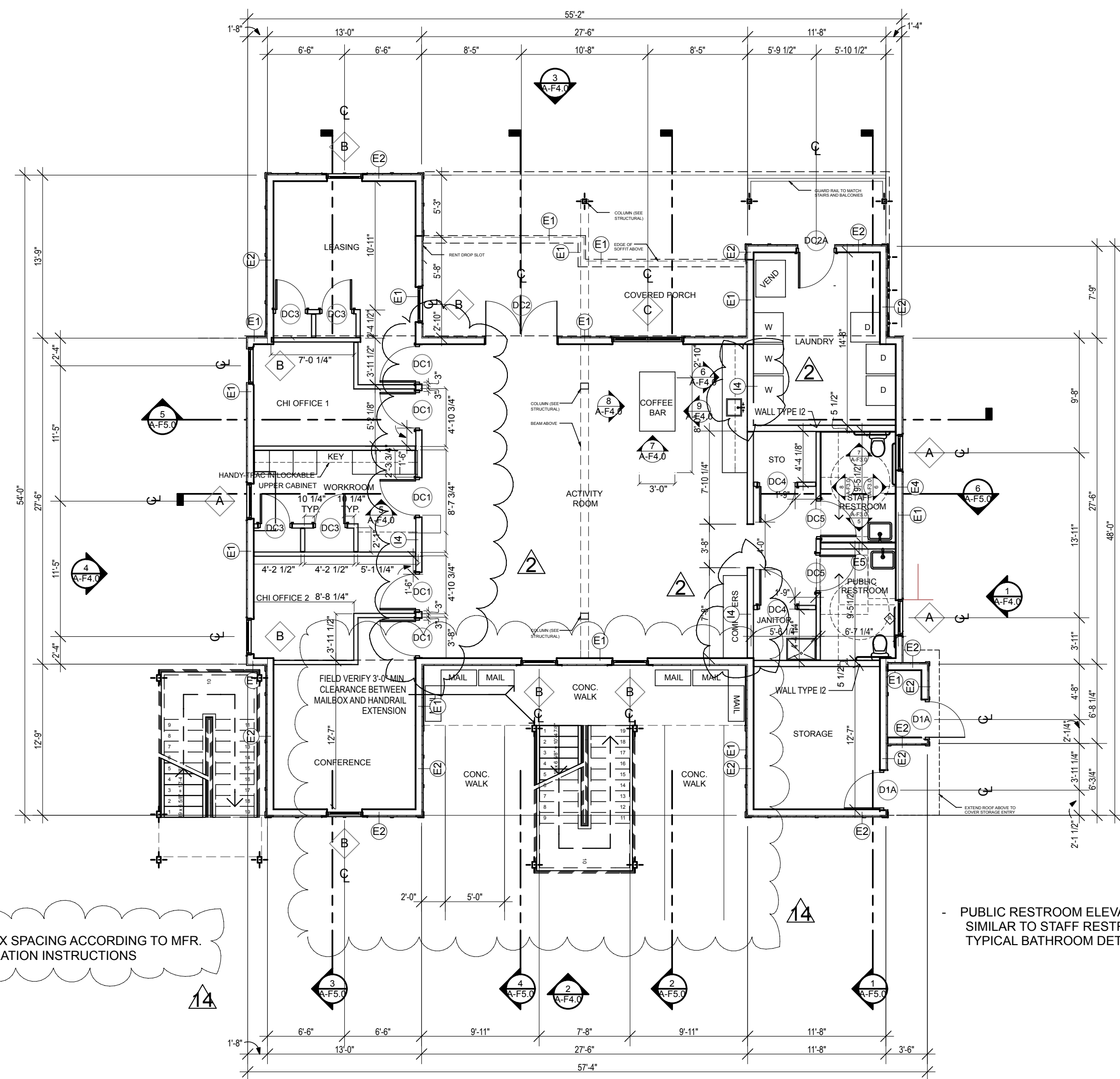
3 SITE PLAN SOUTH ELEVATION
SCALE: 1/8" = 1'-0"



4 SITE PLAN EAST ELEVATION
SCALE: 1/8" = 1'-0"



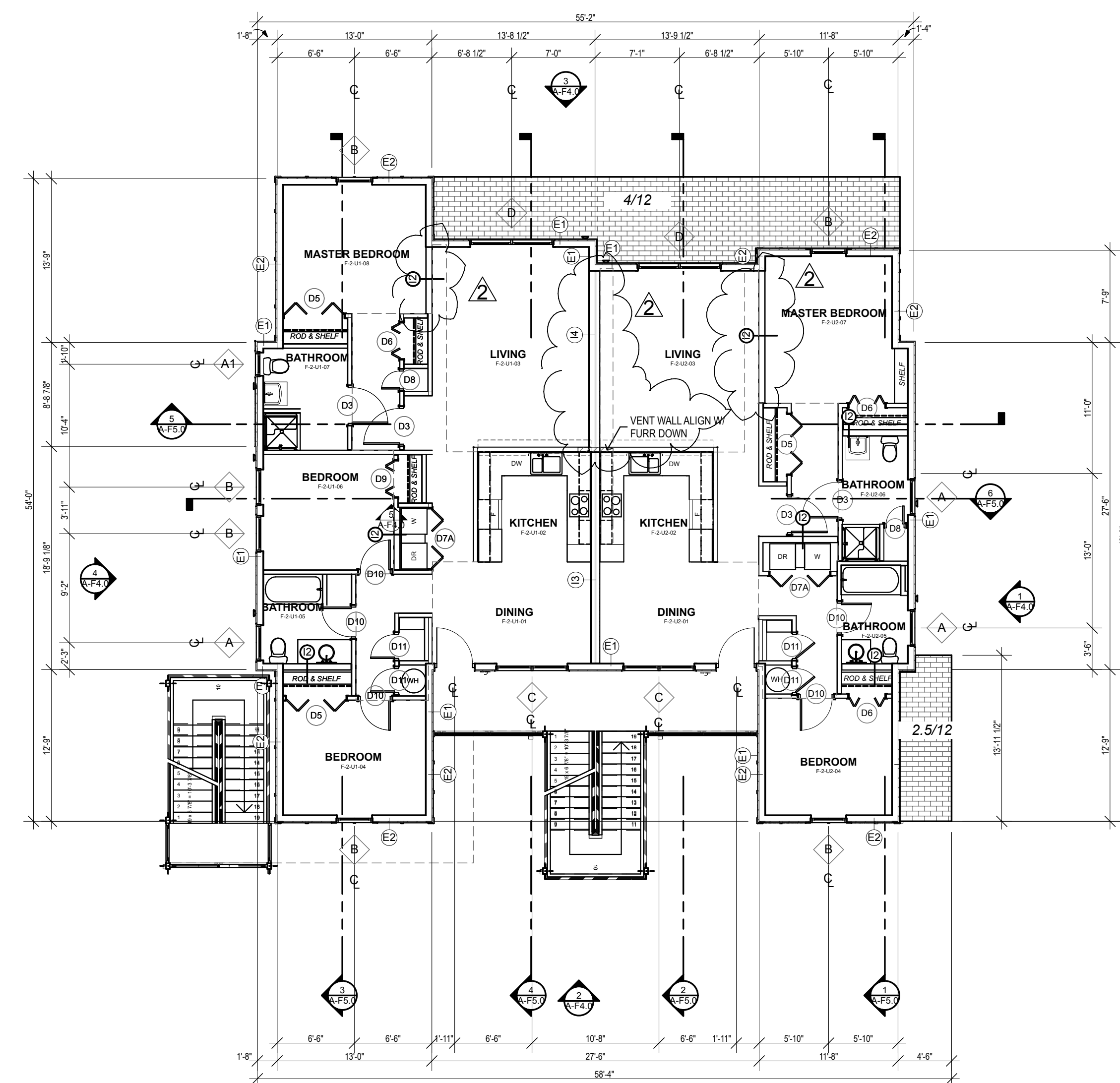
Revisions	No. Date/Remarks
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NOTE: MAILBOX SPACING ACCORDING TO MFR. INSTALLATION INSTRUCTIONS

PUBLIC RESTROOM ELEVATIONS SHALL BE SIMILAR TO STAFF RESTROOM. REFER TO TYPICAL BATHROOM DETAILS.

1 FIRST FLOOR
SCALE: 1/8" = 1'-0"

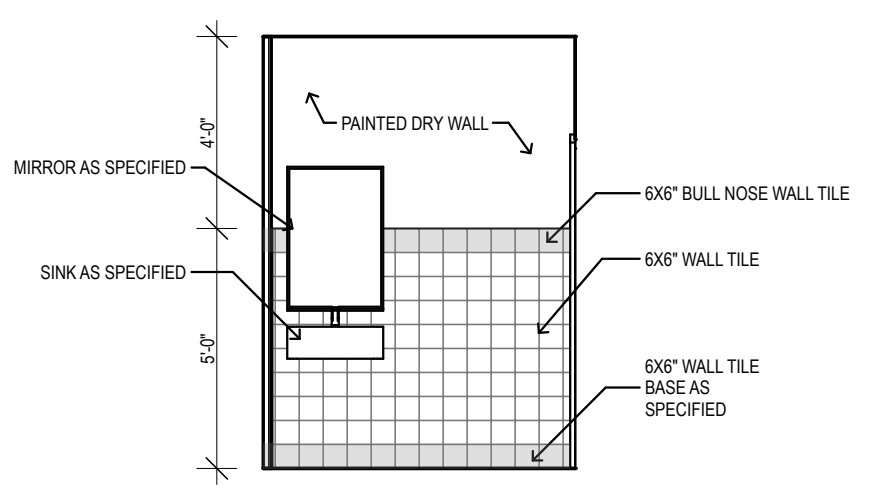


2 SECOND FLOOR
SCALE: 1/8" = 1'-0"

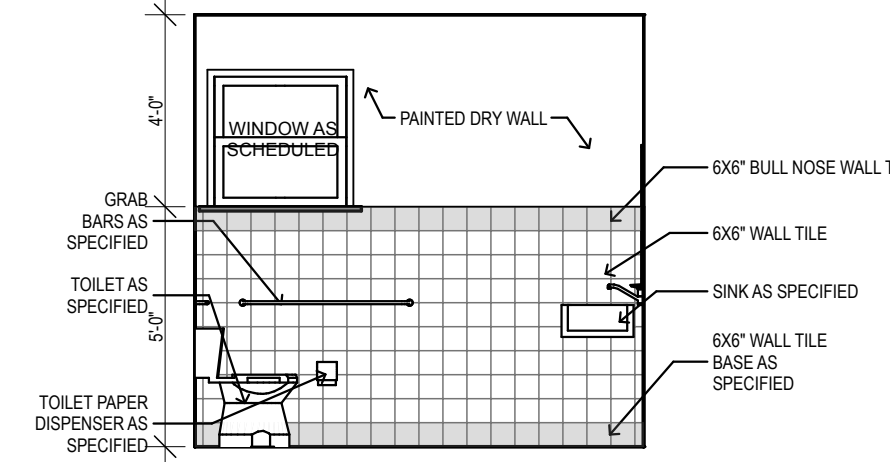
GENERAL NOTE:
2ND & 3RD FLOOR BATHROOMS TO HAVE VANITY SINK

1. ALL WINDOW AND DOOR LABELS HAVE BEEN ADDED TO FLOORS 1, 2, AND 3

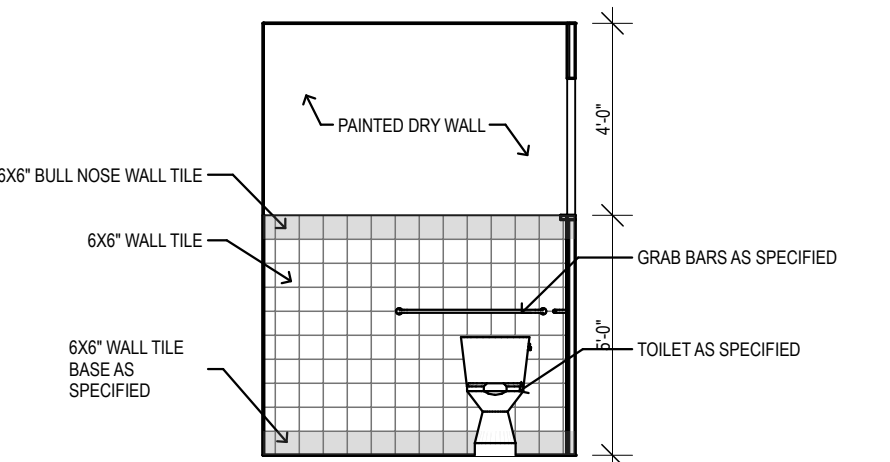
-ALL ACCESSIBLE BATHROOM ACCESSORIES TO BE INSTALLED TO COMPLY WITH INSTALLATION INSTRUCTIONS ON SHEET G0.3. IN ADDITION.



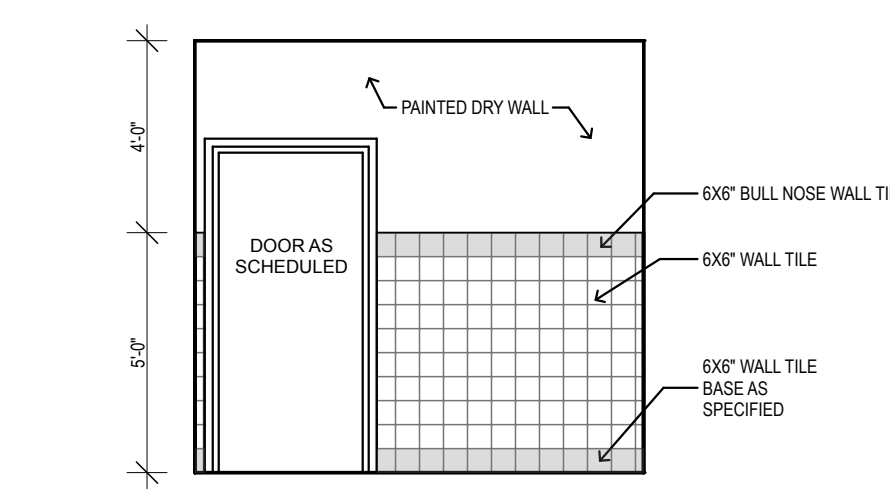
5 TYPICAL COMMUNITY CENTER RR
SCALE: 1/4" = 1'-0"



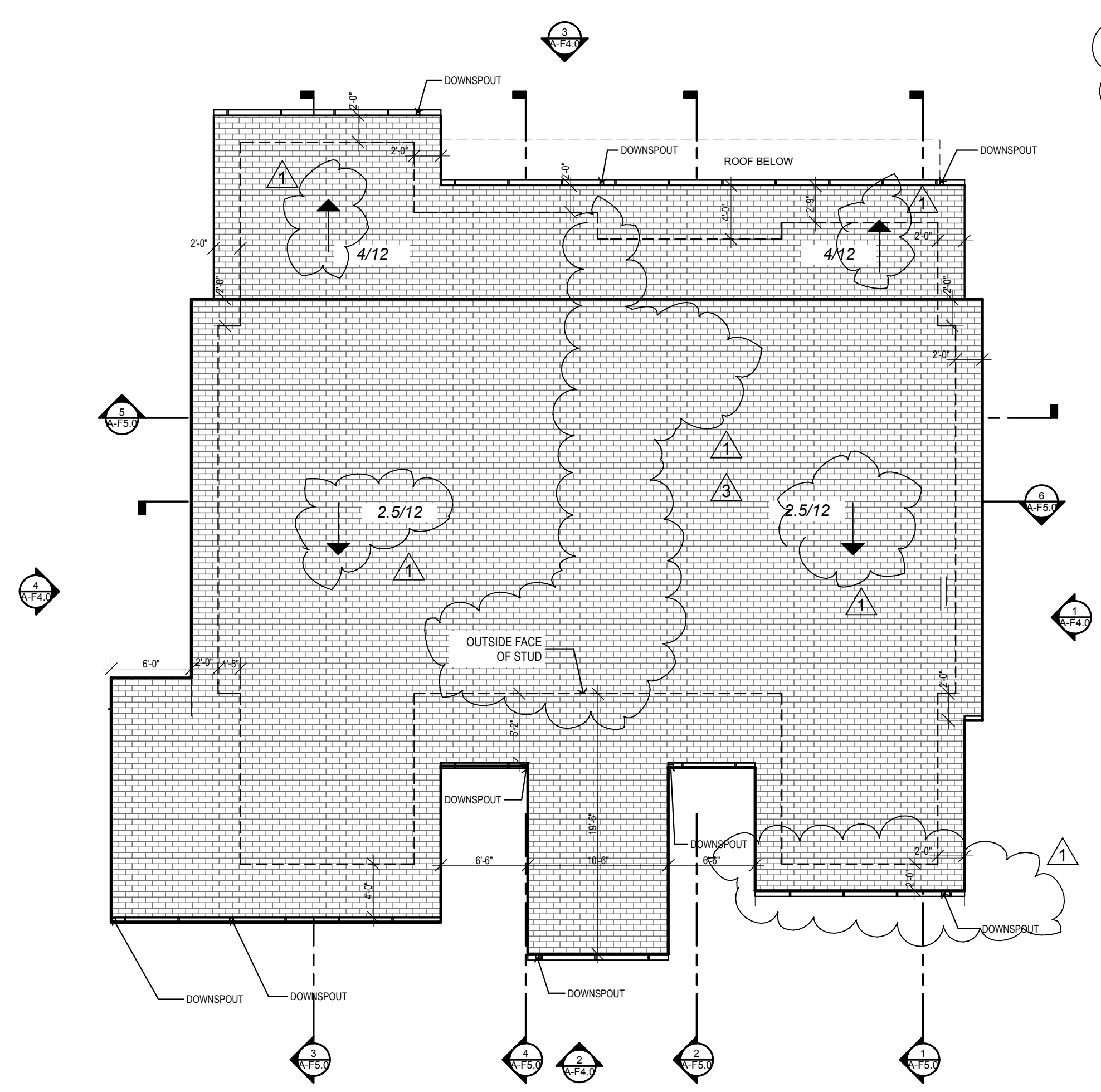
6 TYPICAL COMMUNITY CENTER RR
SCALE: 1/4" = 1'-0"



7 TYPICAL COMMUNITY CENTER RR
SCALE: 1/4" = 1'-0"

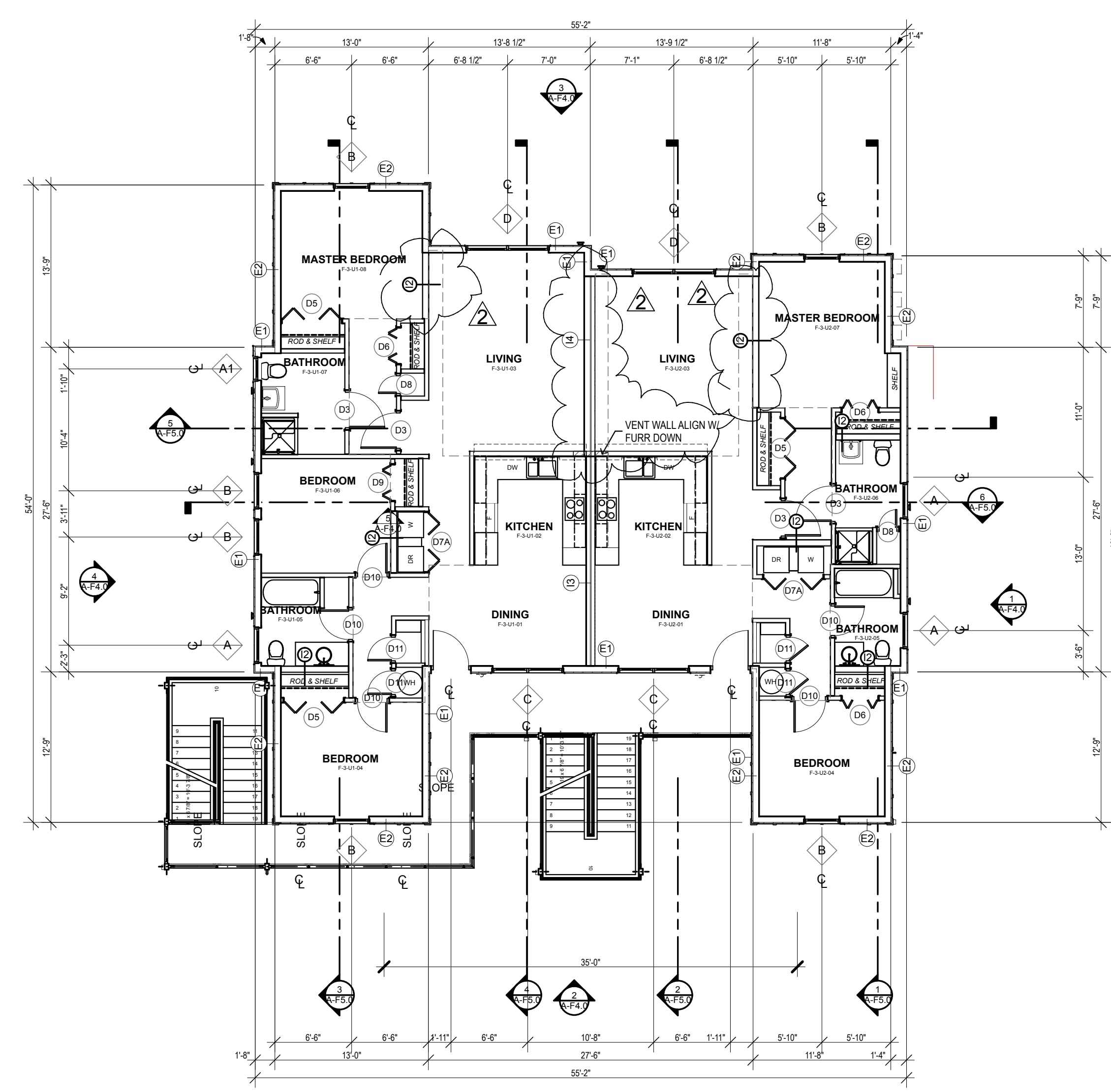


8 TYPICAL COMMUNITY CENTER RR
SCALE: 1/4" = 1'-0"



OVERHANG DIMENSIONS ARE FROM OUTSIDE FACE OF STUD OF THE EXTERIOR WALL TO OUTSIDE FACE OF 2X OVERHANG FRAMING

4 ROOF PLAN
SCALE: 1/8" = 1'-0"



3 THIRD FLOOR
SCALE: 1/8" = 1'-0"

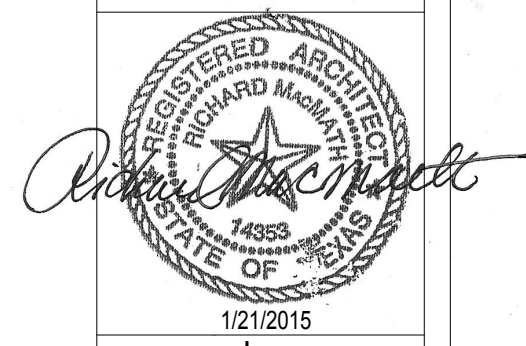
8 TYPICAL COMMUNITY CENTER RR
SCALE: 1/4" = 1'-0"

5 TYPICAL COMMUNITY CENTER RR
SCALE: 1/4" = 1'-0"

6 TYPICAL COMMUNITY CENTER RR
SCALE: 1/4" = 1'-0"

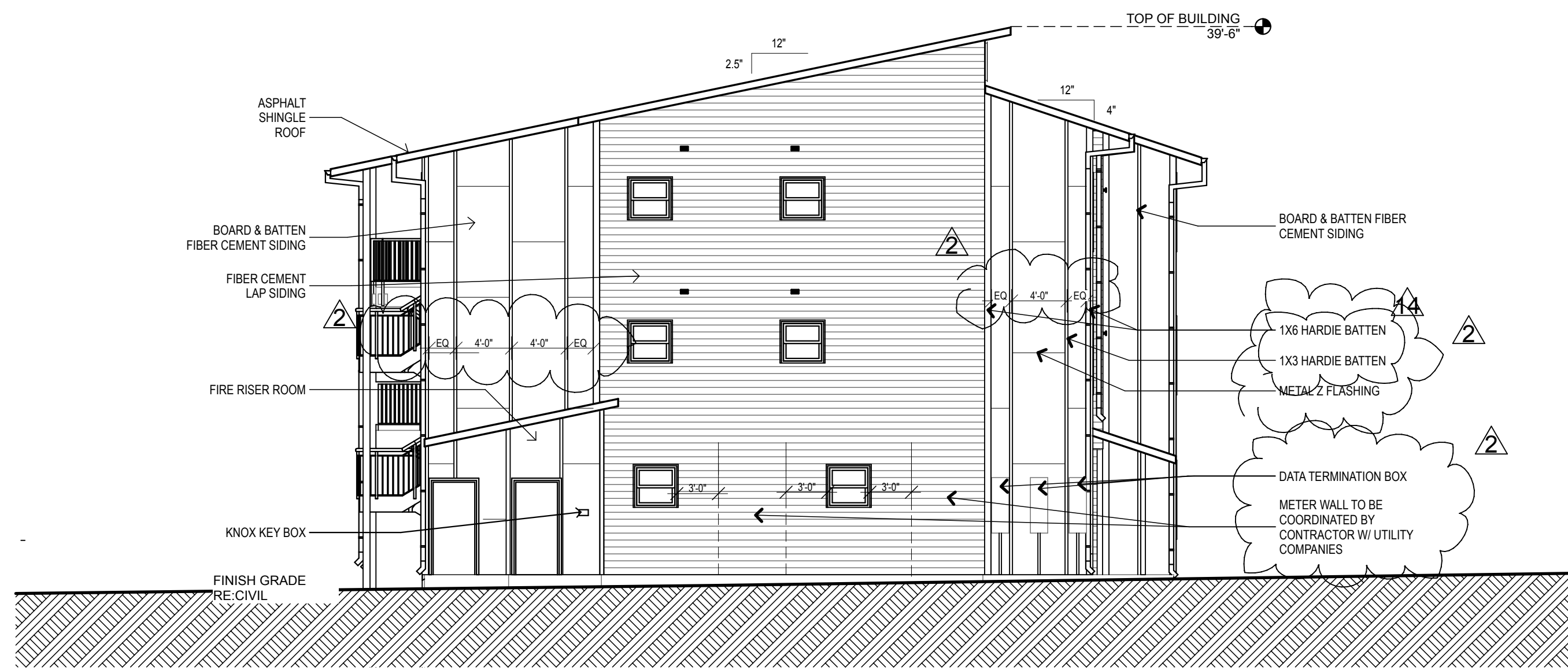
7 TYPICAL COMMUNITY CENTER RR
SCALE: 1/4" = 1'-0"

8 TYPICAL COMMUNITY CENTER RR
SCALE: 1/4" = 1'-0"



Revisions	No.	Date/Remarks
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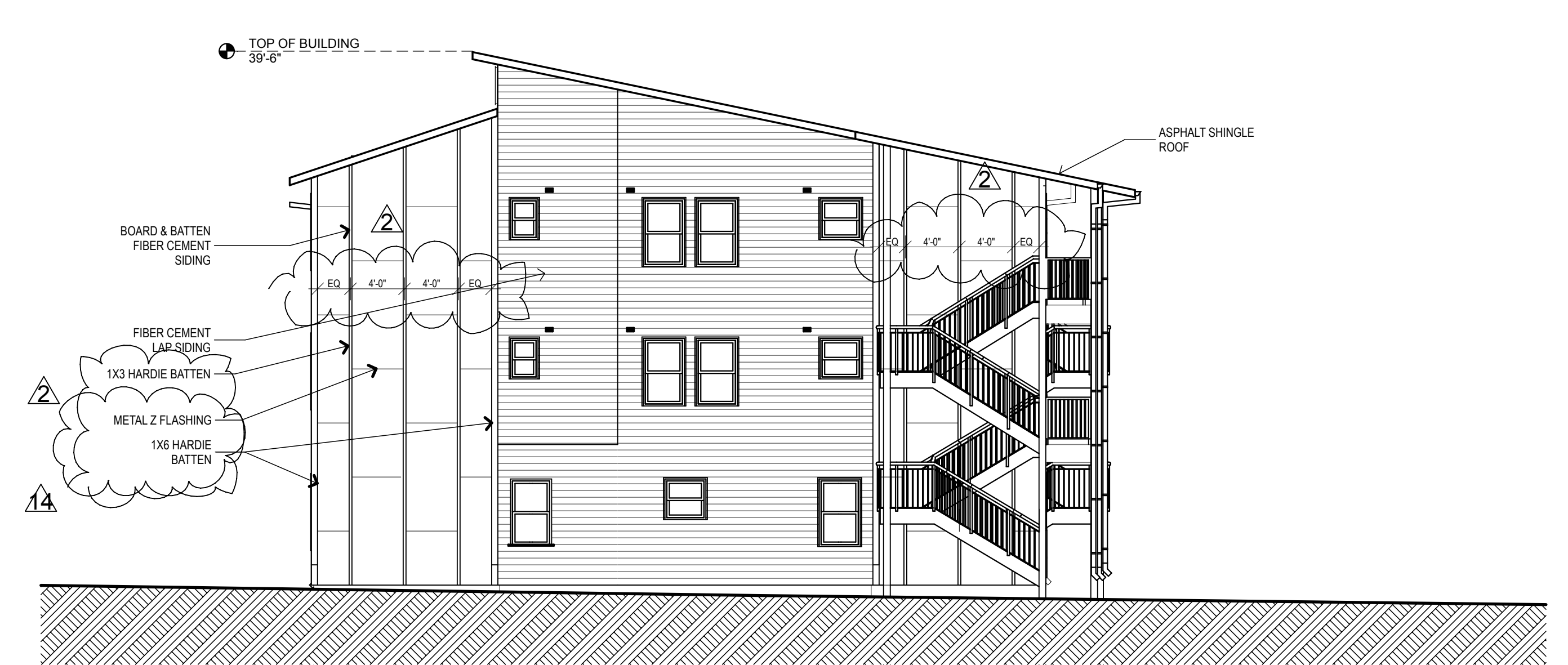
1 SITE PLAN EAST ELEVATION
SCALE: 1/8" = 1'-0"



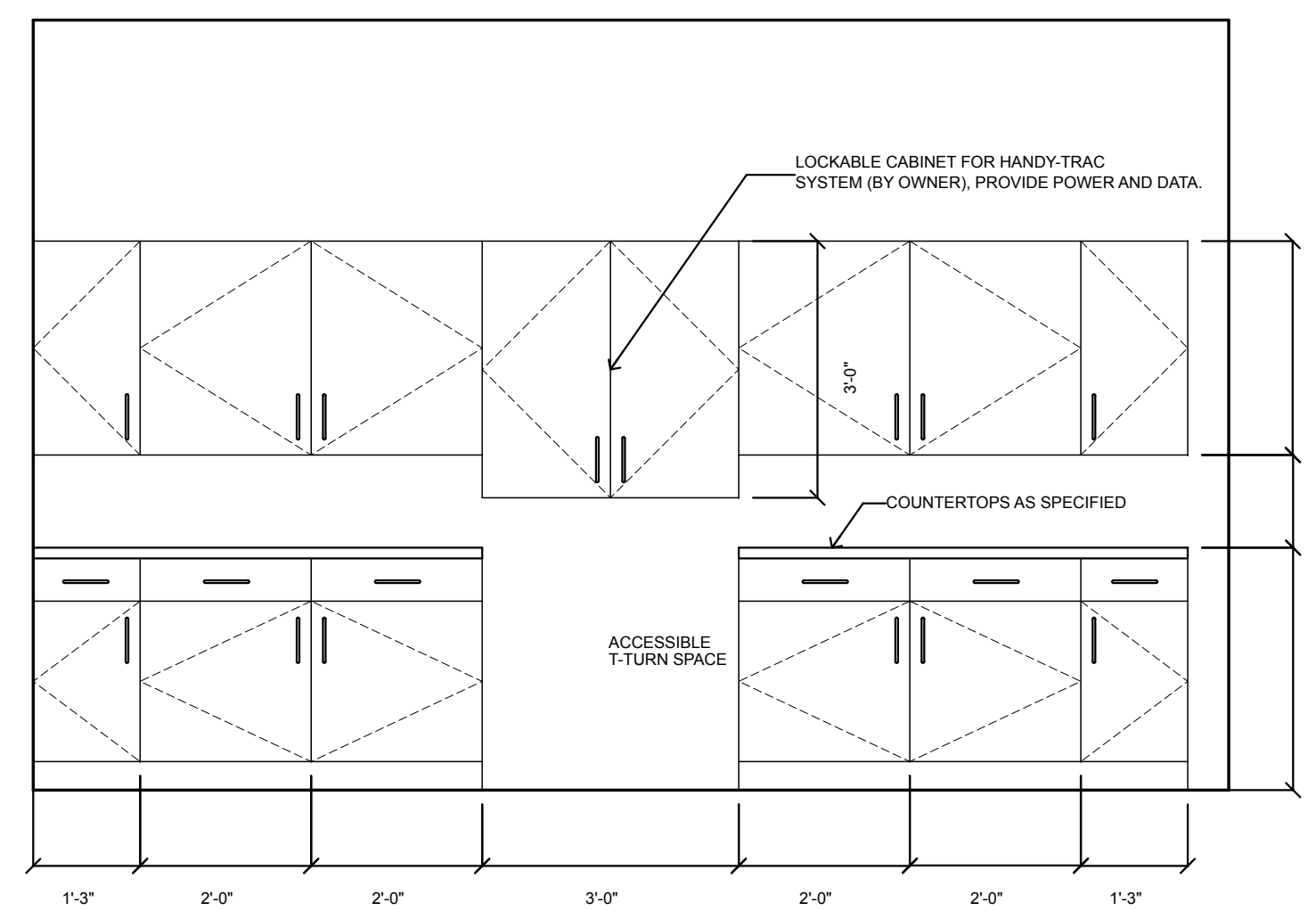
2 SITE PLAN SOUTH ELEVATION
SCALE: 1/8" = 1'-0"



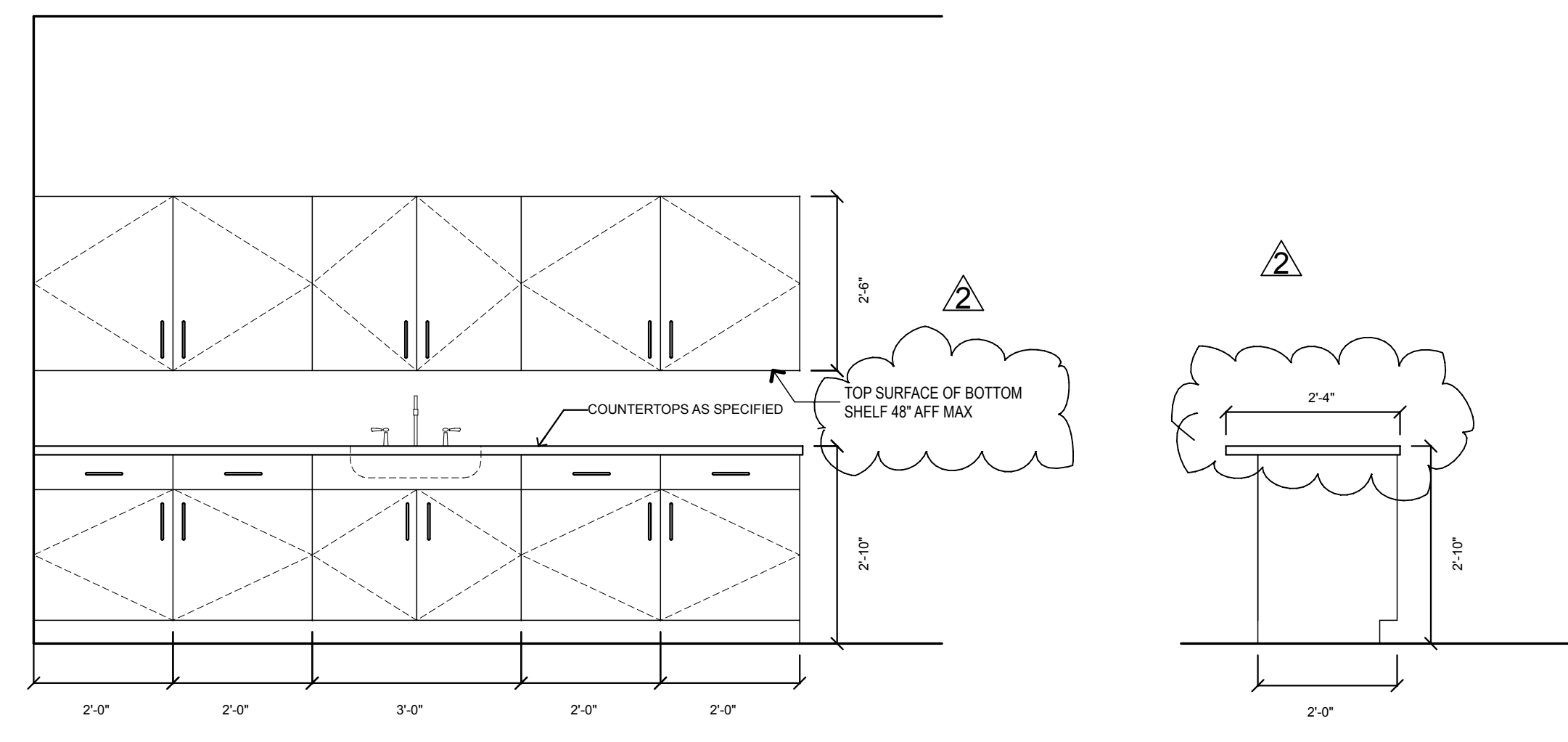
3 SITE PLAN NORTH ELEVATION
SCALE: 1/8" = 1'-0"



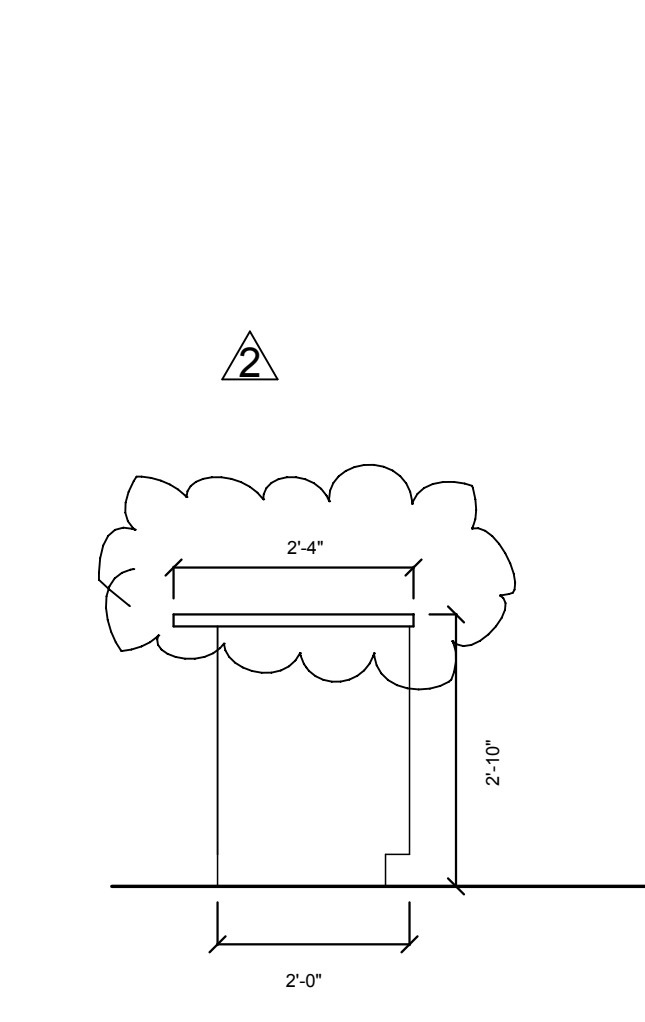
4 SITE PLAN WEST ELEVATION
SCALE: 1/8" = 1'-0"



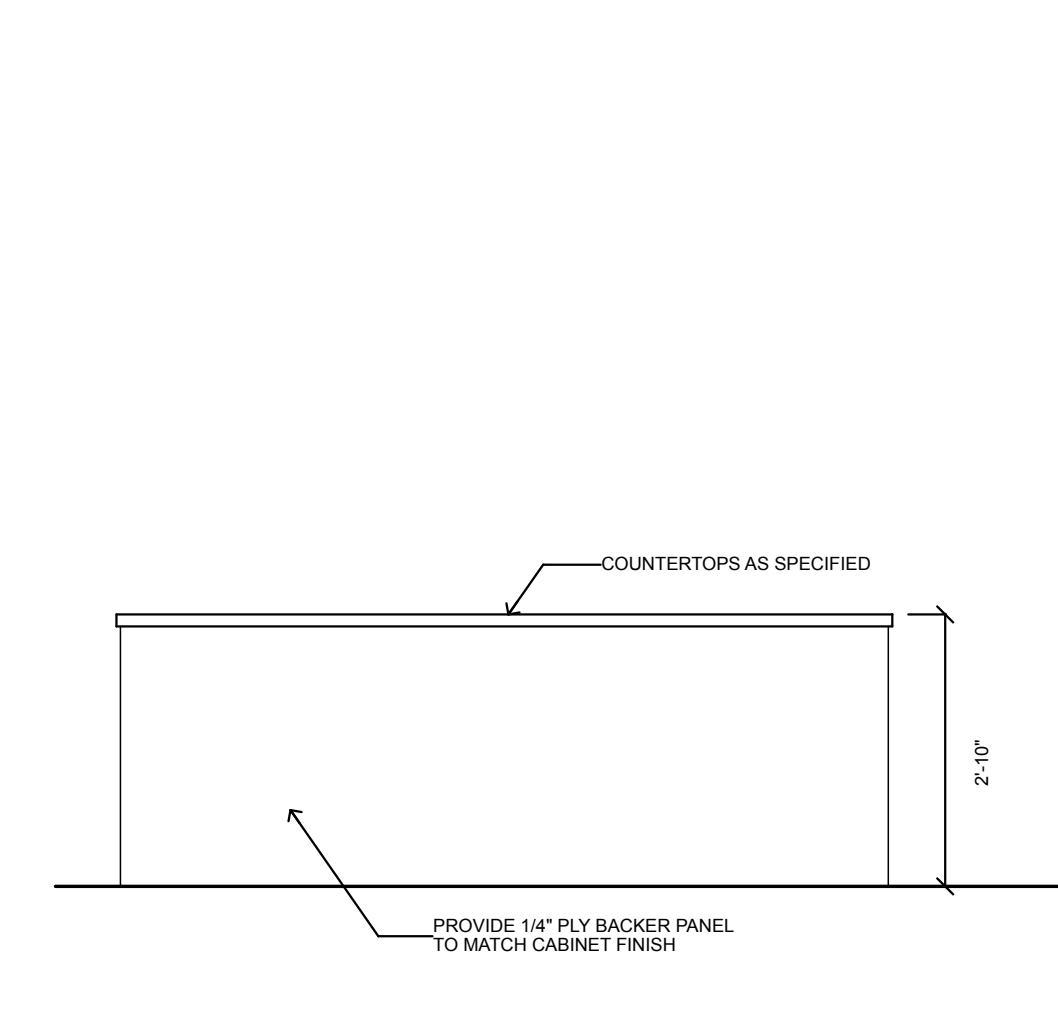
5 WORKROOM CABINETS
SCALE: 1/2" = 1'-0"



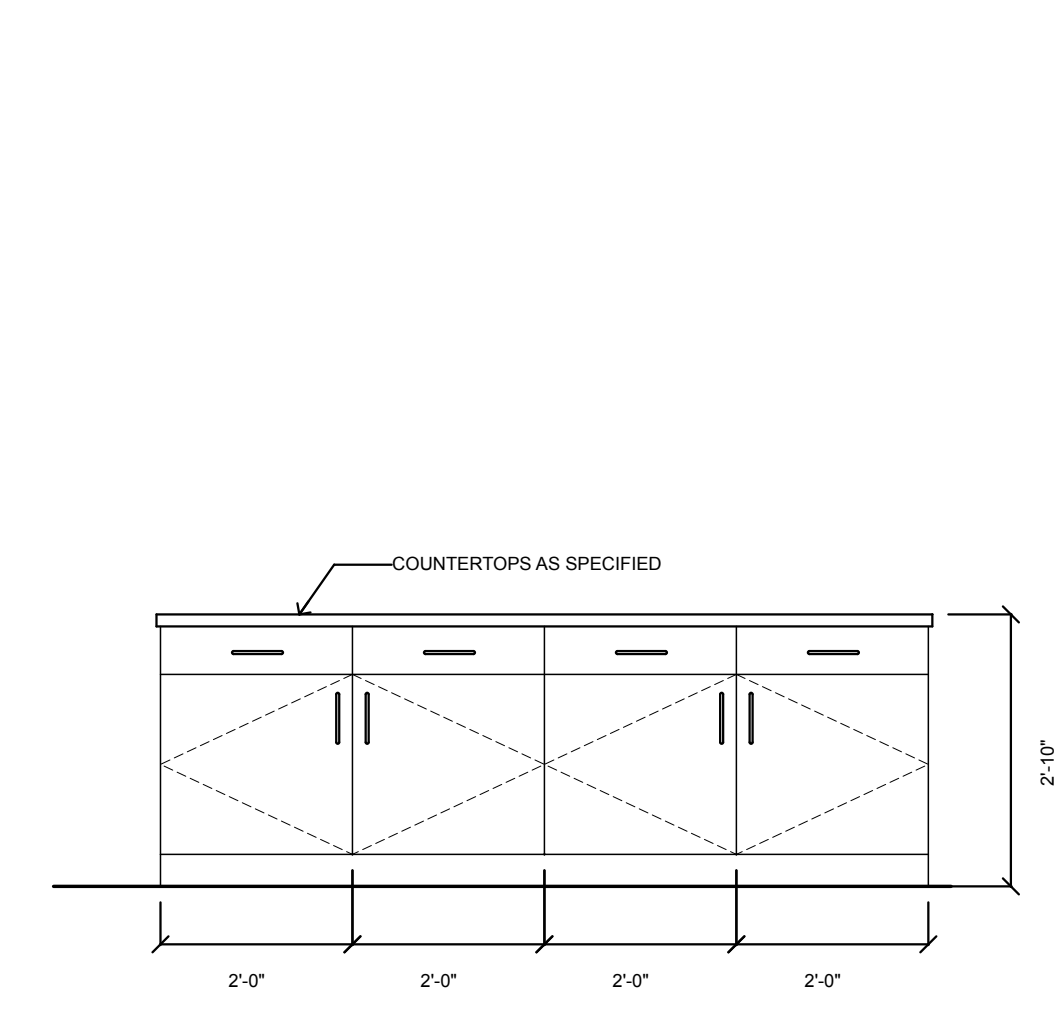
6 KITCHENETTE
SCALE: 1/2" = 1'-0"



7 KITCHENETTE ISLAND #1
SCALE: 1/2" = 1'-0"

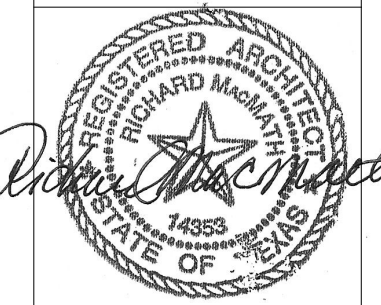


8 KITCHENETTE ISLAND #2
SCALE: 1/2" = 1'-0"

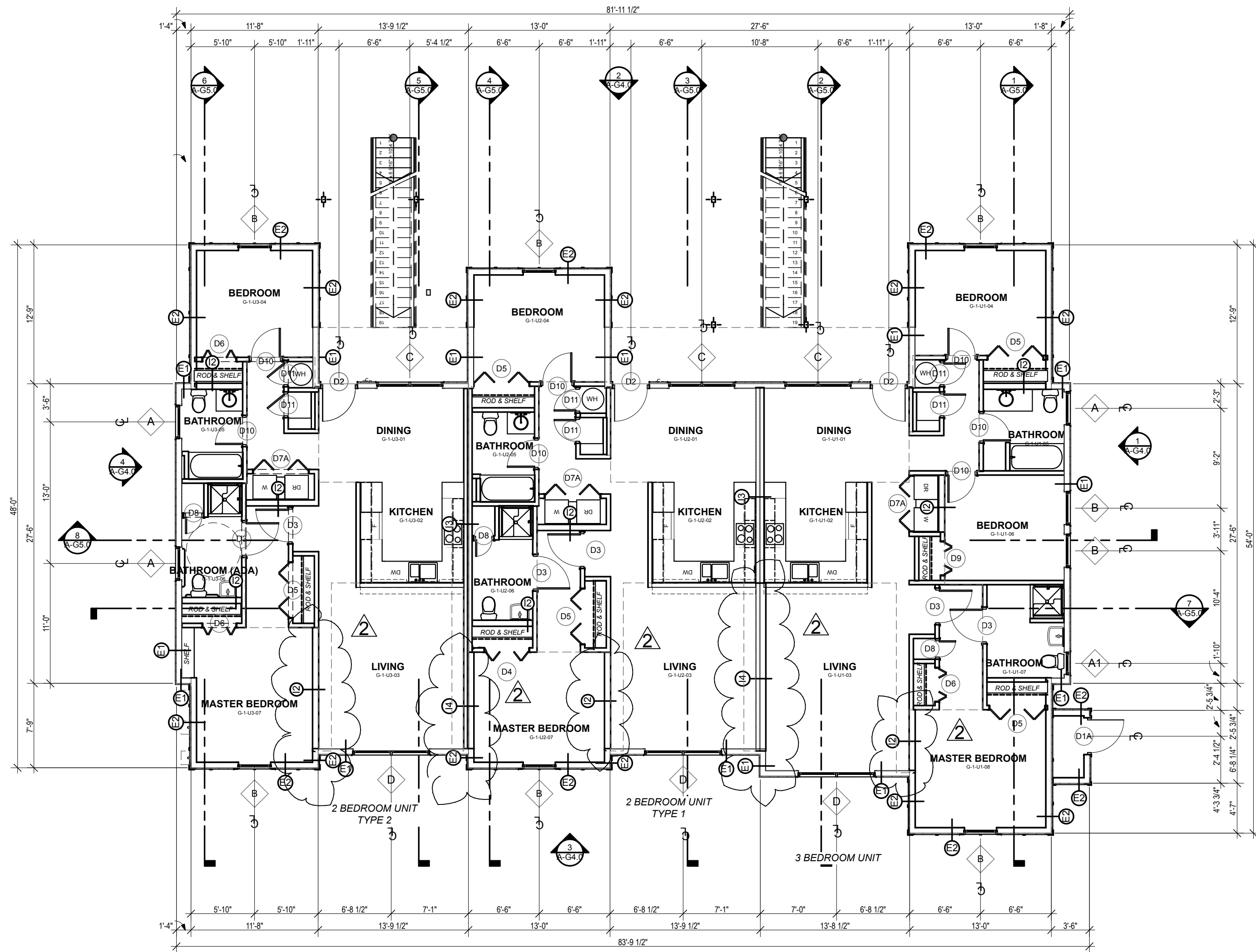


9 KITCHENETTE ISLAND #3
SCALE: 1/2" = 1'-0"

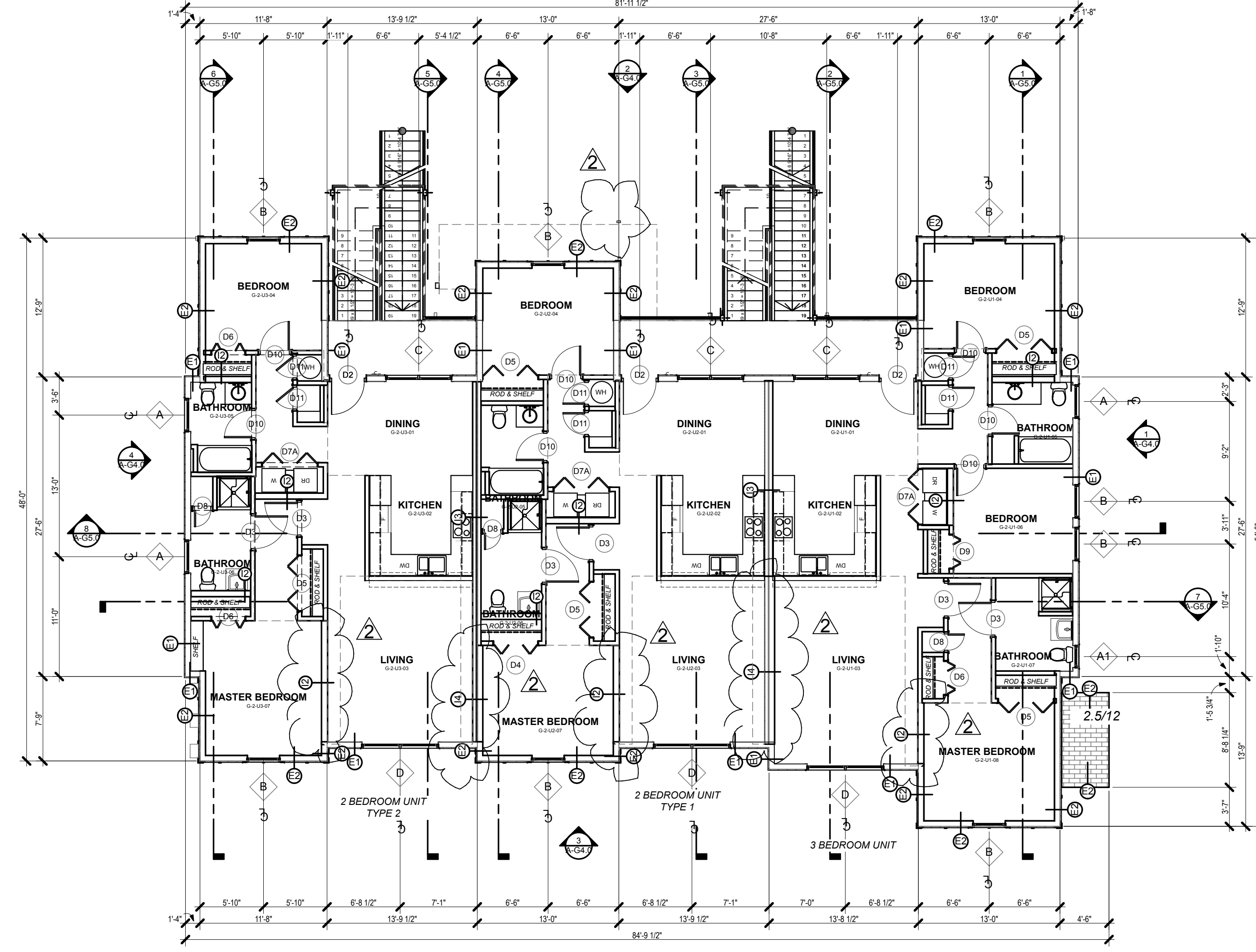
Teamwork://Heimsath Architects - Live Oak Trail Building Community 10614 | Ver. 12.019 | Wednesday, March 9, 2016 | 2:12 PM



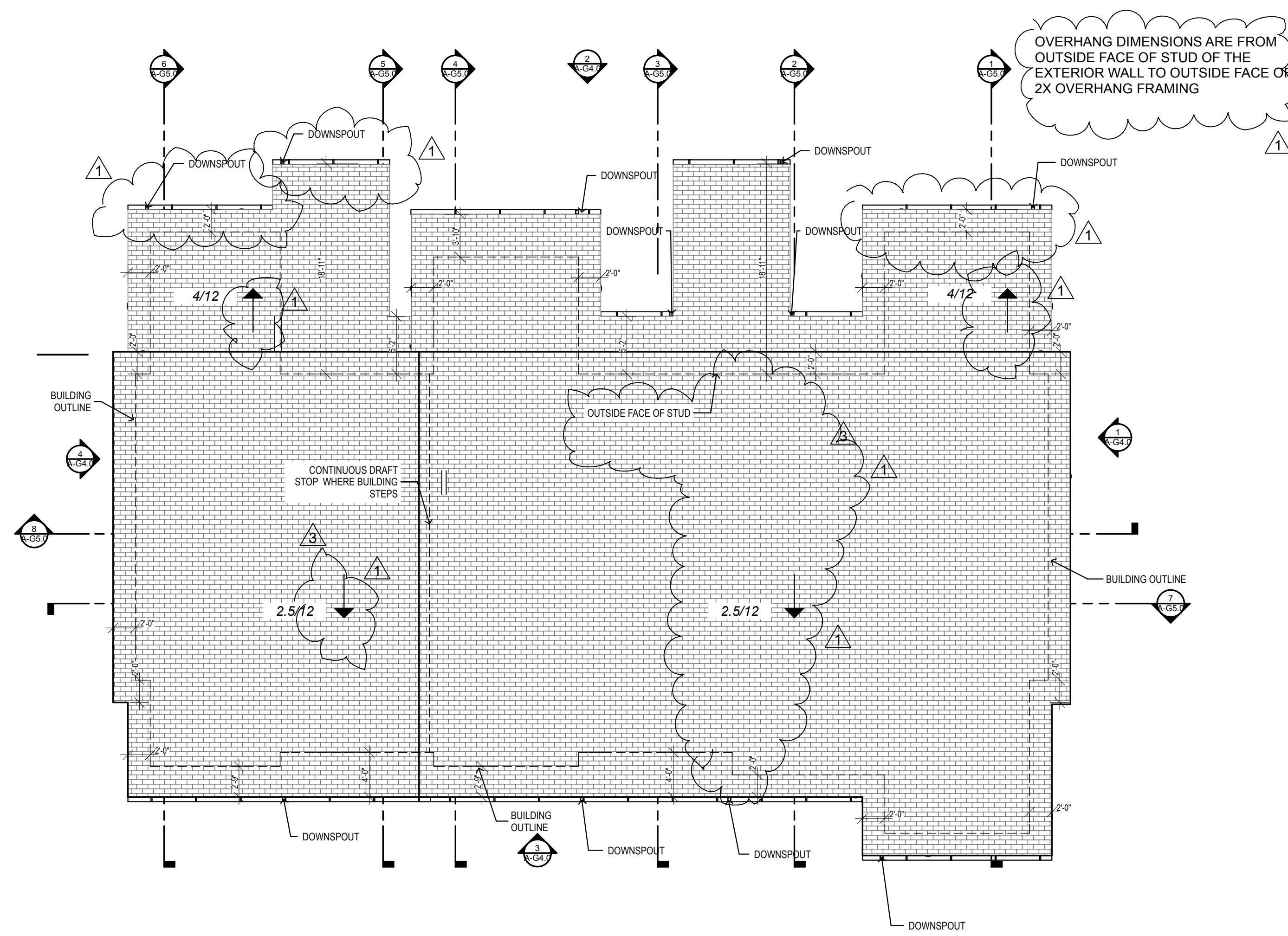
Revisions	No. Date/Remarks
1	10/21/2015
14	3/7/2016



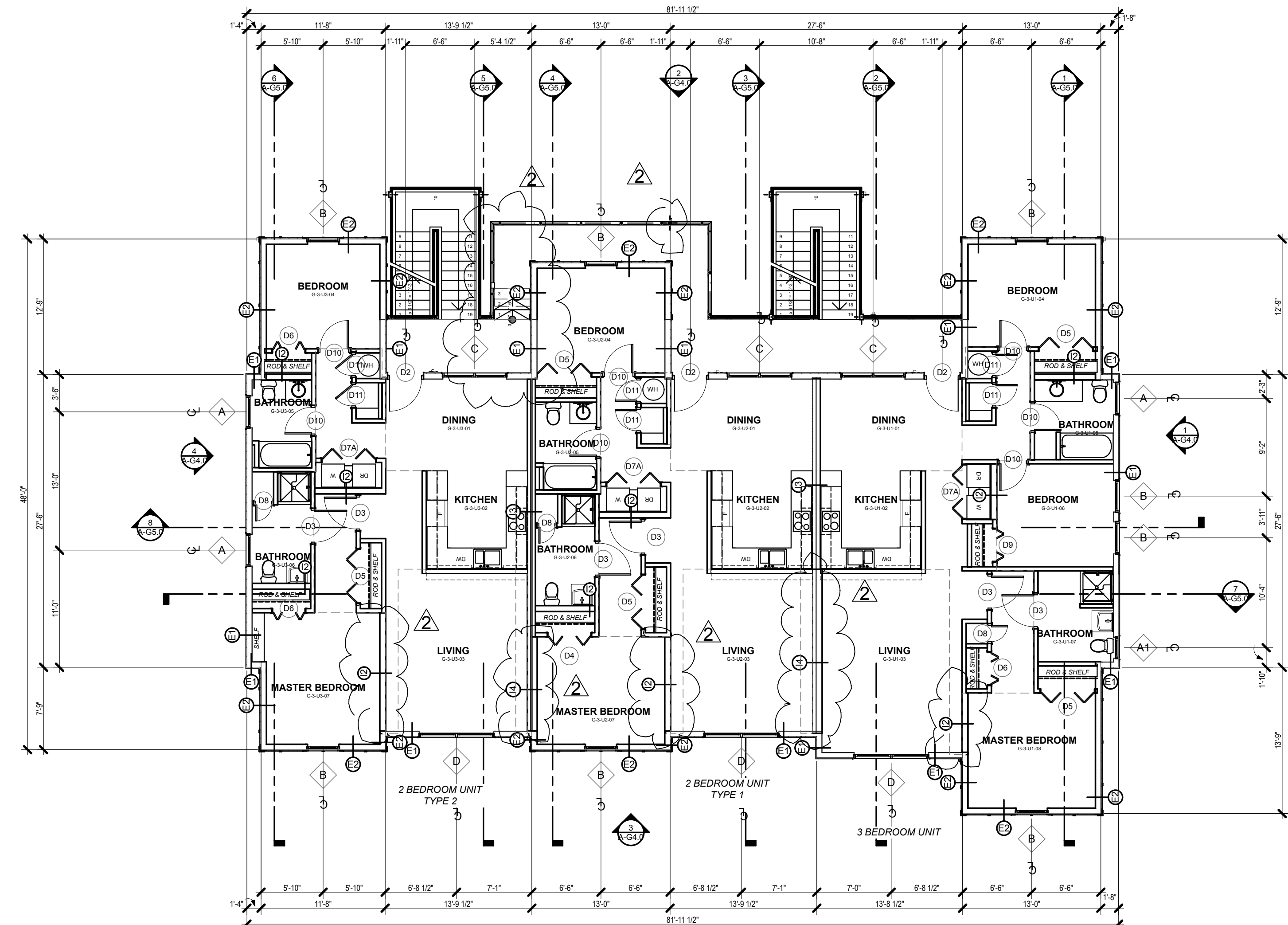
1 FIRST FLOOR
SCALE: 1/8" = 1'-0"



2 SECOND FLOOR
SCALE: 1/8" = 1'-0"



4 ROOF PLAN
SCALE: 1/8" = 1'-0"

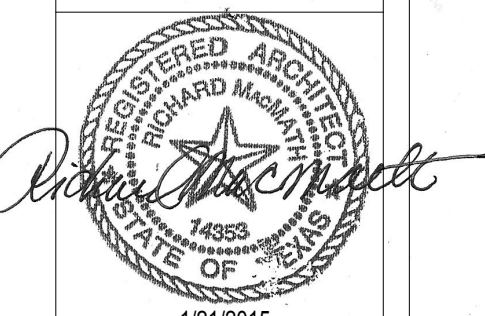


3 THIRD FLOOR
SCALE: 1/8" = 1'-0"

- GENERAL NOTES:**
- ALL DIMENSIONS TO FRAMING UNLESS NOTED OTHERWISE.
 - ALL PENETRATIONS IN FLOORS, CEILINGS, AND UNIT DEMISING WALLS MUST BE SEALED WITH A U.L. LISTED FIRE STOP MATERIAL.
 - INSTALL OR ENSURE THAT 2X WOOD FIREBLOCKING IS INSTALLED TO COMPLY WITH THE 2012 IBC. BLOCKING SHOULD BE INSTALLED IN THE DEMISING WALLS FROM BOTTOM PLATE TO TOP PLATE AT 10' INTERVALS.
 - INSTALL DRAFT STOPPING COMPLYING WITH IBC 2012 IN THE FOLLOWING LOCATIONS:
 - BETWEEN FLOOR TRUSSES AT DEMISING WALLS AS SHOWN IN ON SHEET A2.6 (DRAWINGS 4 AND 5)
 - IN THE ATTIC AS SHOWN ON SHEET A2.6 (DRAWING 3)
 - THE FULL FIRE RATED ASSEMBLY OF ALL RATED WALLS AND CEILINGS MUST BE CONTINUOUS BEHIND AND ABOVE FURRED CEILINGS.
 - SEE SECTION 013600 (ENVIRONMENTAL PROCEDURES) FOR VOC LIMITS FOR ALL PAINTS, COATINGS, ADHESIVES, AND SEALANTS. ALL MATERIALS MUST BE FREE OF ADDED FORMALDEHYDE RESINS AS PER SECTION 013600 (ENVIRONMENTAL PROCEDURES).

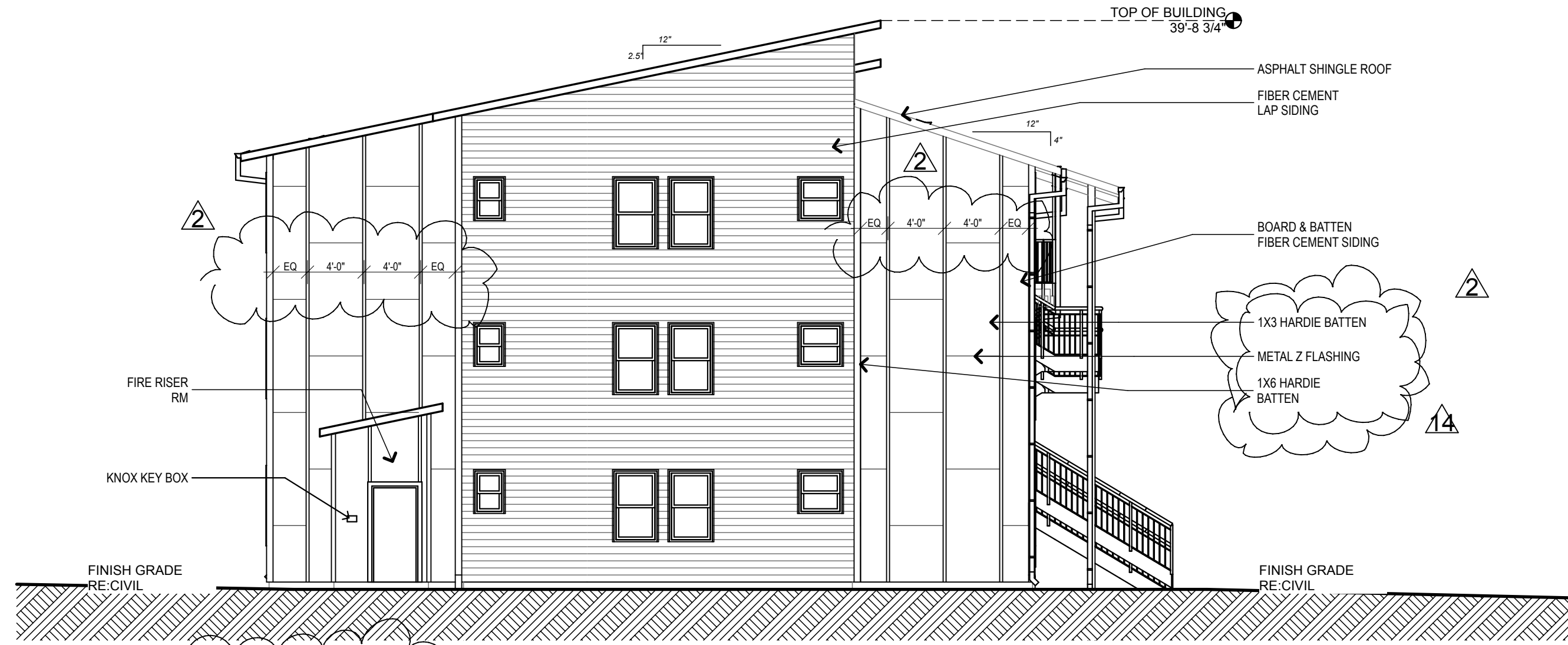
GENERAL NOTE:
2ND & 3RD FLOOR BATHROOMS TO HAVE VANITY SINK

Teamwork/Heimsath#16085 - Live Oak Trail Building G - FINAL | Ver. 12/01/15 | Wednesday, March 9, 2016 | 2:22 PM

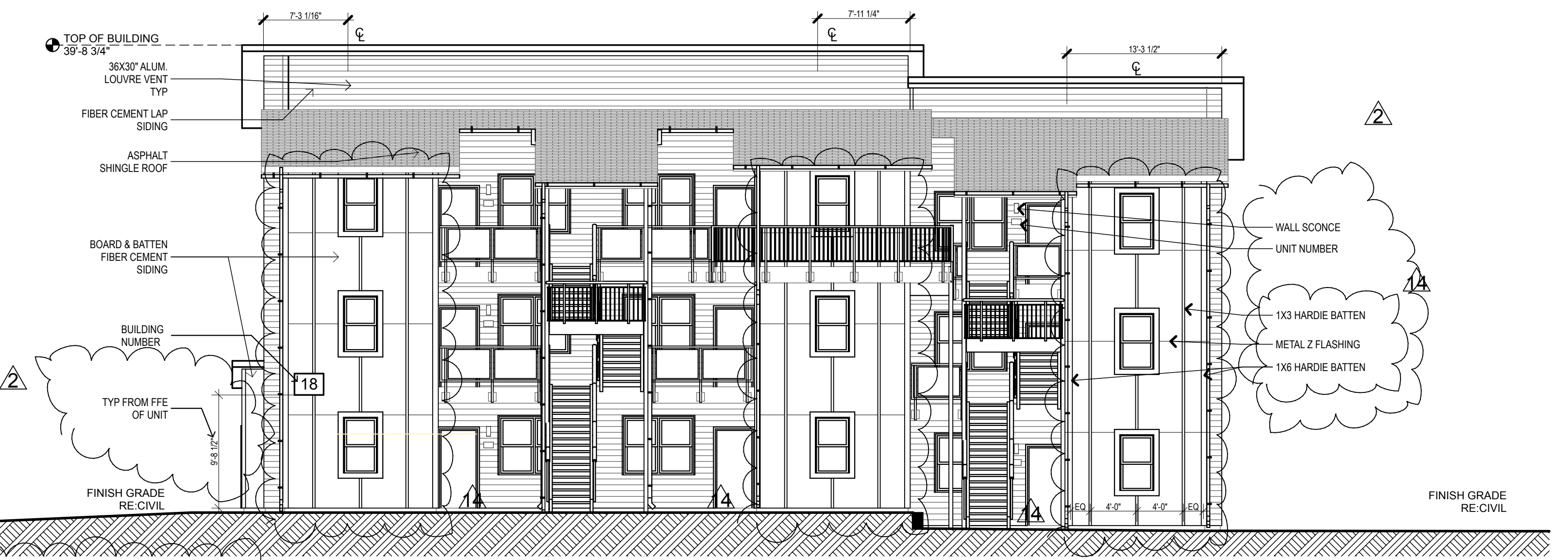


Revisions	No. Date/Remarks
1	ASI # 1 9/30/2015
2	10/21/2015
3	3/7/2016

Project #
2015-865
Date
3/07/2016
Sheet Number

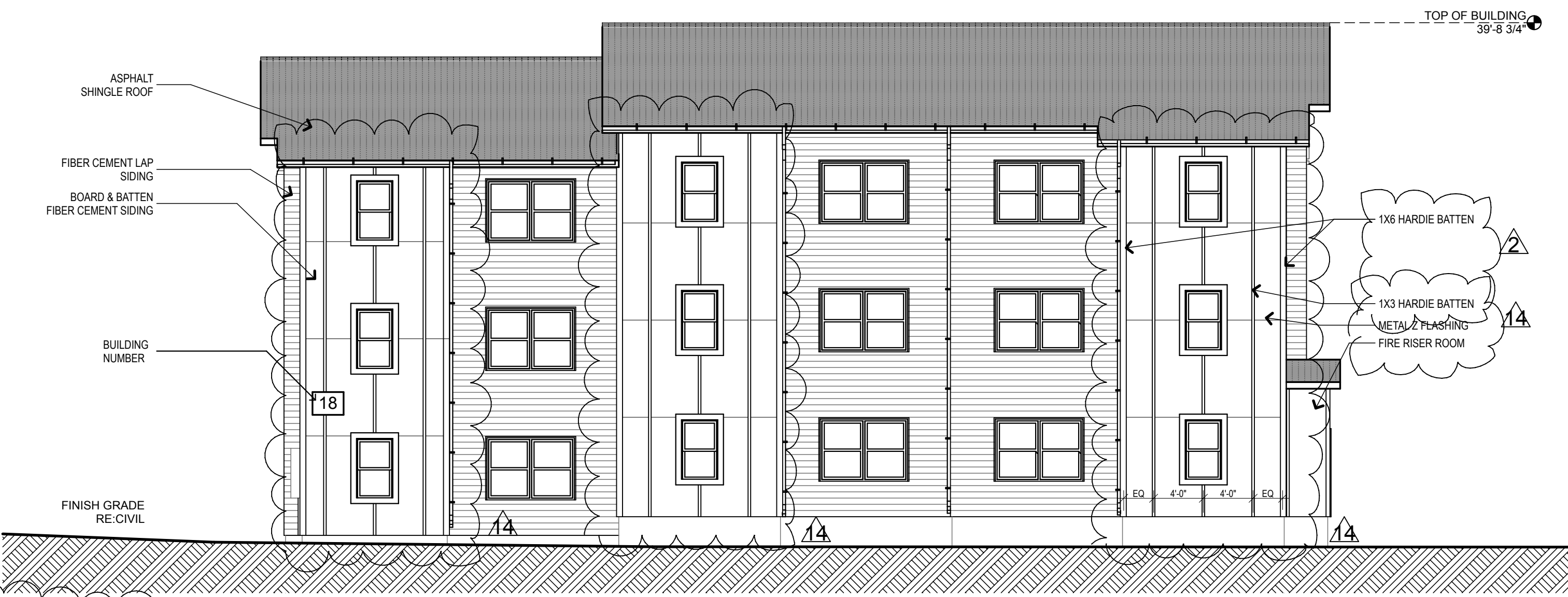


1 SITE PLAN NORTH ELEVATION
SCALE: 1/8" = 1'-0"

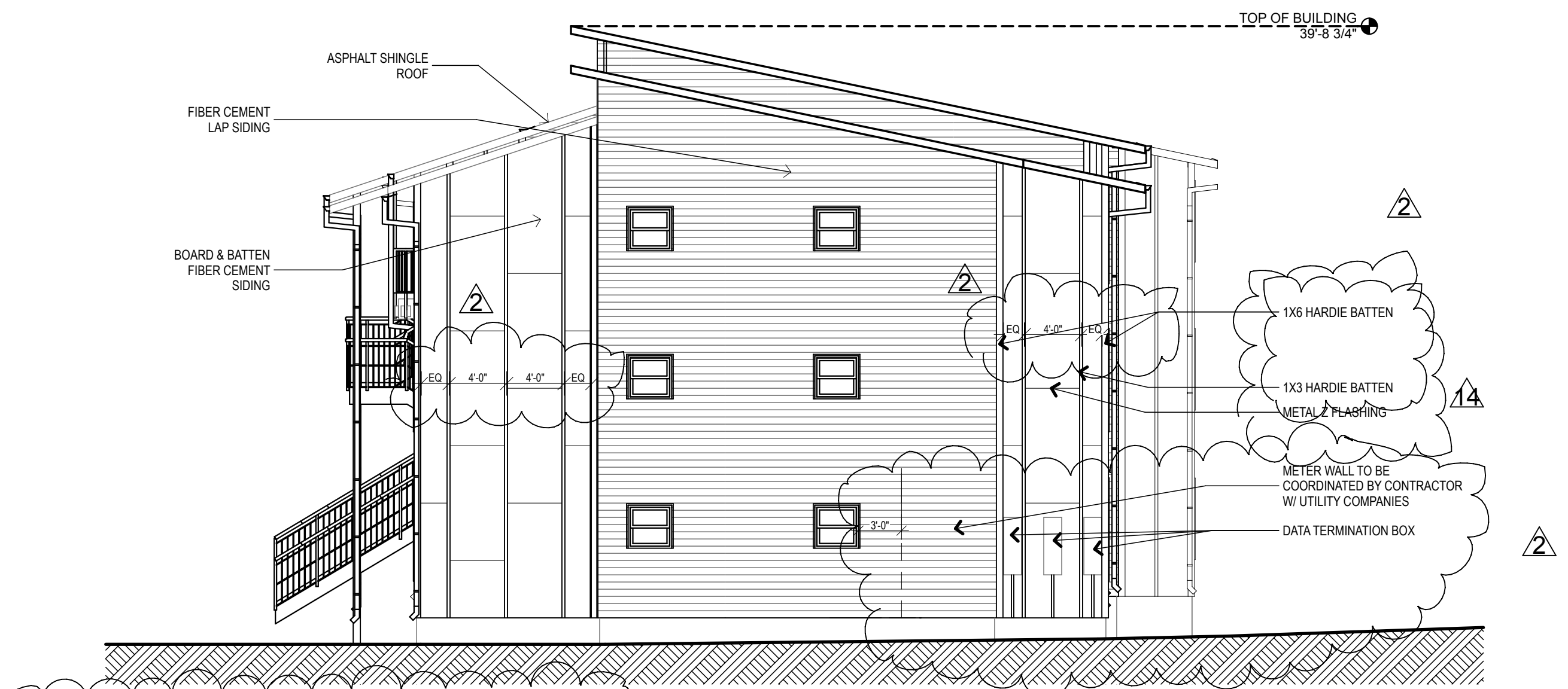


2 SITE PLAN WEST ELEVATION
SCALE: 1/8" = 1'-0"

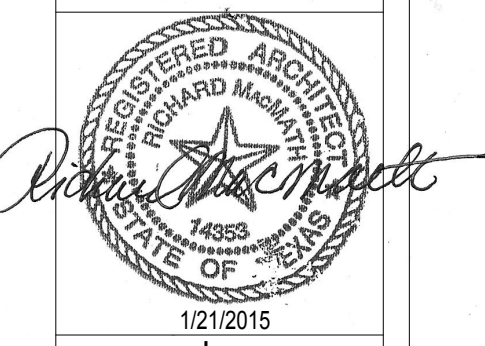
TYP EXTERIOR FINISHES FOR BLDG A-G



3 SITE PLAN EAST ELEVATION
SCALE: 1/8" = 1'-0"



4 SITE PLAN SOUTH ELEVATION
SCALE: 1/8" = 1'-0"



Revisions	No.	Date/Remarks
1	10/21/2015	
14	3/7/2016	

THE AMENDMENT FOR ALTURA HEIGHTS HAS
BEEN PULLED FROM THE AGENDA FOR THIS
MEETING

1h

BOARD ACTION REQUEST
ASSET MANAGEMENT DIVISION
JUNE 30, 2016

Presentation, Discussion, and Possible Action regarding an additional Placed in Service deadline extension for a Development located in a major disaster area as allowed under Section 6 of IRS Revenue Procedure 2014-49 for The Cottages of South Acres (HTC # 13042).

RECOMMENDED ACTION

WHEREAS, Cottages at South Acres, Ltd. (“Development Owner”) was allocated \$1,425,351 in 9% Housing Tax Credits in 2013 to construct The Cottages at South Acres (the “Development”) consisting of 144 new units in Houston;

WHEREAS, the Development Owner was required by the Carryover Allocation Agreement and Internal Revenue Code §42(h)(1) to place each building in service by no later than December 31, 2015;

WHEREAS, IRS Revenue Procedure 2014-49, allows the allocating agency to provide an extension to the placed in service deadline to the extent necessary because the buildings are located in and impacted by a major disaster area, as declared by the President during the 2-year period described in §42(h)(1)(E)(i) as long as the Development Owner plans to place the Development in service no later than December 31 of the year following the end of the 2-year period;

WHEREAS, on Friday, May 29, 2015, the President issued a major disaster declaration under the authority of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (DR-4223) due to the excessive rain and flooding that ensued; the notice was amended on Friday, June 5, 2015, and on Tuesday, June 9, 2015, to include Harris County in a list of Texas counties eligible to receive individual and public assistance;

WHEREAS, at the Board meeting of November 12, 2015, the Development Owner was granted approval of a four month extension to the placed in service deadline, which matched the documented delays caused by the storms, with the further authorization of the Executive Director to grant an additional two month extension to the deadline if warranted, based on the Development Owner’s overall seven month extension request;

WHEREAS, the Executive Director extended the initial four month extension to the full six months, as approved by the Board;

WHEREAS, on November 25, 2015, and April 25, 2016, the President issued major disaster declarations (DR-4245 and DR-4269) due to the severe storms, tornadoes, straight-line winds, and flooding that ensued and the notices included Harris County in a list of Texas counties eligible to receive individual and public assistance;

WHEREAS, persistent rain and flooding impacted construction crews on the Development and further delayed construction progress such that the Owner may not be able to meet its June 30, 2016, extended deadline for the last few units in service;

WHEREAS, the Development Owner now requests disaster relief in the form of a 15-day extension to the Development's previously extended placed in service deadline of June 30, 2016;

WHEREAS, aside from delaying the availability of affordable units the requested changes do not negatively affect the Development or impact the long term viability of the transaction and the requested relief is commensurate with the delay which occurred and does not exceed the relief period specified in IRS Revenue Procedure 2014-49; and

WHEREAS, under 10 TAC §10.405(d), staff has determined that Board approval is warranted based on the extenuating circumstances in the Owner's request;

NOW, therefore, it is hereby

RESOLVED, that a 15-day extension of the placed in service deadline is hereby approved and the Executive Director and his designees are each authorized, empowered, and directed to take all necessary action to effectuate the foregoing.

BACKGROUND

The Cottages at South Acres was awarded credits in 2013 under the 9% Housing Tax Credit program. The property is a 144 unit, general population, new construction property located in Houston. The Development Owner, Cottages at South Acres, Ltd. and its General Partner, KV Cottages, LLC, are owned and managed by VH Interest, Inc. and Marcialete Voller, LLC (a 50% HUB Member) and Barry Kahn and family members, 50% as joint Members.

The Development Owner, on September 21, 2015, submitted a letter to the Department requesting a seven month extension to the date the Owner is required to place each building in service in accordance with IRC §42(h)(1) and the Development's Carryover Allocation Agreement. The Owner sought relief under IRS Procedure Ruling 2007-54 (superseded and modified by IRS Procedure Ruling 2014-49) relating to Owners of low-income buildings and housing credit agencies of States in major disaster areas declared by the President.

At the Board meeting of November 12, 2015, the Development Owner was granted approval of a four month extension to the placed in service deadline with further authorization for the Executive Director to grant an additional two month extension to the deadline if warranted. On March 15, 2016, the Executive Director extended the initial four month extension to the full six months to the current deadline of June 30, 2016.

According to the Development Owner, all 116 cottage units are completed. The overall property of 144 units is approximately 70% leased and 50% occupied. The last uncompleted units are single family homes. Ten are scheduled to be placed in service by the 10th of June, another ten by the 24th, and the final eight (including 3 market rate units) before the end of June.

However, the persistent rains in the Houston area have impacted the completion of the last few units. The construction groups anticipate that at least 20 of the houses will be complete in June. However, because they are unsure of the completion date of the last eight houses, the Development Owner is requesting an extension until July 15, 2016.

The Development Owner and the development team are working diligently to make up any lost time and complete all units by June 30, 2016; however, with the impact of the noted delays, the Development Owner wishes to ensure that they have sufficient time to complete the last few units.

In the initial extension request, the Development Owner referred to the FEMA Notice of Major Disaster Declaration released on May 29, 2015 as well as the amended notices released on June 5, 2015, and June 9, 2015, that confirm the Presidential disaster declarations issued due to damage in the State of Texas resulting from severe storms, tornadoes, straight-line winds, and flooding. Two additional disaster declarations have been released for Harris County since the initial request.

In accordance with IRS Procedure Ruling 2014-49, Section 6.03, as an Owner affected by a Presidentially declared disaster, the Owner is requesting the Department's approval for the carryover allocation relief. The agency, as directed by the Procedure Ruling, may approve such relief only for projects whose Owners cannot reasonably satisfy the deadlines of §42(h)(1)(E) because of an event or series of events that led to a major disaster declaration under the Stafford Act. The Department's determination may be made on an individual project basis or the agency may determine, because of the extent of the damage in a major disaster area, that all Owners or a certain group of Owners in the major disaster area warrant the relief. In accordance with Section 7.02, the agency has the discretion to provide less than the full amount of relief allowed or no relief based on all the facts and circumstances. The Department will report any approved relief on the Form 8610, due to the IRS on February 28th.

Extension requests are normally considered under the Uniform Multifamily Rules, Subchapter E, 10 TAC § 10.405(d); however, extensions are only considered in this section if the original deadline associated with carryover, the 10 Percent Test, or cost certification requirements will not be met. The provisions in the Rule do not specifically address extensions to the placed in service deadline and the Department's Carryover Allocation Agreement states that no extension of the deadline to place in service can be made. The IRS, however, provides for the subject disaster related extension. Staff has the ability, in accordance with provisions in 10 TAC §10.405(d), to bring to the Board material determinations that warrant Board approval due to extraordinary circumstances such as those discussed above.

Staff recommends approval of the extension request, as presented herein.



HETTIG/KAHN HOLDINGS, INC

June 3, 2016

Ms. Lucy Trevino
Ms. Raquel Morales
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701

Re: Cottages at South Acres
TDHCA #13042

Lucy,

Cottages at South Acres is doing very well. All 114 cottage units are completed. The overall property of 144 units is approximately 70% leased and 50% occupied.

The last 28 units are single family homes. Ten are scheduled to be placed in service the 10th, another ten by the 24th, and the final eight (including 3 market rate units) before the end of the month. We had expected all to be complete in early June but for all the abnormal rains in the Houston Area.

The news of persistent rains in the Houston area are a regular news item and this is impacting the completion of the last units. Construction schedules have been varied to work around weather issues. Our construction group feels comfortable, notwithstanding the rains that at least twenty of the houses will be complete in June. However based on the rain patterns, to insure no issues, we are requesting an extension until July 15, 2016 for the final 8 units to be placed in service. Our current deadline for all units to be placed in service is June 30, 2016.

Please let us know if you need any additional information. We thank you for your continued assistance with this issue.

Very truly yours,

W. Barry Kahn

WBK/ad

1i

BOARD ACTION REQUEST
HOME PROGRAM DIVISION
JUNE 30, 2016

Presentation, Discussion, and Possible Action to authorize the issuance of the 2016 HOME Investment Partnerships Program (“HOME”) Notice of Funding Availability (“NOFA”) for Single Family Non-Development Programs, and the notification of the posting of the NOFA to the Department’s website and in the *Texas Register*

RECOMMENDED ACTION

WHEREAS, the Department received notice of the 2016 HOME allocation from the U.S. Department of Housing and Urban Development (“HUD”) totaling \$23,248,302, and anticipates receiving the associated Grant Agreement in August 2016, that will make these funds available for commitment;

WHEREAS, it is in the best interest of the Department to commit HOME funding as expeditiously as possible to provide greater assurance that federal HOME Program commitment deadlines can be achieved, which, if not met, could result in the return of funds to HUD;

WHEREAS, the Department wishes to release a NOFA for HOME Program single family non-development activities totaling \$15,206,086 in accordance with the 2016 One-Year Action Plan (“OYAP”) as approved by HUD, and state mandated set-asides; and

WHEREAS, based on significant public input and dialogue, the Department proposes to make the 2016 HOME single family non-development activity funds available through a combination of competitive and open application cycles that will result in contract awards, as well as making some funding for set-aside activities available through the Reservation System;

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 post on the Department’s website and to publish a notification in the *Texas Register*, a 2016 HOME Single Family Non-Development Programs NOFA for awards and participation in the Reservation System in the amount of approximately \$15,206,086.

BACKGROUND

The Department anticipates execution of its 2016 HOME Grant Agreement with HUD in August 2016, allowing 2016 HOME funds to be made available for commitment in accordance with the HUD-approved 2016 OYAP. In anticipation of that Agreement, the Department is issuing a NOFA

prior to that date so that it can begin the application and review process. The 2016 HOME allocation to the state of Texas totals \$23,248,302, of which \$14,206,086 is available for single family activities, including mandatory set-asides. In addition, the Department currently has sufficient HOME funding available from prior year allocations to make \$1,000,000 available for disaster relief activities in accordance with 10 Texas Administrative Code (“TAC”), Chapter 1, §1.19, Reallocation of Financial Assistance. Funds totaling \$15,206,086 made available through the 2016 HOME allocation from HUD and reallocated HOME funding from prior year allocations will be available through a single HOME Single Family Non-Development Programs NOFA.

The NOFA will be structured according to Set-Aside type:

- General Set-Aside activities including Homeowner Rehabilitation Assistance (“HRA”), Homebuyer Assistance (“HBA”), and Tenant-Based Rental Assistance (“TBRA”) will be funded through Competitive Application Cycle awards based on a similar methodology used to allocate the 2015 HOME single family funds;
- Contract for Deed (“CFD”) and Disaster Relief (“DR”) Set-Asides will be funded through the Reservation System; and
- The Persons with Disabilities (“PWD”) Set-Aside will fund activities through a combination of Open Application Cycle awards and the Reservation System. Specifically, PWD HBA activities will utilize an Open Application Cycle award process where contract awards will be determined on a first-come, first-served basis for eligible applicants, and PWD HRA and TBRA activities will be funded through the Reservation System.

Selection of an applicant under the Competitive Application Cycle will result in the award of funds based on a scoring selection process, while the award of funds for set-asides under the Open Application Cycle will be a first-come, first-served model based on the application receipt date and time. There is no guarantee of award for set-asides under the Reservation System; however, funding in the Reservation System may be increased from time to time as funds become available. The total amount of funds released is further described in the table below:

2016 HOME Single Family Non-Development Activity NOFA			
	Competitive Application Cycle	Open Application Cycle	Reservation System
2016 HOME Allocation:	\$11,041,657	\$372,617	\$2,791,812
Other and Deobligated Funds:	\$0	\$0	\$1,000,000
NOFA Total:	\$11,041,657	\$372,617	\$3,791,812
Activities:	General Set-Aside for HBA, HRA and TBRA	PWD Set-Aside for HBA	PWD Set-Aside for HRA and TBRA; CFD Set-Aside; Disaster Relief Set-Aside
Regional Allocation Formula:	Yes	No	No
Periodic Addition of Funds:	No	No	Yes, as funds available
Agreement Type:	Contract	Contract	RSP Agreement
Deadline:	August 19, 2016*	October 21, 2016*	N/A

2016 HOME Single Family Non-Development Activity NOFA			
	Competitive Application Cycle	Open Application Cycle	Reservation System
Award of Funds:	Yes	Yes	No
Applicant Log:	Posted within approximately 10 days of the application deadline	Posted within approximately 10 days of the application deadline	N/A

*Funding not requested under the Competitive and Open Application Cycle deadlines may be reallocated to other activity types through the Reservation System as deemed necessary by the Department.

The availability and use of these funds are subject to the Department’s Administrative Rule at 10 TAC Chapter 1, Enforcement Rule at 10 TAC Chapter 2, Single Family Umbrella Rules at 10 TAC Chapter 20, the Minimum Energy Efficiency Requirements for Single Family Construction Activities at 10 TAC Chapter 21, the Department’s 2016 HOME Program Rule at 10 TAC Chapter 23, and the federal regulation governing the HOME Program at 24 CFR Part 92. The 2016 HOME Single Family Programs NOFA was developed in accordance with the Single Family Umbrella and HOME Program Rules.

Funds will be provided under the NOFA as follows:

2016 HOME Single Family Programs Competitive Application Cycle

Fund Distribution

General Set-Aside for HBA, HRA and TBRA Activities - \$11,041,657 will be distributed through a Regional Allocation Formula (“RAF”)

Award Process

In accordance with 10 TAC §23.22(b), applications under a competitive application cycle will be accepted on an ongoing basis during the application acceptance period as specified in the published NOFA. Funds will be allocated utilizing the RAF; applications will be reviewed for HRA, HBA, or TBRA and will compete within their region. Applications will be prioritized by applicant self-score and reviewed and ranked with awards made to the confirmed highest scoring applications in a region, regardless of activity type.

Awards will be made first at the subregional level, then the regional level, and finally statewide. Tied applications will be selected using a lottery method at each level if insufficient funding is available to fund the application(s). Any funds from the competitive applications that remain after awards are finalized will be added to the Reservation System under the General Set-Aside in a manner that is consistent with the 2016 OYAP.

Details on the award selection process, handling of administrative deficiencies, funding limitations, eligible and ineligible applicants and activities, threshold requirements, award selection criteria, and application submission requirements will be included in the NOFA posted to the Department’s website, with notification of the posting of the NOFA in the *Texas Register*.

2016 HOME Single Family Programs Open Application Cycle

Fund Distribution

Persons with Disabilities Set-Aside for HBA Activity - \$372,617

Award Process

In accordance with 10 TAC §23.22(a), applications received in response to an open application cycle will be prioritized for review based on its “Received Date and Time.” Awards will be made for the first received eligible applicants for which sufficient funding is available. Any funds that remain after awards will be added to the 2016 HOME Single Family Programs Reservation System under the PWD Set-Aside in a manner that is consistent with the 2016 OYAP, by a date specified in the posted NOFA. Applications for PWD-HBA are not subject to the RAF.

Details on the award selection process, handling of administrative deficiencies, funding limitations, eligible and ineligible applicants and activities, threshold requirements, award selection criteria, and application submission requirements will be included in the NOFA posted to the Department’s website with notification of the NOFA posting in the *Texas Register*.

2016 HOME Single Family Programs Reservation System

Fund Distribution

Persons with Disabilities (PWD) Set-Aside for HRA and TBRA activities – \$791,812

- Homeowner Rehabilitation Assistance (HRA) – \$395,906
- Tenant-Based Rental Assistance (TBRA) – \$395,906

Contract for Deed (CFD) Set-Aside – \$2,000,000

Disaster Relief Set-Aside – \$1,000,000

General Set-Aside and PWD Set-Aside – To be funded from any funds not awarded under the 2016 HOME Single Family Programs Competitive and Open Application Cycles, deobligated funds, Program Income, or funds reallocated from undersubscribed set-asides, as allowable and available.

Funding Process

Funding released under the Reservation System will not be regionally allocated because it is composed of legislatively mandated set-asides or deobligated funds that were previously allocated through the RAF. Administrators with Reservation System Participant (“RSP”) Agreements in effect at the time funding is released may access funds under this NOFA. Applicants may apply for a RSP Agreement at anytime during the year in accordance with 10 TAC §23.23, and must have an effective agreement in place in order to access funding under this category.

Contract Extensions

Because of stringent deadlines by HUD on commitment and expenditure of funds and how that is calculated by HUD, extensions to contract benchmarks and final disbursement requests will not be considered. Funds will be deobligated from contracts for which Applicants have been unable to meet the deadlines established in the HOME Rules under 10 TAC §23.26(c) related to Project setups; and under §23.32(c), §23.42(c), and §23.62(b) related to final requests for disbursement. Applicants that are unable to meet Project setup benchmarks may still access Reservation funds if they have an approved active RSP and have households identified for assistance.

1j

BOARD ACTION REQUEST
COMMUNITY AFFAIRS DIVISION
JUNE 30, 2016

Presentation, Discussion, and Possible Action on the Section 8 Program 2017 Annual Public Housing Agency (“PHA”) Plan for the Housing Choice Voucher Program.

RECOMMENDED ACTION

WHEREAS, the Department operates as a PHA;

WHEREAS, 42 U.S.C §1437(c-1) (a) and (b) requires PHAs to submit an annual PHA Plan that has been made available for public comment; and

WHEREAS, the Board approved the 5-Year PHA Plan in 2015, and this Plan reflecting the 2017 Program Year is consistent with the 5-Year PHA Plan as approved;

Now, therefore, it is hereby

RESOLVED, that the Department’s 2017 Annual PHA Plan is hereby approved in the form presented to this meeting to be made available for public comment and allows the Department to identify Project Access as a preference;

FURTHER RESOLVED, that if there are not substantive public comments received requiring reconsideration of the plan, staff is authorized and directed to file the plan as final with the U.S. Department of Housing and Urban Development with no further Board review; and

FURTHER RESOLVED, that if there are material public comments, staff is directed to bring the plan, with such comments and any recommended revisions, back to this Board for reconsideration.

BACKGROUND

Section 511 of the Quality Housing and Work Responsibility Act of 1998 created the requirement for submission of PHA plans. The PHA Plan is a brief guide to PHA policies, programs, and strategies for meeting local housing needs and goals for the upcoming fiscal year. A Five Year Plan is required of each PHA and on July 30, 2015, the Board approved the 5-Year PHA Plan. This Annual Plan for 2017 is consistent with the 5-Year PHA Plan, as approved.

The 2017 Annual Plan will not be adopting any additional preferences for the Project Access or the Housing Choice Voucher Section 8 Program. The Department will continue to focus its efforts and resources on encouraging choice for voucher holders to identify decent safe affordable housing stock. The Department will continue to offer its incentive for biennial inspections, as long as the unit passes two consecutive Housing Quality Standards inspections. This means the tenant and property owner would need to communicate regularly regarding the condition of the unit.

To ensure public participation, the Department will appoint annually a Resident Advisory Board, which will consist of all tenants with active Section 8 contracts, to review and comment on the proposed 2017

Annual Plan. The Plan will also be available for review at the Department's Administrative Office on weekdays between 8:00 am and 5:00 pm; and the Department's website at: www.tdhca.state.tx.us.

Upon Board approval, the Department will publish a notice 45 days prior to scheduling a public hearing to receive public comment on the Plan. If there are no substantive comments, the Plan will be submitted as approved today to HUD. If substantive comments are received, the Plan will be resubmitted to the Board for final approval.

PHA 5-Year and Annual Plan

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

OMB No. 2577-0226
Expires 8/30/2011

1.0	PHA Information PHA Name: <u>Texas Department of Housing and Community Affair</u> PHA Code: <u>TX-901</u> PHA Type: <input type="checkbox"/> Small <input checked="" type="checkbox"/> High Performing <input type="checkbox"/> Standard <input checked="" type="checkbox"/> HCV (Section 8) PHA Fiscal Year Beginning: (MM/YYYY): <u>01/2017</u>																								
2.0	Inventory (based on ACC units at time of FY beginning in 1.0 above) Number of PH units: _____ Number of HCV units: <u>1611</u>																								
3.0	Submission Type <input type="checkbox"/> 5-Year and Annual Plan <input checked="" type="checkbox"/> Annual Plan Only <input type="checkbox"/> 5-Year Plan Only																								
4.0	PHA Consortia <input type="checkbox"/> PHA Consortia: (Check box if submitting a joint Plan and complete table below.) <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 20%;">Participating PHAs</th> <th style="width: 10%;">PHA Code</th> <th style="width: 20%;">Program(s) Included in the Consortia</th> <th style="width: 20%;">Programs Not in the Consortia</th> <th style="width: 15%;">No. of Units in Each Program - PH</th> <th style="width: 15%;">No. of Units in Each Program - HCV</th> </tr> </thead> <tbody> <tr> <td>PHA 1:</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>PHA 2:</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>PHA 3:</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Participating PHAs	PHA Code	Program(s) Included in the Consortia	Programs Not in the Consortia	No. of Units in Each Program - PH	No. of Units in Each Program - HCV	PHA 1:						PHA 2:						PHA 3:					
Participating PHAs	PHA Code	Program(s) Included in the Consortia	Programs Not in the Consortia	No. of Units in Each Program - PH	No. of Units in Each Program - HCV																				
PHA 1:																									
PHA 2:																									
PHA 3:																									
5.0	5-Year Plan. Complete items 5.1 and 5.2 only at 5-Year Plan update.																								
5.1	Mission. State the PHA's Mission for serving the needs of low-income, very low-income, and extremely low income families in the PHA's jurisdiction for the next five years: The mission of TDHCA's Section 8 Housing Choice Voucher Program is to provide financial rental assistance on behalf of low income individuals and families, including the elderly and persons with disabilities for decent, safe, sanitary and affordable housing.																								
5.2	Goals and Objectives. Identify the PHA's quantifiable goals and objectives that will enable the PHA to serve the needs of low-income and very low-income, and extremely low-income families for the next five years. Include a report on the progress the PHA has made in meeting the goals and objectives described in the previous 5-Year Plan. See 6.0 Below																								
6.0	PHA Plan Update (a) Identify all PHA Plan elements that have been revised by the PHA since its last Annual Plan submission: <ul style="list-style-type: none"> • Department was awarded a Project-Based VASH voucher program. • Department implemented HUD revised guidance regarding longer timelines for Earned Income Disallowances, self-certification options for Assets, exception to payment standard to 120%, final rule on Portability and streamlining Annual Re-exams. • Provide utility allowances for the lesser of a voucher size or a bedroom size. (b) Identify the specific location(s) where the public may obtain copies of the 5-Year and Annual PHA Plan. For a complete list of PHA Plan elements, see Section 6.0 of the instructions. <ul style="list-style-type: none"> • Main administrative office: 221 East 11th Street, Austin, TX 78701 • TDHCA Website: http://www.tdhca.state.tx.us 																								
7.0	Hope VI, Mixed Finance Modernization or Development, Demolition and/or Disposition, Conversion of Public Housing, Homeownership Programs, and Project-based Vouchers. <i>Include statements related to these programs as applicable.</i> The State PHA administers a small Project-Based VASH rental assistance program on one property, Freedom's Path located in Kerrville, with 20 project-based vouchers.																								
8.0	Capital Improvements. Please complete Parts 8.1 through 8.3, as applicable.																								
8.1	Capital Fund Program Annual Statement/Performance and Evaluation Report. As part of the PHA 5-Year and Annual Plan, annually complete and submit the <i>Capital Fund Program Annual Statement/Performance and Evaluation Report</i> , form HUD-50075.1, for each current and open CFP grant and CFFP financing.																								
8.2	Capital Fund Program Five-Year Action Plan. As part of the submission of the Annual Plan, PHAs must complete and submit the <i>Capital Fund Program Five-Year Action Plan</i> , form HUD-50075.2, and subsequent annual updates (on a rolling basis, e.g., drop current year, and add latest year for a five year period). Large capital items must be included in the Five-Year Action Plan.																								
8.3	Capital Fund Financing Program (CFFP). <input type="checkbox"/> Check if the PHA proposes to use any portion of its Capital Fund Program (CFP)/Replacement Housing Factor (RHF) to repay debt incurred to finance capital improvements.																								

9.0 Housing Needs. Based on information provided by the applicable Consolidated Plan, information provided by HUD, and other generally available data, make a reasonable effort to identify the housing needs of the low-income, very low-income, and extremely low-income families who reside in the jurisdiction served by the PHA, including elderly families, families with disabilities, and households of various races and ethnic groups, and other families who are on the public housing and Section 8 tenant-based assistance waiting lists. The identification of housing needs must address issues of affordability, supply, quality, accessibility, size of units, and location.

Housing Need Analysis – Section 8
June 2016

When analyzing local housing markets and developing strategies for meeting housing challenges, HUD suggests the consideration of several factors. These factors include how much a household spends on housing costs, the physical condition of housing and whether or not the household is overcrowded.

An excess cost burden is identified when a household pays more than 30 percent of its gross income for housing costs. When so much is spent on housing, other basic household needs may suffer.

The measure of physical inadequacy is the number of units lacking complete kitchen and/ or plumbing facilities. While this is not a complete measure of physical inadequacy, the lack of plumbing and/ or kitchen facilities can serve as a strong indication of one type of housing inadequacy.

Overcrowded housing conditions may occur when a residence accommodates more than one person per each room in the dwelling. Overcrowding may indicate a general lack of affordable housing in a community where households have been forced to share space, either because other housing units are not available or because the units are too expensive.

The following table estimates the number of low-income households with housing needs for the 37 TDHCA Section 8 service areas. The figures are adjusted to 2014 levels based on population growth estimates.

Housing Needs for Section 8	Number
Population	2,099,860
Number of Individuals in Poverty	377,323
Number of Cost Burdened Households	136,863
Number of Overcrowded Households	19,081
Number of Substandard Housing Units	6,498

2014 American Community Survey 5 year estimate

The TDHCA waiting list currently consists of 807 applications. The waiting list figure is a composite of several statewide jurisdictional waiting lists, as well as the Project Access waiting list. There is no waiting list for the Project-Based VASH program.

9.1 Strategy for Addressing Housing Needs. Provide a brief description of the PHA’s strategy for addressing the housing needs of families in the jurisdiction and on the waiting list in the upcoming year. **Note: Small, Section 8 only, and High Performing PHAs complete only for Annual Plan submission with the 5-Year Plan.**

The Department’s strategy to address the housing needs of families in our jurisdiction and on our waiting list is to:

- Continue to maintain safe and decent housing for participants
- TDHCA will pursue VASH as permissible and Project Based VASH consistent with PIH-2015-11 and as further described in Chapter 17 of the PHA Administrative Plan.
- Establish effective payment standards that will enable families to rent throughout our jurisdiction
- The Department will continue to commit to Project Access vouchers and expand direct assistance statewide
- Maintain or increase lease-up rates by effectively screening Section 8 applicants to increase owner acceptance of the program
- Applying for additional Section 8 vouchers as they become available
- Increase awareness of the Departments Section 8 voucher program by updating website

<p>10.0</p>	<p>Additional Information. Describe the following, as well as any additional information HUD has requested.</p> <p>(a) Progress in Meeting Mission and Goals. Provide a brief statement of the PHA’s progress in meeting the mission and goals described in the 5- Year Plan.</p> <p>The Department will continue to strive for maximum utilization of Section 8 vouchers in areas served by the state program.</p> <ul style="list-style-type: none"> • Administrative processes have been updated to ensure property owner and tenant payments are processed and paid in a timely manner. • Throughout the state, jurisdiction payment standards have been reviewed and updated accordingly to reflect current market conditions to enable families to rent decent and affordable housing. • A notice of Disaster Preference has been established to allow the Department to provide housing choice vouchers to individuals and families in our program area that are impacted by a disaster, which will include, but not be limited to, communities with a State of Texas declared or documented extenuating circumstances such as imminent threat to health and safety. • TDHCA currently identifies 140 Project Access Housing Choice Vouchers to assist low-income persons with disabilities to transition from institutions into the community by providing access to affordable housing. The allocation will remain at 140 for calendar Year 2016. TDHCA has adopted a tenant selection preference for admissions for person with a specific disability. • The two preferences have been implemented. An applicant on the pilot program referenced at 10 TAC Chapter 5, Subchapter H, §5.801 with a disability transitioning out of a State Psychiatric Hospital. The applicant is a person with a disability transitioning from a nursing home intermediate care facility, or board and care facility. <p>The Department is taking, and will continue to take, the necessary steps required to develop and implement procedures that will demonstrate our determination to ensure compliance with Section 8 program requirements. TDHCA will continue exploring ways to make additional safe, sanitary and decent housing available in some of the smaller areas, which do not have adequate housing stock. The Department will also continue to work closely with the State’s local PHAs to address the affordable housing needs of the citizens of Texas.</p> <p>(b) Significant Amendment and Substantial Deviation/Modification. Provide the PHA’s definition of “significant amendment” and “substantial deviation/modification”</p> <ul style="list-style-type: none"> • Substantive changes to calculation of rent payments, programs eligibility requirements, or organization of the waiting list; • Additions of new activities are not presently in the plan. <p>If a substantive change is made, TDHCA will submit a revised plan that has met full public process requirements. The amendment or modification will not be implemented until accepted by HUD.</p>
<p>11.0</p>	<p>Required Submission for HUD Field Office Review. In addition to the PHA Plan template (HUD-50075), PHAs must submit the following documents. Items (a) through (g) may be submitted with signature by mail or electronically with scanned signatures, but electronic submission is encouraged. Items (h) through (i) must be attached electronically with the PHA Plan. Note: Faxed copies of these documents will not be accepted by the Field Office.</p> <ul style="list-style-type: none"> (a) Form HUD-50077, <i>PHA Certifications of Compliance with the PHA Plans and Related Regulations</i> (which includes all certifications relating to Civil Rights) (b) Form HUD-50070, <i>Certification for a Drug-Free Workplace</i> (PHAs receiving CFP grants only) (c) Form HUD-50071, <i>Certification of Payments to Influence Federal Transactions</i> (PHAs receiving CFP grants only) (d) Form SF-LLL, <i>Disclosure of Lobbying Activities</i> (PHAs receiving CFP grants only) (e) Form SF-LLL-A, <i>Disclosure of Lobbying Activities Continuation Sheet</i> (PHAs receiving CFP grants only) (f) Resident Advisory Board (RAB) comments. Comments received from the RAB must be submitted by the PHA as an attachment to the PHA (g) Plan. PHAs must also include a narrative describing their analysis of the recommendations and the decisions made on these recommendations. (h) Challenged Elements (i) Form HUD-50075.1, <i>Capital Fund Program Annual Statement/Performance and Evaluation Report</i> (PHAs receiving CFP grants only) (j) Form HUD-50075.2, <i>Capital Fund Program Five-Year Action Plan</i> (PHAs receiving CFP grants only)

This information collection is authorized by Section 511 of the Quality Housing and Work Responsibility Act, which added a new section 5A to the U.S. Housing Act of 1937, as amended, which introduced 5-Year and Annual PHA Plans. The 5-Year and Annual PHA plans provide a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA's operations, programs, and services, and informs HUD, families served by the PHA, and members of the public of the PHA's mission and strategies for serving the needs of low-income and very low-income families. This form is to be used by all PHA types for submission of the 5-Year and Annual Plans to HUD. Public reporting burden for this information collection is estimated to average 12.68 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. HUD may not collect this information, and respondents are not required to complete this form, unless it displays a currently valid OMB Control Number.

Privacy Act Notice. The United States Department of Housing and Urban Development is authorized to solicit the information requested in this form by virtue of Title 12, U.S. Code, Section 1701 et seq., and regulations promulgated there under at Title 12, Code of Federal Regulations. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The information requested does not lend itself to confidentiality

Instructions form HUD-50075

Applicability. This form is to be used by all Public Housing Agencies (PHAs) with Fiscal Year beginning April 1, 2008 for the submission of their 5-Year and Annual Plan in accordance with 24 CFR Part 903. The previous version may be used only through April 30, 2008.

1.0 PHA Information

Include the full PHA name, PHA code, PHA type, and PHA Fiscal Year Beginning (MM/YYYY).

2.0 Inventory

Under each program, enter the number of Annual Contributions Contract (ACC) Public Housing (PH) and Section 8 units (HCV).

3.0 Submission Type

Indicate whether this submission is for an Annual and Five Year Plan, Annual Plan only, or 5-Year Plan only.

4.0 PHA Consortia

Check box if submitting a Joint PHA Plan and complete the table.

5.0 Five-Year Plan

Identify the PHA's Mission, Goals and/or Objectives (24 CFR 903.6). Complete only at 5-Year update.

5.1 Mission. A statement of the mission of the public housing agency for serving the needs of low-income, very low-income, and extremely low-income families in the jurisdiction of the PHA during the years covered under the plan.

5.2 Goals and Objectives. Identify quantifiable goals and objectives that will enable the PHA to serve the needs of low income, very low-income, and extremely low-income families.

6.0 PHA Plan Update. In addition to the items captured in the Plan template, PHAs must have the elements listed below readily available to the public. Additionally, a PHA must:

- (a) Identify specifically which plan elements have been revised since the PHA's prior plan submission.
- (b) Identify where the 5-Year and Annual Plan may be obtained by the public. At a minimum, PHAs must post PHA Plans, including updates, at each Asset Management Project (AMP) and main office or central office of the PHA. PHAs are strongly encouraged to post complete PHA Plans on its official website. PHAs are also encouraged to provide each resident council a copy of its 5-Year and Annual Plan.

PHA Plan Elements. (24 CFR 903.7)

1. **Eligibility, Selection and Admissions Policies, including Deconcentration and Wait List Procedures.** Describe the PHA's policies that govern resident or tenant eligibility, selection and admission including admission preferences for both public housing and HCV and unit assignment policies for public housing; and procedures for maintaining waiting lists for admission to public housing and address any site-based waiting lists.

2. **Financial Resources.** A statement of financial resources, including a listing by general categories, of the PHA's anticipated resources, such as PHA Operating, Capital and other anticipated Federal resources available to the PHA, as well as tenant rents and other income available to support public housing or tenant-based assistance. The statement also should include the non-Federal sources of funds supporting each Federal program, and state the planned use for the resources.

3. **Rent Determination.** A statement of the policies of the PHA governing rents charged for public housing and HCV dwelling units.

4. **Operation and Management.** A statement of the rules, standards, and policies of the PHA governing maintenance management of housing owned, assisted, or operated by the public housing agency (which shall include measures necessary for the prevention or eradication of pest infestation, including cockroaches), and management of the PHA and programs of the PHA.

5. **Grievance Procedures.** A description of the grievance and informal hearing and review procedures that the PHA makes available to its residents and applicants.

6. **Designated Housing for Elderly and Disabled Families.** With respect to public housing projects owned, assisted, or operated by the PHA, describe any projects (or portions thereof), in the upcoming fiscal year, that the PHA has designated or will apply for designation for occupancy by elderly and disabled families. The description shall include the following information: 1) development name and number; 2) designation type; 3) application status; 4) date the designation was approved, submitted, or planned for submission, and; 5) the number of units affected.

7. **Community Service and Self-Sufficiency.** A description of: (1) Any programs relating to services and amenities provided or offered to assisted families; (2) Any policies or programs of the PHA for the enhancement of the economic and social self-sufficiency of assisted families, including programs under Section 3 and FSS; (3) How the PHA will comply with the requirements of community service and treatment of income changes resulting from welfare program requirements. (**Note: applies to only public housing.**)

8. **Safety and Crime Prevention.** For public housing only, describe the PHA's plan for safety and crime prevention to ensure the safety of the public housing residents. The statement must include: (i) A description of the need for measures to ensure the safety of public housing residents; (ii) A description of any crime prevention activities conducted or to be conducted by the PHA; and (iii) A description of the coordination between the PHA and the appropriate police precincts for carrying out crime prevention measures and activities.

9. **Pets.** A statement describing the PHAs policies and requirements pertaining to the ownership of pets in public housing.
10. **Civil Rights Certification.** A PHA will be considered in compliance with the Civil Rights and AFFH Certification if: it can document that it examines its programs and proposed programs to identify any impediments to fair housing choice within those programs; addresses those impediments in a reasonable fashion in view of the resources available; works with the local jurisdiction to implement any of the jurisdiction's initiatives to affirmatively further fair housing; and assures that the annual plan is consistent with any applicable Consolidated Plan for its jurisdiction.
11. **Fiscal Year Audit.** The results of the most recent fiscal year audit for the PHA.
12. **Asset Management.** A statement of how the agency will carry out its asset management functions with respect to the public housing inventory of the agency, including how the agency will plan for the long-term operating, capital investment, rehabilitation, modernization, disposition, and other needs for such inventory.
13. **Violence Against Women Act (VAWA).** A description of: **1)** Any activities, services, or programs provided or offered by an agency, either directly or in partnership with other service providers, to child or adult victims of domestic violence, dating violence, sexual assault, or stalking; **2)** Any activities, services, or programs provided or offered by a PHA that helps child and adult victims of domestic violence, dating violence, sexual assault, or stalking, to obtain or maintain housing; and **3)** Any activities, services, or programs provided or offered by a public housing agency to prevent domestic violence, dating violence, sexual assault, and stalking, or to enhance victim safety in assisted families.

7.0 Hope VI, Mixed Finance Modernization or Development, Demolition and/or Disposition, Conversion of Public Housing, Homeownership Programs, and Project-based Vouchers

- (a) **Hope VI or Mixed Finance Modernization or Development.** **1)** A description of any housing (including project number (if known) and unit count) for which the PHA will apply for HOPE VI or Mixed Finance Modernization or Development; and **2)** A timetable for the submission of applications or proposals. The application and approval process for Hope VI, Mixed Finance Modernization or Development, is a separate process. See guidance on HUD's website at: <http://www.hud.gov/offices/pih/programs/ph/hope6/index.cfm>
- (b) **Demolition and/or Disposition.** With respect to public housing projects owned by the PHA and subject to ACCs under the Act: **(1)** A description of any housing (including project number and unit numbers [or addresses]), and the number of affected units along with their sizes and accessibility features) for which the PHA will apply or is currently pending for demolition or disposition; and **(2)** A timetable for the demolition or disposition. The application and approval process for demolition and/or disposition is a separate process. See guidance on HUD's website at: http://www.hud.gov/offices/pih/centers/sac/demo_dispo/index.cfm
Note: This statement must be submitted to the extent that **approved and/or pending** demolition and/or disposition has changed.
- (c) **Conversion of Public Housing.** With respect to public housing owned by a PHA: **1)** A description of any building or buildings (including project number and unit count) that the PHA is required to convert to tenant-based assistance or that the public housing agency plans to voluntarily convert;

2) An analysis of the projects or buildings required to be converted; and **3)** A statement of the amount of assistance received under this chapter to be used for rental assistance or other housing assistance in connection with such conversion. See guidance on HUD's website at: <http://www.hud.gov/offices/pih/centers/sac/conversion.cfm>

- (d) **Homeownership.** A description of any homeownership (including project number and unit count) administered by the agency or for which the PHA has applied or will apply for approval.
- (e) **Project-based Vouchers.** If the PHA wishes to use the project-based voucher program, a statement of the projected number of project-based units and general locations and how project basing would be consistent with its PHA Plan.

8.0 Capital Improvements. This section provides information on a PHA's Capital Fund Program. With respect to public housing projects owned, assisted, or operated by the public housing agency, a plan describing the capital improvements necessary to ensure long-term physical and social viability of the projects must be completed along with the required forms. Items identified in 8.1 through 8.3, must be signed where directed and transmitted electronically along with the PHA's Annual Plan submission.

8.1 Capital Fund Program Annual Statement/Performance and Evaluation Report. PHAs must complete the *Capital Fund Program Annual Statement/Performance and Evaluation Report* (form HUD-50075.1), for each Capital Fund Program (CFP) to be undertaken with the current year's CFP funds or with CFFP proceeds. Additionally, the form shall be used for the following purposes:

- (a) To submit the initial budget for a new grant or CFFP;
- (b) To report on the Performance and Evaluation Report progress on any open grants previously funded or CFFP; and
- (c) To record a budget revision on a previously approved open grant or CFFP, e.g., additions or deletions of work items, modification of budgeted amounts that have been undertaken since the submission of the last Annual Plan. The Capital Fund Program Annual Statement/Performance and Evaluation Report must be submitted annually.

Additionally, PHAs shall complete the Performance and Evaluation Report section (see footnote 2) of the *Capital Fund Program Annual Statement/Performance and Evaluation* (form HUD-50075.1), at the following times:

1. At the end of the program year; until the program is completed or all funds are expended;
2. When revisions to the Annual Statement are made, which do not require prior HUD approval, (e.g., expenditures for emergency work, revisions resulting from the PHAs application of fungibility); and
3. Upon completion or termination of the activities funded in a specific capital fund program year.

8.2 Capital Fund Program Five-Year Action Plan

PHAs must submit the *Capital Fund Program Five-Year Action Plan* (form HUD-50075.2) for the entire PHA portfolio for the first year of participation in the CFP and annual update thereafter to eliminate the previous year and to add a new fifth year (rolling basis) so that the form always covers the present five-year period beginning with the current year.

8.3 Capital Fund Financing Program (CFFP). Separate, written HUD approval is required if the PHA proposes to pledge any portion of its CFP/RHF funds to repay debt incurred to finance capital improvements. The PHA must identify in its Annual and 5-

year capital plans the amount of the annual payments required to service the debt. The PHA must also submit an annual statement detailing the use of the CFFP proceeds. See guidance on HUD's website at:

<http://www.hud.gov/offices/pih/programs/ph/capfund/cffp.cfm>

9.0 Housing Needs. Provide a statement of the housing needs of families residing in the jurisdiction served by the PHA and the means by which the PHA intends, to the maximum extent practicable, to address those needs. **(Note: Standard and Troubled PHAs complete annually; Small and High Performers complete only for Annual Plan submitted with the 5-Year Plan).**

9.1 Strategy for Addressing Housing Needs. Provide a description of the PHA's strategy for addressing the housing needs of families in the jurisdiction and on the waiting list in the upcoming year. **(Note: Standard and Troubled PHAs complete annually; Small and High Performers complete only for Annual Plan submitted with the 5-Year Plan).**

10.0 Additional Information. Describe the following, as well as any additional information requested by HUD:

- (a) **Progress in Meeting Mission and Goals.** PHAs must include (i) a statement of the PHAs progress in meeting the mission and goals described in the 5-Year Plan; (ii) the basic criteria the PHA will use for determining a significant amendment from its 5-year Plan; and a significant amendment or modification to its 5-Year Plan and Annual Plan. **(Note: Standard and Troubled PHAs complete annually; Small and High Performers complete only for Annual Plan submitted with the 5-Year Plan).**
- (b) **Significant Amendment and Substantial Deviation/Modification.** PHA must provide the definition of "significant amendment" and "substantial deviation/modification". **(Note: Standard and Troubled PHAs complete annually; Small and High Performers complete only for Annual Plan submitted with the 5-Year Plan.)**

- (c) PHAs must include or reference any applicable memorandum of agreement with HUD or any plan to improve performance. **(Note: Standard and Troubled PHAs complete annually).**

11.0 Required Submission for HUD Field Office Review. In order to be a complete package, PHAs must submit items (a) through (g), with signature by mail or electronically with scanned signatures. Items (h) and (i) shall be submitted electronically as an attachment to the PHA Plan.

- (a) Form HUD-50077, *PHA Certifications of Compliance with the PHA Plans and Related Regulations*
- (b) Form HUD-50070, *Certification for a Drug-Free Workplace (PHAs receiving CFP grants only)*
- (c) Form HUD-50071, *Certification of Payments to Influence Federal Transactions (PHAs receiving CFP grants only)*
- (d) Form SF-LLL, *Disclosure of Lobbying Activities (PHAs receiving CFP grants only)*
- (e) Form SF-LLL-A, *Disclosure of Lobbying Activities Continuation Sheet (PHAs receiving CFP grants only)*
- (f) Resident Advisory Board (RAB) comments.
- (g) Challenged Elements. Include any element(s) of the PHA Plan that is challenged.
- (h) Form HUD-50075.1, *Capital Fund Program Annual Statement/Performance and Evaluation Report (Must be attached electronically for PHAs receiving CFP grants only)*. See instructions in 8.1.
- (i) Form HUD-50075.2, *Capital Fund Program Five-Year Action Plan (Must be attached electronically for PHAs receiving CFP grants only)*. See instructions in 8.2.

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BOARD ACTION REQUEST
COMMUNITY AFFAIRS DIVISION
JUNE 30, 2016

Presentation, Discussion, and Possible Action on an order adopting amendments to 10 TAC Chapter 5 Community Affairs Programs, Subchapter A, General Provisions, §5.2 Definitions, and directing that they be published in the *Texas Register*

RECOMMENDED ACTION

WHEREAS, at the Board meeting of April 28, 2016, the Board approved proposed amendments to 10 TAC Chapter 5 Community Affairs Programs, Subchapter A, General Provisions, §5.2 Definitions and those amendments were published for public comment in the *Texas Register* on May 13, 2016;

WHEREAS, pursuant to §2306.053 Texas Government Code, the Department is authorized to adopt rules governing the administration of the Department and its programs; and

WHEREAS, public comments were accepted from May 16, 2016, through June 15, 2016, with comments received from one organization: Texas Association of Community Action Agencies from Stella Rodriguez, Executive Director, and reasoned response has been provided to those comments;

NOW, therefore, it is hereby

RESOLVED, that the amendments to 10 TAC Chapter 5 Community Affairs Programs, Subchapter A, General Provisions, §5.2 Definitions, in the form presented to this meeting, are hereby adopted and 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 publish the adoption 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 Board approved the proposed amendments to 10 TAC Chapter 5 Community Affairs Programs, Subchapter A, General Provisions, §5.2 Definitions at the April 28, 2016 Board meeting. The rulemaking was available for public comment from May 16, 2016, through June 15, 2016, and was published in the *Texas Register* on May 13, 2016. In keeping with the requirements of the Administrative Procedures Act, staff has reviewed all comments received and has provided a reasoned response to these comments. Comment was received from one organization.

Attachment 1: Preamble and Adoption of Amendments to 10 TAC Chapter 5 Community Affairs Programs, Subchapter A, General Provisions, §5.2 Definitions

The Texas Department of Housing and Community Affairs (the “Department”) adopts the amendments to 10 TAC Chapter 5, Community Affairs Programs, Subchapter A, General Provisions, §5.2 Definitions, with changes to the proposed text as published in the May 13, 2016, issue of the *Texas Register* (41 TexReg 3400).

REASONED JUSTIFICATION. The purpose of the amendments to 10 TAC §5.2 are to state that: 1) households assisted through the Low Income Home Energy Assistance Program are categorically income eligible if they are recipients of Supplemental Security Income (“SSI”) or a means tested veterans program; 2) households assisted through the Homeless Housing and Services Program (“HHSP”) are categorically eligible for HHSP rapid re-housing or homelessness prevention if they are recipients of Supplemental Security Income (“SSI”) or a means tested veterans program; 3) that while households must be below 30% of the Emergency Solutions Grants (“ESG”) Income Limits at the time of program qualification, the person may be up to, but not exceed, 50% of the ESG limits at recertification of income twelve months after initial intake; and 4) that Income Limits will be defined by the U.S. Department of Housing and Urban Development (“HUD”) ESG Program and not HUD’s Section 8 Program.

SUMMARY OF PUBLIC COMMENT AND STAFF RECOMMENDATIONS. The Department accepted public comment from May 16, 2016, through June 15, 2016. The Department’s response to all comments received is set out below. The comments and responses include clarifications and corrections to the amendments recommended by staff. Comments and responses are presented in the order they appear in the rules with comments received from:

Stella Rodriguez, Executive Director, Texas Association of Community Action Agencies (TACAA)

10 TAC Chapter 5 Community Affairs Programs, Subchapter A, General Provisions, §5.2 Definitions, (31)(B)

COMMENT SUMMARY: Regarding §5.2(31)(B) – Commenter requested that a definition, clarification and an example of a means tested veterans program be added.

STAFF RESPONSE: Staff concurs and recommends the following definition be added to the proposed language in 10 TAC §5.2. Examples are provided below but are not recommended to be added to the rule.

(33) Means Tested Veterans Program—A program whereby applicants receive payments under Sections 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.

Examples:

38 USC 1315 (Previously 38 USC 415)—Payments for parents of a deceased veteran who died in the line of duty or whose death resulted from a service-related injury or disease.

38 USC 1521 (Previously 38 USC 521)—Payments for low-income veterans meeting specified service requirements who are permanently and totally disabled from non-service-connected disability.

38 USC 1541 (Previously 38 USC 541)—Payments for surviving spouses of veterans of a period of war who met specified service requirements or who at the time of death was receiving (or entitled to receive) compensation or retirement pay for a service-connected disability.

38 USC 1542 (Previously 38 USC 542)—Payments for children of veterans of a period of war who met specified service requirements or who at the time of death was receiving (or entitled to receive) compensation or retirement pay for a service-connected disability.

38 USC 1521 note (Section 306 of the Veterans' and Survivors' Pension Improvement Act of 1978)—Allowed individuals eligible for previous versions of 38 USC 521, 541, and 542 as of Dec. 31, 1978, to continue receiving such payments as prescribed by those sections.)

STATUTORY AUTHORITY. The amendments are adopted 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 adopted amendments affect no other code, article, or statute.

§5.2. Definitions

(a) To ensure a clear understanding of the terminology used in the context of the programs of the Community Affairs Division, a list of terms and definitions has been compiled as a reference.

(b) The words and terms in this chapter shall have the meanings described in this subsection unless the context clearly indicates otherwise.

(1) Affiliate--If, directly or indirectly, either one controls or has the power to control the other or a third person controls or has the power to control both. The ways the Department may determine control include, but are not limited to:

- (A) Interlocking management or ownership;
- (B) Identity of interests among family members;
- (C) Shared facilities and equipment;
- (D) Common use of employees; or

(E) A business entity which has been organized following the exclusion of a person which has the same or similar management, ownership, or principal employees as the excluded person.

(2) Award Date--Date on which the Department's Board commits funds to an awardee.

(3) Awarded Funds--The amount of funds committed by the Department's board to a Subrecipient or service area.

(4) Child--Household dependent not exceeding eighteen (18) years of age.

(5) Code of Federal Regulations (CFR)--The codification of the general and permanent rules and regulations of the federal government as adopted and published in the Federal Register.

(6) Collaborative Application--An application from two or more organizations to provide services to the target population.

(7) Community Action Agencies (CAAs)--Local Private Nonprofit Organizations and Public Organizations that carry out the Community Action Program, which was established by the 1964 Economic Opportunity Act to fight poverty by empowering the poor in the United States.

(8) Community Affairs Division (CAD)--The Division at the Department that administers CEAP, CSBG, ESG, HHSP, Section 8 Housing Choice Voucher Program, and WAP.

(9) Community Services Block Grant (CSBG)--An HHS-funded program which provides funding for CAAs and other Eligible Entities that seek to address poverty at the community level.

(10) Comprehensive Energy Assistance Program (CEAP)--A LIHEAP-funded program to assist low-income Households, particularly those with the lowest incomes, that pay a high proportion of Household income for home energy, primarily in meeting their immediate home energy needs.

(11) Contract--The executed written Agreement between the Department and a Subrecipient performing an Activity related to a CAD program that describes performance requirements and responsibilities assigned by the document; for which the first day of the contract period is the point at which programs funds may be considered by a Subrecipient for expenditure unless otherwise directed in writing by the Department.

(12) Contracted Funds--The amount of funds obligated by the Department to a Subrecipient as reflected in a Contract.

(13) Declaration of Income Statement (DIS)--A Department-approved form for limited use and only when an applicant cannot obtain income documentation requiring the Subrecipient to document income and the circumstances preventing the client from obtaining documentation. The DIS is not complete unless notarized in accordance with §406.014 of the Texas Government Code.

(14) Deobligation--The partial or full removal of Contracted Funds from a Subrecipient. Partial Deobligation is the removal of some portion of the full Contracted Funds from a Subrecipient, leaving some remaining balance of Contracted Funds to be administered by the Subrecipient. Full Deobligation is the removal of the full amount of Contracted Funds from a Subrecipient. This definition does not apply to CSBG.

(15) Department of Energy (DOE)--Federal department that provides funding for the weatherization assistance program.

(16) Department of Health and Human Services (HHS)--Federal department that provides funding for CSBG and LIHEAP energy assistance and weatherization.

(17) Department of Housing and Urban Development (HUD)--Federal department that provides funding for ESG.

(18) Dwelling Unit--A house, including a stationary mobile home, an apartment, a group of rooms, or a single room occupied as separate living quarters. This definition does not apply to the ESG or HHSP.

(19) Elderly Person--

(A) for CSBG, a person who is fifty-five (55) years of age or older;

(B) for CEAP, WAP and HHSP, a person who is sixty (60) years of age or older; and

(C) for ESG, a person who is sixty-two (62) years of age or older

(20) Emergency Solutions Grants (ESG)--A HUD-funded program which provides funds for services necessary to help persons that are at risk of homelessness or homeless quickly regain stability in permanent housing.

(21) Equipment--Tangible non-expendable personal property including exempt property, charged directly to the award, having a useful life of more than one year, and an acquisition cost of \$5,000 or more per unit.

(22) Expenditure--Funds having been drawn from the Department through the Contract System. For purposes of this rule, expenditure will include draws requested through the system.

(23) Families with Young Children--A family that includes a Child age five (5) or younger.

(24) High Energy Burden--Households with energy burden which exceeds 11% of annual gross income. Determined by dividing a Household's annual home energy costs by the Household's annual gross income.

(25) High Energy Consumption--Household energy expenditures exceeding the median of low-income home energy expenditures, by way of example, at the time of this rulemaking, that amount is \$1,000, but is subject to change.

(26) Homeless or Homeless Individual--An individual as defined by 42 U.S.C. §§11371 - 11378 and 24 CFR §576.2.

(27) Homeless Housing and Services Program (HHSP)--A state funded program established under §2306.2585 of the Texas Government Code with the purpose of providing funds to local programs to prevent and eliminate homelessness in municipalities with a population of 285,500 or more.

(28) Household--Any individual or group of individuals who are living together as one economic unit. For DOE WAP this includes all persons living in the Dwelling Unit. For energy programs, these persons customarily purchase residential energy in common or make undesignated payments for energy.

(29) Inverse Ratio of Population Density Factor--The number of square miles of a county divided by the number of poverty Households of that county.

(30) Local Unit of Government--City, county, council of governments, and housing authorities.

(31) Low Income--Income in relation to family size and that governs income eligibility for a program:

(A) For DOE WAP, at or below 200% of the DOE Income guidelines;

(B) For CEAP and LIHEAP WAP, at or below 150% of the HHS Poverty Income guidelines or categorically eligible because a Household member receives SSI or benefits from a means tested veterans program;

(C) For CSBG, at or below 125% of the HHS Poverty Income guidelines;

(D) For ESG, below 30% of the Median Family Income (MFI) as defined by HUD's 30% Income Limits for All Areas for persons receiving prevention assistance or as amended by HUD;

(E) For HHSP, there is no procedural requirement to verify income for persons living on the street (or other places not fit for human habitation), living in emergency shelter, or receiving rapid re-housing. For all other persons, below 30% of the MFI as defined by HUD for the ESG Program, although persons may be up to, but not exceed, 50% of ESG income limits, at recertification for rapid re-housing or homelessness prevention. Households in which any member is a recipient of SSI or a means tested veterans program are categorically income eligible.

(32) Low Income Home Energy Assistance Program (LIHEAP)--An HHS-funded program which serves low income Households who seek assistance for their home energy bills and/or weatherization services.

(33) Means Tested Veterans Program—A program whereby applicants receive payments under Sections 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.

~~(3334)~~ Migrant Farm Worker--An individual or family that is employed in agricultural labor or related industry and is required to be absent overnight from their permanent place of residence.

~~(3435)~~ Modified Cost Reimbursement--A contract sanction whereby reimbursement of costs incurred by the Subrecipient is made only after the Department has reviewed and approved backup documentation provided by the Subrecipient to support such costs.

~~(3536)~~ Office of Management and Budget (OMB)--Office within the Executive Office of the President of the United States that oversees the performance of federal agencies and administers the federal budget.

~~(3637)~~ OMB Circulars--Instructions and information issued by OMB to Federal agencies that set forth principles and standards for determining costs for federal awards and establish consistency in the management of grants for federal funds. Uniform cost principles and administrative requirements for local governments and for nonprofit organizations, as well as audit standards for governmental organizations and other organizations expending federal funds are set forth in 2 CFR Part 200, unless different provisions are required by statute or approved by OMB.

~~(3738)~~ Outreach--The method that attempts to identify clients who are in need of services, alerts these clients to service provisions and benefits, and helps them use the services that are available. Outreach is utilized to locate, contact and engage potential clients.

~~(3839)~~ Performance Statement--A document which identifies the services to be provided by a

Subrecipient.

~~(3940)~~ Persons with Disabilities--Any individual who is:

(A) a handicapped individual as defined in §7(9) of the Rehabilitation Act of 1973;

(B) under a disability as defined in §1614(a)(3)(A) or §223(d)(1) of the Social Security Act or in §102(7) of the Developmental Disabilities Services and Facilities Construction Act; or

(C) receiving benefits under 38 U.S.C. Chapter 11 or 15.

~~(4041)~~ Population Density--The number of persons residing within a given geographic area of the state.

~~(4442)~~ Poverty Income Guidelines--The official poverty income guidelines as issued by HHS annually.

~~(4243)~~ Private Nonprofit Organization--An organization described in §501(c) of the Internal Revenue Code (the "Code") of 1986 and which is exempt from taxation under subtitle A of the Code, has an accounting system and a voluntary board, and practices nondiscrimination in the provision of assistance. For ESG, this does not include a governmental organization such as a public housing authority or a housing finance agency.

~~(4344)~~ Production Schedule--A Production schedule signed by the applicable Executive Director/Chief Executive Officer of the Subrecipient, and approved by the Department meeting the requirements of this definition. The Production Schedule shall include the estimated monthly and quarterly performance targets and the estimated monthly and quarterly expenditure targets for all Contracted Funds reflecting achievement of the criteria identified in the specific program sections of this chapter by the end of the contract period.

~~(4445)~~ Public Organization--A unit of government, as established by the Legislature of the State of Texas. Includes, but may not be limited to, cities, counties, and councils of governments.

~~(4546)~~ Referral--The process of providing information to a client Household about an agency, program, or professional person that can provide the service(s) needed by the client.

~~(4647)~~ Reobligation--The reallocation of deobligated funds to other Subrecipients administering those same program's funds.

~~(4748)~~ Seasonal Farm Worker--An individual or family that is employed in seasonal or temporary agricultural labor or related industry and is not required to be absent overnight from their permanent place of residence. In addition, at least 20% of the Household annualized income must be derived from the agricultural labor or related industry.

~~(4849)~~ Single Audit--As defined in the Single Audit Act of 1984 (as amended) or UGMS, a series of audits that cover departments, agencies, and other organizational units which expended or otherwise administered federal or state awards during such fiscal year provided that each such audit shall encompass the financial statements and schedule of expenditures of federal or state awards for each such department, agency, and organizational unit.

~~(4950)~~ State--The State of Texas or the Department, as indicated by context.

~~(5051)~~ Subcontractor--A person or an organization with whom the Subrecipient contracts with to provide services.

~~(5152)~~ Subgrant--An award of financial assistance in the form of money, or property in lieu of money, made under a grant by a Subrecipient to an eligible Subgrantee. The term includes financial assistance when provided by contractual legal agreement, but does not include procurement purchases.

~~(5253)~~ Subgrantee--The legal entity to which a subgrant is awarded and which is accountable to the Subrecipient for the use of the funds provided.

~~(5354)~~ Subrecipient--Generally, an organization with whom the Department contracts and provides CSBG, CEAP, ESG, HHSP, DOE WAP, or LIHEAP funds. (Refer to Subchapters B, D - G, J, and K of this chapter for program specific definitions.)

(~~54~~55) Supplies--All tangible personal property excluding equipment, intangible property, and debt instruments, and inventions of a contractor conceived or first actually reduced to practice in the performance of work under a funding agreement (subject inventions), as defined in 37 CFR Part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts, and Cooperative Agreements." A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the Subrecipient for financial statement purposes or \$5,000, regardless of the length of its useful life.

(~~55~~56) System for Award Management (SAM)--Combined federal database that includes the Excluded Parties List System (EPLS).

(~~56~~57) Supplemental Security Income ("SSI") – a means tested program run by the Social Security Administration.

(~~57~~58) Systematic Alien Verification for Entitlements (SAVE)--Automated intergovernmental database that allows authorized users to verify the immigration status of applicants.

(~~58~~59) Texas Administrative Code (TAC)--A compilation of all state agency rules in Texas.

(~~59~~60) Treatment as a State or Local Agency--For purposes of 5 U.S.C. Chapter 15, any entity that assumes responsibility for planning, developing, and coordinating activities under the CSBG Act and receives assistance under CSBG Act shall be deemed to be a state or local agency.

(~~60~~61) Uniform Grant Management Standards (UGMS)--Established to promote the efficient use of public funds by providing awarding agencies and grantees a standardized set of financial management procedures and definitions, by requiring consistency among grantor agencies in their dealings with grantees, and by ensuring accountability for the expenditure of public funds. State agencies are required to adhere to these standards when administering grants and other financial assistance agreements with cities, counties and other political subdivisions of the state. In addition, Chapter 2105, Texas Government Code, subjects subrecipients of federal block grants (as defined therein) to the Uniform Grant and Contract Management Standards.

(~~61~~62) Unit of General Local Government--A unit of government which has, among other responsibilities, the authority to assess and collect local taxes and to provide general governmental services.

(~~62~~63) United States Code (U.S.C.)--A consolidation and codification by subject matter of the general and permanent laws of the United States.

(~~63~~64) Vendor Agreement--An agreement between the Subrecipient and energy vendors that contains assurance as to fair billing practices, delivery procedures, and pricing for business transactions involving ESG and LIHEAP beneficiaries.

(~~64~~65) Weatherization Assistance Program (WAP)--DOE and LIHEAP funded program designed to reduce the energy cost burden of low income households through the installation of energy efficient weatherization materials and education in energy use.

11

BOARD ACTION REQUEST
COMMUNITY AFFAIRS DIVISION
JUNE 30, 2016

Presentation, Discussion, and Possible Action on an order adopting amendments to 10 TAC Chapter 5 Community Affairs Programs, Subchapter A, General Provisions, §5.19 Income Eligibility, and directing that they be published in the *Texas Register*

RECOMMENDED ACTION

WHEREAS, at the Board meeting of April 28, 2016, the Board approved proposed amendments to 10 TAC Chapter 5 Community Affairs Programs, Subchapter A, General Provisions, §5.19 Income Eligibility and those amendments were published for public comment in the *Texas Register* on May 13, 2016;

WHEREAS, pursuant to §2306.053 Texas Government Code, the Department is authorized to adopt rules governing the administration of the Department and its programs; and

WHEREAS, public comments were accepted from May 16, 2016, through June 15, 2016, with comments received from one party: Stella Rodriguez, Executive Director of the Texas Association of Community Action Agencies, and a reasoned response has been provided to those comments;

NOW, therefore, it is hereby

RESOLVED, the amendments to 10 TAC Chapter 5 Community Affairs Programs, Subchapter A, General Provisions, §5.19 Income Eligibility, in the form presented to this meeting, are hereby adopted and 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 publish the adoption 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 Board approved the proposed amendments to 10 TAC Chapter 5 Community Affairs Programs, Subchapter A, General Provisions, §5.19 Income Eligibility at the Board meeting of April 28, 2016. The rulemaking was available for public comment from May 16, 2016, through June 15, 2016, and was published in the *Texas Register* on May 13, 2016. In keeping with the requirements of the Administrative Procedures Act, staff has reviewed all comments received and has provided a reasoned response to these comments. Comment was received from one organization.

Attachment A: Preamble and Adoption of Amendments to 10 TAC Chapter 5 Community Affairs Programs, Subchapter A, General Provisions, §5.19 Income Eligibility

The Texas Department of Housing and Community Affairs (the “Department”) adopts the amendments to 10 TAC Chapter 5, Community Affairs Programs, Subchapter A, General Provisions, §5.19 Income Eligibility without changes to the proposed text as published in the May 13, 2016, issue of the *Texas Register* (41 Tex Reg 3400) and will not be republished.

REASONED JUSTIFICATION. The purpose of the amendments to 10 TAC §5.19 is to ensure that the rules are consistent with newly released federal changes and to state that: 1) income eligibility must be done at least every 12 months (unless a more frequent period is required by federal regulation); 2) that income must be re-certified after a period of twelve months (which is a new requirement for the HHSP); and 3) that the method of calculation for income for HHSP must match the Emergency Solutions Grants (“ESG”) method.

SUMMARY OF PUBLIC COMMENT AND STAFF RECOMMENDATIONS. The Department accepted public comment from May 16, 2016, through June 15, 2016. The Department’s response to all comments received is set out below. The comments and responses include clarifications and corrections to the amendments recommended by staff. Comments and responses are presented in the order they appear in the rules with comments received from:

Stella Rodriguez, Executive Director, Texas Association of Community Action Agencies (“TACAA”)

10 TAC Chapter 5 Community Affairs Programs, Subchapter A, General Provisions, §5.19 Income Eligibility, §5.19(b)(2), Recommendation #1

COMMENT SUMMARY: Regarding §5.19(b)(2) – Commenter recommends “Excluded Income” be renamed to “Countable Income” and to list a finite number of types of income. The commenter believes it would make more sense to list a finite number of types of income which could be counted as income rather than an infinite number of types of income that could be excluded. The commenter suggests the “countable” list could be derived from the LIHEAP state plan or the Internal Revenue Service.

STAFF RESPONSE: Staff appreciates the input. The Department had previously structured the rule as the commenter proposed, but by limiting the income types that could be included, eligible possible household sources of income were inadvertently excluded by their not being on the list. Having a finite list, as reflected in the rule, of only those items that cannot be counted, allows subrecipients to know that if an item is not on the list, it must be included. Staff recommends no changes based on this comment.

10 TAC Chapter 5 Community Affairs Programs, Subchapter A, General Provisions, §5.19 Income Eligibility, §5.19(b)(2), Recommendation #2

COMMENT SUMMARY: Regarding §5.19(b)(2) – Commenter recommends that if “Excluded Income” is not renamed to “Countable Income” as in Recommendation #1 above, then “SSI and benefits from a means tested veterans program” be added to the list of “Excluded Income” to keep §5.19 Income Eligibility consistent with §5.2 Definitions(31)(B).

STAFF RESPONSE: SSI and benefits received from a means tested veterans program make the household categorically eligible for the CEAP and LIHEAP WAP program. If the household receives income from SSI or from a means tested veterans program, the Subrecipient must include the income when determining the household poverty level, benefit level, energy burden and energy consumption as part of the normal intake process. The incomes are not excluded incomes as suggested by the Commenter. Staff recommends no changes based on this comment.

10 TAC Chapter 5 Community Affairs Programs, Subchapter A, General Provisions, §5.19 Income Eligibility, §5.19(c)(4)

COMMENT SUMMARY: Regarding §5.19(c)(4) – The commenter seeks clarification on who is to decide how long a person is expected to work and on what documentation is required for this item for monitoring purposes.

STAFF RESPONSE: The answer to the questions are: 1) that only the client is able to provide the anticipated number of hours or weeks they expect to work; and 2) that a written statement signed by the client is required for monitoring purposes. Staff recommends no changes to the rule based on these questions.

10 TAC Chapter 5 Community Affairs Programs, Subchapter A, General Provisions, §5.19 Income Eligibility, §5.19(c)(5)

COMMENT SUMMARY: Regarding §5.19(c)(5) – The commenter seeks clarification asking “Which HHS or DOE program requires a more frequent period?” because the commenter is unclear about how often and at what period a client is required to submit a new application and income certify.

STAFF RESPONSE: No HHS or DOE program requires a more frequent period. Staff recommends no changes to the rule based on this question, but will consider clarifying this requirement in a future rulemaking.

STATUTORY AUTHORITY. The amendments are adopted 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 adopted amendments affect no other code, article, or statute.

§5.19. Income Eligibility

(a) These changes are effective for HHSP funds received by Subrecipients on or after September 1, 2016.

(b) For HHS and DOE funded programs, eligibility for program assistance is determined under the Poverty Income Guidelines and calculated as described herein. Income means cash receipts earned and/or received by the applicant before taxes during applicable tax year(s) but not the Excluded Income listed in paragraph (2) of this subsection. Gross income is to be used, not net income.

(1) If an income source is not excluded below, it must be included when determining income eligibility.

(2) Excluded Income:

(A) Capital gains;

(B) Any assets drawn down as withdrawals from a bank;

(C) Balance of funds in a checking or savings account;

(D) Any amounts in an "individual development account" as provided by the Assets for Independence Act, as amended in 2002 (Pub. L. 107-110, 42 U.S.C. 604(h)(4));

(E) The sale of property, a house, or a car;

(F) One-time payments from a welfare agency to a family or person who is in temporary financial difficulty;

(G) Tax refunds, Earned Income Tax Credit refunds;

(H) Jury duty compensation;

(I) Gifts, loans, and lump-sum inheritances;

(J) One-time insurance payments, or compensation for injury;

(K) Non-cash benefits, such as the employer-paid or union-paid portion of health insurance or other employee fringe benefits;

(L) Reimbursements (for mileage, gas, lodging, meals, etc.);

(M) Employee fringe benefits such as food or housing received in lieu of wages;

(N) The value of food and fuel produced and consumed on farms;

(O) The imputed value of rent from owner-occupied non-farm or farm housing;

(P) Federal non-cash benefit programs as Medicare, Medicaid, SNAP, WIC, and school lunches, and housing assistance (Medicare deduction from Social Security Administration benefits should not be counted as income);

(Q) Combat zone pay to the military;

(R) Veterans (VA) Disability Payments;

(S) College scholarships, Pell and other grant sources, assistantships, fellowships and work study, VA Education Benefits (GI Bill), Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu);

(T) Child support payments (amount paid by payor may not be deducted from income);

(U) Income of Household members under eighteen (18) years of age;

(V) Stipends from senior companion programs, such as Retired Senior Volunteer Program and Foster Grandparents Program;

(W) AmeriCorps Program payments, allowances, earnings, and in-kind aid;

(X) Depreciation for farm or business assets;

(Y) Reverse mortgages;

(Z) Payments for care of Foster Children;

(AA) Payments or allowances made under the Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f));

(BB) Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act (42 U.S.C. 10602(c));

(CC) Major disaster and emergency assistance received by individuals and families under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (93, as amended) and comparable disaster assistance provided by States, local governments, and disaster assistance organizations (42 U.S.C. 5155(d));

(DD) Allowances, earnings, and payments to individuals participating in programs under the Workforce Investment Act of 1998 (29 U.S.C. 2931(a)(2));

(EE) Payments received from programs funded under Title V of the Older Americans Act of 1965 (42 U.S.C. 3056(g));

(FF) The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858(q));

(GG) Certain payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(c));

(HH) Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459(e));

(II) Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (94, §6);

(JJ) The first \$2,000 of per capita shares received from judgment funds awarded by the National Indian Gaming Commission or the U.S. Claims Court, the interests of individual Indians in trust or restricted lands, and the first \$2000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands (25 U.S.C. 1407-1408). This exclusion does not include proceeds of gaming operations regulated by the Commission;

(KK) Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund (101) or any other fund established pursuant to the settlement in *In Re Agent Orange Liability Litigation*, M.D.L. No. 381 (E.D.N.Y.);

(LL) Payments received under the Maine Indian Claims Settlement Act of 1980 (96, 25 U.S.C. 1728);

(MM) Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation (95);

(NN) Any allowance paid under the provisions of 38 U.S.C. 1833(c) to children of Vietnam veterans born with spina bifida (38 U.S.C. 1802-05), children of women Vietnam veterans born with certain birth defects (38 U.S.C. 1811-16), and children of certain Korean service veterans born with spina bifida (38 U.S.C. 1821);

(OO) Payments, funds, or distributions authorized, established, or directed by the Seneca Nation Settlement Act of 1990 (25 U.S.C. 1774f(b));

(PP) Payments from any deferred U.S. Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts (42 U.S.C. §1437a(b)(4));

(QQ) A lump sum or a periodic payment received by an individual Indian pursuant to the Class Action Settlement Agreement in the case entitled *Elouise Cobell et al. v. Ken Salazar et al.*, 816 F.Supp.2d 10 (Oct. 5, 2011 D.D.C.), for a period of one year from the time of receipt of that payment as provided in the Claims Resolution Act of 2010 (Pub. L. 111-291);

(RR) Per capita payments made from the proceeds of Indian Tribal Trust Cases as described in PIH Notice 2013-30 "Exclusion from Income of Payments under Recent Tribal Trust Settlements" (25 U.S.C. 117b(a)); and

(SS) Any other income required to be excluded by the federal or state funding program.

(c) For HHS and DOE funded programs, the requirements for determining whether an applicant Household is eligible for assistance require the Subrecipient to annualize the Household income based on verifiable documentation of income.

(1) The Subrecipient must calculate projected annual income by annualizing current income. Income that may not last for a full 12 months (e.g., unemployment compensation) should be calculated assuming current circumstances will last a full 12 months.

(2) Subrecipient must collect verifiable documentation of Household income received in the thirty (30) days prior to the date of application.

(3) Once all sources of income are known, Subrecipient must convert reported income to an annual figure. Convert periodic wages to annual income by multiplying:

(A) Hourly wages by the number of hours worked per year (2,080 hours for full-time employment with a 40-hour week and no overtime);

(B) Weekly wages by 52;

(C) Bi-weekly wages (paid every other week) by 26;

(D) Semi-monthly wages (paid twice each month) by 24; and

(E) Monthly wages by 12.

(4) To annualize other than full-time income, multiply the wages by the actual number of hours or weeks the person is expected to work.

(5) Except where a more frequent period is required by federal regulation, re-certification of income eligibility must occur at least every twelve months.

(d) For ESG and HHSP, Subrecipients must use the income determination method outlined in 24 CFR 5.609, must use the list of income included in HUD Handbook 4350, and must exclude from income those items listed in HUD's Updated List of Federally Mandated Exclusions from Income, as may be amended from time to time.

(e) If a federal or state requirement provides an updated definition of income or method for calculating income, the Department will provide written notice to Subrecipients about the implementation date for the new requirements.

(f) If proof of income is unobtainable, the applicant must complete and sign a Declaration of Income Statement (DIS). In order to use the DIS form, each Subrecipient shall develop and implement a written policy and procedure on the use of the DIS form. In developing the policy and procedure, Subrecipients shall limit the use of the DIS form to cases where there are serious extenuating circumstances that justify the use of the form. Such circumstances might include, but are not limited to, crisis situations such as a natural disaster which prevents the applicant from obtaining income documentation, an applicant that flees a home due to physical abuse, or an applicant who is unable to locate income documentation of a recently deceased Household member. To ensure limited use, the Department will review the written policy and its use, as well as client-provided descriptions of the circumstances requiring use of the form, during on-site monitoring visits.

(g) The DIS must be notarized. Attainment of notary public commission is an allowable activity as an administrative cost.

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BOARD ACTION REQUEST
COMMUNITY AFFAIRS DIVISION
JUNE 30, 2016

Presentation, Discussion, and Possible Action on an order adopting amendments to 10 TAC Chapter 20 Single Family Programs Umbrella Rule, §20.15 Compliance and Monitoring, and 10 TAC Chapter 5, Community Affairs Programs, Subchapter L, Compliance and Monitoring, §5.2101 Purpose and Overview, and directing that they be published in the *Texas Register*

RECOMMENDED ACTION

WHEREAS, at the Board meeting of April 28, 2016, the Board approved proposed amendments to 10 TAC Chapter 20, Single Family Programs Umbrella Rule, §20.15 Compliance and Monitoring, and 10 TAC Chapter 5, Community Affairs Programs, Subchapter L, Compliance and Monitoring, §5.2101 Purpose and Overview;

WHEREAS, pursuant to Section 2306.053 of the Texas Government Code, the Department is authorized to adopt rules governing the administration of the Department and its programs;

WHEREAS, the Compliance Committee was created in the Single Family Programs Umbrella Rule and Community Affairs Rules to provide an avenue through which an Administrator or Subrecipient could pursue review of compliance findings for which they were in disagreement; and

WHEREAS, the Department finds that when Administrators or Subrecipients are meeting with the Compliance Committee they are generally not addressing whether rules have been properly interpreted and applied, but are seeking leniency in what has been a proper application of the rules, and the Committee is therefore not filling its intended purpose, and staff is now proposing amendments to the rules to remove the reference and description of the Compliance Committee;

WHEREAS, the public comment period has ended and staff received no comment.

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 20 Single Family Programs Umbrella Rules, §20.15 Compliance and Monitoring, and 10 TAC Chapter 5, Community Affairs Programs, Subchapter L, Compliance and Monitoring, §5.2101 Purpose and Overview, in the form presented to this meeting, to be published in the *Texas Register* and in connection therewith make such non-substantive technical corrections as they may deem necessary to effectuate the foregoing.

BACKGROUND

The Board approved the proposed amendments to 10 TAC Chapter 20 Single Family Programs Umbrella Rule, §20.15 Compliance and Monitoring, and 10 TAC Chapter 5, Community Affairs Programs, Subchapter L, Compliance and Monitoring, §5.2101 Purpose and Overview at the Board meeting of April 28, 2016. The rulemaking was available for public comment from May 16, 2016, through June 15, 2016. In keeping with the requirements of the Administrative Procedures Act, staff was available to review all comments received and provide a reasoned response to these comments; however, no comment was received.

Attachment 1: Preamble and Adopted Amendment to 10 TAC Chapter 20 Single Family Programs Umbrella Rule, §20.15 Compliance and Monitoring

The Texas Department of Housing and Community Affairs (the “Department”) adopts an amendment to 10 TAC Chapter 20, Single Family Programs Umbrella Rule, §20.15 Compliance and Monitoring without changes to the proposed text as published in the May 13, 2016, issue of the *Texas Register* (41 TexReg 3400) and will not be republished.

REASONED JUSTIFICATION. The purpose of the amendment to 10 TAC §20.15 is to remove the reference to the Compliance Committee. The rule will alternatively indicate that when an Administrator, Subrecipient, Developer, etc. has concerns with a compliance finding, they may pursue an appeal with the Executive Director consistent with the process used in 10 TAC Chapter 1 for most other areas of the Department.

SUMMARY OF PUBLIC COMMENT AND STAFF RECOMMENDATIONS. The public comment period was held May 16, 2016, through June 15, 2016. No comment was received during this period.

STATUTORY AUTHORITY. The amendment is adopted 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 adopted amendment affects no other code, article, or statute.

§20.15. Compliance and Monitoring

(a) The Department will perform monitoring of single family Program Contracts and Activities in order to ensure that applicable requirements of federal laws and regulations, and state laws and rules have been met, and to provide Administrators with clear communication regarding the condition and operation of their Contracts and Activities so they understand clearly, with a documented record, how they are performing in meeting their obligations.

(1) The physical condition of assisted properties and Administrator's documented compliance with contractual and program requirements may be subject to monitoring.

(2) The Department may contract with an independent third party to monitor an Activity for compliance with any conditions imposed by the Department in connection with the award of any Department funds, and appropriate state and federal laws.

(b) If an Administrator has Contracts for more than one single family Program, or other programs through the Department or the State, the Department may, at its discretion, coordinate monitoring of those programs with monitoring of single family Contracts under this chapter.

(c) In general, Administrators will be scheduled for monitoring based on federal or state monitoring requirements, or a risk assessment process including but not limited to: the number of Contracts administered by the Administrator, the amount of funds awarded and expended, the length of time since the last monitoring, findings identified during previous monitoring, issues identified through the submission or lack of submission of a single audit, complaints, and reports of fraud, waste and/or abuse. The risk assessment will also be used to determine which Administrators will have an onsite review and which may have a desk review.

(d) The Department will provide an Administrator with written notice of any upcoming onsite or desk monitoring review, and such notice will be given to the Administrator by email to the Administrator's chief executive officer at the email address most recently provided to the

Department by the Administrator. In general, a thirty (30) day notice will be provided. However, if a credible complaint of fraud or other egregious noncompliance is received the Department reserves the right to conduct unannounced monitoring visits, or provide a shorter notice period. It is the responsibility of the Administrator to maintain current contact information with the Department for the organization, key staff members, and governing body.

(e) Upon request, Administrators must make available to the Department all books and records that the Department determines are reasonably relevant to the scope of the Department's review, along with access to assisted properties.

(f) Post Monitoring Procedures. After the review, a written monitoring report will be prepared for the Administrator describing the monitoring assessment and any corrective actions, if applicable. The monitoring report will be emailed to the Administrator. Issues of concern over which there is uncertainty or ambiguity may be discussed by the Department with the staff of cognizant agencies overseeing federal funding.

(g) Administrator Response. If there are any findings of noncompliance requiring corrective action, the Administrator will be provided a thirty (30) day corrective action period, which may be extended for good cause. In order to receive an extension, the Administrator must submit a written request to the Chief of Compliance within the corrective action period, stating the basis for good cause that the Administrator believes justifies the extension. In general, the Department will approve or deny the extension request within three (3) business days. Failure to timely respond to a corrective action notice and/or failure to correct all findings will be taken into consideration if the Administrator applies for additional funding and may result in suspension of the Contract, referral for administrative penalties, or other action under this Title.

(h) Monitoring Close Out. After the end of the corrective action period, a close out letter will be issued to the Administrator. If the Administrator supplies evidence establishing continual compliance that negates the finding of noncompliance, the issue of noncompliance will be rescinded. If the Administrator's response satisfies all findings and concerns noted in the monitoring letter, the issue of noncompliance will be noted as resolved. In some circumstances, the Administrator may be unable to secure documentation to resolve a finding. In those instances, if there are mitigating circumstances, the Department may note the finding is not resolved but may close the issue with no further action required. If the Administrator's response does not correct all findings noted, the close out letter will identify the documentation that must be submitted to correct the issue. Results of monitoring findings may be reported to the Executive Awards and Review Advisory Committee for consideration relating to previous participation.

(i) Options for Review. If, following the submission of corrective action documentation, Compliance staff continues to find the Administrator in noncompliance, and the Administrator disagrees, the Administrator may request or initiate review of the matter using the following options, where applicable:

(1) If the issue is related to a program requirement or prohibition Administrators may contact an applicable federal program officer for guidance or request that the Department contact applicable federal program officer for guidance without identifying the Administrator.

(2) If the issue is related to application of a provision of the Contract or a requirement of the Texas Administrative Code, or the application of a provision of an OMB Circular, the Administrator may submit an appeal to the Executive Director consistent with §1.7, Staff Appeals Process, in Chapter 1 of this Title.

(3) Administrators may request Alternative Dispute Resolution (ADR). An Administrator may send a proposal to the Department's Dispute Resolution Coordinator to initiate ADR pursuant to §1.17 of this title.

(j) If Administrators do not respond to a monitoring letter or fail to provide acceptable evidence of timely compliance after notification of an issue, the matter will be reported to the Department's

Enforcement Committee for consideration of administrative penalties, full or partial cost reimbursement, or suspension.

(k) Administrators must provide timely response to corrective action requirements imposed by other agencies. Administrator records may be reviewed during the course of monitoring or audit of the Department by HUD, the Office of the Inspector General, the State Auditor's Office or others. If a finding or concern is identified during the course of a monitoring or audit by another agency, the Administrator is required to provide timely action and response within the conditions imposed by that agency's notice.

Attachment 2: Preamble and Adopted Amendment to 10 TAC Chapter 5, Community Affairs Programs, Subchapter L, Compliance and Monitoring, §5.2101 Purpose and Overview

The Texas Department of Housing and Community Affairs (the "Department") proposes an amendment to 10 TAC Chapter 5, Community Affairs Programs, Subchapter L, Compliance and Monitoring, §5.2101 Purpose and Overview without changes to the proposed text as published in the May 13, 2016, issue of the *Texas Register* (41 TexReg 3400).

REASONED JUSTIFICATION. The purpose of the amendment to 10 TAC §5.2101 is to remove the reference to the Compliance Committee. The rule will alternatively indicate that when an Administrator, Subrecipient, Developer, etc. has concerns with a compliance finding, they may pursue an appeal with the Executive Director consistent with the process used in 10 TAC Chapter 1 for most other areas of the Department.

SUMMARY OF PUBLIC COMMENT AND STAFF RECOMMENDATIONS. The public comment period was held May 16, 2016, through June 15, 2016. No comment was received during this period.

STATUTORY AUTHORITY. The amendment is adopted 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 adopted amendment affects no other code, article, or statute.

§5.2101, Purpose and Overview

(a) This subchapter provides the procedures that will be followed for monitoring for compliance with the community affairs programs administered by the Texas Department of Housing and Community Affairs (the "Department"). As of the date of the adoption of this subchapter, those programs include the Community Services Block Grant program (CSBG), the Low Income Home Energy Assistance Program (LIHEAP) (including the two (2) programs utilizing this funding source: the LIHEAP Weatherization Assistance Program (LIHEAP WAP) and the Comprehensive Energy Assistance Program (CEAP)), the Department of Energy Weatherization Assistance Program (DOE WAP), the Emergency Solutions Grant (ESG), and the Homeless Housing and Services Program (HHSP).

(b) Any entity administering any or all of the programs enumerated in subsection (a) of this section is a Subrecipient. A Subrecipient may also administer other programs, including programs administered by other state or federal agencies and privately funded programs. If the Subrecipient has contracts for other programs through the Department, including but not limited to the HOME Partnerships Program, the Neighborhood Stabilization Program, or the Housing Trust Fund, the Department may, but is not required to and does not commit to, coordinate monitoring of those programs with monitoring of community affairs programs under this subchapter.

(c) Frequency of reviews, information collection. In general, Subrecipients will be scheduled for monitoring based on federal monitoring requirements and/or a risk assessment. Factors to be included in the risk assessment include but are not limited to: the number of contracts administered by the Subrecipient, the amount of funds awarded and expended, the length of time since the last monitoring, findings identified during previous monitoring, issues identified through the submission or lack of submission of a single audit, complaints, and reports of fraud, waste and/or abuse. The

risk assessment will also be used to determine which Subrecipients will have an onsite review and which may have a desk review.

(d) The Department will provide a Subrecipient with written notice of any upcoming onsite or desk monitoring review, and such notice will be given to the Subrecipient by email to the Subrecipient's chief executive officer at the email address most recently provided to the Department by the Subrecipient. In general, a thirty (30) day notice will be provided. However, if a credible complaint of fraud or other egregious noncompliance is received the Department reserves the right to conduct unannounced monitoring visits. It is the responsibility of the Subrecipient to provide to the Department the current contact information for the organization and the Board in accordance with §5.21 of this chapter (relating to Subrecipient Contact Information) and §1.22 of this title (relating to Providing Contact Information to the Department).

(e) Upon request, Subrecipients must make available to the Department all books and records that the Department determines are reasonably relevant to the scope of the Department's review. Typically, these records may include:

(1) Minutes of the governing board and any committees thereof, together with all supporting materials;

(2) Copies of all internal operating procedures or other documents governing the Subrecipient's operations;

(3) Procurement documentation;

(4) The Subrecipient's Board approved operating budget;

(5) The Subrecipient's strategic plan or comparable document if applicable;

(6) Correspondence to or from any independent auditor;

(7) Contracts with any third party Subrecipients of goods or services and files documenting compliance with any applicable procurement and property disposition requirements;

(8) All general ledgers and other records of financial operations (including copies of checks and other supporting documents);

(9) Applicable client files with all required documentation;

(10) Applicable human resources records;

(11) Monitoring reports from other funding entities;

(12) Client files regarding complaints, appeals and termination of services; and

(13) Documentation to substantiate compliance with any other applicable state or federal requirements including, but not limited to, the Davis-Bacon Act, United States Department of Housing and Urban Development (HUD) requirements for environmental clearance, Lead Based Paint, the Personal Responsibility and Work Opportunity Act, HUD limited English proficiency requirements, requirements imposed by Section 3 of the Housing and Urban Development Act of 1968.

(f) Post Monitoring Procedures. After the monitoring review is completed, the Subrecipient will be briefed on the initial findings and/or observations through an exit briefing, which may be in person or through a conference call. The Subrecipient will be notified via conference call or email of any finding(s) and/or observation(s) not discussed during the exit briefing. In general, within thirty (30) days of the last day of the monitoring visit, a written monitoring report will be prepared for the Subrecipient describing the monitoring assessment and any corrective actions, if applicable. The monitoring report will be emailed and sent through the U.S. Postal Service to the Board Chair and the Subrecipient's Executive Director. Issues of concern over which there is uncertainty or ambiguity may be discussed by the Department with the staff of cognizant agencies overseeing federal funding.

(g) Subrecipient Response. If there are any findings of noncompliance requiring corrective action, the Subrecipient will be provided thirty (30) days, from the date of the email, to respond which may be extended for good cause. In order to receive an extension, the Subrecipient must submit a written

request to the Chief of Compliance within the corrective action period, stating the basis for good cause that the Subrecipient believes justifies the extension. The Department will approve or deny the extension request within three (3) business days.

(h) Monitoring Close Out. Within forty-five (45) days after the end of the corrective action period, a close out letter will be issued to the Subrecipient. If the Subrecipient supplies evidence establishing continual compliance that negates the finding of noncompliance, the issue of noncompliance will be rescinded. If the Subrecipient's response satisfies all findings and concerns noted in the monitoring letter, the issue of noncompliance will be noted as resolved. In some circumstances, the Subrecipient may be unable to secure documentation to resolve a finding. In those instances, if there are mitigating circumstances, the Department may note the finding is not resolved but close the issue with no further action required. If the Subrecipient's response does not correct all findings noted, the close out letter will identify the documentation that must be submitted to correct the issue.

(i) Options for Review. If, following the submission of corrective action documentation, Compliance staff continues to find the Subrecipient in noncompliance, and the Subrecipient disagrees, the Subrecipient may request or initiate review of the matter using the following options, where applicable:

(1) If the issue is related to a program requirement or prohibition Subrecipients may contact the applicable federal program officer for guidance or request that the Department contact applicable federal program officer for guidance without identifying the Subrecipient.

(2) If the issue is related to application of a provision of the contract or a requirement of the Texas Administrative Code, or the application of a provision of an OMB Circular, the Subrecipient may submit an appeal to the Executive Director consistent with §1.7, Staff Appeals Process, in Chapter 1 of this Title.

(3) Subrecipients may request Alternative Dispute Resolution (ADR). A Subrecipient may send a proposal to the Department's Dispute Resolution Coordinator to initiate ADR pursuant to §1.17 of this title.

(j) If Subrecipients do not respond to a monitoring letter or fail to provide acceptable evidence of compliance within six (6) months of notification of an issue, the matter will be reported to the Department's Enforcement Committee for consideration of administrative penalties, review for a third party review, full or partial cost reimbursement, or contract suspension.

2a

BOARD REPORT ITEM

TEXAS HOMEOWNERSHIP DIVISION

JUNE 30, 2016

Quarterly Report on Texas Homeownership Division Activity

Background

The Texas Homeownership Division is primarily responsible for the creation, oversight and administration of the Department's non-federal homeownership programs, which are designed to assist low-to-moderate income first time homebuyers. The program does this through both bond proceeds, as well as through a To Be Announced ("TBA") program in which funds are generated through private investors.

The Department currently offers homeownership options through the following programs:

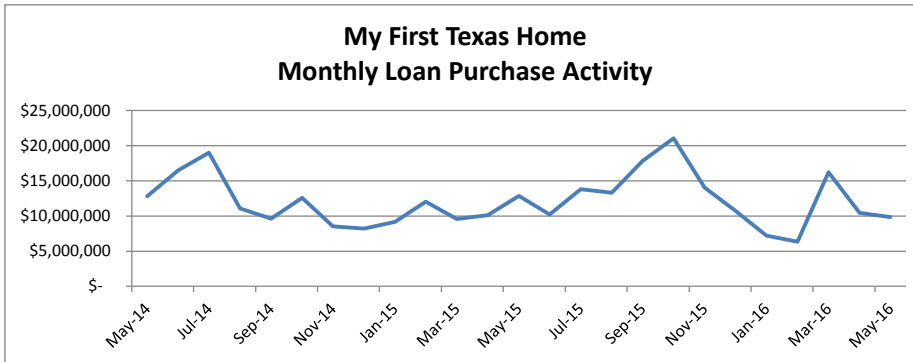
- My First Texas Home ("TMP 79") Program offers expanded mortgage-loan opportunities to qualifying first-time homebuyers, including government and conventional 30-year fixed rate mortgage loan options that include downpayment and/or closing cost assistance.
- Texas Mortgage Credit Certificate ("MCC") Program assists in making homeownership more affordable by providing first-time homebuyers a federal income tax credit, reducing the homebuyer's potential federal income tax liability. By having an MCC, the homebuyer has the ability to convert a portion (currently 40%) of their annual mortgage interest into a direct income tax credit of up to \$2,000 on their U.S. individual income tax return. The credit may be applied for the life of the loan, as long as it continues to be the borrower's primary residence. The Texas MCC Stand-alone option can be used with a conventional or government first mortgage loan.
- "Combo" option – to further expand the opportunity for affordable homeownership, first-time homebuyers can maximize their home-purchase benefits by combining a Texas Mortgage Credit Certificate with a My First Texas Home-TMP 79 mortgage loan. This "Combo" option is available at a minimal additional cost to the homebuyer.

The following reports reflect program activity over the prior two years (updated through May 31, 2016) for each of the three available options described above (Loan Only, MCC Only, Combo). The reports provide monthly loan purchase trends, average interest rates, top originating counties, average mortgage credit certificate amount, and average FICO score. Additional information is provided.

Texas Department of Housing and Community Affairs

My First Texas Home - Program 79

As of May 31, 2016

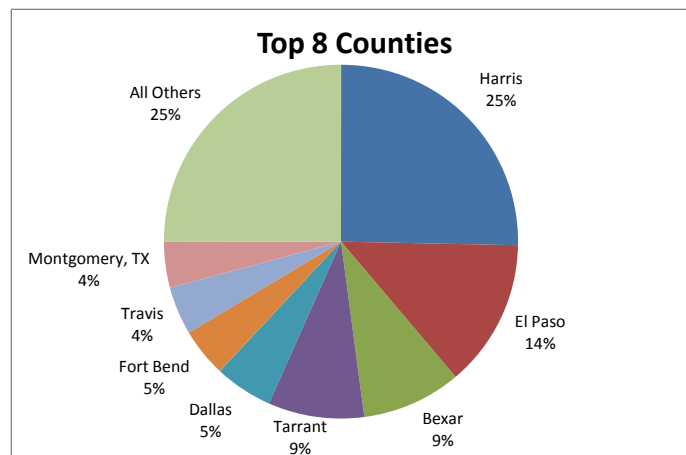
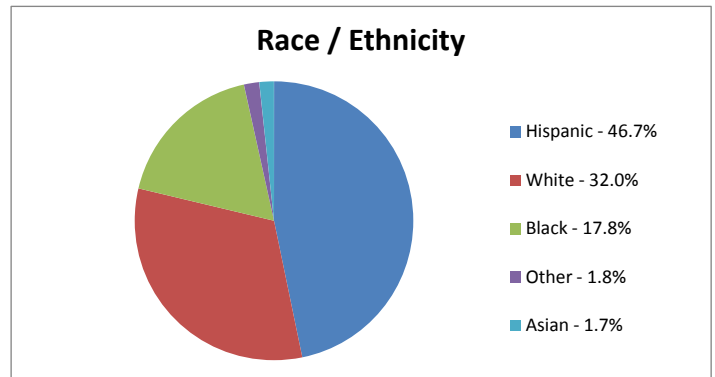
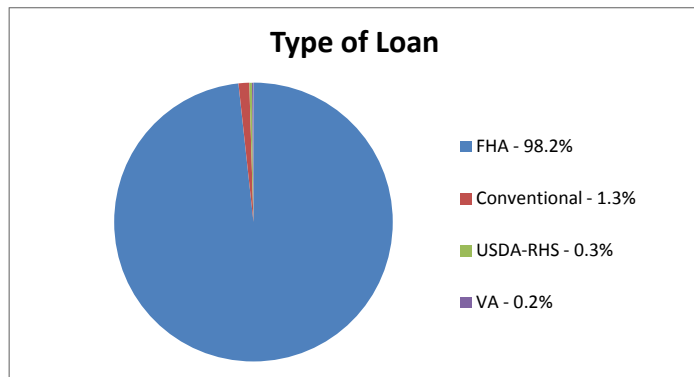
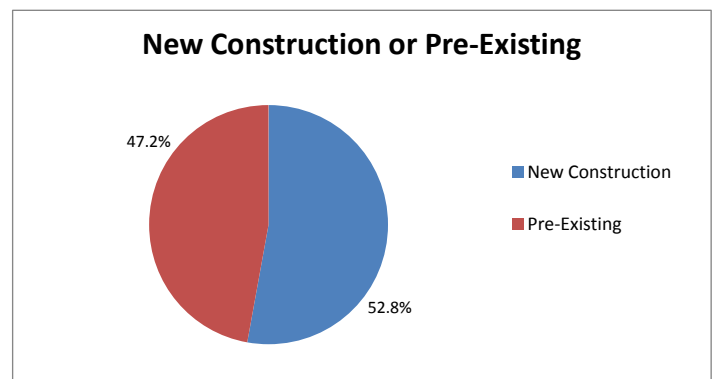
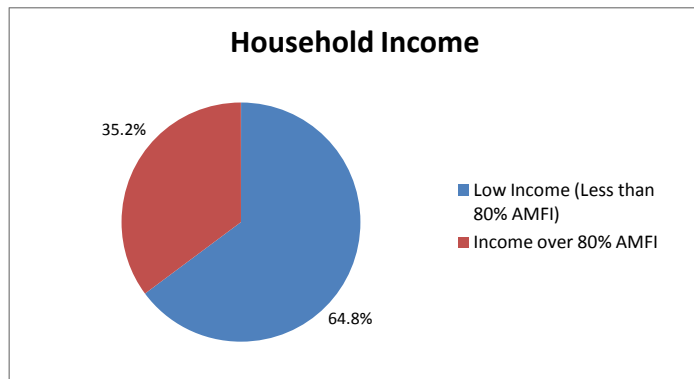


Reflects loans purchased by the Master Servicer in the month the loan was purchased. A seasonal reduction in new loan origination typically occurs December through February and is reflected on a delayed basis to take into account the time from loan origination to closing and purchase by the Master Servicer.

Recent 3-Month Activity (3/1/16 - 5/31/16)	
Number of Loans	252
Total Loan Amount	\$ 36,484,327

At a Glance (For the Past 2 Year Period)	
Number of Loans	2,072
Average Loan Amount	\$ 140,188
Average Down Payment Assistance	\$ 7,047
Average Purchase Price	\$ 142,866
Average Annual Income	\$ 49,070
Average Household Size	2.6
Average FICO Score	682

Interest Rates (For the Past 2 Year Period)	
2 Year Average	4.65%
Last 12 Month Average	4.65%
Last 30 Day Average	4.32%

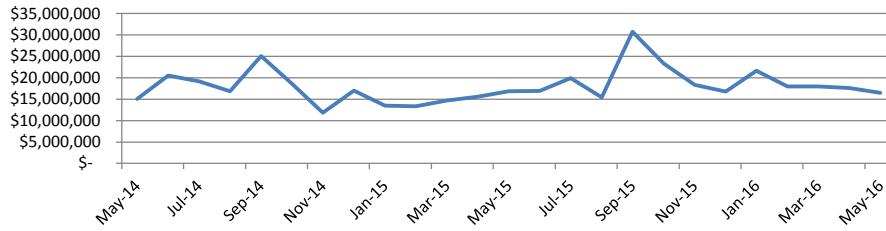


Texas Department of Housing and Community Affairs

Mortgage Credit Certificates (MCCs)

As of May 31, 2016

Mortgage Credit Certificates (MCCs) Monthly MCC Issuance Activity



Reflects MCCs issued over a two-year period. A seasonal reduction in MCC issuances typically occurs September through December.

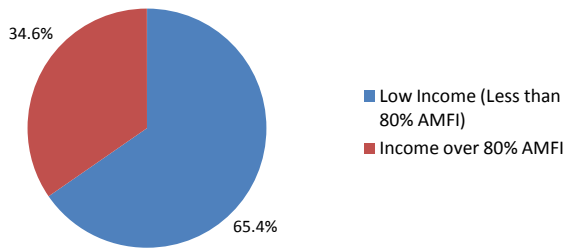
Recent 3-Month Activity (3/1/16 - 5/31/16)

Number of Loans	316
Total Loan Amount	\$ 52,089,709

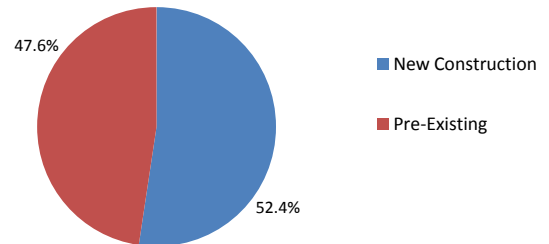
At a Glance (For the Past 2 Year Period)

Number of MCCs	2,769
Average Loan Amount	\$ 157,540
Average MCC Amount	\$ 63,016
Current MCC Credit Rate	40%
Average Purchase Price	\$ 163,286
Average Annual Income	\$ 51,022
Average Household Size	2.3
Average FICO Score	695

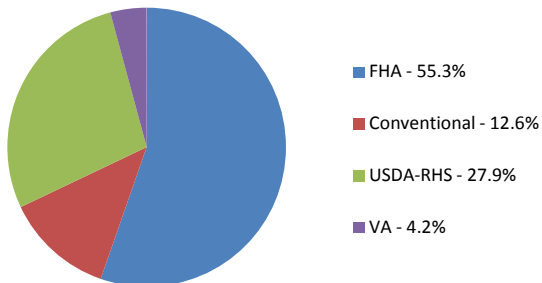
Household Income



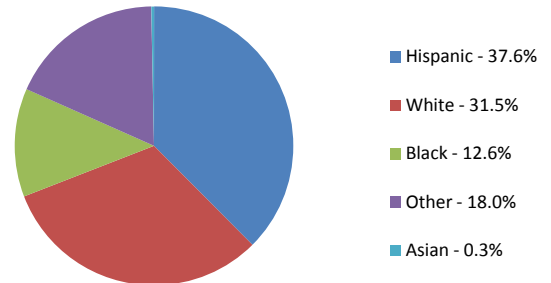
New Construction or Pre-Existing



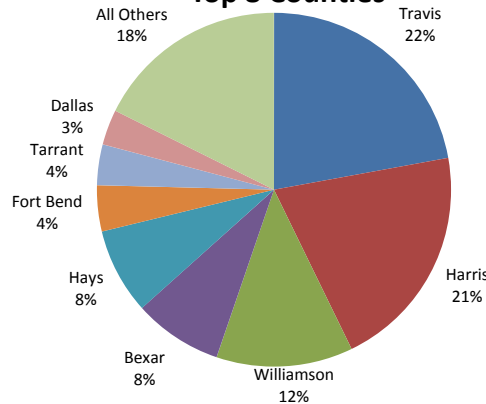
Type of Loan



Race / Ethnicity



Top 8 Counties

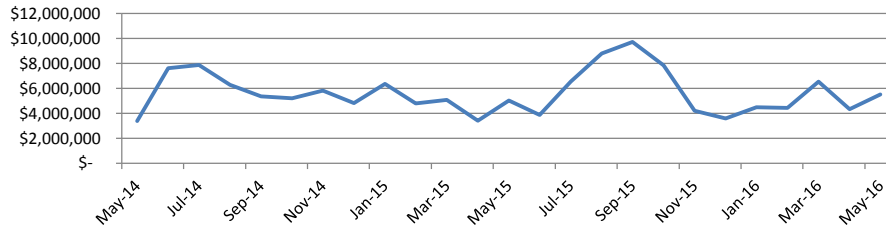


Texas Department of Housing and Community Affairs

Combos (My First Texas Home Loan with an MCC)

As of May 31, 2016

Combos (My First Texas Home Loan with an MCC)
Monthly Combo Issuance Activity



Reflects Combos issued over a two-year period. A seasonal reduction in Combos typically occurs September through December.

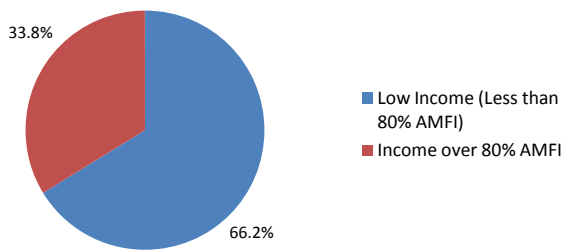
Recent 3-Month Activity (3/1/16 - 5/31/16)

Number of Loans	119
Total Loan Amount	\$ 16,417,310

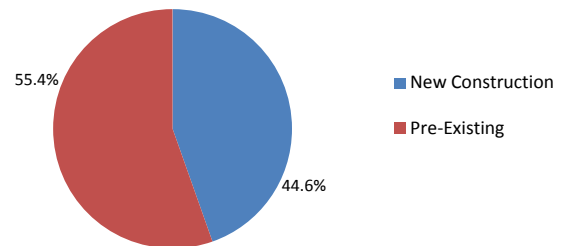
At a Glance (For the Past 2 Year Period)

Number of Combos	1,015
Average Loan Amount	\$ 135,722
Average MCC Amount	\$ 54,289
Average Down Payment Assistance	\$ 6,850
Current MCC Credit Rate	40%
Average Purchase Price	\$ 138,566
Average Annual Income	\$ 49,240
Average Household Size	2.5
Average FICO Score	683

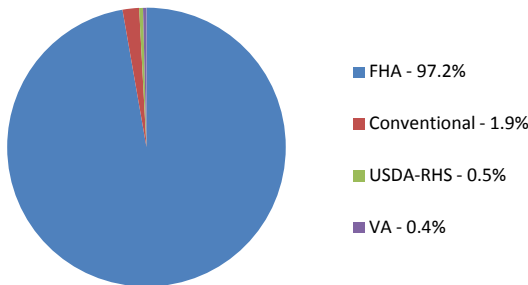
Household Income



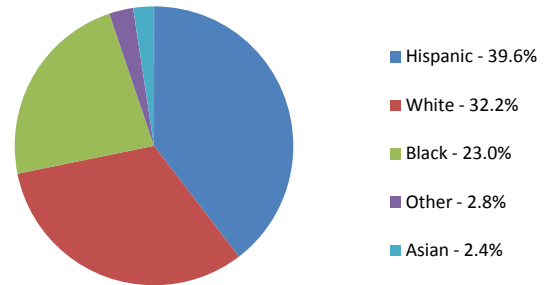
New Construction or Pre-Existing



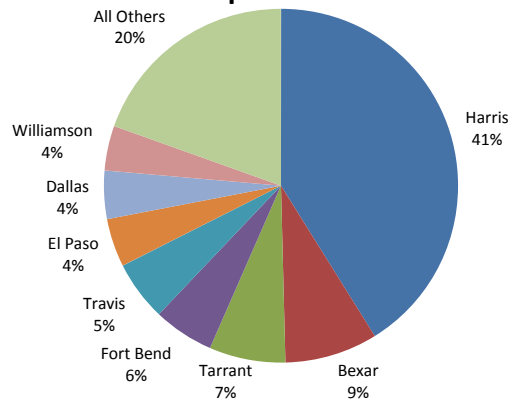
Type of Loan



Race / Ethnicity



Top 8 Counties



2b

BOARD REPORT ITEM
POLICY AND PUBLIC AFFAIRS
JUNE 30, 2016

Status Report on Compilation of Agency Legislative Appropriations Request for SFY 2018-19

BACKGROUND

During the Board meeting of June 16, 2016, staff presented a Legislative Appropriations Request (“LAR”) Status Report which provided background on the LAR process. While the previous report contemplated bringing policy-related elements to the Board at its scheduled meeting of June 30, 2016, recommendations for these elements are still being finalized and will instead be presented at the scheduled meeting of July 14, 2016. Recommendations are being developed based on guidance provided by the Office of the Governor (“OOG”) and the Legislative Budget Board (“LBB”) in June 2016 as new LAR instructions have yet to be released as of the preparation of this report. If the Department receives the instructions before June 30, 2016, it will provide an update to this report at the Board meeting. Today’s report contains additional background on policy-related elements, specifically the Ten-Percent General Revenue Reduction Schedule and Rider Change Requests, which would include TDHCA’s Capital Budget Rider.

Ten-Percent General Revenue Reduction Schedule

In recent years, the Legislature has requested that each agency include information within the LAR outlining how that agency would reduce its General Revenue budget by 10% were such a reduction required. Agencies had also been asked to rank reductions totaling 10% by priority, with the highest ranking reduction being that which would have the least impact on services provided by the agency. No actual reduction has been required in recent years. Historically, during times of tight budgetary constraints, agencies have been asked to reduce anywhere from 2% to 5%. Due to various factors, the 85th Legislative Session may be one of budgetary constraint.

The basis for each agency’s 10% reduction is the amount of General Revenue that agency would receive if its funding for the coming biennium is level with actual funding utilized during the previous biennium; this is determined through the OOG and LBB’s Base Reconciliation process. TDHCA submitted its Base Reconciliation on June 9, 2016, to the OOG and the LBB for approval. The submitted Base Reconciliation reflected approximately \$25.4 million in “base” General Revenue. The majority of this funding is associated with the Housing Trust Fund (\$11 million) and the Homeless Housing and Services Program (\$10 million). The next largest source of General Revenue is Earned Federal Funds (\$3.8 million), which are federal funds that can be applied to indirect administrative services in support of federal activities. These are regarded as state General Revenue in the General Appropriations Act. The remaining funds include support for the Housing and Health Services Coordination Council, funding for the Affordable Housing Information and Research Program, and funding to provide rural Continua of Care technical assistance with which to apply for federal homeless funds. Combined, these total approximately \$600,000. Should the soon-to-be-released LAR instructions be consistent with previous years, TDHCA will have to target an estimated \$2.5 million in reductions over the SFY 2018-19 biennium from these sources. The Department’s goal in reduction recommendations will be to limit impact on individuals and families benefitting directly from TDHCA programs and to apply reductions equitably among programs.

Capital Budget Rider, Requests for Other Rider Changes

Every agency's appropriations package is followed by budget riders that provide additional information regarding the manner in which agencies may expend appropriated funds. The LAR provides an opportunity for agencies to request changes, deletions, and additions to their budget riders. This LAR schedule must include an agency's proposed Capital Rider, a rider that outlines an agency's anticipated information technology ("IT") projects and other capital outlays in the coming biennium even if not asking for state General Revenue to support the request. If agencies later determine a need for a capital IT project which exceeds \$100,000 and is not included in the approved Capital Rider, they must seek special permission from the OOG and LBB to expend agency funds on this project. TDHCA's Capital Rider relates only to anticipated IT needs. The SFY 2018-19 Capital Rider will request approval to spend appropriations on an update of legacy systems, an upgrade of its PeopleSoft Financial systems, implementation of a number of recommendations resulting from an information security assessment offered by the Department of Information Resources, and a new system to gather household level information for Community Affairs programs in order to meet new federal requirements. TDHCA will propose funding these projects through Appropriated Receipts and Federal Funds. The Capital Rider request will likely contribute to an overall increase in Appropriated Receipts authority to be requested in the coming biennium. Other changes in budget riders include technical corrections to riders related to housing assistance targets and the Colonia Self-Help Center Program.

More detailed information on the Ten-Percent General Revenue Reduction, the SFY 2018-19 Capital Rider Request, and technical changes to riders will be provided during the July 14th Board Meeting.

ACTION ITEMS

3a

BOARD ACTION REQUEST
FINANCIAL ADMINISTRATION DIVISION
JUNE 30, 2016

Presentation, Discussion, and Possible Action on the FY 2017 Operating Budget

RECOMMENDED ACTION

WHEREAS, the Governing Board of the Texas Department of Housing and Community Affairs (the “Department” or “TDHCA”) is required to approve a FY 2017 Operating Budget and

WHEREAS, the Department is required to submit the budget to the Governor’s Office and the Legislative Budget Board (“LBB”);

NOW, therefore, it is hereby

RESOLVED, that the FY 2017 Operating Budget, in the form presented to this meeting, is hereby approved and

FURTHER RESOLVED, that upon approval by the TDHCA Governing Board, the Department will submit the budget to the Governor’s Office and the LBB.

BACKGROUND

In accordance with Tex. Gov’t Code Chapter 2306, TDHCA is charged with preparing an operating budget for Board adoption on or before September 1 of each fiscal year. The budget includes operational expenses distributed among the Department’s divisions. It does not include federal or state program funds that pass through to subrecipients except for administrative funds used by the Department associated with those federal or state funds that are retained and reflected in the budget. In addition, in accordance with internal auditing standards and the Board’s internal audit charter, the budget includes the Internal Audit Division’s annual operating budget.

The FY 2017 Internal Operating Budget, which the Board is considering, corresponds to the second year of the General Appropriations Act (“GAA”) passed by the 84th Texas Legislature. In total, this budget provides for expenditures and associated revenues of \$26,280,974 or a \$542,707 (2%) decrease over the prior year budget. Fifty-five percent of the decrease is attributed to the reduction in funding that had been budgeted for a weatherization training initiative for Community Affairs subrecipients that did not come to fruition and is no longer included in the operating budget. The other significant item affecting the decrease is the ramp down of the Neighborhood Stabilization Program (“NSP”) due to a reduction in federal funding.

The budget reflects 306 FTEs (64 are related to the Manufactured Housing Division) which is seven fewer than appropriated. While three FTEs were eliminated through attrition in the Neighborhood Stabilization Program (“NSP”) and two from other areas of the Department, four of those FTEs are proposed to be redirected towards Compliance (2), Legal-Public Information Specialist (1) and Fair Housing, Data Management and Reporting (1).

Additionally, the Housing Finance Division budget, which is funded with fees generated from the Department’s bond program, Housing Tax Credit Fees, Asset Management Fees and Compliance, increased by \$245,338 or 1.5%. This increase is primarily attributed to the redirection of Method of Finance (“MOF”) due to adjusted salary allocations based on actual time worked.

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

TEXAS DEPT. OF HOUSING AND COMMUNITY AFFAIRS

FY 2017 Operating Budget

Comparison Report

June 30, 2016

This Comparison Report provides an explanation of any significant changes to cost categories.

In total, this FY 2017 Operating Budget is \$26,280,974 or a \$542,707 (2%) decrease over the prior year budget. Below are the highlights of the FY 2017 Budget. Please refer to the "Comparison by Expense Object" schedule on Page 3.

1. **Salaries/Wages and Payroll Related Costs.** These two line items represent 82.6% of the total operating budget.

The budget reflects 306 FTEs, which is seven fewer than appropriated.

The Salaries and Wages line item increased by \$40,831 which includes a 1.0% allowance for salary growth of \$167,533. These increases were primarily offset by salary reductions generated by funding redirected positions at lower salaries and savings from the reduction of the Neighborhood Stabilization Program ("NSP").

Payroll related costs increased \$9,800. The increase in payroll related costs is proportional to the increase in salaries.

2. **Professional Fees.** Professional Fees and Services decreased \$373,305 or 19.4%. The majority of the decrease can be attributed to an eliminated 2016 Community Affairs weatherization training contract that was never instituted.
3. **Materials and Supplies.** Materials and Supplies decreased \$95,100 or 25.2%. This decrease can be attributed to the removal of funding for DBC (Dubois Brown and Company) software which is used to perform cash flow analysis for bond indentures in the amount of \$75,000. This software was purchased in 2016 with a continuing cost of \$30,000 each year reflected in the Repairs and Maintenance line item.
4. **Temporary Help.** Temporary Help decreased \$14,240 or 13.7%. The decrease in this category is primarily due to a reduction in the NSP temporary help budget by \$20,000 offset by an increase of \$14,000 in the External Affairs Division for temporary help during the legislative session.
5. **Furniture and Equipment.** Included in this category is the Legislature's approval of the Department's IT Hardware and Software Refresh Project as it relates to non-capital expenses such as update and replacement of end-user computers and operational software upgrades, including an upgrade to Windows 7, a Microsoft Office upgrade, server operating system upgrades, and additional database server software licenses. The benefits of these planned purchases include increased security, better performance for end-user computers, and the ability to provide continued support for TDHCA's enterprise systems, such as the Central Database Systems, PeopleSoft Financials,

MITAS, and the Manufactured Housing System. This line item decreased \$42,000 or 19.8% due to an anticipated decrease in non-capital expenditures budgeted for the 2nd year of the biennium of \$59,200. There was an increase in budget for the Compliance Physical Inspections section of \$18,900. This section is updating specific software needed for inspections that includes new tablets for use in the field.

6. **Capital Outlay.** This category is also included in the Department's IT Hardware and Software Refresh Project as it relates to capital expenses such as server hardware upgrades and network equipment enhancements, to ensure systems remain supported by vendors and security and reliability remain at high levels. Capital Outlay decreased \$32,000 or 50.0% due to an anticipated decrease in capital expenditures budgeted for the 2nd year of the biennium.

Comparison by Expense Object

	2016 Budget	2017 Budget	Variance	Percentage Change
	(a)	(b)	(b-a)	
Salaries and Wages	\$ 17,475,122	\$ 17,515,953	\$ 40,831	0.2%
Payroll Related Costs	4,194,029	4,203,829	9,800	0.2%
Travel In-State	517,604	493,104	(24,500)	-4.7%
Travel Out-of-State	125,394	125,394	-	0.0%
Professional Fees	1,925,408	1,552,104	(373,305)	-19.4%
Material and Supplies	377,854	282,754	(95,100)	-25.2%
Repairs/Maintenance	546,212	552,800	6,588	1.2%
Printing and Reproduction	16,758	15,572	(1,186)	-7.1%
Rentals and Leases	180,496	176,823	(3,673)	-2.0%
Membership Fees	79,010	84,437	5,427	6.9%
Staff Development	142,450	149,250	6,800	4.8%
Insurance/Employee Bonds	413,340	394,762	(18,578)	-4.5%
Employee Tuition	12,000	7,500	(4,500)	-37.5%
Advertising	84,050	85,150	1,100	1.3%
Freight/Delivery	29,950	27,750	(2,200)	-7.3%
Temporary Help	104,240	90,000	(14,240)	-13.7%
Furniture and Equipment	212,200	170,200	(42,000)	-19.8%
Communication and Utilities	291,903	297,866	5,963	2.0%
Capital Outlay	64,000	32,000	(32,000)	-50.0%
State Office of Risk Management	31,661	23,725	(7,936)	-25.1%
Total Department	\$ 26,823,681	\$ 26,280,974	\$ (542,707)	-2.0%
FTE's	307	306	(1.00)	-0.3%
Method of Finance:				
General Revenue:				
GR-General Revenue - Dedicated	\$ 1,096,260	\$ 1,028,965	\$ (67,295)	-6.1%
GR-Earned Federal Funds	2,240,348	2,055,788	(184,560)	-8.2%
Federal Funds-Non-HERA	6,304,676	5,917,108	(387,568)	-6.1%
Federal Funds-Neighborhood Stabilization Program (HERA)	422,333	165,902	(256,431)	-60.7%
Appropriated Receipts - Housing Finance	15,985,301	16,230,639	245,338	1.5%
Appropriated Receipts - Manufact. Housing	511,681	511,856	175	0.0%
Interagency Contracts	263,082	370,716	107,635	40.9%
Total, Method of Finance	\$ 26,823,681	\$ 26,280,974	\$ (542,707)	-2.0%

Method of Finance

The 2017 Budget includes the following sources:

General Revenue

Dedicated - State appropriated funds including Housing Trust Fund, Housing and Health Services Coordinating Council and funding for affordable housing market studies.

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

Federal Funds

Federal Funds-Non-HERA - Core federal programs such as Community Services Block Grant, Emergency Solutions Grant, HOME, U.S. Dept. of Energy (“DOE”), Section 8 Housing, Section 811 PRA Program and Low Income Home Energy Assistance Program.

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

Appropriated Receipts - Housing Finance (“HF”):

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

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

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

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

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

Interagency Contracts - Contract with the Texas Department of Agriculture for the Office of Colonia Initiatives (“OCI”) Self-Help Center’s operation and administration, contract with the Texas Department of Aging and Disabilities (“DADS”) for the Money Follows the Person program, and a contract with the Texas Department of State Health Services (“DSHS”) for Home and Community-Based Services-Adult Mental Health Program (“HCBS-AMH”), a rental assistance program that supports individuals with mental illnesses.



FISCAL YEAR 2017
OPERATING BUDGET
(September 1, 2016 through August 31, 2017)

June 30, 2016

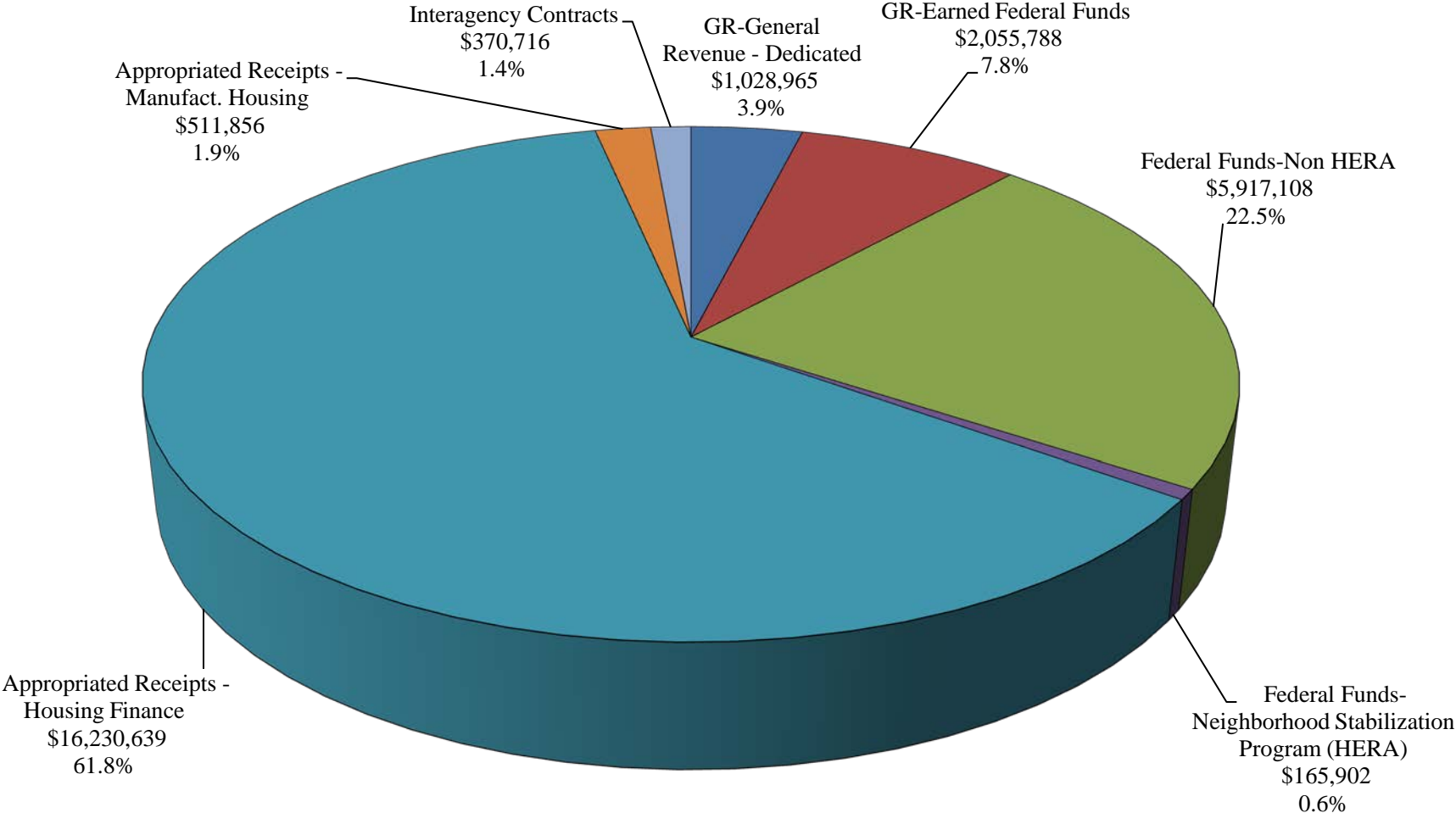
Prepared by the Financial Administration Division

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
FY-2017 OPERATING BUDGET**

T A B L E O F C O N T E N T S

Method of Finance Chart..... 1
Agency Wide – By Method of Finance..... 2
Comparison by Division..... 3

Texas Department of Housing and Community Affairs FY 2017 Method of Finance



Total Budget: \$26,280,974

Agency Wide - By Method of Finance

September 1, 2016 thru August 31, 2017

Budget Categories	MH					Total
	General Revenue	Federal Funds	Appropriated Receipts	Interagency Contract	Appropriated Receipts	
Salaries	1,981,066	4,139,294	10,754,158	236,635	404,800	17,515,953
Payroll Related Costs	523,734	950,501	2,575,650	56,792	97,152	4,203,829
Travel In-State	28,859	167,525	254,816	41,904	-	493,104
Travel Out-of-State	11,638	43,000	70,756	-	-	125,394
Professional Fees	259,003	394,031	889,267	9,804	-	1,552,104
Materials/Supplies	47,517	44,934	188,177	2,126	-	282,754
Repairs/Maintenance	77,502	58,468	416,831	-	-	552,800
Printing and Reproduction	2,159	2,550	10,663	200	-	15,572
Rental/Lease	25,919	27,703	121,702	1,500	-	176,823
Membership Dues	1,881	21,370	61,186	-	-	84,437
Staff Development	17,533	36,250	93,467	2,000	-	149,250
Insurance/Employee Bonds	57,749	69,063	253,092	4,955	9,904	394,762
Employee Tuition	1,631	1,000	4,869	-	-	7,500
Advertising	38	1,500	83,613	-	-	85,150
Freight/Delivery	3,497	985	23,268	-	-	27,750
Temporary Help	12,693	5,562	64,745	7,000	-	90,000
Furniture/Equipment	2,337	40,581	121,482	5,800	-	170,200
Communications/Utilities	24,577	68,042	203,247	2,000	-	297,866
Capital Outlay	-	8,662	23,338	-	-	32,000
State Office of Risk Management	5,423	1,990	16,312	-	-	23,725
Total	3,084,753	6,083,010	16,230,639	370,716	511,856	26,280,974
Budget by Method of Finance, 2016	3,336,608	6,727,009	15,985,301	263,082	511,681	26,823,681
Variance from 2016	(251,855)	(643,999)	245,338	107,634	175	(542,707)

Comparison by Division

	2016 Budget (b)	2017 Budget (b)	Variance (b-a)	Percentage Change	2016 Budget (d)	2017 Budget (e)	Variance (e-d)
Executive Administration:							
Executive Office	391,958	246,580	(145,378)	-37.1%	2.0	1.0	(1.0)
Board	70,036	69,600	(436)	-0.6%	-	-	-
Legal Services	1,052,208	1,135,851	83,643	7.9%	9.0	10.0	1.0
Internal Audit	300,168	301,730	1,562	0.5%	3.0	3.0	0.0
External Affairs	516,404	531,110	14,706	2.8%	5.0	5.0	0.0
Housing Resource Center	654,878	613,172	(41,706)	-6.4%	5.0	5.0	0.0
Total, Executive Administration	2,985,651	2,898,043	(87,608)	-2.9%	24	24	0.0
Human Resources	334,646	327,860	(6,786)	-2.0%	4.0	4.0	0.0
Fair Housing, Data Management and Reporting Division:							
Fair Housing, Data Management and Reporting - Admin	672,796	756,131	83,334	12.4%	6.0	7.0	1.0
HOME Program	816,488	775,177	(41,311)	-5.1%	10.0	10.0	0.0
Texas Homeownership Program	538,679	544,960	6,281	1.2%	4.0	4.0	0.0
Neighborhood Stabilization Program	326,927	-	(326,927)	-100.0%	4.0	0.0	(4.0)
Office of Colonia Initiatives/HTF	711,696	717,709	6,013	0.8%	8.0	8.0	0.0
Loan Servicing	693,642	665,999	(27,643)	-4.0%	9.0	8.0	(1.0)
Program Services	764,999	879,839	114,840	15.0%	11.0	12.0	1.0
Community Affairs - Program Administration	1,280,543	927,464	(353,079)	-27.6%	9.0	8.0	(1.0)
Community Affairs - Fiscal	679,668	755,105	75,437	11.1%	8.0	9.0	1.0
Section 8	320,529	335,811	15,281	4.8%	5.0	5.0	0.0
Information Systems	1,687,590	1,711,042	23,452	1.4%	20.0	20.0	0.0
Total, Fair Housing, Data Management and Reporting Division	8,493,558	8,069,238	(424,320)	-5.0%	94	91	(3)
Financial Administration:							
Chief Financial Officer	349,412	277,403	(72,009)	-20.6%	3.0	2.0	(1.0)
Accounting	1,109,819	1,635,494	525,675	47.4%	11.0	19.0	8.0
Financial Services	1,052,795	582,181	(470,614)	-44.7%	11.0	4.0	(7.0)
Purchasing and Facilities Management	579,003	578,468	(535)	-0.1%	8.0	8.0	0.0
Total, Financial Administration	3,091,029	3,073,546	(17,483)	-0.6%	33	33	-
Asset Analysis & Management Division:							
Real Estate Analysis	882,534	887,279	4,745	0.5%	10.0	10.0	0.0
Asset Management	891,492	894,388	2,897	0.3%	11.0	11.0	0.0
Bond Finance	616,316	564,006	(52,311)	-8.5%	5.0	5.0	0.0
Multifamily Finance	1,023,419	1,065,295	41,876	4.1%	13.0	13.0	0.0
Total, Asset Analysis & Management Division	3,413,761	3,410,968	(2,792)	(0)	26	26	-
Compliance Division							
Compliance - Administration	495,025	497,794	2,770	0.6%	5.0	5.0	0.0
Physical Inspections	1,366,349	1,381,088	14,739	1.1%	15.0	15.0	0.0
Contract Monitoring	497,705	508,987	11,282	2.3%	6.0	6.5	0.5
Compliance Monitoring	1,197,849	1,208,943	11,093	0.9%	17.0	17.0	0.0
Community Affairs Monitoring	467,678	505,478	37,800	8.1%	6.0	7.5	1.5
Total, Compliance	4,024,607	4,102,290	77,684	1.9%	49	51	2
Capital Budget	286,400	195,200	(91,200)	-31.8%			
Payroll Related Costs	4,194,029	4,203,829	9,800	0.2%			
Manufactured Housing (FTEs)					64.0	64.0	0.0
Total, Department	\$ 26,823,681	\$ 26,280,974	\$ (542,706)	-2.0%	307	306	(1)

3b

BOARD ACTION REQUEST
FINANCIAL ADMINISTRATION DIVISION
JUNE 30, 2016

Presentation, Discussion, and Possible Action on the FY 2017 Housing Finance Division Budget

RECOMMENDED ACTION

WHEREAS, the Governing Board of the Texas Department of Housing and Community Affairs (the “Department” or “TDHCA”) is required to approve a FY 2017 Housing Finance Division Budget and

WHEREAS, the Department is required to submit the budget to the Governor’s Office and the Legislative Budget Board (“LBB”);

NOW, therefore, it is hereby

RESOLVED, that the FY 2017 Housing Finance Division Budget, in the form presented to this meeting, is hereby approved and

FURTHER RESOLVED, that upon approval by the TDHCA Governing Board, the Department will submit the budget to the Governor’s Office and the LBB.

BACKGROUND

In accordance with Tex. Gov’t Code § 2306.113 the Department shall create a separate annual budget for the Housing Finance Division to certify the housing program fee revenue that supports the Department. While at the time the statute was created such a division existed, the duties associated with the Housing Finance Division have been spread among multiple divisions in the agency as reorganizations to improve efficiency have occurred. This budget is a subset of the whole operating budget and shows the Housing Finance revenues also known as Appropriated Receipts that support the operating budget.

The FY 2017 Housing Finance Division Budget, which the Board is considering, is \$16.2 million. The Housing Finance Budget complies with the provisions of the General Appropriations Act (“GAA”).

In addition, in accordance with Tex. Gov’t Code §§ 2306.117 and 2306.118, the Department incurs operational and nonoperational expenses in carrying out the functions of the Housing Finance Division. These types of expenses may be paid only from revenues or funds provided under this Chapter. The revenue and funds of the Department received by or payable through the programs and functions of the housing finance division, other than funds necessary for the operation of the housing finance division and appropriated funds, shall be administered outside the treasury with the Texas Treasury Safekeeping Trust Company.



FISCAL YEAR 2017
HOUSING FINANCE DIVISION BUDGET

(September 1, 2016 through August 31, 2017)

June 30, 2016

Prepared by the Financial Administration Division



Housing Finance Budget Appropriated Receipts

September 1, 2016 thru August 31, 2017

Budget Categories	Single Family, Community						Payroll Related		Total
	Executive Administration	Multifamily Allocation	Affairs & Metrics	Financial Administration	Asset Analysis & Management	Compliance	Capital Budget	Costs	
Salaries	1,707,860	899,889	2,790,637	1,515,362	2,053,259	1,787,151			10,754,158
Payroll Related Costs	-	-	-	-	-	-		2,575,650	2,575,650
Travel In-State	53,000	10,000	40,575	6,041	17,500	127,700			254,816
Travel Out-of-State	20,594	6,000	15,275	5,687	17,000	6,200			70,756
Professional Fees	161,849	7,335	66,363	294,588	19,670	339,463			889,267
Materials/Supplies	30,138	13,938	43,805	39,917	28,876	31,502			188,177
Repairs/Maintenance	33,190	19,473	113,431	98,763	68,946	50,937	32,090		416,831
Printing and Reproduction	2,672	1,000	5,075	1,641	-	275			10,663
Rental/Lease	10,736	12,103	53,724	19,976	10,707	14,455			121,702
Membership Dues	49,000	300	1,395	2,699	867	6,925			61,186
Staff Development	14,000	6,000	22,250	18,967	13,500	18,750			93,467
Insurance/Employee Bonds	35,989	19,636	67,721	44,638	43,691	41,418			253,092
Employee Tuition	-	-	-	2,869	2,000	-			4,869
Advertising	1,500	-	82,000	113	-	-			83,613
Freight/Delivery	3,800	250	6,585	9,868	2,750	15			23,268
Temporary Help	37,667	6,961	4,374	7,267	3,921	4,555			64,745
Furniture/Equipment	3,100	600	3,450	4,513	2,300	20,585	86,934		121,482
Communications/Utilities	26,322	14,318	53,147	23,870	58,136	27,455			203,247
Capital Outlay	-	-	-	-	-	-	23,338		23,338
State Office of Risk Management	1,961	1,275	2,843	4,724	2,549	2,961			16,312
Total	2,193,377	1,019,078	3,372,650	2,101,504	2,345,673	2,480,347	142,362	2,575,650	16,230,639

4a

BOARD ACTION REQUEST
MULTIFAMILY FINANCE DIVISION
JUNE 30, 2016

Presentation, Discussion, and Possible Action on Inducement Resolution No. 16-018 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 Piney Woods Village (#16608), sponsored by David Russell, A. Richard Wilson, Gerald Russell, and Mountain Top Development, a Texas Nonprofit, was submitted to the Department for consideration of an inducement resolution;

WHEREAS, pursuant to 10 TAC §10.101(a)(4) of the Uniform Multifamily Rules related to Undesirable Neighborhood Characteristics, applicants are required to disclose the existence of certain characteristics of a proposed development site and can do so at the time of pre-application or full application;

WHEREAS, the applicant disclosed the presence of such characteristics; specifically that the proposed site is located in a census tract where the Part I violent crime rate exceeds 18 per 1,000 persons annually according to Neighborhoodscout and the site is located within 1,000 feet of multiple vacant, blighted structures;

WHEREAS, staff has conducted a further review of the proposed development site and surrounding neighborhood and recommends the proposed site be found eligible currently under 10 TAC §10.101(a)(4) of the Uniform Multifamily Rules;

WHEREAS, the Board approval of the inducement resolution is the first step in the application process for a multifamily bond issuance by the Department which will be followed by additional review of the financial structure and economics of the proposed development; and

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

NOW, therefore, it is hereby

RESOLVED, the Inducement Resolution No. 16-018 to proceed with the application submission to the BRB for possible receipt of State Volume Cap issuance authority from the 2016 Private Activity Bond Program for Piney Woods Village is hereby approved in the form presented to this meeting;

FURTHER RESOLVED, the determination of eligibility is based upon the submission of a full application under the 2016 Uniform Multifamily Rules and that should a 2017 Certificate of Reservation be received the development site will be reevaluated for eligibility.

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 \$604 million is set aside for multifamily until August 15th for the 2016 program year, which includes the TDHCA set aside of approximately \$120 million. Inducement Resolution No. 16-018 would reserve approximately \$24 million in state volume cap.

General Information: The proposed development is to be located at approximately 5318 Aldine Bender Road in Houston, Harris County, and will include the new construction of 290 units serving the general population. This transaction is proposed to be Priority 3 with 288 of the units rent and income restricted at 60% of the Area Median Family Income ("AMFI") and the remaining two units will be Employee Occupied. The Department has not received any letters of support or opposition for this development, however, staff has been contacted by the Aldine ISD and the State Representative's office, and will continue to work with them to address their concerns.

Site Analysis The applicant disclosed the presence of undesirable neighborhood characteristics under §10.101(a)(4)(B) of the Uniform Multifamily Rules, which requires additional site analysis; specifically, that the rate of Part I violent crimes is greater than 18 per 1,000 persons annually and that there is what could be considered blight within 1,000 feet of the site.

Crime: With respect to the rate of Part I violent crimes, while the proposed site is not located within a census tract (2231.00) that exceeds the threshold, it is located within 1,000 feet of another census tract (2227.00) where the rate of such crimes is 21.56 per 1,000 persons annually, according to Neighborhoodscout.com. The proposed site is located in unincorporated northeast Houston and portions of the two census tracts noted are within the City of Houston and portions are in Harris County. Because of this, the applicant provided violent crime data from information available from the City of Houston's Police Department as well as Harris County Sheriff's Department, based on the police beat of the adjacent census tract, consistent with acceptable mitigation allowed under §10.101(a)(4)(D) of the Uniform Multifamily Rules. It should be noted that the police beat for the adjacent census tract is the same police beat that serves the census tract containing the development. The data indicated that the average violent crime for the adjacent census tract (2227.00) was 3.70 per 1,000 persons. Moreover, because the adjacent

census tract could still be considered characteristic of the neighborhood in that there are not any physical features that could easily distinguish it from the census tract containing the proposed development, the applicant also provided information on the number of violent crimes within a one half mile radius (as allowed under the rule for acceptable mitigation regarding crime) and a three-quarter mile radius of the proposed development site and the ratio of violent crime was 2.38 per 1,000 persons. Both of these assessments regarding crime in the adjacent census tract were well below the threshold in the rule of 18 per 1,000 persons.

Moreover, the applicant intends to have an office in the clubhouse for county sheriffs and Houston police officers to use for completing paperwork and congregating between shifts. This will help detract from any criminal activity and behavior that may occur on the proposed site. Some of the security features planned for the development include nightly patrols from the courtesy officers, the installation of security cameras on site, and safety meetings with local law enforcement who provide information and tips regarding what to look out for. Similar strategies have been implemented by the applicant at other developments in Houston and, according to the applicant, they have been successful.

Blight: Staff performed a site visit on June 7, 2016, and noticed what could be considered blight, which in the rule states the following: *“the site is located within 1,000 feet of multiple vacant structures visible from the street, which have fallen into such significant disrepair, overgrowth, and/or vandalism that they would commonly be regarded as blighted or abandoned.”* The proposed development is located in northeast Houston on Aldine Bender Road and is bordered by Sequoia Bend Blvd on the west and Surles Drive on the east, in a neighborhood of primarily older single family as well as several multifamily developments across the street and along Aldine Bender. Surles Drive runs parallel to the property and it is along this road that staff observed some blighted structures that appeared to be vacant. A 1,000 foot radius from each of the four corners of the site revealed two structures that could be considered blight, both of which are in proximity to Surles Drive and are located towards the southern boundary of the site. The applicant has indicated that Mountain Top Development, the nonprofit general partner in this transaction has plans to purchase these lots, demolish the existing blighted structures and replace them with single family homes for veterans. Mountain Top Development has a history of building such homes in other parts of Houston. Staff believes the plan to address this undesirable neighborhood characteristic is acceptable mitigation, as allowed under the rule, in that there will be the completion of a more desirable permanent use of the site and that the new homes for veterans will be built by the time the proposed development places into service in 2018. Documentation of this plan will be part of or a condition to any future approval of a Determination Notice and Bond Resolution and would include their ability to acquire, finance and demolish the blighted structures.

Under §10.101(a)(4) of the Uniform Multifamily Rules, there is a consideration for the Board to find a development site eligible despite the presence of undesirable neighborhood characteristics on the basis that there is a factual determination that such characteristic is not of such a nature or severity that it should render the development site ineligible based on acceptable mitigation efforts identified in the rule. After reviewing the aforementioned facts relating to crime and the different methods by which crime was evaluated, consistent with the mitigation allowed under the rule, there were not additional concerns noted by staff. Moreover, staff believes the plan by the applicant to purchase the two abandoned structures in proximity to the development site and re-purpose them for single family housing for veterans to be acceptable mitigation that will be completed by the time the proposed development places into service. The information contained herein leads to a supported conclusion that the development site should not be considered ineligible under §10.101(a)(4) of the Uniform Multifamily Rules.

RESOLUTION NO. 16-018

RESOLUTION DECLARING INTENT TO ISSUE MULTIFAMILY REVENUE BONDS WITH RESPECT TO RESIDENTIAL RENTAL DEVELOPMENTS; 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 developments (the “Developments”) more fully described in Exhibit A attached hereto. The ownership of the Developments 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 Developments and expect to make additional payments in the future and desire that they be reimbursed for such payments and other costs associated with the Developments 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 Developments 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 Developments 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 Developments 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 Developments 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 Developments 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 Developments in an aggregate principal amount not to exceed those amounts, corresponding to the Developments, 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 Developments") 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 Developments; (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 Developments 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 Developments, which Developments 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 Developments. Substantially all of the proceeds of the Bonds shall be used to finance the Developments, 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 Developments. The Costs of the Developments may include any cost of acquiring, constructing, reconstructing, improving, installing and expanding the Developments. Without limiting the generality of the foregoing, the Costs of the Developments 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 Developments, administrative expenses and such other expenses as may be necessary or incident to the acquisition, construction, reconstruction, improvement and expansion of the Developments, the placing of the Developments 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 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 Developments’ 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 Developments 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 Developments 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 Developments 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 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 Developments and Owners. The Board finds that:

- (a) the Developments are 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 Developments is a public purpose and will provide a public benefit;
and
- (e) the Developments 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 Developments 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.

[Execution page follows]

PASSED AND APPROVED this 30th day of June, 2016.

[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
Piney Woods Village	PWV Partners LP	PWV GP LLC, a Texas limited liability company	\$24,000,000
Costs: Construction of a 290-unit affordable, multifamily housing development to be known as Piney Woods Village, to be located at 5318 Aldine Bender Road, Houston, Harris County, Texas 77032.			

4b

BOARD ACTION REQUEST
MULTIFAMILY FINANCE DIVISION
JUNE 30, 2016

Presentation, Discussion and Possible Action on a Determination Notice for Housing Tax Credits with another Issuer and an Award of Direct Loan Funds (#16406 New Hope Housing at Reed, Houston)

RECOMMENDED ACTION

WHEREAS, a 4% Housing Tax Credit application for New Hope Housing at Reed (“NHH at Reed”) was submitted to the Department on December 18, 2015;

WHEREAS, the applicant revised the 4% Housing Tax Credit application and submitted an application for 4% Housing Tax Credits, as well as Direct Loan funds under the 2016-1 Multifamily Direct Loan Notice of Funding Availability (“2016-1 NOFA”), on January 4, 2016;

WHEREAS, in lieu of a Certification of Reservation, a Carryforward Designation Certificate was issued by the Texas Bond Review Board on January 15, 2015, and will expire on December 31, 2017;

WHEREAS, the proposed issuer of the bonds is the Houston Housing Finance Corporation and there is Multifamily Direct Loan funding available to award the subject application under the Deferred Forgivable Loan Set-Aside;

WHEREAS, pursuant to 10 TAC §10.101(a)(4) of the Uniform Multifamily Rules related to Undesirable Neighborhood Characteristics, applicants are required to disclose in the application the presence of certain undesirable characteristics of a proposed development site;

WHEREAS, the applicant disclosed the presence of such characteristics, specifically, that the proposed site is located in a census tract or within 1,000 feet of any census tract in an urban area where the Part I violent crime rate exceeds 18 per 1,000 persons annually according to NeighborhoodScout;

WHEREAS, the applicant did not disclose that the elementary and high school located in the attendance zone of the proposed development did not achieve a 2015 Met Standard rating by the Texas Education Agency (“TEA”) or that the development site is within the ASTM Standard search distances of a couple of environmental databases as further noted in the Environmental Site Assessment (“ESA”);

WHEREAS, staff has conducted a further review of the proposed development site and surrounding neighborhood and recommends the proposed site be found eligible under 10 TAC §10.101(a)(4) of the Uniform Multifamily Rules; and

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 30, 2016);

NOW, therefore, it is hereby

RESOLVED, that the issuance of a Determination Notice of \$1,037,535 in 4% Housing Tax Credits and \$660,000 in Direct Loan funds, subject to underwriting conditions that may be applicable as found in the Real Estate Analysis report posted to the Department’s website for NHH at Reed is hereby approved as presented to this meeting.

FURTHER RESOLVED, that provided the Applicant has not closed on the bond financing on or before October 30, 2016, the Board authorizes EARAC to approve or deny extension of the Determination Notice date subject to an updated previous participation review, if necessary.

BACKGROUND

General Information: NHH at Reed, proposed to be located at 2565 Reed Road in south Houston, Harris County, which does not have a zoning ordinance, involves the new construction of 187 units, all of which will be rent and income restricted at 60% of AMFI under the HTC program. Of those 187 units, 11 units will be further restricted at 30% of AMFI under the Direct Loan program. The Supportive Housing development will serve families that are homeless or at risk of homelessness and is part of a 48-acre parent tract, proposed to be improved with the Star of Hope’s Family Place complex. The Star of Hope’s Family Place facility will consist of a “campus model” including housing and access to basic and developmental life services in one location within walking distance. It is anticipated that many clients will initially enter and live in sectors of the Star of Hope’s Family Place and then as they receive services and participate in programs and stabilize, they would move into NHH at Reed while still having access to those programs and services from Star of Hope.

Direct Loan Information: While the application for Direct Loan funds was submitted under the Deferred Forgivable Loan Set-Aside as an application that meets the underwriting requirements and definition of Supportive Housing in 10 TAC §10, the \$660,000 in Direct Loan funds for this transaction will be structured as a surplus cash flow loan rather than a deferred forgivable loan. Repayment on the cash flow loan will be due annually, should there be available cash flow, until maturity – at which time all unpaid amounts will be due in full and expected to be repaid or could be reevaluated or refinanced. This surplus cash flow loan structure is being employed as an accommodation to the applicant’s eligible basis requirements; however, the development will continue to be attributed to the Deferred Forgivable Loan set-aside because of the 0% interest rate and supportive housing nature of the development. Even in the event that TCAP Repayment Funds are utilized for this transaction, the Department may require that the development be subject to some or all HOME requirements in 24 CFR Part 92.

Conditions to Award: As required in section 4 of the 2016-1 NOFA, the Department’s Governing Board must establish a hard closing deadline at the time of award. As such, EARAC recommended that closing on all sources of funds and the land must occur no later than October 30, 2016. This 120-day closing condition is generally consistent with the requirements of a bond transaction utilizing non-traditional carryforward. For non-traditional carryforward reservations, a statutory 150-day deadline from the date of the reservation 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. Staff believes that such closing deadline is attainable for the award of direct loan funds as well.

Site Analysis: The presence of undesirable neighborhood characteristics under §10.101(a)(4)(B) requires additional site analysis. Those characteristics attributable to NHH at Reed Road include the rate of Part I violent crimes, school ratings for the attendance zone and ESA findings.

Crime: The threshold for the rate of Part I violent crimes include anything greater than 18 per 1,000 persons annually. While the proposed site is not located within a census tract (3341.00) that exceeds this threshold (16.32 per 1,000 persons), it is located within 1,000 feet of two other census tracts (3312.00 and 3313.00) where the rate of such crimes are 28.19 and 21.55 per 1,000 persons annually, respectively, according to Neighborhoodscout.com. The applicant provided violent crime data from information available from the City of Houston's Police Department, based on the police beat that serves these adjacent census tracts, consistent with acceptable mitigation allowed under §10.101(a)(4)(D) of the Uniform Multifamily Rules. The data indicated that over the past 21 months, the average violent crime per 1,000 persons was 9.78, well below the threshold in the rule of 18 per 1,000 persons.

The census tract boundary for the proposed development extends north to IH-610 and east to State Highway 288, creating a natural boundary and more representative of the immediate neighborhood as it relates to the proposed site. While the boundary of the adjacent census tracts (3312.00 and 3313.00) may be within 1,000 feet of the proposed site, such boundary is east of State Highway 288; therefore, staff does not believe it accurately reflects the actual traits of the neighborhood. Moreover, there are six feeder lanes, six lanes of freeway and multiple grass median strips that comprise State Highway 288. It is also worth noting that the 1,000 foot distance requirement in the rule falls within one of those grass medians which is still hundreds of feet from any development, according to the applicant. Staff is in agreement with this assessment after its site and neighborhood review on February 15, 2016.

Schools: The proposed development is located within the Houston Independent School District ("HISD") and the elementary school and high school for the proposed development's attendance zone did not achieve the Met Standard rating according to the 2015 Accountability Ratings by TEA and such disclosure was not provided by the applicant. Staff notes that the housing tax credit application was initially submitted under the 2015 Uniform Multifamily Rules when the disclosure for school standards was not required. With the request for the direct loan funds shortly after the original submission, the re-submission of the application, conforming to the 2016 rules was required.

The elementary school, Young Elementary, did not achieve the required rating in 2013, it achieved Met Standard in 2014 (exceeded target score on all four Performance Indices and earned four distinctions); and then went back to Improvement Required in 2015. The School Improvement Plan ("SIP") for Young indicated there was a high teacher turnover and that 15 of the 24 teachers were new to the campus. The Plan identified goals to be achieved by the end of the 2015-16 year, a few of which were to increase reading proficiency, as evidenced by STAAR results, by 10%; increasing the Math STAAR passing rate by 5%; and improve the quality and use of data to drive instruction. Based on an interview the applicant had with Ms. Novelyn Watson-Robinson, the principal of Young Elementary, she stated that because an unusually high number of skilled teachers left (for various reasons, including retirement), new teachers must be trained in the proven best practices and she is working hard to build back up the capacity of the teachers. Ms. Watson-Robinson further stated, as documented by the applicant, that much of her focus is on ensuring that teachers know how to use data to drive their instruction and that reviews of math and reading assessments this school year as an early indicator that they are on track. Schools that are identified as

Improvement Required get assigned a Transformation Team that have oversight responsibilities and regular contact with the administrators at the school. A letter from the Chief School Officer assigned to Young, Ms. Grenita Lathan, indicated that based on the aforementioned and her familiarity with the SIP, she fully expects Young Elementary to return to Met Standard by the time NHH at Reed places in service in 2018.

The high school for the proposed site, Worthing High School, did not achieve the Met Standard rating in 2013, 2014, or 2015. Information provided by the applicant included a letter from HISD First Vice President of the Board of Education, Wanda Adams. Ms. Adams explained the transformation process underway by HISD in an effort to mitigate the school's prior performance. With the Campus Turnaround Plan, which was approved by the HISD Board of Trustees on June 9, 2016, Ms. Adams notes that, along with the experienced and well-developed team of educators and administrators on board to ensure Worthing's success, she has confidence and every expectation that Worthing will make consistent and sustained improvements that will result in a Met Standard rating by the time NHH at Reed is placed into service.

It is documented that HISD is putting all appreciable resources into Worthing High School in hopes of returning the school to Met Standard status. The letter from Ms. Adams indicates that the efforts HISD is taking, as indicated under the rule, there is a reasonable expectation that Worthing High School will achieve Met Standard by the time the proposed development places in service and Ms. Latham's letter regarding Young Elementary states the same.

As previously mentioned, the proposed development is part of the Star of Hope's Family Place complex which includes two nonprofits whose purposes are child-centered and family-focused and whose programs are intended to provide family coaching and individual counseling, adult education and child development and engages families by providing family assistance and community events. There will be programs offered that include student tutoring/mentoring/counseling, after school and summer programs, and one of Buckner's Family Hope Centers main goals is child and youth development with the intended impact of children performing better in school. The services will be available, at no charge, to the residents of Reed. There will be supportive services offered at Reed specifically to address the requirements of the funding sources involved. The applicant intends for these services to enlarge upon those already offered at Star of Hope and Buckner and fill in any missing gaps.

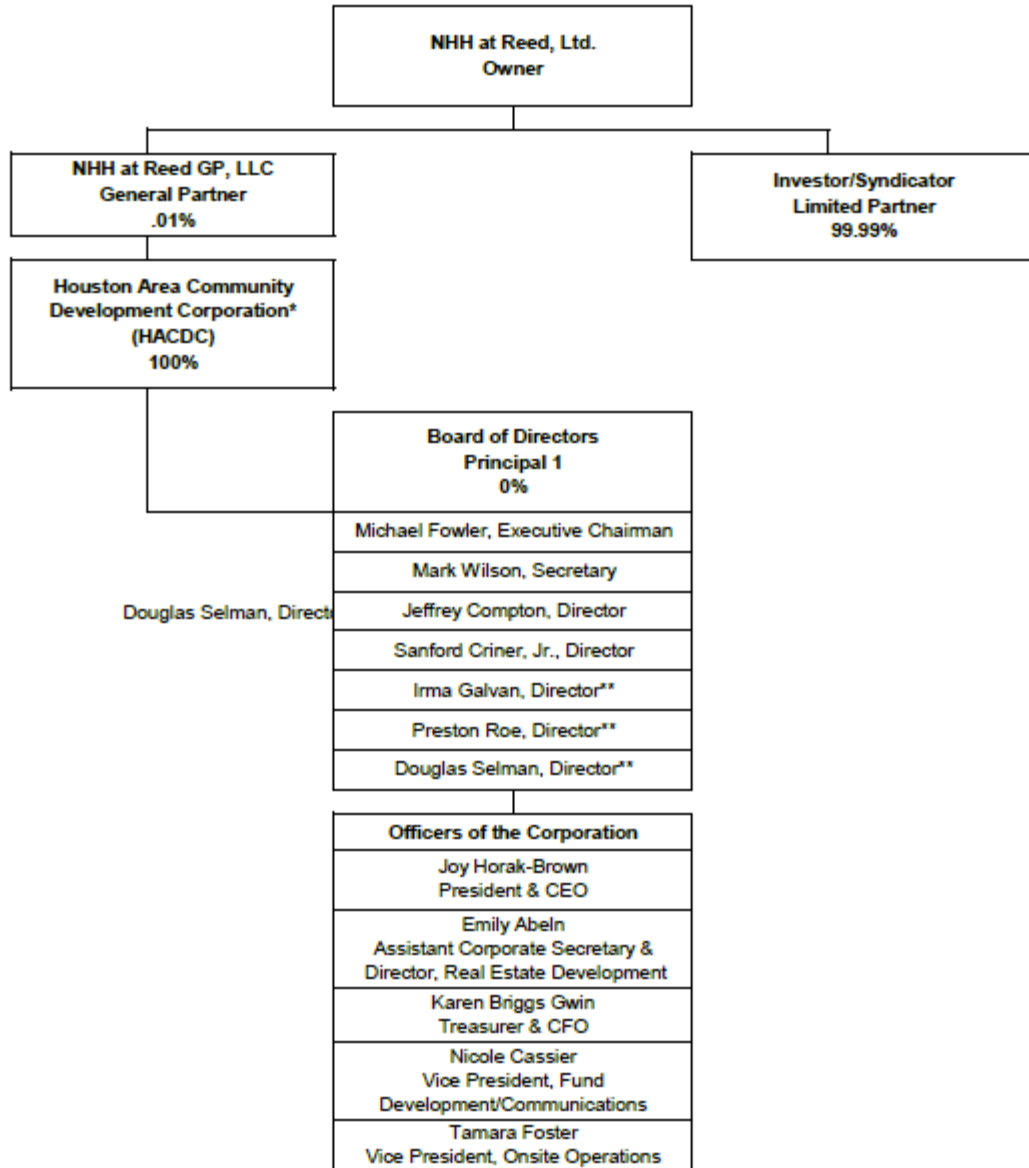
Environmental: The ESA noted that a review of the currently available database information indicates there are two Resource Conservation and Recovery Act facilities associated with treatment, storage, and disposal of hazardous materials that are undergoing corrective action ("RCRA CORRACTS") and one voluntary cleanup program ("VCP") site within the required ASTM Standard search distances of the proposed development site. These findings were not disclosed by the applicant, as required under §10.101(a)(4); however, they were noted in the ESA that was submitted along with the application. The two RCRA CORRACT facilities are listed within a one-mile search radius of the site and considering the distance from the proposed site and establishment of controls for soils and groundwater migration, this facility does not appear to present an environment concern to the proposed development site, according to the ESA provider. As it relates to the VCP site, located within a one-half mile radius of the subject site, the ESA provider indicated that its presence does not appear to present an environmental concern, considering its distance from and topographically cross-gradient position to the site, and that previous investigation of the proposed site have indicated no evidence of adverse environmental conditions on-site.

A letter from the City of Houston Housing and Community Development Department was submitted that affirmed the City of Houston's support for NHH at Reed and also indicated that the proposed development directly addresses several of the City's initiatives, including reducing homelessness and affirmatively furthering fair housing. Specifically, their Analysis of Impediments cites a lack of affordable housing options and lack of accessible housing for persons with disabilities as impediments that the proposed development will address. According to the City of Houston, the proposed development will address these impediments by building high quality housing in proximity to a variety of services for low-income households. The City of Houston further states that low educational attainment among minorities is an additional impediment that NHH at Reed addresses whereby the access the tenants will have to the services offered at the Star of Hope's campus, which will include educational advancement, after school programs for youth, daycare and early childhood education.

Staff believes the confluence of the aforementioned mitigation efforts lead to a supported conclusion that the reported factors should not result in ineligibility under §10.101(a)(4) of the Uniform Multifamily Rules, based on §10.101(a)(4)(E)(ii) and (iii).

Organizational Structure and Previous Participation: The Borrower is NHH at Reed, Ltd. and includes the entities and principals as indicated in the organization chart below. The applicant is considered a Small Portfolio, Category 1, and the previous participation was deemed acceptable by EARAC without further review or discussion.

Public Comment: A letter of support from HISD First Vice President of the Board of Education Wanda Adams, Dr. Grenita Lathan, Chief School Officer, and City of Houston Housing and Community Development Department was received. There have been no letters of opposition received.



* HACDC is a non-profit Community Housing Development Organization that is wholly controlled by New Hope Housing

** Low-income neighborhood representatives



CITY OF HOUSTON

Housing & Community Development Department

Sylvester Turner

Mayor

Neal J. Rackleff
Director
601 Sawyer, Suite 400
Houston, Texas 77007

T. (832) 394-6282
F. (832) 395-9655
www.houstontx.gov/housing

Tim Irvine
Executive Director
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, TX 78711-3941

Re: Support for New Hope Housing at Reed

Dear Mr. Irvine:

The City of Houston (City) supports the proposed affordable housing development planned by New Hope Housing (NHH), NHH at Reed. This housing development will provide new permanent supportive housing for homeless and at-risk families. The City's Housing and Community Development Department (HCDD) has partnered with NHH on numerous affordable housing developments in Houston and is confident that NHH has the capacity to create another successful development. NHH at Reed directly addresses several of the City's initiatives: reducing homelessness and affirmatively furthering fair housing.

Permanent Supportive Housing

In 2012 Mayor Annise Parker led an initiative to address homelessness in Houston by creating 2,500 units of permanent supportive housing. Because of this successful initiative, there has been a 57% decrease in overall homelessness and a 71% decrease in chronic homelessness since 2011. The City of Houston's initiative has received national recognition.

As a member of the Houston/Harris County Continuum of Care Steering Committee, the City of Houston supports *The Way Home Action Plan*. The four goals of this plan are to: 1) End Chronic Homelessness by 2015, 2) End Veteran Homelessness by 2015, 3) End Family Homelessness by 2020, and 4) Set a Path for Ending all Homelessness. In June 2015, Houston became the largest city in the United States to effectively end veteran homelessness. NHH at Reed will help to provide permanent supportive housing to reach the third goal in this plan.

Market Value Analysis

Beginning in 2012, HCDD engaged the professional services of The Reinvestment Fund (TRF), now known as Reinvestment Fund, to prepare a Market Value Analysis (MVA) for the City of Houston. The MVA gives a snapshot of the Houston real estate market by comparing market valuations in various locations. It also helps policymakers understand the strengths and weaknesses of Houston's residential markets. Several real estate indicators were analyzed, including but not limited to, median sales price, foreclosure filings, percent of vacant properties, subsidized rental stock, and housing violations. After categorizing areas of the city by similarity of real estate elements, a map was produced showing areas where the private real estate market is strong and other areas where the private real estate market is weaker compared to other areas of the city during that period of time.

Council Members: Brenda Stardig Jerry Davis Ellen R. Cohen Dwight A. Boykins Dave Martin Steve Le Greg Travis Karla Cisneros
Robert Gallegos Mike Laster Larry V. Green Mike Knox David W. Robinson Michael Kubosh Amanda Edwards Jack Christie
Controller: Chris Brown

NHH at Reed is located in a market cluster that has a high market value according to the MVA. The MVA is attached as Exhibit 1 for your reference.

Free Market Analysis

The City of Houston conducted a Free Market Analysis as part of the *2015 Analysis to Impediments to Fair Housing Choice (AI)*. The Free Market Analysis determines, to the extent possible, housing segregation by taking into account both household income and the cost of housing. This analysis provides a more accurate illustration of a community than the dissimilarity index, which does not control for household income. The analysis approximates the proportion of households of each race and Hispanic ancestry of any race that would reside in each census tract in a free housing market that is not distorted by discrimination. Using household incomes, it compares the approximations to the actual proportions of households by race and Hispanic ethnicity by census tract to identify areas of concentrations that are likely due to historical and/or current housing discrimination rather than just the cost of housing and household income.

The City of Houston has geographically designated 88 Super Neighborhoods to encourage residents of neighboring communities to work together to address the needs and concerns of the broader community. NHH is located in Super Neighborhood 40, known as, Central Southwest.

The Free Market Analysis reflects that the Central Southwest Super Neighborhood has seen an overall increase in the population of Whites, Asians, and Hispanics of any race; and has experienced a decrease in the overall percentage of the Black/African American population since 2000. This reflects the neighborhood change from predominately African American to more Hispanic. The neighborhood also saw a slight increase in household income.

2015 AI Impediments

NHH at Reed directly addresses several of the 14 impediments identified in the 2015 AI.

Impediment #3: Lack of Affordable Housing Options states that there are not enough quality affordable housing units that meet the demand in Houston. One recommended action, as listed in the AI, is to create affordable housing units to expand the supply of affordable housing for low- and moderate-income persons (Action #9). NHH at Reed will address this impediment by building high quality housing in close proximity to an array of services for low-income households.

NHH at Reed proposes to provide housing for homeless families, of which many of these households will likely have a household member with a disability. Of adults experiencing homelessness, one in four have a severe mental illness (28.9%), one in three have a substance use disorder (34%), and one in 33 reported as HIV positive (3%).

Impediment #4: Lack of Accessible Housing for Persons with Disabilities states that there is limited availability of housing options for persons with disabilities. The City's objective to address this impediment is to work to increase the number of housing units available and to enhance housing access to high opportunity neighborhoods for persons living with disabilities. NHH directly supports this objective by providing new units of permanent supportive housing which will provide housing and services to persons with disabilities; helping them maintain quality, affordable housing.

Impediment #7: Affordability cites that land and development costs continue to rise in Houston, and neighborhoods with high opportunity have limited affordable housing options. NHH at Reed is located in an area with a high market value, as evident in the MVA. Additional nearby development in the Texas Medical Center and at newly acquired land by University of Texas, are likely to increase housing costs in the area. NHH would provide continued affordable housing in an area with rising land costs, which could price out future affordable housing.

Impediment #12: Low Educational Attainment Among Minorities describes the need for increased educational opportunities. Residents at NHH at Reed will have the opportunity to benefit from the services offered at The Star of Hope's Cornerstone Community Campus, a new 48-acre campus for Houston's homeless single women and families adjacent to NHH at Reed. This campus plans to offer visualized programs for educational advancement, after school programs for youth, daycare, and early childhood education.

Needs identified in 2015 AI

NHH at Reed plans to address specific needs that were identified through the analysis of data in the 2015 AI. The following summarizes information about community needs from the 2015 AI which the development of NHH at Reed would address.

According to 2007-2011 CHAS data, approximately 58.1% of large family households were low- and moderate-income households. More than one third of all large family households earn below 50% AMI, and almost three out of four of these lower income large family households were renter households. The data indicates that there is a need for additional rental units with three or more bedrooms. In addition, local housing advocates have stated that families often face discrimination in the rental housing market. Housing choices are limited for large families due to low-incomes and the possibility of discrimination. NHH at Reed addresses both of these issues by providing 3-bedroom units and housing for families.

In Houston, female-headed households, with and without children, made up over one quarter of the households in Houston, 26%. Female-headed households had a very low median family income at \$27,180, much lower than male-headed family households at \$38,338. NHH at Reed will likely primarily serve female headed households with children. The Star of Hope's Cornerstone Community Campus, a new facility, will offer access to an array of services.

Disability discrimination was the basis for 382 HUD closed fair housing complaints between 2005 and 2014. The number of disability complaints was second to that of complaints filed on the basis of race, which totaled 388 during the same time period. The share of disability complaints has trended upward from 2005, where 26% of complaints were filed on the basis of disability, to 2014, where 35% of the complaints were filed on the basis of disability. In six of the last ten years, the number of disability complaints has exceeded any other basis, including race. Familial status was the fourth most cited basis for HUD fair housing complaints. Familial status was the basis for 86 complaints, or 7% of the overall total of closed complaints filed with HUD from 2005-2014. NHH at Reed will create new housing options for families and for families with a person with a disability that may be discriminated against elsewhere.

Recent and Proposed Nearby Investment

This location of NHH at Reed has had recent infrastructure improvements that have directly promoted and will continue to encourage development in the area.

In 2008, HCDD funded \$4.7 million of TIRZ funding for the sanitary sewer extension at Reed Road extending from Almeda Road to almost one quarter mile east of Highway 288. This sewer line extension was very important to the area's future because it made housing development possible.

In addition, HCDD invested over \$4.3 million in Community Development Block Grant funds to construct Fire Station #24 at 2625 Reed Road which opened in October 2009. More recently, HCDD provided \$950,000 in CDBG for the building expansion project of the Pro-Vision Charter School at 4590 Wilmington, which is approximately 3 miles from NHH at Reed. The school was completed in 2014, and new areas include two additional classrooms, a library, and computer lab. Pro-Vision is an Open-Enrollment Texas State Charter Middle and High School.

In addition, there are several nearby proposed developments that would enhance the neighborhood and the City.

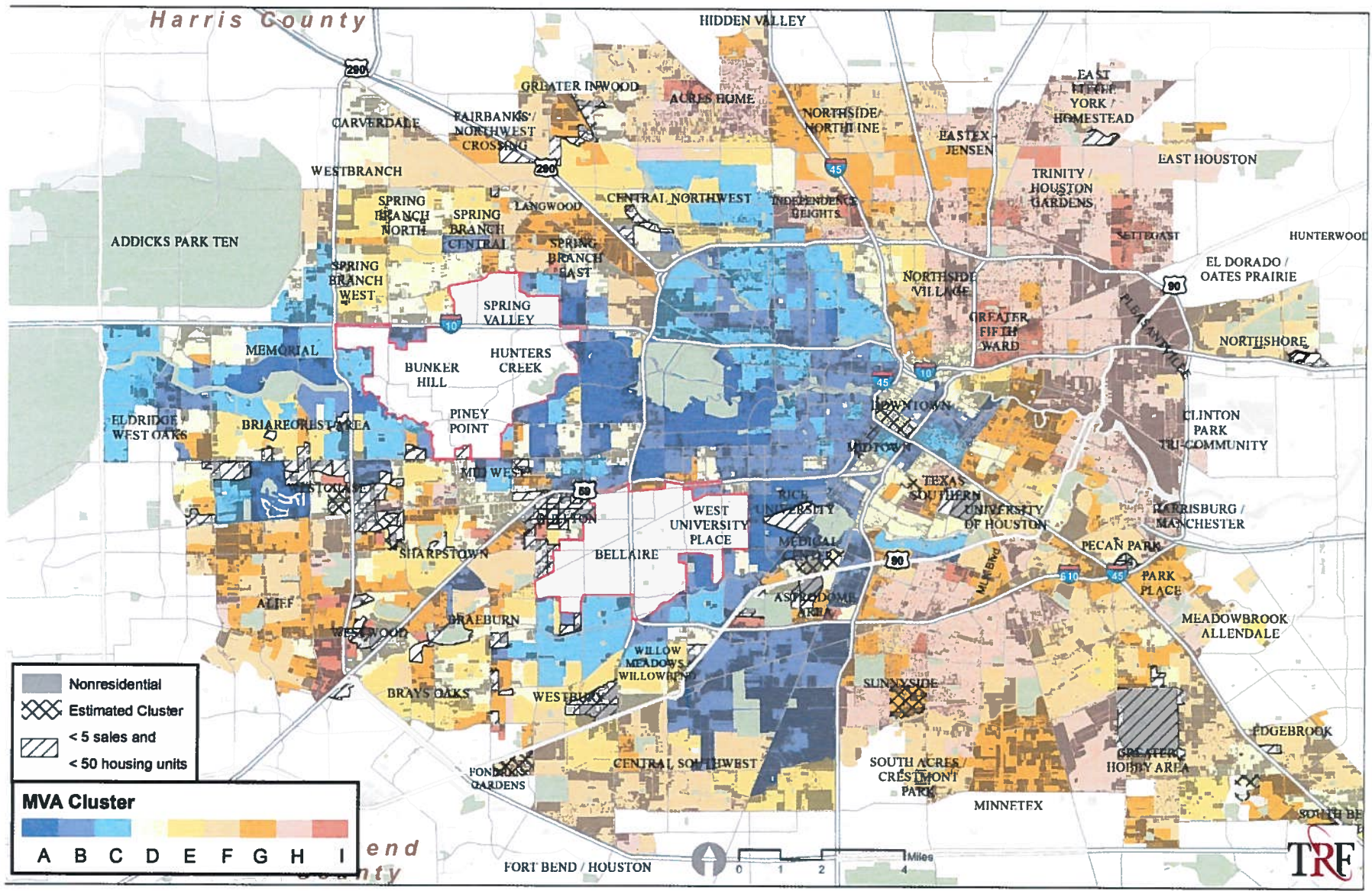
- The City's FY2016-2020 Capital Improvement Plan lists the Kirby Paving and Drainage Project (N000594). The \$7.6 million extension of Kirby Drive near NHH at Reed is scheduled to begin in FY 2018.
- The TMC3 Innovation Campus is a \$1.5 billion proposed project on 30 acres of land in the Texas Medical Center approximately 4 miles from NHH at Reed. This is a planned collaboration between University of Texas, Texas A&M, Baylor College of Medicine, and the University of Texas M.D. Anderson Cancer Center. The project is expected to have green space, research and office buildings, and shops and restaurants.
- UT has recently acquired 252 acres of land near the intersection of Willowbend Drive and Buffalo Speedway, approximately 4 miles from the NHH at Reed. UT expects to make additional adjacent purchases for a total land purchase price of \$215 million. While no plans have been finalized, this development will likely include significant investment.

The City of Houston supports a TDHCA award to NHH at Reed for Tax Credits because this development will reduce homelessness and affirmatively further fair housing. If you have any questions, you may contact Brenda Scott, Deputy Director, at (832) 394-6236.

Sincerely,



Neal Rackleff





HOUSTON INDEPENDENT SCHOOL DISTRICT
HATTIE MAE WHITE EDUCATIONAL SUPPORT CENTER
4400 WEST 18TH STREET – HOUSTON, TEXAS 77092-8501

June 20, 2016

Mr. Tim Irvine
Executive Director
Texas Department of Housing and Community Affairs
Delivered via email tim.irvine@tdhca.state.tx.us

Dear Mr. Irvine:

I am writing in support of New Hope Housing at Reed, a 187-unit affordable housing development that will offer direly needed Supportive Housing for families. As a former school Superintendent of Peoria, IL, and currently as a Chief School Officer at Houston Independent School District, I offer my personal reassurance that students living at New Hope Housing at Reed will receive a quality education at Young Elementary.

In 2015 the Texas Education Agency (TEA) rated Young Elementary as Improvement Required, after Young previously achieving Met Standard in 2014. This rating reduction of only a few points below threshold came as a result of unexpected teacher turnover, as well as Houston ISD's initiative to increase academic rigor at the school, raising the bar for academic achievement. As a part of the District's improvement initiative, departed teachers have been replaced with District-qualified staff who are better suited to the students at Young Elementary. Teacher performance and evaluation are ongoing, and I anticipate little staff turnover in the coming year. This factor, together with the experienced team of educators on board to ensure success, will enable the school to maintain the stability needed to return to a Met Standard rating.

Based on my experience; my familiarity with the current School Improvement Plan, which was developed under my supervision; and the benchmarks listed in the Plan, which was previously submitted to you on May 12, 2016, I fully expect that Young Elementary will return to Met Standard on or before the time that the New Hope Housing at Reed development places in service, mid-2018. Moreover, we expect that the addition of students from this development, where at-risk families will regain stability in their lives, will further contribute to the success of the school.

Stable housing opportunities provide a critical foundation for a successful academic start for young children. We eagerly look forward to working closely with New Hope Housing and welcoming the children from that development.

Sincerely,

A handwritten signature in blue ink that reads "Grenita Lathan".

Grenita Lathan
Chief School Officer, Elementary Transformation



**BOARD OF EDUCATION
HOUSTON INDEPENDENT SCHOOL DISTRICT**

Hattie Mae White Educational Support Center
4400 West 18th Street • Houston, Texas 77092-8501

www.HoustonISD.org
www.twitter.com/HoustonISD

Manuel Rodriguez, Jr.
Board President
District III

May 12, 2016

Wanda Adams.
First Vice President
District IX

Mr. Tim Irvine
Executive Director
Texas Department of Housing and Community Affairs
Delivered via email tim.irvine@tdhca.state.tx.us

Diana Davila
Second Vice President
District VIII

Dear Mr. Irvine:

Jolanda Jones
Board Secretary
District IV

I am writing in support of New Hope Housing at Reed, a 187-unit apartment development that will offer direly needed Supportive Housing for Houston families. I understand that there is an issue with the zoned high school, Worthing, and Met Standards. I assure you that the Houston Independent School District is taking all measures to mitigate this issue and to see that Worthing meets Met Standards in the near future.

Rhonda Skillern-Jones
Assistant Secretary
District II

I have worked with New Hope Housing since 2012. At that time, I was the Houston City Council Member, District D. New Hope was planning to build its 4415 Perry SRO, which was later partially funded by 9% tax credits. I assisted New Hope in that process. Also, as my Council tenure was ending due to term limits, I worked with New Hope as they began plans for the Reed apartments, to be located immediately adjacent to Star of Hope's 44-acre services campus, which is under construction now.

Anna Eastman
Trustee
District I

Currently, I am the Houston Independent School District First Vice President, and my district includes Worthing High School. The district and I are deeply committed to strong literacy programs, active parent and community engagement, and to turning around low-performing schools in my district.

Michael L. Lunceford
Trustee
District V

Greg Meyers
Trustee
District VI

Harvin C. Moore
Trustee
District VII

Worthing High School is in the midst of a transformation. The physical plant is undergoing a complete makeover and expansion, which represents a \$30 million investment and speaks to HISD's commitment to this high school. Duane Clark is the new principal at Worthing, and I have every confidence in his experienced and effective leadership. Mr. Clark is joined by a significant team that is dedicated to meeting Worthing's academic goals. Among the team leadership is Jason Bernal, Chief School Officer, Secondary Transformation, who comes to HISD from the nationally recognized YES Prep, and Dr. Kristin Craft, Worthing's School Support Officer.

A Campus Turnaround Plan has been written and will be submitted to the Texas Education Agency pending HISD board approval, anticipated on June 9. The district will be providing oversight to ensure implementation of the plan is done with fidelity, and that progress is being made toward the goals outlined in both the turnaround plan and its component targeted improvement plan. HISD is clearly committed to achieving a Met Standards rating in 2018.

Throughout my career in public service I have devoted myself to helping challenged people, including the homeless and the disabled. I am particularly enthusiastic about the leveraging of multiple nonprofits, including New Hope Housing, working to lift up homeless and at-risk families in District IX. I urge you to approve this important development. Reed will be a national model for helping families lift themselves from generational poverty.

Sincerely,

A handwritten signature in black ink, appearing to read "Wanda Adams", written in a cursive style.

Wanda Adams
HISD Trustee, District IX



**BOARD OF EDUCATION
HOUSTON INDEPENDENT SCHOOL DISTRICT**

Hattie Mae White Educational Support Center
4400 West 18th Street • Houston, Texas 77092-8501

www.HoustonISD.org
www.twitter.com/HoustonISD

Wanda Adams,
First Vice President
District IX

June 20, 2016

Mr. Tim Irvine
Executive Director
Texas Department of Housing and Community Affairs
Delivered via email tim.irvine@tdhca.state.tx.us

Dear Mr. Irvine:

Once again, I am writing in support of New Hope Housing at Reed, a 187-unit affordable housing development that will offer direly-needed Supportive Housing for families. I would like to reiterate my continued commitment and that of the Houston Independent School District (HISD) to the success of Worthing High School. HISD is also completely committed to academic success and the return to Met Standard for Young Elementary. (Please see letter from Chief School Officer Grenita Lathan, being sent to you under separate cover.)

I have been personally involved in overseeing Worthing's plan for improvement, and as a former Council Member for District D, I am familiar with the life-stabilizing work of New Hope Housing and with Worthing High School's history. It is clear that positive change is imminent at Worthing.

On June 9, 2016, the HISD Board of Trustees approved the Worthing High School Turnaround Plan. The approved plan, which was previously submitted to your department on May 12, 2016, focuses on developing Professional Learning Communities to offer teachers the opportunity to collaborate with peer teachers to strengthen instruction and academic rigor, as well as learning new methods for addressing the academic and social needs of students; and implementing Discipline in the Secondary Classroom, a proven and comprehensive behavior intervention strategy using Student Success Teams to implement training and provide feedback.

In addition to these concentrated efforts and a timeline of rigorous benchmarks, Worthing has an experienced and well-developed team of educators and administrators on board to ensure its success. Simply put, failure is not an option, and my confidence in the current administration's ability to achieve its goals is profound. I have every expectation that Worthing High School will make consistent and sustained improvements and achieve Met Standard by the time the New Hope Housing at Reed development is placed into service in mid-2018.

Sincerely,

A handwritten signature in black ink, appearing to read "Wanda Adams".

Wanda Adams
First Vice President, District IX
Houston ISD

4c

BOARD ACTION REQUEST
MULTIFAMILY FINANCE DIVISION
JUNE 30, 2016

Presentation, Discussion, and Possible Action on a Determination Notice for Housing Tax Credits with another Issuer and an Award of Direct Loan Funds (#16400 Acme Road Apartments, San Antonio)

RECOMMENDED ACTION

WHEREAS, an application for 4% Housing Tax Credit and Direct Loan funds under the 2016-1 Multifamily Direct Loan Notice of Funding Availability (“2016-1 NOFA”), for Acme Road Apartments, sponsored by NRP Investments, LLC and the San Antonio Housing Trust Public Facility Corporation (an instrumentality of the city of San Antonio), was submitted to the Department on January 4, 2016, but considered received on January 19, 2016, for 2016-1 NOFA purposes because of the Carryforward Designation Certificate issued by the Texas Bond Review Board on January 19, 2016, which will expire on December 31, 2018;

WHEREAS, the proposed issuer of the bonds is the San Antonio Housing Trust Housing Finance Corporation and there is Multifamily Direct Loan funding available to award under the 4% Housing Tax Credit Layered Set-Aside;

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;

WHEREAS, the applicant has disclosed the presence of such undesirable neighborhood characteristics, specifically that the elementary school for the attendance zone of the proposed development did not achieve a 2015 Met Standard rating by the Texas Education Agency (“TEA”);

WHEREAS, staff has conducted a further review of the proposed development site and surrounding neighborhood and recommends the proposed site be found eligible under 10 TAC §10.101(a)(4) of the Uniform Multifamily Rules;

WHEREAS, in accordance with 10 TAC §1.301(d)(1), the compliance history is designated as an Extra Large Portfolio Category 3 and deemed acceptable, subject to conditions, by the Executive Award and Review Advisory Committee (“EARAC”) after review and discussion; and

WHEREAS, EARAC recommends the issuance of a Determination Notice with the condition that closing occur within 120 days (on or before October 30, 2016);

NOW, therefore, it is hereby

RESOLVED, that the issuance of a Determination Notice of \$1,553,716 in 4% Housing Tax Credits and \$2,000,000 in Direct Loan funds subject to underwriting conditions that may be applicable as found in the Real Estate Analysis report posted to the Department's website for Acme Road Apartments is hereby approved as presented to this meeting conditioned upon the following:

1. In light of the previously identified communication problems that have persisted, prior to close of business on June 27, 2016 the applicant must present to EARAC the specific changes they have implemented in their standard operating procedure that will ensure that the previously identified communication deficiencies will not recur, including any changes implemented to the contact information listed in the Contract Monitoring and Tracking System ("CMTS").

FURTHER RESOLVED, that provided the Applicant has not closed on the bond financing on or before October 30, 2016, the Board authorizes EARAC to approve or deny extension of the Determination Notice date subject to an updated previous participation review, if necessary.

BACKGROUND

General Information: Acme Road Apartments, proposed to be located at south Acme Road and Prosperity Drive in San Antonio, Bexar County, involves the new construction of 324 units of which eight will be rent and income restricted at 50% of Area Median Family Income ("AMFI") and the remaining 316 will be rent and income restricted at 60% of AMFI under the HTC program. Under the Direct Loan Program, six units will be set-aside at 50% AMFI and 22 units will be set-aside at 60% AMFI. The development will serve the general population and is currently zoned appropriately. The census tract (1716.02) has a median household income of \$29,952, is in the fourth quartile, and has a poverty rate of 28%.

Direct Loan Information: The applicant has chosen to fix the Department's Direct Loan units in two buildings within the property. While unusual, the option to fix Direct Loan units is permissible under 24 CFR §92.252(j) and staff has performed the subsidy layering review with a fixed approach in mind. The applicant has been informed and agreed that selection of this method requires that costs be submitted only for fixed unit costs and requires a different treatment method of the over-income tenant. Staff has determined that there is a sufficient number of mobility accessible and hearing and visually impaired accessible units within the two buildings to be able to move forward with a fixed unit approach.

Conditions to Award: As required in section 4 of the 2016-1 NOFA, the Department's Governing Board must establish a hard closing deadline at the time of award. As such, EARAC recommended that closing on all sources of funds and the land must occur no later than October 30, 2016. This 120-day closing condition is generally consistent with the requirements of a bond transaction utilizing non-traditional carryforward. For non-traditional carryforward reservations, a statutory 150-day deadline from the date of the reservation 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. Staff believes that such closing deadline is attainable for the award of direct loan funds as well.

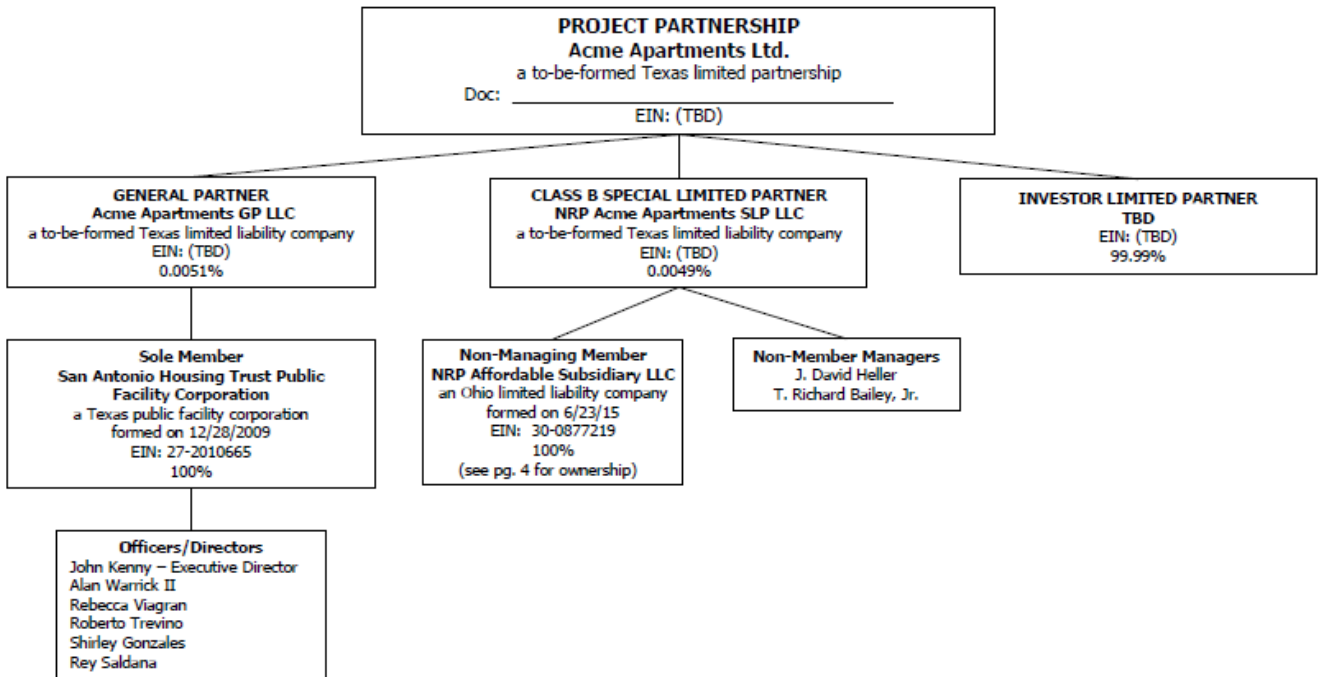
Site Analysis: The applicant disclosed the presence of an undesirable neighborhood characteristic under §10.101(a)(4)(B) of the Uniform Multifamily Rules; specifically, the elementary school for the attendance

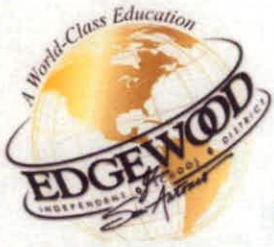
zone of the proposed development did not achieve a Met Standard rating, based on the 2015 TEA Accountability ratings. While the middle and high schools did achieve such rating, the elementary school (Henry B. Gonzales Elementary) failed to achieve the Met Standard rating. The proposed development is located within the Edgewood Independent School District and in assessing the accountability ratings reports over the past several years, this elementary school did not achieve the Met Standard rating in 2013, but did achieve such rating in 2014. The Campus Improvement Plan for 2015-2016, dated December 4, 2015, indicated there was improvement in the STAAR Writing from 42% to 55% over the prior year and there was a 3% decrease relating to the STAAR Math and Reading. Moreover, there was a 15% decrease in STAAR Science over the prior year. As it relates to scores on the Performance Index, Henry B. Gonzales achieved the target score on Index 2 and 3 and fell one point shy of meeting the target score on Index 4, and four points shy of meeting the target on Index 1. If the target score on Index 4 had been achieved, Henry B. Gonzales would have Met Standard. A letter from the Edgewood ISD explained that prior to the 2016 school year; the school experienced a turnover of three administrators and a 50% turnover rate of teachers. However, last year they retained 83% of teachers and 90% of them are working with the same grade level. While there had been a decrease in parent participation, they have shown improvement in addressing this key element and have several parent volunteers on campus daily. As a result of the increased parental involvement, there has been an increase in attendance from prior years. Edgewood ISD additionally explained that the performance on Index 2 (Student Progress) and Index 3 (Closing Performance Gaps) are indicators that the scores are trending up and the student scores are improving. In addition to providing an explanation of the school's performance, Edgewood ISD also offered their support for the Acme Apartments.

Under §10.101(a)(4) of the Uniform Multifamily Rules, there is a consideration for the Board to find a development site eligible despite the presence of undesirable neighborhood characteristics on the basis that there is a factual determination that such characteristic is not of such a nature or severity that it should render the development site ineligible based on acceptable mitigation efforts identified in the rule. After reviewing the aforementioned facts relating to the school standards, staff believes the Campus Improvement Plan, along with the letter from Edgewood ISD, leads to a supported conclusion that the development site should be considered eligible under §10.101(a)(4) of the Uniform Multifamily Rules.

Organizational Structure and Previous Participation: The Borrower is Acme Apartments, Ltd., and includes the entities and principals as indicated in the organization chart below. The applicant is considered an Extra Large Category 3 portfolio and the previous participation was deemed acceptable, subject to conditions, by EARAC after review and discussion. EARAC also reviewed the proposed financing and the underwriting report, and recommends issuance of a Determination Notice.

Public Comment: A letter of support from Edgewood ISD was submitted. No letters of opposition have been received.





5358 West Commerce Street
San Antonio, Texas 78237
Telephone: 210.444.4500
Fax: 210.444.4546
Website: www.eisd.net

EDGEWOOD INDEPENDENT SCHOOL DISTRICT

March 7, 2016

Ms. Teresa Morales
Texas Department of Housing and Community Affairs
P.O. Box 13941
Austin, Texas 78711-3941

RE: Acme Apartments – TDHCA # 16400

Dear Ms. Morales,

Please consider this letter both a mitigating response to rule §10.101(a)(4)(D) and as an endorsement of the proposed Acme Apartments. The Edgewood ISD understands that H.B. Gonzalez Elementary School's rating for 2015 of Improvement Required (IR) is problematic, but that if factual evidence can be provided to TDHCA that indicates the Acme Apartments would not be ineligible based on our mitigation efforts, then the development can proceed. We understand that you have access to our Campus Improvement Plan and the Targeted Improvement Plan for H.B. Gonzalez Elementary which clearly outlines the steps that the district, our administrators, and our staff are undertaking to ensure that the campus not only meets standards in the future, but achieves numerous Distinction Designations. However, we wanted to provide further explanation and the success of our recent initiatives toward meeting the benchmarks outlined in the plans. For the sake of our students and this worthy development, please allow this letter to address your concerns and provide such evidence.

Firstly, please consider that H.B. Gonzalez fell one point shy of meeting standard this past year as its Index 4 was 11 with a target score of 12. As you most likely know, H.B. Gonzalez exceeded Index 2 Student Progress which is extremely important to mitigation efforts (more on this later), exceeded Index 3 and fell 4 points shy of Index 1. If H.B. Gonzalez had met Index 4, then this community would have Met Standard (meeting Index 2, 3, 4). Additionally, please note that H.B. Gonzalez Met Standard last year with an Index 1 score of 55. This year the score is 56, indicating slight improvement, BUT the standard for Index 1 was raised by 5 points, and so it fell below threshold. In short, with either one point difference to Index 4 or if standards from 2014 were maintained, this would not be an issue.

Next, please note the following circumstances which may have led to a temporary decrease in our rating and what we are doing to improve:

- Prior to 2015-2016, H.B. Gonzalez experienced a turnover of three administrators. This may attribute to the I.R. rating as those scores are taken from the 2013-2014 year. However, since Fall 2014, Principal Mario Goff has been leading the campus and has shown excellent progress.

- In 2012, H.B. Gonzalez experienced a 50% turnover rate of teachers. Last year, we retained 83%, and 90% of teachers are working with the same grade level. This is a wonderful prognosis on our future.
- The campus has shown great improvement in addressing the decreased parent participation in prior years which is a key element in scoring. Mr. Goff has led a Coffee with the Principal meeting that has nearly doubled in size with parent participation since its inception. In fact, STEM night was attended by 120 families. Additionally, there are now 3-5 parent volunteers on campus daily.
- Attendance has increased from prior years. In the past year there has been a marked improvement in student attendance due to campus and school district focus on increased parental involvement.

Also, please note the following initiatives both from a campus and district wide perspective to meet our benchmarks:

- Staff now attends Saturday trainings, and are especially trained in unpacking the TEKS.
- There is now weekly lesson planning with our administrator, Mr. Goff.
- H.B. Gonzalez has structured discipline procedures resulting in a decline in referrals.
- H.B. Gonzalez also receives district support from the most experienced staff
- EXTREMELY IMPORTANT – curriculum based assessments are now given which indicate that H.B. Gonzalez's students are scoring in the mid to upper range of the district. With no other elementary schools scoring I.R., we fully expect the campus to Meet Standard next year. Additionally, as mentioned earlier, please note the exceeded scores on Index 2 Student Progress and Index 3 Closing the Gap. These both indicate that the scores are trending up and the student scores are improving.
- We are now implementing guided math in the classrooms, literacy strategies, increased planning for science, Abydos writing trainers on the campus, and a nine week review of campus data.
- Professional Service Providers – Edgewood ISD has hired from region 20 these specialized experts in reviewing steps to improve H.B. Gonzalez. These are not district employees, but specific hires for the campus, and they meet weekly with Mr. Goff.

Please do not let this brief deviation in standards delay or stop the development of Acme Apartments. We know that our work at Edgewood ISD and H.B. Gonzalez Elementary will provide the students from Acme a quality educational experience that will only be enhanced by the Resident Service Programs that will be offered at the apartment community.

Thank you very much and if you have any questions please contact me at 210-444-8110.

Sincerely,



Anna Nieto
Executive Officer at Edgewood ISD

4d

**THIS ITEM HAS BEEN PULLED
FROM THE AGENDA**

4e

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

4f

**THIS ITEM HAS BEEN PULLED
FROM THE AGENDA**

4g

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

4h

BOARD ACTION REQUEST
MULTIFAMILY FINANCE DIVISION
JUNE 30, 2016

Presentation, Discussion, and Possible Action to Issue a list of Approved Applications for 2016 Housing Tax Credits (“HTC”) in accordance with §2306.6724(e) of the Texas Government Code

RECOMMENDED ACTION

WHEREAS, the Department must approve a list of approved competitive (9%) HTC applications each year by June 30, in accordance with Tex. Gov't Code §2306.6724(e), from which final commitments may be made prior to July 31, in accordance with §2306.6724(f) and

WHEREAS, not all applications on the approved list have completed the review process and not all will ultimately receive an award of housing tax credits; however this list will satisfy the statutory requirements;

NOW, therefore, it is hereby

RESOLVED, the attached list of active applications for the 2016 competitive HTC application round, modified to reflect any prior actions from today’s agenda, is approved in accordance with Tex. Gov't Code §2306.6724(e), subject to meeting the requirements of the Qualified Allocation Plan (“QAP”) and associated rules.

BACKGROUND

The Department’s Board is required by Tex. Gov't Code §2306.6724(e) to “review the recommendations of department staff regarding applications and shall issue a list of approved applications each year in accordance with the qualified allocation plan not later than June 30.” Moreover, as required by Tex. Gov't Code §2306.6724(f), the Board “shall issue final commitments for allocations of housing tax credits each year in accordance with the qualified allocation plan not later than July 31.” At the Board meeting of July 28, 2016, the list presented to the Board will clearly identify those applications being recommended for a Commitment.

One-hundred forty-one competitive (9%) HTC applications were submitted prior to the application deadline of March 1, 2016. To date, seven applications have been withdrawn or terminated, excluding those terminated but with appeal rights remaining. Those with appeal rights remaining are included in this June 30 list, with their status identified.

This is the “list of approved applications” required by Tex. Gov't Code §2306.6724(e). They are approved in the sense that they have not yet been identified as having any material deficiency or other defect that would cause them to be ineligible, or if such matters have been identified they are still within the period where such matters may be appealed. As provided by §11.6(3) of the QAP, Award Recommendation Methodology, the Department will not perform a detailed review of all applications, it reviews priority applications that are most likely to be competitive. Priority

applications are identified based on self-score, a limited preliminary review, and other relevant factors, such as outcome of awards based on collapses. As staff continues the review process, applications remain subject to the identification of material and/or administrative deficiencies, revised scoring, and/or applications may be found to be ineligible or to involve ineligible applicants.

The attached list includes the current score for each active application as well as relevant application information. Those applications that have received a final scoring notice are identified in the "Review Status" column with a "C," indicating that a complete program review has been completed. Those applications that are currently under review are identified with a "UR" and those with an "N" have not been prioritized for review.

At this time, applications remain subject to underwriting, completion of any remaining program review, and a previous participation review. Further, the credit amount reflected on this list is the requested credit amount and may change to reflect a recommended credit amount and/or may have conditions placed on the allocation in July. Information about completed underwriting reviews may be found at the Real Estate Analysis webpage <http://www.tdhca.state.tx.us/rea/reports-9-percent.htm>. In addition to applications that may be removed from the list for issues of financial feasibility, applications may also be removed from the list of approved applications as determinations are made on appeals, or as the Board determines under operation of rule or law.

16231 Gala at Melissa	N side of E Melissa Rd, Melissa	Collin	75454	3	Urban	NC	79	14	93	Elderly Limitation	\$1,316,306	Jervon Harris	John Palmer	124	17	4	8	4	157 C	48085030201 1st Q	7	1.7	90.33			
16114 The Veranda Townhomes	Northeast corner of Co Plano	Collin	75025	3	Urban	NC	20	20	40	General	\$484,341	x Melissa Adami	Jean Brown	124	17	4	8	4	157 C	48085031639 1st Q	7	2.1	97.00			
16373 Avondale Farms Seniors	SEC of US-287 and Vo Fort Worth	Tarrant	76052	3	Urban	NC	109	12	121	Elderly Preference	\$1,500,000	Brandon Bolin	Clyde Mackey	124	17	4	8	4	157 C	48439114103 1st Q	7	3.6	89.67			
16275 Harmon Senior Villas	12801 Harmon Road (9Fort Worth	Tarrant	76177	3	Urban	NC	144	16	160	Elderly Preference	\$1,500,000	x David Yarden	Lisa Davis	124	17	4	8	4	157 C	48439113926 1st Q	7	6.5	89.33			
16226 Provision at Melissa	N side of E Melissa Rd, Melissa	Collin	75454	3	Urban	NC	96	24	120	General	\$1,500,000	x Jervon Harris	John Palmer	123	17	4	8	4	156 C	48085030201 1st Q	7	1.7	90.33			
16159 Palladium Garland	SE quadrant of Intersta Garland	Dallas	75043	3	Urban	NC	98	42	140	General	\$1,500,000	x Thomas E. Huth	Ryan Combs	123	17	4	8	4	156 C	48113017808 2nd Q	6	9.2	84.67			
16015 The Standard at Boswell Marketplace	Decatur Road and Fort Worth	Tarrant	76179	3	Urban	NC	118	10	128	General	\$1,500,000	x Daniel Smith	Matt Vruggink	121	17	4	8	4	154 C	48439114104 1st Q	7	3.9	79.67			
16098 Parkdale Villas	3909 W FM 120 & N PaDenison	Grayson	75020	3	Urban	NC	128	16	144	General	\$1,500,000	David Yarden	Lisa Davis	121	17	4	8	4	154 C	48181000302 1st Q	7	10	78.67			
16317 Blue Line Lofts	3737 Melcer Drive Rowlett	Dallas	75088	3	Urban	NC	112	47	159	General	\$1,500,000	Brandon Bolin	Clyde Mackey	119	17	4	8	4	152 C	48113018133 2nd Q	0	3.6	73.67			
16260 Churchhill at Golden Triangle Community	Appx 11000 block of M Fort Worth	Tarrant	76177	3	Urban	NC	111	7	118	General	\$1,500,000	x x Bradley E. Forslund	Becky Villanueva	123	17	4	8	4	-5	151 N	48439113922 1st Q	7	6.6	87.33		
16150 Palladium Aubrey Senior Living	SE quadrant of Hw 377 Aubrey	Denton	76227	3	Urban	NC	105	45	150	Elderly Limitation	\$1,500,000	Tom Huth	Ryan Combs	124	17	4	8	4	157 N	\$3mil cap-ineligible at this	48121020103 2nd Q	6	7.6	89.00		
16178 Palladium Anna	NE quadrant of HighwaAnna	Collin	75409	3	Urban	NC	108	72	180	General	\$1,500,000	x Thomas Huth	Ryan Combs	123	17	4	8	4	156 C	\$3mil cap-ineligible at this	48085030203 2nd Q	5	9.5	84.33		
Estimated Amount Available to Allocate	\$11,817,448	Elderly Max: \$4,594,643								Total HTCs Requested	\$18,300,647															
Region 4/Rural																										
16018 Abbington Place	Highway 110 at Sherry Whitehouse	Smith	75791	4	Rural	NC	48	12	60	General	\$860,000	Sean Brady	William J. Rea, Jr.	125	17	4	8	4	158 C	48423002200 1st Q	7	3.9	86.00	~1.33 mi from 502 W M		
16170 Whitehouse Senior Village	W-end Leamington Spa Whitehouse	Smith	75791	4	Rural	NC	56	16	72	Elderly Limitation	\$750,000	Leslie Holleman	Jeremy Mears	125	17	4	8	4	158 C	48423002200 1st Q	7	3.9	86.00	~.79 mi from Pecanwood		
16184 Reserve at Hagan	606 Highway 110 S Whitehouse	Smith	75791	4	Rural	NC	66	6	72	General	\$903,201	x Brian McGeady	Chris Applequist	125	17	4	8	4	158 N	48423002200 1st Q	7	3.9	86.00	~.53 mi from Pecanwood		
16165 Stonebridge of Paris	4800 Lamar Ave Paris	Lamar	75462	4	Rural	NC	60	20	80	General	\$917,500	Chaz Garrett	Kelly Garrett	125	17	4	8	4	158 N	48277000402 1st Q	7	4.4	82.33			
16167 Havens of Reno	NW corner of Highway Reno	Lamar	75462	4	Rural	NC	60	20	80	Elderly Limitation	\$880,000	Chaz Garrett	Kelly Garrett	125	17	4	8	4	158 N	48277000402 1st Q	7	4.4	82.33			
16024 The Estates of Lindale	County Rd 463, Across Lindale	Smith	75771	4	Rural	NC	48	0	48	Elderly Limitation	\$724,695	David R. Rhodes	Suzanne Rhodes	125	17	4	8	4	158 N	48423001403 2nd Q	7	13	88.00			
16020 Cedar Creek Villas	SE Corner of W. Ragley Henderson	Rusk	75654	4	Rural	NC	80	0	80	Elderly Limitation	\$872,166	Clifton E. Phillips	Bob Colvard	125	17	4	8	4	158 N	48401950800 3rd Q	7	17	79.33			
16168 Stonebridge of Whitehouse	Northwest of Highway Whitehouse	Smith	75791	4	Rural	NC	59	21	80	General	\$910,000	Chaz Garrett	Kelly Garrett	124	17	4	8	4	157 N	48423002200 1st Q	7	3.9	86.00			
Estimated Amount Available to Allocate	\$1,461,914									Total HTCs Requested	\$6,817,562															
Region 4/Urban																										
16160 Nash Senior Village	S side New Boston Rd ENash	Bowie	75569	4	Urban	NC	78	22	100	Elderly Limitation	\$1,012,000	Leslie Holleman	Jeremy Mears	125	17	4	8	4	158 C	48037010902 1st Q	7	14	80.00			
16214 Heritage Pines	SWC of New Boston RoTexarkana	Bowie	75501	4	Urban	NC	106	0	106	Elderly Limitation	\$1,056,152	Dan Allgeier	Len Vilicic	124	17	4	8	4	157 C	48037010902 1st Q	7	14	80.00			
Estimated Amount Available to Allocate	\$1,056,152									Total HTCs Requested	\$2,068,152															
Region 5/Rural																										
16363 Mill Town Seniors	S. 16th St. at W. Avenu Silsbee	Hardin	77656	5	Rural	NC	72	8	80	Elderly Limitation	\$887,000	Tim Lang	Cliff Snyder	125	17	4	8	4	158 C	48199030800 2nd Q	7	10	85.67			
16110 North Pine Villas	980 N. Pine Street Kountze	Hardin	77625	5	Rural	x NC	72	8	80	General	\$1,008,450	Miranda Ashline	Tamea Dula	120	17	4	8	4	153 C	48199030400 3rd Q	7	22	73.00			
Estimated Amount Available to Allocate	\$888,500									Total HTCs Requested	\$1,895,450															
Region 5/Urban																										
16172 Lumberton Senior Village	NW Corner of Mitchell Lumberton	Hardin	77657	5	Urban	NC	55	21	76	Elderly Limitation	\$735,000	Leslie Holleman	Jeremy Mears	121	17	4	8	4	154 C	48199030600 2nd Q	6	6	83.00			
Estimated Amount Available to Allocate	\$735,011									Total HTCs Requested	\$735,000															
#REF!																										
16236 Hamilton Crossing	31600-31700 block of \Waller	Harris	77484	6	Rural	NC	64	16	80	Elderly Limitation	\$750,000	David Mark Koogler	Zach Cavender	124	17	4	8	4	157 C	48201556000 2nd Q	7	13	78.67			
16242 Brooks Manor Apartments	444 Jefferson Street West Columbia	Brazoria	77486	6	Rural	Acq/Rehab	50	0	50	Elderly Limitation	\$357,880	Paul Moore	Justin Unger	123	17	4	8	4	156 C	48039662000 2nd Q	7	19	76.33			
16109 Waverly Village	255 Tafelski Road New Waverly	Walker	77358	6	Rural	x Recon	50	0	50	General	\$750,000	Miranda Ashline	Tamea Dula	122	17	4	8	4	155 C	48471790200 2nd Q	7	17	80.33			
Estimated Amount Available to Allocate	\$500,000									Total HTCs Requested	\$1,857,880															
Region 6/Urban																										
16223 Magnolia Gardens	NEC of Skinner Lane an Richmond	Fort Bend	77406	6	Urban	x NC	94	10	104	General	\$1,500,000	x Vita Goodell	Stephan Fairfield	124	17	4	8	4	157 C	48157673400 1st Q	7	2	88.33			
16012 Mariposa Apartment Homes at Clear Creek	Appx SE quadrant of H\ Webster	Harris	77598	6	Urban	NC	104	76	180	Elderly Limitation	\$1,500,000	Stuart Shaw	Casey Bump	124	17	4	8	4	157 C	48201350802 1st Q	7	3.6	88.67			
16069 Huntington at Sienna Ranch	6300 block Sienna Ran\Sienna Plantation, C	Fort Bend	77459	6	Urban	NC	105	44	149	Elderly Limitation	\$1,500,000	Mark Musemeche	Ofelia Elizondo	123	17	4	8	4	156 C	48157674501 1st Q	7	1.8	92.67			
16246 Gala at Four Corners	N Side of Old Richmond Four Corners	Fort Bend	77498	6	Urban	NC	72	18	90	Elderly Limitation	\$1,064,996	Jervon Harris	Ruben Esqueda	122	17	4	8	4	155 C	48157672701 2nd Q	6	14	80.33			
16258 Provision at West Bellfort	S side of W Bellfort AveHouston	Fort Bend	77478	6	Urban	NC	94	50	144	General	\$1,500,000	x Jervon Harris	Ruben Esqueda	122	17	4	8	4	155 C	48157672301 2nd Q	5	5.5	83.33			
16118 The Standard on the Creek	SE Corner of Fall Creek Houston	Harris	77396	6	Urban	NC	110	10	120	General	\$1,500,000	x Daniel Smith	Matt Vruggink	122	17	4	8	4	155 C	48201232200 2nd Q	5	15	84.00			
16105 Tuscany Park at Arcola	Post Oak Road Arcola	Fort Bend	77583	6	Urban	NC	88	8	96	General	\$1,500,000	x Sarah Andre	Ofelia Elizondo	118	17	4	8	4	151 C	48157647501 1st Q	3	1.8	83.33			
16239 Trails at Palm Center	Near NEC of MLK, Jr. BI Houston	Harris	77021	6	Urban	x NC	90	0	90	General	\$1,107,000	x John Hoffer	Donna Rickenbacker	118	17	4	8	0	151 C	48201313300 3rd Q	0	31	0.00			
16256 Chapman Crossings	N. Side of Water Works\Houston ETJ	Harris	77044	6	Urban	NC	102	18	120	General	\$1,500,000	Donna Rickenbacker	Kim Murphy	125	17	4	0	4	150 C	48201252000 1st Q	7	3.9	83.67			
16230 West Oaks Crossing	1723 - 1917 Block of Hi Houston	Harris	77077	6	Urban	NC	96	23	119	General	\$1,500,000	David Mark Koogler	Zach Cavender	124	17	4	-8	4	141 N	48201451602 1st Q	7	8.1	88.00			
16395 Cypress Creek Apartment Homes at Reed Rd	Appx SE quadrant of ReHouston	Harris	77051	6	Urban	NC	65	35	100	General	\$933,778	Stuart Shaw	Casey Bump	108	17	8	8	0	141 N	48201331300 4th Q	0	32	53.33			
16218 Sphinx at Sims Bayou Villas	5300 Airport Blvd. Houston	Harris	77048	6	Urban	x NC	96	30	126	Supportive Housing	\$1,500,000	Rick Sims	Vanessa Hardy	120	0	4	0	4	128 N	48201331700 4th Q	0	43	58.33			
16251 Provision at Clodine Road	SEC Boss Gaston Rd anHouston	Fort Bend	77498	6	Urban	NC	87	33	120	General	\$1,500,000	x Jervon Harris	Ruben Esqueda	118	17	4	8	4	151 C	\$3mil cap-ineligible at this	48157672701 2nd Q	5	14	77.00		
Estimated Amount Available to Allocate	\$10,347,395	Elderly Max: \$4,064,996								Total HTCs Requested	\$18,105,774															
Region 7/Rural																										
16169 Havens of Hutto	SE Corner of County RdHutto	Williamson	78634	7	Rural	NC	35	35	70	Elderly Limitation	\$500,000	x Chaz Garrett	Kelly Garrett	125	17	4	8	4	158 C	48491020809 2nd Q	7	3.1	82.67			
16196 Merritt Starlight	14400 Block of Ranch R\Wimberley	Hays	78676	7	Rural	x NC	40	40	80	Elderly Limitation	\$500,000	x Colby Denison	Stacy Swisher	125	17	4	8	4	158 C	48209010804 2nd Q	7	4.1	90.00			
16075 Meadow View Senior Village	E side of Carlos G. Park Taylor	Williamson	76574	7	Rural	NC	30	16	46	Elderly Limitation	\$500,000	Will Markel	Brian Kimes	123	17	4	8	4	156 N	48491021201 2nd Q	7	3.7	79.00			
Estimated Amount Available to Allocate	\$500,000																									

