

BOARD MEETING OF MARCH 6, 2014

J. Paul Ozer, Chair



Juan Muñoz, Vice-Chair

J. Mark McWatters, Member

Leslie Bingham Escareño, Member

Robert D. Thomas, Member

Tom Gann, Member

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

AGENDA

**9:30 A.M.
March 6, 2014**

**John H. Reagan Building
Room JHR 140, 105 W 15th Street
Austin, Texas**

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

J. Paul Oxer, Chair

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.

Resolution recognizing April as Fair Housing Month, Resolution No. 14-017

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.

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

EXECUTIVE

- a) Presentation, Discussion, and Possible Action to delegate to the Chair authority to perform the performance evaluation of the Executive Director

J. Paul Oxer
Chair

ASSET MANAGEMENT

- b) Presentation, Discussion, and Possible Action on approval of Housing Tax Credit Amendments

Cari Garcia
Director, Asset Management

13242 Saige Meadows Tyler

REPORT ITEMS

The Board accepts the following reports:

1. Executive Report of Multifamily Program Amendments, Extensions, and Ownership Transfers
2. Status Report on the HOME Program Contracts and Reservation System Participants

Cari Garcia
Director, Asset Management

Jennifer Molinari
Director, Home Program

ACTION ITEMS

ITEM 2: BOND FINANCE

Tim Nelson
Director, Bond Finance

Report on status of the Department’s Series 2004B Swap held under the SF Bond Trust Indenture

ITEM 3: MULTIFAMILY FINANCE

Cameron Dorsey
Director, MF Finance

- a) Presentation, Discussion, and Possible Action regarding Requests for Exemption from Undesirable Site Features filed in the 2014 Competitive Housing Tax Credit Cycle

14031	Louis Manor	Port Arthur
14176	Moss Rose Apartments	Killeen
14277	Pecan Tree Square Apartments	Grandview

- b) Presentation, Discussion, and Possible Action regarding Reinstatement of a Determination Notice for Housing Tax Credits with another Issuer

13419	Hunter Plaza	Fort Worth
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- c) Presentation, Discussion, and Possible Action regarding an Award of HOME funds from the 2013-1 HOME Multifamily Development Program Notice of Funding Availability

13119	Emma Finke Villas	Beeville
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ITEM 4: APPEALS AND WAIVERS

Cameron Dorsey
Director, MF Finance

Presentation, Discussion, and Possible Action on Timely Filed Appeals and Waivers under any of the Department’s Program or Underwriting Rules

13502	Majors Place Apartments	Greenville
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PUBLIC COMMENT ON MATTERS OTHER THAN ITEMS FOR WHICH THERE WERE POSTED AGENDA ITEMS.

EXECUTIVE SESSION

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

J. Paul Oser
Chair

1. The Board may go into Executive Session Pursuant to Texas Government Code §551.074 for the purposes of discussing personnel matters including to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee
2. Pursuant to Tex. Gov’t. Code, §551.071(1) to seek the advice of its attorney about pending or contemplated litigation or a settlement offer, including:
 - a) The Inclusive Communities Project, Inc. v. Texas Department of Housing and Community Affairs, et al., filed in federal district court, Northern District of Texas.
 - b) Galveston Open Government Project, et al., v. U.S. Department of Housing and Urban Development, et al., filed in federal district court, Southern District of Texas
 - c) Culberson County litigation
3. Pursuant to Tex. Gov’t. Code, §551.071(2) for the purpose of seeking the advice of its attorney about a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Tex. Gov’t. Code, Chapter 551
 - a) Complaint/comments regarding draft State of Texas’ Phase 2 Plan for Fair Housing Choice: Analysis of Impediments; Texas Appleseed, Texas Low Income Housing Information Service

4. Pursuant to Tex. Gov't. Code, §551.072 to deliberate the possible purchase, sale, exchange, or lease of real estate because it would have a material detrimental effect on the Department's ability to negotiate with a third person; and/or-
5. Pursuant to Tex. Gov't. Code, §2306.039(c) the Department's internal auditor, fraud prevention coordinator, or ethics advisor may meet in an executive session of the Board to discuss issues related to fraud, waste, or abuse.

OPEN SESSION

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

ADJOURN

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

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

Non-English speaking individuals who require interpreters for this meeting should contact Jorge Reyes, 512-475-4577 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 Jorge Reyes al siguiente número (512) 475-4577 por lo menos tres días antes de la junta para hacer los preparativos apropiados.

Texas Department of Housing and Community Affairs
RESOLUTION No. 14-017

WHEREAS, April 2014 is Fair Housing Month and marks the 46th anniversary of the passage of the federal Fair Housing Act (Title VIII of the Civil Rights Act of 1968), signed by U.S. President Lyndon Baines Johnson on April 11, 1968; and

WHEREAS, the Fair Housing Act provides that no person shall be subjected to discrimination because of race, color, national origin, religion, sex, disability, or familial status in the sale, rental, financing, or advertising of housing and charges the Secretary of the U.S. Department of Housing and Urban Development (“HUD”) with administering HUD programs in a manner that meets the requirements of the law and affirmatively furthers the objectives of the Fair Housing Act; and

WHEREAS, the Texas Department of Housing and Community Affairs administers housing programs to promote the development and supply of safe, decent, affordable housing for qualifying Texans; and

WHEREAS, it is the policy of the Texas Department of Housing and Community Affairs to support equal housing opportunity in the administration all of its programs and services, including encouraging equitable lending practices for its homebuyer programs and Fair Housing rules and guidelines for its multifamily developments; and

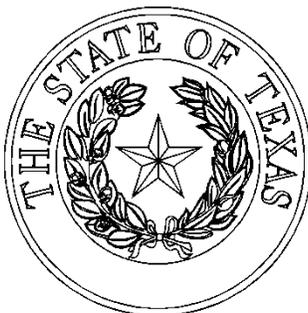
WHEREAS, the Texas Department of Housing and Community Affairs, through its program implementation workshops, provides Fair Housing training designed to continually educate architects, building managers, consultants, contractors, developers, engineers, lenders, real estate professionals, and other partners about the importance of their commitment and adherence to the requirements of the Fair Housing Act; and

WHEREAS, the Texas Department of Housing and Community Affairs encourages, especially at the local level, the development of educational programs to provide fair housing information in communities throughout the State; and

WHEREAS, the Texas Department of Housing and Community Affairs and the State of Texas support equal housing opportunity in accordance with the Fair Housing Act not only during Fair Housing Month in April, but throughout the entire year; now, therefore, be it

RESOLVED, that in the pursuit of the goal and responsibility of providing equal housing opportunities for all, the Governing Board of the Texas Department of Housing and Community Affairs does hereby celebrate April 2014 as Fair Housing Month in Texas and encourages all Texas individuals and organizations, public and private, to join and work together in this observance for free and equal housing treatment and opportunity for all.

Signed this Sixth Day of March 2014.



J. Paul Ozer, Chair

Leslie Bingham Escareño, Member

J. Mark McWatters, Member

Timothy K. Irvine, Executive Director

Dr. Juan Muñoz, Vice Chair

Tom H. Gann, Member

Robert D. Thomas, Member

CONSENT AGENDA

1a

BOARD ACTION REQUEST
EXECUTIVE DIVISION
MARCH 6, 2014

Presentation, discussion, and possible action to delegate to the Chair authority to perform the performance evaluation of the Executive Director.

RECOMMENDED ACTION

WHEREAS, the Department's Personnel Policy provides that each employee shall receive an annual evaluation of performance and

WHEREAS, the Executive Director is employed by the Governing Board

NOW, therefore, it is hereby

RESOLVED, that the Chair be and is hereby authorized, empowered, and directed to oversee the completion and documentation of the annual performance evaluation of the Executive Director.

1b

BOARD ACTION REQUEST
ASSET MANAGEMENT DIVISION
MARCH 6, 2014

Presentation, Discussion, and Possible Action to approve a Housing Tax Credit Amendment for Saige Meadows in Tyler (File No. 13242)

RECOMMENDED ACTION

WHEREAS, Saige Meadows received an award of 9% Housing Tax Credits in 2013 to construct 92 multifamily units in Tyler;

WHEREAS, the Development Owner requested approval to modify the site plan, community buildings, residential buildings, unit plans, and the exterior composition of all buildings on the property;

WHEREAS, the requested modifications represent a significant modification of the architectural design of the Development pursuant to 10 TAC §10.405(a)(4)(E);

WHEREAS, Board approval is required for any change that would materially alter a Development and the Owner has complied with the amendment requirements in Texas Government Code §2306.6712 and 10 TAC §10.405; and

WHEREAS, the changes in the site do not impact the viability of the transaction or the amount of tax credits awarded;

NOW, therefore, it is hereby

RESOLVED, that the amendment of the Housing Tax Credit application for Saige Meadows 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

Saige Meadows was approved during the 2013 competitive cycle to construct 92 new multifamily units in Tyler, Texas. On December 12, 2013, the Development Owner requested approval to reconfigure the site plan, at the recommendation of the site engineer, to provide better topography for the Development site. The changes include the following:

Changes to Residential Buildings:

Originally the site had 14 residential buildings. The new plan consolidates eight (8) buildings on the north and west side of the property into four (4) buildings thereby decreasing the total residential buildings from 14 to 10 for the property.

Changes to Unit Floor Plans:

The total number of units and number of units by bedroom type have remained unchanged from what was presented at original application. However, some of the unit floor plans have been slightly altered due to a design change in the bay windows at the front of units. Additionally, there are now two different types of 3 bed/2.5 bath townhome units based on their positioning on the inside or outside of the building. As a result of these changes the total net rentable area (NRA) of the units increased from 90,608 in the original application to 91,208 as proposed in this amendment request. This represents a .66% increase in NRA and does not negatively affect the Development.

Change to Exterior Composition:

At application, the Owner indicated that the exterior composition would be 100% masonry with a combination of stone/brick veneer and cement siding in a traditional building design. The Owner requested to change the building plans to a more contemporary/modern architectural design which includes a change in exterior composition to a combination of concrete masonry veneer, cement siding, and metal panel. This metal panel is coated with "Galvalume", which is then painted with "Kynar 500". The development architect submitted a letter to support this request indicating that metal siding is at least equal to the other materials accepted as masonry by the Department and is a superior product to vinyl or natural wood siding in terms of longevity and durability. In addition, the architect indicated that they had consulted with the General Contractor and determined that the cost implications are nearly identical.

Change to Common Areas:

The Owner is proposing a significant modification to the original community building plans submitted at Application. The original site plan included one 2,600 square foot community building or clubhouse, which housed a fitness center. The new site plan includes two community buildings. The first building is a 3,205 square foot clubhouse and the second building which will have the fitness center is 995 square feet. The new plans have a total common area of 4,200 square feet, which represents a 38% increase in square footage from what was originally proposed at Application. The Owner has indicated that this modification will be an increased benefit to the residents by enlarging the computer room, snack area, reception area, community space, maintenance area, and providing a separate fitness center facility.

Of the proposed modifications to the site plan, staff considers the changes to the number of residential buildings, the common areas, and the exterior composition and design of the buildings to be significant modifications of the architectural design, which requires Department Board approval. Additionally, staff has determined that the metal paneling coated with Galvalume is not equivalent to "100% masonry"; therefore, approving the amendment as requested, the application would not receive two (2) points awarded for this amenity as defined under Unit Amenities, §10.101(b)(6)(B)(xi) of the 2013 Uniform Multifamily Rules. Using the Galvalume product would result in total masonry composition that is greater than 75% of the exterior; only one point under the 2013 rules. The Development Owner was advised of this and has confirmed that they will provide seven (7) points worth of Unit Amenities as described in §10.101(b)(6)(B) of the 2013 Uniform Multifamily Rules. In the 2013 application cycle, it was not required at application to identify which of the unit amenity items were going to be used to make up the seven points until the Land Use

Restriction Agreement (LURA) is drafted by the Department. Therefore, there is no decrease in Unit Amenity points related to these requested changes.

The Development Owner provided all necessary information for the amendment request to be analyzed by REA staff. Based on this evaluation, the changes proposed by the Development Owner do not impact the financial viability of the development and the previous credit allocation.

Staff recommends that this amendment request be approved.

December 12, 2013

Kent Bedell
TDHCA
PO Box 13941
Austin, TX 78711

RE: Amendment Request for 13242 Saige Meadows

Dear Mr. Bedell:

Please find this request for an amendment to 13242 Saige Meadows in Tyler. We are requesting changes to the site plan, common areas, residential buildings, exterior composition, and unit plans due to topography and to provide for a more contemporary development. Please note that we do not anticipate any significant changes in costs at this time.

Change to Site Plan

Subsequent engineering on the site determined that the site plan should be reconfigured due to topography to allow for better building placement and site and landscape terracing. Please see the attached site plan that keeps the same layout as the original site plan, but combines residential buildings on the north and west areas of the property and reconfigures the central area that includes the pool, clubhouse, and new fitness center building. The acreage is unchanged at 7.93 acres and the number of parking spaces is unchanged at 182 spaces.

Change to Common Areas

The clubhouse has been slightly relocated on the new site plan and the floor plan has been reconfigured. A new separate fitness center building is also proposed in the new plans. At application, the fitness center was included within the clubhouse, which had a square footage of 2,600. The new plans relocate the fitness center to a separate building of 995 square feet and increase the square footage of the main clubhouse to 3,205 square feet by enlarging the computer room, snack area, reception area, gathering room space, and maintenance area. The new plans have a total common area of 4,200 square feet in 2 nonresidential buildings, which is a significant increase over the original plans on 2,600 square feet in 1 nonresidential building. This will be a benefit to the residents and improvement over the tenant space proposed in the original application.

Change to Residential Buildings

At application, there were 14 residential buildings. The new plans consolidate buildings on the north and west areas and total residential buildings have been reduced to 10. Please see the attached plans and the building unit configuration form that show these changes.

Change to Exterior Composition

At application, the exterior composition was 100% masonry per scoring with a combination of stone/brick veneer and cement siding. The new plans depict a more contemporary exterior style and change the exterior composition to a combination of concrete masonry veneer, cement siding, and metal panel. The metal panel that is proposed is coated with "Galvalume," which is warrantied for 25 years, and then painted with "Kynar 500," which is warrantied for 45 years and makes it comparable to fiber cement siding products. Therefore, we believe that this proposed exterior composition with metal panel is still 100% masonry for scoring purposes.

Change to Unit Plans

The total number of units and number of units by bedroom type are unchanged from the original application; however, some of the unit plans are slightly different due to a design change in the bay window at the front of the units. In addition, there are now two slightly different types of 3/2 townhome units based on whether the unit is on the inside or the outside of the building. Square footages of the units are either unchanged or increased from the original application. The original application had an NRA of 90,608 while the new plans have an NRA of 91,208. Please see the attached rent schedule and building unit type configuration forms that show these changes.

Because these changes do not appear to be material changes and because they are being requested prior to implementation, we do not believe that the amendment fee is required. Please let us know if you need additional information.

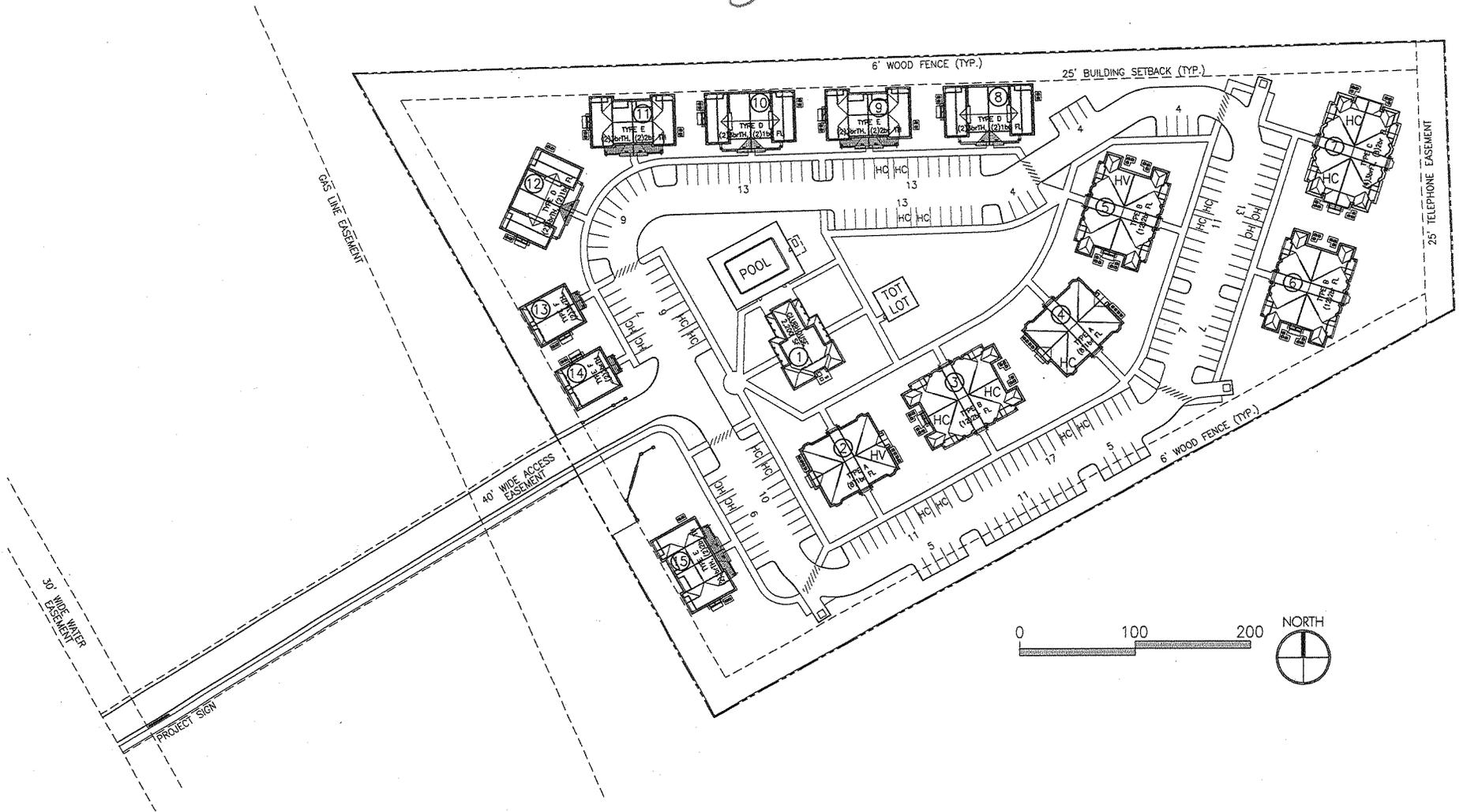
Thank you for your attention to this request.

Regards,

A handwritten signature in black ink, consisting of a stylized initial 'A' followed by a long horizontal line extending to the right.

Alyssa Carpenter

Original



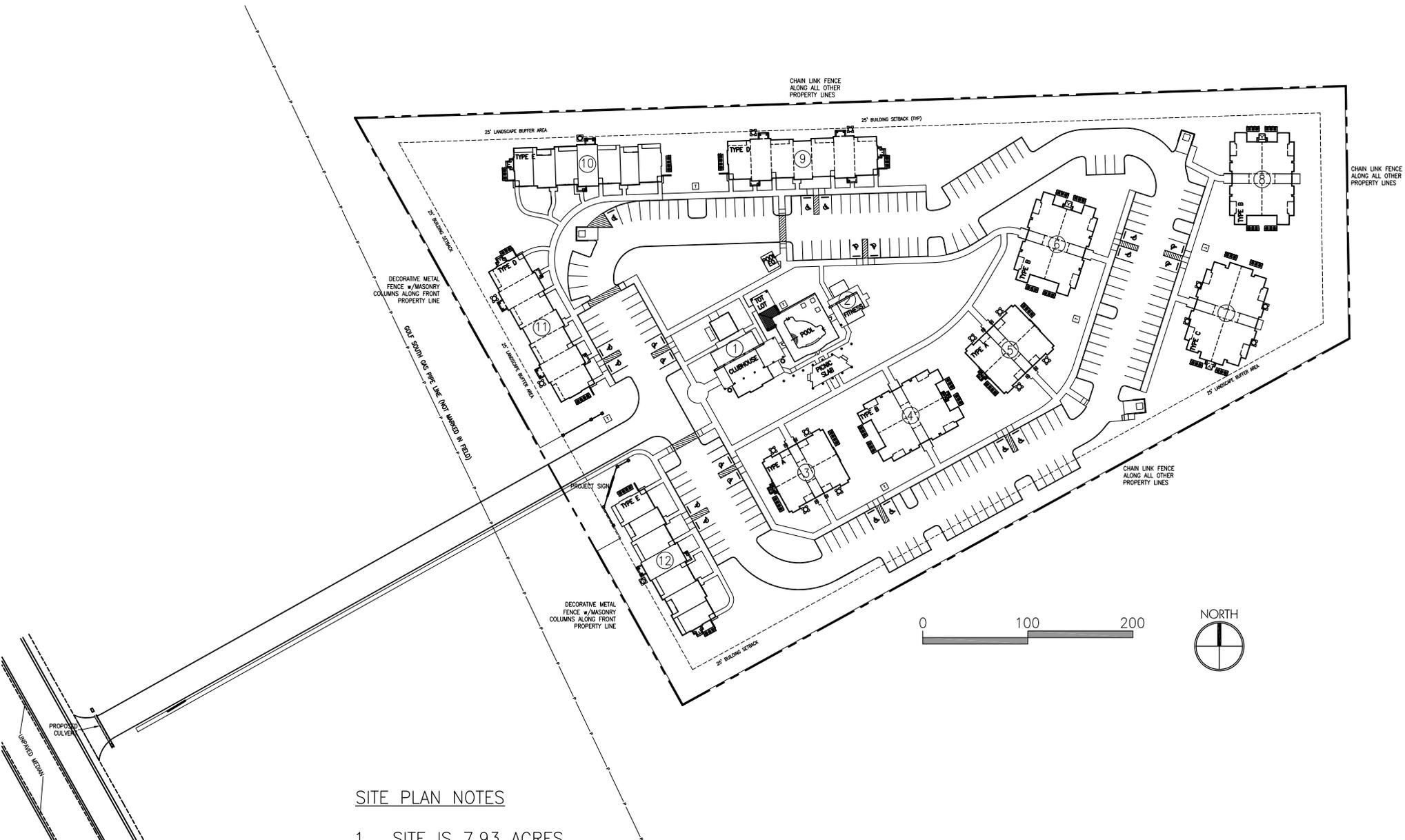
SITE PLAN NOTES

1. SITE IS 7.93 ACRES
2. SITE CONTAINS FLOOD ZONE X PER FEMA FLOOD INSURANCE RATE MAP 48423C0225C DATED 9/26/2009
3. ALL ONSITE CONSTRUCTION SHOWN IS NEW CONSTRUCTION
4. REFER TO BUILDING SUMMARY ON FOLLOWING PAGE FOR UNIT MIX & SIZE TABULATION.

Saige Meadows - Architectural Site Plan

Tyler, Texas





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Saige Meadows - Architectural Site Plan



Tyler, Texas

BUILDING SUMMARY - SAIGE MEADOWS

		BUILDING CONFIGURATION *							UNIT AREA **								BUILDING AREA ***		
BUILDING DESIGNATION	BUILDING TYPE	1-BR 1-BA	2-BR 2-BA	3-BR 2-BA	1-BR-FL 1-BA	2-BR-TH 2.5-BA	3-BR-TH 2.5-BA-I	3-BR-TH 2.5-BA-O	1-BR 1-BA	2-BR 2-BA	3-BR 2-BA	1-BR-FL 1-BA	2-BR-TH 2.5-BA	3-BR-TH 2.5-BA-I	3-BR-TH 2.5-BA-O	TOTAL N.R.A. **	UNITS/ BLDG	# OF STORIES	G.S.F./ BLDG ***
1	CLUBHOUSE																	1	3,205
2	FITNESS																	1	995
3	A	8							709						5,672	8	2	6,835	
4	B		12							926					11,112	12	3	12,996	
5	A	8							709						5,672	8	2	6,835	
6	B		12							926					11,112	12	3	12,996	
7	C		8	4						926	1,118				11,880	12	3	13,795	
8	B		12							926					11,112	12	3	12,996	
9	D				2	1	2	2			760	1,156	1,445	1,449	8,464	7	1&2	9,724	
10	E				1	2	2	2			760	1,156	1,445	1,449	8,860	7	1&2	9,294	
11	D				2	1	2	2			760	1,156	1,445	1,449	8,464	7	1&2	9,724	
12	E				1	2	2	2			760	1,156	1,445	1,449	8,860	7	1&2	9,294	
TOTALS		16	44	4	6	6	8	8							91,208	92		108,689	

* APARTMENT BUILDINGS CONTAIN 1, 2 & 3 STORY ELEMENTS, SEE BUILDING PLANS & ELEVATIONS. THE CLUBHOUSE & FITNESS CENTER ARE 1 STORY.

** NET RENTABLE AREA (TDHCA) IS THE UNIT SPACE THAT IS AVAILABLE EXCLUSIVELY TO THE TENANT AND IS HEATED & COOLED BY A MECHANICAL HVAC SYSTEM. NRA IS MEASURED TO THE OUTSIDE OF THE STUDS OF A UNIT OR TO THE MIDDLE OF WALLS IN COMMON WITH OTHER UNITS. NRA DOES NOT INCLUDE COMMON HALLWAYS, STAIRWELLS, ELEVATOR SHAFTS, JANITOR CLOSETS, ELECTRICAL CLOSETS, BALCONIES, PORCHES, PATIOS, OR OTHER AREAS NOT ACTUALLY AVAILABLE TO THE TENANTS FOR THEIR FURNISHINGS.

CLUBHOUSE & FITNESS AREA IS GROSS AREA MEASURED TO THE OUTSIDE OF THE ENCLOSING STUD WALLS.

*** BUILDING AREA AS DEFINED IN SECTION 502.1 2009 IBC AS THE AREA INCLUDED WITHIN THE SURROUNDING EXTERIOR WALLS EXCLUSIVE OF VENT SHAFTS & COURTS. (INCLUDES BREEZEWAY & PORCH AREAS)

TOTAL DWELLING UNITS = 92
 9X18 PARKING SPACES = 162
 HC PARKING SPACES = 20
 TOTAL PARKING SPACES = 182
UFAS/IBC HANDICAP UNITS SUMMARY

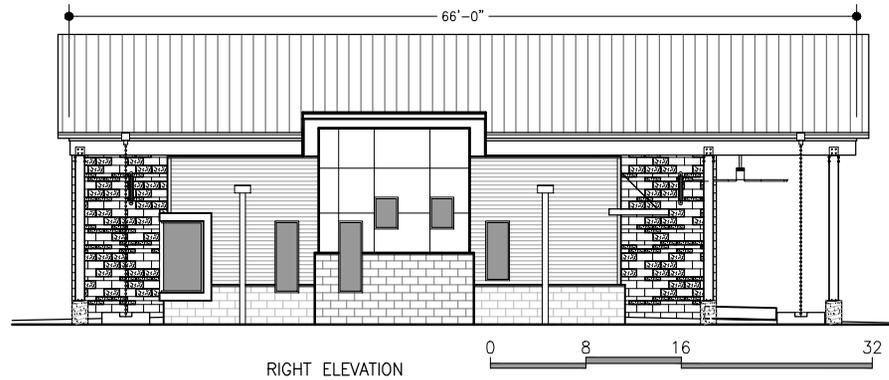
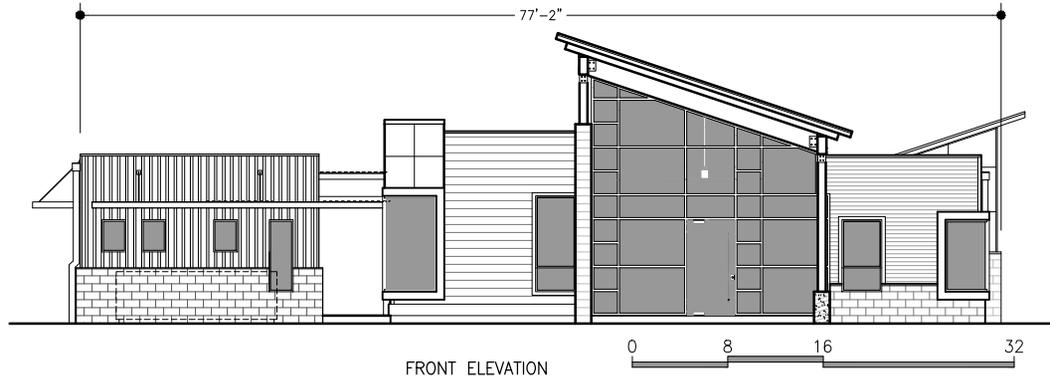
MOBILITY, HEARING & VISUAL
 5% x 92 = 5 UNITS
 LABELED UFAS/IBC HC UNIT ON SITE PLAN

HEARING & VISUAL
 2% x 92 = 2 UNITS
 LABELED HV UNIT ON SITE PLAN

Saige Meadows - Building Summary

Tyler, Texas

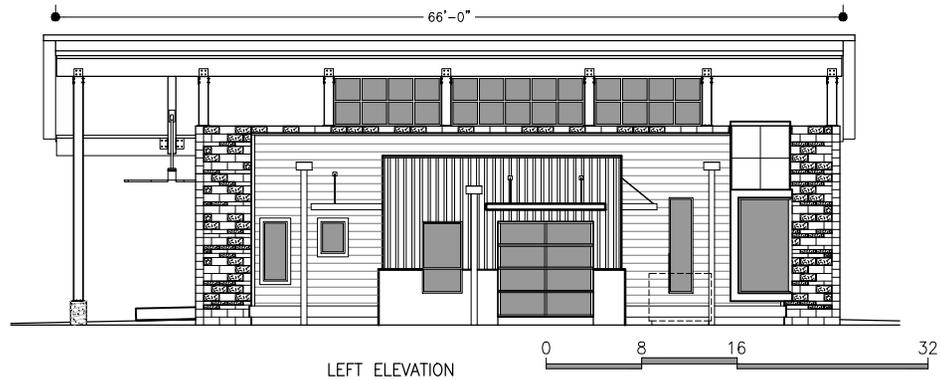
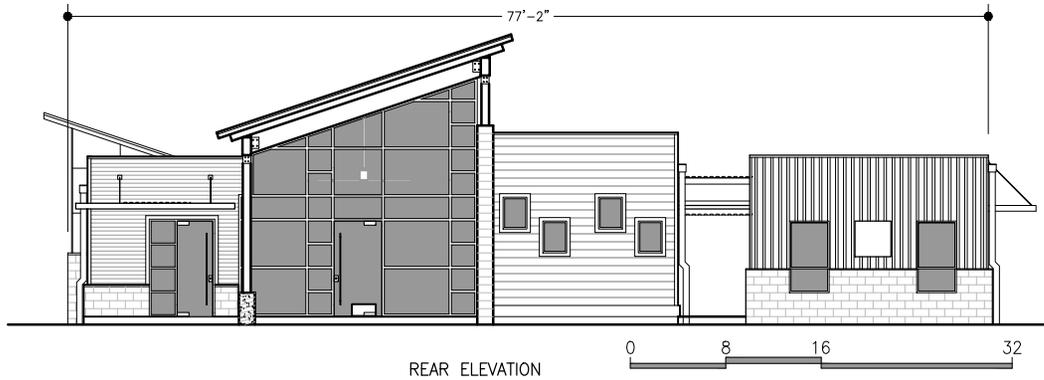




EXTERIOR MATERIAL INDEX			
BUILDING	VENEER (%)	CEMENTITIOUS SIDING (%)	METAL (%)
	CMU	LAP, PANEL, TRIM	
CLUBHOUSE	34.3	52.3	13.4
FITNESS	32.1	46.7	21.2
BLDG 3,5	15.7	72.6	11.7
BLDG 4,6,8	13.9	74.6	11.5
BLDG 7	9	85.6	5.4
BLDG 9,11	28.7	53.7	17.6
BLDG 10,12	29.9	61.8	8.3

COMMON AREA = 3,205 SF
 MIN. 8'-0" CEILING HT.
 ROOF SLOPE 4:12 OR 0.25:12
 UNLESS NOTED OTHERWISE

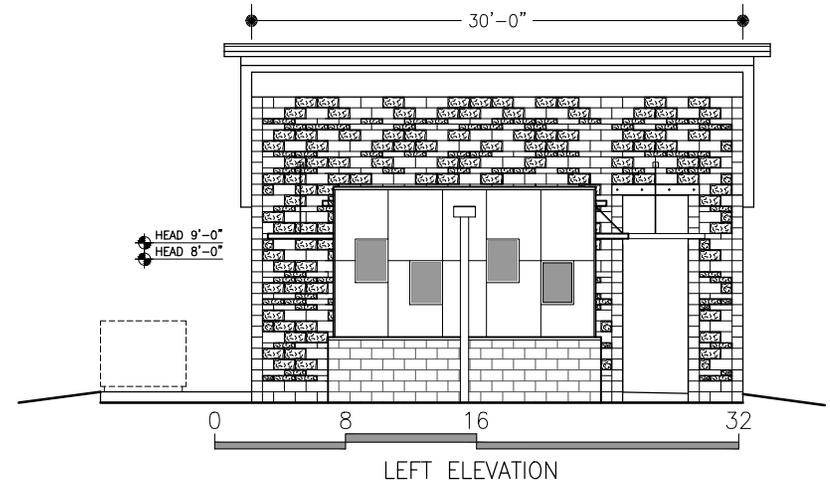
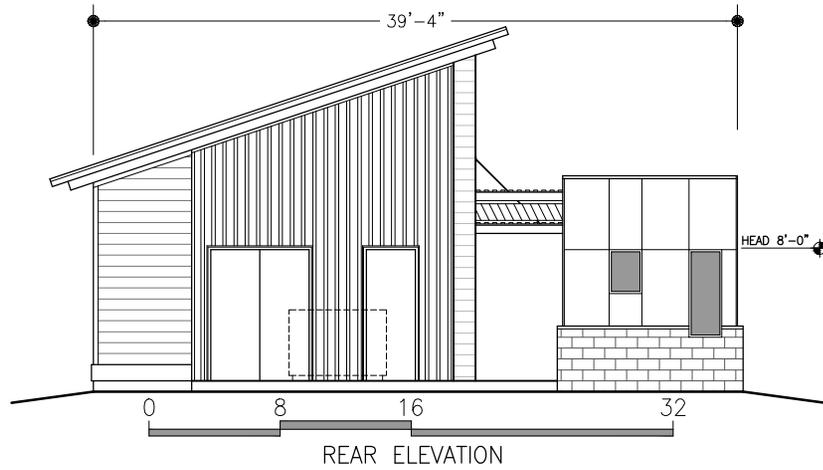
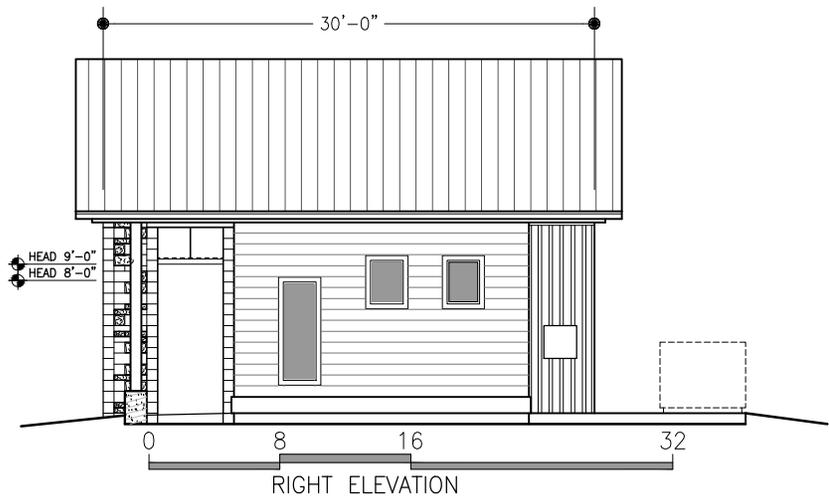
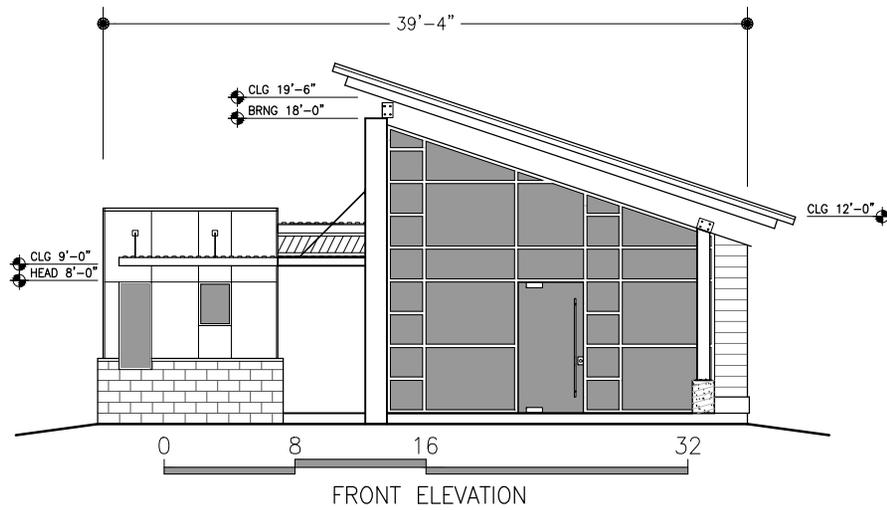
Saige Meadows - Clubhouse Elevations - Bldg. 1



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Saige Meadows - Clubhouse Elevations - Bldg. 1

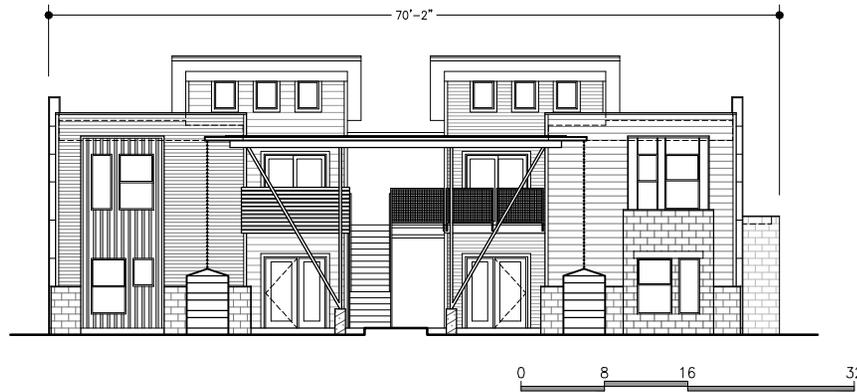
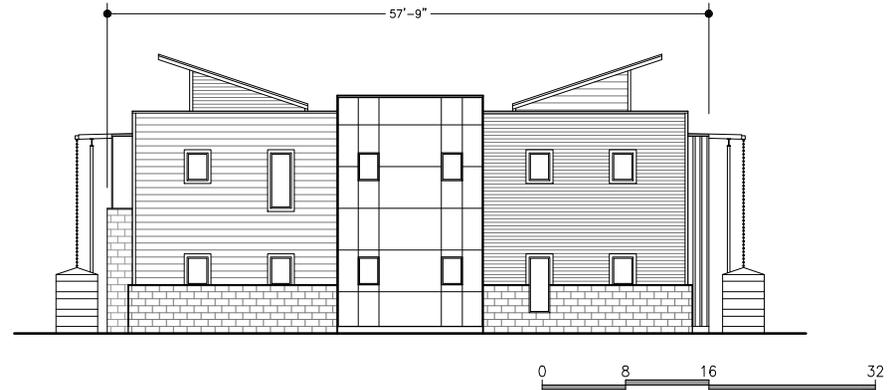


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BLDG 9,11	28.7	53.7	17.6
BLDG 10,12	29.9	61.8	8.3

COMMON AREA = 995 SF
 MIN. 8'-0" CEILING HT.
 ROOF SLOPE 4:12 OR 0.25:12
 UNLESS NOTED OTHERWISE

Saige Meadows - Fitness Elevation - Bldg. 2





EXTERIOR MATERIAL INDEX			
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PER BUILDING
 BUILDING NET RENTABLE AREA = 5,672 SF
 BUILDING PORCH AREA = 424 SF
 BUILDING COMMON SPACE = 763 SF
 MIN. 8'-0" CEILINGS
 ROOF SLOPE 4:12 OR 0.25:12 UNLESS
 NOTED OTHERWISE

Saige Meadows - Building Elevation - Bldgs. 3 & 5



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BLDG 10,12	29.9	61.8	8.3

PER BUILDING
 BUILDING NET RENTABLE AREA = 11,112 SF
 BUILDING PORCH AREA = 912 SF
 BUILDING COMMON SPACE = 998 SF
 MIN. 8'-0" CEILINGS
 ROOF SLOPE 4:12 OR 0.25:12 UNLESS
 NOTED OTHERWISE

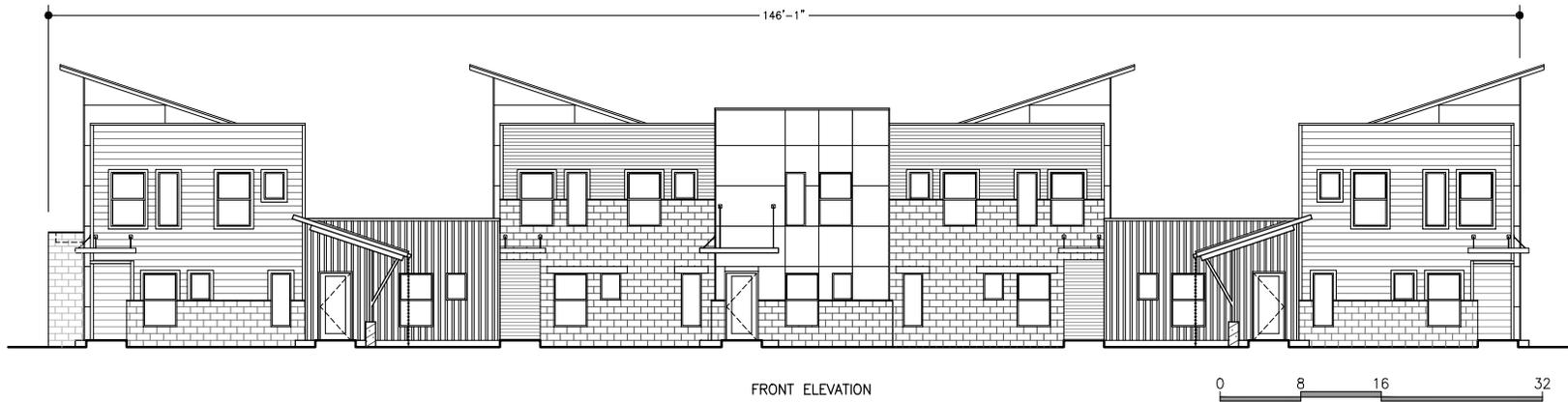
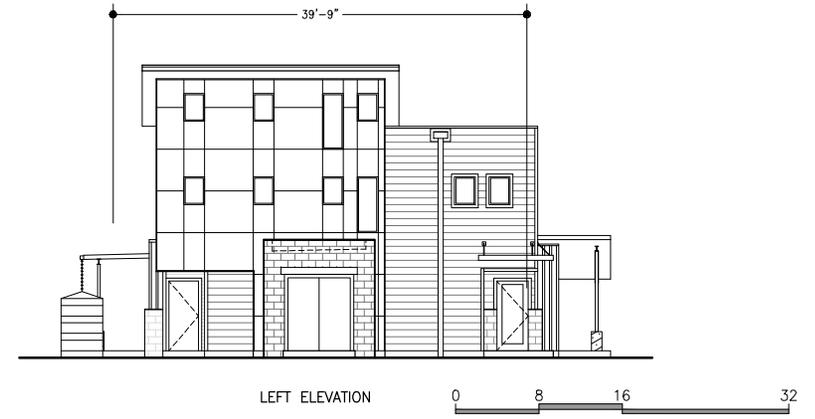
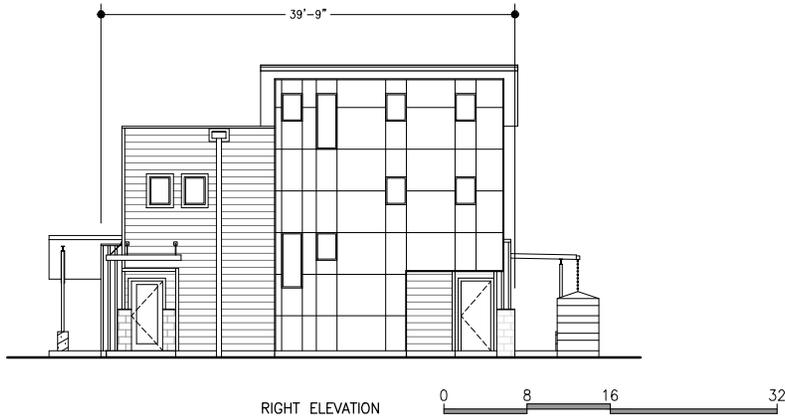
Saige Meadows - Building Elevation - Bldgs. 4, 6 & 8



EXTERIOR MATERIAL INDEX			
BUILDING	VENEER (%)	CEMENTITIOUS SIDING (%)	METAL (%)
	CMU	LAP, PANEL, TRIM	
CLUBHOUSE	34.3	52.3	13.4
FITNESS	32.1	46.7	21.2
BLDG 3,5	15.7	72.6	11.7
BLDG 4,6,8	13.9	74.6	11.5
BLDG 7	9	85.6	5.4
BLDG 9,11	28.7	53.7	17.6
BLDG 10,12	29.9	61.8	8.3

PER BUILDING
 BUILDING NET RENTABLE AREA = 11,880 SF
 BUILDING PORCH AREA = 912 SF
 BUILDING COMMON SPACE = 998 SF
 MIN. 8'-0" CEILINGS
 ROOF SLOPE 4:12 OR 0.25:12 UNLESS
 NOTED OTHERWISE

Saige Meadows - Building Elevation - Bldg. 7



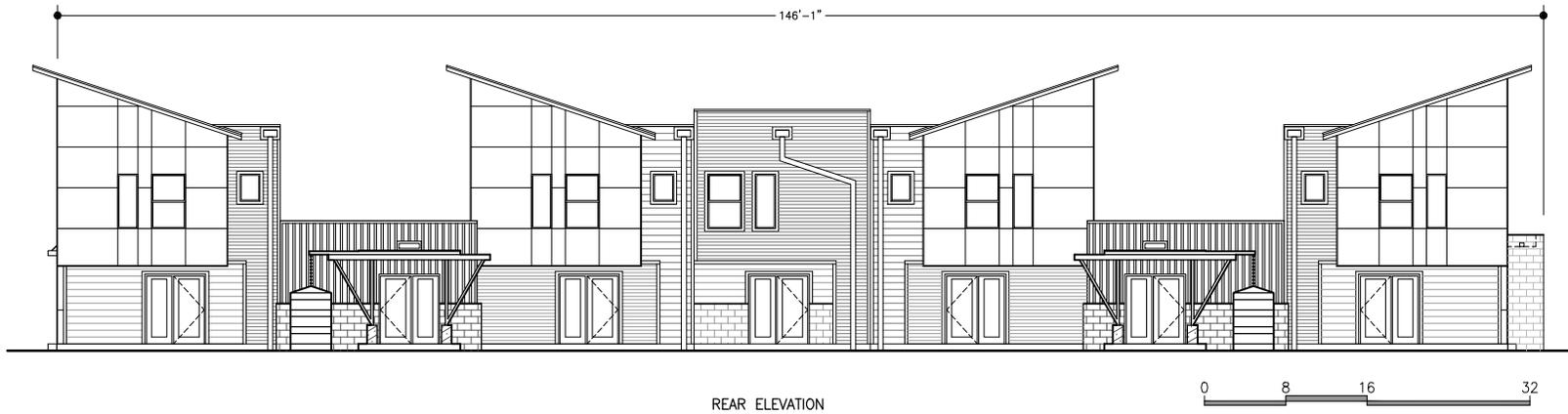
EXTERIOR MATERIAL INDEX			
BUILDING	VENEER (%)	CEMENTITIOUS SIDING (%)	METAL (%)
	CMU	LAP, PANEL, TRIM	
CLUBHOUSE	34.3	52.3	13.4
FITNESS	32.1	46.7	21.2
BLDG 3,5	15.7	72.6	11.7
BLDG 4,6,8	13.9	74.6	11.5
BLDG 7	9	85.6	5.4
BLDG 9,11	28.7	53.7	17.6
BLDG 10,12	29.9	61.8	8.3

PER BUILDING
 BUILDING NET RENTABLE AREA = 8,456 SF
 BUILDING PORCH AREA = 470 SF
 BUILDING COMMON SPACE = 0 SF
 MIN. 8'-0" CEILINGS
 ROOF SLOPE 4:12 OR 0.25:12 UNLESS
 NOTED OTHERWISE

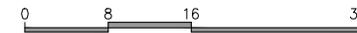
Saige Meadows - Building Elevation - Bldgs. 9 & 11

Tyler, Texas





REAR ELEVATION



EXTERIOR MATERIAL INDEX			
BUILDING	VENEER (%)	CEMENTITIOUS SIDING (%)	METAL (%)
	CMU	LAP, PANEL, TRIM	
CLUBHOUSE	34.3	52.3	13.4
FITNESS	32.1	46.7	21.2
BLDG 3,5	15.7	72.6	11.7
BLDG 4,6,8	13.9	74.6	11.5
BLDG 7	9	85.6	5.4
BLDG 9,11	28.7	53.7	17.6
BLDG 10,12	29.9	61.8	8.3

PER BUILDING

BUILDING NET RENTABLE AREA = 8,456 SF

BUILDING PORCH AREA = 470 SF

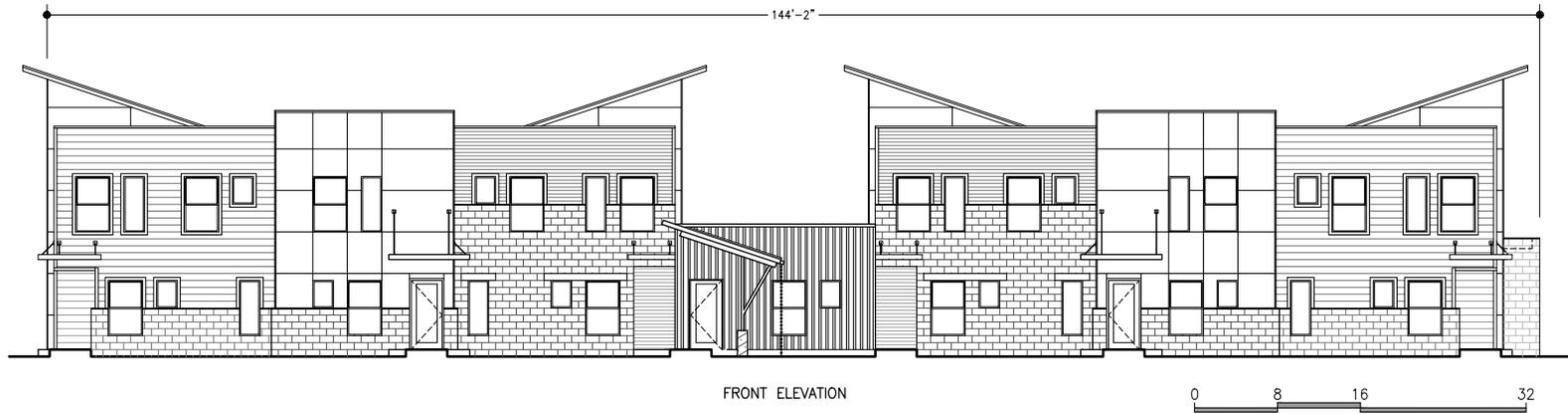
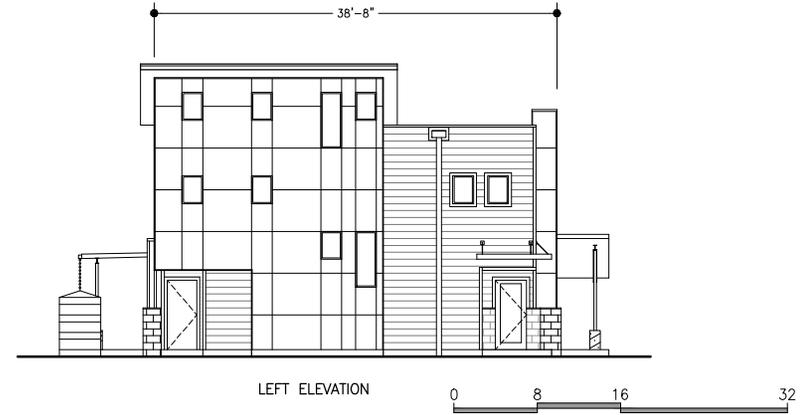
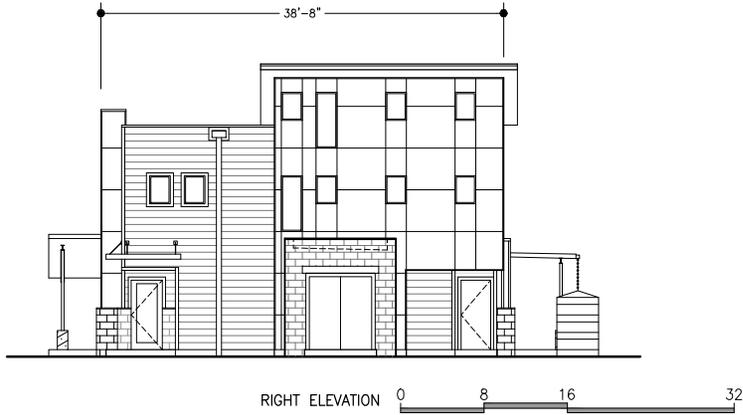
BUILDING COMMON SPACE = 0 SF

MIN. 8'-0" CEILINGS

ROOF SLOPE 4:12 OR 0.25:12 UNLESS

NOTED OTHERWISE

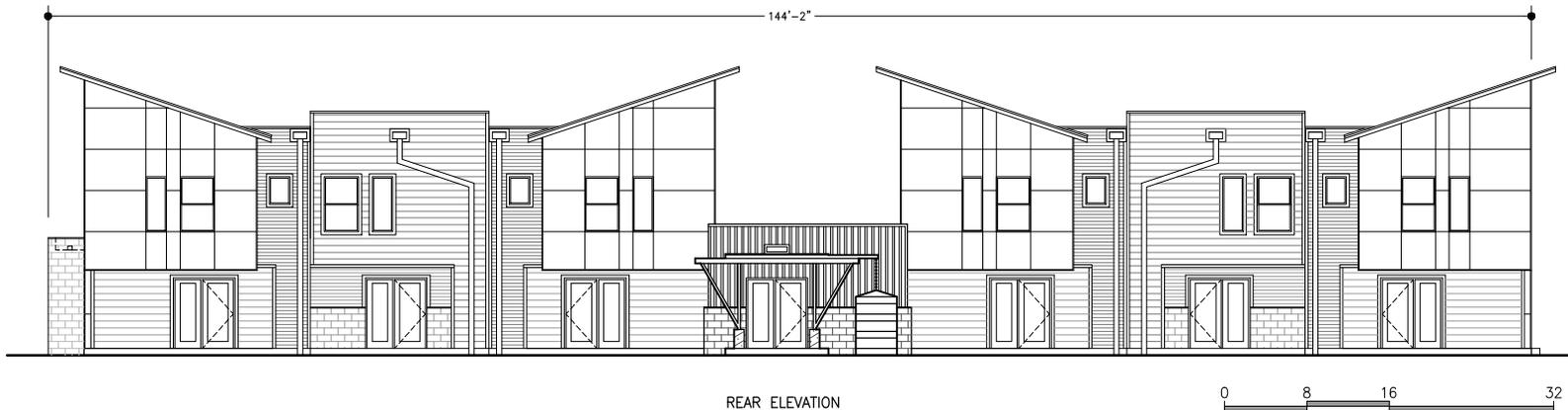
Saige Meadows - Building Elevation - Bldgs. 9 & 11



EXTERIOR MATERIAL INDEX			
BUILDING	VENEER (%)	CEMENTITIOUS SIDING (%)	METAL (%)
	CMU	LAP, PANEL, TRIM	
CLUBHOUSE	34.3	52.3	13.4
FITNESS	32.1	46.7	21.2
BLDG 3,5	15.7	72.6	11.7
BLDG 4,6,8	13.9	74.6	11.5
BLDG 7	9	85.6	5.4
BLDG 9,11	28.7	53.7	17.6
BLDG 10,12	29.9	61.8	8.3

PER BUILDING
 BUILDING NET RENTABLE AREA = 8,852 SF
 BUILDING PORCH AREA = 480 SF
 BUILDING COMMON SPACE = 0 SF
 MIN. 8'-0" CEILINGS
 ROOF SLOPE 4:12 OR 0.25:12 UNLESS
 NOTED OTHERWISE

Saige Meadows - Building Elevation - Bldgs. 10 & 12



REAR ELEVATION

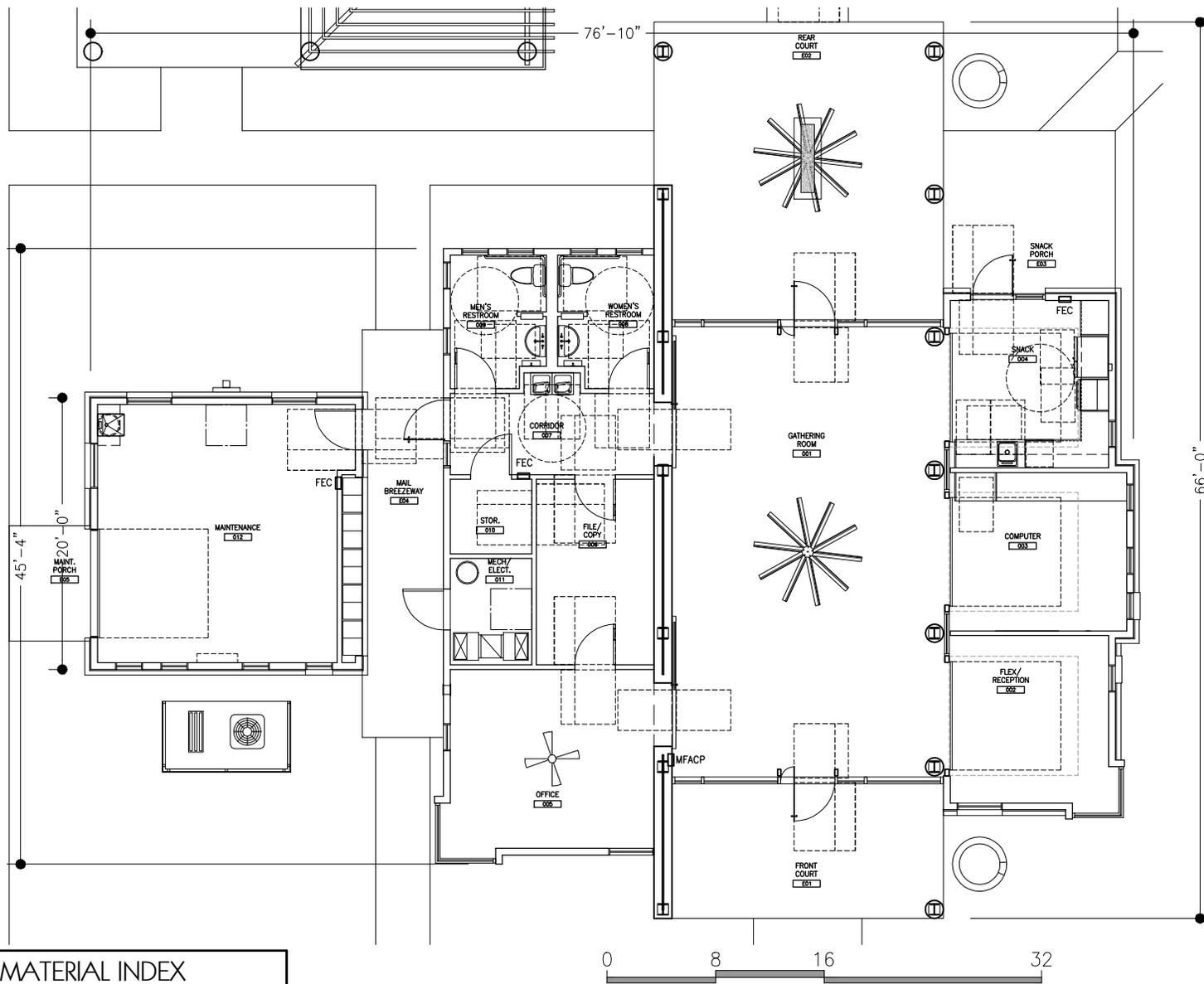


EXTERIOR MATERIAL INDEX			
BUILDING	VENEER (%)	CEMENTITIOUS SIDING (%)	METAL (%)
	CMU	LAP, PANEL, TRIM	
CLUBHOUSE	34.3	52.3	13.4
FITNESS	32.1	46.7	21.2
BLDG 3,5	15.7	72.6	11.7
BLDG 4,6,8	13.9	74.6	11.5
BLDG 7	9	85.6	5.4
BLDG 9,11	28.7	53.7	17.6
BLDG 10,12	29.9	61.8	8.3

PER BUILDING

BUILDING NET RENTABLE AREA = 8,852 SF
 BUILDING PORCH AREA = 480 SF
 BUILDING COMMON SPACE = 0 SF
 MIN. 8'-0" CEILINGS
 ROOF SLOPE 4:12 OR 0.25:12 UNLESS
 NOTED OTHERWISE

Saige Meadows - Building Elevation - Bldgs. 10 & 12

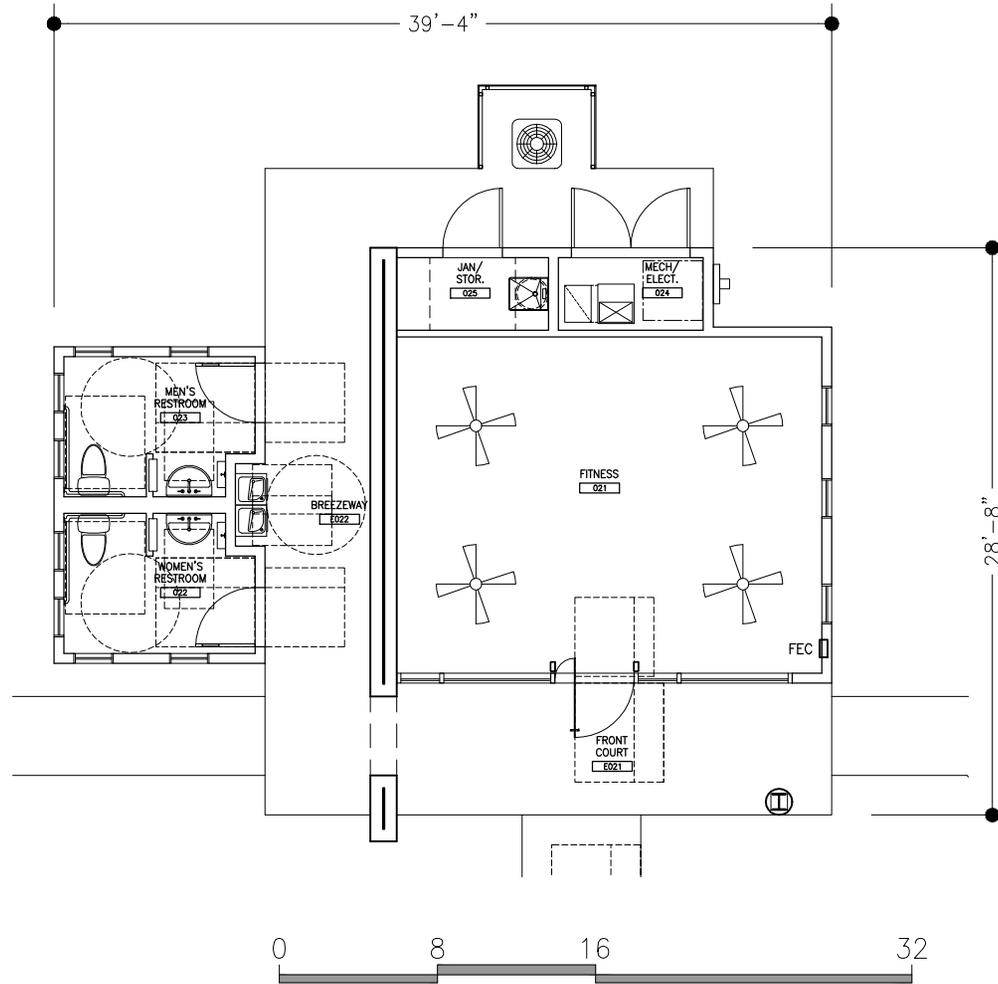


EXTERIOR MATERIAL INDEX			
BUILDING	VENEER (%)	CEMENTITIOUS SIDING (%)	METAL (%)
	CMU	LAP, PANEL, TRIM	
CLUBHOUSE	34.3	52.3	13.4
FITNESS	32.1	46.7	21.2
BLDG 3,5	15.7	72.6	11.7
BLDG 4,6,8	13.9	74.6	11.5
BLDG 7	9	85.6	5.4
BLDG 9,11	28.7	53.7	17.6
BLDG 10,12	29.9	61.8	8.3

COMMON AREA = 3,205 SF
 MIN. 8'-0" CEILING HT.
 ROOF SLOPE 4:12 OR 0.25:12
 UNLESS NOTED OTHERWISE

Saige Meadows - Clubhouse Plan - Bldg. 1



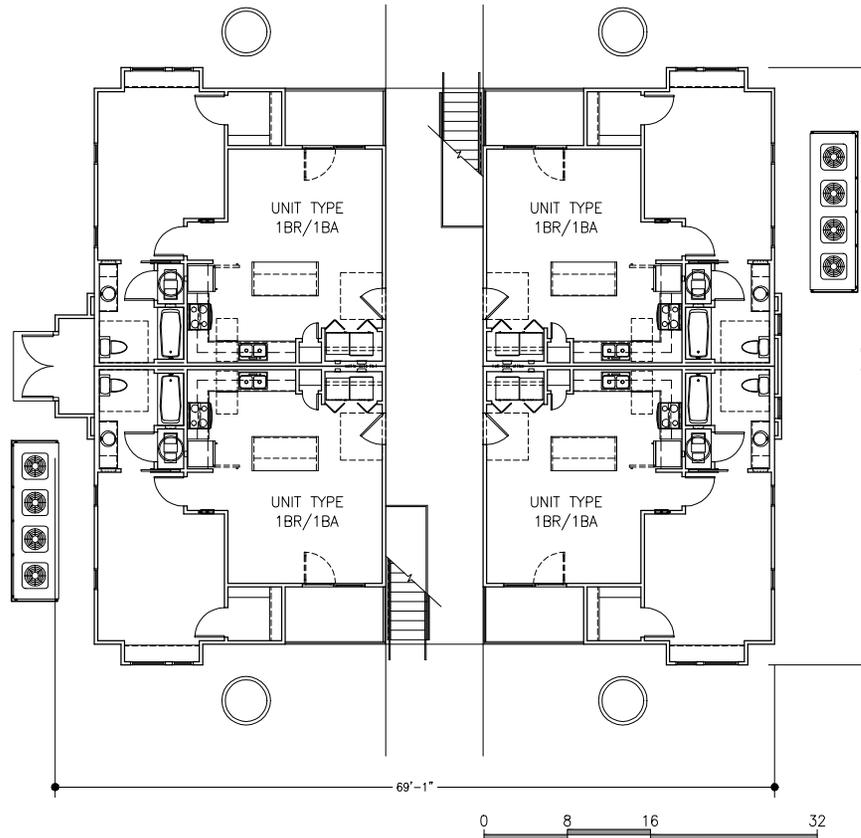


EXTERIOR MATERIAL INDEX			
BUILDING	VENEER (%)	CEMENTITIOUS SIDING (%)	METAL (%)
	CMU	LAP, PANEL, TRIM	
CLUBHOUSE	34.3	52.3	13.4
FITNESS	32.1	46.7	21.2
BLDG 3,5	15.7	72.6	11.7
BLDG 4,6,8	13.9	74.6	11.5
BLDG 7	9	85.6	5.4
BLDG 9,11	28.7	53.7	17.6
BLDG 10,12	29.9	61.8	8.3

COMMON AREA = 995 SF
 MIN. 8'-0" CEILING HT.
 ROOF SLOPE 4:12 OR 0.25:12
 UNLESS NOTED OTHERWISE

Saige Meadows - Fitness Plan - Bldg. 2



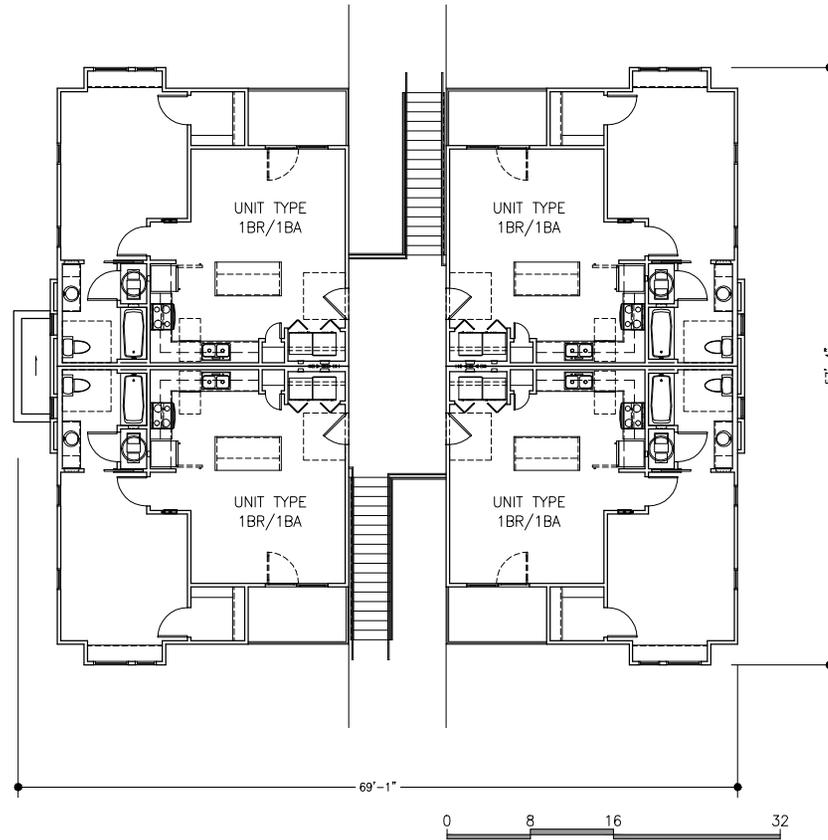


BUILDING TYPE A
8 1-BR/1BA

EXTERIOR MATERIAL INDEX			
BUILDING	VENEER (%)	CEMENTITIOUS SIDING (%)	METAL (%)
	CMU	LAP, PANEL, TRIM	
CLUBHOUSE	34.3	52.3	13.4
FITNESS	32.1	46.7	21.2
BLDG 3,5	15.7	72.6	11.7
BLDG 4,6,8	13.9	74.6	11.5
BLDG 7	9	85.6	5.4
BLDG 9,11	28.7	53.7	17.6
BLDG 10,12	29.9	61.8	8.3

PER BUILDING
 BUILDING NET RENTABLE AREA = 5,672 SF
 BUILDING PORCH AREA = 424 SF
 BUILDING COMMON SPACE = 763 SF
 MIN. 8'-0" CEILINGS
 ROOF SLOPE 4:12 OR 0.25:12 UNLESS
 NOTED OTHERWISE

Saige Meadows - Building Plan - Bldgs. 3 & 5 - First Floor



BUILDING TYPE A
8 1-BR/1BA

EXTERIOR MATERIAL INDEX			
BUILDING	VENEER (%)	CEMENTITIOUS SIDING (%)	METAL (%)
	CMU	LAP, PANEL, TRIM	
CLUBHOUSE	34.3	52.3	13.4
FITNESS	32.1	46.7	21.2
BLDG 3,5	15.7	72.6	11.7
BLDG 4,6,8	13.9	74.6	11.5
BLDG 7	9	85.6	5.4
BLDG 9,11	28.7	53.7	17.6
BLDG 10,12	29.9	61.8	8.3

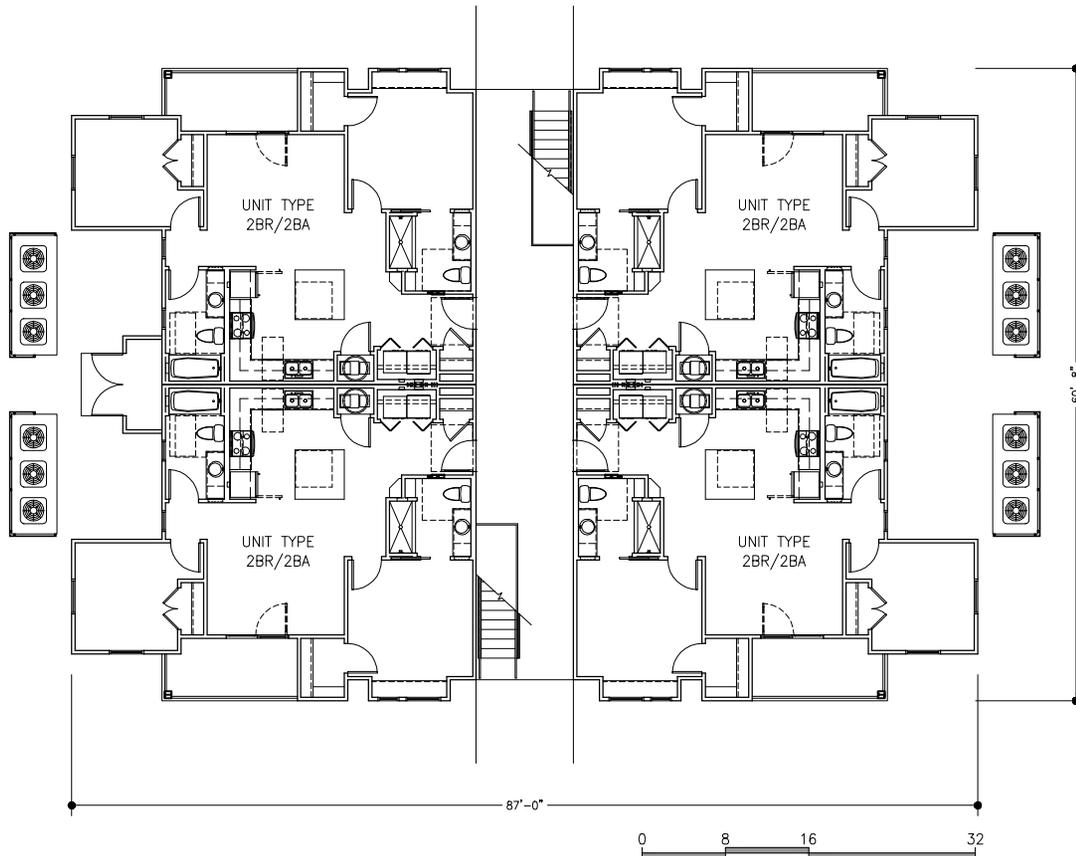
PER BUILDING

BUILDING NET RENTABLE AREA = 5,672 SF
 BUILDING PORCH AREA = 424 SF
 BUILDING COMMON SPACE = 763 SF
 MIN. 8'-0" CEILINGS
 ROOF SLOPE 4:12 OR 0.25:12 UNLESS
 NOTED OTHERWISE

Saige Meadows - Building Plan - Bldgs. 3 & 5 - Second Floor

Tyler, Texas





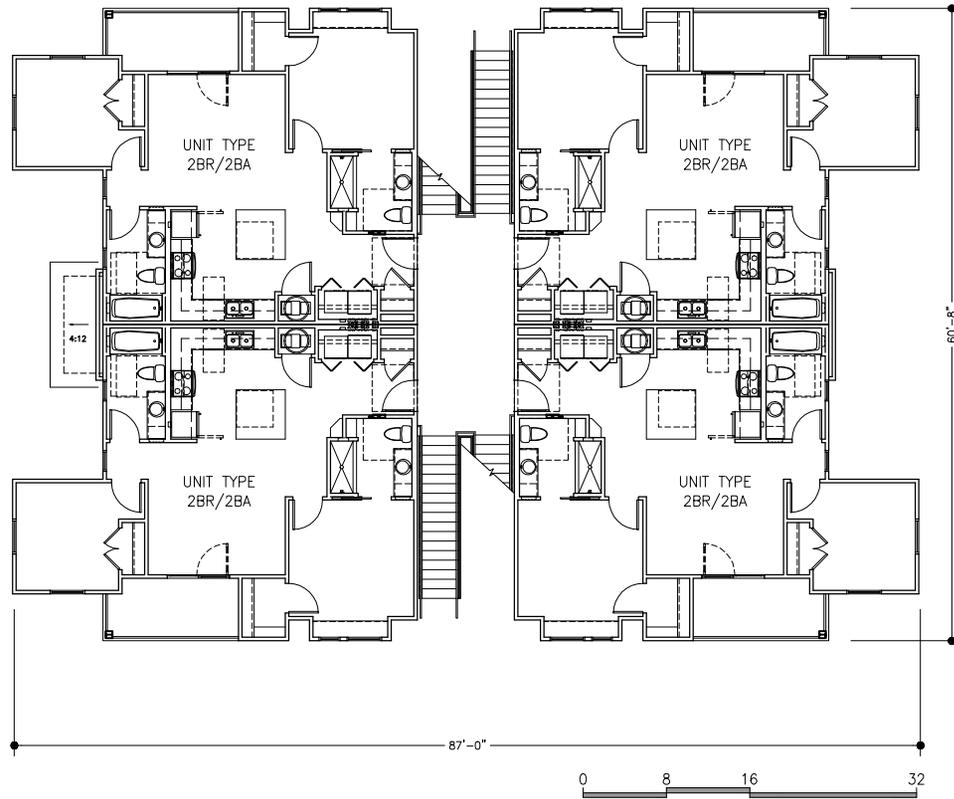
BUILDING TYPE B
12 2-BR/2BA

EXTERIOR MATERIAL INDEX			
BUILDING	VENEER (%)	CEMENTITIOUS SIDING (%)	METAL (%)
	CMU	LAP, PANEL, TRIM	
CLUBHOUSE	34.3	52.3	13.4
FITNESS	32.1	46.7	21.2
BLDG 3,5	15.7	72.6	11.7
BLDG 4,6,8	13.9	74.6	11.5
BLDG 7	9	85.6	5.4
BLDG 9,11	28.7	53.7	17.6
BLDG 10,12	29.9	61.8	8.3

PER BUILDING

BUILDING NET RENTABLE AREA = 11,112 SF
 BUILDING PORCH AREA = 912 SF
 BUILDING COMMON SPACE = 998 SF
 MIN. 8'-0" CEILINGS
 ROOF SLOPE 4:12 OR 0.25:12 UNLESS
 NOTED OTHERWISE

Saige Meadows - Building Plan - Bldgs. 4, 6 & 8 - First Floor



BUILDING TYPE B
12 2-BR/2BA

EXTERIOR MATERIAL INDEX			
BUILDING	VENEER (%)	CEMENTITIOUS SIDING (%)	METAL (%)
	CMU	LAP, PANEL, TRIM	
CLUBHOUSE	34.3	52.3	13.4
FITNESS	32.1	46.7	21.2
BLDG 3,5	15.7	72.6	11.7
BLDG 4,6,8	13.9	74.6	11.5
BLDG 7	9	85.6	5.4
BLDG 9,11	28.7	53.7	17.6
BLDG 10,12	29.9	61.8	8.3

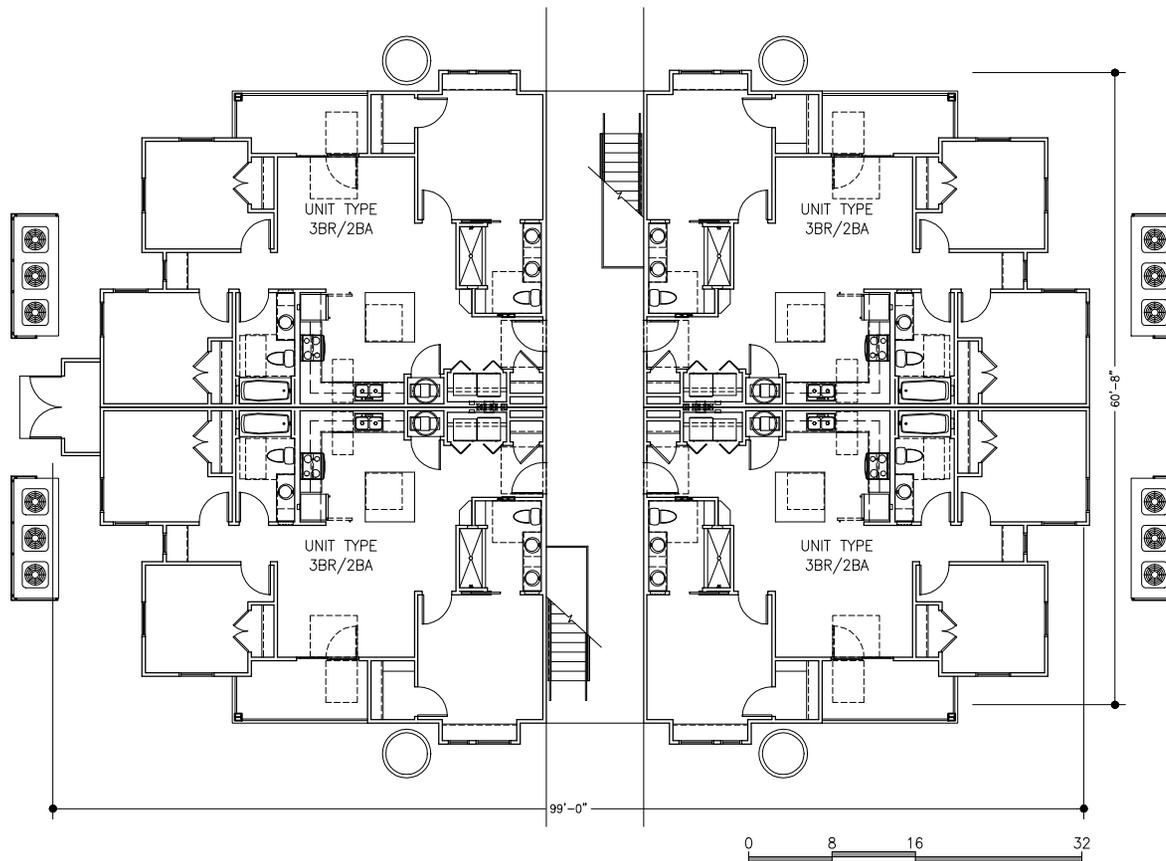
PER BUILDING

BUILDING NET RENTABLE AREA = 11,112 SF
 BUILDING PORCH AREA = 912 SF
 BUILDING COMMON SPACE = 998 SF
 MIN. 8'-0" CEILINGS
 ROOF SLOPE 4:12 OR 0.25:12 UNLESS
 NOTED OTHERWISE

Saige Meadows - Building Plan - Bldgs. 4, 6 & 8 - 2nd & 3rd Floor

Tyler, Texas





BUILDING TYPE C

8 2-BR/2BA

4 3-BR/2BA

EXTERIOR MATERIAL INDEX			
BUILDING	VENEER (%)	CEMENTITIOUS SIDING (%)	METAL (%)
	CMU	LAP, PANEL, TRIM	
CLUBHOUSE	34.3	52.3	13.4
FITNESS	32.1	46.7	21.2
BLDG 3,5	15.7	72.6	11.7
BLDG 4,6,8	13.9	74.6	11.5
BLDG 7	9	85.6	5.4
BLDG 9,11	28.7	53.7	17.6
BLDG 10,12	29.9	61.8	8.3

PER BUILDING

BUILDING NET RENTABLE AREA = 11,880 SF

BUILDING PORCH AREA = 912 SF

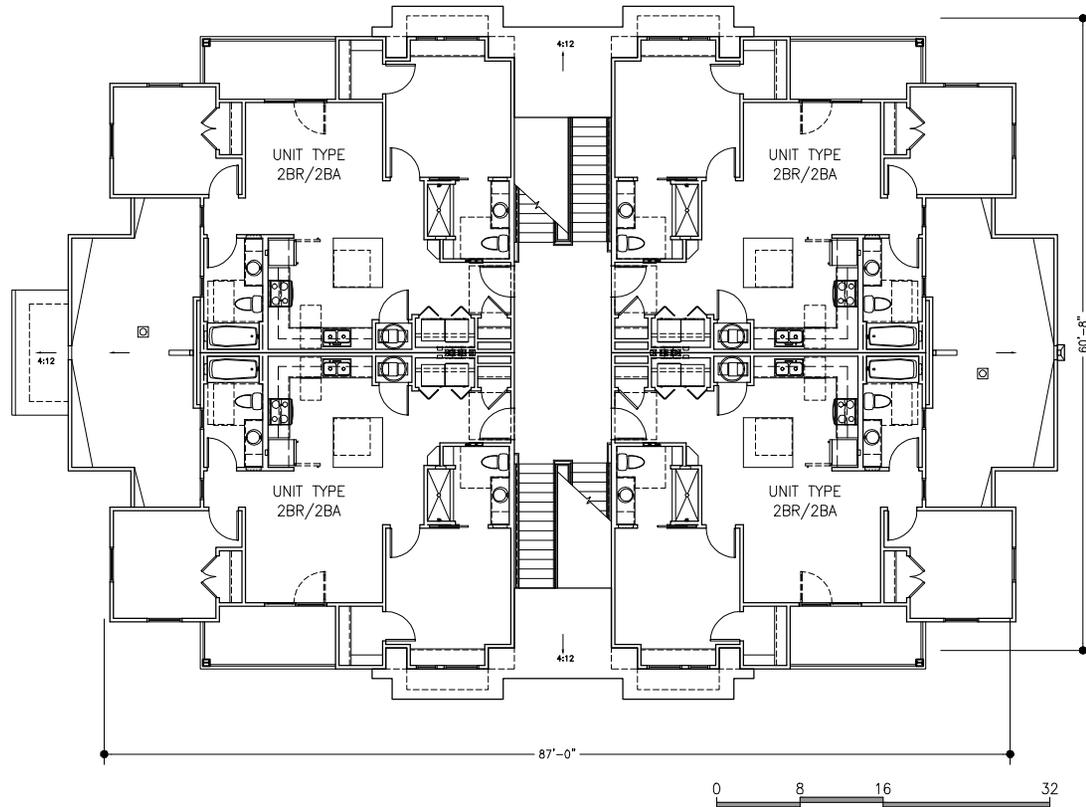
BUILDING COMMON SPACE = 998 SF

MIN. 8'-0" CEILINGS

ROOF SLOPE 4:12 OR 0.25:12 UNLESS

NOTED OTHERWISE

Saige Meadows - Building Plan - Bldg. 7 - First Floor



BUILDING TYPE C

8 2-BR/2BA
4 3-BR/2BA

EXTERIOR MATERIAL INDEX			
BUILDING	VENEER (%)	CEMENTITIOUS SIDING (%)	METAL (%)
	CMU	LAP, PANEL, TRIM	
CLUBHOUSE	34.3	52.3	13.4
FITNESS	32.1	46.7	21.2
BLDG 3,5	15.7	72.6	11.7
BLDG 4,6,8	13.9	74.6	11.5
BLDG 7	9	85.6	5.4
BLDG 9,11	28.7	53.7	17.6
BLDG 10,12	29.9	61.8	8.3

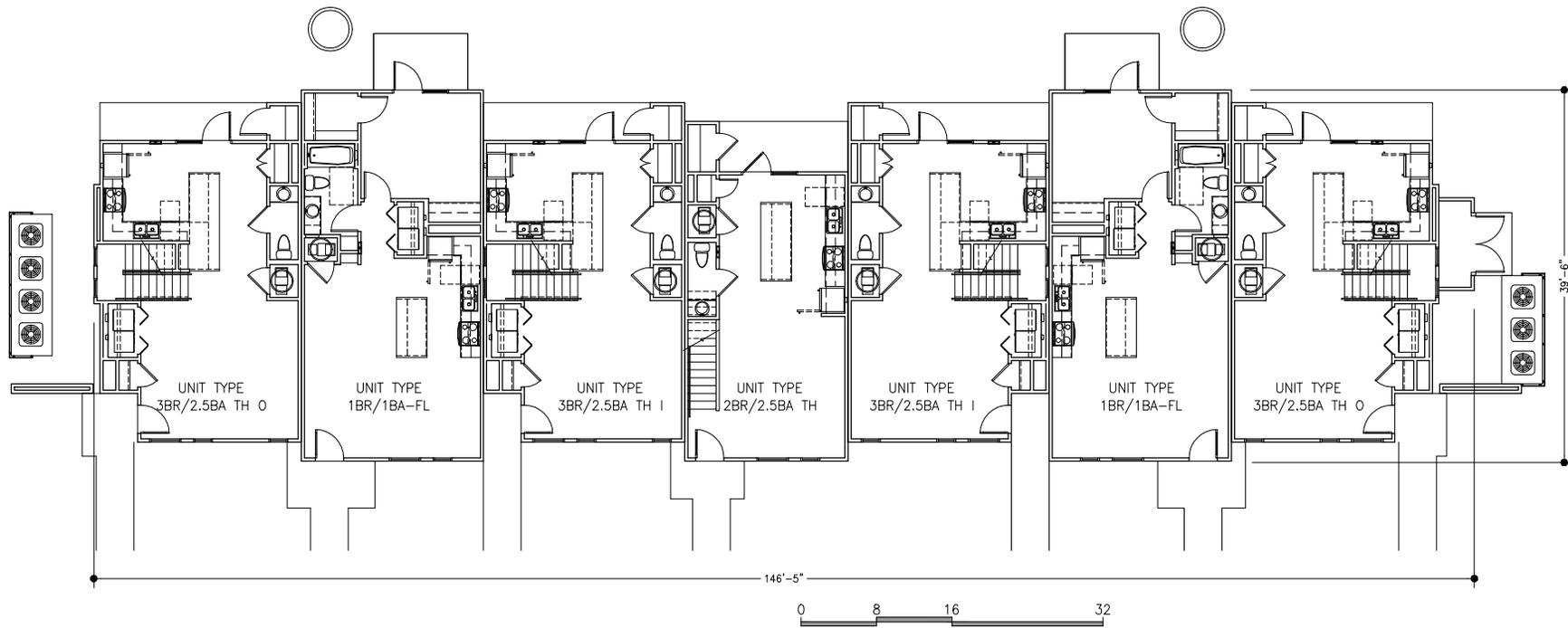
PER BUILDING

BUILDING NET RENTABLE AREA = 11,880 SF
 BUILDING PORCH AREA = 912 SF
 BUILDING COMMON SPACE = 998 SF
 MIN. 8'-0" CEILINGS
 ROOF SLOPE 4:12 OR 0.25:12 UNLESS
 NOTED OTHERWISE

Saige Meadows - Building Plan - Bldg. 7 - 2nd & 3rd Floor

Tyler, Texas





BUILDING TYPE D

- 2 1-BR/1BA-FL
- 1 2-BR/2.5BA-TH
- 2 3-BR/2.5BA TH

EXTERIOR MATERIAL INDEX			
BUILDING	VENEER (%)	CEMENTITIOUS SIDING (%)	METAL (%)
	CMU	LAP, PANEL, TRIM	
CLUBHOUSE	34.3	52.3	13.4
FITNESS	32.1	46.7	21.2
BLDG 3,5	15.7	72.6	11.7
BLDG 4,6,8	13.9	74.6	11.5
BLDG 7	9	85.6	5.4
BLDG 9,11	28.7	53.7	17.6
BLDG 10,12	29.9	61.8	8.3

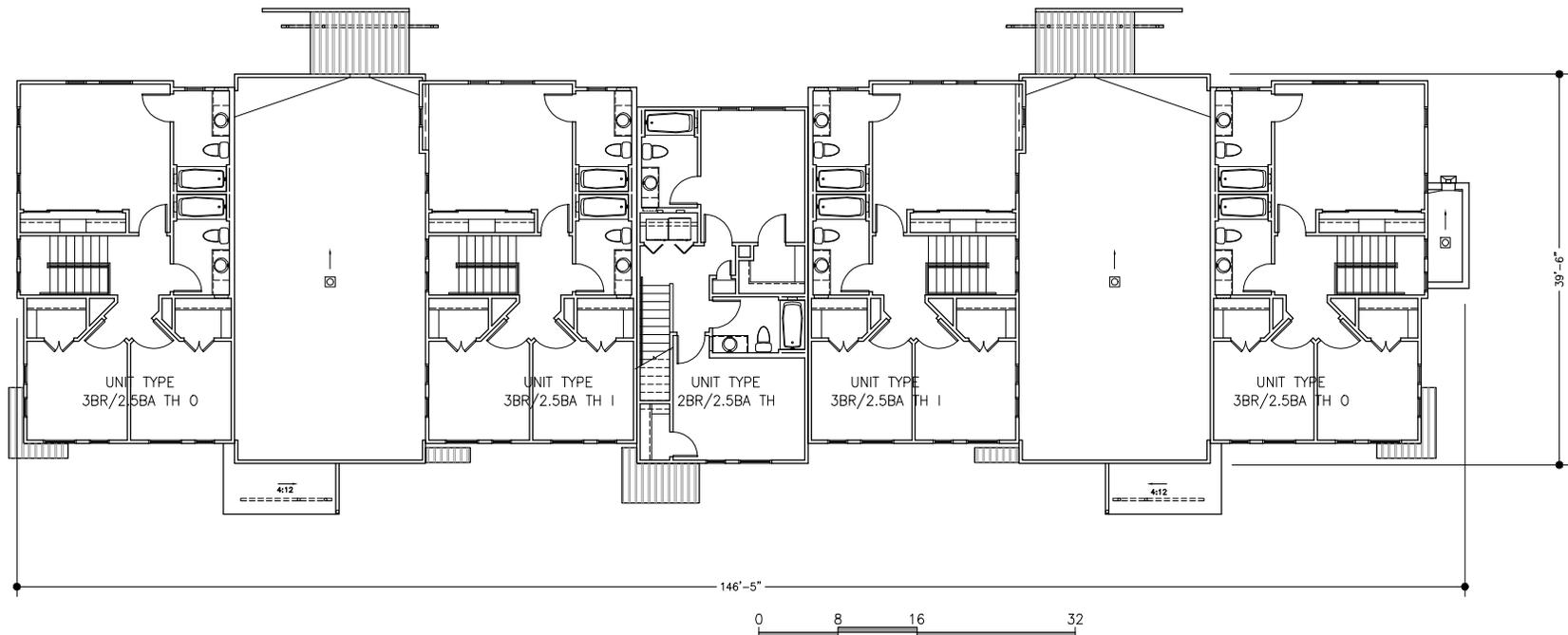
PER BUILDING

BUILDING NET RENTABLE AREA = 8,456 SF
 BUILDING PORCH AREA = 470 SF
 BUILDING COMMON SPACE = 0 SF
 MIN. 8'-0" CEILINGS
 ROOF SLOPE 4:12 OR 0.25:12 UNLESS
 NOTED OTHERWISE

Saige Meadows - Building Plan - Bldgs. 9 & 11 - First Floor

Tyler, Texas





BUILDING TYPE D

- 2 1-BR/1BA-FL
- 1 2-BR/2.5BA-TH
- 2 3-BR/2.5BA TH

EXTERIOR MATERIAL INDEX			
BUILDING	VENEER (%)	CEMENTITIOUS SIDING (%)	METAL (%)
	CMU	LAP, PANEL, TRIM	
CLUBHOUSE	34.3	52.3	13.4
FITNESS	32.1	46.7	21.2
BLDG 3,5	15.7	72.6	11.7
BLDG 4,6,8	13.9	74.6	11.5
BLDG 7	9	85.6	5.4
BLDG 9,11	28.7	53.7	17.6
BLDG 10,12	29.9	61.8	8.3

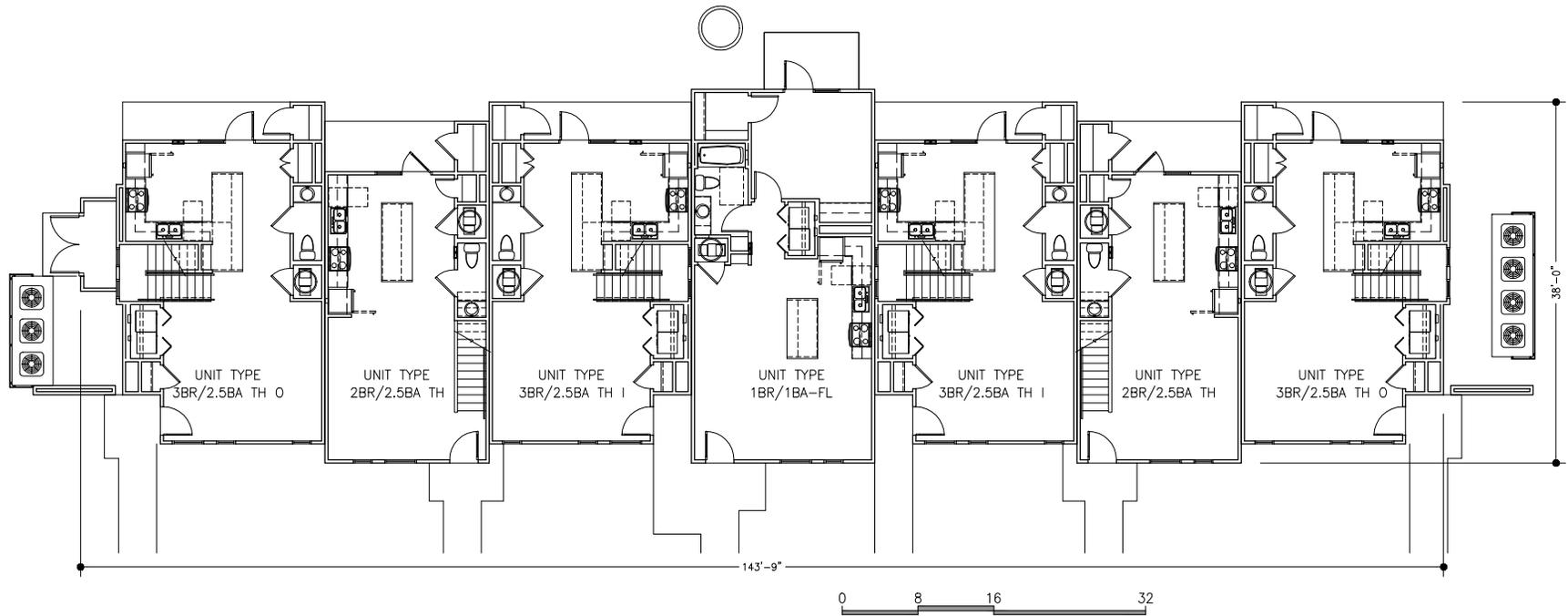
PER BUILDING

BUILDING NET RENTABLE AREA = 8,456 SF
 BUILDING PORCH AREA = 470 SF
 BUILDING COMMON SPACE = 0 SF
 MIN. 8'-0" CEILINGS
 ROOF SLOPE 4:12 OR 0.25:12 UNLESS
 NOTED OTHERWISE

Saige Meadows - Building Plan - Bldgs. 9 & 11 - Upper Floor

Tyler, Texas





BUILDING TYPE E

- 1 1-BR/1BA-FL
- 2 2-BR/2.5BA-TH
- 2 3-BR/2.5BA TH

EXTERIOR MATERIAL INDEX			
BUILDING	VENEER (%)	CEMENTITIOUS SIDING (%)	METAL (%)
	CMU	LAP, PANEL, TRIM	
CLUBHOUSE	34.3	52.3	13.4
FITNESS	32.1	46.7	21.2
BLDG 3,5	15.7	72.6	11.7
BLDG 4,6,8	13.9	74.6	11.5
BLDG 7	9	85.6	5.4
BLDG 9,11	28.7	53.7	17.6
BLDG 10,12	29.9	61.8	8.3

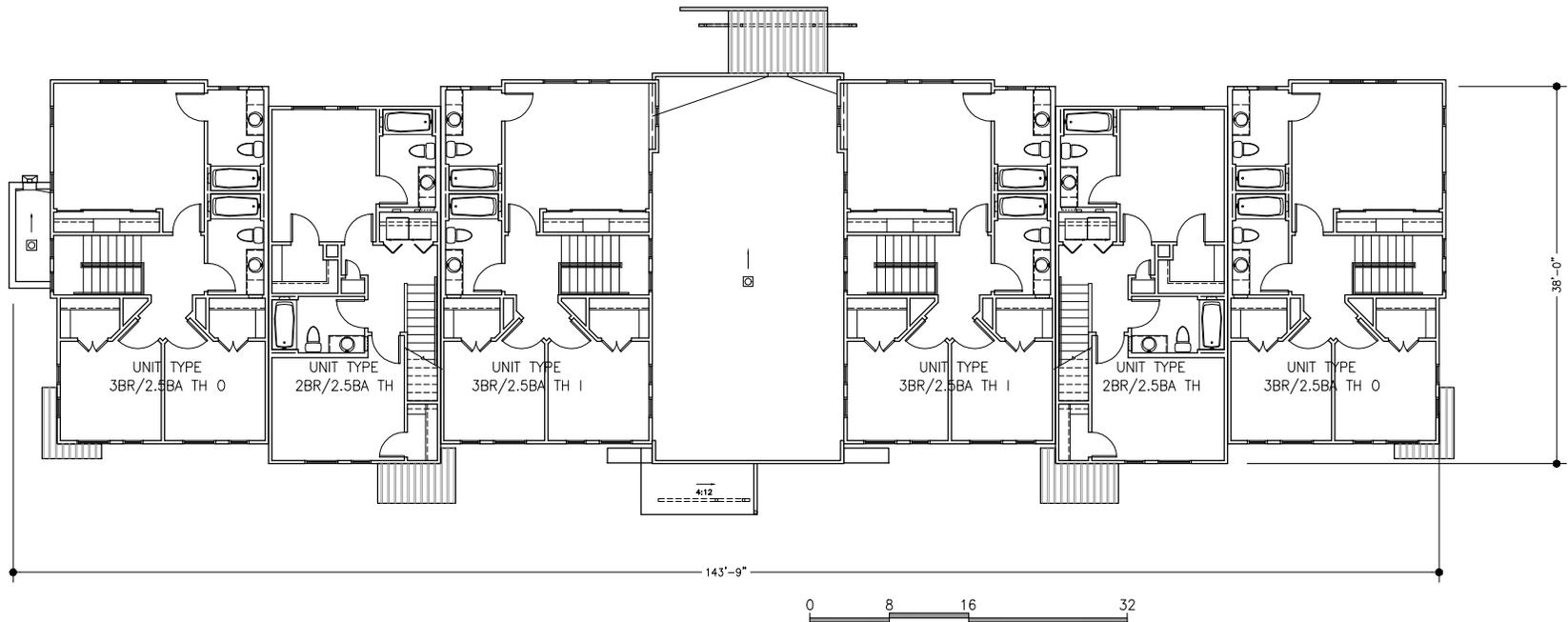
PER BUILDING

BUILDING NET RENTABLE AREA = 8,852 SF
 BUILDING PORCH AREA = 480 SF
 BUILDING COMMON SPACE = 0 SF
 MIN. 8'-0" CEILINGS
 ROOF SLOPE 4:12 OR 0.25:12 UNLESS
 NOTED OTHERWISE

Saige Meadows - Building Plan - Bldgs. 10 & 12 - First Floor

Tyler, Texas





BUILDING TYPE E

- 1 1-BR/1BA-FL
- 2 2-BR/2.5BA-TH
- 2 3-BR/2.5BA TH

EXTERIOR MATERIAL INDEX			
BUILDING	VENEER (%)	CEMENTITIOUS SIDING (%)	METAL (%)
	CMU	LAP, PANEL, TRIM	
CLUBHOUSE	34.3	52.3	13.4
FITNESS	32.1	46.7	21.2
BLDG 3,5	15.7	72.6	11.7
BLDG 4,6,8	13.9	74.6	11.5
BLDG 7	9	85.6	5.4
BLDG 9,11	28.7	53.7	17.6
BLDG 10,12	29.9	61.8	8.3

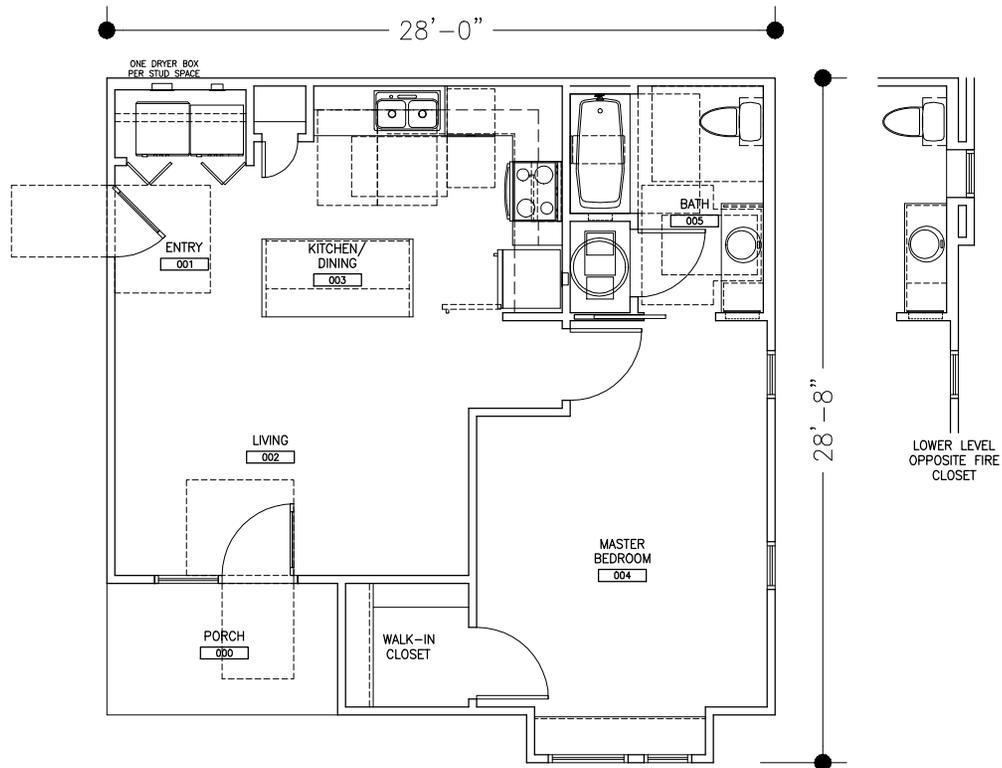
PER BUILDING

BUILDING NET RENTABLE AREA = 8,852 SF
 BUILDING PORCH AREA = 480 SF
 BUILDING COMMON SPACE = 0 SF
 MIN. 8'-0" CEILINGS
 ROOF SLOPE 4:12 OR 0.25:12 UNLESS NOTED OTHERWISE

Saige Meadows - Building Plan - Bldgs. 10 & 12 - Upper Floor

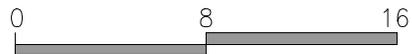
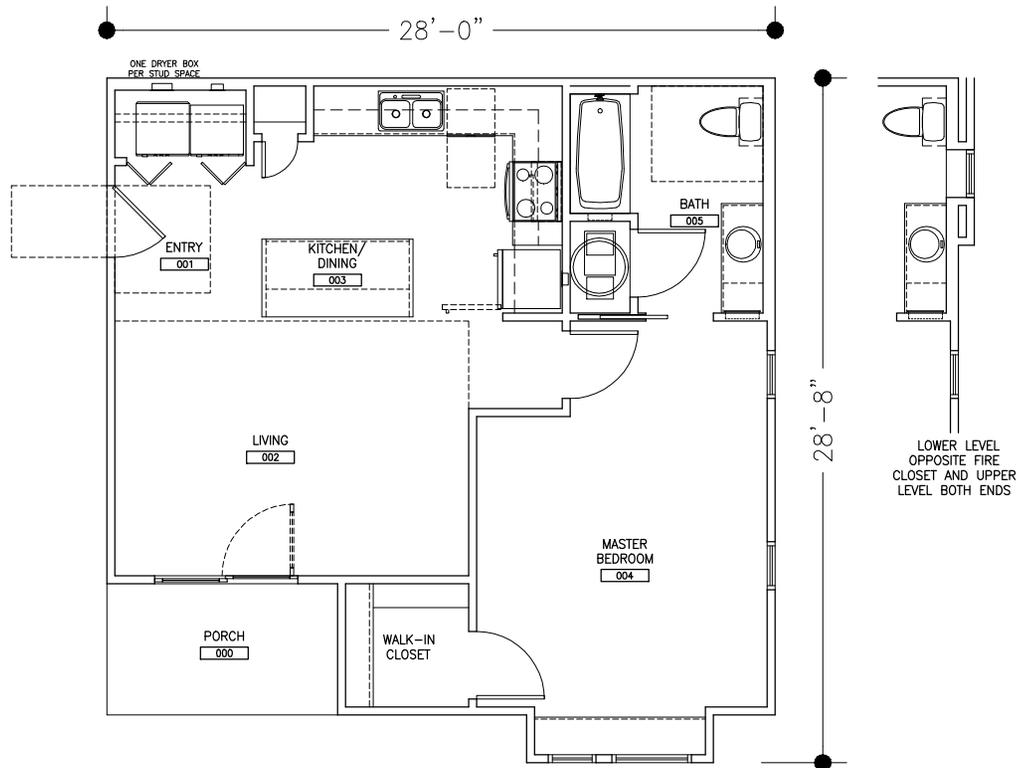
Tyler, Texas





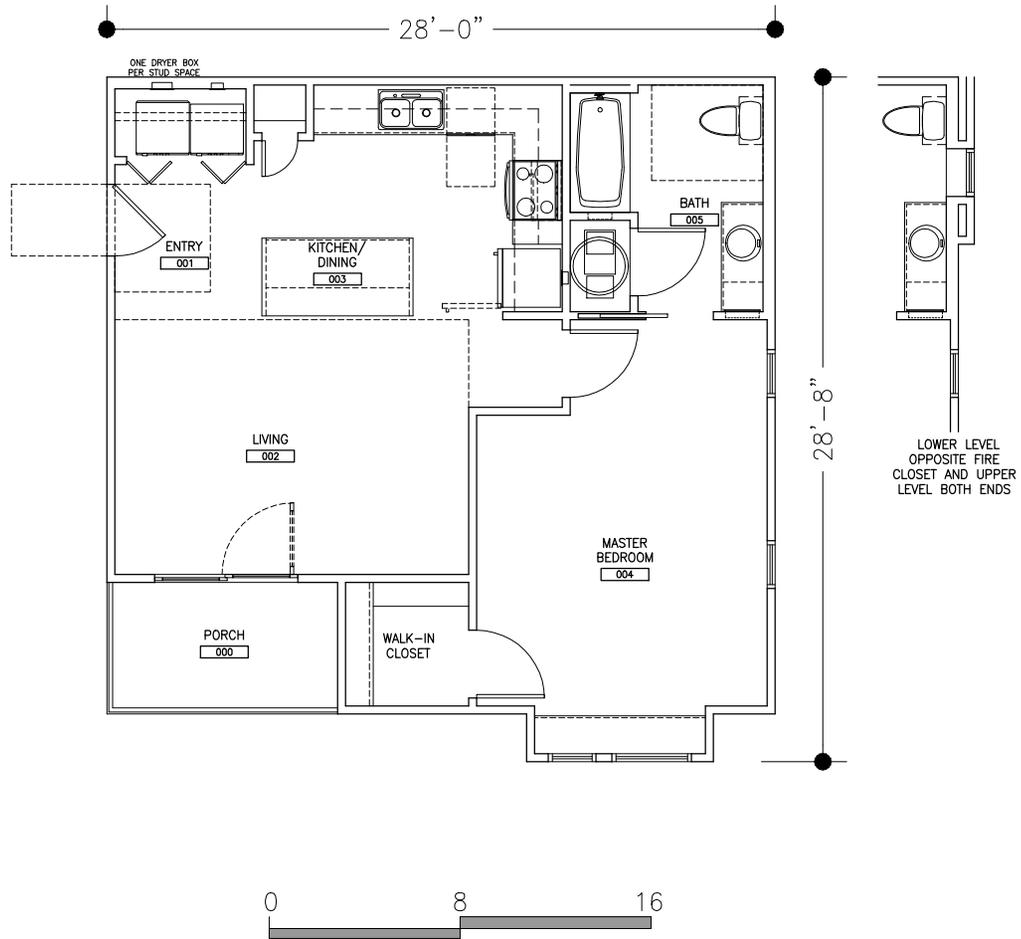
UNIT TYPE: 1 BR / 1 BA - HC
 MIN. CEILING HEIGHT - 8'-0"
 UNIT AREA: 709 SF NRA
 PORCH - 53 SF

Saige Meadows - One Bedroom - First Floor - HC



UNIT TYPE: 1 BR / 1 BA
 MIN. CEILING HEIGHT - 8'-0"
 UNIT AREA: 709 SF NRA
 PORCH - 53 SF

Saige Meadows - One Bedroom - First Floor

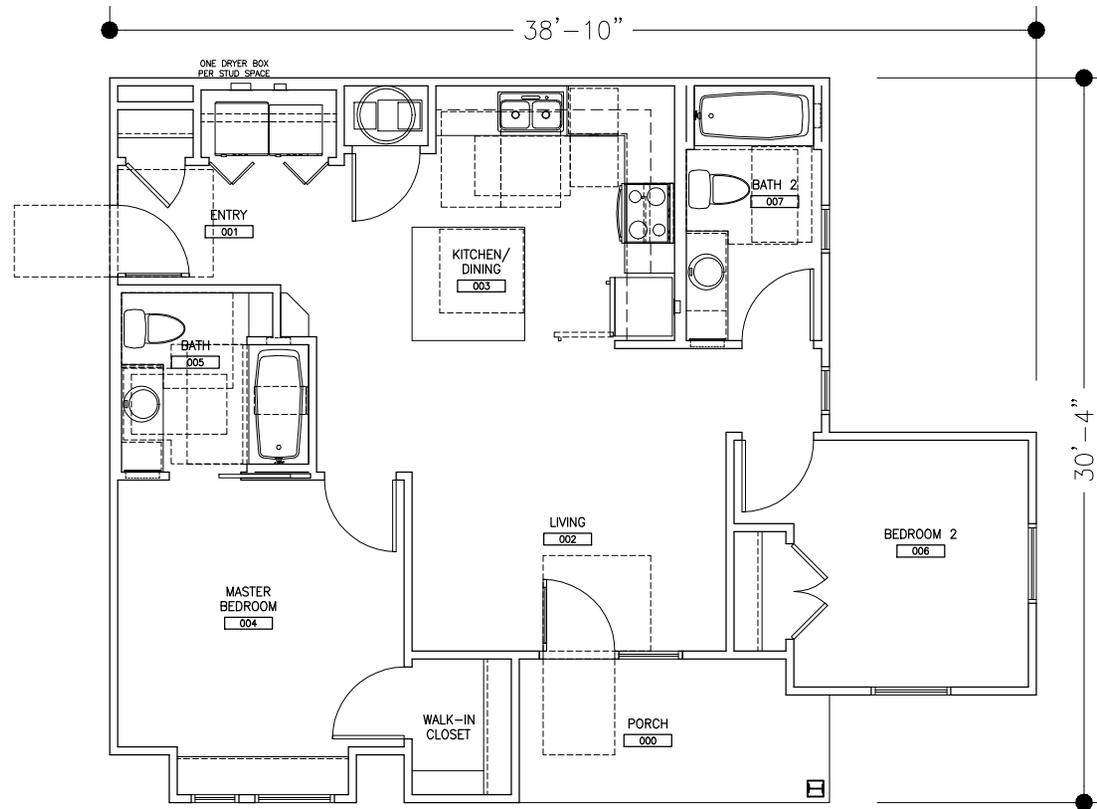


UNIT TYPE: 1 BR / 1 BA
 MIN. CEILING HEIGHT - 8'-0"
 UNIT AREA: 709 SF NRA
 PORCH - 53 SF

Saige Meadows - One Bedroom - Second Floor

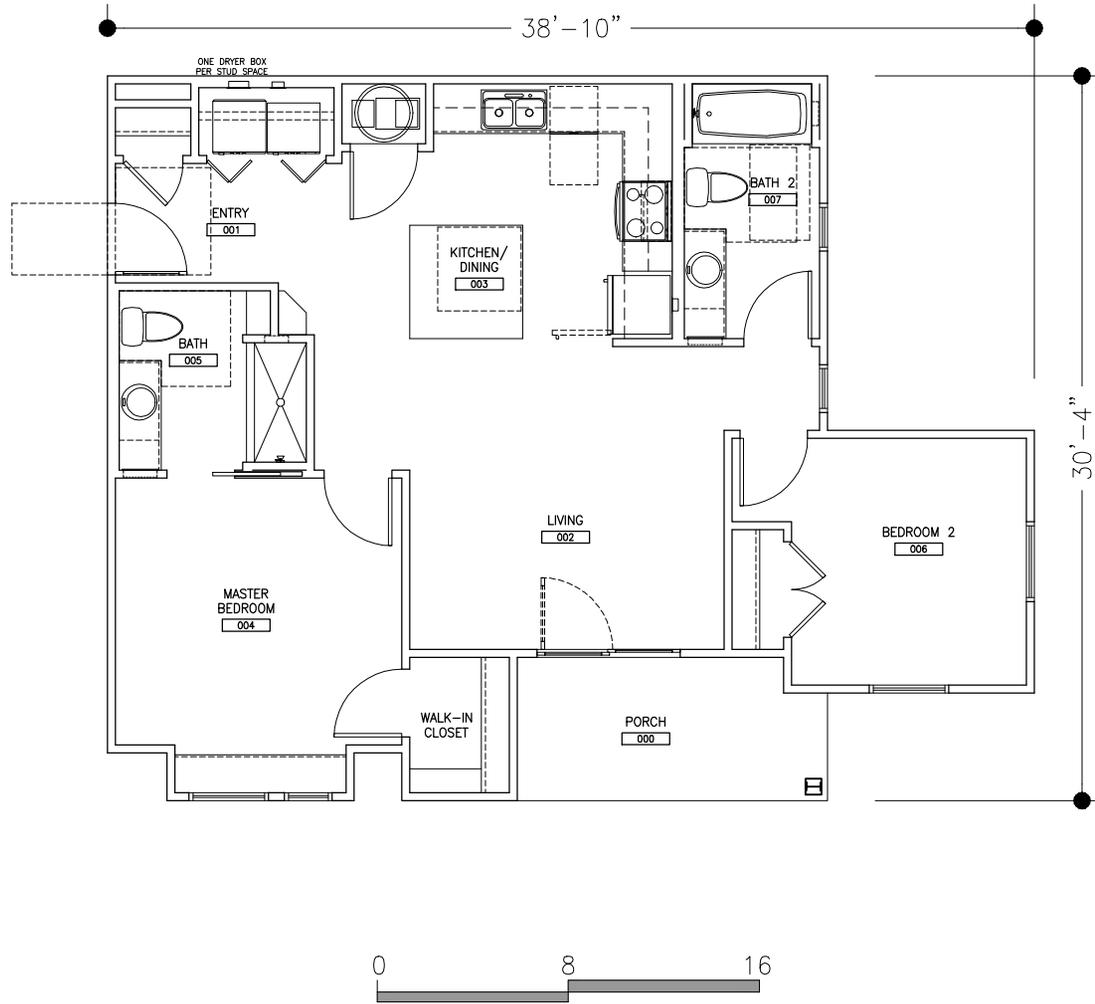
Tyler, Texas





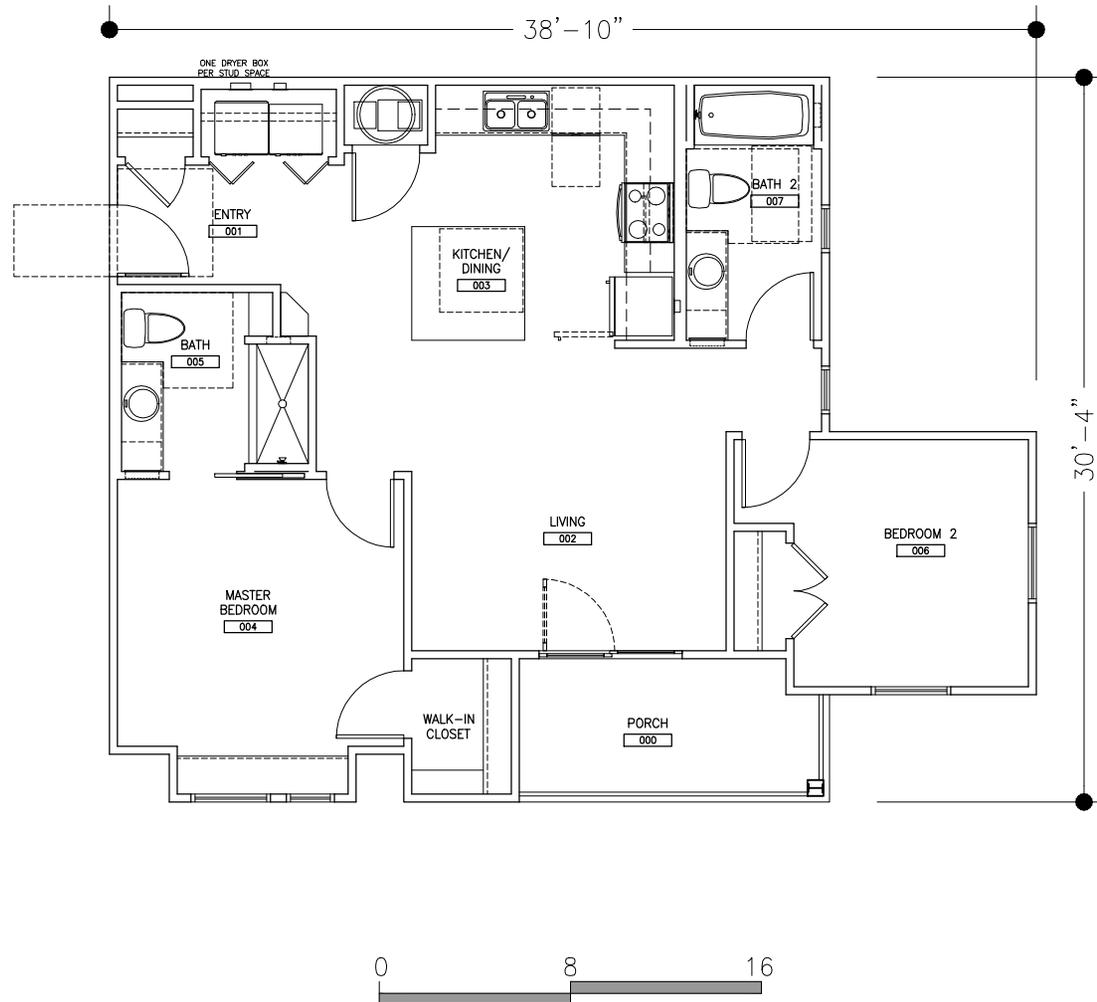
UNIT TYPE: 2 BR / 2 BA - HC
 MIN. CEILING HEIGHT - 8'-0"
 UNIT AREA: 926 SF NRA
 PORCH - 76 SF

Saige Meadows - Two Bedroom - First Floor - HC



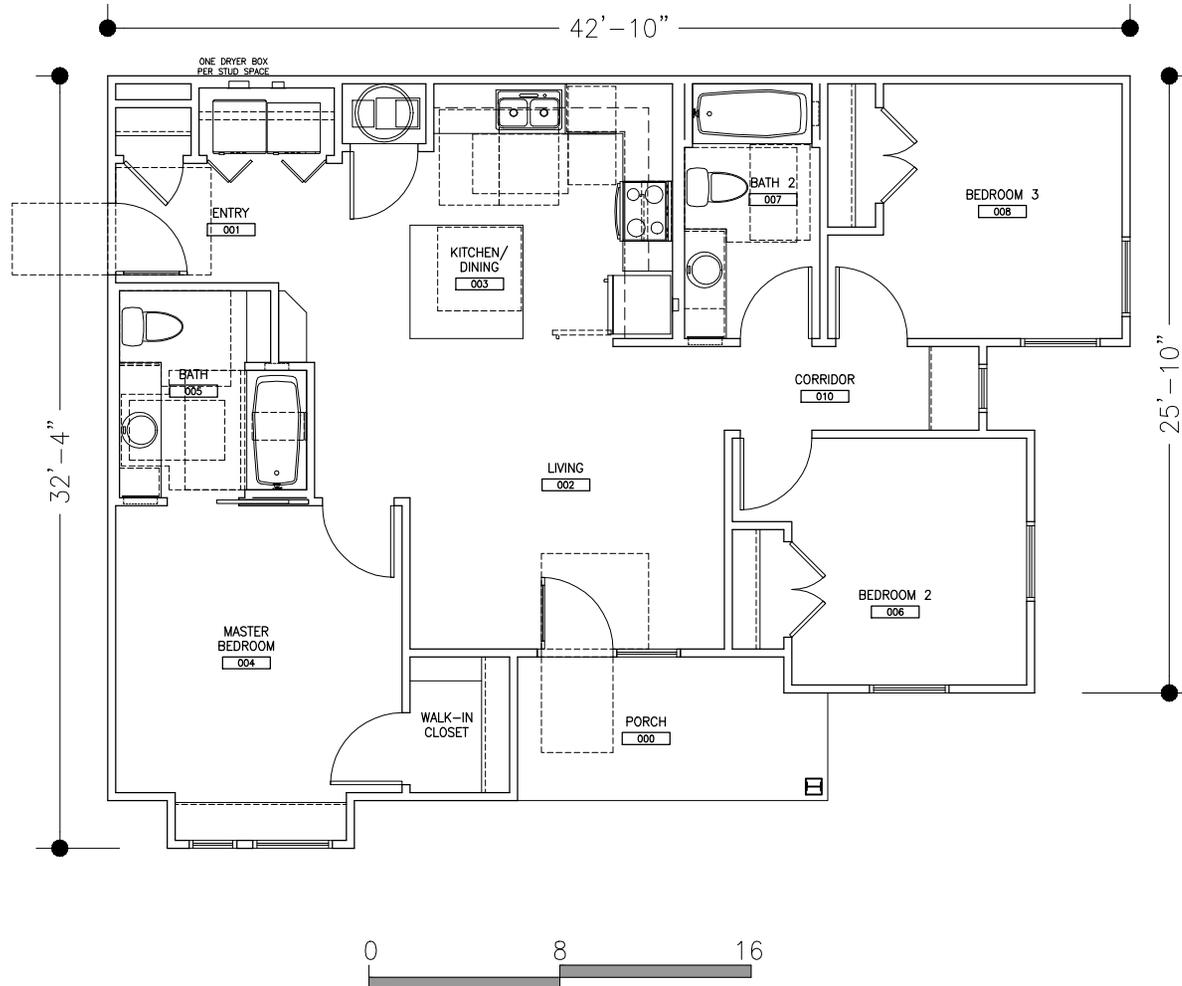
UNIT TYPE: 2 BR / 2 BA
 MIN. CEILING HEIGHT - 8'-0"
 UNIT AREA: 926 SF NRA
 PORCH - 76 SF

Saige Meadows - Two Bedroom - First Floor



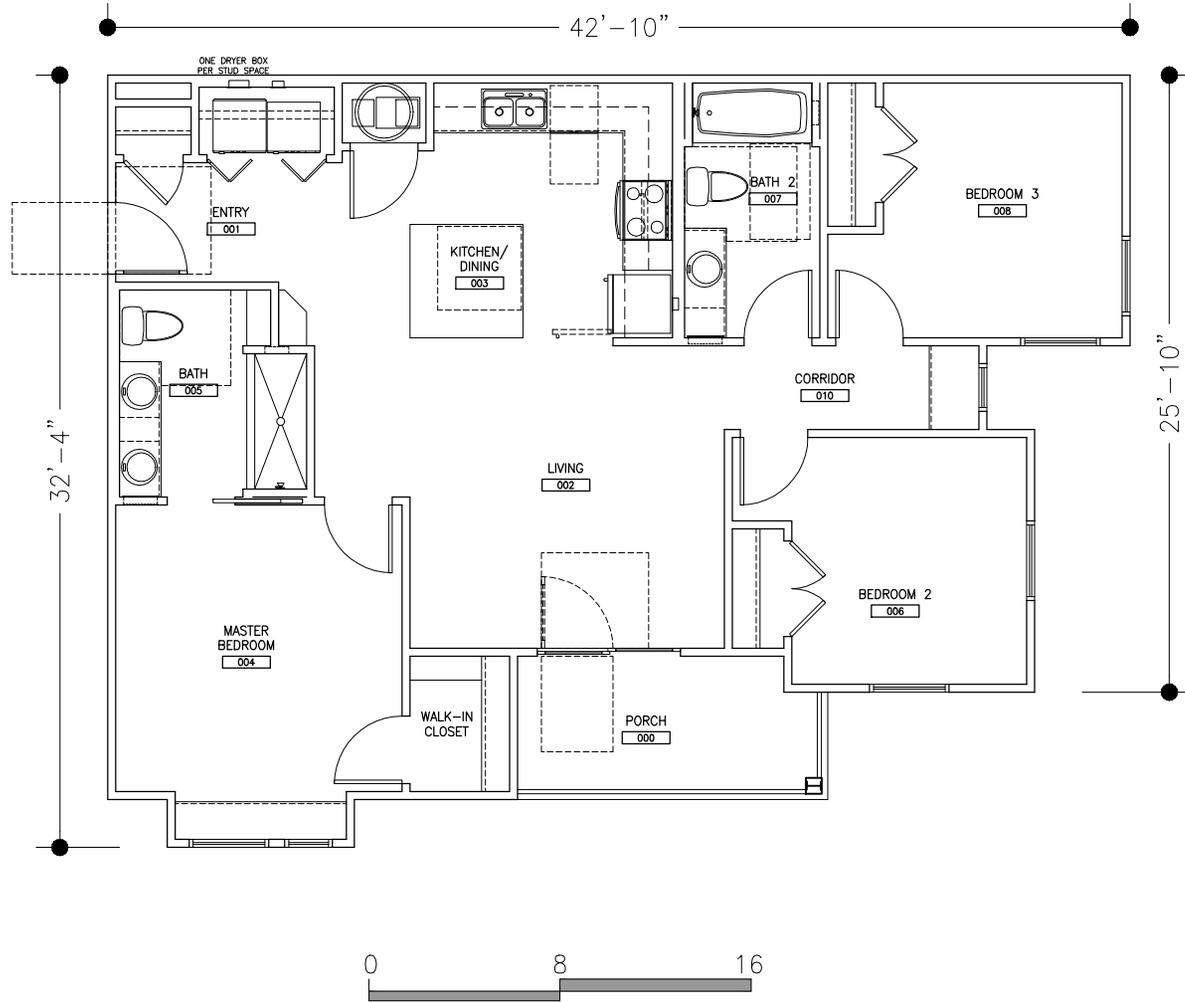
UNIT TYPE: 2 BR / 2 BA
 MIN. CEILING HEIGHT - 8'-0"
 UNIT AREA: 926 SF NRA
 PORCH - 76 SF

Saige Meadows - Two Bedroom - Second & Third Floor



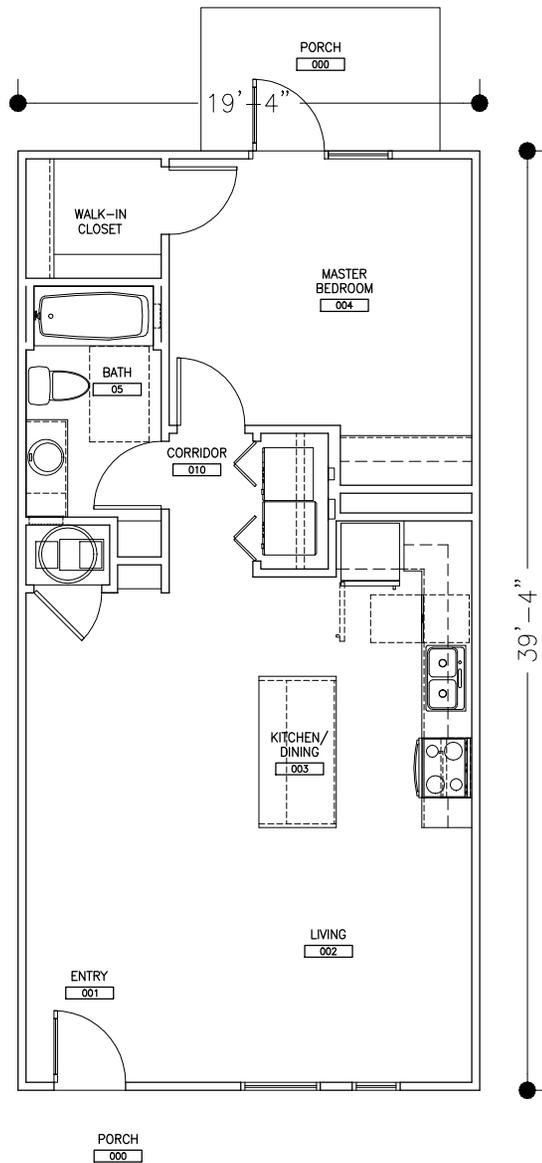
UNIT TYPE: 3 BR / 2 BA - HC
 MIN. CEILING HEIGHT - 8'-0"
 UNIT AREA: 1,118 SF NRA
 PORCH - 76 SF

Saige Meadows - Three Bedroom - First Floor - HC



UNIT TYPE: 3 BR / 2 BA
 MIN. CEILING HEIGHT - 8'-0"
 UNIT AREA: 1,118 SF NRA
 PORCH - 76 SF

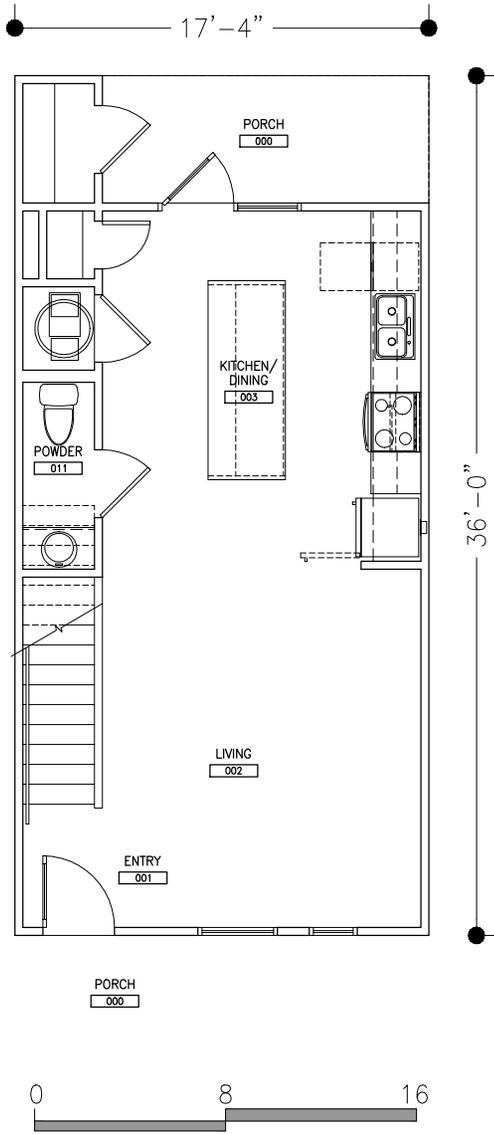
Saige Meadows - Three Bedroom - First Floor



UNIT TYPE: 1 BR / 1 BA - FL
 MIN. CEILING HEIGHT - 8'-0"
 UNIT AREA: 760 SF NRA
 PORCH - 60 SF



Saige Meadows - One Bedroom - FL

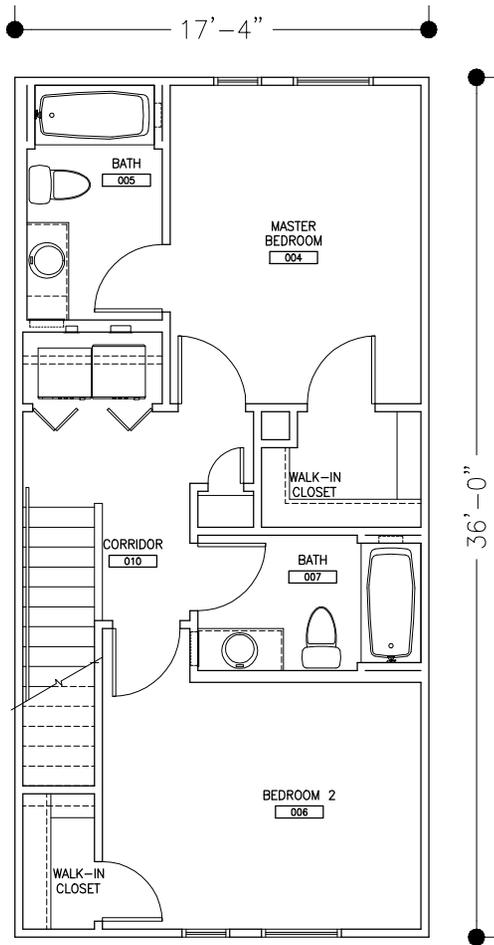


UNIT TYPE: 2 BR / 2.5 BA - TH
 MIN. CEILING HEIGHT - 8'-0"
 UNIT AREA: 1,156 SF NRA
 PORCH - 70 SF

Saige Meadows - Two Bedroom - TH - Lower Level

Tyler, Texas



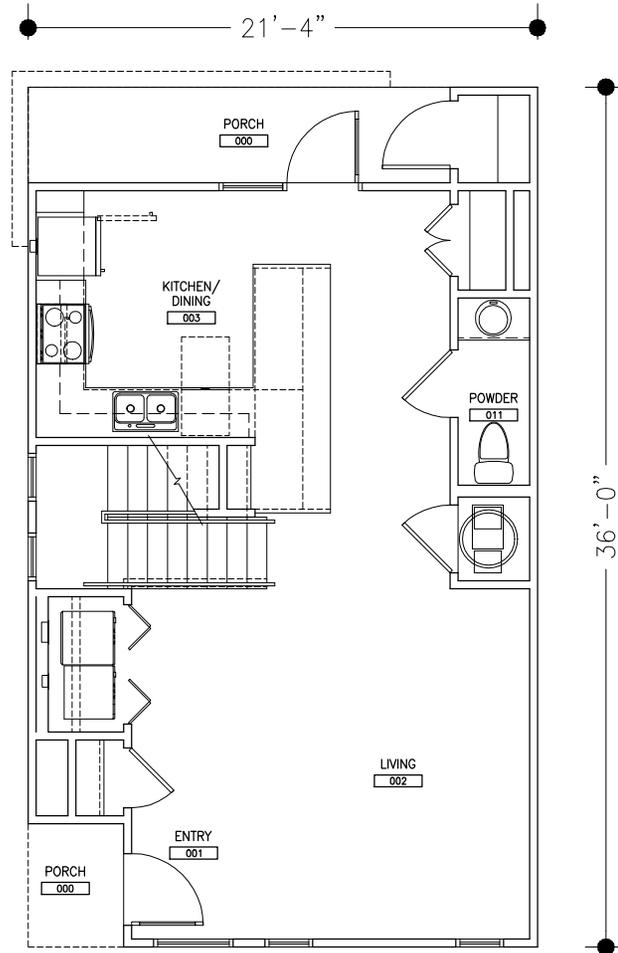


UNIT TYPE: 2 BR / 2.5 BA - TH
 MIN. CEILING HEIGHT - 8'-0"
 UNIT AREA: 1,156 SF NRA
 PORCH - 70 SF

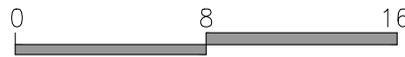
Saige Meadows - Two Bedroom - TH - Upper Level

Tyler, Texas

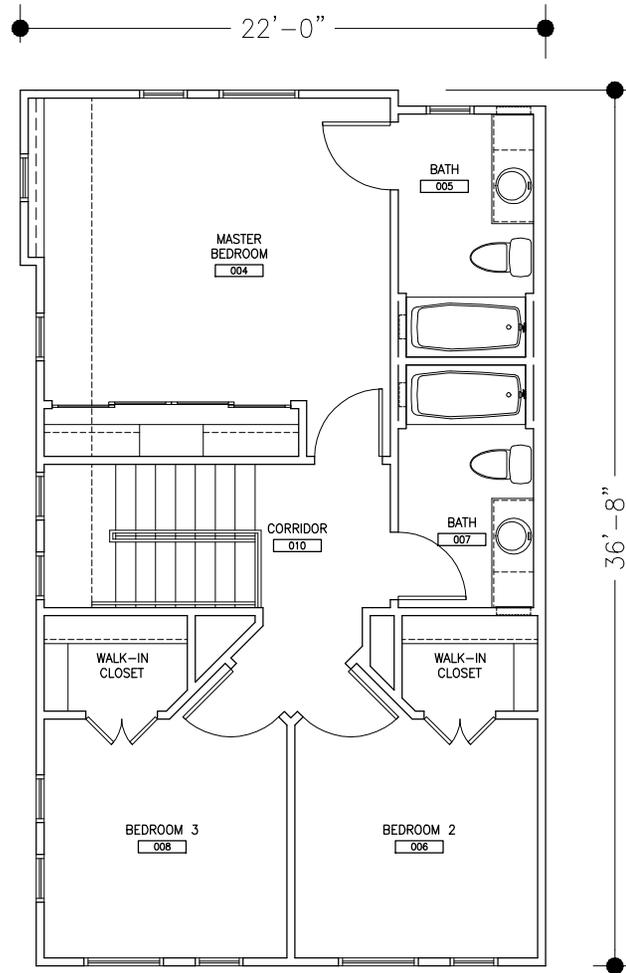




UNIT TYPE: 3 BR / 2.5 BA - TH - I
 MIN. CEILING HEIGHT - 8'-0"
 UNIT AREA: 1,445 SF NRA
 PORCH - 70 SF



Saige Meadows - Three Bedroom - TH - I - Lower Level

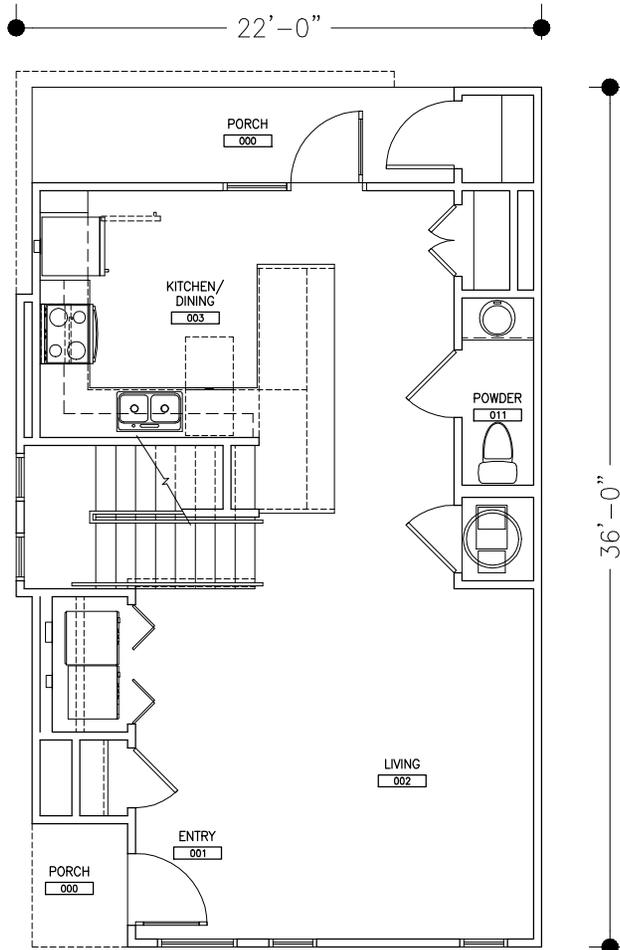


UNIT TYPE: 3 BR / 2.5 BA - TH - 1
 MIN. CEILING HEIGHT - 8'-0"
 UNIT AREA: 1,445 SF NRA
 PORCH - 70 SF

Saige Meadows - Three Bedroom - TH - 1 Upper Level

Tyler, Texas



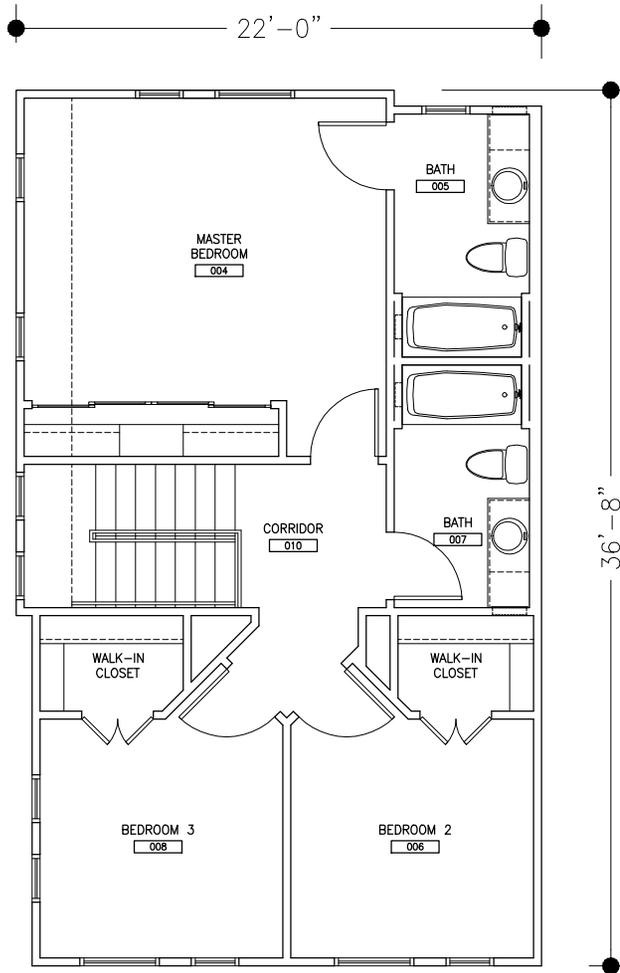


UNIT TYPE: 3 BR / 2.5 BA - TH - O
 MIN. CEILING HEIGHT - 8'-0"
 UNIT AREA: 1,449 SF NRA
 PORCH - 70 SF

Saige Meadows - Three Bedroom - TH - O Lower Level

Tyler, Texas





UNIT TYPE: 3 BR / 2.5 BA - TH - O
 MIN. CEILING HEIGHT - 8'-0"
 UNIT AREA: 1,449 SF NRA
 PORCH - 70 SF

Saige Meadows - Three Bedroom - TH - O Upper Level

Tyler, Texas



Rent Schedule (Continued)

		% of LI	% of Total	
HOUSING TAX CREDITS	TC30%	11%	10%	9
	TC40%			0
	TC50%	35%	32%	29
	TC60%	54%	48%	44
	HTC LI Total			82
	EO			0
	MR			10
	MR Total			10
	Total Units			92
	MORTGAGE REVENUE BOND	MRB30%		
MRB40%				0
MRB50%				0
MRB60%				0
MRB LI Total				0
MRBMR				0
MRBMR Total				0
MRB Total				0

		% of LI	% of Total	
HOUSING TRUST FUND	HTF30%			0
	HTF40%			0
	HTF50%			0
	HTF60%			0
	HTF80%			0
	HTF LI Total			0
	MR			0
	MR Total			0
HTF Total			0	
HOME	30%			0
	LH/50%			0
	HH/60%			0
	HH/80%			0
	HOME LI Total			0
	EO			0
	MR			0
	MR Total			0
HOME Total			0	
OTHER	Total OT Units			0

BEDROOMS	0			0
	1			22
	2			50
	3			20
	4			0
	5			0

Cost Per Square Foot Table	Development is Rehabilitation			No	Cost Per Sq. Ft. =	N/A
		If No above Development is elevator served, supportive housing, or SF/Elderly			No	
	If not "Rehabilitation," select "Yes" if the Development is one of the following:					
(Building Costs)	Elevator served	Supportive Housing	Elderly or Single Family			
	No	No	No			
\$ 6,369,550	Cost Per Sq. Ft. =	Cost Per Sq. Ft. =	Cost Per Sq. Ft. =			
	N/A	N/A	N/A			
	Development is New Construction, Reconstruction, or Adaptive Reuse			Yes	Cost Per Sq. Ft. =	\$ 69.84

← If "Yes" above, these elections do not apply. See manual for instructions.

|

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.

Specifications and Amenities

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 checked="" type="checkbox"/> Duplex	Duplex
	<input type="checkbox"/> Scattered Site	<input checked="" type="checkbox"/> Fourplex	<input checked="" type="checkbox"/> > 4 Units Per Building	<input checked="" type="checkbox"/> Townhome	Townhome
Development will have (check all that apply):	<input checked="" type="checkbox"/> Fire Sprinklers	<input type="checkbox"/> Elevators	<input type="checkbox"/> # of Elevators	<input type="checkbox"/> Wt. Capacity	
Parking (consistent with Architectural Drawings):	<input type="checkbox"/> Number of Shed or Flat Roof Carport Spaces	<input type="checkbox"/> Number of Detached Garage Spaces	<input type="checkbox"/> Number of Attached Garage Spaces	<input type="checkbox"/> Number of Uncovered Spaces	
			<input type="checkbox"/> Number of Structured Parking Garage Spaces	<input type="checkbox"/> Number of Uncovered Spaces	
Floor & Wall Compositions:	<input checked="" type="checkbox"/> 100 % Carpet/Vinyl/Resilient Flooring	<input type="checkbox"/> 8 Ft. Ceilings	<input type="checkbox"/> % Ceramic Tile	<input type="checkbox"/> % other	Describe:

Unit Type				Building Label																Total # of Residential Buildings	Total # of Units	Total Sq Ft for Unit Type																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
Unit Label	# of Bedrooms	# of Baths	Sq. Ft. Per Unit	Clubhouse	Fitness	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB	AC	AD	AE	AF	AG	AH	AI	AJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT

REPORT ITEMS

R1

BOARD REPORT ITEM
ASSET MANAGEMENT DIVISION
MARCH 6, 2014

Executive Report of Multifamily Program Amendments, Extensions, and Ownership Transfers

REPORT ITEM

This report contains information on 2nd Quarter of Fiscal Year 2014 (12/1/13 to 2/28/14).

- 8 LURA Amendments (7 Administratively Approved; 1 Board Approved)
- 5 Application Amendments (4 Administratively Approved; 1 Board Approved)
- 26 Extensions (All Cost Certification and Approved Administratively)
- 9 Ownership Transfers (All Approved Administratively)

3rd Quarter of Fiscal Year 2014 information will be reported at the June 2014 meeting.

**Housing Tax Credit Application Amendments
2014 2nd Quarter**

ADMINISTRATIVELY APPROVED

Dev. No.	Date of Approval	Development Name	City	Owner Name/Contact	Subject of Amendment Approved
11140	12/10/2013	Villas of Giddings	Giddings	GS Old Denton Housing, LP	Change EO unit to leasing office
11012	12/10/2013	Hillside West Seniors	Dallas	Hillside West Seniors, LP	Substitution of common amenities
11202	12/20/2013	Hunters Chase Senior Apts	Rockdale	Hunter's Chase Senior Apartments, LP	Change in site plan, construction changes involving HVAC system and elevator, and reductions in sqft for 12 of the 56 two bedroom units
10176	1/13/2014	Canyon Square Village	El Paso	Canyon Square, Ltd.	NRA increase; substitute high-efficiency toilets with sub-metered utility meters; elimination of leveraging of private, state, and federal resources; elimination of 3rd-party funding commitment outside of QCT.

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BOARD APPROVED

10035	2/20/2014	HomeWood at Zion	Houston	Zion Gardens Ltd.	Increase in acreage and change in residential density
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**Land Use Restriction Agreement (LURA) Amendments
2014 2nd Quarter**

ADMINISTRATIVELY APPROVED

Dev. No.	Date of Approval	Development Name	City	Owner Name/Contact	Subject of Amendment Approved
96067	12/19/2013	Western Pebble Hills, Ltd	El Paso	Western Pebble Hills, Ltd.	Remove HUB requirement based on previously approved ownership transfer. Also added good cause language.
96068	12/19/2013	Western Pellicano, Ltd.	El Paso	Western Pellicano, Ltd.	Remove HUB requirement based on previously approved ownership transfer. Also added good cause language.
95024	12/19/2013	Saul Kleinfeld, Ltd.	El Paso	Saul Kleinfeld, Ltd.	Remove HUB requirement based on previously approved ownership transfer. Also added good cause language.
96070	12/19/2013	Western Gallagher, Ltd	El Paso	Western Gallagher, Ltd	Remove HUB requirement based on previously approved ownership transfer. Also added good cause language.
11027	1/15/2014	Brookview Village	Copperas Cove	Copperas Cove Brookview Village Apartments, LP	Added affirmative Marketing for Veterans language.
11224	1/30/2014	Magnolia Acres	Angleton	Magnolia Acres Senior Housing LP	Replace storage room/closet with self-cleaning ovens - 1 pt swap
01018	2/21/2014	Western Whirlwind, Ltd.	Horizon City	Western Whirlwind, Ltd.	Remove nonprofit requirement and add HUB requirement per ownership transfer approved in 2006. Also added "good cause" eviction language as Section 4(g).

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BOARD APPROVED

01144	2/4/2014	Autumn Oaks of Corinth	Corinth	Corinth Autumn Oaks, LP	Substantive change in supportive services.
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**Housing Tax Credit Extensions
2014 2nd Quarter**

ADMINISTRATIVELY APPROVED

Dev. No.	Dat of Approval	Development Name	City	Owner Name/Contact	Type of Extension	Original Deadline	Approved Extension Deadline
12092	12/13/2013	The Huntington	Missouri City	MC Huntington Partners, Ltd.	Cost Certification	1/15/2014	5/15/2014
12127	12/13/2013	Clint Palms	Clint	Clint Palms, LTD	Cost Certification	1/15/2014	7/1/2014
11123	12/13/2013	Allegre Point	Austin	Allegre Point Partners, Ltd.	Cost Certification	1/15/2014	5/15/2014
10176	12/13/2013	Canyon Square Village	El Paso	Canyon Square, Ltd.	Cost Certification	1/15/2012	1/15/2013
11165	12/13/2013	Playa Del Pueblo	Midland	Playa del Pueblo Ltd.	Cost Certification	1/15/2014	5/15/2014
12278	12/20/2013	TGO Independence Village	Port Lavaca	TGO Independence Village, LP	Cost Certification	1/15/2014	4/15/2014
12005	1/10/2014	Aster Villas	Del Rio	RST Aster Villas, LP	Cost Certification	1/15/2014	3/14/2014
11081	1/10/2014	Northwood Apartments	Navasota	PK Northwood Apartments, LP	Cost Certification	1/15/2014	3/15/2014
11082	1/10/2014	Oakwood Apartments	Madisonville	Lance Street Apartments, Ltd.	Cost Certification	1/15/2014	3/15/2014
12048	1/15/2014	Cottonwood Apartments	Taft	PK Cottonwood Apartments, LP	Cost Certification	1/15/2014	4/15/2014
11200	1/16/2014	The Ranch at Silvercreek (fka Silvercreek II Ap	Houston	Houston Silvercreek II Apartments, LP	Cost Certification	1/15/2014	4/15/2014
11012	1/16/2014	Hillside West Seniors	Dallas	Hillside West Seniors, LP	Cost Certification	1/15/2014	4/15/2014
11149	1/17/2014	Branch Village	Houston	Houston Leased Housing Associates III,	Cost Certification	1/15/2014	3/15/2014
11193	1/17/2014	Alexander Place Apartments	Baytown	Alexander Place Apartments, LP	Cost Certification	1/15/2014	4/15/2014
12003	1/27/2014	Parkstone Senior Village Phase II	Wichita Falls	UAH Parkstone II, LP	Cost Certification	1/15/2014	4/30/2014
11260	1/27/2014	Braeburn Village Apts	Houston	Braeburn Residential Partners, LP	Cost Certification	1/15/2014	4/15/2014
11238	1/27/2014	The Sunningdale	Shenandoah	Shenandoah Development Partners, LP	Cost Certification	1/15/2014	4/16/2014
11033	1/27/2014	American GI Forum Village I and II	Robstown	Robstown Village, LP	Cost Certification	1/15/2014	7/15/2014
10271	1/27/2014	Hudson Manor	Hudson	Hudson Manor, Ltd	Cost Certification	1/15/2014	6/30/2014
10279	1/27/2014	Hudson Green	Hudson	Hudson Green, Ltd	Cost Certification	1/15/2014	6/30/2014
11096	1/29/2014	Mariposa at Bay Colony	Dickinson	Mariposa Calder Drive LP	Cost Certification	1/15/2014	4/15/2014
11195	2/3/2014	Stonebridge at Ironton	Lubbock	GS Housing 71 , LL	Cost Certification	1/15/2014	3/15/2014
11061	2/13/2014	Pioneer Crossing for Seniors Burkburnet	Burkburnett	Burkburnett Seniors, LLC	Cost Certification	1/15/2014	5/30/2014
11217	2/18/2014	The Overlook at Plum Creek	Kyle	Kyle DMA Housing, LP	Cost Certification	1/15/2014	2/28/2014
060615	2/21/2014	Hillcrest Apartments	Mesquite	Summit Hillcrest Apartments, Ltd.	Cost Certification	1/15/2008	8/12/2008
12089	2/21/2014	Briarbend	Beaumont	ST Partners V, Ltd.	Cost Certification	1/15/2014	5/15/2014

**Housing Tax Credit Program Ownership Transfers
2014 2nd Quarter**

ADMINISTRATIVELY APPROVED

Dev. No.	Dat of Approval	Development Name	City	Person/Entity Departing	New Person/Entity	Type of Ownership Change
91053	12/2/2013	Hickory Ranch Apartments	Dallas	Dallas Leased Housing Assoc LLC	Hickory Ranch Apartments, LLC	Property Sale
05452	12/6/2013	Lindbergh Parc Senior Apartments	Fort Worth	Marine Creek Residential, L.P.	BFIM Ft Worth GP, Inc.	Affiliate GP Transfer
060415	12/6/2013	Village Creek	Fort Worth	OPLP Village Creek, Inc.	BFIM Ft Worth GP, Inc.	Investor Affiliated GP transfer
95003	12/12/2013	Park at Cliff Creek	Dallas	The Park at Cliff Creek, Ltd.	The Cesar Chavez Foundation	Property Sale
060168	12/19/2013	Birdsong Place Villas	Baytown	Columbia Housing SLP Corp	Birdsong Place Villas LP	Change in GP
99197	1/31/2014	Sun Meadow	Alamo	Amstar Partners - I, LP	PC Sun Meadows, LLC	Non-Affiliate GP Transfer
09915	1/31/2014	Jackson Village Retirement Center	Lake Jackson	Community Retirement Centre Inc. and Charles Holcomb	Community Retirement Center of Lake Jackson, L.P.	Change in GP and LP - no new members
02422	02/24/2014	Residences of Plum Creek fka Rosemeade Apts	Amarillo	AHF Rosemeade, inc.	CCTXP Rosemeade LLC	Change in GP
03416	02/24/2014	Glenwood Apartments	Amarillo	AHF Glenwood, Inc.	CCTXP Glenwood, LLC	Change in GP

R2

**BOARD REPORT ITEM
SINGLE FAMILY HOME PROGRAM DIVISION
MARCH 6, 2014**

Status Report on the HOME Program Single Family Contracts and Reservation System Participants through February 2014, Calendar Year YTD

Activity Type	<u>Funded/Awarded for February</u>		<u>Funded/Awarded for Year</u>		<u>Setups for February</u>		<u>Setups for Year</u>		<u>Draws for February</u>		<u>Draws for Year</u>	
	RSP	Contracts	RSP	Contracts	Amount	Number	Amount	Number	Amount	Number	Amount	Number
CFD	\$0	\$0	\$106,809	\$0	\$0	0	\$106,809	1	\$22,620	1	\$74,974	4
CHDO Operating	\$0	\$0	\$0	\$0	\$0	0	\$0	0	\$0	0	\$0	0
Dev SF	\$218,954	\$0	\$328,431	\$0	\$109,477	1	\$218,954	2	\$52,253	3	\$118,952	8
HBA/Rehab	\$123,000	\$0	\$230,500	\$0	\$123,000	6	\$209,000	10	\$64,743	7	\$277,309	26
HRA	\$1,333,441	\$0	\$1,835,625	\$0	\$1,243,089	15	\$1,835,625	22	\$2,162,097	113	\$3,992,574	200
TBRA	\$376,754	\$0	\$935,688	\$0	\$397,384	38	\$963,914	82	\$297,515	351	\$748,874	1,054
Sub Totals:	\$2,052,149	\$0	\$3,437,053	\$0	\$1,872,950	60	\$3,334,302	117	\$2,599,228	475	\$5,212,683	1,292
Totals:	\$2,052,149		\$3,437,053									

CFD - Contract For Deed

CHDO - Community Housing Development Organization

HRA - Homeowner Rehabilitation

HBA/Rehab - Homebuyer Assistance with Rehab

RSP - Reservation System Participant

TBRA - Tenant Based Rental Assistance

NOTE: This is the last board meeting that HOME will use this format. Going forward, this report will be provided quarterly and will be in a different format. The next report will be presented on June 26, 2014.

ACTION ITEMS

2

BOARD REPORT ITEM
BOND FINANCE DIVISION
MARCH 6, 2014

REPORT ITEM

Report on the Status of the 2004B Swap held under the Department's SF Bond Trust Indenture.

BACKGROUND

Working closely with our swap and financial advisor, George K. Baum, we have identified and taken action on an opportunity to reduce our borrowing costs within our SF Bond Trust Indenture. Under this indenture we have issued variable rate bonds to finance origination of fixed rate mortgages and hedged this interest rate mismatch through the purchase of swaps. One of these swaps, known as 2004B, has options exercisable on March 1 and September 1 to reduce the notional amount of the swap. Previously, even when such reductions might be economically advantageous, we were not in a position to do so, however recent success in improving the strength of this indenture has now made this possible.

The three principal forces impacting this position included (1) the cash position within the indenture relative to the notional amount of unwrapped obligations remaining, (2) the continuation of prepayment activity with the underlying mortgages, and (3) an assessment that a rapid and sustained run-up in interest rates was unlikely over the near term and, even it occurred, the cash position within the indenture and the possibility of retiring the unhedged portion of the bonds made this a manageable risk.

Based on this assessment, described in more detail below, we reduced our notional swap position by \$13 million and anticipate similar actions being considered at future exercisable dates.

The transaction was originally closed on April 28, 2004, consisting of \$123.61 million of fixed rate Series A bonds and \$53 million Series B Floating Rate Notes swapped to a fixed rate of 3.843% through the use of a swap contract. The swap counterparty is UBS AG (aka Swiss Bank Corporation).

- The 2004 bond program 61 allowed almost 2,000 Texans to achieve the “American Dream” of homeownership.
- The swap contract which hedged the floating rate notes included a provision whereby up to 60% of the swap could be optionally canceled at par on March 1, 2014 (up to \$31.8 million) and on each March 1st and September 1st thereafter.

- The Department, after consultation with its Swap and Financial Advisor, exercised a portion of its par cancellation option and terminated \$13 million of the 2004B swap on March 1, 2014.
- This swap cancellation is expected to reduce the Department's borrowing costs by approximately \$224,000 over the next six months (computed as the difference between the fixed swap payment (3.843%) and the floating rate payment received on the swap contract (63% of the London Interbank Offered Rate ("LIBOR) + .30%) times the amount of the canceled swap (\$13 million). This is approximately 345 bps of the amount terminated using the current of 30-day LIBOR rate of 16 bps.
- Future savings will be realized as long as the 30-day LIBOR rate remains under 5.62% - during the 1st 6-month period, the savings are projected to be approximately \$224,000.
- As of March 1, 2014, under the 2004B issue, there are approximately \$50 million in mortgage-backed securities and \$4 million in cash (total assets of \$54 million) vs. \$53 million of floating rate notes. The current swap balance is \$40 million (after execution of the optional termination of \$13 million of the swap). After this action our overall VDRO position is \$237 million in total floating rate notes: \$230 million are hedged with swaps and \$7 million being unhedged.
- The "unhedged" portion of the floating rate notes on March 1, 2014 is \$9 million (\$13 million - \$4 million cash). This unhedged amount is expected to be quickly reduced over the next 9 to 18 months as mortgage loans are repaid or prepaid.
- Note 1: The 2004B loans have paid down more than \$13 million over the last twelve months, averaging \$1.2 million per month (\$900k per month over past 6 months). At an average pay down rate of just \$500k per month, the \$9 million of unhedged floating rate notes would be completely eliminated over the next 18 months.
- Note 2: In the alternative, the Department can also eliminate any unhedged portion of the floating rate notes at any time by paying off a like amount of the notes by: 1) using surplus funds in the indenture, or 2) selling a portion of the underlying mortgage-backed securities.
- Going forward, Department staff - in consultation with George K. Baum (Department Financial Advisor and Swap Advisor) - will continue to evaluate the benefits of terminating additional portions of the swap prior to every optional termination date (March 1st and September 1st of each year) based upon actual loan repayments prepayments and prevailing interest rate conditions in the marketplace.

3

3a

BOARD ACTION REQUEST
MULTIFAMILY FINANCE DIVISION
MARCH 6, 2014

Presentation, Discussion, and Possible Action regarding Requests for Exemption from Undesirable Site Features filed in the 2014 Competitive Housing Tax Credit Cycle

RECOMMENDED ACTION

WHEREAS, a Competitive Housing Tax Credit Pre-application (the “Application”) was submitted for Louis Manor (#14031) on January 16, 2014;

WHEREAS, the Development Site is located within 300 feet of a railway, which, pursuant to §10.101(a)(3) of the Uniform Multifamily Rules (“Rule”) related to Undesirable Site Features, would cause the site to be deemed ineligible unless a requested exemption is granted;

WHEREAS, the Application proposes Rehabilitation of a Development that has ongoing and existing federal assistance from HUD in the form of a current Housing Assistance Payments (“HAP”) contract;

WHEREAS, the Rule allows for the Board to grant an exemption in cases where the Application proposes Rehabilitation of a Development with ongoing and existing federal assistance from HUD or USDA; and

WHEREAS, the Applicant has timely requested such an exemption from the Board;

NOW, therefore, it is hereby,

RESOLVED, the Applicant’s request for an exemption under §10.101(a)(3) of the Uniform Multifamily Rules related to Undesirable Site Feature for Louis Manor (#14031) is hereby granted.

BACKGROUND

A Pre-application for Louis Manor, located in Port Arthur (urban region 5) was submitted on January 16, 2014. The application proposes rehabilitation of a development that has ongoing federal assistance from HUD in the form of a HAP contract, and the site is located approximately 40 feet from an active railway. Section 10.101(a)(3) of the Uniform Multifamily Rules states that Development Sites located within 300 feet of any number of undesirable site features, including active railroad tracks, will be considered ineligible. However, the rule also provides for an exemption for Rehabilitation Developments that have ongoing and existing federal assistance from HUD or USDA. The applicant has requested such an exemption.

Staff has reviewed the relevant documentation and has determined that the exemption request meets the requirements of the rule. However, the review also prompted staff to request additional information regarding the site's possible proximity to undesirable area features such as significant presence of blighted structures and/or criminal activity. Staff is still reviewing this information and has made no determination and/or recommendation regarding the eligibility of the site with respect to §10.101(a)(4) of the Rules related to Undesirable Area Features.

Staff recommends granting the exemption with regard to the proximity to the active railway.



February 25, 2014

Jean Marie Latsha
Competitive Tax Credit Program Manager
Texas Department of Housing & Community Affairs
211 East 11th Street
Austin, TX 78701

**RE: HTC # 14031 - Exemption Request
 Louis Manor Apartments
 1300 Joe Louis Avenue
 Port Arthur, TX 77640**

Dear Mrs. Latsha:

Pursuant to your e-mail request dated February 14, 2014, we hereby address the Undesirable Area Feature of the Active Railway that is adjacent to Louis Manor Apartments located at 1300 Joe Louis Avenue, Port Arthur, TX 77640. We would like to treat our request as an exemption for Rehabilitation Developments with ongoing and existing federal assistance.

The property currently has a Section 8 subsidy that was issued from the U. S. Department of Housing and Urban Development. The existing HAP contract has a 20-year term and will be assigned to the Owner of the Development if awarded Tax Credits from the Department. Please find enclosed the following documents for your review:

1. E-mail Correspondence
2. Existing HAP Contract
3. HAP Assumption Agreement
4. Existing HUD Rent Schedule

We request your approval for an exemption regarding this matter. Per the Environmental Report that will be submitted with the TDCHA Full Application, a noise study is not needed for the property.



Should you have any additional questions or concerns, please contact me at 832-529-2244.

Regards,

A handwritten signature in black ink, appearing to read 'Kenneth D. Baugh II'.

Kenneth D. Baugh II
Authorized Representative
Port Arthur LM, LP

Enclosures

Charisse Harris - Zieben Group

From: Kenneth Baugh <kbaugh@mavendevlopers.com>
Sent: Monday, February 17, 2014 11:44 PM
To: Lee Zieben - Zieben Group
Cc: Charisse Harris - Zieben Group
Subject: [Fwd: 14031 Louis Manor]
Attachments: untitled-[2].html

----- Original Message -----

Subject: 14031 Louis Manor
From: "Jean Latsha" <jean.latsha@tdhca.state.tx.us>
Date: Fri, February 14, 2014 2:37 pm
To: kbaugh@mavendevlopers.com
liz@mavendevlopers.com
"Miranda Ashline" <miranda.ashline@itexgrp.com>
Cc: "Cameron Dorsey" <cameron.dorsey@tdhca.state.tx.us>

Kenneth,

We are reviewing your request for pre-clearance for the above referenced application and would like to request some additional information. First, you submitted your request based on the site's location within 40 feet of an active railway. This issue should not be addressed through a pre-clearance request made pursuant to §10.101(b)(4) but instead as an exemption for Rehabilitation Developments with ongoing and existing federal assistance from HUD or USDA that would otherwise be in violation of §10.101(b)(3)(B). I can treat the request that way (if in fact the development does have such federal funding assistance), in which case we need Board approval for the exemption. If this Development does not have federal funding assistance, you will need a waiver of the rule in order for the site to be found eligible.

With respect to the pre-clearance request, while the railway considered on its own might not cause the application to be ineligible, staff is concerned that there may also be some significant blight and/or violent crime in the area based on some preliminary research. I think we should address the exemption/waiver issue first, but if the site is found to be eligible with respect to the railway we would need to address issues of blight and/or crime to make a determination with respect to pre-clearance.

Please let me know if you have any questions. Thank you,

Jean Marie Latsha

Competitive Tax Credit Program Manager

Texas Department of Housing and Community Affairs

221 East 11th Street

Austin, Texas 78701

512.475.1676

Any person receiving guidance from TDHCA staff should be mindful that, as set forth in 10 TAC §11.1(b)

<[http://info.sos.state.tx.us/pls/pub/readtac\\$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=10&pt=1&ch=11&rl=1](http://info.sos.state.tx.us/pls/pub/readtac$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=10&pt=1&ch=11&rl=1)>

there are important limitations and caveats (Also see 10 TAC §10.2(b)

<[http://info.sos.state.tx.us/pls/pub/readtac\\$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=10&pt=1&ch=10&rl=2](http://info.sos.state.tx.us/pls/pub/readtac$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=10&pt=1&ch=10&rl=2)>

).

Kenneth D. Baugh II, President

Maven Developers

kbaugh@mavendev.com

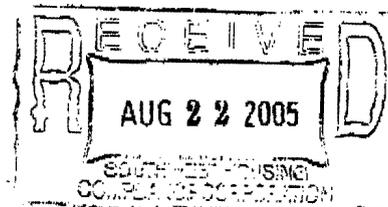
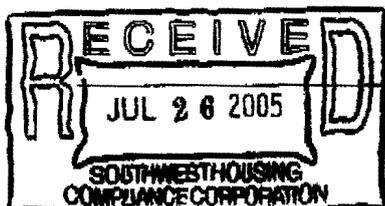
ph:832-453-7792|fax: 866-534-8196

**U.S. Department of Housing and Urban Development
Office of Multifamily Housing Assistance Restructuring**

**Project-based Section 8
HOUSING ASSISTANCE PAYMENTS
FULL MARK-TO-MARKET RENEWAL CONTRACT
Louis Manor Apartments**

PREPARATION OF CONTRACT

Reference numbers in this form refer to notes at the end of the contract text. These endnotes are instructions for preparation of the Full Mark-To-Market Renewal Contract. The instructions are not part of the Renewal Contract



Full Mark-To-Market Renewal Contract
REV 6-23-2005

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**U.S. Department of Housing and Urban Development
Office of Housing**

Project-based Section 8

HOUSING ASSISTANCE PAYMENTS

FULL MARK-TO-MARKET RENEWAL CONTRACT¹

1 CONTRACT INFORMATION²

PROJECT

Section 8 Project Number TX24M000027

Section 8 Project Number of Expiring Contract

TX24M000027

FHA Project Number (if applicable) 114-10006(new).

114-10001 & 114-35007(old)

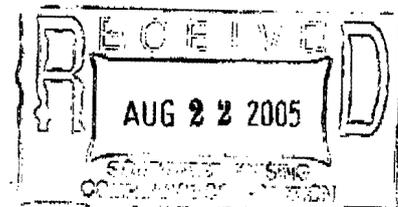
Project Name Louis Manor Apartments

Project Description³

1300 Joe Louis Ave, Port Arthur, TX 77640

TYPE OF RENEWAL

Check this box for a project renewed under Section 515(a) of MAHRA



**Full Mark-To-Market Renewal Contract
REV 6-23-2005**

PARTIES TO RENEWAL CONTRACT

Name of Contract Administrator⁴

Southwest Housing Compliance Corporation

Address of Contract Administrator

1507 South IH 35

Austin, TX 78741

Name of Owner⁶

Louis Manor Trust

Address of Owner

1390 Broadway Street

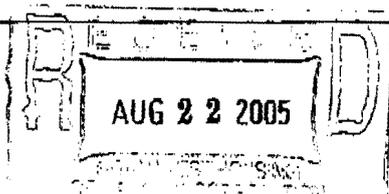
Beaumont, TX 77701

2 TERM OF RENEWAL CONTRACT

a The term of the Renewal Contract begins on

August 1, 2005.⁶

b Subject to the availability of sufficient appropriations to make housing assistance payments for any year in accordance with the Renewal Contract, as determined by HUD, the Renewal Contract shall run for a period of Twenty (20) years, beginning on the first day of the term.⁷ Further, Owner hereby acknowledges and agrees that it will accept any offer of renewal or extension of the Renewal Contract if the offer is in accordance with the terms and conditions specified in the Restructuring Commitment. Section 8 housing assistance payments to the Owner during the Renewal Contract



term shall only be made from budget authority appropriated by the Congress, and available for this purpose.

3 DEFINITIONS.

ACC. Annual contributions contract

Anniversary. The annual recurrence of the date of the first day of the term of the Renewal Contract.

Contract units. The units in the Project which are identified in Exhibit A by size and applicable contract rents.

Contract rent. The total monthly rent to owner for a contract unit, including the tenant rent (the portion of rent to owner paid by the assisted family).

HAP contract. A housing assistance payments contract between the Contract Administrator and the Owner.

HUD. The United States Department of Housing and Urban Development.

HUD requirements. The Restructuring Commitment, HUD regulations and other requirements, including amendments to the Restructuring Commitment and changes in HUD regulations and other requirements during the term of the Renewal Contract.

MAHRA. The Multifamily Assisted Housing Reform and Affordability Act of 1997 (Title V of Public Law No.105-65, October 27, 1997, 111 Stat. 1384ff), as amended by section 531 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2000 (Public Law No. 106-74, October 20, 1999, 113 Stat. 1109ff).

OCAF. An operating cost adjustment factor established by HUD.

PHA. Public housing agency (as defined and qualified in accordance with the United States Housing Act of 1937. 42 U.S.C. 1437 et seq.).

Project. The housing designated in section 1 of the Renewal Contract.

Restructuring Commitment. That certain executed Restructuring Commitment previously entered into by Owner and Contract Administrator in connection with the Owner's participation in the Mark-to-Market Program.

Section 8. Section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f)

Renewal Contract. This contract, including applicable provisions of the Expiring Contract (as determined in accordance with section 5 of the Renewal Contract).

4 RENEWAL CONTRACT

a Parties

- (1) The Renewal Contract is a housing assistance payments contract ("HAP Contract") between the Contract Administrator and the Owner of the Project (see section 1).
- (2) If HUD is the Contract Administrator, HUD may assign the Renewal Contract to a public housing agency ("PHA") for the purpose of PHA administration of the Renewal Contract, as Contract Administrator, in accordance with the Renewal Contract (during the term of the annual contributions contract ("ACC") between HUD and the PHA). Notwithstanding such assignment, HUD shall remain a party to the provisions of the Renewal Contract that specify HUD's role pursuant to the Renewal Contract, including such provisions of section 10 (HUD requirements), section 11 (statutory changes during term) and section 12 (PHA default), of the Renewal Contract.

b Statutory authority

The Renewal Contract is entered pursuant to section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f), and section 515(a) of the MAHRA.

c Expiring Contract

Previously, the Contract Administrator and the Owner had entered into a HAP Contract ("expiring contract") to make Section 8 housing assistance payments to the Owner for eligible families living in the Project. The term of the expiring contract will expire or terminate prior to the beginning of the term of the Renewal Contract.

d Purpose of Renewal Contract

- (1) The purpose of the Renewal Contract is to renew the expiring contract for an additional term. During the term of the Renewal Contract, the Contract Administrator shall make housing assistance payments to the Owner in accordance with the provisions of the Renewal Contract.
- (2) Housing assistance payments shall only be paid to the Owner for contract units occupied by eligible families leasing decent, safe and sanitary units from the Owner in accordance with statutory requirements, and with all HUD regulations and other requirements. If the Contract Administrator determines that the Owner has failed to maintain one or more contract units in decent, safe and sanitary condition, and has abated housing assistance payments to the owner for such units, the Contract Administrator may use amounts otherwise payable to the Owner pursuant to the Renewal Contract for the purpose of relocating or rehousing assisted residents in other housing.

e Contract units

The Renewal Contract applies to the Contract units.

5 EXPIRING CONTRACT – PROVISIONS RENEWED

- a Except as specifically modified by the Renewal Contract, all provisions of the Expiring Contract are renewed (to the extent such provisions are consistent with statutory requirements in effect at the beginning of the Renewal Contract term).
- b Any and all provisions of the Expiring Contract concerning any of the following subjects are not renewed, and shall not be applicable during the renewal term:
 - (1) Identification of contract units by size and applicable contract rents;
 - (2) The amount of the monthly contract rents;
 - (3) Contract rent adjustments; and
 - (4) Project account (sometimes called "HAP reserve" or "project reserve") as previously established and maintained by HUD

pursuant to former Section 8(c)(6) of the United States Housing Act of 1937 (currently Section 8(c)(5) of the Act, 42 U.S.C. 1437f(c)(5)). Section 8(c)(5) does not apply to the Renewal Contract, or to payment of housing assistance payments during the Renewal Contract term.

- c The Renewal Contract includes those provisions of the Expiring Contract that are renewed in accordance with this section 5.

6 CONTRACT RENT

a Initial contract rents

At the beginning of the Renewal Contract term, and until contract rents for units in the Project are adjusted in accordance with section 6b, the contract rent for each bedroom size (number of bedrooms) shall be the initial contract rent amount listed in Exhibit A, which is attached to and, by this reference, is hereby made a part of the Renewal Contract.

b Contract rent adjustments

(1) OCAF

During the term of the Renewal Contract the Contract Administrator shall annually, on the anniversary of the Renewal Contract, adjust the amounts of the monthly contract rents in accordance with HUD requirements by using an OCAF.

(2) Procedure for rent adjustments during renewal term

- (a) To adjust contract rents during the term of the Renewal Contract, the Contract Administrator shall give the Owner notice with a revised Exhibit A that specifies the adjusted contract rent amounts.
- (b) The revised Exhibit A shall specify the adjusted contract rent amount for each bedroom size as determined by the Contract Administrator in accordance with this section. The adjustment notice by the Contract Administrator to the Owner shall specify when the adjustment of contract rent is effective.

-
- (c) Notice of rent adjustment by the Contract Administrator to the Owner shall automatically constitute an amendment of the Renewal Contract.

(3) No other adjustments

Except for contract rent adjustments in accordance with this section, there shall not be any other adjustments of the contract rents during the term of the Renewal Contract. Special adjustments shall not be granted.

7 OWNER WARRANTIES

- a The Owner warrants that it has the legal right to execute the Renewal Contract and to lease dwelling units covered by the contract.
- b The Owner warrants that the rental units to be leased by the Owner under the Renewal Contract are in decent, safe and sanitary condition (as defined and determined in accordance with HUD regulations and procedures), and shall be maintained in such condition during the term of the Renewal Contract.

8 OWNER TERMINATION NOTICE

- a Before termination of the Renewal Contract, the Owner shall provide written notice to the Contract Administrator and each assisted family in accordance with HUD requirements.
- b If the Owner fails to provide such notice in accordance with the law and HUD requirements, the Owner may not increase the tenant rent payment for any assisted family until such time as the Owner has provided such notice for the required period.

9 PHYSICAL CONDITION AND FINANCIAL REPORTING REQUIREMENTS

- a The Owner shall comply with HUD's Physical Condition Standards and Inspection Requirements of 24 CFR part 5, subpart G, including any changes in the regulations and related Directives. In addition, the Owner shall comply with HUD's Physical Condition Standards of Multifamily Properties of 24 CFR part 200, subpart P, including any changes in the regulation and related Directives. This obligation shall apply both during the current term of the HAP contract and during each successive renewal term.

-
- b The Owner shall comply with HUD's Uniform Financial Reporting Standards of 24 CFR, part 5, subpart H, including any changes in the regulation and related Directives. This obligation shall apply during the current term of the HAP contract and for each successive renewal term.
 - c This section 9 of the Renewal Contract shall not be construed to limit the requirements referred to in section 10 of the Renewal Contract.

10 HUD REQUIREMENTS

The Renewal Contract shall be construed and administered in accordance with all statutory requirements, the Restructuring Commitment, and with all HUD regulations and other requirements, including changes in HUD regulations and other requirements during the term of the Renewal Contract. However, any changes in HUD requirements that are inconsistent with the provisions of the Renewal Contract, including the provisions of section 6 (contract rent), shall not be applicable.

11 STATUTORY CHANGES DURING TERM

If any statutory change during the term of the Renewal Contract is inconsistent with section 6 of the Renewal Contract, and if HUD determines, and so notifies the Contract Administrator and the Owner, that the Contract Administrator is unable to carry out the provisions of section 6 because of such statutory change, then the Contract Administrator or the Owner may terminate the Renewal Contract upon notice to the other party.

12 PHA DEFAULT

- a This section 12 of the Renewal Contract applies if the Contract Administrator is a PHA acting as Contract Administrator pursuant to an annual contributions contract ("ACC") between the PHA and HUD. This includes a case where HUD has assigned the Renewal Contract to a PHA Contract Administrator, for the purpose of PHA administration of the Renewal Contract.
- b If HUD determines that the PHA has committed a material and substantial breach of the PHA's obligation, as Contract Administrator, to make housing assistance payments to the Owner in accordance with the provisions of the Renewal Contract, and that the Owner is not in default of its obligations under the Renewal Contract, HUD shall take any action HUD determines necessary for

the continuation of housing assistance payments to the Owner in accordance with the Renewal Contract.

13 EXCLUSION OF THIRD-PARTY RIGHTS

- a** The Contract Administrator does not assume any responsibility for injury to, or any liability to, any person injured as a result of the Owner's action or failure to act in connection with the Contract Administrator's implementation of the Renewal Contract, or as a result of any other action or failure to act by the Owner.
- b** The Owner is not the agent of the Contract Administrator or HUD, and the Renewal Contract does not create or affect any relationship between the Contract Administrator or HUD and any lender to the Owner or any suppliers, employees, contractors or subcontractors used by the Owner in connection with implementation of the Renewal Contract.
- c** If the Contract Administrator is a PHA acting as Contract Administrator pursuant to an annual contributions contract ("ACC") between the PHA and HUD, the Contract Administrator is not the agent of HUD, and the Renewal Contract does not create any relationship between HUD and any suppliers, employees, contractors or subcontractors used by the Contract Administrator to carry out functions or responsibilities in connection with contract administration under the ACC.

14 WRITTEN NOTICES

- a** Any notice by the Contract Administrator or the Owner to the other party pursuant to the Renewal Contract shall be given in writing.
- b** A party shall give notice at the other party's address specified in section 1 of the Renewal Contract, or at such other address as the other party has designated by a contract notice. A party gives a notice to the other party by taking steps reasonably required to deliver the notice in ordinary course of business. A party receives notice when the notice is duly delivered at the party's designated address.

SIGNATURES

Contract administrator (HUD or PHA)

Name of Contract Administrator (Print)

Southwest Housing Compliance Corporation

By: *[Signature]*
Signature of authorized representative

S. Ross Burton, Multifamily Head Director
Name and official title (Print)

Date 8/15/05

Owner

Name of Owner (Print)

Louis Manor Trust

By: *[Signature]*
Signature of authorized representative

REV. PATRICK S. HEALY
Name and title (Print)

Date 7-25-2005

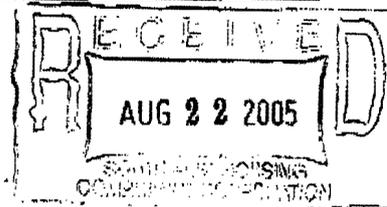
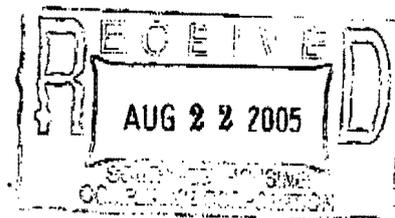


EXHIBIT A
**IDENTIFICATION OF UNITS ("CONTRACT UNITS")
BY SIZE AND APPLICABLE CONTRACT RENTS**

Number of Contract Units	Number of Bedrooms	Contract Rent	Utility Allowance
8	1BR	\$459	\$52
60	2BR	\$507	\$59
60	3BR	\$700	\$74
4	4BR	\$743	\$90

Total units: 132

NOTE: This Exhibit will be amended by Contract Administrator notice to the Owner to specify adjusted contract rent amounts as determined by the Contract Administrator in accordance with section 6b of the Renewal Contract.



Full Mark-To-Market Renewal Contract
Endnotes: INSTRUCTIONS FOR PREPARATION OF RENEWAL CONTRACT

INSTRUCTIONS FOR PREPARATION OF RENEWAL CONTRACT

The following instructions are not part of the Renewal Contract.

Endnote numbers are keyed to references in the text of the Renewal Contract.

¹ This form of Renewal Contract must be used for initial and subsequent renewals of an expiring Section 8 project-based HAP contract in accordance with HUD requirements, and Section 515(a) of MAHRA.

This form may not be used for: Interim Mark-To-Market Renewals; Potentially Troubled (Dim Lite) Mark-To-Market Renewals; Basic Renewals; Mark-Up-To-Market Renewals; nor Portfolio Reengineering Demonstration or Preservation Renewals.

Section 2 of the Renewal Contract specifies the contract term.

² To prepare the Renewal Contract for execution by the parties, fill out all contract information in section 1 and section 2.

³ Enter a description of the housing that will be covered by the Renewal Contract. The description must clearly identify the Project by providing the Project's name, street address, city, county, state and zip code, block and lot number (if known), and any other information necessary to clearly designate the covered Project.

If necessary, attach an exhibit with a site plan, legal description or other descriptive information. Enter a reference to the attached exhibit.

⁴ Enter the name of the Contract Administrator that executes the Renewal Contract. If HUD is the Contract Administrator, enter "United States of America – Department of Housing and Urban Development (HUD)". If the Contract Administrator is a public housing agency ("PHA"), enter the full legal name of the PHA.

⁵ Enter the full legal name of the Owner. For example: "ABC Corporation, Inc., a Maryland corporation."

⁶ The Renewal Contract must be entered before expiration of the Expiring Contract. Enter the date of the first day after expiration of the term of the Expiring Contract.

⁷ Enter the term of the renewal contract. The term shall be determined in accordance with HUD requirements. Insert the number of whole years.

NOTIFICATION OF SECTION 8 CONTRACT RENEWAL AND FUNDING

FOR (Check one): Initial Renewal Subsequent Renewal Amend Rent/BA Only

Section 8 Contract No. TX24M000027 Contract Expires on: July 31, 2005

Owner Name: Louis Manor Trust

Project Name: Louis Manor Apartments

FHA Project No. #114-10006

FUNDING

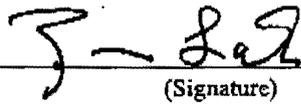
BUDGET AUTHORITY INCREASE: \$ 346,400

Contract/Renewal Effective Date: August 1, 2005

Expiration Date: July 31, 2025

For HUD Use Only:

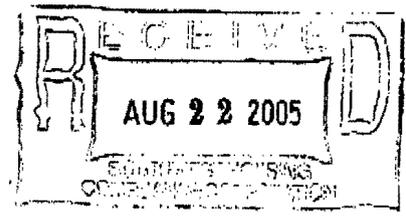
HUD Notice to Owner executed by:
U.S. Department of Housing and Urban Development

By: 
(Signature)

Bruce Laker
(Print)

Acting Director, Multifamily Housing Center
(Official Title)

Date: 8/3/05



**ASSIGNMENT, ASSUMPTION AND AMENDMENT AGREEMENT
SECTION 8 HOUSING ASSISTANCE PAYMENTS CONTRACT
(UNINSURED PROJECT)**

THIS ASSIGNMENT, ASSUMPTION AND AMENDMENT OF SECTION 8 HOUSING ASSISTANCE CONTRACT (herein called the "Agreement") is made this 18th day of April, 2013 by the UNITED STATES OF AMERICA, acting through the U.S. Department of Housing and Urban Development (herein called "the Contract Administrator"), **LOUIS MANOR TRUST**, a Non-Profit Charitable Trust, (herein called "the Seller"), and **THE COMMUNITY DEVELOPERS, LLC.**, a limited liability company, (herein called "the Buyer").

WHEREAS, the Contract Administrator and Seller pursuant to Section 8 of the United States Housing Act of 1937, 42 U.S.C. 1437(f), entered into a Section 8 Housing Assistance Payments Contract (herein called the "HAP Contract") identified as HAP Contract Number **TX24M000027** for units in the HUD project # **TX24M000027** (herein called "the Property"), a copy of which is attached hereto as "Exhibit A". Said HAP Contract, executed by the Seller and approved by HUD.

WHEREAS, the Seller, and the Buyer have entered onto a Real Estate Purchase and Sale Agreement (the "Purchase Agreement), dated April 17, 2012, wherein the Seller agrees to sell the Property and the Buyer agrees to purchase the Property, including, without limitation, the improvements situated thereon, and has agreed to accept the assignment of and assume all obligations under the HAP Contract;

WHEREAS, the Buyer has submitted to the Secretary of HUD (herein called "the Secretary") an Application and documents in support thereof (herein collectively referred to as the "Application") requesting the Secretary's approval of the proposed assignment of the HAP Contract to the Buyer as set forth in the aforesaid Real Estate Purchase and Sale Agreement; and

WHEREAS, the Seller and the Buyer mutually desire to assign the HAP Contract; and it is necessary to and the Contract Administrator and the Buyer mutually desire to amend the HAP Contract to allow for physical inspections in accordance with 24 CFR Subpart G and require financial reporting in accordance with 24 CFR Subpart H;

NOW, THEREFORE, in consideration of the foregoing, the sum of Ten Dollars (\$10.00) in hand paid and other good consideration, the receipt of which is hereby acknowledged, and in order to comply with the requirements of the Secretary, the National Housing Act of 1937, and the regulations adopted pursuant thereto, the parties hereto agree as follows:

1. The Seller hereby irrevocably assigns HAP Contract to the Buyer together with all rights and obligations in and under said contract;
2. Effective as of the date of this Agreement the Buyer agrees to assume and to be bound by said HAP Contract as modified herein, and is responsible for filing the Annual Financial Statement (AFS) from the date of this Agreement through the end of the Buyer's fiscal year.
3. Effective as of the date of this Agreement, the Seller is released from any future obligations under the HAP Contract, excepting that the Seller shall remain responsible for filing the AFS through the day before this Agreement if said HAP Contract includes an AFS filing requirement. Nothing in this Agreement shall waive, compromise, impair, or prejudice any right HUD may have against the Seller for any violation of the HAP Contract that may have occurred prior to the date of this Agreement.
4. Part II of the HAP Contract shall be amended as follows to include the following provisions:

Physical Conditions Standards and Inspection Requirements. The Owner shall comply with the Physical Condition Standards and Inspection Requirements of 24 CFR Part 5, Subpart G, including any changes in the regulation and related Directives. In addition, the Owner shall comply with HUD's Physical Condition Standards of Multifamily Properties of 24 CFR Part 200, Subpart P, including any changes in the regulation and related Directives. This obligation shall apply both during the current term of the HAP contract and during each successive renewal term.

Financial Reporting Standards. The Owner shall comply with the Uniform Financial Reporting Standards of 24 CFR Part 5, Subpart H, including any changes in the regulation and related Directives. This obligation shall apply during the current term of the HAP contract and for each successive renewal term.

5. This Agreement shall be construed under the laws of the State of Texas and to the extent inconsistent with the laws of the State of Texas, the laws of the United States of America. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.
6. This Agreement may be executed in any number of counterparts, each of which shall be considered an original for all purposes; provided, however, that all such counterparts shall together constitute one and the same instrument.
7. The Secretary, by the signature of his authorized representative below, consents to assignment made hereby. Said consent shall be void ab initio if the Secretary determines that Buyer, or any principal or interested party of the Buyer, is debarred, suspended or subject to a limited denial of participation under 24 CFR Part 24, or is listed on the U.S. General Services Administration list of parties excluded from Federal procurement or nonprocurement programs.

NOTHING in this Agreement shall in anyway impair the HAP Contract or alter, waive, annul, vary or affect any provision, condition, covenant therein, except as herein specifically provided, or affect or impair any rights, powers, or remedies under the HAP Contract, it being the intent of the parties hereto that the terms and conditions of the HAP Contract shall continue in full force and effect except as amended hereby.

IN WITNESS WHEREOF THE Seller, the Buyer and the Contract Administrator have caused this agreement to be executed.

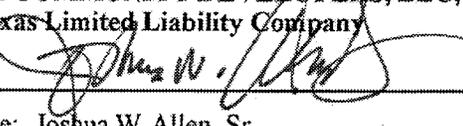
SELLER

LOUIS MANOR TRUST,
A Non-Profit Charitable Trust

By: 
Name: Very Rev. Michael L. Thompson, SSJ
Title: Vicar General

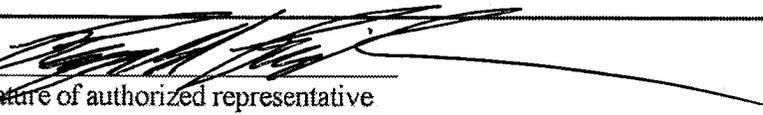
BUYER

THE COMMUNITY DEVELOPERS, LLC,
A Texas Limited Liability Company

By: 
Name: Joshua W. Allen, Sr.
Title: President

CONTRACT ADMINISTRATOR (HUD or PHA)

Name of Contract Administrator (Print)

By: 
Signature of authorized representative

Name and title (Print) RAYMOND RICHARDSON, DIRECTOR, MFH

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
SECTION 8 HOUSING ASSISTANCE PAYMENTS PROGRAM
ADDITIONAL ASSISTANCE PROGRAM FOR PROJECTS WITH HUD-INSURED
AND HUD-HELD MORTGAGES.
24 C.F.R. PART 886, SUBPART A

HOUSING ASSISTANCE PAYMENTS (HAP) CONTRACT

Term No. 1

This Contract is between the United States of America, acting through the Department of Housing and Urban Development (called "HUD"), and Society of the Sacred Heart (called "Owner"). This Contract is executed pursuant to the United States Housing Act of 1937 (called the "Act"), 42 U.S.C. 1437, et seq., and the Department of Housing and Urban Development Act, 42 U.S.C. 3531, et seq. The housing project covered by this Contract is identified as follows:

Project Name: Louis Manor Apartments City: Port Arthur

Street Address: 1300 Joe Louis Avenue

Section 8 No.: TX24-M000-027 County: Jefferson

FHA Project No.: 114-35007 State: TX

Section 1. Definitions

- a. Family — one or more persons eligible for and receiving Section 8 housing assistance payments in accordance with HUD regulations and administrative procedures.
- b. Contract Rent — the rent HUD authorizes the Owner to collect for the contract unit.
- c. Utility Allowance — an amount determined or approved by HUD as an allowance for the cost of utilities (except telephone).
- d. Gross Rent — the sum of the contract rent and any utility allowance. If there is no utility allowance, gross rent equals contract rent.
- e. Gross Family Contribution — the amount HUD regulations require the family to pay monthly towards the gross rent.
- f. Net Family Contribution — the Gross Family Contribution less any utility allowance. If this amount is positive, it represents the amount HUD regulations require the family to pay monthly to the Owner. If this amount is negative, the family makes no payment to the Owner. Instead, the Owner pays this amount monthly to the family.

Section 2. Content of Contract. This Contract includes the exhibits listed below and the Affirmative Fair Housing Marketing Plan approved by HUD on _____ which is incorporated by reference.

- o Exhibit A: Equal Opportunity Requirements
- o Exhibit B: Schedule of Units, Rents, Equipment, Utilities and Services
- o Additional Exhibits:

Section 3. Scope of Contract. This Contract and its exhibits comprise the entire agreement between the parties to this Contract with respect to the matters contained in it. Neither party is bound by any representations or agreements of any kind except as contained in this Contract, in any applicable regulations, in HUD's administrative procedures, or in agreements entered into in writing (e.g., the project Regulatory Agreement).

Section 4. Housing Owner's Certification of Authority. The Owner certifies that the Owner has the legal authority to enter into this Contract and to lease the dwelling units covered by this Contract.

Section 5. Term of Contract. This Contract shall run for a period of five years, beginning May 1, 1984, and continuing through April 30, 1989. This Contract may be renewed for two additional five-year periods at the option of the Owner and HUD.

Section 6. Maximum Amount of Housing Assistance Payments.

- a. Maximum Annual Contract Commitment. Notwithstanding any other provision of this Contract (other than paragraph b) or any other contract between HUD and the Owner, HUD shall not be obligated to make assistance payments and pay PHA fees, if any, in excess of \$ 499,152 under this Contract during any contract year. In addition, HUD shall not be obligated to pay assistance for more than the total number of contract units shown in Exhibit B.
- b. HAP Reserve (Formerly Project Account). In order to ensure that housing assistance payments will be increased on a timely basis to cover increases in contract rents or decreases in family incomes, HUD shall establish and maintain a HAP Reserve out of amounts by which the maximum annual contract commitment exceeds amounts paid under the Contract for any contract year. This Reserve shall be maintained in the name of the project. The amount of housing assistance paid for any contract year may exceed the maximum annual contract commitment specified in paragraph 6a to the extent unused contract authority is available in the HAP Reserve.

- (1) The HAP Reserve may be used only for payment of housing assistance payments or other costs specifically authorized by HUD.
- (2) If HUD at any time determines that the HAP Reserve has accumulated unused contract authority in excess of the amount the project will need through the current contract year, HUD may reduce the HAP Reserve by the amount that HUD determines to be excessive.
- (3) Any amount remaining in the HAP Reserve at the end of the term of this Contract shall be applied as directed by HUD in accordance with applicable law.

Section 7. Housing Assistance Payments and PHA Fees. HUD shall make payments for the purposes identified in this section. Eligibility for, and the amount of, any housing assistance payments will be determined in accordance with HUD's regulations and administrative procedures.

- a. **Monthly Rental Assistance.** For each contract unit occupied by an eligible family in accordance with this Contract, HUD will pay the Owner the difference between the HUD-approved gross rent and the Gross Family Contribution required by HUD regulations and administrative procedures. From this amount, the Owner will pay families any amounts due them pursuant to HUD regulations and administrative procedures and Section 15c of this Contract.
- b. **Compensation for Vacancy Loss.** If an occupied contract unit becomes vacant, HUD will pay the Owner 80 percent of the contract rent for up to the lesser of 60 calendar days following the date the unit became vacant or the actual number of days the unit remained vacant. Such payments will be made only in accordance with the following conditions and limitations.
 - (1) The Owner shall be entitled to vacancy payments under this paragraph b only if the Owner:
 - (a) immediately upon learning of the vacancy or prospective vacancy: (1) notified HUD of the vacancy and the reasons for the vacancy; and (2) took and continued to take all feasible actions to fill the vacancy including, but not limited to, contacting applicants on the waiting list and advising them of the availability of the unit;
 - (b) has not rejected any eligible applicant except for good cause acceptable to HUD;
 - (c) when the vacancy was created by the Owner's action, administered the termination of tenancy, eviction and all related notices in accordance with State and local law, the lease and HUD regulations and administrative procedures.
 - (2) HUD will pay vacancy payments only for those days on which the unit was in decent, safe and sanitary condition and available for occupancy.
 - (3) If the Owner collects other payments toward the rent due for the period HUD pays vacancy payments, the Owner shall pay to HUD, or pay as HUD directs, any amount by which the sum of the HUD vacancy payments and these other payments exceeds the contract rent. "Other payments" will include rent collected from or on behalf of the former tenant, security deposits applied toward the rent, and payments from any other source.
- c. **Compensation for Damages, Unpaid Rent and Other Amounts Due Under the Lease.** If a family vacates a contract unit and owes rent, other amounts due under the lease, or has left damages in excess of normal wear and tear, the Owner may request reimbursement from HUD for such items so long as the Owner: (1) has collected a security deposit in an amount permitted by HUD; and (2) has completed the move-in and move-out unit inspections required by HUD. The amount of the reimbursement will be calculated in accordance with HUD regulations and administrative procedures.
- d. **PHA Fee.** Where appropriate, HUD will make payments to the Owner to be used solely to compensate PHAs for services provided in accordance with Exhibit C. The PHA fee, if any, will be the amount specified in Exhibit C.

Section 8. HUD Not Obligated for Family's Rent. HUD does not assume any obligation for the amount of rent payable by any family or for the satisfaction of any claim by the Owner against any family other than in accordance with Section 7.

Section 9. Owner's Request for Housing Assistance Payments. The Owner must prepare and submit requests for housing assistance payments in accordance with the administrative procedures established by HUD. All requests for assistance payments must be submitted on the forms prescribed by HUD and be properly executed by the Owner or the Owner's authorized agent. The Owner agrees not to request assistance payments under this Contract for families who are assisted under the Section 8 Existing Housing Program ("Finders Keepers," 24 CFR 882, Subparts A and B), the Rent Supplement Program, the Rental Assistance Program or any other similar program. The Owner understands that submission of such duplicate bills is a default under the Contract and HUD may pursue any remedies available including those outlined in Section 26 of this Contract.

Section 10. Adjustment for Incorrect Payments. If HUD at any time determines that the Owner has received improper or excessive housing assistance payments, HUD shall have the right to deduct the amount of such overpayments from any payments otherwise due the Owner under this Contract. The Owner agrees to promptly correct monthly requisitions for assistance payments and to promptly submit revised requisitions as directed by HUD. If HUD determines that the Owner has not received the full amount of assistance to which the project is entitled, HUD shall promptly make a corresponding adjustment in the amount of housing assistance payments.

Section 11. Marketing of Contract Units. In conducting marketing activities, the Owner shall comply with the project's Affirmative Fair Housing Marketing Plan and the regulations relating to fair housing advertising. The Owner shall make a good faith effort to ensure that all contract units are promptly leased to eligible lower income families to be used only as private dwellings and as the family's sole place of residence.

Section 12. Determining Applicant Eligibility for Assistance. The Owner agrees to promptly carry out the following actions in accordance with HUD regulations and administrative procedures:

- a. require each applicant to complete an application in a form developed by the Owner and containing the information needed to effectively screen applicants and to carry out HUD's requirements.
- b. verify all information on which the determination of the applicant's eligibility, gross family contribution, and housing assistance payment will be based;
- c. determine eligibility for assistance;
- d. notify applicants of decisions taken on their applications;
- e. execute a certification of tenant eligibility before billing HUD for assistance payments on behalf of the family; and
- f. process complaints received from applicants at any stage of the application procedure.

Section 13. Selection and Admission of Applicants. The Owner agrees to:

- a. establish only preferences and priorities approved by HUD;
- b. select families so that the Owner achieves the economic mix required by HUD's regulations and administrative procedures;
- c. offer any available contract units to eligible applicants who meet the Owner's tenant selection standards provided that sufficient contract authority is available pursuant to Section 6a of this Contract;
- d. offer any available contract unit to over-income applicants only when no eligible and otherwise qualified applicant is on the project's waiting list and only after complying with HUD's administrative procedures related to admission of over-income applicants;
- e. execute leases in the form prescribed or approved by HUD and do so before billing HUD for assistance payments;
- f. assign bedroom size in accordance with HUD's administrative requirements;
- g. inspect the unit with the family before the family moves in, document the condition of the unit on a written inspection report signed by both the Owner and the family, and certify that the unit is decent, safe and sanitary;
- h. collect and maintain security deposits only in accordance with HUD regulations and administrative procedures; and
- i. not collect any other amounts as a condition for admission to the project, unless HUD gives the Owner specific written authorization to do so.

Section 14. Maintenance. The Owner agrees to:

- a. maintain and operate the contract units and related facilities so as to provide decent, safe and sanitary housing as defined by HUD;
- b. regularly clean and maintain all common areas, equipment and grounds, and make repairs with reasonable promptness; and
- c. respond promptly to HUD's Physical Inspection Reports and to implement corrective actions within a reasonable time.

Section 15. General Management. The Owner agrees to:

- a. provide the utilities, services, and equipment specified in Exhibit B;
- b. not charge any family an amount in excess of the Net Family Contribution unless HUD gives the Owner specific written authorization to do so;
- c. pay monthly to the family the amount of the Net Family Contribution when the Net Family Contribution is negative;
- d. evaluate the accuracy of any utility allowance at least annually and submit to HUD documentation of the analysis and, if needed, recommendation for changes in the amount of any utility allowance;
- e. complete recertifications of each family's income and allowances in accordance with HUD regulations and administrative procedures;
- f. promptly follow-up with any family which does not provide the required recertification data within the established time schedules and initiate HUD-prescribed enforcement actions;
- g. adjust families' gross contributions in accordance with HUD regulations and administrative procedures;
- h. request a family to move to an appropriately-sized unit when the size or composition of the family has changed and HUD procedures require the Owner to request such unit transfers;
- i. change, suspend or terminate a family's housing assistance payments only in accordance with HUD regulations and administrative procedures. The Owner agrees that suspension or termination of a family's housing assistance payments shall not affect the family's rights otherwise available under the lease, including the right to remain in the contract unit;

- j. terminate tenancies of families only in accordance with applicable State and local law, the lease and HUD regulations and administrative procedures; and
- k. inspect a unit with the family when the family moves out and document the condition of the unit on a written inspection report signed by both the Owner and the family.

Section 16. Discriminatory Practices Prohibited. The Owner agrees not to discriminate based upon race, color, creed, religion, sex, age, national origin or handicap. The Owner also agrees not to discriminate against families with children unless the project is specifically designed for elderly families. The Owner agrees to comply with the Equal Opportunity Requirements attached as Exhibit A to this Contract.

Section 17. Reduction in Number of Contract Units.

- a. If the Owner fails, for a continuous period of six months, to have at least 80 percent of the contract units leased or available for leasing to income-eligible families, HUD may, on 30 days notice to the Owner, reduce the number of contract units to not less than the number of units under lease or available for leasing by eligible families, plus 10 percent of such number.
- b. At the end of the term of this Contract, HUD may, upon notice to the Owner, reduce the number of contract units to the greater of: (1) the number of units under lease or available for leasing by eligible families at that time; or (2) the average number of units so leased or available for leasing during the prior 12-month period; plus 10 percent of such number.
- c. HUD will agree to an amendment of the Contract to provide for subsequent restoration of any reduction made pursuant to paragraph a or b if contract and budget authority and units are available and HUD determines that the restoration is justified as a result of changes in demand and in light of the Owner's record of compliance with his/her obligations under the Contract.

Section 18. Rent Adjustments. Contract rents and utility allowances shall be adjusted by HUD in accordance with HUD regulations and administrative procedures. The new contract rents, utility allowances and gross rents will be incorporated into this Contract as a revision to Exhibit B. HUD will make housing assistance payments commensurately with the HUD-approved changes in rents and utility allowances, up to the maximum amount of assistance authorized by Section 6 of this Contract. The Owner agrees that rents charged for other comparable units in the project will not be less than the contract rents, except when authorized in writing by HUD.

Section 19. Changes in Contract Amount.

- a. HUD will increase the maximum annual contract commitment as necessary to provide assistance payments for: (1) any additional contract units authorized by HUD; (2) HUD-approved rent increases; (3) decreases in family contribution for units currently authorized to receive assistance under this Contract; and (4) PHA fees.
- b. HUD may reduce the maximum annual contract commitment commensurately with any reduction in the number of contract units made pursuant to this Contract.

Section 20. Recordkeeping Requirements. The Owner agrees to retain, for at least three years, all correspondence, materials, and documentation related to processing of: applications for admissions and notices of decisions made on those applications; certifications and recertifications of tenant eligibility; HUD-required move-in and move-out unit inspections; special claims and regular monthly vouchers; evictions; suspension and termination of assistance; and other actions which the Owner is required to perform in carrying out this Contract. The Owner shall maintain as confidential all information which, if disclosed, would constitute an unwarranted invasion of a family's privacy.

Section 21. Reports and Access to Premises and Records. The Owner shall supply HUD with any information and reports pertinent to the Contract as reasonably may be required from time to time by HUD. The Owner shall permit HUD or any of its duly authorized representatives to have access to the premises and, for the purpose of audit and examination, to have access to any books, documents, papers and records of the Owner and his/her Management Agent that are pertinent to compliance with this Contract, including the verification of information pertinent to the housing assistance payments.

Section 22. Flood Insurance. If the project is in a special flood hazard area, the Owner agrees that the project will be covered, during its anticipated economic or useful life, by flood insurance in an amount at least equal to its development or project cost (less estimated land cost) or to the maximum limit of coverage made available with respect to the particular type of property under the National Flood Insurance Act of 1968, whichever is less.

Section 23. Clean Air Act and Federal Water Pollution Control Act. This Section does not apply if five times the dollar amount in Section 6a of this Contract, as of the first day of this term, is \$100,000 or less. In compliance with regulations issued by the Environmental Protection Agency ("EPA"), 40 CFR, Part 15, pursuant to the Clean Air Act, as amended ("Air Act"), 42 U.S.C. 7401, et seq., the Federal Water Pollution Control Act, as amended ("Water Act"), 33 U.S.C. 1251, et seq., and Executive Order 11738, the Owner agrees to:

- a. not utilize any facility in the performance of this Contract or any nonexempt subcontract which is listed on the EPA List of Violating Facilities pursuant to section 15.20 of the regulations;
- b. promptly notify HUD of the receipt of any communication from the EPA indicating that a facility to be utilized for the Contract is under consideration to be listed on the EPA List of Violating Facilities;
- c. comply with all the requirements of section 114 of the Air Act and section 308 of the Water Act relating to inspection, monitoring, entry, reports, and information, as well as all other requirements specified in section 114 of the Air Act and section 308 of the Water Act, and all regulations and guidelines issued thereunder; and

- d. include or cause to be included the provisions of this Section in every nonexempt subcontract and take such action as HUD may direct as a means of enforcing such provisions.

Section 24. Interest of Members, Officers, or Employees of PHA, Members of Local Governing Body or Other Public Officials. No member, officer, or employee of the PHA, if any, which is a party to the Contract, no member of the governing body of the locality (city and county) in which the project is situated, no member of the governing body of the locality in which the PHA was activated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the project, during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in this Contract or in any proceeds or benefits arising from it. However, a member or officer of the PHA may be a tenant in the project.

Section 25. Interest of Member of or Delegate to Congress. No member of or delegate to the Congress of the United States of America or resident commissioner shall be admitted to any share or part of this Contract or to any benefits which may arise from it.

Section 26. Owner Default Under Contract.

- a. Events of Default. HUD may consider the Owner to be in default under this Contract when the Owner has:
- (1) violated or failed to comply with any provision or obligation of this Contract, including correction of any deficiency identified by HUD in its reviews of the Owner's administration of this Contract;
 - (2) asserted or demonstrated an intention not to perform some or all of his/her obligations under this Contract or any lease;
 - (3) violated or failed to comply with any applicable HUD regulation or with any term of the HUD-held or insured mortgage or regulatory agreement or any lease; or
 - (4) furnished any false statements or misrepresentations to HUD in connection with HUD mortgage insurance, loan processing, or administration of this Contract.
- b. Corrective Actions. Upon determining that a default has occurred, HUD will notify the Owner, by certified mail, of the nature of the default, the actions the Owner must take to cure the default, and the time within which the Owner must complete the corrective actions. If the Owner does not implement the requested actions, or other corrective action acceptable to HUD, within the prescribed time or does not do so to the satisfaction of HUD, HUD may terminate this Contract in whole or in part or may initiate any of the following actions.
- (1) Actions by Court Order.
 - (a) Take possession of the project, bring any action necessary to enforce any rights of the Owner related to operation of the project, and operate the project in accordance with the terms of this Contract until such time as HUD determines that the Owner is again in a position to operate the project in accordance with the terms of this Contract and in compliance with the requirements of any note, mortgage, or regulatory agreement.
 - (b) Collect all rents and other receipts of the project and use such receipts to pay the Owner's obligations under this Contract and under the note and mortgage and the necessary expenses of maintaining and operating the project.
 - (c) Apply to any court, State or Federal, for specific performance of this Contract, for an injunction against any violations of this Contract, for the appointment of a receiver to take over and operate the project in accordance with the terms of the Contract, or for such other relief as may be appropriate. These remedies are appropriate since the injury to HUD arising from a default under any of the terms of this Contract could be irreparable and the amount of damage would be difficult to ascertain.
 - (d) Initiate action to recover any overpayments.
 - (2) HUD Administrative Actions.
 - (a) Pay housing assistance payments directly to the mortgagee in the event of default under the mortgage.
 - (b) Reduce or suspend housing assistance payments until the default under this Contract has been cured to the satisfaction of HUD.
 - (c) Withhold housing assistance payments until the default under this Contract has been cured to the satisfaction of HUD.
 - (d) Reduce the number of contract units when the Owner has failed to make a good faith effort to lease all contract units to eligible families.
 - (e) Suspend, debar or otherwise restrict participation in any HUD program.
 - (f) Initiate action to recover any overpayments.
- c. Remedies Not Exclusive and Non-Waiver of Remedies. The availability of any remedy under this Contract shall not preclude the exercise of any other remedy under this Contract or under any provisions of law, nor shall any action taken in the exercise of any remedy be considered a waiver of any other rights or remedies. Failure to exercise any right or remedy shall not constitute a waiver of the right to exercise that or any other right or remedy at any time.

Section 27. Impact of Other Servicing Actions on this Contract.

- a. Assignment of Contract or Change of Ownership. HUD will approve a change of ownership during the term of this Contract only if the purchaser demonstrates, to HUD's satisfaction, an ability to administer this Contract and agrees to carry out all terms of this Contract.
- b. Assignment of Mortgage. In the event the mortgage is assigned to HUD, HUD may terminate this Contract, temporarily reduce or suspend payment of amounts due under this Contract, or take any other action available under Section 26 of this Contract.
- c. Prepayment of Mortgage. Prepayment of the mortgage shall not, by itself, affect any rights of the Owner or HUD under this Contract.

Section 28. Effect on Other Agreements. To the extent that this Contract conflicts with any agreement(s) between the Owner and HUD, the provisions of this Contract shall be controlling. The provision(s) of the other agreement(s) shall be considered to be amended by the terms of this Contract. Such amendments shall be valid as if such amendment had been made directly to such agreement(s). These amendments shall be effective only during the term of this Contract.

WARNING: 18 U.S.C. 1001 provides, among other things, that whoever knowingly and willingly makes or uses a document or writing containing any false, fictitious, or fraudulent statement or entry, in any matter within the jurisdiction of any department or agency of the United States, shall be fined not more than \$10,000 or imprisoned for not more than five years, or both.

Section 29. Signatures.

Owner Society of the Sacred Heart
By Louis Plenor Trust
Rev. Joseph Murphy
(Name)
Chairman of the Board
(Official Title)
Date April 6, 19 84

HUD Samuel R. Pierce, Jr.
By James M. Wilson
(Name)
Manager
(Official Title)
Date APR 1 1984, 19

EXHIBIT B

SCHEDULE OF UNITS, RENTS, EQUIPMENT, UTILITIES AND SERVICES

Project Name: Louis Manor Apartments No. of Units: _____ HAP Contract _____
 Section 8 No.: TX24-M000-027 Section 8: 132 Year Ends 4-30
 Total : 132

Unit Size (1)	No. of Section 8 Contract Units (2)	Contract Rent (\$) (3)	Utility Allowance (PBE) \$ (4)	Gross Rent (3 + 4)
<u>1</u> Bdm	<u>8</u>	\$ <u>265</u>	\$ <u>---</u>	\$ <u>265</u>
<u>2</u> Bdm	<u>60</u>	\$ <u>289</u>	\$ <u>---</u>	\$ <u>289</u>
<u>3</u> Bdm	<u>60</u>	\$ <u>330</u>	\$ <u>---</u>	\$ <u>330</u>
<u>4</u> Bdm	<u>4</u>	\$ <u>380</u>	\$ <u>---</u>	\$ <u>380</u>
_____ Bdm	_____	\$ _____	\$ _____	\$ _____
_____ Bdm	_____	\$ _____	\$ _____	\$ _____
_____ Bdm	_____	\$ _____	\$ _____	\$ _____
_____ Bdm	_____	\$ _____	\$ _____	\$ _____

EQUIPMENT, UTILITIES AND SERVICES INCLUDED IN RENT:

EQUIPMENT	UTILITIES	SERVICES
<input checked="" type="checkbox"/> Range <input checked="" type="checkbox"/> Refrigerator <input type="checkbox"/> Air Conditioner <input checked="" type="checkbox"/> Kitchen Exhaust Fan <input type="checkbox"/> Disposal <input type="checkbox"/> Dishwasher <input type="checkbox"/> Carpet <input type="checkbox"/> Drapes <input checked="" type="checkbox"/> Other (Specify) <u>Venetian blinds</u> <u>Shades</u>	<input checked="" type="checkbox"/> Heat <input checked="" type="checkbox"/> Cooking <input checked="" type="checkbox"/> Hot Water <input type="checkbox"/> Air Conditioning <input checked="" type="checkbox"/> Lights, etc. <input type="checkbox"/> Other (Specify) _____ _____	<input checked="" type="checkbox"/> Parking <input checked="" type="checkbox"/> Laundry Facilities <input checked="" type="checkbox"/> Other (Specify) <u>Maintenance</u> <u>Garbage pick-up</u>

The Owner hereby acknowledges receipt of this Exhibit B and agrees that the above rents will supersede all previous Exhibits B and become effective on May 1, 1984

Rev. Joseph Murphy Chairman of the Board *April 6, 1984*
 (Owner's Signature) (Title) (Date)

U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

AMENDATORY CONTRACT

Project Number 114-35007

Project Name Louis Manor Apartments

WHEREAS, pursuant to Section 215 of the National Housing Act ("ACT"), a certain Rent Supplement Contract ("Contract") was entered into on the day of March 25, 19 69, by and between the Secretary of Housing and Urban Development ("Government") and Louis Manor Trust. ("Owner").

WHEREAS, in order to assure the accomplishment of the purposes of the Act, it is the desire of all parties to cancel and nullify all aspects of said Contract.

NOW, THEREFORE, in consideration of the promises of the mutual covenants in said Contract and this Amendatory Contract, all parties do hereby agree that the Contract shall be and the same hereby is CANCELLED, NULLIFIED AND VOID.

No further rental assistance payments shall be made under said Contract after 1 day of June, 19 84.

This Amendatory Contract shall not be deemed to affect any proceedings taken or any act or thing done by the Owner pursuant to the Contract prior to the effective date of this Amendatory Contract, and all such proceedings properly taken, and all such acts or things properly done pursuant to and in compliance with the provisions of said Contract shall be deemed to have been properly taken, done and performed under the Contract.

IN WITNESS WHEREOF, all parties have caused this Amendatory Contract to be executed in their respective names.

Louis Manor Trust SECRETARY OF HOUSING AND URBAN DEVELOPMENT
(Housing Owner) Rogelio R. Santos
By: Rev. Joseph Murphy By: Rogelio R. Santos
Date: April 6, 1984 Date: 4-18-84

RECEIVED
MAR 10 2006
SOUTHWEST HOUSING
COMPLIANCE CORPORATION

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
SECTION 8 HOUSING ASSISTANCE PAYMENTS PROGRAM
ADDITIONAL ASSISTANCE PROGRAM FOR PROJECTS WITH HUD-INSURED
AND HUD-HELD MORTGAGES,
24 C.F.R. PART 886, SUBPART A

HOUSING ASSISTANCE PAYMENTS (HAP) CONTRACT

Term No. 1

This Contract is between the United States of America, acting through the Department of Housing and Urban Development (called "HUD"), and Society of the Sacred Heart (called "Owner"). This Contract is executed pursuant to the United States Housing Act of 1937 (called the "Act"), 42 U.S.C. 1437, et seq., and the Department of Housing and Urban Development Act, 42 U.S.C. 3521, et seq. The housing project covered by this Contract is identified as follows:

Project Name: Louis Manor Apartments City: Port Arthur
Street Address: 1300 Joe Louis Avenue
Section 8 No.: TX24-M000-027 County: Jefferson
FHA Project No.: 114-35007 State: TX

Section 1. Definitions

- a. Family -- one or more persons eligible for and receiving Section 8 housing assistance payments in accordance with HUD regulations and administrative procedures.
- b. Contract Rent -- the rent HUD authorizes the Owner to collect for the contract unit.
- c. Utility Allowance -- an amount determined or approved by HUD as an allowance for the cost of utilities (except telephone).
- d. Gross Rent -- the sum of the contract rent and any utility allowance. If there is no utility allowance, gross rent equals contract rent.
- e. Gross Family Contribution -- the amount HUD regulations require the family to pay monthly toward the gross rent.
- f. Net Family Contribution -- the Gross Family Contribution less any utility allowance. If this amount is positive, it represents the amount HUD regulations require the family to pay monthly to the Owner. If this amount is negative, the family makes no payment to the Owner. Instead, the Owner pays this amount monthly to the family.

Section 2. Content of Contract. This Contract includes the exhibits listed below and the Affirmative Fair Housing Marketing Plan approved by HUD on _____ which is incorporated by reference.

- o Exhibit A: Equal Opportunity Requirements
- o Exhibit B: Schedule of Units, Rents, Equipment, Utilities and Services
- o Additional Exhibits:

Section 3. Scope of Contract. This Contract and its exhibits comprise the entire agreement between the parties to this Contract with respect to the matters contained in it. Neither party is bound by any representations or agreements of any kind except as contained in this Contract, in any applicable regulations, in HUD's administrative procedures, or in agreements entered into in writing (e.g., the project Regulatory Agreement).

Section 4. Housing Owner's Certification of Authority. The Owner certifies that the Owner has the legal authority to enter into this Contract and to lease the dwelling units covered by this Contract.

Section 5. Term of Contract. This Contract shall run for a period of five years, beginning May 1, 1984, and continuing through April 30, 1989. This Contract may be renewed for two additional five-year periods at the option of the Owner and HUD.

Section 6. Maximum Amount of Housing Assistance Payments.

- a. Maximum Annual Contract Commitment. Notwithstanding any other provision of this Contract (other than paragraph b) or any other contract between HUD and the Owner, HUD shall not be obligated to make assistance payments and pay FHA fees, if any, in excess of \$ 499,152 under this Contract during any contract year. In addition, HUD shall not be obligated to pay assistance for more than the total number of contract units shown in Exhibit B.
- b. HAP Reserve (Formerly Project Account). In order to ensure that housing assistance payments will be increased on a timely basis to cover increases in contract rents or decreases in family incomes, HUD shall establish and maintain a HAP Reserve out of amounts by which the maximum annual contract commitment exceeds amounts paid under the Contract for any contract year. This Reserve shall be maintained in the name of the project. The amount of housing assistance paid for any contract year may exceed the maximum annual contract commitment specified in paragraph 6a to the extent unused contract authority is available in the HAP Reserve.

Section 27. Impact of Other Surviving Actions on this Contract.

- a. Assignment of Contract or Change of Ownership. HUD will approve a change of ownership during the term of this Contract only if the purchaser demonstrates, to HUD's satisfaction, an ability to administer this Contract and agree to carry out all terms of this Contract.
- b. Assignment of Mortgage. In the event the mortgage is assigned to HUD, HUD may terminate this Contract, temporarily reduce or suspend payment of amounts due under this Contract, or take any other action available under Section 26 of this Contract.
- c. Prepayment of Mortgage. Prepayment of the mortgage shall not, by itself, affect any rights of the Owner or HUD under this Contract.

Section 28. Effect on Other Agreements. To the extent that this Contract conflicts with any agreement(s) between the Owner and HUD, the provisions of this Contract shall be controlling. The provision(s) of the other agreement(s) shall be considered to be amended by the terms of this Contract. Such amendments shall be valid as if such amendment had been made directly to such agreement(s). These amendments shall be effective only during the term of this Contract.

WARNING: 18 U.S.C. 1001 provides, among other things, that whoever knowingly and willfully makes or uses a document or writing containing any false, fictitious, or fraudulent statement or entry, in any matter within the jurisdiction of any department or agency of the United States, shall be fined not more than \$10,000 or imprisoned for not more than five years, or both.

Section 29. Signatures.

Owner Society of the Sacred Heart
 By Louis Manor Trust
Rev. Joseph Murphy
(Name)
Chairman of the Board
(Official Title)
 Date April 6, 1984

HUD Samuel R. Pierce, Jr.
 By James M. Wilson
James M. Wilson
(Name)
Manager
(Official Title)
 Date APR 19 1984, 1984

Part G - Information on Mortgagor Entity

Name of Entity

The Community Developers, LLC

Type of Entity

Individual

General Partnership

Joint Tenancy/Tenants in Common

Other (Specify)

Corporation

Limited Partnership

Trust

Limited Liability Company

List all Principals Comprising Mortgagor Entity: provide name and title of each principal. Use extra sheets, if needed. If mortgagor is a:

- corporation, list: (1) all officers; (2) all directors; and (3) each stockholder having a 10% or more interest.
- partnership, list: (1) all general partners; and (2) limited partners having a 25% or more interest in the partnership.
- trust, list: (1) all managers, directors or trustees and (2) each beneficiary having at least a 10% beneficial interest in the trust.

Name and Title

Joshua W. Allen, Sr.

President

Name and Title

Patricia Jackson

Vice President

Name and Title

Carver Henry

Treasurer

Name and Title

Part H - Owner Certification

To the best of my knowledge, all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.
Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name and Title

Joshua W. Allen, Sr.

President

Authorized Official's Signature



Date (mm/dd/yyyy)

06/12/2013

Part I - HUD/Lender Approval

Addendum Number

Branch Chief/Lender Official Signature

Date (mm/dd/yyyy)

HAP Contract Number

TX24M000027

Exhibit Number

Director, Housing Management Division Signature



Date (mm/dd/yyyy)

Loan Servicer Signature

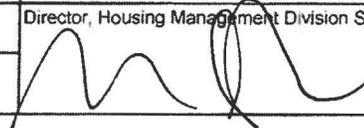


EXHIBIT A

IDENTIFICATION OF UNITS ("CONTRACT UNITS") BY SIZE AND APPLICABLE CONTRACT RENTS

Section 8 Contract Number: TX24M000027

FHA Project Number 114-11355

Effective Date of the Rent Increase: 8/1/2013

Number of Contract Units	Number of Bedrooms	Contract Rent	Utility Allowance	Gross Rent
8	1 BR	\$600	\$66	\$666
60	2 BR	\$663	\$68	\$731
60	3 BR	\$916	\$85	\$1,001
4	4 BR	\$970	\$101	\$1,071

Do not submit a Gross Rent Change through TRACS until the HUD-92458 Rent Schedule has been returned to you duly executed from your HUD/PBCA office.

- Note:
- (1) This Exhibit will be amended by Contract Administrator notice to the Owner to specify adjusted contract rent amounts as determined by the Contract Administrator in accordance with the Renewal Contract.
 - (2) These rents are applicable with the Amend Rents Automatic OCAF for this effective Date.

NOTIFICATION OF SECTION 8 CONTRACT
RENTS AND FUNDING

For: Initial Renewal Subsequent Renewal Amend Rent/BA Only

Section 8 Contract Number: TX24M000027 Expires on: 7/31/2025

Owner Name: The Community Developers, LLC

Project Name: Louis Manor Apts.

Project Location: 1300 Joe Louis Avenue, Port Arthur, TX 77640

FHA Project No.: 114-11355

Section 8 Number: TX24M000027 Rent Effective Date: 8/1/2013

FUNDING

BUDGET AUTHORITY INCREASE: \$0

Contract/Renewal Effective Date: 8/1/2013 Expiration Date: 7/31/2025



(Signature)

Ann Gass

(Printed Name)

Director of Contracts

(Official Title)

7/10/13

(Date)

BOARD ACTION REQUEST
MULTIFAMILY FINANCE DIVISION
MARCH 6, 2014

Presentation, Discussion, and Possible Action regarding Requests for Exemption from Undesirable Site Features filed in the 2014 Competitive Housing Tax Credit Cycle

RECOMMENDED ACTION

WHEREAS, a Competitive Housing Tax Credit Pre-application (the “Application”) was submitted for Moss Rose Apartments (#14176) on January 16, 2014;

WHEREAS, the Development Site is located within 300 feet of a railway, which, pursuant to §10.101(a)(3) of the Uniform Multifamily Rules (“Rule”) related to Undesirable Site Features could cause the site to be deemed ineligible unless a requested exemption is granted;

WHEREAS, the Application proposes Rehabilitation of a public housing Development currently owned by the Killeen Housing Authority;

WHEREAS, the Rule allows for the Board to grant an exemption in cases where the Application proposes Rehabilitation of a Development with ongoing and existing federal assistance from HUD or USDA; and

WHEREAS, the Applicant has timely requested such an exemption from the Board;

NOW, therefore, it is hereby,

RESOLVED, the Applicant’s request for an exemption under §10.101(a)(3) of the Uniform Multifamily Rules related to Undesirable Site Feature for Moss Rose Apartments (#14176) is hereby granted.

BACKGROUND

A Pre-application for Moss Rose Apartments, located in Killeen (urban region 8), was submitted on January 16, 2014. The application proposes rehabilitation of a public housing development currently owned by the Killeen Housing Authority, and the site is located adjacent to the right-of-way of an active railway. Section 10.101(a)(3) of the Uniform Multifamily Rules states that Development Sites located within 300 feet of any number of undesirable site features, including active railroad tracks, will be considered ineligible. However, the rule also provides for an exemption for Rehabilitation Developments that have ongoing and existing federal assistance from HUD or USDA, and public housing meets constitutes such assistance. The applicant has requested such an exemption.

Staff has reviewed the relevant documentation and has determined that the exemption request meets the requirements of the rule. During the review, the applicant confirmed that there were no other area features that called for a request for pre-clearance pursuant to §10.101(a)(4) of the Rules related to Undesirable Area Features. Should the Board grant the exemption and subsequent reviews reveal the presence of such features, staff reserves the right to make a separate and distinct recommendation regarding the overall eligibility of the site.

Staff recommends granting the exemption.

COATS | ROSE

A Professional Corporation

TAMEA A. DULA
OF COUNSEL

tdula@coatsrose.com
Direct Dial
(713) 653-7322
Direct Fax
(713) 890-3918

February 21, 2014

By Email and Uploaded onto Multifamily Serv-U

Ms. Jean Latsha
Competitive Tax Credit Program Manager
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701-2410

RE: #14176 – Moss Rose Apartments;
Location: 1202 East Avenue E, Killeen, Bell County, Texas 76541;
Exemption Request – Railroad Adjacent to Federally-Subsidized Rehabilitation Project.

Dear Jean:

Our firm represents Housing Solutions Alliance, LLC (“Developer”), a developer with a Pre-Application filed in the At-Risk Set-Aside for Moss Rose Apartments (the “Project”). The proposed 75-unit affordable multifamily rental apartment complex for a General Population will be accomplished through the acquisition and rehabilitation of “Moss Rose,” an existing public housing development owned by the Killeen Housing Authority (the “Housing Authority”). An exemption is being requested pursuant to the provisions of §10.101(a)(3) of the 2014 Uniform Multifamily Rules (the “Rules”).

The site owned by the Housing Authority is adjacent to a railroad line operated by Burlington Northern Santa Fe Railway, and is therefore subject to §10.101(a)(3)(B) of the Rules which regards active railroad tracks within 300 feet of a Development Site as being a potentially undesirable site feature which could lead to ineligibility of the site. The Rules include the potential for an exemption for existing housing developments with federal assistance from HUD or USDA that are being rehabilitated. We hereby request that the TDHCA Board provide an exemption to the Project as provided below (see underlined language):

(3) Undesirable Site Features. Development Sites with the undesirable features identified in subparagraphs (A) -(H) of this paragraph will be considered ineligible. **Rehabilitation (excluding Reconstruction) Developments with ongoing and existing federal assistance from HUD or USDA may be granted an exemption by the Board. Such an exemption must be requested at the time of or prior to the filing of an Application.** For purposes of this requirement, the term 'adjacent' means sharing a boundary with the Development Site. The distances are to be measured from the nearest boundary of the Development Site to the boundary of the undesirable feature. If Department staff identifies

3 East Greenway Plaza, Suite 2000 Houston, Texas 77046-0307
Phone: 713-651-0111 Fax: 713-651-0220
Web: www.coatsrose.com

what it believes would constitute an undesirable site feature not listed in this paragraph or covered under subparagraph (H) of this paragraph, staff may request a determination from the Board as to whether such feature is acceptable or not. If the Board determines such feature is not acceptable and that, accordingly, the Site is ineligible, the Application shall be terminated and such determination of Site ineligibility and termination of the Application cannot be appealed.

...

(B) Development Sites located adjacent to or within 300 feet of active railroad tracks, unless the Applicant provides evidence that the city/community has adopted a Railroad Quiet Zone or the railroad in question is commuter or light rail; ...

Background

The Killeen Housing Authority was created under the Housing Act of 1937 for the purpose of providing decent, safe and sanitary housing to the low and moderate-income residents of Killeen, TX, a Region 8 community with a population of about 128,000 persons. Currently, the Housing Authority owns and manages 145 units of public housing on two main sites and 84 Housing Choice Vouchers.

In the face of dwindling HUD financial resources, the Housing Authority has embarked on an aggressive plan that includes the comprehensive renovation of its properties utilizing low income housing tax credits. The first phase includes renovating Moss Rose, a 75-unit property located at 1202 E Avenue E. As part of this effort, the Housing Authority has formed an affiliate, Greater Killeen Housing Alliance, Inc. This affiliate will participate in the development as a general partner of the tax credit limited partnership, Killeen Development I, LP (the "Partnership"). The Housing Authority will lease the land and sell the improvements to the Partnership. The Partnership will apply to the TDHCA for an award of Housing Tax Credits, which would provide the equity needed to facilitate an estimated \$6 million in physical improvements to the Moss Rose development, providing its public housing residents with upgraded housing.

Railroad

Moss Rose was constructed in 1952 within 300 feet of the Burlington Northern Santa Fe Railway. As can be seen from the attached aerial photograph (**Exhibit "A"**), many single family residences have also been constructed along the railroad right-of-way. There is an average of 12 trains per day, with 50% occurring at night. Attached as **Exhibit "B"** is a Noise Assessment prepared in 2009 that describes the pertinent details. Railroad service has not substantially changed since this Noise Assessment was done; however, the Developer anticipates having a noise assessment performed in connection with the Phase I. Please note that the exterior Day/Night noise level ("DNL") does not exceed 75db, which according 24 CFR Part 51.103 (**Exhibit "C"**) is considered "normally unacceptable". Any DNL above 75 is considered "unacceptable". The references code allows for mitigation measures to reduce the DNL.

Proposed Mitigation Measures

HUD and FHA consider a DNL of 65 or less to be acceptable for new construction. However, since Moss Rose will be a Rehabilitation project, there are numerous ways to bring the level to an acceptable range for occupants in their apartment.

The area between the buildings and railroad tracks is currently wooded with mature trees. Site mitigation measures will include additional trees, barrier fencing and possibly "earthen berms".

For the three buildings closest to the railroad, the developer anticipates the following measures to reduce interior noise levels:

- Remove existing drywall and install closed cell spray-foam insulation, or
- Add metal resilient channels with new layer of drywall at all exterior walls; and
- Replace windows with sound insulating glass

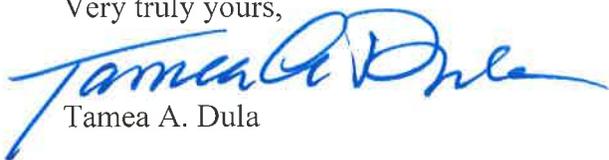
Exemption – Not a Waiver

We want to distinguish between the TDHCA Board providing an exemption, which is contemplated by the Rules, and a request for a waiver, which has far more limited availability under §10.207 of the Rules. To obtain a waiver, the Applicant must establish how it is necessary to address circumstances beyond the Applicant's control and how, if the waiver is not granted, the Department will not fulfill some specific requirement of law. An exemption, however, is discretionary with the TDHCA Board. This distinction reflects the fact that many federally-subsidized properties deserving of rehabilitation under the Housing Tax Credit Program were originally built in close proximity to railroad tracks, and the Rules are not intended to disqualify those developments.

In conclusion, there are several important points to emphasize. Moss Rose is in great need of rehabilitation and the Housing Authority's Capital Funds from HUD are grossly inadequate. In fact, the portion of Capital Funds Program it can provide to Moss Rose is less than \$75,000 per year. The demand for public housing is high, with historical vacancy only at 1%. The location of the railroad has never diminished the occupancy at Moss Rose. The neighborhood surrounding Moss Rose is a vibrant area of residential homes that are also located along the railroad. In consideration of all these points in favor of redevelopment, we ask that the Project be granted an exemption as a Rehabilitation project with existing HUD subsidy.

Thank you for your consideration of the material provided concerning the railroad. If you need any additional information, please do not hesitate to call me at 713-653-7322.

Very truly yours,



Tamea A. Dula

Enclosures – Exhibits A – C

cc; Art Schuldt, Jr., AIA
Donna Rickenbacker

EXHIBIT A

Please see attached aerial photograph with site outlined in yellow.



EXHIBIT B

Please see attached Noise Assessment

Project Name and Location

HOUSING AUTHORITY OF KILLEEN -CAPITAL FUND PROGRAM -- FY09-TX21P07950109, FY10-TX21P07950110, FY11-TX21P07950111, FY12-TX21P07950112, FY13-TX21P07950113

List of ALL Railways within 3000 feet of the Site

- 1.) Burlington Northern Santa Fe Railway, Lampasas Subdivision Main Track
- 2.)
- 3.)

Necessary Information

		Railway No. 1	Railway No. 2	Railway No. 3
2. Distance in feet from the NAL to the Railway Track		50 ft.		
3. Number of trains in 24 hours	Diesel	12		
	Electrified	0		
3. Fraction of Operations occurring at night (10:00 PM to 7:00 AM)		50%		
4. Number of diesel locomotives per train		3		
5. Number of rail cars per train	Diesel trains	75-80 (78)		
	Electrified trains	0		
6. Average train speed		50 mph		
7. Is track welded or bolted		Welded		
8. Are whistles or horns required for grade crossings?		Yes		

Information for Railway #1 provided by Tom Campbell, Assistant Superintendent of Operations for Burlington Northern Santa Fe Railway, Sweetwater, Texas (325) 236-7201, July 2004.

Worksheet D Railway Noise

ADJUSTMENTS FOR DIESEL LOCOMOTIVES

	9		10		11		12		13		14		15		16		17	
	No. of locomotives divided by 2		Average Speed (table 9)		Horns (enter 10)		Night-time (table 5)		No. of Trains (line 2a)		Adjusted No. of Operations		DNL Workchart 3		Barrier Attn.		Partial DNL	
Railway No. 1	1.5	x	0.60	x	10	x	2.34	x	12	=	252.72	75 DNL	-	0	=	75 DNL		
Railway No. 2		x		x		x		x		=			-		=			
Railway No. 3		x		x		x		x		=			-		=			

ADJUSTMENTS FOR RAILWAY CARS OR RAPID TRANSIT TRAINS

	18		19		20		21		22		23		24		25		26	
	No. of cars divided by 50		Average Speed (table 10)		Bolted Rails (enter 4)		Night-time (table 5)		No. of Trains (line 2a or 2b)		Adjusted No. of Operations		DNL Workchart 4		Barrier Attn.		Partial DNL	
Railway No. 1	1.56	x	2.78	x	-	x	2.34	x	12	=	121.78	67	-	0	=	67		
Railway No. 2		x		x		x		x		=			-		=			
Railway No. 3		x		x		x		x		=			-		=			

Combined Locomotive and Railway Cars DNL

Railway No. 75 dB

Railway No. 2 _____

Railway No. 3 _____

Total DNL for all Railways 75 dB


Cinda Hayward, CD Programs Manager

9/24/09
Date

EXHIBIT C

Please see attached copy of 24 CFR Part 51.103.

ELECTRONIC CODE OF FEDERAL REGULATIONS

e-CFR Data is current as of February 14, 2014

Title 24: Housing and Urban Development
PART 51—ENVIRONMENTAL CRITERIA AND STANDARDS
Subpart B—Noise Abatement and Control

§51.103 Criteria and standards.

These standards apply to all programs as indicated in §51.101.

(a) *Measure of external noise environments.* The magnitude of the external noise environment at a site is determined by the value of the day-night average sound level produced as the result of the accumulation of noise from all sources contributing to the external noise environment at the site. Day-night average sound level, abbreviated as DNL and symbolized as L_{dn} , is the 24-hour average sound level, in decibels, obtained after addition of 10 decibels to sound levels in the night from 10 p.m. to 7 a.m. Mathematical expressions for average sound level and day-night average sound level are stated in the Appendix I to this subpart.

(b) *Loud impulsive sounds.* On an interim basis, when loud impulsive sounds, such as explosions or sonic booms, are experienced at a site, the day-night average sound level produced by the loud impulsive sounds alone shall have 8 decibels added to it in assessing the acceptability of the site (see appendix I to this subpart). Alternatively, the C-weighted day-night average sound level (L_{Cdn}) may be used without the 8 decibel addition, as indicated in §51.106(a)(3). Methods for assessing the contribution of loud impulsive sounds to day-night average sound level at a site and mathematical expressions for determining whether a sound is classed as “loud impulsive” are provided in the appendix I to this subpart.

(c) *Exterior standards.* (1) The degree of acceptability of the noise environment at a site is determined by the sound levels external to buildings or other facilities containing noise sensitive uses. The standards shall usually apply at a location 2 meters (6.5 feet) from the building housing noise sensitive activities in the direction of the predominant noise source. Where the building location is undetermined, the standards shall apply 2 meters (6.5 feet) from the building setback line nearest to the predominant noise source. The standards shall also apply at other locations where it is determined that quiet outdoor space is required in an area ancillary to the principal use on the site.

(2) The noise environment inside a building is considered acceptable if: (i) The noise environment external to the building complies with these standards, and (ii) the building is constructed in a manner common to the area or, if of uncommon construction, has at least the equivalent noise attenuation characteristics.

SITE ACCEPTABILITY STANDARDS

	Day-night average sound level (in decibels)	Special approvals and requirements
Acceptable	Not exceeding 65 dB(1)	None.
Normally Unacceptable	Above 65 dB but not exceeding 75 dB	Special Approvals (2)
		Environmental Review (3).
		Attenuation (4).

Unacceptable	Above 75 dB	Special Approvals (2).
		Environmental Review (3).
		Attenuation (5).

Notes: (1) Acceptable threshold may be shifted to 70 dB in special circumstances pursuant to §51.105(a).

(2) See §51.104(b) for requirements.

(3) See §51.104(b) for requirements.

(4) 5 dB additional attenuation required for sites above 65 dB but not exceeding 70 dB and 10 dB additional attenuation required for sites above 70 dB but not exceeding 75 dB. (See §51.104(a).)

(5) Attenuation measures to be submitted to the Assistant Secretary for CPD for approval on a case-by-case basis.

[44 FR 40861, July 12, 1979, as amended at 49 FR 12214, Mar. 29, 1984]

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CONSOLIDATED
ANNUAL CONTRIBUTIONS CONTRACT

PART ONE

THIS AGREEMENT entered into as of the 14th day of February, 1964 (herein called the "Date of This Contract"), by and between the PUBLIC HOUSING ADMINISTRATION (herein called the "PHA"), which is administering, in accordance with Reorganization Plan No. 3, of 1947, effective July 27, 1947, the functions of the United States Housing Authority, created in pursuance of the provisions of the United States Housing Act of 1937, which Act, as amended to the Date of This Contract, is herein called the "Act", and

the Housing Authority of the City of Killeen, Texas (herein called the "Local Authority"), which is a body corporate and politic organized and existing under the laws of the State of

Texas (herein called the "State") and a "public housing agency" as defined in the Act.

WITNESSETH

WHEREAS, the parties have entered into various agreements pursuant to which the Local Authority has agreed to undertake the development and operation of certain low-rent housing and the PHA has agreed to render financial assistance in connection therewith, which agreements are identified as follows:

Annual Contributions Contract dated May 18, 1951, covering Project TEX-79-1; superseded by

Annual Contributions Contract No. FW-AC-193, dated March 28, 1952, as amended September 23, 1952, covering Project TEX-79-1,

; and,

WHEREAS, the PHA as of _____ conveyed certain housing to the Local Authority for operation as low-rent housing in accordance with the terms and conditions of an agreement or agreements identified as follows:

None

; and,

WHEREAS, the parties desire to consolidate their undertakings with respect to all such housing under a single agreement;

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, the parties do agree as follows:

Sec. 1. Consolidation of Annual Contributions Contracts

The agreements described above are hereby consolidated into this Contract and this Contract is hereby substituted for such agreements, Provided, That, this novation shall in no way affect obligations outstanding, accountings due, or other actions taken pursuant to such agreements, all of which matters shall be administered pursuant to and under this Contract.

Sec. 2. The Projects

(A) The Local Authority, with the financial assistance of the PHA, has developed and is undertaking the operation of certain low-rent housing as defined in the Act, identified as follows:

<u>Project No.</u>	<u>Number of Dwelling Units</u>	<u>Name of Project</u>
TEX-79-1	75	Moss Rose Homes

(B) The Local Authority is undertaking the operation of certain low-rent housing as defined in the Act, which housing was conveyed by the PHA to the Local Authority on the Conveyance Date and is identified as follows:

<u>Project No.</u>	<u>Conveyance Date</u>	<u>Number of Dwelling Units</u>	<u>Name of Project</u>
None			

(C) The Local Authority is undertaking the development and operation of additional low-rent housing as defined in the Act, as follows:

<u>Project No.</u>	<u>Estimated Number of Dwelling Units</u>
TEX-79-2	70 (50 Elderly)

(D) Each Project identified in subsection (C) is more fully described in a statement (herein called a "Development Program") which has been adopted by the Local Authority.

(E) Each Project identified in this Sec. 2 is herein called a "Project" and, if more than one Project is so identified, are herein collectively called the "Projects".

Sec. 3. Development Cost of Projects

(A) The Local Authority represents and the PHA hereby finds that the Actual Development Cost of each Project identified in subsection (A) of Sec. 2, is as follows:

<u>Project No.</u>	<u>Actual Development Cost</u>
TEX-79-1	\$601,622.65

Actual Development Cost Certificates as defined in Sec. 405, have been issued or equivalent action taken with respect to all Projects identified in this subsection (A).

(B) The Local Authority represents and the PHA hereby finds that the cost of Projects None, all of which were completed on or before January 1, 1948, excluding the cost of land, demolition, and Nondwelling Facilities, did not exceed \$ _____ per family dwelling unit, nor \$ _____ per room included in such Projects.

(C) The Local Authority represents and the PHA hereby finds that the cost per room for construction and equipment, excluding land, demolition, and Non-dwelling Facilities, for Projects TEX-79-1, all of which were completed after January 1, 1948, did not exceed the cost limitations prescribed in or established pursuant to Sec. 15(5) of the Act.

(D) The Local Authority represents that the Development Cost of the Projects identified in subsection (C) of Sec. 2 shall not exceed the following:

<u>Project No.</u>	<u>Estimated Total Development Cost</u>	<u>Statutory Development Cost of Construction and Equipment Per Room</u>	<u>Maximum Development Cost of Construction and Equipment Per Room</u>
TEX-79-2	\$942,098.00	\$2,000.00 Regular 3,000.00 Elderly	\$2,000.00 Regular 3,000.00 Elderly

The respective amounts of such Estimated Total Development Cost, or the latest revisions thereof pursuant to the Provisions of Part Two hereof are herein called the "Maximum Development Cost" of the respective Projects identified in this subsection (D) or of all of such Projects in the aggregate as the context indicates. The Local Authority shall complete the development of such Projects at the lowest possible cost, and in no event at a cost in excess of the aggregate amount of the aforesaid Maximum Development Cost.

(E) The Development Cost per room for construction and equipment of each Project identified in subsection (D) (excluding land, demolition, and Nondwelling Facilities) shall not exceed the Maximum Development Cost of Construction and Equipment Per Room specified for such Project in said subsection. Where such amount exceeds the Statutory Development Cost of Construction and Equipment Per Room for any Project, it has been found pursuant to the Act that in the geographical area of such Project (1) it is not feasible under said Cost limitation to construct such Project without sacrifice of sound standards of construction, design, and livability, and (2) there is an acute need for the housing which will be provided by such Project; therefore, and in pursuance of the authorization in the Act, such higher Cost limitation for the construction and equipment (excluding land, demolition, and Nondwelling Facilities) per room for such Project has been prescribed.

(F) The term "Nondwelling Facilities" as used in this Contract includes non-dwelling structures, spaces, and equipment, and site development, improvements and facilities located outside building walls (including streets, sidewalks, and sanitary, utility, and other facilities, but excluding separate heating plant structures, equipment, and distribution lines).

Sec. 4. Covenant To Develop and Operate

The Local Authority shall develop each Project being or to be developed and shall operate all Projects covered by this Contract in compliance with all provisions of this Contract and all applicable provisions of the Act.

Sec. 5. Cooperation Agreement

With respect to the Projects, in compliance with Sec. 10(a), Sec. 10(h), and Sec. 15(7)(b) of the Act, the Local Authority has entered into, and the PHA has approved, an agreement or agreements with the governing body or bodies of the locality or localities in which such Projects are or will be situated, as follows:

<u>Project No.</u>	<u>Governing Body of:</u>	<u>Date of Agreement</u>
TEX-79-1, 2	City of Killeen, Texas	January 9, 1951

Such agreement or agreements collectively are herein called the "Cooperation Agreement".

Sec. 6. Justification for Projects and Financial Assistance by PHA

The Local Authority has demonstrated to the satisfaction of the PHA that there is a need for such low-rent housing which is not being met by private enterprise. The development and operation of each Project in accordance with this Contract will provide decent, safe, and sanitary dwellings within the financial reach of families who are in the lowest income group and who cannot afford to pay enough to cause private enterprise in their locality or metropolitan area to build an adequate supply of decent, safe, and sanitary dwellings for their use (which families are herein called "Families of Low Income"), and the provisions of this Contract are adequate to assure that each such Project will be developed and operated in compliance with all the requirements of the Act. The loan herein provided is necessary to assist the development of each Project, and the annual contributions payable by the PHA in the amounts, for the period, and in the manner herein provided are necessary to achieve, maintain, and assure the low-rent character of each such Project.

Sec. 7. Tax Exemption of Project

Under the Constitution and Statutes of the State each Project is exempt from all real and personal property taxes which may be levied or imposed by the State, city, county, or other political subdivisions.

Sec. 8. Loans and Annual Contributions by PHA

(A) Subject to and in accordance with all the provisions of Part Two hereof, and in order to assist the development of each Project, the PHA shall lend to the Local Authority amounts (the total of which is herein called the "Maximum Loan Commitment") as determined pursuant to Sec. 410. Each advance on account of the loan for any Project shall bear interest on the unrepaid principal amount thereof from the date the advance is made to the date of repayment at the rate or rates (herein called "PHA Loan Interest Rate") as the PHA determines on the date such advance is made and redetermines on each anniversary of such date to be equal to the rate per annum borne by PHA obligations on each such date pursuant to Sec. 20 of the Act: Provided, That the PHA Loan Interest Rate for each advance, which shall be adjusted annually as provided herein, shall not be less than the "Minimum PHA Loan Interest Rate" specified in the following subsection (B) for such Project nor exceed six percent (6%) per annum.

(B) The "Initial Loan Commitment" for each Project which has not been Permanently Financed on the Date of This Contract and the Minimum PHA Loan Interest Rate for all the respective Projects shall be as follows:

<u>Project No.</u>	<u>Initial Loan Commitment</u>	<u>Minimum PHA Loan Interest Rate</u>
PHX-79-1	-----	2-1/2%
PHX-79-2	\$94,200.00	4-1/8%

(C) Subject to and in accordance with all the provisions of Part Two hereof, and in order to assist in achieving and maintaining the low-rent character of each Project, the PHA shall make annual contributions to the Local Authority in amounts as determined pursuant to Part Two.

(D) The "Maximum Contribution Percentage" and "Maximum Number of Contributions" for each Project and the "Maximum Contribution Period" for Projects where such period has been determined as of the Date of This Contract shall be as follows:

<u>Project No.</u>	<u>Maximum Contribution Percentage</u>	<u>Maximum Number of Contributions</u>	<u>Maximum Contribution Period</u>
TEX-79-1	4-1/2%	40	2-15-1958 - 2-14-1992
TEX-79-2	5%	Not yet determined	

The Maximum Contribution Period for any Project where such period has not been determined as of the Date of This Contract shall begin on the date the first annual contribution with respect to such Project is paid pursuant to Sec. 415, and continue for consecutive years of a number equal to the Maximum Number of Contributions for such Project.

(E) The President of the United States, or the Housing and Home Finance Administrator, pursuant to delegation of authority, has approved the making of this Contract and the undertakings of the PHA with respect to the loans and annual contributions herein provided for on PHA List Nos. 221, 214 and 3145.

Sec. 9. Bonds, Fiscal Year, Annual Contribution Date, and Related Matters

(A) With respect to the Projects, the Local Authority shall authorize, issue, and sell to others than the PHA, obligations of the type prescribed in Sec. 411 (herein called the "Bonds"), all as prescribed in Part Two of this Contract, which Bonds shall be in addition to those heretofore issued by the Local Authority as described in the following subsection (B).

(B) As of the Date of This Contract the Local Authority has issued and delivered its Bonds to finance the Development Cost of the Projects, as follows:

<u>Project No.</u>	<u>Bond Issue</u>	<u>Principal Amount</u>
TEX-79-1	New Housing Authority Bonds (First Issue)	\$615,000.00

(C) Notwithstanding any of the provisions of this Contract:

1. The Fiscal Year under this Contract shall be each period of twelve consecutive months beginning with October 1
2. The Annual Contribution Date under this Contract shall be February 15 of each year; and
3. The Fiscal Agent under this Contract shall be Republic National Bank of Dallas, Dallas, Texas.

(D) To further evidence its covenant not to convey or encumber the Projects (except as expressly authorized herein) the Local Authority has executed and delivered a certain Declaration of Trust which is of record at the County Clerk's Office of Bell County, Texas in the Deed of Trust Records, Vol. 665, page 590.



PUBLIC HOUSING ADMINISTRATION

HOUSING AND HOME FINANCE AGENCY
300 WEST VICKERY BOULEVARD, ROOM 2072
FORT WORTH 4, TEXAS 76104

February 14, 1964

In reply please refer to
FW:III:12-21:TEX-79-All:Killeen

Mr. Raymond F. Hotopp, Executive Director
Housing Authority of the City of Killeen
Post Office Box 125
Killeen, Texas 76543

Dear Mr. Hotopp:

There is enclosed a fully executed copy of your
Consolidated Annual Contributions Contract, dated
February 14, 1964.

Very truly yours,

A handwritten signature in blue ink that reads "Marshall W. Amis".

MARSHALL W. AMIS
Director
Fort Worth Regional Office

Enclosure

requirements of Sec. 15(7)(b)(ii) of the Act and shall assure the financial solvency of the Projects. Income limits and rents as fixed by the Local Authority shall meet the requirements of local applicable law.

(C) The Local Authority shall submit to the PHA for its approval a schedule or schedules of income limits and rents for the Projects, together with such supporting data and documents as the PHA may require.

(D) The Local Authority may at any time review and revise such schedules, and shall review and revise such schedules if the PHA determines that changed conditions in the locality make such revisions necessary in achieving the purposes of the Act.

(E) In determining income limits for the Projects the Local Authority may disregard all or any part of the income of any tenant family consisting of amounts paid by the United States Government for disability or death occurring in connection with military service.

(F) The income limits and rents as fixed or revised by the Local Authority and approved by the PHA shall govern the operation of the Projects.

"Sec. 205. Definitions of Families and Elderly Families

(A) The term "families" means families consisting of two or more persons, a single person who has attained age 62 or who is under a disability as defined in Section 223 of the Social Security Act (42 U.S.C. 423) or the remaining member of a tenant family.

(B) The term "elderly families" means families the head of which (or his spouse) has attained age 62 or is under a disability as defined in Section 223 of the Social Security Act (42 U.S.C. 423).

"Sec. 206. Admission Policies

The Local Authority shall duly adopt and promulgate, by publication or posting in a conspicuous place for examination by prospective tenants, regulations establishing its admission policies. Such regulations must be reasonable and give full consideration to its public responsibility for rehousing those displaced by urban renewal or other governmental action, to the applicant's status as a serviceman or veteran or relationship to a serviceman or veteran or to a disabled serviceman or veteran and to the applicant's age or disability, housing conditions, urgency of housing need, and source of income.

"Sec. 207. Continued Occupancy

(A) The Local Authority shall at least once a year re-examine the incomes of families living in the Projects: Provided, That the length of time between the admission of a family and the first re-examination of such family may be extended to not more than 18 months if necessary to fit a re-examination schedule established by the Local Authority.

(B) If, upon such re-examination, it is found that the income of the family increased beyond the approved income limits for continued occupancy, the Local Authority shall require such family to move from the Project, unless the Local Authority determines that, due to special circumstances, the family is unable to find decent, safe and sanitary housing within its financial reach although making every reasonable effort to do so, in which event such family may be permitted to remain for the duration of such a situation if it pays an increased rent consistent with such family's increased income.

(C) If, upon such re-examination, it is found that the rent being charged the family no longer conforms to the approved rent schedule, the rent shall be adjusted in accordance with the approved rent schedule.

"Sec. 208. Applications and Certifications

(A) Prior to the admission of each family as a tenant and in each year thereafter on the date established by the Local Authority for the re-examination of the status of such family, the Local Authority shall obtain a written application, signed by a responsible member of such family, for admission or continued occupancy, as the case may be, which

application shall set forth all data and information necessary to enable the Local Authority to determine whether the family meets the conditions for admission or continued occupancy, as the case may be.

(B) The Local Authority shall establish policies governing the nature and extent of investigations to be made of applicants' and tenants' statements relating to their eligibility.

(C) A duly authorized official of the Local Authority shall, at times prescribed by PHA, make written certifications to the PHA that each family admitted to the Project during the period covered by the certification was admitted in accordance with its duly adopted regulations and approved income limits."

- (2) Sec. 309 is modified to read as follows:

"The Local Authority shall maintain complete and accurate books of account and records, as may be prescribed from time to time by the PHA, in connection with the development and operation of the Projects, including records which permit a speedy and effective audit and will fully disclose the amount and the disposition by the Local Authority of the loan and annual contributions, or any supplement thereto, the Development Cost of each Project, and the amount of any private or other non-Federal funds used or grants-in-aid made for or in connection with each Project. Such records shall include, among others as may be required, (1) books of account and other fiscal records in accordance with a classification of accounts prescribed by the PHA, (2) operation records which shall include applications for admission to, and continued occupancy in, the Projects and the evidence (or notations thereof) used by the Local Authority to verify such applications, and (3) personal property records which shall include an annual inventory of all equipment."

- (3) Clause (4) of subsection (B) of Sec. 404 is modified to read as follows:

"(4) an allowance for contingencies in such amount as the PHA may approve."

- (4) Change the term "PHA Loan Interest Rate" appearing in subsection (E) of Sec. 404 to "Minimum PHA Loan Interest Rate".

- (5) Item (2) of subsection (B) of Sec. 408 is modified to read as follows:

"(2) Each obligation (herein called "Permanent Note") evidencing an advance made for the Development Cost of any Permanently Financed Project, together with interest on such Note, shall (subject to the right of the Local Authority to pay same in whole or in part at earlier dates) be payable on the first day of the month following each Annual Contribution Date in annual installments (applicable first to interest and then to principal) equal to the portion of the Fixed Annual Contribution allocable to such Note as determined pursuant to Sec. 415(C). Each Permanent Note issued to refund or renew other Permanent Notes in whole or in part shall be payable in installments equal to the installments payable upon the Notes so refunded or renewed. Each Permanent Note shall further provide that the holder thereof may declare such Note to be due and payable in full at any time (a) when there is any default in the payment of any installment of principal or interest, or (b) when the Local Authority is in Substantial Default or Substantial Breach, or (c) upon the termination of this Contract."

- (6) Item (1) of subsection (C) of Sec. 408 is modified to read as follows:

"(1) Unless a requisition therefor is filed by the Local Authority accompanied by (a) a signed detailed statement demonstrating the purpose and need at such time for the monies requested and the progress it has made in the development of each Project, and stating the amounts to be used for each Project, (b) a certificate as to compliance with the provisions of Sec. 16(2) of the Act relating to the payment of prevailing salaries and wages, and (c) such other data and documents as the PHA may require; or"

(7) Subsection (C) of Sec. 408 is further modified by changing the period at the end of item (4) to a semicolon and by adding the word "or" and two new items numbered (5) and (6) as follows:

"(5) With respect to any amount or amounts for any Project for which the Local Authority has not demonstrated to the satisfaction of the PHA (a) the purpose for which any such amount will be used, or (b) the need therefor at such time, or (c) that such amount is in accordance with the approved Development Cost Budget for such Project, or (d) that such amount is consistent with the rate of progress which the Local Authority has made in the development of such Project; or

"(6) With respect to any Project, if such Project cannot be completed for an amount not to exceed the Maximum Development Cost for such Project."

(8) Sec. 412 is modified by adding a new subsection (G) as follows:

"(G) At such time as the PHA may require the Local Authority shall issue its Permanent Note to establish and finance the Minimum Development Cost of any Project in lieu of the issuance of Bonds for such purpose. Upon the delivery of such Note to the PHA in respect to such Project the Project shall, for the purposes of Secs. 415(B) and 416(C)(3), be considered to be Permanently Financed by an issue of Bonds bearing a Bond Date not later than seventeen months and fourteen days prior to the Annual Contribution Date next following the Fiscal Year in which such Note is delivered to the PHA."

(9) Subsections (A), (B) and (C) of Sec. 415 are modified to read as follows:

"(A) The PHA (1) shall make annual contributions to the Local Authority for each Permanently Financed Project and (2) may, in its determination, make annual contributions to the Local Authority for each Project which is not Permanently Financed, as provided in this Sec. 415. The date upon which each annual contribution is payable (except the first annual contribution with respect to a Project not Permanently Financed which may be made available as of the Date of Full Availability of such Project) shall be known as the "Annual Contribution Date". If the Annual Contribution Date is not specifically set forth in Part One of this Contract such Date shall be the fifteenth day of the fourth, fifth or sixth month of the Fiscal Year as determined by the PHA.

"(B) The first annual contribution with respect to each Permanently Financed Project shall be due and payable on the Annual Contribution Date which is seventeen months and fourteen days after the Bond Date of the first issue of Bonds issued to finance any part of the Development Cost of such Project. The first annual contribution with respect to each Project which is not Permanently Financed may be made available as of the Date of Full Availability of such Project and shall be determined in accordance with subsection (C)(4) of this Sec. 415. If the first annual contribution with respect to a Project is made available as of the Date of Full Availability of such Project, the second annual contribution with respect to such Project may be made on the Annual Contribution Date which occurs not less than twelve months subsequent to the Date of Full Availability of such Project. Subject to the provisions of subsection (K) of this Sec. 415, subsequent annual contributions shall be due and payable on each Annual Contribution Date thereafter.

"(C) On Each Annual Contribution Date the PHA shall pay (subject to reduction as hereinafter in this Sec. 415 provided) an annual contribution for each Project with respect to which an annual contribution is then payable. The sum of the amounts of each such annual contribution shall be known as the "Fixed Annual Contribution". The amount of the Fixed Annual Contribution shall be equal to the sum of the Level Debt Services of all unmatured issues of Bonds, bearing a Bond Date not later than seventeen months and fourteen days prior to such Annual Contribution Date, as specified in the applicable Bond Resolution, plus an amount or amounts allocable to Permanent, Advance or Temporary Notes, as follows:

(1) With respect to each Project Permanently Financed by an issue of Bonds equal to the amount of the Minimum Development Cost first established for such Project, an amount equal to the applicable Maximum Contribution Percentage of the amount by which the Minimum Development Cost of such Project exceeded, as of the last day of the Fiscal Year next preceding such Annual Contribution Date, the principal amount of such issue of Bonds; and

(2) With respect to each Project Permanently Financed by an issue of Bonds in an amount less than the amount of the Minimum Development Cost first established for such Project, an amount equal to (i) the applicable Minimum PHA Loan Interest Rate times the amount by which the Minimum Development Cost as first established for such Project exceeds the principal amount of such issue of Bonds, plus (ii) the applicable Maximum Contribution Percentage of the amount by which the Minimum Development Cost of such Project exceeded, as of the last day of the Fiscal Year next preceding such Annual Contribution Date, the Minimum Development Cost as first established for such Project, and plus (iii) commencing on the Annual Contribution Date next following the last maturity date of such issue of Bonds, the amount of the Level Debt Service of such issue of Bonds; and

(3) With respect to each Project Permanently Financed by a Permanent Note in lieu of Bonds, an amount equal to (i) the smallest uniform amount, as determined by PHA, which, if applied annually to the payment of interest (at the applicable Minimum PHA Loan Interest Rate) and the balance to principal, would fully amortize an amount equal to the first established Minimum Development Cost of such Project not later than the first day of the month following the last Annual Contribution Date for such Project, plus (ii) the applicable Maximum Contribution Percentage of the amount by which the Minimum Development Cost of such Project exceeded, as of the last day of the Fiscal Year next preceding such Annual Contribution Date, the Minimum Development Cost as first established for such project; and

(4) With respect to each Project which is not Permanently Financed, an amount equal to the applicable Maximum Contribution Percentage less one percent of the amount determined by the PHA to be that below which the Development Cost of such Project will in no event fall: Provided, That after the issuance of the Actual Development Cost Certificate for such Project each such annual contribution shall be such percentage of the Actual Development Cost; and

(5) The amount of interest on Permanent and Temporary Notes outstanding in connection with Projects described in (1), (2) and (3) above accrued during the Fiscal Year next preceding such Annual Contribution Date after the date on which each respective Project was Permanently Financed in excess of the interest which would have accrued on such Notes at the applicable Minimum PHA Loan Interest Rate, plus the amount of interest on Advance and Temporary Notes outstanding in connection with Projects described in (4) above accrued during the Fiscal Year next preceding such Annual Contribution Date after the Date of Full Availability of each respective Project in excess of the interest which would have accrued on such Notes at the applicable Minimum PHA Loan Interest Rate.

Upon delivery of any issue of Bonds to refund Permanent, Advance or Temporary Notes, the amount of the Level Debt Service of such issue of Bonds shall be in lieu of the portion of the Fixed Annual Contribution allocable to such Notes whether pursuant to clause (1), (2), (3), (4) or (5) above. Anything in this Contract to the contrary notwithstanding the Fixed Annual Contribution for all Projects shall not exceed the aggregate of (a) the applicable Maximum Contribution Percentage of the latest established Minimum Development Cost for each Permanently Financed Project plus (b) the applicable Maximum Contribution Percentage of (i) the amount determined by the PHA to be that below which the Development Cost will in no event fall, or (ii) the Actual Development Cost, as the case may be, of each Project which is not Permanently Financed."

(10) Subsection (I) of Sec. 415 is modified by changing the phrase immediately preceding the proviso to read "and Second, to the payment of interest and principal of such Notes and the repayment of such expenditures in proportion, with respect to each such Project, to the applicable portion of the Fixed Annual Contribution determined pursuant to clauses (1), (2), (3), (4), or (5), as the case may be, of Sec. 415(C):"

(11) Item (3) of subsection (B) of Sec. 419 is modified to read as follows:

"(3) An amount equal to the sum of the portions of the Fixed Annual Contribution as determined pursuant to clauses (1), (2), (3), (4) and (5) of Sec. 415 (C) shall be pledged for the payment of the interest and principal of the Permanent Notes, Advance Notes, Temporary Notes and repayment of expenditures made by the FHA pursuant to Sec. 505 in connection with Projects with respect to which annual contributions have then become payable."

(12) Delete from subsection (B) of Sec. 420 the words "and in any event prior to the delivery of any issue of Bonds."

(13) Sec. 424 is modified by changing the period at the end of clause (3) to a semicolon and by adding two new clauses (4) and (5) as follows:

"(4) For the purpose of this Sec. 424, the total amount of the contributions made by the FHA with respect to each Project shall be the sum of the Accruing Annual Contributions for such Project (whether made pursuant to this Contract or any other contract under authority of the Act): Provided, That if the Accruing Annual Contribution in respect to any Fiscal Year relates to two or more Projects the amount of the Accruing Annual Contribution for each such Project for such Year shall be determined by pro-rating such Accruing Annual Contribution in proportion to the Development Cost of the respective Projects:

"(5) The provisions of this Sec. 424 shall apply only to
Project No. ~~None~~ ."

(14) Item (5) of Sec. 507 is modified to read as follows:

"(5) If the Local Authority shall fail to prosecute diligently the development of any Project as required by Subsection (B) of Sec. 102, or if any Project cannot be completed (a) for an amount not to exceed the Maximum Development Cost for such Project or (b) for any other reason; or"

(15) Sec. 304 is modified to read as follows:

"Sec. 304. Equal Employment Opportunity

(A) In connection with the development or operation of any Project, the Local Authority shall not discriminate against any employee or applicant for employment because of race, creed, color or national origin. The Local Authority shall take affirmative action to ensure that applicants are employed and that employees are treated during employment, without regard to race, creed, color or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Local Authority shall insert the foregoing provision (modified only to show the particular contractual relationship) in all its contracts in connection with the development or operation of any Project, except contracts for standard commercial supplies or raw materials and contracts referred to in subsection (B) of this Section 304, and shall require all such contractors to insert a similar provision in all subcontracts, except contracts for standard commercial supplies or raw materials. The Local Authority shall post at the Projects, in conspicuous places available for employees and applicants for employment notices to be provided by the PHA setting forth the provisions of this nondiscrimination clause.

(B) The Local Authority hereby agrees that it will incorporate or cause to be incorporated into any contract for construction work, or modification thereof, as defined in the rules and regulations of the President's Committee on Equal Employment Opportunity, which is paid for in whole or in part with funds obtained under this contract, the following equal opportunity clause:

"During the performance of this contract, the contractor agrees as follows:

"(1) The contractor will not discriminate against any employee or applicant for employment because of race, creed, color or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, creed, color or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

"(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, creed, color or national origin.

"(3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representative of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

"(4) The contractor will comply with all provisions of Executive Order No. 10925 of March 6, 1961, as amended by Executive Order 11114 of June 22, 1963, and of the rules, regulations and relevant orders of the President's Committee on Equal Employment Opportunity created thereby.

"(5) The contractor will furnish all information and reports required by Executive Order 10925 of March 6, 1961, as amended by Executive Order 11114 of June 22, 1963, and by the rules, regulations and orders of the said Committee, or pursuant thereto, and will permit access to his books, records and accounts by the PHA and the Committee for purposes of investigation to ascertain compliance with such rules, regulations and orders.

"(6) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations or orders, this contract may be cancelled, terminated or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order No. 10925 of March 6, 1961, as amended by Executive Order 11114 of June 22, 1963, and such other sanctions may be imposed and remedies invoked as provided in the said Executive Order or by rule, regulation or order of the President's Committee on Equal Employment Opportunity, or as otherwise provided by law.

"(7) The contractor will include the provisions of paragraph (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations or orders of the President's Committee on Equal Employment Opportunity issued pursuant to section 303 of Executive Order 10925 of March 6, 1961, as amended by Executive Order 11114 of June 22, 1963, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the PHA may direct as a means of enforcing such provisions, including sanctions for non-compliance: Provided, however, That in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the PHA, the contractor may

request the United States to enter into such litigation to protect the interests of the United States."

The Local Authority further agrees that it will be bound by the above equal opportunity clause in any federally assisted construction work which it performs itself other than through the permanent work force directly employed by an agency of government.

The Local Authority agrees that it will cooperate actively with the PHA and the President's Committee on Equal Employment Opportunity in obtaining the compliance of contractors and subcontractors with the equal opportunity clause and the rules, regulations, and relevant orders of the Committee, that it will furnish the PHA and the Committee such information as they may require for the supervision of such compliance; and that it will other wise assist the PHA in the discharge of the PHA's primary responsibility for securing compliance. The Local Authority further agrees that it will refrain from entering into any contract or contract modification subject to Executive Order 11114 with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts and federally assisted construction contracts pursuant to Part III, Subpart D of Executive Order 10925 and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon contractors and subcontractors by the PHA or the Committee pursuant to Part III, Subpart D of Executive Order 10925."

(16) Section 506, "Definition of Substantial Default," is amended as follows:

(1) By renumbering subsections (5) and (6) as (6) and (7), respectively, and by inserting a new subsection (5) as follows:

"(5) If the Local Authority shall fail to comply with or to enforce the provisions of Sec. 304 and such failure is not remedied within 30 days after the PHA has notified the Local Authority thereof; or"

(B) Advances outstanding in respect to any Project as represented by Advance or Permanent Notes shall bear interest at the rate or rates specified in said Notes to the Date of This Contract and thereafter until paid at the applicable PHA Loan Interest Rate determined as if such outstanding advances were made on such Date.

(C) The Local Authority shall not discriminate because of race, color, creed, or national origin in the sale, leasing, rental, or other disposition of housing or related facilities (including land) included in any Project or Projects initially covered after November 20, 1962, by a contract for annual contributions under the United States Housing Act of 1937, or in the use or occupancy thereof. The Local Authority shall not, on account of race, color, creed, or national origin, deny to any family the opportunity to apply for such housing, nor deny to any eligible applicant the opportunity to lease or rent any dwelling in any such housing suitable to its needs.

(D) Section 401 of Article IV, Part Two, is hereby modified to permit the continued use of the General Depository Agreement of

October 9, 1963

between the Local Authority and

the First National Bank

at

Killeen, Texas

for the deposits of all monies and

securities constituting the "General Fund" of Project

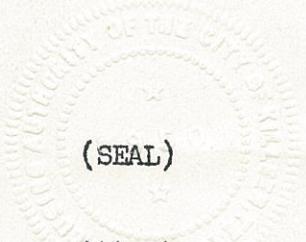
s TEX-79-1, 2

under the provisions of said Section 401.

Sec. 13. Performance of Conditions Precedent to Validity of this Contract

The Local Authority certifies that all conditions precedent to the valid execution and delivery of this Contract on its part have been complied with, that all things necessary to constitute this Contract its valid, binding, and legal agreement on the terms and conditions and for the purposes herein set forth have been done and have occurred, and that the execution and delivery of this Contract on its part have been and are in all respects duly authorized in accordance with law. The PHA similarly certifies with reference to its own execution and delivery of this Contract.

IN WITNESS WHEREOF, the Local Authority and the PHA have caused this Contract to be executed in their respective names and have caused their respective seals to be hereunto affixed and attested as of the Date of This Contract first above written.



(SEAL)

HOUSING AUTHORITY OF THE CITY OF
KILLEEN, TEXAS

By

Arnold J. Lettue
Chairman

Attest:

Raymond F. Hotopp
Secretary

PUBLIC HOUSING ADMINISTRATION

By

Marshall W. Amis
Director

(SEAL)

Attest:

Elizabeth Tidwell
Attesting Officer

BOARD ACTION REQUEST
MULTIFAMILY FINANCE DIVISION
MARCH 6, 2014

Presentation, Discussion, and Possible Action regarding Requests for Exemption from Undesirable Site Features filed in the 2014 Competitive Housing Tax Credit Cycle

RECOMMENDED ACTION

WHEREAS, a Competitive Housing Tax Credit Pre-application was submitted for Pecan Tree Square Apartments (#14277) on January 16, 2014;

WHEREAS, the Development Site is located within 300 feet of a railway, which, pursuant to §10.101(a)(3) of the Uniform Multifamily Rules (“Rule”) related to Undesirable Site Features, could cause the site to be deemed ineligible unless a requested exemption is granted;

WHEREAS, the Application proposes Rehabilitation of a Development previously financed with USDA funds and Housing Tax Credits;

WHEREAS, the Rule allows for the Board to grant an exemption in cases where the Application proposes Rehabilitation of a Development with ongoing and existing federal assistance from HUD or USDA; and

WHEREAS, the Applicant has timely requested such an exemption from the Board;

NOW, therefore, it is hereby,

RESOLVED, the Applicant’s request for an exemption under §10.101(a)(3) of the Uniform Multifamily Rules related to Undesirable Site Feature for Pecan Tree Square Apartments (#14277) is hereby granted.

BACKGROUND

A Pre-application for Pecan Tree Square Apartments, located in Grandview (rural region 3), was submitted in the At-Risk Set-Aside on January 16, 2014. The application proposes rehabilitation of a development financed in 1997 with USDA funds and Housing Tax Credits, and the site is located approximately 80 feet from an active railway. Section 10.101(a)(3) of the Uniform Multifamily Rules states that Development Sites located within 300 feet of any number of undesirable site features, including active railroad tracks, will be considered ineligible. However, the rule also provides for an exemption for Rehabilitation Developments that have ongoing and existing federal assistance from HUD or USDA. The applicant has requested such an exemption.

Staff has reviewed the relevant documentation and has determined that the exemption request meets the requirements of the rule. In addition, the Development Site is located in a high opportunity area, with the applicant claiming the maximum 7 points on the Opportunity Index. During the review, the applicant confirmed that there were no other area features that called for a request for pre-clearance pursuant to §10.101(a)(4) of the Rules related to Undesirable Area Features. Should the Board grant the exemption and subsequent reviews reveal the presence of such features, staff reserves the right to make a separate and distinct recommendation regarding the overall eligibility of the site.

Staff recommends granting the exemption.

Grandview Housing, LP

3224 26th Street • Metairie, Louisiana 70002 • telephone (504) 561-1172

January 14, 2014

Mr. Cameron Dorsey
Director of Multifamily Finance
Texas Department of Housing and Community Affairs
P O Box 13941
Austin, TX 78711

Re: Pecan Tree Square Apartments Development

Dear Mr. Dorsey:

In accordance with §10.101(a)(3) of the Uniform Multifamily Rules (the "Rules"), the applicant, MAC-RE, LLC, is submitting this exemption request for an undesirable site feature with the Pre-Application for the above referenced Development.

Pecan Tree Square Apartments received an award of Housing Tax Credits in 1997 and were built using those funds in conjunction with the United States Department of Agriculture funds. The Rules provide for Rehabilitation Developments with ongoing and existing federal assistance from HUD or USDA may be granted an exemption by the Board for being within 300 feet of an active railroad.

This Development is not only assisted with USDA funding and will continue with that funding, it is also assisted with Housing Tax Credits that are now in the extended use period. The Applicant is request to continue with the funding programs already established for this development to be able to upgrade and rehabilitate the property.

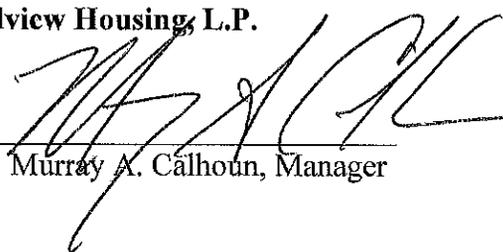
The railroad is located across the street from the front parking lot of the development as indicated in Exhibit A which is approximately 80 feet from the property boundary.

The Applicant respectfully requests the exemption provided for in §10.101(a)(3) of the Uniform Multifamily Rules.

Yours truly,

Grandview Housing, L.P.

By: _____


Murray A. Calhoun, Manager

UNITED STATES DEPARTMENT OF AGRICULTURE
FARMERS HOME ADMINISTRATIO

MULTIPLE FAMILY HOUSING

PROMISSORY NOTE

STATE TEXAS	COUNTY JOHNSON
CASE NO. 50-026-721327862	
PROJECT NO. 01-4	

Date JANUARY 31, 1997

FOR VALUE RECEIVED, the undersigned (whether one or more persons, herein called "Borrower") jointly and severally promise to pay to the order of the United States of America, acting through the Farmers Home Administration, United States Department of Agriculture, (herein called the "Government") at its office in ARLINGTON, TEXAS

THE PRINCIPAL SUM OF THREE HUNDRED FOURTEEN THOUSAND FIVE HUNDRED
DOLLARS (\$ 314,500.00), plus INTEREST on the PRINCIPAL of
SEVEN AND ONE FOURTH PERCENT (7.25 %) PER ANNUM.

Payment of the Principal and Interest shall be as agreed between the Borrower and the Government as indicated below: (check one)

I. Principal and Interest payments shall be deferred. The interest accrued to NOT APPLICABLE, 1997 shall be added to the Principal. The new Principal and later accrued Interest shall be payable in 419 regular amortized installments on the dates indicated in the box below. Borrower authorizes the Government to enter the amount of the new Principal herein \$ 314,500.00 and the amount of regular installments in the box below, when determined:

II. Payments shall not be deferred. Principal and Interest shall be paid in _____ installments as indicated in the box below:

III. Payment of Interest shall not be deferred. Installments of accrued Interest shall be payable on the _____ of each month beginning on _____, 19____, through _____, 19____.

Principal and later accrued Interest shall be paid in _____ installments as indicated in the box below:

\$ <u>2,065.67</u>	on <u>March 1</u>	, 19 <u>97</u>
\$ <u>2,065.67</u>	thereafter on the <u>FIRST</u>	of each <u>MONTH</u>

until the PRINCIPAL and INTEREST are fully paid except that the FINAL INSTALLMENT of the entire indebtedness evidenced hereby, if not sooner paid, shall be due and PAYABLE THIRTY FIVE (35) YEARS from the DATE of this NOTE. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to the Borrower as requested by Borrower and approved by the Government. Approval of the Government is mandatory provided the advance is requested for a purpose authorized by the Government. Interest shall accrue on the amount of each advance from its actual date as shown on the reverse hereof. Borrower authorizes the Government to enter the amount and date of each advance in the Record of Advances.

Payments of principal and interest shall be applied in accordance with Farmers Home Administration's accounting procedures in effect on the date of receipt of the payment. Borrower agrees to pay late charges in accordance with Farmers Home Administration regulations in effect when a late charge is assessed.

PREPAYMENT OF THE FINAL INSTALLMENT IS PROHIBITED FOR SECTION 515 (RRH) LOANS MADE TO BUILD OR ACQUIRE NEW UNITS.

For other loans, prepayment of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower providing the loan is in a current status. Refunds and extra payments, as defined in the regulations of the Farmers Home Administration according to the source of funds involved, shall be applied to the installments last to become due under this note and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein. Prepayment restrictions must be considered if the Borrower is subject to these restrictions and the prepayment of scheduled installments will cause the loan to be repaid prior to the expiration of the restricted repayment period.

CREDIT ELSEWHERE CERTIFICATION: Borrower hereby certifies inability to obtain sufficient credit elsewhere to finance the actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near the community for loans for similar purposes and periods of time, and that the loan evidenced hereby shall be used solely for purposes authorized by the Government.

TRANSFER OF TITLE: Property constructed, improved, purchased, or refinanced in whole or in part with the loan evidenced hereby shall not be leased (except individual units leased to tenants), assigned, sold, transferred, or encumbered, voluntarily or otherwise, without the written consent of the Government.

GRADUATION PROVISIONS DO NOT APPLY TO SECTION 515 (RRH) LOANS MADE TO BUILD OR ACQUIRE NEW UNITS.

For other loans, **GRADUATION AGREEMENT:** If at any time it shall appear to the Government that the Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rate and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept a loan in sufficient amount to pay this note in full and, if the lender is a cooperative, to pay for any necessary stock. When the Borrower is subject to prepayment restrictions, refinancing will not be required until such restrictions are exhausted.

CREDIT SALE TO INELIGIBLE BORROWER: The provisions of the paragraphs entitled "Credit Elsewhere Certification, and "Graduation Agreement" do not apply if (1) this promissory note represents in whole or in part, payment for property purchased from the Government and (2) the loan represented by this promissory note was made to the Borrower as an ineligible Borrower under Title V of the Housing Act of 1949, as amended and regulations issued thereunder. As long as the promissory note remains unpaid, the property purchased with this loan shall not be sold or transferred, either voluntarily or involuntarily, unless the Government consents to such transaction in writing.

DEFAULT: Failure to pay when due any debt evidenced hereby or perform any covenant or agreement hereunder shall constitute default under any other instrument evidencing a debt of Borrower owing to, insured or Guaranteed by the Government or securing or otherwise relating to such a debt; and default under any such other instrument shall constitute default hereunder. **UPON ANY SUCH DEFAULT**, the Government at its option may declare all or any part of any such indebtedness immediately due and payable. **SEE ADDITIONAL PROVISIONS ON ATTACHED EXHIBIT A**

This Note is given as evidence of a loan to Borrower made or insured by the Government pursuant to Title V of the Housing Act of 1949 and for the type of loan as is indicated in the "KIND OF LOAN" block above. This Note shall be subject to the present regulations of the Farmers Home Administration and to its future regulations and provisions hereof.

Presentment, protest, and notice are hereby waived.

Pecan Tree Square Partnership, Ltd..

By H Chasse Properties, Inc.,

general Partner

Joyce Middleton
By /s/ Joyce Middleton (S)
Joyce Middleton, (BORROWER)
President

(S)
(BORROWER)

107 Crosby Street

Mansfield, LA 71052 (ADDR)

AMOUNT		RECORD OF ADVANCES			
	DATE	AMOUNT	DATE	AMOUNT	DATE
(1) \$ 314,500.00	01-31-97	(8) \$		(15) \$	
(2) \$		(9) \$		(16) \$	
(3) \$		(10) \$		(17) \$	
(4) \$		(11) \$		(18) \$	
(5) \$		(12) \$		(19) \$	
(6) \$		(13) \$		(20) \$	
(7) \$		(14) \$		(21) \$	
			TOTAL	\$	

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT
MULTIPLE FAMILY HOUSING

KIND OF LOAN	
Title V of the Housing Act of 1949	
<input type="checkbox"/>	Sec. 523 or 524 Rural Housing Site
<input type="checkbox"/>	Sec. 514 Labor Housing
<input type="checkbox"/>	Sec. 515 Rural Rental Housing
<input type="checkbox"/>	Subsequent loan to build or acquire new units
<input type="checkbox"/>	Other Real Estate

PROMISSORY NOTE

STATE	COUNTY
TEXAS	JOHNSON
CASE NO.	
50-026-721327862	
PROJECT NO.	
01-4	

Date JULY 30, 1997

FOR VALUE RECEIVED, the undersigned (whether one or more persons, herein called "Borrower") jointly and severally promise to pay to the order of the United States of America, acting through Rural Development, United States Department of Agriculture, (herein called the "Government") at its office in CLEBURNE, TEXAS

THE PRINCIPAL SUM OF THREE HUNDRED SIXTY ONE THOUSAND FOUR SEVENTY
DOLLARS (\$ 361,470.00), plus INTEREST on the PRINCIPAL of
SEVEN AND ONE FOURTH PERCENT (7.25 %) PER ANNUM.

Payment of the Principal and Interest shall be as agreed between the Borrower and the Government as indicated below: (check one)

I. Principal and Interest payments shall be deferred. The interest accrued to NOT APPLICABLE, 1997 shall be added to the Principal. The new Principal and later accrued Interest shall be payable in 419 regular amortized installments on the dates indicated in the box below. Borrower authorizes the Government to enter the amount of the new Principal herein \$ 361,470.00 and the amount of regular installments in the box below, when determined:

II. Payments shall not be deferred. Principal and Interest shall be paid in _____ installments as indicated in the box below:

III. Payment of Interest shall not be deferred. Installments of accrued Interest shall be payable on the _____ of each month beginning on _____, 19____, through _____, 19____.

Principal and later accrued Interest shall be paid in _____ installments as indicated in the box below:

\$ <u>2375.42</u>	on	<u>SEPTEMBER 1</u>	, 19 <u>97</u>	, and
\$ <u>2375.42</u>	thereafter on the	<u>FIRST</u>	of each	<u>MONTH</u>
until the PRINCIPAL and INTEREST are fully paid except that the FINAL INSTALLMENT of the entire indebtedness evidenced hereby, if not sooner paid, shall be due and PAYABLE _____ (_____) YEARS from the DATE of this NOTE. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.				

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to the Borrower as requested by Borrower and approved by the Government. Approval of the Government is mandatory provided the advance is requested for a purpose authorized by the Government. Interest shall accrue on the amount of each advance from its actual date as shown on the reverse hereof. Borrower authorizes the Government to enter the amount and date of each advance in the Record of Advances.

Payments of principal and interest shall be applied in accordance with Rural Development's accounting procedures in effect on the date of receipt of the payment. Borrower agrees to pay late charges in accordance with Rural Development regulations in effect when a late charge is assessed.

PREPAYMENT OF THE FINAL INSTALLMENT IS PROHIBITED FOR SECTION 515 (RRH) LOANS MADE TO BUILD OR ACQUIRE NEW UNITS.

For other loans, prepayment of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower providing the loan is in a current status. Refunds and extra payments, as defined in the regulations of Rural Development according to the source of funds involved, shall be applied to the installments last to become due under this note and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein. Prepayment restrictions must be considered if the Borrower is subject to these restrictions and the prepayment of scheduled installments will cause the loan to be repaid prior to the expiration of the restricted repayment period.

CREDIT ELSEWHERE CERTIFICATION: Borrower hereby certifies inability to obtain sufficient credit elsewhere to finance the actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near the community for loans for similar purposes and periods of time, and that the loan evidenced hereby shall be used solely for purposes authorized by the Government.

TRANSFER OF TITLE: Property constructed, improved, purchased, or refinanced in whole or in part with the loan evidenced hereby shall not be leased (except individual units leased to tenants), assigned, sold, transferred, or encumbered, voluntarily or otherwise, without the written consent of the Government.

GRADUATION PROVISIONS DO NOT APPLY TO SECTION 515 (RRH) LOANS MADE TO BUILD OR ACQUIRE NEW UNITS.

For other loans, **GRADUATION AGREEMENT:** If at any time it shall appear to the Government that the Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rate and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept a loan in sufficient amount to pay this note in full, or if the lender is a cooperative, to pay for any necessary stock. When the Borrower is subject to prepayment restrictions, refinancing will not be required until such restrictions are exhausted.

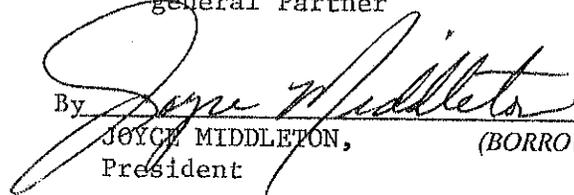
CREDIT SALE TO INELIGIBLE BORROWER: The provisions of the paragraphs entitled "Credit Elsewhere Certification" and "Graduation Agreement" do not apply if (1) this promissory note represents in whole or in part, payment for property purchased from the Government and (2) the loan represented by this promissory note was made to the Borrower as an ineligible Borrower under Title V of the Housing Act of 1949, as amended and regulations issued thereunder. As long as the promissory note remains unpaid, the property purchased with this loan shall not be sold or transferred, either voluntarily or involuntarily, unless the Government consents to such transaction in writing.

DEFAULT: Failure to pay when due any debt evidenced hereby or perform any covenant or agreement hereunder shall constitute default under any other instrument evidencing a debt of Borrower owing to, insured or Guaranteed by the Government or securing or otherwise relating to such a debt; and default under any such other instrument shall constitute default hereunder. **UPON ANY SUCH DEFAULT,** the Government at its option may declare all or any part of any such indebtedness immediately due and payable. SEE ADDITIONAL PROVISIONS ON ATTACHED EXHIBIT A

This Note is given as evidence of a loan to Borrower made or insured by the Government pursuant to Title V of the Housing Act of 1949 and for the type of loan as is indicated in the "KIND OF LOAN" block above. This Note shall be subject to the present regulations of Rural Development and to its future regulations and provisions hereof.

Presentment, protest, and notice hereby waived.

PECAN TREE SQUARE PARTNERSHIP, LTD.
 By Bon Chasse Properties, Inc.,
 general Partner

By  (SEAL)
 JOYCE MIDDLETON, (BORROWER)
 President
 _____ (SEAL)
 (BORROWER)

107 Crosby Street

 Mansfield, LA 71052 (ADDRESS)

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE	AMOUNT	DATE
(1) \$361,470.00	07-30-97	(8) \$		(15) \$	
(2) \$		(9) \$		(16) \$	
(3) \$		(10) \$		(17) \$	
(4) \$		(11) \$		(18) \$	
(5) \$		(12) \$		(19) \$	
(6) \$		(13) \$		(20) \$	
(7) \$		(14) \$		(21) \$	
			TOTAL	\$	

Position 2

RD 1944-52 (Rev. 11-96)

*U.S. GOVERNMENT PRINTING OFFICE:1997-554-043/40501

Section 226 of the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994, Public Law No. 103-354, abolished the Farmers Home Administration. All references to the Farmers Home Administration in the attached instrument shall be deemed to refer to the successor agency of the United States Department of Agriculture

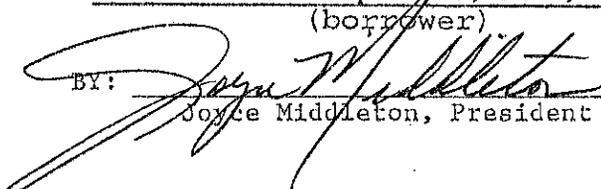
July 30, 1997

(date)

PECAN TREE SQUARE PARTNERSHIP, LTD.

BY: Bon Chasse Properties, Inc., General Partner

(borrower)

BY: 

Joyce Middleton, President

6K2088PG0706

together with all rights (including the right to mine products, gravel, oil, gas, and or other mineral, inorganic, steam, heat, hydroelectricity and opportunities thereunto belonging, the rents, lease, and profits thereof and revenues and income therefrom, all improvements and personal property now or later attached thereto or reasonably necessary to the use thereof, including, but not limited to, ranges, refugia, traps, chutes, feeders, clothes dryers, or carpenter purchased or financed in whole or in part with loan funds, all water, water rights, and water stock pertaining thereto, and all payments at any time owing to Borrower by virtue of any sale, lease, transfer, conveyance, or condemnation of any part thereof or interest therein) of which are herein called "the property".

TO HAVE AND TO HOLD the property here Trustee, Trustee's successors, assigns and assigns forever;
IN TRUST, NEVERTHELESS, (a) at all times when the same is held by the Government, or in the event the Government should assign this instrument without insurance of the payment of the note, or make prompt payment of the note and any renewals and extensions thereof and any agreements contained therein, including any provision for the payment of an extension or other charge, (b) at all times when the note is held by an insured holder, to secure performance of Borrower's obligations hereon to indemnify and save harmless the Government against loss under its insurance contracts by reason of any defect by Borrower, and (c) in any event and at all times to secure the prompt payment of all advances and expenditures made by the Government, with interest, as hereinafter described, and the performance of every covenant and agreement of Borrower contained herein or in any supplementary agreement.

AND BORROWER for Borrower's self, Borrower's heirs, executors, administrators, successors and assigns **WARRANTS** the property unto Trustee for the benefit of the Government against all bonded claims and demands whatsoever except any liens, encumbrances, easements, reservations, or conveyances specified hereinafter, and **COVENANTS AND AGREES** as follows:

(1) To pay promptly when due any indebtedness to the Government hereby secured and to indemnify and save harmless the Government against any loss under its insurance of payment of the note by reason of any default by Borrower. At all times when the note is held by an insured holder, Borrower shall continue to make payments on the note to the Government, as collection agent for the holder.

(2) To pay to the Government such fees and other charges as may now or hereafter be required by regulations of the Farmers Home Administration.

(3) If required by the Government, to make additional monthly payments of 1/12 of the estimated annual taxes, assessments, insurance premiums and other charges upon the mortgaged premises.

(4) Whether or not the note is secured by the Government, the Government may at any time pay any other amounts required herein to be paid by Borrower and not paid by Borrower when due, as well as any costs and expenses for the preservation, protection, or enforcement of this lien, as advances for the account of Borrower. All such advances shall bear interest at the rate which has the highest interest rate.

(5) All advances by the Government as described in this instrument, with interest, shall be immediately due, and payable by Borrower to the Government without demand at the place designated in the instrument and shall be secured hereby. No such advance by the Government shall release Borrower from default of Borrower's contract to pay. Any payments made by Borrower may be applied on the note or any indebtedness to the Government secured hereby, in any order the Government determines.

(6) To use the loan evidenced by the note solely for purposes authorized by the Government.

(7) To pay when due all taxes, liens, judgments, encumbrances, and assessments lawfully attaching to or assessed against the property, including all charges, and assessments in connection with water, water rights, and water stock pertaining to or reasonably necessary to the use of the real property described above, and promptly deliver to the Government without demand receipts evidencing such pay-ments.

(8) To keep the property insured as required by and under insurance policies approved by the Government and, at its request, to deliver such policies to the Government.

(9) To maintain improvements in good repair and make repairs required by the Government; operate the property in a good and workmanlike manner; comply with such laws, regulations, ordinances and farm and home management plans as the Government from time to time may prescribe; and not to abandon the property, or cause or permit waste, lease, or liquidation of the security covered hereby, or, without the written consent of the Government, cut, remove, or lease any timber, gravel, oil, gas, coal, or other minerals except as may be necessary for ordinary domestic purposes.

(10) To comply with all laws, ordinances, and regulations affecting the property.

(11) To pay or reimburse the Government for expenses reasonably necessary or incidental to the protection of the lien and priority hereon and to the enforcement of or the compliance with the provisions hereof and of the note and any supplementary agreement (whether before or after default), including but not limited to costs of witnesses of title and survey of the property, cost of recording title and other instruments, attorney's fees, trustee's fees, court costs, and expense of advertising, selling, and conveying the property.

(12) Except as otherwise provided by the Farmers Home Administration regulations, neither the property nor any portion thereof or interest thereon shall be leased, assigned, sold, transferred, or encumbered, or otherwise disposed of otherwise, without the written consent of the Government. The Government shall have the sole and exclusive right as beneficiary hereunder, including but not limited to the power to grant contracts, partial releases, subordinations, and satisfaction, and no insured holder shall have any right, title or interest in or to the lien or any benefit hereon.

(13) At all reasonable times the Government and its agents may inspect the property to ascertain whether the covenants and agreements contained herein or in supplementary agreement are being performed.

(14) The Government may (a) adjust the interest rate, payment, term or balance due on the loan, (b) increase the mortgage by an amount equal to deferred interest on the outstanding principal, (c) extend or defer the maturity of, and renew and re-amortize the payments on, the debt evidenced by the note or any indebtedness to the Government secured by this instrument, (d) release any party who is liable under the note or any other party's liability to the Government, (e) release portions of the property and subordinate by laws and (f) waive any other of its rights under this instrument. Any and all this and will be done without affecting the lien or the priority of this instrument or Borrower's obligations in writing. **HOWEVER**, any forbearance by the Government—whether once or after—in exercising any right or remedy under this instrument, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy.

Notwithstanding to whomsoever the property described herein may be transferred by the person described herein, the property described herein, together with all fixtures and appurtenances, shall remain subject to the mortgage herein, and the borrower shall remain obligated to pay the same as provided herein, and the lender shall retain the right to foreclose on the property described herein, and the borrower shall remain obligated to pay the same as provided herein, and the lender shall retain the right to foreclose on the property described herein.

Jan 15/97

IMPORTANT NOTICE FOR HOMESTEAD IMPROVEMENT LISTS: You and your contractor are responsible for meeting the terms and conditions of this contract. If you sign this contract and you fail to meet the terms and conditions of this contract, you may lose your legal ownership rights in your home. **KNOW YOUR RIGHTS AND DUTIES UNDER THIS CONTRACT.** SEE ADDITIONAL PROVISIONS ON ATTACHED EXHIBIT A.
THE BORROWER AND ANY SUCCESSORS IN INTEREST UNDERSTAND AND AGREE THAT EARLY PREPAYMENT OR REFINANCING OF THE INTERESTNESS SECURED HEREBY WILL NOT BE ACCEPTED.

WITNESS the signature(s) of borrower on this 30th day of July, 1997
BY BOB CHASSE PARTNERSHIP, LTD.
BY BOB CHASSE PROPERTIES, INC., GENERAL PARTNER

Joyce Middleton
Joyce Middleton, President

STATE OF TEXAS }
COUNTY OF Johnson }

ACKNOWLEDGMENT

BEFORE ME, the undersigned a Notary Public in and for said County and State, on this day personally appeared Joyce Middleton, President of Bob Chasse Properties, Inc., which corporation is general partner of Bob Chasse Partnership, Ltd.
Known to me to be the person(s) whose name(s) is (are) subscribed to the foregoing instrument, and acknowledged to me that he (she) executed the same for the purposes and consideration therein expressed, on behalf of said corporation and partnership.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 30th day of July, 1997



Margaret Heckler
Margaret Heckler
Notary Public in and for the State of Texas

STATE OF TEXAS }
COUNTY OF _____ }
I, the undersigned, do hereby certify that this foregoing instrument was filed for record in my office on the _____ day of _____, A. D. 19____ at _____ o'clock _____ M., and was duly recorded as this _____ day of _____, A. D. _____ 19____ in Volume _____ of the Book of Their Records of said County.
WITNESS MY HAND and the seal of the County Court of said County at my office in _____ the day and year last above written.
County Clerk _____
By _____ Deputy

435-070-1001 - 100-101

Being portions of Blocks 4 and 5, W. P. Cooper Addition, said area also being a portion of Block 25 of the Official Map of Grandview, Johnson County, Texas, being more particularly described as follows:

BEGINNING at a steel rod located on the East line of South First Street and the North line of Pecan Street, said point being the Southwest corner of said Block 5;
THENCE North along said East line 310 feet to a steel rod for a corner;
THENCE South 89° 23' East, 185 feet to a steel rod for a corner;
THENCE South, 310 feet to a steel rod located on the North line of Pecan Street;
THENCE North 89° 23' West along said North line 185 feet to the place of beginning and containing 57,350 square feet of land.

SUBJECT, HOWEVER, TO THE FOLLOWING:

1. Deed of Trust dated January 31, 1997 from Pecan Tree Square Partnership, Ltd. to Steven A. Carriker, Trustee, securing payment of one promissory note in the original principal amount of \$314,500.00 payable to the United States of America recorded in Volume 202, Page 404, Real of Records, Johnson County, Texas.
2. Restrictive covenants described in instruments recorded in Volume 1564, Page 352 and Volume 1941, Page 246, Real Property Records, Johnson County, Texas.

II.

The property described herein was obtained or improved through Federal financial assistance. This property is subject to the provisions of Title VI of the Civil Rights Act of 1964 and the Rehabilitation Act of 1973 and the regulations issued pursuant thereto for so long as the property continues to be used for the same or similar purpose for which financial assistance was extended or for so long as the purchaser owns it, whichever is longer.

This instrument also secures the obligations and covenants of Borrower set forth in Borrower's Loan Agreement of January 31, 1997 which is hereby incorporated herein by reference.

The Borrower and any successors in interest agree to use the housing for the purpose of housing people eligible for occupancy as provided in Section 515 of Title V of the Housing Act of 1949, and FHA regulations then in effect during the full term of this mortgage. No eligible person occupying the housing will be required to vacate nor any eligible person denied occupancy for housing prior to the close of such period because of a prohibited change in the use of the housing. A tenant or person wishing to

Exhibit A to Real Estate Deed of Trust for Texas dated July 30, 1997 from Pecan Tree Square Partnership, Ltd. to Steven A. Carriker, Trustee
Page 1 of 2

BR2088PC0709

occupy the housing may seek enforcement of this provision as well as the Government.

No partner, either general or limited, will have any personal liability for the payment of all or any part of the indebtedness.

BK2088980710

Exhibit A to Real Estate Deed of Trust for Texas dated
July 30, 1997 from Pecan Tree Square Partnership, Ltd.
To Steven A. Carriker, Trustee
Page 2 of 2

BK2088PG0711

Section 226 of the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994, Public Law No. 103-284, abolished the Farmers Home Administration. All references to the Farmers Home Administration in the attached instrument shall be deemed to refer to the successor agency of the United States Department of Agriculture

July 30, 1997
(date)

PECAN TREE SQUARE PARTNERSHIP, LTD.
BY Raymond H. Middleton General Partner
(borrower)
Raymond H. Middleton, President

Exhibit B to Real Estate Deed of Trust for Texas Dated July 30, 1997
from Pecan Tree Square Partnership, Ltd. to Steven A. Carrickar, Trustee
Page 1 of 1

BK2088PG0712

WARNING -- THIS IS PART OF THE OFFICIAL RECORD -- DO NOT DESTROY

FILED FOR RECORD 11:30 AM

JUL 31 1997

COUNTY CLERK JOHNSON COUNTY
BY AS DEPUTY

STATE OF TEXAS
COUNTY OF JOHNSON

I hereby certify that this instrument was FILED on the date and at the time
designated herein by me and was duly RECORDED in the OFFICIAL PUBLIC
RECORDS OF JOHNSON COUNTY, TEXAS in the Volume and Page as
given herein.



[Signature]
CIRKES H. DOWD
COUNTY CLERK
JOHNSON COUNTY, TEXAS

UNITED STATES DEPARTMENT OF AGRICULTURE
FARMERS HOME ADMINISTRATION

FORM APPROVED
OMB NO. 0575-0047

Form FmHA 1944-34
(Rev. 3-94)

LOAN AGREEMENT

- RRH Loan to a Partnership Operating on a Profit Basis
 RRH Loan to a Limited Partnership Operating on a Profit Basis
 RRH Loan to a Partnership Operating on a Limited Profit Basis
 RRH Loan to a Limited Partnership Operating on a Limited Profit Basis

1. Parties and Terms Defined. This agreement dated January 31, 1997 of
Pecan Tree Square
the Partnership, Ltd., a Partnership, duly organized and operating under the State of Texas,

herein called "Partnership", whose post office address is 107 Crosby Street, Mansfield LA 71052,
with the United States of America acting through the Farmers Home Administration, United States Department of Agriculture,
herein called "the Government", is made in consideration of a loan, herein called "the loan", to Partnership in the amount of
\$314,500. (Credit Sale)
\$361,470. (Sub. Loan)

Purchase and Rehabilitate
515 (b) of the Housing Act of 1949 to ~~buy~~ Pecan Tree Square Apts., a Multi-Family Housing project.
The loan may be sold and insured by the Government. The loan shall be used solely for the specific eligible purposes for which
it is approved by the Government in order to provide rental housing and related facilities for eligible occupants, as defined by the
Government in rural areas. Such housing and facilities and the land constituting the site as herein called "the housing". The
indebtedness and other obligations of the Partnership under the note evidencing the loan, the related security instrument and any
related agreement are herein called the "loan obligations".

2. Execution of Loan Instruments. To evidence the loan the Partnership shall issue a promissory note (herein referred to
as "the note"), signed by the Partnership, on behalf of the Partnership for the amount of the loan, payable in installments over a
period of 35 years, bearing interest at a rate, and containing other terms and conditions, prescribed by the Government.
To secure the note or any indemnity or other agreement required by the Government. The Partnership is to execute a real estate
security instrument giving a lien upon the housing and upon such other real property of the Partnership as the Government shall
require, including an assignment of the rents, subsidies, revenues and profits as collateral security to be enforced in the event of
any default by the Partnership, and containing other terms and conditions prescribed by the Government. The Partnership is to
execute any other security instruments and other instruments and documents required by the Government in connection with the
making or insuring of the loan. The indebtedness and other obligations of the Partnership under the note, the related security
instrument, and any related agreement are herein called the "loan agreement."

3. Equal Opportunity and Nondiscrimination Provisions. The General Partners are hereby authorized and directed to execute
on behalf of the Partnership (a) any undertakings and agreements required by the Government pursuant to Title VIII of the Civil Rights
Act of 1968 as amended by the Fair Housing Amendments Act of 1988 related to Fair Housing regarding nondiscrimination in the
use and occupancy of housing, (b) Farmers Home Administration Form FmHA 400-1 entitled "Equal Opportunity Agreement,"
including an "Equal Opportunity Clause" to be incorporated in or attached as a rider to each construction contract the amount of which
exceeds \$10,000 and any part of which is paid for with funds from the loan, and (c) Farmers Home Administration Form
FmHA 400-4, entitled "Assurance Agreement (Under Title VI, Civil Rights Act of 1964)", a copy of which is attached hereto
and made a part thereof, and any other undertakings and agreements required by the Government pursuant to lawful authority.

4. Borrower Contribution. The amount of \$ 19,030.00 to be contributed by the Partnership from
its own funds for the land purchase or development will be placed or deposited with the lender and dispersed prior to any
disbursement of interim loan funds or any FmHA loan funds.

Public reporting burden for this collection of information is estimated to average 15 minutes 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. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Department of Agriculture, Clearance Officer, OIRM, AG Box 7630, Washington, D.C. 20250; and to the Office of Management and Budget, Paperwork Reduction Project (OMB No. 0575-0047), Washington, D.C. 20503. Please DO NOT RETURN this form to either of these addresses. Forward to FmHA only.

5. Accounts for Housing Operations and Loan Servicing. The Partnership shall establish on its books the following accounts, which shall be maintained so long as the loan obligations remain unsatisfied: a General Operating Account, a Tenant Security Deposit Account and a Reserve Account.

a. General Operating Account. By the time the Farmers Home Administration loan is closed or interim funds are obtained, whichever occurs first, the Partnership shall provide cash from the Borrower's own funds in an amount totaling \$ 7,610.00 . Use of deposited cash will be in accordance with FmHA Regulation 7 CFR 1930-C.

b. Reserve Account. Transfers at a rate not less than \$ 6,759.70 annually shall be made to the Reserve Account until the amount in the Reserve Account reaches the minimum sum of \$ 67,597.00 or such higher amount later agreed to with FmHA and shall be resumed at any time when necessary, because of FmHA authorized disbursements from the Reserve Account to restore it to said sum. Withdrawal and use of funds deposited to this account will be in accordance with FmHA Regulation 7 CFR 1930-C. With prior consent of the Government, funds in the Reserve Account may be used by the Partnership:

To pay dividends to the partners of up to 8 percent per annum of the borrower's initial investment of \$ 19,030.00 provided the Partnership determines that after such disbursement (a) the amount in the Reserve Account will be not less than that required by subsection 5b to be accumulated by that time (less any FmHA authorized disbursements), and (b) the amount in the Reserve Account will likely not fall below that required to be accumulated during the next 12 months.

To pay dividends to partners or for any other purpose desired by the Partnership, provided the Partnership determines that after such disbursement (a) the amount in the Reserve Account will not be less than that required by subsection 5b to be accumulated by that time (less any FmHA authorized disbursements), and (b) the amount in the Reserve Account will likely not fall below that required to be accumulated during the next 12 months.

6. Regulatory Covenants. So long as the loan obligations remain unsatisfied, the Partnership shall comply with all appropriate FmHA regulations and shall:

a. Impose and collect such fees, assessments, rents, and charges that the income of the housing will be sufficient at all times for operation and maintenance of the housing, payments on the loan obligations, and maintenance of the accounts herein provided for.

b. Establish and maintain complete books and records relating to the housing's financial affairs, cause such books and records to be audited at the end of each fiscal year, promptly furnish the Government without request a copy of each audit report, and permit the Government or its representative to inspect such books and records at all reasonable times.

c. If required or permitted by the Government, revise the accounts herein provided for, or establish new accounts, to cover handling and disposition of income from and payment of expenses attributable to the housing or to any other property securing the loan obligations, and submit regular and special reports concerning the housing or financial affairs.

d. Agree that if any provisions of its organizational documents or any verbal understandings conflict with the terms of this loan agreement, the terms of the loan agreement shall prevail and govern.

e. Unless the Government gives prior consent:

(1) Not use the housing for any purpose other than as rental housing and related facilities for eligible occupants.

(2) Not enter into any contract or agreement for improvements or extensions to the housing or other property securing the loan obligations.

(3) Not change the membership by either the admission or withdrawal of any general partner(s) nor permit ~~general partner(s) to maintain less than an aggregate of 5 percent financial interest in the organization~~ nor cause or permit voluntary dissolution of the Partnership nor cause or permit any transfer or encumbrance of title to the housing, or any part thereof or interest therein, by sale, mortgage, lease, or otherwise.

(4) Not borrow any money, nor incur any liability aside from current expenses as defined in section 7 which would have a detrimental effect on the housing.

f. Submit for the housing the required reports as per FmHA Regulation 7 CRF Part 1930-C to the Government for prior review.

g. If required by the Government, modify and adjust any matters covered by clause (f) of this section.

h. Comply with all its agreements and obligations in or under the note, security instrument, and any related agreement executed by the Partnership in connection with the loan.

i. Not alter, amend, or repeal without the Government's consent this agreement or the Partnership Agreement, which shall constitute parts of the total contract between the Partnership and the Government relating to the loan obligations.

j. Do other things as may be required by the Government in connection with the operation of the housing, or with any of the Partnership's operations or affairs which may affect the housing, the loan obligations, or the security.

k. If the return on investment for any year exceeds 8 percent annum of Partnership's initial investment of \$ 19,030.00, the Government may require that the borrower reduce rents the following year and/or refund the excess return on the investment to the tenants or use said excess in a manner that will best benefit the tenants.

7. General Provisions.

a. It is understood and agreed by the Partnership that any loan made or insured will be administered subject to the limitations of the authorizing act of Congress and related regulations, and that any rights granted to the Government in this agreement or elsewhere may be exercised by it in its sole discretion.

b. The provisions of this agreement are representations to the Government, to induce the Government, to make or insure a loan to the Partnership as aforesaid. If the Partnership should fail to comply with or perform any provision of this agreement or any requirement made by the Government pursuant to this agreement, such failure shall constitute default as fully as default in payment of amounts due on the loan obligations. In the event of such failure, the Government at its option may declare the entire amount of the loan obligations immediately due and payable and, if such entire amount is not paid forthwith, may take possession of and operate the housing and proceed to foreclose its security and enforce all other available remedies.

c. Any provisions of this agreement may be waived by the Government in its sole discretion, or changed by agreement between the Government and the Partnership, after this agreement becomes contractually binding, to any extent such provisions could legally have been foregone or agreed to in amended form, by the Government initially.

d. Any notice, consent, approval, waiver or agreement must be in writing.

e. This loan agreement shall be subject to the present regulations of the Farmers Home Administration and to its future regulations and provisions hereof. SEE ADDITIONAL PROVISIONS ON ATTACHED EXHIBIT A.

f. The Partnership agrees that no person with a handicap or disability will be subjected to discrimination in employment or denied the benefits of the housing because of such handicap or disability. It will comply with the requirements of the Fair Housing Act, 42, U.S.C. 3601 et seq., the Fair Housing Amendments Act of 1988, the Rehabilitation Act of 1973, 29 U.S.C. 794, and the implementing regulations of the Department of Agriculture, 7 C.F.R. 15b.

g. This agreement may be cited in the security instrument and any other instruments as the "Loan Agreement" of January 31, 19 97.

Pecan Tree Square Partnership, Ltd.

PARTNERSHIP NAME

By: Bon Chasse Properties, Inc., general Partner

By

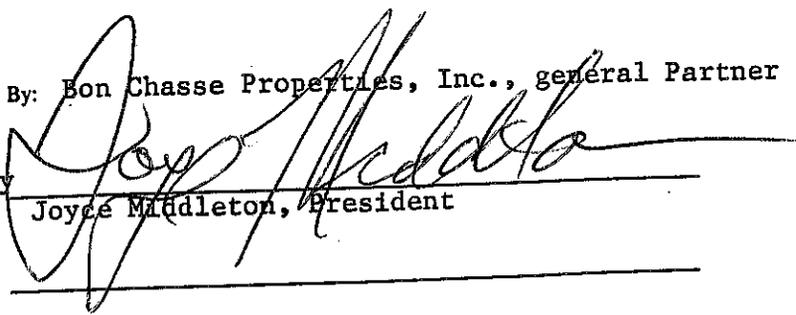

Joyce Middleton, President

EXHIBIT A

Section 226 of the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994, Public Law No. 103-354, abolished the Farmers Home Administration. All references to the Farmers Home Administration in the attached instrument shall be deemed to refer to the successor agency of the United States Department of Agriculture.

PECAN TREE SQUARE PARTNERSHIP, LTD.
By BON CHASSE PROPERTIES, INC., general partner

January 31, 1997

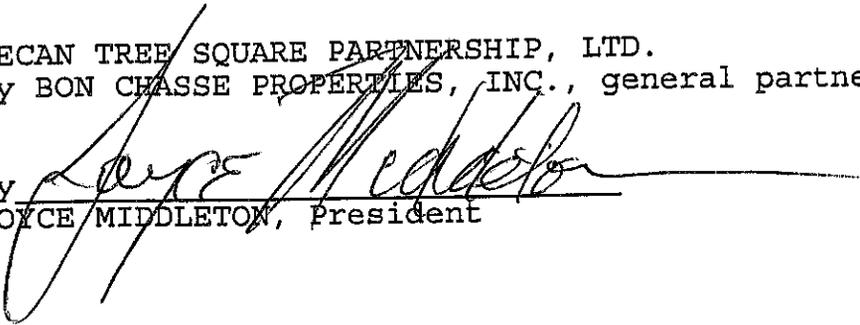
By 
JOYCE MIDDLETON, President

Exhibit A to Loan Agreement dated January 31, 1997 from Pecan Tree Square Partnership, Ltd.

INTEREST CREDIT AND RENTAL ASSISTANCE AGREEMENT

INSTRUCTIONS: TYPE IN CAPITALIZED LETTERS TYPE IN SPACES MARKED ()		
1. BORROWER CASE NUMBER 5 0 0 2 6 0 7 2 1 3 2 7 8 6 2	2. PROJECT NUMBER (MFH Only) 0 1 4	3. LOAN NUMBER 0 1
4. TYPE OF LOAN R R H	5. EFFECTIVE DATE OF AGREEMENT 0 8 0 1 9 7	6. INTEREST CREDIT PLAN CODE 1-Plan I 2-Plan II 5-Plan II RA 6-Plan RA 7-Section 8 (1%) 8-Section 8 (2%)
7. EFFECTIVE INTEREST RATE (Section 8 Plan Code Only)	8. REDUCED LOAN PAYMENT 1 0 2 4 4 5	9. SUBSIDY CREDIT 1 3 5 0 9 7

10. This Agreement between the United States of America, acting through the Farmers Home Administration pursuant to Section 521 of the Housing Act of 1949, (herein called "the Government") and PECAN TREE SQUARE PARTNERSHIP, LTD. (herein called "Borrower") supplements a PROMISSORY NOTE in the principal amount of \$ 2,361,470.00, at SEVEN AND ONE-FOURTH percent (7.25%) interest, dated JULY 30, 1997 which was drawn in a single advance multiple advances.
11. The Government shall compute interest on the borrower's account at the promissory note rate.
12. Subject to the provisions of this Agreement the Government will credit \$ 1350.97 subsidy, less surcharge/overage, to the borrower's account when each MONTHLY payment is made. The borrower's subsidized payment shall be \$ 1024.45 plus surcharge/overage.
13. Borrower shall submit to the Government, as required by the Government in form prescribed or approved by it, proof of borrower's income and expenses for the previous calendar year or other designated periods, and any information on the family size and income of the occupants of the housing financed with the loan evidenced by the note.
14. If the Government should determine that the borrower has defaulted under any terms or conditions of this Agreement, the note, borrower's related Loan Resolution/Agreement, and supplementary or related agreements, or any related security instrument, or violates any program regulations, at its option the Government may suspend or terminate this Agreement as of any specified date following the default.
15. No credit to the borrower's account provided for in paragraph 12 shall be made following any termination date specified pursuant to paragraph 14.
16. The Government shall credit the borrower's account, or pay the borrower rental assistance, including periods of default when determined to be in the Government's best interest, amounts equal to the difference between the payment required in paragraph 12 above and the payment required under a formula and procedure prescribed by the Government.
17. No terms or conditions of the note or any related security or other instrument shall be affected by this Agreement except as expressly set forth herein.
18. This Agreement is subject to the present regulations of the Farmers Home Administration, and to its future regulations not inconsistent with the express provisions hereof.
19. Upon request, the borrower will permit representatives of FmHA (or other agencies of the Department of Agriculture authorized by the Department) to inspect and make copies of any records of borrower pertaining to FmHA loans and this Agreement.
20. If the borrower has received any excessive credit or payment, in addition to any rights of recovery, the Government may deduct the amount from any subsequent credit or payment.
21. If the Government should determine that the subsidy is no longer needed for the benefit of the tenants, at its option the Government may upon written notice suspend, modify or terminate this agreement as of any specific date.

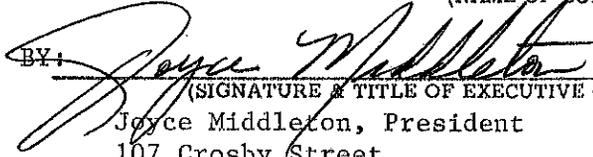
The information required by this form is collected and used by FmHA to ensure that the borrower is complying with limited or non-profit loan requirements and other agreements referenced herein. Executing this agreement is required to obtain a benefit.

(CORPORATE SEAL)

PECAN TREE SQUARE PARTNERSHIP, LTD.
BY: Bon Chasse Properties, Inc., General Partner
(NAME OF BORROWERS)

(SIGNATURE OF ATTESTING OFFICIAL)

(TITLE OF ATTESTING OFFICIAL)

BY: 

(SIGNATURE & TITLE OF EXECUTIVE OFFICIAL)

Joyce Middleton, President
107 Crosby Street

(P.O. BOX OR STREET ADDRESS)

Mansfield, LA 71052

(CITY, STATE, AND ZIP CODE)

UNITED STATES OF AMERICA
FARMERS HOME ADMINISTRATION

By 

(SIGNATURE & TITLE OF EXECUTIVE OFFICIAL)

RUSSELL L. PECKHAM
Community Development Manager

(TITLE)

July 30, 1997

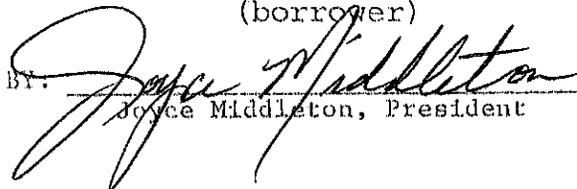
(DATE OF EXECUTION)

Section 226 of the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994, Public Law No. 103-354, abolished the Farmers Home Administration. All references to the Farmers Home Administration in the attached instrument shall be deemed to refer to the successor agency of the United States Department of Agriculture

July 30, 1997

(date)

PECAN TREE SQUARE PARTNERSHIP, LTD.
BY: Bon Classe Properties, Inc., General Partner
(borrower)

BY: 
Joyce Middleton, President

3b

BOARD ACTION REQUEST
MULTIFAMILY FINANCE DIVISION
MARCH 6, 2014

Presentation, Discussion, and Possible Action Regarding Reinstatement of a Determination Notice for Housing Tax Credits with another Issuer

RECOMMENDED ACTION

WHEREAS, the Board previously approved the Hunter Plaza application at its meeting on December 12, 2013;

WHEREAS, the Determination Notice (the "Notice") was issued on December 17, 2013, with a corresponding acceptance deadline of January 15, 2014; however, the Applicant failed to meet two conditions specifically required to be met by such deadline;

WHEREAS, pursuant to §10.402 of the Uniform Multifamily Rules, the Notice shall expire on the date specified therein unless the Owner indicates acceptance by returning the executed Notice, pays the required fees and satisfies any conditions set forth therein by the Department;

WHEREAS, such documentation has since been submitted to the Department and considered satisfactory to fulfill the requirement of the conditions;

WHEREAS, pursuant to §10.402(b) of the Uniform Multifamily Rules, the expiration date of the Notice cannot be extended without prior Board approval; and

WHEREAS, the previous participation review in accordance with 10 TAC §1.5 by the Executive Award and Review Advisory Committee ("EARAC") noted some issues for a property affiliated with this application; however, after considering the response received from the Applicant the issues did not rise to a level that warranted a denial from the EARAC;

NOW, therefore, it is hereby

RESOLVED, that the reinstatement of the Determination Notice of \$517,869 in 4% Housing Tax Credits, subject to underwriting conditions that may be applicable as found in the Real Estate Analysis report posted to the Department's website for Hunter Plaza is hereby approved in the form presented to this meeting.

BACKGROUND

General Information: Hunter Plaza, located in Fort Worth, Tarrant County, was originally approved by the Board on December 12, 2013. The Real Estate Analysis Credit Underwriting Report included

conditions relating to the submission of documentation at various times post award. Specifically, there were two items, as noted below, that required documentation to be submitted at the time the Notice was returned to the Department on January 15, 2014.

1. Firm commitment from the City of Fort Worth for the \$1,800,000 permanent loan clearly stating all terms and conditions.
2. Revised Property Condition Assessment (“PCA”) including the supplement as an attachment.

Staff sent an email to the applicant on January 9, 2014, reminding them of the impending deadline to submit the executed Notice, the fees and the additional documentation relating to the conditions identified in the Real Estate Analysis Credit Underwriting Report. The required fees and other documentation outlined in the Notice were submitted by the required deadline; however, because the documentation relating to the specific conditions was not submitted, the applicant was deemed not to have met the conditions of the award pursuant to §10.402(b) of the Uniform Multifamily Rules which states *“The Determination Notice shall expire on the date specified therein, which shall be thirty (30) calendar days from the effective date, unless the Development Owner indicates acceptance by executing the Determination Notice, pays the required fee specified in §10.901 of this chapter and satisfied any conditions set forth therein by the Department. The Determination Notice expiration date may not be extended without prior Board approval for good cause.”*

The firm commitment from the City of Fort Worth and the revised PCA have since been submitted to the Department. The documentation was reviewed by staff and considered acceptable; however, the Notice must be reinstated before the applicant can close on the financing. The Certificate of Reservation from the Bond Review Board was issued on November 14, 2013, and expires on April 13, 2014. The applicant has indicated that closing is tentatively scheduled for the first week of April.

Organizational Structure/Previous Participation Review: The Borrower is FW Hunter Plaza, LP, and the General Partner is FW Hunter Plaza GP, LLC, of which the sole member is Fort Worth Affordability, Inc. and is comprised of the following individuals: Barbara Holston, Terri Attaway, Mark Presswood, Michael Ramirez, and Richard Stinson. The Department’s Executive Award and Review Advisory Committee (“EARAC”) met on February 27, 2014, and considered the previous participation review documentation relating to the organizational structure noted above in accordance with the Previous Participation Reviews rule found in 10 TAC §1.5. Under the compliance portion of the previous participation review, several issues were identified that were not corrected during the corrective action period and; therefore, were reported to EARAC. Some of these issues included failure to affirmatively market, non-operational units due to casualty loss, some Uniform Physical Condition Standards deficiencies, and ineligible households. EARAC evaluated these issues and corresponding documentation and found that the circumstances surrounding these issues did not merit a denial or further action from EARAC regarding this reinstatement of a the Determination Notice.

The asset management review revealed several properties affiliated with the applicant that reported negative cash flow, low reserve balances, and a debt coverage ratio below 1.15 on Part D of their Unit Status Reports. A response from the applicant was received on February 26, 2014 and addressed all

identified issues. EARAC subsequently accepted the previous participation responses and recommended moving forward with the recommendation for approval of this transaction.

3c

BOARD ACTION REQUEST
MULTIFAMILY FINANCE DIVISION
MARCH 6, 2014

Presentation, Discussion, and Possible Action regarding an Award of HOME funds from the 2013-1 HOME Multifamily Development Program Notice of Funding Availability

RECOMMENDED ACTION

WHEREAS, the Department received a total of 32 applications for HOME awards under the 2013-1 HOME Multifamily Development Program Notice of Funding Availability (“NOFA”);

WHEREAS, \$11,940,000 in HOME funds under the General Set-Aside have been awarded under the NOFA to date and \$3,752,455 remains available under the General Set-Aside to award to eligible applications;

WHEREAS, an application for funding was received for Emma Finke Villas; and

WHEREAS, the previous participation review in accordance with 10 TAC §1.5 by the Executive Award and Review Advisory Committee (“EARAC”) noted some issues for a property affiliated with this application; however, after considering the response received from the Applicant the issue did not rise to a level that warranted a denial from the EARAC;

NOW, therefore, it is hereby

RESOLVED, that commitment of HOME funding from the 2013-1 HOME Multifamily Development Program Notice of Funding Availability for Emma Finke Villas is hereby approved in the form presented at this meeting, and as amended by the Board for any appeals or tax credit allocation decisions previously heard and determined; and,

FURTHER RESOLVED, that the Board’s approval is conditioned upon satisfaction of all conditions of underwriting and completion of any other reviews required to ensure compliance with the applicable rules and requirements for HOME Multifamily Development Program funds.

BACKGROUND

On September 12, 2013, the Board approved the 2013-1 HOME Multifamily Development Program NOFA with \$21,692,455 in funds (\$15,692,455 under the General Set Aside and \$6,000,000 under the Community Housing Development Organization (“CHDO”) Set Aside). At the November 7, 2013, Board Meeting, \$7,090,000 in HOME funds under the General Set Aside was awarded to nine applications under the NOFA. At the December 12, 2013, Board Meeting,

\$2,000,000 in HOME funds under the General Set Aside was awarded to two applications under the NOFA. At the January 23, 2014, Board Meeting, \$2,850,000 in HOME funds under the General Set Aside was awarded to two applications under the NOFA.

Staff is recommending the Board's approval of Emma Finke Villas for \$1,000,000 in HOME funds under the General Set Aside. The recommended applications and award amounts are outlined in the attached Application and Award Recommendations Log.

General Information: Emma Finke Villas did not initially apply for HOME funds when they submitted their competitive tax credit application but has since experienced a 100 basis point increase to the interest rate on their first lien USDA 538 loan. This increase caused them to apply for \$1,000,000 in HOME funds in order to swap out some of the higher interest debt for lower interest debt so that the deal would remain financially feasible. Emma Finke Villas will be a rehabilitation development in Beeville serving a general population with 13 HOME units among 76 total units. All units will target households earning 60% or less of the Area Median Income.

Previous Participation Review: The Department's Executive Award and Review Advisory Committee ("EARAC") met on February 26, 2014, and considered the previous participation review documentation relating to the organizational structure for the Emma Finke Villas application in accordance with the Previous Participation Reviews rule found in 10 TAC §1.5. The asset management review revealed one property affiliated with the applicant that reported negative cash flow and a debt coverage ratio below 1.15 on Part D of their Unit Status Report. A response from the applicant revealed that, as of January 1, 2013, they were no longer affiliated with this property. Staff notes that while ownership of the property has since been transferred the applicant did have ownership at the time the information was reported on Part D in 2012. Staff also notes that out of a review that included 17 properties there were four others that initially had this concern but additional responses from the applicant indicated they were data entry errors originally on their part. In follow-up conversations with the applicant, staff stressed the importance of submitting correct information. It was the decision of EARAC that these matters did not bear on the applicant's ability to perform in a compliant manner and therefore did not rise to a level to warrant a denial of the HOME award for Emma Finke Villas.

Should the recommended awards be approved, \$8,752,455 will remain available under the NOFA with \$2,752,455 under the General Set Aside and \$6,000,000 under the CHDO Set-Aside, of which, applications requesting \$750,000 and \$5,300,000 respectively, are still under review. Subsequent award recommendations for applications undergoing staff reviews may appear on future Board agendas.



2013-1 HOME Multifamily Development (MFD) Program NOFA - Application Log

Total of \$21,692,455 Available

Application Acceptance Period Ended 12/30/13 - Only applications that have been awarded/recommended or are under review are reflected

Total Set Aside Funding Level: \$ 15,692,455

Available Balance (after awarded/recommended): \$ 2,752,455

General Set-Aside

File #	Reg.	Date Received (1)	Development Name	City	Housing Activity (2)	Reqstd HOME Units	Total units	Target Population	Layering (3)	Requested Project Funds	As Underwritten	Recommended Project Funds	Status
13046	11	2/11/2013	La Esperanza Del Rio	Rio Grande City ETJ	NC	10	60	General	9%	\$1,000,000	\$ 1,000,000	\$ 1,000,000	Approved 12/12/13
13003	3	2/25/2013	Crossing at Oak Grove	Kerens	R	26	32	General	9%	\$370,000	\$ 370,000	\$ 370,000	Approved 11/7/13
13004	4	2/25/2013	Stone Creek Apartments	Kilgore	R	17	56	General	9%	\$540,000	\$ 540,000	\$ 540,000	Approved 11/7/13
13001	4	2/27/2013	Sunset Place Apartments	Malakoff	R	11	36	General	9%	\$430,000	\$ 430,000	\$ 430,000	Approved 11/7/13
13201	7	2/27/2013	The Trails at Carmel Creek	Hutto	NC	9	61	Elderly	9%	\$1,000,000	\$ 1,000,000	\$ 1,000,000	Approved 11/7/13
13213	10	2/28/2013	Bailey Square	Cuero	NC	9	56	General	9%	\$1,000,000	\$ 1,000,000	\$ 1,000,000	Approved 11/7/13
13232	5	3/1/2013	Pine Lake Estates	Nacogdoches	R	12	100	Elderly	9%	\$1,000,000	\$ 1,000,000	\$ 1,000,000	Approved 11/7/13
13180	12	3/13/2013	Mission Village of Pecos	Pecos	NC	12	60	General	9%	\$750,000	\$ 750,000	\$ 750,000	Approved 11/7/13
13058	3	3/28/2013	Evergreen at Hebron Senior Community	Hebron	NC	8	136	Elderly	9%	\$1,000,000	\$ 1,000,000	\$ 1,000,000	Approved 11/7/13
13145	3	3/28/2013	Mariposa at Elk Drive	Burleson	NC	14	180	Elderly	9%	\$1,000,000	\$ 1,000,000	\$ 1,000,000	Approved 11/7/13
13051	11	5/8/2013	Royal Gardens	Rio Grande City	NC	11	80	General	9%	\$1,000,000	\$ 1,000,000	\$ 1,000,000	Approved 12/12/13
13118	8	10/11/2013	Oak Ridge Apartments	Nolanville	NC	8	48	General	9%	\$1,000,000	\$ 1,000,000	\$ 1,000,000	Approved 1/23/14
13500	9	10/11/2013	Sunrise Townhomes	Fredericksburg	NC	16	36	General	HOME only	\$1,850,000	\$ 1,850,000	\$ 1,850,000	Approved 1/23/14

13119	10	11/19/2013	Emma Finke Villas	Beeville	R	13	76	General	9%	\$1,000,000	\$1,000,000	\$1,000,000	To be recommended for award
13139	1	12/27/2013	Stonebridge of Plainview	Plainview	NC	10	80	General	9%	\$750,000			Under review
Total General Applications			15	Unit Totals:		186	1097	Total:		\$ 13,690,000	\$ 12,940,000	\$ 12,940,000	

Total Set Aside Funding Level: \$ 6,000,000
Available Balance (after recommended/awarded): \$ 6,000,000

CHDO Set-Aside

File #	Reg.	Date Received	Development Name	City	Housing Activity (1)	Reqstd HOME Units	Total units	Target Population (2)	Layering (3)	Requested Project Funds	As Underwritten	Recommended Project Funds	Status
13501	10	12/30/2013	Houston House Apartments	Victoria	R	45	50	General	HOME only	\$2,300,000			Under review
13432	7	12/30/2013	Waters at Sunrise	Round Rock	NC	31	300	General	4%	\$3,000,000			Under review
Total CHDO Applications			2	Unit Totals:		76	350	Total:		\$ 5,300,000	\$ -	\$ -	

Sorted by Date Received

- 1 = Date Received: The date that the application, all required 3rd Party Reports, and Application Fees were received. Time received is currently not reflected.
- 2 = Housing Activity: New Construction=NC, Rehabilitation=R
- 3 = Layering of Other Department Active Applications: 9%=9% Competitive Tax Credits, 4%=4% Tax Credit Program

4

BOARD ACTION REQUEST
MULTIFAMILY FINANCE DIVISION
MARCH 6, 2014

Presentation, Discussion, and Possible Action on Timely Filed Appeals and Waivers under any of the Department's Program or Underwriting Rules

RECOMMENDED ACTION

WHEREAS, a HOME application was submitted for Majors Place Apartments (#13502) on December 30, 2013;

WHEREAS, the documentation included with the submission omitted the Site Design and Feasibility Report, which is required under §10.205(5) of the 2013 Uniform Multifamily Rules;

WHEREAS, staff terminated the application due to this omission of information and such termination was upheld by the Executive Director upon appeal; and

WHEREAS, the applicant has appealed the termination to the Board;

NOW, therefore, it is hereby,

RESOLVED, the applicant's appeal of the termination of the Majors Place Apartments application (#13502) is hereby denied.

BACKGROUND

An application for HOME funds for the Majors Place Apartments, a New Construction development in Greenville, was submitted to the Department on December 30, 2013. This application was submitted under the 2013 HOME Notice of Funding Availability ("NOFA") which indicated that applications would be accepted through 5:00 pm on December 30, 2013. The NOFA, which is six pages long, indicates on page four under the bold heading "Application and Threshold Criteria," that "an Application must be compliant with all applicable requirements in 10 TAC §10, Subchapter C." Subchapter C, Section 10.205(5) of the 2013 Uniform Multifamily Rules calls for all applications proposing New Construction to include a Site Design and Development Feasibility Report. This report includes an executive summary, a survey or plat, an engineered site plan, and a statement from a third party professional with respect to the entitlement process including any required fees; it is designed to convey the general feasibility of developing the site and due diligence of the Applicant. This report was not submitted with the application for Majors Place Apartments, and so the application was terminated.

The Applicant, in their appeal, claims that this omission should be considered an administrative deficiency because the information required in the report could be found in other parts of the

application. The fact that the information was not contained in one succinct report could, therefore, be considered a clarification and/or non-material missing information. Staff disagrees. First, staff has consistently treated the failure to submit a required third party report as material missing information that cannot be cured through an administrative deficiency. Secondly, while the Applicant points to the development cost schedule, portions of the site control documentation, exhibits to the site information form, and a site plan as essentially serving as the components of the missing report, they cannot replace the report itself. The Applicant states that the only missing items are an executive summary from the architect as well as a statement regarding the timing of the permitting process. However, the site plan submitted in the application did not satisfy the rule, which requires on the site plan, among other items, the identification of topography, water and waste water utility tie-ins, general placement of retaining walls and set-back requirements. In addition, the executive summary and statement from the architect are the essence of the requirement by evidencing to the Department that the Applicant has performed a required minimum level of due diligence with respect to the site.

The Applicant also claims that the requirement was not clear in the NOFA, but, as stated above, the NOFA referenced the relevant rule. In addition, the Application materials, both the application itself and the corresponding manual, indicated that the report was required.

Finally, the Applicant requests that, should the appeal of the termination be denied, that the Board waive the requirement that the report be submitted with the Application. The Applicant points to the fact that this site is located in a High Opportunity Area and would therefore fulfill the policies and purposes of Texas Government Code, §§2306.001, 2306.002, 2306.359, and 2306.6701. Staff contends that, should the appeal and waiver be denied that the funds will be used for another affordable housing development and will not be lost to the state, and so the granting of the waiver is not necessary to fulfill any requirement of law.

Staff recommends denial of the appeal and the waiver.

TX Majors Place Apartments, L.P.
Attn: Kent Conine
5420 LBJ Freeway, Suite 1355
Dallas, TX 75240

Mr. Tim Irvine
Executive Director
TDHCA
211 E. 11th Street
Austin, TX 77011

February 2, 2014

RE: Compliance with feasibility study threshold in the Greenville HOME application submitted on 12/30/2013; TDHCA #13-502 and a request for a waiver for good cause.

Dear Tim:

We believe a complete review of the application, materials and studies timely submitted in 2013 for this project will demonstrate substantial compliance with the requirements and intent of the site feasibility report under the MF rules and QAP. In the event we are determined to not have materially complied with the intent of this one study, we request a waiver of the requirement for several reasons.

1. The project is located in an area of region 3, that will affirmatively further fair housing in compliance with the remediation plan.
2. The Developer is nationally recognized, with experience and credentials that should be considered here for questions of underwriting. The Sponsor has owned the site since 2008. He verified the development conditions at the time of acquisition and again in 2013 when the property was refinanced with a national bank. Studies have objectives and this developer and architect have met that objective with both the site plan and application submitted in December 2013.
3. The NOFA and rules website link took us to an underwriting report page from REA. It does not refer to this report. Each of the other reports requirements on the REA required study page, applicable to the project including the related party appraisal, was submitted timely. This issue with where the links take you for compliance with the requirements gives the ED discretion to deem the open items administrative in nature.

Background on this application and this site (page numbers refer to the original application PDF):

4. High Opportunity Area: Please consider the fact this site is in the 2nd quartile with a poverty rate of 6% with an exceptional elementary school rating under the educational excellence criteria. Pages 32-37. Remember we are serving families at or below 50% of AMFI affirmatively

furthering fair housing in Region 3 in the Dallas MSA. No other affordable developments are located in the census tract or within a one mile radius. Page 106.

5. The developer sponsor has owned this site for several years. The City of Greenville has fully entitled this development site for MF residential up to 24 units per acre and 3 stories in height. This work was completed long before this application. The City has determined by review and approvals that the site is suitable for this use in this specific area of the City. Page 77 and Page 41 respectively
6. The Developer involved a qualified architect with substantial MF and TDHCA experience to interface with the City of Greenville development and building staff specifically to insure a site and building plan design compliant with all the City requirements and all the requirements reference in the TDHCA feasibility study. Timelines and costs were reviewed during the course of that work. Developer did much the same reviewing their requirements and determining the costs of the application, review and permitting cycle. That information is all in the development costs schedule. Page 132 and identifies the detention requirement and other compliant site design.
7. These site and building plans were reviewed by a qualified and independent general contractor with substantial MF and TDHCA experience who attested to the cost in the application for site work, site improvements and total building costs, including permitting and impact fees. Pages 168-171. These all tie to information readily available and obtained from the City and the Architect.
8. The architect can offer an additional certification related to this compliance in all areas if allowed to by administrative deficiency. I believe he can submit a compliant report at the time any waiver request is presented to the board if appropriate.
9. K+, Stanford Knowles, AIA, has documented his work in the information attached.
10. The application is specific and confirms there are no unusual site conditions or needed improvements outside the limit per unit under the rules, page 165 and page 166 of the application PDF. Inherently all unusual conditions if any are identified in the application. Because there are none and the application reflects that along with the architect's site and building plans. Also cost detail pages 165-171.
11. K+ established and communicated to the Developer the timeline for permitting and approval. Page 44. Due to environmental clearance issues related to the choice limiting condition requirement, the sponsor has timed the closing to June 2014 in the application submission. HOME rules require full permits or a permit letter (save and except for the payment money) to close the HOME loan and other financing.
12. The site easement and other items are detailed in schedule C of the title commitment the developer already owns. Offsite work is already anticipated and no other land owners are involved since the Sponsor owns or controls all 25 acres within which this development is to be built. Even the existing site plan has additional space for expansion if that is ever needed to complete the project in the budget. Page 165 and 166 attest to those specific issues.
13. The only items not submitted with the application are administrative in nature. K+ would need to add an executive summary confirming all these items in the submission along with a confirmation of the permitting timeline and cost. His permitting timeline is very main stream

with permits in 120-180 days from start of plan preparation. The impact fees and building permit fee are in the development budget and confirmable from the City's website. Pages 168-171.

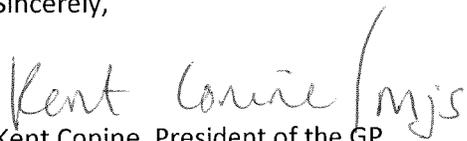
14. Feasibility is assured in this development unlike many others because the sponsor can adjust for unforeseen off site requirements from the remaining 13 acres of the development. Because it is 80% market and 20% at or below 50%, he can add additional LP equity prior to close and or contribute the development site at a cost sufficient to insure feasibility in light of unexpected site issue that could arise. These costs, if any, would typically be borne by a third party Seller prior to closing anyway, even if the seller was not a related party. I think this is unique to this application versus other HOME applications. This is contained and reflected in the application, Page 77 and GP equity offer page 192. He is the related party land seller and he is offering equity to insure feasibility, primarily related to costs and market rate units.
15. Applicant is ahead of most HOME MF projects at this stage. Applicant enjoys:
 - a. Full site control by ownership with a fully entitled site.
 - b. A City reviewed site plan incorporating all the City building requirements from all jurisdictions
 - c. A completed capital plan that should close with the permit process in 120-180 days.
 - d. Not only is it feasible according to a qualified architect with input from qualified engineers as called for in the rules, it is truly ready to move forward to closing after TDHCA environmental clearance.
 - e. This parallels the development approval timelines with the City of Greenville.

Although these feasibility study requirements are spread throughout this application, these requirements are 80% contained within the application submission made prior to the NOFA deadline. We ask the ED over rule staff and consider the open items to be administrative in nature. This allows any open report item to be clarified for staff through the notice process to the Applicant. If appropriate, we ask the ED to consider this substantial compliance in light of the HOA and Educational Excellence area where the site is located in region 3, Dallas MSA.

We ask, if necessary, that the requirement be waived for good cause(s) as outline in this submission.

Your consideration of the information is appreciated.

Sincerely,


Kent Conine, President of the GP

February 3, 2014

TX Majors Place Apartments, L.P.
Attn: Kent Conine
5420 LBJ Freeway, Suite 1355
Dallas, TX 75240

RE: Site Design and Feasibility Information
TX Majors Place Apartments, L.P.
2400 W. Jack Finney Blvd.,
Greenville, TX

Dear Kent Conine,

K+ Architect is providing Architectural Services for **TX Majors Place Apartments, L.P** in **Greenville, Texas**. This project is 176 new apartments with Clubhouse and other amenities.

Enclosed with this letter will be the Executive Summary and an invoice for this service. A site plan, floor plans and elevations have already been delivered in reference to this project. We look forward to continuing service on this project.

In Service,



Stanford C. Knowles, AIA
President
K+ Architect, Inc.

TX Majors Place Apartments, L.P.
Attn: Kent Conine
5420 LBJ Freeway, Suite 1355
Dallas, TX 75240

**RE: TX Majors Place Apartments
2400 W. Jack Finney Blvd.,
Greenville, TX**

Site Design and Feasibility Information as of December 30, 2013:

Pursuant to the site review conducted in November 2013 and communication with City staff responsible for development and construction, I can confirm the following for you. Please note all the key information obtained from the City regarding the site and how to develop the property for this proposed apartment community is embedded and incorporated into the site design provided to the Developer in December 2013. There are no unusual site features or topography to the site that could materially impact the costs provided in the development budget I reviewed and comment upon and attached hereto as Exhibit F.

1. **Unusual site features affecting costs:** There are no unusual site conditions and the budget for site work is sufficient to meet all the requirements of the City and TDHCA.
2. **Site Plan:** We provided sufficient acreage, access with sufficient parking to meet the City requirements for this property as designed. This apartment development site is part of a larger development plan. It is taking advantage of available set-backs to maximize livability for the residents living near a retail corner.
3. **Off site requirements:** The property as designed does not require on site storm detention. It is understood overall detention for the larger overall development plan would be provided by the Land Seller on separate property owned, developed and maintained by the Land Seller.
4. **Additional costs attributable** to the site plan or off site requirements shall be estimated by seller's engineers, subject only to a geodetic report to be provided later in the development cycle.
5. The site plan incorporates comments from approach city staff in each category including:
 - a. **Zoning:** MF with a density up to 24 units per acre and three stories in height. This site is fully entitled for the intended MF use reflects in the project site and building plans.
 - b. **Subdivision and Development** ordinances were reviewed and discussed with City staff. Those requirements are incorporated into the site and building plans\mortgage package.

- c. **Fire Marshall:** I reviewed their requirements for access, turn radius, fire department connections, sprinkler requirements, fire separation, location of fire hydrants to be installed though, fire loops, water pressure and possible obstruction issues for the ladder trucks entering and exiting during a fire or any other rescue events. All these requirements, including building separation were considered in the site design and building plans provided to the developer and incorporated in to this report. We have a single entry for ingress and egress. I have spoken with the fire marshal.
 - d. **There is nothing atypical** about the regulatory requirements affecting this development that have not been incorporated in the information previously provided in the application package I submitted. This is a mainstream MF apartment development in a very nice area of Greenville on a relatively flat site near a major developing retail and residential area.
6. This information was obtained from communication with Greenville Staff.
- a. Our site plan includes information from the following departments:
 - i. City Planning
 - ii. Building department official
 - iii. Fire Marshall
 - iv. Subdivision and Platting
 - v. Public Works
 - vi. Traffic Department
 - vii. TXDOT to be contacted at a later date
7. The City of Greenville uses the Uniform Building Code 2006; we design to a higher more current standard.
8. Other consultants with input to this site and development plan were AGH Engineering, Fred Hernandez, President and Fred Owens Surveyor. They provided input on drainage and detention, easements and surrounding issues. I have reviewed the attached development cost template and in my professional opinion there is sufficient money in the construction budget, including site work costs, to complete the project as designed and in accordance with the requirements of TDHCA which I certified I would insure are incorporated in to the finish product.

Resume Attached

Approvable Site plan

Exhibits from the City of Greenville

Approved Development budget

Fee Schedules used in the estimates

Other consultants: Resumes attached

ENTITLEMENTS PERMITTING AND RELATED FEES:

The City has a 5 step process to full permits. The applicant is on step 3, submission of the plat and site plan compliant with the ordinances.

The City staff confirmed the site is fully entitled for the MF development as planned. So the entitlements are presumed to have been accomplished in this timeline and phase one cost estimate for fees and related costs. Cost: \$0

The process has begun with a meeting with City staff from all reviewing department's to do a preliminary review and comment on issues with the site plan. Fire, Police, Public Works, Planning, Traffic and Building officials for the City of Greenville were consulted. The site plan was altered to incorporate those comments in every respect.

The first step once financing is determined is the submission of a fully engineered site plan, with traffic study and site specific drainage plan. A preliminary plat should be submitted at that time. Fees and Costs: \$7,500 with printing and distribution costs.

It will take 60 days for the reviews and approval of this work. Permit and Impact Fees do not apply to this step.

Building plans are submitted for permit as soon as the site plan and preliminary plat are approved. Plan review fees should run about \$3,500 for a project of this size and scope.

Once the building plans and civil plans including site work are approved the fees and costs are estimated to be:

Full permitting fees: Using a hard cost number of \$10.85 million which excludes contingency:

City Permit Fees	\$3 per \$1000 of building costs plus nominal charges:	\$33,000
	10% more for MEP	\$ 3,300
	10% more for size of project	\$ 3,300
Total cost estimate		\$39,600
Impact Fees all in		\$25,000
Water and Sewer Tap fees	(current design)	\$10,000

Other necessary approvals: It is possible since Jack Finney Blvd., FM 1570, that approval for the entryway on Jack Finney could require their review and approval. However, it should be limited to only for compliance with the existing TXDOT requirements for distance from the intersection. That entryway is fully compliant in my opinion as designed.

I have been involved with the development effort since October 2013. The development plan prepared was designed to meet all the city requirements. This was the result of a meeting in Greenville and other communication with City Staff. I have reviewed the budget and timeline and determined them to be adequate for construction as design. No unusual site or building issues exist at this time that I am aware of in my professional opinion.

Timeline:

It will be 120-180 days from start to finish, beginning at Step 3, to be permit ready in the City of Greenville for this development as designed.

My Fees:

I charged a fee totaling \$6,500 for this feasibility and site plan and building plan assignment from the Developer.

In Service,

A handwritten signature in blue ink, appearing to read 'S Knowles', written over the printed name.

Stanford C. Knowles, AIA

President

K+ Architect, Inc.



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

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February 12, 2014

Writer's direct phone # 512-475-3296
Email: tim.irvine@tdhca.state.tx.us

Mr. Kent Conine
President
TX Majors Place Apartments, LP
5420 LBJ Freeway, Suite 1355
Dallas, TX 75240

RE: APPEAL OF THE TERMINATION OF HOME APPLICATION #13502 MAJORS PLACE
APARTMENTS, GREENVILLE, TEXAS

Dear Mr. Conine:

The Texas Department of Housing and Community Affairs (the "Department") is in receipt of your appeal letter dated February 3, 2014, regarding the termination of the above referenced Application. The Application was terminated because the Applicant failed to provide the Site Design and Development Feasibility Report (the "Report") with the application as required by §10.205(5) of the 2013 Uniform Multifamily Rules (10 TAC §10.205(5)).

Your appeal letter indicates that the omission was administrative in nature. However, the Department has consistently treated the failure to submit a required third party report as material missing information that cannot be cured through an administrative deficiency. You also state that the Applicant obtained information regarding the Notice of Funding Availability (the "NOFA") and 2013 Uniform Multifamily Rules (the "Rules") from the Department's website and that neither the NOFA nor Rules indicated that the Report was required. The letter suggests that the Rules on this specific requirement are confusing and/or unclear. The letter also submits that, should the appeal be denied, that the development site's location in a High Opportunity Area is sufficient to justify a waiver of the Rules.

Staff reviewed the Department's website links to the NOFA and Rules which were referenced in the appeal and found both documents in their entirety in PDF form. Section 10.205 (Required Third Party Reports) requires that the referenced report must be submitted no later than the Third Party Report Delivery Date as identified in §10.4, and §10.4 states that the report must be submitted with the Application. Section §10.205(5) states: "This report, compiled by the Applicant or Third Party Consultant, *is required* for any New Construction Development, prepared in accordance with this paragraph, which reviews site conditions and development requirements of the proposed Development."



2/12/14

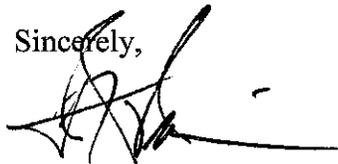
Page 2

The NOFA, meanwhile, on page 1 states that the “availability and use of these funds is subject to the State HOME Rules at Title 10 Texas Administrative Code (10 TAC) Chapter 10 (2013 Uniform Multifamily Rules) in effect at the time Application is submitted.” Page 4 of the NOFA states under the bold heading “Application and Threshold Criteria,” that “an Application must be compliant with all applicable requirements in 10 TAC §10, Subchapter C.” Page 5 of the NOFA also makes specific reference to Third Party Reports and does not contain any provision allowing HOME applicants to bypass the Required Third Party Reports listed in 10 TAC §10.205.

Ultimately, it is the responsibility of Applicants to ensure that they understand the NOFA and Rules under which they are applying; the HOME Development Certification which the Applicant signed essentially records this understanding. Failure to provide the Site Design and Development Feasibility Report with the Application cannot be cured, and, therefore, termination of the application was the appropriate determination in this instance. Furthermore, a waiver of the Rules based on the development site’s location in a High Opportunity Area does not “establish how it is necessary to address circumstances beyond the Applicant’s control and how, if the waiver is not granted, the Department will not fulfill some specific requirement of law,” as required in 10 TAC §10.207(a).

Based on the foregoing, the appeal is denied. You have indicated that in the event of a denial you desire that your appeal be addressed by the Department's Governing Board. Therefore, this appeal will be placed on the agenda for the meeting currently scheduled for February 20, 2014. If you have any questions or concerns, please contact Cameron Dorsey at 512-475-2213 or cameron.dorsey@tdhca.state.tx.us.

Sincerely,

A handwritten signature in black ink, appearing to read 'Timothy K. Irvine', with a long horizontal line extending to the right.

Timothy K. Irvine
Executive Director

TKI